

TIF FAQs

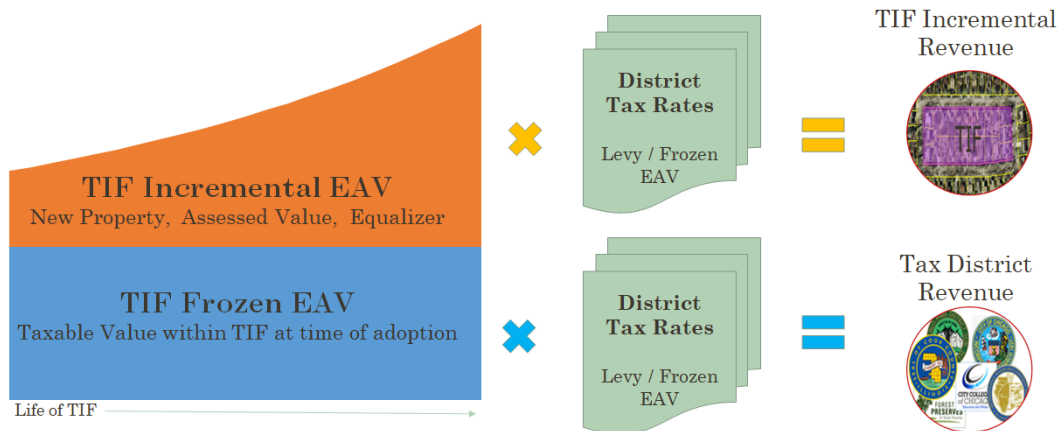
What is a TIF?

"TIF" stands for "Tax Increment Financing," a financing tool the City of Chicago and other municipalities can use to generate money for economic development in a specific geographic area. TIFs allow the city to re-invest all new property tax dollars in the neighborhood from which they came for a 23-year period.

These "new" revenues arise if new development takes place in the TIF district, or if the value of existing properties rises, resulting in higher tax bills. These funds can be spent on public works projects or given as subsidies to encourage private development. But TIFs can also make it easier for the city to acquire private property and demolish buildings to make way for new construction.

How is TIF revenue determined?

When a TIF is established, the County Clerk certifies the initial taxable value within the TIF area. This initial or base value is then "frozen" for the life of the TIF. Taxing districts that intersect the TIF only have access to the "frozen" value when their tax rates are calculated. The Clerk is then responsible for calculating the value growth, the "increment", that occurs in a TIF each year. That increment is multiplied by the composite rate of all the taxing districts that provide services to the properties in the TIF each year to come up with the amount of incremental revenue to be directed to the TIF.



Cook County TIF revenue is up nearly 18% this year, why?

As shown above, TIF revenue is driven by tax rates and the growth in taxable value that occurs within the TIF area. This year taxable values in Cook County increased 5% overall but because the base value of each TIF is "frozen", any increase in taxable value within a TIF only contributes to an increase in incremental EAV.

For example, if the total value in a TIF were to increase 5%, the frozen value would remain the same while the incremental value would see a larger percentage increase:

Sample TIF	Prior Year Value	Current Year Value	Value Increase
Total Taxable Value	100,000	105,000	5.00%
Frozen Value	75,000	75,000	0.00%
Incremental Value	25,000	30,000	20.00%

Taxable value increases within a TIF combined with any increase in tax rates means that TIF revenues tend to increase more rapidly than traditional property taxes each year.

What happens to TIF money?

The intent of TIF is to revitalize economically blighted areas or older structures in need of renovation and rehabilitation. With consistent community participation, TIFs can be a tool for implementing community-based revitalization plans through encouraging affordable housing development, improving parks and schools, fixing basic infrastructure, putting vacant land to productive use, creating well-paying jobs, and meeting other local needs.

TIF revenue is calculated by the Cook County Clerk and the Cook County Treasurer distributes the funds to the municipality, which has wide discretion over how TIF revenue is spent as defined in the approving ordinance of each TIF. It is not uncommon for municipalities to enter into Intergovernmental Agreements with schools and other taxing districts to utilize TIF funds for capital improvement projects within those districts.

What is porting?

TIF revenue generated in one TIF district may be transferred to adjoining TIF districts to fund projects.

What happens when a TIF retires?

The normal lifespan of a TIF is 23 years, though TIFs may be extended through legislation or terminated early by the municipality. There are two ways other taxing districts may benefit when a TIF retires: TIF Surplus and recovered TIF value.

