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REAL ESTATE

The \$500 Million Fight Over Who Pays Chicago's Property Tax Bill

New property assessments shift tax burden from downtown businesses to homeowners, causing outcry in long-struggling neighborhoods

By [Joe Barrett](#) [Follow](#)

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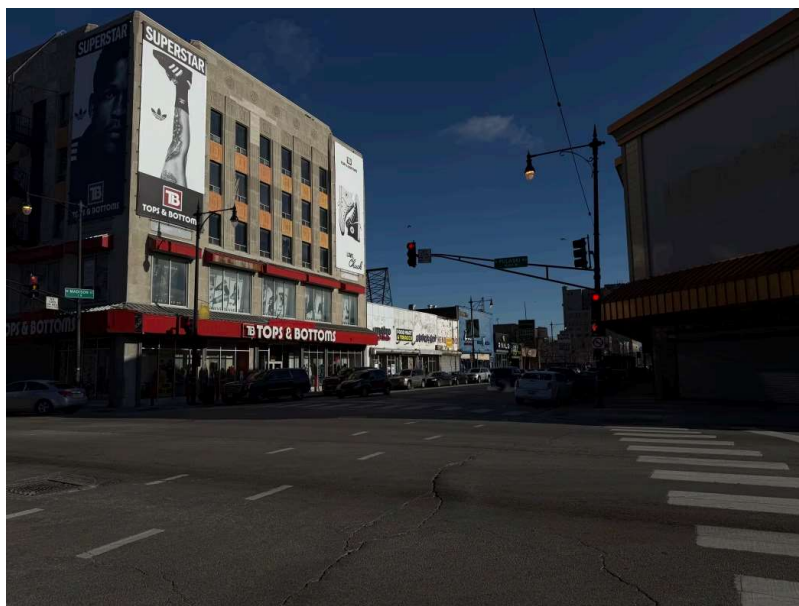
Siri Hibbler, chief executive of Chicago's Garfield Park Chamber of Commerce, questions property-tax increases for neighborhoods where many homes are boarded up. JOE BARRETT/WSJ

CHICAGO—Last year, the City Council of this perennially cash-strapped metropolis unanimously rejected a proposal by Mayor Brandon Johnson to raise the city portion of property taxes by \$300 million.

This year, homeowners face a \$500 million property tax increase anyway, even though the city's take remains essentially unchanged. New assessments have shifted the burden from downtown commercial properties to individual homeowners, and other taxing entities have asked for more money.

The seeming disconnect—amid [an even bigger fight in City Hall](#) over the coming year’s budget—is angering homeowners across the city. Frustration is especially high in long-struggling neighborhoods on the South and West sides, which are seeing the biggest percentage increases on their tax bills.

“You got [vacant lots](#), you got boarded up homes, you got places in need of repair. There’s no new construction. Where are these numbers coming from?” said Siri Hibbler, chief executive of the Garfield Park Chamber of Commerce, as she toured West Garfield Park with a reporter. The median residential tax bill there jumped by 133%. “You’re causing more Black families to leave the community, and you’re going to get higher income people in here that can pay the rent.”



The once-grand shopping district in West Garfield Park is largely run down, with many boarded up businesses. JOE BARRETT/WSJ

The new tax bills, based on a once every-three-year assessment ending in 2024, landed in mailboxes this fall, just as a budget fight was heating up in City Hall.

Following a weekslong battle, a group of moderate and conservative City Council Democrats on Saturday passed a budget that alters Mayor Johnson’s budget, notably by stripping out his per-employee “head tax” on large companies. Johnson, who called parts of the rival measure “morally bankrupt,” hasn’t yet said if he will sign or veto it. A veto risks a government shutdown if the sides can’t reach a final agreement by the year’s end.

Meanwhile, Cook County Assessor Fritz Kaegi, who sets property values for homeowners and businesses, and the Cook County Board of Review, which hears

appeals on those valuations, are sparring over who is responsible for the big jump in homeowner taxes.

Kaegi's office spent much of last year valuing the nearly 900,000 homes and commercial properties in Chicago. His assessments would have slightly boosted the share businesses pay in the total tax bill to 51%, up from 49% in 2021, he said.

But then the Board of Review started hearing appeals from businesses and homeowners. When they finished in May, major downtown landholders had successfully argued for big breaks from Kaegi's figures.

High-profile properties such as Trump Tower, Hilton Chicago and the Hyatt Regency saw drops of between 33% and 39%, assessor's office data show. Data centers and luxury apartment buildings also saw major reductions, while homeowners collectively won only a 1% cut.



Some large downtown Chicago properties successfully appealed increases to their tax-bill burden. JIM VONDRUSKA/REUTERS

Kaegi said hotels had recovered significantly by measures such as revenue-per-available-room since the pandemic, so he stands behind his numbers.

Michael Jacobson, president and CEO of the Illinois Hotel and Lodging Association, said Chicago's hotels are generating record revenue, but costs have also risen considerably in recent years while hotel property values are falling.

"A lot of the assumptions or claims that the assessor has made about the hotel industry, frankly, just aren't accurate. Hotel values are, in some cases, a fraction of what they were prepandemic," he said.

Overall, the Board of Review shifted the tax-bill burden toward homeowners by 5 percentage points, or around \$500 million, Kaegi said. That led to an average increase of \$700 per homeowner.

“I feel a sense of indignation,” Kaegi said in a recent interview. “When I talk to my peers around the country, no one has an appeals body which changes the tax base as much as ours does here.”

