

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 Section 15-169 as follows:

(35 ILCS 200/15-169)

Sec. 15-169. Homestead exemption for veterans with disabilities and veterans of World War II.

(a) Beginning with taxable year 2007, an annual homestead exemption, limited as provided in this Section ~~to the amounts set forth in subsections (b) and (b-3),~~ is granted for property that is used as a qualified residence by a veteran with a disability, and beginning with taxable year 2024, an annual homestead exemption, limited to the amounts set forth in subsection (b-4), is granted for property that is used as a qualified residence by a veteran who was a member of the United States Armed Forces during World War II.

(b) For taxable years prior to 2015, 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-3) For taxable years 2015 through 2022 ~~and thereafter~~:

(1) if the veteran has a service connected disability of 30% or more but less than 50%, as certified by the United States Department of Veterans Affairs, then the annual exemption is \$2,500;

(2) if the veteran has a service connected disability of 50% or more but less than 70%, as certified by the United States Department of Veterans Affairs, then the annual exemption is \$5,000;

(3) if the veteran has a service connected disability of 70% or more, as certified by the United States Department of Veterans Affairs, then the property is exempt from taxation under this Code; and

(4) (Blank). ~~for taxable year 2023 and thereafter, if the taxpayer is the surviving spouse of a veteran whose death was determined to be service-connected and who is certified by the United States Department of Veterans~~

~~Affairs as a recipient of dependency and indemnity compensation under federal law, then the property is also exempt from taxation under this Code.~~

(b-3.1) For taxable year 2023 and thereafter:

(1) if the veteran has a service connected disability of 30% or more but less than 50%, as certified by the United States Department of Veterans Affairs as of the date the application is submitted for the exemption under this Section for the applicable taxable year, then the annual exemption is \$2,500;

(2) if the veteran has a service connected disability of 50% or more but less than 70%, as certified by the United States Department of Veterans Affairs as of the date the application is submitted for the exemption under this Section for the applicable taxable year, then the annual exemption is \$5,000;

(3) if the veteran has a service connected disability of 70% or more, as certified by the United States Department of Veterans Affairs as of the date the application is submitted for the exemption under this Section for the applicable taxable year, then the first \$250,000 in equalized assessed value of the property is exempt from taxation under this Code; and

(4) if the taxpayer is the surviving spouse of a veteran whose death was determined to be service-connected and who is certified by the United States Department of

Veterans Affairs as a recipient of dependency and indemnity compensation under federal law as of the date the application is submitted for the exemption under this Section for the applicable taxable year, then the first \$250,000 in equalized assessed value of the property is also exempt from taxation under this Code.

This amendatory Act of the 103rd General Assembly shall not be used as the basis for any appeal filed with the chief county assessment officer, the board of review, the Property Tax Appeal Board, or the circuit court with respect to the scope or meaning of the exemption under this Section for a tax year prior to tax year 2023.

(b-4) For taxable years on or after 2024, if the veteran was a member of the United States Armed Forces during World War II, then the property is exempt from taxation under this Code regardless of the veteran's level of disability.

(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 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.

As used in this subsection (c):

(1) for taxable years prior to 2015, "surviving spouse" means the surviving spouse of a veteran who obtained an exemption under this Section prior to his or her death;

(2) for taxable years 2015 through 2022, "surviving spouse" means (i) the surviving spouse of a veteran who obtained an exemption under this Section prior to his or her death and (ii) the surviving spouse of a veteran who was killed in the line of duty at any time prior to the expiration of the application period in effect for the exemption for the taxable year for which the exemption is sought; and

(3) for taxable year 2023 and thereafter, "surviving spouse" means: (i) the surviving spouse of a veteran who obtained the exemption under this Section prior to his or her death; (ii) the surviving spouse of a veteran who was killed in the line of duty at any time prior to the

expiration of the application period in effect for the exemption for the taxable year for which the exemption is sought; (iii) the surviving spouse of a veteran who did not obtain an exemption under this Section before death, but who would have qualified for the exemption under this Section in the taxable year for which the exemption is sought if he or she had survived, and whose surviving spouse has been a resident of Illinois from the time of the veteran's death through the taxable year for which the exemption is sought; and (iv) the surviving spouse of a veteran whose death was determined to be service-connected, but who would not otherwise qualify under item (i), (ii), or (iii), if the spouse (A) is certified by the United States Department of Veterans Affairs as a recipient of dependency and indemnity compensation under federal law at any time prior to the expiration of the application period in effect for the exemption for the taxable year for which the exemption is sought and (B) remains eligible for that dependency and indemnity compensation as of January 1 of the taxable year for which the exemption is sought.

