

## Property Tax

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## Property Tax Relief - Homestead Exemptions

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### General Homestead Exemption (GHE)

This annual exemption is available for residential property that is occupied as the principal dwelling place of the owner, or a lessee with a legal or equitable interest in the property with a single-family residence, who is liable for the payment of the property taxes on the leased property. The amount of exemption is the increase in the current year's equalized assessed value (EAV), above the 1977 EAV, up to a maximum \$6,000 reduction in EAV. The General Homestead Exemption is available in all counties except Cook County and may be granted automatically or may require an initial application to be filed with the Chief County Assessment Office. For information and to apply contact the Chief County Assessment Office.

### Alternative General Homestead Exemption (AGHE) – Cook County Only

The Alternative General Homestead Exemption was created under Public Act 93-715 in Cook County beginning with the general assessment year of 2003 in the City of Chicago, 2004 in the North Suburbs, and 2005 in the South Suburbs.

The AGHE is known as the 7% expanded homeowner exemption available on owner-occupied residences by limiting the increase of a property's EAV to 7% each year which is applied as an expanded version to the General Homestead Exemption. The exemption amount varies each year from the minimum amount calculated for the GHE up to a maximum amount that is based on the property's annual increase in EAV and its general assessment year. The exemption is limited to the amount of the GHE for properties that receive the Senior Citizen Assessment Freeze Homestead Exemption. For information and to apply for the exemption, contact the [Cook County Assessor's Office](#).

In 2007, Public Act 95-644 renewed the AGHE in Cook County for an additional 3-year general assessment cycle for 2006-2008 in the City of Chicago, 2007-2009 in the North Suburbs, and 2008-2010 in the South Suburbs. In 2010, Public Act 96-1418

renewed the AGHE for another 3-year general assessment cycle for 2009-2011 in the City of Chicago, 2010-2012 in the North Suburbs, and 2011-2013 in the South Suburbs. The maximum amount of the AGHE decreases for the remaining tax years that the exemption is in effect.

- The maximum exemption for homeowners in City of Chicago:
  - \$20,000 for 2008 and 2009 tax years (property taxes paid the following year in 2009 and 2010)
  - \$16,000 for 2010 tax year (property taxes paid the following year in 2011)
  - \$12,000 for 2011 tax year (property taxes paid the following year in 2012)
  
- The maximum exemption for homeowners in North Suburbs:
  - \$26,000 for 2008 tax year (property taxes paid the following year in 2009)
  - \$20,000 for 2009 and 2010 tax years (property taxes paid the following year in 2010 and 2011)
  - \$16,000 for 2011 tax year (property taxes paid the following year in 2012)
  - \$12,000 for 2012 tax year (property taxes paid the following year in 2013)
  
- The maximum exemption for homeowners in South Suburbs:
  - \$33,000 for the 2008 tax year (property taxes paid the following year in 2009)
  - \$26,000 for 2009 tax year (property taxes paid the following year in 2010)
  - \$20,000 for 2010 and 2011 tax years (property taxes paid the following year in 2011 and 2012)
  - \$16,000 for 2012 tax year (property taxes paid the following year in 2013)
  - \$12,000 for 2013 tax year (property taxes paid the following year in 2014)

### **Long-time Occupant Homestead Exemption (LOHE) – Cook County Only**

Public Act 95-644 that passed into law in 2007 created a new homestead exemption for counties that are subject to the AGHE (currently only in Cook County). The new exemption is in effect in Cook County beginning with 2007 tax year for residential property that is occupied as a primary residence for a continuous period by a qualified taxpayer with a total household income of \$100,000 or less. The property must be occupied for 10

continuous years or 5 continuous years if the person received assistance to acquire the property as part of a government or non-profit housing program. This exemption limits EAV increases to a specific annual percentage increase that is based on the total household income of \$100,000 or less. A total household income of \$75,000 or less is limited to a 7% annual percentage increase in EAV or a total household income of over \$75,000 to \$100,000 is limited to a 10% annual percentage increase in EAV. The minimum limit is the same amount calculated for the GHE with no maximum limit amount for the exemption. Properties cannot receive both the LOHE and the AGHE, GHE or SCAFHE. Properties that qualify for the SCAFHE will receive the same amount calculated for the GHE. For information and to apply contact the [Cook County Assessor's Office](#).

