

# HB5008



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB5008

by Rep. Christine Winger

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. Beginning in taxable year 2017, increases the maximum income limitation under the Senior Citizens Assessment Freeze Homestead Exemption from \$55,000 to \$75,000 for applicants who have occupied the residence for 5 years or more. Indexes the maximum income limitation to the Consumer Price Index. Effective immediately.

LRB099 16480 HLH 40815 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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens Assessment Freeze Homestead  
8 Exemption.

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

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an  
13 application under this Section.

14 "Base amount" means the base year equalized assessed value  
15 of the residence plus the first year's equalized assessed value  
16 of any added improvements which increased the assessed value of  
17 the residence after the base year.

18 "Base year" means the taxable year prior to the taxable  
19 year for which the applicant first qualifies and applies for  
20 the exemption provided that in the prior taxable year the  
21 property was improved with a permanent structure that was  
22 occupied as a residence by the applicant who was liable for  
23 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or  
2 equitable interest in the property as evidenced by a written  
3 instrument or (ii) had a legal or equitable interest as a  
4 lessee in the parcel of property that was single family  
5 residence. If in any subsequent taxable year for which the  
6 applicant applies and qualifies for the exemption the equalized  
7 assessed value of the residence is less than the equalized  
8 assessed value in the existing base year (provided that such  
9 equalized assessed value is not based on an assessed value that  
10 results from a temporary irregularity in the property that  
11 reduces the assessed value for one or more taxable years), then  
12 that subsequent taxable year shall become the base year until a  
13 new base year is established under the terms of this paragraph.  
14 For taxable year 1999 only, the Chief County Assessment Officer  
15 shall review (i) all taxable years for which the applicant  
16 applied and qualified for the exemption and (ii) the existing  
17 base year. The assessment officer shall select as the new base  
18 year the year with the lowest equalized assessed value. An  
19 equalized assessed value that is based on an assessed value  
20 that results from a temporary irregularity in the property that  
21 reduces the assessed value for one or more taxable years shall  
22 not be considered the lowest equalized assessed value. The  
23 selected year shall be the base year for taxable year 1999 and  
24 thereafter until a new base year is established under the terms  
25 of this paragraph.

26 "Chief County Assessment Officer" means the County

1 Assessor or Supervisor of Assessments of the county in which  
2 the property is located.

3 "Equalized assessed value" means the assessed value as  
4 equalized by the Illinois Department of Revenue.

5 "Household" means the applicant, the spouse of the  
6 applicant, and all persons using the residence of the applicant  
7 as their principal place of residence.

8 "Household income" means the combined income of the members  
9 of a household for the calendar year preceding the taxable  
10 year.

11 "Income" has the same meaning as provided in Section 3.07  
12 of the Senior Citizens and Persons with Disabilities Property  
13 Tax Relief Act, except that, beginning in assessment year 2001,  
14 "income" does not include veteran's benefits.

15 "Internal Revenue Code of 1986" means the United States  
16 Internal Revenue Code of 1986 or any successor law or laws  
17 relating to federal income taxes in effect for the year  
18 preceding the taxable year.

19 "Life care facility that qualifies as a cooperative" means  
20 a facility as defined in Section 2 of the Life Care Facilities  
21 Act.

22 "Maximum income limitation" means:

- 23 (1) \$35,000 prior to taxable year 1999;  
24 (2) \$40,000 in taxable years 1999 through 2003;  
25 (3) \$45,000 in taxable years 2004 through 2005;  
26 (4) \$50,000 in taxable years 2006 and 2007; and

1           (5) \$55,000 in taxable years ~~year~~ 2008 through 2016;  
2 and thereafter.