(c-1) Beginning with taxable year 2015, nothing in this Section shall require the veteran to have qualified for or obtained the exemption before death if the veteran was killed in the line of duty.

(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) Except as otherwise provided in this subsection (e), each taxpayer who has been granted an exemption under this Section must reapply on an annual basis, except that a veteran who qualifies as a result of his or her service in World War II need not reapply. 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.

On and after May 23, 2022 (the effective date of Public Act 102-895), if a veteran has a combined service connected disability rating of 100% and is deemed to be permanently and totally disabled, as certified by the United States Department of Veterans Affairs, the taxpayer who has been granted an exemption under this Section shall no longer be required to reapply for the exemption on an annual basis, and the exemption shall be in effect for as long as the exemption would otherwise be permitted under this Section.

(e-1) If the person qualifying for the exemption does not occupy the qualified residence as of January 1 of the taxable

year, the exemption granted under this Section shall be prorated on a monthly basis. The prorated exemption shall apply beginning with the first complete month in which the person occupies the qualified residence.

(e-5) Notwithstanding any other provision of law, each chief county assessment officer may approve this exemption for the 2020 taxable year, without application, for any property that was approved for this exemption for the 2019 taxable year, provided that:

(1) the county board has declared a local disaster as provided in the Illinois Emergency Management Agency Act related to the COVID-19 public health emergency;

(2) the owner of record of the property as of January 1, 2020 is the same as the owner of record of the property as of January 1, 2019;

(3) the exemption for the 2019 taxable year has not been determined to be an erroneous exemption as defined by this Code; and

(4) the applicant for the 2019 taxable year has not asked for the exemption to be removed for the 2019 or 2020 taxable years.

Nothing in this subsection shall preclude a veteran whose service connected disability rating has changed since the 2019 exemption was granted from applying for the exemption based on the subsequent service connected disability rating.

(e-10) Notwithstanding any other provision of law, each

chief county assessment officer may approve this exemption for the 2021 taxable year, without application, for any property that was approved for this exemption for the 2020 taxable year, if:

(1) the county board has declared a local disaster as provided in the Illinois Emergency Management Agency Act related to the COVID-19 public health emergency;

(2) the owner of record of the property as of January 1, 2021 is the same as the owner of record of the property as of January 1, 2020;

(3) the exemption for the 2020 taxable year has not been determined to be an erroneous exemption as defined by this Code; and

(4) the taxpayer for the 2020 taxable year has not asked for the exemption to be removed for the 2020 or 2021 taxable years.

Nothing in this subsection shall preclude a veteran whose service connected disability rating has changed since the 2020 exemption was granted from applying for the exemption based on the subsequent service connected disability rating.

(f) For the purposes of this Section:

"Qualified residence" means, before tax year 2023, 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 primary residence of a veteran with a disability. "Qualified residence" means, for tax year

2023 and thereafter, real property, but less any portion of that property that is used for commercial purposes, that is the primary residence of a veteran with a disability. Property rented for more than 6 months is presumed to be used for commercial purposes.

"Service-connected disability" means an illness or injury (i) that was caused by or worsened by active military service, (ii) that is a current disability as of the date of the application for the exemption under this Section for the applicable tax year, as demonstrated by the veteran's United States Department of Veterans Affairs certification, and (iii) for which the veteran receives disability compensation.

For tax years 2022 and prior, "veteran" "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. For taxable years 2023 and thereafter, "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 a service-connected disability, as certified by the United States Department of Veterans Affairs, and receives disability compensation.

(Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;

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HB0612 Enrolled

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103-154, eff. 6-30-23.)

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