

FIRST REGULAR SESSION

# SENATE BILL NO. 390

98TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR CURLS.

Read 1st time February 3, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1302S.02I

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## AN ACT

To amend chapter 99, RSMo, by adding thereto one new section relating to a tax credit for purchase of blighted homes.

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

Section A. Chapter 99, RSMo, is amended by adding thereto one new  
2 section, to be known as section 99.720, to read as follows:

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

2 (1) "Authority", a public body corporate and politic created by or  
3 pursuant to section 99.330 or any other public body exercising the  
4 powers, rights, and duties of such an authority;

5 (2) "First-time home buyer", an individual with no present  
6 ownership interest in a principal residence during the three year  
7 period ending on the date of the purchase of the principal residence in  
8 which the individual is seeking a tax credit under this section;

9 (3) "Purchase", any acquisition of property except for  
10 acquisitions from a person related to the person acquiring the property  
11 or related to the spouse of the person acquiring the property. A person  
12 shall be considered related only if they are within the first or second  
13 degree of consanguinity or if the relationship between such persons  
14 would result in the disallowance of losses under section 267 of the  
15 Internal Revenue Code of 1986, as amended.

16 2. Any person meeting the requirements of subsection 3 of this  
17 section and purchasing property meeting the requirements of  
18 subsection 4 of this section shall be eligible for a credit against the tax  
19 imposed under chapter 143, excluding withholding tax imposed by  
20 sections 143.191 to 143.265, in an amount equal to five thousand dollars.

21 3. To be eligible for the tax credit provided for in this section, an

22 applicant shall meet the following requirements:

23 (1) Be a first-time home buyer of the property subject to the tax  
24 credit;

25 (2) Enter into an agreement with the authority requiring the  
26 applicant and any subsequent owner, except any lender with a security  
27 interest, to use the purchased property as a single family, principal  
28 residence of the owner for a period of at least two years following  
29 rehabilitation of the property, unless the authority finds such  
30 requirement to be a hardship for the owner-occupant;

31 (3) Purchase the property within one year prior to the  
32 application date or produce a contract for the purchase of the property  
33 requiring acquisition not more than six months following the  
34 application date; and

35 (4) Have an income at the time of acquisition at or below the  
36 income levels described in subdivision (2) of section 32.105.

37 4. To be eligible for the tax credit authorized under this section,  
38 a property shall meet the following requirements:

39 (1) Be eligible for a tax abatement certificate under section  
40 99.700 and have had an application for the same submitted to the  
41 authority;

42 (2) Been vacant for at least six months prior to the purchase by  
43 the applicant;

44 (3) Be blighted in part due to the governing body, or its  
45 subordinate department, of the municipality containing the property  
46 having:

47 (a) Determined that because of its deteriorated physical  
48 condition the property is a dangerous building and thereby  
49 uninhabitable; or

50 (b) Issued and there remains outstanding property maintenance  
51 code violations; and

52 (4) Be likely to meet the definition of an affordable housing unit  
53 as defined in section 32.105 for the two year period described in  
54 subdivision (2) of subsection 3 of this section.

55 5. The authority may prescribe rules for applications to receive  
56 the tax credit authorized by this section. The authority may require  
57 applicants to provide evidence, in a form acceptable to the authority,  
58 that the requirements of this section have been met. The authority,

59 upon finding that a taxpayer and the property are eligible for the tax  
60 credit authorized by this section, shall issue a certificate to the  
61 taxpayer evidencing the issuance of the credit. If the authority finds  
62 the agreement described in subdivision (2) of subsection 3 of this  
63 section has been breached by the taxpayer, the authority shall notify  
64 the department of revenue which may in its discretion within four  
65 years following issuance by the authority of the certificate evidencing  
66 the tax credit seek recapture from the taxpayer of all or a portion of  
67 the tax credit.

68       6. The tax credit authorized by this section shall not be  
69 refundable. Any amount of credit that exceeds the tax due for a  
70 taxpayer's taxable year may be carried back to any of the taxpayer's  
71 three prior taxable years or carried forward to any of the taxpayer's  
72 five subsequent taxable years. The tax credit shall not be  
73 assignable. The taxpayer shall submit, at the time of filing the  
74 taxpayer's return, a certificate issued by the authority. In the case of  
75 failure to attach the certificate, no credit under this section shall be  
76 allowed for that year until the certificate is provided to the department  
77 of revenue.

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