

JOURNAL OF THE HOUSE

First Regular Session, 103rd General Assembly

THIRTY-THIRD DAY, TUESDAY, MARCH 4, 2025

The House met pursuant to adjournment.

Speaker Patterson in the Chair.

Prayer by Reverend Monsignor Robert A. Kurwicki, Chaplain.

Blessed is the man where strength is in thee. (Psalm 84:5)

O God, may the spirit of wisdom and compassion move our hearts and our minds on this Mardi Gras. Day after day we pray and night after night we lift our hearts to You, knowing that often our words are without wings and that at times we say what we do not mean, yet in the midst of the pressure of troubles and problems may we feel the touch of Your healing hand, receive the guidance of Your wise providence, and become one with You in the adventure of making Missouri a better place in which to live and work.

Purge our minds of injustice, cleanse our hearts of all cynicism, remove far from us all bad moods, and make us builders of the bridges of understanding and vision which span the differences between all citizens.

And the House says, "Amen!"

The Pledge of Allegiance to the flag was recited.

The Speaker appointed the following to act as Honorary Pages for the Day, to serve without compensation: Bri Ziler and Mike Ziler.

The Journal of the thirty-second day was approved as printed by the following vote:

AYES: 128

| | | | | |
|----------|-----------|--------------------|------------|----------|
| Allen | Amato | Anderson | Appelbaum | Aune |
| Baker | Banderman | Barnes | Billington | Black |
| Boykin | Boyko | Bromley | Brown 149 | Bush |
| Butz | Caton | Chappell | Christ | Clemens |
| Cook | Davidson | Davis | Dean | Deaton |
| Dolan | Douglas | Durnell | Elliott | Falkner |
| Farnan | Fogle | Fountain Henderson | Fowler | Gallick |
| Griffith | Haden | Hales | Haley | Harbison |
| Hardwick | Hausman | Hein | Hewkin | Hinman |
| Hovis | Hruza | Hurlbert | Irwin | Jacobs |
| Jamison | Jobe | Johnson | Jones 12 | Jordan |
| Justus | Kalberloh | Keathley | Kelley | Kimble |
| Knight | Lewis | Loy | Lucas | Mackey |
| Mansur | Martin | Mayhew | McGaugh | McGirl |

| | | | | |
|-------------|------------|-------------|-----------|--------------|
| Meirath | Miller | Murphy | Murray | Myers |
| Nolte | Oehlerking | Overcast | Owen | Parker |
| Perkins | Phelps | Price | Proudie | Reed |
| Reedy | Riley | Roberts | Rush | Sassmann |
| Schmidt | Schulte | Seitz | Self | Sharpe 4 |
| Shields | Simmons | Smith 68 | Smith 74 | Sparks |
| Steinhoff | Steinmetz | Steinmeyer | Strickler | Taylor 48 |
| Taylor 84 | Terry | Thomas | Titus | Van Schoiack |
| Veit | Verneti | Violet | Voss | Waller |
| Walsh Moore | Warwick | Weber | West | Whaley |
| Williams | Wilson | Wolfen | Woods | Wright |
| Young | Zimmermann | Mr. Speaker | | |

NOES: 000

PRESENT: 001

Plank

ABSENT WITH LEAVE: 033

| | | | | |
|-----------|------------|-------------|----------|----------|
| Boggs | Bosley | Brown 16 | Burton | Busick |
| Byrnes | Casteel | Christensen | Coleman | Collins |
| Costlow | Crossley | Cupps | Diehl | Doll |
| Ealy | Fuchs | Gragg | Ingle | Jones 88 |
| Laubinger | Matthiesen | Mosley | Peters | Pollitt |
| Pouche | Reuter | Riggs | Sharp 37 | Smith 46 |
| Stinnett | Thompson | Wellenkamp | | |

VACANCIES: 001

Representative Van Schoiack assumed the Chair.

HOUSE RESOLUTIONS

Representative Titus offered House Resolution No. 675.

PERFECTION OF HOUSE BILLS

HCS HB 999, relating to the state tax commission, was taken up by Representative Fowler.

On motion of Representative Fowler, the title of **HCS HB 999** was agreed to.

Representative Fowler offered **House Amendment No. 1**.

House Amendment No. 1

AMEND House Committee Substitute for House Bill No. 999, Pages 1-2, Section 138.390, Lines 1-21, by deleting all of said section and lines from the bill; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Fowler, **House Amendment No. 1** was adopted.s

On motion of Representative Fowler, **HCS HB 999, as amended**, was adopted.

On motion of Representative Fowler, **HCS HB 999, as amended**, was ordered perfected and printed.

HCS HB 798, HB 563, and HB 233 were placed on the Informal Calendar.

HB 352, relating to financial statements of certain local governments, was taken up by Representative McGaugh.

On motion of Representative McGaugh, the title of **HB 352** was agreed to.

On motion of Representative McGaugh, **HB 352** was ordered perfected and printed.

HB 816, relating to motor vehicle assessments, was taken up by Representative Reedy.

On motion of Representative Reedy, the title of **HB 816** was agreed to.

On motion of Representative Reedy, **HB 816** was ordered perfected and printed.

HB 629, relating to personal property assessments, was taken up by Representative McGirl.

On motion of Representative McGirl, the title of **HB 629** was agreed to.

On motion of Representative McGirl, **HB 629** was ordered perfected and printed.

HCS HBs 296 & 438, relating to school bus endorsements, was placed on the Informal Calendar.

HCS HB 538, relating to school transportation, was placed on the Informal Calendar.

HB 1086, relating to classification of certain residential real property, was taken up by Representative Brown (16).

On motion of Representative Brown (16), the title of **HB 1086** was agreed to.

On motion of Representative Brown (16), **HB 1086** was ordered perfected and printed.

On motion of Representative Riley, the House recessed until 2:00 p.m.

AFTERNOON SESSION

The hour of recess having expired, the House was called to order by Representative Peters.

Representative Riley suggested the absence of a quorum.

The following roll call indicated a quorum present:

AYES: 071

| | | | | |
|-------------|------------|-----------|------------|--------------|
| Allen | Anderson | Banderman | Billington | Boykin |
| Burton | Casteel | Caton | Chappell | Christ |
| Christensen | Cook | Costlow | Davidson | Davis |
| Dean | Durnell | Elliott | Farnan | Fogle |
| Gallick | Haley | Hardwick | Hausman | Hewkin |
| Hinman | Hruza | Irwin | Jacobs | Jamison |
| Jobe | Jones 12 | Jordan | Kalberloh | Kelley |
| Kimble | Laubinger | Lewis | Martin | McGaugh |
| McGill | Meirath | Miller | Mosley | Myers |
| Nolte | Oehlerking | Owen | Perkins | Phelps |
| Reed | Riggs | Roberts | Schmidt | Seitz |
| Self | Sharpe 4 | Smith 68 | Steinhoff | Steinmetz |
| Steinmeyer | Stinnett | Terry | Thompson | Van Schoiack |
| Verneti | Violet | West | Whaley | Wright |
| Zimmermann | | | | |

NOES: 000

PRESENT: 040

| | | | | |
|--------------------|------------|-----------|-----------|-----------|
| Amato | Barnes | Black | Boyko | Bromley |
| Butz | Crossley | Douglas | Ealy | Falkner |
| Fountain Henderson | Fowler | Gragg | Griffith | Hales |
| Hein | Hurlbert | Keathley | Knight | Mackey |
| Mansur | Matthiesen | Murphy | Parker | Peters |
| Pouche | Proudie | Reedy | Riley | Sassmann |
| Smith 46 | Smith 74 | Strickler | Taylor 48 | Taylor 84 |
| Thomas | Waller | Warwick | Wilson | Young |

ABSENT WITH LEAVE: 051

| | | | | |
|-------------|------------|----------|---------|-------------|
| Appelbaum | Aune | Baker | Boggs | Bosley |
| Brown 149 | Brown 16 | Bush | Busick | Byrnes |
| Clemens | Coleman | Collins | Cupps | Deaton |
| Diehl | Dolan | Doll | Fuchs | Haden |
| Harbison | Hovis | Ingle | Johnson | Jones 88 |
| Justus | Loy | Lucas | Mayhew | Murray |
| Overcast | Plank | Pollitt | Price | Reuter |
| Rush | Schulte | Sharp 37 | Shields | Simmons |
| Sparks | Titus | Veit | Voss | Walsh Moore |
| Weber | Wellenkamp | Williams | Wolfen | Woods |
| Mr. Speaker | | | | |

VACANCIES: 001

PERFECTION OF HOUSE BILLS

HB 660, relating to local taxation, was taken up by Representative Keathley.

On motion of Representative Keathley, the title of **HB 660** was agreed to.

Representative Keathley offered **House Amendment No. 1**.

House Amendment No. 1

AMEND House Bill No. 660, Page 1, Section A, Line 6, by inserting after all of said section and line the following:

"32.310. 1. The department of revenue shall create and maintain ~~[a]~~ mapping ~~[feature]~~ **features** on its official public website that ~~[displays]~~ **display** sales and use tax **and property tax** information of political subdivisions of this state that have taxing authority, including the current tax rate for each sales and use tax imposed and collected **and the current levies of each property tax district imposed and collected on a separate map.** ~~[Such]~~ **Each** display shall have the option to showcase the borders and jurisdiction of the following political subdivisions on a map of the state to the extent that such political subdivisions collect sales and use tax **or property tax**:

- (1) Ambulance districts;
- (2) Community improvement districts;
- (3) Fire protection districts;
- (4) Levee districts;
- (5) Library districts;
- (6) Neighborhood improvement districts;
- (7) Port authority districts;
- (8) Tax increment financing districts;
- (9) Transportation development districts;
- (10) School districts; or
- (11) Any other political subdivision that imposes a sales or use tax **or a property tax** within its borders and jurisdiction.

2. ~~[The]~~ **Each** mapping feature shall also have the option to superimpose state house of representative districts and state senate districts over the political subdivisions. **The base layer of each mapping feature shall be color-coded based on taxation rates.**

3. A political subdivision collecting sales or use tax **or property tax** listed in subsection 1 of this section shall provide to the department of revenue mapping and geographic data pertaining to the political subdivision's borders and jurisdictions. The political subdivision shall certify the accuracy of the data by affidavit and shall provide the data in a format specified by the department of revenue. Such data relating to sales taxes shall be sent to the department of revenue by April 1, 2019, and shall be updated and sent to the department if a change in the political subdivision's borders or jurisdiction occurs thereafter. Such data relating to use taxes shall be sent to the department of revenue by January 1, 2022. **Such data relating to property taxes shall be sent to the department of revenue by January 1, 2026.** If a political subdivision fails to provide the information required under this subsection, the department of revenue shall use the last known sales or use tax **or property tax** rate for such political subdivision.

4. The department of revenue may contract with another entity to build and maintain the mapping ~~[feature]~~ **features.**

5. By July 1, 2019, the department shall implement the mapping feature using the sales tax data provided to it under subsection 3 of this section. By July 1, 2022, the department shall implement the mapping feature using use tax data provided to it under subsection 3 of this section. **By July 1, 2026, the department shall implement the additional property tax mapping feature using property tax levy data from the most recent publication of the Missouri state auditor's report on property tax rates and any additional supplemental information provided to the department under subsection 3 of this section. The home page of the department's public website shall prominently display links directing the public to each of the sales, use, and property tax mapping features.**

6. By July 1, 2022, the department shall update the mapping feature to include the total sales tax rate for combined rates of overlapping sales taxes levied and the total use tax rate for combined rates of overlapping use taxes levied.

