

# HB1027



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1027

Introduced 1/9/2025, by Rep. John M. Cabello

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. Provides that, for taxable year 2025 and thereafter, the homestead exemption for veterans with disabilities carries over to the benefit of a deceased veteran's remarried surviving spouse as long as the surviving spouse holds the legal or beneficial title to the property and permanently resides on the property (currently, the surviving spouse is not eligible for the exemption if the spouse remarries). Effective immediately.

LRB104 03169 HLH 13190 b

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 15-169 as follows:

6 (35 ILCS 200/15-169)

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

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

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

19 (1) for veterans with a service-connected disability  
20 of at least (i) 75% for exemptions granted in taxable  
21 years 2007 through 2009 and (ii) 70% for exemptions  
22 granted in taxable year 2010 and each taxable year  
23 thereafter, as certified by the United States Department

1 of Veterans Affairs, the annual exemption is \$5,000; and

2 (2) for veterans with a service-connected disability  
3 of at least 50%, but less than (i) 75% for exemptions  
4 granted in taxable years 2007 through 2009 and (ii) 70%  
5 for exemptions granted in taxable year 2010 and each  
6 taxable year thereafter, as certified by the United States  
7 Department of Veterans Affairs, the annual exemption is  
8 \$2,500.

9 (b-3) For taxable years 2015 through 2022:

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

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

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

22 (4) (Blank).

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

24 (1) if the veteran has a service connected disability  
25 of 30% or more but less than 50%, as certified by the  
26 United States Department of Veterans Affairs as of the

1 date the application is submitted for the exemption under  
2 this Section for the applicable taxable year, then the  
3 annual exemption is \$2,500;

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

10 (3) if the veteran has a service connected disability  
11 of 70% or more, as certified by the United States  
12 Department of Veterans Affairs as of the date the  
13 application is submitted for the exemption under this  
14 Section for the applicable taxable year, then the first  
15 \$250,000 in equalized assessed value of the property is  
16 exempt from taxation under this Code; and

17 (4) if the taxpayer is the surviving spouse of a  
18 veteran whose death was determined to be service-connected  
19 and who is certified by the United States Department of  
20 Veterans Affairs as a recipient of dependency and  
21 indemnity compensation under federal law as of the date  
22 the application is submitted for the exemption under this  
23 Section for the applicable taxable year, then the first  
24 \$250,000 in equalized assessed value of the property is  
25 also exempt from taxation under this Code.

26 This amendatory Act of the 103rd General Assembly shall

1 not be used as the basis for any appeal filed with the chief  
2 county assessment officer, the board of review, the Property  
3 Tax Appeal Board, or the circuit court with respect to the  
4 scope or meaning of the exemption under this Section for a tax  
5 year prior to tax year 2023.

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

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

19 (c) The tax exemption under this Section carries over to  
20 the benefit of the veteran's surviving spouse as long as the  
21 spouse holds the legal or beneficial title to the homestead  
22 and permanently resides thereon, and does not remarry. For  
23 taxable years before taxable year 2025, the exemption does not  
24 carry over to the benefit of the veteran's surviving spouse if  
25 the surviving spouse is remarried. For taxable year 2025 and  
26 thereafter, the exemption carries over to the benefit of the

1 veteran's surviving spouse regardless of whether or not the  
2 surviving spouse is remarried as long as the surviving spouse  
3 holds the legal or beneficial title to the homestead and  
4 permanently resides thereon. If the surviving spouse sells the  
5 property, an exemption not to exceed the amount granted from  
6 the most recent ad valorem tax roll may be transferred to his  
7 or her new residence as long as it is used as his or her  
8 primary residence and he or she does not remarry.

9 As used in this subsection (c):

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

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

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

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

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  
3 under this Section.

4 (e) Except as otherwise provided in this subsection (e),  
5 each taxpayer who has been granted an exemption under this  
6 Section must reapply on an annual basis, except that a veteran  
7 who qualifies as a result of his or her service in World War II  
8 need not reapply. Application must be made during the  
9 application period in effect for the county of his or her  
10 residence. The assessor or chief county assessment officer may  
11 determine the eligibility of residential property to receive  
12 the homestead exemption provided by this Section by  
13 application, visual inspection, questionnaire, or other  
14 reasonable methods. The determination must be made in  
15 accordance with guidelines established by the Department.

16 On and after May 23, 2022 (the effective date of Public Act  
17 102-895), if a veteran has a combined service connected  
18 disability rating of 100% and is deemed to be permanently and  
19 totally disabled, as certified by the United States Department  
20 of Veterans Affairs, the taxpayer who has been granted an  
21 exemption under this Section shall no longer be required to  
22 reapply for the exemption on an annual basis, and the  
23 exemption shall be in effect for as long as the exemption would  
24 otherwise be permitted under this Section.

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

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

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

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

13 (2) the owner of record of the property as of January  
14 1, 2020 is the same as the owner of record of the property  
15 as of January 1, 2019;

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

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

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

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

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

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

8 (2) the owner of record of the property as of January  
9 1, 2021 is the same as the owner of record of the property  
10 as of January 1, 2020;

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

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

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

21 (f) For the purposes of this Section:

22 "Qualified residence" means, before tax year 2023, real  
23 property, but less any portion of that property that is used  
24 for commercial purposes, with an equalized assessed value of  
25 less than \$250,000 that is the primary residence of a veteran  
26 with a disability. "Qualified residence" means, for tax year

1 2023 and thereafter, real property, but less any portion of  
2 that property that is used for commercial purposes, that is  
3 the primary residence of a veteran with a disability. Property  
4 rented for more than 6 months is presumed to be used for  
5 commercial purposes.

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

13 For tax years 2022 and prior, "veteran" means an Illinois  
14 resident who has served as a member of the United States Armed  
15 Forces on active duty or State active duty, a member of the  
16 Illinois National Guard, or a member of the United States  
17 Reserve Forces and who has received an honorable discharge.  
18 For taxable years 2023 and thereafter, "veteran" means an  
19 Illinois resident who has served as a member of the United  
20 States Armed Forces on active duty or State active duty, a  
21 member of the Illinois National Guard, or a member of the  
22 United States Reserve Forces and who has a service-connected  
23 disability, as certified by the United States Department of  
24 Veterans Affairs, and receives disability compensation.

25 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;  
26 103-154, eff. 6-30-23; 103-596, eff. 7-1-24.)

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