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## Senate extends property tax break

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Homeowners in Cook County with pricey homes or unusually steep assessment increases would receive larger property tax breaks under a Senate-approved version of the 7 percent assessment cap that one tax lawyer characterized as "Robin Hood in reverse."

The Illinois Senate on March 2 approved Senate Bill 2691, a measure that both extends the cap for a second reassessment cycle and triples the maximum tax break. The bill now will go to the Illinois House of Representatives.

The extension would curb tax bills next year for Chicago homeowners who are being reassessed this year. For homeowners in Evanston and other north and northwest suburbs, the extension would phase in the effects of the 2007 reassessment over several years, rather than sock owners with the full increase on the bills paid in 2008.

Homeowners in the western and southern suburbs will first see the benefits of the original cap law this year, on their 2005 tax bills. The three-year extension would carry it through the next reassessment cycle.

Cook County has used the cap to cushion homeowners from the tax jolt that otherwise could result from assessment hikes in what the assessor's office has termed an "overheated" residential real estate market.

The median increase for Chicago homeowners on the 2006 reassessment is projected to be 41 percent.

While the assessment itself rises in step with market value, the effect is limited to 7 percent through an expanded homeowner exemption. The original tax relief measure put a \$20,000 limit on the size of the expanded homeowner exemption -- the amount that is knocked off the equalized assessed value before the tax bill is computed.

The version of Senate Bill 2691 that passed out of the Senate Thursday would raise the maximum exemption to \$60,000. For the homeowner paying an \$8 total tax rate to a collection of local governments, the higher cap would raise the amount of the savings from \$1,600 to \$4,800.

### Some win, some lose

"There are winners and losers with the (assessment cap), and if you expand the cap the losers will lose even more," said Michael J. Elliott, a tax lawyer who co-authored a study looking at the impact of the 7 percent cap. The study was conducted for the Building Owners and Managers Association and the Chicagoland Chamber of Commerce, which oppose the cap.

"The thing we object to in particular is giving \$4,800 tax breaks to millionaire property owners," said Elliott. "That smacks of Robin Hood in reverse."

A study co-authored by Elliott for the Building Owners and Managers Association showed that some suburban homeowners as well as all businesses paid 5 to 10 percent more in taxes than if assessment increases were not capped.

"The way this works is that when you raise homeowner exemptions, you shrink the tax base and when you shrink the tax base, rates have to go up," said Elliott. Among those paying higher tax bills because of the cap are senior citizens eligible for the assessment freeze.

The communities studied were Arlington Heights, Buffalo Grove, Kenilworth, Northbrook, Schaumburg and Skokie.

The Cook County Assessor's Office maintains that the tax shift resulting from the assessment cap is minimal for seniors, owners of commercial and industrial properties and residential owners not eligible for the cap.

"None of the these groups experience an impact that would outweigh the benefit to individual homeowners of Cook County," said Maura Kownacki, a spokeswoman for Cook County Assessor James Houlihan.

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