



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4335

Introduced 1/16/2024, by Rep. John M. Cabello

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. Provides that, for taxable year 2024 and thereafter, the homestead exemption for veterans with disabilities carries over to the benefit of a deceased veteran's remarried surviving spouse as long as the surviving spouse holds the legal or beneficial title to the property and permanently resides on the property (currently, the surviving spouse is not eligible for the exemption if the spouse remarries). Effective immediately.

LRB103 35191 HLH 65165 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 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), is granted for property that is used as a qualified
12 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 and thereafter:

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

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

14 (3) if the veteran has a service connected disability
15 of 70% or more, as certified by the United States
16 Department of Veterans Affairs, then the property is
17 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 and who is
21 certified by the United States Department of Veterans
22 Affairs as a recipient of dependency and indemnity
23 compensation under federal law, then the property is also
24 exempt from taxation under this Code.

25 (b-5) If a homestead exemption is granted under this
26 Section and the person awarded the exemption subsequently

1 becomes a resident of a facility licensed under the Nursing
2 Home Care Act or a facility operated by the United States
3 Department of Veterans Affairs, then the exemption shall
4 continue (i) so long as the residence continues to be occupied
5 by the qualifying person's spouse or (ii) if the residence
6 remains unoccupied but is still owned by the person who
7 qualified for the homestead exemption.

8 (c) The tax exemption under this Section carries over to
9 the benefit of the veteran's surviving spouse as long as the
10 spouse holds the legal or beneficial title to the homestead
11 and ~~7~~ permanently resides thereon, ~~and does not remarry. For~~
12 taxable years before taxable year 2024, the exemption does not
13 carry over to the benefit of the veteran's surviving spouse if
14 the surviving spouse is remarried. For taxable year 2024 and
15 thereafter, the exemption carries over to the benefit of the
16 veteran's remarried surviving spouse as long as the surviving
17 spouse holds the legal or beneficial title to the homestead
18 and permanently resides thereon. If the surviving spouse sells
19 the property, an exemption not to exceed the amount granted
20 from the most recent ad valorem tax roll may be transferred to
21 his or her new residence as long as it is used as his or her
22 primary residence and he or she does not remarry.

23 As used in this subsection (c):

24 (1) for taxable years prior to 2015, "surviving
25 spouse" means the surviving spouse of a veteran who
26 obtained an exemption under this Section prior to his or

1 her death;

2 (2) for taxable years 2015 through 2022, "surviving
3 spouse" means (i) the surviving spouse of a veteran who
4 obtained an exemption under this Section prior to his or
5 her death and (ii) the surviving spouse of a veteran who
6 was killed in the line of duty at any time prior to the
7 expiration of the application period in effect for the
8 exemption for the taxable year for which the exemption is
9 sought; and

10 (3) for taxable year 2023 and thereafter, "surviving
11 spouse" means: (i) the surviving spouse of a veteran who
12 obtained the exemption under this Section prior to his or
13 her death; (ii) the surviving spouse of a veteran who was
14 killed in the line of duty 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; (iii) the surviving spouse of a veteran who did
18 not obtain an exemption under this Section before death,
19 but who would have qualified for the exemption under this
20 Section in the taxable year for which the exemption is
21 sought if he or she had survived, and whose surviving
22 spouse has been a resident of Illinois from the time of the
23 veteran's death through the taxable year for which the
24 exemption is sought; and (iv) the surviving spouse of a
25 veteran whose death was determined to be
26 service-connected, but who would not otherwise qualify

1 under item (i), (ii), or (iii), if the spouse (A) is
2 certified by the United States Department of Veterans
3 Affairs as a recipient of dependency and indemnity
4 compensation under federal law at any time prior to the
5 expiration of the application period in effect for the
6 exemption for the taxable year for which the exemption is
7 sought and (B) remains eligible for that dependency and
8 indemnity compensation as of January 1 of the taxable year
9 for which the exemption is sought.

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

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

18 (e) Except as otherwise provided in this subsection (e),
19 each taxpayer who has been granted an exemption under this
20 Section must reapply on an annual basis. Application must be
21 made during the application period in effect for the county of
22 his or her residence. The assessor or chief county assessment
23 officer may determine the eligibility of residential property
24 to receive the homestead exemption provided by this Section by
25 application, visual inspection, questionnaire, or other
26 reasonable methods. The determination must be made in

1 accordance with guidelines established by the Department.

2 On and after May 23, 2022 (the effective date of Public Act
3 102-895), if a veteran has a combined service connected
4 disability rating of 100% and is deemed to be permanently and
5 totally disabled, as certified by the United States Department
6 of Veterans Affairs, the taxpayer who has been granted an
7 exemption under this Section shall no longer be required to
8 reapply for the exemption on an annual basis, and the
9 exemption shall be in effect for as long as the exemption would
10 otherwise be permitted under this Section.

11 (e-1) If the person qualifying for the exemption does not
12 occupy the qualified residence as of January 1 of the taxable
13 year, the exemption granted under this Section shall be
14 prorated on a monthly basis. The prorated exemption shall
15 apply beginning with the first complete month in which the
16 person occupies the qualified residence.

17 (e-5) Notwithstanding any other provision of law, each
18 chief county assessment officer may approve this exemption for
19 the 2020 taxable year, without application, for any property
20 that was approved for this exemption for the 2019 taxable
21 year, provided that:

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

25 (2) the owner of record of the property as of January
26 1, 2020 is the same as the owner of record of the property

1 as of January 1, 2019;

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

5 (4) the applicant for the 2019 taxable year has not
6 asked for the exemption to be removed for the 2019 or 2020
7 taxable years.

8 Nothing in this subsection shall preclude a veteran whose
9 service connected disability rating has changed since the 2019
10 exemption was granted from applying for the exemption based on
11 the subsequent service connected disability rating.

12 (e-10) Notwithstanding any other provision of law, each
13 chief county assessment officer may approve this exemption for
14 the 2021 taxable year, without application, for any property
15 that was approved for this exemption for the 2020 taxable
16 year, if:

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

20 (2) the owner of record of the property as of January
21 1, 2021 is the same as the owner of record of the property
22 as of January 1, 2020;

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

26 (4) the taxpayer for the 2020 taxable year has not

1 asked for the exemption to be removed for the 2020 or 2021
2 taxable years.

3 Nothing in this subsection shall preclude a veteran whose
4 service connected disability rating has changed since the 2020
5 exemption was granted from applying for the exemption based on
6 the subsequent service connected disability rating.

7 (f) For the purposes of this Section:

8 "Qualified residence" means real property, but less any
9 portion of that property that is used for commercial purposes,
10 with an equalized assessed value of less than \$250,000 that is
11 the primary residence of a veteran with a disability. Property
12 rented for more than 6 months is presumed to be used for
13 commercial purposes.

14 "Veteran" means an Illinois resident who has served as a
15 member of the United States Armed Forces on active duty or
16 State active duty, a member of the Illinois National Guard, or
17 a member of the United States Reserve Forces and who has
18 received an honorable discharge.

19 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;
20 103-154, eff. 6-30-23.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.