

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 567

99TH GENERAL ASSEMBLY

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Reported from the Committee on Seniors, Families and Children, January 18, 2018, with recommendation that the Senate Committee Substitute do pass.

4521S.06C

ADRIANE D. CROUSE, Secretary.

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## AN ACT

To repeal sections 135.010, 135.025, 135.030, and 208.1050, RSMo, and to enact in lieu thereof six new sections relating to funds for certain vulnerable populations, with an emergency clause.

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

Section A. Sections 135.010, 135.025, 135.030, and 208.1050, RSMo, are  
2 repealed and six new sections enacted in lieu thereof, to be known as sections  
3 135.010, 135.025, 135.030, 208.1050, 1, and 2, to read as follows:

135.010. As used in sections 135.010 to 135.030 the following words and  
2 terms mean:

3 (1) "Claimant"[,]:

4 (a) A person or persons claiming a credit under sections 135.010 to  
5 135.030. If the persons are eligible to file a joint federal income tax return and  
6 reside at the same address at any time during the taxable year, then the credit  
7 may only be allowed if claimed on a combined Missouri income tax return or a  
8 combined claim return reporting their combined incomes and property taxes. A  
9 claimant shall not be allowed a property tax credit unless the claimant or spouse:

10 a. Has attained the age of sixty-five on or before the last day of the  
11 calendar year and the claimant or spouse was a resident of Missouri for the entire  
12 year[, or the claimant or spouse];

13 b. Is a veteran of any branch of the Armed Forces of the United States or  
14 this state who became one hundred percent disabled as a result of such service[,  
15 or the claimant or spouse];

16 c. Is disabled as defined in subdivision (2) of this section, and such

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

17 claimant or spouse provides proof of such disability in such form and manner, and  
18 at such times, as the director of revenue may require[, or if the claimant]; **or**

19 **d.** Has reached the age of sixty on or before the last day of the calendar  
20 year and such claimant received surviving spouse Social Security benefits during  
21 the calendar year and the claimant provides proof, as required by the director of  
22 revenue, that the claimant received surviving spouse Social Security benefits  
23 during the calendar year for which the credit will be claimed.

24 A claimant shall not be allowed a property tax credit if the claimant filed a valid  
25 claim for a credit under section 137.106 in the year following the year for which  
26 the property tax credit is claimed. The residency requirement shall be deemed  
27 to have been fulfilled for the purpose of determining the eligibility of a surviving  
28 spouse for a property tax credit if a person of the age of sixty-five years or older  
29 who would have otherwise met the requirements for a property tax credit dies  
30 before the last day of the calendar year. The residency requirement shall also be  
31 deemed to have been fulfilled for the purpose of determining the eligibility of a  
32 claimant who would have otherwise met the requirements for a property tax  
33 credit but who dies before the last day of the calendar year;

34 **(b) The provisions of paragraph (a) of this subdivision**  
35 **notwithstanding, a taxpayer shall not be a claimant eligible for a tax**  
36 **credit under sections 135.010 to 135.030 if the taxpayer:**

37 **a. Receives federal or state rental assistance, including but not**  
38 **limited to assistance through 12 U.S.C. Section 1701q, 42 U.S.C. Section**  
39 **8013, 42 U.S.C. Section 1437f, or any other rental assistance program in**  
40 **which all or a portion of the rent is paid for using federal or state**  
41 **funds; or**

42 **b. Lives in a skilled nursing facility, as defined in section**  
43 **198.006;**

44 (2) "Disabled", the inability to engage in any substantial gainful activity  
45 by reason of any medically determinable physical or mental impairment which  
46 can be expected to result in death or which has lasted or can be expected to last  
47 for a continuous period of not less than twelve months. A claimant shall not be  
48 required to be gainfully employed prior to such disability to qualify for a property  
49 tax credit;

50 (3) "Gross rent", amount paid by a claimant to a landlord for the rental,  
51 at arm's length, of a homestead during the calendar year, exclusive of charges for  
52 health and personal care services and food furnished as part of the rental

