



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5378

Introduced 2/10/2026, by Rep. Wayne A. Rosenthal

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. In provisions concerning the homestead exemption for veterans with disabilities and veterans of World War II, provides that, if the veteran has a service-connected disability of 50% or more, then the first \$250,000 in equalized assessed value of the property is exempt from taxation under the Code (currently, if the veteran has a service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and, if the veteran has a service-connected disability of 70% or more, then the first \$250,000 in equalized assessed value of the property is exempt). Effective immediately.

LRB104 17885 HLH 31321 b

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 disability
11 of 30% or more but less than 50%, as certified by the
12 United States Department of Veterans Affairs, then the
13 annual exemption is \$2,500;

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

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

22 (4) (Blank).

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

25 (1) if the veteran has a service-connected ~~service~~
26 ~~connected~~ disability of 30% or more but less than 50%, as

1 certified by the United States Department of Veterans
2 Affairs as of the date the application is submitted for
3 the exemption under this Section for the applicable
4 taxable year, then the annual exemption is \$2,500;

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

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

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

1 (b-3.2) For taxable years 2026 and thereafter:

2 (1) if the veteran has a service-connected disability
3 of 30% or more but less than 50%, as certified by the
4 United States Department of Veterans Affairs as of the
5 date the application is submitted for the exemption under
6 this Section for the applicable taxable year, then the
7 annual exemption is \$2,500;

8 (2) if the veteran has a service-connected disability
9 of 50% or more, as certified by the United States
10 Department of Veterans Affairs as of the date the
11 application is submitted for the exemption under this
12 Section for the applicable taxable year, then the first
13 \$250,000 in equalized assessed value of the property is
14 exempt from taxation under this Code; and

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

24 This amendatory Act of the 103rd General Assembly shall
25 not be used as the basis for any appeal filed with the chief
26 county assessment officer, the board of review, the Property

1 Tax Appeal Board, or the circuit court with respect to the
2 scope or meaning of the exemption under this Section for a tax
3 year prior to tax year 2023.

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

8 (b-5) If a homestead exemption is granted under this
9 Section and the person awarded the exemption subsequently
10 becomes a resident of a facility licensed under the Nursing
11 Home Care Act or a facility operated by the United States
12 Department of Veterans Affairs, then the exemption shall
13 continue (i) so long as the residence continues to be occupied
14 by the qualifying person's spouse or (ii) if the residence
15 remains unoccupied but is still owned by the person who
16 qualified for the homestead exemption.

17 (c) The tax exemption under this Section carries over to
18 the benefit of the veteran's surviving spouse as long as the
19 spouse holds the legal or beneficial title to the homestead,
20 permanently resides thereon, and does not remarry. If the
21 surviving spouse sells the property, an exemption not to
22 exceed the amount granted from the most recent ad valorem tax
23 roll may be transferred to his or her new residence as long as
24 it is used as his or her primary residence and he or she does
25 not remarry.

26 As used in this subsection (c):

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

5 (2) for taxable years 2015 through 2022, "surviving
6 spouse" means (i) the surviving spouse of a veteran who
7 obtained an exemption under this Section prior to his or
8 her death and (ii) the surviving spouse of a veteran who
9 was killed in the line of duty at any time prior to the
10 expiration of the application period in effect for the
11 exemption for the taxable year for which the exemption is
12 sought; and

13 (3) for taxable year 2023 and thereafter, "surviving
14 spouse" means: (i) the surviving spouse of a veteran who
15 obtained the exemption under this Section prior to his or
16 her death; (ii) the surviving spouse of a veteran who was
17 killed in the line of duty at any time prior to the
18 expiration of the application period in effect for the
19 exemption for the taxable year for which the exemption is
20 sought; (iii) the surviving spouse of a veteran who did
21 not obtain an exemption under this Section before death,
22 but who would have qualified for the exemption under this
23 Section in the taxable year for which the exemption is
24 sought if he or she had survived, and whose surviving
25 spouse has been a resident of Illinois from the time of the
26 veteran's death through the taxable year for which the

1 exemption is sought; and (iv) the surviving spouse of a
2 veteran whose death was determined to be
3 service-connected, but who would not otherwise qualify
4 under item (i), (ii), or (iii), if the spouse (A) is
5 certified by the United States Department of Veterans
6 Affairs as a recipient of dependency and indemnity
7 compensation under federal law at any time prior to the
8 expiration of the application period in effect for the
9 exemption for the taxable year for which the exemption is
10 sought and (B) remains eligible for that dependency and
11 indemnity compensation as of January 1 of the taxable year
12 for which the exemption is sought.

