

SB2845



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2845

Introduced 1/19/2024, by Sen. Natalie Toro

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-177

Amends the Property Tax Code. Provides that, for the purpose of calculating the long-time occupant homestead exemption, the adjusted homestead value shall be calculated by increasing the base homestead value by (i) 5% (currently, 10%) for qualified taxpayers with a household income of more than \$75,000 but not exceeding \$100,000 or (ii) 3% (currently, 7%) for qualified taxpayers with a household income of \$75,000 or less. Effective immediately.

LRB103 36734 HLH 66844 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 taxable years before
18 taxable year 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, beginning in taxable
8 year 2024, the lesser of the following values:

9 (1) the property's base homestead value increased by:

10 (i) 5% for each taxable year after the base year through
11 and including the current tax year for qualified taxpayers
12 with a household income of more than \$75,000 but not
13 exceeding \$100,000; or (ii) 3% for each taxable year after
14 the base year through and including the current tax year
15 for qualified taxpayers with a household income of \$75,000
16 or less; the increase each year is an increase over the
17 prior year; or

18 (2) the property's equalized assessed value for the
19 current tax year minus the general homestead deduction.

20 "Base homestead value" means:

21 (1) if the property did not have an adjusted homestead
22 value under Section 15-176 for the base year, then an
23 amount equal to the equalized assessed value of the
24 property for the base year prior to exemptions, minus the
25 general homestead deduction, provided that the property's
26 assessment was not based on a reduced assessed value

1 resulting from a temporary irregularity in the property
2 for that year; or

3 (2) if the property had an adjusted homestead value
4 under Section 15-176 for the base year, then an amount
5 equal to the adjusted homestead value of the property
6 under Section 15-176 for the base year.

7 "Base year" means the taxable year prior to the taxable
8 year in which the taxpayer first qualifies for the exemption
9 under this Section.

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

12 "Equalized assessed value" means the property's assessed
13 value as equalized by the Department.

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

1 contract for the payment of property taxes, are included
2 within this definition of homestead property. A homestead
3 includes the dwelling place, appurtenant structures, and so
4 much of the surrounding land constituting the parcel on which
5 the dwelling place is situated as is used for residential
6 purposes. If the assessor has established a specific legal
7 description for a portion of property constituting the
8 homestead, then the homestead is limited to the property
9 within that description.

10 "Household income" has the meaning set forth under Section
11 15-172 of this Code.

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

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

16 "Qualified homestead property" means homestead property
17 owned by a qualified taxpayer.

18 "Qualified taxpayer" means any individual:

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

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

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

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

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

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

21 (e) In the case of an apartment building owned and
22 operated as a cooperative, or as a life care facility, that
23 contains residential units that qualify as homestead property
24 of a qualified taxpayer under this Section, the maximum
25 cumulative exemption amount attributed to the entire building
26 or facility shall not exceed the sum of the exemptions

1 calculated for each unit that is a qualified homestead
2 property. The cooperative association, management firm, or
3 other person or entity that manages or controls the
4 cooperative apartment building or life care facility shall
5 credit the exemption attributable to each residential unit
6 only to the apportioned tax liability of the qualified
7 taxpayer as to that unit. Any person who willfully refuses to
8 so credit the exemption is guilty of a Class B misdemeanor.

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

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

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

1 (i) To receive the exemption, a person must submit an
2 application to the county assessor during the period specified
3 by the county assessor.

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

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

24 (j) Notwithstanding Sections 6 and 8 of the State Mandates
25 Act, no reimbursement by the State is required for the
26 implementation of any mandate created by this Section.

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

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