

Glossary of Tax Terms

Ad Valorem – According to value.

Assessed Value – The value placed upon property after multiplying the assessment level by the market value.

Assessment – The official act of discovering, listing, and appraising property for ad valorem tax purposes – currently 33.33%.

Assessment Level – The percentage of full value at which property is assessed as mandated by state law.

Assessor – The government official responsible for establishing the value of property for ad valorem tax purposes.

Board of Review – A panel of three residents of a county, experienced in real estate appraisal, who review complaints filed by individual taxpayers. The Board of Review has specific statutory responsibilities to perform during a designated period of time.

Equalization – The process of providing uniform aggregate assessments between townships and counties (see multiplier).

Equalized Value – The assessed value multiplied by the county and/or state multiplier. This calculation gives the value of the property to which the tax rate is applied.

Extension – This term is used in two different contexts: 1) The process in which the County Clerk determines the tax rate needed to raise the revenue certified to the Clerk by each taxing body in the county; and 2) The actual dollar amount of revenue resulting from the tax rate when it is multiplied by the assessed value of a district.

Improvement – Any structure, addition or other product of labor which is attached, lying upon or within the land that may not be removed without physical stress.

Levy – the amount of money that a taxing body requires to be collected through the property tax system.

Market Value – The most probable price, estimated in terms of money, which a property would bring in a sale between a willing buyer and seller under arms length conditions.

Mass Appraisal – The process of valuing a universe of property by employing a common reference for data and allowing for statistical testing.

Multiplier – A figure used by county and state officials and applied uniformly to all parcels within a township to “equalize” assessments between townships and counties so that all values reflect the same assessment level.

Permanent Index Numbers (PIN) – A 10-digit number used to identify property for tax purposes. This number is used in place of lengthy legal descriptions.

Property Tax Appeal Board (PTAB) – A state-level panel of five residents, experienced in assessment appeals, who review complaints by property owners who are unsatisfied with decision rendered by the Board of Review.

Quadrennial Reassessment – The assessment that takes place every four years during which the township assessor must revalue property based on the previous year’s sales activity.

Taxing Body – An organization or government body having the statutory right to fund itself through the property tax system. Examples include: schools, park districts, villages and townships.

Tax Rate – A percentage applied to each taxing body’s assessed valuation which will produce the amount of that taxing body’s equals the tax rate. The tax rate is expressed in terms of “dollars per \$100 of assessed value”.

Taxing District – The geographic area whose boundaries define the taxing jurisdiction for a group of taxing bodies.