



## Paying Property Taxes Early Could Reduce Federal Income Taxes

In recent weeks, there has been a dramatic increase in inquiries about paying Cook County property taxes early. According to **Jan Churchwell**, New Trier Township Assessor, the motivation for the increased interest in early tax payments is the change in federal tax law being considered by the US Congress.

Federal law has long allowed Americans to reduce their taxable income by deducting the full amount of taxes paid to state and local governments. This includes deductions for the full amount of property taxes on homes, and for the full amount of income tax payments to states. The bill Congress is considering, however, would limit the deduction for state and local taxes to \$10,000 per year.

Because many taxpayers in New Trier Township and elsewhere in Cook County pay more than \$10,000 in property taxes annually, some have responded to the proposed income tax changes by seeking to pay their property taxes early, before the changes in federal tax law take effect. Property taxes paid by December 31 will be fully deductible in tax year 2017, and will not be subject to the limitations on deductibility expected to be in effect for property tax payments made in 2018.

In Cook County, the next property tax bills will be mailed at the end of January 2018, and will be due at the beginning of March. The Cook County Treasurer's office, however, allows taxpayers to pay these bills early, and has made the process easier this year.

The amount due on the next property tax bill will be 55% of the total amount of 2016 property taxes, which were paid in calendar year 2017. Taxpayers can pay the bill through the Cook County Treasurer's web site, or download a tax bill from the site, and then pay it by mail, at the Treasurer's office, or at any Chase Bank. Homeowners whose mortgage companies pay their property taxes are advised to talk to the mortgage company before making an early payment. The Cook County Treasurer's website is: [cookcountytreasurer.com](http://cookcountytreasurer.com).

It should be noted that not all people with property tax bills greater than \$10,000 will be paying more in federal income taxes under the tax proposal. This is because the limitations of the deductibility of state and local taxes may be partially or fully offset by other aspects of the proposal, including a possible decrease in federal income tax rates for individuals, and an increase in the value of the standard deduction.

Assessor Churchwell added, "With all these proposed changes, it is difficult to generalize about the plan's impact on homeowners with property tax bills of \$10,000 or more; taxpayers with specific questions should speak with their income tax advisers." "One thing that is reasonably clear, however, is that paying the next property tax bill early is a good tax planning move for most homeowners with high property taxes."

New Trier residents can reach the Township Assessor's office by calling 847-446-8200, by emailing **Jan Churchwell** at [jchurchwell@newtriertownship.com](mailto:jchurchwell@newtriertownship.com), or **Len Shifflett**, Deputy Assessor, at [lshifflett@newtriertownship.com](mailto:lshifflett@newtriertownship.com).

**About New Trier Township**

New Trier Township's mission is to provide leadership, advocacy and resources to benefit the physical, mental and social well being of Township residents. Established in 1850, New Trier Township government serves the 56,000 residents in the villages of Glencoe, Kenilworth, Wilmette and Winnetka, plus portions of Glenview and Northfield. The Township Office is located at 739 Elm Street in Winnetka or on-line at [www.newtriertownship.com](http://www.newtriertownship.com)

Contact:

**Jack Macholl**

Communications Director

New Trier Township

(847) 446-8202

[jmacholl@newtriertownship.com](mailto:jmacholl@newtriertownship.com)