



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB6656

by Rep. Rosemary Mulligan - Carolyn H. Krause - Elizabeth Coulson

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. Increases the maximum income limitation by \$25,000 for the senior citizens assessment freeze homestead exemption for an applicant who (i) qualified for an exemption under this Section in the taxable year before he or she turned 70 1/2 years old, (ii) is 70 1/2 years of age or older during the taxable year, and (iii) receives certain income from an individual retirement account.

LRB095 21563 HLH 51435 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
8 Exemption.

9 (a) This Section may be cited as the Senior Citizens
10 Assessment Freeze Homestead Exemption.

11 (b) As used in this Section:

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

14 "Base amount" means the base year equalized assessed value
15 of the residence plus the first year's equalized assessed value
16 of any added improvements which increased the assessed value of
17 the residence after the base year.

18 "Base year" means the taxable year prior to the taxable
19 year for which the applicant first qualifies and applies for
20 the exemption provided that in the prior taxable year the
21 property was improved with a permanent structure that was
22 occupied as a residence by the applicant who was liable for
23 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or
2 equitable interest in the property as evidenced by a written
3 instrument or (ii) had a legal or equitable interest as a
4 lessee in the parcel of property that was single family
5 residence. If in any subsequent taxable year for which the
6 applicant applies and qualifies for the exemption the equalized
7 assessed value of the residence is less than the equalized
8 assessed value in the existing base year (provided that such
9 equalized assessed value is not based on an assessed value that
10 results from a temporary irregularity in the property that
11 reduces the assessed value for one or more taxable years), then
12 that subsequent taxable year shall become the base year until a
13 new base year is established under the terms of this paragraph.
14 For taxable year 1999 only, the Chief County Assessment Officer
15 shall review (i) all taxable years for which the applicant
16 applied and qualified for the exemption and (ii) the existing
17 base year. The assessment officer shall select as the new base
18 year the year with the lowest equalized assessed value. An
19 equalized assessed value that is based on an assessed value
20 that results from a temporary irregularity in the property that
21 reduces the assessed value for one or more taxable years shall
22 not be considered the lowest equalized assessed value. The
23 selected year shall be the base year for taxable year 1999 and
24 thereafter until a new base year is established under the terms
25 of this paragraph.

26 "Chief County Assessment Officer" means the County

1 Assessor or Supervisor of Assessments of the county in which
2 the property is located.

3 "Equalized assessed value" means the assessed value as
4 equalized by the Illinois Department of Revenue.

5 "Household" means the applicant, the spouse of the
6 applicant, and all persons using the residence of the applicant
7 as their principal place of residence.

8 "Household income" means the combined income of the members
9 of a household for the calendar year preceding the taxable
10 year.

11 "Income" has the same meaning as provided in Section 3.07
12 of the Senior Citizens and Disabled Persons Property Tax Relief
13 and Pharmaceutical Assistance Act, except that, beginning in
14 assessment year 2001, "income" does not include veteran's
15 benefits.

16 "Internal Revenue Code of 1986" means the United States
17 Internal Revenue Code of 1986 or any successor law or laws
18 relating to federal income taxes in effect for the year
19 preceding the taxable year.

20 "Life care facility that qualifies as a cooperative" means
21 a facility as defined in Section 2 of the Life Care Facilities
22 Act.

23 "Maximum income limitation" means:

- 24 (1) \$35,000 prior to taxable year 1999;
25 (2) \$40,000 in taxable years 1999 through 2003;
26 (3) \$45,000 in taxable years 2004 through 2005;

1 (4) \$50,000 in taxable years 2006 and 2007; and

2 (5) \$55,000 in taxable year 2008 and thereafter.

3 Beginning in taxable year 2009, the maximum income
4 limitation shall be increased by \$25,000 if the applicant:

5 (A) qualified for an exemption under this Section in
6 the taxable year before he or she turned 70 1/2 years of
7 age; and

8 (B) is 70 1/2 years of age or older during the taxable
9 year; and

10 (C) receives income for the taxable year that includes
11 withdrawals from an individual retirement account, and the
12 applicant is required to take those withdrawals under
13 federal law.

