

# Sales Ratio Analysis of Appraisals Submitted as Evidence in Commercial Appeals

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COOK COUNTY  
**ASSESSOR'S  
OFFICE**

January 2025

# Sales Ratio Analysis of Appraisals Submitted as Evidence in Commercial Appeals

## Background

As the Cook County Assessor's Office (CCAO) considers appraisals as evidence of value, we must understand the quality and accuracy of these value estimates when deciding assessed value appeals. To that end, we have performed a sales ratio analysis to quantify the performance of appraisals submitted to our office. Specifically, we want to learn if certain property types are problematic in predicting a probable market value. We are also interested in knowing if any other systemic patterns emerge.

The Illinois Property Tax Code references sales ratio studies prepared by the Illinois Department of Revenue (IL-DOR), though such studies are considered for a limited purpose in Cook County. To ensure objectivity in our analysis, we have followed industry-accepted editing rules established by the International Association of Assessing Officers (IAAO), as articulated within their Standard on Sales Ratio Studies, to the degree possible when performing a limited sales ratio analysis.

IL-DOR monitors assessments and sales as part of its oversight role to ensure that properties that straddle multiple assessment jurisdictions are subject to an equitable level of taxation. In a broader context, the results of the IL-DOR study allow the comparison of the performance of appraisal models utilized by assessment jurisdictions and the jurisdictions themselves. A primary benchmark employed by the IL-DOR within its sales ratio is the median ratio of the assessed value expressed as a percentage of the market (sale) value.

The goal of a sales ratio analysis is to measure the overall performance of the valuation models used by the assessment jurisdiction or to equalize assessments among jurisdictions. When used to assess performance, the analysis attempts to answer two questions:

- What is the typical relationship between the property's actual market value and their corresponding assessed values by utilizing the sale price as a proxy for current market value?
- How uniform is this relationship across different property types and value groupings?

The IAAO advocates performing a sale-to-assessment ratio analysis within their Standard on Sales Ratio Studies for these purposes. The Illinois Department of Revenue is tasked by the Illinois Property Tax Code to annually perform a sales-to-assessment ratio study to equalize the relationship between assessed values across Illinois counties. The Cook County Assessor's Office has used sales-to-assessment ratio analyses to evaluate different valuation models.

This analysis considers the quality of appraisals offered as evidence for mid- to high-value non-homestead properties. As such, the number of sales transactions meeting the industry-accepted definition of a market sale is limited. (A sale price of \$2,000,000 or more was chosen to establish a reasonable baseline for inclusion.) Certain departures from the Illinois Department of Revenue's sales ratio edit procedures were required to obtain a reasonable sample size of market value indicators from sales. The most notable of these edit rules was to include special warranty deeds. Although they potentially may indicate a non-market sale for homestead property, special warranty deeds are common in non-homestead real estate transactions.

While this analysis considers sale prices, the CCAO and other assessment offices often rely on the income approach to valuation when valuing property. The income approach should be consistent with market sales price indicators – case law indicates that a recent arm's-length transaction is the best indicator of value. As such, the relationship between sale prices and appraised values is a useful indicator of the efficacy of appraisals.

## Acknowledgment of Appraisal Sample Bias

The appraisals considered within this analysis were offered as evidence by property owners and their agents to reduce the assessed value. This limiting intent precludes instances when the appraiser's value conclusion may have indicated a probable market value estimate above the assessed value. Therefore, the sample of appraised property in our analysis is not truly random; consequently, this bias should be considered when evaluating a comparison between appraisals and actual sales prices. If we received copies of appraisals indicating a value estimate over the current assessed value, the accuracy measurements would likely improve.

# Methods

## Data Sources

### Compiling the Sample of Appraisal-Sale Pairs for Review

Illinois is a sale price disclosure state. The Illinois Department of Revenue (IL-DOR) requires real estate buyers and sellers to report the terms and circumstances of real estate sales within the standardized PTAX-203 Transfer Declaration form. The PTAX 203 Transfer Declaration forms are public information, and the IL-DOR makes summarized sales transaction information available as downloadable data files on their website. Copies of the primary PTAX-203 form and addenda PTAX-203-A and PTAX-203-B are attached for context.

The IL-DOR tabular sales data includes a wealth of information related to the property sold, as well as the circumstances surrounding the property sale, including the following:

- Parcel numbers, addresses, and legal descriptions of the transferred property.
- Sales price and amounts allocated to real and personal property.
- Current use by the seller and intended use by the property purchaser.
- Indications of a seller acting under duress.
- Indications that the buyer and seller may not be at arm's length.
- Disclosure of transferable existing financing.
- A general statement by the parties to the sale if the sales price is a "fair reflection of market value."

This analysis joins IL-DOR tabular sales data with internal records of assessed value appeals, including appraisals offered as evidence. These appraisals are customarily stored within the CCAO's document management system. The 915 appraisals that passed the initial appraisal-sales pair-matching process were downloaded into a central repository for further analysis and review.

### Sample selection and exclusion

#### Scope of the Sales Price to Appraised Value Pairs Analysis

First, all sales were selected that met the following criteria: disclosed by an Illinois Real Estate Transfer Declaration, over \$1,999,999 (net consideration, excluding personal property), which occurred under terms as disclosed on the PTAX-203, that pass the IL-DOR sales ratio edits for consideration as an indication

market transaction, for non-homestead property, where the sales occurred from January 1st, 2020, through December 31st, 2023.

- Edited sales were matched to appraisals submitted to our office as evidence of value for assessed value appeals.
- This criterion produced **1,529** sales–appraisal pairs.

The pairs of sales transactions and appraisals were further edited to remove instances of appraised vs. sold property mismatches. Potential mismatches include:

- A physical property change occurred between the retrospective appraisal date and the subsequent sale.
- The transfer declaration disclosed that the buyer intends to change the use of the subject property.
- The sale occurred before or more than three years after the retrospective appraisal date.
- The property sold is not coincident with the property appraised, including sales of multiple properties in one transaction.
- The property rights transferred in the sale do not align with appraised property rights, such as transfers of less than 100% interest on the sold property.
- Transactions occurring simultaneously with the same seller, potentially indicating a liquidation of the organization's assets and non-market allocation of value for individual properties transferred during the multi-property sale.
- Incentive class properties, potentially affected by non-normal market forces given their inherent restrictions and preferential property tax treatment, were eliminated out of concern that the appraised value and sale value may be based upon dissimilar influences.
- Finally, only sales in which the buyer and seller attest on the PTAX-203-A, question number eight, "In your opinion, is the net consideration for real property entered on Line 13 of Form PTAX-203 a fair reflection of the market value on the sale date?" as "Yes" were used.

These edits have reduced the final sample count to **60** usable appraisal-sale pairs.

