

# HB2809



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2809

Introduced 2/6/2025, by Rep. Janet Yang Rohr

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. In provisions concerning the homestead exemption for veterans with disabilities, provides that: (1) if the veteran has a service-connected disability of 30% or more but less than 50%, then the annual exemption is 30% of the assessed value of the property; (2) if the veteran has a service-connected disability of 50% or more but less than 70%, then the annual exemption is 50% of the assessed value of the property; and (3) if the veteran has a service-connected disability of 70% or more, then the property is exempt from taxation. Effective immediately.

LRB104 09473 HLH 22008 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 15-169 as follows:

6 (35 ILCS 200/15-169)

7 Sec. 15-169. Homestead exemption for veterans with  
8 disabilities and veterans of World War II.

9 (a) Beginning with taxable year 2007, an annual homestead  
10 exemption, limited as provided in this Section, is granted for  
11 property that is used as a qualified residence by a veteran  
12 with a disability, and beginning with taxable year 2024, an  
13 annual homestead exemption, limited to the amounts set forth  
14 in subsection (b-4), is granted for property that is used as a  
15 qualified residence by a veteran who was a member of the United  
16 States Armed Forces during World War II.

17 (b) For taxable years prior to 2015, the amount of the  
18 exemption under this Section is as follows:

19 (1) for veterans with a service-connected disability  
20 of at least (i) 75% for exemptions granted in taxable  
21 years 2007 through 2009 and (ii) 70% for exemptions  
22 granted in taxable year 2010 and each taxable year  
23 thereafter, as certified by the United States Department

1 of Veterans Affairs, the annual exemption is \$5,000; and

2 (2) for veterans with a service-connected disability  
3 of at least 50%, but less than (i) 75% for exemptions  
4 granted in taxable years 2007 through 2009 and (ii) 70%  
5 for exemptions granted in taxable year 2010 and each  
6 taxable year thereafter, as certified by the United States  
7 Department of Veterans Affairs, the annual exemption is  
8 \$2,500.

9 (b-3) For taxable years 2015 through 2022:

10 (1) if the veteran has a service-connected ~~service~~  
11 ~~connected~~ disability of 30% or more but less than 50%, as  
12 certified by the United States Department of Veterans  
13 Affairs, then the annual exemption is \$2,500;

14 (2) if the veteran has a service-connected ~~service~~  
15 ~~connected~~ disability of 50% or more but less than 70%, as  
16 certified by the United States Department of Veterans  
17 Affairs, then the annual exemption is \$5,000;

18 (3) if the veteran has a service-connected ~~service~~  
19 ~~connected~~ disability of 70% or more, as certified by the  
20 United States Department of Veterans Affairs, then the  
21 property is exempt from taxation under this Code; and

22 (4) (Blank).

23 (b-3.1) For taxable year 2023 through 2025 ~~and thereafter~~:

24 (1) if the veteran has a service-connected ~~service~~  
25 ~~connected~~ disability of 30% or more but less than 50%, as  
26 certified by the United States Department of Veterans

1 Affairs as of the date the application is submitted for  
2 the exemption under this Section for the applicable  
3 taxable year, then the annual exemption is \$2,500;

4 (2) if the veteran has a service-connected ~~service~~  
5 ~~connected~~ disability of 50% or more but less than 70%, as  
6 certified by the United States Department of Veterans  
7 Affairs as of the date the application is submitted for  
8 the exemption under this Section for the applicable  
9 taxable year, then the annual exemption is \$5,000;

10 (3) if the veteran has a service-connected ~~service~~  
11 ~~connected~~ disability of 70% or more, as certified by the  
12 United States Department of Veterans Affairs as of the  
13 date the application is submitted for the exemption under  
14 this Section for the applicable taxable year, then the  
15 first \$250,000 in equalized assessed value of the property  
16 is exempt from taxation under this Code; and

17 (4) if the taxpayer is the surviving spouse of a  
18 veteran whose death was determined to be service connected  
19 ~~service-connected~~ and who is certified by the United  
20 States Department of Veterans Affairs as a recipient of  
21 dependency and indemnity compensation under federal law as  
22 of the date the application is submitted for the exemption  
23 under this Section for the applicable taxable year, then  
24 the first \$250,000 in equalized assessed value of the  
25 property is also exempt from taxation under this Code.

26 This amendatory Act of the 103rd General Assembly shall

1 not be used as the basis for any appeal filed with the chief  
2 county assessment officer, the board of review, the Property  
3 Tax Appeal Board, or the circuit court with respect to the  
4 scope or meaning of the exemption under this Section for a tax  
5 year prior to tax year 2023.

