

SECOND REGULAR SESSION

# HOUSE BILL NO. 1768

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES BIVINS (Sponsor), RUESTMAN AND KIRKTON (Co-sponsors).

3033L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for property taxes paid.

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*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 135.687, to read as follows:

**135.687. 1. As used in this section, the following terms mean:**

- 2           **(1) "Average percentage of local funding", the percentage of receipts from local**  
3 **and county sources available for use for current expenditures by all school districts in the**  
4 **state during the school year ending on or before December thirty-first of the taxable year**  
5 **for which the tax credit is claimed under this section, as determined by the department of**  
6 **elementary and secondary education;**
- 7           **(2) "Excess property taxes paid", the product as determined by multiplying the**  
8 **amount of the taxpayer's property taxes assessed by the taxpayer's school district and paid**  
9 **by the taxpayer in the taxable year for which the tax credit is claimed under this section**  
10 **by the funding source percentage difference;**
- 11           **(3) "Funding source percentage difference", the difference between the average**  
12 **percentage of local funding and the percentage of local receipts, as determined by**  
13 **subtracting the number representing the average percentage of local funding rounded to**  
14 **one decimal from the number representing the percentage of local receipts rounded to one**  
15 **decimal, with such difference expressed as a decimal rounded to the nearest hundredth;**
- 16           **(4) "Local and county sources", all property and sales taxes levied by or on behalf**  
17 **of, collected within, and remitted to the taxpayer's school district;**

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.

18           (5) "Percentage of local receipts", the percentage of receipts from local and county  
19 sources available for use for current expenditures by the taxpayer's school district during  
20 the school year ending on or before December thirty-first of the taxable year for which the  
21 tax credit is claimed under this section, as reported by the department of elementary and  
22 secondary education;

23           (6) "Tax credit", a credit against the tax otherwise due under chapter 143,  
24 excluding withholding tax imposed by sections 143.191 to 143.265;

25           (7) "Taxpayer", any individual subject to the tax imposed in chapter 143, excluding  
26 withholding tax imposed by sections 143.191 to 143.265.

27           2. For all taxable years beginning on or after January 1, 2011, a taxpayer shall be  
28 allowed a tax credit for excess property taxes paid. If the amount of the tax credit issued  
29 exceeds the amount of the taxpayer's state tax liability for the tax year for which the credit  
30 is claimed, the difference shall not be refundable but may be carried forward to any of the  
31 taxpayer's three subsequent taxable years. No tax credit issued under this section shall be  
32 transferred, sold, or assigned.

33           3. If the taxpayer's funding source percentage difference is equal to or less than  
34 zero, no tax credit shall be issued to the taxpayer under this section.

35           4. The department of revenue may promulgate rules to implement the provisions  
36 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that  
37 is created under the authority delegated in this section shall become effective only if it  
38 complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
39 section 536.028. This section and chapter 536 are nonseverable and if any of the powers  
40 vested with the general assembly under chapter 536 to review, to delay the effective date,  
41 or to disapprove and annul a rule are subsequently held unconstitutional, then the grant  
42 of rulemaking authority and any rule proposed or adopted after August 28, 2010, shall be  
43 invalid and void.

44           5. Under section 23.253 of the Missouri sunset act:

45           (1) The provisions of the new program authorized under this section shall  
46 automatically sunset on December thirty-first six years after the effective date of this  
47 section unless reauthorized by an act of the general assembly; and

48           (2) If such program is reauthorized, the program authorized under this section  
49 shall automatically sunset on December thirty-first twelve years after the effective date of  
50 the reauthorization of this section; and

51           (3) This section shall terminate on September first of the calendar year immediately  
52 following the calendar year in which the program authorized under this section is sunset.

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