

Weekly Report
April 16, 2004

By: Sen. John Griesheimer
(573) 751-3678

**MISSOURI LEGISLATURE FINALLY PASSES BILL THAT WILL
PROVIDE MISSOURI'S SENIOR CITIZENS WITH PROPERTY TAX RELIEF**

After years of hard work on the part of lawmakers from throughout the state, the Missouri General Assembly has finally passed a measure that will provide property tax relief to Missouri's senior citizens. Senate Bill 730 creates the Homestead Preservation Act that will allow those 65 years or older and disabled persons to obtain a tax credit for increases which exceed 5 percent.

Ever since my election to the House of Representatives in 1994, I have had constituents come to me with a property tax bill that had increased 30 to 50 percent. That kind of increase is bad news for any of us, but for those living on a fixed income it can be catastrophic.

Currently under statewide reassessment, a home's value is supposed to be recalculated every two years, and because reassessment is not intended to create an overall increase in taxes, levies are supposed to be rolled back. At the same time, the taxes on individual property can increase – sometimes dramatically – if the reassessed value of the property is greater than the average increase of all properties in the political subdivision.

To be eligible for the homestead tax credit, a single person must be at 65 or disabled; for a married couple, one spouse must be at least 65 with the other spouse a minimum of 60. Income cannot exceed \$70,000 per year.

Under SB 730, assessors would be required to forward all information on applicants for the homestead credit to the Department of Revenue (DOR) by Oct. 31. Then the DOR would certify to the collectors and clerks a list of those applicants in their area who meet the requirements of the homestead preservation credit.

Eligible homeowners may apply for the homestead exemption credit by completing an application through their local assessor's office. Applications may be completed through April 1 and Sept. 13 of any tax year.

Each January, the Missouri General Assembly would file an appropriation bill to fund the homestead exemption.

In October when county collectors send a current year tax bill, for all those eligible there would a homestead credit from the prior year listed on the bill and applied against the current bill. The only exception would be to those eligible homeowners who have made home improvements that would exceed 5 percent.

Having been truly agreed and passed by the General Assembly, SB 730 will be sent to the governor's desk to be signed into law. If signed by the governor, it will become law Aug. 28.

I salute Sen. Chuck Gross, the bill's sponsor, for introducing property tax reform legislation year after year, and sitting down with all parties involved to iron out a bill that all parties involved are comfortable with. I urge Gov. Holden to sign this bill in a timely fashion.