



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5953

by Rep. Sandra M. Pihos

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-7 new
35 ILCS 200/15-172
35 ILCS 200/15-175
35 ILCS 200/15-177

Amends the Property Tax Code. Provides that, if a taxpayer must have an income that is at or below a certain amount in order to qualify for an exemption, then, for the purposes of that exemption, the term "income" does not include Social Security benefits unless expressly stated otherwise. Effective immediately.

LRB098 16995 HLH 52077 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 Sections 15-172, 15-175, and 15-177 and by adding Section 15-7
6 as follows:

7 (35 ILCS 200/15-7 new)

8 Sec. 15-7. Income limits; Social Security. Beginning with
9 the 2014 assessment year, if, in order to qualify for an
10 exemption under this Article 15, the taxpayer must have an
11 income that is at or below a certain amount, then, for the
12 purposes of that exemption, the term "income" does not include
13 any Social Security benefit unless expressly stated otherwise
14 in this Code.

15 (35 ILCS 200/15-172)

16 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
17 Exemption.

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

20 (b) As used in this Section:

21 "Applicant" means an individual who has filed an
22 application under this Section.

1 "Base amount" means the base year equalized assessed value
2 of the residence plus the first year's equalized assessed value
3 of any added improvements which increased the assessed value of
4 the residence after the base year.

5 "Base year" means the taxable year prior to the taxable
6 year for which the applicant first qualifies and applies for
7 the exemption provided that in the prior taxable year the
8 property was improved with a permanent structure that was
9 occupied as a residence by the applicant who was liable for
10 paying real property taxes on the property and who was either
11 (i) an owner of record of the property or had legal or
12 equitable interest in the property as evidenced by a written
13 instrument or (ii) had a legal or equitable interest as a
14 lessee in the parcel of property that was single family
15 residence. If in any subsequent taxable year for which the
16 applicant applies and qualifies for the exemption the equalized
17 assessed value of the residence is less than the equalized
18 assessed value in the existing base year (provided that such
19 equalized assessed value is not based on an assessed value that
20 results from a temporary irregularity in the property that
21 reduces the assessed value for one or more taxable years), then
22 that subsequent taxable year shall become the base year until a
23 new base year is established under the terms of this paragraph.
24 For taxable year 1999 only, the Chief County Assessment Officer
25 shall review (i) all taxable years for which the applicant
26 applied and qualified for the exemption and (ii) the existing

1 base year. The assessment officer shall select as the new base
2 year the year with the lowest equalized assessed value. An
3 equalized assessed value that is based on an assessed value
4 that results from a temporary irregularity in the property that
5 reduces the assessed value for one or more taxable years shall
6 not be considered the lowest equalized assessed value. The
7 selected year shall be the base year for taxable year 1999 and
8 thereafter until a new base year is established under the terms
9 of this paragraph.

10 "Chief County Assessment Officer" means the County
11 Assessor or Supervisor of Assessments of the county in which
12 the property is located.

13 "Equalized assessed value" means the assessed value as
14 equalized by the Illinois Department of Revenue.

15 "Household" means the applicant, the spouse of the
16 applicant, and all persons using the residence of the applicant
17 as their principal place of residence.

18 "Household income" means the combined income of the members
19 of a household for the calendar year preceding the taxable
20 year.

21 "Income" has the same meaning as provided in Section 3.07
22 of the Senior Citizens and Disabled Persons Property Tax Relief
23 Act, except that, beginning in assessment year 2001, "income"
24 does not include veteran's benefits, and, beginning in
25 assessment year 2014, "income" does not include Social Security
26 benefits.

1 "Internal Revenue Code of 1986" means the United States
2 Internal Revenue Code of 1986 or any successor law or laws
3 relating to federal income taxes in effect for the year
4 preceding the taxable year.

5 "Life care facility that qualifies as a cooperative" means
6 a facility as defined in Section 2 of the Life Care Facilities
7 Act.

8 "Maximum income limitation" means:

- 9 (1) \$35,000 prior to taxable year 1999;
- 10 (2) \$40,000 in taxable years 1999 through 2003;
- 11 (3) \$45,000 in taxable years 2004 through 2005;
- 12 (4) \$50,000 in taxable years 2006 and 2007; and
- 13 (5) \$55,000 in taxable year 2008 and thereafter.

