

## TREATMENT OF REAL ESTATE TAXES IN A CHAPTER 13 PLAN

Our office has contacted the Lake, Kane, DuPage and Will County Collector's offices to determine how they treat past due property taxes including sold taxes, in a bankruptcy environment.

**Sold taxes** cannot be paid through the plan. There is no debtor – creditor relationship between the homeowner and tax buyer.

A detailed rundown for each county is shown below and on the following pages. We have included their remit to address and a contact name and phone number for your convenience.

Will, Kane and DuPage Counties will accept payments from the Trustee, subject to certain conditions detailed below. Lake will not (so far) but this matter has not been litigated.

It is recommended that the debtor file a proof of claim for the taxes in any case that calls for property taxes to be paid through the plan. Verify the amount with the County Collector before you file the proof of claim.

Real Estate taxes are properly listed on schedule E and treated in section E 6 of the plan.

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### DuPage County Real Estate Taxes

DuPage County Collector  
ATTN: Marianne Ciolli  
P.O. Box 787  
Wheaton, IL 60189

Marianne Ciolli      630-682-7020

When DuPage County receives notice of filing they will hold the unsold taxes on that parcel out of sale.

DuPage County will accept partial payments made through the debtor's Chapter 13 Plan. This money is held until an entire installment plus interest has been received.

Unpaid parcels are held out of all subsequent years' tax sales until the Chapter 13 case has been discharged or dismissed. At that time, the taxes become due in full with interest at the rate of 1.5% per month from the original due date through the date of payment. If the tax remains unpaid, all unpaid years are offered at the next tax sale. Tax sale is always held the first full week of December.

If taxes have already been sold, it is the responsibility of the debtor to contact the DuPage County Clerk (630-682-7035) regarding the redemption of the tax sale.

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## Kane County Real Estate Taxes

Office Of County Treasurer  
Kane County Government Center  
719 Batavia Avenue, Building "A"  
Geneva, IL 60134

Pearl Heinberg  
Chief Deputy Collector

630-232-3565 Phone  
630-208-7549 Fax

When Kane County receives notice of the filing they will hold the unsold taxes on that parcel out of sale. When the tax is held out of sale the tax becomes "forfeited tax" and can only be paid in full.

Kane County will accept and escrow payments made through the Chapter 13 Plan but will not post them to the tax installment until they have received enough money to pay an entire installment.

Kane County will hold taxes out of sale the entire time a debtor is in Chapter 13. Kane County's tax sale is always around the last Monday in October.

If the taxes have already been sold it is up to the debtor to redeem the taxes (from the county clerk) by the redemption date. Bankruptcy does not impact that in any way.

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## Will County Real Estate Taxes

Will County Treasurer  
Will County Office Building  
302 N. Chicago St.  
Joliet, IL 60432-4059

Susan Hart, Deputy Treasurer      815-740-4675

When Will County receives notice of filing they will hold the unsold taxes on that parcel out of sale. They then become forfeited taxes, which can only be paid in full.

Will County will accept partial payments made through the debtor's Chapter 13 Plan. These payments are held in escrow until the entire amount has been received. Payments are posted to the entire amount due and not in installments.

Unpaid parcels are held out of all subsequent years' tax sales until the Chapter 13 case has been discharged or dismissed. Tax sale is always held the first week of November.

If taxes have already been sold prior to notice of filing, they can be redeemed in the usual manner and are not affected by the bankruptcy.

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Lake County Real Estate Taxes

County Collector  
18 N County Street  
Room 102  
Waukegan IL 60085

Susan 847-360-6363

Robert Skidmore, Collector

When Lake County receives notice of the filing they will hold the unsold taxes on that parcel out of sale. When the tax is held out of sale the tax becomes “forfeited tax” and can only be paid in full.

Lake County will only accept payments sufficient to pay an entire installment in full (up to a maximum of \$20 over the correct amount, any excess will be refunded) but they will accept payment from anyone, including the Trustee.

Partial payments will **ONLY** be accepted on current taxes.

Qualifying taxes can be held out of sale the entire time a debtor is in Chapter 13 if the Collector’s office receives proof that the debtor is still in BK two to four weeks before the sale date each year. Tax sale is always around the first week in December.

If the taxes have already been sold it is up to the debtor to redeem the taxes (from the county clerk) by the redemption date. Bankruptcy does not impact that in any way.

Sold taxes must be redeemed two to two and one half years after sale. If not redeemed then the property tax buyer then can obtain a deed to the property.

The Collector’s office accepts no payments from December (after the tax sale date) to April 30. During this time forfeited taxes can be paid at the County Clerk’s office.

In April the Collector’s office prints forfeited tax bills and mails them out with the June installment.

On May 1 the Collector’s office resumes collecting on forfeited or current taxes right up through the sale date the first week of December.