



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3554

Introduced 2/24/2011, by Rep. David Harris

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Increases the maximum reduction under the General Homestead Exemption from \$6,000 to \$7,000 for taxable year 2011 and indexes the reduction to the Consumer Price Index. Effective immediately.

LRB097 06200 HLH 46275 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption. Except as
8 provided in Sections 15-176 and 15-177, homestead property is
9 entitled to an annual homestead exemption limited, except as
10 described here with relation to cooperatives, to a reduction in
11 the equalized assessed value of homestead property equal to the
12 increase in equalized assessed value for the current assessment
13 year above the equalized assessed value of the property for
14 1977, up to the maximum reduction set forth below. If however,
15 the 1977 equalized assessed value upon which taxes were paid is
16 subsequently determined by local assessing officials, the
17 Property Tax Appeal Board, or a court to have been excessive,
18 the equalized assessed value which should have been placed on
19 the property for 1977 shall be used to determine the amount of
20 the exemption.

21 Except as provided in Section 15-176, the maximum reduction
22 before taxable year 2004 shall be \$4,500 in counties with
23 3,000,000 or more inhabitants and \$3,500 in all other counties.

1 Except as provided in Sections 15-176 and 15-177, for taxable
2 years 2004 through 2007, the maximum reduction shall be \$5,000,
3 for taxable year 2008, the maximum reduction is \$5,500, ~~and,~~
4 for taxable years 2009 and 2010 ~~and thereafter~~, the maximum
5 reduction is \$6,000 in all counties, for taxable year 2011, the
6 maximum reduction is \$7,000 in all counties, and for taxable
7 years 2012 and thereafter, the maximum reduction is the maximum
8 reduction for the prior taxable year increased by the annual
9 rate of increase, for the previous calendar year, of the
10 Consumer Price Index for All Urban Consumers for all items,
11 published by the United States Bureau of Labor Statistics. If a
12 county has elected to subject itself to the provisions of
13 Section 15-176 as provided in subsection (k) of that Section,
14 then, for the first taxable year only after the provisions of
15 Section 15-176 no longer apply, for owners who, for the taxable
16 year, have not been granted a senior citizens assessment freeze
17 homestead exemption under Section 15-172 or a long-time
18 occupant homestead exemption under Section 15-177, there shall
19 be an additional exemption of \$5,000 for owners with a
20 household income of \$30,000 or less.

21 In counties with fewer than 3,000,000 inhabitants, if,
22 based on the most recent assessment, the equalized assessed
23 value of the homestead property for the current assessment year
24 is greater than the equalized assessed value of the property
25 for 1977, the owner of the property shall automatically receive
26 the exemption granted under this Section in an amount equal to

1 the increase over the 1977 assessment up to the maximum
2 reduction set forth in this Section.

3 If in any assessment year beginning with the 2000
4 assessment year, homestead property has a pro-rata valuation
5 under Section 9-180 resulting in an increase in the assessed
6 valuation, a reduction in equalized assessed valuation equal to
7 the increase in equalized assessed value of the property for
8 the year of the pro-rata valuation above the equalized assessed
9 value of the property for 1977 shall be applied to the property
10 on a proportionate basis for the period the property qualified
11 as homestead property during the assessment year. The maximum
12 proportionate homestead exemption shall not exceed the maximum
13 homestead exemption allowed in the county under this Section
14 divided by 365 and multiplied by the number of days the
15 property qualified as homestead property.

16 "Homestead property" under this Section includes
17 residential property that is occupied by its owner or owners as
18 his or their principal dwelling place, or that is a leasehold
19 interest on which a single family residence is situated, which
20 is occupied as a residence by a person who has an ownership
21 interest therein, legal or equitable or as a lessee, and on
22 which the person is liable for the payment of property taxes.
23 For land improved with an apartment building owned and operated
24 as a cooperative or a building which is a life care facility as
25 defined in Section 15-170 and considered to be a cooperative
26 under Section 15-170, the maximum reduction from the equalized

1 assessed value shall be limited to the increase in the value
2 above the equalized assessed value of the property for 1977, up
3 to the maximum reduction set forth above, multiplied by the
4 number of apartments or units occupied by a person or persons
5 who is liable, by contract with the owner or owners of record,
6 for paying property taxes on the property and is an owner of
7 record of a legal or equitable interest in the cooperative
8 apartment building, other than a leasehold interest. For
9 purposes of this Section, the term "life care facility" has the
10 meaning stated in Section 15-170.

11 "Household", as used in this Section, means the owner, the
12 spouse of the owner, and all persons using the residence of the
13 owner as their principal place of residence.

14 "Household income", as used in this Section, means the
15 combined income of the members of a household for the calendar
16 year preceding the taxable year.

17 "Income", as used in this Section, has the same meaning as
18 provided in Section 3.07 of the Senior Citizens and Disabled
19 Persons Property Tax Relief and Pharmaceutical Assistance Act,
20 except that "income" does not include veteran's benefits.

21 In a cooperative where a homestead exemption has been
22 granted, the cooperative association or its management firm
23 shall credit the savings resulting from that exemption only to
24 the apportioned tax liability of the owner who qualified for
25 the exemption. Any person who willfully refuses to so credit
26 the savings shall be guilty of a Class B misdemeanor.

1 Where married persons maintain and reside in separate
2 residences qualifying as homestead property, each residence
3 shall receive 50% of the total reduction in equalized assessed
4 valuation provided by this Section.

5 In all counties, the assessor or chief county assessment
6 officer may determine the eligibility of residential property
7 to receive the homestead exemption and the amount of the
8 exemption by application, visual inspection, questionnaire or
9 other reasonable methods. The determination shall be made in
10 accordance with guidelines established by the Department,
11 provided that the taxpayer applying for an additional general
12 exemption under this Section shall submit to the chief county
13 assessment officer an application with an affidavit of the
14 applicant's total household income, age, marital status (and,
15 if married, the name and address of the applicant's spouse, if
16 known), and principal dwelling place of members of the
17 household on January 1 of the taxable year. The Department
18 shall issue guidelines establishing a method for verifying the
19 accuracy of the affidavits filed by applicants under this
20 paragraph. The applications shall be clearly marked as
21 applications for the Additional General Homestead Exemption.

22 In counties with fewer than 3,000,000 inhabitants, in the
23 event of a sale of homestead property the homestead exemption
24 shall remain in effect for the remainder of the assessment year
25 of the sale. The assessor or chief county assessment officer
26 may require the new owner of the property to apply for the

1 homestead exemption for the following assessment year.

2 Notwithstanding Sections 6 and 8 of the State Mandates Act,
3 no reimbursement by the State is required for the
4 implementation of any mandate created by this Section.

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

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.