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**PROPERTY TAX RATES STUDY SHOWS WIDE RANGE
OF EFFECTIVE RATES ACROSS NORTHEASTERN ILLINOIS**
Rising property values, tax caps result in falling rates over last five years

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CHICAGO – A study by the Civic Federation compares effective tax rates for selected communities in northeastern Illinois, and finds that, although many taxpayers may be paying significantly higher property tax bills, the effective property tax rate has fallen significantly over the last five years.

The study, to be released Monday, computes the effective tax rate – the percentage of full market value paid in property taxes during a given tax year – in Chicago and 22 other communities in Cook, DuPage, Kane, Lake and Will counties. In tax year 2003, the study found the lowest rate, 0.84%, in Oak Brook; the highest effective property tax rate was in Harvey, where the estimated rate for industrial properties was 10.88%.

“The Civic Federation provides this report to allow apples-to-apples comparisons of the property tax rates in communities throughout northeastern Illinois,” said Laurence Msall, president of the Federation. “While there is substantial variation in the effective rate in different communities, this study shows that rising property values and legislated caps on property tax rates and levies have resulted in reductions in the average effective rate for property owners throughout metropolitan Chicago.”

Msall stressed that the study's rates are estimates based on the median level of assessment within a given community. “Individual property tax rates may vary significantly from the average because of the number of variables that must be applied to compute the tax bill for any specific property,” he said. For example, the effective tax rates were not adjusted to reflect homestead or senior citizen exemptions.

In addition, Cook County's residential, commercial and industrial property is assessed at different statutory rates, resulting in lower effective tax rates for residential property and higher rates for commercial and industrial properties. Other counties in Illinois simply assess all properties at the same statutory rate.

The effects of Cook County's differing assessment rates are reflected in the study's analysis of communities that straddle county lines. For example, in Elk Grove Village, residential properties on the Cook County side of the border were taxed at an effective rate of 1.32%, commercial properties at 4.02% and industrial properties at 4.43%. All types of property on the DuPage side of Elk Grove Village were taxed at an effective rate of 1.73%.

On the Cook County side of Buffalo Grove, residential property holders were taxed at an effective rate of 1.53%, commercial at 5.13% and industrial at 5.66%. On the Lake County side of Buffalo Grove, all types of property were taxed at the same average effective rate, 2.14%.

By comparison, on the Will County side of Naperville, property in all classes was taxed at an effective rate of 2.07%, while the effective tax rate on the DuPage side of the city was 1.74%.

The Civic Federation study found that a few communities saw a five-year increase; the effective rate for residential property in Harvey rose from 3.26% to 3.73%, and Elk Grove Village properties in DuPage County increased from 1.66% to 1.73%.

The effective tax rates in the Civic Federation study are based on data from the Illinois Department of Revenue and the Clerks of Cook, DuPage, Lake, Kane and Will Counties. The County Clerks supplied the composite property tax rates for each tax code within the county, and the state Department of Revenue provided median levels of assessment and the state equalization factor for each county.

The study's authors multiplied the median level of assessment in each community by the state equalization factor to approximate the full market value of the real estate in each community analyzed. Where available, township median levels of assessment were used to provide the most accurate estimates. Otherwise, the study relied on the median level of assessment for the reassessment district.

The Civic Federation appreciates the assistance of the Illinois Department of Revenue, the Clerks of Cook, DuPage, Kane, Will and Lake Counties, and township officials in preparing this report. The complete text of the report will be available Monday at www.civicfed.org.

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The Civic Federation is an independent, non-partisan government research organization founded in 1894. The Federation's membership includes business and professional leaders from a wide range of Chicago-area corporations, professional service firms and institutions.



EFFECTIVE PROPERTY TAX RATES: Select Municipalities in Northeastern Illinois

Purpose

Effective tax rates provide a common denominator for comparing property tax burdens in different jurisdictions over time.

Definition and Use

An effective property tax rate is an estimate of the percentage of a property's full market value paid in property taxes during a given tax year. Multiplying the market value of a home or business property by the applicable effective tax rate would provide an estimate of the property taxes due on that property in the given year. For example, a property with a market value of \$200,000 and an effective tax rate of 2% would have an estimated property tax liability of \$4,000.

