

HCS SB 945 -- TAXATION

SPONSOR: Bray (Smith, 14)

COMMITTEE ACTION: Voted "do pass" by the Committee on Tax Reform by a vote of 10 to 0.

This substitute changes the laws regarding taxation. It is main provisions, the substitute:

(1) Changes the time period before interest is paid on an overpayment of individual income tax from four months to 90 days after the last date to file a return, including an extension, or the date the return was filed, whichever is later (Sections 32.069 and 143.811);

(2) Allows any political subdivision that approved a tax increase after August 27, 2008, to levy a rate to collect substantially the same amount of tax revenue as would have been collected by applying the voter-approved increased tax rate ceiling to the total assessed valuation of the political subdivision on or before the election date, increased by the percentage increase in the federal Consumer Price Index; however, the rate cannot exceed the greater of the most recent voter-approved rate or the most recent voter-approved adjusted rate. Currently, certain political subdivisions that levy separate tax rates on the different subclasses of property are required to revise tax rates when there is a tax rate reduction after certain tax revenue calculations. The substitute allows the subdivisions to revise the rates. If voters approve separate stated tax rates to be applied to the different subclasses of property or increase the separate rates that may be levied on the different subclasses of property by different amounts, the single tax rate calculation must be a blended rate that is to be calculated in the manner specified in the substitute (Section 137.073);

(3) Requires all assessors in counties without a charter form of government and Jefferson County to give property owners additional information with the notice of increased assessed valuation. Currently, assessors in counties without a charter form of government must give taxpayers a projected tax liability notice with the notice of increased assessed valuation beginning January 1, 2011. The notice must include the previous assessed value and any increase, a statement indicating that the change in assessed value may impact the record owner's tax liability, and information regarding the processes and deadlines for appealing determinations of the assessed valuation. This requirement applies to all calendar years prior to January 1 of the year following receipt of the necessary software from the State Tax

Commission. Beginning January 1 of the year following receipt of the software, assessors in all counties without a charter form of government and Jefferson County must give taxpayers a projected tax liability notice with the notice of increased assessed valuation. Beginning January 1, 2011, in St. Louis County, the assessor must provide taxpayers with a notice that information regarding the assessment method and computation of value for real property is available on the assessor's web site, the web site address, and the assessor's contact information so taxpayers without Internet access can request and receive the information (Sections 137.180 and 137.355);

(4) Authorizes each party to an appeal that is scheduled to be heard before the State Tax Commission to request one change of the assigned hearing officer by filing a written application to disqualify the officer within 30 days of the assignment (Section 138.431);

(5) Allows a seller to advertise that the required sales tax or any part of the tax will be assumed or absorbed into the price of the property sold or the service rendered if the amount of the tax assumed or absorbed is separately stated on the invoice or receipt. Any retailer who fails to separately state the assumed or absorbed sales tax will be guilty of a misdemeanor (Section 144.080);

(6) Requires the certification of an overdue patient account of a residential facility or day program under the control of the Department of Mental Health to be completed by the department director or his or her designee in order to constitute prima facie evidence of the amount due. Currently, an overdue patient account must be certified by the head of a residential facility or day program with the seal of the institution attached; and

(7) Prohibits the use of global positioning systems or other technology to monitor the mileage traveled by a motor vehicle in order to impose any mileage tax (Section 1).

The substitute contains an emergency clause for the provisions regarding interest on overpayments of taxes.

FISCAL NOTE: Estimated Cost on General Revenue Fund of More than \$100,000 in FY 2011, FY 2012, and FY 2013. No impact on Other State Funds in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that the bill allows the Department of Mental Health to sign for documents that will be used in court proceedings.

Testifying for the bill were Senator Bray; and Department of

Mental Health.

OPPONENTS: There was no opposition voiced to the committee.