

Tax Year 2021 Bill Analysis

The Cook County Treasurer's Office analyzed nearly 1.8 million property tax bills based on the second and final round of billing for this year.

TOP FINDINGS

Countywide

- Property taxes billed across Cook County rose \$614 million to \$16.7 billion.
- Homeowners are picking up about \$330 million, or 53.6%, of the increase in taxes, while commercial properties such as businesses, industries and large apartment complexes are picking up about \$285 million, or 46.4%.*

The Recapture Provision

- A change in Illinois' complex tax code led to an additional \$131 million being tacked onto bills. The first-of-its-kind change, known as recapture, allows many local governments to increase property taxes by the amount of money they had refunded to property owners who appealed their taxes the previous year — in essence, recovering that lost money.

The TIF Effect

- Property assessment increases in Chicago resulted in an extra \$141 million flowing into Tax Increment Finance districts, created to spur economic development in distressed areas. Little of that extra money did anything to relieve the overall burden on homeowners.^

City of Chicago

- The new state recapture provision, the TIF effect and significantly increased tax levies for City Hall and Chicago Public Schools boosted the overall property tax burden in Chicago by \$468 million, with homeowners picking up about 60% of the increase.
- Overall assessments of commercial properties grew less than residential values, leading to more commercial property owners than not seeing lower tax bills, while more homeowners than not will see their tax bills go up.

- Tax bills for more than 406,000 residential properties increased, while nearly 318,000 went down.
- Tax bills for more than 32,000 commercial properties went up, while nearly 37,000 went down.
- In Chicago, new property assessments, used to determine how much each taxpayer is billed, resulted in stark differences across the city:
 - In fast-gentrifying Latino communities on the North and Northwest sides, homeowners' tax bills jumped by some of the highest amounts. The median household taxes in one Latino neighborhood skyrocketed 46%.
 - In contrast, many Black neighborhoods on the South and West sides saw their residential property tax bills drop dramatically, some by as much as 55%.
 - In more affluent neighborhoods on the north Lakefront, taxes rose at a faster pace than elsewhere in the city.
- Despite more commercial properties seeing tax decreases than not, some areas saw significant increases in their bills, including Lincoln Park, the Near South Side and Rogers Park.

North and Northwest Suburbs

- In Cook County suburbs north of North Avenue, taxes rose by a total of \$94 million, with commercial property owners picking up nearly two-thirds of the increase.
- Taxes for more than 20,000 commercial properties increased, while less than 1,700 decreased.
- Taxes for about 305,000 homeowners went up, while 104,000 saw their tax bills go down.

South and Southwest Suburbs

- In the suburbs south of North Avenue, overall taxes rose \$52.5 million, with commercial property owners picking up about two-thirds of the increase.
- Taxes for more than 27,000 commercial properties increased, while taxes for more than 5,000 went down.
- About 293,000 homeowners had higher bills, while about 135,000 were asked to pay less.

