AN ACT concerning revenue.

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

Section 5. The Property Tax Code is amended by changing Sections 15-165, 15-167, 15-169, and 15-175 as follows:

(35 ILCS 200/15-165)

Sec. 15-165. Disabled veterans. Property up to an assessed value of $70,000, owned and used exclusively by a disabled veteran, or the spouse or unmarried surviving spouse of the veteran, as a home, is exempt. As used in this Section, a disabled veteran means a person who has served in the Armed Forces of the United States and whose disability is of such a nature that the Federal Government has authorized payment for purchase or construction of Specially Adapted Housing as set forth in the United States Code, Title 38, Chapter 21, Section 2101.

The exemption applies to housing where Federal funds have been used to purchase or construct special adaptations to suit the veteran's disability.

The exemption also applies to housing that is specially adapted to suit the veteran's disability, and purchased entirely or in part by the proceeds of a sale, casualty loss reimbursement, or other transfer of a home for which the

Federal Government had previously authorized payment for purchase or construction as Specially Adapted Housing.

However, the entire proceeds of the sale, casualty loss reimbursement, or other transfer of that housing shall be applied to the acquisition of subsequent specially adapted housing to the extent that the proceeds equal the purchase price of the subsequently acquired housing.

Beginning with assessment year 2011, for taxes payable in 2012, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the homestead exemption under this Section must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the exemption allowed in the county under this Section divided by 365 and multiplied by the number of days during the assessment year the property is occupied as a residence by a person eligible for the exemption under this Section. The chief county assessment officer must adopt reasonable procedures to establish eligibility for this pro-rata exemption.

In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor.

A person who becomes eligible during the taxable year is eligible to apply for this homestead exemption during that taxable year. Application must be made during the application period in effect for the county of his or her residence.

If a homestead exemption has been granted under this Section and the person awarded the exemption subsequently becomes a resident of a facility licensed under the Nursing Home Care Act or the MR/DD Community Care Act, then the exemption shall continue (i) so long as the residence continues to be occupied by the qualifying person's spouse or (ii) if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

For purposes of this Section, "unmarried surviving spouse" means the surviving spouse of the veteran at any time after the death of the veteran during which such surviving spouse is not married.

This exemption must be reestablished on an annual basis by certification from the Illinois Department of Veterans' Affairs to the Department, which shall forward a copy of the certification to local assessing officials.

A taxpayer who claims an exemption under Section 15-168 or 15-169 may not claim an exemption under this Section.

(Source: P.A. 94-310, eff. 7-25-05; 95-644, eff. 10-12-07.)

(35 ILCS 200/15-167)

Sec. 15-167. Returning Veterans' Homestead Exemption.

(a) Beginning with taxable year 2007, a homestead exemption, limited to a reduction set forth under subsection (b), from the property's value, as equalized or assessed by the Department, is granted for property that is owned and occupied as the principal residence of a veteran returning from an armed conflict involving the armed forces of the United States who is liable for paying real estate taxes on the property and is an owner of record of the property or has a legal or equitable interest therein as evidenced by a written instrument, except for a leasehold interest, other than a leasehold interest of land on which a single family residence is located, which is occupied as the principal residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which he or she is liable for the payment of property taxes. For purposes of the exemption under this Section, "veteran" means an Illinois resident who has served as a member of the United States Armed Forces, a member of the Illinois National Guard, or a member of the United States Reserve Forces.

(b) In all counties, the reduction is $5,000 for the taxable year in which the veteran returns from active duty in an armed conflict involving the armed forces of the United States; however, if the veteran first acquires his or her principal residence during the taxable year in which he or she returns, but after January 1 of that year, and if the property is owned and occupied by the veteran as a principal residence on January 1 of the next taxable year, he or she may apply the exemption for the next taxable year~~, and only the next taxable year,~~ after he or she returns. Beginning in taxable year 2010, the reduction shall also be allowed for the taxable year after the taxable year in which the veteran returns from active duty in an armed conflict involving the armed forces of the United States. For land improved with an apartment building owned and operated as a cooperative, the maximum reduction from the value of the property, as equalized by the Department, must be multiplied by the number of apartments or units occupied by a veteran returning from an armed conflict involving the armed forces of the United States who is liable, by contract with the owner or owners of record, for paying property taxes on the property and is an owner of record of a legal or equitable interest in the cooperative apartment building, other than a leasehold interest. In a cooperative where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings is guilty of a Class B misdemeanor.

Beginning with assessment year 2011, for taxes payable in 2012, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the homestead exemption under this Section must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the exemption allowed in the county under this Section divided by 365 and multiplied by the number of days during the assessment year the property is occupied as a residence by a person eligible for the exemption under this Section. The chief county assessment officer must adopt reasonable procedures to establish eligibility for this pro-rata exemption.

In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor.

(c) A person who becomes eligible during the taxable year is eligible to apply for this homestead exemption during that taxable year. Application must be made during the application period in effect for the county of his or her residence. The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire, or other reasonable methods. The determination must be made in accordance with guidelines established by the Department.

(c-5) If a homestead exemption has been granted under this Section and the person awarded the exemption is or becomes a resident of a facility licensed under the Nursing Home Care Act or the MR/DD Community Care Act during any taxable year in which an exemption under this Section is awarded, then the exemption shall remain in effect for that taxable year if (i) the residence continues to be occupied by the qualifying person's spouse or (ii) the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

(d) The exemption under this Section is in addition to any other homestead exemption provided in this Article 15. Notwithstanding Sections 6 and 8 of the State Mandates Act, no reimbursement by the State is required for the implementation of any mandate created by this Section.

