

HB 2038 -- PROPERTY TAX PROGRAMS FOR VULNERABLE INDIVIDUALS

SPONSOR: Terry

Beginning January 1, 2027, this bill provides a tax exemption for eligible homeowners who:

- (1) Have reached the age of 65 as of January 1st of the determining odd-numbered year;
- (2) Are the owners of a home used as their primary residence;
- (3) Are liable for real property taxes on the property; and
- (4) Have a total household income of \$125,000 or less.

Qualifying taxpayers are eligible for an annual tax exemption for property that is used as an eligible homestead equal to 100% of the tax assessed on their homestead. Each eligible homeowner who has been granted an exemption must reapply on an annual basis, as specified in the bill.

A qualifying taxpayer who received the exemption described in this bill will not be eligible for any other property tax relief, property tax credits, or any other tax credits related to such taxpayer's homestead in that same tax year. The tax credit is refundable, but must not be transferred, sold, or assigned.

This program sunsets six years after the effective date.

This bill establishes "The Missouri Homestead Preservation Act".

Beginning January 1, 2027, this bill provides a tax exemption for eligible senior citizens or disabled individuals. If the property tax liability on any residential real estate has increased by more than the homestead exemption, an eligible property owner will receive a homestead exemption credit toward the current tax year to offset the prior year increase in tax liability that exceeds the homestead exemption limit.

Applications for the homestead exemption must be completed no earlier than April 1st and not later than October 15th. On the application, the applicant must attest under penalty of perjury:

- (1) To the applicant's age;

(2) That the applicant's prior year income was less than the maximum upper limit, as defined in the bill;

(3) To the address of the homestead property; and

(4) That any improvements made to the homestead did not total more than 5% of the assessed value, unless the improvement was made in order to accommodate a disabled person.

The application must include copies of property tax payments for the last three years for the homestead property.

Upon receipt of the application, the State Tax Commission must calculate the tax liability and verify all other required information. The Commission will calculate the level of appropriation necessary to set the homestead exemption limit at five percent when based on a general assessment year, and at two and one-half percent when based on a year without general reassessment.

Appropriation for the funding of the homestead exemption is set annually by the General Assembly, as specified in the bill. After the apportionment percentage is determined, the Commission will calculate the credit to be associated with each verified eligible owner's homestead. The Commission must inform the eligible owners in the manner provided in the bill.

In the event that an eligible owner dies or transfers ownership of the property after the homestead exemption limit has been set, but on or before December 31st of the year in which the credit would otherwise be applied, the credit is void and any corresponding moneys will lapse to the State and credited to the General Revenue Fund.

This program sunsets six years after the effective date.

This bill is similar to HB 1061 (2025).