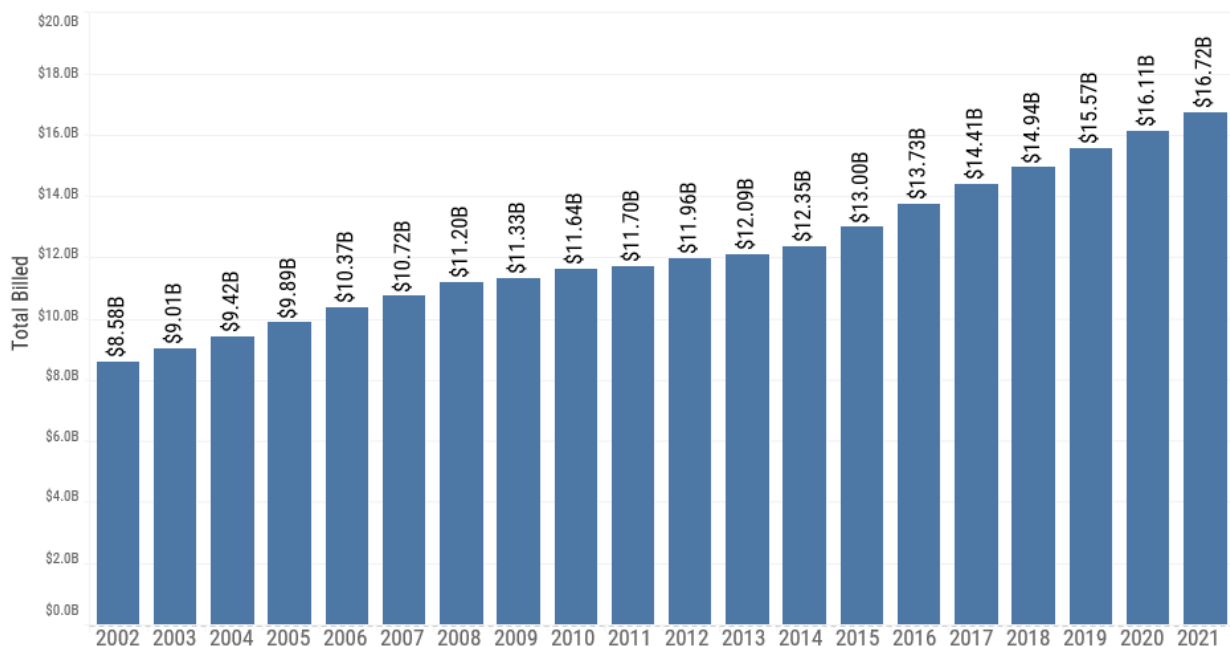
OVERVIEW

The Cook County Treasurer’s analysis reveals how a new state law, a fresh round of property assessments and special taxing districts contributed to a significant hike in taxes for many homes and businesses in the city of Chicago.

The total amount billed countywide for 2021 — to be collected this year — is more than \$16.7 billion. That’s an increase of nearly \$614 million, or more than 3.8%, over 2020.

It is at least the 22nd overall consecutive annual property tax increase in Cook County, according to data kept by the Treasurer’s Office.

20 Year History of Total Property Taxes Billed in Cook County



Chicago property taxes accounted for \$468 million of the \$614 increase. In the north and northwest suburbs, overall taxes increased by nearly \$94 million, while in the south and southwest suburbs taxes went up by \$52 million.

Homeowners across the county this year would pay a total of about \$330 million more in taxes than last year, while owners of businesses and large apartment complexes — categorized in this analysis as commercial properties — would pay \$285 million more.

That, however, doesn’t mean all homeowners and commercial property owners would pay more. Every property is treated differently by the tax system, depending on several factors that include:

- whether local schools, municipalities, park districts and other taxing agencies have increased their levies, the amount of money they seek to collect in property taxes each year;
- if their assessments — estimated property values used to determine each property’s share of the total tax bill — rose or fell in relation to other assessments;
- how their taxes were affected by local special taxing areas known as Tax Increment Finance districts.

The Assessor revalued all Chicago properties, which affected this year’s tax bills.

Residential assessments, after appeals were completed, rose more than commercial property assessments. That means more homeowners than not will see an increase in their bills, while more commercial property owners than not will see their bills go down.

The median property tax for a Chicago home now stands at \$3,599, an increase of \$261. That 7.8% median increase was the highest in Cook County, although a Chicago home’s median tax bill remained one of the lowest in the county.

That’s because Chicago has a stronger commercial base than any suburb, and commercial properties pay far more in taxes, because their assessments — used to calculate tax bills — are 2 ½ times higher than residential assessments. Chicago mayors also have been reluctant to raise property taxes and have often turned to other forms of taxation and fees to generate revenue.

Although tax bills for more Chicago commercial properties decreased than increased, the median commercial bill still rose. It grew by \$1,991 to \$12,448, an increase of 19%.

This year’s bills also reveal how a new state law and the county’s extensive patchwork of Tax Increment Finance districts fueled the overall spike in property taxes.

