

HB 2729 -- LOCAL PROPERTY TAX WORK-OFF PROGRAM

SPONSOR: Baringer

This bill specifies that upon adoption of an ordinance, a taxing entity may create a Property Tax Work-Off Program. Such a program would allow a qualified taxpayer to perform temporary volunteer work for a public entity, that receives or uses revenue generated through real property taxes, in lieu of paying certain real property taxes.

If such an ordinance is adopted, it must include the following information:

- (1) Procedures and deadlines for application and participation in the Program and required documentation to prove eligibility;
- (2) The maximum number of taxpayers allowed to participate in the Program;
- (3) Procedures for verification and record keeping of the work performed, hours of service, and the total amount by which the real property tax owed has been reduced;
- (4) Procedures for the crediting toward the qualified taxpayer's real property taxes; and
- (5) Any other provisions that the taxing entity deems reasonable and necessary.

A qualified taxpayer will be compensated at the hourly Missouri minimum wage. Such compensation shall be used in lieu of payment of any real property taxes that the qualifying taxpayer owes on this or her homestead. The total amount of compensation shall exceed \$1,000 or the total amount of real property tax owed, whichever is less. The governing body of a taxing entity may increase this amount at its discretion, provided such an increase is submitted to the voters. The total number of hours of work that a qualified taxpayer may perform will be calculated by dividing the amount of property taxes owed by the State minimum wage.

A qualified taxpayer is an individual who:

- (1) Is 65 years or older on or before the last day of the calendar year for which the real property taxes are owed;
- (2) Has been a resident of the taxing entity for at least one year and is still a current resident as of the date of the application;

(3) Is living on a low, fixed income from sources such as Social Security, State disability benefits, pensions, or retirement savings;

(4) Is the owner of record of a homestead or has a legal or equitable interest in a homestead; and

(5) Is liable for the payment of real property taxes of a homestead.

Information regarding a work-off program will be made available to the taxpayers of the taxing entity.

Qualifying taxpayers retain the right to protest the amount of their real property taxes. All compensation earned by a qualified taxpayer will not be considered income for the purposes of personal income taxation.