

You know Illinois' property taxes are sky-high. But the calculation process might surprise you.



Illinois has the nation's second-highest property taxes, according to real estate data company Attom Data Solutions. (William DeShazer / Chicago Tribune)

By **Joanne Cleaver**
Chicago Tribune

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We're No. 2!

But second place isn't usually something to brag about — and certainly not when it comes to property taxes. Illinois residents pay the second-highest property taxes in the country (New Jersey has the highest), according to Attom Data Solutions, an Irvine, Calif.-based real estate data company.

→ Zion District 3 = 5.42%

The average annual effective property tax on a single-family house in Illinois is 2.13 percent. Property taxes pay for essential government functions — emergency response, public safety patrols, water, sewer, infrastructure, education — and amenities that define quality of life, like libraries, parks and social services.

→ Zion District 6 = 6.36%

Are they worth it?

First, consider how property taxes affect your overall return on homeownership.

<http://www.chicagotribune.com/classified/realestate/ct-re-0408-property-taxes-primer-20180402-story.html>

Taxes affect property market values and siphon off money that you could potentially direct toward building equity. "Property taxes are a carrying cost that represent money you could use to pay off the mortgage early and build equity," says Daren Blomquist, a spokesperson with Attom.

Count on property taxes to be the second-highest cost of homeownership, right after the mortgage. Property taxes are so important, says Blomquist, that they are one of the key indicators of likely profitability for real estate investors who buy Attom's reports.

"We see that home price appreciation is held in check by property taxes," says Blomquist. "In higher-tax states, you don't see home prices rising as quickly during an up cycle in the housing market because people have to pay (through taxes) for those higher values, so those markets are a little more protected from wild swings."

On the other hand, he adds, low-property-tax states, such as Nevada and Arizona, tend to be more susceptible to extreme swings in property values. In a way, high property taxes insulate Illinoisans from the worst of market cycles, though that's cold comfort to many.

One way to analyze the value you get from property taxes is to "unbundle" the amenities and services from the quality of life in that neighborhood, says Blomquist. With an a la carte approach to municipal amenities and corresponding taxes, you can identify where you get the most for what you are paying. For instance, if you're looking to buy a home and you want access to a top-quality library, but don't have any children in public schools, you might consider buying in an area that channels a healthy revenue stream to its library, even if its public schools are not highly rated.

"You can fine-tune your decision based on which benefits are most important to you," says Blomquist.

If you do not think you are getting what you are paying for, know how the system works before you lodge a complaint.

Your tax bill starts with how much the county and municipalities expect to spend, not with the value that the assessor places on properties.

People often assume that assessors start with the assessment of property and proceed from there, says Robert Ross, chief assessment officer for McHenry County. That's logical — but wrong.

The way taxes are actually calculated is that the taxing bodies — the county, municipality, water district, library district, school district and various other districts — figure out how much they are going to spend. They are generally allowed to base their budget on their prior year's budget plus an increase based on the consumer price index. Then, after figuring out how much money the state might kick in through revenue sharing, and assessing the current taxable value of the property in the districts, the county clerk figures out the tax rate.

The clerk calculates the tax rate based on the amount that the taxing districts are allowed to receive reconciled with the assessed property value — in other words, how much they need, based on what they can get.

It can be confusing because it's the opposite of how income taxes work.

"The property tax runs counter to income tax," says Ross. "The more income you make, the more taxes you pay. But that's not the case that when your property values go down, your taxes go down."

If you think you have a case, protest to the correct decision-makers.

Nobody likes seeing or paying their tax bill, but simply being mad about your bill in general is fruitless, says Ross. If you want to protest the tax rate, you need to take your complaint to elected officials who manage county and municipal budgets and suggest spending priorities that will affect how much is demanded of each property owner.

If you think you are paying more than your fair share because your own property is not worth as much as the assessor thinks it is, you need to protest the specific assessment. In McHenry County, for instance, you have a 30-day window to appeal your assessment, says Ross.

Come equipped with evidence that your property is not worth as much as the assessor thinks: Is it smaller than neighboring properties? Not updated when others have upgrades? Located near a noisy highway that invisibly erodes its market value? Be prepared to make your case, not just argue on principle, says Ross. Be sure that you did not base your assumptions about your property tax bill on the wrong information — for instance, the prior owner might have gotten a reduction in taxes based on a special situation, such as a longtime owner's rate, that is not available to you.

Be aware that Cook County assesses commercial and industrial properties at a higher rate than residential properties, points out Fritz Kaegi, the Democratic candidate for Cook County assessor. (The general election is Nov. 6).

Kaegi campaigned on a promise to straighten out the convoluted and inconsistent pattern of property tax rates and exceptions.

"Your assessment is supposed to be based on market price, and the (current) assessor has not done a great job with that," says Kaegi. Cook County, he says, has "quite a large number of appeals compared to other counties. We want to make the system much more accurate."