By standardizing the expression of property tax burden, effective property tax rates provide a method of comparing property tax burdens in different areas over time. However, these are estimates for the purposes of comparison rather than precise expressions of potential tax burden.

Effective property tax rates should be regarded only as estimates for several reasons. First, there are multiple property tax rates within each municipality, and the effective tax rate calculated here is representative of only one of those tax rates. Second, effective property tax rates are not adjusted for homestead exemptions. Third, the effective tax rate calculations utilize information on the median level of assessment within a given geographical area. While a property is likely to be near the median level of assessment, the actual level of assessment for any given property could be greater or lesser than the median.

Calculation of Effective Tax Rates

The effective tax rates calculated here are based upon data supplied by the Illinois Department of Revenue and the Clerks of Cook, DuPage, Will, Kane and Lake Counties. The County Clerks supply the composite property tax rates for each tax code within the county. The Illinois Department of Revenue supplies the state equalization factor for each county as well as the median levels of assessment.

The median level of assessment is multiplied by the state equalization factor to approximate the percentage of a property's total value that is taxed. This percentage is then multiplied by the tax rate to produce the effective tax rate. The adjusted median level of assessment is used when it is available. Also, the median level of assessment for the most specific geographical area is used when it is available. Therefore, township median levels of assessment are used unless they are unavailable, in which case the median level of assessment for the reassessment district is used.

The assessment levels are those computed by the Illinois Department of Revenue based upon their Assessment/Sales Ratio Studies. For every county except Cook, that median level of assessment is for all types of property. For Cook County, which classifies property for real estate tax purposes, separate medians were computed for the three separate classes listed. Special note should be taken of the Department's ratio studies that indicate that a high coefficient of dispersion for commercial and industrial assessments, which means there is likely to be wide variation within each of these classes from the calculated median, for individual properties whose reported sale prices were included in the study.

**EFFECTIVE PROPERTY TAX RATES
TAX YEAR 2003**

Cook County			
	Residential	Commercial	Industrial
Chicago	1.39%	3.01%	1.76%
Harvey	3.73%	9.38%	10.88%
Chicago Heights	2.83%	7.34%	8.52%
Oak Park	1.87%	5.71%	6.63%
Orland Park	1.78%	4.61%	5.35%
Evanston	1.56%	5.30%	5.84%
Buffalo Grove	1.53%	5.13%	5.66%
Schaumburg	1.50%	4.68%	5.16%
Wilmette	1.33%	4.24%	4.67%
Elk Grove Village	1.32%	4.02%	4.43%
DuPage County			
All Types of Property			
Wheaton		1.80%	
Naperville		1.74%	
Elk Grove Village		1.73%	
Oak Brook		0.84%	
Kane County			
All Types of Property			
Elgin		2.59%	
Aurora		2.23%	
Geneva		2.16%	
Carpentersville		1.93%	
Lake County			
All Types of Property			
Waukegan		2.27%	
Fox Lake		2.14%	
Buffalo Grove		2.14%	
Lake Forest		1.20%	
Will County			
All Types of Property			
Joliet		2.26%	
Naperville		2.07%	
Romeoville		2.02%	
Peotone		1.88%	

**EFFECTIVE PROPERTY TAX RATES
TAX YEAR 2002**

Cook County			
	Residential	Commercial	Industrial
Chicago	1.27%	3.27%	2.05%
Harvey	3.60%	9.86%	11.87%
Chicago Heights	3.10%	8.48%	10.21%
Oak Park	2.09%	6.14%	7.39%
Orland Park	1.95%	5.01%	6.03%
Evanston	1.65%	5.46%	5.70%
Schaumburg	1.55%	4.72%	4.94%
Buffalo Grove	1.54%	5.08%	5.30%
Wilmette	1.43%	4.50%	4.70%
Elk Grove Village	1.31%	3.99%	4.17%
DuPage County			
All Types of Property			
Wheaton		1.81%	
Naperville		1.75%	
Elk Grove Village		1.69%	
Oak Brook		0.86%	
Kane County			
All Types of Property			
Elgin		2.64%	
Aurora		2.22%	
Geneva		2.21%	
Carpentersville		2.03%	
Lake County			
All Types of Property			
Waukegan		2.41%	
Fox Lake		2.22%	
Buffalo Grove		2.13%	
Lake Forest		1.34%	
Will County			
All Types of Property			
Joliet		2.30%	
Romeoville		2.12%	
Naperville		2.09%	
Peotone		1.98%	

