



Executive Summary

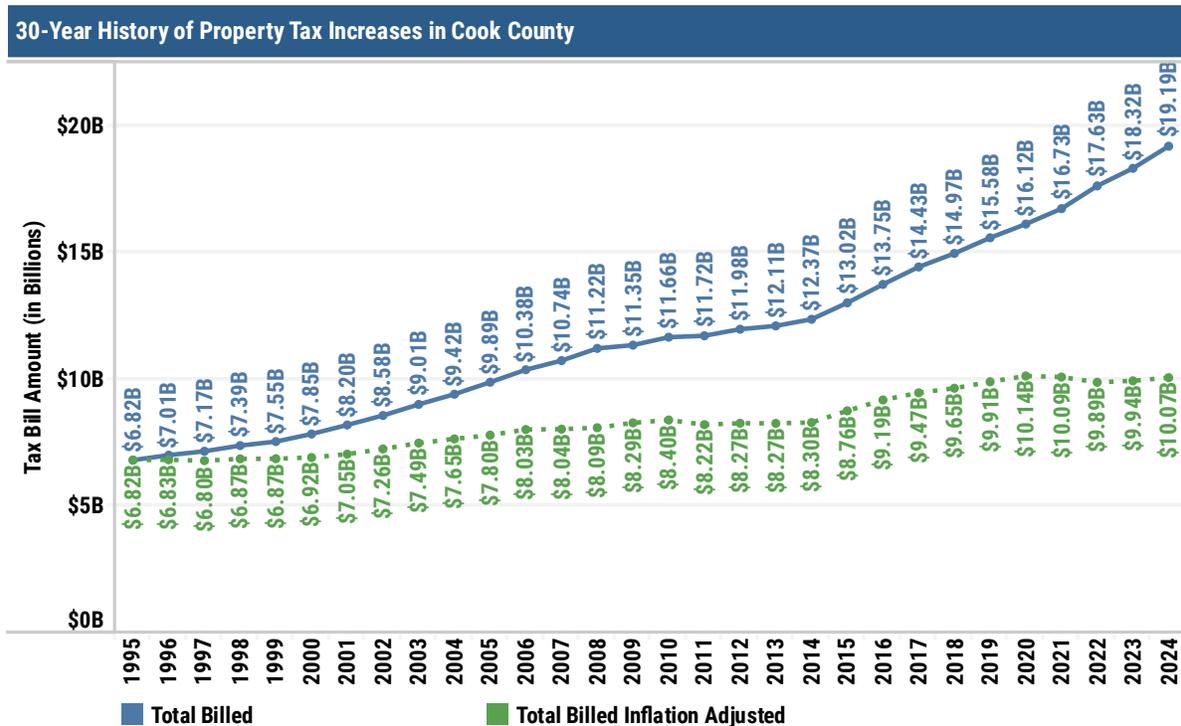
How State Laws Failed to Stop Decades of Skyrocketing Property Taxes

Cook County Treasurer Maria Pappas
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Property taxes in Cook County increased at double the rate of inflation and well above the rate of wage growth during the past 30 years, a study by Cook County Treasurer Maria Pappas found.

Local governments in Cook County imposed \$19.2 billion in property taxes in 2024, up nearly 182% from the \$6.8 billion taxed in 1995, according to the report.

During those three decades, inflation rose by 91%, while average wages grew by about 161%. That means property owners now must devote a larger percentage of their earnings to taxes and, if the trend continues, even more in the future.



Although the state Property Tax Extension Limitation Law, or PTELL, was designed to limit tax increases to the rate of inflation or 5%, whichever is less, local officials took advantage of that law's loopholes to enact tax increases that substantially exceeded that limit.

For example:

- K-12 school districts, which accounted for 55% of county property taxes in 2024, increased property taxes to \$10.5 billion from \$3.64 billion, or 189.4%, over the 30-year period.

- Cities, villages and towns, which accounted for 18% of the total tax tab, hiked property taxes to \$3.51 billion from \$1.2 billion, or 201%.
- Tax increment finance districts, in which property taxes are diverted to subsidize private development and promote job growth, increased taxes by more than 1,000%, to \$1.84 billion. Over the 30 years, the number of TIF districts in Chicago and its suburbs exploded, increasing their portion of the tax bill to nearly 9.6% from 2.4%.

The loopholes that allowed those increases to dramatically exceed the rate of inflation are myriad:

- Home rule municipalities, which are granted more leeway by the state to increase taxes, are not bound by PTELL.
- Local government agencies can increase their taxes beyond PTELL limits if voters approve higher taxes in a referendum. That occurs frequently, often in very low-turnout elections that allow a minority of motivated voters to decide whether taxes go up.
- TIF district tax increases are not limited by PTELL; TIF surpluses can be distributed to local taxing agencies with no limits; and when TIF districts close, their taxes can be added to local taxes above and beyond PTELL limits.
- New funds, like one that allowed Chicago Public Schools to reinstate a property tax levy dedicated to public pension payments, are not bound by PTELL in their first year. In the case of CPS, the state also eliminated PTELL limits on that reinstated tax in future years.
- Other loopholes include exempting certain bond issues from PTELL and allowing taxing agencies to increase their levies beyond PTELL limits to “recapture” taxes refunded through taxpayer appeals.

Local governments for many reasons may feel the need to exploit PTELL loopholes. Key among those is that Illinois provides just 24% of all K-12 public education costs, the lowest percentage of any state.

For CPS, the issue is compounded because — unlike the rest of the school districts in the state — it pays for most of its own pension costs, driving up the financial burden on Chicago taxpayers.

Municipalities across the county are grappling with two primary fiscal pressures: state mandates to contribute more to poorly funded public pensions, which were battered by economic downturns, and a cut in the percentage of state revenues shared with municipalities.

The Treasurer’s study points out that other local taxing agencies, such as Cook County government and the Chicago Park District, have managed to keep taxes below the rate of inflation by turning to other revenue sources: a 1 percentage point increase in the sales tax for the county and fees from events and programs for the Park District.

Although property tax protests have been increasingly frequent, the issue of runaway property taxes is not new, the study notes. It documents several property tax studies and proposals dating back to 1982 that either ended up going nowhere or failed to win approval.

As a result, property taxes continue to soar. Illinois in 2025 had the highest residential property tax rate in the U.S. Chicago has the highest commercial, and second highest industrial, property tax rate in the country.

Currently, the Illinois Department of Revenue is studying the Illinois property tax system, with an end-of-July 2026 deadline. Given the heightened awareness of the tax burden on property owners, the Treasurer's study suggests the time may be ripe for the General Assembly to finally provide property tax relief to Illinois residents and businesses.

To read the full report, please [use this link](#) on the Cook County Treasurer's Office website. To see the data, please [turn to this link](#).