

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend SS/Senate Bill No. 44, Page 1, Section Title, Lines 3-4,

2 by striking "water and sewer infrastructure" and inserting  
3 in lieu thereof the following: "utilities"; and

4 Further amend said bill and page, Section A, line 4, by  
5 inserting after all of said line the following:

6 "137.010. The following words, terms and phrases when  
7 used in laws governing taxation and revenue in the state of  
8 Missouri shall have the meanings ascribed to them in this  
9 section, except when the context clearly indicates a  
10 different meaning:

11 (1) "Grain and other agricultural crops in an  
12 unmanufactured condition" shall mean grains and feeds  
13 including, but not limited to, soybeans, cow peas, wheat,  
14 corn, oats, barley, kafir, rye, flax, grain sorghums,  
15 cotton, and such other products as are usually stored in  
16 grain and other elevators and on farms; but excluding such  
17 grains and other agricultural crops after being processed  
18 into products of such processing, when packaged or sacked.  
19 The term "processing" shall not include hulling, cleaning,  
20 drying, grating, or polishing;

21 (2) "Hydroelectric power generating equipment", very-  
22 low-head turbine generators with a nameplate generating  
23 capacity of at least four hundred kilowatts but not more  
24 than six hundred kilowatts and machinery and equipment used  
25 directly in the production, generation, conversion, storage,  
26 or conveyance of hydroelectric power to land-based devices

27 and appurtenances used in the transmission of electrical  
28 energy;

29 (3) "Intangible personal property", for the purpose of  
30 taxation, shall include all property other than real  
31 property and tangible personal property, as defined by this  
32 section;

33 (4) "Real property" includes land itself, whether laid  
34 out in town lots or otherwise, and all growing crops,  
35 buildings, structures, capitalized overhead expenses,  
36 improvements and fixtures of whatever kind thereon,  
37 hydroelectric power generating equipment, the installed  
38 poles used in the transmission or reception of electrical  
39 energy, audio signals, video signals or similar purposes,  
40 provided the owner of such installed poles is also an owner  
41 of a fee simple interest, possessor of an easement, holder  
42 of a license or franchise, or is the beneficiary of a right-  
43 of-way dedicated for public utility purposes for the  
44 underlying land; and attached wires, transformers,  
45 amplifiers, substations, and other such devices and  
46 appurtenances used in the transmission or reception of  
47 electrical energy, audio signals, video signals or similar  
48 purposes when owned by the owner of the installed poles,  
49 otherwise such items are considered personal property; and  
50 stationary property used for transportation or storage of  
51 [liquid and gaseous products, including, but not limited to,  
52 petroleum products, natural gas,] propane or LP gas  
53 equipment[, water, and sewage];

54 (5) "Reliever airport", any land and improvements,  
55 exclusive of structures, on privately owned airports that  
56 qualify as reliever airports under the National Plan of  
57 Integrated Airport Systems that may receive federal airport  
58 improvement project funds through the Federal Aviation  
59 Administration;

60           (6) "Tangible personal property" includes every  
61 tangible thing being the subject of ownership or part  
62 ownership whether animate or inanimate, other than money,  
63 and not forming part or parcel of real property as herein  
64 defined, but does not include household goods, furniture,  
65 wearing apparel and articles of personal use and adornment,  
66 as defined by the state tax commission, owned and used by a  
67 person in his home or dwelling place. Stationary property  
68 used for transportation or storage of liquid and gaseous  
69 products, including, but not limited to, petroleum products,  
70 natural gas that is not propane or LP gas, water, and sewage  
71 shall be considered tangible personal property.

72           137.122. 1. As used in this section, the following  
73 terms mean:

74           (1) "Business personal property", tangible personal  
75 property which is used in a trade or business or used for  
76 production of income and which has a determinable life of  
77 longer than one year except that supplies used by a business  
78 shall also be considered business personal property, but  
79 shall not include livestock, farm machinery, grain and other  
80 agricultural crops in an unmanufactured condition, property  
81 subject to the motor vehicle registration provisions of  
82 chapter 301, property assessed under section 137.078, the  
83 property of rural electric cooperatives under chapter 394,  
84 or property assessed by the state tax commission under  
85 chapters 151, 153, and 155, section 137.022, and sections  
86 137.1000 to 137.1030;

87           (2) "Class life", the class life of property as set  
88 out in the federal Modified Accelerated Cost Recovery System  
89 life tables or their successors under the Internal Revenue  
90 Code as amended;

91           (3) "Economic or functional obsolescence", a loss in  
92 value of personal property above and beyond physical

