

### **Cedar County Homestead Property Tax Credit Question**

- This ballot question is about limiting how much your property taxes can increase on your home.
- It only applies to your primary residence – meaning the place you live.
- It does not apply to rental properties, businesses, or other types of property.
- The question asks whether Cedar County should exempt eligible taxpayers from certain tax increases that go above what they paid in a starting year. That starting year is called the “initial credit year.”
- Think of the initial credit year as a baseline. It is the year your property taxes are used as a comparison point.
- After that year, if your property taxes increase, you would not have to pay the full portion of the taxes above that baseline unless it fits into certain defined categories. The purpose of the credit is to slow down sharp jumps in property taxes, not necessarily freeze them forever.
- A YES vote means you support putting a limit on future increases in property taxes on your home.
- A NO vote means no change – property taxes would continue to rise or fall the way they do now.
- This question does not eliminate property taxes. It is about how fast they can grow over time.

## **Cedar County, Missouri**

### **SB 3 Homestead Real Estate Tax Credit**

#### **Questions and Answers**

The Cedar County Commission has prepared the following questions and answers regarding the approval and implementation of the Homestead Real Estate Tax Credit authorized by Senate Bill 3 (2025) (RSMO. 137.1055). This information is intended to help residents and stakeholders understand how the process will work, its potential impact, and the steps involved.

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#### **Q: What is the Real Estate Tax Credit?**

Pursuant to RSMo. 137.1055, the real property tax liability on an eligible taxpayer's homestead shall not be increased more than five percent per year or the percent increase in the Consumer Price Index, whichever is greater, above the liability incurred during the initial credit year except for the following:

- Increases derived from any new property tax levy
  - Increases in an existing property tax levy approved by voters
  - New construction and improvements
  - Property annexed into a taxing jurisdiction
  - State Blind Pension Fund
  - Bonded Indebtedness
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#### **Q: What is the status of implementing the Homestead Real Estate Tax Credit?**

The Cedar County Commission has complied with RSMO. 137.1055.2 and has placed the question on the ballot for the April 7, 2026 General Municipal Election. Voters will decide whether to grant a homestead property tax credit to eligible taxpayers residing in Cedar County in an amount equal to the taxpayer's eligible credit amount as defined by law.

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#### **Q: What will the ballot language be?**

Shall the County of Cedar exempt eligible taxpayers from certain tax increases on eligible taxpayers' primary residence above the liability incurred during the initial credit year?

- YES
  - NO
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**Q: What are the next steps?**

The County Commission has certified the Homestead Real Estate Tax Credit question to appear on the April 7, 2026 ballot for voter approval.

If the measure is approved, additional information will be provided regarding the application process and implementation procedures.

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**Q: Why is an application necessary?**

The Homestead Real Estate Tax Credit applies only to a taxpayer's primary residence (homestead), not to all real property.

The Assessor and Collector have no automatic method of determining which property is a taxpayer's primary residence. Therefore, an application will be required.

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**If the Real Estate Tax Credit is implemented in Cedar County**

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**Q: If I am an eligible taxpayer, will I still receive a tax bill on my primary residence?**

Yes. You will still receive a tax bill. However, the amount due would reflect any eligible credit, if applicable.

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**Q: Who qualifies for the credit?**

An eligible taxpayer is defined as a Cedar County, Missouri resident who:

- Is an owner of record of a homestead or has a legal or equitable interest in the property; and
  - Is liable for the payment of real property taxes on that homestead
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**Q: What is a homestead?**

A homestead is residential real property actually occupied by an eligible taxpayer as their primary residence.

An eligible taxpayer may not claim more than one primary residence.

The credit does not apply to agricultural or commercial property.

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**Q: Would I automatically be enrolled?**

No. Participation in the Homestead Real Estate Tax Credit is voluntary.

An application will be required, and an annual renewal application will also be required.

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**Q: How much will my credit be each year?**

The credit amount will vary by homestead.

The amount of taxes paid in the initial credit year will become the base amount going forward, except:

- If improvements are made to the property;
- If new voter-approved levies are enacted;
- If the property is annexed into a new taxing jurisdiction;
- If the taxpayer fails to reapply annually;
- State Blind Pension Fund; and
- Bond Indebtedness

The credit will be calculated as:

Taxpayer's homestead real property tax liability for a given tax year

Minus

Real Property Tax Liability from the Initial Credit Year

= Eligible Credit (subject to constitutional and statutory limitations)

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**Q: What does the tax credit NOT apply to?**

The Homestead Real Estate Tax Credit does not apply to:

- Agricultural property
  - Commercial property
  - Personal property
  - New construction or improvements (added value may increase tax liability)
  - Annexation into a new taxing area (new levies may apply)
  - Ad valorem levies, including the State Blind Pension Fund
  - Levies related to voter-approved bonded indebtedness from any taxing entity
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**Q: What happens if I do not complete the annual renewal?**

If a renewal application is not completed and approved, a taxpayer will not receive the Homestead Real Estate Tax Credit for that tax year.

If an eligible taxpayer applies in a subsequent tax year and is approved, assuming no changes, the initial credit year amount will be used to determine the tax credit amount for that tax year.

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**Q: How will school districts and other political subdivisions be impacted?**

If implemented, taxing districts within Cedar County – such as school districts, cities, fire districts, ambulance districts, the County and other entities funded by property taxes may experience reduced revenue from eligible homesteads receiving the credit.

This could impact district budgets and may require adjustments to maintain services.

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**Q: How does the Real Estate Tax Credit (SB 3) differ from Missouri’s Senior Property Tax Credit (SB 190)? Do they interfere with each other?**

The Homestead Real Estate Tax Credit authorized by SB 3 and the Senior Property Tax Credit authorized by SB 190 are two separate state laws.

SB 190 (Senior Property Tax Credit):

- Applies only to eligible senior citizens (generally age 62 and older, subject to statutory requirements).
- Provides a tax credit for the difference between the tax liability for a specific tax year (subject to certain exceptions) and the taxpayer’s initial credit year.
- Participation by counties is optional.
- Applies only to eligible seniors who apply and qualify.

SB3 (Homestead Real Estate Tax Credit)

- Is not limited to seniors.
  - Applies to eligible homestead property owners who apply and qualify.
  - Limits increases in real property tax liability above the initial credit year to the greater of 5% or CPI, except for certain constitutional and statutory exceptions.
  - Requires voter approval before implementation.
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**Q: Do the programs interfere with one another?**

No. The two programs are separate and operate independently under Missouri law. However:

- A taxpayer may only receive benefits for which they qualify and for one program or the other, not both.
- If a taxpayer qualifies for both programs, the interaction of the credits would be administered in accordance with state law and county guidelines.
- Both programs require application and verification of eligibility.

If voters approve the Homestead Real Estate Tax Credit in Cedar County, additional guidance will be provided regarding how the two programs would be applied in cases where a taxpayer qualifies for both.

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For more information regarding the Homestead Real Estate Tax Credit in Cedar County, please contact the Cedar County Commission.