

SECOND REGULAR SESSION

SENATE BILL NO. 675

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CROWELL.

Read 1st time January 17, 2012, and ordered printed.

TERRY L. SPIELER, Secretary.

4647S.011

AN ACT

To repeal sections 135.010, 135.015, 135.020, 135.025, and 135.030, RSMo, relating to the Missouri property tax credit.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 135.010, 135.015, 135.020, 135.025, and 135.030, RSMo, are repealed, to read as follows:

[135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

(1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If the persons are eligible to file a joint federal income tax return and reside at the same address at any time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri income tax return or a combined claim return reporting their combined incomes and property taxes. A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the armed forces of the United States or this state who became one hundred percent disabled as a result of such service, or the claimant or spouse is disabled as defined in subdivision (2) of this section, and such claimant or spouse provides proof of such disability in such form and manner, and at such times, as the director of revenue may require, or if the claimant has reached the age of sixty on or

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 before the last day of the calendar year and such claimant received
21 surviving spouse Social Security benefits during the calendar year
22 and the claimant provides proof, as required by the director of
23 revenue, that the claimant received surviving spouse Social
24 Security benefits during the calendar year for which the credit will
25 be claimed. A claimant shall not be allowed a property tax credit
26 if the claimant filed a valid claim for a credit under section 137.106
27 in the year following the year for which the property tax credit is
28 claimed. The residency requirement shall be deemed to have been
29 fulfilled for the purpose of determining the eligibility of a surviving
30 spouse for a property tax credit if a person of the age of sixty-five
31 years or older who would have otherwise met the requirements for
32 a property tax credit dies before the last day of the calendar
33 year. The residency requirement shall also be deemed to have been
34 fulfilled for the purpose of determining the eligibility of a claimant
35 who would have otherwise met the requirements for a property tax
36 credit but who dies before the last day of the calendar year;

37 (2) "Disabled", the inability to engage in any substantial
38 gainful activity by reason of any medically determinable physical
39 or mental impairment which can be expected to result in death or
40 which has lasted or can be expected to last for a continuous period
41 of not less than twelve months. A claimant shall not be required
42 to be gainfully employed prior to such disability to qualify for a
43 property tax credit;

44 (3) "Gross rent", amount paid by a claimant to a landlord
45 for the rental, at arm's length, of a homestead during the calendar
46 year, exclusive of charges for health and personal care services and
47 food furnished as part of the rental agreement, whether or not
48 expressly set out in the rental agreement. If the director of
49 revenue determines that the landlord and tenant have not dealt at
50 arm's length, and that the gross rent is excessive, then he shall
51 determine the gross rent based upon a reasonable amount of
52 rent. Gross rent shall be deemed to be paid only if actually paid
53 prior to the date a return is filed. The director of revenue may
54 prescribe regulations requiring a return of information by a
55 landlord receiving rent, certifying for a calendar year the amount

56 of gross rent received from a tenant claiming a property tax credit
57 and shall, by regulation, provide a method for certification by the
58 claimant of the amount of gross rent paid for any calendar year for
59 which a claim is made. The regulations authorized by this
60 subdivision may require a landlord or a tenant or both to provide
61 data relating to health and personal care services and to
62 food. Neither a landlord nor a tenant may be required to provide
63 data relating to utilities, furniture, home furnishings or appliances;

64 (4) "Homestead", the dwelling in Missouri owned or rented
65 by the claimant and not to exceed five acres of land surrounding it
66 as is reasonably necessary for use of the dwelling as a home. It
67 may consist of part of a multidwelling or multipurpose building and
68 part of the land upon which it is built. "Owned" includes a vendee
69 in possession under a land contract and one or more tenants by the
70 entireties, joint tenants, or tenants in common and includes a
71 claimant actually in possession if he was the immediate former
72 owner of record, if a lineal descendant is presently the owner of
73 record, and if the claimant actually pays all taxes upon the
74 property. It may include a mobile home;

75 (5) "Income", Missouri adjusted gross income as defined in
76 section 143.121 less two thousand dollars, or in the case of a
77 homestead owned and occupied, for the entire year, by the
78 claimant, less four thousand dollars as an exemption for the
79 claimant's spouse residing at the same address, and increased,
80 where necessary, to reflect the following:

81 (a) Social Security, railroad retirement, and veterans
82 payments and benefits unless the claimant is a one hundred
83 percent service-connected, disabled veteran or a spouse of a one
84 hundred percent service-connected, disabled veteran. The one
85 hundred percent service-connected disabled veteran shall not be
86 required to list veterans payments and benefits;

87 (b) The total amount of all other public and private
88 pensions and annuities;

89 (c) Public relief, public assistance, and unemployment
90 benefits received in cash, other than benefits received under this
91 chapter;

92 (d) No deduction being allowed for losses not incurred in a
93 trade or business;

94 (e) Interest on the obligations of the United States, any
95 state, or any of their subdivisions and instrumentalities;

