



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4320

by Rep. Michael D. Unes

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-165
35 ILCS 200/15-169
35 ILCS 515/7.5

Amends the Property Tax Code and the Mobile Home Local Services Tax Act. In provisions granting exemptions for veterans with disabilities, provides that, if the veteran has received the same protected evaluation rating and level of disability for 20 or more years by the United States Department of Veterans' Affairs, then that veteran need not annually reapply for the exemption. Effective immediately.

LRB100 16138 HLH 31257 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 200/15-165)

7 Sec. 15-165. Veterans with disabilities. Property up to an
8 assessed value of \$100,000, owned and used exclusively by a
9 veteran with a disability, or the spouse or unmarried surviving
10 spouse of the veteran, as a home, is exempt. As used in this
11 Section, a "veteran with a disability" means a person who has
12 served in the Armed Forces of the United States and whose
13 disability is of such a nature that the Federal Government has
14 authorized payment for purchase or construction of Specially
15 Adapted Housing as set forth in the United States Code, Title
16 38, Chapter 21, Section 2101.

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

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

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

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

8 Beginning with the 2015 tax year, the exemption also
9 applies to housing that is specifically constructed or adapted
10 to suit a qualifying veteran's disability if the housing or
11 adaptations are donated by a charitable organization, the
12 veteran has been approved to receive funds for the purchase or
13 construction of Specially Adapted Housing under Title 38,
14 Chapter 21, Section 2101 of the United States Code, and the
15 home has been inspected and certified by a licensed home
16 inspector to be in compliance with applicable standards set
17 forth in U.S. Department of Veterans Affairs, Veterans Benefits
18 Administration Pamphlet 26-13 Handbook for Design of Specially
19 Adapted Housing.

20 For purposes of this Section, "charitable organization"
21 means any benevolent, philanthropic, patriotic, or
22 eleemosynary entity that solicits and collects funds for
23 charitable purposes and includes each local, county, or area
24 division of that charitable organization.

25 For purposes of this Section, "unmarried surviving spouse"
26 means the surviving spouse of the veteran at any time after the

1 death of the veteran during which such surviving spouse is not
2 married.

3 Except as otherwise provided in this paragraph, this ~~This~~
4 exemption must be reestablished on an annual basis by
5 certification from the Illinois Department of Veterans'
6 Affairs to the Department, which shall forward a copy of the
7 certification to local assessing officials. Beginning in
8 taxable year 2018, a taxpayer who has received the same
9 protected evaluation rating and level of disability for 20 or
10 more years by the United States Department of Veterans' Affairs
11 need not annually seek certification from the Illinois
12 Department of Veterans' Affairs for the exemption provided
13 under this Section; in that case, the taxpayer shall
14 automatically be certified each year by the Department, and a
15 copy of the certification shall be forwarded to local assessing
16 officials.

17 A taxpayer who claims an exemption under Section 15-168 or
18 15-169 may not claim an exemption under this Section.

19 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15.)

20 (35 ILCS 200/15-169)

21 Sec. 15-169. Homestead exemption for veterans with
22 disabilities.

23 (a) Beginning with taxable year 2007, an annual homestead
24 exemption, limited to the amounts set forth in subsections (b)
25 and (b-3), is granted for property that is used as a qualified

1 residence by a veteran with a disability.

2 (b) For taxable years prior to 2015, the amount of the
3 exemption under this Section is as follows:

4 (1) for veterans with a service-connected disability
5 of at least (i) 75% for exemptions granted in taxable years
6 2007 through 2009 and (ii) 70% for exemptions granted in
7 taxable year 2010 and each taxable year thereafter, as
8 certified by the United States Department of Veterans
9 Affairs, the annual exemption is \$5,000; and

10 (2) for veterans with a service-connected disability
11 of at least 50%, but less than (i) 75% for exemptions
12 granted in taxable years 2007 through 2009 and (ii) 70% for
13 exemptions granted in taxable year 2010 and each taxable
14 year thereafter, as certified by the United States
15 Department of Veterans Affairs, the annual exemption is
16 \$2,500.

17 (b-3) For taxable years 2015 and thereafter:

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

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

26 (3) if the veteran has a service connected disability

1 of 70% or more, as certified by the United States
2 Department of Veterans Affairs, then the property is exempt
3 from taxation under this Code.

