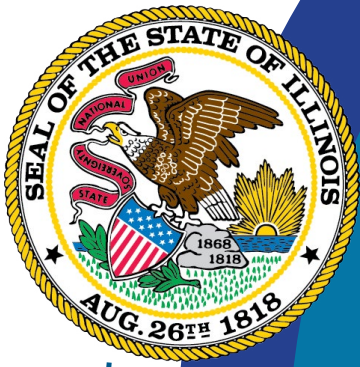




Illinois
Department of Revenue

FY 2026

Property Tax Study

A comprehensive study of the Illinois Property Tax System

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Executive Summary

Background

Public Act 103-1002 was enacted to require the Illinois Department of Revenue (IDOR), in consultation with the Illinois Department of Commerce and Economic Opportunity, to conduct a study to evaluate the property tax system in Illinois and to analyze information collected in connection with the study. IDOR was also charged with making recommendations to improve the levy, assessment, appeal and collection process. The property tax study was introduced in Senate Bill 3455 in the 103rd General Assembly.

A new statute, 20 ILCS 2505/2505-816, was created under the Public Act that detailed the requirements of the study. Topics to be covered in the study include the following:

- A comprehensive review of the classification system used by Cook County and the impact of the classification system.
- A comprehensive review of State laws concerning the appeal of assessments at the local and State level and the laws concerning the collection of property taxes, including any issues that have resulted in delay in issuing property tax bills.
- A comprehensive review of statewide assessment processes, including a comparison of assessment processes in Cook County and other practices in other states that allow for standardization.
- A comprehensive review of current property tax homestead exemptions, and the administration or application of those exemptions.
- An analysis of preferential assessments or incentives and the resultant economic impact.
- A review of the State's reliance on property taxes and the historical growth in property tax levies.

In addition to these topics, IDOR included information about other relevant parts of the property tax system, including the Real Estate Transfer Tax and non-homestead property tax exemptions.



Acronyms and Common Terms

Acronyms

Below is a list of acronyms that appear throughout this Study.

<u>Acronym</u>	<u>Definition</u>
AV	Assessed Value
CCAO	Chief County Assessment Officer
EAV	Equalized Assessed Value
IDNR	Illinois Department of Natural Resources
IDOR	Illinois Department of Revenue
ILCS	Illinois Compiled Statutes
PTAB	Property Tax Appeal Board

Common Terms

Below is a list of terms that appear throughout this Study.

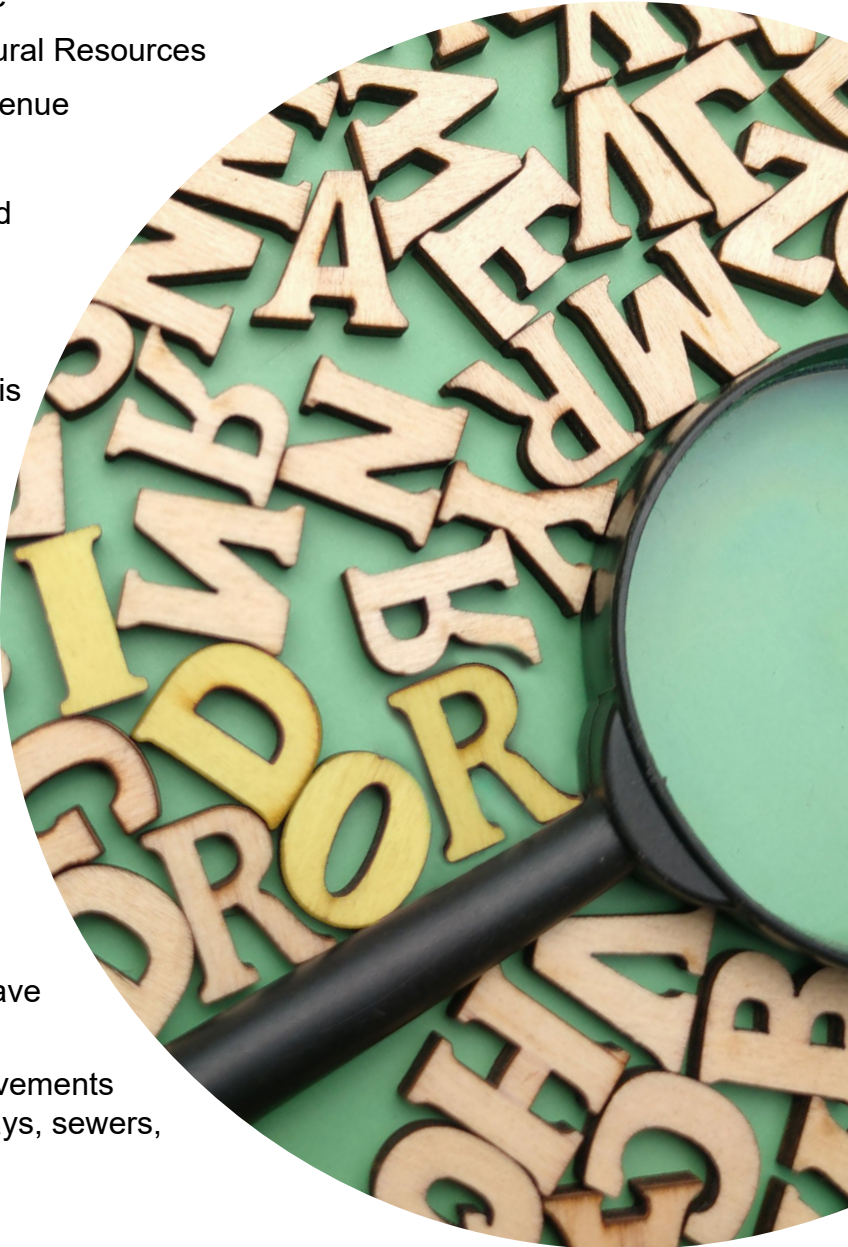
Assessed Value - The value placed upon property after multiplying its market value by the level of assessment.

Collar Counties - DuPage, Kane, Lake, McHenry, and Will Counties

Equalized Assessed Value (EAV) - The assessed value multiplied by the State equalization factor. This gives the property value from which the tax rate is calculated after deducting all qualified homestead exemptions. Individual tax bills are calculated by multiplying the individual district's tax rates by the equalized assessed value after all qualifying exemptions have been removed.

Real Property - Land and any permanent improvements including buildings, fences, landscaping, driveways, sewers, or drains.

Illinois Department of Revenue





A History of Property Tax in Illinois and an Overview of the Current System



Historical Overview

Illinois became the 21st state of the Union on December 3, 1818. As part of its agreement with the federal government, Illinois was granted lands for school use in each township. The agreement also dictated that the State would build roads into Illinois¹. The original constitution of Illinois provided the General Assembly with the ability to levy taxes as such:

“The mode of levying a tax shall be by valuation, so that every person shall pay a tax in proportion to the value of the property he or she has in his or her possession².”

Historically, property tax referred to a tax applied to all types of property – real, tangible property, and intangible property. Illinois lawmakers in the frontier days were wary of the unpopularity of taxes with voters. They often resorted to other means to raise necessary revenues, such as selling off state land or borrowing money, to pay the obligations of the State¹.

The Panic of 1837

During the first decades of statehood, Illinois, like many states, was committed to building railroads, roads, and canals. These projects were largely financed through bank investments due to an unwillingness of states to raise tax rates¹⁴. The Panic of 1837 (so-called because of its associated bank runs) was a nation-wide depression driven by federal financial policy, over-borrowing and a changing agriculture market that plunged many states into economic distress³. Eight states and the Territory of Florida defaulted on their debts¹⁴.

Illinois passed the Tax Law of 1839 which clarified that all personal and real property was subject to taxation, and specified taxing authority between the counties and the State. The state tax was set to \$0.20 for every \$100 in property value; counties were authorized to levy up to a half-cent on every \$100 in property value¹⁵. It was the first version of Illinois property tax that could be considered ad valorem – according to value. Prior to the law of 1839, land was roughly classed into grades according to quality with a set rate per acre¹. After the passage of this law, all property, including land, went to a value-based assessment. The differentiation between non-resident and resident ownership to determine allocation was another significant change. From 1823 to 1838, Illinois law stipulated that non-resident landowners pay the property tax to state government; resident landowners paid one-third of their property tax to the State and the other two-thirds of property tax to the county. The 1839 tax law was not drafted in anticipation of the debts and shortfalls incurred by Illinois, but rather in response to dropping state revenues as land ownership shifted¹⁶. It took until 1881 for the state to pay its debts from the financial crisis¹.

Following this period, there was a rapid shift from borrowing to property tax as a source of state revenues. In the years 1835-1841, 26.16 percent of Illinois state revenue was derived from property tax. The period of 1842-1848 saw an increase to 82.35 percent of state revenue sourced from property tax. While it is debated whether there was a causal relationship between states' reliance on borrowing during the preceding years and the economic turmoil, this period marks a shift in state borrowing and taxation policy and the beginning of modern property tax law in Illinois¹⁴.

The Constitution of 1848

In 1848, Illinois adopted a new constitution. This new Constitution limited the authority of the legislature to borrow money and incur debt. Taxing authority was further defined and expanded from the original Constitution. The new Constitution also introduced township governance as an option which counties could choose to adopt⁴. The Township Organization Act of 1849 transferred some government functions to townships. It also provided for the county board to equalize valuations between townships within the county to ensure uniformity¹.

The Constitution of 1870

During the Civil War, the state auditor noticed that while overall assessed values for property in the state should have been up, state totals being reported were down. Further investigation revealed the same property was being assessed vastly differently between counties. This led to the creation of the State Board of Equalization in 1867. Its role was to equalize assessed values between counties. A new method of calculating the tax rate was also introduced – the total equalized assessed value was to be divided by total appropriation from the legislature, and a percentage rate was certified to local authorities¹.

Illinois adopted a new Constitution in 1870 in which taxing authority was not significantly changed. However, this Constitution introduced the uniformity clause, the concept of which is still in place today.

“The general assembly shall provide such revenue as may be needful by levying a tax, by valuation, so that every person and corporation shall pay a tax in proportion to the value of his, her, or its property...uniform as to the class upon which it operates⁵.”

1920s Bring Upheaval and Controversy

Throughout Illinois history, there have been difficulties in the practical and fair application of property tax on personal property¹. Questions of fairness in all types of property assessment were especially pressing in Cook County in the 1920s where public sentiment against unfairness was rising⁶. The Chicago Teacher's Federation, headed by Catherine Goggin and Margaret Haley, led the public criticism against the Cook County Assessor's Office's underassessment of property, which they asserted was depriving the school system of needed revenue¹⁷. The Chicago Teacher's Federation also successfully lobbied for the publication of real estate assessment lists¹⁸. While publication had been a legal requirement since 1898, the law was largely ignored until 1928 when the Tax Commission ordered the Board of Assessors to obey and publish the assessment list¹⁹.

TWO CHICAGO GRADE TEACHERS INVESTIGATING TAX-DODGERS.



Miss Margaret Haley.

Miss Catherine Goggin.

A study done by the Institute for Research in Land Economics and Public Utilities evaluated over 6,500 real estate assessments from 1923 to 1926, which clearly showed that different property types were assessed at different levels. The study also examined deviations in assessment within each class⁷. The assessments seemed to reflect political influence of the property owners. In one notable example, a politically connected police chief had a property valued at \$500, where his neighbor's identical home was assessed at \$2,450¹⁷. While assessments were lowest for single family homes, the assessments ranged from one percent to over 100 percent of the actual value⁷. The year 1927 was a quadrennial reassessment year for real estate, and public outcry was so great regarding the Cook County assessments, that the legislature acted to force the complete reassessment of real estate for Cook County for the year 1928⁸.

The reassessment delayed the collection of Cook County property tax for two years⁹. The timing of this delay was especially catastrophic. In 1930, Cook County accounted for over half of property assessed in the state. The stock market crash of 1929 drastically reduced the overall value of property in Illinois and further complicated the practicality of taxing intangible personal property – to do so was to risk bank runs and the movement of capital out of the state⁸.

There was a failed attempt to pass a new Constitution in 1930, and then a law establishing a graduated income tax was quickly declared unconstitutional under the uniformity clause of the Constitution. Illinois had exhausted its federal relief funding. The State's solution came in the form of the Retailers' Occupation Tax, which was established in 1933. The Sales Tax quickly boosted state revenues and allowed the state to stop collecting the state portion of property tax in 1933⁹. In 1930, the state portion of property tax collected was 6.99 percent of all property taxes for that year¹⁰. It was never collected again after 1933. The economic hardships of the Great Depression, tax strike movements, and the delays in tax collection caused by the reassessment in Cook County all led to the collection of property taxes one year in arrears. This practice continues today across the state.

1970 Constitution

Illinois ratified its current Constitution in 1970. Real property taxation was required to be levied uniformly, but a specific allowance for classification of property in counties with populations over 200,000 was included. Only Cook County has adopted classification; as of the 2020 census, nine other counties would meet the population threshold to consider it.

The 1970 Illinois Constitution directed the legislature to abolish personal property taxes and replace the revenue lost by local government taxing districts, including school districts. Personal property taxation was set to be phased out by requiring the General Assembly to abolish ad valorem personal property taxes by 1979. In 1970, citizens had voted to amend the previous 1870 constitution to abolish individual personal property tax prior to the date that the 1970 constitution took effect. Corporations, partnerships, limited partnerships, joint ventures, and similar entities continued to pay taxes on personal property until 1979. These business entities now pay a replacement tax on income and invested capital to the state. These monies are then distributed to the local government taxing districts in proportion to the amount received from the personal property tax for the 1977 tax year (1976 for Cook County).

The new constitution also limited the General Assembly's ability to grant property tax exemptions, giving them broad latitude regarding homestead exemptions, but expressly limiting non-homestead exemptions to specific uses and groups¹¹.

Current Property Tax System

Only real property is now taxed in Illinois. Generally, everyone who owns real property pays property taxes, unless specifically exempted by Statute. Homeowners and owners of commercial, industrial, and agricultural property pay property tax directly. Renters contribute to the property tax but generally do so indirectly through their rent. Landlords consider taxes a cost of doing business and adjust their rents to cover them. Leaseholders pay property taxes on real property leased from an owner whose property is exempt (e.g., the state owns agricultural property and leases it to a farmer).

Property tax is a major source of tax revenue for the more than 6,000 taxing districts in Illinois; therefore, it funds most of the services local governments provide. Some types of governmental units, such as home rule units of government, have additional taxing powers so they are less dependent on property tax than units that do not have these additional taxing powers. The largest share of property tax dollars goes to school districts.

The Property Tax Cycle

Generally, the property tax cycle is a two-year cycle. During the first year, property is assigned a value that reflects its value as of January 1 of that year. For farm acreage and farm buildings, a certification and review procedure is initiated more than nine months before the assessment process begins. During the second year, the tax bills are calculated and mailed, and payments are distributed to local taxing districts.

This two-year cycle can be divided into six steps. Several of these steps are discussed in detail throughout this Study document.

- 1. Assessment.** All property is discovered, listed, and appraised so that values for property tax purposes can be determined. Local assessing officials determine most property values; the local county board of review and the Illinois Department of Revenue (IDOR) also have some assessment responsibilities. CCAO ensures that assessment levels are uniform and at the legal assessment level by applying a uniform percentage increase or decrease to all assessments in the jurisdiction (i.e., assessments are “equalized”).
- 2. Review of assessment decisions.** County boards of review determine whether local assessing officials have calculated assessed values correctly, equalize assessments within the county, assess any property that was omitted, decide if homestead exemptions should be granted, and review non-homestead exemption applications and make recommendations to IDOR. Property owners and local taxing districts may appeal unfair assessments to their local county boards of review and, if the owner is dissatisfied with the board’s decision, the State Property Tax Appeal Board or circuit court.
- 3. State equalization.** IDOR equalizes assessments among counties and issues a state equalization factor for each county.
- 4. Levy.** Taxing districts determine the amount of revenues that they need to raise from property taxes, hold any required public Truth-in-Taxation hearings, and certify levies to the county clerk.
- 5. Extension.** The county clerk applies the state equalization factor, calculates the tax rate needed to produce the amount of revenues each taxing district may levy legally, apportions the levy among the properties in a taxing district according to their equalized assessed values so that tax bills can be computed, abates taxes as directed by taxing districts, and prepares books for the county collector.

6. Collection and distribution. The county collector prepares tax bills, receives property tax payments from property owners, distributes taxes to the local government taxing districts that levied them, and administers sales of liens on real estate parcels due to nonpayment of taxes.

Qualifications to Hold Office

County assessment officials on a statewide basis are collectively called CCAO. The actual title of the person who completes the property assessment depends on the county's form of government. In Cook and St. Clair counties, the county assessor has primary assessment responsibility. In the 17 commission counties, which have no township level government, the Supervisor of Assessments has primary assessment responsibility. In the other 83 counties, township or multi-township assessors have primary assessment responsibility. The CCAO supervises and, if necessary, revises township and multi-township assessors' work.

CCAOs may be appointed or elected, and they must have two years of relevant experience, pass a qualifying examination, and possess certain professional designations for completing courses in assessment techniques successfully.

Township and multi-township assessors are elected, and they must possess certain educational requirements to hold office. Most jurisdictions require a professional designation; a few of the smaller jurisdictions require specific coursework to be completed. If a township or multi-township assessor position is vacant because no one runs in the election, the position may be filled through an appointment or a contractual arrangement. Whether the township or multi-township assessor is elected, appointed, or contracted, they must meet the educational requirements that are provided in Statute.

Property Assessed by the State of Illinois

The majority of real property is assessed at the local level – by CCAOs and township or multi-township assessors. IDOR has assessment authority for specific types of real property as required by Statute.

IDOR assesses the following types of property:

- Railroad operating property
- Pollution control facilities
- Low sulfur dioxide emission coal fueled devices
- Qualifying water treatment facilities
- Waste water treatment facilities (effective 1/1/2024)

IDOR assesses these properties and certifies values to the county clerks, who include the assessments in the local tax bases. The value of state-assessed property is a small percentage of the value of all taxable property.



Determination of Market Value

Value is a complicated concept with many definitions. Most real property in Illinois must be assessed based on its value on the open market, or its "market value." This value is the amount at which a property would sell in a competitive and open market, presuming that both the buyer and seller are knowledgeable about the sale and are using sound judgment by allowing sufficient time for the sale, and the sale is not affected by undue pressures (e.g., foreclosure, bankruptcy).

One or more of the following three methods is used to determine market value:

- **Market data** — Similar, neighboring properties that have sold recently are compared to the property being assessed.
- **Cost** — The cost to reproduce (or rebuild) the property is calculated, an amount for depreciation (e.g., wear and tear, age) is subtracted, and land value is then added.
- **Income** — The present worth of the income from an income-producing property is calculated by measuring the amount, quality, and durability of the future net income the property can be expected to return to an investor.

By law, most real property is assessed at 33.33 percent of market value. There are some exceptions to this rule, however. These exceptions are commonly known as preferential assessments and will be discussed in detail later in this Study.

Reassessments

By law, each property, other than farmland, must be viewed, inspected, and revalued once every four years in all counties except for Cook County. The year of reassessment is the general reassessment year, also known as a quadrennial reassessment year. Farmland is reassessed each year. Between these general reassessments, assessors may revalue property if its value is incorrect. A county board may, by resolution, divide the county into four assessment districts. In these counties, one district is reassessed each year on a rotating basis. This is commonly known as a “quarter-quad” or a rotating quadrennial.



In Cook County, each property, other than farmland, must be viewed, inspected, and revalued once every three years. Cook County is divided into three assessment districts by statute, commonly referred to as triennial reassessments or “triads.”

Review

After the assessment process is completed, the CCAO forwards all books, papers, and information that the county board of review requests so that it can complete its duties. In counties other than Cook County, the CCAO completes assessments and delivers the assessment books to the county board of review by the third Monday in June or on or before 90 days after the books are returned. In Cook County, the county assessor delivers the books to the board of review by township in the order in which they are completed. The appeal and review process is discussed in detail later in this Study.

Equalization

Illinois statutes require that the assessed value of non-farm property equals 33.33 percent of its market value (except for Cook County). However, assessment levels may vary from the statutory 33.33 percent within an assessment jurisdiction, between assessment jurisdictions within a county, and between counties.

These differences occur for several reasons including the large number of local assessing officials who have different opinions about value, and the inherent difficulties of the assessment process (e.g., pressures to keep assessments low, lack of time and resources to do a thorough job, ministerial errors, outdated valuations, and changes in economic conditions). In Cook County, assessed values vary because of the county classification ordinance.

Assessment levels must be uniform to ensure

- equal distribution of the tax burden among taxpayers;
- fair distribution of state grants-in-aid for education, highways, and public assistance (assessed valuation is a component in the formulas used to calculate these distributions); and
- that tax rate and bonded indebtedness limitations are applied to local government taxing bodies on an equal basis.

Assessors try to maintain a uniform level of assessment within their jurisdictions by using recognized appraisal techniques to determine market values and by reassessing property on a regular basis so that market values are as accurate as possible before applying the legal level of assessments to the market values. Even so, some variation in assessment levels may exist.

A statistical process called an assessment/sales ratio study is used to find the ratio of property sale prices to their assessed values. The assessment/sales ratio study shows whether assessments within a given area actually average 33.33 percent of market value. If the results of the study indicate that assessments are either higher or lower than 33.33 percent, a blanket percentage increase or decrease, called an equalization factor or multiplier is calculated and applied to all non-farm property to bring the level of assessment to 33.33 percent. The application of this uniform percentage increase or decrease to assessed values is called equalization.

- CCAOs and county boards of review use equalization within the county only. This process is called intra-county equalization.
 - **Note:** Every county but Cook County possesses this intra-county equalization authority.
- The State of Illinois equalizes assessments between counties. This process is called inter-county equalization.

Inter-county equalization eliminates certain tax burden inequities among taxpayers who live within the boundaries of taxing districts that overlap two or more counties. It is not, however, a substitute for proper intra-county equalization by local officials.

The county clerk must multiply the final assessed value of each parcel of non-farm property, as corrected and equalized by local assessment officers or the county board of review, by the state-certified equalization factor. This new value is called the equalized assessed value. By law, there are some specific property types that are not subject to equalization, such as farm acreage, farm buildings, wind and solar energy, state-assessed properties, or coal rights, all of which are assessed using alternate, uniform assessment methods specified in Illinois statutes.

Levy, Extension, Billing, and Collections

Once the assessments are completed and certified for the year and the assessment rolls are certified to the county clerk, the extension process may begin. The Levy, Extension, Billing, and Collections portions of the property tax cycle are discussed in detail later in this Study.

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A Comparison of Illinois to Other States



Property Assessment Practices in Other States

In the majority of all states nationwide, real property assessments are primarily completed at the county level. There are a few states that assess property at the State level, but none were in the comparison groups of population or location to Illinois. Some states assign property assessments on or at a standard percentage of the market value, while others use a sales price or base assessment depending on their constitutional and legal property tax framework¹.

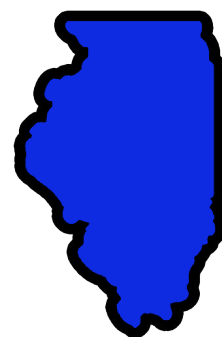
Understanding and comparing property valuation practices in neighboring states, as well as in other states with populations similar to Illinois, provides insights into Illinois' property tax system. States with populations comparable to Illinois and neighboring states were examined regarding their property valuation approaches. This study provides a high-level comparison of these states; every state also administers a variety of other taxes, such as tobacco, motor fuel, gaming, and many others. Some states also impose fees that bring in revenue to the state but are not considered to be 'taxes'.

Most states, including Illinois, provide property tax relief programs, such as homestead exemptions or credits to reduce the taxable value of the property. Incentive programs to spur economic development, such as Tax Increment Financing (TIF), payment in lieu of taxes (PILOT), and other economic opportunity programs also exist in most states¹.

Illinois

Illinois is ranked 38th overall in tax competitiveness² and 13th highest overall in state tax collections per capita³. Illinois's taxing structure is as follows⁴:

- Flat individual income tax rate of 4.95 percent.
- Top corporate income tax rate of 9.5 percent.
- Average combined state and local sales tax rate of 8.92 percent.
- Effective property tax rate of 1.83 percent on owner-occupied housing.



A comparison chart of Illinois to other states can be found in Figure 1 at the end of this Section.

Illinois has a property tax structure where county and township assessors assign a fair market value to most real property in their jurisdictions, with a few exceptions for property that is statutorily required to be assessed by IDOR. IDOR is responsible for the assessment of pollution control facilities, qualifying water treatment facilities, railroad operating property, and wastewater treatment facilities. Property taxes are collected and distributed locally as well; the State does not receive revenue from property tax. IDOR provides technical assistance, education and training classes, and certifies that assessors meet the qualifications to hold office.

Local assessing officials can apply equalization factors, and the State calculates a county-wide equalization factor and certifies this to county officials to ensure all assessments subject to equalization, on average, are at the same uniform percent of market value. IDOR also provides sales ratio studies to local assessment authorities, which compare the current sale price of the property to the prior year's assessed value to arrive at the current average level of assessment for the jurisdiction. This study can be used by local officials as a tool to help in completing their assessment duties.

Illinois offers property tax relief in the form of several homestead exemptions with varying qualifications. Economic incentives such as TIFs, payment in lieu of taxes (PILOT), and abatement programs are available, along with levy and tax rate limitations for certain taxing districts. There is also a state income tax credit available for property taxes paid on owner/occupied property.

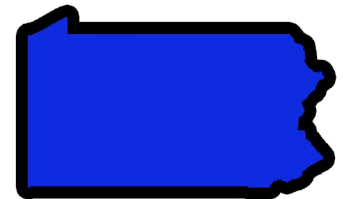
Property Tax System Comparisons – States with Similar Populations

States with populations close to Illinois, from largest to smallest comparative populations, include Pennsylvania, Ohio, Georgia, North Carolina, and Michigan, with a range of approximately 13.09 million to 10.12 million to Illinois' population of 12.72 million, according to the most recent Census. Revenue from taxes is used to fund Illinois' essential services. However, a comparison must be made of the overall tax environments in the comparison states, particularly their income and sales tax systems, to gain a full picture of the tax landscape.

Pennsylvania

Pennsylvania is ranked 36th overall in tax competitiveness² and 25th highest overall in state tax collections per capita³. Pennsylvania's taxing structure is as follows⁵:

- Flat individual income tax rate of 3.07 percent, and local jurisdictions may also impose a local income tax.
- Corporate income tax rate of 7.99 percent.
- Average combined state and local sales tax rate of 6.34 percent.
- Effective property tax rate of 1.19 percent on owner-occupied housing.



Pennsylvania's property tax system is decentralized – the State does not have oversight or administrative functions over the property tax system. Each of its 67 counties are responsible for real property assessment. Each county may set its own assessment ratios by ordinance, and these may vary by county. There are no state-level property taxes; the property taxes collected provide funding for the local taxing bodies. Counties may also determine whether to use the current year market value or to adopt a base year, and they may also decide when to perform a general reassessment. This leads to a lack of uniformity from one county to the next¹. In contrast, while most assessments are performed at the local county or township level, Illinois statutes require a standard level of assessments, standard reassessment requirements, and a defined fair cash value for the basis of assessments.

There are a number of incentives and relief programs available to taxpayers, including homestead exemptions, preferential assessments, and rebate programs. There are also economic incentive programs available such as Tax Increment Financing (TIF) programs and opportunity zones¹.

Ohio

Ohio is ranked 39th overall in tax competitiveness² and 41st highest overall in state tax collections per capita³. Ohio's taxing structure is as follows⁷:



- Graduated individual income tax rate from 2.75 percent to 3.125 percent, and local jurisdictions may also impose a local income tax.
- Does not have a corporate income tax but does levy a state gross receipts tax.
- Average combined state and local sales tax rate of 7.30 percent.
- Effective property tax rate of 1.31 percent on owner-occupied housing.

Property assessments are performed primarily by county assessment officers, known as county auditors. Reassessments are conducted every six years by visual inspection, and values may be updated to account for inflation every three years. There are two classifications for real property, but these essentially have the same assessment level. Most real property is assessed at 35 percent of its market value, and preferential assessments are available for property such as agricultural land¹. The Ohio Department of Taxation has equalization authority and ensures fairness and uniformity through its oversight¹⁹.

Tax rate limits are in place but can be overridden with voter approval; ballot initiatives are common in Ohio to increase the rate limit. Property tax credits and homestead exemptions provide property tax relief. Economic incentive programs are available, such as abatements and enterprise zones¹.

Georgia

Georgia is ranked 18th overall in tax competitiveness² and 44th highest overall in state tax collections per capita³. Georgia's taxing structure is as follows⁶:



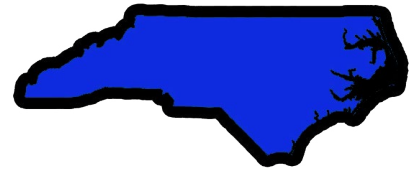
- Flat individual income tax rate of 5.19 percent.
- Corporate income tax rate of 5.39 percent.
- Average combined state and local sales tax rate of 7.44 percent.
- Effective property tax rate of 0.77 percent on owner-occupied housing.

In Georgia, property is assessed by tax assessors in each county, except for a few types of state-assessed property. The State has oversight of property assessments in that they ensure there is uniformity in the assessment practices. They have preferential assessment programs in place for certain types of property, such as agricultural land, but most property is assessed at 40 percent of its fair market value. Until 2016, Georgia imposed a statewide property tax; however, it has been phased out completely. Local governments continue to rely on property taxes to fund their operations¹.

Georgia has property tax relief programs such as homestead exemptions and assessment growth limitations allowed by their Constitution and legal framework. There are also tax rate caps in place that can only be raised by voter referendum¹.

North Carolina

North Carolina is ranked 13th overall in tax competitiveness² and 35th highest overall in state tax collections per capita³. North Carolina's taxing structure is as follows⁸:



- Flat individual income tax rate of 4.25 percent.
- Corporate income tax rate of 2.25 percent.
- Average combined state and local sales tax rate of 7.00 percent.
- Effective property tax rate of 0.62 percent on owner-occupied housing.

Property assessments are performed at the county level in North Carolina. Property reassessment must be completed at least once every eight years. A unique feature is that North Carolina does not require physical reinspection to take place when the property is reassessed. Most property is assessed based on its market value, and some preferential assessments are available. Personal property is also subject to property tax¹. The North Carolina Department of Revenue has oversight and supervision over the valuation performed by the local governments and acts as an equalization authority. The State also provides education and certification of assessment professionals¹⁸.

North Carolina imposes property tax rate limits, but these can be increased with voter approval. There are three residential property tax relief programs in place; however, taxpayers may only benefit from one of the programs. The programs include different homestead exemption options or a circuit breaker deferral program. There are also preferential assessments available for specific types of property. Economic incentives include TIF districts¹.

Michigan

Michigan is ranked 16th overall in tax competitiveness² and 34th highest overall in state tax collections per capita³. Michigan's taxing structure is as follows⁹:



- Flat individual income tax rate of 4.25 percent, and local jurisdictions may also impose a local income tax.
- Corporate income tax rate of 6.00 percent.
- State sales tax rate of 6.00 percent.
- Effective property tax rate of 1.15 percent on owner-occupied housing.

In Michigan, property is reassessed annually, and assessments are performed at the local government level. The State has oversight and equalization authority over the local assessing officers. Michigan has an assessed value, a capped value, and a taxable value. The assessed value is 50 percent of the market value, and the capped value is the prior year's taxable value multiplied by the lesser of 5 percent or the annual inflation rate. The property owner is taxed on the lesser of the assessed value or the capped value¹.

All assessing officers are required to use the official assessor's manual or other manual approved by the State Tax Commission. The manuals set the base costs for appraisal systems that are used by the local assessment officials. The State also provides certification for assessors to hold office¹⁷.

There are several property tax relief programs available, including homestead exemptions, circuit breaker programs, and preferential assessments. Payment plans are also available for those who cannot make their property tax payments in a lump sum. Economic incentives such as TIFs and incentives for commercial and industrial redevelopment are also available¹.

Property Tax System Comparisons – Regional States

Comparing Illinois' property tax system to its bordering states offers some insight into their similarities and differences. These differences arise in areas such as the types of property taxed, the percentages used for assessment, and the incentives or penalties associated with timely payment. Missouri, Kentucky, Indiana, Wisconsin, and Iowa were used as comparison states that are in the same region as Illinois. Michigan and Ohio could also be considered regional states; their information is included above because they have similar populations to Illinois.

Missouri

Missouri is ranked 12th overall in tax competitiveness² and 48th highest overall in state tax collections per capita³. Missouri's taxing structure is as follows¹⁰:

- Graduated individual income tax rate from 2.00 percent to 4.70 percent, and local jurisdictions of St. Louis and Kansas City may also impose a local income tax.
- Corporate income tax rate of 4.00 percent.
- Average combined state and local sales tax rate of 8.41 percent.
- Effective property tax rate of 0.88 percent on owner-occupied housing.



Missouri's reliance on property taxes to fund their local governments varies from county to county depending on special local taxes that may be available to the local governments. Missouri assesses a personal property tax, which comprises approximately 19 percent of the property tax base. There is also a classification system in place for real property, with varying assessment levels depending on the class of real property¹.

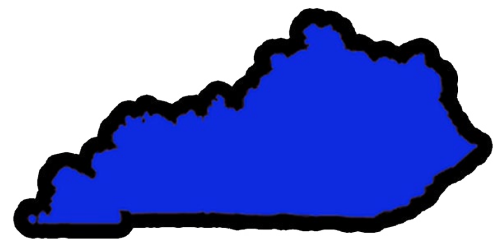
Property assessments are primarily completed by county officials. The Missouri State Tax Commission has oversight of the property assessment administration, including ensuring equitable and uniform assessments of personal property, assessment accuracy by county, and assisting local assessors to ensure assessments are fair. It also hears assessment complaints and assigns assessed values for specified types of property¹.

Missouri has property tax rate limits and levy limits that cap the amount the local government can receive from the property tax. There are limits to the growth in levies from one year to the next as well. Property tax relief programs available include homestead exemptions and circuit breaker programs. Economic incentives such as TIFs, abatements, and enterprise zones are also available¹.

Kentucky

Kentucky is ranked 25th overall in tax competitiveness² and 31st highest overall in state tax collections per capita³. Kentucky's taxing structure is as follows¹¹:

- Flat individual income tax rate of 4.00 percent, and local jurisdictions may also impose a local income tax.
- Corporate income tax rate of 5.00 percent.
- State sales tax rate of 6.00 percent.
- Effective property tax rate of 0.73 percent on owner-occupied housing.



Units of local government in Kentucky are less reliant on the property tax than in other states due to their ability to levy other types of taxes and a personal property tax for funding. Property taxes are levied by both state and local governments. Each county in Kentucky elects a property valuation administrator to complete the property assessments. This county administrator is considered a State employee, so the State essentially oversees the assessment administration¹.

Property tax rate caps are in place. Homestead exemptions offer a form of property tax relief; the State reimburses counties for tax revenue loss associated with the exemptions. Economic development programs, such as TIFs, are available¹.

Indiana

Indiana is ranked 10th overall in tax competitiveness² and 21st highest overall in state tax collections per capita³. Indiana's taxing structure is as follows¹²:

- Flat individual income tax rate of 3.00 percent, and local jurisdictions may also impose a local income tax.
- Corporate income tax rate of 4.90 percent.
- State sales tax rate of 7.00 percent.
- Effective property tax rate of 0.77 percent on owner-occupied housing.



Indiana relies less on property tax to fund local governments and schools than other states. Counties and larger townships complete the property assessment work in Indiana. Indiana considers a “market-in-use” value, which establishes the value based on the property’s current use, instead of the fair market value, when assigning an assessed value. Property is reassessed once every four years, and equalization may be applied between reassessment years when applicable¹. Indiana’s Department of Local Government Finance oversees the property tax system administration, setting regulations, guidelines, and ensuring trending takes place annually to adjust values as applicable. They also review annual sales ratio studies that are submitted by the local assessors¹⁵.

Indiana provides homestead exemptions, but some of these are slated to be phased out over the next five years. There are property tax caps and levy increase limits in place to limit the growth of the property tax, and some of these can be exceeded with voter approval. This limits the amount the property tax bill can increase from one year to the next. Economic development programs such as TIFs and abatement programs are available¹.

Wisconsin

Wisconsin is ranked 21st overall in tax competitiveness² and 29th highest overall in state tax collections per capita³. Wisconsin’s taxing structure is as follows¹³:

- Graduated individual income tax rate from 3.50 percent to 7.65 percent.
- Corporate income tax rate of 7.90 percent.
- Average combined state and local sales tax rate of 5.72 percent.
- Effective property tax rate of 1.25 percent on owner-occupied housing.



Wisconsin's Constitution contains a uniformity clause that, only with specific exception, requires real property to be taxed uniformly. Preferential assessments of property such as that used for agricultural purposes are available through State law. Most real property assessments are completed by local government or county assessors, and reassessment must take place on an annual basis to determine the fair market value. The Wisconsin Department of Revenue has oversight and monitors local assessments¹.

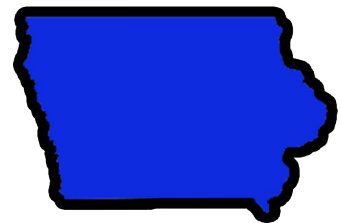
Property tax remains a key funding source for local governments in Wisconsin. Every year, the Wisconsin legislature determines the amount by which revenue limits can rise. There is also an alternative method in place for determining school funding, and the state aid formula has an impact on their property tax levy requests. There are limits in place on the increases in the property tax levies¹.

Property tax relief is available in the form of homestead exemptions, an income tax credit, and a limited circuit breaker program. Additional programs for relief are funded by the State. Wisconsin does use TIFs for economic incentive, but other property tax-related incentive programs are very limited¹.

Iowa

Iowa is ranked 9th overall in tax competitiveness² and 28th highest overall in state tax collections per capita³. Iowa's taxing structure is as follows¹⁴:

- Flat individual income tax rate of 3.80 percent, and local jurisdictions may also impose a local income tax.
- Graduated corporate income tax rate from 5.50 percent to 7.10 percent.
- Average combined state and local sales tax rate of 6.94 percent.
- Effective property tax rate of 1.23 percent on owner-occupied housing.



Property assessments are completed at the local level in Iowa. There is a classification system in place with varying assessment levels in place by class of property. Non-exempt property must be reassessed every two years¹. The Iowa Department of Revenue has general supervision of the administration of property tax laws, determining uniformity and acting as an equalization authority. The Department also determines annual assessment limitations, provides technical support for local assessment officials, and provides educational programs¹⁶.

Iowa has several relief programs in place, including homestead exemptions, tax bill credits, and circuit breaker programs. Incentive programs such as TIF, abatement, and economic development incentives are available. Property tax levy and rate limits are in place for most taxing districts¹.

State Tax Structure Comparison

State	Tax Competitiveness Ranking	Collections Per Capita Ranking	Individual Income Tax	Corporate Income Tax	Average Sales Tax Rate	Effective Property Tax Rate
Illinois	38th	13th highest	Flat rate of 4.95%	Top rate of 9.5%	8.92% - both state and local	1.83%
Pennsylvania	36th	25th highest	Flat rate of 3.07%, may have a local income tax	7.99%	6.34% - both state and local	1.19%
Ohio	39th	41st highest	Graduated rate of 2.75% to 3.125%, may have a local income tax	None, but has a gross receipts tax	7.30% - both state and local	1.31%
Georgia	18th	44th highest	Flat rate of 5.19%	5.39%	7.44% - both state and local	0.77%
North Carolina	13th	35th highest	Flat rate of 4.25%	2.25%	7.00% - both state and local	0.62%
Michigan	16th	34th highest	Flat rate of 4.25%, may have a local income tax	6.00%	6.00% - state only	1.15%
Missouri	12th	48th highest	Graduated rate of 2.00% to 4.70%, may have a local income tax	4.00%	8.41% - both state and local	0.88%
Kentucky	25th	31st highest	Flat rate of 4.00%, may have a local income tax	5.00%	6.00% - state only	0.73%
Indiana	10th	21st highest	Flat rate of 3.00%, may have a local income tax	4.90%	7.00% - state only	.077%
Wisconsin	21st	29th highest	Graduated rate of 3.50% to 7.65%	7.90%	5.72% - both state and local	1.25%
Iowa	9th	28th highest	Flat rate of 3.80%, may have a local income tax	Graduated rate of 5.50% to 7.10%	6.94% - both state and local	1.23%

Figure 1.

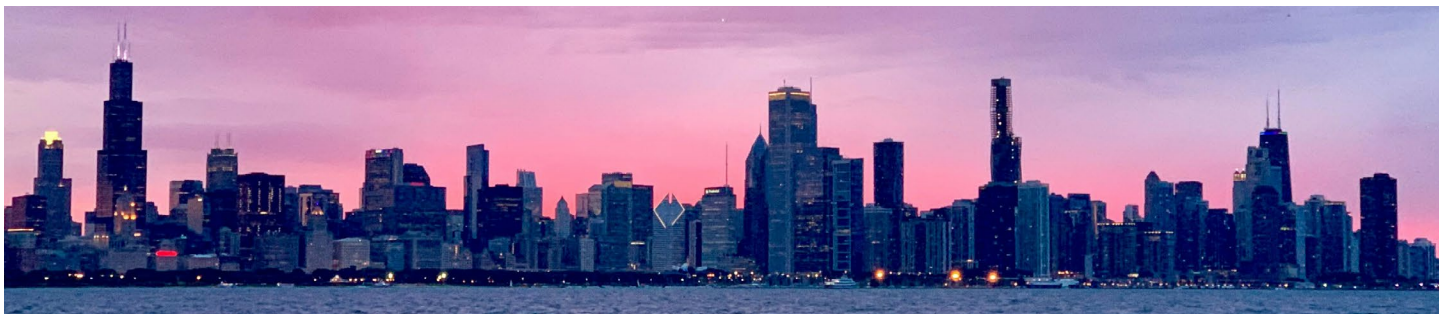
Figure 1 compares the tax competitiveness ranking, the state tax collections per capita ranking, the Individual Income Tax structure and rate, the Corporate Income Tax structure and rate, the average Sales Tax rate and whether the Sales Tax is a state or a combination of state and local sales taxes, and the effective property tax rate for owner-occupied housing.

Resources

- ¹ State-by-State Property Tax at a Glance – Lincoln Institute of Land Policy
https://app.lincolninst.edu/sites/default/files/ptaag_full_2025.pdf
- ² 2026 State Tax Competitiveness Index – Tax Foundation
<https://taxfoundation.org/research/all/state/2026-state-tax-competitiveness-index/>
- ³ State Tax Collections Per Capita – Tax Foundation
<https://taxfoundation.org/data/all/state/2025-state-tax-data/>
- ⁴ Taxes in Illinois – Tax Foundation
<https://taxfoundation.org/location/illinois/>
- ⁵ Taxes in Pennsylvania – Tax Foundation
<https://taxfoundation.org/location/pennsylvania/>
- ⁶ Taxes in Georgia – Tax Foundation
<https://taxfoundation.org/location/georgia/>
- ⁷ Taxes in Ohio – Tax Foundation
<https://taxfoundation.org/location/ohio/>
- ⁸ Taxes in North Carolina – Tax Foundation
<https://taxfoundation.org/location/north-carolina/>
- ⁹ Taxes in Michigan – Tax Foundation
<https://taxfoundation.org/location/michigan/>
- ¹⁰ Taxes in Missouri – Tax Foundation
<https://taxfoundation.org/location/missouri/>
- ¹¹ Taxes in Kentucky – Tax Foundation
<https://taxfoundation.org/location/kentucky/>
- ¹² Taxes in Indiana – Tax Foundation
<https://taxfoundation.org/location/indiana/>
- ¹³ Taxes in Wisconsin – Tax Foundation
<https://taxfoundation.org/location/wisconsin/>
- ¹⁴ Taxes in Iowa – Tax Foundation
<https://taxfoundation.org/location/iowa/>
- ¹⁵ Citizen's Guide to Property Taxes – Indiana Department of Local Government Finance
<https://www.in.gov/dlgf/understanding-your-tax-bill/citizens-guide-to-property-tax/>
- ¹⁶ Iowa Property Tax Overview – Iowa Department of Revenue
<https://revenue.iowa.gov/taxes/tax-guidance/property-tax/iowa-property-tax-overview>
- ¹⁷ State Tax Commission - Michigan Department of Treasury
<https://www.michigan.gov/en/treasury/local/stc>
- ¹⁸ About North Carolina's Property Tax System – North Carolina Department of Revenue
<https://www.ncdor.gov/taxes-forms/property-tax/property-tax-division>
- ¹⁹ Real Property – Ohio Department of taxation
<https://tax.ohio.gov/government/real-state/real-property>



Cook County Classification System



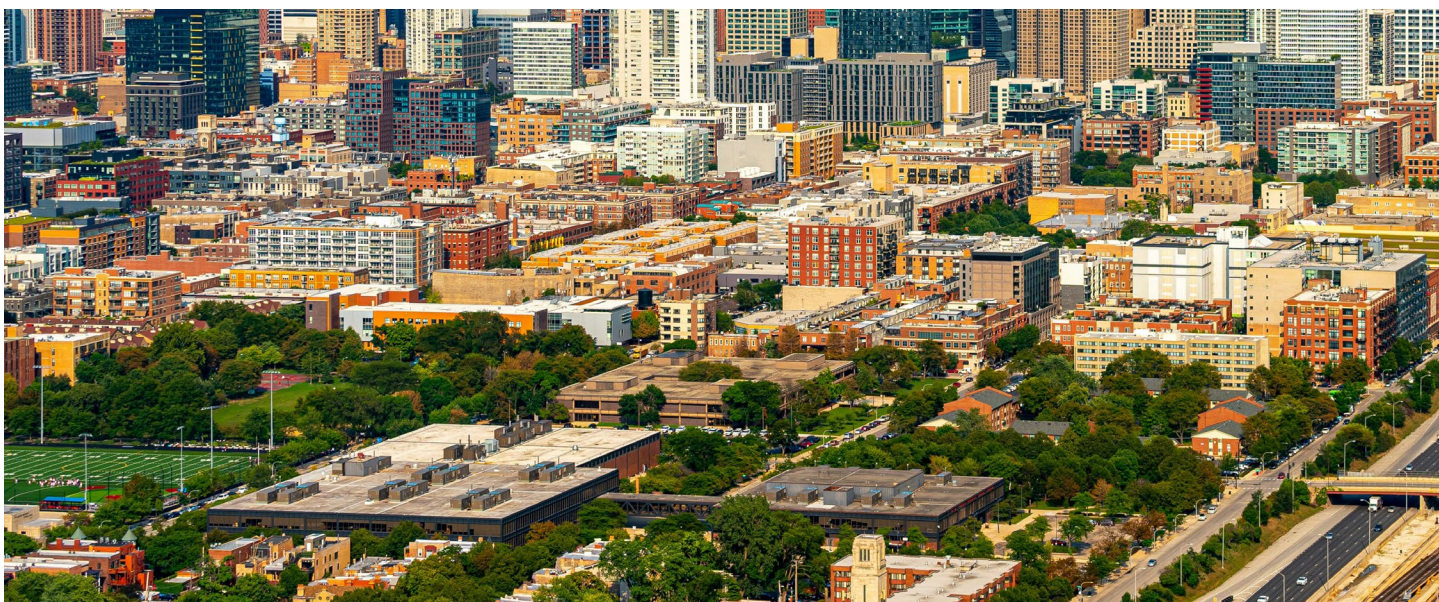
Overview

Under Article IX of the 1970 Illinois Constitution, counties with a population of 200,000 or more may elect to use a classification system for property tax. Classification allows for weighting the property tax burden differently across different classes of property. Classification can be accomplished by applying different tax rates to property classes, or by applying different assessment ratios. Classification through a variety of methodologies is common throughout the United States.

Illinois is one of two states, along with New York, in which property tax structures differ substantially across the state. Only Cook County, which includes the City of Chicago, utilizes classification in which different property uses are assigned different assessment ratios. All other counties in Illinois assess property at a uniform level of assessment for all real property classifications.

Cook County has 13 different classes of property. Assessment ratios range from 10 percent to 25 percent depending on the classification of the property¹.

Commercial and industrial properties not qualifying for incentives are assessed at a higher percentage of market value. Elsewhere in Illinois, all property is assessed uniformly. All real property, except tracts of land under conservation management and other types of property that qualify for a preferential assessment, is assessed at 33.33 percent of market value. In counties other than Cook, property other than farmland is reassessed every four years. Cook County assesses all non-farm property every three years. All Illinois farmland is reassessed annually.



Cook County Classification Chart¹

Major Class	Description	Assessment Ratio
Class 0	Exempt and railroad ⁱ	n/a
Class 1	Vacant land	10%
Class 2	Single family dwellings, co-ops, apartment buildings 6 or fewer units, certain commercial buildings with residential usage, farm buildings	10%
Class 3	Multi-family buildings with 7 or more units	10%
Class 4	Real estate owned by a not-for-profit, used for not-for-profit purposes	20%
Class 5a	Commercial real estate	25%
Class 5b	Industrial real estate	25%
Class 6b	Industrial incentive	10%-20% ⁱⁱ
Class 7a-c	Commercial incentive classes	10%-20% ⁱⁱ
Class 8	Commercial/industrial incentive	10%-20% ⁱⁱ
Class 9	Multi-family residential real estate incentive	10% ⁱⁱⁱ
Class C	Commercial/Industrial Remediation Incentive	10%-20% ⁱⁱ

ⁱ Railroad operating property is assessed by the Illinois Department of Revenue at a ratio of 33.33%

ⁱⁱ Each incentive class begins with a 10% level of assessment; incentives have variable renewability and periods before assessments levels increase.

ⁱⁱⁱ Assessed at 10% of the market value for up to 10 years.

Figure 1.

Figure 1 displays the various assessment classes in use in Cook County and their corresponding level of assessment.

From the 2024 Cook County Abstract, market value and parcel count break down across the following levels of assessment was reported as follows.

Level of Assessment	Total Market Value	Total Assessed Value	Parcel Count
Assessed at 0%	\$0	0	98,311
Assessed at 10%	\$574,148,033,930	\$57,414,803,393	1,671,351
Assessed at 20%	\$601,863,935	\$120,372,787	450
Assessed at 25%	\$103,813,755,956	\$25,953,438,989	93,160

Figure 2.

Figure 2 provides a summary of the total market value, assessed value, and parcel count for each of the classification assessment levels. This data was reported on the 2024 Cook County Abstract of Assessments.

Cook County Current AV by Level of Assessment

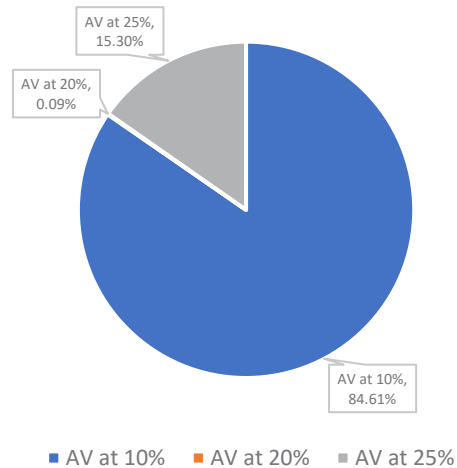


Figure 3.

Figure 3 charts the total assessed value by level of assessment in Cook County. This data was reported on the 2024 Cook County Abstract of Assessments.

Cook County Parcel Count by Level of Assessment

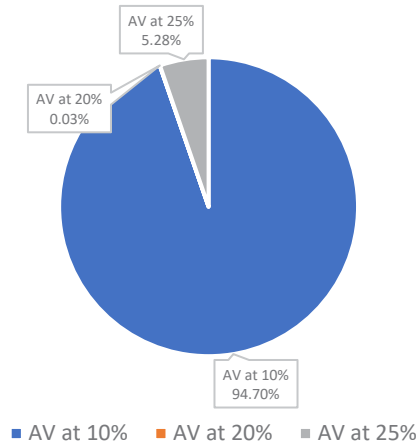
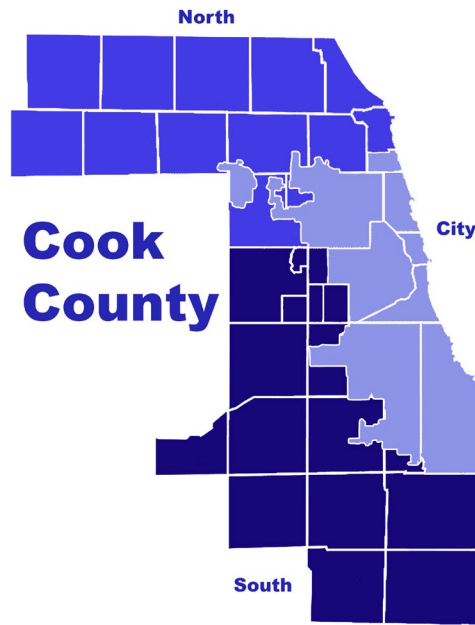


Figure 4.

Figure 4 charts the total parcel count by level of assessment in Cook County. This data was reported on the 2024 Cook County Abstract of Assessments.

The Cook County's Assessor's Office is responsible for valuing the more than 1.8 million parcels in Cook County. Illinois law requires that the estimated property value and assessed valuation of all real property be periodically updated for property tax purposes.

Cook County is divided into three reassessment areas, also known as triads - the northern suburbs, southern suburbs, and the City of Chicago. Each of these areas is valued once every three years. Furthermore, Cook County is divided into 36 townships. Residential properties are assessed as of January 1 of the current year, using three to five years of prior sales information. Using multiple sale years increases the stability of market value estimates².



Cook County (and all other counties in Illinois) uses a mass appraisal system to produce property values. Instead of appraising property one-by-one, mass appraisal looks to the real estate market to detect local trends in property values based on location and characteristics. Those trends are used to estimate the fair market value of each property based on its location and characteristics. Mass appraisal is a way to put fairness and efficiency into the assessment system².

Classification and its Impact on Equalization

Equalization is the application of a uniform percentage increase or decrease to assessed values of various areas or classes of property to bring assessment levels, on average, to a uniform level of the market value. A sales ratio study is used to compare the selling price of properties to their most recent assessed value, which determines each property's sales ratio. The median ratio in the study, and variation from that median, are used to measure the accuracy of assessments for that group. A factor can be applied to adjust all values higher or lower as indicated by the median value's accuracy. Section 9-210 of the Property Tax Code (35 ILCS 200/9-210) provides that CCAOs can apply intra-county equalization factors in counties other than Cook. They may calculate adjustment factors for neighbourhoods, townships, or types of property within their jurisdiction. Counties with populations of over 3,000,000 are excluded from applying local equalization.

Section 17-5 of the Property Tax Code (35 ILCS 200/17-5) names IDOR as the inter-county equalization authority. IDOR conducts annual sales ratio studies for all counties in Illinois and provides an equalization factor when required to bring each county's median level of assessments to the statutory level. In counties where property is uniformly assessed, any state multiplier is applied to all assessments to bring the median level of assessment to 33.33 percent.

The Property Tax Code provides local assessment jurisdictions with the ability to apply equalization factors to ensure fair and equitable assessments for 101 counties. However, the current Statutes exclude Cook County from applying local equalization. Rather, the sales ratio study is used as a reference indicator to assist with local reassessment programs. Since Cook County cannot apply equalization factors at the local level, Cook County must rely on reassessment to keep assessments current with changing property values.

Classification and its Impact on Commercial and Industrial Property

Across Illinois, except in Cook County, real estate is assessed at 33.33 percent of fair market value. This “assessed value” provides the tax base upon which property taxes are calculated. Cook County, in contrast, assesses residential properties at 10 percent of market value and assesses commercial and industrial properties at 25 percent.

Applying an assessment rate that is 2.5 times higher for commercial and industrial properties shifts the property tax burden disproportionately to the business community relative to residents. According to an analysis of data submitted on the annual abstract of assessments, residential property accounts for 79 percent of the property value in Cook County. However, these properties account for just 60 percent of the property taxes paid. Equalizing assessment rates could reduce commercial and industrial property tax rates by approximately 47 percent while increasing residential rates by approximately 30 percent. This shift has significant implications for all property owners in the county.

When considering the impact of the classification system in Cook County, the effect on industry must be considered. The higher assessment rate will tend to discourage investment in commercial & industrial real property in the county, since the property will be more expensive to own going forward. This higher tax burden would also be passed onto tenants leasing commercial space through increased rent and fees. While many businesses obviously remain due to the available infrastructure, large customer base, and amenities of a large metropolitan area, the higher costs of ownership will tend to push some business out of the county. This can have spillover effects, such as higher vacancy rates and reduced commercial/industrial property values throughout the county. The Building Owners and Managers Association of Chicago (BOMA/Chicago) argues that the property tax system in Chicago has further impacted the commercial landscape post-COVID-19, increasing vacancy and cost³. BOMA argues that shifting tax burdens onto businesses decreases the County’s tax base and deters potential investment, causing several points of revenue loss³. This analysis highlights potential concerns associated with this stratified system of assessment for businesses and investors.



While the higher assessment rate imposes costs on businesses, this is likely partially offset by systematic undervaluation of commercial and industrial property. One independent assessment regarding Cook County’s commercial valuation system found several prevalent issues with the assessment system, noting that “commercial property values were statistically significantly under-valued with respect to market value in the South Triad and the North Triad... [T]his constitutes a system-wide issue with valuing properties ...”⁴. One key factor is businesses’ greater collective incentive, willingness, and ability to successfully appeal assessments.

Impacts on residential property in Cook County are the reverse, with residents (and renters) paying less than they would if all property owners were assessed at a uniform level of assessment. This effect is more pronounced in local taxing districts with a prominent presence of commercial and industrial properties and muted in those suburban areas with less of a business presence⁵. But while the degree of the shift may vary across communities, Cook County assessment practices will tend to reduce home ownership costs and encourage investment in residential property.

Cook County’s practice of assessing commercial industry at a ratio 2.5 times higher than residential property does shift property tax burdens disproportionately on the business community. This could drive commercial industrial property taxes up by as much as 47 percent while decreasing residential rates by roughly 30 percent, though the actual shift may be less than that due to valuation practices. Regardless of the actual degree of cost-shifting, it should be remembered that this is essentially a zero-sum game. Absent significant reductions in expenditures by taxing bodies, any reduction in commercial and industrial property tax liability (and its associated economic benefits in attraction and retention of commercial & industrial taxpayers) will be offset by a corresponding increase in residential property tax liability (with associated economic costs to individuals, families and owners of residential property).