14 "Residence" means the principal dwelling place and
15 appurtenant structures used for residential purposes in this
16 State occupied on January 1 of the taxable year by a household
17 and so much of the surrounding land, constituting the parcel
18 upon which the dwelling place is situated, as is used for
19 residential purposes. If the Chief County Assessment Officer
20 has established a specific legal description for a portion of
21 property constituting the residence, then that portion of
22 property shall be deemed the residence for the purposes of this
23 Section.

24 "Taxable year" means the calendar year during which ad
25 valorem property taxes payable in the next succeeding year are
26 levied.

1 (c) Beginning in taxable year 1994, a senior citizens
2 assessment freeze homestead exemption is granted for real
3 property that is improved with a permanent structure that is
4 occupied as a residence by an applicant who (i) is 65 years of
5 age or older during the taxable year, (ii) has a household
6 income that does not exceed the maximum income limitation,
7 (iii) is liable for paying real property taxes on the property,
8 and (iv) is an owner of record of the property or has a legal or
9 equitable interest in the property as evidenced by a written
10 instrument. This homestead exemption shall also apply to a
11 leasehold interest in a parcel of property improved with a
12 permanent structure that is a single family residence that is
13 occupied as a residence by a person who (i) is 65 years of age
14 or older during the taxable year, (ii) has a household income
15 that does not exceed the maximum income limitation, (iii) has a
16 legal or equitable ownership interest in the property as
17 lessee, and (iv) is liable for the payment of real property
18 taxes on that property.

19 In counties of 3,000,000 or more inhabitants, the amount of
20 the exemption for all taxable years is the equalized assessed
21 value of the residence in the taxable year for which
22 application is made minus the base amount. In all other
23 counties, the amount of the exemption is as follows: (i)
24 through taxable year 2005 and for taxable year 2007 and
25 thereafter, the amount of this exemption shall be the equalized
26 assessed value of the residence in the taxable year for which

1 application is made minus the base amount; and (ii) for taxable
2 year 2006, the amount of the exemption is as follows:

3 (1) For an applicant who has a household income of
4 \$45,000 or less, the amount of the exemption is the
5 equalized assessed value of the residence in the taxable
6 year for which application is made minus the base amount.

7 (2) For an applicant who has a household income
8 exceeding \$45,000 but not exceeding \$46,250, the amount of
9 the exemption is (i) the equalized assessed value of the
10 residence in the taxable year for which application is made
11 minus the base amount (ii) multiplied by 0.8.

12 (3) For an applicant who has a household income
13 exceeding \$46,250 but not exceeding \$47,500, the amount of
14 the exemption is (i) the equalized assessed value of the
15 residence in the taxable year for which application is made
16 minus the base amount (ii) multiplied by 0.6.

17 (4) For an applicant who has a household income
18 exceeding \$47,500 but not exceeding \$48,750, the amount of
19 the exemption is (i) the equalized assessed value of the
20 residence in the taxable year for which application is made
21 minus the base amount (ii) multiplied by 0.4.

22 (5) For an applicant who has a household income
23 exceeding \$48,750 but not exceeding \$50,000, the amount of
24 the exemption is (i) the equalized assessed value of the
25 residence in the taxable year for which application is made
26 minus the base amount (ii) multiplied by 0.2.

1 When the applicant is a surviving spouse of an applicant
2 for a prior year for the same residence for which an exemption
3 under this Section has been granted, the base year and base
4 amount for that residence are the same as for the applicant for
5 the prior year.

6 Each year at the time the assessment books are certified to
7 the County Clerk, the Board of Review or Board of Appeals shall
8 give to the County Clerk a list of the assessed values of
9 improvements on each parcel qualifying for this exemption that
10 were added after the base year for this parcel and that
11 increased the assessed value of the property.

