

The Role of Property Taxes in Funding Education: Local, State and Federal Implications

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Harlem Consolidated School District # 122

Machesney Park, IL

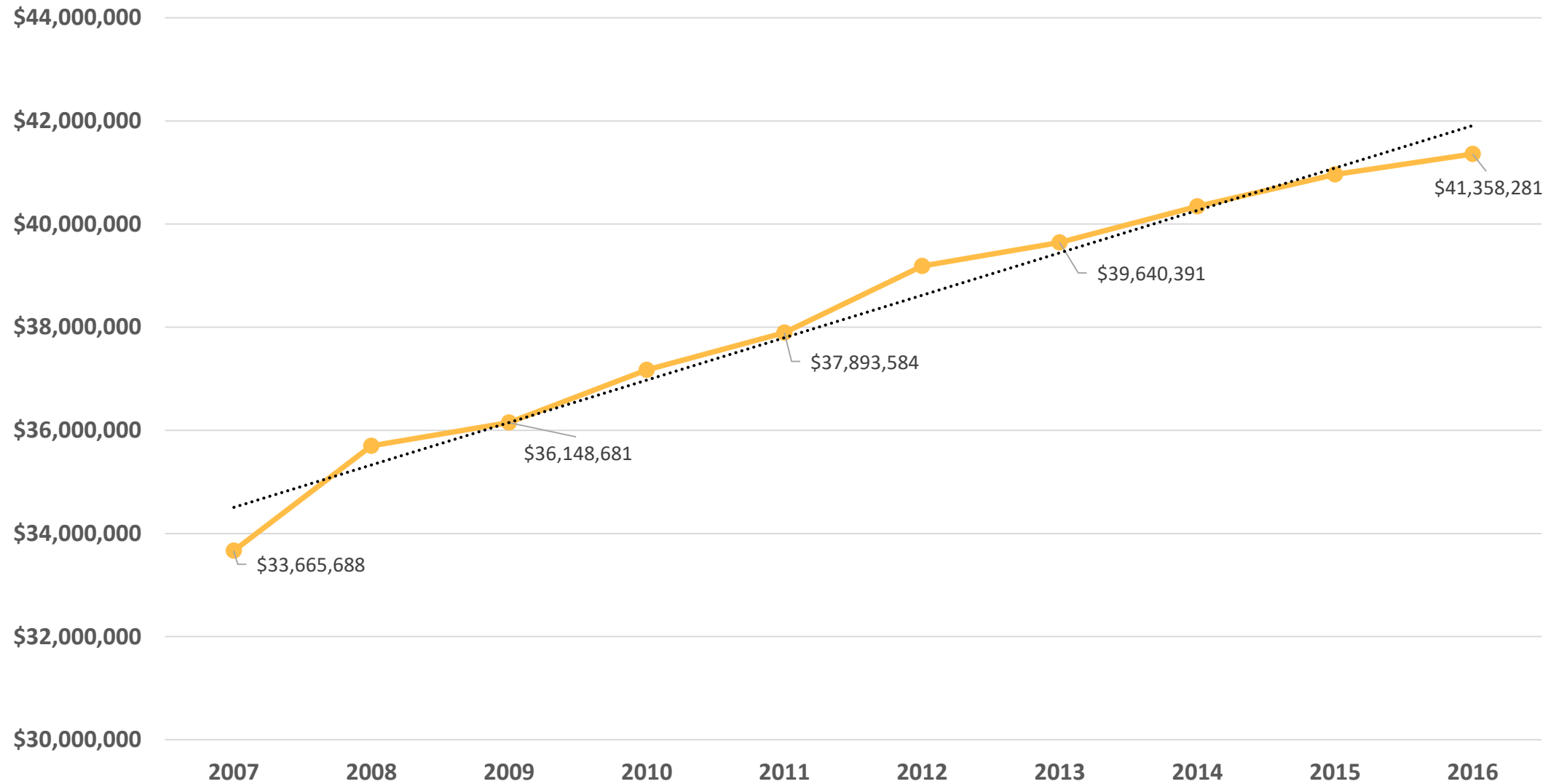
6,567 students

Grades Pre-K through 12

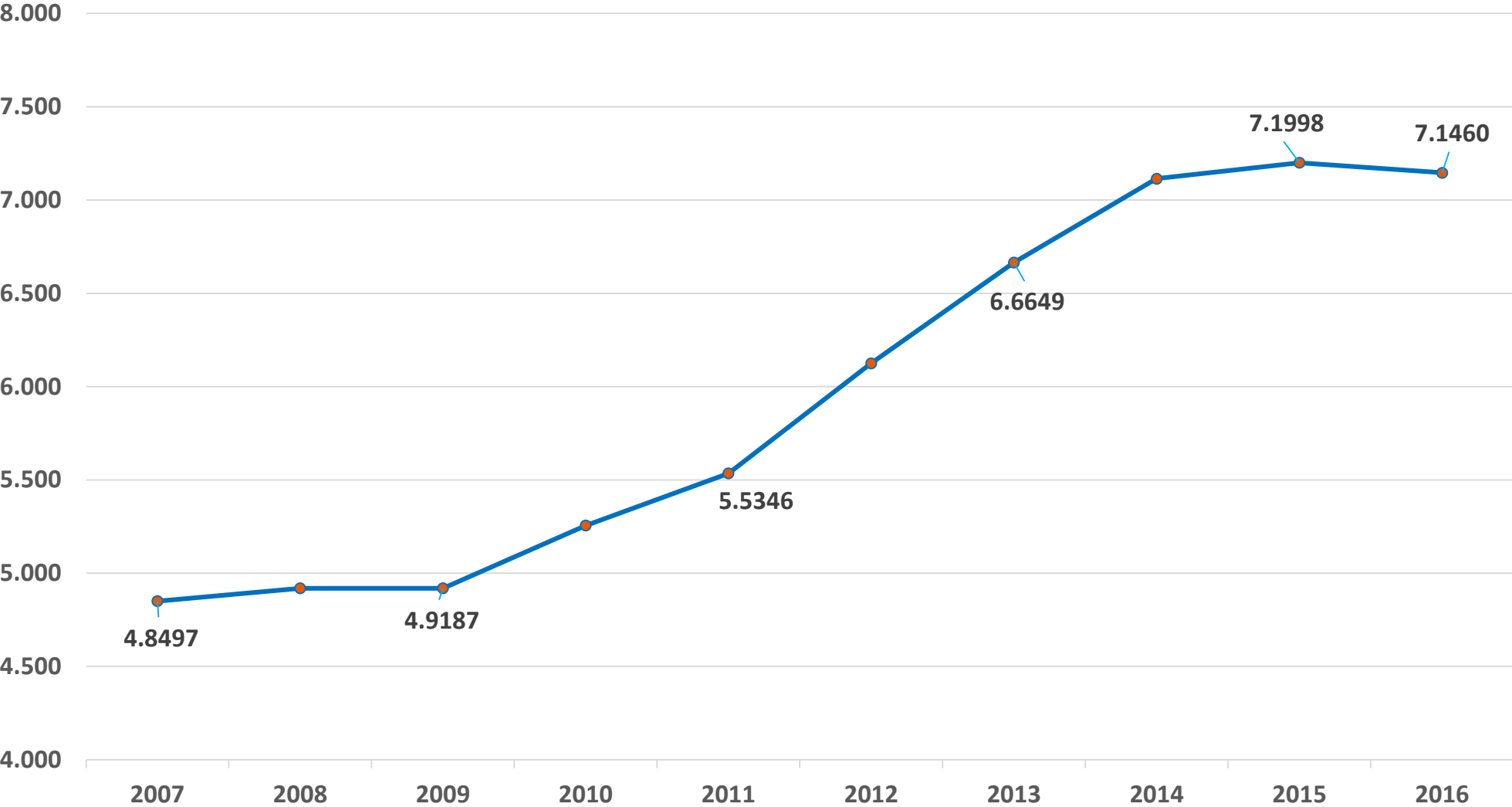
Located in Winnebago County, just north of Rockford



