

**PT 12-05**  
**Tax Type: Property Tax**  
**Issue: Charitable Ownership/Use**

**STATE OF ILLINOIS**  
**DEPARTMENT OF REVENUE**  
**OFFICE OF ADMINISTRATIVE HEARINGS**  
**SPRINGFIELD, ILLINOIS**

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**THE DEPARTMENT OF REVENUE**  
**OF THE STATE OF ILLINOIS**

v.

**RESIDENTIAL ALTERNATIVES OF**  
**ILLINOIS, INC.**

**Applicant**

**Docket # 09-PT-0052**

**Tax Year 2008**

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**RECOMMENDATION FOR DISPOSITION**

Appearances: John D. Alshuler, Special Assistant Attorney General, for the Department of Revenue of the State of Illinois; Brian C. Wernsman of Crain, Miller & Wernsman, Ltd. for Residential Alternatives of Illinois, Inc.

Synopsis:

This case concerns whether a parcel of property located in Stephenson County that contains a long-term skilled nursing care facility should be exempt from property taxes for the year 2008. Residential Alternatives of Illinois, Inc. (“applicant”) acquired the property on January 31, 2008 and alleges the property should be exempt pursuant to section 15-65 of the Property Tax Code (35 ILCS 200/15-65) on the basis that the property is both owned by a charitable organization and used exclusively for charitable purposes. The County Board of Review recommended that a partial year exemption be

granted from the date that the property was acquired through December 31, 2008. The Department of Revenue (“Department”) reviewed the Board’s decision and determined that the exemption should be denied on the basis that the property is neither owned by a charitable organization nor used for charitable purposes. The applicant timely protested the Department’s decision. The parties waived their right to an evidentiary hearing and agreed to have the case decided based on the Joint Stipulation of Fact with the attached exhibits and the subsequent briefs that were submitted by the parties. After reviewing all of the evidence presented, it is recommended that this matter be resolved in favor of the Department.

FINDINGS OF FACT:

1. The applicant “is an Illinois not-for-profit corporation that was organized on November 13, 1987”; it “has no capital stock or shareholders and earns no profits or dividends.” (Joint Stip. #4)
2. The applicant is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code pursuant to a determination made by the IRS on February 6, 1998. The applicant is exempt from retailers’ occupation taxes and use taxes pursuant to a determination made by the Department on November 16, 2007. (Joint Stip. #4; Stip. Ex. #7; #8)
3. According to the latest amendment to the articles of incorporation, the purposes for which the corporation is organized are as follows:

The Corporation is organized exclusively for charitable purposes as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. In furtherance of those charitable purposes, the corporation shall be empowered to build, lease, acquire and otherwise own and operate residential facilities, nursing facilities and other related facilities and services for the elderly, mentally

retarded, mentally ill, developmentally disabled and other like conditions without regard to race, religion, color, sex, creed or national origin of said persons. The corporation will not engage in the practice of medicine nor render any licensed professional services. (Stip. Ex. #6)

4. The bylaws include the following under Article 2, which is titled “Purposes and Powers”:

2.01 This Corporation will have the purposes or powers as may be stated in its Articles of Incorporation, and such powers as are now or may be subsequently granted by the General Not For Profit Corporation Act of 1986 as amended of the State of Illinois (the “Act”), or any successor legislation.

2.02 The Corporation is organized exclusively for charitable purposes as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). These activities shall include, but not be limited to build, lease, acquire and otherwise own and operate housing, nursing facilities, continuous care retirement communities and other related facilities and services for the elderly, mentally retarded, mentally ill, developmentally disabled and other like conditions without regard to race, religion, color, sex, creed or national origin of said persons.

2.03 The Corporation shall waive or reduce, based on an individual’s ability to pay, any entrance fee, assignment of assets, or a fee for services. (Stip. Ex. #6, pp. 1-2)

5. The applicant owns and operates a licensed 143-bed skilled nursing facility known as the Freeport Rehabilitation and Health Care Facility (“Facility”) in Freeport, Illinois. The applicant acquired the property on January 31, 2008 and sought a property tax exemption for the parcel. (Joint Stip. #1; Stip. Ex. #1; #2)
6. The Stephenson County Board of Review recommended that the parcel receive a partial year exemption from January 31, 2008 through December 31, 2008.<sup>1</sup> (Stip. Ex. #1, p. 2; #3)

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<sup>1</sup> The parties stipulated that the Board recommended that an exemption be granted for the full year (Joint Stip. #2), but the documents indicate otherwise.

