

SB2278



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2278

Introduced 2/7/2025, by Sen. Michael E. Hastings

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. In provisions concerning the homestead exemption for veterans with disabilities and veterans of World War II, provides that, if the taxpayer is the surviving spouse of a veteran whose death was determined to be service-connected or (currently, and) the taxpayer is certified by the United States Department of Veterans Affairs as a recipient of dependency and indemnity compensation, then the first \$250,000 in equalized assessed value of the property is exempt from taxation under the Code. Effective immediately.

LRB104 12210 HLH 22315 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, as of the date the application is submitted
18 for the exemption under this Section for the applicable
19 taxable year, the taxpayer is the surviving spouse of a
20 veteran whose death was determined to be service-connected
21 or, as of the date the application is submitted for the
22 exemption under this Section for the applicable taxable
23 year, the taxpayer ~~and who~~ is certified by the United
24 States Department of Veterans Affairs as a recipient of
25 dependency and indemnity compensation under federal law as
26 a veteran's surviving spouse ~~as of the date the~~

1 ~~application is submitted for the exemption under this~~
2 ~~Section for the applicable taxable year,~~ then the first
3 \$250,000 in equalized assessed value of the property is
4 also exempt from taxation under this Code.

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

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

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

24 (c) The tax exemption under this Section carries over to
25 the benefit of the veteran's surviving spouse as long as the
26 spouse holds the legal or beneficial title to the homestead,

1 permanently resides thereon, and does not remarry. If the
2 surviving spouse sells the property, an exemption not to
3 exceed the amount granted from the most recent ad valorem tax
4 roll may be transferred to his or her new residence as long as
5 it is used as his or her primary residence and he or she does
6 not remarry.

7 As used in this subsection (c):

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

12 (2) for taxable years 2015 through 2022, "surviving
13 spouse" means (i) the surviving spouse of a veteran who
14 obtained an exemption under this Section prior to his or
15 her death and (ii) the surviving spouse of a veteran who
16 was killed in the line of duty 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

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

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

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

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

1 under this Section.

2 (e) Except as otherwise provided in this subsection (e),
3 each taxpayer who has been granted an exemption under this
4 Section must reapply on an annual basis, except that a veteran
5 who qualifies as a result of his or her service in World War II
6 need not reapply. Application must be made during the
7 application period in effect for the county of his or her
8 residence. The assessor or chief county assessment officer may
9 determine the eligibility of residential property to receive
10 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 On and after May 23, 2022 (the effective date of Public Act
15 102-895), if a veteran has a combined service connected
16 disability rating of 100% and is deemed to be permanently and
17 totally disabled, as certified by the United States Department
18 of Veterans Affairs, the taxpayer who has been granted an
19 exemption under this Section shall no longer be required to
20 reapply for the exemption on an annual basis, and the
21 exemption shall be in effect for as long as the exemption would
22 otherwise be permitted under this Section.

23 (e-1) If the person qualifying for the exemption does not
24 occupy the qualified residence as of January 1 of the taxable
25 year, the exemption granted under this Section shall be
26 prorated on a monthly basis. The prorated exemption shall

1 apply beginning with the first complete month in which the
2 person occupies the qualified residence.

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

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

11 (2) the owner of record of the property as of January
12 1, 2020 is the same as the owner of record of the property
13 as of January 1, 2019;

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

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

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

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

1 that was approved for this exemption for the 2020 taxable
2 year, if:

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

6 (2) the owner of record of the property as of January
7 1, 2021 is the same as the owner of record of the property
8 as of January 1, 2020;

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

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

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

19 (f) For the purposes of this Section:

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

1 the primary residence of a veteran with a disability. Property
2 rented for more than 6 months is presumed to be used for
3 commercial purposes.

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

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

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

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