

How To Pay Less In Property Taxes In Chicago

by Greg Nagel of Ask Nagel Realty



Ask Nagel Realty: Your Local West Town Neighborhood Experts:

Let me briefly introduce myself, I'm Greg Nagel Owner & Managing Broker Of Ask Nagel Realty located at 1919 West Division Street in the Heart of Wicker Park.

Ask Nagel Realty is a full service real estate brokerage right across from Milk N Honey In West Town's Wicker Park / East Village micro-hood. We help our clients sell, buy, and lease real estate.

We opened in 2013 and have been & we are your "Local West Town Experts":

Locally owned, non-franchised, neighborhood centric business.

Ask Nagel Realty "Works Harder & Smarter Than The Competition", check us out including our reviews at: <https://www.asknagel.com/>

The info I'm about to share with you may be controversial to some real estate attorneys. So this information comes from my knowledge comes from being a CPA, a real estate professional, and my own experience dealing with the taxes on my 4 flat at 1040 N. Winchester in West Town's East Village.

Please note that I have no skin in this game – I'm not trying to make any money on property tax appeal.

I want to help my clients, family, friends, and neighbors to Pay Less In Property Taxes.

Additionally, this info comes from Aaron Bilton – Former EVA President, who is currently a property tax attorney for hire (aaronbilton@gmail.com), and has worked as First Assistant Commissioner which Aaron explains was basically the chief of Staff to the Commissioner at the board of review.

Chicago proper was re-assessed in 2018 and property taxes went up 40-60% for nearly everyone. Every year the properties are re-assessed, but its only every 3 years that the assessor does site visits, where in off years its done formulaically. The has a 3 year rotation of North & Northwest, Chicago Proper, and then South & Southwest.

How To Pay Less In Property Taxes In Chicago: Bottom Line Advice on What You Can Do

1. Challenge Your Property Taxes
2. Make Sure You Take All Exemptions You Are Eligible For

1. Challenging Your Property Taxes In Chicago

- Challenge at Board of Review level not the Assessor level to get better results:
<https://cookcountyboardofreview.com/>
 - Assessor level for more fact issues like city thinks your home is Brick and its frame
 - Most of the reductions come at the Board Of Review Level – not the assessor level
- Challenge at the Board of Review level using the Outreach Program vs hiring an attorney, where the same administrative hearing officer that would of heard your case, actually pulls the challenge comps for you and in a sense challenges themselves.
 - You can file online on Board Of Review Website (in past just hard copies)
 - There is a pre-file period where you can file your claim and just wait for township to open. This allows for a much bigger window so you don't miss the deadline.
 - Attorneys will take 25-40% of the savings typically where the outreach program is free.

- No way of knowing if an attorney is better, or the “outreach program” is better as you cannot file both ways to see, but when a guy like Aaron Bilton says I cannot do any better for you that you can do for yourself, then I have to assume it better not to pay the 25-40%
- For condos there is NOT a material advantage to file as a Building
 - Attorney may be able to slightly argue up the personal property – but it’s totally immaterial
- Exceptions For When An Attorney Will Help
 - Commercial props w/ Appraisals yet
 - Vacant multi-units – yes
- But for a standard condo or occupied 4 flat – do not hire an attorney per Aaron!

Make Sure To Take all Exemptions You Are Eligible

- 30% People never take their homeowner exemption – this is a huge mistake especially since the Homeowners Exemption was expanded by 43% in 2018 by the assessor from 7K to 10K. See attached 2/23/18 Letter below.
- The exact calculation of the homeowner exemption savings is taking the 10K times your tax rate which is on your tax bill and varies by which township you live in.
- You must live in the home as of 1/1 to get the exemption for that year or the previous owner must have had taken the exemption.
 - Nearly nobody is taking the HOE in the year they bought even when the previous owner took it, because they figure since they were not in as of 1/1 so they were not entitled to it. Its not very intuitive that the law allows you to get it if the previous owner took it – but that’s the law.
 - The city will assume that the new buyer is an investor, so you will have to apply to get the exemption. Best to go to the assessor within 2 weeks of the 2nd half bill coming out and ask for bill reprint so you get exemption reduction up front vs requesting refund, and send new bill to your bank for correct tax escrow calculation.
- If for some reason you failed to take your homeowner exemption, you can go back 4 years and claim it.
 - Go to the Assessor office & file a Home Owners Exemption Certificate of Error Application form and it will usually take 3-4 months to get the refund.

<https://www.cookcountyassessor.com/assets/forms/HoCofE.pdf>

- Long term new homeowner exemption – This is a somewhat new exemption
 - Must be living in property 10 years or more
 - At 100K in annual income it starts to phase out
- Senior Citizens exemption in 2018 increased 60% from 5K to 8K & the income phase out is increasing from 55-65K
- Home Improvement exemption – 4-year delay in improvement. It is automatically in place and you do not need to apply. It's in place to encourage renovation. For example, lets say you pull a permit to do an addition and add 500 sqft, the city now knows that you should be taxed for that additional square footage, but will wait 4 years before doing it.

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