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 Assisted Living and Shared Housing Act, the
8 Nursing Home Care Act, the Specialized Mental Health
9 Rehabilitation Act of 2013, or the ID/DD Community Care Act,
10 the exemption shall be granted in subsequent years so long as
11 the residence (i) continues to be occupied by the qualified
12 applicant's spouse or (ii) if remaining unoccupied, is still
13 owned by the qualified applicant for the homestead exemption.

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

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

26 For taxable year 1994 only, in counties having less than

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

1 exemption under this Section to verify that the taxpayer is
2 eligible to receive the exemption. Each application shall
3 contain or be verified by a written declaration that it is made
4 under the penalties of perjury. A taxpayer's signing a
5 fraudulent application under this Act is perjury, as defined in
6 Section 32-2 of the Criminal Code of 2012. The applications
7 shall be clearly marked as applications for the Senior Citizens
8 Assessment Freeze Homestead Exemption and must contain a notice
9 that any taxpayer who receives the exemption is subject to an
10 audit by the Chief County Assessment Officer.

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

1 the application in a timely manner, and the date on which the
2 applicant regained the capability to file the application.

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

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

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

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

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

21 Except as provided in this Section, all information
22 received by the chief county assessment officer or the
23 Department from applications filed under this Section, or from
24 any investigation conducted under the provisions of this
25 Section, shall be confidential, except for official purposes or
26 pursuant to official procedures for collection of any State or

1 local tax or enforcement of any civil or criminal penalty or
2 sanction imposed by this Act or by any statute or ordinance
3 imposing a State or local tax. Any person who divulges any such
4 information in any manner, except in accordance with a proper
5 judicial order, is guilty of a Class A misdemeanor.

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

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

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

24 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-689,
25 eff. 6-14-12; 97-813, eff. 7-13-12; 97-1150, eff. 1-25-13;
26 98-104, eff. 7-22-13.)

1 (35 ILCS 200/15-175)

2 Sec. 15-175. General homestead exemption.

3 (a) Except as provided in Sections 15-176 and 15-177,
4 homestead property is entitled to an annual homestead exemption
5 limited, except as described here with relation to
6 cooperatives, to a reduction in the equalized assessed value of
7 homestead property equal to the increase in equalized assessed
8 value for the current assessment year above the equalized
9 assessed value of the property for 1977, up to the maximum
10 reduction set forth below. If however, the 1977 equalized
11 assessed value upon which taxes were paid is subsequently
12 determined by local assessing officials, the Property Tax
13 Appeal Board, or a court to have been excessive, the equalized
14 assessed value which should have been placed on the property
15 for 1977 shall be used to determine the amount of the
16 exemption.

17 (b) Except as provided in Section 15-176, the maximum
18 reduction before taxable year 2004 shall be \$4,500 in counties
19 with 3,000,000 or more inhabitants and \$3,500 in all other
20 counties. Except as provided in Sections 15-176 and 15-177, for
21 taxable years 2004 through 2007, the maximum reduction shall be
22 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,
23 and, for taxable years 2009 through 2011, the maximum reduction
24 is \$6,000 in all counties. For taxable years 2012 and
25 thereafter, the maximum reduction is \$7,000 in counties with

1 3,000,000 or more inhabitants and \$6,000 in all other counties.
2 If a county has elected to subject itself to the provisions of
3 Section 15-176 as provided in subsection (k) of that Section,
4 then, for the first taxable year only after the provisions of
5 Section 15-176 no longer apply, for owners who, for the taxable
6 year, have not been granted a senior citizens assessment freeze
7 homestead exemption under Section 15-172 or a long-time
8 occupant homestead exemption under Section 15-177, there shall
9 be an additional exemption of \$5,000 for owners with a
10 household income of \$30,000 or less.

