

HB5423



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5423

Introduced 2/15/2012, by Rep. Sara Feigenholtz

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-177

Amends the Property Tax Code. Makes a technical change in a Section concerning the long-time occupant homestead exemption.

LRB097 19513 HLH 64767 b

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Section 15-177 as follows:

6 (35 ILCS 200/15-177)

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

8 (a) If the ~~the~~ county has elected, under Section 15-176, to
9 be subject to the provisions of the alternative general
10 homestead exemption, then, for taxable years 2007 and
11 thereafter, regardless of whether the exemption under Section
12 15-176 applies, qualified homestead property is entitled to an
13 annual homestead exemption equal to a reduction in the
14 property's equalized assessed value calculated as provided in
15 this Section.

16 (b) As used in this Section:

17 "Adjusted homestead value" means the lesser of the
18 following values:

19 (1) The property's base homestead value increased by:
20 (i) 10% for each taxable year after the base year through
21 and including the current tax year for qualified taxpayers
22 with a household income of more than \$75,000 but not
23 exceeding \$100,000; or (ii) 7% for each taxable year after

1 the base year through and including the current tax year
2 for qualified taxpayers with a household income of \$75,000
3 or less. The increase each year is an increase over the
4 prior year; or

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

7 "Base homestead value" means:

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

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

20 "Base year" means the taxable year prior to the taxable
21 year in which the taxpayer first qualifies for the exemption
22 under this Section.

23 "Current taxable year" means the taxable year for which the
24 exemption under this Section is being applied.

25 "Equalized assessed value" means the property's assessed
26 value as equalized by the Department.

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

22 "Household income" has the meaning set forth under Section
23 15-172 of this Code.

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

26 "Life care facility" means a facility defined in Section 2

1 of the Life Care Facilities Act.

2 "Qualified homestead property" means homestead property
3 owned by a qualified taxpayer.

4 "Qualified taxpayer" means any individual:

5 (1) who, for at least 10 continuous years as of January
6 1 of the taxable year, has occupied the same homestead
7 property as a principal residence and domicile or who, for
8 at least 5 continuous years as of January 1 of the taxable
9 year, has occupied the same homestead property as a
10 principal residence and domicile if that person received
11 assistance in the acquisition of the property as part of a
12 government or nonprofit housing program; and

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

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

17 (1) If the equalized assessed value of a homestead
18 property for the current tax year is less than the previous
19 base homestead value for that property, then the current
20 equalized assessed value (provided it is not based on a
21 reduced assessed value resulting from a temporary
22 irregularity in the property) becomes the base homestead
23 value in subsequent tax years.

24 (2) For any year in which new buildings, structures, or
25 other improvements are constructed on the homestead
26 property that would increase its assessed value, the

1 assessor shall adjust the base homestead value with due
2 regard to the value added by the new improvements.

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

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

21 (f) When married persons maintain separate residences, the
22 exemption provided under this Section may be claimed by only
23 one such person and for only one residence. No person who
24 receives an exemption under Section 15-172 of this Code may
25 receive an exemption under this Section. No person who receives
26 an exemption under this Section may receive an exemption under

1 Section 15-175 or 15-176 of this Code.

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

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

12 (i) To receive the exemption, a person must submit an
13 application to the county assessor during the period specified
14 by the county assessor.

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

17 The taxpayer must submit, with the application, an
18 affidavit of the taxpayer's total household income, marital
19 status (and if married the name and address of the applicant's
20 spouse, if known), and principal dwelling place of members of
21 the household on January 1 of the taxable year. The Department
22 shall establish, by rule, a method for verifying the accuracy
23 of affidavits filed by applicants under this Section, and the
24 Chief County Assessment Officer may conduct audits of any
25 taxpayer claiming an exemption under this Section to verify
26 that the taxpayer is eligible to receive the exemption. Each

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

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

12 (Source: P.A. 95-644, eff. 10-12-07.)