Finally, be sure you are conversant with the "multiplier," which is unique to the state of Illinois.

Most states figure property taxes based on local budgets and assessed values, which translate to a tax rate. Illinois complicates matters by then applying an "equalization" factor that refigures the final tax rate up or down.

According to a 2017 press release from the Illinois Department of Revenue, the department figures out the equalization rate "for each county by comparing the actual selling price of individual properties, over a three-year period, with the assessed value placed on those properties by the county assessor and adjusted by the

board of review.” State law requires that the total equalized assessed value of all property in Illinois counties equals 33 1/3 percent of the fair market value. The press release goes on to say that “if the median level of assessment for all property in the county varies from the 33 1/3 percent level required by law, an equalization factor is assigned to bring assessments to the legal mandated level.”

But wait! It gets even more complicated, because municipalities have the right to accept or reject the equalization factor, says John Guidos, Chicago market leader for Paradigm Tax Group, a national tax consultancy. If you appeal your property tax bill, you must take into consideration how your own bill was tweaked up or down based on the equalization factor (also known as the multiplier).

That means, says Guidos, that if you successfully appeal your assessment, your bill might not go down by much — maybe not at all — depending on how your municipality uses the equalizer. “If you lower the assessed value, that is reflected in the property tax bill, but there other factors that go into it,” he says.

Appealing your property tax bill is a complicated, multilevel process. The very act of navigating it can both build appreciation for everything that property taxes support and fuel frustration with the Illinois system.

At the very least, say assessors and consultants, understanding the system equips you to vote and comment with an informed opinion about how the system can be improved for everyone.

Joanne Cleaver is a freelance writer.

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Zion School District #6 19.0925%

Tax Rate Comparison

April, 2018

TAXES are the result of a simple multiplication: **Assessment X Rate = Taxes**

Shown below are the property taxes for a 150,000 owner-occupied home in Lake County

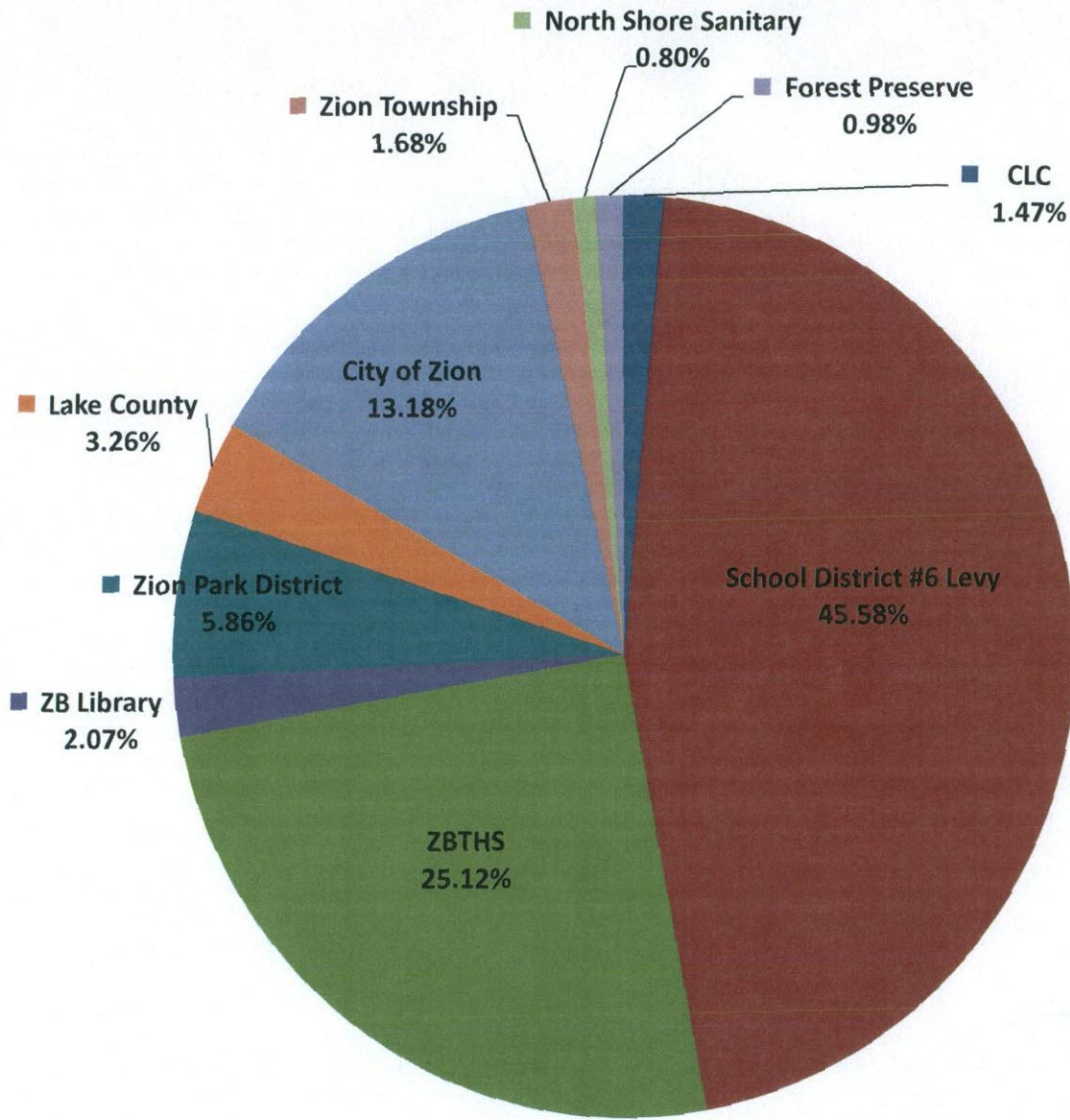
Location	2017 Tax Rate *	2017 Taxes on a 150,000 Home	% Difference from Zion
1 Zion (School Dist 6)	19.093%	\$8,401	0%
2 North Chicago	16.88%	\$7,428	-12%
3 Waukegan	14.22%	\$6,259	-25%
4 Grayslake	13.88%	\$6,109	-27%
5 Lindenhurst	13.74%	\$6,045	-28%
6 Beach Park	13.70%	\$6,029	-28%
7 Winthrop Harbor	12.95%	\$5,700	-32%
8 Round Lake	12.35%	\$5,436	-35%
9 Lake Villa	12.08%	\$5,316	-37%
10 Antioch	11.74%	\$5,165	-39%
11 Wauconda	11.63%	\$5,119	-39%
12 Mundelein	11.12%	\$4,891	-42%
13 Fox Lake	10.14%	\$4,460	-47%
14 Vernon Hills	9.92%	\$4,363	-48%
15 Gurnee	9.23%	\$4,062	-52%
16 Deerfield	8.32%	\$3,663	-56%
17 Lake Zurich	7.65%	\$3,364	-60%
18 Libertyville	7.54%	\$3,319	-60%
19 Highland Park	7.49%	\$3,295	-61%
20 Kenosha WI	5.69%	\$2,845 *	-66%
21 Pleasant Prairie, WI	5.62%	\$2,809 *	-67%
22 Lake Forest	5.21%	\$2,292	-73%
AVERAGES	11.633%	\$5,119	

