

SECOND REGULAR SESSION

SENATE BILL NO. 843

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS SHOEMYER, BARNITZ AND GRIESHEIMER.

Read 1st time January 27, 2010, and ordered printed.

TERRY L. SPIELER, Secretary.

4719S.011

AN ACT

To repeal sections 135.010 and 135.025, RSMo, and to enact in lieu thereof two new sections relating to the property tax credit.

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

Section A. Sections 135.010 and 135.025, RSMo, are repealed and two
2 new sections enacted in lieu thereof, to be known as sections 135.010 and
3 135.025, to read as follows:

135.010. As used in sections 135.010 to 135.030 the following words and
2 terms mean:

3 (1) "Claimant", a person or persons claiming a credit under sections
4 135.010 to 135.030. If the persons are eligible to file a joint federal income tax
5 return and reside at the same address at any time during the taxable year, then
6 the credit may only be allowed if claimed on a combined Missouri income tax
7 return or a combined claim return reporting their combined incomes and property
8 taxes. A claimant shall not be allowed a property tax credit unless the claimant
9 or spouse has attained the age of sixty-five on or before the last day of the
10 calendar year and the claimant or spouse was a resident of Missouri for the entire
11 year, or the claimant or spouse is a veteran of any branch of the armed forces of
12 the United States or this state who became one hundred percent disabled as a
13 result of such service, or the claimant or spouse is disabled as defined in
14 subdivision (2) of this section, and such claimant or spouse provides proof of such
15 disability in such form and manner, and at such times, as the director of revenue
16 may require, or if the claimant has reached the age of sixty on or before the last
17 day of the calendar year and such claimant received surviving spouse Social
18 Security benefits during the calendar year and the claimant provides proof, as

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 required by the director of revenue, that the claimant received surviving spouse
20 Social Security benefits during the calendar year for which the credit will be
21 claimed. A claimant shall not be allowed a property tax credit if the claimant
22 filed a valid claim for a credit under section 137.106, RSMo, in the year following
23 the year for which the property tax credit is claimed. The residency requirement
24 shall be deemed to have been fulfilled for the purpose of determining the
25 eligibility of a surviving spouse for a property tax credit if a person of the age of
26 sixty-five years or older who would have otherwise met the requirements for a
27 property tax credit dies before the last day of the calendar year. The residency
28 requirement shall also be deemed to have been fulfilled for the purpose of
29 determining the eligibility of a claimant who would have otherwise met the
30 requirements for a property tax credit but who dies before the last day of the
31 calendar year;

32 (2) "Disabled", the inability to engage in any substantial gainful activity
33 by reason of any medically determinable physical or mental impairment which
34 can be expected to result in death or which has lasted or can be expected to last
35 for a continuous period of not less than twelve months. A claimant shall not be
36 required to be gainfully employed prior to such disability to qualify for a property
37 tax credit;

38 (3) "Gross rent", amount paid by a claimant to a landlord for the rental,
39 at arm's length, of a homestead during the calendar year, exclusive of charges for
40 health and personal care services and food furnished as part of the rental
41 agreement, whether or not expressly set out in the rental agreement. If the
42 director of revenue determines that the landlord and tenant have not dealt at
43 arm's length, and that the gross rent is excessive, then he shall determine the
44 gross rent based upon a reasonable amount of rent. Gross rent shall be deemed
45 to be paid only if actually paid prior to the date a return is filed. The director of
46 revenue may prescribe regulations requiring a return of information by a landlord
47 receiving rent, certifying for a calendar year the amount of gross rent received
48 from a tenant claiming a property tax credit and shall, by regulation, provide a
49 method for certification by the claimant of the amount of gross rent paid for any
50 calendar year for which a claim is made. The regulations authorized by this
51 subdivision may require a landlord or a tenant or both to provide data relating
52 to health and personal care services and to food. Neither a landlord nor a tenant
53 may be required to provide data relating to utilities, furniture, home furnishings
54 or appliances. **Nothing contained in sections 135.010 to 135.030 shall be**

