

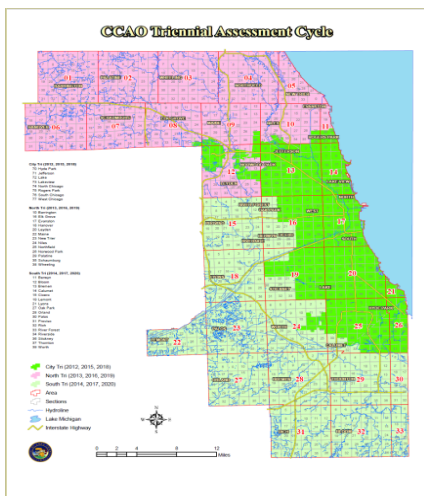
You Know Your Percentage of Interest. Why Doesn't The Assessor??

Matt Panush & Holly Zeilinga
 Worssek & Vihon, LLP
 180 N. LaSalle
 Chicago, IL 60601
 312-368-0091
mpanush@wvproptax.com
hzeilinga@wvproptax.com



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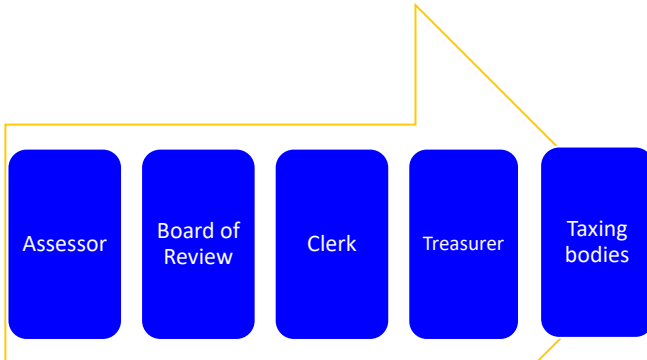
Cook County Property Tax System



- ▶ Cook County is divided into 3 assessment districts.
- ▶ Each year one of these areas is reassessed.
- ▶ 2021 - City of Chicago
- ▶ 2022 - North Suburbs
- ▶ 2023 - South Suburbs
- ▶ Value is to be determined as of January 1 of the year at issue.

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Cook County Property Tax System



- Assessor sets value for all PINs & hears appeals
- BOR rules on appealed PINs
- Clerk determines tax rate
- Treasurer mails property tax bills and collects the money
- Treasurer distributes the money to the taxing bodies

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Calculation of Taxes

$$\begin{array}{ccccc} \text{Assessed} & & & & \\ \text{Value} & \times & \text{Equalizer} & \times & \text{Tax Rate} \\ \text{(AV)} & & & & \\ & & = & & \\ & & \text{Tax Bill (what you owe)} & & \end{array}$$

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Assessed Value

- ▶ Assessed Value (AV) is the percentage of the Fair Market Value.
 - ▶ In Cook County residential condominiums are assessed at 10% of fair market value and commercial condominiums at 25%.
 - ▶ Rest of Illinois property is assessed at 33.33% of fair cash value.

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What Is Percentage of Interest?

- ▶ Per the condo declaration, each unit is assigned its own PIN with a percentage of interest
- ▶ The percentage of interest tells the unit owner exactly how much of the Association they own
- ▶ The sum of each percentage must equal 100%
- ▶ The percentage of interest is then used by the Association to divide common expenses
- ▶ The percentage of ownership interest in the common elements allocated to each unit. Such percentages shall be computed by taking as a basis the value of each unit in relation to the value of the property as a whole, and having once been determined and set forth as herein provided, such percentages shall remain constant unless otherwise provided in this Act or thereafter changed by agreement of all unit owners (765 ILCS 605/4(e))

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How Are The Taxable Assessed Values Determined?

