FIRST REGULAR SESSION

HOUSE COMMITTEE SUBSTITUTE FOR

SENATE SUBSTITUTE NO. 2 FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 96

102ND GENERAL ASSEMBLY

0917H.10C DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 67.1421, 137.073, 137.115, 138.060, 142.815, 142.822, 142.824, 143.011, 143.071, 143.125, 238.225, and 321.246, RSMo, and to enact in lieu thereof thirteen new sections relating to taxation, with an emergency clause for certain sections.

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

Section A. Sections 67.1421, 137.073, 137.115, 138.060, 142.815, 142.822, 142.824, 143.011, 143.071, 143.125, 238.225, and 321.246, RSMo, are repealed and thirteen new sections enacted in lieu thereof, to be known as sections 67.1421, 137.073, 137.115, 138.060, 142.815, 142.822, 142.824, 143.011, 143.071, 143.125, 238.225, 321.246, and 408.900, to read as follows:

67.1421. 1. Upon receipt of a proper petition filed with its municipal clerk, the governing body of the municipality in which the proposed district is located shall hold a public hearing in accordance with section 67.1431 and may adopt an ordinance to establish the proposed district**, provided that if the proposed funding mechanism for the proposed district includes a sales tax, such ordinance shall be adopted by at least a two-thirds majority vote**.

2. A petition is proper if, based on the tax records of the county clerk, or the collector of revenue if the district is located in a city not within a county, as of the time of filing the petition with the municipal clerk, it meets the following requirements:

(1) It has been signed by property owners collectively owning more than fifty percent by assessed value of the real property within the boundaries of the proposed district;

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.

(2) It has been signed by more than fifty percent per capita of all owners of real property within the boundaries of the proposed district; and

(3) It contains the following information:

(a) The legal description of the proposed district, including a map illustrating the district boundaries;

(b) The name of the proposed district;

(c) A notice that the signatures of the signers may not be withdrawn later than seven days after the petition is filed with the municipal clerk;

(d) A five-year plan stating a description of the purposes of the proposed district, the services it will provide, each improvement it will make from the list of allowable improvements under section 67.1461, an estimate of the costs of these services and improvements to be incurred, the anticipated sources of funds to pay the costs, and the anticipated term of the sources of funds to pay the costs;

(e) A statement as to whether the district will be a political subdivision or a not-for-profit corporation and if it is to be a not-for-profit corporation, the name of the not-for-profit corporation;

(f) If the district is to be a political subdivision, a statement as to whether the district will be governed by a board elected by the district or whether the board will be appointed by the municipality, and, if the board is to be elected by the district, the names and terms of the initial board may be stated;

(g) If the district is to be a political subdivision, the number of directors to serve on the board;

(h) The total assessed value of all real property within the proposed district;

(i) A statement as to whether the petitioners are seeking a determination that the proposed district, or any legally described portion thereof, is a blighted area;

(j) The proposed length of time for the existence of the district, which in the case of districts established after August 28, 2021, shall not exceed twenty-seven years from the adoption of the ordinance establishing the district unless the municipality extends the length of time under section 67.1481;

(k) The maximum rates of real property taxes, and, business license taxes in the county seat of a county of the first classification without a charter form of government containing a population of at least two hundred thousand, that may be submitted to the qualified voters for approval;

(l) The maximum rates of special assessments and respective methods of assessment that may be proposed by petition;

(m) The limitations, if any, on the borrowing capacity of the district;

(n) The limitations, if any, on the revenue generation of the district;

(o) Other limitations, if any, on the powers of the district;

(p) A request that the district be established; and

(q) Any other items the petitioners deem appropriate;

(4) The signature block for each real property owner signing the petition shall be in substantially the following form and contain the following information:

Name of owner: _____

Owner's telephone number and mailing address: _____

If signer is different from owner:

Name of signer: _____

State basis of legal authority to sign: _____

Signer's telephone number and mailing address: _____

If the owner is an individual, state if owner is single or married: _____

If owner is not an individual, state what type of entity: _____

Map and parcel number and assessed value of each tract of real property within the proposed district owned: _____

By executing this petition, the undersigned represents and warrants that he or she is authorized to execute this petition on behalf of the property owner named immediately above

_____ _____

Signature of person signing for owner Date

STATE OF MISSOURI)

) ss.

COUNTY OF _____)

Before me personally appeared _____, to me personally known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand and official seal this _____ day of _____ (month), _____ __ (year).

_____

Notary Public

My Commission Expires: _____ ; and

(5) Alternatively, the governing body of any home rule city with more than four hundred thousand inhabitants and located in more than one county may file a petition to initiate the process to establish a district in the portion of the city located in any county of the first classification with more than two hundred thousand but fewer than two hundred sixty thousand inhabitants containing the information required in subdivision (3) of this subsection;

provided that the only funding methods for the services and improvements will be a real property tax.

3. Upon receipt of a petition the municipal clerk shall, within a reasonable time not to exceed ninety days after receipt of the petition, review and determine whether the petition substantially complies with the requirements of subsection 2 of this section. In the event the municipal clerk receives a petition which does not meet the requirements of subsection 2 of this section, the municipal clerk shall, within a reasonable time, return the petition to the submitting party by hand delivery, first class mail, postage prepaid or other efficient means of return and shall specify which requirements have not been met.

4. After the close of the public hearing required pursuant to subsection 1 of this section, the governing body of the municipality may adopt an ordinance approving the petition and establishing a district as set forth in the petition and may determine, if requested in the petition, whether the district, or any legally described portion thereof, constitutes a blighted area. If the petition was filed by the governing body of a municipality pursuant to subdivision (5) of subsection 2 of this section, after the close of the public hearing required pursuant to subsection 1 of this section, the petition may be approved by the governing body and an election shall be called pursuant to section 67.1422. **Any ordinance or petition approved pursuant to this subsection that establishes a district for which the proposed funding mechanism for the proposed district includes a sales tax shall be by at least a two-thirds majority vote.**

5. Amendments to a petition may be made which do not change the proposed boundaries of the proposed district if an amended petition meeting the requirements of subsection 2 of this section is filed with the municipal clerk at the following times and the following requirements have been met:

(1) At any time prior to the close of the public hearing required pursuant to subsection 1 of this section; provided that, notice of the contents of the amended petition is given at the public hearing;

(2) At any time after the public hearing and prior to the adoption of an ordinance establishing the proposed district; provided that, notice of the amendments to the petition is given by publishing the notice in a newspaper of general circulation within the municipality and by sending the notice via registered certified United States mail with a return receipt attached to the address of record of each owner of record of real property within the boundaries of the proposed district per the tax records of the county clerk, or the collector of revenue if the district is located in a city not within a county. Such notice shall be published and mailed not less than ten days prior to the adoption of the ordinance establishing the district. Such notice shall also be sent to the Missouri department of revenue, which shall publish such notice on its website;

(3) At any time after the adoption of any ordinance establishing the district a public hearing on the amended petition is held and notice of the public hearing is given in the manner provided in section 67.1431 and the governing body of the municipality in which the district is located adopts an ordinance approving the amended petition after the public hearing is held.

6. Upon the creation of a district, the municipal clerk shall report in writing the creation of such district to the Missouri department of economic development and the state auditor.

7. (1) The governing body of the municipality or county establishing a district or the governing body of such district shall, as soon as is practicable, submit the following information to the state auditor and the department of revenue:

(a) A description of the boundaries of such district as well as the rate of property tax or sales tax levied in such district;

(b) Any amendments made to the boundaries of a district or the tax rates levied in such district; and

(c) The date on which the district is to expire unless sooner terminated.

(2) The governing body of a community improvement district established on or after August 28, 2022, shall not order any assessment to be made on any real property located within a district and shall not levy any property or sales tax until the information required by paragraph (a) of subdivision (1) of this subsection has been submitted.

