

AHLBECK & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

FINANCIAL & BUSINESS INFORMATION

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Homeowners: Are You Getting ALL of Your Exemptions?

Cook County homeowners may qualify for tax relief through several property tax exemptions noted below. Homeowners in other counties should contact their local assessor's office.

Homeowner Exemption—provides tax relief by reducing the property's equalized assessed valuation (EAV). First-time applicants must have owned and occupied the property as of January 1 of the tax year and the exemption is prorated for the purchase of new construction not ready for occupancy until after January 1. Renewal is automatic for properties not sold during the year.

7% Expanded Homeowner Exemption—applied as an expanded version of the current Homeowner Exemption and limits a property's EAV increase to 7% each year. Homeowners who received the Homeowner Exemption in the previous year automatically receive the expanded exemption. A homeowner cannot receive both this exemption and the Senior Freeze Exemption. Renewed for an additional reassessment cycle with new maximum exemption amounts, this legislation is in effect in Cook County for the City of Chicago until 2008, for the North Suburbs until 2009 and for the South Suburbs until 2010.

Long-Time Occupant Homeowner Exemption—provides additional tax relief for homeowners residing in their homes 10 years or more who meet certain income requirements. For the 2008 Long-Time Occupant Exemption, homeowners who owned and occupied their residence from January 1, 1998 through January 1, 2008 with the following 2007 gross household incomes qualify:

- up to \$75,000: EAV increase limited to 7% over prior year's taxable value
- over \$75,000 but not exceeding \$100,000: EAV increase limited to 10% over prior year's taxable value

This exemption must be applied for annually and cannot be received with the 7% Expanded Homeowner Exemption or the Senior Freeze Exemption. As a result, the most beneficial exemption will be applied to your property.

Homeowners over age 65 may qualify for either (or both) of the following *in addition to the* Homeowner Exemption:

Senior Citizen Exemption—further reduces the property's EAV with savings as a deduction on the second-installment real estate tax bill. For the 2008 Senior Citizen Exemption, taxpayers must be age 65 or older in 2008 and have owned and occupied the property as their principal residence as of January 1, 2008. Renewal is automatic if the exemption was received in the prior year and the property was not sold during the year.

Senior Freeze Exemption—allows qualified seniors to apply for a *freeze* of their property's EAV for the year preceding the year in which they first apply and qualify for this exemption. For the 2008 Senior Freeze Exemption, qualifiers must be age 65 or older in 2008 with up to \$55,000 in 2007 total gross household income, own the property and have used it as the principal residence on January 1, 2007 and 2008 and be liable for payment of 2007 and 2008 property taxes. You must apply annually and meet the requirements each year.

For details about these or other property tax exemptions relating to disabled persons, disabled or returning veterans and home improvements, contact the Cook County Assessor's Office.

Note: If you make estimated tax payments, the second 2009 estimate is due June 15!

Financial & Business Information is emailed periodically by Ahlbeck & Company. Since the information contained herein is of a general and summary nature, no final conclusion should be made without further review. For additional information, please contact a member of our firm.