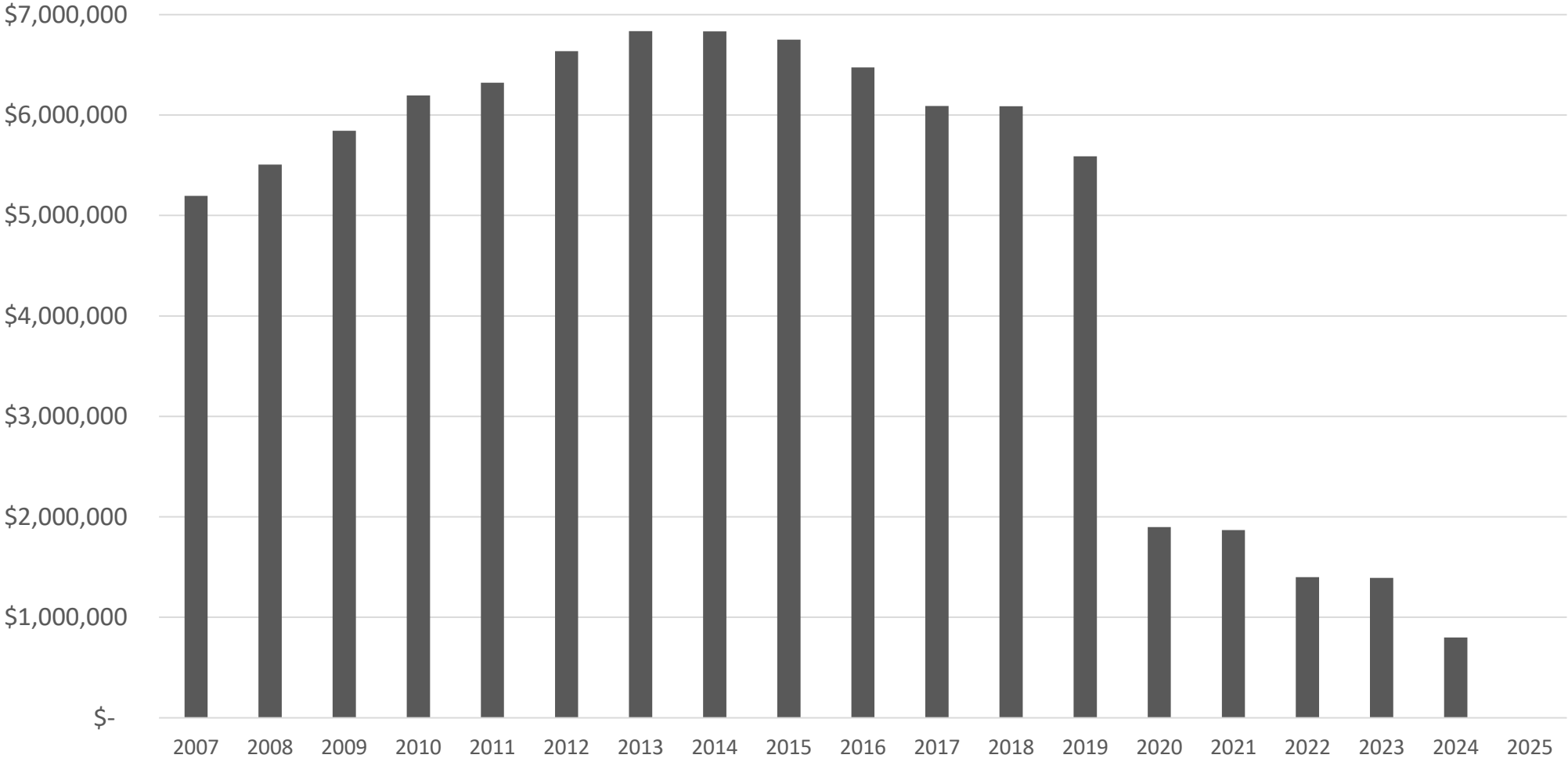
Property Tax Summary – 10 Year Capped



Property Tax Rate Summary – 10 Year Capped

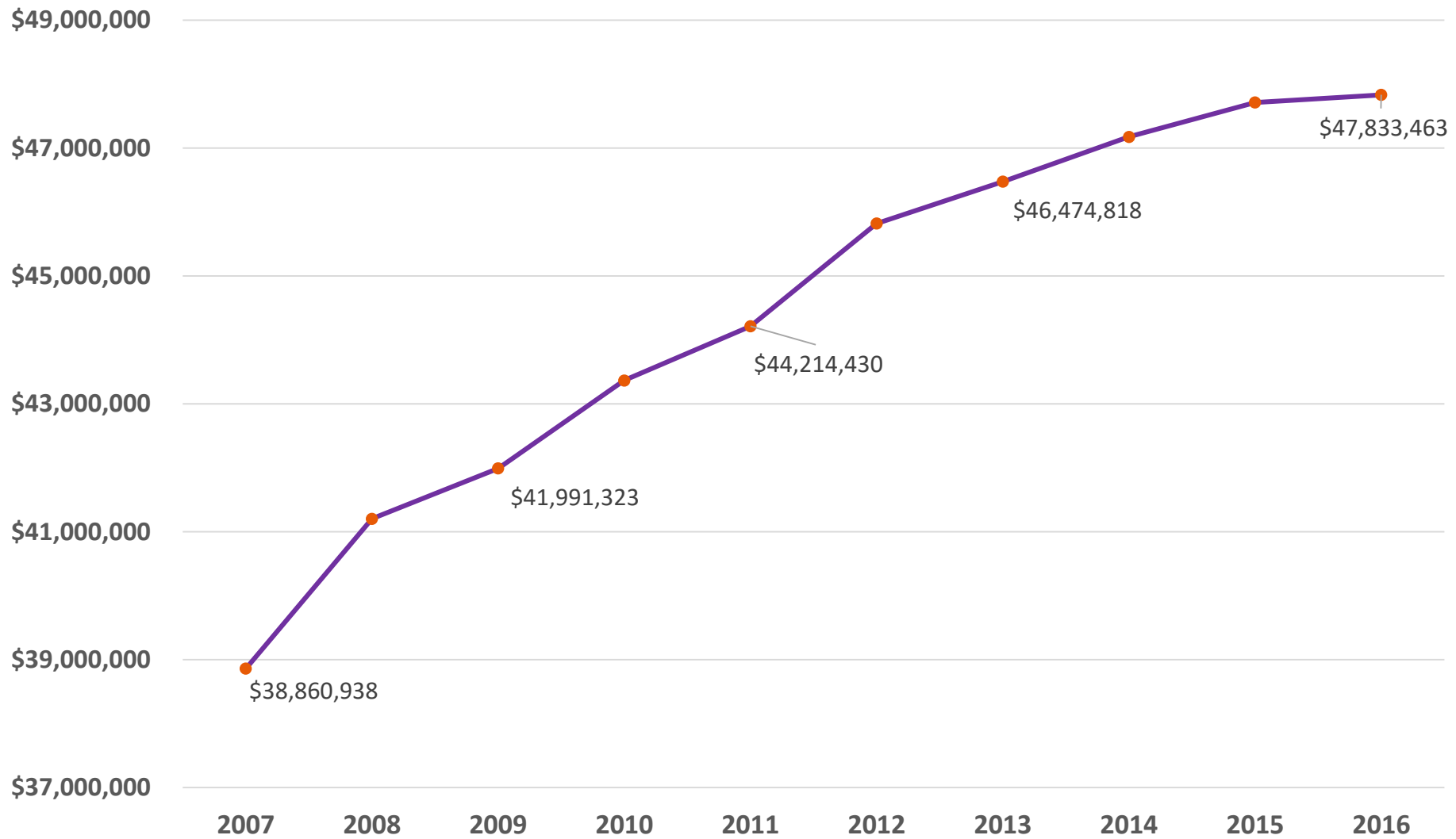


Debt Service Payment History and Future Payment Schedule

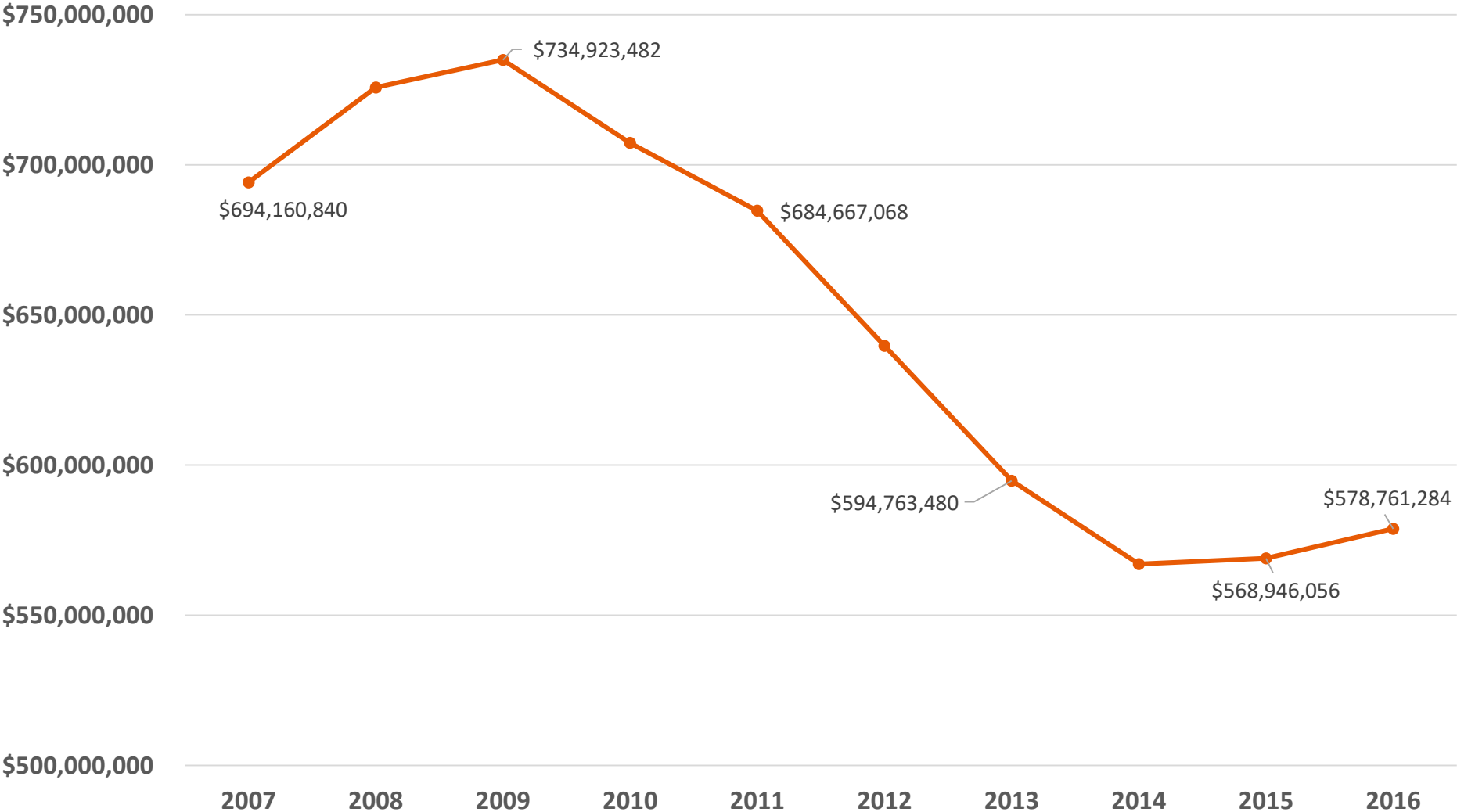


