Property Taxes in Illinois

2014 Update

Commission on Government Forecasting & Accountability

March 2014

Updated 4/17/2014

Commission on Government Forecasting and Accountability

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TABLE OF CONTENTS

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EXECUTIVE SUMMARY

The following document is the Commission's sixth examination of property taxes in Illinois. The previous reports, released in 1990, 1997, 2001, 2005, and 2009, provided a history of the property tax as well as an examination of the property tax cycle, equalized assessed value, property tax exemptions, and property tax relief. This report is an update, and will focus on the trends associated with equalized assessed value, property tax extensions, and property tax relief. While compiling this data, the Commission utilized several reports generated by other agencies including the Department of Revenue's most recent editions of Illinois Property Tax Statistics. Illinois property tax data from 2011 is the primary source for this report as it is the latest year available. The major observations of the report are summarized below:

- Historically, local governments in Illinois have been more dependent on local property taxes than are local governments in other states. This continues to be true as Illinois property taxes generated 39.5% of local government revenue, the 8th highest level among States, which exceeded the national average of 29.4%.

- In 2011, equalized assessed value (EAV) of real property in Illinois was $348.1 billion. Residential property ($229.4 billion) comprised the largest component of the property tax base, followed by commercial property ($77.2 billion), industrial property ($29.9 billion), farm property ($10.2 billion), and railroad property and mineral rights ($1.4 billion).

- The residential property class has increasingly dominated the composition of the property tax base. In 1993, residential property made up 53.1% of the EAV. In 2001, this class accounted for 59.2%. Now residential property makes up 65.9% of the EAV.

- EAV grew steadily throughout the State in the early 2000's but declined significantly starting in 2009 due to the bursting of the housing bubble and the Great Recession. The decline in statewide EAV lagged economic events by approximately 2 years as result of the property tax assessment cycle.

- Local governments in Illinois extended (billed) $26.2 billion in property taxes. Statewide, schools extended $16.4 billion followed by municipalities ($4.3 billion), special districts ($2.8 billion), county governments ($1.9 billion), and township governments ($660 million).

- The State-wide average property tax rate was 7.52% which was the highest rate since 2001. Cook County's average tax rate was 7.21%, while the Collar Counties average was 7.62%. The Rest of the State had the highest rate of the three areas at 8.07%.

- Cook County and the Collar Counties saw a decline in their property tax rates from 2002 through 2009 but have seen increases in recent years, while the Rest of the State experienced slow but steady increases in their average property tax rates.

- Illinois has numerous property tax exemptions including a General Homestead exemption, a Senior Citizens Homestead exemption, a Disabled Veterans' Homestead exemption, and a Senior Citizens Assessment Freeze exemption. In 2011, approximately 4.4 million property tax exemptions were granted in Illinois resulting in a valuation reduction of $39.4 billion.

- Thirty-nine Illinois counties operate under the Property Tax Extension Limitation Law (PTELL) which limits the growth in property tax extensions to 5% or the increase in the Consumer Price Index (CPI) per year, whichever is less.

I. PROPERTY TAXES IN ILLINOIS

The property tax cycle is a two-year process that is responsible for assigning a value to property subject to taxation, levying a tax on that property, and collecting the tax. It can be divided into two phases. The first phase consists of the assessment, review, and equalization of real property. The second phase includes the levy, extension, collection, and distribution of property tax moneys. (Appendix 1, attached, summarizes the Illinois property tax cycle and the responsibilities associated with each "player" in the process.)

In Illinois, the property tax is a local tax. It is imposed by local governments and administered by local officials. It is the major source of tax revenue for approximately 6,000 taxing districts, and is used to finance the majority of the services provided by these governments and school districts. Table 1 details the number of Illinois taxing districts by type.

The following two sections provide a brief history of the property tax in Illinois.

The 1800's

The provision to tax property was included in the State's first constitution, in 1818. It included the statement: "…That the mode of levying a tax shall be by valuation so that every person shall pay a property tax in proportion to the value of the property he or she has in his or her possession." The inclusion of this clause is unique to Illinois, as it was not included in the constitutions of Indiana, Kentucky, or Ohio; the models for the Illinois constitution.

The combination of State growth and political pressure brought changes to the property tax. In 1839, changes broadened the definition of taxable property, narrowed the scope of exemptions, and identified personal property subject to taxation. These changes made possible the taxation of personal property by counties, which prior to this date had not been achieved. The Revenue Code of 1853 once again revised the tax system with distinct acts applying to township and non-township counties. This code eliminated double taxation, included stocks and bonds in the tax base, declared that property was to be assessed at its true value in money, and mandated that local assessors swear an oath stating that they would assess at full value. These provisions remained essentially unchanged until 1867, when a State Board of Equalization was established. Based on State growth, the Illinois Constitution of 1870 provided additional details regarding assessment practices.

Table 1. Number of Taxing Districts by Type, 1991-2011					
Type of District	**1991**	**1996**	**2001**	**2006**	**2011**
Total-all types	**6042**	**6,051**	**6,064**	**6,030**	**6,020**
Counties	102	102	102	102	102
Townships (1	1434	1,433	1,433	1,433	1,432
Road districts (2	96	92	91	77	77
Cities, villages, and incorporated towns	1280	1,286	1,289	1,295	1,296
Total school districts	**989**	**941**	**935**	**922**	**906**
Elementary	410	389	384	380	377
Unit	426	406	409	400	390
High	112	105	102	102	99
Non-high	1	1	1	1	1
Community college	40	40	39	39	39
Total special district	**2146**	**2,197**	**2,214**	**2,201**	**2,207**
Fire protection	819	826	833	840	835
Park	348	351	358	362	364
Sanitary	147	144	134	116	112
Forest preserve	13	13	13	13	14
Mosquito abatement	21	21	21	20	22
Public health	4	4	4	4	4
TB sanitarium	2	2	1	1	---
Airport authority	27	28	28	28	28
Library	261	312	329	343	350
Hospital	24	20	18	18	16
Street lighting	25	25	25	26	27
River conservancy	15	14	14	14	14
Water authority	15	18	17	17	18
Surface water protection	10	9	9	6	4
Cemetery	30	31	34	33	32
Soil & Water conervation	1	1	1	1	6
Conservation	6	5	5	5	5
Auditorium authority	1	1	1	1	1
Mass transit	11	11	6	6	6
Watershed/flood control	5	4	5	5	4
Multi-twp. assessment	349	345	345	328	327
Water service	3	3	3	2	4
Museum district	2	2	2	3	3
Solid waste disposal	5	5	5	5	5
Rescue squad	2	2	2	3	4
Public water district	0	---	1	1	1

(1 Townships include road and bridge districts.
(2 Commission counties only.
Source: Illinois Department of Revenue

The 1900's

There have been five major developments in the modern history of the Illinois property tax since 1900:

- Abolition of State property taxes.
- Abolition of personal property taxes.
- Classification of real property and homestead exemptions.
- Change in farmland assessment.
- Passage of the Property Tax Extension Limitation Law (PTELL).

Abolition of State Property Taxes

The Depression of the 1930's brought about the first fundamental change in the property tax system. The collapse of personal income raised the specter of a general default on property taxes. Accordingly, the State stopped collecting a property tax: the last levy was in 1932 for $18 million. The revenue lost was replaced by the inception of the State sales tax the following year.

Abolition of Taxes on Personal Property

The second major change in the Illinois property tax was the abolition of taxes on personal property. Taxes on personal property were eliminated through a 1970 amendment to the Illinois Constitution of 1870, following the passage of the Illinois Income Tax Act of 1968. The corporate personal property tax was effectively eliminated on January 1, 1979, as provided by the 1970 Constitution. The corporate tax was replaced by taxes on corporate income and on invested capital of public utilities.

Classification and Homestead Exemption

The third major development was the effort to shift a portion of property tax extensions away from owner-occupied residential property. When inflation accelerated in the 1970's, it had its greatest impact on home values, resulting in prices of homes usually rising faster than prices of other types of property. As a result of the differential rate of increase, homes in Illinois and most other states tended to comprise a large proportion of total assessed value. The State responded by enacting homestead exemption programs and, in Cook County, the County Board instituted a system of property classification.

The Change in Farmland Assessment

The fourth twentieth century development was a change in the basis of assessing farmland from one based on market value to one based on agricultural economic value. Lawmakers, reacting to fears that development was driving up the price of farmland, passed a law in 1971 requiring that the value of land when used as farmland should be factored into the farmland assessments. With the value of farmland soaring in the late 1970s, further modifications required that farmland assessments be based on both the market value of farmland in the county and the value of farm products produced. By 1981 the State dropped the direct use of market value of farmland at the point of sale, basing assessments solely on the economic value of the soil.

Property Tax Extension Limitation Law (PTELL)

The PTELL was originally passed in 1991 and affected only non-home rule taxing districts in the collar counties. The law was enacted in effort to limit the amount of increase in property tax extensions for non-home rule taxing districts when property values and assessments increase at a rate that exceeds the rate of inflation. Taxing district extensions, subject to the PTELL, are limited to an increase of 5% or the change in the Consumer Price Index (CPI), whichever is less. As of January 2014, 39 counties were subject to PTELL. A list of these counties and the year they became subject to PTELL can be found in Table 2. Nine other counties have had referendums on PTELL but did not pass it. The last county to have a referendum on PTELL was Moultrie County in April of 2003 which did not pass.

Table 2. Illinois Counties Subject to PTELL

County	Assessment Year	County	Assessment Year
Boone	1997	Macoupin	1997
Champaign	1997	Marion	1999
Christian	1997	Massac	2001
Coles	2003	McDonough	1998
Cook	1994	McHenry	1991
Cumberland	2003	Menard	1997
Dekalb	2000	Monroe	1997
Dupage	1991	Morgan	1997
Franklin	1997	Randolph	1997
Greene	2001	Sangamon	1997
Jackson	1997	Schuyler	1997
Jefferson	1999	Shelby	2001
JoDaviess	1998	Stephenson	1998
Kane	1991	Tazewell	1999
Kankakee	1997	Union	1997
Kendall	1998	Washington	1999
Lake	1991	Will	1991
Lee	1997	Williamson	1997
Livingston	2000	Winnebago	1997
Logan	1997		

Source: Illinois Department of Revenue

II. ASSESSMENT AND EQUALIZATION

The assessment of property is the official act of identifying property within a jurisdiction, listing it, appraising it, and designating its value for tax purposes. In Illinois, most property, excluding farmland and farm buildings, property in Cook County, and coal property, is assessed at 33 1/3% of its "fair cash value." The Illinois Supreme Court has interpreted "fair cash value" to be the price that "*the property would bring at a voluntary sale where the owner is ready, willing and able to sell but not compelled to do so, and the buyer is ready, willing and able to buy but not forced to do so*."

Although the statutory assessment level is set at 33 1/3%, the 1970 Illinois State Constitution granted counties with populations exceeding 200,000 the option of classifying property for assessment purposes. The constitution provides that "…any such classification shall be reasonable and assessments shall be uniform within each class. The level of assessment or rate of tax of the highest class in the county shall not exceed two and one-half times the level of assessment or rate of tax of the lowest classes in that county."

Cook County Assessment

Despite this provision, only Cook County elected to classify property for assessment purposes. The Cook County Board passed the ordinance creating assessment classifications in 1974. The underlying principal behind classification was to shift the tax burden away from owner-occupied houses, farms, small apartments and co-ops, thus reducing taxes from one class of property while not severely impacting aggregate local government issues. In its present form, the system includes fourteen major property classifications that range from 10% to 25%. This system was implemented for tax year 2009. The property tax statistics reported in this report used tax rates between 16% and 38% for Cook County prior to 2009. Table 3, on the following page, provides a list of the fourteen classifications and includes their current assessment levels.

Table 3: COOK COUNTY PROPERTY TAX ASSESSMENT CLASSIFICATIONS		
Class	Description	Assessment Level
1	Unimproved Real-Estate	10%
2	Residential, Farms, Small Apartments, Co-Ops	10%
3	Other Residential Property	16% in tax year 2009, 13% in tax year 2010, 10% in tax year 2011, and subsequent years
4	Non-Residential Property (Not-for-Profit)	25%
5a	Commercial Property	25%
5b	Industrial Property	25%
6b	Industrial Property (newly constructed or rehabilitated buildings)	10%; for first ten years and for any subsequent ten-year renewal periods, if the incentive is not renewed, 15% in year 11 and 20% in year 12
C	Remediated real estate which is to be used for industrial or commercial purposes, including abandoned property	10% for first ten years, 15% in year 11, and 20% in year 12
7a	Commercial Property (newly constructed or rehabilitated commercial property in an area in need of development (more than $2 million)	10% for first ten years, 15% in year 11, and 20% in year 12
7b	Commercial Property (newly constructed or rehabilitated commercial property in an area in need of development (more than $2 million)	10% for first ten years, 15% in year 11, and 20% in year 12
8	Commercial or Industrial Real-Estate (located in a severely blighted area)	10%; for first ten years and for any subsequent ten-year renewal periods, if the incentive is not renewed, 15% in year 11 and 20% in year 12
9	Residential Real-Estate (multi-family for low to moderate income persons)	10 percent for an initial ten-year period, renewable upon application for additional ten-year periods
S	Section 8 Multifamily Apartments (7 units or more)	10% for the term of the Section 8 contract renewal under the mark up to market option, as defined herein, and for any additional terms of renewal of the Section 8 contract under the mark up to market option.
L	Landmark Preservation: Commercial, Industrial, Non-profit, and Apartment	10% for first ten years and for any subsequent ten-year renewal periods; if the incentive is not renewed, 15% in year 11 and 20% in year 12; commercial properties: 10% for first ten years, 15% in year 11 and 20% in year 12.
SOURCE: Code of Ordinance of Cook County, Illinois		

Farmland Assessment

When attempting to ensure fairness in the tax system, policymakers must confront the question of ability to pay. Is ability to pay based on wealth or income? Although the two are similar, differences exist and farmers epitomize the distinction. Farmers are property rich and, relative to that property, income poor.