Assessment Changes through the Cook County Board of Review

The following chart represents data captured from the Cook County Abstracts of Assessments from 2014 through 2023, to track the annual change in assessed values between the Cook County Assessor and the Cook County Board of Review.

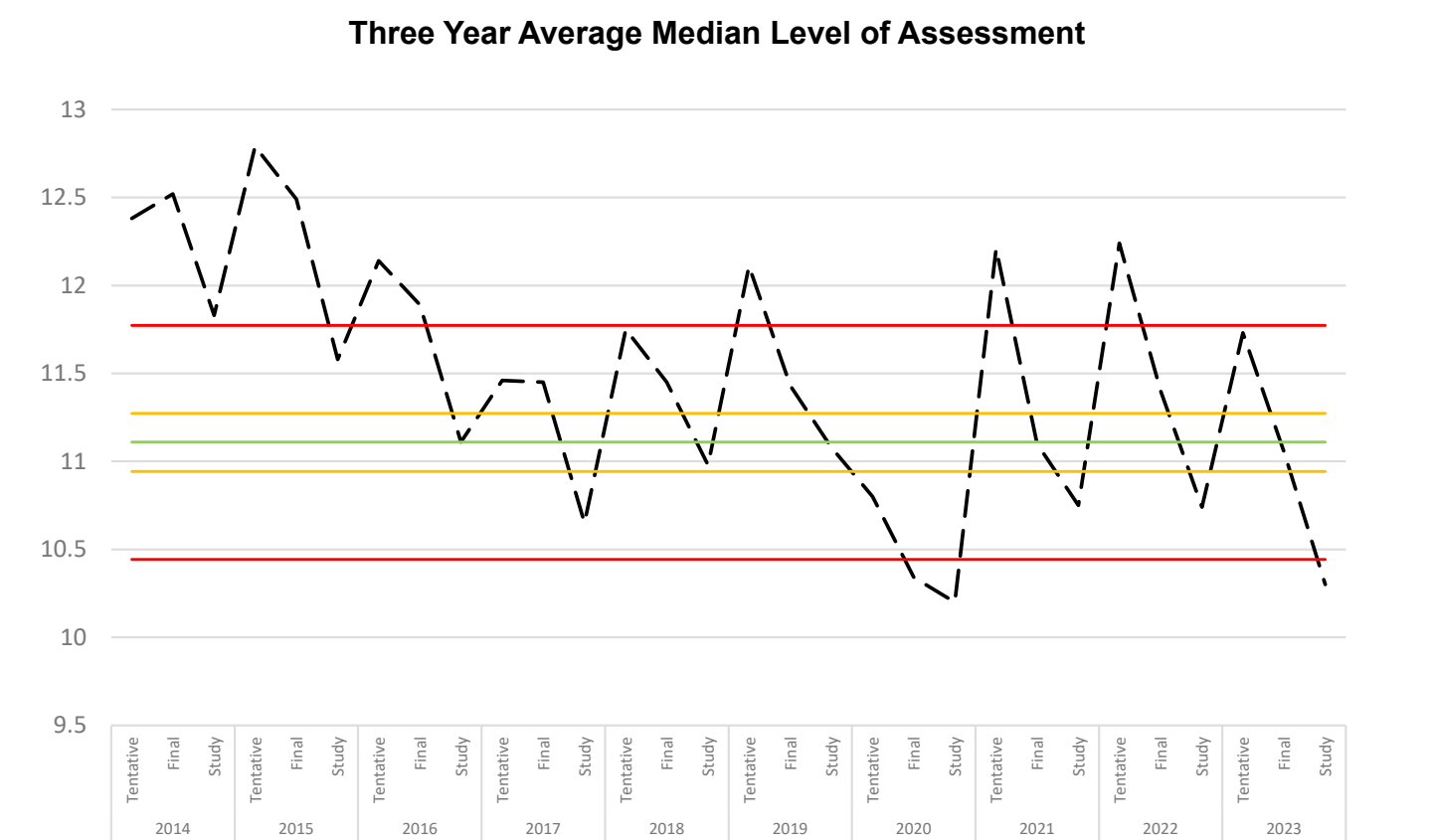


Figure 5. *Figure 5 charts the difference in the median level of assessment in Cook County between the three stages of the tentative abstract of assessments, which is filed when the assessor closes their books for the assessment year, the final abstract of assessments, which is filed after the Board of Review has completed their work for the assessment year, and the sales ratio study, which is performed by IDOR.*

As illustrated in the “*Three Year Average Median Level of Assessment*” chart, the level of assessment varies drastically each year between the assessed values provided by the CCAO and the Board of Review. The tolerance ranges are benchmarks that are equivalent to the 31.33 percent through 35.33 percent level of assessment in all other counties. The ideal level of 11.11 percent reflects the ideal level of assessment, equivalent to 33.33 percent in all other counties.

It should be noted that this unique distinction of classification for Cook County often leads to confusion over the difference of the statewide multiplier. From the graph above, the most desirable Weighted Level of Assessment for Cook County, based on their classification, is 11.11 percent. That differs from the remaining 101 counties in Illinois, whose non-farm level of assessments is most desirable at 33.33 percent. Since the weighted level of assessments shows a disparity magnitude of three, the outcome for the Cook County state multiplier would be 3.0000 while the rest of Illinois counties strive for a state multiplier of 1.0000.

Once the abstract reports are received and the Cook County multipliers are calculated, a certification is provided to Cook County.

Impact of Classification on Tax Bills

Based on the review of the current Cook County classification system, there would be implications if the classifications in use today were to be phased out. Many online discussions, studies, and insights have approached the subject with great caution. To determine the future impact, it is important to remember from the above classification citation that the Residential Property level of assessment within Cook County is currently 10 percent of the estimated fair market value, while Commercial and Industrial Property has a level of assessment of 25 percent of estimated fair market value. If these levels were mathematically equalized to 33.33 percent, to reach a level of assessment consistent with the non-farm property throughout the rest of the State, residential property would effectively require a 233 percent increase, while commercial and industrial property would simultaneously require a 33.32 percent increase. That magnitude of difference would drastically shift a significant tax burden from Cook County commercial and industrial property to Cook County residential property.

Residential property market value: \$500,000

-	Current Estimated Tax Bill Under Classification	Potential Estimated Tax Bill Without Classification
Assessed Value	\$50,000 at 10% of MV	\$166,650
State Multiplier	3.0163	1.0000
EAV	\$150,815	\$166,650
2023 Estimated Tax Rate	7.4760%	11.8400%*
2023 Estimated Tax Bill	\$11,275	\$19,731

*Using simple formula calculations based on current calculated levy amounts.

Figure 6.

Figure 6 demonstrates what a typical tax bill calculation would be for a residential property both with and without the classification system in use.

Commercial property market value: \$500,000

-	Current Estimated Tax Bill Under Classification	Potential Estimated Tax Bill Without Classification
Assessed Value	\$125,000 at 25% of MV	\$166,650
State Multiplier	3.0163	1.0000
EAV	\$377,038	\$166,650
2023 Estimated Tax Rate	7.4760%	11.8400%*
2023 Estimated Tax Bill	\$28,187	\$19,731

*Using simple formula calculations based on current calculated levy amounts.

Figure 7.

Figure 7 demonstrates what a typical tax bill calculation would be for a commercial property both with and without the classification system in use.

As illustrated above, based on the simplified calculations, commercial property would see a decrease in the amount of taxes billed while residential property would see an increase in the amount of taxes billed if classification were to be phased out.

Comparing Tax Rates Across Classes

Tax rates for property taxes are often discussed in terms of the composite rate, or the sum of the rates of the taxing funds applied to a property; the rate that the taxpayer sees on their bill. Because not all properties are assessed at the same level in Cook County, to compare the property tax rates across different classes, it is useful to look to the effective tax rate. The effective tax rate is calculated by dividing the property taxes by the full market value of the property.

The Civic Federation studied effective tax rates for the period of 2013 to 2022 and found that effective tax rates for residential property reviewed in Cook County decreased, except for Chicago, which increased by 2.2 percent over the study period. Overall, effective tax rates decreased during their study period, suggesting that property value increased at a faster rate than property tax⁶.



The Civic Federation publishes an estimate of effective tax rates for select tax codes in northeastern Illinois⁷.

2022 Median Effective Rate, Cook and Collar Counties

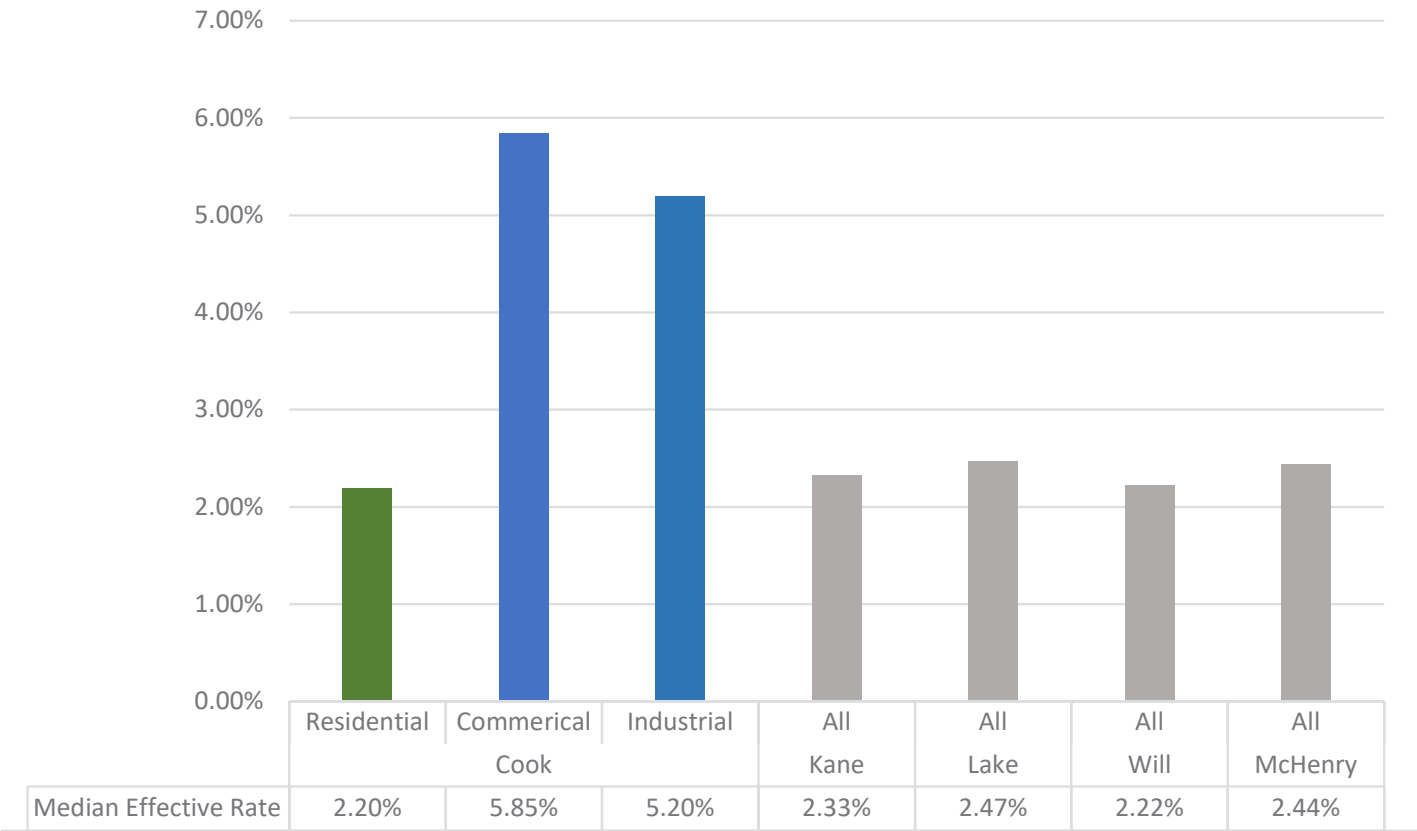


Figure 8.
Figure 8 displays effective tax rates by class in Cook County and countywide for a sampling of neighboring counties. Table data from Estimated Effective Property Tax rates 2013-22: Selected Municipalities in Northeastern Illinois published by the Civic Federation. October 1, 2024. Data is from selected municipalities.

References

- ¹ Cook County Assessor's Website
https://prodassets.cookcountyassessoril.gov/s3fspublic/form_documents/Class_codes_definitions_12.16.24.pdf
- ² Cook County Assessor's Website
Citation: <https://www.cookcountyassessoril.gov/how-properties-are-valued>
- ³ Building Owners and Managers Association of Chicago website
<https://www.bomachicago.org/assets/pdf/BOMA+Chicago+Cook+County+Property+Tax+Reform+Submission+Material/>
- ⁴ Cook County Website
https://www.cookcountyil.gov/sites/g/files/ymwepo161/files/documents/2024-12/12.11.2024%20-%20%20Commercial%20Valuation%20Cook%20County%20Study.pdf?utm_medium=email&utm_source=govdelivery
- ⁵ Cook County Website
https://www.cookcountyil.gov/sites/g/files/ymwepo161/files/documents/2024-12/12.11.2024%20-%20%20Commercial%20Valuation%20Cook%20County%20Study.pdf?utm_medium=email&utm_source=govdelivery
- ⁶ The Civic Federation. The Illinois Property Tax Extension Process: A Primer.
<https://civicfed.org/propertytaxextensionprocessprimer>
- ⁷ The Civic Federation. Estimated Effective Property Tax Rates 2013–2022. October 2024.



Real Estate Transfer Tax



35 ILCS 200/31 et seq. and 86 Ill Adm. Code Part 120

Real Estate Transfer Tax History

The Real Estate Transfer Tax is imposed on the privilege of transferring title to real estate located in Illinois, on the privilege of transferring a beneficial interest in real property located in Illinois, and on the privilege of transferring a controlling interest in a real estate entity owning property located in Illinois. If the transferring document states that the real estate, beneficial interest, or controlling interest is transferred subject to a mortgage, the amount of the mortgage remaining outstanding at the time of transfer is not included in the basis of computing the tax.

The tax is due if the transfer is made by one or more related transactions or involves one or more persons or entities regardless of whether a document is recorded. Some transactions are exempt from the transfer tax. Examples of reasons for the exemption include the transfer of deeds relating to property acquired by, from, or between any governmental body; deeds or trust documents without consideration that are filed to confirm, correct, modify, or supplement a deed or trust document previously recorded; and deeds issued to a holder of a mortgage pursuant to a foreclosure proceeding or pursuant to a transfer in lieu of foreclosure. A complete list of the exemptions can be found in 35 ILCS 200/31-45 of the Property Tax Code.

Payment of the Real Estate Transfer Tax is evidenced by revenue stamps in the amount required to show full payment of the transfer tax. The revenue stamps must be affixed to the deed, a document transferring a controlling interest in real property, or a trust document by the recorder or register of titles. As of January 1, 2026, recorders and registers of titles must issue Revenue stamps using electronic stamps.

At the time a deed, a document transferring a controlling interest in real property, or a trust document is presented for recordation, or within three business days after the transfer is effected, whichever is earlier, there must be a transfer declaration presented to the recorder. The declaration must contain all the required information and meet the signature requirements outlined in 35 ILCS 200/31-25 of the Property Tax Code.

The recorder or register of titles inserts the Document Number assigned to the deed or trust document on the declaration. Within 30 days of receipt of the declaration, the recorder or register of titles must transmit the declaration to the CCAO. The CCAO must insert the most recent assessed value on the declaration for each parcel of the transferred property. Within 30 days of receipt of the declaration or within 30 days of the adjournment of the board of review for the previous assessment year, whichever is later, the declarations must be transmitted to the Illinois Department of Revenue (IDOR).

History of Real Estate Transfer Tax Rates

The rate of the Transfer Tax has changed over the years. Below is the history of the rate changes.

- Prior to January 1, 1968, all stamps were Federal, and the rate was \$0.55 cents per \$500 of net consideration subject to the transfer tax.
- Starting January 1, 1968, stamps were \$0.50 cents per \$500 of net consideration subject to the transfer tax, all paid to the State of Illinois.
- Starting May 17, 1979, stamps were \$0.50 cents per \$500 of net consideration subject to the transfer tax, broken down to \$0.25 cents paid to the State of Illinois and \$0.25 cents paid to the county.
- Starting September 15, 1989, stamps are now \$0.75 cents per \$500 of net consideration subject to the transfer tax, broken down to \$0.50 cents paid to the State of Illinois and \$0.25 cents paid to the county.

In addition, local transfer taxes can be imposed by Home Rule municipalities. Home rule municipalities must obtain voter approval to impose the Real Estate Transfer Tax. The transfer taxes are typically based on the property's value (or sales price), and the rates vary amongst the municipalities.

Deposit of Funds

The State Real Estate Transfer Tax Revenue is deposited as follows.

- Beginning on June 6, 2002, and through June 30, 2003, 50 percent of the tax collections were deposited into the Illinois Affordable Housing Trust Fund, 20 percent were deposited into the Open Space Lands Acquisition and Development Fund, five percent were deposited into the Natural Areas Acquisition Fund, and 25 percent were deposited into the General Revenue Fund.
- Beginning on July 1, 2003, and through June 30, 2025, 50 percent of the tax collections were deposited into the Illinois Affordable Housing Trust Fund, 35 percent were deposited into the Open Space Lands Acquisition and Development Fund and 15 percent were deposited into the Natural Areas Acquisition Fund.
- Beginning July 1, 2025, the first \$300,000 in tax collections is deposited into the Governor's Administrative Fund each fiscal year. After all required deposits into the Governor's Administrative Fund have been made, the remainder of the tax collections is deposited as follows: 50 percent into the Illinois Affordable Housing Trust Fund; 35 percent into the Open Space Lands Acquisition and Development Fund; and 15 percent into the Natural Areas Acquisition Fund.

MyDec

IDOR provides a free online program for Real Property Transfer Tax Declarations, called MyDec. The program allows individuals, law firms, and settlement agencies (e.g., title companies and closing agents) to sign up for an account that will allow them to create, submit, review, accept and close transfer declarations online. They also can track the status of, and make corrections to, a declaration during the recording process.



MyDec allows transfer declaration preparers to submit the following forms.

- State of Illinois Forms PTAX 203, 203-A, and 203-B
- Cook County Real Property Transfer Tax Declaration Form
- City of Chicago Real Property Transfer Tax Declaration Form



MyDec allows county recorder's offices to process real property transfer tax declarations, including authorizing and printing electronic stamps. County recorder's offices can review and verify declarations, authorize and print real estate transfer tax stamps for the exact dollar amount of each transaction, track and record the transactions, and run reports on the declarations in their jurisdiction.

Payment for the State portion of the real estate transfer tax stamps issued through MyDec are made monthly to IDOR via ACH Credit or ACH Debit. All county recorders were required to implement MyDec for the purchase of real estate transfer stamps by December 31, 2025. Counties have the ability to mandate the use of MyDec for the creation and submission of all declarations.

IDOR has also developed a webservice that allows counties to continue to use their current recording software programs. IDOR has provided detailed specifications to software providers, so that their recording software products can be modified to communicate with MyDec.

The Assessor Access module in MyDec allows the CCAOs to data enter paper PTAX-203s in MyDec. Assessment officials can also append their assessment information for both paper and MyDec declarations (in counties whose Recorder interfaces with MyDec) electronically. The paper declarations must still be sent to IDOR.

The MyDec website allows users to search for Illinois Real Estate Transfer Declarations (Forms PTAX-203, PTAX-203-A, PTAX-203-B), as well as Cook County and City of Chicago Real Estate Transfer Declarations. The searches can be performed on the MyDec website without logging into a MyDec account.

MyDec data files include the information from every recorded Real Estate Transfer Declaration submitted through IDOR's online MyDec system. As of June 2025, the MyDec data files have been migrated to the Illinois Open Data portal at data.illinois.gov. The data sets contain all records from 2013 to present and are updated weekly. Data sets on this portal can be filtered and can be downloaded, either in full or after being filtered, in various file formats.



Statistics

MyDec Declarations Added by Year

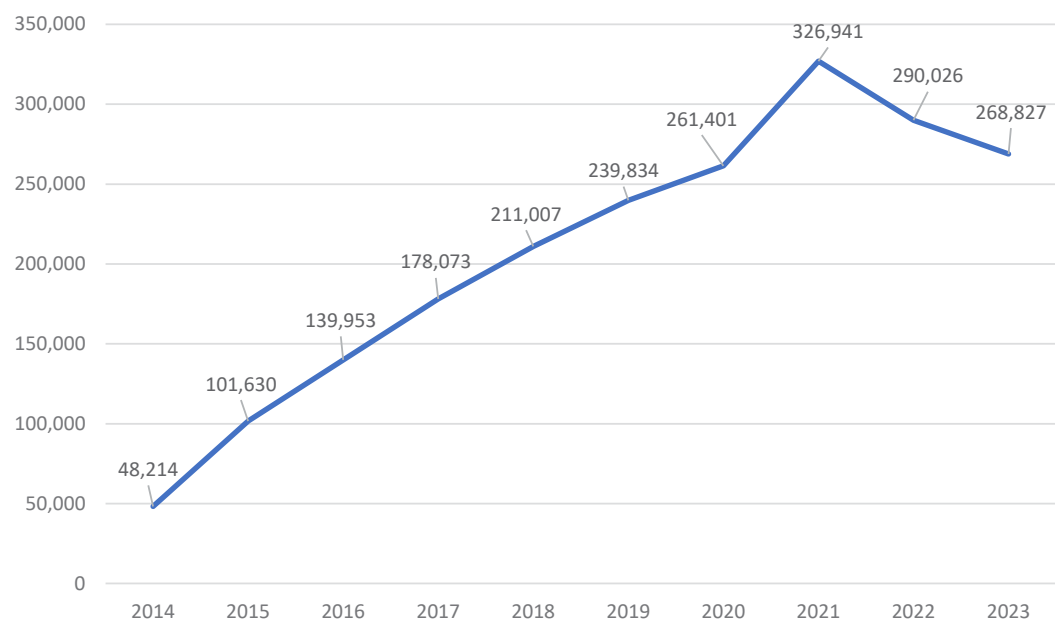


Figure 1.
Figure 1 shows the number of real estate transfer declarations added by year for all counties throughout the history of the MyDec program. Note: MyDec was implemented mid-year in June 2014 in Cook County only, so 2014 figures are for a partial year only.

Counties Implementing MyDec

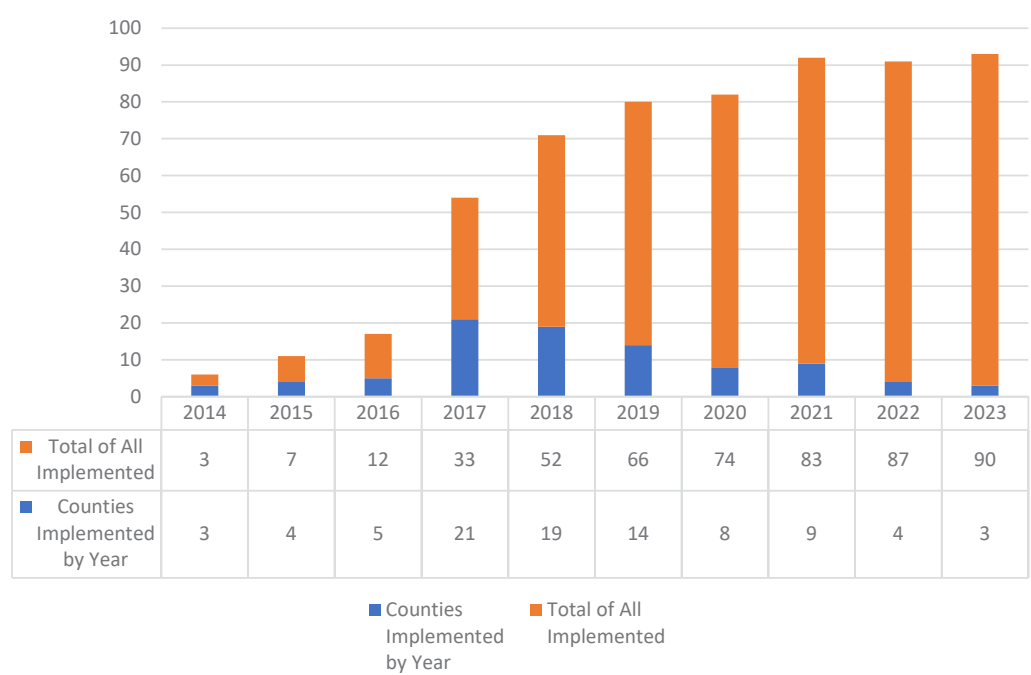


Figure 2.
Figure 2 shows the number of counties implementing MyDec year to year for the timeframe covered in this Study along with a running total implemented by the end of the calendar year.



Homestead Exemptions



35 ILCS 200/15 et. Seq.

Overview of Homestead Exemptions

Homestead exemptions are one method that provides property tax relief to homeowners across the state. The qualifications for each exemption are set by the requirements in the Illinois Compiled Statutes. Homestead exemptions generally apply to owner-occupied residential property. Some additional considerations are made for certain leasehold properties, and exceptions are made for some exemptions when a qualifying property owner becomes a resident of a licensed nursing home or life care facility.

Homestead exemptions are administered and approved or denied at the local level. Property owners work with their local township assessor's office CCAO to provide the appropriate applications and documentations to determine qualification for the homestead exemption(s) for which they may qualify.

The following is a summary of each homestead exemption available. Charts are included that show the total amount of EAV that is removed from the tax base due to the application of the homestead exemption and the average dollar amount of the exemption where relevant. The years represented are 2014 through 2023, the most recent complete data available. The statistical data is reported to IDOR by county officials; IDOR does not warrant the accuracy of the data reported by the county officials. The charts should be considered illustrative in nature.

General Homestead Exemption

35 ILCS 200/15-175

Description and Qualifications

The General Homestead Exemption is an annual exemption that is available for residential property that is occupied by its owner as their principal dwelling place, or that is a leasehold interest on which a single family residence is situated, which is occupied as a residence by a person who has an ownership interest therein, legal or equitable or as a lessee, and on which the person is liable for the payment of property taxes.



The owner of the property must have occupied the residence on January 1 of the assessment year. Only one General Homestead Exemption can be received per parcel. Married couples living separately must split the exemption between the two properties.

Exemption Amount

The amount of exemption is the increase in the current year's EAV, above the 1977 EAV, up to a maximum of \$10,000 in Cook County, \$8,000 in counties contiguous to Cook County, and \$6,000 in all other counties.

The exemption amount has changed over the years. A detailed historical maximum exemption amount is summarized below for the timeframe covered under this Study.

- Through assessment year 2011, the maximum exemption amount was \$6,000 for all counties.
- For assessment years 2012 through 2016, the maximum exemption amount was as follows:
 - Cook County increased to \$7,000.
 - All other counties remained at \$6,000.
- For assessment years 2017 through 2022, the maximum exemption amount was as follows:
 - Cook County increased to \$10,000.
 - All other counties remained at \$6,000.
- For assessment years 2023 and thereafter, the maximum exemption amount is as follows:
 - Cook County remained at \$10,000.
 - The collar counties increased to \$8,000.
 - All other counties remained at \$6,000.

Application Process

A formal application is not required by statute to receive the General Homestead Exemption unless it is required by the county. If the county requires an application, they will set the deadline.

General Homestead Exemption - Statewide

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	3,118,799	\$19,502,721,856	\$6,253
2015	3,101,755	\$19,397,703,112	\$6,254
2016	3,105,492	\$19,448,597,449	\$6,263
2017	3,084,118	\$22,407,029,622	\$7,265
2018	3,068,874	\$22,298,820,919	\$7,266
2019	3,090,391	\$22,424,040,978	\$7,256
2020	3,082,481	\$22,344,569,390	\$7,249
2021	3,090,506	\$22,435,288,567	\$7,259
2022	3,078,608	\$22,317,521,468	\$7,249
2023	3,061,473	\$24,131,722,260	\$7,882

Figure 1.

Figure 1 shows the total number of General Homestead Exemptions, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property.

General Homestead EAV - Statewide

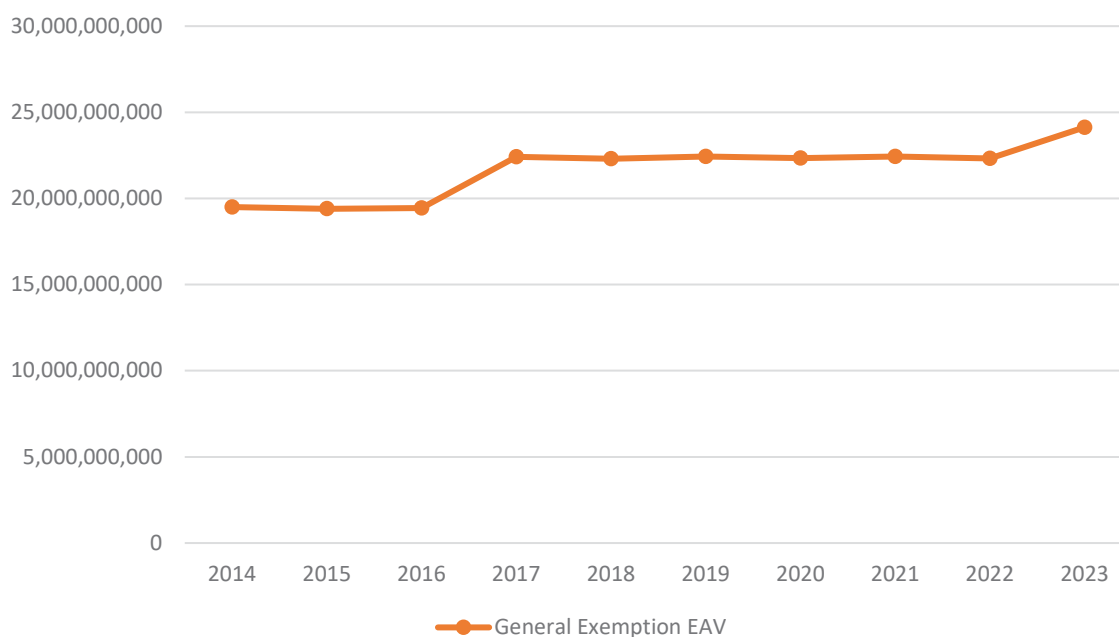


Figure 2.

Figure 2 charts the overall amount of EAV attributable to the General Homestead Exemption statewide.

General Homestead EAV - Cook County

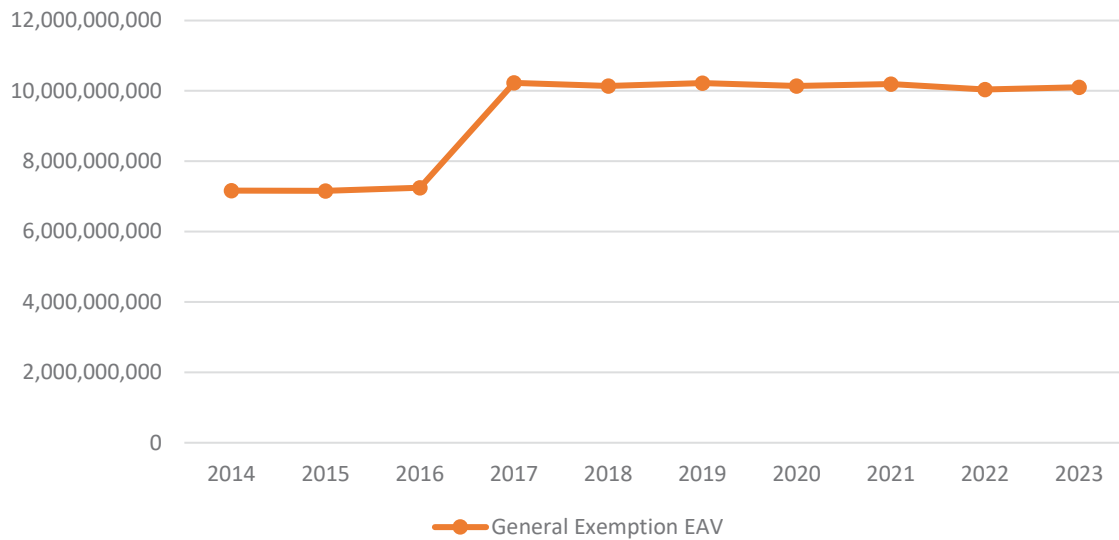


Figure 3.

Figure 3 charts the overall amount of EAV attributable to the General Homestead Exemption for qualifying property located in Cook County.

General Homestead EAV - Collar Counties

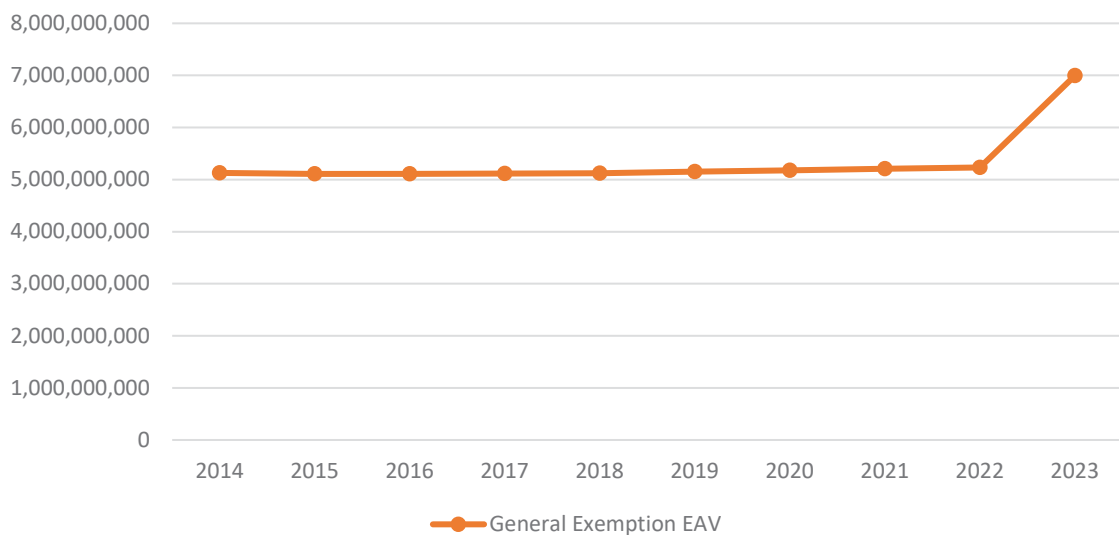


Figure 4.

Figure 4 charts the overall amount of EAV attributable to the General Homestead Exemption for qualifying property located in the collar counties.

General Homestead EAV - Rest of State

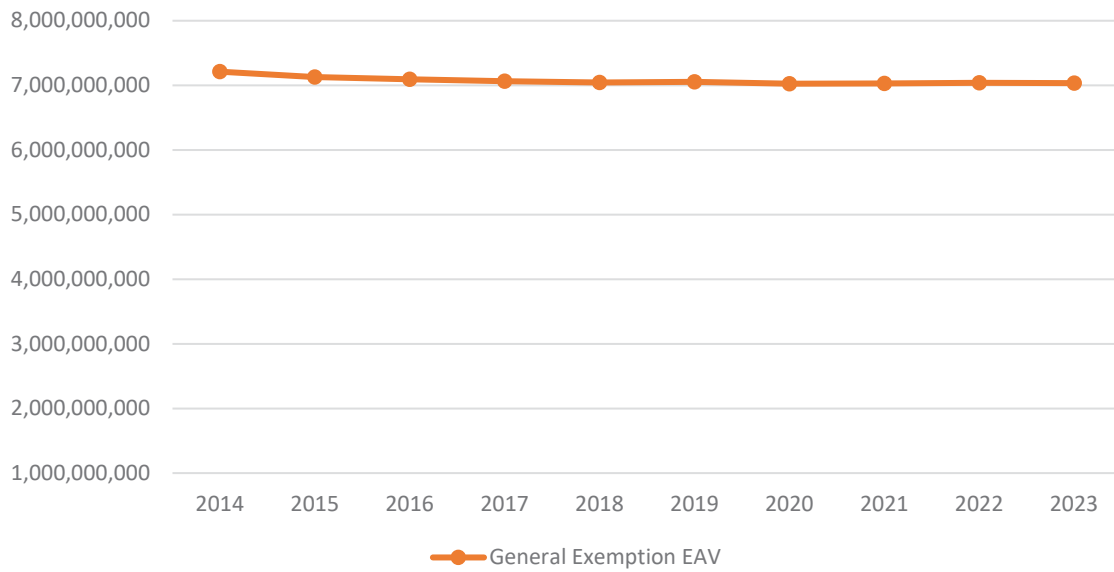


Figure 5.

Figure 5 charts the overall amount of EAV attributable to the General Homestead Exemption for qualifying property located in all counties except for Cook County and the collar counties.

General Homestead EAV Average Amount by Region

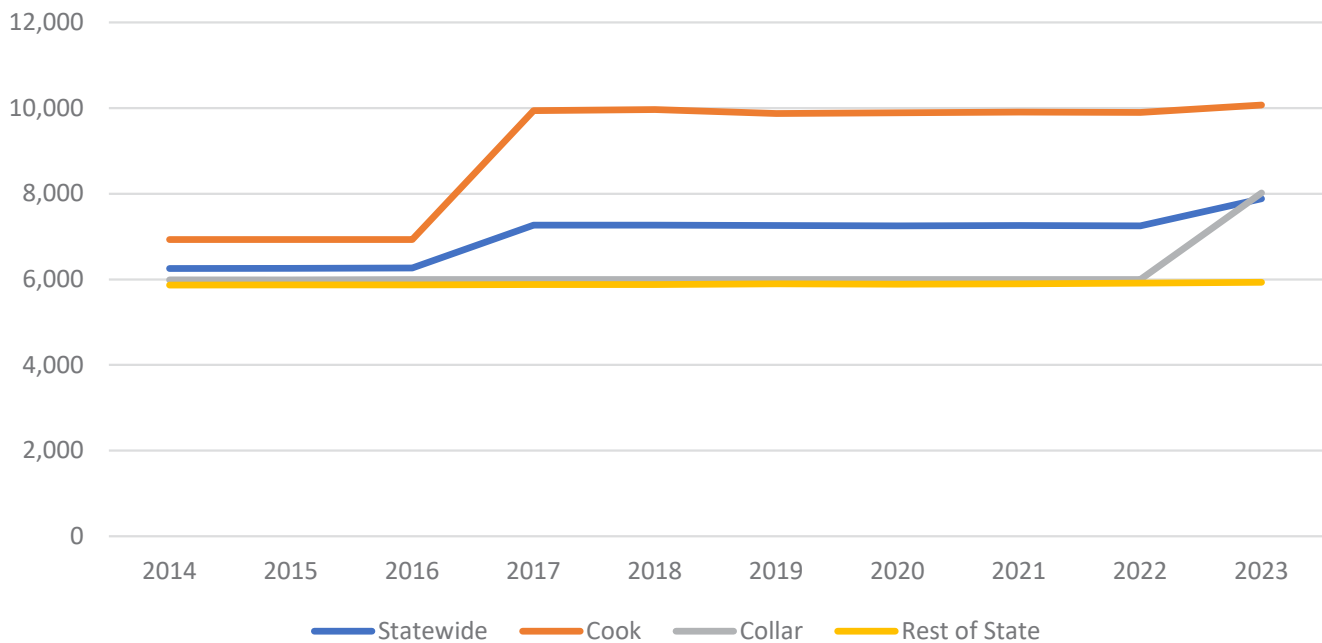


Figure 6.

Figure 6 charts the average amount of EAV attributable to the General Homestead Exemption per qualifying property.

Senior Citizens Homestead Exemption

35 ILCS 200/15-170

Description and Qualifications

The Senior Citizens Homestead Exemption is an annual exemption that is available for property that is occupied as a residence by a person 65 years of age or older. The applicant must be liable for paying real estate taxes on the property and be an owner of record of the property or have a legal or equitable interest in the property. A person who becomes 65 years of age or older during the current assessment year is eligible to apply for this exemption during that assessment year. This exemption may be prorated from the date of occupancy for property first occupied as a residence after January 1 of the assessment year.



If an exemption is granted and the person qualifying subsequently becomes a resident of a facility licensed under the Assisted Living and Shared Housing Act, the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, the ID/DD Community Care Act, or the MC/DD Act, the exemption shall continue so long as the residence continues to be occupied by the qualifying person's spouse if the spouse is 65 years of age or older, or if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

Exemption Amount

The maximum amount of the reduction in EAV is \$8,000 in Cook County and counties contiguous to Cook County and \$5,000 in all other counties.

The exemption amount has changed over the years. A detailed historical maximum exemption amount is summarized below for the timeframe covered under this Study.

- For assessment year 2012, the maximum exemption amount was as follows:
 - Cook County increased to \$5,000.
 - All other counties remained at \$4,000.
- For assessment years 2013 through 2016, the maximum exemption amount was as follows:
 - Cook County remained at \$5,000.
 - All other counties increased to \$5,000.
- For assessment years 2017 through 2022, the maximum exemption amount was as follows:
 - Cook County increased to \$8,000.
 - All other counties remained at \$5,000.
- For assessment years 2023 and thereafter, the maximum exemption amount is as follows:
 - Cook County remained at \$8,000.
 - The collar counties increased to \$8,000.
 - All other counties remain at \$5,000.

Application Process

Annual application filing requirements vary by county; some counties require an initial Application for Senior Citizens Homestead Exemption, or a Certificate of Status Form for Senior Citizens Homestead Exemption (annual renewal application) to be filed with the CCAO.

Statistical Data

Senior Citizens Homestead Exemption - Statewide

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	791,698	\$3,891,103,774	\$4,915
2015	806,381	\$3,974,435,860	\$4,929
2016	823,341	\$4,061,249,646	\$4,933
2017	846,531	\$4,979,650,539	\$5,882
2018	866,557	\$5,103,204,350	\$5,889
2019	915,154	\$5,453,771,585	\$5,959
2020	915,918	\$5,448,931,319	\$5,949
2021	942,316	\$5,622,613,873	\$5,967
2022	962,490	\$5,732,102,465	\$5,955
2023	983,773	\$6,649,837,452	\$6,760

Figure 7.

Figure 7 shows the total number of Senior Citizens Homestead Exemptions, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property.

Senior Citizens EAV - Statewide

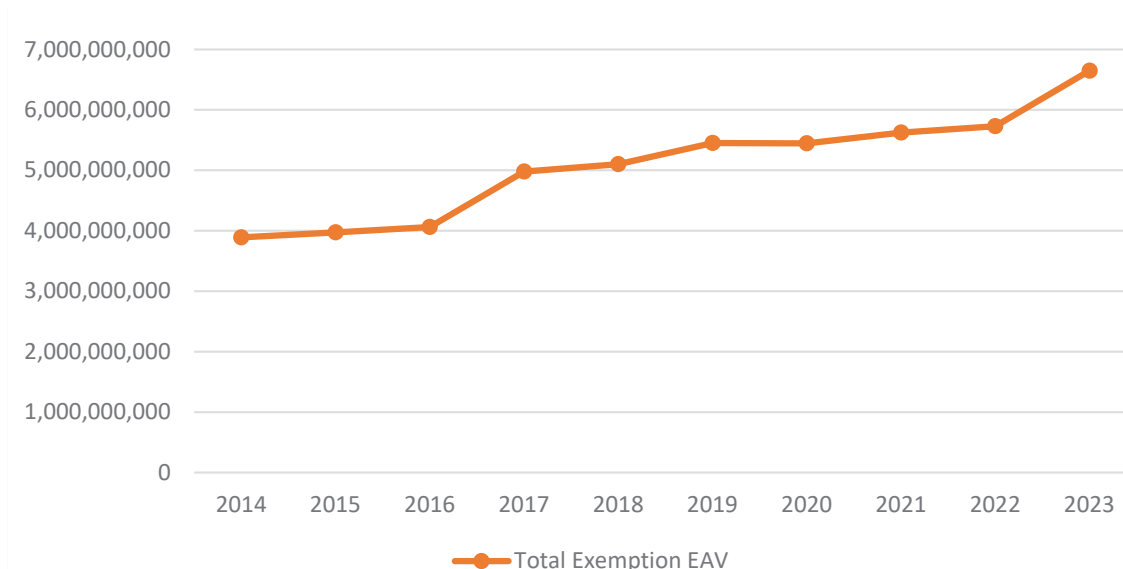


Figure 8.

Figure 8 charts the overall amount of EAV attributable to the Senior Citizens Homestead Exemption statewide.

Senior Citizens EAV - Cook County

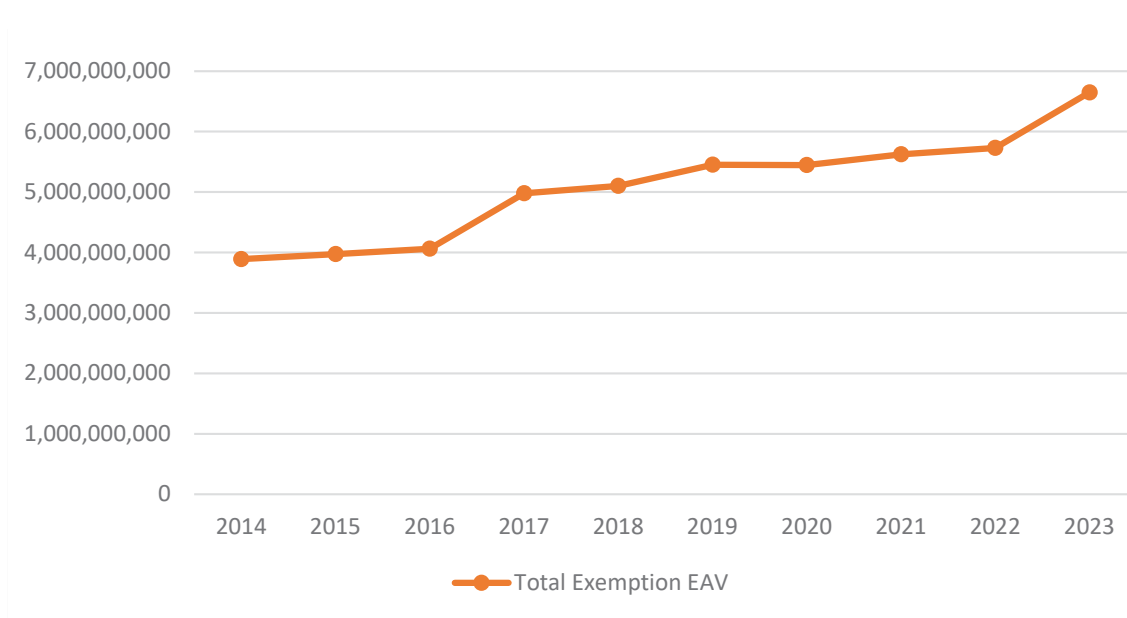


Figure 9.

Figure 9 charts the overall amount of EAV attributable to the Senior Citizens Homestead Exemption for qualifying property located in Cook County.

Senior Citizens EAV - Collar Counties

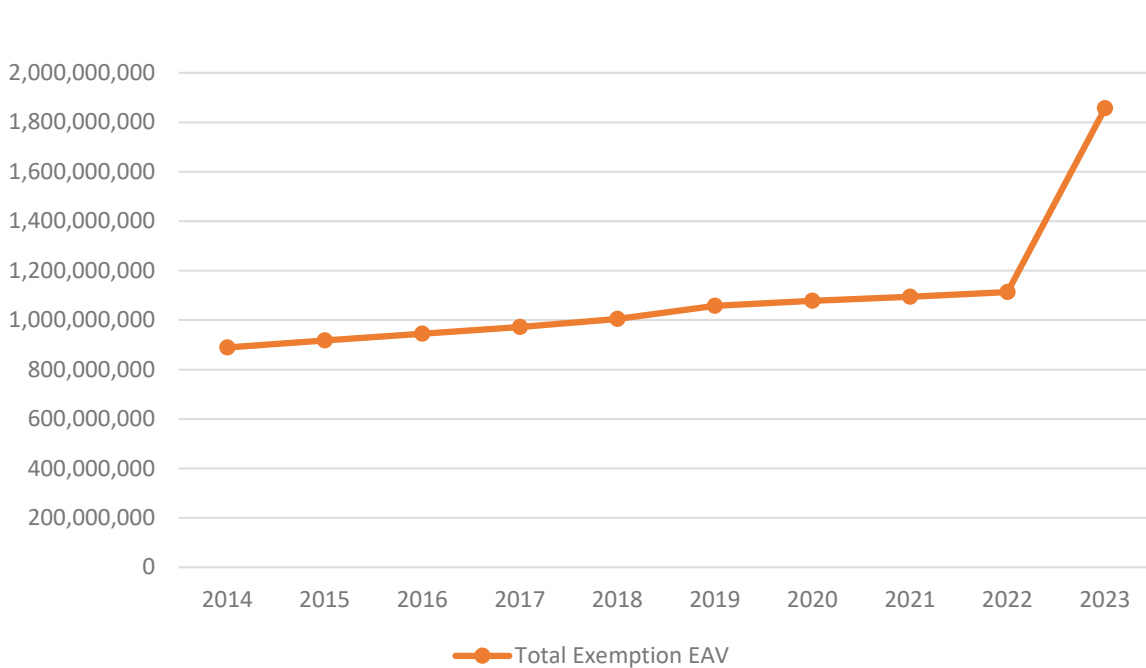


Figure 10.

Figure 10 charts the overall amount of EAV attributable to the Senior Citizens Homestead Exemption for qualifying property located in the collar counties.

Senior Citizens EAV - Rest of State

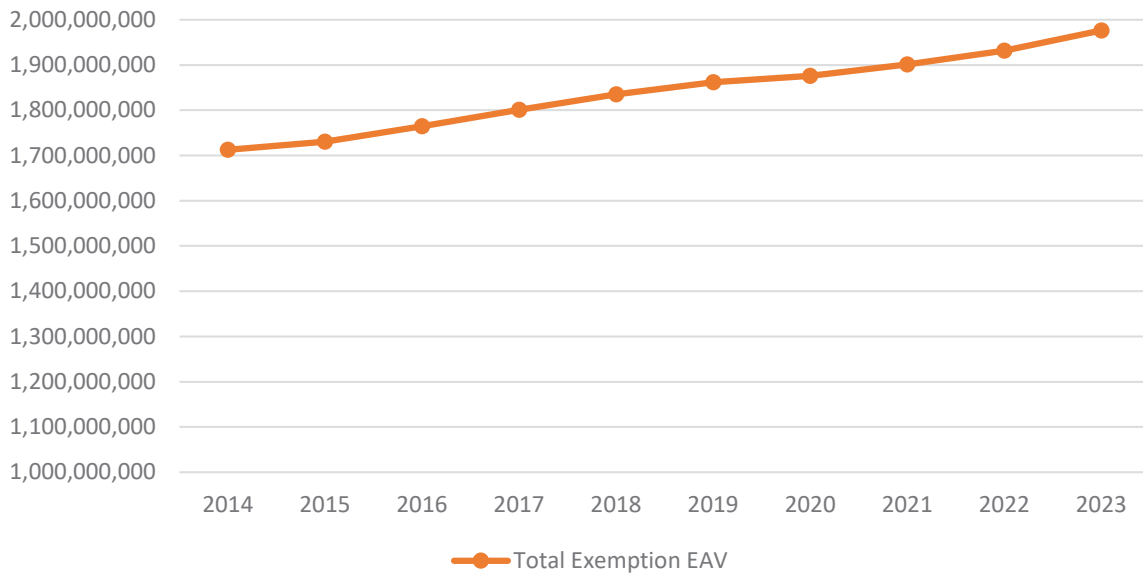


Figure 11.

Figure 11 charts the overall amount of EAV attributable to the Senior Citizens Homestead Exemption for qualifying property located in all counties except for Cook County and the collar counties.

Senior Citizens EAV Average Amount by Region

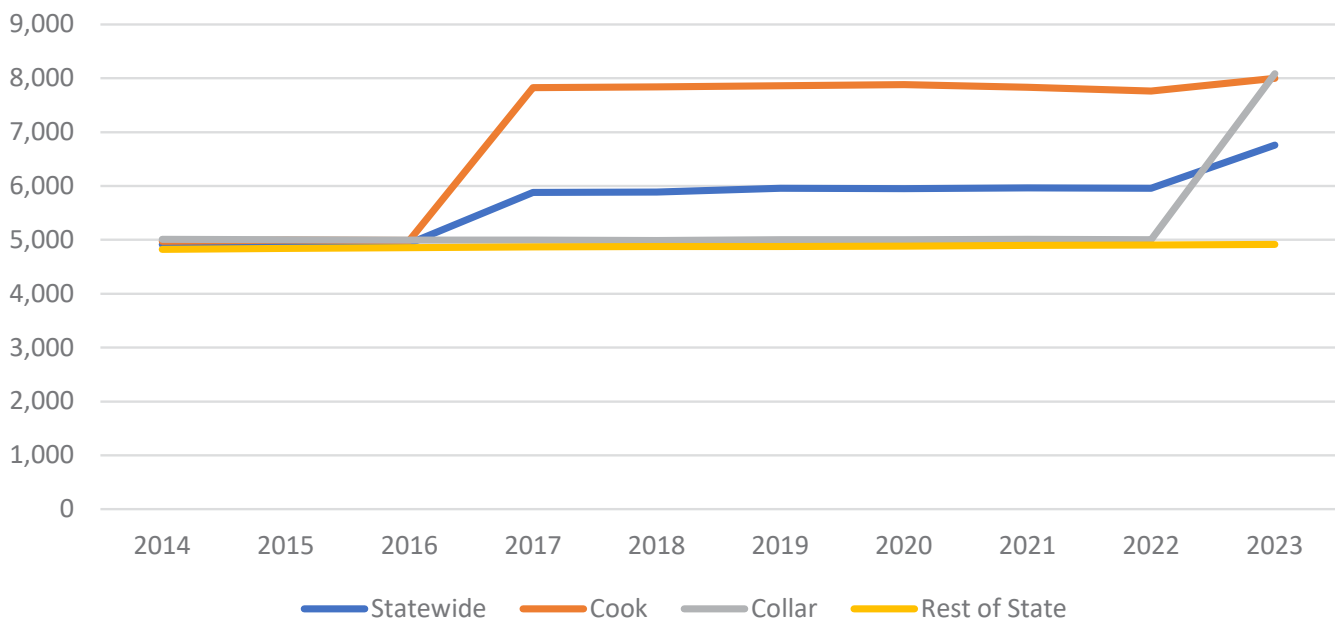


Figure 12.

Figure 12 charts the average amount of EAV attributable to the Senior Citizens Homestead Exemption per qualifying property. **Note:** The amount of the Senior Citizens Homestead Exemption increased in Cook County and the collar counties, as demonstrated above, while the rest of the state maintained a consistent exemption amount.

Low-income Senior Citizens Assessment Freeze Homestead Exemption

35 ILCS 200/15-172

Description and Qualifications

The Low-income Senior Citizens Assessment Freeze Homestead Exemption (SCAFHE) is available for persons who are 65 years of age or older during the assessment year, meet the qualifying total household income threshold, owned and occupied the residence on January 1 of the current and prior assessment year, and is liable for the payment of property taxes. If a spouse passes away, the surviving spouse may lose this exemption the year after the spouse's death unless the surviving spouse meets the requirements for the SCAFHE.



If an exemption is granted and the person qualifying subsequently becomes a resident of a facility licensed under the Assisted Living and Shared Housing Act, the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, the ID/DD Community Care Act, or the MC/DD Act, the exemption shall continue so long as the residence continues to be occupied by the qualifying person's spouse, or if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption.

The annual income limit has changed over the years. A detailed historical maximum income amount is summarized below for the timeframe covered under this Study.

- For assessment years 2008 through 2016, the annual income limit was \$55,000 for all counties.
- For assessment year 2017, the annual income limit was as follows:
 - For Cook County, the limit was increased to \$65,000.
 - All other counties remained at \$55,000.
- For assessment year 2018 through 2025, the annual income limit was as follows:
 - Cook County remained at \$65,000.
 - For all other counties, the limit was increased to \$65,000.
- Note: Beginning with assessment year 2026 for all counties, the income limit was raised to \$75,000. This will increase to \$77,000 in assessment year 2027, and \$79,000 in assessment year 2028.

Exemption Amount

This exemption “freezes” the property’s taxable value the year that the property owner qualifies for the exemption. The property’s EAV does not increase as long as the property owner qualifies for the exemption. **However, the tax bill may still increase** if any tax rates are increased or if improvements are added that increase the value of the property. Construction of additional residential real property will be assessed when completed and added to the freeze base. Additional residences or commercial property located on the parcel do not qualify to be included in the freeze base.

Application Process

An annual application is required to be filed with the CCAO. As an alternative to the income verification, a qualifying owner enrolled in the Aid to the Aged, Blind or Disabled (AABD) program or Supplemental Nutrition Assistance Program (SNAP) through the Department of Human Services; the Low-income Home Energy Assistance Program (LIHEAP) through the Department of Commerce and Economic Opportunity; the Benefit Access Program through the Department on Aging; or the Senior Citizens Real Estate Deferral Program to be considered as having met the income limits set forth for this exemption, provided that they provide the benefit letters showing they qualified for one of the above programs.

Statistical Data

Senior Citizens Assessment Freeze Homestead Exemption - Statewide

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	258,799	\$2,424,069,424	\$9,367
2015	266,868	\$2,484,198,569	\$9,309
2016	312,694	\$3,137,127,583	\$10,033
2017	338,223	\$3,883,664,608	\$11,483
2018	369,169	\$4,191,306,332	\$11,353
2019	349,732	\$4,476,714,082	\$12,800
2020	355,822	\$4,701,689,457	\$13,214
2021	370,351	\$5,099,924,028	\$13,771
2022	308,077	\$4,386,128,251	\$14,237
2023	307,130	\$5,449,403,070	\$17,743

Figure 13.

Figure 13 shows the total number of Senior Citizens Assessment Freeze Homestead Exemptions, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property.

