



Gibbons Capitol Report
February 1, 2008

Protecting Taxpayers

Bill Closes the Door on Property Tax Increases Caused by Reassessment

This week, we moved one step closer to protecting Missouri taxpayers in future reassessment years from back door tax increases under the veil of reassessment. I presented a property tax reform measure, Senate Bill 711, to the Senate Ways and Means Committee that will also close tax increase loopholes, require earlier notice and more information, and expand tax relief for low-income seniors and the disabled.

Mandating Rollbacks

The bill mandates that all taxing jurisdictions, regardless of whether they are operating at or below their tax rate ceiling, must roll back their tax rate to counter reassessment increases. Currently, only taxing jurisdictions operating at their tax rate ceiling are required by Missouri's Constitution to roll back to protect taxpayers, leaving taxing jurisdictions operating below their ceiling to approve back door tax increases with no legal recourse. Morally, I believe they should roll back and this mandate makes them. Sarah Haenni, an advocate with [St. Louis County Residents for Tax Relief Now](#) said this step puts teeth back into the Hancock Amendment.

No More Double Whammies

The bill also closes a loophole that has allowed taxing districts to apply new voter approved levies to future and unknown assessments. The Attorney General's office issued an [opinion](#) in 2003(107-2003) stating that taxing jurisdictions can take a tax increase approved by the voters, for example in 2006, and then apply that new tax rate to the higher reassessed value in 2007. When taxing jurisdictions do this, it's a double whammy on taxpayers. Voters approve a tax increase based on what they know at the time of the vote, not their future, unknown assessed valuation. The bill reverses this harmful Attorney General's opinion and prevents this questionable practice from happening in the future.

Upfront Estimates and More Assistance

SB 711 also requires that taxpayers receive their projected tax liability along with their reassessment notices. Now, taxpayers only receive a reassessment impact notice. We say that the county needs to include one more sheet of paper that estimates how much you'll owe in taxes based on your new reassessment. That means you'll have an idea of how much your taxes are way before you get your bill in the mail in late November. It also

increases The Senior Citizen Property Tax credit award from \$750 to \$1100. The program started in the 1970's and the award has not kept pace with the income eligibility level increases.

We want to protect all taxpayers from being taxed out of their homes. Sarah told the committee that this is something that affects everyone. She's right. She was also right when she asked for reform NOW. We must pass these reforms this year to bring real and immediate relief to taxpayers, and protect us from tax increases caused by reassessment.