

SECOND REGULAR SESSION

HOUSE BILL NO. 1680

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES SUTHERLAND (Sponsor) AND COOPER (120) (Co-sponsor).

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STEPHEN S. DAVIS, Chief Clerk

4871L.021

AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to the depreciation of tangible personal property.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 137, RSMo, is amended by adding thereto one new section, to be known as section 137.122, to read as follows:

137.122. 1. As used in this section, the following terms mean:

(1) "Asset class", the group, type, or category of property that an item of depreciable tangible personal property falls within as established in subsection 3 of this section;

(2) "Depreciable tangible personal property", every tangible thing that is the subject of ownership, including all machinery, equipment, support machinery and equipment, that is not real property, which is used in a trade or business, but not including livestock, farm machinery, property subject to the motor vehicle registration provisions of chapter 301, RSMo, nor property assessed by the state tax commission under chapter 151, 153, 155, RSMo, or section 137.022 and sections 137.1000 to 137.1030;

(3) "Original cost", the purchase price paid by the taxpayer for an item of depreciable tangible personal property, except for excise or sales taxes and freight charges;

(4) "Recovery period", the period over which the original cost of depreciable tangible personal property shall be depreciated for property tax purposes and which is designated under the column titled "Year" in the depreciable tangible personal property schedule in subsection 3 of this section.

2. To establish uniformity in the assessment of depreciable tangible personal property, each assessor shall use a standardized schedule of depreciation to determine the

19 assessed valuation of depreciable tangible personal property for the purpose of estimating
20 the value of such property subject to taxation under this chapter.

21 3. For the purposes of this section, depreciable tangible personal property shall be
22 divided into different asset classes according to the following:

23 (1) Asset Class A property shall include furniture and fixtures;

24 (2) Asset Class B property shall include machinery and equipment;

25 (3) Asset Class C property shall include rental videotapes and games;

26 (4) Asset Class D property shall include office, electronic, video, and testing
27 equipment;

28 (5) Asset Class E property shall include consumer coin-operated equipment; and

29 (6) Asset Class F property shall include computer equipment.

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31 If property is not specifically enumerated in the list of property as a particular asset class,
32 the assessor shall choose the asset class that most accurately describes such property. The
33 following depreciable tangible personal property schedule shall be used by any assessor for
34 purposes of estimating the value of tangible personal property for mass appraisal purposes
35 for each asset class. The percentage shown for the first year shall be the percentage of the
36 original cost used for January first of the year following the year of acquisition of the
37 property, and the percentage shown for each succeeding year shall be the percentage of the
38 original cost used for January first of the respective succeeding year as follows:

39

40 DEPRECIABLE TANGIBLE PERSONAL PROPERTY SCHEDULE

Asset Class A		Asset Class B		Asset Class C		Asset Class D		Asset Class E		Asset Class F	
Year	%	Year	%	Year	%	Year	%	Year	%	Year	%
1	91	1	89	1	76	1	84	1	92	1	60
2	80	2	76	2	53	2	64	2	85	2	44
3	69	3	67	3	29	3	55	3	77	3	32
4	61	4	60	4	5	4	49	4	69	4	24
5	53	5	54	5+	5	5	44	5	61	5	19
6	47	6	49			6	41	6	54	6	15
7	42	7	45			7	38	7	46	7	8
8	37	8	42			8	35	8	38	8+	8
9	33	9	38			9	33	9	30		
10	29	10	36			10	31	10	23		
11	27	11	33			11	29	11	15		
12	24	12	31			12	28	12+	15		
13	22	13	29			13	26				
14	19	14	28			14	25				
15	12	15	23			15	17				

59 16+ 12 16+ 23 16+ 17
60

61 Such estimate of value determined under this section shall be presumed to be correct for
62 the purpose of determining the true value in money of the depreciable tangible personal
63 property, but such estimation may be disproved by substantial and persuasive evidence of
64 the true value in money under any method determined by the state tax commission to be
65 correct, including, but not limited to, an appraisal of the tangible personal property
66 specifically utilizing generally accepted appraisal techniques, and contained in a narrative
67 appraisal report in accordance with the Uniform Standards of Professional Appraisal
68 Practice. For purposes of appeal of the provisions of this section, the salvage or scrap value
69 of depreciable tangible personal property may only be considered if the property is not in
70 use as of the assessment date.

71 4. Nothing in this section shall be construed, interpreted, or otherwise used to
72 change the definition or meaning of the term "true value in money", nor shall it be
73 construed, interpreted, or otherwise used to change the use of true value in money as the
74 standard by which tangible personal property is assessed for the purpose of taxation of
75 tangible personal property.

76 5. This section shall become effective January 1, 2005.