

\*\*\*PRESS RELEASE\*\*\*

# PA 98-0109 Will Provide Legislative Changes to Farmland Valuation for 2015

Since the enactment of the Farmland Assessment Law in 1977, farmland in Illinois is assessed for property tax purposes on its ability to produce a crop (agricultural use value) and not on its market value. In 1986, the farmland law was amended. The amendment had a limiting impact on the movement of farmland assessed values from one year to the next. The language in that amendment read as follows: "... increase or decrease in equalized assessed value per acre by soil productivity index shall not exceed 10% from the immediate preceding year's soil productivity index certified value."

Beginning with assessment year 2015 (taxes payable in 2016); the farm provision in PA 98-0109 amends 35 ILCS 200/10-115 part (e) of the Property Tax Code. The amended language is shown below: (e) the equalized assessed value per acre of farmland for each soil productivity index, which shall be 33-1/3% of the agricultural economic value, or the percentage as provided under Section 17-5; but any increase or decrease in the equalized assessed value per acre by soil productivity index shall not exceed 10% from the immediate preceding year's soil productivity index certified assessed value of the median cropped soil; in tax year 2015 only, that 10% limitation shall be reduced by \$5 per acre;

PA 98-0109 amended the Property Tax Code to limit the increase or decrease in its previous year's soil PI certified values to 10% of the median cropped soil less \$5.00 for tax year 2015. As a result, the 2015 Certified Assessed Value for each soil type is limited to a 10% increase of the previous year's median cropped soil certified value less \$5.00. The median cropped PI soil level is 111. Therefore, for tax year 2015 (payable in 2016) all soil types in the PI scale from 82 to 130 will receive the same dollar-per-acre increase, currently calculated at \$15.33.

For subsequent tax years after 2015, the \$5.00 deduction will be eliminated and the increase or decrease will be limited to 10% of the previous year's soil PI certified value of the median cropped soil.

Menard County Supervisor of Assessments Jason LeMar has calculated these farmland changes for 2015 payable 2016, and farmland owners are encouraged to research their specific changes within the Office of Assessments or online at the Menard County GIS website ( <http://gis.menard.il.bhamaps.com> ). Tax estimates can be provided for farmland owners upon request. Please call 217-632-4461 or stop by the Menard County Office of Assessments if you have questions concerning this legislative change.