Because they are property rich, farmers spend a greater proportion of what they make for property taxes. The value of goods and services produced in Illinois, the nominal Illinois Gross Domestic Product (GDP), in 2011 was $670.2 billion. Total property tax extensions for 2011 were $26.2 billion, or roughly 3.9% of Illinois GDP. In the same year, crop and animal production (farms) accounted for $6.4 billion of the total GDP and the property taxes paid on farm property were approximately $778.7 million, or 12.2% of the total agricultural value added.

Unlike other property, farm property is not assessed based on its traditional market value. Instead, it is assessed according to its ability to produce income or its "agricultural economic value." The Department of Revenue applies a complex formula that examines soil productivity, market conditions, production costs, and interest rates as a means of identifying this value.

The process of determining agricultural economic value begins with the University of Illinois – College of Agriculture rating each soil type found in Illinois. This rating is based on each soil type's capability of producing crops, and is known as the "soil productivity index." This soil capability data is combined with information regarding average crop yields, crop prices, rotation practices, and farm product prices as a means of calculating a gross income per acre. Production costs per acre are then calculated and subtracted from the gross income per acre to determine the net income per acre. This income is capitalized by dividing net income by the most recent five-year average Federal Land Bank farmland mortgage interest rate. This amount represents the estimated agricultural economic value and is equalized at 33 1/3% to account for the statutory assessment level.

Equalization

According to the Illinois Department of Revenue: "Equalization is the application of a uniform percentage increase or decrease to assessed values of various areas or classes of property in order to bring assessment levels, on average to the same percentage of market value." In Illinois, the equalization factor (multiplier) is designed to ensure that the statutory 33 1/3% assessment level is reached. This goal is important as it provides assessment equity between the diverse counties located throughout the State.

The most significant feature in the recent history of equalization has been the increasing use of township multipliers, an essential part of the equalization process. Township level multipliers have brought about a vast improvement in the equalization process. In 2011, 88 of Illinois' 102 counties received final equalization factors of 1.0000.

The multiplier varies depending on which portion of the State is in question. Between 2002 and 2011, the multiplier applied in Cook County increased from 2.4689 to 2.9706 resulting in an overall increase of approximately 20%. The very existence of classification guarantees a high multiplier because the property mix ensures that Cook County's aggregate assessment levels do not approach 33 1/3%. Over this same time period, the multiplier associated with the collar counties and downstate remained almost unchanged.

It must be emphasized that equalization from county to county, does not guarantee equitable assessments within a county, only good assessment does that. Instead, the multiplier's goal is to create equity between counties, as well as in taxing districts that lie in more than one county. The multiplier is intended to provide a uniform and comparable basis for state school aid distribution, other grant-in-aid programs, and for the application of tax rate and bonded indebtedness limitations to units of local government.

III. PROPERTY TAXES AS A REVENUE SOURCE

To compare the use of property taxes as a revenue source for local governments, the Commission examined State and Local Government Finance data from the U.S. Census Bureau from FY 2011. As outlined in Table 4, local governments in Illinois were the 8th most dependent on property taxes. Property taxes were responsible for 39.5% of local government general revenue in Illinois. This was the largest source of local government general revenue followed by State Government support (29.5%), other local sources (25.6%), and support from the Federal Government (5.4%). This compares to the general revenue breakdown for local governments throughout the country as a whole which was as follows: Property Taxes 29.4% State Government 33.0%, Other Local Sources 32.6%, and Federal Government 5.0%. Local governments in Connecticut were the most dependent upon property taxes as they contributed over 58% of general revenue, while Arkansas, at 9.6%, was the least dependent. Illinois local governments were higher than the median when considering property taxes (8th) and federal support (19th) but lower than the median when looking at state support (35th) and other local revenue sources (39th).

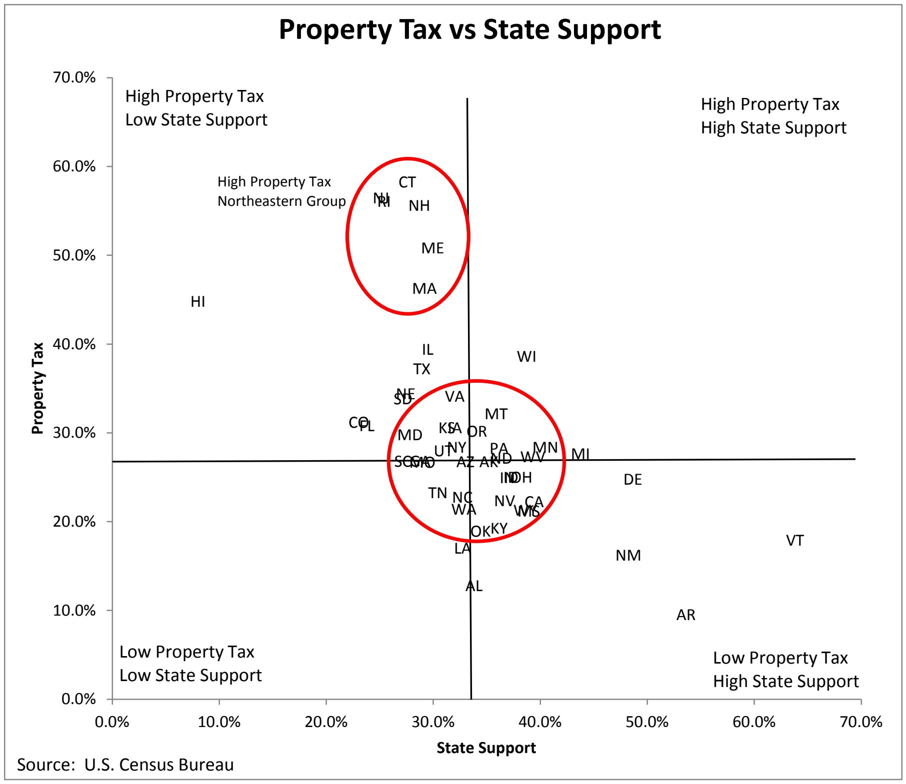
Scatter plots comparing property taxes the other sources of local government general revenue found on the following pages were then analyzed to identify any similar funding patterns between states. In general, most states were around the median but a group of high property tax states in the Northeastern part of the U.S. stood out as being a distinct group. Illinois had local government funding patterns similar to Texas being somewhere between the cluster surrounding the medians and the group of high property tax states from the New England area. The clustering around the median and the distinction of the high property tax states was not as evident when property taxes were compared to federal funding though this was due to federal funding being such a small portion of total local government revenue.

Table 4. Local Government General Revenue by Source

FY 2011

	Federal Government	Rank	State Government	Rank	Other Local Sources	Rank	Property Tax	Rank
United States Total	**5.0%**	**n/a**	**33.0%**	**n/a**	**32.6%**	**n/a**	**29.4%**	**n/a**
Alabama	6.2%	9	33.8%	23	47.1%	1	12.9%	49
Alaska	6.7%	8	35.2%	20	31.3%	30	26.8%	30
Arizona	4.1%	35	33.0%	24	36.1%	16	26.8%	31
Arkansas	4.7%	28	53.6%	2	32.1%	27	9.6%	50
California	5.0%	22	39.5%	7	33.2%	25	22.3%	40
Colorado	4.8%	25	23.1%	49	40.9%	6	31.3%	15
Connecticut	4.1%	33	27.6%	42	10.0%	50	58.3%	1
Delaware	2.7%	48	48.7%	3	23.7%	41	24.9%	36
Florida	5.6%	17	23.8%	48	39.8%	11	30.9%	16
Georgia	4.1%	34	28.8%	39	40.2%	9	26.9%	28
Hawaii	9.1%	1	8.0%	50	38.0%	13	44.9%	7
Idaho	3.5%	42	37.3%	13	34.1%	21	25.0%	34
ILLINOIS	**5.4%**	**19**	**29.5%**	**35**	**25.6%**	**39**	**39.5%**	**8**
Indiana	3.0%	45	37.0%	14	35.1%	19	25.0%	35
Iowa	4.9%	24	32.0%	30	32.4%	26	30.6%	17
Kansas	2.3%	50	31.3%	31	35.8%	17	30.6%	18
Kentucky	4.3%	31	36.2%	18	40.3%	8	19.3%	44
Louisiana	5.9%	13	32.8%	26	44.2%	2	17.1%	47
Maine	3.7%	40	30.0%	34	15.5%	46	50.9%	5
Maryland	5.8%	16	27.8%	41	36.5%	15	29.8%	20
Massachusetts	5.8%	15	29.2%	36	18.6%	44	46.3%	6
Michigan	5.1%	21	43.8%	5	23.4%	42	27.7%	25
Minnesota	3.5%	41	40.5%	6	27.6%	38	28.4%	21
Mississippi	6.0%	10	38.9%	9	33.8%	22	21.2%	43
Missouri	3.8%	39	29.0%	37	40.5%	7	26.7%	32
Montana	7.7%	2	35.9%	19	24.2%	40	32.2%	14
Nebraska	4.7%	26	27.5%	43	33.4%	24	34.5%	11
Nevada	5.9%	14	36.7%	15	35.0%	20	22.4%	39
New Hampshire	3.5%	43	28.7%	40	12.1%	49	55.7%	4
New Jersey	2.4%	49	25.1%	47	15.9%	45	56.5%	2
New Mexico	7.1%	5	48.2%	4	28.4%	36	16.3%	48
New York	3.8%	37	32.2%	28	35.6%	18	28.4%	22
North Carolina	6.0%	11	32.7%	27	38.5%	12	22.8%	38
North Dakota	7.6%	3	36.4%	16	28.9%	34	27.2%	27
Ohio	4.7%	27	38.2%	12	32.0%	28	25.1%	33
Oklahoma	3.8%	38	34.4%	21	42.8%	4	19.0%	45
Oregon	7.0%	7	34.1%	22	28.7%	35	30.2%	19
Pennsylvania	6.0%	12	36.2%	17	29.6%	31	28.3%	23
Rhode Island	5.0%	23	25.4%	46	13.5%	48	56.1%	3
South Carolina	2.8%	47	27.2%	45	43.2%	3	26.9%	29
South Dakota	7.1%	6	27.2%	44	31.8%	29	33.9%	13
Tennessee	4.4%	30	30.5%	33	41.8%	5	23.3%	37
Texas	4.3%	32	28.9%	38	29.5%	32	37.3%	10
Utah	7.5%	4	31.0%	32	33.5%	23	28.0%	24
Vermont	3.9%	36	63.8%	1	14.3%	47	18.0%	46
Virginia	4.7%	29	32.0%	29	29.1%	33	34.2%	12
Washington	5.5%	18	32.9%	25	40.1%	10	21.5%	41
West Virginia	5.3%	20	39.3%	8	28.0%	37	27.4%	26
Wisconsin	2.8%	46	38.7%	10	19.8%	43	38.7%	9
Wyoming	3.4%	44	38.6%	11	36.7%	14	21.4%	42

