

HB 2859 -- PERSONAL PROPERTY TAXES

SPONSOR: Matthiesen

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 7 to 3. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 6 to 3.

Beginning January 1st 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, 2027, 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 every two years by 2% until the calendar year 2041. For calendar year 2041, and every year thereafter, personal property must be assessed at 16% of its true value in money.

This bill is similar to HB 988 (2025).

PROPOSERS: Supporters say that this bill will allow for more predictability for taxpayers as it relates to their motor vehicles.

Testifying in person for the bill was Representative Matthiesen.

OPPOSERS: Those who oppose the bill say that this bill will impact smaller communities that have limited or no sales tax base to replace the lost revenue caused by this bill.

Testifying in person against the bill were Missouri Council of School Administrators; and Missouri Municipal League.

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.