

HB 1647 -- PROPERTY TAX CLASSIFICATION ON CERTAIN WATERCRAFT

SPONSOR: Cooper

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 9 to 1.

For property tax purposes, this bill changes the classification from personal property to residential property of any watercraft that has bath and toilet facilities, a sleeping area, and kitchen facilities and is eligible for the home mortgage interest deduction on the taxpayer's federal income tax return. The watercraft must be registered under Chapter 306, RSMo, and be the principal or temporary place of residence of the taxpayer.

FISCAL NOTE: No impact on General Revenue Fund in FY 2011, FY 2012, and FY 2013. Estimated Cost on Other State Funds of \$0 in FY 2011, Unknown in FY 2012, and Unknown in FY 2013.

PROPOSERS: Supporters say that the state enforced the current laws on boat registrations three years ago, particularly for property tax. The bill will stop some of the migration of boat registrations to other states where taxes are substantially lower and would increase property tax collections. Boats are currently taxed as personal property at 33% of their assessed value instead of 19% of the assessed value as residential real property. Six out of eight of Missouri's neighboring states don't have a personal property tax. Kansas and Oklahoma assess boats at 30%. Missouri is losing sales on boats because of the rate of personal property tax imposed yearly. The marine industry is also struggling in this down economy. If the State Water Patrol stops an unregistered boat, there is a \$100 fine. Many boat owners ignore registration requirements and would rather risk being ticketed.

Testifying for the bill were Representative Cooper; Dave Bigge, Marine Max and Marine Dealers Association; and Mike Atkinson, Lake of the Ozarks Marine Dealers Association.

OPPOSERS: There was no opposition voiced to the committee.