

# High Pension Costs Hit Homeowners Through Property Taxes, Report Finds

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SPRINGFIELD – Over the last 20 years, Illinoisans have seen a 65% increase in residential property taxes, giving the state one of the nation's highest tax burdens.

The state of Illinois has the 6th highest property taxes in the nation and that number is climbing due to the large number of underfunded pensions the state and local governments have.

Adam Schuster, of the Illinois Policy Institute, said pension fund bills at the local level are growing as well.

"On top of the \$144 billion in pension debt at the state level, our local governments hold another \$75 billion in pension debt," he said.

The pension problem, Schuster said, is no longer a state problem as it is starting to change the way local governments operate.

"Fewer people are aware of the local pension problem in Illinois," Schuster said. "It is every bit as bad and a major source of financial stress for local governments."

A large percentage of property taxes goes to school districts, but with rising pension obligations more state funds are spent on pensions, leaving more classroom costs for school districts to fund through property taxes.

Illinois has the second-highest pension debt in the nation as well as the sixth-highest property taxes.