

SB1862



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB1862

Introduced 2/9/2023, by Sen. Meg Loughran Cappel

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. In a Section granting a homestead exemption to veterans with disabilities, provides that property that is used as a qualified residence by a veteran who was a member of the United States Armed Forces during World War II is exempt from taxation regardless of the veteran's level of disability. Provides that a veteran who qualifies as a result of his or her service in World War II need not reapply for the exemption. Effective immediately.

LRB103 28990 HLH 55376 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 to the amounts set forth in subsections (b)
11 and (b-3), is granted for property that is used as a qualified
12 residence by a veteran with a disability, and beginning with
13 taxable year 2023, an annual homestead exemption, limited to
14 the amounts set forth in subsection (b-4), is granted for
15 property that is used as a qualified residence by a veteran who
16 was a member of the United States Armed Forces during World War
17 II.

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

20 (1) for veterans with a service-connected disability
21 of at least (i) 75% for exemptions granted in taxable
22 years 2007 through 2009 and (ii) 70% for exemptions
23 granted in taxable year 2010 and each taxable year

1 thereafter, as certified by the United States Department
2 of Veterans Affairs, the annual exemption is \$5,000; and

3 (2) for veterans with a service-connected disability
4 of at least 50%, but less than (i) 75% for exemptions
5 granted in taxable years 2007 through 2009 and (ii) 70%
6 for exemptions granted in taxable year 2010 and each
7 taxable year thereafter, as certified by the United States
8 Department of Veterans Affairs, the annual exemption is
9 \$2,500.

10 (b-3) For taxable years 2015 and thereafter:

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

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

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

23 (4) for taxable year 2023 and thereafter, if the
24 taxpayer is the surviving spouse of a veteran whose death
25 was determined to be service-connected and who is
26 certified by the United States Department of Veterans

1 Affairs as a recipient of dependency and indemnity
2 compensation under federal law, then the property is also
3 exempt from taxation under this Code.

4 (b-4) For taxable years on or after 2023, 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 ~~items~~ (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) ~~this amendatory Act of the 102nd General Assembly~~, if
9 a veteran has a combined service connected disability rating
10 of 100% and is deemed to be permanently and totally disabled,
11 as certified by the United States Department of Veterans
12 Affairs, the taxpayer who has been granted an exemption under
13 this Section shall no longer be required to reapply for the
14 exemption on an annual basis, and the exemption shall be in
15 effect for as long as the exemption would otherwise be
16 permitted under this Section.

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

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

1 year, provided that:

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

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

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

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

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

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

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

26 (2) the owner of record of the property as of January

1 1, 2021 is the same as the owner of record of the property
2 as of January 1, 2020;

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

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

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

13 (f) For the purposes of this Section:

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

20 "Veteran" means an Illinois resident who has served as a
21 member of the United States Armed Forces on active duty or
22 State active duty, a member of the Illinois National Guard, or
23 a member of the United States Reserve Forces and who has
24 received an honorable discharge.

25 (Source: P.A. 101-635, eff. 6-5-20; 102-136, eff. 7-23-21;
26 102-895, eff. 5-23-22; revised 9-6-22.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.