

HB3691



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3691

by Rep. Katherine Cloonen

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. Provides that "household income" does not include wages paid to a member of the household who is a disabled person.

LRB099 05741 SXM 25785 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
8 Exemption.

9 (a) This Section may be cited as the Senior Citizens
10 Assessment Freeze Homestead Exemption.

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an
13 application under this Section.

14 "Base amount" means the base year equalized assessed value
15 of the residence plus the first year's equalized assessed value
16 of any added improvements which increased the assessed value of
17 the residence after the base year.

18 "Base year" means the taxable year prior to the taxable
19 year for which the applicant first qualifies and applies for
20 the exemption provided that in the prior taxable year the
21 property was improved with a permanent structure that was
22 occupied as a residence by the applicant who was liable for
23 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or
2 equitable interest in the property as evidenced by a written
3 instrument or (ii) had a legal or equitable interest as a
4 lessee in the parcel of property that was single family
5 residence. If in any subsequent taxable year for which the
6 applicant applies and qualifies for the exemption the equalized
7 assessed value of the residence is less than the equalized
8 assessed value in the existing base year (provided that such
9 equalized assessed value is not based on an assessed value that
10 results from a temporary irregularity in the property that
11 reduces the assessed value for one or more taxable years), then
12 that subsequent taxable year shall become the base year until a
13 new base year is established under the terms of this paragraph.
14 For taxable year 1999 only, the Chief County Assessment Officer
15 shall review (i) all taxable years for which the applicant
16 applied and qualified for the exemption and (ii) the existing
17 base year. The assessment officer shall select as the new base
18 year the year with the lowest equalized assessed value. An
19 equalized assessed value that is based on an assessed value
20 that results from a temporary irregularity in the property that
21 reduces the assessed value for one or more taxable years shall
22 not be considered the lowest equalized assessed value. The
23 selected year shall be the base year for taxable year 1999 and
24 thereafter until a new base year is established under the terms
25 of this paragraph.

26 "Chief County Assessment Officer" means the County

1 Assessor or Supervisor of Assessments of the county in which
2 the property is located.

3 "Disabled person" means a person who suffers from a
4 permanent physical or mental impairment resulting from
5 disease, an injury, a functional disorder, or a congenital
6 condition that renders the person incapable of adequately
7 providing for his or her own health or personal care.

8 "Equalized assessed value" means the assessed value as
9 equalized by the Illinois Department of Revenue.

10 "Household" means the applicant, the spouse of the
11 applicant, and all persons using the residence of the applicant
12 as their principal place of residence.

13 "Household income" means the combined income of the members
14 of a household for the calendar year preceding the taxable
15 year. Notwithstanding any other provision of law, "household
16 income" does not include wages paid to a member of the
17 household who is a disabled person.

18 "Income" has the same meaning as provided in Section 3.07
19 of the Senior Citizens and Disabled Persons Property Tax Relief
20 Act, except that, beginning in assessment year 2001, "income"
21 does not include veteran's benefits.

22 "Internal Revenue Code of 1986" means the United States
23 Internal Revenue Code of 1986 or any successor law or laws
24 relating to federal income taxes in effect for the year
25 preceding the taxable year.

26 "Life care facility that qualifies as a cooperative" means

1 a facility as defined in Section 2 of the Life Care Facilities
2 Act.

3 "Maximum income limitation" means:

- 4 (1) \$35,000 prior to taxable year 1999;
- 5 (2) \$40,000 in taxable years 1999 through 2003;
- 6 (3) \$45,000 in taxable years 2004 through 2005;
- 7 (4) \$50,000 in taxable years 2006 and 2007; and
- 8 (5) \$55,000 in taxable year 2008 and thereafter.

9 "Residence" means the principal dwelling place and
10 appurtenant structures used for residential purposes in this
11 State occupied on January 1 of the taxable year by a household
12 and so much of the surrounding land, constituting the parcel
13 upon which the dwelling place is situated, as is used for
14 residential purposes. If the Chief County Assessment Officer
15 has established a specific legal description for a portion of
16 property constituting the residence, then that portion of
17 property shall be deemed the residence for the purposes of this
18 Section.

