

Memorandum

To: Clients and Other Interested Taxpayers
From: O'Keefe Lyons & Hynes, LLC
Date: **May 21, 2020**
Re: **2019 Equalizer/Multiplier**

The Illinois Department of Revenue has just published the 2019 Final Cook County Multiplier/Equalizer. It has increased from 2.9109 in 2018 (for taxes payable in 2019) to **2.9160 in 2019 (for taxes payable in 2020)**.

<https://www2.illinois.gov/rev/research/news/Pages/2019-Cook-County-Final-Multiplier-Announced.aspx>

By itself, the multiplier provides no indication of the likely change in taxes.

Finalization of the multiplier will enable the Cook County Clerk to calculate tax rates. The tax rates are simply the factor that is necessary to produce the budgets of the local governments (e.g., schools, municipalities, park districts, etc.) from the equalized assessment base. The combined equalized tax rate will indicate the degree of change in taxes. **We expect that the tax rates will be announced in mid-June.**

Even though it does indicate tax amounts, the final multiplier does indicate:

- **A very crude measure of the degree to which assessments vary from the level dictated by statute.**
 - Elsewhere in Illinois, all property is to be assessed at 33 $\frac{1}{3}$ % of market value. In Cook County, property is classified and assessed at different levels. Residential property is to be assessed at 10% of market value and commercial and industrial property is to be assessed at 25% of market value. Even if all property in Cook County were valued accurately, the multiplier would be necessary to increase the level of assessment to 33 $\frac{1}{3}$ %. This adjustment is necessary to properly apportion State funding for schools from county to county.
 - According to the IDOR press release regarding the 2019 multiplier, the median level of assessment for commercial and industrial property increased to 24% in 2018. However, the median levels for single family residential property and apartments dropped to 8.92% and 6.86%,

respectively. Consequently, the multiplier must be that much higher to raise the level to 33⅓%.

- It should be noted that individual class assessment levels reported by IDOR for its multiplier calculations are not accurate measures of the true levels of assessment for those classes, because of the adjustment process that IDOR uses. For example, the attached press release for the 2019 multiplier states a median assessment level of **22.60%** for commercial property in 2017. However, IDOR's own separately published assessment level statistics for 2017 (the most recent year published) states the commercial median assessment level was **19.41%**.
- The **degree of reductions granted by the Board of Review**. Every year the IDOR calculates a tentative multiplier after the Assessor has completed his appeal process and certified the assessment roll. They calculate the final multiplier after the Board of Review completes its appeal process. The more the BOR reduces assessments, the more the multiplier will increase. This year the tentative multiplier was 2.7523. The final multiplier of 2.9160 is 5.95% higher than that tentative value. The only other time since 1973 (when classification became effective) that the final multiplier increased that much over the tentative amount was 2009 when the multiplier increased 8.50%. Three years ago, for instance, the multiplier increased 2.10%. The degree of increase between the 2019 tentative and final multipliers is consistent with the observations that Assessor Kaegi was unresponsive to appeals, leaving it to the Board of Review to do all the work of correcting errors.

We will notify you as soon as the tax rates are issued.