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

(1) "General reassessment", changes in value, entered in the assessor's books, of a substantial portion of the parcels of real property within a county resulting wholly or partly from reappraisal of value or other actions of the assessor or county equalization body or ordered by the state tax commission or any court;

(2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax rate authorized by election, including bond interest and sinking fund;

(3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the provisions of this section or when a court has determined the tax rate; except that, other provisions of law to the contrary notwithstanding, a school district may levy the operating levy for school purposes required for the current year pursuant to subsection 2 of section 163.021, less all adjustments required pursuant to Article X, Section 22 of the Missouri Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political subdivision as provided in this section;

(4) "Tax revenue", when referring to the previous year, means the actual receipts from ad valorem levies on all classes of property, including state-assessed property, in the immediately preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not collected in the fiscal year and plus an additional allowance for the revenue which would have been collected from property which was annexed by such political subdivision but which was not previously used in determining tax revenue pursuant to this section. The term "tax revenue" shall not include any receipts from ad valorem levies on any property of a railroad corporation or a public utility, as these terms are defined in section 386.020, which were assessed by the assessor of a county or city in the previous year but are assessed by the state tax commission in the current year. All school districts and those counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax revenue an amount equivalent to that by which they reduced property tax levies as a result of sales tax pursuant to section 67.505 and section 164.013 or as excess home dock city or county fees as provided in subsection 4 of section 313.820 in the immediately preceding fiscal year but not including any amount calculated to adjust for prior years. For purposes of political subdivisions which were authorized to levy a tax in the prior year but which did not levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by law, shall mean the revenues equal to the amount that would have been available if the voluntary rate reduction had not been made.

2. Whenever changes in assessed valuation are entered in the assessor's books for any personal property, in the aggregate, or for any subclass of real property as such subclasses are established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each political subdivision wholly or partially within the county or St. Louis City of the change in valuation of each subclass of real property, individually, and personal property, in the aggregate, exclusive of new construction and improvements. All political subdivisions shall immediately revise the applicable rates of levy for each purpose for each subclass of real property, individually, and personal property, in the aggregate, for which taxes are levied to the extent necessary to produce from all taxable property, exclusive of new construction and improvements, substantially the same amount of tax revenue as was produced in the previous year for each subclass of real property, individually, and personal property, in the aggregate, except that the rate shall not exceed the greater of the most recent voter-approved rate or the most recent voter-approved rate as adjusted under subdivision (2) of subsection 5 of this section. Any political subdivision that has received approval from voters for a tax increase after August 27, 2008, may levy a rate to collect substantially the same amount of tax revenue as the amount of revenue that would have been derived by applying the voter-approved increased tax rate ceiling to the total assessed valuation of the political subdivision as most

recently certified by the city or county clerk on or before the date of the election in which such increase is approved, increased by the percentage increase in the consumer price index, as provided by law, except that the rate shall not exceed the greater of the most recent voter-approved rate or the most recent voter-approved rate as adjusted under subdivision (2) of subsection 5 of this section. Such tax revenue shall not include any receipts from ad valorem levies on any real property which was assessed by the assessor of a county or city in such previous year but is assessed by the assessor of a county or city in the current year in a different subclass of real property. Where the taxing authority is a school district for the purposes of revising the applicable rates of levy for each subclass of real property, the tax revenues from state-assessed railroad and utility property shall be apportioned and attributed to each subclass of real property based on the percentage of the total assessed valuation of the county that each subclass of real property represents in the current taxable year. As provided in Section 22 of Article X of the constitution, a political subdivision may also revise each levy to allow for inflationary assessment growth occurring within the political subdivision. The inflationary growth factor for any such subclass of real property or personal property shall be limited to the actual assessment growth in such subclass or class, exclusive of new construction and improvements, and exclusive of the assessed value on any real property which was assessed by the assessor of a county or city in the current year in a different subclass of real property, but not to exceed the consumer price index or five percent, whichever is lower. Should the tax revenue of a political subdivision from the various tax rates determined in this subsection be different than the tax revenue that would have been determined from a single tax rate as calculated pursuant to the method of calculation in this subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates of those subclasses of real property, individually, and/or personal property, in the aggregate, in which there is a tax rate reduction, pursuant to the provisions of this subsection. Such revision shall yield an amount equal to such difference and shall be apportioned among such subclasses of real property, individually, and/or personal property, in the aggregate, based on the relative assessed valuation of the class or subclasses of property experiencing a tax rate reduction. Such revision in the tax rates of each class or subclass shall be made by computing the percentage of current year adjusted assessed valuation of each class or subclass with a tax rate reduction to the total current year adjusted assessed valuation of the class or subclasses with a tax rate reduction, multiplying the resulting percentages by the revenue difference between the single rate calculation and the calculations pursuant to this subsection and dividing by the respective adjusted current year assessed valuation of each class or subclass to determine the adjustment to the rate to be levied upon each class or subclass of property. The adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in the manner provided in this subsection, and added to the initial rate computed for each class

or subclass of property. For school districts that levy separate tax rates on each subclass of real property and personal property in the aggregate, if voters approved a ballot before January 1, 2011, that presented separate stated tax rates to be applied to the different subclasses of real property and personal property in the aggregate, or increases the separate rates that may be levied on the different subclasses of real property and personal property in the aggregate by different amounts, the tax rate that shall be used for the single tax rate calculation shall be a blended rate, calculated in the manner provided under subdivision (1) of subsection 6 of this section. Notwithstanding any provision of this subsection to the contrary, no revision to the rate of levy for personal property shall cause such levy to increase over the levy for personal property from the prior year.

3. (1) Where the taxing authority is a school district, it shall be required to revise the rates of levy to the extent necessary to produce from all taxable property, including state-assessed railroad and utility property, which shall be separately estimated in addition to other data required in complying with section 164.011, substantially the amount of tax revenue permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be adjusted to offset such district's reduction in the apportionment of state school moneys due to its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility valuation or loss of state aid, discovers that the estimates used result in receipt of excess revenues, which would have required a lower rate if the actual information had been known, the school district shall reduce the tax rate ceiling in the following year to compensate for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

(2) For any political subdivision which experiences a reduction in the amount of assessed valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant to sections 138.430 to 138.433, or due to clerical errors or corrections in the calculation or recordation of any assessed valuation:

(a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes to compensate for the reduction in assessed value occurring after the political subdivision calculated the tax rate ceiling for the particular subclass of real property or for personal property, in the aggregate, in a prior year. Such revision by the political subdivision shall be made at the time of the next calculation of the tax rate for the particular subclass of real property or for personal property, in the aggregate, after the reduction in assessed valuation has been determined and shall be calculated in a manner that results in the revised tax rate ceiling being the same as it would have been had the corrected or finalized assessment been available at the time of the prior calculation;

(b) In addition, for up to three years following the determination of the reduction in assessed valuation as a result of circumstances defined in this subdivision, such political subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive had the corrected or finalized assessment been available at the time of the prior calculation.

4. (1) In order to implement the provisions of this section and Section 22 of Article X of the Constitution of Missouri, the term improvements shall apply to both real and personal property. In order to determine the value of new construction and improvements, each county assessor shall maintain a record of real property valuations in such a manner as to identify each year the increase in valuation for each political subdivision in the county as a result of new construction and improvements. The value of new construction and improvements shall include the additional assessed value of all improvements or additions to real property which were begun after and were not part of the prior year's assessment, except that the additional assessed value of all improvements or additions to real property which had been totally or partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, sections 135.200 to 135.255, and section 353.110 shall be included in the value of new construction and improvements when the property becomes totally or partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property. Notwithstanding any opt-out implemented pursuant to subsection **[**~~14~~**]** **15** of section 137.115, the assessor shall certify the amount of new construction and improvements and the amount of assessed value on any real property which was assessed by the assessor of a county or city in such previous year but is assessed by the assessor of a county or city in the current year in a different subclass of real property separately for each of the three subclasses of real property for each political subdivision to the county clerk in order that political subdivisions shall have this information for the purpose of calculating tax rates pursuant to this section and Section 22, Article X, Constitution of Missouri. In addition, the state tax commission shall certify each year to each county clerk the increase in the general price level as measured by the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency. The state tax commission shall certify the increase in such index on the latest twelve-month basis available on February first of each year over the immediately preceding prior twelve-month period in order that political subdivisions shall have this information available in setting their tax rates according to law and Section 22 of Article X of the Constitution of Missouri. For purposes of implementing the provisions of this section and Section 22 of Article X of the Missouri

Constitution, the term "property" means all taxable property, including state-assessed property.

(2) Each political subdivision required to revise rates of levy pursuant to this section or Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided in this section and Section 22 of Article X of the Constitution of Missouri, separately and without regard to annual tax rate reductions provided in section 67.505 and section 164.013. Each political subdivision shall set each tax rate it is authorized to levy using the calculation that produces the lowest tax rate ceiling. It is further the intent of the general assembly, pursuant to the authority of Section 10(c) of Article X of the Constitution of Missouri, that the provisions of such section be applicable to tax rate revisions mandated pursuant to Section 22 of Article X of the Constitution of Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and other provisions not in conflict with Section 22 of Article X of the Constitution of Missouri. Annual tax rate reductions provided in section 67.505 and section 164.013 shall be applied to the tax rate as established pursuant to this section and Section 22 of Article X of the Constitution of Missouri, unless otherwise provided by law.

