

How *Fair* Is Our Tax?:

Considering How Historical Policies and Contemporary Practices Impact Property Assessments

Junia Howell, Ph.D.
University of Illinois, Chicago

How *Fair* Is Our Tax?:

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How *Fair* Is Our Tax?:

What is a *Fair* Tax?

Turn and Share

Fair cash value

35 Illinois Compiled Statutes (ILCS) 200.
Property Tax Code.

Fair cash value

200/1-50. The amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller.

Fair assessment

Fair assessment
of
Fair cash value

Fair assessment

of

Fair cash value

equals

Fair property tax

Fair assessment

of

Fair cash value

equals

Fair property tax

Fair assessment
of

Fair cash value

equals

Fair property tax

Fair cash value

sale comparison approach

















\$150,000



\$175,000



\$125,000



\$150,000



\$175,000



\$125,000





\$150,000



\$175,000



\$125,000



-\$25,000



\$150,000



\$175,000



-\$25,000



\$125,000



\$15,000



\$150,000



\$175,000



\$125,000



-\$25,000



\$15,000



\$10,000

\$150,000

\$150,000

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\$150,000



\$150,000



\$175,000



\$150,000



\$125,000



-\$25,000



\$15,000



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\$150,000



\$175,000



\$125,000

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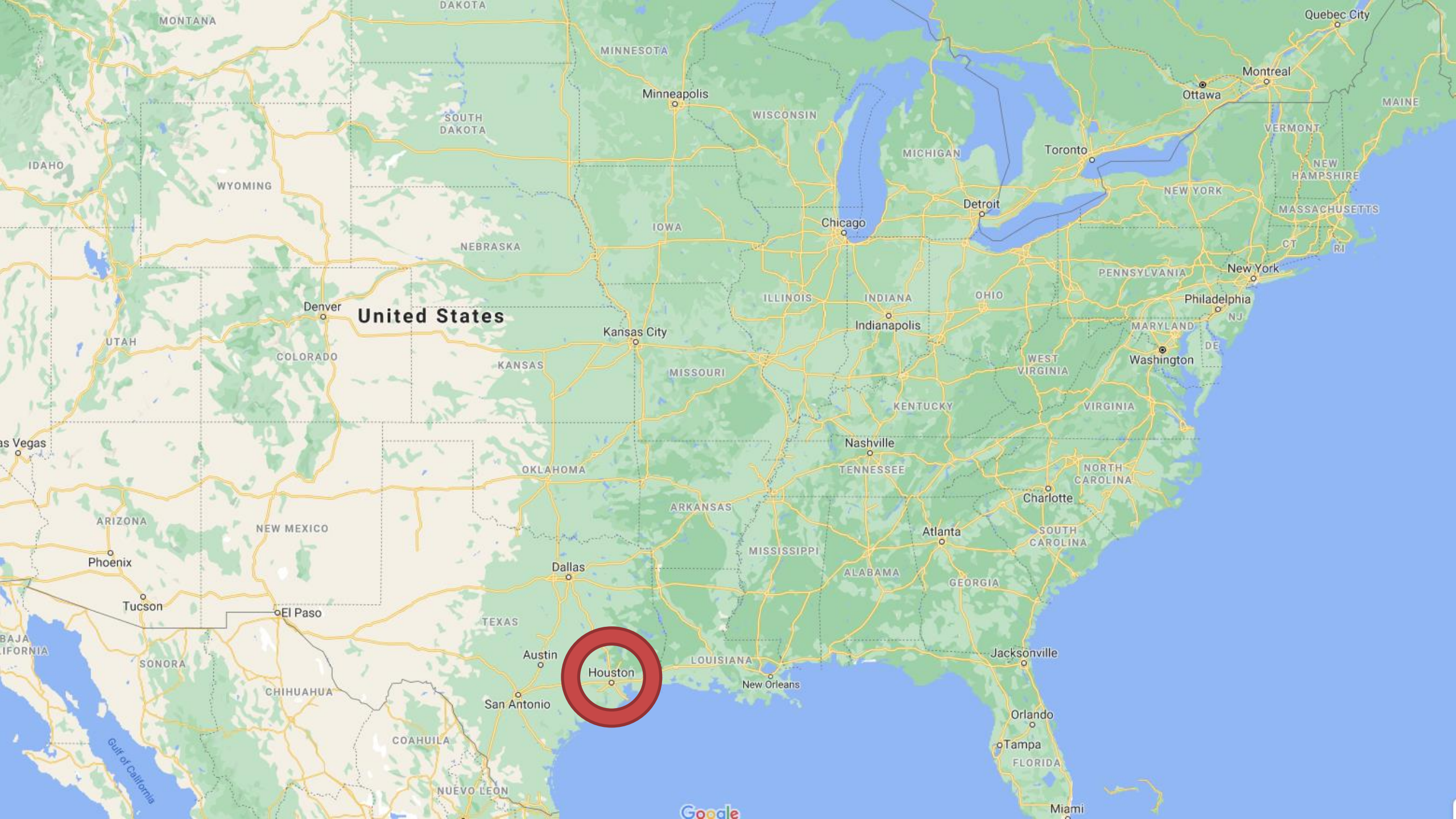


\$175,000

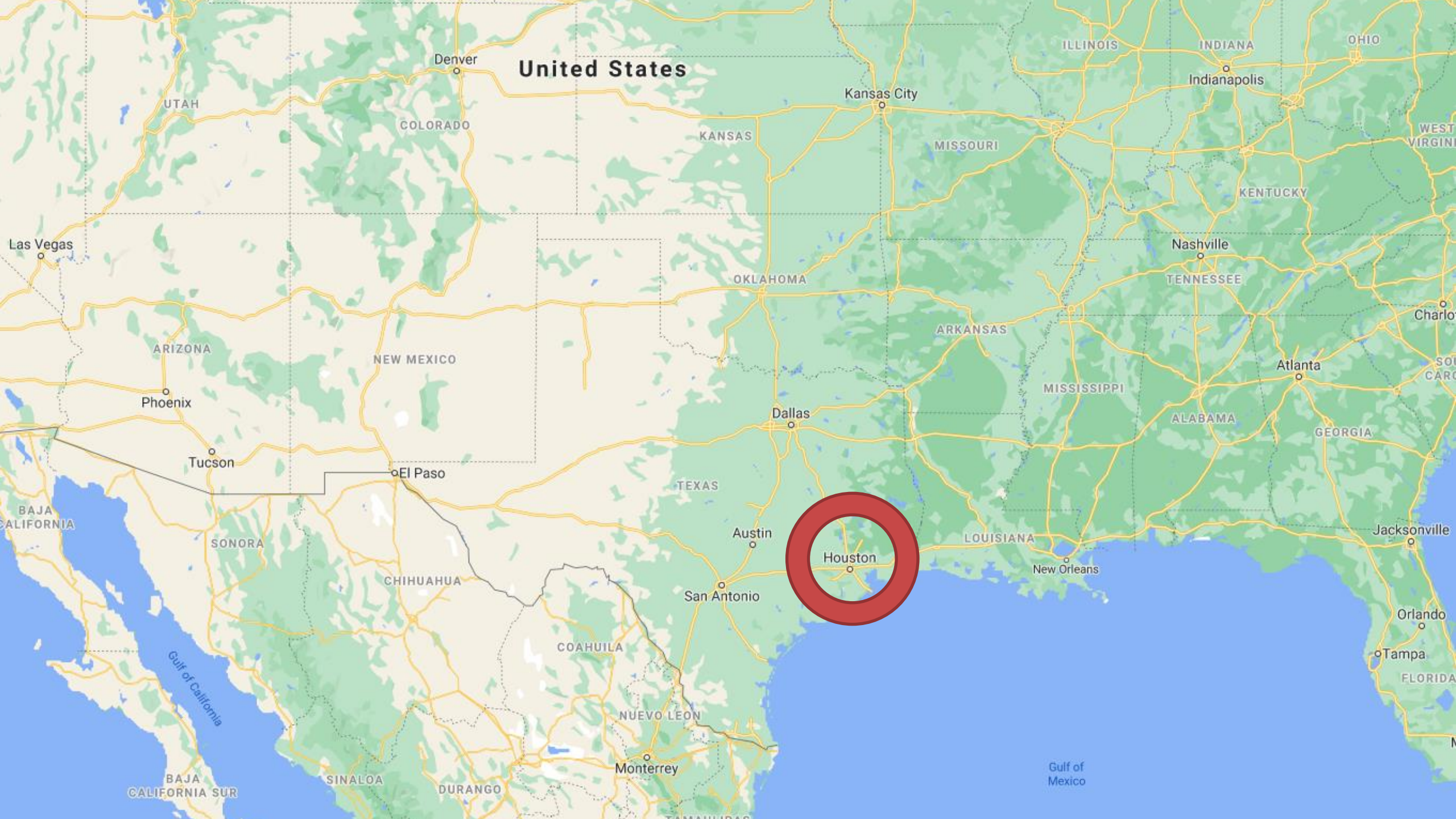


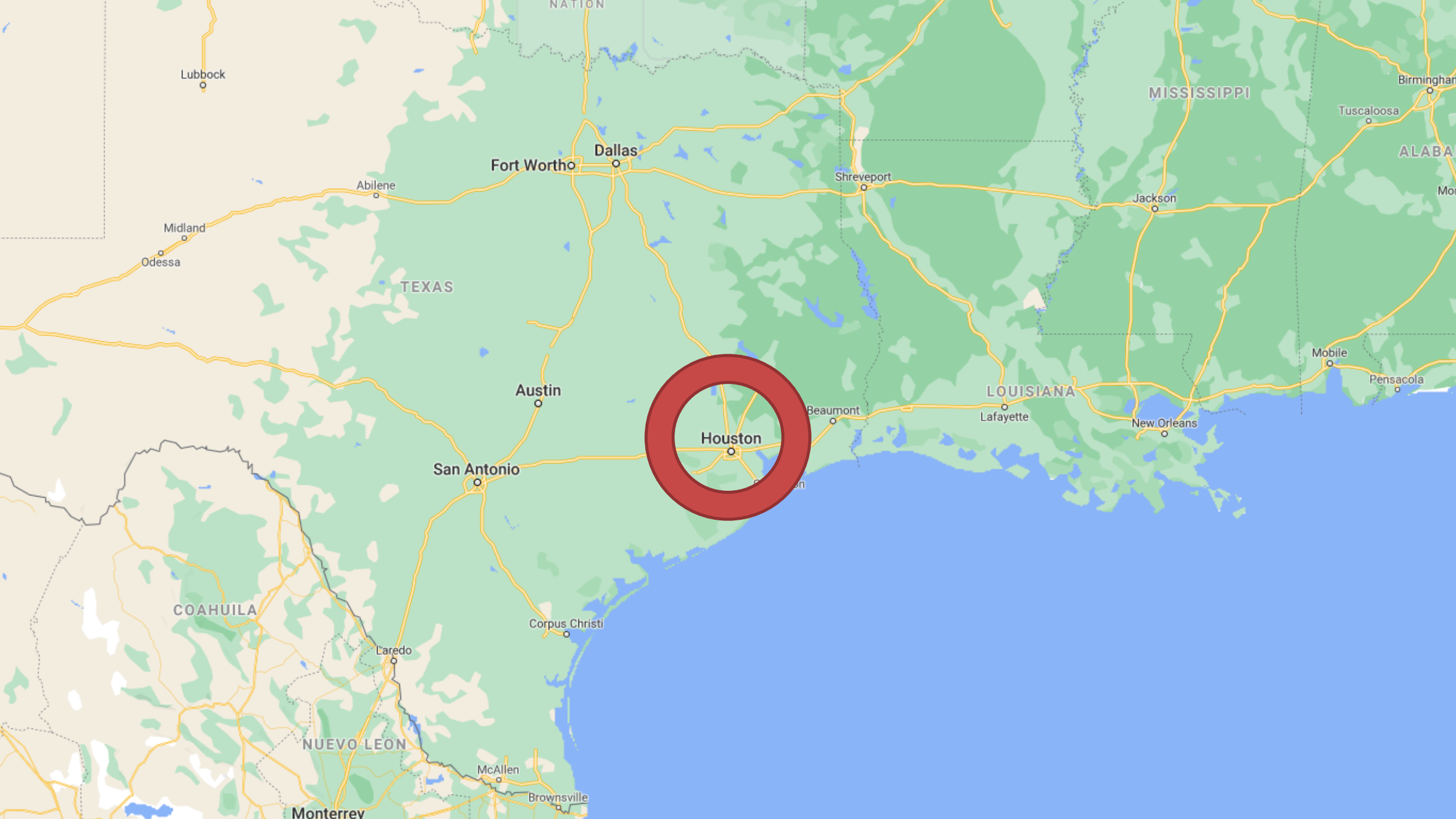
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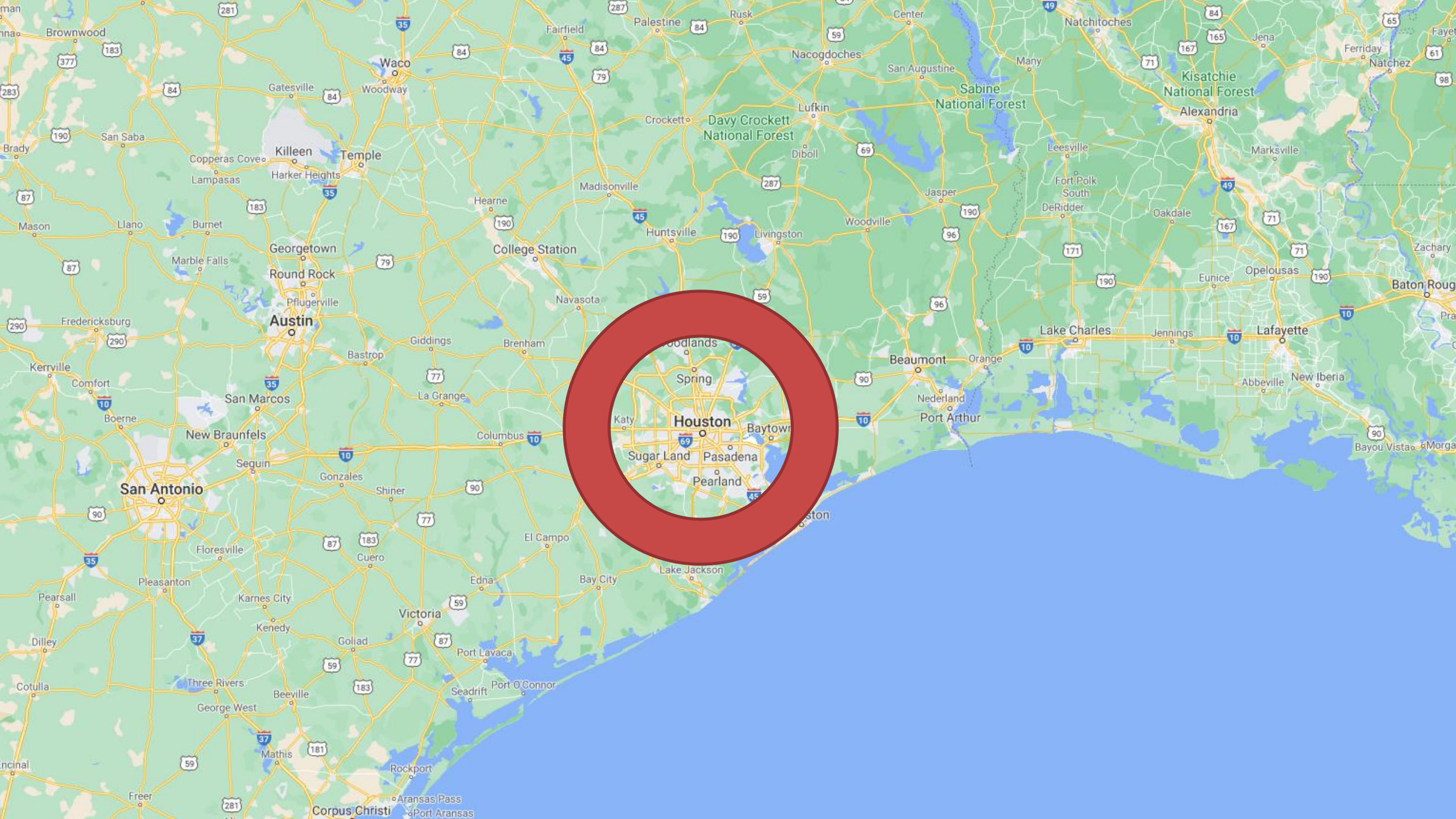
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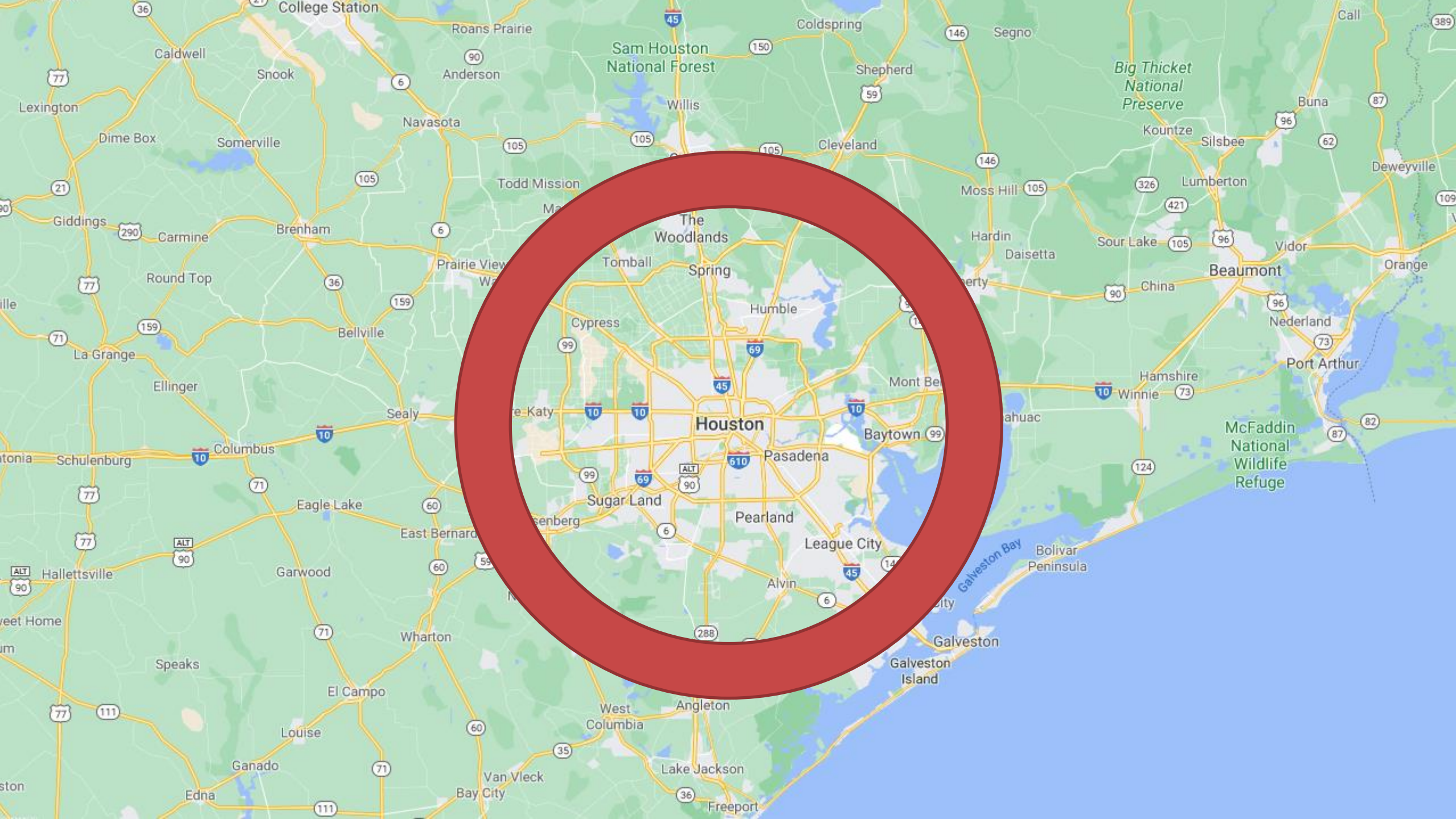


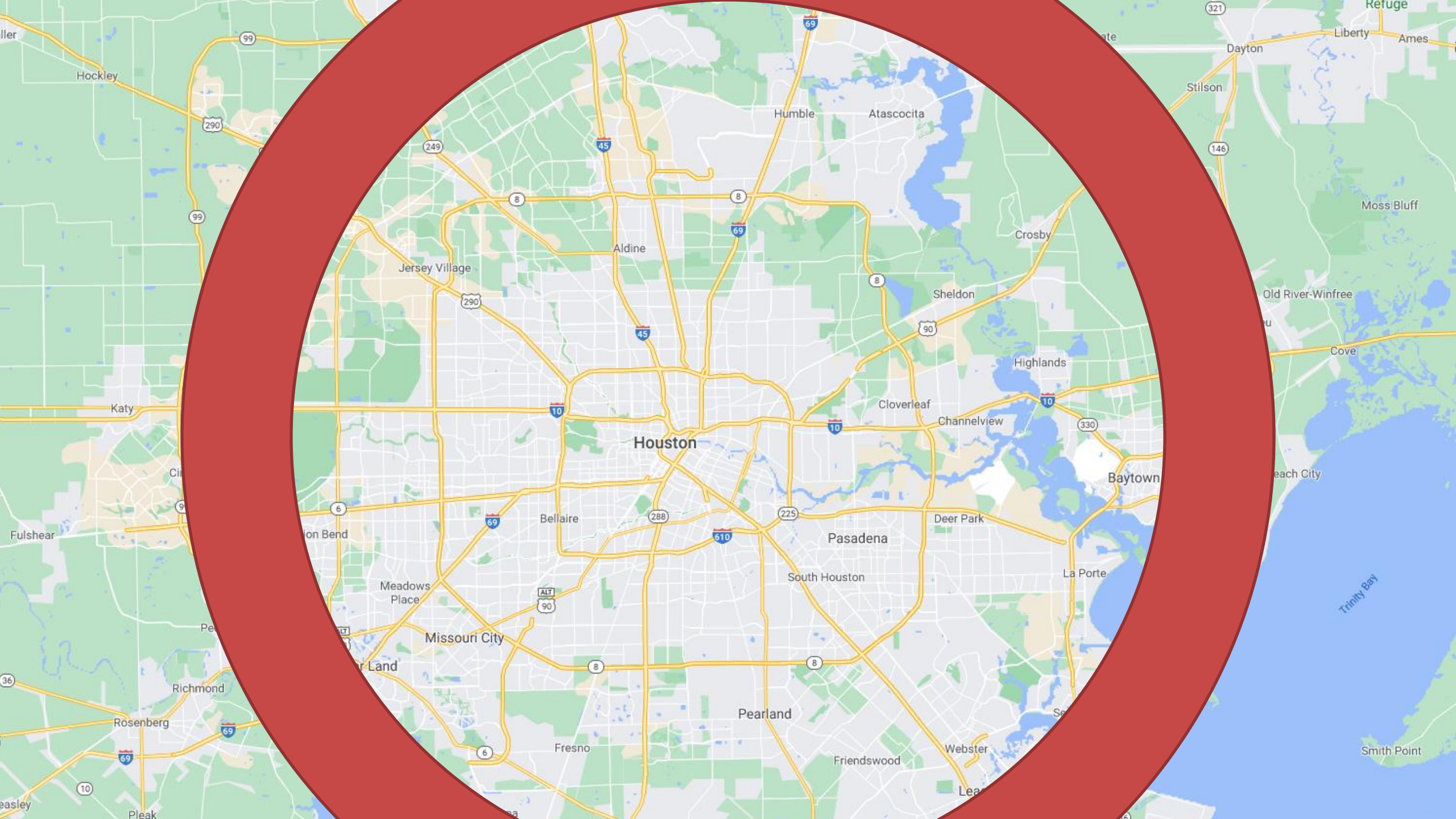
United States

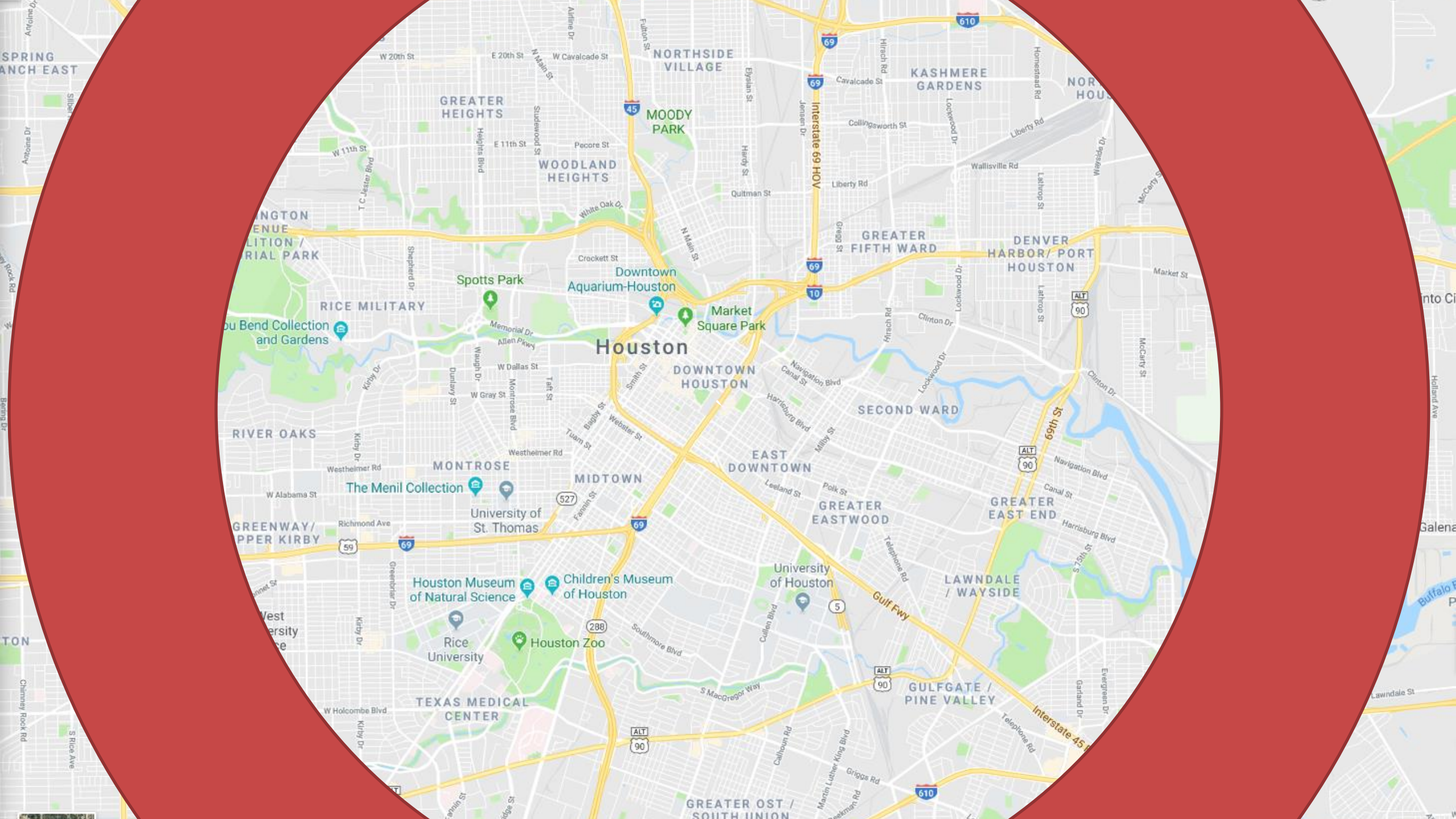


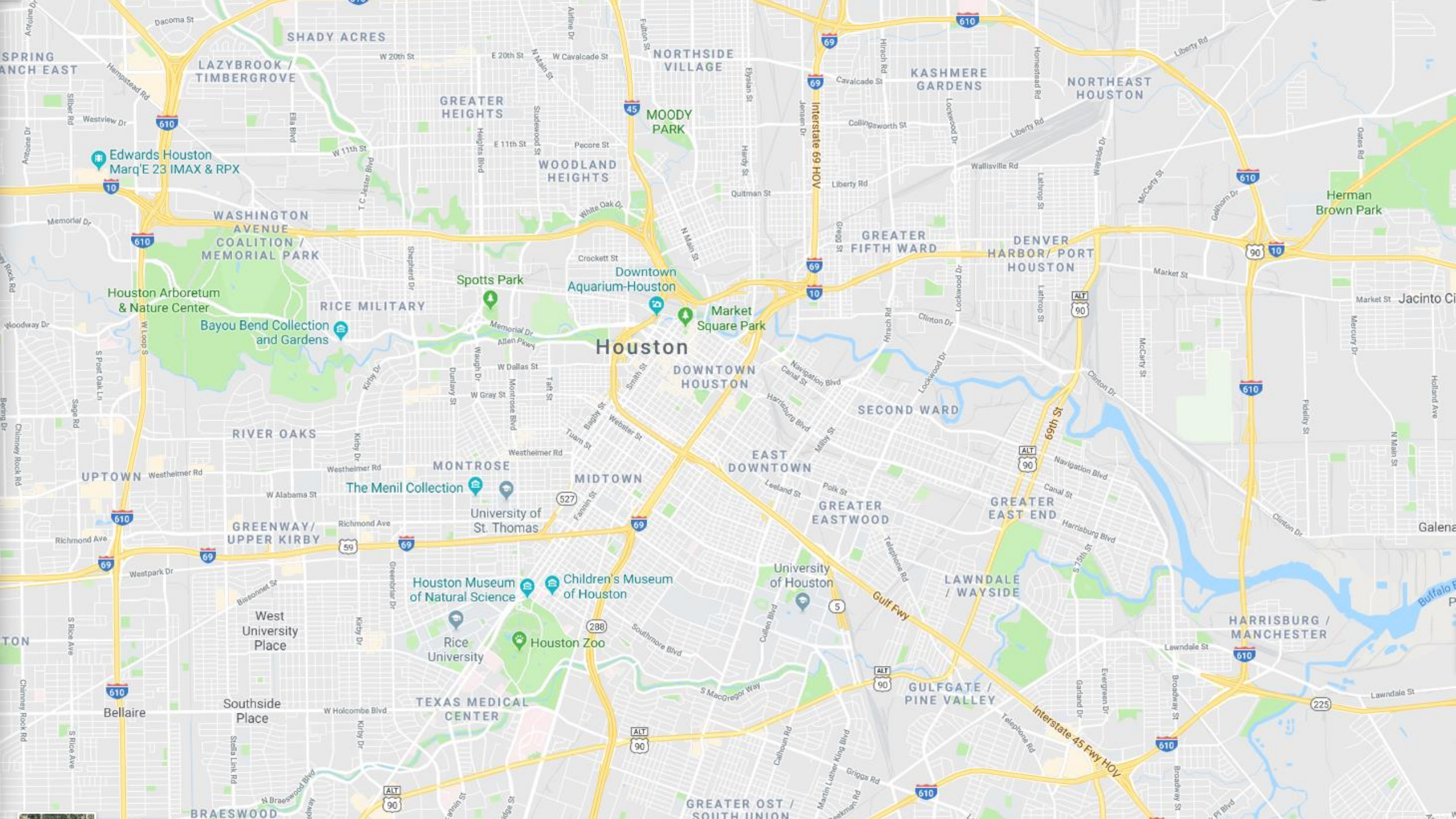


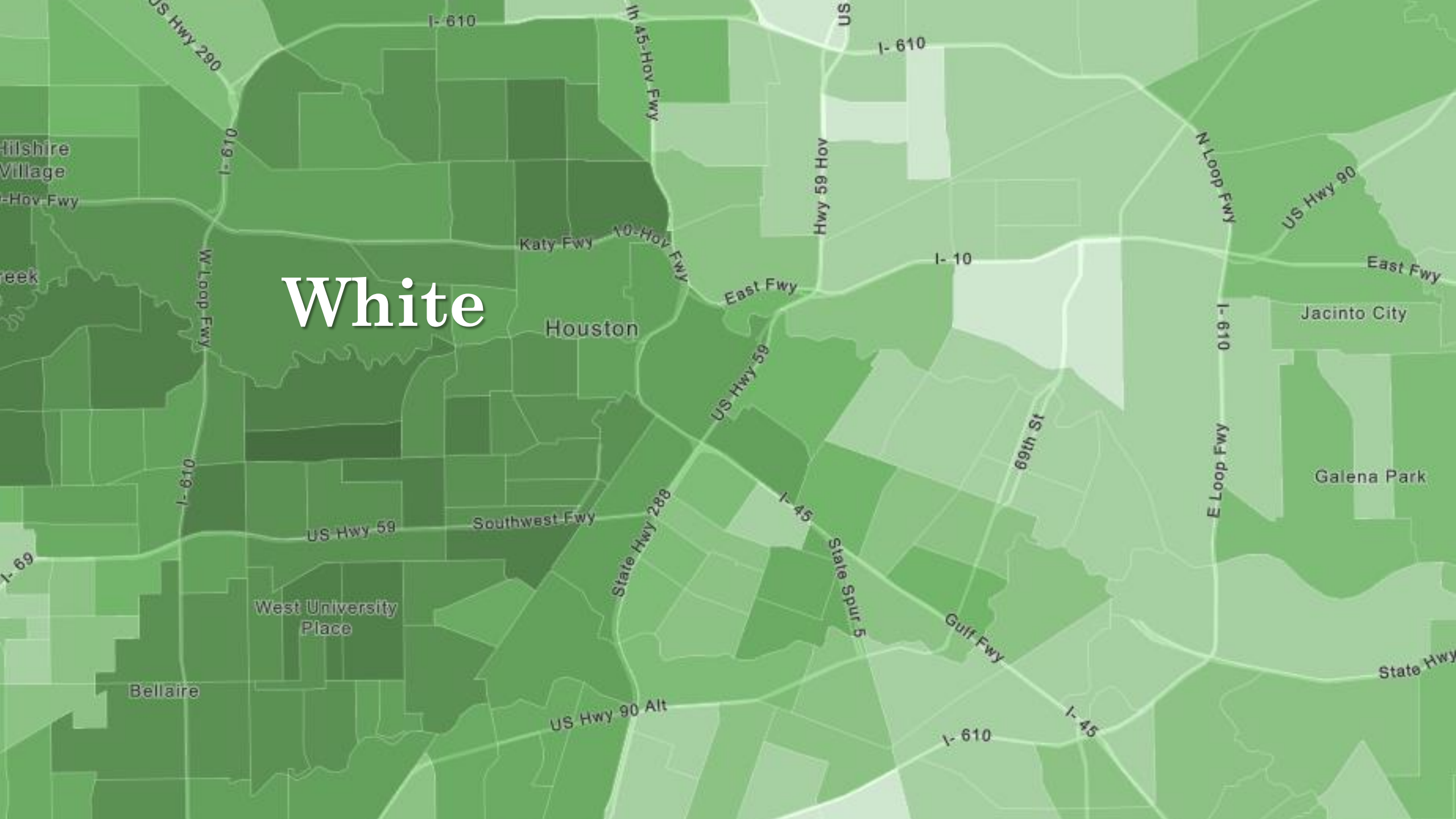






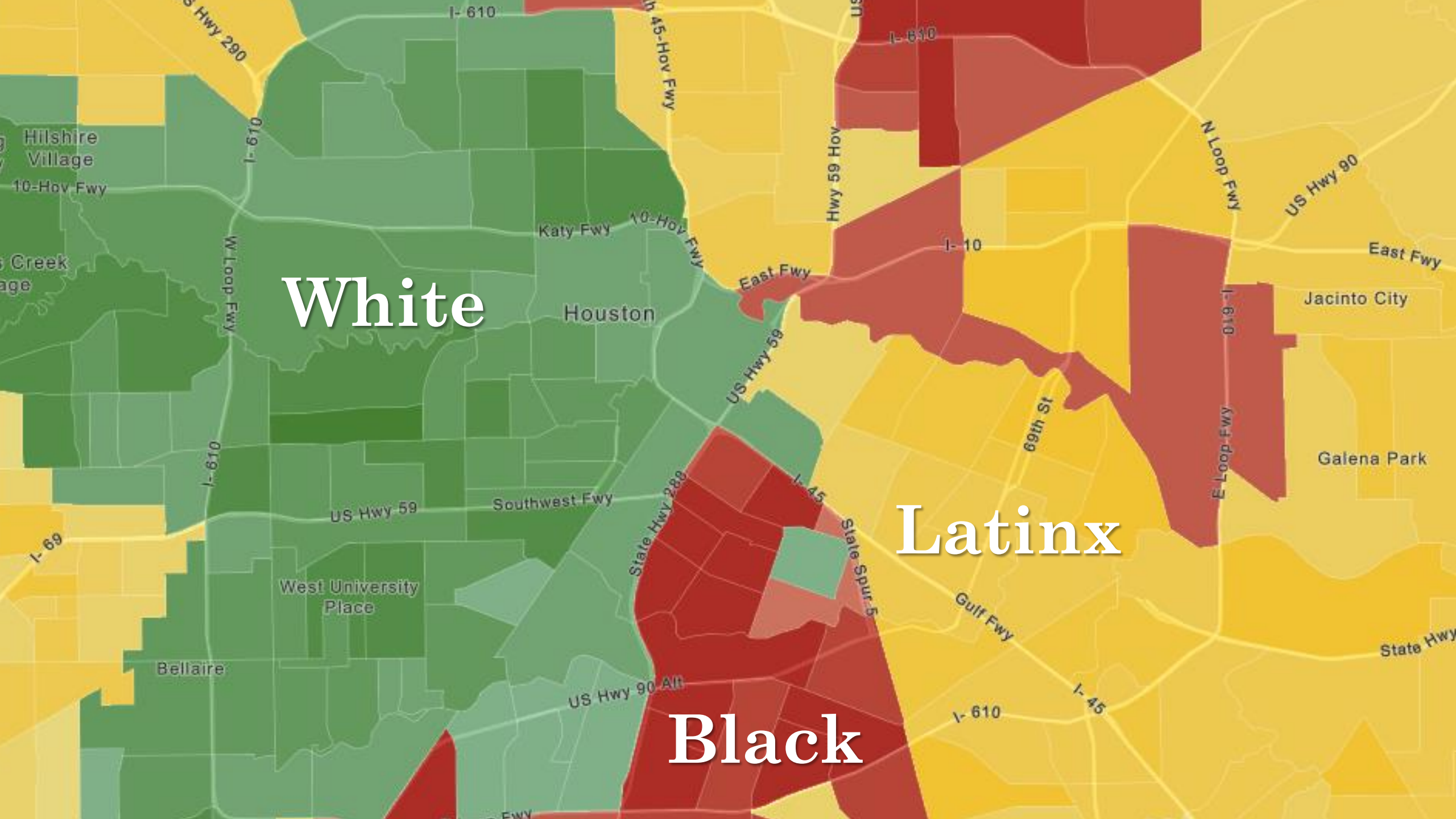






A map of Houston, Texas, with various highways and neighborhoods labeled. The word "White" is overlaid in the center. The map shows a network of roads including I-610, I-10, I-45, I-69, US Hwy 290, US Hwy 59, US Hwy 90, Katy Fwy, East Fwy, Southwest Fwy, Gulf Fwy, and several Loop Fwys. Neighborhoods like Hillshire Village, West University Place, Bellaire, Jacinto City, and Galena Park are also marked.

White



A map of Houston, Texas, illustrating the distribution of three major racial and ethnic groups across census tracts. The map uses a color-coded system: green for White, red for Black, and yellow for Latinx. Major highways are shown as yellow lines with labels, and neighborhood names are printed in grey. The White population is concentrated in the western and northern parts of the city, while the Black population is heavily concentrated in the central and southern areas, particularly along the I-10 corridor. The Latinx population is distributed across the eastern and southern portions of the city.

White

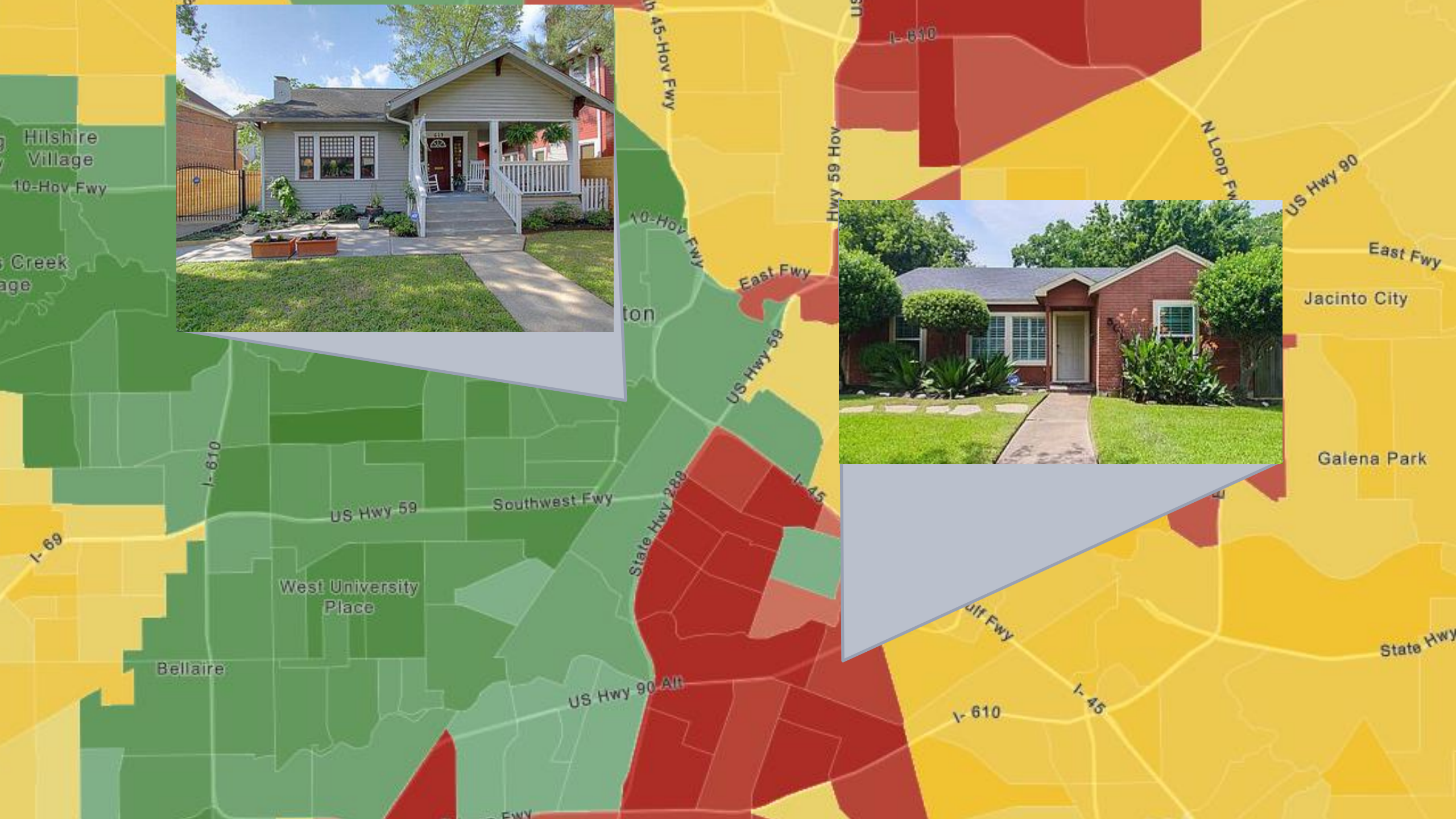
Latinx

Black

White

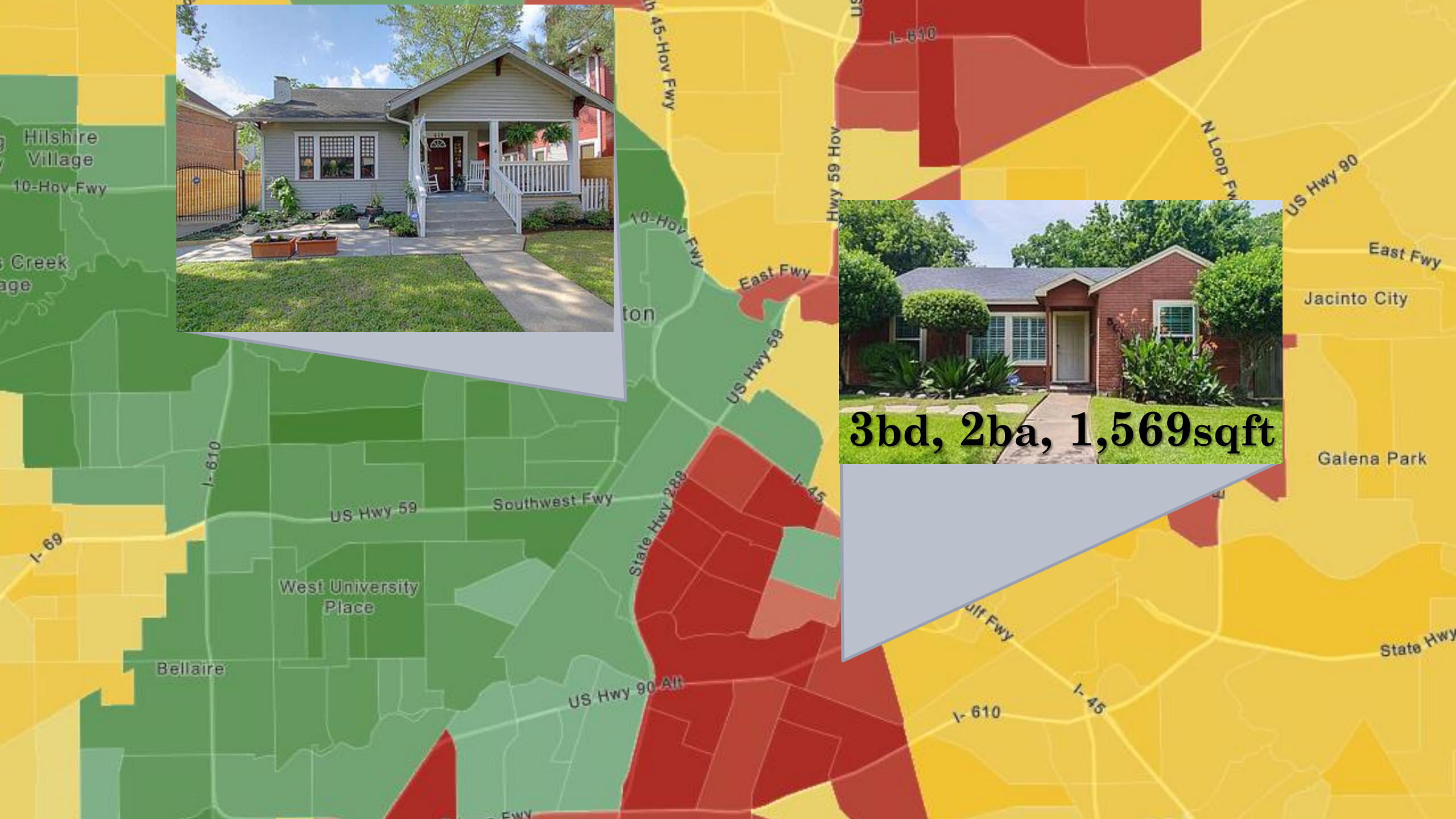


Black





3bd, 2ba, 1,569sqft

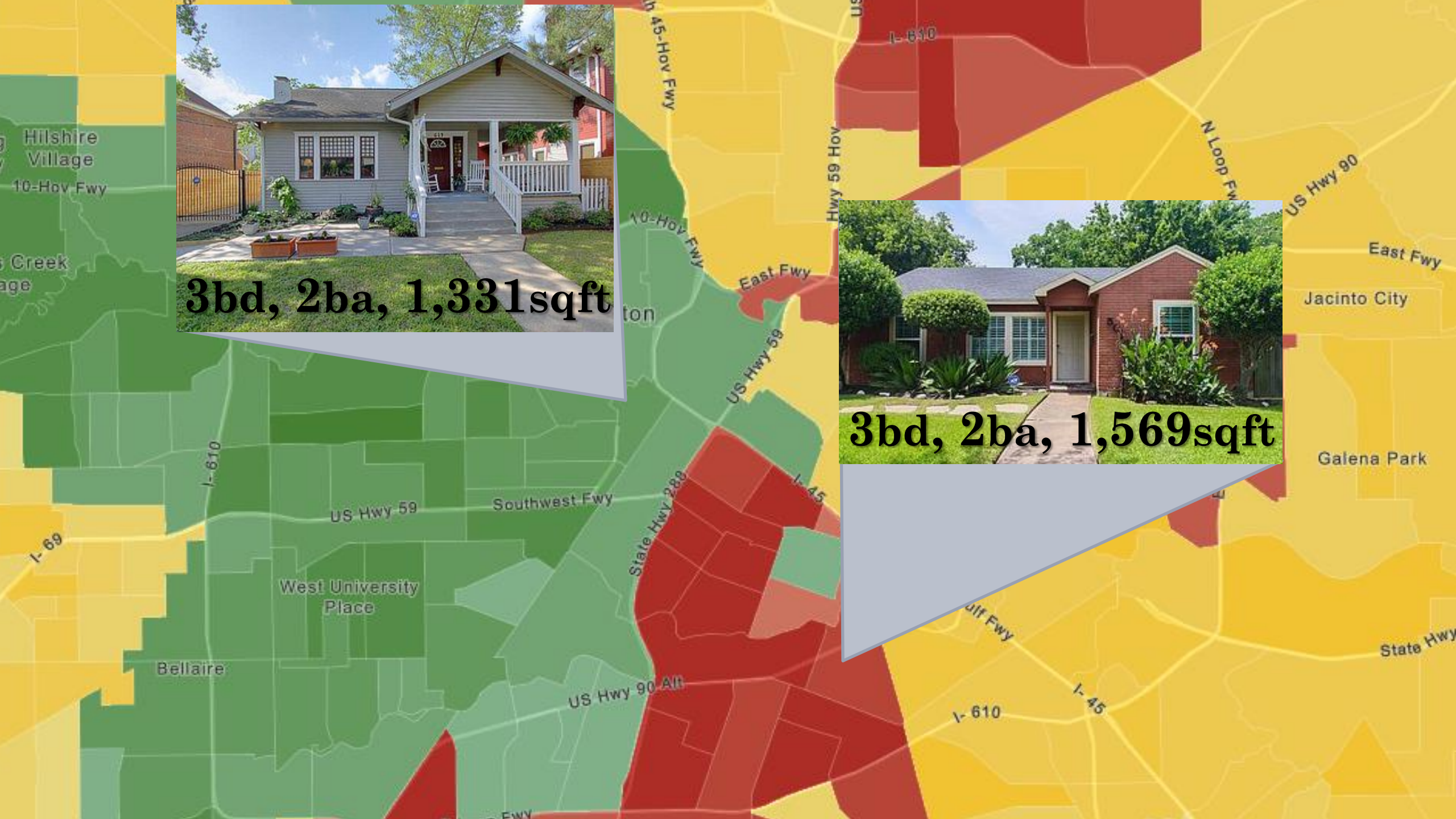




3bd, 2ba, 1,331sqft



3bd, 2ba, 1,569sqft





3bd, 2ba, 1,331sqft



3bd, 2ba, 1,569sqft





3bd, 2ba, 1,331sqft



3bd, 2ba, 1,569sqft





3bd, 2ba, 1,331sqft

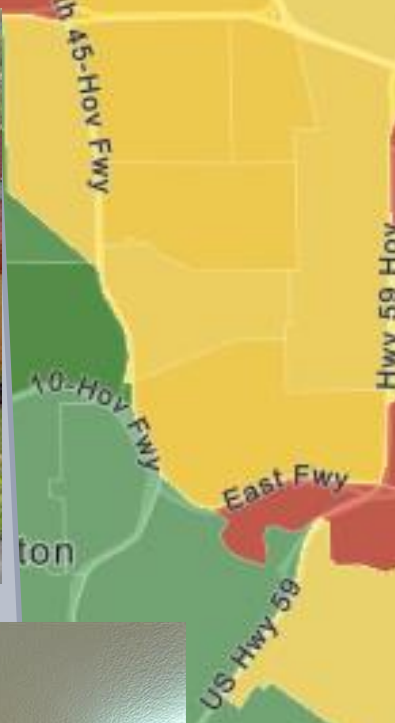


3bd, 2ba, 1,569sqft





3bd, 2ba, 1,331sqft





3bd, 2ba, 1,331sqft



3bd, 2ba, 1,569sqft

\$56,000



3bd, 2ba, 1,331sqft

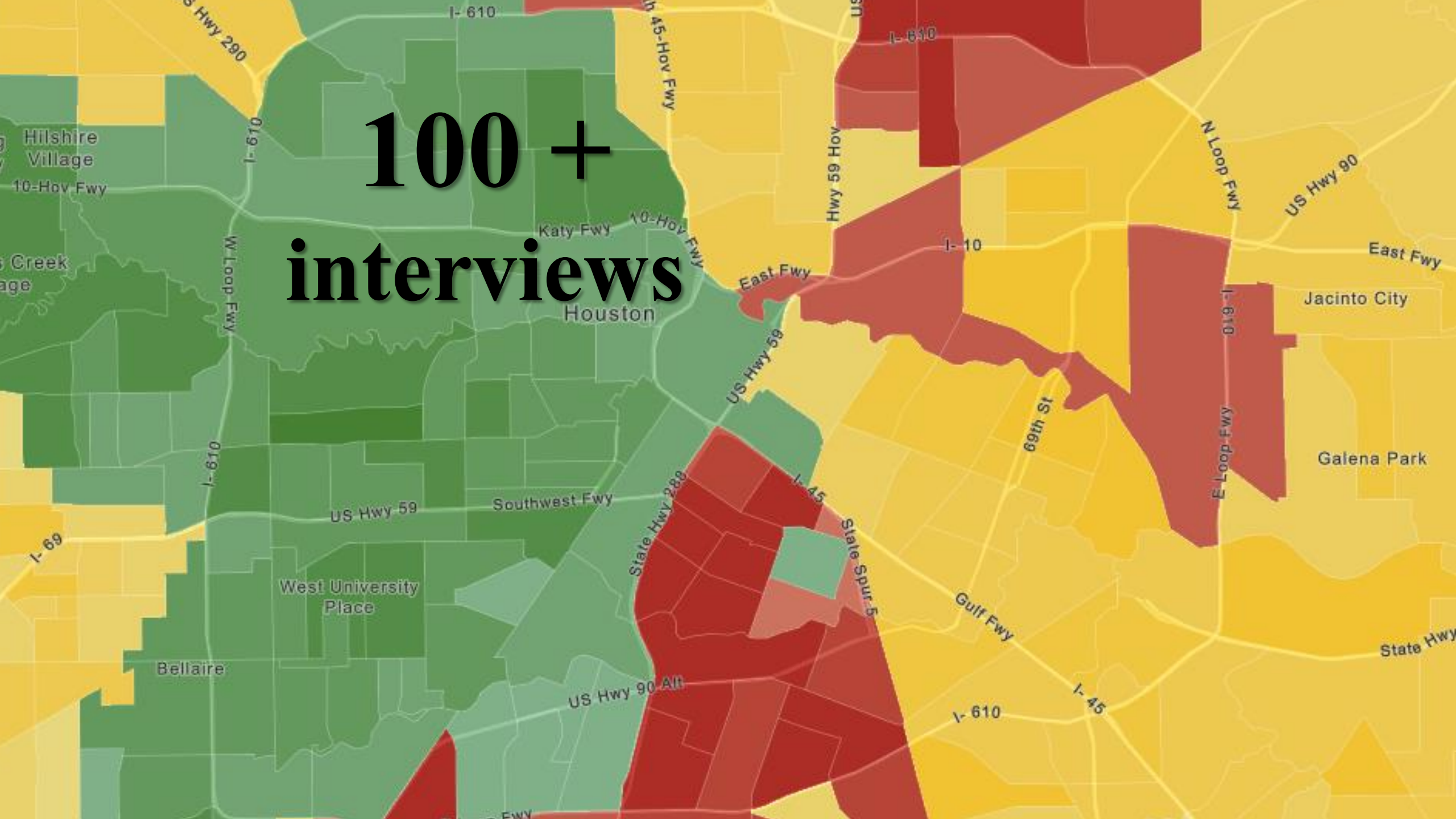
\$550,000

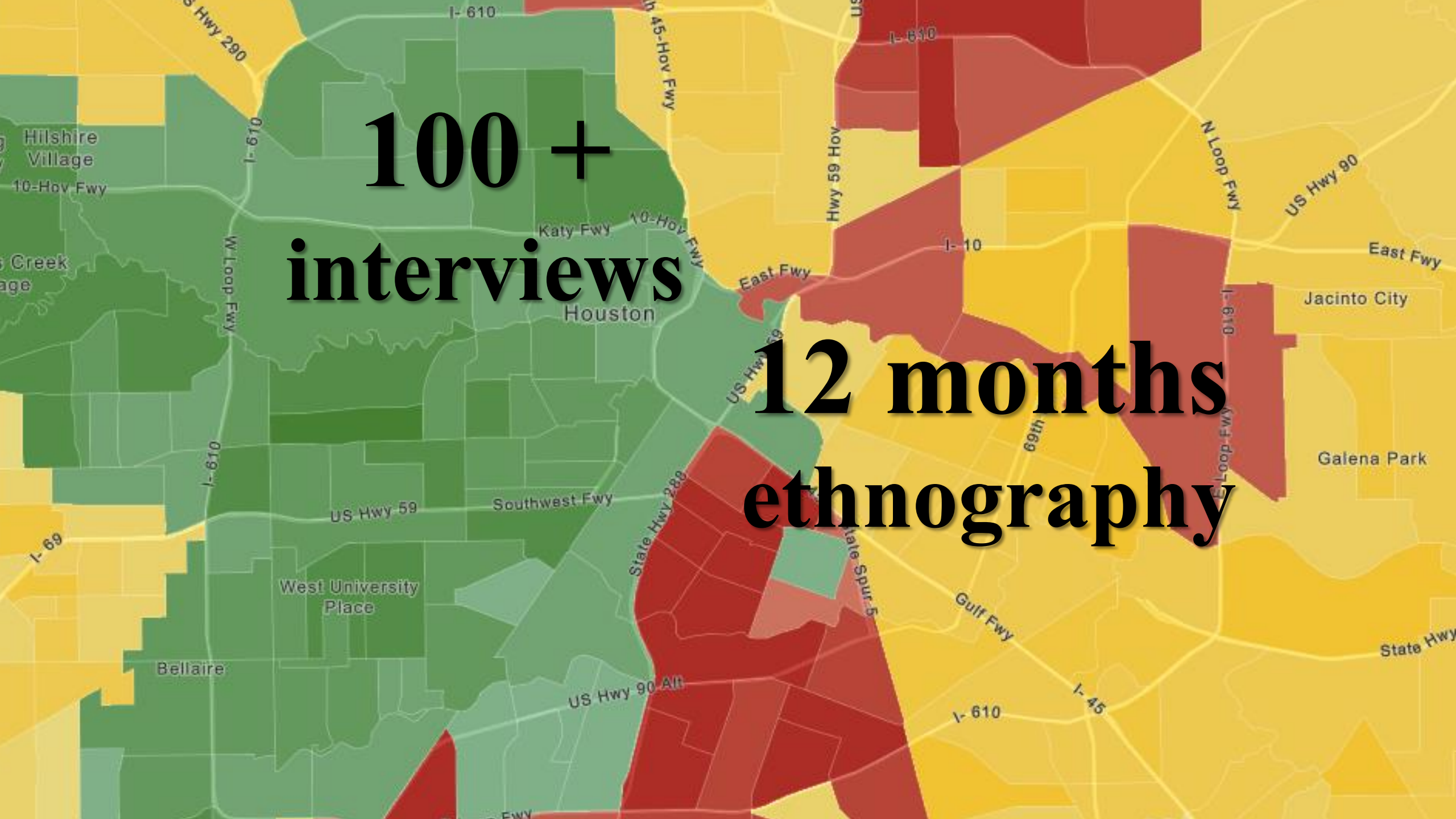


3bd, 2ba, 1,569sqft

\$56,000

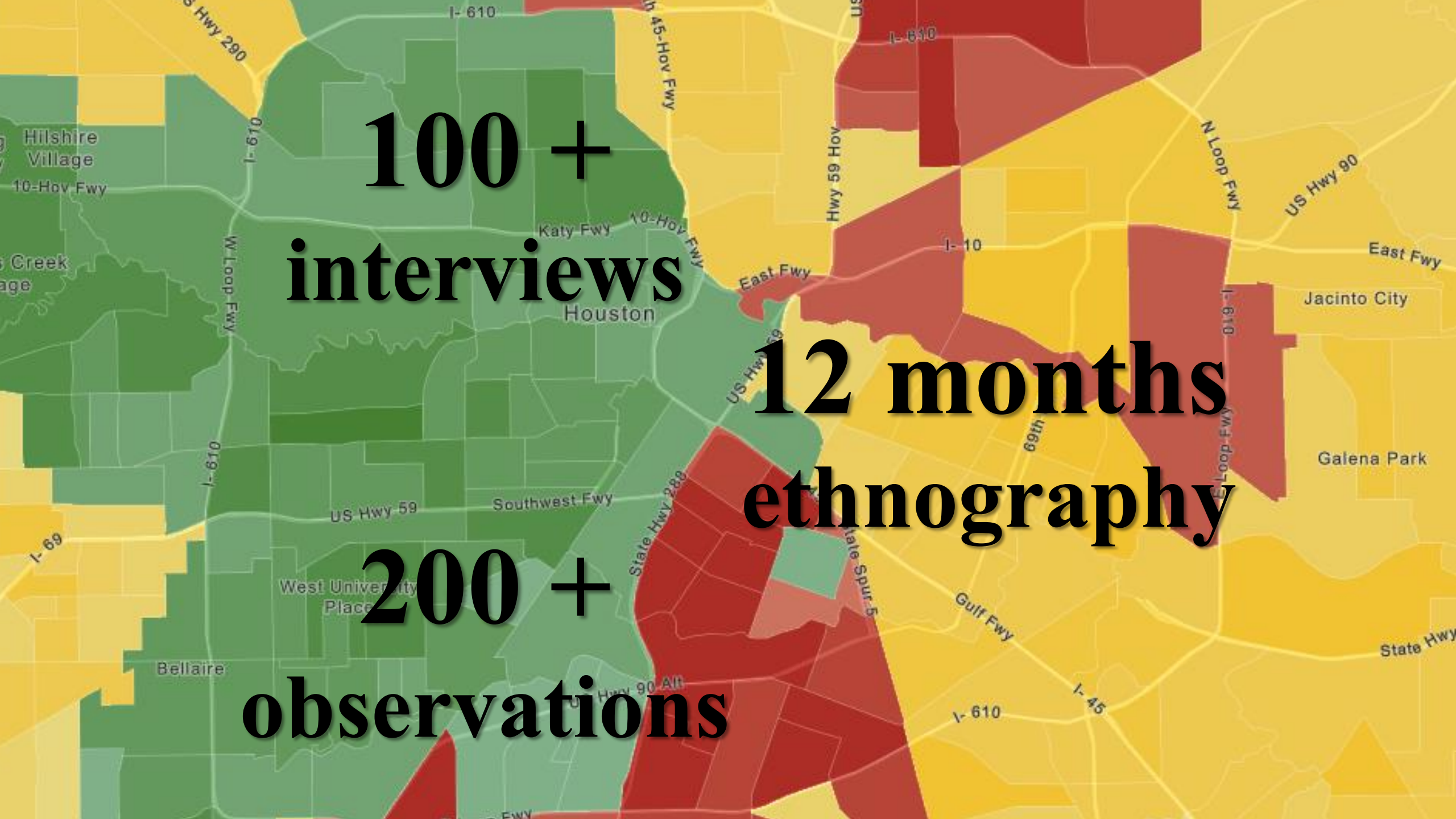
**100 +
interviews**



A map of Houston, Texas, with various colored overlays. Green areas are in the west and south, yellow areas are in the north and east, and red areas are in the center and south. Major highways like I-610, I-10, I-45, and US Hwy 90 are labeled. Neighborhoods like Hilshire Village, Bellaire, West University Place, and Jacinto City are also labeled. The text '100 + interviews' is overlaid in the center-left, and '12 months ethnography' is overlaid in the center-right.

