

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 1001

103RD GENERAL ASSEMBLY

4375S.10C

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapters 143, 442, and 443, RSMo, by adding thereto three new sections relating to homeownership, with penalty provisions and a severability clause.

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

Section A. Chapters 143, 442, and 443, RSMo, are amended  
2 by adding thereto three new sections, to be known as sections  
3 143.1155, 442.703, and 443.1010, to read as follows:

143.1155. 1. This section shall be known and may be  
2 cited as the "American Dream Tax Deduction".

3 2. As used in this section, the following terms mean:

4 (1) "American dream savings account", the same meaning  
5 as that term is defined in section 443.1010;

6 (2) "American dream savings account act", the same  
7 meaning as that term is defined in section 443.1010;

8 (3) "Deduction", an amount subtracted from the  
9 taxpayer's Missouri adjusted gross income to determine  
10 Missouri taxable income for the tax year in which such  
11 deduction is claimed;

12 (4) "Eligible expenses", the same meaning as that term  
13 is defined under section 443.1010;

14 (5) "Taxpayer", any individual subject to the income  
15 tax imposed under this chapter, excluding withholding tax  
16 imposed under sections 143.191 to 143.265.

17           3. For all tax years beginning on or after January 1,  
18 2027, a taxpayer shall be allowed a deduction of a  
19 participating taxpayer's contributions to an American dream  
20 savings account in the tax year of the contribution. Each  
21 taxpayer claiming the deduction under this section shall  
22 file an affidavit with the income tax return verifying the  
23 amount of their contributions. The amount of the deduction  
24 claimed shall not exceed the amount of the taxpayer's  
25 Missouri adjusted gross income for the tax year that the  
26 deduction is claimed and shall not exceed five thousand  
27 dollars per taxpayer claiming the deduction, or ten thousand  
28 dollars if married filing combined.

29           4. Income earned or received as a result of assets in  
30 an American dream savings account shall not be subject to  
31 state income tax imposed under this chapter. The exemption  
32 under this section shall apply only to income maintained,  
33 accrued, or expended pursuant to the requirements of  
34 sections 443.1001 to 443.1007, and no exemption shall apply  
35 to assets and income expended for any other purpose. The  
36 amount of the deduction claimed shall not exceed the amount  
37 of the taxpayer's Missouri adjusted gross income for the tax  
38 year the deduction is claimed.

39           5. If any deductible contributions to or earnings from  
40 any such programs referred to in this section are  
41 distributed and not used to pay for eligible expenses or are  
42 not held for the minimum length of time under section  
43 443.1010, the amount so distributed shall be added to the  
44 Missouri adjusted gross income of the participant or, if the  
45 participant is not living, the beneficiary, in the year of  
46 distribution.

47           6. The department of revenue shall promulgate rules to  
48 implement the provisions of this section. Any rule or

49 portion of a rule, as that term is defined in section  
50 536.010, that is created under the authority delegated in  
51 this section shall become effective only if it complies with  
52 and is subject to all of the provisions of chapter 536 and,  
53 if applicable, section 536.028. This section and chapter  
54 536 are nonseverable, and if any of the powers vested with  
55 the general assembly pursuant to chapter 536 to review, to  
56 delay the effective date, or to disapprove and annul a rule  
57 are subsequently held unconstitutional, then the grant of  
58 rulemaking authority and any rule proposed or adopted after  
59 August 28, 2026, shall be invalid and void.

60 7. Pursuant to section 23.253 of the Missouri sunset  
61 act:

62 (1) The program authorized pursuant to this section  
63 shall automatically sunset six years after the effective  
64 date of this section unless reauthorized by an act of the  
65 general assembly;

66 (2) This section shall terminate on September first of  
67 the calendar year immediately following the calendar year in  
68 which the program authorized pursuant to this section is  
69 sunset; and

70 (3) The provisions of this subsection shall not be  
71 construed to impair or impede the state's fulfillment of any  
72 obligations, including the authorization, issuance, or  
73 redemption of tax credits, incurred pursuant to this section  
74 prior to the date the program authorized pursuant to this  
75 section is sunset.

442.703. 1. (1) This section shall be known and may  
2 be cited as the "American Dream Act".

3 (2) The general assembly finds that excessive  
4 institutional ownership of single-family homes contributes

5 to housing scarcity, inflates prices, and denies young  
6 families access to homeownership.

