

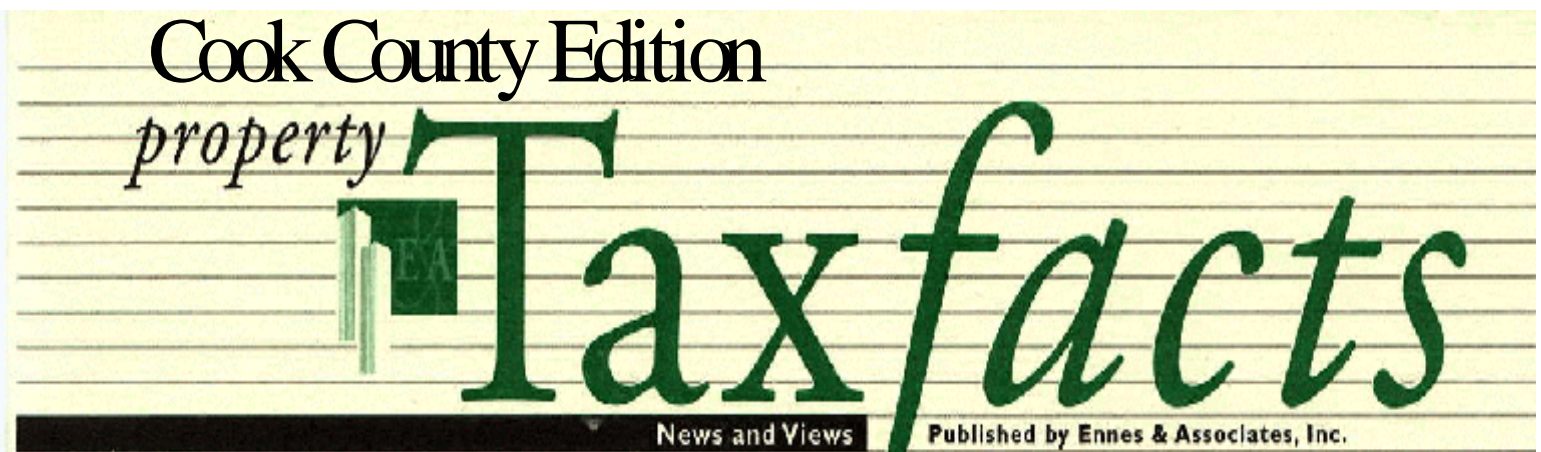
# Who's Next?

2006 saw the City of Chicago being reassessed. Commercial taxpayers across the City have seen their assessed values jump, on average, around 30%. So, who's in the hot seat next year? Here's the Cook and Collar County reassessment schedule:

- ✓ DuPage County—2007
- ✓ Lake County—2008
- ✓ McHenry County—2007
- ✓ North/Northwest Suburbs of Cook--2007
- ✓ Will County—2007
- ✓ Winnebago County—2007

We are watching a number of factors, including the tax cap and interest rates, which will affect the upcoming revals. Our clients know it helps to have a tax professional on your side when being revalued. If we're not in your corner yet, give us a call.

June, 2006



## Speaking of Reassessments.....

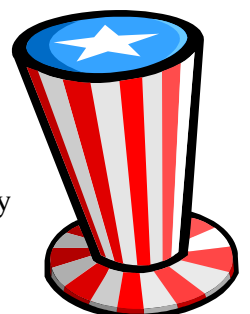
During a reassessment cycle, assessing officials will try to visit as many properties under their jurisdiction as possible. This allows them to see what changes have taken place over time, the upkeep of the building, any obvious obsolescence and how the area in general is faring. There are some definite things to do when facing a visit from the assessor, which will allow you to present your property in the best "property tax" light as possible. They are:

**DO** require an appointment if your property is commercial/industrial. If yours is a residential property an appointment is nice but not a necessity.

**DO** have someone with the assessing official or their representative *at all times* as they tour the facility

**DO** have a plan. Discuss all of the problems with the assessor and identify the factors you want to bring to the assessor's attention. Be prepared to communicate any factors that have a negative impact on the property's value.

**DO** involve your tax professional. Tell them about the visit up front, give them the opportunity to comment on your plan. If economical, have them participate in the walk through.



# Score One for Illinois Taxpayers!!

The Daily Herald wrote a series of stories last year outlining how little understood loopholes had allowed suburban taxing bodies to collect tens of millions of dollars more than voters expected when approving tax referendums. These stories got lawmakers moving in the right direction. Recently, Governor Blagojevich signed into law tax legislation reform closing some of the gaping holes in voter approved tax rate increases.

Spearheaded by state Rep. Mike Tryon, (Crystal Lake Republican) and state Sen. Don Harmon, (Oak Park Democrat) the Legislators produced a law that Rep Jack Franks, a Woodstock Democrat, says will “curtail the abuses that have occurred in many of our districts, and hopefully it will restore trust in the process.”

Ballot questions will now ask voters to say yes or no to a specific tax rate, instead of a certain rate increase. This will close the largest of the current loopholes. The ballot question will also inform voters how much the tax increase would cost the owner of a \$100,000 home.

At the same time the law allows school officials more latitude to move money as needed among their various funds, such as operations, education, transportation and maintenance.

## A Taxing Dilemma

The Treasurer’s Office points out that mortgage companies make errant payments more than 3,000 times a year in Cook County. Sometimes they mistype a PIN number or forget a side lot or deeded parking spot. This results in delinquent taxes, double payments or overpayments.

What to do? Monitor your tax payment. This is as simple as logging onto the Treasurer’s website or calling their automated service. Both are available 24/7. The website also offers a “monitoring your mortgage” help page.

Taxpayers do have rights....Know yours!

Says State Sen. Chris Lauzen, “Now we have clarity on referenda. People want to know what they’re voting on. Clarity and simplification. Those are usually not words to describe tax policy.”

## 7% Cap Renewal in Question

In July 2004 the Illinois Legislature passed the Expanded Homeowner Exemption Act (EHEA) that was designed to reduce the tax burden of large increases caused by the rapid appreciation of home prices by “capping” the increase to 7%/year. The Act expires or “sunset” at the end of 2006 unless extended by the Illinois Legislature.

In it’s Spring Session the Illinois House of Representatives overwhelming defeated the extension and expansion of the 7% cap by a vote of 69 to 37. Cook County Assessor Jim Houlihan vows to continue fighting for its extension. “I am very disappointed that the Illinois House of Representatives failed to pass Senate Bill 2350,” he stated.

The University of Illinois did a detailed study of the impact of the 7% cap. Two of their most significant findings were: *The basic result was a shift in the tax burden.* Eligible residential owners paid less property tax. However, ineligible residential, apartments, commercial/industrial and others paid more to offset the savings. Roughly 33-50% of homeowner’s parcels paid more because of the EHEA. *Tax Rates increased to offset the decreased tax base.* The tax rate increases averaged between 4.1% and 6.6%.

The future of the Cap is uncertain. The legislature still has the fall session in which to act. On the one hand Assessor Houlihan asserts “...having the protection of the 7% in place is very important until a permanent, long term solution can be found.” On the other hand, Jerry Roper of the Chicagoland Chamber of Commerce states, “We urge all Cook County taxpayers to join us in fighting for real property tax reform, not band aid solutions.” So, it appears, the lines are drawn.