

State Tax Commission Annual Report – 2024

CHAPTER VII

THIS IS A COPY OF COMMISSION RULES.

Official Commission rules may be found on the Secretary of State's website at <https://www.sos.mo.gov/> under Administrative Rules

Title 12—DEPARTMENT OF REVENUE

Division 30—State Tax Commission

Chapter 1—General Organization

12 CSR 30-1.010 General Organization

PURPOSE: This rule is to comply with the requirements of section 536.023(3), RSMo which requires each state agency to adopt as a rule a description of its organization and general courses and methods of its operation and the methods and procedures where the public may obtain information or make submissions or requests.

(1) The State Tax Commission supervises and directs assessment and taxation laws.

(A) The commission has the duty to exercise general supervision over all assessing officers of the state and over county boards of equalization. In the execution of its duties and powers, the commission shall call upon the attorney general or any prosecuting or circuit attorney in the state for assistance in the enforcement of all laws relating to the general property tax.

(B) The commission has the power to call an annual meeting of assessors. The commission has the duty each year to have one (1) member or a duly authorized representative visit officially the several counties of the state to inquire into the methods of assessment and taxation to ascertain whether assessment and revenue officers are faithfully discharging their duties as required by law.

(C) The commission has the duty to prescribe the form of all blanks and books that are used in the assessment and collection of the general property tax, except as otherwise provided by law.

(D) The commission has the duty to require from any officer in the state, on forms prescribed by the commission, (see 12 CSR 30-1.030) reports as shall enable the commission to ascertain the assessed and equalized value of all real and tangible personal property.

(E) The commission has the duty to raise or lower the assessed valuation of any real or tangible personal property of any individual, partnership, company or corporation in compliance with the laws of this state.

(F) The commission has the power to cause to be placed upon the assessment rolls, at any time during the year, property omitted from the tax rolls for any reason, and to correct errors on the assessment rolls.

State Tax Commission Annual Report – 2024

- (G) The commission has the duty to equalize the valuation of real and tangible personal property among the several counties of the state.
- (2) The commission has the exclusive power of original assessment of railroads, bridges, telegraph, telephone, express companies and other similar public utility companies and firms.
- (3) The commission has the duty to investigate and hear taxpayer appeals from the local boards of equalization and to correct any assessment which is shown to be unlawful, unfair, improper, arbitrary or capricious.
- (4) The commission has the duty to publish and distribute an annual report of the proceedings and decisions of the commission.
- (5) The commission has the duty to certify the ratio of assessment to value in each county each year to the State Board of Education for utilization in the school aid formula.
- (6) The commission has the power to appoint, by an order, agents and hearing officers whose duties shall be prescribed in the order, for the purpose of making any investigations, or the performance of other duties regarding any matters relating to taxation.
- (7) The commission has the duty to investigate companies which have tangible personal property for lease, to cause the property to be properly taxed.
- (8) The State Tax Commission is located at 421 East Dunklin Street, Jefferson City, Missouri. The mailing address for the State Tax Commission is PO Box 146, Jefferson City, MO 65102-0146. The phone number is (573) 751-2414.

AUTHORITY: sections 138.290, 138.380, 138.390, 138.395, 138.410, 138.415, 138.420, 138.430, 138.440 and 138.450, RSMo 2000. Original rule filed Sept. 15, 1976, effective Jan. 13, 1977. Amended: Filed April 17, 1979, effective July 16, 1979. Rescinded and readopted: Filed Dec. 13, 1983, effective March 12, 1984. Amended: Filed April 13, 2006, effective Oct. 30, 2006. Amended: Filed Dec. 21, 2007, effective June 30, 2008. Non-substantive change filed April 21, 2023, published June 30, 2023.*

12 CSR 30-1.020 Meetings and Hearings

PURPOSE: The purpose of this rule is to announce the time and place of meetings and hearings of the State Tax Commission.

- (1) The principal office of the State Tax Commission is located in the Harry S Truman State Office Building, 301 West High Street, Room 840, Jefferson City, Missouri. The mailing address for the State Tax Commission is PO Box 146, Jefferson City, MO 65102-0146. The phone number is (573) 751-2414. All general inquiries to the commission, cover letters, motions and other pleadings should be addressed to the Administrative Secretary, State Tax Commission of Missouri, PO Box 146, Jefferson City, MO 65102-0146. All documents filed with the commission must be on eight and one-half by eleven inch (8 1/2" x 11") (letter size) paper.

State Tax Commission Annual Report – 2024

(2) Regular meetings of the commission will generally be held in the hearing room of the commission during regular business hours, Monday through Friday, except legal holidays, for the purpose of conducting public business before the commission, and for the purpose of adopting or rejecting, by public vote, proposed decisions and orders in appeals taken under section 138.430, RSMo.

(3) Formal hearings before the commission will generally be held between 9:00 a.m. and 4:30 p.m., Monday through Friday, except legal holidays, in the county of which venue is located for the purpose of appellate review.

(4) Two (2) commissioners constitute a quorum for the transaction of business, the performance of any duty or the exercise of any duty or the exercise of any power of the commission.

*AUTHORITY: section 138.430, RSMo 2000. * Original rule filed Dec. 13, 1976, effective June 11, 1977. Amended: Filed Jan. 30, 1978, effective May 11, 1978. Amended: Filed April 12, 1979, effective July 16, 1979. Amended: Filed Dec. 13, 1983, effective March 12, 1984. Amended: Filed April 23, 1984, effective Sept. 14, 1984. Amended: Filed April 13, 2006, effective Oct. 30, 2006. Amended: Filed Dec. 21, 2007, effective June 30, 2008.*

12 CSR 30-1.030 Forms

PURPOSE: This rule sets forth the forms utilized by the State Tax Commission in the assessment and collection of the general property tax.

(1) The forms prescribed by the commission to be used in an appeal to the State Tax Commission from the local board of equalization (12 CSR 30-3.010) are: STC Form 103 (5-86) (Complaint for Review of Assessment--Real Property); STC Form 104 (5-86) (Complaint for Review of Assessment--Personal Property); and STC Form 106 (6-86) (Complaint for Review of Assessment--Manufacturers).

