

HB2553



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2553

Introduced 2/15/2023, by Rep. Janet Yang Rohr

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. In provisions concerning the homestead exemption for veterans with disabilities, provides that: (1) if the veteran has a service-connected disability of 30% or more but less than 50%, then the annual exemption is 30% of the assessed value of the property; (2) if the veteran has a service-connected disability of 50% or more but less than 70%, then the annual exemption is 50% of the assessed value of the property; and (3) if the veteran has a service-connected disability of 70% or more, then the property is exempt from taxation. Effective immediately.

LRB103 27079 HLH 53447 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.

9 (a) Beginning with taxable year 2007, an annual homestead
10 exemption, limited to the amounts set forth in subsections (b)
11 ~~and~~ (b-3), and (b-4) is granted for property that is used as a
12 qualified residence by a veteran with a disability.

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

15 (1) for veterans with a service-connected disability
16 of at least (i) 75% for exemptions granted in taxable
17 years 2007 through 2009 and (ii) 70% for exemptions
18 granted in taxable year 2010 and each taxable year
19 thereafter, as certified by the United States Department
20 of Veterans Affairs, the annual exemption is \$5,000; and

21 (2) for veterans with a service-connected disability
22 of at least 50%, but less than (i) 75% for exemptions
23 granted in taxable years 2007 through 2009 and (ii) 70%

1 for exemptions granted in taxable year 2010 and each
2 taxable year thereafter, as certified by the United States
3 Department of Veterans Affairs, the annual exemption is
4 \$2,500.

5 (b-3) For taxable years 2015 through 2023 ~~and thereafter~~:

6 (1) if the veteran has a service-connected ~~service~~
7 ~~connected~~ disability of 30% or more but less than 50%, as
8 certified by the United States Department of Veterans
9 Affairs, then the annual exemption is \$2,500;

10 (2) if the veteran has a service-connected ~~service~~
11 ~~connected~~ disability of 50% or more but less than 70%, as
12 certified by the United States Department of Veterans
13 Affairs, then the annual exemption is \$5,000;

14 (3) if the veteran has a service-connected ~~service~~
15 ~~connected~~ disability of 70% or more, as certified by the
16 United States Department of Veterans Affairs, then the
17 property is exempt from taxation under this Code; and

18 (4) for taxable year 2023 and thereafter, if the
19 taxpayer is the surviving spouse of a veteran whose death
20 was determined to be service connected ~~service-connected~~
21 and who is certified by the United States Department of
22 Veterans Affairs as a recipient of dependency and
23 indemnity compensation under federal law, then the
24 property is also exempt from taxation under this Code.

25 (b-4) For taxable years 2024 and thereafter:

26 (1) if the veteran has a service-connected disability

1 of 30% or more but less than 50%, as certified by the
2 United States Department of Veterans Affairs, then the
3 annual exemption is 30% of the assessed value of the
4 property;

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, then the
8 annual exemption is 50% of the assessed value of the
9 property; and

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, then the property is
13 exempt from taxation under this Code.

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

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

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

6 As used in this subsection (c):

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

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

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

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

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

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

1 (e) Except as otherwise provided in this subsection (e),
2 each taxpayer who has been granted an exemption under this
3 Section must reapply on an annual basis. Application must be
4 made during the application period in effect for the county of
5 his or her residence. The assessor or chief county assessment
6 officer may determine the eligibility of residential property
7 to receive the homestead exemption provided by this Section by
8 application, visual inspection, questionnaire, or other
9 reasonable methods. The determination must be made in
10 accordance with guidelines established by the Department.

11 On and after May 23, 2024 (the effective date of Public Act
12 102-895) ~~this amendatory Act of the 102nd General Assembly~~, if
13 a veteran has a combined service-connected ~~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 ~~service-connected~~ disability rating has
20 changed since the 2019 exemption was granted from applying for
21 the exemption based on the subsequent service-connected
22 ~~service-connected~~ disability rating.

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

1 year, if:

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

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

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

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

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

19 (f) For the purposes of this Section:

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

26 "Veteran" means an Illinois resident who has served as a

1 member of the United States Armed Forces on active duty or
2 State active duty, a member of the Illinois National Guard, or
3 a member of the United States Reserve Forces and who has
4 received an honorable discharge.

5 (Source: P.A. 101-635, eff. 6-5-20; 102-136, eff. 7-23-21;
6 102-895, eff. 5-23-22; revised 9-6-22.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.