

HCS HB 1428 -- PROPERTY TAX CREDIT

SPONSOR: McGirl

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Property Tax Reform by a vote of 21 to 0. Voted "Do Pass" by the Standing Committee on Rules- Regulatory Oversight by a vote of 9 to 0.

The following is a summary of the House Committee Substitute for HB 1428.

This bill amends statutes related to senior citizens property tax relief, also known as the Circuit Breaker tax credit.

This tax credit is available to eligible senior citizens and disabled veterans for a portion of their real estate taxes or rent that such individuals have paid for the year.

Currently, the tax credit is limited to qualifying taxpayers with an income of \$30,000 or less in the case of a homestead owned and occupied by a claimant for the entire year. An additional exemption of \$4,000 is provided when a qualifying taxpayer's spouse resides at the same address, bringing the total credit to \$34,000 for a married homestead owner.

This bill increases such maximum income in the following manner:

For an unmarried homeowner: from \$30,000, now \$40,000;

For a married homeowner: the additional exemption is increased from \$4,000 to \$5,000 making the total credit now \$45,000;

For an unmarried renter: from \$27,200, now \$32,000;

for a married homeowner: the additional exemption is increased from \$2,000 to \$5,000 making the total credit now \$37,200.

Currently, the tax credit is set at a maximum of \$1,100 in actual property taxes paid for a homeowner, and a maximum of \$750 in rent constituting property taxes actually paid for renters.

This bill increases the maximum amount of the tax credit in the following manner:

For a homeowner: from \$1,100, now \$1,550;

For a renter: from \$750, now \$1,055.

If the income on a return is over the minimum base but not over the maximum upper limit, the property tax shall be in increments of \$25 and the income in increments of \$495.

This bill is similar to HCS SS SCS SB 133 (2023).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that with an increase in the maximum income levels, more seniors can take advantage of the program. With the cost of living rising each year, more and more seniors are cut out of the program. The last time the maximum income levels were adjusted to reflect inflation was 2008, which makes change long overdue.

Testifying in person for the bill were Representative McGirl; AARP; and Catholic Charities Archdiocese of St. Louis.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.