53 agreement, whether or not expressly set out in the rental agreement. If the  
54 director of revenue determines that the landlord and tenant have not dealt at  
55 arm's length, and that the gross rent is excessive, then he shall determine the  
56 gross rent based upon a reasonable amount of rent. Gross rent shall be deemed  
57 to be paid only if actually paid prior to the date a return is filed. The director of  
58 revenue may prescribe regulations requiring a return of information by a landlord  
59 receiving rent, certifying for a calendar year the amount of gross rent received  
60 from a tenant claiming a property tax credit and shall, by regulation, provide a  
61 method for certification by the claimant of the amount of gross rent paid for any  
62 calendar year for which a claim is made. The regulations authorized by this  
63 subdivision may require a landlord or a tenant or both to provide data relating  
64 to health and personal care services and to food. Neither a landlord nor a tenant  
65 may be required to provide data relating to utilities, furniture, home furnishings  
66 or appliances;

67 (4) "Homestead", the dwelling in Missouri owned or rented by the  
68 claimant and not to exceed five acres of land surrounding it as is reasonably  
69 necessary for use of the dwelling as a home. It may consist of part of a  
70 multidwelling or multipurpose building and part of the land upon which it is  
71 built. "Owned" includes a vendee in possession under a land contract and one or  
72 more tenants by the entireties, joint tenants, or tenants in common and includes  
73 a claimant actually in possession if he was the immediate former owner of record,  
74 if a lineal descendant is presently the owner of record, and if the claimant  
75 actually pays all taxes upon the property. It may include a mobile home;

76 (5) "Income", Missouri adjusted gross income as defined in section 143.121  
77 less two thousand dollars, or in the case of a homestead owned and occupied, for  
78 the entire year, by the claimant, less four thousand dollars as an exemption for  
79 the claimant's spouse residing at the same address, and increased, where  
80 necessary, to reflect the following:

81 (a) Social Security, railroad retirement, and veterans payments and  
82 benefits unless the claimant is a one hundred percent service-connected, disabled  
83 veteran or a spouse of a one hundred percent service-connected, disabled  
84 veteran. The one hundred percent service-connected disabled veteran shall not  
85 be required to list veterans payments and benefits;

86 (b) The total amount of all other public and private pensions and  
87 annuities;

88 (c) Public relief, public assistance, and unemployment benefits received

89 in cash, other than benefits received under this chapter;

90 (d) No deduction being allowed for losses not incurred in a trade or  
91 business;

92 (e) Interest on the obligations of the United States, any state, or any of  
93 their subdivisions and instrumentalities;

94 (6) "Property taxes accrued", property taxes paid, exclusive of special  
95 assessments, penalties, interest, and charges for service levied on a claimant's  
96 homestead in any calendar year. Property taxes shall qualify for the credit only  
97 if actually paid prior to the date a return is filed. The director of revenue shall  
98 require a tax receipt or other proof of property tax payment. If a homestead is  
99 owned only partially by claimant, then "property taxes accrued" is that part of  
100 property taxes levied on the homestead which was actually paid by the  
101 claimant. For purposes of this subdivision, property taxes are "levied" when the  
102 tax roll is delivered to the director of revenue for collection. If a claimant owns  
103 a homestead part of the preceding calendar year and rents it or a different  
104 homestead for part of the same year, "property taxes accrued" means only taxes  
105 levied on the homestead both owned and occupied by the claimant, multiplied by  
106 the percentage of twelve months that such property was owned and occupied as  
107 the homestead of the claimant during the year. When a claimant owns and  
108 occupies two or more different homesteads in the same calendar year, property  
109 taxes accrued shall be the sum of taxes allocable to those several properties  
110 occupied by the claimant as a homestead for the year. If a homestead is an  
111 integral part of a larger unit such as a farm, or multipurpose or multidwelling  
112 building, property taxes accrued shall be that percentage of the total property  
113 taxes accrued as the value of the homestead is of the total value. For purposes  
114 of this subdivision "unit" refers to the parcel of property covered by a single tax  
115 statement of which the homestead is a part;

116 (7) "Rent constituting property taxes accrued", twenty percent of the gross  
117 rent paid by a claimant and spouse in the calendar year. **For all tax years**  
118 **beginning on or after January 1, 2018, for claimants applying for a**  
119 **credit under subparagraph a. of paragraph (a) of subdivision (1) of this**  
120 **section, "rent constituting property taxes accrued" shall mean eight**  
121 **percent of the gross rent paid by a claimant and spouse in the calendar**  
122 **year.**

