

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1564**  
**97TH GENERAL ASSEMBLY**

5375L.02C

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 renovation of rental property.

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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  
2 known as section 135.1160, to read as follows:

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

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

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

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

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

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.

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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