7. If the boundaries of a political subdivision listed in subsection 1 of this section in which a sales or use tax **or a property tax** has been imposed shall thereafter be changed or altered, the political subdivision shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the political subdivision within ten days of adoption of the ordinance. The ordinance shall reflect the effective date of the ordinance and shall be accompanied by a map in a form to be

determined by the director of revenue. Upon receipt of the ordinance and map, the tax imposed under the local sales tax law shall be effective in the added territory or abolished in the detached territory on the first day of a calendar quarter after one hundred twenty days' notice to sellers. **The department shall also use the most recent publication of the Missouri state auditor's report on property tax rates in order to update and maintain the property tax levy data each year.**"; and

Further amend said bill, Page 10, Section 115.240, Lines 1-7, by deleting said lines and inserting in lieu thereof the following:

"115.240. Political subdivisions or special districts shall label ballot measures relating to taxation that are submitted by such political subdivision or special district to a vote of the people numerically or alphabetically only. No such ballot measure shall be labeled in a descriptive manner aside from its numerical or alphabetical designation.

137.016. 1. As used in Section 4(b) of Article X of the Missouri Constitution, the following terms mean:

(1) "Residential property", all real property improved by a structure which is used or intended to be used for residential living by human occupants, vacant land in connection with an airport, land used as a golf course, manufactured home parks, bed and breakfast inns in which the owner resides and uses as a primary residence with six or fewer rooms for rent, and time-share units as defined in section 407.600, except to the extent such units are actually rented and subject to sales tax under subdivision (6) of subsection 1 of section 144.020, but residential property shall not include other similar facilities used primarily for transient housing. **A single family home leased for a term of less than thirty consecutive days, in whole or in part, subject to sales tax under subdivision (6) of subsection 1 of section 144.020 shall be classified only as residential property.** For the purposes of this section, "transient housing" means all rooms available for rent or lease for which the receipts from the rent or lease of such rooms are subject to state sales tax pursuant to subdivision (6) of subsection 1 of section 144.020; **the leasing of a single family home, in whole or in part, for a term of less than thirty consecutive days does not, in itself, constitute "transient housing";**

(2) "Agricultural and horticultural property", all real property used for agricultural purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding and management of livestock which shall include breeding, showing, and boarding of horses; to dairying, or to any other combination thereof; and buildings and structures customarily associated with farming, agricultural, and horticultural uses. Agricultural and horticultural property shall also include land devoted to and qualifying for payments or other compensation under a soil conservation or agricultural assistance program under an agreement with an agency of the federal government. Agricultural and horticultural property shall further include any reliever airport. Real property classified as forest croplands shall not be agricultural or horticultural property so long as it is classified as forest croplands and shall be taxed in accordance with the laws enacted to implement Section 7 of Article X of the Missouri Constitution. Agricultural and horticultural property shall also include any sawmill or planing mill defined in the U.S. Department of Labor's Standard Industrial Classification (SIC) Manual under Industry Group 242 with the SIC number 2421. Agricultural and horticultural property shall also include urban and community gardens. For the purposes of this section, "urban and community gardens" shall include real property cultivated by residents of a neighborhood or community for the purposes of providing agricultural products, as defined in section 262.900, for the use of residents of the neighborhood or community, and shall not include a garden intended for individual or personal use;

(3) "Utility, industrial, commercial, railroad and other real property", all real property used directly or indirectly for any commercial, mining, industrial, manufacturing, trade, professional, business, or similar purpose, including all property centrally assessed by the state tax commission but shall not include floating docks, portions of which are separately owned and the remainder of which is designated for common ownership and in which no one person or business entity owns more than five individual units. All other real property not included in the property listed in subclasses (1) and (2) of Section 4(b) of Article X of the Missouri Constitution, as such property is defined in this section, shall be deemed to be included in the term "utility, industrial, commercial, railroad and other real property".

2. Pursuant to Article X of the state Constitution, any taxing district may adjust its operating levy to recoup any loss of property tax revenue, except revenues from the surtax imposed pursuant to Article X, Subsection 2 of Section 6 of the Constitution, as the result of changing the classification of structures intended to be used for residential living by human occupants which contain five or more dwelling units if such adjustment of the levy does not exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this section, loss in revenue shall include the difference between the revenue that would have been collected on such property under its classification prior to enactment of this section and the amount to be collected under its classification under this

section. The county assessor of each county or city not within a county shall provide information to each taxing district within its boundaries regarding the difference in assessed valuation of such property as the result of such change in classification.

3. All reclassification of property as the result of changing the classification of structures intended to be used for residential living by human occupants which contain five or more dwelling units shall apply to assessments made after December 31, 1994.

4. Where real property is used or held for use for more than one purpose and such uses result in different classifications, the county assessor shall allocate to each classification the percentage of the true value in money of the property devoted to each use; except that, where agricultural and horticultural property, as defined in this section, also contains a dwelling unit or units, the farm dwelling, appurtenant residential-related structures and up to five acres immediately surrounding such farm dwelling shall be residential property, as defined in this section, provided that the portion of property used or held for use as an urban and community garden shall not be residential property. This subsection shall not apply to any reliever airport.

5. All real property which is vacant, unused, or held for future use; which is used for a private club, a not-for-profit or other nonexempt lodge, club, business, trade, service organization, or similar entity; or for which a determination as to its classification cannot be made under the definitions set out in subsection 1 of this section, shall be classified according to its immediate most suitable economic use, which use shall be determined after consideration of:

- (1) Immediate prior use, if any, of such property;
- (2) Location of such property;
- (3) Zoning classification of such property; except that, such zoning classification shall not be considered conclusive if, upon consideration of all factors, it is determined that such zoning classification does not reflect the immediate most suitable economic use of the property;
- (4) Other legal restrictions on the use of such property;
- (5) Availability of water, electricity, gas, sewers, street lighting, and other public services for such property;
- (6) Size of such property;
- (7) Access of such property to public thoroughfares; and
- (8) Any other factors relevant to a determination of the immediate most suitable economic use of such property.

6. All lands classified as forest croplands shall not, for taxation purposes, be classified as subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in Section 4(b) of Article X of the Missouri Constitution and defined in this section, but shall be taxed in accordance with the laws enacted to implement Section 7 of Article X of the Missouri Constitution."; and

Further amend said bill, Pages 11-20, Section 137.073, Lines 1-357, by deleting all of said section and lines and inserting in lieu thereof the following:

"137.073. 1. As used in this section, the following terms mean:

- (1) "General reassessment", changes in value, entered in the assessor's books, of a substantial portion of the parcels of real property within a county resulting wholly or partly from reappraisal of value or other actions of the assessor or county equalization body or ordered by the state tax commission or any court;
- (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax rate authorized by election, including bond interest and sinking fund;
- (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the provisions of this section or when a court has determined the tax rate; except that, other provisions of law to the contrary notwithstanding, a school district may levy the operating levy for school purposes required for the current year pursuant to subsection 2 of section 163.021, less all adjustments required pursuant to Article X, Section 22 of the Missouri Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political subdivision as provided in this section;
- (4) "Tax revenue", when referring to the previous year, means the actual receipts from ad valorem levies on all classes of property, including state-assessed property, in the immediately preceding fiscal year of the political

subdivision, plus an allowance for taxes billed but not collected in the fiscal year and plus an additional allowance for the revenue which would have been collected from property which was annexed by such political subdivision but which was not previously used in determining tax revenue pursuant to this section. The term "tax revenue" shall not include any receipts from ad valorem levies on any property of a railroad corporation or a public utility, as these terms are defined in section 386.020, which were assessed by the assessor of a county or city in the previous year but are assessed by the state tax commission in the current year. All school districts and those counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax revenue an amount equivalent to that by which they reduced property tax levies as a result of sales tax pursuant to section 67.505 and section 164.013 ~~for as excess home dock city or county fees as provided in subsection 4 of section 313.820~~ in the immediately preceding fiscal year but not including any amount calculated to adjust for prior years. For purposes of political subdivisions which were authorized to levy a tax in the prior year but which did not levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by law, shall mean the revenues equal to the amount that would have been available if the voluntary rate reduction had not been made.

2. Whenever changes in assessed valuation are entered in the assessor's books for any personal property, in the aggregate, or for any subclass of real property as such subclasses are established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each political subdivision wholly or partially within the county or St. Louis City of the change in valuation of each subclass of real property, individually, and personal property, in the aggregate, exclusive of new construction and improvements. All political subdivisions shall immediately revise the applicable rates of levy for each purpose for each subclass of real property, individually, and personal property, in the aggregate, for which taxes are levied to the extent necessary to produce from all taxable property, exclusive of new construction and improvements, substantially the same amount of tax revenue as was produced in the previous year for each subclass of real property, individually, and personal property, in the aggregate, except that the rate shall not exceed the greater of the most recent voter-approved rate or the most recent voter-approved rate as adjusted under subdivision (2) of subsection 5 of this section. Any political subdivision that has received approval from voters for a tax increase after August 27, 2008, may levy a rate to collect substantially the same amount of tax revenue as the amount of revenue that would have been derived by applying the voter-approved increased tax rate ceiling to the total assessed valuation of the political subdivision as most recently certified by the city or county clerk on or before the date of the election in which such increase is approved, increased by the percentage increase in the consumer price index, as provided by law, except that the rate shall not exceed the greater of the most recent voter-approved rate or the most recent voter-approved rate as adjusted under subdivision (2) of subsection 5 of this section. Such tax revenue shall not include any receipts from ad valorem levies on any real property which was assessed by the assessor of a county or city in such previous year but is assessed by the assessor of a county or city in the current year in a different subclass of real property. Where the taxing authority is a school district for the purposes of revising the applicable rates of levy for each subclass of real property, the tax revenues from state-assessed railroad and utility property shall be apportioned and attributed to each subclass of real property based on the percentage of the total assessed valuation of the county that each subclass of real property represents in the current taxable year. As provided in Section 22 of Article X of the constitution, a political subdivision may also revise each levy to allow for inflationary assessment growth occurring within the political subdivision. The inflationary growth factor for any such subclass of real property or personal property shall be limited to the actual assessment growth in such subclass or class, exclusive of new construction and improvements, and exclusive of the assessed value on any real property which was assessed by the assessor of a county or city in the current year in a different subclass of real property, but not to exceed the consumer price index or five percent, whichever is lower. Should the tax revenue of a political subdivision from the various tax rates determined in this subsection be different than the tax revenue that would have been determined from a single tax rate as calculated pursuant to the method of calculation in this subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates of those subclasses of real property, individually, and/or personal property, in the aggregate, in which there is a tax rate reduction, pursuant to the provisions of this subsection. Such revision shall yield an amount equal to such difference and shall be apportioned among such subclasses of real property, individually, and/or personal property, in the aggregate, based on the relative assessed valuation of the class or subclasses of property experiencing a tax rate reduction. Such revision in the tax rates of each class or subclass shall be made by computing the percentage of current year adjusted assessed valuation of each class or subclass with a tax rate reduction to the total current year adjusted assessed valuation of the class or subclasses with a tax rate reduction, multiplying the resulting percentages by the revenue difference between the single rate calculation and the calculations pursuant to this subsection and dividing by the respective adjusted current year assessed valuation of each class or subclass to determine the adjustment to the rate to be levied upon each class or subclass of property. The adjustment computed herein shall be multiplied by one hundred,

rounded to four decimals in the manner provided in this subsection, and added to the initial rate computed for each class or subclass of property. For school districts that levy separate tax rates on each subclass of real property and personal property in the aggregate, if voters approved a ballot before January 1, 2011, that presented separate stated tax rates to be applied to the different subclasses of real property and personal property in the aggregate, or increases the separate rates that may be levied on the different subclasses of real property and personal property in the aggregate by different amounts, the tax rate that shall be used for the single tax rate calculation shall be a blended rate, calculated in the manner provided under subdivision (1) of subsection 6 of this section. Notwithstanding any provision of this subsection to the contrary, no revision to the rate of levy for personal property shall cause such levy to increase over the levy for personal property from the prior year.

