

FIRST REGULAR SESSION

SENATE BILL NO. 427

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR TRENT.

0091S.02I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 137.122, RSMo, and to enact in lieu thereof one new section relating to the assessment of certain stationary property.

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

Section A. Section 137.122, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.122, to read as follows:

137.122. 1. As used in this section, the following terms mean:

(1) "Business personal property", tangible personal property which is used in a trade or business or used for production of income and which has a determinable life of longer than one year except that supplies used by a business shall also be considered business personal property, but shall not include livestock, farm machinery, grain and other agricultural crops in an unmanufactured condition, property subject to the motor vehicle registration provisions of chapter 301, property assessed under section 137.078, the property of rural electric cooperatives under chapter 394, or property assessed by the state tax commission under chapters 151, 153, and 155, section 137.022, and sections 137.1000 to 137.1030;

(2) "Class life", the class life of property as set out in the federal Modified Accelerated Cost Recovery System

18 life tables or their successors under the Internal Revenue
19 Code as amended;

20 (3) "Economic or functional obsolescence", a loss in
21 value of personal property above and beyond physical
22 deterioration and age of the property. Such loss may be the
23 result of economic or functional obsolescence or both;

24 (4) "Original cost", the price the current owner, the
25 taxpayer, paid for the item without freight, installation,
26 or sales or use tax. In the case of acquisition of items of
27 personal property as part of an acquisition of an entity,
28 the original cost shall be the historical cost of those
29 assets remaining in place and in use and the placed-in-
30 service date shall be the date of acquisition by the entity
31 being acquired;

32 (5) "Placed in service", property is placed in service
33 when it is ready and available for a specific use, whether
34 in a business activity, an income-producing activity, a tax-
35 exempt activity, or a personal activity. Even if the
36 property is not being used, the property is in service when
37 it is ready and available for its specific use;

38 (6) "Recovery period", the period over which the
39 original cost of depreciable tangible personal property
40 shall be depreciated for property tax purposes and shall be
41 the same as the recovery period allowed for such property
42 under the Internal Revenue Code.

43 2. To establish uniformity in the assessment of
44 depreciable tangible personal property, each assessor shall
45 use the standardized schedule of depreciation in this
46 section to determine the assessed valuation of depreciable
47 tangible personal property for the purpose of estimating the
48 value of such property subject to taxation under this
49 chapter.

50 3. For purposes of this section, and to estimate the
 51 value of depreciable tangible personal property for mass
 52 appraisal purposes, each assessor shall value depreciable
 53 tangible personal property by applying the class life and
 54 recovery period to the original cost of the property
 55 according to the following depreciation schedule. The
 56 percentage shown for the first year shall be the percentage
 57 of the original cost used for January first of the year
 58 following the year of acquisition of the property, and the
 59 percentage shown for each succeeding year shall be the
 60 percentage of the original cost used for January first of
 61 the respective succeeding year as follows:

62	Year	Recovery Period in Years					
63		3	5	7	10	15	20
64	1	75.00	85.00	89.29	92.50	95.00	96.25
65	2	37.50	59.50	70.16	78.62	85.50	89.03
66	3	12.50	41.65	55.13	66.83	76.95	82.35
67	4	5.00	24.99	42.88	56.81	69.25	76.18
68	5		10.00	30.63	48.07	62.32	70.46
69	6			18.38	39.33	56.09	65.18
70	7			10.00	30.59	50.19	60.29
71	8				21.85	44.29	55.77
72	9				15.00	38.38	51.31
73	10					32.48	46.85
74	11					26.57	42.38
75	12					20.67	37.92
76	13					15.00	33.46
77	14						29.00
78	15						24.54

79	16	20.08
80	17	20.00

81 Depreciable tangible personal property in all recovery
82 periods shall continue in subsequent years to have the
83 depreciation factor last listed in the appropriate column so
84 long as it is owned or held by the taxpayer. The state tax
85 commission shall study and analyze the values established by
86 this method of assessment and in every odd-numbered year
87 make recommendations to the joint committee on tax policy
88 pertaining to any changes in this methodology, if any, that
89 are warranted.

90 4. Such estimate of value determined under this
91 section shall be presumed to be correct for the purpose of
92 determining the true value in money of the depreciable
93 tangible personal property, but such estimation may be
94 disproved **by a taxpayer** by substantial and persuasive
95 evidence of the true value in money under any method
96 determined by the state tax commission to be correct,
97 including, but not limited to, an appraisal of the tangible
98 personal property specifically utilizing generally accepted
99 appraisal techniques, and contained in a narrative appraisal
100 report in accordance with the Uniform Standards of
101 Professional Appraisal Practice or by proof of economic or
102 functional obsolescence or evidence of excessive physical
103 deterioration. For purposes of appeal of the provisions of
104 this section, the salvage or scrap value of depreciable
105 tangible personal property may only be considered if the
106 property is not in use as of the assessment date.

107 5. This section shall not apply to business personal
108 property placed in service before January 2, 2006. Nothing

109 in this section shall create a presumption as to the proper
110 method of determining the assessed valuation of business
111 personal property placed in service before January 2, 2006.

112 6. The provisions of this section are not intended to
113 modify the definition of tangible personal property as
114 defined in section 137.010.

115 7. (1) Beginning January 1, 2026, this section shall
116 apply to all real property, placed in service at any time,
117 that is stationary property used for transportation or
118 storage of liquid and gaseous products, including water,
119 sewage, and natural gas that is not propane or LP gas, but
120 not including petroleum products.

121 (2) To estimate the value of the real property
122 described in this subsection, each assessor shall value such
123 property by applying a twenty-year recovery period to the
124 original cost of the property according to the twenty-year
125 depreciation schedule set forth in subsection 3 of this
126 section. Notwithstanding subsection 5 of this section to
127 the contrary, the presumption as to the proper method of
128 determining the assessed value of such property shall apply
129 regardless of when such property was placed in service.

130 (3) Each taxpayer owning real property described in
131 this subsection shall provide to an assessor, on or before
132 May first of the applicable tax year, the original cost and
133 year placed in service of such property summarized in a
134 format that is substantially similar to the real property
135 reporting and valuation forms contained in section 7.4 of
136 the state tax commission assessor manual (revision date
137 March 23, 2016), or any other revision adopted by the state
138 tax commission thereafter. Upon the written request of the
139 assessor, such information shall be provided for each taxing
140 district within the assessor's jurisdiction. If requested

141 by the taxpayer, the assessor shall provide to the taxpayer
142 geographic information system maps in readable layers on
143 which a taxpayer may provide the information in this
144 subsection. The taxpayer shall certify under penalty of
145 perjury that the information provided to the assessor
146 pursuant to this subsection is accurate to the best of his
147 or her knowledge. All information provided to an assessor
148 pursuant to this subsection shall be considered proprietary
149 information and shall be accessible only to the assessor and
150 the assessor's staff for internal use only.

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