

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 567

AN ACT

To repeal sections 135.010, 135.025, 135.030, and 208.1050, RSMo, and to enact in lieu thereof six new sections relating to funds for certain vulnerable populations, with an emergency clause.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Sections 135.010, 135.025, 135.030, and
2 208.1050, RSMo, are repealed and six new sections enacted in lieu
3 thereof, to be known as sections 135.010, 135.025, 135.030,
4 208.1050, 1, and 2, to read as follows:

5 135.010. As used in sections 135.010 to 135.030 the
6 following words and terms mean:

7 (1) "Claimant"[,]:

8 (a) A person or persons claiming a credit under sections
9 135.010 to 135.030. If the persons are eligible to file a joint
10 federal income tax return and reside at the same address at any
11 time during the taxable year, then the credit may only be allowed
12 if claimed on a combined Missouri income tax return or a combined
13 claim return reporting their combined incomes and property taxes.
14 A claimant shall not be allowed a property tax credit unless the
15 claimant or spouse:

16 a. Has attained the age of sixty-five on or before the last

1 day of the calendar year and the claimant or spouse was a
2 resident of Missouri for the entire year[, or the claimant or
3 spouse];

4 b. Is a veteran of any branch of the Armed Forces of the
5 United States or this state who became one hundred percent
6 disabled as a result of such service[, or the claimant or
7 spouse];

8 c. Is disabled as defined in subdivision (2) of this
9 section, and such claimant or spouse provides proof of such
10 disability in such form and manner, and at such times, as the
11 director of revenue may require[, or if the claimant]; or

12 d. Has reached the age of sixty on or before the last day
13 of the calendar year and such claimant received surviving spouse
14 Social Security benefits during the calendar year and the
15 claimant provides proof, as required by the director of revenue,
16 that the claimant received surviving spouse Social Security
17 benefits during the calendar year for which the credit will be
18 claimed.

19
20 A claimant shall not be allowed a property tax credit if the
21 claimant filed a valid claim for a credit under section 137.106
22 in the year following the year for which the property tax credit
23 is claimed. The residency requirement shall be deemed to have
24 been fulfilled for the purpose of determining the eligibility of
25 a surviving spouse for a property tax credit if a person of the
26 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
28 of the calendar year. The residency requirement shall also be

1 deemed to have been fulfilled for the purpose of determining the
2 eligibility of a claimant who would have otherwise met the
3 requirements for a property tax credit but who dies before the
4 last day of the calendar year;

5 (b) The provisions of paragraph (a) of this subdivision
6 notwithstanding, a taxpayer shall not be a claimant eligible for
7 a tax credit under sections 135.010 to 135.030 if the taxpayer:

8 a. Receives federal or state rental assistance, including
9 but not limited to assistance through 12 U.S.C. Section 1701q, 42
10 U.S.C. Section 8013, 42 U.S.C. Section 1437f, or any other rental
11 assistance program in which all or a portion of the rent is paid
12 for using federal or state funds; or

13 b. Lives in a skilled nursing facility, as defined in
14 section 198.006;

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

22 (3) "Gross rent", amount paid by a claimant to a landlord
23 for the rental, at arm's length, of a homestead during the
24 calendar year, exclusive of charges for health and personal care
25 services and food furnished as part of the rental agreement,
26 whether or not expressly set out in the rental agreement. If the
27 director of revenue determines that the landlord and tenant have
28 not dealt at arm's length, and that the gross rent is excessive,

1 then he shall determine the gross rent based upon a reasonable
2 amount of rent. Gross rent shall be deemed to be paid only if
3 actually paid prior to the date a return is filed. The director
4 of revenue may prescribe regulations requiring a return of
5 information by a landlord receiving rent, certifying for a
6 calendar year the amount of gross rent received from a tenant
7 claiming a property tax credit and shall, by regulation, provide
8 a method for certification by the claimant of the amount of gross
9 rent paid for any calendar year for which a claim is made. The
10 regulations authorized by this subdivision may require a landlord
11 or a tenant or both to provide data relating to health and
12 personal care services and to food. Neither a landlord nor a
13 tenant may be required to provide data relating to utilities,
14 furniture, home furnishings or appliances;

