



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB4922

Introduced 2/4/2004, by Joe Dunn - Sandra M. Pihos - Paul D. Froehlich, Renee Kosel

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Senior Citizens Assessment Freeze Homestead Exemption in the Property Tax Code. Provides that, beginning in taxable year 2004, eligibility for the exemption is determined based on "adjusted household income" (now, based on "household income"). Defines "adjusted household income" as household income minus legitimate medical expenses. Defines "legitimate medical expenses" as medical expenses paid by the applicant or a member of the applicant's household during the calendar year preceding the taxable year that are deductible as individual medical expenses under the federal Internal Revenue Code. Effective immediately.

LRB093 15170 SJM 45204 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning taxes.

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 "Adjusted household income" means household income minus
13 legitimate medical expenses.

14 "Applicant" means an individual who has filed an
15 application under this Section.

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

20 "Base year" means the taxable year prior to the taxable
21 year for which the applicant first qualifies and applies for
22 the exemption provided that in the prior taxable year the
23 property was improved with a permanent structure that was
24 occupied as a residence by the applicant who was liable for
25 paying real property taxes on the property and who was either
26 (i) an owner of record of the property or had legal or
27 equitable interest in the property as evidenced by a written
28 instrument or (ii) had a legal or equitable interest as a
29 lessee in the parcel of property that was single family
30 residence. If in any subsequent taxable year for which the
31 applicant applies and qualifies for the exemption the equalized
32 assessed value of the residence is less than the equalized

1 assessed value in the existing base year (provided that such
2 equalized assessed value is not based on an assessed value that
3 results from a temporary irregularity in the property that
4 reduces the assessed value for one or more taxable years), then
5 that subsequent taxable year shall become the base year until a
6 new base year is established under the terms of this paragraph.
7 For taxable year 1999 only, the Chief County Assessment Officer
8 shall review (i) all taxable years for which the applicant
9 applied and qualified for the exemption and (ii) the existing
10 base year. The assessment officer shall select as the new base
11 year the year with the lowest equalized assessed value. An
12 equalized assessed value that is based on an assessed value
13 that results from a temporary irregularity in the property that
14 reduces the assessed value for one or more taxable years shall
15 not be considered the lowest equalized assessed value. The
16 selected year shall be the base year for taxable year 1999 and
17 thereafter until a new base year is established under the terms
18 of this paragraph.

19 "Chief County Assessment Officer" means the County
20 Assessor or Supervisor of Assessments of the county in which
21 the property is located.

22 "Equalized assessed value" means the assessed value as
23 equalized by the Illinois Department of Revenue.

24 "Household" means the applicant, the spouse of the
25 applicant, and all persons using the residence of the applicant
26 as their principal place of residence.

27 "Household income" means the combined income of the members
28 of a household for the calendar year preceding the taxable
29 year.

30 "Income" has the same meaning as provided in Section 3.07
31 of the Senior Citizens and Disabled Persons Property Tax Relief
32 and Pharmaceutical Assistance Act, except that, beginning in
33 assessment year 2001, "income" does not include veteran's
34 benefits.

35 "Internal Revenue Code of 1986" means the United States
36 Internal Revenue Code of 1986 or any successor law or laws

1 relating to federal income taxes in effect for the year
2 preceding the taxable year.

3 "Legitimate medical expenses" are any medical expenses
4 paid by the applicant or a member of the applicant's household
5 during the calendar year preceding the taxable year that are
6 deductible as individual medical expenses under the federal
7 Internal Revenue Code.

8 "Life care facility that qualifies as a cooperative" means
9 a facility as defined in Section 2 of the Life Care Facilities
10 Act.

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

21 "Taxable year" means the calendar year during which ad
22 valorem property taxes payable in the next succeeding year are
23 levied.

24 (c) Beginning in taxable year 1994, a senior citizens
25 assessment freeze homestead exemption is granted for real
26 property that is improved with a permanent structure that is
27 occupied as a residence by an applicant who (i) is 65 years of
28 age or older during the taxable year, (ii) has a household
29 income of \$35,000 or less prior to taxable year 1999 or \$40,000
30 or less in taxable ~~years~~ year 1999 through 2003, or has an
31 adjusted household income of \$40,000 or less in taxable years
32 2004 and thereafter, (iii) is liable for paying real property
33 taxes on the property, and (iv) is an owner of record of the
34 property or has a legal or equitable interest in the property
35 as evidenced by a written instrument. This homestead exemption
36 shall also apply to a leasehold interest in a parcel of

1 property improved with a permanent structure that is a single
2 family residence that is occupied as a residence by a person
3 who (i) is 65 years of age or older during the taxable year,
4 (ii) has a household income of \$35,000 or less prior to taxable
5 year 1999 or \$40,000 or less in taxable years ~~year~~ 1999 through
6 2003, or has an adjusted household income of \$40,000 or less in
7 taxable years 2004 and thereafter, (iii) has a legal or
8 equitable ownership interest in the property as lessee, and
9 (iv) is liable for the payment of real property taxes on that
10 property.

11 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.