Senior Citizens Assessment Freeze EAV - Statewide

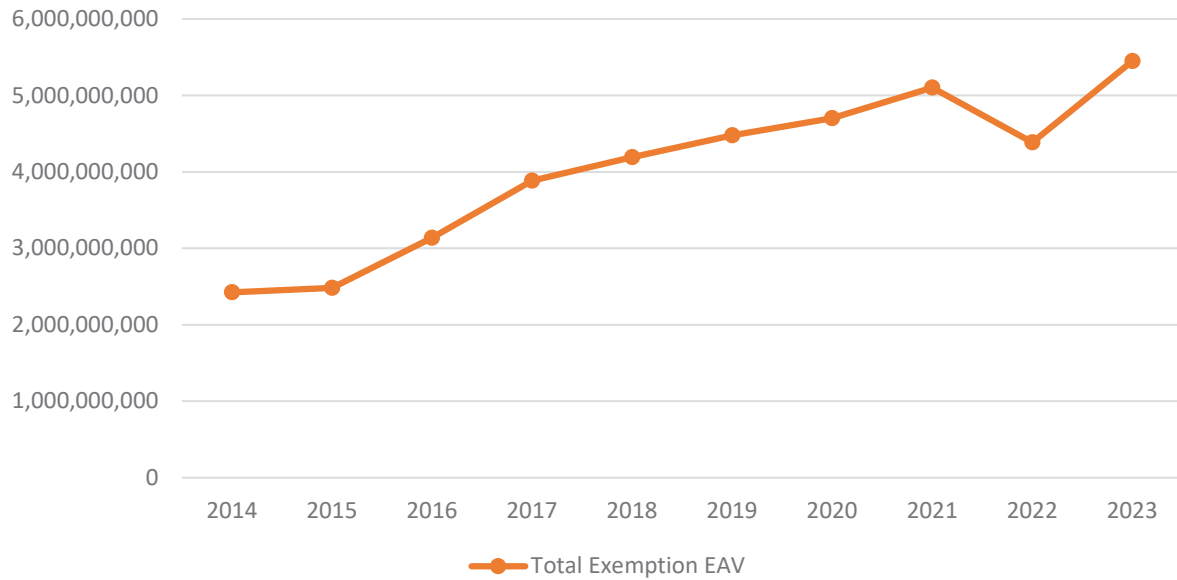


Figure 14.

Figure 14 charts the overall amount of EAV attributable to the Senior Citizens Assessment Freeze Homestead Exemption statewide.

Senior Citizens Assessment Freeze EAV - Cook County

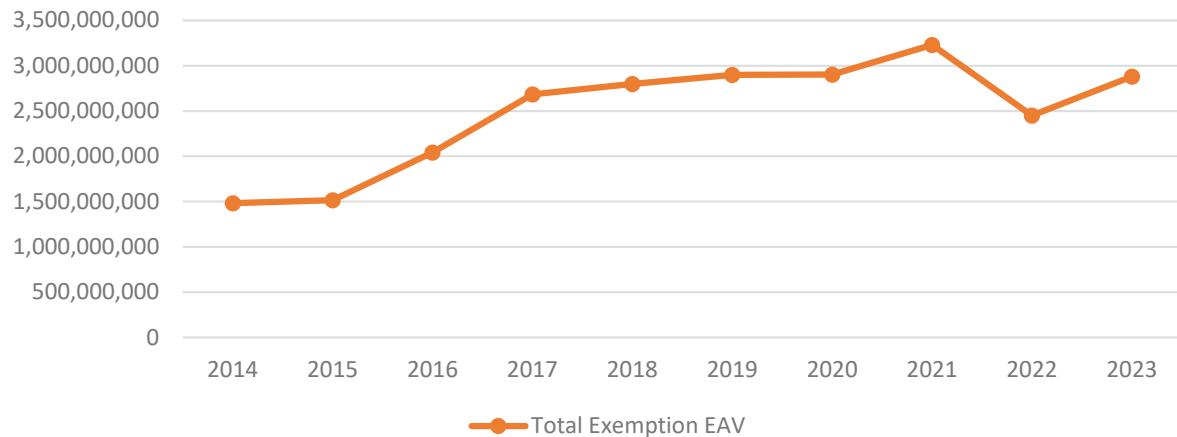


Figure 15.

Figure 15 charts the overall amount of EAV attributable to the Senior Citizens Assessment Freeze Homestead Exemption for qualifying property located in Cook County.

Senior Citizens Assessment Freeze EAV - Collar Counties

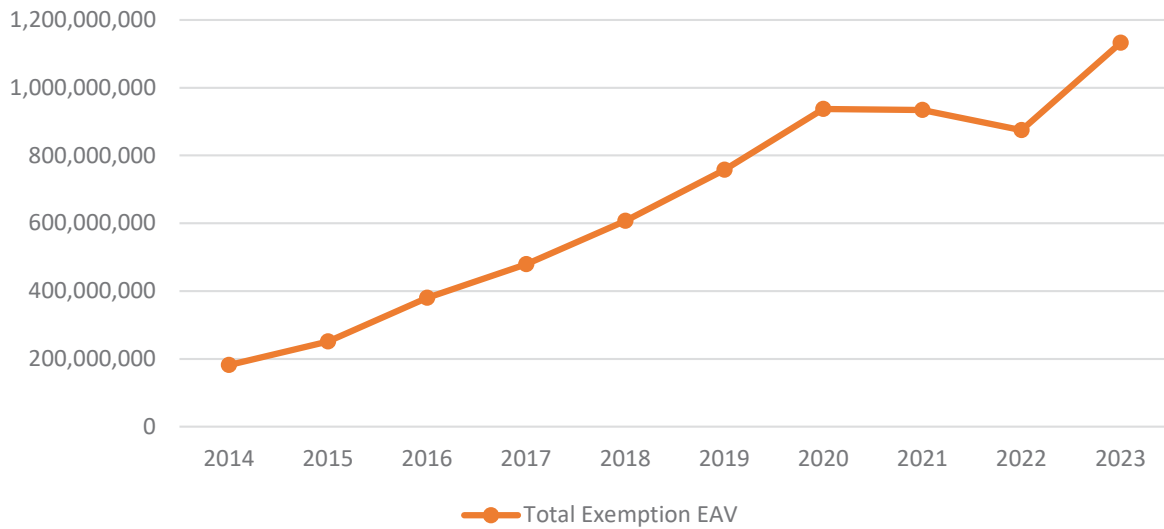


Figure 16.

Figure 16 charts the overall amount of EAV attributable to the Senior Citizens Assessment Freeze Homestead Exemption for qualifying property located in the collar counties.

Senior Citizens Assessment Freeze EAV - Rest of State

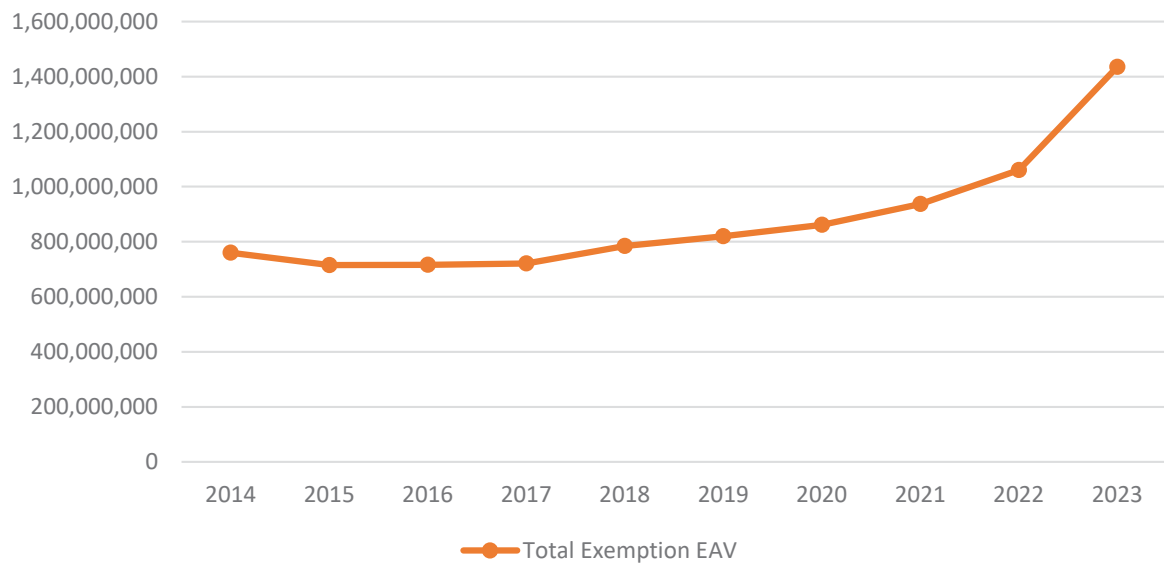


Figure 17.

Figure 17 charts the overall amount of EAV attributable to the Senior Citizens Assessment Freeze Homestead Exemption for qualifying property located in all counties except for Cook County and the collar counties.

Senior Citizens Assessment Freeze EAV Average Amount by Region

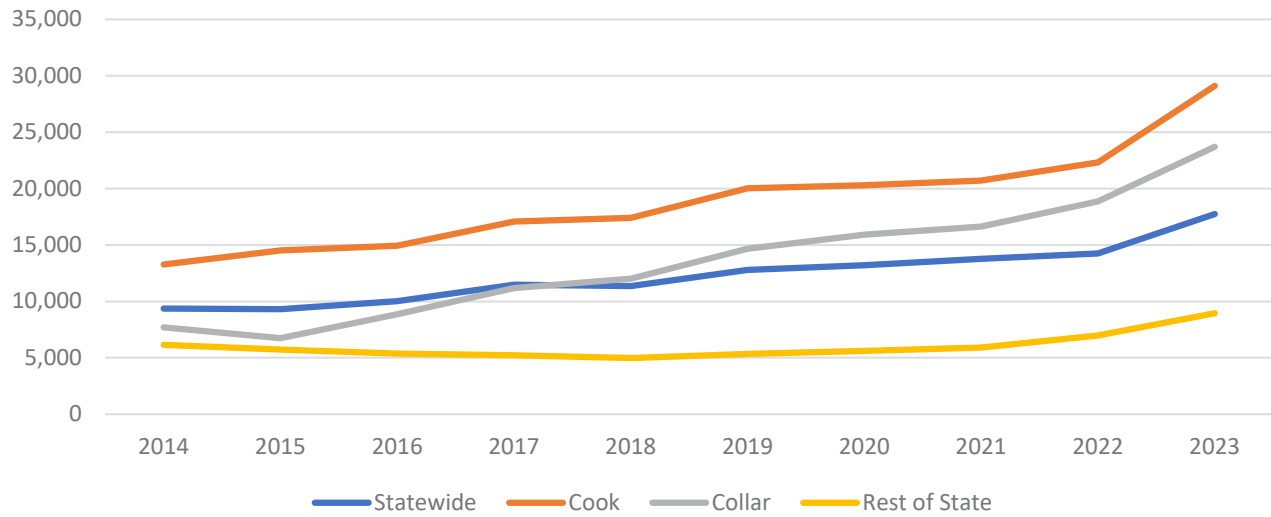


Figure 18.

Figure 18 charts the average amount of EAV attributable to the Senior Citizens Assessment Freeze Homestead Exemption per qualifying property.

Homestead Exemption for Persons with Disabilities

35 ILCS 200/15-168

Description and Qualifications

The Homestead Exemption for Persons with Disabilities applies for a qualifying person with a disability who owns and occupies a primary residence and is liable for the payment of property taxes. The applicant must occupy the property as of January 1, own the property or lease and be liable for the property tax payments, and have been disabled or become disabled during the assessment year and provide proof of disability.



If an exemption is granted and the person qualifying subsequently becomes a resident of a facility licensed under the Assisted Living and Shared Housing Act, the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act of 2013, the ID/DD Community Care Act, or the MC/DD Act, the exemption shall continue so long as the residence continues to be occupied by the qualifying person's spouse, or if the residence remains unoccupied but is still owned by the person qualified for the homestead exemption. If the qualifying spouse passes away, the surviving spouse does not qualify for this exemption unless they also meet the qualifications.

The property cannot receive this exemption in the same year it is receiving the Veterans with Disabilities Exemption for Specially Adapted Housing or the Standard Homestead Exemption for Veterans with Disabilities.

Exemption Amount

The amount of the exemption is an annual \$2,000 reduction in the EAV of the qualifying residence.

Application Process

The initial Application for the Homestead Exemption for Persons with Disabilities, along with the required proof of disability, must be filed with the CCAO. In most cases, the exemption must be renewed each year by filing an Annual Verification of Eligibility for the Homestead Exemption for Persons with Disabilities with the CCAO. Cook County and other counties through resolution or ordinance may have an automatic renewal process once approved.

Homestead Exemption for Persons with Disabilities - Statewide

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	55,857	\$110,004,612	\$1,969
2015	58,885	\$116,196,292	\$1,973
2016	61,229	\$120,684,953	\$1,971
2017	62,756	\$123,373,197	\$1,966
2018	65,031	\$127,603,112	\$1,962
2019	65,827	\$129,188,538	\$1,963
2020	70,163	\$137,472,153	\$1,959
2021	71,558	\$140,098,354	\$1,958
2022	73,645	\$141,880,318	\$1,927
2023	76,164	\$151,328,314	\$1,987

Figure 19.

Figure 19 shows the total number of Homestead Exemptions for Persons with Disabilities, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property.

Persons with Disabilities EAV - Statewide

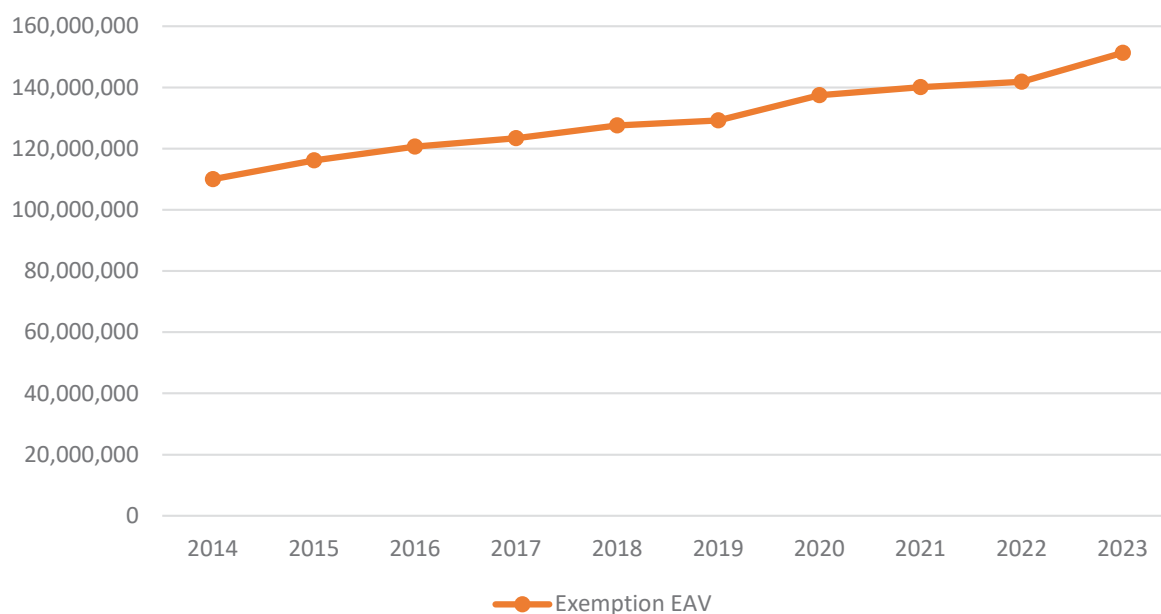
**Figure 20.**

Figure 20 charts the overall amount of EAV attributable to the Homestead Exemptions for Persons with Disabilities statewide.

Persons with Disabilities EAV - Cook County

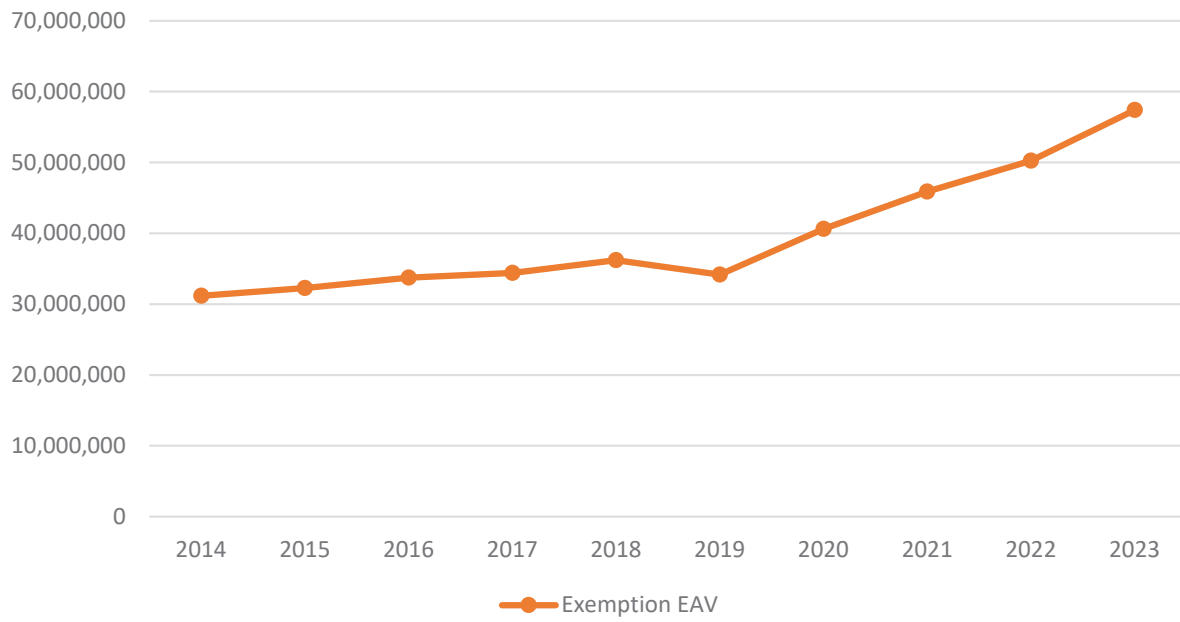


Figure 21.

Figure 21 charts the overall amount of EAV attributable to the Homestead Exemptions for Persons with Disabilities for qualifying property located in Cook County.

Persons with Disabilities EAV - Collar Counties

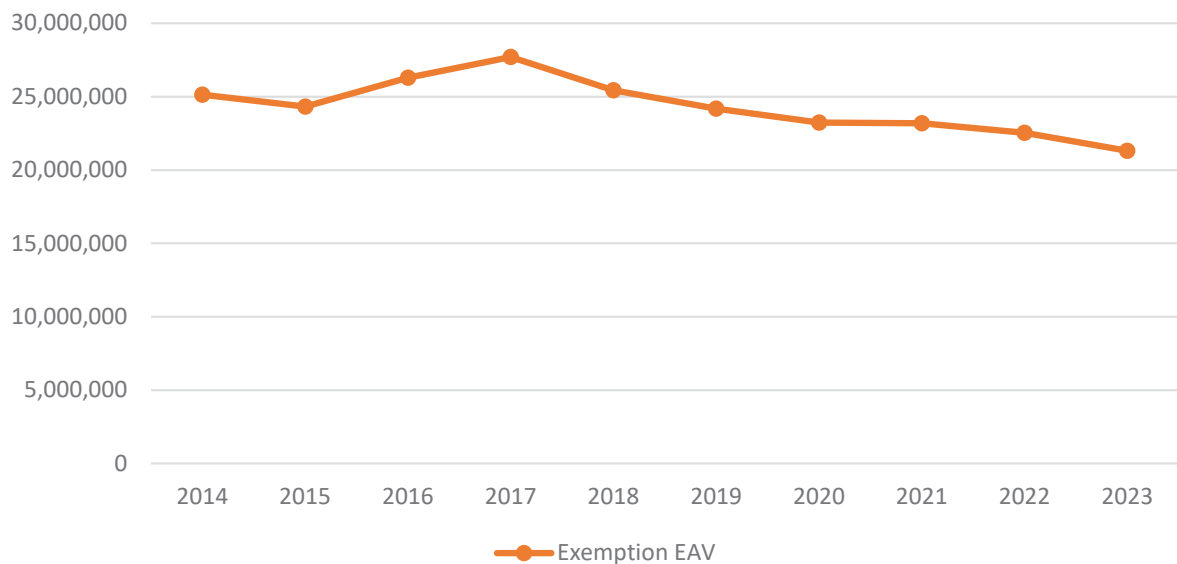


Figure 22.

Figure 22 charts the overall amount of EAV attributable to the Homestead Exemptions for Persons with Disabilities for qualifying property located in the collar counties.

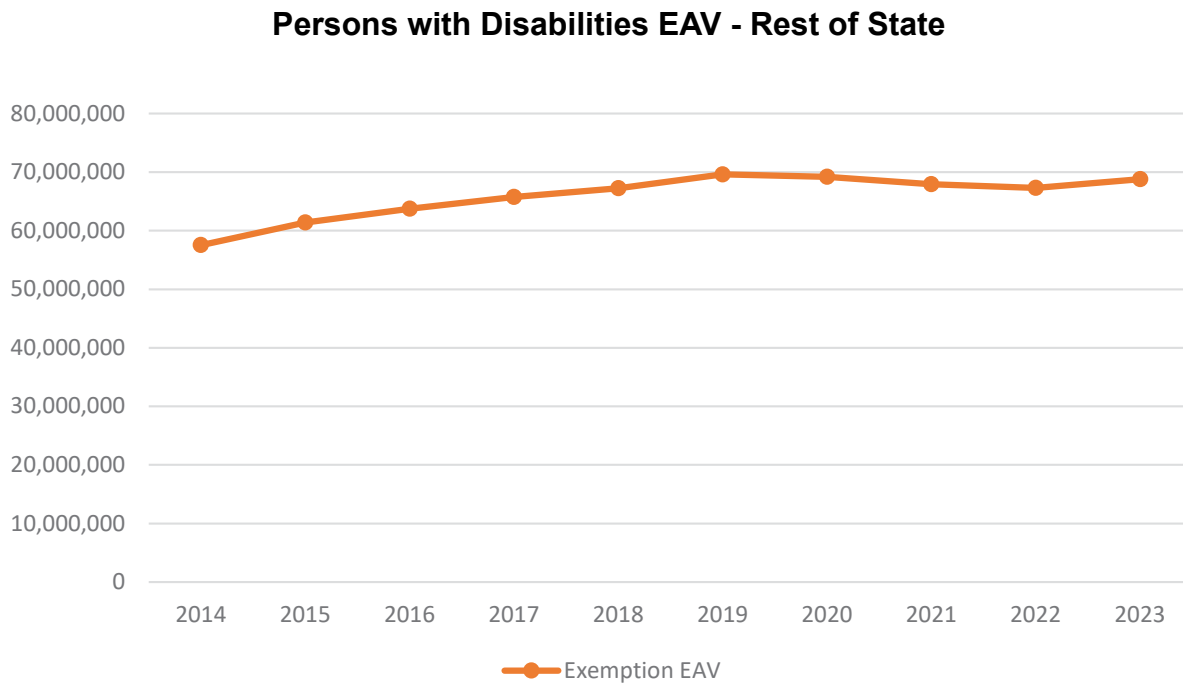


Figure 23.

Figure 23 charts the overall amount of EAV attributable to the Homestead Exemptions for Persons with Disabilities for qualifying property located in all counties except for Cook County and the collar counties.

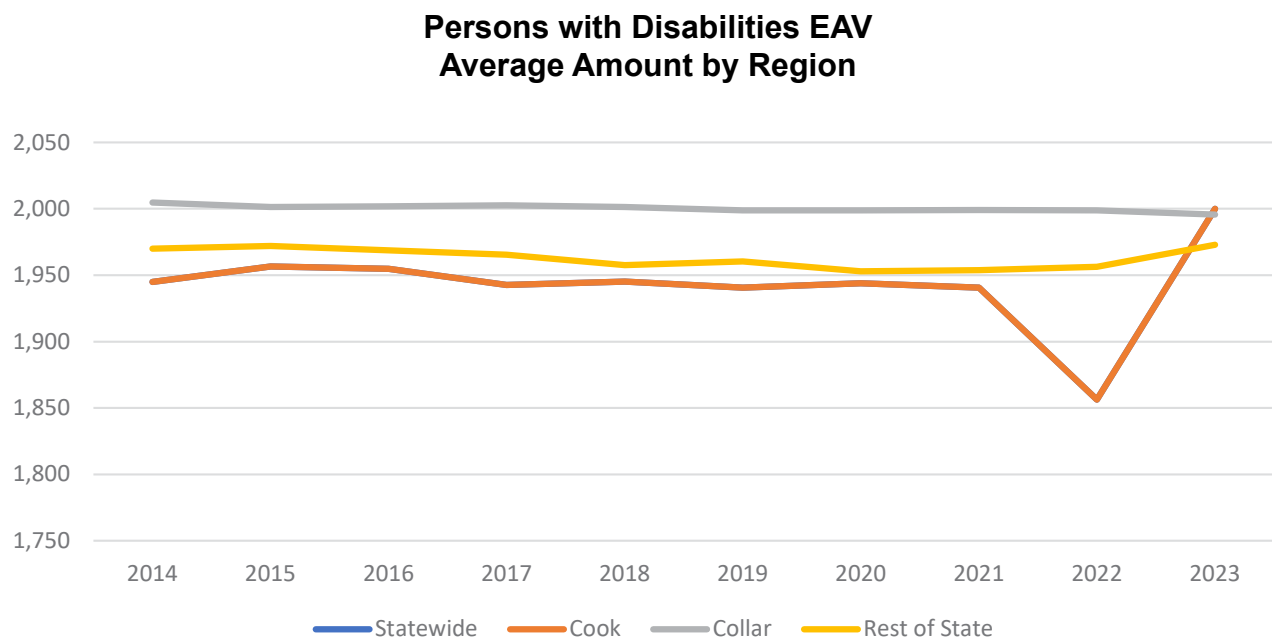


Figure 24.

Figure 24 charts the average amount of EAV attributable to the Homestead Exemptions for Persons with Disabilities per qualifying property.

Veterans with Disabilities Exemption for Specially Adapted Housing

35 ILCS 200/15-165

Description and Qualifications

The Veterans with Disabilities Exemption for Specially Adapted Housing reduces the assessed value for certain types of housing owned and used exclusively by a veteran with a disability in which federal funds have been used for the purchase or construction of specially adapted housing. The exemption is valid for as long as the veteran, the spouse, or the un-remarried surviving spouse resides on the property. Federal and state financial assistance is provided for veterans with service-connected disabilities for the purpose of acquiring or remodeling suitable dwelling units with special fixtures or moveable facilities made necessary by the veteran's permanent and total service-connected disabilities as determined by the U.S. Department of Veterans' Affairs.



Beginning with the 2015 assessment year, the exemption also applies to housing that is specifically constructed or adapted to suit a qualifying veteran's disability if the housing or adaptations are donated by a charitable organization, and the veteran has been approved to receive funds or the purchase or construction of Specially Adapted Housing through the U.S. Department of Veterans Affairs. This exemption is also available on a mobile home owned and used exclusively by a veteran with a disability or his or her spouse.

For a single assessment year, the property cannot receive this exemption and the Homestead Exemption for Persons with Disabilities or Standard Homestead Exemption for Veterans with Disabilities.

Exemption Amount

The exemption is up to a \$100,000 reduction in the assessed value of the qualifying property.

Application Process

An annual application is required to be filed with the Illinois Department of Veterans' Affairs (IDVA). The application must be filed by September 15 of the year preceding the assessment year. IDVA provides this list to IDOR, and the list of qualifying property is provided to the CCAO annually.

Statistical Data

Note: Cook County does not report statistics for this exemption.

Veterans with Disabilities Exemption for Specially Adapted Housing - Statewide*

*Excluding Cook County

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	249	\$14,231,533	\$57,155
2015	212	\$12,280,148	\$57,925
2016	235	\$13,350,848	\$56,812
2017	237	\$13,615,019	\$57,447
2018	191	\$11,576,771	\$60,611
2019	225	\$11,843,586	\$52,638
2020	181	\$10,724,118	\$59,249
2021	178	\$10,535,498	\$59,188
2022	152	\$9,561,645	\$62,906
2023	219	\$10,712,061	\$48,914

Figure 25.

Figure 25 shows the total number of Veterans with Disabilities Exemptions for Specially Adapted Housing, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property, except for Cook County, which does not report for this category.

Veterans Specially Adapted Housing EAV - Statewide

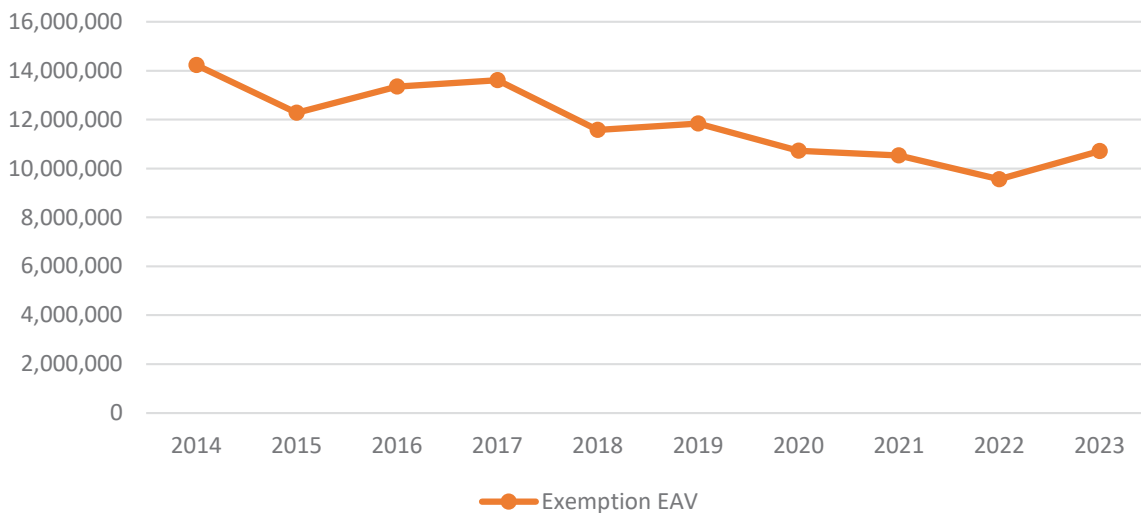


Figure 26.

Figure 26 charts the overall amount of EAV attributable to the Veterans with Disabilities Exemptions for Specially Adapted Housing statewide, except for Cook County which does not report for this category.

Veterans Specially Adapted Housing EAV - Collar Counties

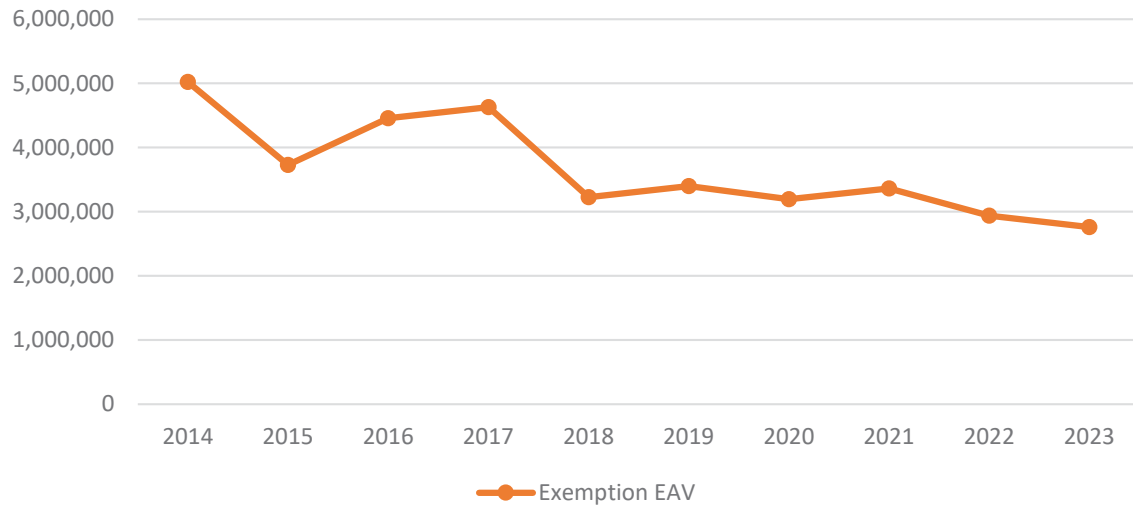


Figure 27.

Figure 27 charts the overall amount of EAV attributable to the Veterans with Disabilities Exemptions for Specially Adapted Housing for qualifying property located in the collar counties.

Veterans Specially Adapted Housing EAV - Rest of State

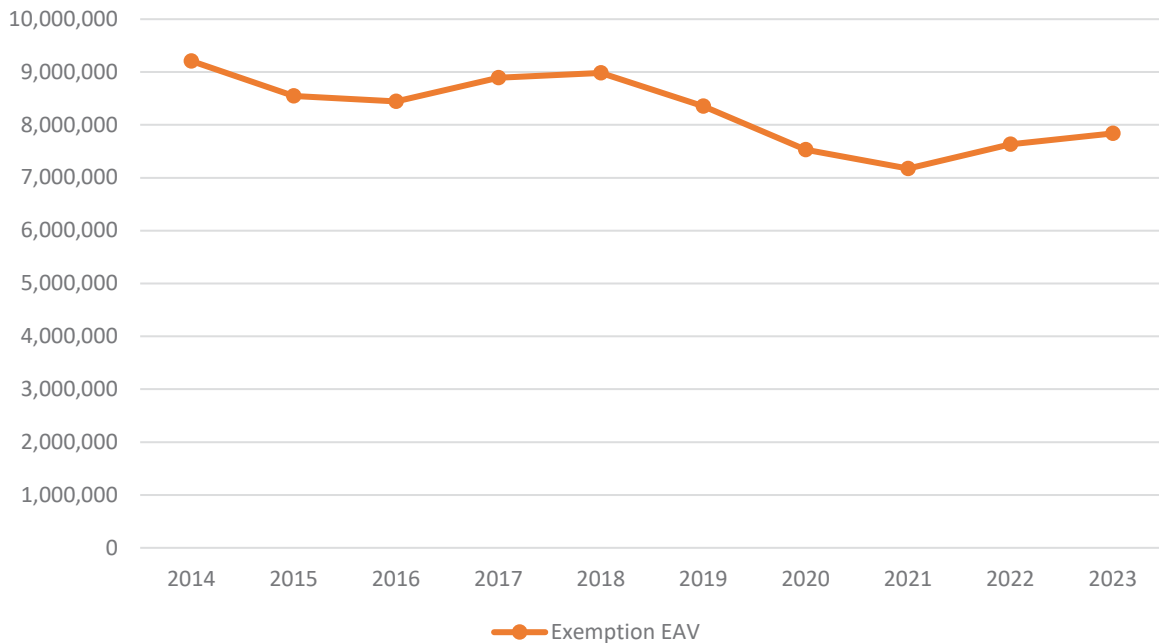


Figure 28.

Figure 28 charts the overall amount of EAV attributable to the Veterans with Disabilities Exemptions for Specially Adapted Housing for qualifying property located in all counties except for Cook County and the collar counties.

Veterans Specially Adapted Housing EAV Average Amount by Region

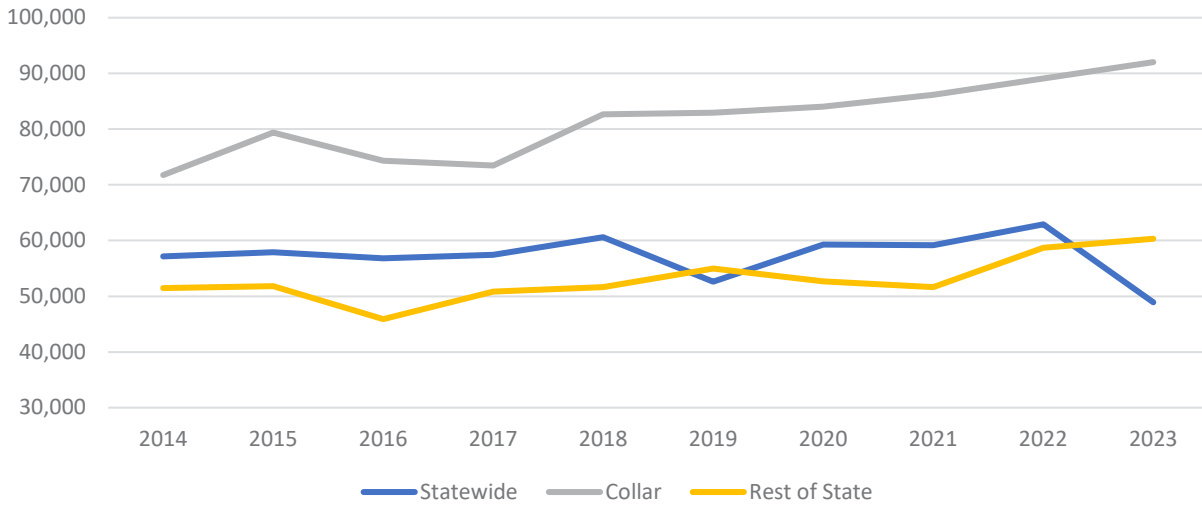


Figure 29.

Figure 29 charts the average amount of EAV attributable to Veterans with Disabilities Exemptions for Specially Adapted Housing per qualifying property, except for Cook County which does not report for this category.

Standard Homestead Exemption for Veterans with Disabilities

35 ILCS 200/15-169

Description and Qualifications

The Standard Homestead Exemption for Veterans with Disabilities (SHEVD) grants an annual reduction in EAV on the primary residence occupied by a qualified veteran with a disability. This veteran with a disability must own or lease a single-family residence as his or her primary residence and be liable for payment of property taxes. The portion used for commercial purposes is excluded from this exemption.

An un-remarried surviving spouse of a veteran who was disabled and is now deceased can continue to receive this exemption on his or her spouse's primary residence or transfer this exemption to another primary residence after the original primary residence of a veteran with a disability is sold, provided this exemption had previously been granted to the veteran with a disability. The surviving spouse must occupy and hold legal or beneficial title to the primary residence during the assessment year and submit an annual application.

Beginning in assessment year 2015 (property taxes payable in 2016), an un-remarried surviving spouse of a veteran killed in the line of duty is eligible for a 100 percent reduction in the EAV on his/her primary residence, even if the veteran did not previously qualify for or obtain the SHEVD.

Beginning in assessment year 2023 (property taxes payable in 2024), an un-remarried surviving spouse of a veteran whose death was determined to be service-connected and who is certified by the U.S. Department of Veterans Affairs as a recipient of dependency and indemnity compensation under federal law, may also qualify even if the veteran did not previously qualify for or obtain the SHEVD.

For assessment years on or after 2024, if the veteran was a member of the U.S. Armed Forces during World War II, then the property is exempt from taxation regardless of the veteran's disability level.

If this exemption is granted and the person awarded subsequently becomes a resident of a facility licensed under the nursing Home Care Act or a facility operated by the U.S. Department of Veterans Affairs, then the exemption shall continue as long as the residence continues to be occupied by the qualifying person's spouse, or if the residence remains unoccupied but is still owned by the person who qualified for the exemption.

For a single assessment year, the property cannot receive this exemption and the Veterans with Disabilities Exemption for Specially Adapted Housing or the Homestead Exemption for Persons with Disabilities.



Exemption Amount

The amount of the exemption depends on the percentage of the service-connected disability as certified by the United States Department of Veterans' Affairs. A qualified veteran who:

- Has a service-connected disability of at least 30 percent but less than 50 percent will receive a \$2,500 reduction in EAV;
- Has a service-connected disability of 50 percent but less than 70 percent will receive a \$5,000 reduction in EAV;
- Has a service-connected disability of 70 percent or more, the first \$250,000 in EAV of the qualified residence is exempt from taxation; or
- Is a veteran of World War 2, the residential property is exempt from taxation.

This exemption can be prorated if a qualifying veteran purchases or sells a property after January 1. The exemption is effective on the first day of the month following qualification.

Surviving spouses may qualify under different exemption levels as outlined above in the Descriptions and Qualifications section.

Application Process

An annual application is required to be filed with the CCAO. If the veteran has a combined service-connected disability rating of 100 percent and is deemed to be permanently and totally disabled, the taxpayer who has been granted the exemption shall no longer be required to reapply for the exemption annually. Veterans of World War II are also only required to file the initial application and are not required to reapply annually once the exemption is granted.

Statistical Data

Standard Homestead Exemption for Veterans with Disabilities - Statewide

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	16,146	\$81,964,813	\$5,076
2015	23,481	\$768,857,475	\$32,744
2016	28,218	\$969,491,282	\$34,357
2017	32,924	\$1,221,085,522	\$37,088
2018	38,017	\$1,529,537,550	\$40,233
2019	41,656	\$1,672,298,887	\$40,145
2020	45,775	\$1,995,672,906	\$43,597
2021	50,760	\$2,397,644,453	\$47,235
2022	50,989	\$2,843,078,175	\$55,759
2023	57,109	\$3,673,830,339	\$64,330

Figure 30.

Figure 30 shows the total number of Standard Homestead Exemptions for Veterans with Disabilities, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property.

Standard Homestead Exemption for Veterans with Disabilities EAV - Statewide

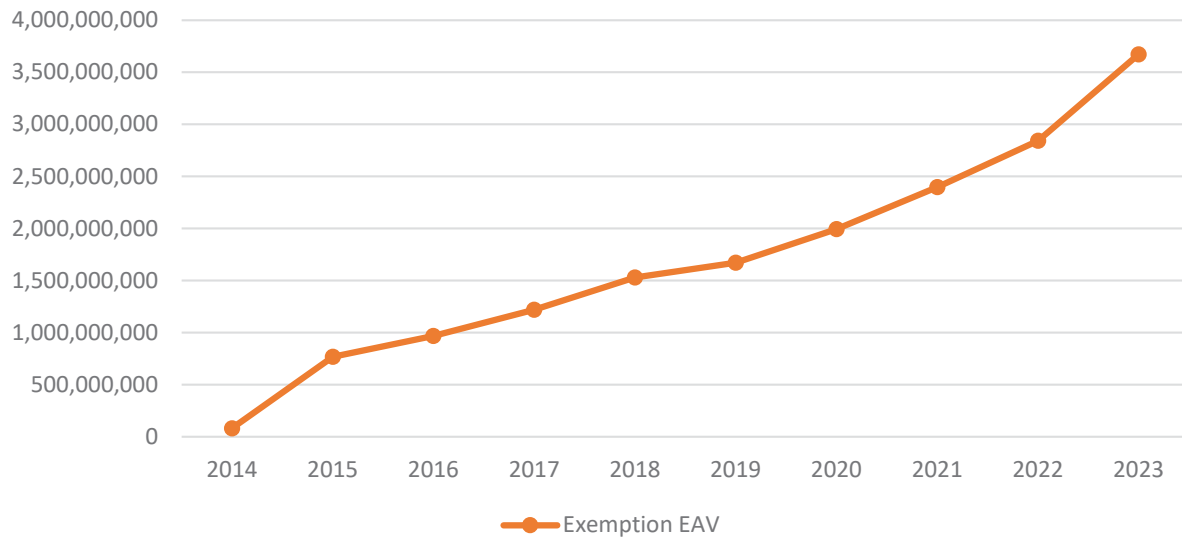


Figure 31.

Figure 31 charts the overall amount of EAV attributable to Standard Homestead Exemptions for Veterans with Disabilities statewide.

Standard Homestead Exemption for Veterans with Disabilities EAV - Cook County

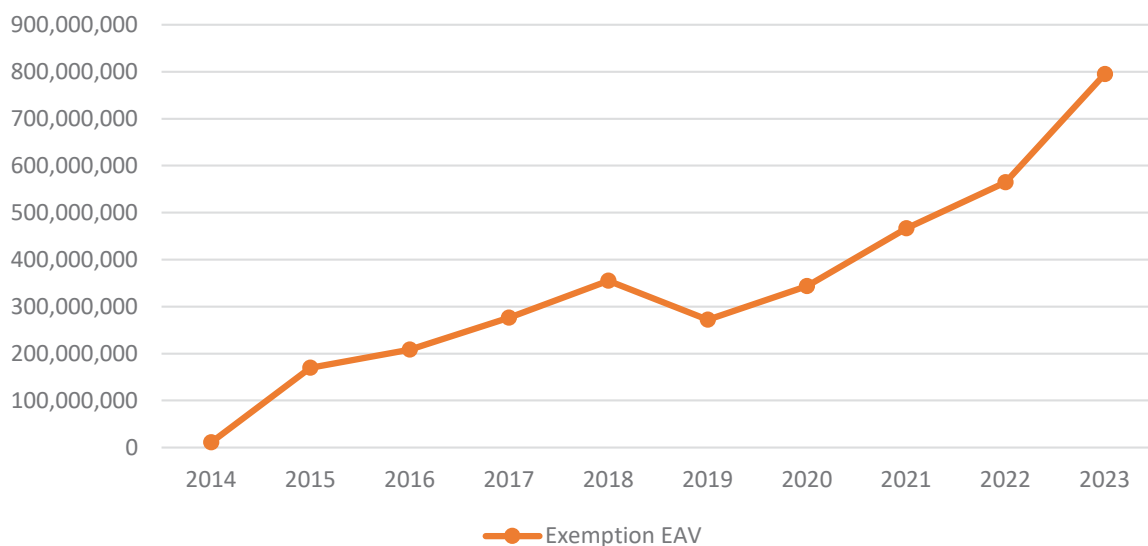


Figure 32.

Figure 32 charts the overall amount of EAV attributable to the Standard Homestead Exemptions for Veterans with Disabilities for qualifying property located in Cook County.

Standard Homestead Exemption for Veterans with Disabilities EAV - Collar Counties

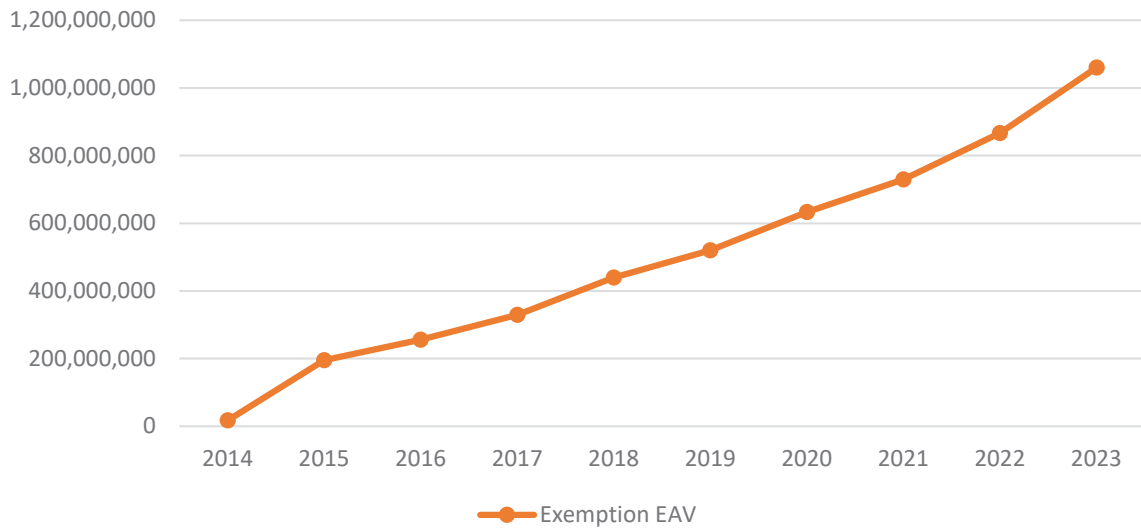


Figure 33.

Figure 33 charts the overall amount of EAV attributable to the Standard Homestead Exemptions for Veterans with Disabilities for qualifying property located in the collar counties.

Standard Homestead Exemption for Veterans with Disabilities EAV - Rest of State

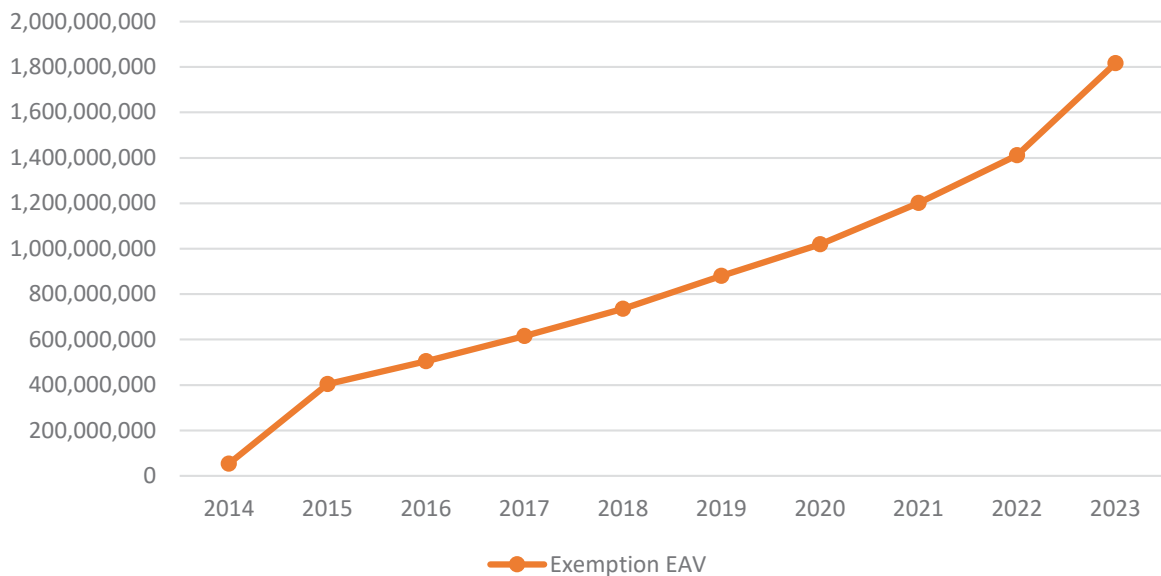


Figure 34.

Figure 34 charts the overall amount of EAV attributable to the Standard Homestead Exemptions for Veterans with Disabilities for qualifying property located in all counties except for Cook County and the collar counties.

Standard Homestead Exemption for Veterans with Disabilities EAV - Average Amount by Region

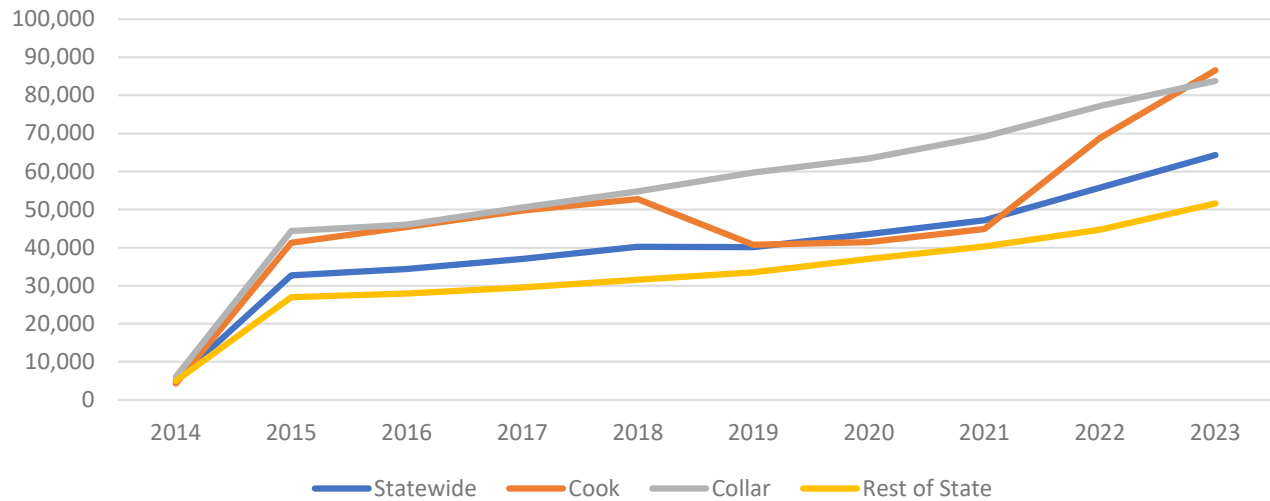


Figure 35.

Figure 35 charts the average amount of EAV attributable to the Standard Homestead Exemptions for Veterans with Disabilities per qualifying property.

Returning Veterans' Homestead Exemption

35 ILCS 200/15-167

Description and Qualifications

The Returning Veterans' Homestead Exemption provides a reduction in the EAV of a veteran's principal residence upon returning from active duty in an armed conflict involving the armed forces of the United States. The exemption is for two consecutive assessment years, the assessment year that the veteran returns from active duty in an armed conflict involving the armed forces of the United States and the following year. The veteran must own and occupy the property as his or her principal residence on January 1 of each assessment year. A veteran who acquires a principal residence after January 1 of the year he or she returns home is eligible for the exemption on the principal residence owned and occupied on January 1 of the following assessment year.



Exemption Amount

The amount of the exemption is a \$5,000 reduction in the EAV of the qualifying residence.

Application Process

Applicants must file an Application for Returning Veterans' Homestead Exemption with the CCAO and provide supporting documentation.

Statistical Data

Returning Veterans' Homestead Exemption - Statewide

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	428	\$2,130,730	\$4,978
2015	315	\$1,575,000	\$5,000
2016	249	\$1,232,750	\$4,951
2017	259	\$1,290,190	\$4,981
2018	328	\$1,629,710	\$4,969
2019	319	\$1,590,000	\$4,984
2020	362	\$1,805,000	\$4,986
2021	323	\$1,475,000	\$4,567
2022	217	\$995,000	\$4,585
2023	128	\$640,000	\$5,000

Figure 36.

Figure 36 shows the total number of Returning Veterans' Homestead Exemptions, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property.

Returning Veterans' EAV - Statewide

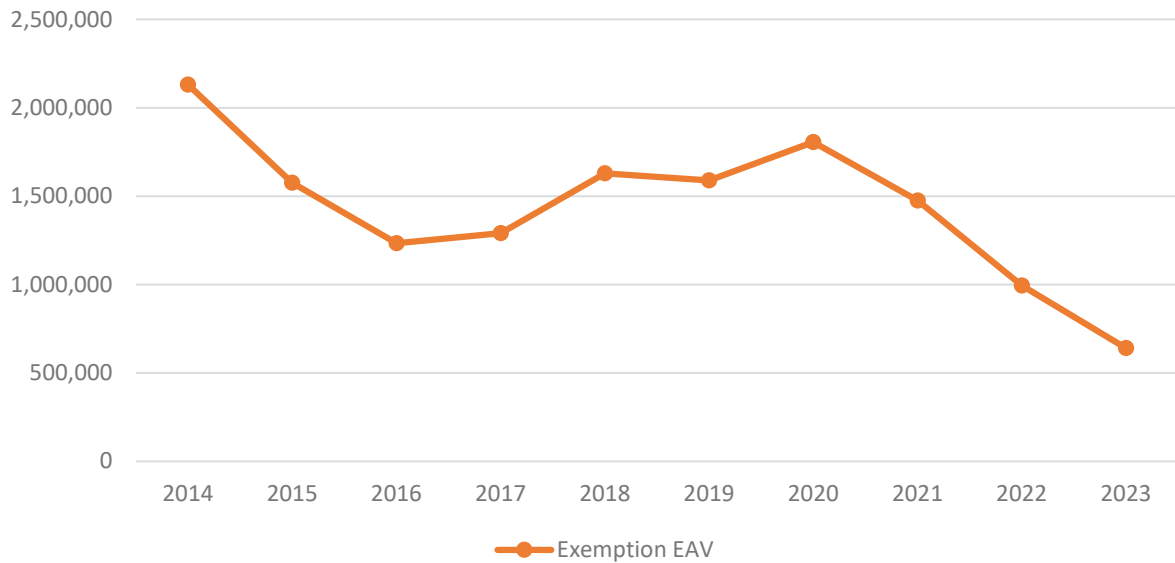


Figure 37.

Figure 37 charts the overall amount of EAV attributable to the Returning Veterans' Homestead Exemptions statewide.

Returning Veterans' EAV - Cook County

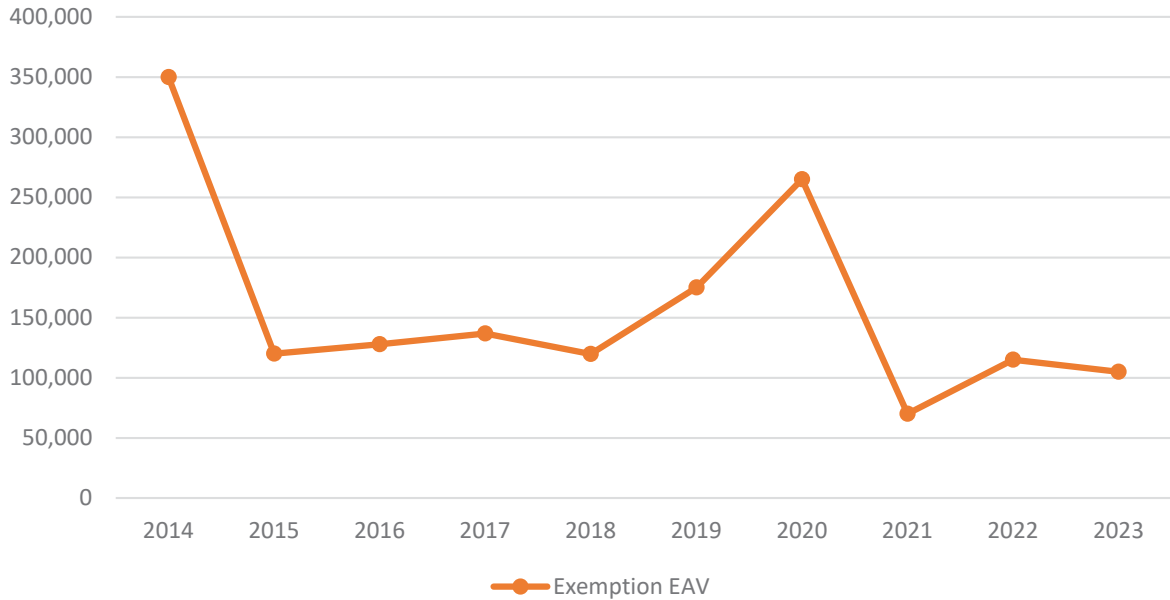


Figure 38.

Figure 38 charts the overall amount of EAV attributable to the Returning Veterans' Homestead Exemptions for qualifying property located in Cook County.

