



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3541

Introduced 2/17/2023, by Rep. Amy L. Grant

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172.1 new

Amends the Property Tax Code. Creates the senior citizens homestead school levy exemption for property that is improved with a permanent structure that is occupied as a primary residence by an applicant who (i) is 65 years of age or older during the taxable year, (ii) has a household income that does not exceed the maximum income limitation, (iii) is liable for paying real property taxes on the property, (iv) is an owner of record of the property or has a legal or equitable interest in the property as evidenced by a written instrument, if no individual residing at the real property is or will be enrolled in a public school. Effective immediately.

LRB103 29742 HLH 56148 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 adding
5 Section 15-172.1 as follows:

6 (35 ILCS 200/15-172.1 new)

7 Sec. 15-172.1. Senior Citizens Homestead Exemption School
8 Levy Cap.

9 (a) This Section may be cited as the Senior Citizens
10 Homestead Exemption School Levy Cap.

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an
13 application under this Section.

14 "Base year" means the taxable year for which the applicant
15 first qualifies and applies for the exemption, provided that,
16 in the prior taxable year, the property was improved with a
17 permanent structure that was occupied as the primary residence
18 by an applicant who was liable for paying real property taxes
19 on the property and who was either (i) an owner of record of
20 the property or had legal or equitable interest in the
21 property as evidenced by a written instrument or (ii) had a
22 legal or equitable interest as a lessee in the parcel of
23 property that was an single-family residence and that lease

1 obligates the lessee to pay property taxes on the parcel.

2 "Base year applicable K-12 school salary levy" means the
3 aggregate tax levy share applied to the property in the base
4 year pursuant to Section 17-2 of the School Code that derives
5 from: (i) faculty salaries and benefits; (ii) administrator
6 salaries and benefits; and (iii) classified staff salaries and
7 benefits.

8 "Retirement age base amount" means the base year equalized
9 assessed value of a residence as of the year the first
10 homeowner of the residence, who has resided in the residence
11 as a primary residence for a period of at least 5 years, turns
12 age 65.

13 "Chief county assessment officer" means the County
14 Assessor or Supervisor of Assessments of the county in which
15 the property is located.

16 "Equalized assessed value" means the assessed value as
17 equalized by the Department of Revenue.

18 "Household" means the applicant, the spouse of the
19 applicant, and all persons using the residence of the
20 applicant as their principal place of residence.

21 "Household income" means the combined income of the
22 members of a household for the calendar year preceding the
23 taxable year.

24 "Income" has the same meaning as provided in Section 3.07
25 of the Senior Citizens and Persons with Disabilities Property
26 Tax Relief Act, except that "income" does not include

1 veteran's benefits.

2 "Incremental K-12 school salary levy" means for any year
3 subsequent to the base year, the aggregate tax levy share
4 applied to the property pursuant to Section 17-2 that derives
5 from: (i) faculty salaries and benefits; (ii) administrator
6 salaries and benefits; and (iii) classified staff salaries and
7 benefits, which exceeds the base year applicable K-12 school
8 salary levy.

9 "Incremental K-12 school salary levy exemption amount"
10 means the incremental K-12 school salary levy exemption
11 calculated for that tax year.

12 "Internal Revenue Code of 1986" means the United States
13 Internal Revenue Code of 1986 or any successor law or laws
14 relating to federal income taxes in effect for the year
15 preceding the taxable year.

16 "Life care facility that qualifies as a cooperative" means
17 a facility as defined in Section 2 of the Life Care Facilities
18 Act.

19 "Maximum income limitation" means for taxable years 2023
20 and thereafter, \$100,000 per year, indexed to annual inflation
21 rates, or 2%, whichever is less per year.

22 "Residence" means the principal dwelling place and
23 appurtenant structures used for residential purposes in this
24 State occupied on January 1 of the taxable year by a household
25 and so much of the surrounding land, constituting the parcel
26 upon which the dwelling place is situated, as is used for

1 residential purposes. If the chief county assessment officer
2 has established a specific legal description for a portion of
3 property constituting the residence, then that portion of
4 property shall be deemed the residence for the purposes of
5 this Section.

6 "Taxable year" means the calendar year during which ad
7 valorem property taxes payable in the next succeeding year are
8 levied.

