

FIRST REGULAR SESSION

# SENATE BILL NO. 84

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASHINGTON.

0960S.01I

ADRIANE D. CROUSE, Secretary

## 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  
2 one new section, to be known as section 99.720, to read as  
3 follows:

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

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

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

12 (3) "Purchase", any acquisition of property except for  
13 acquisitions from a person related to the person acquiring  
14 the property or related to the spouse of the person  
15 acquiring the property. Persons shall be considered related  
16 only if they are within the first or second degree of  
17 consanguinity or if the relationship between such persons

18 would result in the disallowance of losses under 26 U.S.C.  
19 Section 267.

20 2. For all tax years beginning on or after January 1,  
21 2022, any person meeting the requirements of subsection 3 of  
22 this section and purchasing property meeting the  
23 requirements of subsection 4 of this section shall be  
24 eligible for a credit against the tax imposed under chapter  
25 143, excluding withholding tax imposed under sections  
26 143.191 to 143.265, in an amount equal to five thousand  
27 dollars. The tax credit shall not be claimed more than  
28 once, or by more than one person, for a particular property.

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

31 (1) Be a first-time home buyer;

32 (2) Enter into an agreement with the authority that  
33 requires the applicant and any subsequent owner, except any  
34 lender with a security interest, to use the purchased  
35 property as a single-family, principal residence of the  
36 owner for a period of at least two years following  
37 rehabilitation of the property, unless the authority finds  
38 such requirement to be a hardship for the owner-occupant;

39 (3) Purchase the property within one year prior to the  
40 application date or produce a contract for the purchase of  
41 the property requiring acquisition no later than six months  
42 after the application date; and

43 (4) Have an income at the time of acquisition at or  
44 below the income levels described under subdivision (2) of  
45 section 32.105.

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

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

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

53           (3) Be blighted in part because the governing body, or  
54 its subordinate department, of the municipality in which the  
55 property is located has:

56           (a) Determined that because of its deteriorated  
57 physical condition the property is a dangerous building and  
58 thereby uninhabitable; or

59           (b) Issued property maintenance code violations, and  
60 the property is still in violation; and

61           (4) Be likely to meet the definition of an affordable  
62 housing unit as defined under section 32.105 for the two-  
63 year period described under subdivision (2) of subsection 3  
64 of this section.

65           5. The authority may prescribe rules for applications  
66 to receive the tax credit authorized by this section. The  
67 authority may require applicants to provide evidence, in a  
68 form acceptable to the authority, that the requirements of  
69 this section are satisfied. The authority, upon finding  
70 that a taxpayer and the property are eligible for the tax  
71 credit authorized under this section, shall issue a  
72 certificate to the taxpayer evidencing the issuance of the  
73 credit. If the authority finds the agreement described  
74 under subdivision (2) of subsection 3 of this section has  
75 been breached by the taxpayer, the authority shall notify  
76 the department of revenue, which may, in its discretion,  
77 seek recapture from the taxpayer of all or a portion of the  
78 tax credit within four years of the issuance of the  
79 certificate by the authority.

80           6. The tax credit authorized under this section shall  
81 not be refundable. Any amount of credit that exceeds the  
82 tax due for a taxpayer's tax year may be carried back to any  
83 of the taxpayer's three prior tax years or carried forward  
84 to any of the taxpayer's five subsequent tax years. The tax  
85 credit shall not be assignable. The taxpayer shall submit,  
86 at the time of filing the taxpayer's return, the certificate  
87 issued by the authority. In the case of failure to attach  
88 the certificate, no credit under this section shall be  
89 allowed for that year until the certificate is provided to  
90 the department of revenue.

91           7. Under section 23.253 of the Missouri sunset act:

92           (1) The program authorized under this section shall  
93 automatically sunset on December thirty-first, six years  
94 after the effective date of this section unless reauthorized  
95 by an act of the general assembly;

96           (2) If such program is reauthorized, the program  
97 authorized under this section shall automatically sunset on  
98 December thirty-first, twelve years after the effective date  
99 of the reauthorization of this section;

100           (3) This section shall terminate on September first of  
101 the calendar year immediately following the calendar year in  
102 which the program authorized under this section is sunset;  
103 and

104           (4) Nothing in this subsection shall prevent a  
105 taxpayer from claiming a tax credit properly issued before  
106 the program was sunset in a tax year after the program is  
107 sunset.

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