

FIRST REGULAR SESSION

HOUSE BILL NO. 708

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE OEHLERKING.

1328H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 139, RSMo, by adding thereto one new section relating to a totaled motor vehicle property tax proration program.

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

Section A. Chapter 139, RSMo, is amended by adding thereto one new section, to be known as section 139.035, to read as follows:

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

- (1) "Motor vehicle", the same meaning as such term is defined under section 301.010;
- (2) "Taxing entity", any county, city not within a county, or other political subdivision within this state that levies and collects personal property taxes on motor vehicles;
- (3) "Taxpayer", an individual or a business entity subject to personal property tax on the totaled motor vehicle;
- (4) "Totaled motor vehicle", a motor vehicle considered to be a total loss due to damage that is so severe that it cannot be repaired safely, the total cost of repair or salvage equals or exceeds the vehicle's actual cash value, or a finding by an insurance company declaring the motor vehicle to be total loss. The term "totaled motor vehicle" includes motorcycles owned by individual taxpayers and motor vehicles primarily for business use, as such term is defined under section 301.010, owned by a business taxpayer;
- (5) "Totaled motor vehicle personal property tax proration program", a program established under the provisions of this section.

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.

18 **2. Any taxing entity may establish a totaled motor vehicle personal property tax**
19 **proration program in accordance with this section that allows a taxpayer qualifying**
20 **under the provisions of this section and any additional requirements established by the**
21 **taxing entity to receive a prorated property tax credit during the tax year to reduce the**
22 **total personal property tax owed on a totaled motor vehicle and to be claimed against**
23 **the amount of personal property tax due and owing at the end of the same tax year by**
24 **such taxpayer.**

25 **3. The prorated property tax credit amount shall apply to the total of all**
26 **personal property taxes due and owing on the totaled motor vehicle, and shall reduce all**
27 **taxes by an equally distributed pro rata amount.**

28 **4. The prorated property tax credit, which shall be prorated on a monthly basis,**
29 **is to be determined by a ratio, the numerator of which shall be the number of full**
30 **months from the date of disposition of the totaled motor vehicle continuing through the**
31 **close of the tax year, and the denominator of which shall be twelve. The prorated**
32 **property tax credit is nonrefundable but may reduce a taxpayer's liability down to zero.**

33 **5. A taxpayer may apply for such program if:**

34 **(1) Such taxpayer's totaled motor vehicle was owned, registered, and titled**
35 **under the taxpayer's name, or in the case of a business taxpayer, the name of the**
36 **business, authorized agent, or other verifiable entity associated with the business**
37 **taxpayer, as of January first of the tax year in which the motor vehicle was totaled and**
38 **at the time of the incident that totaled the taxpayer's motor vehicle in the same tax year;**

39 **(2) The totaled motor vehicle was included on the local taxing entity's tax roll for**
40 **the tax year in which the motor vehicle was totaled and such taxpayer is liable for the**
41 **payment of personal property taxes on the totaled motor vehicle for such tax year;**

42 **(3) Such taxpayer was, as of the date of application, up-to-date on all state and**
43 **local taxes and fees owed on such totaled motor vehicle; and**

44 **(4) As of the date of application for participation in the program, the title on the**
45 **totaled motor vehicle has been transferred to the insurance company or other entity due**
46 **to the totaled nature of the vehicle and is no longer titled or registered to the taxpayer**
47 **nor in the taxpayer's possession.**

48 **6. If a taxpayer participating in a program established under this section**
49 **purchases a replacement vehicle during the same tax year that the taxpayer's motor**
50 **vehicle was totaled and he or she received a prorated property tax credit for such**
51 **totaled motor vehicle, such replacement vehicle shall not be included in the tax rolls for**
52 **that tax year to offset the property tax liability. Taxation of such replacement vehicle**
53 **shall follow the statutory assessment standards as provided by general law and the**

54 applicable taxing entity if such replacement vehicle is owned by such taxpayer as of
55 January first of the following tax year.

56 7. A totaled motor vehicle personal property tax proration program shall be
57 created upon the adoption of an ordinance by the governing body of such taxing entity.
58 Such ordinance shall be in accordance with the provisions of this section and shall
59 include, but not be limited to, the following:

60 (1) Procedures and deadlines for application and participation in such program
61 and any required documentation to sufficiently prove eligibility necessary for such
62 program, such as documents ascertaining proof of the totaled motor vehicle's total loss
63 value, copies of valuation reports, insurance total loss documentation or total loss letter,
64 verification of the transfer of title of the totaled motor vehicle, signed copy of title,
65 certified letter of transfer, or other such documentation necessary to substantiate the
66 taxpayer's eligibility;

67 (2) Procedures for verification and record keeping of the prorated property tax
68 credit amount and the total amount by which the personal property tax owed has been
69 modified for each taxpayer participating in the program;

70 (3) Creation of a form for taxpayers participating in the program that may be
71 submitted in person, by mail, or electronically on a taxing entity's website;

72 (4) Procedures for the crediting of the amount of a taxpayer's prorated property
73 tax credit toward such taxpayer's personal property taxes; and

74 (5) Any other provisions that such taxing entity deems reasonable and necessary
75 for the implementation and operation of such program.

76 8. A taxing entity may by ordinance promulgate rules, establish procedures, and
77 provide additional standards of eligibility for a program adopted under this section.

78 9. Any taxing entity that establishes a totaled motor vehicle personal property
79 tax proration program under the provisions of this section shall make information
80 regarding such program available to the taxpayers of the taxing entity.

81 10. Participation in this program and proration of personal property taxes
82 received under such program by any qualified taxpayer as a prorated property tax
83 credit toward any portion of such taxpayer's personal property taxes shall not affect the
84 taxpayer's right to protest the amount of such tax payments under applicable provisions
85 of law.

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