

SENATE SUBSTITUTE
FOR
SENATE BILL NO. 15
AN ACT

To repeal sections 135.025, 135.030, and 139.031, RSMo, and to enact in lieu thereof four new sections relating to property taxes.

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

Section A. Sections 135.025, 135.030, and 139.031, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 135.025, 135.030, 137.132, and 139.031, to read as follows:

135.025. The property taxes accrued and rent constituting property taxes accrued on each return shall be totaled. This total, up to seven hundred fifty dollars in rent constituting property taxes actually paid or eleven hundred dollars in actual property tax paid, shall be used in determining the property tax credit. For all tax years beginning on or after January 1, 2023, such totals shall be adjusted annually for inflation based on the Consumer Price Index for All Urban Consumers, as defined and officially recorded by the United States Department of Labor or its successor. The director of revenue shall prescribe regulations providing for allocations where part of a claimant's homestead is rented to another or used for nondwelling purposes or where a homestead is owned or rented or used as a dwelling for part of a year.

135.030. 1. As used in this section:

(1) The term "maximum upper limit" shall, for each calendar year after December 31, 1997, but before calendar year 2008, be the sum of twenty-five thousand dollars. For all calendar years beginning on or after January 1, 2008,

6 but before calendar year 2023, the maximum upper limit shall
7 be the sum of twenty-seven thousand five hundred dollars.
8 For all calendar years beginning on or after January 1,
9 2023, the maximum upper limit shall be the sum of thirty-
10 five thousand dollars, with such amount adjusted annually
11 for inflation based on the Consumer Price Index for All
12 Urban Consumers, as defined and officially recorded by the
13 United States Department of Labor or its successor. In the
14 case of a homestead owned and occupied for the entire year
15 by the claimant, the maximum upper limit shall be the sum of
16 [thirty] thirty-eight thousand dollars, with such amount
17 adjusted annually for inflation based on the Consumer Price
18 Index for All Urban Consumers, as defined and officially
19 recorded by the United States Department of Labor or its
20 successor;

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

27 2. If the income on a return is equal to or less than
28 the maximum upper limit for the calendar year for which the
29 return is filed, the property tax credit shall be determined
30 from a table of credits based upon the amount by which the
31 total property tax described in section 135.025 exceeds the
32 percent of income in the following list:

33 If the income on the return 34 is:	The percent is:
35 Not over the minimum base 36 37 38	0 percent with credit not to exceed \$1,100 in actual property tax or rent equivalent paid up to \$750,

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	<u>as adjusted pursuant to section 135.025</u>
Over the minimum base but not over the maximum upper limit	1/16 percent accumulative per \$300 from 0 percent to 4 percent.

44 The director of revenue shall prescribe a table based upon
45 the preceding sentences. The property tax shall be in
46 increments of twenty-five dollars and the income in
47 increments of three hundred dollars. The credit shall be
48 the amount rounded to the nearest whole dollar computed on
49 the basis of the property tax and income at the midpoints of
50 each increment. As used in this subsection, the term
51 "accumulative" means an increase by continuous or repeated
52 application of the percent to the income increment at each
53 three hundred dollar level.

54 3. Notwithstanding subsection 4 of section 32.057, the
55 department of revenue or any duly authorized employee or
56 agent shall determine whether any taxpayer filing a report
57 or return with the department of revenue who has not applied
58 for the credit allowed pursuant to section 135.020 may
59 qualify for the credit, and shall notify any qualified
60 claimant of the claimant's potential eligibility, where the
61 department determines such potential eligibility exists.

2 137.132. 1. For the purposes of this section, and in any appeal alleging a violation thereof, the following terms shall mean:

4 (1) "Individual level of assessment", the ratio of an
5 assessor's assessed value for an individual parcel of real
6 property, as verified pursuant to section 137.245, to the
7 actual true value in money of such real property, expressed
8 as a percentage;

9 (2) "Overall level of assessment", the ratio of the
10 total of the assessor's assessed values for all real
11 property in a subclass, as verified pursuant to section
12 137.245, to the total of actual true values in money of the
13 same real property, expressed as a percentage, and measured
14 by an assessment ratio study.

