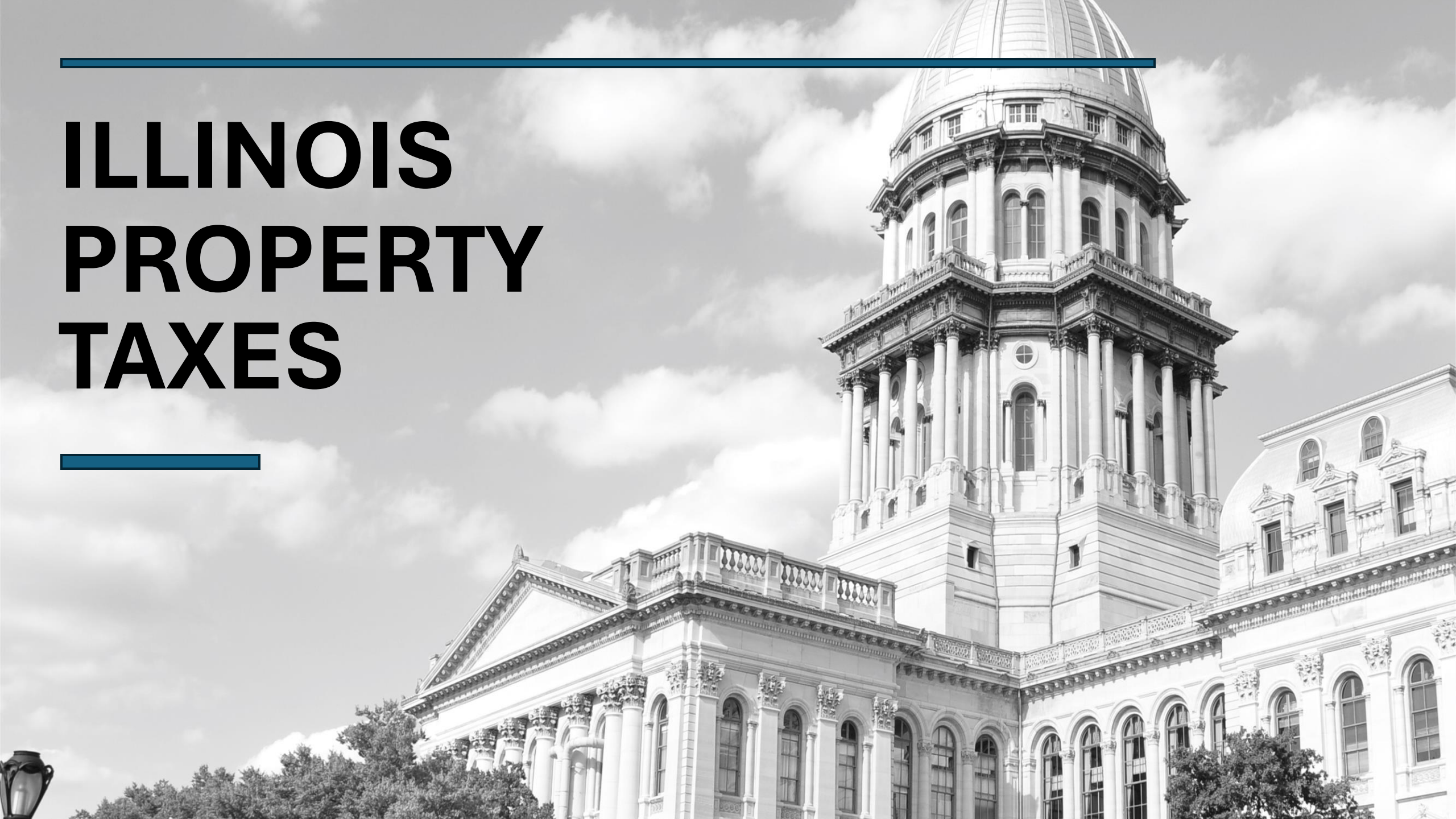

ILLINOIS PROPERTY TAXES





Illinois Property Tax History

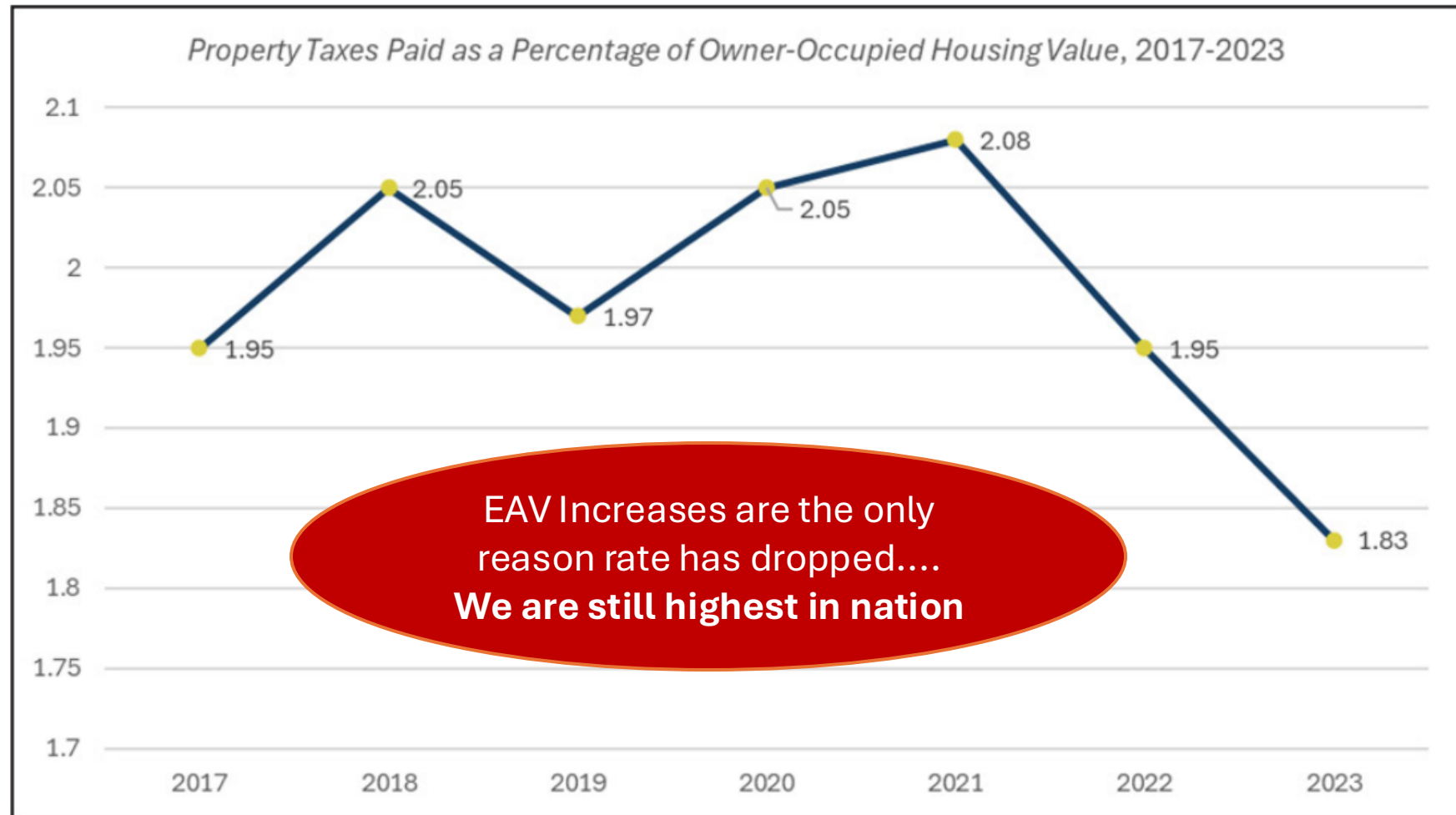
For decades, Illinois property taxes have been a topic debated throughout the state.

- Illinois has one of the highest property tax rates in the nation, with an effective rate of 1.83%.
- Property taxes are a top concern and a leading reason residents leave the state.
- Since 1982, five reports have analyzed Illinois property taxes, but little action has been taken to reduce rates.
- The Department of Revenue is conducting a sixth study, due July 2026.





Illinois Property Tax Rate



Source: The Tax Foundation. NOTE: While the rate has been going down, that is because home values are on the rise. As home values rise, taxing bodies have more EAV to spread their tax levies across, allowing them to get more tax revenue with a lower rate.

HISTORICAL UNITS OF LOCAL GOVERNMENT DATA



Property Tax Calculation

In many states, property taxes are based on a fixed percentage of property values.

FIXED PERCENTAGE?

NOT

IN.....





IL Property Tax Calculation

1

SET GOAL

Illinois sets tax rates to ensure predictable funding for local governments.

2

CALCULATION

County clerks compare each unit's levy with total taxable property value.