6 (b-3.5) For taxable years 2026 and thereafter:

7 (1) if the veteran has a service-connected disability  
8 of 30% or more but less than 50%, as certified by the  
9 United States Department of Veterans Affairs, then the  
10 annual exemption is 30% of the assessed value of the  
11 property;

12 (2) if the veteran has a service-connected disability  
13 of 50% or more but less than 70%, as certified by the  
14 United States Department of Veterans Affairs, then the  
15 annual exemption is 50% of the assessed value of the  
16 property; and

17 (3) if the veteran has a service-connected disability  
18 of 70% or more, as certified by the United States  
19 Department of Veterans Affairs, then the property is  
20 exempt from taxation under this Code.

21 (b-4) For taxable years on or after 2024, if the veteran  
22 was a member of the United States Armed Forces during World War  
23 II, then the property is exempt from taxation under this Code  
24 regardless of the veteran's level of disability.

25 (b-5) If a homestead exemption is granted under this  
26 Section and the person awarded the exemption subsequently

1 becomes a resident of a facility licensed under the Nursing  
2 Home Care Act or a facility operated by the United States  
3 Department of Veterans Affairs, then the exemption shall  
4 continue (i) so long as the residence continues to be occupied  
5 by the qualifying person's spouse or (ii) if the residence  
6 remains unoccupied but is still owned by the person who  
7 qualified for the homestead exemption.

8 (c) The tax exemption under this Section carries over to  
9 the benefit of the veteran's surviving spouse as long as the  
10 spouse holds the legal or beneficial title to the homestead,  
11 permanently resides thereon, and does not remarry. If the  
12 surviving spouse sells the property, an exemption not to  
13 exceed the amount granted from the most recent ad valorem tax  
14 roll may be transferred to his or her new residence as long as  
15 it is used as his or her primary residence and he or she does  
16 not remarry.

17 As used in this subsection (c):

18 (1) for taxable years prior to 2015, "surviving  
19 spouse" means the surviving spouse of a veteran who  
20 obtained an exemption under this Section prior to his or  
21 her death;

22 (2) for taxable years 2015 through 2022, "surviving  
23 spouse" means (i) the surviving spouse of a veteran who  
24 obtained an exemption under this Section prior to his or  
25 her death and (ii) the surviving spouse of a veteran who  
26 was killed in the line of duty at any time prior to the

1 expiration of the application period in effect for the  
2 exemption for the taxable year for which the exemption is  
3 sought; and

4 (3) for taxable year 2023 and thereafter, "surviving  
5 spouse" means: (i) the surviving spouse of a veteran who  
6 obtained the exemption under this Section prior to his or  
7 her death; (ii) the surviving spouse of a veteran who was  
8 killed in the line of duty at any time prior to the  
9 expiration of the application period in effect for the  
10 exemption for the taxable year for which the exemption is  
11 sought; (iii) the surviving spouse of a veteran who did  
12 not obtain an exemption under this Section before death,  
13 but who would have qualified for the exemption under this  
14 Section in the taxable year for which the exemption is  
15 sought if he or she had survived, and whose surviving  
16 spouse has been a resident of Illinois from the time of the  
17 veteran's death through the taxable year for which the  
18 exemption is sought; and (iv) the surviving spouse of a  
19 veteran whose death was determined to be  
20 service-connected, but who would not otherwise qualify  
21 under item (i), (ii), or (iii), if the spouse (A) is  
22 certified by the United States Department of Veterans  
23 Affairs as a recipient of dependency and indemnity  
24 compensation under federal law at any time prior to the  
25 expiration of the application period in effect for the  
26 exemption for the taxable year for which the exemption is

1 sought and (B) remains eligible for that dependency and  
2 indemnity compensation as of January 1 of the taxable year  
3 for which the exemption is sought.

4 (c-1) Beginning with taxable year 2015, nothing in this  
5 Section shall require the veteran to have qualified for or  
6 obtained the exemption before death if the veteran was killed  
7 in the line of duty.

8 (d) The exemption under this Section applies for taxable  
9 year 2007 and thereafter. A taxpayer who claims an exemption  
10 under Section 15-165 or 15-168 may not claim an exemption  
11 under this Section.

12 (e) Except as otherwise provided in this subsection (e),  
13 each taxpayer who has been granted an exemption under this  
14 Section must reapply on an annual basis, except that a veteran  
15 who qualifies as a result of his or her service in World War II  
16 need not reapply. Application must be made during the  
17 application period in effect for the county of his or her  
18 residence. The assessor or chief county assessment officer may  
19 determine the eligibility of residential property to receive  
20 the homestead exemption provided by this Section by  
21 application, visual inspection, questionnaire, or other  
22 reasonable methods. The determination must be made in  
23 accordance with guidelines established by the Department.