Returning Veterans' EAV - Collar Counties

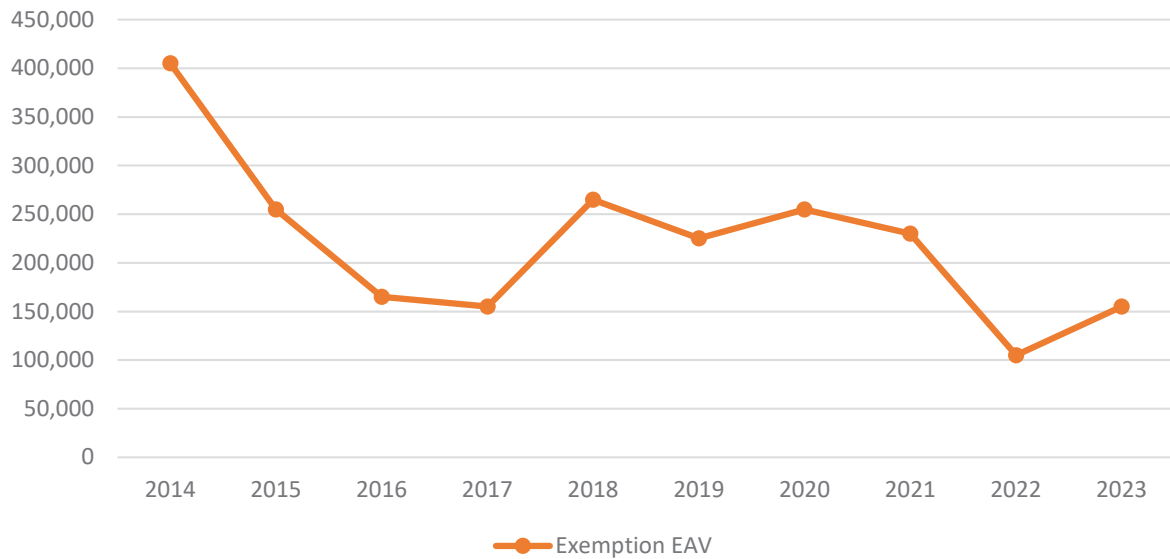


Figure 39.

Figure 39 charts the overall amount of EAV attributable to the Returning Veterans' Homestead Exemptions for qualifying property located in the collar counties.

Returning Veterans' EAV - Rest of State

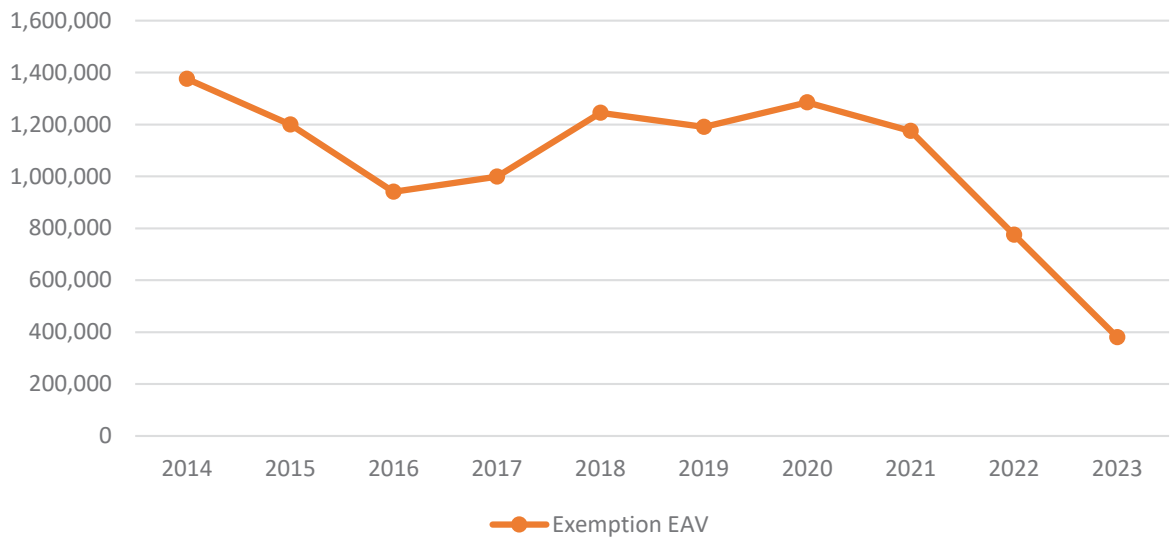


Figure 40.

Figure 40 charts the overall amount of EAV attributable to the Returning Veterans' Homestead Exemptions for qualifying property located in all counties except for Cook County and the collar counties.

Returning Veterans' EAV Average Amount by Region

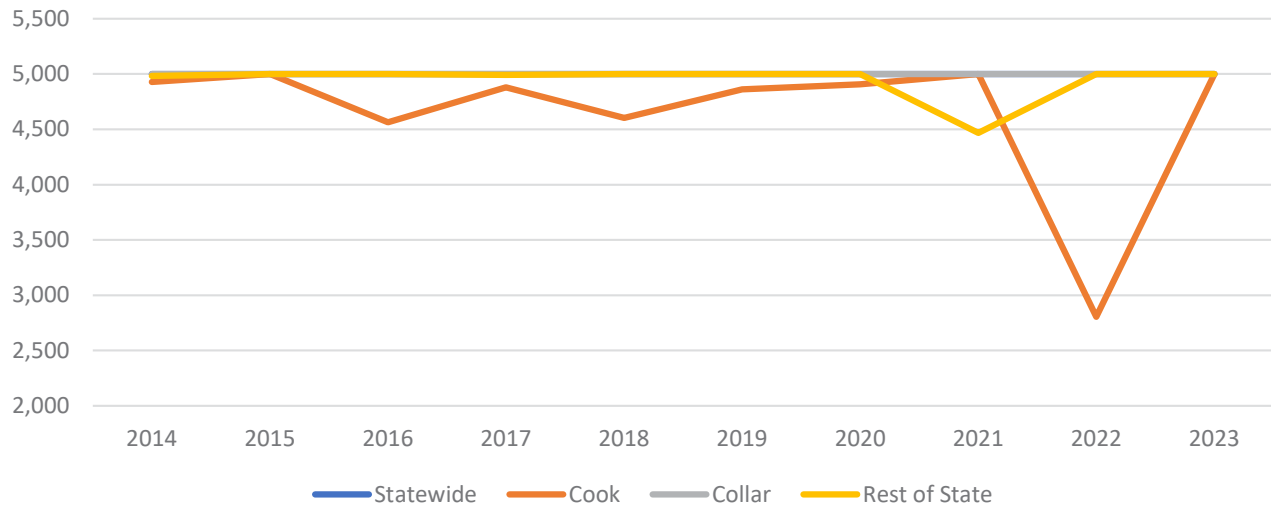


Figure 41.

Figure 41 charts the average amount of EAV attributable to the Returning Veterans' Homestead Exemptions per qualifying property.

Homestead Improvement Exemption

35 ILCS 200/15-180

Description and Qualifications

The Homestead Improvement Exemption is applied when new improvements are made to an existing structure on homestead property, or it may be applicable for rebuilding following a catastrophic event. To be eligible for this exemption after a catastrophic event, the residential structure must be rebuilt within two years after the catastrophic event occurs.

Property is not eligible for this exemption and the Natural Disaster Homestead Exemption for the same natural disaster or catastrophic event.

Exemption Amount

The amount of the exemption is limited to the fair cash value, up to an annual maximum of \$75,000 (or \$25,000 in assessed value, which is 33.33 percent of fair cash value), that was added to homestead property by any new improvement (e.g., remodeling, adding a new room, building a garage) or rebuilding after a catastrophic event, and continues for four years from the date the improvement or rebuilding is completed and occupied.

Application Process

The exemption may be granted automatically, or an application for Homestead Improvement Exemption may be required by the CCAO.

Statistical Data

Note: Cook County does not report statistics for this exemption.

Homestead Improvement Exemption - Statewide*

*Excluding Cook County

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	60,958	\$298,229,823	\$4,892
2015	57,814	\$291,393,298	\$5,040
2016	58,915	\$305,316,357	\$5,182
2017	57,940	\$307,049,150	\$5,299
2018	58,602	\$313,029,507	\$5,342
2019	57,263	\$306,974,333	\$5,361
2020	54,974	\$294,687,819	\$5,360
2021	55,455	\$299,326,901	\$5,398
2022	56,243	\$314,340,536	\$5,589
2023	57,435	\$334,766,101	\$5,829

Figure 42.

Figure 42 shows the total number of Homestead Improvement Exemptions, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property except for Cook County, which does not report for this category.



Homestead Improvement EAV - Statewide

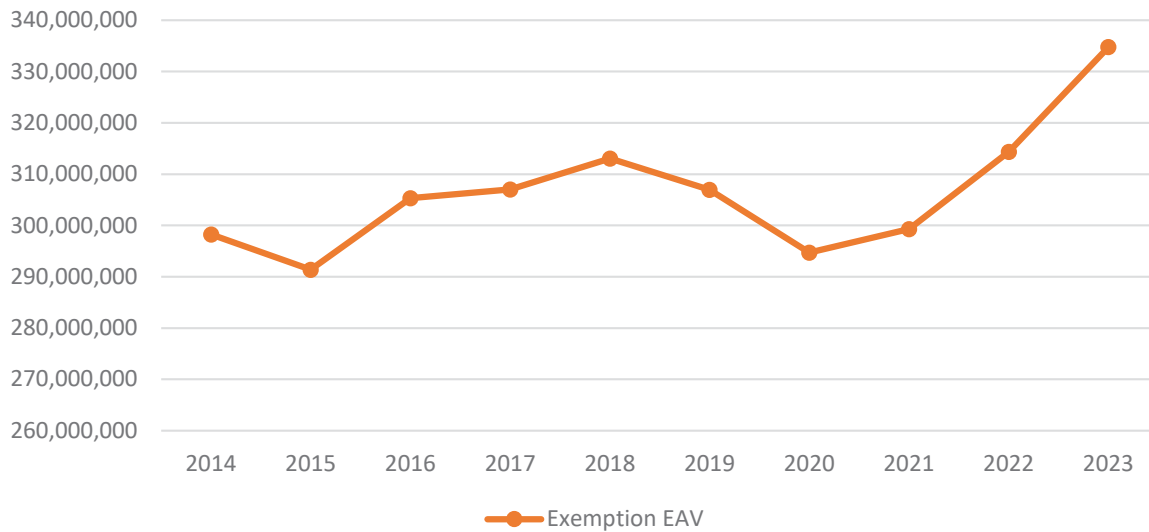


Figure 43.

Figure 43 charts the overall amount of EAV attributable to the Homestead Improvement Exemption statewide except for Cook County, which does not report for this category.

Homestead Improvement EAV - Collar Counties

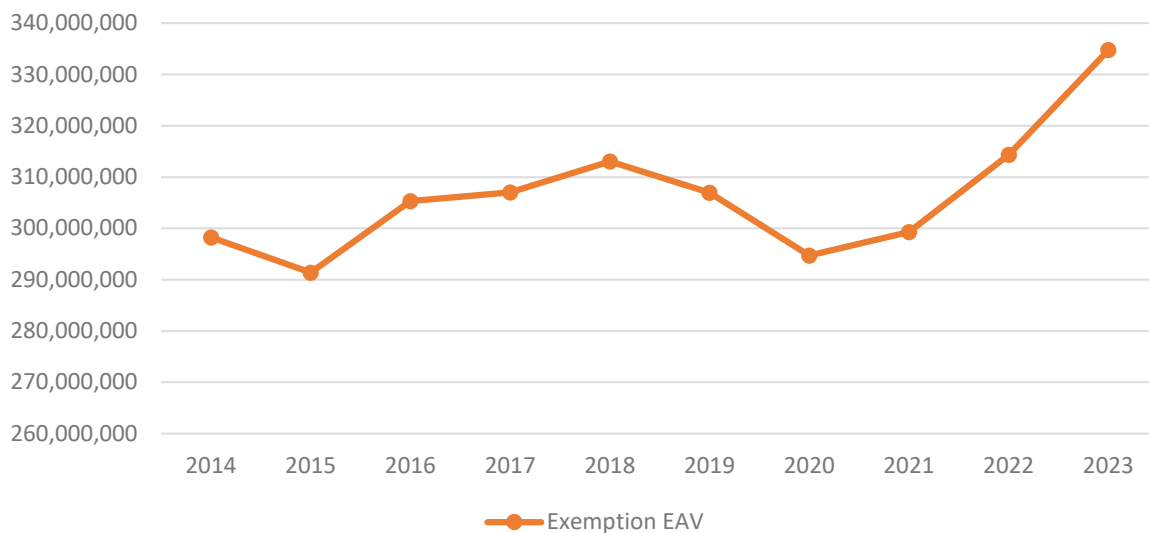


Figure 44.

Figure 44 charts the overall amount of EAV attributable to the Homestead Improvement Exemption for qualifying property located in the collar counties.

Homestead Improvement EAV - Rest of State

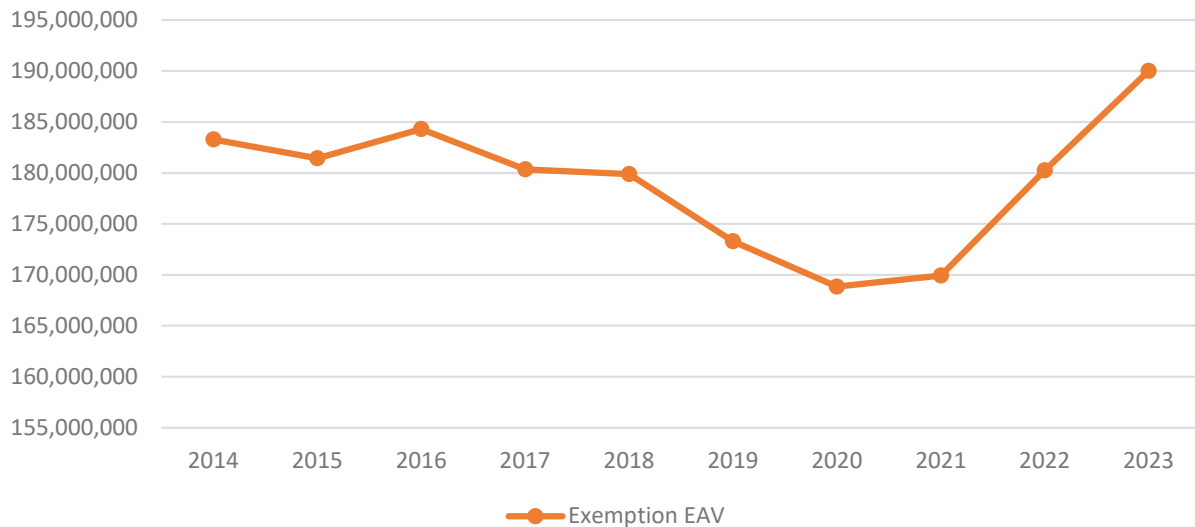


Figure 45.

Figure 45 charts the overall amount of EAV attributable to the Homestead Improvement Exemption for qualifying property located in all counties except for Cook County and the collar counties.

Homestead Improvement EAV Average Amount by Region

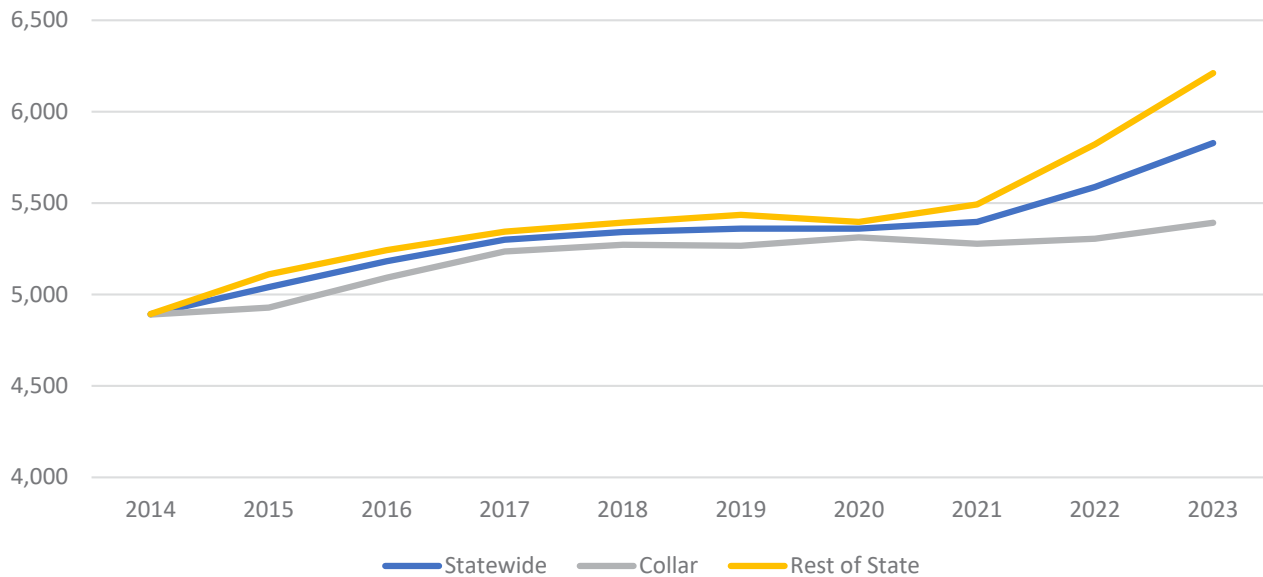


Figure 46.

Figure 46 charts the average amount of EAV attributable to the Homestead Improvement Exemption per qualifying property except for Cook County, which does not report for this category.

Natural Disaster Homestead Exemption

35 ILCS 200/15-173

Description and Qualifications

The Natural Disaster Homestead Exemption applies to homestead property for a rebuilt residential structure following a natural disaster. The exemption continues at the same amount until the taxable year in which the property is sold or transferred. The property owner may not claim both this exemption and the Homestead Improvement Exemption for the same natural disaster or catastrophic event. A surviving spouse will qualify to maintain this exemption if the surviving spouse holds the legal or beneficial title to the homestead and permanently resides there.



The residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110 percent of the square footage of the original residential structure as it existed immediately prior to the natural disaster.

Exemption Amount

The amount of the exemption is the reduction in EAV of the residence in the first taxable year for which the taxpayer applies for an exemption minus the EAV of the residence for the taxable year prior to the taxable year in which the natural disaster occurred. The exemption continues at the same amount until the taxable year in which the property is sold or transferred.

Application Process

The initial application for the Natural Disaster Homestead Exemption must be filed with the CCAO no later than July 1 of the first taxable year after the residential structure is rebuilt or the filing date set by the county, unless the county has established an alternate due date by resolution. The application must be filed each year to continue to receive the exemption.

Natural Disaster Homestead Exemption - Statewide*

*None were reported for Cook County or the collar counties

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014*	0	\$0	\$0
2015	410	\$6,115,261	\$14,915
2016	489	\$8,221,341	\$16,813
2017	520	\$8,878,606	\$17,074
2018	507	\$8,861,829	\$17,479
2019	503	\$8,640,960	\$17,179
2020	451	\$7,817,533	\$17,334
2021	502	\$8,737,328	\$17,405
2022	490	\$8,923,424	\$18,211
2023	465	\$8,601,548	\$18,498

Figure 47.

Figure 47 shows the total number of Natural Disaster Homestead Exemptions, the total EAV attributable to those exemptions, and the average exemption amount per qualifying property. This exemption was first available in assessment year 2015. No exemptions were reported as being issued in Cook County or the collar counties.

Natural Disaster EAV - Statewide

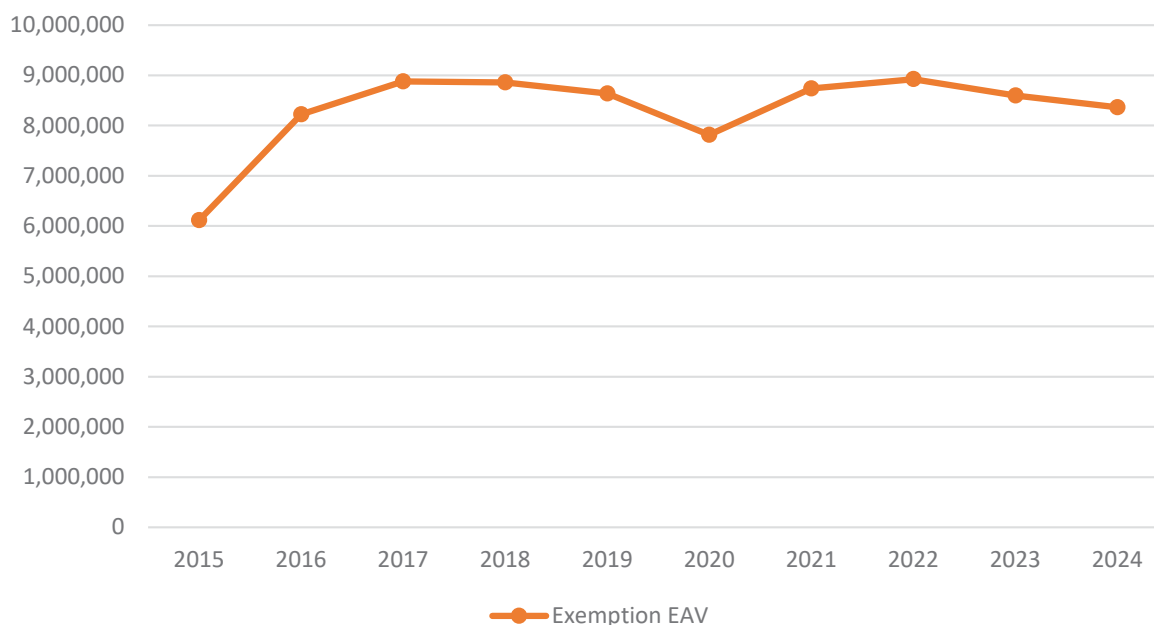


Figure 48.

Figure 48 charts the overall amount of EAV attributable to the Natural Disaster Homestead Exemption statewide. This exemption was first available in assessment year 2015. No exemptions were reported as being issued in Cook County or the collar counties.

Natural Disaster EAV Average Amount by Region

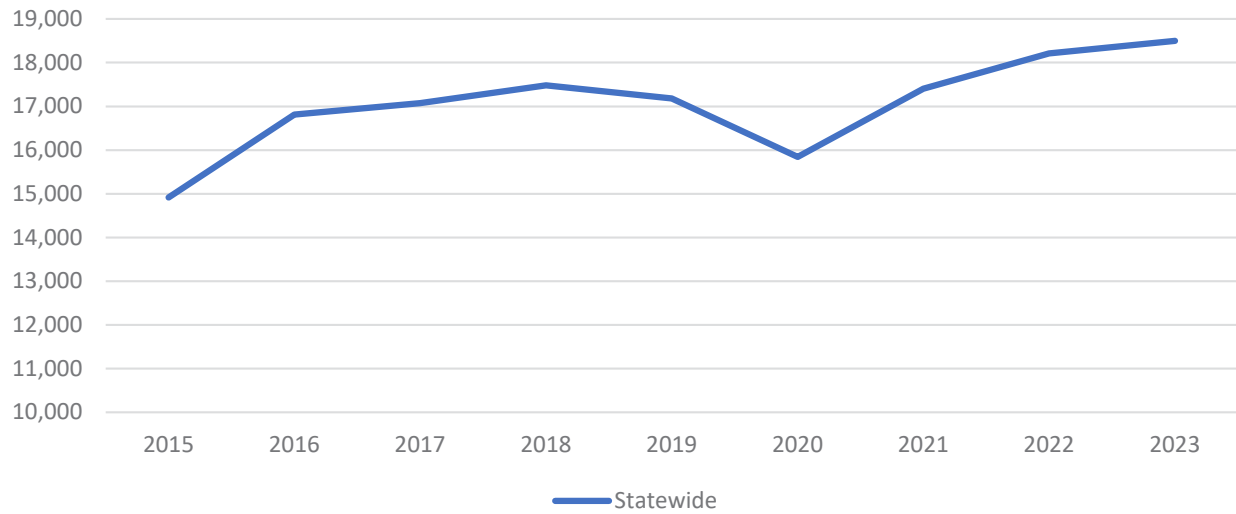


Figure 49.

Figure 49 charts the average amount of EAV attributable to the Natural Disaster Homestead Exemption per qualifying property. This exemption was first available in assessment year 2015. No exemptions were reported as being issued in Cook County or the collar counties.

Long-time Occupant Homestead Exemption (Cook County Only)

35 ILCS 200/15-177

Description and Qualifications

Cook County residential property owners who occupy their primary residence for a continuous period and have a total household income of \$100,000 or less may be eligible for the Long-time Occupant Homestead Exemption. The property must be occupied for 10 continuous years or five continuous years if the person receives assistance to acquire the property as part of a government or non-profit housing program.



Properties cannot receive both the Long-time Occupant Homestead Exemption and the Alternative General Homestead Exemption, General Homestead Exemption, or Low-income Senior Citizen Assessment Freeze Homestead Exemption. Properties that qualify for the Low-income Senior Citizen Assessment Freeze Homestead Exemption will receive the same amount calculated for the General Homestead Exemption.

Exemption Amount

This exemption limits the EAV increases to a specific annual percentage increase that is based on the total household income of \$100,000 or less.

- A total household income of \$75,000 or less is limited to a seven percent annual percentage increase in EAV, or
- a total household income of over \$75,000 and up to \$100,000 is limited to a 10 percent annual percentage increase in EAV.

The minimum limit is the same amount calculated for the General Homestead Exemption with no maximum limit for the exemption.

Application Process

An annual application is required to be submitted to the CCAO.

Statistical Data

Statistical data is not available for this exemption.

Special Homestead Exemption for Certain Municipality-built Homes

35 ILCS 200/15-174.5

Description and Qualifications

The Special Homestead Exemption for Certain Municipality-built Homes is a newer exemption that was created in assessment year 2024 and applies to property located in Cook County, or in any other county who has opted in via resolution or ordinance.

The exemption for eligible property qualifies for the homestead exemption for a 10-year period. Eligible property is property that contains a single-family residence that was built no earlier than January 1, 2021, by a municipality and was sold to a private homeowner before January 1, 2035, is zoned for residential or mixed use, and was either exempt from property tax prior to the construction of the home or had environmental remediation conducted on the property. In the case of mixed-use property, the exemption applies only to the residential portion of the property that is used as a primary residence by the owner.

Property receiving this exemption does not qualify for the Persons with Disabilities, Standard Homestead Exemption for Veterans with Disabilities, Senior Citizens, Low-income Senior Citizens Assessment Freeze, or the General Homestead Exemption.

Exemption Amount

The exemption is a reduction in the EAV of the property equal to the following:

- in the first eight years of eligibility, 50 percent of the EAV of the property in the year following the initial sale by the municipality, and
- In the ninth and 10th years of eligibility, 33 percent of the EAV of the property in the year following the initial sale by the municipality.

Application Process

An application is required to be filed with the CCAO for the initial request. After the initial exemption is granted, the exemption is renewed automatically. The exemption may be transferred to new owners if the property is sold during the qualification period as long as it will be used as the primary residence of the new owner.

Statistical Data

No statistical data is available for this exemption at the time of the Study.



Community Stabilization Assessment Freeze Pilot Program

35 ILCS 200/15-174

Description and Qualifications

The Community Stabilization Assessment Freeze Pilot Program is a program that began January 1, 2015, and ends June 30, 2029. It allows a CCAO in any county to reduce the assessed value of residential improvements for 10 taxable years after qualifying improvements are put in service, if specific factors are met. Properties must be located in a targeted area and meet specific requirements outlined in the Property Tax Code.

Exemption Amount

For the first seven years after the qualifying improvements are placed in service, the assessed value of the improvements is reduced by an amount equal to 90 percent of the difference between the base year assessed value of the improvements and the assessed value of the improvements in the current taxable year. The property will continue to be eligible in the eighth and ninth taxable years after the improvements are placed into service if the requirements continue to be met. In the eighth taxable year, the reduction is equal to 65 percent of the difference stated above, and in the ninth taxable year, the reduction is equal to 35 percent of the difference. The benefit ceases in the 10th taxable year.

Application Process

The taxpayer is required to submit certain data to the CCAO and should contact the CCAO for information about what is required to be filed and for the application deadline.

Statistical Data

No statistical data is available for this exemption at the time of the Study.



Additional Summary Data – All Homestead Exemptions

Total EAV Attributable to Homestead Exemptions

The charts below provide summary data for all homestead exemptions for which reporting is available.

Total EAV Attributable to Homestead Exemptions - Statewide

Year	Total Number of Exemptions	Total Exemption EAV	Average Exemption Amount
2014	4,302,257	\$26,308,094,302	\$6,115
2015	4,315,594	\$27,038,899,867	\$6,265
2016	4,390,378	\$28,050,688,611	\$6,389
2017	4,432,876	\$32,940,574,017	\$7,431
2018	4,466,757	\$33,572,363,599	\$7,516
2019	4,537,199	\$34,580,280,260	\$7,622
2020	4,528,735	\$34,935,098,345	\$7,714
2021	4,581,448	\$36,003,633,504	\$7,859
2022	4,530,628	\$35,746,002,177	\$7,890
2023	4,545,954	\$40,485,663,486	\$8,906

Figure 50.

Figure 50 shows the total number of all homestead exemptions, the total EAV attributable to all homestead exemptions, and the average total exemption amount per qualifying property.

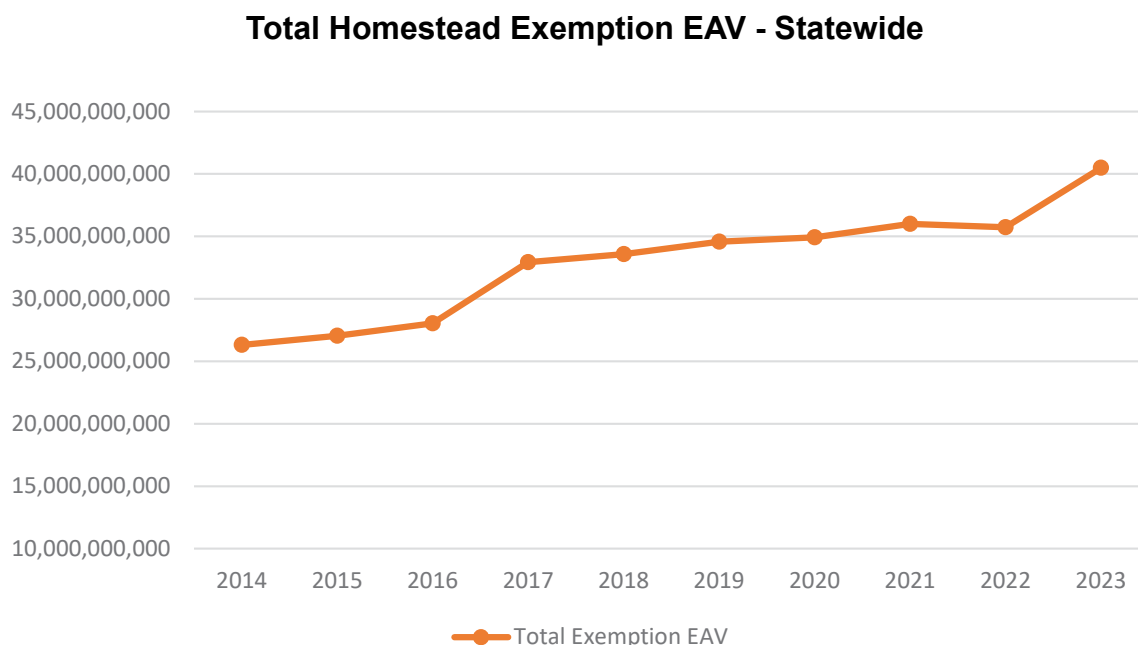


Figure 51.

Figure 51 charts the overall amount of EAV attributable to all homestead exemptions for qualifying property statewide.

Total Homestead Exemption EAV - Cook County

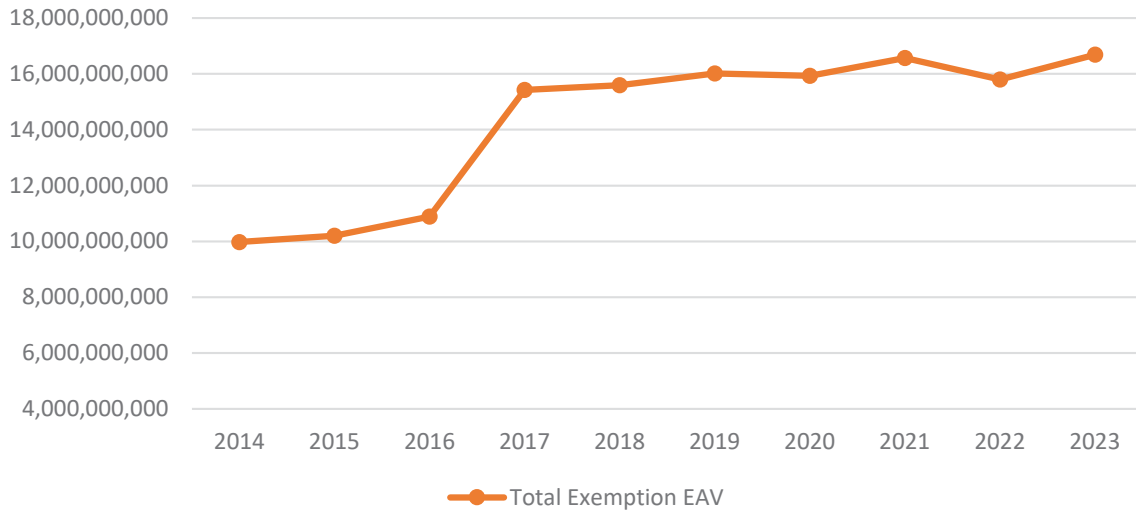


Figure 52.

Figure 52 charts the overall amount of EAV attributable to all homestead exemptions for qualifying property located in Cook County.

Total Homestead Exemption EAV - Collar Counties

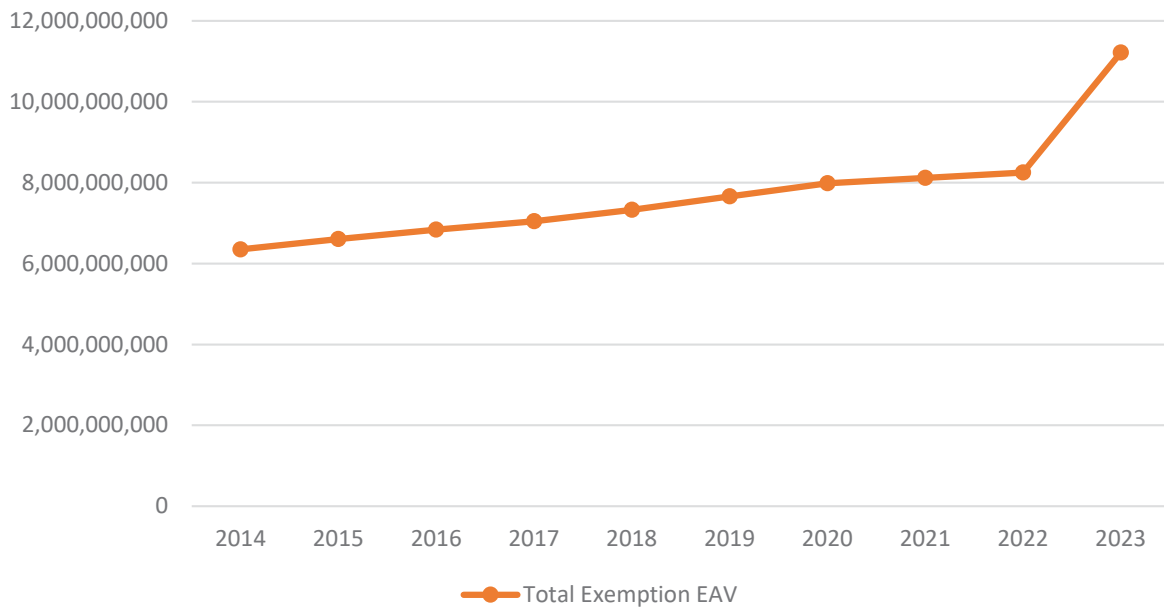


Figure 53.

Figure 53 charts the overall amount of EAV attributable to all homestead exemptions for qualifying property located in the collar counties.

Total Homestead Exemption EAV - Rest of State

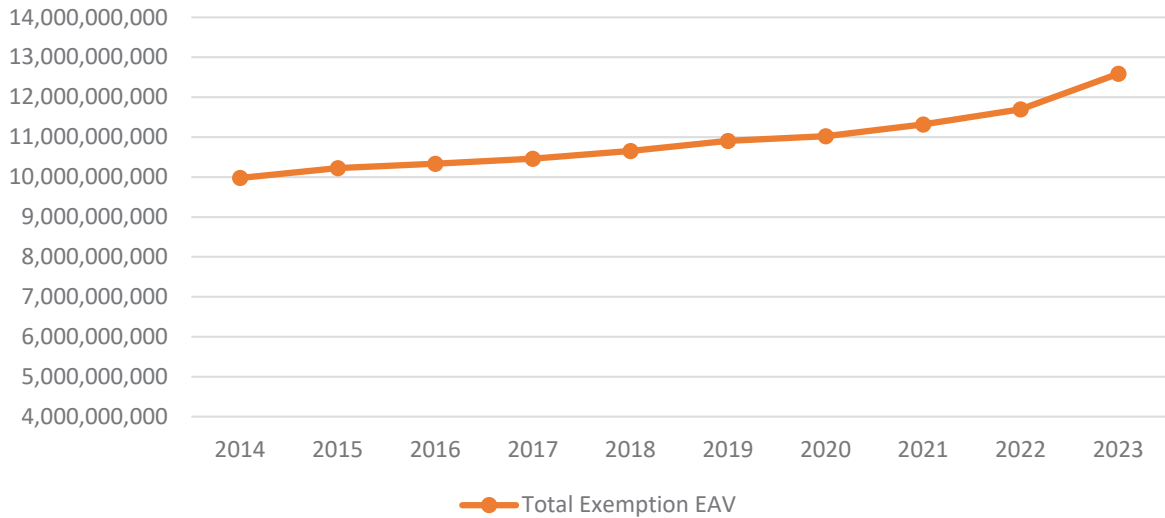


Figure 54.

Figure 54 charts the overall amount of EAV attributable to all homestead exemptions for qualifying property located in all counties except for Cook County and the collar counties.

Erosion of Tax Base Due to Exemptions as a Percentage

Erosion of Tax Base Statewide

Year	Erosion of Base – Percent of Total EAV Loss	Erosion of Base – Percent of Residential EAV Loss
2014	7.96%	11.85%
2015	7.92%	11.80%
2016	7.71%	11.47%
2017	8.55%	12.70%
2018	8.32%	12.47%
2019	8.19%	12.40%
2020	7.98%	12.15%
2021	8.01%	12.21%
2022	7.56%	11.49%
2023	7.91%	11.95%

Figure 55.

Figure 55 shows the percentage of EAV lost in total and the percentage of total residential EAV loss statewide.

Erosion of Tax Base - Statewide

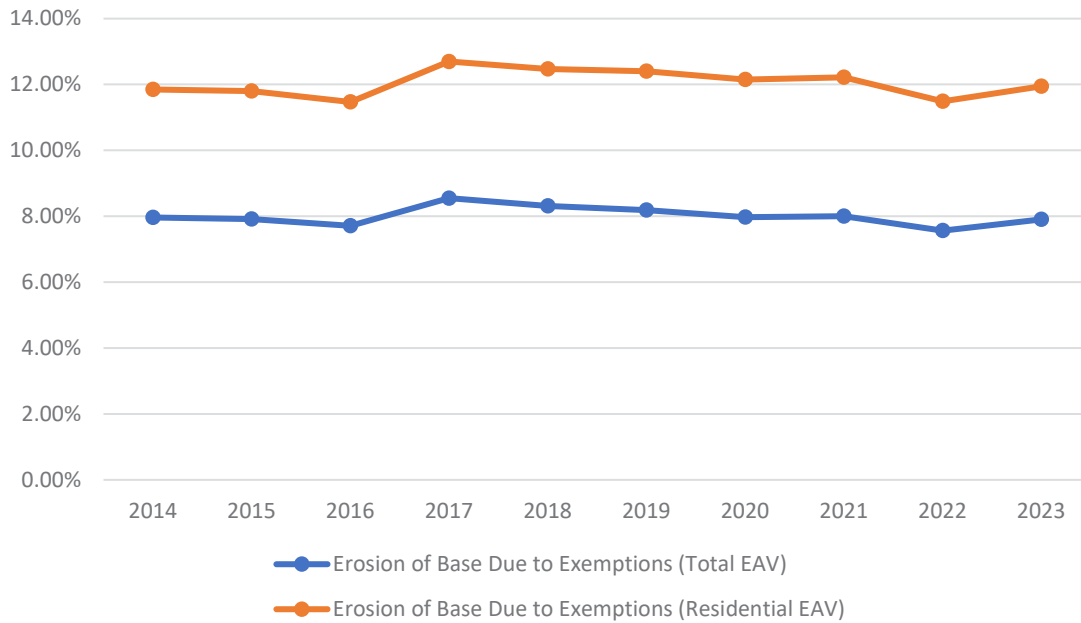


Figure 56.

Figure 56 charts the percentage of EAV lost in total and the percentage of total residential EAV loss statewide.

Erosion of Tax Base - Cook County

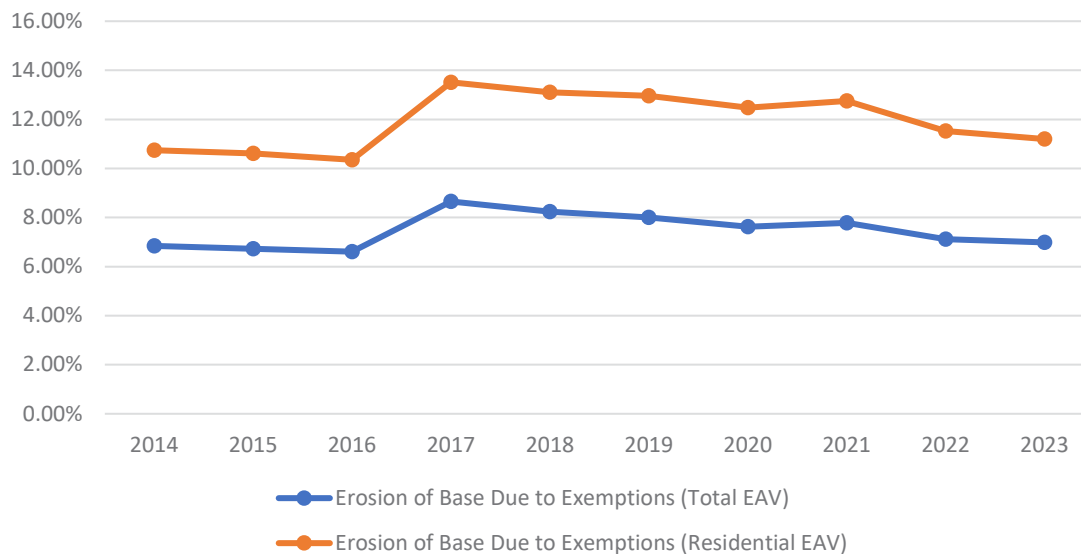


Figure 57.

Figure 57 charts the percentage of EAV lost in total and the percentage of total residential EAV loss in Cook County.

Erosion of Tax Base - Collar Counties

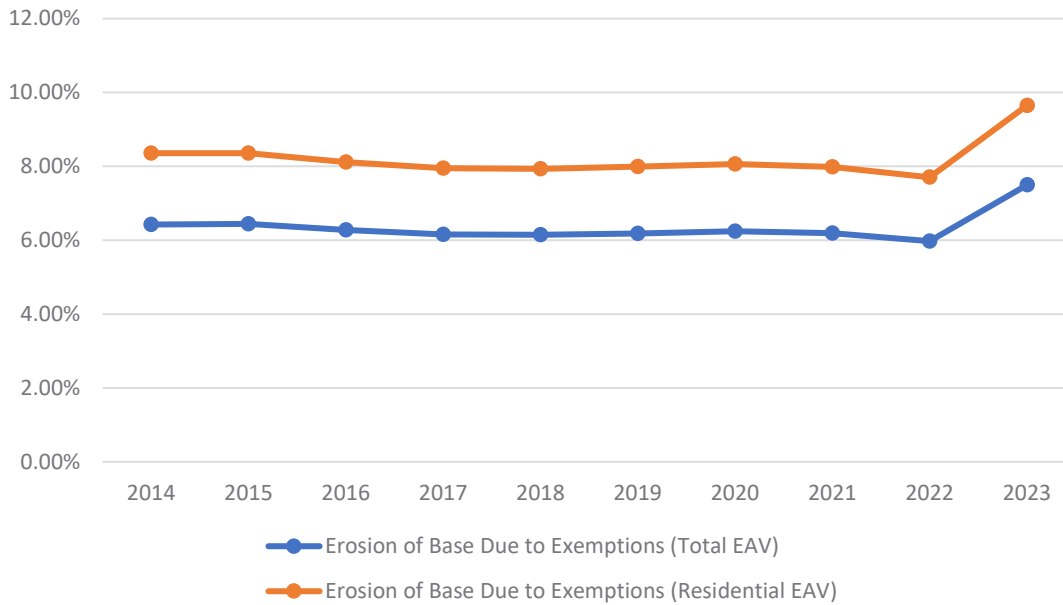


Figure 58.

Figure 58 charts the percentage of EAV lost in total and the percentage of total residential EAV loss in the collar counties.

Erosion of Tax Base - Rest of State

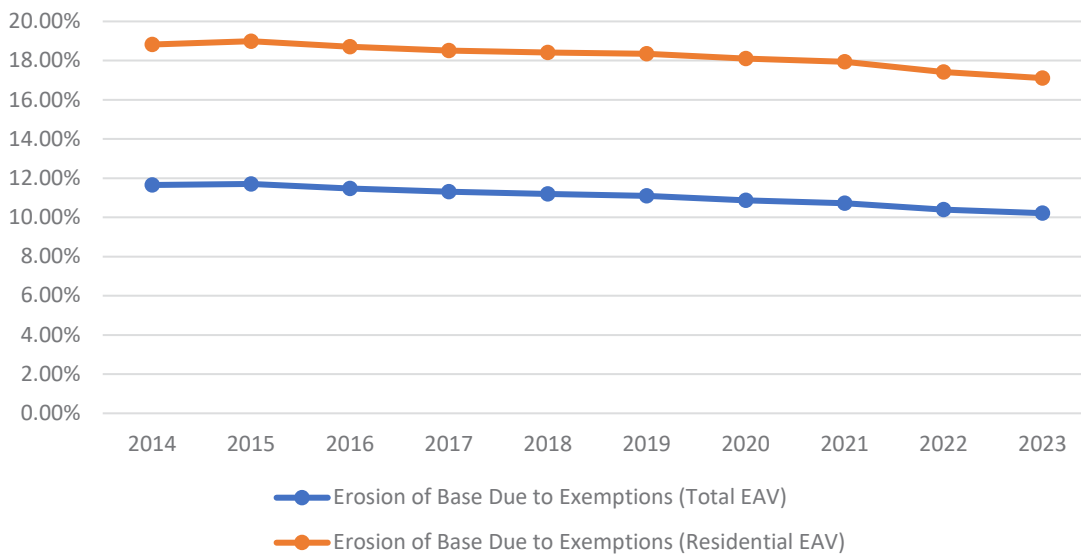


Figure 59.

Figure 59 charts the percentage of EAV lost in total and the percentage of total residential EAV loss in all counties except for Cook County and the collar counties.

Average Tax Rate Comparison

The summary data below shows what the average tax rate for all property owners is currently compared to what the rate would be if there were no homestead exemptions applied.

Average Tax Rate Comparison

Year	Average Tax Rate with Homestead Exemptions	Average Tax Rate without Homestead Exemptions
2014	9.11%	8.39%
2015	9.14%	8.42%
2016	8.88%	8.20%
2017	8.76%	8.01%
2018	8.59%	7.88%
2019	8.48%	7.78%
2020	8.39%	7.72%
2021	8.43%	7.76%
2022	8.40%	7.76%
2023	8.16%	7.52%

Figure 60.

Figure 60 provides the average tax rate statewide with homestead exemption EAV included in the tax base and an estimated tax rate if the EAV attributable to homestead exemptions was added back into the tax base.



Preferential Assessments



Primarily addressed under 35 ILCS 200/10 et. Seq., but also appear elsewhere as indicated under each preferential assessment listed below.

Overview of Preferential Assessments

In Illinois, most real property is to be assessed at a uniform percentage of its fair cash value. In 101 counties, that is 33.33 percent of the market value of the property. Cook County employs a classification system allowed by the Illinois Constitution of 1970 that is detailed elsewhere in this Study. The Illinois Constitution also provides the ability for the General Assembly to provide specific valuation procedures for certain types of property, known as a preferential assessment.

Preferential assessments are typically a special assessment level that differs from the uniform property assessment method used for most real property in Illinois. Several types of preferential assessments exist throughout the Property Tax Code, and most of them have different assessment levels for qualifying properties.

In some cases, such as commercial solar energy, wind energy, and farmland assessments, the preferential assessment provides for a statewide methodology in all counties except Cook County that provides uniformity and consistency in assessment practices.

Statistical charts and graphs are provided where data was available. Not all preferential assessments require special reporting, and some are grouped with other assessment categories, so there is not data available for every assessment type.

It should be mentioned that Cook County's classification system can be viewed as its own type of preferential assessment program, where some properties are assessed at a different percentage of market value than others. This is discussed in greater detail in its own section within this Study.

Assessment of Farm Land and Farm Buildings

35 ILCS 200/10-110 through 10-145

Overview and Qualifications

Farmland in Illinois is not assessed based on the market value of the property. Instead, it is based on an agricultural use value, or agricultural economic value, which takes into consideration the gross income, non-land costs, capitalization rate, and statutory maximum increases or decreases to arrive at the assessed value per acre for each Productivity Index (PI) assigned to farmland. The land must be in a qualifying farm use for two years before it may qualify for a farm assessment, with a few exceptions.



The Property Tax Code identifies cropland, permanent pasture, other farmland, and wasteland as the four types of farmland and prescribes the method for assessing each.

- Cropland includes all land from which crops were harvested or hay was cut; all land in orchards, citrus groves, vineyards, and nursery greenhouse crops; land in rotational pasture, and grazing land that could have been used for crops without additional improvements; land used for cover crops, legumes, and soil improvement grasses, but not harvested and not pastured; land on which crops failed; land in cultivated summer fallow; and idle cropland. Cropland is assessed according to its adjusted PI EAV.
- Permanent pasture includes any pastureland except woodland pasture and rotational pasture and grazing land that could have been used for crops without additional improvements.
- Other farmland includes woodland pasture; woodland, including woodlots, timber tracts, cutover, and deforested land; and farm building lots other than homesites.
- Wasteland is that portion of a qualified farm tract that is not put into cropland, permanent pasture, or other farmland as a result of soil limitations and not as the result of a management decision.

Three tables are used to help determine farmland assessments. Table 1 contains the annual certified values and is updated every year. IDOR certifies the annual farmland values in Table 1 no later than May 1 of the year prior to the assessment year. These tables can be found in IDOR Publication 122, Instructions for Farmland Assessments.

To assess cropland, permanent pasture, or other farmland, the PI of each soil type must be determined. Because wasteland is assessed based on its contributory value as described in the guidelines, it is not necessary to determine the PI of wasteland in a farm parcel. Table 2 provides the reference between the Soil ID (the type of soil that is present on the farm represented by an alphanumeric code) and the average PI. Table 3 provides the adjustment factors for slope and erosion impacts to the productivity.

By law, five years of data is used when calculating the elements in the farmland assessment formula. This allows for a smoothing of anomalies due to years with high or low yields, impacts from external elements such as drought, floods, or storms, and changes in commodity prices.

The valuation of farm buildings is the final component in the assessment of farm real estate. The law requires farm buildings, which contribute in whole or in part to the operation of the farm, to be assessed as part of the farm. They are valued upon the current use of those buildings and their respective contribution to the productivity of the farm.

The determination as to whether a parcel may receive a farmland assessment can be complex and must take multiple factors into consideration. Primary use of the property is just one consideration that must be explored to determine whether the parcel may qualify. Therefore, IDOR maintains Publication 122, Instructions for Farmland Assessments, to provide guidelines and assistance for assessment officials.

Farmland and farm buildings are not subject to equalization. It should be noted that every state in the U.S. that imposes a property tax has some sort of alternative or preferential assessment method employed to determine the assessed value of farmland.

Preferential Assessment

The Farmland Assessment Law establishes capitalized net income as the basis for the EAV of farmland. Each year, the net income is determined for each PI of cropland. The net income is then capitalized by the five-year Agri-bank Farmland Mortgage interest rate to determine an agricultural economic value for each PI. The agricultural economic value for each PI is then multiplied by 33.33 percent (.3333), the product of which is the EAV. A listing of the EAVs of cropland by PI is given in Table 1 in Publication 122. By law, the EAV of permanent pasture should be at one-third and the EAV of other farmland should be at one-sixth of these values. There are statutory limits in place that determine how low the assessment may fall before it cannot be decreased further. This varies by classification of the farmland.



By law, the percentage increase or decrease of the certified value cannot exceed 10 percent of the previous year's certified value for the median cropped soil (PI 111). The certified value that was used for the previous assessment year for PI 111 drives the maximum percent increase or decrease of the certified value for the next assessment year. For example, for assessment year 2025, the certified value for PI 111 was \$567.12 per acre, so in assessment year 2026, the certified value increase or decrease per acre for all soil PIs cannot exceed \$56.71. Figure 1 below shows the difference between the calculated EAV amounts and the certified value that is used for assessment purposes as limited by law.

In Cook County, farmland is assessed differently. The EAV per acre of farmland shall be the lesser of either 16 percent of the fair cash value of the farmland estimated at the price it would bring at a fair, voluntary sale for use by the buyer as a farm, or the 1983 average equalized assessed value per acre as certified.

Farm buildings are assessed at 33.33 percent of their contributory value to the productivity of the farm. Contributory value considers the current use of the improvement and what that use adds to the overall productivity of the farm operation.

Application Process

There is no application process. Property owners who feel they may qualify for a farm assessment should contact their local assessment officials to discuss the specific details of their property. Documentation may be required by the CCAO.

Statistical Data

Assessment Year	EAV for PI 111	Certified Value for PI 111	Difference
2014	\$968.81	\$203.32	-\$765.49
2015	\$1,146.25	\$218.65	-\$927.60
2016	\$1,193.69	\$240.51	-\$953.18
2017	\$1,454.20	\$264.56	-\$1,189.64
2018	\$1,530.07	\$291.02	-\$1,239.05
2019	\$1,575.73	\$320.12	-\$1,255.61
2020	\$1,505.02	\$352.13	-\$1,152.89
2021	\$1,406.63	\$387.35	-\$1,019.28
2022	\$1,374.36	\$426.08	-\$948.28
2023	\$1,428.05	\$468.69	-\$959.36

Figure 1.

Figure 1 shows the calculated EAV for PI 111 (the median cropped soil in Illinois), the certified value with the statutory limits in place, and the difference between the EAV and the certified value.

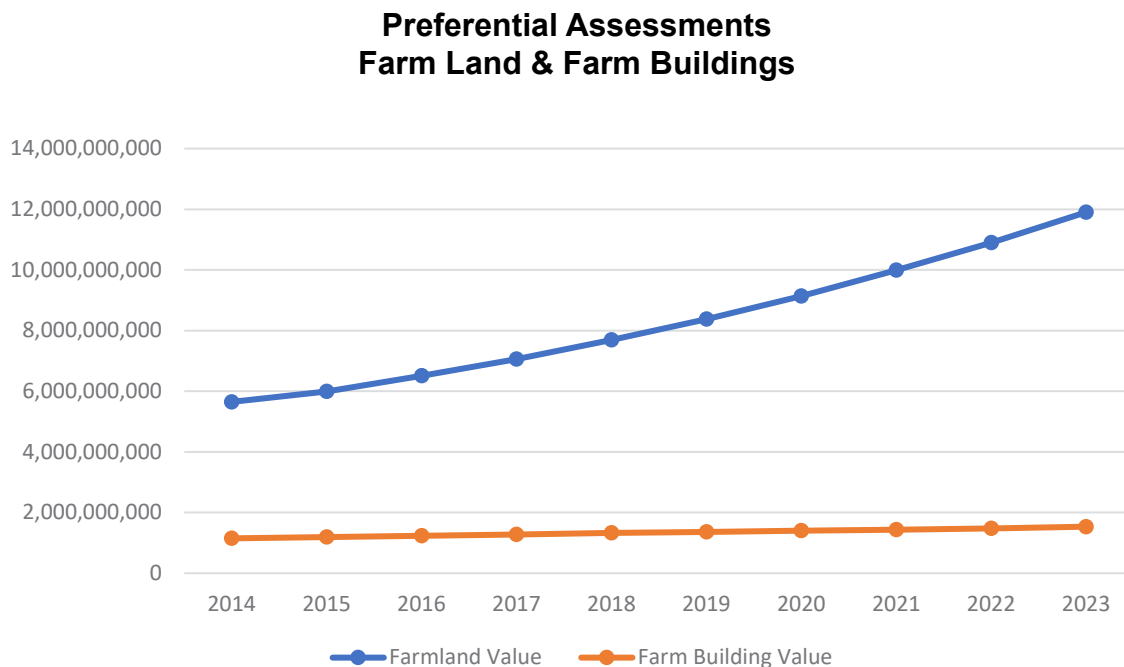


Figure 2.

Figure 2 demonstrates the growth in EAV stemming from farmland assessments over a 10-year period. While the EAV related to farmland grows annually, the EAV attributed to farm buildings remains relatively flat. EAV attributed to Forestry Management and Vegetative Filter Strips is included in the above land value.

Forestry Management Program

35 ILCS 200/10-150

Overview and Qualifications

Land that is being managed under the Illinois Forestry Development Act (FDA), as approved by the Illinois Department of Natural Resources (IDNR), is considered “other farmland” for assessment purposes. Land assessed under the FDA is excluded from both the two-year and primary-use requirements.

Preferential Assessment

Land that is approved in a forestry management plan being managed under the IDNR-administered Forestry Development Act should be assessed as other farmland based on its soil PI at 1/6 of the EAV certified by IDOR for that PI.