11 (c) In counties with fewer than 3,000,000 inhabitants, if,
12 based on the most recent assessment, the equalized assessed
13 value of the homestead property for the current assessment year
14 is greater than the equalized assessed value of the property
15 for 1977, the owner of the property shall automatically receive
16 the exemption granted under this Section in an amount equal to
17 the increase over the 1977 assessment up to the maximum
18 reduction set forth in this Section.

19 (d) If in any assessment year beginning with the 2000
20 assessment year, homestead property has a pro-rata valuation
21 under Section 9-180 resulting in an increase in the assessed
22 valuation, a reduction in equalized assessed valuation equal to
23 the increase in equalized assessed value of the property for
24 the year of the pro-rata valuation above the equalized assessed
25 value of the property for 1977 shall be applied to the property
26 on a proportionate basis for the period the property qualified

1 as homestead property during the assessment year. The maximum
2 proportionate homestead exemption shall not exceed the maximum
3 homestead exemption allowed in the county under this Section
4 divided by 365 and multiplied by the number of days the
5 property qualified as homestead property.

6 (e) The chief county assessment officer may, when
7 considering whether to grant a leasehold exemption under this
8 Section, require the following conditions to be met:

9 (1) that a notarized application for the exemption,
10 signed by both the owner and the lessee of the property,
11 must be submitted each year during the application period
12 in effect for the county in which the property is located;

13 (2) that a copy of the lease must be filed with the
14 chief county assessment officer by the owner of the
15 property at the time the notarized application is
16 submitted;

17 (3) that the lease must expressly state that the lessee
18 is liable for the payment of property taxes; and

19 (4) that the lease must include the following language
20 in substantially the following form:

21 "Lessee shall be liable for the payment of real
22 estate taxes with respect to the residence in
23 accordance with the terms and conditions of Section
24 15-175 of the Property Tax Code (35 ILCS 200/15-175).
25 The permanent real estate index number for the premises
26 is (insert number), and, according to the most recent

1 property tax bill, the current amount of real estate
2 taxes associated with the premises is (insert amount)
3 per year. The parties agree that the monthly rent set
4 forth above shall be increased or decreased pro rata
5 (effective January 1 of each calendar year) to reflect
6 any increase or decrease in real estate taxes. Lessee
7 shall be deemed to be satisfying Lessee's liability for
8 the above mentioned real estate taxes with the monthly
9 rent payments as set forth above (or increased or
10 decreased as set forth herein).".

11 In addition, if there is a change in lessee, or if the
12 lessee vacates the property, then the chief county assessment
13 officer may require the owner of the property to notify the
14 chief county assessment officer of that change.

15 This subsection (e) does not apply to leasehold interests
16 in property owned by a municipality.

17 (f) "Homestead property" under this Section includes
18 residential property that is occupied by its owner or owners as
19 his or their principal dwelling place, or that is a leasehold
20 interest on which a single family residence is situated, which
21 is occupied as a residence by a person who has an ownership
22 interest therein, legal or equitable or as a lessee, and on
23 which the person is liable for the payment of property taxes.
24 For land improved with an apartment building owned and operated
25 as a cooperative or a building which is a life care facility as
26 defined in Section 15-170 and considered to be a cooperative

1 under Section 15-170, the maximum reduction from the equalized
2 assessed value shall be limited to the increase in the value
3 above the equalized assessed value of the property for 1977, up
4 to the maximum reduction set forth above, multiplied by the
5 number of apartments or units occupied by a person or persons
6 who is liable, by contract with the owner or owners of record,
7 for paying property taxes on the property and is an owner of
8 record of a legal or equitable interest in the cooperative
9 apartment building, other than a leasehold interest. For
10 purposes of this Section, the term "life care facility" has the
11 meaning stated in Section 15-170.

12 "Household", as used in this Section, means the owner, the
13 spouse of the owner, and all persons using the residence of the
14 owner as their principal place of residence.

15 "Household income", as used in this Section, means the
16 combined income of the members of a household for the calendar
17 year preceding the taxable year.

18 "Income", as used in this Section, has the same meaning as
19 provided in Section 3.07 of the Senior Citizens and Disabled
20 Persons Property Tax Relief Act, except that "income" does not
21 include veteran's benefits, and, beginning in assessment year
22 2014, "income" does not include Social Security benefits.