7 (3) Young families are increasingly priced out of the  
8 housing market, creating barriers to entry for first-time  
9 homebuyers and discouraging Missourians from raising  
10 families in our state.

11 (4) It is unhealthy for entire generations of young  
12 people to be unable to own property. Individuals who own  
13 homes have greater stability, stronger community ties, and a  
14 deeper sense of civic responsibility.

15 (5) Homeownership is an integral part of the American  
16 dream. In light of this fact, it is incumbent upon this  
17 general assembly to preserve and protect the American way of  
18 life for generations of Americans to come. This can be  
19 accomplished by setting reasonable regulations pertaining to  
20 the institutional ownership of residential real estate.  
21 These regulations should prevent market concentration by  
22 institutional investors, since such concentration undermines  
23 the long-term stability of our communities.

24 2. For purposes of this section, the following terms  
25 mean:

26 (1) "Eligible Missouri homebuyer", a natural person  
27 who is a resident of Missouri and intends to occupy the  
28 property as their principal residence;

29 (2) "Institutional buyer", any corporation,  
30 partnership, limited liability company, real estate  
31 investment trust, private equity firm, hedge fund, or  
32 similar business entity, including any subsidiary or  
33 affiliate thereof, that collectively owns more than fifty  
34 single-family residential properties within the United  
35 States, and is engaged in the business of acquiring such  
36 properties for investment or profit through rental or

37 resale, provided that the term institutional buyer shall not  
38 include any home builder, not-for-profit corporation, public  
39 housing agency, or land bank;

40 (3) "Single-family residential property", real  
41 property improved with one dwelling unit intended for  
42 occupancy by one family, including detached homes,  
43 townhomes, and condominiums;

44 (4) "Ultimate beneficial owner", the natural person or  
45 persons who, directly or indirectly, through any contract,  
46 arrangement, understanding, relationship, or otherwise:

47 (a) Own or control more than twenty-five percent of  
48 the ownership interests of an entity; or

49 (b) Exercise significant control over the entity's  
50 management or policies.

51 3. (1) An institutional buyer shall not own more than  
52 one hundred single-family residential properties within  
53 Missouri.

54 (2) Each institutional buyer shall, on or before  
55 January thirty-first of each year, file with the secretary  
56 of state a report identifying:

57 (a) The total number and location of single-family  
58 properties owned in Missouri;

59 (b) The name and address of its ultimate beneficial  
60 owners; and

61 (c) Any transfers or acquisitions of single-family  
62 residential properties made in the preceding year.

63 4. Failure to file the required report may result in a  
64 civil penalty not exceeding ten thousand dollars per  
65 violation.

66 5. Nothing in this section shall be construed to:

67 (1) Prohibit, restrict, or interfere with any bank,  
68 credit union, mortgage lender, or other financial

69 institution from offering, issuing, or servicing loans or  
70 mortgages for the acquisition, financing, or refinancing of  
71 single-family residential property; or

72 (2) Affect the rights, obligations, or activities of  
73 such financial institutions under state or federal law.

74 6. The attorney general and secretary of state may  
75 promulgate rules necessary to implement and enforce this  
76 act, with respect to the responsibilities granted to them,  
77 respectively, pursuant to this section. Any rule or portion  
78 of a rule, as that term is defined in section 536.010, that  
79 is created under the authority delegated in this section  
80 shall become effective only if it complies with and is  
81 subject to all of the provisions of chapter 536 and, if  
82 applicable, section 536.028. This section and chapter 536  
83 are nonseverable and if any of the powers vested with the  
84 general assembly pursuant to chapter 536 to review, to delay  
85 the effective date, or to disapprove and annul a rule are  
86 subsequently held unconstitutional, then the grant of  
87 rulemaking authority and any rule proposed or adopted after  
88 August 28, 2026, shall be invalid and void.

89 7. This section shall not apply to any entity engaged  
90 in the development or construction of residential properties  
91 or developments, or any affiliates thereof, provided the  
92 entity or affiliate is not otherwise a subsidiary or  
93 affiliate of an institutional buyer.

443.1010. 1. This section shall be known and may be  
2 cited as the "American Dream Savings Account Act".

