

HB 2766 -- MISSOURI HOMESTEAD PRESERVATION ACT

SPONSOR: Anderson

This bill creates the "Missouri Homestead Preservation Act", which provides a property tax credit for property owners who are 65 or older or disabled and have an income lower than the maximum upper limit as defined in the bill.

Beginning January 1, 2024, if in the most recent prior tax year the property tax liability on residential real property increased by more than the homestead exemption limit, then the owner will receive a credit to be applied toward the current tax year property tax liability to offset the prior year increase that exceeds the homestead exemption limit, except as limited by the provisions of the bill.

Any owner may apply to the Department of Revenue (DOR) for the credit by completing an application no earlier than April 1st and no later than October 15th of any tax year in order to be eligible for the credit. On the applications, the applicant must attest under penalty of perjury:

- (1) To the applicant's age;
- (2) That the applicant's prior year income was less than the maximum upper limit, as defined in the bill;
- (3) To the address of the homestead property; and
- (4) That any improvements made to the homestead, not made to accommodate a disabled person, did not total more than 2.5% of the assessed value of the homestead for the most recent prior tax year.

The applicant must also include with the application copies of receipts indicating payment of property tax by the applicant for the homestead property for the three most recent tax years.

Upon receipt of the applications, DOR must calculate and verify certain information to determine an applicant's eligibility for the credit and provide a list of all verified owners to the county assessors or county clerks no later than December 15th.

The DOR will calculate the level of appropriation necessary to set the homestead exemption limit at 2.5% for the homesteads of all verified owners, and provide such calculation to the Speaker of the House of Representatives, the President Pro Tem of the Senate, and the Director of the Office of Budget and Planning no later than January 31st of each year.

If an appropriation for the funding of the credit is approved, then DOR will equally apportion the appropriation among all eligible applicants on a percentage basis. If no appropriation is made, then no credit will apply in such year.

In the event that an eligible owner dies or transfers ownership of the property after the homestead exemption limit has been set in any given year, but prior to January 1st of the year in which the credit would otherwise be applied, the credit is void.

This program sunsets six years after the effective date.

This bill is similar to HB 671 (2023); and HB 2351 (2022).