**EFFECTIVE PROPERTY TAX RATES
TAX YEAR 2001**

Cook County			
	Residential	Commercial	Industrial
Chicago	1.34%	3.12%	2.95%
Harvey	3.82%	10.93%	11.26%
Chicago Heights	3.10%	8.63%	8.89%
Oak Park	1.99%	7.48%	7.70%
Orland Park	1.93%	5.11%	5.26%
Evanston	1.79%	5.62%	6.22%
Schaumburg	1.71%	4.85%	5.37%
Buffalo Grove	1.67%	4.89%	5.41%
Wilmette	1.38%	4.31%	4.78%
Elk Grove Village	1.33%	4.13%	4.57%
DuPage County			
All Types of Property			
Wheaton		1.93%	
Naperville		1.77%	
Elk Grove Village		1.74%	
Oak Brook		0.90%	
Kane County			
All Types of Property			
Elgin		2.62%	
Geneva		2.21%	
Aurora		2.21%	
Carpentersville		2.10%	
Lake County			
All Types of Property			
Waukegan		2.49%	
Fox Lake		2.36%	
Buffalo Grove		2.10%	
Lake Forest		1.28%	
Will County			
All Types of Property			
Romeoville		2.34%	
Joliet		2.31%	
Naperville		2.06%	
Peotone		1.98%	

**EFFECTIVE PROPERTY TAX RATES
TAX YEAR 2000**

Cook County			
	Residential	Commercial	Industrial
Chicago	1.47%	3.88%	2.91%
Harvey	3.62%	10.52%	10.67%
Chicago Heights	3.10%	9.19%	9.32%
Oak Park	2.10%	7.53%	7.63%
Orland Park	1.87%	5.46%	5.54%
Evanston	1.75%	6.42%	7.03%
Schaumburg	1.75%	5.22%	5.72%
Buffalo Grove	1.72%	5.24%	5.73%
Elk Grove Village	1.44%	4.36%	4.77%
Wilmette	1.36%	4.76%	5.21%
DuPage County			
All Types of Property			
Wheaton		2.05%	
Naperville		1.69%	
Elk Grove Village		1.62%	
Oak Brook		0.96%	
Kane County			
All Types of Property			
Elgin		2.76%	
Aurora		2.30%	
Carpentersville		2.23%	
Geneva		2.21%	
Lake County			
All Types of Property			
Waukegan		2.49%	
Fox Lake		2.43%	
Buffalo Grove		2.01%	
Lake Forest		1.37%	
Will County			
All Types of Property			
Joliet		2.34%	
Romeoville		2.19%	
Peotone		2.00%	
Naperville		1.96%	

**EFFECTIVE PROPERTY TAX RATES
TAX YEAR 1999**

Cook County			
	Residential	Commercial	Industrial
Chicago	1.51%	4.61%	4.34%
Harvey	3.26%	10.51%	11.24%
Chicago Heights	3.15%	10.05%	10.74%
Oak Park	2.33%	8.04%	8.59%
Evanston	1.98%	7.28%	7.70%
Orland Park	1.94%	5.95%	6.36%
Buffalo Grove	1.91%	5.88%	6.22%
Schaumburg	1.75%	5.89%	6.22%
Elk Grove Village	1.47%	4.94%	5.19%
Wilmette	1.46%	5.33%	5.63%
DuPage County			
All Types of Property			
Wheaton		2.14%	
Naperville		1.78%	
Elk Grove Village		1.66%	
Oak Brook		1.05%	
Kane County			
All Types of Property			
Elgin		2.91%	
Aurora		2.51%	
Carpentersville		2.25%	
Geneva		2.17%	
Lake County			
All Types of Property			
Waukegan		2.51%	
Fox Lake		2.33%	
Buffalo Grove		2.16%	
Lake Forest		1.47%	
Will County			
All Types of Property			
Joliet		2.45%	
Romeoville		2.28%	
Peotone		2.21%	
Naperville		1.87%	