

Trade candidates



Who's likely to be dealt at deadline



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Disabled veteran tax breaks nearly triple

Full property tax exemptions were introduced in 2015



JAKE GRIFFIN

SUBURBAN TAX WATCHDOG

A new Illinois Department of Revenue report shows the number of disabled military veterans and surviving spouses receiving a full reprieve from paying property taxes nearly tripled from 2015 to 2021.

Almost 35,000 homeowners qualified for the exemption in 2021, up from 12,637 qualifying residents in 2015, when the tax break was first introduced.

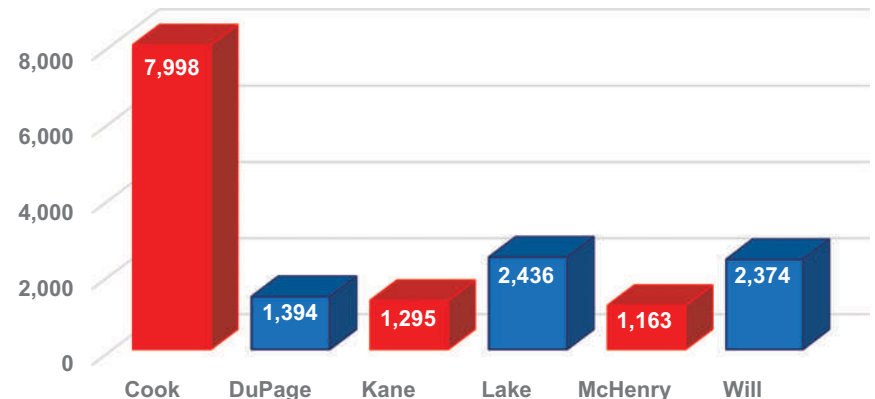
Slightly less than half of those exemptions in 2021 were residents of Chicago and the surrounding suburbs, according to property tax records.

The informational report was commissioned by the legislature in 2022 to “study the impact of the homestead exemption for veterans with disabilities on the property tax base” in six counties, including DuPage, Lake and Will counties in the suburbs.

The report does not make any recommendations or draw any conclusions about the data provided to the revenue department.

It does show a disparity between the effect of the exemption on

2021 full disabled veteran property tax exemptions



Source: County assessment authorities

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heavily populated suburban counties versus three less-populated downstate counties with large disabled veteran populations.

When property owners are exempt from paying taxes, the money isn't reduced from the underlying taxing districts. Instead, the tax burden is shifted to other property owners in a taxing district. In the suburbs, that shift is lessened because it is spread across far more property owners than in downstate counties.

For instance, disabled veteran exemptions in DuPage County account for less than 1% of property values there, but in downstate St. Clair County, which is home to Scott Air Force Base, properties with the exemption make up more than 6% of the overall property values.

State Rep. Stephanie Kifowit, an Oswego Democrat, said she has requested a committee hearing to examine the report's findings.

"We need to do right by our veterans and do right by the counties who are supporting our veterans," she said. "We need to work to make sure our disabled veterans are taken care of and the counties where a large portion of our disabled veterans reside are taken care of as well, so that we have good policy on both sides."

Steve Fixler, superintendent of the DuPage Veterans Assistance Commission, said there's been "grumbling" in recent years from downstate individuals about the effect the exemption is having on neighboring property owners.

"I don't know that we're overly concerned, but it's something we've got to look at and keep an eye on," he said. "I don't know if there's enough force in the general assembly to make a change."

Fixler's counterpart in Lake County, Andrew Tangen, believes there's little chance the value of the exemption will be reduced in any way by the legislature.

"Since the exemption was put in, the homeless veteran population in Illinois has decreased by almost 60%," Tangen said. "And the general assembly just passed new laws that expanded the benefit."

The changes approved by legislators this year allow any disabled World War II veteran to receive a full property tax exemption, regardless of their level of disability.

Those who receive the full exemption would also no longer be required

to reapply annually, among other changes.

The bill is awaiting Gov. J.B. Pritzker's signature.

To qualify for the full exemption, a veteran must be deemed 70% or more disabled from their military service by the U.S. Department of Veteran's Affairs.

Veterans with a disability rating between 50% and 70% qualify for a \$5,000 property tax exemption, while those with a disability rating between 30% and 50% qualify for a \$2,500 tax exemption.

In 2021, there were 6,291 disabled veteran homeowners statewide receiving a \$5,000 exemption and 5,225 receiving a \$2,500 exemption, according to the IDOR report.

But Tangen is quick to note that even when added with those 34,933 receiving a full exemption that year, it's still less than half 1% of the state's total population.

"There's 45,000 vets in Lake County and only 2,436 receiving the full exemption," he said. "Most veterans I know would rather not have these health issues than a property tax exemption."

In Cook County, 7,998 disabled veterans and surviving spouses received a full property tax exemption in 2021. In DuPage County, 1,394 received the full exemption for their properties that year. There were 1,295 disabled veterans and surviving spouses in Kane County receiving a full exemption in 2021.

McHenry County assessment officials granted 1,163 full exemptions to qualifying homeowners in 2021, while Will County reported 2,374 properties with the full exemption.

Only homes with a market value less than \$750,000 qualify for the exemption as well, according to state law.

The number of disabled veterans who qualify for these exemptions is likely to continue to grow as well. Outreach and communication by veteran assistance agencies will generate many new exemptions, but federal changes to what qualifies as a "service-connected disability" through the recently approved PACT Act are also boosting numbers, veterans assistance officials said.

The PACT Act expanded disability eligibility to veterans of Vietnam, Gulf War and post-9/11 conflicts who were exposed to toxins like Agent Orange and burn pits.

"These are individuals who gave to their country through their military service, but gave up a significant portion of their health and well-being," Kifowit said. "We need to continue to work to make sure our disabled veterans are taken care of."