

SENATE BILL NO. 1203

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHNELTING.

4343S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 137.073, 137.115, 143.011, 143.031, 143.131, 143.175, and 143.177, RSMo, and to enact in lieu thereof eight new sections relating to taxation.

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

Section A. Sections 137.073, 137.115, 143.011, 143.031,
2 143.131, 143.175, and 143.177, RSMo, are repealed and eight new
3 sections enacted in lieu thereof, to be known as sections
4 137.067, 137.073, 137.115, 143.011, 143.031, 143.131, 143.175,
5 and 143.512, to read as follows:

137.067. Notwithstanding any other provision of law to
2 the contrary, any ballot measure seeking approval to add,
3 change, or modify a tax on real property shall express the
4 effect of the proposed change within the ballot language in
5 terms of the change in real dollars owed per one hundred
6 thousand dollars of a property's market valuation.

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

3 (1) "General reassessment", changes in value, entered
4 in the assessor's books, of a substantial portion of the
5 parcels of real property within a county resulting wholly or
6 partly from reappraisal of value or other actions of the
7 assessor or county equalization body or ordered by the state
8 tax commission or any court;

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

9 (2) "Tax rate", "rate", or "rate of levy", singular or
10 plural, includes the tax rate for each purpose of taxation
11 of property a taxing authority is authorized to levy without
12 a vote and any tax rate authorized by election, including
13 bond interest and sinking fund;

14 (3) "Tax rate ceiling", a tax rate as revised by the
15 taxing authority to comply with the provisions of this
16 section or when a court has determined the tax rate; except
17 that, other provisions of law to the contrary
18 notwithstanding, a school district may levy the operating
19 levy for school purposes required for the current year
20 pursuant to subsection 2 of section 163.021, less all
21 adjustments required pursuant to Article X, Section 22 of
22 the Missouri Constitution, if such tax rate does not exceed
23 the highest tax rate in effect subsequent to the 1980 tax
24 year. This is the maximum tax rate that may be levied,
25 unless a higher tax rate ceiling is approved by voters of
26 the political subdivision as provided in this section;

27 (4) "Tax revenue", when referring to the previous
28 year, means the actual receipts from ad valorem levies on
29 all classes of property, including state-assessed property,
30 in the immediately preceding fiscal year of the political
31 subdivision, plus an allowance for taxes billed but not
32 collected in the fiscal year and plus an additional
33 allowance for the revenue which would have been collected
34 from property which was annexed by such political
35 subdivision but which was not previously used in determining
36 tax revenue pursuant to this section. The term "tax
37 revenue" shall not include any receipts from ad valorem
38 levies on any property of a railroad corporation or a public
39 utility, as these terms are defined in section 386.020,
40 which were assessed by the assessor of a county or city in

the previous year but are assessed by the state tax commission in the current year. All school districts and those counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax revenue an amount equivalent to that by which they reduced property tax levies as a result of sales tax pursuant to section 67.505 and section 164.013 [or as excess home dock city or county fees as provided in subsection 4 of section 313.820] in the immediately preceding fiscal year but not including any amount calculated to adjust for prior years. For purposes of political subdivisions which were authorized to levy a tax in the prior year but which did not levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by law, shall mean the revenues equal to the amount that would have been available if the voluntary rate reduction had not been made.

2. (1) Whenever changes in assessed valuation are entered in the assessor's books for any personal property, in the aggregate, or for any subclass of real property as such subclasses are established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each political subdivision wholly or partially within the county or St. Louis City of the change in valuation of each subclass of real property, individually, and personal property, in the aggregate, exclusive of new construction and improvements. All political subdivisions shall immediately revise the applicable rates of levy for each purpose for each subclass of real property, individually, and personal property, in the aggregate, for which taxes are levied to the extent

73 necessary to produce from all taxable property, exclusive of
74 new construction and improvements, substantially the same
75 amount of tax revenue as was produced in the previous year
76 for each subclass of real property, individually, and
77 personal property, in the aggregate, except that the rate
78 shall not exceed the greater of the most recent voter-
79 approved rate or the most recent voter-approved rate as
80 adjusted under subdivision (2) of subsection 5 of this
81 section.

82 **(2)** Any political subdivision that has received
83 approval from voters for a tax increase after August 27,
84 2008, may levy a rate to collect substantially the same
85 amount of tax revenue as the amount of revenue that would
86 have been derived by applying the voter-approved increased
87 tax rate ceiling to the total assessed valuation of the
88 political subdivision as most recently certified by the city
89 or county clerk on or before the date of the election in
90 which such increase is approved, increased by the percentage
91 increase in the consumer price index, as provided by law,
92 except that the rate shall not exceed the greater of the
93 most recent voter-approved rate or the most recent voter-
94 approved rate as adjusted under subdivision (2) of
95 subsection 5 of this section. Such tax revenue shall not
96 include any receipts from ad valorem levies on any real
97 property which was assessed by the assessor of a county or
98 city in such previous year but is assessed by the assessor
99 of a county or city in the current year in a different
100 subclass of real property.

101 **(3)** Where the taxing authority is a school district
102 for the purposes of revising the applicable rates of levy
103 for each subclass of real property, the tax revenues from
104 state-assessed railroad and utility property shall be

105 apportioned and attributed to each subclass of real property
106 based on the percentage of the total assessed valuation of
107 the county that each subclass of real property represents in
108 the current [taxable] tax year.