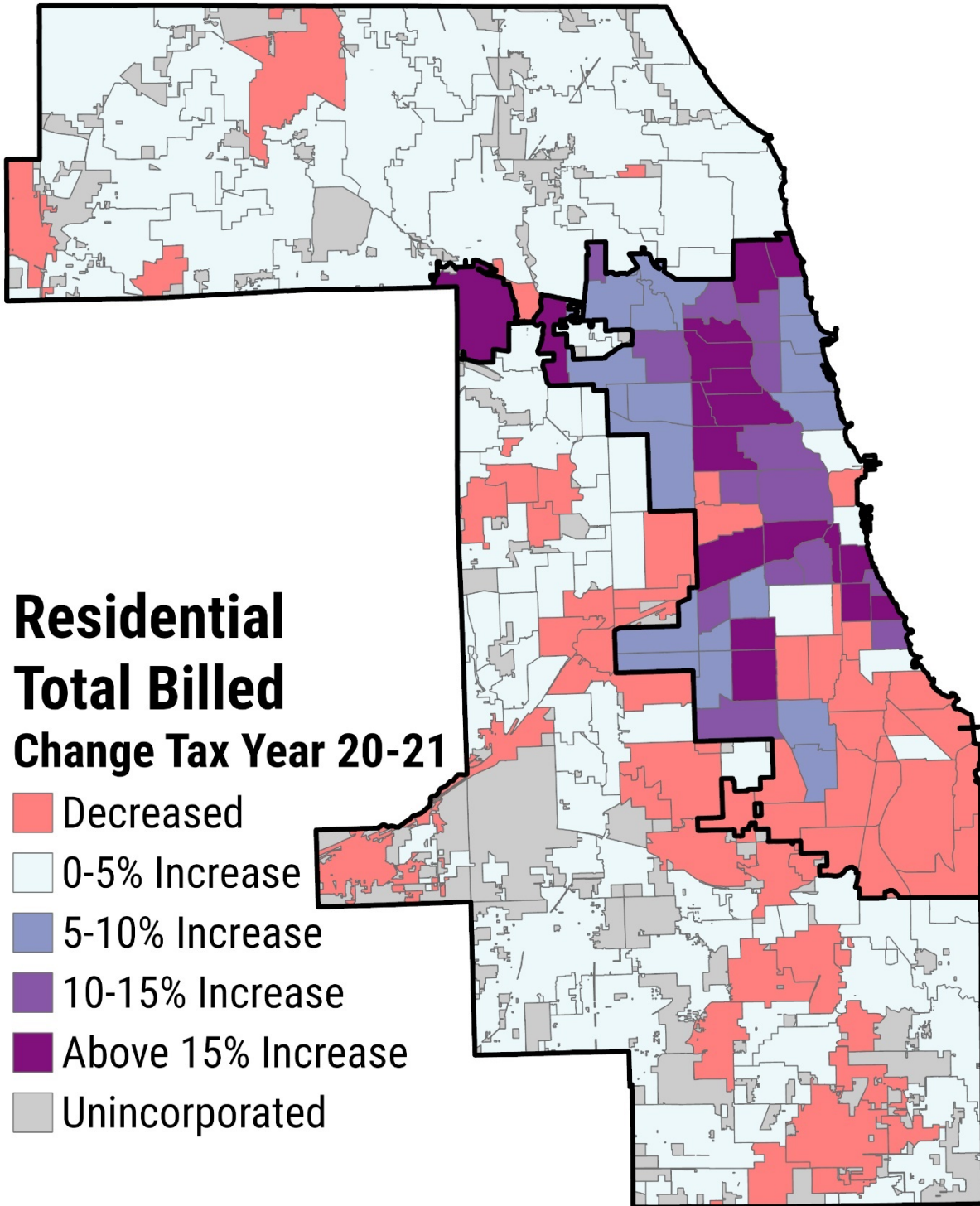
The new law, a “recapture” provision in the state’s property tax code, allows many local governments to recover last year’s refunded taxes that resulted from previous over-assessments on this year’s bills. That provision added \$131 million to Cook County tax bills.