96 (6) "Property taxes accrued", property taxes paid, exclusive
97 of special assessments, penalties, interest, and charges for service
98 levied on a claimant's homestead in any calendar year. Property
99 taxes shall qualify for the credit only if actually paid prior to the
100 date a return is filed. The director of revenue shall require a tax
101 receipt or other proof of property tax payment. If a homestead is
102 owned only partially by claimant, then "property taxes accrued" is
103 that part of property taxes levied on the homestead which was
104 actually paid by the claimant. For purposes of this subdivision,
105 property taxes are "levied" when the tax roll is delivered to the
106 director of revenue for collection. If a claimant owns a homestead
107 part of the preceding calendar year and rents it or a different
108 homestead for part of the same year, "property taxes accrued"
109 means only taxes levied on the homestead both owned and occupied
110 by the claimant, multiplied by the percentage of twelve months
111 that such property was owned and occupied as the homestead of
112 the claimant during the year. When a claimant owns and occupies
113 two or more different homesteads in the same calendar year,
114 property taxes accrued shall be the sum of taxes allocable to those
115 several properties occupied by the claimant as a homestead for the
116 year. If a homestead is an integral part of a larger unit such as a
117 farm, or multipurpose or multidwelling building, property taxes
118 accrued shall be that percentage of the total property taxes accrued
119 as the value of the homestead is of the total value. For purposes
120 of this subdivision "unit" refers to the parcel of property covered by
121 a single tax statement of which the homestead is a part;

122 (7) "Rent constituting property taxes accrued", twenty
123 percent of the gross rent paid by a claimant and spouse in the
124 calendar year.]

[135.015. Procedural matters related to filing a claim under
2 sections 135.010 to 135.030, including refunds, deficiencies,
3 interest, contents of returns, limitations, and penalties shall be

4 determined pursuant to sections 143.481 to 143.996 applicable to
5 the income tax. The credit regarding the property taxes of a
6 calendar year may only be claimed on a return for the calendar
7 year or for a claimant's return for a fiscal year that includes the
8 end of the calendar year.]

[135.020. A credit for property taxes shall be allowed for
2 the amount provided in section 135.030. If the amount allowable
3 as a credit exceeds the income tax reduced by other credits, then
4 the excess shall be considered an overpayment of the income tax.]

[135.025. The property taxes accrued and rent constituting
2 property taxes accrued on each return shall be totaled. This total,
3 up to seven hundred fifty dollars in rent constituting property
4 taxes actually paid or eleven hundred dollars in actual property tax
5 paid, shall be used in determining the property tax credit. The
6 director of revenue shall prescribe regulations providing for
7 allocations where part of a claimant's homestead is rented to
8 another or used for nondwelling purposes or where a homestead is
9 owned or rented or used as a dwelling for part of a year.]

[135.030. 1. As used in this section:

2 (1) The term "maximum upper limit" shall, for each
3 calendar year after December 31, 1997, but before calendar year
4 2008, be the sum of twenty-five thousand dollars. For all calendar
5 years beginning on or after January 1, 2008, the maximum upper
6 limit shall be the sum of twenty-seven thousand five hundred
7 dollars. In the case of a homestead owned and occupied for the
8 entire year by the claimant, the maximum upper limit shall be the
9 sum of thirty thousand dollars;

10 (2) The term "minimum base" shall, for each calendar year
11 after December 31, 1997, but before calendar year 2008, be the sum
12 of thirteen thousand dollars. For all calendar years beginning on
13 or after January 1, 2008, the minimum base shall be the sum of
14 fourteen thousand three hundred dollars.

15 2. If the income on a return is equal to or less than the
16 maximum upper limit for the calendar year for which the return is
17 filed, the property tax credit shall be determined from a table of
18 credits based upon the amount by which the total property tax

19 described in section 135.025 exceeds the percent of income in the
 20 following list:

21 If the income on the return is:	The percent is:
22 Not over the minimum base	0 percent with credit 23 not to exceed \$1,100 24 in actual property tax 25 or rent equivalent paid 26 up to \$750
27 Over the minimum base but 28 not over the maximum 29 upper limit	1/16 percent accumulative per \$300 from 0 percent to 4 percent.

30 The director of revenue shall prescribe a table based upon the
 31 preceding sentences. The property tax shall be in increments of
 32 twenty-five dollars and the income in increments of three hundred
 33 dollars. The credit shall be the amount rounded to the nearest
 34 whole dollar computed on the basis of the property tax and income
 35 at the midpoints of each increment. As used in this subsection, the
 36 term "accumulative" means an increase by continuous or repeated
 37 application of the percent to the income increment at each three
 38 hundred dollar level.

39 3. Notwithstanding subsection 4 of section 32.057, the
 40 department of revenue or any duly authorized employee or agent
 41 shall determine whether any taxpayer filing a report or return with
 42 the department of revenue who has not applied for the credit
 43 allowed pursuant to section 135.020 may qualify for the credit, and
 44 shall notify any qualified claimant of the claimant's potential
 45 eligibility, where the department determines such potential
 46 eligibility exists.]

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