

Legislative Updates Involving Property Tax Relief for Veterans and Persons with Disabilities

About this publication

The contents of this publication are informational only and do not take the place of statutes, rules, or court decisions. For many topics covered in this publication, we have provided a reference to the Illinois Property Tax Code (35 ILCS 200/1 et seq.) or the applicable Illinois Compiled Statute reference. For further clarification or more detail, the references can be found with the Public Acts or Illinois Compiled Statutes found in the Illinois General Assembly’s website at www.ilga.gov.

This publication is issued according to Section 8-5 of the Property Tax Code which states, “The Department shall confer with, advise and assist local assessment officers relative to the performance of their duties.” County officials should consult with their State’s Attorney for legal guidance within their respective county.

The information is current as of the date of the publication. Please visit the “Local Officials” page on the Departmental website tax.illinois.gov to verify that you have the most current revision of the documents and forms. Other property tax related forms will be revised as needed.

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Public Acts with Legislative Amendments

Public Act 98-1145 Effective Date: December 30, 2014	
35 ILCS 200/15-165	Veterans with Disabilities Exemption
35 ILCS 200/15-169	Standard Homestead Exemption for Veterans with Disabilities
35 ILCS 515/7.5	Exemption for Veterans with Disabilities under Mobile Home Local Services Tax Act

Public Act 99-0143 Effective Date: July 27, 2015	
35 ILCS 200/15-165	Veterans with Disabilities Exemption
35 ILCS 200/15-168	Homestead Exemption for Persons with Disabilities
35 ILCS 200/15-169	Standard Homestead Exemption for Veterans with Disabilities
35 ILCS 200/15-172	Senior Citizens Assessment Freeze Homestead Exemption
35 ILCS 200/15-175	General Homestead Exemption
35 ILCS 515/7.5	Exemption for Veterans with Disabilities (Mobile Home Local Services Tax Act)

Public Act 99-0180 Effective Date: July 29, 2015	
35 ILCS 200/15-168	Persons with Disabilities Homestead Exemption

Public Act 99-0375 Effective Date: August 17, 2015	
35 ILCS 200/10-23	Accessibility Improvements to Residential Property
35 ILCS 200/15-169	Standard Homestead Exemption for Veterans with Disabilities

Legislative Updates to Property Tax Forms/Documents

The Illinois Department of Revenue (IDOR) is updating all property tax related forms and documentation, including homestead exemption forms/documents, to comply with the public acts listed on page 1. Local government officials should reference the individual acts and/or statutes to update forms and documents, and information on their websites. Unless specified, the following legislative changes take effect for the 2015 tax year for property taxes payable in 2016. The forms for the veterans and persons with disabilities homestead exemptions will be updated and distributed to the CCAOs. The updated forms and documents will be posted to the "Local Officials" area on the Department's website at www.tax.illinois.gov. Chief County Assessment Officers are asked to share this information with other local government officials, including township/multi-township assessors and board of review members.

Public Act 99-0143

Amends the Property Tax Code (35 ILCS 200/1 et seq.) and the Mobile Home Local Services Tax Act (35 ILCS 515/1 et seq.).

Changes all occurrences of *"the physically handicapped"* to *"persons with physical disabilities"*; *"the handicapped"* or *"handicapped persons"* or *"handicapped individuals"* to *"persons with disabilities"*; *"handicapping condition"* to *"disabling condition"*; *"disabled persons"* to *"persons with disabilities"*; *"developmentally disabled"* to *"persons with developmental disabilities"*.

Changes the title of the *"Disabled Persons Rehabilitation Act"* and all references to that Act to the *"Rehabilitation of Persons with Disabilities Act"*. Changes the title of other Acts and the names of certain funds.

Note: County officials will not need to redistribute homestead exemption forms for the 2015 tax year due to the statutory changes under Public Act 99-0143 and Public Act 99-0180.

Public Act 99-0180

The statutes for the Homestead Exemption for Persons with Disabilities (35 ILCS 200/15-168), Senior Citizens Homestead Exemption (35 ILCS 200/15-170), and the Senior Citizens Assessment Freeze Homestead Exemption (35 ILCS 200/15-172) are amended allowing a person to continue to receive the exemption if they become a resident of a facility licensed under the new Medically Complex for the Developmentally Disabled Act (MC/DD).