3 2. As used in this section, the following terms mean:

4 (1) "Account holder", an individual who establishes an  
5 account with a financial institution that is designated as  
6 an American dream savings account in accordance with this  
7 section;

8           (2) "American dream savings account" or "account", an  
9 account with a financial institution designated as such in  
10 accordance with this section;

11           (3) "Department", the department of revenue;

12           (4) "Eligible expenses", a down payment and any  
13 closing costs included on a real estate settlement statement  
14 including, but not limited to, appraisal fees, mortgage  
15 origination fees, and inspection fees;

16           (5) "Financial institution", any state bank, state  
17 trust company, savings and loan association, federally  
18 chartered credit union doing business in this state, credit  
19 union chartered by the state of Missouri, national bank,  
20 broker-dealer, mutual fund, insurance company, or other  
21 similar financial entity qualified to do business in this  
22 state;

23           (6) "First-time home buyer", an individual who:

24           (a) Has never owned or purchased under contract for  
25 deed, either individually or jointly, a single-family, owner-  
26 occupied primary residence including, but not limited to, a  
27 condominium unit or a manufactured or mobile home that was  
28 assessed and taxed as real property; or

29           (b) As a result of the individual's dissolution of  
30 marriage, has not been listed on a property title for at  
31 least three consecutive years;

32           (7) "Qualified beneficiary", a first-time home buyer  
33 designated by an account holder for whose eligible expenses  
34 the moneys in a first-time home buyer savings account are or  
35 will be used.

36           3. (1) Beginning January 1, 2027, any individual may  
37 open an account with a financial institution and designate  
38 the account, in its entirety, as an American dream savings  
39 account to be used to pay or reimburse a qualified

40 beneficiary's eligible expenses for the purchase of his or  
41 her primary residence in Missouri. An individual may be the  
42 account holder of multiple accounts, and an individual may  
43 jointly own the account with another person if such persons  
44 file a married filing combined income tax return. To be  
45 eligible for the tax deduction under section 143.1155, an  
46 account holder shall comply with the requirements of this  
47 section.

48 (2) An account holder shall designate, no later than  
49 April fifteenth of the year following the tax year during  
50 which the account was established, a first-time home buyer  
51 as the qualified beneficiary of the account. The account  
52 holder may designate himself or herself as the qualified  
53 beneficiary. The account holder may change the designated  
54 qualified beneficiary at any time, but no account shall have  
55 more than one qualified beneficiary at any time. No account  
56 holder shall have multiple accounts with the same qualified  
57 beneficiary, but an individual may be designated as the  
58 qualified beneficiary of multiple accounts.

59 (3) (a) The following limits apply to an account  
60 created pursuant to this section:

61 a. The maximum contribution to the account is five  
62 thousand dollars per year for an individual and ten thousand  
63 dollars per year for account holders who file a married  
64 filing combined income tax return;

65 b. The maximum amount of all contributions for all tax  
66 years to an account is thirty thousand dollars; and

67 c. The maximum total amount in an account is thirty  
68 thousand dollars.

69 (b) If a limit in paragraph (a) of this subdivision is  
70 exceeded, then thereafter no interest or other income earned

71 on the investment of moneys in the account shall be included  
72 in the tax deduction under section 143.1155.

73 (c) Moneys may remain in the account for an unlimited  
74 duration without the interest or income being subject to  
75 recapture or penalty.

76 (4) The account holder shall not use moneys in an  
77 account to pay expenses of administering the account, except  
78 that a service fee may be deducted from the account by a  
79 financial institution. The account holder shall be  
80 responsible for maintaining documentation for the account  
81 and for eligible expenses related to the qualified  
82 beneficiary's purchase of a primary residence.

83 4. (1) (a) For purposes of the tax benefit conferred  
84 under section 143.1155, the moneys in an American dream  
85 savings account may be:

86 a. Used for eligible expenses related to a qualified  
87 beneficiary's purchase of his or her primary residence  
88 located in this state;

89 b. Used for eligible expenses related to a qualified  
90 beneficiary's purchase of his or her primary residence  
91 located outside this state if the qualified beneficiary is  
92 active-duty military and was stationed in Missouri for any  
93 time after the creation of the account;

94 c. Used for expenses that would have qualified under  
95 subparagraph a or b of this subdivision, but the contract  
96 for purchase did not close;

97 d. Transferred to another newly created American dream  
98 savings account; and

99 e. Used to pay a service fee that is deducted by the  
100 financial institution.

