

FIRST REGULAR SESSION

HOUSE BILL NO. 944

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE JOHNSON.

2027L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 135.010, 135.025, and 135.030, RSMo, and to enact in lieu thereof three new sections relating to senior citizens property tax relief.

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

Section A. Sections 135.010, 135.025, and 135.030, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 135.010, 135.025, and 135.030, to read as follows:

135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

(1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If the persons are eligible to file a joint federal income tax return and reside at the same address at any time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri income tax return or a combined claim return reporting their combined incomes and property taxes. A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the armed forces of the United States or this state who became one hundred percent disabled as a result of such service, or the claimant or spouse is disabled as defined in subdivision (2) of this section, and such claimant or spouse provides proof of such disability in such form and manner, and at such times, as the director of revenue may require, or if the claimant has reached the age of sixty on or before the last day of the calendar year and such claimant received surviving spouse Social Security benefits during the calendar year and the claimant provides proof, as required by the director of revenue, that the claimant received surviving spouse Social Security benefits during the calendar year for which the credit will be

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 claimed, **except that for all taxable years beginning on or after January 1, 2011, a claimant**
18 **shall be allowed a property tax credit upon the claimant or spouse attaining the age of sixty**
19 **or if the claimant receiving surviving spouse Social Security benefits has reached the age**
20 **of fifty-five.** A claimant shall not be allowed a property tax credit if the claimant filed a valid
21 claim for a credit under section 137.106 in the year following the year for which the property tax
22 credit is claimed. The residency requirement shall be deemed to have been fulfilled for the
23 purpose of determining the eligibility of a surviving spouse for a property tax credit if a person
24 [of the age of sixty-five years or older] who would have otherwise met the requirements for a
25 property tax credit dies before the last day of the calendar year. The residency requirement shall
26 also be deemed to have been fulfilled for the purpose of determining the eligibility of a claimant
27 who would have otherwise met the requirements for a property tax credit but who dies before
28 the last day of the calendar year;

29 (2) "Disabled", the inability to engage in any substantial gainful activity by reason of any
30 medically determinable physical or mental impairment which can be expected to result in death
31 or which has lasted or can be expected to last for a continuous period of not less than twelve
32 months. A claimant shall not be required to be gainfully employed prior to such disability to
33 qualify for a property tax credit;

34 (3) "Gross rent", amount paid by a claimant to a landlord for the rental, at arm's length,
35 of a homestead during the calendar year, exclusive of charges for health and personal care
36 services and food furnished as part of the rental agreement, whether or not expressly set out in
37 the rental agreement. If the director of revenue determines that the landlord and tenant have not
38 dealt at arm's length, and that the gross rent is excessive, then he shall determine the gross rent
39 based upon a reasonable amount of rent. Gross rent shall be deemed to be paid only if actually
40 paid prior to the date a return is filed. The director of revenue may prescribe regulations
41 requiring a return of information by a landlord receiving rent, certifying for a calendar year the
42 amount of gross rent received from a tenant claiming a property tax credit and shall, by
43 regulation, provide a method for certification by the claimant of the amount of gross rent paid
44 for any calendar year for which a claim is made. The regulations authorized by this subdivision
45 may require a landlord or a tenant or both to provide data relating to health and personal care
46 services and to food. Neither a landlord nor a tenant may be required to provide data relating to
47 utilities, furniture, home furnishings or appliances;

48 (4) "Homestead", the dwelling in Missouri owned or rented by the claimant and not to
49 exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a
50 home. It may consist of part of a multidwelling or multipurpose building and part of the land
51 upon which it is built. "Owned" includes a vendee in possession under a land contract and one
52 or more tenants by the entireties, joint tenants, or tenants in common and includes a claimant

53 actually in possession if he was the immediate former owner of record, if a lineal descendant is
54 presently the owner of record, and if the claimant actually pays all taxes upon the property. It
55 may include a mobile home;

56 (5) "Income", Missouri adjusted gross income as defined in section 143.121 less two
57 thousand dollars, or in the case of a homestead owned and occupied, for the entire year, by the
58 claimant, less four thousand dollars as an exemption for the claimant's spouse residing at the
59 same address, and increased, where necessary, to reflect the following:

