



# Press Release

State Senator Chuck Gross - District 23



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**FOR IMMEDIATE RELEASE**

**May 13, 2005**

## Senator Chuck Gross Passes Beneficial *Homestead Preservation Act Changes*

*Bill Simplifies Property Tax Relief Application Process, Expands Program Eligibility*

JEFFERSON CITY – A measure drafted and advanced by Sen. Chuck Gross, R-St. Charles, making it easier to apply for a property tax relief program initiated last year by Gross has cleared the House and Senate and is on its way to the governor for signing into law.

Enacted by legislation drafted by Senator Gross and signed into law last year, the Missouri Homestead Preservation Act allows qualified senior citizens and disabled individuals a credit on their real estate property tax if those taxes increase 2.5 percent in a non-reassessment year or 5 percent in a reassessment year. The credit is for the amount that exceeds the 2.5 or 5 percent increase in taxes and is applied to the next year's tax bill.

Provisions advanced this year by Senator Gross simplify the program application process by moving back one year the credit calculation period, in turn eliminating the need for the county assessor's involvement. Starting in 2006, taxpayers will simply attach copies of their paid property tax bills to the application and mail it directly to the state's revenue department.

Currently, homeowners applying for a credit in 2005 will have their credit based on property tax increase from 2004 to 2005. The streamlined plan will figure credits for applications made in 2007 based on property tax bills for 2005 and 2006.

“My lawmaking colleagues and I found it well worth the effort to push the calculation period back a year,” Gross said. “The move significantly streamlines the application process by removing the need to visit the assessor’s office.”

Another new provision opens eligibility to taxpayers who have their homes titled in a trust. With this provision becoming effective August 28<sup>th</sup>, eligible taxpayers who have their homes in a trust can still meet the September 30<sup>th</sup> application deadline for the 2005 program year.

“Recognizing that many seniors have established trusts to avoid the necessity of probate, we honored a commitment this year to get the trust ownership provision put into the Homestead Preservation Act,” Gross said.

Also expanding program eligibility is a provision no longer disqualifying applicants making home improvements to accommodate the needs of a disabled resident.

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## **Property Tax Relief: *Homestead Preservation Act Helps Seniors Stay in Their Homes***



Enacted by Senate legislation drafted by Senator Gross and signed into law by the governor last year, the Missouri Homestead Preservation Act, allows qualified senior citizens and disabled individuals a credit on their real estate property tax if those taxes increase 2.5 percent in a non-reassessment year or 5 percent in a reassessment year.

The credit would be for the amount that exceeds the 2.5 or 5 percent increase in taxes. This credit will be applied against the taxes for the following year.

Eligible seniors and disabled homeowners, including those whose homes may be titled in a trust, have until September 30<sup>th</sup> of this year to apply for the Homestead Preservation Credit for excessive increases in their 2005 property taxes.

### **General Homestead Preservation Qualifications and Guidelines:**

- Age 65 or older, or 100 percent disabled (if married, at least one 65 or older and the other at least 60).
- Maximum Federal adjusted gross income cannot exceed \$70,000 per application.
- All real estate taxes must have been paid for current year and previous two years.
- The property (home and up to five acres) must be owned and occupied by the tax credit applicant.
- Cannot file for Missouri Property Tax Credit (MO-PTC, previously known as the “circuit breaker” program) for the same tax period.

### **Important dates for the Homestead Preservation Act, 2005 Program Year**

- **April 1, 2005 to September 30, 2005:** Application period.
- **December 15, 2005:** Revenue department sends list of verified owners to county collectors.
- **January 15, 2006:** County collectors send list of owners who failed to pay current taxes.
- **January 31, 2006:** Revenue department calculates appropriation and sends to House and Senate.
- **July 31, 2006:** Credit limit is set based on funding
- **August 31, 2006:** Revenue department sends list of eligible owners and amount of credit to county collectors.
- **October 1, 2006:** Funds are deposited with collectors.
- **October/November, 2006:** Credit reflected on approved applicants’ tax bill for 2006.

Application forms are available from the local property assessor, from the Department of Revenue’s website at [www.dor.gov](http://www.dor.gov), or can be requested by calling 1-800-877-6881.