



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3558

Introduced 2/24/2011, by Rep. Thomas Morrison - Dwight Kay - Darlene J. Senger - Renée Kosel - David Harris

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. Beginning in taxable year 2011, increases the maximum income limitation under the Senior Citizens Assessment Freeze Homestead Exemption from \$55,000 to \$75,000 for applicants who have occupied the residence for 5 years or more. Indexes the maximum income limitation to the Consumer Price Index. Effective immediately.

LRB097 06203 HLH 46278 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 years ~~year~~ 2008 through 2010;
3 and thereafter.

4 (6) in taxable year 2011, (A) \$55,000 for applicants
5 who have occupied the residence for less than 5 years and
6 (B) \$75,000 for applicants who have occupied the residence
7 for 5 or more years; and

8 (7) in taxable year 2012 and thereafter, (A) for
9 applicants who have occupied the residence for less than 5
10 years, an amount equal to the maximum income limitation for
11 the immediately prior taxable year for applicants who have
12 occupied the residence for less than 5 years increased by
13 the lesser of (i) 2% or (ii) the percentage increase during
14 the immediately prior taxable year in the Consumer Price
15 Index for All Urban Consumers for all items published by
16 the United States Department of Labor Bureau of Labor
17 Statistics and (B) for applicants who have occupied the
18 residence for 5 or more years, an amount equal to the
19 maximum income limitation for the immediately prior
20 taxable year for applicants who have occupied the residence
21 for 5 or more years increased by the lesser of (i) 2% or
22 (ii) the percentage increase during the immediately prior
23 taxable year in the Consumer Price Index for All Urban
24 Consumers for all items published by the United States
25 Department of Labor Bureau of Labor Statistics.

26 "Residence" means the principal dwelling place and

1 appurtenant structures used for residential purposes in this
2 State occupied on January 1 of the taxable year by a household
3 and so much of the surrounding land, constituting the parcel
4 upon which the dwelling place is situated, as is used for
5 residential purposes. If the Chief County Assessment Officer
6 has established a specific legal description for a portion of
7 property constituting the residence, then that portion of
8 property shall be deemed the residence for the purposes of this
9 Section.

10 "Taxable year" means the calendar year during which ad
11 valorem property taxes payable in the next succeeding year are
12 levied.

13 (c) Beginning in taxable year 1994, a senior citizens
14 assessment freeze homestead exemption is granted for real
15 property that is improved with a permanent structure that is
16 occupied as a residence by an applicant who (i) is 65 years of
17 age or older during the taxable year, (ii) has a household
18 income that does not exceed the maximum income limitation,
19 (iii) is liable for paying real property taxes on the property,
20 and (iv) is an owner of record of the property or has a legal or
21 equitable interest in the property as evidenced by a written
22 instrument. This homestead exemption shall also apply to a
23 leasehold interest in a parcel of property improved with a
24 permanent structure that is a single family residence that is
25 occupied as a residence by a person who (i) is 65 years of age
26 or older during the taxable year, (ii) has a household income

1 that does not exceed the maximum income limitation, (iii) has a
2 legal or equitable ownership interest in the property as
3 lessee, and (iv) is liable for the payment of real property
4 taxes on that property.

5 In counties of 3,000,000 or more inhabitants, the amount of
6 the exemption for all taxable years is the equalized assessed
7 value of the residence in the taxable year for which
8 application is made minus the base amount. In all other
9 counties, the amount of the exemption is as follows: (i)
10 through taxable year 2005 and for taxable year 2007 and
11 thereafter, the amount of this exemption shall be the equalized
12 assessed value of the residence in the taxable year for which
13 application is made minus the base amount; and (ii) for taxable
14 year 2006, the amount of the exemption is as follows:

15 (1) For an applicant who has a household income of
16 \$45,000 or less, the amount of the exemption is the
17 equalized assessed value of the residence in the taxable
18 year for which application is made minus the base amount.

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

24 (3) For an applicant who has a household income
25 exceeding \$46,250 but not exceeding \$47,500, the amount of
26 the exemption is (i) the equalized assessed value of the

1 residence in the taxable year for which application is made
2 minus the base amount (ii) multiplied by 0.6.

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

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

13 When the applicant is a surviving spouse of an applicant
14 for a prior year for the same residence for which an exemption
15 under this Section has been granted, the base year and base
16 amount for that residence are the same as for the applicant for
17 the prior year.

