

HB0737



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0737

Introduced 2/7/2007, by Rep. Robert F. Flider

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. Provides that for taxable years 2007 and thereafter, the amount of the Senior Citizens Assessment Freeze Homestead Exemption is the equalized assessed value of the residence in the taxable year for which application is made minus the base amount (now, the amount of the exemption is reduced based upon the taxpayer's household income). Effective immediately.

LRB095 04797 BDD 24857 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 Disabled Persons Property Tax Relief
13 and Pharmaceutical Assistance Act, except that, beginning in
14 assessment year 2001, "income" does not include veteran's
15 benefits.

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

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

23 "Residence" means the principal dwelling place and
24 appurtenant structures used for residential purposes in this
25 State occupied on January 1 of the taxable year by a household
26 and so much of the surrounding land, constituting the parcel

1 upon which the dwelling place is situated, as is used for
2 residential purposes. If the Chief County Assessment Officer
3 has established a specific legal description for a portion of
4 property constituting the residence, then that portion of
5 property shall be deemed the residence for the purposes of this
6 Section.

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

10 (c) Beginning in taxable year 1994, a senior citizens
11 assessment freeze homestead exemption is granted for real
12 property that is improved with a permanent structure that is
13 occupied as a residence by an applicant who (i) is 65 years of
14 age or older during the taxable year, (ii) has a household
15 income of \$35,000 or less prior to taxable year 1999, \$40,000
16 or less in taxable years 1999 through 2003, \$45,000 or less in
17 taxable year 2004 and 2005, and \$50,000 or less in taxable year
18 2006 and thereafter, (iii) is liable for paying real property
19 taxes on the property, and (iv) is an owner of record of the
20 property or has a legal or equitable interest in the property
21 as evidenced by a written instrument. This homestead exemption
22 shall also apply to a leasehold interest in a parcel of
23 property improved with a permanent structure that is a single
24 family residence that is occupied as a residence by a person
25 who (i) is 65 years of age or older during the taxable year,
26 (ii) has a household income of \$35,000 or less prior to taxable

1 year 1999, \$40,000 or less in taxable years 1999 through 2003,
2 \$45,000 or less in taxable year 2004 and 2005, and \$50,000 or
3 less in taxable year 2006 and thereafter, (iii) has a legal or
4 equitable ownership interest in the property as lessee, and
5 (iv) is liable for the payment of real property taxes on that
6 property.

7 Through taxable year 2005 and for taxable years 2007 and
8 thereafter, the amount of this exemption shall be the equalized
9 assessed value of the residence in the taxable year for which
10 application is made minus the base amount. For taxable year
11 2006 ~~and thereafter~~, the amount of the exemption is as follows:

12 (1) For an applicant who has a household income of
13 \$45,000 or less, the amount of the exemption is the
14 equalized assessed value of the residence in the taxable
15 year for which application is made minus the base amount.

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

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

26 (4) For an applicant who has a household income

1 exceeding \$47,500 but not exceeding \$48,750, the amount of
2 the exemption is (i) the equalized assessed value of the
3 residence in the taxable year for which application is made
4 minus the base amount (ii) multiplied by 0.4.

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

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

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

21 In the case of land improved with an apartment building
22 owned and operated as a cooperative or a building that is a
23 life care facility that qualifies as a cooperative, the maximum
24 reduction from the equalized assessed value of the property is
25 limited to the sum of the reductions calculated for each unit
26 occupied as a residence by a person or persons (i) 65 years of

1 age or older, (ii) with a household income of \$35,000 or less
2 prior to taxable year 1999, \$40,000 or less in taxable years
3 1999 through 2003, \$45,000 or less in taxable year 2004 and
4 2005, and \$50,000 or less in taxable year 2006 and thereafter,
5 (iii) who is liable, by contract with the owner or owners of
6 record, for paying real property taxes on the property, and
7 (iv) who is an owner of record of a legal or equitable interest
8 in the cooperative apartment building, other than a leasehold
9 interest. In the instance of a cooperative where a homestead
10 exemption has been granted under this Section, the cooperative
11 association or its management firm shall credit the savings
12 resulting from that exemption only to the apportioned tax
13 liability of the owner who qualified for the exemption. Any
14 person who willfully refuses to credit that savings to an owner
15 who qualifies for the exemption is guilty of a Class B
16 misdemeanor.

17 When a homestead exemption has been granted under this
18 Section and an applicant then becomes a resident of a facility
19 licensed under the Nursing Home Care Act, the exemption shall
20 be granted in subsequent years so long as the residence (i)
21 continues to be occupied by the qualified applicant's spouse or
22 (ii) if remaining unoccupied, is still owned by the qualified
23 applicant for the homestead exemption.

24 Beginning January 1, 1997, when an individual dies who
25 would have qualified for an exemption under this Section, and
26 the surviving spouse does not independently qualify for this

1 exemption because of age, the exemption under this Section
2 shall be granted to the surviving spouse for the taxable year
3 preceding and the taxable year of the death, provided that,
4 except for age, the surviving spouse meets all other
5 qualifications for the granting of this exemption for those
6 years.

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

10 For taxable year 1994 only, in counties having less than
11 3,000,000 inhabitants, to receive the exemption, a person shall
12 submit an application by February 15, 1995 to the Chief County
13 Assessment Officer of the county in which the property is
14 located. In counties having 3,000,000 or more inhabitants, for
15 taxable year 1994 and all subsequent taxable years, to receive
16 the exemption, a person may submit an application to the Chief
17 County Assessment Officer of the county in which the property
18 is located during such period as may be specified by the Chief
19 County Assessment Officer. The Chief County Assessment Officer
20 in counties of 3,000,000 or more inhabitants shall annually
21 give notice of the application period by mail or by
22 publication. In counties having less than 3,000,000
23 inhabitants, beginning with taxable year 1995 and thereafter,
24 to receive the exemption, a person shall submit an application
25 by July 1 of each taxable year to the Chief County Assessment
26 Officer of the county in which the property is located. A

1 county may, by ordinance, establish a date for submission of
2 applications that is different than July 1. The applicant shall
3 submit with the application an affidavit of the applicant's
4 total household income, age, marital status (and if married the
5 name and address of the applicant's spouse, if known), and
6 principal dwelling place of members of the household on January
7 1 of the taxable year. The Department shall establish, by rule,
8 a method for verifying the accuracy of affidavits filed by
9 applicants under this Section. The applications shall be
10 clearly marked as applications for the Senior Citizens
11 Assessment Freeze Homestead Exemption.

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

1 so severe that it rendered the applicant incapable of filing
2 the application in a timely manner, and the date on which the
3 applicant regained the capability to file the application.

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

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

1 of any exemption denied to the applicant in taxable year 1995
2 as a result of using 1994, rather than 1993, as the base year,
3 (ii) the amount of any exemption denied to the applicant in
4 taxable year 1996 as a result of using 1994, rather than 1993,
5 as the base year, and (iii) the amount of the exemption
6 erroneously denied for taxable year 1994.

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

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

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

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

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

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

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

25 (Source: P.A. 93-715, eff. 7-12-04; 94-794, eff. 5-22-06.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.