93 deterioration and age of the property. Such loss may be the  
94 result of economic or functional obsolescence or both;

95 (4) "Original cost", the price the current owner, the  
96 taxpayer, paid for the item without freight, installation,  
97 or sales or use tax. In the case of acquisition of items of  
98 personal property as part of an acquisition of an entity,  
99 the original cost shall be the historical cost of those  
100 assets remaining in place and in use and the placed-in-  
101 service date shall be the date of acquisition by the entity  
102 being acquired;

103 (5) "Placed in service", property is placed in service  
104 when it is ready and available for a specific use, whether  
105 in a business activity, an income-producing activity, a tax-  
106 exempt activity, or a personal activity. Even if the  
107 property is not being used, the property is in service when  
108 it is ready and available for its specific use;

109 (6) "Recovery period", the period over which the  
110 original cost of depreciable tangible personal property  
111 shall be depreciated for property tax purposes and shall be  
112 the same as the recovery period allowed for such property  
113 under the Internal Revenue Code.

114 2. To establish uniformity in the assessment of  
115 depreciable tangible personal property, each assessor shall  
116 use the standardized schedule of depreciation in this  
117 section to determine the assessed valuation of depreciable  
118 tangible personal property for the purpose of estimating the  
119 value of such property subject to taxation under this  
120 chapter.

121 3. For purposes of this section, and to estimate the  
122 value of depreciable tangible personal property for mass  
123 appraisal purposes, each assessor shall value depreciable  
124 tangible personal property by applying the class life and  
125 recovery period to the original cost of the property

126 according to the following depreciation schedule. The  
 127 percentage shown for the first year shall be the percentage  
 128 of the original cost used for January first of the year  
 129 following the year of acquisition of the property, and the  
 130 percentage shown for each succeeding year shall be the  
 131 percentage of the original cost used for January first of  
 132 the respective succeeding year as follows:

133	Year	Recovery Period in Years					
134		3	5	7	10	15	20
135	1	75.00	85.00	89.29	92.50	95.00	96.25
136	2	37.50	59.50	70.16	78.62	85.50	89.03
137	3	12.50	41.65	55.13	66.83	76.95	82.35
138	4	5.00	24.99	42.88	56.81	69.25	76.18
139	5		10.00	30.63	48.07	62.32	70.46
140	6			18.38	39.33	56.09	65.18
141	7			10.00	30.59	50.19	60.29
142	8				21.85	44.29	55.77
143	9				15.00	38.38	51.31
144	10					32.48	46.85
145	11					26.57	42.38
146	12					20.67	37.92
147	13					15.00	33.46
148	14						29.00
149	15						24.54
150	16						20.08
151	17						20.00

152 Depreciable tangible personal property in all recovery  
 153 periods shall continue in subsequent years to have the  
 154 depreciation factor last listed in the appropriate column so

155 long as it is owned or held by the taxpayer. The state tax  
156 commission shall study and analyze the values established by  
157 this method of assessment and in every odd-numbered year  
158 make recommendations to the joint committee on tax policy  
159 pertaining to any changes in this methodology, if any, that  
160 are warranted.

161 4. Such estimate of value determined under this  
162 section shall be presumed to be correct for the purpose of  
163 determining the true value in money of the depreciable  
164 tangible personal property, but such estimation may be  
165 disproved by a taxpayer by substantial and persuasive  
166 evidence of the true value in money under any method  
167 determined by the state tax commission to be correct,  
168 including, but not limited to, an appraisal of the tangible  
169 personal property specifically utilizing generally accepted  
170 appraisal techniques, and contained in a narrative appraisal  
171 report in accordance with the Uniform Standards of  
172 Professional Appraisal Practice or by proof of economic or  
173 functional obsolescence or evidence of excessive physical  
174 deterioration. For purposes of appeal of the provisions of  
175 this section, the salvage or scrap value of depreciable  
176 tangible personal property may only be considered if the  
177 property is not in use as of the assessment date.

178 5. This section shall not apply to business personal  
179 property placed in service before January 2, 2006. Nothing  
180 in this section shall create a presumption as to the proper  
181 method of determining the assessed valuation of business  
182 personal property placed in service before January 2, 2006,  
183 provided, however, that as of January 1, 2021, this section  
184 shall apply to all stationary property used for  
185 transportation or storage of liquid and gaseous products,  
186 including, but not limited to, petroleum products, natural

187 gas that is not propane or LP gas, water, and sewage that  
188 was or will be placed in service at any time.

189         6. The provisions of this section are not intended to  
190 modify the definition of tangible personal property as  
191 defined in section 137.010."; and

192         Further amend the title and enacting clause accordingly.