Any change in assessed value resulting from a newly approved forestry management plan begins on January 1 of the assessment year immediately following the plan’s initial approval date, regardless of whether trees have actually been planted. Changes in assessed value resulting from amendments or cancellations of existing plans also begin as of January 1 of the assessment year following this change.

Application Process

Property owners must file an application with IDNR, detailing the management practices they will employ on the enrolled acres. IDOR will notify CCAOs once IDNR provides a copy of the forestry management plan. Once the CCAO receives official notification from IDOR that a tract has been granted approved forestry management status, this status remains in effect until notified otherwise.



Vegetative Filter Strips

35 ILCS 200/10-152

Overview and Qualifications

Land that is located between a farm field and an area to be protected, such as surface water, a river, stream, or sinkhole, and that is certified as a vegetative filter strip, may qualify for a preferential assessment. The county's Soil and Water Conservation District will ensure that the property meets established requirements to qualify as a vegetative filter strip and will provide the land area that qualifies.

Unlike most other types of farmland, vegetative filter strips are not subject to the two-year or primary use requirements.

Preferential Assessment

In all counties except Cook County, land that is approved as a vegetative filter strip should be assessed as other farmland based on its soil productivity index (PI) at 1/6 of the EAV certified by IDOR for that PI. In Cook County, the land shall be valued at the lesser of 16 percent of its fair cash value of the farmland estimated at the price it would bring at a fair, voluntary sale for use by the buyer as a farm as defined in statute, or 90 percent of the 1983 EAV per acre certified value.

Application Process

The property owner will work with their county's Soil and Water Conservation District office to receive certification for the land that qualifies as a vegetative filter strip. They will then provide documentation of the qualification to the CCAO.



Non-clear Cut Assessment

35 ILCS 200/10-153

Overview and Qualifications

To qualify for a non-clear cut preferential assessment, land must be located in a unit of local government with a population under 500,000. Additionally, the land must be located within 15 yards of waters listed by IDNR under the Rivers, Lakes, and Streams Act as navigable, and must not have been clear cut of trees as defined in the Act.

Preferential Assessment

Qualifying land is assessed at 1/12 of its productivity index (PI) EAV as cropland.

Application Process

There is no formal application process required for this preferential assessment. Property owners should work with their CCAO to ensure they meet the qualifications when seeking this preferential assessment.



Open Space

35 ILCS 200/10-147, 10-155 through 10-165, 10-223

Overview and Qualifications

Open space is land that contains a minimum of 10 acres and meets one or more of the following qualifications:

- exclusively maintains or enhances natural and scenic resources;
- protects air, streams, or water supplies;
- promotes conservation of soil, wetlands, beaches, or marshes, including ground cover or planted perennial grasses, trees and shrubs and other natural perennial growth, and including any body of water, whether man-made or natural;
- conserves landscaped areas, such as public or private golf courses;
- enhances the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations, sanctuaries, or other open spaces; or
- preserves historic sites.

Land that is used for primarily residential purposes does not qualify. The property must be in open space use for the three years immediately preceding the assessment year in which application is being made and must be subject to property tax.

The determination as to whether a property may qualify as open space is complex, and all aspects of the property and its use must be evaluated to determine whether the property may qualify.

Preferential Assessment

Land that qualifies as open space is assessed at 33.33 percent of the value as if it is used for open space purposes.

The purpose of the preferential assessment is to apply a use value to applicable open space properties so that they are valued for property tax purposes according to their open space use, not any redevelopment use which may exceed the value of the open space use. Essentially, highest and best use considerations are not taken into account.

If the property ceases to be used for open space purposes within the first three years of receiving the preferential assessment, the person liable for taxes will be required to pay a recapture by the following September 1, which is the difference between what the taxes were as assessed as open space and what the taxes would have been without the open space valuation for the past three years, plus five percent interest.

Application Process

An application must be filed with the CCAO by January 31 in Cook County or by June 30 in all other counties of each assessment year. The property owner is also required to notify the CCAO in writing if the property no longer is being used for open space purposes.



Conservation Stewardship Program

35 ILCS 200/10-400 through 10-455

Overview and Qualifications

Property that is enrolled in an approved Conservation Stewardship Program (CSP) plan through IDNR may qualify for a preferential assessment. The land must be unimproved land, which means woodlands, prairie, wetlands, or other vacant and undeveloped land that is not used for any residential or commercial purpose that materially disturbs the land. The CSP plan is a plan approved by IDNR that specifies conservation and management practices, including uses that will be conducted to preserve and restore unimproved land. The property must contain five or more contiguous, unimproved acres to qualify for the program. Some property types are excluded from qualification for the program.



Preferential Assessment

In all counties except Cook County, land enrolled in an approved CSP plan is assessed at five percent of its fair cash value beginning with January 1 of the assessment year following the year in which it was approved.

If, in any taxable year the taxpayer receives the preferential valuation, the taxpayer does not comply with the CSP management plan, then the taxpayer shall pay to the county treasurer the difference between the taxes paid for that year, and what the taxes for that year would have been based on a valuation otherwise permitted by law. If the amount remains unpaid by the following September 1, then that amount is considered delinquent. If a CSP plan is cancelled for a reason other than non-compliance, the preferential assessment is removed on January 1 of the following assessment year, and the assessed value will return to 33.33 percent of fair cash value unless the land is enrolled in another preferential assessment program.

Application Process

Property owners who wish to enroll in the CSP complete an application with IDNR. IDNR will review the submitted management plan for compliance with program requirements. If IDNR approves the plan, a copy is forwarded to IDOR, and IDOR certifies the plan to the CCAO no later than 30 days from the date of receipt. If the plan requirements are being followed as expected, the plan will remain in place for a 10-year period and may be renewed.

**Preferential Assessments
Conservation Stewardship**

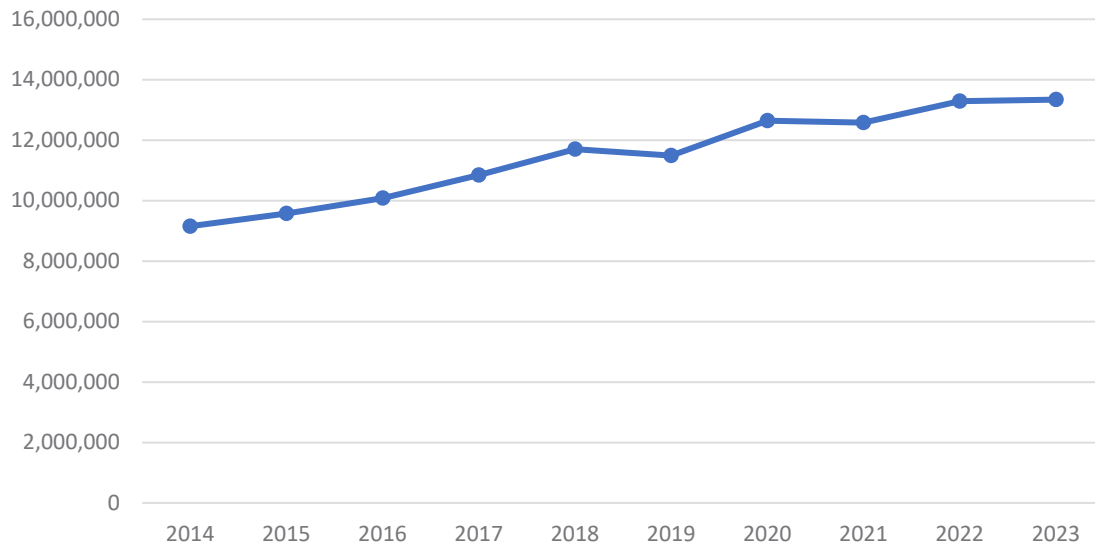


Figure 3.

Figure 3 shows the growth in EAV attributable to parcels enrolled in a Conservation Stewardship Program.

Land Subject to Conservation Rights

35 ILCS 200/10-166 through 10-169

Overview and Qualifications

To the extent any portion of any lot, parcel, or tract of land is registered in perpetuity under Section 16 of the Illinois Natural Areas Preservation Act, or encumbered in perpetuity by a conservation right, as defined in the Real Property Conservation Rights Act, if the conservation right has been conveyed and accepted in accordance with Section 2 of the Real Property Conservation Rights Act, recorded under Section 5 of that Act, and yields a public benefit as defined in statute, the property may qualify for a preferential assessment. To qualify, the registration agreement or conservation right establishing an encumbrance shall prohibit the construction of any other structure on the registered or encumbered land except replacement structures, no larger than the previous structures which are replaced, that do not interfere with or destroy the registration or conservation right.



A conservation right on land shall be considered to provide a demonstrated public benefit if IDNR certifies that it protects in perpetuity at least one of the following:

- Land providing a regular opportunity for public access to outdoor recreation or outdoor education.
- Land preserving habitat for State or federal endangered or threatened species or federal candidate species as defined in the Code of Federal Regulations (50 CFR 424.02).
- Land identified in the Illinois Natural Areas Inventory.
- Land determined to be eligible for registration under Section 16 of the Illinois Natural Areas Preservation Act.
- Land contributing to the ecological viability of a park, conservation area, nature preserve, or other high quality native terrestrial or aquatic area that is publicly owned or otherwise protected.
- Land included in, or consistent with a federal, State, regional, or local government policy or plan for the conservation of wildlife habitat or open space, for the restoration or protection of lakes and streams, or for the protection of scenic areas.

The person liable for taxes on the land shall submit an application to IDNR requesting certification that the land meets one of the criteria established. The application shall be in a form furnished by IDNR. Within 30 days of receipt of a complete and correct application for certification, IDNR will determine whether the land encumbered by a conservation right provides a demonstrated public benefit and shall inform the applicant in writing of the decision.

Preferential Assessment

In all counties except Cook County, qualifying property is assessed at 8.33 percent of its fair cash value estimated as if it were not registered or encumbered. Structures or dwellings located on the parcel are assessed at 33.33 percent of their market value. In Cook County, qualifying property is assessed at 25 percent of its fair cash value. Structures or dwellings located on the parcel are assessed at the percent of market value as determined by its classification.

If the public benefit is substantially diminished or the encumbrance is released, the CCAO will remove the preferential assessment. In this case, by the following September 1, the property owner will be required to pay the difference between what the taxes were under the preferential assessment and what the taxes would have been if the preferential assessment was not applied for the past 10 years, plus 10 percent interest. Exceptions apply if the release was caused by eminent domain, an involuntary judicial proceeding, or if the action was taken by the grantee, with limitations.

Application Process

An initial application must be filed with the CCAO by January 31 of the assessment year. The applicant should bring a copy of the certification received from IDNR, if one has been obtained. Annual reapplication is not required. If the encumbrance is released or the public benefit is substantially diminished, the taxpayer must notify the CCAO in writing.

Wooded Acreage Transition

35 ILCS 200/10-500 through 10-520

Overview and Qualifications

A tract of unimproved real property that was assessed under the Farmland Assessment Law during 2006 but was not in a qualified farm use should be assessed under the Wooded Acreage Transition Percentage (WTP). The property must have been owned by the current owner on or before October 1, 2007, and could not be enrolled in forestry management or another program. The property must be wooded with a minimum of five contiguous acres.



Once the ownership of the property changes by more than 50 percent, the WTP is removed. Land is then assessed at fair market value unless another preferential assessment is applicable. Transfers between spouses do not disqualify the parcel from the Wooded Acreage Transition assessment.

Preferential Assessment

The CCAO calculated the transition percentage at the time the property was enrolled in Wooded Acreage Transition. The transition percentage is equal to the property's 2006 EAV as farmland divided by the property's 2006 fair cash value. That transition percentage is then applied to the current fair cash value of the property to calculate the current assessment.

Application Process

Property that qualifies for the WTP automatically receives the preferential assessment. There was no formal application process when this law was enacted, and no annual reapplication is required. CCAOs were to determine which parcels qualified for the Wooded Acreage Transition assessment and were to apply the preferential assessment when the law was enacted.

Statistical Data

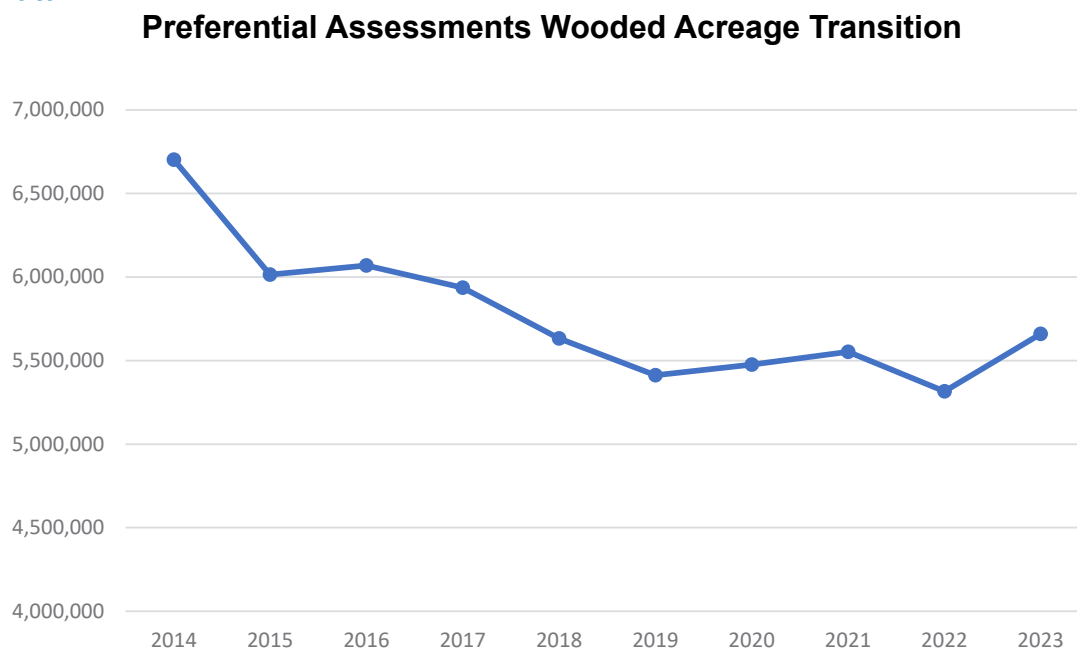


Figure 4.

Figure 4 shows the overall decline in Wooded Acreage Transition over a 10-year period. Since new enrollments are not allowed by statute, these assessments should continue to trend downward as parcels no longer qualify for the transition program.

Model Homes, Townhomes, and Condominium Units

35 ILCS 200/10-25

Overview and Qualifications

If the construction of a single-family dwelling, townhome or condominium unit is not occupied as a dwelling but is used as a display or demonstration model home, townhome or condominium unit for prospective buyers of the dwelling or of similar homes, townhomes, or condominium units to be built on other property, it may qualify for the model homes, townhomes, and condominium units preferential assessment.



No corporation, individual, sole proprietor or partnership may have more than a total of three model homes, townhomes, or condominium units at the same time within a three-mile radius. The center point of each radius shall be the display or demonstration model that has been used as such for the longest period of time.

Preferential Assessment

The assessed value of the property on which the dwelling, townhome, or condominium was constructed shall be the same as the assessed value of the property prior to construction and prior to any change in the zoning classification of the property prior to construction of the qualifying structure.

Once the property is occupied as a dwelling, or the property on which the dwelling is situated is sold or leased for use other than as a display or demonstration model home, townhome, or condominium unit, it no longer qualifies for the preferential assessment.

No property shall be eligible for the preferential assessment for more than a 10-year period.

Application Process

The person liable for taxes on property eligible for the preferential assessment shall file a verified application with the CCAO on or before April 30 of each assessment year for which that assessment is desired in Cook County, and December 31 of each assessment year for which that assessment is desired in all other counties. Failure to make a timely filing in any assessment year constitutes a waiver of the right to benefit for that assessment year.

If the dwelling, townhome, or condominium unit becomes ineligible for the alternate valuation, the owner shall notify the CCAO of the ineligibility within 60 days.

Subdivisions of Land (Developer's Lots)

35 ILCS 200/10-30

Overview and Qualifications

Acreage that is in transition from vacant land to a residential, commercial, or industrial use may qualify for a preferential assessment. The purpose of the program is to encourage real estate development by providing a tax incentive that protects a developer from paying increased taxes until a return on the investment can be made. As a result, the preferential assessment is often called the “developer’s exemption” or “developer’s rate”. This is available in all counties except Cook County.



To qualify, the land must be platted and subdivided in accordance with the Illinois Plat Act, be platted after January 1, 1978, be more than five acres when platted if recorded after January 1, 2008, or more than 10 acres if recorded between January 1, 1978, through December 31, 2007, and vacant land or used as a farm when platted.

The preferential assessment for a lot in the subdivided property ends when a habitable structure on any lot of subdivided property is completed, a lot is used for a business, residential, or commercial purpose, or a platted lot or vacant platted lot is sold. The preferential assessment does not expire if an improvement qualifies for the model home assessment. If a single lot is sold, the rest of the land continues to receive the preferential assessment. The assessed value of the unsold land is reduced proportionally to reflect the fact that the lot no longer qualifies for the preferential assessment.

Preferential Assessment

The assessed value is the estimated price for which the property would sell if the new owner were to continue to use it for the same purpose for which it was used before it was platted and subdivided. This does not mean that the assessed value is “frozen” at the amount at which it was assessed before it was platted and subdivided; it does mean that the assessed value cannot increase because of new infrastructure (e.g., streets, sidewalks, curbs, gutter, or sewer, water, and utility lines).

If the land was previously assessed as vacant land (not farm), it continues to be assessed as vacant land at 33.33 percent of its fair market value according to its use before the property was platted. If the land was previously assessed as farmland, it continues to be assessed as farmland until it no longer qualifies for the preferential assessment.

Application Process

There is no formal application for this preferential assessment. The CCAO must send a notice to the property owner if the assessment changes. The developer may contact the CCAO if it appears that the land is being assessed at a higher level because of added infrastructure or if the property is not assessed as it was in the assessment year before the plat and subdivision was filed. The developer may also file a formal assessment appeal with the county board of review or circuit court if they disagree with the assessment.

Subdivision of Common Areas

35 ILCS 200/10-35

Overview and Qualifications

Residential property which is part of a development, but which is individually owned and ownership of which includes the right, by easement, covenant, deed or other interest in property, to the use of any common area for recreational or similar residential purposes may qualify for a preferential assessment.

Property used as a common area may qualify if it is a lot, parcel, or area, the beneficial use and enjoyment of which is reserved in whole as an appurtenance to the separately owned lots, parcels or areas within the planned development.



Preferential Assessment

Qualifying property is assessed at \$1.00.

Application Process

No formal application is required; however, some counties have developed an application process to document the request for preferential assessment. A representative of the property should check with the CCAO to determine if an application is required.

Low-income Housing – Section 515 Developments

35 ILCS 200/10-235 through 10-260

Overview and Qualifications

A qualifying development is defined as a Section 515 low-income housing project that contains rental apartment facilities developed and managed under a U.S. Department of Agriculture Rural Rental Housing Program designed to provide affordable housing to low to moderate income families and seniors in rural communities with populations under 20,000, that receive a subsidy in the form of a reduced interest rate with an extended mortgage term, that would not have been built without the interest credit subsidy, and where the owners of the projects are limited to a specific annual profit return on an equity investment which may result in a modest cash flow to owners of the projects unless actual expenses exceed budget projections.



Preferential Assessment

In all counties except Cook County, to determine the assessed value of any low-income housing project developed under the Section 515 program or that qualifies for the low-income housing tax credit under Section 42 of the Internal Revenue Code, in assessing the project, local assessment officers must consider the actual or probable net operating income attributable to the property, using a vacancy rate of not more than five percent, capitalized at normal market rates. The interest rate to be used in developing the normal market value capitalization rate shall be one that reflects the prevailing cost of cash for other types of commercial real estate in the geographic market in which the low-income housing project is located. In determining the value of property receiving benefits from the Low-Income Housing Tax Credit authorized by Section 42 of the Internal Revenue Code, 26 U.S.C. 42, emphasis shall be given to the income approach, except in those circumstances where another method is clearly more appropriate.

Application Process

Once the project receives certification from the U.S. Department of Agriculture as a qualifying project, the property owner or their representative must present the certificate to the CCAO to receive the preferential assessment. If the property has qualified for low-income housing tax credit under Section 42 of the Internal Revenue Code, the owner(s) must certify this fact to the CCAO.

Affordable Housing Special Assessment Program

35 ILCS 200/15-178

Overview and Qualifications

The Property Tax Code provides different programs to help promote the construction and maintenance of affordable rental housing. A preferential assessment program has been created for certain qualifying rental housing projects. This program is open to any newly constructed and/or rehabilitated rental housing project of seven (7) or more units. To qualify, the owner of the project must commit to holding a certain percentage of units at or below the maximum rent and for occupancy by households at or below maximum income limits.



Two options are available under this program. The first option is available to properties where the owner commits to holding at least 15 percent of units in the property at or below the designated income and rent limits for a period of at least 10 years. The second option is available to properties in low affordability communities where the owner commits to holding at least 20 percent of units in the property at or below the designated income and rent limits for a period of at least 30 years.

Preferential Assessment

Under the first option, qualifying projects with between 15 percent and 35 percent of units set aside in this program will receive a reduction equal to 25 percent of the project's assessed value; or qualifying projects at 35 percent or greater units set aside at the statutory limit will receive a reduction equal to 35 percent of the project's total assessed value.

Under the second option, qualifying projects will receive the following benefit: in taxable years one, two, and three, the difference between the base year and the application year; in taxable years four, five and six, 80 percent of the base year and the application year; in taxable years seven, eight, and nine, 60 percent of the base year and the application year, in taxable years 10, 11, and 12, 40 percent of the base year and the application year, and in taxable years 13 through 30, 20 percent of the base year and the application year.

Application Process

Counties other than Cook County may choose to opt out of this special assessment program; Cook County may not opt out. Each CCAO should be contacted to inquire as to whether the county is participating. A completed application, along with all applicable schedules, must be submitted for initial project certification. In addition, a completed application must be submitted annually or as otherwise required by the CCAO for recertification. All applicants must also complete and submit additional schedules annually or as otherwise required by the CCAO. An application fee may apply and is set by the county.

For new construction projects, applicants must attach all contractor's statements and building permits, as applicable, with the application for initial certification. For existing projects with qualifying rehabilitations, the applicant must submit additional data specifying what allowable rehabilitations or updates have been made to the specified primary building systems.

Historic Residence Assessment Freeze

35 ILCS 200/10-40 through 10-85

Overview and Qualifications

The Historic Residence Assessment Freeze provides a preferential assessment to qualifying property. The property must be the principal residence of the owner and be a single-family house or a residential building of up to six units as long as one of the units is occupied by the building's owner, a condominium building, or a cooperative. The building must be a registered historic building under specific acts or programs.

Current statute allows for a taxing district to choose to opt out of this preferential assessment.



Preferential Assessment

A base year value is set, which is the fair cash value of the home before any approved renovations have taken place. For the base year and the subsequent seven years, the value shall not exceed the base year valuation unless a taxing district has elected to opt out of the program. For the four years that follow, the assessment is increased in phases – in the first year, the base valuation plus 25 percent of the adjustment in value; in the second year, the base valuation plus 50 percent of the adjustment in value; and in the third year, the base valuation plus 75 percent of the adjustment in value. In the fourth year following the initial eight-year period and beyond, the property is valued at its current fair market value.

Application Process

An application is filed with the Illinois Historic Preservation Agency. Once the application is approved, the Agency will certify the eligibility to the CCAO. The property owner must file an annual certificate of status with the CCAO on or before January 31 of the assessment year along with an affidavit that contains certain requirements. If the property no longer is owner occupied, the preferential assessment is removed.

Supportive Living Facilities

35 ILCS 200/10-390

Overview and Qualifications

Supportive living facilities may either be free-standing facilities or distinct physical operational entities within a nursing facility. They integrate housing with health, personal care, and supportive services with separate and private living units.

Preferential Assessment

To determine the fair cash value of any qualifying supportive living facility, in assessing the facility, a local assessment officer must use the income capitalization approach. The gross potential income must not exceed the maximum individual Supplemental Security Income amount, minus a resident's personal allowance as defined at 89 Ill. Adm. Code 146.205, multiplied by the number of apartments authorized by the supportive living facility certification. The local assessment officer may not consider payments from Medicaid for services provided to the residents of the facilities when such payments constitute income that is attributable to services and not attributable to the real estate, or payments by a resident of a supportive living facility for services that would be paid by Medicaid if the resident were Medicaid-eligible when such payments constitute income that is attributable to services and not attributable to real estate.

Application Process

There is no formal application process. Representatives from qualifying properties should reach out to the CCAO to initiate discussion about the property qualifications.



Accessibility Improvements

35 ILCS 200/10-23

Overview and Qualifications

The preferential assessment for accessibility improvements made to residential property allows the assessed value of the property to remain at its pre-improvement value for a set length of time after the improvements are completed. An accessibility improvement is a home modification listed under the Home Services Program under the Illinois Department of Human Services and includes such improvements as ramps, grab-bars, widened doorways, and other changes that enhance the independence of a disabled or elderly individual.



Preferential Assessment

Qualifying improvements for the accessibility of residential property shall not increase the assessed value for a period of seven years after the completion of the improvements.

Application Process

There is no formal application process required for this preferential assessment. Property owners should work with their CCAO to ensure they are receiving this benefit.

Behind the Meter Solar Energy Systems

35 ILCS 200/10-5 through 10-10

Overview and Qualifications

Solar energy systems that use solar energy for generating electricity that is primarily consumed on the property on which the solar energy system resides (including systems that are connected to the electrical grid and the meter “runs backwards” during peak generating times) may qualify for a preferential assessment. Solar energy systems subject to power purchase agreements (PPAs) or leases for solar energy between a third-party owner, an operator, or both, and an end user of electricity, where such systems are located on the end user of the electricity’s side of the electric meter (“behind the meter”) and which are primarily used to offset the electricity load of the end user behind whose electric meter the system connected are not considered to be “commercial solar energy systems.” The system is primarily used to offset the electricity load of the end user of electricity if the system is estimated to produce 110 percent or fewer KWH of electricity than consumed by the end user at that meter in the last 12 full months prior to the system being placed in service.



Preferential Assessment

When a claim for alternate valuation is filed, the CCAO should determine the value of the improvements both with and without the solar energy system. If the solar energy system is used in total or part as the means of utilizing solar energy improvements, the alternate valuation computed as the lesser of the two values ascertained under this paragraph shall be applied. In basic terms, any value added to the property that is attributable to the installation of the solar energy system should not add to the assessed valuation.

Application Process

Property owners should file an application with their CCAO once the solar energy system has been installed to receive the preferential assessment. The property owner is required to notify the CCAO within 30 days if the system is no longer being used.

Commercial Solar Energy Systems

35 ILCS 200/10-720 through 10-760

Overview and Qualifications

Beginning with assessment year 2018, the fair cash value for a commercial solar energy system in Illinois is based on its nameplate capacity per megawatt of the solar energy system. A commercial solar energy system is defined as any device or assembly of devices that is ground installed and uses solar energy from the sun for generating electricity for the primary purpose of wholesale or retail sale and not primarily for consumption on the property on which the device or devices reside.

Commercial solar energy systems are not subject to state or local equalization.



Preferential Assessment

In all counties except Cook County, the fair cash value of a commercial solar energy system is \$218,000 per megawatt of nameplate capacity. This includes the owner of the commercial solar energy system's interest in the land within the project boundaries and real property improvements. The CCAO will add an inflationary increase, called a "trending factor," to the 2018 base value. The result is called the "trended real property cost basis." An amount for depreciation is then subtracted from the trended real property cost basis to determine the taxable value for the current assessment year.

The formula for determining the fair cash value is as follows.

$$(\$218,000 \times \text{trending factor}) - \text{Depreciation}$$

The fair cash value includes the land on which the commercial solar energy system is located and the portion of the solar energy system that is considered real property. Because Illinois assesses real property for tax purposes at one-third of its fair cash value, the non-trended, non-depreciated assessed value for each solar energy system is \$72,659 per megawatt ($\$218,000 \times .3333$).

Application Process

There is no formal application process. However, the owner of the commercial solar energy system is required to obtain a metes and bounds survey description of the land upon which the commercial solar energy system is installed, including access routes, over which the commercial solar energy system has exclusive control. This survey must be submitted to the CCAO and to the owner of the land upon which the system is constructed.

Preferential Assessments Commercial Solar Energy Systems

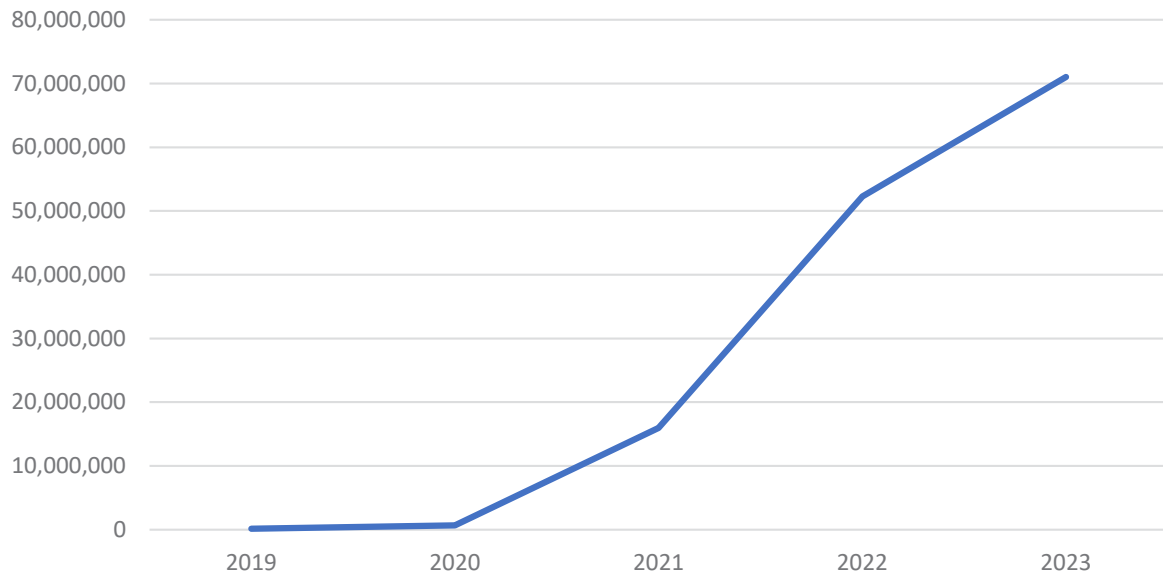


Figure 5.

Figure 5 shows the exponential growth in EAV from commercial solar energy systems. Data is only recent due to the preferential assessment first being effective for assessment year 2018.

Wind Energy Property

35 ILCS 200/10-600 through 10-620

Overview and Qualifications

Beginning January 1, 2007, the fair cash value of a wind energy device in Illinois is based on its nameplate capacity per megawatt of the wind energy device. A wind energy device is defined as any device with a nameplate capacity of at least 0.5 megawatts that is used in the process of converting kinetic energy from the wind to generate electric power for commercial sale. A wind energy device is synonymous with wind turbine.

Buildings and substations are not included in the wind energy device assessed value. These real properties are valued separately. The valuation procedure is for wind energy devices and the parcels on which they are located. The parcel is the area immediately surrounding the wind energy device over which the owner has exclusive control.



Wind energy devices are not subject to state or local equalization.

Preferential Assessment

The fair cash value of a wind energy device is \$360,000 per megawatt of nameplate capacity. The CCAO will add an inflationary increase, called a “trending factor,” to the 2007 base value. The result is called the “trended real property cost basis.” An amount for depreciation is then subtracted from the trended real property cost basis to determine the taxable value for the current assessment year. The wind turbine and the parcel upon which it is situated are included in the valuation; there is not a separate land assessment.

The formula for determining the fair cash value is $(\$360,000 \times \text{trending factor}) - \text{Depreciation}$.

Application Process

There is no formal application process. The owner of the wind energy device is required to obtain a metes and bounds survey description of the land upon which the wind energy device is installed, including access routes, over which the system owner has exclusive control. This survey must be submitted to the CCAO within 60 days of completing construction of the device.

Preferential Assessments Wind Turbines

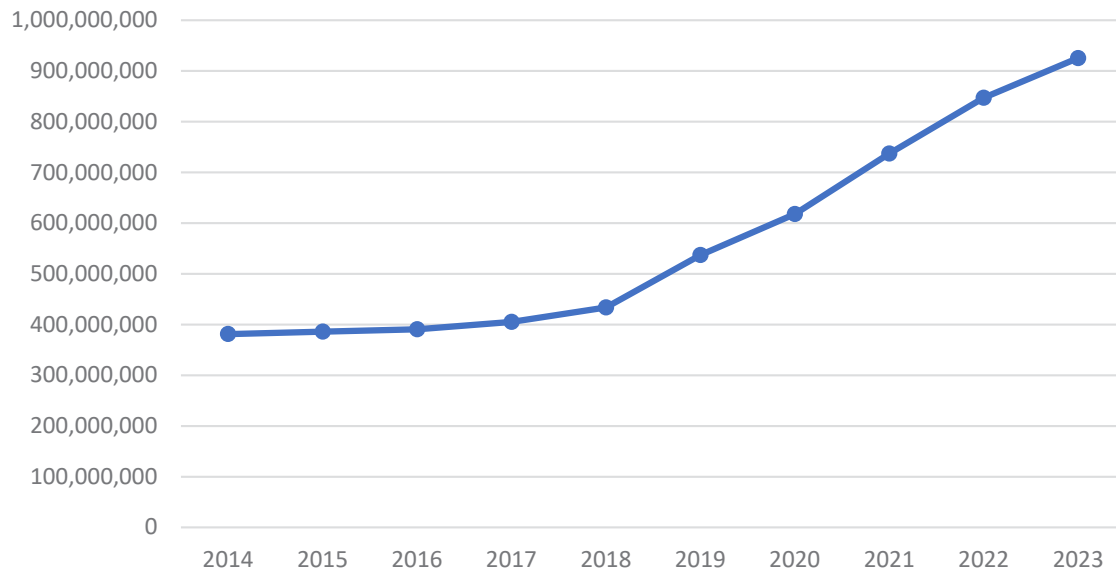


Figure 6.

Figure 6 shows the exponential growth in EAV attributable to wind turbines statewide.

Coal

35 ILCS 200/10-170 through 10-200

Overview and Qualifications

All undeveloped coal in property on which there has been no mining during the year immediately preceding the assessment date shall have an undeveloped coal reserve economic value of no more than \$75 per acre. There shall be no per acre undeveloped coal reserve economic value for persons not in the business of mining who have not severed the coal from the land by deed or lease. When mining has taken place during the year immediately preceding the assessment date, but has completely ceased as of the assessment date, all remaining unmined coal shall be valued as undeveloped coal.

Developed coal is land where a permit has been issued to mine or extract coal from the land. Developed coal is assessed at 33.33 percent of the developed coal reserved economic value.



Preferential Assessment

To obtain a per acre value for developed coal, the base value that corresponds to the remaining life of the permit in years should be determined and multiplied by the recovery ratio and seam thickness in feet.

Any change in the per acre assessed value of coal shall not exceed 10 percent in any one year except when a change of acreage classification occurs. If the application of the certified per acre base value results in an increased or decreased assessment that exceeds the 10 percent statutory limitation, an adjustment must be made by the assessor's office to ensure the final assessment falls within this statutory limitation.

The assessed value of coal is not subject to state equalization.

Application Process

There is no formal application process. Determination of an operational coal mine should be made by the CCAO when field work is being done. If a property owner or their representative believes a property should qualify as developed or undeveloped coal, they should contact the CCAO.

Property of Veteran's Organizations

35 ILCS 200/10-300

Overview and Qualifications

The veteran's organization assessment freeze allows qualified veteran's organizations to elect to freeze the assessed value of the real property it owns, and on which is located the principal building for the post, camp, or chapter. To qualify, a veteran's organization must be chartered under federal law and own and use the real property on which is located the principal building for the post, camp, or chapter.

Preferential Assessment

The assessed value is frozen by the CCAO at 15 percent of the 1999 assessed value for the property that qualified in assessment year 2000, or 15 percent of the assessed value for the property for the assessment year that the property first qualifies after assessment year 2000. Any improvements or additions that are made to the property that increase the assessed value of the property also are frozen at 15 percent of the assessed value of the improvement or addition in the year first assessed.

Application Process

The veteran's organization's presiding officer should complete and sign a prescribed application to apply for the assessment freeze with the CCAO. Supporting documentation is required. An annual renewal application is required to be filed with the CCAO. The application is due by December 31 of the assessment year of application for all counties except Cook County, which requires the form to be completed by January 31 of the assessment year of application.



Property of Fraternal Organizations

35 ILCS 200/10-350 through 10-360

Overview and Qualifications

The Property Tax Code provides three separate preferential assessments for property of certain qualifying fraternal organizations. The federal tax-exempt status and year of the organization's charter will determine qualification. The fraternal organization must provide, either directly or indirectly, financial support for charitable works. Examples of types or organizations that could qualify include Masonic Lodges, Knights of Columbus, Eagles Lodges, and other fraternal organizations that meet the organization and charter requirements.



To qualify, a fraternal organization chartered by the state of Illinois prior to 1900 that owns and uses real property, or its subordinate organization or entity, must prohibit gambling and the use of alcohol on the property, be an exempt entity under IRC Section 501(c)(10), and consist of members who provide, directly or indirectly, financial support for charitable works, such as medical care, drug rehabilitation, or education.

To qualify, a fraternal organization, or its subordinate organization or entity, who had its national headquarters in Illinois on December 31, 1926, or was chartered in Illinois in February 1898, must own and use real property, be an exempt entity under IRC Section 501(c)(8), and consist of members who provide, directly or indirectly, financial support for charitable works, such as medical care, drug rehabilitation, or education.

To qualify, a fraternal organization or its affiliated Illinois not-for-profit corporation chartered prior to 1920 must own and use real property, be an exempt entity under IRC Section 501(c)(2), (c)(8), or (c)(10), and consist of members who provide, directly or indirectly, financial support for charitable works, such as medical care, drug rehabilitation, or education.

Preferential Assessment

The assessed value is frozen by the CCAO at 15 percent of the qualifying base year's assessed value for the property that qualified in the following assessment year, or 15 percent of the assessed value for the property for the assessment year that the property first qualifies after the statute was enacted. Any improvements or additions that are made to the property that increase the assessed value of the property also are frozen at 15 percent of the assessed value of the improvement or addition in the year first assessed.

Application Process

The fraternal organization's presiding officer should complete and sign a prescribed application to apply for the assessment freeze with the CCAO. Supporting documentation is required. An annual renewal application is required to be filed with the CCAO. The application is due by December 31 of the assessment year of application for all counties except Cook County, which requires the form to be completed by January 31 of the assessment year of application.

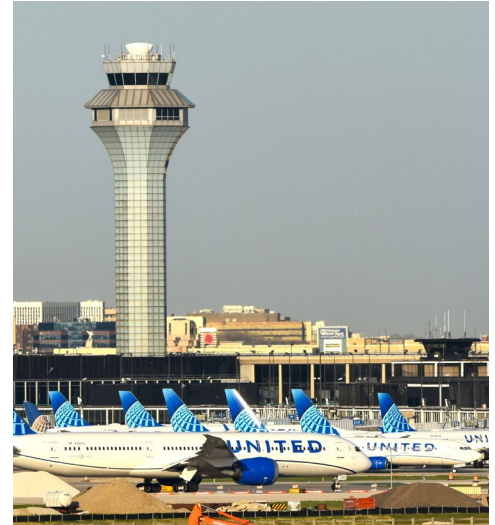
Airports in Counties of More than 200,000 Persons

35 ILCS 200/10-90 through 10-100

Overview and Qualifications

This preferential assessment applies in counties with 200,000 or more inhabitants. The property must be used for airport purposes and has been so used for the three years immediately preceding the year when the assessment is made.

Property is considered used for airport purposes if it is devoted primarily to the operation of an airport or restricted landing field approved by the Illinois Department of Transportation in accordance with the Illinois Aeronautics Act and is open to the public except as restricted by the Illinois Department of Transportation or the Illinois Aeronautics Act.



Preferential Assessment

Qualifying property shall be valued at 33.33 percent of its fair cash value, based upon the price it would bring at a fair, voluntary sale for use by the buyer for airport purposes. This essentially excludes “highest and best use” considerations when determining the value of the land.

Application Process

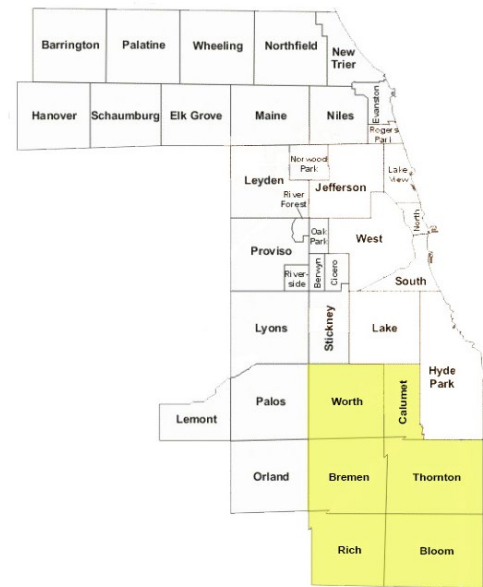
The person liable for taxes on land used for airport purposes must file a verified application requesting the preferential assessment with the CCAO of the county where the land is located, by January 1 of each year for which that valuation is desired.

Southland Reactivation Property

35 ILCS 200/10-800

Overview and Qualifications

Certain qualifying property that meets the statutory provisions may receive a preferential assessment. Property must be located in a designated area in Bloom, Bremen, Calumet, Rich, Thornton, or Worth townships in Cook County. The property held by a participating entity must also be designated by a municipality as a priority tax reactivation parcel, site or property due to a clear pattern of stagnation and depressed condition or decline in assessed value, be zoned for commercial or industrial use, and must meet specific criteria about the transfer, assessed valuation result, and enhancement to the property.



Within five years after May 27, 2022, purchasers of real property from any participating entity may apply to have the property certified as southland reactivation property if all requirements set in statute are met. Specific purposes include promoting rehabilitation of abandoned, vacant, or underutilized property to attract and enhance economic activities and investment to stabilize, restore, and grow the tax base in severely blighted areas within Chicago's south suburbs. The certification is nonrenewable and shall be transmitted by the municipality or participating entity to the CCAO as soon as possible after certification takes place. The designation is limited to the original applicant unless otherwise approved with no change in use.

Preferential Assessment

Beginning with the first assessment year after certification through the 12th assessment year after certification, the property shall be valued at 50 percent of the base year EAV as assessed by the CCAO, excluding exemptions. For the first year after certification, the aggregate property tax liability shall be no more than \$100,000 per year and distributed to the taxing districts proportionately. Beginning with the second year after certification through the twelfth year, the property tax liability shall be increased over the preceding year's liability by 10 percent. The purchaser's liability shall not decrease.

Application Process

No later than March 1 of each year, the municipality or the participating entity on behalf of the municipality shall certify to the county clerk of the county in which the property is located a percentage southland reactivation reduction to be applied to property taxes for that calendar year.



Non-homestead Exemptions



35 ILCS 200/15-5 through 15-160

Background

Non-homestead property tax exemptions are controlled by Article IX, Section 6 of the Illinois Constitution of 1970 and Chapter 35, Title 4, Article 15 of the Property Tax Code. Article IX, Section 6 of the Illinois Constitution states the following¹:

“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.”

Properties owned by certain religious, charitable, educational organizations, not-for-profit hospitals, and units of federal, state and local governments may be eligible for exemption from property taxes to the extent provided by law.

Simply being a not-for-profit organization does not automatically qualify an organization for a charitable non-homestead exemption. These organizations generally must apply for an exemption under Section 15-65 of the Property Tax Code, which provides that institutions of public charity are exempt from property taxes when their property is actually and exclusively used for charitable and beneficent purposes and not leased or otherwise used with a view to profit.

Application Process

Applications for certification of exempt status are obtained from the county assessment office and/or the county board of review office. There are specific forms for the different types of exemptions.

- Applicants for exemption for property used for religious purposes apply using Form PTAX-300-R.
- Applicants for exemption for property used for hospital purposes apply using Form PTAX-300-H.
- Applicants for exemption for property owned by federal and state agencies apply using Form PTAX-300-FS.
- All other non-homestead exemption applications are submitted on Form PTAX-300. Common examples include the following.
 - Schools and educational trade schools
 - Cemetery purposes
 - Taxing district property
 - Charitable purposes
 - Municipalities
 - Housing authorities
 - Park and conservation districts
 - School districts and community college districts

An applicant must complete the appropriate PTAX-300 series application and must provide supporting documents with each application. The required supporting information varies; these requirements are detailed in the application instructions for each exemption type. All applicants are required to provide proof of ownership, photographs, and a copy of the plot plan.

Applications are completed by the applicant or their representative and submitted to the county board of review. The county board of review reviews the application and is asked to make a recommendation to the Illinois Department of Revenue (IDOR) as to whether the exemption request should be approved or denied. Local officials have the greatest knowledge of the property's status and use at the local level, and the information they provide is taken into consideration once the application is sent to IDOR.

Once received, IDOR docket the application into the tracking system. The application is thoroughly reviewed by IDOR to ensure statutory requirements for exemption are met and that all required documentation is included with the application package. If necessary, a request for additional information may be sent to the applicant to attempt to rectify any incomplete application packages. If missing information is not received after multiple requests are sent to obtain the information, the application will be denied.

If all required documentation is received, IDOR issues approval or denial of the application to the applicant and notifies the county clerk, county board of review, and any intervenors who filed against the application.

If the exemption application is approved, IDOR sends the county a notice of the exemption, and the county removes the exempted property from the tax rolls. Intervenors have 60 days from the date of notice of the decision is issued to request an administrative hearing if they disagree with the exemption determination.

When IDOR receives an application on which an exempt entity, where ownership is the sole requirement for exemption, leases property to a non-exempt entity, and the leasing of the property does not make the property taxable, IDOR will issue a leasehold assessment recommendation to the CCAO stating that IDOR recommends that an assessment of the leasehold interest or interests in the property be made as provided under 35 ILCS 200/9-195 of the Property Tax Code. In cases where both ownership and use are required for exemption, property leased to a non-exempt entity would be denied. The owner of the property would remain liable for taxes due on the denied portion.

When an applicant receives an exemption for the county board of review year in which they apply, and the property would have qualified in the previous board year(s), they may apply for a Certificate of Error at the county level for up to three previous board of review years, under 35 ILCS 200/14-25 and 16-75.

Once a property is granted an exemption it remains in exempt status until there is a change in use or ownership of the property. County assessment officials have the authority under the Property Tax Code to place a property back on the property tax rolls if they believe it no longer qualifies for exemption due to a change in ownership or use. The property owner would then have the right to reapply for the exemption if they believe they should still qualify for the exemption. Common examples of this would include when a church or building exempted for religious purposes closes and is no longer used for religious purposes, when a new building is constructed on an existing parcel that has exempt status, or when a building owned by an exempt entity is sold to another entity (even if the new entity may eventually qualify).

For certain exemption types, the property owner must file an annual affidavit with the CCAO stating whether there has been any change in the ownership or use of the property by January 31 of each year. These affidavits are maintained at the county level and are not forwarded to IDOR. Upon change in use or ownership, the property is placed back on the tax rolls, and a new application is required if seeking exemption.

If the exemption application is denied, the property remains on the tax rolls. The applicant is unable to reapply for the same parcel during that same year for which the board of review is in session. The applicant has 60 days from the date the denial decision is issued to request an administrative hearing to appeal the denial of the exemption.

Non-homestead Exemption Applications Received by Year

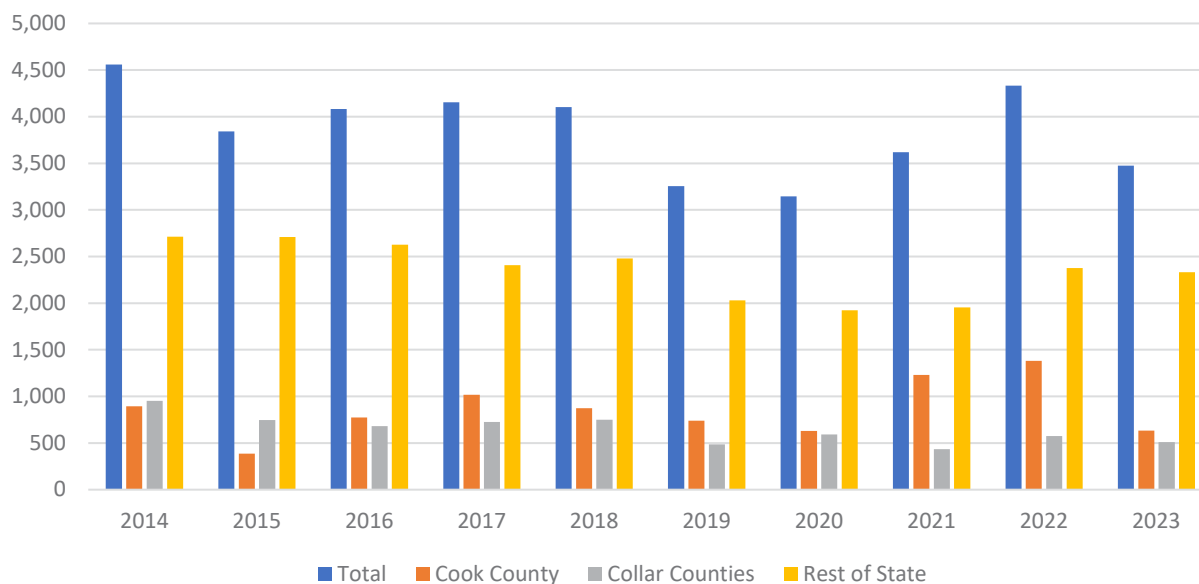


Figure 1.

Figure 1 displays the total number of non-homestead exemption applications received by year in total, from Cook County, from the collar counties, and for all counties other than Cook County and the collar counties.

Administrative Hearings

If an applicant or an intervenor does not agree with IDOR's decision, they have administrative remedies through the administrative hearings process. Once a decision is issued, applicants or intervenors have 60 days to request an administrative hearing to challenge IDOR's decision. The request must be in writing, must clearly indicate that they want to protest, and state concisely the mistakes alleged to have been made or the new evidence to be presented as outlined in 35 ILCS 200/8-35(b) of the Property Tax Code. Hearing requests may be submitted by mail, email, or fax to the department.

Once the request is received by the department, it is forwarded to the Administrative Hearings area. Administrative Hearings staff open an administrative hearings docket. The docket is assigned to an Administrative Law Judge (ALJ), and the case is assigned to an IDOR Litigator. Once assigned, all parties receive a notice of an initial status conference. From this point, a variety of things can happen. During this initial status conference, the parties may come to an agreement, and the protest is withdrawn or the exemption is granted. At times, ongoing communication takes place prior to the hearing being held that may lead to the withdrawal of a protest, the granting of the exemption, or a settlement agreement. If a pre-settlement does not happen, then an administrative hearing takes place. The ALJ will hear from both the applicant and IDOR and issue a ruling on whether an exemption will be granted. Once a determination is reached, a notice of the decision is forwarded to the applicant, the IDOR litigator, and the county. The vast majority of administrative hearings requests are settled before the hearing is held.

Impact of Non-homestead Exemptions

Non-homestead property tax exemptions impact property taxes by removing Equalized Assessed Value (EAV) from the tax base. This may create a tax burden shift to non-exempt properties.

For this study, IDOR pulled the EAV data from submitted PTAX-300 series exemption applications. This data is provided on the applications submitted to IDOR by the county and is an estimate of EAV exempted as provided by the counties. From 2014 through 2023, there was an EAV loss of \$2,544,903,362 across all non-homestead exemption types statewide, as detailed on the chart below.

Total amount of EAV removed from the tax base, 2014-2023

-	Cook County	Collar Counties	Rest of Illinois	Total EAV Removed
Religious	\$93,652,760	\$56,560,649	\$65,789,363	\$216,002,772
Governmental	\$387,812,087	\$578,737,528	\$350,130,035	\$1,316,679,650
Hospital	\$187,397,500	\$44,230,245	\$ 267,570,312	\$499,198,057
Educational	\$114,059,286	\$25,991,628	\$1,058,061	\$141,108,975
Charitable	\$136,289,522	\$ 91,953,578	\$143,670,808	\$371,913,908
Total	\$919,211,155	\$797,473,628	\$828,218,579	\$2,544,903,362

Figure 2.

Figure 2 shows the estimated amount of EAV removed from the tax base due to the approval of non-homestead exemptions. Figures are provided by application type for Cook County, the collar counties, and for all counties except Cook County and the collar counties. A total amount by category and for the entire state is also provided. These figures are based on information provided on the PTAX-300 series applications when they are submitted to IDOR by the counties.

References

- ¹ Constitution of the State of Illinois, Article IX, Revenue
<https://lrb.ilga.gov/Commission/lrb/con9.htm>



Assessment Appeals



Overview of Assessment Appeals

When a property owner believes their assessment is incorrect, several administrative remedies are available to them. The appeal process begins at the local level, and it is recommended that individuals first contact their Township or Multi-township Assessor or CCAO to discuss their concerns with the current assessment, sometimes known as an informal appeal. Calling an erroneous assessment to the assessor's attention early in the year may result in a correction without a formal appeal being required.

If the informal appeal process does not satisfy the property owner, then the next step would be a formal appeal. If the property is located in Cook County, a property owner can apply for revision with the county assessor or file a complaint with the Cook County Board of Review. If the property is outside Cook County, the property owner can file a complaint with the county's board of review.

The board of review is a three-member body appointed or elected in each county to ensure uniform and equitable local property assessments. The board is comprised of individuals with experience and training in property appraisal and property tax administration. Two members of the board are from one political party, and one member is from a different party. They serve for two-year terms. Except for commission counties and additional members in certain larger counties, the members of the board are citizens (residents) of the county in which they serve.

Commission counties are counties that are not under a township form of government and instead elect county commissioners instead of a county board. In commission counties, if the county commissioner is not qualified to serve on the board of review, they may appoint members who are not residents of the county.

The board of review is the final local authority on local property assessment. In counties other than Cook, the CCAO completes assessments and delivers the assessment books to the board of review by the third Monday in June or on or before 90 days after the books are received from the township assessor. In Cook County, the county assessor delivers the books to the board of review in the order in which they are completed by the township.

Board of Review Educational Qualifications

Generally, in counties with less than 100,000 inhabitants, members of the board of review in township counties are required to successfully complete a basic course in assessment practices within one year of taking office. The term "members of the board of review" encompasses all members of the regular board of review and all members of the extended board of review. A board member needs to successfully complete the approved course only once. The Illinois Department of Revenue (IDOR) has approved the course I-BR, Board of Review—Basic Course, to meet this educational requirement.

In counties with 100,000 or more but less than 3,000,000 inhabitants, an exam administered by IDOR is required prior to appointment to a board of review. The exam results are valid for three years following the date on which the exam was passed, or as long as the board member remains in continuous service.

Commission county board of review members who are either county commissioners or appointed members are required to successfully complete a board of review exam administered by IDOR.

Cook County Board of Review members are required to successfully complete a basic course in assessment practices within one year of taking office. IDOR has approved I-BR, Board of Review—Basic Course, to meet this educational requirement.

There are also three counties statewide – Bureau, Grundy, and Christian - that require both the I-BR, Board of Review – Basic Course, and the exam administered by IDOR.

Duties and Responsibilities of the Board of Review

The primary duty of the board of review is to examine and review the assessment roll to determine that the assessment work was accurately completed. Additionally, it is the board of review's responsibility to review the degree of uniformity between individual assessments, assessment jurisdictions, and classes of property, and to make any necessary corrections to ensure uniform results. This ensures that the tax burden is equitably and uniformly distributed among all taxpayers within a taxing district.

The board of review must address four questions:

- Is the taxable property listed on the assessment roll?
- Are comparable properties valued similarly?
- Is the median level of assessments uniform between all classes of property in all assessment districts?
- What property should be exempt from property taxes because of its use and ownership?

Hearing Complaints

If a property owner has a complaint, the board of review will provide them with a complaint form and schedule a hearing date. The property owner may represent themselves or choose to have an attorney present. At the hearing, the property owner will present the evidence collected that pertains to the assessment. It is the assessment itself that can be appealed. The board of review does not have the authority to change a tax bill.

If a complaint does not comply with the board of review rules, the board shall send a notice affirming which rules have not been complied with and must provide the complainant at least 10 business days to bring the complaint into compliance. If the attorney fails to provide proof of authority to represent the taxpayer within the compliance period granted by the board, the board may dismiss the complaint. The board shall send, electronically or by mail, notice of dismissal to the attorney and property owner. If the complainant complies with the board of review rules either upon the initial filing of a complaint or within the time as extended by the board of review for compliance, then the board shall send, electronically or by mail, a notice of hearing.

The board of review must give taxing districts a copy of any complaint for which a change of \$100,000 or more in assessed value is sought. Taxing districts also may appear at the hearing.

There are several reasons why a property owner may feel compelled to file an appeal with the board of review. A property owner may have a reasonable complaint if any of the following claims can be supported.

- The assessor's market value estimate is higher than the actual market value. This claim can be easily supported if you have recently purchased your property, or if a professional appraisal is supplied.
- The assessed value is at a higher percentage of market value for your property than the prevailing township, or county median level, as shown in an assessment/sales ratio study.
- The primary assessment of the property is based on inaccurate information, such as incorrect measurements of a lot or building, or erroneous information on the Property Record Card.
- The assessment is higher than that of similar neighboring properties.
- For farmland assessments, taxpayers may appeal for three reasons.
 - Reclassification from one use to another use - Proof that the property should be reclassified as farmland if the owner can show that the property was used as a farm for the previous two years.



- Soil Productivity - Proof that the soil productivity figures assigned to a farm are inaccurate, as demonstrated by a soil survey map, the weighted productivity index numbers, productivity information for the property's soil types, and information regarding flooding.
- Farmland use classification - Proof that the farmland use classification (i.e., the number of acres of cropland, permanent pasture, other farmland, or wasteland) is incorrect as demonstrated by an aerial photo and an acreage classification breakdown of the contested area.

Steps to Appeal an Assessment

There are seven steps that property owners should follow when appealing their property tax assessment. These steps do not apply to assessments of farmland and farm buildings. Keep in mind that once the tax bill is received, it is generally too late to file a complaint for a given year's assessment unless there are factual errors.

