

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 1038, Page 1, Section A, Line 2, by
2 inserting after all of said section and line the following:

3
4 "135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

5 (1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If
6 the persons are eligible to file a joint federal income tax return and reside at the same address at any
7 time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri
8 income tax return or a combined claim return reporting their combined incomes and property taxes.
9 A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the
10 age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a
11 resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the
12 Armed Forces of the United States or this state who became one hundred percent disabled as a result
13 of such service, or the claimant or spouse is disabled as defined in subdivision (2) of this section,
14 and such claimant or spouse provides proof of such disability in such form and manner, and at such
15 times, as the director of revenue may require, or if the claimant has reached the age of sixty on or
16 before the last day of the calendar year and such claimant received surviving spouse Social Security
17 benefits during the calendar year and the claimant provides proof, as required by the director of
18 revenue, that the claimant received surviving spouse Social Security benefits during the calendar
19 year for which the credit will be claimed. A claimant shall not be allowed a property tax credit if
20 the claimant filed a valid claim for a credit under section 137.106 in the year following the year for
21 which the property tax credit is claimed. The residency requirement shall be deemed to have been
22 fulfilled for the purpose of determining the eligibility of a surviving spouse for a property tax credit
23 if a person of the age of sixty-five years or older who would have otherwise met the requirements
24 for a property tax credit dies before the last day of the calendar year. The residency requirement
25 shall also be deemed to have been fulfilled for the purpose of determining the eligibility of a
26 claimant who would have otherwise met the requirements for a property tax credit but who dies
27 before the last day of the calendar year;

28 (2) "Disabled", the inability to engage in any substantial gainful activity by reason of any
29 medically determinable physical or mental impairment which can be expected to result in death or
30 which has lasted or can be expected to last for a continuous period of not less than twelve months.

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1 A claimant shall not be required to be gainfully employed prior to such disability to qualify for a
2 property tax credit;

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

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

25 (5) "Income", Missouri adjusted gross income as defined in section 143.121 less two
26 thousand dollars for all calendar years ending on or before December 31, 2023, or in the case of a
27 homestead owned and occupied, for the entire year, by the claimant, less four thousand dollars as an
28 exemption for the claimant's spouse residing at the same address[;] for all calendar years ending on
29 or before December 31, 2023, or for all calendar years beginning on or after January 1, 2024, less
30 two thousand eight hundred dollars, or in the case of a homestead owned and occupied, for the
31 entire year, by the claimant, less five thousand eight hundred dollars, as an exemption for the
32 claimant's spouse residing at the same address; and increased, where necessary, to reflect the
33 following:

34 (a) Social Security, railroad retirement, and veterans payments and benefits unless the
35 claimant is a one hundred percent service-connected, disabled veteran or a spouse of a one hundred
36 percent service-connected, disabled veteran. The one hundred percent service-connected disabled
37 veteran shall not be required to list veterans payments and benefits;

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

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

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

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

6 (6) "Property taxes accrued", property taxes paid, exclusive of special assessments,
7 penalties, interest, and charges for service levied on a claimant's homestead in any calendar year.
8 Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed. The
9 director of revenue shall require a tax receipt or other proof of property tax payment. If a homestead
10 is owned only partially by claimant, then "property taxes accrued" is that part of property taxes
11 levied on the homestead which was actually paid by the claimant. For purposes of this subdivision,
12 property taxes are "levied" when the tax roll is delivered to the director of revenue for collection. If
13 a claimant owns a homestead part of the preceding calendar year and rents it or a different
14 homestead for part of the same year, "property taxes accrued" means only taxes levied on the
15 homestead both owned and occupied by the claimant, multiplied by the percentage of twelve months
16 that such property was owned and occupied as the homestead of the claimant during the year. When
17 a claimant owns and occupies two or more different homesteads in the same calendar year, property
18 taxes accrued shall be the sum of taxes allocable to those several properties occupied by the
19 claimant as a homestead for the year. If a homestead is an integral part of a larger unit such as a
20 farm, or multipurpose or multidwelling building, property taxes accrued shall be that percentage of
21 the total property taxes accrued as the value of the homestead is of the total value. For purposes of
22 this subdivision "unit" refers to the parcel of property covered by a single tax statement of which the
23 homestead is a part;

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

26 135.025. The property taxes accrued and rent constituting property taxes accrued on each
27 return shall be totaled. This total, up to seven hundred fifty dollars in rent constituting property
28 taxes actually paid or eleven hundred dollars in actual property tax paid, shall be used in
29 determining the property tax credit for all calendar years ending on or before December 31, 2023.
30 For all calendar years beginning on or after January 1, 2024, this total, up to one thousand fifty-five
31 dollars in rent constituting property taxes actually paid or one thousand five hundred fifty dollars in
32 actual property tax paid, shall be used in determining the property tax credit. Beginning January 1,
33 2025, the property tax credit totals under this section shall be increased annually for inflation based
34 on the Consumer Price Index for All Urban Consumers for the Midwest Region, as defined and
35 officially recorded by the United States Department of Labor or its successor. The director of
36 revenue shall prescribe regulations providing for allocations where part of a claimant's homestead is
37 rented to another or used for nondwelling purposes or where a homestead is owned or rented or used
38 as a dwelling for part of a year.

