



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5769

Introduced 2/16/2012, by Rep. Kay Hatcher

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-7 new
35 ILCS 200/15-172
35 ILCS 200/15-175
35 ILCS 200/15-177

Amends the Property Tax Code. Provides that, if a taxpayer must have an income that is at or below a certain amount in order to qualify for an exemption, then, for the purposes of that exemption, the term "income" does not include Social Security benefits unless expressly stated otherwise. Effective immediately.

LRB097 18683 HLH 63917 b

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 Sections 15-172, 15-175, and 15-177 and by adding Section 15-7
6 as follows:

7 (35 ILCS 200/15-7 new)

8 Sec. 15-7. Income limits; Social Security. Beginning with
9 the 2012 assessment year, if, in order to qualify for an
10 exemption under this Article 15, the taxpayer must have an
11 income that is at or below a certain amount, then, for the
12 purposes of that exemption, the term "income" does not include
13 any Social Security benefit unless expressly stated otherwise
14 in this Code.

15 (35 ILCS 200/15-172)

16 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
17 Exemption.

18 (a) This Section may be cited as the Senior Citizens
19 Assessment Freeze Homestead Exemption.

20 (b) As used in this Section:

21 "Applicant" means an individual who has filed an
22 application under this Section.

1 "Base amount" means the base year equalized assessed value
2 of the residence plus the first year's equalized assessed value
3 of any added improvements which increased the assessed value of
4 the residence after the base year.

5 "Base year" means the taxable year prior to the taxable
6 year for which the applicant first qualifies and applies for
7 the exemption provided that in the prior taxable year the
8 property was improved with a permanent structure that was
9 occupied as a residence by the applicant who was liable for
10 paying real property taxes on the property and who was either
11 (i) an owner of record of the property or had legal or
12 equitable interest in the property as evidenced by a written
13 instrument or (ii) had a legal or equitable interest as a
14 lessee in the parcel of property that was single family
15 residence. If in any subsequent taxable year for which the
16 applicant applies and qualifies for the exemption the equalized
17 assessed value of the residence is less than the equalized
18 assessed value in the existing base year (provided that such
19 equalized assessed value is not based on an assessed value that
20 results from a temporary irregularity in the property that
21 reduces the assessed value for one or more taxable years), then
22 that subsequent taxable year shall become the base year until a
23 new base year is established under the terms of this paragraph.
24 For taxable year 1999 only, the Chief County Assessment Officer
25 shall review (i) all taxable years for which the applicant
26 applied and qualified for the exemption and (ii) the existing

1 base year. The assessment officer shall select as the new base
2 year the year with the lowest equalized assessed value. An
3 equalized assessed value that is based on an assessed value
4 that results from a temporary irregularity in the property that
5 reduces the assessed value for one or more taxable years shall
6 not be considered the lowest equalized assessed value. The
7 selected year shall be the base year for taxable year 1999 and
8 thereafter until a new base year is established under the terms
9 of this paragraph.

10 "Chief County Assessment Officer" means the County
11 Assessor or Supervisor of Assessments of the county in which
12 the property is located.

13 "Equalized assessed value" means the assessed value as
14 equalized by the Illinois Department of Revenue.

15 "Household" means the applicant, the spouse of the
16 applicant, and all persons using the residence of the applicant
17 as their principal place of residence.

18 "Household income" means the combined income of the members
19 of a household for the calendar year preceding the taxable
20 year.

21 "Income" has the same meaning as provided in Section 3.07
22 of the Senior Citizens and Disabled Persons Property Tax Relief
23 and Pharmaceutical Assistance Act, except that, beginning in
24 assessment year 2001, "income" does not include veteran's
25 benefits and, beginning in assessment year 2012, "income" does
26 not include Social Security benefits.

1 "Internal Revenue Code of 1986" means the United States
2 Internal Revenue Code of 1986 or any successor law or laws
3 relating to federal income taxes in effect for the year
4 preceding the taxable year.