3

OUTCOME

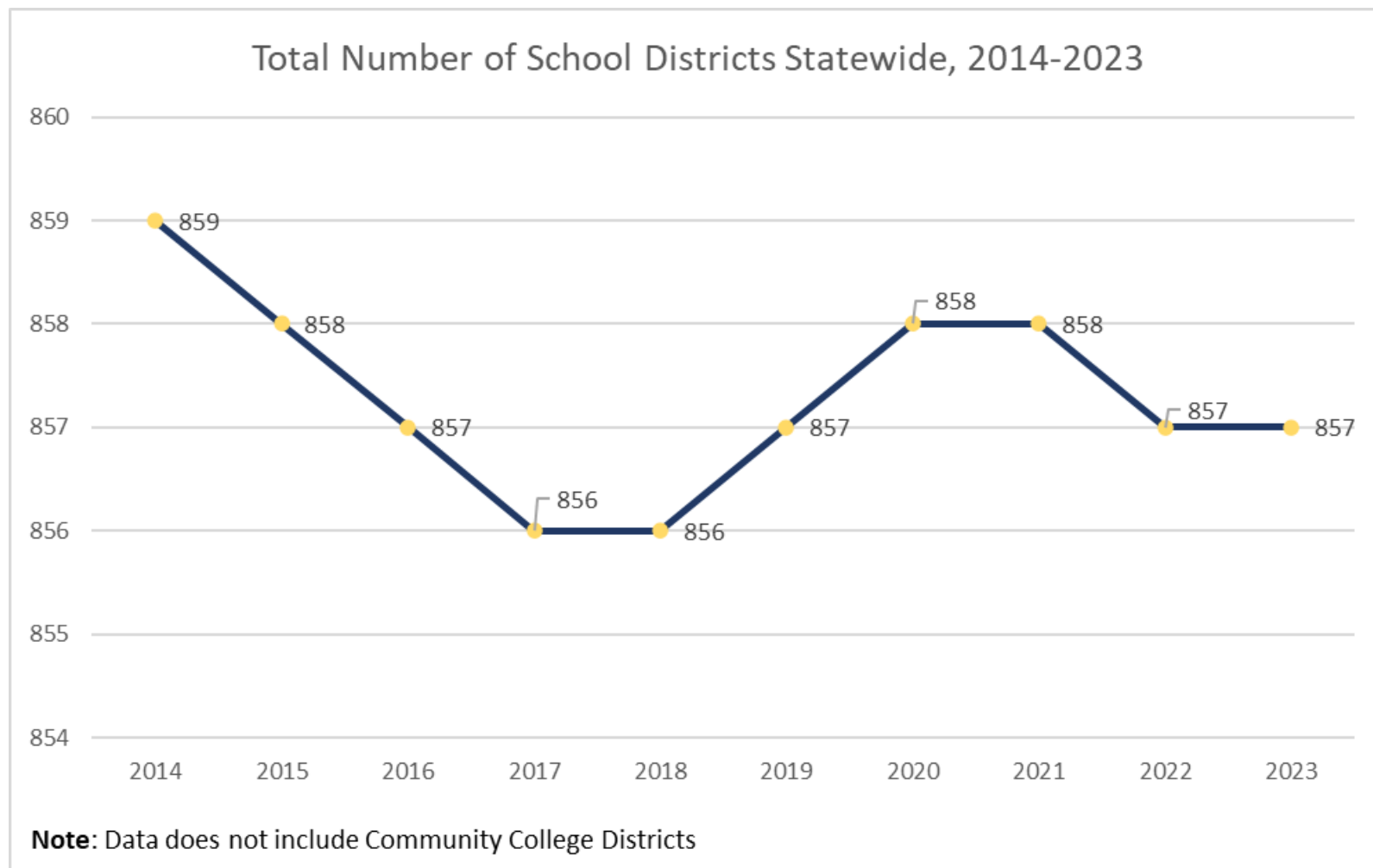
A tax rate is then established based on those assessed values.

A taxing body stating that they froze or lowered a rate does not mean that taxes were reduced.



Number of School Districts

No specific change...





Property Taxes Fund Schools

Extremely heavy K-12 reliance on property taxes

State	Total Student Population	Total Operational Spending Per Student	# of Organizational Units
New York	2,606,748	\$26,097	1,054
Vermont	82,401	\$24,050	184
New Jersey	1,373,960	\$22,784	701
Connecticut	509,058	\$22,216	206
New Hampshire	169,027	\$19,396	310
Illinois	1,886,137	\$18,527	1,032
Pennsylvania	1,704,396	\$17,822	787
Ohio	1,645,412	\$14,389	1,037
Nebraska	324,697	\$13,723	279
Michigan	1,434,137	\$13,351	891
Wisconsin	830,066	\$13,687	463
Texas	5,372,806	\$11,049	1,229
Florida	2,791,707	\$10,823	77

State	Property tax rate
Illinois	1.83
New Jersey	1.77
Connecticut	1.48
Nebraska	1.43
Vermont	1.42
New Hampshire	1.41
Texas	1.36
Ohio	1.31
New York	1.26
Wisconsin	1.25

According to the National Center for Education Statistics school districts includes alternative education programs, special education cooperatives, and other programs that are not considered by States as traditional elementary, high school, or unit school districts.

Which is why "Organizational Units" is the term that is being used instead of "School Districts".