55 **construed to require the landlord of a claimant to have a property tax**
56 **liability as a requirement for such claimant to receive a credit for rent**
57 **constituting property taxes accrued under the provisions of sections**
58 **135.010 to 135.030;**

59 (4) "Homestead", the dwelling in Missouri owned or rented by the
60 claimant and not to exceed five acres of land surrounding it as is reasonably
61 necessary for use of the dwelling as a home. It may consist of part of a
62 multidwelling or multipurpose building and part of the land upon which it is
63 built. "Owned" includes a vendee in possession under a land contract and one or
64 more tenants by the entirety, joint tenants, or tenants in common and includes
65 a claimant actually in possession if he was the immediate former owner of record,
66 if a lineal descendant is presently the owner of record, and if the claimant
67 actually pays all taxes upon the property. It may include a mobile home;

68 (5) "Income", Missouri adjusted gross income as defined in section
69 143.121, RSMo, less two thousand dollars, or in the case of a homestead owned
70 and occupied, for the entire year, by the claimant, less four thousand dollars as
71 an exemption for the claimant's spouse residing at the same address, and
72 increased, where necessary, to reflect the following:

73 (a) Social Security, railroad retirement, and veterans payments and
74 benefits unless the claimant is a one hundred percent service-connected, disabled
75 veteran or a spouse of a one hundred percent service-connected, disabled
76 veteran. The one hundred percent service-connected disabled veteran shall not
77 be required to list veterans payments and benefits;

78 (b) The total amount of all other public and private pensions and
79 annuities;

80 (c) Public relief, public assistance, and unemployment benefits received
81 in cash, other than benefits received under this chapter;

82 (d) No deduction being allowed for losses not incurred in a trade or
83 business;

84 (e) Interest on the obligations of the United States, any state, or any of
85 their subdivisions and instrumentalities;

86 (6) "Property taxes accrued", property taxes paid, exclusive of special
87 assessments, penalties, interest, and charges for service levied on a claimant's
88 homestead in any calendar year. Property taxes shall qualify for the credit only
89 if actually paid prior to the date a return is filed. The director of revenue shall
90 require a tax receipt or other proof of property tax payment. If a homestead is

91 owned only partially by claimant, then "property taxes accrued" is that part of
92 property taxes levied on the homestead which was actually paid by the
93 claimant. For purposes of this subdivision, property taxes are "levied" when the
94 tax roll is delivered to the director of revenue for collection. If a claimant owns
95 a homestead part of the preceding calendar year and rents it or a different
96 homestead for part of the same year, "property taxes accrued" means only taxes
97 levied on the homestead both owned and occupied by the claimant, multiplied by
98 the percentage of twelve months that such property was owned and occupied as
99 the homestead of the claimant during the year. When a claimant owns and
100 occupies two or more different homesteads in the same calendar year, property
101 taxes accrued shall be the sum of taxes allocable to those several properties
102 occupied by the claimant as a homestead for the year. If a homestead is an
103 integral part of a larger unit such as a farm, or multipurpose or multidwelling
104 building, property taxes accrued shall be that percentage of the total property
105 taxes accrued as the value of the homestead is of the total value. For purposes
106 of this subdivision "unit" refers to the parcel of property covered by a single tax
107 statement of which the homestead is a part;

108 (7) "Rent constituting property taxes accrued", twenty percent of the gross
109 rent paid by a claimant and spouse in the calendar year.

135.025. The property taxes accrued and rent constituting property taxes
2 accrued on each return shall be totaled. This total, up to seven hundred fifty
3 dollars in rent constituting property taxes [actually paid] **accrued** or eleven
4 hundred dollars in actual property tax paid, shall be used in determining the
5 property tax credit. The director of revenue shall prescribe regulations providing
6 for allocations where part of a claimant's homestead is rented to another or used
7 for nondwelling purposes or where a homestead is owned or rented or used as a
8 dwelling for part of a year.

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