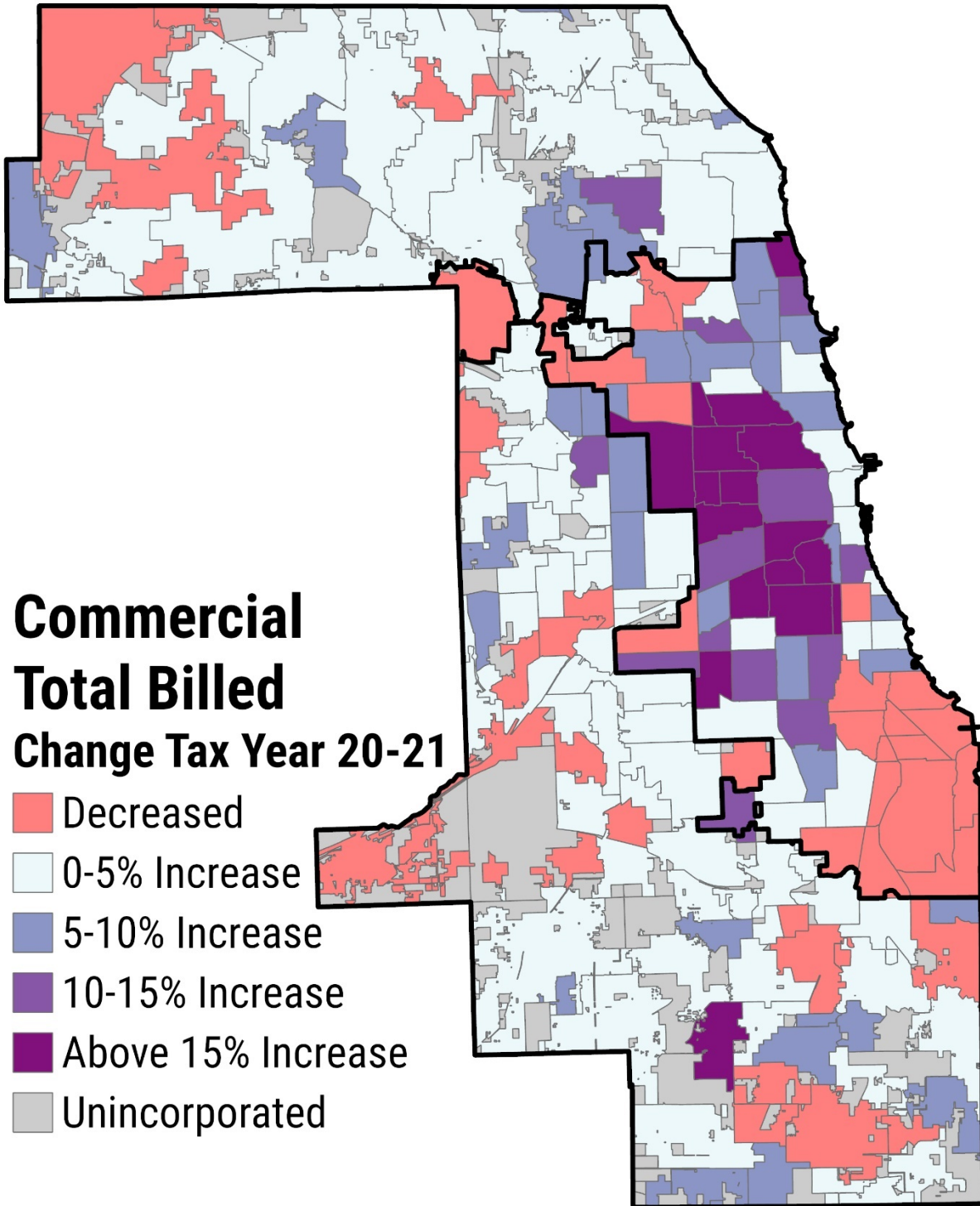
How Property Taxes are Determined

- School districts, municipalities, park districts and other local governments set the levy, or the overall amount of taxes to be collected to pay for their operations.
- The Assessor estimates the value of properties, and sets homeowner exemptions, which are then used to determine what portion of the overall tax bill each property owner pays.
- The Clerk determines the tax rates, based on the levies and overall assessed value in each local government. The assessed value, multiplied by the rate, needs to equal the total levy.
- The Treasurer sends out the bills, collects the money and distributes it to the local governments that set the levies in the first place.

Additionally, increased assessment in the city will pour another \$141 million into Chicago's TIF funds, which already account for more than \$1 billion of the taxes collected in the city. Those funds are designed to spur economic development but do little to pay the day-to-day operations of local governments.

In Chicago's suburbs, far more residential and commercial property owners were hit with increases than received decreases.





THE RECAPTURE INCREASES

A significant chunk of the overall tax increase is due to a [new state law](#) that took effect in the 2021 tax year. As a result of the recapture provision, tax bills across Cook County rose by an extra \$131 million. That accounts for about one fifth of the countywide increase.

The recapture law was designed to allow school districts, park districts and other local agencies to recover the money they repaid to taxpayers who had their assessments lowered by the Illinois Property Tax Appeal Board, state courts or county officials.

In those cases, the money came out of taxing districts' bank accounts, reducing the amount of money they thought they had for paying their bills. Sometimes, when refunds were large, that crimped their ability to provide key services.

When those refunds are made to schools and other taxing agencies whose authority to increase taxes is limited by state law, the county clerk is required to increase their levies — the total amount taxed — in the following year by the amount they were forced to refund.

As a result, some taxing districts received millions of extra dollars this year. They include:

- Chicago Public Schools — \$32.3 million;
- The countywide Metropolitan Water Reclamation District — more than \$7.5 million;
- Arlington Heights Township High School District 214 — \$3.8 million;
- The Chicago Park District — \$3.1 million.

The recapture law will be a permanent boon to taxing districts and an annual burden on taxpayers, given the Clerk is required to make the calculation each tax year.

Some of the biggest changes were in Chicago, where all properties were reassessed. Property assessments are one of the key components for calculating a tax bill, because they determine what portion of the total levy will be billed to each property. Generally, lower assessments result in smaller tax bills.

Another key determinant is the total amount of the combined levies for each of the taxing districts in which a particular property is located. In Chicago, [CPS' tax levy was raised by \\$114 million](#), before the recapture increase, and the city of [Chicago levy was increased by \\$94 million](#). (Chicago and other home rule communities do not receive a recapture because its powers to raise taxes are not limited by state law.)

THE TIF EFFECT

One factor often overlooked that came into stark relief this year is the fact that increases in commercial assessments within Tax Increment Finance districts do little to relieve the property tax burden placed on residential properties.

