

HB3070



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3070

Introduced 2/17/2023, by Rep. Edgar Gonzalez, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-177

Amends the Property Tax Code. In provisions concerning the long-time occupant homestead exemption, provides that for tax year 2024 and thereafter, the exemption applies to qualified taxpayers with a household income of \$85,000 or less and is based on an increase of 5% for each taxable year after the base year. Removes provisions providing that a qualified taxpayer may not receive the long-time occupant homestead exemption and certain other exemptions. Provides that qualified taxpayers need not reapply for the long-time occupant homestead exemption on an annual basis. Effective immediately.

LRB103 30509 HLH 56942 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 15-177 as follows:

6 (35 ILCS 200/15-177)

7 Sec. 15-177. The long-time occupant homestead exemption.

8 (a) If the county has elected, under Section 15-176, to be
9 subject to the provisions of the alternative general homestead
10 exemption, then, for taxable years 2007 and thereafter,
11 regardless of whether the exemption under Section 15-176
12 applies, qualified homestead property is entitled to an annual
13 homestead exemption equal to a reduction in the property's
14 equalized assessed value calculated as provided in this
15 Section.

16 (b) As used in this Section:

17 "Adjusted homestead value" means, for tax years before
18 2024, the lesser of the following values:

19 (1) The property's base homestead value increased by:
20 (i) 10% for each taxable year after the base year through
21 and including the current tax year for qualified taxpayers
22 with a household income of more than \$75,000 but not
23 exceeding \$100,000; or (ii) 7% for each taxable year after

1 the base year through and including the current tax year
2 for qualified taxpayers with a household income of \$75,000
3 or less. The increase each year is an increase over the
4 prior year; or

5 (2) The property's equalized assessed value for the
6 current tax year minus the general homestead deduction.

7 "Adjusted homestead value" means, for tax year 2024 and
8 thereafter, the lesser of the following values:

9 (1) The property's base homestead value increased by
10 5% for each taxable year after the base year through and
11 including the current tax year for qualified taxpayers
12 with a household income of \$85,000 or less. The increase
13 each year is an increase over the prior year; or

14 (2) The property's equalized assessed value for the
15 current tax year minus the general homestead deduction.

16 "Base homestead value" means:

17 (1) if the property did not have an adjusted homestead
18 value under Section 15-176 for the base year, then an
19 amount equal to the equalized assessed value of the
20 property for the base year prior to exemptions, minus the
21 general homestead deduction, provided that the property's
22 assessment was not based on a reduced assessed value
23 resulting from a temporary irregularity in the property
24 for that year; or

25 (2) if the property had an adjusted homestead value
26 under Section 15-176 for the base year, then an amount

1 equal to the adjusted homestead value of the property
2 under Section 15-176 for the base year.

3 "Base year" means the taxable year prior to the taxable
4 year in which the taxpayer first qualifies for the exemption
5 under this Section.

6 "Current taxable year" means the taxable year for which
7 the exemption under this Section is being applied.

8 "Equalized assessed value" means the property's assessed
9 value as equalized by the Department.

10 "Homestead" or "homestead property" means residential
11 property that as of January 1 of the tax year is occupied by a
12 qualified taxpayer as his or her principal dwelling place, or
13 that is a leasehold interest on which a single family
14 residence is situated, that is occupied as a residence by a
15 qualified taxpayer who has a legal or equitable interest
16 therein evidenced by a written instrument, as an owner or as a
17 lessee, and on which the person is liable for the payment of
18 property taxes. Residential units in an apartment building
19 owned and operated as a cooperative, or as a life care
20 facility, which are occupied by persons who hold a legal or
21 equitable interest in the cooperative apartment building or
22 life care facility as owners or lessees, and who are liable by
23 contract for the payment of property taxes, are included
24 within this definition of homestead property. A homestead
25 includes the dwelling place, appurtenant structures, and so
26 much of the surrounding land constituting the parcel on which

1 the dwelling place is situated as is used for residential
2 purposes. If the assessor has established a specific legal
3 description for a portion of property constituting the
4 homestead, then the homestead is limited to the property
5 within that description.

6 "Household income" has the meaning set forth under Section
7 15-172 of this Code.

8 "General homestead deduction" means the amount of the
9 general homestead exemption under Section 15-175.

10 "Life care facility" means a facility defined in Section 2
11 of the Life Care Facilities Act.

12 "Qualified homestead property" means homestead property
13 owned by a qualified taxpayer.

