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Cook County COVID-19 Cuts Create \$1.2 Billion Property Tax Shift Tax Increases Coming for Homeowners & Commercial Properties

Chicago, IL (August 2021) – Cook County taxpayers hoping for relief will instead be faced with increased taxes in their second installment bill according to a newly issued study conducted by TRAEN Inc. (Training Research, Advocacy & Education Network) and CEPA (Center for Economic Policy Analysis).

COVID-19 residential property tax breaks totalling \$1.2 billion will be shifted to largely unsuspecting businesses as well as homeowners who did not receive any COVID market value reductions.

This profound shift in Cook County's property tax burden will be an unanticipated legacy of the COVID-19 pandemic.

LINK TO READ STUDY: traeninc.com/covid-impact

Cook County - unlike other municipalities offering pandemic relief with tax payment and delinquent extension deadlines - took the unique step of reassessing properties based on *anticipated* devaluation. However, much of the Cook County Assessor's predicted market devaluation never happened. In fact, many properties increased significantly in value.

COVID market value reductions of \$34.1 billion were unilaterally granted to 76.4% of Cook County residential properties (Property Class 2) - including luxurious multi-million-dollar homes in tony Gold Coast and exclusive North Shore neighborhoods. The Assessor's COVID cuts were given to only 10% of commercial (Property Class 5) properties - largely to multi-national and international corporations.

The resulting 11% increase in Cook County's property tax multiplier is the second largest in 38 years. This increase indicates how drastically the Assessor improperly predicted real estate market data and trends and how a tax shift would negatively impact assessment reductions. The attempt to provide COVID-era tax savings through assessment reductions will be partly or fully negated for property owners who received the reductions. Meanwhile, everyone else will pay higher taxes than they should.

While driven by good intentions, the Assessor's COVID-19 property tax reductions were unwarranted and executed nonuniformly. An assessor's principal role is estimating real estate market values accurately and fairly as of January 1 of each year using real estate market and commercial financial data. Failure to accurately assess property values opens Cook County to possible litigation from taxpayers.

About TRAEN, Inc. & CEPA

Training, Research, Advocacy, & Education Network, Inc. (TRAEN, Inc.), an Illinois think tank, educates the public about programs and policies that benefit taxpayers, businesses and organizations.

The Center for Economic Policy Analysis (CEPA) was founded in 1988 by Arthur Lyons, PhD Economics, and provides tax policy analysis, research and expertise about government programs and decision-making.