#### Passage of Time Between Appraisal Date Subsequent Sale

The IL-DOR utilizes assessed values from the year before the sale date, adjusted by a reassessment index to eliminate the possibility of "sale chasing" skewing any sales ratio study results. Within our analysis, we attempted to adhere to the intent of this practice by using a similar edit rule. To keep any inherent bias of having the publicly reported sale disclosed before

the appraisal was prepared, we limited our sales to those occurring after the appraisal date. Utilizing sales occurring within a short time after the appraisal date would minimize ratio distortions caused by market changes. However, given the small number of appraisal-sales pairs that pass the market edits, we elected to allow comparisons for properties selling up to three years after the appraisal date. A more restrictive time of one-year variance criteria would have limited market changes. However, this would have resulted in a very small sample size of only 24 sales .

## Analysis and Results

The final sample was **60** usable appraisal-sale pairs. Eight of them were Class 3 (Large Multifamily) and the remaining 52 were Class 5 (Commercial and Industrial). See Table 3 for a full description.

### Correlation Between Appraised Value and the Subsequent Sales Price

After an extensive editing process to isolate valid appraisal-sale pairs, the relationship between the appraised value and subsequent sales prices was reviewed to find general central tendency measurements.

The median ratio of the appraised value expressed as a percentage of the subsequent sales price for these 60 properties is 62%, indicating that the appraisals underestimated the market value indicated by the sales price by approximately 38%. The mean ratio of the appraised value expressed as a percentage of the subsequent sales price is 71.24%. The lowest ratio of the 60-pair sample is 41.09%, and the highest ratio is 141.31%.

Of the 60 properties in this analysis, the appraised value was lower than the sale price for 49 (82%, or 4 in 5) of them.

Because the appraisal-sale pairs data included general descriptive data, additional stratifications of the appraisal-sale pairs are possible. The additional stratifications of the appraisal-sales pairs possible include:

- Appraiser ID (A randomly assigned ID number unique to the appraisal firm that prepared the appraisal). The median ratio by appraiser ranged from 46% to 112%. See Table 1 for more specific measurements.
- Attorney ID (A randomly assigned ID number unique to the law firm that submitted the appraisal) stratified by the appraisal-to-sale price ratio. The median ratio by attorney ID ranged from 46% to 111%. More information is included in Table 2.

- Property Class Stratified by the appraisal-to-sale price ratio. The median ratio by property class ranged from 47% (class 5-92) to 105% (class 5-91). See Table 3 for a full description.

## Conclusions

There appears to be a systemic appraisal undervaluation of property. This measured underappraised value may partially be accounted for by the bias of the sample. Given this observation, it is prudent to continue to monitor appraisal performance.

More data would also empower us to utilize other statistical measurements that may provide insights into potential appraisal bias by price and locational stratifications. These are statistically insignificant, with a small sample size of only 60 appraisal-sale pairs.

Additionally, our office can partner with the appraisal community and state regulators to ensure appraisals provide high-quality value estimates. Equally important is safeguarding the interests of property owners who do not appeal their assessed values to our office.

## Matched Pairs of Edited Appraisals and Sales Analysis

**Table 1:** Appraisal to Sale Ratio Pairs by Appraiser ID

Appraiser ID	Number of Appraisals Filed	Central Tendency		Ratio Distribution				
		Median Ratio	Average Ratio	40% -59%	60% -79%	80% -99%	100% -119%	120% or Greater
Appraiser 1	1	99.4%	99.4%	0	0	1	0	0
Appraiser 2	1	68.4%	68.4%	0	1	0	0	0
Appraiser 3	1	92.1%	92.1%	0	0	1	0	0
Appraiser 4	1	100.5%	100.5%	0	0	0	1	0
Appraiser 5	1	72.3%	72.3%	0	1	0	0	0
Appraiser 6	1	46.2%	46.2%	1	0	0	0	0
Appraiser 7	2	80.4%	80.4%	0	1	1	0	0
Appraiser 8	2	66.0%	66.0%	0	2	0	0	0
Appraiser 9	1	112.1%	112.1%	0	0	0	1	0
Appraiser 10	1	81.5%	81.5%	0	0	1	0	0
Appraiser 11	1	54.9%	54.9%	1	0	0	0	0
Appraiser 12	1	46.5%	46.5%	1	0	0	0	0
Appraiser 13	3	69.2%	65.8%	1	1	1	0	0
Appraiser 14	2	94.1%	94.1%	1	0	0	0	1
Appraiser 15	1	57.0%	57.0%	1	0	0	0	0
Appraiser 16	1	50.1%	50.1%	1	0	0	0	0
Appraiser 17	9	53.0%	58.8%	6	2	0	1	0
Appraiser 18	4	68.3%	81.0%	2	0	1	0	1
Appraiser 19	5	49.1%	60.9%	4	0	0	1	0
Appraiser 20	2	93.3%	93.3%	0	0	1	1	0
Appraiser 21	2	78.0%	78.0%	1	0	0	1	0
Appraiser 22	3	61.3%	60.5%	1	2	0	0	0
Appraiser 23	12	61.2%	74.6%	6	3	0	2	1
Appraiser 24	2	68.9%	68.9%	1	0	1	0	0

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## Matched Pairs of Edited Appraisals and Sales Analysis

**Table 2:** Appraisal to Sale Price Ratio Pairs by Attorney ID

Attorney ID	Number of Appraisals Filed	Central Tendency		Ratio Distribution				
		Median Ratio	Average Ratio	40% - 59%	60% - 79%	80% - 99%	100% - 119%	120% or Greater
100	1	49.0%	49.0%	1	0	0	0	0
10824	1	111.1%	111.1%	0	0	0	1	0
11009	1	100.0%	100.0%	0	0	0	1	0
11185	1	56.1%	56.1%	1	0	0	0	0
1132	1	85.5%	85.5%	0	0	1	0	0
11490	4	54.9%	55.1%	3	1	0	0	0
11626	1	52.8%	52.8%	1	0	0	0	0
1269	1	100.5%	100.5%	0	0	0	1	0
1330	1	68.4%	68.4%	0	1	0	0	0
1427	1	66.3%	66.3%	0	1	0	0	0
1466	1	46.5%	46.5%	1	0	0	0	0
15259	1	57.0%	57.0%	1	0	0	0	0
15368	2	47.5%	47.5%	2	0	0	0	0
15384	3	63.5%	66.6%	1	1	1	0	0
15388	1	81.5%	81.5%	0	0	1	0	0
15421	3	79.2%	77.5%	1	1	0	1	0
1706	1	96.8%	96.8%	0	0	1	0	0
2276	1	62.0%	62.0%	0	1	0	0	0
2949	4	97.3%	94.2%	2	0	0	0	2
3102	2	66.0%	66.0%	0	2	0	0	0
3116	7	54.2%	69.1%	4	1	0	2	0
3146	1	46.2%	46.2%	1	0	0	0	0
349	1	103.6%	103.6%	0	0	0	1	0
36	5	81.2%	84.7%	2	0	2	0	1
385	1	50.1%	50.1%	1	0	0	0	0
475	2	52.7%	52.7%	2	0	0	0	0
5750	1	69.2%	69.2%	0	1	0	0	0
753	1	61.3%	61.3%	0	1	0	0	0
8509	1	92.1%	92.1%	0	0	1	0	0
860	1	54.8%	54.8%	1	0	0	0	0
8603	1	54.6%	54.6%	1	0	0	0	0
920	1	72.3%	72.3%	0	1	0	0	0
956	2	80.4%	80.4%	0	1	1	0	0
972	3	53.7%	69.0%	2	0	0	1	0