- ▶ The Assessor should determine the value of the Association as a whole
- ▶ An overall market value is proposed by analyzing the recent sales in the subject Association and the percentage of interest those sales represent
- ▶ That market value is then divided among each unit based on the *percentage of interest* found in the condominium declaration
- ▶ By applying the 10% level of assessment, each unit is assigned their taxable assessed value

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Unit No.	% Interest	2020 Certified Land AV	2020 Certified Imp. AV	2020 Certified Total AV	2020 Certified Improvement Market Value
1A	2.75%	1,926	9,386	11,312	341,309
	2.65%	1,856	10,826	12,682	408,528
A1D	2.65%	1,856	9,044	10,900	341,283
	2.75%	1,926	9,385	11,311	341,273
1F	2.75%	1,926	9,385	11,311	341,273
	2.65%	1,856	9,044	10,900	341,283
	2.65%	1,856	9,044	10,900	341,283
1K	2.75%	1,926	11,234	13,160	408,509
2A	2.75%	1,926	9,385	11,311	341,273
2B	2.65%	1,856	9,044	10,900	341,283
2C	2.20%	1,541	7,508	9,049	341,273
2D	2.65%	1,856	9,044	10,900	341,283
	2.75%	1,926	9,385	11,311	341,273
2F	2.75%	1,926	9,385	11,311	341,273
2G	2.65%	1,856	9,044	10,900	341,283
2H	2.20%	1,541	7,508	9,049	341,273
2J	2.65%	1,856	9,044	10,900	341,283
2K	2.75%	1,926	9,385	11,311	341,273
	2.75%	1,926	9,385	11,311	341,273
	2.65%	1,856	9,044	10,900	341,283
	2.20%	1,541	7,508	9,049	341,273
	2.65%	1,856	9,044	10,900	341,283
	2.75%	1,926	11,234	13,160	408,509
3F	2.75%	1,926	9,385	11,311	341,273
3G	2.65%	1,856	9,059	10,915	341,849
	2.20%	1,541	7,508	9,049	341,273
A3J	2.65%	1,856	9,044	10,900	341,283
	2.75%	1,926	9,385	11,311	341,273
4A	2.80%	1,961	9,556	11,517	341,286
	2.70%	1,891	9,215	11,106	341,296
4C	2.20%	1,541	7,508	9,049	341,273
4D	2.70%	1,891	9,215	11,106	341,296
4E	2.80%	1,961	9,556	11,517	341,286
4F	2.80%	1,961	9,556	11,517	341,286
4G	2.70%	1,891	9,215	11,106	341,296
	2.20%	1,541	7,508	9,049	341,273
	2.70%	1,891	9,215	11,106	341,296
	2.80%	1,961	9,572	11,533	341,857
Totals:	100.00%	70,038	346,792	416,830	

* Pins -1002, -1008, and -1023 were not appealed during the 2018-2020 triennial.

Each unit has the same underlying market value

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Why Does This Matter?

- ▶ All assessments for residential properties in Cook County must be uniform
- ▶ This means that the underlying market value for all units must be the same
- ▶ **Real property taxes**, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, **which are authorized by law to be assessed against and levied upon real property shall be assessed against and levied upon each unit and the owner's corresponding percentage of ownership in the common elements as a tract, and not upon the property as a whole.** (765 ILCS 605/10(a))
- ▶ Each unit owner should pay no more than their fair share of the Association's tax burden

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The 2021 Market Values Are Not Uniform