109 **(4)** As provided in Section 22 of Article X of the
110 constitution, a political subdivision may also revise each
111 levy to allow for inflationary assessment growth occurring
112 within the political subdivision. The inflationary growth
113 factor for any such subclass of real property or personal
114 property shall be limited to the actual assessment growth in
115 such subclass or class, exclusive of new construction and
116 improvements, and exclusive of the assessed value on any
117 real property which was assessed by the assessor of a county
118 or city in the current year in a different subclass of real
119 property, but not to exceed the [consumer price index or
120 five percent, whichever is lower] lesser of:

121 **(a)** The consumer price index; or

122 **(b)** The following percentage:

123 **a.** For revisions under this subsection occurring
124 before January 1, 2027, five percent; or

125 **b.** For revisions under this subsection occurring on or
126 after January 1, 2027, three percent.

127 **(5)** Should the tax revenue of a political subdivision
128 from the various tax rates determined in this subsection be
129 different than the tax revenue that would have been
130 determined from a single tax rate as calculated pursuant to
131 the method of calculation in this subsection prior to
132 January 1, 2003, then the political subdivision shall revise
133 the tax rates of those subclasses of real property,
134 individually, and/or personal property, in the aggregate, in
135 which there is a tax rate reduction, pursuant to the
136 provisions of this subsection. Such revision shall yield an

amount equal to such difference and shall be apportioned among such subclasses of real property, individually, and/or personal property, in the aggregate, based on the relative assessed valuation of the class or subclasses of property experiencing a tax rate reduction. Such revision in the tax rates of each class or subclass shall be made by computing the percentage of current year adjusted assessed valuation of each class or subclass with a tax rate reduction to the total current year adjusted assessed valuation of the class or subclasses with a tax rate reduction, multiplying the resulting percentages by the revenue difference between the single rate calculation and the calculations pursuant to this subsection and dividing by the respective adjusted current year assessed valuation of each class or subclass to determine the adjustment to the rate to be levied upon each class or subclass of property. The adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in the manner provided in this subsection, and added to the initial rate computed for each class or subclass of property.

(6) For school districts that levy separate tax rates on each subclass of real property and personal property in the aggregate, if voters approved a ballot before January 1, 2011, that presented separate stated tax rates to be applied to the different subclasses of real property and personal property in the aggregate, or increases the separate rates that may be levied on the different subclasses of real property and personal property in the aggregate by different amounts, the tax rate that shall be used for the single tax rate calculation shall be a blended rate, calculated in the manner provided under subdivision (1) of subsection 6 of this section.

169 (7) Notwithstanding any provision of this subsection
170 to the contrary, no revision to the rate of levy for
171 personal property shall cause such levy to increase over the
172 levy for personal property from the prior year.

173 3. (1) Where the taxing authority is a school
174 district, it shall be required to revise the rates of levy
175 to the extent necessary to produce from all taxable
176 property, including state-assessed railroad and utility
177 property, which shall be separately estimated in addition to
178 other data required in complying with section 164.011,
179 substantially the amount of tax revenue permitted in this
180 section. In the year following tax rate reduction, the tax
181 rate ceiling may be adjusted to offset such district's
182 reduction in the apportionment of state school moneys due to
183 its reduced tax rate. However, in the event any school
184 district, in calculating a tax rate ceiling pursuant to this
185 section, requiring the estimating of effects of state-
186 assessed railroad and utility valuation or loss of state
187 aid, discovers that the estimates used result in receipt of
188 excess revenues, which would have required a lower rate if
189 the actual information had been known, the school district
190 shall reduce the tax rate ceiling in the following year to
191 compensate for the excess receipts, and the recalculated
192 rate shall become the tax rate ceiling for purposes of this
193 section.

194 (2) For any political subdivision which experiences a
195 reduction in the amount of assessed valuation relating to a
196 prior year, due to decisions of the state tax commission or
197 a court pursuant to sections 138.430 to 138.433, or due to
198 clerical errors or corrections in the calculation or
199 recordation of any assessed valuation:

(a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes to compensate for the reduction in assessed value occurring after the political subdivision calculated the tax rate ceiling for the particular subclass of real property or for personal property, in the aggregate, in a prior year. Such revision by the political subdivision shall be made at the time of the next calculation of the tax rate for the particular subclass of real property or for personal property, in the aggregate, after the reduction in assessed valuation has been determined and shall be calculated in a manner that results in the revised tax rate ceiling being the same as it would have been had the corrected or finalized assessment been available at the time of the prior calculation;

(b) In addition, for up to three years following the determination of the reduction in assessed valuation as a result of circumstances defined in this subdivision, such political subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive had the corrected or finalized assessment been available at the time of the prior calculation.

4. (1) In order to implement the provisions of this section and Section 22 of Article X of the Constitution of Missouri, the term improvements shall apply to both real and personal property. In order to determine the value of new construction and improvements, each county assessor shall maintain a record of real property valuations in such a manner as to identify each year the increase in valuation for each political subdivision in the county as a result of new construction and improvements. The value of new

construction and improvements shall include the additional assessed value of all improvements or additions to real property which were begun after and were not part of the prior year's assessment, except that the additional assessed value of all improvements or additions to real property which had been totally or partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, sections 135.200 to 135.255, and section 353.110 shall be included in the value of new construction and improvements when the property becomes totally or partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property.