Source: U.S. Census Bureau


Property Tax vs State Support
High Property Tax
Low State Support
High Property Tax
High State Support
High Property Tax
Northeastern Group
Low Property Tax
Low State Support
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Property Tax
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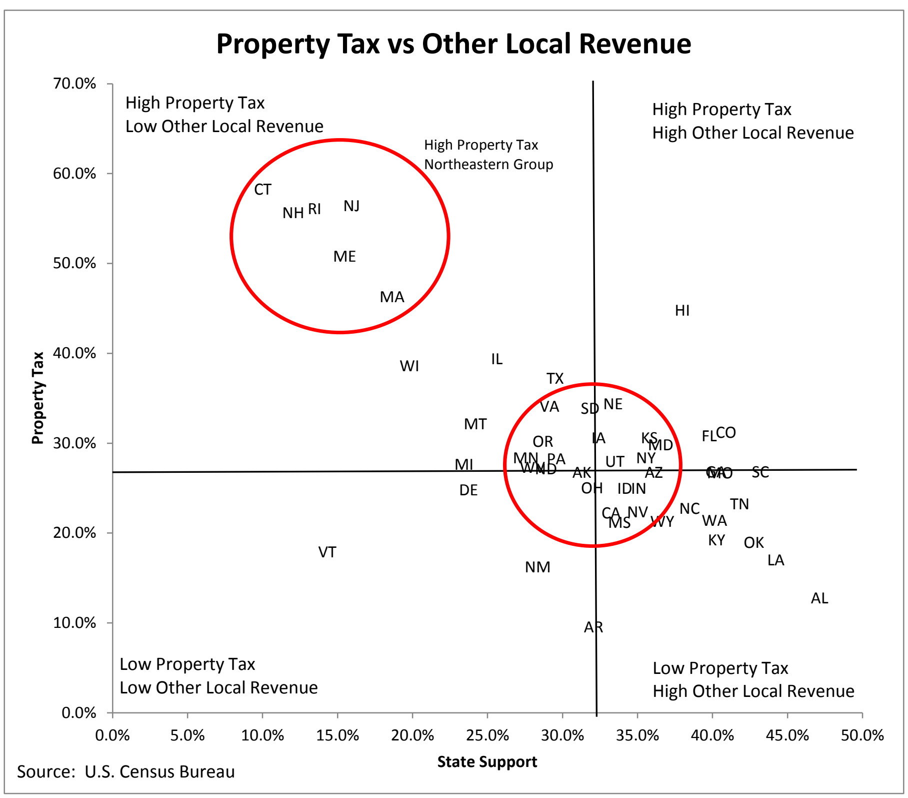
Source: U.S. Census Bureau


Property Tax vs Other Local Revenue
High Property Tax
Low Other Local Revenue
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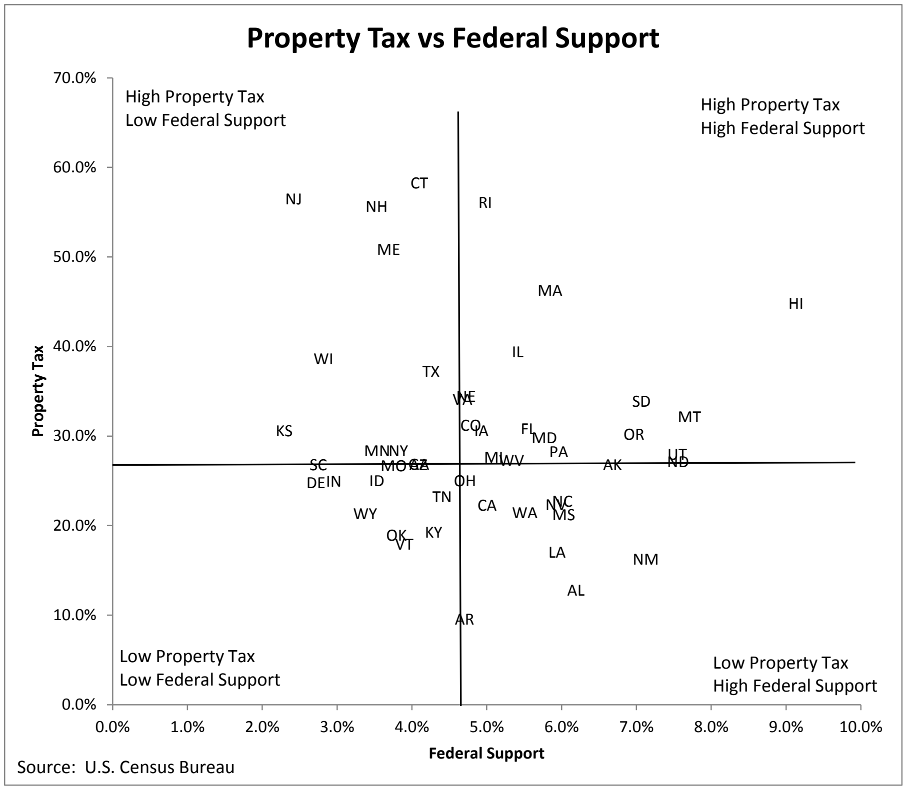
State Support
Source: U.S. Census Bureau


Property Tax vs Federal Support
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Source: U.S. Census Bureau

Property Tax Base

In 2011, the property tax base, as measured by the equalized assessed value (EAV) of real property in Illinois, was $348.1 billion. Cook County accounted for over $160 billion of equalized assessed value of the State; the collar counties contributed another $108 billion, and the rest of the state added $76.8 billion. This basically breaks down to Cook County contributing just less than one half the EAV, the Collar Counties just under 1/3rd, and the rest of the State making up just over 1/5th. As demonstrated in Table 5, the largest component of the property tax base was residential property (65.9%), followed by commercial property (22.2%), industrial property (8.6%), farm property (2.9%), and railroad property and mineral rights (0.3%).

Calculating year-over-year growth in EAV over the last decade showed that EAV grew consistently from 2002 through 2008 but began to fall in 2009 and declined in 2010 and 2011. This is obviously the results of the bursting of the housing bubble and the Great Recession that followed. The data indicates approximately a two year lag from the economic events and their impact showing up in the property tax base. This is due to the assessment process being a more methodical and structured process that would adjust to housing prices slowly, whereas the economic events affect economic output, job rates, and income occur more quickly. The chart on the next page shows the decline in EAV for the different areas of Illinois. The declines for Cook County and the Collar Counties were quite severe (10% to -5%), whereas the rest of the State has been basically gone from 5% growth to 0%.

Table 6 exhibits the rankings for the counties in Illinois related to EAV. Cook County and the Collar Counties had the largest EAVs. Hardin County had the smallest EAV at just over $29.7 million in 2011. DuPage County had the highest EAV per capita at over $41,000. Grundy County came in 2nd at over $40,400 per capita. Lake County was 3rd at $38,381. Alexander County had the smallest EAV per capita at $5,258.

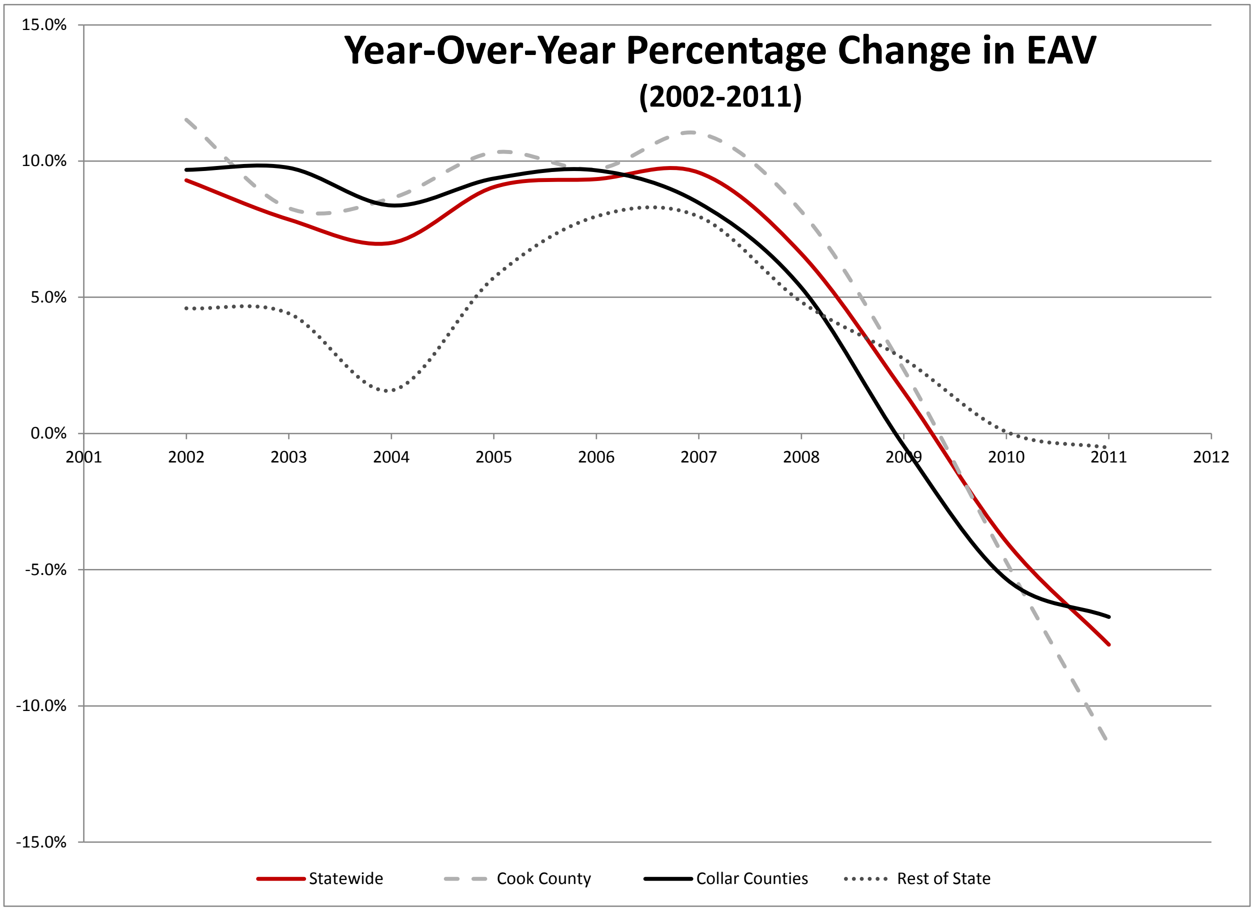
Examining growth rates from 2002 to 2011 showed that all 102 counties averaged positive growth in EAV during this time period. The fastest growing county was Kendall County which averaged 10.0% annual growth. Kendall County was followed by Crawford County (9.0%) and Will County (7.0%). Alexander County showed the smallest amount of growth averaging just 0.6% growth per year.

Table 5. Equalized Assessed Valuations (EAV) by Property Type

($ Billions)

Couty	Total	Residential	%	Commercial	%	Industrial	%	Farm	%	Railroads	%	Minerals	%
Statewide	$348.1	$229.4	65.9%	$77.2	22.2%	$29.9	8.6%	$10.2	2.9%	$1.1	3.7%	$0.3	3.2%
Cook County	$163.2	$101.1	62.0%	$45.3	27.7%	$16.5	10.1%	$0.0	0.0%	$0.3	1.7%	$0.0	0.0%
Collar Counties	$108.1	$82.7	76.5%	$16.5	15.3%	$7.8	7.2%	$1.0	0.9%	$0.1	1.6%	$0.0	1.3%
Rest of State	$76.8	$45.5	59.3%	$15.5	20.2%	$5.6	7.2%	$9.2	12.0%	$0.7	12.6%	$0.3	3.4%

Source: Illinois Department of Revenue



Year-Over-Year Percentage Change in EAV
(2002-2011)
15.0%
10.0%
5.0%
0.0%
-5.0%
-10.0%
-15.0%
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
Statewide
Cook County
Collar Counties
Rest of State

Table 6. County EAV Rankings						
County	2011 EAV (Millions)	2011 EAV Ranking	EAV per Capita	EAV per Capita Ranking	Average Annual % Change in EAV (2002 - 2011)	Annual Percentage Change Ranking
Adams	$1,048.0	24	$15,602	41	4.2%	30
Alexander	$42.1	99	$5,258	102	0.6%	102
Bond	$198.6	72	$11,198	76	4.8%	17
Boone	$1,056.1	23	$19,467	23	4.9%	16
Brown	$63.2	96	$9,183	90	2.6%	65
Bureau	$614.7	39	$17,747	34	2.0%	79
Calhoun	$74.0	93	$14,607	56	5.2%	12
Carroll	$334.2	57	$21,993	18	3.1%	51
Cass	$132.8	85	$9,767	86	1.7%	86
Champaign	$3,737.8	11	$18,467	30	5.0%	13
Christian	$474.5	44	$13,630	62	1.9%	82
Clark	$182.9	76	$11,298	75	1.8%	84
Clay	$127.3	86	$9,243	89	1.9%	83
Clinton	$590.4	40	$15,482	43	5.6%	7
Coles	$649.8	37	$12,087	69	2.1%	77
Cook	$163,156.7	1	$31,291	6	5.4%	11
Crawford	$366.6	54	$18,528	29	9.0%	2
Cumberland	$123.6	87	$11,156	77	3.1%	52
Dekalb	$2,123.7	18	$20,319	20	4.8%	19
Dewitt	$559.4	42	$33,845	4	2.5%	68
Douglas	$352.8	55	$17,802	33	2.0%	80
Dupage	$38,093.9	2	$41,212	1	4.2%	28
Edgar	$275.9	62	$14,972	50	2.0%	81
Edwards	$58.7	97	$8,799	93	1.7%	85
Effingham	$648.3	38	$18,914	27	4.0%	36
Fayette	$202.1	71	$9,117	91	3.0%	53
Ford	$241.0	65	$17,252	37	2.6%	64
Franklin	$312.2	59	$7,889	97	4.3%	26
Fulton	$406.8	49	$11,013	79	2.4%	69
Gallatin	$54.1	98	$9,804	85	1.5%	92
Greene	$152.7	81	$11,052	78	1.4%	93
Grundy	$2,024.7	19	$40,416	2	4.6%	22
Hamilton	$63.7	95	$7,563	98	1.0%	101
Hancock	$289.7	60	$15,201	48	2.8%	59
Hardin	$29.7	102	$6,927	99	4.4%	24
Henderson	$120.8	88	$16,764	39	2.5%	67
Henry	$826.2	27	$16,430	40	2.9%	56
Iroquois	$451.2	46	$15,305	46	1.1%	99
Jackson	$737.5	32	$12,239	67	4.9%	15
Jasper	$235.5	68	$24,201	13	1.6%	90
Jefferson	$410.6	48	$10,587	81	2.4%	70