- Determine the fair market value for the property.
- Determine the prevailing assessment level in the jurisdiction.
- Obtain the assessed valuation of the property.
- Discuss the assessment with the assessor. Assessment complaints can sometimes be resolved after discussing the evidence with the assessing officer.
- Determine the basis for a formal complaint.
- File a written complaint with the board of review.
- Present evidence of an unfair assessment at the hearing to the board of review. If a property owner is dissatisfied with the judgement, the owner can appeal the decision to the Property Tax Appeal Board (PTAB), in writing, or file a tax objection complaint in Circuit Court.

Evidence Needed

To support a claim of an incorrect assessment, the property owner may need substantial evidence, some of which may be obtained from the CCAO's office, the Township Assessor, a professional appraiser, or through research. Pertinent evidence for non-farm property should include some or all of the following:

- A copy of the Real Estate Transfer Declaration, a deed, or a contract.
- An appraisal of the property being contested.
- A list of recent sales of comparable properties (photographs and property record cards should be presented, as well as some evidence of the sale price).
- A copy of the property record card.

The board of review must notify the property owner or their attorney, electronically or by mail, of its decision. The notice must be mailed to the address as it appears in the complaint. In Cook County, the notice should be mailed or emailed to the complainant or the attorney. If a taxing district has filed a complaint, the assessment cannot be increased unless the property owner is given a chance to respond. A list of all assessment changes must be open for public inspection and delivered to the county clerk and the county assessment officer.

BOR Appeals Filed in All Counties Except Cook and the Collar Counties

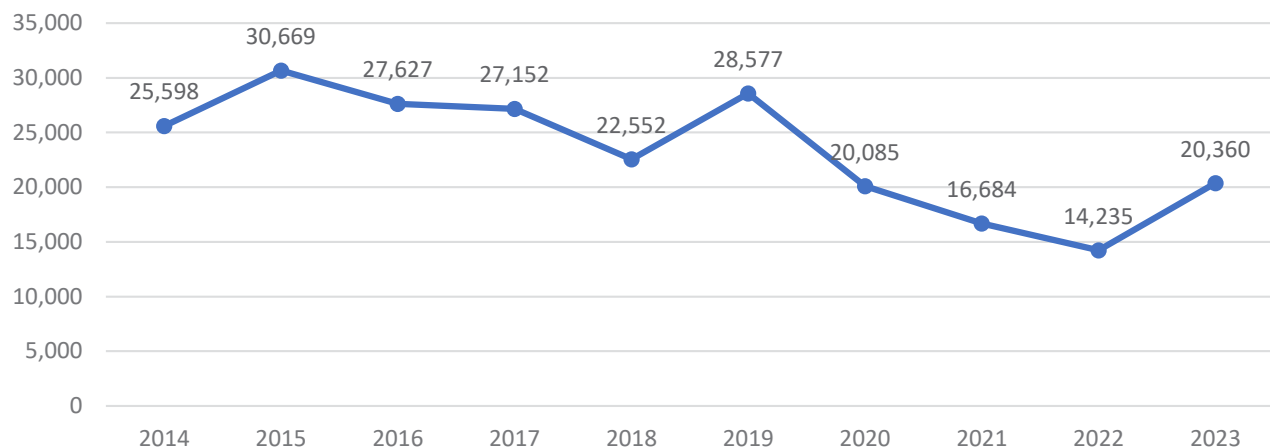


Figure 1.

Figure 1 displays the total number of appeals filed with the boards of review in all counties except for Cook County and the collar counties. By statute, each property, other than farmland, must be viewed, inspected, and revalued once every four years. This data was collected from requests sent by IDOR. At the time of this report's completion, 77 of the 96 counties had responded to the request.

BOR Appeals Filed in Collar Counties

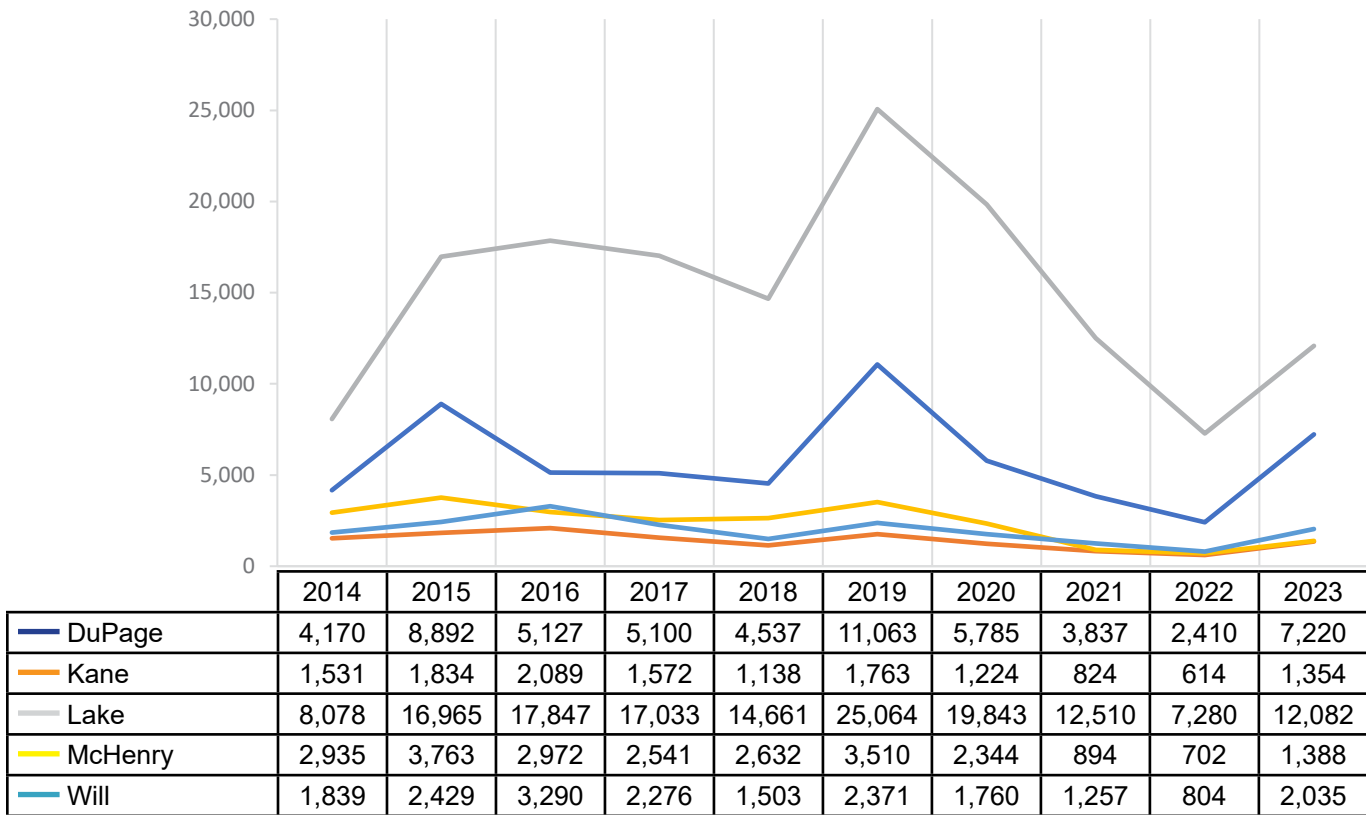


Figure 2.

Figure 2 displays the total number of appeals filed with the boards of review in collar counties. Quadrennial reassessment years typically net more appeals filed than non-quadrennial assessment years. By statute, each property, other than farmland, must be viewed, inspected, and revalued once every four years. This data was collected from requests sent by IDOR.

Cook County Appeals Process

As stated previously, if the property is located in Cook County, a property owner or taxing district can apply for revision with the county assessor or file a complaint with the Cook County board of review. The board of review is made up of three commissioners elected in three districts in Cook County. According to the Cook County board of review website, they have quasi-judicial authority to hear and decide complaints of real property, which includes residential, commercial, industrial, condominium, and vacant land¹. The complaints are docketed numerically and considered by townships until they have been heard and passed upon by the board. A hearing will take place after the affected taxpayer and the county assessor have each been notified and have been given an opportunity to speak. Hearings are open to the public and an order for a correction of any assessment is not made unless most of the commissioners agree. The board of review will require any final actions to be taken by the county assessor.

Appeals Filed with Cook County BOR and County Assessor (by total number of pins)

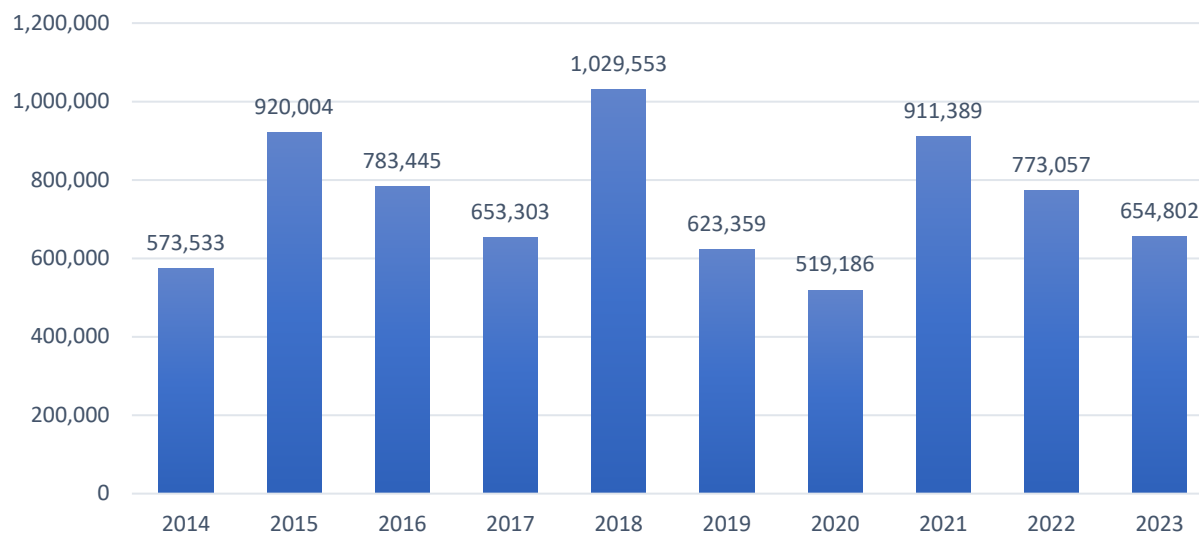


Figure 3.

Figure 3 displays the total number of appeals filed with the Cook County Assessor and the Cook County Board of Review.

Board of Review Rules

Under 35 ILCS 200/6-60 of the Property Tax Code, a board of review “shall make and publish reasonable rules for guidance of persons doing business with them for the orderly dispatch of business.” The quantity and complexity of real property assessments vary greatly between counties. Therefore, some counties may require very detailed rules and procedures, while others can manage with simpler ones. Counties should have a written procedure, at minimum, for how property owners can file an appeal and what is expected during the process. Examples of such rules and procedures can be found at the following websites.

- Cook County - <https://www.cookcountyboardofreview.com/board-review-official-rules>
- Champaign County - <https://www.co.champaign.il.us/BoardofReview/pdfs/2025rules.pdf>
- Kane County - <https://assessments.kanecountyil.gov/Documents/Rules.pdf>
- McLean County - <https://www.mcleancountyil.gov/107/Board-of-Review>
- St. Clair County - <https://www.co.st-clair.il.us/departments/board-of-review/rules>

Certificates of Error

The CCAO or board of review shall, at any time before judgment or order of sale is entered, if a factual assessment error is discovered, issue a certificate setting forth the cause of the error. Also, if an owner fails to file an application for any homestead exemption provided under Article 15, the CCAO or the board of review shall issue a Certificate of Error correcting the taxable valuation of the property. Certificates originated by the board of review must be approved by the CCAO. A majority of the board of review must approve certificates originated by the CCAO.

The Property Tax Appeal Board

If the property owner or taxing body is dissatisfied with the board of review's decision, they may appeal to the Illinois Property Tax Appeal Board (PTAB) or file a tax objection complaint in circuit court. The PTAB is a quasi-judicial body composed of five members appointed by the Governor and a professional staff that serves the members. The PTAB was established in 1967 to provide an impartial forum for taxpayers and taxing bodies outside of Cook County who were dissatisfied with their property assessments. In 1997, PTAB's jurisdiction was expanded to include all counties in Illinois².



The PTAB acts as the adjudicating body, examines the evidence, and renders a decision. This appeal is made at the state level. In most cases (with a few exceptions), the property owner can only appeal a decision made by the board of review. They cannot go directly to the PTAB. The appeal must be filed within 30 days of the postmark of the written decision by the board of review. Any appeal must be filed on the appropriate appeal form. If neither of the parties requests a face-to-face hearing, the PTAB will make the decision based on the written record (the evidence already submitted). The PTAB will make a decision based on the written evidence or the results of a Hearing.

An appeal may also be resolved by stipulation. A stipulation is an agreement among the parties to agree upon values before the conclusion of the formal appeal process. However, the PTAB has final approval over any stipulated agreement.

A hearing is a quasi-judicial proceeding in which parties are sworn in and placed under oath. A Hearing Officer from the PTAB conducts the hearing. Each party presents their case and calls any witnesses. The witnesses are subject to direct examination and cross-examination. The board of review, appellant, and the intervenors can present evidence, ask questions of witnesses, and participate in the proceedings.

No new evidence can be presented at the hearing. Only evidence previously submitted in writing can be discussed. According to the PTAB's website, the burden of proof before the Board is "the manifest weight of evidence." They will only determine the correct assessment of property on appeal. The amount of the tax bill or the tax rate used in the computation is determined by local county officials and may not be appealed to the PTAB².

PTAB Hearing Process

The hearing process for matters before the PTAB is as follows:

1. The PTAB Hearing Officer will make an opening statement and swear in the parties to the appeal and the witnesses who will be testifying.
2. The Appellant (or attorney) makes an opening statement.
3. The board of review and Intervenors (or their respective attorneys) make opening statements
4. The Appellant (or attorney) calls their first witness. The witness is subject to direct examination and a cross-examination. There may be more than one witness for the Appellant.
5. The board of review and/or the Intervenors can call witnesses. Each witness is subject to both direct examination and cross-examination.
6. The Appellant (or attorney) then makes a closing statement.
7. The board of review and/or the Intervenors make closing statements.
8. The Hearing Officer then concludes the hearing.
9. No decision is rendered at that time. The PTAB will send out a written decision at a later date.

PTAB Cases Filed in Counties Outside of Chicago Metropolitan Area

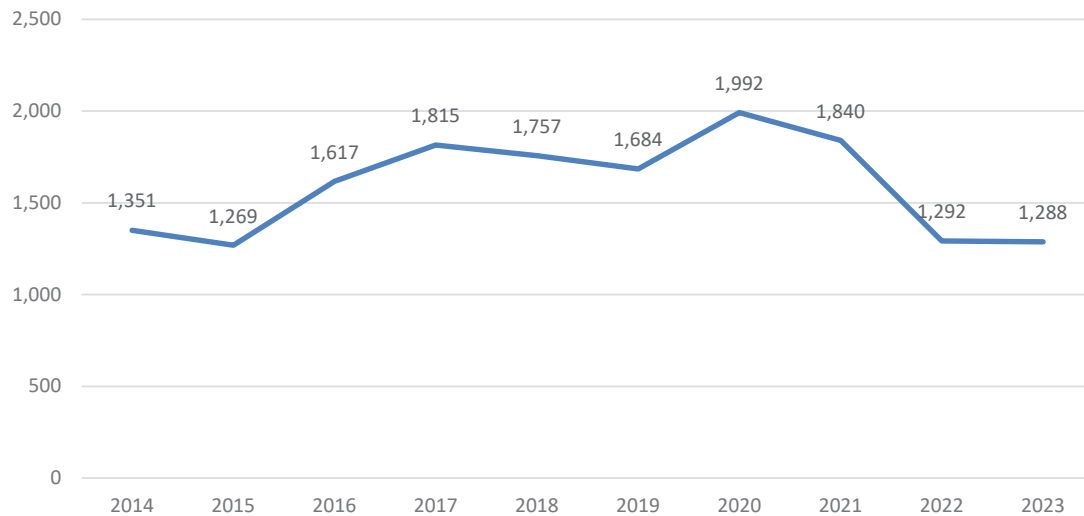


Figure 4.

Figure 4 displays the total number of cases or appeals filed with the PTAB in counties outside of the Chicago Metropolitan area from 2014 to 2023. Counties can have anywhere from multiple to zero cases filed in a year. This data was provided by the PTAB.

PTAB Cases Filed in Collar Counties

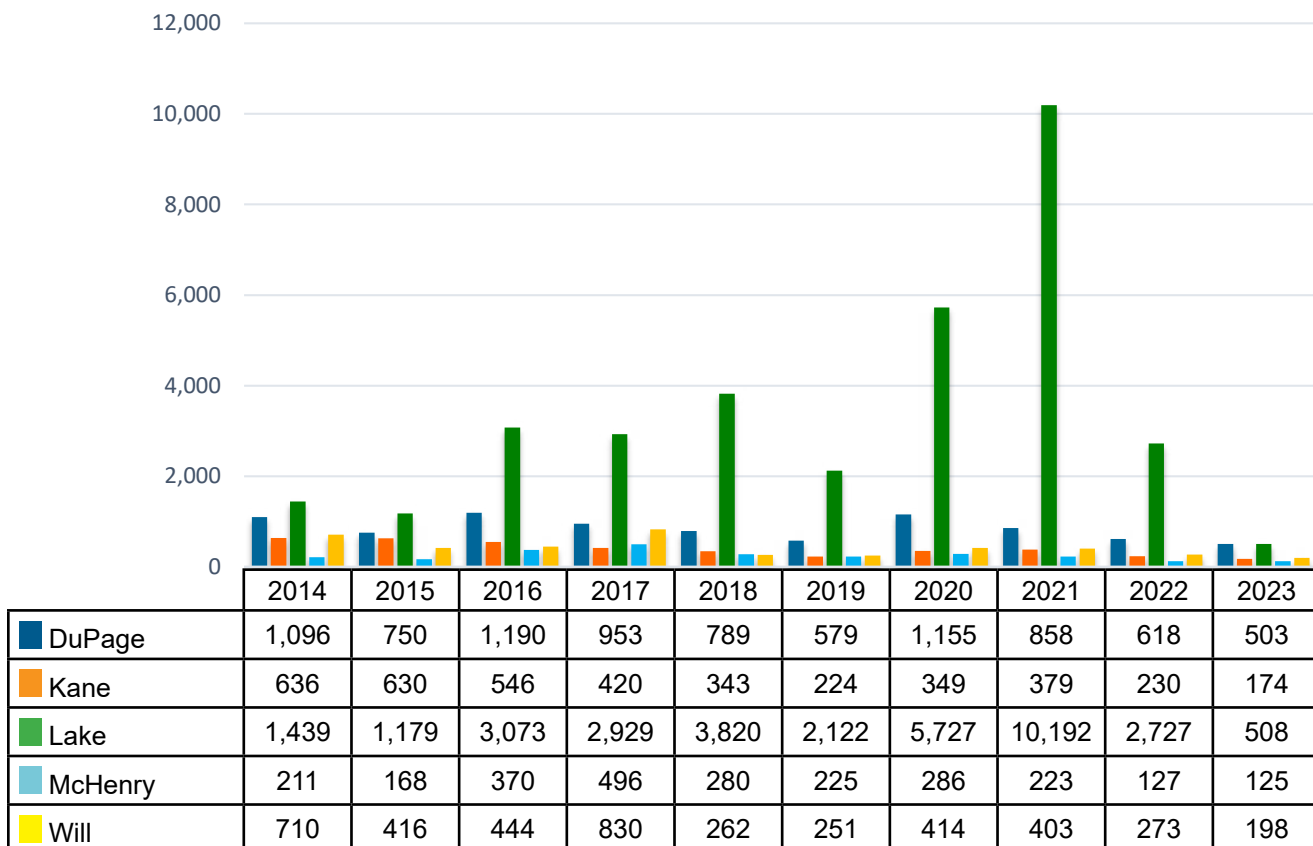


Figure 5.

Figure 5 displays the total number of cases or appeals filed with the PTAB in the collar counties from 2014 to 2023. This data was provided by the PTAB.

PTAB Cases Filed in Cook County

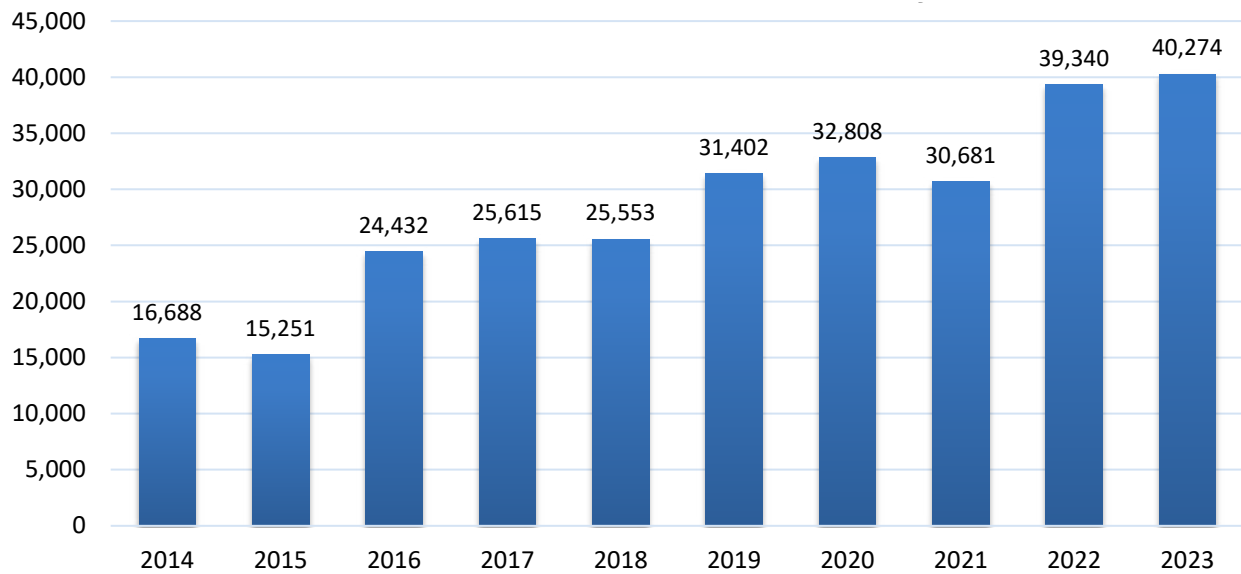


Figure 6.

Figure 6 displays the total number of cases or appeals filed with the PTAB in Cook County from 2014 to 2023. Counties can have anywhere from multiple to zero cases filed in a year. This data was provided by the PTAB.

References

- ¹ Cook County Illinois Board of Reveiw. (2025). Retrieved from cookcountyboardofreview.com: www.cookcountyboardofreview.com
- ² State of Illinois Property Tax Appeal Board . (2025). Retrieved from ptab.illinois.gov: www.ptab.illinois.gov/



Property Tax Extension, Billing, and Collections



Overview

The billing and collection cycle begins with the county clerk who has prepared the total equalized assessed value after applying the final equalization factor and receiving assessments of any state-assessed property. The collection and distribution of property tax is completed by the county treasurer in their role as county collector.

The Budget, Levy, Tax Extension, and Collection Cycle

Several entities have a hand in the budgeting, levying, and extension processes to determine the amount that will be billed for property tax purposes. Some of the following processes happen concurrently, while others are dependent on one stage or phase to be completed before the next phase or stage can take place.

At the time assessments are being performed locally, taxing bodies are busy preparing their budgets and holding statutorily required public hearings and statutorily required disclosures to ensure statutory requirements are being met to legally raise the necessary amounts from property taxes collected.

Taxing Body

The taxing bodies must complete the following steps when preparing their tax levies.

1. Prepare a tentative budget and appropriation ordinance. The dates may vary based on the type of taxing district.
2. Publish a notice of public hearing at least 30 days before the hearing on the budget and appropriation ordinance.
3. Make the tentative budget and appropriation ordinance available for public inspection at least 30 days before the public hearing.
4. Hold a public hearing on the budget and appropriation ordinance.
5. Pass a budget and appropriation ordinance with any necessary changes in the form of ordinance and file a certified copy of the budget and appropriation ordinance and estimate of revenues with the county clerk within 30 days of its adoption.
6. Determine the estimate of the levy at least 20 days before adopting the levy ordinance.
7. If required, publish the Truth-in-Taxation notice (and post the notice on the taxing body's website's homepage) not more than 14 days nor less than 7 days prior to the public hearing and hold a public hearing.
8. Adopt a levy ordinance.
9. File a certified copy of the levy ordinance and required certifications with the county clerk by the last Tuesday in December.

County Clerk

The county clerk is responsible for calculating the amount that will be paid on the property tax bill, a process known as extension. The county clerk will complete the following tasks to ensure the property tax extension process is completed according to statutory requirements.

1. Total the equalized assessed value for each taxing district.
2. Ensure Truth-in-Taxation provisions were met by the taxing district.
3. Ensure provisions under the Property Tax Extension Limitation Law are followed and maximum tax rates allowed by law are not exceeded.
4. Calculate tax rates for each combination of taxing districts.
5. Extend taxes on equalized assessed values for each property subject to property taxation and enter in the collector's books.
6. Deliver collector's books to the county treasurer by December 31.

County Treasurer (as the County Collector)

The county treasurer is responsible for preparing and mailing the tax bills, collecting the property tax bill payments, and distributing funds to local taxing districts. They must complete the following statutory requirements.

1. Prepare and mail tax bills.
2. Collect first installment payments for real estate taxes.
3. Distribute tax money proportionately to taxing districts as tax money is collected.
4. Collect second installment payment for real estate taxes.
5. Prepare delinquent tax list and send notice of application for judgment and sale of a lien on real estate due to non-payment of taxes.

Circuit Court

The Circuit Court pronounces judgment for sale of a lien on real estate due to nonpayment of taxes and rules on tax objections.

County Clerk and County Treasurer

The county clerk and the county treasurer must work together to administer the sale of a lien on real estate due to the nonpayment of property taxes, commonly referred to as the annual tax sale.



Property Tax Billing and Due Dates

The Property Tax Code allows for different billing cycles to be adopted.

Standard Billing and Payment

By default, in most counties except for Cook County, property taxes are paid in two equal annual installments. The property tax bills are typically mailed on or around May 1, and the first installment would be due by June 1. The second installment payment would typically be due on or around September 1. However, many counties fall behind this schedule when issuing their property tax bills. Therefore, the payment due dates will shift to account for the later billing dates.

Four Installment Payments

A county board may provide by ordinance for taxes to be paid in four installments as provided under 35 ILCS 200/21-30 and 35 ILCS 200/21-25.

Accelerated Billing

Counties with a population of 3,000,000 or more inhabitants use the accelerated method of billing as provided under 35 ILCS 200/21-25. Counties with a population of under 3,000,000 may, by ordinance or resolution, adopt an accelerated method of tax billing provided under 35 ILCS 200/21-20. Currently, only Cook County uses this method in Illinois.

Accelerated billing, also known as estimated billing, uses a percentage of the prior year's total tax amount (in Cook County, 55 percent) to calculate the first installment. Current year assessments are used in preparing the second installment, which is adjusted against what has already been collected.

The use of accelerated billing ensures that a county can issue and collect the first installment without dependency on the assessment cycle for timeliness. However, changes in assessment or exemptions are not reflected on this first bill. When the first installment does not reflect the current correct valuation of a property or its exemptions, taxpayers may be over or under billed significantly when the second installment is calculated.

Billing When a Property is Sold or Transferred

When real property is sold, property taxes are paid in accordance with the terms of the real estate contract. For existing homes, generally the seller is responsible for paying any outstanding property tax bills and will provide a credit to the buyer for the time period in which the seller owned the property prior to closing (in accordance with the terms of the real estate contract). Typically, the buyer is responsible for paying all property taxes after the closing date. If required by the buyer's lender, an escrow may be required for future property tax bills, and the buyer will be required to deposit funds into the escrow at closing. In counties with accelerated billing, if the buyer receives credit for property tax, they will pay what is assessed during the period of the seller's occupancy (which is common), depending on when the closing falls within the property tax cycle. Estimating the correct credit amount is complicated by the fact that the two installment amounts may be unequal or some homestead exemptions may be added or removed for residential property.

Delays in Billing and Collection

The county clerk cannot extend taxes until all of the following events have happened:

- The Board of Review completes its work and adjourns.
- The Illinois Department of Revenue (IDOR) certifies values of properties it is required to assess.
- IDOR certifies the final equalization factor for the county.
- All taxing districts certify their levies and, if applicable, levy abatements.
- If a taxing district extends into another county, the second county completes its assessment process or estimates its assessed values for portions of the taxing district that overlaps the adjacent county.

The county clerk applies the state-certified equalization factor to the appropriate assessed values and then subtracts certain homestead exemptions. The results are entered in the books prepared for the Collector. Since many boards of review do not adjourn until December (or even later), tax extension may not begin until the year following the assessment year.

Delays in the property tax assessment administration cycle can result in delays in billing of the first or second installment if the county clerk does not have final equalized assessments to be able to calculate tax rates and the tax extension. The list on the following page is a non-exhaustive list of delays that could ultimately disrupt billing and distribution:

- Delay in assessments being completed and changes published could delay the Board of Review from doing their work.
- Delay by the board of review in completing their work and adjourning could lead to a delay in submitting the final abstract to IDOR.
- Delay in submission of the final abstract would delay the county receiving its final factor for equalization from IDOR.
- Delay in the calculation of the extension would delay the preparation of the bills.
- Delay in releasing bills for software or other issues in the Treasurer's office.
- Delay in disbursement of funds to taxing bodies by the Treasurer's office.
- Disaster relief can also impact collection.

Impact of Delay

Unforeseen delays in billing and collection have the potential to be costly to taxing districts and taxpayers alike. There are two main costs associated with delays: the cost of interest lost on short term deposits, and the cost of debt service on tax anticipation notes when borrowing is required to pay obligations or maintain sufficient cash reserves before property tax revenue is received.

Interest Lost

35 ILCS 200/20-35 of the Property Tax Code, the Investment of Municipal Funds Act (50 ILCS 340), and the Public Funds Investment Act (30 ILCS 235) govern the investment and handling of public funds and require they be invested with favorable interest rates in vetted financial institutions. The safe handling and prudent investment of public monies is a key fiduciary duty of taxing bodies and the county treasurer.

Property taxes are billed and collected in installments, commonly twice per year. As taxes are collected, funds are distributed to the taxing bodies. When bills are delayed and collection, as a result, is delayed, the funds can no longer earn interest at the same rate as with timely collection. The cost of interest lost is dependent on the short-term deposit rate available, the length of the delays, and the rate at which the funds are spent by the taxing body when received.

Assuming taxing bodies do not spend their entire extension when it is received, but rather at a rate of one-twelfth per month, the remainder of the installment is deposited into short-term interest-bearing accounts. If tax distributions are not made on time, taxing bodies will lose the opportunity to earn interest proportional to the number of days of delay.

To calculate the cost of interest lost, the following example assumes the taxing body spends the extension evenly throughout each month of the year. The numbers used are illustrative so will vary depending on the taxing district and county's billing cycle.

- For days 1-30, the calculation is $DAILY\ COST = \frac{INT^{ST}}{365} \times EXT \times \frac{11}{12}$
- For days 31-60, the calculation is $DAILY\ COST = \frac{INT^{ST}}{365} \times EXT \times \frac{10}{12}$

EXT = Extension (all taxing districts)

INTST = Interest rate for short-term deposits

The assumption of an even rate of spending is for the sake of simplicity – in practical application, taxing districts may have variable rates of expenditure from month to month.

Interest Cost

If taxing bodies face an unanticipated delay in tax collection, and do not have sufficient cash reserves to weather the delay, they may issue tax anticipation warrants as allowed under 50 ILCS 420. These warrants require payment of interest by the taxing bodies to the purchasers who cover the cash shortfall. Tax anticipation notes and warrants must be repaid from the first taxes received.

Cash on hand, or cash reserves, have an impact on this cost. Taxing bodies with a lower cash reserve may have to borrow a higher amount than those with a larger reserve. Taxing bodies with a large reserve may also be able to weather short-term delays without borrowing at all and suffer only the loss of interest earned.

For example, a taxing body maintains a 90-day reserve of cash and borrows only the portion to maintain a 90-day reserve. Again, the numbers used are illustrative but may vary depending on the taxing district and county's billing cycle.

- a. For days 61-90, the calculation is $DAILY\ COST = \left(\frac{INT^{ST}}{365} \times EXT \times \frac{9}{12} \right) + \left(\frac{INT^{TA}}{365} \times EXT \times \frac{3}{12} \right)$
- b. For days 91-120, the calculation is $DAILY\ COST = \left(\frac{INT^{ST}}{365} \times EXT \times \frac{9}{12} \right) + \left(\frac{INT^{TA}}{365} \times EXT \times \frac{3}{12} \right)$

EXT = Extension (all taxing districts)

INTST = Interest rate for short-term deposits

INT^{TA} = Interest rate for tax anticipation warrants

The 90-days cash on hand is for illustration only. There is no standard for days of cash on hand that can be applied to all taxing bodies; even within the same district type, the amount of cash on hand is extremely variable. When the collection or distribution of taxes to taxing bodies is delayed, the amount of collection from taxpayers is unchanged; however, there is a significant potential cost to both interest earned by taxing bodies on the deposits and the cost of debt service when borrowing to cover the gap.

Both the interest lost and interest cost factors are variable for taxing bodies depending on factors including:

- Cash on hand, existence of a “rainy day fund,”
- Current short-term deposit rates,
- Credit worthiness of the taxing body,
- Current market rate for tax anticipation notes, and
- Service fees included in tax anticipation warrant issue.

A January 12, 2026, article published by the Chicago Tribune reported that late property tax bills cost school districts in Cook County almost \$122 million when the second installment of 2025 taxes were billed with a due date of December 15 instead of the typical August 1 due date. The costs calculated were both in interest lost on investments and interest paid on funds borrowed to cover the delay in property tax collection and distribution⁴.

Billing Dates by County

By statute, property taxes are due in two annual installments, though a county board may provide by ordinance for taxes to be paid in four installments. Cook County is the only county to use accelerated billing, in which the first installment is calculated using the prior year’s bill, and the second installment is adjusted to reflect the newer assessment and exemption information.

For counties other than Cook, the typical due dates would fall in June and September. Cook County due dates would normally fall in March and August. Ninety-one counties responded to IDOR’s request for 10 years of billing data for this study*. For the following analysis, Rock Island and Madison counties’ first and third installment bill due dates were used, as they are on the four-payment system.

* County treasurers who did not respond to the request for billing information include the treasurers of Calhoun, Franklin, Henderson, Kane, Lake, LaSalle, Saline, Sangamon, Vermilion, and Warren counties.

Statewide

As shown below, over the period of 2014 to 2023, 37 percent of counties had their first installment due in June, and 76 percent had the second installment due in September. Ninety-eight percent of first bills were due by the end of November, and 98 percent of second bills were due by the end of December in a statewide analysis.

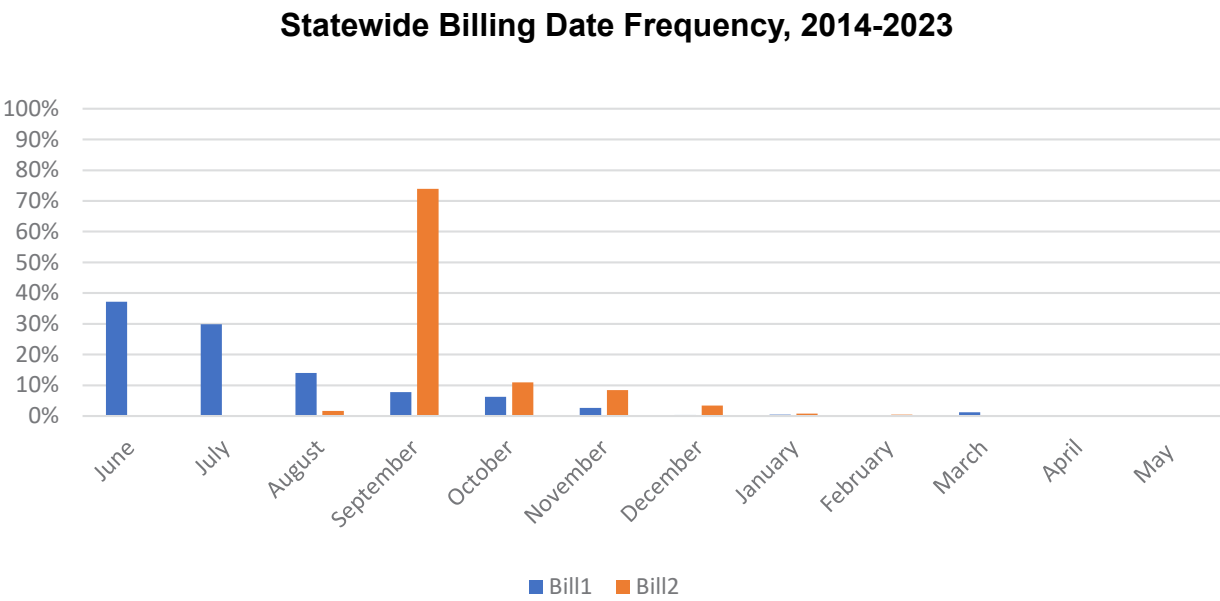


Figure 1.
Figure 1 charts the due dates of the tax bill installment payments statewide for counties who responded to the data request. Each installment due date is provided.

Cook County

For the period studied, Cook County had 90 percent of first installment payments due in March and 70 percent of second installments due in August. The installment due dates that deviated from the normal cycle for Cook County were assessment years 2020, 2021, 2022 and 2023 (payable in 2021, 2022, 2023, and 2024).

Cook County Billing Date Frequency, 2014-2023

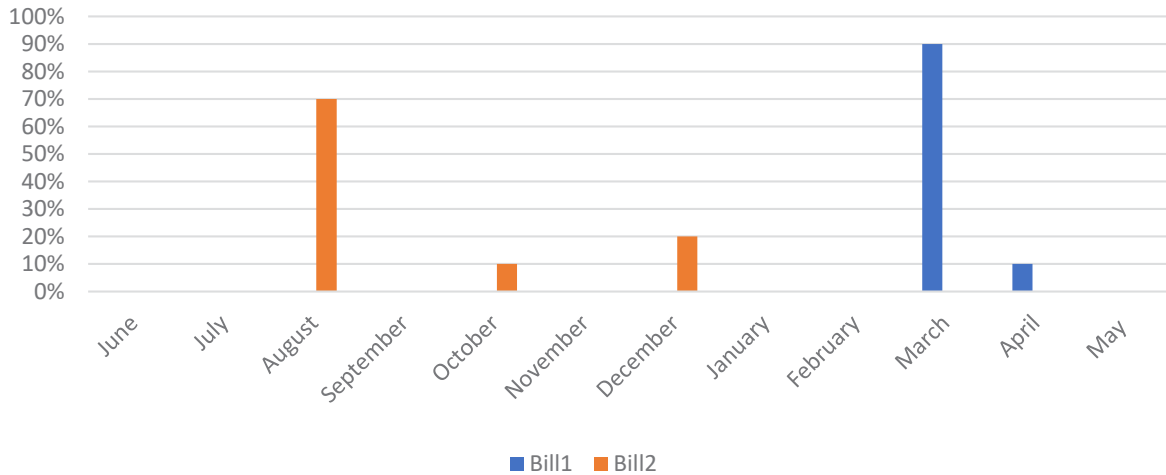


Figure 2.

Figure 2 charts the due dates of the tax bill installment payments in Cook County. Each installment due date is provided.

Collar Counties

For the collar counties, the 10-year data shows almost no deviation from the June and September installment due date model.

Collar Counties Billing Date Frequency, 2014-2023

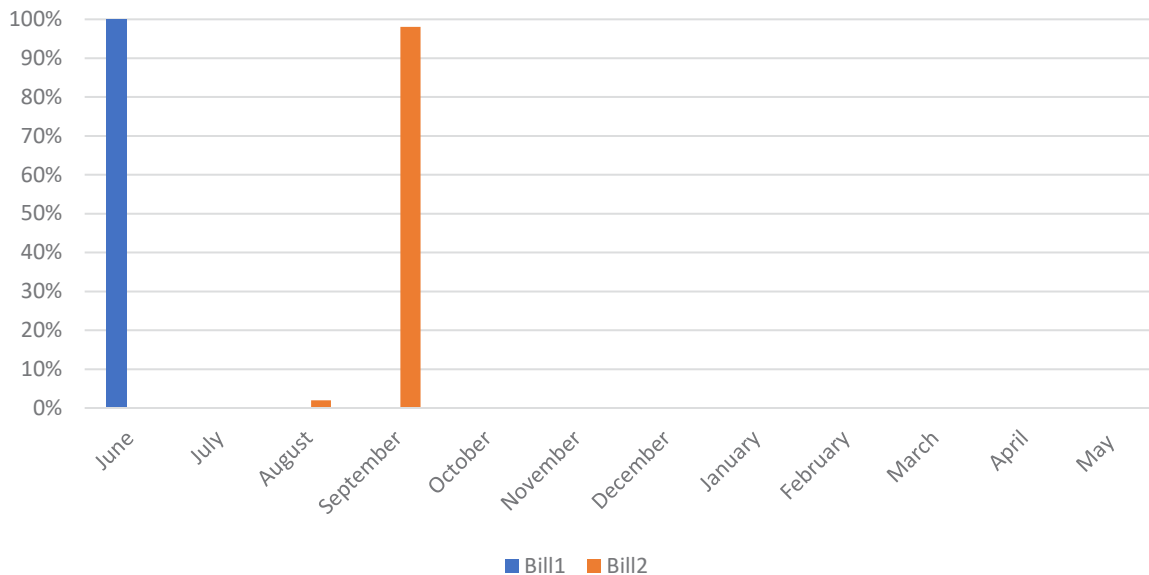


Figure 3.

Figure 3 charts the due dates of the tax bill installment payments in the collar counties. Each installment due date is provided.

All Other Counties

Counties outside of Cook and the collar counties had more variability in billing due dates in the study review period.

All Others Counties Billing Date Frequency, 2014-2023

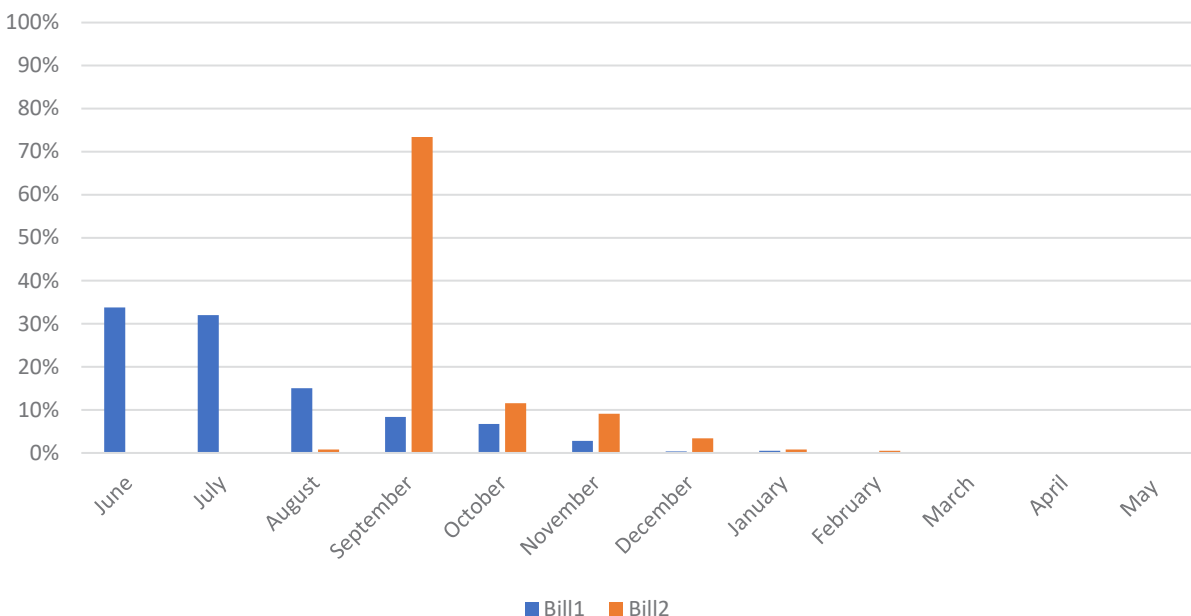


Figure 4.

Figure 4 charts the due dates of the tax bill installment payments in all counties except for Cook County and the collar counties, for all counties who responded to the data request. Each installment due date is provided.

Days Between Installment Due Dates

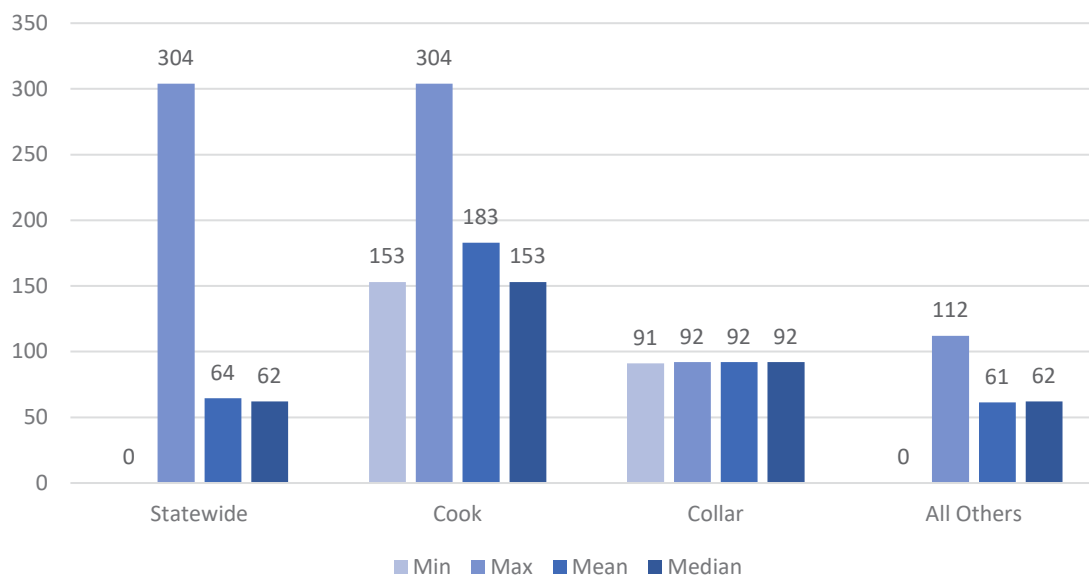


Figure 5.

Figure 5 charts the minimum, maximum, mean (average), and median timeframes between installment payments, for all counties who responded to the data request. Each installment due date is provided.

The Annual Tax Sale

After the due date for the final installment, the county collector lists all delinquent parcels and other necessary information in the Annual Tax Judgment, Sale, Redemption, and Forfeiture Record. Next, generally in October, the county collector applies to the circuit court for judgment and order of sale for the taxes on the delinquent properties. This date will vary if the property tax billing due dates are not on the standard billing cycle. If judgment is entered, a lien on the property in the amount of unpaid taxes and other associated costs is offered for sale. The property itself is not sold. Property owners are mailed an advance notice of the intended collection action, and the county collector also publishes an advertisement in a local newspaper before appearing in court.



Applications for judgment and orders of sale for taxes and special assessments on delinquent properties shall be made within 90 days after the second installment due date.*

The property owner or any lienholder may pay the taxes, either in person or by agent, to the county collector any time before the sale.

Both the county collector and county clerk or their respective deputies must attend the tax sale. A lien for each delinquent property is sold separately and in consecutive order. Whoever bids the lowest penalty, which cannot exceed nine percent for each six months or fraction of a month, is the successful tax purchaser. Tax purchasers receive a Certificate of Purchase upon completion of a purchase. This certificate describes the property lien sold and lists the sale date and amount of taxes and other associated costs paid by the tax purchaser.

If the property owner (or other person with an interest in the property) does not redeem in the allotted time, the tax purchaser may petition in Circuit Court for a tax deed.

If the lien for a parcel of delinquent property is not purchased at the annual tax sale, the county may offer the forfeited taxes for sale in the future. If the taxes are delinquent for three or more years, the county collector may offer the property tax lien at a scavenger sale.

** Cook County: When a tax sale is delayed because of a statewide COVID-19 public health emergency, no subsequent annual tax sale may begin earlier than 180 days after the last day of the prior delayed tax sale, and no scavenger tax sale may begin earlier than 90 days after the last day of the prior delayed tax sale. In those counties which have adopted an ordinance under Section 21-40, the application for judgment and order of sale for delinquent taxes shall be made in December.*

Notwithstanding these dates, in Cook County, the application for judgment and order of sale for the 2023 annual tax sale that would normally be held in calendar year 2025 shall be filed on or before December 1, 2026.

Redemption of Properties Sold for Delinquent Taxes

Properties sold for delinquent taxes may be redeemed by any property owner or other person with an interest in the property, other than an undisclosed beneficiary of an Illinois land trust. Redemption periods are based on the type of property and range from six months to 2 1/2 years. The purchaser may extend the redemption period for up to three years from the sale date.

The amount paid to redeem a property sold at the annual tax sale is equal to all of the taxes (including all subsequent taxes paid by the purchaser), special assessments, interest, penalties, and costs paid by the purchaser; the accrued penalties; and most other fees or costs paid by the purchaser after the sale. The county clerk computes the required amount of redemption.

Tax Deed Proceeding

The tax purchaser may petition in Circuit Court for a tax deed if the property owner (or other person with an interest in the property) does not redeem in the allotted time. Owners, occupants, and other parties with an interest in the property must receive advance notice of the tax deed proceeding. The Circuit Court hears the case and enters judgment ordering a tax deed if the tax purchaser is compliant with all technical statutory requirements.

In counties with less than 3,000,000 inhabitants, the county board may adopt an ordinance under which 50 percent of each installment will not become delinquent for an additional 60 days beyond the usual due date. Natural disaster declarations also empower a county board to provide penalty and interest relief or postpone special assessments.

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- ¹ <https://tax.illinois.gov/questionsandanswers/answer.328.html>
<https://www.attorneymatthewquick.com/research/444>
- ² Source: Kane County, Illinois administration
- ³ Measuring the Strength of Illinois' Municipal Reserves: Do Communities Have the Flexibility to Wrestle with Unforeseen Events? By Shannon Sohl, Andy Blanke and Norman Walzer at center for Governmental Studies at Northern Illinois University, published in Illinois Municipal Policy Journal, 2016, Vol. 1, No. 1, 79-92 | © Illinois Municipal League
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- ⁴ Chicago Tribune. "Late Tax Bills Leave Cook County School Districts Short Nearly \$122 Million." January 12, 2026.
<https://www.chicagotribune.com/2026/01/12/late-tax-bills-cook-county-school-districts-nearly-122-million/>



Reliance on Property Taxes



Property taxes are the primary revenue source for local taxing bodies across the state. Property taxes are part of the funding of public education, road maintenance, libraries, and other local services upon which citizens rely. As operational expenses increase, the levy requests by the taxing districts also increase to fulfill their obligations to the residents of their jurisdictions. Over the years, legislation has been implemented to try to limit the growth in the rate of property tax increases.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law (PTELL) was first enacted for levy year 1991 (payable 1992) for the collar counties and for levy year 1994 (payable in 1995) for Cook County. Other counties have enacted PTELL by referendum. There are currently 38 counties subject to PTELL.

While sometimes referred to as “tax caps,” PTELL does not cap either property assessments or individual tax bills. PTELL functions to limit levies to an inflationary increase, plus adjustment for new construction. The limit slows the growth of revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation. Increases in property tax extensions are limited to the lesser of 5 percent or the increase in the national Consumer Price Index (CPI) for the year preceding the levy year.

The Illinois Constitution Article VII, Section 6 establishes that a county which has a chief executive officer elected by the electors of the county and any municipality which has a population of more than 25,000 are home rule units. Other municipalities may elect by referendum to become home rule units, and home rule units may also elect to be non-home rule. Home rule units of government have broad governing authority, including taxation. Municipalities and county governments that are home rule taxing districts are not subject to PTELL, nor are they subject to other statutory fund rate limits.

Cook County is the only home rule county in Illinois. Statewide, as of 2024, there were 224 home rule municipalities, with 85 home rule municipalities in Cook County. In 2023 about 75 percent of Cook County property taxes billed were subject to PTELL¹.

For those taxing districts subject to PTELL, not all funds for which a taxing district levies are subject to the PTELL; see the table titled “Aggregate Extension Definitions for PTELL” later in this section. Taxing districts may seek voter referendum approval to increase rates that exceed the inflationary increase. Additionally, changes such as new construction, district annexations and disconnections, recaptured levy from the prior year, and TIF expiration all influence the ultimate tax rate.

When preparing property tax extensions, the clerk first calculates the tax rate for each fund for each taxing district by taking the fund levy and dividing by the equalized assessed value (EAV) for that taxing district. The fund rate cannot exceed any statutorily described maximum rate. Next, these individual fund rates are added together to determine a preliminary aggregate rate for the district.

In PTELL counties other than Cook, the clerk must calculate the limiting rate for each taxing district:

$$\frac{A \times (1 + I)}{CEAV - NP - AX - TIF + DIS}$$

- ▶ A = aggregate extension base (prior year total taxes billed for funds subject to the PTELL)
- ▶ I = inflationary increase (CPI or 5 percent, whichever is less; or other amount approved by voters for the levy year)
- ▶ CEAV = current EAV of district used in setting preliminary rates
- ▶ NP = new property
- ▶ AX = current EAV of any annexations
- ▶ TIF = recovered tax increment value (after the TIF expires)
- ▶ DIS = current EAV of any disconnections

The calculation of the limiting rate for Cook County is similar to that for all other PTELL counties. A key difference is that in the denominator of the formula, there is also an adjustment for expired incentives EAV². The Cook County Department of Planning and Development administers multiple property tax incentives with varying assessment levels that expire or phase out over a designated period of time³.

$$\frac{A \times (1 + I)}{CEAV - NP - AX - TIF + DIS - XI}$$

- ▶ A = aggregate extension base (prior year total taxes billed for funds subject to the PTELL)
- ▶ I = inflationary increase (CPI or 5 percent, whichever is less; or other amount approved by voters for the levy year)
- ▶ CEAV = current EAV of district used in setting preliminary rates
- ▶ NP = new property
- ▶ AX = current EAV of any annexations
- ▶ TIF = recovered tax increment value (after the TIF expires)
- ▶ DIS = current EAV of any disconnections
- ▶ XI = current EAV of expired incentives EAV

In all limiting rate calculations, if the aggregate rate exceeds the limiting rate, each rate is reduced proportionally, unless the taxing district instructs the county to reduce the rates another way (by ordinance or resolution).

For example, a Fire Department in a PTELL county is subject to a limiting rate of .588520%. The taxing body has a total levy request of \$570,880, and the calculated rate for the district totals .598724 percent and exceeds the limiting rate. They have not provided an ordinance or other instruction to the clerk, so the funds subject to PTELL will be decreased proportionally as follows.

Fund/Name	Levy Request	Actual Rate	PTELL Factor (Reduction)	Limited Rate	Total Extension
** 001 CORPORATE	\$308,860	0.323924	0.982957	0.318403	\$303,596.17
** 047 SOCIAL SECURITY	\$7,500	0.007866	0.982957	0.007732	\$7,372.44
** 064 AMBULANCE	\$254,520	0.266934	0.982957	0.262385	\$250,183.19
Totals (Capped)	\$570,880	0.598724		0.588520	\$561,151.80

The proportionally reduced factors result in the taxing district receiving \$561,152.

While taxing district funds in all counties are subject to statutory rate limits, because the fund rate is calculated using EAV, when property values rise quickly, the maximum levy for a fund increases proportionally, all else staying equal. The PTELL limits fund rate growth by aligning it with inflation.

If a taxing district is located in two or more counties, the first of those counties to extend taxes will use estimated EAVs in calculating the extension. If this results in an over or under extension for the taxing district, the county clerk will make appropriate adjustments in the following year. In the subsequent year, the aggregate extension base is reset to what it would have been if actual values had been used to extend in the prior year.

Beginning in levy year 2021, PTELL taxing districts automatically recapture levy amounts lost from a prior year adjustment whenever there is an assessment decrease due to issuance of certificate of error, court order, or final decision by the PTAB. This does not impact the calculation of the limiting rates but can increase the levy.

Limitations of the Limiting Rate

While PTELL was designed to limit the growth of property tax levies by linking it to the rate of inflation (unless voters approve a larger increase), it does not mean that property taxes will not increase. This is due to loss in EAV, fund exclusions, and by the exceptions for new property, annexations, recovered TIF, expiring incentives, and levy recapture.

In a report published by the Civic Federation, researchers analyzed the limits of PTELL on constraining the levy growth in Cook County. They found that taxing bodies subject to PTELL increased their extensions by 71.3 percent from 2006 to 2023 – \$7.3 billion to \$12.6 billion. Had extensions been strictly tied to inflation (46 percent), the total extension would have been limited to \$11.3 billion dollars in 2023. The difference between strictly inflation limited and actual extension was a total of \$4 billion dollars more over the 17-year review period¹.

