

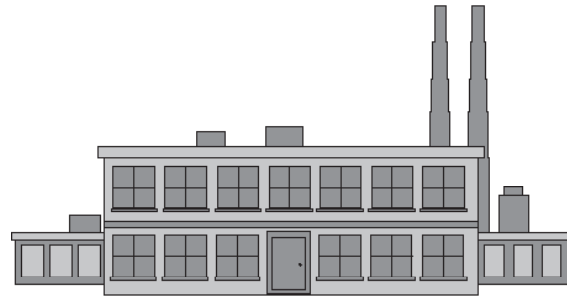
CHECKLIST FOR COMMERCIAL AND INDUSTRIAL APPEAL FORMS:

- Has the prescribed petition form been used?
- Is there ONE petition for each property being appealed?
- Is the property IDENTIFIED by its property index number?
- Is an addendum attached to the petition where the property is composed of more than one parcel?
- Are copies of the petition forms filed as instructed?
- Is the evidence filed as instructed?
Note: If a change in assessed valuation of \$100,000 or more is sought, all evidence must be submitted in **triplicate** for assessment years before 2016.
- Is the original signature of the owner, taxpayer, corporate officer or attorney on each petition?
- Is appellant a corporation, LLC or similar entity which requires an attorney?
- Has the petition been filed with the PTAB within the prescribed time limits?
- Are copies of the board of review decision or PTAB decision submitted as instructed?
- Is a photograph of the property being appealed attached, if it aids in explaining the appeal?
- IF a contention of law is raised, is a legal brief attached?
- Are the return address and telephone number of the owner, taxpayer, corporate officer, and/or attorney listed?
- Has all of the assessment information for the property been disclosed on the appeal form?
Remember the appeal forms must be filed **during the appropriate 30 day appeal period**; otherwise, the PTAB will not have jurisdiction over the appeal.



STATE OF ILLINOIS

PROPERTY TAX APPEAL BOARD COMMERCIAL & INDUSTRIAL APPEAL INFORMATION



Board Members

Kevin L. Freeman

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The commercial and industrial sector of the business community is vital to the State of Illinois' economy. This brochure is designed to provide commercial and industrial taxpayers with a basic understanding of how to appeal the assessments of their properties.

The Property Tax Appeal Board (PTAB) is an independent State agency that hears and adjudicates commercial, industrial, farm, and residential appeals statewide.

File your appeal and all related documentation with our Springfield office:

**Property Tax Appeal Board
William G. Stratton Office Building
401 South Spring, Room #402
Springfield, Illinois 62706
(217) 782-6076
TTY (800) 526-0844
www.ptab.illinois.gov**

Office Hours:

Monday - Friday 8:30 AM to 5:00 PM

HOW TO BEGIN THE APPEAL PROCESS

In all counties, an appeal should initially be filed with the county board of review. Check with these offices for the dates for filing assessment appeals each year.

REQUIREMENTS FOR AN APPEAL TO THE PTAB

In order to file an appeal with the PTAB, you **MUST** file the required appeal forms: (1) **within 30 days** of the written notice of the board of review's decision; OR (2) **within 30 days** of the written notice of the application of the final adopted township equalization factor (*Note: The PTAB's jurisdiction is limited to the amount of increase caused by the application of the equalization factor*); OR (3) **within 30 days** of the PTAB's decision lowering the assessment of a property after the deadline for filing appeals with the board of review or after adjournment of the session for the board of review at which assessments for the subsequent year are being considered.

GROUNDINGS FOR FILING AN APPEAL

A commercial or industrial appeal to the PTAB may be based on one or more of the following arguments:

1) Market value

Typically, appeals of commercial and industrial properties contend the market value of the subject property is not accurately reflected by the property's assessed valuation. **Proof of market value must be proved by a preponderance of the evidence.** To support an appeal based on a market value argument, the appellant **MUST** present one or more of the following types of evidence.

A. Recent "Arm's Length" Sale

The closer in time the sale of the subject occurs to the assessment date under appeal (January 1 of each year), the more relevant the sale price is in establishing the subject property's market value. In order for a sale price to be considered indicative of market value, the property must have been exposed on the open market for a reasonable period of time; neither party may enter the sale under undue duress; the buyer and seller must be reasonably knowledgeable about the property's use; the consideration should be in cash or its equivalent; and the parties to the transaction should not be related. Documentation in support of this argument should include the sales contract, real estate transfer declaration sheet, and/or settlement statement.

B. Appraisal

Appraisals estimate the subject property's market value as of a certain date. Preferably, the appraisal estimates a market value near the assessment date in question. Such a document should be prepared by a licensed appraiser with the education, training and experience needed in order to appraise the type of property being appealed. The appraisal should contain an analysis of the three traditional approaches to value; namely the cost, income, and sales comparison approaches.

It is important the appraiser be present at the PTAB hearing to testify so the PTAB and opposing parties may cross-examine the appraiser. Appraisal testimony offered to prove the valuation asserted in the report may only be given by a preparer of the appraisal whose signature appears within the report.



C. Comparable Sales

If the appellant elects to submit sales information on other properties, the PTAB requires at least three comparable sales be presented. The comparable properties should be similar to the subject property in location, construction, size, age, land-to-building ratios, clear ceiling heights, finished office space and other amenities. The comparable sales should have sold as near in time to the assessment date under appeal as possible.