**100 +
interviews**

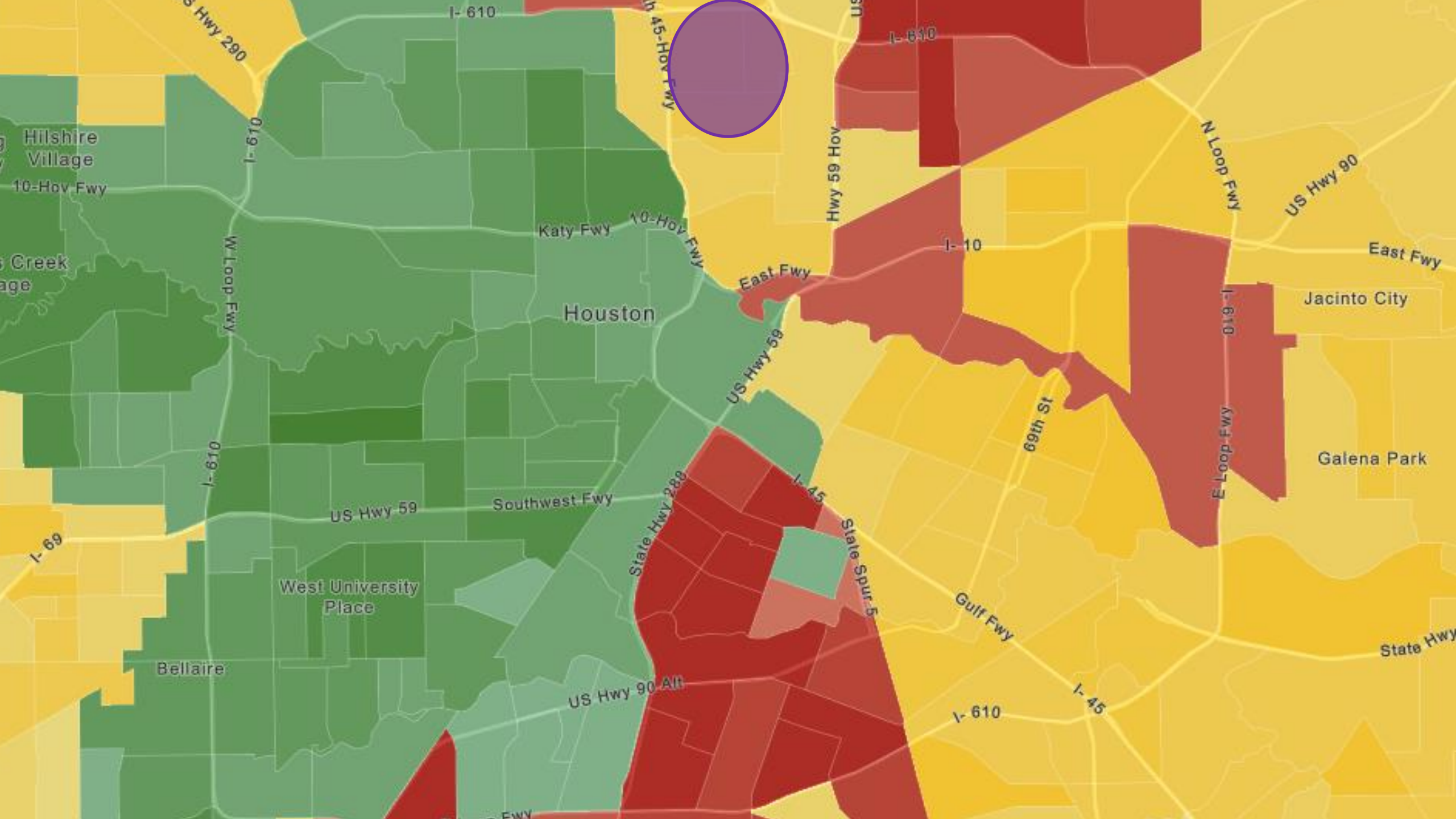
**12 months
ethnography**

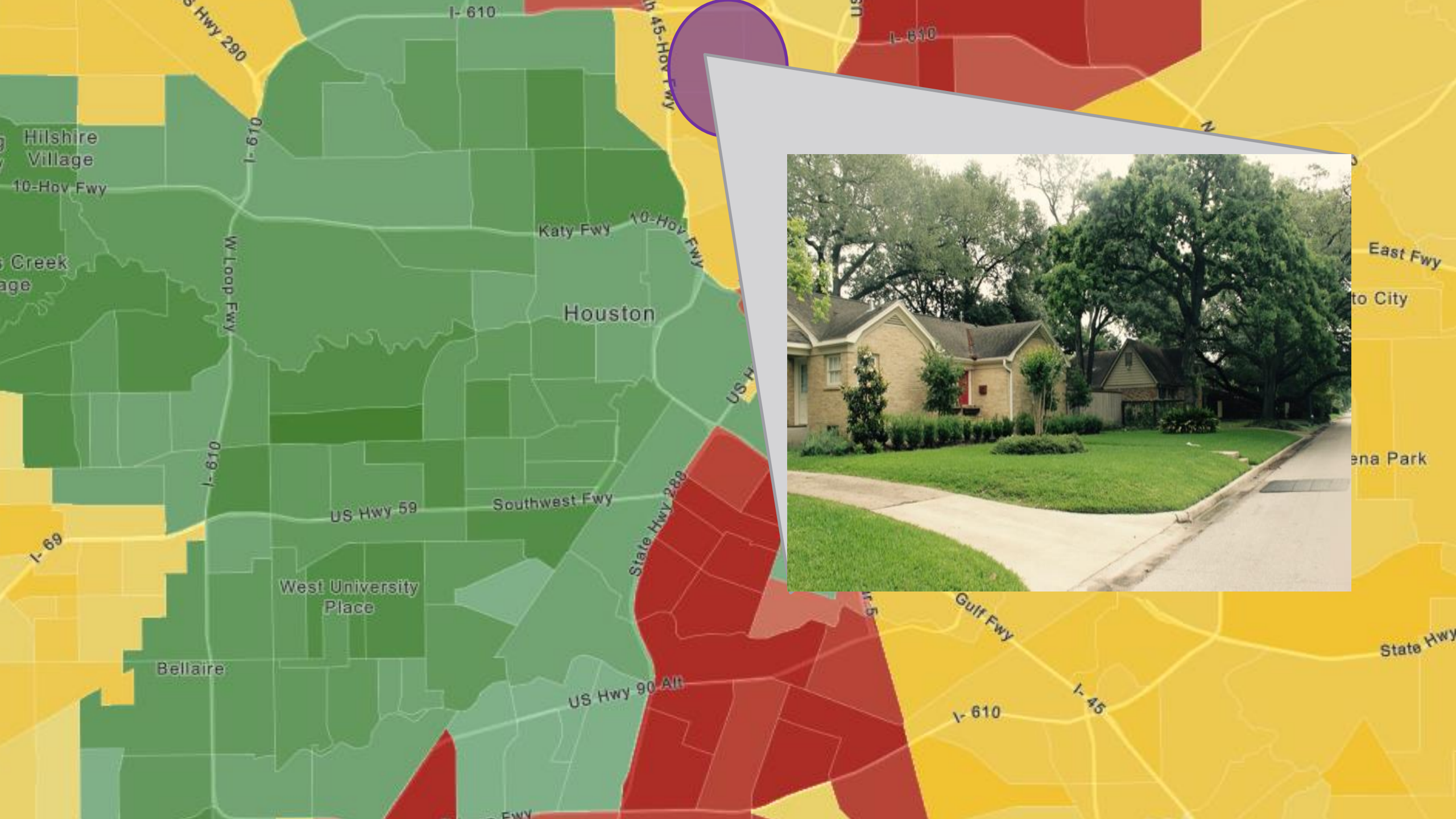
A map of Houston, Texas, with various colored overlays. Green areas are concentrated in the west and south, yellow in the north and east, and red in the center and south. Major highways like I-610, I-10, I-45, and US Hwy 59 are labeled. Neighborhoods like Hilshire Village, West University Place, Bellaire, and Jacinto City are also marked. Overlaid on the map is the text '100 + interviews' in large, bold, black font with a drop shadow.

**100 +
interviews**

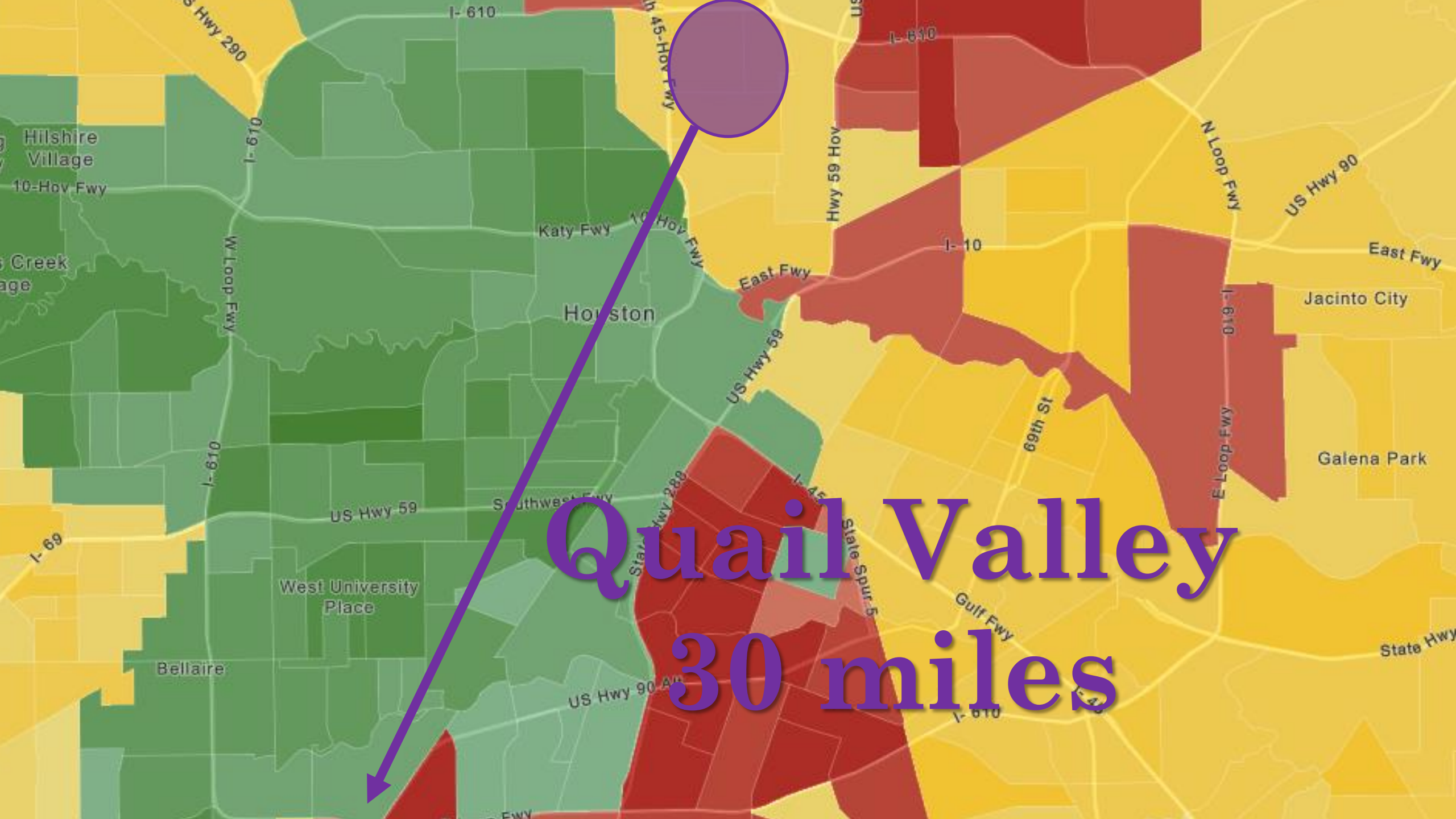
**12 months
ethnography**

**200 +
observations**

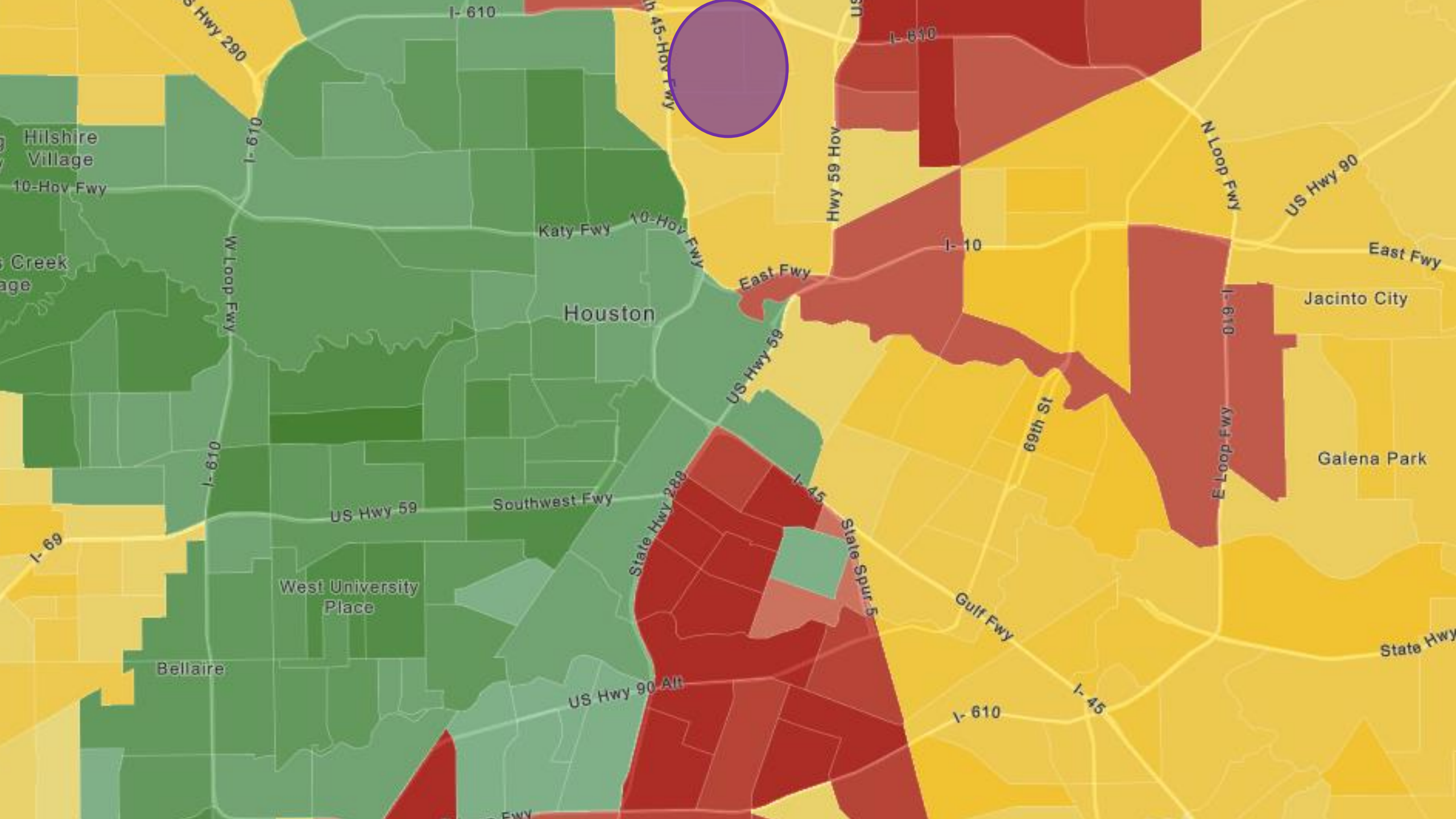


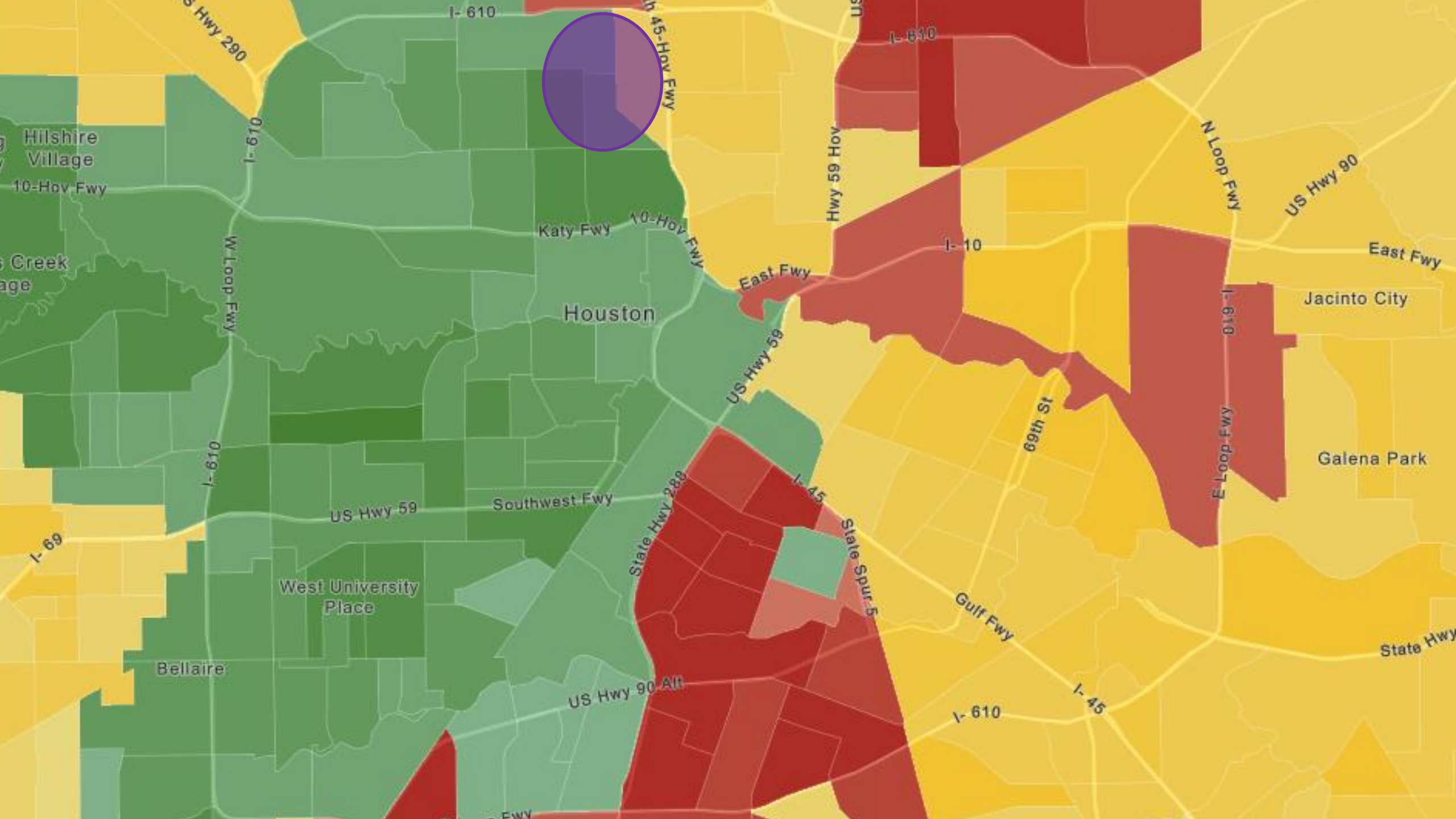


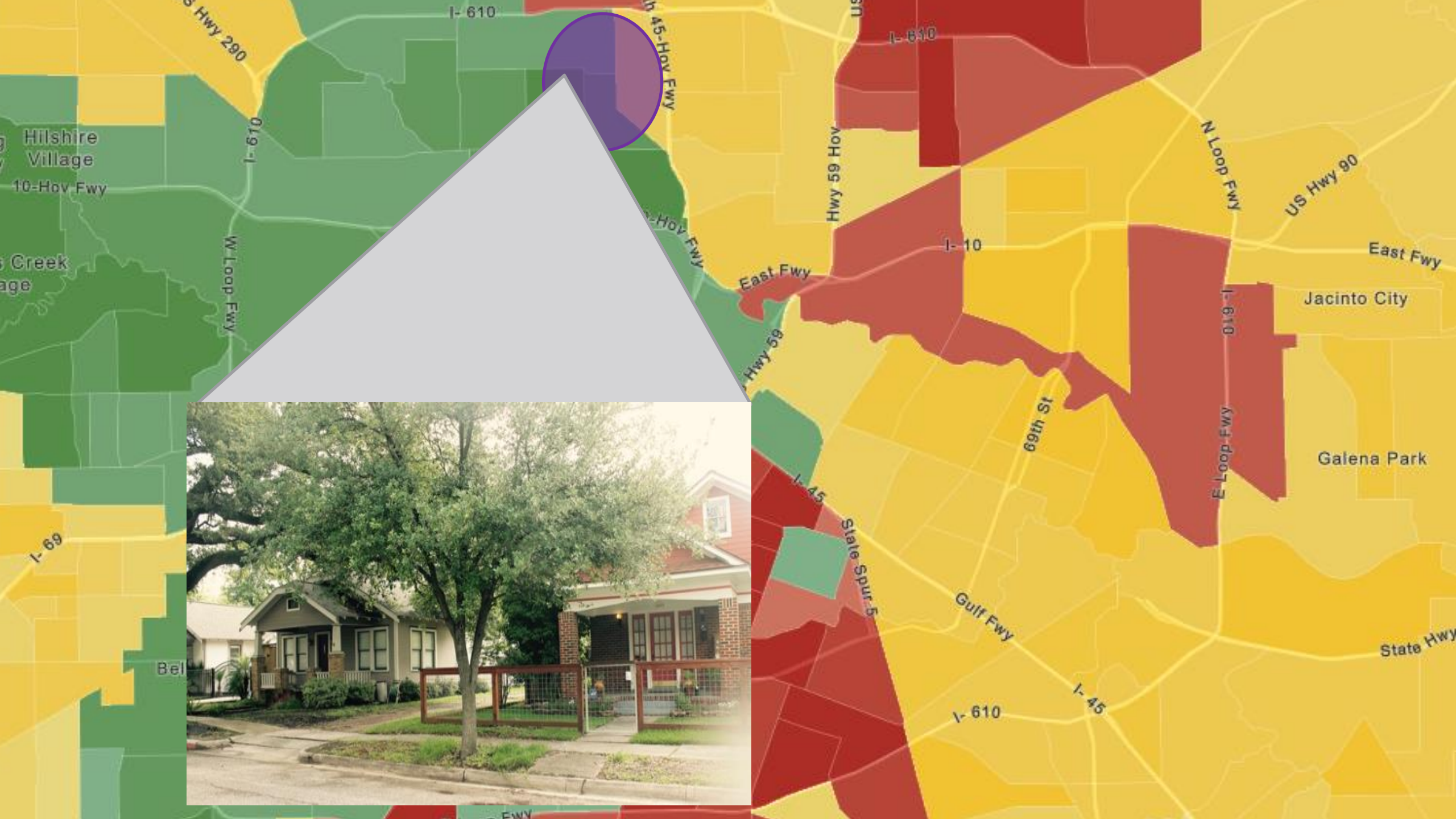




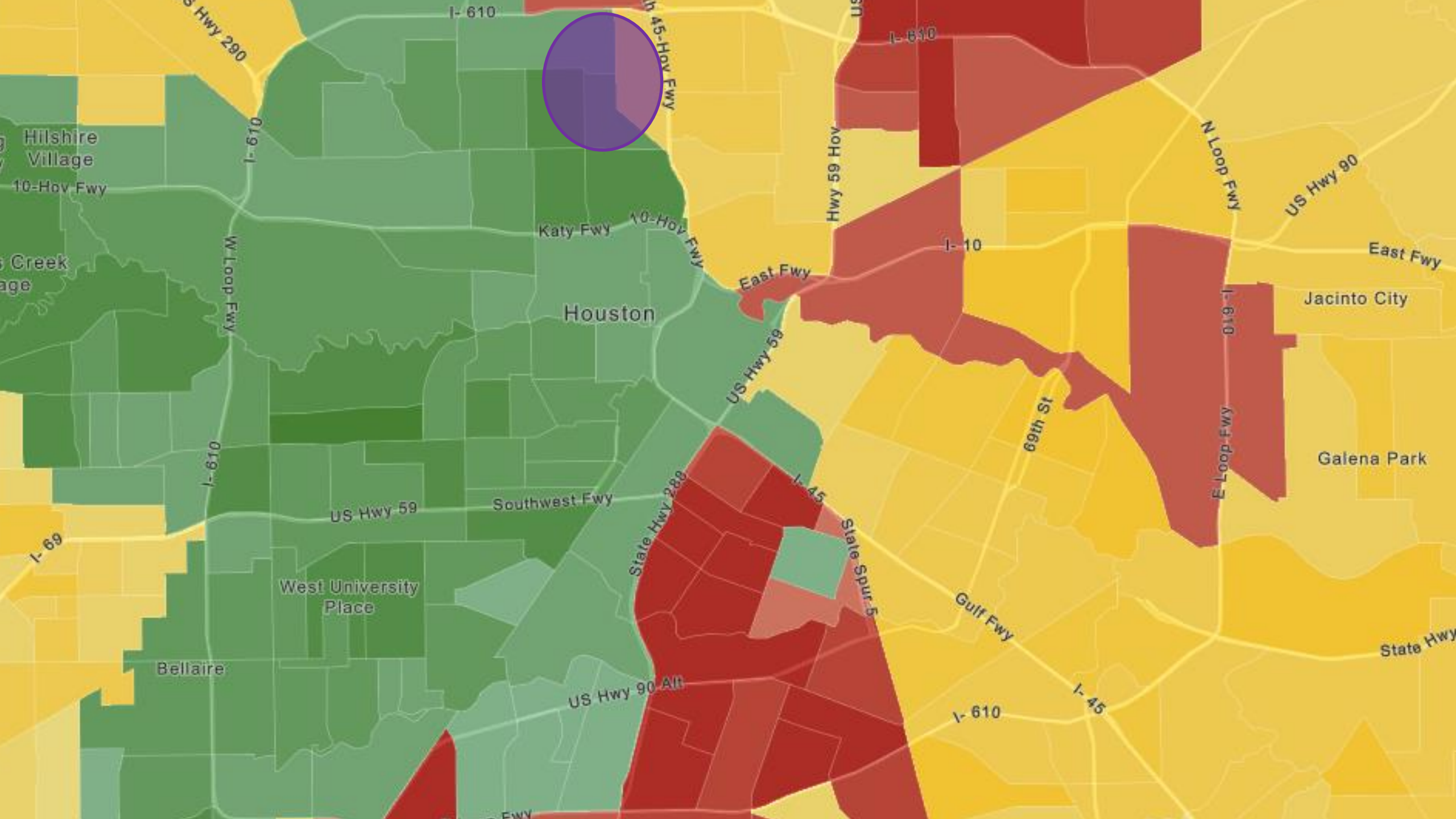
Quail Valley
30 miles

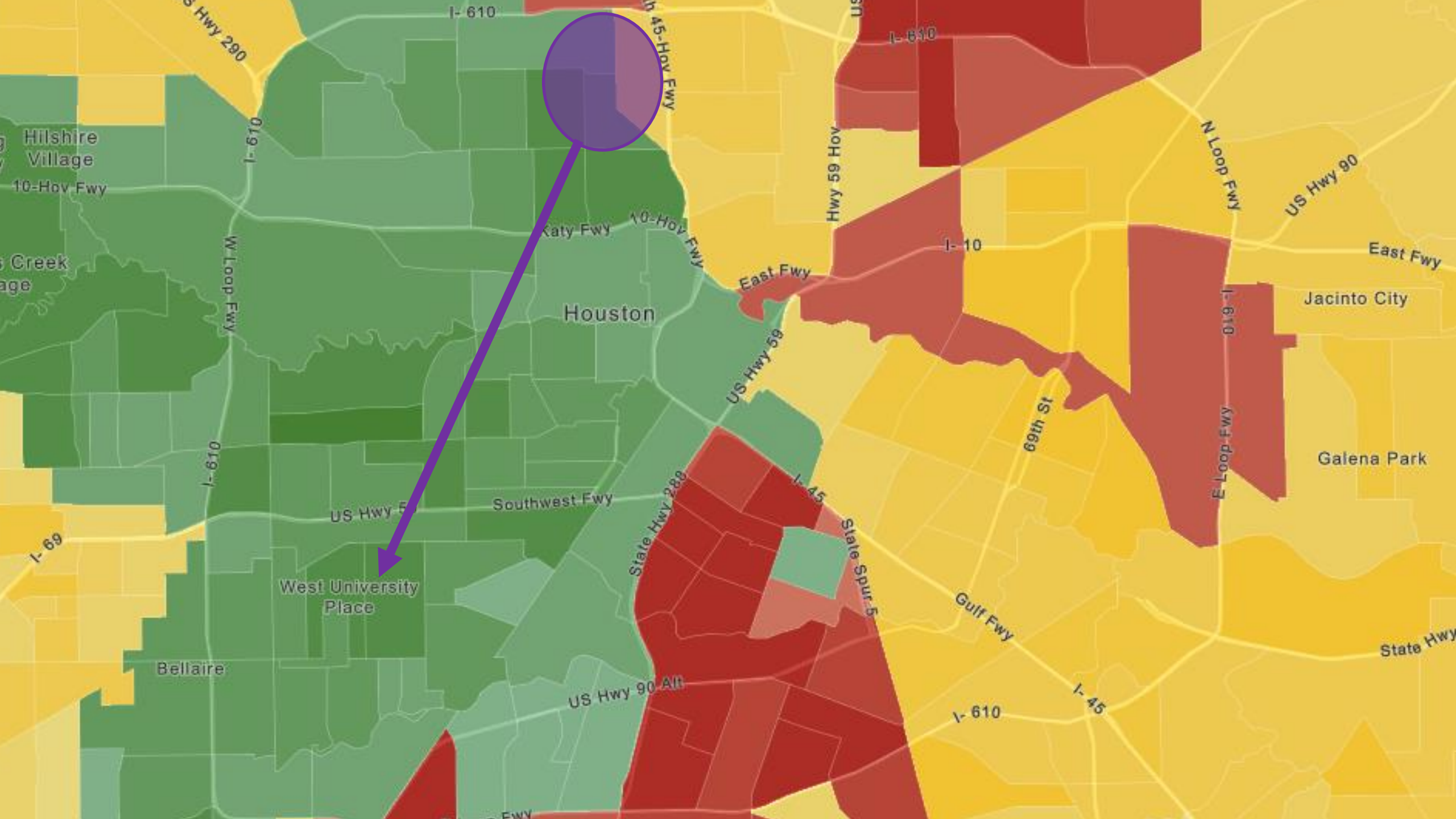














Harris County

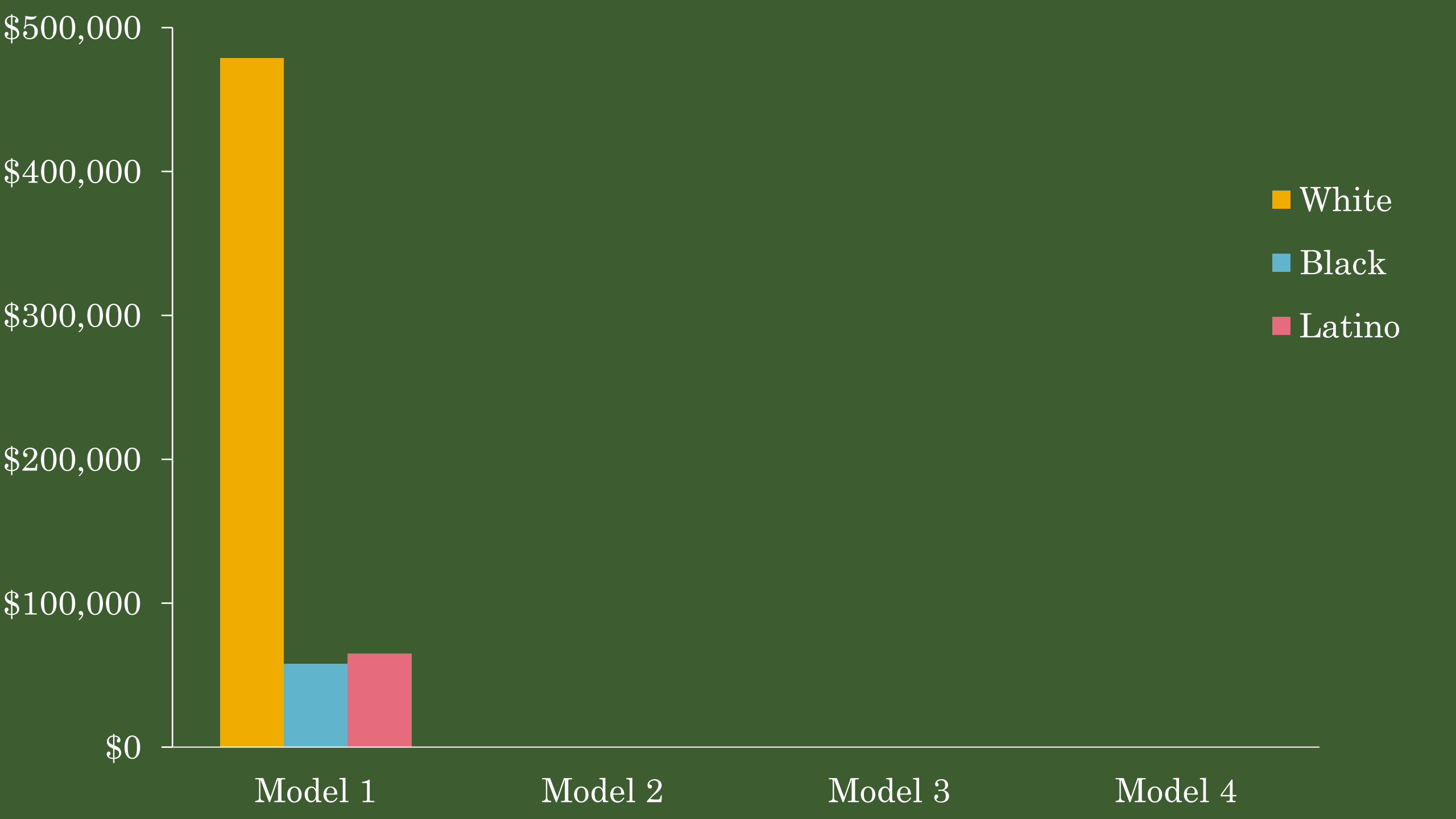
Harris County

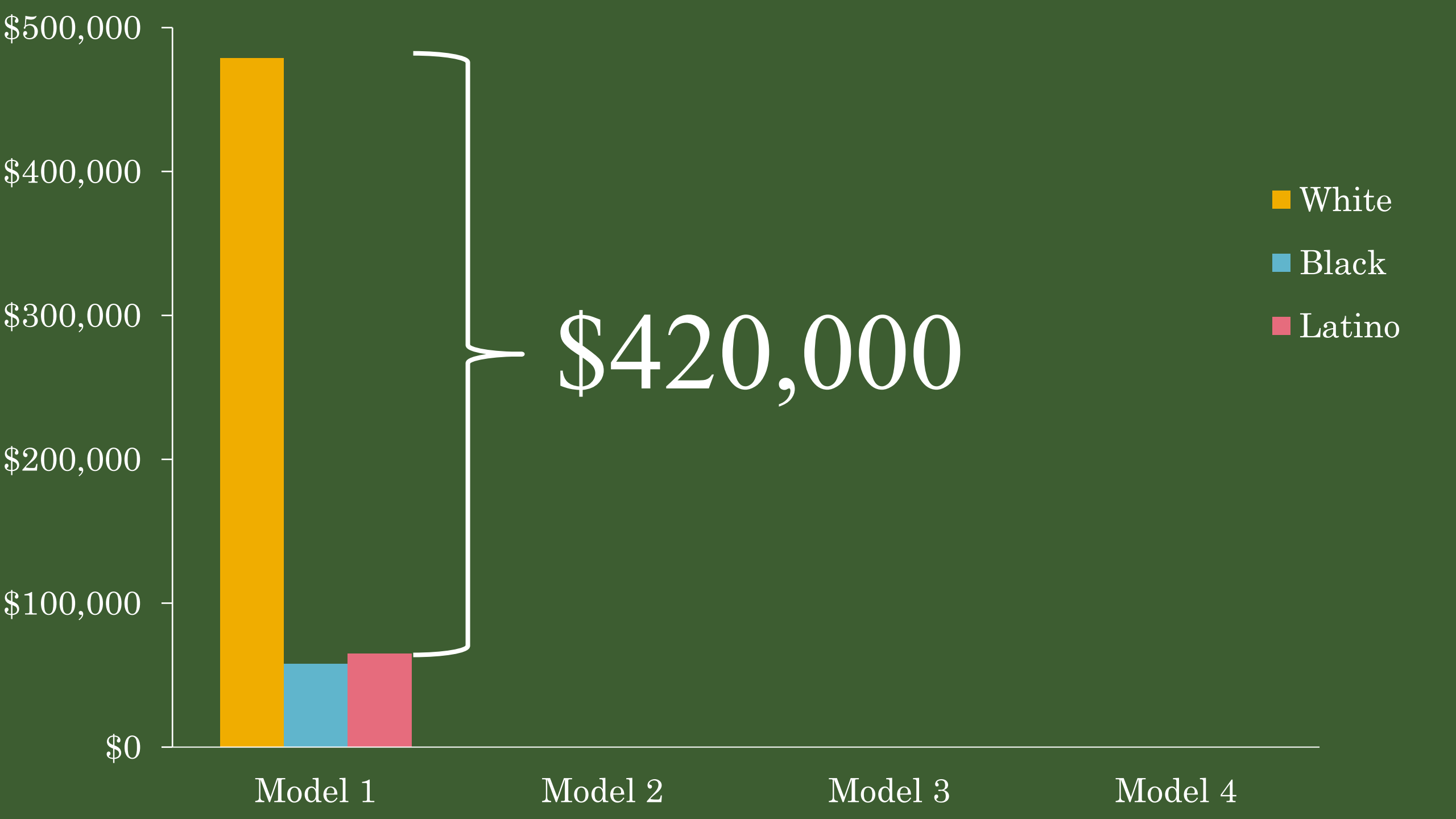
~1 million tax assessments

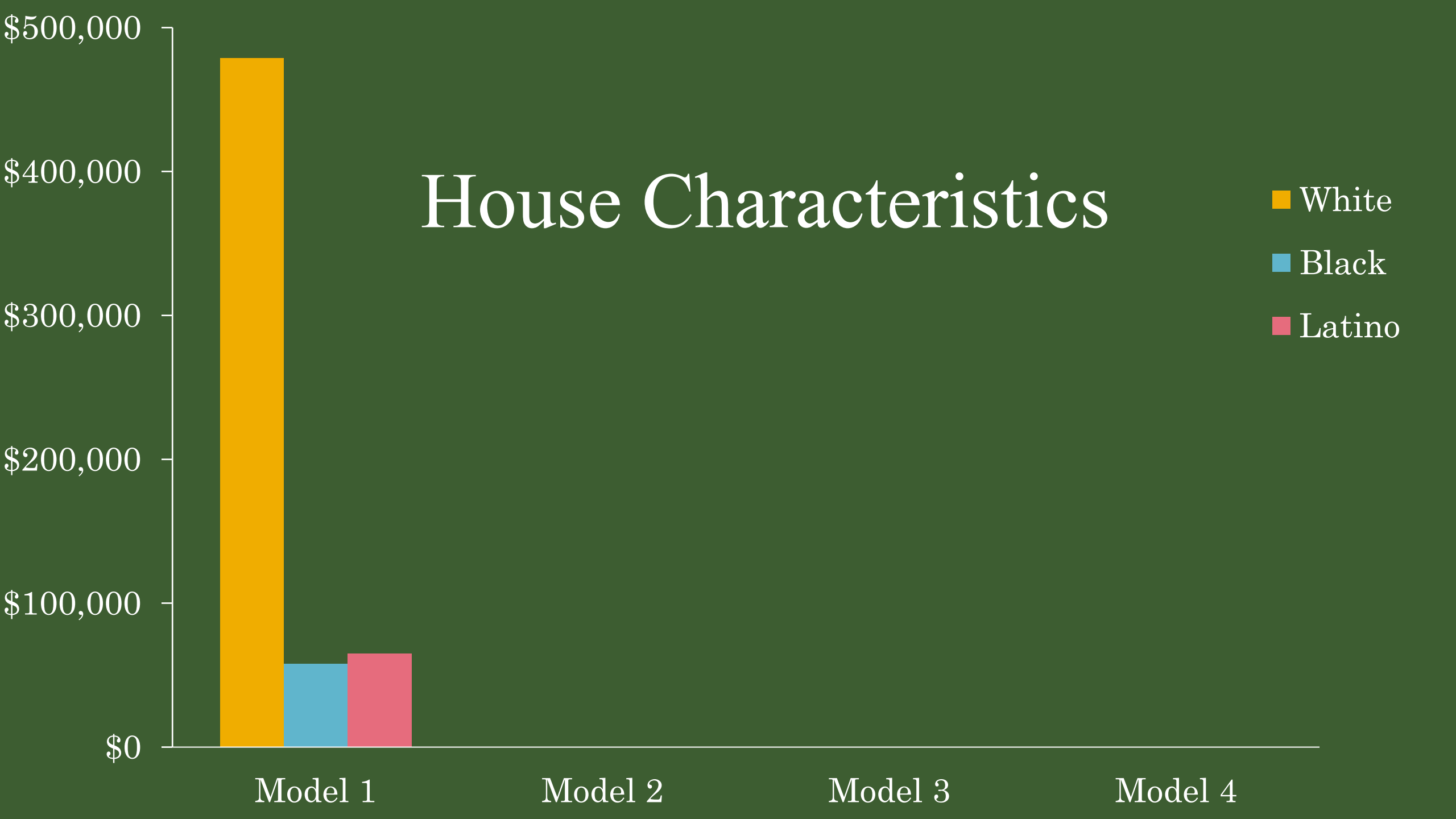
Harris County

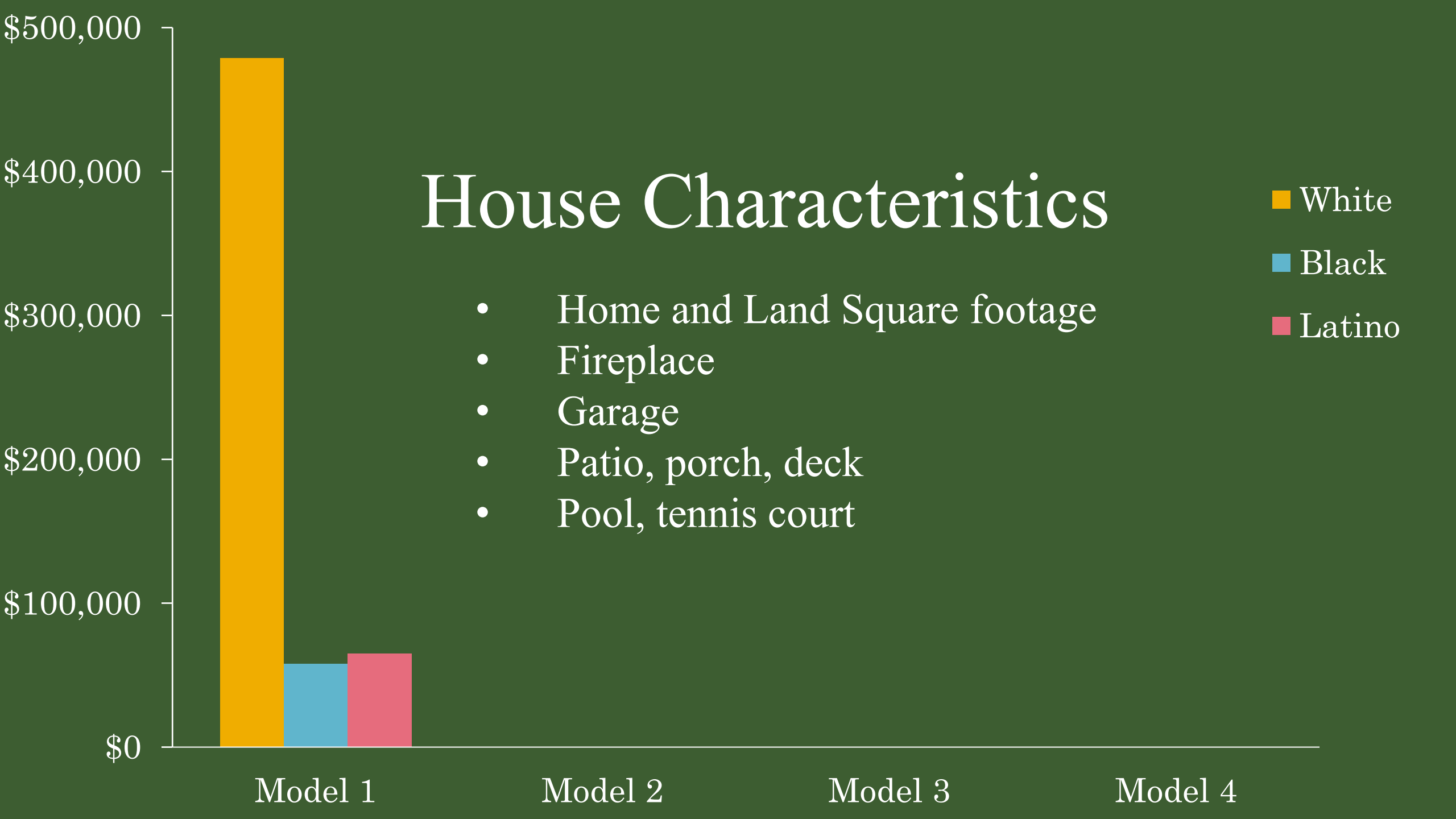
~1 million tax assessments

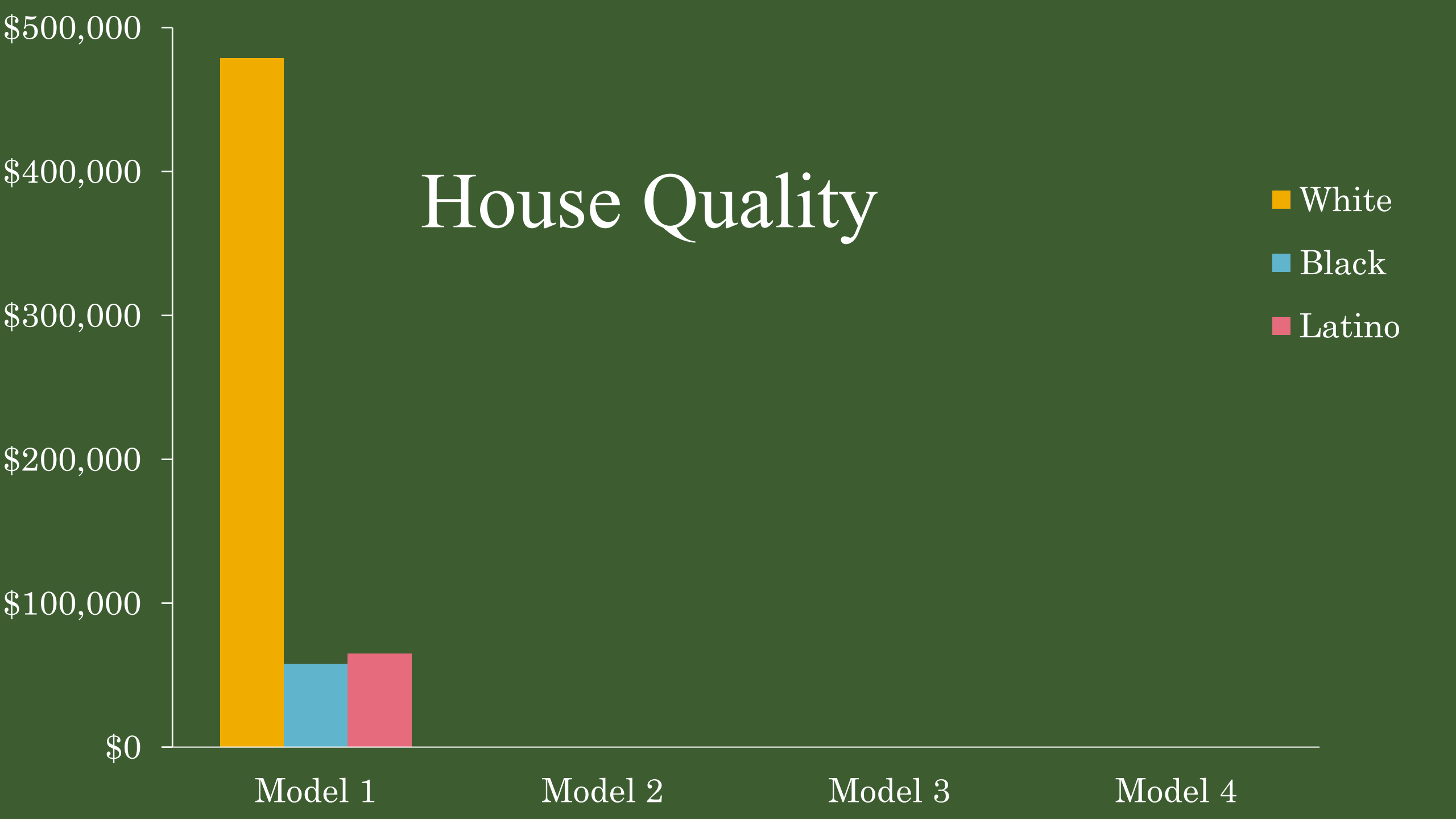
5 data sources

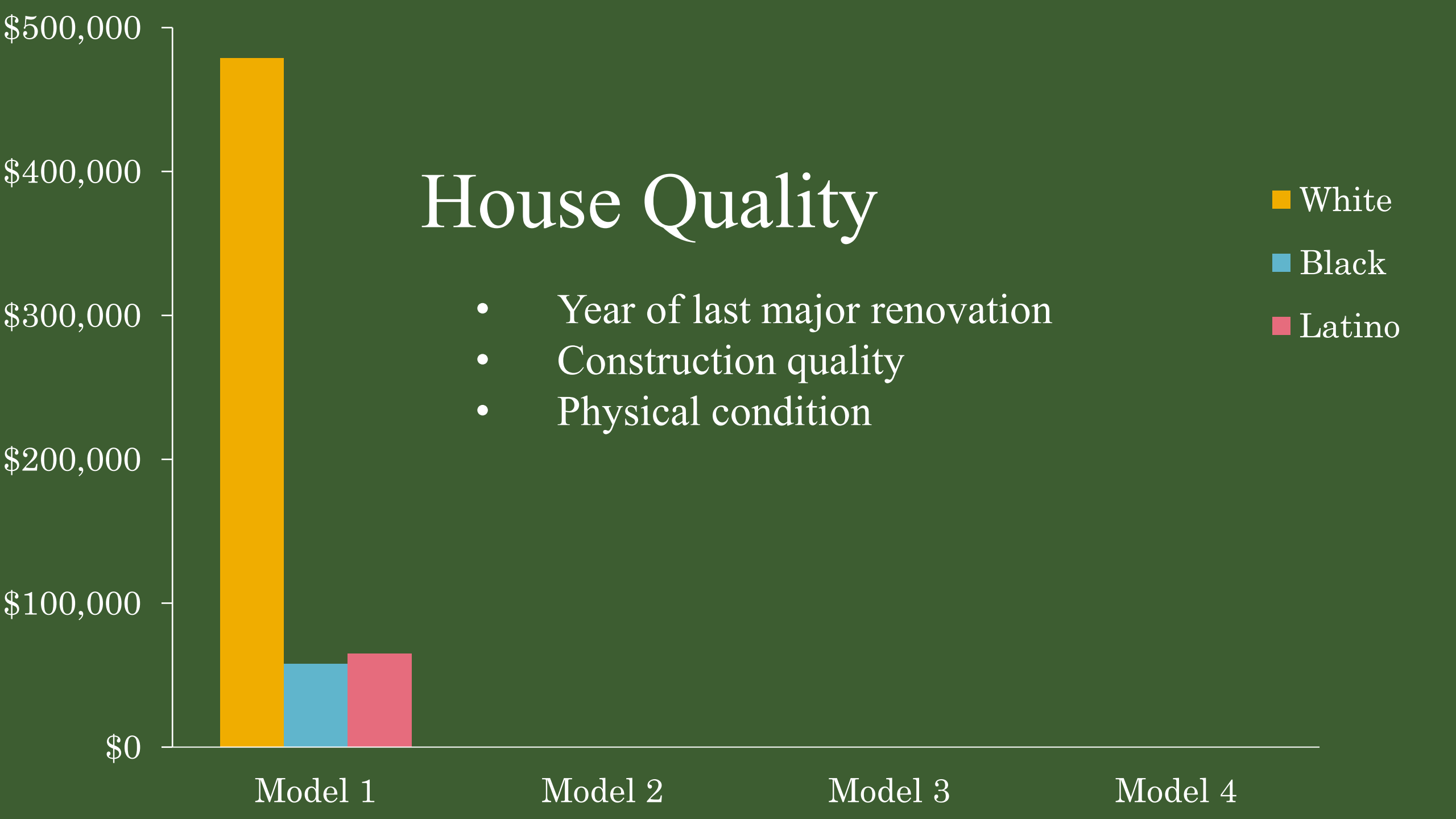


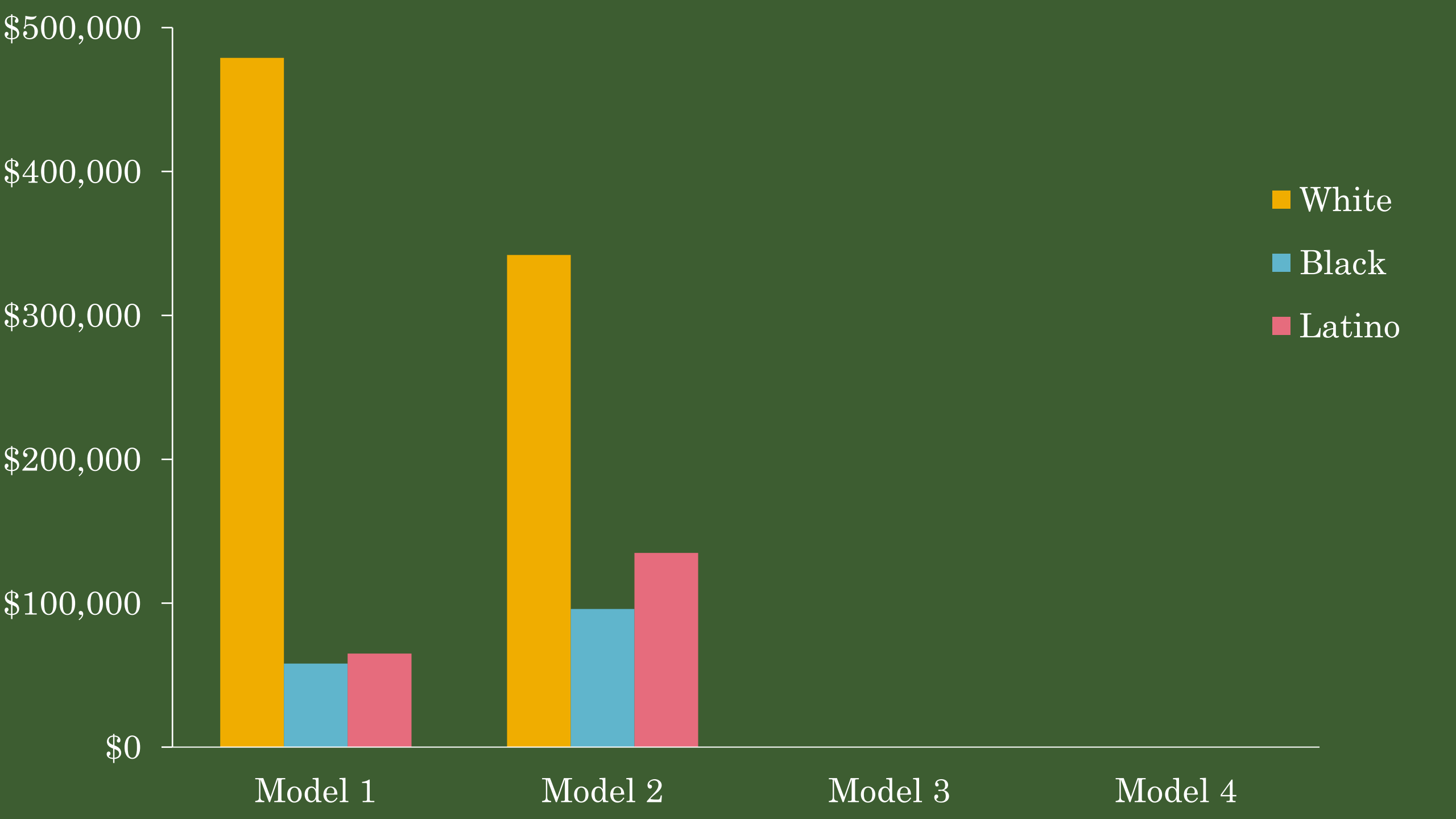


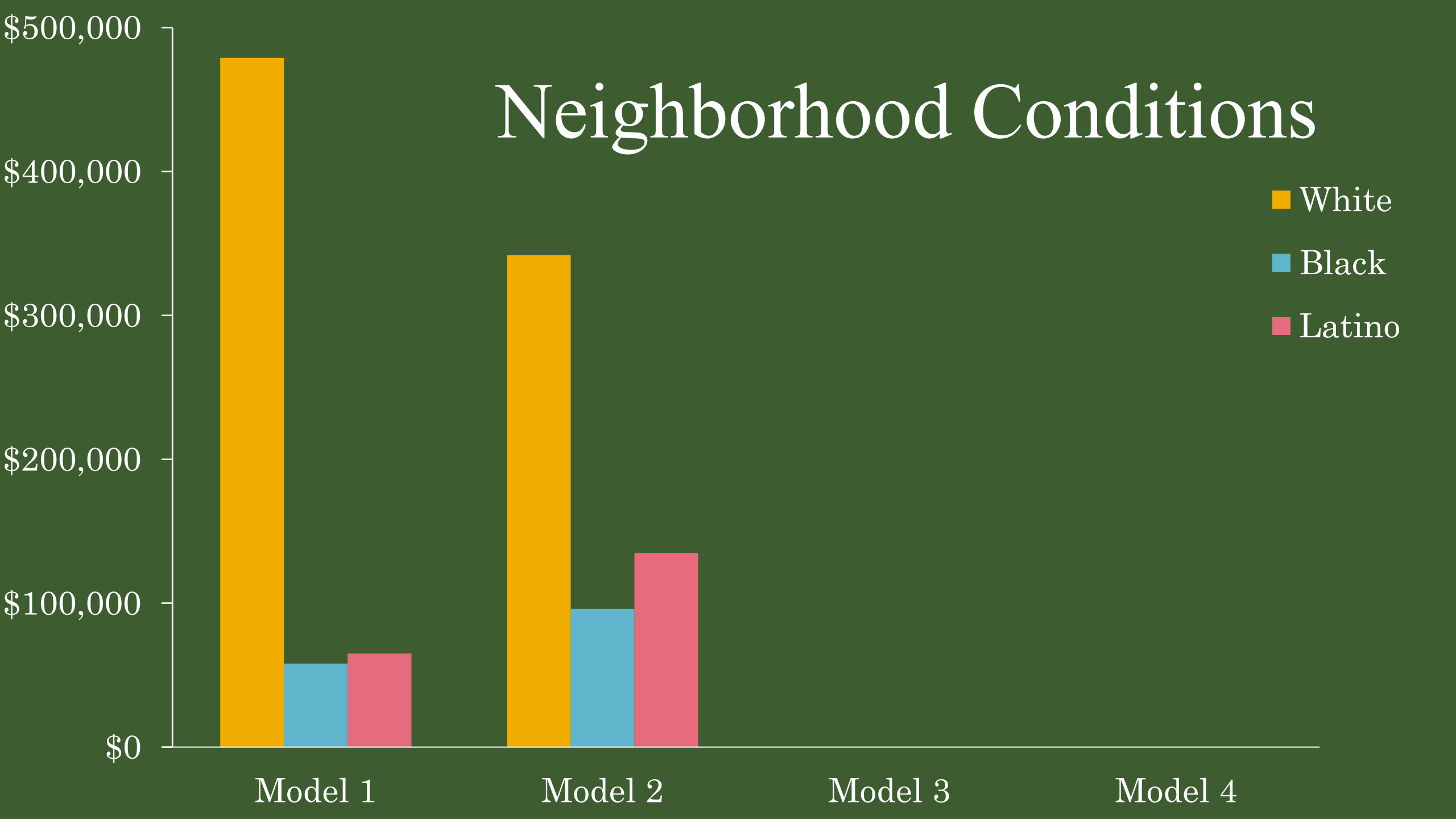




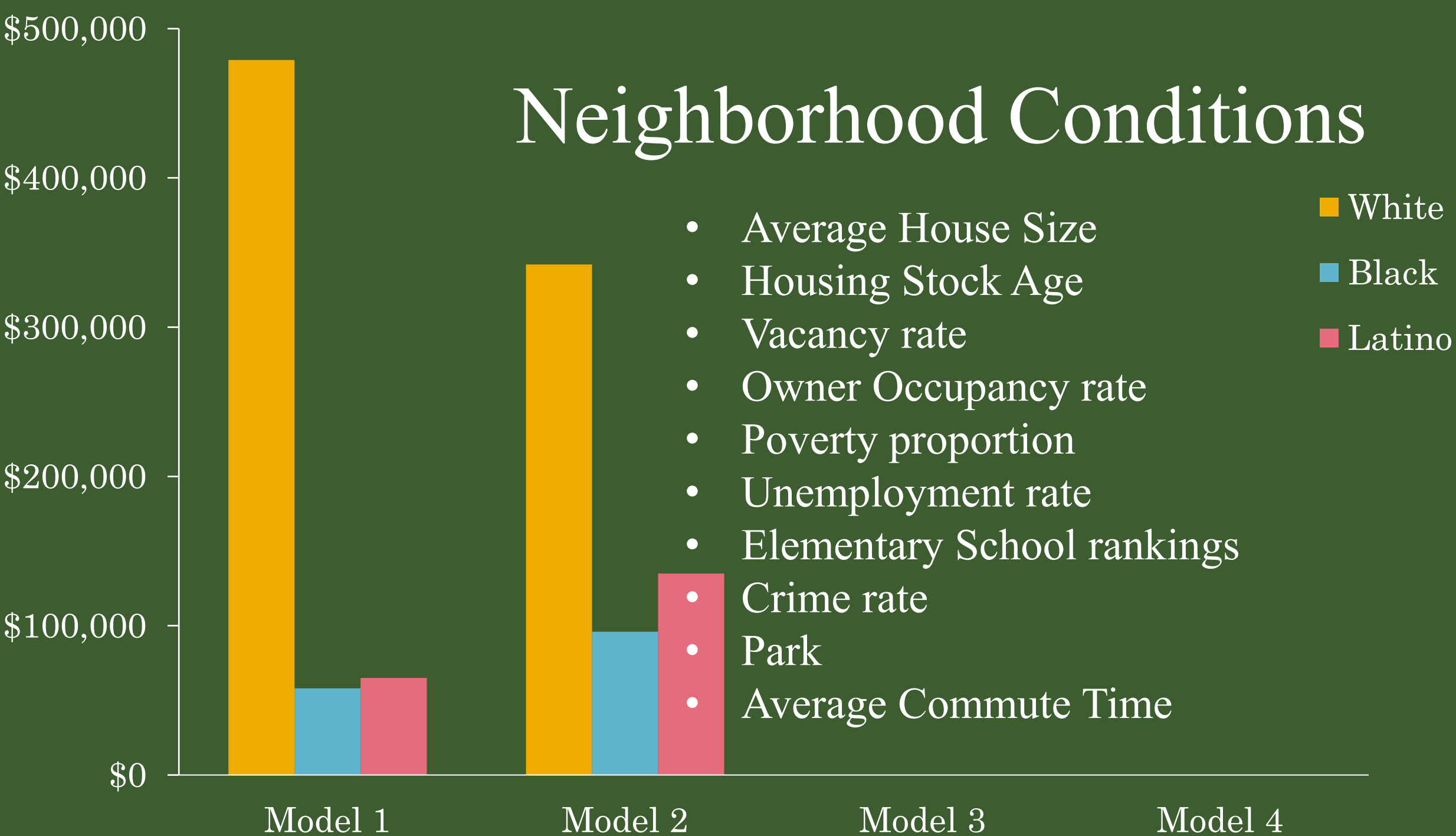


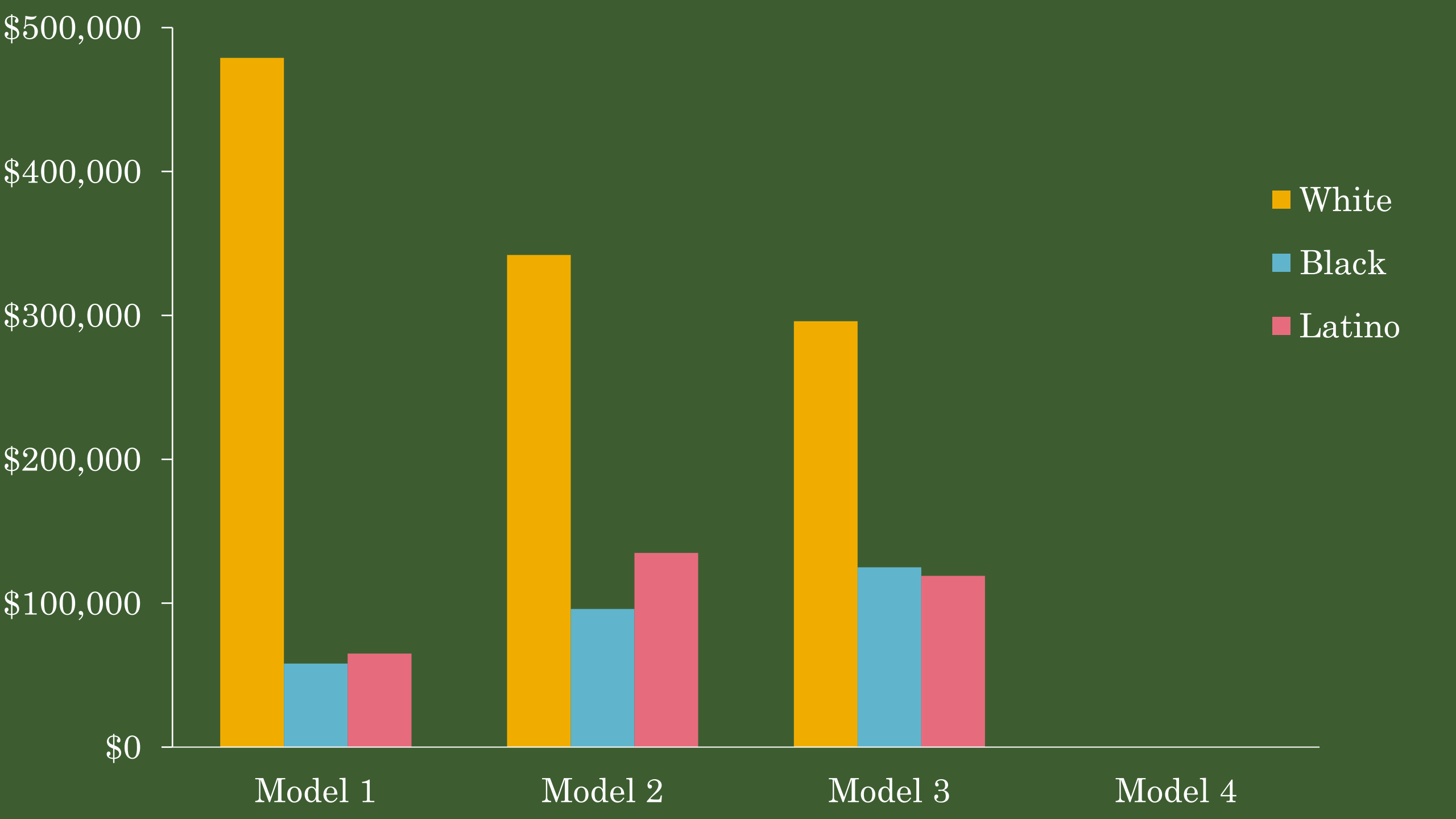


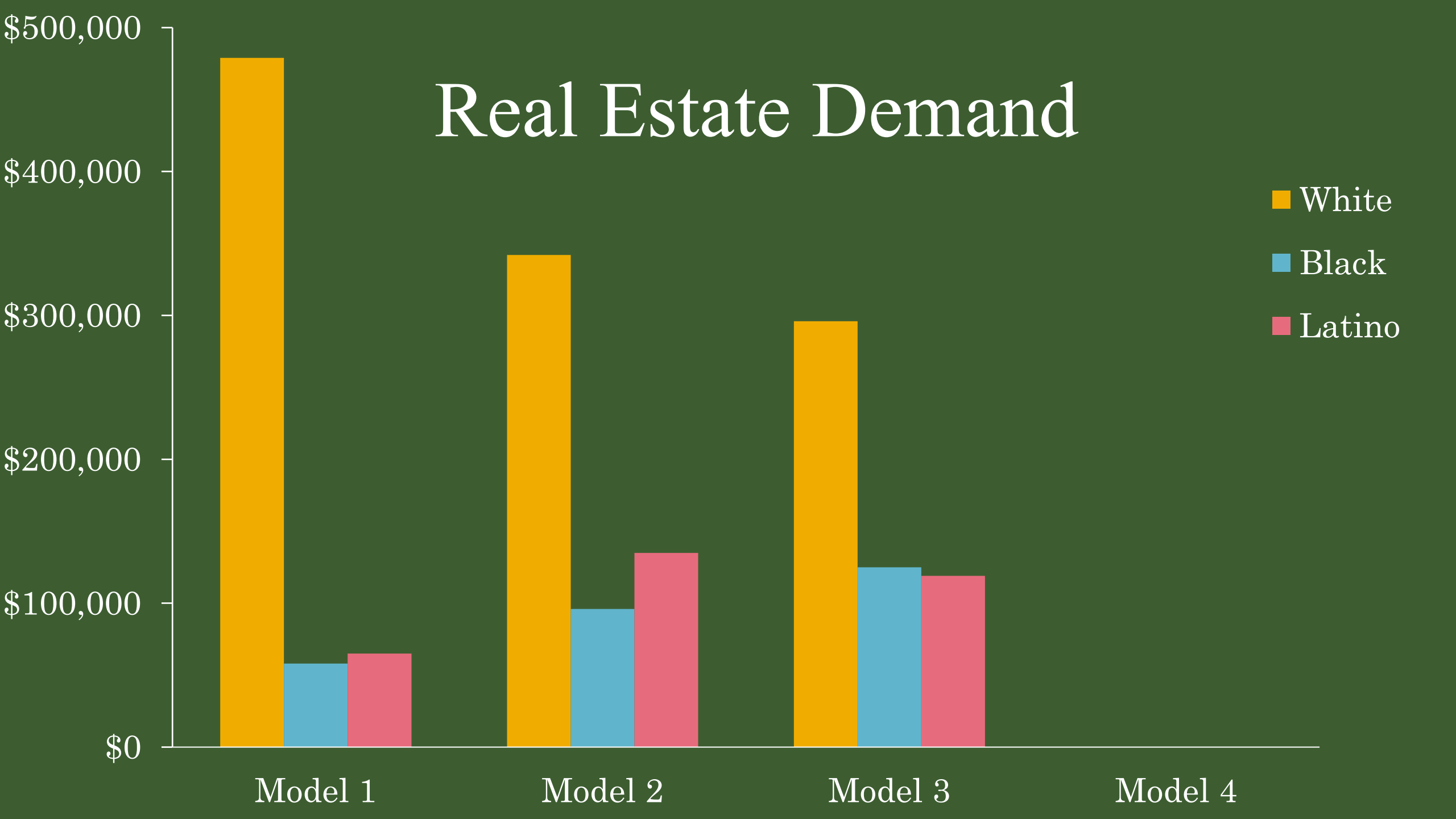




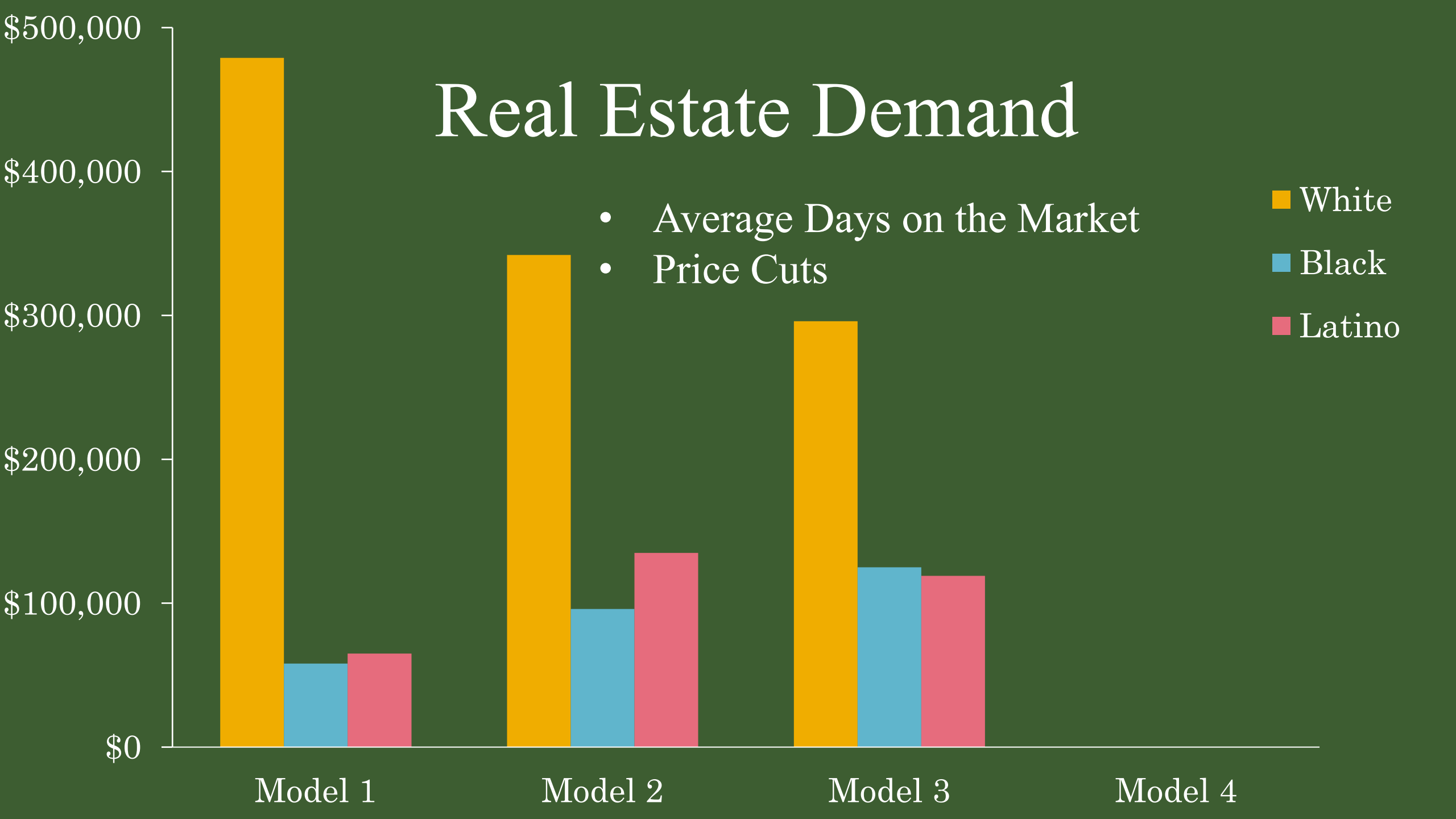
Neighborhood Conditions

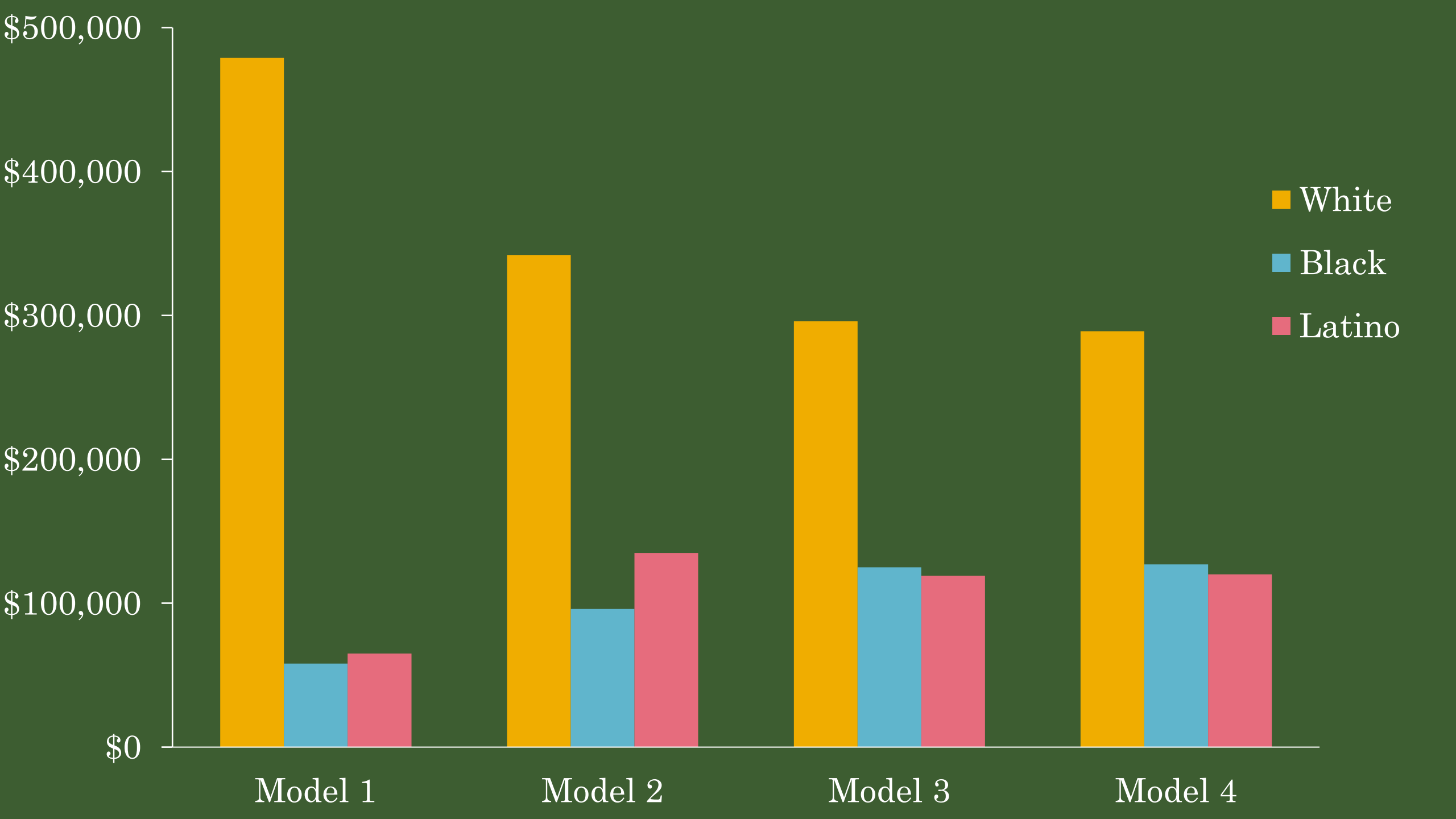






Real Estate Demand







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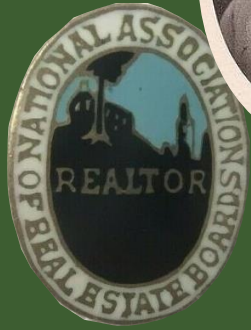
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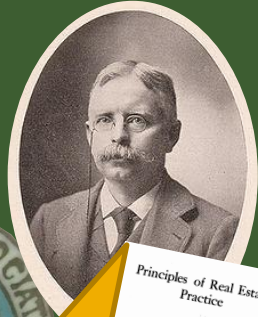
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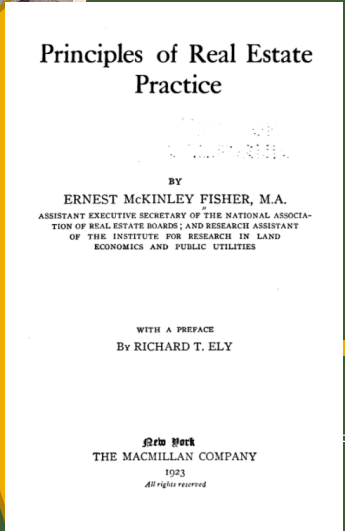
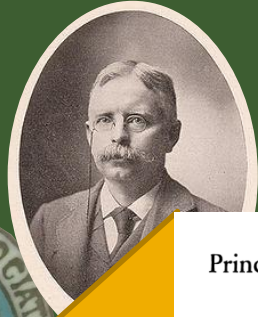
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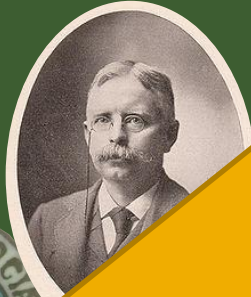
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Principles of Real Estate Practice