(2) The forms to be used in the reporting and collection of taxes on railroads and street railroads pursuant to Chapter 151, RSMo, include the following: Form 20A (10-89) (Railroad Aggregate Statement of Taxable Property); Form 20 (9-87) (Railroad Aggregate Statement of Taxable Property); Form 20, Schedule 1 (10-87) (Company Organization--General Information); Form 30, Schedule 2 (10-89) (Taxation by States); Form 20, Schedule 3 (10-89) (Mileage of Road and Railway Statistics); Form 20, Schedule 3T (10-87) (Mileage of Road and Railway Statistics--Terminals); Form 20, Schedule 4 (10-88) (Main Track Mileage); Form 20, Schedule 5 (10-85) (Leased Equipment); Form 20, Schedule 6 (10-85) (Real/Personal Allocation); Form 20, Schedule 7 (10-85) (Comparative Balance Sheet); Form 20, Schedule 8 (10-85) (Comparative Income Statement); Form 30, Schedule 9 (10-85) (Capital Stock); Form 30, Schedule 10 (10-88) (Long Term Debt); Form 30, Schedule 11 (10-85) (Non-Operating Property in Missouri); Form 30, Schedule 12 (10-87) (Total of County's Locally Assessed Property); Form 30, Schedule 13 (11-86) (County Apportionment); Form 30, Schedule 14 (11-86) (Local Assessments); Form 30, Schedule 15 (9-87) (Real Estate Information); Form 30, Schedule 16 (11-85) (Motor Vehicle Information); Form 20, Schedule 17 (10-89) (Freight Line Company Mileage); Form 20, Schedule 18 (10-89) (Freight Line Company Credits); Form 20, Schedule 19 (9-99) (Previous Year's Assessment and Taxes); Form 50 (10-89) (Freight Line Company Aggregate Statement of Taxable Property); Form 50, Schedule 1 (10-89) (Company Organization--General Information); Form 50, Schedule 2 (9-97)

State Tax Commission Annual Report – 2024

(Freight Line Company Inventory of Rail Cars); and Form 50, Schedule 4 (9-97) (Freight Line Company Allocation).

(3) The forms to be used for the reporting and collection of the private car tax pursuant to Chapter 152, RSMo, include the following: Form 10 (10-87) (Freight Line Company Report of Car Rental); Form 20, Schedule 4 (10-88) (Main Track Mileage); and Form 15 (10-87) (Railroad Company Report of Car Rentals).

(4) The forms to be used for the reporting and collection of taxes on bridge, express and public utility companies pursuant to Chapter 153, RSMo, include the following:

(A) Bridge Companies. Form 13 (10-85) (Bridge Company Aggregate Statement of Taxable Property); and Form 13, Schedule 1 (10-85) (Company Organization--General Information);

(B) Telephone, Telecommunication and Telegraph Companies. Form 30 (11-86) (Aggregate Statement of Taxable Property); Form 30, Schedule 1 (9-87) (Company Organization--General Information); Form 30, Schedule 2 (10-89) (Taxation by States); Form 30, Schedule 3 (9-87) (Allocation Factors); Form 30, Schedule 3T (10-89) (Supplemental Information); Form 30, Schedule 4 (10-85) (Mileage by Line); Form 30, Schedule 5 (10-85) (Leased Equipment); Form 30, Schedule 6T (10-89) (Real/Personal Allocation); Form 30, Schedule 7 (10-85) (Comparative Balance Sheet); Form 30, Schedule 8 (10-85) (Comparative Income Statement); Form 30, Schedule 9 (10-85) (Capital Stock); Form 30, Schedule 10 (10-88) (Long Term Debt); Form 30, Schedule 11 (10-85) (Non-Operating Property in Missouri); Form 30, Schedule 12 (10-87) (Total of County's Locally Assessed Property); Form 30, Schedule 13 (11-86) (County Apportionment); Form 30, Schedule 14 (11-86) (Local Assessments); Form 30, Schedule 15 (9-87) (Real Estate Information); Form 30, Schedule 16 (11-85) (Motor Vehicle Information); and Form 30, Schedule 17 (10-85) (Distributable Real Property Owned in Fee);

(C) Electric Companies. Form 30 (11-86) (Aggregate Statement of Taxable Property); Form 30, Schedule 1 (9-87) (Company Organization--General Information); Form 30, Schedule 2 (10-89) (Taxation by States); Form 30, Schedule 3 (9-87) (Allocation Factors); Form 30, Schedule 3E (10-88) (Supplemental Information); Form 30, Schedule 4 (10-85) (Mileage by Line); Form 30, Schedule 5 (10-85) (Leased Equipment); Form 30, Schedule 6E (10-89) (Real/Personal Allocation--Page 1 of 2); Form 30, Schedule 6E (10-89) (Real/Personal Allocation--Page 2 of 2); Form 30, Schedule 7 (10-85) (Comparative Balance Sheet); Form 30, Schedule 8 (10-85) (Comparative Income Statement); Form 30, Schedule 9 (10-85) (Capital Stock); Form 30, Schedule 10 (10-88) (Long Term Debt); Form 30, Schedule 11 (10-85) (Non-Operating Property in Missouri); Form 30, Schedule 12 (10-87) (Total of County's Locally Assessed Property); Form 30, Schedule 13 (11-86) (County Apportionment); Form 30, Schedule 14 (11-86) (Local Assessments); Form 30, Schedule 15 (9-87) (Real Estate Information); Form 30, Schedule 16 (11-85) (Motor Vehicle Information); and Form 30, Schedule 17 (10-85) (Distributable Real Property Owned in Fee);

