

SB0059



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB0059

Introduced 1/30/2009, by Sen. Matt Murphy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-177

Amends the Property Tax Code. In a Section concerning the long-time occupant homestead exemption, provides that the exemption applies regardless of whether or not the county has elected to be subject to the provisions of the alternative general homestead exemption. Effective immediately.

LRB096 03568 HLH 13593 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Section 15-177 as follows:

6 (35 ILCS 200/15-177)

7 Sec. 15-177. The long-time occupant homestead exemption.

8 (a) Before taxable year 2009, if ~~if~~ the county has elected,
9 under Section 15-176, to be subject to the provisions of the
10 alternative general homestead exemption, then, for taxable
11 years 2007 and thereafter, regardless of whether the exemption
12 under Section 15-176 applies, qualified homestead property is
13 entitled to an annual homestead exemption equal to a reduction
14 in the property's equalized assessed value calculated as
15 provided in this Section. Beginning in taxable year 2009,
16 qualified homestead property is entitled to an exemption under
17 this Section regardless of whether or not the county has
18 elected to be subject to the provisions of the alternative
19 general homestead exemption under Section 15-176.

20 (b) As used in this Section:

21 "Adjusted homestead value" means the lesser of the
22 following values:

23 (1) The property's base homestead value increased by:

1 (i) 10% for each taxable year after the base year through
2 and including the current tax year for qualified taxpayers
3 with a household income of more than \$75,000 but not
4 exceeding \$100,000; or (ii) 7% for each taxable year after
5 the base year through and including the current tax year
6 for qualified taxpayers with a household income of \$75,000
7 or less. The increase each year is an increase over the
8 prior year; or

9 (2) The property's equalized assessed value for the
10 current tax year minus the general homestead deduction.

11 "Base homestead value" means:

12 (1) if the property did not have an adjusted homestead
13 value under Section 15-176 for the base year, then an
14 amount equal to the equalized assessed value of the
15 property for the base year prior to exemptions, minus the
16 general homestead deduction, provided that the property's
17 assessment was not based on a reduced assessed value
18 resulting from a temporary irregularity in the property for
19 that year; or

20 (2) if the property had an adjusted homestead value
21 under Section 15-176 for the base year, then an amount
22 equal to the adjusted homestead value of the property under
23 Section 15-176 for the base year.

24 "Base year" means the taxable year prior to the taxable
25 year in which the taxpayer first qualifies for the exemption
26 under this Section.

1 "Current taxable year" means the taxable year for which the
2 exemption under this Section is being applied.

3 "Equalized assessed value" means the property's assessed
4 value as equalized by the Department.

5 "Homestead" or "homestead property" means residential
6 property that as of January 1 of the tax year is occupied by a
7 qualified taxpayer as his or her principal dwelling place, or
8 that is a leasehold interest on which a single family residence
9 is situated, that is occupied as a residence by a qualified
10 taxpayer who has a legal or equitable interest therein
11 evidenced by a written instrument, as an owner or as a lessee,
12 and on which the person is liable for the payment of property
13 taxes. Residential units in an apartment building owned and
14 operated as a cooperative, or as a life care facility, which
15 are occupied by persons who hold a legal or equitable interest
16 in the cooperative apartment building or life care facility as
17 owners or lessees, and who are liable by contract for the
18 payment of property taxes, are included within this definition
19 of homestead property. A homestead includes the dwelling place,
20 appurtenant structures, and so much of the surrounding land
21 constituting the parcel on which the dwelling place is situated
22 as is used for residential purposes. If the assessor has
23 established a specific legal description for a portion of
24 property constituting the homestead, then the homestead is
25 limited to the property within that description.

26 "Household income" has the meaning set forth under Section

1 15-172 of this Code.

2 "General homestead deduction" means the amount of the
3 general homestead exemption under Section 15-175.

4 "Life care facility" means a facility defined in Section 2
5 of the Life Care Facilities Act.

6 "Qualified homestead property" means homestead property
7 owned by a qualified taxpayer.

