

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 ~~to the amounts~~
11 ~~set forth in subsections (b) and (b-3),~~ is granted for
12 property that is used as a qualified residence by a veteran
13 with a disability, and beginning with taxable year 2024, an
14 annual homestead exemption, limited to the amounts set forth
15 in subsection (b-4), is granted for property that is used as a
16 qualified residence by a veteran who was a member of the United
17 States Armed Forces during World War II.

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

20 (1) for veterans with a service-connected disability
21 of at least (i) 75% for exemptions granted in taxable
22 years 2007 through 2009 and (ii) 70% for exemptions
23 granted in taxable year 2010 and each taxable year

1 thereafter, as certified by the United States Department
2 of Veterans Affairs, the annual exemption is \$5,000; and

3 (2) for veterans with a service-connected disability
4 of at least 50%, but less than (i) 75% for exemptions
5 granted in taxable years 2007 through 2009 and (ii) 70%
6 for exemptions granted in taxable year 2010 and each
7 taxable year thereafter, as certified by the United States
8 Department of Veterans Affairs, the annual exemption is
9 \$2,500.

10 (b-3) For taxable years 2015 through 2022 ~~and thereafter:~~

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

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

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

23 (4) (Blank). ~~for taxable year 2023 and thereafter, if~~
24 ~~the taxpayer is the surviving spouse of a veteran whose~~
25 ~~death was determined to be service-connected and who is~~
26 ~~certified by the United States Department of Veterans~~

~~Affairs as a recipient of dependency and indemnity compensation under federal law, then the property is also exempt from taxation under this Code.~~

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

(1) if the veteran has a service connected disability of 30% or more but less than 50%, as certified by the United States Department of Veterans Affairs as of the date the application is submitted for the exemption under this Section for the applicable taxable year, then the annual exemption is \$2,500;

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

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

(4) if the taxpayer is the surviving spouse of a veteran whose death was determined to be service-connected and who is certified by the United States Department of

1 Veterans Affairs as a recipient of dependency and
2 indemnity compensation under federal law as of the date
3 the application is submitted for the exemption under this
4 Section for the applicable taxable year, then the first
5 \$250,000 in equalized assessed value of the property is
6 also exempt from taxation under this Code.

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

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

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

26 (c) The tax exemption under this Section carries over to

1 the benefit of the veteran's surviving spouse as long as the
2 spouse holds the legal or beneficial title to the homestead,
3 permanently resides thereon, and does not remarry. If the
4 surviving spouse sells the property, an exemption not to
5 exceed the amount granted from the most recent ad valorem tax
6 roll may be transferred to his or her new residence as long as
7 it is used as his or her primary residence and he or she does
8 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" "Veteran" means an
14 Illinois resident who has served as a member of the United
15 States Armed Forces on active duty or State active duty, a
16 member of the Illinois National Guard, or a member of the
17 United States Reserve Forces and who has received an honorable
18 discharge. For taxable years 2023 and thereafter, "veteran"
19 means an Illinois resident who has served as a member of the
20 United States Armed Forces on active duty or State active
21 duty, a member of the Illinois National Guard, or a member of
22 the United States Reserve Forces and who has a
23 service-connected disability, as certified by the United
24 States Department of Veterans Affairs, and receives disability
25 compensation.

26 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;

1 103-154, eff. 6-30-23.)

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