



Missouri House of Representatives

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Missouri House Passes HB 1086 to Protect Short-Term Rental Homeowners from Unfair Tax Assessments

JEFFERSON CITY, Mo. – The Missouri House of Representatives has passed **HB 1086**, a bill that ensures single-family homes used as short-term rentals are classified solely as residential properties for tax assessment purposes. Sponsored by State Representative Chris Brown, the bill seeks to provide clarity and fairness in how these properties are taxed, preventing county assessors from reclassifying them as commercial properties.

“This bill is about ensuring that residential homes remain classified as residential, regardless of whether they are rented out for short-term stays,” Rep. Brown, R-Kansas City, said. “Right now, we have a handful of county assessors who have started changing the classification of these properties from residential to commercial—without clear statutory authority or consistent criteria. That results in an almost 70% increase in property taxes, and that’s simply unfair.”

HB 1086 addresses a growing issue in Missouri where homeowners who rent out properties on platforms like Airbnb and Vrbo are being hit with commercial tax rates, despite their homes remaining residential in nature. Many of these homeowners are individual investors or retirees who use short-term rentals to supplement income or cover mortgage costs.

“Most short-term rental owners aren’t big corporations buying up dozens of homes,” Rep. Brown stated. “These are everyday Missourians—people in their 40s and 50s investing in a second home, maybe in Branson or the Lake of the Ozarks, to help pay for their future retirement. They shouldn’t be taxed as if they’re running a hotel. HB 1086 will relieve these property owners from potential assessment increases on residential property that is being utilized as a short-term rental.”

Supporters argue that applying commercial tax rates to residential properties makes short-term rentals unaffordable for both homeowners and guests, ultimately driving business away from Missouri’s tourism hotspots. Opponents, however, contend that if a property is generating income and collecting sales tax, it should be classified as a business.

“At the end of the day, even though the activity may be a short-term rental, this property is still a residential property,” Rep. Brown said. “Whether someone lives in a home for a year, six months, or just a few days, it doesn’t change the fact that it’s a home, and the assessor should not be allowed to change that assessment from residential to commercial. Hopefully, HB 1086 will give confidence to homeowners that their tax obligation will continue to be assessed at the residential rate.”

With a vote of 118-34, HB 1086 now moves to the Missouri Senate for further consideration.

Representative Chris Brown, a Republican, represents Clay County (District 16) in the Missouri House of Representatives. He was elected to his first two-year term in November 2020. For more information, please contact Rep. Brown’s office at 573-751-9458 or by email at Chris.Brown@House.Mo.Gov.