

# **Senior Citizen Assessment Freeze Homestead Exemption (Freeze) Questions and Answers**

## **How do I qualify for the Senior Freeze?**

To qualify for this exemption, you must:

- Have owned and occupied the property on January 1 for two (2) consecutive years.
- Have reached the age of 65 during the assessment year.
- Have signed up for the [Senior Homestead Exemption](#).
- Have a maximum gross household income of \$65,000. (Gross household income includes all persons using the property as their principal dwelling on January 1 of the assessment year).

## **What benefit does the Senior Citizens Assessment Freeze Homestead Exemption provide?**

The Assessment Freeze Homestead Exemption provides seniors with limited income protection against real estate tax increases due to rising property values. It is not a tax freeze or a tax reduction and does not protect against increased taxes due to tax rate increases. Because this exemption provides for a base year frozen assessment, it will potentially provide increased savings each year a senior is eligible. The base assessment used in the Senior Citizens Assessment Freeze Homestead Exemption initially equals the assessed value from the prior year tax calculation. In subsequent years, if the new assessed value is lower than their original base value, the new lower value becomes the new base amount. This is assuming the assessment reduction is not the result of a temporary adjustment because of a physical property change such as a fire or flood adjustment.

## **What documentation do I need to provide when I sign up for the Freeze?**

You must supply us with the first page of your federal income tax return for ALL members of the household. If you or another member of the household is not required to file a federal tax return, you will need to provide copies of your SSA-1099 and all 1099 forms for annuities, 401Ks, other interest income, rental income, life insurance dividends, etc.

## **Who is part of my 'household'?**

Anyone who uses the residence as his or her principal place of residence on January 1 of the year you are applying for the exemption. You must report ALL person's income, regardless of his or her relationship to you (son/daughter, grandchild, etc.)

## **I qualify for and have applied for the Senior Freeze. However, I just received my tax bill and the Senior Freeze amount is \$0. Why is that?**

If the current year assessment actually falls below the base year value, there is no exempt value to be deducted from the assessment and no benefit from the exemption. While the new lower value does become the adjusted base year value, it will only be beneficial when assessments begin to increase.

## **I receive the Senior Freeze, but my tax bill went up. Why aren't my taxes frozen?**

The Senior Freeze freezes the taxable VALUE of your property, but it does not freeze the tax RATE that is applied to the taxable value to calculate tax dollars. The actual taxes that you pay may continue to change based on the amounts levied by the taxing bodies where you reside (School District, County, City, Township, etc.).

## **My husband and I are still married, but we live in separate residences. Can we both receive the Freeze exemption?**

The law states that for married couples living in separate residences only one person can claim the SCAFHE for one residence.

## **I am married and my spouse is 65, but his/her name is not on the deed. Do we qualify for the Freeze?**

Yes, as long as you remain married and you both reside in the home, and continue to meet the income requirements.

**My spouse has passed away. What do I need to do for the Freeze?**

If the exemptions are in your spouse's name, and he/she passes away, you will need to sign up for the Homestead/Freeze exemptions in your name, if you are, or will be turning 65 in the year of the death. If you are not 65, you will lose the Freeze exemption until you turn 65. At that time, you will return to the frozen base value that your spouse had established.

**What if I move to a nursing home?**

As long as your house remains vacant, or your spouse resides in the property you will continue to qualify for the exemption. If anyone other than your spouse (child, grandchild, etc.) resides in the home you will not qualify.

**I have received the Freeze for many years. This year I had a capital gain that put me over the income limit for the Freeze. Do I have to start all over with a new base year and amount?**

No. When your income allows you to qualify for the exemption, you revert to the same base year and amount.

**If my son is living in my home, and his income puts me over the limit, do I lose the Freeze for good?**

No. After he moves out you may then apply for the Freeze the following January 1.

**If I deed the property to my child, but continue to reside in the property, can I continue to receive the Freeze?**

ONLY if you retain part interest in the property OR if you reserve a life estate in the property. Discuss this with your attorney prior to deeding the property.

**If I deed the property to my child who is 65, can he/she continue to receive the Freeze under my frozen base amount?** No. The only person who can continue to receive your base exemption amount is your spouse. If your child qualifies for the Freeze, he/she will have to own the property on 2 January 1<sup>st</sup>, and will start over with a new base amount.**If my sister and I own the property together, and the Freeze is in my name, will she continue to receive my Freeze base amount after I pass away?**

No. However, as long as she was on the deed she may receive the Freeze the following year but she will then receive a new base amount.

**I own a vacant lot adjacent to my residence. If I combine these together, how will that affect my base amount?**

The prior year's value of the vacant lot will be added into the base value, and then will be frozen at that amount.

**What if I add an improvement to my residence that increases the square footage of my home?**

The assessed value of the improvement is added to the Freeze base amount, and then will be frozen at the new amount. If the addition qualifies for a home improvement exemption, then the new value is not added for 4 years.

**I own a property with farmland. Why does the farmland portion continue to increase?**

Only the RESIDENTIAL portion of your property is frozen. Farmland and farm buildings do not qualify for the Freeze because they are not used for residential purposes.

**I own and reside in a duplex. Can I receive the Freeze exemption?**

Yes. The assessed value attributable to your portion of the duplex is frozen. The remainder of the assessed value is then subject to any increases in the assessed value.

For example: You own and reside in a duplex that is 75% of the total square footage of the property. The building value of the property is 20,000. 15,000 of the building value is frozen, and the remaining 5,000 is then subject to increases. The land value will continue to be frozen at 100%.

This also pertains to multiple unit complexes.

**I rent part of my house. Do I still qualify for the Freeze?**

Yes, as long as you include the renter's income as part of the household income, and you do not exceed the allowable income amount. If the part of the house the renter resides in is considered a separate unit, then the property will be split as above regarding duplexes.

**I received an 'Assessment Change Notice', that shows the value of my property has increased. Why did it increase when I have the Freeze exemption?**

The assessed value of your property always reflects the current value of your property. The amount your property has increased is then removed on your tax bill as an exemption.

**I own more than one property, can I receive the senior exemptions on another property also?**

No. Per Illinois state law, homestead exemptions apply only on your primary residence. This also includes property in another state.

**The Adjust Gross Income (AGI) on my tax bill is less than \$65,000, but I am told that I am over the income limit. Why?**

The income is figured using the AGI PLUS the FULL amount of your social security. Generally, only part of your social security income is taxable, however we are required to use the full amount.

**I just reviewed my property tax bill and I see that I did not get any homestead exemptions this year; I checked prior tax bills, and I did not get them last year. Can I recover any of the taxes that I have already paid?**

Yes, but only for the missing exemptions for the most recent tax bill, and even then, only until December 1 of the year that bill was issued.

**I am selling my home and buying another property. Do I continue to receive the Senior Freeze that I had established at my current home?**

No. When you purchase a new property, you will have to start all over with the qualifications of having owned and occupied the property on January 1 for two (2) consecutive years. You will also start over with a new base year and amount that reflects the assessed value of the new home.