135.025. The property taxes accrued and rent constituting property taxes  
2 accrued on each return shall be totaled. This total, up to seven hundred fifty

3 dollars in rent constituting property taxes actually paid or eleven hundred dollars  
4 in actual property tax paid, shall be used in determining the property tax  
5 credit. **For all tax years beginning on or after January 1, 2018, for**  
6 **claimants applying for a credit under subparagraph a. of paragraph (a)**  
7 **of subdivision (1) of section 135.010, the maximum amounts to be used**  
8 **in determining the property tax credit shall be four hundred fifty**  
9 **dollars for rent constituting property taxes actually paid or seven**  
10 **hundred fifty dollars in actual property tax paid.** The director of revenue  
11 shall prescribe regulations providing for allocations where part of a claimant's  
12 homestead is rented to another or used for nondwelling purposes or where a  
13 homestead is owned or rented or used as a dwelling for part of a year.

135.030. 1. As used in this section:

2 (1) The term "maximum upper limit" shall, for each calendar year after  
3 December 31, 1997, but before calendar year 2008, be the sum of twenty-five  
4 thousand dollars. For all calendar years beginning on or after January 1, 2008,  
5 the maximum upper limit shall be the sum of twenty-seven thousand five  
6 hundred dollars. In the case of a homestead owned and occupied for the entire  
7 year by the claimant, the maximum upper limit shall be the sum of thirty  
8 thousand dollars. **For all tax years beginning on or after January 1, 2018,**  
9 **for claimants applying for a credit under subparagraph a. of paragraph**  
10 **(a) of subdivision (1) of section 135.010, the maximum upper limit shall**  
11 **be equal to one hundred percent of the federal poverty level, as**  
12 **established and amended by the federal Department of Health and**  
13 **Human Services or its successor agency;**

14 (2) The term "minimum base" shall, for each calendar year after December  
15 31, 1997, but before calendar year 2008, be the sum of thirteen thousand  
16 dollars. For all calendar years beginning on or after January 1, 2008, the  
17 minimum base shall be the sum of fourteen thousand three hundred dollars. **For**  
18 **all tax years beginning on or after January 1, 2018, for claimants**  
19 **applying for a credit under subparagraph a. of paragraph (a) of**  
20 **subdivision (1) of section 135.010, the minimum base shall be the sum**  
21 **of five thousand dollars.**

22 2. (1) If the income on a return is equal to or less than the maximum  
23 upper limit for the calendar year for which the return is filed, the property tax  
24 credit shall be determined from a table of credits based upon the amount by  
25 which the total property tax described in section 135.025 exceeds the percent of

26 income in the following list:

27 If the income on the return is:	The percent is:
28 Not over the minimum base	0 percent with credit not
29	to exceed \$1,100 in
30	actual property tax or
31	rent equivalent paid up
32	to \$750
33 Over the minimum base but not	1/16 percent accumulative
34 over the maximum upper limit	per \$300 from 0 percent
35	to 4 percent.

36  
 37 **(2) For all tax years beginning on or after January 1, 2018, for**  
 38 **claimants applying for a credit under subparagraph a. of paragraph (a)**  
 39 **of subdivision (1) of section 135.010, if the income on a return is equal**  
 40 **to or less than the maximum upper limit for the calendar year for**  
 41 **which the return is filed, the property tax credit shall be determined**  
 42 **from a table of credits based upon the amount by which the total**  
 43 **property tax described in section 135.025 exceeds the percent of income**  
 44 **in the following list:**

45 If the income on the return is:	The percent is:
46 Not over the minimum base	0 percent with credit not
47	to exceed \$750 in
48	actual property tax or
49	rent equivalent paid up
50	to \$450
51 Over the minimum base but	1/16 percent accumulative
52 not over the maximum upper	per \$300 from 0 percent
53 limit	to 4 percent.

54 The director of revenue shall prescribe a table based upon the preceding  
 55 sentences. The property tax shall be in increments of twenty-five dollars and the  
 56 income in increments of three hundred dollars. The credit shall be the amount  
 57 rounded to the nearest whole dollar computed on the basis of the property tax  
 58 and income at the midpoints of each increment. As used in this subsection, the  
 59 term "accumulative" means an increase by continuous or repeated application of  
 60 the percent to the income increment at each three hundred dollar level.