9 (c) Beginning in taxable year 2023, a senior citizens
10 homestead school levy exemption is granted for real property
11 that is improved with a permanent structure that is occupied
12 as the primary residence by an applicant who (i) is 65 years of
13 age or older during the taxable year, (ii) has a household
14 income that does not exceed the maximum income limitation,
15 (iii) is liable for paying real property taxes on the
16 property, (iv) is an owner of record of the property or has a
17 legal or equitable interest in the property as evidenced by a
18 written instrument, if no individual residing at the real
19 property is or will be enrolled in a tax levying body eligible
20 to place a levy on the property pursuant to Section 17-2 of the
21 School Code. This homestead school levy exemption shall also
22 apply to a leasehold interest in a parcel of property improved
23 with a permanent structure that is a single family residence
24 that is occupied as a residence by a person who: (i) is 65
25 years of age or older during the taxable year; (ii) has a
26 household income that does not exceed the maximum income

1 limitation; (iii) has a legal or equitable ownership interest
2 in the property as lessee; and (iv) is liable for the payment
3 of real property taxes on that property.

4 (d) In counties of 3,000,000 or more inhabitants, the
5 amount of the exemption for all taxable years for qualifying
6 residents is the incremental K-12 school salary levy exemption
7 amount, which may be reduced by an amount not to exceed the
8 percentage change in the Consumer Price Index for All Urban
9 Consumers for that year. In all other counties, the amount of
10 the exemption for qualifying residents is the Incremental K-12
11 school salary levy exemption amount, provided that the
12 Incremental K-12 school salary levy exemption amount may be
13 reduced by 1% per year, provided that the total Incremental
14 K-12 school salary levy does not exceed 2% of the fair market
15 value of the property.

16 When the applicant is a surviving spouse of an applicant
17 for a prior year for the same residence for which an exemption
18 under this Section has been granted, the exemption shall still
19 apply provided that no individual residing at the real
20 property is or will be enrolled in a tax levying body eligible
21 to place a levy on the property pursuant to Section 17-2 of the
22 School Code.

23 Each year at the time the assessment books are certified
24 to the county clerk, the board of review shall give to the
25 county clerk a list of the assessed values of improvements on
26 each parcel qualifying for this exemption that were added

1 after the base year for this parcel and that increased the
2 assessed value of the property. In the case of land improved
3 with an apartment building owned and operated as a cooperative
4 or a building that is a life care facility that qualifies as a
5 cooperative, the maximum reduction from the equalized assessed
6 value of the property is limited to the sum of the reductions
7 calculated for each unit occupied as a residence by a person or
8 persons (i) 65 years of age or older, (ii) with a household
9 income that does not exceed the maximum income limitation,
10 (iii) who is liable, by contract with the owner or owners of
11 record, for paying real property taxes on the property, and
12 (iv) who is an owner of record of a legal or equitable interest
13 in the cooperative apartment building, other than a leasehold
14 interest, provided that no individual residing at the real
15 property is or will be enrolled in a tax levying body eligible
16 to place a levy on the property pursuant to Section 17-2 of the
17 School Code. In the instance of a cooperative where a
18 homestead exemption has been granted under this Section, the
19 cooperative association or its management firm shall credit
20 the savings resulting from that exemption only to the
21 apportioned tax liability of the owner who qualified for the
22 exemption. Any person who willfully refuses to credit that
23 savings to an owner who qualifies for the exemption is guilty
24 of a Class B misdemeanor. When a homestead exemption has been
25 granted under this Section and an applicant then becomes a
26 resident of a facility licensed under the Assisted Living and

1 Shared Housing Act, the Nursing Home Care Act, the Specialized
2 Mental Health Rehabilitation Act of 2013, the ID/DD Community
3 Care Act, or the MC/DD Act, the exemption shall be granted in
4 subsequent years so long as the residence (i) continues to be
5 occupied by the qualified applicant's spouse or (ii) if
6 remaining unoccupied, is still owned by the qualified
7 applicant for the homestead exemption, and no individual
8 residing at the real property is or will be enrolled in a tax
9 levying body eligible to place a levy on the property pursuant
10 to Section 17-2 of the School Code.