## Matched Pairs of Edited Appraisals and Sales Analysis

**Table 3a:** Appraisal to Sale Ratio Pairs by Major Property Classes

Major Class	Number of Appraisals Filed	Central Tendency		Ratio Distribution				
		Median Ratio	Average Ratio	40% - 59%	60% - 79%	80% - 99%	100% - 119%	120% or Greater
3	8	58.8%	64.4%	4	3	0	1	0
5	52	61.9%	72.3%	24	10	8	7	3

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## Matched Pairs of Edited Appraisals and Sales Analysis

**Table 3b:** Appraisal to Sale Ratio Pairs by Minor Property Classes

Abbreviated Class Description	Specific Class	Number of Appraisals Filed	Central Tendency		Ratio Distribution				
			Median Ratio	Average Ratio	40% - 59%	60% - 79%	80% - 99%	100% - 119%	120% or Greater
Two-or-three-story, building, seven or more units	3-13	1	48.7%	48.7%	1	0	0	0	0
California type apartments, no corridors exterior entrance	3-14	2	78.7%	78.7%	1	0	0	1	0
California type apartments, interior entrance	3-15	1	60.7%	60.7%	0	1	0	0	0
Apartment building over three stories, seven or more units	3-91	3	66.3%	64.2%	1	2	0	0	0
Special rental structure	3-97	1	56.2%	56.2%	1	0	0	0	0
One-story commercial building	5-17	3	81.2%	75.7%	1	0	2	0	0
One-story, non-fireproof public garage	5-22	2	51.7%	51.7%	2	0	0	0	0
Bank building	5-28	1	63.5%	63.5%	0	1	0	0	0
Motel	5-29	2	58.4%	58.4%	1	1	0	0	0
Shopping center	5-31	11	76.7%	75.6%	2	5	2	2	0
Commercial minor improvement	5-90	7	72.3%	80.0%	3	1	1	1	1
Commercial building over three stories	5-91	4	105.0%	109.2%	0	0	1	2	1
Two-or-three-story building containing part or all retail and/or commercial space	5-92	6	47.7%	49.0%	6	0	0	0	0
Industrial building	5-93	12	59.4%	72.5%	6	2	2	1	1
Special commercial structure	5-97	4	49.0%	64.0%	3	0	0	1	0

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# PTAX-203 Illinois Real Estate Transfer Declaration

Please read the instructions before completing this form.  
For electronic filing information, visit the [MyDec Helpful Resource page](#).

## Step 1: Identify the property and sale information.

1 \_\_\_\_\_  
Street address of property (or 911 address, if available)

\_\_\_\_\_  
City or village ZIP

\_\_\_\_\_  
Township

2 Enter the total number of parcels to be transferred. \_\_\_\_\_

3 Enter the parcel identifying numbers and lot sizes or acreage.

Property index number (PIN)	Lot size or acreage
a _____	_____
b _____	_____
c _____	_____
d _____	_____

Enter additional property index numbers, lot sizes or acreage in Step 3.

4 Date of instrument: \_\_\_\_\_ / \_\_\_\_\_  
Month Year

5 Type of instrument (Mark with an "X."): \_\_\_\_\_ Warranty deed  
\_\_\_\_\_ Quit claim deed \_\_\_\_\_ Executor deed \_\_\_\_\_ Trustee deed  
\_\_\_\_\_ Beneficial interest \_\_\_\_\_ Other (specify): \_\_\_\_\_

6 \_\_\_\_\_ Yes \_\_\_\_\_ No Will the property be the buyer's principal residence?

7 \_\_\_\_\_ Yes \_\_\_\_\_ No Was the property advertised for sale?  
(i.e., media, sign, newspaper, realtor)

8 Identify the property's current and intended primary use.  
Current Intended (Mark **only one item per column** with an "X.")

- a \_\_\_\_\_ Land/lot only
- b \_\_\_\_\_ Residence (single-family, condominium, townhome, or duplex)
- c \_\_\_\_\_ Mobile home residence
- d \_\_\_\_\_ Apartment building (6 units or less) No. of units: \_\_\_\_\_
- e \_\_\_\_\_ Apartment building (over 6 units) No. of units: \_\_\_\_\_
- f \_\_\_\_\_ Office
- g \_\_\_\_\_ Retail establishment
- h \_\_\_\_\_ Commercial building (specify): \_\_\_\_\_
- i \_\_\_\_\_ Industrial building
- j \_\_\_\_\_ Farm
- k \_\_\_\_\_ Other (specify): \_\_\_\_\_

Do not write in this area.  
County Recorder's Office use.

County: \_\_\_\_\_

Date: \_\_\_\_\_

Doc. No.: \_\_\_\_\_

Vol.: \_\_\_\_\_

Page: \_\_\_\_\_

Received by: \_\_\_\_\_

9 Identify any significant physical changes in the property since January 1 of the previous year and enter the date of the change.

Date of significant change: \_\_\_\_\_ / \_\_\_\_\_  
Month Year

(Mark with an "X.")

- \_\_\_\_\_ Demolition/damage \_\_\_\_\_ Additions \_\_\_\_\_ Major remodeling
- \_\_\_\_\_ New construction \_\_\_\_\_ Other (specify): \_\_\_\_\_

10 Identify only the items that apply to this sale. (Mark with an "X.")

- a \_\_\_\_\_ Fulfillment of installment contract —  
year contract initiated : \_\_\_\_\_
- b \_\_\_\_\_ Sale between related individuals or corporate affiliates
- c \_\_\_\_\_ Transfer of less than 100 percent interest
- d \_\_\_\_\_ Court-ordered sale
- e \_\_\_\_\_ Sale in lieu of foreclosure
- f \_\_\_\_\_ Condemnation
- g \_\_\_\_\_ Short sale
- h \_\_\_\_\_ Bank REO (real estate owned)
- i \_\_\_\_\_ Auction sale
- j \_\_\_\_\_ Seller/buyer is a relocation company
- k \_\_\_\_\_ Seller/buyer is a financial institution or government agency
- l \_\_\_\_\_ Buyer is a real estate investment trust
- m \_\_\_\_\_ Buyer is a pension fund
- n \_\_\_\_\_ Buyer is an adjacent property owner
- o \_\_\_\_\_ Buyer is exercising an option to purchase
- p \_\_\_\_\_ Trade of property (simultaneous)
- q \_\_\_\_\_ Sale-leaseback
- r \_\_\_\_\_ Other (specify): \_\_\_\_\_
- s \_\_\_\_\_ Homestead exemptions on most recent tax bill:
  - 1 General/Alternative \$ \_\_\_\_\_
  - 2 Senior Citizens \$ \_\_\_\_\_
  - 3 Senior Citizens Assessment Freeze \$ \_\_\_\_\_

## Step 2: Calculate the amount of transfer tax due.

Note: Round Lines 11 through 18 to the next highest whole dollar. If the amount on Line 11 is over \$1 million and the property's current use on Line 8 above is marked "e," "f," "g," "h," "i," or "k," complete Form PTAX-203-A, Illinois Real Estate Transfer Declaration Supplemental Form A. If you are recording a beneficial interest transfer, do not complete this step. Complete Form PTAX-203-B, Illinois Real Estate Transfer Declaration Supplemental Form B.