* The Tax Rates come from the "Requests for Money" by a) Schools b) Cities/Villages c) Park Districts and d) other smaller taxing bodies (County, Townships, CLC, Forest Preserve, etc.)

* Wisconsin does not have an exemption for owner-occupied properties

2017 Tax Spending Graph Tax Rate District #6

19.092496%



- CLC
- School District #6 Levy
- ZBTHS
- ZB Library
- Zion Park District
- Lake County
- City of Zion
- Zion Township
- North Shore Sanitary
- Forest Preserve

Contacts for the Zion School District 6 Taxing Bodies

District #6

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Patricia Stephen
Michael Stewart
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District #126

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Zion Park District:

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Jesse Pye
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City of Zion and Zion Township

Al Hill, Mayor
Lloyd Detienne, Commissioner
Mike McDowell, Commissioner
Christopher Fischer, Commissioner
Billy McKinney, Commissioner
Cheri L. Neal, Supervisor
Larry Wicketts, Assessor
City of Zion Website: <http://www.cityofzion.com>
City of Zion Phone: 847-746-4000
Zion Township
Supervisor Website: <http://www.ziontownship.org>
Supervisor Phone: 847-872-2811
Assessor Website: <http://assessor.ziontownship.com>
Assessor Phone: 847-872-5031

Zion Benton Library

Beverly Mull
Wendy Driver
Jacqueline Holmes
Mary Martin
Amy Onan
Rosemary Kauth
Linda Sandoval
Phone: 847-872-4680
Website: <https://zblibrary.info>

BE SURE AND CHECK OUT THE COUNTY CLERK'S WEBSITE FOR YOUR OTHER ELECTED OFFICIALS.

VOTER POWER: <https://www.lakecountyiil.gov/351/Voter-Power>

All you need is your first/last name, address, city zip code and birthdate.