Aggregate Extension Definitions for PTELL

“Aggregate extension” for taxing districts to means the annual corporate extension for the taxing district and those special purpose extensions that are made annually for the taxing district, excluding special purpose extensions:

Taxing Districts	Location-Specific exclusions from the Aggregate Extension
Majority EAV in Collar Counties	- principal and interest on bonds issued under the Metropolitan Water Reclamation District Act on construction initiated before Oct. 1, 1991 - school districts in the Special Education District of Lake County for payments to the Illinois Municipal Retirement Fund - temporary relocation loan repayment purposes under 17-2.2d of the School Code - road purposes in the first year after a township assumes a road for a road district abolished under 605 ILCS 5/6-133
Majority EAV in Cook County	- installment contracts, principal and interest on bonds issued under the Metropolitan Water Reclamation Act, stormwater management by the Metropolitan Water Reclamation District of Greater Chicago, and principal and interest on Section 9.6a bonds of the MWRDA to make pension fund contributions - principal and interest on bonds issued by PA 88-503 and Section 20a of the Chicago Park District Act for aquarium or museum projects and bonds issued under 20a of the Chicago Park District Act for pension fund - principal and interest on bonds - Cook County Forest Preserve Act or for zoological park projects or botanical gardens - pursuant to Section 34-53.5 of the School Code (tax levied for the purpose of making a contribution to the Public School Teacher’s Pension and Retirement Fund of Chicago) - Ford Heights School District 169 under Section 17-9.02 of School Code (2006 to 2008 supplemental tax) - employer contributions to the Public School Teacher’s Pension and Retirement Fund of Chicago under Section 34-53
Majority EAV in counties which adopted PTELL by referendum	- made for a qualified airport authority to pay interest or principal on general obligation bonds for contracts entered into prior to March 1, 1996 - principal and interest on general obligation bonds under 19-3.10 of the school code (specific to Gillespie Community Unit School District 7)
Portion of EAV in a Collar County and became subject to PTELL under Section 18-213(2)(e) of the Property Tax Code	made for a qualified airport authority to pay interest or principal on general obligation bonds for contracts entered into prior to March 1, 1996

Shared exclusions from the Aggregate Extension:

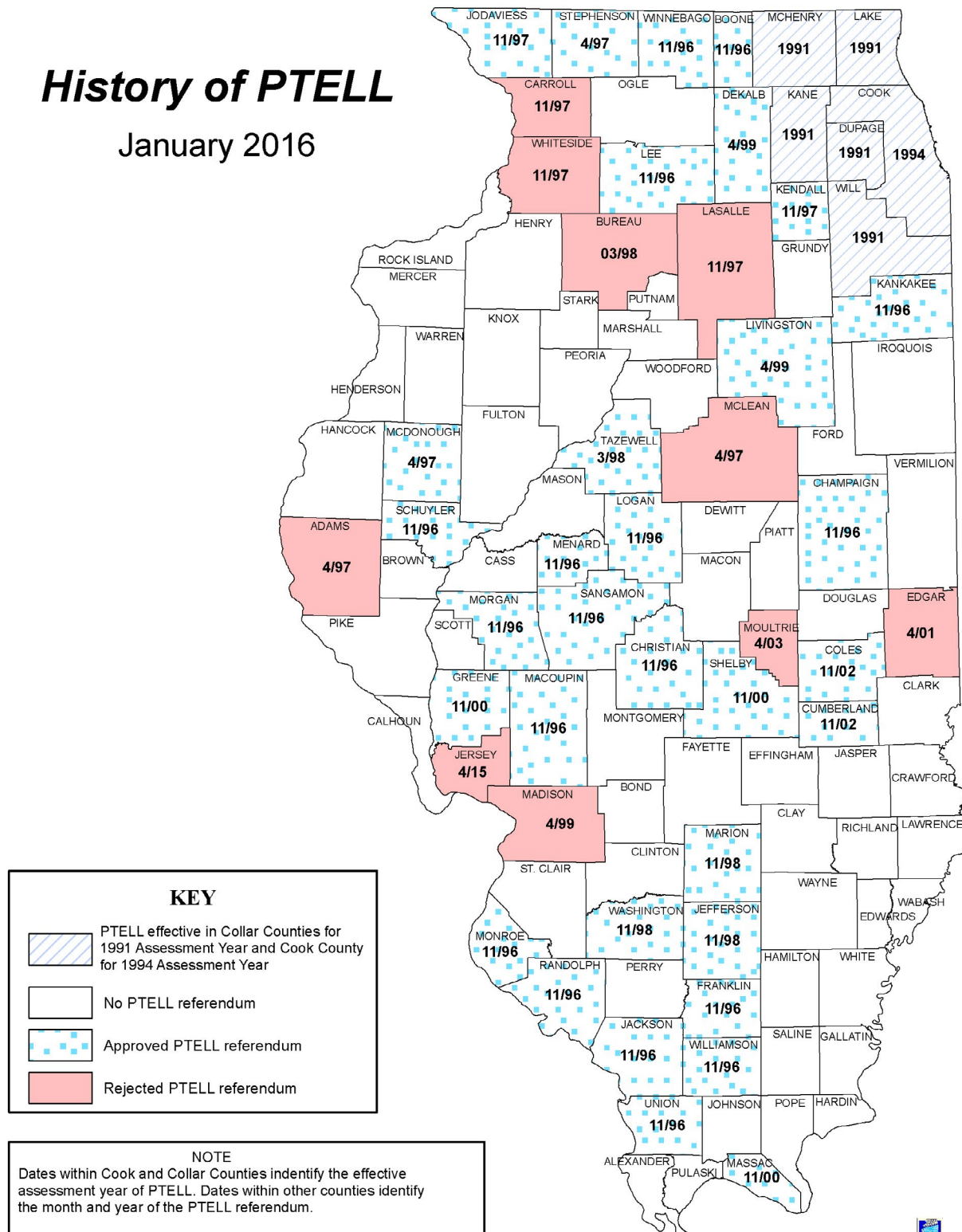
- principal and interest on general obligations bonds approved by referendum
- principal and interest on general obligations bonds issued before PTELL **
- principal or interest on bonds issued to refund bonds issued by referendum
- principal or interest on revenue bonds issued before PTELL **

- principal or interest on revenue bonds issued before PTELL** for which the government is pledged, and other sources of payment are insufficient
- payments under building commission lease for retirement bonds issued prior to PTELL**
- payments due under installment contracts entered into prior to PTELL**
- principal and interest on limited bonds defined in the Local Government Debt Reform Act
- principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act
- fund expenses for recreational programs for persons with disabilities
- firefighter's pension fund
- funds for community mental health facilities and services made under Section 4 of the Community Mental Health Act
- for the payment of principal and interest on any bonds issued under Section 17-2.11 of the School Code or to refund or continue to refund those bonds.

** Oct 1, 1991, March 1, 1995, the date on which the referendum for PTELL was applicable, and March 7, 1997 respectively.

History of PTELL

January 2016



Property Tax Division
Illinois Department of Revenue

Figure 1.

Figure 1 displays the counties that are subject to PTELL.

Historical Growth of Property Tax Levies and Tax Bills

An analysis of the growth in property taxes provides insight into the growth in EAV, the total taxes billed, and the average tax rates. While the average tax bill amount has grown over the last 10 years, the average tax rate has decreased.

Growth in Equalized Assessed Value

The total tax base, or EAV, has grown consistently over the last 10 years. The EAV determines each property's proportionate share of the property tax burden and is used in the calculation of the tax bill.

From 2014 through 2023, the overall EAV has increased 55.03 percent statewide. Cook County saw the largest rate of growth at 63.62 percent, followed by the collar counties at a 49.63 percent rate of growth, and then the rest of the state at a 46.22 percent rate of growth.

Overall, taxing districts subject to PTELL saw a growth in EAV of 51.12 percent compared to a 43.74 percent growth in non-PTELL districts.



Growth in Equalized Assessed Value

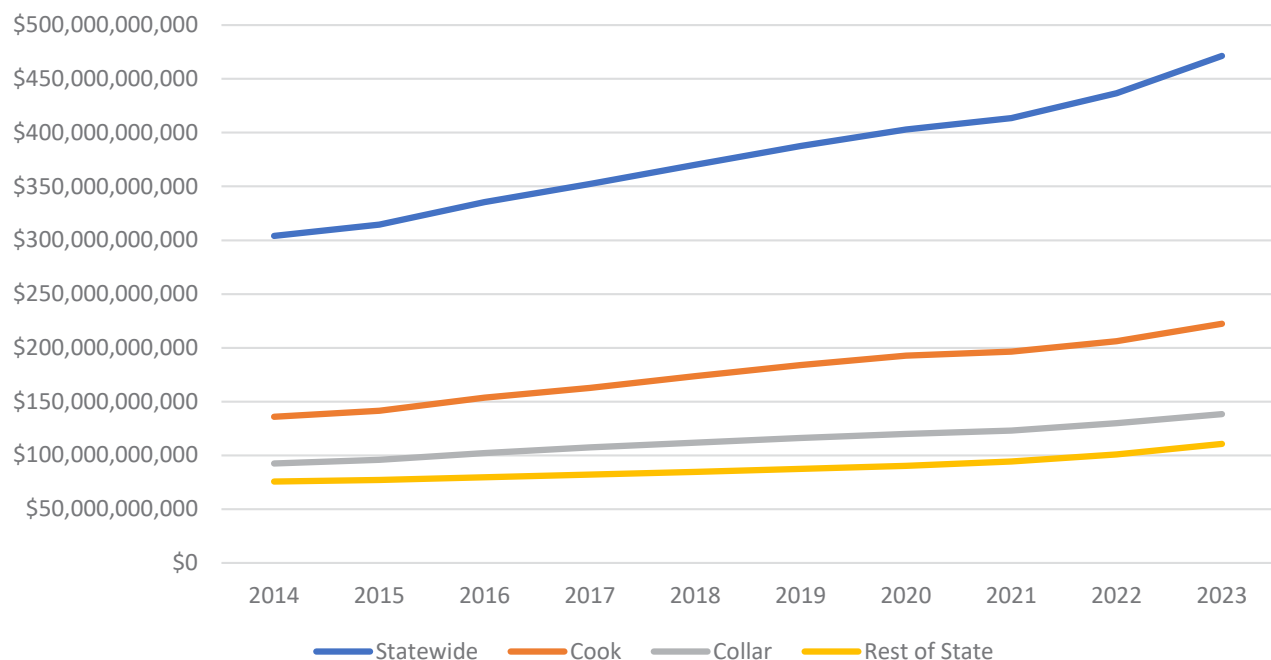


Figure 2.

Figure 2 displays the overall growth in the EAV for Cook County, the collar counties, and the rest of the state. The overall statewide growth is also provided.

Comparison of Taxes Extended by District Type

Taxing districts submit levy requests to the county clerk annually after local hearings are conducted. The county clerk will use the levy requests along with the EAV to determine the property tax extension. Most taxing district types experienced growth in the taxes extended. The table below provides the percentage change in the amount of taxes extended by type of taxing district. Taxing districts submit levy requests to the county clerk annually after local hearings are conducted. The county clerk will use the levy requests along with the EAV to determine the property tax extension. The information provided below is based on the amount actually extended after maximum tax rates and other statutory provisions are taken into account.

An item to note that is not present in the data below is the percent increase in Home Rule municipalities. Home Rule municipalities may be located within a county subject to PTELL, but they are not subject to the extension limitations of other taxing districts located in the county. Home Rule municipalities experienced a growth in extension of 50.20 percent. In addition, Cook County falls under Home Rule provisions; Cook County saw a growth of 9.94 percent during the same period. The averages below, statewide for both county and municipality, include the percent increases for Home Rule taxing districts along with the percent changes for county and municipality extensions.

Some taxing district types only exist in certain counties. Therefore, there may not be figures reported for both PTELL and Non-PTELL counties. Following the table, charts are provided to graphically represent the overall changes in extension for PTELL, Non-PTELL, and Home Rule taxing districts over time.

Taxing District Type	Percent Change in Taxing Districts Subject to PTELL	Percent Change in Taxing Districts Not Subject to PTELL	Percent Change in Taxing Districts Statewide
County	21.65%	27.05%	18.35%
Municipality	24.21%	34.75%	46.02%
Township	23.46%	27.59%	24.66%
Flood Prevention District	N/A	4.96%	4.96%
Multi-Township	30.29%	34.44%	32.65%
Park	26.08%	19.01%	25.68%
Sanitary	24.38%	24.87%	24.39%
Fire	43.90%	56.37%	45.93%
Public Health	139.22%	43.95%	134.95%
Hospital	28.14%	16.50%	19.73%
Mosquito Abatement	20.51%	10.99%	20.16%
Airport Authority	14.04%	24.07%	18.84%
Library	35.33%	40.96%	36.03%
Water Authority	-3.93%	-25.40%	-20.18%
Cemetery	27.04%	37.70%	30.73%
Forest Preserve	18.64%	46.58%	19.21%
Street Lighting	-49.40%	-12.20%	-27.24%
Mass Transit	52.97%	27.41%	41.50%
Water Shed & Flood	N/A	108.76%	108.76%
River Conservancy	27.15%	53.95%	29.93%
Soil & Water Conservation	N/A	166.89%	166.89%
Conservation	15.60%	24.44%	16.68%
Auditorium	74.90%	N/A	74.90%
Water Service	-100.00%	N/A	-100.00%
Museum	31.60%	24.75%	28.51%
Solid Waste Disposal	-24.55%	N/A	-24.55%
Rescue Squad	143.37%	899.88%	197.64%
Community College	23.32%	42.43%	29.50%
Elementary (Charter)	32.75%	45.25%	33.49%
High School	30.61%	44.48%	31.53%
Unit School	40.36%	41.89%	40.67%
Road District	26.67%	46.40%	30.87%
Tax Increment Financing	159.18%	43.76%	138.21%
Enterprise Zone Abatement	48.41%	22.59%	33.55%
Total All Districts	38.22%	39.52%	38.90%

Figure 3.

Figure 3 compares the amount extended for taxing district categories subject to PTELL, not subject to PTELL, and averaged statewide over a 10-year period from 2014-2023.

PTELL Taxing District

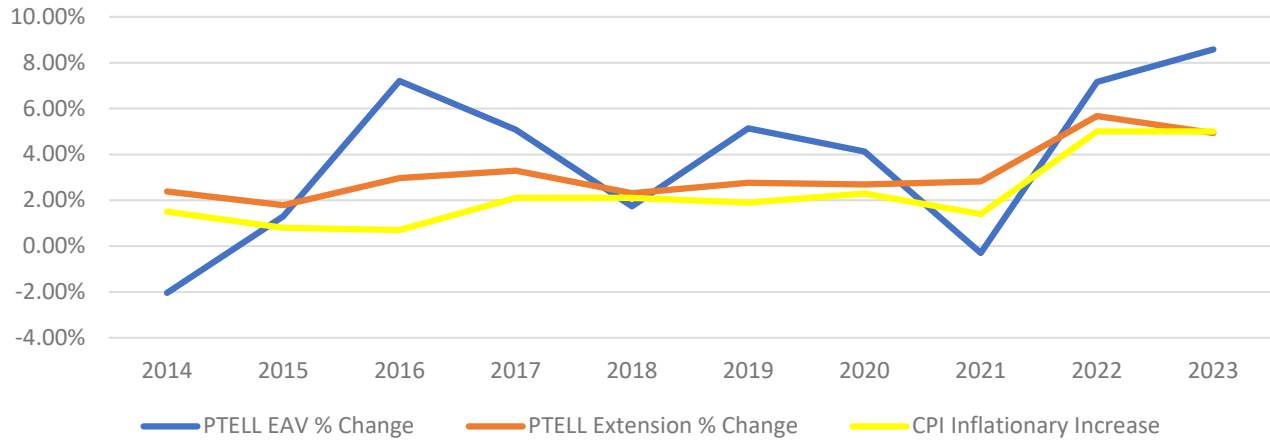


Figure 4.

Figure 4 displays the overall percentage change in the EAV, the extension, and the amount allowed under PTELL due to CPI for all taxing districts subject to PTELL.

Non-PTELL Taxing District

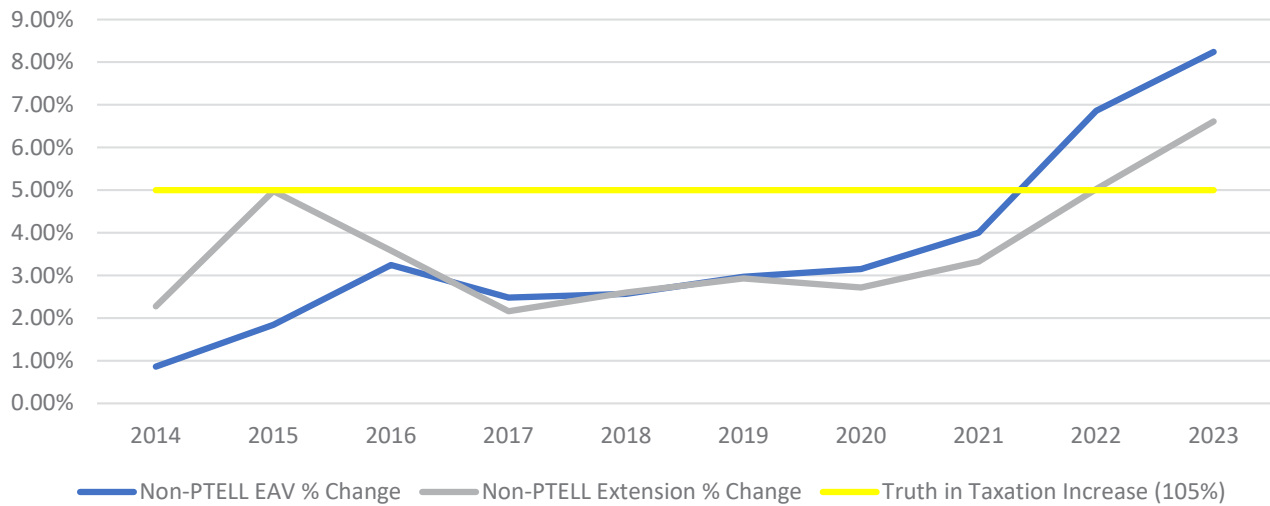


Figure 5.

Figure 5 displays the overall percentage change in the EAV, the extension change, and the amount allowed under Truth-in-Taxation without publishing a notice and holding a hearing.

Home Rule Districts

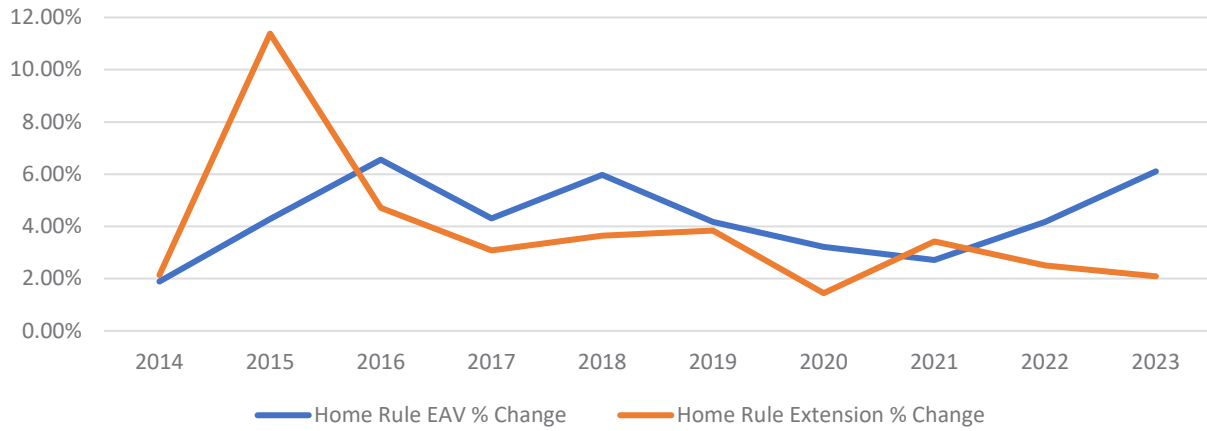


Figure 6.

Figure 6 displays the overall percentage change in the EAV and the extension change for Home Rule taxing districts.

Tax Bill Analysis

Once the tax base is finalized and the levies have been filed and finalized, the calculation of the property tax bill takes place. As the charts below illustrate, even though an average tax rate may decrease, overall property taxes paid may still increase depending on the total tax base and the property's EAV, which sets its overall share of the tax burden. This further emphasizes that a limit in a tax rate or in the levy does not always equal a proportionate decrease in the amount of property taxes paid.

Total Property Taxes Billed

From 2014 through 2023, the total property taxes billed has increased 38.90 percent statewide. Cook County saw the largest rate of growth at 48.17 percent, followed by a 36.07 percent increase for the rest of the state, and then a 27.86 percent increase for the collar counties.

In taxing districts subject to PTELL statewide, the total taxes billed increased 33.24 percent, while in taxing districts that are not subject to PTELL, the total taxes billed increased 39.41 percent.

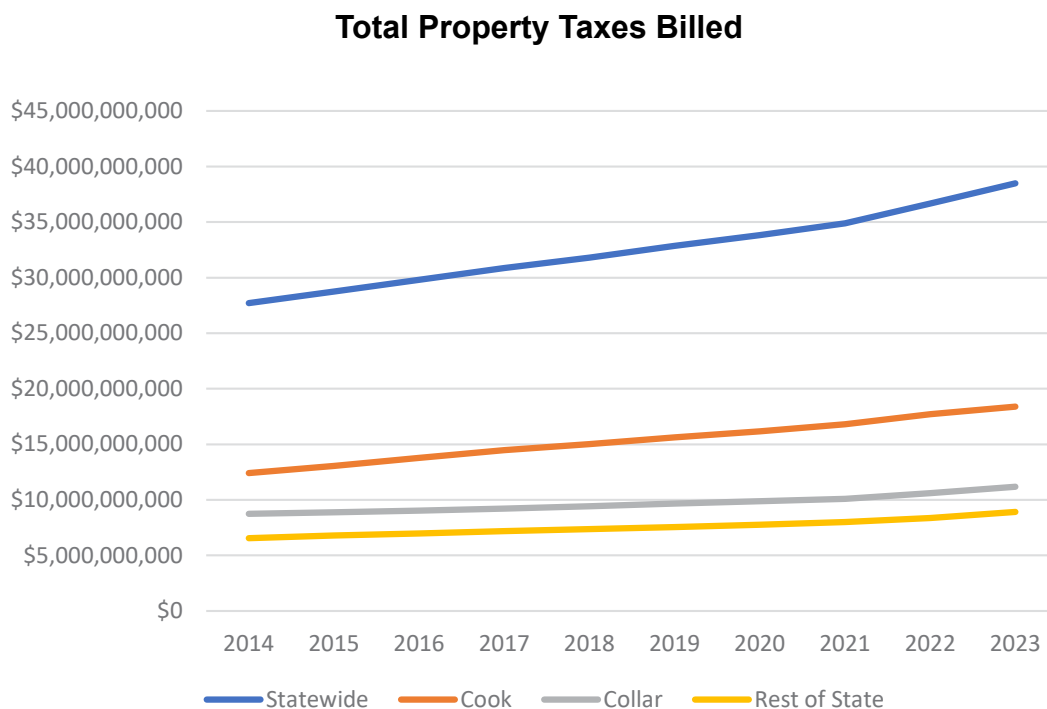


Figure 7.

Figure 7 displays the overall trend in the total amount of property taxes billed to property owners for Cook County, the collar counties, and the rest of the state. The overall statewide growth is also provided.

Average Tax Bill Amount

From 2014 through 2023, the average tax bill amount increased 33.64 percent statewide. Cook County saw the largest rate of growth at 48.08 percent, followed by a 26.70 percent increase for the rest of the state, and then a 25.60 percent increase for the collar counties.

The average tax bill increased 29.93 percent in taxing districts subject to PTELL compared to 29.24 percent in taxing districts not subject to PTELL.

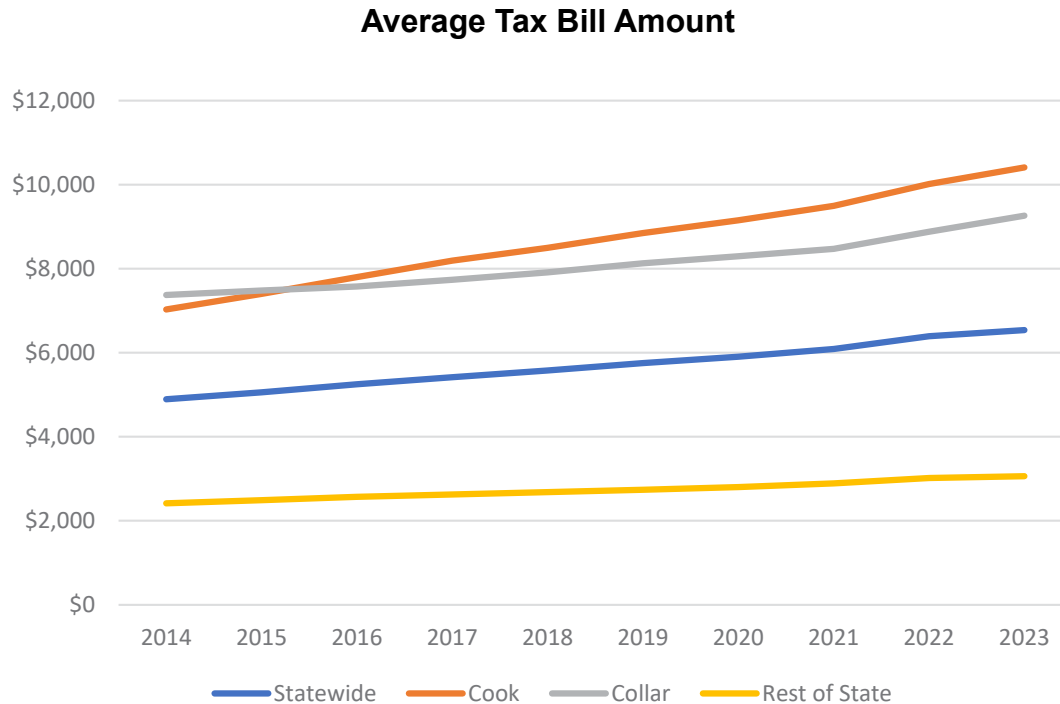


Figure 8.

Figure 8 displays the overall increase in the average property tax bill amount for Cook County, the collar counties, and the rest of the state. The overall statewide growth is also provided.

Average Tax Rate

From 2014 through 2023, while the average amount of taxes billed and the average tax bill increased, the average tax rate actually decreased by 10.41 percent statewide. The collar counties saw the largest percent decrease at 14.55 percent, followed by Cook County at 9.44 percent and the rest of the state at 6.94 percent.

The average tax rate decreased 11.83 percent in taxing districts subject to PTELL compared to 3.01 percent in taxing districts not subject to PTELL.

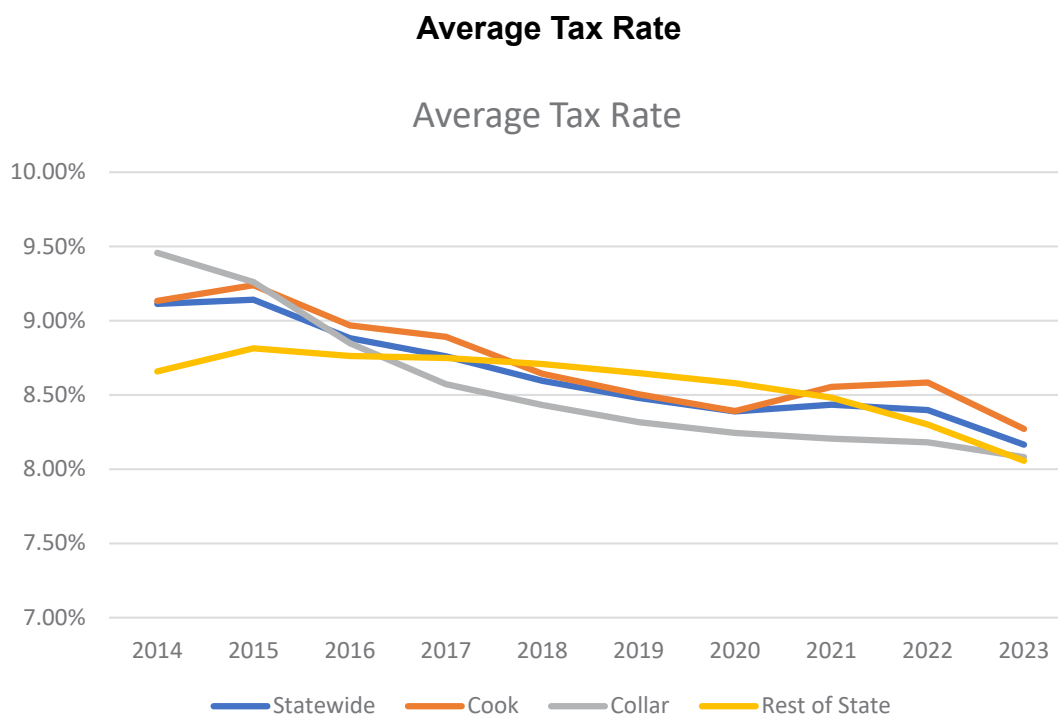


Figure 9.

Figure 9 displays the overall decrease in the average tax rate for Cook County, the collar counties, and the rest of the state. The overall statewide decline in the average tax rate is also provided.

References

- ¹ The Civic Federation. PTELL in Practice: How the Property Tax Extension Limitation Law Works in Cook County. <https://www.civiced.org/ptell-in-practice>
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Recommendations for Improvement



As has been demonstrated throughout this Study, Property Tax is a complex system that involves many different entities and local governments that ultimately work both separately and simultaneously to produce the property tax bill and funding for units of local government. There is not one single fix to the Property Tax system as a whole that will solve the tax burden issues that are being raised; news reports verify that this is a nationwide topic of much discussion.

The following suggestions for areas of improvement are provided to both consider ways to help ease taxpayer burden and to aid in the understanding and administration of various sections throughout the Property Tax Code.

Revise and Simplify Existing Statutes

The Property Tax Code, as found in 35 ILCS 200 in the Illinois Compiled Statutes, is frequently updated due to legislation passing. However, there has not been a general revisory cleanup of the Property Tax Code for many years. There are two main areas that could be addressed that could provide clarity in the administration of the law and streamline some sections where conflicting provisions occur.

Streamline Homestead Exemptions Sections

The homestead exemptions sections in the Property Tax Code are frequently revised and updated. They also contain different provisions for Cook County versus the rest of the State. To assist with uniformity in administration and understanding of the statutory provisions, Article 15 should be revised.

The non-homestead exemptions provisions should be moved to a different Article within the Property Tax Code, as these are separate from the process and administration of homestead exemptions.

For the sections specific to homestead exemptions, the Article should be split between Cook County and the rest of the state. There may be some duplication of exemptions when the administration and exemption amounts are the same, but it would provide clarity as to which provisions apply to which counties.

A standard set of definitions that apply to all homestead exemptions should appear at the beginning of each section (Cook and non-Cook). Currently, there is not uniformity across all homestead exemptions in how certain terms apply. For example, some exemptions allow for a qualifying resident to live in a facility operated by the U.S. Department of Veterans Affairs and keep the exemption in certain circumstances while others do not. Having standardized definitions will lead to a more uniform application of the law and will help taxpayers to better understand which exemptions they may qualify for.

There is also outdated language that can be removed, such as the year-specific provisions related to the application process during the COVID-19 emergency. These provisions no longer apply; however, they are still referenced in certain sections of the Statute.

General Revisory Statute Review and Update

There are several areas within the Property Tax Code that contain outdated language that is no longer applicable. Making changes to clean up unneeded provisions would provide a clearer understanding of the statutes prevent the potential for new legislation to conflict with outdated language. The intent would not be to change any existing practices; instead, it would merely be an opportunity to streamline existing statutes and eliminate pieces that are no longer relevant.

There are many places where Cook County has separate provisions from the rest of the State; however, in some places these are separately referenced statutes while in other places they are tucked into one larger statute. Separating out Cook County into its own section within each Article, where relevant, would provide greater understanding and prevent changes intended only for Cook County, or those only intended to have an impact on the rest of the State, from having unintended changes for the other.

Throughout the Property Tax Code, there are several areas where provisions have reached a sunset date or are no longer needed. If a general revisory update is done, there is an opportunity to clean up these areas to eliminate language that is no longer relevant.

Allow New Technology to be Utilized in General Assessment Work



By law, each property in Illinois is to be inspected and revalued once every four years for most of the State, and once every three years in Cook County. Staffing and budgetary issues are common reasons why assessors claim it is difficult to unattainable to perform a “boots on the ground” reassessment of every property, especially since many of the township assessor positions remain vacant statewide. There are varying interpretations of how the current statutes view the use of technology as a “physical inspection.” Allowing the use of technology to assist with this revaluation in lieu of a physical, on-site inspection would provide assessors an opportunity to perform reassessments in a more affordable and timely manner. By codifying its use, taxpayers would have a clearer understanding of what is required by law, and assessment offices could use this as justification to purchase these types of tools that are widely available.

Technology exists today that allows for a 360-degree, street-level and/or aerial view of the property, with measurement accuracy down to an inch or less. There are also programs that can compare aerial views to previous versions to identify where footprint changes have occurred to a building. All of this work can be done in an assessment office without having to perform a site visit. This would also address safety issues in the field where assessors are threatened when they attempt to perform an on-site visit if the statutes expressly allowed this type of technology to be used in lieu of on-site inspections.

Additionally, new tools are being developed leveraging emerging Artificial Intelligence (AI) that could be useful to aid in the determination of market value. While AI cannot be wholly relied upon to arrive at a determination of market value while taking into consideration statutory variations for preferential assessments, rapidly changing markets, and new laws and regulations, it can be a tool in an assessor’s kit to assist in the work they perform.

To protect taxpayers and ensure accuracy, a manual review by qualified assessment professionals will still need to occur for any work output produced by the use of these technologies.

Create Payment Plans for Property Tax Bills

Currently, the Property Tax Code only allows for payment plans when a taxpayer cannot pay their property tax bill by the due dates in very limited scenarios. When a tax bill is not paid, the tax sale proceedings begin, and eventually the owner may lose their property due to unpaid taxes, plus penalties and interest.

Counties would need to be authorized by statute to provide a structured payment plan with set provisions. The requirements would need to include the length of the plan, any interest or penalty that would be assessed as part of the payment plan, and the penalty or result that occurs when a payment is not made according to the agreement. This would allow the opportunity for a person to pay their past due (or soon to be past due) bills without the implications of tax sale proceedings if the payment plan provisions are followed.

Consideration would need to be made for the money due to the taxing districts when the payments are extended over a period. Currently, tax receipts are paid out within a specified timeframe after the tax bills are due, so taxing districts would need to be consulted to address concerns of a delay in the tax distributions.

Address Tax Sale Proceedings

In *Tyler v. Hennepin County*, the U.S. Supreme Court held that a county's failure to return the surplus value of a taxpayer/owner's property violated the Takings Clause of the Fifth Amendment (which is applicable to States and local government through the Fourteenth Amendment). 598 U.S. 631, 634, 143 S. Ct. 1369, 215 L. Ed. 2d 564 (2023) ("Tyler"). The Fifth Amendment provides that private property shall not be taken for public use without just compensation. The taxpayer owned a condominium in Hennepin County, Minnesota, that accumulated about \$15,000 in unpaid real estate taxes along with interest and penalties. The county seized the condominium and sold it for \$40,000, keeping the \$25,000 excess over the owner's tax debt (the surplus) for itself. The Tyler Court held that although the county had the power to sell the owner's home to recover the unpaid property taxes, it could not use the toehold of the tax debt to confiscate more property than was due. The Tyler Court held that by doing so, it created a classic taking in which the government directly appropriates private property for its own use. The Tyler Court concluded that the owner stated a claim under the Takings Clause and was entitled to just compensation. The plaintiff in Tyler also alleged a violation of the Excessive Fines Clause of the Eighth Amendment. However, the Tyler Court did not decide that issue because it concluded that the plaintiff had plausibly alleged a taking under the Fifth Amendment (the issue was discussed in a concurring opinion by Justice Gorsuch; joined by Justice Jackson).



In two more recent cases, the U.S. District Court for the Northern District of Illinois, Eastern Division, concluded that the plaintiffs (two residential homeowners, on behalf of themselves and a class of similarly situated homeowners, and two nonprofit organizations based in Chicago) were entitled to summary judgment under both the Takings Clause and the Excessive Fines Clause resulting from Cook County's tax sales. *Kidd v. Pappas*, 2025 U.S. Dist. LEXIS 252918, 2025 LX 530571, 2025 WL 3507374 (N.D. Ill. 2025) ("Kidd"). The Court found that Treasurer Pappas, through conducting Cook County's tax sales in accordance with Illinois's Property Tax Code, authorized the taking of homeowners' property. The Court determined that what actually results in property owners losing their property and being deprived of their equity is not the state-imposed processes for conducting a tax sale, but the refusal of the seller, the County, to compensate owners for their lost equity after the sale is completed. The Court also found that the County failed to undertake any contemporaneous analysis of whether Cook County could use its home rule authority to compensate property owners who lost their property through the tax sale process. The Court concluded that by failing to consider and analyze this issue, the County disregarded an objectively obvious need (i.e., providing compensation to property owners who lost equity as the result of property tax sales). The Court held that the County has an independent obligation to comply with the Constitution's mandate of fair compensation when it takes property, and nothing in the Property Tax Code prohibits or even hinders the County from doing so.

The Kidd Court also concluded that the loss of excess equity as a result of Cook County's tax sales is an excessive fine in all residential property cases. The Court held that the touchstone of the constitutional inquiry under the Excessive Fines Clause is the principle of proportionality: the amount of forfeiture must bear some relationship to the gravity of the offense that it is designed to punish. The Court found that the amount of equity lost due to Cook County's tax sales bears no articulable correlation to any injury suffered by the Government. The Court reasoned that homeowners who never bother to pay property taxes may suffer little equity loss if the home lacks value, while homeowners who dutifully pay taxes may lose immense equity if they fall on hard times. The Court determined that the underlying non-criminal offense of failing to pay property taxes does not justify such arbitrarily severe penalties. Based on the foregoing, the Court concluded that the County is liable for the violations suffered by the plaintiffs (*Kidd v. Pappas*, 2026 U.S. Dist. LEXIS 103470, 2026 LX 242001, 2026 WL 1278273 (N.D. Ill. 2026)).

During the 2026 Spring Session of the 104th General Assembly, HB 4537 was passed to address property tax sales. As of the publication of this report, the legislation has not yet been signed into law.

Taxing Bodies

Local governments receive much of their funding through the property taxes. Illinois ranks sixth overall in population but ranks amongst the top nationwide in the total number of taxing bodies; there are currently over 6,000 that levy to receive funding through property tax. A study should be commissioned to determine if there is an opportunity to consolidate taxing bodies and whether such a consolidation would lead to taxpayer savings.

It may be beneficial to explore a requirement for taxing districts to report their fiscal status, including fund balances, when levy increase requests over a specified amount are being proposed, or to require increased disclosure of how the increased revenue will be spent when levy increases are being proposed. Educational opportunities should exist for taxing bodies to learn about effective budgeting and fiscal management.

Multi-township Assessment Districts

Most township assessor positions are vacant or are held by a contracted individual because no candidate was qualified to run to hold office. A solution to the shortage of township assessors which has been proposed in past legislation is to increase the minimum population requirement for a township to be required by law to join with neighboring townships to form a multi-township assessment district. The current threshold is a population of 1,000; increasing this to 3,000 or even 5,000 residents would provide more resources to the multi-township assessment district to identify candidates to perform the work. The townships that comprise the multi-township assessment district would pool their resources to better attract and compensate candidates to hold office as multi-township assessment officers. The next Census will take place in 2030, so this is something that will need to be addressed soon so it may be in effect when the next redistricting takes place following the results of the 2030 Census.

Equalization by the Cook County Assessor

Currently, in all counties except for Cook County, the CCAO has statutory authority to apply equalization factors to raise or lower assessments. CCAO equalization can be applied by class of property, by neighborhood, in an entire township, or county-wide to achieve a uniform level of assessments at 33 1/3% of market value. In Cook County, the statutes do not grant the authority for the County Assessor to apply equalization. When the State issues an equalization factor, all property that is subject to equalization receives the same percent increase or decrease.

If the Cook County Assessor were granted statutory authority to equalize, they could react to changes in the market more quickly instead of those changes only being accounted for once every three years during the triennial reassessment. This could lead to a gradual increase or decrease over the three-year period instead of seeing the sharp increases or decreases that occur today when the triennial reassessment is done. This could also help to smooth the property tax bill increases because the assessments would be more reflective of the current market in that area year to year.



Cook County Assessment Change by Class

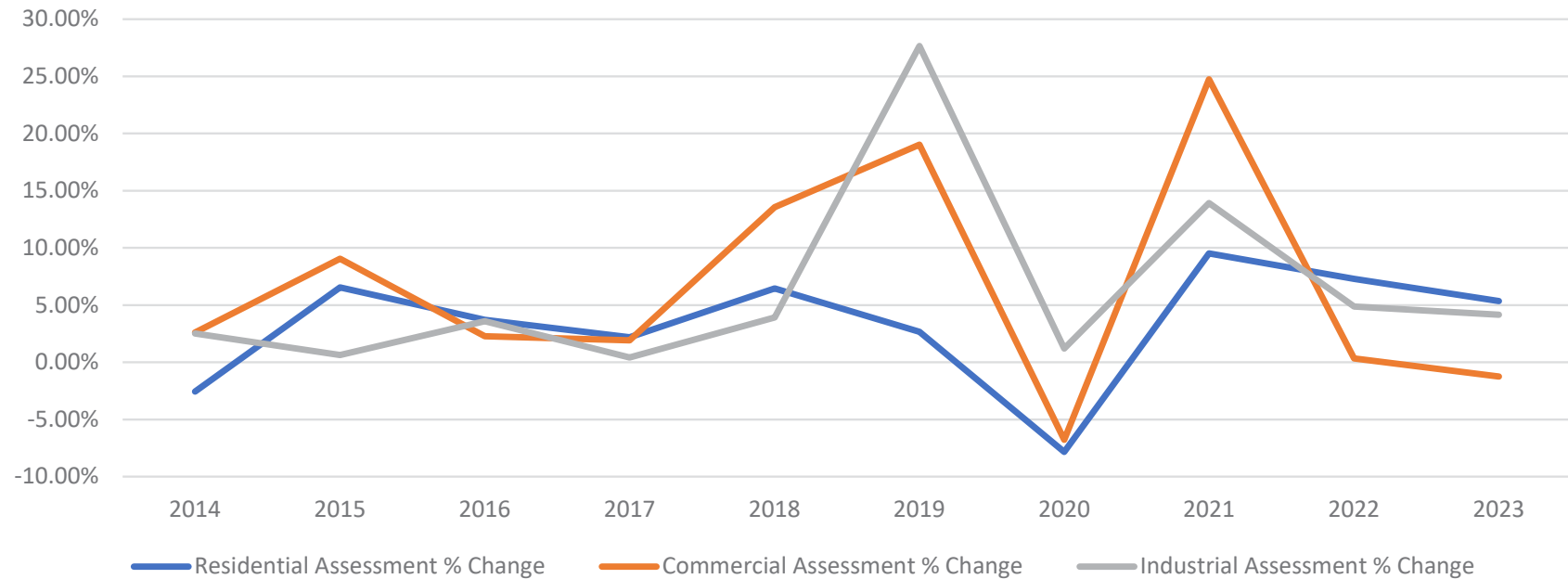


Figure 1.

Figure 1 shows the percent change by class over a ten-year period for all Triad reassessment districts in Cook County based on figures filed on the tentative abstract of assessments.

Classes 3, 5C, 7, and 9 are included in the Commercial category, and classes 5I, 6 All, and 8 are included in the Industrial Category.

Triad 1 Assessment Change by Class

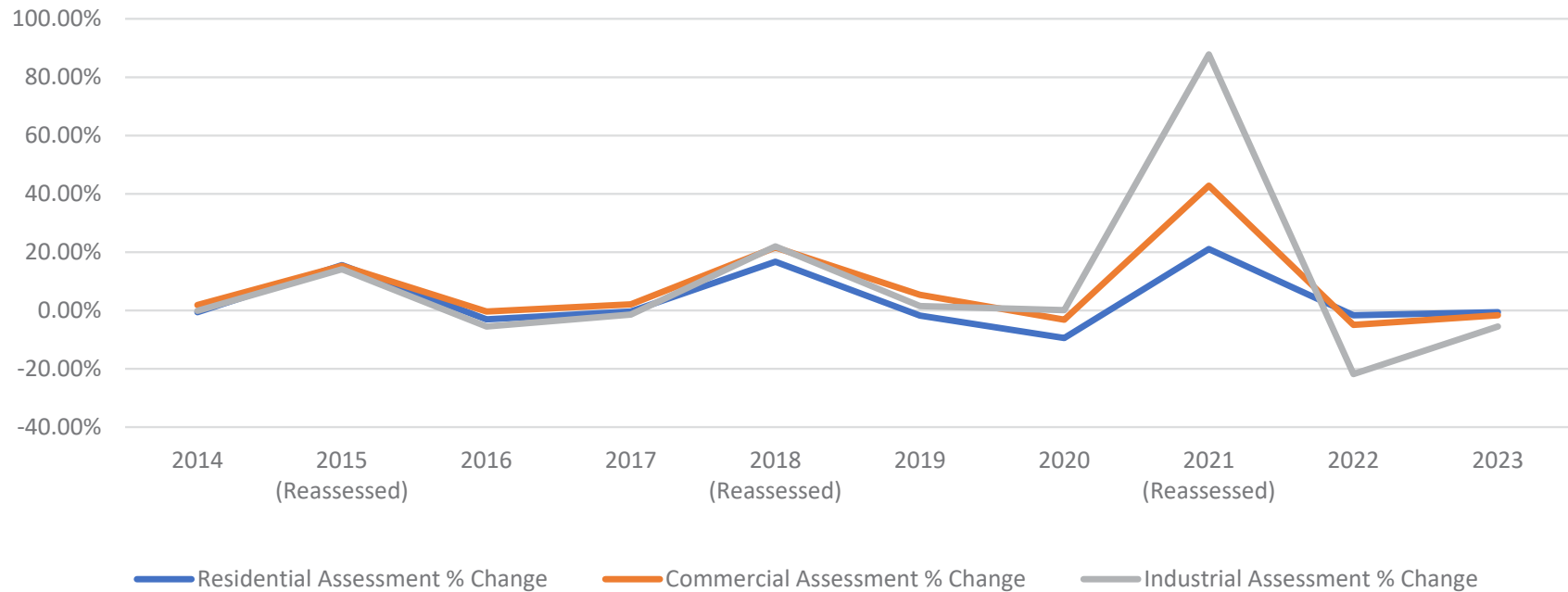


Figure 2.

Figure 2 shows the percent change by class over a ten-year period for Triad 1 reassessment district in Cook County based on figures filed on the tentative abstract of assessments.

Classes 3, 5C, 7, and 9 are included in the Commercial category, and classes 5I, 6 All, and 8 are included in the Industrial Category.

Triad 1 includes Hyde Park, Jefferson, Lake, Lake View, North Chicago, Rogers Park, South Chicago, and West Chicago townships.

Triad 2 Assessment Change by Class

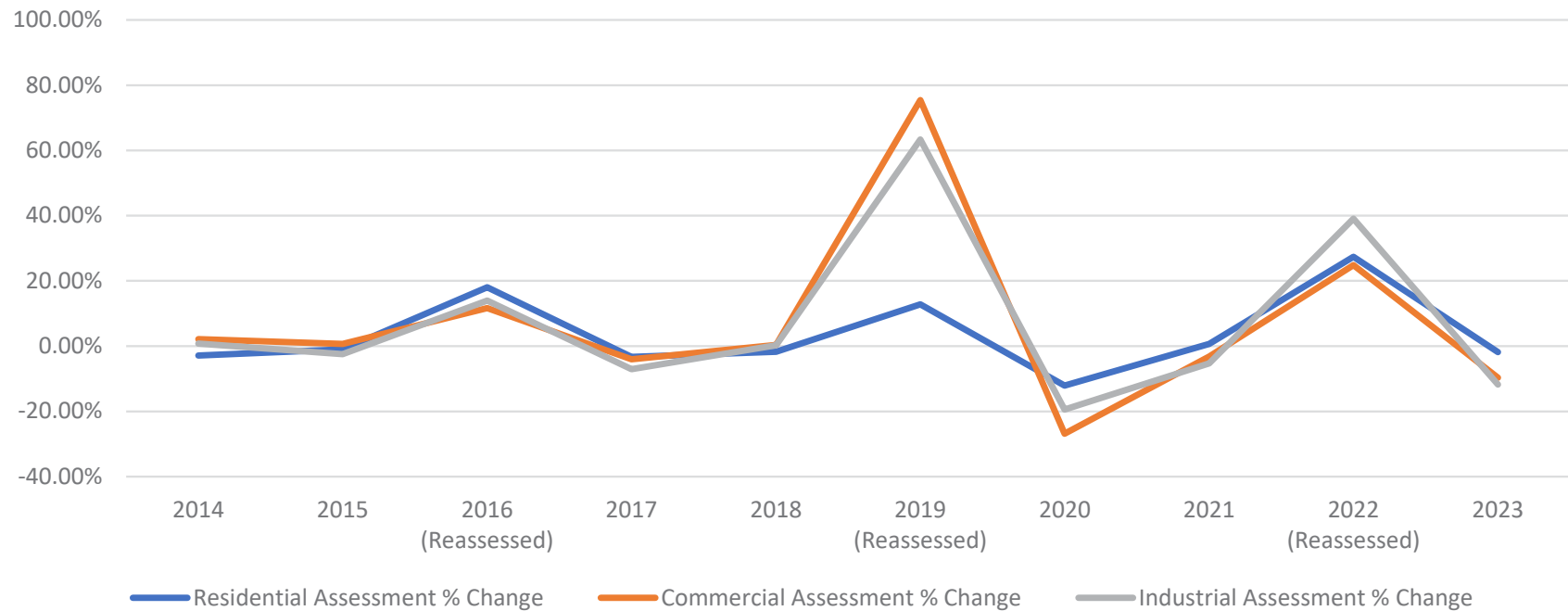


Figure 3.

Figure 3 shows the percent change by class over a ten-year period for Triad 2 reassessment district in Cook County based on figures filed on the tentative abstract of assessments.

Classes 3, 5C, 7, and 9 are included in the Commercial category, and classes 5I, 6 All, and 8 are included in the Industrial Category.

Triad 2 includes Barrington, Elk Grove, Evanston, Hanover, Leyden, Maine, New Trier, Niles, Northfield, Norwood Park, Palatine, Schaumburg, and Wheeling townships.

Triad 3 Assessment Change by Class

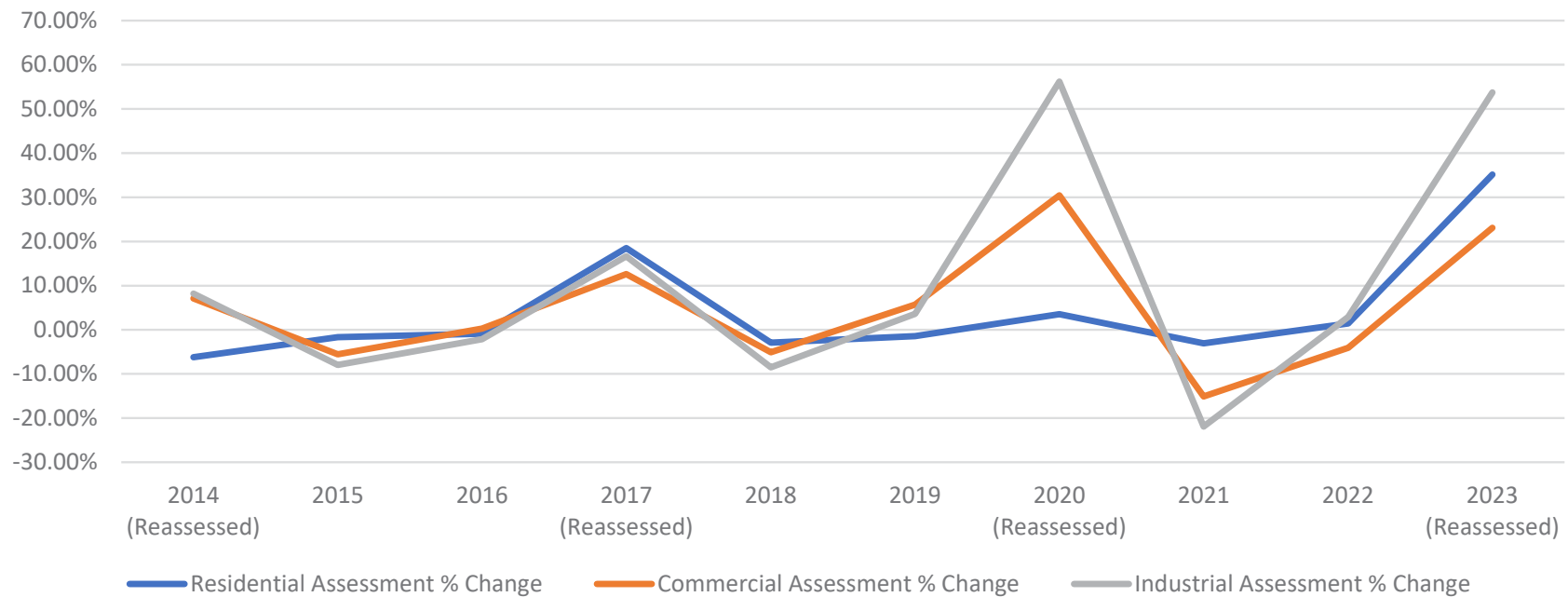


Figure 4.

Figure 4 shows the percent change by class over a ten-year period for Triad 3 reassessment district in Cook County based on figures filed on the tentative abstract of assessments.

Classes 3, 5C, 7, and 9 are included in the Commercial category, and classes 5I, 6 All, and 8 are included in the Industrial Category.

Triad 3 includes Berwyn, Bloom, Bremen, Calumet, Cicero, Lemont, Lyons, Oak Park, Orland, Palos, Proviso, Rich, River Forest, Riverside, Stickney, Thornton, and Worth townships.



Submission of Public Comments



Public Act 103-1002, the Act that mandated IDOR to complete a study of the property tax system in Illinois, allowed for the submission of public comments. A list of those who submitted responsive written comments that met the requirements for submittal, namely that they pertained to the study and not to individual property assessments or billing issues, appears below. Their submissions can be viewed on the pages that follow.

- Building Owners and Managers Association of Chicago
- The Civic Federation
- Illinois Chamber of Commerce
- Mike Klemens, KDM Consulting
- Lake County Township Assessors Association
- Montgomery County Board
- Jesal Patel, Mayor; Village of Lincolnwood
- Taxpayers' Federation of Illinois



BOMA/CHICAGO WRITTEN COMMENTS

Illinois Department of Revenue Property Tax System Study

December 1, 2025

The Building Owners and Managers Association of Chicago (BOMA/Chicago) appreciates the opportunity to submit comments to the Illinois Department of Revenue as part of its statewide review of the Illinois Property Tax System, conducted pursuant to Public Act 103-1002. We commend the Department for undertaking this comprehensive evaluation. Because this submission was prepared prior to the release of the Department's study, some of our observations may overlap with its findings, or we may have framed certain issues differently had the report been available for review.

BOMA/Chicago represents approximately 240 commercial office, institutional, and public buildings in Chicago, along with 200 companies that provide essential goods and services. Our members encompass roughly 80% of all rentable office space in Chicago and over 98% of Class A office space. Collectively, these buildings house 18,000 businesses, employ more than 500,000 office workers, and support over 64,000 jobs, most of which are union.

BOMA/Chicago buildings collectively contribute \$1.5 billion in property taxes, supporting the services and infrastructure that keep Chicago strong. With such a significant role in the property tax system, our members bring valuable experience and perspective to this discussion.

In the following comments, we focus on and provide recommendations related to four interconnected issues central to the property tax system:

- Address levy growth, spending levels, and the heavy reliance on property taxes to fund schools;
- Reform Cook County's classification system;
- Implement transparent and consistent assessment practices; and
- Improve the role of appeals in ensuring accurate valuations.

ADDRESS LEVY GROWTH, SPENDING LEVELS AND THE HEAVY RELIANCE ON PROPERTY TAXES TO FUND SCHOOLS

Chicago families and businesses are carrying some of the highest property tax burdens in the nation. To achieve meaningful, long-term property tax relief, Illinois will need to move beyond short-term fixes to address structural issues that include levy growth, unchecked spending, and the overreliance on property taxes to fund schools. Relief programs don't solve the problem if taxes are already higher than residents and businesses can afford. Real relief will only come from fixing the pressures driving those taxes in the first place.

State legislation that adds new financial obligations to local governments already strained by excessive pension liability only makes matters worse. Case in point: Senate Bill 1937 would expand Tier II pension benefits, significantly increasing local levies. While only a narrow adjustment is needed to comply with Safe Harbor Act requirements for higher-salaried earners, some advocacy groups seek broader Tier II changes to mirror Tier I benefits – despite fiscal challenges already driving levies and property tax bills higher. The proposal carries an estimated \$80 billion cost to taxpayers over 30 years and fails to address the true drivers of property tax pressure – levy growth and spending levels – further worsening Illinois’s structural problems.

On a local level, Chicago’s spending has ballooned. Over the past decade, annual appropriations have jumped 87 percent. In 2016, the City’s budget was just over \$10 billion. In 2025, it nearly doubled to close to \$19 billion.ⁱ Of the \$470 million increase in Chicago’s residential property taxes this year, \$370 million is from levy growth.ⁱⁱ This rapid growth in spending underscores why property tax relief remains so elusive.

And because schools depend so heavily on local levies for funding, our property tax system forces local taxpayers to shoulder costs that should be shared more broadly. More than half of the average Chicago homeowner’s property tax bill goes directly to the Chicago Public Schools (CPS) system, and those payments have grown by over 60% since 2009.ⁱⁱⁱ Shifting education funding to the state would ease the strain on property owners, create a fairer system across Illinois, and ensure that every student has access to quality education regardless of where they live.

Recommendations:

Remove State Authority Over City Pension System: Chicago pays the bill for the City of Chicago’s pension system and should be responsible for restructuring and fixing that system as needed – not the State of Illinois that currently sets pension benefits and payments. At the very least, the City of Chicago should be included in those discussions.

Address Levies and Cut Spending: Cities and towns should take a hard look at how fast their levies and spending are growing and find ways to cut costs and increase efficiencies. Identifying and addressing these root causes should take priority over other quick fixes like circuit breaker programs, exemptions, or incentives, which don’t solve the real problem.

Shift Education Funding Responsibility to State: Relying on property taxes for education funding creates inequities in funding across the state and has contributed to excessive property tax increases. Education should be funded by the state, not through property taxes.

