

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NOS. 3078 & 2672**  
**103RD GENERAL ASSEMBLY**

6785H.03C

JOSEPH ENGLER, Chief Clerk

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**AN ACT**

To amend chapter 137, RSMo, by adding thereto two new sections relating to local property tax credits for certain disabled veterans.

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

Section A. Chapter 137, RSMo, is amended by adding thereto two new sections, to be  
2 known as sections 137.1052 and 137.1054, to read as follows:

3       **137.1052. 1. This section shall be known and may be cited as the "Missouri**  
4 **Disabled Veteran Homestead Tax Credit Act".**

5       **2. As used in this section, the following terms mean:**

6       **(1) "County", any county or city not within a county in this state;**

7       **(2) "CPI", the Consumer Price Index for All Urban Consumers, as defined and**  
8 **officially recorded by the United States Department of Labor or its successor;**  
9       **(3) "Disability rating", the percentage of disability assigned to a disabled**  
10 **veteran by the United States Department of Veterans Affairs, reflecting the degree to**  
11 **which the veteran's disability impacts the veteran's ability to work and perform daily**  
12 **activities;**

13       **(4) "Disabled veteran", a Missouri resident who has been separated under**  
14 **honorable conditions from active service in any branch or reserve component of the**  
15 **Armed Forces of the United States or the National Guard of a state as defined in 32**  
16 **U.S.C. Section 101, as amended, and has a service-connected disability and has received**  
17 **a disability rating of one hundred percent permanent and total as certified by the United**  
18 **States Department of Veterans Affairs;**

**(5) "Eligible owner", an individual who is a disabled veteran, is the owner of**  
      **record of a qualified residence or has a legal or equitable interest in a qualified residence**

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 as evidenced by a written instrument, and is liable for the payment of real property  
20 taxes on the qualified residence;

21 (6) "Homestead", the residential real property that is used as a primary  
22 residence and the adjacent real property as is reasonably necessary for use of the  
23 residence as a home dwelling;

24 (7) "Primary residence", the real property owned and occupied by an eligible  
25 owner as the principal place of residence, and not to exceed five acres of land  
26 surrounding it as is reasonably necessary for use of the dwelling as a home;

27 (8) "Qualified amount", for any eligible owner in a given tax year, the total  
28 amount of real property taxes levied and imposed on the qualified residence and shall  
29 include all ad valorem taxes levied on the qualified residence by any county or other  
30 political subdivision including, but not limited to, county levies, municipal levies, school  
31 district levies including bonded indebtedness levies, fire protection district levies, library  
32 district levies, and any other local ad valorem levy authorized by law, but shall exclude  
33 the levy imposed for the state blind pension fund;

34 (9) "Qualified residence", the homestead of an eligible owner that has a market  
35 value not to exceed five hundred thousand dollars, but less any portion of that property  
36 that is used for commercial purposes. If the property, or a portion of the property, is  
37 rented out to another person for more than six months, it is presumed to be used for  
38 commercial purposes. The five-hundred-thousand-dollar limit shall be increased  
39 annually per calendar year for inflation by an amount equal to the percentage change in  
40 the annual average of the CPI, or zero, whichever is greater. No more than one property  
41 per qualified owner per tax year shall be claimed as a qualified residence under this  
42 section;

43 (10) "Real property tax credit", a credit against an eligible owner's liability for  
44 tax on the qualified residence that is levied and imposed by the governing body of a  
45 county or other political subdivision of this state with the power to levy and impose taxes  
46 on real property in this state.

47 3. (1) As allowed by the authority granted under Article X, Section 6(a) of the  
48 Constitution of Missouri, for all tax years beginning on or after January 1, 2027, a  
49 county may grant an annual real property tax credit, as calculated in this subsection, for  
50 the qualified residence of an eligible owner if such county adopts an order, ordinance, or  
51 resolution authorizing such real property tax credit in such county.

52 (2) The qualified amount of a real property tax credit provided under this  
53 section shall be equal to the percentage of the tax credit as adopted by the county under  
54 this section.

