

Smoke and Mirrors in Cook County

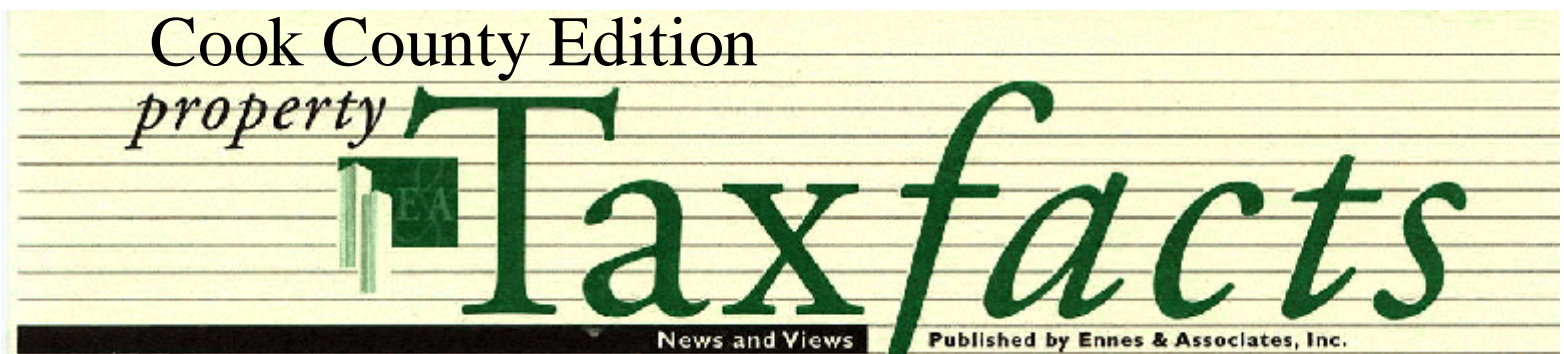
Last week Cook County Commissioner Larry Suffredin proposed a change in the way property owners pay their tax bills. Currently, property tax bills are made in two installments per year; Suffredin suggested switching to 4 installments per year.

On the surface this looks like a reasonable plan, but Cook County would see additional costs in mailing out 4 bills instead of 2. This would also increase the number of billing errors and the possibility that owners will misplace or forget to make their payments. It also makes the tax refund process more complicated, as any refund from the county (whether because of an error or a state appeal) requires the taxpayer to provide the front and back of each check used to make payment.

There is also concern from property tax reform advocates that this proposal will coddle taxpayers into accepting their high property taxes. Spreading the payments out makes it less likely the taxpayer will realize the full impact of the higher taxes. They liken it to the new sales tax in Cook County. They feel if taxpayers had to pay their total sales tax bill at the end of the year, instead of spread out at the time of each individual purchase, they would see the total impact and might feel more outrage at having to pay such high taxes. The same holds true of spreading out the property tax payments. You would see smaller increments and perhaps not feel the fury you would at seeing the entire increase at one time.

All the more reason to have Ennes & Associates, Inc. on your side. We can see through the smoke and mirrors and make sure you are paying only your fair share.

September, 2008

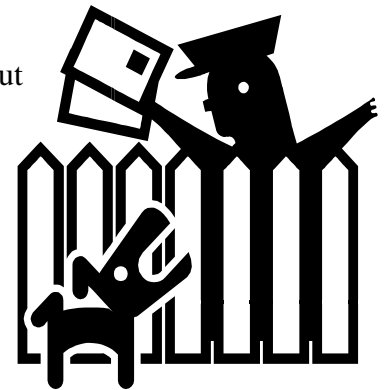


2007 Second Installment Tax Bills Coming Soon

The Cook County Treasurer's Office has announced that second installment tax bills will be due on November 3rd, 2008. Granted most of us haven't seen those bills yet but we do know they are coming. Expect them the first week in October. The second installment bills are the ones that reflect any changes that were made in your 2007 assessment. They also reflect the new tax rate.

For those of you that had Ennes & Associates, Inc. successfully appeal your assessment be sure to check your tax bill to ensure it reflects the new assessment. If it doesn't, notify us immediately.

Payment can be made via mail, at any one of 300 Chase Bank locations or on the Treasurer's website. If your bank is holding your payment in escrow be careful not to make a double payment!



Out of the Frying Pan and Into the Fire?

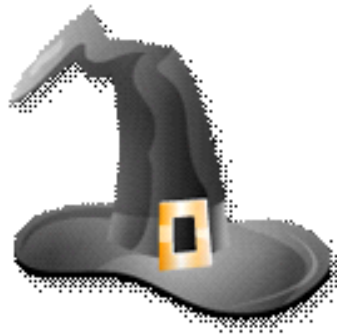
On September 23, the Illinois Department of Revenue released their budget projections for fiscal year 2009, showing revenue from income, sales, and real-estate transfer tax collections is \$200 million short of projections. Cigarette taxes, motor fuel taxes, and revenues from casinos are also lower than expected. The State of Illinois, already embroiled in a major funding crunch, will likely see further pressure on revenue in the year ahead.

While these revenue generators are all underperforming, we continue to see the State Senate (in particular, State Senator Reverend James Meeks) push for changes in the education funding formula, which relies heavily on local property taxes. While Sen. Meeks methods have come under fire, he deserves credit for generating interest in reforming the property tax system. However, many taxpayers are arriving at the conclusion that property taxes are oppressive, and that a switch to a formula more reliant on the income tax would help solve education funding issues. This is not the case.

School districts benefit greatly from using the property tax because there is little volatility. School

districts set the levy, the Assessor sets the assessed value of all real property within the jurisdiction, and the clerk sets the tax rate based on their findings. School districts don't have to worry about declining revenue streams when the economy turns sour. While governments at the state, county, and municipal level must scramble to balance their books with declining revenue, school districts have a consistent revenue stream that does not force them to go to taxpayers asking for increases during rough fiscal times.

This isn't to say that there aren't problems with the property tax. On the contrary, the property tax system in Illinois is plagued by corruption and malfeasance. Additionally, the property tax is a hindrance to property-poor districts, where there is simply not enough property value to meet the levy without imposing high tax rates. It's easy to understand how taxpayers have become upset about property taxes, but simply "swapping" property tax revenue with income tax revenue will not provide the reforms needed in the administration of property taxes, or provide for more spending accountability. No system of taxation is perfect, and an approach using a variety of different taxing schemes provides for a balanced system.



Tax Education Opportunities in Kane County

Help for Homeowners is an initiative designed to help homeowners become aware of the programs that exist within the county such as The Housing Rehabilitation Program and Foreclosure Prevention Counseling. At a recent forum the assessment office reviewed the exemption status of everyone in attendance and then gave them directions to apply for those they qualified for but did not have. One remaining forum will take place Saturday, October 18 from 9AM to 1PM at East Aurora High.

The Board of Review is also offering *Property Tax Clinics* for taxpayers. They will cover the property tax system, dispel myths about taxes and assessments, explain the appeal process and check exemptions. The clinics are not forums to discuss specific individual easements. Those questions will be directed to the specific Township Assessor.

The next clinic will be held Tuesday, October 7th. For more info call the BOR office at (630) 208-3818.

Disaster Area Reassessments

Governor Blagojevich recently declared Cook, DeKalb, Grundy, Kane, LaSalle and Will counties state disaster areas. This declaration brings state assets and personnel along with emergency management teams to work with local officials to assess the damage and determine eligibility for federal aid.

In the meantime homeowners who suffered substantial damage from the flooding in those disaster areas can file a form PTAX-245 to request reassessment of your property.

If you need more information call your county assessing office or Brian Helmers at our office.