

Missouri Property Tax System

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Why tax property?

- Historical
- Advantages
 - Hard to hide
 - Historically stable
 - All taxing districts have “substantial property”
 - “benefit“ theory of taxation
 - “ability to pay” theory of taxation:
 - About only wealth tax remaining
- Disadvantages
 - Does not relate to cash flow
 - Unpopular – except by economists
 - Hard to understand

How it works – the basics

1. Determining Values

- **Assessor:**
 - Determines market value. (period)
- **Board of Equalization:**
 - Protects taxpayers rights in disputes
- **State Tax Commission:**
 - Another level of appeal
 - Oversees assessors and boards of equalization
- **The Above**
 - Do not set tax rates
 - Do not determine how much revenue to raise
 - Do not make property tax policy

How it works – the basics (continued)

2. Determining Taxes

- Taxpayers
 - Voters approved most rates
- Taxing Districts – local policy makers
 - Determine tax rates and revenues...but they are subject to controls
- Rate and Revenue Controls
 - Rate rollback
 - Budget restraints
 - Transparency requirements – helps voters influence

How it works – the basics (cont.)

3. Where the property tax revenue goes

- Schools
- Roads
- Ambulance
- Police
- Handicapped Services
- Medical Services
- Libraries
- Parks
- Fire Protection
- I.E. Most services provided locally

How it works – the basics (continued)

4. Determining Policy

- State Constitution
 - Market value, equitable
- State Law – State Legislature
 - Makes policy subject to constitution
- State Tax Commission
 - Supervise and assist assessors and boards of equalization
 - Charged with statewide equalization
 - Implement policy and advise legislature

Miscellaneous

- Why it goes up so much (sometimes)
- Appeals
 - Have rights to bring info to assessor and beyond
 - Matters: Is the assessor's value more than your property is worth?
 - Doesn't: how much it went up or whether you can afford it
 - Vast majority of state/county officials are courteous and helpful
- Transparency and voice with tax setters
 - Legislature improved last year
- Tax Relief
 - Circuit breaker program
 - Homestead credit

Future

- Missouri Legislature
 - Joint Tax Policy Committee
 - Special Committee of the House
 - Announced plans of Senate Leader
- State Tax Commission
 - Making some improvements
- St. Louis County
 - 2007 a learning experience

Wrapping Up

- Closing Comments
 - Bayless Sch. District dropped prop tax rate about 80 cents last night, i.e. 22%
 - Assessment increases do not = tax increases
 - Many will pay less taxes this year and most won't pay a lot more
- Open to Questions