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JAN 21 2016

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PTELL – CPI for 2016 Extensions Property Taxes Payable 2017

TO: County Clerks and Tax Extenders in Counties Containing Taxing
Districts Subject to the Property Tax Extension Limitation Law (PTELL)

FROM: Brad Kriener
Property Tax Division

DATE:

SUBJECT: CPI Change for 2016 Extensions (for property taxes payable in 2017) for Taxing Districts Subject
to PTELL

The Consumer Price Index (CPI) "cost of living", or inflation, percentage to use in computing the 2016 extensions (taxes payable in 2017) under PTELL is .7%

Section 18-185 of the Property Tax Code defines CPI as "the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor." This index is sometimes referred to as CPI-U. Section 18-185 defines "extension limitation" and "debt service extension base" as "...the lesser of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year..." (emphasis added).

For 2016 extensions (taxes payable in 2017), the CPI to be used for computing the extension limitation and debt service extension base is 0.7%. The CPI is measured from December 2014 to December 2015. The U.S. City Average CPI for December 2014 was 234.812 and 236.525 for December 2015. The CPI change is calculated by subtracting the 2014 CPI of 234.812 from the 2015 CPI of 236.525. That amount is then divided by the 2014 CPI of 234.812, which results in 0.7% CPI.

Information on PTELL may be accessed through the department's web site at www.tax.illinois.gov under the "Property Tax" link and the "Property Tax Extension Limitation Law (PTELL)" link under the "Tax Information" heading.