15 (4) "Homestead", the dwelling in Missouri owned or rented
16 by the claimant and not to exceed five acres of land surrounding
17 it as is reasonably necessary for use of the dwelling as a home.
18 It may consist of part of a multidwelling or multipurpose
19 building and part of the land upon which it is built. "Owned"
20 includes a vendee in possession under a land contract and one or
21 more tenants by the entireties, joint tenants, or tenants in
22 common and includes a claimant actually in possession if he was
23 the immediate former owner of record, if a lineal descendant is
24 presently the owner of record, and if the claimant actually pays
25 all taxes upon the property. It may include a mobile home;

26 (5) "Income", Missouri adjusted gross income as defined in
27 section 143.121 less two thousand dollars, or in the case of a
28 homestead owned and occupied, for the entire year, by the

1 claimant, less four thousand dollars as an exemption for the
2 claimant's spouse residing at the same address, and increased,
3 where necessary, to reflect the following:

4 (a) Social Security, railroad retirement, and veterans
5 payments and benefits unless the claimant is a one hundred
6 percent service-connected, disabled veteran or a spouse of a one
7 hundred percent service-connected, disabled veteran. The one
8 hundred percent service-connected disabled veteran shall not be
9 required to list veterans payments and benefits;

10 (b) The total amount of all other public and private
11 pensions and annuities;

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

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

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

19 (6) "Property taxes accrued", property taxes paid,
20 exclusive of special assessments, penalties, interest, and
21 charges for service levied on a claimant's homestead in any
22 calendar year. Property taxes shall qualify for the credit only
23 if actually paid prior to the date a return is filed. The
24 director of revenue shall require a tax receipt or other proof of
25 property tax payment. If a homestead is owned only partially by
26 claimant, then "property taxes accrued" is that part of property
27 taxes levied on the homestead which was actually paid by the
28 claimant. For purposes of this subdivision, property taxes are

1 "levied" when the tax roll is delivered to the director of
2 revenue for collection. If a claimant owns a homestead part of
3 the preceding calendar year and rents it or a different homestead
4 for part of the same year, "property taxes accrued" means only
5 taxes levied on the homestead both owned and occupied by the
6 claimant, multiplied by the percentage of twelve months that such
7 property was owned and occupied as the homestead of the claimant
8 during the year. When a claimant owns and occupies two or more
9 different homesteads in the same calendar year, property taxes
10 accrued shall be the sum of taxes allocable to those several
11 properties occupied by the claimant as a homestead for the year.
12 If a homestead is an integral part of a larger unit such as a
13 farm, or multipurpose or multidwelling building, property taxes
14 accrued shall be that percentage of the total property taxes
15 accrued as the value of the homestead is of the total value. For
16 purposes of this subdivision "unit" refers to the parcel of
17 property covered by a single tax statement of which the homestead
18 is a part;

19 (7) "Rent constituting property taxes accrued", twenty
20 percent of the gross rent paid by a claimant and spouse in the
21 calendar year. For all tax years beginning on or after January
22 1, 2018, for claimants applying for a credit under subparagraph
23 a. of paragraph (a) of subdivision (1) of this section, "rent
24 constituting property taxes accrued" shall mean eight percent of
25 the gross rent paid by a claimant and spouse in the calendar
26 year, provided that such reduction shall not apply to claimants
27 applying for a credit under subparagraphs b., c., or d. of
28 paragraph (a) of subdivision (1) of this section.

1 135.025. The property taxes accrued and rent constituting
2 property taxes accrued on each return shall be totaled. This
3 total, up to seven hundred fifty dollars in rent constituting
4 property taxes actually paid or eleven hundred dollars in actual
5 property tax paid, shall be used in determining the property tax
6 credit. For all tax years beginning on or after January 1, 2018,
7 for claimants applying for a credit under subparagraph a. of
8 paragraph (a) of subdivision (1) of section 135.010, the maximum
9 amounts to be used in determining the property tax credit shall
10 be four hundred fifty dollars for rent constituting property
11 taxes actually paid or seven hundred fifty dollars in actual
12 property tax paid, provided that such reductions shall not apply
13 to claimants applying for a credit under subparagraphs b., c., or
14 d. of paragraph (a) of subdivision (1) of section 135.010. The
15 director of revenue shall prescribe regulations providing for
16 allocations where part of a claimant's homestead is rented to
17 another or used for nondwelling purposes or where a homestead is
18 owned or rented or used as a dwelling for part of a year.