5 "Life care facility that qualifies as a cooperative" means
6 a facility as defined in Section 2 of the Life Care Facilities
7 Act.

8 "Maximum income limitation" means:

- 9 (1) \$35,000 prior to taxable year 1999;
- 10 (2) \$40,000 in taxable years 1999 through 2003;
- 11 (3) \$45,000 in taxable years 2004 through 2005;
- 12 (4) \$50,000 in taxable years 2006 and 2007; and
- 13 (5) \$55,000 in taxable year 2008 and thereafter.

14 "Residence" means the principal dwelling place and
15 appurtenant structures used for residential purposes in this
16 State occupied on January 1 of the taxable year by a household
17 and so much of the surrounding land, constituting the parcel
18 upon which the dwelling place is situated, as is used for
19 residential purposes. If the Chief County Assessment Officer
20 has established a specific legal description for a portion of
21 property constituting the residence, then that portion of
22 property shall be deemed the residence for the purposes of this
23 Section.

24 "Taxable year" means the calendar year during which ad
25 valorem property taxes payable in the next succeeding year are
26 levied.

1 (c) Beginning in taxable year 1994, a senior citizens
2 assessment freeze homestead exemption is granted for real
3 property that is improved with a permanent structure that is
4 occupied as a residence by an applicant who (i) is 65 years of
5 age or older during the taxable year, (ii) has a household
6 income that does not exceed the maximum income limitation,
7 (iii) is liable for paying real property taxes on the property,
8 and (iv) is an owner of record of the property or has a legal or
9 equitable interest in the property as evidenced by a written
10 instrument. This homestead exemption shall also apply to a
11 leasehold interest in a parcel of property improved with a
12 permanent structure that is a single family residence that is
13 occupied as a residence by a person who (i) is 65 years of age
14 or older during the taxable year, (ii) has a household income
15 that does not exceed the maximum income limitation, (iii) has a
16 legal or equitable ownership interest in the property as
17 lessee, and (iv) is liable for the payment of real property
18 taxes on that property.

19 In counties of 3,000,000 or more inhabitants, the amount of
20 the exemption for all taxable years is the equalized assessed
21 value of the residence in the taxable year for which
22 application is made minus the base amount. In all other
23 counties, the amount of the exemption is as follows: (i)
24 through taxable year 2005 and for taxable year 2007 and
25 thereafter, the amount of this exemption shall be the equalized
26 assessed value of the residence in the taxable year for which

1 application is made minus the base amount; and (ii) for taxable
2 year 2006, the amount of the exemption is as follows:

3 (1) For an applicant who has a household income of
4 \$45,000 or less, the amount of the exemption is the
5 equalized assessed value of the residence in the taxable
6 year for which application is made minus the base amount.

7 (2) For an applicant who has a household income
8 exceeding \$45,000 but not exceeding \$46,250, the amount of
9 the exemption is (i) the equalized assessed value of the
10 residence in the taxable year for which application is made
11 minus the base amount (ii) multiplied by 0.8.

12 (3) For an applicant who has a household income
13 exceeding \$46,250 but not exceeding \$47,500, the amount of
14 the exemption is (i) the equalized assessed value of the
15 residence in the taxable year for which application is made
16 minus the base amount (ii) multiplied by 0.6.

17 (4) For an applicant who has a household income
18 exceeding \$47,500 but not exceeding \$48,750, the amount of
19 the exemption is (i) the equalized assessed value of the
20 residence in the taxable year for which application is made
21 minus the base amount (ii) multiplied by 0.4.

22 (5) For an applicant who has a household income
23 exceeding \$48,750 but not exceeding \$50,000, the amount of
24 the exemption is (i) the equalized assessed value of the
25 residence in the taxable year for which application is made
26 minus the base amount (ii) multiplied by 0.2.

1 When the applicant is a surviving spouse of an applicant
2 for a prior year for the same residence for which an exemption
3 under this Section has been granted, the base year and base
4 amount for that residence are the same as for the applicant for
5 the prior year.