Table 6. County EAV Rankings						
County	2011 EAV (Millions)	2011 EAV Ranking	EAV per Capita	EAV per Capita Ranking	Average Annual % Change in EAV (2002 - 2011)	Annual Percentage Change Ranking
Jersey	$350.5	56	$15,335	45	4.3%	27
JoDaviess	$764.5	31	$33,676	5	4.7%	20
Johnson	$114.7	89	$9,088	92	4.8%	18
Kane	$13,770.9	5	$26,471	11	5.6%	6
Kankakee	$1,939.2	20	$17,079	38	4.0%	32
Kendall	$2,918.0	14	$25,000	12	10.0%	1
Knox	$713.9	33	$13,554	64	1.5%	91
Lake	$26,927.3	3	$38,381	3	4.0%	35
LaSalle	$2,742.3	15	$24,166	14	4.2%	29
Lawrence	$111.0	91	$6,640	100	1.3%	96
Lee	$699.7	34	$19,731	22	3.5%	44
Livingston	$679.2	36	$17,470	36	3.0%	54
Logan	$437.4	47	$14,460	58	1.4%	95
McDonough	$392.0	51	$12,064	71	2.9%	57
McHenry	$8,842.4	6	$28,697	9	4.6%	23
McLean	$3,687.0	12	$21,594	19	4.1%	31
Macon	$1,654.2	21	$14,954	52	2.8%	60
Macoupin	$577.8	41	$12,083	70	3.7%	38
Madison	$5,217.9	7	$19,433	24	6.1%	4
Marion	$374.8	53	$9,609	87	3.3%	47
Marshall	$279.8	61	$22,391	17	4.7%	21
Mason	$186.2	74	$12,869	65	1.6%	89
Massac	$184.4	75	$12,008	72	2.7%	62
Menard	$240.1	66	$18,875	28	3.1%	50
Mercer	$253.5	64	$15,482	42	3.2%	48
Monroe	$783.4	29	$23,543	15	5.8%	5
Montgomery	$404.9	50	$13,596	63	2.7%	61
Morgan	$512.2	43	$14,406	59	2.1%	78
Moultrie	$229.7	69	$15,407	44	2.2%	76
Ogle	$1,532.2	22	$28,822	8	2.5%	66
Peoria	$3,375.6	13	$18,077	32	4.0%	33
Perry	$178.5	78	$8,027	96	2.2%	75
Piatt	$383.6	52	$22,998	16	3.6%	42
Pike	$195.7	73	$11,940	73	2.2%	73
Pope	$37.8	100	$8,508	94	3.4%	46
Pulaski	$32.3	101	$5,360	101	2.2%	74
Putnam	$171.1	80	$28,637	10	5.5%	8
Randolph	$459.3	45	$13,808	60	4.4%	25
Richland	$177.1	79	$10,918	80	1.2%	98
Rock Island	$2,592.3	16	$17,587	35	3.8%	37
St. Clair	$3,999.1	9	$14,805	54	5.4%	10

Table 6. County EAV Rankings						
County	**2011 EAV (Millions)**	**2011 EAV Ranking**	**EAV per Capita**	**EAV per Capita Ranking**	**Average Annual % Change in EAV (2002 - 2011)**	**Annual Percentage Change Ranking**
Saline	$237.5	67	$9,524	88	3.6%	39
Sangamon	$3,828.8	10	$19,245	26	3.6%	41
Schuyler	$94.9	92	$12,713	66	3.5%	43
Scott	$64.0	94	$12,210	68	1.4%	94
Shelby	$323.1	58	$14,511	57	3.0%	55
Stark	$113.2	90	$19,334	25	1.6%	88
Stephenson	$696.6	35	$14,691	55	2.4%	71
Tazewell	$2,502.0	17	$18,442	31	4.0%	34
Union	$178.9	77	$10,102	83	4.9%	14
Vermillion	$842.3	26	$10,352	82	1.3%	97
Wabash	$137.3	83	$11,598	74	2.9%	58
Warren	$266.8	63	$14,970	51	1.7%	87
Washington	$216.0	70	$14,831	53	3.5%	45
Wayne	$134.7	84	$8,112	95	1.0%	100
White	$147.3	82	$10,091	84	2.7%	63
Whiteside	$803.4	28	$13,794	61	2.3%	72
Will	$20,444.6	4	$30,040	7	7.0%	3
Williamson	$1,006.6	25	$15,096	49	5.5%	9
Winnebago	$4,493.1	8	$15,300	47	3.2%	49
Woodford	$772.7	30	$19,841	21	3.6%	40

Note: TIF distributions and enterprise zone abatements have not been removed.

Source: Illinois Department of Revenue, U.S. Census

Property Tax Extensions

Property taxes extended (billed) in 2010 and paid in 2011 totaled $26.2 billion, an increase of 1.1% over the previous year. Cook County accounted for 44.9%, or $11.8 billon, of total property tax extensions, while the Collar Counties and the Rest of the State made up 31.4% ($8.2 billion) and 23.7% ($6.2 billion) respectively. The growth of property tax extensions has slowed significantly over the past decade. As illustrated in the chart below, property tax extensions statewide were averaging growth around 6% per year in the early part of the 2000's. This growth began to abate in 2007 and has slowed to only 1.1% growth in 2011. This reduction in property tax extension growth was even more apparent in the Collar Counties which was growing at about 7% to 8% initially but was only 1.4% in 2011.

Similar to EAV, property tax extensions were the highest in Cook County and the Collar Counties. When examined on a per capita basis, Lake County had the highest property tax extensions per person at $3,056. Lake County was followed by DuPage ($2,728), Grundy ($2,587), and McHenry ($2,543) Counties. Kendall County had the highest average annual growth in property tax extension at 8.2% per year. Putnam (5.5%), Will (5.4%), Calhoun (5.2%), and Crawford (5.0%) Counties were the only other counties to average more than 5% growth from 2002 to 2011. Table 7, on the following pages, contains rankings for all the Illinois counties.

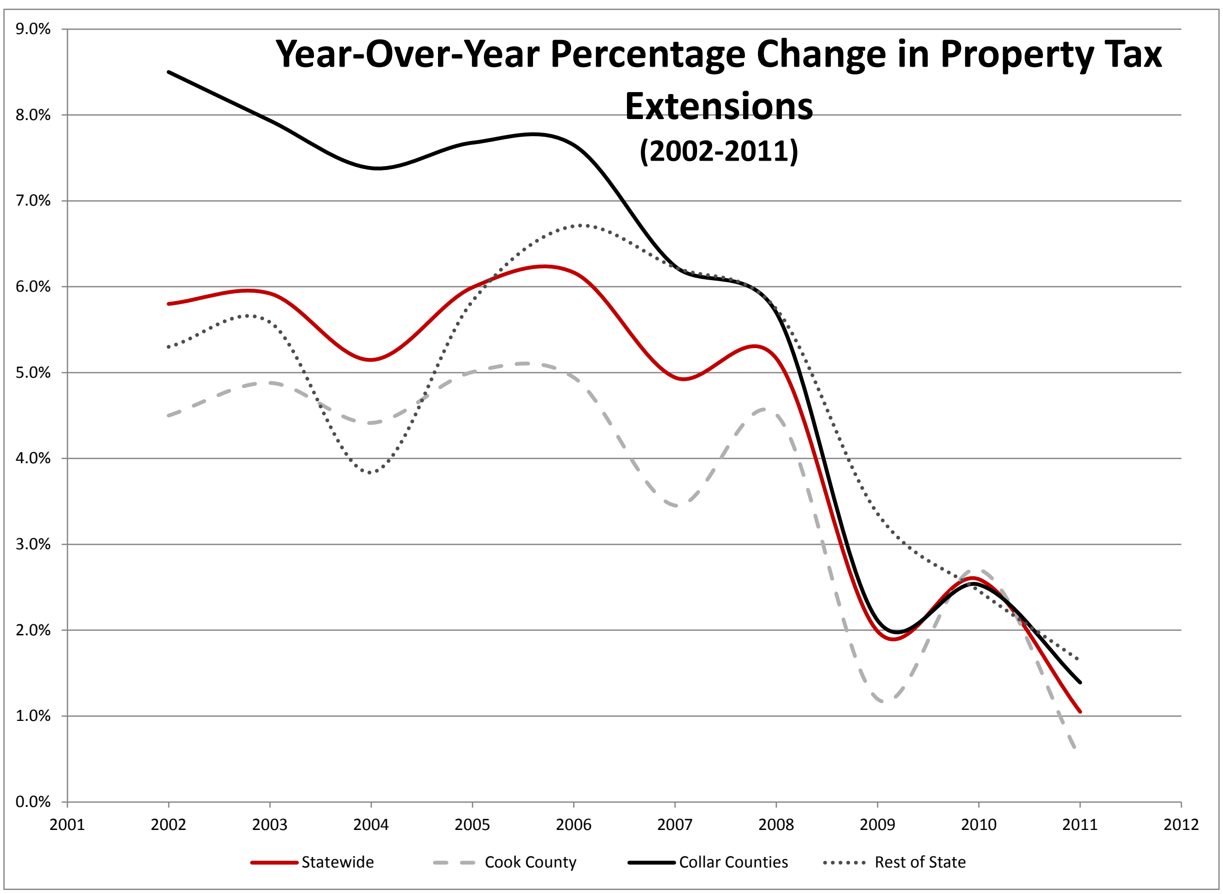


Table 7. County Property Tax Extension Rankings

County	2011 Property Taxes Extended (Millions)	2011 Taxes Extended Ranking	Taxes Extended per Capita	Taxes per Capita Ranking	Average Annual % Change in Extensions (2002 - 2011)	Annual Percentage Change Ranking
Adams	$71.0	25	$1,057	63	3.2%	50
Alexander	$4.9	96	$610	98	2.5%	76
Bond	$16.7	72	$944	72	4.6%	13
Boone	$86.7	23	$1,597	22	4.9%	8
Brown	$5.6	94	$817	85	3.5%	32
Bureau	$51.9	36	$1,499	27	2.5%	75
Calhoun	$5.5	95	$1,089	60	5.2%	4
Carroll	$26.3	56	$1,734	15	2.7%	67
Cass	$12.7	79	$931	73	2.7%	71
Champaign	$287.9	11	$1,422	34	3.9%	22
Christian	$34.8	47	$999	69	2.0%	88
Clark	$14.8	76	$915	75	2.3%	83
Clay	$11.1	85	$803	87	2.7%	70
Clinton	$40.9	40	$1,074	62	4.2%	18
Coles	$54.9	35	$1,021	65	1.8%	92
Cook	$11,757.3	1	$2,255	7	2.7%	69
Crawford	$26.3	57	$1,330	42	5.0%	5
Cumberland	$8.9	89	$802	88	2.4%	80
Dekalb	$193.2	17	$1,848	13	4.8%	10
Dewitt	$34.2	49	$2,068	11	3.2%	49
Douglas	$28.1	52	$1,417	36	3.0%	59
Dupage	$2,522.0	2	$2,728	2	3.1%	53
Edgar	$20.8	66	$1,128	56	2.4%	81
Edwards	$4.9	97	$729	90	1.6%	96
Effingham	$42.6	39	$1,243	50	3.5%	33
Fayette	$17.4	71	$785	89	2.8%	64
Ford	$21.7	63	$1,551	24	3.0%	56
Franklin	$26.8	55	$677	96	3.4%	39
Fulton	$37.4	44	$1,012	66	3.0%	58
Gallatin	$4.0	99	$724	91	1.1%	101
Greene	$12.1	81	$876	79	2.4%	77
Grundy	$129.6	21	$2,587	3	4.3%	17
Hamilton	$5.9	93	$698	94	1.0%	102
Hancock	$23.3	59	$1,221	51	3.6%	29
Hardin	$1.8	102	$421	102	4.9%	6
Henderson	$9.2	88	$1,273	44	2.7%	68
Henry	$68.1	27	$1,355	39	3.1%	54
Iroquois	$40.9	41	$1,388	38	1.8%	91
Jackson	$62.7	30	$1,040	64	4.3%	16
Jasper	$15.7	75	$1,617	20	1.5%	98
Jefferson	$34.6	48	$893	77	3.5%	36

