HCS HBs 2432, 2482 & 2543 -- LOCAL HOMESTEAD PROPERTY TAX CREDITS (Hausman)

COMMITTEE OF ORIGIN: Special Committee on Property Tax Reform

Currently, a county may grant a real property tax credit to qualifying seniors. A senior qualifies by being:

(1) Eligible for Social Security retirement benefits;

(2) The owner of record or having a legal or equitable interest in a homestead; and

(3) Liable for the payment of real property taxes on the homestead.

This bill modifies the criteria for a qualifying senior by requiring that the eligible taxpayer be a Missouri resident who:

(1) Is 62 years of age or older;

(2) Is the owner of record or having a legal or equitable interest in a homestead as evidenced by a publicly recorded or a verified written instrument, including but not limited to a trust document in which at least one primary beneficiary is 62 years of age or older;

(3) Is liable for the payment of real property taxes on such homestead; and

(4) Does not owe any delinquent taxes, interest, or penalties to the county.

An eligible taxpayer will receive a tax credit in an amount that equals the difference between his or her real property tax liability for a given tax year from all taxing entities, minus the real property tax liability in the initial credit year.

The "initial credit year" is defined as either:

(1) For all taxpayers who meet all of the requirements of an eligible taxpayer listed above, the year in which such credit is authorized; or

(2) For all other taxpayers, the year in which the taxpayer meets all of the requirements of an eligible taxpayer listed above.

If the eligible taxpayer's real property tax liability is lower than the liability owed in the year subsequent to becoming eligible, the tax year will be considered the eligible taxpayer's initial credit year for all subsequent tax years.

If the governing body of a county adopts an ordinance authorizing the tax credit, nothing can prevent the county from amending or superseding that ordinance by a subsequently adopted ballot referendum put before the voters that addresses the same tax credit.

The governing body of a county may adopt reasonable procedures in carrying out the purposes of this bill, provided that the county does not adopt any procedure that limits the definition or scope of the "eligible credit amount" or "eligible taxpayer" as defined in the bill.

New construction or improvements to an eligible taxpayer's homestead shall increase the tax liability for the taxpayer's initial credit year to reflect such new construction or improvements.

The tax liability for the taxpayer's initial credit year will increase if an eligible taxpayer's homestead is annexed into a jurisdiction where the taxpayer did not owe real property tax in the initial credit year.

Nothing will prevent an eligible taxpayer from appealing a real property assessment, nor shall anything in this bill relieve a taxpayer from his or her obligation to pay the tax liability of the State Blind Pension Fund.