Property Taxes Fund Schools

Extremely heavy K-12 reliance on property taxes

Illinois Schools cost a total of \$40B annually



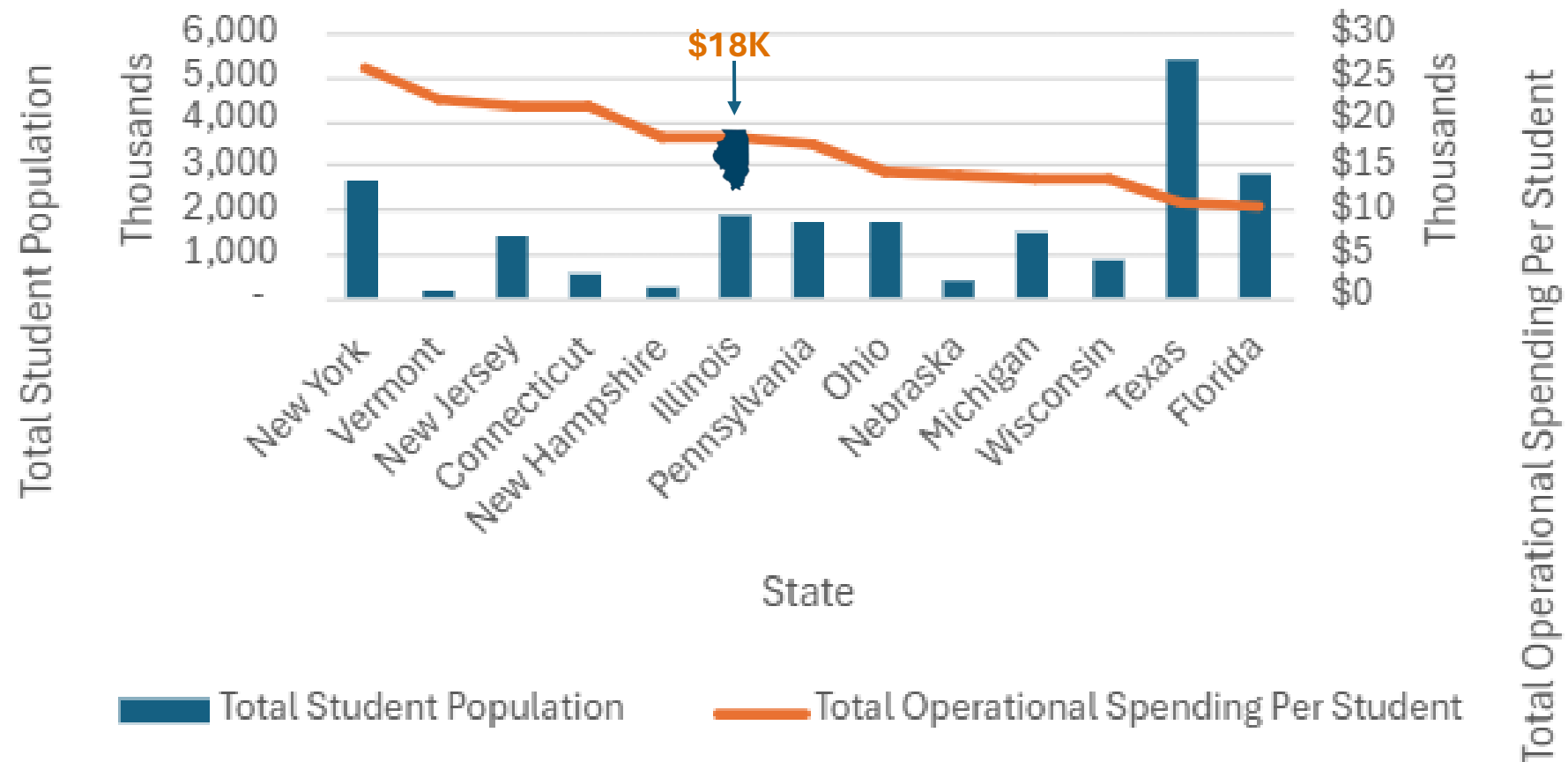
State	Total Local \$	Total State \$	Total Federal \$	Total All Sources	Total Local \$/Total All Sources
Illinois	\$21,299,050,000.00	\$16,117,573,000.00	\$3,197,010,000.00	\$40,613,633,000.00	52%
Pennsylvania	\$18,884,468,000.00	\$13,056,288,000.00	\$3,263,192,000.00	\$35,203,948,000.00	54%
Florida	\$16,993,413,000.00	\$14,072,267,000.00	\$4,763,710,000.00	\$35,829,390,000.00	47%
New York	\$45,053,845,000.00	\$29,093,368,000.00	\$3,567,409,000.00	\$77,714,622,000.00	58%
Texas	\$37,119,774,000.00	\$27,559,808,000.00	\$9,349,671,000.00	\$74,029,253,000.00	50%
New Jersey	\$17,606,591,000.00	\$16,224,441,000.00	\$1,899,244,000.00	\$35,730,276,000.00	49%
Connecticut	\$7,230,414,000.00	\$4,484,299,000.00	\$671,481,000.00	\$12,386,194,000.00	58%
Nebraska	\$2,901,592,000.00	\$1,596,679,000.00	\$497,506,000.00	\$4,995,777,000.00	58%
Vermont	\$37,980,000.00	\$1,739,914,000.00	\$206,938,000.00	\$1,984,832,000.00	2%
New Hampshire	\$2,199,293,000.00	\$1,093,913,000.00	\$252,513,000.00	\$3,545,719,000.00	62%
Ohio	\$14,174,122,000.00	\$10,983,197,000.00	\$2,681,945,000.00	\$27,839,264,000.00	51%
Wisconsin	\$5,871,847,000.00	\$5,747,313,000.00	\$6,708,045,000.00	\$18,327,205,000.00	32%
Michigan	\$7,230,861,000.00	\$13,498,567,000.00	\$2,943,912,000.00	\$23,673,340,000.00	31%



Spending per Child basis...