TEXT OF
CHAPTERS

BY

ERNEST MCKINLEY FISHER, M.A.

ASSISTANT EXECUTIVE SECRETARY OF THE NATIONAL ASSOCIATION OF REAL ESTATE BOARDS; AND RESEARCH ASSISTANT OF THE INSTITUTE FOR RESEARCH IN LAND ECONOMICS AND PUBLIC UTILITIES

WITH A PREFACE

By RICHARD T. ELY

New York

THE MACMILLAN COMPANY

1923

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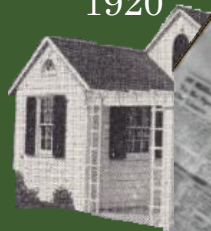
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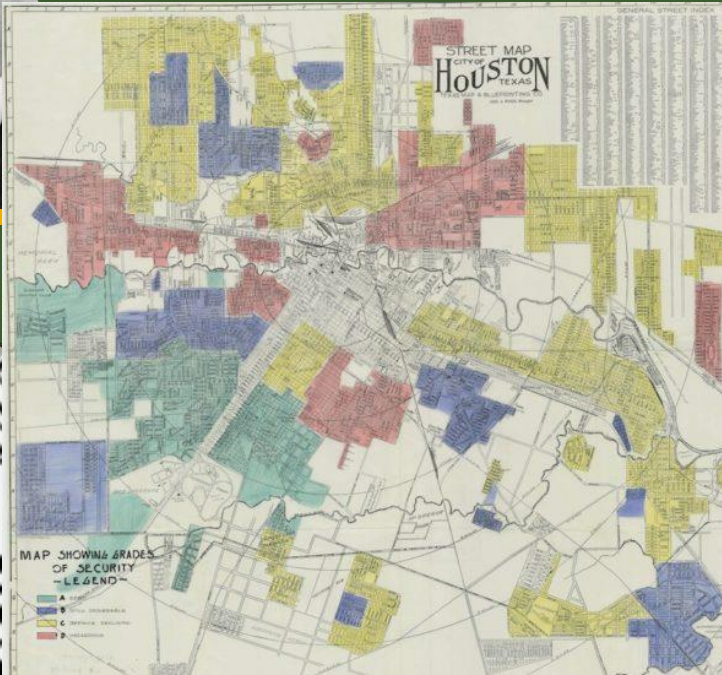
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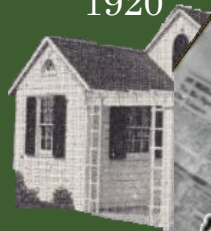
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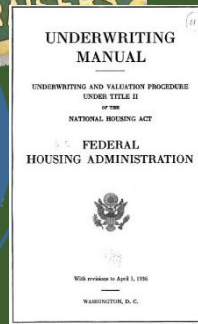
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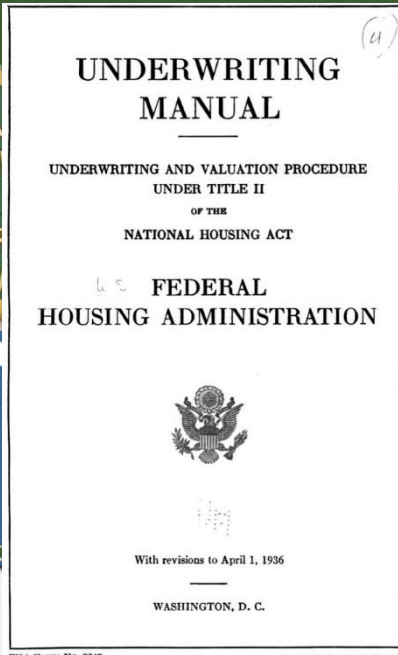
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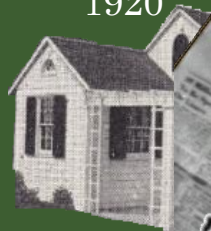
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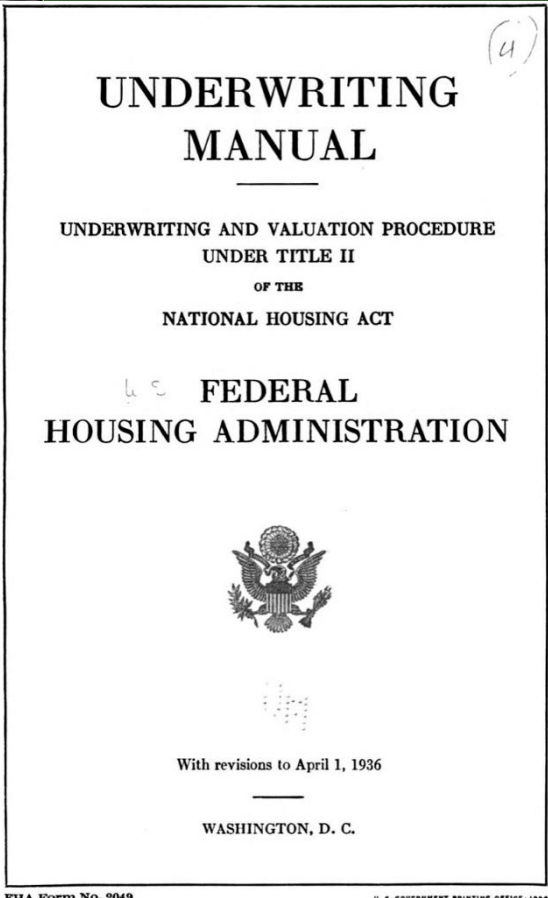
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UNDERWRITING MANUAL

UNDERWRITING AND VALUATION PROCEDURE
UNDER TITLE II
OF THE
NATIONAL HOUSING ACT

U.S. FEDERAL
HOUSING ADMINISTRATION



With revisions to April 1, 1936

WASHINGTON, D. C.



(4)

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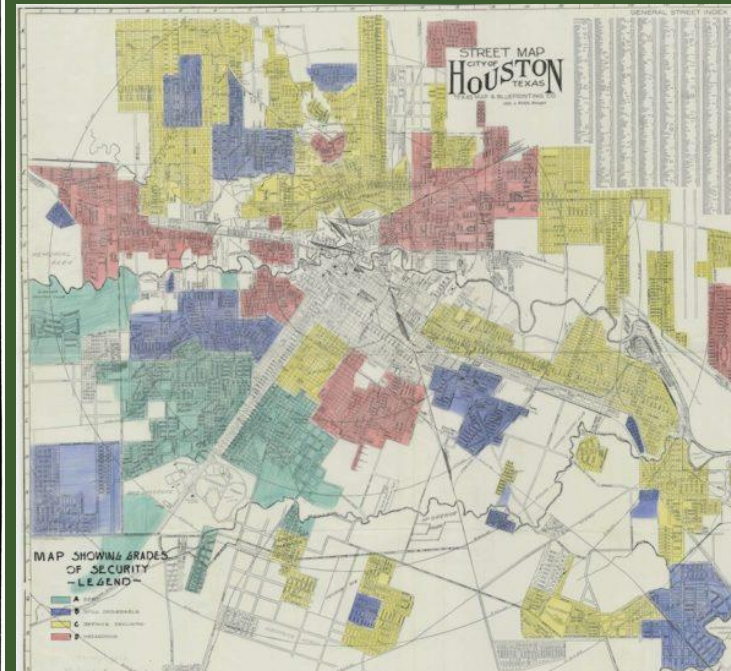


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U. S. GOVERNMENT PRINTING OFFICE: 1935



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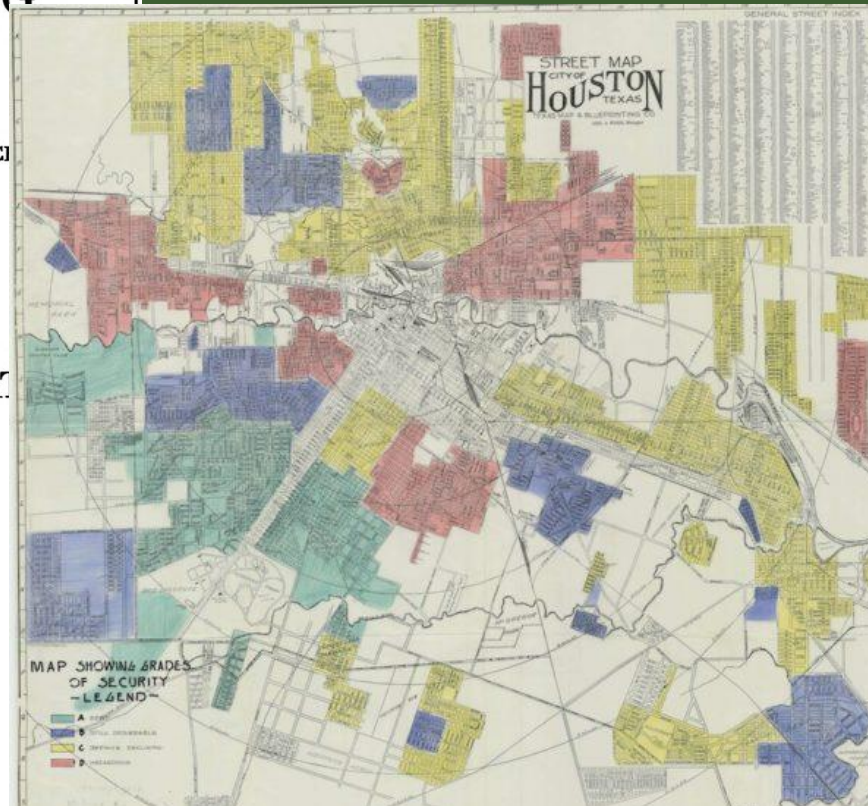
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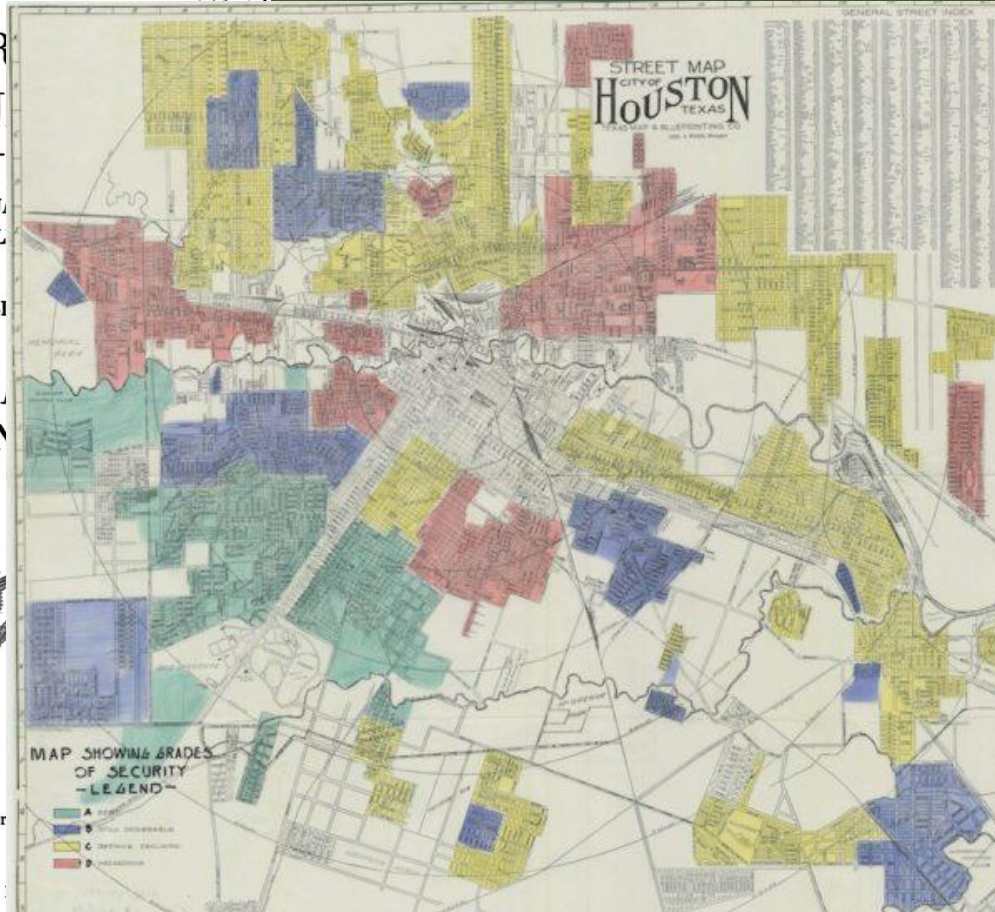
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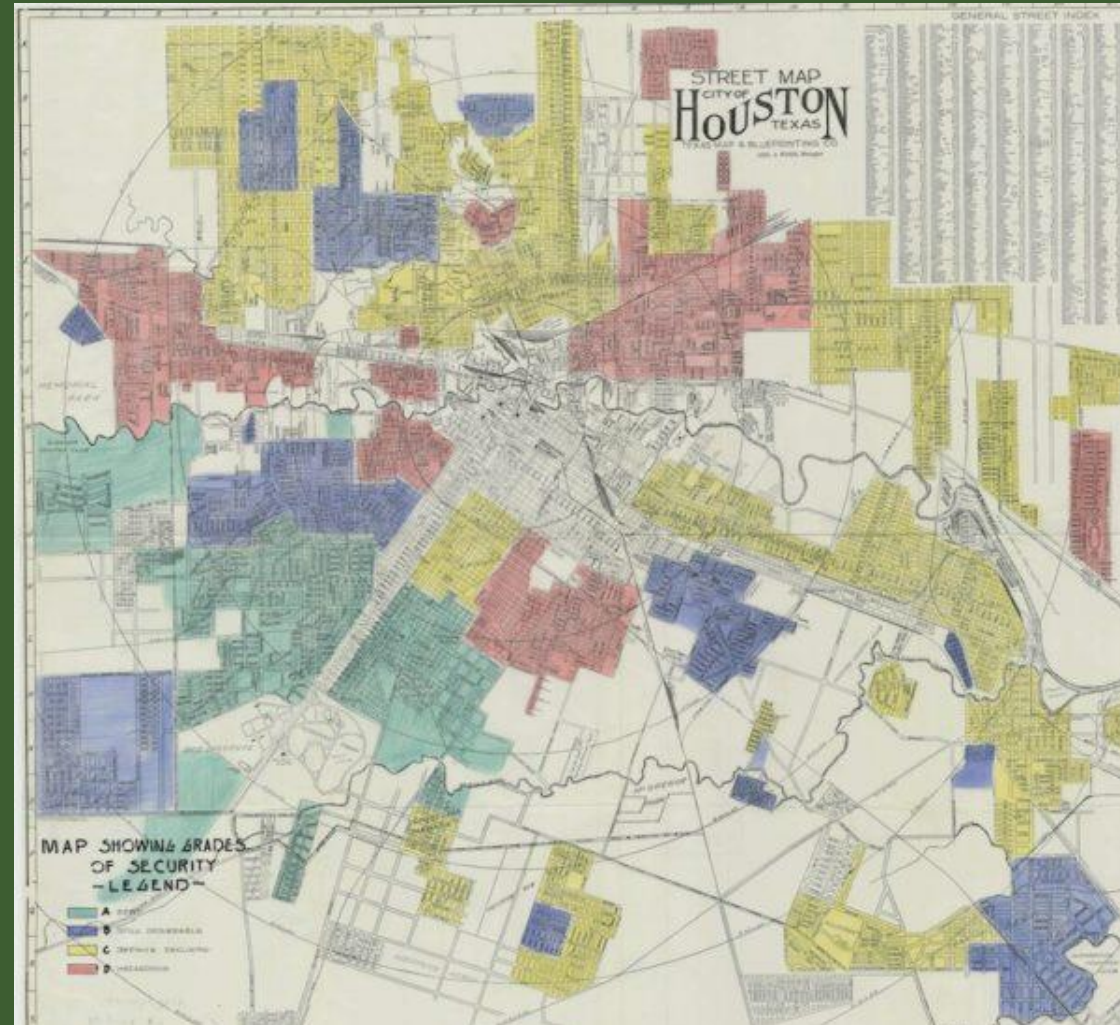
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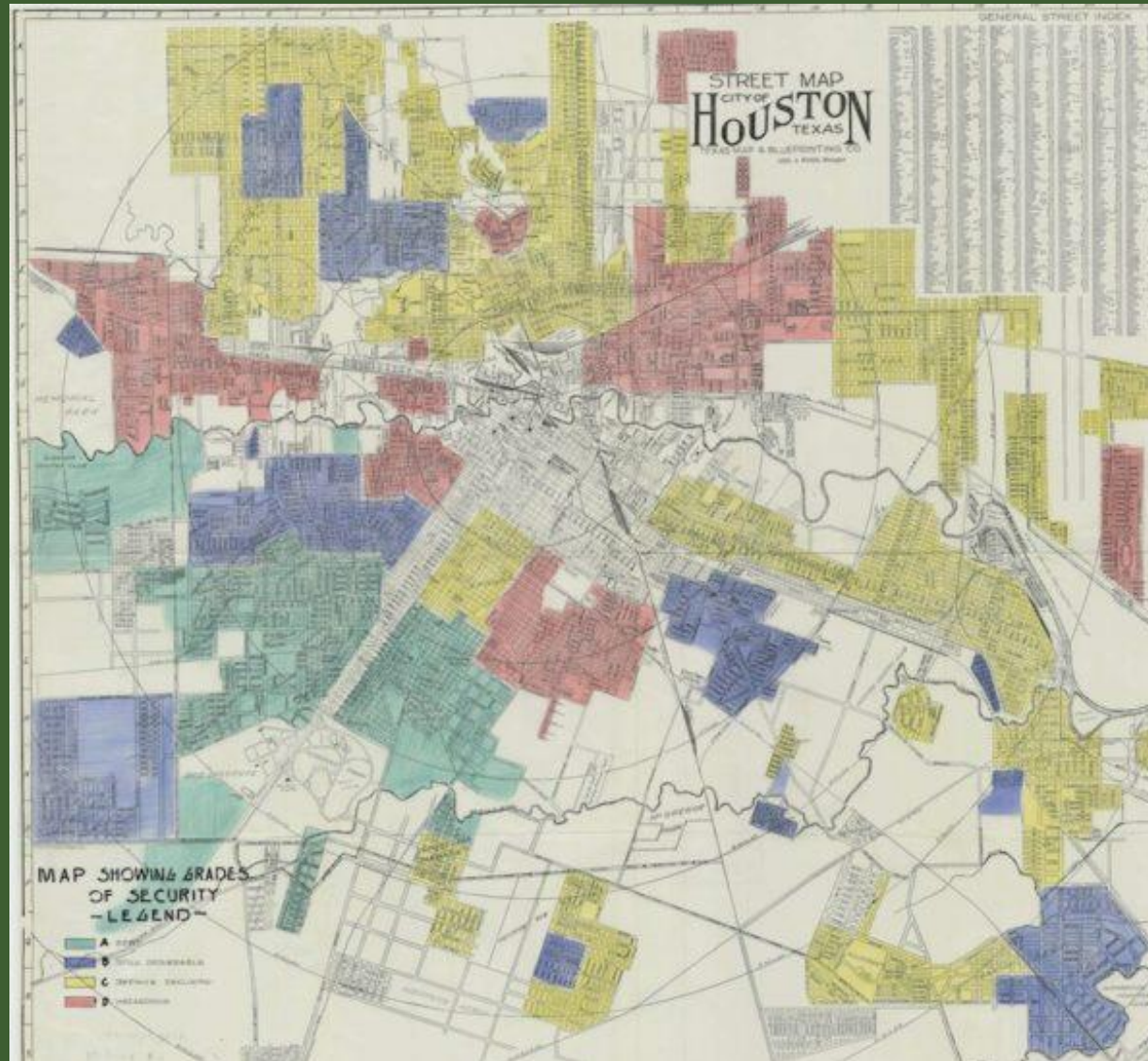


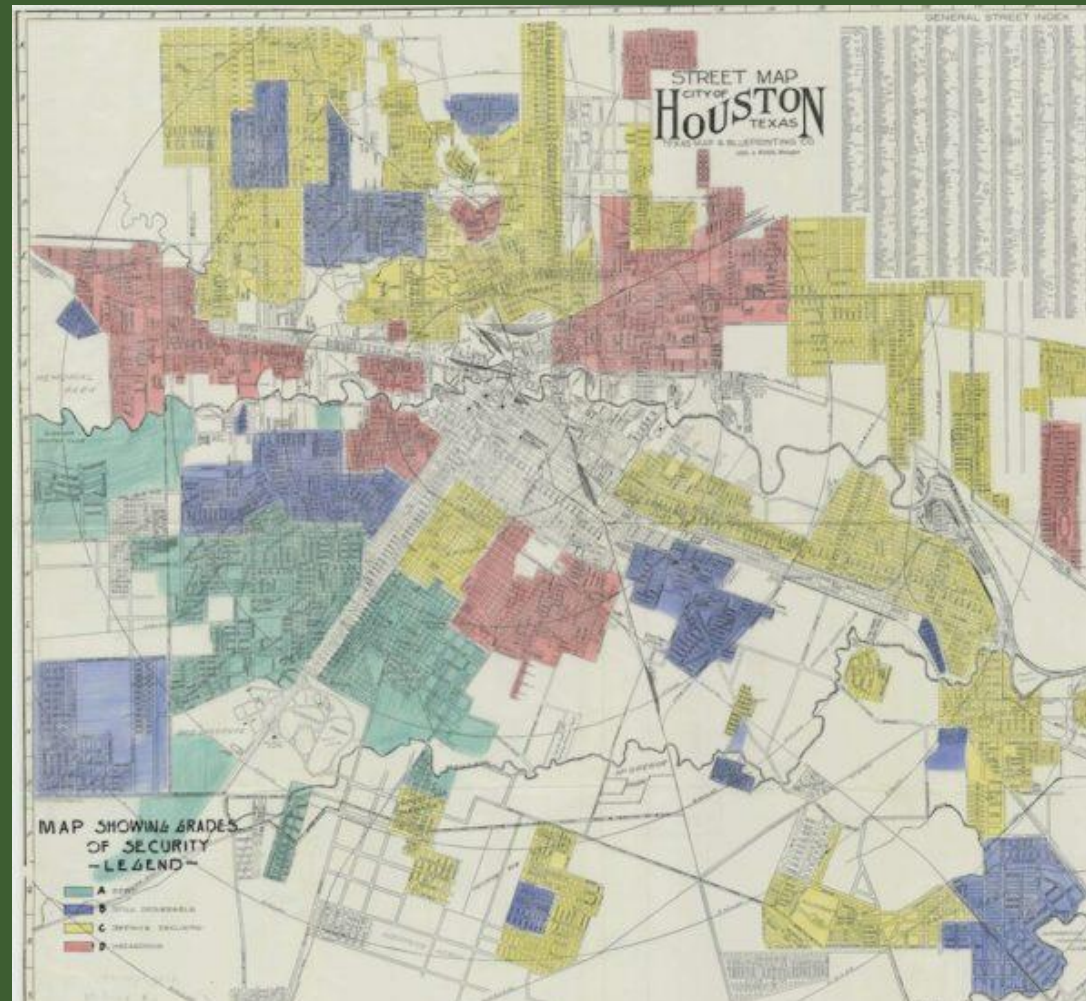
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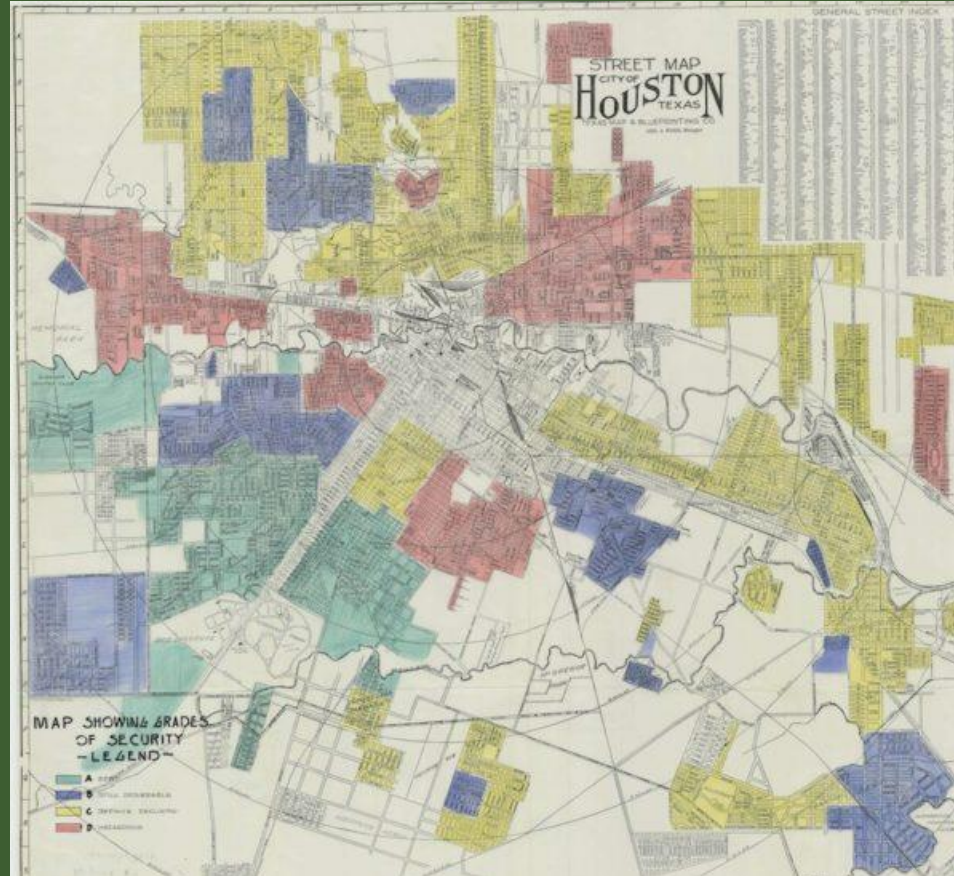
WASHINGTON, D.C.













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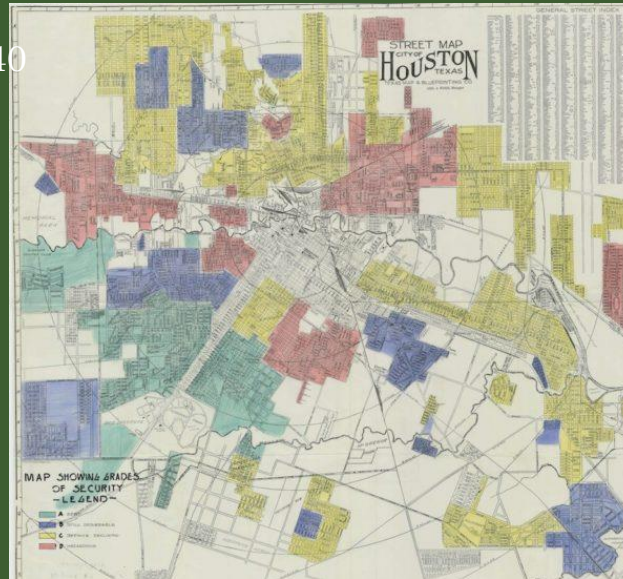
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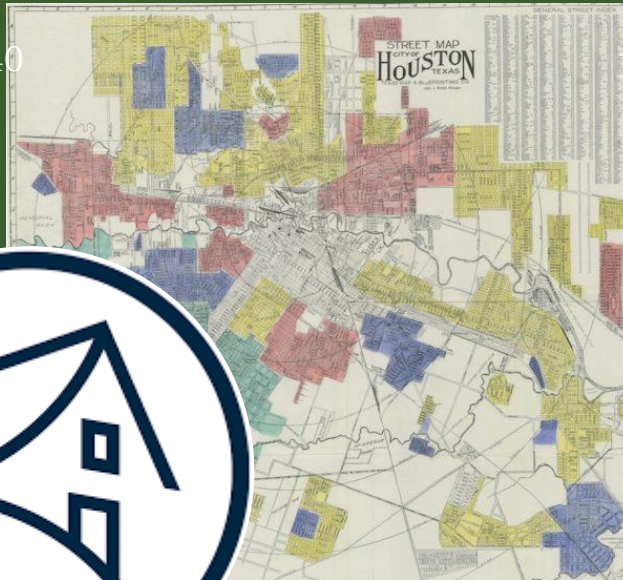
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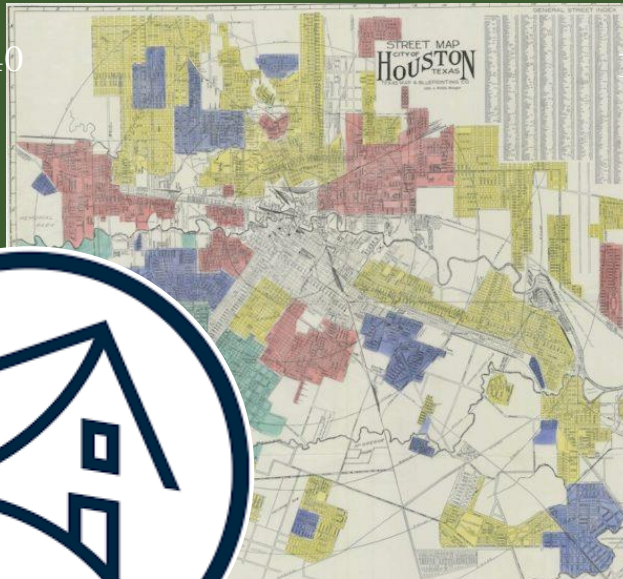
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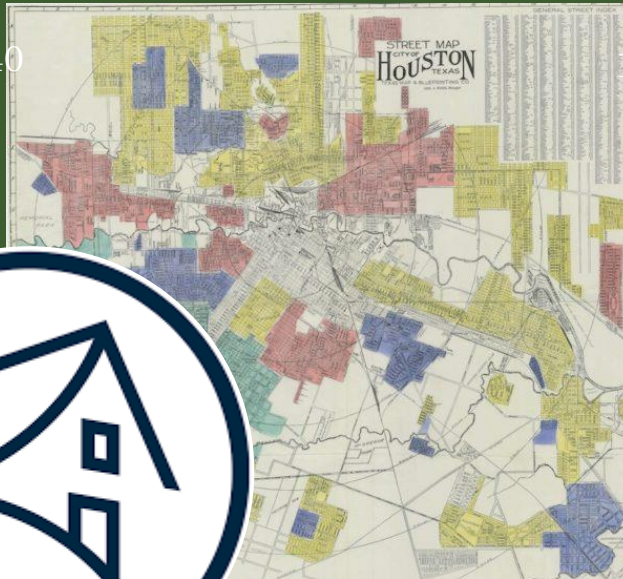
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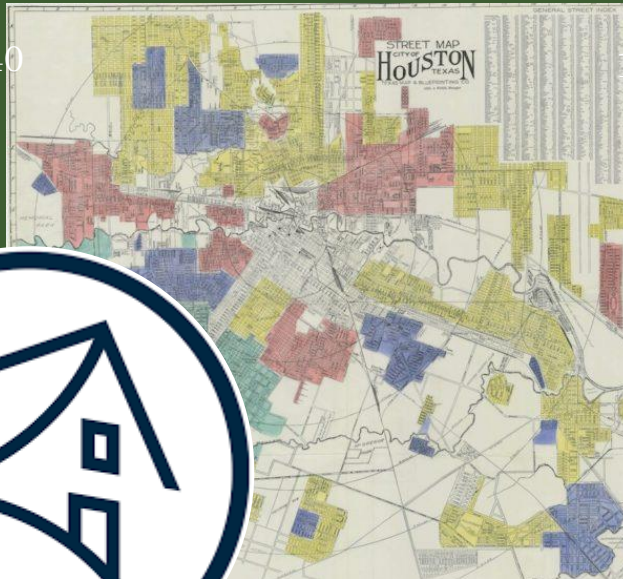
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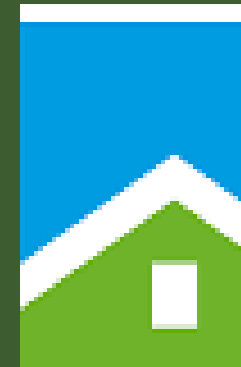
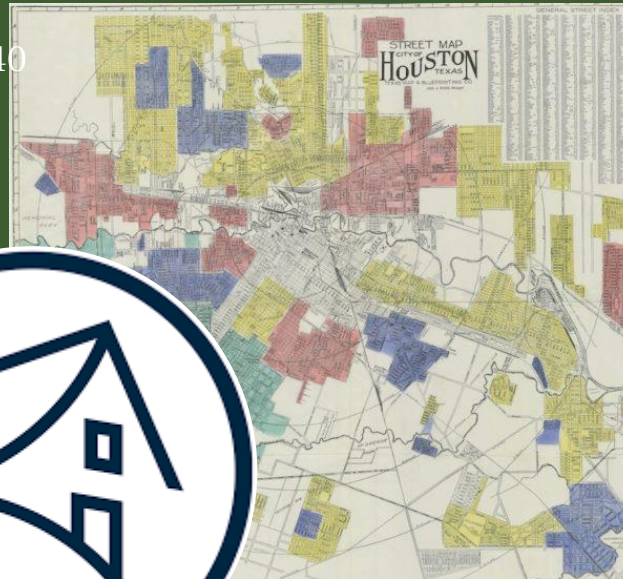
1930