15 2. The level of assessment of all real property in
16 subclass (1) or subclass (3), as provided in section
17 137.115, shall be uniform and equal throughout each
18 subclass. If the overall level of assessment in either
19 subclass is lower than the individual level of assessment of
20 any parcel in the same subclass, the individual level of
21 assessment of such parcel shall be lowered to the overall
22 level of assessment for the subclass upon appeal by the
23 property owner to the local board of equalization, state tax
24 commission, or circuit court.

139.031. 1. Any taxpayer may protest all or any part
2 of any current taxes assessed against the taxpayer, except
3 taxes collected by the director of revenue of Missouri. Any
4 such taxpayer desiring to pay any current taxes under
5 protest or while paying taxes based upon a disputed
6 assessment shall[, at the time of paying such taxes,] make
7 full payment of the current tax bill before the delinquency
8 date and file with the collector a written statement setting
9 forth the grounds on which the protest is based. The
10 statement shall include the true value in money claimed by
11 the taxpayer if disputed. An appeal before the state tax
12 commission shall not be dismissed on the grounds that a
13 taxpayer failed to file a written statement when paying
14 taxes based upon a disputed assessment.

15 2. Upon receiving [payment of current taxes under]
16 written notice of protest under subsection 1 of this section
17 or upon receiving from the state tax commission or the

18 circuit court notice of an appeal from the state tax
19 commission or the circuit court under section 138.430,
20 [along with] and full payment of the current tax bill before
21 the delinquency date, the collector shall disburse to the
22 proper official all portions of taxes not protested or not
23 disputed by the taxpayer and shall impound in a separate
24 fund all portions of such taxes which are protested or in
25 dispute. Every taxpayer protesting the payment of current
26 taxes under subsection 1 of this section shall, within
27 ninety days after filing his protest, commence an action
28 against the collector by filing a petition for the recovery
29 of the amount protested in the circuit court of the county
30 in which the collector maintains his office. If any
31 taxpayer so protesting his taxes under subsection 1 of this
32 section shall fail to commence an action in the circuit
33 court for the recovery of the taxes protested within the
34 time prescribed in this subsection, such protest shall
35 become null and void and of no effect, and the collector
36 shall then disburse to the proper official the taxes
37 impounded, and any interest earned thereon, as provided
38 above in this subsection.

39 3. No action against the collector shall be commenced
40 by any taxpayer who has, effective for the current tax year,
41 filed with the state tax commission or the circuit court a
42 timely and proper appeal of the assessment of the taxpayer's
43 property. The portion of taxes in dispute from an appeal of
44 an assessment shall be impounded in a separate fund and the
45 commission in its decision and order issued under chapter
46 138 or the circuit court in its judgment may order all or
47 any part of such taxes refunded to the taxpayer, or may
48 authorize the collector to release and disburse all or any
49 part of such taxes.

50 4. Trial of the action for recovery of taxes protested
51 under subsection 1 of this section in the circuit court
52 shall be in the manner prescribed for nonjury civil
53 proceedings, and, after determination of the issues, the
54 court shall make such orders as may be just and equitable to
55 refund to the taxpayer all or any part of the current taxes
56 paid under protest, together with any interest earned
57 thereon, or to authorize the collector to release and
58 disburse all or any part of the impounded taxes, and any
59 interest earned thereon, to the appropriate officials of the
60 taxing authorities. Either party to the proceedings may
61 appeal the determination of the circuit court.

62 5. All the county collectors of taxes, and the
63 collector of taxes in any city not within a county, shall,
64 upon written application of a taxpayer, refund or credit
65 against the taxpayer's tax liability in the following
66 taxable year and subsequent consecutive taxable years until
67 the taxpayer has received credit in full for any real or
68 personal property tax mistakenly or erroneously levied
69 against the taxpayer and collected in whole or in part by
70 the collector. Such application shall be filed within three
71 years after the tax is mistakenly or erroneously paid. The
72 governing body, or other appropriate body or official of the
73 county or city not within a county, shall make available to
74 the collector funds necessary to make refunds under this
75 subsection by issuing warrants upon the fund to which the
76 mistaken or erroneous payment has been credited, or
77 otherwise.