5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more than a simple majority pursuant to any provision of law or the constitution, the tax rate increase must receive approval by at least the majority required.

(2) When voters approve an increase in the tax rate, the amount of the increase shall be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be adjusted as provided in this section and, so adjusted, shall be the current tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that when applied to the current total assessed valuation of the political subdivision, excluding new construction and improvements since the date of the election approving such increase, the revenue derived from the adjusted tax rate ceiling is equal to the sum of: the amount of revenue which would have been derived by applying the voter-approved increased tax rate ceiling to total assessed valuation of the political subdivision, as most recently certified by the city or county clerk on or before the date of the election in which such increase is approved, increased by the percentage increase in the consumer price index, as provided by law. Such adjusted tax rate ceiling may be applied to the total assessed valuation of the political subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax rate

increase, upon voter approval, each tax rate increase shall be adjusted in the manner prescribed in this section to yield the sum of: the amount of revenue that would be derived by applying such voter-approved increased rate to the total assessed valuation, as most recently certified by the city or county clerk on or before the date of the election in which such increase was approved, increased by the percentage increase in the consumer price index, as provided by law, from the date of the election to the time of such increase and, so adjusted, shall be the current tax rate ceiling.

(3) The governing body of any political subdivision may levy a tax rate lower than its tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval in the manner provided under subdivision (4) of this subsection. Nothing in this section shall be construed as prohibiting a political subdivision from voluntarily levying a tax rate lower than that which is required under the provisions of this section or from seeking voter approval of a reduction to such political subdivision's tax rate ceiling.

(4) In a year of general reassessment, a governing body whose tax rate is lower than its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section as if its tax rate was at the tax rate ceiling. In a year following general reassessment, if such governing body intends to increase its tax rate, the governing body shall conduct a public hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy statement justifying its action prior to setting and certifying its tax rate. The provisions of this subdivision shall not apply to any political subdivision which levies a tax rate lower than its tax rate ceiling solely due to a reduction required by law resulting from sales tax collections. The provisions of this subdivision shall not apply to any political subdivision which has received voter approval for an increase to its tax rate ceiling subsequent to setting its most recent tax rate.

6. (1) For the purposes of calculating state aid for public schools pursuant to section 163.031, each taxing authority which is a school district shall determine its proposed tax rate as a blended rate of the classes or subclasses of property. Such blended rate shall be calculated by first determining the total tax revenue of the property within the jurisdiction of the taxing authority, which amount shall be equal to the sum of the products of multiplying the assessed valuation of each class and subclass of property by the corresponding tax rate for such class or subclass, then dividing the total tax revenue by the total assessed valuation of the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred. Where the taxing authority is a school district, such blended rate shall also be used by such school district for calculating revenue from state-assessed railroad and utility property as defined in chapter 151 and for apportioning the tax rate by purpose.

(2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the county commission in the county or counties where the tax rate applies of its tax rate ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. All forms for the calculation of rates pursuant to this section shall be promulgated as a rule and shall not be incorporated by reference. The state auditor shall promulgate rules for any and all forms for the calculation of rates pursuant to this section which do not currently exist in rule form or that have been incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for annual debt service requirements will be prima facie valid if, after making the payment for which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following year's payments. The county clerk shall keep on file and available for public inspection all such information for a period of three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor. The state auditor shall, within fifteen days of the date of receipt, examine such information and return to the county clerk his or her findings as to compliance of the tax rate ceiling with this section and as to compliance of any proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may request a taxing authority to submit documentation supporting such taxing authority's proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing authority and shall file a copy of the findings with the information received from the taxing authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk of the state auditor's findings and any request for supporting documentation to accept or reject in writing the rate change certified by the state auditor and to submit all requested information to the state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate change certified by the state auditor and the state auditor does not receive

supporting information which justifies the taxing authority's original or any subsequent proposed tax rate, then the state auditor shall refer the perceived violations of such taxing authority to the attorney general's office and the attorney general is authorized to obtain injunctive relief to prevent the taxing authority from levying a violative tax rate.

(3) In the event that the taxing authority incorrectly completes the forms created and promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing authority may submit amended forms with an explanation for the needed changes. If such amended forms are filed under regulations prescribed by the state auditor, the state auditor shall take into consideration such amended forms for the purposes of this subsection.

7. No tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with the provisions of this section, the taxpayer may make a formal complaint with the prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an action as representative of a class of all taxpayers within a taxing authority if the class is so numerous that joinder of all members is impracticable, if there are questions of law or fact common to the class, if the claims or defenses of the representative parties are typical of the claims or defenses of the class, and if the representative parties will fairly and adequately protect the interests of the class. In any class action maintained pursuant to this section, the court may direct to the members of the class a notice to be published at least once each week for four consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him or her from the class if he or she so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he or she desires, enter an appearance. In any class action brought pursuant to this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any attorney or association of attorneys who receive public funds from any source for their services. Any action brought pursuant to this section shall be set for hearing as soon as practicable after the cause is at issue.

9. If in any action, including a class action, the court issues an order requiring a taxing authority to revise the tax rates as provided in this section or enjoins a taxing authority from the collection of a tax because of its failure to revise the rate of levy as provided in this

section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her taxes in part, whether or not the taxes are paid under protest as provided in section 139.031 or otherwise contested. The part of the taxes paid erroneously is the difference in the amount produced by the original levy and the amount produced by the revised levy. The township or county collector of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise the rate of levy as provided in this section shall make available to the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest on any money erroneously paid by him or her pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund any tax erroneously paid prior to or during the third tax year preceding the current tax year.

10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year. The assessor shall annually assess all real property in the

following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor's books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person required by this chapter to list property, and require the person to make a correct statement of all taxable tangible personal property owned by the person or under his or her care, charge or management, taxable in the county. On or before January first of each even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance plan to the county governing body and the state tax commission for their respective approval or modification. The county governing body shall approve and forward such plan or its alternative to the plan to the state tax commission by February first. If the county governing body fails to forward the plan or its alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

(1) The findings of the assessor based on an appraisal of the property by generally accepted appraisal techniques; and

(2) The purchase prices from sales of at least three comparable properties and the address or location thereof. As used in this subdivision, the word "comparable" means that:

(a) Such sale was closed at a date relevant to the property valuation; and

(b) Such properties are not more than one mile from the site of the disputed property, except where no similar properties exist within one mile of the disputed property, the nearest comparable property shall be used. Such property shall be within five hundred square feet in

size of the disputed property, and resemble the disputed property in age, floor plan, number of rooms, and other relevant characteristics.

2. Assessors in each county of this state and the City of St. Louis may send personal property assessment forms through the mail.

3. The following items of personal property shall each constitute separate subclasses of tangible personal property and shall be assessed and valued for the purposes of taxation at the following percentages of their true value in money:

(1) Grain and other agricultural crops in an unmanufactured condition, one-half of one percent;

(2) Livestock, twelve percent;

(3) Farm machinery, twelve percent;

(4) Motor vehicles which are eligible for registration as and are registered as historic motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years old and which are used solely for noncommercial purposes and are operated less than two hundred hours per year or aircraft that are home built from a kit, five percent;

(5) Poultry, twelve percent; and

(6) Tools and equipment used for pollution control and tools and equipment used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by any company which is located in a state enterprise zone and which is identified by any standard industrial classification number cited in subdivision (7) of section 135.200, twenty-five percent.

4. The person listing the property shall enter a true and correct statement of the property, in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to the assessor.

5. (1) All subclasses of real property, as such subclasses are established in Section 4 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the following percentages of true value:

(a) For real property in subclass (1), nineteen percent;

(b) For real property in subclass (2), twelve percent; and

(c) For real property in subclass (3), thirty-two percent.

(2) A taxpayer may apply to the county assessor, or, if not located within a county, then the assessor of such city, for the reclassification of such taxpayer's real property if the use or purpose of such real property is changed after such property is assessed under the provisions of this chapter. If the assessor determines that such property shall be reclassified, he or she shall determine the assessment under this subsection based on the percentage of the tax year that such property was classified in each subclassification.

6. Manufactured homes, as defined in section 700.010, which are actually used as dwelling units shall be assessed at the same percentage of true value as residential real property for the purpose of taxation. The percentage of assessment of true value for such manufactured homes shall be the same as for residential real property. If the county collector cannot identify or find the manufactured home when attempting to attach the manufactured home for payment of taxes owed by the manufactured home owner, the county collector may request the county commission to have the manufactured home removed from the tax books, and such request shall be granted within thirty days after the request is made; however, the removal from the tax books does not remove the tax lien on the manufactured home if it is later identified or found. For purposes of this section, a manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the manufactured home owner shall be considered personal property. For purposes of this section, a manufactured home located on real estate owned by the manufactured home owner may be considered real property.