Beginning January 1, 2027, any increase in the aggregate valuation of personal property for the current year over that of the previous year shall not be counted as new construction. Notwithstanding any opt-out implemented pursuant to subsection 14 of section 137.115, the assessor shall certify the amount of new construction and improvements and the amount of assessed value on any real property which was assessed by the assessor of a county or city in such previous year but is assessed by the assessor of a county or city in the current year in a different subclass of real property separately for each of the three subclasses of real property for each political subdivision to the county clerk in order that political subdivisions shall have this information for the purpose of calculating tax rates pursuant to this section and Section 22, Article X, Constitution of Missouri. In addition, the state tax commission shall certify each year to each county clerk the increase in the general price level as measured by the

Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency. The state tax commission shall certify the increase in such index on the latest twelve-month basis available on February first of each year over the immediately preceding prior twelve-month period in order that political subdivisions shall have this information available in setting their tax rates according to law and Section 22 of Article X of the Constitution of Missouri. For purposes of implementing the provisions of this section and Section 22 of Article X of the Missouri Constitution, the term "property" means all taxable property, including state-assessed property.

(2) Each political subdivision required to revise rates of levy pursuant to this section or Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided in this section and Section 22 of Article X of the Constitution of Missouri, separately and without regard to annual tax rate reductions provided in section 67.505 and section 164.013. Each political subdivision shall set each tax rate it is authorized to levy using the calculation that produces the lowest tax rate ceiling. It is further the intent of the general assembly, pursuant to the authority of Section 10(c) of Article X of the Constitution of Missouri, that the provisions of such section be applicable to tax rate revisions mandated pursuant to Section 22 of Article X of the Constitution of Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and other

provisions not in conflict with Section 22 of Article X of the Constitution of Missouri. Annual tax rate reductions provided in section 67.505 and section 164.013 shall be applied to the tax rate as established pursuant to this section and Section 22 of Article X of the Constitution of Missouri, unless otherwise provided by law.

5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more than a simple majority pursuant to any provision of law or the constitution, the tax rate increase must receive approval by at least the majority required.

(2) When voters approve an increase in the tax rate, the amount of the increase shall be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be adjusted as provided in this section and, so adjusted, shall be the current tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that when applied to the current total assessed valuation of the political subdivision, excluding new construction and improvements since the date of the election approving such increase, the revenue derived from the adjusted tax rate ceiling is equal to the sum of: the amount of revenue which would have been derived by applying the voter-approved increased tax rate ceiling to total assessed valuation of the political subdivision, as most recently certified by the city or

county clerk on or before the date of the election in which such increase is approved, increased by the percentage increase in the consumer price index, as provided by law. Such adjusted tax rate ceiling may be applied to the total assessed valuation of the political subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax rate increase, upon voter approval, each tax rate increase shall be adjusted in the manner prescribed in this section to yield the sum of: the amount of revenue that would be derived by applying such voter-approved increased rate to the total assessed valuation, as most recently certified by the city or county clerk on or before the date of the election in which such increase was approved, increased by the percentage increase in the consumer price index, as provided by law, from the date of the election to the time of such increase and, so adjusted, shall be the current tax rate ceiling.

(3) The governing body of any political subdivision may levy a tax rate lower than its tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval in the manner provided under subdivision (4) of this subsection. Nothing in this section shall be construed as prohibiting a political subdivision from voluntarily levying a tax rate lower than that which is required under the provisions of this section or from seeking voter approval of a reduction to such political subdivision's tax rate ceiling.

(4) In a year of general reassessment, a governing body whose tax rate is lower than its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section as if its tax rate was at the tax rate

ceiling. In a year following general reassessment, if such governing body intends to increase its tax rate, the governing body shall conduct a public hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy statement justifying its action prior to setting and certifying its tax rate. The provisions of this subdivision shall not apply to any political subdivision which levies a tax rate lower than its tax rate ceiling solely due to a reduction required by law resulting from sales tax collections. The provisions of this subdivision shall not apply to any political subdivision which has received voter approval for an increase to its tax rate ceiling subsequent to setting its most recent tax rate.

6. (1) For the purposes of calculating state aid for public schools pursuant to section 163.031, each taxing authority which is a school district shall determine its proposed tax rate as a blended rate of the classes or subclasses of property. Such blended rate shall be calculated by first determining the total tax revenue of the property within the jurisdiction of the taxing authority, which amount shall be equal to the sum of the products of multiplying the assessed valuation of each class and subclass of property by the corresponding tax rate for such class or subclass, then dividing the total tax revenue by the total assessed valuation of the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred. Where the taxing authority is a school district, such blended rate shall also be used by such school district for calculating revenue from state-assessed railroad and utility property as defined in chapter 151 and for apportioning the tax rate by purpose.