55           **(3) A county may grant a tax credit under this section for any percentage of the**  
56 **qualified amount that does not exceed one hundred percent of the eligible owner's**  
57 **liability for tax on the qualified residence under this section. Such percentage shall be**  
58 **stated in any vote taken by the governing body of the county under subsection 8 of this**  
59 **section. Before January first of any year, the governing body of such county may, by**  
60 **ordinance, adjust the percentage of the tax credit for the next year of general**  
61 **reassessment.**

62           **(4) If the total market value of the dwelling and surrounding acreage does not**  
63 **exceed five hundred thousand dollars, ownership of additional acreage shall not**  
64 **disqualify an owner from eligibility under the provisions of this section.**

65           **4. The real property tax credit under this section carries over to the benefit of**  
66 **the eligible owner's surviving spouse as long as the spouse holds the legal or beneficial**  
67 **title to the qualified residence, permanently resides therein, and does not remarry. No**  
68 **real property tax credit shall be allowed for the tax year in which the surviving spouse**  
69 **remarries, no longer holds legal or beneficial title, or relocates to a different primary**  
70 **residence.**

71           **5. Real property tax credits issued under the provisions of this section shall not**  
72 **be refundable. No real property tax credit claimed under this section shall be carried**  
73 **forward to any subsequent tax year. The real property tax credit allowed under this**  
74 **section shall not be transferred, assigned, sold, or otherwise conveyed, except as**  
75 **provided under this section.**

76           **6. Real property tax credits authorized under the provisions of this section shall**  
77 **not reduce assessed valuation and shall not be construed as an exemption from real**  
78 **property taxes. The security for any bonded indebtedness based on assessed valuation**  
79 **shall remain intact.**

80           **7. An eligible owner who receives a real property tax credit granted under this**  
81 **section shall not be eligible for any other real property tax relief, the property tax**  
82 **credits under sections 135.010 to 135.035, or any other tax credits relating to the eligible**  
83 **owner's qualified residence under this chapter or chapter 135.**

84           **8. Participation in the program under this section is optional as follows:**

85           **(1) Any county may, by a majority affirmative vote of the governing body of**  
86 **such county, opt in to the provisions of this section for the next year of the general**  
87 **reassessment, prior to January first of any year;**

88           **(2) If the county opts in to the provisions of this section, participation in this**  
89 **program for an eligible owner is also optional. An eligible owner electing to participate**  
90 **in the provisions under this section may opt in by notifying the local collector's office or**  
91 **other entity of such election to request a real property tax credit; and**

92           **(3) The governing body of the county may, by a majority affirmative vote, opt to**  
93 **rescind and cease the real property tax credit program authorized under this section**  
94 **and previously adopted by the governing body, for the next year of the general**  
95 **reassessment, prior to January first of any year. Any rescission shall be prospective only**  
96 **and shall not affect real property tax credits previously applied.**

97           **9. The governing body of the county may adopt reasonable procedures and**  
98 **promulgate ordinances, rules, and regulations in order to implement and administer the**  
99 **provisions of this section.**

100           **10. The assessor's office, collector's office, or other entity designated by rule,**  
101 **regulation, or ordinance shall administer the real property tax credit allowed under this**  
102 **section in the same manner as the tax credit authorized under section 137.1050 and shall**  
103 **be subject to similar application, verification, and renewal procedures as adopted by**  
104 **such county, if applicable. Eligibility determinations shall be made in accordance with**  
105 **guidelines established by this section and any additional local rules or regulations.**

106           **11. For the purposes of calculating property tax levies under section 137.073, and**  
107 **for all other laws prescribing the distribution or allocation of property tax revenues, the**  
108 **total amount of real property tax credits authorized under this section shall be**  
109 **considered tax revenue actually received by the county or other political subdivision.**

110           **12. A real property tax credit granted under this section shall not affect the**  
111 **process of setting the tax rate as required under Article X, Section 22 of the Constitution**  
112 **of Missouri and section 137.073 in any prior, current, or subsequent tax year.**

113           **13. Nothing in this section shall impair the obligation of any contract, reduce or**  
114 **restrict the taxing authority of any political subdivision, or alter the calculation of**  
115 **assessed valuation for the purposes of bonded indebtedness.**

**137.1054. 1. This section shall be known and may be cited as the "Missouri**  
2 **Disabled Veteran Personal Property Tax Credit Act".**

3           **2. As used in this section, the following terms mean:**

4           **(1) "County", any county or city not within a county in this state;**

5           **(2) "Credit percentage", the same percentage as the eligible veteran's disability**  
6 **rating, not to exceed one hundred percent;**

7           **(3) "Disability rating", the percentage of disability assigned to a disabled**  
8 **veteran by the United States Department of Veterans Affairs, reflecting the degree to**  
9 **which the veteran's disability impacts his or her ability to work and perform daily**  
10 **activities, expressed as a whole number percentage;**

11           **(4) "Disabled veteran", a Missouri resident who has been separated under**  
12 **honorable conditions from active service in any branch or reserve component of the**  
13 **Armed Forces of the United States or the National Guard of a state as defined in 32**

