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Understanding Illinois Tax Bill

O'Connor explains how to understand the Illinois tax bill.

O'CONNOR
Tax Reduction Experts

Understanding Your Illinois Tax Bill

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While all eyes are usually on Cook County, the entirety of Illinois has seen epic property tax struggles over the past few years. This is because the state now ranks number one when it comes to property taxes, surpassing New Jersey for the crown. This is thanks to many statewide problems, including pension issues that have been brewing for decades and rising costs for public services, particularly school districts. Also, many counties, including Cook, have gotten around state-mandated caps with techniques such as tax incremental financing.

Property taxes in Illinois are complicated, with many moving parts and somewhat arcane terminology. With the second installment of property tax bills coming due across Illinois, now is a good time to break down a bill and understand the key parts of it, so that property owners can better comprehend how they are being taxed.

The Second Installment is a Different Animal

The second installment bills are more complicated than those that came earlier in the year. This is because they feature the latest tax rates and equalization factor. This can lead to large changes from the previous payment, as Illinois has generally seen tax rates climb in the past few decades. This can be countered somewhat by the fact that exemptions are applied to the second installment, instead of the first. This means that the equalized assessed value (EAV) will be lower for many properties, including residential homesteads. All of these factors can make the second installment significantly different from the first installment. For instance, residential property taxes in Cook County saw rise 16% at the end of 2025 thanks to rising tax rates and a decline in value for commercial properties.

Assessment

The assessment of a home or business is what the county assessor believes the property would sell for if it were sold on the open market during the current tax year. This is determined by studying the previous three years of property sales in an area, which the assessor uses to establish a baseline. This creates the market value. By Illinois law, all properties must be assessed at a ratio of 33.3% of market value. The assessment is the primary target of property tax appeals, which can lower the figure and, in turn, lower property taxes. The 2025 assessment was finalized last year, so any appeals filed in 2026 will only impact next year's taxes.

The Equalization Factor

By far the most complicated part of Illinois taxes, equalization is a way to ensure that all properties in an area are being taxed fairly. Property sales are studied and collected from the previous three years and compared to assessments. Any discrepancies are corrected with the equalization multiplier, which is applied before the tax rates and after the assessment ratio. For many counties, they will have an equalization factor of 1.0, which means there is no change needed. The equalization factor changes every year as the market changes. The combination of assessment, the assessment ratio, and the equalization factor produces the equalized assessed value (EAV), which is what tax rates are applied to.

Cook County is different from the rest of Illinois in that it uses a different assessment ratio. Homes are typically assessed at 10%, while most businesses are assessed at 25% of their value. Chicagoland is not exempt from statewide laws, however, and the assessment must match the rest of the state. To achieve this, a much larger equalization factor is applied, usually about three times higher than the rest of Illinois. For instance, in 2026, the equalization factor for Cook County was set at 3.0300. Like the rest of Illinois, this multiplier will be put on the second installment of taxes.

Exemptions

In Illinois, exemptions are only applied to the second installment of property taxes. These are applied to the EAV before tax rates are, representing a consistent form of tax relief. As the only reduction technique and the only stable metric on the second installment of Illinois tax bills, exemptions are important for every property owner in the state. The homestead exemption in Illinois removes $8,000 from EAV, while the Cook County equivalent, the homeowner's exemption, removes $10,000. Each county also has other exemptions, such as those for seniors, veterans, and people with disabilities. While not all of these exemptions will stack together, some will. Notably, the homestead exemption will combine with such as the senior or veteran exemptions. If property owners are missing an exemption, they can file a certificate of error with their assessor, which can lead to a retroactive refund.

Tax Rates

Once the EAV has been calculated and the exemptions have been applied, the next step is to apply tax rates to the figure. It is a common myth that a county or town has one tax rate. Looking at the bill, many will be listed. This is because tax rates are determined by taxing entities. This includes school districts, hospital districts, emergency services, and more. These will change tax rates to meet the needs of their annual budgets. By statute, taxing bodies are prevented from raising their rates a certain amount, though many, such as school districts, often raise their rates to the maximum cap every year. Like the equalization factor, a new set of multipliers is applied to the second installment.

Property Tax Due Dates

Like exemptions, appeals, and other property tax matters, there are strict deadlines for when property taxes are due. The exact deadline is tied to the county, though most counties will have their taxes due in September. The bills themselves usually come out in July, giving property owners roughly two months to pay. While Cook County typically follows this pattern, tax bills will once again be delayed, with a tentative deadline set for November. In 2025, this was pushed back until December. Penalties and interest begin accruing as soon as the deadline passes, so it is imperative to pay taxes on time. Some counties will offer payment plans, though this can vary wildly. These plans can only be used after property taxes become delinquent.

Notable Deadlines (populate once they are announced in late July or August)

Cook: November
DuPage
Grundy
Kane
Kendall
Lake
McHenry
Will

What if Property Taxes Are Too High?

There are only two options available in Illinois if property owners are looking to decrease their tax burden. The first is exemptions, and every taxpayer should maximize their tax savings as much as possible. The second option is to use property tax appeals. While these cannot be used on the current tax bills, they can be filed on the most recent assessments, which means that reductions can appear on tax bills in 2027.

While many townships have closed their appeal windows, some are still open. In Cook County, some townships are open for assessor appeals, while others are awaiting the chance for Board of Review (BOR) appeals later in the year. Outside of Cook, taxpayers only have the option to file BOR appeals. Appeals are protests that challenge the values assigned by the assessor, and scoring a property tax reduction on these can lead to significant savings in most cases.

About O'Connor:
O’Connor is one of the largest property tax consulting firms, representing 185,000 clients in 49 states and Canada, handling about 295,000 protests in 2024, with residential property tax reduction services in Texas, Illinois, Georgia, and New York. O’Connor’s possesses the resources and market expertise in the areas of property tax, cost segregation, commercial and residential real estate appraisals. The firm was founded in 1974 and employs a team of 1,000 worldwide. O’Connor’s core focus is enriching the lives of property owners through cost effective tax reduction.

Property owners interested in assistance appealing their assessment can enroll in O’Connor’s Property Tax Protection Program ™. There is no upfront fee, or any fee unless we reduce your property taxes, and easy online enrollment only takes 2 to 3 minutes.

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