COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6213H.01I
Bill No.: HB 2672
Subject: Property, Real and Personal; Taxation and Revenue - Property; Tax Credits; Veterans; State Tax Commission; County Officials; Counties; Disabilities
Type: Original
Date: March 3, 2026

Bill Summary: This proposal establishes the "Missouri Disabled Veterans Personal Property Tax Credit Act", authorizing counties to adopt a personal property tax credit for certain disabled veterans who own up to two motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on Other State Funds	**$0**	**$0**	**$0**

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	**$0**	**$0**	**$0**

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed $250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed $250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	**$0**	**$0 to (More or less than $10,307,347)**	**$0 to (More or less than $10,307,347)**

FISCAL ANALYSIS

ASSUMPTION

§137.1054 - Missouri Disabled Veterans Personal Property Tax Credit Act

Officials from the **State Tax Commission** state they have reviewed this proposal and determined it has an unknown negative fiscal impact on taxing jurisdictions, like school, ambulance, and fire districts reliant on property taxes for revenue. This proposal gives a tax credit on vehicles based on the percentage of service-connected disability the veteran has suffered. The credit can be applied to two vehicles owned by the disabled veteran. 112,538 veterans could qualify for this tax credit, but STC is unable to calculate an impact because the number of vehicles owned and the values of those vehicles are not readily available.

Officials from the **Department of Revenue (DOR)** assume the proposal will have no fiscal impact to DOR as this deals with personal property tax which DOR does not administer. DOR defers to the State Tax Commission.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight notes that this legislation allows disable veterans, who are residents of the county and have a disability rating of seventy percent or higher, tax credit against his or her personal property on each qualifying vehicle for the tax year.

Oversight notes that according to the latest U.S. Census data there are **37,919** veterans with service-connected disability and have received a disability rating of seventy percent or greater, as certified by the United States Department of Veterans Affairs.

Source: U.S. Census Data for veterans with 70% or greater disability

Oversight calculated the fiscal impact, using the U.S. Census data estimates below:

Missouri Population 18 y/o and older	4,891,022	U.S. Census Data
Estimated Total Motor Vehicle Assessed value	$20,190,535,140	STC Data 2025
Per Capita Motor Vehicle Assessed Value	$4,128	Estimated total motor vehicle assessed value / Population 18y/o and older
Estimated Property tax Paid	$1,329,503,922	Motor vehicle taxes paid per STC Data 2025
Per Capita Personal Property tax burden	$272	Motor vehicle taxes paid / population
Potential Loss of local Revenue	$10,307,347	Per capita motor vehicle tax burden x 37,919 eligible veterans

Source: https://stc.mo.gov/wp-content/uploads/sites/5/2026/02/2025-property-tax-pie-chart.pdf

Oversight notes that there are currently no available statistics indicating how many veterans' own vehicles, or whether they own one or two vehicles, and would therefore qualify for this tax credit. As a result, the fiscal impact estimate is based on assumptions and could ultimately be either more or less of the projected total.

Oversight notes that §137.1054.4(2) says the eligible veteran shall remain responsible for all taxes levied for the blind pension fund, which shall not be subject to any credit authorized under this section. Accordingly, Oversight will not reflect any reduction to the Blind Pension Fund stemming from this legislation.

Oversight notes that §137.1054.7(1)-(3) says that even if a taxpayer receives a personal property tax credit, local governments must treat the credited amount as if they actually received the full tax payment.

Oversight notes that §137.1054.8 say that county is not required to adopt or authorize the personal tax credit and adoption shall be solely at the discretion of the governing body.

Therefore, Oversight will reflect the revenue impact as a range from zero (if the county does not adopt the provision) to an amount that could be more or less than the total calculated above.

Officials from the **St Louis City Assessor** assume the following:

Disability Rating Status	# of MO Veterans	% of MO Veterans
Total	399,154	
Vets with service connected disability rating	95,566	23.94%
100% service connected disability rating	14,905	3.73%

Average PP value	4,500
Average PP tax amount	$365
Estimated # of 100% disabled veterans in City	680
Estimated # of less than 100% disabled veterans in City	3,400
Average PP tax amount x % of partially disabled veterans (at 50%)	$620,500
Average PP tax amount x 100% disabled veterans	$248,200

Total taxes affected by legislation

($868,700)	Loss to all taxing jurisdictions
($173,740)	Loss to City of St. Louis
($13,031)	Loss to Collector of Revenue Fund
($5,429)	Loss to Assessment Fund

Officials from the **City of Kansas City** assume the proposed legislation has a negative fiscal impact of an indeterminate amount.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect an estimated loss up to $10,307,347 in the fiscal note, for local political subdivision, beginning in FY 2028.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>**$0**</u>	<u>**$0**</u>	<u>**$0**</u>

FISCAL IMPACT – Local Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
Revenue Loss - (§137.1054) Motor Vehicle Tax Credit for disabled veterans p.3-7	$0	$0 to (More or less than $10,307,347)	$0 to (More or less than $10,307,347)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	**$0**	**$0 to (More or less than $10,307,347)**	**$0 to (More or less than $10,307,347)**

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill creates the "Missouri Disabled Veteran Personal Property Tax Credit Act". For all tax years beginning on or after January 1, 2027, a county can authorize, by adopting an order, ordinance, or resolution, a personal property tax credit for eligible veterans in an amount equal to the credit percentage applied to the qualified tax liability for each qualified vehicle, up to two vehicles.

A veteran is eligible if he or she is a disabled veteran, is a resident of the county adopting an ordinance, owns and maintains a vehicle in this state, and is liable for the payment of personal property taxes on the vehicle. The vehicle must be in the name of the veteran or jointly with the veteran's spouse.

The tax credit percentage will be the same percentage as the eligible veteran's disability rating, not to exceed 100%.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration – Budget & Planning
State Tax Commission
Saint Louis Assessor Office
City of Kansas City

Julie Morff
Director
March 3, 2026

Jessica Harris
Assistant Director
March 3, 2026

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