1940

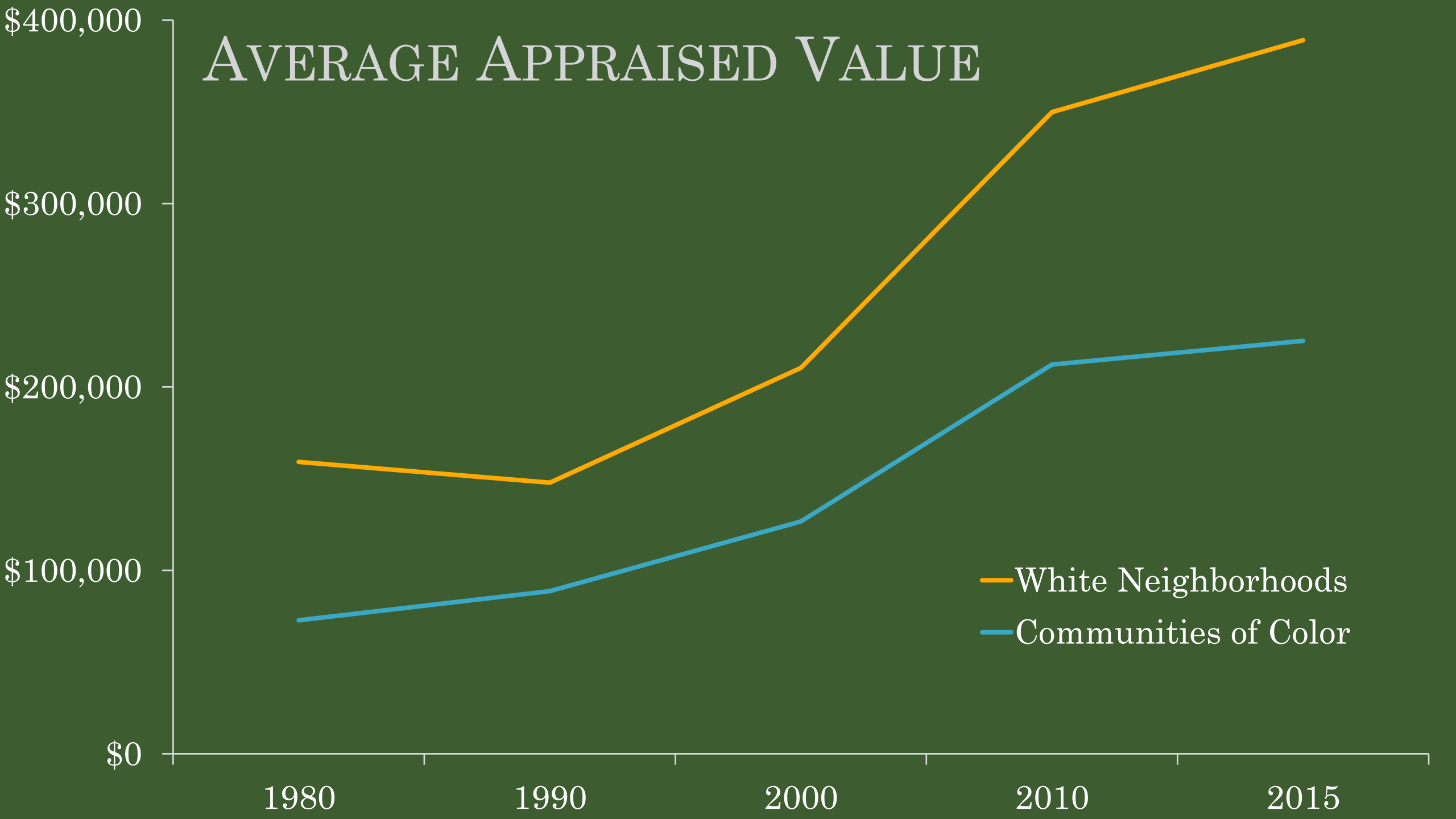
1960

1970

1980

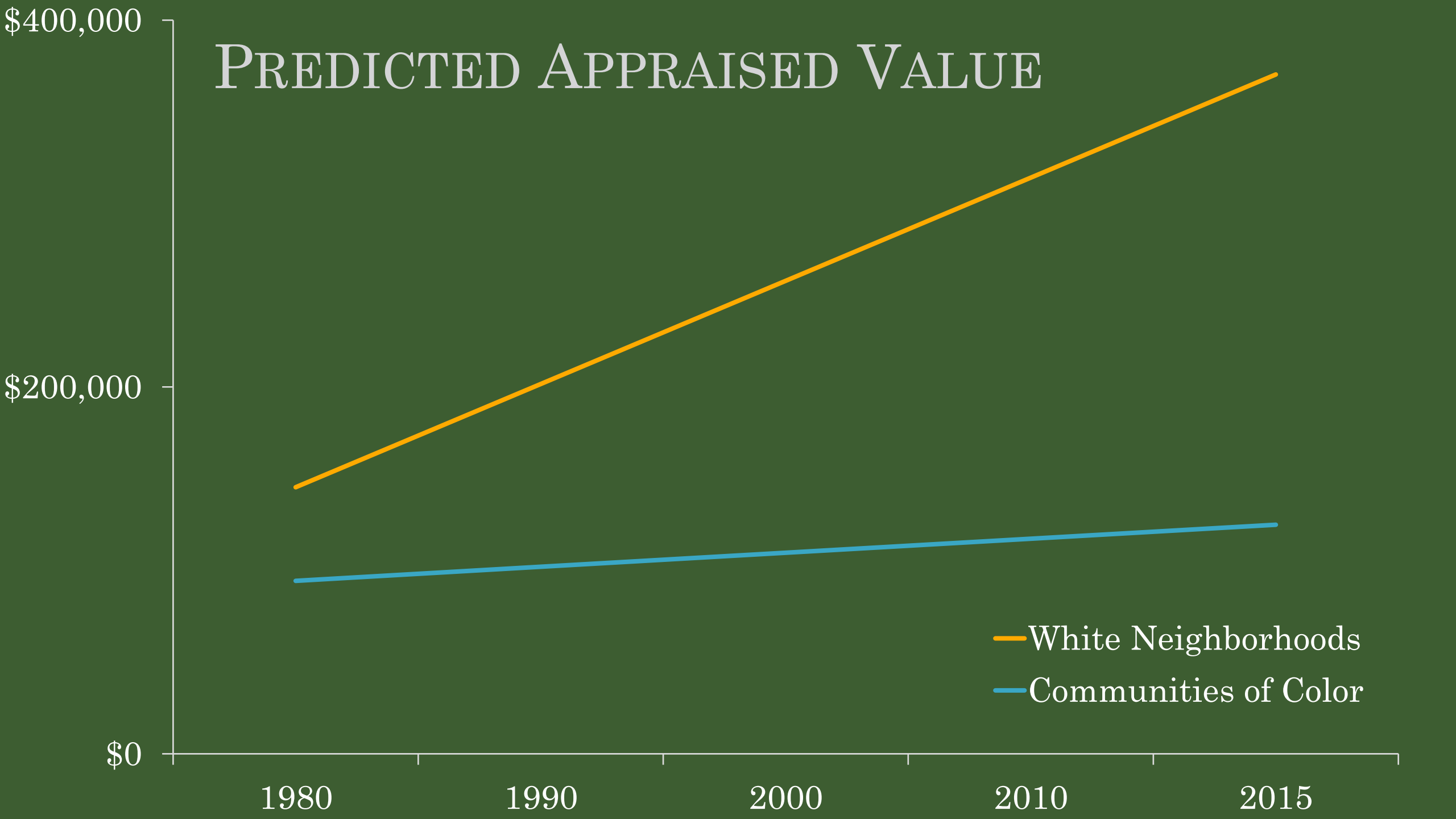


AVERAGE APPRAISED VALUE



house quality

neighborhood
conditions







+\$225,000



+\$31,000



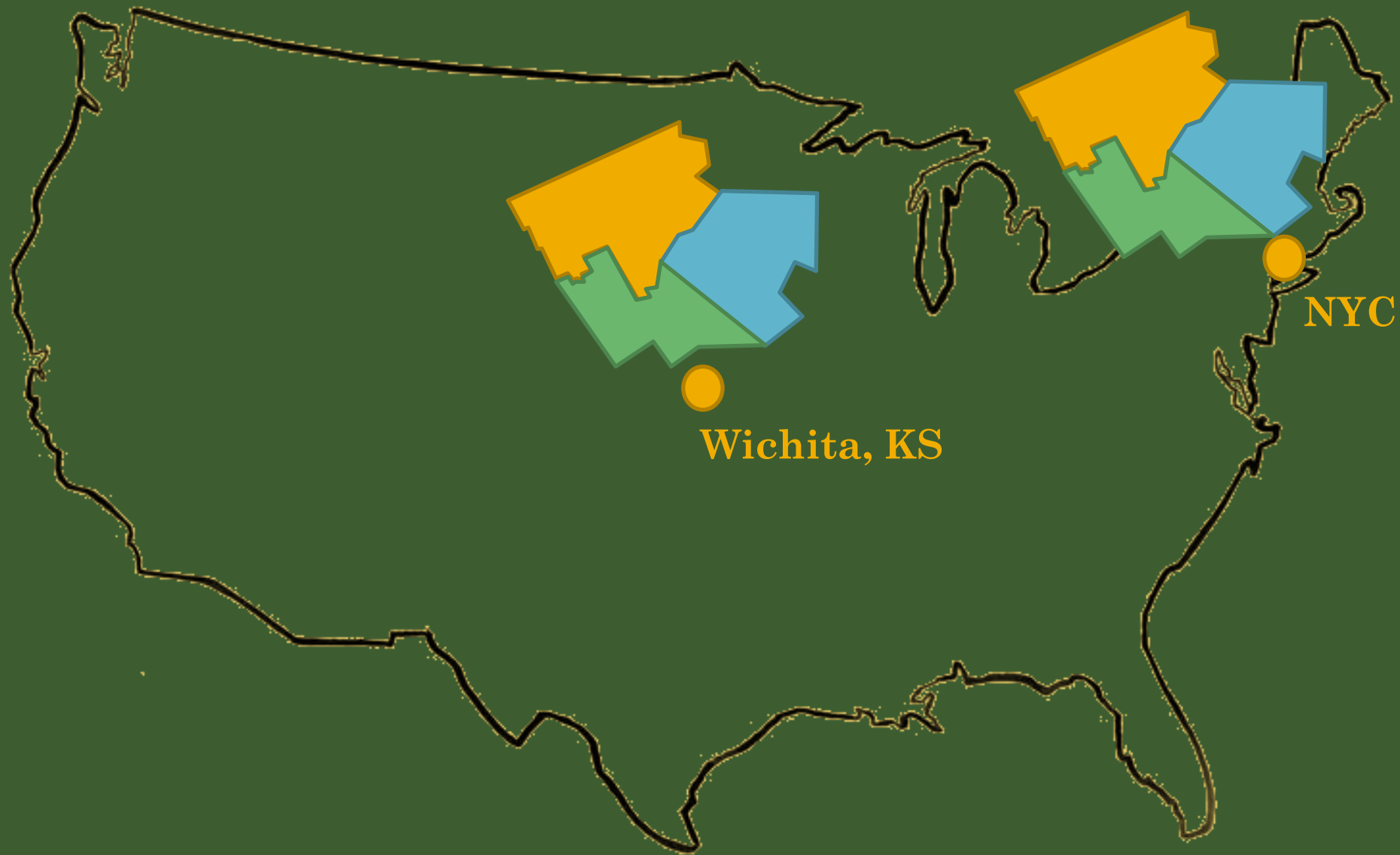


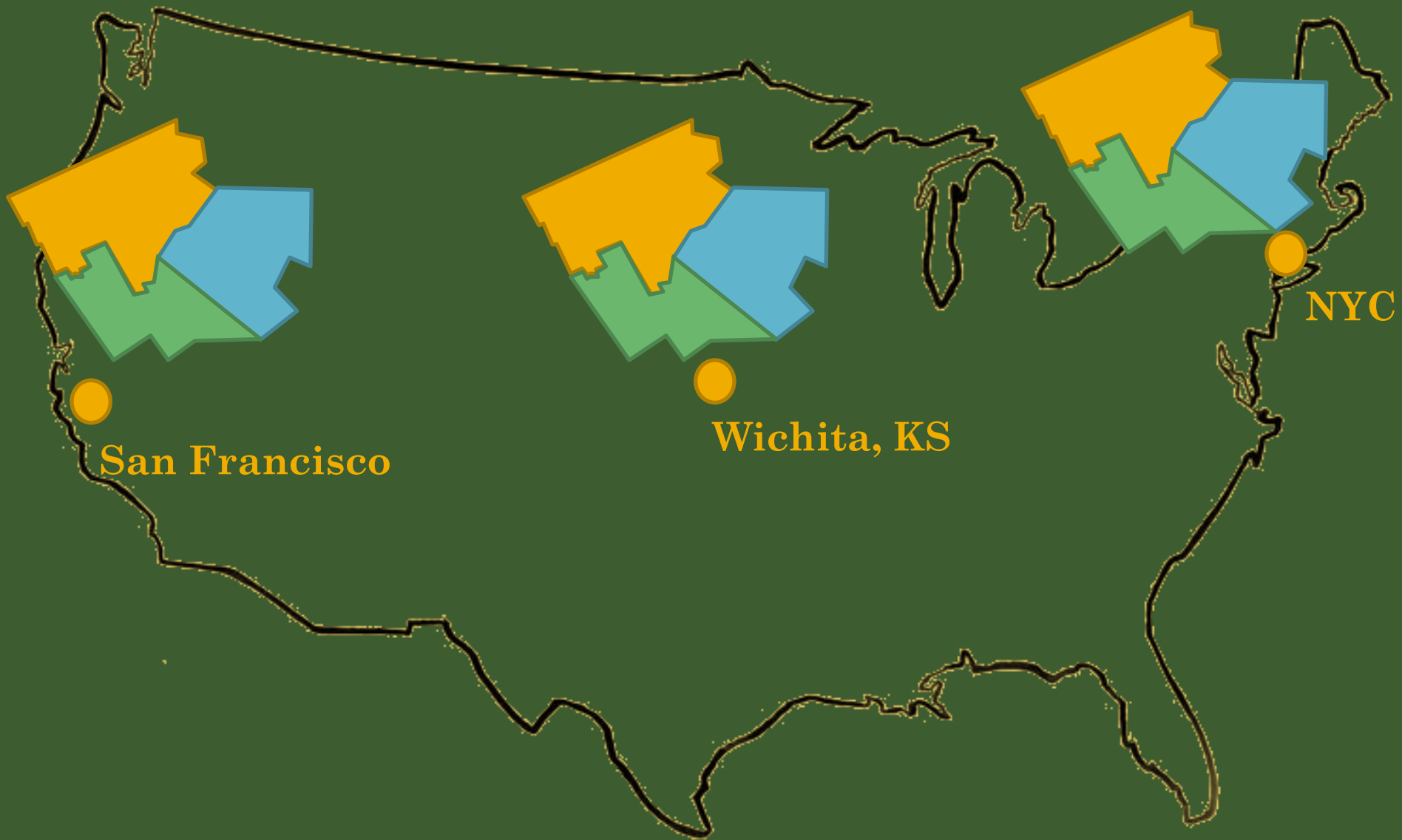


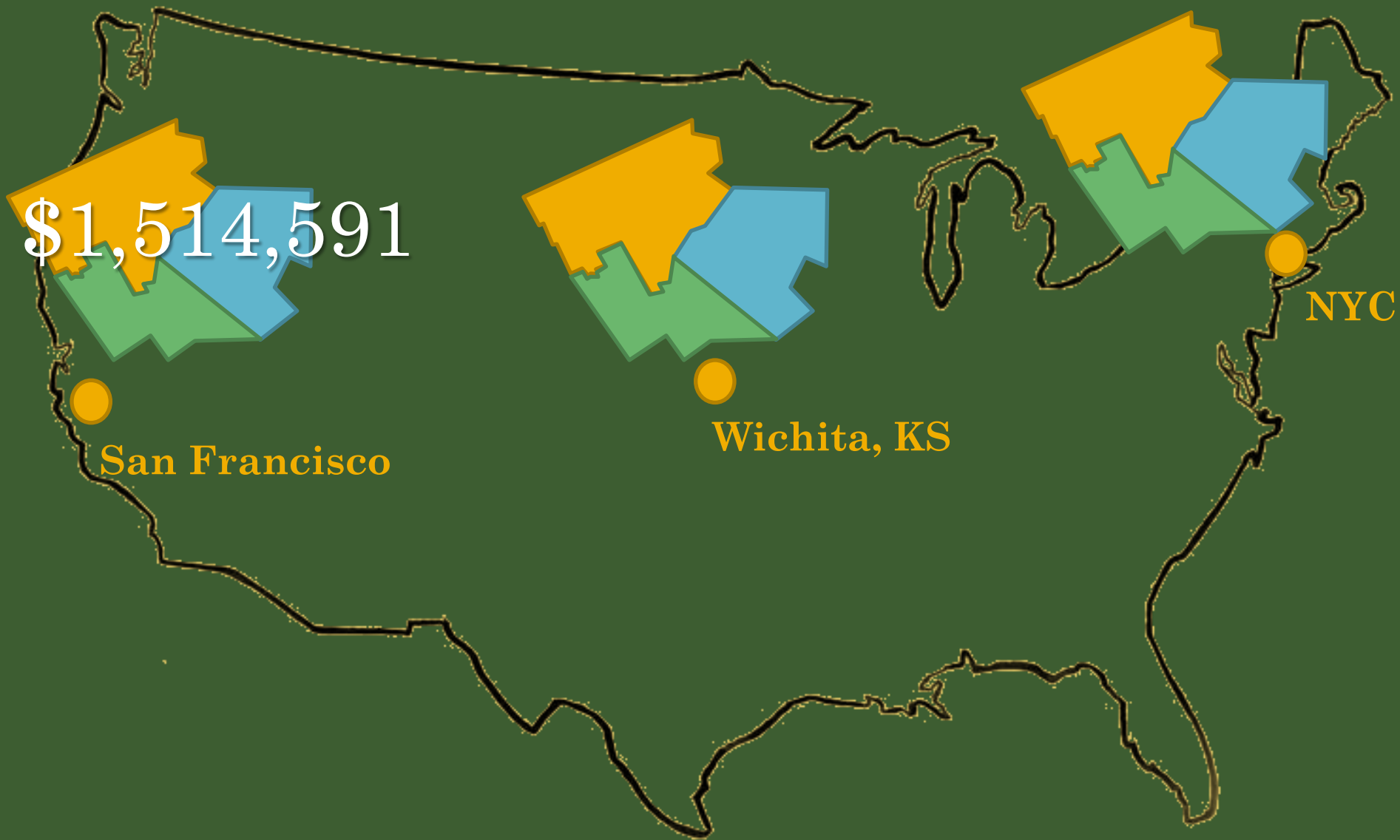
average
appraised
value

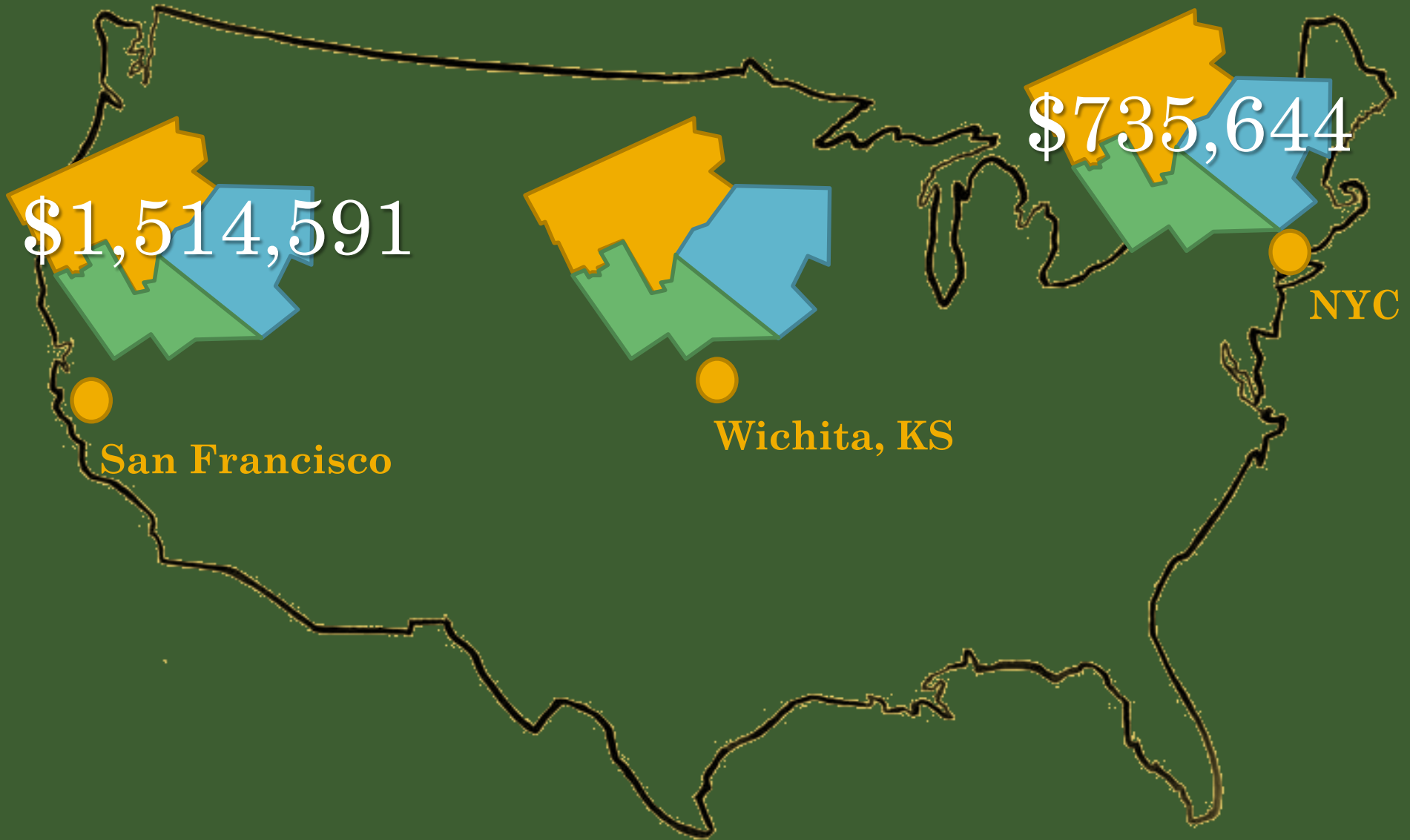


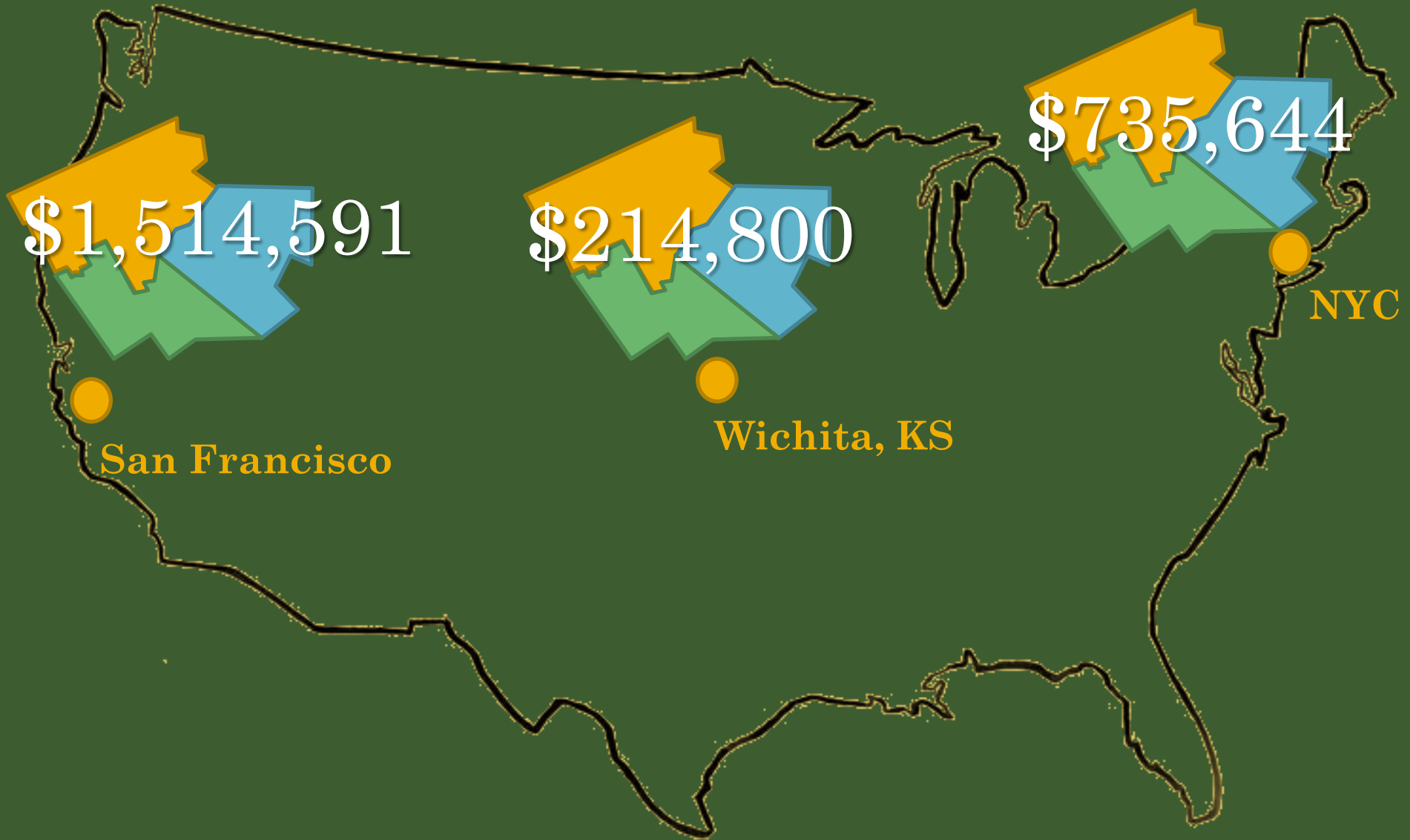




















San Francisco

Denver

Wichita, KS

Chicago

Atlanta

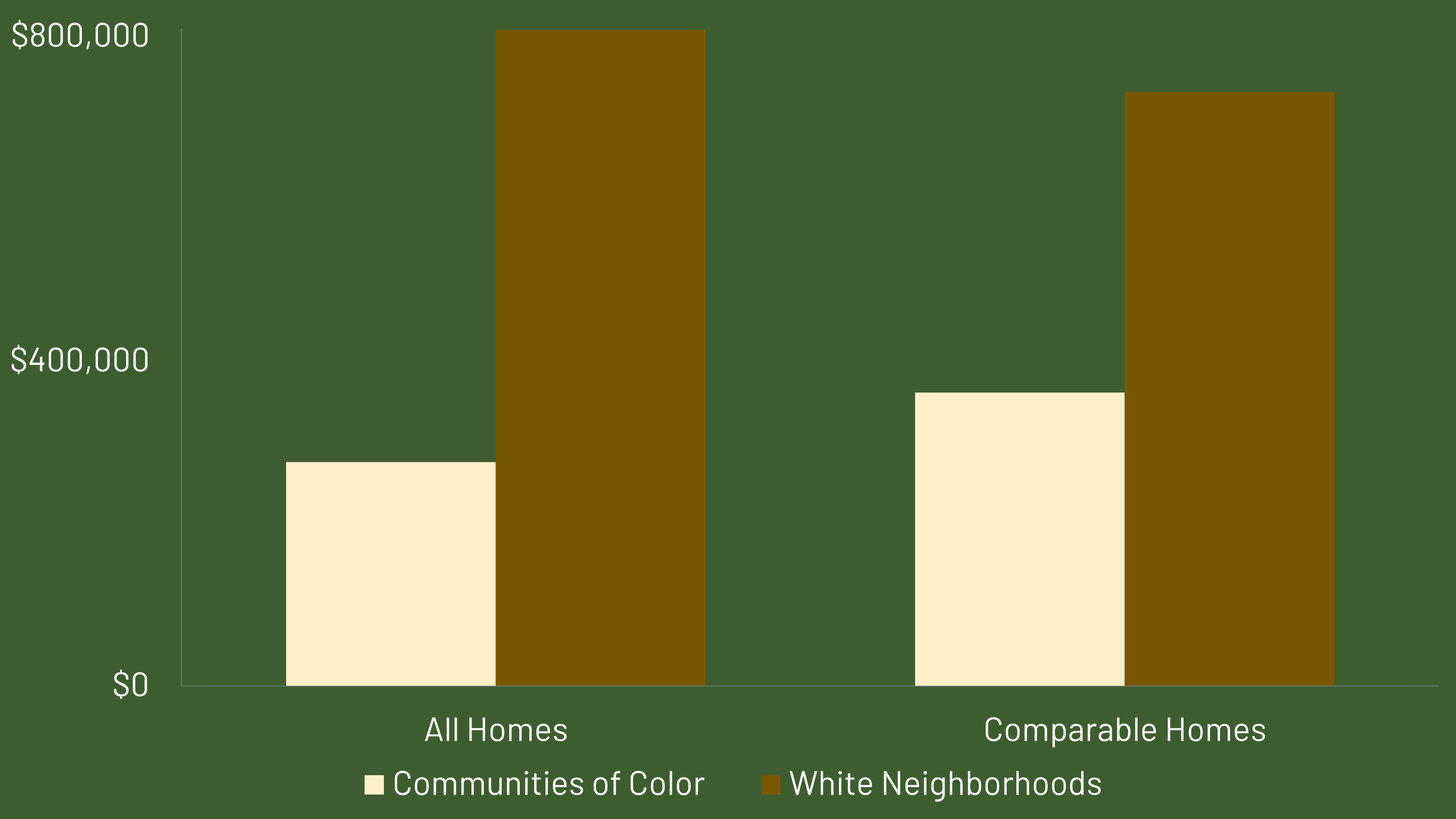
Houston

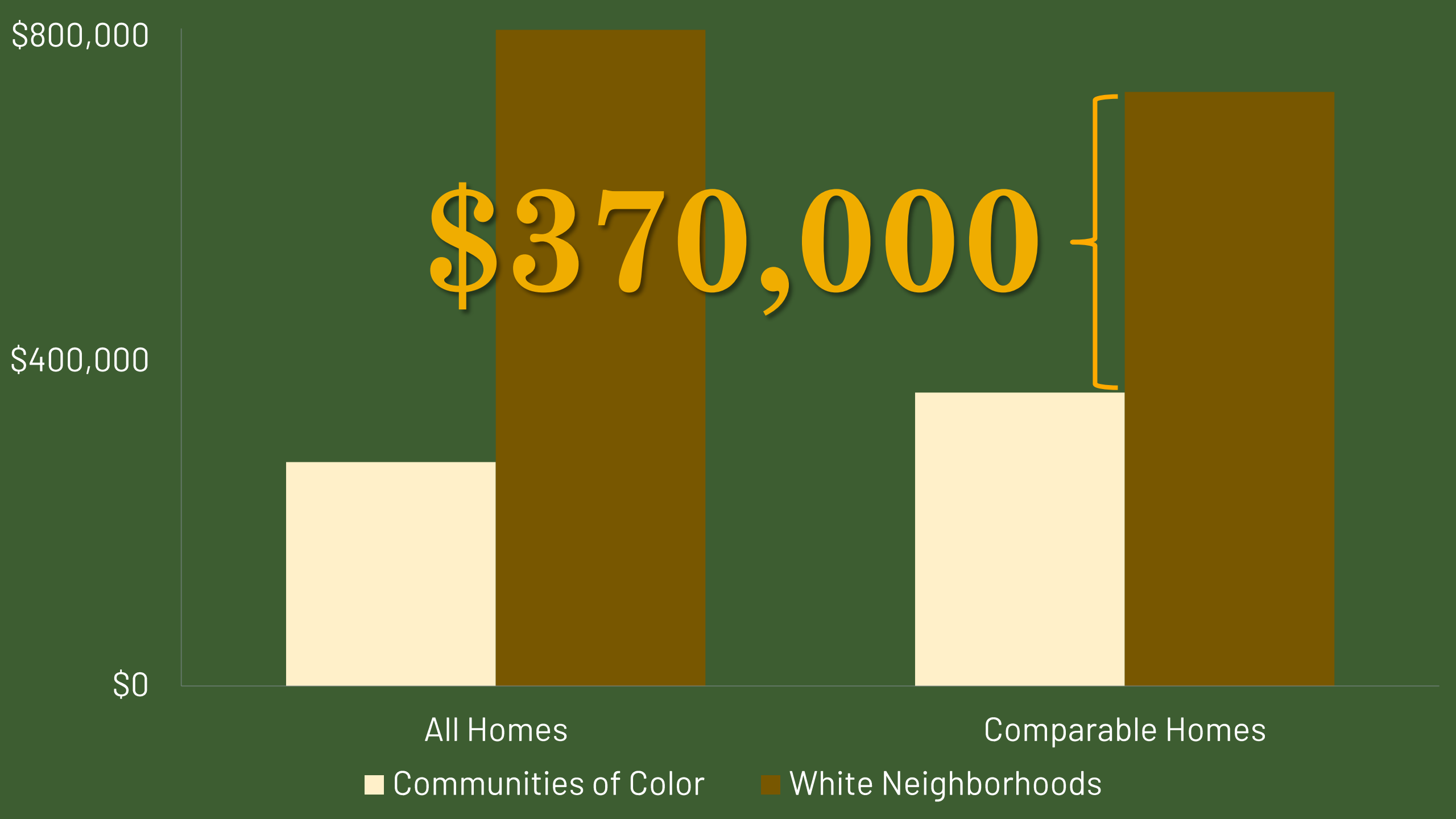
NYC

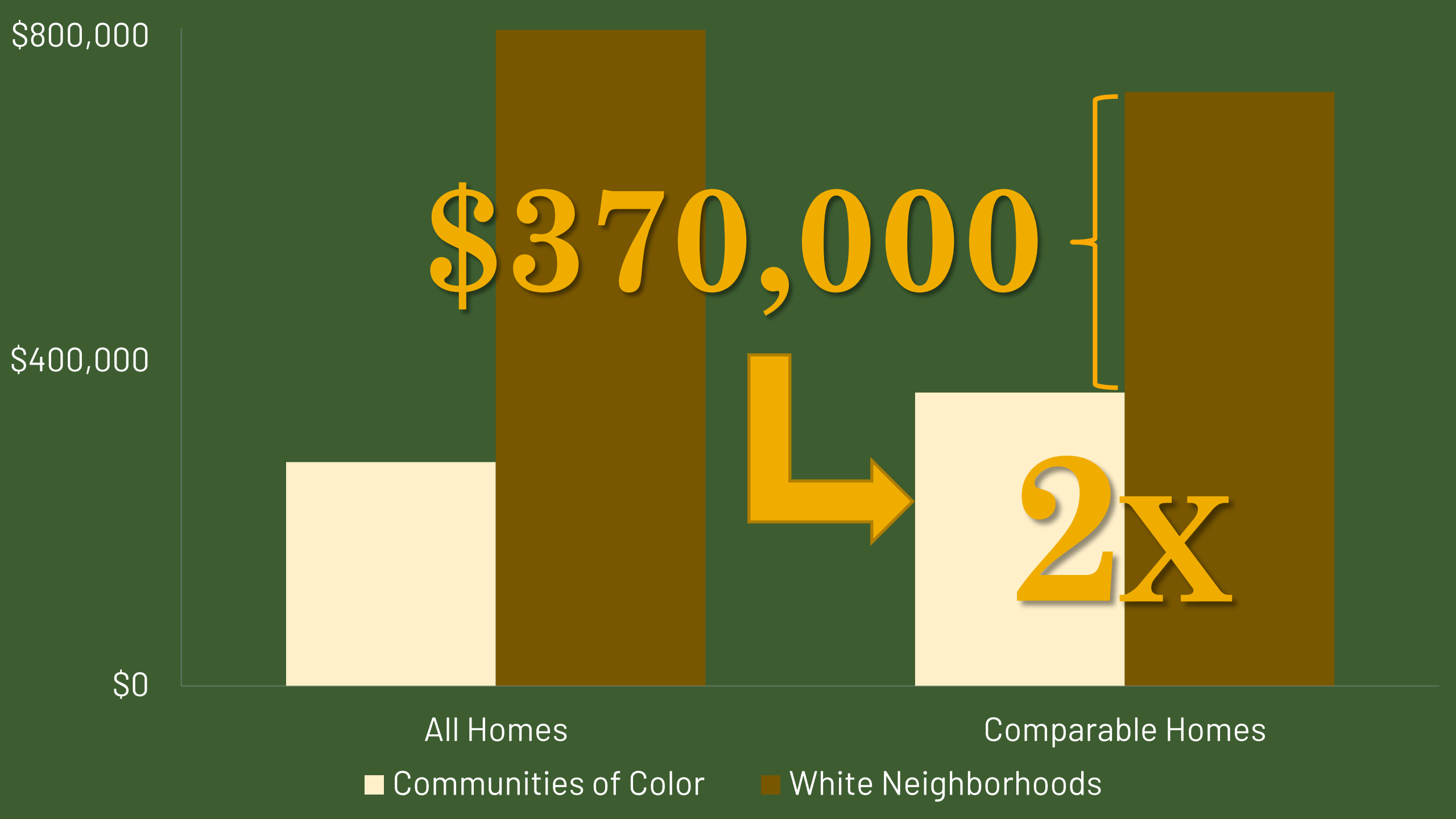


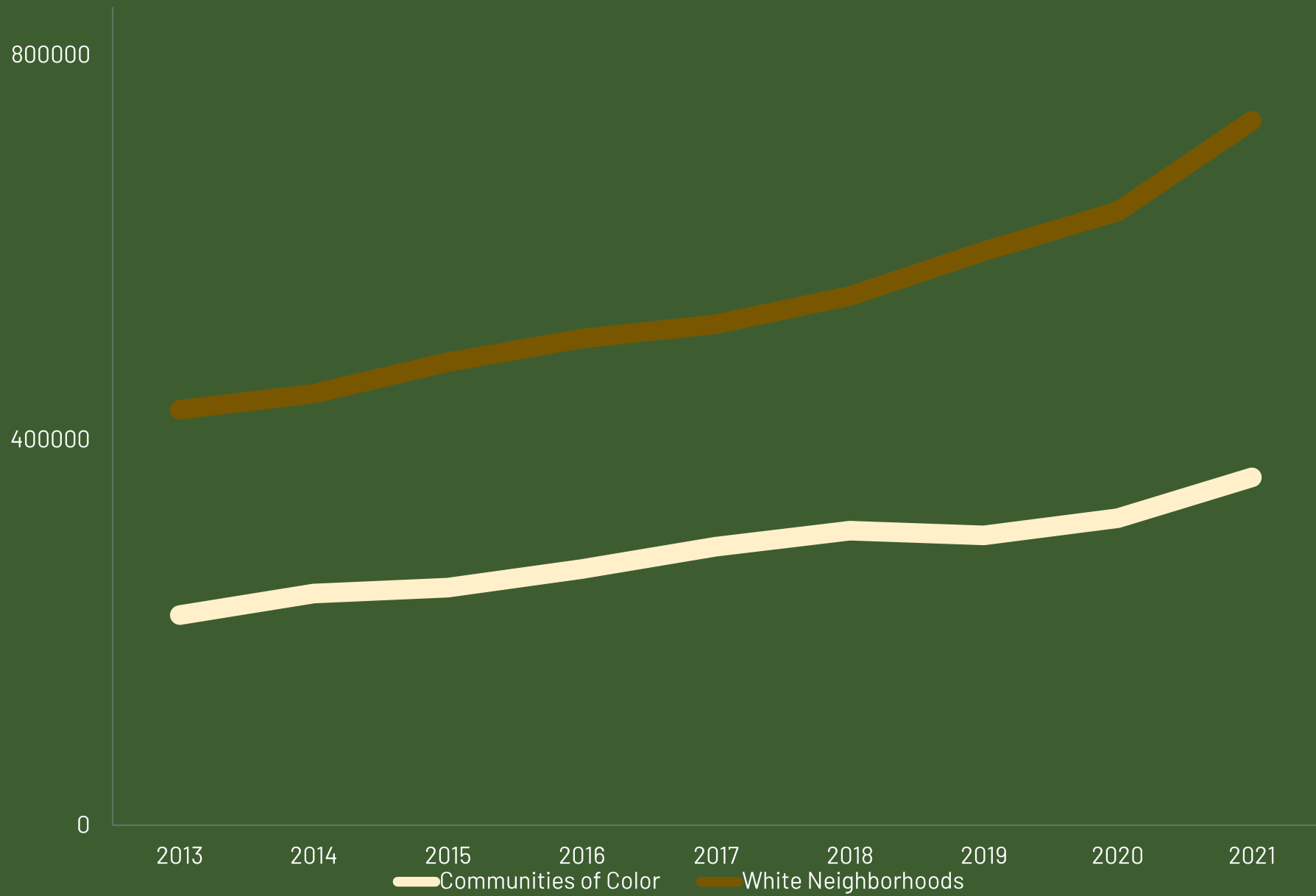


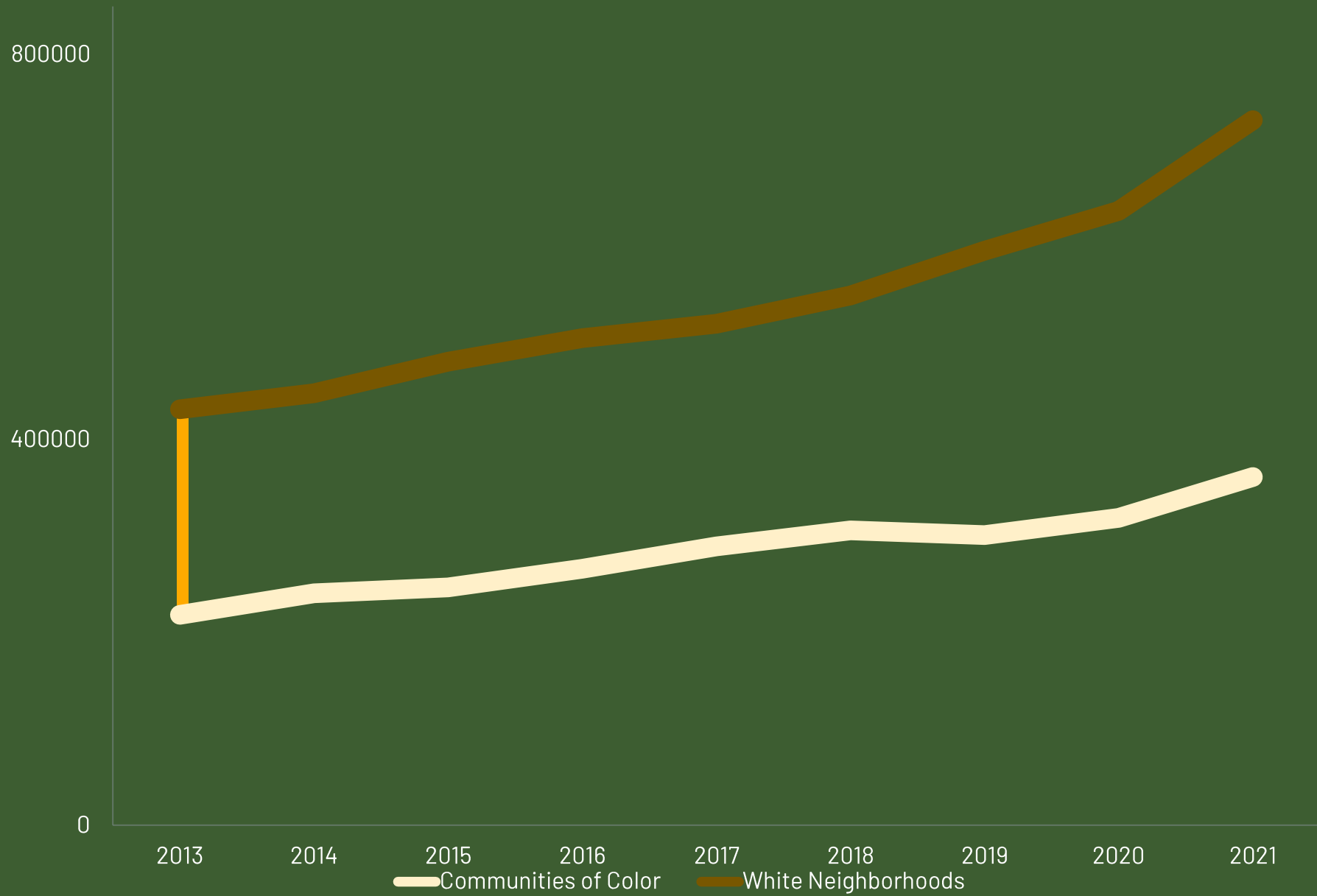


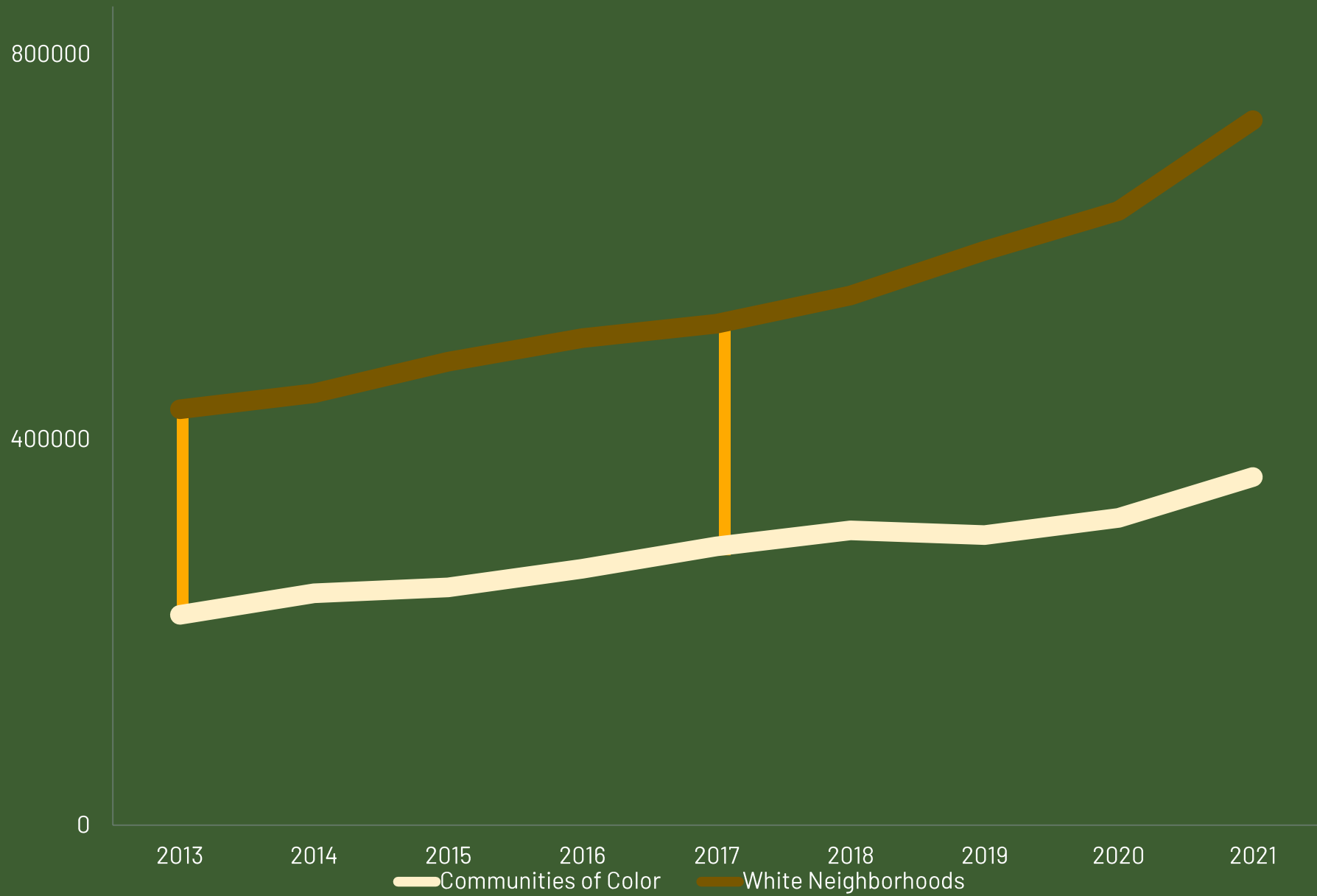


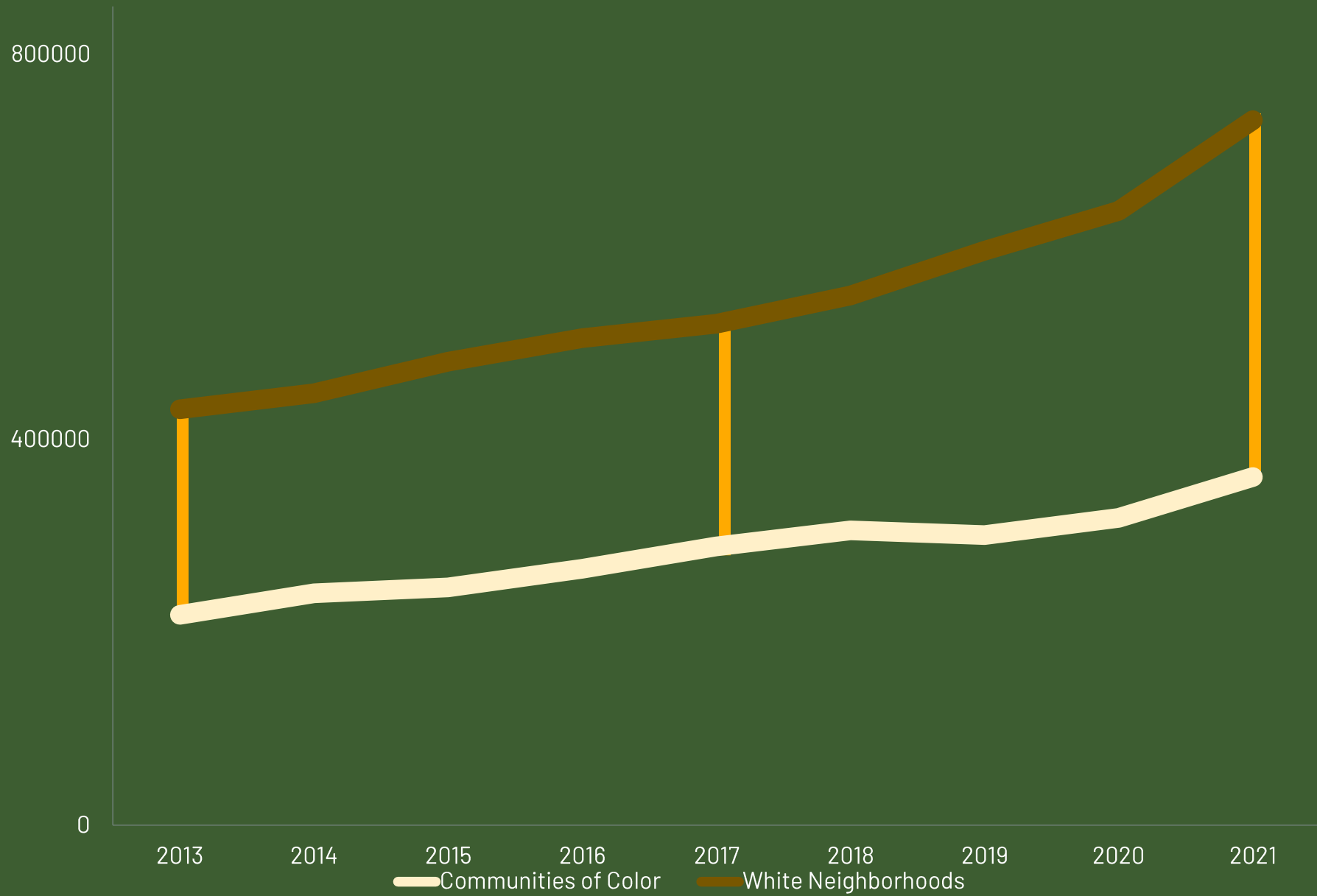




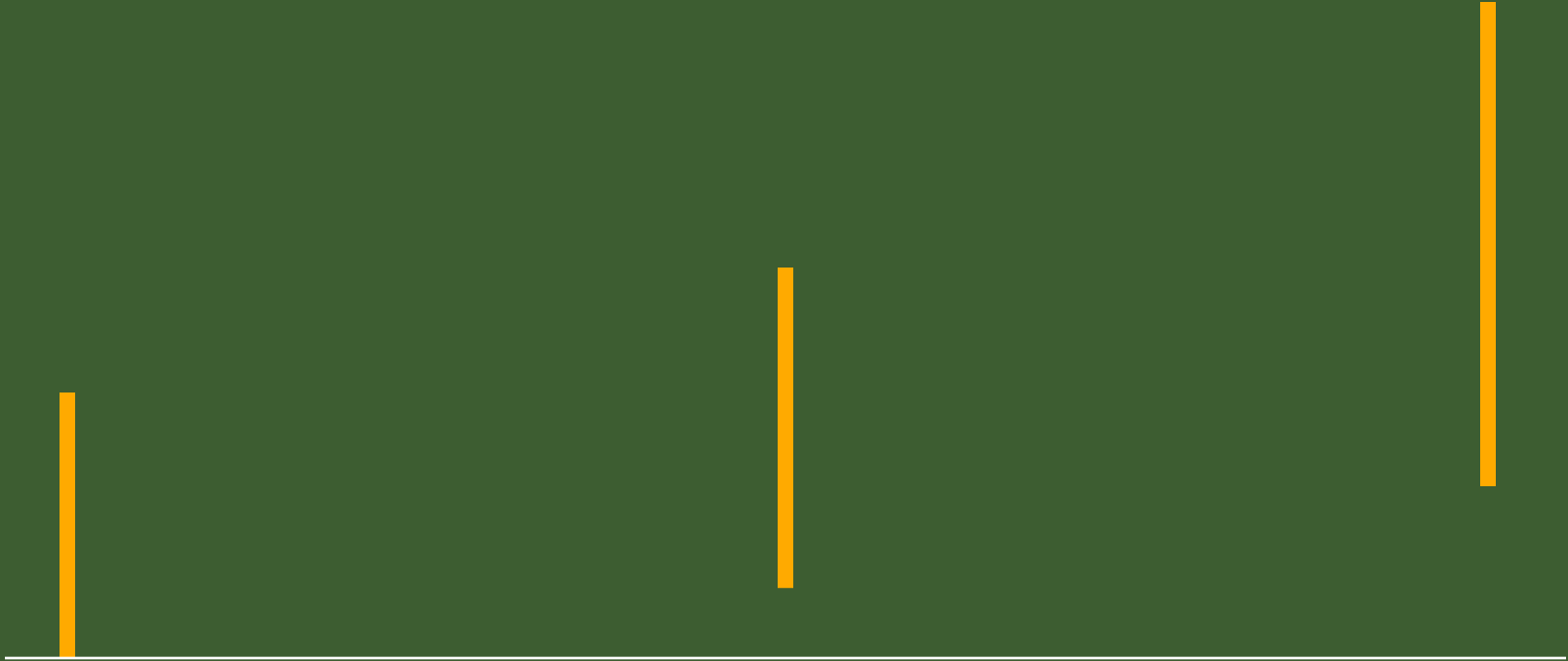


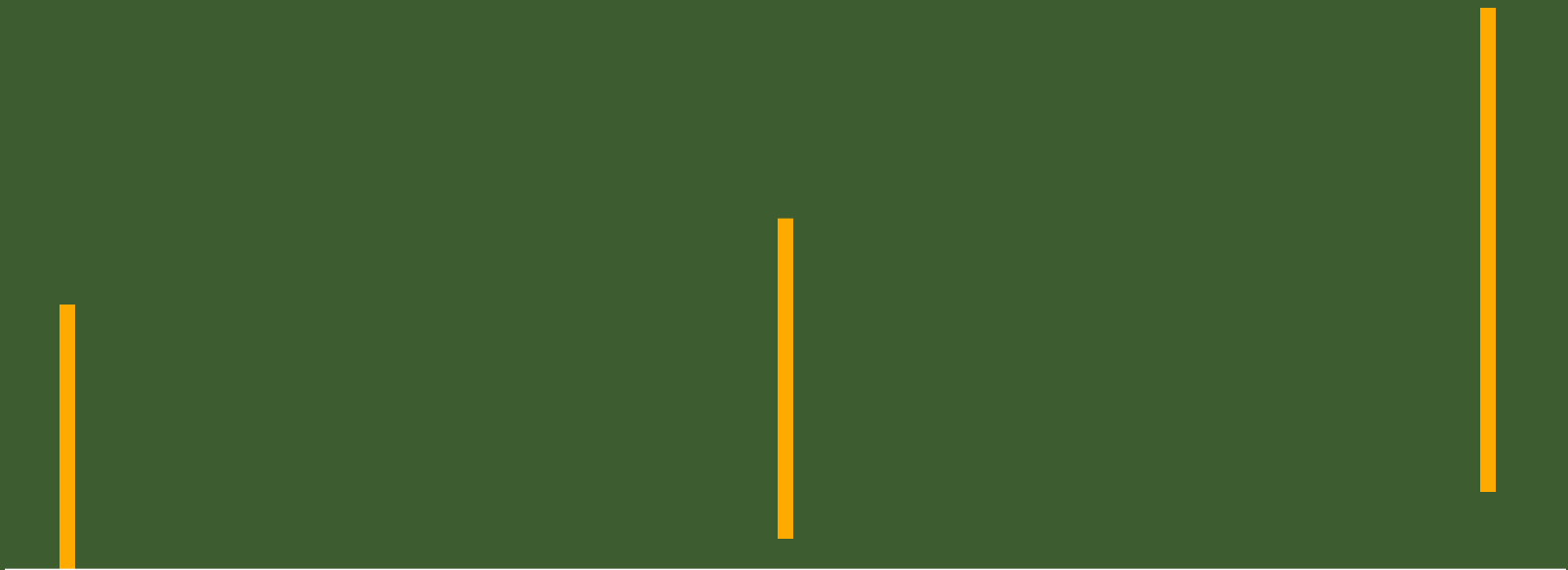


















75%





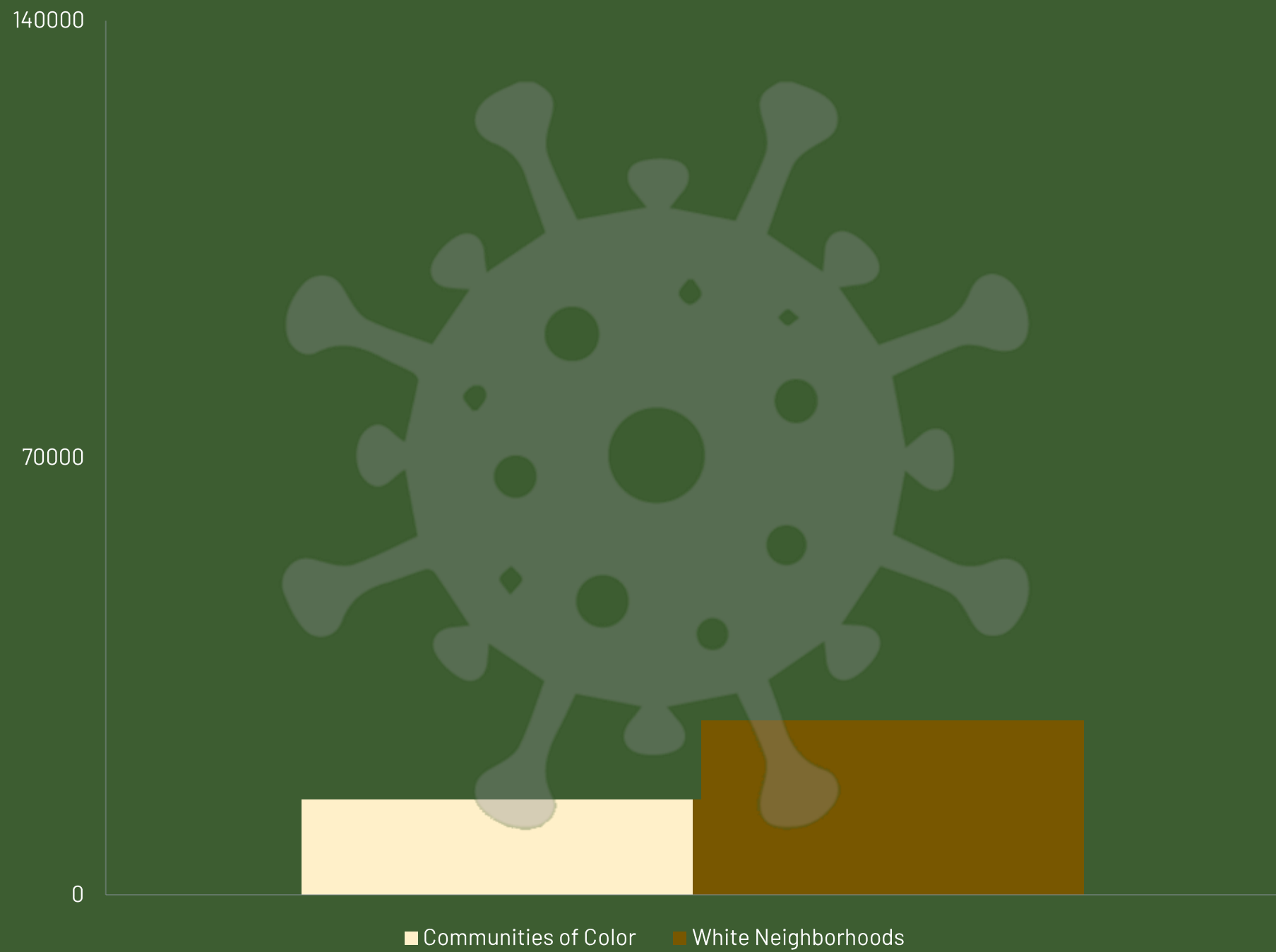
140000

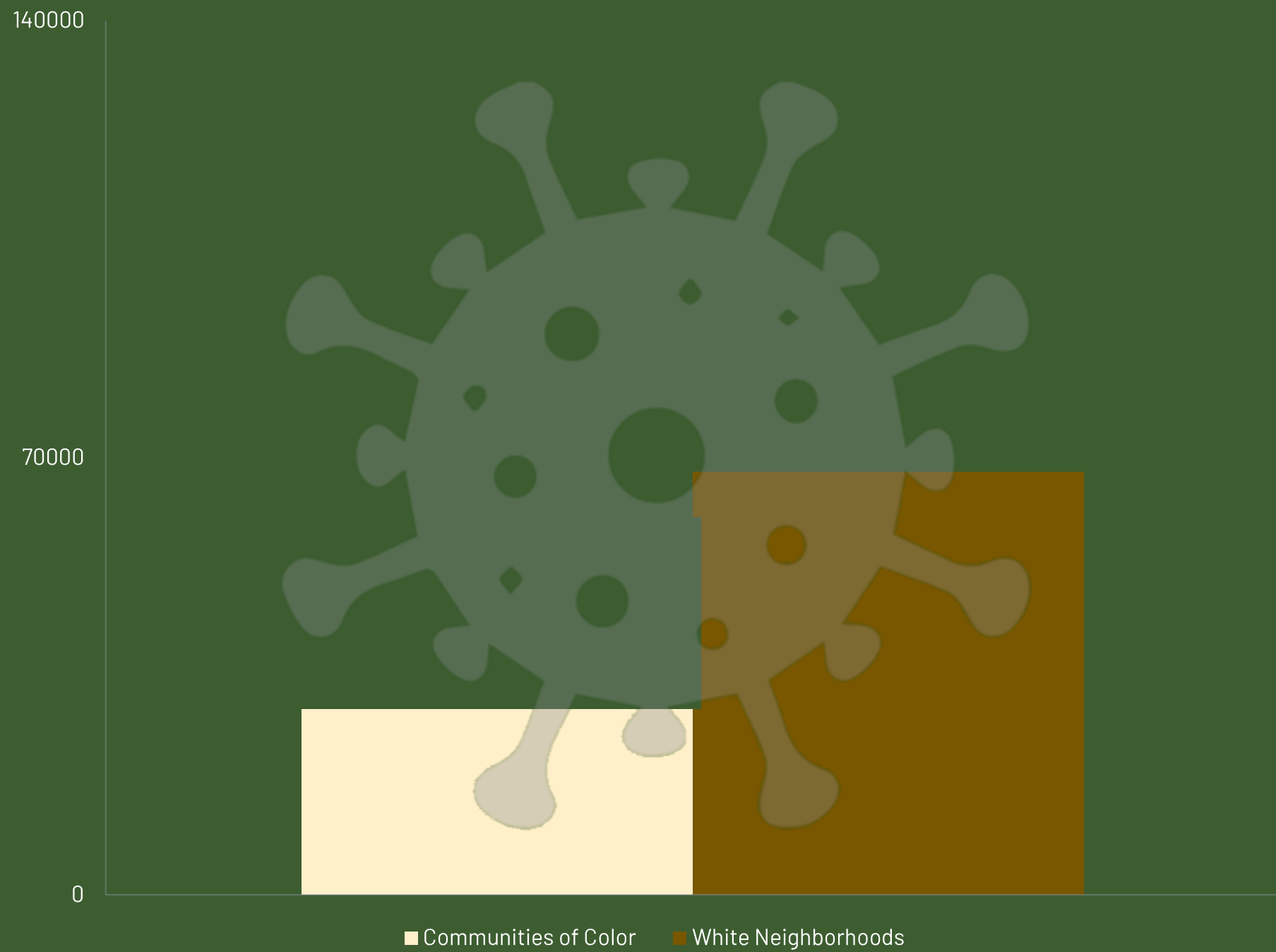
70000

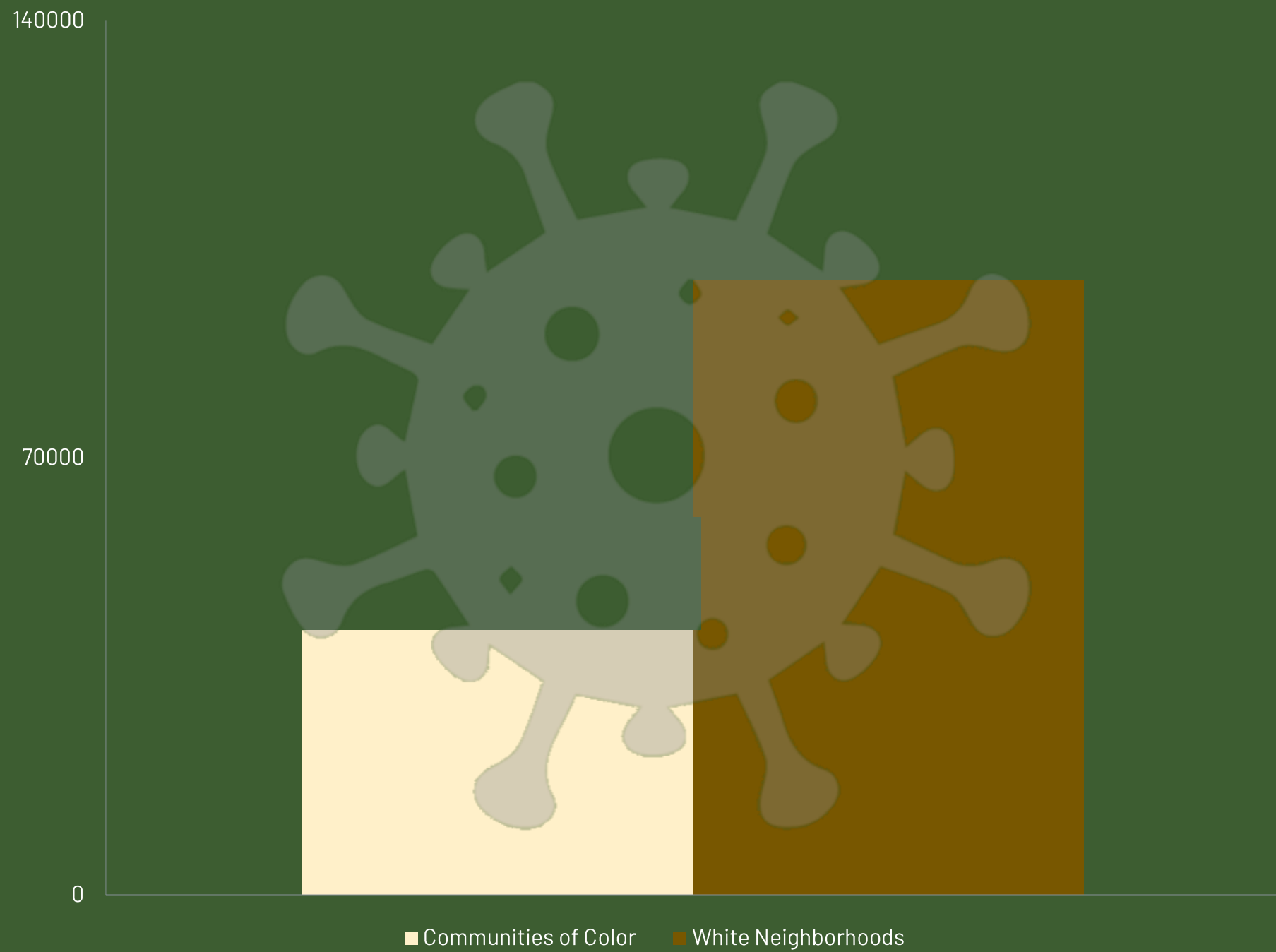
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■ Communities of Color ■ White Neighborhoods







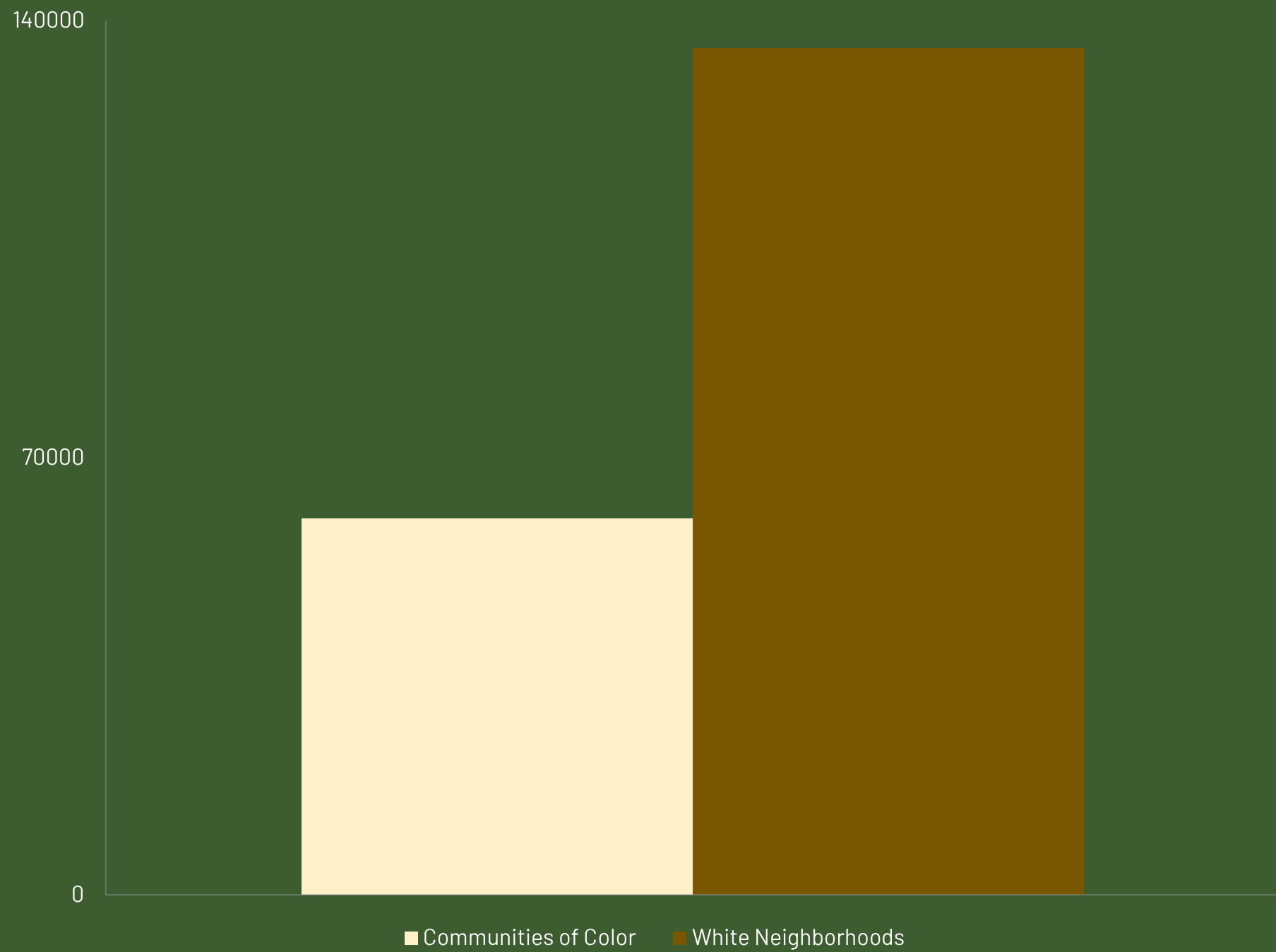
140000

70000

0

■ Communities of Color ■ White Neighborhoods





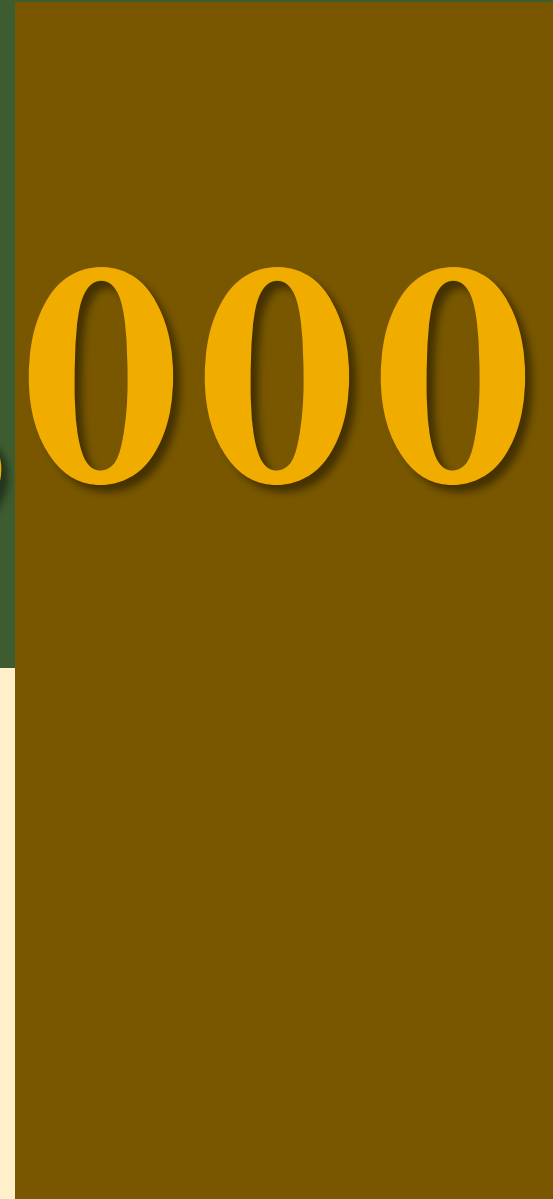
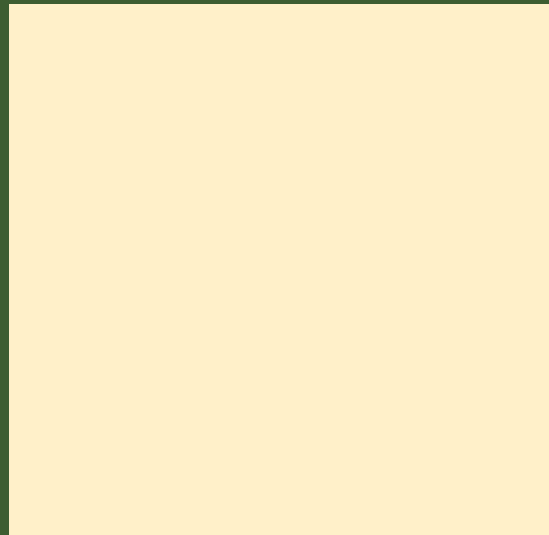
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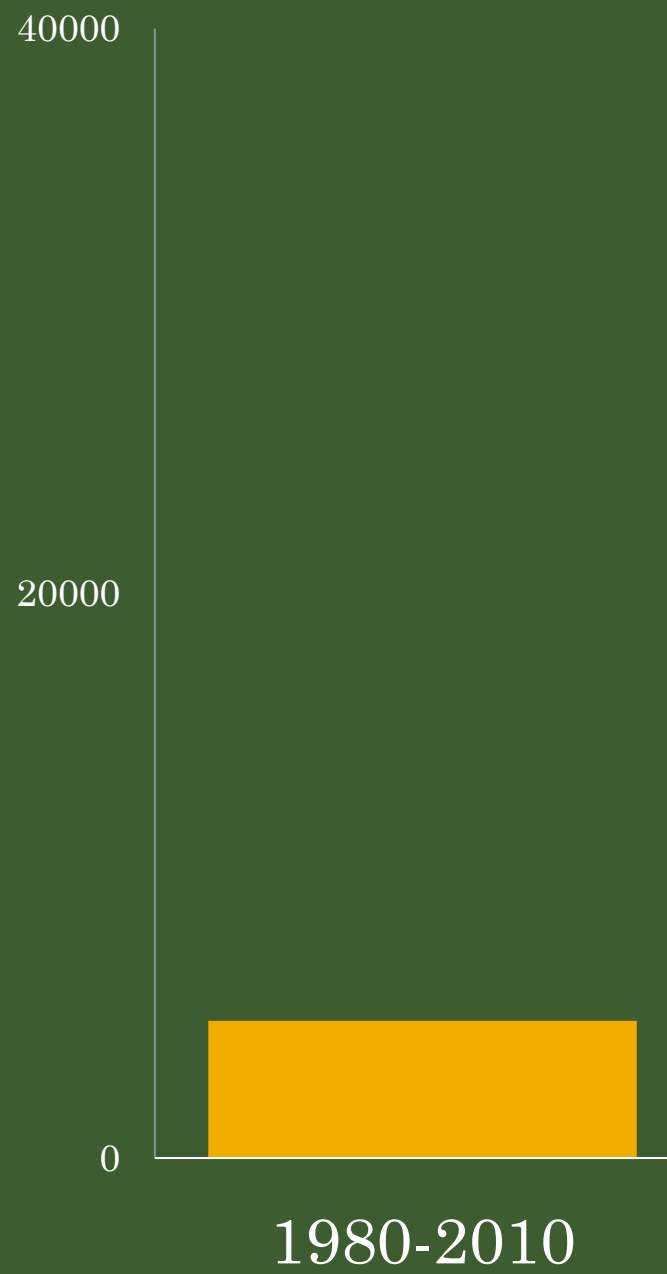
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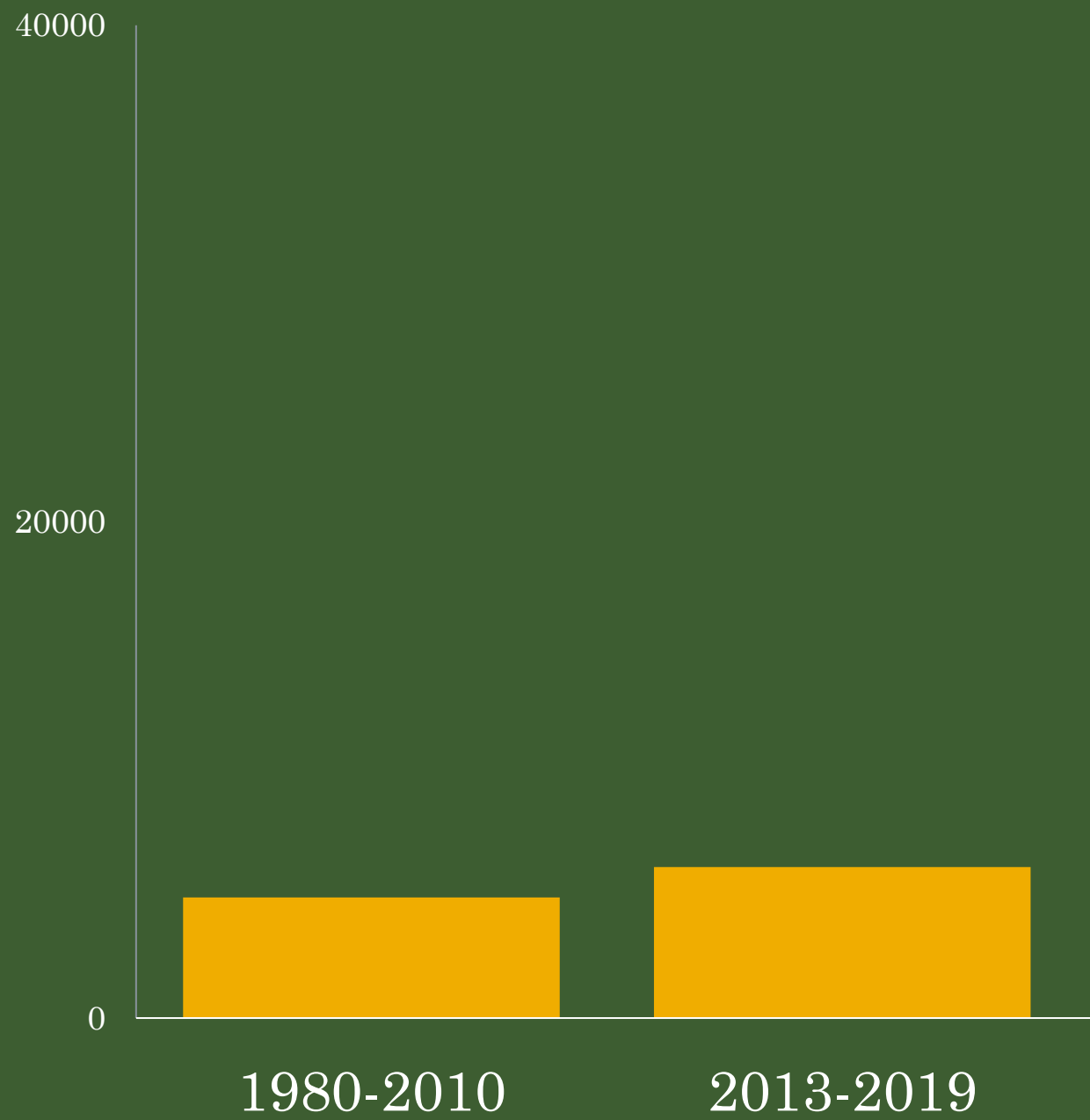
\$76,000

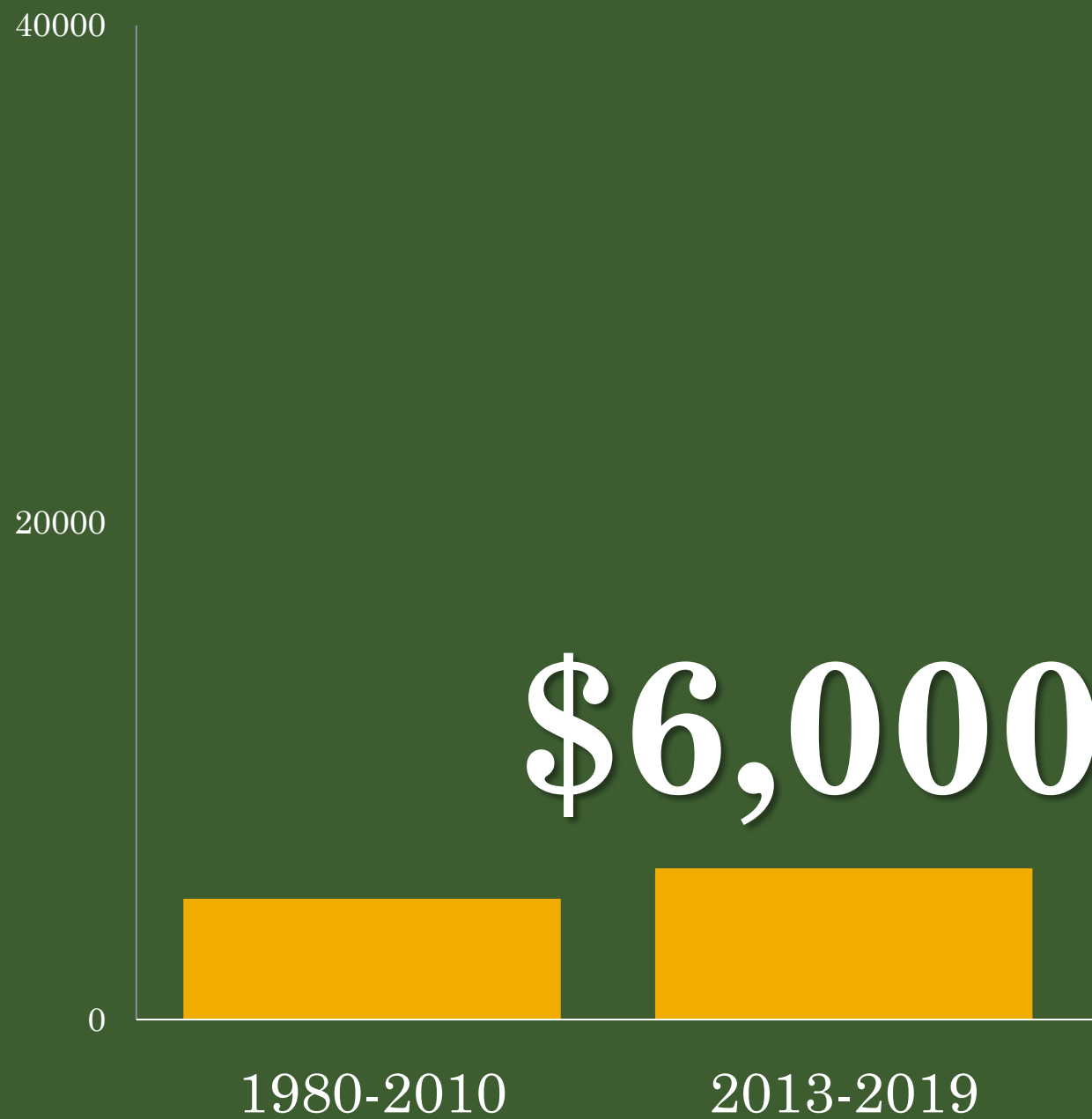
■ Communities of Color ■ White Neighborhoods

