

A Taxpayer's Guide to Property Tax Relief 2010

Permanent Index Number A 10-digit number used to identify property for tax purposes, used in place of lengthy legal descriptions.

Property Tax Appeal Board (PTAB) A state-level panel of five residents, experienced in assessment appeals, who review complaints by property owners who are unsatisfied with decisions rendered by the Board of Review.

Quadrennial Reassessment The assessment that takes place every four years during which the township assessor must revalue property based on the previous three year's sales activity. 2011 is the next quad year.

Taxing Body An organization or government body having the statutory right to fund itself through the property tax system. Examples include schools, park districts, villages, and townships.

Tax Rate A percentage applied to each taxing body's assessed valuation which will produce the amount of that taxing body's levy, or, in other words, the levy divided by assessed value equals the tax rate. The tax rate is expressed in terms of 'dollars per \$100 of assessed value'.

Taxing District The geographic area whose boundaries define the taxing jurisdiction for a group of taxing bodies.

McHenry County, Illinois

CHEMUNG TOWNSHIP PINS (01)	ALDEN TOWNSHIP PINS (02)	HEBRON TOWNSHIP PINS (03)	RICHMOND TOWNSHIP PINS (04)	BURTON TWP PINS (05)
DUNHAM TOWNSHIP (PINS 06)	HARTLAND TOWNSHIP PINS (07)	GREENWOOD TOWNSHIP (PINS 08)	MC HENRY TOWNSHIP (PINS 09 & 10)	
MARENGO TOWNSHIP PINS (11)	SENECA TOWNSHIP (PINS 12)	DORR TOWNSHIP (PINS 13)	NUNDA TOWNSHIP PINS (14 & 15)	
RILEY TOWNSHIP (PINS 16)	CORAL TOWNSHIP (PINS 17)	GRAFTON TOWNSHIP (PINS 18)	ALGONQUIN TOWNSHIP (PINS 19 & 20)	

Frequently Called McHenry County Numbers

- Supervisor of Assessments** 815-334-4290
- Recorder** 815-334-4110
- Board of Review** 815-334-4290
- Planning & Development** 815-334-4560
- County Clerk** 815-334-4242
- McHenry Senior Center** 815-344-3555
- Treasurer** 815-334-4260



Distributed as a public service for property owners by:

McHenry Township Assessor

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www.mchenrytownship.com

A township is a political and geographical subdivision of a county and state. It is a municipal corporate body that can own property, sue and be sued, borrow money and levy taxes in accordance with state statutes. A township's elected officials may act for the electorate in the township's name when conducting business.

McHenry County is divided into 17 townships. Generally, there are eight officers in each township, elected for terms of four years; Supervisor, Clerk, Assessor, Highway Commissioner and four Trustees. The annual meeting of the township electors is held on the second Tuesday in April.

Townships have many duties and some permissive powers. Services which are expressly required of all townships include providing for emergency financial assistance, building and maintaining rural roads and assessing property. In addition, townships may establish libraries, medical clinics, museums, community buildings, recreation districts, mental health facilities, cemeteries and youth committees.

The Township Assessor

The Township Assessor might more accurately be called an appraiser. The Assessor does not levy a tax, but rather places a value on (assesses) all property for tax purposes, appraising at its fair market value.

The County Clerk compiles a list of all lands and lots to be assessed, including those which are taxable, or which have become taxable for the first time. These lists are conveyed to the Township Assessor through the office of the Supervisor of Assessments.

The Assessor must then determine the market value of all taxable property, and assess that property at one-third of its market value. Township Assessors use the same principles, techniques and methodologies as those employed by fee appraisers with only slight variations to accommodate the uniformity criteria of the statutes. The ultimate purpose of the assessed value is to proportion the tax burden, as established by the taxing bodies, over all property in a fair and equitable manner based on the value of the real estate.



Under Illinois law, several programs designed to provide property tax relief, are available to homeowners. We have prepared this guide to familiarize you with these programs, and to answer the most frequently asked questions. In the back of this brochure, we have provided definitions of terms which are frequently used in

Below, for your convenience, are definitions of several terms which are used frequently in discussing the property tax system.

Ad Valorem According to value.

Assessed Value The value placed upon property after multiplying the assessment level by the market value.

Assessment The official act of discovering, listing, and appraising property for ad valorem tax purposes.