11	Full actual consideration	11	\$ _____
12a	Amount of personal property included in the purchase	12a	\$ _____
12b	Was the value of a mobile home included on Line 12a?	12b	_____ Yes _____ No
13	Subtract Line 12a from Line 11. This is the net consideration for real property.	13	\$ _____
14	Amount for other real property transferred to the seller (in a simultaneous exchange) as part of the full actual consideration on Line 11	14	\$ _____
15	Outstanding mortgage amount to which the transferred real property remains subject	15	\$ _____
16	If this transfer is exempt, use an "X" to identify the provision.	16	_____b _____k
17	Subtract Lines 14 and 15 from Line 13. <b>This is the net consideration subject to transfer tax.</b>	17	\$ _____
18	Divide Line 17 by 500. Round the result to the next highest whole number (e.g., 61.002 rounds to 62).	18	_____
19	Illinois tax stamps — multiply Line 18 by 0.50.	19	\$ _____
20	County tax stamps — multiply Line 18 by 0.25.	20	\$ _____
21	Add Lines 19 and 20. <b>This is the total amount of transfer tax due.</b>	21	\$ _____



**Step 3: Enter the legal description from the deed.** Write, type (minimum 10-point font required), or attach the legal description from the deed. If you prefer, submit an 8 1/2" x 11" copy of the extended legal description with this form. You may also use the space below to enter additional property index numbers, lots sizes or acreage from Step 1, Line 3.

**Step 4: Complete the requested information.**

The buyer and seller (or their agents) hereby verify that to the best of their knowledge and belief, the full actual consideration and facts stated in this declaration are true and correct. If this transaction involves any real estate located in Cook County, the buyer and seller (or their agents) hereby verify that to the best of their knowledge, the name of the buyer shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois. Any person who willfully falsifies or omits any information required in this declaration shall be guilty of a Class B misdemeanor for the first offense and a Class A misdemeanor for subsequent offenses. Any person who knowingly submits a false statement concerning the identity of a grantee shall be guilty of a Class C misdemeanor for the first offense and of a Class A misdemeanor for subsequent offenses.

**Seller Information (Please print.)**

Seller's or trustee's name	Seller's trust number (if applicable - <b>not</b> an SSN or FEIN)
Street address (after sale)	City State ZIP ( )
Seller's or agent's signature	Seller's daytime phone

**Buyer Information (Please print.)**

Buyer's or trustee's name	Buyer's trust number (if applicable - <b>not</b> an SSN or FEIN)
Street address (after sale)	City State ZIP ( )
Buyer's or agent's signature	Buyer's daytime phone

**Mail tax bill to:**

Name or company	Street address	City	State	ZIP
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**Preparer Information (Please print.)**

Preparer's and company's name	Preparer's file number (if applicable)
Street address	City State ZIP ( )
Preparer's signature	Preparer's daytime phone

Preparer's e-mail address (if available)

**Identify any required documents submitted with this form.** (Mark with an "X.")  Extended legal description  Form PTAX-203-A  
 Itemized list of personal property  Form PTAX-203-B

**To be completed by the Chief County Assessment Officer**

<p><b>1</b> County _____ Township _____ Class _____ Cook-Minor _____ Code 1 _____ Code 2 _____</p> <p><b>2</b> Board of Review's final assessed value for the assessment year prior to the year of sale.</p> <p>Land _____, _____, _____, _____, _____</p> <p>Buildings _____, _____, _____, _____, _____</p> <p>Total _____, _____, _____, _____, _____</p>	<p><b>3</b> Year prior to sale _____</p> <p><b>4</b> Does the sale involve a mobile home assessed as real estate? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>5</b> Comments</p>
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<b>Illinois Department of Revenue Use</b>	<b>Tab number</b>
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# Instructions for Form PTAX-203, Illinois Real Estate Transfer Declaration

## General Information

The information requested on this form is required by the Real Estate Transfer Tax Law (35 ILCS 200/31-1 *et seq.*). All parties involved in the transaction must answer each question completely and truthfully.

### What is the purpose of this form?

County offices and the Illinois Department of Revenue use this form to collect sales data and to determine if a sale can be used in assessment ratio studies. This information is used to compute equalization factors. Equalization factors are used to help achieve a state-wide uniform valuation of properties based on their fair market value.

### Must I file Form PTAX-203?

You must file either (1) Form PTAX-203 and any required documents with the deed or trust document **or** (2) an exemption notation on the original deed or trust document at the County Recorder's office within the county where the property is located. File Form PTAX-203 for all real estate transfers except those qualifying for exempt status under (a), (c), (d), (e), (f), (g), (h), (i), (j), or (l) listed below.

### Which property transfers are exempt from real estate transfer tax?

The following transactions are exempt from the transfer tax under 35 ILCS 200/31-45.

- (a) Deeds representing real estate transfers made before January 1, 1968, but recorded after that date and trust documents executed before January 1, 1986, but recorded after that date.
- (b) Deeds to or trust documents relating to (1) property acquired by any governmental body or from any governmental body, (2) property or interests transferred between governmental bodies, or (3) property acquired by or from any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes. However, deeds or trust documents, other than those in which the Administrator of Veterans' Affairs of the United States is the grantee pursuant to a foreclosure proceeding, shall not be exempt from filing the declaration.
- (c) Deeds or trust documents that secure debt or other obligation.
- (d) Deeds or trust documents that, without additional consideration, confirm, correct, modify, or supplement a deed or trust document previously recorded.
- (e) Deeds or trust documents where the actual consideration is less than \$100.
- (f) Tax deeds.
- (g) Deeds or trust documents that release property that is security for a debt or other obligation.
- (h) Deeds of partition.
- (i) Deeds or trust documents made pursuant to mergers, consolidations or transfers or sales of substantially all of the assets of corporations under plans of reorganization under the Federal Internal Revenue Code (26 USC 368) or Title 11 of the Federal Bankruptcy Act.
- (j) Deeds or trust documents made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock.
- (k) Deeds when there is an actual exchange of real estate and trust documents when there is an actual exchange of beneficial interests, except that that money difference or money's worth paid from one to the other is not exempt from the tax. These deeds or trust documents, however, shall not be exempt from filing the declaration.
- (l) Deeds issued to a holder of a mortgage, as defined in Section 15-103 (now Section 15-1207) of the Code of Civil Procedure, pursuant to a mortgage foreclosure proceeding or pursuant to a transfer in lieu of foreclosure.

