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ASK ANDY by E-mail at araila@aol.com

Taxpayer Questions & Answers

Hi, Andrea: I'm a buyer of a commercial unit (storefront) in a newly constructed condo building. Agents quote 2-2.5% taxes on construction costs for residential, and I'm wondering if there is such an estimate for commercial.—Doug

Doug: I hesitate to say that the taxes would be any percentage of the construction costs on either residential or commercial condos. The assessor will pick up the construction costs data and attempt to place a market value on each unit. Or they will pick up actual sales. One of the best ways to see what taxes may be is to examine what other nearby new construction is being taxed at. The assessor's website at www.cookcountyassessor.com can be searched by address range for class 5-99 (commercial condo) and then the actual taxes paid can be obtained on the treasurer's site www.cookcountytreasurer.com

-Andrea

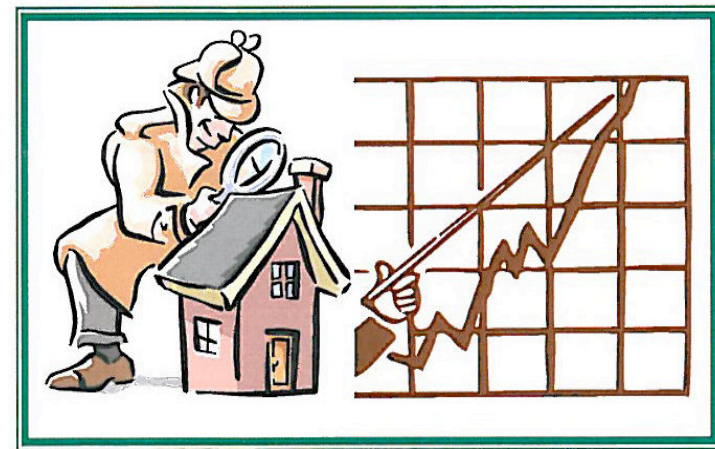
Akin: It is typical for the assessor to assess residential properties between 9 to 10% (even though the county ordinance requires them to be assessed at 16%). If you buy at \$350,000 X 10% = 35,000 X 2.5757 (State Multiplier) X .06292 (City tax rate) = \$5,672 taxes.... If you reside in the home by Jan 1st, you are eligible for homeowner's exemption which would take \$800 to \$1400 off the total tax bill. Reassessment increases thereafter can range from 10% to 100+%. The most excessive increases are in trendier neighborhoods, say in Lakeview or North Chicago Townships. Southside homes are not typically over-assessed. An excellent resource to see what home are paying next to yours is using the assessor's website at www.cookcountyassessor.com. Do a search by address range and then go to the treasurer's site www.cookcountyassessor.com to find the exact amount of taxes paid.

-Andrea

Andrea: My assessment had increase by 30% and you did get a reduction for me through an appeal, but when I got my March 2006 bill the taxes were still as high as last year. What gives? —Georgia

Georgia: Two factors are at work here. First of all, the March tax installment bill from the Treasurer is not based on the actual assessment for the tax year. Because in March, the appeal process in the Assessor's office is still going on and all townships are not yet certified, the Treasurer cannot know what the final certification outcome will be until October when the second installment bill goes out. That's when any adjustments are made. For the March bill, the Treasurer simply computes 50% of the whole of the previous year's taxes and uses that amount as the installment due. Secondly, you must realize that when you receive an increase at the triennial reassessment of your township, it is rare that even the most successful appeal will be able to achieve a reduction that is as low as the prior assessment. Property values in recent years have just risen too steeply. The state equalizer and local tax rate may also have risen considerably, which sometimes offsets the assessment reduction. Just realize what the increase would be if you did not appeal.

-Andrea



Ms. Raila: I am new to the Chicago area and am looking to buy a 350K home on the south side. I am trying to figure out what the property taxes will be. The Cook County Assessor's office could not provide me with any guidance. —Akin

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