



## Illinois Department of Revenue

101 W. Jefferson St.  
Springfield, IL 62702

**July 2024**

### **Update to the Standard Homestead Exemption for Veterans with Disabilities (SHEVD); HB0612, Public Act 103-0596**

The contents of this notice are informational only and do not take the place of statutes, rules, or court decisions. Chief County Assessment Officers (CCAOs) are asked to share this information as appropriate with other local government officials, including township/multi-township assessors and board of review members.

It is important to note that statutes are subject to further legislative action in subsequent years. The information contained in this notice may change with further law changes; therefore, it is important to consult the Property Tax Code (35 ILCS 200) when questions arise.

#### **Homestead exemption for veterans with disabilities**

**PA 103-0596 (HB 612)**

##### *Summary of Changes:*

Effective immediately. Makes several changes to the Standard Homestead Exemption for Veterans with Disabilities (SHEVD). Beginning in tax year 2024, expands the exemption to include all veterans of World War II (WWII) and does not require annual reapplication for this qualification. Beginning in tax year 2023, removes the absolute limit of a property valued at \$250,000 EAV to exempt the first \$250,000 of EAV. Changes the definition of a veteran to remove discharge status and instead consider service and compensated disability.

##### *Statutory Reference:*

35 ILCS 200/15-169 – Homestead exemption for veterans with disabilities and veterans of World War II. (updated)

##### *New Law:*

###### World War II veterans:

Beginning in tax year 2024 (payable in 2025), expands the SHEVD exemption to a qualified residence that is used by a veteran who was a member of the United States Armed Forces during WWII regardless of their level of disability rating. If the veteran qualifies under the WWII provisions, they do not need to fill out an annual reapplication/renewal form.

The term 'World War II' means the period beginning on December 7, 1941, and ending on December 31, 1946. If any of the veteran's service was performed during this time frame, then the veteran is a WWII veteran.

Assessors should accept any document on the list from the United States Department of Veterans' Affairs (all five charts) so long as the document also establishes service during the time range above. The lists can be found at <https://www.va.gov/records/discharge-documents/>.

###### Change in qualified residence definition:

Beginning in tax year 2023 (payable in 2024), the EAV limit required to qualify for this exemption has changed. If a veteran has a service connected disability rating of 70% or more, the first \$250,000 in EAV is exempt from taxation; any residual amount of EAV would be subject to



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property tax. Previously, for a homestead property to qualify for the exemption, only those with an EAV of less than \$250,000 could qualify for the exemption; any property with an EAV of \$250,001 or greater could no longer qualify at all. This new law changes the "all or nothing" provisions that were in place prior to tax year 2023.

If a surviving spouse is a recipient of dependency and indemnity compensation and the death is determined to be service connected as certified by the U.S. Department of Veterans Affairs (USDVA), then likewise the first \$250,000 in EAV is exempt from taxation; any residual amount of EAV would be subject to property tax.

This change starts with tax year 2023 and cannot be applied to tax years prior to 2023.

Existing provisions related to use for commercial purposes and rented property still apply.

### Service-connected disability definition added:

A clarifying definition has been added to clarify a service-connected disability. A service-connected disability is defined as an illness or injury that was caused or worsened by active military service that is a current disability as of the date of application for the exemption for the tax year, as demonstrated by the USDVA certification, and for which the veteran receives disability compensation.

### Change to definition of a qualifying veteran:

Beginning in tax year 2023, a veteran is now defined as an Illinois resident who has served as a member of the U.S. Armed Forces on active duty or State active duty, a member of the Illinois National Guard, or a member of the U.S. Reserve Forces who has a service-connected disability as certified by the USDVA, and who receives disability compensation.

This changes the previous definition which tied qualification for the exemption to discharge status. Beginning with tax year 2023, discharge status is no longer a qualification for the exemption; instead, the applicant needs to provide verification that they have the service-connected disability and that they are receiving disability compensation.