

Our Tax Money

Newsletter

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O'Fallon District 90 Building/Finance Committee Meeting

Here's a quick reminder that this event is just around the corner.

Can't wait to see you there!

Event details:

O'Fallon District 90 Building/Finance Committee Meeting

February 6, 2024 at 5:30 PM

O'Fallon District 90 Office, 118 E. Washington St., O'Fallon, IL 62269

The Property Tax Levy Cycle

Understanding the property **tax levy** cycle helps you know when and where to become involved in the decision-making processes of the taxing bodies.

What can be confusing is the fiscal year for the **taxing bodies** is not aligned with the calendar year. Their fiscal year begins July 1st and ends on June 30th of the following calendar year. For example, fiscal year 2025 begins July 01, 2024 and ends on June 30, 2025. The taxing bodies receive the taxes you pay on your calendar year 2023 **property tax** bill in fiscal year 2025, in addition to the other revenue sources that fund their budgets.

Confused? Let me try to simplify this.

Calendar year #1: The year for which you owe property taxes.

Calendar year #2: The year in which you actually pay the property taxes owed from calendar year #1.

Calendar year #3: The year in which the fiscal year ends that you paid taxes in year #2 to fund the budget for the last half of calendar year #2 and the first half of calendar year #3.

In our example, you incur/owe property taxes for 2023, pay the taxes in 2024 to fund fiscal year 2025 which begins July 1, 2024 and ends on June 30, 2025.

The budget for fiscal year 2025 doesn't get determined until the tax year 2023 property taxes are levied in 2023, finalized (extended) by the county in March 2024, collected and distributed in June/September 2024 to then be spent from July 1, 2024 through June 30, 2025.

The proposed property tax levy first appears in the public eye in November of each calendar year. It is the result of obtaining information from St. Clair County regarding its projection of the [Equalized Assessed Value \(EAV\)](#) for the same year. That is, the 2023 property tax levy is computed using the EAV growth projection (estimate) for calendar year 2023. This projection is used to forecast the maximum amount the taxing body may levy in property taxation for the following fiscal year, in this case fiscal year 2025. This information is normally presented to the public in November before a public hearing is held in December. The public hearing is followed by a vote by the board of education for approval/disapproval of the proposed property tax levy. Normally, the meeting agenda item is titled "Approval of the Tax Levy".

The proposed property tax levy presented does not represent the dollar amount the taxing body needs to operate for the fiscal year. Instead, it represents the estimated maximum amount that can be obtained by the taxing body once reviewed and approved by St. Clair County. This is only true of our school districts. The city uses a somewhat different approach to the process.

The property tax levy cycle ends with the taxing bodies filing their Certificate of Tax Levy for the next calendar year on or before the last Tuesday in December. For example, the property tax levies for the 2023 property taxes you pay in calendar year 2024 were calculated by each taxing body in calendar year 2023. Your 2023 property tax bill is normally paid in June and September of 2024.

For this example, in March 2024, in the next calendar year following the taxing body's property tax levy submission, the county finalizes the actual EAV for property tax year 2023 and lowers, if necessary, the requested property tax levy to match what is permitted. This is often necessary since the school districts typically "balloon" the property tax levy request, i.e. inflate it, in order to "capture all of the available revenue" possible.

The subsequent fiscal year budget for each school district is not actually budgeted based on need, but is a summation

of what the county has approved and allocated to the school district from the property tax to be collected along with their other revenue sources. A detailed determination of the amount needed to operate would only set the minimum required. The actual amount budgeted is normally all that can be legally obtained as explained earlier.

The consolidated draft budget for each taxing body is normally submitted to its finance department by the end of July. The proposed budget is then presented to the taxing body's council/board in August. To comply with the Truth in Taxation Act, a public notice is normally published in a local paper announcing the availability of the proposed budget for public review. The announcement will also include the date and place of a public hearing on the proposed budget. The announcement should occur at least 30 days in advance of the public hearing.

The public hearing is normally held in September. During the budget hearing, the proposed budget is reviewed. The public shall be invited to comment, question, or advise the board/council regarding the proposed budget. The taxing body's council/board will normally adopt the budget in September by approving a Budget Resolution following the budget public hearing.

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