

FIRST REGULAR SESSION

# HOUSE BILL NO. 494

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES LEVIN, JETTON, BOUCHER, SECREST (Co-sponsors),  
OSTMANN, GASKILL, REYNOLDS, NORDWALD, REINHART, BEARDEN,  
KELLEY (47) AND WALTON.

Read 1<sup>st</sup> time January 23, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

0896L.011

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### AN ACT

To repeal sections 135.025 and 135.030, RSMo 2000, relating to tax relief for the elderly, and to enact in lieu thereof two new sections relating to the same subject, with an effective date.

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

Section A. Sections 135.025 and 135.030, RSMo 2000, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 135.025 and 135.030, to read as follows:

2 135.025. The property taxes accrued and rent constituting property taxes accrued on each  
2 return shall be totaled. This total, up to seven hundred fifty dollars **for calendar years through**  
3 **December 31, 2001, and up to two thousand dollars for calendar years beginning on or**  
4 **after January 1, 2002**, shall be used in determining the property tax credit. The director of  
5 revenue shall prescribe regulations providing for allocations where part of a claimant's  
6 homestead is rented to another or used for nondwelling purposes or where a homestead is owned  
7 or rented or used as a dwelling for part of a year.

135.030. 1. As used in this section:

2 (1) The term "maximum upper limit" shall, in the calendar year 1989, be the sum of  
3 thirteen thousand five hundred dollars. For each calendar year through December 31, 1992, the  
4 maximum upper limit shall be increased by five hundred dollars per year. For calendar years  
5 after December 31, 1992, and prior to calendar year 1998, the maximum upper limit shall be the  
6 sum used on December 31, 1992. For each calendar year after December 31, 1997, the  
7 maximum upper limit shall be the sum of twenty-five thousand dollars;

8 (2) The term "minimum base" shall, in the calendar year 1989, be the sum of five  
9 thousand dollars. For each succeeding calendar year through December 31, 1992, the minimum

10 base shall be increased, in one hundred-dollar increments, by the same percentage as the increase  
 11 in the general price level as measured by the Consumer Price Index for All Urban Consumers  
 12 for the United States, or its successor index, as defined and officially recorded by the United  
 13 States Department of Labor, or its successor agency, or five percent, whichever is greater. The  
 14 increase in the index shall be that as first published by the Department of Labor for the calendar  
 15 year immediately preceding the year in which the minimum base is calculated. For calendar  
 16 years after December 31, 1992, and prior to calendar year 1998, the minimum base shall be the  
 17 sum used on December 31, 1992. For each calendar year after December 31, 1997, the minimum  
 18 base shall be the sum of thirteen thousand dollars.

19 2. When calculating the minimum base for purposes of this section, whenever the  
 20 increase in the Consumer Price Index used in the calculation would result in a figure which is  
 21 greater than one one-hundred-dollar increment but less than another one-hundred-dollar  
 22 increment, the director of revenue shall always round that figure off to the next higher  
 23 one-hundred-dollar increment when determining the table of credits under this section.

24 3. If the income on a return is equal to or less than the maximum upper limit for the  
 25 calendar year for which the return is filed, the property tax credit shall be determined from a table  
 26 of credits based upon the amount by which the total property tax described in section 135.025  
 27 exceeds the percent of income in the following list:

28		
29	If the income on the return is:	The percent is:
30		
31	Not over the minimum base	0 percent with credit not
32		to exceed actual property
33		tax or rent equivalent
34		paid up to \$750
35		
36	Over the minimum base but	1/16 percent accumulative
37	not over the maximum upper	per \$300 from 0 percent
38	limit	to 4 percent.
39		

40 The director of revenue shall prescribe a table based upon the preceding sentences. The property  
 41 tax shall be in increments of twenty-five dollars and the income in increments of three hundred  
 42 dollars. The credit shall be the amount rounded to the nearest whole dollar computed on the  
 43 basis of the property tax and income at the midpoints of each increment. As used in this  
 44 subsection, the term "accumulative" means an increase by continuous or repeated application of  
 45 the percent to the income increment at each three hundred dollar level.

46           **4. Subsections 1 to 3 of this section shall apply to claims filed for calendar years**  
47 **1975 to 2001.**

48           **5. For each calendar year beginning after December 31, 2001, a claimant shall be**  
49 **allowed a credit in an amount equal to the lesser of one hundred percent of the taxpayer's**  
50 **property taxes or two thousand dollars; provided that, the claimant is single and has an**  
51 **income of thirty thousand dollars or less, or the claimant is married and has a combined**  
52 **income of forty thousand dollars or less.**

53           **6.** Notwithstanding the provision of subsection 4 of section 32.057, RSMo, the  
54 department of revenue or any duly authorized employee or agent shall determine whether any  
55 taxpayer filing a report or return with the department of revenue who has not applied for the  
56 credit allowed pursuant to section 135.020 may qualify for the credit, and shall notify any  
57 qualified claimant of his or her potential eligibility, where the department determines such  
58 potential eligibility exists.

          Section B. Section A of this act shall become effective on January 1, 2002, and shall  
2 apply to all taxable years after December 31, 2001.