7. “The main building on the parcel is two stories and contains approximately 30,126 square feet of floor space.” (Joint Stip. #6; Stip. Ex. #11; #12)
8. The Facility “is licensed to provide each individual resident with nursing services, resident living services, medical assistance, rehabilitation and training and guidance necessary in the activities of daily living and in the development of self-help skills. The services provided by the [F]acility include, but are not limited to, delivery of medical services and medicines, nursing, physical therapy, occupational therapy, psychological, social, speech therapy, audiology, organized recreational activities, training and rehabilitation. In sum, the Facility creates a long-term living environment for its residents, providing medical support, meals, supervision and counseling.” (Joint Stip. #7; Stip. Ex. #10)
9. As indicated earlier, “the [a]pplicant’s bylaws provide that fees may be waived for residents unable to pay for the services provided by the Facility.” (Joint Stip. #5; Stip. Ex. #6)
10. “No resident has ever been turned away from the [F]acility by [the] [a]pplicant as a result of a patient’s inability to pay; however, during the 2008 tax year for which the [a]pplicant is seeking a property tax exemption for the subject real estate, no resident applied for charity.” (Joint Stip. #5; Stip. Ex. #9)
11. All 143 nursing home beds at the Facility are Medicaid/Medicare-certified. (Stip. Ex. #9)
12. During 2008, 76% of the nursing home residents received financial assistance through Medicare, Medicaid or other state and federal government programs.

Approximately 22% of the income generated from the nursing home was from private fees and private insurance. (Stip. Ex. #9)

13. For the fiscal years ending March 31, 2009 and March 31, 2010, the Facility’s un-audited Statement of Profit and Loss shows the following as income:

	2010	2009
Rent – Skilled Nursing	\$885,305	\$985,085
Rent – Medicare Part A	1,179,891	1,158,574
Rent – Medicare Replacement	281,375	237,693
Rent – Medicaid	1,922,003	1,980,579
Rent – Hospice	114,893	43,365
Rent – Respite	13,330	0
Medicare Part B	106,231	53,967
Other Services	2,062	1,155
Equipment & Supplies	32,266	14,725
Rehab & Therapy	4,795	(1,357)
Interest	5,021	119
Donations	872	2,373
Misc. Income	<u>0</u>	<u>7,200</u>
Total Income (Stip. Ex. #14)	\$4,548,045	\$4,483,478

14. For the fiscal years ending March 31, 2009 and March 31, 2010, the Facility’s un-audited Statement of Profit and Loss shows total expenses of \$4,995,694 for the year ending March 31, 2010 and \$4,781,503 for the year ending March 31, 2009. The net loss for the fiscal year ending March 31, 2010 was \$447,649, and the net loss for the fiscal year ending March 31, 2009 was 298,025. (Stip. Ex. #14)

15. The property was “exempt from real estate property taxes for 1991 – 2007 under an exemption issued to the previous owner, Midamerica Care Foundation.” (Joint Stip. #10; Stip. Ex. #16)

CONCLUSIONS OF LAW:

It is well-established under Illinois law that taxation is the rule, and tax exemption is the exception. Eden Retirement Center, Inc. v. Department of Revenue, 213 Ill. 2d 273, 285 (2004). “[A]ll property is subject to taxation, unless exempt by statute, in conformity with the constitutional provisions relating thereto.” *Id.* Statutes granting tax exemptions must be strictly construed in favor of taxation. *Id.* at 288; Chicago Patrolmen’s Association v. Department of Revenue, 171 Ill. 2d 263, 271 (1996); People ex rel. County Collector v. Hopedale Medical Foundation, 46 Ill. 2d 450, 462 (1970). All facts are to be construed and all debatable questions resolved in favor of taxation. Eden Retirement Center, Inc., at 289. Every presumption is against the intention of the State to exempt the property from taxation. Oasis, Midwest Center for Human Potential v. Rosewell, 55 Ill. App. 3d 851, 856 (1<sup>st</sup> Dist. 1977). Whenever doubt arises, it must be resolved in favor of requiring the tax to be paid. Quad Cities Open, Inc. v. City of Silvis, 208 Ill. 2d 498, 508 (2004).