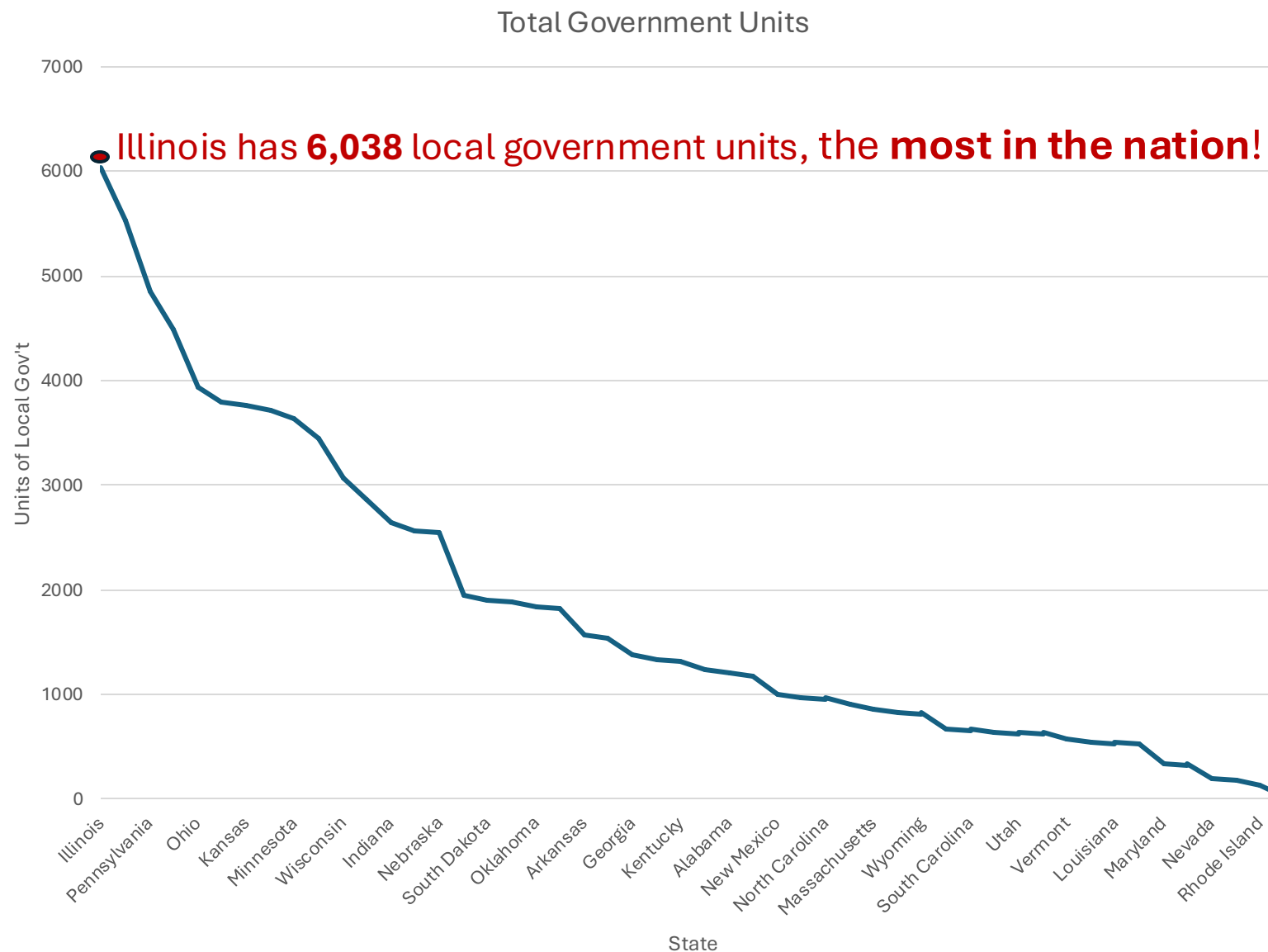
Illinois in Middle

Student Population vs Operational Spending Per Student



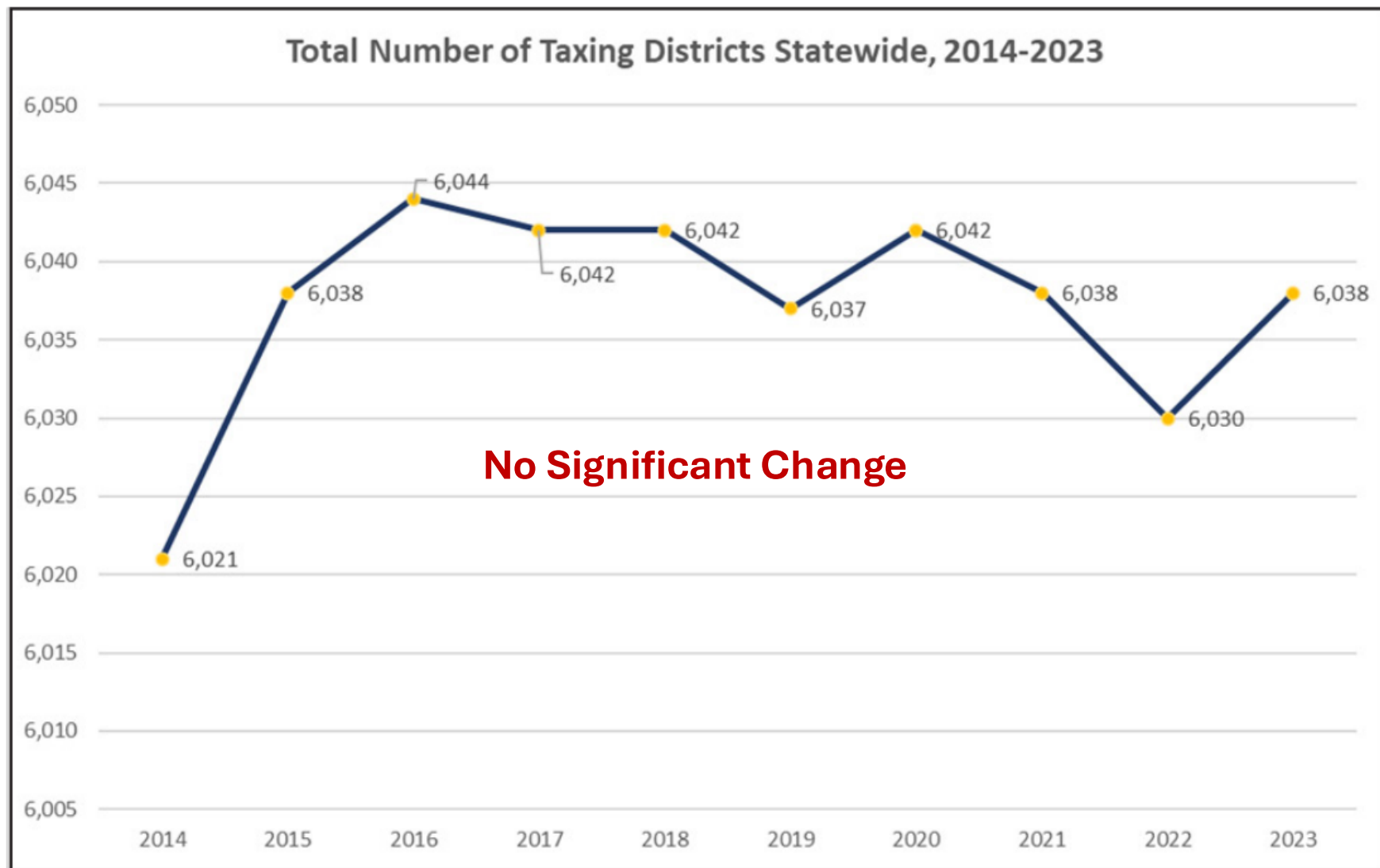


IL has # of Highest Local Units





Number of Local Govt. Districts



Source: Illinois Department of Revenue Property Tax Data

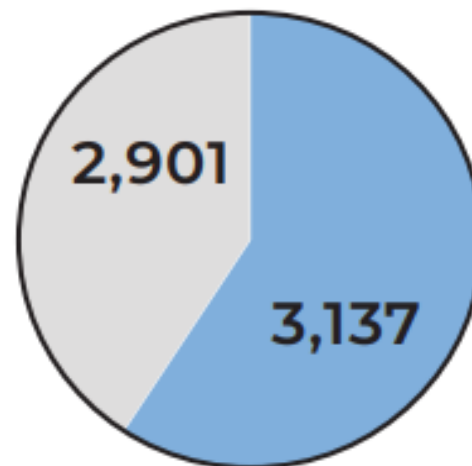


6,038 Local Governments IL

TYPES OF LOCAL GOVERNMENTS IN ILLINOIS (TOTAL 6,038)

