

insights

TYPES NOT MAPPED YET June 05, 2020 | TTR not mapped yet | David J. Kaufman

‘COVID-19 Adjustment’ may lessen Cook County property taxes in light of pandemic

Cook County Assessor, Fritz Kaegi recently announced that his office will apply a “COVID-19 Adjustment” to decrease Cook County property values in an effort to reduce property taxes and diminish the impact of the COVID-19 pandemic. This action follows an increase in Cook County property values reflective of the robust economy of the pre-pandemic world.

The Assessor’s Office plans to first decrease the assessed values of various properties in the south and west suburban regions of Cook County. The decreases in assessed values will apply to condominiums and single-family residences, with assessments decreased by 8 percent to 12.2 percent, as well as apartment buildings and commercial properties (including office buildings, shopping centers and others).

The Assessor’s Office predicts home values to drastically decline due to the increased unemployment rate. The value of two and six unit apartment buildings will be lessened by between 10 percent to 15.2 percent, and the projected 8 percent to 12 percent decrease in home and condominium assessments will be dependent upon a property’s location. The Assessor’s Office plans to implement adjustments to properties located in the City of Chicago and the North Cook County suburbs at a later date.

Property tax assessments determine how the tax burden is distributed amongst all of the Cook County tax payers as the county multiplies the assessment amount by the applicable local government’s tax rate and equalizer to calculate the taxes owed.

Commercial property adjustments will be put into place by changing capitalization (or “cap” rate). Cap rate is equal to property income, divided by property value—in essence, a rate of return. The assessor noted that some commercial properties will not receive adjustments, while commercial property cap rates will be raised by 2 percentage points (or approximately a 25 percent decrease in property value) for commercial properties such as restaurants, hotels and shopping centers that have been impacted by Coronavirus.

In addition, Cook County has waived late fees and penalties until October 1, 2020 if taxpayers fail to pay their second installment property tax bills by the August 3, 2020 deadline. These tax adjustment modifications will not prove beneficial until 2021 taxes are calculated in accordance with these 2020 assessed values since 2020 taxes were calculated in accordance with 2019 assessments.

Thompson Coburn has a large practice group to help answer questions on your property tax assessment. If you have questions on these concerns, please reach out to your regular Thompson Coburn contact.

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