State Tax Commission Annual Report – 2024

(D) Natural Gas Pipeline Companies. Form 30, (11-86) (Aggregate Statement of Taxable Property); Form 30, Schedule 1 (9-87) (Company Organization--General Information); Form 30, Schedule 2 (10-89) (Taxation by States); Form 30, Schedule 3 (9-87) (Allocation Factors); Form 30, Schedule 3NG (9-87) (Supplemental Information); Form 30, Schedule 4 (10-85) (Mileage by Line); Form 30, Schedule 5 (10-85) (Leased Equipment); Form 30, Schedule 6NG (10-89) (Real/Personal Allocation--Page 1 of 3); Form 30, Schedule 6NG (10-89) (Real/Personal Allocation--Page 2 of 3); Form 30, Schedule 6NG (10-89) (Real/Personal Allocation--Page 3 of 3); Form 30, Schedule 7 (10-85) (Comparative Balance Sheet); Form 30, Schedule 8 (10-85) (Comparative Income Statement); Form 30, Schedule 9 (10-85) (Capital Stock); Form 30, Schedule 10 (10-88) (Long Term Debt); Form 30, Schedule 11 (10-85) (Non-Operating Property in Missouri); Form 30, Schedule 12 (10-87) (Total of County's Locally Assessed Property); Form 30, Schedule 13 (11-86) (County Apportionment); Form 30, Schedule 14 (11-86) (Local Assessments); Form 30, Schedule 15 (9-87) (Real Estate Information); Form 30, Schedule 16 (11-85) (Motor Vehicle Information); and Form 30, Schedule 18 (10-85) (Pipe Statistics); and

(E) Fluid Pipeline Companies. Form 30 (11-86) (Aggregate Statement of Taxable Property); Form 30, Schedule 1 (9-87) (Company Organization--General Information); Form 30, Schedule 2 (10-89) (Taxation by States); Form 30, Schedule 3 (9-87) (Allocation Factors); Form 30, Schedule 3FP (9-87) (Supplemental Information); Form 30, Schedule 4 (10-85) (Mileage by Line); Form 30, Schedule 5 (10-85) (Leased Equipment); Form 30, Schedule 6FP (10-89) (Real/Personal Allocation); Form 30, Schedule 7 (10-85) (Comparative Balance Sheet); Form 30, Schedule 8 (10-85) (Comparative Income Statement); Form 30, Schedule 9 (10-85) (Capital Stock); Form 30, Schedule 10 (10-88) (Long Term Debt); Form 30, Schedule 11 (10-85) (Non-Operating Property in Missouri); Form 30, Schedule 12 (10-87) (Total of County's Locally Assessed Property); Form 30, Schedule 13 (11-86) (County Apportionment); Form 30, Schedule 14 (11-86) (Local Assessments); Form 30, Schedule 15 (9-87) (Real Estate Information); Form 30, Schedule 16 (11-85) (Motor Vehicle Information); and Form 30, Schedule 18 (10-85) (Pipe Statistics).

(5) The forms to be used for the reporting and collection of taxes on aircraft pursuant to Chapter 155, RSMo, include the following: Form 12 (10-85) (Aggregate Statement of Taxable Property); Form 12, Schedule 1 (10-85) (Aircraft Inventory Information); and Form 12, Schedule 2 (10-85) (Aircraft Allocation).

AUTHORITY: sections 137.930, 138.430, 151.020, 153.030 and 155.020, RSMo 1994. Original rule filed Feb. 8, 1983, effective May 12, 1983. Emergency amendment filed Dec. 13, 1983, effective Dec. 24, 1983, expired March 15, 1984. Amended: Filed Dec. 13, 1983, effective March 12, 1984. Emergency rule and rescission filed Nov. 15, 1989, effective Dec. 31, 1989, expired Feb. 2, 1990. Rescinded and readopted: Filed Nov. 15, 1989, effective Feb. 25, 1990. Amended: Filed Nov. 3, 1999, effective May 30, 2000.*

State Tax Commission Annual Report – 2024

Title 12--DEPARTMENT OF REVENUE
Division 30--State Tax Commission
Chapter 2—Original Assessment

12 CSR 30-2.011 Completion of Forms by Assessors to be Used in Original Assessment by the State Tax Commission

PURPOSE: This rule sets forth procedures to be used by assessors in the completion of forms for original assessment by the commission.

- (1) Unless otherwise provided, each assessor in the state shall estimate on Form 30, Schedule 14 the market value of property owned by each railroad, telegraph, telephone, express company and other similar public utility corporations, companies and firms (afterwards referred to as company) doing business within his/her jurisdiction.
- (2) Each assessor in the state shall provide a breakdown of the market value and assessment of real estate held by each company within his/her jurisdiction on Form 30, Schedule 15.
- (3) Each assessor in the state shall provide a breakdown of the market value and assessment of motor vehicles held by each company within his/her jurisdiction on Form 30, Schedule 16.
- (4) These forms shall be completed by each assessor per the attendant instructions and returned to the respective company, county clerk and state tax commission on, or before April 20 of each year.

*AUTHORITY: sections 138.320, 138.420(1) and (2), RSMo (1994). * Original rule filed Dec. 13, 1983, effective March 12, 1984. Emergency amendment filed Nov. 14, 1989, effective Dec. 31, 1989, expired Feb. 2, 1990. Amended: Filed Nov. 14, 1989, effective Feb. 25, 1990.*

12 CSR 30-2.016 Allocation of Unit Value

PURPOSE: This rule sets forth a precise method for the allocation of the unit value of all originally assessable companies operating in Missouri.

- (1) The unit value of the following originally assessable companies operating in Missouri will be allocated to Missouri using the schedule of accounts as prescribed on the commissions' Aggregate Statement of Taxable Property in accordance with the factors set forth in this rule:

(A) Bridge Companies. The valuation allocated to Missouri should be based on the following factor:

1. The ratio of linear feet of the bridge and its approaches within the state to the entire length of the bridge and its approaches;

(B) Electric Companies. The valuation allocated to Missouri should be based on the following factors and percentage weights:

State Tax Commission Annual Report – 2024

1. The ratios of total gross plant in service, total net plant in service, total operating revenues and net operating income within the state to the aggregate amounts of these factors of the electric company. These factors are assigned the following percentage weights:

<u>Factor</u>	<u>Weight</u>
A. Gross plant in service	30%;
B. Net plant in service	30%;
C. Total operating revenues and	20%;
D. Net operating income	20%;

(C) Natural Gas Pipeline Companies. The valuation allocated to Missouri should be based on the following factors and percentage weights:

1. The ratios of gross plant in service, net plant in service and miles of pipe (inch equivalent) within the state to the aggregate amount of these factors of the natural gas pipeline company. These factors are assigned the following percentage weights for the 1998 tax year:

<u>Factor</u>	<u>Weight</u>
A. Gross plant in service	43%;
B. Net plant in service and	43%;
C. Miles of pipe (inch equivalent)	14%.