GENERAL-PURPOSE GOVERNMENTS

*(102 counties, 1,293 municipalities,
and 1,506 townships)*



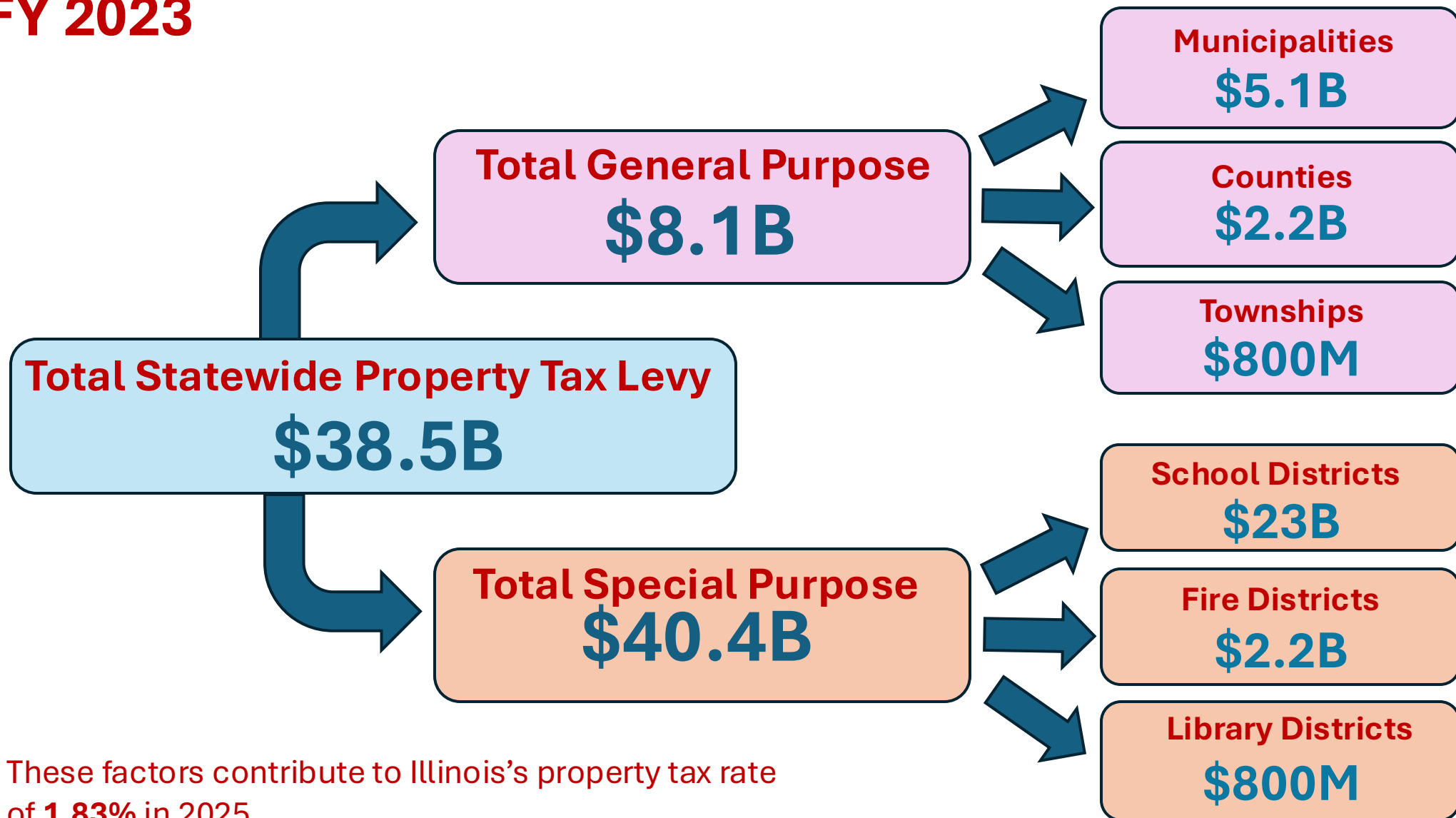
SPECIAL-PURPOSE GOVERNMENTS

*(school districts, fire departments,
and park districts)*



Local Govt. Unit Breakdown

FY 2023



These factors contribute to Illinois's property tax rate of **1.83%** in 2025.



Largest Number of Governments Contribute to Highest Property Tax Rate

State	Population	State	Units of Local Gov't	State	Property tax rate
California	39,431,263	Illinois	6038	Illinois	1.83
Texas	31,290,831	Texas	5533	New Jersey	1.77
Florida	23,372,215	Pennsylvania	4851	Connecticut	1.48
New York	19,867,248	California	4494	Nebraska	1.43
Pennsylvania	13,078,751	Ohio	3939	Vermont	1.42
Illinois	12,710,158	Missouri	3796	New Hampshire	1.41
Ohio	11,883,304	Kansas	3768	Texas	1.36
Georgia	11,180,878	Colorado	3715	Ohio	1.31
North Carolina	11,046,024	Minnesota	3629	New York	1.26
Michigan	10,140,459	New York	3447	Wisconsin	1.25



Property Tax Exemptions

Total statewide property tax levy of \$38.5 billion

- Exemptions reduce taxable base but shift costs to other taxpayers.
- When many properties are exempted, rates rise for remaining taxpayers.

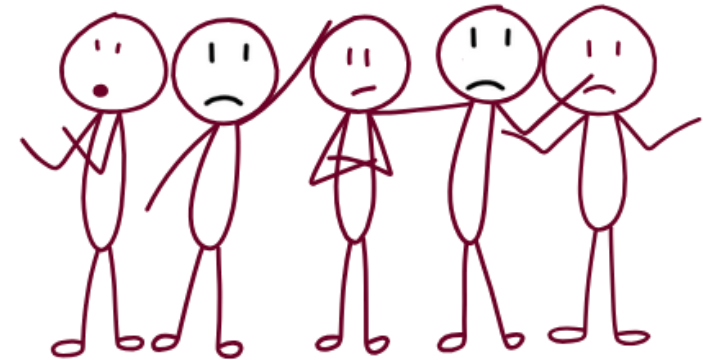
"I've been living here for 40 years I should be exempted."