**Note:** If a transfer qualifies for an exemption under both Section 31-45(e) and 31-45(b), then the Section 31-45(e) exemption shall be selected, and no transfer declaration or supplemental information shall be required. In such case, a notation of exempt status must appear on the face of the deed, document transferring a controlling interest in real property, or trust document.

PTAX-203 (R-10/24)

### Can criminal penalties be imposed?

Anyone who willfully falsifies or omits any required information on Form PTAX-203 is guilty of a Class B misdemeanor for the first offense and a Class A misdemeanor for subsequent offenses.

Anyone who knowingly submits a false statement concerning the identity of a grantee of property in Cook County is guilty of a Class C misdemeanor for the first offense and a Class A misdemeanor for subsequent offenses. The penalties that could be imposed for each type of misdemeanor are listed below (35 ILCS 200/31-50 and 730 ILCS 5/5-8-3 and 5/5-9-1).

Misdemeanor	Prison Term	Maximum Fines
Class A	less than 1 year	\$2,500
Class B	not more than 6 months	\$1,500
Class C	not more than 30 days	\$1,500

## Line-by-line Instructions

The sellers and buyers or their agents must complete Steps 1 through 4 of this form. For transfers of a beneficial interest of a land trust, complete the form substituting the words "assignor" for "seller" and "assignee" for "buyer."

### Step 1: Identify the property and sale information.

**Line 1** — Enter the property's street address (or 911 address, if available), city or village, zip code, and township in which the property is located.

**Line 3** — Enter all the parcel identifying numbers and the properties' lot sizes (*e.g.*, 80' x 100') or acreage. If only the combined lot size or acreage is available for multiple parcels, enter the total on Line 3a under the "lot size or acreage" column. If transferring only a part of the parcel, enter the letters "PT" before the parcel identifying number and enter the lot size or acreage of the split parcel. If transferring a condominium, enter the parcel identifying number and the square feet of the condominium unit. If surface rights are not being transferred, indicate the rights being transferred (*e.g.*, "minerals only"). If transferring right-of-way (ROW) property that does not have a parcel identifying number, enter "ROW only." If five or more parcels are involved, use the space provided on Page 2, Step 3. The parcel identifying number is printed on the real estate tax bill and assessment notice. The chief county assessment officer can assist you with this information.

**Line 4** — Enter the month and year from the instrument.

**Line 5** — Use an "X" to identify the type of instrument (*i.e.*, deed, trust document, or facsimile) to be recorded with this form. For a deed-in-trust, limited warranty, special warranty, trust deed, or other deed types not listed on this form, select "Other" and enter the deed type. "Joint tenancy" and "tenants-in-common" identify ownership rights and **cannot** be used as a deed type.

**Line 6** — Select "Yes" if the property will be used as the buyer's principal dwelling place and legal residence.

**Line 7** — Select "Yes" if the property was sold using a real estate agent or advertised for sale by newspaper, trade publication, radio/electronic media, or sign.

**Line 8** — Use an "X" to select **one** item under each of the column headings "Current" and "Intended." "Current" identifies the current or most recent use of the property. "Intended" identifies the intended or expected use of the property after the sale. If the property has more than one use, identify the **primary** use only.

**Line 8h, Commercial building** — Enter the type of business (bank, hotel/motel, parking garage, gas station, theater, golf course, bowling alley, supermarket, shopping center, *etc.*).

**Line 8k, Other** — Choose this item only if the primary use is not listed and enter the primary use of the property.

**Note:** For Lines 8h and 8k, if the current and intended categories are the same but the specific use will change, (*i.e.*, from bank to theater), enter the **current** use **on** the line provided and enter the **intended** use **directly below** the line provided.

Page 3 of 4

**Line 9** — Use an “X” to identify any significant physical changes in the property since January 1 of the previous year. Enter the date the change was completed or the property was damaged.

**Line 10** — Select only the items that apply to this sale. A definition is provided below for all items marked with an asterisk.

**Line 10a, Fulfillment of installment contract** — The installment contract for deed is initiated in a calendar year prior to the calendar year in which the deed is recorded. Enter the year the contract was initiated between the seller and buyer. Do **not** select this item if the installment contract for deed was initiated and the property was transferred within the same calendar year.

**Line 10c, Transfer of less than 100 percent interest** — The seller transfers a portion of the total interest in the property. Other owners will keep an interest in the property. Do **not** consider severed mineral rights when answering this question.

**Line 10d, Court-ordered sale** — The property’s sale was ordered by a court (e.g., bankruptcy, foreclosure, probate).

**Line 10g, Short sale** — The property was sold for less than the amount owed to the mortgage lender or mortgagor, if the mortgagor has agreed to the sale.

**Line 10h, Bank REO (real estate owned)** — The first sale of the property owned by a financial institution as a result of a judgment of foreclosure, transfer pursuant to a deed in lieu of foreclosure, or consent judgment occurring after the foreclosure proceeding is complete.

**Line 10k, Seller/buyer is a financial institution** — “Financial institution” includes a bank, savings and loan, credit union, Resolution Trust Company, and any entity with “mortgage company” or “mortgage corporation” as part of the business name.

**Line 10o, Buyer is exercising an option to purchase** — The sale price was predicated upon the exercise of an option to purchase at a predetermined price.

**Line 10p, Trade of property (simultaneous)** — Buyer trades or exchanges with the seller one or more items of real estate for part or all of the full actual consideration (sale price) on Line 11.

**Line 10r, Other** — Explain any special facts or circumstances involving this transaction that may have affected the sale price or sale agreement or forced the sale of the property. This includes property that is subject to an existing lease or property that is part of an IRC §1031 Exchange.

**Line 10s, Homestead exemptions on most recent tax bill** — Enter the dollar amount for any homestead exemption reflected on the most recent annual tax bill.

## Step 2: Calculate the amount of transfer tax due.

Round Lines 11 through 18 to the next highest whole dollar.

**Note:** File PTAX-203-B, Illinois Real Estate Transfer Declaration Supplemental Form B, when filing instruments other than deeds, or trust documents. (Do **not** complete Step 2, of the PTAX-203 when filing the PTAX-203-B).

**Line 11** — Enter the full actual consideration (sale price). Full actual consideration is the amount actually paid, excluding any amount credited against the purchase price or refunded to the buyer for improvements or repairs to the property. Include the amount for other real estate transferred in a simultaneous exchange from the buyer to the seller, even if the transfer involves an even exchange. Also include the amount of outstanding mortgages to which the property remains subject at the time of the transfer.