D. Recent Construction Costs

An appellant may also submit documentation to support the recent costs to construct the subject improvements together with the cost of the land. The documentation must include a complete and final cost statement or affidavit from the general contractor, including labor costs. If the appellant provided any of the labor or acted as the general contractor, evidence of the value of this service must also be included with the other cost figures.

2) Uniformity/Equity

With this contention, the appellant is claiming the assessment of the subject property is inequitable when compared to the assessments of other, similar properties. This type of contention is less common in commercial and industrial appeals. The appellant must submit assessment and descriptive data on at least three comparables which are similar to the subject property in location, size, style, age, land-to-building ratios, clear ceiling heights, finished office space and other amenities. **A lack of uniformity or inequity must be proved by clear and convincing evidence.**

3) Legal Contention

A legal argument is usually raised where the appellant contends local assessing officials have not properly applied provisions of the Property Tax Code (35 ILCS 200/1-1, *et seq.*) in establishing the assessment of the subject property. Typical legal arguments and references to the appropriate provisions of the Code include:

Real vs. Personal Property claims and "Like Kind" property classification (secs. 200/1-130 and 200/24-5) The Property Tax Code defines real property in part as, "the land itself, with all things contained therein, and also all buildings, structures and improvements, and other permanent fixtures thereon...and all rights and

privileges belonging or pertaining thereto." In Illinois, personal property is exempt from ad valorem taxation. Whether an item, such as machinery and equipment, should be classified as real or personal property is a frequent argument made before the PTAB. Section 200/24-5 provides some guidance concerning this question. No property classified as real property prior to January 1, 1979, or property of like kind acquired or placed in use after this date, shall be classified as personal property. Similarly, no property classified as personal property prior to January 1, 1979, or property of like kind acquired or placed in use after this date, shall be classified as real property.

Open Space Valuation (sec. 200/10-155) - A tract of land which is larger than 10 acres and has been used for open space purposes for the three years immediately preceding the assessment year, and is not used primarily for residential purposes, may qualify for special assessment treatment. The person liable for the taxes on land used for open space purposes must file a verified application on a prescribed form with the chief county assessment officer in the county requesting open space valuation by January 31 or June 30 of each assessment year.

Pro-rated Valuation (New Construction or Removal of Existing Improvement) (sec. 200/9-180) - Owners of property on January 1, are also liable, on a proportionate basis, for the increased taxes occasioned by the construction of new or added buildings, structures, or other improvements on the property from the date when the occupancy permit was issued or from the date the new or added improvement was inhabitable and fit for occupancy or for intended customary use to December 31 of that year.

"Developer's Exemption" (sec. 200/10-30) - Applies in all counties except Cook County. This provision provides that the platting and subdivision of property into separate lots and the development of the subdivided property with streets, sidewalks, curbs, gutters, sewer, water and utility lines shall not increase the assessed valuation of all or any part of the property when certain criteria are satisfied.

In raising a legal contention, the appellant should provide a brief explaining how the application of the Property Tax Code affects the assessment of the subject property. Evidence establishing the market value of the subject property may also be necessary.

INTERVENTION IN COMMERCIAL AND INDUSTRIAL APPEALS BEFORE THE PTAB

The intervention of taxing districts in property tax appeals occurs most often in the areas of commercial and industrial properties. Section 16-180 of the Property Tax Code and Section 1910.40(f) of the PTAB's rules provide that in every case where a change in assessed valuation of \$100,000 or more is sought, the board of review must serve a copy of the petition filed with PTAB on all affected taxing districts as shown on the last available tax bill. Taxing districts subsequently have 60 days to file a request to intervene with the PTAB. Therefore, commercial and industrial taxpayers who file an appeal with the Property Tax Appeal Board may find a taxing district as an interested party in their appeal.

ADMINISTRATIVE REVIEW

Final decisions of the PTAB are reviewable under the **Administrative Review Law** (735 ILCS 5/3-101, *et seq.*) and section 16-195 of the Property Tax Code (35 ILCS 200/16-195). A complaint for administrative review is filed in the circuit court of the county where the property is located. However, in every case where a change in assessed valuation of \$300,000 or more was sought before the PTAB, the complaint for administrative review must be filed directly in the appellate court in the district where the property is situated. Complaints for administrative review must be filed within 35 days from the date the PTAB decision was issued.

In an administrative review action, the reviewing court generally accepts the PTAB's findings and conclusions on questions of fact as true and correct. The reviewing court's scope of review is limited to determining whether the PTAB's findings are "against the manifest weight of the evidence or contrary to law." The reviewing court's function is not to reweigh the evidence or reassess the credibility of the witnesses or substitute its judgment for the PTAB.

A reviewing court may set aside a PTAB decision if it finds the agency misapplied the law.

COMMERCIAL AND INDUSTRIAL PROPERTY CLASSIFICATIONS IN COOK COUNTY

Certain counties in Illinois are authorized to classify property for taxation purposes. Presently, only Cook County classifies property. In all other Illinois counties, property is assessed at 33 1/3% of its market value.

In Illinois, at the present time, Cook County's classification system is composed of numerous classes, as established by the Cook County Board of Commissioners. CLASS 5A describes most commercial real estate and requires assessments to be established at 25% of the property's market value. CLASS 5B describes most real estate used for industrial purposes and requires assessments to be established at 25% of the property's market value.