



## 2024 TAX LEVY FAQs

*The following responses to frequently asked questions regarding the levy process are provided to assist in understanding how the levy process works and its importance.*

### **1. What is a Levy?**

The amount of money a school district requests from property tax.

### **2. What is EAV?**

EAV refers to the Equalized Assessed Value of properties as determined by the local and county assessors and used for determining and allocating the extended property taxes.

### **3. What is CPI?**

The Consumer Price Index (CPI) is an index published by the federal government as a measure, per state school code, of annual inflationary impact on a school district. The CPI factor used for computing the amount of property taxes and related revenue for the district is the rate fixed at the beginning of the tax year, not the end of the tax year. Due to "Tax Cap" legislation, the CPI percentage increase cannot exceed 5% in any year.

### **4. What is New Property?**

New Property is property within the district boundaries that has been newly developed and initially assessed during the tax year.

### **5. What is an extension?**

The total extension is the product of the district's EAV multiplied by a calculated tax rate and is equal to the total property tax billings on the district's behalf. The County Clerk calculates the tax rate needed to raise the revenue (Levy) certified by each school district in the County.

### **6. What is The Truth In Taxation Act?**

Legislation that provides procedures for public Notice and Public Hearings on Tax Increase requests greater than 105% of the prior year's extension.

## **7. What is The Property Tax Extension Limitation Law?**

The Property Tax Extension Limitation Law, commonly referred to as "TAX CAP," limits the increase in property Tax Extensions to 5% or the Consumer Price Index (CPI), whichever is less, not counting new construction or Bond & Interest Obligations.

## **8. Do most districts levy for more than expected in their initial request?**

Yes. In Cook County and throughout the Greater Chicago Suburban area for the same reason stated above. Cook County districts do not know the "New Rate," "New Construction EAV," or "Total EAV" at the time they must approve the levy.

## **9. Does the district's proposed tax levy mean that a taxpayer will see a 6.85% increase in taxes to District 36?**

Not necessarily. In totality, District 36's existing tax base will see an increase of approximately 3.4%. The remaining portion of the extension increase would be funded by new property that has been added to the EAV. However, individual tax bills may go up or down based on housing assessments. District 36 has no control over housing assessments or Equalized Assessed Value (EAV).

## **10. How do revenue sources differ for other taxing bodies, as a large portion of the tax bill goes to The Winnetka Public Schools?**

Schools in general receive the largest portion of any tax bill. This is due to the funding sources available to a school district versus a village or park district. The Village has the ability to raise fees through electric, sewer, sanitary, water, refuse and other. Their reliance on property taxes for our Village is in the 20% range, and service charges related to the other items make up 49% of their revenue sources. The Park District user fees account for about 45% of their revenue and property taxes also account for 44%. New Trier District 203, District 36 receives approximately 90% of revenues from local property taxes. Schools have a limited ability to fund their operations through fees, due to being a public school that must provide a free education. School fees are generally related to sports, activities, food service, busing, before and after school care, and other activities such as field trips. District 36 receives just over 1% from these fees. State and federal revenues comprise just over 4% of our revenues, and these have and will continue to stagnate at the current amounts due to the new funding formula in place in Illinois.