Understanding Your Property Tax Bill

How is a tax bill calculated?

Once tax rates for all taxing bodies in a county have been set, the County Clerk must add up the rates which apply to particular areas in the county. Different parts of the county are under jurisdiction of different combinations of taxing districts. The County Clerk divides the county into tax code areas, in which all property is subject to the jurisdiction of the same combination of taxing units and thus has the same combination of tax rates. Aggregate rates are computed for each code area. A tax bill is calculated by multiplying the equalized assessed value of a property (less any homestead exemptions) by the aggregate rate for the tax code area in which the property lies.

The aggregate rate seen on a bill will be a combination of a county rate, a township rate, a school district, a city rate (if a taxpayer lives within the boundaries of an incorporated municipality), and rates for any special districts, such as fire, sanitary, etc., which service the area. In Illinois, the rate is generally expressed in terms of dollars per hundred dollars of equalized assessed valuation (the same as a percent).

As an example, an aggregate rate of 9.964 might include:

County 1.068

City   2.570

School District 4.485

Jr. College   .420

Forest Preserve District   .080

Sanitary District   .525

Park District   .816

Total   9.964

A taxpayer whose home had an equalized assessed value of $20,000 (after the homestead exemptions were deducted) would have had, based on this rate, a tax bill of $1,993.

Can you define the terms used on my tax bill?

Fair Cash Value - The amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller.

Assessed Value - The value placed on property for tax purposes and the basis for determining what portion of the overall tax burden each property owner will bear. Equalization Factor or Multiplier - The equalization factor (sometimes called a multiplier) is the tool used to bring all property to a uniform level of assessment.

Equalized Assessed Value (EAV) - The equalized assessed value, or EAV, is the result of applying the state equalization factor to the assessed value of a parcel of property. Tax bills are calculated by multiplying the EAV (after any deductions for homesteads) by the tax rate.

Exemption - The removal of property from the tax base. An exemption may only be a portion of the equalized assessed value, such as a homestead exemption, or for the complete amount of the equalized assessed value, such as a church building used exclusively for religious purposes.

Tax Rate - The amount of tax due, stated in terms of a percentage of the tax base. (Example: $6.81 per $100 of equalized assessed valuation (equal to 6.81%). You can obtain this percentage by dividing the levy for a fund by the equalized assessed value for the taxing district. Some funds have a maximum statutory tax rate that may not be exceeded. The sum of the fund rates equals the total district rate.

Taxing District - (amount of taxes collected for each district) - Any unit of local government, school district or community college district with the power to levy property taxes.

Tax Code - A number used by the county clerk that refers to a specific combination of taxing bodies.

This comes from: http://tax.illinois.gov/LocalGovernment/PropertyTax/taxbill.htm