**POSITION STATEMENT:** **Assessor Data Reporting, HB 2217 (Rep. Davis)/SB 1379 (Hutchinson)**

**POSITION REQUESTED: Oppose, in current form**

These bills establish a vague and onerous reporting requirement on many business properties, including multi-family buildings, in Cook County, with significant penalties for guessing wrong. Other counties would be authorized to opt in and establish similar regimes.

The Assessor wants data to improve assessment accuracy and transparency. **Improved assessment process and end-product is without doubt desirable, but there is no guarantee this program will provide it.** The bills, however, raise many unanswered questions and on balance, **the burden on and risks to taxpayers could be significant and a more thoughtful and deliberative process in crafting such changes to the assessment process is urged**.

1. **IT IS NOT CLEAR WHAT INFORMATION MUST BE REPORTED.** The bills require practically any document created in the ordinary course of business to be submitted, rather than specific information. For example, “income and expense data” that must be reported includes certain federal income tax schedules. Depending on the taxpayer’s situation, the schedules specified in these bills may contain information unrelated to “income producing property.”
2. **IT IS NOT CLEAR WHO MUST REPORT THE INFORMATION.** The bills refer to a “taxpayer” without adequately defining the term. Sometimes tenants pay property taxes, but they may not have all of the information the Assessor seeks. Property owners are ultimately responsible for the tax, but frequently will not have access to (or be authorized to share) all income and expense data, either.
3. **IT IS NOT CLEAR WHAT PROPERTIES ARE COVERED.**  Owner-occupied real property is generally excluded, but the level of owner occupancy is not defined. Certain owner-occupied properties are included, such as hotels, parking garages, and storage facilities, but the rationale for including and excluding different property types is not explained, making it nearly impossible to discern what was intended.
4. **THE FAILURE TO IDENTIFY WHAT DATA, WHAT PARTY, AND WHAT PROPERTY ARE COVERED RESULTS IN SUBSTANTIAL PENALTIES.** Given the many uncertainties surrounding this program, it is inappropriate to impose any penalties on taxpayers who guess wrong when trying to decipher the requirements. Penalties up to $100,000 are excessive and unreasonable.

There are too many unanswered questions to justify the permanent creation of up to 102 separate regimes requiring disclosure of private business information, when there is no clear direction as to how it is to be used and protected. Similar programs in other jurisdictions are generally less burdensome, and these bills will not address the biggest property tax concern in Illinois—the high level of taxes.

**IN LIGHT OF THE MANY UNCERTAINTIES SURROUNDING THESE BILLS, THE UNDERSIGNED RESPECTFULLY ASK FOR YOUR VOTE AGAINST HB 2217 OR SB 1379.**

BOMA/Chicago

Chemical Industry Council of Illinois

Chicagoland Chamber of Commerce

Grain and Feed Association of Illinois

Illinois Chamber of Commerce

Illinois CPA Society

Illinois Farm Bureau

Illinois Manufacturers’ Association

Illinois REALTORS

Illinois Retail Merchants Association

National Federation of Independent Business

Taxpayers’ Federation of Illinois