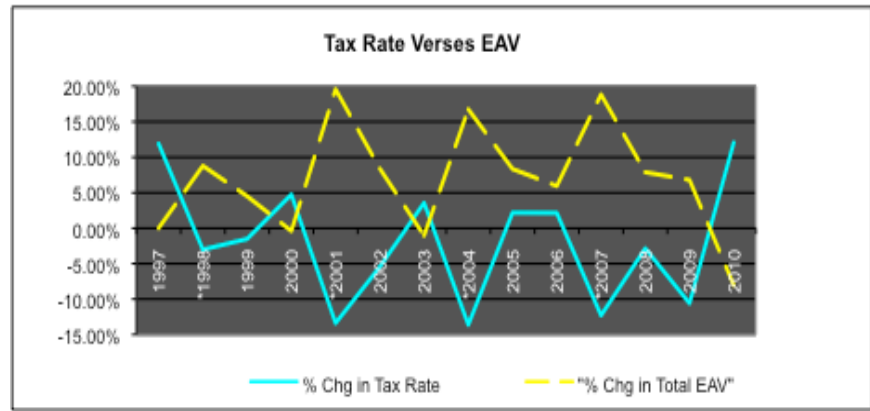


Arlington Heights School District 25 Tax Levy Impact on Tax Bills

The school district does not levy tax based on a rate or an increase in a rate. The district levies taxes based on a dollar amount, and that dollar amount is limited to an increase each year of the Consumer Price Index (CPI) or 5%, whichever is less. The Cook County Clerk's office divides that dollar amount by the total Equalized Assessed Valuation (EAV) of all properties in the school district.

$$\frac{\text{School District Tax Extension}}{\text{Total EAV}} = \text{Tax Rate}$$

When the Total EAV in the District increases, the tax rate decreases to ensure the school district only receives the dollars it is entitled to. Conversely, when the Total EAV decreases, the tax rate increases to ensure the school district receives the dollars it is entitled to.



Property values have gone down. Why did my tax bill go up?

The percent change in your property tax bill is not a 1:1 relationship with the percent change in your property value. Other factors also impact your tax bill:

- **Did your homeowner's exemption amount change from the prior year?** The legislature voted to decrease and phase out exemption amounts for the 7% Expanded Homeowner Exemption. The minimum homeowner's exemption is \$6,000. The maximum homeowner's exemption in Cook County will decrease from \$20,000 to \$12,000 by tax year 2012.
- **Are you receiving all the money saving exemptions to which you are entitled?** Exemptions may save you hundreds of dollars on your tax bill. To view descriptions of exemptions available in Cook County go to "<http://cookcountyassessor.com/exemptions.aspx>"
- **What was the change in your EAV as compared to other taxable properties in the community?**

Reductions and increases in EAV of individual properties cause a shift in the tax burden to other properties. If other property EAVs decreased by a larger percent than yours, your resulting EAV would represent a larger portion of the total EAV than it previously did. Thus, you would be responsible for a larger portion of the taxes than you previously were. With thousands of taxable properties making up the total EAV, it is impossible to predict your tax bill simply based on what happens with your individual property's EAV.

Consider this simplified example:

Year 1: *The school district needs taxes of \$10,000 to provide services to your children. Suppose there are only 2 taxable properties in the community, your home and a commercial bank. The taxable value (EAV) of your home is \$100,000 and the EAV of the bank property is \$700,000.*

*Your home represents 12.5% of the total EAV ($\$100,000/\$800,000$), so your share of the tax bill is $12.5\% * \$10,000$ or $\boxed{\$1,250}$.*

Year 2 declining EAV: *The school district is limited by the Consumer Price Index (CPI) to an increase in property taxes of 2.7%, or \$270, for a total tax of \$10,270. At the same time, your EAV decreases by 15% to \$85,000 and the bank EAV decreases by 30% to \$490,000.*

*Your home now represents 14.8% of the total EAV ($\$85,000/\$575,000$), so your share of the tax bill is $14.8\% * \$10,270$ or $\boxed{\$1,520}$.*

*Even though your EAV decreased, the bank's EAV decreased more, so **your property now represents a larger proportion of the total tax base**, and thus, a larger proportion of the tax burden.*

Year 2 increasing EAV: *The school district is still limited by the Consumer Price Index (CPI) to an increase in property taxes of 2.7%, or \$270, for a total tax of \$10,270. However, had your EAV increased by 20% to \$120,000 and the bank's EAV by 30% to \$910,000, you would not have seen a 20% increase in your taxes.*

*Your home now represents 11.7% of the total EAV ($\$120,000/\$1,030,000$), so your share of the tax bill would be $11.7\% * \$10,270$ or $\boxed{\$1,201}$.*

Even though your EAV increased, the bank's EAV increased more, so your property now represents smaller proportion of the total tax base, and thus, a smaller proportion of the tax burden.

District 25 was apportioned a 3.07% overall increase from 2009 to 2010 in total taxes due. This reflects an increase based on CPI of 2.7% plus new growth. In 2003, Cook County implemented the 7% Expanded Homeowner's Exemption in an effort to provide immediate relief to homeowners facing assessment increases. This caused a shift in the overall tax burden from residential to commercial properties. Since 2003, commercial properties have been carrying a greater tax burden due to the 7% cap on residential assessments. Two years ago, Cook County began phasing out the 7% residential cap. This is causing a shift in overall burden from commercial properties back to residential properties.