3           (6) in taxable year 2017, (A) \$55,000 for applicants  
4 who have occupied the residence for less than 5 years and  
5 (B) \$75,000 for applicants who have occupied the residence  
6 for 5 or more years; and

7           (7) in taxable year 2018 and thereafter, (A) for  
8 applicants who have occupied the residence for less than 5  
9 years, an amount equal to the maximum income limitation for  
10 the immediately prior taxable year for applicants who have  
11 occupied the residence for less than 5 years increased by  
12 the lesser of (i) 2% or (ii) the percentage increase during  
13 the immediately prior taxable year in the Consumer Price  
14 Index for All Urban Consumers for all items published by  
15 the United States Department of Labor Bureau of Labor  
16 Statistics and (B) for applicants who have occupied the  
17 residence for 5 or more years, an amount equal to the  
18 maximum income limitation for the immediately prior  
19 taxable year for applicants who have occupied the residence  
20 for 5 or more years increased by the lesser of (i) 2% or  
21 (ii) the percentage increase during the immediately prior  
22 taxable year in the Consumer Price Index for All Urban  
23 Consumers for all items published by the United States  
24 Department of Labor Bureau of Labor Statistics.

25           "Residence" means the principal dwelling place and  
26 appurtenant structures used for residential purposes in this

1 State occupied on January 1 of the taxable year by a household  
2 and so much of the surrounding land, constituting the parcel  
3 upon which the dwelling place is situated, as is used for  
4 residential purposes. If the Chief County Assessment Officer  
5 has established a specific legal description for a portion of  
6 property constituting the residence, then that portion of  
7 property shall be deemed the residence for the purposes of this  
8 Section.

9 "Taxable year" means the calendar year during which ad  
10 valorem property taxes payable in the next succeeding year are  
11 levied.

12 (c) Beginning in taxable year 1994, a senior citizens  
13 assessment freeze homestead exemption is granted for real  
14 property that is improved with a permanent structure that is  
15 occupied as a residence by an applicant who (i) is 65 years of  
16 age or older during the taxable year, (ii) has a household  
17 income that does not exceed the maximum income limitation,  
18 (iii) is liable for paying real property taxes on the property,  
19 and (iv) is an owner of record of the property or has a legal or  
20 equitable interest in the property as evidenced by a written  
21 instrument. This homestead exemption shall also apply to a  
22 leasehold interest in a parcel of property improved with a  
23 permanent structure that is a single family residence that is  
24 occupied as a residence by a person who (i) is 65 years of age  
25 or older during the taxable year, (ii) has a household income  
26 that does not exceed the maximum income limitation, (iii) has a

1 legal or equitable ownership interest in the property as  
2 lessee, and (iv) is liable for the payment of real property  
3 taxes on that property.

4 In counties of 3,000,000 or more inhabitants, the amount of  
5 the exemption for all taxable years is the equalized assessed  
6 value of the residence in the taxable year for which  
7 application is made minus the base amount. In all other  
8 counties, the amount of the exemption is as follows: (i)  
9 through taxable year 2005 and for taxable year 2007 and  
10 thereafter, the amount of this exemption shall be the equalized  
11 assessed value of the residence in the taxable year for which  
12 application is made minus the base amount; and (ii) for taxable  
13 year 2006, the amount of the exemption is as follows:

14 (1) For an applicant who has a household income of  
15 \$45,000 or less, the amount of the exemption is the  
16 equalized assessed value of the residence in the taxable  
17 year for which application is made minus the base amount.

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

23 (3) For an applicant who has a household income  
24 exceeding \$46,250 but not exceeding \$47,500, the amount of  
25 the exemption is (i) the equalized assessed value of the  
26 residence in the taxable year for which application is made

1 minus the base amount (ii) multiplied by 0.6.

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

7 (5) For an applicant who has a household income  
8 exceeding \$48,750 but not exceeding \$50,000, 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 0.2.

12 When the applicant is a surviving spouse of an applicant  
13 for a prior year for the same residence for which an exemption  
14 under this Section has been granted, the base year and base  
15 amount for that residence are the same as for the applicant for  
16 the prior year.

17 Each year at the time the assessment books are certified to  
18 the County Clerk, the Board of Review or Board of Appeals shall  
19 give to the County Clerk a list of the assessed values of  
20 improvements on each parcel qualifying for this exemption that  
21 were added after the base year for this parcel and that  
22 increased the assessed value of the property.