Beginning in the 1999 tax year, the factors will be assigned the following percentage weights:

<u>Factor</u>	<u>Weight</u>
A. Gross plant in service	45%;
B. Net plant in service and	45%;
C. Miles of pipe (inch equivalent)	10%.

(D) Products and Liquid Pipeline Companies. The valuation allocated to Missouri should be based on the following factors and percentage weights:

1. Ratios of gross plant in service and miles of pipe (inch equivalent) and barrel miles within the state to the aggregate amount of these factors of the company. These factors are assigned the following percentage weights for the 1998 tax year:

<u>Factor</u>	<u>Weight</u>
A. Gross plant in service	60%;
B. Miles of pipe (inch equivalent) and	15%;
C. Barrel Miles	25%.

Beginning in the 1999 tax year, the factors will be assigned the following percentage weights:

State Tax Commission Annual Report – 2024

<u>Factor</u>	<u>Weight</u>
A. Gross plant in service	60%;
B. Miles of pipe (inch equivalent) and	10%;
C. Barrel Miles	30%.

(E) Railroad Companies. The valuation allocated to Missouri should be based on an arithmetic mean of the following ratios:

1. Ratio of operated mileage (excluding trackage rights) within the state to the total operated mileage of the railroad company;
2. Ratio of locomotive and car miles within the state to the total locomotive and car miles of the railroad company;
3. Ratio of railway operating revenue within the state to the total railway operating revenue of the railroad company;
4. Ratio of ton miles of revenue freight within the state to the total ton miles of revenue freight of the railroad company;
5. Ratio of revenue freight tons originating and terminating within the state to the total revenue freight tons originating and terminating of the railroad company; and
6. Ratio of undepreciated investment in road within the state to the total amount of undepreciated investment in road of the railroad company;

(F) Terminal Railroad Companies. The value allocated to Missouri should be based on an arithmetic mean of the following ratios:

1. Ratio of operated mileage (excluding trackage rights) within the state to the total operated mileage of the terminal railroad company; and
2. Ratio of undepreciated investment in road within the state to the total amount of undepreciated investment in road of the terminal railroad company;

(G) Telecommunications Companies. The valuation allocated to Missouri should be based on the following factors and percentage weights:

1. The ratios of gross plant in service, total operating revenues and net operating income within the state to the aggregate amounts of these factors for the telecommunications company. The factors are assigned the following percentage weights:

<u>Factor</u>	<u>Weight</u>
A. Gross plant in service	60%;
B. Total operating revenues and	20%;

State Tax Commission Annual Report – 2024

C. Net operating income 20%.

(H) Telephone Companies. The valuation allocated to Missouri should be based on the following factors and percentage weights:

1. The ratios of gross plant in service, total operating revenues and net operating income within the state to the aggregate amount of these factors for the telephone company. These factors are assigned the following percentage weights:

<u>Factor</u>	<u>Weight</u>
A. Gross plant in service	60%;
B. Total operating revenues and	20%;
C. Net operating income	20%.

(I) Private Car Companies. The valuation allocated to Missouri should be based on the following ratios:

1. Ratio of total mileage within the state to the total mileage of the private car company;
2. Ratio of total loaded mileage within the state to the total loaded mileage of the private car company; and
3. Ratio of time spent within the state to the total annual time of the private car company.

*AUTHORITY: sections 138.420, 151.030 and 151.060, RSMo 1994. * This rule was previously filed as 12 CSR 30-1.016. Original rule filed Dec. 2, 1986, effective June 11, 1987. Amended: Filed Sept. 15, 1987, effective Dec. 31, 1987. Emergency amendment filed Nov. 14, 1989, effective Dec. 31, 1989, expired Feb. 2, 1990. Amended: Filed Nov. 14, 1989, effective Feb. 25, 1990. Amended: Filed May 14, 1993, effective Jan. 13, 1994. Amended: Filed May 13, 1997, effective Nov. 30, 1997.*

12 CSR 30-2.018 Method of Administrating the *Ad Valorem* Taxation of the Private Railcar Industry and Applying for the Freight Line Company Tax Credit

PURPOSE: This rule sets forth the precise method of administrating the **ad valorem** tax for the private railcar industry and the procedure for applying for the tax credit for eligible expenses.

(1) The commission will determine the statewide average rate of property taxes levied for the preceding year from reports filed by the railroad and street railway companies operating within the state. This information will be filed with the Director of Revenue along with the current year's taxable distributable assessed valuation of each freight line company on or before the first of October. In addition, this report shall include the current total main line track mileage of the railroad and street railway companies within each county to the aggregate total of the state. This report will also include the following information:

State Tax Commission Annual Report – 2024

- (A) Name and mailing address of each freight line company;
- (B) Assessed valuation of the distributable property for each freight line company;
- (C) Statewide average rate of property taxes levied the preceding year; and
- (D) Amount of *ad valorem* tax due from each freight line company.

(2) Each freight line company applying for the tax credit authorized in subsection 137.1018.4, RSMo, shall submit a completed Form 50, Schedule 1, Schedule 3PC, and Schedule 20PC to the State Tax Commission on or before May 1 of the tax year for which the credit is sought, and no such credit shall be given to any company filing the form after that date. The method for determining whether the form is submitted within the time prescribed by this rule will be the same method used for determining the timeliness of complaints filed with the State Tax Commission as set out in 12 CSR 30-3.010(1)(C).

(3) In any year in which the general assembly appropriates insufficient funds to fully finance the tax credit authorized in subsection 137.1018.4, RSMo, the State Tax Commission, based upon the funds appropriated, shall allocate the credit proportionately among the freight lines timely requesting the tax credit for that year. The tax credit each individual freight line company will receive shall be calculated by multiplying the percentage that each company's claim (not to exceed their tax liability) represents of the total credit claims of all freight line companies (who timely submitted the required form and schedule for that tax year) multiplied by the amount of funds actually appropriated for that tax year.