**Note:** File PTAX-203-A, Illinois Real Estate Transfer Declaration Supplemental Form A, if the amount on Line 11 is over \$1 million and the property’s current use on Line 8 is marked “Apartment building (over 6 units),” “Office,” “Retail establishment,” “Commercial building,” “Industrial building,” or “Other.”

**Line 12a** — Enter the amount of personal property items included in the sale price on Line 11. Do **not** include the value of a beneficial interest of a land trust. Personal property items are generally listed on the “bill of sale.” If you are uncertain as to whether an item is real estate or personal property, consult your attorney, tax advisor, or the chief county assessment officer.

On 8½” x 11” paper, submit an itemized list of personal property (include values) transferred from the seller to the buyer if this sale meets either of the following conditions:

- residential property — if the amount of personal property (not including the value of a mobile home) on Line 12a is greater than 5 percent of the sale price on Line 11, **or**
- non-residential property — if the amount of personal property on Line 12a is greater than 25 percent of the sale price on Line 11.

**Residential personal property** — Generally, “personal property” includes items that are **not** attached (built-in) to the home and that are normally removed by the seller when vacating the property. Examples include artwork, automobiles and boats, draperies, furniture, free-standing appliances (e.g., refrigerators, stoves, washers and dryers, but **not** built-in appliances), lawn mowers, tractors, snow blowers, rugs (excludes wall-to-wall carpets), and window air-conditioners (excludes central air). Include the value of a mobile home as personal property on Line 12a if it meets **all** of the following conditions:

- The value of the mobile home was included on Line 11.
- The value of the mobile home was not included on the real estate tax bill.

**Commercial/industrial personal property** — Generally, “personal property” is any item that is **not** a permanent improvement to the land and includes, but is not limited to, intangibles such as goodwill, licenses, patents, franchises, business or enterprise values; and certain tangibles such as inventories, cash registers and shopping carts, free-standing shelving and displays, furniture, office equipment and supplies, vehicles, and machinery and equipment not assessed as real estate.

Generally, “personal property” does **not** include building components (e.g., wiring and lighting, heating, air-conditioning, plumbing, fire protection); foundations, pits and other building components for specialized or heavy machinery; permanent fixtures including, but not limited to, machinery and equipment and cranes assessed as real estate, craneways, and non-portable tanks; and site improvements such as paving and fencing.

**Line 14** — Enter the amount of other real estate transferred from the buyer to the seller that was included in the sale price on Line 11. This value only applies to a **simultaneous** exchange between the parties involved in this transaction. Do **not** include the value of property involved in a deferred exchange under IRC §1031.

**Line 15** — Enter an amount **only** if the deed or trust document states that the transferred property remains subject to a mortgage at the time of the transfer.

**Line 16** — Use an “X” to identify the letter of the provision for the exemption from the transfer tax (i.e., (b) or (k)) that applies to this transfer. See “Which property transfers are exempt from real estate transfer tax?” in these instructions.

## Step 3: Enter the legal description from the deed.

Enter the legal description from the deed. Use a minimum 10-point font if the legal description is typed. If the legal description will **not** fit in the space provided, submit an 8½” x 11” copy of the extended legal description from the deed with this form.

## Step 4: Complete the requested information.

Enter the requested information for the seller, buyer, and preparer.

Enter the addresses and daytime phone numbers where the seller and buyer can be contacted **after** the sale.

The seller and buyer (or their agents) and preparer **must** sign this form. By signing the form, the parties involved in the real estate transfer verify that

- they have examined the completed Form PTAX-203,
- the information provided on this form is true and correct, and
- they are aware of the criminal penalties of law associated with falsifying or omitting any information on this form.

Use an “X” to identify any required documents submitted with this form.



# PTAX-203-A

## Illinois Real Estate Transfer Declaration Supplemental Form A

(Non-residential: sale price over \$1 million)

File this form with Form PTAX-203, Illinois Real Estate Transfer Declaration, and the original deed or trust document at the County Recorder's office within the county where the property is located if the following conditions are met:

- On Form PTAX-203, Line 11 the sale price is over \$1 million, **and**
- On Form PTAX-203, Line 8 the property's **current** use is marked "Apartment building (over 6 units)," "Office," "Retail establishment," "Commercial building," "Industrial building," or "Other."

Please read the instructions on the back of this form.

**Do not write in this area.**  
This space is reserved for the County Recorder's Office use.

County: \_\_\_\_\_

Date: \_\_\_\_\_

Doc. No.: \_\_\_\_\_

Vol.: \_\_\_\_\_

Page: \_\_\_\_\_

Received by: \_\_\_\_\_

### Step 1: Identify the property and sale information.

1 Write the property's street address, city or village, and township. (From Line 1 of Form PTAX-203)

Street address of property (or 911 address, if available)	City or village	Township
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2 Write the parcel identifying number from Line 3a of Form PTAX-203. **Parcel Identifier:** \_\_\_\_\_

3 Write the total number of months the property was for sale on the market.\* \_\_\_\_\_ Months

4a Was the improvement occupied on the sale date?\* A "No" response means that **all** improvements were totally unoccupied. \_\_\_\_\_ Yes \_\_\_\_\_ No

**If the answer is "No,"** write the total number of months all improvements were unoccupied before the sale date. Go to Line 5. \_\_\_\_\_ Months

4b Write the approximate percentage of total square footage of improvements occupied or leased on the sale date. Include **all** improvements. \_\_\_\_\_ Percent

4c Did the buyer occupy the property on the sale date? \_\_\_\_\_ Yes \_\_\_\_\_ No

**If the answer is "No,"** go to Line 5.

4d Will the buyer continue to occupy part or all of the property after the sale? \_\_\_\_\_ Yes \_\_\_\_\_ No

4e Write the beginning and ending dates of the buyer's lease agreement. Lease dates: \_\_\_\_\_ / \_\_\_\_\_ to \_\_\_\_\_ / \_\_\_\_\_  
Month Year Month Year

4f Briefly describe any renewal options.  
\_\_\_\_\_  
\_\_\_\_\_

5 If the buyer owns other properties within an approximate one-half mile radius of the property, complete the following information for the two closest properties owned by the buyer.

