

SECOND REGULAR SESSION

HOUSE BILL NO. 1429

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KRATKY (Sponsor), ANDERS, JONES (63), COLONA,
McDONALD, PACE AND WALTON GRAY (Co-sponsors).

4725L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for renovation of rental property.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be
2 known as section 135.1160, to read as follows:

135.1160. 1. As used in this section, the following terms mean:

2 **(1) "Eligible costs", the purchase costs of materials or labor for cabinets, carpentry,**
3 **carpeting, ceramic tile, concrete, counter and vanity tops, drywall, electrical work, exterior**
4 **siding, insulation, masonry, painting, plaster, plumbing, plumbing fixtures, roofing,**
5 **tuckpointing, waterproofing, windows, and wood flooring;**

6 **(2) "Tax credit", a credit against the tax otherwise due under chapter 143,**
7 **excluding withholding tax imposed by sections 143.191 to 143.265;**

8 **(3) "Taxpayer", any individual subject to the tax imposed in chapter 143, excluding**
9 **withholding tax imposed by sections 143.191 to 143.265 who owns a multi-family dwelling**
10 **or residence with at least two or more units that is operated as rental property, who**
11 **renovates the rental property, and who lives in one of the units in the renovated rented**
12 **dwelling or residence.**

13 **2. For all taxable years beginning on or after January 1, 2013, a taxpayer shall be**
14 **allowed a tax credit for eligible costs incurred in renovating the taxpayer's rented dwelling**
15 **or residence. The tax credit amount shall be equal to twenty percent of such eligible costs,**
16 **but shall not exceed two thousand five hundred dollars per taxpayer claiming the credit.**

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 **The amount of the tax credit issued shall not exceed the amount of the taxpayer's state tax**
18 **liability for the tax year for which the credit is claimed. If the amount of the tax credit**
19 **issued exceeds the amount of the taxpayer's state tax liability for the tax year for which the**
20 **credit is claimed, the difference shall not be refundable but may be carried forward to any**
21 **of the taxpayer's three subsequent taxable years. No tax credit issued under this section**
22 **shall be transferred, sold, or assigned. The aggregate amount of tax credits which may be**
23 **issued under this section in any one fiscal year shall not exceed five million dollars. The**
24 **tax credits issued under this section shall be issued on a first-come, first-served filing basis.**

25 **3. To claim the tax credit allowed under this section, the taxpayer shall include with**
26 **the taxpayer's income tax return any documentation and information required by the**
27 **department to verify that the taxpayer has actually incurred the eligible costs.**

28 **4. The department of revenue may promulgate rules to implement the provisions**
29 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that**
30 **is created under the authority delegated in this section shall become effective only if it**
31 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
32 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
33 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
34 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
35 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2012,**
36 **shall be invalid and void.**

37 **5. Under section 23.253 of the Missouri sunset act:**

38 **(1) The provisions of the new program authorized under this section shall**
39 **automatically sunset on December thirty-first six years after the effective date of this**
40 **section unless reauthorized by an act of the general assembly; and**

41 **(2) If such program is reauthorized, the program authorized under this section**
42 **shall automatically sunset on December thirty-first twelve years after the effective date of**
43 **the reauthorization of this section; and**

44 **(3) This section shall terminate on September first of the calendar year immediately**
45 **following the calendar year in which the program authorized under this section is sunset.**

✓