

Board of Directors

Steven H. Abbey
David A. Abel
Catherine M. Adduci
A.G. Anglum*
Adrienne Archia*
Murray E. Ascher*
Karen Atwood
Euriah Bennett
Alicia Berg
Brian A. Bernardino
Roger Bickel
J.D. Bindenagel
Scott Bremer
Douglas H. Cameron
Whitney Carlisle
Victor Chang
Timothy L. Christen
Robert J. Christie
Richard A. Ciccarone*
Jerry Cizek III*
Nancy J. Clawson
Lew Collens*
Elizabeth G. Coolidge*
Ronald S. Cope
Mary Culler
Omar Daghestani
Kevo M. Derderian*
Julian C. D'Esposito
Jon B. DeVries
Michelle Dukler
Martin L. Eisenberg
Jeff Emme
Brian D. Fabes
Timothy J. Faerber
William T. Foley
Stephen B. Friedman
Charles R. Gardner*
Carol Garnant*
John Garvey
Anthony Gedeller
Ronald J. Gidwitz
Peter G. Glick
Judith A. Gold*
Andrew F. Gottschalk*
Patrick J. Hagan*
Philip Hale
M. Hill Hammock*
Albert C. Hanna
David Hickerson
Patricia M. Holden
Gregory C. Hosbein
Margaret Houlihan Smith
Lori Ileski
Bennett J. Johnson III
Blake Johnson
James H. Kane
Karen Kane
William Ketchum
Jim Kranje*
Betsy LaVelle*
Stephen Legatzke
Thomas Livingston*
Michael A. Lovett
William Mack*
Christine Maki
Glenn Mazade
Thomas McNulty*
Timothy E. Moran
Monica M. Mueller
Michael E. Murphy*
Bert Nuehring*
Michael F. O'Brien
Denise Obrochta
Holly O'Connor
Gregory O'Leary
Sarah Pang
Robert Pasin
Donovan Pepper
Maira Pollard
Bruce V. Rauner
Judith Rice
Scott Saef*
Kevin Scanlan
John C. Sciacotta
Patrick Sheahan
James E. Spiotto*
Keith Staats
Caryn Stancik
Barbara Stewart*
Eugene S. Sunshine
Kent A. Swanson*
Courtney A. Thompson*
Allen Truesdell
Thomas C. Vanden Berk
Robert S. Vihon*
Daniel Wagner
Sue E. Wallace*
John F. Ward*
John L. Ward
Jeffrey D. Warner
Andrew L. Weil
Paul Wierbicki
Jerrold Wolf
Corinne Wood
Philip Zinn

The Civic Federation

177 North State Street, Suite 400, Chicago, IL 60601 • 312.201.9066 fax 312.201.9041 • civicfed.org

FOR IMMEDIATE RELEASE MONDAY, JANUARY 28, 2013, 12:01 A.M.

For more information, contact Laurence Msall, 312-201-9044

PROPERTY TAX BURDEN UP ACROSS CHICAGO REGION BETWEEN 2009 AND 2010

Effective Tax Rates for Commercial Properties in Cook County Rise Sharply

(CHICAGO) The Civic Federation released its annual estimate of effective property tax rates in the six-county region of northeastern Illinois today. The report found that effective tax rates in 2010 for residential and commercial properties rose for each of the 32 municipalities studied. Additionally, effective tax rates in 2010 were also higher than they were 10 years ago for all communities studied, except for industrial properties in Chicago, which were down by 15.1% since 2001. Between 2009 and 2010 commercial effective tax rates in each of the 12 Cook County communities studied went up by between 62.6% and 86.6%.

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 that a property owed in taxes for a given year. Effective tax rates allow an apples-to-apples comparison of tax burden across communities and over time. The report covers the ten-year period between 2001 and 2010, the most recent year for which comparative data are available.

Changes in effective tax rates are due either to increases in actual tax rates or increases in median levels of assessment, or both. The sharp increase in effective tax rates for commercial properties in Cook County is due to the combination of 1) significant increases in the 2010 median levels of assessment for commercial properties in each Cook County reassessment district calculated by the Illinois Department of Revenue's Assessment Sales Ratio Study and 2) an increase in tax rates for each of the 12 communities in Cook County that were included in the Civic Federation's analysis. The rise in the median level of assessment for commercial properties in Cook County is likely due to decreases in the selling price of the commercial properties included in the 2010 Assessment/Sales Ratio Study that were larger than the decrease in their assessed values. Essentially, if the market value of a property is falling, but the tax rates paid are flat or increasing, a property will pay a higher effective tax rate.

"Despite a jump in effective property tax rates for commercial properties, Chicago's effective tax rates remain competitive compared to other municipalities in Cook and the collar counties," said Laurence Msall, president of the Civic Federation. Chicago had the lowest effective tax rates for residential, commercial and industrial properties of any of the selected Cook County municipalities in 2010. With the exception of the Chicago industrial properties, ten-year trends show double-digit percentage increases in effective tax rates for every type of property in every municipality in Cook County and the collar counties.

In 2009 there were fewer than 25 usable sales of Class 5b industrial property in each of the three Cook County assessment districts, so the Illinois Department of Revenue could not accurately calculate median levels of assessment by reassessment district for that type of property. For this reason, the Civic Federation was unable to calculate two-year trends between 2009 and 2010 for industrial properties in Cook County. Additionally, in 2010 there were not sufficient usable sales of industrial property in the south suburban triad to calculate a median level of assessment for that area. The Civic Federation decided not to calculate 2010 effective tax rates for industrial properties in the selected communities in the southwest triad with county-wide data to avoid inaccurate comparisons between the southwest triad and the rest of the county.

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.



Officers

Mark R. Davis
Chairman
Allan Ambrose
Vice Chairman
Susan McKeever
Vice Chairman
Eileen Mitchell
Vice Chairman
Joseph B. Starshak
Treasurer
Laurence J. Msall
President
Sarah J. Wetmore
Vice President

*Executive Committee
*Past Chairmen's Council