The burden of proof is on the party who seeks to qualify its property for an exemption. Eden Retirement Center, Inc., *supra*; Chicago Patrolmen’s Association, *supra*. “The burden is a very heavy one.” Provena Covenant Medical Center v. Department of Revenue, 236 Ill. 2d 368, 388 (2010) (“Provena I”). The party claiming the exemption bears the burden of proving by clear and convincing evidence that the property in question falls within both the constitutional authorization and the terms of the statute under which the exemption is claimed. Eden Retirement Center, Inc., *supra*; Board of Certified Safety Professionals of the Americas, Inc. v. Johnson, 112 Ill. 2d 542, 547 (1986) (citing Coyne Electrical School v. Paschen, 12 Ill. 2d 387, 390 (1957)).

Authority to grant property tax exemptions emanates from article IX, section 6 of the Illinois Constitution of 1970. Section 6 authorizes the General Assembly to exempt certain property from taxes and provides, in part, as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes. Ill. Const. 1970, art. IX, §6.

The constitution does not require the legislature to exempt property from taxation; an exemption exists only when the legislature chooses to create one by enacting a law. Eden Retirement Center, Inc., at 290. “The legislature cannot add to or broaden the exemptions that section 6 of article IX specifies.” *Id.* at 286. By enacting an exemption statute, the legislature may place restrictions, limitations, and conditions on an exemption, but the legislature cannot make the exemption broader than the provisions of the constitution. *Id.* at 291.

Pursuant to this constitutional authority, the General Assembly enacted section 15-65 of the Property Tax Code, which allows exemptions for charitable purposes and provides, in relevant part, as follows:

All property of the following is exempt when actually and exclusively used for charitable or beneficent purposes, and not leased or otherwise used with a view to profit:

(a) Institutions of public charity....

(c) Old people's homes, facilities for persons with a developmental disability, and not-for-profit organizations providing services or facilities related to the goals of educational, social and physical development, if, upon making application for the exemption, the applicant provides affirmative evidence that the home or facility or organization is an exempt organization under paragraph (3) of Section 501(c) of the Internal Revenue Code or its successor, and either: (i) the bylaws of the home or facility or not-for-profit organization provide for a waiver or reduction,

based on an individual's ability to pay, of any entrance fee, assignment of assets, or fee for services, or (ii) the home or facility is qualified, built or financed under Section 202 of the National Housing Act of 1959, as amended.

An applicant that has been granted an exemption under this subsection on the basis that its bylaws provide for a waiver or reduction, based on an individual's ability to pay, of any entrance fee, assignment of assets, or fee for services may be periodically reviewed by the Department to determine if the waiver or reduction was a past policy or is a current policy. The Department may revoke the exemption if it finds that the policy for waiver or reduction is no longer current....35 ILCS 200/15-65(a), (c).

Property may be exempt under subsection (a) if it is (1) owned by an entity that is an institution of public charity; (2) actually and exclusively used for charitable purposes; and (3) not used with a view to profit. *Id.*; Chicago Patrolmen's Association, *supra*. Whether property is actually and exclusively used for charitable purposes depends on the primary use of the property. Methodist Old Peoples Home v. Korzen, 39 Ill. 2d 149, 156-57 (1968). If the primary use of the property is charitable, then the property is "exclusively used" for charitable purposes. Cook County Masonic Temple Association v. Department of Revenue, 104 Ill. App. 3d 658, 661 (1<sup>st</sup> Dist. 1982). Incidental acts of charity by an organization are not enough to establish that the use of the property is charitable. Morton Temple Association, Inc. v. Department of Revenue, 158 Ill. App. 3d 794, 796 (3<sup>rd</sup> Dist. 1987).

The Supreme Court set forth the constitutional standards for a charitable purposes exemption in Methodist Old Peoples Home, *supra*, and reiterated them in Eden Retirement Center, Inc., *supra*, and Provena I, *supra*. The following guidelines are characteristics of a charitable institution: (1) the organization has no capital, capital stock or shareholders; (2) the organization earns no profits or dividends but rather derives its

funds mainly from public and private charity and holds them in trust for the objects and purposes expressed in its charter; (3) the organization dispenses charity to all who need and apply for it; (4) the organization does not provide gain or profit in a private sense to any person connected with it; (5) the organization does not appear to place any obstacles in the way of those who need and would avail themselves of the charitable benefits it dispenses; and (6) the primary purpose for which the property is used, and not any secondary or incidental purpose, must be charitable. Methodist Old Peoples Home, at 156-57. For purposes of applying these criteria, the court defined charity as “a gift to be applied ... for the benefit of an indefinite number of persons, persuading them to an educational or religious conviction, for their general welfare--or in some way reducing the burdens of government.” *Id.* In Eden Retirement Center, Inc., *supra*, the Supreme Court indicated that these guidelines must be considered in addition to determining whether the applicant meets the requirements under subsection (c) of section 15-65. *Id.* at 290-291.

