

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend SS/SCS/Senate Bill No. 594, Page 1, Section Title, Line 3,

2 by striking the words "workforce development" and inserting in  
3 lieu thereof the following: "tax incentives"; and

4 Further amend said bill and page, section A, line 3, by  
5 inserting after all of said line the following:

6 "135.010. As used in sections 135.010 to 135.030 the  
7 following words and terms mean:

8 (1) "Claimant"[, ]: a person or persons claiming a credit  
9 under sections 135.010 to 135.030. If the persons are eligible  
10 to file a joint federal income tax return and reside at the same  
11 address at any time during the taxable year, then the credit may  
12 only be allowed if claimed on a combined Missouri income tax  
13 return or a combined claim return reporting their combined  
14 incomes and property taxes. A claimant shall not be allowed a  
15 property tax credit unless the claimant or spouse:

16 (a) Has attained the age of sixty-five on or before the  
17 last day of the calendar year and the claimant or spouse was a  
18 resident of Missouri for the entire year[, or the claimant or  
19 spouse];

20 (b) Is a veteran of any branch of the Armed Forces of the  
21 United States or this state who became one hundred percent

1 disabled as a result of such service[, or the claimant or  
2 spouse];

3 (c) Is disabled as defined in subdivision (2) of this  
4 section, and such claimant or spouse provides proof of such  
5 disability in such form and manner, and at such times, as the  
6 director of revenue may require[,]; or

7 (d) If the claimant has reached the age of sixty on or  
8 before the last day of the calendar year and such claimant  
9 received surviving spouse Social Security benefits during the  
10 calendar year and the claimant provides proof, as required by the  
11 director of revenue, that the claimant received surviving spouse  
12 Social Security benefits during the calendar year for which the  
13 credit will be claimed.

14  
15 A claimant shall not be allowed a property tax credit if the  
16 claimant filed a valid claim for a credit under section 137.106  
17 in the year following the year for which the property tax credit  
18 is claimed. The residency requirement shall be deemed to have  
19 been fulfilled for the purpose of determining the eligibility of  
20 a surviving spouse for a property tax credit if a person of the  
21 age of sixty-five years or older who would have otherwise met the  
22 requirements for a property tax credit dies before the last day  
23 of the calendar year. The residency requirement shall also be  
24 deemed to have been fulfilled for the purpose of determining the  
25 eligibility of a claimant who would have otherwise met the  
26 requirements for a property tax credit but who dies before the  
27 last day of the calendar year;

28 (2) "Disabled", the inability to engage in any substantial  
29 gainful activity by reason of any medically determinable physical

1 or mental impairment which can be expected to result in death or  
2 which has lasted or can be expected to last for a continuous  
3 period of not less than twelve months. A claimant shall not be  
4 required to be gainfully employed prior to such disability to  
5 qualify for a property tax credit;

6 (3) ["Gross rent", amount paid by a claimant to a landlord  
7 for the rental, at arm's length, of a homestead during the  
8 calendar year, exclusive of charges for health and personal care  
9 services and food furnished as part of the rental agreement,  
10 whether or not expressly set out in the rental agreement. If the  
11 director of revenue determines that the landlord and tenant have  
12 not dealt at arm's length, and that the gross rent is excessive,  
13 then he shall determine the gross rent based upon a reasonable  
14 amount of rent. Gross rent shall be deemed to be paid only if  
15 actually paid prior to the date a return is filed. The director  
16 of revenue may prescribe regulations requiring a return of  
17 information by a landlord receiving rent, certifying for a  
18 calendar year the amount of gross rent received from a tenant  
19 claiming a property tax credit and shall, by regulation, provide  
20 a method for certification by the claimant of the amount of gross  
21 rent paid for any calendar year for which a claim is made. The  
22 regulations authorized by this subdivision may require a landlord  
23 or a tenant or both to provide data relating to health and  
24 personal care services and to food. Neither a landlord nor a  
25 tenant may be required to provide data relating to utilities,  
26 furniture, home furnishings or appliances;

27 (4) "Homestead", the dwelling in Missouri owned [or  
28 rented] by the claimant and not to exceed five acres of land  
29 surrounding it as is reasonably necessary for use of the dwelling

1 as a home. It may consist of part of a multidwelling or  
2 multipurpose building and part of the land upon which it is  
3 built. "Owned" includes a vendee in possession under a land  
4 contract and one or more tenants by the entireties, joint  
5 tenants, or tenants in common and includes a claimant actually in  
6 possession if he was the immediate former owner of record, if a  
7 lineal descendant is presently the owner of record, and if the  
8 claimant actually pays all taxes upon the property. It may  
9 include a mobile home;

