

HCS HB 457 -- SENIOR CITIZENS' HOMESTEAD TAX RELIEF ACT
(Sutherland)

COMMITTEE OF ORIGIN: Ways and Means

This substitute changes the qualifications for and the amount of credit allowed under the senior citizen/disabled person property tax credit, commonly known as circuit breaker. The program is renamed the Senior Citizens' Homestead Tax Relief Act. The substitute also:

- (1) Increases from \$25,000 to \$25,500 the maximum income allowed to claim the credit for single taxpayers and to \$32,000 for married taxpayers, and indexes the new amount by the increase in the federal Consumer Price Index in increments of \$50; and
- (2) Increases from \$13,000 to \$13,300 the minimum base and indexes the new amount by the increase in the federal Consumer Price Index in increments of \$50.

The substitute changes the laws regarding the Missouri Homestead Preservation Act by specifying the use of the term "base year," extending the deadline to file an application from September 30 to October 15, and requiring the Director of the Department of Revenue to determine the apportionment percentage by equally distributing it among all eligible applicants.

Beginning January 1, 2008, a 50% tax credit is authorized for the elderly or disabled who have lived in their home for at least 20 years and who have spent more than 10% of their household income on real property taxes. The tax credit is refundable; and taxpayers will not be able to claim this credit if they have filed a valid claim under Section 135.030 or 137.106, RSMo, for the same tax year.

The provisions of the substitute will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$100,228 in FY 2008, More than \$8,246,190 in FY 2009, and More than \$12,111,179 in FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.