3. (1) Where the taxing authority is a school district, it shall be required to revise the rates of levy to the extent necessary to produce from all taxable property, including state-assessed railroad and utility property, which shall be separately estimated in addition to other data required in complying with section 164.011, substantially the amount of tax revenue permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be adjusted to offset such district's reduction in the apportionment of state school moneys due to its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility valuation or loss of state aid, discovers that the estimates used result in receipt of excess revenues, which would have required a lower rate if the actual information had been known, the school district shall reduce the tax rate ceiling in the following year to compensate for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

(2) For any political subdivision which experiences a reduction in the amount of assessed valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant to sections 138.430 to 138.433, or due to clerical errors or corrections in the calculation or recordation of any assessed valuation:

(a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes to compensate for the reduction in assessed value occurring after the political subdivision calculated the tax rate ceiling for the particular subclass of real property or for personal property, in the aggregate, in a prior year. Such revision by the political subdivision shall be made at the time of the next calculation of the tax rate for the particular subclass of real property or for personal property, in the aggregate, after the reduction in assessed valuation has been determined and shall be calculated in a manner that results in the revised tax rate ceiling being the same as it would have been had the corrected or finalized assessment been available at the time of the prior calculation;

(b) In addition, for up to three years following the determination of the reduction in assessed valuation as a result of circumstances defined in this subdivision, such political subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive had the corrected or finalized assessment been available at the time of the prior calculation.

4. (1) In order to implement the provisions of this section and Section 22 of Article X of the Constitution of Missouri, the term improvements shall apply to both real and personal property. In order to determine the value of new construction and improvements, each county assessor shall maintain a record of real property valuations in such a manner as to identify each year the increase in valuation for each political subdivision in the county as a result of new construction and improvements. The value of new construction and improvements shall include the additional assessed value of all improvements or additions to real property which were begun after and were not part of the prior year's assessment, except that the additional assessed value of all improvements or additions to real property which had been totally or partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, sections 135.200 to 135.255, and section 353.110 shall be included in the value of new construction and improvements when the property becomes totally or partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property. Notwithstanding any opt-out implemented pursuant to subsection 14 of section 137.115, the assessor shall certify the amount of new construction and improvements and the amount of assessed value on any real property which was assessed by the assessor of a county or city in such previous year but is assessed by the assessor of a county or city in the current year in a different subclass of real property separately for each of the three subclasses of real property for each political subdivision to the county clerk in order that political subdivisions shall have this information for the purpose of calculating tax rates pursuant to this section and Section 22, Article X, Constitution of Missouri. In addition, the state tax commission shall certify each year to each county clerk the increase in the general price level as measured by the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency. The state tax

commission shall certify the increase in such index on the latest twelve-month basis available on February first of each year over the immediately preceding prior twelve-month period in order that political subdivisions shall have this information available in setting their tax rates according to law and Section 22 of Article X of the Constitution of Missouri. For purposes of implementing the provisions of this section and Section 22 of Article X of the Missouri Constitution, the term "property" means all taxable property, including state-assessed property.

(2) Each political subdivision required to revise rates of levy pursuant to this section or Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided in this section and Section 22 of Article X of the Constitution of Missouri, separately and without regard to annual tax rate reductions provided in section 67.505 and section 164.013. Each political subdivision shall set each tax rate it is authorized to levy using the calculation that produces the lowest tax rate ceiling. It is further the intent of the general assembly, pursuant to the authority of Section 10(c) of Article X of the Constitution of Missouri, that the provisions of such section be applicable to tax rate revisions mandated pursuant to Section 22 of Article X of the Constitution of Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and other provisions not in conflict with Section 22 of Article X of the Constitution of Missouri. Annual tax rate reductions provided in section 67.505 and section 164.013 shall be applied to the tax rate as established pursuant to this section and Section 22 of Article X of the Constitution of Missouri, unless otherwise provided by law.

5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more than a simple majority pursuant to any provision of law or the constitution, the tax rate increase must receive approval by at least the majority required.

(2) When voters approve an increase in the tax rate, the amount of the increase shall be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be adjusted as provided in this section and, so adjusted, shall be the current tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that when applied to the current total assessed valuation of the political subdivision, excluding new construction and improvements since the date of the election approving such increase, the revenue derived from the adjusted tax rate ceiling is equal to the sum of: the amount of revenue which would have been derived by applying the voter-approved increased tax rate ceiling to total assessed valuation of the political subdivision, as most recently certified by the city or county clerk on or before the date of the election in which such increase is approved, increased by the percentage increase in the consumer price index, as provided by law. Such adjusted tax rate ceiling may be applied to the total assessed valuation of the political subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax rate increase, upon voter approval, each tax rate increase shall be adjusted in the manner prescribed in this section to yield the sum of: the amount of revenue that would be derived by applying such voter-approved increased rate to the total assessed valuation, as most recently certified by the city or county clerk on or before the date of the election in which such increase was approved, increased by the percentage increase in the consumer price index, as provided by law, from the date of the election to the time of such increase and, so adjusted, shall be the current tax rate ceiling.

(3) **The provisions of subdivision (2) of this subsection notwithstanding, if prior to the expiration of a temporary levy increase, voters approve a subsequent levy increase, the new tax rate ceiling shall remain in effect only until such time as the temporary levy expires under the terms originally approved by a vote of the people, at which time the tax rate ceiling shall be decreased by the amount of the temporary levy increase. If, prior to the expiration of a temporary levy increase, voters of a political subdivision are asked to approve an additional, permanent increase to the political subdivision's tax rate ceiling, voters shall be submitted ballot language that clearly indicates that if the permanent levy increase is approved, the temporary levy shall be made permanent.**

(4) The governing body of any political subdivision may levy a tax rate lower than its tax rate ceiling ~~and~~. **Such reduction to the tax rate ceiling in a nonreassessment year shall be applied in the immediately following year of general reassessment. The governing body of any political subdivision may, in a nonreassessment year, increase that previously lowered tax rate to a level not exceeding the tax rate ceiling without voter approval in the manner provided under subdivision [(4)] (5) of this subsection. Such increase to the tax rate ceiling in a nonreassessment year shall be applied in the immediately following year of general reassessment.** Nothing in this section shall be construed as prohibiting a political subdivision from voluntarily levying a tax rate lower than that which is required under the provisions of this section or from seeking voter approval of a reduction to such political subdivision's tax rate ceiling.

~~[(4)]~~ (5) In a year of general reassessment, a governing body whose tax rate is lower than its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section as if its tax rate was at the tax rate ceiling. In a year following general reassessment, if such governing body intends to increase its tax rate, the governing body shall conduct a public hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy statement justifying its action prior to setting and certifying its tax rate. The provisions of this subdivision shall not apply to any political subdivision which levies a tax rate lower than its tax rate ceiling solely due to a reduction required by law resulting from sales tax collections. The provisions of this subdivision shall not apply to any political subdivision which has received voter approval for an increase to its tax rate ceiling subsequent to setting its most recent tax rate.

(6) (a) As used in this subdivision, the following terms mean:

a. "Current tax rate ceiling", the tax rate ceiling in effect before the voters approve a higher tax rate;

b. "Increased tax rate ceiling", the new tax rate ceiling in effect after the voters approve a higher tax rate.

(b) Notwithstanding any other provision of law to the contrary, when the required majority of voters in a political subdivision passes an increase in the political subdivision's tax rate, the political subdivision shall use the current tax rate ceiling and the increase approved by the voters in establishing the rates of levy for the tax year immediately following the election.

(c) If the assessed valuation of real property in such political subdivision is reduced in such tax year immediately following the election, such political subdivision may raise its rates of levy so that the revenue received from its local real property tax rates equals the amount the political subdivision would have received from the increased rates of levy had there been no reduction in the assessed valuation of real property in the political subdivision.

(d) Using the increased tax rate ceiling shall be revenue neutral as required in Article X, Section 22 of the Constitution of Missouri.

6. (1) For the purposes of calculating state aid for public schools pursuant to section 163.031, each taxing authority which is a school district shall determine its proposed tax rate as a blended rate of the classes or subclasses of property. Such blended rate shall be calculated by first determining the total tax revenue of the property within the jurisdiction of the taxing authority, which amount shall be equal to the sum of the products of multiplying the assessed valuation of each class and subclass of property by the corresponding tax rate for such class or subclass, then dividing the total tax revenue by the total assessed valuation of the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred. Where the taxing authority is a school district, such blended rate shall also be used by such school district for calculating revenue from state-assessed railroad and utility property as defined in chapter 151 and for apportioning the tax rate by purpose.

(2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the county commission in the county or counties where the tax rate applies of its tax rate ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. All forms for the calculation of rates pursuant to this section shall be promulgated as a rule and shall not be incorporated by reference. The state auditor shall promulgate rules for any and all forms for the calculation of rates pursuant to this section which do not currently exist in rule form or that have been incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for annual debt service requirements will be prima facie valid if, after making the payment for which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following year's payments. The county clerk shall keep on file and available for public inspection all such information for a period of three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor. The state auditor shall, within fifteen days of the date of receipt, examine such information and return to the county clerk his or her findings as to compliance of the tax rate ceiling with this section and as to

compliance of any proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may request a taxing authority to submit documentation supporting such taxing authority's proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing authority and shall file a copy of the findings with the information received from the taxing authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk of the state auditor's findings and any request for supporting documentation to accept or reject in writing the rate change certified by the state auditor and to submit all requested information to the state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate change certified by the state auditor and the state auditor does not receive supporting information which justifies the taxing authority's original or any subsequent proposed tax rate, then the state auditor shall refer the perceived violations of such taxing authority to the attorney general's office and the attorney general is authorized to obtain injunctive relief to prevent the taxing authority from levying a violative tax rate.

(3) In the event that the taxing authority incorrectly completes the forms created and promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing authority may submit amended forms with an explanation for the needed changes. If such amended forms are filed under regulations prescribed by the state auditor, the state auditor shall take into consideration such amended forms for the purposes of this subsection.

7. No tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with the provisions of this section, the taxpayer may make a formal complaint with the prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an action as representative of a class of all taxpayers within a taxing authority if the class is so numerous that joinder of all members is impracticable, if there are questions of law or fact common to the class, if the claims or defenses of the representative parties are typical of the claims or defenses of the class, and if the representative parties will fairly and adequately protect the interests of the class. In any class action maintained pursuant to this section, the court may direct to the members of the class a notice to be published at least once each week for four consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him or her from the class if he or she so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he or she desires, enter an appearance. In any class action brought pursuant to this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any attorney or association of attorneys who receive public funds from any source for their services. Any action brought pursuant to this section shall be set for hearing as soon as practicable after the cause is at issue.

9. If in any action, including a class action, the court issues an order requiring a taxing authority to revise the tax rates as provided in this section or enjoins a taxing authority from the collection of a tax because of its failure to revise the rate of levy as provided in this section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her taxes in part, whether or not the taxes are paid under protest as provided in section 139.031 or otherwise contested. The part of the taxes paid erroneously is the difference in the amount produced by the original levy and the amount produced by the revised levy. The township or county collector of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise the rate of levy as provided in this section shall make available to the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest on any money erroneously paid by him or her pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund any tax erroneously paid prior to or during the third tax year preceding the current tax year.