19 "Taxable year" means the calendar year during which ad
20 valorem property taxes payable in the next succeeding year are
21 levied.

22 (c) Beginning in taxable year 1994, a senior citizens
23 assessment freeze homestead exemption is granted for real
24 property that is improved with a permanent structure that is
25 occupied as a residence by an applicant who (i) is 65 years of
26 age or older during the taxable year, (ii) has a household

1 income that does not exceed the maximum income limitation,
2 (iii) is liable for paying real property taxes on the property,
3 and (iv) is an owner of record of the property or has a legal or
4 equitable interest in the property as evidenced by a written
5 instrument. This homestead exemption shall also apply to a
6 leasehold interest in a parcel of property improved with a
7 permanent structure that is a single family residence that is
8 occupied as a residence by a person who (i) is 65 years of age
9 or older during the taxable year, (ii) has a household income
10 that does not exceed the maximum income limitation, (iii) has a
11 legal or equitable ownership interest in the property as
12 lessee, and (iv) is liable for the payment of real property
13 taxes on that property.

14 In counties of 3,000,000 or more inhabitants, the amount of
15 the exemption for all taxable years is the equalized assessed
16 value of the residence in the taxable year for which
17 application is made minus the base amount. In all other
18 counties, the amount of the exemption is as follows: (i)
19 through taxable year 2005 and for taxable year 2007 and
20 thereafter, the amount of this exemption shall be the equalized
21 assessed value of the residence in the taxable year for which
22 application is made minus the base amount; and (ii) for taxable
23 year 2006, the amount of the exemption is as follows:

24 (1) For an applicant who has a household income of
25 \$45,000 or less, the amount of the exemption is the
26 equalized assessed value of the residence in the taxable

1 year for which application is made minus the base amount.

2 (2) For an applicant who has a household income
3 exceeding \$45,000 but not exceeding \$46,250, the amount of
4 the exemption is (i) the equalized assessed value of the
5 residence in the taxable year for which application is made
6 minus the base amount (ii) multiplied by 0.8.

7 (3) For an applicant who has a household income
8 exceeding \$46,250 but not exceeding \$47,500, the amount of
9 the exemption is (i) the equalized assessed value of the
10 residence in the taxable year for which application is made
11 minus the base amount (ii) multiplied by 0.6.

12 (4) For an applicant who has a household income
13 exceeding \$47,500 but not exceeding \$48,750, the amount of
14 the exemption is (i) the equalized assessed value of the
15 residence in the taxable year for which application is made
16 minus the base amount (ii) multiplied by 0.4.

17 (5) For an applicant who has a household income
18 exceeding \$48,750 but not exceeding \$50,000, the amount of
19 the exemption is (i) the equalized assessed value of the
20 residence in the taxable year for which application is made
21 minus the base amount (ii) multiplied by 0.2.

22 When the applicant is a surviving spouse of an applicant
23 for a prior year for the same residence for which an exemption
24 under this Section has been granted, the base year and base
25 amount for that residence are the same as for the applicant for
26 the prior year.

1 Each year at the time the assessment books are certified to
2 the County Clerk, the Board of Review or Board of Appeals shall
3 give to the County Clerk a list of the assessed values of
4 improvements on each parcel qualifying for this exemption that
5 were added after the base year for this parcel and that
6 increased the assessed value of the property.

7 In the case of land improved with an apartment building
8 owned and operated as a cooperative or a building that is a
9 life care facility that qualifies as a cooperative, the maximum
10 reduction from the equalized assessed value of the property is
11 limited to the sum of the reductions calculated for each unit
12 occupied as a residence by a person or persons (i) 65 years of
13 age or older, (ii) with a household income that does not exceed
14 the maximum income limitation, (iii) who is liable, by contract
15 with the owner or owners of record, for paying real property
16 taxes on the property, and (iv) who is an owner of record of a
17 legal or equitable interest in the cooperative apartment
18 building, other than a leasehold interest. In the instance of a
19 cooperative where a homestead exemption has been granted under
20 this Section, the cooperative association or its management
21 firm shall credit the savings resulting from that exemption
22 only to the apportioned tax liability of the owner who
23 qualified for the exemption. Any person who willfully refuses
24 to credit that savings to an owner who qualifies for the
25 exemption is guilty of a Class B misdemeanor.