- TIF Surplus may be declared by the municipality at any time during the life of a TIF, but normally after the TIF retires. The Surplus is surrendered to the Cook County Treasurer, who distributes it proportionally to all of the taxing districts affected by the TIF.
- After a TIF has retired, taxing districts are able to recover all of the “new” value within their boundaries which was previously going to TIF. In the year the TIF retires, districts may increase their levies to receive a one-time revenue increase without a corresponding increase in the tax rate applied to their taxpayers.

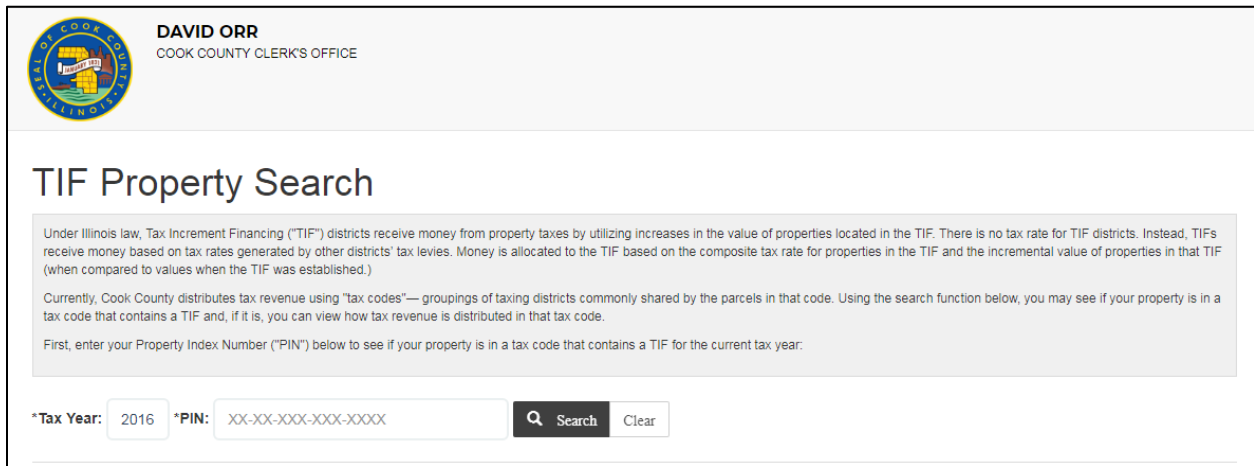
Is my property in a TIF?

If your property is in a TIF district, it will be listed on your tax bill.

TAXING DISTRICT BREAKDOWN	
Taxing District	2015 Tax
MISCELLANEOUS TAXES	
Metro Water Reclamation Dist of Chicago	429.35
Parks-Museum/Aquarium Bond	10.08
Chicago Park District	374.93
Miscellaneous Taxes Total	814.36
SCHOOL TAXES	
Board of Education Chicago	3,482.18
Chicago Community College District	178.39
School Taxes Total	3,660.57
MUNICIPALITY/TOWNSHIP TAXES	
TIF-Chicago-Kinzie Conservation	13,894.09
Chicago School Bldg & Imp Fund	135.05
Chicago Library Fund	123.97
City of Chicago	1,561.19
Municipality/Township Taxes Total	15,714.30
COOK COUNTY TAXES	
Cook County Forest Preserve District	69.54
County of Cook	291.27
Cook County Public Safety	148.16
Cook County Health Facilities	116.91
Cook County Taxes Total	625.88
(Do not pay these totals)	20,815.11