The applicant argues that during 2008 it provided vital services to its residents and sustained net losses that exceed the estimated cost of the property tax exemption. The net loss for the fiscal year ending March 31, 2009 was \$298,025, and for the fiscal year ending March 31, 2010 it was \$447,649. The applicant believes that the net loss must be viewed as charitable care, and the property was actually and exclusively used for charitable purposes. Approximately 75% of its fees at the Facility are paid by Medicaid and Medicare, and the applicant maintains that its participation in Medicare and Medicaid is consistent with its charitable mission. The applicant states that pursuant to Medicaid Cost Reports that are filed with the State of Illinois, 307 of the 345 not-for-profit long-

term care facilities in Illinois did not pay property taxes for 2008 (Stip. Ex. #17), and the applicant believes its Facility has been “singled out” by the Department. (App. Reply Brief, p. 2) In addition, the facility in question received property tax exemptions for the years 1991 through 2007 under the applicant’s predecessor in title. The applicant claims that there have been no changes in the use or operation of the property; the only change has been the ownership. According to the applicant, the Department’s decision to deny the exemption is arbitrary and is based solely on the change of ownership.

The applicant also argues that it meets most of the guidelines in Methodist Old Peoples Home, *supra*. It is undisputed that the applicant has no capital stock or shareholders and earns no profits or dividends; the applicant indicates that all of its funds are used to further the applicant’s charitable goals. The applicant contends that the Department’s determination that the applicant is exempt from sales taxes implies that the Department has made a determination that the applicant is a charitable organization. The purpose section of the bylaws indicates that the applicant’s services benefit an indefinite number of people, and the applicant meets the definition of charity because its services help relieve the residents from suffering and disease and promote the well being of society.

The applicant notes that its bylaws include a fee waiver policy, and the parties stipulated that no resident has ever been turned away from the Facility due to an inability to pay even though during 2008 no resident applied for a fee reduction. The applicant claims that the Department should not penalize the applicant because no one applied for a fee reduction pursuant to the charity care policy. In addition, “no Illinois decision ... holds [that] public notice of a fee-waiver policy is an indispensable fact for a charitable

tax exemption.” Randolph Street Gallery v. Zehnder, 315 Ill. App. 3d 1060, 1068 (1<sup>st</sup> Dist. 2000). The applicant charges no entrance fees to its Facility. The applicant states that the criteria in Methodist Old Peoples Home, *supra*, are not inflexible requirements, and each claim for exemption must be determined from the facts presented, citing DuPage County Board of Review v. Joint Commission on Accreditation of Healthcare Organizations, 274 Ill. App. 3d 461, 468-469 (2<sup>nd</sup> Dist. 1995).

The Department concedes that the applicant meets the first factor in Methodist Old Peoples Home, *supra*, because the applicant does not have capital, capital stock, or shareholders. The Department also concedes that the applicant meets the fourth factor because the applicant does not provide gain or profit in a private sense to any person connected with it. The Department argues, however, that the applicant fails to meet the second factor because its funds are not derived mainly from public and private charity; the applicant’s funds are overwhelmingly generated by providing its services for a fee.

The Department also argues that the applicant has failed to show through clear and convincing evidence that it meets factors three and five. The Department states that the number of persons who received free or discounted care was *de minimus*, and with very limited exception, service was provided in exchange for compensation through private insurance, Medicare, Medicaid, or direct pay. The Department contends that services provided to Medicare and Medicaid patients should not be considered charitable, referring to Provena I, at 401-402 (plurality opinion) (citing Riverside Medical Center v. Department of Revenue, 342 Ill. App. 3d 603, 610 (3<sup>rd</sup> Dist. 2003)).