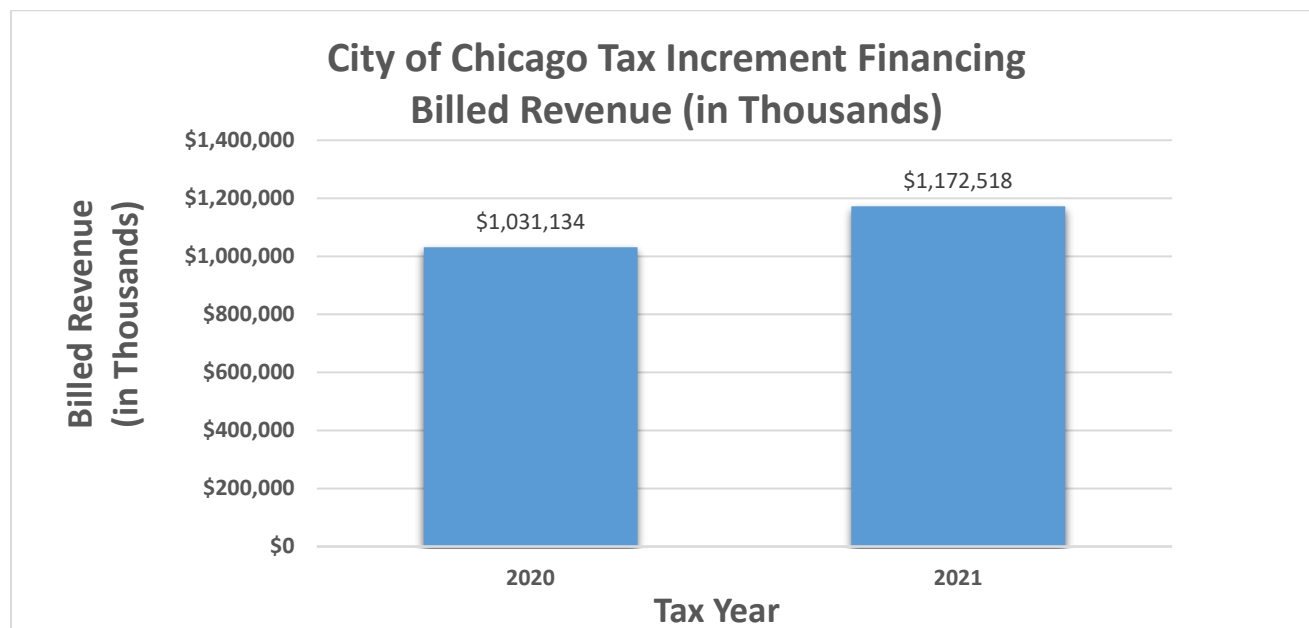
Instead, commercial assessment increases in TIF districts pump more money into TIF-designated funds largely controlled by municipal governments, such as the city of Chicago.

That's because for the 23-year standard life of a TIF district, any additional taxes collected as a result of increases in assessments is funneled into the TIF district to be used solely to promote development and job creation. Those funds can be used, for instance, to build schools, but not for the operating costs of schools, such as teacher's salaries, books, or student lunches.

Take Willis Tower, which has the highest tax bill in the county. Last year, about \$4.2 million out of nearly \$39 million billed for the city's tallest building poured into the LaSalle Central TIF District. This year, after an increased assessment, Willis Tower's owners were billed about \$8.7 million for the TIF District as part of their \$50.2 million bill.

Another example is Google's building at 1000 W. Fulton St. Taxes on that building grew to nearly \$8.2 million this year from about \$7.1 million last year — with an extra \$1.2 million going into the Kinzie Conservation TIF fund.

In Chicago's 131 TIF districts, the total billed was more than \$1.2 billion. That was an increase of nearly \$141 million — accounting for more than a fifth of the overall property tax increase in the city.



That came even though three TIF districts, including the lucrative River South TIF southwest of the Loop and North Branch–North TIF on the Near North Side, expired at the end of last year and are no longer collecting money.

It also came as assessments declined in many areas on the South and West sides of the city, resulting in 27 TIF districts billing less this year. Ironically, those are in areas most in need of economic development.

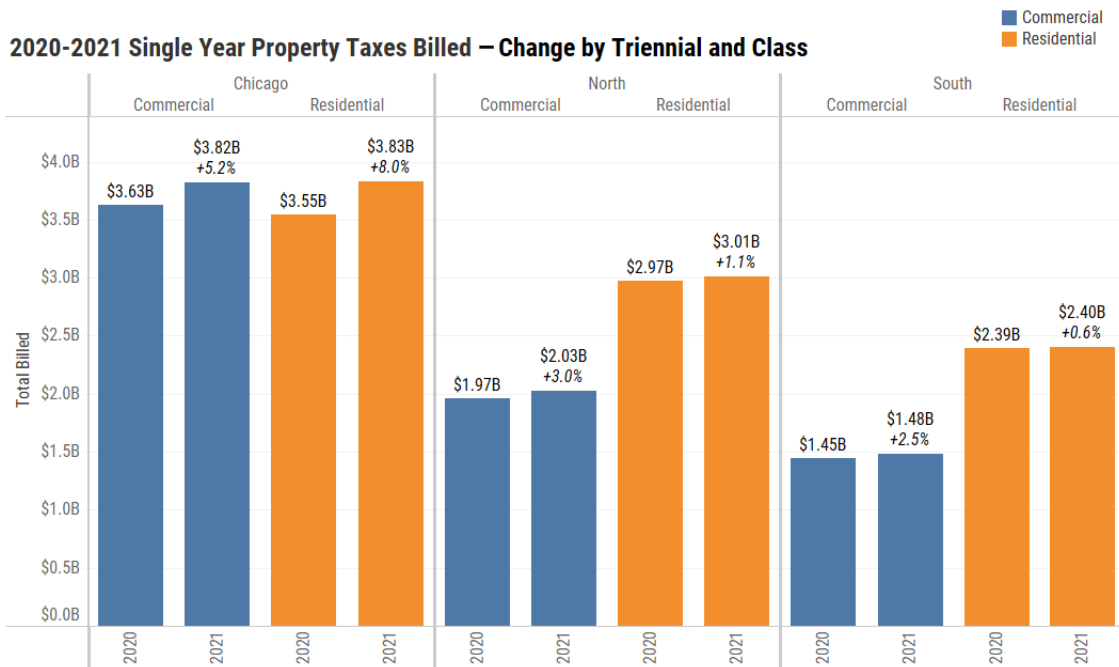
The Galewood Armitage TIF on the far West Side was the biggest loser. It billed about \$6.1 million this year, a drop of \$2.8 million. Another significant reduction occurred in the Lake Calumet TIF on the far Southeast Side. That TIF billed about \$5.4 million, nearly \$1 million less.

