

## **Tax Information**

### **Tax Cap**

The 1991 Property Tax Limitation Act for DuPage County limits any increase in property tax dollars to 5% or the CPI (Consumer Price Index), whichever is less. New construction contributes additional dollars. Note that the cap limits the actual dollars received, not a percentage. The overall impact of the tax cap has been to slow the rate at which taxes rise.

### **New construction**

New construction dollars raise the base from which the capped amount is calculated for the next year.

### **Equalized Assessed Valuation (EAV)**

Your taxes are based on the EAV of your home (one-third fair market value). Increased EAV does not increase the dollars Addison School District 4 receives beyond what the cap allows, but it does affect how much each property owner pays.

### **Tax Rate**

In a downturned economy, as property values decline, the tax rate goes up in order to compensate for the loss.

### **Appreciation**

Appreciation does not increase the tax dollars coming to the district beyond what the tax cap allows.