You may also search your PIN on the Cook County Clerk's TIF Property Search

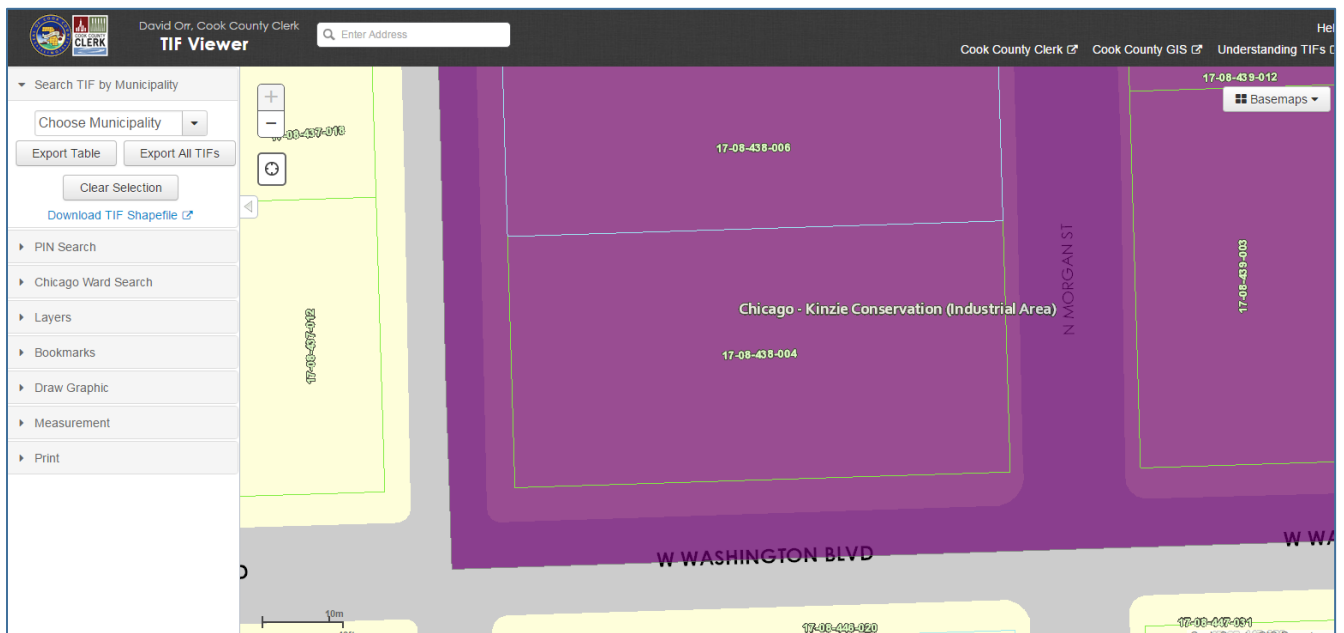
<https://tif.cookcountyclerk.com>



The screenshot shows the 'TIF Property Search' page from the Cook County Clerk's Office. At the top left is the Cook County logo. To its right, the text reads 'DAVID ORR' and 'COOK COUNTY CLERK'S OFFICE'. The main heading is 'TIF Property Search'. Below this is a text box explaining that TIF districts receive money from property taxes through value increases, and that Cook County uses 'tax codes' to group taxing districts. A search instruction asks for the Property Index Number (PIN). At the bottom, there is a search form with a 'Tax Year' dropdown set to '2016', a 'PIN' input field containing 'XX-XX-XXX-XXX-XXXX', a 'Search' button with a magnifying glass icon, and a 'Clear' button.

You can also search your PIN on the Cook County Clerk's TIF Viewer mapping application.

<https://maps.cookcountyl.gov/tifViewer/>

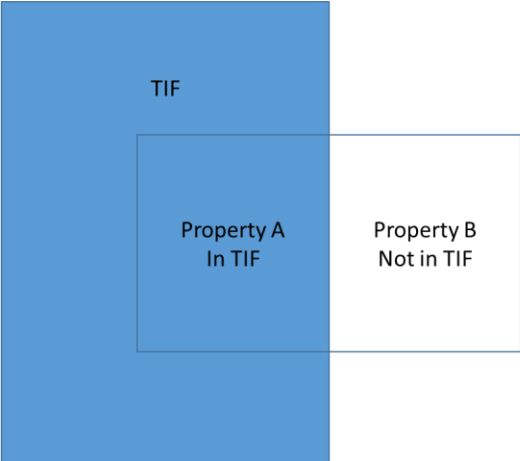


TIF Viewer is also a good resource to research individual TIF boundaries and revenue histories.

My tax bill says that a percentage of my payment is going to a TIF. Does this mean that without the TIF my tax bill would be lower?

Your tax bill is calculated based on the taxable value of your property times the combined rates of all of the taxing districts which serve your property, regardless of whether your property is in a TIF district or not.

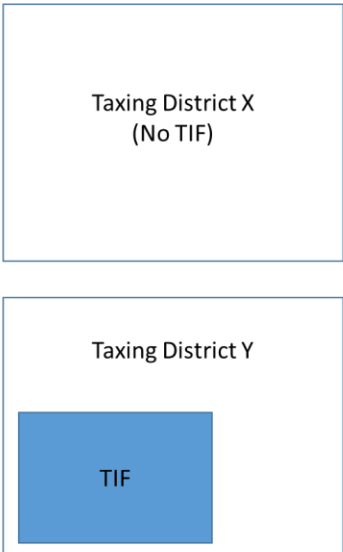
Property A and Property B are identical and are in all the same Taxing Districts except A is in a TIF and B is not:



