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Bill to provide property tax relief for disabled veterans awaits action by governor

BY MIKE FITZGERALD

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In a rare show of unity, the Illinois General Assembly last month unanimously approved a bill to provide property tax relief to the state's military veterans wounded in the line of duty.

Now, Senate Bill 107 awaits action by the governor, who has declined to say whether he will sign it. The bill, if it becomes law, would exempt from taxation qualified homes of veterans with a service-connected disability with a disability of at least 30 percent.

The bill landed on Rauner's desk June 29. Rauner can either sign the bill and make it into a law, or veto it outright. Any bill not returned by the governor within 60 calendar days after it is presented to him automatically becomes law.

Since taking office in January, Rauner has traditionally not commented on what action he plans to take on bills presented to him.

"The governor will carefully consider any legislation crossing his desk," said Catherine Kelly, a Rauner spokeswoman.

Senate Bill 107 provides a multi-tiered scale of property tax relief, varying with the level of the veteran's disability. Veterans with a disability of 30-49 percent, as certified by the U.S. Department of Veterans Affairs, would receive a \$2,500 annual exemption. Those with disabilities of between 50-69 percent would qualify for a \$5,000 yearly exemption. And qualified homes of wounded veterans with a service-connected disability of at least 70 percent would be exempted from all property tax payments.

For Jim Taylor, commander of Disabled American Veterans Post 53, in Granite City, the bill is the least the state could do for wounded military veterans. He rebutted criticism that Senate Bill 107 would mean higher property taxes for all other taxpayers.

"I feel that we give our fair share of taxes," said Taylor, a 30-year Navy veteran. "I just feel

it's important, and (Rauner) should not hesitate to sign it."

Matthew Paprocki, an Illinois Policy Institute spokesman, said property tax exemptions are, in reality, a property tax shift.

"Instead of actually lowering how much property tax dollars you're going to get in," Paprocki said, "you're going to provide an exemption to this small group of people while the rest of the district has to pick up the slack in terms of property tax costs."

Census figures show there are nearly 28,000 veterans with service-related disabilities in Illinois. In addition, nearly 14,000 property tax exemptions were awarded to veterans in 2013, according to the Illinois Department of Revenue.

Senate Bill 107 provides Rauner with some hard choices, according to Paprock.

"From a political standpoint, it's a difficult position when you're asked to vote against veterans," Paprock said. "I think that's why you saw it unanimously passed out of both chambers. I would say it's going to be a tough bill to veto, though."

Meanwhile, Rauner is trying to provide relief to local property taxpayers and local taxing bodies, which have already suffered because of state funding cuts brought on by the state's massive funding shortfall. The state has \$5 billion in unpaid bills and pension liabilities of more than \$111 billion.

"So what he's also trying to do is provide relief to the other municipalities and taxing bodies, to say, 'Look, we're not going to handcuff you, we're not going to put you in a situation where you can't pay your bills,'" Paprocki said.

Rauner, a Republican, is currently fighting a partisan battle of wills with leaders of the Democratic-controlled Senate and House over the passage of a state budget, which is six weeks late. Rauner is hammering hard for a budget that aims to help businesses and curb union power, while Democrats are resisting with equal ferocity, contending Rauner's plans will hurt the working and middle classes.

Joey Avellone, of Belleville, who suffered paralysis during a rescue attempt as a Marine rescue swimmer, said the need for a law such as this makes sense. After all, disabled veterans often must have modifications performed on their homes, such as the installation of new decks and ramps, to make them accessible to wheelchairs, in compliance with rules set by the U.S. Department of Veterans Affairs and the Americans with Disabilities Act. Such modifications lead to higher housing values, which in turn lead to higher property taxes.

Avellone denied that Senate Bill 107 will divert a significant amount of money from local taxing bodies, such as school districts.

"There's not a whole lot of disabled veterans with an 80 percent disability rating or higher," Avellone said. "It's a good idea."

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