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. **For the tax year ending on or before December 31, 2023,** the assessor of each county and each city not within a county shall use **[**~~the trade-in value published in the October issue of~~**] a nationally recognized automotive trade publication such as** the National Automobile Dealers' Association Official Used Car Guide, **Kelley Blue Book,** or **[**~~its successor publication~~**] Edmunds**, **or other similar publication** as the recommended guide of information for determining the true value of motor vehicles described in such publication. **The state tax commission shall determine which publication shall be used. The assessor of each county and each city not within a county shall use the trade-in value published in the current or any of the three immediately previous years' October issue of the publication selected by the state tax commission.** The assessor shall not use a value that is greater than the average trade-in value in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or

newer from a vehicle's model year, the assessor may use a value other than average without performing a physical inspection of the motor vehicle.

10. For all tax years beginning on or after January 1, 2024, the assessor of each county and each city not within a county shall use the manufacturer's suggested retail price for all manufactured motor vehicles as acquired annually by the state tax commission for the original value in money of all motor vehicle assessment valuations. For the purposes of this subsection, the term "original value in money" means the manufacturer's suggested retail price. For the purposes of this subsection, the term "motor vehicles" means trucks, automobiles, motorcycles, boats, trailers, and other motor vehicles required to be registered and titled pursuant to the provisions of the motor vehicle and registration laws of this state. The term "motor vehicles" shall include farm tractors and farm machinery including tractors or machinery designed for off-road use but capable of movement on roads at low speeds. The following ten-year depreciation schedule shall be applied to each manufacturer's suggested retail price to develop the annual and historical valuation guide for all motor vehicles. The values shall be delivered to each software vendor not later than November fifteenth annually and vendors shall have the values in place by December fifteenth annually for use in the next assessment year. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which in the assessor's judgment will fairly estimate the **[**~~true~~**] original** value in money of the motor vehicle**[**~~.~~**] and the assessor shall apply the appropriate depreciation from the table as follows:**

Year	Percent Depreciation
Current	15
1	25
2	32.5
3	45.3
4	50.3
5	55.8
6	60.1
7	75.2
8	83.2
9	87.2
10	90
Greater than 10	99.9

To implement the new schedule without large variations from the current method, the assessor shall assume that the last valuation tables prior to October 1, 2024, are fair valuations and these valuations shall be depreciated from the above table until the end of their useful life. The state tax commission shall, with the assistance of the Missouri state assessor's association, develop the bid specifications to secure the original manufacturer's suggested retail price from a nationally recognized service. The state tax commission shall secure an annual appropriation from the legislature for the guide and the programming necessary to allow valuation by vehicle identification number in all certified mass appraisal software systems used in the state. The state tax commission or the state of Missouri shall be the registered user of the value guide with rights to allow all assessors access to the guide and to an online site. The state tax commission or state shall be responsible for renewals and annual software cost for preparing the data in a usable format for approved personal property software vendors in the state. If a county creates its own software, it shall meet the same standards as the approved vendors. The data shall be available to all vendors by November fifteenth annually. All vendors shall have the data available for use in their client counties by December fifteenth prior to the January first assessment date. When the manufacturer's suggested retail price data is not available from the approved source or the assessor deems it not appropriate for the vehicle value he or she is valuing, the assessor may obtain a manufacturer's suggested retail price from a source he or she deems reliable and apply the depreciation schedule set out above.

[~~10.~~**] 11.** Before the assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.

[~~11.~~**] 12.** If a physical inspection is required, pursuant to subsection **[**~~10~~**] 11** of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

[~~12.~~**] 13.** A physical inspection, as required by subsection **[**~~10~~**] 11** of this section, shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner pursuant to subsection **[**~~11~~**] 12** of this section. Mere observation of the property via a

drive-by inspection or the like shall not be considered sufficient to constitute a physical inspection as required by this section.

[~~13.~~**]** **14.** A county or city collector may accept credit cards as proper form of payment of outstanding property tax or license due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank, processor, or issuer for its service. A county or city collector may accept payment by electronic transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

[~~14.~~**]** **15.** Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

[~~15.~~**]** **16.** The governing body of any city of the third classification with more than twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in any county that has exercised its authority to opt out under subsection **[**~~14~~**]** **15** of this section may levy separate and differing tax rates for real and personal property

only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and collection of such separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

[~~16.~~**] 17.** Any portion of real property that is available as reserve for strip, surface, or coal mining for minerals for purposes of excavation for future use or sale to others that has not been bonded and permitted under chapter 444 shall be assessed based upon how the real property is currently being used. Any information provided to a county assessor, state tax commission, state agency, or political subdivision responsible for the administration of tax policies shall, in the performance of its duties, make available all books, records, and information requested, except such books, records, and information as are by law declared confidential in nature, including individually identifiable information regarding a specific taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall mean all real property that is in use or readily available as a reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future use or sale to others that has been bonded and permitted under chapter 444.

138.060. 1. The county board of equalization shall, in a summary way, determine all appeals from the valuation of property made by the assessor, and shall correct and adjust the assessment accordingly. There shall be no presumption that the assessor's valuation is correct. In any county with a charter form of government with a population greater than two hundred eighty thousand inhabitants but less than two hundred eighty-five thousand inhabitants, in any county with a charter form of government with greater than one million inhabitants, in any city not within a county, and in any other county for any property whose assessed valuation increased at least fifteen percent from the previous assessment unless the increase is due to new construction or improvement, the assessor shall have the burden to prove that the assessor's valuation does not exceed the true market value of the subject property. In such county or city, in the event a physical inspection of the subject property is required by subsection **[**~~10~~**] 11** of section 137.115, the assessor shall have the burden to establish the manner in which the physical inspection was performed and shall have the burden to prove that the physical inspection was performed in accordance with section 137.115. In such county or city, in the event the assessor fails to provide sufficient evidence to establish that the physical inspection was performed in accordance with section 137.115, the property owner shall prevail on the appeal as a matter of law. At any hearing before the state tax commission or a court of competent jurisdiction of an appeal of assessment from a first class charter county or a city not within a county, the assessor shall not advocate nor present evidence advocating a valuation higher than that value finally determined by the assessor or the value determined by the board of equalization, whichever is higher, for that assessment period.

2. The county clerk shall keep an accurate record of the proceedings and orders of the board, and the assessor shall correct all erroneous assessments, and the clerk shall adjust the tax book according to the orders of such board and the orders of the state tax commission, except that in adding or deducting such percent to each tract or parcel of real estate as required by such board or state tax commission, he shall add or deduct in each case any fractional sum of less than fifty cents, so that the value of any separate tract shall contain no fractions of a dollar.

142.815. 1. Motor fuel used for the following nonhighway purposes is exempt from the fuel tax imposed by this chapter, and a refund may be claimed by the consumer, except as provided for in subdivision (1) of this subsection, if the tax has been paid and no refund has been previously issued:

(1) Motor fuel used for nonhighway purposes including fuel for farm tractors or stationary engines owned or leased and operated by any person and used exclusively for agricultural purposes and including, beginning January 1, 2006, bulk sales of one hundred gallons or more of gasoline made to farmers and delivered by the ultimate vender to a farm location for agricultural purposes only. As used in this section, the term "farmer" shall mean any person engaged in farming in an authorized farm corporation, family farm, or family farm corporation as defined in section 350.010. At the discretion of the ultimate vender, the refund may be claimed by the ultimate vender on behalf of the consumer for sales made to farmers and to persons engaged in construction for agricultural purposes as defined in section 142.800. After December 31, 2000, the refund may be claimed only by the consumer and may not be claimed by the ultimate vender unless bulk sales of gasoline are made to a farmer after January 1, 2006, as provided in this subdivision and the farmer provides an exemption certificate to the ultimate vender, in which case the ultimate vender may make a claim for refund under section 142.824 but shall be liable for any erroneous refund;

(2) Kerosene sold for use as fuel to generate power in aircraft engines, whether in aircraft or for training, testing or research purposes of aircraft engines;

(3) Diesel fuel used as heating oil, or in railroad locomotives or any other motorized flanged-wheel rail equipment, or used for other nonhighway purposes other than as expressly exempted pursuant to another provision.

