

HB4229



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4229

Introduced 11/8/2023, by Rep. Amy L. Grant

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-65

Amends the Property Tax Code. Provides that licensed day care facilities that are actually and exclusively used for charitable or beneficent purposes are exempt from taxation under the Code.

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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 15-65 as follows:

6 (35 ILCS 200/15-65)

7 Sec. 15-65. Charitable purposes. All property of the
8 following is exempt when actually and exclusively used for
9 charitable or beneficent purposes, and not leased or otherwise
10 used with a view to profit:

11 (a) Institutions of public charity.

12 (b) Beneficent and charitable organizations
13 incorporated in any state of the United States, including
14 organizations whose owner, and no other person, uses the
15 property exclusively for the distribution, sale, or resale
16 of donated goods and related activities and uses all the
17 income from those activities to support the charitable,
18 religious or beneficent activities of the owner, whether
19 or not such activities occur on the property.

20 (c) Old people's homes, facilities for persons with a
21 developmental disability, and not-for-profit
22 organizations providing services or facilities related to
23 the goals of educational, social and physical development,

1 if, upon making application for the exemption, the
2 applicant provides affirmative evidence that the home or
3 facility or organization is an exempt organization under
4 paragraph (3) of Section 501(c) of the Internal Revenue
5 Code or its successor, and either: (i) the bylaws of the
6 home or facility or not-for-profit organization provide
7 for a waiver or reduction, based on an individual's
8 ability to pay, of any entrance fee, assignment of assets,
9 or fee for services, or (ii) the home or facility is
10 qualified, built or financed under Section 202 of the
11 National Housing Act of 1959, as amended.

12 An applicant that has been granted an exemption under
13 this subsection on the basis that its bylaws provide for a
14 waiver or reduction, based on an individual's ability to
15 pay, of any entrance fee, assignment of assets, or fee for
16 services may be periodically reviewed by the Department to
17 determine if the waiver or reduction was a past policy or
18 is a current policy. The Department may revoke the
19 exemption if it finds that the policy for waiver or
20 reduction is no longer current.

21 If a not-for-profit organization leases property that
22 is otherwise exempt under this subsection to an
23 organization that conducts an activity on the leased
24 premises that would entitle the lessee to an exemption
25 from real estate taxes if the lessee were the owner of the
26 property, then the leased property is exempt.

1 (d) Not-for-profit health maintenance organizations
2 certified by the Director of the Illinois Department of
3 Insurance under the Health Maintenance Organization Act,
4 including any health maintenance organization that
5 provides services to members at prepaid rates approved by
6 the Illinois Department of Insurance if the membership of
7 the organization is sufficiently large or of indefinite
8 classes so that the community is benefited by its
9 operation. No exemption shall apply to any hospital or
10 health maintenance organization which has been adjudicated
11 by a court of competent jurisdiction to have denied
12 admission to any person because of race, color, creed, sex
13 or national origin.

14 (e) All free public libraries.

15 (f) Historical societies.

16 (g) Beginning in taxable year 2024, licensed day care
17 facilities, other than in-home day care facilities, that
18 provide day care to children, operate for less than 24
19 hours per day, and are organized as non-for-profit
20 organizations.

21 Property otherwise qualifying for an exemption under this
22 Section shall not lose its exemption because the legal title
23 is held (i) by an entity that is organized solely to hold that
24 title and that qualifies under paragraph (2) of Section 501(c)
25 of the Internal Revenue Code or its successor, whether or not
26 that entity receives rent from the charitable organization for

1 the repair and maintenance of the property, (ii) by an entity
2 that is organized as a partnership or limited liability
3 company, in which the charitable organization, or an affiliate
4 or subsidiary of the charitable organization, is a general
5 partner of the partnership or managing member of the limited
6 liability company, for the purposes of owning and operating a
7 residential rental property that has received an allocation of
8 Low Income Housing Tax Credits for 100% of the dwelling units
9 under Section 42 of the Internal Revenue Code of 1986, as
10 amended, or (iii) for any assessment year including and
11 subsequent to January 1, 1996 for which an application for
12 exemption has been filed and a decision on which has not become
13 final and nonappealable, by a limited liability company
14 organized under the Limited Liability Company Act provided
15 that (A) the limited liability company's sole member or
16 members, as that term is used in Section 1-5 of the Limited
17 Liability Company Act, are the institutions of public charity
18 that actually and exclusively use the property for charitable
19 and beneficent purposes; (B) the limited liability company is
20 a disregarded entity for federal and Illinois income tax
21 purposes and, as a result, the limited liability company is
22 deemed exempt from income tax liability by virtue of the
23 Internal Revenue Code Section 501(c)(3) status of its sole
24 member or members; and (C) the limited liability company does
25 not lease the property or otherwise use it with a view to
26 profit.

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1 (Source: P.A. 96-763, eff. 8-25-09.)