### **Disabled Persons' Homestead Exemption (DPHE)**

Public Act 95-644 that passed into law in 2007 created a new homestead exemption for disabled persons beginning with the 2007 tax year (property taxes paid in 2008). This exemption is an annual \$2,000 reduction in EAV of the primary residence that is owned and occupied by a disabled person who is liable for the payment of property taxes. Initial application Form PTAX-343 Application for Disabled Persons' Homestead Exemption along with the required proof of disability must be filed with the chief county assessment office. The exemption must be renewed each year by filing Form PTAX-343-R, Annual Verification of Eligibility for Disabled Persons' Homestead Exemption, with the Chief County Assessment Office. For a single tax year, the property cannot receive this exemption and the Disabled Veterans' Homestead Exemption or Disabled Veterans' Standard Homestead Exemption. For information and to apply contact the Chief County Assessment Office.

### **Disabled Veterans' Homestead Exemption (DVHE)**

This exemption provides up to a \$70,000 reduction in assessed value for certain types of housing owned and used by a disabled veteran or his or her unmarried surviving spouse. The [Illinois Department of Veterans' Affairs](#) determines the eligibility for this exemption, which must be reestablished annually. This exemption is also available on a mobile home owned used exclusively by a disabled veteran or their spouse. For a single tax year, the property cannot receive this exemption and the Disabled Persons' Homestead Exemption or Disabled Veterans' Standard Homestead Exemption.

## **Disabled Veterans' Standard Homestead Exemption (DVSHE)**

Public Act 95-644 that passed into law in 2007 created a new homestead exemption for disabled veterans beginning with the 2007 tax year (property taxes paid in 2008). This exemption is an annual reduction in EAV on the primary residence occupied by a qualified disabled veteran. The disabled veteran must own or lease a single family residence and be liable for the payment of the property taxes. The amount of the exemption depends on the percentage of the service-connected disability as certified by the U. S. Dept. of Veterans' Affairs.

For 2007 through 2009 tax years, a veteran with a disability of 50% - 74% is eligible to receive a \$2,500 reduction in EAV, and a veteran with a disability of at least 75% is eligible to receive a \$5,000 reduction in EAV.

### **NEW legislation takes effect for 2010 and 2011 tax years. Veterans should contact Chief County Assessment Office for information.**

- Beginning with 2010 tax year (property taxes paid 2011), Public Act 96-1418 amends the service-connected disability percentage ranges to 50% - 69% for a veteran to qualify for the \$2,500 reduction in EAV and at least 70% for a veteran to qualify for the \$5,000 reduction in EAV.
- Beginning with 2011 tax year (property taxes paid 2012), a new provision takes effect under Public Act 96-1298 that allows a disabled veteran to continue to receive the exemption if the veteran becomes a resident of a facility licensed under the Nursing Home Care Act or a facility operated by the United States Dept. of Veterans' Affairs as long as the residence is occupied by the spouse or the residence is unoccupied but still owned by the veteran.

Initial application Form PTAX-342 Application for Disabled Veterans' Standard Homestead Exemption must be filed with the chief county assessment office. The Form PTAX-342-R, Annual Verification of Eligibility for Disabled Veterans' Standard Homestead Exemption must be filed each year to continue to receive the exemption. For a single tax year, the property cannot receive this exemption and the Disabled Persons' Homestead Exemption or Disabled Veterans' Homestead Exemption. For more information contact the Chief County Assessment Office.

### **Homestead Improvement Exemption (HIE)**

This exemption is limited to the fair cash value that was added to the homestead property by a new improvement, or the difference in an increase in assessed value between the prior structure and a rebuilt residential structure following a catastrophic event, up to an annual maximum of \$75,000. The exemption continues for four years from the date the improvement is completed and occupied. The Homestead Improvement Exemption may be granted automatically or Form PTAX-323, Application for Homestead Improvement Exemption may be required by the chief county assessment office. In Cook County, an application must be filed with the County Assessor along with a valuation complaint. For information and to apply contact the [Cook County Assessor's Office](#), all other counties contact the Chief County Assessment Office.

### **Property Tax Extension Limitation Law (PTELL)**

The PTELL is designed to limit the increases in property tax extensions (total taxes billed) for non-home rule taxing districts. Although the law is commonly referred to as "tax caps," use of this phrase can be misleading. The PTELL does not "cap" either individual property tax bills or individual property assessments. Instead, the PTELL allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction.

The limit slows the growth of revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation. As a whole, property owners have some protection from tax bills that increase only because the market value of their property is rising rapidly. Payments for bonds issued without voter approval are subject to strict limitations. If a taxing district determines that it needs more money than is allowed by the limitation, it can ask the voters to approve an increase. The collar counties (DuPage, Kane, Lake, McHenry, and Will) became subject to the PTELL for the 1991 levy year for taxes paid in 1992; Cook County was added for the 1994 levy year for taxes paid in 1995. Public Act 89-510 allows county boards to give voters in all other counties the opportunity to decide if the PTELL should apply to their counties. In addition, Public Act 89-718 allows county boards of counties that are subject to the PTELL by referendum to give voters the opportunity to rescind the PTELL using the same referendum process. Excluding Cook and the collar counties, 44 counties have voted on referendum to implement PTELL—referenda

passed in 33 counties, rejected in 11 counties, and rescinded in 0 counties.