These statutory amendments for the homestead exemptions are a transfer of licensing. Applicants that fall under the new MC/DD Act will still be able to qualify for the senior citizens homestead exemptions under the Intellectually Disabled/Developmentally Disabled Community Care Act (ID/DD) for the 2015 tax year.

New 35 ILCS 200/10-23; Accessibility Improvements

(NEW) Accessibility Improvements to Residential Property

Adds a new section to the Property Tax Code (35 ILCS 200/10-23) for the 2015 tax year (property taxes payable in 2016).

Accessibility improvements made to residential property shall not increase the assessed valuation of the property for a period of 7 years after the improvements are completed.

"Accessibility improvement" means a home modification listed under the Home Services Program administered by the Department of Human Services (89 Illinois Administrative Code 686), including, but not limited to the installation of ramps and grab-bars, widening door-ways, and other changes to enhance the independence of a disabled or elderly individual.

Summary of Existing Homestead Exemptions Changes

Specially-Adapted Housing Exemptions for Veterans with Disabilities

The Veterans with Disability Exemptions (35 ILCS 200/15-165) was previously amended by increasing the reduction in assessed value from \$70,000 to \$100,000 beginning with the 2014 tax year (property taxes paid in 2015).

For the 2015 tax year (property taxes payable in 2016), statutory amendments for the Veterans with Disabilities Exemptions under the Property Tax Code (35 ILCS 200/15-165) and the Mobile Home Local Services Tax Act (35 ILCS 515/7.5) take effect. These changes include a provision to extend the exemption for specially adapted housing donated by a charitable organization. In addition, the home must be inspected and certified by a licensed home inspector to be in compliance with applicable standards set forth in U. S. Dept. of Veterans Affairs, Veterans Benefits Administration Pamphlet 26-13 Handbook for Design of Specially Adapted Housing.

Veterans must be approved for the specially adapted housing grant through the U. S. Dept. of Veterans' Affairs.

The exemption is valid for as long as the veteran, the spouse, or the unmarried surviving spouse resides on the property.

Each year the IDOR receives a list of eligible veterans who qualify for the Veterans with Disabilities Exemption (35 ILCS 200/15-165) and distributes the list to the CCAOs. The Illinois Dept. of Veterans Affairs notifies the county clerks of the veterans who qualify for the exemption under the Mobile Home Local Services Tax Act (35 ILCS 515/7.5).

Veterans can contact their local [Veteran Service Officer](#) for further information and application. For more information on property tax relief and veteran's benefits, visit the [Illinois Department of Revenue](#) and [Illinois Department of Veterans' Affairs](#) websites.

Standard Homestead Exemption for Veterans with Disabilities

Public Act 98-1145 amends 35 ILCS 200/15-169 by adding a provision under Subsection (c-1) that expands the exemption to a surviving spouse of a veteran killed in the line of duty:

"Beginning with taxable year 2015, nothing in this Section shall require the veteran to have qualified for or obtain the exemption before death if the veteran was killed in the line of duty."

Public Act 99-0375 increases the exemption amounts in 35 ILCS 200/15-169 and lowers the service-connected disability threshold to qualify for the exemption beginning with the 2015 tax year for property taxes payable in 2016.

A reduction in equalized assessed value (EAV) of \$2,500 is granted if the percentage of service-connected disability is at least 30 percent but less than 50 percent.

A reduction in EAV of \$5,000 is granted if the percentage of service-connected disability is at least 50 percent but less than 70 percent.

A total exemption from taxes is granted if the percentage of service-connected disability is at least 70 percent.

Standard Homestead Exemption for Veterans with Disabilities FAQs

What qualifications must be met by a veteran with a disability?

All of the following qualifications must be met to receive the Standard Homestead Exemption for Veterans with Disabilities (SHEVD) under 35 ILCS 200/15-169:

"Be a veteran (i.e., 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)."

Have a service-connected disability of at least 30 percent that is issued by the United States Department of Veterans Affairs.

Qualifying property must be residential real property (any portion that is used for commercial purposes does not qualify).