AUTHORITY: section 137.1018, RSMo Supp. 2008 and section 137.1021, RSMo 2000. Original rule filed Sept. 20, 1999, effective May 30, 2000. Amended: Filed April 28, 2009, effective Nov. 30, 2009.

12 CSR 30-2.021 Original Assessment by State Tax Commission and Appeals

PURPOSE: This rule sets a precise method for appealing final decisions of the State Tax Commission as regards public utilities and those taxpayers coming under the original assessment of the commission.

(1) Every railroad, telegraph, telephone, express company and other and similar public utility corporations, companies and firms (afterwards referred to as company) doing business in Missouri, unless otherwise provided, shall proceed before the State Tax Commission as follows:

- (A) Each company shall file its report with the State Tax Commission on or before April 1 of each year. Upon receipt of the report, the commission shall certify a tentative assessment to the company. The commission shall set a date upon which an informal hearing will be conducted for the company. At the hearing, the company shall be permitted to submit to the commission evidence and exhibits indicative of the value of the subject property;

State Tax Commission Annual Report – 2024

(B) Subsequent to the proceedings set out in subsection (1)(A), the commission shall certify a final assessment to the company. The commission shall have the authority to amend a certified final assessment which it deems to be erroneous, or pursuant to section 155.040.3, RSMo, certify the value of commercial aircraft not owned by an airline company, but no such amendment or certification shall be made after September 1 of the tax year in question. Such erroneous assessments shall not include disagreements over valuation, classification, or exemption, which must be addressed through the appeal process. Upon receipt of the final assessment, the company, if dissatisfied, shall file a petition for a rehearing, which shall be decided as a contested case, after hearing on the record;

(C) The petition shall be directed to the State Tax Commission. It shall state that the appeal is from the original assessment entered by the commission; the date of the assessment; the name of the taxpayer appealing; the business address of the taxpayer to which notice of hearing may be mailed; a brief statement of why the commission should change or modify the original assessment; and a brief statement of the relief to which complainant may feel entitled. The petition shall be sworn to by the complainant or his/her attorney;

(D) The petition for rehearing shall be filed not more than thirty (30) days after the company receives notice of the original assessment. The petition shall be served upon the commission by delivery, personally, to any commissioner or to the secretary of the commission or by registered mail, postage prepaid, addressed to the State Tax Commission at Jefferson City, Missouri. If personal service is made, it may be proven by the affidavit of any person competent to testify or by the official certificate of any officer authorized under the laws of Missouri to execute process. If the petition is served by mail, it shall be filed as of the date of its delivery by the postal authorities, to the office of the State Tax Commission in Jefferson City, Missouri;

(E) Discovery in appeals shall be as in other contested cases pursuant to 12 CSR 30-3.040;

(F) An assistant attorney general will assist the commission at the hearing and in preparing the decision. The commission's staff attorneys will assist commission staff in presentation of the case; and

(G) The State Tax Commission shall set the matter for hearing at the office of the State Tax Commission, Jefferson City, Missouri, within a reasonable time after that, and notify the complainant and the proper state officer of the date. The notice shall be given to the complainant by first-class mail, postage prepaid, addressed to the complainant's place of business as given the petition filed.

AUTHORITY: section 138.420, RSMo 2000. Original rule filed Dec. 13, 1983, effective March 12, 1984. Amended: Filed Dec. 21, 2007, effective June 30, 2008.*

State Tax Commission Annual Report – 2024

Title 12--DEPARTMENT OF REVENUE

Division 30--State Tax Commission

Chapter 3--Local Assessment of Property and Appeals From Local Boards of Equalization

12 CSR 30-3.001 Two-Year Assessment Cycle

PURPOSE: This rule establishes the method assessors shall use to determine assessed value of real property under the two-year assessment cycle.

(1) The assessed value of real property shall be calculated by determining its true value in money on January 1 of each odd-numbered year. The value shall remain the same for the subsequent even-numbered year unless there has been new construction or property improvements between January 1 of the odd-numbered year and January 1 of the following even-numbered year.

(2) In those instances in which new construction or property improvements have occurred between January 1 of an odd-numbered year and January 1 of an even-numbered year, the true value in money of the property as newly constructed or improved shall be determined as of January 1 of the odd-numbered year.

(A) The valuation of the property shall take into consideration the new construction or property improvements and shall assign to that new construction or property improvements the value which would have been attributed to new construction or improvements on January 1 of the odd-numbered year as though they had existed on that date.

(B) Examples.

1. On January 1, 1991, the subject property is a five (5)-acre vacant lot. On December 1, 1991, construction of a strip shopping center is completed. For the 1992 tax year, the assessed value is calculated by determining the true value in money of a shopping center of the same size, construction, location and use as the subject property as of January 1, 1991, and multiplying that amount by the appropriate statutory assessed value percentage.

2. On January 1, 1991, the subject property is a three (3)-bedroom ranch style house with thirteen hundred (1300) square feet. On August 1, 1991, the addition of a second story and seven hundred (700) square feet is completed. For the 1992 tax year, the assessed value is calculated by determining the true value in money of a two (2)-story, two-thousand (2000) square foot residence of the same construction and location as the subject as of January 1, 1991, and multiplying that amount by the appropriate statutory assessed value percentage.

3. A property improvement consists of any change to the physical characteristics of the property, whether that change is one that causes an increase or a reduction in value. Changes in zoning, neighborhood conditions or economic conditions which directly or indirectly affect the property will not warrant a change in the assessed value for the even-numbered year.

State Tax Commission Annual Report – 2024

(C) Examples.

1. Assuming value is affected, a change in the assessed value for the 1992 tax year is warranted (see paragraph (2)(B)2.)
2. On January 1, 1991, the subject property is a three (3)-bedroom ranch style house with thirteen hundred (1300) square feet. On December 1, 1991, the house burns to the ground. A change in the assessed value for the 1992 tax year is warranted.
3. On January 1, 1991, the subject property is a five (5)-acre vacant lot zoned agricultural. On December 1, 1991, the property is rezoned commercial. No new construction is added to the property. A change in the assessed value for the 1992 tax year is not warranted.
4. On January 1, 1991, the subject property is a three (3)-bedroom ranch style house located on ten (10) acres of land in the rural area of the county. On December 1, 1991, the county began operation of a landfill on property adjacent to the subject property. The location and operation of the landfill negatively affect the value of the subject property. A change in the value for the 1992 tax year is not warranted.
5. On January 1, 1991, the subject property is a three (3)-bedroom ranch style house with thirteen hundred (1300) square feet which is twenty (20) years old. On January 1, 1992, the subject property is twenty-one (21) years old. It is generally recognized in the appraisal of property that as property ages it physically deteriorates and it may be necessary to make a deduction for physical depreciation under the cost approach for value. A change in value for the 1992 tax year is not warranted.