14 "Qualified taxpayer" means any individual:

15 (1) who, for at least 10 continuous years as of
16 January 1 of the taxable year, has occupied the same
17 homestead property as a principal residence and domicile
18 or who, for at least 5 continuous years as of January 1 of
19 the taxable year, has occupied the same homestead property
20 as a principal residence and domicile if that person
21 received assistance in the acquisition of the property as
22 part of a government or nonprofit housing program; and

23 (2) who has a household income of \$100,000 or less.

24 (c) The base homestead value must remain constant, except
25 that the assessor may revise it under any of the following
26 circumstances:

1 (1) If the equalized assessed value of a homestead
2 property for the current tax year is less than the
3 previous base homestead value for that property, then the
4 current equalized assessed value (provided it is not based
5 on a reduced assessed value resulting from a temporary
6 irregularity in the property) becomes the base homestead
7 value in subsequent tax years.

8 (2) For any year in which new buildings, structures,
9 or other improvements are constructed on the homestead
10 property that would increase its assessed value, the
11 assessor shall adjust the base homestead value with due
12 regard to the value added by the new improvements.

13 (d) The amount of the exemption under this Section is the
14 greater of: (i) the equalized assessed value of the homestead
15 property for the current tax year minus the adjusted homestead
16 value; or (ii) the general homestead deduction.

17 (e) In the case of an apartment building owned and
18 operated as a cooperative, or as a life care facility, that
19 contains residential units that qualify as homestead property
20 of a qualified taxpayer under this Section, the maximum
21 cumulative exemption amount attributed to the entire building
22 or facility shall not exceed the sum of the exemptions
23 calculated for each unit that is a qualified homestead
24 property. The cooperative association, management firm, or
25 other person or entity that manages or controls the
26 cooperative apartment building or life care facility shall

1 credit the exemption attributable to each residential unit
2 only to the apportioned tax liability of the qualified
3 taxpayer as to that unit. Any person who willfully refuses to
4 so credit the exemption is guilty of a Class B misdemeanor.

5 (f) When married persons maintain separate residences, the
6 exemption provided under this Section may be claimed by only
7 one such person and for only one residence. ~~No person who~~
8 ~~receives an exemption under Section 15-172 of this Code may~~
9 ~~receive an exemption under this Section. No person who~~
10 ~~receives an exemption under this Section may receive an~~
11 ~~exemption under Section 15-175 or 15-176 of this Code.~~

12 (g) In the event of a sale or other transfer in ownership
13 of the homestead property between spouses or between a parent
14 and a child, the exemption under this Section remains in
15 effect if the new owner has a household income of \$100,000 or
16 less.

17 (h) In the event of a sale or other transfer in ownership
18 of the homestead property other than subsection (g) of this
19 Section, the exemption under this Section shall remain in
20 effect for the remainder of the tax year and be calculated
21 using the same base homestead value in which the sale or
22 transfer occurs.

23 (i) To receive the exemption, a person must submit an
24 application to the county assessor during the period specified
25 by the county assessor. For taxable year 2024 and thereafter,
26 qualified taxpayers need not reapply on an annual basis;

1 however, they must notify the chief county assessment officer
2 if the property is sold, transferred, or conveyed, or if the
3 property no longer qualifies for the exemption under this
4 Section.

5 The county assessor shall annually give notice of the
6 application period by mail or by publication.

7 The taxpayer must submit, with the application, an
8 affidavit of the taxpayer's total household income, marital
9 status (and if married the name and address of the applicant's
10 spouse, if known), and principal dwelling place of members of
11 the household on January 1 of the taxable year. The Department
12 shall establish, by rule, a method for verifying the accuracy
13 of affidavits filed by applicants under this Section, and the
14 Chief County Assessment Officer may conduct audits of any
15 taxpayer claiming an exemption under this Section to verify
16 that the taxpayer is eligible to receive the exemption. Each
17 application shall contain or be verified by a written
18 declaration that it is made under the penalties of perjury. A
19 taxpayer's signing a fraudulent application under this Act is
20 perjury, as defined in Section 32-2 of the Criminal Code of
21 2012. The applications shall be clearly marked as applications
22 for the Long-time Occupant Homestead Exemption and must
23 contain a notice that any taxpayer who receives the exemption
24 is subject to an audit by the Chief County Assessment Officer.

25 (j) Notwithstanding Sections 6 and 8 of the State Mandates
26 Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this Section.

2 (Source: P.A. 97-1150, eff. 1-25-13.)

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