Own and occupy the property as primary residence on January 1 of the assessment year or lease and occupy a single-family residence on January 1 of the assessment year and be liable for the payment of the property taxes.

Property's equalized assessed value (EAV), after state equalization, is less than \$250,000. (Any portion of the property owned by a veteran with a disability that he or she rents to another individual or entity for more than 6 months is presumed to be used for commercial purposes.)

What qualifications must be met for a surviving spouse to receive the SHEVD?

An un-remarried surviving spouse of a veteran who is deceased can also continue to receive the exemption on his/her spouse's primary residence, provided the exemption had previously been granted to the veteran.

Beginning in tax year 2015, an un-remarried surviving spouse of a veteran killed in the line of duty is eligible for the SHEVD on his/her primary residence, even if the veteran did not previously qualify or obtain the exemption.

The surviving spouse can transfer the SHEVD to another primary residence after the veteran's original primary residence is sold.

An un-remarried surviving spouse must occupy and hold legal or beneficial title to the primary residence on January 1 of the assessment year.

To qualify for the SHEVD, must the EAV of the primary residence be less than \$250,000?

By statute, the EAV of the primary residence must be less than \$250,000 to qualify for the SHEVD. There is no EAV limitation on the actual exemption amount for a qualifying residence which is tax exempt.

How does a veteran or surviving spouse apply for the SHEVD?

A veteran or an un-remarried surviving spouse either applying for the first time, or for a new primary residence, should file the Form PTAX-342, Application for the Standard Homestead Exemption for Veterans with Disabilities (SHEVD). This application has to be filed with the CCAO by the due date to receive this exemption.

The Form PTAX-342-R Annual Verification of Eligibility for the Standard Homestead Exemption for Veterans with Disabilities must be filed each year thereafter to continue receiving the SHEVD.

What documentation must be filed with the Forms PTAX-342 and PTAX-342-R by the veteran or a surviving spouse?

The Form PTAX-342, Application for the Standard Homestead Exemption for Veterans with Disabilities (SHEVD), must be filed by the **veteran** along with the following documents:

1. An award or verification letter from the U. S. Department of Veterans' Affairs that shows a service-connected disability rating of at least 30% or greater;

2. Verification of military service that shows the veterans was released from military service with an other than dishonorable discharge, and one of the following:
 - A. The original or copy certified by the county recorder, recorder of deeds, Illinois Department of Veterans' Affairs, or the National Archives Record Center of a Form DD 214 or separation of service from the War Department (military service prior to 1950); or a Certification of Military Service Form; or
 - B. An Illinois Driver's License or Illinois Personal Identification Card with a Veterans Designation.

The Form PTAX-342 must be filed by the **un-remarried surviving spouse** along with the following documents:

Proof of ownership; property tax bill of the veteran's former residence; marriage certificate; and the veteran's death certificate. For a veteran who was killed in the line of duty, the surviving spouse must provide the DD Form 1300, Report of Casualty issued by the U. S. Department of Defense.

What documents are required to be filed with the Form PTAX-342-R, Annual Verification of Eligibility for the Standard Homestead Exemption for Veterans with Disabilities (SHEVD)?

Since the veteran's military service was provided with the initial filing of the Form PTAX-342, the veteran will only need to file a current verification letter issued by the U. S. Department of Veterans' Affairs with the veteran's percentage of service-connected disability rating.

How can veterans or surviving spouses obtain the documentation needed to file the Forms PTAX-342 or PTAX-342-R?

The Form DD 214 or Separation of Service from the War Department (military service prior to 1950); or the Certification of Military Service Form can be obtained through the Illinois Department of Veterans' Affairs or the National Archives Record Center.