60 (a) Social Security, railroad retirement, and veterans payments and benefits unless the
61 claimant is a one hundred percent service-connected, disabled veteran or a spouse of a one
62 hundred percent service-connected, disabled veteran. The one hundred percent
63 service-connected disabled veteran shall not be required to list veterans payments and benefits;

64 (b) The total amount of all other public and private pensions and annuities;

65 (c) Public relief, public assistance, and unemployment benefits received in cash, other
66 than benefits received under this chapter;

67 (d) No deduction being allowed for losses not incurred in a trade or business;

68 (e) Interest on the obligations of the United States, any state, or any of their subdivisions
69 and instrumentalities;

70 (6) "Property taxes accrued", property taxes paid, exclusive of special assessments,
71 penalties, interest, and charges for service levied on a claimant's homestead in any calendar year.
72 Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed.
73 The director of revenue shall require a tax receipt or other proof of property tax payment. If a
74 homestead is owned only partially by claimant, then "property taxes accrued" is that part of
75 property taxes levied on the homestead which was actually paid by the claimant. For purposes
76 of this subdivision, property taxes are "levied" when the tax roll is delivered to the director of
77 revenue for collection. If a claimant owns a homestead part of the preceding calendar year and
78 rents it or a different homestead for part of the same year, "property taxes accrued" means only
79 taxes levied on the homestead both owned and occupied by the claimant, multiplied by the
80 percentage of twelve months that such property was owned and occupied as the homestead of
81 the claimant during the year. When a claimant owns and occupies two or more different
82 homesteads in the same calendar year, property taxes accrued shall be the sum of taxes allocable
83 to those several properties occupied by the claimant as a homestead for the year. If a homestead
84 is an integral part of a larger unit such as a farm, or multipurpose or multidwelling building,
85 property taxes accrued shall be that percentage of the total property taxes accrued as the value
86 of the homestead is of the total value. For purposes of this subdivision "unit" refers to the parcel
87 of property covered by a single tax statement of which the homestead is a part;

88 (7) "Rent constituting property taxes accrued", twenty percent of the gross rent paid by
89 a claimant and spouse in the calendar year.

135.025. The property taxes accrued and rent constituting property taxes accrued on each
2 return shall be totaled. This total, up to seven hundred fifty dollars in rent constituting property
3 taxes actually paid or eleven hundred dollars in actual property tax paid, shall be used in
4 determining the property tax credit, **except that for all taxable years beginning on or after**
5 **January 1, 2011, the total shall be up to two thousand five hundred dollars in rent**
6 **constituting property taxes actually paid or three thousand five hundred dollars in actual**
7 **property tax paid.** The director of revenue shall prescribe regulations providing for allocations
8 where part of a claimant's homestead is rented to another or used for nondwelling purposes or
9 where a homestead is owned or rented or used as a dwelling for part of a year.

135.030. 1. As used in this section:

2 (1) The term "maximum upper limit" shall, for each calendar year after December 31,
3 1997, but before calendar year 2008, be the sum of twenty-five thousand dollars. For all calendar
4 years beginning on or after January 1, 2008, the maximum upper limit shall be the sum of
5 twenty-seven thousand five hundred dollars. In the case of a homestead owned and occupied for
6 the entire year by the claimant, the maximum upper limit shall be the sum of thirty thousand
7 dollars;

8 (2) The term "minimum base" shall, for each calendar year after December 31, 1997, but
9 before calendar year 2008, be the sum of thirteen thousand dollars. For all calendar years
10 beginning on or after January 1, 2008, the minimum base shall be the sum of fourteen thousand
11 three hundred dollars.

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

16		
17	If the income on the return is:	The percent is:
18	Not over the minimum base	0 percent with credit not to
19		exceed [\$1,100] \$3500
20		in actual property tax
21		or rent equivalent paid
22		up to [\$750] \$2500
23	Over the minimum base but	1/16 percent accumulative
24	not over the maximum upper	per \$300 from 0 percent to
25	limit	4 percent.

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

32 3. Notwithstanding subsection 4 of section 32.057, the department of revenue or any
33 duly authorized employee or agent shall determine whether any taxpayer filing a report or return
34 with the department of revenue who has not applied for the credit allowed pursuant to section
35 135.020 may qualify for the credit, and shall notify any qualified claimant of the claimant's
36 potential eligibility, where the department determines such potential eligibility exists.

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