	Street address	City or village	Parcel identifying number
Property 1	_____	_____	_____
Property 2	_____	_____	_____

6 Did Line 12a of Form PTAX-203 include an amount for a transfer of personal property? \_\_\_\_\_ Yes \_\_\_\_\_ No

**If the answer is "Yes,"** submit a list of personal property transferred.\*

7 Did the seller's financing arrangements affect the sale price on Line 11 of Form PTAX-203? \_\_\_\_\_ Yes \_\_\_\_\_ No

**If the answer is "Yes,"** please explain how the financing affected the sale price.  
\_\_\_\_\_  
\_\_\_\_\_

8 In your opinion, is the net consideration for real property entered on Line 13 of Form PTAX-203 a fair reflection of the market value on the sale date? \_\_\_\_\_ Yes \_\_\_\_\_ No

**If the answer is "No,"** please explain.  
\_\_\_\_\_  
\_\_\_\_\_

### Step 2: Complete the requested information.

The buyer and seller (or their agents) hereby verify that to the best of their knowledge and belief, the facts stated in this form are true and correct. Any person who willfully falsifies or omits any information required in this form shall be guilty of a Class B misdemeanor for the first offense and a Class A misdemeanor for subsequent offenses.

Seller's or trustee's name: \_\_\_\_\_ Seller's daytime phone: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_  
Street address City State ZIP

Seller's or agent's signature: \_\_\_\_\_ Date: \_\_\_\_\_

Buyer's or trustee's name: \_\_\_\_\_ Buyer's daytime phone: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_  
Street address City State ZIP

Buyer's or agent's signature: \_\_\_\_\_ Date: \_\_\_\_\_

\* See instructions.

PTAX-203-A (N-9/99)

This form is authorized in accordance with 35 ILCS 200/31-1 et seq. Disclosure of this information is REQUIRED. This form has been approved by the Forms Management Center. IL-492-0227

Page 1 of 2

# Instructions for Completing Form PTAX-203-A

## Step 1: Identify the property and sale information.

### Line 3

Write the total number of months that the property was advertised for sale by a real estate agent, newspaper, trade publication, radio/electronic media, or a sign. If the property has been advertised for sale for more than 99 months, enter "99."

### Lines 4a through 4f

**Line 4a** — Answer "Yes" or "No" (indicate with an "X") depending on whether or not the improvement (*i.e.*, structure) was occupied on the sale date. If the property has more than one improvement, answer "No" only if **all** the improvements were totally unoccupied on the sale date.

If the answer to Line 4a is "No," write the total number of months that all improvements were totally unoccupied before the sale date and go to Line 5. If the property has been unoccupied for more than 99 months, enter "99." If the answer to Line 4a is "Yes," go to Lines 4b and 4c.

**Line 4b** — Write the approximate percentage of the total square footage of all the improvements that was occupied or leased on the sale date. This applies to the improvements only, not the land.

**Line 4c** — Answer "Yes" or "No" (indicate with an "X") depending on whether or not the buyer was a current occupant of the property at the time of the sale. If the answer is "No," go to Line 5. If the answer is "Yes," go to Line 4d.

**Line 4d** — Answer "Yes" or "No" (indicate with an "X") depending on whether or not the buyer will continue to occupy part or all of the property after the sale. If the answer is "No," go to Line 5. If the answer is "Yes," go to Line 4e.

**Line 4e** — Write the beginning and ending dates of the buyer's lease agreement, if applicable.

**Line 4f** — Briefly describe in the space provided any options to renew the lease agreement between the seller and the buyer.  
**Example:** "10-year lease agreement with two 5-year options to renew; rental amount to be renegotiated at the time of renewal."

### Line 5

If the buyer owns other properties within an approximate one-half mile radius of the property, write the street addresses, the names of the cities or villages (if applicable), and the parcel identifying numbers of the two closest properties owned by the buyer. The PIN is printed on the real estate tax bill and assessment notice. The chief county assessment officer can assist you with this information.

### Line 6

Answer "Yes" or "No" (indicate with an "X") depending on whether or not Line 12a of Form PTAX-203 included an amount for personal property. If the answer is "Yes," you **must** submit an itemized list of personal property transferred from the seller to the buyer. Include the value attributed to each item and on Form PTAX-203, Step 4, mark "Itemized list of personal property." If you prepared a list for Line 12a of Form PTAX-203, do not prepare an additional list.

### Line 7

Answer "Yes" or "No" (indicate with an "X") depending on whether or not the amount on Line 11 of the Form PTAX-203 was affected by the seller monetarily participating in the financing arrangements. This includes, but is not limited to, seller paying points, seller providing all or a portion of the financing, *etc.* If the answer is "No," go to Line 8.

If the answer is "Yes," please explain, in the space provided, how the financing affected the sale price.

### Line 8

Answer "Yes" or "No" (indicate with an "X") depending on whether or not, in your opinion, the net consideration for real property entered on Line 13 of the Form PTAX-203 is a fair reflection of the market value on the sale date. If the answer is "Yes," go to Step 2 of this form. If the answer to is "No," please provide an explanation in the space provided.

## Step 2: Complete the requested information.

Write the requested information for the seller and the buyer. Write the addresses and daytime phone numbers where the seller and buyer can be contacted **after** the sale. The seller and the buyer (or their agents) must sign this form. By signing the form, the parties involved in the real estate transfer verify that

- they have examined the completed Form PTAX-203-A;
- the information provided on this form is true and correct; and
- they are aware of the criminal penalties of law (printed in the instructions for Form PTAX-203) associated with falsifying or omitting any information on this form.





# PTAX-203-B

## Illinois Real Estate Transfer Declaration Supplemental Form B

(Beneficial interest transfers - do not use for deeds or trust documents)

Do not write in this area.  
This space is reserved for the County Recorder's Office use.

County: \_\_\_\_\_

Date: \_\_\_\_\_

Doc. No.: \_\_\_\_\_

Vol.: \_\_\_\_\_

Page: \_\_\_\_\_

Received by: \_\_\_\_\_

Mark if taxpayer cannot prove prior payment.

File this form with Form PTAX-203 and the transferring document at the county recorder's office where the property is located.

### On PTAX-203:

- write the type of beneficial interest transfer in the "Other" field on Step 1, Line 5.
- do not complete Step 2.
- substitute the appropriate terms for "seller" and "buyer" in Step 4.
- add PTAX-203-B to the list of required submissions in Step 4.

Please read the instructions on the back of this form.

### Step 1: Identify the property

- 1 Write the property's street address, city or village, and township from Line 1 on Form PTAX-203.

Street address of property (or 911 address, if available) \_\_\_\_\_ City or village \_\_\_\_\_ Township \_\_\_\_\_

- 2 Write the parcel identifying number from Line 3a on Form PTAX-203. **Parcel Identifier:** \_\_\_\_\_
- 3 Mark the interest transferred.  Ground lease (go to Step 2)  Controlling interest in real estate entity (go to Step 3)  
 Co-op unit (go to Step 4)  Other (specify): \_\_\_\_\_ (go to Step 4)

### Step 2: Ground lease information

- 4 Does the ground lease provide for a term of 30 or more years including any expired portion and all options to renew or extend? **4**  Yes  No
- 5 Does the lessee have an interest in any improvements on the parcel? **5**  Yes  No
- 6 Write the beginning and ending dates of the initial lease term. **Lease term:** \_\_\_\_\_ / \_\_\_\_\_ to \_\_\_\_\_ / \_\_\_\_\_  
Month Year Month Year
- 7 Briefly describe any extension or renewal options.

