

SECOND REGULAR SESSION

HOUSE JOINT RESOLUTION NO. 60

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CROSS.

4703H.011

D. ADAM CRUMBLISS, Chief Clerk

JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment repealing sections 4(a) and 6 of article X of the Constitution of Missouri, and adopting two new sections in lieu thereof relating to taxation of personal property.

Be it resolved by the House of Representatives, the Senate concurring therein:

That at the next general election to be held in the state of Missouri, on Tuesday next following the first Monday in November, 2018, or at a special election to be called by the governor for that purpose, there is hereby submitted to the qualified voters of this state, for adoption or rejection, the following amendment to article X of the Constitution of the state of Missouri:

Section A. Sections 4(a) and 6, article X, Constitution of Missouri, are repealed and two new sections adopted in lieu thereof, to be known as sections 4(a) and 6, to read as follows:

Section 4(a). All taxable property shall be classified for tax purposes as follows: class 1, real property; class 2, tangible personal property; class 3, intangible personal property. **The state or any county or political subdivision thereof shall not impose or levy a tax on property of class 2.** The general assembly, by general law, may provide for further classification within ~~classes 2 and~~ **class 3**, based solely on the nature and characteristics of the property, and not on the nature, residence or business of the owner, or the amount owned. Nothing in this section shall prevent the taxing of franchises, privileges or incomes, or the levying of excise or motor vehicle license taxes, or any other taxes of the same or different types.

Section 6. 1. All **real** property~~[-real and personal,]~~ of the state, counties, and other political subdivisions~~[-]~~ and **of nonprofit cemeteries[-]** **shall be exempt from taxation;** and all real property used as a homestead as defined by law of any citizen of this state who is a former

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.

4 prisoner of war, as defined by law, and who has a total service-connected disability[;] shall be
5 exempt from taxation; [~~all personal property held as industrial inventories, including raw~~
6 ~~materials, work in progress and finished work on hand, by manufacturers and refiners, and all~~
7 ~~personal property held as goods, wares, merchandise, stock in trade or inventory for resale by~~
8 ~~distributors, wholesalers, or retail merchants or establishments shall be exempt from taxation;~~]
9 and all **real** property[~~, real and personal,~~] not held for private or corporate profit and used
10 exclusively for religious worship, for schools and colleges, for purposes purely charitable, for
11 agricultural and horticultural societies, or for veterans' organizations may be exempted from
12 taxation by general law. In addition to the above, household goods, furniture, wearing apparel
13 and articles of personal use and adornment owned and used by a person in his home or dwelling
14 place may be exempt from taxation by general law but any such law may provide for
15 approximate restitution to the respective political subdivisions of revenues lost by reason of the
16 exemption. All laws exempting from taxation property other than the property enumerated in
17 this article, shall be void. [~~The provisions of this section exempting certain personal property~~
18 ~~of manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments~~
19 ~~from taxation shall become effective, unless otherwise provided by law, in each county on~~
20 ~~January 1 of the year in which that county completes its first general reassessment as defined by~~
21 ~~law.~~]

22 2. All revenues lost because of the exemption of [~~certain~~] personal property [~~of~~
23 ~~manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments~~] shall
24 be replaced to each taxing authority within a county from a countywide tax hereby imposed on
25 all property in subclass 3 of class 1 in each county. For the year in which the exemption becomes
26 effective, the county clerk shall calculate the total revenue lost by all taxing authorities in the
27 county and extend upon all property in subclass 3 of class 1 within the county, a tax at the rate
28 necessary to produce that amount. The rate of tax levied in each county according to this
29 subsection shall not be increased above the rate first imposed and will stand levied at that rate
30 unless later reduced according to the provisions of subsection 3. The county collector shall
31 disburse the proceeds according to the revenue lost by each taxing authority because of the
32 exemption of such property in that county. Restitution of the revenues lost by any taxing district
33 contained in more than one county shall be from the several counties according to the revenue
34 lost because of the exemption of property in each county. Each year after the first year the
35 replacement tax is imposed, the amount distributed to each taxing authority in a county shall be
36 increased or decreased by an amount equal to the amount resulting from the change in that
37 district's total assessed value of property in subclass 3 of class 1 at the countywide replacement
38 tax rate. In order to implement the provisions of this subsection, the limits set in section 11(b)

39 of this article may be exceeded, without voter approval, if necessary to allow each county listed
40 in section 11(b) to comply with this subsection.

41 3. Any increase in the tax rate imposed pursuant to subsection 2 of this section shall be
42 decreased if such decrease is approved by a majority of the voters of the county voting on such
43 decrease. A decrease in the increased tax rate imposed under subsection 2 of this section may
44 be submitted to the voters of a county by the governing body thereof upon its own order,
45 ordinance, or resolution and shall be submitted upon the petition of at least eight percent of the
46 qualified voters who voted in the immediately preceding gubernatorial election.

47 4. As used in this section, the terms "revenues lost" and "lost revenues" shall mean that
48 revenue which each taxing authority received from the imposition of a tangible personal property
49 tax on all personal property ~~[held as industrial inventories, including raw materials, work in~~
50 ~~progress and finished work on hand, by manufacturers and refiners, and all personal property~~
51 ~~held as goods, wares, merchandise, stock in trade or inventory for resale by distributors,~~
52 ~~wholesalers, or retail merchants or establishments]~~ in the last full tax year immediately preceding
53 the effective date of the exemption from taxation granted for such property under ~~[subsection 1~~
54 ~~of this]~~ section **4(a)**, and which was no longer received after such exemption became effective.

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