2. Subject to the procedural requirements and conditions set out in this chapter, the following uses are exempt from the tax imposed by section 142.803 on motor fuel, and a deduction or a refund may be claimed:

(1) **(a)** Motor fuel for which proof of export is available in the form of a terminal-issued destination state shipping paper and which is either:

[~~(a)~~**]** **a.** Exported by a supplier who is licensed in the destination state or through the bulk transfer system;

[~~(b)~~**]** **b.** Removed by a licensed distributor for immediate export to a state for which all the applicable taxes and fees (however nominated in that state) of the destination state have been paid to the supplier, as a trustee, who is licensed to remit tax to the destination state; or which is destined for use within the destination state by the federal government for which an exemption has been made available by the destination state subject to procedural rules and regulations promulgated by the director; or

[~~(c)~~**]** **c.** Acquired by a licensed distributor and which the tax imposed by this chapter has previously been paid or accrued either as a result of being stored outside of the bulk transfer system immediately prior to loading or as a diversion across state boundaries properly reported in conformity with this chapter and was subsequently exported from this state on behalf of the distributor**[**~~;~~**].**

(b) The exemption pursuant to **subparagraph a. of** paragraph (a) of this subdivision shall be claimed by a deduction on the report of the supplier which is otherwise responsible for remitting the tax upon removal of the product from a terminal or refinery in this state.

(c) The **[**~~exemption~~**] exemptions** pursuant to **[**~~paragraphs (b) and (c)~~**] subparagraphs b. and c. of paragraph (a)** of this subdivision shall be claimed by the distributor, upon a refund application made to the director within three years.

(d) A refund claim may be made monthly or whenever the claim exceeds one thousand dollars;

(2) Undyed K-1 kerosene sold at retail through dispensers which have been designed and constructed to prevent delivery directly from the dispenser into a vehicle fuel supply tank, and undyed K-1 kerosene sold at retail through nonbarricaded dispensers in quantities of not more than twenty-one gallons for use other than for highway purposes. Exempt use of undyed kerosene shall be governed by rules and regulations of the director. If no rules or regulations are promulgated by the director, then the exempt use of undyed kerosene shall be governed by rules and regulations of the Internal Revenue Service. A distributor or supplier delivering to a retail facility shall obtain an exemption certificate from the owner or operator of such facility stating that its sales conform to the dispenser requirements of this subdivision. A licensed distributor, having obtained such certificate, may provide a copy to his or her supplier and obtain undyed kerosene without the tax levied by section 142.803. Having obtained such certificate in good faith, such supplier shall be relieved of any responsibility if the fuel is later used in a taxable manner. An ultimate vendor who obtained undyed kerosene upon which the tax levied by section 142.803 had been paid and makes sales qualifying pursuant to this subsection may apply for a refund of the tax pursuant to application, as provided in section 142.818, to the director provided the ultimate vendor did not charge such tax to the consumer;

(3) Motor fuel sold to the United States or any agency or instrumentality thereof. This exemption shall be claimed as provided in section 142.818;

(4) Motor fuel used solely and exclusively as fuel to propel motor vehicles on the public roads and highways of this state when leased or owned and when being operated by a federally recognized Indian tribe in the performance of essential governmental functions, such as providing police, fire, health or water services. The exemption for use pursuant to this subdivision shall be made available to the tribal government upon a refund application stating that the motor fuel was purchased for the exclusive use of the tribe in performing named essential governmental services;

(5) That portion of motor fuel used to operate equipment attached to a motor vehicle, if the motor fuel was placed into the fuel supply tank of a motor vehicle that has a common fuel reservoir for travel on a highway and for the operation of equipment, or if the motor fuel was placed in a separate fuel tank and used only for the operation of auxiliary equipment. The exemption for use pursuant to this subdivision shall be claimed by a refund claim filed by the consumer who shall provide evidence of an allocation of use satisfactory to the director;

(6) Motor fuel acquired by a consumer out-of-state and carried into this state, retained within and consumed from the same vehicle fuel supply tank within which it was imported, except interstate motor fuel users;

(7) Motor fuel which was purchased tax-paid and which was lost or destroyed as a direct result of a sudden and unexpected casualty or which had been accidentally contaminated so as to be unsalable as highway fuel as shown by proper documentation as required by the director. The exemption pursuant to this subdivision shall be refunded to the person or entity owning the motor fuel at the time of the contamination or loss. Such person shall notify the director in writing of such event and the amount of motor fuel lost or contaminated within ten days from the date of discovery of such loss or contamination, and within thirty days after such notice, shall file an affidavit sworn to by the person having immediate custody of such motor fuel at the time of the loss or contamination, setting forth in full the circumstances and the amount of the loss or contamination and such other information with respect thereto as the director may require;

(8) Dyed diesel fuel or dyed kerosene used for an exempt purpose. This exemption shall be claimed as follows:

(a) A supplier or importer shall take a deduction against motor fuel tax owed on their monthly report for those gallons of dyed diesel fuel or dyed kerosene imported or removed from a terminal or refinery destined for delivery to a point in this state as shown on the shipping papers;

(b) This exemption shall be claimed by a deduction on the report of the supplier which is otherwise responsible for remitting the tax on removal of the product from a terminal or refinery in this state; **and**

(c) This exemption shall be claimed by the distributor, upon a refund application made to the director within three years. A refund claim may be made monthly or whenever the claim exceeds one thousand dollars; **and**

(9) Motor fuel delivered to any marina within this state that sells such fuel solely for use in any watercraft, as such term is defined in section 306.010, and not accessible to other motor vehicles, is exempt from the fuel tax imposed by this chapter. Any motor fuel distributor that delivers motor fuel to any marina in this state for use solely in any watercraft, as such term is defined in section 306.010, may claim the exemption provided in this subsection. Any motor fuel customer who purchases motor fuel for use in any watercraft, as such term is defined in section 306.010, at a location other than a marina within this state may claim the exemption provided in this subsection by filing a claim for refund of the fuel tax.

3. (1) Beginning on October 1, 2023, an entity exempt from taxation as provided by Section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. Section 501), as amended, to which an individual, person, or entity that is eligible to claim a refund as provided in this section submits all documentation and information required to make a refund application may make a claim for such individual's, person's, or entity's refund as provided in this section. Upon approval, the refund shall be made to such exempt entity.

(2) A taxpayer who is an individual, person, or entity that submits the required information to an exempt entity as described in subdivision (1) of this subsection shall be allowed to subtract from such taxpayer's Missouri adjusted gross income to determine Missouri taxable income an amount equal to the total amount eligible for a refund submitted to an exempt entity under subdivision (1) of this subsection for the same tax year. Such amount shall be deductible only to the extent that such amount is not deducted on the taxpayer's federal income tax return for that tax year. The department of revenue shall promulgate rules and regulations to administer the provisions of this section.

142.822. 1. **(1) As used in this section and section 142.824, "nonprofit entity" means any entity that is exempt from taxation as provided in Section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. Section 501), as amended.**

(2) Motor fuel used for purposes of propelling motor vehicles on highways shall be exempt from the fuel tax collected under subsection 3 of section 142.803, and an exemption and refund may be claimed by the taxpayer if the tax has been paid and no refund has been previously issued, provided that the taxpayer applies for the exemption and refund as

specified in this section. **Beginning on and after October 1, 2023, any nonprofit entity to which a taxpayer who is eligible to claim a refund as provided in this section submits all documentation and information required to make a refund application may make a claim for such taxpayer's refund as provided in this section. Upon approval, the refund shall be made to such nonprofit entity.**

2. (1) The exemption and refund shall be issued on a fiscal year basis**, based on motor fuel tax paid and collected through the end of fiscal year 2023,** to each person who pays the fuel tax collected under subsection 3 of section 142.803 and who claims an exemption and refund in accordance with this section, and shall apply so that the fuel taxpayer has no liability for the tax collected in that fiscal year under subsection 3 of section 142.803.

(2) Beginning in fiscal year 2024, exemptions and refunds issued under this section shall be based on the tax year. Any fuel taxes collected under subsection 3 of section 142.803 from July 1, 2023, to December 31, 2023, shall be reported under the provisions of subsection 4 of this section. Any fuel taxes collected under subsection 3 of section 142.803 from January 1, 2024, to December 31, 2024, and each tax year thereafter, shall be reported under the provisions of subsection 4 of this section. Exemptions and refunds shall be issued to persons who pay the fuel tax collected under subsection 3 of section 142.803 and who claim an exemption and refund in accordance with this section and shall apply so that the fuel taxpayer has no liability for the tax collected in the corresponding tax year under subsection 3 of section 142.803.