26 When a homestead exemption has been granted under this

1 Section and an applicant then becomes a resident of a facility
2 licensed under the Assisted Living and Shared Housing Act, the
3 Nursing Home Care Act, the Specialized Mental Health
4 Rehabilitation Act of 2013, or the ID/DD Community Care Act,
5 the exemption shall be granted in subsequent years so long as
6 the residence (i) continues to be occupied by the qualified
7 applicant's spouse or (ii) if remaining unoccupied, is still
8 owned by the qualified applicant for the homestead exemption.

9 Beginning January 1, 1997, when an individual dies who
10 would have qualified for an exemption under this Section, and
11 the surviving spouse does not independently qualify for this
12 exemption because of age, the exemption under this Section
13 shall be granted to the surviving spouse for the taxable year
14 preceding and the taxable year of the death, provided that,
15 except for age, the surviving spouse meets all other
16 qualifications for the granting of this exemption for those
17 years.

18 When married persons maintain separate residences, the
19 exemption provided for in this Section may be claimed by only
20 one of such persons and for only one residence.

21 For taxable year 1994 only, in counties having less than
22 3,000,000 inhabitants, to receive the exemption, a person shall
23 submit an application by February 15, 1995 to the Chief County
24 Assessment Officer of the county in which the property is
25 located. In counties having 3,000,000 or more inhabitants, for
26 taxable year 1994 and all subsequent taxable years, to receive

1 the exemption, a person may submit an application to the Chief
2 County Assessment Officer of the county in which the property
3 is located during such period as may be specified by the Chief
4 County Assessment Officer. The Chief County Assessment Officer
5 in counties of 3,000,000 or more inhabitants shall annually
6 give notice of the application period by mail or by
7 publication. In counties having less than 3,000,000
8 inhabitants, beginning with taxable year 1995 and thereafter,
9 to receive the exemption, a person shall submit an application
10 by July 1 of each taxable year to the Chief County Assessment
11 Officer of the county in which the property is located. A
12 county may, by ordinance, establish a date for submission of
13 applications that is different than July 1. The applicant shall
14 submit with the application an affidavit of the applicant's
15 total household income, age, marital status (and if married the
16 name and address of the applicant's spouse, if known), and
17 principal dwelling place of members of the household on January
18 1 of the taxable year. The Department shall establish, by rule,
19 a method for verifying the accuracy of affidavits filed by
20 applicants under this Section, and the Chief County Assessment
21 Officer may conduct audits of any taxpayer claiming an
22 exemption under this Section to verify that the taxpayer is
23 eligible to receive the exemption. Each application shall
24 contain or be verified by a written declaration that it is made
25 under the penalties of perjury. A taxpayer's signing a
26 fraudulent application under this Act is perjury, as defined in

1 Section 32-2 of the Criminal Code of 2012. The applications
2 shall be clearly marked as applications for the Senior Citizens
3 Assessment Freeze Homestead Exemption and must contain a notice
4 that any taxpayer who receives the exemption is subject to an
5 audit by the Chief County Assessment Officer.

6 Notwithstanding any other provision to the contrary, in
7 counties having fewer than 3,000,000 inhabitants, if an
8 applicant fails to file the application required by this
9 Section in a timely manner and this failure to file is due to a
10 mental or physical condition sufficiently severe so as to
11 render the applicant incapable of filing the application in a
12 timely manner, the Chief County Assessment Officer may extend
13 the filing deadline for a period of 30 days after the applicant
14 regains the capability to file the application, but in no case
15 may the filing deadline be extended beyond 3 months of the
16 original filing deadline. In order to receive the extension
17 provided in this paragraph, the applicant shall provide the
18 Chief County Assessment Officer with a signed statement from
19 the applicant's physician stating the nature and extent of the
20 condition, that, in the physician's opinion, the condition was
21 so severe that it rendered the applicant incapable of filing
22 the application in a timely manner, and the date on which the
23 applicant regained the capability to file the application.