Table 7. County Property Tax Extension Rankings						
County	2011 Property Taxes Extended (Millions)	2011 Taxes Extended Ranking	Taxes Extended per Capita	Taxes per Capita Ranking	Average Annual % Change in Extensions (2002 - 2011)	Annual Percentage Change Ranking
Jersey	$22.9	60	$1,003	68	3.5%	34
JoDaviess	$48.0	38	$2,113	10	3.1%	51
Johnson	$8.5	91	$672	97	3.8%	25
Kane	$1,161.1	5	$2,232	8	4.9%	9
Kankakee	$162.6	19	$1,432	32	4.0%	20
Kendall	$275.1	14	$2,357	6	8.2%	1
Knox	$59.9	32	$1,138	54	1.6%	95
Lake	$2,143.8	3	$3,056	1	3.6%	30
LaSalle	$206.1	16	$1,816	14	3.9%	24
Lawrence	$8.7	90	$519	100	1.5%	97
Lee	$55.0	34	$1,550	25	2.5%	74
Livingston	$60.4	31	$1,554	23	3.3%	45
Logan	$36.5	45	$1,206	52	2.1%	86
McDonough	$35.1	46	$1,079	61	2.6%	72
McHenry	$783.7	6	$2,543	4	4.4%	15
McLean	$293.2	10	$1,717	17	3.7%	26
Macon	$137.8	20	$1,246	49	1.7%	93
Macoupin	$39.3	43	$821	84	2.5%	73
Madison	$383.6	8	$1,429	33	4.6%	12
Marion	$33.6	51	$861	80	2.4%	78
Marshall	$21.6	64	$1,731	16	4.0%	21
Mason	$18.5	68	$1,277	43	2.1%	87
Massac	$14.0	77	$910	76	3.9%	23
Menard	$17.8	70	$1,396	37	3.3%	43
Mercer	$21.8	62	$1,335	40	4.1%	19
Monroe	$49.7	37	$1,493	29	4.9%	7
Montgomery	$33.7	50	$1,131	55	3.0%	61
Morgan	$39.6	42	$1,115	58	3.4%	38
Moultrie	$18.9	67	$1,268	45	2.3%	82
Ogle	$116.2	22	$2,185	9	3.1%	55
Peoria	$279.5	13	$1,497	28	3.6%	28
Perry	$15.8	73	$713	93	3.3%	48
Piatt	$27.4	54	$1,643	19	3.7%	27
Pike	$15.8	74	$964	70	3.4%	40
Pope	$2.6	101	$575	99	1.3%	99
Pulaski	$2.9	100	$485	101	1.7%	94
Putnam	$11.6	84	$1,934	12	5.5%	2
Randolph	$27.5	53	$826	83	2.9%	62
Richland	$13.6	78	$836	81	2.2%	85
Rock Island	$218.9	15	$1,485	30	2.8%	66
St. Clair	$336.9	9	$1,247	48	4.5%	14

Table 7. County Property Tax Extension Rankings						
County	**2011 Property Taxes Extended (Millions)**	**2011 Taxes Extended Ranking**	**Taxes Extended per Capita**	**Taxes per Capita Ranking**	**Average Annual % Change in Extensions (2002 - 2011)**	**Annual Percentage Change Ranking**
Saline	$20.8	65	$835	82	2.9%	63
Sangamon	$286.2	12	$1,439	31	3.1%	52
Schuyler	$8.3	92	$1,106	59	3.0%	60
Scott	$4.8	98	$919	74	1.9%	89
Shelby	$24.9	58	$1,119	57	1.2%	100
Stark	$9.7	87	$1,650	18	2.8%	65
Stephenson	$67.3	28	$1,419	35	3.0%	57
Tazewell	$181.0	18	$1,334	41	3.5%	35
Union	$12.1	80	$685	95	3.5%	37
Vermillion	$77.6	24	$954	71	1.9%	90
Wabash	$10.4	86	$877	78	3.3%	41
Warren	$22.6	61	$1,265	47	3.3%	47
Washington	$18.5	69	$1,267	46	3.3%	42
Wayne	$11.9	82	$716	92	2.4%	79
White	$11.8	83	$808	86	3.3%	46
Whiteside	$69.5	26	$1,193	53	2.3%	84
Will	$1,620.5	4	$2,381	5	5.4%	3
Williamson	$67.0	29	$1,004	67	4.8%	11
Winnebago	$469.7	7	$1,599	21	3.3%	44
Woodford	$59.0	33	$1,514	26	3.6%	31

Note: TIF distributions and enterprise zone abatements have not been removed.

Source: Illinois Department of Revenue, U.S. Census

Property Tax Distribution

Table 8 breaks out property tax extensions by type of district. Statewide, the biggest portion of property taxes, were levied by school districts. In 2011, just below 63%, or $16.4 billion, of all property taxes went to school districts of some sort. The biggest tax extensions were for Unit School districts (29.0%), Elementary School Districts (17.4%), and High School Districts (12.6%).

The largest non-school related tax district was Cities, villages, and incorporated areas which were responsible for 16.7%, or $4.4 billion, of all property tax levies in the State. County governments received 7.1%, or $1.9 billion. Townships collected 2.5%, or $660 million, in property taxes. The remaining $2.8 billion of property taxes went to special districts in 2011. The largest of these special districts were Park districts that received just over $1.0 billion. Fire protections districts ($579 million), Sanitary districts ($517 million), Library districts ($328 million, and Forest preserve districts ($282 million) were the other major special districts receiving property taxes.

Property tax distributions were pretty similar throughout the State with certain key differences. Property tax spending on School Districts in the Collar Counties (69.2%) make up 11% more of the annual levies than in Cook County (58.2%). Special Districts make up approximately 11% of all property tax spending in Cook County and the Collar Counties but only 7.6% in the Rest of the State. County level spending makes up approximately 11% in the Rest of the State but closer to 6% in Cook County and the County Counties.

Table 8. Property Tax Extensions by Type of District

2011

Type of district	Statewide	% of Total	Cook County	% of Total	Collar Counties	% of Total	Rest of State	% of Total
County	1,857,874,579	7.1%	721,795,553	6.1%	462,530,253	5.6%	673,548,773	10.9%
Enterprise zone abatement	5,233,409	0.0%	Not provided	n/a	170,124	0.0%	5,063,285	0.1%
Township and districts	659,984,006	2.5%	146,631,008	1.2%	193,321,362	2.3%	320,297,793	5.2%
Enterprise zone abatement	1,559,710	0.0%	Not provided	n/a	47,656	0.0%	1,512,054	0.0%
Cities, villages, and incorporated	4,382,033,550	16.7%	2,730,059,787	23.2%	855,252,430	10.4%	796,721,333	12.9%
Enterprise zone abatement	5,636,253	0.0%	Not provided	n/a	504,135	0.0%	5,127,659	0.1%
All school districts	16,431,929,104	62.7%	6,839,161,032	58.2%	5,695,089,008	69.2%	3,897,679,064	62.9%
Elementary	4,549,095,377	17.4%	2,353,168,834	20.0%	1,758,522,995	21.4%	437,403,548	7.1%
Unit	7,592,711,978	29.0%	2,370,478,056	20.2%	2,425,386,133	29.5%	2,796,847,788	45.1%
High	3,290,380,992	12.6%	1,767,586,313	15.0%	1,204,747,122	14.6%	318,047,557	5.1%
Non-high	---	0.0%	---	0.0%	---	0.0%	---	0.0%
Community college	999,740,757	3.8%	347,927,829	3.0%	306,432,757	3.7%	345,380,172	5.6%
Enterprise zone abatement	24,919,516	0.1%	Not provided	n/a	776,568	0.0%	24,142,948	0.4%
Special districts	2,815,832,409	10.8%	1,319,633,107	11.2%	1,023,280,789	12.4%	472,918,513	7.6%
Sanitary	517,424,844	2.0%	479,459,214	4.1%	17,247,317	0.2%	20,718,313	0.3%
Park	1,004,504,336	3.8%	546,648,904	4.6%	309,381,302	3.8%	148,474,130	2.4%
Fire protection	578,808,142	2.2%	93,539,846	0.8%	327,644,638	4.0%	157,623,658	2.5%
Airport authority	28,816,276	0.1%	---	0.0%	6,066,433	0.1%	22,749,844	0.4%
Forest preserve	281,852,074	1.1%	88,200,050	0.8%	176,329,612	2.1%	17,322,412	0.3%
Library	327,840,373	1.3%	100,844,781	0.9%	161,292,610	2.0%	65,702,981	1.1%
Mosquito abatement	10,467,793	0.0%	8,128,671	0.1%	1,663,492	0.0%	675,630	0.0%
Hospital	6,683,884	0.0%	---	0.0%	---	0.0%	6,683,884	0.1%
Cemetery	1,047,186	0.0%	---	0.0%	43,396	0.0%	1,003,789	0.0%
Multi-township assessment	4,691,332	0.0%	---	0.0%	15,741	0.0%	4,675,591	0.1%
Miscellaneous districts	53,451,312	0.2%	2,811,641	0.0%	23,596,249	0.3%	27,043,423	0.4%
Enterprise zone abatement	2,484,294	0.0%	Not provided	n/a	150,292	0.0%	2,334,002	0.0%
Total extensions	26,187,486,829	100.0%	11,757,280,488	100.0%	8,231,122,616	100.0%	6,199,079,267	100.0%

Notes: TIF distributions have not been removed from the total extension for each district type.
Enterprise zone abatement amounts have been removed from the total extension for each district type.
Total extensions reported in other tables may vary from amounts reported in this table due to rounding.
Source: Illinois Department of Revenue

Property Tax Rates

In 2011, the State-wide average property tax rate was 7.52% which was the highest rate since 2001. Cook County's average tax rate was 7.21%, while the Collar Counties average was 7.62%. The Rest of the State had the highest rate of the three areas at 8.07%. Since 2002, for the State as a whole, Cook County, and the Collar Counties, average total tax rates fell until 2009. At this point, rates began to climb again basically returning to where they were at the beginning of the 2000's. The average total tax rate for the Collar Counties has actually surpassed where they were in 2002 (6.81%) to a high of 7.62% in 2011. The Rest of the State never saw the decline in average total property tax rates that the other areas and the State as a whole saw in the mid-2000's. The Rest of the State began at 7.55% and steadily grew to the 2011 level of 8.07%. These changes in the average total tax rate can be seen in the chart on the next page.

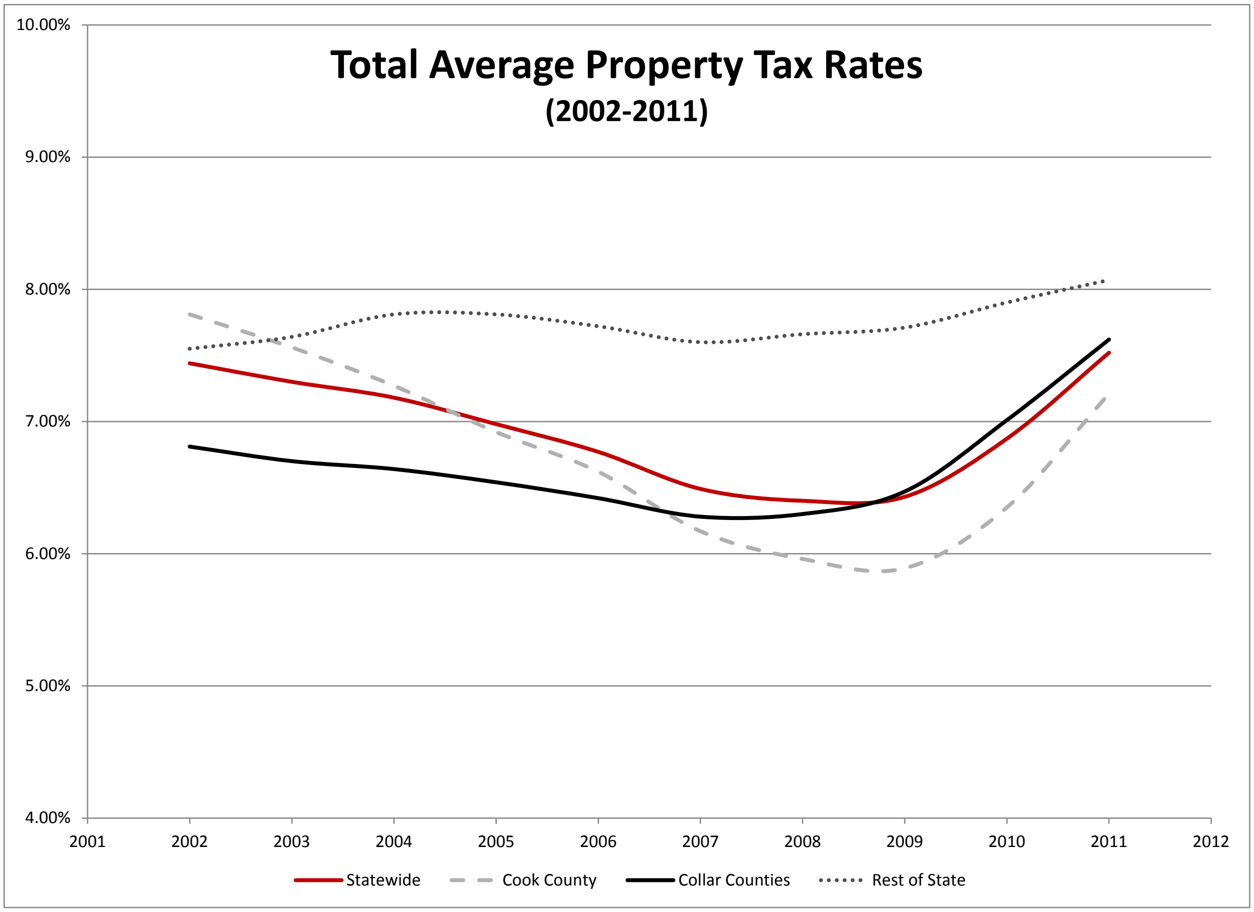
Looking at individual counties, Alexander County had the highest average total property tax rate at 11.61% in 2011. Alexander County also had the highest average over the 2002 – 2011 time periods at 11.05%. Alexander County was followed by Winnebago County which had a total average rate of 10.45% in 2001 and a decade long average of 9.51%. Mason, Cass, Hamilton, and Stephenson Counties were other counties with high property tax rates. Randolph County had the lowest average total property tax rate in 2011 at 6.06%. Hardin County was the next lowest at 6.07%. Hardin County had the lowest average tax over the time period studied averaging a total tax rate of just 5.86%.

