

NAVIGATING THE CHICAGO PROPERTY TAX SYSTEM

How your bill is calculated, why it changes, and what you can do about it

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A THOUGHT BEFORE YOU BEGIN



Property taxes in Illinois can surprise people. That is not because the system is unfair. It just works differently than in most places. Many buyers see it for the first time at the closing table.

The goal of this guide is simple: no surprises. Once you know how a few things work, there is nothing left to catch you off guard.

- Illinois property taxes are paid a year behind.
- Homes are reassessed on a set schedule.
- At closing, the seller gives you a credit for their share of the tax bill. This is not a discount. It is the part of the bill the seller owes for the days they owned the home.

This guide shows how property taxes work in Cook County. It covers what to expect at closing and what comes after you own. You will know what bill is coming and when.

Illinois property taxes are paid a year behind.
Once you know why, the rest makes sense.

WHO IS THIS FOR

This guide covers property taxes on homes and condos in Chicago. It may be useful if:

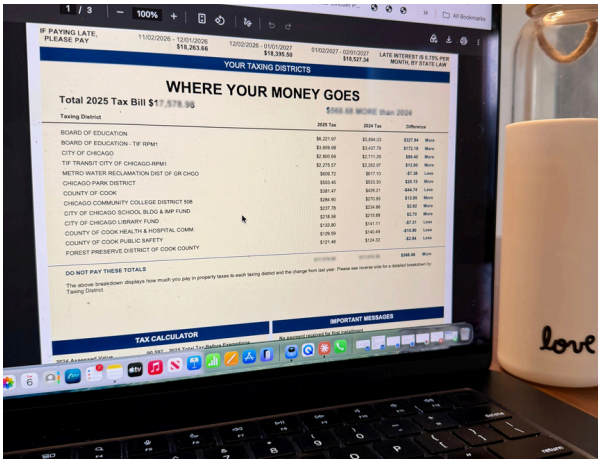
- You are buying your first home in Illinois and want to know how property taxes work here.
- You are moving here from another state. Paying taxes a year behind may be new to you.
- You have bought before, but want to know how reassessment works.
- You want to understand the tax credit on your Closing Disclosure.
- You own a home and wonder if you can appeal your assessment, and how.

The buyers who feel calm at closing are the ones
who knew the process first.

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THREE THINGS WORTH KNOWING FIRST

Your tax bill is not based on your assessed value alone.



Four numbers go into your bill: your assessed value, the state equalization factor, your exemptions, and your local tax rate. Your assessment can go up and your bill can still go down. That can happen if the equalization factor or the tax rate drops enough. Many people think the assessment is the bill. It is not. It is one of four numbers.

Cook County bills you a year behind, in two uneven parts.

In Illinois, you pay this year's tax bill for last year. You pay each year's tax bill the following year. Your first payment is due around March 1. It is always 55% of last year's total bill, so you know it ahead of time. The second payment comes later in the year. It shows any real changes: a new assessment, a new equalization factor, or a new local tax rate. That is the bill that moves.

A useful question: Am I budgeting for the first installment as a known number and the second as a variable one?

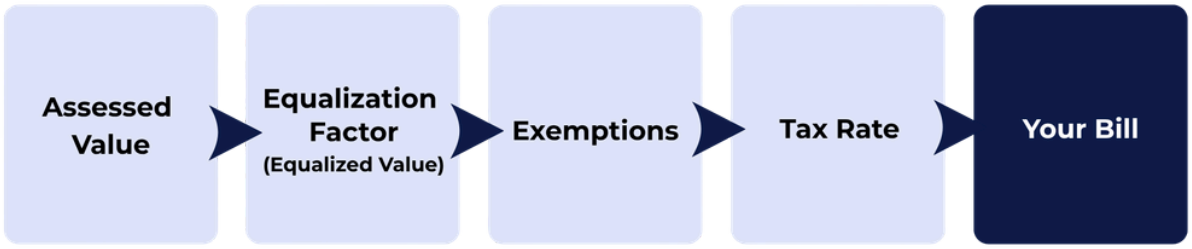
Escrow is common, but it isn't always required.

