

PROPERTY TAX RELIEF FOR SENIORS

Property Tax Credit known as “Circuit Breaker”

§ 135.010 - 135.030, RSMo.

ELIGIBLE IF:

- You paid real estate taxes or rent on occupied home;
 - Your total household income:
\$25,000 or less if single, or
\$27,000 or less if married;
- AND
- You or spouse at least 65 years old or 100% disabled;
- OR
- You are 60 years old & receiving Surviving Spouse Social Security.

APPLY:

- File Form MO-PTS (with state tax return) or Form MP-PTC (if you do not file state tax return) with the Department of Revenue by April 15th. Forms available by calling 800-877-6881 or online at www.dor.mo.gov/tax.

RECEIVE:

- Receive a check from the state for up to a maximum of \$750 of paid real estate tax or rent.
Based on calculation set out in statute.

“Missouri Homestead Preservation Act”

Senate Bill 730; beginning with tax year 2005.

ELIGIBLE IF you are NOT eligible for Circuit Breaker, AND:

- You paid real estate taxes on an owner occupied home;
 - Your federal adjusted gross income is not more than \$70,000 (total whether single or married);
 - You are at least 65 years old and a spouse must be at least 60 years old;
- OR
- You or your spouse are 100% disabled;
- AND
- You have not made improvements to your home exceeding 5% of the prior year’s appraised value.

APPLY:

- Beginning in 2005, mail application to Dept. of Revenue between April 1 and September 30th. Forms available in 2005 from local assessor and Dept. of Revenue offices and DOR website.

RECEIVE:

- Credit applied to following year’s property tax bill for increase in current year’s property tax exceeding 5% over prior year’s tax bill in a reassessment year (exceeding 2.5% increase in a non-reassessment year). Subject to appropriation by General Assembly.

FEDERAL ADJUSTED GROSS INCOME

- Basically gross income – all taxable income including
 - Wages, business / farm / rental income
 - Taxable interest, dividends, capital gains
 - Taxable pension
 - Taxable social security (portion taxable if exceed threshold; there's a worksheet calculation to determine if you exceed a "base amount" — \$25,000 for single; \$32,000 married filing joint)
- LESS certain expenses including those related to education, business / producing income.

SEE ATTACHED IRS FORM 1040

WHY USE FEDERAL ADJUSTED GROSS INCOME

- Readily identifiable for everyone subject to taxation.
- Easily verified by Department of Revenue.
- This is the starting point for Missourians on the state income tax form – begins with their federal adjusted gross income.
- Does not take personal exemptions and itemized deductions into account.
- Avoids individuals having to fill out lengthy forms reporting income amounts and income sources to their local assessor office staff (they simply certify that their federal adjusted gross income meets the eligibility – then DOR verifies).

OTHER USES FOR "FEDERAL ADJUSTED GROSS INCOME"

- Missouri income tax calculation — starts with federal adjusted gross income
- Applying for higher education aid (loans, grants, etc.) –