10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year. The assessor shall annually assess all real property in the following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor's books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person required by this chapter to list property, and require the person to make a correct statement of all taxable tangible personal property owned by the person or under his or her care, charge or management, taxable in the county. On or before January first of each even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance plan to the county governing body and the state tax commission for their respective approval or modification. The county governing body shall approve and forward such plan or its alternative to the plan to the state tax commission by February first. If the county governing body fails to forward the plan or its alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

(1) The findings of the assessor based on an appraisal of the property by generally accepted appraisal techniques; and

(2) The purchase prices from sales of at least three comparable properties and the address or location thereof. As used in this subdivision, the word "comparable" means that:

(a) Such sale was closed at a date relevant to the property valuation; and

(b) Such properties are not more than one mile from the site of the disputed property, except where no similar properties exist within one mile of the disputed property, the nearest comparable property shall be used. Such property shall be within five hundred square feet in size of the disputed property, and resemble the disputed property in age, floor plan, number of rooms, and other relevant characteristics.

2. Assessors in each county of this state and the City of St. Louis may send personal property assessment forms through the mail.

3. The following items of personal property shall each constitute separate subclasses of tangible personal property and shall be assessed and valued for the purposes of taxation at the following percentages of their true value in money:

(1) Grain and other agricultural crops in an unmanufactured condition, one-half of one percent;

(2) Livestock, twelve percent;

(3) Farm machinery, twelve percent;

(4) Motor vehicles which are eligible for registration as and are registered as historic motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years old and which are used solely for noncommercial purposes and are operated less than two hundred hours per year or aircraft that are home built from a kit, five percent;

(5) Poultry, twelve percent; and

(6) Tools and equipment used for pollution control and tools and equipment used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by any company which is located in a state enterprise zone and which is identified by any standard industrial classification number cited in subdivision (7) of section 135.200, twenty-five percent.

4. The person listing the property shall enter a true and correct statement of the property, in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to the assessor.

5. (1) All subclasses of real property, as such subclasses are established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the following percentages of true value:

(a) For real property in subclass (1), nineteen percent;

(b) For real property in subclass (2), twelve percent; and

(c) For real property in subclass (3), thirty-two percent.

(2) A taxpayer may apply to the county assessor, or, if not located within a county, then the assessor of such city, for the reclassification of such taxpayer's real property if the use or purpose of such real property is changed after such property is assessed under the provisions of this chapter. If the assessor determines that such property shall be reclassified, he or she shall determine the assessment under this subsection based on the percentage of the tax year that such property was classified in each subclassification.

6. Manufactured homes, as defined in section 700.010, which are actually used as dwelling units shall be assessed at the same percentage of true value as residential real property for the purpose of taxation. The percentage of assessment of true value for such manufactured homes shall be the same as for residential real property. If the county collector cannot identify or find the manufactured home when attempting to attach the manufactured home for payment of taxes owed by the manufactured home owner, the county collector may request the county commission to have the manufactured home removed from the tax books, and such request shall be granted within thirty days after the request is made; however, the removal from the tax books does not remove the tax lien on the manufactured home if it is later identified or found. For purposes of this section, a manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the manufactured home owner shall be considered personal property. For purposes of this section, a manufactured home located on real estate owned by the manufactured home owner may be considered real property.

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. The assessor of each county and each city not within a county shall use ~~[the trade-in value published in the October issue of]~~ **a nationally recognized automotive trade publication such as the National Automobile Dealers' Association Official Used Car Guide, [or its successor publication,] Kelley Blue Book, Edmunds, or other similar publication** as the recommended guide of information for determining the true value of motor vehicles described in such publication. **The state tax commission shall select, secure, and make available to all assessors which publication shall be used. The assessor of each county and each city not within a county shall use the trade-in value published in the current October issue of the publication selected by the state tax commission.** The assessor shall not use a value that is greater than the average trade-in value in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications ~~[which]~~ **that**, in the assessor's judgment, will fairly estimate the true value in money of the motor vehicle. **The assessor shall not assess a motor vehicle for an amount greater than such motor vehicle was assessed in the previous year, provided that such motor vehicle was properly assessed in the previous year.**

10. Before the assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.

11. If a physical inspection is required, pursuant to subsection 10 of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

12. A physical inspection, as required by subsection 10 of this section, shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner pursuant to subsection 11 of this section. Mere observation of the property via a drive-by inspection or the like shall not be considered sufficient to constitute a physical inspection as required by this section.

13. A county or city collector may accept credit cards as proper form of payment of outstanding property tax or license due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank, processor, or issuer for its service. A county or city collector may accept payment by electronic transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

14. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

15. The governing body of any city of the third classification with more than twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in any county that has exercised its authority to opt out under subsection 14 of this section may levy separate and differing tax rates for real and personal property only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and collection of such separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

16. Any portion of real property that is available as reserve for strip, surface, or coal mining for minerals for purposes of excavation for future use or sale to others that has not been bonded and permitted under chapter 444 shall be assessed based upon how the real property is currently being used. Any information provided to a county assessor, state tax commission, state agency, or political subdivision responsible for the administration of tax policies shall, in the performance of its duties, make available all books, records, and information requested, except such books, records, and information as are by law declared confidential in nature, including individually identifiable information regarding a specific taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall mean all real property that is in use or readily available as a reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future use or sale to others that has been bonded and permitted under chapter 444.

138.425. 1. Any order issued by the commission requiring a county to modify or equalize assessed valuations that would result in a reduction of the county's final valuations to comply with state law shall allow a county a maximum of sixty days for compliance with such order. The order shall state the deadline for compliance in the order, but the commission may extend the deadline one time for an additional period of thirty days in a separate order upon its approval of a county's request for an extension. The total time allowed for compliance with such order shall not exceed ninety days.

2. If the county fails to comply after the lapse of the time period allotted under subsection 1 of this section, the commission may direct the director of the department of revenue to withhold up to one hundred percent of the moneys the county would otherwise be entitled to from local sales tax as defined under section 32.085 and local use tax until a determination is made by the commission that the noncompliant county has come into compliance with the commission's order.

3. The commission shall issue a notice to the county of the withholding due to failure to comply with the order within the prescribed time period and shall include information for the county to cure the noncompliance in order to release the withheld moneys.

4. If the noncompliant county thereafter becomes compliant in accordance with the original order issued, as determined by the commission after the county remits notice of its compliance and any additional documentation or information required for review and verification by the commission, the commission shall notify the department of revenue to release and remit the previously withheld local sales and use tax proceeds to the county. A county is not entitled to interest on the withheld funds released under the provisions of this subsection.

5. A county failing to comply within the prescribed time period resulting in the withholding of local sales and use tax proceeds under this section may seek judicial review of the determination of failure to comply made by the commission under Article V, Section 18 of the Constitution of Missouri within thirty days of receipt of the notice.

6. In addition to other available remedies, if the court determines that the commission's determination as to the amount of local sales and use tax proceeds withheld or failure to comply is in error, the court shall return the amount in error to the county and the judgment, when entered, shall include interest on the amounts wrongfully withheld. A county is not entitled to interest on the amounts withheld if a court upholds the commission's determination. Any such interest awarded shall be paid from the state legal expense fund as provided under section 105.711.

7. Local sales and use taxes withheld by the director of the department of revenue as provided under this section shall be deposited in a special trust fund, which is hereby created, to be known as the "County Assessment Noncompliance Trust Fund". The moneys in the county assessment noncompliance trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund withheld from any county under this section, and the records shall be open to the inspection of officers of the county and the public.

8. The commission may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

139.035. 1. As used in this section, the following terms mean:

- (1) "Motor vehicle", the same meaning as such term is defined under section 301.010;
- (2) "Taxing entity", any county, city not within a county, or other political subdivision within this state that levies and collects personal property taxes on motor vehicles;
- (3) "Taxpayer", an individual or a business entity subject to personal property tax on the totaled motor vehicle;
- (4) "Totaled motor vehicle", a motor vehicle considered to be a total loss due to damage that is so severe that it cannot be repaired safely, the total cost of repair or salvage equals or exceeds the vehicle's actual cash value, or a finding by an insurance company declaring the motor vehicle to be total loss. The term "totaled motor vehicle" includes motorcycles owned by individual taxpayers and motor vehicles primarily for business use, as such term is defined under section 301.010, owned by a business taxpayer;
- (5) "Totaled motor vehicle personal property tax proration program", a program established under the provisions of this section.

2. Any taxing entity may establish a totaled motor vehicle personal property tax proration program in accordance with this section that allows a taxpayer qualifying under the provisions of this section and any additional requirements established by the taxing entity to receive a prorated property tax credit during the tax year to reduce the total personal property tax owed on a totaled motor vehicle and to be claimed against the amount of personal property tax due and owing at the end of the same tax year by such taxpayer.

3. The prorated property tax credit amount shall apply to the total of all personal property taxes due and owing on the totaled motor vehicle, and shall reduce all taxes by an equally distributed pro rata amount.

4. The prorated property tax credit, which shall be prorated on a monthly basis, is to be determined by a ratio, the numerator of which shall be the number of full months from the date of disposition of the totaled motor vehicle continuing through the close of the tax year, and the denominator of which shall be twelve. The prorated property tax credit is nonrefundable but may reduce a taxpayer's liability down to zero.

5. A taxpayer may apply for such program if:

(1) Such taxpayer's totaled motor vehicle was owned, registered, and titled under the taxpayer's name, or in the case of a business taxpayer, the name of the business, authorized agent, or other verifiable entity associated with the business taxpayer, as of January first of the tax year in which the motor vehicle was totaled and at the time of the incident that totaled the taxpayer's motor vehicle in the same tax year;

(2) The totaled motor vehicle was included on the local taxing entity's tax roll for the tax year in which the motor vehicle was totaled and such taxpayer is liable for the payment of personal property taxes on the totaled motor vehicle for such tax year;

(3) Such taxpayer was, as of the date of application, up-to-date on all state and local taxes and fees owed on such totaled motor vehicle; and

(4) As of the date of application for participation in the program, the title on the totaled motor vehicle has been transferred to the insurance company or other entity due to the totaled nature of the vehicle and is no longer titled or registered to the taxpayer nor in the taxpayer's possession.

6. If a taxpayer participating in a program established under this section purchases a replacement vehicle during the same tax year that the taxpayer's motor vehicle was totaled and he or she received a prorated property tax credit for such totaled motor vehicle, such replacement vehicle shall not be included in the tax rolls for that tax year to offset the property tax liability. Taxation of such replacement vehicle shall follow the statutory assessment standards as provided by general law and the applicable taxing entity if such replacement vehicle is owned by such taxpayer as of January first of the following tax year.

7. A totaled motor vehicle personal property tax proration program shall be created upon the adoption of an ordinance by the governing body of such taxing entity. Such ordinance shall be in accordance with the provisions of this section and shall include, but not be limited to, the following:

(1) Procedures and deadlines for application and participation in such program and any required documentation to sufficiently prove eligibility necessary for such program, such as documents ascertaining proof of the totaled motor vehicle's total loss value, copies of valuation reports, insurance total loss documentation or total loss letter, verification of the transfer of title of the totaled motor vehicle, signed copy of title, certified letter of transfer, or other such documentation necessary to substantiate the taxpayer's eligibility;

(2) Procedures for verification and record keeping of the prorated property tax credit amount and the total amount by which the personal property tax owed has been modified for each taxpayer participating in the program;

(3) Creation of a form for taxpayers participating in the program that may be submitted in person, by mail, or electronically on a taxing entity's website;

(4) Procedures for the crediting of the amount of a taxpayer's prorated property tax credit toward such taxpayer's personal property taxes; and

(5) Any other provisions that such taxing entity deems reasonable and necessary for the implementation and operation of such program.