(Source: P.A. 95-644, eff. 10-12-07; 96-1288, eff. 7-26-10; 96-1418, eff. 8-2-10; revised 9-2-10.)

(35 ILCS 200/15-169)

Sec. 15-169. Disabled veterans standard homestead exemption.

(a) Beginning with taxable year 2007, an annual homestead exemption, limited to the amounts set forth in subsection (b), is granted for property that is used as a qualified residence by a disabled veteran.

(b) The amount of the exemption under this Section is as follows:

(1) for veterans with a service-connected disability of at least (i) 75% for exemptions granted in taxable years 2007 through 2009 and (ii) 70% for exemptions granted in taxable year 2010 and each taxable year thereafter, as certified by the United States Department of Veterans Affairs, the annual exemption is $5,000; and

(2) for veterans with a service-connected disability of at least 50%, but less than (i) 75% for exemptions granted in taxable years 2007 through 2009 and (ii) 70% for exemptions granted in taxable year 2010 and each taxable year thereafter, as certified by the United States Department of Veterans Affairs, the annual exemption is $2,500.

(b-5) If a homestead exemption is granted under this Section and the person awarded the exemption subsequently becomes a resident of a facility licensed under the Nursing Home Care Act, the MR/DD Community Care Act, or a facility operated by the United States Department of Veterans Affairs, then the exemption shall continue (i) so long as the residence continues to be occupied by the qualifying person's spouse or (ii) if the residence remains unoccupied but is still owned by the person who qualified for the homestead exemption.

(c) The tax exemption under this Section carries over to the benefit of the veteran's surviving spouse as long as the spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

(d) The exemption under this Section applies for taxable year 2007 and thereafter. A taxpayer who claims an exemption under Section 15-165 or 15-168 may not claim an exemption under this Section.

(e) Each taxpayer who has been granted an exemption under this Section must reapply on an annual basis. A person who becomes eligible during the taxable year is eligible to apply for this homestead exemption during that taxable year. Application must be made during the application period in effect for the county of his or her residence. The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire, or other reasonable methods. The determination must be made in accordance with guidelines established by the Department.

Beginning with assessment year 2011, for taxes payable in 2012, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the homestead exemption under this Section must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the exemption allowed in the county under this Section divided by 365 and multiplied by the number of days during the assessment year the property is occupied as a residence by a person eligible for the exemption under this Section. The chief county assessment officer must adopt reasonable procedures to establish eligibility for this pro-rata exemption.

In a cooperative or a life care facility where a homestead exemption has been granted, the cooperative association or the management firm of the cooperative or facility shall credit the savings resulting from that exemption only to the apportioned tax liability of the owner or resident who qualified for the exemption. Any person who willfully refuses to so credit the savings shall be guilty of a Class B misdemeanor.

(f) For the purposes of this Section:

"Qualified residence" means real property, but less any portion of that property that is used for commercial purposes, with an equalized assessed value of less than $250,000 that is the disabled veteran's primary residence. Property rented for more than 6 months is presumed to be used for commercial purposes.

"Veteran" means an Illinois resident who has served as a member of the United States Armed Forces on active duty or State active duty, a member of the Illinois National Guard, or a member of the United States Reserve Forces and who has

received an honorable discharge.
(Source: P.A. 95-644, eff. 10-12-07; 96-1298, eff. 1-1-11; 96-1418, eff. 8-2-10; revised 9-2-10.)

(35 ILCS 200/15-175)

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

Except as provided in Section 15-176, the maximum reduction before taxable year 2004 shall be $4,500 in counties with 3,000,000 or more inhabitants and $3,500 in all other counties. Except as provided in Sections 15-176 and 15-177, for taxable years 2004 through 2007, the maximum reduction shall be $5,000, for taxable year 2008, the maximum reduction is $5,500, and, for taxable years 2009 and thereafter, the maximum reduction is

$6,000 in all counties. If a county has elected to subject itself to the provisions of Section 15-176 as provided in subsection (k) of that Section, then, for the first taxable year only after the provisions of Section 15-176 no longer apply, for owners who, for the taxable year, have not been granted a senior citizens assessment freeze homestead exemption under Section 15-172 or a long-time occupant homestead exemption under Section 15-177, there shall be an additional exemption of $5,000 for owners with a household income of $30,000 or less.

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

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

Beginning with assessment year 2011, for taxes payable in 2012, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the homestead exemption under this Section must be granted a pro-rata exemption for the assessment year. The amount of the pro-rata exemption is the exemption allowed in the county under this Section divided by 365 and multiplied by the number of days during the assessment year the property is occupied as a residence by a person eligible for the exemption under this Section. The chief county assessment officer must adopt reasonable procedures to establish eligibility for this pro-rata exemption.

If a homestead exemption has been granted under this Section and the person awarded the exemption subsequently becomes a resident of a facility licensed under the Nursing Home Care Act or the MR/DD Community Care Act, then the exemption shall continue (i) so long as the residence continues to be occupied by the qualifying person's spouse or (ii) if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

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

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

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

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

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

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

A person who becomes eligible during the taxable year is eligible to apply for this homestead exemption during that taxable year. Application must be made during the application period in effect for the county of his or her residence.

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

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

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

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

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