23 In the case of land improved with an apartment building  
24 owned and operated as a cooperative or a building that is a  
25 life care facility that qualifies as a cooperative, the maximum  
26 reduction from the equalized assessed value of the property is



1 limited to the sum of the reductions calculated for each unit  
2 occupied as a residence by a person or persons (i) 65 years of  
3 age or older, (ii) with a household income that does not exceed  
4 the maximum income limitation, (iii) who is liable, by contract  
5 with the owner or owners of record, for paying real property  
6 taxes on the property, and (iv) who is an owner of record of a  
7 legal or equitable interest in the cooperative apartment  
8 building, other than a leasehold interest. In the instance of a  
9 cooperative where a homestead exemption has been granted under  
10 this Section, the cooperative association or its management  
11 firm shall credit the savings resulting from that exemption  
12 only to the apportioned tax liability of the owner who  
13 qualified for the exemption. Any person who willfully refuses  
14 to credit that savings to an owner who qualifies for the  
15 exemption is guilty of a Class B misdemeanor.

16 When a homestead exemption has been granted under this  
17 Section and an applicant then becomes a resident of a facility  
18 licensed under the Assisted Living and Shared Housing Act, the  
19 Nursing Home Care Act, the Specialized Mental Health  
20 Rehabilitation Act of 2013, the ID/DD Community Care Act, or  
21 the MC/DD Act, the exemption shall be granted in subsequent  
22 years so long as the residence (i) continues to be occupied by  
23 the qualified applicant's spouse or (ii) if remaining  
24 unoccupied, is still owned by the qualified applicant for the  
25 homestead exemption.

26 Beginning January 1, 1997, when an individual dies who

1 would have qualified for an exemption under this Section, and  
2 the surviving spouse does not independently qualify for this  
3 exemption because of age, the exemption under this Section  
4 shall be granted to the surviving spouse for the taxable year  
5 preceding and the taxable year of the death, provided that,  
6 except for age, the surviving spouse meets all other  
7 qualifications for the granting of this exemption for those  
8 years.

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

12 For taxable year 1994 only, in counties having less than  
13 3,000,000 inhabitants, to receive the exemption, a person shall  
14 submit an application by February 15, 1995 to the Chief County  
15 Assessment Officer of the county in which the property is  
16 located. In counties having 3,000,000 or more inhabitants, for  
17 taxable year 1994 and all subsequent taxable years, to receive  
18 the exemption, a person may submit an application to the Chief  
19 County Assessment Officer of the county in which the property  
20 is located during such period as may be specified by the Chief  
21 County Assessment Officer. The Chief County Assessment Officer  
22 in counties of 3,000,000 or more inhabitants shall annually  
23 give notice of the application period by mail or by  
24 publication. In counties having less than 3,000,000  
25 inhabitants, beginning with taxable year 1995 and thereafter,  
26 to receive the exemption, a person shall submit an application

1 by July 1 of each taxable year to the Chief County Assessment  
2 Officer of the county in which the property is located. A  
3 county may, by ordinance, establish a date for submission of  
4 applications that is different than July 1. The applicant shall  
5 submit with the application an affidavit of the applicant's  
6 total household income, age, marital status (and if married the  
7 name and address of the applicant's spouse, if known), and  
8 principal dwelling place of members of the household on January  
9 1 of the taxable year. The Department shall establish, by rule,  
10 a method for verifying the accuracy of affidavits filed by  
11 applicants under this Section, and the Chief County Assessment  
12 Officer may conduct audits of any taxpayer claiming an  
13 exemption under this Section to verify that the taxpayer is  
14 eligible to receive the exemption. Each application shall  
15 contain or be verified by a written declaration that it is made  
16 under the penalties of perjury. A taxpayer's signing a  
17 fraudulent application under this Act is perjury, as defined in  
18 Section 32-2 of the Criminal Code of 2012. The applications  
19 shall be clearly marked as applications for the Senior Citizens  
20 Assessment Freeze Homestead Exemption and must contain a notice  
21 that any taxpayer who receives the exemption is subject to an  
22 audit by the Chief County Assessment Officer.

23 Notwithstanding any other provision to the contrary, in  
24 counties having fewer than 3,000,000 inhabitants, if an  
25 applicant fails to file the application required by this  
26 Section in a timely manner and this failure to file is due to a

1 mental or physical condition sufficiently severe so as to  
2 render the applicant incapable of filing the application in a  
3 timely manner, the Chief County Assessment Officer may extend  
4 the filing deadline for a period of 30 days after the applicant  
5 regains the capability to file the application, but in no case  
6 may the filing deadline be extended beyond 3 months of the  
7 original filing deadline. In order to receive the extension  
8 provided in this paragraph, the applicant shall provide the  
9 Chief County Assessment Officer with a signed statement from  
10 the applicant's physician stating the nature and extent of the  
11 condition, that, in the physician's opinion, the condition was  
12 so severe that it rendered the applicant incapable of filing  
13 the application in a timely manner, and the date on which the  
14 applicant regained the capability to file the application.

