

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Property Tax Code is amended by changing Sections 15-165 and 15-169 as follows:

(35 ILCS 200/15-165)

Sec. 15-165. Disabled veterans. Property up to an assessed value of \$100,000 ~~\$70,000~~, owned and used exclusively by a disabled veteran, or the spouse or unmarried surviving spouse of the veteran, as a home, is exempt. As used in this Section, a disabled veteran means a person who has served in the Armed Forces of the United States and whose disability is of such a nature that the Federal Government has authorized payment for purchase or construction of Specially Adapted Housing as set forth in the United States Code, Title 38, Chapter 21, Section 2101.

The exemption applies to housing where Federal funds have been used to purchase or construct special adaptations to suit the veteran's disability.

The exemption also applies to housing that is specially adapted to suit the veteran's disability, and purchased entirely or in part by the proceeds of a sale, casualty loss reimbursement, or other transfer of a home for which the

Federal Government had previously authorized payment for purchase or construction as Specially Adapted Housing.

However, the entire proceeds of the sale, casualty loss reimbursement, or other transfer of that housing shall be applied to the acquisition of subsequent specially adapted housing to the extent that the proceeds equal the purchase price of the subsequently acquired housing.

Beginning with the 2015 tax year, the exemption also applies to housing that is specifically constructed or adapted to suit a qualifying veteran's disability if the housing or adaptations are donated by a charitable organization, the veteran has been approved to receive funds for the purchase or construction of Specially Adapted Housing under Title 38, Chapter 21, Section 2101 of the United States Code, and the home has been inspected and certified by a licensed home inspector to be in compliance with applicable standards set forth in U.S. Department of Veterans Affairs, Veterans Benefits Administration Pamphlet 26-13 Handbook for Design of Specially Adapted Housing.

For purposes of this Section, "charitable organization" means any benevolent, philanthropic, patriotic, or eleemosynary entity that solicits and collects funds for charitable purposes and includes each local, county, or area division of that charitable organization.

For purposes of this Section, "unmarried surviving spouse" means the surviving spouse of the veteran at any time after the

death of the veteran during which such surviving spouse is not married.

This exemption must be reestablished on an annual basis by certification from the Illinois Department of Veterans' Affairs to the Department, which shall forward a copy of the certification to local assessing officials.

A taxpayer who claims an exemption under Section 15-168 or 15-169 may not claim an exemption under this Section.

(Source: P.A. 94-310, eff. 7-25-05; 95-644, eff. 10-12-07.)

(35 ILCS 200/15-169)

Sec. 15-169. Disabled veterans standard homestead exemption.

(a) Beginning with taxable year 2007, an annual homestead exemption, limited to the amounts set forth in subsection (b), is granted for property that is used as a qualified residence by a disabled veteran.

(b) The amount of the exemption under this Section is as follows:

(1) for veterans with a service-connected disability of at least (i) 75% for exemptions granted in taxable years 2007 through 2009 and (ii) 70% for exemptions granted in taxable year 2010 and each taxable year thereafter, as certified by the United States Department of Veterans Affairs, the annual exemption is \$5,000; and

(2) for veterans with a service-connected disability

of at least 50%, but less than (i) 75% for exemptions granted in taxable years 2007 through 2009 and (ii) 70% for exemptions granted in taxable year 2010 and each taxable year thereafter, as certified by the United States Department of Veterans Affairs, the annual exemption is \$2,500.

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

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

(c-1) Beginning with taxable year 2015, nothing in this Section shall require the veteran to have qualified for or

obtained the exemption before death if the veteran was killed in the line of duty.

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

(e) Each taxpayer who has been granted an exemption under this Section must reapply on an annual basis. Application must be made during the application period in effect for the county of his or her residence. The assessor or chief county assessment officer may determine the eligibility of residential property to receive the homestead exemption provided by this Section by application, visual inspection, questionnaire, or other reasonable methods. The determination must be made in accordance with guidelines established by the Department.

(f) For the purposes of this Section:

"Qualified residence" means real property, but less any portion of that property that is used for commercial purposes, with an equalized assessed value of less than \$250,000 that is the disabled veteran's primary residence. Property rented for more than 6 months is presumed to be used for commercial purposes.

"Veteran" means an Illinois resident who has served as a member of the United States Armed Forces on active duty or State active duty, a member of the Illinois National Guard, or

a member of the United States Reserve Forces and who has received an honorable discharge.

(Source: P.A. 96-1298, eff. 1-1-11; 96-1418, eff. 8-2-10; 97-333, eff. 8-12-11.)

Section 10. The Mobile Home Local Services Tax Act is amended by changing Section 7.5 as follows:

(35 ILCS 515/7.5)

Sec. 7.5. Exemption for disabled veterans.

(a) Beginning on January 1, 2004, a mobile home owned and used exclusively by a disabled veteran or the spouse or unmarried surviving spouse of the veteran as a home, is exempt from the tax imposed under this Act.

Beginning with the 2015 tax year, the exemption also applies to housing that is specifically constructed or adapted to suit a qualifying veteran's disability if the housing or adaptations are donated by a charitable organization, the veteran has been approved to receive funds for the purchase or construction of Specially Adapted Housing under Title 38, Chapter 21, Section 2101 of the United States Code, and the home has been inspected and certified by a licensed home inspector to be in compliance with applicable standards set forth in U.S. Department of Veterans Affairs, Veterans Benefits Administration Pamphlet 26-13 Handbook for Design of Specially Adapted Housing.

(b) As used in this Section:

"Disabled veteran" means a person who has served in the armed forces of the United States and whose disability is of such a nature that the federal government has authorized payment for purchase or construction of specially adapted housing as set forth in the United States Code, Title 38, Chapter 21, Section 2101.

For purposes of this Section, "charitable organization" means any benevolent, philanthropic, patriotic, or eleemosynary entity that solicits and collects funds for charitable purposes and includes each local, county, or area division of that charitable organization.

"Unmarried surviving spouse" means the surviving spouse of the veteran at any time after the death of the veteran during which the surviving spouse is not married.

(c) Eligibility for this exemption must be reestablished on an annual basis by certification from the Illinois Department of Veterans' Affairs to the county clerk of the county in which the exempt mobile home is located. The county clerk shall forward a copy of the certification to local assessing officials.

(Source: P.A. 93-146, eff. 7-10-03.)

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