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STUDY COMPARES PROPERTY TAX BURDEN IN NORTHEAST ILLINOIS: *Ten-Year Trends for Cook County Show Highest Tax Burden in Harvey, Lowest in Chicago*

(CHICAGO) The Civic Federation released its annual estimate of effective property tax rates in the six-county region of northeastern Illinois today. Among the 12 selected Cook County communities, Harvey had the highest effective tax rate for residential properties at 8.87% in tax year 2012, while Chicago had the lowest residential rate at 1.84%. The full report is available at www.civicfed.org.

Effective tax rates are a measure of property tax burden for homeowners and businesses. They translate the tax rates on property tax bills into rates that reflect the percentage of full market value owed in taxes by a property in a given year. Effective tax rates allow an apples-to-apples comparison of tax burden across communities and over time. This report covers the period between 2003 and 2012, the most recent year for which comparative data are available.

All Cook County communities analyzed in this report experienced increases in their residential effective property tax rates in tax year 2012. Most communities also experienced increased commercial rates in 2012. "It is important to note that during much of the period analyzed in this report, the estimated full value of real estate in Cook County was declining to its lowest level since 2001," said Laurence Msall, president of the Civic Federation. "Many Cook County taxpayers are facing the double burden of increased rates and declining property value."

Residential effective property tax rates in Chicago have risen by more than 30% since 2003, while all other selected communities in Cook County have experienced residential property tax increases of at least 55% over the ten-year period. Commercial property tax rates also increased in the selected Cook County communities between 2003 and 2012, ranging from an increase of 4.1% in Evanston to an increase of 61.1% in Harvey. The Federation was unable to make valid comparisons for industrial property throughout Cook County because of an inadequate number of industrial property sales in certain triads.

The full report also analyzes trends for selected communities in the collar counties of DuPage, Kane, Lake, Will and McHenry. Among these communities, Waukegan had the highest 2012 effective property tax rate at 7.19% and Oak Brook had the lowest rate at 1.34%. All collar county communities analyzed experienced significant property tax rate increases between 2003 and 2012, ranging from a 31% increase in the portion of Naperville located in Will County to a 169% increase in Waukegan.

Change in effective tax rates over time is a product of changing actual composite tax rates, changing median levels of assessment, or both. To calculate effective tax rates, the median level of assessment is multiplied by the equalization factor to approximate the percentage of a property's total value that is taxed. Both of these figures are calculated annually by the Illinois Department of Revenue. This percentage is then multiplied by the actual tax rate to produce the effective tax rate.

The Civic Federation is an independent, non-partisan government research organization that promotes efficient delivery of public services and sustainable tax policies in the Chicago region and State of Illinois.



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