

# SB3363



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3363

Introduced 2/7/2024, by Sen. Craig Wilcox

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. Provides that the homestead exemption for veterans with disabilities applies to veterans with current service-connected disabilities for which the veteran is eligible to receive disability compensation. Effective immediately.

LRB103 37097 HLH 67215 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), 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 permanently resides thereon, and does not remarry. If the  
12 surviving spouse sells the property, an exemption not to  
13 exceed the amount granted from the most recent ad valorem tax  
14 roll may be transferred to his or her new residence as long as  
15 it is used as his or her primary residence and he or she does  
16 not remarry.

17 As used in this subsection (c):

18 (1) for taxable years prior to 2015, "surviving  
19 spouse" means the surviving spouse of a veteran who  
20 obtained an exemption under this Section prior to his or  
21 her death;

22 (2) for taxable years 2015 through 2022, "surviving  
23 spouse" means (i) the surviving spouse of a veteran who  
24 obtained an exemption under this Section prior to his or  
25 her death and (ii) the surviving spouse of a veteran who  
26 was killed in the line of duty at any time prior to the

1 expiration of the application period in effect for the  
2 exemption for the taxable year for which the exemption is  
3 sought; and

4 (3) for taxable year 2023 and thereafter, "surviving  
5 spouse" means: (i) the surviving spouse of a veteran who  
6 obtained the exemption under this Section prior to his or  
7 her death; (ii) the surviving spouse of a veteran who was  
8 killed in the line of duty at any time prior to the  
9 expiration of the application period in effect for the  
10 exemption for the taxable year for which the exemption is  
11 sought; (iii) the surviving spouse of a veteran who did  
12 not obtain an exemption under this Section before death,  
13 but who would have qualified for the exemption under this  
14 Section in the taxable year for which the exemption is  
15 sought if he or she had survived, and whose surviving  
16 spouse has been a resident of Illinois from the time of the  
17 veteran's death through the taxable year for which the  
18 exemption is sought; and (iv) the surviving spouse of a  
19 veteran whose death was determined to be  
20 service-connected, but who would not otherwise qualify  
21 under item (i), (ii), or (iii), if the spouse (A) is  
22 certified by the United States Department of Veterans  
23 Affairs as a recipient of dependency and indemnity  
24 compensation under federal law at any time prior to the  
25 expiration of the application period in effect for the  
26 exemption for the taxable year for which the exemption is

1 sought and (B) remains eligible for that dependency and  
2 indemnity compensation as of January 1 of the taxable year  
3 for which the exemption is sought.

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

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

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

22 On and after May 23, 2022 (the effective date of Public Act  
23 102-895), if a veteran has a combined service connected  
24 disability rating of 100% and is deemed to be permanently and  
25 totally disabled, as certified by the United States Department  
26 of Veterans Affairs, the taxpayer who has been granted an

1 exemption under this Section shall no longer be required to  
2 reapply for the exemption on an annual basis, and the  
3 exemption shall be in effect for as long as the exemption would  
4 otherwise be permitted under this Section.

5 (e-1) If the person qualifying for the exemption does not  
6 occupy the qualified residence as of January 1 of the taxable  
7 year, the exemption granted under this Section shall be  
8 prorated on a monthly basis. The prorated exemption shall  
9 apply beginning with the first complete month in which the  
10 person occupies the qualified residence.

11 (e-5) Notwithstanding any other provision of law, each  
12 chief county assessment officer may approve this exemption for  
13 the 2020 taxable year, without application, for any property  
14 that was approved for this exemption for the 2019 taxable  
15 year, provided that:

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

19 (2) the owner of record of the property as of January  
20 1, 2020 is the same as the owner of record of the property  
21 as of January 1, 2019;

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

25 (4) the applicant for the 2019 taxable year has not  
26 asked for the exemption to be removed for the 2019 or 2020

1 taxable years.

2 Nothing in this subsection shall preclude a veteran whose  
3 service connected disability rating has changed since the 2019  
4 exemption was granted from applying for the exemption based on  
5 the subsequent service connected disability rating.

6 (e-10) Notwithstanding any other provision of law, each  
7 chief county assessment officer may approve this exemption for  
8 the 2021 taxable year, without application, for any property  
9 that was approved for this exemption for the 2020 taxable  
10 year, if:

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

14 (2) the owner of record of the property as of January  
15 1, 2021 is the same as the owner of record of the property  
16 as of January 1, 2020;

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

20 (4) the taxpayer for the 2020 taxable year has not  
21 asked for the exemption to be removed for the 2020 or 2021  
22 taxable years.

23 Nothing in this subsection shall preclude a veteran whose  
24 service connected disability rating has changed since the 2020  
25 exemption was granted from applying for the exemption based on  
26 the subsequent service connected disability rating.



1 (f) For the purposes of this Section:

2 "Qualified residence" means real property, but less any  
3 portion of that property that is used for commercial purposes,  
4 with an equalized assessed value of less than \$250,000 that is  
5 the primary residence of a veteran with a disability. Property  
6 rented for more than 6 months is presumed to be used for  
7 commercial purposes.

8 "Service-connected disability" means a current illness or  
9 injury that was caused by or worsened by active military  
10 service, as certified by the United States Department of  
11 Veterans Affairs, resulting in disability compensation.

12 For taxable years 2024 and prior, "veteran" ~~"Veteran"~~  
13 means an Illinois resident who has served as a member of the  
14 United States Armed Forces on active duty or State active  
15 duty, a member of the Illinois National Guard, or a member of  
16 the United States Reserve Forces and who has received an  
17 honorable discharge. For taxable years 2025 and thereafter,  
18 "veteran" means an Illinois resident who has served as a  
19 member of the United States Armed Forces on active duty or  
20 State active duty, a member of the Illinois National Guard, or  
21 a member of the United States Reserve Forces who has a  
22 service-connected disability as certified by the United States  
23 Department of Veterans Affairs and is in receipt of disability  
24 compensation.

25 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;  
26 103-154, eff. 6-30-23.)

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