10 [(5)] (4) "Income", Missouri adjusted gross income as  
11 defined in section 143.121 less two thousand dollars, or in the  
12 case of a homestead owned and occupied, for the entire year, by  
13 the claimant, less four thousand dollars as an exemption for the  
14 claimant's spouse residing at the same address, and increased,  
15 where necessary, to reflect the following:

16 (a) Social Security, railroad retirement, and veterans  
17 payments and benefits unless the claimant is a one hundred  
18 percent service-connected, disabled veteran or a spouse of a one  
19 hundred percent service-connected, disabled veteran. The one  
20 hundred percent service-connected disabled veteran shall not be  
21 required to list veterans payments and benefits;

22 (b) The total amount of all other public and private  
23 pensions and annuities;

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

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

29 (e) Interest on the obligations of the United States, any

1 state, or any of their subdivisions and instrumentalities;

2 [(6)] (5) "Property taxes accrued", property taxes paid,  
3 exclusive of special assessments, penalties, interest, and  
4 charges for service levied on a claimant's homestead in any  
5 calendar year. Property taxes shall qualify for the credit only  
6 if actually paid prior to the date a return is filed. The  
7 director of revenue shall require a tax receipt or other proof of  
8 property tax payment. If a homestead is owned only partially by  
9 claimant, then "property taxes accrued" is that part of property  
10 taxes levied on the homestead which was actually paid by the  
11 claimant. For purposes of this subdivision, property taxes are  
12 "levied" when the tax roll is delivered to the director of  
13 revenue for collection. If a claimant owns a homestead part of  
14 the preceding calendar year and rents it or a different homestead  
15 for part of the same year, "property taxes accrued" means only  
16 taxes levied on the homestead both owned and occupied by the  
17 claimant, multiplied by the percentage of twelve months that such  
18 property was owned and occupied as the homestead of the claimant  
19 during the year. When a claimant owns and occupies two or more  
20 different homesteads in the same calendar year, property taxes  
21 accrued shall be the sum of taxes allocable to those several  
22 properties occupied by the claimant as a homestead for the year.  
23 If a homestead is an integral part of a larger unit such as a  
24 farm, or multipurpose or multidwelling building, property taxes  
25 accrued shall be that percentage of the total property taxes  
26 accrued as the value of the homestead is of the total value. For  
27 purposes of this subdivision "unit" refers to the parcel of  
28 property covered by a single tax statement of which the homestead  
29 is a part[;

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

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

14           135.030. 1. As used in this section:

15           (1) The term "maximum upper limit" shall, for each calendar  
16 year after December 31, 1997, but before calendar year 2008, be  
17 the sum of twenty-five thousand dollars. For all calendar years  
18 beginning on or after January 1, 2008, the maximum upper limit  
19 shall be the sum of twenty-seven thousand five hundred dollars.  
20 In the case of a homestead owned and occupied for the entire year  
21 by the claimant, the maximum upper limit shall be the sum of  
22 thirty thousand dollars;

23           (2) The term "minimum base" shall, for each calendar year  
24 after December 31, 1997, but before calendar year 2008, be the  
25 sum of thirteen thousand dollars. For all calendar years  
26 beginning on or after January 1, 2008, the minimum base shall be  
27 the sum of fourteen thousand three hundred dollars.

28           2. If the income on a return is equal to or less than the  
29 maximum upper limit for the calendar year for which the return is

1 filed, the property tax credit shall be determined from a table  
2 of credits based upon the amount by which the total property tax  
3 described in section 135.025 exceeds the percent of income in the  
4 following list:

5	If the income on the return is:	The percent is:
6	Not over the minimum base	0 percent with credit not
7		to exceed \$1,100 in
8		actual property tax [or
9		rent equivalent] paid [up
10		to \$750]
11	Over the minimum base but not	
12	over the maximum upper limit	1/16 percent accumulative
13		per \$300 from 0 percent
14		to 4 percent.

15  
16 The director of revenue shall prescribe a table based upon the  
17 preceding sentences. The property tax shall be in increments of  
18 twenty-five dollars and the income in increments of three hundred  
19 dollars. The credit shall be the amount rounded to the nearest  
20 whole dollar computed on the basis of the property tax and income  
21 at the midpoints of each increment. As used in this subsection,  
22 the term "accumulative" means an increase by continuous or  
23 repeated application of the percent to the income increment at  
24 each three hundred dollar level.

25 3. Notwithstanding subsection 4 of section 32.057, the  
26 department of revenue or any duly authorized employee or agent  
27 shall determine whether any taxpayer filing a report or return  
28 with the department of revenue who has not applied for the credit  
29 allowed pursuant to section 135.020 may qualify for the credit,

1       and shall notify any qualified claimant of the claimant's  
2       potential eligibility, where the department determines such  
3       potential eligibility exists."; and

4               Further amend the title and enacting clause accordingly.