### **Returning Veterans' Homestead Exemption (RVHE)**

Public Act 95-644 that passed into law in 2007 created a new homestead exemption for returning veterans beginning with the 2007 tax year (property taxes paid in 2008). This exemption is a \$5,000 reduction in EAV on the principal residence of a veteran upon returning from active duty in an armed conflict involving the armed forces of the United States. The veteran must own and occupy the residence on January 1 of the assessment year to receive the exemption for the tax year. A qualifying veteran is eligible to receive the exemption again if the veteran returns home from active duty in a subsequent tax year.

**NEW legislation takes effect for 2010 tax year (property taxes paid in 2011) under Public Acts 96-1288 and 96-1418. Veterans should contact Chief County Assessment Office for information.**

- Public Act 96-1418 expands the exemption from a single year to two consecutive tax years upon the veterans return from active duty. A returning veteran is eligible to receive the exemption the tax year and the following tax year the veteran returns home from active duty in an armed conflict involving the armed forces of the U.S. The exemption is available on the residence the veteran owns and occupies on January 1 of each tax year.
- Public Act 96-1288 allows a veteran who acquires a principal residence after January 1 of the year the veteran returns home to be eligible for the exemption the next tax year. The exemption is available on the principal residence the veteran owns and occupies on January 1 of the next tax year only.

Applicants must file Form PTAX-341, Application for Returning Veterans' Homestead Exemption, with the chief county assessment office for the tax year the veteran returns home.

### **Senior Citizens Assessment Freeze Homestead Exemption (SCAFHE)**

This exemption allows senior citizens who have a total household maximum income of less than \$55,000, and meet certain other qualifications to elect to maintain the EAV of their homes at the base year EAV and prevent any increase in that

value due to inflation. The amount of the exemption benefit is determined each year based on (1) the property's current EAV minus the frozen base year value (the property's prior year's EAV for which the applicant first qualifies for the exemption), and (2) the applicant's total household maximum income limitation. Each year applicants must file Form PTAX-340, Senior Citizens Assessment Freeze Homestead Exemption Application and Affidavit, with the chief county assessment office.

### **Senior Citizens Homestead Exemption (SCHE)**

This annual exemption is available for residential property that is occupied as the principal residence of a person, who is 65 years of age or older during the assessment year. The person must be the owner or a lessee with an ownership interest in the property with a single-family residence, who is liable for the payment of the property taxes. The amount of the exemption is a \$4,000 reduction in the EAV of the property. Filing requirements vary by county; some counties require an initial application, Form PTAX-324, Application for Senior Citizens Homestead Exemption, or an annual renewal application, Form PTAX-329, Certificate of Status - Senior Citizens Homestead Exemption, to be filed with the Chief County Assessment Office. Cook County residents must file each year for the exemption.

### **Senior Citizens Real Estate Tax Deferral Program**

This program allows persons 65 years of age and older, who have a total household income of less than \$50,000 and meet certain other qualifications, to defer all or part of the real estate taxes and special assessments on their principal residences. The deferral is similar to a loan against the property's market value. A lien is filed on the property in order to ensure repayment of the deferral. The state pays the property taxes and then recovers the money, plus 6 percent annual interest, when the property is sold or transferred. The deferral must be repaid within one year of the taxpayer's death or 90 days after the property ceases to qualify for this program. The maximum amount that can be deferred, including interest and lien fees, is 80 percent of the taxpayer's equity interest in the property. To apply for real estate tax deferrals, Forms PTAX-1017-TD, Application for Deferral of Real Estate Taxes, and PTAX-1018-TD, Real Estate Tax Deferral and Recovery Agreement, must be completed. To apply for special assessment deferrals, Forms PTAX-1017-SA, Application for Deferral of Special Assessments, and PTAX-1018-SA, Special Assessments Deferral and Recovery Agreement, must be completed. Contact your local County Treasurers Office

to receive the necessary forms, or further information on the program.

### **Non-homestead Exemptions for Religious, Charitable, or Educational Organizations**

Properties of religious, charitable, and educational organizations, as well as units of federal, state and local governments, are eligible for exemption from property taxes to the extent provided by law. The organization must apply for the exemption with the county board of review which reviews the application and forwards it to the department for the final administrative decision. For information contact the County Board of Review.

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