Results for all 102 Illinois counties can be found in Table 10.

Table 9. Total Average Property Tax Rates

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002 - 2011 Average
Statewide	7.44%	7.30%	7.18%	6.98%	6.77%	6.49%	6.40%	6.43%	6.87%	7.52%	6.94%
Cook County	7.81%	7.56%	7.27%	6.92%	6.62%	6.17%	5.96%	5.89%	6.35%	7.21%	6.78%
Collar Counties	6.81%	6.70%	6.64%	6.54%	6.42%	6.28%	6.30%	6.47%	7.01%	7.62%	6.68%
Rest of State	7.55%	7.64%	7.81%	7.81%	7.72%	7.60%	7.66%	7.71%	7.90%	8.07%	7.75%

Note: TIF distributions and enterprise zone abatements have not been removed.
Source: Illinois Department of Revenue



Total Average Property Tax Rates
(2002-2011)
10.00%
9.00%
8.00%
7.00%
6.00%
5.00%
4.00%
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
Statewide
Cook County
Collar Counties
Rest of State

Table 10. Total Averge Property Tax Rates by County													
County	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011 Ranking	2002 - 2011 Average	Average Ranking
Adams	6.82	6.78	7.06	6.98	6.93	6.74	6.71	6.73	6.85	6.78	88	6.84	87
Alexander	9.4	10.12	10.61	10.79	11.42	11.49	11.99	11.38	11.73	11.61	1	11.05	1
Bond	7.97	7.96	8.27	8.39	8.28	8.51	8.65	8.63	8.77	8.43	36	8.39	23
Boone	6.83	6.81	6.83	6.84	6.66	6.44	6.51	6.75	7.5	8.21	48	6.94	83
Brown	8.34	8.48	8.85	9	8.88	8.88	8.83	8.79	8.72	8.89	16	8.77	14
Bureau	7.75	8.24	8.5	8.45	8.39	8.34	8.27	8.29	8.45	8.45	31	8.31	27
Calhoun	7.11	7.26	7.38	6.91	6.77	6.65	7.06	7.1	7.22	7.45	75	7.09	79
Carroll	7.18	7.18	7.18	7.16	7.14	6.85	7	7.15	7.49	7.88	58	7.22	74
Cass	8.6	8.8	9.21	9.39	9.39	9.84	9.81	9.16	9.38	9.53	5	9.31	4
Champaign	7.6	7.58	7.67	7.57	7.46	7.31	7.38	7.38	7.49	7.7	64	7.51	62
Christian	7.04	7.08	7.35	7.39	7.39	7.32	7.37	7.28	7.37	7.33	80	7.29	71
Clark	7.1	7	7.38	7.7	7.64	7.7	7.6	7.84	7.91	8.1	49	7.60	57
Clay	7.69	7.57	7.84	7.93	7.96	8.02	8.15	8.1	8.6	8.68	23	8.05	39
Clinton	6.98	7.01	7.14	7.12	7.11	6.96	7.03	7.09	7.1	6.94	86	7.05	82
Coles	8.06	8.32	8.27	8.52	8.42	8.28	8.45	8.4	8.43	8.45	31	8.36	25
Cook	7.81	7.56	7.27	6.92	6.62	6.17	5.96	5.89	6.35	7.21	82	6.78	89
Crawford	7.39	7.69	7.73	7.81	7.64	4.56	6.77	6.8	7.01	7.18	84	7.06	80
Cumberland	7.43	7.59	8	8.15	8.5	8.07	8.19	8	7.46	7.19	83	7.86	46
Dekalb	8.13	8.02	8.07	7.87	7.8	7.66	7.88	7.98	8.45	9.1	10	8.10	38
Dewitt	5.68	6.24	6.23	6.57	6.08	6.04	5.94	6.06	6.16	6.11	100	6.11	98
Douglas	7.05	7.25	7.62	7.69	7.92	7.7	7.88	7.68	7.76	7.96	53	7.65	52
Dupage	6.18	6.08	5.92	5.8	5.67	5.51	5.45	5.58	6.09	6.62	94	5.89	101
Edgar	7.08	7.51	7.73	7.85	7.6	7.49	7.6	7.71	7.77	7.53	71	7.59	58
Edwards	8	7.81	8.15	8.19	8.65	8.63	8.37	8.13	8.15	8.28	44	8.24	30
Effingham	6.34	6.36	6.53	6.47	6.4	6.54	6.67	6.67	6.6	6.57	95	6.52	91
Fayette	7.64	7.68	8.26	8.12	8.66	8.74	8.72	9	8.63	8.6	26	8.41	22
Ford	8.52	8.43	8.74	8.51	8.65	8.75	8.9	9.03	8.88	8.99	13	8.74	15
Franklin	8.68	8.63	9.12	8.85	8.66	8.36	8.23	8.12	8.46	8.58	27	8.57	19
Fulton	8.22	8.45	8.74	8.72	8.63	8.53	8.46	8.57	8.78	9.19	9	8.63	18
Gallatin	7.82	7.96	7.74	7.89	8.1	8.03	7.95	7.63	7.9	7.39	77	7.84	47
Greene	7.13	7.19	7.45	7.5	7.63	7.76	7.53	7.43	7.78	7.93	56	7.53	61
Grundy	6.14	6.54	7.09	7.04	5.89	6.06	6.14	6.23	6.27	6.4	97	6.38	95
Hamilton	8.19	8.2	8.96	9.3	9.72	9.68	9.69	9.2	9.92	9.24	7	9.21	5
Hancock	7.07	7.07	7.27	7.42	7.81	7.8	7.96	7.99	8.09	8.03	51	7.65	52
Hardin	5.26	5.32	5.25	6.13	6.08	6.24	5.69	6.24	6.3	6.07	101	5.86	102
Henderson	7.52	7.74	8.58	8.74	8.73	8.46	8.32	7.9	7.77	7.6	67	8.14	34
Henry	7.52	7.66	7.99	7.97	7.89	7.96	8	8.13	8.26	8.25	46	7.96	42
Iroquois	8.05	8.49	8.75	8.92	8.97	9.12	9.14	9.17	9.18	9.07	11	8.89	10
Jackson	8.02	7.84	7.35	7.87	7.95	7.64	7.65	7.6	8.18	8.49	30	7.86	45
Jasper	6.11	6.29	6.5	6.5	6.44	6.29	6.33	6.47	6.5	6.68	92	6.41	94
Jefferson	7.25	7.29	7.59	7.59	7.54	7.47	7.37	7.36	7.67	8.44	34	7.56	60

Table 10. Total Averge Property Tax Rates by County

County	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011 Ranking	2002 - 2011 Average	Average Ranking
Jersey	5.91	6	6.09	6.07	6.12	5.99	6.05	6.08	6.32	6.54	96	6.12	96
JoDaviess	6.51	6.46	6.42	6.36	6.1	5.8	5.65	5.65	5.92	6.27	99	6.11	97
Johnson	6.91	7.16	7.32	7.09	7.39	7.23	7.1	7.32	7.37	7.39	77	7.23	73
Kane	7.19	7	7	7.05	6.9	6.86	6.9	7.06	7.71	8.43	36	7.21	76
Kankakee	7.68	7.83	7.98	7.88	7.78	7.65	7.59	7.72	7.91	8.38	40	7.84	48
Kendall	7.58	7.37	7.49	7.51	7.49	7.44	7.55	7.58	8.48	9.43	6	7.79	49
Knox	7.64	7.67	8.05	8.38	8.39	8.35	8.24	8.37	8.39	8.39	39	8.19	32
Lake	7	6.89	6.85	6.69	6.62	6.48	6.6	6.79	7.31	7.96	53	6.92	84
LaSalle	7.14	7.22	7.6	7.76	7.73	7.48	7.5	7.25	7.37	7.52	73	7.46	63
Lawrence	7.4	8.1	8.84	8.5	8.1	8	8.27	8.25	7.9	7.82	60	8.12	36
Lee	7.53	7.7	7.91	7.82	7.85	7.6	7.69	7.67	7.73	7.86	59	7.74	50
Livingston	8.39	8.69	8.85	8.94	9	8.95	8.92	8.79	8.91	8.89	16	8.83	12
Logan	7.53	7.62	7.79	7.86	7.97	8.01	8.03	8.22	8.31	8.34	41	7.97	41
McDonough	9	9.24	9.38	9.54	9.62	9.39	9.08	8.69	8.92	8.94	15	9.18	6
McHenry	7.41	7.25	7.22	7.13	7	6.9	7	7.21	7.95	8.86	19	7.39	65
McLean	7.27	7.47	7.56	7.51	7.53	7.62	7.68	7.82	7.91	7.95	55	7.63	55
Macon	8.29	8.19	8.26	8.31	8.2	8.2	8.19	8.2	8.26	8.33	42	8.24	29
Macoupin	6.88	6.72	7.14	7.03	6.84	6.88	6.84	6.86	6.85	6.8	87	6.88	85
Madison	7.3	7.3	7.36	7.23	7.16	7.19	7.14	7.25	7.42	7.35	79	7.27	72
Marion	8.54	8.47	8.84	8.91	9.05	9.11	9.16	8.83	8.8	8.96	14	8.87	11
Marshall	7.93	8.19	8.18	8.19	7.93	7.18	7	7.04	7.51	7.73	62	7.69	51
Mason	8.63	8.81	9.25	9.36	9.5	9.14	9.83	9.75	9.84	9.93	3	9.40	3
Massac	6.4	6.4	6.76	6.69	7.07	7.03	6.78	6.78	7.09	7.58	68	6.86	86
Menard	6.9	7.12	7.51	7.43	7.4	7.35	7.37	7.36	7.44	7.4	76	7.33	69
Mercer	7.61	7.84	8.33	8.43	8.28	8.14	8.51	8.51	8.41	8.62	25	8.27	28
Monroe	5.63	5.88	5.88	6.14	6.12	5.99	6.03	5.95	6.15	6.34	98	6.01	100
Montgomery	7.74	7.84	8.21	8.29	8.17	8.07	8.11	8.22	8.26	8.32	43	8.12	35
Morgan	6.87	7.1	7.28	7.37	7.42	7.42	7.47	7.46	7.52	7.74	61	7.37	66
Moultrie	7.64	7.85	8.18	8.39	8.44	8.26	8.16	8.24	8.23	8.23	47	8.16	33
Ogle	6.74	6.91	7.02	7.44	7.39	7.43	7.46	7.53	7.55	7.58	68	7.31	70
Peoria	7.63	7.7	7.85	7.97	7.99	7.83	7.95	8.16	8.21	8.28	44	7.96	43
Perry	7.71	7.84	8.64	8.48	8.27	8.15	8.36	8.63	8.89	8.88	18	8.39	24
Piatt	6.86	6.98	7.1	7.17	7.1	7.03	6.96	7.12	7.11	7.14	85	7.06	81
Pike	7.39	7.61	8.1	8.14	8.14	8.11	7.83	7.99	8.03	8.08	50	7.94	44
Pope	6.35	6.4	6.68	6.74	6.5	6.79	6.63	6.8	6.56	6.76	90	6.62	90
Pulaski	8.29	8.43	8.8	8.78	10.15	9.39	9.42	8.64	9.18	9.05	12	9.01	8
Putnam	6.06	6.77	6.86	6.67	6.27	6.16	6.15	6.26	6.37	6.75	91	6.43	93
Randolph	6.09	6.23	6.26	6.15	6.12	5.98	5.88	5.98	5.97	5.98	102	6.06	99
Richland	6.96	6.93	7.15	7.28	7.39	7.46	7.57	7.47	7.58	7.65	65	7.34	68
Rock Island	8.22	8.21	8.37	8.34	8.4	8.34	8.41	8.44	8.39	8.44	34	8.36	26
St. Clair	7.94	8.09	8.15	8.11	8.07	7.9	7.99	8.12	8.18	8.43	36	8.10	37