8. A taxing entity may by ordinance promulgate rules, establish procedures, and provide additional standards of eligibility for a program adopted under this section.

9. Any taxing entity that establishes a totaled motor vehicle personal property tax proration program under the provisions of this section shall make information regarding such program available to the taxpayers of the taxing entity.

10. Participation in this program and proration of personal property taxes received under such program by any qualified taxpayer as a prorated property tax credit toward any portion of such taxpayer's personal property taxes shall not affect the taxpayer's right to protest the amount of such tax payments under applicable provisions of law."; and

Further amend said bill, Pages 21-22, Section 238.230, Lines 1-40, by deleting all of said section and lines and inserting in lieu thereof the following:

"238.230. 1. If approved by:

(1) A majority of the qualified voters voting on the question in the district; or

(2) The owners of record of all of the real property located within the district who shall indicate their approval by signing a special assessment petition;

the district may make one or more special assessments for those project improvements which specially benefit the properties within the district. Improvements which may confer special benefits within a district include but are not limited to improvements which are intended primarily to serve traffic originating or ending within the district, to reduce local traffic congestion or circuity of travel, or to improve the safety of motorists or pedestrians within the district.

2. The ballot question shall be substantially in the following form:

Shall the _____ Transportation Development District be authorized to levy special assessments against property benefitted within the district for the purpose of providing revenue for the development of a project (or projects) in the district (insert general description of the project or projects, if necessary), said special assessments to be levied ratably against each tract, lot or parcel of property within the district which is benefitted by such project in proportion to the (insert method of allocating special assessments), in an amount not to exceed \$ _____ per annum per (insert unit of measurement)?

3. The special assessment petition shall be substantially in the following form:

The _____ Transportation Development District shall be authorized to levy special assessments against property benefitted within the district for the purpose of providing revenue for the development of a project (or projects) in the district (insert general description of the project or projects, if necessary), said special assessments to be levied pro rata against each tract, lot or parcel or property within the district which is benefitted by such project in proportion to the (insert method of allocating special assessments), in an amount not to exceed \$ _____ per annum per (insert unit of measurement).

4. If a proposal for making a special assessment fails, the district board of directors may, with the prior approval of the commission or the local transportation authority which will assume ownership of the completed project, delete from the project any portion which was to be funded by special assessment and which is not otherwise required for project integrity.

5. A district may establish different classes or subclasses of real property within the district for purposes of levying differing rates of special assessments. The levy rate for special assessments may vary for each class or subclass of real property based on the level of benefit derived by each class or subclass from projects funded by the district.

6. Notwithstanding any other provision of this section to the contrary, all property owned by an entity that is exempt from taxation under 26 U.S.C. Section 501(c), as amended, shall be exempt from any special assessment levied by a district under this section so long as the property is used in furtherance of the entity's tax-exempt purposes."; and

Further amend said bill, Pages 22-23, Section 238.232, Lines 1-33, by deleting all of said section and lines and inserting in lieu thereof the following:

"238.232. 1. If approved by at least four-sevenths of the qualified voters voting on the question in the district, the district may impose a property tax in an amount not to exceed the annual rate of ten cents on the hundred dollars assessed valuation. The district board may levy a property tax rate lower than its approved tax rate ceiling and may increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval. The property tax shall be uniform throughout the district.

2. The ballot of submission shall be substantially in the following form:

Shall the _____ Transportation Development District impose a property tax upon all real and tangible personal property within the district at a rate of not more than

_____ (insert amount) cents per hundred dollars assessed valuation for the purpose of providing revenue for the development of a project (or projects) in the district (insert general description of the project or projects, if necessary)?

☐ YES

☐ NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

3. The county collector of each county in which the district is partially or entirely located shall collect the property taxes and special benefit assessments made upon all real property and tangible personal property within that county and the district, in the same manner as other property taxes are collected.

4. Every county collector having collected or received district property taxes shall, on or before the fifteenth day of each month and after deducting his commissions, remit to the treasurer of that district the amount collected or received by him prior to the first day of the month. Upon receipt of such money, the district treasurer shall execute a receipt therefor, which he shall forward or deliver to the collector. The district treasurer shall deposit such sums into the district treasury, credited to the appropriate project or purpose. The collector and district treasurer shall make final settlement of the district account and commissions owing, not less than once each year, if necessary.

5. Notwithstanding any other provision of this section to the contrary, all property owned by an entity that is exempt from taxation under 26 U.S.C. Section 501(c), as amended, shall be exempt from any property tax levied by a district under this section so long as the property is used in furtherance of the entity's tax-exempt purposes."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Keathley, **House Amendment No. 1** was adopted.

Representative Dean moved that **HB 660, as amended**, be recommitted to the Committee on Ways and Means.

Representative Riley moved the previous question.

Which motion was adopted by the following vote:

AYES: 093

| | | | | |
|--------------|-----------|-------------|-------------|------------|
| Allen | Amato | Baker | Banderman | Billington |
| Black | Bromley | Brown 149 | Byrnes | Casteel |
| Caton | Chappell | Christ | Christensen | Cook |
| Costlow | Davidson | Davis | Dolan | Durnell |
| Elliott | Falkner | Farnan | Fowler | Gallick |
| Gragg | Griffith | Haden | Haley | Harbison |
| Hardwick | Hausman | Hewkin | Hinman | Hovis |
| Hruza | Hurlbert | Irwin | Jones 12 | Jordan |
| Justus | Kalberloh | Keathley | Kelley | Laubinger |
| Lewis | Lucas | Martin | Mayhew | McGaugh |
| McGill | Meirath | Miller | Murphy | Myers |
| Nolte | Owen | Parker | Perkins | Peters |
| Phelps | Pollitt | Pouche | Reedy | Reuter |
| Riggs | Riley | Roberts | Sassmann | Schmidt |
| Seitz | Self | Sharpe 4 | Shields | Simmons |
| Steinmeyer | Stinnett | Taylor 48 | Thompson | Titus |
| Van Schoiack | Veit | Verneti | Violet | Voss |
| Waller | Warwick | West | Whaley | Wilson |
| Wolfin | Wright | Mr. Speaker | | |

NOES: 046

| | | | | |
|--------------------|-------------|-----------|-----------|-----------|
| Anderson | Appelbaum | Aune | Barnes | Boykin |
| Boyko | Burton | Bush | Butz | Clemens |
| Crossley | Dean | Doll | Douglas | Fogle |
| Fountain Henderson | Hales | Hein | Ingle | Jacobs |
| Jamison | Jobe | Johnson | Kimble | Mansur |
| Mosley | Murray | Plank | Price | Proudie |
| Reed | Rush | Sharp 37 | Smith 46 | Smith 68 |
| Smith 74 | Steinhoff | Steinmetz | Strickler | Taylor 84 |
| Thomas | Walsh Moore | Weber | Woods | Young |
| Zimmermann | | | | |

PRESENT: 001

Terry

ABSENT WITH LEAVE: 022

| | | | | |
|------------|------------|----------|---------|---------|
| Boggs | Bosley | Brown 16 | Busick | Coleman |
| Collins | Cupps | Deaton | Diehl | Ealy |
| Fuchs | Jones 88 | Knight | Loy | Mackey |
| Matthiesen | Oehlerking | Overcast | Schulte | Sparks |
| Wellenkamp | Williams | | | |

VACANCIES: 001

Representative Dean again moved that **HB 660, as amended**, be recommitted to the Committee on Ways and Means.

Which motion was defeated by the following vote, the ayes and noes having been demanded by Representative Dean:

AYES: 052

| | | | | |
|--------------------|------------|-----------|-------------|-----------|
| Anderson | Appelbaum | Aune | Barnes | Boykin |
| Boyko | Burton | Butz | Clemens | Crossley |
| Dean | Doll | Douglas | Falkner | Fogle |
| Fountain Henderson | Haden | Hales | Harbison | Hein |
| Ingle | Jacobs | Jamison | Jobe | Johnson |
| Kimble | Mansur | McGaugh | Mosley | Murray |
| Plank | Price | Proudie | Reed | Reedy |
| Reuter | Rush | Sharp 37 | Shields | Smith 46 |
| Smith 68 | Smith 74 | Steinhoff | Steinmetz | Strickler |
| Taylor 84 | Thomas | Veit | Walsh Moore | Weber |
| Young | Zimmermann | | | |

NOES: 083

| | | | | |
|----------|----------|-----------|-------------|------------|
| Allen | Amato | Baker | Banderman | Billington |
| Black | Bromley | Brown 149 | Byrnes | Casteel |
| Caton | Chappell | Christ | Christensen | Cook |
| Costlow | Davidson | Davis | Dolan | Durnell |
| Elliott | Farnan | Fowler | Gallick | Gragg |
| Griffith | Haley | Hardwick | Hausman | Hewkin |
| Hinman | Hovis | Hruza | Hurlbert | Irwin |

| | | | | |
|----------|--------------|-------------|-----------|-----------|
| Jones 12 | Jordan | Justus | Kalberloh | Keathley |
| Kelley | Knight | Laubinger | Lewis | Loy |
| Lucas | Martin | Mayhew | Meirath | Miller |
| Murphy | Nolte | Owen | Parker | Perkins |
| Peters | Phelps | Pollitt | Pouche | Riggs |
| Riley | Roberts | Sassmann | Schmidt | Seitz |
| Sharpe 4 | Simmons | Steinmeyer | Stinnett | Taylor 48 |
| Titus | Van Schoiack | Verneti | Violet | Voss |
| Waller | Warwick | West | Whaley | Wilson |
| Wolfin | Wright | Mr. Speaker | | |

PRESENT: 001

Self

ABSENT WITH LEAVE: 026

| | | | | |
|---------|---------|------------|------------|------------|
| Boggs | Bosley | Brown 16 | Bush | Busick |
| Coleman | Collins | Cupps | Deaton | Diehl |
| Ealy | Fuchs | Jones 88 | Mackey | Matthiesen |
| McGill | Myers | Oehlerking | Overcast | Schulte |
| Sparks | Terry | Thompson | Wellenkamp | Williams |
| Woods | | | | |

VACANCIES: 001

Representative Riley moved the previous question.