The Department states that because the applicant has failed to show that it is a charitable organization, the exemption should be denied on this basis. Nevertheless, the

Department also claims that the applicant has failed to show through clear and convincing evidence that the property is used for charitable purposes. The Department contends that the applicant must demonstrate that its activities “will help alleviate some financial burden incurred by the affected taxing bodies in performing their governmental functions,” quoting Provena I, at 395 (plurality opinion). The Department continues with the following quotation: “The *terms* of the service also make a difference. As the appellate court correctly recognized, “ ‘services extended ... for value received ... do not relieve the [s]tate of its burden.’ ” 384 Ill. App. 3d at 744 ...” *Id.* at 397 (plurality opinion). The Department indicates that during 2008, no person actually received free or discounted care, and the property was devoted to the care of patients in exchange for compensation from private insurance, Medicare, Medicaid, or direct pay. The Department adds that the level of charitable care is not just *de minimus* but completely nonexistent, and the applicant has failed to meet its burden of proof.

With respect to the requirement that the property be owned by a charitable organization, it must first be noted that the applicant, Residential Alternatives of Illinois, Inc., is the owner of the property, and the facility in question is the Freeport Rehabilitation and Health Care Facility in Freeport, Illinois. It is not clear from the record that this is the only facility that the applicant operates. One of the affidavits submitted by the applicant indicates that the applicant’s secretary works at the applicant’s facility in Galesburg, Illinois. (Stip. Ex. #10) According to the applicant’s purpose, as stated in its bylaws, it is possible that the applicant operates other facilities such as housing, continuous care retirement communities, or other related facilities for the elderly, mentally retarded, mentally ill, and developmentally disabled. (Stip. Ex. #6) In

addition, the un-audited Statement of Profit and Loss that was provided was only for the facility in question and not for the applicant's entire operations. (Stip. Ex. #14)

As all five Justices who participated in Provena I, *supra*, agreed, the charitable practices of the actual owner of the property (*i.e.*, Residential Alternatives of Illinois, Inc.) must be considered in determining whether the owner is a charitable institution. *Id.* at 393; *id.* at 411-412 (Burke, J., dissenting). The evidence in this case does not clearly indicate that it includes all of the applicant's operations; the financial statement alone appears to be missing some of the applicant's operations, at least those in Galesburg, Illinois. Without evidence concerning all of the applicant's operations, it cannot be found that the applicant is a charitable institution, and the exemption must be denied on this basis.

Even if it is assumed that the facility in question is the only one operated by the applicant, the evidence still falls short of showing clearly and convincingly that the applicant is a charitable organization. The applicant has argued that the Department's determination that the applicant is a charitable organization for retailers' occupation and use tax purposes implies that the applicant is a charitable organization for property tax purposes. Having a charitable exemption from either retailers' occupation/use taxes or from federal income taxes is not determinative of whether an applicant is entitled to a charitable exemption from property taxes. *Id.* at 389; Hopedale Medical Foundation, at 464. Furthermore, the fact that the property received an exemption under its previous owner is irrelevant. A cause of action for each property tax year is different, and "even where the ownership and use of the property remain the same, a party may be required to relitigate the issue of its exemption annually." Jackson Park Yacht Club v. Illinois

Department of Local Government Affairs, 93 Ill. App. 3d 542, 546 (1<sup>st</sup> Dist. 1981); see also Rogy's New Generation, Inc. v. Department of Revenue, 318 Ill. App. 3d 765 (1<sup>st</sup> Dist. 2000) (Department may review the tax-exempt status of an entity at any time). In addition, the fact that 307 of the 345 not-for-profit long-term care facilities in Illinois did not pay property taxes for 2008 is also irrelevant. As the applicant has indicated, each case concerning the tax exempt status of a particular piece of property must be decided on its own facts. Hopedale Medical Foundation, at 462 (citing People ex rel. Cannon v. Southern Illinois Hospital Corp., 404 Ill. 66 (1949); Methodist Old Peoples Home, at 156).

With respect to the guidelines in Methodist Old Peoples Home, *supra*, the Department concedes that the applicant meets the first and fourth factors. The applicant fails, however, to meet the second factor because its funds are not derived mainly from public and private charity. As the financial statement indicates, the applicant clearly derives its funds mainly from fees for services.