14 U.S.C. Section 101, as amended, and has a service-connected disability and has received  
15 a disability rating of seventy percent or greater, as certified by the United States  
16 Department of Veterans Affairs;

17 (5) "Eligible veteran", an individual who is a disabled veteran, is a resident of  
18 the county adopting an ordinance under this section, owns and maintains a qualified  
19 vehicle in this state, and is liable for the payment of personal property taxes on the  
20 qualified vehicle;

21 (6) "Personal property tax credit", a credit against an eligible owner's liability  
22 for tax on the qualified vehicle that is levied and imposed by the governing body of a  
23 county or other political subdivision of this state with the power to levy and impose taxes  
24 on personal property in this state;

25 (7) "Qualified tax liability", the total personal property taxes levied on each  
26 qualifying vehicle for the tax year, excluding any taxes levied for the blind pension fund;

27 (8) "Qualified vehicle", a motor vehicle titled solely in the name of the eligible  
28 veteran or jointly with the eligible veteran's spouse, licensed in Missouri as required  
29 under chapter 301, and used primarily for personal, noncommercial purposes.

30 3. (1) For all tax years beginning on or after January 1, 2027, a county may  
31 authorize a personal property tax credit for eligible veterans in an amount equal to the  
32 credit percentage applied to the qualified tax liability for each qualified vehicle, up to  
33 two vehicles, if such county adopts an order, ordinance, or resolution authorizing such  
34 personal property tax credit.

35 (2) A county that adopts and authorizes a personal property tax credit under the  
36 provisions of this section may authorize:

37 (a) A uniform credit percentage equal to the eligible veteran's disability rating;  
38 or

39 (b) A schedule of credit percentages based on disability rating tiers, provided  
40 that no credit shall be granted for a disability rating below seventy percent.

41 4. (1) For each tax year in which a personal property tax credit is authorized  
42 under this section, the county collector shall apply the credit or credits to the eligible  
43 veteran's personal property tax bill after determining the total amount of his or her  
44 qualified tax liability.

45 (2) Personal property tax credits authorized under the provisions of this section  
46 shall reduce the amount of personal property taxes the eligible veteran is required to  
47 pay but shall not alter the assessed valuation of the qualified vehicle, the levy applied by  
48 any taxing authority, or the tax base used by any taxing authority and shall not be  
49 construed as an exemption from personal property taxes. The eligible veteran shall

50 remain responsible for all taxes levied for the blind pension fund, which shall not be  
51 subject to any credit authorized under this section.

52 (3) Personal property tax credits issued under the provisions of this section shall  
53 not be refundable. No personal property tax credit claimed under this section shall be  
54 carried forward to any subsequent tax year. The personal property tax credit allowed  
55 under this section shall not be transferred, assigned, sold, or otherwise conveyed.

56 5. An eligible veteran shall annually provide a copy of his or her current  
57 disability rating letter from the Department of Veterans Affairs and proof of ownership  
58 and registration for each qualified vehicle. A county may create a simplified renewal  
59 process for eligible veterans whose disability rating is permanent and total or otherwise  
60 designated as static by the United States Department of Veterans Affairs.

61 6. The governing body of the county may adopt reasonable procedures and  
62 promulgate ordinances, rules, and regulations in order to implement and administer the  
63 provisions of this section, including application deadlines, documentation requirements,  
64 and renewal processes. Eligibility determinations shall be made in accordance with  
65 guidelines established by this section and any additional local rules or regulations. The  
66 department of revenue may provide optional guidance, but implementation shall be  
67 conducted at the county level.

68 7. (1) For the purposes of calculating property tax rates, school district  
69 operating levy determinations, county revenue reporting, constitutional rollback  
70 calculations, and all other state or local revenue adjustment formulas, the total  
71 amount of personal property tax credits authorized under this section shall be  
72 considered tax revenue actually received by the county, political subdivision, or other  
73 taxing authority.

74 (2) No taxing authority shall increase its operating levy or debt service levy or  
75 claim a revenue shortfall as a result of credits granted under the provisions of this  
76 section.

77 (3) A personal property tax credit granted under this section shall not affect the  
78 process of setting the tax rate as required under Article X, Section 22 of the Constitution  
79 of Missouri and section 137.073 in any prior, current, or subsequent tax year.

80 (4) Nothing in this section shall impair the obligation of any contract, reduce or  
81 restrict the taxing authority of any political subdivision, or alter the calculation of  
82 assessed valuation for the purposes of bonded indebtedness.

83           **8. Nothing in this section shall be construed to require any county to adopt or**  
84 **authorize the personal property tax credit provided under this section. Adoption shall**  
85 **be solely at the discretion of the county governing body.**

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