



**CHICAGOLAND--A FISCAL PERSPECTIVE
1981-1990**

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RESEARCH...POLICY...ACTION...FOR CHICAGO TAXPAYERS

JULY, 1992

MISSION

The Civic Federation is the nation's oldest taxpayers' watchdog organization. Incorporated in 1894, its mission was then, as it is now, to provide a citizen agency for promoting efficiency and economy in the organization and management of public business; for guarding against wasteful expenditure of public funds and excessive taxation; and for furnishing the public with accurate information concerning governmental revenues and expenditures.



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Comparison of effective tax rates is another important way to analyze tax burdens.⁶ Effective tax rates compare market values to the property tax bill for the sample properties. It allows us to account for differences in assessment levels, state equalizer and local tax rates within the different jurisdictions in the sample. An individual shopping for a \$100,000 property in different communities can compare the actual tax bills for a similarly priced property in each community using effective tax rates as a guide.

The following chart shows 1990 effective tax rates for industrial, commercial and residential properties in Chicago, seven suburban Cook County suburbs, three DuPage County suburbs and three Lake County suburbs.

*1990 EFFECTIVE TAX RATES IN CHICAGO AND SELECTED SUBURBS
FOR HOMES, COMMERCIAL AND INDUSTRIAL PROPERTIES**

	<i>HOME</i>	<i>COMMERCIAL</i>	<i>INDUSTRIAL</i>
CHICAGO	1.50	4.53	4.61
<i>COOK COUNTY SUBURBS:</i>			
SCHAUMBURG**	1.55	4.99	4.80
ROSEMONT**	1.26-1.31	4.06-4.22	3.91-4.07
ELKGROVE**	1.25-1.27	4.01-4.10	3.86-3.94
HARVEY	2.34-2.84	7.53-9.14	7.25-8.80
CHICAGO HTS	2.05-2.97	6.59-9.56	6.35-9.21
SOUTH HOLLAND	1.68-2.05	5.42-5.60	5.22-6.35
ORLAND PARK	1.68	5.41	5.21
<i>DUPAGE COUNTY SUBURBS:</i>			
ELKGROVE**	1.73	1.94	1.94
OAK BROOK**	1.19	1.33	1.33
BURR RIDGE**	1.75	1.95	1.95
<i>LAKE COUNTY SUBURBS:</i>			
DEERFIELD**	1.79-2.10	2.00-2.35	2.00-2.35
BUFFALO GROVE**	1.73-4.71	1.94-5.26	1.94-5.26
LINCOLNSHIRE**	1.54-2.01	1.72-2.24	1.72-2.24

* These effective tax rates are based on information from the Cook County Clerk, DuPage County Clerk and Lake County Clerk and on assessment sales ratio studies from the Illinois Dept. of Revenue. The suburbs with ** were part of the Civic Federation study, *Report on Intercountry Industrial and Commercial-Office Property Tax Differentials*, released in February, 1990. The effective tax rates are ranges in some cases, while in the others (Chicago, Orland Park, Elk Grove (DuPage part), Schaumburg, Burr Ridge, Oak Brook) they represent the average rate level for that municipality. These effective tax rates are based on dividing the actual tax bill of a typical home or business property within these municipalities by the market value of that property. In Buffalo Grove the top end of the tax rates is an isolated case, one commercial-office development.

⁶The effective tax rate used is based on tax bills of typical commercial and industrial properties and homes divided by their market values. The market values used are based on the Illinois Department of Revenue median 1990 assessment-sale-ratio figures for Chicago and Suburban Cook County in each of these three property classes. The calculation of tax bills includes the homestead exemption for residential properties but does not include the senior citizen exemption.