If your lender collects money each month toward your taxes, that is an escrow account. Most lenders require it if your down payment was under 20%. Once you have enough equity, you can usually ask to drop it. If you pay the county yourself, the money stays in your own account until the bills are due. But you will have two large bills a year to plan for.

A useful question: Do I want the predictability of escrow, or the control of paying it myself?

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HOW YOUR PROPERTY TAX BILL IS CALCULATED



Assessed value. First, the Assessor estimates what your home would sell for. This is its market value. The estimate is set as of January 1 and is based on three to five years of past sales. It is only updated once every three years, so it can fall behind what homes are selling for now. Your home's assessed value is 10% of the county's estimate of its market value.

Equalization factor. Cook County assesses homes differently than the rest of Illinois. So each year, the Illinois Department of Revenue uses a multiplier to bring Cook County in line with the state standard. This number has usually been around 3.0. That means your assessed value is about tripled before anything else happens. Most people have never heard of it. In years when your assessment did not change, it can move your bill the most.

Exemptions. If you own the home and live in it, the Homeowner Exemption takes $10,000 off your equalized assessed value. Seniors, veterans, and a few other groups can get more exemptions on top of that.

Tax rate. This is the total rate of all the local governments that tax your home, such as the City of Chicago, Chicago Public Schools, the Chicago Park District, and Cook County. Each one decides how many dollars it needs to collect. This is called its levy. The Cook County Clerk divides those amounts by the total taxable value of all property in the area. That sets your rate. It shows on your bill as a percent. It depends on your tax code, which is the mix of local governments that serve your address.

(Assessed Value × Equalization Factor − Exemptions) × Tax Rate = Your Bill

A useful question: Which of these four numbers changed for me this cycle, and by how much?

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WHY YOUR BILL CAN GO UP WHEN YOUR ASSESSMENT DOESN'T

Your bill is not just about your home. It is about your home compared to the other homes around you.

Each year, local groups like schools and parks decide how many dollars they need. That total is called a levy. They do not ask for a set percent of your home's value. The levy is split among all the homes and buildings in the area.

So if your assessment goes up by the same percent as your neighbors', your bill stays about the same. If it goes up less, your bill can go down. If it goes up more, your bill goes up. And when levies, tax rates, or the state's equalization factor go up, your bill can rise even if your own assessment did not change at all.

Every three years, your area is reassessed. Cook County reassesses property on a three-year schedule. The city of Chicago, the north suburbs, and the south and west suburbs each take a turn. So only about a third of the county is reassessed in any one year.

This matters for timing. In the year your area is reassessed, expect a bigger change, up or down. The next two years are usually quieter.

Useful questions: Where is my property in the three-year reassessment cycle? Has my assessment changed more or less than my neighbors' this cycle?

Thinking about a specific home? Send me a message. I'll pull its county record and tax history, so you know what to expect before you make an offer.



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IF YOU'RE BUYING: THE SELLER'S BILL ISN'T YOUR BILL

The tax bill on a listing is the seller's bill. It is based on the seller's assessment and the seller's exemptions. Neither one carries over to you.

If a home sells for well above the county's estimate of its value, or if it was renovated, its assessment will likely go up. So plan from the price you are paying, not from the seller's bill.

Any number you work out is a planning number, not a promise. Tax rates differ by location and change every year. But it will be much closer to the truth than the seller's bill.

THE APPEAL: WHEN IT'S WORTH YOUR TIME

You have the right to appeal your assessed value. First, you file with the Assessor's office. If you are not happy with the result, you can then go to the Cook County Board of Review.

Appeals work best when you can show your home was assessed higher than similar homes nearby. Feeling that your bill is too high is not enough on its own.

