

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 708
103RD GENERAL ASSEMBLY

1328H.02C

JOSEPH ENGLER, 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
2 known as section 139.035, to read as follows:

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

2 (1) "Motor vehicle", the same meaning as such term is defined under section
3 **301.010;**

4 (2) "Taxing entity", any county or city not within a county within this state that
5 levies and collects personal property taxes on motor vehicles;

6 (3) "Taxpayer", an individual or a business entity subject to personal property
7 tax on the totaled motor vehicle;

8 (4) "Totaled motor vehicle", a motor vehicle considered to be a total loss due to
9 damage that is so severe that it cannot be repaired safely, the total cost of repair or
10 salvage equals or exceeds the vehicle's actual cash value, or a finding by an insurance
11 company declaring the motor vehicle to be total loss. The term "totaled motor vehicle"
12 includes motorcycles owned by individual taxpayers and motor vehicles primarily for
13 business use, as such term is defined under section 301.010, owned by a business
14 taxpayer;

15 (5) "Totaled motor vehicle personal property tax proration program", a
16 program established under the provisions of this section.

17 2. Any taxing entity may establish a totaled motor vehicle personal property tax
18 proration program in accordance with this section that allows a taxpayer qualifying

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.

19 under the provisions of this section and any additional requirements established by the
20 taxing entity to receive a prorated property tax credit during the tax year to reduce the
21 total personal property tax owed on a totaled motor vehicle and to be claimed against
22 the amount of personal property tax due and owing at the end of the same tax year by
23 such taxpayer.

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

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

32 5. A taxpayer may apply for such program if:

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

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

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

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

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

55 7. If a taxpayer participating in a program established under this section
56 repurchases the same totaled motor vehicle from the insurance company or other entity
57 by way of a salvage certificate of title, as that term is defined in section 301.217, and the
58 taxpayer operates or maintains the salvaged motor vehicle in his or her possession,
59 taxation of such salvaged motor vehicle shall follow the statutory assessment standards
60 as provided by general law. Such salvaged motor vehicle shall not benefit from the
61 prorated property tax credit established in this section.

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

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

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

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

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

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

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

84 10. Any taxing entity that establishes a totaled motor vehicle personal property
85 tax proration program under the provisions of this section shall make information
86 regarding such program available to the taxpayers of the taxing entity.

87 11. Participation in this program and proration of personal property taxes
88 received under such program by any qualified taxpayer as a prorated property tax
89 credit toward any portion of such taxpayer's personal property taxes shall not affect the

90 **taxpayer's right to protest the amount of such tax payments under applicable provisions**
91 **of law.**

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