

# SENATE BILL NO. 404

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASHINGTON.

0877S.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 2026, 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 and the department of revenue may  
66 prescribe rules to implement the provisions of this  
67 section. The authority may require applicants to provide  
68 evidence, in a form acceptable to the authority, that the  
69 requirements of this section are satisfied. The authority,  
70 upon finding that a taxpayer and the property are eligible  
71 for the tax credit authorized under this section, shall  
72 issue a certificate to the taxpayer evidencing the issuance  
73 of the credit. If the authority finds the agreement  
74 described under subdivision (2) of subsection 3 of this  
75 section has been breached by the taxpayer, the authority  
76 shall notify the department of revenue, which may, in its  
77 discretion, seek recapture from the taxpayer of all or a  
78 portion of the tax credit within four years of the issuance  
79 of the certificate by the authority. Any rule or portion of

80 a 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, 2025, 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 forward to  
94 any of the taxpayer's five subsequent tax years. The tax  
95 credit shall not be assignable. The taxpayer shall submit,  
96 at the time of filing the taxpayer's return, the certificate  
97 issued by the authority. In the case of failure to attach  
98 the certificate, no credit under this section shall be  
99 allowed for that year until the certificate is provided to  
100 the department of revenue.

101 7. The tax credit authorized pursuant to this section  
102 shall be considered a domestic and social tax credit for the  
103 purposes of sections 135.800 to 135.830.

104 8. Under section 23.253 of the Missouri sunset act:

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

109 (2) If such program is reauthorized, the program  
110 authorized under this section shall automatically sunset on

111 December thirty-first, twelve years after the effective date  
112 of the reauthorization of this section;

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

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

✓