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

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

25 In the case of land improved with an apartment building
26 owned and operated as a cooperative or a building that is a
27 life care facility that qualifies as a cooperative, the maximum
28 reduction from the equalized assessed value of the property is
29 limited to the sum of the reductions calculated for each unit
30 occupied as a residence by a person or persons 65 years of age
31 or older with a household income of \$35,000 or less prior to
32 taxable year 1999 or \$40,000 or less in taxable years ~~year~~ 1999
33 through 2003, or has an adjusted household income of \$40,000 or
34 less in taxable years 2004 and thereafter who is liable, by
35 contract with the owner or owners of record, for paying real
36 property taxes on the property and who is an owner of record of

1 a legal or equitable interest in the cooperative apartment
2 building, other than a leasehold interest. In the instance of a
3 cooperative where a homestead exemption has been granted under
4 this Section, the cooperative association or its management
5 firm shall credit the savings resulting from that exemption
6 only to the apportioned tax liability of the owner who
7 qualified for the exemption. Any person who willfully refuses
8 to credit that savings to an owner who qualifies for the
9 exemption is guilty of a Class B misdemeanor.

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

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

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

29 For taxable year 1994 only, in counties having less than
30 3,000,000 inhabitants, to receive the exemption, a person shall
31 submit an application by February 15, 1995 to the Chief County
32 Assessment Officer of the county in which the property is
33 located. In counties having 3,000,000 or more inhabitants, for
34 taxable year 1994 and all subsequent taxable years, to receive
35 the exemption, a person may submit an application to the Chief
36 County Assessment Officer of the county in which the property

1 is located during such period as may be specified by the Chief
2 County Assessment Officer. The Chief County Assessment Officer
3 in counties of 3,000,000 or more inhabitants shall annually
4 give notice of the application period by mail or by
5 publication. In counties having less than 3,000,000
6 inhabitants, beginning with taxable year 1995 and thereafter,
7 to receive the exemption, a person shall submit an application
8 by July 1 of each taxable year to the Chief County Assessment
9 Officer of the county in which the property is located. A
10 county may, by ordinance, establish a date for submission of
11 applications that is different than July 1. The applicant shall
12 submit with the application an affidavit of the applicant's
13 total household income (beginning with taxable year 2004,
14 adjusted household income), age, marital status (and if married
15 the name and address of the applicant's spouse, if known), and
16 principal dwelling place of members of the household on January
17 1 of the taxable year. The Department shall establish, by rule,
18 a method for verifying the accuracy of affidavits filed by
19 applicants under this Section. The applications shall be
20 clearly marked as applications for the Senior Citizens
21 Assessment Freeze Homestead Exemption.

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
27 render the applicant incapable of filing the application in a
28 timely manner, the Chief County Assessment Officer may extend
29 the filing deadline for a period of 30 days after the applicant
30 regains the capability to file the application, but in no case
31 may the filing deadline be extended beyond 3 months of the
32 original filing deadline. In order to receive the extension
33 provided in this paragraph, the applicant shall provide the
34 Chief County Assessment Officer with a signed statement from
35 the applicant's physician stating the nature and extent of the
36 condition, that, in the physician's opinion, the condition was

1 so severe that it rendered the applicant incapable of filing
2 the application in a timely manner, and the date on which the
3 applicant regained the capability to file the application.

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

19 In counties having less than 3,000,000 inhabitants, if an
20 applicant was denied an exemption in taxable year 1994 and the
21 denial occurred due to an error on the part of an assessment
22 official, or his or her agent or employee, then beginning in
23 taxable year 1997 the applicant's base year, for purposes of
24 determining the amount of the exemption, shall be 1993 rather
25 than 1994. In addition, in taxable year 1997, the applicant's
26 exemption shall also include an amount equal to (i) the amount
27 of any exemption denied to the applicant in taxable year 1995
28 as a result of using 1994, rather than 1993, as the base year,
29 (ii) the amount of any exemption denied to the applicant in
30 taxable year 1996 as a result of using 1994, rather than 1993,
31 as the base year, and (iii) the amount of the exemption
32 erroneously denied for taxable year 1994.

33 For purposes of this Section, a person who will be 65 years
34 of age during the current taxable year shall be eligible to
35 apply for the homestead exemption during that taxable year.
36 Application shall be made during the application period in

1 effect for the county of his or her residence.

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

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

23 Nothing contained in this Section shall prevent the
24 Director or chief county assessment officer from publishing or
25 making available reasonable statistics concerning the
26 operation of the exemption contained in this Section in which
27 the contents of claims are grouped into aggregates in such a
28 way that information contained in any individual claim shall
29 not be disclosed.

30 (d) Each Chief County Assessment Officer shall annually
31 publish a notice of availability of the exemption provided
32 under this Section. The notice shall be published at least 60
33 days but no more than 75 days prior to the date on which the
34 application must be submitted to the Chief County Assessment
35 Officer of the county in which the property is located. The
36 notice shall appear in a newspaper of general circulation in

1 the county.

2 (Source: P.A. 90-14, eff. 7-1-97; 90-204, eff. 7-25-97; 90-523,
3 eff. 11-13-97; 90-524, eff. 1-1-98; 90-531, eff. 1-1-98;
4 90-655, eff. 7-30-98; 91-45, eff. 6-30-99; 91-56, eff. 6-30-99;
5 91-819, eff. 6-13-00.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.