12 In the case of land improved with an apartment building
13 owned and operated as a cooperative or a building that is a
14 life care facility that qualifies as a cooperative, the maximum
15 reduction from the equalized assessed value of the property is
16 limited to the sum of the reductions calculated for each unit
17 occupied as a residence by a person or persons (i) 65 years of
18 age or older, (ii) with a household income that does not exceed
19 the maximum income limitation, (iii) who is liable, by contract
20 with the owner or owners of record, for paying real property
21 taxes on the property, and (iv) who is an owner of record of a
22 legal or equitable interest in the cooperative apartment
23 building, other than a leasehold interest. In the instance of a
24 cooperative where a homestead exemption has been granted under
25 this Section, the cooperative association or its management
26 firm shall credit the savings resulting from that exemption

1 only to the apportioned tax liability of the owner who
2 qualified for the exemption. Any person who willfully refuses
3 to credit that savings to an owner who qualifies for the
4 exemption is guilty of a Class B misdemeanor.

5 When a homestead exemption has been granted under this
6 Section and an applicant then becomes a resident of a facility
7 licensed under the Nursing Home Care Act, the exemption shall
8 be granted in subsequent years so long as the residence (i)
9 continues to be occupied by the qualified applicant's spouse or
10 (ii) if remaining unoccupied, is still owned by the qualified
11 applicant for the homestead exemption.

12 Beginning January 1, 1997, when an individual dies who
13 would have qualified for an exemption under this Section, and
14 the surviving spouse does not independently qualify for this
15 exemption because of age, the exemption under this Section
16 shall be granted to the surviving spouse for the taxable year
17 preceding and the taxable year of the death, provided that,
18 except for age, the surviving spouse meets all other
19 qualifications for the granting of this exemption for those
20 years.

21 When married persons maintain separate residences, the
22 exemption provided for in this Section may be claimed by only
23 one of such persons and for only one residence.

24 For taxable year 1994 only, in counties having less than
25 3,000,000 inhabitants, to receive the exemption, a person shall
26 submit an application by February 15, 1995 to the Chief County

1 Assessment Officer of the county in which the property is
2 located. In counties having 3,000,000 or more inhabitants, for
3 taxable year 1994 and all subsequent taxable years, to receive
4 the exemption, a person may submit an application to the Chief
5 County Assessment Officer of the county in which the property
6 is located during such period as may be specified by the Chief
7 County Assessment Officer. The Chief County Assessment Officer
8 in counties of 3,000,000 or more inhabitants shall annually
9 give notice of the application period by mail or by
10 publication. In counties having less than 3,000,000
11 inhabitants, beginning with taxable year 1995 and thereafter,
12 to receive the exemption, a person shall submit an application
13 by July 1 of each taxable year to the Chief County Assessment
14 Officer of the county in which the property is located. A
15 county may, by ordinance, establish a date for submission of
16 applications that is different than July 1. The applicant shall
17 submit with the application an affidavit of the applicant's
18 total household income, age, marital status (and if married the
19 name and address of the applicant's spouse, if known), and
20 principal dwelling place of members of the household on January
21 1 of the taxable year. The Department shall establish, by rule,
22 a method for verifying the accuracy of affidavits filed by
23 applicants under this Section, and the Chief County Assessment
24 Officer may conduct audits of any taxpayer claiming an
25 exemption under this Section to verify that the taxpayer is
26 eligible to receive the exemption. Each application shall

1 contain or be verified by a written declaration that it is made
2 under the penalties of perjury. A taxpayer's signing a
3 fraudulent application under this Act is perjury, as defined in
4 Section 32-2 of the Criminal Code of 1961. The applications
5 shall be clearly marked as applications for the Senior Citizens
6 Assessment Freeze Homestead Exemption and must contain a notice
7 that any taxpayer who receives the exemption is subject to an
8 audit by the Chief County Assessment Officer.