[~~2.~~**] 3.** To claim an exemption and refund in accordance with **subdivision (1) of subsection 2 of** this section, a person shall present to the director a statement containing a written verification that the claim is made under penalty of perjury and that states the total fuel tax paid in the applicable fiscal year for each vehicle for which the exemption and refund is claimed. The claim shall **[**~~not be transferred or assigned, and shall~~**]** be filed on or after July first, but not later than September thirtieth, following the fiscal year for which the exemption and refund is claimed. The claim statement may be submitted electronically, and shall at a minimum include the following information:

(1) **[**~~Vehicle identification number of the motor vehicle into which the motor fuel was delivered;~~

~~(2)~~**]** Date of sale;

[~~(3)~~**] (2)** Name and address of purchaser;

[~~(4) Name and address of seller;~~

~~(5)~~**] (3)** Number of gallons purchased; **[**~~and~~

~~(6)~~**] (4)** Number of gallons purchased and charged Missouri fuel tax, as a separate item**; and**

(5) If the claim is submitted by a nonprofit entity:

(a) Documentation of the nonprofit entity's tax-exempt status; and

(b) A statement signed by the purchaser indicating that the nonprofit entity is entitled to the purchaser's refund.

4. To claim an exemption and refund in accordance with subdivision (2) of subsection 2 of this section, a person may elect to proceed under either subdivision (1) or (2) of this subsection:

(1) For a receipt-based exemption and refund under this subdivision, a person shall present to the director a statement containing a written verification that the claim is made under penalty of perjury and that states the total fuel tax paid in the applicable tax year for each vehicle for which the exemption and refund is claimed. The claim shall not be transferred or assigned and shall be filed on or after January fifteenth but not later than April fifteenth after the close of the tax year for which the exemption and refund is claimed. A person claiming a refund under this subdivision shall not be entitled to claim a standard refund under subdivision (2) of this subsection for the same tax year. The claim statement may be submitted electronically and shall at a minimum include the following information:

(a) Date of sale;

(b) Name and address of purchaser;

(c) Number of gallons purchased;

(d) Number of gallons purchased and charged Missouri fuel tax, as a separate item; and

(e) An affirmation that such person is claiming the itemized refund and shall not claim the standard refund under subdivision (2) of this subsection; or

(2) For a standard refund under this subdivision, at the time a person files his or her Missouri income tax return, a person may select to claim the exemption and refund as a standard refund applied as an immediate refund or applied as a credit against the person's Missouri income tax liability under chapter 143. A person claiming a standard refund under this subdivision shall not be entitled to claim a receipt-based refund under subdivision (1) of this subsection for the same tax year. For the purposes of this subdivision, the term "standard refund" shall mean the exemption and refund provided under this section, applied for and claimed by a person as a set, flat amount under paragraph (a) of this subdivision, selected to be refunded to such person as either an immediate refund or credit applied against the person's Missouri income tax liability under chapter 143.

(a) The standard refund shall be allocated as follows:

a. Thirty dollars for the 2023 tax year;

b. Forty-five dollars for the 2024 tax year;

c. Sixty dollars for the 2025 tax year; and

d. Seventy-five dollars for all tax years beginning on or after January 1, 2026.

(b) A person shall file a form, provided by the department of revenue, with such person's Missouri income tax return, if applicable. The claim shall not be transferred or assigned and the form shall be filed on or after January fifteenth but not later than April fifteenth after the close of the tax year for which the exemption and refund is claimed.

(c) Such form may be submitted electronically and at minimum shall include:

a. The person's selection of the standard refund taken as a refund or as a credit against chapter 143 income taxes, as provided under this subdivision, that he or she is claiming for the applicable tax year;

b. An affirmation that such person is claiming the standard refund and shall not claim the receipt-based refund under subdivision (1) of this subsection;

c. The vehicle identification number of the motor vehicle into which the motor fuel was delivered;

d. The name and address of the person making the claim;

e. Information or identification showing that such person was the owner of a vehicle licensed in Missouri;

f. An affirmation that such person made eligible purchases under this section in the tax year for which the exemption and refund is claimed; and

g. Any other information that the department may require to fulfill the obligations under this section.

5. The exemption and refund as reimbursed under the provisions of this section shall be paid out of the proceeds of the additional tax under subsection 3 of section 142.803. Refunds shall not exceed the tax collected under subsection 3 of section 142.803. If the amount of refunds claimed under this section in a tax year exceeds the tax collected for the tax year, refunds shall be allowed based on the order in which they are claimed. The qualifications provided under subsections 3 and 4 of this section shall be subject to audit by the department.

[~~3.~~**] 6.** Every person shall maintain and keep records supporting the claim statement filed with the department of revenue for a period of three years to substantiate all claims for exemption and refund of the motor fuel tax, together with invoices, original sales receipts marked paid by the seller, bills of lading, and other pertinent records and paper as may be required by the director for reasonable administration of this chapter. **The requirement to maintain records shall be the responsibility of any nonprofit entity to which a purchaser submits claim records required by this section.**

[~~4.~~**] 7.** The director may make any investigation necessary before issuing an exemption and refund under this section, and may investigate an exemption and refund under this section after it has been issued and within the time frame for making adjustments to the tax pursuant to this chapter.

[~~5.~~**] 8.** If an exemption and refund is not issued within forty-five days of an accurate and complete filing, as required by this chapter, the director shall pay interest at the rate provided in section 32.065 accruing after the expiration of the forty-five-day period until the date the exemption and refund is issued.

[~~6.~~**] 9. (1) Except as provided in subdivision (2) of this subsection,** the exemption and refund specified in this section shall be available only with regard to motor fuel delivered into a motor vehicle with a gross weight, as defined in section 301.010, of twenty-six thousand pounds or less.

(2) The exemption and refund specified in this section shall be available with regard to motor fuel delivered into a motor vehicle with a gross weight that exceeds twenty-six thousand pounds when the motor vehicle is owned by a corporation licensed in Missouri with its primary headquarters in Missouri, or owned by a sole proprietor whose home office is located in Missouri, provided that the corporation or sole proprietor submits documentation to the director that any exemption and refund claimed is based solely on fuel delivered into a motor vehicle while it was operating in the state of Missouri. If the motor vehicle was operated in multiple states, the applicant shall submit documentation that separates the fuel delivered to the vehicle while operating in other states from the fuel delivered to the vehicle while operating in the state of Missouri.

10. The department of revenue shall develop a mobile application that allows claims to be submitted on a person's phone at the time of motor fuel purchase in lieu of the procedures set out under subsection 2 of this section. The application shall be designed so that the person submitting the claim is required to demonstrate that he or she is at the motor fuel pump. The development and maintenance of the application shall be paid with funds that come from the fuel tax road fund.

[~~7.~~**] 11.** The director shall promulgate rules as necessary to implement the provisions off this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of

rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

142.824. 1. To claim a refund in accordance with section 142.815, a person shall present to the director a statement containing a written verification that the claim is made under penalties of perjury and lists the total amount of motor fuel purchased and used for exempt purposes. **Beginning on October 1, 2023, any nonprofit entity to which a person who is eligible to claim a refund as provided in this section submits all documentation and information required to make a refund application may make a claim for such person's refund as provided in this section. Upon approval, the refund shall be made to such nonprofit entity.** The claim shall **[**~~not be transferred or assigned and shall~~**]** be filed not more than three years after the date the motor fuel was imported, removed or sold if the claimant is a supplier, importer, exporter or distributor. If the claim is filed by the ultimate consumer, a consumer must file the claim within one year of the date of purchase or April fifteenth following the year of purchase, whichever is later. The claim statement may be submitted electronically, and shall be supported by documentation as approved by the director and shall include the following information:

(1) **[**~~Vehicle identification number of the motor vehicle into which the motor fuel was delivered;~~

~~(2)~~**]** Date of sale;

[~~(3)~~**] (2)** Name and address of purchaser;

[~~(4) Name and address of seller;~~

~~(5)~~**] (3)** Number of gallons purchased; **[**~~and~~

~~(6)~~**] (4)** Number of gallons purchased and charged Missouri fuel tax, as a separate item**; and**

(5) If the claim is submitted by a nonprofit entity:

(a) Documentation of the nonprofit entity's tax-exempt status; and

(b) A statement signed by the purchaser indicating that the nonprofit entity is entitled to the purchaser's refund.

2. If the original sales slip or invoice is lost or destroyed, a statement to that effect shall accompany the claim for refund, and the claim statement shall also set forth the serial number of the invoice. If the director finds the claim is otherwise regular, the director may allow such claim for refund.

3. The director may make any investigation necessary before refunding the motor fuel tax to a person and may investigate a refund after the refund has been issued and within the time frame for making adjustments to the tax pursuant to this chapter.