8 "Qualified taxpayer" means any individual:

9 (1) who, for at least 10 continuous years as of January
10 1 of the taxable year, has occupied the same homestead
11 property as a principal residence and domicile or who, for
12 at least 5 continuous years as of January 1 of the taxable
13 year, has occupied the same homestead property as a
14 principal residence and domicile if that person received
15 assistance in the acquisition of the property as part of a
16 government or nonprofit housing program; and

17 (2) who has a household income of \$100,000 or less.

18 (c) The base homestead value must remain constant, except
19 that the assessor may revise it under any of the following
20 circumstances:

21 (1) If the equalized assessed value of a homestead
22 property for the current tax year is less than the previous
23 base homestead value for that property, then the current
24 equalized assessed value (provided it is not based on a
25 reduced assessed value resulting from a temporary
26 irregularity in the property) becomes the base homestead

1 value in subsequent tax years.

2 (2) For any year in which new buildings, structures, or
3 other improvements are constructed on the homestead
4 property that would increase its assessed value, the
5 assessor shall adjust the base homestead value with due
6 regard to the value added by the new improvements.

7 (d) The amount of the exemption under this Section is the
8 greater of: (i) the equalized assessed value of the homestead
9 property for the current tax year minus the adjusted homestead
10 value; or (ii) the general homestead deduction.

11 (e) In the case of an apartment building owned and operated
12 as a cooperative, or as a life care facility, that contains
13 residential units that qualify as homestead property of a
14 qualified taxpayer under this Section, the maximum cumulative
15 exemption amount attributed to the entire building or facility
16 shall not exceed the sum of the exemptions calculated for each
17 unit that is a qualified homestead property. The cooperative
18 association, management firm, or other person or entity that
19 manages or controls the cooperative apartment building or life
20 care facility shall credit the exemption attributable to each
21 residential unit only to the apportioned tax liability of the
22 qualified taxpayer as to that unit. Any person who willfully
23 refuses to so credit the exemption is guilty of a Class B
24 misdemeanor.

25 (f) When married persons maintain separate residences, the
26 exemption provided under this Section may be claimed by only

1 one such person and for only one residence. No person who
2 receives an exemption under Section 15-172 of this Code may
3 receive an exemption under this Section. No person who receives
4 an exemption under this Section may receive an exemption under
5 Section 15-175 or 15-176 of this Code.

6 (g) In the event of a sale or other transfer in ownership
7 of the homestead property between spouses or between a parent
8 and a child, the exemption under this Section remains in effect
9 if the new owner has a household income of \$100,000 or less.

10 (h) In the event of a sale or other transfer in ownership
11 of the homestead property other than subsection (g) of this
12 Section, the exemption under this Section shall remain in
13 effect for the remainder of the tax year and be calculated
14 using the same base homestead value in which the sale or
15 transfer occurs.

16 (i) To receive the exemption, a person must submit an
17 application to the county assessor during the period specified
18 by the county assessor.

19 The county assessor shall annually give notice of the
20 application period by mail or by publication.

21 The taxpayer must submit, with the application, an
22 affidavit of the taxpayer's total household income, marital
23 status (and if married the name and address of the applicant's
24 spouse, if known), and principal dwelling place of members of
25 the household on January 1 of the taxable year. The Department
26 shall establish, by rule, a method for verifying the accuracy

1 of affidavits filed by applicants under this Section, and the
2 Chief County Assessment Officer may conduct audits of any
3 taxpayer claiming an exemption under this Section to verify
4 that the taxpayer is eligible to receive the exemption. Each
5 application shall contain or be verified by a written
6 declaration that it is made under the penalties of perjury. A
7 taxpayer's signing a fraudulent application under this Act is
8 perjury, as defined in Section 32-2 of the Criminal Code of
9 1961. The applications shall be clearly marked as applications
10 for the Long-time Occupant Homestead Exemption and must contain
11 a notice that any taxpayer who receives the exemption is
12 subject to an audit by the Chief County Assessment Officer.

13 (j) Notwithstanding Sections 6 and 8 of the State Mandates
14 Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this Section.

16 (Source: P.A. 95-644, eff. 10-12-07.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.