PIN	Unit No.	% Interest	2021 Assessor Certified Land AV	2021 Assessor Certified Imp. AV	2021 Assessor Certified Total AV	Underlying Improvement Market Value
1001	1A	2.75%	2,040	12,960	15,000	\$4,712,727
1002		2.65%	1,965	12,035	14,000	\$4,541,509
1003	A1D	2.65%	1,965	12,035	14,000	\$4,541,509
1004		2.75%	2,040	12,960	15,000	\$4,712,727
1005	1F	2.75%	2,040	12,960	15,000	\$4,712,727
1006		2.65%	1,965	12,035	14,000	\$4,541,509
1007		2.65%	1,965	12,035	14,000	\$4,541,509
1008	1K	2.75%	2,040	12,960	15,000	\$4,712,727
1009	2A	2.75%	2,040	12,960	15,000	\$4,712,727
1010	2B	2.65%	1,965	12,035	14,000	\$4,541,509
1011	2C	2.20%	1,632	10,368	12,000	\$4,712,727
1012	2D	2.65%	1,965	12,035	14,000	\$4,541,509
1013		2.75%	2,040	12,960	15,000	\$4,712,727
1014	2F	2.75%	2,040	12,960	15,000	\$4,712,727
1015	2G	2.65%	1,965	12,035	14,000	\$4,541,509
1016	2H	2.20%	1,632	10,368	12,000	\$4,712,727
1017	2J	2.65%	1,965	12,035	14,000	\$4,541,509
1018	2K	2.75%	2,040	12,960	15,000	\$4,712,727
1019		2.75%	2,040	12,960	15,000	\$4,712,727
1020		2.65%	1,965	12,035	14,000	\$4,541,509
1021		2.20%	1,632	10,368	12,000	\$4,712,727
1022		2.65%	1,965	12,035	14,000	\$4,541,509
1023		2.75%	2,040	12,960	15,000	\$4,712,727
1024	3F	2.75%	2,040	12,960	15,000	\$4,712,727
1025	3G	2.65%	1,965	12,035	14,000	\$4,541,509
1026		2.20%	1,632	10,368	12,000	\$4,712,727
1027	A3J	2.65%	1,965	12,035	14,000	\$4,541,509
1028		2.75%	2,040	12,960	15,000	\$4,712,727
1029	4A	2.80%	2,077	12,923	15,000	\$4,615,357
1030		2.70%	2,003	12,998	15,001	\$4,814,074
1031	4C	2.20%	1,632	10,368	12,000	\$4,712,727
1032	4D	2.70%	2,003	12,998	15,001	\$4,814,074
1033	4E	2.80%	2,077	12,923	15,000	\$4,615,357
1034	4F	2.80%	2,077	12,923	15,000	\$4,615,357
1035	4G	2.70%	2,003	12,998	15,001	\$4,814,074
1036		2.20%	1,632	10,368	12,000	\$4,712,727
1037		2.70%	2,003	12,998	15,001	\$4,814,074
1038		2.80%	2,077	12,923	15,000	\$4,615,357
Totals:		100.00%	74,172	465,832	540,004	

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Why Is This A Problem?

- ▶ Illinois law dictates that each owner should pay no more than their fair share of the Association's tax burden
- ▶ Different underlying market values = different tax burdens
- ▶ Every other action taken by the Association is done according to percentage of interest
 - ▶ Common expenses to the association, such as special assessments, service contracts for waste management or utilities, and regular assessments
- ▶ Percentage of interest is laid out in the condo declaration and easily accessible by the Assessor
- ▶ Using the percentages of interest and a uniform underlying market value is the only way to ensure uniform assessments throughout an association

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What Can Associations/Owners Do?

APPEAL YOUR ASSESSED VALUES!!

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Assessment Appeals

- ▶ Associations should hire legal counsel to file one appeal on behalf of all unit owners
- ▶ Find a law firm that has experience representing condos as the assessment process is quite different than that of other properties
- ▶ Appeals that include the entire association are more efficient than individual complaints- everyone should want the assessed values to be uniform
- ▶ Assessment cycles operate for a period of three years- reductions generally last for the remainder of the assessment cycle
- ▶ 2021 is a reassessment year for all properties in Chicago
 - ▶ This is the perfect time for an appeal!

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Give Us A Call

Chicago Office

📍 180 North LaSalle Street, Suite 3010, Chicago, IL 60601

☎️ (312) 368-0091

📠 (312) 368-9531

MPANUSH@WVPROPTAX.COM
HZEILINGA@WVPROPTAX.COM

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Questions?