

The mysteries of real estate tax appeals.....

What is involved in appealing my property taxes?

How is my property tax computed?

What is an Equalization Factor?

Can I obtain tax incentives?

These and so many more questions were the foundation of a recent and informative lunch and learn session with Jimmy Sarnoff and Zach Kafitz of the property tax law firm, Sarnoff and Baccash. These folks bring a level of professionalism and responsiveness to the property tax world that has been very successful in maintaining the lowest possible tax payments on a majority of ours, and our client's properties.

This is why we leave it to the professionals; the State of Illinois is, for all practical purposes, is two separate entities.... Cook County, and then all other counties outside Cook County. There are 102 counties in the state.... Cook County has 38 separate townships just by itself; every township has its own distinct tax base; Cook County reassesses property on a triennial basis or every three years. All other counties reassess on a quadrennial basis or every four years. Cook County is divided into three separate groups: The City of Chicago, the North and Northwest Suburbs, and the South and Southwest Suburbs. Due to the immense amount of property in the County, each group is reassessed on a triennial basis, but in staggered years. For example, the City of Chicago was reassessed for tax year 2015 and will be reassessed again in 2018. The North and Northwest Suburbs are being reassessed for 2016 and will be reassessed again in 2019. Finally, the South and Southwest suburbs will be reassessed in 2017 and again in 2020. You can still appeal your assessment in any year of a triennial or quadrennial.

Once the assessment notice is published, taxpayers have thirty days to file an appeal....it is recommended and important that you engage a property tax firm well before or immediately after the notice is published so that you and your attorney have plenty of time to prepare the case.... thirty days is not a long time in the appeal business! Examples of data that the attorney may request include: Income and expense records, rent rolls, appraisals (the more recent the better), vacancy records, pictures, affidavits, etc. In Cook County, should you miss the appeal deadline at the Cook County Assessor level, there is still an opportunity to file an appeal to the Cook County Board of Review. Not all appeals are successful and some may only have minimal impact while others may be much more successful—you won't know unless you engage someone to help. According to Mr. Sarnoff, all fees are contingent based on a percentage of the tax savings, so it always makes sense to look into an appeal.

How is your tax computed? In Cook County, property taxes are calculated by multiplying....

Assessed Value x Equalization Factor x the current Tax Rate

The lower the assessed value, the lower the taxes. It is your professional's job to understand and evaluate your asset and lower the assessed value thereby lowering the property tax.

There are also numerous Tax Incentives for both commercial and industrial property throughout Cook County. Such incentives can lower the tax basis by as much as 60% over a 5 to 12-year period depending on the property type. Qualifications that trigger incentives include: new construction, vacant property, and substantial rehabilitation all which raise the economic growth of a given area.

ALSO, if you are looking at buying property or investing in real estate, engaging with a tax professional can help you to position yourself and your asset in the best possible way for the future. It is always recommended to speak with tax counsel during due diligence to determine where the property tax may end up.

Hence the need for a professional.....

Like an iceberg, the above information is but the tip....a professional property tax law firm can analyze your asset and provide for the lowest possible tax base; there are many good firms out there.....we researched and chose Sarnoff and Baccash....I recommend you call them at 312.782.8310 to see what they can do for you!

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"Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world." -Franklin D. Roosevelt