

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
**SENATE BILLS NOS. 675,
483, 490 & 564**
89TH GENERAL ASSEMBLY

Reported from the Committee on Ways & Means, April 16, 1998, with recommendation that the House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bills Nos. 675, 483, 490 & 564 Do Pass.

ANNE C. WALKER, Chief Clerk
L3158.04C

AN ACT

To repeal section 135.030, RSMo 1994, relating to an income tax credit for property taxes paid on a homestead, and to enact in lieu thereof one new section relating to the same subject.

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

Section A. Section 135.030, RSMo 1994, is repealed and one new section enacted in lieu thereof, to be known as section 135.030, to read as follows:

135.030. 1. As used in this section:

(1) The term "maximum upper limit" shall, in the calendar year 1989, be the sum of thirteen thousand five hundred dollars. For each calendar year through December 31, 1992, the maximum upper limit shall be increased by five hundred dollars per year. For [each] calendar [year] **years** after December 31, 1992, **and prior to calendar year 1998**, the maximum upper limit shall be the sum used on December 31, 1992. **For each calendar year after December 31, 1997, the maximum upper limit shall be the sum of twenty-two thousand dollars;**

(2) The term "minimum base" shall, in the calendar year 1989, be the sum of five thousand dollars. For each succeeding calendar year through December 31, 1992, the minimum base shall be increased, in one-hundred-dollar increments, by the same percentage as 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 index, as defined and officially recorded by the United States Department of Labor, or its successor agency, or five percent, whichever is greater. The increase in the index shall be that as first published by the Department of Labor for the calendar year immediately preceding the year in which the minimum base is calculated. For [each] calendar [year] **years** after December 31, 1992, **and prior to calendar year 1998**, the minimum base shall be the sum used on December 31, 1992. **For each calendar year after December 31, 1997, the minimum base shall be the sum of twelve thousand five hundred dollars.**

2. When calculating the minimum base for purposes of this section, whenever the increase in the Consumer Price Index used in the calculation would result in a figure which is greater than one

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

one-hundred-dollar increment but less than another one-hundred-dollar increment, the director of revenue shall always round that figure off to the next higher one-hundred-dollar increment when determining the table of credits under this section.

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

| | |
|--|--|
| If the income on the return is: | The percent is: |
| Not over the minimum base | 0 percent with credit not to exceed actual property tax or rent equivalent paid up to \$750 |
| Over the minimum base but not over the maximum upper limit | [1/8] 1/16 percent accumulative per [\$200] \$300 from 0 percent to [2 percent; 1/4 percent accumulative per \$200 from 2 percent to] 4 percent. |

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

4. Notwithstanding the provision of subsection 4 of section 32.057, RSMo, the department of revenue or any duly authorized employee or agent shall determine whether any taxpayer filing a report or return with the department of revenue who has not applied for the credit allowed pursuant to section 135.020 may qualify for the credit, and shall notify any qualified claimant of his or her potential eligibility, where the department determines such potential eligibility exists.