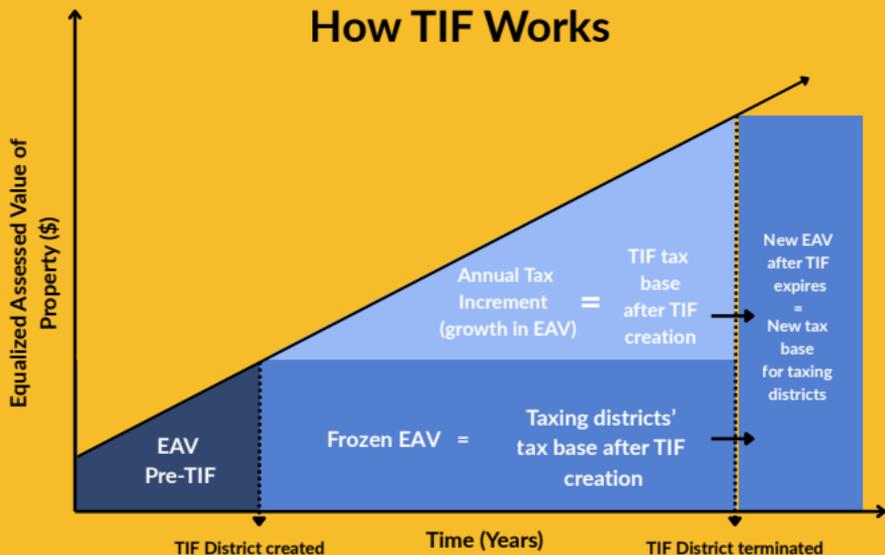




Tax Increment Financing (TIF)

How TIF Works



Glossary

- **Tax Increment Financing (TIF):** a financing mechanism that dedicates growth in tax revenue within a designated area to pay for redevelopment.
- **TIF District:** a designated geographic area where TIF is applied.
- **Taxing Districts:** local governments that collect taxes such as municipalities, school districts, park districts, or counties.
- **Equalized Assessed Value (EAV):** the taxable value of property used to calculate tax bills. This is the "tax base."
- **Frozen EAV:** the taxable value of all property within a TIF district at the time it is established, which is "frozen" for the life of the TIF.
- **Annual Tax Increment:** additional property tax revenue generated each year from increases in property values above the frozen EAV baseline.