



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4952

by Rep. Michael J. Coffey, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. Provides that, for the purpose of granting the homestead exemption for veterans with disabilities, for taxable years 2025 and thereafter, if the veteran has a service connected disability of 60% or more, then the property is exempt from taxation under the Code (currently, if the veteran has a service connected disability of 70% or more, then the first \$250,000 in equalized assessed value is exempt from taxation under the Code). Effective immediately.

LRB104 15922 HLH 29155 b

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 years ~~year~~ 2023 and 2024 ~~and~~
24 ~~thereafter~~:

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

1 United States Department of Veterans Affairs as of the
2 date the application is submitted for the exemption under
3 this Section for the applicable taxable year, then the
4 annual exemption is \$2,500;

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

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

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

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

7 (b-3.2) For taxable years 2025 and thereafter:

8 (1) if the veteran has a service connected disability
9 of 30% or more but less than 50%, as certified by the
10 United States Department of Veterans Affairs as of the
11 date the application is submitted for the exemption under
12 this Section for the applicable taxable year, 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 60%, as certified by the
16 United States Department of Veterans Affairs as of the
17 date the application is submitted for the exemption under
18 this Section for the applicable taxable year, then the
19 annual exemption is \$5,000;

20 (3) if the veteran has a service connected disability
21 of 60% or more, as certified by the United States
22 Department of Veterans Affairs as of the date the
23 application is submitted for the exemption under this
24 Section for the applicable taxable year, then the property
25 is exempt from taxation under this Code; and

26 (4) if the taxpayer is the surviving spouse of a

1 veteran whose death was determined to be service-connected
2 and who is certified by the United States Department of
3 Veterans Affairs as a recipient of dependency and
4 indemnity compensation under federal law as of the date
5 the application is submitted for the exemption under this
6 Section for the applicable taxable year, then the first
7 \$250,000 in equalized assessed value of the property is
8 exempt from taxation under this Code.

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

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

22 (c) The tax exemption under this Section carries over to
23 the benefit of the veteran's surviving spouse as long as the
24 spouse holds the legal or beneficial title to the homestead,
25 permanently resides thereon, and does not remarry. If the
26 surviving spouse sells the property, an exemption not to

1 exceed the amount granted from the most recent ad valorem tax
2 roll may be transferred to his or her new residence as long as
3 it is used as his or her primary residence and he or she does
4 not remarry.

5 As used in this subsection (c):

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

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

18 (3) for taxable year 2023 and thereafter, "surviving
19 spouse" means: (i) the surviving spouse of a veteran who
20 obtained the exemption under this Section prior to his or
21 her death; (ii) the surviving spouse of a veteran who was
22 killed in the line of duty at any time prior to the
23 expiration of the application period in effect for the
24 exemption for the taxable year for which the exemption is
25 sought; (iii) the surviving spouse of a veteran who did
26 not obtain an exemption under this Section before death,

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

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

22 (d) The exemption under this Section applies for taxable
23 year 2007 and thereafter. A taxpayer who claims an exemption
24 under Section 15-165 or 15-168 may not claim an exemption
25 under this Section.

26 (e) Except as otherwise provided in this subsection (e),

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

12 On and after May 23, 2022 (the effective date of Public Act
13 102-895), if a veteran has a combined service connected
14 disability rating of 100% and is deemed to be permanently and
15 totally disabled, as certified by the United States Department
16 of Veterans Affairs, the taxpayer who has been granted an
17 exemption under this Section shall no longer be required to
18 reapply for the exemption on an annual basis, and the
19 exemption shall be in effect for as long as the exemption would
20 otherwise be permitted under this Section.

21 (e-1) If the person qualifying for the exemption does not
22 occupy the qualified residence as of January 1 of the taxable
23 year, the exemption granted under this Section shall be
24 prorated on a monthly basis. The prorated exemption shall
25 apply beginning with the first complete month in which the
26 person occupies the qualified residence.

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

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

9 (2) the owner of record of the property as of January
10 1, 2020 is the same as the owner of record of the property
11 as of January 1, 2019;

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

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

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

22 (e-10) Notwithstanding any other provision of law, each
23 chief county assessment officer may approve this exemption for
24 the 2021 taxable year, without application, for any property
25 that was approved for this exemption for the 2020 taxable
26 year, if:

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

4 (2) the owner of record of the property as of January
5 1, 2021 is the same as the owner of record of the property
6 as of January 1, 2020;

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

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

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

17 (f) For the purposes of this Section:

18 "Qualified residence" means, before tax year 2023, real
19 property, but less any portion of that property that is used
20 for commercial purposes, with an equalized assessed value of
21 less than \$250,000 that is the primary residence of a veteran
22 with a disability. "Qualified residence" means, for tax year
23 2023 and thereafter, real property, but less any portion of
24 that property that is used for commercial purposes, that is
25 the primary residence of a veteran with a disability. Property
26 rented for more than 6 months is presumed to be used for

1 commercial purposes.

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

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

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

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