

HCB 3 -- FUNDS FOR VULNERABLE SENIOR CITIZENS

SPONSOR: Budget Committee (Fitzpatrick)

COMMITTEE ACTION: Voted "to Introduce" by the Standing Committee on Budget by a vote of 23 to 10.

This bill prohibits the issuance of the renter's portion of the senior citizens property tax credit. The Department of Revenue is required to calculate how much of the renter's portion of the tax credit was redeemed in fiscal year 2016. Beginning fiscal year 2018, such amount will be transferred into the newly created, Missouri Senior Services Protection Fund. Moneys in the fund will be used for services for low-income seniors and disabled persons.

This bill is similar to SB 350 (2013).

PROPOSERS: Supporters say that the credit was designed as a property tax credit and it is more reasonable to make the credit only for homeowners. There are abuses to this program and this will be a good use of funds and make Missouri more fiscally responsible. There are many resources for low-income housing. The new fund will be used to support seniors as well. This is just a shift in funding that sets up a transfer equal to the savings from the credit of approximately \$56-57 million annually.

Testifying for the bill were Representative Fitzpatrick and United For Missouri.

OPPOSERS: Those who oppose the bill say that this is taking an ax to the most vulnerable citizens of the state. The new fund is so flimsy that the funds could be used in too many other areas. People who get this tax credit use it for basics. Approximately 100,000 renters will be impacted. The average amount of the credit is \$530 per recipient each year. Eliminating this credit will increase the shortage of affordable housing. The state should look at other choices within the tax credit system to make cuts.

Testifying against the bill were Catherine Edwards, Missouri Association of Area Agencies on Aging; AARP Missouri; Missouri Budget Project; and Aimee Wehmeier, Paraquad, Inc.

OTHERS: Others testifying on the bill say that most disabled people live in poverty and this property tax helps people stay in their homes. The credit equals about \$534 on average.

Testifying on the bill was the Missouri Department of Revenue.