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**Rules of  
Department of Revenue  
Division 10—Director of Revenue  
Chapter 405—Homestead Preservation Credit**

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**Title 12—DEPARTMENT OF  
REVENUE**

**Division 10—Director of Revenue  
Chapter 405—Homestead Preservation  
Credit**

**12 CSR 10-405.100 Homestead Preserva-  
tion Credit—Procedures (2005)**

*PURPOSE: This rule establishes the procedures for implementation of the Homestead Preservation Credit created by section 137.106, RSMo.*

(1) This rule only applies to applications filed in 2005.

(2) Definition of Terms.

(A) Application year—the calendar year in which the application for property tax credit is filed.

(B) Assessor—the county assessor for the county in which the homestead is located.

(C) Credit year—the calendar year immediately following the application year.

(D) Department—the Missouri Department of Revenue.

(E) Homestead—the dwelling in Missouri owned and occupied by a taxpayer and up to five (5) acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. The dwelling may be a mobile home.

(F) Homestead Preservation Credit—the credit provided pursuant to section 137.106, RSMo.

(G) Levy codes—the nine (9)-digit number used by the Missouri state auditor in the annual property tax compliance report.

(H) Prior year—the calendar year immediately preceding the application year.

(I) Homestead exemption limit—a single, statewide percentage increase in property tax liability from the prior year to the application year.

(J) Verified eligible owners—taxpayers who have met the qualifications for the Homestead Preservation Credit.

(3) Application of Rule.

(A) A taxpayer must complete an application on the form prescribed by the department. The taxpayer must obtain from the assessor the information the assessor is required to provide on the form. The taxpayer must submit the properly completed application to the department between April 1 and September 30 of the application year. An application postmarked on or before September 30 is timely.

(B) Upon presentation by the taxpayer, the assessor must complete the portion of the application designated for completion by the

assessor using the levy codes applicable to the homestead. If an application is presented to the assessor for completion before the assessor has all the information necessary to complete the application, the assessor may hold the application until the information is available and forward the application to the department when it is completed. If the assessor elects to hold the application and forward it to the department, the assessor must submit the properly completed application to the department between April 1 and September 30 of the application year or the application will be denied.

(C) Upon receipt of the application, the department will determine if the taxpayer is a verified eligible owner. The department must provide a list of all verified eligible owners to the county collectors, or in township counties, the county clerk, by December 15 of the application year. By January 15 of the credit year, the collectors or township clerks must provide the department with a list of verified eligible owners who failed to pay property taxes due for the application year, which owners shall be disqualified from receiving property tax credit in the current tax year. If a collector, or a clerk in a township county, is unable to provide this information to the department by January 15 of the credit year, the collector or clerk must provide the information as soon as possible and in no event later than April 1 of the credit year.

(D) The Department of Revenue will calculate the level of appropriations necessary to set the homestead exemption limit for all verifiable homestead owners as follows:

1. In odd application years, the appropriation amount will be the amount by which the aggregate tax liability for the application year exceeds a five percent (5%) increase from the prior year's aggregate tax liability for all qualifying homestead property, plus one-quarter of one percent (1/4 of 1%) of the total; and

2. In even application years, the appropriation amount will be the amount by which the aggregate tax liability for the application year exceeds a two and one-half percent (2.5%) increase from the prior year's aggregate tax liability for all qualifying property, plus one-quarter of one percent (1/4 of 1%) of the total.

(E) The department will provide the appropriation calculation to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Director of the Office of Budget and Planning by January 31 of the credit year. The department will provide an updated calculation, if necessary, no later than April 10 of the credit year.

(F) If funds are appropriated for the Homestead Preservation Credit, the department will set the homestead exemption limit by July 31 of the credit year. If no appropriation is made, then no Homestead Preservation Credit shall apply in that year.

(G) After setting the homestead exemption limit, the department will calculate the credit, if any, applicable to each verified eligible owner. By August 31 of the credit year, the department will send to county collectors and township county clerks:

1. A list of verified eligible owners;
2. The amount of each credit;
3. The certified parcel number of the homestead; and
4. The address of the homestead property.

(H) The department will instruct the state treasurer to distribute the appropriation to the collector's fund in each county to exactly offset the homestead exemption credit being issued, plus one-quarter of one percent (1/4 of 1%) to the county assessment fund. The funds shall be forwarded to the collectors and clerks of township counties by October 1 of the credit year.