18 Each year at the time the assessment books are certified to
19 the County Clerk, the Board of Review or Board of Appeals shall
20 give to the County Clerk a list of the assessed values of
21 improvements on each parcel qualifying for this exemption that
22 were added after the base year for this parcel and that
23 increased the assessed value of the property.

24 In the case of land improved with an apartment building
25 owned and operated as a cooperative or a building that is a
26 life care facility that qualifies as a cooperative, the maximum

1 reduction from the equalized assessed value of the property is
2 limited to the sum of the reductions calculated for each unit
3 occupied as a residence by a person or persons (i) 65 years of
4 age or older, (ii) with a household income that does not exceed
5 the maximum income limitation, (iii) who is liable, by contract
6 with the owner or owners of record, for paying real property
7 taxes on the property, and (iv) who is an owner of record of a
8 legal or equitable interest in the cooperative apartment
9 building, other than a leasehold interest. In the instance of a
10 cooperative where a homestead exemption has been granted under
11 this Section, the cooperative association or its management
12 firm shall credit the savings resulting from that exemption
13 only to the apportioned tax liability of the owner who
14 qualified for the exemption. Any person who willfully refuses
15 to credit that savings to an owner who qualifies for the
16 exemption is guilty of a Class B misdemeanor.

17 When a homestead exemption has been granted under this
18 Section and an applicant then becomes a resident of a facility
19 licensed under the Assisted Living and Shared Housing Act, the
20 Nursing Home Care Act, or the MR/DD Community Care Act, the
21 exemption shall be granted in subsequent years so long as the
22 residence (i) continues to be occupied by the qualified
23 applicant's spouse or (ii) if remaining unoccupied, is still
24 owned by the qualified applicant for the homestead exemption.

25 Beginning January 1, 1997, when an individual dies who
26 would have qualified for an exemption under this Section, and

1 the surviving spouse does not independently qualify for this
2 exemption because of age, the exemption under this Section
3 shall be granted to the surviving spouse for the taxable year
4 preceding and the taxable year of the death, provided that,
5 except for age, the surviving spouse meets all other
6 qualifications for the granting of this exemption for those
7 years.

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

11 For taxable year 1994 only, in counties having less than
12 3,000,000 inhabitants, to receive the exemption, a person shall
13 submit an application by February 15, 1995 to the Chief County
14 Assessment Officer of the county in which the property is
15 located. In counties having 3,000,000 or more inhabitants, for
16 taxable year 1994 and all subsequent taxable years, to receive
17 the exemption, a person may submit an application to the Chief
18 County Assessment Officer of the county in which the property
19 is located during such period as may be specified by the Chief
20 County Assessment Officer. The Chief County Assessment Officer
21 in counties of 3,000,000 or more inhabitants shall annually
22 give notice of the application period by mail or by
23 publication. In counties having less than 3,000,000
24 inhabitants, beginning with taxable year 1995 and thereafter,
25 to receive the exemption, a person shall submit an application
26 by July 1 of each taxable year to the Chief County Assessment

1 Officer of the county in which the property is located. A
2 county may, by ordinance, establish a date for submission of
3 applications that is different than July 1. The applicant shall
4 submit with the application an affidavit of the applicant's
5 total household income, age, marital status (and if married the
6 name and address of the applicant's spouse, if known), and
7 principal dwelling place of members of the household on January
8 1 of the taxable year. The Department shall establish, by rule,
9 a method for verifying the accuracy of affidavits filed by
10 applicants under this Section, and the Chief County Assessment
11 Officer may conduct audits of any taxpayer claiming an
12 exemption under this Section to verify that the taxpayer is
13 eligible to receive the exemption. Each application shall
14 contain or be verified by a written declaration that it is made
15 under the penalties of perjury. A taxpayer's signing a
16 fraudulent application under this Act is perjury, as defined in
17 Section 32-2 of the Criminal Code of 1961. The applications
18 shall be clearly marked as applications for the Senior Citizens
19 Assessment Freeze Homestead Exemption and must contain a notice
20 that any taxpayer who receives the exemption is subject to an
21 audit by the Chief County Assessment Officer.

