# Public Hearing Truth-In-Taxation

October 2017





### Outline - Property Taxes

#### Three components of Property Tax increase:

1. Capital Improvement Tax Levy

CPS started levying in 2016 and may continue levying annually, increasing at rate of inflation\*

Outside of PTELL tax cap--purposes

2. Raising existing property taxes under PTELL/tax

\$67.0M)

The

operating property tax extensions to lesser of 5% or inflation/CPI (2.1% for 2018 extension) on existing property

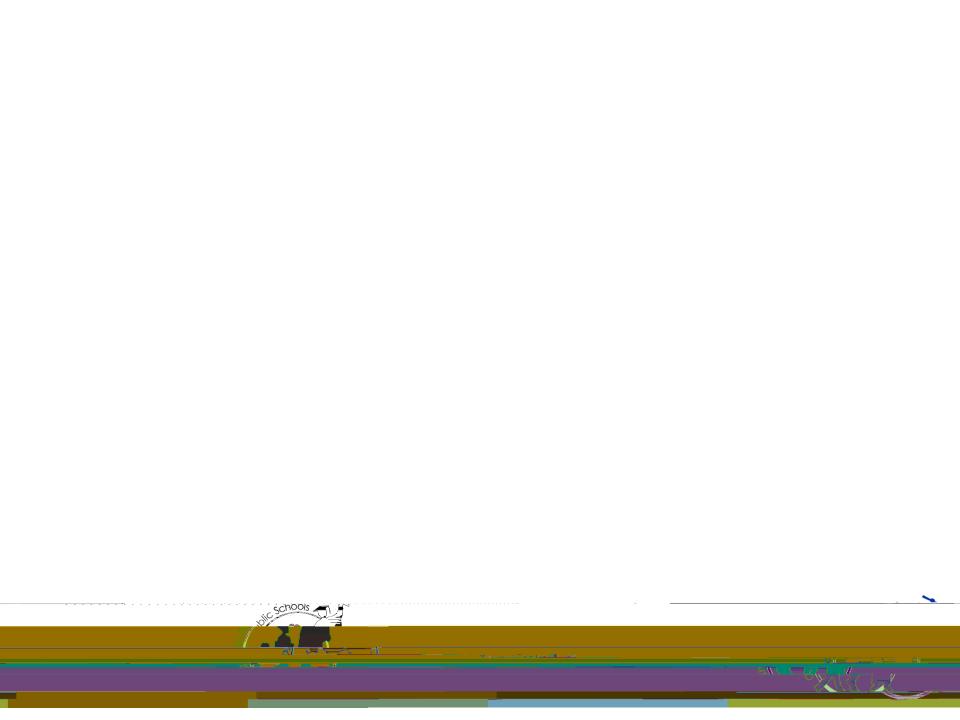
Resulting levy rate then applied to new property

CPS has increased property taxes in 26 of the last 27 years, 23 of which were to the PTELL cap

3. Increase teacher pension levy

\$138M of which is attributable to Springfield approval of state funding reform; increases max. allowable rate from 0.383% to 0.567% \$16M resulting from the inflationary increase on the existing 0.383% levy

\*Note: state statute stipulates a different time period for CPI used in PTELL and for CIT



## Breakdown of Property Tax Increase\*

Proposed 2018 levy of \$2,929.0 million represents an 8.3% increase over the 2017 extension of \$2,704.5 million

<sup>\*</sup>Does not include extension for PBC rent funds and rounding adjustment which was \$53.7M for FY17 and an estimated FY18 levy of \$53.2M

## Impact of Property Tax Increase on Homeowner Tax Bill

Tax Impact of Increase in CPS Property Taxes on 2017 Tax Bill of Average Home of \$250,000 Market Value		
		4.0
Increase Due to Inflation/CPI (PTELL)	\$	43
Increase Due to Capital Improvement Tax		3
Increase Due to Teacher Pension Tax		131
Total 2018 Increase	\$	177

Property taxes for CPS have increased in recent years due to inflation, the Capital Improvement Tax (CIT) and Pension Levies

tax rate in 2016 at 7.145%