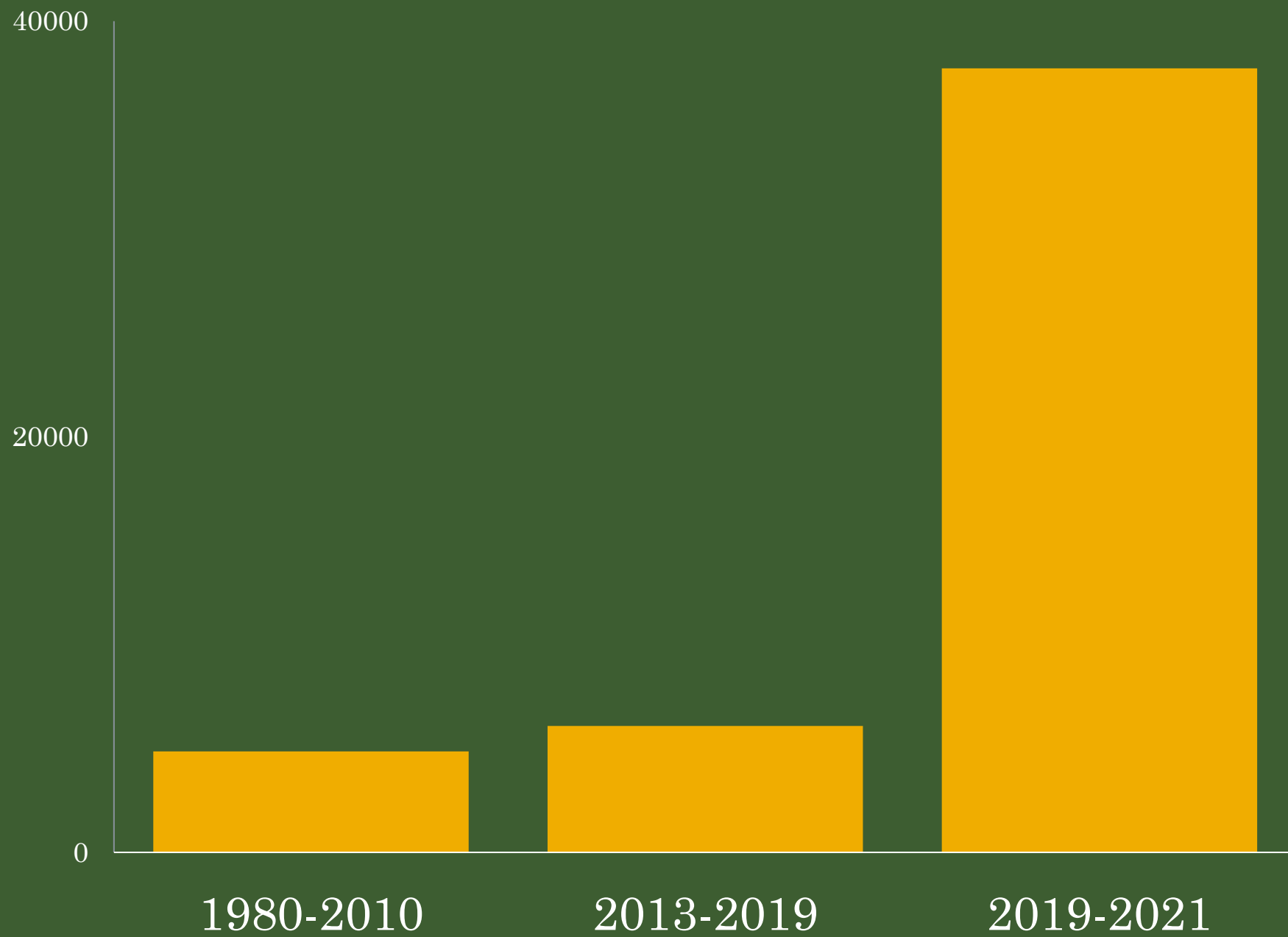


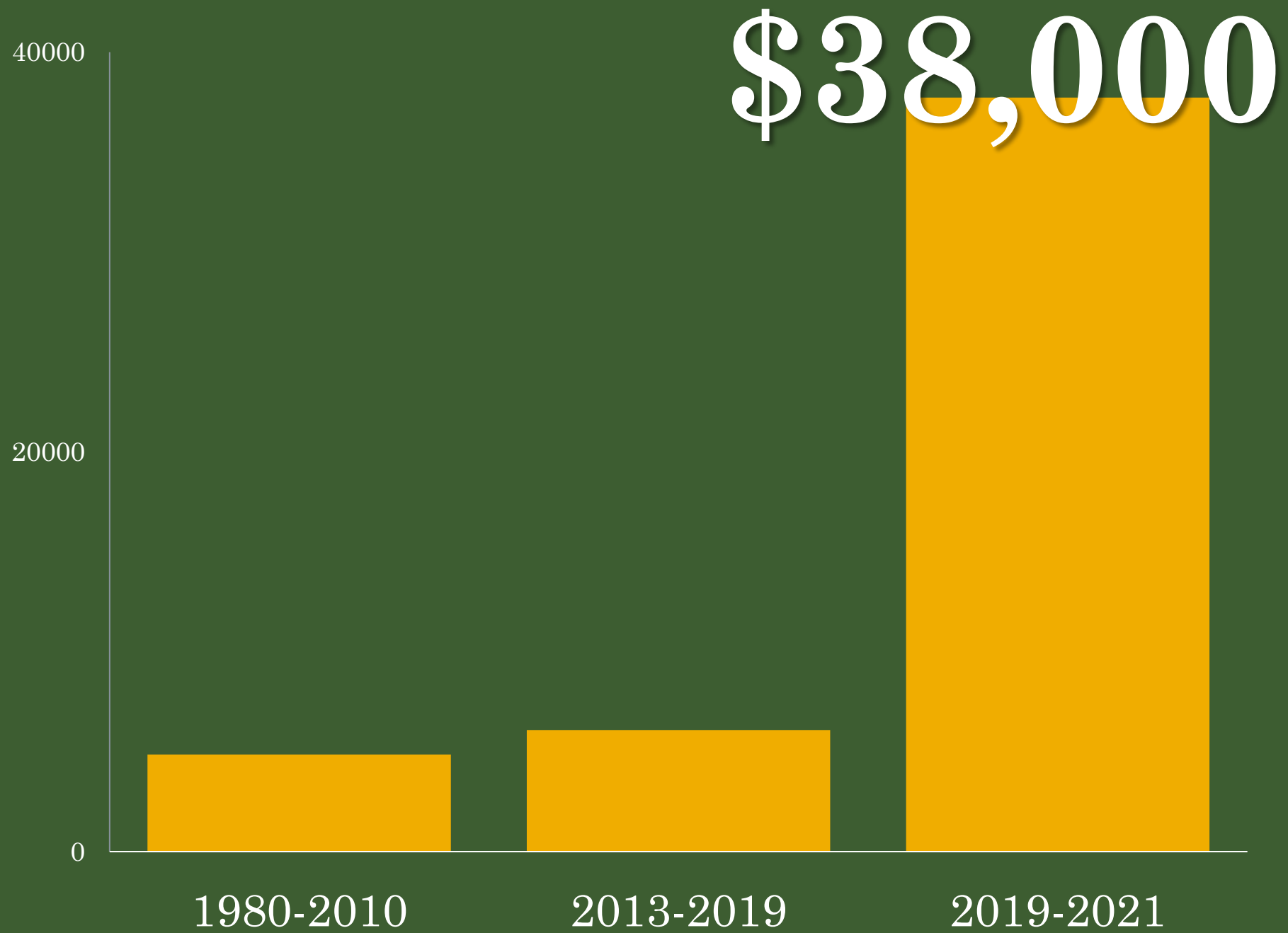


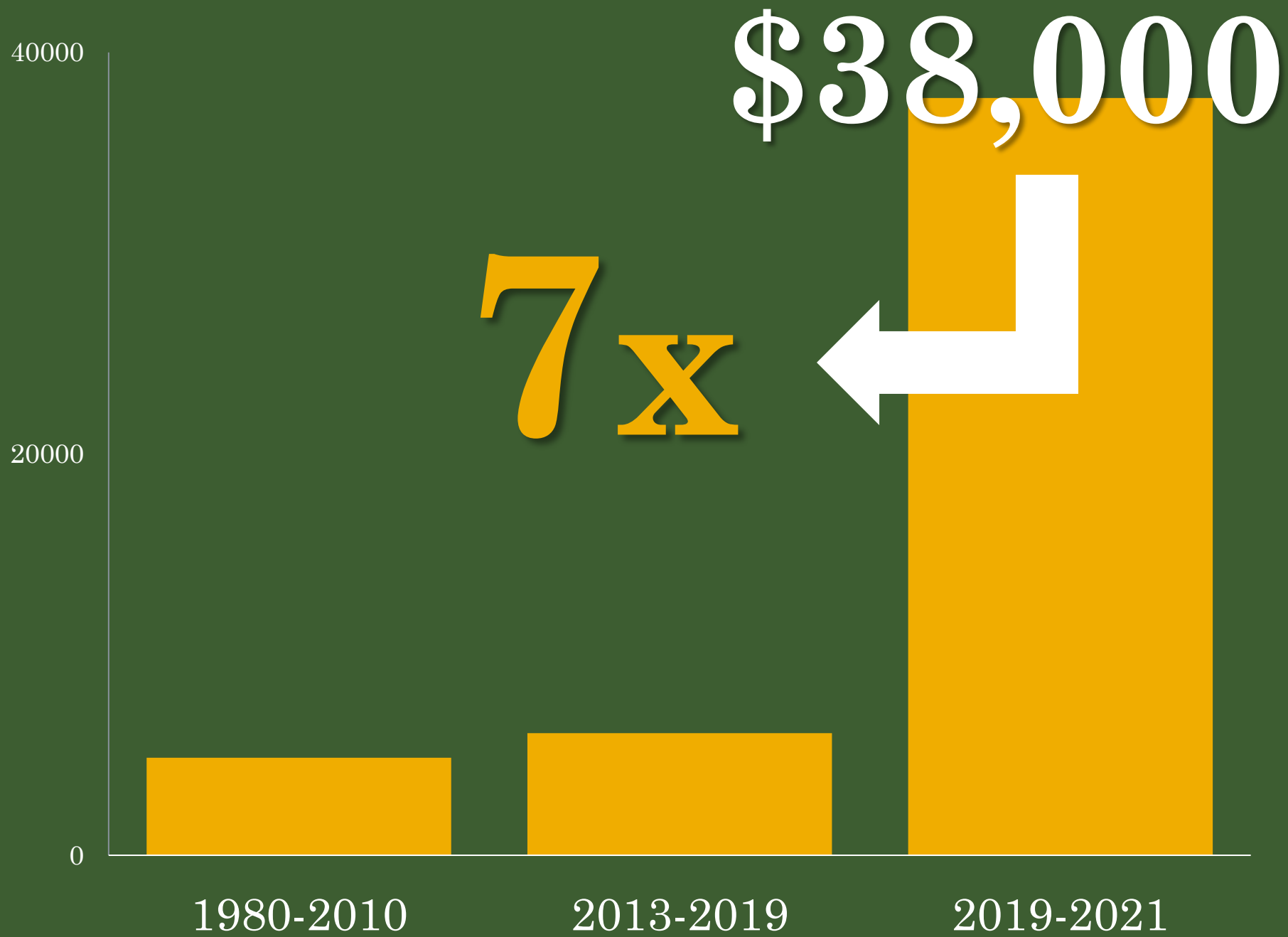








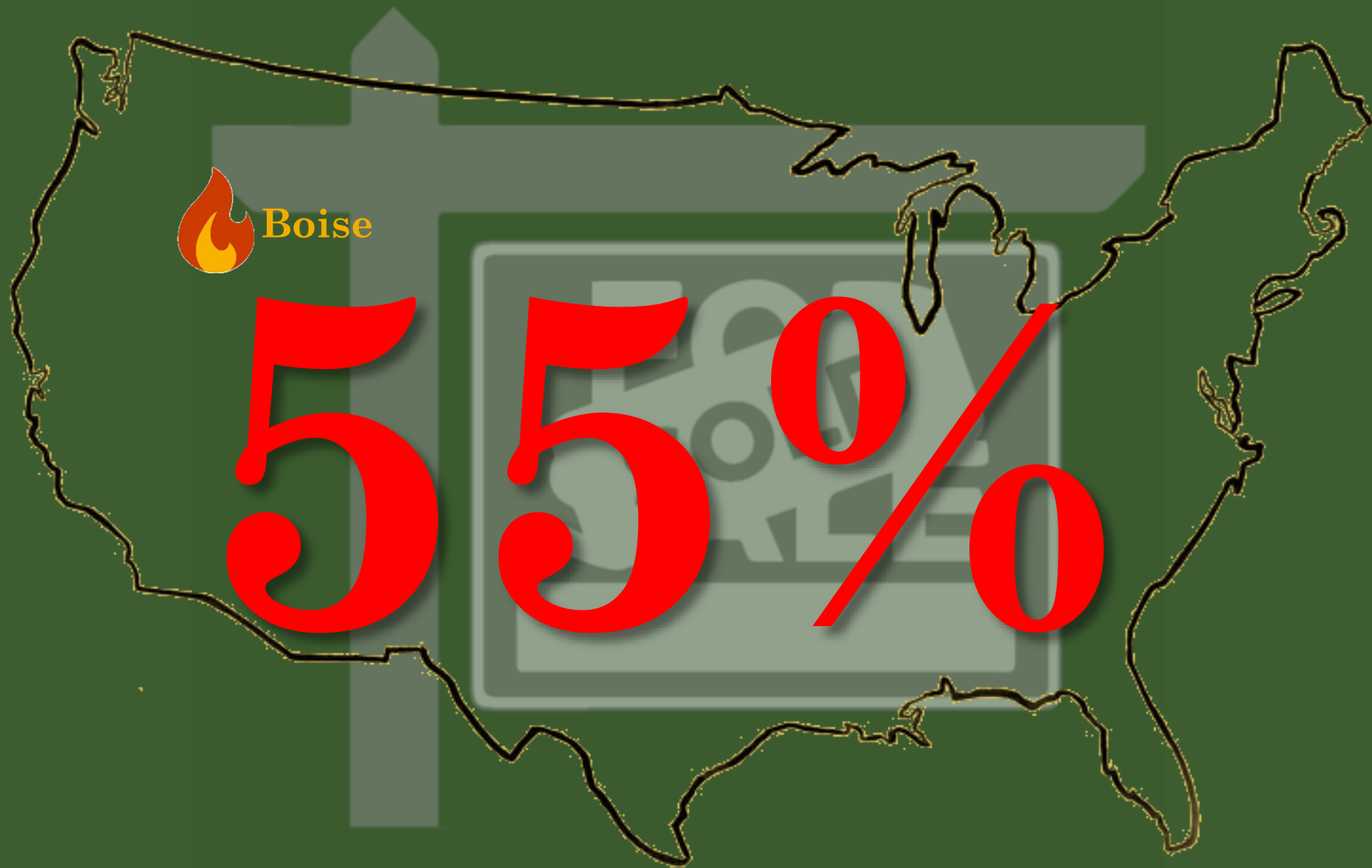


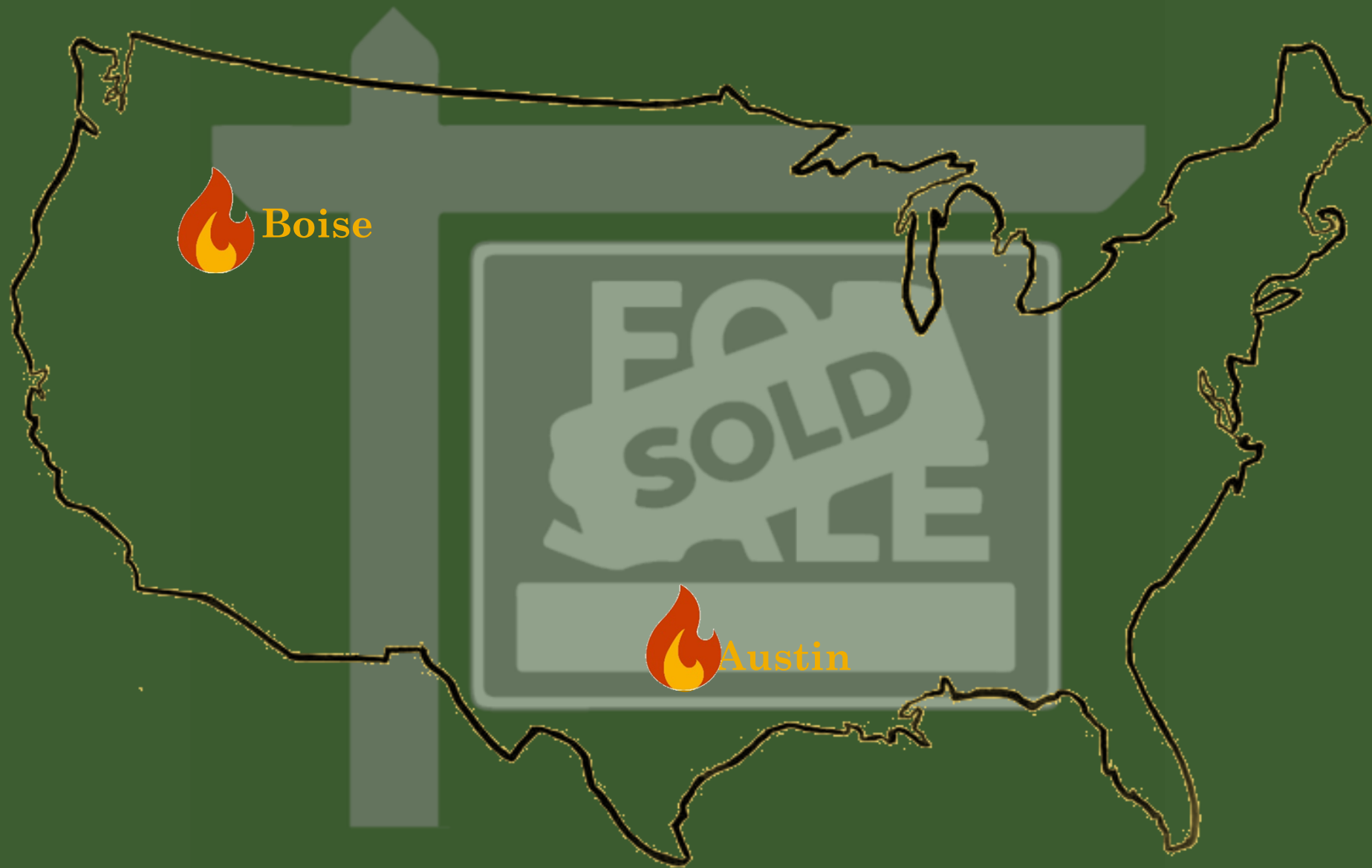








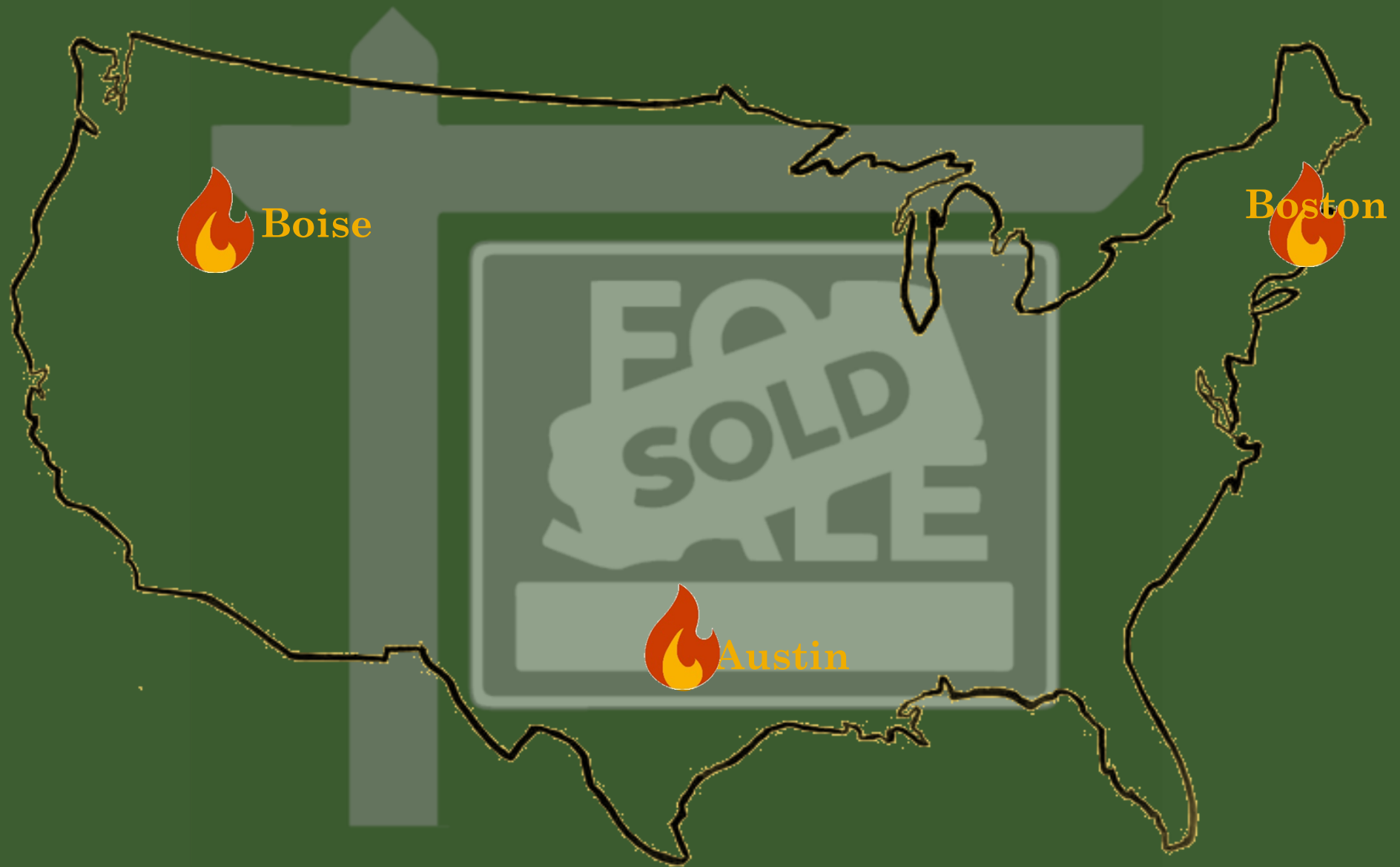




Boise



Austin



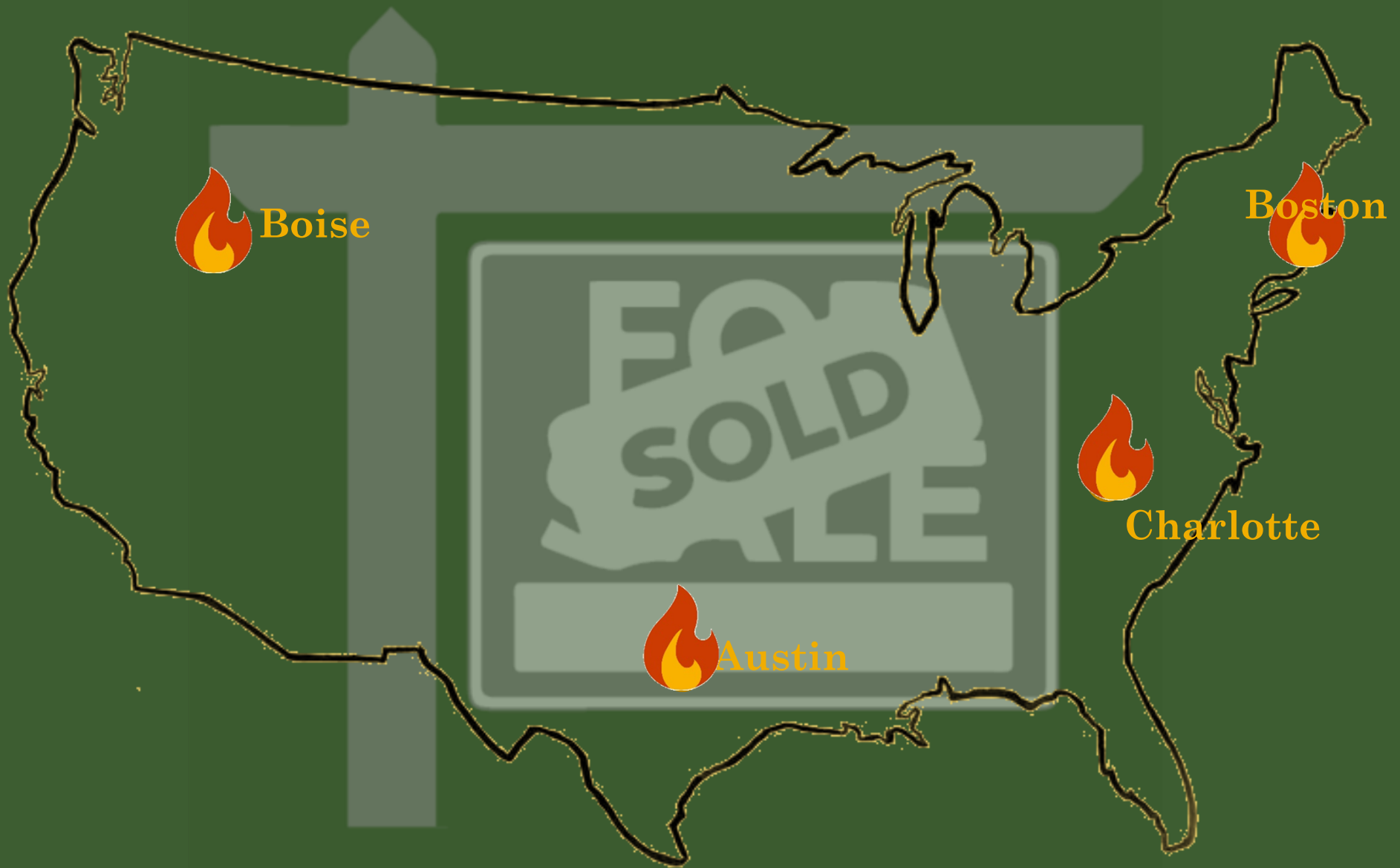
Boise



Boston



Austin



Boise



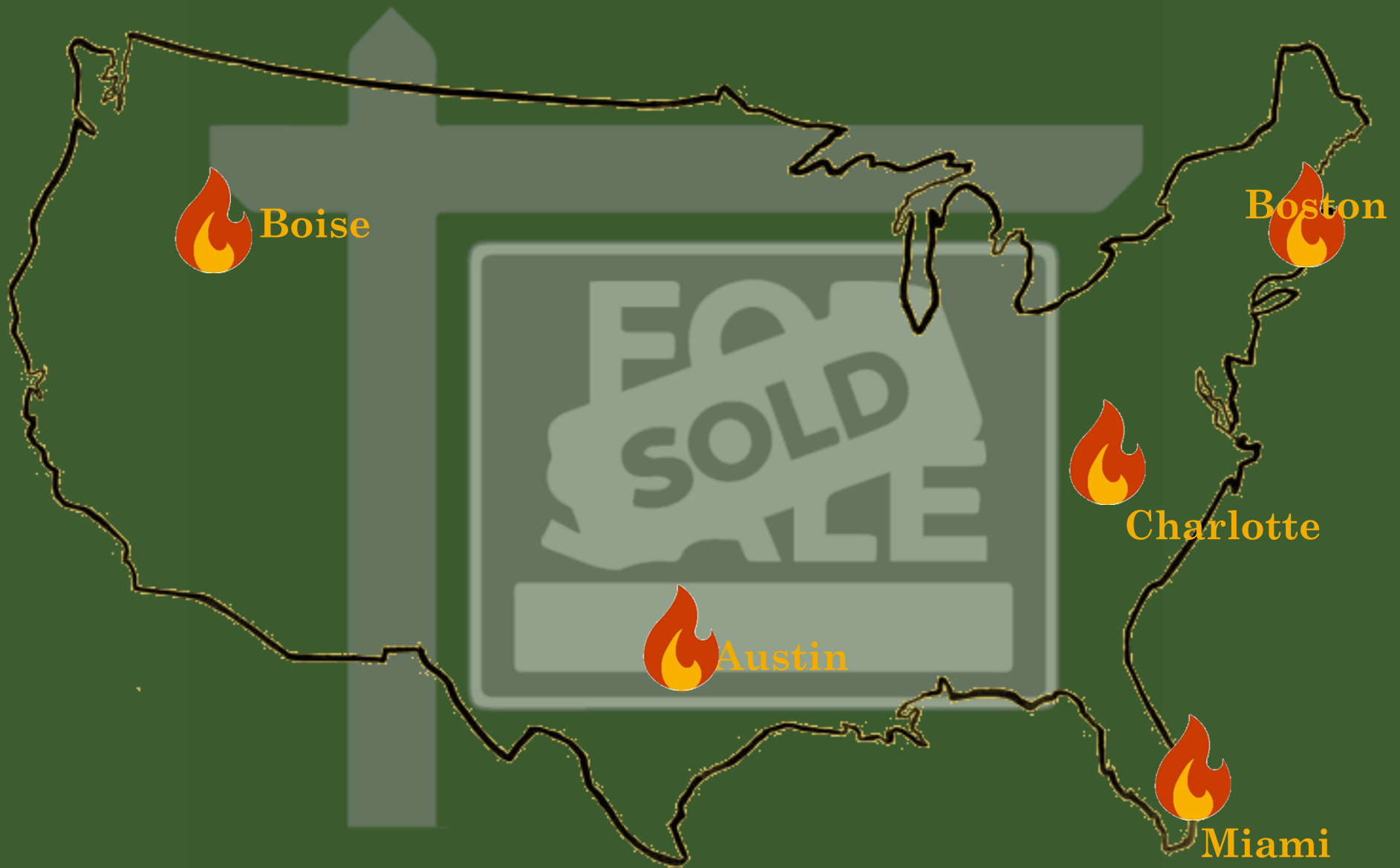
Boston

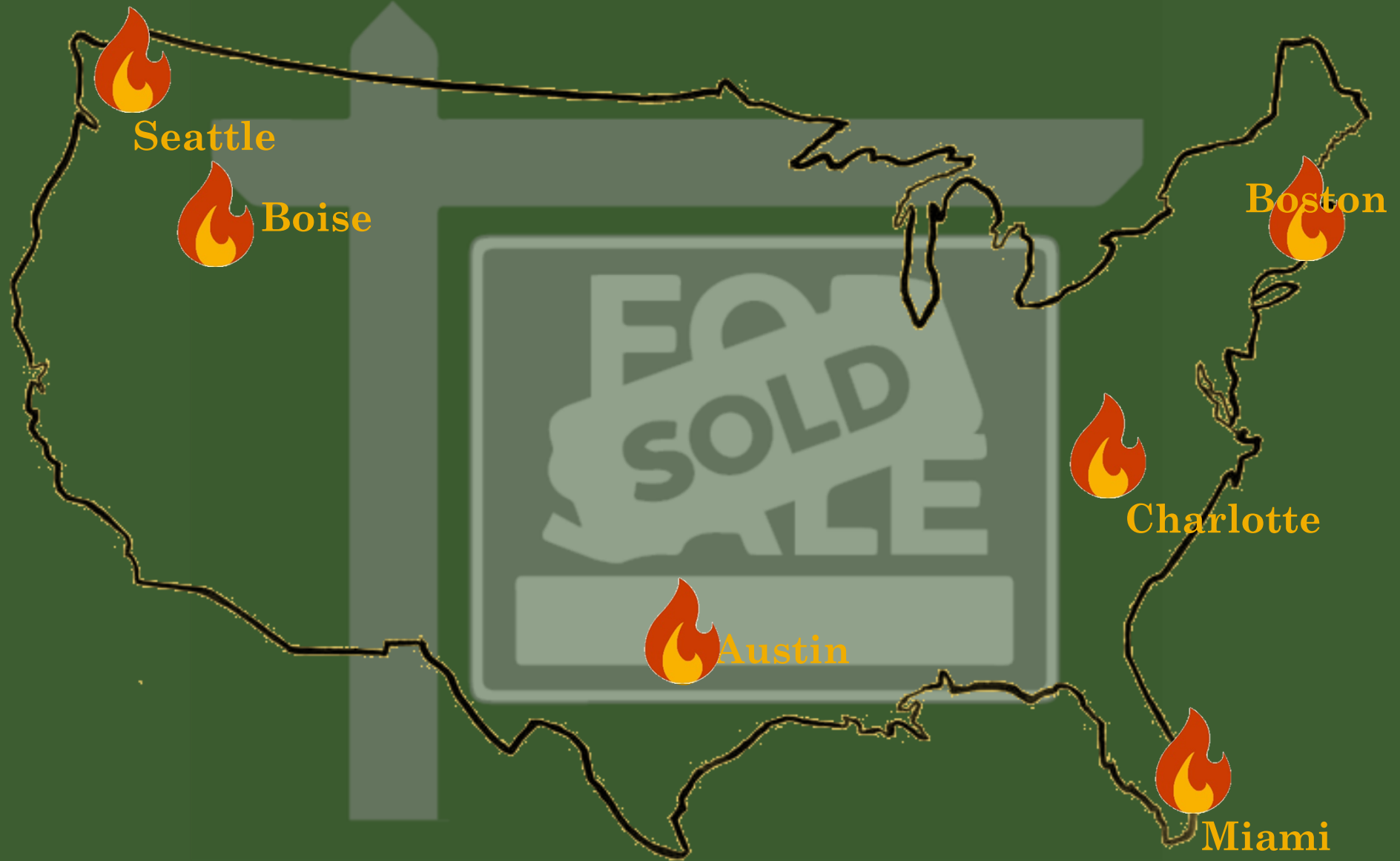


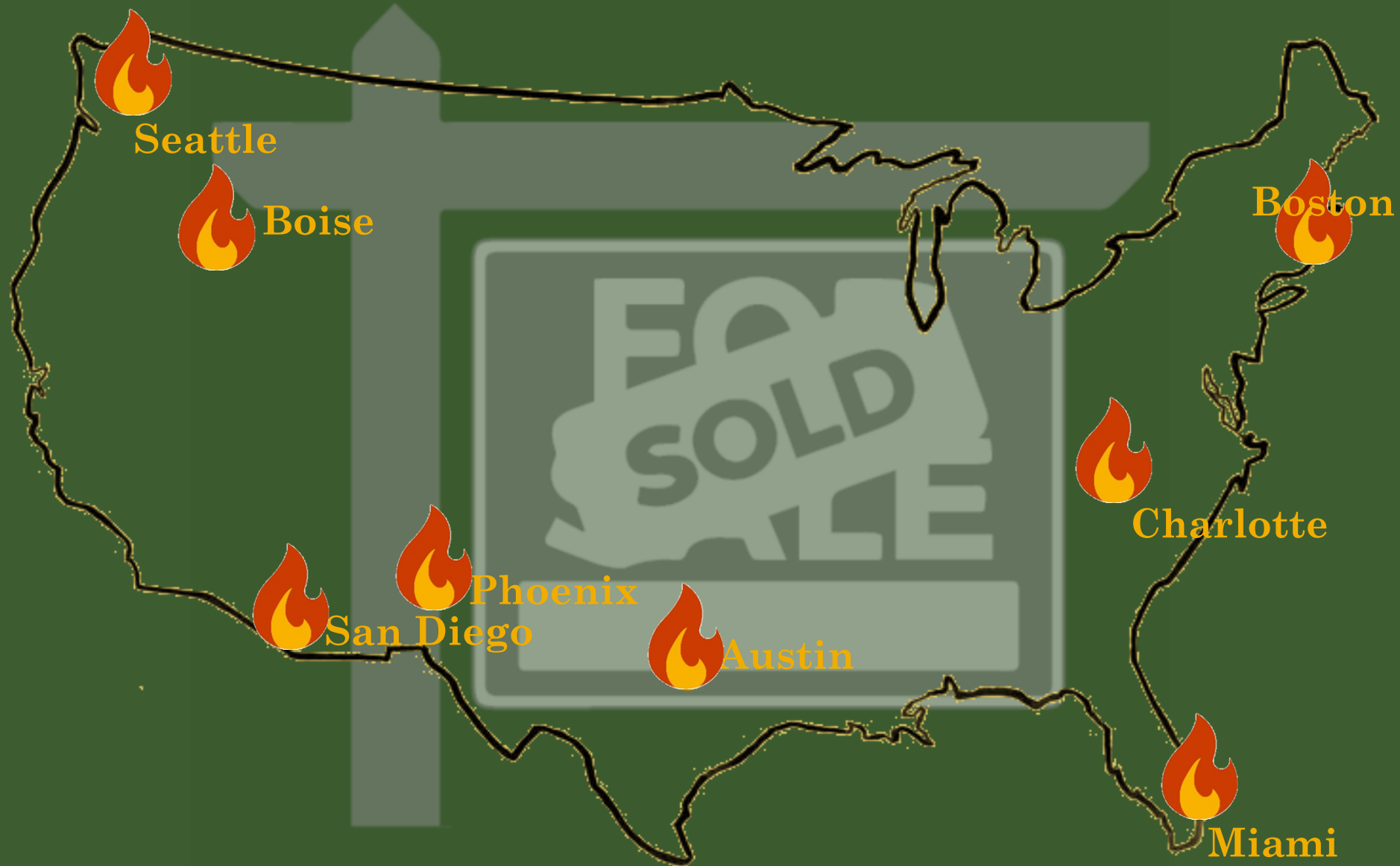
Charlotte

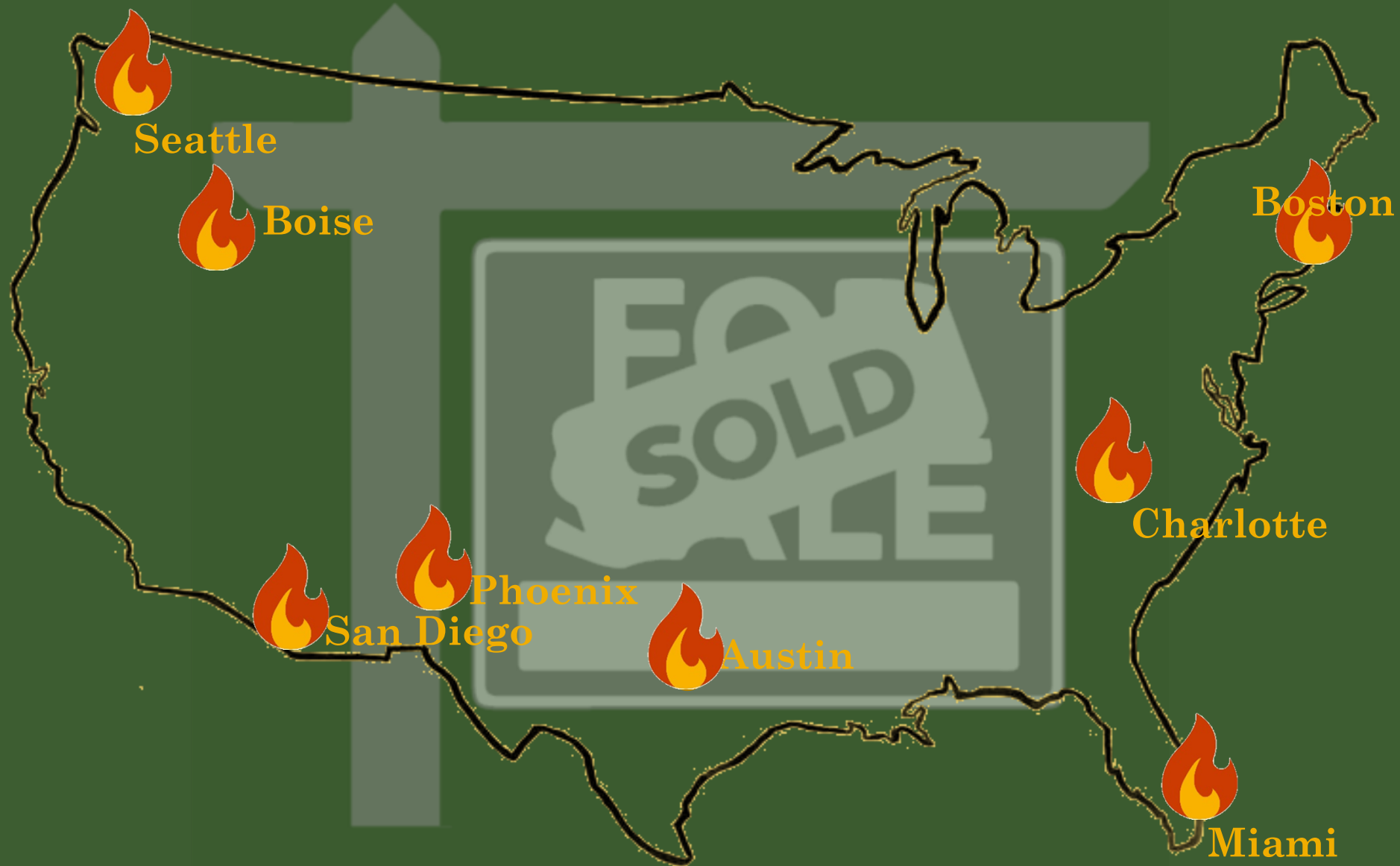


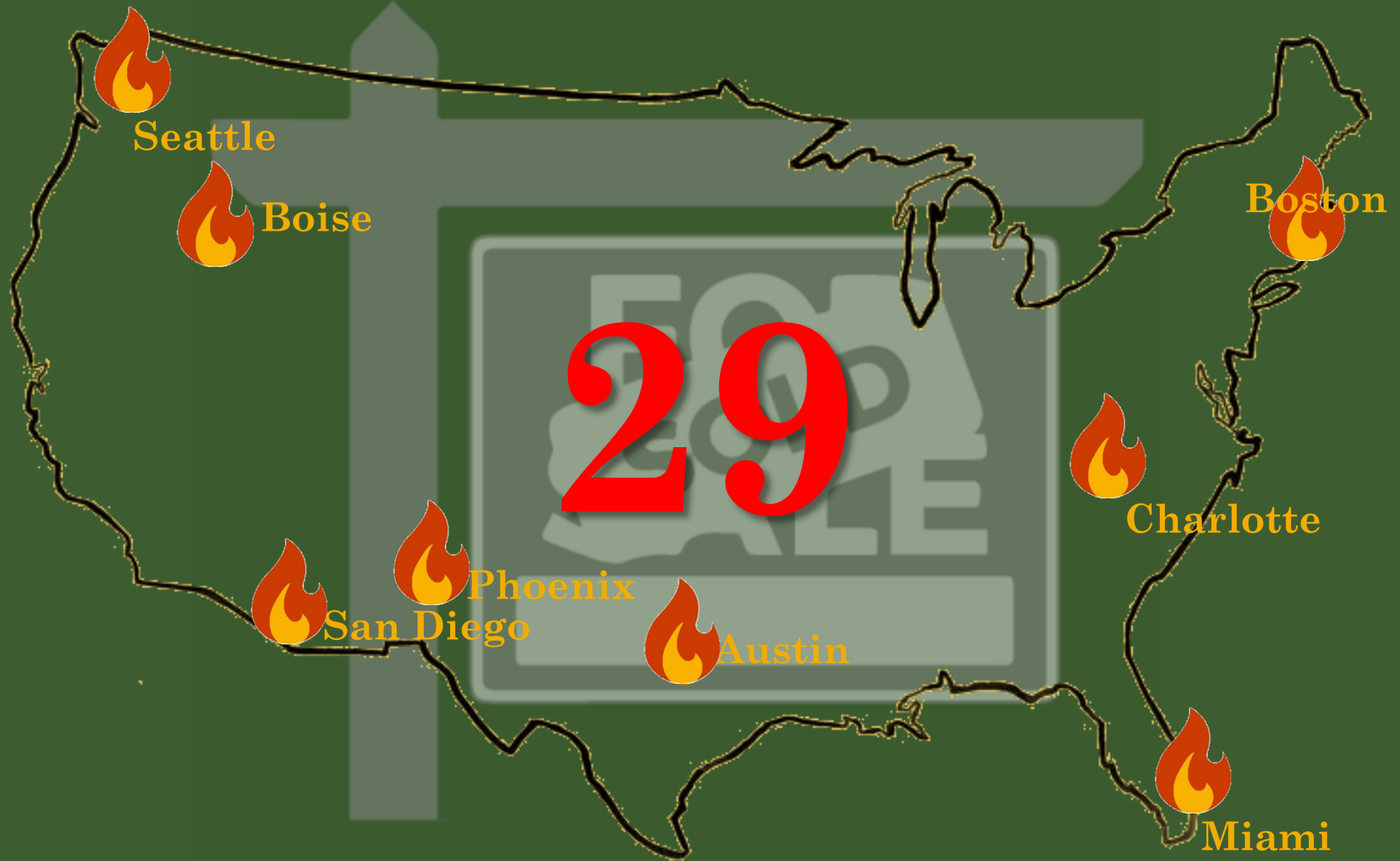
Austin



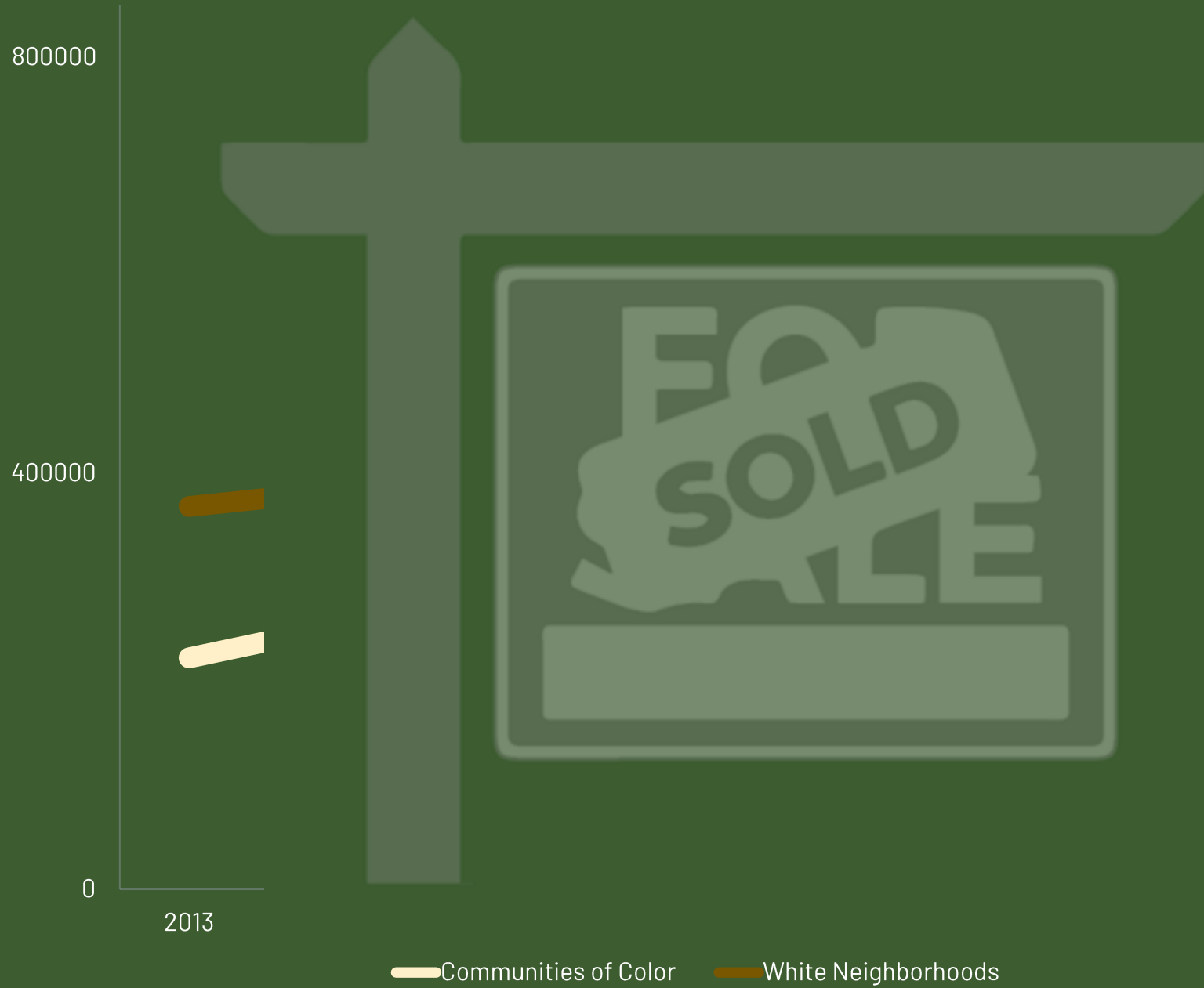


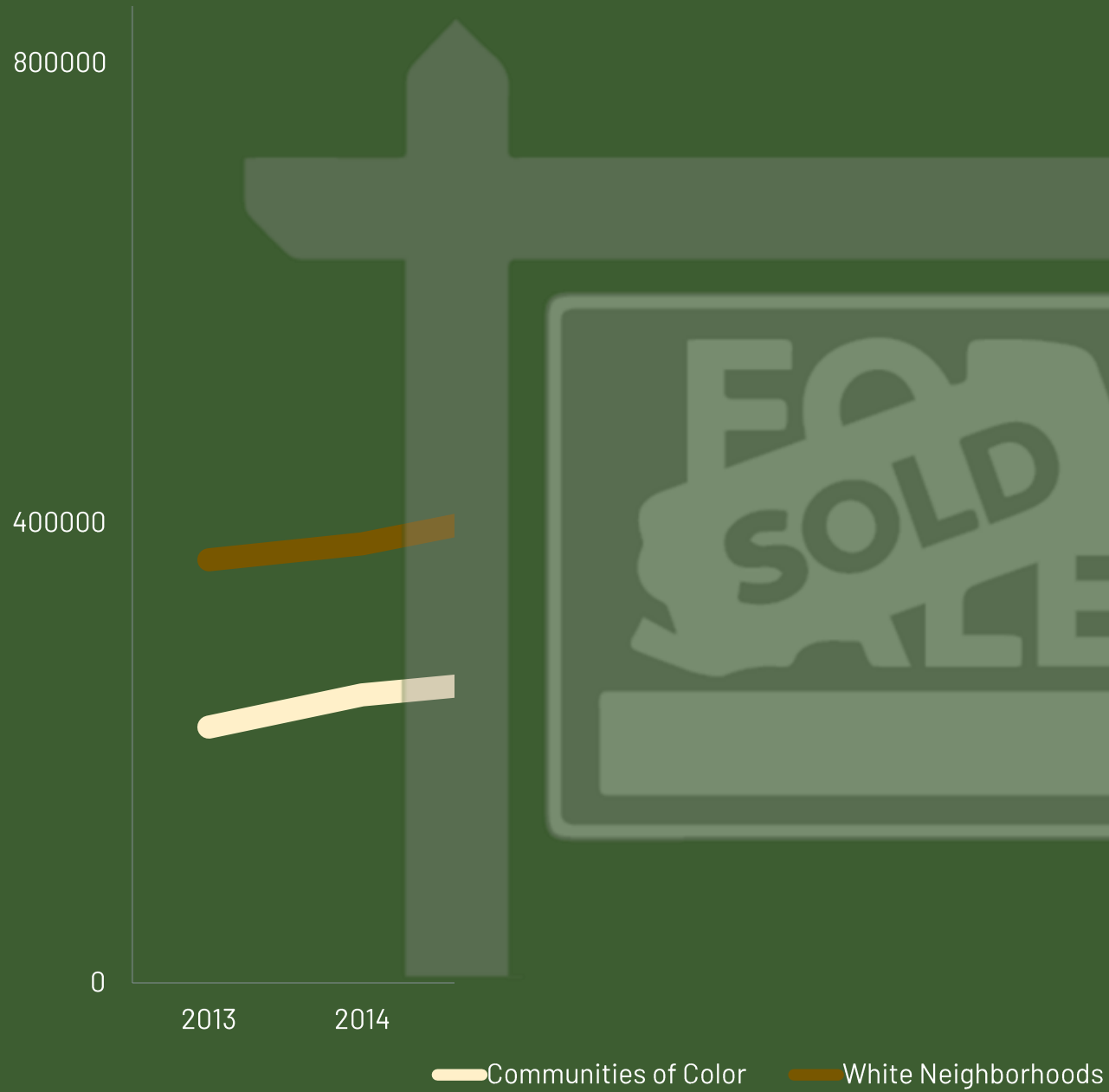


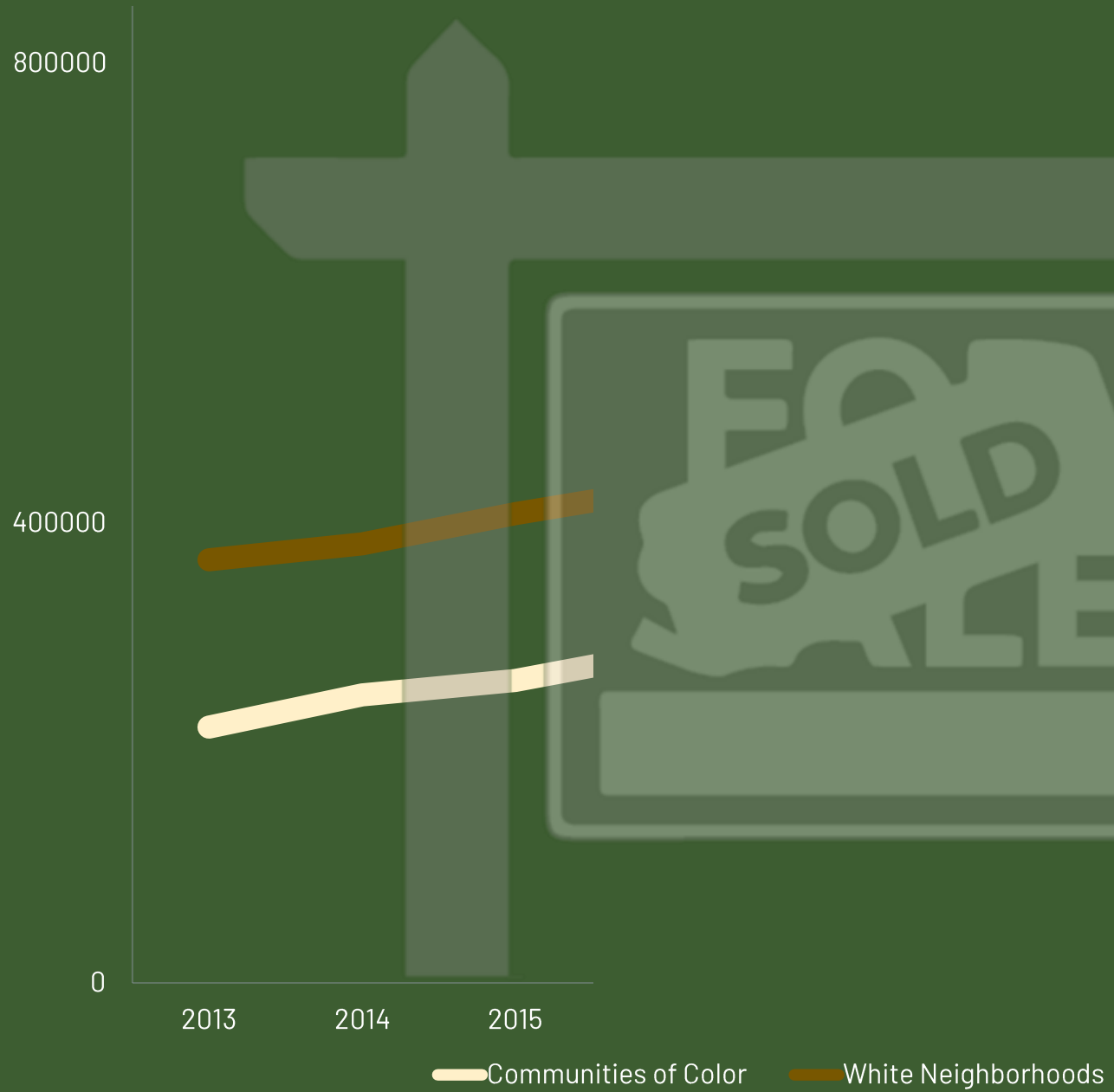


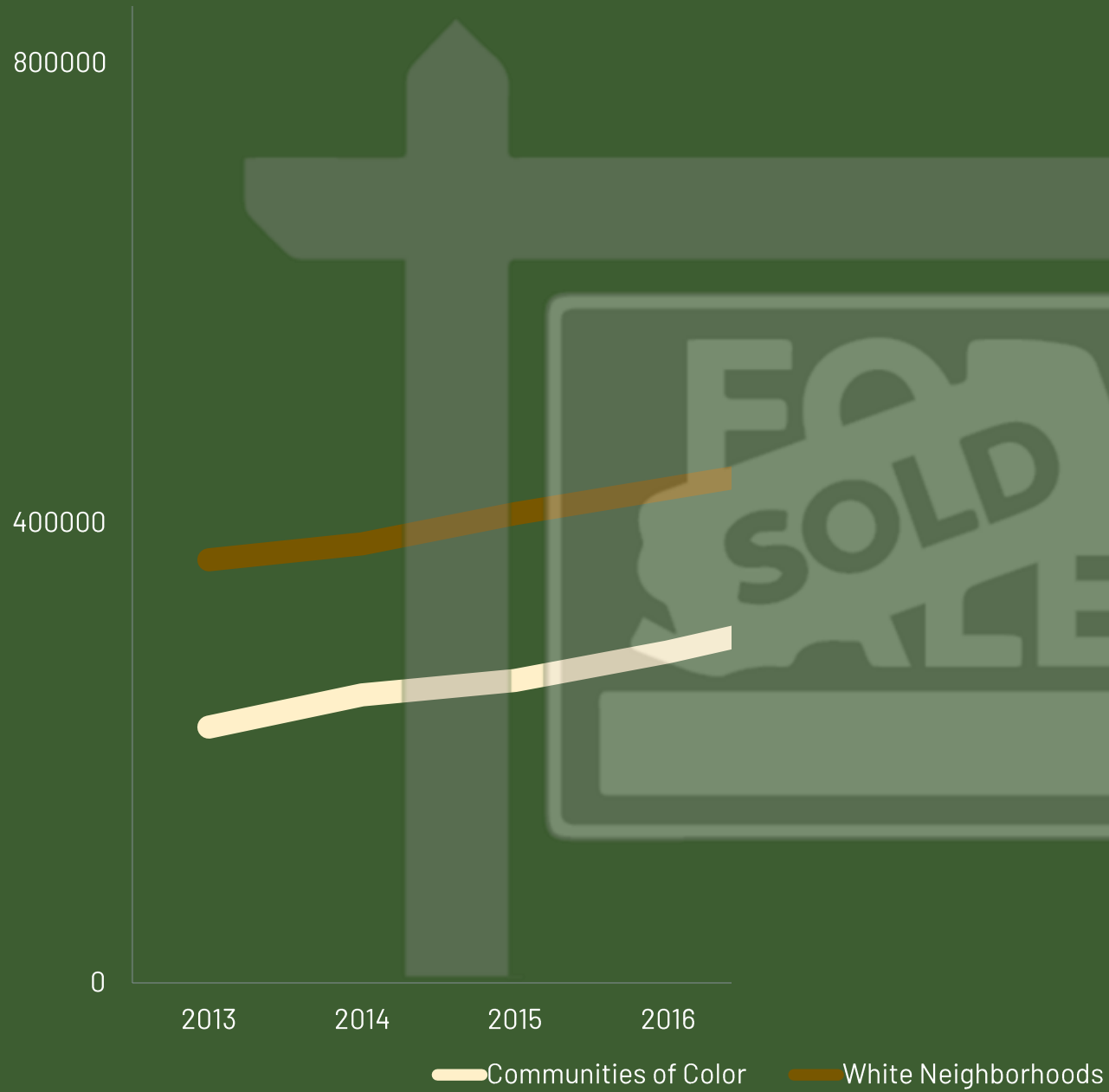


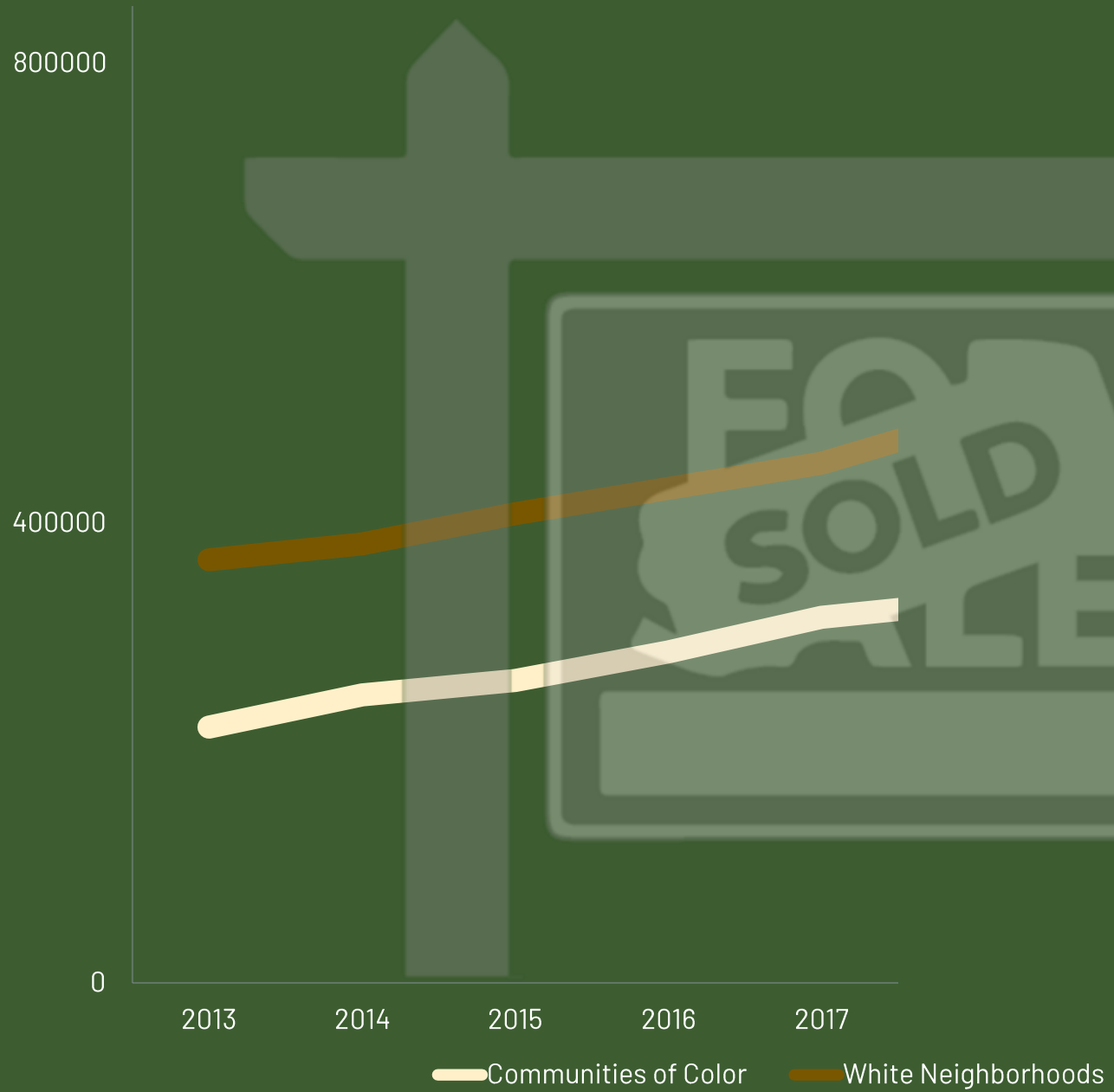


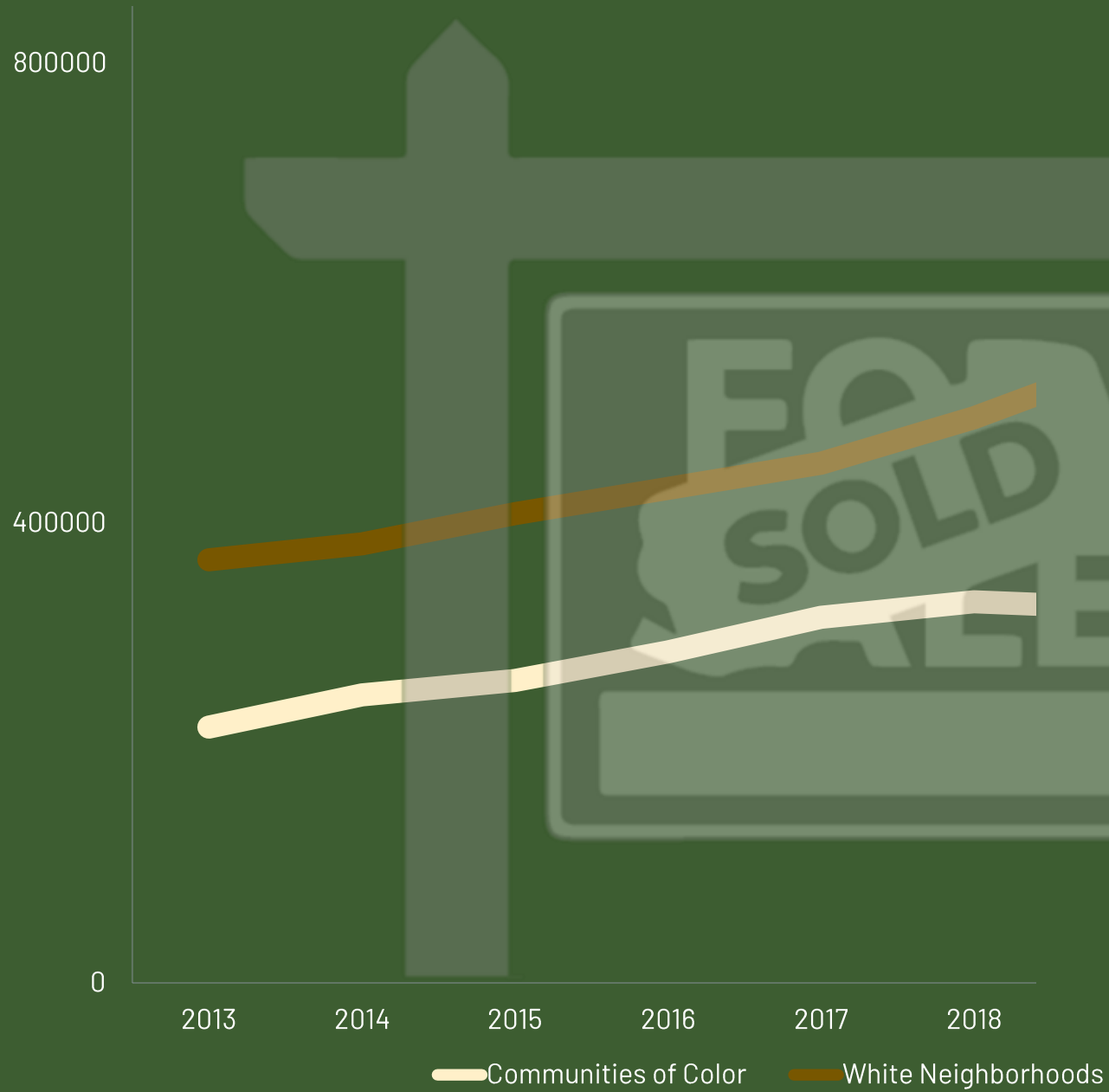


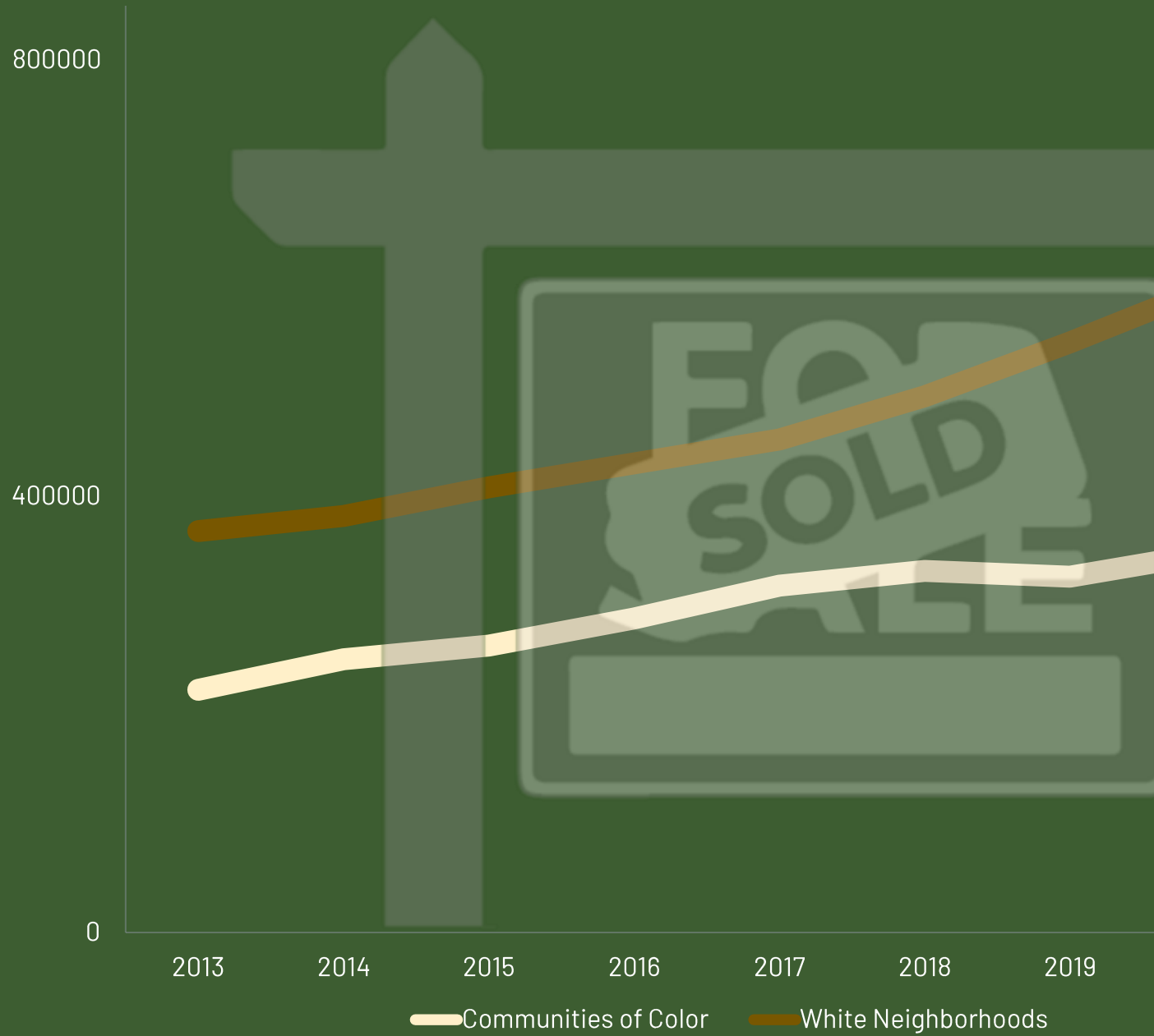


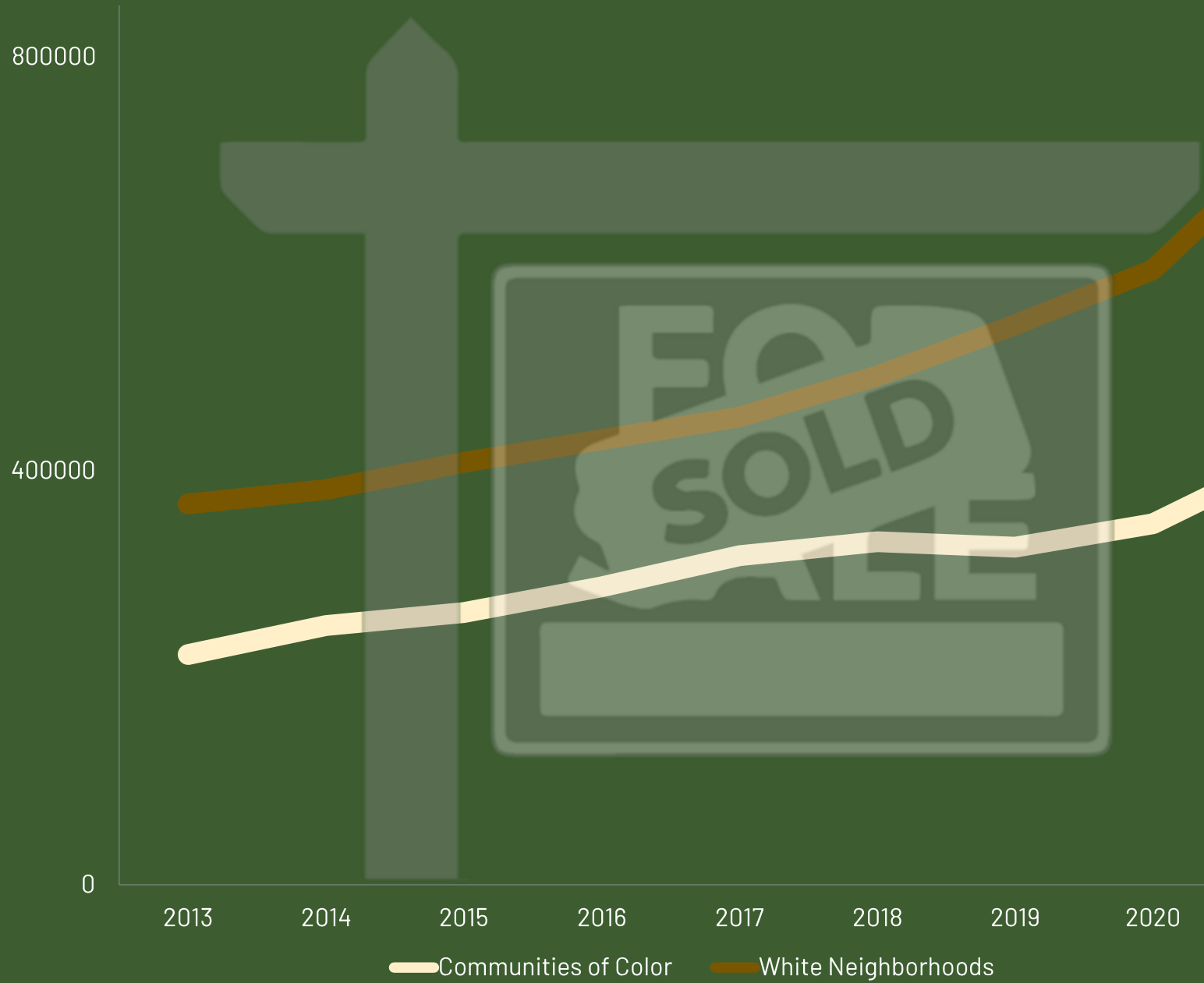


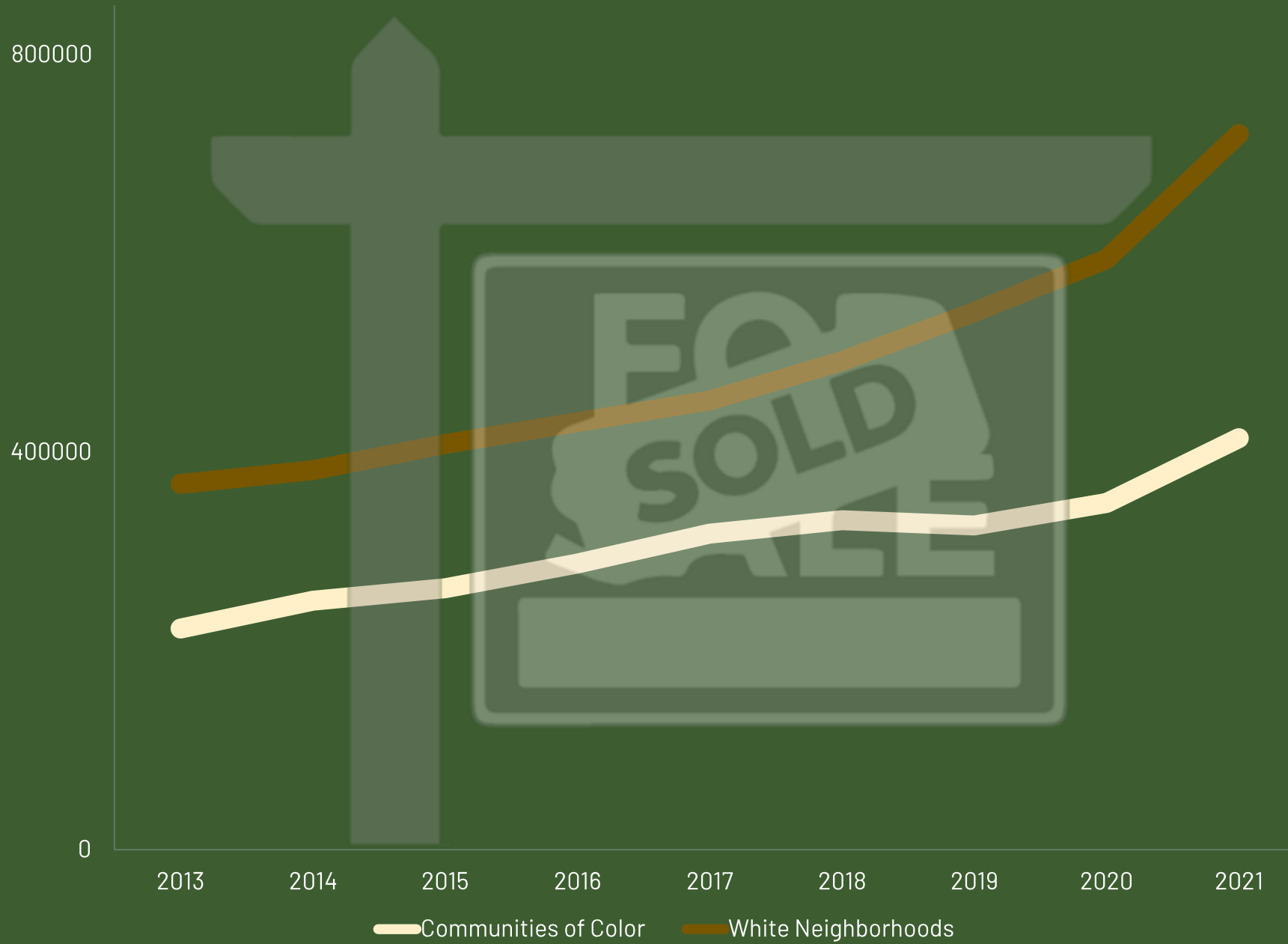


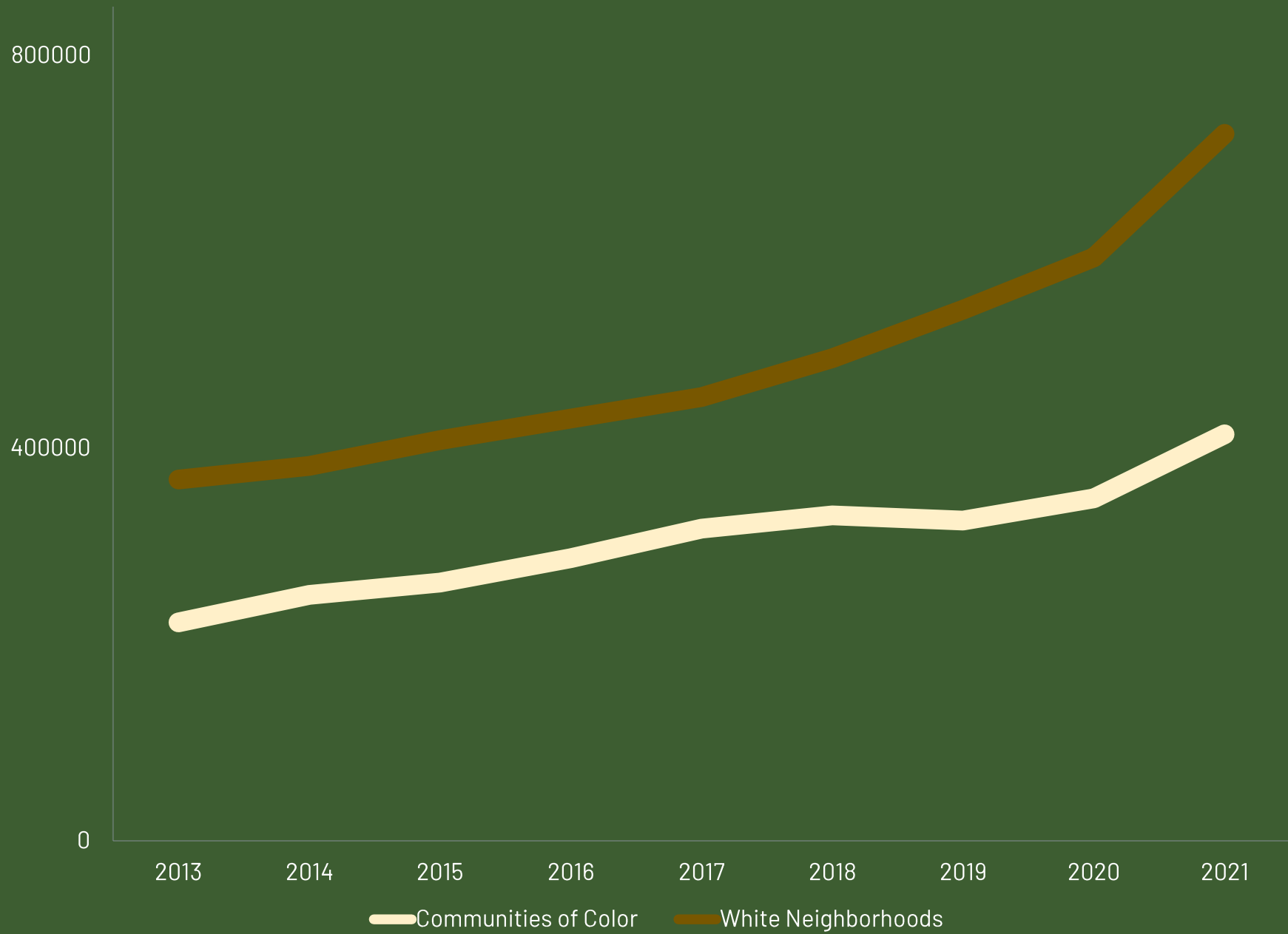




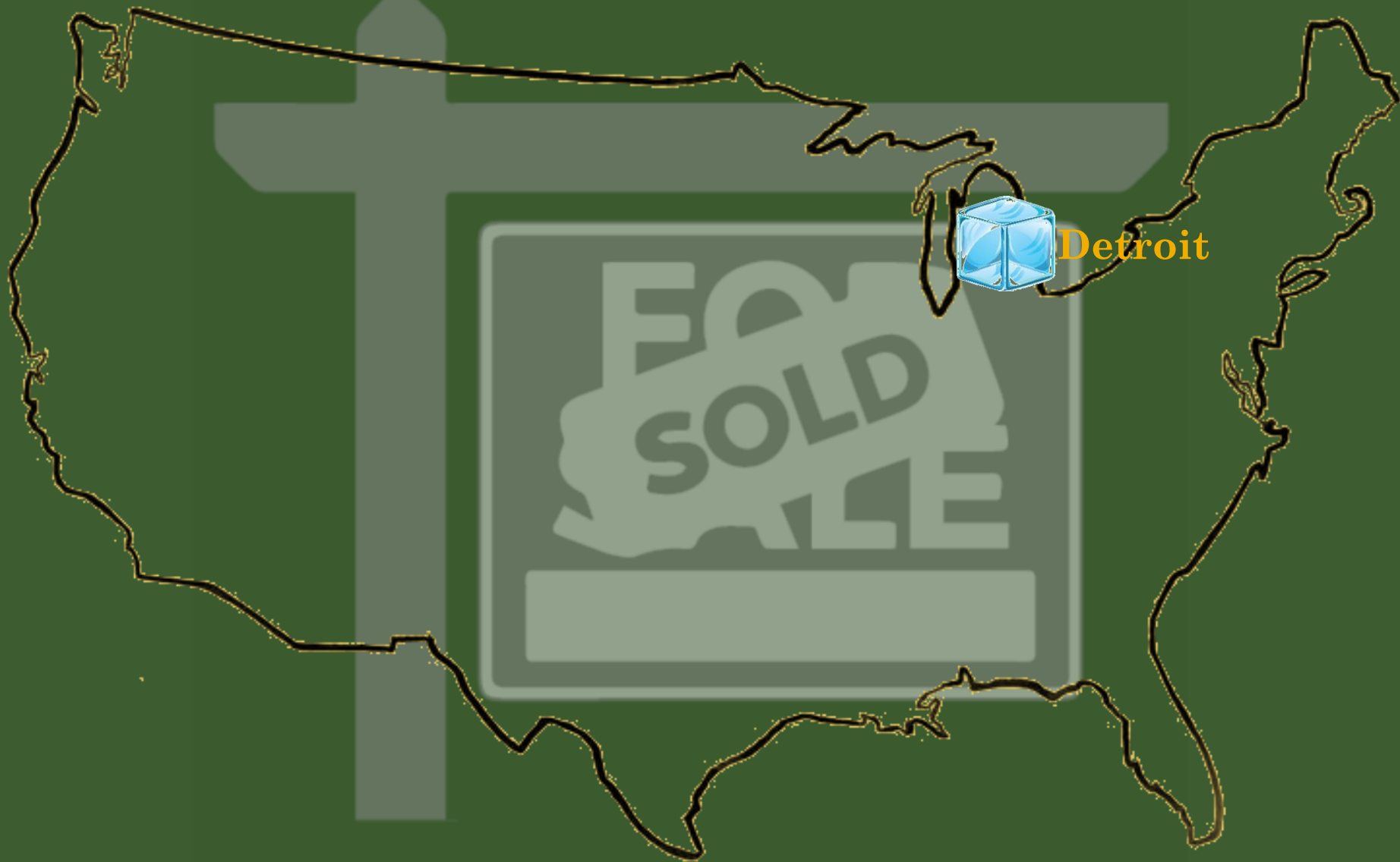


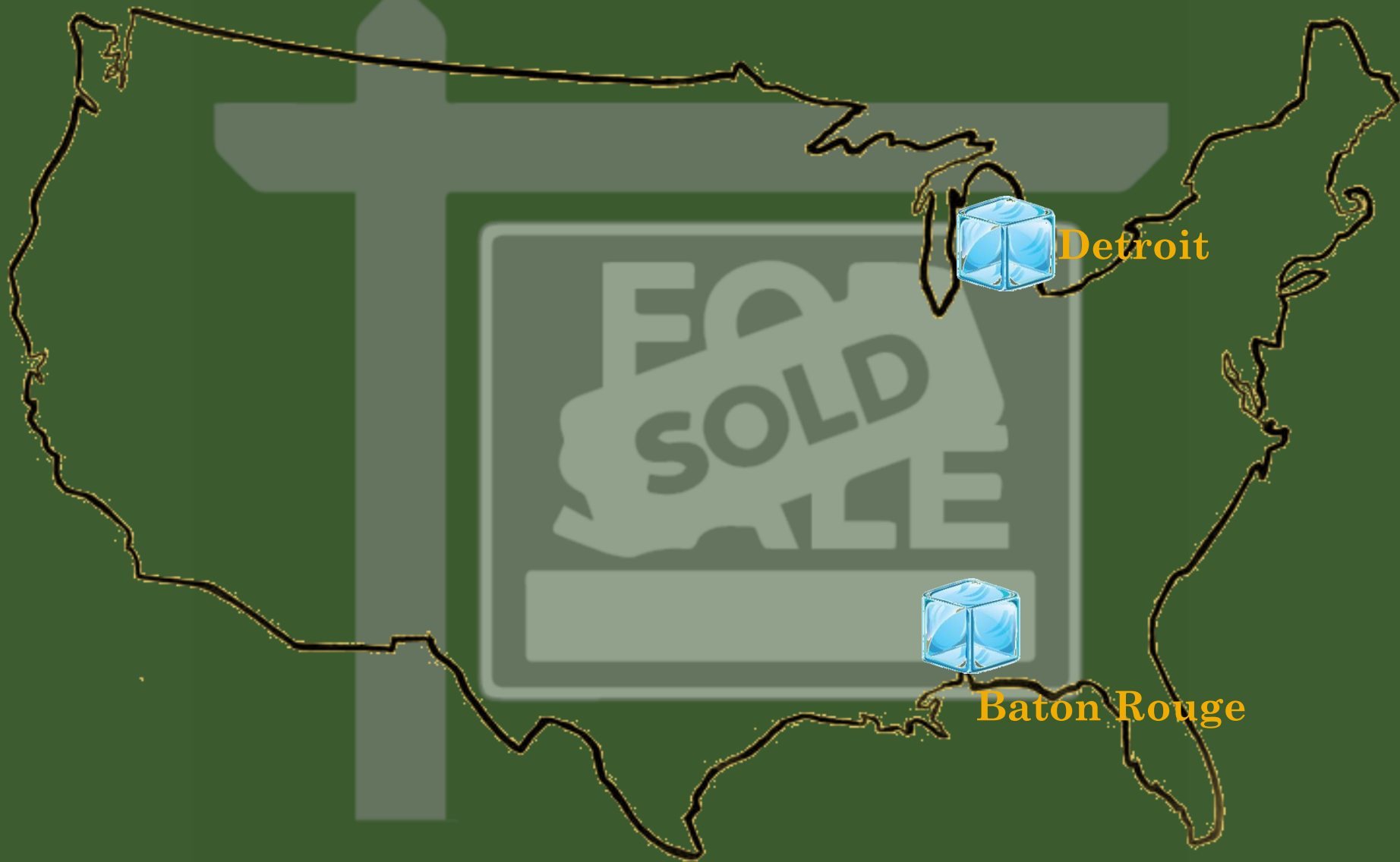


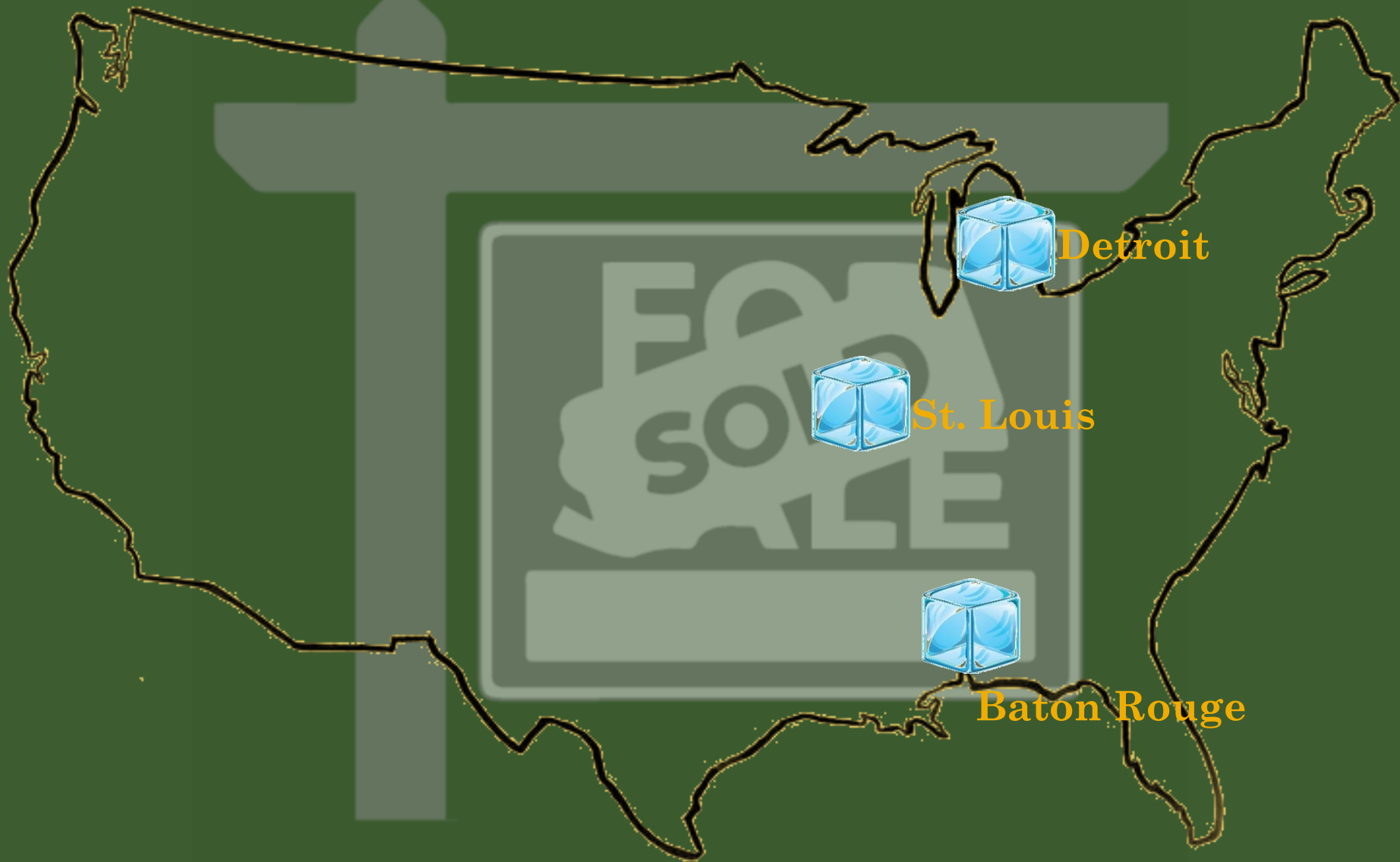


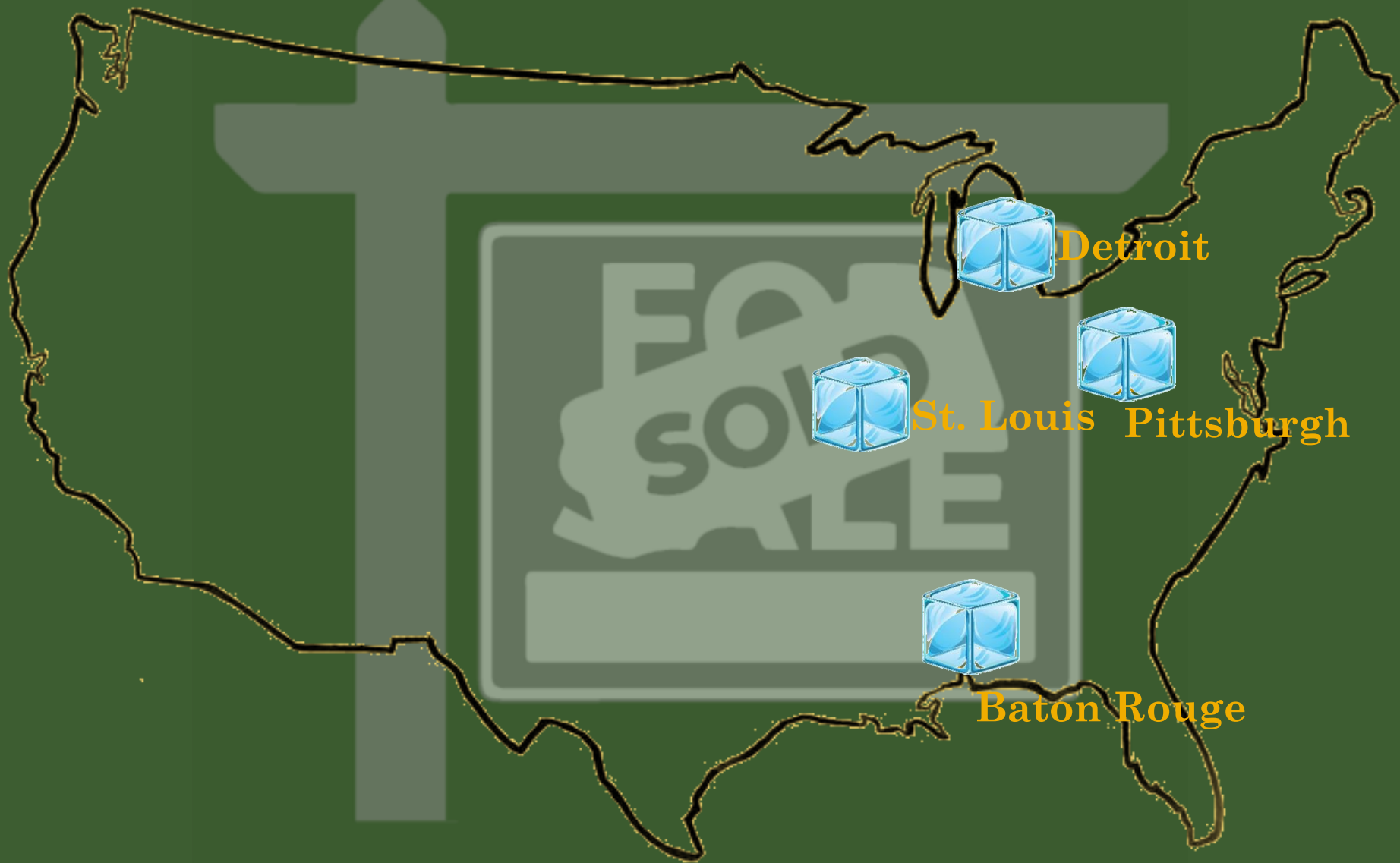


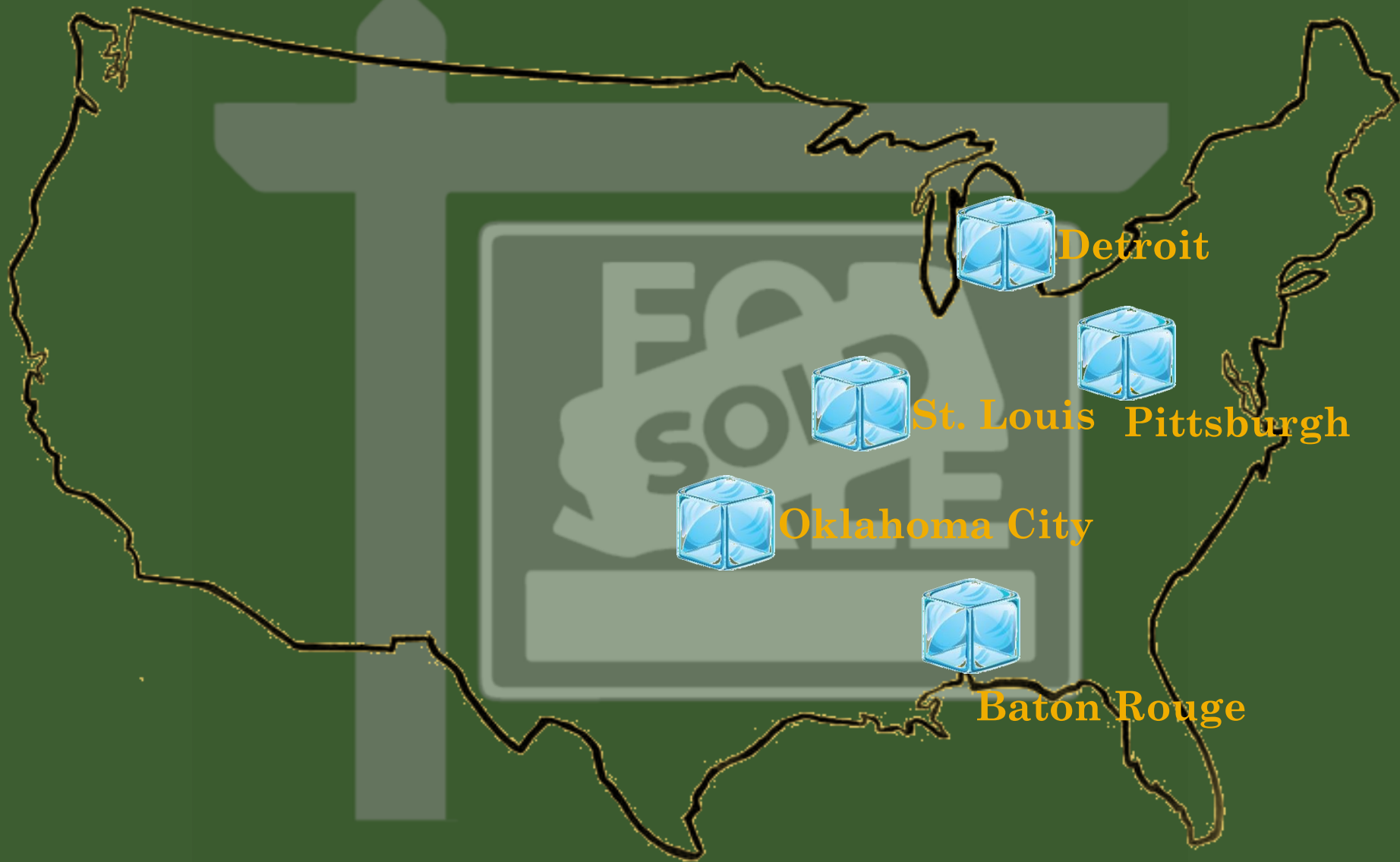












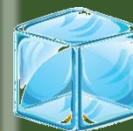
16



Detroit



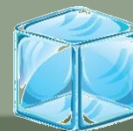
St. Louis



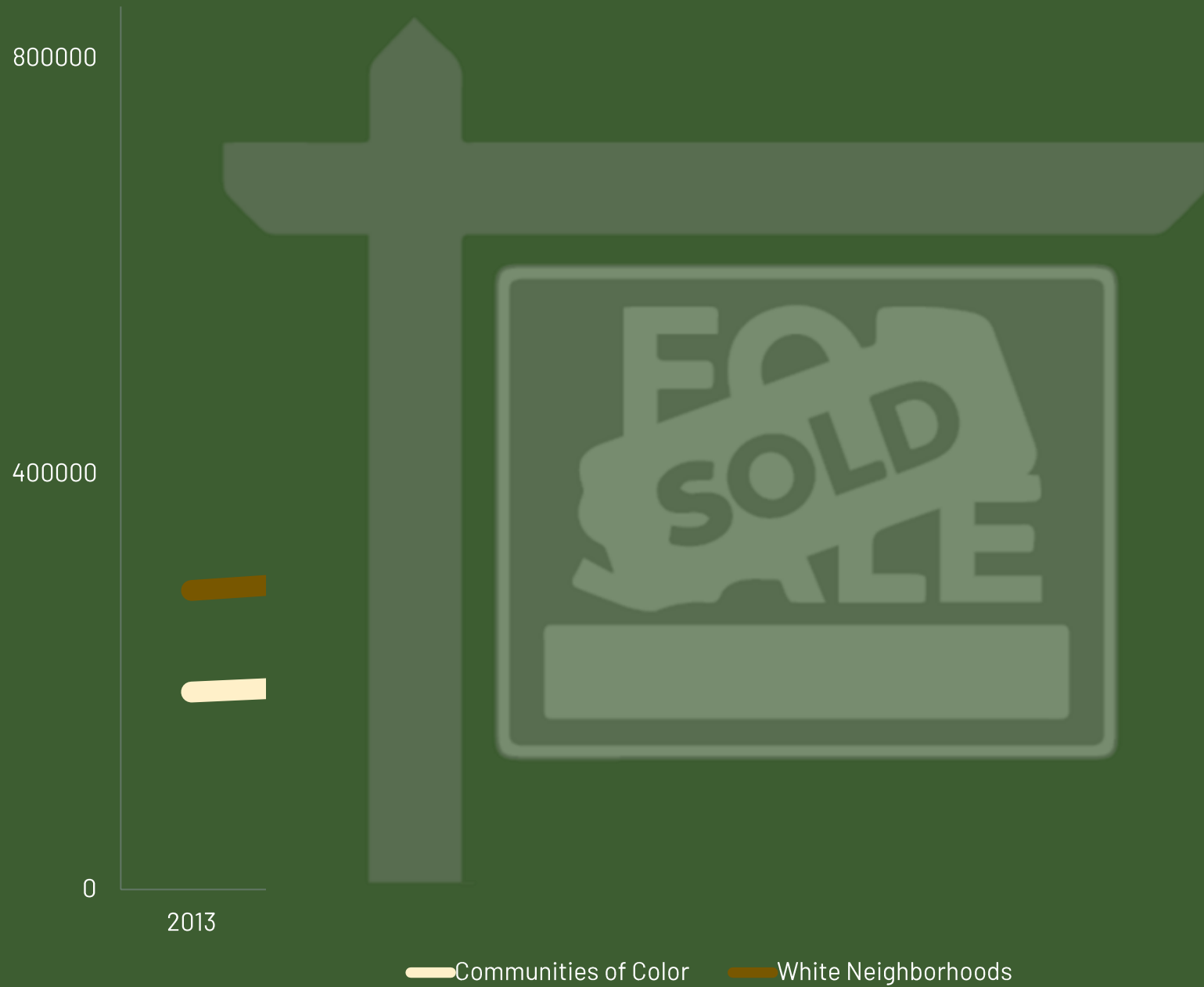
Pittsburgh

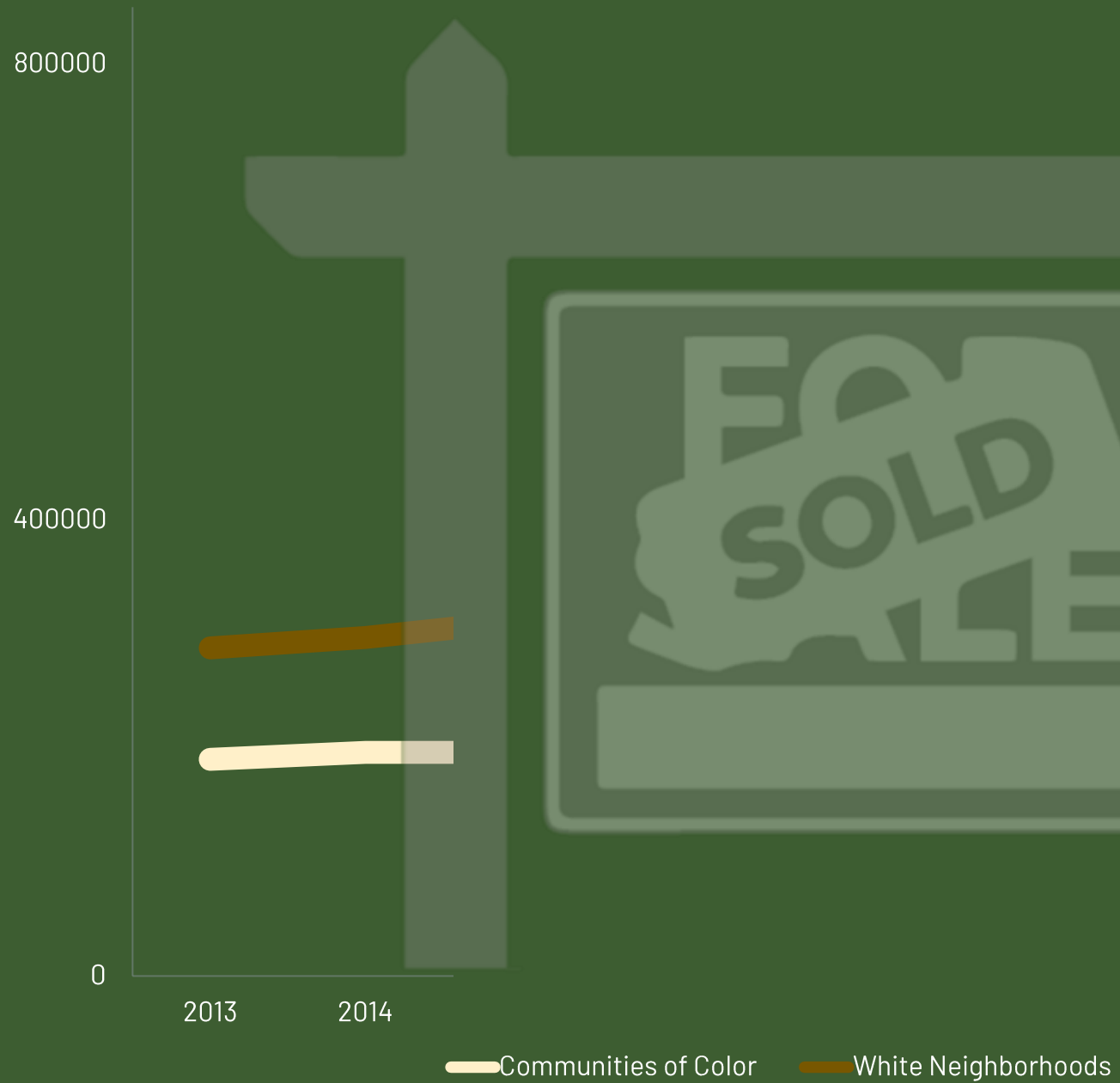


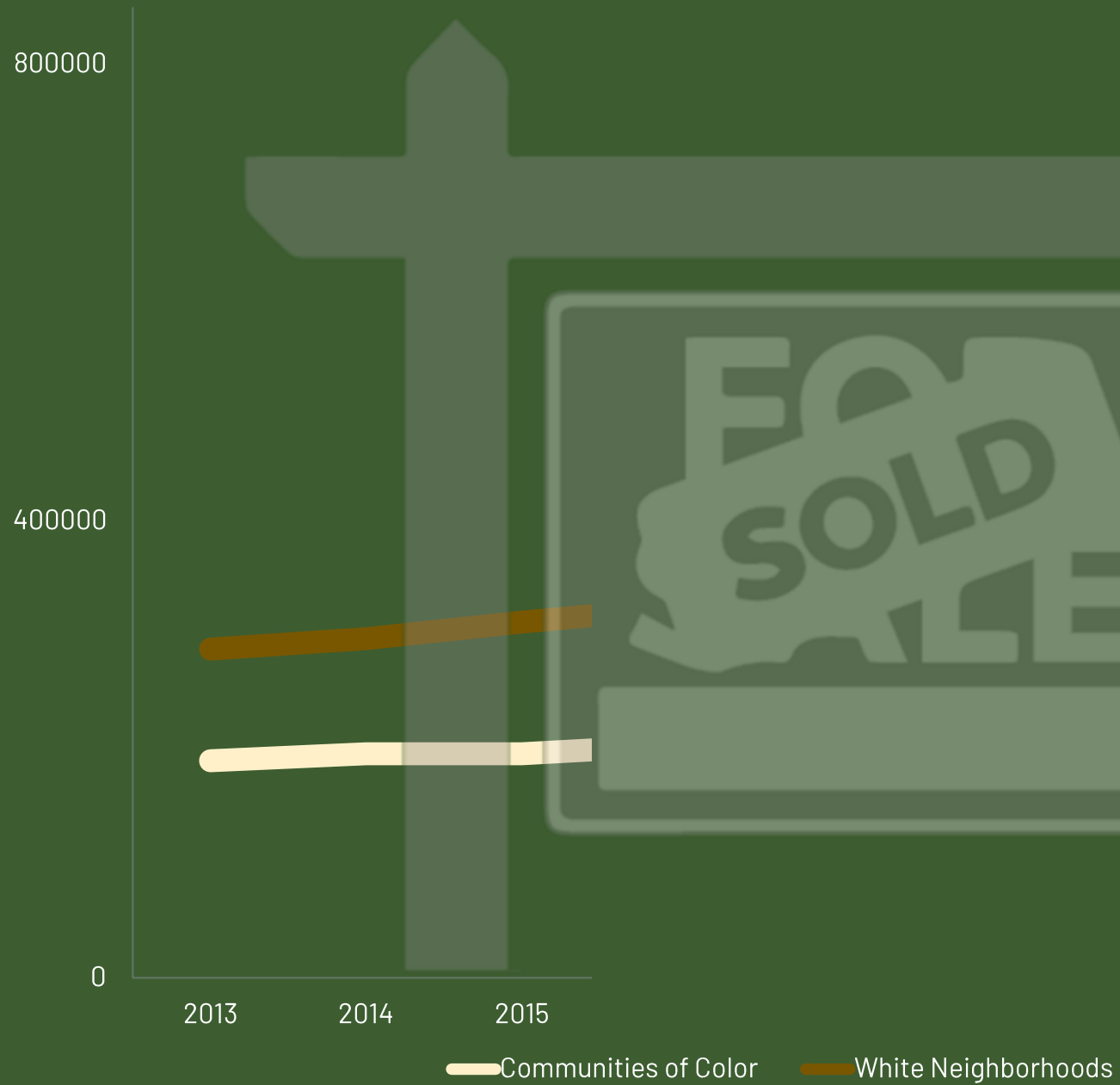
Oklahoma City

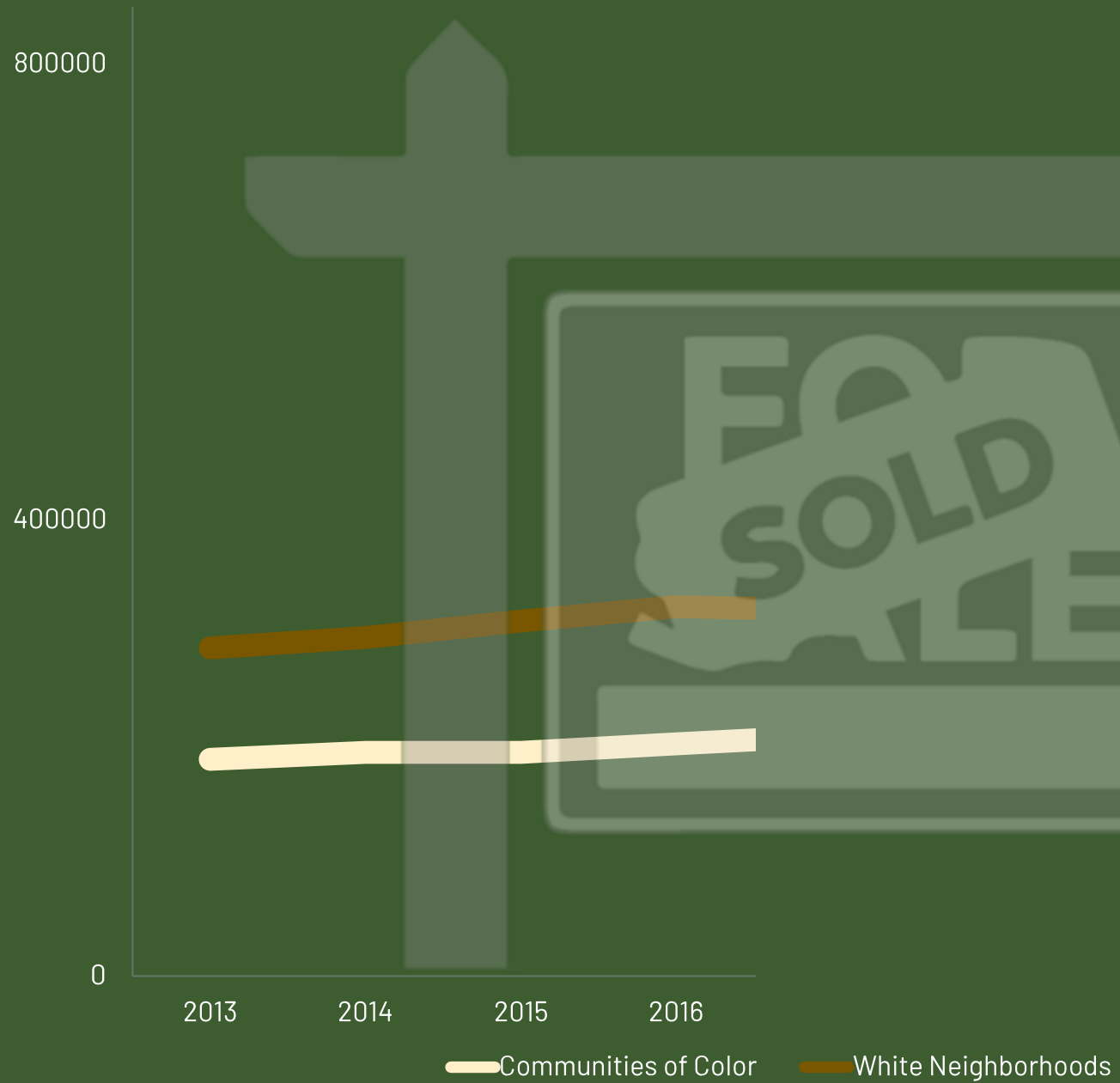


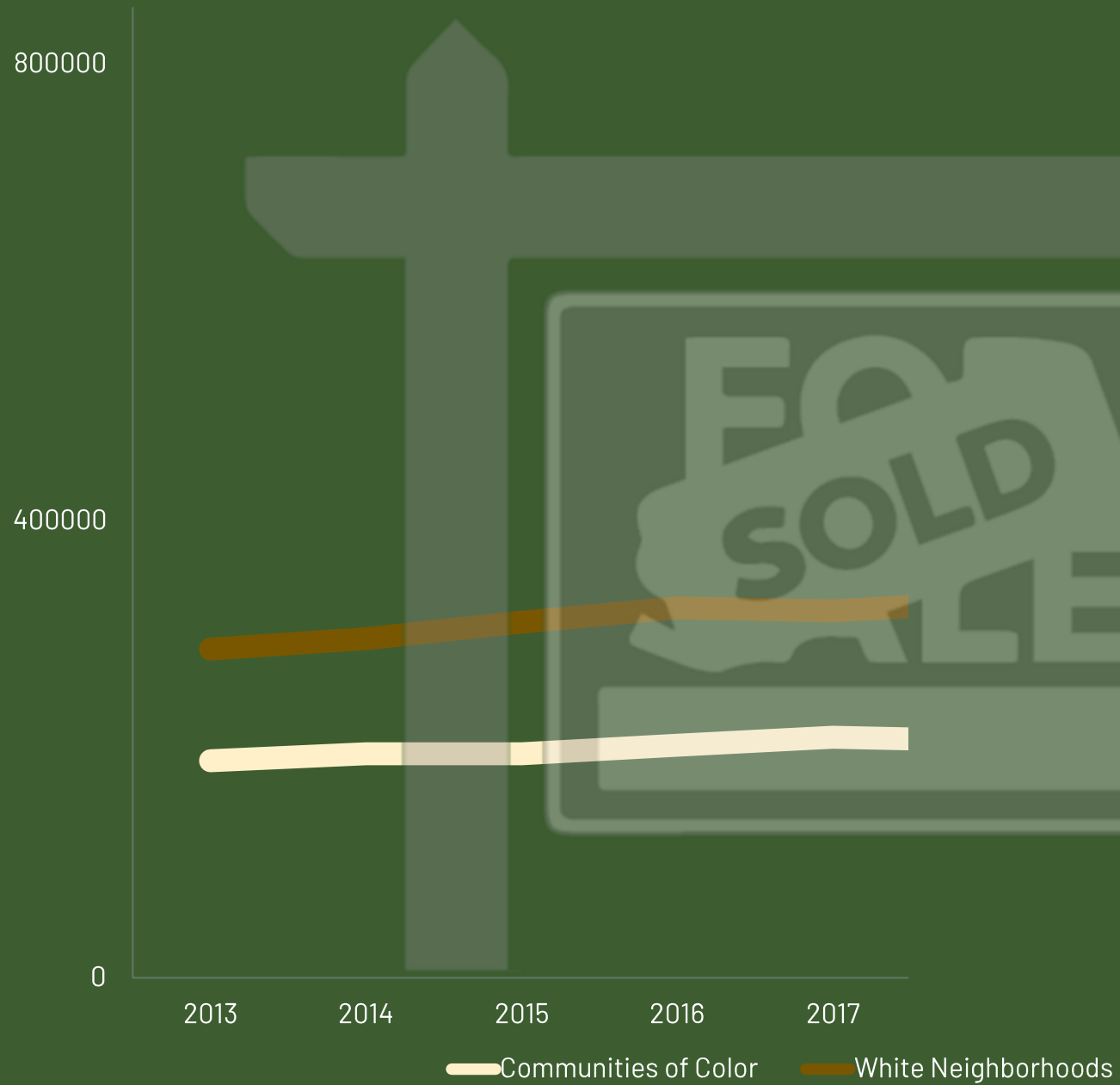
