

SECOND REGULAR SESSION

# SENATE BILL NO. 541

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MUNZLINGER.

Pre-filed December 1, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

4144S.011

## AN ACT

To repeal sections 135.010 and 135.035, RSMo, and to enact in lieu thereof two new sections relating to a property tax credit.

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

Section A. Sections 135.010 and 135.035, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 135.010 and 135.035, to  
3 read as follows:

135.010. As used in sections 135.010 to [135.030] **135.035** the following  
2 words and terms mean:

3 (1) "Claimant", a person or persons claiming a credit under sections  
4 135.010 to [135.030] **135.035**. If the persons are eligible to file a joint federal  
5 income tax return and reside at the same address at any time during the taxable  
6 year, then the credit may only be allowed if claimed on a combined Missouri  
7 income tax return or a combined claim return reporting their combined incomes  
8 and property taxes. A claimant shall not be allowed a property tax credit unless  
9 the claimant or spouse has attained the age of sixty-five on or before the last day  
10 of the calendar year and the claimant or spouse was a resident of Missouri for the  
11 entire year, or the claimant or spouse is a veteran of any branch of the Armed  
12 Forces of the United States or this state who became one hundred percent  
13 disabled as a result of such service, or the claimant or spouse is disabled as  
14 defined in subdivision (2) of this section, and such claimant or spouse provides  
15 proof of such disability in such form and manner, and at such times, as the  
16 director of revenue may require, or if the claimant has reached the age of sixty  
17 on or before the last day of the calendar year and such claimant received  
18 surviving spouse Social Security benefits during the calendar year and the

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

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

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

38 (3) "Gross rent", amount paid by a claimant to a landlord for the rental,  
39 at arm's length, of a homestead during the calendar year, exclusive of charges for  
40 health and personal care services and food furnished as part of the rental  
41 agreement, whether or not expressly set out in the rental agreement. If the  
42 director of revenue determines that the landlord and tenant have not dealt at  
43 arm's length, and that the gross rent is excessive, then he shall determine the  
44 gross rent based upon a reasonable amount of rent. Gross rent shall be deemed  
45 to be paid only if actually paid prior to the date a return is filed. The director of  
46 revenue may prescribe regulations requiring a return of information by a landlord  
47 receiving rent, certifying for a calendar year the amount of gross rent received  
48 from a tenant claiming a property tax credit and shall, by regulation, provide a  
49 method for certification by the claimant of the amount of gross rent paid for any  
50 calendar year for which a claim is made. The regulations authorized by this  
51 subdivision may require a landlord or a tenant or both to provide data relating  
52 to health and personal care services and to food. Neither a landlord nor a tenant  
53 may be required to provide data relating to utilities, furniture, home furnishings  
54 or appliances;

55 (4) "Homestead", the dwelling in Missouri owned or rented by the  
56 claimant and not to exceed five acres of land surrounding it as is reasonably  
57 necessary for use of the dwelling as a home. It may consist of part of a  
58 multidwelling or multipurpose building and part of the land upon which it is  
59 built. "Owned" includes a vendee in possession under a land contract and one or  
60 more tenants by the entireties, joint tenants, or tenants in common and includes  
61 a claimant actually in possession if he was the immediate former owner of record,  
62 if a lineal descendant is presently the owner of record, and if the claimant  
63 actually pays all taxes upon the property. It may include a mobile home;

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

69 (a) Social Security, railroad retirement, and veterans payments and  
70 benefits unless the claimant is a one hundred percent service-connected, disabled  
71 veteran or a spouse of a one hundred percent service-connected, disabled  
72 veteran. The one hundred percent service-connected disabled veteran shall not  
73 be required to list veterans payments and benefits;

74 (b) The total amount of all other public and private pensions and  
75 annuities;

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

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

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

82 (6) "Property taxes accrued", property taxes paid, exclusive of special  
83 assessments, penalties, interest, and charges for service levied on a claimant's  
84 homestead in any calendar year. Property taxes shall qualify for the credit only  
85 if actually paid prior to the date a return is filed. The director of revenue shall  
86 require a tax receipt or other proof of property tax payment. If a homestead is  
87 owned only partially by claimant, then "property taxes accrued" is that part of  
88 property taxes levied on the homestead which was actually paid by the  
89 claimant. For purposes of this subdivision, property taxes are "levied" when the  
90 tax roll is delivered to the director of revenue for collection. If a claimant owns

91 a homestead part of the preceding calendar year and rents it or a different  
92 homestead for part of the same year, "property taxes accrued" means only taxes  
93 levied on the homestead both owned and occupied by the claimant, multiplied by  
94 the percentage of twelve months that such property was owned and occupied as  
95 the homestead of the claimant during the year. When a claimant owns and  
96 occupies two or more different homesteads in the same calendar year, property  
97 taxes accrued shall be the sum of taxes allocable to those several properties  
98 occupied by the claimant as a homestead for the year. If a homestead is an  
99 integral part of a larger unit such as a farm, or multipurpose or multidwelling  
100 building, property taxes accrued shall be that percentage of the total property  
101 taxes accrued as the value of the homestead is of the total value. For purposes  
102 of this subdivision "unit" refers to the parcel of property covered by a single tax  
103 statement of which the homestead is a part;

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

135.035. 1. Sections 135.010, 135.015, 135.025, and 135.030 shall be  
2 effective with respect to claims filed for the calendar year 1975 and thereafter.

3 **2. Any person who has first become eligible to be a claimant on**  
4 **or after January 1, 2014, shall be ineligible for the property tax credit**  
5 **authorized under sections 135.010 to 135.035 based on rent constituting**  
6 **property taxes accrued.**

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