

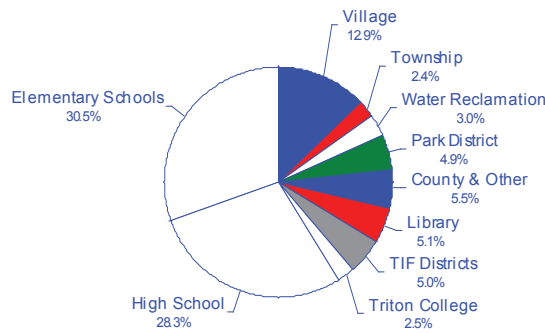
# Common Questions About Real Estate Taxes

**Q. How is Oak Park's overall tax bill determined?**

A. Each year, the budgets of the 12 units of local government serving Oak Park determine the community's overall tax bill. Property taxes are the primary revenue source for most of these governments, although they do receive money from other sources. In 2010, local governments levied about \$163 million on Oak Park properties. The chart below indicates the distribution of tax dollars among the taxing bodies.

About 61% of Oak Park's \$163 million in property taxes support education, and about 90% of our tax dollars support entities that primarily serve Oak Park. The remaining money goes to Cook County agencies.

**Distribution of Oak Park Property Taxes  
2009 Taxes Paid in 2010**



\* The overall tax distribution indicated above differs from that indicated on individual tax bills due to tax increment finance (TIF) districts. TIFs fund economic development projects along Lake and Madison Streets; due to the complexities of TIF finances, the amount taxpayers contribute to TIFs does not appear on tax bills. Despite the complexities, an accurate accounting of the tax distribution must reflect TIFs.

**Q. Why are taxes on Oak Park homes so high?**

A. Oak Parkers typically demand high levels of municipal and educational services. Since Oak Park's tax base does not include large commercial or industrial properties, most of the taxes that pay for these services come from homes and apartment buildings.

**Q. What can I do if I think the \$163 million in overall community property taxes are too high?**

A. Participate in tax referendum elections and elections for the officials who determine the taxes of local schools and governments. Between elections express your opinions about budgetary matters.

Consider taking an interest in state government as well. Some have proposed a 'tax swap' whereby the state would generate revenue for public education by raising the income tax and lowering property taxes.

**Q. When do the tax bills arrive?**

A. Tax bills are always paid a year late. For example, 2010 taxes are billed and paid during calendar year 2011. The first installment is due around March 1, and the second installment is normally due in September.

**Q. Can the Cook County Assessor lower my taxes?**

A. The assessor cannot reduce Oak Park's \$163 million tax levy. A successful appeal, however, can reduce your property's share of the community's tax levy and thereby lower your tax bill.

**Q. Can I deduct the amount I pay in property taxes against my income taxes?**

A. On the federal income tax return, you can deduct property taxes paid on your principal residence on Schedule A if you itemize deductions. On Illinois' state income tax return, you can generally claim 5% of the property taxes paid on your principal residence as a credit against your state income taxes.

**Q. What tax relief programs benefit senior citizens?**

A. There is one tax relief program available to all citizens age 65 or older, and several available to low income senior citizens. The Township Assessor can provide information regarding each program:

- The Senior Citizen Homestead Exemption is available to all seniors who own and occupy their homes. The exemption saves about \$330 per year.
- The Senior Freeze program protects senior homeowners from increases in their assessed valuations if the total income of all individuals living in the senior's household is \$55,000 or less.
- The Circuit Breaker program provides tax relief in addition to the exemptions noted above for very low income senior citizens.
- The Tax Deferral program allows seniors to defer paying property taxes until their homes are sold. The deferred taxes are paid out of sale proceeds. The household income of applicants must be \$50,000 or less. Applications are due by March 1.

**Q. What other tax relief programs are available?**

A. In addition to homeowner and senior citizen exemptions, there are tax exemptions available for long term homeowners, the disabled, and veterans:

- The Long Time Occupant Exemption gives tax exemptions to some homeowners who have been in residence at least ten years, provided that their annual household income is less than \$100,000. Program eligibility is complicated, as not all long term homeowners who meet the income requirements qualify.
- The Disabled Persons Exemption saves those meeting Social Security disability standards about \$180 per year.
- The Disabled Veterans Exemption reduces property taxes for veterans with service-connected disabilities of a certain percentage. Those with disabilities of 70% or more save about \$450 per year; disabilities of 50-70% save about \$255.
- The Returning Veterans Exemption saves veterans of armed conflicts involving the US Military about \$450. This one-time exemption is available only in the year the veteran returns from active duty.

## OAK PARK TOWNSHIP OFFICE OF THE ASSESSOR *Real Estate Tax Information*



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The Oak Park Township Assessor's office provides general information regarding current assessments, recent property sales, housing trends and current taxes. The office also provides many services to individual property owners. These services include planning and filing appeals, helping prepare exemption applications and helping file refund applications. It is our mission to provide information and services which are accessible, prompt and accurate.



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# Questions and Answers about Assessment

## Q. What is the purpose of property assessment?

A. The goal of assessment is to accurately estimate the market value of all properties in a community in order to determine each property's fair share of community taxes. A property whose value equals 1% of the community's total equalized assessed value should pay 1% of the community's taxes.

