Property Taxes Up $743.8 Million

By Maria Pappas

Cook County homeowners face a sharper increase in property taxes this year compared to businesses, a result of home values climbing much faster than commercial real estate values, according to that latest tax bill analysis by Cook County Treasurer Maria Pappas.

Local governments across the county are seeking $743.8 million in new taxes, bringing the total amount property owners must pay to more than $19.9 billion, an increase of about 3.9%, well above the annual regional inflation rate of 3.1%. Over the past 30 years, tax increases have pushed up the total tax tab by $12.9 billion, or 184%, twice the 91% increase in the local cost of goods and services.

The increase in the overall tax burden is a result of local governments — school districts, cities, villages, the county, park districts and the like, continually seeking more money from property owners. This year marks the 32nd annual increase in a row.

Homeowners must pay $593.4 million, or 80%, of this year's tax increase, with owners of businesses — commercial buildings, industrial plants and large multifamily properties, and vacant land picking up the rest. The inflation-topping increase in taxes for homeowners pushes up the cost of owning a home, renting an apartment, leasing office space and buying from a store at a time when affordability weighs on many households.

"Local governments need to learn to do more with less, particularly in these precarious economic times," Pappas said. "And taxpayers need to vote. Residential taxes in the north and northwest suburbs increased at pace more than triple that of the inflation rate, in part because of recent tax-hike referendums approved in off-year elections by an average of one in five eligible voters."

This marks the fifth year in a row that an increased tax burden has fallen mostly on homeowners as commercial values have declined or grown at a far smaller pace than those for homes, a trend that has continued since the COVID-19 pandemic.

Those valuations are key to the property tax equation, because the share of taxes one pays is determined by the assessed value of their property. The higher the value, the higher the tax bill.

Suburban homeowners north of North ave., where all properties were reassessed last year, saw the value of homes rising more than they did for businesses, causing 2% of the overall tax burden to shift from businesses to homeowners.

That shift, combined with a 6.4% increase in overall taxes in the north suburbs, resulted in a 6.7% increase in the median homeowner bill, compared to businesses which saw just a 0.1% increase.

In the suburbs south of North ave., where property values for businesses and homes decreased by a fraction of a percent, the median business tax bill increased by 4.5%, more than it did for homes, which face a 3.8% increase in the median bill.

In Chicago, where tax assessment appeals continued to lower assessments, business values fell 1.6%, compared to just 0.7% for homes, the median bill increase for homes was 3.2%, compared to 2% for businesses. Those increases were relatively modest because overall taxes in the city increased by 2.2%, less than the rate of inflation.