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Cook County Assessor Bill-Back of Erroneous Exemptions

Under Illinois law, qualified taxpayers are entitled to various real estate tax exemptions for their principal residence. These exemptions (called “homestead exemptions”) reduce the amount of the tax bill. Qualified taxpayers are only entitled to homestead exemptions for their principal residence and can only receive homestead exemptions for one residence.

Taxpayers that own more than one residential property sometimes mistakenly receive homestead exemptions on multiple residential properties. Exemptions improperly received are termed “erroneous exemptions”. This is the case regardless of whether the taxpayer intentionally requested a homestead exemption they are not entitled to or the County inadvertently granted them a homestead exemption in error. Recent legislation allows the Cook County Assessor to recover erroneous exemptions. In some cases the Assessor may also recover interest, penalties and costs. To date, the Assessor has billed nearly \$18 Million of erroneous exemptions and collected nearly \$9 Million of that amount.

The Assessor is reviewing public documents to determine whether homestead exemptions may have been given in error. For example, if a particular taxpayer is named on deeds for multiple properties receiving homestead exemptions, the Assessor will likely conduct an investigation to determine whether erroneous homestead exemptions exist. The Assessor may send the taxpayer a **Notice of Discovery** containing the property index number for the property they believe received an erroneous homestead exemption. If you receive a **Notice of Discovery**, you should contact the Assessor’s office at 312.603.7434 to find out why the Assessor believes you received an Erroneous Exemption. This will give you an opportunity to learn the facts and if appropriate provide the Assessor with documents to refute the erroneous homestead exemption claim. If you do not respond to the Assessor’s **Notice of Discovery** the Assessor will complete his investigation and may then issue a **Notice Of Intent To Record a Lien**. This document will set forth the amount of the erroneous exemptions claimed by the Assessor together with the interest and penalties and provide a hearing date at which you can appear to defend yourself.

If you have received a **Notice of Discovery**, and you’re not sure whether you are receiving more than one Homestead Exemption, you can verify this by looking at the Second Installment Tax Bill for each property. The Homeowner’s Exemption is only reflected on the Second Installment Bill, not on the first. Alternatively, you can visit the Cook County [Property Tax Portal](#) and check the status of the exemptions you are receiving there.

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If you are on the title of more than one property receiving a Homestead Exemption you will need to determine if any are erroneous. In some instances they may not be erroneous. For example, If you co-own residential property other than your principle residence, a qualifying co- owner may be entitled to receive a Homestead Exemption on that property even though you are not entitled. Or, If you own a property and have a written lease in place with a tenant that resides in the property as their principle residence and the lease requires the tenant to pay the taxes, the tenant may be eligible for the Homestead Exemption. If you are receiving a Homestead Exemption in error, you should sign and return the [Homeowner Exemption Waiver](#) form to the assessor and request a tax bill for the amount due to prevent further interest, penalties and costs from accruing.

These cases are fact based: either you received multiple homestead exemptions or not. Our firm can assist you in defending yourself in an Erroneous Exemption matter; however, this is a time-consuming task that we provide on an hourly basis. Given the costs and potential savings, it may not be cost effective to hire a law firm for this process. If a valid defense exists you may be able to resolve the matter easily by contacting the Assessor's office. If a valid defense does not exist you will need to file a homestead waiver form and most likely will need to pay the outstanding amount owed. We hope this article is of help in explaining the process. This article should not be construed as legal advice on this matter. We have attached a copy of the Erroneous homestead exemption statute and relevant forms for your reference.

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