(2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the county commission in the county or counties where the tax rate applies of its tax rate ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. All forms for the calculation of rates pursuant to this section shall be promulgated as a rule and shall not be incorporated by reference. The state auditor shall promulgate rules for any and all forms for the calculation of rates pursuant to this section which do not currently exist in rule form or that have been incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for annual debt service requirements will be prima facie valid if, after making the payment for which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following year's payments. The county clerk shall keep

on file and available for public inspection all such information for a period of three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor. The state auditor shall, within fifteen days of the date of receipt, examine such information and return to the county clerk his or her findings as to compliance of the tax rate ceiling with this section and as to compliance of any proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may request a taxing authority to submit documentation supporting such taxing authority's proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing authority and shall file a copy of the findings with the information received from the taxing authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk of the state auditor's findings and any request for supporting documentation to accept or reject in writing the rate change certified by the state auditor and to submit all requested information to the state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate change certified by the state auditor and the state auditor does not receive supporting information which justifies the taxing authority's original or any subsequent proposed tax rate, then the state auditor shall refer the perceived violations

455 of such taxing authority to the attorney general's office
456 and the attorney general is authorized to obtain injunctive
457 relief to prevent the taxing authority from levying a
458 violative tax rate.

459 (3) In the event that the taxing authority incorrectly
460 completes the forms created and promulgated under
461 subdivision (2) of this subsection, or makes a clerical
462 error, the taxing authority may submit amended forms with an
463 explanation for the needed changes. If such amended forms
464 are filed under regulations prescribed by the state auditor,
465 the state auditor shall take into consideration such amended
466 forms for the purposes of this subsection.

467 7. No tax rate shall be extended on the tax rolls by
468 the county clerk unless the political subdivision has
469 complied with the foregoing provisions of this section.

470 8. Whenever a taxpayer has cause to believe that a
471 taxing authority has not complied with the provisions of
472 this section, the taxpayer may make a formal complaint with
473 the prosecuting attorney of the county. Where the
474 prosecuting attorney fails to bring an action within ten
475 days of the filing of the complaint, the taxpayer may bring
476 a civil action pursuant to this section and institute an
477 action as representative of a class of all taxpayers within
478 a taxing authority if the class is so numerous that joinder
479 of all members is impracticable, if there are questions of
480 law or fact common to the class, if the claims or defenses
481 of the representative parties are typical of the claims or
482 defenses of the class, and if the representative parties
483 will fairly and adequately protect the interests of the
484 class. In any class action maintained pursuant to this
485 section, the court may direct to the members of the class a
486 notice to be published at least once each week for four

consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him or her from the class if he or she so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he or she desires, enter an appearance. In any class action brought pursuant to this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any attorney or association of attorneys who receive public funds from any source for their services. Any action brought pursuant to this section shall be set for hearing as soon as practicable after the cause is at issue.

9. If in any action, including a class action, the court issues an order requiring a taxing authority to revise the tax rates as provided in this section or enjoins a taxing authority from the collection of a tax because of its failure to revise the rate of levy as provided in this section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her taxes in part, whether or not the taxes are paid under protest as provided in section 139.031 or otherwise contested. The part of the taxes paid erroneously is the difference in the amount produced by the original levy and the amount produced by the revised levy. The township or county collector of taxes or the collector of taxes in any

city shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise the rate of levy as provided in this section shall make available to the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest on any money erroneously paid by him or her pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund any tax erroneously paid prior to or during the third tax year preceding the current tax year.

10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, **for all calendar years ending on or before December 31, 2026**, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January

11 first of each calendar year. **Except as otherwise provided**
12 **in subsection 3 of this section and section 137.078, for all**
13 **calendar years beginning on or after January 1, 2027, the**
14 **assessor shall annually assess all personal property at**
15 **thirty-two percent of its true value in money as of January**
16 **first of each calendar year.** The assessor shall annually
17 assess all real property, including any new construction and
18 improvements to real property, and possessory interests in
19 real property at the percent of its true value in money set
20 in subsection 5 of this section. The true value in money of
21 any possessory interest in real property in subclass (3),
22 where such real property is on or lies within the ultimate
23 airport boundary as shown by a federal airport layout plan,
24 as defined by 14 CFR 151.5, of a commercial airport having a
25 FAR Part 139 certification and owned by a political
26 subdivision, shall be the otherwise applicable true value in
27 money of any such possessory interest in real property, less
28 the total dollar amount of costs paid by a party, other than
29 the political subdivision, towards any new construction or
30 improvements on such real property completed after January
31 1, 2008, and which are included in the above-mentioned
32 possessory interest, regardless of the year in which such
33 costs were incurred or whether such costs were considered in
34 any prior year. The assessor shall annually assess all real
35 property in the following manner: new assessed values shall
36 be determined as of January first of each odd-numbered year
37 and shall be entered in the assessor's books; those same
38 assessed values shall apply in the following even-numbered
39 year, except for new construction and property improvements
40 which shall be valued as though they had been completed as
41 of January first of the preceding odd-numbered year. The
42 assessor may call at the office, place of doing business, or

43 residence of each person required by this chapter to list
44 property, and require the person to make a correct statement
45 of all taxable tangible personal property owned by the
46 person or under his or her care, charge or management,
47 taxable in the county. On or before January first of each
48 even-numbered year, the assessor shall prepare and submit a
49 two-year assessment maintenance plan to the county governing
50 body and the state tax commission for their respective
51 approval or modification. The county governing body shall
52 approve and forward such plan or its alternative to the plan
53 to the state tax commission by February first. If the
54 county governing body fails to forward the plan or its
55 alternative to the plan to the state tax commission by
56 February first, the assessor's plan shall be considered
57 approved by the county governing body. If the state tax
58 commission fails to approve a plan and if the state tax
59 commission and the assessor and the governing body of the
60 county involved are unable to resolve the differences, in
61 order to receive state cost-share funds outlined in section
62 137.750, the county or the assessor shall petition the
63 administrative hearing commission, by May first, to decide
64 all matters in dispute regarding the assessment maintenance
65 plan. Upon agreement of the parties, the matter may be
66 stayed while the parties proceed with mediation or
67 arbitration upon terms agreed to by the parties. The final
68 decision of the administrative hearing commission shall be
69 subject to judicial review in the circuit court of the
70 county involved. In the event a valuation of subclass (1)
71 real property within any county with a charter form of
72 government, or within a city not within a county, is made by
73 a computer, computer-assisted method or a computer program,
74 the burden of proof, supported by clear, convincing and

