Missouri’s Property Tax

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Property Taxes

• In Missouri property tax is mainly a local tax:
  – County
  – Municipal
  – School District
  – Township
  – Special Districts
• There is a small state property tax
Property Taxes

- Must be uniform on a class or subclass of subjects (Art. 10 sec. (3))
- Partial relief may be provided for:
  - Land exclusively for forestry
  - Redevelopment of blighted areas relief for 25 years (Sec.7)
- All jurisdictions must use the same assessed value for a given property (Sec. 11(a))

Property appraisal

- Generally taxable property is appraised at market value, but assessed at different rates.
- Agricultural real property is appraised at productive capacity, that is its agricultural value, not market value.
Real Property Assessment

- 19% Residential real property
- 12% Agricultural real property
- 32% Utility, industrial, commercial, railroad and other real property

Missouri Agricultural Real Property Appraisal & Taxation

- Grade of land
- Value of that grade of land based on economic factors
- Capitalization rate
- Assessed on 12% of appraised agricultural value
Tangible Personal Property Assessment

- 33.3% Most types of taxable tangible personal property
- 12% Livestock, farm machinery, poultry
- 0.5% Grain and crops
- 19% Manufactured homes
- 5% Historic vehicles and non-commercial aircraft

Property not taxed

- Not all types of property are taxed. Ones that are not:
  - Most individual personal property
  - Intangible property—financial assets
2000 Property Taxes as a percentage of income

Property taxes, 2000

<table>
<thead>
<tr>
<th></th>
<th>Tax as a % of Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Average</td>
<td>2.97%</td>
</tr>
<tr>
<td>Median</td>
<td>2.92%-2.94% Oregon and Washington</td>
</tr>
<tr>
<td>Maximum</td>
<td>4.91% New Hampshire</td>
</tr>
<tr>
<td>Minimum</td>
<td>1.27% Alabama</td>
</tr>
<tr>
<td>Missouri Average and Rank</td>
<td>2.21% 39</td>
</tr>
<tr>
<td>Missouri Average and Rank in 1997</td>
<td>2.13% 40</td>
</tr>
</tbody>
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State rank on state and local property taxes as percentage of income

<table>
<thead>
<tr>
<th>State</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>46</td>
</tr>
<tr>
<td>Kansas</td>
<td>23</td>
</tr>
<tr>
<td>Illinois</td>
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<tr>
<td>Indiana</td>
<td>14</td>
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<tr>
<td>Iowa</td>
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<tr>
<td>Missouri</td>
<td>39</td>
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<tr>
<td>Nebraska</td>
<td>17</td>
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<tr>
<td>Oklahoma</td>
<td>47</td>
</tr>
<tr>
<td>Tennessee</td>
<td>42</td>
</tr>
</tbody>
</table>

Regressive tax system:

**Property**
- Lower income pay property tax in their rent
- Lower income have a higher % of their wealth in homes rather than in intangible property, which is not subject to property tax