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### **REAL ESTATE TAX EXEMPTIONS AND DEFERRALS**

Every Illinois homeowner is entitled to a "Homestead Exemption," which can save hundreds of dollars in real estate taxes each year.

In addition to the basic Homestead Exemption, there are several other kinds of real estate tax exemptions and deferral programs that might be available to you:

**1. Senior Citizen Exemption:** The Senior Citizen Exemption is available to homeowners who are at least 65 years old. You must file an Application for a Senior Citizen Homestead Exemption with the Kane County Supervisor of Assessments to qualify, and you must return a renewal form each year to maintain the exemption. The deadline to file this Application is July 1 of each year.

**2. Senior Citizen Assessment Freeze:** The Senior Citizen Assessment Freeze can help solve the problem of rising real estate taxes for senior citizens with total household income below a certain level (\$55,000 in 2009). The "assessed value" of the home of qualifying senior citizens is "frozen," so future appreciation of the home will not cause the real estate taxes to rise as quickly as they would without the freeze. An Application must be filed to qualify for the Senior Citizen Assessment Freeze, and a renewal form must be filed each year. The deadline to file this Application is July 1 of each year.

**3. Senior Citizen Real Estate Tax Deferral:** This program allows senior citizens with total income below a certain level (\$55,000 in 2009) to defer payment of part or all of their real estate taxes for the rest of their lives, or until their home is sold. The deferred taxes are collected with interest at 6% per year when the owner dies, or when the house is sold. An Application must be filed, and the following requirements must be met:

- (a) The homeowner must be at least 65 years old, and must have owned and lived in the house for at least three years;
- (b) The homeowner must have total household income of \$55,000 or less (as of 2009);
- (c) All prior taxes must be paid; and
- (d) The home must be kept insured.

The deadline to file this Application is March 1 of each year.

**4. Disabled Person's Homestead Exemption:** Homeowners who are unable to engage in "any substantial gainful activity" because of a physical or medical impairment which is expected to last at least 12 months are entitled to an exemption which will reduce the assessed value on the property by \$2,000.

**5. Disabled Veterans Homestead Exemption:** Disabled veterans are entitled to a specialized real estate tax exemption if the home is specially adapted to accommodate the veteran's disability. This program is administered through the Illinois Department of Veterans Affairs.

**6. Returning Veteran's Homestead Exemption:** Illinois Veterans returning from active duty in an armed conflict during the assessment year are entitled to an exemption that will reduce the assessed value by \$5,000.

**7. Homestead Improvement Exemption:** The Homestead Improvement Exemption "exempts" the value of additions or other major improvements to an existing home (or the rebuilding of a home following a catastrophic event) for four years after the improvements were completed. Therefore, the value of an addition or remodeling project is not considered for real estate tax purposes for at least four years after those improvements are completed. An Application for the Homestead Improvement Exemption (Form PTAX-323) should be filed with the Kane County Supervisor of Assessments.

**8. Circuit Breaker Program:** The "Circuit Breaker" Program provides grants up to \$700 to help senior citizens pay their real estate taxes. To qualify, senior citizens must have total household income between \$21,218 and \$35,749 (depending on the number of people living in the home). Circuit Breaker grants may also be available to seniors (and certain "disabled adults") who rent, or live in a nursing or retirement home which is subject to real estate taxes. This program is administered by the Illinois Department on Aging.

*Of course, these are only general guidelines of some of the real estate tax exemption and deferral programs available under Illinois law, and are not to be relied on for specific legal advice. Applications and renewal forms for these exemptions must be properly filed with the local taxing authorities.*

Prepared by James D. Skaar  
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