



Homestead Preservation Tax Credit Application Deadline Draws Near

State Program Provides Property Tax Relief for Senior Citizens & the Disabled

JEFFERSON CITY — The deadline is fast approaching for qualified senior citizens and disabled people to apply for the Homestead Preservation Credit (HPC) that could reduce how much they pay in property taxes on their homes. Eligible homeowners have until Oct. 15 to submit applications to the Missouri Department of Revenue.

The Homestead Preservation Credit Program provides a real estate property tax credit for homeowners who are 100 percent disabled or who are age 65 or older (as of Jan. 1, 2009) and meet certain income and other requirements. Those who successfully apply will receive a tax credit that equals the amount that their property tax bill increased after excluding the first 2.5 percent in growth. In 2008, there were 11,077 successful applicants who received \$2.4 million in property tax credits, for an average credit of \$222. The program requires funding from the Legislature and the credit is not guaranteed. If it is not fully funded, eligible applicants' credits will be prorated.

In addition to the requirements already mentioned, successful applicants must also:

- Own and live in the property for which they are claiming the credit;
- Have a 2008 federal adjusted gross income of \$77,254 or less; and
- Submit copies of their paid real estate property tax receipts for 2006, 2007 and 2008.

Successful applicants **do not** receive a refund check from the state or a local government. Instead, the program creates a credit on the applicant's property tax bill in the following year. For example, if a person files an HPC application in 2009, the credit will be applied to his or her 2010 property tax bill.

For married couples applying for the credit, at least one of the spouses must be 65 or older and the other spouse must be at least 60 or older. Properties owned by two or more **unmarried** people are also eligible if all of the owners meet the eligibility requirements and if their combined income does not exceed \$77,254. The program also includes property held in trust.

In addition, if a property was improved to accommodate a disabled person, the property qualifies even if the improvements are valued at more than 5 percent of the homestead's value. Normally, home improvements made during the year that total more than 5 percent of the property's appraised value disqualify the property's owners from being eligible for the HPC.

Those who are interested in obtaining the tax credit must apply by mail to the Missouri Department of Revenue. Application forms can be obtained on the department's website at <http://dor.mo.gov/tax/misc/forms/hpcf.pdf> or from a tax professional. Forms can also be requested by calling (800) 877-6881.

To obtain answers to questions about the program, send an email to homestead@dor.mo.gov; consult the department's web site at <http://dor.mo.gov/tax/personal/homestead/>; or call (573) 751-3505.

People who already received the Property Tax Credit ("Circuit Breaker") for 2008 can't apply for the 2009 HPC. To see which program is most beneficial for this year and the future, go to the eligibility charts for the two programs at <http://dor.mo.gov>.

As always, if you have any 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 phone at (866) 271-2844.

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