

## Tip Sheet for Areas Not Yet Affected by Tax Cap Legislation

1. Levy for every special levy you can **before** tax cap legislation passes. This will increase your base upon which the first tax cap levy will be calculated. Special levies, with their legal basis, are:
  - a) Audit – ILCS 50: 310/1
  - b) Insurance:
    - Errors and Omissions – ILCS 745: 10/1-101
    - Tort Liability – ILCS 745: 10/9-103
    - Risk Management – ILCS 745: 10/9-105
    - Unemployment Compensation – ILCS 820: 405/100
    - Worker’s Compensation – ILCS 820: 305/1
  - c) Retirement (FICA and IMRF, employees share only) – ILCS 40:5/7-101
  - d) Working Cash – ILCS 75: 15/3-1
  - e) Building and Maintenance – ILCS 75: 15/3-1
2. Levy at your maximum allowable rate for the General or Corporate Fund. Inflate the levy somewhat to insure you get the benefit of growth and increases in the equalized assessed valuation (EAV) that may be greater than anticipated. Remember, the County Clerk **will always** reduce a levy to the authorized amount, but **will never** increase it if you are under levy.
3. The base amount received from taxes in the year before the tax cap goes into effect will be the basis for all future levies. Get the maximum you are allowed before you get capped.
4. When tax cap legislation is enacted, you will be limited to annual increases of no more than 5 percent, or the increase in the Consumer Price Index (CPI), **which ever is less**. The CPI increases have been in the 2.5 – 3.0 percent range in the last few years.
5. Be sure to talk to your local assessor to determine the amount of **new construction** in your service area for the levy year. New construction **is not** subject to the tax cap for the first year on the tax rolls.
6. To emphasize again, always levy slightly more than you think you will receive. This insures you will get the maximum amount to which you are entitled.