(3) The examples used in this rule are by way of illustration only and not to be deemed to be the only instances to which this rule applies.

*AUTHORITY: sections 137.115, RSMo Supp. 1992 and 138.320, RSMo 1986. * Original rule filed May 14, 1991, effective Oct. 31, 1991.*

12 CSR 30-3.005 Appeals of the Assessment of Real Property to the Local Board of Equalization Under the Two-Year Assessed Value Cycle

PURPOSE: This rule establishes how appeals of the assessment of real property to the local boards of equalization are to be accomplished under the two-year assessed value cycle and to ensure that the commission's authority to render decisions and orders in appeals from local boards of equalization is not compromised at the local level.

- (1) Appeals to the Local Board of Equalization in Odd-Numbered Years. Appeals to the local board of equalization in odd-numbered years from assessment placed on real property by the county assessor shall be made by the aggrieved taxpayer in the manner required by law.
- (2) Appeals to the Local Board of Equalization in Even-Numbered Years.

State Tax Commission Annual Report – 2024

(A) If a taxpayer did not file an appeal of an assessment of real property from the local board of equalization to the State Tax Commission in the odd-numbered year, the appeal to the local board of equalization in the even-numbered year shall be made by the aggrieved taxpayer in the manner required by law.

(B) If a taxpayer did file an appeal of an assessment of real property from the local board of equalization to the State Tax Commission in the odd-numbered year, the local board of equalization shall accept as duly filed appeal of the assessment in the even-numbered year, a notice from the State Tax Commission to the county clerk that an appeal of the odd-numbered year's assessment is presently pending before the State Tax Commission. This notice shall constitute the filing of an appeal in writing to the local board of equalization on behalf of the taxpayer. The local board of equalization shall hear and decide an appeal in the same manner it would hear and decide other appeals to it. The notice filed by the State Tax Commission on behalf of the taxpayer shall be filed before April 1 of the even-numbered year.

(3) Nothing in this rule shall prevent a taxpayer from filing an appeal of the assessment of real property on his/her own behalf in the even-numbered year from dismissing an appeal before the local board of equalization filed on his/her behalf by the State Tax Commission, or from appearing and presenting evidence at a hearing on his/her appeal at the local board of equalization.

AUTHORITY: section 137.115.1., 138.060.1., 138.431.3. RSMo Supp. 1992 and 137.275 and 137.385, RSMo 1986. Original rule filed May 14, 1991, effective Oct. 31, 1991.*

12 CSR 30-3.010 Appeals From the Local Board of Equalization

PURPOSE: This rule informs the local taxpayer of his/her right to protest by complaint or appeal an assessed value which s/he feels is unlawful, unfair, improper, arbitrary, or capricious and the procedure for filing these complaints or appeals.

(1) Every owner of real property or tangible personal property shall have the right to appeal from the decision of the local board of equalization, upon compliance with the following rules:

A) This appeal shall be initiated by filing a complaint on forms prescribed by this commission and directed to the State Tax Commission. No complaint will be accepted unless on forms prescribed by this commission; provided, that any complainant may attach to commission forms any additional written pleading deemed appropriate by complainant. The complaint shall specify the name of the complainant; the business address of the complainant or an attorney to whom notice of hearing may be mailed; the legal description of the real property or the complete description of the tangible personal property at issue; a brief statement of the grounds upon which the assessment of the property is claimed to be unlawful, unfair, improper, arbitrary, or capricious; a statement that the complainant had appealed to the proper local board of equalization; a statement of the relief to which complainant may feel entitled; if required under 12 CSR 30-3.025(3), a verified statement which states facts tending to demonstrate that the commission should reconsider the appropriateness of the value in the even-numbered year; and other information as shall be requested upon the commission forms;

State Tax Commission Annual Report – 2024

(B) A complaint appealing a property assessment shall be filed not later than September 30 or within thirty (30) days of the decision of the board of equalization, whichever is later.

1. In any county or the City of St. Louis, the owner may appeal directly to the State Tax Commission (a) where the assessor fails to notify the current owner of the property of an initial assessment or an increase in assessment from the previous year, prior to thirty (30) days before the deadline for filing an appeal to the board of equalization, including instances in which real property was transferred and the prior owner was notified, or (b) where a new owner purchased real property less than thirty (30) days before the deadline for filing an appeal to the board of equalization or later in the tax year, regardless if the assessment is an initial assessment, an increase or decrease in assessment, or an assessment established in the prior year. Appeals under this paragraph shall be filed within thirty (30) days after a county official mailed a tax statement or otherwise first communicated the assessment or the amount of taxes to the owner or on or before December 31 of the tax year in question, whichever is later. Proof of late notice, the date of purchase, and/or notice sent to the prior owner shall be attached to, or set forth in, the complaint.

2. A property owner who, due to lack of notice, files an appeal directly with the State Tax Commission after tax statements are mailed should pay his or her taxes under protest pursuant to the requirements of section 139.031, RSMo, and the county collector shall upon receiving either the payment under protest or the notice specified in section 138.430, RSMo, impound all portions of taxes which are in dispute;

(C) Any complaint shall be served upon the State Tax Commission personally to any commissioner or to the administrative secretary of the commission, by certified, registered, regular, private carrier service mail or electronic transmission addressed to the State Tax Commission in Jefferson City. For purposes of this rule, electronic transmission shall mean facsimile transmission or email.

1. If personal service is made, it may be proven by the affidavit of any person competent to testify, or by the official certificate of any officer authorized under the laws of Missouri to execute process. In determining whether complaints personally served are filed within the time prescribed by law, the date on which personal service is obtained shall be deemed to be the date the complaint is filed with the commission.

