

Board of Directors

Steven H. Abbey
David A. Abel
Catherine M. Adduci
Allan Ambrose*
A.G. Anglum*
Adrienne Archia*
Murray E. Ascher*
Alicia Berg
Brian A. Bernardoni
Roger Bickel
J.D. Bindenagel
Douglas H. Cameron
Whitney Carlisle
Timothy L. Christen
Robert J. Christie
Richard A. Ciccarone*
Jerry Cizek III ☼
Nancy J. Clawson
Lew Collens
Elizabeth G. Coolidge
Mary Culler
Omar Daghestani
Kevork M. Derderian ☼
Julian C. D'Esposito
Jon B. DeVries
Thomas H. Donohoe
Martin L. Eisenberg
Brian D. Fabes
Timothy J. Faerber
Timothy Fair
Stephen B. Friedman
Charles R. Gardner*
Carol W. Garnant ☼
Sarah Garvey*
Anthony Gedeller
Ronald J. Gidwitz
Peter G. Glick
Judith A. Gold*
Andrew F. Gottschalk*
Patrick J. Hagan*
Philip Hale
M. Hill Hammock*
Albert C. Hanna
David Hickerson
Patricia M. Holden
Bruce T. Hopple
Margaret Houlihan Smith
Lorna Brett Howard
Lori Iglesias
Bennett Johnson III
James H. Kane
William Ketchum
Jim Kranjc*
Betsy LaVelle
Stephen Legatzke
Michael A. Lovett
William Mack*
Glenn Mazade
Thomas McNulty ☼
Fred H. Montgomery*
Timothy E. Moran
Monica M. Mueller
Michael E. Murphy ☼
Bert Nuehring*
Michael F. O'Brien
Holly O'Connor
Gregory O'Leary
Sarah Pang
Robert Pasin
Dorice Pepin
Donovan Pepper
Moirra Pollard
Bruce V. Rauner
Alexander I. Rorke
Scott Saef ☼
John C. Sciacotta
Patrick Sheahan
James E. Spiotto*
Caryn Stancik
Barbara Stewart ☼
Eugene S. Sunshine
Theodore M. Swain*
Kent A. Swanson*
Courtney A. Thompson
Allen Truesdell
Thomas C. Vanden Berk
Robert S. Vihon*
Daniel Wagner
Sue E. Wallace*
John F. Ward ☼
John L. Ward
Jeffrey D. Warner
Andrew L. Weil
Jerold Wolf
William Young
Philip Zinn*

The Civic Federation

177 North State Street, Suite 400, Chicago, IL 60601 • 312.201.9066 fax 312.201.9041 • civicfed.org



Officers

Thomas Livingston
Chairman

Mark Davis
Vice Chairman

Susan McKeever
Vice Chairman

Eileen Mitchell
Vice Chairman

Joseph B. Starshak
Treasurer

Laurence J. Msall
President

Lise Valentine
Vice President

*Executive Committee
☼ Past Chairmen's Council

Civic Federation Position Statement on Property Tax Exemption for Charitable Organizations

September 16, 2011

The Civic Federation urges the General Assembly to establish clear standards of eligibility on property tax exemptions for charitable organizations. We are concerned that many organizations are uncertain about their property tax liabilities due to the lack of clear, definable standards in the Illinois Constitution and state law and recent unexplained exemption denials by the Illinois Department of Revenue. To the extent that the General Assembly lacks plenary authority to define clear standards of eligibility because of judicial decisions limiting "charitable use" under Article IX, Section 6 of the Illinois Constitution to criteria defined by the courts in derogation of legislative standards, the Civic Federation recommends that a constitutional amendment be proposed to confer such authority on the General Assembly.

The Civic Federation has previously recommended that tax exemptions for charitable, religious, educational and governmental property be limited and narrowly defined.¹ In a report on reforming the Cook County property tax system, the Civic Federation noted that the Illinois Constitution authorizes these exemptions from taxation (in part or in total) because the properties provide a public good that would be diminished if the owners were required to pay more in taxes. The Federation also noted that this exemption shifts the property tax burden onto other properties. The Federation concluded that this exempt status should be reserved for institutions that provide public benefit and should be narrowly applied so as to guard against excessive exemptions.

¹ The Civic Federation, *Civic Federation Position on the Cook County Property Tax System*, December 20, 2010, p. 11,
http://www.civicfed.org/sites/default/files/101220_CookCountyPropertyTaxPosition.pdf.