

HB 1351 -- Deferral of Property Taxes for the Elderly

Sponsor: Schupp

This bill allows an individual, 62 years of age or older, to defer paying property taxes on his or her residence under certain conditions by filing a claim with the county assessor. The Department of Revenue will determine claim eligibility, and no one will be eligible for the deferment if he or she has filed a valid claim for any homestead exemption credit under the Missouri Homestead Preservation Act. The taxes plus interest must be paid when the owner dies, sells the property, or moves or when the property changes ownership. The annual income limit to qualify for a full deferral will be \$32,000. For any income over that limit, the amount which can be deferred is reduced at a rate of 50 cents per dollar earned over \$32,000 until the amount reaches twice the limit.

If a taxpayer's income exceeds the limit of \$32,000, but not twice that limit, the portion of tax which he or she is not able to defer resulting from an increase in his or her property tax beginning in the calendar year after his or her sixty-second birthday will be eligible for deferral. However, it is not retroactive, and a qualifying taxpayer who is currently older than 62 years of age may defer the increased amount based on his or her property tax level beginning in the calendar year after the effective date of the bill. The bill establishes eligibility criteria for the taxpayer and the property in order to participate in the deferral.

A deferral of tax will result in a lien which will be held by the Department of Revenue against the property. The lien will be for the amount of the property tax as estimated by the department plus interest accruing at 6% per year.

The Senior Property Tax Deferral Revolving Fund is created to be used by the department director for making payments to county collectors of property taxes deferred and for administering the deferral programs.