2. In determining whether complaints are filed within the time prescribed by law, the complaints may be transmitted to the commission by registered, certified, or regular mail or by private carrier service. Complaints filed by registered or certified mail shall be deemed filed with the commission as of the date deposited with the United States Postal Service. Complaints filed by private carrier service shall be deemed filed as of the date shown by the record of the mailing. Complaints filed by regular or metered mail shall be deemed filed on the date of post office cancellation; or three (3) days before the date the commission receives the complaints if there is no dated post office cancellation.

State Tax Commission Annual Report – 2024

3. In determining whether complaints filed by electronic transmission are filed within the time prescribed by law, complaints so filed shall be deemed filed with the commission as of the date the electronic transmission is received by the commission. A complaint filed by electronic transmission shall have the same effect as the filing of an original document and an electronic signature shall have the same effect as an original signature;

(D) Two (2) copies of the complaint shall be filed with the commission, one (1) copy of which will be forwarded to the assessor with notice of institution of the proceedings to review assessment; and

(E) The State Tax Commission shall set appeals for conferences and hearings in the county of assessment or in any other location in the state as the commission deems necessary for the efficient management of the appeal docket. Conferences and hearings may be conducted by electronic means where practicable.

(2) On any appeal taken to the commission from the local board of equalization, a natural person may represent him/herself in the proceedings before the commission. The county assessor, but not a deputy, may represent his/her office in such proceedings. All others must appear through an attorney licensed to practice law in Missouri or in another jurisdiction.

(A) Any person who signs a pleading or brief, or who enters an appearance at a hearing for an entity or another person, by an act expressly represents that s/he is authorized to so act and that s/he is a licensed attorney-at-law in this state or his/her state of residence.

(B) Any attorney not licensed in this state but who is a member in good standing of the bar of any court of record may be permitted to appear and participate in a particular appeal(s) before the commission under the following conditions: The visiting attorney shall file with his/her initial pleading a receipt for his/her *pro hac vice* authorization from the clerk of the Missouri Supreme Court to appear before the commission on the designated appeal or appeals along with a statement identifying each court of which s/he is a member of the bar and certifying that neither s/he nor any member of his/her firm is disqualified from appearing in any such court. Also, the statement shall designate some member of the Missouri Bar having an office in Missouri as associate counsel. This designated attorney shall enter his/her appearance as an attorney of record.

(3) When a lawyer is a witness for his/her client, except as to merely formal matters, s/he should leave the trial of the case to other counsel. Except when essential to the ends of justice, a lawyer should avoid testifying before this commission in behalf of his/her client.

State Tax Commission Annual Report – 2024

(4) The commission shall make arrangements to have all appeal hearings suitably recorded and preserved. Upon a motion of a party filed at least seven (7) days prior to the hearing, the commission may approve the recording and transcription of any hearing by a court reporter hired by a party provided that such party shall furnish the commission and the opposing party a copy of the transcript at no cost and the party supplying the court reporter and the court reporter agree that such transcript retained by the commission shall be available for inspection and copying by the public pursuant to Chapter 610, RSMo. The commission may adopt the resulting transcript as the official record of the proceeding.

(5) The fundamental rules of evidence will apply at hearings before the commission.

(6) In computing any period of time prescribed or allowed by these rules, by order of the commission, or by any applicable statute, the day of the act, event, or default after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday, or a legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday, nor a legal holiday. When the period of time prescribed or allowed is less than seven (7) days, intermediate Saturdays, Sundays, and legal holidays shall be excluded in the computation.

(7) When by these rules or by a notice given thereunder or by order of the commission an act is required or allowed to be done at or within a specified time, the commission for cause shown may at any time in its discretion 1) with or without motion or notice order the period enlarged if request is made before the expiration of the period originally prescribed or as extended by previous order or 2) upon notice and motion made after the expiration of the specified period permit the act to be done where the failure to act was the result of excusable neglect; but the commission may not extend the time for taking any action under rules 12 CSR 30-2.021(1)(A); 12 CSR 30-3.021(1)(C); 12 CSR 30-3.005—Appeals of the Assessment of Real Property to the Local Board of Equalization Under the Two-Year Assessed Value Cycle; 12 CSR 30-3.010—Appeals from the Local Board of Equalization; 12 CSR 30-3.020—Intervention; or 12 CSR 30-3.025—Collateral Estoppel.

(8) Any complaint, correspondence, routine motion, or application for review shall be accepted for filing by electronic transmission. Electronic filings received by the commission before 5:00 p.m. of a regular workday are deemed filed as of that day. Filings received after 5:00 p.m. are deemed filed on the next regular commission workday. Time of receipt is determined by the commission's facsimile machine or computer. The time when transmission began shall be used to determine if transmission occurred prior to 5:00 p.m. If a document is not received by the commission or if it is illegible, it is deemed not filed. Risk of loss in transmission, receipt, or illegibility is upon the party transmitting and filing by electronic transmission. The person filing a complaint, correspondence, motion, application for review, or other filing by electronic transmission shall retain the signed filing and make it available upon order of the commission.

(9) No cameras, lights, or mechanical recording devices shall be operated in the hearing room while the hearing is in progress, other than by personnel of the commission or by a court reporter with the permission of the commission.

State Tax Commission Annual Report – 2024

AUTHORITY: section 138.430, RSMo Supp. 2012. This rule was previously filed as 12 CSR 30-2.030. Original rule filed Dec. 13, 1983, effective March 12, 1984. Amended: Filed April 21, 1988, effective Sept. 11, 1988. Rescinded and readopted: Filed May 14, 1991, effective Oct. 31, 1991. Amended: Filed Aug. 23, 1995, effective Jan. 30, 1996. Rescinded and readopted: Filed June 12, 2002, effective Nov. 30, 2002. Amended: Filed Oct. 7, 2004, effective May 30, 2005. Amended: Filed Dec. 21, 2007, effective June 30, 2008. Amended: Filed Oct. 2, 2008, effective May 30, 2009. Amended: Filed April 28, 2009, effective Nov. 30, 2009. Amended: Filed Dec. 21, 2009, effective June 30, 2010. Amended: Filed Jan. 27, 2011, effective July 30, 2011. Amended: Filed Aug. 16, 2012, effective Feb. 28, 2013.*

12 CSR 30-3.015 Orders of the Commission Under the Two-Year Assessed Value Cycle

PURPOSE: This rule establishes the procedure for implementing commission decisions under the two-year assessed value cycle for real property.