Assessment Level The percentage of full value at which property is assessed as mandated by state law – currently 33.33%.

Assessor The government official responsible for establishing the value of property for ad valorem tax purposes.

Board of Review A panel of three residents of a county, experienced in real estate appraisal, who review assessment complaints filed by individual taxpayers. The Board of Review has specific statutory responsibilities to perform during a designated period of time.

Equalization The process of providing uniform aggregate assessments between townships and counties (see multiplier).

Equalized Value The assessed value multiplied by the county and/or state multiplier. This calculation gives the value of the property to which the tax rate is applied.

Extension This term is used in two different contexts: 1) The process in which the County Clerk determines the tax rate needed to raise the revenue certified to the Clerk by each taxing body in the county; and 2) The actual dollar amount of revenue resulting from the tax rate when it is multiplied by the assessed value of a district.

Improvement Any structure, addition, or other product of labor which is attached, lying upon or within the land that may not be removed without physical stress.

Levy The amount of money that a taxing body requires to be collected through the property tax system.

Market Value The most probable price, estimated in terms of money, which a property would bring in a sale between a willing buyer and seller under arms length conditions.

Mass Appraisal The process of valuing a universe of property by employing a common reference for data in allowing for statistical testing.

Multiplier A figure used by county and state officials and applied uniformly to all parcels within a township to “equalize” assessments between townships and counties so that all values reflect the same assessment level.

Senior Citizens

discussing property taxes.

- ❖ Have one owner of record reach the age of 65 during the assessment year.
- ❖ Apply for the exemption at the Township Assessor or Supervisor of Assessments office. You must bring identification that includes proof of age.
- ❖ If the property is held in a trust you must also bring a copy of the trust to show you have an ownership in the property.

Senior Citizens Assessment Freeze Homestead Exemption

This exemption freezes the assessment on your property, but does not freeze the tax rate. This exemption may be claimed in addition to those described above. You need to understand that the actual taxes which you pay may continue to increase based upon the amounts levied by the taxing bodies where you reside (school districts, park district, village or city, township, etc).

The filing deadline for this exemption is July 1st of the assessment year. To receive this exemption, you must:

- ❖ Have fulfilled a property residency requirement as explained on the application form.
- ❖ Be age 65 or older.
- ❖ Have a maximum **household** income (gross) of \$55,000 including Social Security and Medicare. This household income includes any income for all persons using the home as their primary residence on January 1st of the assessment year.
- ❖ Obtain an application for this exemption from either the Township Assessor or the Supervisor of Assessments Office in Woodstock. The completed exemption must be signed, notarized and returned to:

Supervisor of Assessments
667 Ware Road
Woodstock, IL 60098
- ❖ Please note, because your income could change from year-to-year you must reapply every year to continue to qualify for the exemption.

Senior Citizens Real Estate Tax Deferral Program

What is the Senior Citizens Tax Deferral Program and who qualifies?

This program is designed to allow senior citizens to defer payment of part or all of the property taxes on their homes. This program functions as a loan, with an annual interest rate of six percent. To qualify for this deferral, you must:

- ❖ Own the property, which must be used exclusively as a primary residence. Please note that joint ownership under this program is limited to you and your spouse.

- ❖ Have lived on this or another qualifying property for at least three years, except for periods in which you may have resided temporarily in a nursing or sheltered care home.
- ❖ Be age 65 or older by June 1 of the tax year.
- ❖ Have a maximum household income of \$50,000.
- ❖ Owe no delinquent taxes on the property.
- ❖ **Note: The filing deadline for the program is March 1 of the assessment year.**

How much may be deferred?

Eligible residents may defer part or all their property taxes for each year in which they qualify. The maximum which may be deferred (including interest and fees) is 80 percent of the tax payer's equity in the property.

How does one apply for this tax deferral program?

Application for the Senior Citizens Real Estate Tax Deferral Program must be made each year, and involves completing two forms which are available at the McHenry County Treasurer's office. The applications include:

- ❖ A request for information about the taxpayer, his or her income and the property for which the deferral is required.
- ❖ A request that any joint owners and mortgage lenders agree to the deferral.
- ❖ Presentation of evidence of adequate insurance on the property.
- ❖ Completion of an agreement which sets out the conditions of the tax deferral, including the maximum amount which can be deferred, the interest rate to be charged, and arrangements for repaying the "loan."
- ❖ Assistance with filling out the forms, and further processing of completed forms are available from:

McHenry County Treasurer
2200 N. Seminary Avenue

Circuit Breaker

Check with Senior Center for Current Information

The State of Illinois has a program called Circuit Breaker that provides several benefits to those who qualify. Benefits involve license plate discounts, prescription drug assistance and grants to help with real estate taxes. Note: The Circuit Breaker is for Illinois residents, age 65 or older or with a disability, and who meet certain income requirements. Review the eligibility requirements to see if you are able to enroll.