78 6. No taxpayer shall receive any interest on any money
79 paid in by the taxpayer erroneously.

80 7. All protested taxes impounded under protest under
81 subsection 1 of this section and all disputed taxes
82 impounded under notice as required by section 138.430 shall

83 be invested by the collector in the same manner as assets
84 specified in section 30.260 for investment of state moneys.
85 A taxpayer who is entitled to a refund of protested or
86 disputed taxes shall also receive the interest earned on the
87 investment thereof. If the collector is ordered to release
88 and disburse all or part of the taxes paid under protest or
89 dispute to the proper official, such taxes shall be
90 disbursed along with the proportional amount of interest
91 earned on the investment of the taxes due the particular
92 taxing authority.

93 8. Any taxing authority may request to be notified by
94 the county collector of current taxes paid under protest.
95 Such request shall be in writing and submitted on or before
96 February first next following the delinquent date of current
97 taxes paid under protest or disputed, and the county
98 collector shall provide such information on or before March
99 first of the same year to the requesting taxing authority of
100 the taxes paid under protest and disputed taxes which would
101 be received by such taxing authority if the funds were not
102 the subject of a protest or dispute. Any taxing authority
103 may apply to the circuit court of the county or city not
104 within a county in which a collector has impounded protested
105 or disputed taxes under this section and, upon a
106 satisfactory showing that such taxing authority would
107 receive such impounded tax funds if they were not the
108 subject of a protest or dispute and that such taxing
109 authority has the financial ability and legal capacity to
110 repay such impounded tax funds in the event a decision
111 ordering a refund to the taxpayer is subsequently made, the
112 circuit court shall order, pendente lite, the disbursal of
113 all or any part of such impounded tax funds to such taxing
114 authority. The circuit court issuing an order under this
115 subsection shall retain jurisdiction of such matter for

116 further proceedings, if any, to compel restitution of such
117 tax funds to the taxpayer. In the event that any protested
118 or disputed tax funds refunded to a taxpayer were disbursed
119 to a taxing authority under this subsection instead of being
120 held and invested by the collector under subsection 7 of
121 this section, the taxpayer shall be entitled to interest on
122 all refunded tax funds, from the date that the disputed
123 taxes were distributed to a taxing authority through the
124 date of the refund, at the [annual rate] rates calculated by
125 the state treasurer and applied by the director of revenue
126 under section 32.068. This measure of interest shall only
127 apply to protested or disputed tax funds actually
128 distributed to a taxing authority pursuant to this
129 subsection. In the event of a refund of protested or
130 disputed tax funds which remain impounded by the collector,
131 the taxpayer shall instead be entitled to the interest
132 actually earned on those refunded impounded tax funds under
133 subsection 7 of this section. Any sovereign or official
134 immunity otherwise applicable to the taxing authorities is
135 hereby waived for all purposes related to this subsection,
136 and the taxpayer is expressly authorized to seek an order
137 enforcing this provision from the circuit court that
138 originally ordered the distribution of the protested or
139 disputed funds, or directly from the state tax commission,
140 if the tax appeal that resulted in the refund was heard and
141 determined by the state tax commission.

142 9. No appeal filed from the circuit court's or state
143 tax commission's determination pertaining to the amount of
144 refund shall stay any order of refund, but the decision
145 filed by any court of last review modifying that
146 determination shall be binding on the parties, and the
147 decision rendered shall be complied with by the party
148 affected by any modification within ninety days of the date

149 of such decision. No taxpayer shall receive any interest on
150 any additional award of refund, and the collector shall not
151 receive any interest on any ordered return of refund in
152 whole or in part. In the event that a taxpayer is entitled
153 to a refund, the collector shall issue the refund to the
154 taxpayer within fifteen days of the date that the circuit
155 court's or state tax commission's determination establishing
156 the amount of the refund becomes final, and if the collector
157 does not issue the refund within fifteen days, the taxpayer
158 shall be entitled to interest on the refund at the rate
159 established by the director of revenue under section 32.065
160 for the period of time after the expiration of the fifteen
161 days and until the refund is issued, in addition to all
162 other interest due to the taxpayer under this section.