

SECOND REGULAR SESSION

HOUSE BILL NO. 1863

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES COX (Co-sponsor), GATSCHENBERGER, DUGGER, SCHIEFFER, POLLOCK, BROWN (149), CUNNINGHAM, WELLS, MCGHEE, MUNZLINGER, FAITH, WETER, SCHAAF, GRISAMORE AND OXFORD (Co-sponsors).

4659L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

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

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Section A. Section 135.010, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.010, to read as follows: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 defined in subdivision (2) of this section, and such claimant or spouse provides proof of such disability in such form and manner, and at such times, as the director of revenue may require, or if the claimant has reached the age of sixty on or before the last day of the calendar year and such claimant received surviving spouse Social Security benefits during the calendar year and the claimant provides proof, as required by the director of revenue, that the claimant received surviving spouse Social Security benefits during the calendar year for which the credit will be

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.

17 claimed, **or if the claimant rents a homestead located in any tax-free housing unit.** A
18 claimant shall not be allowed a property tax credit if the claimant filed a valid claim for a credit
19 under section 137.106, RSMo, in the year following the year for which the property tax credit
20 is claimed. The residency requirement shall be deemed to have been fulfilled for the purpose of
21 determining the eligibility of a surviving spouse for a property tax credit if a person of the age
22 of sixty-five years or older who would have otherwise met the requirements for a property tax
23 credit dies before the last day of the calendar year. The residency requirement shall also be
24 deemed to have been fulfilled for the purpose of determining the eligibility of a claimant who
25 would have otherwise met the requirements for a property tax credit but who dies before the last
26 day of the calendar year;

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

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

46 (4) "Homestead", the dwelling in Missouri owned or rented by the claimant and not to
47 exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a
48 home. It may consist of part of a multidwelling or multipurpose building and part of the land
49 upon which it is built. "Owned" includes a vendee in possession under a land contract and one
50 or more tenants by the entireties, joint tenants, or tenants in common and includes a claimant
51 actually in possession if he was the immediate former owner of record, if a lineal descendant is
52 presently the owner of record, and if the claimant actually pays all taxes upon the property. It
53 may include a mobile home;

54 (5) "Income", Missouri adjusted gross income as defined in section 143.121, RSMo, less
55 two thousand dollars, or in the case of a homestead owned and occupied, for the entire year, by
56 the claimant, less four thousand dollars as an exemption for the claimant's spouse residing at the
57 same address, and increased, where necessary, to reflect the following:

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

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

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

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

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

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

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

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