22 Notwithstanding any other provision to the contrary, in
23 counties having fewer than 3,000,000 inhabitants, if an
24 applicant fails to file the application required by this
25 Section in a timely manner and this failure to file is due to a
26 mental or physical condition sufficiently severe so as to

1 render the applicant incapable of filing the application in a
2 timely manner, the Chief County Assessment Officer may extend
3 the filing deadline for a period of 30 days after the applicant
4 regains the capability to file the application, but in no case
5 may the filing deadline be extended beyond 3 months of the
6 original filing deadline. In order to receive the extension
7 provided in this paragraph, the applicant shall provide the
8 Chief County Assessment Officer with a signed statement from
9 the applicant's physician stating the nature and extent of the
10 condition, that, in the physician's opinion, the condition was
11 so severe that it rendered the applicant incapable of filing
12 the application in a timely manner, and the date on which the
13 applicant regained the capability to file the application.

14 Beginning January 1, 1998, notwithstanding any other
15 provision to the contrary, in counties having fewer than
16 3,000,000 inhabitants, if an applicant fails to file the
17 application required by this Section in a timely manner and
18 this failure to file is due to a mental or physical condition
19 sufficiently severe so as to render the applicant incapable of
20 filing the application in a timely manner, the Chief County
21 Assessment Officer may extend the filing deadline for a period
22 of 3 months. In order to receive the extension provided in this
23 paragraph, the applicant shall provide the Chief County
24 Assessment Officer with a signed statement from the applicant's
25 physician stating the nature and extent of the condition, and
26 that, in the physician's opinion, the condition was so severe

1 that it rendered the applicant incapable of filing the
2 application in a timely manner.

3 In counties having less than 3,000,000 inhabitants, if an
4 applicant was denied an exemption in taxable year 1994 and the
5 denial occurred due to an error on the part of an assessment
6 official, or his or her agent or employee, then beginning in
7 taxable year 1997 the applicant's base year, for purposes of
8 determining the amount of the exemption, shall be 1993 rather
9 than 1994. In addition, in taxable year 1997, the applicant's
10 exemption shall also include an amount equal to (i) the amount
11 of any exemption denied to the applicant in taxable year 1995
12 as a result of using 1994, rather than 1993, as the base year,
13 (ii) the amount of any exemption denied to the applicant in
14 taxable year 1996 as a result of using 1994, rather than 1993,
15 as the base year, and (iii) the amount of the exemption
16 erroneously denied for taxable year 1994.

17 For purposes of this Section, a person who will be 65 years
18 of age during the current taxable year shall be eligible to
19 apply for the homestead exemption during that taxable year.
20 Application shall be made during the application period in
21 effect for the county of his or her residence.

22 The Chief County Assessment Officer may determine the
23 eligibility of a life care facility that qualifies as a
24 cooperative to receive the benefits provided by this Section by
25 use of an affidavit, application, visual inspection,
26 questionnaire, or other reasonable method in order to insure

1 that the tax savings resulting from the exemption are credited
2 by the management firm to the apportioned tax liability of each
3 qualifying resident. The Chief County Assessment Officer may
4 request reasonable proof that the management firm has so
5 credited that exemption.

6 Except as provided in this Section, all information
7 received by the chief county assessment officer or the
8 Department from applications filed under this Section, or from
9 any investigation conducted under the provisions of this
10 Section, shall be confidential, except for official purposes or
11 pursuant to official procedures for collection of any State or
12 local tax or enforcement of any civil or criminal penalty or
13 sanction imposed by this Act or by any statute or ordinance
14 imposing a State or local tax. Any person who divulges any such
15 information in any manner, except in accordance with a proper
16 judicial order, is guilty of a Class A misdemeanor.

17 Nothing contained in this Section shall prevent the
18 Director or chief county assessment officer from publishing or
19 making available reasonable statistics concerning the
20 operation of the exemption contained in this Section in which
21 the contents of claims are grouped into aggregates in such a
22 way that information contained in any individual claim shall
23 not be disclosed.

24 (d) Each Chief County Assessment Officer shall annually
25 publish a notice of availability of the exemption provided
26 under this Section. The notice shall be published at least 60

1 days but no more than 75 days prior to the date on which the
2 application must be submitted to the Chief County Assessment
3 Officer of the county in which the property is located. The
4 notice shall appear in a newspaper of general circulation in
5 the county.

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

9 (Source: P.A. 95-644, eff. 10-12-07; 96-339, eff. 7-1-10;
10 96-355, eff. 1-1-10; 96-1000, eff. 7-2-10.)

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