SUPPLEMENTAL REPORT
BY THE
SENIOR CITIZENS CIRCUIT BREAKER
TAX CREDIT REVIEW SUBCOMMITTEE

November 8, 2012

Subcommittee Members:

Chairman, Craig A. Van Matre
Alan Marble
Representative Tim Flook
Penny Rector

Missouri Tax Credit Review Commission

Supplemental Report of the
Senior Citizen Circuit Breaker Tax Credit Review Subcommittee

This brief memorandum is a supplement to the memorandum submitted on November 4, 2010, by this Subcommittee. Nothing in the previously submitted report appears to warrant modification or amendment. The principles stated in the original report still appear to be applicable and worthy of consideration. However (and furthermore):

1. **Repeal of "Circuit Breaker" Tax Credit for Renters in Kansas:** In 2012, the Kansas legislature passed, and Governor Brownback signed, a tax reform law. This law repealed the Kansas version of the Circuit Breaker Tax Credit for renters under substantially similar situations as the renters benefitted by Missouri's Circuit Breaker Tax Credit. In other words, from and after January 1, 2013, property renters in Kansas will not be eligible to claim the Kansas version of the Circuit Breaker Tax Credit.

2. **Illinois Failure to Fund Circuit Breaker:** In the state of Illinois, the Illinois Property Tax Circuit Breaker for all potential claimants was not funded by the Illinois legislature. The Illinois Circuit Breaker Tax Credit, although similar to Missouri's, is subject to appropriation by the state legislature, and as of July 1, 2012, the Illinois legislature decided not to provide the funds necessary for that credit to be utilized. Accordingly, in Illinois, neither property owners nor renters will be granted the benefit of the Illinois Circuit Breaker Tax Credit subsequent to July 1, 2012.

3. **Projected Utilization for Fiscal Year 2012:** The State Budget Office projects that $629,500,000 of Tax Credit redemptions will occur during Missouri's fiscal year 2012. Of that amount of credits redeemed, the State Budget Office estimates that $117,600,000.00 of those credits will consist of Circuit Breaker Property Tax Credits. Attached to this Supplemental Report are copies of two spread sheets showing the redemptions of the Circuit Breaker Tax Credit by qualification types during calendar years 2010 and 2011 and the approximate breakout between owners and renters. The percentage of credits claimed by owners versus renters is fairly consistent from year to year, i.e., owners redeem about 51% of the total and renters redeem about 49% thereof. Thus it is anticipated that of the total Circuit Breaker Tax Credits claimed in 2012, approximately $57,000,000 of that total will be aid to property renters instead of property owners.

CONCLUSION

The Senior Citizens Circuit Breaker Tax Credit Review Subcommittee hereby re-adopts and reaffirms its report prepared in 2010 and recommends it for consideration by the legislative and executive branches of Missouri's government.

Respectfully submitted,

Members of the Senior Citizens Tax Credit Subcommittee
Craig A. Van Matre
Alan Marble
Representative Tim Flook
Penny Rector

Missouri Department of Revenue

03/01/2012	Individual Tax	EDW Report

PROPERTY TAX CREDITS - Qualification Types

Calendar Year 2011

Senior Citizens		Disabled Veterans		100% Disabled		Widows/Widowers		TOTALS	
136,342	$ 70,934,964	1,809	$ 1,068,906	78,881	$ 42,552,709	2,127	$ 1,129,405	219,159	$ 115,685,984

PROPERTY TAX CREDITS - Owners vs. Renters

	Senior Citizens		Disabled Veterans		100% Disabled		Widows/Widowers		TOTALS	
Renters	42,834	$ 21,473,907	893	$ 503,444	60,739	$ 33,289,561	642	$ 314,304	105,108	$ 55,581,217
Owners	91,702	$ 48,464,608	902	$ 558,516	17,353	$ 8,833,154	1,449	$ 793,415	111,406	$ 58,649,693
Both	1,806	$ 996,449	14	$ 6,946	789	$ 429,994	36	$ 21,686	2,645	$ 1,455,075
Totals	136,342	70,934,964	1,809	1,068,906	78,881	42,552,709	2,127	1,129,405	219,159	115,685,984

Source: Enterprise Data Warehouse
Created by: Personal Tax

Missouri Department of Revenue

07/21/2011	Individual Tax	EDW Report

PROPERTY TAX CREDITS - Qualification Types

Calendar Year 2010

Senior Citizens		Disabled Veterans		100% Disabled		Widows/Widowers		TOTALS	
142,124	$ 73,472,010	1,884	$ 1,090,439	76,971	$ 41,345,314	2,066	$ 1,054,054	223,045	$ 116,961,817

PROPERTY TAX CREDITS - Owners vs. Renters

	Senior Citizens		Disabled Veterans		100% Disabled		Widows/Widowers		TOTALS	
Renters	46,012	$ 23,433,916	976	$ 559,370	59,098	$ 32,559,075	645	$ 313,930	106,731	$ 56,866,291
Owners	94,237	$ 49,046,840	898	$ 523,491	17,109	$ 8,368,743	1,397	$ 727,150	113,641	$ 58,666,225
Both	1,875	$ 991,254	10	$ 7,578	764	$ 417,495	24	$ 12,974	2,673	$ 1,429,301
Totals	142,124	73,472,010	1,884	1,090,439	76,971	41,345,314	2,066	1,054,054	223,045	116,961,817

Source: Enterprise Data Warehouse
Created by: Personal Tax