

SECOND REGULAR SESSION

# HOUSE BILL NO. 1380

## 100TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE WASHINGTON.

3799H.011

DANA RADEMAN MILLER, Chief Clerk

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### AN ACT

To repeal section 135.010, RSMo, and to enact in lieu thereof one new section relating to property tax relief.

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

Section A. Section 135.010, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.010, to read as follows:

135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

(1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If the persons are eligible to file a joint federal income tax return and reside at the same address at any time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri income tax return or a combined claim return reporting their combined incomes and property taxes. A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the Armed Forces of the United States or this state who became ~~one~~ **hundred] fifty percent or more** disabled as a result of such service, or the claimant or spouse is disabled as defined in subdivision (2) of this section, and such claimant or spouse provides proof of such disability in such form and manner, and at such times, as the director of revenue may require, or if the claimant has reached the age of sixty on or before the last day of the calendar year and such claimant received surviving spouse Social Security benefits during the calendar year and the claimant provides proof, as required by the director of revenue, that the claimant received surviving spouse Social Security benefits during the calendar year for which the credit will be claimed. ~~[A claimant shall not be allowed a property tax credit if the claimant filed a~~

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.

18 ~~valid claim for a credit under section 137.106 in the year following the year for which the~~  
19 ~~property tax credit is claimed.]~~ The residency requirement shall be deemed to have been fulfilled  
20 for the purpose of determining the eligibility of a surviving spouse for a property tax credit if a  
21 person of the age of sixty-five years or older who would have otherwise met the requirements  
22 for a property tax credit dies before the last day of the calendar year. The residency requirement  
23 shall also be deemed to have been fulfilled for the purpose of determining the eligibility of a  
24 claimant who would have otherwise met the requirements for a property tax credit but who dies  
25 before the last day of the calendar year;

26 (2) "Disabled", the inability to engage in any substantial gainful activity by reason of any  
27 medically determinable physical or mental impairment which can be expected to result in death  
28 or which has lasted or can be expected to last for a continuous period of not less than twelve  
29 months. A claimant shall not be required to be gainfully employed prior to such disability to  
30 qualify for a property tax credit;

31 (3) "Gross rent", amount paid by a claimant to a landlord for the rental, at arm's length,  
32 of a homestead during the calendar year, exclusive of charges for health and personal care  
33 services and food furnished as part of the rental agreement, whether or not expressly set out in  
34 the rental agreement. If the director of revenue determines that the landlord and tenant have not  
35 dealt at arm's length, and that the gross rent is excessive, then he shall determine the gross rent  
36 based upon a reasonable amount of rent. Gross rent shall be deemed to be paid only if actually  
37 paid prior to the date a return is filed. The director of revenue may prescribe regulations  
38 requiring a return of information by a landlord receiving rent, certifying for a calendar year the  
39 amount of gross rent received from a tenant claiming a property tax credit and shall, by  
40 regulation, provide a method for certification by the claimant of the amount of gross rent paid  
41 for any calendar year for which a claim is made. The regulations authorized by this subdivision  
42 may require a landlord or a tenant or both to provide data relating to health and personal care  
43 services and to food. Neither a landlord nor a tenant may be required to provide data relating to  
44 utilities, furniture, home furnishings or appliances;

45 (4) "Homestead", the dwelling in Missouri owned or rented by the claimant and not to  
46 exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a  
47 home. It may consist of part of a multidwelling or multipurpose building and part of the land  
48 upon which it is built. "Owned" includes a vendee in possession under a land contract and one  
49 or more tenants by the entireties, joint tenants, or tenants in common and includes a claimant  
50 actually in possession if he was the immediate former owner of record, if a lineal descendant is  
51 presently the owner of record, and if the claimant actually pays all taxes upon the property. It  
52 may include a mobile home;

53 (5) "Income", Missouri adjusted gross income as defined in section 143.121 less two  
54 thousand dollars, or in the case of a homestead owned and occupied, for the entire year, by the  
55 claimant, less four thousand dollars as an exemption for the claimant's spouse residing at the  
56 same address, and increased, where necessary, to reflect the following:

57 (a) Social Security, railroad retirement, and veterans payments and benefits unless the  
58 claimant is a ~~[one hundred]~~ **fifty percent or more** service-connected, disabled veteran or a  
59 spouse of a ~~[one hundred]~~ **fifty percent or more** service-connected, disabled veteran. The ~~[one~~  
60 ~~hundred]~~ **fifty percent or more** service-connected disabled veteran shall not be required to list  
61 veterans payments and benefits;

62 (b) The total amount of all other public and private pensions and annuities;

63 (c) Public relief, public assistance, and unemployment benefits received in cash, other  
64 than benefits received under this chapter;

65 (d) No deduction being allowed for losses not incurred in a trade or business;

66 (e) Interest on the obligations of the United States, any state, or any of their subdivisions  
67 and instrumentalities;

68 (6) "Property taxes accrued", property taxes paid, exclusive of special assessments,  
69 penalties, interest, and charges for service levied on a claimant's homestead in any calendar year.  
70 Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed.  
71 The director of revenue shall require a tax receipt or other proof of property tax payment. If a  
72 homestead is owned only partially by claimant, then "property taxes accrued" is that part of  
73 property taxes levied on the homestead which was actually paid by the claimant. For purposes  
74 of this subdivision, property taxes are "levied" when the tax roll is delivered to the director of  
75 revenue for collection. If a claimant owns a homestead part of the preceding calendar year and  
76 rents it or a different homestead for part of the same year, "property taxes accrued" means only  
77 taxes levied on the homestead both owned and occupied by the claimant, multiplied by the  
78 percentage of twelve months that such property was owned and occupied as the homestead of  
79 the claimant during the year. When a claimant owns and occupies two or more different  
80 homesteads in the same calendar year, property taxes accrued shall be the sum of taxes allocable  
81 to those several properties occupied by the claimant as a homestead for the year. If a homestead  
82 is an integral part of a larger unit such as a farm, or multipurpose or multidwelling building,  
83 property taxes accrued shall be that percentage of the total property taxes accrued as the value  
84 of the homestead is of the total value. For purposes of this subdivision "unit" refers to the parcel  
85 of property covered by a single tax statement of which the homestead is a part;

86 (7) "Rent constituting property taxes accrued", twenty percent of the gross rent paid by  
87 a claimant and spouse in the calendar year.

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