23 (g) In a cooperative where a homestead exemption has been
24 granted, the cooperative association or its management firm
25 shall credit the savings resulting from that exemption only to
26 the apportioned tax liability of the owner who qualified for

1 the exemption. Any person who willfully refuses to so credit
2 the savings shall be guilty of a Class B misdemeanor.

3 (h) Where married persons maintain and reside in separate
4 residences qualifying as homestead property, each residence
5 shall receive 50% of the total reduction in equalized assessed
6 valuation provided by this Section.

7 (i) In all counties, the assessor or chief county
8 assessment officer may determine the eligibility of
9 residential property to receive the homestead exemption and the
10 amount of the exemption by application, visual inspection,
11 questionnaire or other reasonable methods. The determination
12 shall be made in accordance with guidelines established by the
13 Department, provided that the taxpayer applying for an
14 additional general exemption under this Section shall submit to
15 the chief county assessment officer an application with an
16 affidavit of the applicant's total household income, age,
17 marital status (and, if married, the name and address of the
18 applicant's spouse, if known), and principal dwelling place of
19 members of the household on January 1 of the taxable year. The
20 Department shall issue guidelines establishing a method for
21 verifying the accuracy of the affidavits filed by applicants
22 under this paragraph. The applications shall be clearly marked
23 as applications for the Additional General Homestead
24 Exemption.

25 (j) In counties with fewer than 3,000,000 inhabitants, in
26 the event of a sale of homestead property the homestead

1 exemption shall remain in effect for the remainder of the
2 assessment year of the sale. The assessor or chief county
3 assessment officer may require the new owner of the property to
4 apply for the homestead exemption for the following assessment
5 year.

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

9 (Source: P.A. 97-689, eff. 6-14-12; 97-1125, eff. 8-28-12;
10 98-7, eff. 4-23-13; 98-463, eff. 8-16-13.)

11 (35 ILCS 200/15-177)

12 Sec. 15-177. The long-time occupant homestead exemption.

13 (a) If the county has elected, under Section 15-176, to be
14 subject to the provisions of the alternative general homestead
15 exemption, then, for taxable years 2007 and thereafter,
16 regardless of whether the exemption under Section 15-176
17 applies, qualified homestead property is entitled to an annual
18 homestead exemption equal to a reduction in the property's
19 equalized assessed value calculated as provided in this
20 Section.

21 (b) As used in this Section:

22 "Adjusted homestead value" means the lesser of the
23 following values:

24 (1) The property's base homestead value increased by:

25 (i) 10% for each taxable year after the base year through

1 and including the current tax year for qualified taxpayers
2 with a household income of more than \$75,000 but not
3 exceeding \$100,000; or (ii) 7% for each taxable year after
4 the base year through and including the current tax year
5 for qualified taxpayers with a household income of \$75,000
6 or less. The increase each year is an increase over the
7 prior year; or

8 (2) The property's equalized assessed value for the
9 current tax year minus the general homestead deduction.

10 "Base homestead value" means:

11 (1) if the property did not have an adjusted homestead
12 value under Section 15-176 for the base year, then an
13 amount equal to the equalized assessed value of the
14 property for the base year prior to exemptions, minus the
15 general homestead deduction, provided that the property's
16 assessment was not based on a reduced assessed value
17 resulting from a temporary irregularity in the property for
18 that year; or

19 (2) if the property had an adjusted homestead value
20 under Section 15-176 for the base year, then an amount
21 equal to the adjusted homestead value of the property under
22 Section 15-176 for the base year.

23 "Base year" means the taxable year prior to the taxable
24 year in which the taxpayer first qualifies for the exemption
25 under this Section.

26 "Current taxable year" means the taxable year for which the

1 exemption under this Section is being applied.

2 "Equalized assessed value" means the property's assessed
3 value as equalized by the Department.