You can appeal every year, but only during a short window when your township opens. Once your actual tax bill arrives, that window has closed for the year. It costs nothing to file for yourself, and you do not need an attorney.

This is a general overview of the appeals process. For your own assessment, deadlines, and paperwork, contact the Cook County Assessor's office or the Board of Review directly.

A useful question: Have I compared my assessed value to three similar homes nearby?

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CHECK WHAT THE COUNTY HAS ON FILE

Your assessment is based on the county's record of your home, not on the home itself. If that record is wrong, your bill will be wrong too.

Look up your property on the Cook County Assessor's website (search by address) and open the **Characteristics** section. Check:

- Square footage, bedrooms and bathrooms
- Basement (finished or unfinished)
- Central air, fireplaces, garage
- Year built

If the record shows more house than you have, contact the Assessor's office to fix it. If you have renovated or added space, expect the record, and your assessment, to catch up. This usually happens at the next reassessment.

Exemptions: money you may be leaving on the table

Exemptions lower the taxable value of your home. The most common in Cook County:

- **Homeowner Exemption**: for owners who live in the home. Reduces your equalized assessed value by $10,000.
- **Senior Exemption**: for owners 65 and older. Reduces it by an additional $8,000. A Senior Freeze, for seniors under an income limit, can hold your assessed value steady.
- **Veterans and Disability Exemptions**: Veterans and people with disabilities may qualify for extra exemptions. Check the Cook County Assessor's site to see if you qualify.

Exemptions belong to the owner, not the house. When you buy, you need to apply for your own. Your tax bill lists the exemptions you got. The Treasurer's website shows them for each year. If one is missing, you may be able to get it back for past years.

A useful question: Does the county's description of my home match my home, and am I getting every exemption I qualify for?

WHERE TO VERIFY & LEARN MORE

This guide explains the process. These are the primary sources, if you want the current numbers, your specific bill, or to file an appeal.

Resource	What you'll find there
Cook County Assessor's Office (cookcountyassessoril.gov)	Your property's current assessed value, reassessment schedule, exemption applications, PIN lookup
Cook County Treasurer's Office (cookcountytreasurer.com)	Your actual bill, payment history, refund status, electronic billing sign-up
Cook County Board of Review (cookcountyboardofreview.com)	Appeal filing, deadlines, and status after the Assessor's level
Illinois Department of Revenue (tax.illinois.gov)	The current year's equalization factor and statewide property tax guidance

★★★★★

She encouraged us to ask questions and fully understand everything that was happening, which made us feel at ease.

— First-time buyers, Irving Park
Zillow review, 2018

A useful habit: these figures change every year. Before making a decision based on any specific dollar amount, confirm it directly with the relevant office above.

A SIMPLE READINESS CHECK

This isn’t a score. It’s just a way to see where you are. If most of these feel true, you're in a good position to move forward with confidence.

- I understand that assessed value, the equalization factor, exemptions, and the tax rate are four separate numbers, not one
- I know my first installment is always 55% of last year's total
- I understand why my bill can move even when my own assessment doesn't
- I know whether I'm in an escrow arrangement, and whether that's the right choice for me
- I know where my property falls in the three-year reassessment cycle
- I understand that I have the right to appeal, and what that process actually requires
- I've checked that the county's record of my home matches my home, and that I'm getting every exemption I qualify for

A CLOSING THOUGHT



The buyers and owners who feel calmest about their tax bill aren't the ones with the lowest number. They're the ones who understood, before the bill arrived, exactly why it says what it says.

Once you understand it, the system makes a lot more sense. And once you know it, a number that used to feel like a surprise just becomes information you already expected.



WHEN YOU'RE READY TO TALK

When the conversation is ready to move forward, I'm here. No timeline, no pressure, just an honest look at what's possible.

Curious whether your tax bill is right? Send me your address, and I'll pull your home's county record and walk you through it.

Scan to book

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