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Property Tax Reform Needed to Protect Missourians

Living the American Dream has always been synonymous with owning a home. However, for many Missourians, that dream is made more difficult by skyrocketing property taxes. But if a bill passed last week by the Senate is approved by the House of Representatives, Missouri taxpayers could see some relief from property tax increases caused by reassessment.

Here's how it works: Every two years, your county assessor's office conducts a reassessment, which determines the value of your property and the property tax you owe. As a property's value increases and that new value is then taxed, it results in a larger bill for the homeowner. Senate Bill 711 streamlines the current law by requiring earlier notice and more information be provided to taxpayers, and by expanding tax relief for homeowners, with special focus on seniors and the disabled.

The bill also mandates that all taxing entities (libraries, cities, counties, etc.) must lower ("roll back") their tax rate to offset reassessment increases. Currently, only those operating at their tax rate ceiling (i.e. the limit set by local voters) are required by Missouri's Constitution to roll back their rate to protect taxpayers, allowing taxing entities operating below their ceiling maintain the status quo and keep the extra tax dollars that are owed as property values increase.

Senate Bill 711 also requires that by 2011, all Missouri counties provide an early projected tax liability statement to taxpayers along with their reassessment notices. By providing early notice, we can better prepare homeowners for the taxes they owe in December so they are not unpleasantly surprised. Also, this act requires Jackson County to accept payments for property taxes in installments, providing more leeway to those who cannot pay the full amount up front.

And finally, the legislation improves upon a state program that helps elderly and disabled citizens who struggle to pay the taxes on their homes. This property tax credit, also known as the circuit breaker program, allows eligible residents to receive increased credit on their tax bill, upping the maximum allowable benefit from \$750 to \$1,100, for the property taxes or rent that they have paid. It also expands the income eligibility to include homeowners with incomes up to \$30,000 for singles and \$40,000 for married couples. This provision will help many Missourians, including those who are particularly vulnerable, to afford a place to live.

It's increasingly clear that rising property taxes are catching unsuspecting Missourians off-guard. By keeping taxpayers informed and making property tax reform a priority, we can help bring about some much needed relief.

If you have any comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by e-mail at matt_bartle@senate.mo.gov or by phone at (888) 711-9278. My web address is http://www.senate.mo.gov/bartle.