

SECOND REGULAR SESSION

SENATE BILL NO. 1019

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RIZZO.

Read 1st time February 19, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4874S.011

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for property tax relief for certain vulnerable populations.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.040, to read as follows:

135.040. 1. This section shall be known and may be cited as the "Senior Citizen Homestead Preservation Tax Credit Act".

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

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

(2) "Disabled", as such term is defined in section 135.010;

(3) "Eligible owner", any of the following:

(a) An individual owner of a homestead who is sixty-five years old or older as of January first of the tax year in which the individual is claiming the credit or who is disabled, and who had an income equal to or less than the maximum upper limit in the year prior to completing an application pursuant to this section;

(b) In the case of a married couple owning a homestead either jointly or as tenants by the entirety, or where only one spouse owns the homestead, such couple shall be considered an eligible owner if both spouses have reached the age of sixty-five or if one spouse is disabled, or if one spouse is at least sixty-five years old and the other spouse is at least sixty years old, and the combined income of the couple in the year prior to completing an application pursuant to this section did not exceed the maximum upper limit;

(c) In the case of joint ownership by unmarried persons or ownership by tenancy in common by two or more unmarried persons,

22 such owners shall be considered an eligible owner if each person with
23 an ownership interest individually satisfies the eligibility requirements
24 for an individual eligible owner under this section and the combined
25 income of all individuals with an interest in the property is equal to or
26 less than the maximum upper limit in the year prior to completing an
27 application under this section. If any individual with an ownership
28 interest in the homestead fails to satisfy the eligibility requirements of
29 an individual eligible owner or if the combined income of all
30 individuals with interest in the property exceeds the maximum upper
31 limit, then all individuals with an ownership interest in such
32 homestead shall be deemed ineligible owners regardless of such other
33 individual's ability to individually meet the eligibility requirements; or

34 (d) In the case of homestead held in trust, the eligible owner and
35 recipient of the tax credit shall be the trust itself, provided the
36 previous owner of the homestead or the previous owner's spouse is the
37 settlor of the trust with respect to the homestead, currently resides in
38 such homestead, and, but for the transfer of such homestead, would
39 have satisfied the age, ownership, and maximum upper limit
40 requirements for income as defined in this subsection.

41 No individual shall be an eligible owner if the individual has not paid
42 the individual's property tax liability, if any, in full by the payment due
43 date in any of the three prior tax years, except that a late payment of
44 a property tax liability in any prior year shall not disqualify a potential
45 eligible owner if such owner paid in full the tax liability and any and
46 all penalties, additions and interest that arose as a result of such late
47 payment;

48 (4) "Homestead", as such term is defined pursuant to section
49 135.010. No property shall be considered a homestead if such property
50 was improved since the most recent annual assessment by more than
51 five percent of the prior year appraised value, except where an eligible
52 owner of the property has made such improvements to accommodate a
53 disabled person;

54 (5) "Homestead exemption limit", the property tax liability of an
55 eligible owner for the 2020 calendar year or the calendar year in which
56 a taxpayer first becomes an eligible owner pursuant to this section,
57 whichever is later;

58 (6) "Income", federal adjusted gross income, and in the case of

59 ownership of the homestead by trust, the income of the settlor
60 applicant shall be imputed to the income of the trust for purposes of
61 determining eligibility with regards to the maximum upper limit;

62 (7) "Maximum upper limit", in the calendar year 2021, the income
63 sum of one hundred twenty-five thousand dollars; in each successive
64 calendar year this amount shall be raised by the incremental increase
65 in the general price level, as defined pursuant to article X, section 17
66 of the Missouri Constitution.

67 3. For all tax years beginning on or after January 1, 2021, any
68 eligible owner of a homestead whose property tax liability for such
69 homestead exceeds the homestead exemption limit shall be allowed a
70 credit against the tax otherwise due under chapter 143, excluding
71 withholding tax imposed by sections 143.191 to 143.265, in an amount
72 equal to the amount by which the tax liability exceeds the homestead
73 exemption limit.

74 4. To claim a tax credit pursuant to this section, eligible owners
75 shall submit an application to the department, which shall be on forms
76 provided by the department. Such applications shall be submitted
77 along with the eligible owner's income tax return. Application forms
78 shall be made available on the department's internet site and at all
79 permanent branch offices and all full-time, temporary, or fee offices
80 maintained by the department of revenue. Such application shall
81 include:

82 (1) The eligible owner's age;

83 (2) The address of the homestead property;

84 (3) Copies of receipts indicating payment of property tax by the
85 eligible owner for the homestead property for the three prior tax years;
86 and

87 (4) Any other information required by the department.

88 5. An eligible owner shall not claim a tax credit pursuant to this
89 section if such eligible owner claims a tax credit pursuant to sections
90 135.010 to 135.035 for the same tax year.

91 6. The tax credit allowed by this section shall be claimed by such
92 taxpayer at the time such taxpayer files a return and shall be applied
93 against the income tax liability imposed by chapter 143 after reduction
94 for all other credits allowed thereon. Any amount of tax credit which
95 exceeds the tax due shall be considered an overpayment and shall be

96 refunded to the taxpayer. A tax credit issued pursuant to this section
97 shall not be transferred, sold, or assigned.

98 7. The department shall promulgate rules to implement the
99 provisions of this section. Any rule or portion of a rule, as that term is
100 defined in section 536.010, that is created under the authority delegated
101 in this section shall become effective only if it complies with and is
102 subject to all of the provisions of chapter 536 and, if applicable, section
103 536.028. This section and chapter 536 are nonseverable and if any of
104 the powers vested with the general assembly pursuant to chapter 536
105 to review, to delay the effective date, or to disapprove and annul a rule
106 are subsequently held unconstitutional, then the grant of rulemaking
107 authority and any rule proposed or adopted after August 28, 2020, shall
108 be invalid and void.

109 8. Pursuant to section 23.253 of the Missouri sunset act:

110 (1) The program authorized under the provisions of this section
111 shall automatically sunset six years after the effective date of this
112 section unless reauthorized by an act of the general assembly; and

113 (2) This section shall terminate on September first of the year
114 following the year in which any new program authorized under this
115 section is sunset.

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