



The Civic Federation

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NEW CIVIC FEDERATION REPORT EXPLAINS COOK COUNTY PROPERTY ASSESSMENT PROCESS

(CHICAGO) A report released today by the Civic Federation explains the how the taxable value of Cook County real estate is determined and describes different assessment methods, the classification system, equalization, and exemptions.

This report is the second in a series of four primers being produced by the Civic Federation. The previous primer released in November 2009 described the property tax appeals process at the Cook County Assessor's Office and the Board of Review. The Federation has undertaken this primer series in order to provide the public with clear and accurate information about the Cook County property tax system. "The property tax system in Cook County is extremely complicated," said Lise Valentine, vice-president of the Civic Federation. "The primer on the assessment process describes features of the system like classification and equalization that ordinary taxpayers may have heard of but never understood."

The report reviews modifications to the classification system, including the recent "10 and 25" change to assessment levels. It also provides multi-year data trends on assessed values, median levels of assessment, homestead and senior exemptions, and taxable value of real estate.

The primer explains the computation of the "7% homeowner exemption" and shows the maximum values of that exemption by assessment district and year. Illinois state statutes currently authorize ten homestead exemptions that are available to different types of homeowners such as senior citizens, disabled persons, long-time residents, and veterans. Four of these exemptions were first enacted in 2007 and the others have been modified over the years.

The total value of homestead exemptions in Cook County has grown substantially in recent years. In 1999, homestead exemptions removed 5.0% of gross equalized assessed value (EAV) in Cook County from the final taxable value. In 2008, homestead exemptions exempted 12.6% of gross EAV from taxation. This increase in the value of homestead exemptions is due in large part to the introduction of the "7%" exemption and to the Senior Citizens Assessment Freeze Exemption, which increased by 979.6%, or \$4.7 billion of EAV in ten years, growing from \$0.5 billion in 1999 to \$5.2 billion in 2008.

The Civic Federation is an independent, non-partisan government research organization founded in 1894. The Federation's membership includes business and professional leaders from a wide range of Chicago area corporations, professional service firms and institutions. For more information, please visit the Federation's website at www.civiefed.org.