Baton Rouge

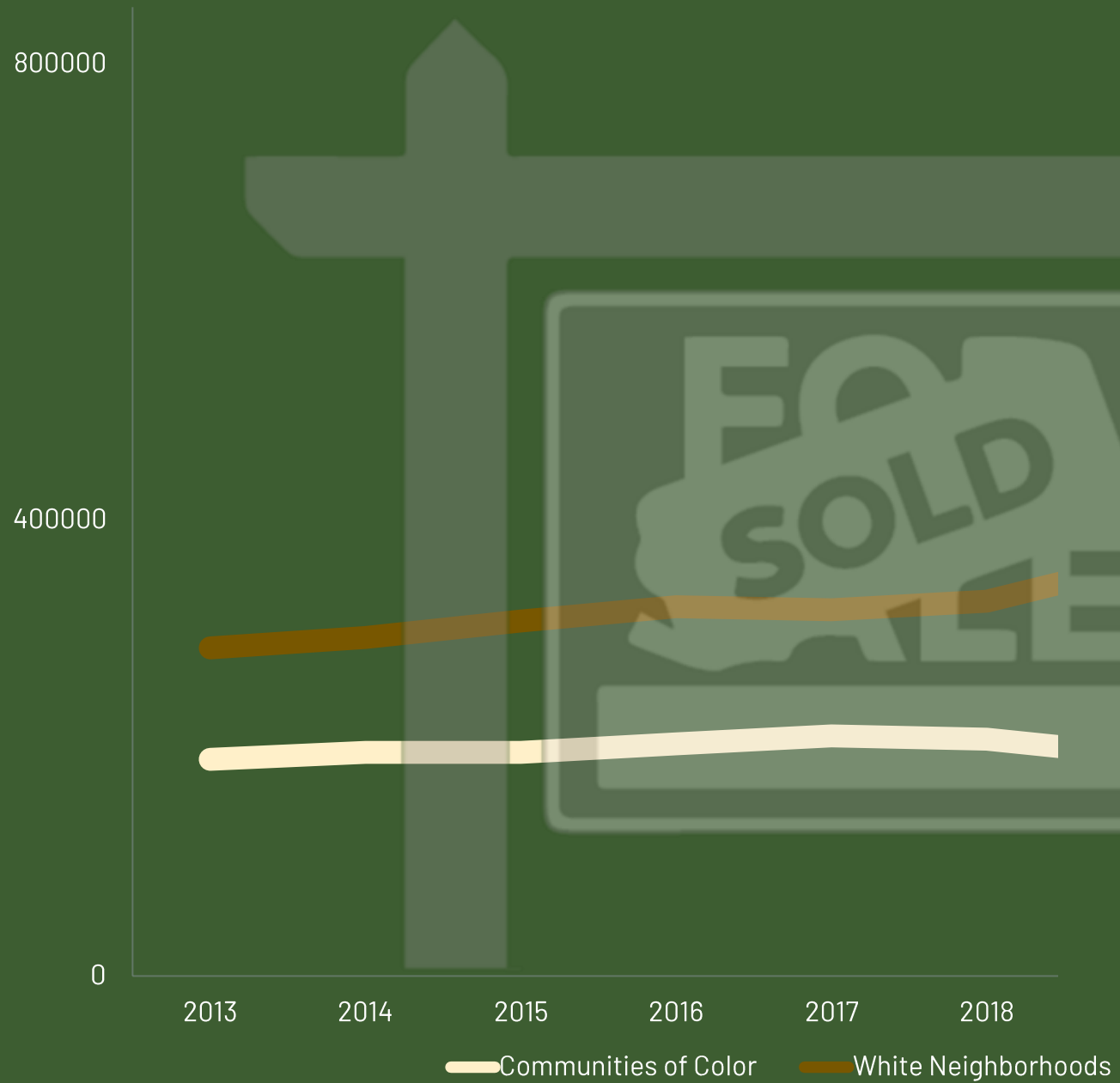


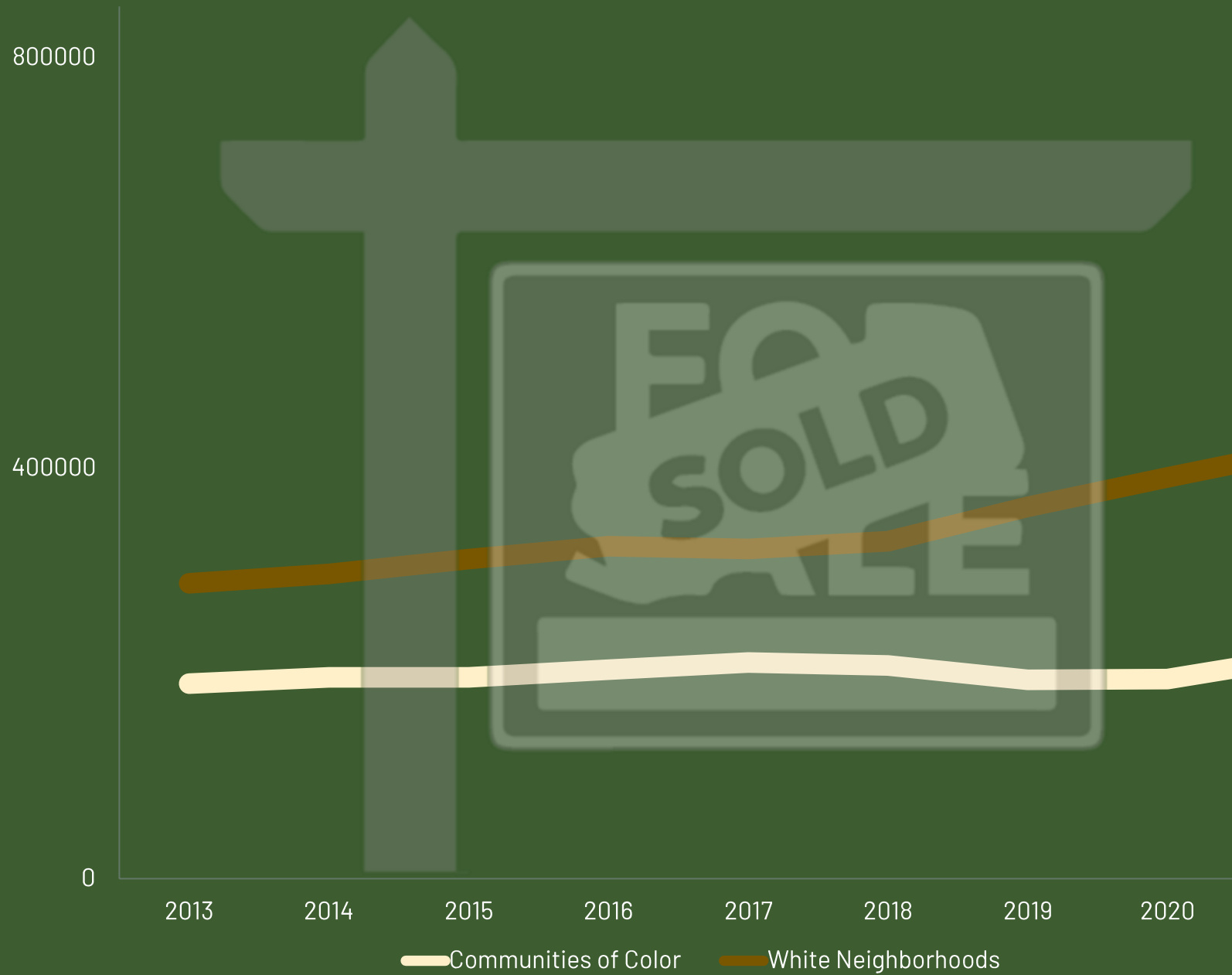


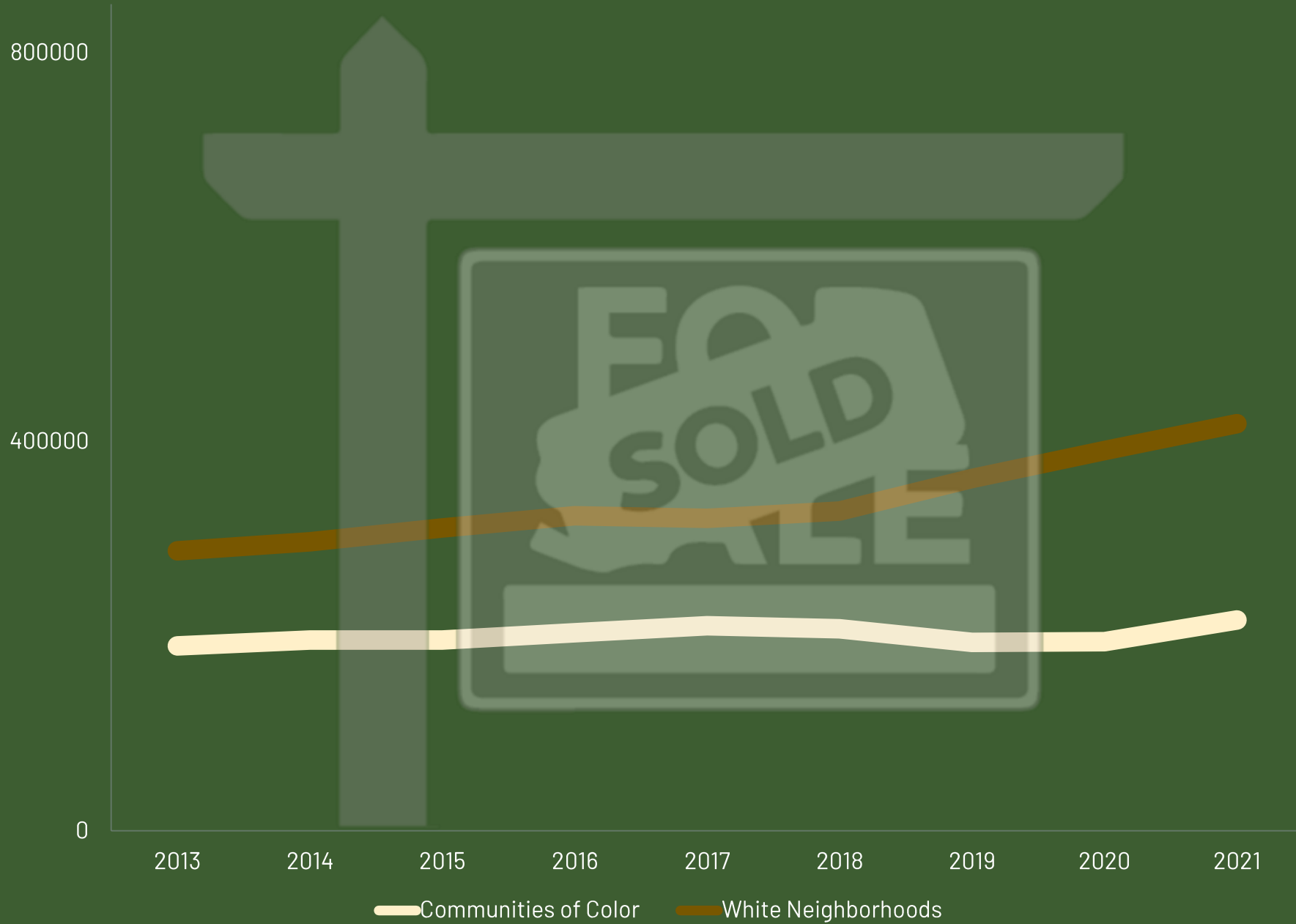


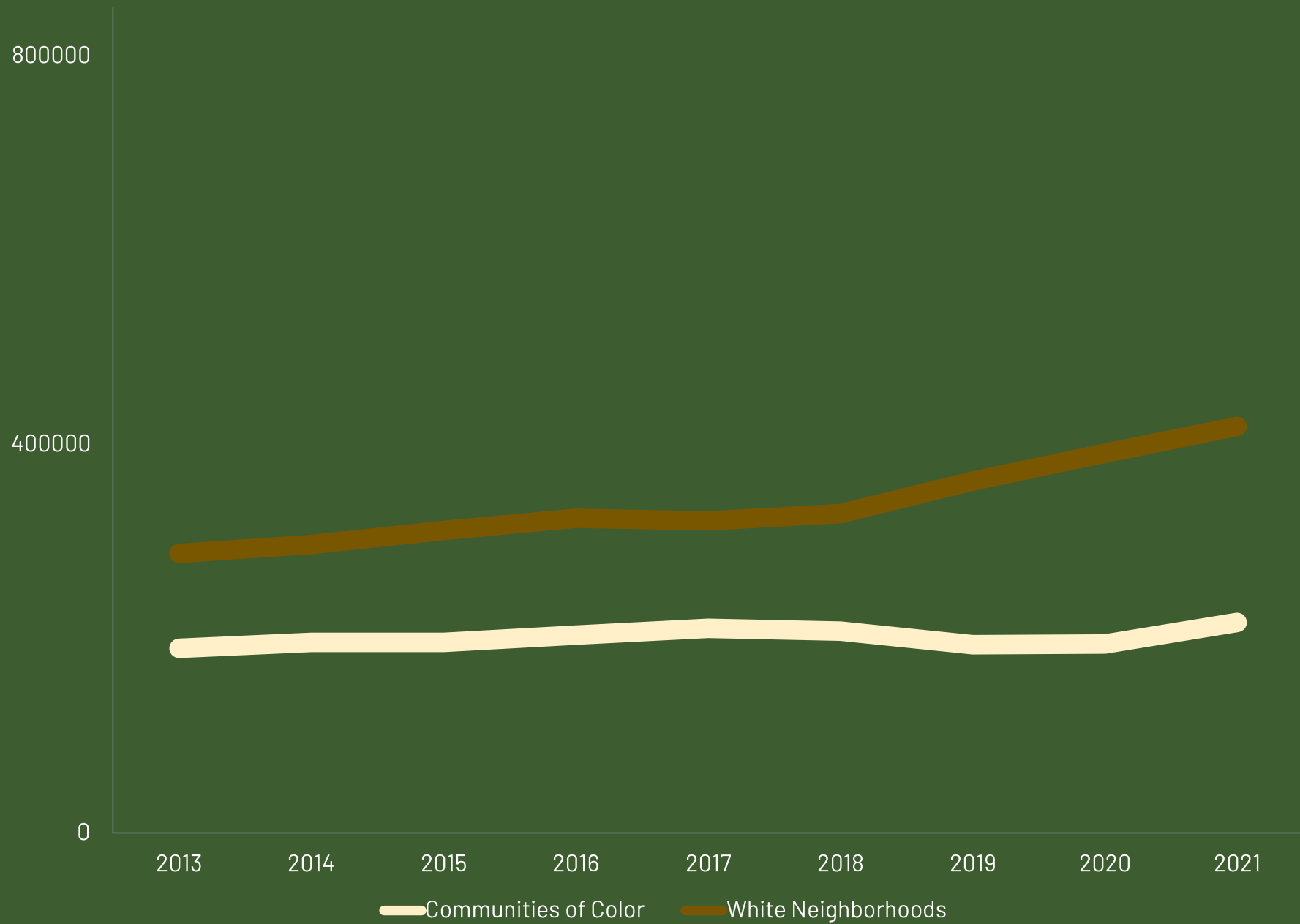


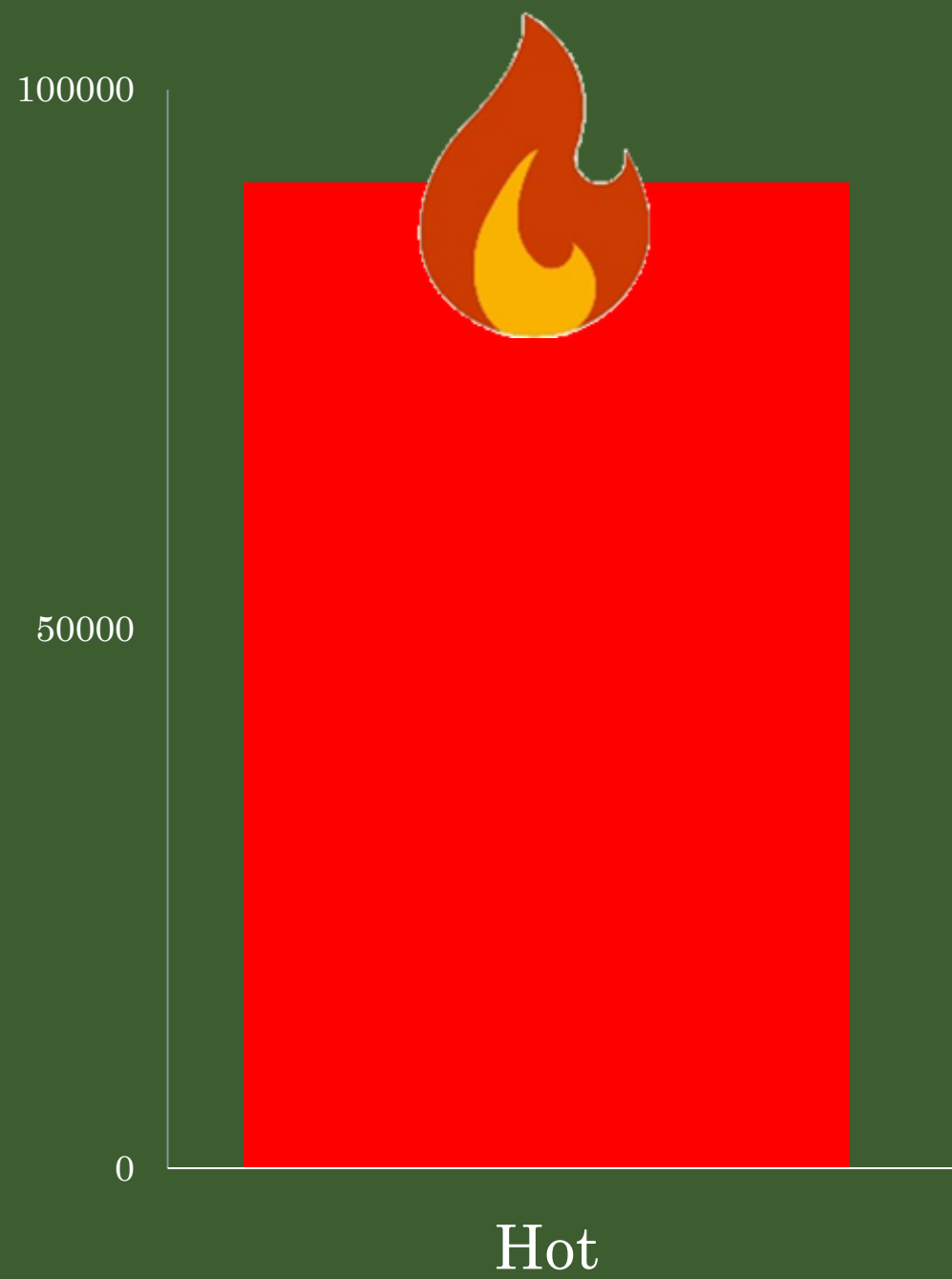


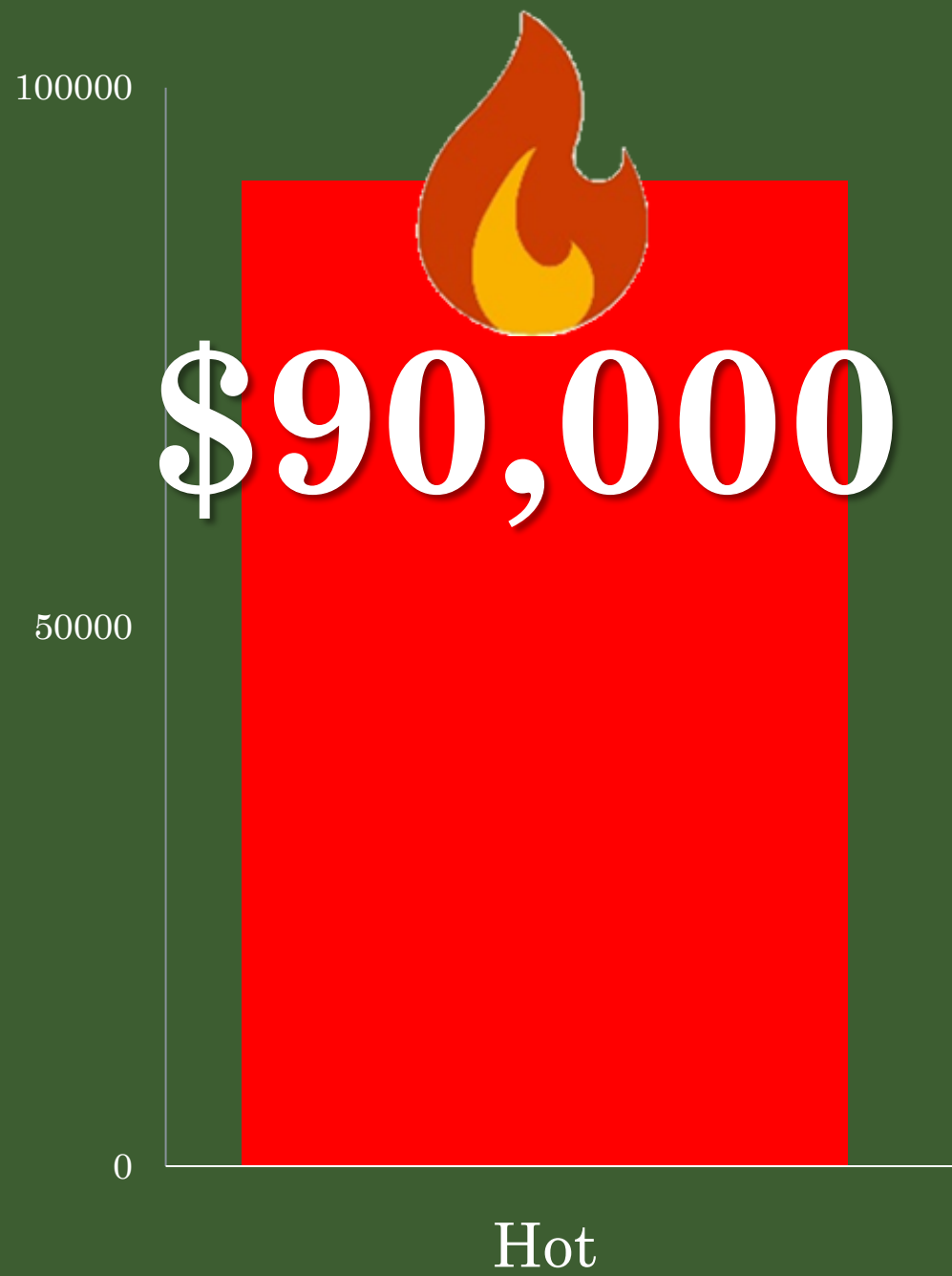


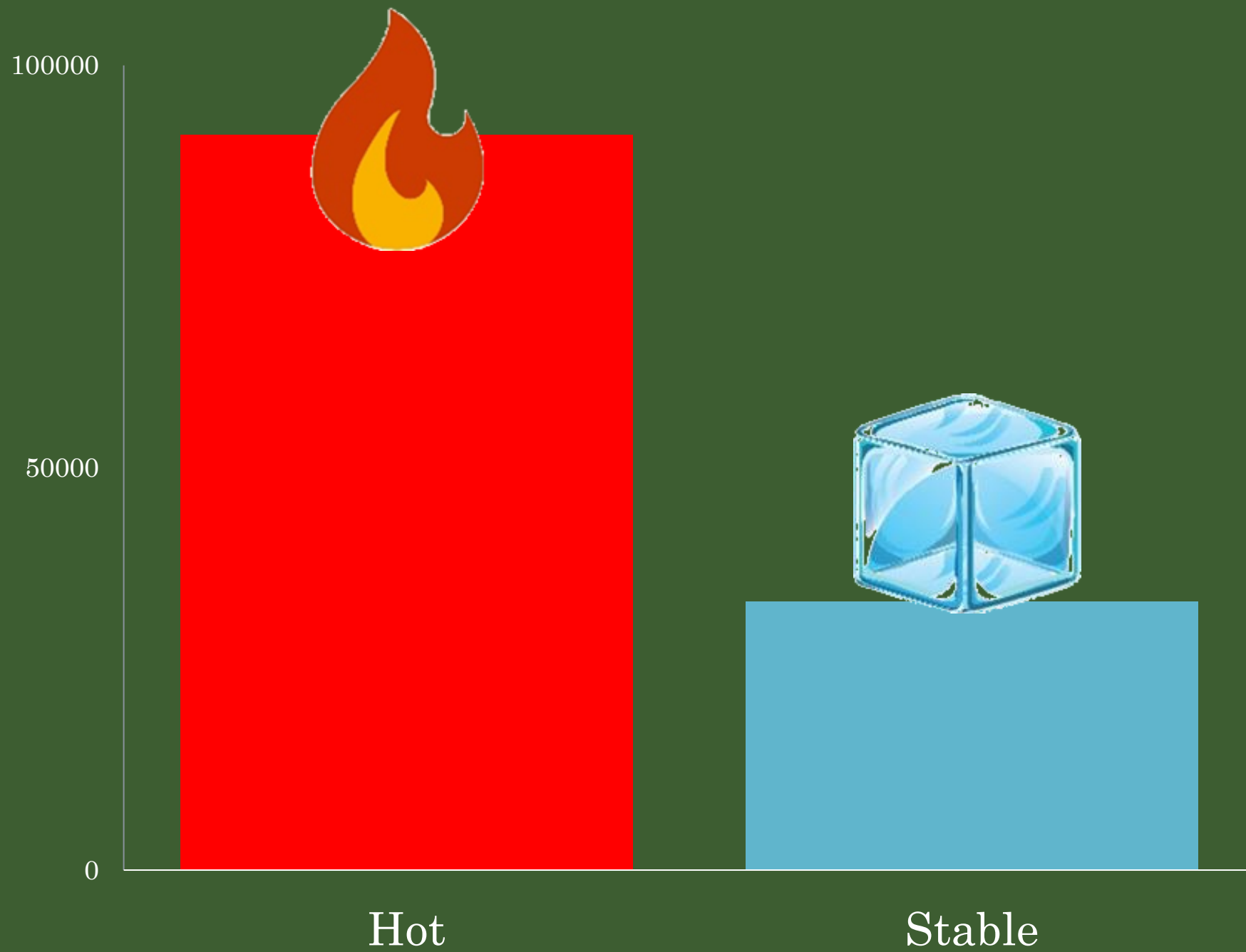




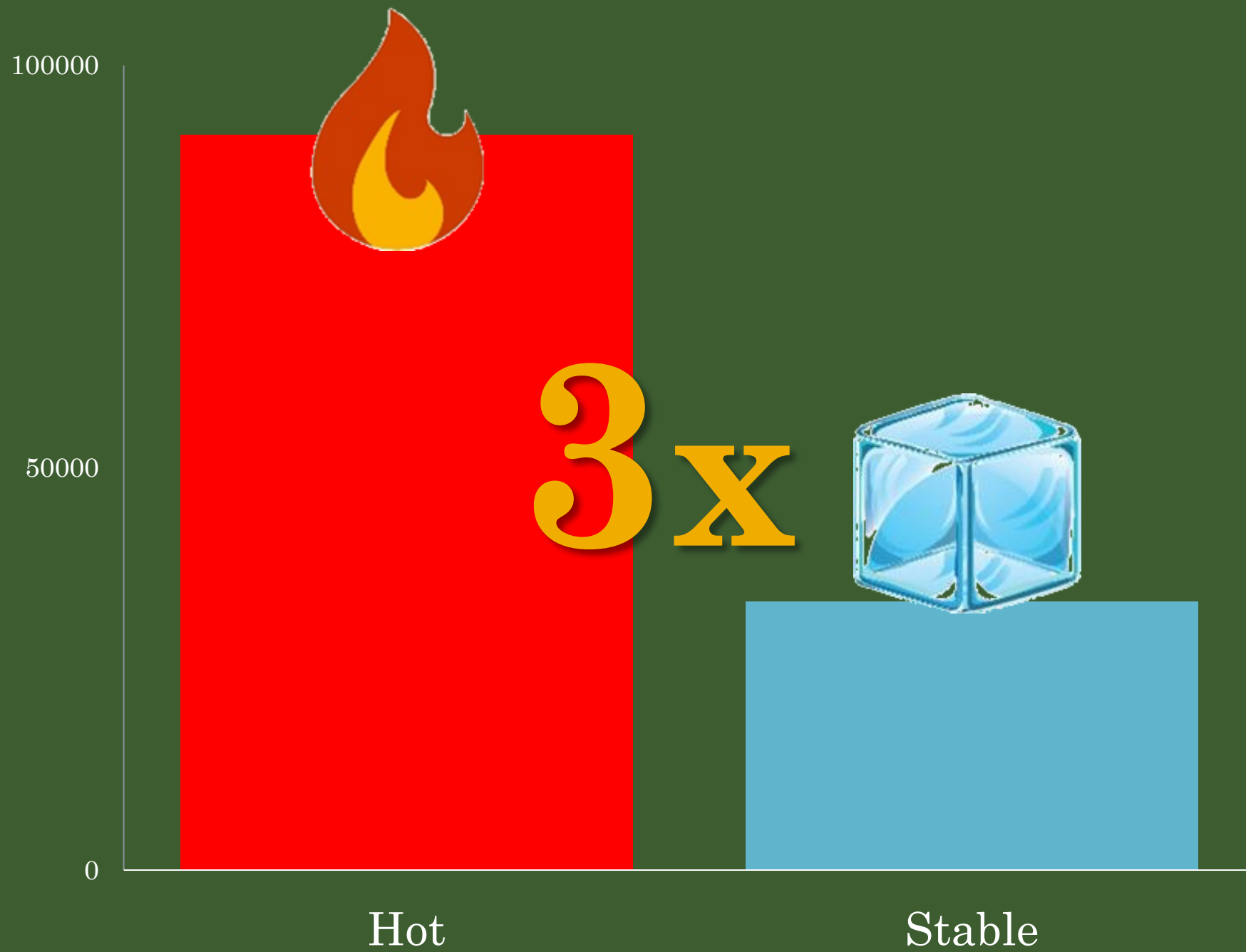












Fair assessment
of

Fair cash value

equals

Fair property tax

Fair assessment

of

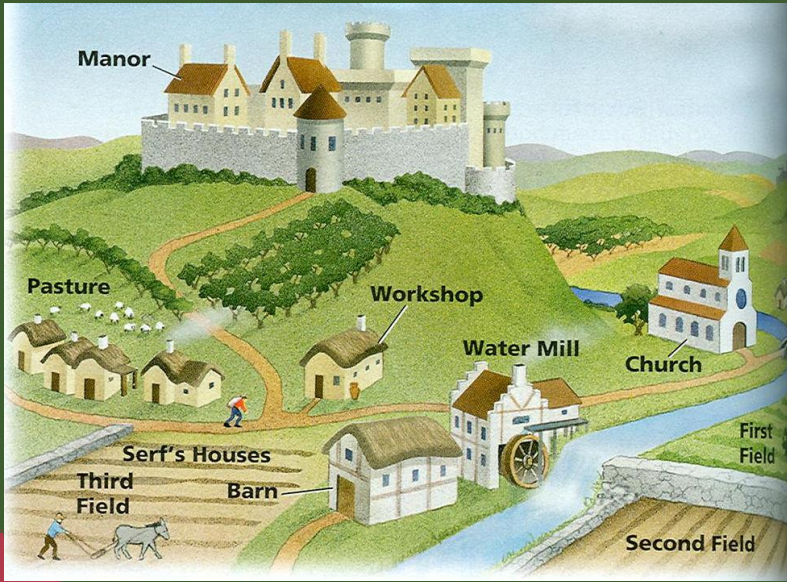
Fair cash value

equals

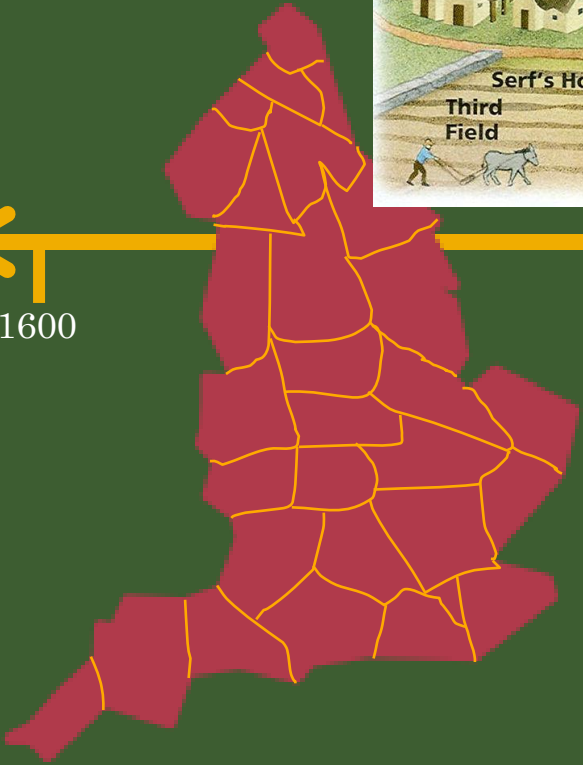
Fair property tax

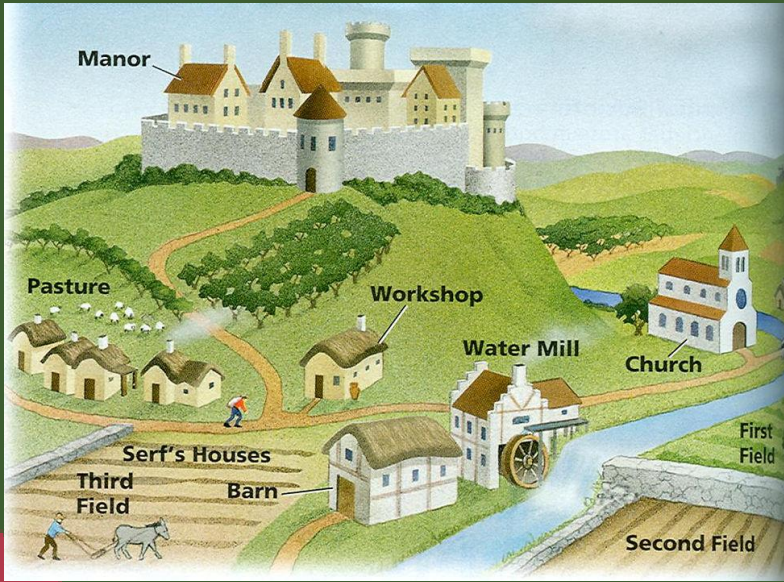




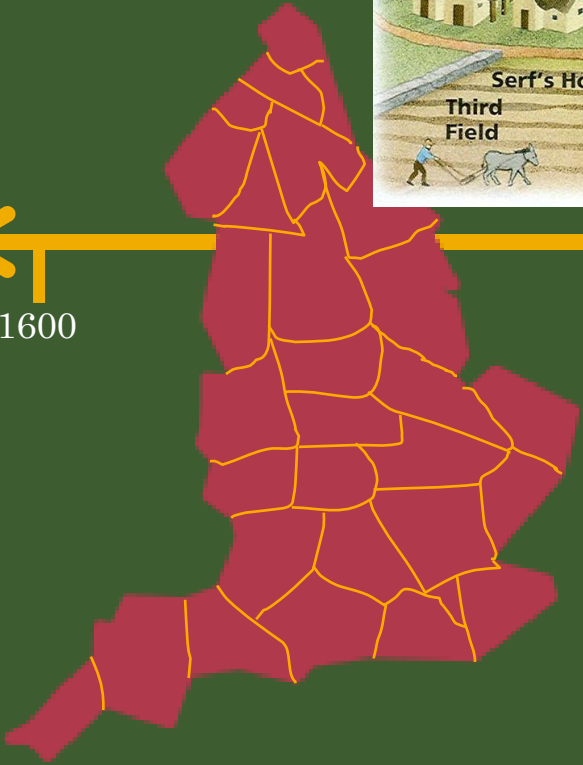


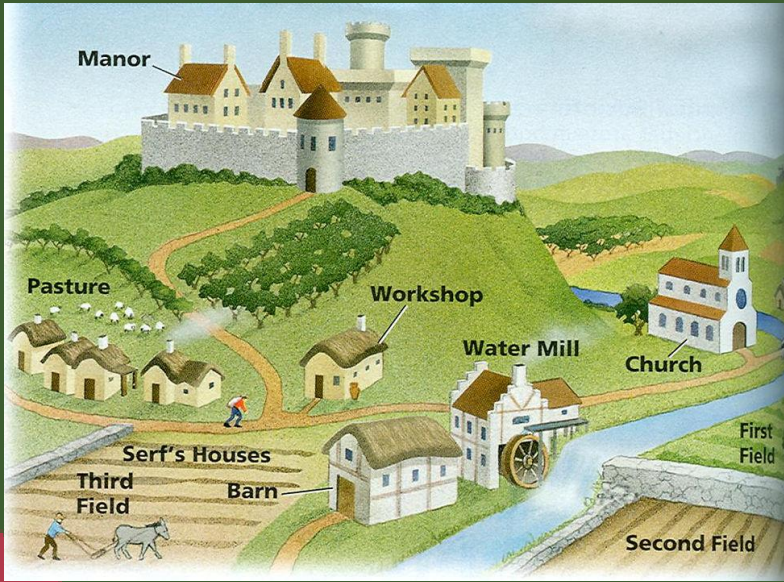
1600





1600





1600

amount/
fertility



1600

amount/
fertility



1600

amount/
fertility



1800

1600

amount/
fertility

assets



1800

1600

amount/
fertility

assets



1800



1600

amount/ fertility



assets



1800



1600

amount/ fertility



assets



1800



1600

amount/
fertility

“real”
property



assets



1800



1600

amount/
fertility

“real”
property



assets

earn



1800



1600

amount/
fertility

“real”
property





“real”

property

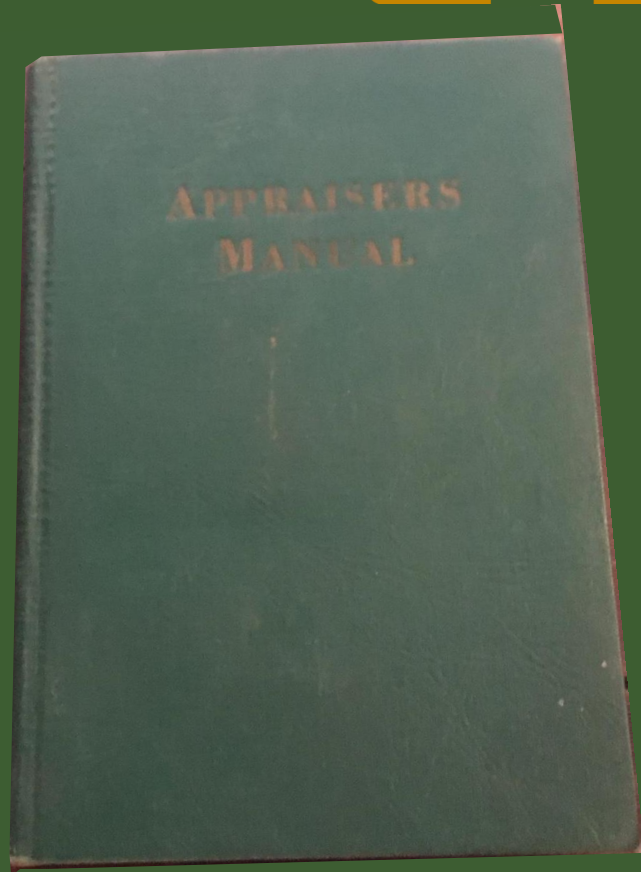






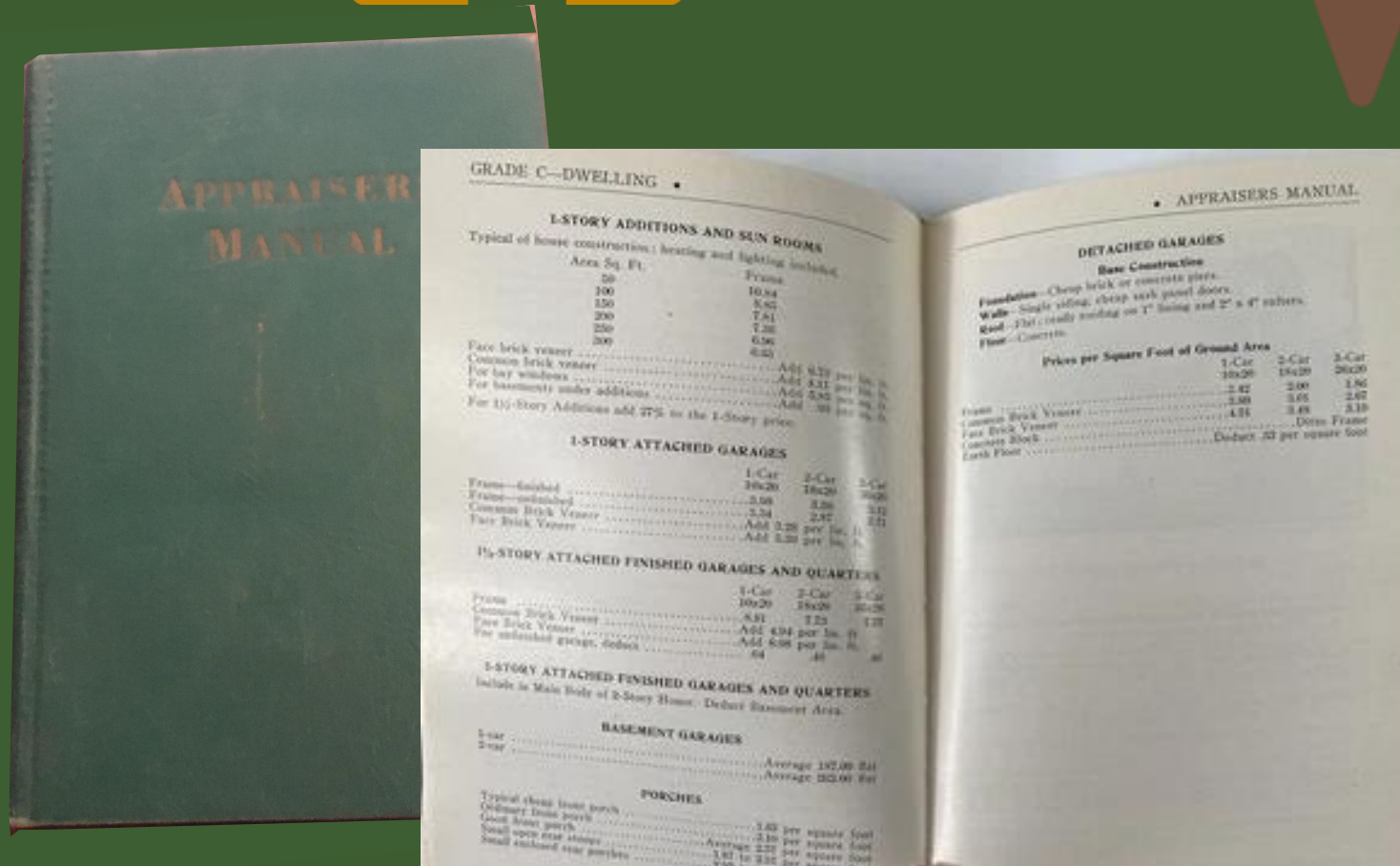






cost

use





1910

1920

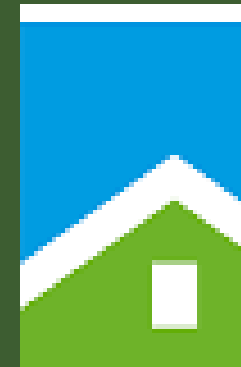
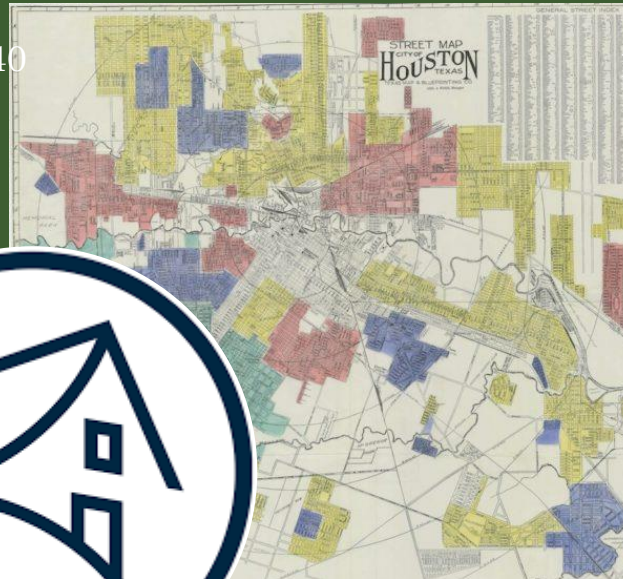
1930

1940

1960

1970

1980





1910

1920

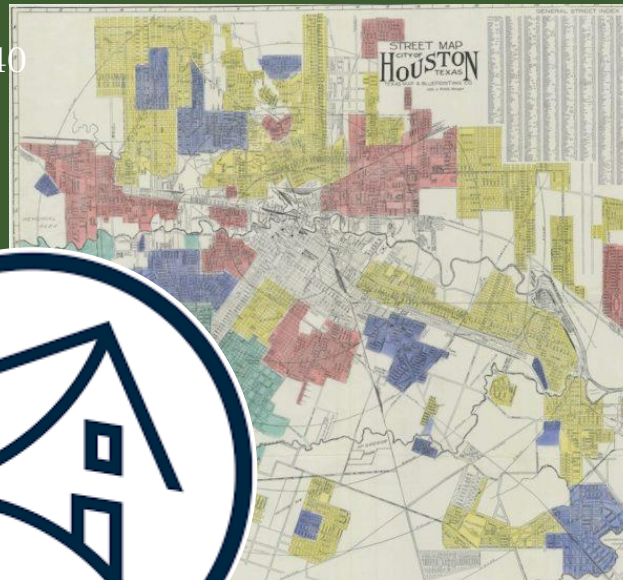
1930

1940

1960

1970

1980





1910

1920

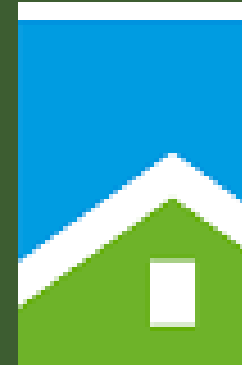
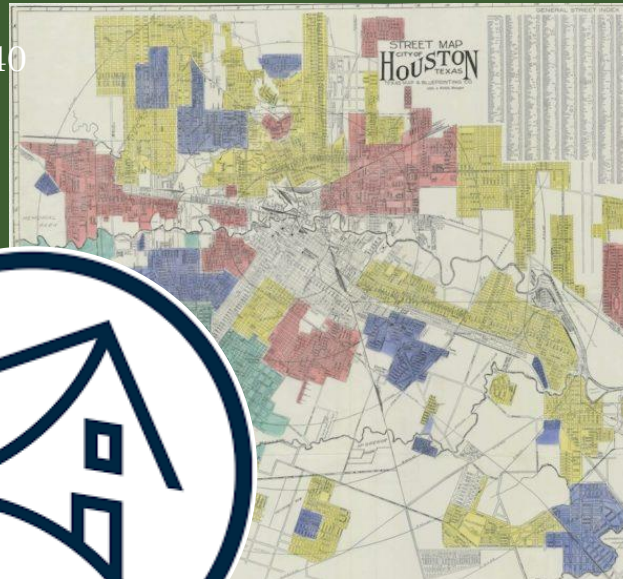
1930

1940