9 Notwithstanding any other provision to the contrary, in
10 counties having fewer than 3,000,000 inhabitants, if an
11 applicant fails to file the application required by this
12 Section in a timely manner and this failure to file is due to a
13 mental or physical condition sufficiently severe so as to
14 render the applicant incapable of filing the application in a
15 timely manner, the Chief County Assessment Officer may extend
16 the filing deadline for a period of 30 days after the applicant
17 regains the capability to file the application, but in no case
18 may the filing deadline be extended beyond 3 months of the
19 original filing deadline. In order to receive the extension
20 provided in this paragraph, the applicant shall provide the
21 Chief County Assessment Officer with a signed statement from
22 the applicant's physician stating the nature and extent of the
23 condition, that, in the physician's opinion, the condition was
24 so severe that it rendered the applicant incapable of filing
25 the application in a timely manner, and the date on which the
26 applicant regained the capability to file the application.

1 Beginning January 1, 1998, notwithstanding any other
2 provision to the contrary, in counties having fewer than
3 3,000,000 inhabitants, if an applicant fails to file the
4 application required by this Section in a timely manner and
5 this failure to file is due to a mental or physical condition
6 sufficiently severe so as to render the applicant incapable of
7 filing the application in a timely manner, the Chief County
8 Assessment Officer may extend the filing deadline for a period
9 of 3 months. In order to receive the extension provided in this
10 paragraph, the applicant shall provide the Chief County
11 Assessment Officer with a signed statement from the applicant's
12 physician stating the nature and extent of the condition, and
13 that, in the physician's opinion, the condition was so severe
14 that it rendered the applicant incapable of filing the
15 application in a timely manner.

16 In counties having less than 3,000,000 inhabitants, if an
17 applicant was denied an exemption in taxable year 1994 and the
18 denial occurred due to an error on the part of an assessment
19 official, or his or her agent or employee, then beginning in
20 taxable year 1997 the applicant's base year, for purposes of
21 determining the amount of the exemption, shall be 1993 rather
22 than 1994. In addition, in taxable year 1997, the applicant's
23 exemption shall also include an amount equal to (i) the amount
24 of any exemption denied to the applicant in taxable year 1995
25 as a result of using 1994, rather than 1993, as the base year,
26 (ii) the amount of any exemption denied to the applicant in

1 taxable year 1996 as a result of using 1994, rather than 1993,
2 as the base year, and (iii) the amount of the exemption
3 erroneously denied for taxable year 1994.

4 For purposes of this Section, a person who will be 65 years
5 of age during the current taxable year shall be eligible to
6 apply for the homestead exemption during that taxable year.
7 Application shall be made during the application period in
8 effect for the county of his or her residence.

9 The Chief County Assessment Officer may determine the
10 eligibility of a life care facility that qualifies as a
11 cooperative to receive the benefits provided by this Section by
12 use of an affidavit, application, visual inspection,
13 questionnaire, or other reasonable method in order to insure
14 that the tax savings resulting from the exemption are credited
15 by the management firm to the apportioned tax liability of each
16 qualifying resident. The Chief County Assessment Officer may
17 request reasonable proof that the management firm has so
18 credited that exemption.

19 Except as provided in this Section, all information
20 received by the chief county assessment officer or the
21 Department from applications filed under this Section, or from
22 any investigation conducted under the provisions of this
23 Section, shall be confidential, except for official purposes or
24 pursuant to official procedures for collection of any State or
25 local tax or enforcement of any civil or criminal penalty or
26 sanction imposed by this Act or by any statute or ordinance

1 imposing a State or local tax. Any person who divulges any such
2 information in any manner, except in accordance with a proper
3 judicial order, is guilty of a Class A misdemeanor.

4 Nothing contained in this Section shall prevent the
5 Director or chief county assessment officer from publishing or
6 making available reasonable statistics concerning the
7 operation of the exemption contained in this Section in which
8 the contents of claims are grouped into aggregates in such a
9 way that information contained in any individual claim shall
10 not be disclosed.

11 (d) Each Chief County Assessment Officer shall annually
12 publish a notice of availability of the exemption provided
13 under this Section. The notice shall be published at least 60
14 days but no more than 75 days prior to the date on which the
15 application must be submitted to the Chief County Assessment
16 Officer of the county in which the property is located. The
17 notice shall appear in a newspaper of general circulation in
18 the county.

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

22 (Source: P.A. 94-794, eff. 5-22-06; 95-644, eff. 10-12-07.)