The Cook County Assessor assesses all properties in the county. Oak Park's Township Assessor does not assess property, but instead facilitates communication between local taxpayers and the county assessor.

## Q. How often are Oak Park properties reassessed?

A. Every three years. Oak Park will be reassessed in 2011, and again in 2014.

## Q. How is the assessed value determined?

A. First, the county assessor estimates the market value of property. Ordinarily, this is the price a buyer would pay for property offered for sale on the open market.

If the seller of a property is under duress, such as when a property is sold under threat of foreclosure, the sale price may not represent the property's true market value. The prices of properties sold under such circumstances are often not included when the assessor is estimating market value.

## Q. But my home hasn't sold recently. How is its value determined by the assessor?

A. The assessor reviews current sale prices of homes in your neighborhood to estimate the market value of all similar homes nearby, including those that have not sold recently.

## Q. Why is my assessed valuation different from my property's market value?

A. Cook County requires that homes, condominiums, and small apartment buildings be assessed at 10% of market value, and that other property types be assessed at different percentages of value. Major property classes and assessment percentages are:

Homes and Condominiums	10%
Apartment buildings (6 units or less)	10%
Apartment buildings (7 units or more)	10%
Industrial Property	25%
Commercial Property	25%

Cook County is the only county in Illinois where assessment levels vary by property class. This system reduces the tax burden on residential properties while increasing it on businesses.

## Q. Explain multipliers and equalized assessments.

A. Although Cook County assesses properties at different levels, state law requires that a county's overall level of assessment equal 33% of the market value of all county properties. To reach the 33% level, the state increases each assessment by a uniform factor known as the state multiplier or equalizer.

Multiplying a property's assessment by the equalizer yields the equalized assessment. The equalized assessment is then reduced by exemptions, (see next section) and the result is multiplied by the community tax rate. This final calculation yields your tax bill.

## Q. What is the homeowner exemption?

A. The homeowner exemption reduces the taxes on owner-occupied homes, condominiums and small apartment buildings. Homeowners should apply for the exemption when applications are mailed. Those eligible for the exemption who have not received it should call our office for refund information.

## Q. What is the 7% assessment cap?

A. In the days of rapidly increasing property values, the state legislature approved a program called the 7% assessment cap that was designed to limit tax increases as a result of reassessment. The program created a variable homeowner exemption that sought to shield assessment increases of more than 7% from taxation.

But the era of rapidly increasing property values is long gone, as is the original rationale for the 7% cap. Accordingly, the 7% program is being phased out. The phase out, however, is being accomplished very slowly, which means that the 7% cap will continue to influence property tax bills in Oak Park until at least 2014.

In light of the declining market, the easiest way to explain the 7% cap today is that it provides large money-saving homeowner exemptions to some owner-occupied homes. The approximate value of the exemptions in 2011 will vary between \$500 and \$2,000. In 2013 and 2014, the maximum value of the exemption will decline.

The reasons for the variations in the exemption are complicated. In general, however, newer homeowners usually have the smallest exemption values, whereas longer term homeowners are apt to have the highest exemption values.

## Q. What if I think my assessment is too high?

A. File an appeal. Appeals typically arise when:

- There are errors in your home's characteristics file.
- Your home's assessment is higher than that of comparable properties in your neighborhood.
- Your recently purchased your home for less than what the home is assessed for.
- Your house is in a very poor state of repair or has suffered structural damage.
- Negative conditions in the area around your property or other factors reduce your home's value.

## Q. Does the county assessor know the size and other characteristics of my property?

A. Yes. The assessor maintains a characteristics file on each property which we can give you. Errors in the file can be corrected by filing an appeal.

## Q. How do I appeal my assessment?

A. The township assessor can help you prepare the evidence you will need to support your appeal.

The county assessor accepts appeals every year during a 30-day period. If you miss the appeal period or dispute the assessor's decision, the Cook County Board of Review also has a 30-day appeal period each year.

## Q. Explain how condominiums are assessed, and how to appeal the assessments.

A. Condominium assessed values are determined by first analyzing all recent sales within a particular condominium building. This allows the county assessor to determine a value for the entire building. Each unit is then assessed in proportion to the building's total value.

A typical appeal challenges the value arrived at for the entire building. Individual condominium unit owners have the right to appeal their individual assessments, but the condominium association acting on behalf of the entire building is more apt to succeed. This is because the association typically has more of the information needed to challenge a building's total value than does an individual unit owner.

## Q. If I take out a building permit for work on my house, will my assessment increase?

A. Not in most cases. Common upgrades such as kitchen updates, new roofs, and porch upgrades usually do not lead to higher assessments. However, upgrades that increase a property's living space will result in higher assessments, as will a new garage.

Upgrades that trigger increased assessments receive the home improvement exemption, which defers improvement-related assessment increases for four years. The exemption is automatically applied, but is available only for the first \$75,000 in improvements.

Building permits, issued at Village Hall, keep Oak Park's housing stock at a high level and can act as a consumer protection device. We urge residents to obtain them when improving their property.