"Okay! You are exempted."



"But now we have to pay more?"





Property Tax Exemptions

Current State Law Provides for the following:

General Homestead Exemption

Senior Citizens Homestead Exemption

Senior Citizens Assessment Freeze Homestead Exemption

Long-time Occupant Homestead Exemption

Homestead Improvement Exemption

Returning Veterans' Homestead Exemption

Homeowner Exemption for Veterans with Disabilities

Homestead Exemption for Persons with Disabilities

Natural Disaster Homestead Exemption

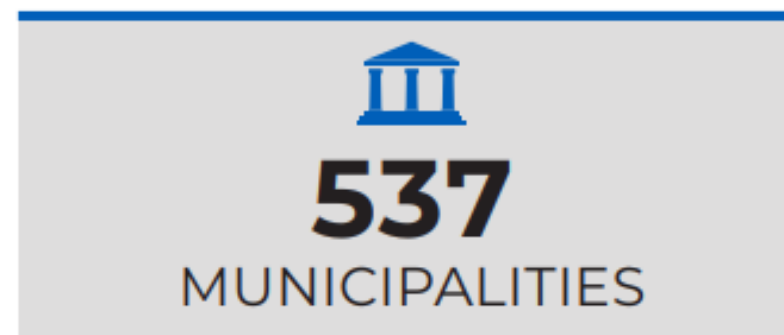
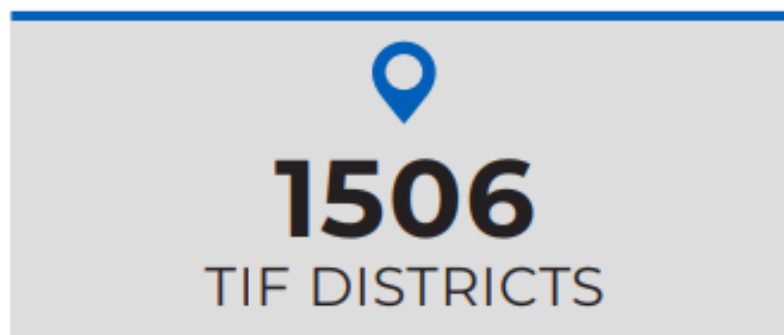


TIF Districts

Tax Increment Financing District

Intended to Stimulate
Business Growth

- TIFs use future property tax increases to fund local improvements.
- The Midwest has the most TIF districts in the nation.
- Texas, Pennsylvania, Maine, Florida, California, and Colorado are the only states in the nation that have over 100 districts and are not located in the Midwest.



Source: Office of the Illinois Comptroller

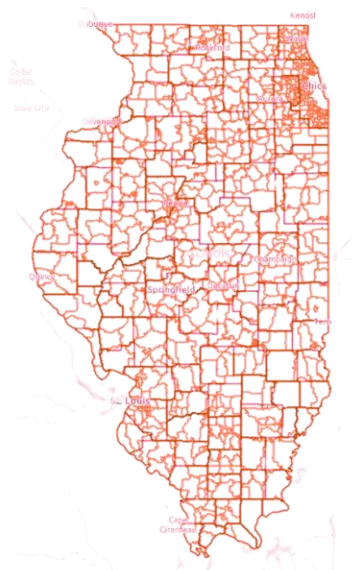


Illinois Highest Tax Rates

High Spend on Public Schools (\$21B)



Highest Number of School Districts (1,033)



Largest Number of Local Units of Govt. (6,038)



Highest Tax Rate in the Nation of 1.83%



Low Illinois Competitiveness Ranking

2025 State Tax Competitiveness Index Tax Foundation						
State	Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
Alabama	38	14	34	49	14	18
Alaska	3	34	1	5	30	45
Arizona	15	13	8	45	13	2
Arkansas	36	15	39	44	19	11
California	48	41	49	46	23	25
Colorado	32	10	18	37	36	39
Connecticut	47	31	47	21	50	40
Delaware	18	50	42	2	1	1
Florida	4	16	1	14	21	10
Georgia	26	12	31	23	34	24
Hawaii	42	25	46	28	24	49
Idaho	11	21	11	9	3	35
Illinois	37	42	13	38	41	43
Indiana	10	8	16	17	5	13
Iowa	20	23	19	11	32	33
Kansas	25	27	27	30	29	4
Kentucky	22	18	23	18	27	34
Louisiana	40	29	33	48	16	9
Maine	29	40	22	8	48	19
Maryland	46	37	45	39	35	20



Sources:

<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/taxstats/propertytaxstatistics/documents/y2023tbl19.xlsx>

[Revenues and Expenditures for Public Elementary and Secondary School Districts: FY 21 \(October 2023 Report\)](#)

[Revenues and Expenditures for Public Elementary and Secondary Education: FY 21 \(May 2023 Report\)](#)

[Number of operating public schools and districts, student membership, teachers, and pupil/teacher ratio, by state or jurisdiction: School Year 2020–21](#)

THANK YOU!