COMMERCIAL TO RESIDENTIAL SHIFT

Chicago’s tax bills brought an unanticipated development. During the previous two years, the Assessor’s Office shifted a part of the suburban tax burden from homeowners onto owners of businesses, industrial properties and larger apartment buildings. The same shift was expected for the city.

The Assessor’s initial Chicago property valuations did shift more of the overall burden to commercial properties — leaving commercial properties with 52.8% of the assessed value in the city. That was even after the Assessor lowered his own commercial valuations by nearly \$3.7 billion, or 13%, mostly as a result of property tax appeals, according to data from the Assessor’s Office.

But the Board of Review, which hears appeals, lowered the commercial values by nearly \$6.2 billion, or 24%. When its work was done, values of commercial properties accounted for 47.2% of the assessed value in the city, while residential properties accounted for 52.8% — or 0.7% more than they did before the city was reassessed.



COVID ADJUSTMENTS REVERSED

Also affecting the growth in residential assessment values was the fact that the Assessor in 2020 reassessed all residential properties in Cook County, adjusting their values down between 8% and 12% based on how the Assessor believed the COVID-19 pandemic would affect housing prices. As a result, the total value of residential properties dropped by about 9.3% in Chicago, with those decreases reflected on last year's bills, according to a Treasurer's Office analysis.

At the same time, the Assessor reduced values for some commercial properties, including retail buildings that saw their income fall during the pandemic. That reduction dropped commercial assessments by only 4.4%. The net effect was a 1.3% shift of the tax burden from homes to commercial in Chicago for last year's bills.

However, housing prices did not sink but instead generally rose during the pandemic, and those higher values were reflected in the Chicago reassessments used to calculate this year's bills. As a result, housing assessments rose faster than they would have without the previous COVID adjustments.

Similar steep residential increases are anticipated in the North and Northwest suburbs, which are now being reassessed, for next year's bills. The South and Southwest suburbs could experience the same effect in 2024, after that area is reassessed.

Residential assessments in Chicago grew by nearly 19.6%, after the Board of Review adjustments, while commercial assessments grew by 16.6%. As a result, about half of last year's residential-to-commercial shift was wiped out.

CITY OF CHICAGO

In Chicago, total property taxes billed this year totaled \$7.7 billion, an increase of nearly \$468 million. Residential taxes jumped by \$283 million, while commercial property owners saw their tax bills rise by \$189 million.

That doesn't mean all homeowners will see bigger percentage increases, or any at all, than commercial property owners. Or that all commercial property owners got off easy in comparison to homeowners.

Each individual tax bill depends on a number of varying factors: the state of the hyper-local economy; changes to properties; and the neighborhood housing market — as well as whether the properties lie in a TIF district or other special taxing area.

In the end, more than 406,000 residential tax bills went up, while nearly 318,000 went down. More than 32,000 commercial tax bills went up, while nearly 37,000 went down.

The median commercial bill in the city increased by more than 19%, rising to \$11,496. The median residential bill increased by about 7.8% to \$3,599.

Residential taxes went up far more in some areas than others and decreased in some economically struggling neighborhoods.

In the Lower West Side, a predominantly Latino community area about three miles southwest of the Loop, the median tax bill rose to \$7,239, an increase of \$2,275, or 46%.

In Avondale, a predominantly Latino community straddling the Kennedy Expressway on the Northwest Side, the median residential bill rose to \$7,601, an increase of 27%. In gentrifying Logan Square just to the south of Avondale, the median residential bill increased to \$8,609, or 18%.