2019 – 2025 Future Scheduled Payments

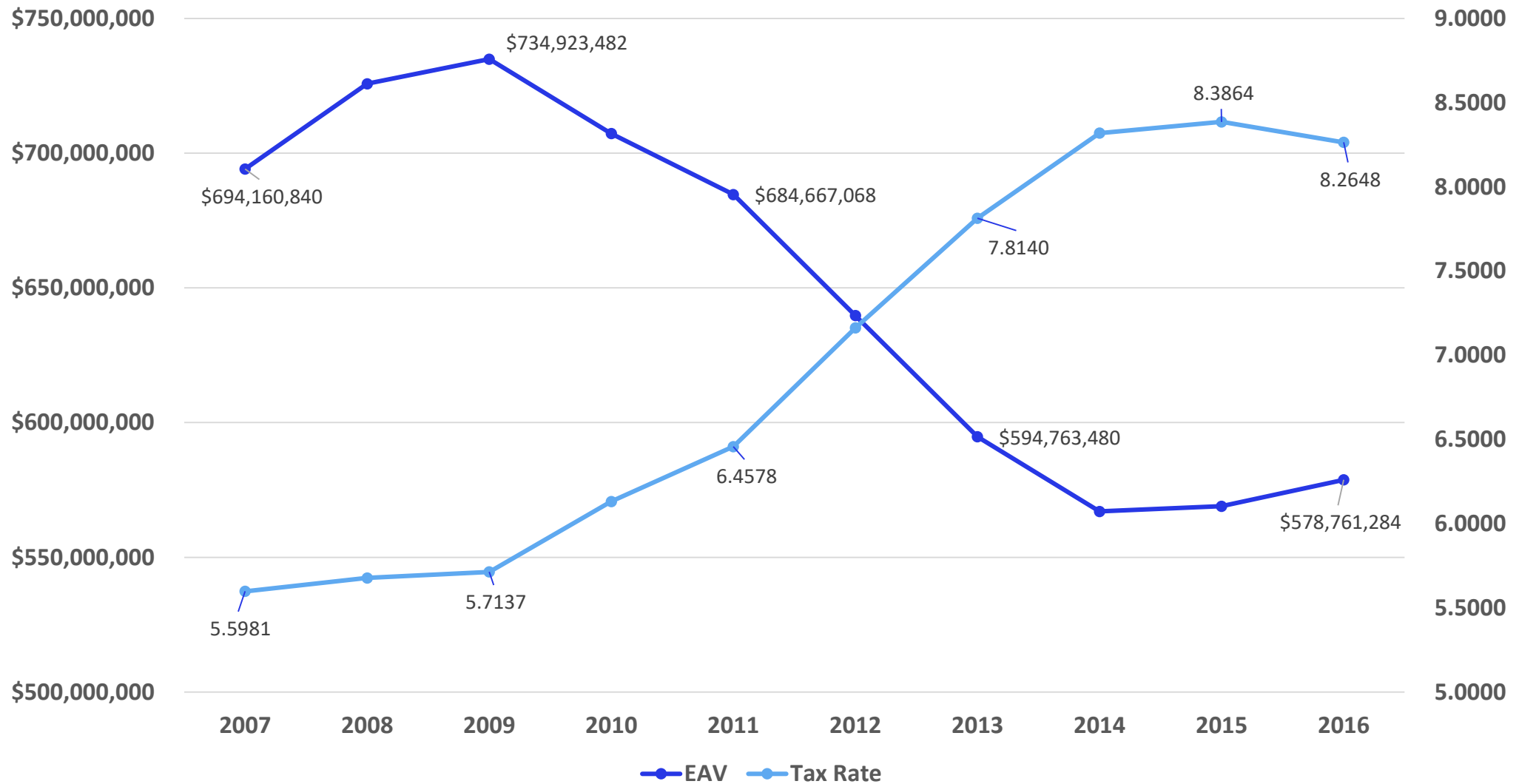
Property Tax Summary – 10 Year Total Received



Equalized Assessed Valuation (EAV) – 10 year History



Historical - EAV vs. Total Tax Rate



Property Taxes as a % of overall Revenue

REVENUE BY SOURCE 2015-16			
	District	District %	State%
Local Property Taxes	\$49,238,220	57.2	63.2
Other Local Funding	\$4,902,576	5.7	4.8
General State Aid	\$21,262,254	24.7	17.1
Other State Funding	\$4,412,701	5.1	7.1
Federal Funding	\$6,279,880	7.3	7.8
TOTAL	\$86,095,631		

1) www.illinoisreportcard.com

Information out of Springfield Regarding Schools and Property Taxes

The governor often speaks about valuing education and takes credit for the increase in funding, but in the next sentence will say that there needs to be a property tax freeze.

Below is from Governor Rauner's website:

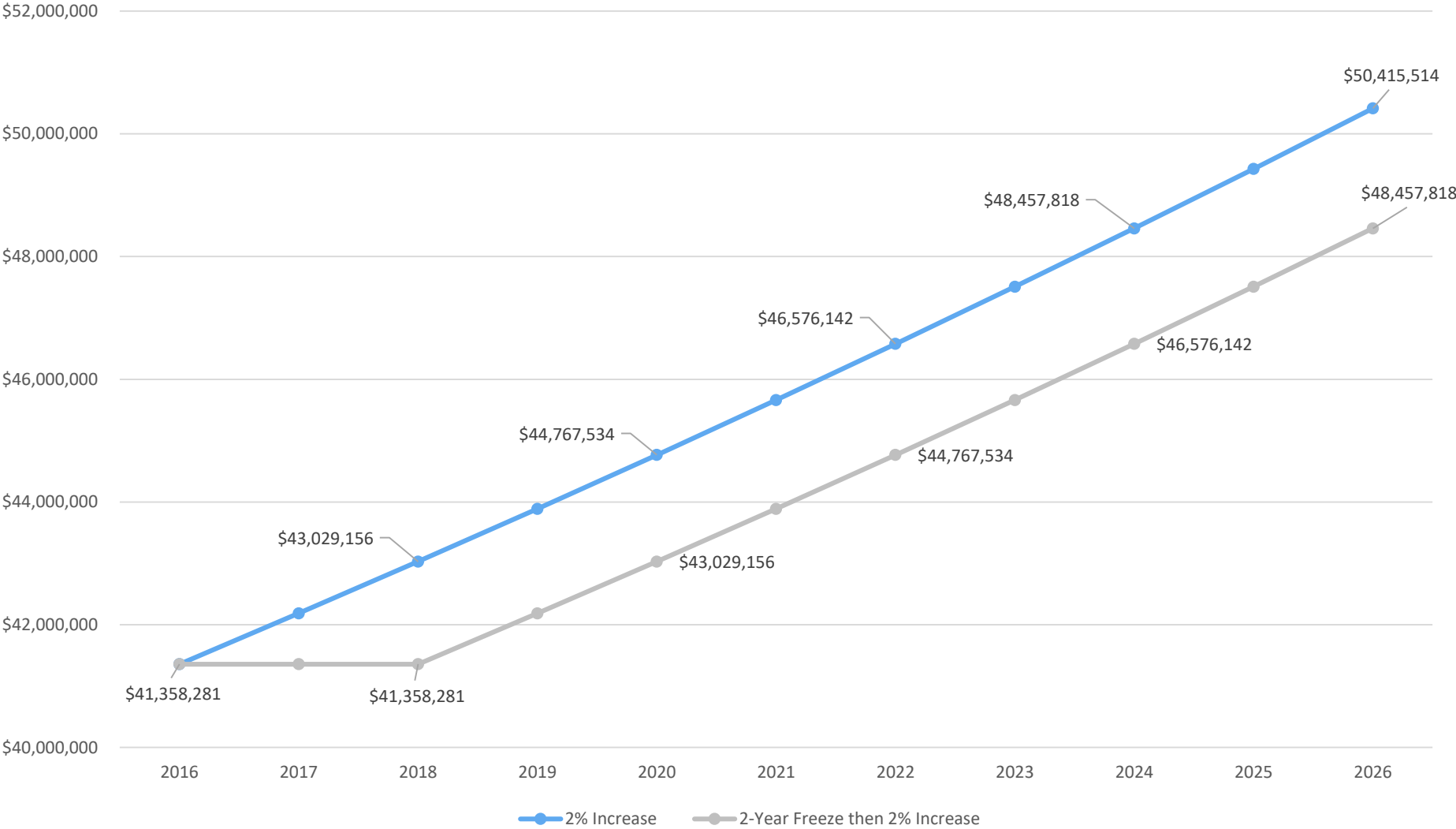
Limit Property Taxes

Illinois homeowners face the highest property taxes in the nation, and too many of our elected officials make money off high property taxes. As part of the Governor's historic school funding reform law, we included significant mandate relief to give schools more flexibility and reduce costs while making it easier for citizens in certain districts to lower their property taxes.

Next Steps:

We must freeze property taxes and put in place a system that allows local governments to better control costs and easily allow referendums, so citizens can lower their local property taxes and consolidate local units of government at the ballot box.

Impact of a 2-Year Property Tax Freeze



Regressive Vs. Progressive tax structure in Illinois

-Most income **tax** systems employ a progressive schedule that **taxes** high earners at a higher percentage rate than low earners, while other types of **taxes** are uniformly applied. **Examples of regressive taxes** include sales **taxes**, user fees and, arguably, property **taxes**.¹

-A progressive tax is a tax that takes a larger percentage from high-income earners than it does from low-income individuals. ²

1) www.investopedia.com/terms/r/regressivetax.asp

2) www.investopedia.com/terms/p/progressivetax.asp

Questions?