(I) In the event an applicant dies or transfers ownership of the homestead property after application but prior to the mailing of the tax bill in the credit year, the credit is void and any money allotted for a credit on the property tax for that property lapses to the state to be credited to the general revenue fund.

*AUTHORITY: section 137.106, RSMo Supp. 2005.\* Emergency rule filed March 10, 2005, effective March 20, 2005, expired Sept. 16, 2005. Original rule filed March 10, 2005, effective Sept. 30, 2005. Amended: Filed Oct. 17, 2005, effective April 30, 2006.*

*\*Original authority: 137.106, RSMo 2004, amended 2005.*

**12 CSR 10-405.105 Homestead Preserva-  
tion Credit—Procedures**

*PURPOSE: This rule establishes the procedures for implementation of the Homestead Preservation Credit created by section 137.106, RSMo. This rule reflects recent statutory changes for applications filed after 2005.*

(1) This rule only applies to applications filed after 2005.

(2) Definition of Terms.



(A) Application year—the calendar year in which the application for property tax credit is filed.

(B) Assessor—the county assessor for the county in which the homestead is located.

(C) Base year—the calendar year immediately preceding the prior year.

(D) Credit year—the calendar year immediately following the application year.

(E) Department—the Missouri Department of Revenue.

(F) Homestead—the dwelling in Missouri owned and occupied by a taxpayer and up to five (5) acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. The dwelling may be a mobile home.

(G) Homestead Preservation Credit—the credit provided pursuant to section 137.106, RSMo.

(H) Prior year—the calendar year immediately preceding the application year.

(I) Homestead exemption limit—a single, statewide percentage increase in property tax liability from the base year to the prior year.

(J) Verified eligible owners—taxpayers who have met the qualifications for the Homestead Preservation Credit.

### (3) Application of Rule.

(A) A taxpayer must complete an application on the form prescribed by the department. The taxpayer must submit the properly completed application to the department between April 1 and September 30 of the application year. An application postmarked on or before September 30 is timely.

(B) Upon receipt of the application, the department will determine if the taxpayer is a verified eligible owner. The department must provide a list of all verified eligible owners to the county assessors by December 15 of the application year. By January 15 of the credit year, the assessors must provide the department with a list of verified eligible owners who made improvements to the homestead that were not for accommodation of a disability and the dollar amount of the assessed value of such improvements. If the dollar amount of the appraised value of such improvements totaled more than five percent (5%) of the base year appraised value, the owners shall be disqualified from receiving the homestead preservation credit in the credit year.

(C) The Department of Revenue will calculate the level of appropriations necessary to set the homestead exemption limit for all verifiable eligible owners as follows:

1. In even application years, the appropriation amount will be the amount by which the aggregate tax liability for the prior year exceeds a five percent (5%) increase from the

base year's aggregate tax liability for all qualifying homestead property; and

2. In odd application years, the appropriation amount will be the amount by which the aggregate tax liability for the prior year exceeds a two and one-half percent (2.5%) increase from the base year's aggregate tax liability for all qualifying homestead property.

(D) The department will provide the appropriation calculation to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Director of the Office of Budget and Planning by January 31 of the credit year.

(E) If funds are appropriated for the Homestead Preservation Credit, the department will set the homestead exemption limit by July 31 of the credit year. If no appropriation is made, then no Homestead Preservation Credit shall apply in that year.

(F) After setting the homestead exemption limit, the department will calculate the credit, if any, applicable to each verified eligible owner. By August 31 of the credit year, the department will send to county collectors and township county clerks:

1. A list of verified eligible owners;
2. The amount of each credit;
3. The certified parcel number of the homestead; and
4. The address of the homestead property.

(G) The department will instruct the state treasurer to distribute the appropriation to the collector's fund in each county to exactly offset the homestead exemption credit being issued. The funds shall be forwarded to the collectors and clerks of township counties by October 1 of the credit year.

(H) If an applicant failed to pay the property tax liability for the homestead in full for the application year, the prior year, or the base year, the credit is void and any money allotted for a credit on the property tax for that property lapses to the state to be credited to the general revenue fund.

(I) If an applicant dies or transfers ownership of the homestead property after application but prior to the mailing of the tax bill in the credit year, the credit is void and any money allotted for a credit on the property tax for that property lapses to the state to be credited to the general revenue fund.

*AUTHORITY: section 137.106, RSMo Supp. 2005\*. Original rule filed Oct. 17, 2005, effective April 30, 2006.*

*\*Original authority: 137.106, RSMo 2004, amended 2005.*

## 12 CSR 10-405.200 Homestead Preservation Credit—Qualifications and Amount of Credit (2005)

*PURPOSE: Section 137.106, RSMo provides a credit on property taxes under certain circumstances. This rule describes the requirements to qualify for this credit and the amount of the credit.*

(1) This rule only applies to applications filed in 2005.