4. In any case where a refund would be payable to a supplier pursuant to this chapter, the supplier may claim a credit in lieu of such refund for a period not to exceed three years.

5. Every person shall maintain and keep for a period of three years records to substantiate all claims for refund of the motor fuel tax, together with invoices, original sales slips marked paid by the seller, bills of lading, and other pertinent records and paper as may be required by the director for reasonable administration of this chapter. **The requirement to maintain records shall be the responsibility of any nonprofit entity to which a purchaser submits claim records required by this section.**

6. Motor fuel tax that has been paid more than once with respect to the same gallon of motor fuel shall be refunded by the director to the person who last paid the tax after the subsequent taxable event upon submitting proof satisfactory to the director.

7. Motor fuel tax that has otherwise been erroneously paid by a person shall be refunded by the director upon proof shown satisfactory to the director.

8. If a refund is not issued within forty-five days of an accurate and complete filing, as required by this chapter, the director shall pay interest at the rate provided in section 32.065 accruing after the expiration of the forty-five-day period until the date the refund is issued.

9. The director shall promulgate rules as necessary to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

If the Missouri taxable income is:	The tax is:
Not over $1,000.00	1 1/2% of the Missouri taxable income
Over $1,000 but not over $2,000	$15 plus 2% of excess over $1,000
Over $2,000 but not over $3,000	$35 plus 2 1/2% of excess over $2,000
Over $3,000 but not over $4,000	$60 plus 3% of excess over $3,000

Over $4,000 but not over $5,000	$90 plus 3 1/2% of excess over $4,000
Over $5,000 but not over $6,000	$125 plus 4% of excess over $5,000
Over $6,000 but not over $7,000	$165 plus 4 1/2% of excess over $6,000
Over $7,000 but not over $8,000	$210 plus 5% of excess over $7,000
Over $8,000 but not over $9,000	$260 plus 5 1/2% of excess over $8,000
Over $9,000	$315 plus 6% of excess over $9,000

2. (1) Notwithstanding the provisions of subsection 1 of this section to the contrary, **[**~~beginning with~~**]** **for** the 2023 calendar year, the top rate of tax pursuant to subsection 1 of this section shall be four and ninety-five hundredths percent.

(2) **Notwithstanding the provisions of subsection 1 of this section to the contrary, beginning with the 2024 calendar year, the top rate of tax under subsection 1 of this section shall be four and one-half percent.**

(3) The modification of tax rates made pursuant to this subsection shall apply only to tax years that begin on or after January 1, 2023.

[~~(3)~~**] (4)** The director of the department of revenue shall, by rule, adjust the tax table provided in subsection 1 of this section to effectuate the provisions of this subsection. The top remaining rate of tax shall apply to all income in excess of seven thousand dollars, as adjusted pursuant to subsection 5 of this section.

3. (1) In addition to the rate reduction under subsection 2 of this section, beginning with the 2024 calendar year, the top rate of tax under subsection 1 of this section may be reduced by fifteen hundredths of a percent. A reduction in the rate of tax shall take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs.

(2) A reduction in the rate of tax shall only occur if the amount of net general revenue collected in the previous fiscal year exceeds the highest amount of net general revenue collected in any of the three fiscal years prior to such fiscal year by at least one hundred seventy-five million dollars.

(3) Any modification of tax rates under this subsection shall only apply to tax years that begin on or after a modification takes effect.

(4) The director of the department of revenue shall, by rule, adjust the tax tables under subsection 1 of this section to effectuate the provisions of this subsection.

4. (1) In addition to the rate reductions under subsections 2 and 3 of this section, beginning with the calendar year immediately following the calendar year in which a reduction is made pursuant to subsection 3 of this section, the top rate of tax under subsection 1 of this section may be further reduced over a period of years. Each reduction in the top rate of tax shall be by one-tenth of a percent and no more than one reduction shall occur in a calendar year. No more than three reductions shall be made under this subsection. Reductions in the rate of tax shall take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs.

(2) (a) A reduction in the rate of tax shall only occur if:

a. The amount of net general revenue collected in the previous fiscal year exceeds the highest amount of net general revenue collected in any of the three fiscal years prior to such fiscal year by at least two hundred million dollars; and

b. The amount of net general revenue collected in the previous fiscal year exceeds the amount of net general revenue collected in the fiscal year five years prior, adjusted annually by the percentage increase in inflation over the preceding five fiscal years.

(b) The amount of net general revenue collected required by subparagraph a. of paragraph (a) of this subdivision in order to make a reduction pursuant to this subsection shall be adjusted annually by the percent increase in inflation beginning with January 2, 2023.

(3) Any modification of tax rates under this subsection shall only apply to tax years that begin on or after a modification takes effect.

(4) The director of the department of revenue shall, by rule, adjust the tax tables under subsection 1 of this section to effectuate the provisions of this subsection. The bracket for income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced below the rate applicable to such bracket, and the top remaining rate of tax shall apply to all income in excess of the income in the second highest remaining income bracket.

5. Beginning with the 2017 calendar year, the brackets of Missouri taxable income identified in subsection 1 of this section shall be adjusted annually by the percent increase in inflation. The director shall publish such brackets annually beginning on or after October 1, 2016. Modifications to the brackets shall take effect on January first of each calendar year and shall apply to tax years beginning on or after the effective date of the new brackets.

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

(1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as reported by the Bureau of Labor Statistics, or its successor index;

(2) "CPI for the preceding calendar year", the average of the CPI as of the close of the twelve-month period ending on August thirty-first of such calendar year;

(3) "Net general revenue collected", all revenue deposited into the general revenue fund, less refunds and revenues originally deposited into the general revenue fund but designated by law for a specific distribution or transfer to another state fund;

(4) "Percent increase in inflation", the percentage, if any, by which the CPI for the preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending August 31, 2015.

143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five percent of Missouri taxable income.

2. For all tax years beginning on or after September 1, 1993, and ending on or before December 31, 2019, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to six and one-fourth percent of Missouri taxable income.

3. For all tax years beginning on or after January 1, 2020, **but on or before December 31, 2023,** a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to four percent of Missouri taxable income.

4. **For all tax years beginning on or after January 1, 2024, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to two percent of Missouri taxable income.**

5. In addition to the rate reduction under subsection 4 of this section, beginning with the 2026 calendar year, the rate of tax imposed under subsection 4 of this section may be reduced from two percent to one percent as follows:

(1) In a fiscal year after the 2024 fiscal year, if the amount of net corporate income tax revenue collected in the immediately preceding fiscal year exceeds the amount of net corporate income tax revenue collected in the 2024 fiscal year by at least fifty million dollars, the rate shall be reduced from two percent to one percent as provided under this subsection;

(2) The reduction in the rate of tax shall take effect on January first of the calendar year following the close of the previous fiscal year that caused the rate reduction as described in subdivision (1) of this subsection. The reduced rate shall continue in effect for all subsequent tax years; and

(3) The modification of the tax rate under this subsection shall apply only to tax years that begin on or after a modification takes effect.

6. In addition to the rate reductions under subsections 4 and 5 of this section, the rate of tax imposed under subsection 5 of this section may be reduced from one percent to zero as follows:

(1) Beginning with the calendar year immediately following the calendar year in which a rate reduction is made under subsection 5 of this section, if the amount of net

general revenue collected, as defined under section 143.011, in the immediately preceding fiscal year exceeds the amount of net general revenue collected in the fiscal year in which the reduction under subsection 5 of this section was implemented by at least two hundred fifty million dollars, the rate shall be reduced as provided under this subsection and no income tax shall be imposed on the income of corporations under this section;

(2) The reduction of the rate of tax shall take effect on January first of the calendar year following the close of the previous fiscal year that caused the rate reduction as described in subdivision (1) of this subsection. The reduced rate shall continue in effect for all subsequent tax years; and

(3) The modification of the tax rate under this subsection shall only apply to tax years that begin on or after a modification takes effect.

7. The provisions of this section shall not apply to out-of-state businesses operating under sections 190.270 to 190.285.

8. (1) Upon the full reduction and elimination of the tax under subsections 4, 5, and 6 of this section, no corporate income tax credits shall be claimed in any tax years where there is no tax imposed upon the Missouri taxable income of corporations. Nothing in this subsection shall prevent a corporate taxpayer from redeeming a refundable tax credit properly claimed and issued before the elimination of the rate of tax under this section in a tax year after such elimination.

