

HB 1856 -- HOMESTEAD PROPERTY TAX CREDIT

SPONSOR: Busick

Currently, eligible senior citizens may receive a credit against real property taxes in an amount equaling the difference between the taxpayer's real property tax liability on the taxpayer's homestead, minus the real property tax liability on the homestead in the year that the taxpayer became eligible for the credit.

Eligible senior citizens must be:

- (1) A Missouri resident;
- (2) Eligible for Social Security retirement benefits;
- (3) An owner of record of a homestead or have a legal or equitable interest in such property; and
- (4) Liable for the payment of real property taxes on such homestead.

Any county that is authorized to impose a property tax may grant a credit described above either by way of an ordinance or ballot petition. The procedures for an ordinance or ballot petition are described in current statute.

This bill designates two separate categories of the existing homestead property tax credit: a "county real property tax credit", which shall be administered by the governing body of a county; and a "political subdivision real property tax credit", which shall be administered by the governing body of a political subdivision.

COUNTY REAL PROPERTY TAX CREDIT

When a county imposes a real property tax upon an eligible taxpayer's homestead, the county may grant a county real property tax credit to a taxpayer residing within said county, subject to the following:

- (1) The county adopts an order or ordinance to grant the tax credit;
- (2) No tax credit shall be awarded for any tax year prior to adoption of an order or ordinance;
- (3) No tax credit shall be awarded to a taxpayer for any tax year prior to the taxpayer becoming eligible;

(4) The tax credit shall be only for current real property taxes assessed against a taxpayer's homestead in the current tax year.

(5) A political subdivision shall not grant a county real property tax credit, nor shall a county grant a political subdivision real property tax credit created by any other political subdivision's authority to impose a tax on real property in such county.

POLITICAL SUBDIVISION REAL PROPERTY TAX CREDIT

The bill defines a "political subdivision" as local public entity that:

- (1) Is not a county;
- (2) Is created by the Missouri Constitution or General Assembly;
- (3) Exercises governmental functions; and
- (4) Has the power to levy and impose taxes on real property.

When a political subdivision imposes a real property tax upon an eligible taxpayer's homestead, the political subdivision may grant a political subdivision real property tax credit to a taxpayer residing within said political subdivision, subject to the following:

(1) The political subdivision receives a petition signed by at least 10% of the number of registered voters of the political subdivision voting in the last election for a member of the governing body, calling for the governing body of the political subdivision to grant a political subdivision real property tax credit, in which case the governing body shall adopt an order or ordinance granting the tax credit at the next regularly scheduled meeting of the governing body;

(2) The order or ordinance shall not become effective unless the governing body submits to the registered voters residing within the political subdivision at a general municipal election or a state general, primary, or special election a proposal to authorize the governing body to grant the tax credit;

No tax credit shall be awarded for any tax year prior to adoption of an order or ordinance.

No tax credit shall be awarded to a taxpayer for any tax year prior to the taxpayer becoming eligible.

The tax credit shall be only for current real property taxes assessed against a taxpayer's homestead in the current tax year.

A county shall not grant a political subdivision real property tax credit, nor shall a political subdivision grant a county real property tax credit created by any other political subdivision's authority to impose a tax on real property in such county.