15 Beginning January 1, 1998, notwithstanding any other  
16 provision to the contrary, in counties having fewer than  
17 3,000,000 inhabitants, if an applicant fails to file the  
18 application required by this Section in a timely manner and  
19 this failure to file is due to a mental or physical condition  
20 sufficiently severe so as to render the applicant incapable of  
21 filing the application in a timely manner, the Chief County  
22 Assessment Officer may extend the filing deadline for a period  
23 of 3 months. In order to receive the extension provided in this  
24 paragraph, the applicant shall provide the Chief County  
25 Assessment Officer with a signed statement from the applicant's  
26 physician stating the nature and extent of the condition, and

1 that, in the physician's opinion, the condition was so severe  
2 that it rendered the applicant incapable of filing the  
3 application in a timely manner.

4 In counties having less than 3,000,000 inhabitants, if an  
5 applicant was denied an exemption in taxable year 1994 and the  
6 denial occurred due to an error on the part of an assessment  
7 official, or his or her agent or employee, then beginning in  
8 taxable year 1997 the applicant's base year, for purposes of  
9 determining the amount of the exemption, shall be 1993 rather  
10 than 1994. In addition, in taxable year 1997, the applicant's  
11 exemption shall also include an amount equal to (i) the amount  
12 of any exemption denied to the applicant in taxable year 1995  
13 as a result of using 1994, rather than 1993, as the base year,  
14 (ii) the amount of any exemption denied to the applicant in  
15 taxable year 1996 as a result of using 1994, rather than 1993,  
16 as the base year, and (iii) the amount of the exemption  
17 erroneously denied for taxable year 1994.

18 For purposes of this Section, a person who will be 65 years  
19 of age during the current taxable year shall be eligible to  
20 apply for the homestead exemption during that taxable year.  
21 Application shall be made during the application period in  
22 effect for the county of his or her residence.

23 The Chief County Assessment Officer may determine the  
24 eligibility of a life care facility that qualifies as a  
25 cooperative to receive the benefits provided by this Section by  
26 use of an affidavit, application, visual inspection,

1 questionnaire, or other reasonable method in order to insure  
2 that the tax savings resulting from the exemption are credited  
3 by the management firm to the apportioned tax liability of each  
4 qualifying resident. The Chief County Assessment Officer may  
5 request reasonable proof that the management firm has so  
6 credited that exemption.

7 Except as provided in this Section, all information  
8 received by the chief county assessment officer or the  
9 Department from applications filed under this Section, or from  
10 any investigation conducted under the provisions of this  
11 Section, shall be confidential, except for official purposes or  
12 pursuant to official procedures for collection of any State or  
13 local tax or enforcement of any civil or criminal penalty or  
14 sanction imposed by this Act or by any statute or ordinance  
15 imposing a State or local tax. Any person who divulges any such  
16 information in any manner, except in accordance with a proper  
17 judicial order, is guilty of a Class A misdemeanor.

18 Nothing contained in this Section shall prevent the  
19 Director or chief county assessment officer from publishing or  
20 making available reasonable statistics concerning the  
21 operation of the exemption contained in this Section in which  
22 the contents of claims are grouped into aggregates in such a  
23 way that information contained in any individual claim shall  
24 not be disclosed.

25 (d) Each Chief County Assessment Officer shall annually  
26 publish a notice of availability of the exemption provided

1 under this Section. The notice shall be published at least 60  
2 days but no more than 75 days prior to the date on which the  
3 application must be submitted to the Chief County Assessment  
4 Officer of the county in which the property is located. The  
5 notice shall appear in a newspaper of general circulation in  
6 the county.

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

10 (Source: P.A. 98-104, eff. 7-22-13; 99-143, eff. 7-27-15;  
11 99-180, eff. 7-29-15; revised 10-21-15.)

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