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Higher Tax Bills Coming in Cook County, IL

By Bob Twan, CMI, Chicago

Cook County's [2017 local property tax rates](#) for more than 1,400 taxing agencies were published in late June. For the first time, the total of all property taxes billed in the county exceeds \$14 billion, according to the Cook County Clerk. This represents an increase of 5% over the previous year, which is similar to increases in tax revenue for 2016 and 2015.

In comparison, the total property taxes in the City of Chicago increased 5.1%, and the total tax amount levied will again exceed \$1 billion. Meanwhile, the total taxes billed by Cook County Public Schools (CPS) increased by 8.3% over 2016 and totals nearly \$3 billion in tax collections.

LOCAL COMMERCIAL TAX RATES FLUCTUATE

This year's triennial revaluation produced higher assessed values for many business properties in the South suburban townships of the County, where taxable assessed values increased by 15.6%. With this increase in the assessment base, local tax rates were reduced on average in this reassessment area as shown in the chart below.

	2016 Average Tax Rate	2017 Average Tax Rate	% Change
South Suburbs	13.384%	11.912%	-11.0%
North Suburbs	9.263%	9.326%	+0.68%
City of Chicago	7.145%	7.266%	+1.69%

However, a lower local tax rate can still result in a higher than expected tax bill, when the value is increased through reassessment. Additionally, in many cases the primary cause for a higher tax bill is due to the growth in the 2017 State Equalization Factor (SEF) for Cook County at 2.9627, which jumped by 5.69% over the prior year's SEF.

continued from page 1

CITY OF CHICAGO'S 2017 TAX HIKE

Most of the City of Chicago's taxing districts had their equalized tax rates increased by 7.4798% for taxes payable this year. Equalized tax rates are a combination of the current 2017 local City tax rate of 7.26% times the current 2017 (SEF) state equalization factor of 2.9627.

In other words, the City of Chicago's equalized tax rate increased from 20.02% for 2016 (pay 2017) to 21.52% for 2017 (pay 2018). The higher 2017 equalized tax rate times the same assessed value as last year has generated a tax increase of approximately 7.5% for commercial and industrial taxpayers in the City of Chicago. So while commercial and industrial taxpayers are seeing a modest local tax rate increase of just 1.7%, due in large part to increased levies from the Chicago Board of Education and the City of Chicago, their actual tax bills are actually increasing roughly 7.5% over the prior year after the (SEF) State Equalization Factor is included in the Cook County property tax bill calculation.

The higher 2017 equalized tax rate times the same assessed value as last year has generated a tax increase of approximately 7.5% for commercial and industrial taxpayers in the City of Chicago.

The City increased its levy by \$53 million this year as the third segment of a planned four-year tax increase that began in tax year 2015. Additionally, the Illinois General Assembly approved a \$154 million increase to the CPS teachers' pension fund, which took effect this year.

The due date for the Tax Year 2017 Second Installment bill is Wednesday, August 1, 2018.