Guidelines for using the Income/Expense Form (Tax Year 2026)

Please provide the income and expense from 2023, 2024 and 2025 for your Income-Based Board of Review Appeal. The Board of Review requests that all gross income and operating expenses attributable to the operation of the rental property under appeal be provided in the attached form. Please remember the income approach is most applicable when appraising income producing properties leased by a third party or multiple third parties. The income approach is most likely not an appropriate valuation approach to single family residential, duplex or single tenant, owner occupied commercial or industrial and special purpose properties. **The form has two pages and the Board of Review requires that you provide the information requested on both pages.**

Vacancy

The estimated vacancy rate of the property is not to be included in the income/expense section of the form since your gross income already includes the vacancy and collection allowance. However, the estimated or actual vacancy for 2023, 2024, and 2025 is requested and can be entered on the top right corner of the form.

Rents

If using rental amounts, please provide sources used in determining rental amounts.

Operating Expenses

Allowable variable expenses include Utilities, Garbage, Administrative, and General, Management, Advertising, Cleaning, Repairs and Maintenance (exclude Replacement Reserves), Painting/Decorating, Snow Removal, Grounds Maintenance, and Security while allowable fixed expenses include Real Property Insurance and Replacement Reserves.
Real estate taxes are also not deducted here and the overall capitalization includes a load factor, which will be discussed below.

Depreciation and mortgage interest expense are accounting expenses, and are not allowable expenses in the operation of rental property when estimating market value. Please do not add these expenses in the expense section of the form.

Load Overall Capitalization Rate

When estimating the market value for ad valorem tax purposes, real estate taxes are typically not deducted as an expense line item. Since the net income does not include the deduction for real estate taxes, the overall capitalization rate must be increased or loaded by 33.33% of the estimated tax rate in the jurisdiction of the property.

Because the tax rate is applied to the property's assessment, which is 33.33% of the property's market value, the tax rate must be multiplied by .3333 and then added to the market overall capitalization rate to arrive at the appropriate loaded capitalization rate.

As an example, let's assume a property is located in an area that has a 6% tax rate. One would multiply 6% times .3333 which equals a tax load of 2%. Let's also assume the appropriate market overall capitalization rate is 9%. The loaded overall capitalization rate would be as follows:

9% + 2% = 11%

The net income is ten divided by .11 or 11% to arrive at the market value of the subject property.
If you need help or have any questions please call our office at (815)617-4200 or email breview@lasallecountyil.gov

2023-2025 Income/Expense for the Appeal of Income-Producing Property

FOR USE IN ASSESSMENT YEAR 2025

Property Name:	
Address:	
PIN:	

	2023	2024	2025	Average
Gross Income (Rental & Other Income)				
Reimburseable Exp. (CAM if applicable)				
Total Income				
Operating Expenses/Variable Expenses				
Utilities (Water, Sewer, Electric & Gas)				
Garbage				
Administrative & General				
Management				
Advertising				
Cleaning/Building & Maintenance				
Repairs and Maintenance				
Painting/Decorating				
Snow Removal				
Grounds Maintenance				
Security				
Fixed Expenses				
Insurance (Real Property/Building)				
Replacement Reserves				
(Not Capital Improvements)				
TOTAL EXPENSES				
Net Operating Income				
Overall Capitalization Rate				
Plus Tax Load (.3333x Tax Rate)				
Loaded Overall Capitalization Rate				
Market Value via the Income Approach				
Rounded				

Estimated Annual Vacancy

2023	2024	2025
%	%	%

Multi-Family Property Detail

Unit #	Type of Unit	Unit Size	Rental Amount	PGI

TOTAL _____

Commercial and Industrial Actual or Estimated) Property Detail

Unit #	Unit Size	Annual Rental Rate	PGI

TOTAL _____

Gross Building Area _____

Net Rental Area _____