(2) Notwithstanding the provisions of section 148.720, the reduction of the tax rate and eventual elimination of the Missouri corporate income tax under subsections 4, 5, and 6 of this section shall not apply to, or in any way cause a reduction or elimination of, any tax or tax rate imposed under chapter 148.

9. For the purposes of this section, the term "net corporate income tax revenue collected" shall mean all revenue collected from the tax imposed under this section and deposited into the general revenue fund, less refunds and revenues originally deposited into the general revenue fund but designated by law for a specific distribution or transfer to another state fund.

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

(1) "Benefits"**[**,**]:**

(a) On or before December 31, 2023, any Social Security benefits received by a taxpayer age sixty-two years of age and older, or Social Security disability benefits;

(b) On or after January 1, 2024, any Social Security benefits received by a taxpayer, regardless of age, including retirement, disability, survivors, and supplemental benefits;

(2) "Taxpayer", any resident individual.

2. For the taxable year beginning on or after January 1, 2007, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to twenty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2008, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to thirty-five percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2009, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to fifty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2010, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to sixty-five percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2011, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to eighty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For all taxable years beginning on or after January 1, 2012, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to one hundred percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. **For all tax years ending on or before December 31, 2023,** a taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is married filing combined, and their combined Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

(2) If the taxpayer's filing status is single, head of household, qualifying widow(er), or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or less than eighty-five thousand dollars.

For all tax years beginning on or after January 1, 2024, a taxpayer shall be entitled to the maximum exemption provided by this subsection regardless of the taxpayer's filing status or the amount of the taxpayer's Missouri adjusted gross income.

3. **For all tax years ending on or before December 31, 2023,** if a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1) and (2) of subsection 2 of this section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the maximum exemption provided in subsection 2 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

4. The director of the department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

238.225. 1. Before construction or funding of any project the district shall submit the proposed project to the commission for its prior approval **which shall be by at least a two-thirds majority vote if the funding mechanism of the project includes a sales tax**. If the commission by minute finds that the project will improve or is a necessary or desirable extension of the state highways and transportation system, the commission may preliminarily approve the project subject to the district providing plans and specifications for the proposed project and making any revisions in the plans and specifications required by the commission and the district and commission entering into a mutually satisfactory agreement regarding development and future maintenance of the project. After such preliminary approval, the district may impose and collect such taxes and assessments as may be included in the commission's preliminary approval. After the commission approves the final construction plans and specifications, the district shall obtain prior commission approval of any modification of such plans or specifications.

2. If the proposed project is not intended to be merged into the state highways and transportation system under the commission's jurisdiction, the district shall also submit the proposed project and proposed plans and specifications to the local transportation authority that will become the owner of the project for its prior approval **which shall be by at least a two-thirds majority vote if the funding mechanism of the project includes a sales tax**.

3. In those instances where a local transportation authority is required to approve a project and the commission determines that it has no direct interest in that project, the commission may decline to consider the project. Approval of the project shall then vest exclusively with the local transportation authority subject to the district making any revisions in the plans and specifications required by the local transportation authority and the district and the local transportation authority entering into a mutually satisfactory agreement regarding development and future maintenance of the project. After the local transportation authority approves the final construction plans and specifications, the district shall obtain prior approval of the local transportation authority before modifying such plans or specifications.

4. Notwithstanding any provision of this section to the contrary, this section shall not apply to any district whose project is a public mass transportation system.

321.246. 1. The governing body of any fire protection district which operates within both a county **[**~~of the first classification~~**]** with a charter form of government and with a population greater than six hundred thousand but less than nine hundred thousand and a county of the fourth classification with a population greater than thirty thousand but less than thirty-five thousand and that adjoins a county **[**~~of the first classification~~**]** with a charter form of government, the governing body of any fire protection district which contains a city of the fourth classification having a population greater than two thousand four hundred when the city is located in a county **[**~~of the first classification without~~**] with** a charter form of government having a population greater than one hundred fifty thousand and the county contains a portion of a city with a population greater than three hundred fifty thousand, or the governing body of any fire protection district that operates in a county of the third classification with a population greater than fourteen thousand but less than fifteen thousand may impose a sales tax in an amount of up to one-half of one percent on all retail sales made in such fire protection district which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no sales tax imposed pursuant to the provisions of this section shall be effective unless the governing body of the fire protection district submits to the voters of the fire protection district, at a county or state general, primary or special election, a proposal to authorize the governing body of the fire protection district to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the fire protection district of _____ (district's name)
impose a district-wide sales tax of _____ for the purpose of

providing revenues for the operation of the fire protection district?

☐ YES ☐ NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the sales tax authorized in this section shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the fire protection district shall not impose the sales tax authorized in this section unless and until the governing body of the fire protection district resubmits a proposal to authorize the governing body of the fire protection district to impose the sales tax authorized by this section and such proposal is approved by a majority of the qualified voters voting thereon.

3. All revenue received by a fire protection district from the tax authorized pursuant to the provisions of this section shall be deposited in a special trust fund and shall be used solely for the operation of the fire protection district.

4. All sales taxes collected by the director of revenue pursuant to this section on behalf of any fire protection district, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, shall be deposited in the fire protection **[**~~district~~**]** sales tax trust fund established pursuant to section 321.242. The moneys in the fire protection **[**~~district~~**]** sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust and which was collected in each fire protection district imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of the fire protection district and the public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the fire protection district which levied the tax. Such funds shall be deposited with the treasurer of each such fire protection district, and all expenditures of funds arising from the fire protection **[**~~district~~**]** sales tax trust fund shall be for the operation of the fire protection district and for no other purpose.

5. The director of revenue may make refunds from the amounts in the trust fund and credited to any fire protection district for erroneous payments and overpayments made and may redeem dishonored checks and drafts deposited to the credit of such fire protection districts. If any fire protection district abolishes the tax, the fire protection district shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one

year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such fire protection district, the director of revenue shall remit the balance in the account to the fire protection district and close the account of that fire protection district. The director of revenue shall notify each fire protection district of each instance of any amount refunded or any check redeemed from receipts due the fire protection district. In the event a tax within a fire protection district is approved under this section, and such fire protection district is dissolved, the tax shall lapse on the date that the fire protection district is dissolved and the proceeds from the last collection of such tax shall be distributed to the governing bodies of the counties formerly containing the fire protection district and the proceeds of the tax shall be used for fire protection services within such counties.

6. Except as modified in this section, all provisions of sections 32.085 and 32.087 shall apply to the tax imposed pursuant to this section.

408.900. 1. For purposes of this section, the following terms shall mean:

(1) "Blockchain network", a group of computers working together to run a consensus mechanism to agree upon and verify data in a digital record;

(2) "Digital asset", any cryptocurrencies, natively electronic assets, including stable coins, non-fungible tokens, and other digital-only assets that confer economic, proprietary, or access rights or powers;

(3) "Digital asset mining", using electricity to power a computer for the purpose of securing a blockchain network;

(4) "Digital asset mining business", a group of computers working at a single site that consume more than one megawatt of energy for the purpose of generating digital assets by securing a blockchain network;

(5) "Discriminatory rates", electricity rates substantially different from other industrial uses of electricity in similar geographic areas;

(6) "Home digital asset mining", mining digital assets in areas zoned for residential use;

(7) "Money transmitter", any person, as that term is defined in section 361.700, that is subject to sections 361.700 to 361.727;

(8) "Node", a computational device that contains a copy of a blockchain ledger.

2. (1) Any person may run a node or a series of nodes in Missouri for the purpose of home digital asset mining at the person's private residence.

(2) A person or entity may have a digital asset mining business in any area in this state that is zoned for industrial use.

(3) Any person engaged in home digital asset mining or digital asset mining business shall not be considered a money transmitter.

3. A political subdivision shall not:

(1) Limit the sound decibels generated from home digital asset mining other than limits set for sound pollution generally.

(2) Impose any requirements on a digital asset mining business that is not also a requirement for data centers in such political subdivision.

(3) Rezone the area in which a digital asset mining business is located without complying with applicable state and local zoning laws or rezone any area with the intent or effect of discriminating against a digital asset mining business.

4. A digital asset mining business may appeal a change in zoning pursuant to any applicable state or local zoning laws.

5. The public service commission can set rates reflective of cost to serve, but shall not establish a rate schedule for digital asset mining that creates discriminatory rates for digital asset mining businesses.

Section B. Because immediate action is necessary to protect taxpayers from inflated values and rapidly increasing prices, the repeal and reenactment of sections 137.073, 137.115, and 138.060 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the repeal and reenactment of sections 137.073, 137.115, and 138.060 of section A of this act shall be in full force and effect upon its passage and approval.

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