6 Each year at the time the assessment books are certified to
7 the County Clerk, the Board of Review or Board of Appeals shall
8 give to the County Clerk a list of the assessed values of
9 improvements on each parcel qualifying for this exemption that
10 were added after the base year for this parcel and that
11 increased the assessed value of the property.

12 In the case of land improved with an apartment building
13 owned and operated as a cooperative or a building that is a
14 life care facility that qualifies as a cooperative, the maximum
15 reduction from the equalized assessed value of the property is
16 limited to the sum of the reductions calculated for each unit
17 occupied as a residence by a person or persons (i) 65 years of
18 age or older, (ii) with a household income that does not exceed
19 the maximum income limitation, (iii) who is liable, by contract
20 with the owner or owners of record, for paying real property
21 taxes on the property, and (iv) who is an owner of record of a
22 legal or equitable interest in the cooperative apartment
23 building, other than a leasehold interest. In the instance of a
24 cooperative where a homestead exemption has been granted under
25 this Section, the cooperative association or its management
26 firm shall credit the savings resulting from that exemption

1 only to the apportioned tax liability of the owner who
2 qualified for the exemption. Any person who willfully refuses
3 to credit that savings to an owner who qualifies for the
4 exemption is guilty of a Class B misdemeanor.

5 When a homestead exemption has been granted under this
6 Section and an applicant then becomes a resident of a facility
7 licensed under the Assisted Living and Shared Housing Act, the
8 Nursing Home Care Act, the Specialized Mental Health
9 Rehabilitation Act, or the ID/DD Community Care Act, the
10 exemption shall be granted in subsequent years so long as the
11 residence (i) continues to be occupied by the qualified
12 applicant's spouse or (ii) if remaining unoccupied, is still
13 owned by the qualified applicant for the homestead exemption.

14 Beginning January 1, 1997, when an individual dies who
15 would have qualified for an exemption under this Section, and
16 the surviving spouse does not independently qualify for this
17 exemption because of age, the exemption under this Section
18 shall be granted to the surviving spouse for the taxable year
19 preceding and the taxable year of the death, provided that,
20 except for age, the surviving spouse meets all other
21 qualifications for the granting of this exemption for those
22 years.

23 When married persons maintain separate residences, the
24 exemption provided for in this Section may be claimed by only
25 one of such persons and for only one residence.

26 For taxable year 1994 only, in counties having less than

1 3,000,000 inhabitants, to receive the exemption, a person shall
2 submit an application by February 15, 1995 to the Chief County
3 Assessment Officer of the county in which the property is
4 located. In counties having 3,000,000 or more inhabitants, for
5 taxable year 1994 and all subsequent taxable years, to receive
6 the exemption, a person may submit an application to the Chief
7 County Assessment Officer of the county in which the property
8 is located during such period as may be specified by the Chief
9 County Assessment Officer. The Chief County Assessment Officer
10 in counties of 3,000,000 or more inhabitants shall annually
11 give notice of the application period by mail or by
12 publication. In counties having less than 3,000,000
13 inhabitants, beginning with taxable year 1995 and thereafter,
14 to receive the exemption, a person shall submit an application
15 by July 1 of each taxable year to the Chief County Assessment
16 Officer of the county in which the property is located. A
17 county may, by ordinance, establish a date for submission of
18 applications that is different than July 1. The applicant shall
19 submit with the application an affidavit of the applicant's
20 total household income, age, marital status (and if married the
21 name and address of the applicant's spouse, if known), and
22 principal dwelling place of members of the household on January
23 1 of the taxable year. The Department shall establish, by rule,
24 a method for verifying the accuracy of affidavits filed by
25 applicants under this Section, and the Chief County Assessment
26 Officer may conduct audits of any taxpayer claiming an