Nevertheless, the funding factor is not, by itself, dispositive. Provena Covenant Medical Center v. Department of Revenue, 384 Ill. App. 3d 734, 746 (4<sup>th</sup> Dist. 2008), *aff'd*, 236 Ill. 2d 368 (2010) ("Provena II") (citing American College of Surgeons v. Korzen, 36 Ill. 2d 340, 348 (1967)). The Provena II court stated that the criteria of dispensing charity to all who need and apply for it and placing no obstacles in their way "go to the heart of what it means to be a charitable institution." Provena II at 750. The applicant has failed to clearly and convincingly show that it meets these factors.

Although the applicant argues that its net loss should be considered charitable care, simply operating at a loss cannot be considered charity. See *id.* (charity is an act of

kindness or benevolence; charity is generosity and helpfulness). If operating at a loss is considered to be charity, then any for-profit organization that sustains a loss could claim to be charitable. Allowing this to be charitable would be similar to finding that writing off a bad debt is charity, but the opposite conclusion has been reached by the First District Appellate Court. Alivio Medical Center v. Department of Revenue, 299 Ill. App. 3d 647, 652 (1<sup>st</sup> Dist. 1998).

The applicant also believes that it meets the definition of charity because its services help relieve the residents from suffering and disease and promote the well being of society. A similar argument was made regarding medical services, but the court in Provena II found that medical care, in and of itself, is not charity. Provena II, at 748-749; see also Provena I, at 398 (plurality opinion). In addition, the applicant believes that its participation in Medicare and Medicaid is consistent with its charitable mission, but the Third District Appellate Court found that care that was provided at a discounted rate pursuant to contracts with Medicare, Medicaid, and private insurers was not charity. Riverside Medical Center, at 610; Provena I, at 401-402 (plurality opinion). Furthermore, the fact that the money received is used to further its charitable goals does not determine whether there should be an exemption. Three Angels Broadcasting Network, Inc. v. Department of Revenue, 381 Ill. App. 3d 679, 697 (5<sup>th</sup> Dist. 2008); Cook Communications Ministries v. Department of Revenue, 345 Ill. App. 3d 753, 763 (2<sup>nd</sup> Dist. 2004); Salvation Army v. Department of Revenue, 170 Ill. App. 3d 336, 344 (2<sup>nd</sup> Dist. 1988). The actual activities on the property must be considered. *Id.*; Provena I, at 403 (plurality opinion).

In the present case, the property was not actually used for charitable purposes during 2008 because no charity was given during 2008. See Provena II, at 755 (number of charity patients served is directly relevant to whether charity is dispensed to all who need and apply for it). Although no resident applied for charity, it is possible that no one was aware of the charity care policy because the record does not indicate that it was advertised in any way. Even though public notice of a fee-waiver policy is not an indispensable fact for an tax exemption (Randolph Street Gallery v. Zehnder, at 1068), the failure to notify the public of the charity care policy is still relevant and is considered an obstacle in the way of those seeking charity. See Riverside Medical Center, at 608-609.

In addition, although the applicant does not have entrance fees, the record does not include information concerning the terms of the living arrangements for the residents at the facility. It is not clear whether the residents have to complete an application and whether a fee is required with that. It is also not clear whether the residents have to sign a contract and whether fees or interest are imposed on late payments of the rental amounts. Furthermore, in Methodist Old Peoples Home, *supra*, the court found, *inter alia*, that the following facts did not suggest charitable use: varying the charge on the basis of the size and desirability of the room; requiring applicants to be in good mental, emotional, and physical health and free of any communicable disease; and having no legal obligation to keep and maintain anyone who becomes unable to fulfill his or her financial obligation or otherwise becomes sick or unmanageable. In the present case, without knowing the contractual arrangement with the residents or the application process for the residents, it is impossible to know whether similar facts exist.

Providing a long-term skilled nursing care facility for the community is certainly an important service. The applicant's operations are laudable, but laudable acts do not necessarily constitute charity. Coyne Electrical School, at 399; Rogers Park Post No. 108, American Legion v. Brenza, 8 Ill. 2d 286, 291 (1956); Turnverein Lincoln v. Board of Appeals of Cook County, 358 Ill. 135, 144-145 (1934). As previously mentioned, exemption provisions are strictly construed, and all doubts must be resolved in favor of taxation. Eden Retirement Center, Inc., *supra*. The evidence presented in this case falls short of showing clearly and convincingly that the property is owned by a charitable organization and is used for charitable purposes.

Recommendation:

For the foregoing reasons, it is recommended that the applicant's request for an exemption be denied.

Linda Olivero  
Administrative Law Judge

Enter: July 29, 2011