1960

1970

1980















double
disadvantage

fair market
value



mass assessment models



sale price

square footage

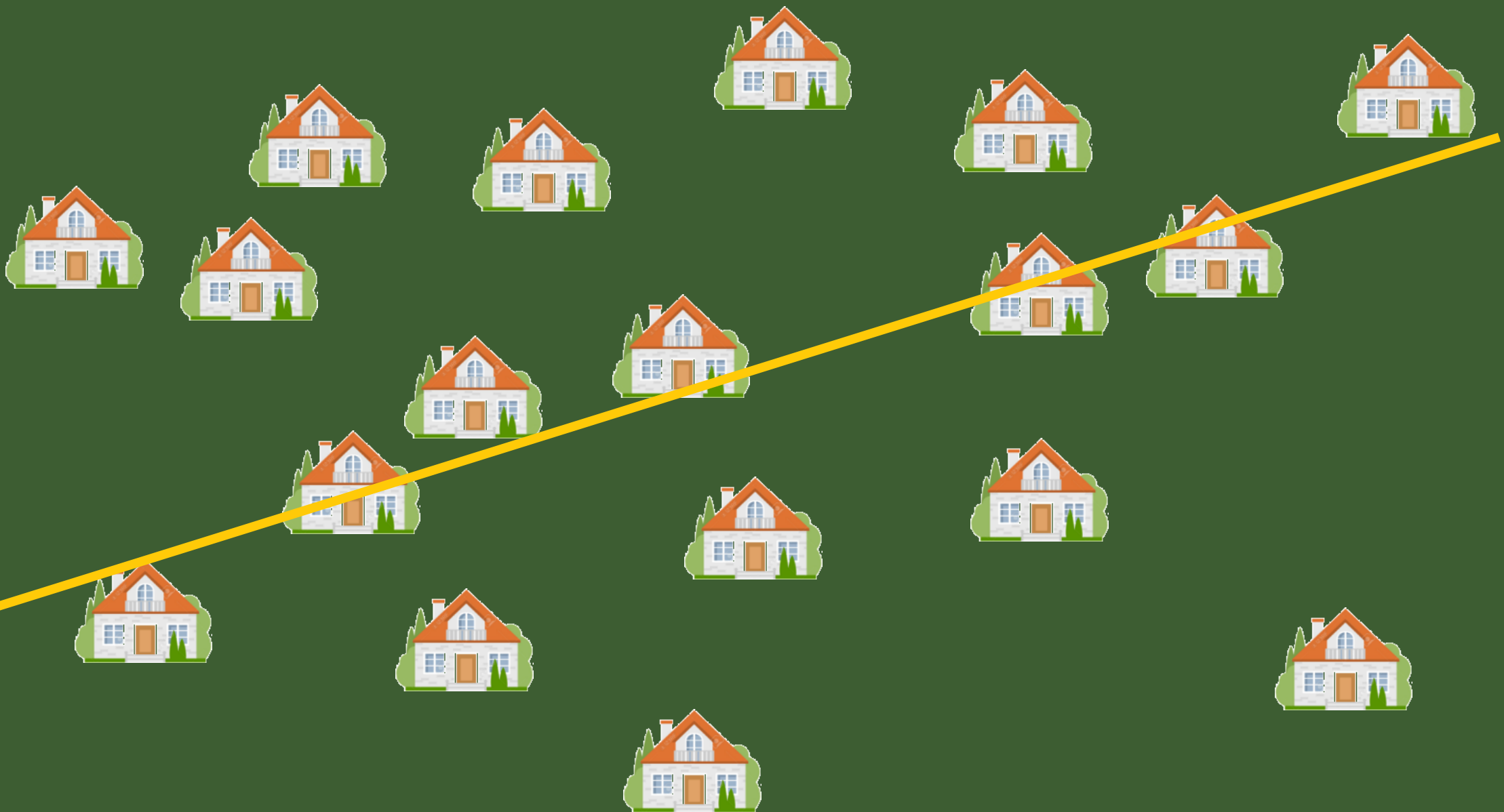
sale price

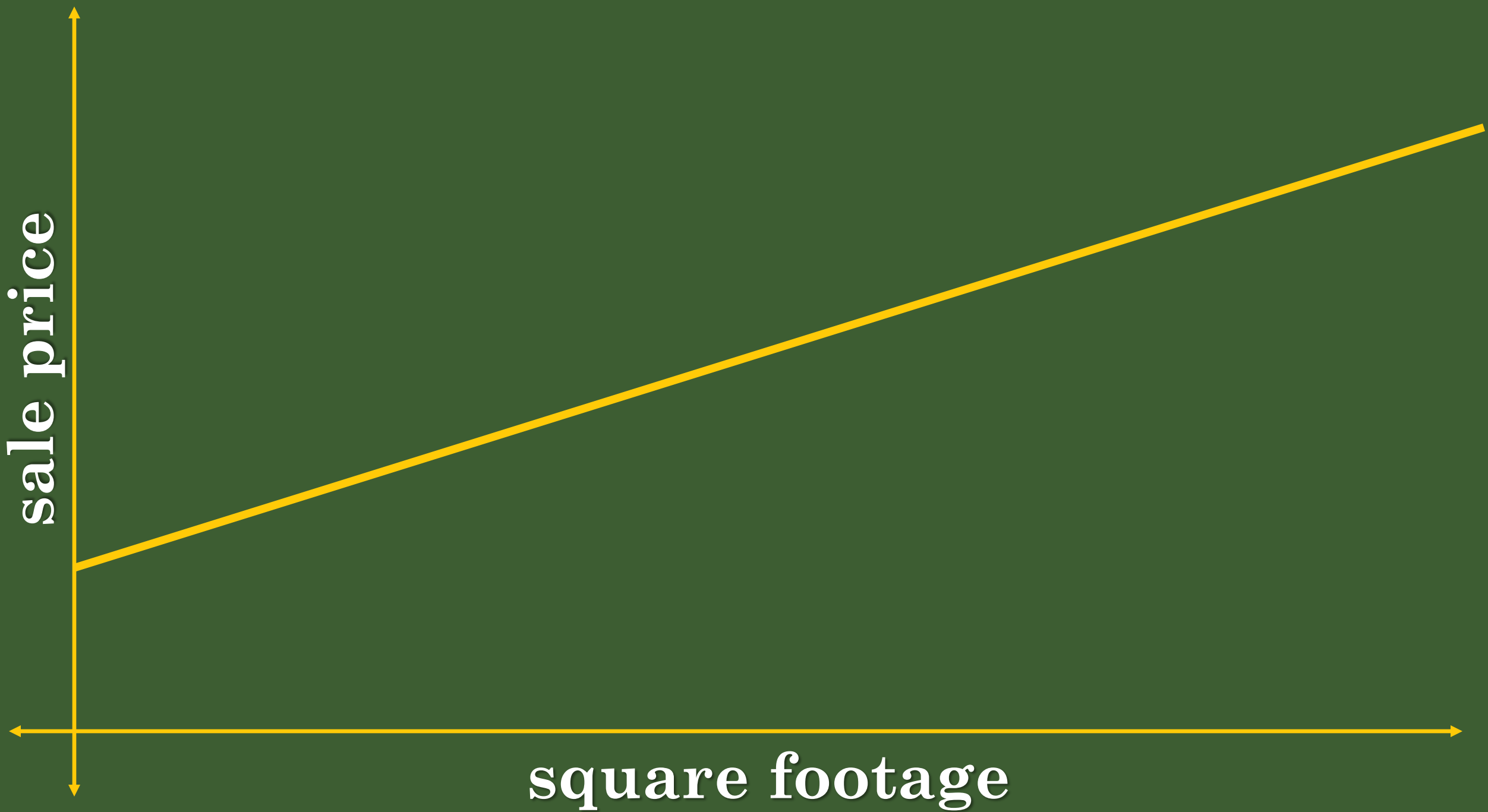
square footage



sale price

square footage

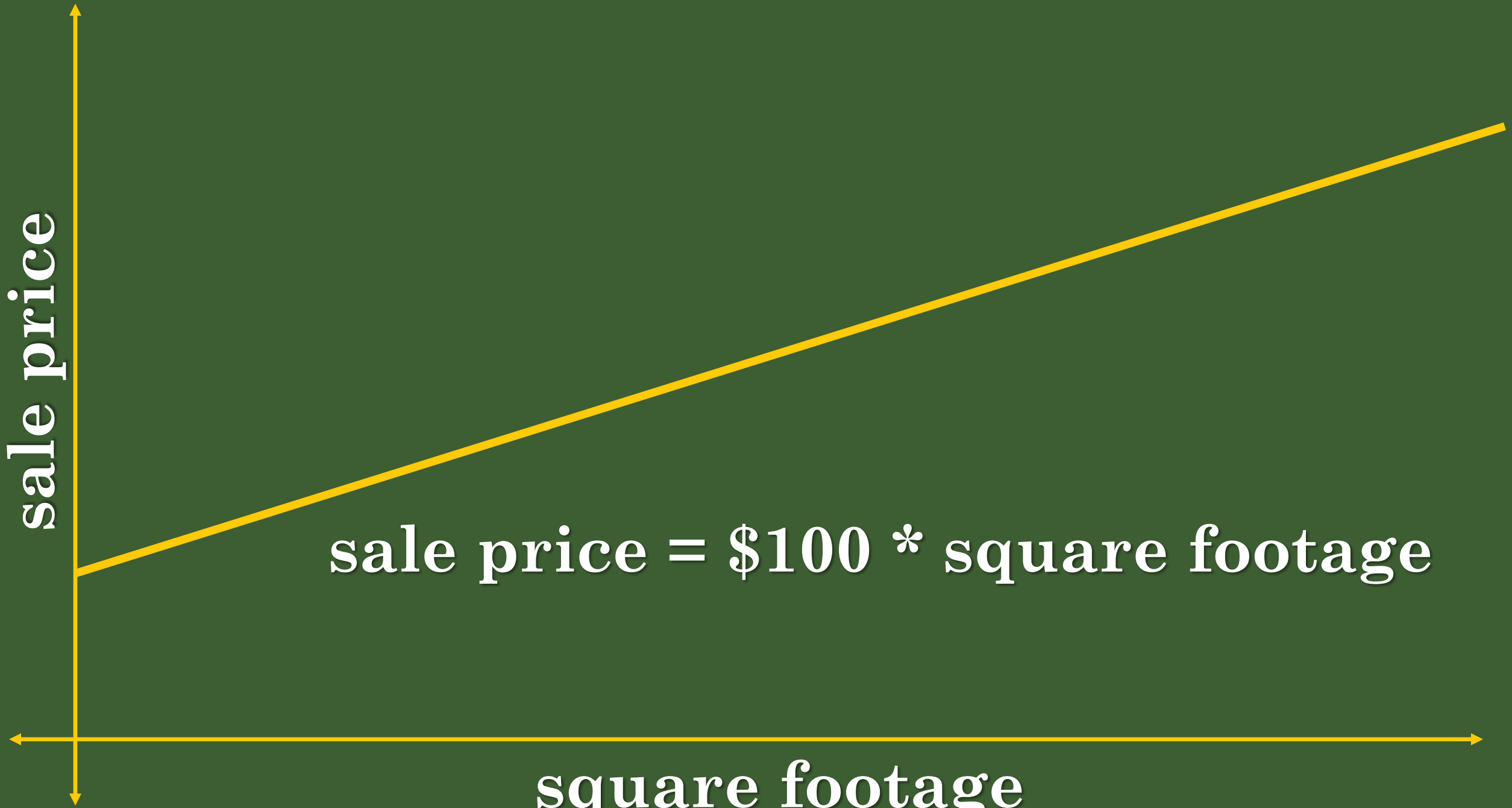




sale price

$$\text{sale price} = \$100 * \text{square footage}$$

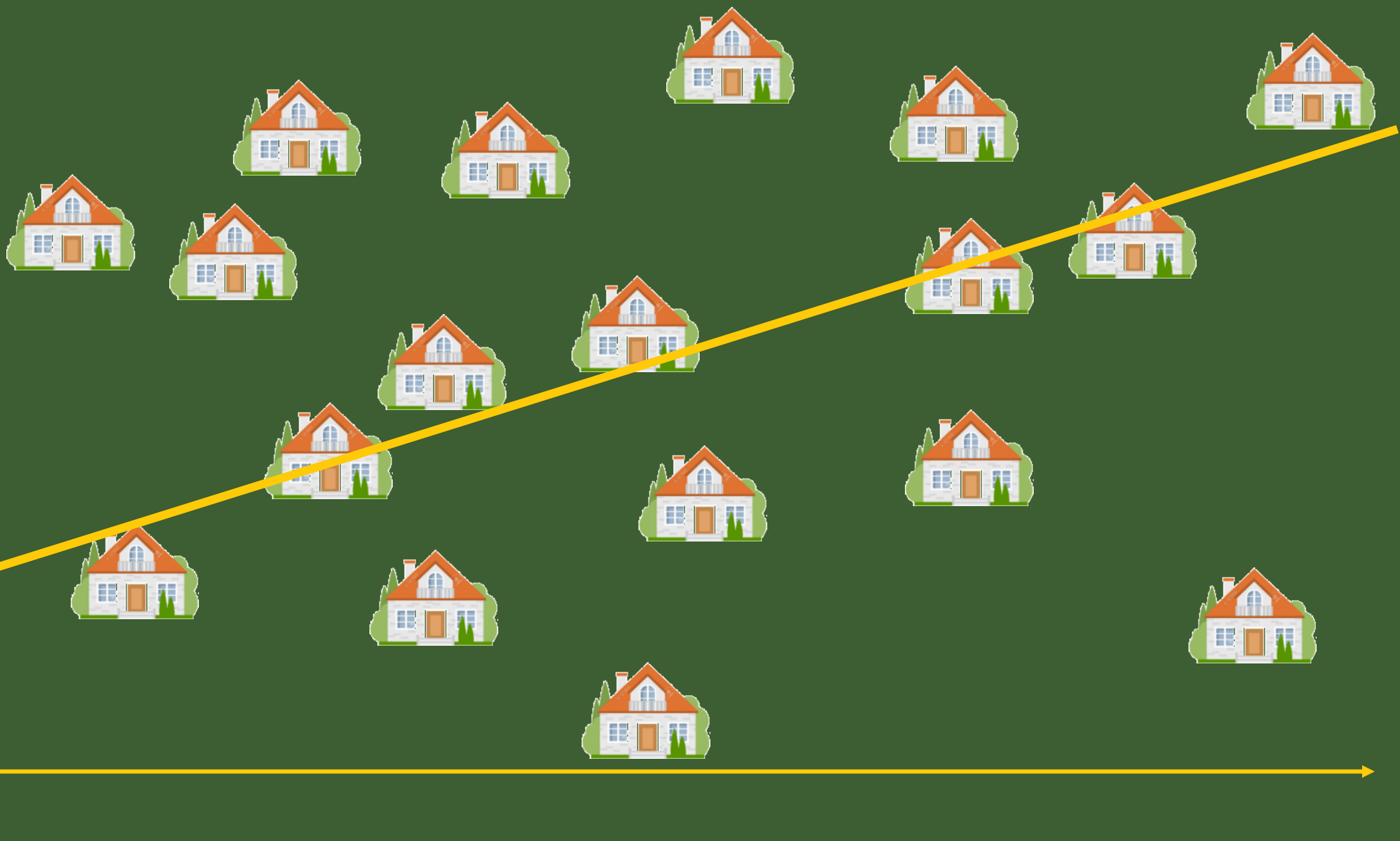
square footage



sale price



sale price



sale price



sale price



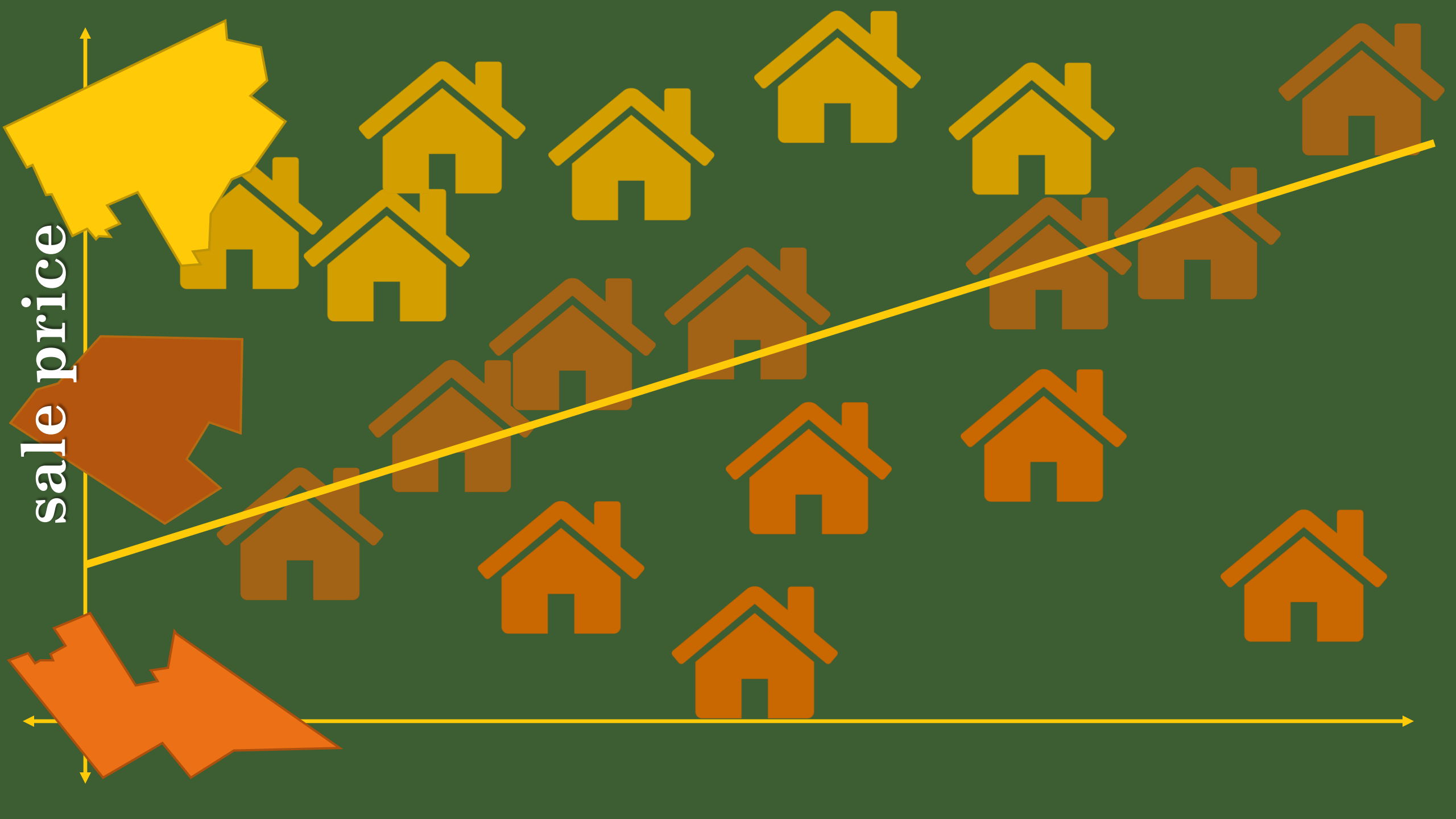
sale price



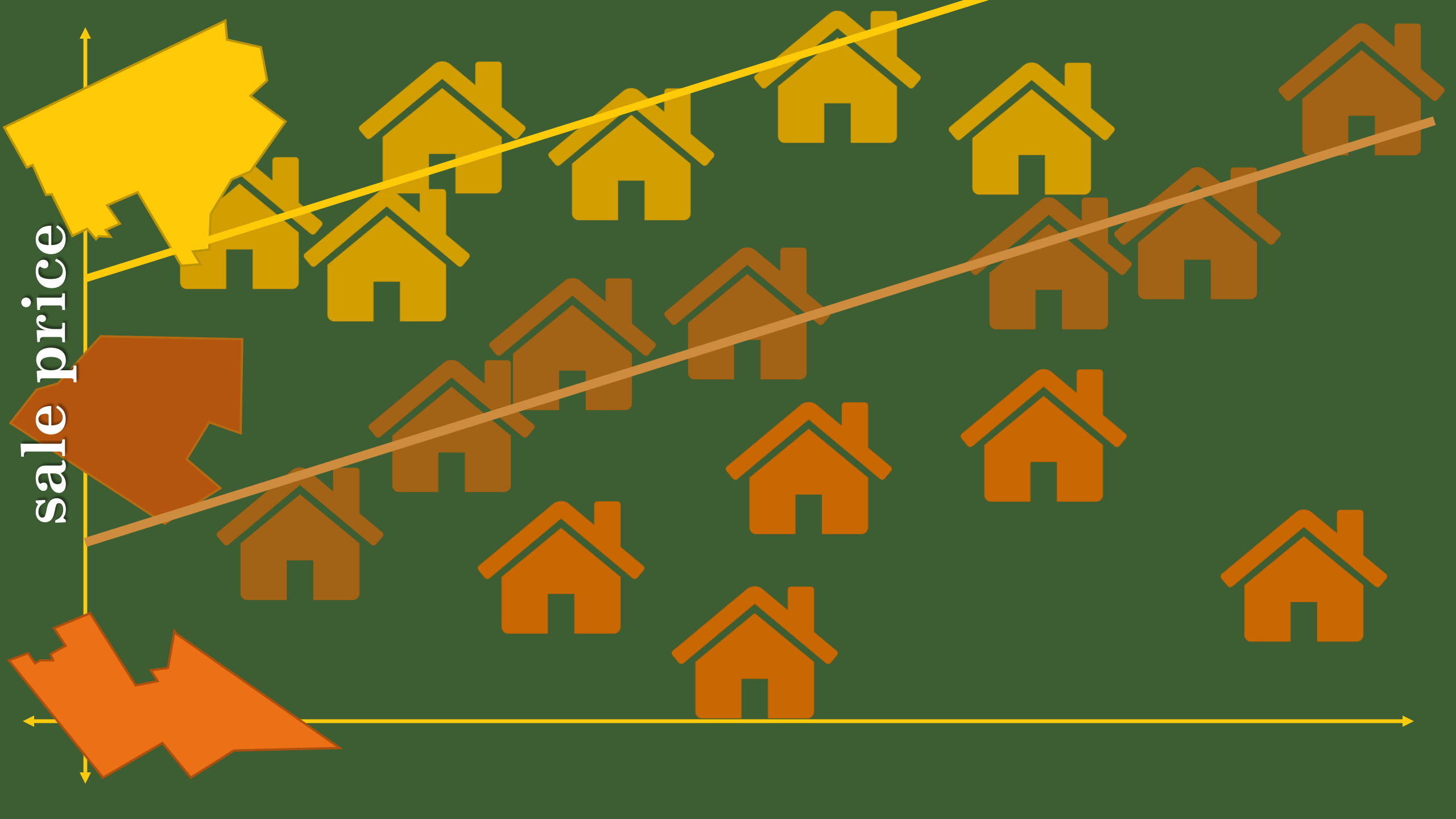
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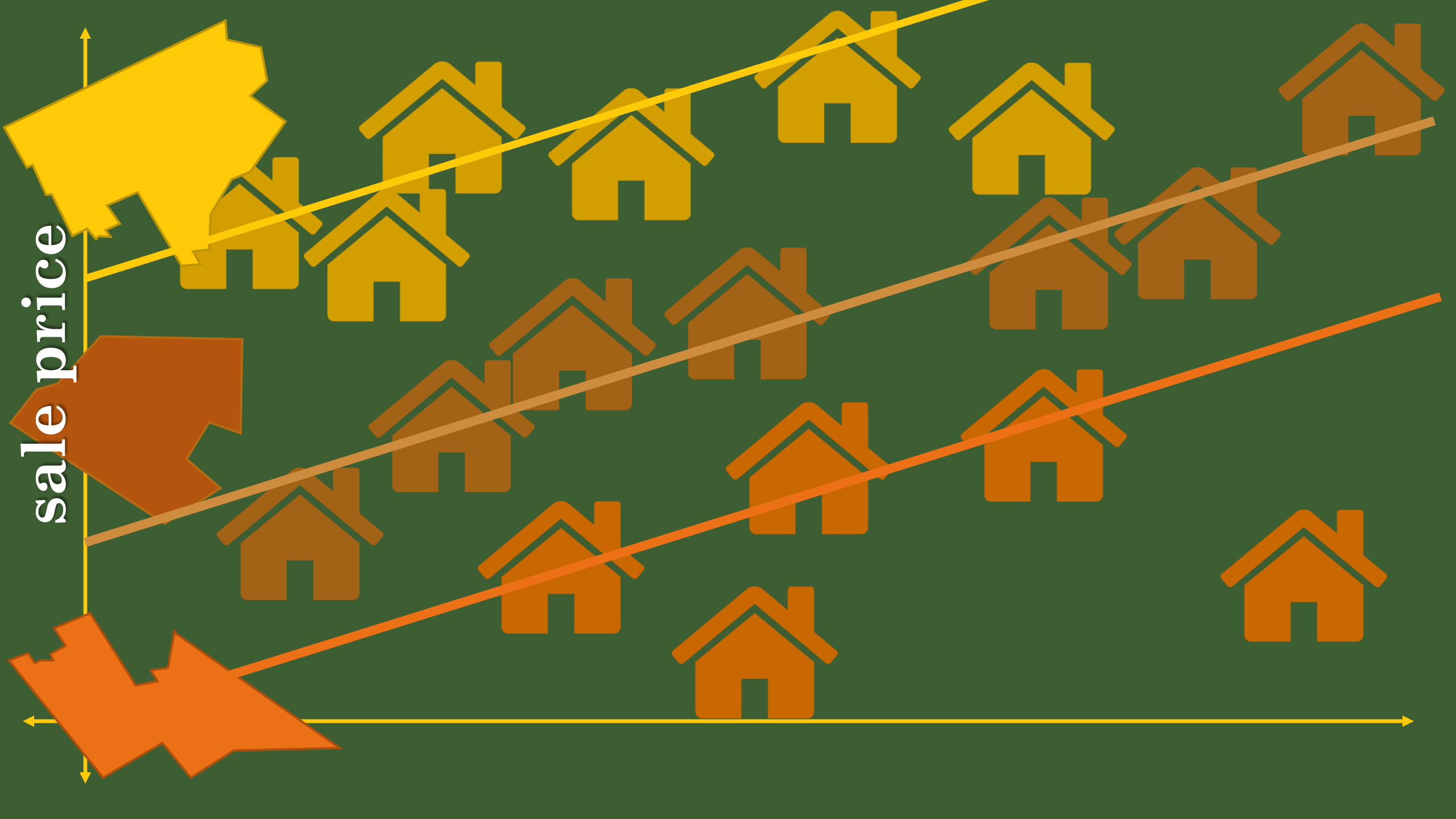














Assessed Value



Sale Price



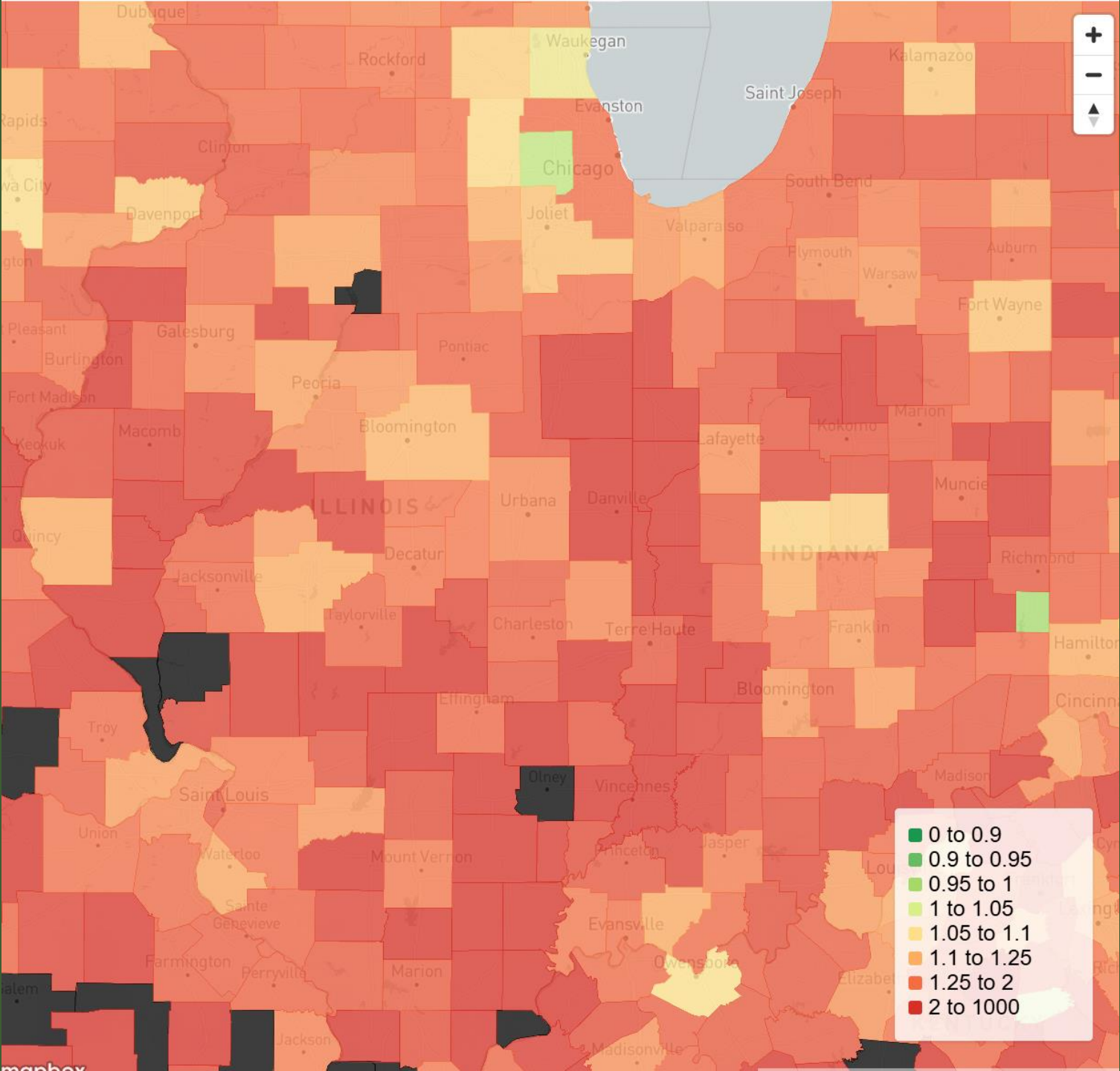
Property Tax Fairness

From the Center for Municipal Finance

[INTERACTIVE REPORTS](#)

[RELATED RESEARCH](#)

From Chicago's
Center on Municipal
Finance based on
2023 data.



Fair assessment

of

Fair cash value

equals

Fair property tax



Fair assessment
of
Fair cash value
equals
Fair property tax



















$\times$





Property Tax



Assessment

Property Tax



Sale Value

Property Tax



Housing Wealth

Property Tax



Wealth

Property Tax



Income

Property Tax

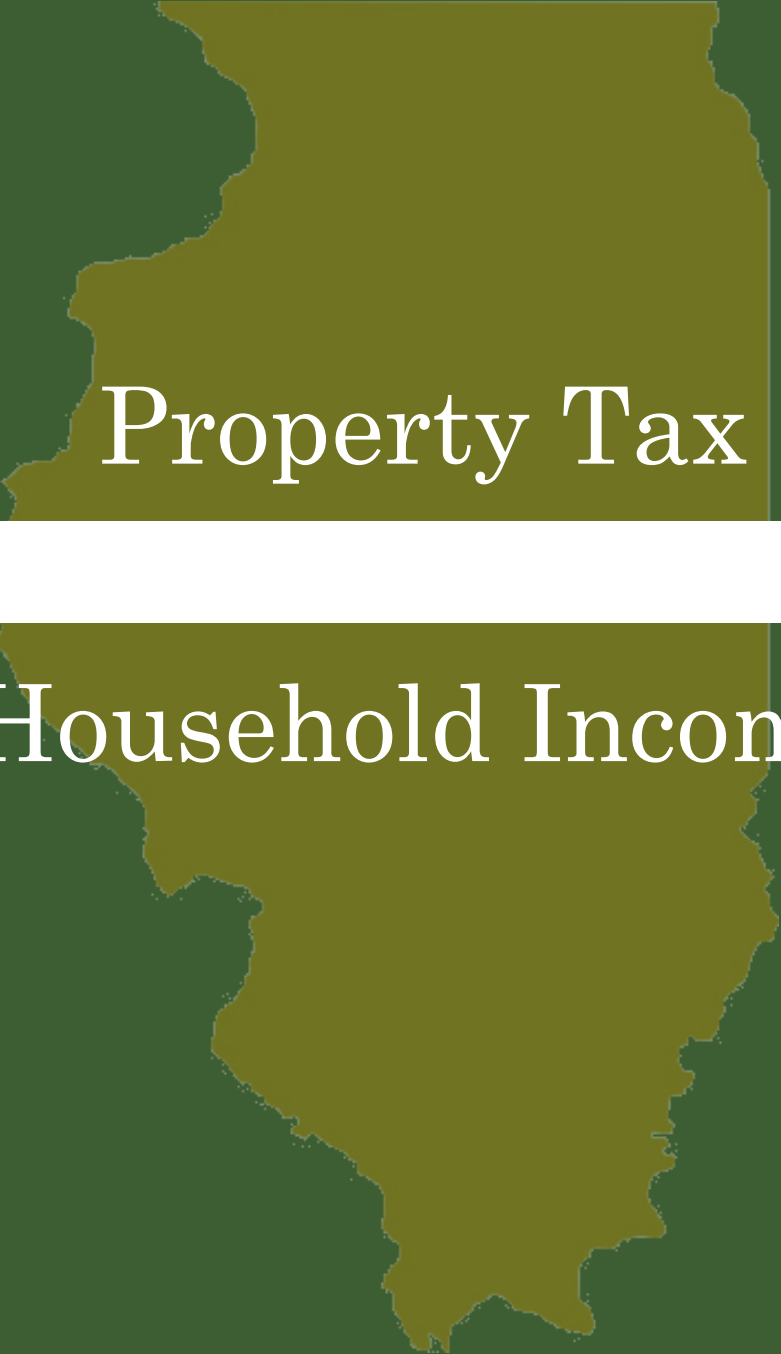


?





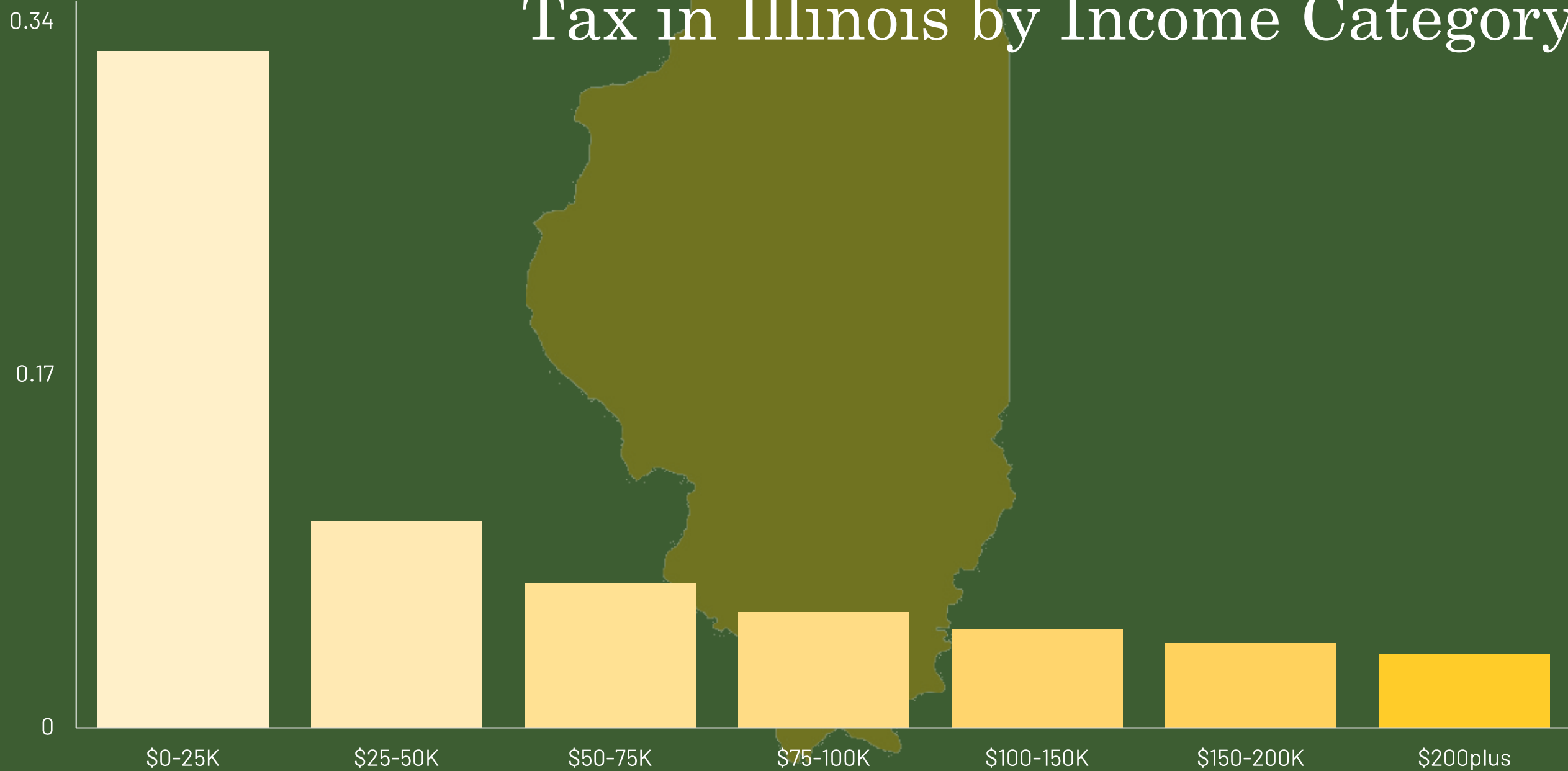
Property Tax

A solid olive-green silhouette of the state of Illinois is centered on a dark green background. The text 'Property Tax' is positioned in the upper half of the state, and 'Household Income' is in the lower half, separated by a white horizontal bar.

