



Explanation of Property Tax Levy

School districts submit a certificate of tax levy to the Cook County Clerk's Office every year in December. The levy request is calculated in dollars not rates for each fund by the district. The district currently levies for the Educational, Operations & Maintenance, Transportation, Municipal Retirement/Social Security and Tort Immunity Funds. The levy requested is the amount needed for expenditures in each of these funds. When bonds are issued by the district, the Cook County Clerk's Office is notified and automatically adds the Debt Service Fund amount to the levy until the bonds have been paid in full. The Cook County Clerk's Office calculates the annual tax extension permitted under the tax cap formula and notifies the district of the amount in the spring.

The tax cap law limits the increase in the levy from the prior year's levy by the lesser of the annual Consumer Price Index (CPI) or 5%. For the 2017 levy, the levy increase is limited to 2.1% which is the change in CPI from December 2015 to December 2016. Districts will also receive tax funds from new growth in the district. New growth can be from new residential or commercial property development or improvement. New growth is exempt from the tax cap the first year of taxation and then follows the tax cap formula in subsequent years.

The Cook County Assessor determines the market value of property, based on sales of comparable properties in your neighborhood and area. The assessed value of your property is then calculated by multiplying your market value by 10% for residential property or 25% for commercial property. The Illinois Department of Revenue determines an equalization factor by county each year. The equalized assessed valuation of your property is calculated by multiplying the assessed value of your property by the equalization factor. If applicable, exemptions are then deducted from your equalized assessed valuation. Your equalized assessed valuation is then multiplied by the tax rate for your community to calculate your property tax bill. The tax rate represents the total levy extensions from all taxing bodies in your community such as school districts, park districts, libraries, villages etc... Changes in your property's equalized assessed valuation will also increase or decrease the amount of your property tax bill.

The formula in computing the district's tax rate is as follows:

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

The actual calculation for Avoca's 2016 tax rate is listed below:

$$\frac{\$13,417,867}{\$504,108,928} = 2.662\% \text{ (per \$100 in EAV)}$$

When the EAV in the district increases, the tax rate decreases. When the EAV in the district decreases, the tax rate increases. Property tax calculations are complicated and can be confusing. For more information, please click [here](#) for the Cook County Assessor's Site.