

NEW BILLS ARE SIGN OF NEW TREND: DECREASING VALUES AND INCREASING RATES

Significant tax rate increases in many Cook County property tax bills should be a wake-up call for taxpayers, specifically owners of apartment buildings, to take action. Many districts in northern Cook County saw their tax rates increase 10-20% in the latest calculations. In Chicago, the overall rate continued to increase from 6.4% to 6.8%, with the next reassessment scheduled for 2015. As values are reduced for some taxpayers, specifically homeowners, the tax burden shifts to others whose properties have maintained value. Taxpayers whose values did not decline in the northern Cook County suburbs are in for “sticker shock”.

As overall values drop, tax rates will increase, and there will be dramatic tax burden shifts to property owners whose values have held in the recession or are starting to recover value. Property owners, specifically Chicago property owners facing reassessment next year, need to closely monitor their assessed valuations to make sure they are valued correctly.

This year's Cook County tax bills reflect last year's reassessment of the northern suburbs. Coupled with a declining multiplier, districts that had significant valuation decreases realized dramatic increases in their rates:

- School District #68 in Skokie's aggregate rate increased by 14.4%% to 10.2%%
- School District #62 in Des Plaines's aggregate rate increased by 20.8% to 10.8%.
- School District #65 in Evanston's aggregate rate increased by 15.8% to 9.8%.

Next year's reassessment of the eight townships that lie within Chicago's boundaries, in general, is expected to reflect the well-documented slide of values that has been taking place nationally since the real estate bubble burst in 2008. However, there may be some areas of the city that realized market increases in the recent modest recovery, specifically apartment buildings, in some areas of the city.

Specifically, if a building's assessment declines by 10 percent, but other properties drop by 20 percent, the building may end up shouldering a bigger share of the burden when tax bills are issued based on the new assessments. Thus, it is critical to get a truly accurate value assigned to your property. Property owners who think their values are higher than their neighbors or comparable businesses should file appeals with the Cook County Assessor's Office, as well as the Cook County Board of Review. The websites of both offices contain instructions for filing appeals.

Grounds for reductions include proof that comparable properties have been assessed at lower values; proof of recent sales of comparable properties at prices lower than what the Assessor's Office has assigned to your property; and errors in the Assessor's Office's records—a two-story home shown as three stories, for example. Commercial property owners also can use income and expense information to help make the case for assessment reductions.

Property owners need to be vigilant, watching for their reassessment notices and checking township deadlines to file appeals. Township by township, have a 30-day window to file with the Assessor's Office and a different 30-day period that the Board of Review accepts appeals. When the property tax bill arrives, the time to appeal has long since passed. Unfortunately, there is little to do then but endure the shock of the new bill and write the check. Even though properties in the City of Chicago will not be reassessed until 2015, taxpayers can also appeal their assessments that are on the books. Appeals are accepted by the Assessor's Office and Board of Review for published 30-day periods for each suburban township.

About True Partners Consulting

Myer Blank served a decade as executive director of the City of Chicago's Tax Assistance Center before joining True Partners Consulting, a firm that offers tax advisory services to businesses and individuals nationwide.

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