

FIRST REGULAR SESSION

SENATE BILL NO. 208

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WALLINGFORD.

Pre-filed January 4, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1152S.011

AN ACT

To repeal sections 135.010, 135.025, and 135.030, RSMo, and to enact in lieu thereof three new sections relating to property tax relief for certain vulnerable populations.

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

Section A. Sections 135.010, 135.025, and 135.030, RSMo, are repealed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

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

3 (1) "Claimant"[,]: a person or persons claiming a credit under sections
4 135.010 to 135.030. If the persons are eligible to file a joint federal income tax
5 return and reside at the same address at any time during the taxable year, then
6 the credit may only be allowed if claimed on a combined Missouri income tax
7 return or a combined claim return reporting their combined incomes and property
8 taxes. A claimant shall not be allowed a property tax credit unless the claimant
9 or spouse:

10 (a) Has attained the age of sixty-five on or before the last day of the
11 calendar year and the claimant or spouse was a resident of Missouri for the entire
12 year[, or the claimant or spouse];

13 (b) Is a veteran of any branch of the Armed Forces of the United States
14 or this state who became one hundred percent disabled as a result of such
15 service[, or the claimant or spouse];

16 (c) Is disabled as defined in subdivision (2) of this section, and such
17 claimant or spouse provides proof of such disability in such form and manner, and

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

18 at such times, as the director of revenue may require[.]; or

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

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

40 (3) ["Gross rent", amount paid by a claimant to a landlord for the rental,
41 at arm's length, of a homestead during the calendar year, exclusive of charges for
42 health and personal care services and food furnished as part of the rental
43 agreement, whether or not expressly set out in the rental agreement. If the
44 director of revenue determines that the landlord and tenant have not dealt at
45 arm's length, and that the gross rent is excessive, then he shall determine the
46 gross rent based upon a reasonable amount of rent. Gross rent shall be deemed
47 to be paid only if actually paid prior to the date a return is filed. The director of
48 revenue may prescribe regulations requiring a return of information by a landlord
49 receiving rent, certifying for a calendar year the amount of gross rent received
50 from a tenant claiming a property tax credit and shall, by regulation, provide a
51 method for certification by the claimant of the amount of gross rent paid for any
52 calendar year for which a claim is made. The regulations authorized by this
53 subdivision may require a landlord or a tenant or both to provide data relating

54 to health and personal care services and to food. Neither a landlord nor a tenant
55 may be required to provide data relating to utilities, furniture, home furnishings
56 or appliances;

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

66 [(5)] (4) "Income", Missouri adjusted gross income as defined in section
67 143.121 less two thousand dollars, or in the case of a homestead owned and
68 occupied, for the entire year, by the claimant, less four thousand dollars as an
69 exemption for the claimant's spouse residing at the same address, and increased,
70 where necessary, to reflect the following:

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

76 (b) The total amount of all other public and private pensions and
77 annuities;

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

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

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

84 [(6)] (5) "Property taxes accrued", property taxes paid, exclusive of
85 special assessments, penalties, interest, and charges for service levied on a
86 claimant's homestead in any calendar year. Property taxes shall qualify for the
87 credit only if actually paid prior to the date a return is filed. The director of
88 revenue shall require a tax receipt or other proof of property tax payment. If a
89 homestead is owned only partially by claimant, then "property taxes accrued" is

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

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

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

135.030. 1. As used in this section:

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

9 (2) The term "minimum base" shall, for each calendar year after December
10 31, 1997, but before calendar year 2008, be the sum of thirteen thousand

11 dollars. For all calendar years beginning on or after January 1, 2008, the
12 minimum base shall be the sum of fourteen thousand three hundred dollars.

13 2. If the income on a return is equal to or less than the maximum upper
14 limit for the calendar year for which the return is filed, the property tax credit
15 shall be determined from a table of credits based upon the amount by which the
16 total property tax described in section 135.025 exceeds the percent of income in
17 the following list:

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

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

32 3. Notwithstanding subsection 4 of section 32.057, the department of
33 revenue or any duly authorized employee or agent shall determine whether any
34 taxpayer filing a report or return with the department of revenue who has not
35 applied for the credit allowed pursuant to section 135.020 may qualify for the
36 credit, and shall notify any qualified claimant of the claimant's potential
37 eligibility, where the department determines such potential eligibility exists.

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