

HB 988 -- PERSONAL PROPERTY TAXES

SPONSOR: Matthiesen

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Tax Reform by a vote of 5 to 3. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 6 to 3.

Beginning January 1 of the calendar year immediately following the adoption of a Constitutional amendment authorizing the exemption of tangible personal property from taxation under Article X, Section 6 of the Constitution of Missouri, this bill will exempt farm machinery and motor vehicles from personal property taxation.

Currently, assessors annually assess all personal property at 33.3% of its true value in money. Beginning January 1, 2026, the percentage of the true value in money at which personal property is assessed will be 30% of its true value in money and the amount will be reduced annually by 2% until the calendar year 2036 and every year thereafter, when personal property will be assessed at 10% of its true value in money.

This bill also decreases the percentages of true value in money for the following subclasses of personal property on or after January 1, 2036:

- (1) Livestock, currently taxed at 12%, reduced to 10%;
- (2) Farm machinery, currently taxed at 12%, reduced to 10%;
- (3) Poultry, currently taxed at 12%, reduced to 10%; and
- (4) Tools and equipment used for pollution control, currently taxed at 25%, reduced to 10%.

Currently, all agricultural or horticultural real property in Subclass (2), as defined in the Missouri Constitution, is assessed at a rate of 12%. Beginning January 1, 2026, such real property will be assessed at a rate of 15%.

This bill is the same as HB 1669 (2024) and similar to HB 1103 (2023).

PROPONENTS: Supporters say that the bill will phase down personal property taxes, particularly the personal property tax on cars. Proponents say that this bill will put money back into the pockets of Missourians.

Testifying in person for the bill were Representative Matthiesen; Arnie Dienoff.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.