

Illinois Farmland Assessment Law

How does it work?

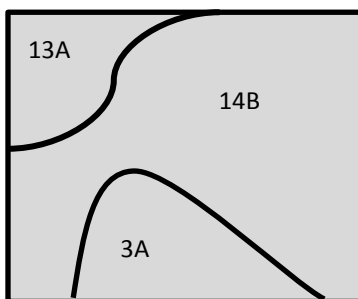
Illinois Property Tax Code requires that farmland be taxed according to the contributory value of the land to the farming operation. Farmland Assessment uses the Individual Soil Weighting Method to assign productivity values to each parcel based on soil type and average management.

Farmland is identified as one of four different types... cropland, permanent pasture, other farmland, and miscellaneous/wasteland.

- **Cropland** – Assessed according to the equalized assessed value (EAV) of its adjusted soil productivity index (PI).
- **Permanent Pasture** – Assessed at 1/3 of its adjusted PI EAV as cropland.
- **Other Farmland** – Assessed at 1/6 of its adjusted PI EAV as cropland.
- **Wasteland** – Assessed according to its contributory value to the farm. If it does contribute, then it is assessed at 1/6 of its adjusted PI EAV as cropland. If there is no contributory value, then it is assessed at zero.
- **Farm Structures** – Assessed at 1/3 of their contributory value to the farm.
- **Farm Homes** – Assessed at 1/3 of fair market value.

The EAV's for each soil productivity are determined using a five-year average, which lags two-years behind the assessment year, by utilizing yield data, crop prices, non-land production costs, and interest rates to determine an average agricultural economic value. These figures are provided to the Illinois Department of Revenue (IDOR) from Farm Business Farm Management (FBFM). Annual changes in the EAV are limited to a 10% increase or decrease over the previous year. The Certified Value is the calculated result of this limitation. Productivity Indexes (PI) are found in Bulletin 810, published by the University of Illinois.

Here's how you can figure your property taxes on your farm parcel. Adjustment factors such as slop and erosion will reduce the PI of the soil. This reduction is reflected as the "Adjusted PI".



Property Record						
1	2	3	4	5	6	7
Soil ID	PI	Adjustment Factor(s)	Adjusted PI	# Acres	Certified Value	Assessment
13A	90	.98 (S)	88	5	22.67	113
14B	89		89	28	28.30	792
3A	96	.95 (S)	91	7	69.06	483
SUBTOTAL				40		1,388

Using a tax rate of 10.8%, the property taxes on this parcel of cropland would be \$150.03.

A similar table will be completed for land in permanent pasture and other farmland on your parcel property record. It should also detail land considered contributory wasteland, non-contributory wasteland, dedicated roads, home site, residential buildings, and farm buildings.