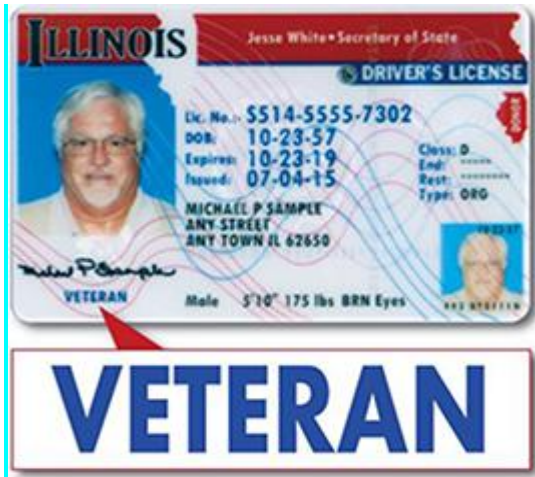
The DD Form 1300, Report of Casualty, can be replaced by the surviving spouse contacting their assigned Casualty Assistance Officer or the Casualty Office of the veteran's branch of service.

The Verification Letter for the veteran's service-connected disability rating from the U. S. Department of Veterans' Affairs can be obtained by calling 1 800 827-1000; or by visiting the Veteran's E-Benefits Account website at ebenefits.va.gov. The local Veteran's Service Office can also provide assistance with obtaining the verification letter.

Illinois Driver's License or Illinois Identification Card is available through the [Secretary of State](#). The [Illinois Department of Veterans Affairs](#) verifies the veteran's military service and that the veteran received an "Honorable" or "General under Honorable Conditions" discharge before issuance by the Office of the Secretary of State. The issuance of this card began July 1, 2015 so many veterans may not yet have the card.

The following is an example from the Illinois Department of Veterans' Affairs website regarding a driver's license or ID card:

The veteran's designation will help ensure our military veterans receive the services and benefits for which they are entitled. First, veterans must visit their nearest IDVA Veteran Service Officer and get their DD-214 certified. Then the veteran may apply for a new, renewal, or updated driver's license or ID card at any Secretary of State Driver Service's facility. There is no additional cost for first-time driver's license applicants and renewals, but if veterans choose to update there is a small charge. For more information, contact the IVDA at 1-800-437-9824 or visit www.illinois.gov/veterans.



How does the CCAO verify military service and condition of discharge?

The CCAO should verify the veteran's discharge from military service was under honorable conditions. The discharge must not be dishonorable to receive the exemption. The CCAO does not need to keep any military service documents submitted by the veteran or surviving spouse. In the "Official use" area on the Form PTAX-342, staff can use the checkbox to "Verify proof of eligibility" for the veteran's military service and discharge status.

What does the CCAO need to verify on the DD Form 1300 for a surviving spouse to qualify for the SHEVD?

The DD Form 1300, Report of Casualty, (see the following example DD Form 1300) can be submitted with the Form PTAX-342 as proof for any active duty death. The United States Department of Defense issues a Report of Casualty (DD Form 1300) whenever a veteran is killed while on active duty status within any of the military branches of government.

The CCAO should verify the following information on the DD Form 1300:

"Line 4c" should not indicate a "Pending" status. A "Pending" status in "Line 4c" may mean the death is under investigation for a line of duty determination and will not be adequate proof for purposes of qualifying for the SHEVD. Once the line of duty determination is complete a new DD Form 1300 will be issued with the correct status entered.

"Line 4g for Duty Status" should indicate it is for "Active and On Duty;" and

"Line 7 for Interested Persons/Remarks" should reference the word "spouse" within the remarks.

Will a veteran who is killed due to a non-service related death while on active duty qualify for the exemption?

Yes, a military service member on active duty (including training) is considered to be working 24 hours a day. Any death of a military service member that happens while on active duty status is considered a service-connected related death and will qualify for the exemption.

Since the veteran does not have a service-connected rating granted by the U. S. Department of Veterans Affairs, what service-connected percentage rating will be used to determine the amount of the exemption for a surviving spouse of a veteran killed in the line of duty?

The amount of the exemption available for a surviving spouse of a veteran killed in the line of duty will be equivalent to the 100% service-connected disability rating for determining the amount of the exemption.

Will a surviving spouse of a veteran who passed away prior to 2007 qualify for the SHEVD?

No. A surviving spouse of a veteran that passed away prior to the law taking effect in 2007 does not qualify. Subsection (c) states "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." The veteran must first be granted the exemption for it to carry over to the surviving spouse.

Will a surviving spouse who received the SHEVD prior to January 1, 2015 receive the increase in the benefits for the 2015 tax year?