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

11 Notwithstanding any other provision to the contrary, in
12 counties having fewer than 3,000,000 inhabitants, if an
13 applicant fails to file the application required by this
14 Section in a timely manner and this failure to file is due to a
15 mental or physical condition sufficiently severe so as to
16 render the applicant incapable of filing the application in a
17 timely manner, the Chief County Assessment Officer may extend
18 the filing deadline for a period of 30 days after the applicant
19 regains the capability to file the application, but in no case
20 may the filing deadline be extended beyond 3 months of the
21 original filing deadline. In order to receive the extension
22 provided in this paragraph, the applicant shall provide the
23 Chief County Assessment Officer with a signed statement from
24 the applicant's physician stating the nature and extent of the
25 condition, that, in the physician's opinion, the condition was
26 so severe that it rendered the applicant incapable of filing

1 the application in a timely manner, and the date on which the
2 applicant regained the capability to file the application.

3 Beginning January 1, 1998, notwithstanding any other
4 provision to the contrary, in counties having fewer than
5 3,000,000 inhabitants, if an applicant fails to file the
6 application required by this Section in a timely manner and
7 this failure to file is due to a mental or physical condition
8 sufficiently severe so as to render the applicant incapable of
9 filing the application in a timely manner, the Chief County
10 Assessment Officer may extend the filing deadline for a period
11 of 3 months. In order to receive the extension provided in this
12 paragraph, the applicant shall provide the Chief County
13 Assessment Officer with a signed statement from the applicant's
14 physician stating the nature and extent of the condition, and
15 that, in the physician's opinion, the condition was so severe
16 that it rendered the applicant incapable of filing the
17 application in a timely manner.

18 In counties having less than 3,000,000 inhabitants, if an
19 applicant was denied an exemption in taxable year 1994 and the
20 denial occurred due to an error on the part of an assessment
21 official, or his or her agent or employee, then beginning in
22 taxable year 1997 the applicant's base year, for purposes of
23 determining the amount of the exemption, shall be 1993 rather
24 than 1994. In addition, in taxable year 1997, the applicant's
25 exemption shall also include an amount equal to (i) the amount
26 of any exemption denied to the applicant in taxable year 1995

1 as a result of using 1994, rather than 1993, as the base year,
2 (ii) the amount of any exemption denied to the applicant in
3 taxable year 1996 as a result of using 1994, rather than 1993,
4 as the base year, and (iii) the amount of the exemption
5 erroneously denied for taxable year 1994.

6 For purposes of this Section, a person who will be 65 years
7 of age during the current taxable year shall be eligible to
8 apply for the homestead exemption during that taxable year.
9 Application shall be made during the application period in
10 effect for the county of his or her residence.

11 The Chief County Assessment Officer may determine the
12 eligibility of a life care facility that qualifies as a
13 cooperative to receive the benefits provided by this Section by
14 use of an affidavit, application, visual inspection,
15 questionnaire, or other reasonable method in order to insure
16 that the tax savings resulting from the exemption are credited
17 by the management firm to the apportioned tax liability of each
18 qualifying resident. The Chief County Assessment Officer may
19 request reasonable proof that the management firm has so
20 credited that exemption.

21 Except as provided in this Section, all information
22 received by the chief county assessment officer or the
23 Department from applications filed under this Section, or from
24 any investigation conducted under the provisions of this
25 Section, shall be confidential, except for official purposes or
26 pursuant to official procedures for collection of any State or

1 local tax or enforcement of any civil or criminal penalty or
2 sanction imposed by this Act or by any statute or ordinance
3 imposing a State or local tax. Any person who divulges any such
4 information in any manner, except in accordance with a proper
5 judicial order, is guilty of a Class A misdemeanor.

6 Nothing contained in this Section shall prevent the
7 Director or chief county assessment officer from publishing or
8 making available reasonable statistics concerning the
9 operation of the exemption contained in this Section in which
10 the contents of claims are grouped into aggregates in such a
11 way that information contained in any individual claim shall
12 not be disclosed.