4 "Homestead" or "homestead property" means residential
5 property that as of January 1 of the tax year is occupied by a
6 qualified taxpayer as his or her principal dwelling place, or
7 that is a leasehold interest on which a single family residence
8 is situated, that is occupied as a residence by a qualified
9 taxpayer who has a legal or equitable interest therein
10 evidenced by a written instrument, as an owner or as a lessee,
11 and on which the person is liable for the payment of property
12 taxes. Residential units in an apartment building owned and
13 operated as a cooperative, or as a life care facility, which
14 are occupied by persons who hold a legal or equitable interest
15 in the cooperative apartment building or life care facility as
16 owners or lessees, and who are liable by contract for the
17 payment of property taxes, are included within this definition
18 of homestead property. A homestead includes the dwelling place,
19 appurtenant structures, and so much of the surrounding land
20 constituting the parcel on which the dwelling place is situated
21 as is used for residential purposes. If the assessor has
22 established a specific legal description for a portion of
23 property constituting the homestead, then the homestead is
24 limited to the property within that description.

25 "Household income" has the meaning set forth under Section
26 15-172 of this Code. Beginning in assessment year 2014,

1 "household income" does not include Social Security benefits.

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

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

6 "Qualified homestead property" means homestead property
7 owned by a qualified taxpayer.

8 "Qualified taxpayer" means any individual:

9 (1) who, for at least 10 continuous years as of January
10 1 of the taxable year, has occupied the same homestead
11 property as a principal residence and domicile or who, for
12 at least 5 continuous years as of January 1 of the taxable
13 year, has occupied the same homestead property as a
14 principal residence and domicile if that person received
15 assistance in the acquisition of the property as part of a
16 government or nonprofit housing program; and

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

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

21 (1) If the equalized assessed value of a homestead
22 property for the current tax year is less than the previous
23 base homestead value for that property, then the current
24 equalized assessed value (provided it is not based on a
25 reduced assessed value resulting from a temporary
26 irregularity in the property) becomes the base homestead

1 value in subsequent tax years.

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

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

11 (e) In the case of an apartment building owned and operated
12 as a cooperative, or as a life care facility, that contains
13 residential units that qualify as homestead property of a
14 qualified taxpayer under this Section, the maximum cumulative
15 exemption amount attributed to the entire building or facility
16 shall not exceed the sum of the exemptions calculated for each
17 unit that is a qualified homestead property. The cooperative
18 association, management firm, or other person or entity that
19 manages or controls the cooperative apartment building or life
20 care facility shall credit the exemption attributable to each
21 residential unit only to the apportioned tax liability of the
22 qualified taxpayer as to that unit. Any person who willfully
23 refuses to so credit the exemption is guilty of a Class B
24 misdemeanor.

25 (f) When married persons maintain separate residences, the
26 exemption provided under this Section may be claimed by only

1 one such person and for only one residence. No person who
2 receives an exemption under Section 15-172 of this Code may
3 receive an exemption under this Section. No person who receives
4 an exemption under this Section may receive an exemption under
5 Section 15-175 or 15-176 of this Code.

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

10 (h) In the event of a sale or other transfer in ownership
11 of the homestead property other than subsection (g) of this
12 Section, the exemption under this Section shall remain in
13 effect for the remainder of the tax year and be calculated
14 using the same base homestead value in which the sale or
15 transfer occurs.

16 (i) To receive the exemption, a person must submit an
17 application to the county assessor during the period specified
18 by the county assessor.

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

21 The taxpayer must submit, with the application, an
22 affidavit of the taxpayer's total household income, marital
23 status (and if married the name and address of the applicant's
24 spouse, if known), and principal dwelling place of members of
25 the household on January 1 of the taxable year. The Department
26 shall establish, by rule, a method for verifying the accuracy

1 of affidavits filed by applicants under this Section, and the
2 Chief County Assessment Officer may conduct audits of any
3 taxpayer claiming an exemption under this Section to verify
4 that the taxpayer is eligible to receive the exemption. Each
5 application shall contain or be verified by a written
6 declaration that it is made under the penalties of perjury. A
7 taxpayer's signing a fraudulent application under this Act is
8 perjury, as defined in Section 32-2 of the Criminal Code of
9 2012. The applications shall be clearly marked as applications
10 for the Long-time Occupant Homestead Exemption and must contain
11 a notice that any taxpayer who receives the exemption is
12 subject to an audit by the Chief County Assessment Officer.

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

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

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.