In the majority-minority Irving Park Community Area on the Northwest Side, the median bill rose to \$6,999, an increase of 21%. And in North Center, an increasingly upscale North Side community area, the median bill rose to \$11,463, an increase of 11%. That community area had the highest median residential tax bill in the city.

In contrast, several predominantly Black community areas on the South and West sides saw their tax bills drop significantly.

The median tax bill in West Garfield Park, a West Side community, the median tax bill dropped to \$1,345, a reduction of nearly 45%. In Greater Grand Crossing, on the mid-South Side, the median tax bill dropped to \$1,542, a 36% reduction.

In Fuller Park on the mid-South Side, the median bill dropped to \$909, about 46% less than last year. And in Englewood, the median bill was \$804 — or nearly 44% less than last year.

The lowest tax bill in the city was in Riverdale at the southern tip of the city. The median bill there was \$515, which was a reduction of 55%. The next lowest median bill was in West Englewood on the mid-South Side, where it was \$677 — 48% less than it was last year.

Even though commercial property tax bills were more likely to decrease in the city, there were some striking outliers, mostly in or near downtown or on the North Side.

The median commercial bill in Lincoln Park was \$29,102, a jump of 76%. In the Near North Side Community Area, the median bill was \$33,207 — an increase of 48%.

In the majority-minority Near South Side, the median commercial tax bill was \$17,230, more than three times higher than last year. And, in Rogers Park, the median commercial bill rose to \$22,962, more than double what it was last year.

Decreases of a \$1,000 or more in commercial median taxes occurred in several predominantly Black community areas on the South Side. They include Pullman, Burnside, Chatham, Calumet and South Chicago community areas.

(To see how residential and commercial tax bills changed in Chicago, its community areas and wards, as well as each suburb, see the data section of this study.)

Taxes for booming, large commercial buildings also jumped in many cases. Along with Willis Tower, where taxes rose by \$11.4 million to \$50.2 million, the Tootsie Roll factory on the far Southwest Side saw its taxes increase by nearly 54% to about \$1.2 million.

Smaller businesses also saw significant jumps. JJ Fish on the 5500 block of West Chicago Avenue saw its taxes go up 61% to \$12,293.41.

Hardest hit were large apartment buildings and industrial buildings.

Apartments are often cited as [among the most under-assessed](#) — thus the most under-taxed — properties in the city. Overall, taxes on apartment complexes with three or more stories and seven or more units were taxed more than \$294 million — a \$42 million increase over last year. Part of that is explained by higher assessments, but it's also important to note that there are 106 more large apartment buildings being taxed this year than last.

Taxes on industrial buildings in the city rose to nearly \$272 million, an increase of more than \$65 million from last year. That increase came even though there were 120 fewer industrial buildings being taxed. Industrial buildings, like apartment complexes, became more valuable during the Pandemic.

Nevertheless, most commercial properties caught a break this year. One example is the Method soap factory in Pullman, which saw its bill decline by \$18,000 to about \$636,000.

NORTH AND NORTHWEST SUBURBS

In the Cook County suburbs north of North Avenue, where properties are currently being reassessed for next year's bills, overall taxes are up by nearly \$94 million, to nearly \$5.1 billion, an increase of 1.9%. Commercial properties were hit with nearly \$60 million of that increase, while homeowners are being asked to pay nearly \$33 million more

Far more commercial properties saw increases in their bills. More than 20,000 increased, while nearly 1,700 saw decreases. And about 305,000 homes were billed more, while about 104,000 were billed less.

The median commercial tax bill was \$28,710, an increase of \$1,104, while the median residential bill was \$6,057, or \$44 more.

Because homes were not reassessed in this area for this year's bills, the increases are mostly due to hikes in tax levies passed by local governments. Taxes can also grow when new properties are developed.

The suburb with the biggest percentage increase in total taxes in the North and Northwest suburbs was Morton Grove, where taxes rose by \$3.2 million or 11.4%, followed by River Grove, with an increase of more than \$1 million, or 8.7%, and Niles, where taxes went up by \$5.2 million, or 8.1%.

In Niles, the Village Board of Trustees [voted recently to increase the municipal levy by 63%](#) to start paying more into its underfunded police and fire pension funds.

In Glencoe, homeowners saw the biggest increase in median bills in the region. There, the median tax bill grew by \$383 to \$19,240, in part because [the local school district slightly increased taxes for its 2021-22 school year budget](#), for which taxes are now being collected.

The median residential bill in Schiller Park rose by \$59, to \$4,924. In Niles, it rose by \$182, to \$5,278. Still, the median taxes in those towns are some of the lowest in the North and Northwest suburbs.

Several suburbs other than Glencoe saw the median residential tax rise by more than \$200. They are Barrington Hills, where the median increased by \$259 to \$15,251; Barrington, where the median rose by \$207 to \$8,246; Prospect Heights, where the median grew by \$228 to \$4,853; and South Barrington, where median grew by \$233 to \$15,631.