Table 10. Total Averge Property Tax Rates by County													
County	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011 Ranking	2002 - 2011 Average	Average Ranking
Saline	8.23	8.28	8.61	8.91	8.82	8.75	8.81	8.77	8.88	8.77	21	8.68	16
Sangamon	7.28	7.35	7.48	7.49	7.34	7.18	7.32	7.32	7.39	7.47	74	7.36	67
Schuyler	8.52	8.59	9.03	9.49	9.59	9.63	8.96	8.79	8.68	8.7	22	9.00	9
Scott	7.05	7.47	7.89	8.14	8.3	7.65	7.44	7.44	7.27	7.53	71	7.62	56
Shelby	7.06	7.08	7.34	8.1	8.16	7.66	7.79	7.75	7.77	7.71	63	7.64	54
Stark	7.67	7.77	8.42	8.67	8.8	8.81	8.54	8.52	8.57	8.53	29	8.43	21
Stephenson	8.64	8.74	9.05	9.05	9.08	9	9.12	9.21	9.38	9.66	4	9.09	7
Tazewell	7.03	7.08	7.23	7.11	7.16	7.05	7.04	7.08	7.28	7.23	81	7.13	78
Union	7.21	6.96	7.2	6.72	6.96	6.73	6.69	6.51	6.55	6.78	88	6.83	88
Vermillion	8.22	8.22	8.65	8.9	9	8.83	8.85	9	9.07	9.22	8	8.80	13
Wabash	6.8	6.95	7.14	7.03	7.05	7.14	7.43	7.3	7.41	7.56	70	7.18	77
Warren	7.13	7.33	7.92	8.06	8.26	8.21	8.23	8.35	8.5	8.45	31	8.04	40
Washington	7.84	7.92	8.14	8.17	8.23	8.28	8.34	8.25	8.48	8.54	28	8.22	31
Wayne	7.83	8	8.38	8.65	9.04	8.82	8.85	9.02	9.01	8.83	20	8.64	17
White	7.22	7.15	7.38	7.44	7.82	7.51	7.71	7.42	8.02	8.01	52	7.57	59
Whiteside	7.93	8.12	8.63	8.67	8.63	8.53	8.53	8.57	8.61	8.65	24	8.49	20
Will	7.39	7.27	7.31	7.18	6.99	6.82	6.81	7.01	7.4	7.93	56	7.21	75
Williamson	6.31	6.45	6.63	6.58	6.57	6.22	6.51	6.43	6.56	6.65	93	6.49	92
Winnebago	9.43	9.5	9.6	9.51	9.27	9.07	9.17	9.29	9.84	10.45	2	9.51	2
Woodford	7.14	7.27	7.59	7.58	7.53	7.4	7.4	7.4	7.52	7.63	66	7.45	64
Note: TIF distributions and enterprise zone abatements have not been removed.													
Source: Illinois Department of Revenue													

IV. PROPERTY TAX RELIEF IN ILLINOIS

Illinois has not been idle in the area of property tax relief. During the 1970s and early 1980s, actions by State lawmakers removed nearly $18 billion from the local property tax base. Approximately half of this was the result of the abolition of the tax on personal property mandated by the 1970 Constitution. Revenues lost to local governments as a result of the abolition of the tax on corporate personal property were replaced by state revenues from a 2.5% corporate income tax surcharge, a tax of 0.8% on the invested capital of public utilities, an electricity distribution tax that starts at 0.031¢ per kilowatt hour, and a 0.5% telecommunications infrastructure maintenance fee. These State taxes were created specifically to replace the corporate personal property tax.

Other Illinois property tax relief efforts have focused on the assessment side of the tax cycle and tax extension limitation. In addition, the state has created a series of state-funded programs to provide residential property with additional relief.

Property Tax Exemptions

Under Illinois law, general tax-exempt status is accorded numerous organizations and institutions. These include school property, property used for religious purposes, Federal, State and local government property, charitable institutions, housing authorities, certain parks or conservation districts, public building cooperatives, not-for-profit retirement and nursing homes and certain veterans' organizations.

Aside from these general exemptions, a number of partial exemptions and special assessments have been enacted to provide homeowner relief, promote pollution control and conservation, and encourage property maintenance and rehabilitation. These measures have had a significant impact on the local tax base and have resulted in a shift in the tax burden. The partial exemptions include the following as described by the Department of Revenue:

- ***General Homestead Exemption (GHE)*** - A general homestead exemption is available on residential property that is owner-occupied and apartment buildings and life care facilities operated as cooperatives except in Cook County. In 2006, the amount of the exemption was limited to the increase in the current year's equalized assessed value above the 1977 equalized assessed value, up to a maximum of $5000. Over 3.1 million Illinois homeowners received a general homestead exemption or an Alternative General Homestead Exemption (AGHE), resulting in a valuation reduction in excess of $27 billion in 2006. For tax year 2009, the GHE maximum was raised to $6,000.

  Public Act 98-0007 which passed into law in 2013 increased the general homestead exemption amount for Cook County from $6,000 to $7,000 beginning with the 2012 tax year (property taxes payable in 2013). The increase in the GHE for Cook County was meant to help offset the increase in EAV due to the expiration of the Alternative General Homestead Exemption.

- ***Alternative General Homestead Exemption (AGHE)*** - This exemption expired in 2013. In Cook County, owner-occupied residences were eligible for an Alternative General Homestead Exemption (AGHE), also known as the 7% expanded homeowner exemption. This exemption limited the increase of a property's EAV to 7% each year which was applied as an expanded version to the General Homeowner Exemption. The exemption amount would vary each year from the minimum amount calculated for the GHE up to a maximum amount that was based on the property's annual increase in EAV and its general assessment year.

  In 2010, Public Act 96-1418 passed into law which renewed the exemption for another 3-year general assessment cycle in the City of Chicago for 2009-2011 tax years, North Suburbs for 2010-2012 tax years, and South Suburbs for 2011-2013 tax years.

- ***Long-time Occupant Homestead Exemption (LOHE)*** - Public Act 95-644, that passed into law in 2007, created a new homestead exemption for counties that are subject to the AGHE (currently only in Cook County). The new exemption is in effect in Cook County, beginning with the 2007 tax year, for residential property that is occupied as a primary residence for a continuous period by a qualified taxpayer with a total household income of $100,000 or less. The property must be occupied for 10 continuous years or 5 continuous years if the person receives assistance to acquire the property as part of a government or non-profit housing program.

  This exemption limits 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 7% annual percentage increase in EAV or a total household income of over $75,000 to $100,000 is limited to a 10% annual percentage increase in EAV. The minimum limit is the same amount calculated for the GHE with no maximum limit amount for the exemption. Properties cannot receive both, the LOHE and the AGHE, GHE or SCAFHE. Properties that qualify for the SCAFHE will receive the same amount calculated for the GHE.

- ***Disabled Persons' Homestead Exemption*** - This exemption is an annual $2,000 reduction in EAV of the primary residence that is owned and occupied by a disabled person who is liable for the payment of property taxes. Initial application for the Disabled Persons' Homestead Exemption along with the required proof of disability must be filed with the chief county assessment office. The exemption must be renewed each year with the Chief County Assessment Office. For a single tax year, the property cannot receive this exemption and the Disabled Veterans' Homestead Exemption or Disabled Veterans' Standard Homestead Exemption.

- ***Disabled Veterans' Homestead Exemption*** - This exemption may be up to $70,000 of the assessed value for certain types of housing owned and used by a disabled veteran or his or her unmarried surviving spouse. The Illinois Department of Veterans' Affairs determines the eligibility for this exemption, which must be reestablished annually. This exemption is also available on a mobile home owned used exclusively by a disabled veteran or their spouse. For a single tax year, the property cannot receive this exemption and the Disabled Persons' Homestead Exemption or Disabled Veterans' Standard Homestead Exemption.

- ***Disabled Veterans' Standard Homestead Exemption*** - This exemption is an annual reduction in EAV on the primary residence occupied by a qualified disabled veteran. The disabled veteran must own or lease a single family residence and be liable for the payment of the property taxes. The amount of the exemption depends on the percentage of the service-connected disability as certified by the U. S. Dept. of Veterans' Affairs. A qualified disabled veteran with a disability of at least 50% but less than 70% will receive a $2,500 reduction in EAV, and a disabled veteran with a disability of at least 70% will receive a $5,000 reduction in EAV.

  The initial application Form PTAX-342 Application for Disabled Veterans' Standard Homestead Exemption must be filed with the chief county assessment office. The Form PTAX-342-R, Annual Verification of Eligibility for Disabled Veterans' Standard Homestead Exemption must be filed each year to continue to receive the exemption. For a single tax year, the property cannot receive this exemption and the Disabled Persons' Homestead Exemption or Disabled Veterans' Homestead Exemption. For more information contact the chief county assessment office.

- ***Homestead Improvement Exemption*** - This exemption is limited to the fair cash value that was added to the homestead property by a new improvement, or the difference in an increase in assessed value between the prior structure and a rebuilt residential structure following a catastrophic event, up to an annual maximum of $75,000. The exemption continues for four years from the date the improvement is completed and occupied. The Homestead Improvement Exemption may be granted automatically or Form PTAX-323, Application for Homestead Improvement Exemption may be required by the chief county assessment office. In Cook County, an application must be filed with the county assessor along with a valuation complaint.

- ***Natural Disaster Homestead Exemption*** - This exemption is on homestead property for a rebuilt residential structure following a natural disaster occurring in the taxable year 2012 (property taxes payable 2013) or any taxable year thereafter. 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. The initial application Form PTAX-327, Application for Natural Disaster Homestead Exemption must be filed with the chief county assessment office no later than July 1 of the first taxable year after the residential structure is rebuilt or the filing date set by your county. The Form PTAX-327 must be filed each year to continue to receive the exemption.

- ***Returning Veterans' Homestead Exemption*** - This exemption is a one-time $5,000 reduction in EAV on the principal residence of a veteran upon returning from active duty in an armed conflict involving the armed forces of the United States. Although the exemption is only for a single year, a qualifying veteran can receive the exemption for another tax year in which he or she returns from active duty.

- ***Senior Citizens Assessment Freeze Homestead Exemption (SCAFHE)*** - This exemption allows senior citizens who have a total household maximum income of less than $55,000, and meet certain other qualifications to elect to maintain the equalized assessed value (EAV) of their homes at the base year EAV and prevent any increase in that value due to inflation. The amount of the exemption benefit is determined each year based on

  1. the property's current EAV minus the frozen base year value (the property's prior year's EAV for which the applicant first qualifies for the exemption), and
  2. the applicant's total household maximum income limitation.

  Each year applicants must file Form PTAX-340, Senior Citizens Assessment Freeze Homestead Exemption Application and Affidavit, with the chief county assessment office.

- ***Senior Citizens Homestead Exemption*** - This annual exemption is available for residential property that is occupied as the principal residence of a person, who is 65 years of age or older during the assessment year. The person must be the owner; or have a leasehold interest in the property with a single-family residence; and be liable for the payment of the property taxes. The amount of the exemption is a $5,000 reduction in the EAV of the property. Filing requirements vary by county; some counties require an initial application, Form PTAX-324, Application for Senior Citizens Homestead Exemption, or an annual renewal application, Form PTAX-329, Certificate of Status - Senior Citizens Homestead Exemption, to be filed with the chief county assessment office. In Cook County, an application must be filed annually with the Cook County Assessor's Office.

  Public Act 98-0007 which passed into law in 2013, increased the amount of the exemption to $5,000 in Cook county beginning with the 2012 tax year (property taxes payable in 2013) and to $5,000 for all counties beginning with the 2013 tax year (property taxes payable 2014).

- ***Non-homestead Exemptions for Religious, Charitable, or Educational Organizations*** - Properties of religious, charitable, and educational organizations, as well as units of federal, state and local governments, are eligible for exemption from property taxes to the extent provided by law. The organization must apply for the exemption with the county board of review which reviews the application and forwards it to the department for the final administrative decision.

General homestead exemptions were awarded to 3.2 households and reduced EAV in Illinois by $31.0 billion in 2011. This is by far the largest exemption. Other exemptions, for which data are available to determine participation levels, removed $8.4 billion in equalized assessed valuation from the tax base. Approximately 4.4 million exemptions were granted in total in 2011 which reduced EAV by $39.4 billion.

Special Assessment Procedures

Several types of property in Illinois are given special assessment procedures. These include the following:

- ***Solar Energy Systems*** - A solar energy system installed on real property is allowed an alternative valuation. Assessment of such equipment is done at the value of the equipment, or of conventional equipment, whichever is less.

- ***Model Homes, Townhomes, and Condominium Units*** - Display or demonstration houses, townhomes, or condominiums are also to be assessed at the same level the property was assessed at prior to the construction of such house, townhome, or condominium. The display dwelling would no longer be eligible for special assessment if sold or occupied, or used for another purpose. The special valuation may be applied for no more than 10 years.

