

FIRST REGULAR SESSION

SENATE BILL NO. 92

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CURLS.

Pre-filed December 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0361S.01I

AN ACT

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

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 by or pursuant to 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. A person 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 section 267 of the Internal Revenue Code of 1986, as amended.

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 by sections 143.191 to 143.265, in an amount equal to five thousand dollars. The tax credit may not be claimed more than once, or by more

22 than one person, for a particular property.

23 3. To be eligible for the tax credit provided for in this section, an
24 applicant shall meet the following requirements:

25 (1) Be a first-time home buyer of the property subject to the tax
26 credit;

27 (2) Enter into an agreement with the authority requiring the
28 applicant and any subsequent owner, except any lender with a security
29 interest, to use the purchased property as a single family, principal
30 residence of the owner for a period of at least two years following
31 rehabilitation of the property, unless the authority finds such
32 requirement to be a hardship for the owner-occupant;

33 (3) Purchase the property within one year prior to the
34 application date or produce a contract for the purchase of the property
35 requiring acquisition not more than six months following the
36 application date; and

37 (4) Have an income at the time of acquisition at or below the
38 income levels described in subdivision (2) of section 32.105.

39 4. To be eligible for the tax credit authorized under this section,
40 a property shall meet the following requirements:

41 (1) Be eligible for a tax abatement certificate under section
42 99.700 and have had an application for the same submitted to the
43 authority;

44 (2) Been vacant for at least six months prior to the purchase by
45 the applicant;

46 (3) Be blighted in part due to the governing body, or its
47 subordinate department, of the municipality containing the property
48 having:

49 (a) Determined that because of its deteriorated physical
50 condition the property is a dangerous building and thereby
51 uninhabitable; or

52 (b) Issued and there remains outstanding property maintenance
53 code violations; and

54 (4) Be likely to meet the definition of an affordable housing unit
55 as defined in section 32.105 for the two year period described in
56 subdivision (2) of subsection 3 of this section.

57 5. The authority may prescribe rules for applications to receive
58 the tax credit authorized by this section. The authority may require

59 applicants to provide evidence, in a form acceptable to the authority,
60 that the requirements of this section have been met. The authority,
61 upon finding that a taxpayer and the property are eligible for the tax
62 credit authorized by this section, shall issue a certificate to the
63 taxpayer evidencing the issuance of the credit. If the authority finds
64 the agreement described in subdivision (2) of subsection 3 of this
65 section has been breached by the taxpayer, the authority shall notify
66 the department of revenue which may in its discretion within four
67 years following issuance by the authority of the certificate evidencing
68 the tax credit seek recapture from the taxpayer of all or a portion of
69 the tax credit.

70 6. The tax credit authorized by this section shall not be
71 refundable. Any amount of credit that exceeds the tax due for a
72 taxpayer's taxable year may be carried back to any of the taxpayer's
73 three prior taxable years or carried forward to any of the taxpayer's
74 five subsequent taxable years. The tax credit shall not be
75 assignable. The taxpayer shall submit, at the time of filing the
76 taxpayer's return, a certificate issued by the authority. In the case of
77 failure to attach the certificate, no credit under this section shall be
78 allowed for that year until the certificate is provided to the department
79 of revenue.

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