“This is kind of a broken record of trying to blame somebody else,” said George Cardenas, a former alderman and one of three commissioners on the Board of Review, who said his body’s job is to address “inconsistencies” in the assessor’s work. “The Board of Review is the one you can count on to look at these very carefully, very detailed, very microscopic.”

Both offices have been involved in bribery and influence-peddling scandals. Michael Madigan, the former Illinois House Speaker, and Ed Burke, the longtime alderman, are serving federal sentences for corruption after running law firms focused on property-tax appeals.

Kaegi, a former fund manager who has written large checks to his own campaigns, has forgone donations from lawyers or major property owners, as has one of the three members of the Board of Review.

Cardenas, noting that all the contributions he receives from those who come before the board are fully disclosed, calls the issue a red herring. “I’m a working stiff,” he said. “I believe in responding to people, doing my best for them. And I also believe that it’s fair for people to voice their opinions and use their voices.”

Samantha Steele, a former assessor for an Indiana county and current member of the Board of Review, says she forgoes campaign contributions from people with business before the board. Still, she said, she often sides with Cardenas on rulings. She says the Board of Review’s assessments are more in line with industry standards on commercial appraisals.

She added that the assessor’s office hasn’t done even a drive-by physical review of properties since 1997, which she says makes all of its work suspect.

Kaegi, however, cites a recent countywide study that found his commercial assessments were more accurate than those of the Board of Review. A spokesman for the office said the assessor has never done the kind of drive-by review Steele suggests.

Such work would cost an estimated \$88 million—more than double his office’s annual budget—and take four years to complete, the spokesman said.

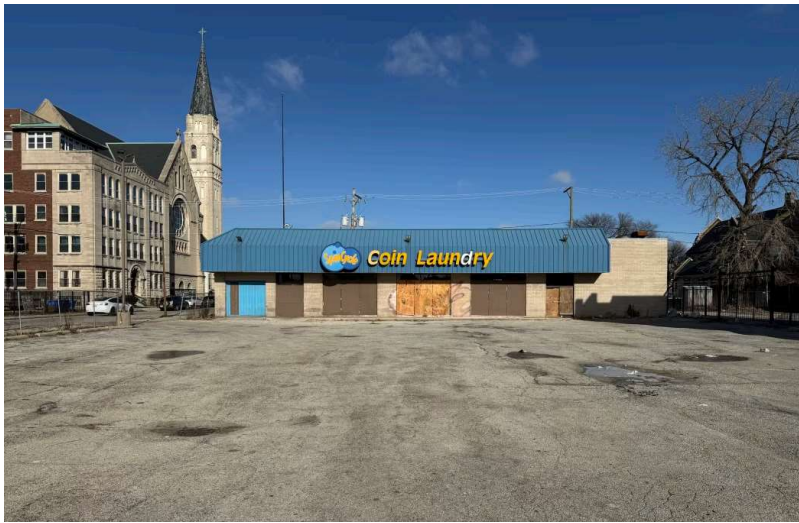
“The main reason that bills are going up is that all the taxing jurisdictions keep raising their levies,” said Christopher Berry, a University of Chicago professor of public policy. Chicago Public Schools, which gets more than half of the property tax bill, and other government entities routinely request the maximum increase allowed by state law, he said. The city, which gets less than a quarter of the bill, didn’t raise its own levy but added a \$9 million levy for libraries.

City leaders have been fighting to turn around long-declining neighborhoods on the South and West sides and in a broad sense the rise in property values is good news, as long as it doesn’t drive people out of their homes, Berry said. “These neighborhoods had really declined during the recession, and they’re kind of bouncing back.”

In West Garfield Park, a once-thriving neighborhood adjacent to one of the city’s jewels—the gold-domed Garfield Park Fieldhouse—it is hard to see many signs of a big turnaround. Vacant lots and boarded up homes seem nearly as plentiful as occupied properties and many retail shops are shuttered or run down.



JOE BARRETT/WSJ



In the West Garfield Park neighborhood, vacant and boarded-up properties dot the area. JOE BARRETT/WSJ

Sarah Tucker, an educator who lives alone in the classic Chicago greystone that her family has owned since 1979, isn't sure she can hold on.

Her tax bill jumped to \$3,308 from \$886 last year, even after her home suffered a major flood in 2023 and she got a reduction in her valuation from the Board of Review last spring.

She said officials told her this summer that her home's value had still risen to \$197,000 from \$75,000 in 2021 because a nearby home sold for around \$400,000.



Sarah Tucker said rising taxes may lead her to sell her family's longtime home in West Garfield Park. JOE BARRETT/WSJ

“That house that got bought for \$400-something thousand probably got gutted and rehabbed. My house was not gutted and rehabbed. It makes no sense,” she said.

Tucker, who is waiting to see what her new mortgage payment will be, said she’s looking for another job. If the new payment is too high, she still might have to leave.

“I would probably be looking to sell my home or get rid of it,” she said.

Write to Joe Barrett at Joseph.Barrett@wsj.com

Corrections & Amplifications

One of the three members of the Cook County Board of Review doesn’t accept campaign contributions from people who come before the board. An earlier version of this article incorrectly said two members have forgone donations. Also, the median increase in homeowners’ property tax bills in Chicago’s West Garfield Park was 133% after the latest assessment. An earlier version of the article incorrectly said it was the average increase.(Corrected on Dec. 22)

Appeared in the December 23, 2025, print edition as ‘Property Tax Stirs Fight In Chicago’.

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