

Bond Case Briefs

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TAX - ILLINOIS

Grand Chapter, Order of Eastern Star of State v. Topinka

Supreme Court of Illinois - January 23, 2015 - N.E.3d - 2015 IL 117083

Fraternal organization that operated nursing home brought declaratory judgment action against Department of Public Health alleging that provision of Public Aid Code that taxed licensed beds of nursing home providers violated uniformity clause of state constitution. The Circuit Court granted summary judgment in favor of organization. Department appealed.

The Supreme Court of Illinois held that, as applied, section of Public Aid Code did not violate uniformity clause.

Nonproperty tax classification bore some reasonable relationship to object of legislation or public policy, and therefore, as applied to fraternal organization that was not-for-profit corporation and ran nursing home, section of Illinois Public Aid Code that taxed licensed beds of all Illinois nursing home providers did not violate the uniformity clause of the state constitution. Purpose of tax was to fund Long-Term Care Provider fund, which provided disbursements for seven distinct purposes, nursing home was licensed and operated under various permits issued by Department of Public Health, which received nearly \$2 million annually from Long-Term Care Provider Fund, and nursing benefited from operating within regulated industry that was subject to uniform standards of quality and care, enforcement and oversight of which was paid for in part by Long-Term Care Provider Fund.