(2) In general, individuals who are at least sixty-five (65) years old on January 1 of the year of application and disabled individuals may receive a credit on their property taxes for their homesteads if those taxes increase more than two and one-half percent (2.5%) in an even numbered year or five percent (5%) in an odd numbered year and the individual's federal adjusted income does not exceed the statutory limit. The amount of the credit is determined by the amount the General Assembly appropriates to fund the credit.

### (3) Definition of Terms.

(A) Disabled individual—an individual who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(B) Homestead—the dwelling in Missouri owned and occupied by a taxpayer and up to five (5) acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. The dwelling may be a mobile home.

(C) Homestead Preservation Credit—the credit provided pursuant to section 137.106, RSMo.

(D) Maximum upper limit—for applications filed in calendar year 2005, seventy thousand dollars (\$70,000). For later calendar years, the maximum limit will be increased by a percentage equal to the percentage increase since 2005 in the general price level, as defined pursuant to Article X, Section 17 of the *Missouri Constitution*.

(E) Property tax credit—the credit provided pursuant to sections 135.010–135.035, RSMo.

### (4) Application of Rule.

(A) To qualify for the Homestead Preservation Credit, a taxpayer must fit one (1) of the following descriptions:

1. The taxpayer is at least sixty-five (65) years old on January 1 of the year of application or one hundred percent (100%) disabled



and owns the homestead in the taxpayer's name only;

2. The taxpayer is married and at least sixty-five (65) years old on January 1 of the year of application and owns the homestead individually or jointly with a spouse and the spouse is at least sixty (60) years old on January 1 of the year of application; or

3. The taxpayer owns the homestead jointly with a spouse and either the taxpayer or the spouse is one hundred percent (100%) disabled.

(B) If property is held in trust, the trust qualifies for the credit if the previous owner of the homestead:

1. Is the settler of the trust with respect to the homestead;

2. Currently resides in such homestead; and

3. Would qualify for the credit as an individual but for the transfer of the homestead to the trust.

(C) To qualify for the Homestead Preservation Credit, the taxpayer's federal adjusted gross income for the tax year preceding the year of application must be equal to or less than the maximum upper limit. If the taxpayer is married and the homestead is owned individually or jointly with a spouse, the joint federal adjusted gross income of the taxpayer and spouse must be equal to or less than the maximum upper limit.

(D) To qualify for the Homestead Preservation Credit, the taxpayer's property tax liability for the homestead, not including any increase due to improvements to the homestead, must increase from the year preceding the application year to the application year by more than two and one-half percent (2.5%) for applications filed in even numbered years or by more than five percent (5%) in odd numbered years.

(E) To qualify for the Homestead Preservation Credit, the taxpayer must have owned and paid property tax in full, including any interest and penalty, on the homestead for the two (2) calendar years prior to application, and must continue to own it during the year of application and the following year. The taxpayer must pay the property tax in full on the homestead for the year of application by December 31.

(F) The taxpayer does not qualify for the Homestead Preservation Credit if the taxpayer owns the homestead jointly with anyone other than a spouse. A title that provides that the homestead transfers to another on death does not disqualify a taxpayer or reduce the amount of the potential credit.

(G) The taxpayer does not qualify for the Homestead Preservation Credit if the appraised value of the homestead increased

by more than five percent (5%) due to improvements made in the calendar year prior to application unless the improvements are made to accommodate a disabled person.

(H) A taxpayer who properly claims a property tax credit for the tax year preceding the year in which the application for the Homestead Preservation Credit is filed is disqualified from receiving the Homestead Preservation Credit.

(I) The amount of the credit is the amount by which the increase in the taxpayer's liability from the year preceding the application to the application year, exclusive of any increase due to improvements to the homestead, exceeds a single, statewide percentage increase calculated to use all but one-quarter of one percent (1/4 of 1%) of the amount appropriated by the General Assembly to fund the credit.

(J) The credit is calculated annually based on the increase in liability between the application year and the prior year and does not carry forward to future years.

(5) Examples:

(A) Taxpayer is 65 years old and his wife is 60 years old. The taxpayers are eligible for the Homestead Preservation Credit if they meet the other eligibility criteria.

