

FIRST REGULAR SESSION

# SENATE BILL NO. 179

97TH GENERAL ASSEMBLY

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INTRODUCED BY SENATORS PARSON, McKENNA AND RICHARD.

Read 1st time January 22, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

0868L.01I

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## AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to a tax deduction for job creation for new home purchasers.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new  
2 section, to be known as section 143.145, to read as follows:

**143.145. 1. As used in this section, the following terms mean:**

2       **(1) "Deduction", an amount subtracted from the taxpayer's**  
3 **Missouri adjusted gross income to determine Missouri taxable income**  
4 **for the tax year in which the deduction is claimed;**

5       **(2) "Purchase", any conveyance to a taxpayer of fee simple**  
6 **ownership interest in a qualified principal residence made by deed**  
7 **executed by any person or such person's agent or attorney having**  
8 **authority to convey the qualified principal and acknowledged and**  
9 **recorded under chapter 442 after August 28, 2013, but before January**  
10 **1, 2016;**

11       **(3) "Purchase price", the total price paid by a taxpayer for the**  
12 **purchase of a qualified principal residence;**

13       **(4) "Qualified principal residence", any single-family residence**  
14 **located in the state of Missouri, whether detached or attached, that is**  
15 **owner occupied or will be owner occupied after purchase by the**  
16 **taxpayer claiming the deduction allowed by this section as the**  
17 **taxpayer's primary residence, for which construction began and has**  
18 **been completed between August 28, 2013, and December 31, 2015, and**  
19 **that has not been previously occupied;**

20       **(5) "Recapture period", the two taxable years beginning with the**  
21 **first taxable year following the taxable year in which the taxpayer**

22 occupied the qualified principal residence for which a deduction is  
23 allowed under this section, except that such recapture period shall be  
24 deemed to have expired immediately upon the date of the death of any  
25 person deemed a taxpayer under this section;

26 (6) "Taxpayer", any individual subject to the income tax imposed  
27 in this chapter who purchases a fee simple ownership interest in a  
28 qualified principal residence during a taxable year and has not  
29 previously received a deduction issued under this section in any  
30 taxable year.

31 2. In addition to all deductions listed in this chapter, for all  
32 taxable years beginning on or after January 1, 2013, but ending on or  
33 before December 31, 2015, a taxpayer shall be allowed a deduction for  
34 the purchase of a qualified principal residence. The deduction amount  
35 shall be equal to the lesser of:

36 (1) One-third of the purchase price of the qualified principal  
37 residence; or

38 (2) One hundred sixty-six thousand six hundred sixty-seven  
39 dollars.

40 3. No taxpayer shall claim a tax deduction more than once under  
41 this section.

42 4. If the amount of the deduction allowed under this section  
43 exceeds the total Missouri adjusted gross income for the taxpayer in  
44 the same tax year in which the deduction is allowed without taking into  
45 account the deduction allowed by this section, the amount that exceeds  
46 the total Missouri adjusted gross income for the taxpayer without  
47 taking into account the deduction allowed by this section may be  
48 carried forward to any subsequent tax year until the full deduction is  
49 claimed.

50 5. If a taxpayer disposes of the taxpayer's qualified principal  
51 residence for which a deduction was allowed under this section or such  
52 qualified principal residence ceases to be the principal residence of the  
53 taxpayer, and if married the taxpayer's spouse, before the end of the  
54 recapture period, then any remaining unused deduction shall be  
55 cancelled and the taxpayer shall be subject to an addition to the  
56 taxpayer's Missouri adjusted gross income of any amount deducted  
57 under this section in any preceding tax year. The provisions of this  
58 subsection shall not apply in the case of a transfer of a qualified

59 principal residence from an individual taxpayer to a spouse, or to a  
60 former spouse if the transfer is incident to a divorce, or from an  
61 individual taxpayer to a grantor-trust or a single-member limited  
62 liability company owned by the taxpayer.

63       6. The department of revenue shall establish the procedure by  
64 which the deduction provided in this section may be claimed and may  
65 promulgate rules to implement the provisions of this section. Any rule  
66 or portion of a rule, as that term is defined in section 536.010, that is  
67 created under the authority delegated in this section shall become  
68 effective only if it complies with and is subject to all of the provisions  
69 of chapter 536 and, if applicable, section 536.028. This section and  
70 chapter 536 are nonseverable, and if any of the powers vested with the  
71 general assembly pursuant to chapter 536 to review, to delay the  
72 effective date, or to disapprove and annul a rule are subsequently held  
73 unconstitutional, then the grant of rulemaking authority and any rule  
74 proposed or adopted after August 28, 2013, shall be invalid and void.

75       7. Under section 23.253 of the Missouri sunset act:

76       (1) The provisions of the new program authorized under this  
77 section shall automatically sunset December 31, 2015, unless  
78 reauthorized by an act of the general assembly; and

79       (2) If such program is reauthorized, the program authorized  
80 under this section shall automatically sunset December thirty-first one  
81 year after the effective date of the reauthorization of this section; and

82       (3) This section shall terminate on December thirty-first of the  
83 calendar year immediately following the calendar year in which the  
84 program authorized under this section is sunset. The termination of  
85 the program as described in this subsection shall not be construed to  
86 preclude any taxpayer who claims any benefit under any program that  
87 is sunset under this subsection from claiming such benefit for all  
88 allowable activities related to such claim that were completed before  
89 the program was sunset, or to eliminate any responsibility of the  
90 administering agency to verify the continued eligibility of projects  
91 receiving tax credits and to enforce other requirements of law that  
92 applied before the program was sunset.