13 (d) Each Chief County Assessment Officer shall annually
14 publish a notice of availability of the exemption provided
15 under this Section. The notice shall be published at least 60
16 days but no more than 75 days prior to the date on which the
17 application must be submitted to the Chief County Assessment
18 Officer of the county in which the property is located. The
19 notice shall appear in a newspaper of general circulation in
20 the county.

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

24 (Source: P.A. 96-339, eff. 7-1-10; 96-355, eff. 1-1-10;
25 96-1000, eff. 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12;
26 revised 9-12-11.)

1 (35 ILCS 200/15-175)

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

16 Except as provided in Section 15-176, the maximum reduction
17 before taxable year 2004 shall be \$4,500 in counties with
18 3,000,000 or more inhabitants and \$3,500 in all other counties.
19 Except as provided in Sections 15-176 and 15-177, for taxable
20 years 2004 through 2007, the maximum reduction shall be \$5,000,
21 for taxable year 2008, the maximum reduction is \$5,500, and,
22 for taxable years 2009 and thereafter, the maximum reduction is
23 \$6,000 in all counties. If a county has elected to subject
24 itself to the provisions of Section 15-176 as provided in
25 subsection (k) of that Section, then, for the first taxable

1 year only after the provisions of Section 15-176 no longer
2 apply, for owners who, for the taxable year, have not been
3 granted a senior citizens assessment freeze homestead
4 exemption under Section 15-172 or a long-time occupant
5 homestead exemption under Section 15-177, there shall be an
6 additional exemption of \$5,000 for owners with a household
7 income of \$30,000 or less.

8 In counties with fewer than 3,000,000 inhabitants, if,
9 based on the most recent assessment, the equalized assessed
10 value of the homestead property for the current assessment year
11 is greater than the equalized assessed value of the property
12 for 1977, the owner of the property shall automatically receive
13 the exemption granted under this Section in an amount equal to
14 the increase over the 1977 assessment up to the maximum
15 reduction set forth in this Section.

16 If in any assessment year beginning with the 2000
17 assessment year, homestead property has a pro-rata valuation
18 under Section 9-180 resulting in an increase in the assessed
19 valuation, a reduction in equalized assessed valuation equal to
20 the increase in equalized assessed value of the property for
21 the year of the pro-rata valuation above the equalized assessed
22 value of the property for 1977 shall be applied to the property
23 on a proportionate basis for the period the property qualified
24 as homestead property during the assessment year. The maximum
25 proportionate homestead exemption shall not exceed the maximum
26 homestead exemption allowed in the county under this Section

1 divided by 365 and multiplied by the number of days the
2 property qualified as homestead property.

3 "Homestead property" under this Section includes
4 residential property that is occupied by its owner or owners as
5 his or their principal dwelling place, or that is a leasehold
6 interest on which a single family residence is situated, which
7 is occupied as a residence by a person who has an ownership
8 interest therein, legal or equitable or as a lessee, and on
9 which the person is liable for the payment of property taxes.
10 For land improved with an apartment building owned and operated
11 as a cooperative or a building which is a life care facility as
12 defined in Section 15-170 and considered to be a cooperative
13 under Section 15-170, the maximum reduction from the equalized
14 assessed value shall be limited to the increase in the value
15 above the equalized assessed value of the property for 1977, up
16 to the maximum reduction set forth above, multiplied by the
17 number of apartments or units occupied by a person or persons
18 who is liable, by contract with the owner or owners of record,
19 for paying property taxes on the property and is an owner of
20 record of a legal or equitable interest in the cooperative
21 apartment building, other than a leasehold interest. For
22 purposes of this Section, the term "life care facility" has the
23 meaning stated in Section 15-170.

24 "Household", as used in this Section, means the owner, the
25 spouse of the owner, and all persons using the residence of the
26 owner as their principal place of residence.

1 "Household income", as used in this Section, means the
2 combined income of the members of a household for the calendar
3 year preceding the taxable year.

