

# Cook County Property Tax Reform Group: Senior Freeze Research by UIC and CMAP



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The Senior Freeze Exemption is a crucial form of property tax relief that helps seniors remain in their homes and age in place. This program locks in property taxes at current levels, shielding seniors from rising property values in their neighborhoods.

Sum of Those Eligible in 2018 at \$65,000	Sum of Those Eligible in 2023 at \$65,000	Sum of Those Eligible in 2023 if \$85,000
City: <b>72%</b>	City: <b>63%</b>	City: <b>71%</b>
North: <b>58%</b>	North: <b>45%</b>	North: <b>54%</b>
South: <b>66%</b>	South: <b>55%</b>	South: <b>65%</b>
Total: <b>67%</b>	Total: <b>56%</b>	Total: <b>65%</b>

FIGURE B

## Constant Real Income in 2017 and 2024 for Four Price Indices

The table below shows the inflation-adjusted value of \$65,000 of nominal income in January 2017 for the four inflation indices shown in the graph above.

Year	Midwest CPI	Elderly CPI	National CPI
2017	\$65,000	\$65,000	\$65,000
2024	\$81,074	\$79,813	\$82,627

FIGURE A

Unfortunately, many seniors have lost Senior Freeze eligibility due to inflation-driven income increases, leaving them with higher property taxes which threatens their ability to stay in the homes they've invested in for years.

### Solution:

The senior freeze needs to be **readjusted to \$85,000** to reflect the price of living and raising fixed incomes and it must be **regularly adjusted** so seniors don't lose their frozen rates.

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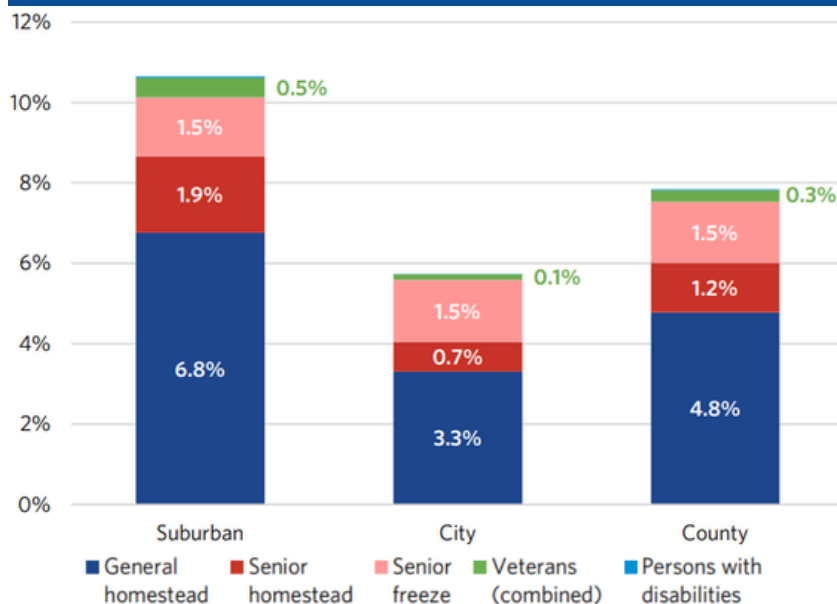
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## Protecting Against Disproportionate Effects

As the Cook County Reform Group’s study on the effect of exceptions showed, forms of individual property tax relief have to be examined against their potential unintended side effects.

That’s why the researchers at UIC looked into what would happen to tax rates around Cook County if more people were eligible for the senior freeze program.

Homestead exemptions as a share of total EAV in Cook County by exemption type and geography, tax year 2021



Source: CMAP analysis of Cook County Clerk data

FIGURE C

Estimated Change in Tax Rate if Senior Freeze was increased to \$85,000

Triad	Current Tax Rate	Est. Tax Rate if \$85,000	Tax Rate Change - percentage points
<b>City</b>	7.03%	7.04%	0.01
<b>North</b>	8.84%	8.87%	0.02
<b>South</b>	11.03%	11.09%	0.05
<b>Total</b>	8.34%	8.36%	0.02

Source: UIC

FIGURE D

Unlike other exemptions, an increase in senior freeze participation would not have a large effect on the tax rate around the County. At most, it would result in a 0.05 percentage point change in the South triad.

Expanding the maximum income of the senior freeze wouldn’t hurt taxing districts nearly as much as not adjusting to the maximum income to better match rising fixed income levels. **\$85,000 means that more seniors are protected from tax sales and can age in place with little effect to their taxing district.**