REFORM COOK COUNTY’S CLASSIFICATION SYSTEM

Unlike the other 101 counties in Illinois that assess all property at an equal rate of 33 ⅓ percent of market value, Cook County inflates commercial assessments to 2.5 times the residential rate.^{iv} Commercial properties are assessed at 25 percent and residential properties are assessed at 10 percent. Once the equalizer is applied, commercial property tax bills can be up to 3 times the amount of residential property bills *for buildings of equal market value*. As a result, Chicago ranks right alongside Detroit as having the highest commercial property taxes in the nation.^v

These high commercial property taxes discourage investment and development, leaving Chicago’s skyline with fewer construction cranes and signaling a slowdown in growth. Even hometown developers are pursuing projects in other cities where the business climate is more favorable, due to the reluctance of investors across the globe to invest capital in Chicago. Without new development and investment, the city’s tax base has stagnated, and property owners and renters shoulder ever higher tax burdens.

This year provided a clear illustration of how important our commercial real estate sector is to residential taxes. In the last reassessment, downtown commercial properties lost \$1.5 billion in market value.^{vi} Downtown's decline and rising home values contributed to homeowners absorbing \$470 million of a \$530 million increase in property tax levies, with some South and West Side communities seeing bills jump more than 30%. Without reform to classification, the City's commercial property tax burden will continue to be a major obstacle to downtown's competitiveness and recovery, translating into disproportionate burdens on residents and businesses alike.

By contrast, policies that actively encourage business growth and development, including a fairer classification system, would spur investment across Chicago's neighborhoods, expand the tax base, drive new economic activity and job creation, and ease the property tax burden on all taxpayers.

Recommendations:

Assess All Properties Equally: *Instead of assessing commercial properties at 25 percent and residential properties at 10 percent, Cook County should eliminate this unique classification system and assess all properties equally at 33 1/3 percent like all other Illinois counties.*

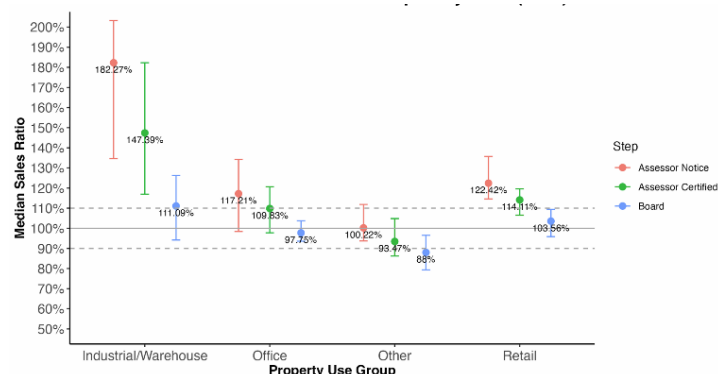
Adjust Classification System Periodically: *An alternative to making all assessments equal would be to analyze and adjust the classification system periodically based on market conditions to minimize the gap between commercial and residential assessment rates.*

IMPLEMENT TRANSPARENT AND CONSISTENT ASSESSMENT PRACTICES

Cook County's property tax system raises serious concerns about fairness and transparency. Recent studies show that the Cook County Assessor has over-assessed commercial properties and under-assessed residential properties, shifting burdens in ways that undermine trust. At the same time, limited access to valuation data makes it harder for taxpayers to verify assessments or hold the system accountable.

A report sanctioned by the Cook County Board President in December 2024, *Analysis of Commercial Valuation Practice in the Cook County Property Tax System*,^{vii} identified that Cook County Assessor Kaegi over-valued office and other commercial properties in Chicago during the 2021 reassessment. Downtown office properties were initially over-assessed by nearly 20 percent by the Cook County Assessor and were only adjusted to reflect accurate market value – closer to 100 percent – through appeals to the Cook County Board of Review. Appeals to the Cook County Board of Review greatly improved assessment accuracy.

Median Sales Ratio Across Each Step – City Triad (2021);



Median Sales Ratio Across Each Step – City Triad (2021);

Analysis of Commercial Valuation Practice in the Cook County Property Tax System. (December 2024)

A separate study conducted by the University of Chicago Mansueto Institute for Urban Innovation^{viii} documented chronic underassessment of residential properties. The median residential assessment ratio for residential properties declined from 8.8 percent under the former Cook County Assessor Berrios to 8.6 percent under Cook County Assessor Kaegi's first term and to 8.2 percent under Kaegi's second term (in Cook County, residential properties are assessed at 10 percent). In other words, residential properties are increasingly underassessed on average, shifting an even greater property tax burden onto commercial properties. These disparities undermine fairness and fuel mistrust in the system.

A lack of clarity from the Cook County Assessor's Office in commercial building valuations further obscures assessment accuracy. Despite recent transparency efforts to provide certain data online, unnecessary hurdles prevent commercial property owners from easily accessing key valuation information including vacancy rates and capitalization rates to determine valuation accuracy and need to appeal. Our members often must file FOIA requests or pursue costly appeals just to verify assessments – steps that may not be necessary if key data were accessible online. National appraisal standards also call for full transparency, underscoring the urgent need for reform.

Recommendations:

Modernize Recordkeeping: *Modernize outdated recordkeeping at County Assessor Offices by replacing references to physical property “record cards” with electronic assessment records available online and via email.*

Create Greater Transparency: *Require the following data to be shared online and/or via email:*

- *Historical assessed values*
- *Transaction/sales data*
- *Location data, such as which school districts the property is in, and distances to amenities like the nearest L station or the lakefront*
- *Characteristics of homes and condos in Cook County*
- *Valuation model*
- *Valuation reports for reassessed townships*
- *Reassessment trends by neighborhood and city*

Additional data should also be accessible related to commercial valuations:

- *Worksheet documentation on internal Assessor appeals*
- *Cap rate methodology, including rents, vacancy rates, expense ratios, etc. (and where this data is derived)*
- *Valuation models by property type (income approach, metrics used, adjusted rent, vacancy collection, expense ratio)*
- *Sales approach methodology, including the sales data used*
- *Anonymized database*

Publish Sales Ratio Study: *As recommended by the International Association of Assessing Officers (IAAO), the Assessor's Office should publish a sales ratio study after each reassessment to compare assessments to sales prices for each class. The report should be accessible to the public indicating all classes that are under- or over-assessed.*

IMPROVE THE ROLE OF APPEALS IN ENSURING ACCURATE VALUATIONS

It is important to correct the widely spread mischaracterization that commercial property appeals are responsible for residential property tax increases. Commercial assessments are incomebased, meaning occupancy and net income determine value. When market realities reduce occupancy and income, lower assessments are not only appropriate but necessary to ensure accuracy. This point is reinforced by the above-referenced *Analysis of Commercial Valuation Practice in the Cook County Property Tax System* report, which found that the Cook County Assessor's Office overvalued Chicago commercial properties during the 2021 reassessment.

The challenges facing Chicago's office market underscore the need for accurate assessments. With just under 60 percent of workers returning to the office post-pandemic,^{ix} vacancy in the Central Loop is nearing 30 percent,^x with dozens of downtown buildings in financial distress^{xi} and most transactions over the last several years selling at steep discounts of 50 to 90 percent.^{xii xiii} In fact, a sale of a trio of downtown office buildings in December 2024 lost \$500 million in combined value.^{xiv} These are not isolated cases but part of a broader market trend that has eroded values citywide. Lower assessments reflect this economic reality and are necessary to maintain fairness.

Historically, downtown office properties have been a fiscal anchor, contributing a disproportionately higher amount to the property tax base. Strong downtown values benefit every neighborhood in the city, sustaining schools, transit, parks, libraries, and more. However, when downtown offices falter, the ripple effects are felt citywide. The classification system magnifies those effects by inflating commercial assessments relative to residential properties.

Beyond the broader role of commercial appeals, there are operational issues that make the appeals system harder to navigate and less transparent. The Cook County Assessor's Office and the Board of Review still operate on separate database platforms that don't communicate with each other. This creates inefficiencies and a lack of transparency when appeals are filed, while limiting the ability to share information across offices. It also leaves the public and outside experts without access to consistent data, reducing opportunities for independent review, analysis, and recommendations for improvement.

There are also concerns about consistency in valuations. In some cases, the Cook County Assessor's Office has altered Board of Review commercial valuations during a triennial cycle, which forces taxpayers to file additional appeals. On top of that, the lack of regular sales ratio studies by property class makes it difficult to measure whether assessments are accurate or fair. Together, these operational gaps add unnecessary complexity to the appeals process and erode confidence in the system.

Recommendations:

Share Data Between Offices: *Update database systems at the Offices of the Assessor and Board of Review Offices to ensure data, methodologies, and calculations can be shared between offices. Data should also be shared with taxpayers to demonstrate how data is used and assessments are applied.*

Triennial Valuations in Interim Years: *When values are available from the Board of Review, the Assessor should honor the long-time practice of maintaining the assessed valuation established by the Board of Review in the triad year for the full three years. Triennial valuations should not be altered in interim years absent physical changes to the property (e.g. demolition or new construction) or discovery of a genuine mistake in the original valuation.*

Provide Taxpayer Access to Tax Data: *Allow taxpayer access to all aspects of tax data and inputs to allow outside auditors and others to review and analyze data to model changes.*

Publish Sales Ratio Study: As recommended by the International Association of Assessing Officers (IAAO), the Assessor's Office should publish a sales ratio study after each reassessment to compare assessments to sales prices for each class. The report should be accessible to the public indicating all classes that are under- or over-assessed.

CONCLUSION

BOMA/Chicago is committed to fair and transparent property taxes for all property owners. Achieving that fairness requires a comprehensive approach: reforming Cook County's classification system to eliminate its distortions, advancing transparent, consistent assessment practices, and protecting the role of appeals to ensure assessments reflect actual market value. At the same time, Illinois must confront broader structural drivers to achieve long-term relief: levy growth, spending levels, and the heavy reliance on property taxes to fund schools. We urge policymakers to pursue recommendations provided that would strengthen the city's tax base without placing the blame on sectors already under pressure. By addressing these interconnected issues, Illinois can build a stronger, more resilient future where the property tax system is fair, transparent, and accountable for both residents and businesses.

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THE CIVIC FEDERATION

MEMORANDUM

From: The Civic Federation
To: Illinois Department of Revenue
Date: December 8, 2025
Re: IDOR Property Tax System Study as required by Public Act 103-1002

The Civic Federation is encouraged that the Illinois Department of Revenue, in consultation with the Department of Commerce and Economic Opportunity, is undertaking a comprehensive study to evaluate the property tax system in Illinois.

As you know, there are a multitude of problems with the current property tax system(s), both statewide and in Cook County, leading Illinois to have the highest property tax rates in the nation. The high property tax burden felt by residential and commercial payers alike is driven by local governments' heavy reliance on property taxes as a source of revenue, leading to significant increases in property tax extensions that far outpace the rate of inflation, even for taxing agencies subject to tax caps set in the Property Tax Extension Limitation Law. The Civic Federation has recent research calculating the exponential growth in tax-capped non-home rule taxing bodies in Cook County: see [Property Tax Limitations in Practice: What the Data Reveals About Property Tax Caps in Cook County](#).

In addition to high tax burden driven by increases in government levies, Illinois has an overly complex administration of the system, with multiple offices and levels of government involved, including local governments that request property tax levies, assessors, County Board of Review, State Property Tax Appeal Board, County Clerks and Treasurers, and the Illinois Department of Revenue (which ensures county-wide uniformity and equalization). The overly convoluted process leaves taxpayers unsure of which body is in charge of what and how to advocate for improvements to the system.

The scope of the IDOR property tax study as laid out in Public Act 103-1002 is quite extensive, examining issues including the Cook County classification system, appeals at the local and state level, assessment processes, homestead exemptions, incentives and preferential assessments, and historical growth in property tax levies. These are all welcome areas of study, and we are hopeful that the data and information provided in the study will shed light on how each of these issues contributes to the complexity, opacity, and inequity of the current system(s).

In addition to those items laid out in the statute, the Civic Federation offers a few additional areas that we hope IDOR will consider adding to its scope of study:

- The effectiveness of tax limitations / tax caps through existing mechanisms including fund rate limits and tax caps via the Property Tax Extension Limitation Law (PTELL) and any potential policy changes that could improve their efficacy.
 - See the Civic Federation's study [Property Tax Limitations in Practice: What the Data Reveals](#)

[About Property Tax Caps in Cook County.](#)

- The complexity of the administration of local tax systems and ways the administration of the property tax system could be streamlined and improved through consolidation of offices/functions.
- The legislation identifies homestead exemptions as an area of study. We hope this will include not just general homestead exemptions but all types of exemptions (e.g., exemptions for seniors, veterans, people with disabilities, etc.). It would be especially helpful to understand how these property tax relief programs shift the tax burden to other payers.
- Existing and potential new methods for providing income-based property tax relief, such as how to improve the statewide circuit breaker program.

In addition to the above suggestions, we also offer some of the **Civic Federation's recent and past research** on property tax to serve as a reference point, as well as an older policy position that we hope might help inform any recommendations that arise out of IDOR's study.

- [Civic Federation Position on the Cook County Property Tax System, 2010](#)
 - *Provides the Civic Federation's position on the property tax system as of 2010, a vision for a better property tax system, and recommendations.*
- [Property Tax Limitations in Practice: What the Data Reveals About Property Tax Caps in Cook County, 2025](#)
 - *Finds that PTELL has not functioned as originally intended, with property tax extensions among all tax-capped taxing agencies in Cook County rising by 71% between tax years 2006-2023 compared to the inflation rate of 46%.*
- [The Cook County Property Tax Extension Process: A Primer, 2025](#)
 - *Explains how property taxes are levied, calculated, and collected in Cook County to serve as an educational resource to policymakers and taxpayers.*
- [The Property Tax Appeal Board Backlog: A History and Recommendations, 2019](#)
 - *Found that PTAB had a significant accumulation of property tax appeal cases outstanding—62,000 as of 2018, of which 84% were from Cook County. The report included recommendations to improve PTAB's administrative functions and reduce the backlog, including improving PTAB's rules and procedures, increasing PTAB's budget/staffing, and implementing electronic filing and case management.*
- [Report of the Civic Federation Task Force on Cook County Classification and Equalization, 1999](#)
 - *Examined the classification system used in Cook County and how taxes would shift under various assessment scenarios. The report found that if all types of Cook County's property were assessed at 33.3%, this would result in a shift—reducing taxes for commercial and industrial properties by over 30% while increasing taxes for residential properties by 62%.*

The Civic Federation will be updating our [older primers and policy positions](#) in the coming months, and we expect that the work produced as part of the IDOR/DCEO study will be both valuable and complementary to our own work.

The Federation hopes to serve as a partner throughout IDOR and DCEO's work on this effort. The information produced will be essential for stakeholders, state and local policymakers, and the taxpaying public. We look forward to learning more as the process moves forward and to reviewing the final study.



Illinois Chamber of Commerce

Springfield Office

215 E. Adams Street

Springfield, IL 62701

www.ilchamber.org

December 1, 2025

RE: IDOR Property Tax Study – Public Comments

To Whom it May Concern:

On behalf of the over 3,000 member companies of every size, sector, and region in the State represented by the Illinois Chamber of Commerce, we write to submit public comments related to the Illinois Department of Revenue's study of the property tax system pursuant to Public Act 103-1002, a piece of legislation that the Illinois Chamber of Commerce was supportive of while Senate Bill 3455 (Martwick/Canty) made its way through the legislative process.

Property taxes, and more directly, the considerable cost that property taxes pose to business, are a significant cost pressure on business owners in the State. We support the Department's attempt to study the complex issue and take a holistic approach to identifying short- and long-term solutions to this significant problem. While previous attempts at analyzing the issue and possible solutions have fallen short, we are hopeful that this study will provide the General Assembly and Governor's Office a starting point for finding real solutions to a very real property tax problem that is borne by Illinois homeowners and business owners alike. Below we provide an overview of some of the main challenges and opportunities for exploration that the Department should consider while undertaking this effort.

Background

One of the most important factors in gauging the overall business climate in the State, and, indeed, a significant factor when companies are looking to grow or move to Illinois has to do with taxation and costs of doing business. While the State has plenty of incentives and positive attributes that surely attract businesses, such as access to world-class international airports, a robust transportation network and systems, nation leading institutions of higher education, a strong talent pipeline, and other positives, the State continues to expand its tax portfolio and put Illinois in an increasingly uncompetitive tax posture.

The Tax Foundation, under its *2026 State Tax Competitive Index*, for example, lists Illinois at 38th worst in the country from an aggregated and comprehensive taxation perspective— among the highest when compared to our neighboring states (and second worst in the Midwest, with only the State of Minnesota ranking lower (44th overall)).¹ When looking specifically at the property tax ranking, Illinois is amongst the worst in the country, at #41.²

Illinois' State Tax Competitive Index, 2026

Category	Rank
Overall	38
Corporate Taxes	42
Individual Income Taxes	13
Sales Taxes	37
Property Taxes	41
Unemployment Insurance Taxes	42

Looking more closely at the property tax burden and how Illinois ranks nationally, we can look to *WalletHub*, which reports in its *Property Taxes by State (2025)* that Illinois property taxes as being second-highest in the nation, behind only the State of New Jersey.³ The report provides that Illinois' effective real-estate tax rate of 2.07% results in the second highest tax bill in the country at approximately \$6,285.

For commercial property owners, especially those located in the State's largest metro area in Chicago, the property tax burden is equally alarming. A report prepared by the Lincoln Institute of Land Policy and the Minnesota Center for Fiscal Excellence titled "50-State Property Tax Comparison Study for taxes paid in 2021" published in July of 2022 provided that of the 53 cities analyzed for property tax purposes, Chicago had the 2nd highest effective property tax rates on commercial property (on commercial properties valued \$1 million).⁴

The reasons for the high property taxes in Illinois are plentiful. It is widely understood that the State's reliance on property taxes to fund schools, for example, and sustain debt payments associated with several types of governmental services and costs, including significant pension funding pressures, are major contributors. The business community certainly can acknowledge that school funding is a priority—as good, affordable, and quality schools are a significant talent retention and attraction tool to bolster a strong workforce. Making sure that government services and obligations are met with local revenues is also good fiscal policy.

However, the property tax problem shows no signs of easing or being resolved. Just this year in Cook County, residents and businesses in the County (notwithstanding the delay in receipt of their property tax bills) have witnessed yet another major increase in their property tax bills—all during times where neither Chicago nor Cook County governments increased their base levies.⁵

The Illinois Chamber of Commerce stands ready to work with our elected leaders in Springfield, the Governor's Office, and key stakeholders at the State and local level to identify solutions to the historic property tax problem. For this reason, we welcome the opportunity to provide public comments for the Department to consider as it compiles a study on the incredibly important issue of property taxes.

The Illinois Chamber of Commerce is in strong support of each of the main study components the Illinois General Assembly charged the Department, and DCEO, with analyzing, including:

1. The possible negative economic impact of the property tax, specifically the assessment process.
2. An analysis of assessment or property tax collection processes and possible improvements to help mitigate delays in the property tax process.
3. A state-by-state analysis of assessment and other property tax processes that may improve the system here in Illinois, and create cost savings and affordability; and
4. An analysis of how property taxes have grown and a list of solutions on how best to tackle the issue of rising property taxes and identifying reasonable measures to lower property tax bills for residents and businesses alike.

Below we provide additional context for items that the Department should consider in its comprehensive Study.

Aspects of the Property Tax System to Analyze, Find Solutions For

Impacts of Levies and Increasing Property Tax Bills

As mentioned above, property owners in the State of Illinois, particularly the commercial and industrial business owners that we represent continually cite property taxes as being among the highest in the country and, indeed, one of the highest cost pressures in the State's tax portfolio. Although mechanisms such as the Property Tax Extension Limitation Law (or PTELL) exist in several counties throughout the State, many counties do not contain this limitation. Moreover, notwithstanding tools such as PTELL, levies continue to rise and, even in jurisdictions where they are not increasing year-over-year, we continue to see increases in the property tax bills—whether due to assessment increases or other aspects. Due to these increases, there is certainly an impact that can be looked at when assessment pressures on the business community continue to rise, and the base does not grow.

We urge the Department to assess the impact of increases in property assessments or property tax bills on commercial and industrial property. Moreover, an analysis of impact on economic development and workforce may also elucidate the scope of the true cost of having a high property tax burden. Specific case studies in the State may be helpful and informative.

Classification

One of the major drivers, and one of the major reasons for the complicated nature of the property tax system in Illinois, of property tax issues faced by both businesses and residents has to do with the classification system. Specifically in Cook County, the classification system has resulted in complicated assessment processes and has created a system that places incredible pressure on commercial and industrial property owners. Further the classification process has been found to negatively impact the development of commercial and industrial property development in the County, as was found by the Chicago Metropolitan Agency for Planning.⁶ Businesses deserve a system that is fair, consistent, and free from unilateral actions taken by assessment bodies at the local level. Finding solutions from other states' best practices or looking to streamline and make affordability a goal in the assessment process would be welcome.

The Department may consider the possibility and assessment of eliminating the classification process in Cook County, that contains several levels of assessment that assesses commercial and industrial properties at 25%, while assessing residential property at 10%. This, of course, is a significant deviation to the process employed by the 101 other counties throughout the state that rely on a uniform assessment rate of 33 1/3%. Exploring this possibility, with reasonable safeguards to ease the transition, may promote economic development, equity in valuation, and simplify the assessment process for property owners.

Analysis of Assessment and Collection Process

Property owners in the state would benefit from a comprehensive review of assessment and collection processes, and the technologies that support these systems, in order to improve efficiency and uniformity. Over the last several years, especially in Cook County, which contains by far the highest number of parcels in the State at 1.8 million, there have been a number of delays and other issues stemming from the assessment process that then translates to delays and “sticker shock” in the collection process—and further impacts when units of local government are able to receive property tax revenues. In order to promote transparency and reliability, the IDOR should explore ways to improve these processes to make them taxpayer friendly.

Property Tax Limitations and Relief

Several states throughout the country have robust limitation laws or constitutional provisions that cap the total allowable increase in assessment or other aspects of the property tax bill process that are aimed at capping the total increase on an individual home or business property, including several neighboring states. Indiana⁷ and Michigan⁸ both have laws that create safeguards around sharp increases in both the assessment and individual growth of property taxes. Looking at how similar laws or constitutional amendments would help taxpayers here in Illinois may be a worthwhile part of the Department’s Study. Such protections would likely help homeowners and business owners in the State—and units of local government—have a better sense of how much their property tax bills will be going up year-over-year and control significant increases.

A list of opportunities for exploring property tax relief for businesses and residents alike, based on both local level solutions and programs promoted in other states and jurisdictions throughout the country, would be a very helpful feature of the Study. This would provide a clear list of items that the legislature and stakeholders could utilize to advance property tax reform.

Conclusion

Certainty, transparency, uniformity, and affordability are all key features that the business community, and taxpayers generally, would like to see from the Illinois property tax system. Business owners, especially small businesses, continue to face tremendous challenges from rising costs of goods and services, workforce challenges, lingering inflationary impacts, and economic uncertainty.⁹ Property taxes continue to create cost pressures for business owners, with significant increases being absorbed in the aftermath of the pandemic. At the State of Illinois level, more needs to be done in order to bring about many of the desired outcomes from the property tax system that has hurt economic opportunity in the State and risks further impacting our ability to attract new investment in the State. We support the Department’s intentional approach to study the property tax problem anew and provide actionable, reasonable solutions to the Governor’s Office and General Assembly by July 1, 2026. We remain committed to working with all stakeholders to find solutions and implement positive changes that result in increased affordability, transparency, and certainty in the property tax system and increase Illinois’ competitiveness in attracting new businesses to the State.

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- 1 <https://taxfoundation.org/statetaxindex/>
 - 2 <https://taxfoundation.org/statetaxindex/states/illinois/>
 - 3 <https://wallethub.com/edu/states-with-the-highest-and-lowest-property-taxes/11585>
 - 4 https://archive.legmt.gov/content/Publications/fiscal/2023-Interim/50_state_property_tax_comparison_for_2021_full_0.pdf
 - 5 <https://www.chicagobusiness.com/commercial-real-estate/chicago-homeowners-hit-big-property-tax-billhikes-year>
 - 6 <https://cmap.illinois.gov/news-updates/cook-county-property-tax-classification-effects-on-property-taxburden/>
 - 7 <https://www.in.gov/dlgf/understanding-your-tax-bill/tax-bill-101/>
 - 8 <https://crcmich.org/tax-limitations-and-the-michigan-property-taxpayer>
 - 9 <https://www.uschamber.com/sbindex/key-findings>

From: Mike Klemens, KDM Consulting

TARGETED INSTEAD OF SCATTERSHOT PROPERTY TAX RELIEF

The statutory requirement in PA 103-1002 offers the Department of Revenue, which is uniquely equipped to do so, the opportunity to evaluate the implications and costs of enacting a comprehensive state-funded circuit breaker problem.

Only the Department of Revenue has the information to be able to tie property taxes paid on residents' homes (directly or indirectly) to those residents' income. Two key pieces of data are Adjusted Gross Income and property tax credit, both from the IL-1040.

From publicly available data we can see:

- 1 - the various existing homestead exemptions are extensive – for taxes paid in 2024 more than 3 million properties claimed exemptions totaling more than \$40 billion – or 8.2 percent of the statewide EAV. **Source: Property Tax Statistics 2023.**
- 2 - On the income tax side 2 million taxpayers claimed the Property Tax Credit on their returns. High income earners cannot claim the credit. In total taxpayers claimed credits based on \$11.3 billion in taxes paid. The average property tax claimed was \$5,700 for all households; for those with less than \$25,000 in income, the average was \$3,200. **Source: Income Tax Stratifications by AGI, Tax Year 2022.**

Circuit breaker relief would kick in when a resident's property taxes exceeded a certain percentage of their income. With the information the Department could model relief and costs under:

- Various combinations of property tax as a percentage of income.
- The percentage of rent that would be considered eligible for circuit breaker rebates.
- Home values at which circuit breakers would no longer apply (mega mansions whose owners don't need relief).
- Copayments that could be applied.

Ideally the Department could create a simple system whereby eligibility is determined from the IL-1040 and the payment on behalf of the taxpayer is made directly to the local government so that the taxpayer "sees" the property tax relief.

Among the questions the Department of Revenue is uniquely positioned to answer is whether the circuit breaker program – based on current ability to pay – could replace homestead exemptions – which shift taxes from homestead to non-homestead properties and have no relation to ability to pay. One result would be a higher taxable base, which should drive rates down, something the department could evaluate.

Here's a thoughtful policy-backed report:

<https://www.lincolnst.edu/publications/policy-focus-reports/property-tax-circuitbreakers/>

Recommendations for Improving the Illinois Property Tax System.

Submitted by the Lake County Township Assessors Association

1. Review of the Cook County Classification System Compared to the Rest of the State

- **The current Cook County classification system creates significant disparities** for taxing districts that overlap both Cook County and the collar counties. Because Cook County parcels are assessed differently, taxpayers in adjacent counties often shoulder a disproportionate share of the tax burden.
- **Adopt a uniform 100% Level of Assessment statewide to replace the current 33⅓% standard.** This would allow taxpayers to clearly understand the relationship between assessed value and market value. Exemptions could be recalibrated to reflect market value (exemption amount × 3), and tax rates would more accurately represent the percentage of tax relative to market value.
- **Eliminate newspaper publication of assessments.** Digital publication offers more accessible, timely, and cost-effective alternatives for taxpayers and local governments.

2. Review of State Laws Governing Assessment Appeals and Property Tax Collection

a. Appeals

- **Remove political appointments to the Board of Review.** Assessment appeals should be overseen by the most qualified professionals with appraisal and assessment expertise, not selected based on political affiliation.
- **Conduct PTAB hearings electronically** (Zoom or Teams). Remote hearings reduce travel costs, increase efficiency and accessibility for all parties.
- **Implement PTAB filing fees** to discourage frivolous or low-merit appeals and reduce case backlogs.

b. Property Tax Bills

- **Advance the statutory deadline for assessment completion.** Lake County's June 15 deadline has proven effective. A statewide deadline of July 31 would accelerate the entire tax cycle, improve levy planning, allow IDOR to finalize equalization factors earlier, and support timely billing.

c. Budget, Levy, and Extension Process

- **Create public notice requirements for budgets and levy requests**, including standardized budget meeting dates and clearer communication of anticipated tax impacts.
- **Revise assessment notice to include spending changes.** The assessment notice can detail current assessment and tax impact of the levy requests for an individual parcel. An example template for taxpayer transparency is Florida's TRIM notice. A copy is attached.
- **Reduce school districts' reliance on property taxes** by increasing state-level funding sources. A review of other state's school funding formulas should be studied.
- **Close loopholes in PTELL** including clarifying recapture provisions from PA 102-519 to not exceed 5% upper limitation (adjusting upper limitation 4% + recapture amount), addressing home-rule exemptions, uncapped line items, and the of issuance of obligation bonds without referendum.

3. Review of Statewide Assessment Processes

- **Expand standardized education and training** through providers such as the Illinois Property Assessment Institute (IPAI) to ensure uniform assessment practices statewide.
- **Reduce the influence of tax attorneys** in shaping assessment and appeals processes, particularly where conflicts of interest arise due to dual roles as legislators.

4. Review of Property Tax Homestead and Non-Homestead Exemptions

a. Homestead Exemptions

- **Openly acknowledge that exemptions shift tax burden** from one group of taxpayers to another.
- **Revise the Standard Homestead Exemption for Veterans with Disabilities.** Create a gradual scaling system to make exemption more portional to disability ratings. 100% tax exempt status should only be granted to veterans who are 100% totally and permanently disabled. Data is showing a significant rise in number of persons receiving the 100% tax exemption which could lead to pressure to attain a greater disability rating. A chart illustrating the growth of the veterans' 100% tax exemption for Lake County is attached.
- **Review exemption applications.** Wording of all exemption forms can be simplified, especially for disabled persons and senior citizens. For example, reorganize the income portion of the Senior Freeze exemption to better align with federal 1040 form.

b. Non-Homestead Exemptions

- **Clarify and tighten standards for charitable hospital exemptions.** Require evidence of charity care at EACH specific property rather than across an entire hospital system.
- **Improve IDOR's Non-Homestead exemption hearing process** by ensuring proper notice, establishing de novo hearings, strengthening evidentiary requirements, and allowing opportunity for rebuttal from CCAO / Board of Review.

5. Analysis of Preferential Assessments

- **Reform the Affordable Housing Tax Credit HB 2621.** Current calculations for qualified rehabilitation projects seems flawed. Relief granted is 2-3 times more than the actual cost of the qualified rehabilitation. Also, reduction in preferential assessment is granted on land and building value. It should be granted on building value only. Also, the application process should require stronger documentation and annual renewal.
- **Increase oversight of Forestry and Conservation Stewardship programs** by adding sunset clauses, renewal requirements, proof of completed work, and improved IDNR funding (potentially supported by application fees).
- **Add sunset clauses to Developer Rates** to prevent indefinite preferential treatment.
- **Limit Model Home assessments** to true model homes, not speculative properties.
- **Clarify Farmland assessment standards**, including primary-use definitions, minimum acreage requirements, and rules for emerging agricultural uses such as beekeeping, indoor aeroponic & hydroponic farming. and other uses.

6. Review of the State's Reliance on Property Taxes and Historical Levy Growth

A review of Lake County data from 2009–2024 illustrates the broader statewide challenge:

- **Schools account for approximately 69%** of the total property tax burden.
- **Overall property taxes have increased by 40%** during this period.
- **School spending has grown by 43%, compared with 34%** growth among all other taxing bodies.
- **The total EAV growth in Lake County is 11%** over that same time period.

These trends underscore the need for structural reform, increased state funding for education, and greater transparency in local budgeting.

DO NOT PAY - THIS IS NOT A BILL**NOTICE OF PROPOSED PROPERTY TAXES****TAX INFORMATION**

10543539

711016

Parcel ID: 06-43-23-33-00006.0203

DESC IN INST#2007-103310
PH 6 BLDG 6 UNIT 203
24329 BALTIC AVE #203

The taxing authorities which levy property taxes against your property will soon hold PUBLIC HEARINGS to adopt budgets and tax rates for the next year.

The purpose of these PUBLIC HEARINGS is to receive opinions from the general public and to answer questions on the proposed tax change and budget PRIOR TO TAKING FINAL ACTION. Each taxing authority may AMEND OR ALTER its proposals at the hearing.

TAXING AUTHORITY		COLUMN 1*		COLUMN 2*		COLUMN 3*
034 BURNT STORE AREA FIRE MSTU	LAST YEAR'S ACTUAL TAX RATE 2024 (MILLAGE)	YOUR PROPERTY TAXES LAST YEAR 2024	YOUR TAX RATE THIS YEAR IF NO BUDGET CHANGE IS ADOPTED (MILLAGE)	YOUR TAXES THIS YEAR IF NO BUDGET CHANGE IS ADOPTED	THIS YEAR'S PROPOSED TAX RATE 2025 (MILLAGE)	YOUR TAXES IF PROPOSED BUDGET CHANGE IS ADOPTED 2025
COUNTY:						
LEE CO GENERAL REVENUE	3.7623	\$1,177.60	3.6162	\$1,245.06	3.7623	\$1,295.36
SCHOOL:						
PUBLIC SCHOOL - BY LOCAL BOARD	2.2480	\$703.62	2.2302	\$781.95	2.2480	\$788.19
PUBLIC SCHOOL - BY STATE LAW	3.0380	\$950.89	3.0139	\$1,056.72	3.0710	\$1,076.74
MUNICIPALITY OR MSTU:						
BURNT STORE AREA FIRE PROTECTION MSTU	3.1700	\$992.21	3.1413	\$1,081.55	3.1700	\$1,091.43
LEE CO ALL HAZARDS PROTECTION DIST	0.0693	\$21.69	0.0673	\$23.17	0.0693	\$23.86
LEE CO UNINCORPORATED MSTU	0.8398	\$262.86	0.8091	\$278.57	0.8398	\$289.14
LEE COUNTY LIBRARY DIST	0.4361	\$136.50	0.4218	\$145.23	0.4361	\$150.15
WATER MANAGEMENT DISTRICT:						
SFWM-DISTRICT-WIDE	0.0948	\$29.67	0.0889	\$30.61	0.0948	\$32.64
SFWM-EVERGLADES CONSTRUCTION PROJECT	0.0327	\$10.24	0.0306	\$10.54	0.0327	\$11.26
SFWM-OKEECHOBEE BASIN	0.1026	\$32.11	0.0961	\$33.09	0.1026	\$35.33
INDEPENDENT SPECIAL DISTRICTS:						
LEE CO HYACINTH CONTROL DIST	0.0200	\$6.26	0.0192	\$6.61	0.0200	\$6.89
LEE CO MOSQUITO CONTROL DIST	0.2200	\$68.86	0.2116	\$72.85	0.2200	\$75.75
WEST COAST INLAND NAVIGATION DIST	0.0394	\$12.33	0.0381	\$13.12	0.0394	\$13.57
TOTAL TAX RATES:	14.0730		13.7843		14.1060	
TOTAL PROPERTY TAXES:		\$4,404.84		\$4,779.07		\$4,890.31
		COLUMN 1*		COLUMN 2*		COLUMN 3*

NOTICE OF PROPOSED PROPERTY TAXES EXPLANATION (Section 200.069, Florida Statutes)

***COLUMN 1—**"YOUR PROPERTY TAXES LAST YEAR" - This column shows the taxes that applied last year to your property. These amounts were based on budgets adopted last year and your property's previous taxable value.

***COLUMN 2—**"YOUR TAXES IF NO BUDGET CHANGE IS ADOPTED" - This column shows what your taxes will be this year IF EACH TAXING AUTHORITY DOES NOT CHANGE ITS PROPERTY TAX LEVY. These amounts are based on last year's budgets and your current assessment.

***COLUMN 3—**"YOUR TAXES IF PROPOSED BUDGET CHANGE IS ADOPTED" - This column shows what your taxes will be this year under the BUDGET ACTUALLY PROPOSED by each local taxing authority. The proposal is NOT final and may be amended at the public hearings shown on this notice. The difference between Columns 2 and 3 is the tax change proposed by each local taxing authority and is NOT the result of higher assessments.

NOTE: Amounts shown on this form do NOT reflect early payment discounts you may have received or may be eligible to receive. (Discounts are a maximum of 4 percent of the amounts shown on this form.)

NON-AD VALOREM ASSESSMENTS: Your final tax bill may contain non-ad valorem assessments which may not be reflected on this notice such as assessments for roads, fire, garbage, lighting, drainage, water, sewer, or other governmental services and facilities which may be levied by your county, city, or any special district.

A Public Hearing on the Proposed Taxes and Budget Will Be Held:

COUNTY/MSTU:	09/04/2025 5:05PM	Lee Co Commission Chambers	2120 Main St	Fort Myers FL 33901	239-533-2221
SCHOOL:	09/09/2025 5:05PM		2855 Colonial Blvd	Fort Myers FL 33966	239-337-8215
WATER MANAGEMENT DISTRICT:	09/11/2025 5:15PM	SFWM Auditorium	3301 Gun Club Rd B-1 Bldg	West Palm Beach FL 33406	561-686-8800
LEE CO MOSQUITO AND/OR HYACINTH:	09/11/2025 5:01PM/5:15PM		15191 Homestead Rd	Lehigh Acres FL 33971	239-694-2174
WEST COAST INLAND NAVIGATION DISTRICT:	09/05/2025 5:01PM		1575 E Venice Ave	Venice FL 34292	941-485-9402

** PROPERTY RECORD UPDATE -- WEBSITE AND PERSONALIZED CODE FOR 2025**

Enter your personalized code **TRA0E1B3** to review your property details and

- Report or update hurricane damage
- Confirm or update your homestead exemption status

	Last Year 2024 ❶	This Year 2025 ❶
MARKET VALUE	\$313,000	\$350,617
Market Value in Florida is also known as "just value" as provided by the constitution and described in state law. It is the amount a purchaser willing but not obliged to buy would pay to one willing but not obliged to sell, after proper consideration of all eight factors in section 193.011, F.S.		
ASSESSED VALUE		
Assessed Value is the market value of your property minus the amount of any assessment reductions. The assessed value may be different for millage levies made by different taxing authorities.		
ASSESSMENT REDUCTIONS	APPLIES TO	VALUE
Assessment Reduction amounts are based on applicable statutory limitations and benefits that may affect the Assessed Value, such as the Save Our Homes cap or an Agricultural Classification. The value of these limitations and benefits make up the difference between market and assessed value.		
Assessment Limitation Benefit	Non-School Levies	\$6,317
EXEMPTIONS	APPLIES TO	VALUE
Exemptions are specific dollar or percentage amounts that reduce taxable value. These are usually based on characteristics of the property or property owner. Examples include the homestead exemption, veterans' disability exemptions and charitable exemptions. In some cases, the maximum exemption amount may not be applied because of a lower assessed value. Many exemptions apply only to tax levies by the taxing authority granting the exemption.		

VALUE CALCULATIONS						
Taxable Value is the assessed value minus qualifying exemptions. This is the value used to calculate the tax due on your property. The assessed and taxable values may vary by taxing authority because certain assessment reductions and exemptions may not apply to all levies and discounts.						
TAXING AUTHORITY	ASSESSED VALUE		EXEMPTIONS		TAXABLE VALUE	
	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR ❶
COUNTY:						
LEE CO GENERAL REVENUE	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
SCHOOL:						
PUBLIC SCHOOL - BY LOCAL BOARD	\$313,000	\$350,617	\$0	\$0	\$313,000	\$350,617
PUBLIC SCHOOL - BY STATE LAW	\$313,000	\$350,617	\$0	\$0	\$313,000	\$350,617
MUNICIPALITY OR MSTU:						
BURNT STORE AREA FIRE PROTECTION MSTU	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
LEE CO ALL HAZARDS PROTECTION DIST	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
LEE CO UNINCORPORATED MSTU	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
LEE COUNTY LIBRARY DIST	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
WATER MANAGEMENT DISTRICT:						
SFWM-DISTRICT-WIDE	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
SFWM-EVERGLADES CONSTRUCTION PROJECT	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
SFWM-OKEECHOBEE BASIN	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
INDEPENDENT SPECIAL DISTRICTS:						
LEE CO HYACINTH CONTROL DIST	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
LEE CO MOSQUITO CONTROL DIST	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300
WEST COAST INLAND NAVIGATION DIST	\$313,000	\$344,300	\$0	\$0	\$313,000	\$344,300

If you feel the market value of your property is inaccurate or does not reflect fair market value, or if you are entitled to an exemption or classification that is not reflected on this form, please call us at **(239) 533-6100** or visit the Lee County Property Appraiser's office at 2480 Thompson Street, 4th Floor, Fort Myers, FL.

If we are unable to resolve a matter as to the market value, classification, or an exemption, you may file a petition for adjustment with the Value Adjustment Board. ❶ Online filing is available at www.leeclerk.org. Petition forms are available from the Lee County Property Appraiser's office. All petitions must be filed with the Clerk of Courts Office on or before **September 12, 2025**.

**** PROPERTY RECORD UPDATE -- WEBSITE AND PERSONALIZED CODE FOR 2025****

Enter your personalized code XXXXXXXXXX to review your property details and

- Report or update hurricane damage
- Confirm or update your homestead exemption status
- Discover how your value was impacted

Lake County 100% Disabled Veteran's Exemption Growth

Tax year	# of Exempt Parcels	Percent Change	Exemption EAV Loss Amount	Percent Change	Percent of County EAV
2024	3418	15.7%	345,832,705	31.3%	1.0%
2023	2954	12.5%	263,359,536	18.6%	0.9%
2022	2626	7.8%	222,114,070	18.4%	0.8%
2021	2436	5.9%	187,552,466	12.7%	0.7%
2020	2301	17.6%	166,423,635	24.4%	0.6%
2019	1957	14.3%	133,819,993	16.8%	0.5%
2018	1712	30.9%	114,614,292	34.5%	0.4%
2017	1308	16.6%	85,217,374	31.6%	0.3%
2016	1122		64,768,933		0.3%
2015	18		1,215,600		

Review of the Lake County's Reliance on Property Taxes and Historical Levy Growth

Tax year	County Wide Tax Extension	County Wide Extension Percent Change	Total School Tax Extension	Total School Extension Percent Change	Percent School Taxes to Total Extension	PTELL Index	Extension compared to PTELL	All Other Taxing Body Extensions	Other Extension Percent Change	County EAV	County EAV Percent Change
2024	2,923,751,098	4.2%	2,021,320,732	4.2%	69.1%	3.4%	Greater	902,430,366	4.2%	33,849,037,691	9.4%
2023	2,806,416,085	5.1%	1,940,556,529	5.0%	69.1%	5.0%	Greater	865,859,556	5.2%	30,951,351,545	6.1%
2022	2,670,602,136	5.3%	1,847,851,092	6.0%	69.2%	5.0%	Greater	822,751,043	4.0%	29,161,166,284	4.5%
2021	2,535,306,923	2.0%	1,743,945,801	2.0%	68.8%	1.4%	Greater	791,361,122	2.0%	27,900,233,156	1.3%
2020	2,485,106,413	1.3%	1,709,218,798	1.3%	68.8%	2.3%	Less	775,887,615	1.4%	27,534,467,847	-0.1%
2019	2,452,359,959	2.3%	1,687,417,389	1.8%	68.8%	1.9%	Greater	764,942,571	3.3%	27,568,520,845	2.9%
2018	2,397,950,857	2.0%	1,657,722,850	1.7%	69.1%	2.1%	Less	740,228,007	2.6%	26,801,532,271	3.0%
2017	2,351,503,014	1.9%	1,630,028,975	2.2%	69.3%	2.1%	Less	721,474,039	1.2%	26,022,556,654	3.9%
2016	2,307,894,050	1.6%	1,594,878,146	1.3%	69.1%	0.7%	Greater	713,015,904	2.2%	25,057,393,274	6.3%
2015	2,272,643,911	1.7%	1,574,896,606	1.6%	69.3%	0.8%	Greater	697,747,304	2.1%	23,572,037,575	3.5%
2014	2,234,083,781	1.6%	1,550,699,120	1.7%	69.4%	1.5%	Greater	683,384,661	1.5%	22,764,550,860	-1.4%
2013	2,197,897,839	0.7%	1,524,873,789	1.3%	69.4%	1.7%	Less	673,024,050	-0.7%	23,082,005,711	-6.2%
2012	2,182,658,485	1.8%	1,505,172,729	2.0%	69.0%	3.0%	Less	677,485,756	1.4%	24,617,782,529	-8.6%
2011	2,143,800,802	2.2%	1,475,639,401	2.0%	68.8%	1.5%	Greater	668,161,401	2.6%	26,927,334,120	-6.9%
2010	2,097,787,113	0.6%	1,446,268,978	2.6%	68.9%	2.7%	Less	651,518,135	-3.6%	28,936,843,476	-5.0%
2009	2,085,404,807	-	1,409,691,955	-	67.6%	-	-	675,712,852	-	30,448,147,527	-

Increase of County Extension	Type of Increase	Increase of School Extension	Type of Increase
838,346,291	Overall	611,628,777	Overall
40%	Percent	43%	Percent
2.7%	Annual	2.9%	Annual

Increase of All Other Extensions	Type of Increase	Increase in County EAV	Type of Increase
226,717,514	Overall	3,400,890,164	Overall
34%	Percent	11%	Percent
2.2%	Annual	0.7%	Annual



Montgomery County Board Administration Office

#1 Courthouse Square

2nd Floor – Room 202

Hillsboro, Illinois 62049

Phone: 217-532-9577

E-Mail: cbadmins@montgomerycountyil.gov

December 9, 2025

TO: Illinois Department of Revenue

RE: Public Act 103-1002 Recommendations

The members of the Montgomery County Board, gathered at the Historic Courthouse in Hillsboro at their meeting on December 9, 2025, voted in the affirmative to recommend the following considerations for the study to evaluate the property tax system required by Public Act 103-1002 as recommended by the board's Wooded Acreage Ad Hoc Advisory Committee:

- Regarding the local and state appeal process, the Ad Hoc Committee recommends legal notice publication of the process is included with the required annual assessment change publication and quadrennial publication.
- Because variability in assessments hampers economic development, the Ad Hoc Committee recommends a statewide assessment process that is less reliant on market values.
- Because in rural areas increases in assessed value are usually driven more by market values rather than economic development, the Ad Hoc Committee recommends required Truth in Taxation public hearings when the percentage levy increase exceeds the percentage of assessed value increase from new construction.
- The State of Illinois should reexamine the requirements for unit of local government to extend and increase debt ceilings.
- The State of Illinois should statutorily lessen the reliance of education funding on local property tax levies.

Recommend by the Montgomery County Board this 9th day of December 2025

AYES: 14 NAYS: 0 PRESENT: 0 ABSTAIN/ABSENT: 0

Doug Donaldson, Montgomery County Board Chair

CC:

Rep. Wayne Rosenthal

Rep. Brad Holbrook

Rep. Blaine Wilhour

Sen. Steve McClure

Sen. Jason Plummer

From: Jesal Patel, Mayor; Village of Lincolnwood

Comments on Public Act 103-1002: Property Tax System Study

The Cook County property tax assessment system is in need of reform to achieve predictable and reliable tax bills for residents and businesses alike. A purely value-based system has proven to yield wildly variable and often inaccurate results due to market changes, available information, and the mere process of valuing over 1.5 million parcels every three years,

Conversely, the underlying taxes levied by local taxing bodies, which are being divided amongst the taxpayers using the assessment system, are very predictable, increases are limited by law, and there is less room for 'inaccuracy' with all taxing bodies being fully audited annually.

Three factors commonly impact property value: condition, occupancy, and market factors. The first two are typically property specific and the third can affect all properties, though not equally.

Changes in occupancy and condition can be determined by using information from local governments with direct knowledge of conditions and changes through their code enforcement and community development departments. The extent to which this information is used by the assessment system is not quantified. As a Mayor, I understand that a vacant or dilapidated building exhausts more local resources than an occupied or maintained building. Likewise, a well constructed and fully occupied building frees up local resources to be used elsewhere, and full occupancy often results in increased revenues such as sales, use, and income taxes.

Market Value poses a different challenge. Property value is extremely subjective and subject to volatility from internal and external sources, which property owners do not control. For residential properties, tastes and trends have a tremendous effect on value but no effect on tax burden. Similarly, for commercial properties, the value of an occupant's business can increase or decrease the property value with no change to the actual property. While market value changes somewhat regularly, a property's share of the property tax burden generally does not change absent redevelopment.

The valuation of real estate is extremely complex and subjective. In the market, most commercial real estate values are based not on the land or building but rather the occupancy and improvements. The real estate tax has largely become a tax on occupancy and the business of real estate. The ability of local governments to fund their operations relies heavily on the occupancy and businesses within their jurisdictions, and the assessment system has proven to be an obstacle to sustained occupancy and redevelopment to achieve the sales, use, and incomes taxes that budgets require.

The study should find that the assessment system should be based on reliable and predictable factors and that value should not be one of them. Utilizing factors such as zoning classification, building size and construction, and others which are both quantifiable and verifiable will remove the variability and provide the needed predictability.

As a local Mayor I consistently observe the effects of errors in the current qualitative assessment system. Development is stifled, tax burden shifts, and trust in local government erodes. The disparity between annual tax levy increases, approximately <5% annually, and the increase in taxpayer bills, ≥50%, is difficult to justify when properties go unchanged. In addition, new development typically results in a delay of several years before property assessments are revised to reflect current market values.

Local governments are uniquely positioned to provide detailed and comprehensive information on the status and condition of properties, particularly when properties undergo changes which affect their value. Most Cook County communities have relatively level property value fluctuation within their borders and that trend tends to extend beyond municipal borders to townships. Municipalities must demand that the assessment system incorporates the involvement of the local government to ensure changes are justified and comprehensive, provided the market-value assessment system is maintained.



Taxpayers' Federation of Illinois

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December 1, 2025

Re: Public Act 103-1002 – Property Tax System Study

The Taxpayers' Federation of Illinois appreciates the opportunity to submit comments in connection with the Illinois Department of Revenue's study of Illinois's property tax system pursuant to Public Act 103-1002. We commend the Department for undertaking this comprehensive review and for specifically examining Cook County's property tax classification system.

These comments were prepared prior to the release of the Department's study, which has not been completed. As a result, our observations may overlap with topics the Department intends to address, and in some cases, we may have approached the issues differently had we been able to review the report beforehand.

Classification

Cook County's classification structure is already part of the study, and we believe that uniform assessment across all classes of property is the most equitable approach. We look forward to reviewing the Department's findings on the impact of shifting to a system of uniform assessments. If the reform of full elimination of classification is not pursued, we encourage policymakers to address the lack of an enforcement mechanism for the constitutional 2.5-to-1 assessment-ratio limit, along with enforcement of constitutional uniformity, equal protection, and due process principles.

A long-running series of Cook County tax objection complaints illustrates this problem. Beginning in the early 2000s, A.F. Moore & Associates, Inc. and other taxpayers filed challenges alleging that Cook County's classification practices violated the Illinois Constitution's 2.5-to-1 limit between the highest and lowest assessed classes of property, as well as state and federal uniformity, equal protection, and due process principles. Although the county ordinance required residential property to be assessed at 16 percent, single-family residential properties (Class 2) were effectively assessed at 10 percent or lower, while some industrial and commercial properties were assessed at more than 25 percent.¹ This disparity resulted in certain industrial and commercial properties being assessed at more than 2.5 times that of single-family residential property.²

More than two decades later, those state court cases remain pending without resolution. Frustrated by the lack of progress, the property owners filed a related action in federal court notwithstanding the Tax Injunction Act which confines state tax disputes to state courts provided that they offer adequate remedies. The federal district court dismissed the case, but the United States Court of Appeals for the Seventh Circuit reversed in *A.F. Moore & Associates, Inc. v. Pappas*, 948 F.3d 889 (7th Cir. 2020), stating that Illinois provides no "plain, speedy, and efficient" state remedy for such constitutional claims. Five years later, the federal case is still unresolved. This prolonged stalemate underscores how the absence of a statutory or administrative enforcement mechanism allows potential constitutional violations to persist indefinitely. Although the issue was highlighted by the federal court in 2020, the General Assembly has not yet created an adequate remedy.

The concerns raised in these earlier cases have not disappeared. The Department of Revenue's 2023 Sales Ratio Study showed ratios of 2.49 and 2.45 between industrial and commercial assessments, respectively, relative to single-family residential assessments, *on average*. However, the 2021 study reported average ratios of 2.85 and 2.87. This 2021 study implies that industrial and commercial assessments should have been approximately 12 or 13 percent lower, on average, by comparison to the Class 2 average. Although the limit is not exceeded in terms of average levels every year, the problem continues to arise.

Establishing a workable enforcement mechanism for intra-class uniformity and the 2.5-to-1 assessment limit among classes would promote predictability and consistency in Cook County's property tax system. One potential approach worth further studying is equalization by class and assessment triad within Cook County. A system modeled on statewide equalization could help ensure that each class of property is assessed at its statutory level and should improve uniformity and adherence to statewide standards.

Regular annual equalization by class and triad could also smooth year-to-year changes in assessments. Currently, when a triad is reassessed, the resulting increase in assessment can be dramatic. Smaller, periodic adjustments may reduce these large increases. Every county other than Cook County already has the authority to raise or lower assessments for an entire class if the Board of Review determines they were not made on the proper basis (35 ILCS 200/16-60).

Because Cook County's property tax system is highly complex, any potential change must be approached carefully. A thorough evaluation of benefits and the inevitable side effects should precede any reform.

Real Property vs. Personal Property

Another long-standing structural challenge involves how Illinois defines real property. Although statute provides a definition for real property, counties have interpreted and applied that definition differently. When the Illinois Constitution abolished personal property taxes, the General Assembly enacted 35 ILCS 200/24-5 to prevent counties from reclassifying personal property as real property to expand their tax bases and get around the prohibition of personal property taxes. That protection was necessary and appropriate, but it has also led to inconsistency: an item treated and assessed as real property in one county may be treated as personal property in another.

For example, a company constructing a manufacturing facility may face different assessments from county to county, not because the property's value differs, but because each county defines "personal property" differently. These interpretations should be published in a centralized or easily accessible manner. This would increase transparency and reduce appeals due to a misunderstanding of terminology and procedures.

Lack of Statewide Uniformity

We also encourage policymakers to review the lack of statewide uniformity in property tax appeal procedures. Each county and each township set its own filing timelines, forms, and evidentiary requirements for assessment appeals. This inconsistency creates an unnecessary burden for taxpayers and practitioners.

Even modest procedural reforms could make a significant difference. Universal filing deadlines and requiring county officials to accept electronic appeals would improve accessibility. Similarly, a centralized online portal for property records, assessment data, and appeal histories would empower taxpayers while reducing administrative burdens on local governments.

Rules governing acceptable evidence also vary widely, i.e. expert testimony, income and expense data, or comparable sales. Establishing a consistent statewide evidentiary standard would enhance fairness and uniformity.

Recapture Levy

A more recent structural development deserving attention is the recapture levy created by Public Act 102-0519 (35 ILCS 200/18-233). The levy allows taxing districts to recover revenue lost from prior year refunds outside their normal tax cap limits. Although intended to keep districts financially whole, it raises legitimate concerns about transparency and taxpayer understanding.

These issues are particularly timely in Cook County. Due to delays in transitioning to a new computer system, the county has been unable to issue property tax refunds since April 2025. Once refunds resume, a large volume may be processed in a short period. If the backlog extends into 2026, taxing districts could see nearly two years of refunds paid in a single year, triggering significant recapture levies and confusion among taxpayers unaware of the connection.

From a policy standpoint, it should be examined whether the recapture levy should continue to operate entirely outside PTELL, or whether a cap or enhanced reporting requirements would improve transparency. Or at a minimum, require taxing districts to affirmatively vote for the recapture levy. An example of a more limited recapture levy provision was contained in HB 2901 in the 98th General Assembly. This would have allowed a given instance of recapture to be levied in up to 3 annual installments, but no installment could exceed 5% of the total amount of all other items in that levy ordinance excepting items for debt service. Perhaps more importantly, this formulation would also have preserved the right of a taxpayer who received a refund to be protected, upon application, from having the refunded amount reimposed above a *de minimus* amount. This provision would prevent property owners from having to effectively pay for their own refund.

One argument advanced in favor of the recapture levy was that it would reduce taxing district interventions in assessment appeals, since districts could recoup any refunds issued through this levy. However, we have not observed a meaningful decline in such interventions. Districts continue to engage in costly litigation against taxpayers challenging high assessments even though the recapture levy guarantees that district revenues remain unchanged regardless of the appeal's outcome.

The Taxpayers' Federation of Illinois appreciates the Department's commitment to improving the fairness, efficiency, and predictability of Illinois's property tax system. We remain ready to assist with data, analysis, or stakeholder engagement as this important study moves forward.

Regards,



Maurice Scholten

President

Taxpayers' Federation of Illinois

-
- ¹ Illinois Department of Revenue Sales Ratio Studies during the 2000s typically showed assessment levels for Class 2 properties in the range of 7.5%-9.5%. E.g. in 2006 the IDOR study's adjusted median for Class 2 was 8.51% . See <https://tax.illinois.gov/content/dam/soi/en/web/tax/research/taxstats/propertytaxstatistics/documents/2006assessmentratios.pdf> (accessed 11/21/2025).
- ² Median assessment levels measured by the IDOR in these years were substantially below the statutory 36% and 38% required levels, and thus on average complied with the constitutional 2.5-to-1 limitation. (See IDOR 2006 study cited in footnote ¹.) However, given that the official target levels were much higher, inevitably in some cases the targets were hit and a substantial minority of industrial and commercial properties were assessed at multiples far exceeding the constitutional limits, including not only the 2.5-to-1 limit but also or even more so the constraint of uniformity within these classes.



Appendix A:

Additional IDOR Resources and Publications

Publications

Publications can be found on IDOR's website at the following link:
<https://tax.illinois.gov/research/publications.html>

Pub-122: Instructions for Farmland Assessments

Pub-123: Instructions for Residential Schedules

Pub-124: Construction Terminology

Pub-126: Instructions for Commercial and Industrial Cost Schedules

Pub-127: Component-in-Place Schedules

Pub-134: Developer's Preferential Assessment for Subdivisions Property Tax Code, Section 10-30

Pub-135: Preferential Assessments for Wooded Acreage

Pub-136: Property Assessment and Equalization

Reference Documents

PIO-16, An Overview of Property Tax

PIO-62, An Overview of the Property Tax Extension Limitation Law by Referendum

PTAX-1004, The Illinois Property Tax System

PTAX-1080, PTELL Technical Manual

Statistical Data

IDOR maintains several years of property tax statistical data on its website for public access. Statistics tables can be found at the following link:
<https://tax.illinois.gov/research/taxstats/propertytaxstatistics.html>



Illinois [REDACTED] Department of Revenue

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