

## attorneys at law

Concentrating in Real Estate Taxation Matters

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### Cook County Tax Incentives

The Cook County Real Property Assessment Classification Ordinance provides taxpayers with several potential tax incentives. Bulletins describing each of the incentives can be downloaded from the Assessor's website at [www.cookcountyassessor.com/info/forms](http://www.cookcountyassessor.com/info/forms). What you will see regarding commercial and industrial properties is that the incentive reduces the assessment in half and remains in place for an initial term of 10 years at the full incentive level with two additional years of increases before returning to the original assessment classification. Many of these incentives are renewable, *ad infinitum*.

The incentives generally involve new construction or substantial rehabilitation of properties in areas of the County which are either specifically designated in the Ordinance or any other part of the county which the municipality recognizes by resolution to be in need of economic development. The five designated areas are Bloom, Bremen, Calumet, Rich and Thornton tax townships, all in southwest suburban Cook County. Commercial and industrial projects can qualify for the Class 8 incentive in those areas. Site specific incentives for industrial properties outside the designated areas generally fall within Class 6b. The Class 7 incentive is available, although quite difficult to obtain, for commercial developments outside the designated townships. Incentives can also be obtained for rehabilitation of designated landmark buildings under Class L, as well as properties with substantial environmental remediation under Class C.

The incentives made available under Class 9 and Class S for multi-family rental apartment buildings reduce the classification factor from what is now 20% of market value to 16% and are applicable to low and moderate income housing, in most cases requiring new construction or substantial rehabilitation. The limited reduction, from 20% to 16%, may no longer be a sufficient incentive for developers to seek this incentive.

Before considering the applicability of any incentive, not only should the Assessor's bulletins and applications be carefully reviewed, there should also be a review of the county ordinance as well. Schmidt Salzman & Moran, Ltd. is available for a consultation regarding the potential applicability of these incentives to your client's properties.

### 2007 Assessment Relief May Still Be Possible

The Cook County Assessor and Board of Review have completed the 2007 triennial reassessment of all north and north suburban property. It may still be possible, however for our office to contest a 2007 assessment by applying for a Certificate of Error, resulting in a refund of a portion of 2007 taxes. Please contact us for details.

### Personal Property Excludable From Real Estate Tax Assessment

It is quite often the case that when a client acquires real property, they also acquire personal property. In a gas station purchase, for instance, a client may acquire the land, some inventory, FFE including pumps and tanks, and perhaps rights under a franchise agreement. All of these have value, and as personal property are excludable from assessments for real estate tax purposes. However, if no separate provision is made for such items in the purchase transaction, then the assessing officials are left with a single recorded sale price from which to estimate value, and may simply use this for assessment purposes. Inserting a separate paragraph into the purchase contract is the preferable method for disclosing the intended allocation for these items of personalty. But failing that, the state transfer declaration forms (PTAX 203, 203-A, 203-B) contain a line item on which to specify the purchase of personal property, to which much be attached a separate schedule of detail.

Please call us with any questions.

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