75 cogent evidence to sustain such valuation, shall be on the
76 assessor at any hearing or appeal. In any such county,
77 unless the assessor proves otherwise, there shall be a
78 presumption that the assessment was made by a computer,
79 computer-assisted method or a computer program. Such
80 evidence shall include, but shall not be limited to, the
81 following:

82 (1) The findings of the assessor based on an appraisal
83 of the property by generally accepted appraisal techniques;
84 and

85 (2) The purchase prices from sales of at least three
86 comparable properties and the address or location thereof.
87 As used in this subdivision, the word "comparable" means
88 that:

89 (a) Such sale was closed at a date relevant to the
90 property valuation; and

91 (b) Such properties are not more than one mile from
92 the site of the disputed property, except where no similar
93 properties exist within one mile of the disputed property,
94 the nearest comparable property shall be used. Such
95 property shall be within five hundred square feet in size of
96 the disputed property, and resemble the disputed property in
97 age, floor plan, number of rooms, and other relevant
98 characteristics.

99 2. Assessors in each county of this state and the City
100 of St. Louis may send personal property assessment forms
101 through the mail.

102 3. The following items of personal property shall each
103 constitute separate subclasses of tangible personal property
104 and shall be assessed and valued for the purposes of
105 taxation at the following percentages of their true value in
106 money:

- 107 (1) Grain and other agricultural crops in an
108 unmanufactured condition, one-half of one percent;
109 (2) Livestock, twelve percent;
110 (3) Farm machinery, twelve percent;
111 (4) Motor vehicles which are eligible for registration
112 as and are registered as historic motor vehicles pursuant to
113 section 301.131 and aircraft which are at least twenty-five
114 years old and which are used solely for noncommercial
115 purposes and are operated less than two hundred hours per
116 year or aircraft that are home built from a kit, five
117 percent;
118 (5) Poultry, twelve percent;
119 (6) Tools and equipment used for pollution control and
120 tools and equipment used in retooling for the purpose of
121 introducing new product lines or used for making
122 improvements to existing products by any company which is
123 located in a state enterprise zone and which is identified
124 by any standard industrial classification number cited in
125 subdivision (7) of section 135.200, twenty-five percent; and
126 (7) Solar panels, racking systems, inverters, and
127 related solar equipment, components, materials, and supplies
128 installed in connection with solar photovoltaic energy
129 systems, as described in subdivision (46) of subsection 2 of
130 section 144.030, that were constructed and producing solar
131 energy prior to August 9, 2022, five percent.

132 4. The person listing the property shall enter a true
133 and correct statement of the property, in a printed blank
134 prepared for that purpose. The statement, after being
135 filled out, shall be signed and either affirmed or sworn to
136 as provided in section 137.155. The list shall then be
137 delivered to the assessor.

138 5. (1) All subclasses of real property, as such
139 subclasses are established in Section 4(b) of Article X of
140 the Missouri Constitution and defined in section 137.016,
141 shall be assessed at the following percentages of true value:

142 (a) For real property in subclass (1), nineteen
143 percent;

144 (b) For real property in subclass (2), twelve percent;
145 and

146 (c) For real property in subclass (3), thirty-two
147 percent.

148 (2) A taxpayer may apply to the county assessor, or,
149 if not located within a county, then the assessor of such
150 city, for the reclassification of such taxpayer's real
151 property if the use or purpose of such real property is
152 changed after such property is assessed under the provisions
153 of this chapter. If the assessor determines that such
154 property shall be reclassified, he or she shall determine
155 the assessment under this subsection based on the percentage
156 of the tax year that such property was classified in each
157 subclassification.

158 6. Manufactured homes, as defined in section 700.010,
159 which are actually used as dwelling units shall be assessed
160 at the same percentage of true value as residential real
161 property for the purpose of taxation. The percentage of
162 assessment of true value for such manufactured homes shall
163 be the same as for residential real property. If the county
164 collector cannot identify or find the manufactured home when
165 attempting to attach the manufactured home for payment of
166 taxes owed by the manufactured home owner, the county
167 collector may request the county commission to have the
168 manufactured home removed from the tax books, and such
169 request shall be granted within thirty days after the

request is made; however, the removal from the tax books does not remove the tax lien on the manufactured home if it is later identified or found. For purposes of this section, a manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the manufactured home owner shall be considered personal property. For purposes of this section, a manufactured home located on real estate owned by the manufactured home owner may be considered real property.

