

SECOND REGULAR SESSION

SENATE BILL NO. 564

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RUSSELL.

Pre-filed December 1, 1997, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

L2525.011

AN ACT

To repeal sections 135.020 and 135.030, RSMo 1994, relating to income tax credits, and to enact in lieu thereof two new sections relating to the same subject.

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

Section A. Sections 135.020 and 135.030, RSMo 1994, are repealed and two new sections enacted in lieu thereof, to be known as sections 135.020 and 135.030, to read as follows:

135.020. A credit for property taxes shall be allowed for the amount provided in section 135.030. If the amount allowable as a credit exceeds the income tax reduced by other credits **on a return reporting income of thirteen thousand dollars or less**, then the excess shall be considered an overpayment of the income tax.

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 after December 31, 1992, **and through December 31, 1998**, the maximum upper limit shall be the sum used on December 31, 1992. **For each calendar year after December 31, 1998, the maximum upper limit shall be twenty-five 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 after December 31, 1992, **and through December 31, 1998**, the minimum base shall be the sum used on December 31, 1992. **For each calendar year after December 31, 1998, the minimum base shall be thirteen thousand 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 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 percent accumulative per \$200 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 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 level.

Section B. Section A of this act shall become effective on January 1, 1999, and shall apply to all taxable years beginning after December 31, 1998.

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