Zion School District #3 16.2728%

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6 Beach Park	13.70%	\$6,029	-18.8%
7 Winthrop Harbor	12.95%	\$5,700	-23.3%
8 Antioch	12.35%	\$5,436	-26.8%
9 Lake Villa	12.08%	\$5,316	-28.4%
10 Round Lake	11.74%	\$5,165	-30.5%
11 Wauconda	11.63%	\$5,119	-31.1%
12 Mundelein	11.12%	\$4,891	-34.1%
13 Fox Lake	10.14%	\$4,460	-39.9%
14 Vernon Hills	9.92%	\$4,363	-41.3%
15 Gurnee	9.23%	\$4,062	-45.3%
16 Deerfield	8.32%	\$3,663	-50.7%
17 Lake Zurich	7.65%	\$3,364	-54.7%
18 Highland Park	7.54%	\$3,319	-55.3%
19 Libertyville	7.49%	\$3,295	-55.6%
20 Kenosha, WI	5.69%	\$2,845 *	-61.7%
21 Lake Forest	5.21%	\$2,607 *	-64.9%
22 Pleasant Prairie, WI	5.257%	\$2,313	-68.9%
AVERAGES	11.040%	\$4,886	

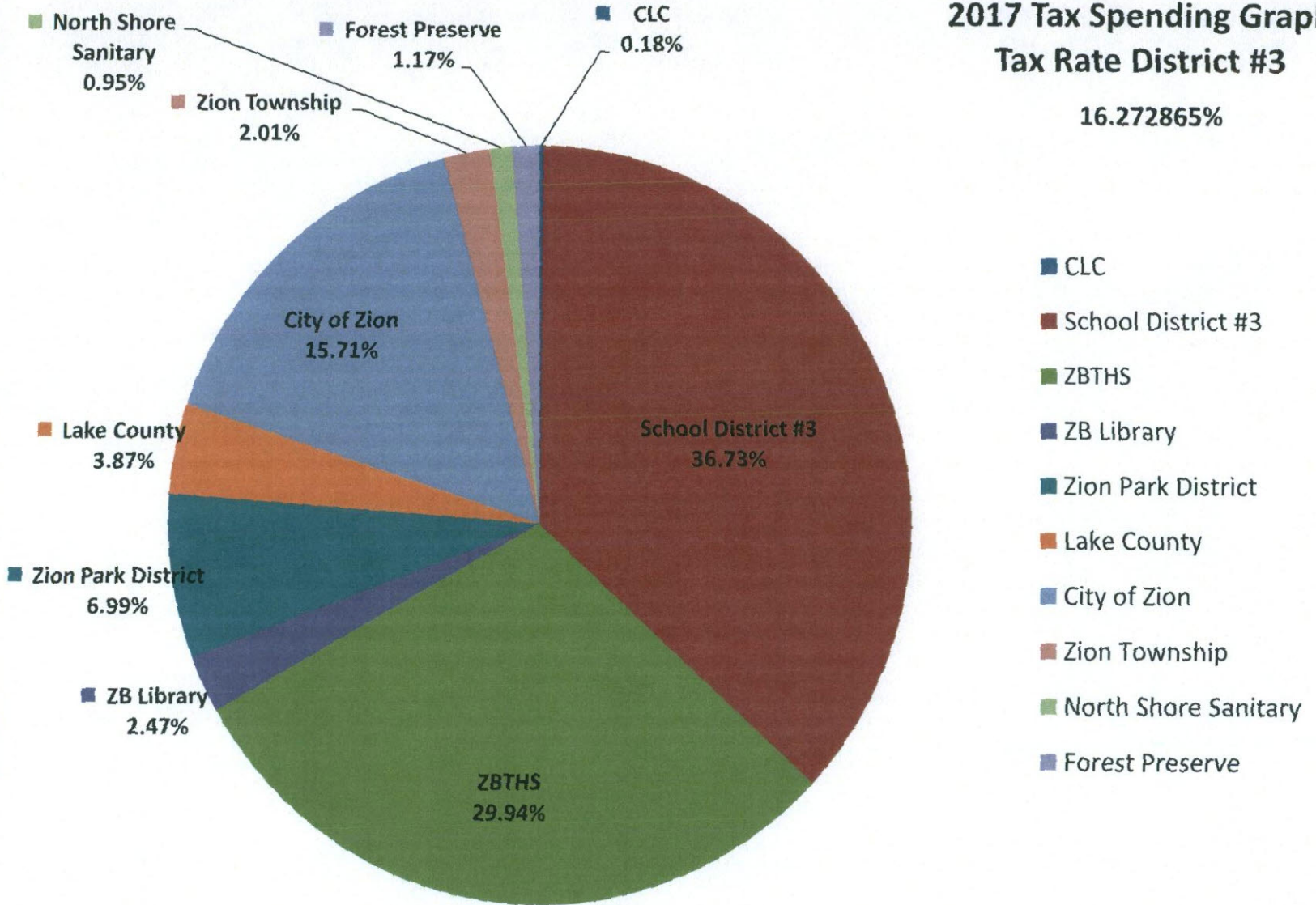
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Zion Township Assessor's Office

2017 Tax Spending Graph Tax Rate District #3

16.272865%



Contacts for the Zion School District 6 Taxing Bodies

District #3

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