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. The assessor of each county and each city not within a county shall use a nationally recognized automotive trade publication such as the National Automobile Dealers' Association Official Used Car Guide, Kelley Blue Book, Edmunds, or other similar publication as the recommended guide of information for determining the true value of motor vehicles described in such publication. The state tax commission shall select and make available to all assessors

which publication shall be used. The assessor of each county and each city not within a county shall use the trade-in value published in the current October issue of the publication selected by the state tax commission. The assessor shall not use a value that is greater than the average trade-in value in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications that, in the assessor's judgment, will fairly estimate the true value in money of the motor vehicle. For motor vehicles with a true value of less than fifty thousand dollars as of January 1, 2025, the assessor shall not assess such motor vehicle for an amount greater than such motor vehicle was assessed in the previous year, provided that such motor vehicle was properly assessed in the previous year.

10. Before the assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.

11. If a physical inspection is required, pursuant to subsection 10 of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior

inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

12. A physical inspection, as required by subsection 10 of this section, shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner pursuant to subsection 11 of this section. Mere observation of the property via a drive-by inspection or the like shall not be considered sufficient to constitute a physical inspection as required by this section.

13. A county or city collector may accept credit cards as proper form of payment of outstanding property tax or license due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank, processor, or issuer for its service. A county or city collector may accept payment by electronic transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

14. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate

committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

15. The governing body of any city of the third classification with more than twenty-six thousand three

hundred but fewer than twenty-six thousand seven hundred inhabitants located in any county that has exercised its authority to opt out under subsection 14 of this section may levy separate and differing tax rates for real and personal property only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and collection of such separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

16. Any portion of real property that is available as reserve for strip, surface, or coal mining for minerals for purposes of excavation for future use or sale to others that has not been bonded and permitted under chapter 444 shall be assessed based upon how the real property is currently being used. Any information provided to a county assessor, state tax commission, state agency, or political subdivision responsible for the administration of tax policies shall, in the performance of its duties, make available all books, records, and information requested, except such books, records, and information as are by law declared confidential in nature, including individually identifiable information regarding a specific taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall mean all real property that is in use or readily available as a reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future use or sale to others that has been bonded and permitted under chapter 444.

143.011. 1. **For all tax years beginning on or before December 31, 2026,** a tax is hereby imposed for every [taxable] tax year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax

5 table or the rate provided in section 143.021, which is
 6 based upon the following rates:

If the Missouri taxable income is:	The tax is:
Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
Over \$9,000	\$315 plus 6% of excess over \$9,000

29 2. (1) Notwithstanding the provisions of subsection 1
 30 of this section to the contrary, beginning with the 2023
 31 calendar year, **but ending on or before December 31, 2026,**
 32 the top rate of tax pursuant to subsection 1 of this section
 33 shall be four and ninety-five hundredths percent.

34 (2) The modification of tax rates made pursuant to
35 this subsection shall apply only to tax years that begin on
36 or after January 1, 2023 **but before January 1, 2027.**

37 (3) The director of the department of revenue shall,
38 by rule, adjust the tax table provided in subsection 1 of
39 this section to effectuate the provisions of this
40 subsection. The top remaining rate of tax shall apply to
41 all income in excess of seven thousand dollars, as adjusted
42 pursuant to subsection 5 of this section.

43 3. (1) **For all tax years beginning on or after**
44 **January 1, 2027, a tax is hereby imposed for every tax year**
45 **on the Missouri taxable income of every resident of this**
46 **state at a rate of four and seven-tenths percent, or the top**
47 **rate of tax as in effect on January 1, 2027, whichever is**
48 **less. The tax shall be determined by the application of the**
49 **income provisions provided under section 143.021.**

50 (2) Any modification of the tax rate under this
51 subsection shall apply only to tax years that begin on or
52 after a modification takes effect.

53 (3) The department of revenue shall, by rule and by
54 posting on the department's website, adjust the appropriate
55 tax rate to effectuate the provisions of this subsection.

56 4. (1) In addition to the rate [reduction]
57 established under [subsection] subsections 2 and 3 of this
58 section, beginning with the [2024] 2027 calendar year, the
59 [top] rate of tax under subsection [1] 3 of this section may
60 be reduced by [fifteen hundredths] one-tenth of [a] one
61 percent. **No more than ten reductions shall be made under**
62 **this subsection.** A reduction in the rate of tax shall take
63 effect on January first of a calendar year and such reduced
64 rates shall continue in effect until the next reduction
65 occurs.

66 (2) A reduction in the rate of tax shall only occur if
67 the amount of net general revenue collected in the previous
68 fiscal year exceeds the highest amount of net general
69 revenue collected in any of the three fiscal years prior to
70 such fiscal year by at least one hundred seventy-five
71 million dollars.

72 (3) Any modification of tax rates under this
73 subsection shall only apply to tax years that begin on or
74 after a modification takes effect.

75 (4) The director of the department of revenue shall,
76 by rule, adjust the tax **[tables]** **rate** under subsection **[1]** **3**
77 of this section to effectuate the provisions of this
78 subsection.

79 **[4.] 5.** (1) In addition to the rate reductions under
80 subsections 2, **3**, and **[3]** **4** of this section, beginning with
81 the calendar year immediately following the calendar year in
82 which a reduction is made pursuant to subsection **[3]** **4** of
83 this section, the top rate of tax under subsection 1 of this
84 section may be further reduced over a period of years. Each
85 reduction in the top rate of tax shall be by one-tenth of a
86 percent and no more than one reduction shall occur in a
87 calendar year. No more than three reductions shall be made
88 under this subsection. Reductions in the rate of tax shall
89 take effect on January first of a calendar year and such
90 reduced rates shall continue in effect until the next
91 reduction occurs.

