

SENATE BILL NO. 425

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASHINGTON.

0252S.01I

KRISTINA MARTIN, 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 2024, 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. Any rule or portion of a

80 rule, as that term is defined in section 536.010, that is
81 created under the authority delegated in this section shall
82 become effective only if it complies with and is subject to
83 all of the provisions of chapter 536 and, if applicable,
84 section 536.028. This section and chapter 536 are
85 nonseverable and if any of the powers vested with the
86 general assembly pursuant to chapter 536 to review, to delay
87 the effective date, or to disapprove and annul a rule are
88 subsequently held unconstitutional, then the grant of
89 rulemaking authority and any rule proposed or adopted after
90 August 28, 2023, shall be invalid and void.

91 6. The tax credit authorized under this section shall
92 not be refundable. Any amount of credit that exceeds the
93 tax due for a taxpayer's tax year may be carried back to any
94 of the taxpayer's three prior tax years or carried forward
95 to any of the taxpayer's five subsequent tax years. The tax
96 credit shall not be assignable. The taxpayer shall submit,
97 at the time of filing the taxpayer's return, the certificate
98 issued by the authority. In the case of failure to attach
99 the certificate, no credit under this section shall be
100 allowed for that year until the certificate is provided to
101 the department of revenue.

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

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

107 (2) If such program is reauthorized, the program
108 authorized under this section shall automatically sunset on
109 December thirty-first, twelve years after the effective date
110 of the reauthorization of this section;

111 (3) This section shall terminate on September first of
112 the calendar year immediately following the calendar year in
113 which the program authorized under this section is sunset;
114 and

115 (4) Nothing in this subsection shall prevent a
116 taxpayer from claiming a tax credit properly issued before
117 the program was sunset in a tax year after the program is
118 sunset.

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