19 135.030. 1. As used in this section:

20 (1) The term "maximum upper limit" shall, for each calendar
21 year after December 31, 1997, but before calendar year 2008, be
22 the sum of twenty-five thousand dollars. For all calendar years
23 beginning on or after January 1, 2008, the maximum upper limit
24 shall be the sum of twenty-seven thousand five hundred dollars.
25 In the case of a homestead owned and occupied for the entire year
26 by the claimant, the maximum upper limit shall be the sum of
27 thirty thousand dollars. For all tax years beginning on or after
28 January 1, 2018, for claimants applying for a credit under

1 subparagraph a. of paragraph (a) of subdivision (1) of section
2 135.010, the maximum upper limit shall be equal to one hundred
3 percent of the federal poverty level, as established and amended
4 by the federal Department of Health and Human Services or its
5 successor agency, provided that such maximum upper limit shall
6 not apply to claimants applying for a credit under subparagraphs
7 b., c., or d. of paragraph (a) of subdivision (1) of section
8 135.010;

9 (2) The term "minimum base" shall, for each calendar year
10 after December 31, 1997, but before calendar year 2008, be the
11 sum of thirteen thousand dollars. For all calendar years
12 beginning on or after January 1, 2008, the minimum base shall be
13 the sum of fourteen thousand three hundred dollars. For all tax
14 years beginning on or after January 1, 2018, for claimants
15 applying for a credit under subparagraph a. of paragraph (a) of
16 subdivision (1) of section 135.010, the minimum base shall be the
17 sum of five thousand dollars, provided that such minimum base
18 shall not apply to claimants applying for a credit under
19 subparagraphs b., c., or d. of paragraph (a) of subdivision (1)
20 of section 135.010.

21 2. (1) If the income on a return is equal to or less than
22 the maximum upper limit for the calendar year for which the
23 return is filed, the property tax credit shall be determined from
24 a table of credits based upon the amount by which the total
25 property tax described in section 135.025 exceeds the percent of
26 income in the following list:

27
28 If the income on the return is: The percent is:

1	Not over the minimum base	0 percent with credit not
2		to exceed \$1,100 in
3		actual property tax or
4		rent equivalent paid up
5		to \$750
6	Over the minimum base but not	
7	over the maximum upper limit	1/16 percent accumulative
8		per \$300 from 0 percent
9		to 4 percent.

(2) For all tax years beginning on or after January 1, 2018, for claimants applying for a credit under subparagraph a. of paragraph (a) of subdivision (1) of section 135.010, if the income on a return is equal to or less than the maximum upper limit for the calendar year for which the return is filed, the property tax credit shall be determined from a table of credits based upon the amount by which the total property tax described in section 135.025 exceeds the percent of income in the following list:

20	<u>If the income on the return is:</u>	<u>The percent is:</u>
21	<u>Not over the minimum base</u>	<u>0 percent with credit not</u>
22		<u>to exceed \$750 in actual</u>
23		<u>property tax or rent</u>
24		<u>equivalent paid up to</u>
25		<u>\$450</u>
26	<u>Over the minimum base but</u>	<u>1/16 percent accumulative</u>
27	<u>not over the maximum upper</u>	<u>per \$300 from 0 percent</u>
28	<u>limit</u>	<u>to 4 percent.</u>

1 The director of revenue shall prescribe [a table] tables based
2 upon [the preceding sentences] subdivisions (1) and (2) of this
3 subsection. The table created under subdivision (2) of this
4 subsection shall not apply to claimants applying for a credit
5 under subparagraphs b., c., or d. of paragraph (a) of subdivision
6 (1) of section 135.010. The property tax shall be in increments
7 of twenty-five dollars and the income in increments of three
8 hundred dollars. The credit shall be the amount rounded to the
9 nearest whole dollar computed on the basis of the property tax
10 and income at the midpoints of each increment. As used in this
11 subsection, the term "accumulative" means an increase by
12 continuous or repeated application of the percent to the income
13 increment at each three hundred dollar level.