11 When married persons maintain separate residences, the
12 exemption provided for in this Section may be claimed by only
13 one of such persons and for only one residence, and provided
14 that no individual residing at the real property is or will be
15 enrolled in a tax levying body eligible to place a levy on the
16 property pursuant to Section 17-2 of the School Code. For
17 taxable year 2024, in counties having less than 3,000,000
18 inhabitants, to receive the exemption, a person shall submit
19 an application by February 15, 2024 to the chief county
20 assessment officer of the county in which the property is
21 located. In counties having 3,000,000 or more inhabitants, for
22 taxable year 2024 and all subsequent taxable years, to receive
23 the exemption, a person may submit an application to the Chief
24 County Assessment Officer of the county in which the property
25 is located during such period as may be specified by the Chief
26 County Assessment officer. The Chief County Assessment Officer

1 in counties of 3,000,000 or more inhabitants shall annually
2 give notice of the application period by mail or by
3 publication. In counties having less than 3,000,000
4 inhabitants, beginning with taxable year 2024 and thereafter,
5 a county may, by ordinance, establish a date for submission of
6 applications that is different than February 15. The applicant
7 shall submit with the application an affidavit of the
8 applicant's total household income, age, marital status (and
9 if married the name and address of the applicant's spouse, if
10 known), confirmation that no individual residing at the real
11 property is or will be enrolled in a tax levying body eligible
12 to place a levy on the property pursuant to Section 17-2 of the
13 School Code for the full taxable year, and principal dwelling
14 place of members of the household on January 1 of the taxable
15 year. The Department shall establish, by rule, a method for
16 verifying the accuracy of affidavits filed by applicants under
17 this Section, and the chief county assessment officer may
18 conduct audits of any taxpayer claiming an exemption under
19 this Section to verify that the taxpayer is eligible to
20 receive the exemption. Each application shall contain or be
21 verified by a written declaration that it is made under the
22 penalties of perjury. A taxpayer's signing a fraudulent
23 application under this Act is perjury, as defined in Section
24 32-2 of the Criminal Code of 2012. The applications shall be
25 clearly marked as applications for the Senior Citizens
26 Homestead Exemption School Levy Cap and must contain a notice

1 that any taxpayer who receives the exemption is subject to an
2 audit by the Chief County Assessment Officer.

3 Beginning January 1, 2024, notwithstanding any other
4 provision to the contrary, in counties having fewer than
5 3,000,000 inhabitants, if an applicant fails to file the
6 application required by this Section in a timely manner and
7 this failure to file is due to a mental or physical condition
8 sufficiently severe so as to render the applicant incapable of
9 filing the application in a timely manner, the chief county
10 assessment officer may extend the filing deadline for a period
11 of 3 months. In order to receive the extension provided in this
12 paragraph, the applicant shall provide the chief county
13 assessment officer with a signed statement from the
14 applicant's physician, advanced practice registered nurse, or
15 physician assistant stating the nature and extent of the
16 condition, and that, in the physician's, advanced practice
17 registered nurse's, or physician assistant's opinion, the
18 condition was so severe that it rendered the applicant
19 incapable of filing the application in a timely manner.

20 For purposes of this Section, a person who will be 65 years
21 of age during the current taxable year shall be eligible to
22 apply for the Senior Citizens Homestead Exemption School Levy
23 Cap during that taxable year. Application shall be made during
24 the application period in effect for the county of his or her
25 residence.

26 The chief county assessment officer may determine the

1 eligibility of a life care facility that qualifies as a
2 cooperative to receive the benefits provided by this Section
3 by use of an affidavit, application, visual inspection,
4 questionnaire, or other reasonable method in order to ensure
5 that the tax savings resulting from the exemption are credited
6 by the management firm to the apportioned tax liability of
7 each qualifying resident. The chief county assessment officer
8 may request reasonable proof that the management firm has so
9 credited that exemption. Except as provided in this Section,
10 all information received by the chief county assessment
11 officer or the Department from applications filed under this
12 Section, or from any investigation conducted under the
13 provisions of this Section, shall be confidential, except for
14 official purposes or pursuant to official procedures for
15 collection of any State or local tax or enforcement of any
16 civil or criminal penalty or sanction imposed by this Act or by
17 any statute or ordinance imposing a State or local tax. Any
18 person who divulges any such information in any manner, except
19 in accordance with a proper judicial order, is guilty of a
20 class A misdemeanor. Nothing contained in this Section shall
21 prevent the Director or chief county assessment officer from
22 publishing or making available reasonable statistics
23 concerning the operation of the exemption contained in this
24 Section in which the contents of claims are grouped into
25 aggregates in such a way that information contained in any
26 individual claim shall not be disclosed.

1 (e) Each chief county assessment officer shall annually
2 publish a notice of availability of the exemption provided
3 under this Section. The notice shall be published at least 60
4 days but no more than 75 days prior to the date on which the
5 application must be submitted to the chief county assessment
6 officer of the county in which the property is located. The
7 notice shall appear in a newspaper of general circulation in
8 the county.

9 Notwithstanding Sections 6 and 8 of the State Mandates
10 Act, no reimbursement by the State is required for the
11 implementation of any mandate created by this Section.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.