

ILLINOIS LOCAL GOVERNMENT  
LAWYERS ASSOCIATION  
26TH ANNUAL CONFERENCE  
FEBRUARY 18, 2019



# TAX APPEAL CASES AND CHALLENGES TO TAX LEVIES

John M. Izzo  
Hauser, Izzo, Petrarca, Gleason & Stillman, LLC  
19730 Governors Highway, Suite 10  
Flossmoor, IL 60422  
[jizzo@hauserizzo.com](mailto:jizzo@hauserizzo.com)

# INTERVENTIONS IN ASSESSMENT CASES

## □ IN BOARDS OF REVIEW

- Right and Notice
  - Cook County: No right, no notice
  - Other Counties: Right, notice only if \$100,000 AV or more
- When to Intervene
  - No immediate revenue loss
  - But consider:
    - Pending in PTAB or court for other years
    - Large percentage of tax base
    - Important legal issue

# INTERVENTIONS IN ASSESSMENT CASES, CONT'D

- IN BOARDS OF REVIEW , cont'd
  - Procedural Considerations
    - Quick timelines
    - Informal discovery
    - Discuss long-term settlements
    - No binding record

# INTERVENTIONS IN ASSESSMENT CASES, CONT'D

## □ IN PROPERTY TAX APPEAL BOARD

- Notice when \$100,000 AV or more at issue
- Deadline: 60 days after notice from Board of Review
- Simple Intervention Form, plus authorizing resolution
- Submission of Evidence of Value
  - Timely filing necessary for active role
  - Should weigh cost, revenue at risk, and value of evidence
- Submission of Legal Arguments

# INTERVENTIONS IN ASSESSMENT CASES, CONT'D

- IN PROPERTY TAX APPEAL BOARD, cont'd
  - Sharing costs/Cooperation with other taxing bodies
    - Formal or informal
    - Relative tax rates
    - TIF considerations

# INTERVENTIONS IN ASSESSMENT CASES, CONT'D

## □ IN CIRCUIT COURT

- Right, but no notice
- How to keep informed
- Procedure
  - Like any civil court case tried before judge
  - State's attorneys more active than in PTAB
  - Same considerations about valuation evidence

# RATE OBJECTIONS

## □ CHALLENGES TO LEVIES AND RATES

- Not assessments
- Particular to each taxing body

## □ PROCEDURES

- Civil lawsuit against county treasurer
- Notice to taxing bodies from county clerk
- State's attorney's role varies by county
  - Cook: clearinghouse
  - Collar counties: active, but usually cooperative
  - Downstate: cases infrequent
- Most often settled

# RATE OBJECTIONS, CONT'D

## □ COMMON ISSUES

- Loss and cost
- Excessive fund accumulation
- Tort immunity expenditures
- Inadequate appropriations
- Late filings
- Truth in Taxation



# TAX EXEMPTIONS

- TAXPAYER SEEKS EXEMPTION FROM PROPERTY TAXES
  - Generally governmental, charitable, or religious uses
- IMPACT ON TAXING BODIES
  - Future years: raises rates, no revenue loss
  - Does lower bonding authority
  - Results in one or more years of tax loss retroactively
- NOTICE TO TAXING BODIES
  - Same \$100,000 AV threshold
  - Must be sent by taxpayer, but not jurisdictional

# TAX EXEMPTIONS, CONT'D

## □ PROCEDURE

- Complaint starts with Board of Review, but Board only makes recommendation
- Forwarded to State Department of Revenue
  - DOR makes administrative determination
  - Taxpayer or intervenor can ask for evidentiary hearing

## □ HOT ISSUES

- Hospitals
- Church parsonages

# HOW TAX CASES IMPACT REVENUES

- COURTS GENERALLY WILL NOT STOP COLLECTION OF PROPERTY TAXES
  - Except for unauthorized taxes or tax on exempt property
  - Taxpayer must pay taxes and timely file protest seeking refund
- REFUNDS
  - Because for taxes already extended, taxing body cannot retroactively increase rates
  - Paid to taxpayer by county treasurer
    - Who then subtracts amount from next tax distribution to taxing body
  - Interest added, based on lesser of CPI or 5%
  - Taxing body does not pay refunds, but suffers revenue loss anyway