24 Beginning January 1, 1998, notwithstanding any other
25 provision to the contrary, in counties having fewer than
26 3,000,000 inhabitants, if an applicant fails to file the

1 application required by this Section in a timely manner and
2 this failure to file is due to a mental or physical condition
3 sufficiently severe so as to render the applicant incapable of
4 filing the application in a timely manner, the Chief County
5 Assessment Officer may extend the filing deadline for a period
6 of 3 months. In order to receive the extension provided in this
7 paragraph, the applicant shall provide the Chief County
8 Assessment Officer with a signed statement from the applicant's
9 physician stating the nature and extent of the condition, and
10 that, in the physician's opinion, the condition was so severe
11 that it rendered the applicant incapable of filing the
12 application in a timely manner.

13 In counties having less than 3,000,000 inhabitants, if an
14 applicant was denied an exemption in taxable year 1994 and the
15 denial occurred due to an error on the part of an assessment
16 official, or his or her agent or employee, then beginning in
17 taxable year 1997 the applicant's base year, for purposes of
18 determining the amount of the exemption, shall be 1993 rather
19 than 1994. In addition, in taxable year 1997, the applicant's
20 exemption shall also include an amount equal to (i) the amount
21 of any exemption denied to the applicant in taxable year 1995
22 as a result of using 1994, rather than 1993, as the base year,
23 (ii) the amount of any exemption denied to the applicant in
24 taxable year 1996 as a result of using 1994, rather than 1993,
25 as the base year, and (iii) the amount of the exemption
26 erroneously denied for taxable year 1994.

1 For purposes of this Section, a person who will be 65 years
2 of age during the current taxable year shall be eligible to
3 apply for the homestead exemption during that taxable year.
4 Application shall be made during the application period in
5 effect for the county of his or her residence.

6 The Chief County Assessment Officer may determine the
7 eligibility of a life care facility that qualifies as a
8 cooperative to receive the benefits provided by this Section by
9 use of an affidavit, application, visual inspection,
10 questionnaire, or other reasonable method in order to insure
11 that the tax savings resulting from the exemption are credited
12 by the management firm to the apportioned tax liability of each
13 qualifying resident. The Chief County Assessment Officer may
14 request reasonable proof that the management firm has so
15 credited that exemption.

16 Except as provided in this Section, all information
17 received by the chief county assessment officer or the
18 Department from applications filed under this Section, or from
19 any investigation conducted under the provisions of this
20 Section, shall be confidential, except for official purposes or
21 pursuant to official procedures for collection of any State or
22 local tax or enforcement of any civil or criminal penalty or
23 sanction imposed by this Act or by any statute or ordinance
24 imposing a State or local tax. Any person who divulges any such
25 information in any manner, except in accordance with a proper
26 judicial order, is guilty of a Class A misdemeanor.

1 Nothing contained in this Section shall prevent the
2 Director or chief county assessment officer from publishing or
3 making available reasonable statistics concerning the
4 operation of the exemption contained in this Section in which
5 the contents of claims are grouped into aggregates in such a
6 way that information contained in any individual claim shall
7 not be disclosed.

8 (d) Each Chief County Assessment Officer shall annually
9 publish a notice of availability of the exemption provided
10 under this Section. The notice shall be published at least 60
11 days but no more than 75 days prior to the date on which the
12 application must be submitted to the Chief County Assessment
13 Officer of the county in which the property is located. The
14 notice shall appear in a newspaper of general circulation in
15 the county.

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

19 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-689,
20 eff. 6-14-12; 97-813, eff. 7-13-12; 97-1150, eff. 1-25-13;
21 98-104, eff. 7-22-13.)