

HOUSE BILL NO. 3526

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RUSH.

7051H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 137.1050, RSMo, and to enact in lieu thereof one new section relating to local homestead property tax credits.

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

Section A. Section 137.1050, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.1050, to read as follows:

137.1050. 1. For the purposes of this section, the following terms shall mean:

(1) "Eligible credit amount", the difference between an eligible taxpayer's real property tax liability on such taxpayer's homestead for a given tax year, minus the real property tax liability on such homestead in the eligible taxpayer's initial credit year;

(2) "Eligible taxpayer", a Missouri resident who:

(a) Is ~~[sixty-two]~~ **sixty-five** years of age or older **as of January first of the applicable tax year;**

(b) **a. Has a combined household Missouri adjusted gross income less than or equal to seventy-five thousand dollars; or**

b. Is receiving public assistance benefits for Social Security retirement or disability as determined under the federal Social Security Act, 42 U.S.C. Section 301 et seq., as amended, or public assistance benefits from the United States Department of Veterans Affairs related to veteran status, retirement, or a service-related disability as a result of service in any branch of the Armed Forces of the United States;

~~[(b)]~~ (c) Is an owner of record of a homestead or has a legal or equitable interest in such property as evidenced by a written instrument; and

~~[(c)]~~ (d) Is liable for the payment of real property taxes on such homestead;

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.

18 (3) "Homestead", real property actually occupied by an eligible taxpayer as the
19 primary residence. An eligible taxpayer shall not claim more than one primary residence;

20 (4) "Initial credit year":

21 (a) In the case of a taxpayer that meets all requirements of subdivision (2) of this
22 subsection prior to the year in which a credit is authorized pursuant to subsection 2 of this
23 section, the year in which such credit is authorized;

24 (b) For all other taxpayers, the year in which the taxpayer meets all requirements of
25 subdivision (2) of this subsection.

26

27 If in any tax year subsequent to the eligible taxpayer's initial credit year the eligible taxpayer's
28 real property tax liability is lower than such liability in the initial credit year, such tax year
29 shall be considered the eligible taxpayer's initial credit year for all subsequent tax years. This
30 provision shall not apply if an eligible taxpayer's real property tax liability is lower than such
31 liability in the taxpayer's initial credit year solely due to a reduction in a property tax levy
32 made pursuant to section 321.554.

33 2. ~~[(1)]~~ Any county authorized to impose a property tax ~~[may]~~ **shall** grant a property
34 tax credit to eligible taxpayers residing in such county in an amount equal to the taxpayer's
35 eligible credit amount~~[-, provided that:~~

36 ~~(a) Such county adopts an ordinance authorizing such credit; or~~

37 ~~(b) a. A petition in support of a referendum on such a credit is signed by at least five
38 percent of the registered voters of such county voting in the last gubernatorial election and the
39 petition is delivered to the governing body of the county, which shall subsequently hold a
40 referendum on such credit.~~

41 ~~b. The ballot of submission for the question submitted to the voters pursuant to
42 paragraph (b) of this subdivision shall be in substantially the following form:]~~

43 [Shall the County of _____ exempt senior citizens aged 62 and
44 older from increases in the property tax liability due on such
45 senior citizens' primary residence?]

46 [-YES-]

[-NO-]

47

48 ~~[If a majority of the votes cast on the proposal by the qualified voters voting thereon are in
49 favor of the proposal, then the credit shall be in effect.~~

50 ~~(2) An ordinance adopted pursuant to paragraph (a) of subdivision (1) of this
51 subsection shall not preclude such ordinance from being amended or superseded by a petition
52 subsequently adopted pursuant to paragraph (b) of subdivision (1) of this subsection].~~

53 3. (1) A county granting credit pursuant to this section shall apply such credit when
54 calculating the eligible taxpayer's property tax liability for the tax year. The amount of the

55 credit shall be noted on the statement of tax due sent to the eligible taxpayer by the county
56 collector. The county governing body may adopt reasonable procedures in order to carry out
57 the purposes and intent of this section, provided that the county shall not adopt any procedure
58 that limits the definition or scope of eligible credit amount or eligible taxpayer as defined in
59 this section. **A county shall create a simple one-page application, keep and maintain**
60 **records related to the eligible taxpayers and property tax credits granted under the**
61 **provisions of this section, and notify an eligible taxpayer annually of continued**
62 **participation and eligibility.**

63 (2) If an eligible taxpayer makes new construction and improvements to such eligible
64 taxpayer's homestead, the real property tax liability for the taxpayer's initial credit year shall
65 be increased to reflect the real property tax liability attributable to such new construction and
66 improvements.

67 (3) If an eligible taxpayer's homestead is annexed into a taxing jurisdiction to which
68 such eligible taxpayer did not owe real property tax in the eligible taxpayer's initial credit
69 year, then the real property tax liability for the taxpayer's initial credit year shall be increased
70 to reflect the real property tax liability owed to the annexing taxing jurisdiction.

71 4. For the purposes of calculating property tax levies pursuant to section 137.073, the
72 total amount of credits authorized by a county pursuant to this section shall be considered tax
73 revenue, as such term is defined in section 137.073, actually received.

74 5. A county granting a tax credit pursuant to this section shall notify each political
75 subdivision within such county of the total credit amount applicable to such political
76 subdivision by no later than November thirtieth of each year.

77 **6. Subject to appropriation, the state shall reimburse, on an annual basis, any**
78 **political subdivision of this state for any decrease in revenue due to the provisions of this**
79 **section in accordance with the provisions of Article X, Section 6(a) of the Constitution of**
80 **Missouri.**

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