Why are my taxes going up when I have the Senior Freeze?

The Senior Freeze Exemption is a significant benefit to seniors and becomes more valuable from year to year during times of increasing assessments. However, in the current declining market, many seniors find themselves losing some or all of the benefit from the Freeze and, as a result, paying substantially more in taxes.

The Senior Freeze Exemption does:
- Freeze the taxable value of your property
- Stabilize property taxes in an increasing market

The Senior Freeze Exemption does NOT:
- Freeze your tax bill
- Freeze the tax rate

Who Qualifies? The Senior Freeze Exemption is available to seniors at least 65 years of age, with total household income of $55,000 or less, who own their home and live in it as their principal residence.

What is the Benefit? The exemption freezes the taxable assessment at the level of the base year. The base year is the year prior to the initial application.

How is the Exemption Amount calculated? The amount of the exemption is not the same for every senior and varies from year to year. The exemption amount is calculated by subtracting the base year assessment from the current year assessment. The difference is the amount of the exemption.

The current declining market is having two effects on the tax bills of seniors with the Senior Freeze Exemption.
- The Senior Freeze Exemption Amount decreases in a declining market. In a declining market, as assessments go down, the difference between the base year assessment and the current year assessment also goes down, thereby decreasing the amount of the Freeze exemption. If the current year assessment actually falls below the base year value, there is no exempt value to be deducted from the assessment and no benefit from the exemption. While the new lower value does become the adjusted base year value, it will only be beneficial when the market recovers and assessments begin to increase.

- Tax Rates are increasing in the current declining market. The tax rate is nothing more than a calculation; total funds requested by the taxing body (the Levy) divided by the total assessed value in the jurisdiction. As assessments go down – if taxing body spending stays the same or increases – tax rates go up. Last year the assessed value of Lake County decreased by 7.7% and tax rates increased, on average, by 9%.

As a result, many seniors with the Freeze now find themselves with dramatically increasing property taxes. Their Senior Freeze Exemption amount is reduced or even zero and their tax rate is higher. And unfortunately the Senior Freeze Exemption will only be beneficial again when assessments begin going up.