(B) Taxpayer is 65 years old, but his wife is 55 years old and totally disabled. The taxpayers are eligible for the Homestead Preservation Credit if they meet the other eligibility criteria.

(C) Taxpayer is single and 60 years old. He is totally disabled. Taxpayer is eligible for the Homestead Preservation Credit if he meets the other eligibility criteria.

(D) Taxpayer owns his home jointly with his wife. Their federal adjusted gross income is \$69,000. The taxpayers are eligible for the Homestead Preservation Credit if they meet the other eligibility criteria.

(E) Taxpayer owns his home as an individual. His federal adjusted gross income is \$40,000. His wife's federal adjusted gross income is \$35,000. Taxpayer is not eligible for the Homestead Preservation Credit because the joint federal adjusted gross income exceeds the maximum upper limit of \$70,000.

(F) Taxpayers purchased their home after January 1 two (2) years ago but before January 1 of the year before the application year. They are eligible for the Homestead Preservation Credit.

(G) Taxpayers have owned their home for ten years, but they no longer live there. They are not eligible for the Homestead Preservation Credit.

(H) Taxpayers live in a home that is titled in a trust for their benefit. Prior to transfer to the trust, the home was titled in taxpayers' name. Taxpayers currently reside in the home and meet the other eligibility requirements. Taxpayers qualify for the credit.

(I) Taxpayer owns his home jointly with his grown daughter. Taxpayer is not eligible for the Homestead Preservation Credit.

(J) Taxpayer owns a life estate in her home, and her son has a right of survivorship. Taxpayer is eligible for 100% of the Homestead Preservation Credit if she meets the other eligibility criteria.

(K) Taxpayers own two homes and spend equal time living in each. The taxpayers can claim the Homestead Preservation Credit for only the one home they have designated as their "homestead."

(L) Taxpayers rent their house. They are not eligible for the Homestead Preservation Credit.

(M) Taxpayer's home is located on a ten-acre lot. Taxpayer can only claim the Homestead Preservation Credit for his house and up to five acres around the house that are used for residential purposes.

(N) Taxpayer has owned and occupied a mobile home for ten years. Taxpayer is eligible for the Homestead Preservation Credit if taxpayer meets the other eligibility criteria.

(O) Taxpayers have paid taxes for the past ten years on their home, but last year they paid the taxes late. They paid all penalties and interest due on the late payment. They are eligible for the Homestead Preservation Credit if they meet the other eligibility criteria.

(P) Taxpayers' property tax liability increased four percent in a reassessment year. They are not eligible for a Homestead Preservation Credit because the difference in the property tax liability in a reassessment year must exceed five percent.

(Q) Taxpayers' property tax liability increased four percent in a non-reassessment year. Taxpayers are eligible for a Homestead Preservation Credit if they meet the other eligibility criteria because the difference in the property tax liability in a non-reassessment year must exceed two and one-half percent.

(R) Taxpayers' home is valued at \$60,000. In the past year they made improvements that increased the appraised value by \$8,000. The improvements were not made to accommodate a disabled person. Taxpayers are not eligible for the Homestead Preservation Credit because the value of the improvements exceeds five percent of the value of the home.

(S) Taxpayers have applied and qualify for the property tax credit pursuant to sections





135.010 to 135.035, RSMo. They are not eligible for the Homestead Preservation Credit based on the same property tax assessment.

(T) Taxpayer lives in the homestead and his wife lives in a nursing home. They cannot apply for both the Homestead Preservation Credit on the jointly owned home and the property tax credit under sections 135.010 to 135.035, RSMo, on the rental amount of the nursing home.

(U) Taxpayers are eligible for a \$100 Homestead Preservation Credit, but the General Assembly did not appropriate funding for the Homestead Preservation Credit. Taxpayers do not receive a Homestead Preservation Credit for the credit year.

(V) Taxpayer is eligible for a \$100 Homestead Preservation Credit, but the General Assembly only appropriates fifty percent of the money required to fund the credit. Taxpayer will receive a reduced Homestead Preservation Credit for the credit year based on the amount appropriated.

*AUTHORITY: section 137.106, RSMo Supp. 2005. \* Emergency rule filed March 10, 2005, effective March 20, 2005, expired Sept. 16, 2005. Original rule filed March 10, 2005, effective Sept. 30, 2005. Amended: Filed Oct. 17, 2005, effective April 30, 2006.*

*\*Original authority: 137.106, RSMo 2004, amended 2005.*

### 12 CSR 10-405.205 Homestead Preservation Credit—Qualifications and Amount of Credit

*PURPOSE: Section 137.106, RSMo, provides a credit on property taxes under certain circumstances. This rule describes the requirements to qualify for this credit and the amount of the credit. This rule reflects recent statutory changes for applications filed after 2005.*

(1) This rule only applies to applications filed after 2005.

