

# NAVIGATING THE QUIRKS OF COOK COUNTY, ILLINOIS



Cook County may be one of the most varied and complex in the nation when it comes to transfer taxes, recording fees, and property taxes. Although this article will not be exhaustive, we will explain several quirks of this county that could have an adverse effect on the LE below.

## ***Buyer/Seller Split Transfer Taxes***

The cities within Cook County have an assortment of city-specific transfer taxes, some of which are flat fees rather than a rate. Although some cities may have similar total transfer tax rates or fees, the responsibility for these taxes also varies.

In some cases, the transfer taxes are split 50/50 between the buyer and seller, and in others the transfer taxes are solely the responsibility of either the buyer or the seller, unless negotiated otherwise via contract. Additionally, the consideration for these transfer taxes is rounded in a couple of different ways during calculation, with some cities rounding to the next full \$500 amount, and others rounding to the next full \$1000.

The buyer faces a heavier transfer tax burden than the seller in Chicago, where the transfer tax responsibility is split close to 70/30.

## ***Chicago vs. North Chicago vs. Chicago Heights?!***

Chicago should not be confused with either North Chicago or Chicago Heights, as all three of these cities are unique in their transfer tax rates. Although both Chicago and Chicago Heights are located within Cook County, Chicago Heights has no buyer paid transfer tax by default and has a greater seller paid tax burden than Chicago.

Despite being similar in name and easy to confuse as a suburb of Chicago, which inhabits both Cook and Du Page counties, North Chicago is located within Lake County. As such, it has an entirely different set of transfer tax rules apply to North Chicago than that of its southern sibling!

## ***Unique Additional Fees***

As mentioned earlier, some cities have fees that either take the place of transfer taxes or are in addition to the taxes due. Both Chicago Heights and Harvey City have additional fees depending on the circumstances of the transaction.

In Chicago Heights, there is an Exemption Processing Fee due when a deed is needed to complete a refinance transaction, and Harvey City assesses a city specific Administrative Processing Fee in addition to the standard Cook County Deed Recordation Fee. There is also a county-wide Mail Handling Fee that is required when documents are submitted for recording.

This fee is automatically bundled into the Cook County recording fees provided by LodeStar.

## ***Property Tax Payments***

Lastly, Cook County differs from most other property tax jurisdictions in that property taxes are not only paid in arrears, but are also only payable via direct debit, more commonly known as an ACH transfer. This is important since any checks mailed to Cook County to be credited to a borrower's account will not be applied. These improperly mailed checks will be returned, which could cause the borrower to accumulate late fees, interest, and other headaches.

*We hope this guide helps you navigate some of the quirks inherent to Cook County, Illinois. If you have any questions, please don't hesitate to reach out. You know where to find us!*