

HOUSE BILL NO. 1564

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KRATKY (Sponsor), BUTLER, MCDONALD, MORGAN,
BURNS AND SCHUPP (Co-sponsors).

5375L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

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

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 135.1160, to read as follows:

135.1160. 1. As used in this section, the following terms mean:

(1) "Eligible costs", the purchase costs of materials or labor for cabinets, carpentry, carpeting, ceramic tile, concrete, counter and vanity tops, drywall, electrical work, exterior siding, insulation, masonry, painting, plaster, plumbing, plumbing fixtures, roofing, tuckpointing, waterproofing, windows, and wood flooring;

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

(3) "Taxpayer", any individual subject to the tax imposed in chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265 who owns a multi-family dwelling or residence with at least two or more units that is operated as rental property, who renovates the rental property, and who lives in one of the units in the renovated rented dwelling or residence.

2. For all taxable years beginning on or after January 1, 2015, a taxpayer shall be allowed a tax credit for eligible costs incurred in renovating the taxpayer's rented dwelling or residence. The tax credit amount shall be equal to twenty percent of such eligible costs, but shall not exceed two thousand five hundred dollars per taxpayer claiming the credit.

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 The amount of the tax credit issued shall not exceed the amount of the taxpayer's state tax
18 liability for the tax year for which the credit is claimed. If the amount of the tax credit
19 issued exceeds the amount of the taxpayer's state tax liability for the tax year for which the
20 credit is claimed, the difference shall not be refundable but may be carried forward to any
21 of the taxpayer's three subsequent taxable years. No tax credit issued under this section
22 shall be transferred, sold, or assigned. The aggregate amount of tax credits which may be
23 issued under this section in any one fiscal year shall not exceed five million dollars. The
24 tax credits issued under this section shall be issued on a first-come, first-served filing basis.

25 3. To claim the tax credit allowed under this section, the taxpayer shall include with
26 the taxpayer's income tax return any documentation and information required by the
27 department to verify that the taxpayer has actually incurred the eligible costs.

28 4. The department of revenue may promulgate rules to implement the provisions
29 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that
30 is created under the authority delegated in this section shall become effective only if it
31 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
32 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
33 vested with the general assembly pursuant to chapter 536 to review, to delay the effective
34 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
35 grant of rulemaking authority and any rule proposed or adopted after August 28, 2014,
36 shall be invalid and void.

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

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

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

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

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