92 (2) (a) A reduction in the rate of tax shall only
93 occur if:

94 a. The amount of net general revenue collected in the
95 previous fiscal year exceeds the highest amount of net
96 general revenue collected in any of the three fiscal years

97 prior to such fiscal year by at least two hundred million
98 dollars; and

99 b. The amount of net general revenue collected in the
100 previous fiscal year exceeds the amount of net general
101 revenue collected in the fiscal year five years prior,
102 adjusted annually by the percentage increase in inflation
103 over the preceding five fiscal years.

104 (b) The amount of net general revenue collected
105 required by subparagraph a. of paragraph (a) of this
106 subdivision in order to make a reduction pursuant to this
107 subsection shall be adjusted annually by the percent
108 increase in inflation beginning with January 2, 2023.

109 (3) Any modification of tax rates under this
110 subsection shall only apply to tax years that begin on or
111 after a modification takes effect.

112 (4) The director of the department of revenue shall,
113 by rule, adjust the tax tables under subsection 1 of this
114 section to effectuate the provisions of this subsection.
115 The bracket for income subject to the top rate of tax shall
116 be eliminated once the top rate of tax has been reduced
117 below the rate applicable to such bracket, and the top
118 remaining rate of tax shall apply to all income in excess of
119 the income in the second highest remaining income bracket.

120 **[5.] 6.** Beginning with the 2017 calendar year, **and**
121 **ending on or before December 31, 2026,** the brackets of
122 Missouri taxable income identified in subsection 1 of this
123 section shall be adjusted annually by the percent increase
124 in inflation. The director shall publish such brackets
125 annually beginning on or after October 1, 2016.
126 Modifications to the brackets shall take effect on January
127 first of each calendar year and shall apply to tax years
128 beginning on or after the effective date of the new brackets.

[6.] 7. As used in this section, the following terms mean:

(1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as reported by the Bureau of Labor Statistics, or its successor index;

(2) "CPI for the preceding calendar year", the average of the CPI as of the close of the twelve-month period ending on August thirty-first of such calendar year;

(3) "Net general revenue collected", all revenue deposited into the general revenue fund, less refunds and revenues originally deposited into the general revenue fund but designated by law for a specific distribution or transfer to another state fund;

(4) "Percent increase in inflation", the percentage, if any, by which the CPI for the preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending August 31, 2015.

143.031. 1. A husband and wife who file a joint federal income tax return shall file a combined return. A husband and wife who do not file a joint federal income tax return shall not file a combined return.

2. The Missouri combined taxable income on a combined return shall include all of the income and deductions of the husband and wife. **For all tax years ending on or before December 31, 2026,** the Missouri taxable income of each spouse shall be an amount that is the same proportion of their Missouri combined taxable income as the Missouri adjusted gross income of that spouse bears to their Missouri combined adjusted gross income. **For all tax years beginning on or after January 1, 2027, there shall be one column for the calculation of total Missouri combined adjusted gross income on a Missouri income tax return.**

16 3. The tax of each spouse shall be determined by the
17 application of either section 143.021 or section 143.041
18 depending upon whether such spouse is a resident or
19 nonresident. Their Missouri combined tax shall be the sum
20 of the tax applicable to each spouse.

 143.131. 1. The Missouri standard deduction may be
2 deducted in determining Missouri taxable income of a
3 resident individual unless the taxpayer or his spouse has
4 elected to itemize his deduction as provided in section
5 143.141.

6 2. **(1) For all tax years ending on or before December**
7 **31, 2026,** the Missouri standard deduction shall be the
8 allowable federal standard deduction.

9 **(2) For all tax years beginning on or after January 1,**
10 **2027, the Missouri standard deduction shall be the allowable**
11 **federal standard deduction plus four thousand dollars.**

 143.175. 1. For all tax years beginning on or after
2 January 1, 2020, for purposes of calculating the Missouri
3 taxable income as required under section 143.011, a
4 percentage of the income received by any person as salary or
5 compensation:

6 (1) In performance of inactive duty for training (IDT)
7 of the National Guard or annual training status (AT) of the
8 National Guard;

9 (2) In reserve components of the Armed Forces of the
10 United States; **[or]**

11 (3) For all tax years beginning on or after January 1,
12 2025, in the form of a bonus from the National Guard or a
13 reserve component of the United States Armed Forces for
14 joining, reenlisting, or for any other reason; **or**

15 **(4) For all tax years beginning on or after January 1,**
16 **2027, in performance of state-funded military orders of the**

17 **National Guard, commonly known as state active duty (SAD) or**
18 **state emergency duty (SED);**

19 and to the extent that such income is included in the
20 federal adjusted gross income, may be deducted from the
21 taxpayer's Missouri adjusted gross income to determine such
22 taxpayer's Missouri taxable income. If such person files a
23 combined return with a spouse, a percentage of any military
24 income received while engaging in the performance of
25 National Guard or reserve military duty may be deducted from
26 their Missouri combined adjusted gross income. Such
27 military income shall be deducted as follows:

28 (a) For the tax year beginning on or after January 1,
29 2020, twenty percent of such military income;

30 (b) For the tax year beginning on or after January 1,
31 2021, forty percent of such military income;

32 (c) For the tax year beginning on or after January 1,
33 2022, sixty percent of such income;

34 (d) For the tax year beginning on or after January 1,
35 2023, eighty percent of such income;

36 (e) For all tax years beginning on January 1, 2024,
37 and thereafter, one hundred percent of such income.