- ***Subdivisions*** - In counties with less than 3,000,000 inhabitants, improvements to land over 10 acres in size which has been platted or subdivided, do not increase its assessed value. Rather, the property is assessed at the level appropriate for its prior purpose. The special assessment ends when the lot is sold, a habitable structure is completed, or the property is used.

- ***Historical Residences*** - The valuation of a single or a multi-family, owner-occupied, residence, which has been issued a certificate of rehabilitation by the Department of Historic Preservation, may be frozen for eight years. This freeze in assessment is granted at the discretion of a taxing district. After the eight-year valuation period expires, the assessment increases by 25% of the adjusted value due to the rehabilitation in the first year, 50% in the second year, and 75% in the third year. The property is assessed at its fair cash value in the fourth year.

- ***Open Space Land*** - A land area, which is 10 acres or larger and which has been used to promote conservation of natural resources or enhancement of scenic resources (including golf courses), would be valued at the price it would bring by a buyer for use as open space. If the property is converted to other use, the prior three years of the difference in tax levels must be made up, plus 5% interest.

- ***Sports Stadiums*** - In municipalities with more than 2,000,000 inhabitants, sports stadiums with a seating capacity between 18,000 and 28,000 and constructed for the purpose of holding professional sporting events, are assessed at 20% of their fair cash value (4 times annual net income). However, property taxes can not be less than $600,000 in the first year after the construction of the new stadium, $735,000 the next year, $870,000 the following year, and $1,000,000 each year thereafter.

- ***Wind Energy Devices*** – Beginning in assessment year 2007, the fair cash value of wind energy devices shall be determined by subtracting the allowance for physical depreciation from the trended real property cost basis. Functional obsolescence and external obsolescence may further reduce the fair cash value.

- ***Pollution Control Facilities*** - The Department of Revenue assesses certified pollution control facilities at a rate of 33 1/3% of the fair cash value of their economic productivity to their owners with consideration given to the actual or probable net earnings attributable to the facilities in question, capitalized on the basis of their productive earning value to their owner; the probable net value which could be realized by their owner if the facilities were removed and sold at a fair, voluntary sale, giving due account to the expense of removal and condition of the particular facilities in question .

- ***Coal-Fueled Low Sulfur Dioxide Emission Devices*** - This assessment applies to devices certified by the Illinois Pollution Control Board, which are intended to burn locally available coal without the need for additional sulfur abatement. It includes all machinery and equipment of coal gasification facilities. These devices are assessed at 33 1/3% of their fair cash value.

State Property Tax Relief Programs

Illinois has had several property tax relief programs over the years. These programs included a circuit breaker program, property tax deferral system, and income tax credit program. These programs are discussed in greater detail below.

- ***Circuit Breaker Property Tax Relief* Grant -** Illinois' "circuit breaker" tax relief program was a state-financed credit that provided relief to the elderly and disabled when their property tax to income ratio exceeds a predetermined point. It began in 1972, with the adoption of The Senior Citizens and Disabled Persons Property Tax Relief Act (Public Act 77-2059). According to Illinois Statute, the purpose of this Act was to provide incentives to low income senior citizens and disabled persons to acquire and retain private housing, relieve those citizens from the burdens of extraordinary property taxes against their increasingly restricted earning power, and reduce the need for public housing.

  As of June 2012, 2009, the maximum income level was $27,610 for a household containing one person, $36,635 for a household containing two persons, or $45,657 for a household containing three or more persons. Each year, approximately 230,000 claimants were awarded a Circuit Breaker grant. These grants were funded at $50.7 million in FY 2009 but were reduced to $30.7 million for FY 2010 – FY 2012. The Circuit Breaker Property Tax Relief Grant was eliminated in FY 2013 due to the lack of funding.

- ***Senior Citizens Tax Deferral Program*** - This program allows persons, 65 years of age and older, who have a total household income for the year of no greater than $55,000 and meet certain other qualifications, to defer all or part (up to a maximum of $5,000) of the real estate taxes and special assessments on their principal residences. The deferral is similar to a loan against the property's market value. A lien is filed on the property in order to ensure repayment of the deferral. The state pays the property taxes and then recovers the money, plus 6 percent annual interest, when the property is sold or transferred. The deferral must be repaid within one year of the taxpayer's death or 90 days after the property ceases to qualify for this program. The maximum amount that can be deferred, including interest and lien fees, is 80 percent of the taxpayer's equity interest in the property. In FY 2013, the Senior Citizens Tax Deferral Program provided $6.0 million in revenue from taxes deferred and lien fees.

- ***Income Tax Credit Program*** - The State's income tax credit program is considerably more expensive and has much greater participation than the Senior Citizens Tax Deferral Program. All Illinois homeowners, regardless of their income levels, are allowed an income tax credit equal to 5% of the taxpayer's residential property tax bill. The tax credit was worth $541.8 million in FY 2012.

Business Property Tax Relief

There are several types of economic development tax abatements in Illinois. The first abatement is a general, property tax abatement for industrial and commercial firms. Industrial or commercial firms that move to Illinois and are newly created or expanded can seek abatement of property taxes for up to 10 years. Total taxes abated cannot exceed $4 million.

The second economic development tax abatement is for enterprise zones. Businesses can receive property tax abatement, if they are located in an enterprise zone, by seeking abatement of taxes on any improvements made to their property. In 2012, there were property tax abatements of $8.4 million in 38 of the State's 95 enterprise zones though data for this is somewhat lacking as businesses did not consistently report data to the Department of Revenue related to this abatement.

As noted earlier, the Cook County classification system provides lower assessment levels for certain eligible properties. Some examples of such properties are: industrial property located in an enterprise zone and used for manufacturing, newly constructed or rehabilitated commercial property, and commercial and industrial real estate in blighted areas.

Businesses can also receive breaks on property taxes from other programs, as well. As mentioned earlier in the discussion of special exemptions, property taxes on pollution control equipment and on devices that burn Illinois coal without producing sulfur dioxide are not based on the cost of the equipment. The Illinois Pollution Control Board must certify the properties, which are then assessed by the Department of Revenue based on 33 1/3% of their fair cash value.

Tax Increment Finance (TIF) districts represent another tax break. As originally conceived, TIF districts allowed municipal governments to identify a section of the municipality as blighted and in need of rehabilitation. Assessments within the district would be frozen at their existing levels and the municipality would sell bonds to improve public infrastructure. Tax dollars can also be used to acquire and demolish property so as to encourage private development that would aid in increasing assessed value. The property taxes resulting from the increased assessed value are used to repay the bonds. The TIF zone will exist until all bond related expenses have been repaid, at which time the TIF zone will be dissolved by ordinance.

Property Tax Extension Limitation Law

Another effort by the legislature to provide property tax relief was the passage of the Property Tax Extension Limitation Law. This law limits the growth in a taxing district's amount of property tax extension. The growth in the property tax extension is limited to 5% or the increase in the Consumer Price Index (CPI), whichever is less. In all the years PTELL has been in affect except 1991, the Consumer Price Index has been used as the limit for the increase in tax extensions. In 1990, the CPI was 6.1%; therefore, a 5% maximum was used for levy year 1991. The limitation on the increase in property tax extension protects taxpayers from increasing tax bills resulting solely from rapidly increasing market values.

When the law was originally passed in 1991, it only affected the taxing districts of the collar counties (DuPage, Kane, Lake, McHenry and Will). Since 1991, Cook County (1995) and 33 downstate counties have become subject to PTELL.

The downstate counties include Adams, Boone, Bureau, Champaign, Christian, DeKalb, Franklin, Jackson, Jefferson, JoDaviess, Kankakee, Kendall, LaSalle, Lee, Livingston, Logan, Macoupin, Marion, McDonough, Menard, Monroe, Morgan, Randolph, Sangamon, Schuyler, Shelby, Stephenson, Tazewell, Union, Washington, Whiteside, Williamson, and Winnebago.

It should be noted that this law does not cap an individual taxpayer's tax bill; rather the law limits the amount of property tax extensions a taxing district can receive. The law also only applies to non-home rule units. Home rule units are able to raise their tax rates in order to produce the revenues necessary to meet their levy targets, regardless of reductions in the equalized assessed value due to tax relief legislation.

V. CONCLUSION

In conclusion, local governments in Illinois remain heavily dependent upon property taxes for revenue. In 2011, Illinois was the 8th most property tax dependent state in the country. Residential property portion of the property tax base has been increasing for over 20 years and currently makes up approximately 2/3 of the State's property tax base. The property tax base grew throughout the 2000's but began to slow in 2009 and actually declined in 2010 and 2011. Property tax extensions grew 5% - 6% a year from 2002-2008 but have slowed to 1% - 2% in recent years. Aggregate property tax rates, on the other hand, declined in the early to mid-2000's but have risen in recent years.

Though Illinois is on the higher end for property taxes, it also offers numerous exemptions and tax relief programs. Approximately 4.4 million Illinois residents benefited from the numerous property tax relief programs. The various exemptions removed $39.4 billion in equalized assessed value from the tax base in 2011. Although the majority of savings were experienced through the General Homestead Exemption, other programs benefited senior citizens, veterans, and businesses. In fact, senior citizens benefited from the Senior Citizens Homestead Exemption, the Senior Citizens Assessment Freeze Homestead Exemption, and the Senior Citizens Tax Deferral Program. Veterans benefited from Disabled Veterans' Exemption and the Veterans Organization Assessment Freeze.

APPENDIX 1. THE PROPERTY TAX CYCLE

NON-FARMLAND PROPERTY ASSESSMENT ADMINISTRATION CYCLE

County Clerk

- Prepares two sets of real estate assessment books and delivers them to the CCAO by January 1

Chief County Assessment Officer (CCAO)

- Meets with township assessors before January 1 and establishes guidelines
- Delivers ones set of books to township assessors

Township Assessor

- Values real estate as of January 1
- Returns real estate assessment books to the CCAO by April 15th (November 15 for DuPage and Lake Counties)

Chief County Assessment Officer (CCAO)

- Reviews assessments and makes changes when necessary
- Equalizes assessments within county by class and/or by township (except for Cook County)
- Mails change of assessment notice to taxpayer
- Publishes changes in newspaper of general circulation
- Delivers books to board of review by first Monday in June

Illinois Department of Revenue

- Develops tentative equalization factor
- Publishes factor in newspaper
- Holds public hearing

Board of Review

- Assesses omitted property
- Acts on all homestead exemptions and mails recommendations on non-homestead exemptions to the Department of Revenue for approval
- Hears complaints and makes changes on any property when deemed necessary
- Mails change of assessment notices to taxpayers
- Equalizes assessments within county if necessary (except for Cook County)
- Delivers books to county clerk
- Mails report on equalization to the department
- Publishes changes in newspaper of general circulation

County Clerk

- Prepares the final abstract of assessments and mails it to the Illinois Department of Revenue

Illinois Department of Revenue

- Certifies the final equalization factor to the county clerk and publishes the factor

County Clerk

- Applies equalization factor to all local assessments (except farmland, farm buildings, and coal rights)

Illinois Department of Revenue

- Certifies state assessments and mails them to the county clerk

BUDGET, LEVY, TAX EXTENSION, AND COLLECTION CYCLE

County Clerk

- Totals the equalized assessed value for each taxing district

Taxing Body

- Prepares tentative budget (Dates differ based on type of taxing district)
- Publishes notice of public hearing; puts tentative budget on public display 30 days before public hearing
- Holds public hearing
- Passes budget with changes in form of ordinances
- Publishes levy and holds public hearing
- Truth-in-Taxation publication and, if required, public hearing
- Gives certificate of levy to county clerk by the last Tuesday in December 31

County Clerk

- Calculates tax rates for each combination of taxing districts
- Extends taxes on equalized assessed value and enters in collector's books
- Delivers collector's books to county treasurer by December 31

County Treasurer (serves as the county collector)

- Prepares and mails tax bills by May 1*
- Collects first installments for real estate by June 1*
- Distributes tax money proportionately to taxing districts as tax money is collected
- Collects second installment for real estate by September 1*
- Prepares delinquent tax list and sends notice of application for judgment and sale of a lien on real estate due to non-payment of taxes

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 Treasurer

- Administers sale of lien on real estate due to nonpayment of taxes

*For counties using accelerated billing, estimated bill is mailed by January 31; first installment due by March 1 (or date provided in county ordinance or resolution)' final bill mailed June 30; last installment normally due by August 1. Counties may also provide a four-payment schedule.

Source: "The Illinois Property Tax System", Illinois Department of Revenue

BACKGROUND

The Commission on Government Forecasting and Accountability (CGFA), a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

1) Preparation of annual revenue estimates with periodic updates;

2) Analysis of the fiscal impact of revenue bills;

3) Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization;

4) Periodic assessment of capital facility plans;

5) Annual estimates of public pension funding requirements and preparation of pension impact notes;

6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;

7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a Monthly Briefing, the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Bonded Indebtedness Report" examines the State's debt position as well as other issues directly related to conditions in the financial markets. The "Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year Budget Summary; Report on the Liabilities of the State Employees' Group Insurance Program; and Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program. The Commission also publishes each year special topic reports that have or could have an impact on the economic well-being of Illinois. All reports are available on the Commission's website.

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