14 3. Notwithstanding subsection 4 of section 32.057, the
15 department of revenue or any duly authorized employee or agent
16 shall determine whether any taxpayer filing a report or return
17 with the department of revenue who has not applied for the credit
18 allowed pursuant to section 135.020 may qualify for the credit,
19 and shall notify any qualified claimant of the claimant's
20 potential eligibility, where the department determines such
21 potential eligibility exists.

22 208.1050. 1. There is hereby created in the state treasury
23 the "Missouri Senior Services Protection Fund", which shall
24 consist of money collected under subsection 2 of this section.
25 The state treasurer shall be custodian of the fund. In
26 accordance with sections 30.170 and 30.180, the state treasurer
27 may approve disbursements. The fund shall be a dedicated fund
28 and, upon appropriation, money in the fund shall be used solely

1 for the administration of subsection 2 of this section.

2 Notwithstanding the provisions of section 33.080 to the contrary,
3 any moneys remaining in the fund at the end of the biennium shall
4 not revert to the credit of the general revenue fund. The state
5 treasurer shall invest moneys in the fund in the same manner as
6 other funds are invested. Any interest and moneys earned on such
7 investments shall be credited to the fund.

8 2. [The state treasurer shall deposit from moneys that
9 otherwise would have been deposited into the general revenue fund
10 an amount equal to fifty-five million one hundred thousand
11 dollars into the Missouri senior services protection fund. At
12 least one-quarter of such amount shall be deposited on or before
13 July 15, 2013, an additional one-quarter by October 15, 2013, and
14 an additional one-quarter by January 15, 2014. The remaining
15 amount shall be deposited by March 15, 2014.] The director of
16 the department of revenue shall calculate the amount of tax
17 credits redeemed in calendar year 2016 under sections 135.010 to
18 135.035 as such sections existed prior to January 1, 2018. The
19 director shall subtract from such amount the amount of tax
20 credits which would have been redeemed in calendar year 2016
21 under sections 135.010 to 135.035 as such sections exist as of
22 the effective date of this act. For all fiscal years beginning
23 on or after July 1, 2018, an amount equal to such difference
24 shall annually be deposited in the Missouri senior services
25 protection fund. Notwithstanding any other provision of law to
26 the contrary, by July 1, 2018, the state treasurer shall also
27 perform a one-time transfer into the Missouri senior services
28 protection fund of two million dollars from the nursing facility

1 quality of care fund established under section 198.418, one
2 million five hundred thousand dollars from the healthy families
3 trust fund, one million dollars from the life sciences research
4 trust fund established under section 196.1100, and one million
5 dollars from the department of health and senior services federal
6 and other fund. Moneys in the fund shall be allocated for
7 services for low-income seniors and people with disabilities.

8 Section 1. 1. The amount of funds appropriated by the
9 first regular session of the ninety-ninth general assembly in
10 section 11.470 of conference committee substitute for senate
11 committee substitute for house committee substitute for house
12 bill no. 11 to increase the MO HealthNet fee-for-service
13 reimbursement rate to nursing homes shall be expended by the
14 department of social services by June 30, 2018.

15 2. This section shall expire on July 1, 2018.

16 Section 2. 1. The amount of funds appropriated by the
17 first regular session of the ninety-ninth general assembly in
18 sections 10.806 and 10.810 of conference committee substitute for
19 senate committee substitute for house committee substitute for
20 house bill no. 10 to increase the MO HealthNet fee-for-service
21 reimbursement rate to home and community-based providers shall be
22 expended by the department of health and senior services by June
23 30, 2018.

24 2. This section shall expire on July 1, 2018.

25 Section B. Because of the importance of providing funds for
26 vulnerable populations, section A of this act is deemed necessary
27 for the immediate preservation of the public health, welfare,
28 peace, and safety, and is hereby declared to be an emergency act

1 within the meaning of the constitution, and section A of this act
2 shall be in full force and effect upon its passage and approval.