Which motion was adopted by the following vote:

AYES: 093

| | | | | |
|--------------|-----------|-------------|-------------|------------|
| Allen | Amato | Baker | Banderman | Billington |
| Black | Bromley | Brown 149 | Byrnes | Casteel |
| Caton | Chappell | Christ | Christensen | Cook |
| Costlow | Davidson | Davis | Dolan | Durnell |
| Elliott | Falkner | Farnan | Fowler | Gallick |
| Gragg | Griffith | Haden | Haley | Harbison |
| Hardwick | Hausman | Hewkin | Hinman | Hovis |
| Hruza | Hurlbert | Irwin | Jones 12 | Jones 88 |
| Jordan | Justus | Kalberloh | Keathley | Kelley |
| Knight | Laubinger | Lewis | Loy | Lucas |
| Martin | Mayhew | McGaugh | Meirath | Miller |
| Murphy | Myers | Nolte | Owen | Parker |
| Perkins | Peters | Phelps | Pollitt | Pouche |
| Reedy | Riggs | Riley | Roberts | Sassmann |
| Schmidt | Seitz | Self | Sharpe 4 | Shields |
| Steinmeyer | Stinnett | Taylor 48 | Thompson | Titus |
| Van Schoiack | Veit | Verneti | Violet | Voss |
| Waller | Warwick | West | Whaley | Wilson |
| Wolfin | Wright | Mr. Speaker | | |

NOES: 041

| | | | | |
|----------|-----------|------|--------|---------|
| Anderson | Appelbaum | Aune | Barnes | Boykin |
| Boyko | Burton | Bush | Butz | Clemens |

| | | | | |
|--------------------|----------|-------------|-----------|-----------|
| Crossley | Dean | Doll | Douglas | Fogle |
| Fountain Henderson | Hales | Hein | Ingle | Jamison |
| Jobe | Johnson | Kimble | Mansur | Mosley |
| Murray | Plank | Reed | Rush | Smith 46 |
| Smith 68 | Smith 74 | Steinhoff | Steinmetz | Strickler |
| Taylor 84 | Thomas | Walsh Moore | Weber | Young |
| Zimmermann | | | | |

PRESENT: 000

ABSENT WITH LEAVE: 028

| | | | | |
|------------|----------|----------|------------|---------|
| Boggs | Bosley | Brown 16 | Busick | Coleman |
| Collins | Cupps | Deaton | Diehl | Ealy |
| Fuchs | Jacobs | Mackey | Matthiesen | McGill |
| Oehlerking | Overcast | Price | Proudie | Reuter |
| Schulte | Sharp 37 | Simmons | Sparks | Terry |
| Wellenkamp | Williams | Woods | | |

VACANCIES: 001

On motion of Representative Keathley, **HB 660, as amended**, was ordered perfected and printed.

PERFECTION OF HOUSE BILLS - INFORMAL

HCS HB 798, relating to income tax, was taken up by Representative Perkins.

Representative Perkins moved that the title of **HCS HB 798** be agreed to.

Representative Warwick offered **House Amendment No. 1**.

House Amendment No. 1

AMEND House Committee Substitute for House Bill No. 798, Page 1, In the Title, Line 3, by deleting the phrase "income tax" and inserting in lieu thereof the word "taxation"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Warwick, **House Amendment No. 1** was adopted.

Representative Perkins offered **House Amendment No. 2**.

House Amendment No. 2

AMEND House Committee Substitute for House Bill No. 798, Page 2, Section 143.011, Lines 44-48, by deleting all of said lines and inserting in lieu thereof the following:

"**4. (1)** In addition to the rate ~~[reduction]~~ **established** under ~~[subsection]~~ **subsections 2 and 3** of this section, beginning with the ~~[2024]~~ **2026** calendar year, the ~~[top]~~ rate of tax under subsection ~~[+]~~ **3** of this section may be reduced by ~~[fifteen hundredths]~~ **one tenth** of a percent. **No more than ten reductions shall be made under this subsection.** A reduction in the rate of tax shall take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs."; and

Further amend said bill, Page 4, Section 143.031, Line 14, by inserting after all of said section and line the following:

"143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five percent of Missouri taxable income.

2. For all tax years beginning on or after September 1, 1993, and ending on or before December 31, 2019, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to six and one-fourth percent of Missouri taxable income.

3. For all tax years beginning on or after January 1, 2020, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to four percent of Missouri taxable income.

4. For all tax years beginning on or after January 1, 2026, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to three and three-fourths percent of Missouri taxable income.

5. The provisions of this section shall not apply to out-of-state businesses operating under sections 190.270 to 190.285.

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 or 116-260, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171. The amount added under this subdivision shall also not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic, and deducted from Missouri adjusted gross income under section 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable

year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

- (a) Livestock Forage Disaster Program;
- (b) Livestock Indemnity Program;
- (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- (d) Emergency Conservation Program;
- (e) Noninsured Crop Disaster Assistance Program;

- (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- (g) Annual Forage Pilot Program;
- (h) Livestock Risk Protection Insurance Plan;
- (i) Livestock Gross Margin Insurance Plan;

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist;

(12) One hundred percent of any retirement benefits received by any taxpayer as a result of the taxpayer's service in the Armed Forces of the United States, including reserve components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and 109, and any other military force organized under the laws of this state; ~~and~~

(13) For all tax years beginning on or after January 1, 2022, one hundred percent of any federal, state, or local grant moneys received by the taxpayer if the grant money was disbursed for the express purpose of providing or expanding access to broadband internet to areas of the state deemed to be lacking such access; **and**

(14) For all tax years beginning on or after January 1, 2025, one hundred percent of all income reported as a capital gain for federal income tax purposes.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

10. (1) As used in this subsection, the following terms mean:

(a) "Beginning farmer", a taxpayer who:

- a. Has filed at least one but not more than ten Internal Revenue Service Schedule F (Form 1040) Profit or Loss From Farming forms since turning eighteen years of age;
- b. Is approved for a beginning farmer loan through the USDA Farm Service Agency Beginning Farmer direct or guaranteed loan program;
- c. Has a farming operation that is determined by the department of agriculture to be new production agriculture but is the principal operator of a farm and has substantial farming knowledge; or
- d. Has been determined by the department of agriculture to be a qualified family member;

(b) "Farm owner", an individual who owns farmland and disposes of or relinquishes use of all or some portion of such farmland as follows:

- a. A sale to a beginning farmer;
- b. A lease or rental agreement not exceeding ten years with a beginning farmer; or
- c. A crop-share arrangement not exceeding ten years with a beginning farmer;

(c) "Qualified family member", an individual who is related to a farm owner within the fourth degree by blood, marriage, or adoption and who is purchasing or leasing or is in a crop-share arrangement for land from all or a portion of such farm owner's farming operation.

(2) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who sells all or a portion of such farmland to a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitations in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of capital gains received from the sale of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such capital gain.

(c) A taxpayer may subtract the following amounts and percentages per tax year in total capital gains received from the sale of such farmland under this subdivision:

- a. For the first two million dollars received, one hundred percent;
- b. For the next one million dollars received, eighty percent;
- c. For the next one million dollars received, sixty percent;
- d. For the next one million dollars received, forty percent; and
- e. For the next one million dollars received, twenty percent.

(d) The department of revenue shall prepare an annual report reviewing the costs and benefits and containing statistical information regarding the subtraction of capital gains authorized under this subdivision for the previous tax year including, but not limited to, the total amount of all capital gains subtracted and the number of taxpayers subtracting such capital gains. Such report shall be submitted before February first of each year to the committee on agriculture policy of the Missouri house of representatives and the committee on agriculture, food production and outdoor resources of the Missouri senate, or the successor committees.

(3) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a lease or rental agreement for all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of cash rent income received from the lease or rental of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total cash rent income received from the lease or rental of such farmland under this subdivision.

(4) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a crop-share arrangement on all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of income received from the crop-share arrangement on such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total income received from the lease or rental of such farmland under this subdivision.

(5) The department of agriculture shall, by rule, establish a process to verify that a taxpayer is a beginning farmer for purposes of this section and shall provide verification to the beginning farmer and farm seller of such farmer's and seller's certification and qualification for the exemption provided in this subsection."; and

Further amend said bill and page, Section 143.131, Line 8, by inserting after all of said section and line the following:

"143.512. In the event a taxpayer is denied part or all of a tax credit to which the taxpayer has qualified pursuant to any provision of law due to lack of available funds, and such denial causes a balance-due notice to be generated by the department of revenue or any other redeeming agency, a taxpayer shall not be held liable for any penalty or interest on such balance due, provided the balance is paid or approved payment arrangements have been made within sixty days from the notice of denial. Any payments not timely made pursuant to this section shall be subject to penalty and interest pursuant to this chapter."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Perkins, **House Amendment No. 2** was adopted.

Representative Warwick offered **House Amendment No. 3**.

House Amendment No. 3

AMEND House Committee Substitute for House Bill No. 798, Page 1, Section A, Line 3, by inserting after all of the said section and line the following:

- "135.600. 1. As used in this section, the following terms shall mean:
- (1) "Contribution", a donation of cash, stock, bonds or other marketable securities, or real property;
 - (2) "Maternity home", a residential facility located in this state:
 - (a) Established for the purpose of providing housing and assistance to pregnant women who are carrying their pregnancies to term;
 - (b) That does not perform, induce, or refer for abortions and that does not hold itself out as performing, inducing, or referring for abortions;
 - (c) That provides services at no cost to clients; and
 - (d) That is exempt from income taxation under the United States Internal Revenue Code;
 - (3) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, chapter 147, chapter 148, and chapter 153, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143;
 - (4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, including any ~~charitable~~ organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143.
2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a maternity home for all fiscal years ending on or before June 30, 2022, and seventy percent of the amount such taxpayer contributed to a maternity home for all fiscal years beginning on or after July 1, 2022, **but ending on or before June 30, 2026. For all fiscal years beginning on or after July 1, 2026, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to one hundred percent of the amount such taxpayer contributed to a maternity home.**
3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per tax year. However, any tax credit that cannot be claimed in the tax year the contribution was

made may be carried over only to the next succeeding tax year. No tax credit issued under this section shall be assigned, transferred, or sold.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a maternity home or homes in such taxpayer's tax year has a value of at least one hundred dollars.

5. The director of the department of social services shall determine, at least annually, which facilities in this state may be classified as maternity homes. The director of the department of social services may require of a facility seeking to be classified as a maternity home whatever information is reasonably necessary to make such a determination. The director of the department of social services shall classify a facility as a maternity home if such facility meets the definition set forth in subsection 1 of this section.

6. The director of the department of social services shall establish a procedure by which a taxpayer can determine if a facility has been classified as a maternity home, and by which such taxpayer can then contribute to such maternity home and claim a tax credit. Maternity homes shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to maternity homes in any one fiscal year shall not exceed two million dollars for all fiscal years ending on or before June 30, 2014, and two million five hundred thousand dollars for all fiscal years beginning on or after July 1, 2014, and ending on or before June 30, 2019, and three million five hundred thousand dollars for all fiscal years beginning on or after July 1, 2019, and ending on or before June 30, 2022. For all fiscal years beginning on or after July 1, 2022, there shall be no limit imposed on the cumulative amount of tax credits that may be claimed by all taxpayers contributing to maternity homes under the provisions of this section. Tax credits shall be issued in the order contributions are received. If the amount of tax credits redeemed in a fiscal year is less than the cumulative amount authorized under this subsection, the difference shall be carried over to a subsequent fiscal year or years and shall be added to the cumulative amount of tax credits that may be authorized in that fiscal year or years.

7. For all fiscal years ending on or before June 30, 2022, the director of the department of social services shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director of the department of social services, the cumulative amount of tax credits are equally apportioned among all facilities classified as maternity homes. If a maternity home fails to use all, or some percentage to be determined by the director of the department of social services, of its apportioned tax credits during this predetermined period of time, the director of the department of social services may reapportion these unused tax credits to those maternity homes that have used all, or some percentage to be determined by the director of the department of social services, of their apportioned tax credits during this predetermined period of time. The director of the department of social services may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director of the department of social services shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. This section shall become effective January 1, 2000, and shall apply to all tax years after December 31, 1999.