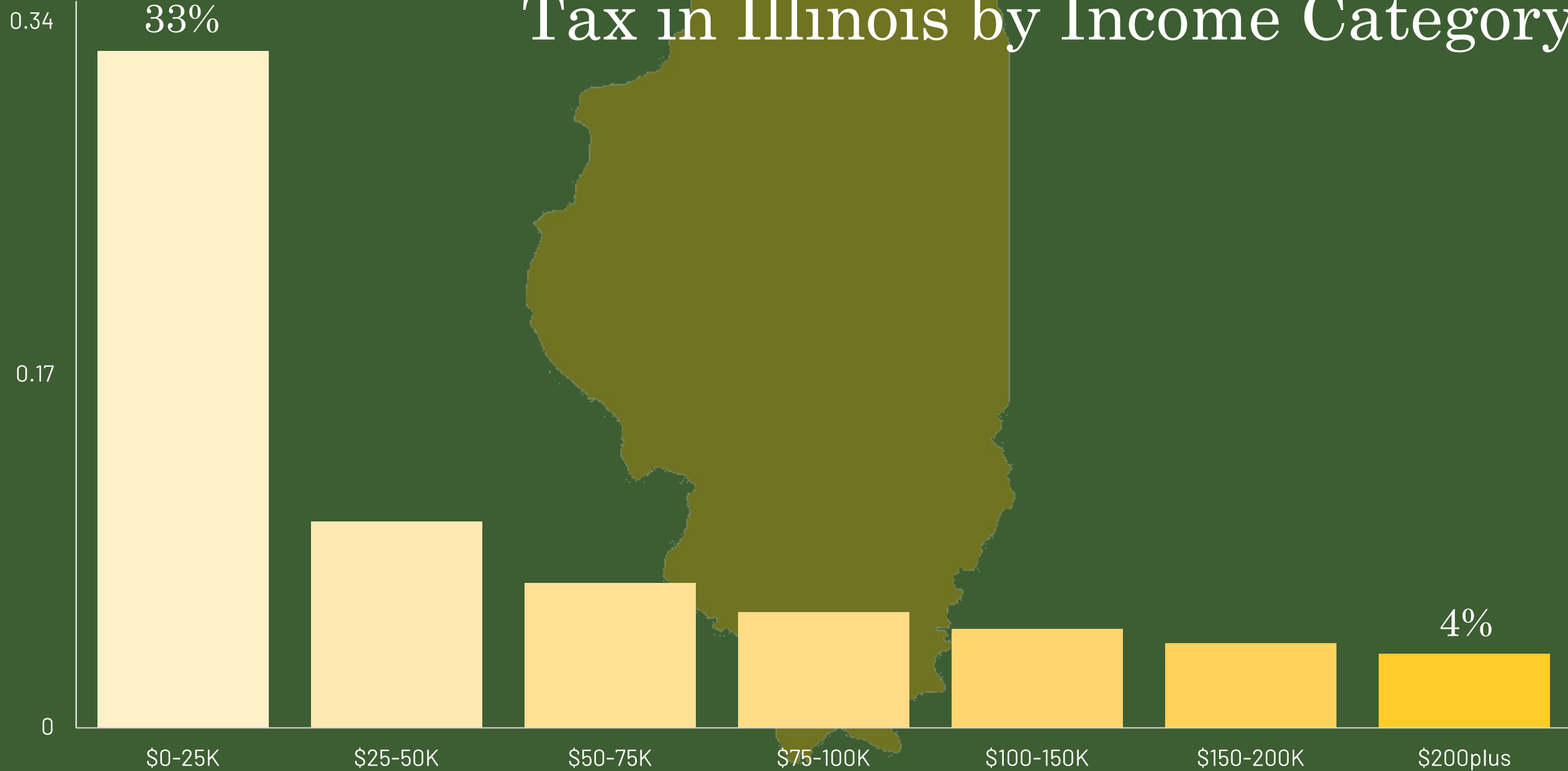
Property Tax

Household Income

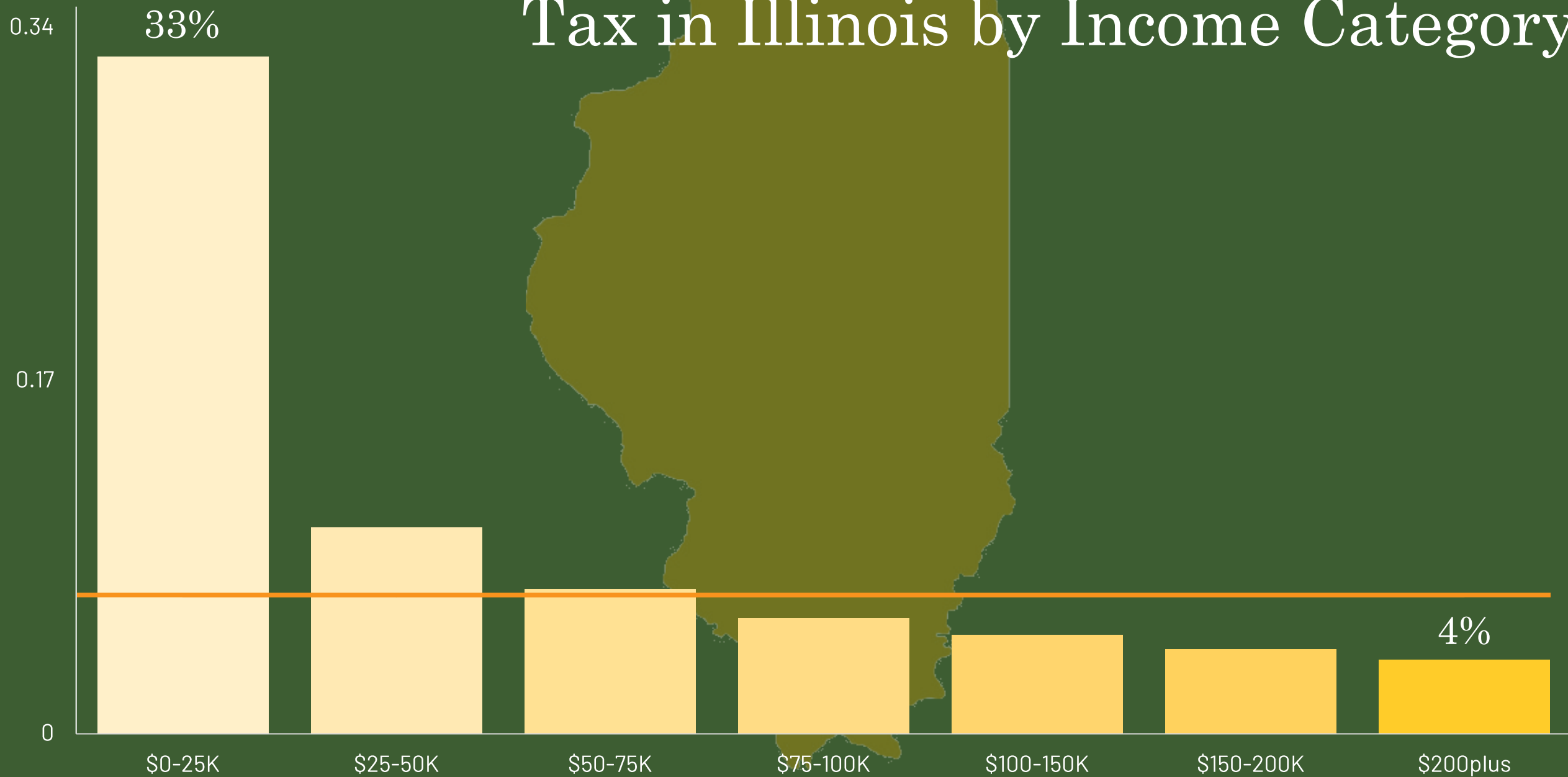
Proportion of Household Income Spent on Property Tax in Illinois by Income Category



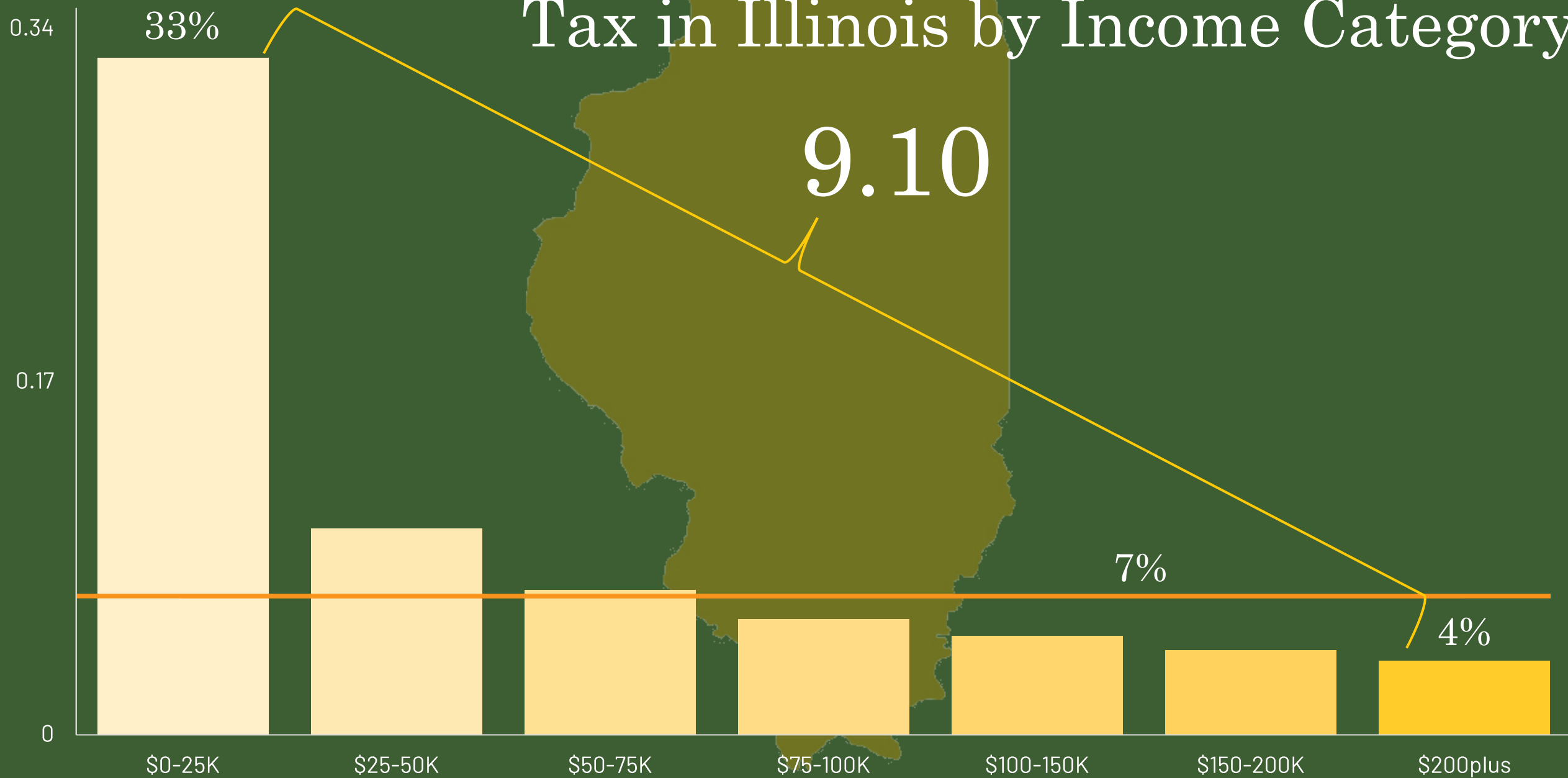
Proportion of Household Income Spent on Property Tax in Illinois by Income Category



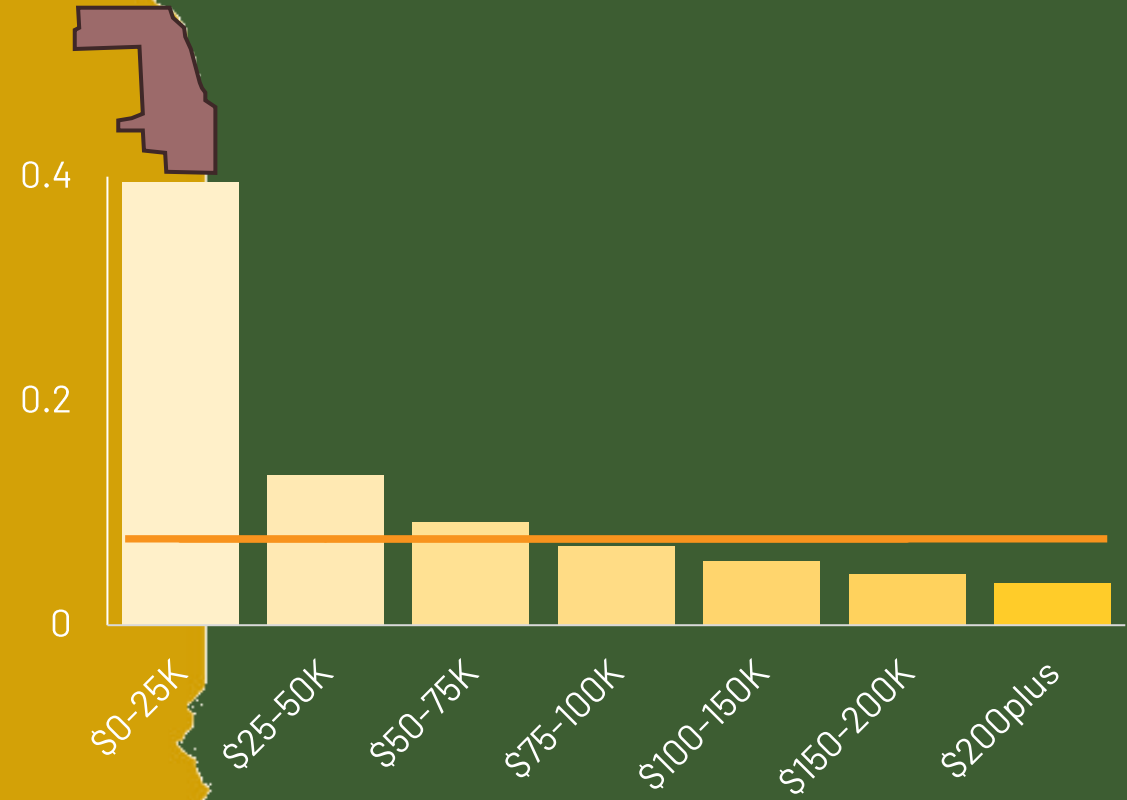
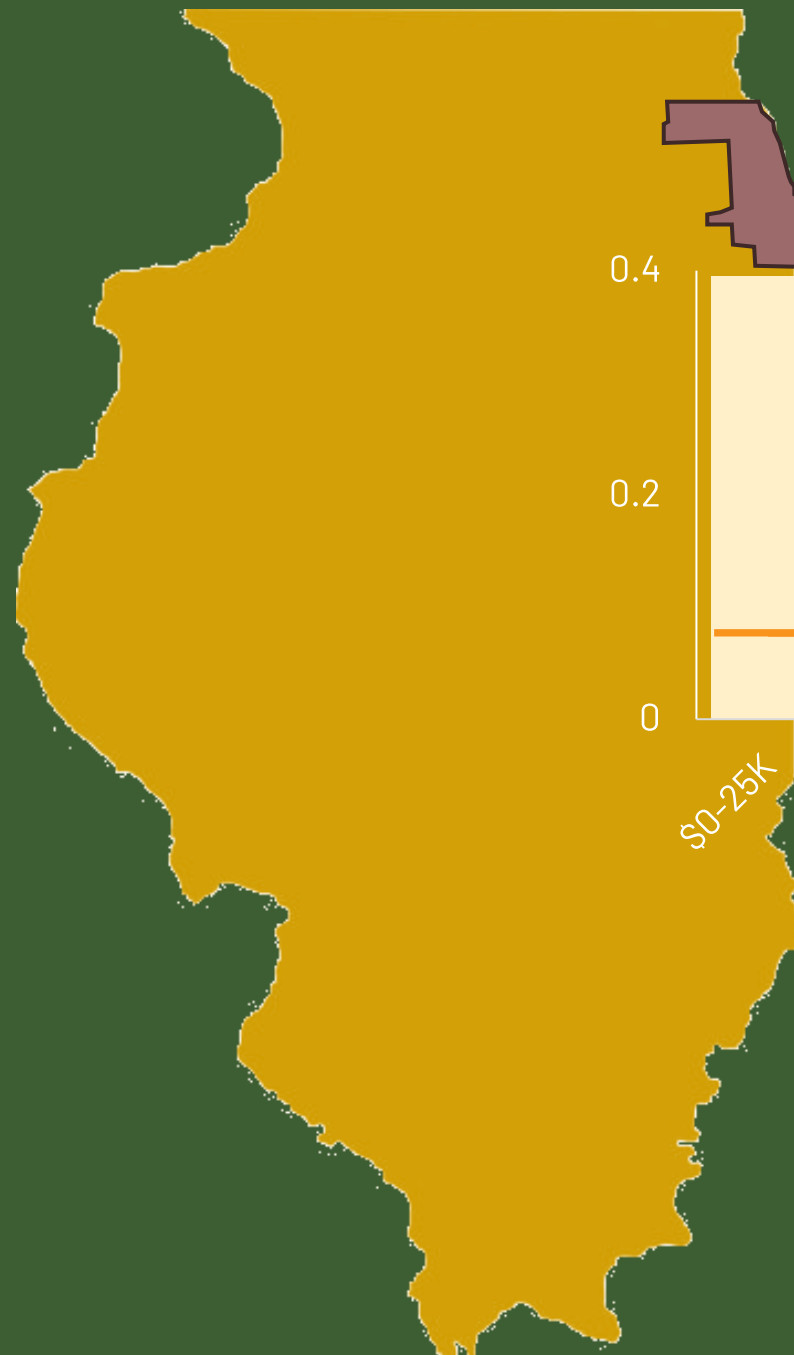
Proportion of Household Income Spent on Property Tax in Illinois by Income Category

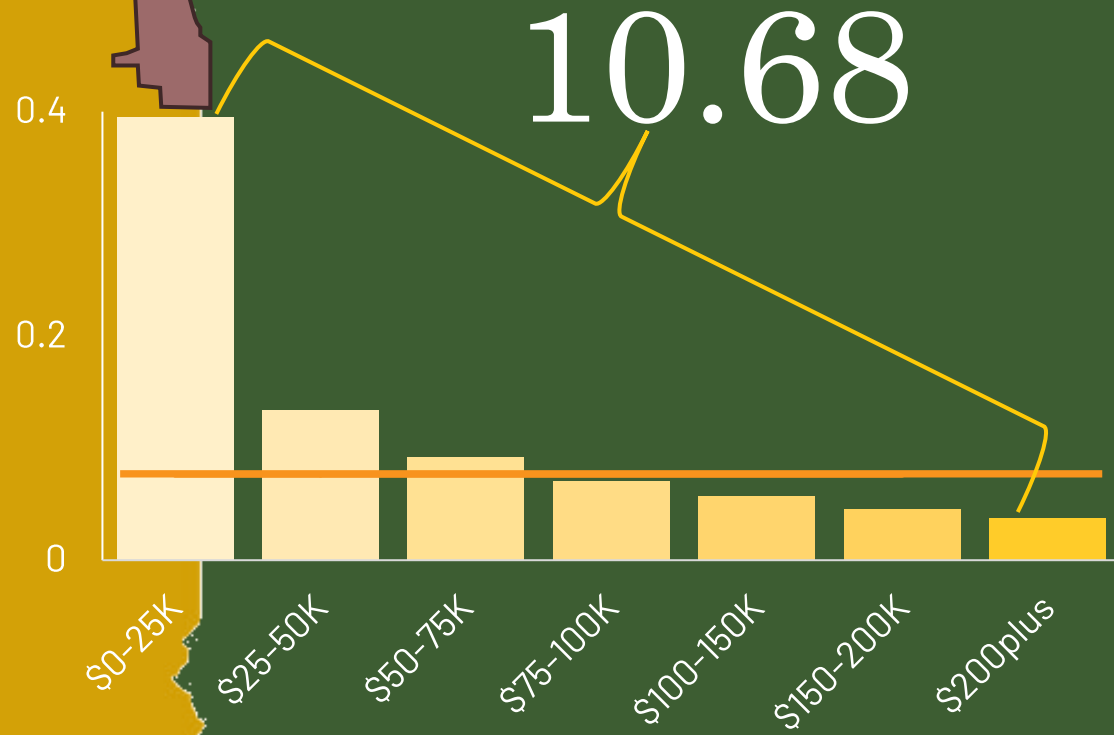
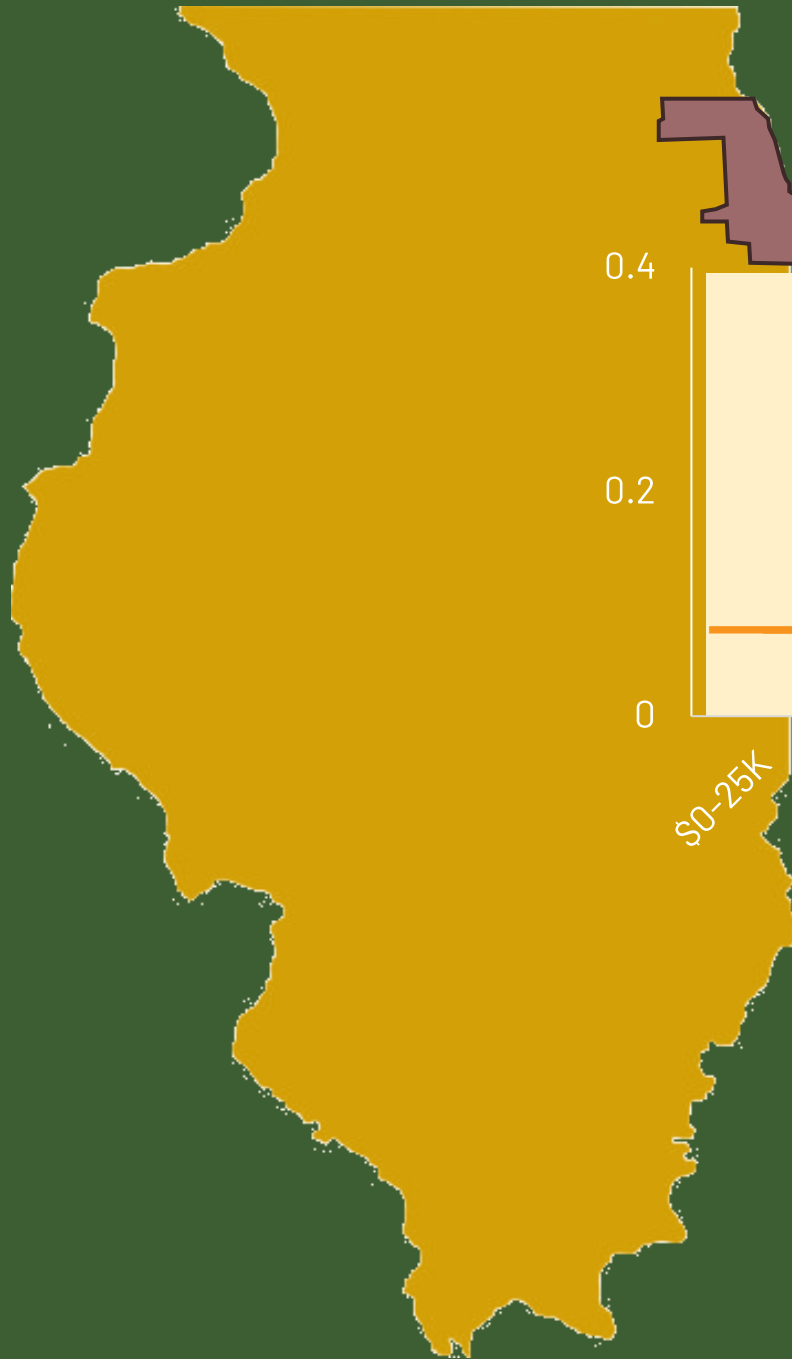


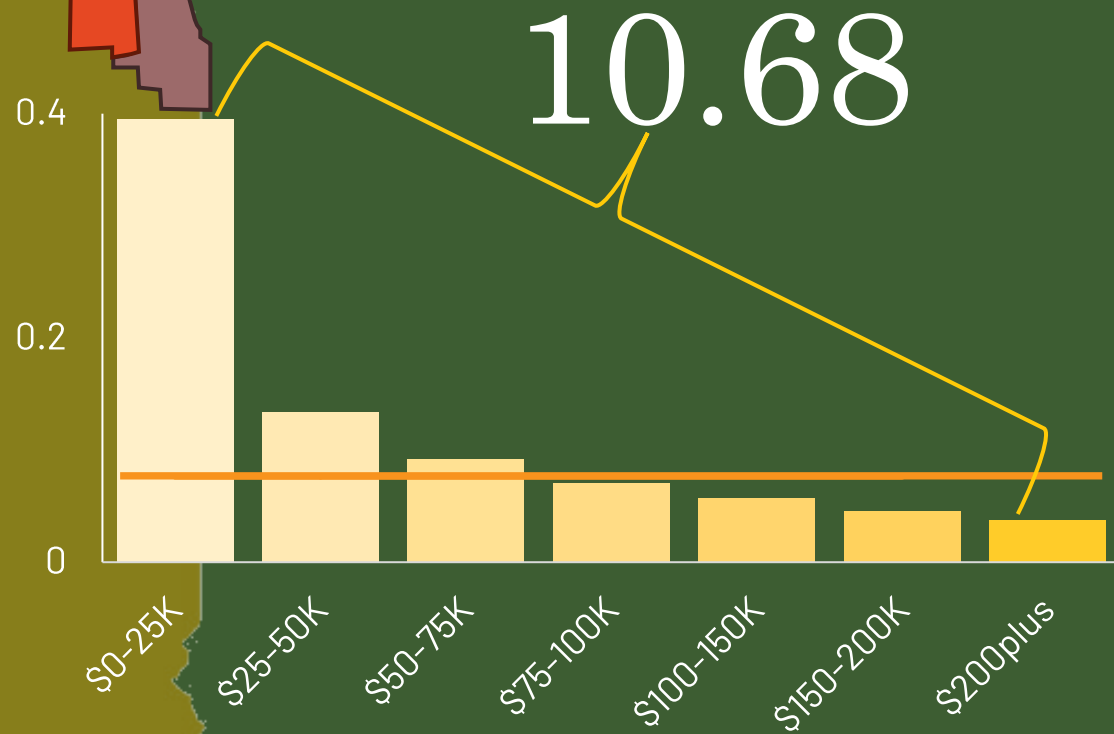
Proportion of Household Income Spent on Property Tax in Illinois by Income Category

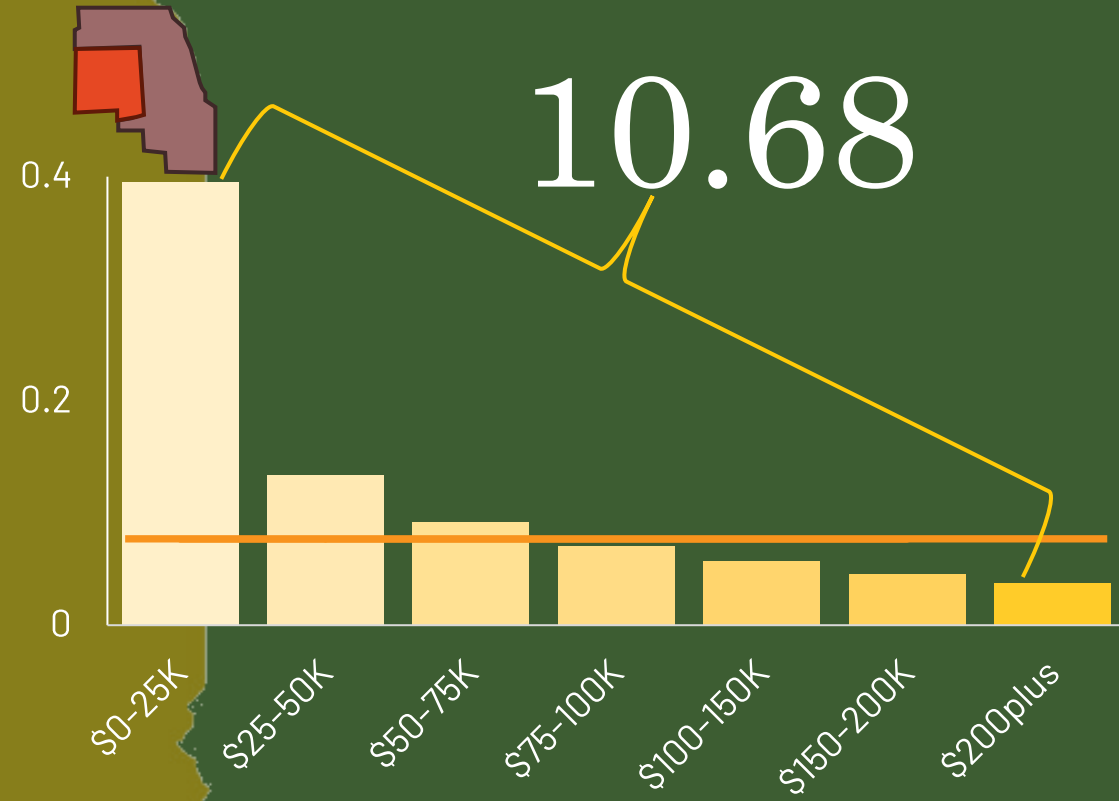
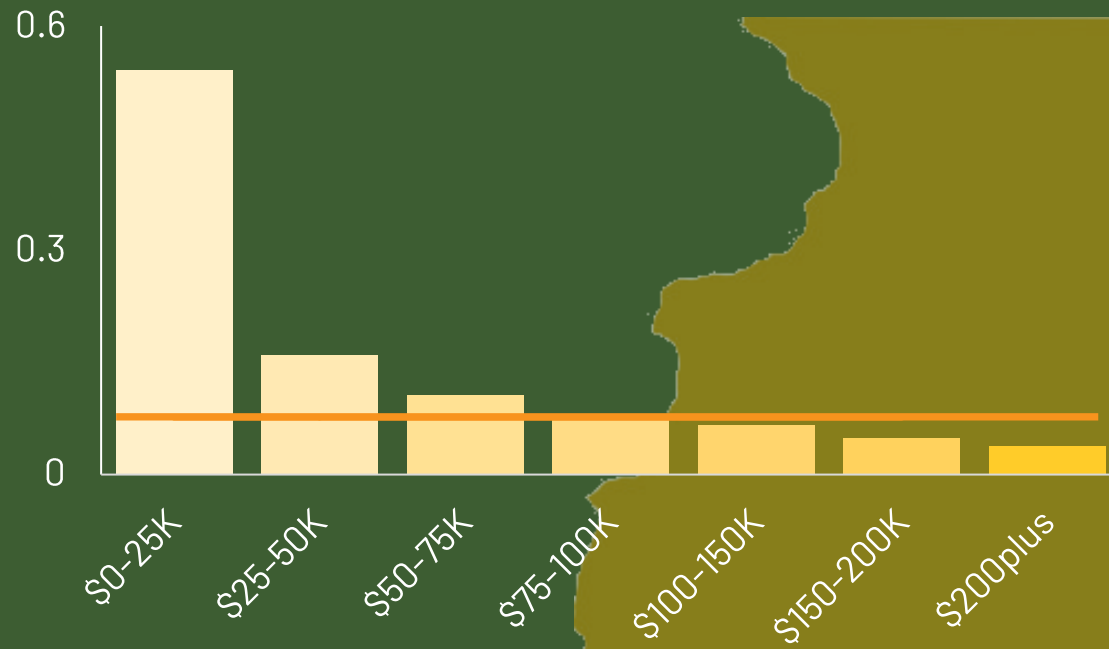


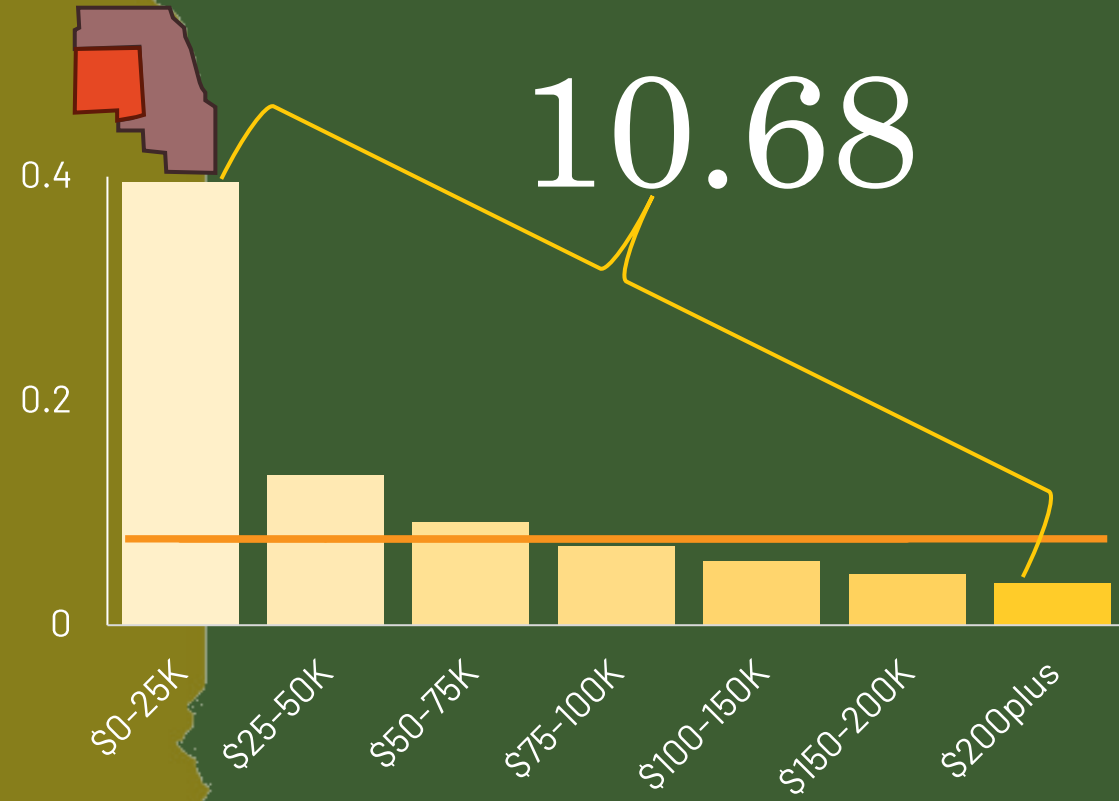
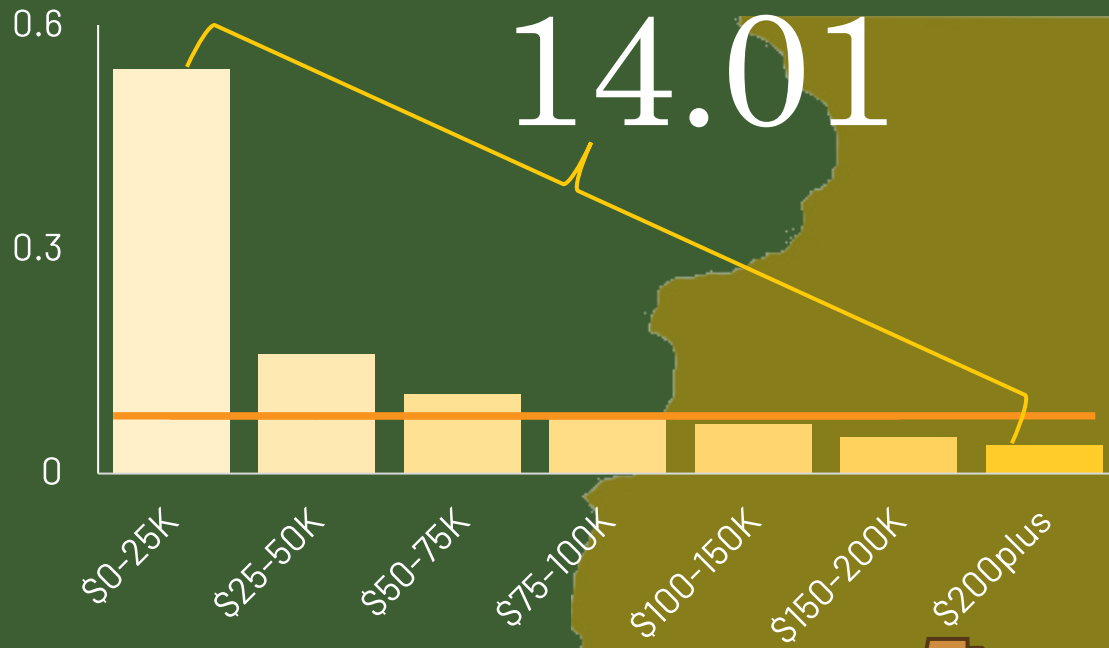


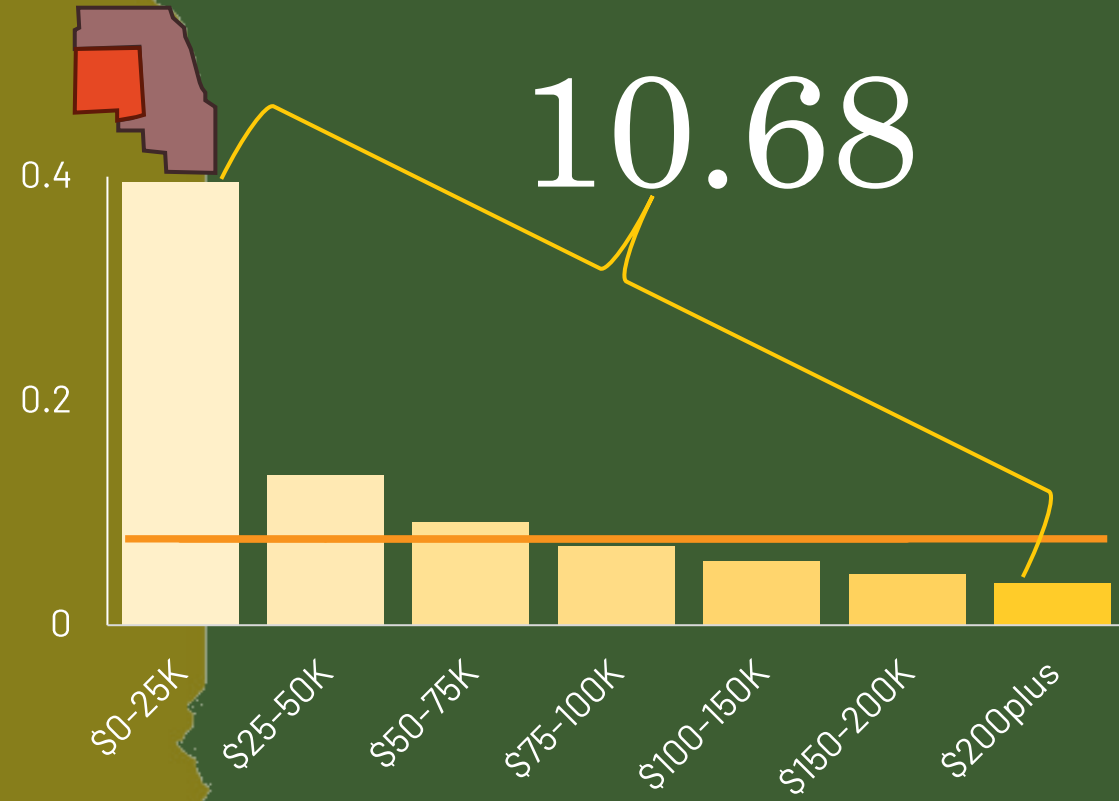
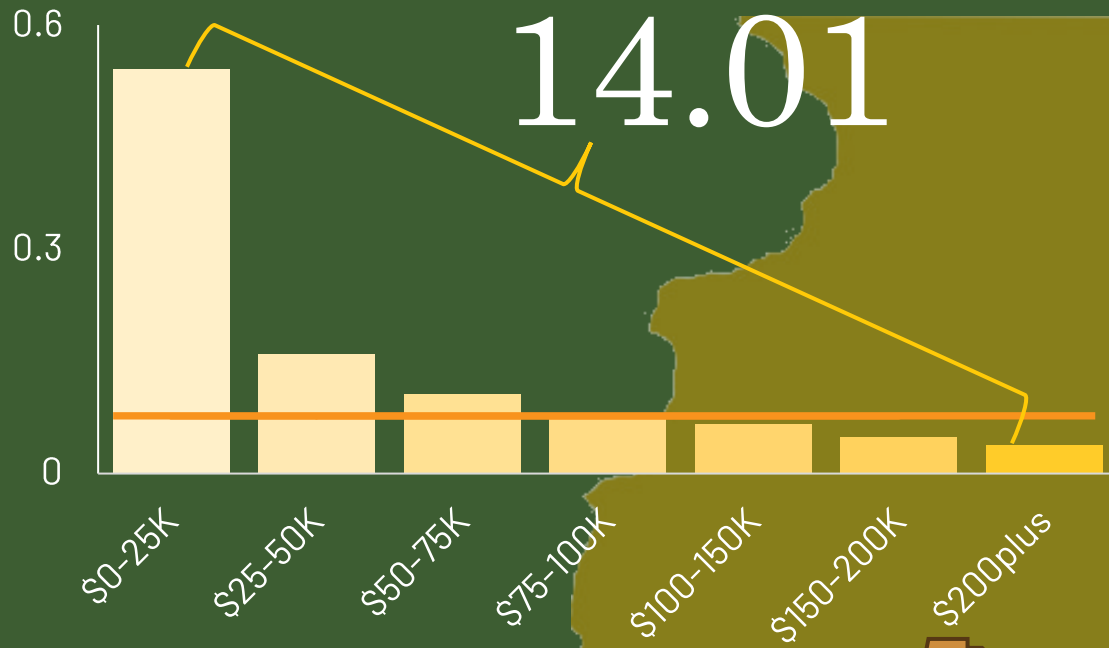


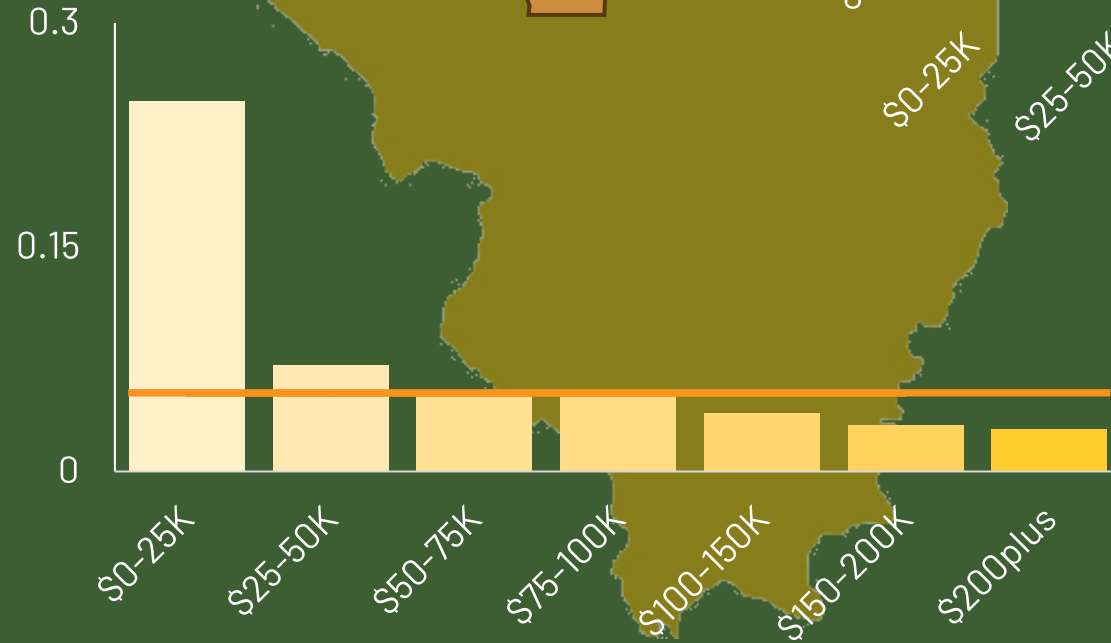
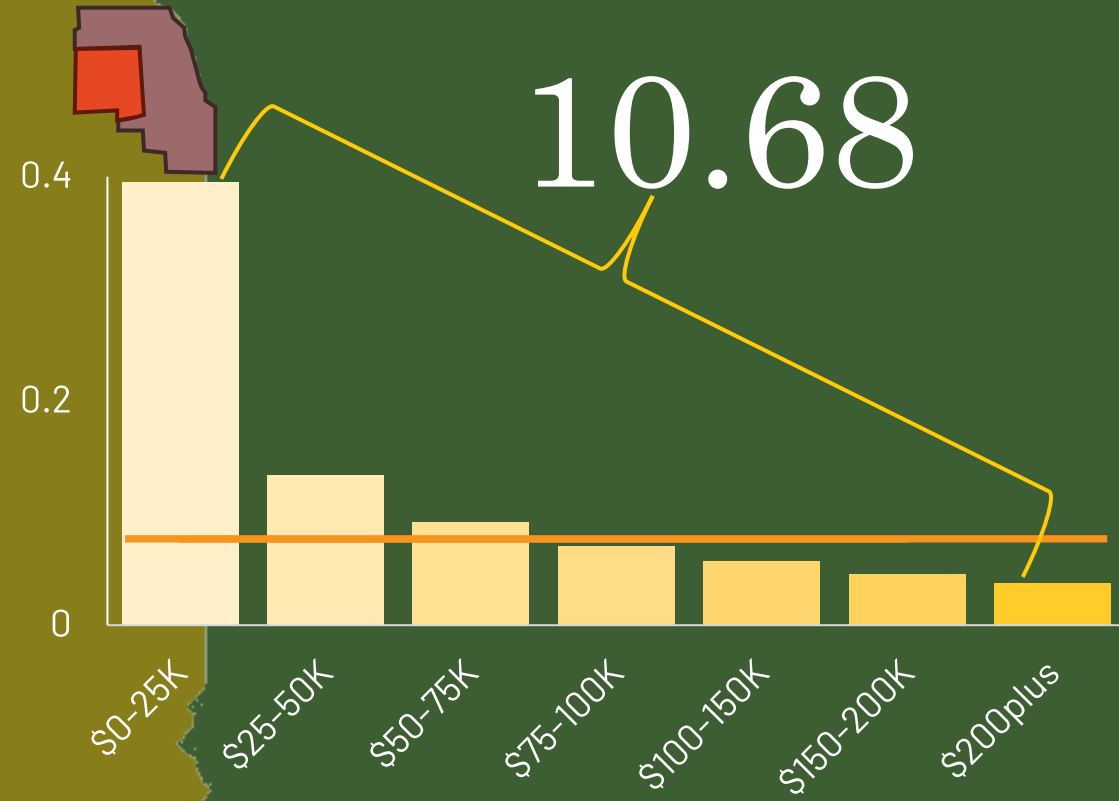
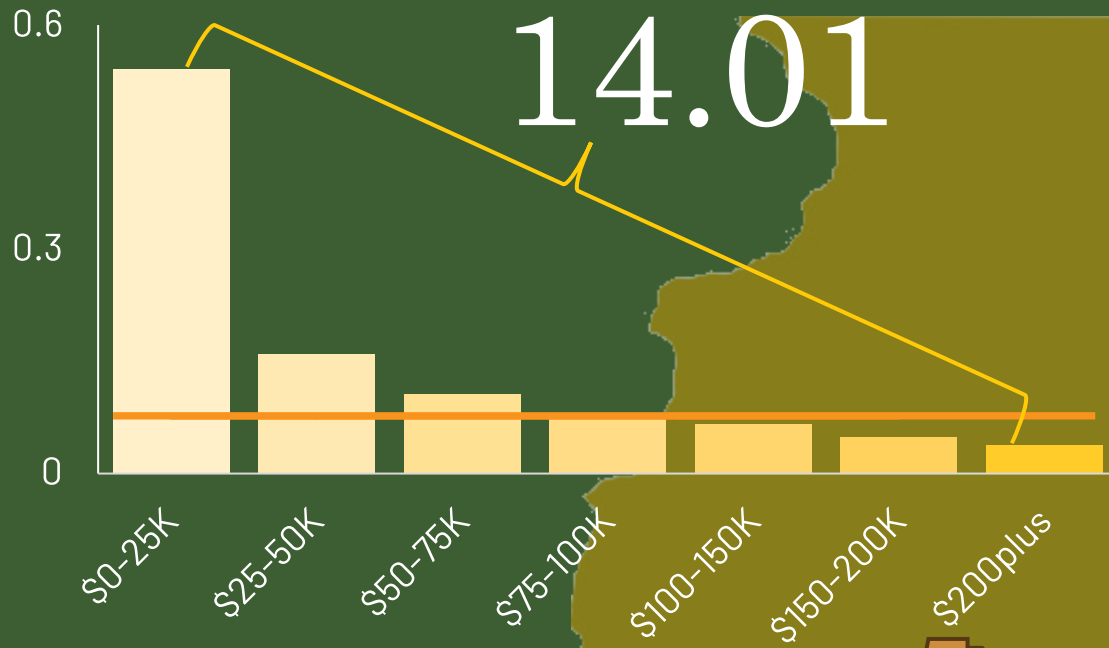


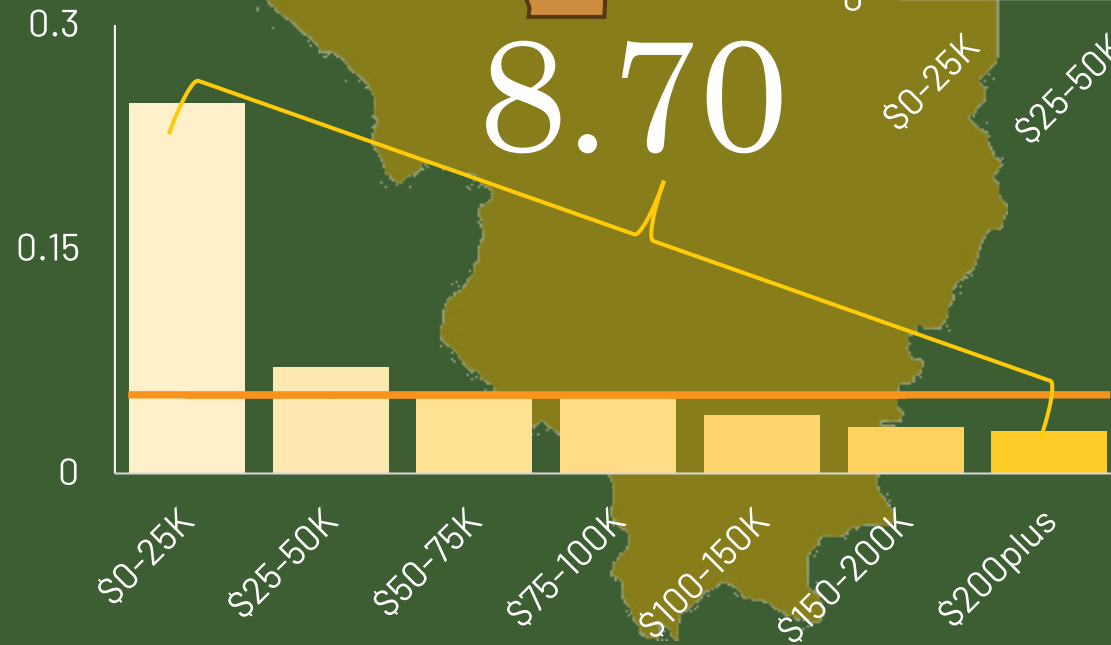
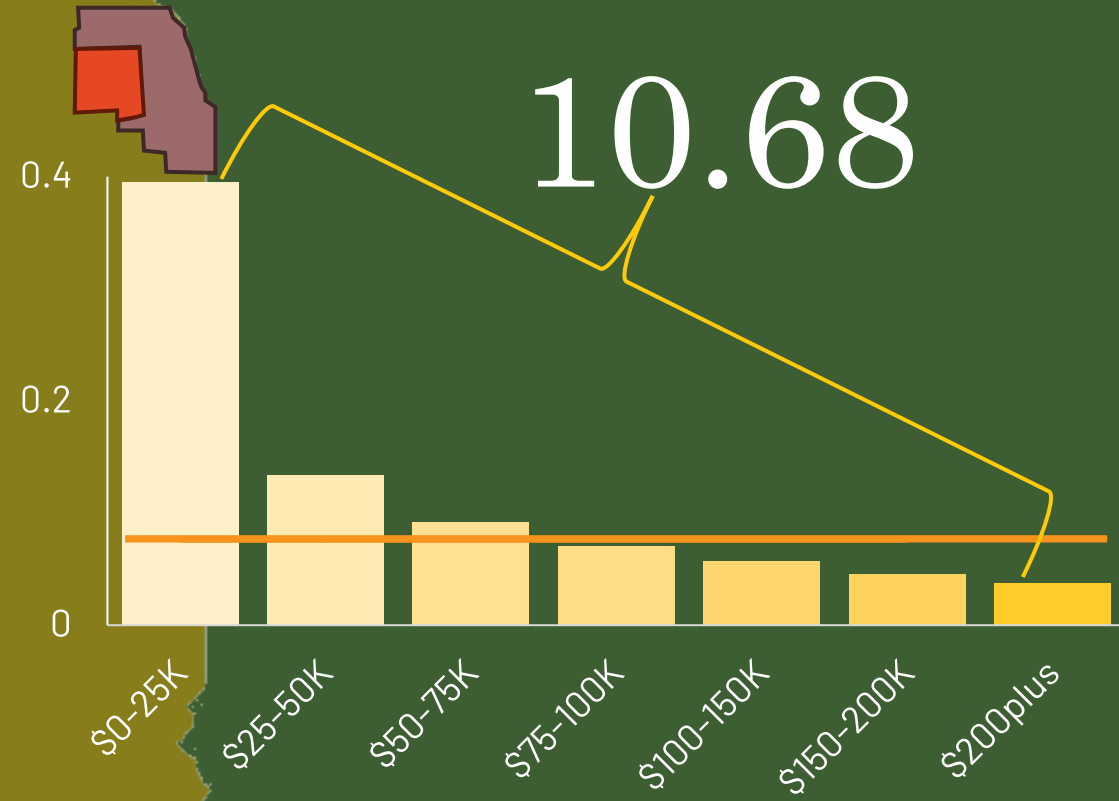
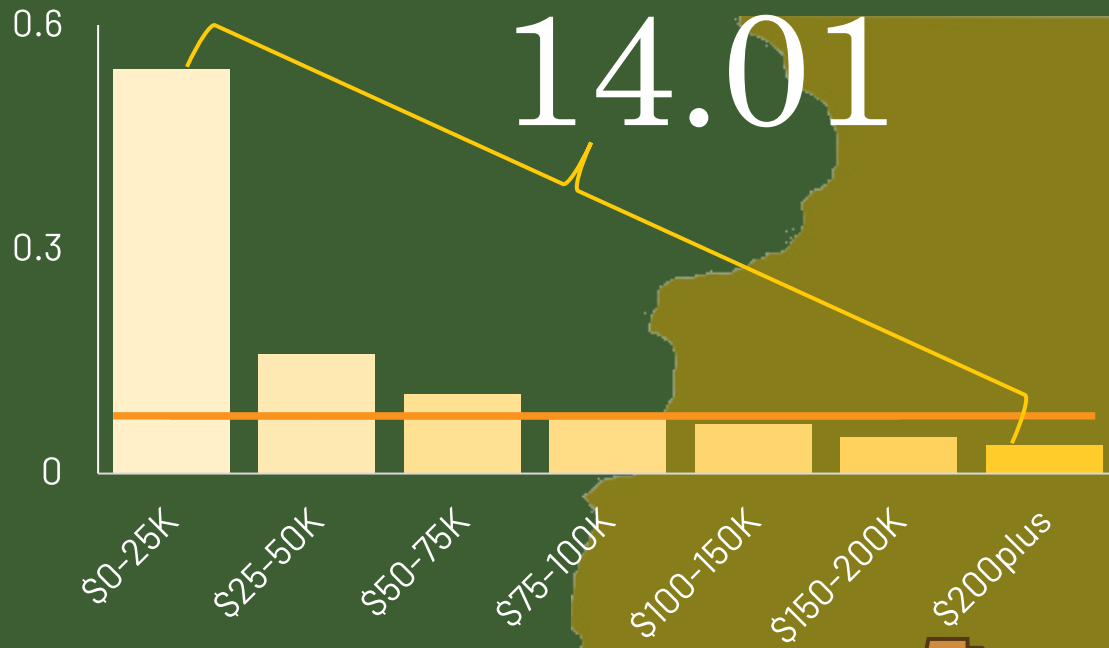


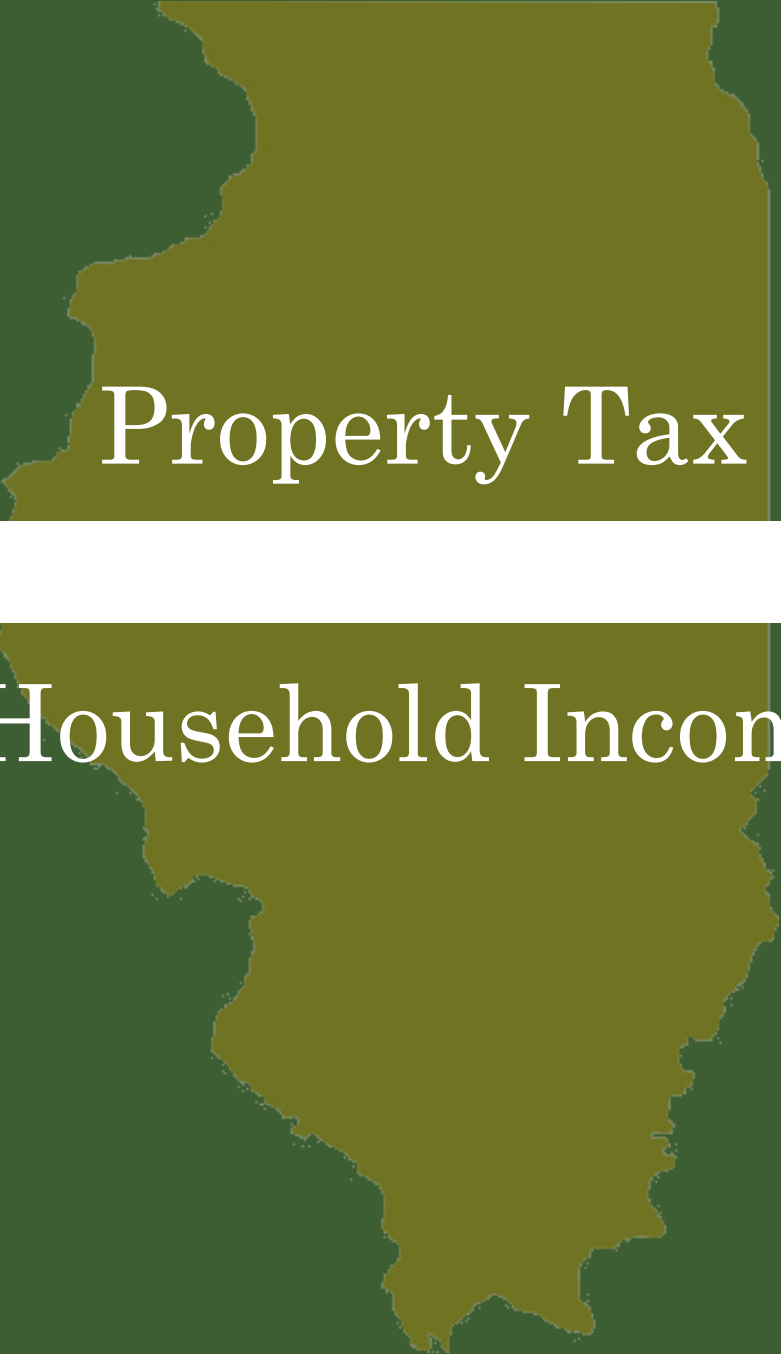










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Property Tax

Household Income

Property Tax



~~Household Income~~

Property Tax



Property Tax



wealth

1

total
wealth





total wealth



total wealth



total wealth

1

total
wealth



2

wealth
via homes



wealth via homes



wealth via homes

1

total
wealth



2

wealth
via homes

1

net
worth



2

wealth
via homes



assets



assets

debt



assets

-



=



debt



net
worth



net
worth

wealth
via homes



2

capital
gains



net
worth



sale price

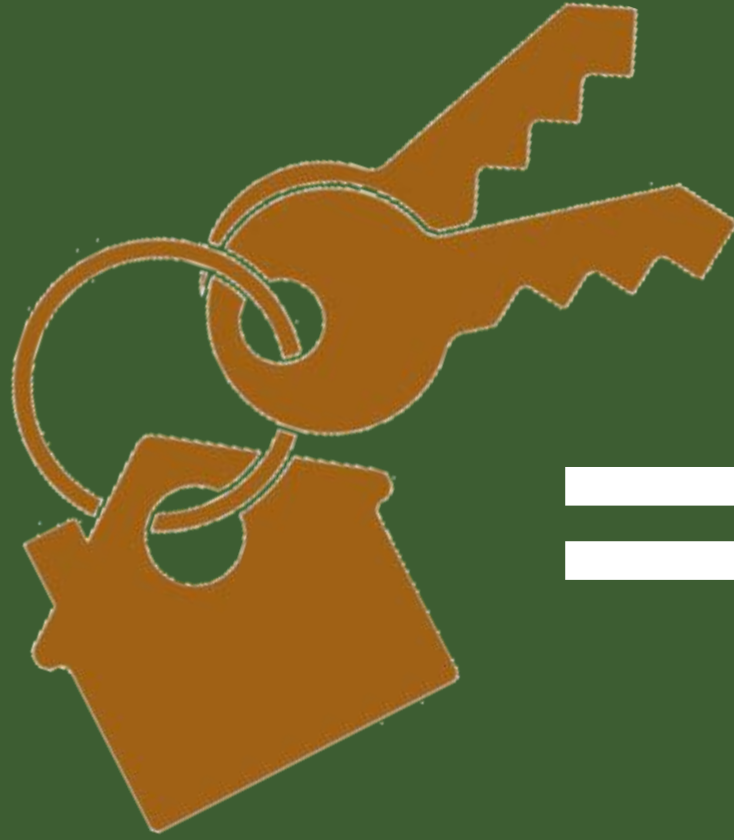


sale price

purchase



—



=



sale price

purchase

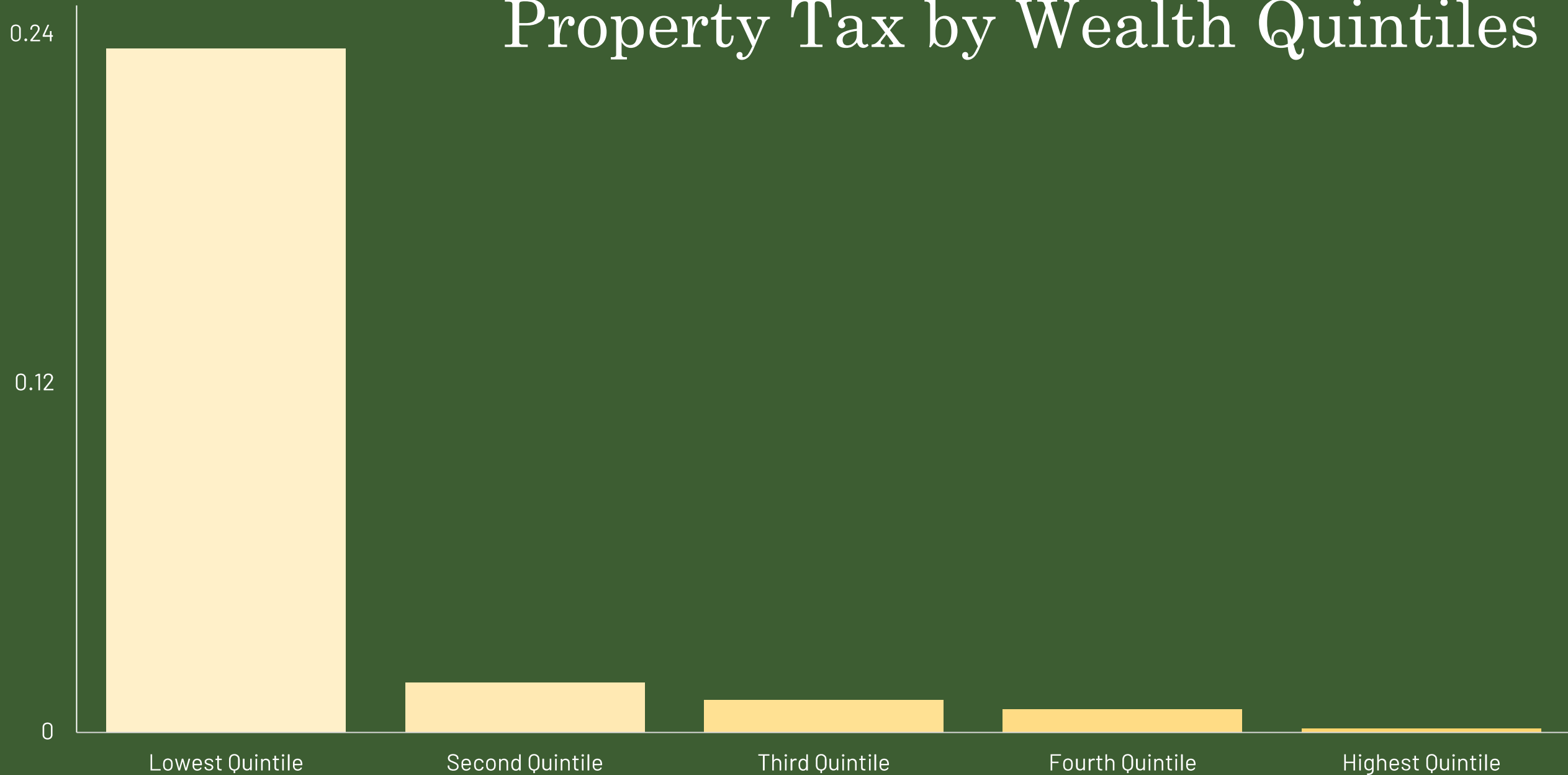


net
worth

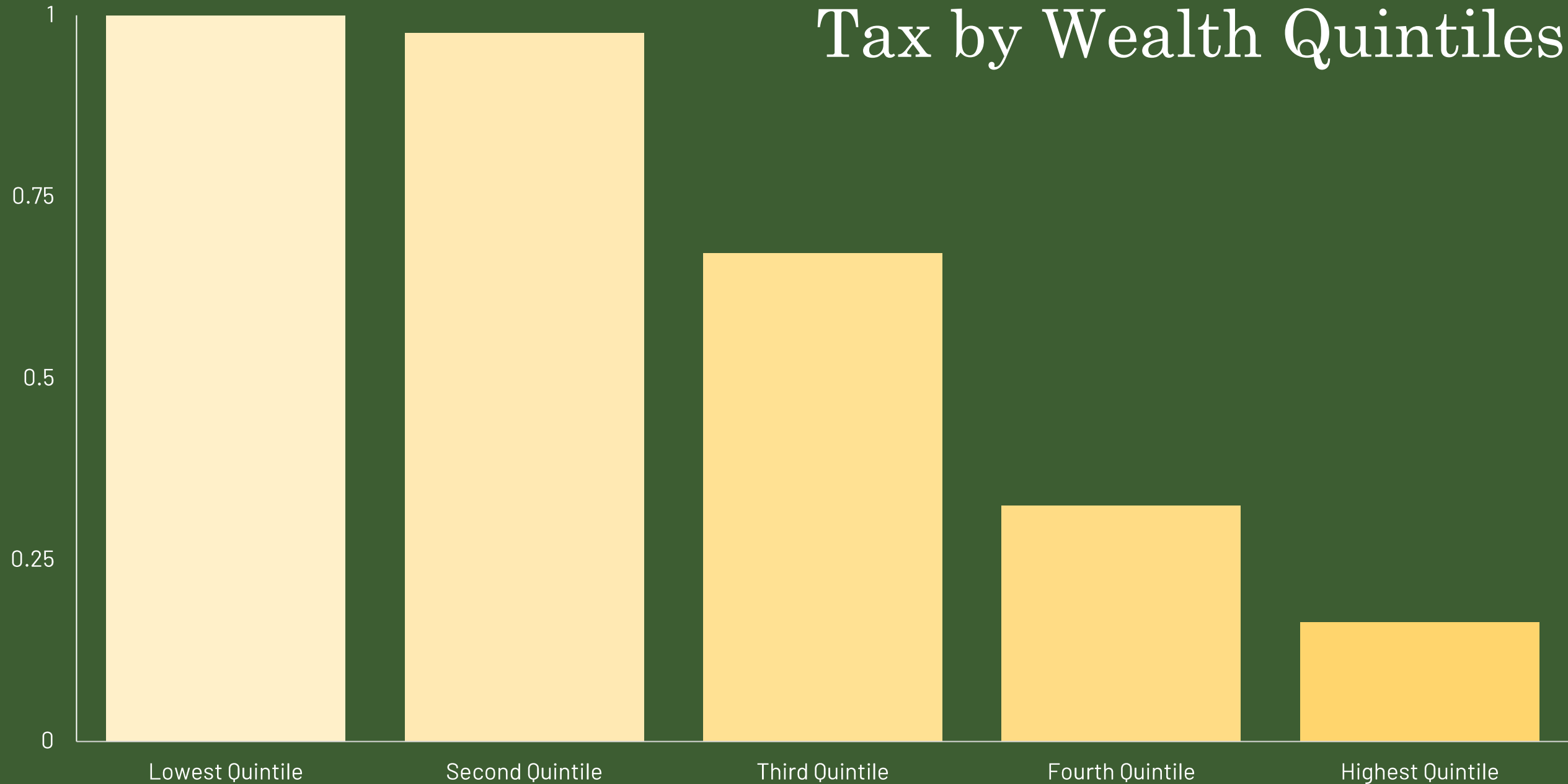


capital
gains

Proportion of Household Wealth Spent on Property Tax by Wealth Quintiles



Proportion of Housing Wealth Spent on Property Tax by Wealth Quintiles



How *Fair* Is Our Tax?:

A golden balance scale is depicted, tilted to the right. The left pan is higher and contains the word "Fair" in a golden, italicized serif font. The right pan is lower and contains the text "Tax?:" in the same golden, italicized serif font. The scale's beam is a simple golden line with a central pivot point and two circular joints where the pans are attached. The entire graphic is set against a solid dark green background.

Fair

Fair assessment

of

Fair cash value

equals

Fair property tax

Fair assessment

of

Fair cash value

equals

Fair property tax

Fair assessment
of

Fair cash value

equals

Fair property tax

Fair assessment

of

Fair cash value

equals

Fair property tax

Fair assessment

of

Fair cash value

equals

Fair property tax

what is
fairness?

what could
fairness be?