

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 859
103RD GENERAL ASSEMBLY

2084H.02C

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to an income tax deduction for personal property taxes paid.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be
2 known as section 143.135, to read as follows:

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

2 **(1) "Deduction", an amount subtracted from a taxpayer's Missouri adjusted**
3 **gross income to determine the taxpayer's Missouri taxable income for a given tax year;**

4 **(2) "Qualified amount", for any qualified taxpayer in a given tax year, an**
5 **amount equal to one hundred percent of all Missouri tangible personal property taxes**
6 **actually paid by the qualified taxpayer in a given tax year on all tangible personal**
7 **property taxes owed by the taxpayer, exclusive of special assessments, penalties, interest,**
8 **charges, fees, or other additional amounts. Only the amounts of such personal property**
9 **taxes actually paid by the taxpayer shall qualify for the deduction and only if such**
10 **amounts are paid during the tax year for which this deduction is claimed;**

11 **(3) "Qualified taxpayer", any individual with an income tax liability under**
12 **chapter 143, excluding the withholding tax imposed by sections 143.191 to 143.265, who**
13 **accrued tangible personal property taxes and actually paid such taxes.**

14 **2. For all tax years beginning on or after January 1, 2026, in addition to all other**
15 **deductions and modifications allowed by law, a qualified taxpayer shall be allowed a**
16 **deduction from the taxpayer's Missouri adjusted gross income in an amount equal to**
17 **the taxpayer's qualified amount or the taxpayer may elect to take such amount as an**
18 **itemized deduction on his or her state income tax return. No deduction shall be claimed**

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 this section for the amount of tangible personal property tax that has been or is
20 used in obtaining a state tax credit, exemption, subtraction, or a different deduction.

21 3. The department of revenue shall promulgate all necessary rules and
22 regulations for the administration of this section including, but not limited to, rules
23 relating to the verification of a taxpayer's qualified amount. Any rule or portion of a
24 rule, as that term is defined in section 536.010, that is created under the authority
25 delegated in this section shall become effective only if it complies with and is subject to
26 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
27 chapter 536 are nonseverable and if any of the powers vested with the general assembly
28 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
29 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
30 and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

31 4. Under section 23.253 of the Missouri sunset act:

32 (1) The provisions of the new program authorized under this section shall
33 automatically sunset December thirty-first six years after the effective date of this
34 section unless reauthorized by an act of the general assembly;

35 (2) If such a program is reauthorized, the program authorized under this section
36 shall automatically sunset December thirty-first twelve years after the effective date of
37 the reauthorization of this section; and

38 (3) This section shall terminate on September first of the calendar year
39 immediately following the calendar year in which the program authorized under this
40 section is sunset.

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