135.621. 1. As used in this section, the following terms mean:

- (1) "Contribution", a donation of cash, stock, bonds, other marketable securities, or real property;
- (2) "Department", the department of social services;
- (3) "Diaper bank", a nonprofit entity located in this state ~~[established and operating primarily for the purpose of collecting or purchasing]~~ **that meets the following criteria:**
 - (a) **Collects, purchases, warehouses, and manages a community inventory of disposable diapers or other hygiene products for infants, children, or incontinent adults [and that];**
 - (b) **Regularly distributes a consistent and reliable supply of such diapers or other hygiene products through two or more schools, health care facilities, governmental agencies, or other nonprofit entities for eventual distribution to individuals free of charge, with the intention of reducing diaper need; and**
 - (c) **Is a member of a national network organization serving all fifty states through which certification demonstrates nonprofit best practices, data-driven program design, and equitable distribution focused on best serving infants, children, and incontinent adults;**
- (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 148 or 153;
- (5) "Taxpayer", a person, firm, partner in a firm, corporation, or shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed under chapter 143; an insurance company paying an annual tax on its gross premium receipts in this state; any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148; an express company that pays an

annual tax on its gross receipts in this state under chapter 153; an individual subject to the state income tax under chapter 143; or any ~~charitable~~ organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

2. For all fiscal years beginning on or after July 1, 2019, **but ending on or before June 30, 2026**, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the amount of such taxpayer's contributions to a diaper bank. **For all fiscal years beginning on or after July 1, 2026, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to one hundred percent of the amount such taxpayer contributed to a diaper bank.**

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per tax year. However, any tax credit that cannot be claimed in the tax year the contribution was made may be carried over only to the next subsequent tax year. No tax credit issued under this section shall be assigned, transferred, or sold.

4. Except for any excess credit that is carried over under subsection 3 of this section, no taxpayer shall be allowed to claim a tax credit unless the taxpayer contributes at least one hundred dollars to one or more diaper banks during the tax year for which the credit is claimed.

5. The department shall determine, at least annually, which entities in this state qualify as diaper banks. The department may require of an entity seeking to be classified as a diaper bank any information which is reasonably necessary to make such a determination. The department shall classify an entity as a diaper bank if such entity satisfies the definition under subsection 1 of this section.

6. The department shall establish a procedure by which a taxpayer can determine if an entity has been classified as a diaper bank.

7. Diaper banks may decline a contribution from a taxpayer.

8. The cumulative amount of tax credits that may be claimed by all the taxpayers contributing to diaper banks in any one fiscal year shall not exceed five hundred thousand dollars. Tax credits shall be issued in the order contributions are received. If the amount of tax credits redeemed in a tax year is less than five hundred thousand dollars, the difference shall be added to the cumulative limit created under this subsection for the next fiscal year and carried over to subsequent fiscal years until claimed.

9. The department shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the department, the cumulative amount of tax credits are equally apportioned among all entities classified as diaper banks. If a diaper bank fails to use all, or some percentage to be determined by the department, of its apportioned tax credits during this predetermined period of time, the department may reapportion such unused tax credits to diaper banks that have used all, or some percentage to be determined by the department, of their apportioned tax credits during this predetermined period of time. The department may establish multiple periods each fiscal year and reapportion accordingly. To the maximum extent possible, the department shall establish the procedure described under this subsection in such a manner as to ensure that taxpayers can claim as many of the tax credits as possible, up to the cumulative limit created under subsection 8 of this section.

10. Each diaper bank shall provide information to the department concerning the identity of each taxpayer making a contribution and the amount of the contribution. The department shall provide the information to the department of revenue. The department shall be subject to the confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax information.

11. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the program authorized under this section shall ~~automatically sunset on December thirty-first six years after August 28, 2018, unless reauthorized by an act of the general assembly;~~

~~(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first six years after the effective date of the reauthorization of this section]~~ **be reauthorized as of the effective date of this act and shall expire on December 31, 2031;**

~~[(3)]~~ **(2)** This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

~~[(4)]~~ **(3)** The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized on or before the date the program authorized under this section expires or a taxpayer's ability to redeem such tax credits.

135.630. 1. As used in this section, the following terms mean:

- (1) "Contribution", a donation of cash, stock, bonds, or other marketable securities, or real property;
 - (2) "Director", the director of the department of social services;
 - (3) "Pregnancy resource center", a nonresidential facility located in this state:
 - (a) Established and operating primarily to provide assistance to women and families with crisis pregnancies or unplanned pregnancies by offering pregnancy testing, counseling, emotional and material support, and other similar services or by offering services as described under subsection 2 of section 188.325, to encourage and assist such women and families in carrying their pregnancies to term; and
 - (b) Where childbirths are not performed; and
 - (c) Which does not perform, induce, or refer for abortions and which does not hold itself out as performing, inducing, or referring for abortions; and
 - (d) Which provides direct client services at the facility, as opposed to merely providing counseling or referral services by telephone; and
 - (e) Which provides its services at no cost to its clients; and
 - (f) When providing medical services, such medical services must be performed in accordance with Missouri statute; and
 - (g) Which is exempt from income taxation pursuant to the Internal Revenue Code of 1986, as amended;
 - (4) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, excluding sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, excluding sections 143.191 to 143.265 and related provisions;
 - (5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143, or any [charitable] organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.
2. (1) Beginning on March 29, 2013, any contribution to a pregnancy resource center made on or after January 1, 2013, shall be eligible for tax credits as provided by this section.
- (2) For all tax years beginning on or after January 1, 2007, and ending on or before December 31, 2020, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the amount such taxpayer contributed to a pregnancy resource center. For all tax years beginning on or after January 1, 2021, **but ending on or before December 31, 2025**, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to seventy percent of the amount such taxpayer contributed to a pregnancy resource center. **For all tax years beginning on or after January 1, 2026, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to one hundred percent of the amount such taxpayer contributed to a pregnancy resource center.**
3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per tax year. However, any tax credit that cannot be claimed in the tax year the contribution was made may be carried over only to the next succeeding tax year. No tax credit issued under this section shall be assigned, transferred, or sold.
4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a pregnancy resource center or centers in such taxpayer's tax year has a value of at least one hundred dollars.
5. The director shall determine, at least annually, which facilities in this state may be classified as pregnancy resource centers. The director may require of a facility seeking to be classified as a pregnancy resource center whatever information which is reasonably necessary to make such a determination. The director shall classify a facility as a pregnancy resource center if such facility meets the definition set forth in subsection 1 of this section.
6. The director shall establish a procedure by which a taxpayer can determine if a facility has been classified as a pregnancy resource center. Pregnancy resource centers shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to pregnancy resource centers in any one fiscal year shall not exceed two million dollars for all fiscal years ending on or before June 30, 2014, and two million five hundred thousand dollars for all fiscal years beginning on or after July

1, 2014, and ending on or before June 30, 2019, and three million five hundred thousand dollars for all fiscal years beginning on or after July 1, 2019, and ending on or before June 30, 2021. For all fiscal years beginning on or after July 1, 2021, there shall be no limit imposed on the cumulative amount of tax credits that may be claimed by all taxpayers contributing to pregnancy resource centers under the provisions of this section. Tax credits shall be issued in the order contributions are received. If the amount of tax credits redeemed in a fiscal year is less than the cumulative amount authorized under this subsection, the difference shall be carried over to a subsequent fiscal year or years and shall be added to the cumulative amount of tax credits that may be authorized in that fiscal year or years.

7. For all fiscal years ending on or before June 30, 2021, the director shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director, the cumulative amount of tax credits are equally apportioned among all facilities classified as pregnancy resource centers. If a pregnancy resource center fails to use all, or some percentage to be determined by the director, of its apportioned tax credits during this predetermined period of time, the director may reapportion these unused tax credits to those pregnancy resource centers that have used all, or some percentage to be determined by the director, of their apportioned tax credits during this predetermined period of time. The director may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. Each pregnancy resource center shall provide information to the director concerning the identity of each taxpayer making a contribution to the pregnancy resource center who is claiming a tax credit pursuant to this section and the amount of the contribution. The director shall provide the information to the director of revenue. The director shall be subject to the confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax information.

9. The provisions of section 23.253 shall not apply to this section."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Warwick, **House Amendment No. 3** was adopted.

Representative Riley moved the previous question.

Which motion was adopted by the following vote:

AYES: 090

| | | | | |
|-----------|----------|--------------|------------|------------|
| Allen | Amato | Baker | Banderman | Billington |
| Black | Bromley | Brown 149 | Casteel | Caton |
| Chappell | Christ | Christensen | Cook | Davidson |
| Davis | Dolan | Elliott | Falkner | Farnan |
| Fowler | Gallick | Gragg | Griffith | Haden |
| Haley | Harbison | Hausman | Hewkin | Hinman |
| Hovis | Hruza | Hurlbert | Irwin | Jones 12 |
| Kalberloh | Keathley | Kelley | Laubinger | Lewis |
| Loy | Lucas | Martin | Matthiesen | Mayhew |
| McGaugh | McGill | Meirath | Miller | Murphy |
| Myers | Nolte | Oehlerking | Overcast | Owen |
| Parker | Perkins | Peters | Phelps | Pollitt |
| Pouche | Reedy | Reuter | Riggs | Riley |
| Roberts | Sassmann | Schmidt | Seitz | Self |
| Sharpe 4 | Shields | Simmons | Steinmeyer | Stinnett |
| Taylor 48 | Thompson | Van Schoiack | Veit | Vernetti |
| Violet | Voss | Waller | Warwick | West |
| Whaley | Williams | Wilson | Wolfen | Wright |

NOES: 043

| | | | | |
|-----------|-----------|------------|-------------|--------------------|
| Anderson | Aune | Barnes | Boykin | Boyko |
| Burton | Bush | Butz | Clemens | Crossley |
| Dean | Doll | Douglas | Fogle | Fountain Henderson |
| Hales | Hein | Ingle | Jacobs | Jamison |
| Jobe | Johnson | Mackey | Mansur | Mosley |
| Murray | Plank | Proudie | Reed | Rush |
| Smith 46 | Smith 68 | Smith 74 | Steinhoff | Steinmetz |
| Strickler | Taylor 84 | Terry | Walsh Moore | Weber |
| Woods | Young | Zimmermann | | |

PRESENT: 000

ABSENT WITH LEAVE: 029

| | | | | |
|-----------|----------|------------|-------------|--------|
| Appelbaum | Boggs | Bosley | Brown 16 | Busick |
| Byrnes | Coleman | Collins | Costlow | Cupps |
| Deaton | Diehl | Durnell | Ealy | Fuchs |
| Hardwick | Jones 88 | Jordan | Justus | Kimble |
| Knight | Price | Schulte | Sharp 37 | Sparks |
| Thomas | Titus | Wellenkamp | Mr. Speaker | |

VACANCIES: 001

On motion of Representative Perkins, **HCS HB 798, as amended**, was adopted.

On motion of Representative Perkins, **HCS HB 798, as amended**, was ordered perfected and printed.

PERFECTION OF HOUSE BILLS

HB 225, relating to law enforcement practices, was taken up by Representative Myers.

On motion of Representative Myers, the title of **HB 225** was agreed to.

On motion of Representative Myers, **HB 225** was ordered perfected and printed.

