

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 230

93RD GENERAL ASSEMBLY

Read 1st time January 13, 2005 and copies ordered printed.

Read 2nd time January 18, 2005 and referred to the Committee on Senior Citizen Advocacy January 27, 2005.

Reported from the Committee on Senior Citizen Advocacy February 17, 2005, with recommendation that the bill Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules February 28, 2005, with recommendation that the bill Do Pass by Consent with no time limit for debate.

Perfected by Consent March 8, 2005.

STEPHEN S. DAVIS, Chief Clerk

0793L.01P

AN ACT

To repeal section 135.010, RSMo, and to enact in lieu thereof one new section relating to senior citizens property tax relief.

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

Section A. Section 135.010, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.010, to read as follows:

135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

(1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If the persons are eligible to file a joint federal income tax return and reside at the same address at any time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri income tax return or a combined claim return reporting their combined incomes and property taxes. A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the armed forces of the United States or this state who became one hundred percent disabled as a result of such service, or the claimant or spouse is disabled as

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

11 defined in subdivision (2) of this section, and such claimant or spouse provides proof of such
12 disability in such form and manner, and at such times, as the director of revenue may require, or
13 if the claimant has reached the age of sixty on or before the last day of the calendar year and such
14 claimant received surviving spouse Social Security benefits during the calendar year and the
15 claimant provides proof, as required by the director of revenue, that the claimant received
16 surviving spouse Social Security benefits during the calendar year for which the credit will be
17 claimed. **A claimant shall not be allowed a property tax credit if the claimant filed a valid**
18 **claim under section 137.106, RSMo, in the year following the year for which the property**
19 **tax credit is claimed.** The residency requirement shall be deemed to have been fulfilled for the
20 purpose of determining the eligibility of a surviving spouse for a property tax credit if a person
21 of the age of sixty-five years or older who would have otherwise met the requirements for a
22 property tax credit dies before the last day of the calendar year. The residency requirement shall
23 also be deemed to have been fulfilled for the purpose of determining the eligibility of a claimant
24 who would have otherwise met the requirements for a property tax credit but who dies before
25 the last day of the calendar year;

26 (2) "Disabled", the inability to engage in any substantial gainful activity by reason of any
27 medically determinable physical or mental impairment which can be expected to result in death
28 or which has lasted or can be expected to last for a continuous period of not less than twelve
29 months. A claimant shall not be required to be gainfully employed prior to such disability to
30 qualify for a property tax credit;

31 (3) "Gross rent", amount paid by a claimant to a landlord for the rental, at arm's length,
32 of a homestead during the calendar year, exclusive of charges for health and personal care
33 services and food furnished as part of the rental agreement, whether or not expressly set out in
34 the rental agreement. If the director of revenue determines that the landlord and tenant have not
35 dealt at arm's length, and that the gross rent is excessive, then he shall determine the gross rent
36 based upon a reasonable amount of rent. Gross rent shall be deemed to be paid only if actually
37 paid prior to the date a return is filed. The director of revenue may prescribe regulations
38 requiring a return of information by a landlord receiving rent, certifying for a calendar year the
39 amount of gross rent received from a tenant claiming a property tax credit and shall, by
40 regulation, provide a method for certification by the claimant of the amount of gross rent paid
41 for any calendar year for which a claim is made. The regulations authorized by this subdivision
42 may require a landlord or a tenant or both to provide data relating to health and personal care
43 services and to food. Neither a landlord nor a tenant may be required to provide data relating to
44 utilities, furniture, home furnishings or appliances;

45 (4) "Homestead", the dwelling in Missouri owned or rented by the claimant and not to
46 exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a

47 home. It may consist of part of a multidwelling or multipurpose building and part of the land
48 upon which it is built. "Owned" includes a vendee in possession under a land contract and one
49 or more tenants by the entireties, joint tenants, or tenants in common and includes a claimant
50 actually in possession if he was the immediate former owner of record, if a lineal descendant is
51 presently the owner of record, and if the claimant actually pays all taxes upon the property. It
52 may include a mobile home;

53 (5) "Income", Missouri adjusted gross income as defined in section 143.121, RSMo, less
54 two thousand dollars as an exemption for the claimant's spouse residing at the same address, and
55 increased, where necessary, to reflect the following:

56 (a) Social Security, railroad retirement, and veterans payments and benefits unless the
57 claimant is a one hundred percent service-connected, disabled veteran or a spouse of a one
58 hundred percent service-connected, disabled veteran. The one hundred percent
59 service-connected disabled veteran shall not be required to list veterans payments and benefits;

60 (b) The total amount of all other public and private pensions and annuities;

61 (c) Public relief, public assistance, and unemployment benefits received in cash, other
62 than benefits received under this chapter;

63 (d) No deduction being allowed for losses not incurred in a trade or business;

64 (e) Interest on the obligations of the United States, any state, or any of their subdivisions
65 and instrumentalities;

66 (6) "Property taxes accrued", property taxes paid, exclusive of special assessments,
67 penalties, interest, and charges for service levied on a claimant's homestead in any calendar year.
68 Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed.
69 The director of revenue shall require a tax receipt or other proof of property tax payment. If a
70 homestead is owned only partially by claimant, then "property taxes accrued" is that part of
71 property taxes levied on the homestead which was actually paid by the claimant. For purposes
72 of this subdivision, property taxes are "levied" when the tax roll is delivered to the director of
73 revenue for collection. If a claimant owns a homestead part of the preceding calendar year and
74 rents it or a different homestead for part of the same year, "property taxes accrued" means only
75 taxes levied on the homestead both owned and occupied by the claimant, multiplied by the
76 percentage of twelve months that such property was owned and occupied as the homestead of
77 the claimant during the year. When a claimant owns and occupies two or more different
78 homesteads in the same calendar year, property taxes accrued shall be the sum of taxes allocable
79 to those several properties occupied by the claimant as a homestead for the year. If a homestead
80 is an integral part of a larger unit such as a farm, or multipurpose or multidwelling building,
81 property taxes accrued shall be that percentage of the total property taxes accrued as the value

82 of the homestead is of the total value. For purposes of this subdivision "unit" refers to the parcel
83 of property covered by a single tax statement of which the homestead is a part;

84 (7) "Rent constituting property taxes accrued", twenty percent of the gross rent paid by
85 a claimant and spouse in the calendar year.