

What can be done to control Real Estate Taxes? Spending

Increase spending = increased tax bills

First, realize more tax spending (bigger budgets) means a bigger tax pie. Taxing bodies can increase spending by issuing new bonds, extending / refinancing existing bonds or pass referendums. In addition, under Illinois law taxing bodies can increase spending by the CPI or 5% per year whichever is less. Plain and simple increase spending increases your taxes; decrease spending decreases your taxes. Even if assessed values decrease, if spending (levy) increases taxes can increase.

What can be done to control the levy (spending)?

Tax Caps have been in place in Illinois since 1998. The legislation is known as PTELL (Property Tax Extension Limitation Law). It has been successful in controlling spending, levy / budget, by limiting increases by lesser of 5% or CPI. Over the past few years, CPI increases have been near 2% per year. Unfortunately, for this tax year the CPI is 4.1%. Due to increasing costs and budget issues, it is very likely all taxing bodies will request increase spending by 4.1%. Taxes are likely to increase by 4.1%.

Public participation

Get involved with your taxing bodies. November is normally the beginning of the budget process for all taxing bodies. Monitor spending by attending budget meetings and request copies of their budget. Another way to get involved is to run for a Board of a local government. In this way, you can help decide how money is spent. Lastly, become a volunteer. Being a volunteer can reduce expenses and therefore taxes.

School Funding

Since schools comprise approximately 70% of your tax bill, how schools are funded is a major issue. The schools rely heavily on property tax as their main source of revenue. It accounts for 65% of the funding. The State only pays 30% of the schools funding. Illinois has the lowest funding per pupil in the country. Lately, there has been much discussion on alternative methods to fund schools. One proposal is to increase income tax to shift the reliance from property tax. Any changes to funding issues must be done in the legislature at the State level.

Information on the Web

The County web site contains a vast amount of information. The web site is www.lakecountyil.gov. The County Clerks office has detailed information regarding levy, assessments and tax rates for all taxing bodies. The web site is <http://www.lakecountyil.gov/cntyclk/tax/taxrate.asp>.