

# IL-1017 General Information

## General Information

### What is the Senior Citizens Real Estate Tax Deferral?

The Senior Citizens Real Estate Tax Deferral Act, 320 ILCS 30/1, *et seq.*, allows qualified senior citizens to elect to defer all or part of the property taxes and special assessments on their principal residences. The principal residence is the homestead portion of the property and is the only portion of the property for which you can apply for deferral of taxes. The property taxes and special assessments do not become due until after the death of the property owner or when the real estate is sold or no longer qualifies. A lien is placed on the property and interest is assessed at six percent simple interest rate per year.

This application applies to taxes that will be paid in 2022.

### Who is eligible?

To qualify for the tax deferral you must

- be 65 years of age or older by June 1, 2022,
- have a total household income of no more than \$55,000,
- have lived in the property or other qualifying property for at least the last three years,
- own the property, or share joint ownership with your spouse, or you and your spouse be the sole beneficiaries of an Illinois land trust,
- have adequate insurance against fire or casualty loss, and
- have no unpaid property taxes and special assessments on the property.

### What is included in household income?

You must include items that are considered income for 2021 federal income tax purposes. Examples are:

- alimony received
- annuity benefits
- Black Lung benefits
- business income
- capital gains
- cash assistance from Human Services and other governmental cash public assistance
- cash winnings from such sources as raffles and lotteries
- Civil Service benefits
- damages awarded in a lawsuit for nonphysical injury or sickness
- dividends
- farm income
- interest
- interest received on life insurance policies
- lump sum Social Security payments

- miscellaneous income, such as from rummage sales, recycling aluminum, or baby sitting
- monthly insurance benefits
- pension and IRA benefits (federally taxable portion only)
- qualified long term care insurance contract payments (federally taxable portion only)
- Railroad Retirement benefits (including Medicare deductions)
- rental income
- SeniorCare rebate (only if you took an itemized deduction for health insurance in the prior year)
- Social Security income (including Medicare deductions)
- Supplemental Security Income (SSI) benefits
- unemployment compensation
- veterans' benefits (federally taxable portion only)
- wages, salaries, and tips from work
- Workers' Compensation Act income
- Workers' Occupational Diseases Act income

### What if I have a net operating loss or capital loss carryover from a previous year?

You cannot include any carryover of net operating loss or capital loss from a previous year. You can include only a net operating loss or capital loss that occurred in 2021.

### What is a homestead?

Homestead means the land, and buildings on that land, owned and occupied as your principal residence. This includes a condominium or a dwelling unit in a multi-dwelling building that is owned and operated as a cooperative. In addition, a homestead may be temporarily unoccupied because you were temporarily residing (for not more than one year) in a licensed facility as defined in Section 1-113 of the Nursing Home Care Act, 210 ILCS 45/1-101, *et seq.*

### What is qualifying property?

Qualifying property is a homestead that

- you, or you and your spouse, own in fee simple, or are purchasing in fee simple under a recorded instrument of sale, or are the sole beneficiaries of a Illinois land trust,
- is not income-producing property, and
- is not subject to a lien for unpaid property taxes and special assessments.

### When must I file?

This application must be filed on or before **March 1, 2022**, with the county collector.

# IL-1017 Specific Instructions

## Specific Instructions

### Step 1: Eligibility information

- You must be able to answer “Yes” to all three questions to apply for the tax deferral.

### Step 2: Applicant information

- Tell us if this is the first year you have applied for the program.
- Check the applicable box identifying property ownership. If the property is in an Illinois land trust, the trustee must sign the application and the applicant must be the first tier beneficiary of the trust.
- Write your homestead property index number (PIN). Your PIN is listed on your property tax bill or you may obtain it from the chief county assessment officer (CCAO). If you are unable to obtain your PIN, write the legal description of the homestead property on a separate sheet and **attach** it to your application.
- Write your
  - Social Security number,
  - date of birth,
  - daytime phone number,
  - name,
  - mailing address, and
  - county where the homestead property is located.

### Step 3: Spouse’s information

- If applicable, write your spouse’s
  - Social Security number,
  - date of birth, and
  - name.

### Step 4: Complete the following information

**Line 1** — Use Worksheet A to calculate your household income for 2021.

**Line 2** — Use Worksheet B to calculate your current equity interest in the homestead property.

**Line 3** — Write the percentage (1% to 100%) or amount of taxes that you wish to defer. The maximum amount that can be deferred each year is \$5,000.

### Step 5 : Signatures

- If your homestead is jointly owned, the joint owner must sign and date the application. You may be required to provide proof of ownership, such as a copy of the deed.

- If the homestead is in a land trust, the signature of the trustee must be provided. You may be required to provide proof that you are the sole beneficiary, or that you and your spouse are the sole beneficiaries of the land trust.
- If you are purchasing property as “Contract for Deed,” the signature of the seller must be provided. You may be required to provide proof that the contract is a publicly recorded instrument.
- You must provide evidence to the county collector that your homestead property is insured against fire or casualty loss for at least the total amount of property taxes and special assessments that have been deferred.

The collector must sign and date this application.

You must sign and date the application. In addition, you must complete Form IL-1018, Real Estate/Special Assessment Tax Deferral and Recovery Agreement, at the time you file this application. This is an agreement that must be entered into with the county collector.

If this application was prepared by a tax preparer, the preparer must sign and date the application.

## Worksheet B Instructions

### Step 1: Write the market value

**Line 1** — Write the market value of the homestead property. This calculation is based on the current assessed value of the property times the fraction necessary to convert that figure to the full market value. If your residence does not have a separate assessed value (*i.e.*, a newly constructed home that has not received an assessment yet), write the market value of the land and buildings as of December 31, 2021, as stated on an appraisal completed by a qualified real estate appraiser. You must attach an appraisal to your application if the amount entered in Step 1 is different than the currently recorded assessed value.

### Step 2: Total the subtractions

If there are any subtractions in Step 2, write the name and address of the creditor on a separate sheet and **attach** it to your application.

**Note:** The total amount of property taxes deferred, including special assessments deferred, plus interest, cannot exceed 80 percent of your equity in your homestead property.