4 "Income", as used in this Section, has the same meaning as
5 provided in Section 3.07 of the Senior Citizens and Disabled
6 Persons Property Tax Relief and Pharmaceutical Assistance Act,
7 except that "income" does not include veteran's benefits and,
8 beginning in assessment year 2012, "income" does not include
9 Social Security benefits.

10 In a cooperative where a homestead exemption has been
11 granted, the cooperative association or its management firm
12 shall credit the savings resulting from that exemption only to
13 the apportioned tax liability of the owner who qualified for
14 the exemption. Any person who willfully refuses to so credit
15 the savings shall be guilty of a Class B misdemeanor.

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

20 In all counties, the assessor or chief county assessment
21 officer may determine the eligibility of residential property
22 to receive the homestead exemption and the amount of the
23 exemption by application, visual inspection, questionnaire or
24 other reasonable methods. The determination shall be made in
25 accordance with guidelines established by the Department,
26 provided that the taxpayer applying for an additional general

1 exemption under this Section shall submit to the chief county
2 assessment officer an application with an affidavit of the
3 applicant's total household income, age, marital status (and,
4 if married, the name and address of the applicant's spouse, if
5 known), and principal dwelling place of members of the
6 household on January 1 of the taxable year. The Department
7 shall issue guidelines establishing a method for verifying the
8 accuracy of the affidavits filed by applicants under this
9 paragraph. The applications shall be clearly marked as
10 applications for the Additional General Homestead Exemption.

11 In counties with fewer than 3,000,000 inhabitants, in the
12 event of a sale of homestead property the homestead exemption
13 shall remain in effect for the remainder of the assessment year
14 of the sale. The assessor or chief county assessment officer
15 may require the new owner of the property to apply for the
16 homestead exemption for the following assessment year.

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

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

21 (35 ILCS 200/15-177)

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

23 (a) If the county has elected, under Section 15-176, to be
24 subject to the provisions of the alternative general homestead
25 exemption, then, for taxable years 2007 and thereafter,

1 regardless of whether the exemption under Section 15-176
2 applies, qualified homestead property is entitled to an annual
3 homestead exemption equal to a reduction in the property's
4 equalized assessed value calculated as provided in this
5 Section.

6 (b) As used in this Section:

7 "Adjusted homestead value" means the lesser of the
8 following values:

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

10 (i) 10% for each taxable year after the base year through
11 and including the current tax year for qualified taxpayers
12 with a household income of more than \$75,000 but not
13 exceeding \$100,000; or (ii) 7% for each taxable year after
14 the base year through and including the current tax year
15 for qualified taxpayers with a household income of \$75,000
16 or less. The increase each year is an increase over the
17 prior year; or

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

20 "Base homestead value" means:

21 (1) if the property did not have an adjusted homestead
22 value under Section 15-176 for the base year, then an
23 amount equal to the equalized assessed value of the
24 property for the base year prior to exemptions, minus the
25 general homestead deduction, provided that the property's
26 assessment was not based on a reduced assessed value

1 resulting from a temporary irregularity in the property for
2 that year; or

3 (2) if the property had an adjusted homestead value
4 under Section 15-176 for the base year, then an amount
5 equal to the adjusted homestead value of the property under
6 Section 15-176 for the base year.

7 "Base year" means the taxable year prior to the taxable
8 year in which the taxpayer first qualifies for the exemption
9 under this Section.

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

12 "Equalized assessed value" means the property's assessed
13 value as equalized by the Department.