Yes. A surviving spouse's exemption is determined based on the deceased veteran's percentage of service-connected disability rating. CCAOs will need to review the current applications and apply the increase in the exemption benefit amounts based upon the veteran's service-connected disability rating. Any veteran's filing for the exemption for the first time will need to submit the initial application Form PTAX-342.

Will a surviving spouse of a veteran killed prior to the 2015 tax year be able to qualify for the exemption?

No. A surviving spouse of a veteran killed in the line of duty prior to January 1, 2015 when the provision takes effect will not qualify for the exemption.

Will someone on behalf of the veteran's estate be able to obtain the exemption for a veteran who is not married and was killed in the line of duty?

No. Only the veteran's surviving spouse is eligible for this benefit. However, a representative from the veteran's estate can apply for the Returning Veterans Homestead Exemption (35 ILCS 200/15-167) for the year that the veteran passed away. The veteran will not qualify for the Returning Veterans Homestead Exemption for the second year.

Is there any recourse if an application was not filed by the county's deadline?

Veterans should contact the chief county assessment officer or county board of review to determine if a "certificate of error" can be issued to allow the exemption.

If the veteran or surviving spouse receives the total tax exemption under 35 ILCS 200/15-169 (SHEVD), can they still qualify for the Homestead Improvement Exemption under 35 ILCS 200/15-180?

Yes, there is no statutory restriction preventing a veteran from receiving a Homestead Improvement Exemption. However, under the statute a veteran may claim only one of the following exemptions for a single assessment year:

- Veterans with Disabilities Exemption (35 ILCS 200/15-165);
- Homestead Exemption for Persons with Disabilities (35 ILCS 200/15-168); or
- Standard Homestead Exemption for Veterans with Disabilities (35 ILCS 200/15-169).

The property tax bill will be "zero" when all of the exemptions and property tax relief exceeds the taxable EAV of the property.

How does the tax exemption apply to a farm home site that also includes farm buildings and other farmland? Does the tax exemption apply to the entire parcel or a portion of the parcel that is used as a home site?

The exemption applies only to the EAV for the residential portion of the veteran's or surviving spouse's primary residence. Each year, the chief county assessment officer will need to determine the EAV for the primary residence.

REPORT OF CASUALTY		REPORT CONTROL SYMBOL DD-P&R(AR)1664			
		1. REPORT TYPE		2. DATE PREPARED	
3. SERVICE IDENTIFICATION					
a. NAME (Last, First, Middle and Suffix)		b. SOCIAL SECURITY NO.	c. RANK	d. PAY GRADE	e. OCCUPATIONAL CODE/ RATING
f. COMPONENT	g. BRANCH	h. ORGANIZATION			
4. CASUALTY INFORMATION					
a. TYPE	b. STATUS	c. CATEGORY	d. DATE OF CASUALTY	e. PLACE OF CASUALTY	
f. CIRCUMSTANCES		Line 4c: No "PENDING" status.			
g. DUTY STATUS	Line 4 g should indicate "Active and On Duty"			h. BODY RECOVERED	
5. BACKGROUND INFORMATION					
a. DATE OF BIRTH	b. PLACE OF BIRTH	c. COUNTRY OF CITIZENSHIP			
d. RACE					
e. ETHNICITY				f. SEX	
g. RELIGIOUS PREFERENCE					
6. ACTIVE DUTY INFORMATION					
a. PLACE OF ENTRY	b. DATE OF ENTRY	c. HOME OF RECORD AT TIME OF ENTRY			
7. INTERESTED PERSONS/REMARKS (Name, Address, and Relationship) (Continue on separate sheet, if necessary)					
Line 7 should reference the word "spouse" within the remarks.					
FOOTNOTES: 1 Primary next-of-kin. 2 Beneficiary(ies) for death gratuity - as designated on record of emergency data. 3 Beneficiary for unpaid pay and allowances - as designated on record of emergency data.					
8. REPORTING INFORMATION					
a. COMMAND AGENCY				b. DATE RECEIVED	
9. DISTRIBUTION		10. SIGNATURE ELEMENT			
NOTE: This form may be used to facilitate the cashing of bonds, the payment of commercial insurance, or in the settlement of any other claim in which proof of death is required.					

