

SECOND REGULAR SESSION

SENATE BILL NO. 1137

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR VOGEL.

Read 1st time February 28, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

5149S.011

AN ACT

To repeal section 135.010, RSMo, and to enact in lieu thereof one new section relating to the removal of the full year residency requirement for the property tax credit program.

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

Section A. Section 135.010, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 135.010, 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
11 entire year], or the claimant or spouse is a veteran of any branch of the armed
12 forces of the United States or this state who became one hundred percent disabled
13 as a 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] eligibility**
24 requirement shall be deemed to have been fulfilled for the purpose of determining
25 the eligibility of a surviving spouse for a property tax credit if a person of the age
26 of sixty-five years or older who would have otherwise met the requirements for
27 a property tax credit dies before the last day of the calendar year. The
28 **[residency] eligibility** requirement shall also be deemed to have been fulfilled
29 for the purpose of determining the eligibility of a claimant who would have
30 otherwise met the requirements for a property tax credit but who dies before the
31 last day of the 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;

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

64 (5) "Income", Missouri adjusted gross income as defined in section
65 143.121, RSMo, less two thousand dollars as an exemption for the claimant's
66 spouse residing at the same address, and increased, where necessary, to reflect
67 the following:

68 (a) Social Security, railroad retirement, and veterans payments and
69 benefits unless the claimant is a one hundred percent service-connected, disabled
70 veteran or a spouse of a one hundred percent service-connected, disabled
71 veteran. The one hundred percent service-connected disabled veteran shall not
72 be required to list veterans payments and benefits;

73 (b) The total amount of all other public and private pensions and
74 annuities;

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

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

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

81 (6) "Property taxes accrued", property taxes paid, exclusive of special
82 assessments, penalties, interest, and charges for service levied on a claimant's
83 homestead in any calendar year. Property taxes shall qualify for the credit only
84 if actually paid prior to the date a return is filed. The director of revenue shall
85 require a tax receipt or other proof of property tax payment. If a homestead is
86 owned only partially by claimant, then "property taxes accrued" is that part of
87 property taxes levied on the homestead which was actually paid by the
88 claimant. For purposes of this subdivision, property taxes are "levied" when the
89 tax roll is delivered to the director of revenue for collection. If a claimant owns
90 a homestead part of the preceding calendar year and rents it or a different

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

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

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Bill

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