	Property A	Property B
Market Value	200,000	200,000
Taxable Value (EAV)	46,370	46,370
Tax Rate	10.00%	10.00%
Tax Bill Amount	\$4,637.00	\$4,637.00
Amount to TIF	\$2,000.00	\$0.00
Amount to Other Districts	\$2,637.00	\$4,637.00
Total Tax Bill Amount	\$4,637.00	\$4,637.00

However, because TIF reduces the taxable value base of other taxing districts, the rates of those districts are higher. This results in higher tax bills for all properties in taxing districts affected by TIF, whether individual properties are in a TIF or not. For instance, if a municipality has even one TIF, all of the properties in that municipality pay a higher tax rate because of the TIF, whether they're physically in the TIF or not.

Taxing District X and Taxing District Y are identical except Y is affected by a TIF



	District X	District Y
Tax Levy	\$100,000	\$100,000
Total Taxable Value	1,000,000	1,000,000
Value Growth inside TIF	0	200,000
Available Taxable Value	1,000,000	800,000
Tax Rate (Levy / Available Taxable Value)	10.00%	12.50%

The argument can be made, however, that without the economic incentives of TIF districts, growth would stagnate and the taxable value base of taxing districts could decrease, causing tax rates, and tax bills, to be as high, or higher, than they would be without TIF. But there is no easy way to quantify this. It is possible that growth would occur with or without TIF.*

**The above examples are purely hypothetical and do not represent actual properties or TIFs*

What is a “Transit TIF” and what does it mean to my taxes?

Tax Increment Financing (TIF) is a special tool that municipalities may use to generate money for economic development in a specific geographic area. Properties within a TIF area must meet certain criteria, such as blight, or other indicators of economic hardship in order for a TIF to be established. Other taxing districts, such as Schools, Parks, and Libraries, only have access to the base taxable value within the TIF district at the time its created for its duration (typically 23 years). Any tax revenue generated from the value growth within the TIF is directed to the TIF itself.

Transit TIFs differ from traditional TIFs in that there is no hardship requirement and they may last for 35 years. Additionally, part of the tax revenue generated from the value growth within the Transit TIF is distributed to taxing districts. The first Transit TIF in the City of Chicago is intended to generate revenue to match Federal and State grants to modernize the north side CTA Red and Purple train lines.

For more information on the City’s first Transit TIF, see the [Transit TIF Fact Sheet \(link\)](#).

What resources are available to research TIFs?

In addition to the TIF Property Search and TIF Viewer application, the Cook County Clerk also provides TIF Reports, TIF Maps, and a short, informative video “Understanding TIFs” on our website:

<https://www.cookcountyclerk.com/agency/tifs-tax-increment-financing>

DAVID ORR
COOK COUNTY CLERK'S OFFICE

Google Translate

TIFs (Tax Increment Financing)

PROPERTY TAXES

- > **TIFS (TAX INCREMENT FINANCING)**
- > TIF PROPERTY SEARCH
- > TIF REPORTS
- > TIFS 101
- > TIF MAPS
- > TIF FAQs

TIF Viewer

The Clerk's new TIF Viewer is an interactive mapping application which allows users to display tax increment dollars and maps of Tax Increment Financing Districts in Cook County.

- Select TIFs interactively on the map
- Search TIFs by Municipality
- Zoom to Parcels by searching for PIN or Address
- Zoom to City of Chicago Wards
- View and export TIF Revenue information for research and analysis
- Drawing and text tools allow users to make their own maps

View the TIF Viewer tutorial video.

TIF Property Search

Use your Property Index Number to see if your property is in an area that contains a TIF for the 2016 tax year and, if it is, how tax revenue is being distributed.

TIFs 101: A taxpayer's TIF primer

Learn the basics of how TIFs are established and how they work.

TIF Reports

Review TIF Executive Summary and total distribution data for each Cook County TIF for tax years 2006-2016.

TIF Maps

Maps available for viewing or download include: Countywide TIF map, City of Chicago TIF map, TIF revenue analysis maps.

UNDERSTANDING TIFS

Municipalities are required to file annual reports with the Illinois Comptroller's office. Those reports are available online: <http://warehouse.illinoiscomptroller.com/>

More information is available from the following organizations:

Illinois Tax Increment Association: <http://www.illinois-tif.com/>

The Civic Federation: <https://www.civicfed.org/>

The TIF Illumination Project: <http://www.tifreports.com/>

City of Chicago TIF Data Portal: <http://www.cityofchicago.org/city/en/depts/dcd/provdrs/tif.html>