You can find out more about the Circuit Breaker by contacting the McHenry Senior Center, McHenry County Clerk's Office or by contacting the Illinois Department on Aging at PO Box 19021, Springfield, IL 62794-9021. Their phone number is 1-800-624-2459 or 1-888-206-1327 (TTY). The website for the Department on Aging is: www.state.il.us/aging.

Veterans Exemptions

Exemptions

Returning Veterans Exemption

15-167 This exemption exempts \$5,000 from the assessed value for one year only, being the year in which the veteran returns from an armed conflict involving the United States.

Disabled Veterans Standard Exemption

15-169 This exemption annually exempts \$5,000 from the assessed value for veterans having at least 75% disability or annually exempts \$2,500 from the assessed value for veterans having at least 50% disability but less than 75%. Percentage of disability will be determined by certification from US Department of Veterans Affairs. Form will describe documents that will be required for proof of eligibility. Exemption continues with unmarried surviving spouse. The assessed value of property must be less than \$250,000. Note: Taxpayer claiming exemption under 15-165 or 15-168 may not claim this exemption.

Disabled Veterans Exemption

15-165 - This exemption may be up to \$70,000 of the assessed value for certain types of housing owned and used by a disabled veteran or his or her unmarried surviving spouse. The Illinois Department of Veterans Affairs determines the eligibility for this exemption, which must be reestablished annually. Note: An applicant may not claim both this and either the new disabled person exemption in 15-168 or the new disabled veteran exemption in 15-169.

How do I establish a Veterans Exemption?

You apply for these exemptions through the Illinois Department of Veterans' Affairs. Once the exemption has been approved, the Township Assessor is notified automatically. Please note that some of these exemptions must be renewed each year. You may obtain the required forms from the:

Veterans Assistance Commission
Michael Iwanicki, Supervisor
(McHenry Courthouse Administration Building)
667 Ware Road
Woodstock, IL 60098
Phone 815-334-4229 Fax 815-334-4678

Disabled Persons Exemption

15-168 This exemption annually exempts \$2,000 from the assessed value for person who has a disability that has lasted or can expect to last more than a year, rendering them unable to engage in substantial gainful activity by reason of medically determinable mental or physical impairment. The Department of Revenue is directed to prescribe form, manner, rule and regulation for administration of this exemption. Proof of eligibility for disability benefits under Social Security, or an Illinois Disabled Person ID card for Class 2 disability will constitute proof of eligibility for this exemption. The County Office is required to mail an annual verification of eligibility that must be returned by the recipient of the exemption.

As you will learn, eligibility requirements vary widely among these programs, and you should review each program's qualifications carefully.

The staff in the Township Assessor's office will be happy to provide additional information, and we encourage you to contact us if you have any questions about these programs.

The Illinois Homestead Exemption Program

Exemptions reduce the Equalized Assessed Valuation on the property prior to the calculation of real estate taxes due. Exemptions are only available on residential properties used as a primary residence. They are not available for commercial, industrial, second homes, rental or vacant properties. It is fraudulent to claim exemptions on multiple properties.

Homestead Limited Exemption

This exemption is limited to your primary residence and lowers the equalized assessed value of your property by \$6,000. To receive this exemption, you must:

- ❖ Have lived on the property on or before January 1 of the assessment year.
- ❖ The Township Assessor's office initiates this exemption.

Homestead Improvement Exemption

This exemption defers, up to four years, any increase in the assessment of your property due to an addition or other improvement to your home for which the Township Assessor would value.

- ❖ A maximum of \$25,000 of assessed value may be deferred under this program.
- ❖ The Township Assessor's office initiates this exemption.

Senior Homestead Exemption

This exemption lowers the equalized assessed value of your property by \$4,000. This amount will be prorated for portion of the year that person qualifies. This exemption may be claimed in addition to the Homestead Limited Exemption. To receive this exemption, you must: