

CCS#2 HCS SB 582 -- TAXATION

This bill changes the laws regarding taxation. In its main provisions, the bill:

(1) Allows Jackson County to collect a 3% fee on the face value of delinquent taxes and St. Charles County to increase its population threshold;

(2) Allows first classification counties without a charter form of government and second classification counties to collect property taxes using electronic records and disbursements, requires taxing authorities to request notification of current taxes paid under protest by February 1, and requires the county collector to provide the information by March 1. Delinquent personal property taxes are subject to the same interest and penalties as delinquent real property taxes;

(3) Allows the City of Gladstone to impose a transient guest tax of up to 5% and allows the City of Sullivan and the portion of the Sullivan C-II School District located in Franklin County to levy a 2% to 5% transient guest tax on charges for sleeping rooms paid by guests of hotels, motels, bed and breakfast inns, and campgrounds or docking facilities, upon voter approval;

(4) Allows cities, towns, and villages within the counties of Clay, Franklin, Boone, Jasper, or Jackson; these counties and St. Charles County; and counties, cities, towns, and villages that adopt transect-based zoning to form a theater, cultural arts, and entertainment district. The district must be at least 25 contiguous acres in size and the governing body of the city or county must pass a resolution describing the district when a petition for its creation is filed;

(5) Allows every community development district to fill positions on its board by appointing additional representatives when less than five landowners live within the district and clarifies that the board of directors of a community development district is required to adopt a resolution and submit it to the qualified voters by mail-in ballot on whether to levy a sales tax in a community development district;

(6) Adds county assessors to the list of county officials who must receive certified copies of the ordinances effecting a concurrent detachment and annexation of property between municipalities;

(7) Removes, beginning August 28, 2007, the requirement that both St. Louis City and St. Louis County must approve a transportation sales tax before a transportation sales tax can go

into effect in either jurisdiction;

(8) Repeals and reenacts provisions of SS SCS HCS HB 327 to allow certain counties to create a tax increment financing (TIF) commission by:

(a) Requiring any municipality in the counties of St. Louis, St. Charles, or Jefferson to establish a county tax increment financing commission in the same manner as St. Louis County and specifying the membership of the 12-member commission;

(b) Requiring any municipality in the counties of St. Louis, St. Charles, Franklin, or Jefferson to obtain permission from its county's tax increment financing commission before implementing a tax increment financing project; and

(c) Requiring a two-thirds majority vote of a municipality's governing body to overturn a TIF commission's recommendation against a proposed TIF redevelopment project, plan, designation, or amendments;

(9) Increases, beginning January 1, 2007, from \$25,000 to \$27,500 the maximum income allowed to claim the senior citizen/disabled person property tax credit and increases from \$13,000 to \$14,300 the minimum base;

(10) Authorizes a tax credit for earned income equal to .5% of any federal earned income credit claimed by the taxpayer;

(11) Authorizes a refundable individual income tax credit for tax years beginning January 1, 2008, for the amount of real property taxes paid on a homestead by the surviving spouse of certain public safety officers killed in the line of duty;

(12) Changes the laws regarding tax credits for children in crisis by specifying that the cumulative cap on the nonrecurring adoption expenses cannot be more than \$4 million unless additional funds are appropriated in any fiscal year beginning on or after July 1, 2004, and dividing the amount of remaining tax credits available for the children in crisis tax credit program equally among court-appointed special advocate (CASA) entities, child advocacy centers, and crisis care centers. If tax credits claimed under one agency do not total the allocated amount for that agency, the remaining tax credits will be allocated equally among the remaining agencies. If the total amount of tax credits claimed for any one agency exceeds the amount available for that agency, the amount redeemed will be apportioned equally to all eligible taxpayers claiming the credit under that agency;

(13) Allows certain third class cities to levy separate and

differing tax rates for real and personal property if the city bills and collects its own assessment;

(14) Allows surplus revenues from foreclosure sales to be deposited into the county treasury to be held and used for the benefit of the person entitled to the moneys. A purchaser at any sale subsequent to the third offering of any land or lots, whether by the collector or a trustee, is entitled to immediate possession of the collector's deed with no redemption period following the third offering. The collector's or trustee's deed will have priority over all other liens or encumbrances on the property sold except for real property taxes and federal liens with any surplus being paid to the property owner. When the purchaser of tax delinquent property is a county or the City of St. Louis, the proceeds from the purchase will first be applied to the payment of costs incurred and advanced with a pro rata distribution to the funds entitled to receive the taxes, and any excess amount will be held in the county treasury for the use and benefit of the person entitled to the proceeds. For properties subject to a third-year tax sale, the one-year redemption period is decreased to 90 days and there is no redemption period for post-third-year sales. In order to redeem property, an owner or occupant must also pay the costs of a title search and the notification mailing. The 90-day notice to holders of publicly recorded deeds or encumbrances is decreased to 45 days after the purchase, except that no notice is required for post-third-year sales;

(15) Allows the county collector to send an individual a notice of foreclosure on his or her property by regular mail;

(16) Authorizes, beginning January 1, 2008, an income tax dependency exemption for the taxable year in which a stillborn child was born if the child would otherwise have been a member of the taxpayer's household;

(17) Changes the way corporate net operating losses are calculated, removes the restriction for specific depreciation deductions, and removes the requirement that 50% or more of the income of an affiliated group of corporations be derived from sources within this state to file a consolidated Missouri income tax return;

(18) Creates a rebuttable presumption that the raw materials used in the primary manufacture of automobiles contain at least 25% recovered materials;

(19) Removes the solely-in-interstate-commerce requirement for the trucking sales tax exemption;

(20) Authorizes a state and local sales and use tax exemption for textbooks purchased for use by a person at a Missouri institution of higher education, including Internet classes, and for steel posts and wire used in fencing for agriculture;

(21) Authorizes an exemption from sales tax on all purchases of tangible personal property, utilities, services, and other transactions made for fulfilling United States government defense contracts and for all purchases and leases of tangible personal property by any county, city, incorporated town, or village for industrial development under Chapter 100, RSMo;

(22) Specifies that the purchase price for calculating the sales tax of a motor vehicle excludes the cost to modify the vehicle for use by an individual with a disability;

(23) Exempts amounts paid for the temporary use of coin-operated amusement devices from state and local sales tax and removes the exemption for the purchase of the devices and parts, beginning September 1, 2007. Coin-operated amusement devices include video, pinball, table, and redemption games;

(24) Exempts veterans, service, and fraternal organizations from the tax that bingo pull-tab card suppliers are required to pay on the gross receipts of the retail sales value charged for each pull-tab card sold in Missouri;

(25) Transfers from the Department of Economic Development to the Department of Public Safety the duty of certifying when a dry fire hydrant system meets the requirements to obtain an income tax credit and extends the expiration date of the credit from August 28, 2003, to August 28, 2010;

(26) Ensures that joint municipal utility commissions will be exempt from state property taxes; and

(27) Clarifies that sales tax applies only to the sales price paid by the final purchaser and not to any off-invoice discounts or other pricing discounts.