

The Annual Tax Levy Process

Tax levy and tax rates can be a confusing subject. The information provided is intended to add clarity to this topic and make sure the public is educated about the tax levy process.

How does the Village Tax Levy Work?

Each year in the fall, the Village sets a property tax levy — the total amount of money it needs to fund essential services like police protection, street maintenance, snow removal, parks, and general operations. The Truth In Taxation Act” (35 Illinois Compiled Statutes 215/1 et seq.), requires the Village Board to determine the amount of money estimated to be necessary to be raised by the tax levy for each year (“levy”) upon the taxable property in the Village of Mahomet.

Here’s how it works in simple terms:

1. **The Village Builds a Budget.** Staff and the Board estimate how much it will cost to provide services for the coming year.
2. **A Tax Cap Sets the Limit.** State law and county rules limit how much the Village’s total property tax revenue can increase each year — usually by the rate of inflation (CPI) or 5%, whichever is less. This “tax cap” keeps increases predictable and affordable for taxpayers.
3. **The Levy Is Calculated.** We get a recommended Equalized Assessed Valuation (EAV), associated levy and projected assessed values from the Champaign County Assessment Office. The Village calculates the total dollars needed (the levy) and submits it to the County Clerk. The Clerk ensures it fits within the legal tax cap.
4. **The County Sets Tax Rates.** The County divides the total levy across all taxable properties in the Village based on each property’s assessed value. As property values change, the tax rate adjusts to collect the same overall amount.
5. **Your Tax Bill Arrives.** The County sends out property tax bills showing how much goes to each taxing body — schools, parks, libraries, and the Village.

The Village’s portion of your tax bill typically funds local services that directly affect daily life — safe streets, clean parks, police protection, and snow removal.

In Short, the Village does not set your individual tax bill — it sets the total amount it needs to run essential services, and the County divides that amount among all property owners according to value, within state tax cap limits.

How have the tax rates changed over the past few years?

Historically the rate in the village has decreased twelve (12) times in the past twenty years. In that same period, we went from a tax rate of 0.8604 down to 0.7640. Since the inception of the “tax cap” law in 1991, we have gone from a rate of 1.0661 down to 0.7640 with twenty-two (22) tax rate reductions. **With tax caps, it is impossible for the increase to be as high as we must publish in the newspaper. By law the increase is limited to the rate of inflation (no more than 5%).**

The table below shows the history of the Truth in Taxation Hearing Notices for the Village of Mahomet for the past ten (10) years:

Tax Year	Actual Extended Tax Rate	% change in rate vs what was requested	% Increase Advertised in Newspaper	Original Rate Requested
2026			28.91%	1.0333
2025	0.7439	-2.63%	57.11%	1.1046
2024	0.7640	-5.86%	38.05%	1.0901
2023	0.8116	1.26%	34.12%	1.1072
2022	0.8015	-5.17%	34.22%	1.1126
2021	0.8452	-0.18%	37.53%	1.0973
2020	0.8467	0.81%	32.64%	1.1141
2019	0.8399	0.49%	38.84%	1.1186
2018	0.8358	-2.34%	44.81%	1.1247
2017	0.8558	1.76%	38.74%	1.1247

The table below illustrates the proposed amounts compared to actual amounts for the past ten (10) years:

Tax Year	Initial Tax Rate	Projected EAV	Projected Extension	Actual Tax Rate	Actual EAV	Capped Extension
2026	1.0333	383,308,456	3,960,956			
2025	1.1046	360,745,774	3,984,206	0.7439	359,685,795	2,675,702
2024	1.0901	332,464,784	3,587,193	0.7640	331,931,817	2,535,959
2023	1.1072	298,826,156	3,306,651	0.8116	296,770,650	2,408,591
2022	1.1126	248,910,471	2,769,292	0.8015	264,871,506	2,197,904
2021	1.0973	242,042,201	2,655,844	0.8452	241,852,525	2,044,222
2020	1.1141	230,412,671	2,567,169	0.8150	228,069,720	1,931,066
2019	1.1186	213,150,008	2,384,026	0.8399	217,806,220	1,829,354
2018	1.1247	207,291,737	2,339,733	0.8358	205,437,712	1,717,084
2017	1.1247	189,136,568	2,127,329	0.8558	188,788,347	1,615,651

If the village is never going to get such a high rate of increase it publishes, why bother asking for that much?

Historically, the Village of Mahomet has grown at a much higher rate than most communities in Illinois (many communities see population loss). In order to make sure we capture the significant growth the village needs to request a higher levy than we expect to receive so that we do not see a reduction. This is referred to as a “balloon levy.” A “balloon levy” is when a taxing body requests a levy rate higher than the current projections to allow for unknown EAV and new growth. Tax cap laws often prevent a taxing body from going back later to claim additional funds if it underestimated its initial levy. By submitting a "balloon" request for a higher amount than we anticipate, the Village guarantees that it will receive all the funds it is legally entitled to. Taxpayers are not harmed by this inflated request. When the county clerk finalizes the tax bills, they apply the tax cap and other legal limitations to the Village's EAV. The Village only receives the maximum amount allowed by law, not the higher, requested amount.

The revenue lost from a lower request would be permanently lost and has a compounding effect on all future years. A reduction in the revenue that we need to provide the essential services would mean we would have to reduce services like police protection, road maintenance, parks, and recreation. Simply put, we have historically (as the tables show) always ask for more than we are going to get. Tax caps will always protect the taxpayer and limit us to the rate of inflation (or no more than 5%).

Why bother doing the legal ad when it is impossible for the tax rate to increase that much?

The law makes us publish a levy increase request higher than 5%, yet the same law makes it impossible to increase more than 5%. Does it make sense? Of course not. If the dollar amount of the estimated levy is 105% or more of the prior year's extended levy, the Village is required to comply with certain requirements set forth in the Truth in Taxation Act. These include publishing a notice of the estimated levy and holding a public hearing prior to adoption of the levy. Unfortunately for our growing community, it always shows a very high % of possible property tax levy increase, but the reality is by law it cannot increase more than the rate of inflation (no more than 5%).

What is the Property Tax Extension Limitation Law (PTELL)?

The Property Tax Extension Limitation Law (PTELL), approved in 1991, limits the amount of tax extensions (total taxes billed) for non-home rule taxing districts. Although the law is commonly referred to as “tax caps,” use of this phrase can be misleading. The PTELL does not “cap” either individual property tax bills or individual property assessments. Instead, the PTELL allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction, and voter-approved rate increases.

Why are my property taxes going up every year if the tax rate is going down?

Property taxes are not the same as property tax rates. The amount you pay on your property tax bill is based on the fair cash value of your home, which is identified by the Township Assessor. When your home value goes up, the amount you pay in taxes also will go up. However, it is based on the tax rate so if your home value did not increase and the tax rate decreased, you would see a reduction in the tax bill for the Village share of the overall bill only. When you make an investment in a home, you want to see that investment increase in value over time. In a market like Mahomet, existing home values have gone up consistently with much larger increases since the pandemic. New home construction prices go up as well over time sometimes driven up even higher because of high inflation or material shortages. This also contributes to the value of existing homes. Mahomet is not a depressed housing market where you run the risk of losing money when the home is sold or you cannot even recover the cost of realtor fees when the home sells. Simply put, if your home value goes up, your tax bill will go up even if the tax rate goes down a little. The overall tax rate of our community is lower than many in our area, but we just have higher value properties. On your total property tax bill, the Village of Mahomet accounts for just 10% of the overall bill.