

# Case File: Vandalia, Illinois

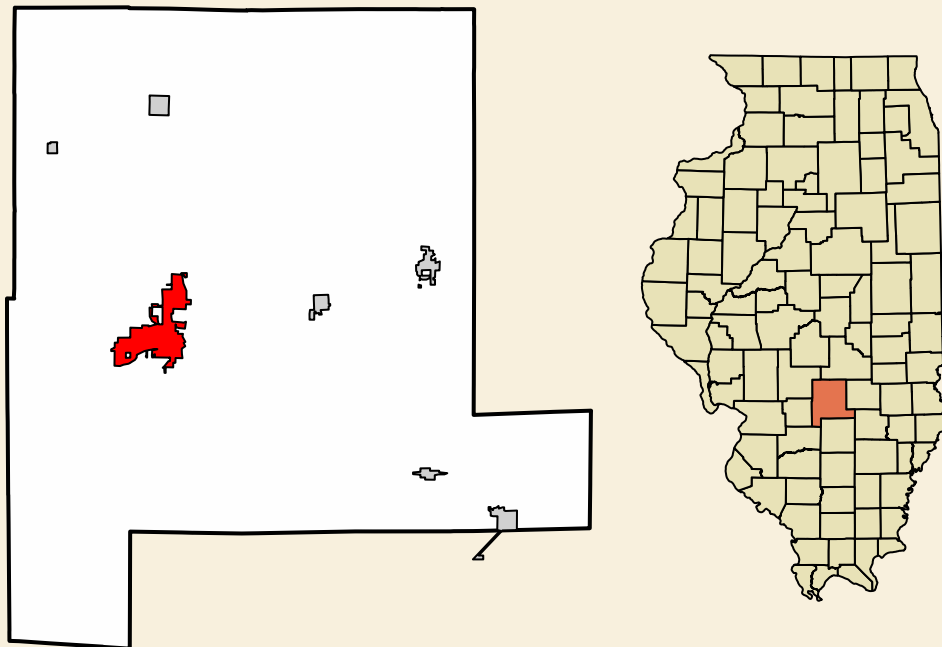
Kyle Rose | 10/30/2024

- Location Information

- Full Name: City of Vandalia
- County: Fayette County
- Population: 7,457<sup>I</sup>

- Property Tax Information

- Effective Residential Property Tax Rate (ownwell.com): 2.28%<sup>II</sup>
- Average Effective Property Tax Rate (smartasset.com): 1.68%<sup>III</sup>
- Effective Residential Property Tax Rate (own calculations): 2.493%<sup>IV</sup>
- Sales Ratio: 33 1/3%<sup>V</sup>
- Exemptions: \$6,000<sup>VI</sup>
- Classification Ratio: 1.0000<sup>VII</sup>
- Total Local Property Tax Rate: Varies (sampled rate of 8.5%)<sup>VIII</sup>
- Credits: \$0<sup>IX</sup>



Source: Vandalia, Illinois - Wikipedia<sup>IX</sup>

## Qualitative Analysis

This part will be brief, as this section is meant more for comparisons with other cities or counties that will be analyze in the future. One important note is that my calculated rate is different from the two companies, Ownwell and Smartasset, that appeared on Google Search's first page when querying 'vandalia illinois property tax rate'. The cited rates on both sites are suspect. Ownwell cites themselves as the source for their rates, while their page on Vandalia states:

The median property tax rate in Vandalia, IL is 2.28%, considerably higher than both the national median of 0.99% and the Illinois state median of 2.35%. With the median home value in Vandalia at \$67,476, the typical annual property tax bill reaches \$1,398, exceeding the national median of \$2,690.<sup>XI</sup>

Meanwhile, Smartasset does not have an option to put in Vandalia into its property tax calculator, and the county rate they list is substantially different than Fayette County's taxing district rate of 0.91711%<sup>XII</sup>, even if special or school districts are not included.

## Research Difficulties

There were 2 notable difficulties I had researching and calculating the rate for Vandalia. First, although Illinois' target rate was used for the calculation, the median rate listed for Vandalia in Illinois latest sales assessment ratio study is 31.79%\%<sup>XIII</sup>. Substituting this number for the Sales Ratio brings my calculation for the Residential Property Tax Rate down to 2.23%. However, since this study is nearly 4 years out of date, I chose to use the target rate instead. Another difficulty was finding the what exactly the Total Local Property Tax Rate was. Property taxes are issued by local cities, counties, and any special tax districts (school districts, land improvements, etc.) Illinois has among the highest number of special tax districts in the US, sitting in at 3,100<sup>XIV</sup>, not including school districts. Fayette county's parcel assessment website lists 96 different taxing districts with 32 different property categories<sup>XV</sup>. Their scope ranges from broad (e.g. commercial) to highly specific (e.g. mineral rights for fluorspar), and their locations are difficult to determine outside of looking at individual parcels. Their rates are also not given outside of looking at individual properties on the county's parcel search. A more accurate average rate could be determined by randomly sampling residential parcels located within city limits, but would be difficult and inaccurate without access to the county's shapefile.

## Note on Calculations

The Lincoln Institute calculates effective property tax using the following formula:

$$\text{Effective Property Tax} = \{[(TMV \times SR) - E] \times CR \times TR\} - C$$

Where TMV is "true" market value; SR is the local sales ratio; E are applicable exemptions that reduce taxable value; CR is the statutory classification system (classification rate) or other provisions that determine what proportion of the assessor's

estimated market value is taxable; TR is the total local property tax rate; and C are any applicable property tax credits. LI assumes that the TMV for residential properties are \$150,000 in order to isolate the effects of tax structures instead of differences in real estate markets. This simplifies their formula to:

$$\text{Effective Property Tax} = \{[(150,000 \times SR) - E] \times CR \times TR\} - C$$

## Endnotes and Citations

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