

FIRST REGULAR SESSION

HOUSE BILL NO. 178

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WASHINGTON.

0427H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 99, RSMo, by adding thereto one new section relating to a tax credit for the purchase of blighted property.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 99, RSMo, is amended by adding thereto one new section, to be known as section 99.720, to read as follows:

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

(1) "Authority", a public body corporate and politic created under section 99.330 or any other public body exercising the powers, rights, and duties of such an authority;

(2) "First-time home buyer", an individual with no present ownership interest in a principal residence during the three-year period ending on the date of the purchase of the principal residence in which the individual is seeking a tax credit under this section;

(3) "Purchase", any acquisition of property except for acquisitions from a person related to the person acquiring the property or related to the spouse of the person acquiring the property. Persons shall be considered related only if they are within the first or second degree of consanguinity or if the relationship between such persons would result in the disallowance of losses under 26 U.S.C. Section 267.

2. Any person meeting the requirements of subsection 3 of this section and purchasing property meeting the requirements of subsection 4 of this section shall be eligible for a credit against the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, in an amount equal to five thousand dollars. The tax credit shall not be claimed more than once, or by more than one person, for a particular property.

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.

18 **3. To be eligible for the tax credit provided under this section, an applicant shall:**

19 **(1) Be a first-time home buyer;**

20 **(2) Enter into an agreement with the authority that requires the applicant and any**
21 **subsequent owner, except any lender with a security interest, to use the purchased property**
22 **as a single-family, principal residence of the owner for a period of at least two years**
23 **following rehabilitation of the property, unless the authority finds such requirement to be**
24 **a hardship for the owner-occupant;**

25 **(3) Purchase the property within one year prior to the application date or produce**
26 **a contract for the purchase of the property requiring acquisition no later than six months**
27 **after the application date; and**

28 **(4) Have an income at the time of acquisition at or below the income levels**
29 **described under subdivision (2) of section 32.105.**

30 **4. To be eligible for the tax credit authorized under this section, a property shall:**

31 **(1) Be eligible for a tax abatement certificate under section 99.700 and have had an**
32 **application for the same submitted to the authority;**

33 **(2) Be vacant for at least six months prior to the purchase by the applicant;**

34 **(3) Be blighted in part due to the governing body, or its subordinate department,**
35 **of the municipality in which the property is located has:**

36 **(a) Determined that because of its deteriorated physical condition the property is**
37 **a dangerous building and thereby uninhabitable; or**

38 **(b) Issued property maintenance code violations, and the property is still in**
39 **violation; and**

40 **(4) Be likely to meet the definition of an affordable housing unit as defined under**
41 **section 32.105 for the two-year period described under subdivision (2) of subsection 3 of**
42 **this section.**

43 **5. The authority may prescribe rules for applications to receive the tax credit**
44 **authorized by this section. The authority may require applicants to provide evidence, in**
45 **a form acceptable to the authority, that the requirements of this section are satisfied. The**
46 **authority, upon finding that a taxpayer and the property are eligible for the tax credit**
47 **authorized under this section, shall issue a certificate to the taxpayer evidencing the**
48 **issuance of the credit. If the authority finds the agreement described under subdivision (2)**
49 **of subsection 3 of this section has been breached by the taxpayer, the authority shall notify**
50 **the department of revenue, which may, in its discretion, seek recapture from the taxpayer**
51 **of all or a portion of the tax credit within four years of the issuance of the certificate by the**
52 **authority.**

53 **6. The tax credit authorized under this section shall not be refundable. Any**
54 **amount of credit that exceeds the tax due for a taxpayer's tax year may be carried back to**
55 **any of the taxpayer's three prior tax years or carried forward to any of the taxpayer's five**
56 **subsequent tax years. The tax credit shall not be assignable. The taxpayer shall submit,**
57 **at the time of filing the taxpayer's return, a certificate issued by the authority. In the case**
58 **of failure to attach the certificate, no credit under this section shall be allowed for that year**
59 **until the certificate is provided to the department of revenue.**

60 **7. Under section 23.253 of the Missouri sunset act:**

61 **(1) The program authorized under this section shall automatically sunset on**
62 **December thirty-first six years after the effective date of this section unless reauthorized**
63 **by an act of the general assembly;**

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

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

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