



WORSEK & VIHON LLP

# DECONSTRUCTING PROPERTY TAXES AND ASSESSMENTS

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**Worsek & Vihon is a boutique law firm singularly focused on real estate tax matters and is committed to delivering superior results.**

Worsek & Vihon believes that the client comes first. Dedicated to minimizing property tax liabilities while providing extraordinary client service, Worsek & Vihon has developed a reputation for achieving successful results through strategic tax portfolio management, well-researched, creative appeal and aggressive advocacy. The Firm, which was founded in 1983, includes veterans of the Cook County State's Attorney's Office, Cook County Assessor's Office, the Cook County Board of Review, as well as large law and public accounting firms.

Cook County is the second-largest county in the United States, with over 1.9 million parcels of property, 1.2 million of those classified as residential. With the City of Chicago being reassessed in 2024, we wanted to provide information on assessments and the appeal process.

## **Triennial Reassessment Cycle**

Cook County is divided into three distinct areas for reassessing purposes: The City of Chicago, the North Suburban areas, and the South Suburban areas. These three areas are reassessed every three years. The following is the future calendar of when each of the three areas will be reassessed:

City of Chicago - 2024, 2027, 2030

North Suburbs - 2025, 2028, 2031

South Suburbs - 2026, 2029, 2032

## **Three Levels of Appeal:**

- 1) Assessor's Office- Initiates the process with a proposed value (assessment notices mailed)
- 2) Board of Review - Reviews the Assessor's values upon appeal
- 3) PTAB/Court - State Board or Circuit Court reviews actions of assessing agencies upon appeal

## **The Appeal Cycle:**

Any property owner in Cook County is eligible to appeal their property assessments. Further, taxpayers can appeal their assessed values every year. The time to appeal is set by the different assessment agencies. These dates are set throughout the year. Property owners should act upon receipt of reassessment notice. A taxpayer has 30 days after the notice is mailed to file an appeal. If you wait until the tax bill is issued, you've already missed the boat!



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## **Condominium Assessment**

The entire condo building is assigned an overall assessed value. This assessed value is then broken down using each individual unit's percentage of interest. This ensures that units with the same percentage interest in the association are assessed in a uniform manner.

For this reason, both the Assessor's Office and Board of Review encourage the entire association to file as a whole. Their main goal is to keep uniform assessments within the association. When an appeal *does not* include all units, it creates a situation where identical units in the building may have different assessed values. This lack of uniformity results in confused and unhappy unit owners and will likely trigger lots of phone calls to the property manager.

An appeal of the assessed value will never have a negative impact on the unit owner. Whether they be a new owner, a senior receiving all available exemptions, or an investor who rents out the unit, there is one simple rule to follow:

**EVERYONE SHOULD BE PART OF THE APPEAL**

**Your Cook County Tax Bill:**

$$\begin{array}{r} \text{Assessed Value} \\ \times \quad \text{State Equalization Factor} \\ - \quad \text{Exemptions (if any)} \\ \times \quad \underline{\text{Local Tax Rate}} \\ = \quad \text{TAXES} \end{array}$$



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## **Equalization Factor (Cook County)**

Assigned by the Department of Revenue to each county every year to bring aggregate assessment level to 33.33% of recent sales.

- 101 of 102 counties almost always have a factor of 1.0. Then there is Cook County . . .
- Cook County Equalization Factor:

<u>Year</u>	<u>Factor</u>
2022	2.9237
2021	3.0027
2020	3.2234
2019	2.9160
2018	2.9109
2017	2.9627
2016	2.8032
2015	2.6685



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## **Tax Rate**

The amount to be collected by all taxing bodies within the district, expressed as a percentage of equalized assessed value.

- Historical rates for City of Chicago:

2022	7.0350%
2021	6.6970%
2020	6.9110%
2019	6.8900%
2018	6.7860%
2017	7.2660%
2016	7.1450%
2015	6.8670%

## **Tax Bills**

In Illinois, property tax bills are paid in arrears. This means that the tax bill you receive is for the previous year's taxes. For example, the tax bill you receive in 2024 will be for the taxes due for 2023.