24 On and after May 23, 2022 (the effective date of Public Act  
25 102-895), if a veteran has a combined service-connected  
26 ~~service-connected~~ disability rating of 100% and is deemed to

1 be permanently and totally disabled, as certified by the  
2 United States Department of Veterans Affairs, the taxpayer who  
3 has been granted an exemption under this Section shall no  
4 longer be required to reapply for the exemption on an annual  
5 basis, and the exemption shall be in effect for as long as the  
6 exemption would otherwise be permitted under this Section.

7 (e-1) If the person qualifying for the exemption does not  
8 occupy the qualified residence as of January 1 of the taxable  
9 year, the exemption granted under this Section shall be  
10 prorated on a monthly basis. The prorated exemption shall  
11 apply beginning with the first complete month in which the  
12 person occupies the qualified residence.

13 (e-5) Notwithstanding any other provision of law, each  
14 chief county assessment officer may approve this exemption for  
15 the 2020 taxable year, without application, for any property  
16 that was approved for this exemption for the 2019 taxable  
17 year, provided that:

18 (1) the county board has declared a local disaster as  
19 provided in the Illinois Emergency Management Agency Act  
20 related to the COVID-19 public health emergency;

21 (2) the owner of record of the property as of January  
22 1, 2020 is the same as the owner of record of the property  
23 as of January 1, 2019;

24 (3) the exemption for the 2019 taxable year has not  
25 been determined to be an erroneous exemption as defined by  
26 this Code; and

1           (4) the applicant for the 2019 taxable year has not  
2           asked for the exemption to be removed for the 2019 or 2020  
3           taxable years.

4           Nothing in this subsection shall preclude a veteran whose  
5           service-connected ~~service-connected~~ disability rating has  
6           changed since the 2019 exemption was granted from applying for  
7           the exemption based on the subsequent service-connected  
8           ~~service-connected~~ disability rating.

9           (e-10) Notwithstanding any other provision of law, each  
10          chief county assessment officer may approve this exemption for  
11          the 2021 taxable year, without application, for any property  
12          that was approved for this exemption for the 2020 taxable  
13          year, if:

14               (1) the county board has declared a local disaster as  
15               provided in the Illinois Emergency Management Agency Act  
16               related to the COVID-19 public health emergency;

17               (2) the owner of record of the property as of January  
18               1, 2021 is the same as the owner of record of the property  
19               as of January 1, 2020;

20               (3) the exemption for the 2020 taxable year has not  
21               been determined to be an erroneous exemption as defined by  
22               this Code; and

23               (4) the taxpayer for the 2020 taxable year has not  
24               asked for the exemption to be removed for the 2020 or 2021  
25               taxable years.

26          Nothing in this subsection shall preclude a veteran whose

1 service-connected ~~service-connected~~ disability rating has  
2 changed since the 2020 exemption was granted from applying for  
3 the exemption based on the subsequent service-connected  
4 ~~service-connected~~ disability rating.

5 (f) For the purposes of this Section:

6 "Qualified residence" means, before tax year 2023, real  
7 property, but less any portion of that property that is used  
8 for commercial purposes, with an equalized assessed value of  
9 less than \$250,000 that is the primary residence of a veteran  
10 with a disability. "Qualified residence" means, for tax year  
11 2023 and thereafter, real property, but less any portion of  
12 that property that is used for commercial purposes, that is  
13 the primary residence of a veteran with a disability. Property  
14 rented for more than 6 months is presumed to be used for  
15 commercial purposes.

16 "Service-connected disability" means an illness or injury  
17 (i) that was caused by or worsened by active military service,  
18 (ii) that is a current disability as of the date of the  
19 application for the exemption under this Section for the  
20 applicable tax year, as demonstrated by the veteran's United  
21 States Department of Veterans Affairs certification, and (iii)  
22 for which the veteran receives disability compensation.

23 For tax years 2022 and prior, "veteran" means an Illinois  
24 resident who has served as a member of the United States Armed  
25 Forces on active duty or State active duty, a member of the  
26 Illinois National Guard, or a member of the United States

1 Reserve Forces and who has received an honorable discharge.  
2 For taxable years 2023 and thereafter, "veteran" means an  
3 Illinois resident who has served as a member of the United  
4 States Armed Forces on active duty or State active duty, a  
5 member of the Illinois National Guard, or a member of the  
6 United States Reserve Forces and who has a service-connected  
7 disability, as certified by the United States Department of  
8 Veterans Affairs, and receives disability compensation.

9 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;  
10 103-154, eff. 6-30-23; 103-596, eff. 7-1-24.)

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