REFERRAL OF HOUSE JOINT RESOLUTIONS

The following House Joint Resolution was referred to the Committee indicated:

HCS HJR 4 - Fiscal Review

REFERRAL OF HOUSE BILLS

The following House Bills were referred to the Committee indicated:

HB 558 - Pensions

HCS HBs 567, 546, 758 & 958 - Legislative Review

HB 1265 - Emerging Issues

COMMITTEE REPORTS

Committee on Conservation and Natural Resources, Chairman Farnan reporting:

Mr. Speaker: Your Committee on Conservation and Natural Resources, to which was referred **HB 60**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (10): Burton, Farnan, Jordan, Lucas, Miller, Plank, Sassmann, Shields, Taylor (48) and Walsh Moore

Noes (0)

Absent (4): Boggs, Ealy, Justus and Wellenkamp

Mr. Speaker: Your Committee on Conservation and Natural Resources, to which was referred **HB 995**, begs leave to report it has examined the same and recommends that it **Do Pass** by the following vote:

Ayes (10): Burton, Farnan, Jordan, Lucas, Miller, Plank, Sassmann, Shields, Taylor (48) and Walsh Moore

Noes (0)

Absent (4): Boggs, Ealy, Justus and Wellenkamp

Committee on Economic Development, Chairman Gallick reporting:

Mr. Speaker: Your Committee on Economic Development, to which was referred **HB 325**, begs leave to report it has examined the same and recommends that it **Do Pass** by the following vote:

Ayes (11): Amato, Brown (16), Casteel, Gallick, Hruza, Johnson, Jones (12), Martin, Rush, Titus and Wilson

Noes (3): Dean, Hales and Jacobs

Absent (3): Riggs, Thompson and Verneti

Mr. Speaker: Your Committee on Economic Development, to which was referred **HB 610** and **HB 900**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (13): Amato, Brown (16), Casteel, Dean, Gallick, Hales, Hruza, Jacobs, Johnson, Jones (12), Martin, Rush and Wilson

Noes (1): Titus

Absent (3): Riggs, Thompson and Verneti

Mr. Speaker: Your Committee on Economic Development, to which was referred **HB 669**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (14): Amato, Brown (16), Casteel, Dean, Gallick, Hales, Hruza, Jacobs, Johnson, Jones (12), Martin, Rush, Titus and Wilson

Noes (0)

Absent (3): Riggs, Thompson and Verneti

Mr. Speaker: Your Committee on Economic Development, to which was referred **HB 953**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (13): Amato, Brown (16), Casteel, Dean, Gallick, Hales, Jacobs, Johnson, Jones (12), Martin, Rush, Titus and Wilson

Noes (0)

Present (1): Hruza

Absent (3): Riggs, Thompson and Verneti

Committee on Elections, Chairman Reedy reporting:

Mr. Speaker: Your Committee on Elections, to which was referred **HB 793**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (7): Banderaman, Christensen, McGaugh, Reedy, Simmons, Waller and Wright

Noes (3): Barnes, Smith (46) and Woods

Absent (4): Bosley, Byrnes, Coleman and Voss

Committee on Emerging Issues, Chairman Christ reporting:

Mr. Speaker: Your Committee on Emerging Issues, to which was referred **HB 1037**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (13): Baker, Christ, Davidson, Fuchs, Hausman, Hinman, Hovis, Hruza, Overcast, Peters, Price, Thomas and Weber

Noes (0)

Absent (1): Busick

Mr. Speaker: Your Committee on Emerging Issues, to which was referred **HB 1041**, begs leave to report it has examined the same and recommends that it **Do Pass** by the following vote:

Ayes (13): Baker, Christ, Davidson, Fuchs, Hausman, Hinman, Hovis, Hruza, Overcast, Peters, Price, Thomas and Weber

Noes (0)

Absent (1): Busick

Mr. Speaker: Your Committee on Emerging Issues, to which was referred **HB 1363, HB 1062 and HB 1254**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (11): Baker, Christ, Davidson, Hausman, Hinman, Hovis, Hruza, Overcast, Peters, Price and Weber

Noes (0)

Present (2): Fuchs and Thomas

Absent (1): Busick

Committee on Fiscal Review, Chairman Murphy reporting:

Mr. Speaker: Your Committee on Fiscal Review, to which was referred **HCS HB 943**, begs leave to report it has examined the same and recommends that it **Do Pass** by the following vote:

Ayes (7): Cupps, Fogle, Gragg, Hein, Mayhew, Murphy and Pouche

Noes (0)

Absent (1): Casteel

Committee on Insurance, Chairman Diehl reporting:

Mr. Speaker: Your Committee on Insurance, to which was referred **HB 991**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (11): Allen, Appelbaum, Butz, Casteel, Diehl, Hewkin, Hinman, Murphy, Phelps, Thomas and Thompson

Noes (0)

Absent (3): Johnson, Matthiesen and Waller

Committee on Veterans and Armed Forces, Chairman Griffith reporting:

Mr. Speaker: Your Committee on Veterans and Armed Forces, to which was referred **HB 829**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute** by the following vote:

Ayes (20): Barnes, Billington, Boykin, Bromley, Fountain Henderson, Griffith, Harbison, Hardwick, Irwin, Jamison, Jobe, Johnson, Lucas, Miller, Plank, Pouche, Roberts, Schulte, Seitz and Violet

Noes (0)

Absent (3): Fowler, Jones (12) and Wolfen

COMMITTEE CHANGES

March 4, 2025

Mr. Joseph Engler
Chief Clerk
Missouri House of Representatives
State Capitol, Room 310
Jefferson City, MO 65101

Dear Mr. Engler:

I hereby make the following changes to the Joint Committee on Administrative Rules:

I hereby remove Representative Kemp Strickler from the committee.

I hereby appoint Representative Jo Doll to the committee.

If you have any questions, please feel free to contact my office.

Sincerely,

/s/ Jonathan Patterson
Speaker of the House

The following members' presence was noted: Boggs, Bosley, Brown (16), Coleman, and Cupps.

ADJOURNMENT

On motion of Representative Riley, the House adjourned until 10:00 a.m., Wednesday, March 5, 2025.

COMMITTEE HEARINGS

BUDGET

Wednesday, March 5, 2025, 9:00 AM, House Hearing Room 3.

For Subcommittee Chairs to report subcommittee recommendations to the Budget Committee.

No public testimony will be taken.

COMMERCE

Wednesday, March 5, 2025, 8:00 AM, House Hearing Room 6.

Public hearing will be held: HB 69, HB 1067

Executive session will be held: HB 897, HB 918, HB 952

CORRECTIONS AND PUBLIC INSTITUTIONS

Wednesday, March 5, 2025, 4:30 PM, House Hearing Room 6.

Public hearing will be held: HB 837, HB 1369

CRIME AND PUBLIC SAFETY

Wednesday, March 5, 2025, 4:00 PM, House Hearing Room 7.

Public hearing will be held: HB 728, HB 1065

Executive session will be held: HB 273, HB 592

ELEMENTARY AND SECONDARY EDUCATION

Wednesday, March 5, 2025, 12:00 PM or upon adjournment (whichever is later),
House Hearing Room 7.

Public hearing will be held: HB 332, HB 1287

Executive session will be held: HB 1238, HB 941

Added HB 941.

AMENDED

FINANCIAL INSTITUTIONS

Wednesday, March 5, 2025, 12:00 PM or upon adjournment (whichever is later),
House Hearing Room 1.

Executive session will be held: HB 716

FISCAL REVIEW

Thursday, March 6, 2025, 9:30 AM, House Hearing Room 4.

Executive session will be held: HCS HJR 4

Executive session may be held on any matter referred to the committee.

HEALTH AND MENTAL HEALTH

Thursday, March 6, 2025, 9:00 AM, House Hearing Room 6.

Executive session will be held: HB 366

HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

Wednesday, March 5, 2025, 4:30 PM, House Hearing Room 1.

Executive session will be held: HB 168

JOINT COMMITTEE ON LEGISLATIVE RESEARCH

Wednesday, March 5, 2025, 8:15 AM, Joint Hearing Room (117).

Organizational meeting. No public testimony will be taken.

Portions of the meeting may be closed pursuant to section 610.021(3) of the Missouri Revised Statutes.

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

Monday, March 10, 2025, 1:00 PM, Joint Hearing Room (117).

Agenda: Chair and Vice Chair elections, presentation of the 2025 JCPER Annual Report for Plan Year 2023, quarterly investment report, plan updates, MAPERS, staff update, comments of the Chair.

A vote may be taken to close the meeting pursuant to section 610.021(3), RSMo, and section 610.021(13), RSMo, relating to personnel matters.

Executive Session may follow.

JUDICIARY

Wednesday, March 5, 2025, 12:00 PM or upon adjournment (whichever is later),
House Hearing Room 5.

Public hearing will be held: HB 82, HB 1139, HB 1145, HB 93, HB 1399, HB 1457

Executive session will be held: HB 709

Added HB 93, HB 1399 and HB 1457.

AMENDED

LEGISLATIVE REVIEW

Wednesday, March 5, 2025, 3:15 PM, House Hearing Room 3.

Public hearing will be held: HCS HBs 567, 546, 758 & 958

Executive session will be held: HCS HBs 567, 546, 758 & 958

LOCAL GOVERNMENT

Wednesday, March 5, 2025, 8:00 AM, House Hearing Room 5.

Public hearing will be held: HB 749, HB 1125, HB 1249, SS SB 1

Executive session will be held: HB 249, HB 1122, HB 622, HB 199, HB 241

PENSIONS

Thursday, March 6, 2025, 8:30 AM, House Hearing Room 1.

Public hearing will be held: HB 576

Executive session will be held: HB 329, HB 976

PROFESSIONAL REGISTRATION AND LICENSING

Wednesday, March 5, 2025, 9:00 AM, House Hearing Room 7.

Public hearing will be held: HB 1198, HB 992

Added HB 992.

AMENDED

SPECIAL COMMITTEE ON RURAL ISSUES

Wednesday, March 5, 2025, 4:00 PM, House Hearing Room 5.

Public hearing will be held: HB 245, HB 1263, HB 1124, HB 1555, HB 1026

Added HB 1555 and HB 1026.

AMENDED

SPECIAL COMMITTEE ON TOURISM

Wednesday, March 5, 2025, 12:00 PM or upon adjournment (whichever is later),
House Hearing Room 6.

Public hearing will be held: HB 602, HB 650, HB 734

UTILITIES

Wednesday, March 5, 2025, 8:00 AM, House Hearing Room 1.

Public hearing will be held: HB 1059, HB 949

Executive session will be held: HB 476, HB 569

HOUSE CALENDAR

THIRTY-FOURTH DAY, WEDNESDAY, MARCH 5, 2025

HOUSE BILLS FOR PERFECTION

HCS HB 615 - Coleman

HOUSE BILLS FOR PERFECTION - INFORMAL

HB 563 - Boggs

HB 233 - Gallick

HCS HBs 296 & 438 - Kalberloh

HCS HB 538 - Diehl

HOUSE JOINT RESOLUTIONS FOR THIRD READING

HCS HJR 4, (Fiscal Review 3/4/25) - Coleman

HOUSE BILLS FOR THIRD READING - APPROPRIATIONS

HCS HB 14 - Deaton

HOUSE BILLS FOR THIRD READING

HB 810 - Baker

HCS HB 943 - Peters

HB 121 - Murphy

HCS HB 236, E.C. - Gallick

HB 939 - Jones (12)

ACTIONS PURSUANT TO ARTICLE IV, SECTION 27

SS SCS HCS HB 2002 - Deaton

SS SCS HCS HB 2003 - Deaton

SS SCS HCS HB 2004 - Deaton

SS SCS HCS HB 2005 - Deaton

SS SCS HCS HB 2006 - Deaton

SS SCS HCS HB 2007 - Deaton

SS SCS HCS HB 2008 - Deaton

SS SCS HCS HB 2009 - Deaton

SS SCS HCS HB 2010 - Deaton

SS SCS HCS HB 2011 - Deaton

SS SCS HCS HB 2012 - Deaton

SS SCS HCS HB 2013 - Deaton

SS SCS HCS HB 2017 - Deaton

SS SCS HCS HB 2018 - Deaton

SS SCS HCS HB 2019 - Deaton

SS SCS HCS HB 2020 - Deaton

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