61 3. Notwithstanding subsection 4 of section 32.057, the department of

62 revenue or any duly authorized employee or agent shall determine whether any  
63 taxpayer filing a report or return with the department of revenue who has not  
64 applied for the credit allowed pursuant to section 135.020 may qualify for the  
65 credit, and shall notify any qualified claimant of the claimant's potential  
66 eligibility, where the department determines such potential eligibility exists.

208.1050. 1. There is hereby created in the state treasury the "Missouri  
2 Senior Services Protection Fund", which shall consist of money collected under  
3 subsection 2 of this section. The state treasurer shall be custodian of the fund.  
4 In accordance with sections 30.170 and 30.180, the state treasurer may approve  
5 disbursements. The fund shall be a dedicated fund and, upon appropriation,  
6 money in the fund shall be used solely for the administration of subsection 2 of  
7 this section. Notwithstanding the provisions of section 33.080 to the contrary,  
8 any moneys remaining in the fund at the end of the biennium shall not revert to  
9 the credit of the general revenue fund. The state treasurer shall invest moneys  
10 in the fund in the same manner as other funds are invested. Any interest and  
11 moneys earned on such investments shall be credited to the fund.

12 2. [The state treasurer shall deposit from moneys that otherwise would  
13 have been deposited into the general revenue fund an amount equal to fifty-five  
14 million one hundred thousand dollars into the Missouri senior services protection  
15 fund. At least one-quarter of such amount shall be deposited on or before July  
16 15, 2013, an additional one-quarter by October 15, 2013, and an additional  
17 one-quarter by January 15, 2014. The remaining amount shall be deposited by  
18 March 15, 2014.] **The director of the department of revenue shall**  
19 **calculate the amount of tax credits redeemed in calendar year 2016**  
20 **under sections 135.010 to 135.035 as such sections existed prior to**  
21 **January 1, 2018. The director shall subtract from such amount the**  
22 **amount of tax credits which would have been redeemed in calendar**  
23 **year 2016 under sections 135.010 to 135.035 as such sections exist as of**  
24 **the effective date of this act. For all fiscal years beginning on or after**  
25 **July 1, 2018, an amount equal to such difference shall annually be**  
26 **deposited in the Missouri senior services protection**  
27 **fund. Notwithstanding any other provision of law to the contrary, by**  
28 **July 1, 2018, the state treasurer shall also perform a one-time transfer**  
29 **into the Missouri senior services protection fund of two million dollars**  
30 **from the nursing facility quality of care fund established under section**  
31 **198.418, one million five hundred thousand dollars from the healthy**

32 **families trust fund, one million dollars from the life sciences research**  
33 **trust fund established under section 196.1100, and one million dollars**  
34 **from the Missouri public health services fund established under section**  
35 **192.900.** Moneys in the fund shall be allocated for services for low-income  
36 seniors and people with disabilities.

**Section 1. 1. The amount of funds appropriated by the first**  
2 **regular session of the ninety-ninth general assembly in section 11.470**  
3 **of conference committee substitute for senate committee substitute for**  
4 **house committee substitute for house bill no. 11 to increase the MO**  
5 **HealthNet fee-for-service reimbursement rate to nursing homes shall be**  
6 **expended by the department of social services by June 30, 2018.**

7 **2. This section shall expire on July 1, 2018.**

**Section 2. 1. The amount of funds appropriated by the first**  
2 **regular session of the ninety-ninth general assembly in sections 10.806**  
3 **and 10.810 of conference committee substitute for senate committee**  
4 **substitute for house committee substitute for house bill no. 10 to**  
5 **increase the MO HealthNet fee-for-service reimbursement rate to home**  
6 **and community-based providers shall be expended by the department**  
7 **of health and senior services by June 30, 2018.**

8 **2. This section shall expire on July 1, 2018.**

Section B. Because of the importance of providing funds for vulnerable  
2 populations, section A of this act is deemed necessary for the immediate  
3 preservation of the public health, welfare, peace, and safety, and is hereby  
4 declared to be an emergency act within the meaning of the constitution, and  
5 section A of this act shall be in full force and effect upon its passage and  
6 approval.

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