

# HB2583



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2583

Introduced 2/15/2023, by Rep. Amy Elik

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-177

Amends the Property Tax Code. Provides that the long-time occupant homestead exemption applies in all counties beginning with taxable year 2023. Effective immediately.

LRB103 04801 HLH 49811 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) ~~Qualified~~ ~~If the county has elected, under Section~~  
9 ~~15-176, to be subject to the provisions of the alternative~~  
10 ~~general 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. If the county has elected, under Section 15-176,  
16 to be subject to the provisions of the alternative general  
17 homestead exemption, then this Section applies beginning in  
18 taxable year 2007, regardless of whether the exemption under  
19 Section 15-176 applies. In all other counties, this Section  
20 applies beginning in taxable year 2023.

21 (b) As used in this Section:

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

1           (1) The property's base homestead value increased by:  
2           (i) 10% for each taxable year after the base year through  
3           and including the current tax year for qualified taxpayers  
4           with a household income of more than \$75,000 but not  
5           exceeding \$100,000; or (ii) 7% for each taxable year after  
6           the base year through and including the current tax year  
7           for qualified taxpayers with a household income of \$75,000  
8           or less. The increase each year is an increase over the  
9           prior year; or

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

12           "Base homestead value" means:

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

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

25           "Base year" means the taxable year prior to the taxable  
26           year in which the taxpayer first qualifies for the exemption

1 under this Section.

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

4 "Equalized assessed value" means the property's assessed  
5 value as equalized by the Department.

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

1 within that description.

2 "Household income" has the meaning set forth under Section  
3 15-172 of this Code.

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

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

8 "Qualified homestead property" means homestead property  
9 owned by a qualified taxpayer.

10 "Qualified taxpayer" means any individual:

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

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

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

23 (1) If the equalized assessed value of a homestead  
24 property for the current tax year is less than the  
25 previous base homestead value for that property, then the  
26 current equalized assessed value (provided it is not based

1 on a reduced assessed value resulting from a temporary  
2 irregularity in the property) becomes the base homestead  
3 value in subsequent tax years.

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

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

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

1 (f) When married persons maintain separate residences, the  
2 exemption provided under this Section may be claimed by only  
3 one such person and for only one residence. No person who  
4 receives an exemption under Section 15-172 of this Code may  
5 receive an exemption under this Section. No person who  
6 receives an exemption under this Section may receive an  
7 exemption under Section 15-175 or 15-176 of this Code.

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

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

19 (i) To receive the exemption, a person must submit an  
20 application to the county assessor during the period specified  
21 by the county assessor.

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

24 The taxpayer must submit, with the application, an  
25 affidavit of the taxpayer's total household income, marital  
26 status (and if married the name and address of the applicant's

1 spouse, if known), and principal dwelling place of members of  
2 the household on January 1 of the taxable year. The Department  
3 shall establish, by rule, a method for verifying the accuracy  
4 of affidavits filed by applicants under this Section, and the  
5 Chief County Assessment Officer may conduct audits of any  
6 taxpayer claiming an exemption under this Section to verify  
7 that the taxpayer is eligible to receive the exemption. Each  
8 application shall contain or be verified by a written  
9 declaration that it is made under the penalties of perjury. A  
10 taxpayer's signing a fraudulent application under this Act is  
11 perjury, as defined in Section 32-2 of the Criminal Code of  
12 2012. The applications shall be clearly marked as applications  
13 for the Long-time Occupant Homestead Exemption and must  
14 contain a notice that any taxpayer who receives the exemption  
15 is subject to an audit by the Chief County Assessment Officer.

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

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

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.