(2) In general, individuals who are at least sixty-five (65) years old on January 1 of the year of application and disabled individuals may receive a credit on their property taxes for their homesteads if those taxes increase more than two and one-half percent (2.5%) in an even numbered year or five percent (5%) in an odd numbered year and the individual's federal adjusted income does not exceed the statutory limit. The amount of the credit is determined by the amount the General Assembly appropriates to fund the credit.

(3) Definition of Terms.

(A) Disabled individual—an individual who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(B) Homestead—the dwelling in Missouri owned and occupied by a taxpayer and up to five (5) acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. The dwelling may be a mobile home.

(C) Homestead Preservation Credit—the credit provided pursuant to section 137.106, RSMo.

(D) Maximum upper limit—seventy thousand dollars (\$70,000), increased by a percentage equal to the percentage increase since 2005 in the general price level, as defined pursuant to Article X, Section 17 of the *Missouri Constitution*.

(E) Property tax credit—the credit provided pursuant to sections 135.010–135.035, RSMo.

#### (4) Application of Rule.

(A) To qualify for the Homestead Preservation Credit, a taxpayer must fit one (1) of the following descriptions:

1. The taxpayer is at least sixty-five (65) years old on January 1 of the year of application or one hundred percent (100%) disabled and owns the homestead in the taxpayer's name only;

2. The taxpayer is married and at least sixty-five (65) years old on January 1 of the year of application and owns the homestead individually or jointly with a spouse and the spouse is at least sixty (60) years old on January 1 of the year of application; or

3. The taxpayer owns the homestead jointly with a spouse and either the taxpayer or the spouse is one hundred percent (100%) disabled.

(B) If property is held in trust, the trust qualifies for the credit if the previous owner of the homestead:

1. Is the settlor of the trust with respect to the homestead;

2. Currently resides in such homestead; and

3. Would qualify for the credit as an individual but for the transfer of the homestead to the trust.

(C) To qualify for the Homestead Preservation Credit, the taxpayer's federal adjusted gross income for the tax year preceding the year of application must be equal to or less than the maximum upper limit. If the taxpayer is married and the homestead is owned individually or jointly with a spouse, the joint

federal adjusted gross income of the taxpayer and spouse must be equal to or less than the maximum upper limit. If the property is held in trust, the taxpayer must combine the federal adjusted gross income of the settlor and the federal adjusted gross income of the trust to determine the federal adjusted gross income for purposes of the maximum upper limit.

(D) To qualify for the Homestead Preservation Credit, the taxpayer's property tax liability for the homestead, not including any increase due to improvements to the homestead that were not made to accommodate a disabled person, must increase from two (2) years preceding the application year to one (1) year preceding the application year by more than two and one-half percent (2.5%) for applications filed in even numbered years or by more than five percent (5%) in odd numbered years.

(E) To qualify for the Homestead Preservation Credit, the taxpayer must have owned and paid property tax in full, including any interest and penalty, on the homestead for the two (2) calendar years prior to application and the application year, and must continue to own it during the year following the application year.

(F) The taxpayer does not qualify for the Homestead Preservation Credit if the taxpayer owns the homestead jointly with anyone other than a spouse. A title that provides that the homestead transfers to another on death does not disqualify a taxpayer or reduce the amount of the potential credit.

(G) The taxpayer does not qualify for the Homestead Preservation Credit if the appraised value of the homestead increased by more than five percent (5%) due to improvements made in the calendar year prior to application unless the improvements are made to accommodate a disabled person.

(H) A taxpayer who properly claims a property tax credit for the tax year preceding the year in which the application for the Homestead Preservation Credit is filed is disqualified from receiving the Homestead Preservation Credit.

(I) A taxpayer who receives a Homestead Preservation Credit based on an application filed in 2005 is disqualified from receiving a Homestead Preservation Credit based on an application filed in 2006.

(J) The amount of the credit is the amount by which the increase in the taxpayer's liability from the base year to the prior year, exclusive of any increase due to improvements to the homestead, exceeds a single, statewide percentage increase calculated to use all of the amount appropriated by the General Assembly to fund the credit.



(K) The credit is calculated annually based on the increase in liability from two (2) years prior to the application year to the year immediately prior to the application year and does not carry forward to future years.

