

HOW FARMLAND ASSESSMENTS ARE DETERMINED

Under the State Property Tax Code, the assessment of farmland is based on its agricultural economic value, not its fair cash value. farmland in all 102 Counties in Illinois is valued the Same. The major factors in farmland valuation include soil productivity, crop prices and farm loan interest rates.

The Illinois Department of Revenue Certifies the values for each PI (Productivity Index) The certified values have been adjusted by the Farmland Assessment Technical Advisory Board to limit the change to 10% from the preceding year's median soil productivity index certified value. (property tax code 35 ILCS 200/10-115, paragraph (e) as amended by Public Act 98-0109)

The State Farmland Technical Advisory Board is 5 members appointed by the Department of Revenue- These are technical experts from colleges in the State of Illinois, they provide income, productivity and yield data to the Department of Revenue for calculating Soil Productivity index, use value assessment figures.

5 year rolling average: Net Income (Gross Income, expenses divided by Federal Land Bank Mortgage Int Rate = Agricultural Economic Value.

Income: expected yield per acre for each PI, considering average management x 5 year average crop prices.

Expenses; 5 year average cost for each PI, including management, herbicide, fertilizer, seed, fuel, labor, and Machinery cost.

Interest Rate; 5 year average, Federal Land Bank Mortgage Int Rate.

Agricultural Economic Value x 33.33 = equalized assessed value.