

SECOND REGULAR SESSION

HOUSE BILL NO. 1365

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FARES (Sponsor), PORTWOOD, BRUNS, STREAM,
SCHOEMEHL, FAITH AND BIVINS (Co-sponsors).

Pre-filed December 5, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

3100L.01I

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for certain real property taxes.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be
2 known as section 135.097, to read as follows:

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

2 **(1) "Disabled", the inability to engage in any substantial gainful activity by reason**
3 **of any medically determinable physical or mental impairment which can be expected to**
4 **result in death or which has lasted or can be expected to last for a continuous period of not**
5 **less than twelve months;**
6 **(2) "Homestead", the dwelling in Missouri owned for twenty or more years by the**
7 **taxpayer and not to exceed five acres of land surrounding it as is reasonably necessary for**
8 **use of the dwelling as a home. It may consist of part of a multidwelling or multipurpose**
9 **building and part of the land upon which it is built. "Owned" includes a vendee in**
10 **possession under a land contract and one or more tenants by the entireties, joint tenants,**
11 **or tenants in common and includes a taxpayer actually in possession if the taxpayer was**
12 **the immediate former owner of record, if a lineal descendant is presently the owner of**
13 **record, and if the taxpayer actually pays all taxes upon the property. It may include a**
14 **mobile home;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 15 (3) "Income", Missouri adjusted gross income as defined in section 143.121, RSMo,
16 and increased, where necessary, to reflect the following:
- 17 (a) Social Security, railroad retirement, and veterans payments and benefits;
18 (b) The total amount of all other public and private pensions and annuities;
19 (c) Public relief, public assistance, and unemployment benefits received in cash,
20 other than benefits received under this chapter;
21 (d) No deduction being allowed for losses not incurred in a trade or business;
22 (e) Interest on the obligations of the United States, any state, or any of their
23 subdivisions and instrumentalities;
- 24 (4) "Property taxes accrued", property taxes paid, exclusive of special assessments,
25 penalties, interest, and charges for service levied on a taxpayer's homestead in any
26 calendar year. Property taxes shall qualify for the tax credit only if actually paid before
27 the date a return is filed. The director of revenue shall require a tax receipt or other proof
28 of property tax payment. If a homestead is owned only partially by a taxpayer, then
29 "property taxes accrued" is that part of property taxes levied on the homestead which was
30 actually paid by the taxpayer. For purposes of this subdivision, property taxes are
31 "levied" when the tax roll is delivered to the director of revenue for collection. If a
32 homestead is an integral part of a larger unit such as a farm, or multipurpose or
33 multidwelling building, property taxes accrued shall be that percentage of the total
34 property taxes accrued as the value of the homestead is of the total value. For purposes of
35 this subdivision "unit" refers to the parcel of property covered by a single tax statement
36 of which the homestead is a part;
- 37 (5) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,
38 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo;
- 39 (6) "Taxpayer", a Missouri resident or the resident's spouse who:
- 40 (a) Has been a resident of Missouri for twenty-five years, and has lived in their
41 homestead for at least twenty years. The residency requirement shall be deemed to have
42 been fulfilled for the purpose of determining the eligibility of a taxpayer or spouse who
43 would have otherwise met the requirements for a tax credit but who dies before the last
44 day of the calendar year;
- 45 (b) Has paid more than ten percent of the taxpayer's total household income in real
46 property tax on the taxpayer's homestead; and
- 47 (c) Meets any one of the following requirements:
- 48 a. Has attained the age of sixty-seven on or before the last day of the calendar year;
49 b. Is a veteran of any branch of the armed forces of the United States or this state
50 who became one hundred percent disabled as a result of such service; or

51 c. Is disabled, and provides proof of such disability in such form and manner, and
52 at such times, as the director of revenue may require.

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54 If the taxpayers are eligible to file a joint federal income tax return and reside at the same
55 address at any time during the taxable year, then the credit shall only be allowed if claimed
56 on a combined Missouri income tax return reporting their combined incomes and property
57 taxes.

58 2. For all taxable years beginning on or after January 1, 2009, a taxpayer shall be
59 allowed a tax credit for property taxes accrued in the taxable year for which an income tax
60 return is filed. The tax credit amount shall be equal to fifty percent of the property taxes
61 accrued or one thousand five hundred dollars, whichever amount is lower. The tax credit
62 shall be applied against the taxpayer's income tax liability after all other credits provided
63 by law have been applied. If the amount of the tax credit issued exceeds the amount of the
64 taxpayer's state tax liability for the tax year for which the credit is claimed, the difference
65 shall be refunded to the taxpayer. No tax credit granted under this section shall be
66 transferred, sold, or assigned.

67 3. No tax credit shall be issued to any taxpayer who filed a valid claim under
68 sections 135.010 to 135.030, or section 137.106, RSMo, for the same taxable year.

69 4. The department of revenue may promulgate rules to implement the provisions
70 of this section. Any rule or portion of a rule, as that term is defined in section 536.010,
71 RSMo, that is created under the authority delegated in this section shall become effective
72 only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,
73 if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are
74 nonseverable and if any of the powers vested with the general assembly pursuant to
75 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule
76 are subsequently held unconstitutional, then the grant of rulemaking authority and any
77 rule proposed or adopted after August 28, 2008, shall be invalid and void.

78 5. Under section 23.253, RSMo, of the Missouri Sunset Act:

79 (1) The provisions of the new program authorized under this section shall
80 automatically sunset on December thirty-first six years after the effective date of this
81 section unless reauthorized by an act of the general assembly; and

82 (2) If such program is reauthorized, the program authorized under this section
83 shall automatically sunset on December thirty-first twelve years after the effective date of
84 the reauthorization of this section; and

85 (3) This section shall terminate on September first of the calendar year immediately
86 following the calendar year in which the program authorized under this section is sunset.

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