(5) Examples:

(A) Taxpayer is 65 years old and his wife is 60 years old. The taxpayers are eligible for the Homestead Preservation Credit if they meet the other eligibility criteria.

(B) Taxpayer is 65 years old, but his wife is 55 years old and totally disabled. The taxpayers are eligible for the Homestead Preservation Credit if they meet the other eligibility criteria.

(C) Taxpayer is single and 60 years old. He is totally disabled. Taxpayer is eligible for the Homestead Preservation Credit if he meets the other eligibility criteria.

(D) Taxpayer owns his home jointly with his wife. Their federal adjusted gross income is \$69,000. The taxpayers are eligible for the Homestead Preservation Credit if they meet the other eligibility criteria.

(E) Taxpayer owns his home as an individual. His federal adjusted gross income is \$40,000. His wife's federal adjusted gross income is \$35,000. Taxpayer is not eligible for the Homestead Preservation Credit because the joint federal adjusted gross income exceeds the maximum upper limit of \$70,000.

(F) Taxpayers purchased their home after January 1 two years ago but before January 1 of the year before the application year. They are eligible for the Homestead Preservation Credit.

(G) Taxpayers have owned their home for ten years, but they no longer live there. They are not eligible for the Homestead Preservation Credit.

(H) Taxpayers live in a home that is titled in a trust for their benefit. Prior to transfer to the trust, the home was titled in taxpayers' name. Taxpayers currently reside in the home and meet the other eligibility requirements. Taxpayers qualify for the credit.

(I) Taxpayer owns his home jointly with his grown daughter. Taxpayer is not eligible for the Homestead Preservation Credit.

(J) Taxpayer owns a life estate in her home, and her son has a right of survivorship. Taxpayer is eligible for 100% of the Homestead Preservation Credit if she meets the other eligibility criteria.

(K) Taxpayers own two homes and spend equal time living in each. The taxpayers can claim the Homestead Preservation Credit for only the one home they have designated as their "homestead."

(L) Taxpayers rent their house. They are

not eligible for the Homestead Preservation Credit.

(M) Taxpayer's home is located on a ten-acre lot. Taxpayer can only claim the Homestead Preservation Credit for his house and up to five acres around the house that are used for residential purposes.

(N) Taxpayer has owned and occupied a mobile home for ten years. Taxpayer is eligible for the Homestead Preservation Credit if taxpayer meets the other eligibility criteria.

(O) Taxpayers have paid taxes for the past ten years on their home, but last year they paid the taxes late. They paid all penalties and interest due on the late payment. They are eligible for the Homestead Preservation Credit if they meet the other eligibility criteria.

(P) Taxpayers' property tax liability increased 4% in a reassessment year. They are not eligible for a Homestead Preservation Credit because the difference in the property tax liability in a reassessment year must exceed 5% in a reassessment year.

(Q) Taxpayers' property tax liability increased 4% in a non-reassessment year. Taxpayers are eligible for a Homestead Preservation Credit if they meet the other eligibility criteria because the difference in the property tax liability in a non-reassessment year must exceed 2 1/2% percent.

(R) Taxpayers' home is valued at \$60,000. In the past year they made improvements that increased the appraised value by \$8,000. The improvements were not made to accommodate a disabled person. Taxpayers are not eligible for the Homestead Preservation Credit because the value of the improvements exceeds 5% of the value of the home.

(S) Taxpayers have applied and qualify for the property tax credit pursuant to sections 135.010 to 135.035, RSMo. They are not eligible for the Homestead Preservation Credit based on the same property tax assessment.

(T) Taxpayer lives in the homestead and his wife lives in a nursing home. They cannot apply for both the Homestead Preservation Credit on the jointly owned home and the property tax credit under sections 135.010 to 135.035, RSMo, on the rental amount of the nursing home.

(U) Taxpayers are eligible for a \$100 Homestead Preservation Credit, but the General Assembly did not appropriate funding for the Homestead Preservation Credit. Taxpayers do not receive a Homestead Preservation Credit for the credit year.

(V) Taxpayer is eligible for a \$100 Homestead Preservation Credit, but the General Assembly only appropriates 50% of the money required to fund the credit. Taxpayer will receive a reduced Homestead Preserva-

tion Credit for the credit year based on the amount appropriated.

*AUTHORITY: section 137.106, RSMo Supp. 2005\*. Original rule filed Oct. 17, 2005, effective April 30, 2006.*

*\*Original authority: 137.106, RSMo 2004, amended 2005.*