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

17 (d) The exemption under this Section applies for taxable
18 year 2007 and thereafter. A taxpayer who claims an exemption
19 under Section 15-165 or 15-168 may not claim an exemption
20 under this Section.

21 (e) Except as otherwise provided in this subsection (e),
22 each taxpayer who has been granted an exemption under this
23 Section must reapply on an annual basis, except that a veteran
24 who qualifies as a result of his or her service in World War II
25 need not reapply. Application must be made during the
26 application period in effect for the county of his or her

1 residence. The assessor or chief county assessment officer may
2 determine the eligibility of residential property to receive
3 the homestead exemption provided by this Section by
4 application, visual inspection, questionnaire, or other
5 reasonable methods. The determination must be made in
6 accordance with guidelines established by the Department.

7 On and after May 23, 2022 (the effective date of Public Act
8 102-895), if a veteran has a combined service connected
9 disability rating of 100% and is deemed to be permanently and
10 totally disabled, as certified by the United States Department
11 of Veterans Affairs, the taxpayer who has been granted an
12 exemption under this Section shall no longer be required to
13 reapply for the exemption on an annual basis, and the
14 exemption shall be in effect for as long as the exemption would
15 otherwise be permitted under this Section.

16 (e-1) If the person qualifying for the exemption does not
17 occupy the qualified residence as of January 1 of the taxable
18 year, the exemption granted under this Section shall be
19 prorated on a monthly basis. The prorated exemption shall
20 apply beginning with the first complete month in which the
21 person occupies the qualified residence.

22 (e-5) Notwithstanding any other provision of law, each
23 chief county assessment officer may approve this exemption for
24 the 2020 taxable year, without application, for any property
25 that was approved for this exemption for the 2019 taxable
26 year, provided that:

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

4 (2) the owner of record of the property as of January
5 1, 2020 is the same as the owner of record of the property
6 as of January 1, 2019;

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

10 (4) the applicant for the 2019 taxable year has not
11 asked for the exemption to be removed for the 2019 or 2020
12 taxable years.

13 Nothing in this subsection shall preclude a veteran whose
14 service connected disability rating has changed since the 2019
15 exemption was granted from applying for the exemption based on
16 the subsequent service connected disability rating.

17 (e-10) Notwithstanding any other provision of law, each
18 chief county assessment officer may approve this exemption for
19 the 2021 taxable year, without application, for any property
20 that was approved for this exemption for the 2020 taxable
21 year, if:

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

25 (2) the owner of record of the property as of January
26 1, 2021 is the same as the owner of record of the property

1 as of January 1, 2020;

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

5 (4) the taxpayer for the 2020 taxable year has not
6 asked for the exemption to be removed for the 2020 or 2021
7 taxable years.

8 Nothing in this subsection shall preclude a veteran whose
9 service connected disability rating has changed since the 2020
10 exemption was granted from applying for the exemption based on
11 the subsequent service connected disability rating.

12 (f) For the purposes of this Section:

13 "Qualified residence" means, before tax year 2023, real
14 property, but less any portion of that property that is used
15 for commercial purposes, with an equalized assessed value of
16 less than \$250,000 that is the primary residence of a veteran
17 with a disability. "Qualified residence" means, for tax year
18 2023 and thereafter, real property, but less any portion of
19 that property that is used for commercial purposes, that is
20 the primary residence of a veteran with a disability. Property
21 rented for more than 6 months is presumed to be used for
22 commercial purposes.

23 "Service-connected disability" means an illness or injury
24 (i) that was caused by or worsened by active military service,
25 (ii) that is a current disability as of the date of the
26 application for the exemption under this Section for the

1 applicable tax year, as demonstrated by the veteran's United
2 States Department of Veterans Affairs certification, and (iii)
3 for which the veteran receives disability compensation.

4 For tax years 2022 and prior, "veteran" means an Illinois
5 resident who has served as a member of the United States Armed
6 Forces on active duty or State active duty, a member of the
7 Illinois National Guard, or a member of the United States
8 Reserve Forces and who has received an honorable discharge.
9 For taxable years 2023 and thereafter, "veteran" means an
10 Illinois resident who has served as a member of the United
11 States Armed Forces on active duty or State active duty, a
12 member of the Illinois National Guard, or a member of the
13 United States Reserve Forces and who has a service-connected
14 disability, as certified by the United States Department of
15 Veterans Affairs, and receives disability compensation.

16 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;
17 103-154, eff. 6-30-23; 103-596, eff. 7-1-24.)

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