38 2. Notwithstanding the provisions of this section or
39 any other provision of law to the contrary, the deduction
40 authorized by this section shall not apply to compensation
41 received while engaging in civilian federal service,
42 including civil service positions requiring the wearing of
43 military uniform and military affiliation.

143.512. In the event a taxpayer is denied part or all
2 **of a tax credit for which the taxpayer has qualified**
3 **pursuant to any provision of law due to lack of available**
4 **funds, and such denial causes a balance-due notice to be**

5 generated by the department of revenue or any other
6 redeeming agency, a taxpayer shall not be held liable for
7 any penalty or interest on such balance due, provided the
8 balance is paid or approved payment arrangements have been
9 made within sixty days from the notice of denial. Any
10 payments not timely made pursuant to this section shall be
11 subject to penalty and interest pursuant to this chapter.

[143.177. 1. This section shall be known
2 and may be cited as the "Missouri Working Family
3 Tax Credit Act".

4 2. For purposes of this section, the
5 following terms shall mean:

6 (1) "Department", the department of
7 revenue;

8 (2) "Eligible taxpayer", a resident
9 individual with a filing status of single, head
10 of household, widowed, or married filing
11 combined who is subject to the tax imposed under
12 this chapter, excluding withholding tax imposed
13 under sections 143.191 to 143.265, and who is
14 allowed a federal earned income tax credit under
15 26 U.S.C. Section 32, as amended;

16 (3) "Tax credit", a credit against the tax
17 otherwise due under this chapter, excluding
18 withholding tax imposed under sections 143.191
19 to 143.265.

20 3. (1) Beginning with the 2023 calendar
21 year, an eligible taxpayer shall be allowed a
22 tax credit in an amount equal to a percentage of
23 the amount such taxpayer would receive under the
24 federal earned income tax credit as such credit
25 existed under 26 U.S.C. Section 32 as of January
26 1, 2021, as provided pursuant to subdivision (2)
27 of this subsection. The tax credit allowed by
28 this section shall be claimed by such taxpayer
29 at the time such taxpayer files a return and
30 shall be applied against the income tax
31 liability imposed by this chapter after
32 reduction for all other credits allowed
33 thereon. If the amount of the credit exceeds
34 the tax liability, the difference shall not be

35 refunded to the taxpayer and shall not be
36 carried forward to any subsequent tax year.

37 (2) Subject to the provisions of
38 subdivision (3) of this subsection, the
39 percentage of the federal earned income tax
40 credit to be allowed as a tax credit pursuant to
41 subdivision (1) of this subsection shall be ten
42 percent, which may be increased to twenty
43 percent subject to the provisions of subdivision
44 (3) of this subsection. The maximum percentage
45 that may be claimed as a tax credit pursuant to
46 this section shall be twenty percent of the
47 federal earned income tax credit that may be
48 claimed by such taxpayer. Any increase in the
49 percentage that may be claimed as a tax credit
50 shall take effect on January first of a calendar
51 year and such percentage shall continue in
52 effect until the next percentage increase
53 occurs. An increase shall only apply to tax
54 years that begin on or after the increase takes
55 effect.

56 (3) The initial percentage to be claimed
57 as a tax credit and any increase in the
58 percentage that may be claimed pursuant to
59 subdivision (2) of this subsection shall only
60 occur if the amount of net general revenue
61 collected in the previous fiscal year exceeds
62 the highest amount of net general revenue
63 collected in any of the three fiscal years prior
64 to such fiscal year by at least one hundred
65 fifty million dollars.

66 4. Notwithstanding the provisions of
67 section 32.057 to the contrary, the department
68 shall determine whether any taxpayer filing a
69 report or return with the department who did not
70 apply for the credit authorized under this
71 section may qualify for the credit and, if so,
72 determines a taxpayer may qualify for the
73 credit, shall notify such taxpayer of his or her
74 potential eligibility. In making a
75 determination of eligibility under this section,
76 the department shall use any appropriate and
77 available data including, but not limited to,
78 data available from the Internal Revenue

79 Service, the U.S. Department of Treasury, and
80 state income tax returns from previous tax years.

81 5. The department shall prepare an annual
82 report containing statistical information
83 regarding the tax credits issued under this
84 section for the previous tax year, including the
85 total amount of revenue expended, the number of
86 credits claimed, and the average value of the
87 credits issued to taxpayers whose earned income
88 falls within various income ranges determined by
89 the department.

90 6. The director of the department may
91 promulgate rules and regulations to administer
92 the provisions of this section. Any rule or
93 portion of a rule, as that term is defined in
94 section 536.010, that is created under the
95 authority delegated in this section shall become
96 effective only if it complies with and is
97 subject to all of the provisions of chapter 536
98 and, if applicable, section 536.028. This
99 section and chapter 536 are nonseverable and if
100 any of the powers vested with the general
101 assembly pursuant to chapter 536 to review, to
102 delay the effective date, or to disapprove and
103 annul a rule are subsequently held
104 unconstitutional, then the grant of rulemaking
105 authority and any rule proposed or adopted after
106 January 1, 2023, shall be invalid and void.

107 7. Tax credits authorized under this
108 section shall not be subject to the requirements
109 of sections 135.800 to 135.830.]

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