The Barrington School District 220 Board of Education [voted to increase its taxes by \\$5.4 million for the 2022 school year](#).

There also were some suburbs where the median residential bill declined. The biggest dollar decrease was in the tiny north suburban village of Golf, where the median tax bill declined by \$247 to \$17,392. Other suburbs with decreases of more than \$50 include

Franklin Park, where the median declined by \$70 to \$4,746; and Winnetka, where it dropped \$82 to \$20,658.

The highest median tax was in Kenilworth, where it was \$28,857. The lowest was in Northlake, where the median declined by \$42 to \$4,650.

Commercial properties were hit harder in this region, with 17 suburbs — more than one third of those in the north and northwest suburbs — that saw their median commercial tax bill rise by \$1,000 or more.

The biggest increase was in Rosemont, which is heavily dependent on visitors to hotels, entertainment venues, a nearby casino in Des Plaines and a shopping mall. The median commercial bill there increased by more than \$33,000, to \$187,219, an increase of nearly 22%.

SOUTH AND SOUTHWEST SUBURBS

In the suburbs south of North Avenue, total taxes billed rose to more than \$3.9 billion, an increase of nearly \$52 million. Commercial properties are being billed \$35 million more, while homeowners are on the hook for an extra \$14 million.

In these areas, more than 27,000 commercial properties saw their taxes go up this year, while about 5,000 saw their taxes go down. And about 293,000 homes had higher bills, while about 135,000 were asked to pay less.

The median tax on a commercial property in the south and southwest suburbs grew by 3% to \$15,362, while the median residential bill decreased by \$2, to \$4,917.

Differences across this region were stark, with overall taxes dropping in 23 of 87 suburbs while increasing in the rest.

The biggest overall percentage increases in total taxes were in Country Club Hills, where taxes rose by 24% to \$58.9 million; Merrionette Park, where taxes increased by 8% to \$5.6 million; Burnham, where taxes rose by 4.9% to more than \$11 million; and Lynwood, where the total taxed grew by 4.6% to \$21.1 million.

The biggest overall percentage decrease in total taxes was in financially destitute Ford Heights, where the total billed declined by 7.4% to about \$4.1 million. Taxes dropped by 2% or more in other economically struggling, minority suburbs. They include Dixmoor, Phoenix and Chicago Heights. Taxes dropped by 2% or more in McCook, Summit and Lyons.

Again, each individual bill will depend on many factors, as shown in the median residential and commercial bills in the south and southwest suburbs.

The largest dollar increases in median residential bills were in Park Forest, where the median bill rose \$320 to \$4,549; Ford Heights, where the strikingly low median bills on homes rose by \$260 to \$778; and Olympia Fields, where the median residential bill grew by \$219 to \$8,449.

Suburbs where the median residential bill declined the most were in Country Club Hills, where it dropped by \$333 to \$4,869; Summit, where it decreased by \$245 to \$4,708; and Glenwood, where it dropped by \$217 to \$4,176.

Homeowners in Maywood and Bellwood also caught a break. In those suburbs, the median residential bill dropped by \$170 or more.

The median commercial tax bill rose by nearly \$3,000 in Oak Forest, where it climbed to \$14,268, and by more than \$2,000 in Matteson, where it increased to \$40,964; Richton Park, where it grew to \$40,248; and Burnham, where it grew to \$6,817.

There also were some sharp drops in commercial median bills. Suburbs where that occurred include Olympia Fields, where it dropped by \$13,387 to \$43,099; Hometown, where it decreased by \$6,485 to \$36,539; Sauk Village, where it decreased by \$2,484 to \$28,415; and Ford Heights, where it decreased by \$1,755 to \$20,978.

It's important to note that sometimes median commercial bills can swing significantly in from one year to the next if new businesses start operations or if existing businesses depart.

CONCLUSION

This year's tax increases are driven largely by three factors:

- Whether local governments voted to approve higher overall tax levies. When those governments increase the amount they seek to collect, overall taxation in the area they serve goes up.
- The new recapture provision in state property tax code accounted for about one fifth of the overall countywide tax increase.
- Assessment increases in the city's myriad TIF districts pumped an extra \$141million into discretionary funds designed to promote economic development, with little of that money helping to relieve the burden on residential taxpayers.

About 44% of the overall increases in taxes across the county were the result of the recapture law and the TIF effect. Most of the rest resulted from substantial increases in the levies approved by Chicago Public Schools and the City Council.

But the overall increases in city taxes ended up not affecting many Black communities on the South and West sides, where tax bills actually decreased, while hitting Latino areas on both the Southwest and Northwest sides particularly hard. Also receiving significantly higher property tax bills are communities along the north Lakefront and on the Northwest Side.

** The figures do not include the amount taxed on vacant properties or the taxable portions of properties owned by nonprofits.*

^Some of the money from the city's transit Tax Increment Finance funds is distributed to local taxing bodies.