14 "Homestead" or "homestead property" means residential
15 property that as of January 1 of the tax year is occupied by a
16 qualified taxpayer as his or her principal dwelling place, or
17 that is a leasehold interest on which a single family residence
18 is situated, that is occupied as a residence by a qualified
19 taxpayer who has a legal or equitable interest therein
20 evidenced by a written instrument, as an owner or as a lessee,
21 and on which the person is liable for the payment of property
22 taxes. Residential units in an apartment building owned and
23 operated as a cooperative, or as a life care facility, which
24 are occupied by persons who hold a legal or equitable interest
25 in the cooperative apartment building or life care facility as
26 owners or lessees, and who are liable by contract for the

1 payment of property taxes, are included within this definition
2 of homestead property. A homestead includes the dwelling place,
3 appurtenant structures, and so much of the surrounding land
4 constituting the parcel on which the dwelling place is situated
5 as is used for residential purposes. If the assessor has
6 established a specific legal description for a portion of
7 property constituting the homestead, then the homestead is
8 limited to the property within that description.

9 "Household income" has the meaning set forth under Section
10 15-172 of this Code. Beginning in assessment year 2012,
11 "household income" does not include Social Security benefits.

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

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

16 "Qualified homestead property" means homestead property
17 owned by a qualified taxpayer.

18 "Qualified taxpayer" means any individual:

19 (1) who, for at least 10 continuous years as of January
20 1 of the taxable year, has occupied the same homestead
21 property as a principal residence and domicile or who, for
22 at least 5 continuous years as of January 1 of the taxable
23 year, has occupied the same homestead property as a
24 principal residence and domicile if that person received
25 assistance in the acquisition of the property as part of a
26 government or nonprofit housing program; and

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

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

5 (1) If the equalized assessed value of a homestead
6 property for the current tax year is less than the previous
7 base homestead value for that property, then the current
8 equalized assessed value (provided it is not based on a
9 reduced assessed value resulting from a temporary
10 irregularity in the property) becomes the base homestead
11 value in subsequent tax years.

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

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

21 (e) In the case of an apartment building owned and operated
22 as a cooperative, or as a life care facility, that contains
23 residential units that qualify as homestead property of a
24 qualified taxpayer under this Section, the maximum cumulative
25 exemption amount attributed to the entire building or facility
26 shall not exceed the sum of the exemptions calculated for each

1 unit that is a qualified homestead property. The cooperative
2 association, management firm, or other person or entity that
3 manages or controls the cooperative apartment building or life
4 care facility shall credit the exemption attributable to each
5 residential unit only to the apportioned tax liability of the
6 qualified taxpayer as to that unit. Any person who willfully
7 refuses to so credit the exemption is guilty of a Class B
8 misdemeanor.

9 (f) When married persons maintain separate residences, the
10 exemption provided under this Section may be claimed by only
11 one such person and for only one residence. No person who
12 receives an exemption under Section 15-172 of this Code may
13 receive an exemption under this Section. No person who receives
14 an exemption under this Section may receive an exemption under
15 Section 15-175 or 15-176 of this Code.

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

20 (h) In the event of a sale or other transfer in ownership
21 of the homestead property other than subsection (g) of this
22 Section, the exemption under this Section shall remain in
23 effect for the remainder of the tax year and be calculated
24 using the same base homestead value in which the sale or
25 transfer occurs.

26 (i) To receive the exemption, a person must submit an

1 application to the county assessor during the period specified
2 by the county assessor.

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

5 The taxpayer must submit, with the application, an
6 affidavit of the taxpayer's total household income, marital
7 status (and if married the name and address of the applicant's
8 spouse, if known), and principal dwelling place of members of
9 the household on January 1 of the taxable year. The Department
10 shall establish, by rule, a method for verifying the accuracy
11 of affidavits filed by applicants under this Section, and the
12 Chief County Assessment Officer may conduct audits of any
13 taxpayer claiming an exemption under this Section to verify
14 that the taxpayer is eligible to receive the exemption. Each
15 application shall contain or be verified by a written
16 declaration that it is made under the penalties of perjury. A
17 taxpayer's signing a fraudulent application under this Act is
18 perjury, as defined in Section 32-2 of the Criminal Code of
19 1961. The applications shall be clearly marked as applications
20 for the Long-time Occupant Homestead Exemption and must contain
21 a notice that any taxpayer who receives the exemption is
22 subject to an audit by the Chief County Assessment Officer.

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

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

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.