39 135.030. 1. As used in this section:

1 (1) The term "maximum upper limit" shall, for each calendar year after December 31, 1997,
 2 but before calendar year 2008, be the sum of twenty-five thousand dollars. For all calendar years
 3 beginning on or after January 1, 2008, but ending on or before December 31, 2023, the maximum
 4 upper limit shall be the sum of twenty-seven thousand five hundred dollars. In the case of a
 5 homestead owned and occupied for the entire year by the claimant, for all calendar years ending on
 6 or before December 31, 2023, the maximum upper limit shall be the sum of thirty thousand dollars.
 7 For all calendar years beginning on or after January 1, 2024, the maximum upper limit shall be the
 8 sum of thirty eight thousand two hundred dollars and in the case of a homestead owned and
 9 occupied for the entire year by the claimant, the maximum upper limit shall be the sum of forty-two
 10 thousand two hundred dollars. Beginning January 1, 2025, the maximum upper limits shall be
 11 increased annually for inflation based on the Consumer Price Index for All Urban Consumers for the
 12 Midwest Region, as defined and officially recorded by the United States Department of Labor or its
 13 successor;

14 (2) The term "minimum base" shall, for each calendar year after December 31, 1997, but
 15 before calendar year 2008, be the sum of thirteen thousand dollars. For all calendar years beginning
 16 on or after January 1, 2008, the minimum base shall be the sum of fourteen thousand three hundred
 17 dollars.

18 2. (1) If the income on a return is equal to or less than the maximum upper limit for the
 19 calendar year for which the return is filed, the property tax credit shall be determined from a table of
 20 credits based upon the amount by which the total property tax described in section 135.025 exceeds
 21 the percent of income in the following list:

If the income on the return is:	The percent is:
Not over the minimum base	0 percent with credit not to exceed \$1,100 in actual property tax or rent equivalent paid up to \$750
Over the minimum base but not over the maximum upper limit	1/16 percent accumulative per \$300 from 0 percent to 4 percent.

22 (2) The director of revenue shall prescribe a table based upon ~~[the preceding sentences]~~
 23 subdivision (1) of this subsection. The property tax shall be in increments of twenty-five dollars and
 24 the income in increments of three hundred dollars. The credit shall be the amount rounded to the
 25 nearest whole dollar computed on the basis of the property tax and income at the midpoints of each
 26 increment. As used in this subsection, the term "accumulative" means an increase by continuous or
 27 repeated application of the percent to the income increment at each three hundred dollar level.

28 3. (1) For all calendar years beginning on or after January 1, 2024, if the income on a return
 29 is equal to or less than the maximum upper limit for the calendar year for which the return is filed,
 30 the property tax credit shall be determined from a table of credits based upon the amount by which
 31 the total property tax described in section 135.025 exceeds the percent of income in the following
 32 list:

<u>If the income on the return is:</u>	<u>The percent is:</u>
<u>Not over the minimum base</u>	<u>0 percent with credit not to exceed \$1,550 in actual property tax or rent equivalent paid up to \$1,055, as adjusted for inflation.</u>
<u>Over the minimum base but not over the maximum upper limit</u>	<u>1/16 percent accumulative per \$495 from 0 percent to 2 percent.</u>

1 (2) The director of revenue shall prescribe a table based upon subdivision (1) of this
2 subsection. The property tax shall be in increments of twenty-five dollars and the income in
3 increments of four hundred ninety-five dollars. The credit shall be the amount rounded to the
4 nearest whole dollar computed on the basis of the property tax and income at the midpoints of each
5 increment. As used in this subsection, the term "accumulative" means an increase by continuous or
6 repeated application of the percent to the income increment at each four hundred ninety-five dollar
7 level.

8 4. Notwithstanding subsection 4 of section 32.057, the department of revenue or any duly
9 authorized employee or agent shall determine whether any taxpayer filing a report or return with the
10 department of revenue who has not applied for the credit allowed pursuant to section 135.020 may
11 qualify for the credit, and shall notify any qualified claimant of the claimant's potential eligibility,
12 where the department determines such potential eligibility exists."; and

13
14 Further amend said bill by amending the title, enacting clause, and intersectional references
15 accordingly.