

Key Terms

sions do not apply. This is because the sum of rates for all funds cannot exceed the limiting rate. This allows the taxing district some flexibility from year to year for specific funds but the limiting rate assures limited growth in extensions. If a taxing district wishes to extend taxes at a rate higher than the limiting rate, it may ask voters to approve an increase.

If separate statutes govern a particular fund (e.g., the corporate fund) and a taxing district has never levied under one of the applicable statutes, it must ask voters to approve a new rate before levying for the other fund.

Example:

Two separate statutes govern the corporate fund of a park district. A park district has levied for one fund at the rate of 0.100%, but has never levied for the additional corporate fund (equal to 0.250%). If the park district wishes to extend taxes using the additional corporate fund, then it must ask voters to approve a "new rate" for the additional 0.250% because it has never levied for that fund. If approved, it may then extend taxes for both funds at a combined rate of 0.350%.

What are some examples of when a "new rate" referendum is not required?

A new rate referendum under Section 18-190 is not required in each of the following circumstances:

- A taxing district **has** levied for a fund previously, even if it has not done so recently. The only exception is when a taxing district wishes to levy for a fund subject to backdoor referendum and has not done so in any of the last three levy years.
- A service is transferred from one taxing district to another and the district to which the service is transferred receives a portion of the former district's aggregate extension base for the transferred service.
- The General Assembly increases the statutory rate ceiling for a fund and the taxing district wants to extend taxes at that rate.

New property

Under the PTELL, taxing districts receive an additional allowance in proportion to the new property in the district.

"New property" includes the assessed value of

-  new improvements or additions to existing improvements on any parcel of real property that increased the assessed value of that real property during the levy year. It does not include maintenance and repair.
-  property that was exempt during the prior levy year but reclassified and assessed as non-exempt during the current levy year.
-  new improvements or additions to existing improvements that increase the assessed value of property during the levy year in an enterprise zone only to the extent taxes are not abated on this new property. To the extent taxes are no longer abated on this property, it is new property the first year the abatement ceases.
-  any increase in assessed value due to oil or gas production from an oil or gas well required to be permitted under the hydraulic fracturing regulatory act that was not produced in or accounted for during the previous levy year. See Public Act 98-0023.

The value of the new property is limited to the actual assessed value added by the new improvement, multiplied by the state equalization factor (multiplier). All homestead

Tax Extension Instructions for County Clerks

Example A - Levy year 2012 extension example (basic steps)

Section 1: Obtain the following for each district subject to the PTELL.

- 1 Extensions for 2012 tax year for the funds that are subject to the PTELL (i.e., aggregate extension base)
- 2 Equalized assessed value (EAV) for 2012 tax year (taxes payable in 2013)
- 3 2012 levies filed by district

- 4 Assessed value of new property for the district

Section 2: Extend taxes as follows.

- 5 Compute preliminary tax rates for the district by fund as usual. (These are preliminary rates because they may be reduced by the PTELL. A preliminary rate cannot be greater than the statutory maximum rate for the fund.)
- 6 Add the preliminary rates for those funds subject to the PTELL.
- 7 Compute the numerator of the limiting rate. Multiply the 2011 aggregate extension base by one plus the limitation (1.034) or other limitation passed by referendum under Section 18-205 of the Property Tax Code.
- 8 Compute the denominator of the limiting rate by subtracting from the 2012 EAV the product of the assessed value of new property from Line 4 times the county multiplier.
- 9 Compute the limiting rate by dividing the numerator from Line 7 by the denominator from Line 8.
- 10 Compare the total of the preliminary rates from Line 6 to the limiting rate from Line 9. If the total of the preliminary rates from Line 6 is less than or equal to the limiting rate from Line 9, the district is not affected by the PTELL. Do not continue to Lines 11 and 12. Extend taxes as usual. If the total of the preliminary rates from Line 6 is greater than the limiting rate from Line 9, the district is affected by PTELL. Complete Lines 11 and 12.
- 11 Reduce the preliminary rates from Line 5 that are subject to the PTELL by multiplying them by a factor equal to the limiting rate from Line 9 divided by the total of the preliminary rates from Line 6.
- 11a *Under Section 18-195 of the Property Tax Code, a taxing district may direct the county clerk to reduce the extensions by different amounts, provided the limiting rate and the statutory maximum rate for a fund is not exceeded.
- 12 Extend taxes using the rates computed in Line 11
- 13 Compute reduction to the extension due to the law, if applicable.

County multiplier is 1.0000. Change in CPI is 3.4%.
Aggregate extension base year is 2011.

1 Extensions for 2012 tax year: (corporate and recreation)	\$ 270,000
2 2012 EAV:	\$ 10,400,000
3 2012 levies:	
Corporate	\$ 280,000
Recreation	\$ 20,000
Bonds (not subject to the PTELL)	\$ 100,000
4 New property:	\$ 400,000

5 Compute preliminary tax rates:	
Corporate	$\$280,000 \div \$10,400,000 = .02692$
Recreation	$\$20,000 \div \$10,400,000 = .00192$
Bonds	$\$100,000 \div \$10,400,000 = .00962$

6 Add preliminary rates: $.02692 + .00192 = .02884$

7 Numerator: $\$270,000 \times 1.034 = \$279,180$

8 Denominator:
 $\$10,400,000 - (\$400,000 \times 1.0000) = \$10,000,000$

9 Limiting rate: $\$279,180 \div \$10,000,000 = .02792$

10 Total of the preliminary rates from Line 6 (.02884) is greater than the limiting rate from Line 9 (.02792).
District is affected by the law.

11 Factor to reduce rates: $.02792 \div .02884 = .9681$

New rates:	
Corporate	$.02692 \times .9681 = .02606$
Recreation	$.00192 \times .9615 = .00186$
Total rate	.02792

11a When the sum of rates exceed the limiting rate the clerk can reduce them proportionally unless directed otherwise by the taxing district.*

12 Extend taxes:	
Corporate	$.02606 \times \$10,400,000 = \$ 271,024$
Recreation	$.00185 \times \$10,400,000 = \$ 19,344$
Bonds	$.00962 \times \$10,400,000 = \$ 100,048$
	\$ 390,416

13 Extension reduction due to law:	
Corporate	$\$280,000 - \$271,024 = \$ 8,976$
Recreation	$\$20,000 - \$19,344 = \$ 656$
	\$ 9,632