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

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

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

26 (d) The exemption under this Section applies for taxable

1 year 2007 and thereafter. A taxpayer who claims an exemption
2 under Section 15-165 or 15-168 may not claim an exemption under
3 this Section.

4 (e) Except as otherwise provided in subsection (e-1), each
5 ~~Each~~ taxpayer who has been granted an exemption under this
6 Section must reapply on an annual basis. Application must be
7 made during the application period in effect for the county of
8 his or her residence. The assessor or chief county assessment
9 officer may determine the eligibility of residential property
10 to receive the homestead exemption provided by this Section by
11 application, visual inspection, questionnaire, or other
12 reasonable methods. The determination must be made in
13 accordance with guidelines established by the Department.

14 (e-1) Beginning taxable year 2018, a taxpayer who has
15 received the same protected evaluation rating and level of
16 disability for 20 or more years by the United States Department
17 of Veterans' Affairs need not reapply for the exemption
18 annually, but shall instead be automatically granted the
19 exemption provided under this Section each year.

20 (f) For the purposes of this Section:

21 "Qualified residence" means real property, but less any
22 portion of that property that is used for commercial purposes,
23 with an equalized assessed value of less than \$250,000 that is
24 the primary residence of a veteran with a disability. Property
25 rented for more than 6 months is presumed to be used for
26 commercial purposes.

1 "Veteran" means an Illinois resident who has served as a
2 member of the United States Armed Forces on active duty or
3 State active duty, a member of the Illinois National Guard, or
4 a member of the United States Reserve Forces and who has
5 received an honorable discharge.

6 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15;
7 99-375, eff. 8-17-15; 99-642, eff. 7-28-16.)

8 Section 10. The Mobile Home Local Services Tax Act is
9 amended by changing Section 7.5 as follows:

10 (35 ILCS 515/7.5)

11 Sec. 7.5. Exemption for veterans with disabilities.

12 (a) Beginning on January 1, 2004, a mobile home owned and
13 used exclusively by a veteran with a disability or the spouse
14 or unmarried surviving spouse of the veteran as a home, is
15 exempt from the tax imposed under this Act.

16 Beginning with the 2015 tax year, the exemption also
17 applies to housing that is specifically constructed or adapted
18 to suit a qualifying veteran's disability if the housing or
19 adaptations are donated by a charitable organization, the
20 veteran has been approved to receive funds for the purchase or
21 construction of Specially Adapted Housing under Title 38,
22 Chapter 21, Section 2101 of the United States Code, and the
23 home has been inspected and certified by a licensed home
24 inspector to be in compliance with applicable standards set

1 forth in U.S. Department of Veterans Affairs, Veterans Benefits
2 Administration Pamphlet 26-13 Handbook for Design of Specially
3 Adapted Housing.

4 (b) As used in this Section:

5 "Veteran with a disability" means a person who has served
6 in the armed forces of the United States and whose disability
7 is of such a nature that the federal government has authorized
8 payment for purchase or construction of specially adapted
9 housing as set forth in the United States Code, Title 38,
10 Chapter 21, Section 2101.

11 For purposes of this Section, "charitable organization"
12 means any benevolent, philanthropic, patriotic, or
13 eleemosynary entity that solicits and collects funds for
14 charitable purposes and includes each local, county, or area
15 division of that charitable organization.

16 "Unmarried surviving spouse" means the surviving spouse of
17 the veteran at any time after the death of the veteran during
18 which the surviving spouse is not married.

19 (c) Except as provided in subsection (d), eligibility
20 ~~Eligibility~~ for this exemption must be reestablished on an
21 annual basis by certification from the Illinois Department of
22 Veterans' Affairs to the county clerk of the county in which
23 the exempt mobile home is located. The county clerk shall
24 forward a copy of the certification to local assessing
25 officials.

26 (d) Beginning taxable year 2018, a taxpayer who has

1 received the same protected evaluation rating and level of
2 disability for 20 or more years by the United States Department
3 of Veterans' Affairs need not annually seek certification from
4 the Illinois Department of Veterans' Affairs for the exemption
5 provided under this Section. In that case, the taxpayer shall
6 automatically be certified to the county clerk each year by the
7 Illinois Department of Veterans' Affairs, and a copy of the
8 certification shall be forwarded to local assessing officials
9 by the county clerk.

10 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15.)

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