### Step 3: Real estate entity information (Attach additional sheet if needed.)

- 8 Mark type of transfer.  Single transfer  Series of related transfers (Skip Lines 9a and 9b if single transfer.)
- 9a Write the date and the percent of interest transferred. Mark if the state transfer tax has been paid for any prior transfer.
 

Date transferred _____ / _____ / _____	% _____	Prior Payment <input type="checkbox"/> Yes <input type="checkbox"/> No
Date transferred _____ / _____ / _____	% _____	Prior Payment <input type="checkbox"/> Yes <input type="checkbox"/> No
Date transferred _____ / _____ / _____	% _____	Prior Payment <input type="checkbox"/> Yes <input type="checkbox"/> No
Date transferred _____ / _____ / _____	% _____	Prior Payment <input type="checkbox"/> Yes <input type="checkbox"/> No

**Aggregate percent transferred %** \_\_\_\_\_

- 9b Write the amount of transfer taxes paid for all prior transfers of any interests included on Line 9a. **9b \$** \_\_\_\_\_
- 10a Is the real estate entity liable for corporate franchise taxes as a result of this transfer? **10a**  Yes  No
- 10b Write the amount of corporate franchise tax paid (excluding fees, interest, and penalties). **10b \$** \_\_\_\_\_
- 10c Identify corporate franchise tax return information.

Corporate Name _____	File No. _____	BCA Form No. _____	Date paid _____
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### Step 4: Calculate the amount of transfer tax due. (Round Lines 11a through 15 to the next highest whole dollar.)

- 11a Full actual consideration **11a \$** \_\_\_\_\_
- 11b Does Line 11a include a contingent payment for any interest on which state transfer taxes have been paid? **11b**  Yes  No
- 12a Amount of personal property included in the purchase. **12a \$** \_\_\_\_\_
- 12b Was the value of a mobile home included on Lines 11a and 12a? **12b**  Yes  No
- 13 Subtract Line 12a from Line 11a. **13 \$** \_\_\_\_\_
- 14 Amount for other real property transferred to the seller (in a simultaneous exchange) as part of the full actual consideration on Line 11a. **14 \$** \_\_\_\_\_
- 15 Outstanding mortgage amount to which the transferred real property remains subject. **15 \$** \_\_\_\_\_
- 16 If this transfer is exempt, use an "X" to identify the provision. **16**  b  k  m
- 17 Subtract Lines 14 and 15 from Line 13. **17 \$** \_\_\_\_\_
- 18 Illinois tax — \$.50 per \$500 of value or fraction thereof on Line 17. **18 \$** \_\_\_\_\_
- 19 County tax. **19 \$** \_\_\_\_\_
- 20 Amount of transfer taxes paid (amount from Line 9b). **20 \$** \_\_\_\_\_
- 21 Amount of corporate franchise tax paid (amount from Line 10b). **21 \$** \_\_\_\_\_
- 22 Add Lines 18 and 19, then subtract Lines 20 and 21. **Total amount of transfer tax due.** **22 \$** \_\_\_\_\_

This form is authorized in accordance with 35 ILCS 200/31-1 et seq. Disclosure of this information is REQUIRED. This form has been approved by the Forms Management Center. IL-492-0227

# Instructions for Form PTAX-203-B

## General Information

You must file Form PTAX-203, Illinois Real Estate Transfer Declaration, and any required documents at the county recorder's office within the county where the property is located. It is due within three business days after the transfer or at the time of recordation, whichever is earlier. You must prove that the tax was paid (or pay the tax again) if you record this transfer at a later date.

**Note:** You must file Form PTAX-203-B, Illinois Real Estate Transfer Declaration Supplemental Form B, if you are transferring a beneficial interest in real property without using a deed or trust document.

## Definitions

The tax is imposed on the privilege of transferring title to real estate or a beneficial interest in real property that is located in Illinois. A "beneficial interest" includes, but is not limited to, the lessee interest in a ground lease, the indirect interest in real property as reflected by a controlling interest in a real estate entity, or any other type of interest with the right to use or occupy real property or the right to receive income from real property.

- A **ground lease** (including any interest of the lessee in the related improvements) is subject to tax if it provides for a term of 30 or more years when all options to renew or extend are included, whether or not any portion of the term has expired.
- A **controlling interest transfer** is subject to tax if it includes more than 50 percent of the fair market value of all ownership interests or beneficial interests in a real estate entity. A "**real estate entity**" means any person including, but not limited to, any partnership, corporation, limited liability company, trust, other entity, or multi-tiered entity, that exists or acts substantially for the purpose of holding directly or indirectly title to or beneficial interest in real property. There is a rebuttable presumption that an entity is a real estate entity if it owns, directly or indirectly, real property having a fair market value greater than 75 percent of the total fair market value of all of the entity's assets, determined without deduction for any mortgage, lien, or encumbrance.
- Examples of **other types** of transfers of a beneficial interest include air rights, air space rights, co-operative housing rights, condominium rights, development rights, easements, mining rights, royalty interests, timber rights and time share rights.

## Real Estate Entity-Aggregation of related transfers

Unless made pursuant to contracts executed prior to June 1, 2004, related transfers will be aggregated for the purpose of determining whether there has been a transfer of a controlling interest in a real estate entity.

### Related transfers include

- Multiple transfers of interests in the same real estate entity that occur within a rolling 24-month period by the same transferor.
- Multiple transfers of interests in the same real estate entity that occur within a rolling 24-month period by different transferors who act in concert as a result of common ownership.
- Multiple transfers of interests in the same real estate entity that occur within a rolling 24-month period by different transferors who act in concert as a result of a common purpose in structuring and executing the transfers including instances when sales agreements contain mutual terms or other agreements bind the transferors to a particular course of action.

## Step 3: Real estate entity information

**Line 10b** — Write an amount only if the real estate entity was liable and actually paid corporate franchise taxes under the Business Corporation Act of 1983 as a result of a controlling interest transfer.

## Step 4: Calculate the amount of transfer tax due.

**Line 11a** — Write the full actual consideration (including the total value of the aggregate interest on Line 9a for controlling interest transfers). Full actual consideration is the total sale price or amount actually paid (or required to be paid) for the real estate or beneficial interest in real property, whether paid in money or otherwise, including personal property, real property, services, or other items of value. Include the amount of any indebtedness or other obligation that is cancelled, discharged, or otherwise released. Include the amount of outstanding mortgages to which the property remains subject after the transfer. Include the amount for other real estate transferred in a simultaneous exchange between the same parties. Include the amount of any back real estate taxes or other taxes paid by the transferee. Do not include any amount credited against the sale price or refunded for improvements or repairs.

**Lines 12a, 14, and 15** — See corresponding instructions on Form PTAX-203, Illinois Real Estate Transfer Declaration.

**Explain any special circumstances.**

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