101 (b) Paragraph (a) of this subdivision shall apply  
102 whether the qualified beneficiary is the sole owner of the

103 primary residence or joint owner with another person who  
104 does not qualify as a qualified beneficiary. Moneys in an  
105 American dream savings account shall not be used for the  
106 purposes under subparagraphs a, b, and c of paragraph (a) of  
107 this subdivision related to the purchase of a manufactured  
108 or mobile home that is not taxed as real property.

109 (c) The title of any home purchased with moneys from  
110 an American dream savings account shall not transfer for at  
111 least two years unless reasonable circumstances exist that  
112 were unforeseen at the time the home was purchased. The  
113 first-time home buyer shall request an exception from the  
114 department.

115 (2) (a) Moneys withdrawn from an American dream  
116 savings account shall be subject to recapture in the tax  
117 year in which they are withdrawn if the moneys are used for  
118 any purpose other than those specified under subdivision (1)  
119 of this subsection.

120 (b) The recapture shall be an amount equal to the  
121 moneys withdrawn and shall be added to the Missouri adjusted  
122 gross income of the account holder or, if the account holder  
123 is not living, the qualified beneficiary.

124 (3) If any moneys are subject to recapture under  
125 subsection 2 of this section, the account holder shall pay  
126 to the department a penalty in the same tax year as the  
127 recapture. If the withdrawal was made ten or fewer years  
128 after the first deposit in the account, the penalty shall be  
129 equal to five percent of the amount subject to recapture,  
130 and, if the withdrawal was made more than ten years after  
131 the first deposit in the account, the penalty shall be equal  
132 to ten percent of the amount subject to recapture. These  
133 penalties shall not apply if the withdrawn moneys are from  
134 an American dream savings account for which the qualified

135 beneficiary died, and the account holder does not designate  
136 a new qualified beneficiary during the same tax year.

137 (4) If the account holder dies or, if the account is  
138 jointly owned, the account holders die and the account does  
139 not have a surviving transfer-on-death beneficiary, then all  
140 of the moneys in the account that were used for a tax  
141 deduction under section 143.1155 shall be subject to  
142 recapture in the tax year of the death or deaths, but no  
143 penalty shall be due to the department.

144 5. (1) The department shall establish forms for an  
145 account holder to annually report information about an  
146 American dream savings account including, but not limited  
147 to, how the moneys withdrawn from the fund are used and  
148 shall identify any supporting documentation that is required  
149 to be maintained. To be eligible for the tax deduction  
150 under section 143.1155, an account holder shall annually  
151 file with the account holder's state income tax return all  
152 forms required by the department under this section, the  
153 1099 form for the account issued by the financial  
154 institution, and any other supporting documentation the  
155 department requires.

156 (2) The department of revenue may promulgate rules and  
157 regulations necessary to administer the provisions of this  
158 section. Any rule or portion of a rule, as that term is  
159 defined in section 536.010, that is created under the  
160 authority delegated in this section shall become effective  
161 only if it complies with and is subject to all of the  
162 provisions of chapter 536 and, if applicable, section  
163 536.028. This section and chapter 536 are nonseverable, and  
164 if any of the powers vested with the general assembly  
165 pursuant to chapter 536 to review, to delay the effective  
166 date, or to disapprove and annul a rule are subsequently

167 held unconstitutional, then the grant of rulemaking  
168 authority and any rule proposed or adopted after August 28,  
169 2026, shall be invalid and void.

170 6. (1) No financial institution shall be required to:

171 (a) Designate an account as an American dream savings  
172 account or designate the beneficiaries of an account in the  
173 financial institution's account contracts or systems or in  
174 any other way;

175 (b) Track the use of moneys withdrawn from an American  
176 dream savings account; or

177 (c) Report any information to the department or any  
178 other governmental agency that is not otherwise required by  
179 law.

180 (2) No financial institution shall be responsible or  
181 liable for:

182 (a) Determining or ensuring that an account holder is  
183 eligible for a tax deduction under section 143.1155;

184 (b) Determining or ensuring that moneys in the account  
185 are used for eligible expenses; or

186 (c) Reporting or remitting taxes or penalties related  
187 to use of moneys in an American dream savings account.

188 (3) In implementing this section, the department shall  
189 not establish any administrative, reporting, or other  
190 requirements on financial institutions that are outside the  
191 scope of normal account procedures.

Section B. If any provision of section A of this act  
2 or the application thereof to anyone or to any circumstance  
3 is held invalid, the remainder of those sections and the  
4 application of such provisions to others or other  
5 circumstances shall not be affected thereby.

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