Property tax bills are mailed out twice a year. The first installment is always 55% of the total of the previous year's tax bill. The second installment is the remainder of your total tax bill and reflects any revised assessed values, the new tax rate, new equalization factor and any exemptions that the property owner has applied for and been found eligible.



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## **Exemptions**

If you own and occupy your property as your principal place of residence, you are eligible to receive the **Homeowner's Exemption**. The Homeowner's Exemption allows homeowners to receive property tax savings by reducing the equalized assessed value.

If you have already applied for and receive the Homeowner's Exemption, the exemption automatically renews every year. If you have not been receiving the Homeowner's Exemption and wish to apply, you may do so online by visiting: <https://www.cookcountyassessor.com/homeowner-exemption>

If you are 65 years of age or older, and you also own and occupy your property as your principal place of residence, you may also be eligible to receive a **Senior Exemption**. Like the Homeowner's exemption, the Senior Exemption allows senior homeowners to receive further property tax savings by reducing the equalized assessed value. This exemption is also automatically renewed by the Assessor each year. If you wish to apply to receive the Senior Exemption, please visit <https://www.cookcountyassessor.com/senior-citizen-exemption>

The Assessor has indicated that their office will begin accepting applications for the Homeowner's and Senior Exemptions for tax year 2023 in early spring of 2024.





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### Assessment - Cook County

	<u>Assessment Level</u>
Residential Property	10%
Commercial/Industrial	25%
Market Value (Residential)	\$250,000
Assessment Level	x <u>10%</u>
Assessed Value	25,000
Market Value (Commercial)	\$250,000
Assessment Level	x <u>25%</u>
Assessed Value	62,500

### All Other Illinois Counties

Assessment Level	33%
Market Value	\$250,000
Assessment Level	x <u>33.33%</u>
Assessed Value	\$ 83,325



## TAX CALCULATION SAVINGS ILLUSTRATION

The following is an example of how a successful appeal would result in tax savings:

	<u>PROPOSED</u>	<u>After Appeal</u>	
<b>PROPERTY VALUE</b>	<b>\$250,000</b>	<b>\$215,000</b>	
<b>ASSESSMENT (10%)</b>	<b>25,000</b>	<b>21,500</b>	
<b>EQUALIZATION FACTOR*</b>	<b>2.9237</b>	<b>2.9237</b>	
<b>EQUALIZED ASSESSMENT</b>	<b>73,093</b>	<b>62,860</b>	
<b>TAX RATE*</b>	<b><u>7.035%</u></b>	<b><u>7.035%</u></b>	
<b>TAXES (excluding exemptions)</b>	<b>\$5,142.09</b>	<b>\$4,422.20</b>	<b>\$719.89 (SAVINGS)</b>

\* Estimated savings based on the last known equalization factor and tax rates (2022)



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During more than forty years in practice, Worsek & Vihon has helped thousands of condominium, cooperative apartment and townhome associations evaluate and appeal their property tax assessments. In 2024, all property in the City of Chicago will be reassessed. Owners of property in this area should seek counsel to determine if an appeal should be pursued.

Worsek & Vihon has invested significant time, personnel, and effort in fighting for fair assessed values in these types of associations. This time and dedication to unit owners has yielded excellent results.

With eight attorneys as well as a staff of 20 other professionals, there is no other property tax law firm better equipped to handle the many complexities of an association tax assessment appeal. Whether it is a single-family home, two-unit building or a 1,000+-unit complex, Worsek & Vihon is ready and able to be of service to your associations.



## **Resources**

- **Cook County Assessor - [www.cookcountyassessor.com](http://www.cookcountyassessor.com) - Assessment and appeal information**
- **Cook County Treasurer - [www.cookcountytreasurer.com](http://www.cookcountytreasurer.com) - Tax bill and exemption information**
- **Cook County Clerk - [www.cookcountyclerk.com](http://www.cookcountyclerk.com) - Delinquent tax information**
- **Cook County Property Tax Portal - [www.cookcountypropertyinfo.com](http://www.cookcountypropertyinfo.com)**