(1) In an appeal to the commission from the local board of equalization, the decision and order issued by the commission shall set the assessed value of the real property which is the subject of the appeal for both the first year of the two (2)-year cycle (odd-numbered year) and the second year of the two (2)-year cycle (even-numbered year), unless one (1) of the following conditions are met:

(A) The taxpayer did not file an appeal of his/her assessment to the commission in the odd-numbered year; or

(B) At the hearing before the commission or one (1) of its hearing officers on the appeal of the odd-numbered year's assessment, the assessor or the taxpayer presents evidence which shows that there has been new construction or property improvements to the subject property as defined in 12 CSR 30-3.001 during the odd-numbered year.

(2) A decision and order issued by the commission which sets the assessed value of a property for both years of the two (2)-year cycle shall be implemented for the even-numbered year as follows:

(A) If the decision and order is issued and becomes final prior to the assessor returning the assessor's book for the even-numbered year to the county governing body, the assessor shall enter the assessed value as determined by the commission into the assessor's book;

(B) If the decision and order is issued and becomes final after the assessor returns the assessor's book for the even-numbered year to the county governing body but before the local board of equalization issues a decision on an appeal of the assessment to it in the even-numbered year, the local board of equalization shall issue its decision based on the assessed value as determined by the commission; and

(C) If the decision and order is issued and becomes final after the local board of equalization issues a decision on an appeal of an assessment to it in the even-numbered year, if the assessed value is changed by the commission, the county clerk shall enter the assessed value as determined by the commission in the supplemental tax book of the county for the even-numbered year.

State Tax Commission Annual Report – 2024

AUTHORITY: sections 137.115.1. and 138.431.3., RSMo Supp. 1992. Original rule filed May 14, 1991, effective Oct. 31, 1991.

12 CSR 30-3.020 Intervention

PURPOSE: This rule establishes the procedure for nonparties to appear and be heard and for intervention.

(1) All persons affected or liable to be affected by review by the commission of any assessment, whether or not they are made parties to the appeal by intervention, may submit a memorandum setting forth their position on the issue(s) in the given appeal, and serve a copy of same upon counsel for the parties or upon the parties if there is no counsel. However, nonparties are not entitled to notice of hearings and decisions, except as provided generally by section 610.020, RSMo, unless they are made designated persons by the complainants as provided by section 536.067(3), RSMo. Nonparties are not entitled to take depositions, nor entitled to the issuance of subpoenas nor to introduce exhibits, testify, or cross-examine witnesses.

(2) Any person may apply for leave to intervene in any contested case before the commission by serving a motion for leave to intervene upon all then existing parties and upon the commission. The motion shall state the grounds for it and whether the applicant is seeking to intervene on behalf of the complainant or the respondent. The motion shall be filed within sixty (60) days of the time of the notice of institution of the case. Oral argument will be scheduled by the commission on the motion only if there is a written objection to the intervention filed by any party not later than fifteen (15) days after the filing of the motion to intervene. Upon its own motion, the commission, in any case, may order that oral argument be had on the issue of the proposed intervention. A separate motion must be filed for each contested case in which an applicant seeks to intervene.

(3) An applicant may be granted permission to become an intervenor based upon a balancing of the nature and the extent of the interest of all of the complainants, respondents, intervenors and applicants in the appeal. For example, in the case of an appeal filed pursuant to section 138.430, RSMo, the commission may grant an applicant the status of intervenor based upon the following five (5) interests if they are found to weigh in balance in favor of the applicant:

(A) Substantially all of the applicant's operating revenues are derived from *ad valorem* tax revenues;

(B) If the decreases in assessed valuation paid by the complainants and against which the tax rate established by the applicant will be applied are granted by the commission, then decreases in assessed valuation will reduce the tax revenues available for distribution to the applicant;

(C) A reduction in the tax revenues will have a direct and immediate impact upon the applicant;

(D) The respondent, an existing party, may not adequately represent the interests of the applicant; and

State Tax Commission Annual Report – 2024

(E) The complainants will not be prejudiced by intervention nor will they be precluded from protecting or asserting their interest in decreases in assessed valuation.

(4) For the purpose of this rule, person is defined as provided by section 1.020, RSMo.

AUTHORITY: sections 138.430 and 536.063(1), RSMo 2000 and Article X, section 14, Mo. Const. 1945. This rule was previously filed as 12 CSR 30-2.050. Original rule filed Dec. 13, 1983, effective March 12, 1984. Amended: Filed Oct. 7, 2004, effective May 30, 2005.*

12 CSR 30-3.030 Discovery

PUPROSE: This rule establishes the methods to be used by a party to a proceeding before the commission to obtain discovery and enforcement of discovery.

(1) Parties may obtain all available discovery in the same manner as the Missouri Supreme Court rules provide for civil actions in circuit court. The Commission and its Hearing Officers may, by order, enforce discovery for cause shown by the same methods, terms, and conditions as provided by the Missouri Supreme Court rule in civil actions in the circuit court, except as may other be required by law.

AUTHORITY: sections 138.430 and 536.073, RSMo 2016 and Article X, section 14, Mo. Const. 1945. Original rule filed Sept. 12, 2019, effective April 30, 2020.*

12 CSR 30-3.075 Receipt of Evidence Indicating Value Greater than Assessor or Board— First Class Charter Counties

PURPOSE: This rule explains the procedures which hearing officers are to follow relative to evidence offered by assessors in first class charter counties which indicates a property value greater than the value that has been determined by the board of equalization or the assessor previously.

(1) In any case in a first class charter county or a city not within a county, where the assessor presents evidence which indicates a valuation higher than the value finally determined by the assessor or the value determined by the board of equalization, whichever is higher, for that assessment period, such evidence will only be received for the purpose of sustaining the assessor's or board's valuation, and not for increasing the valuation of the property under appeal.

AUTHORITY: sections 138.060 and 138.430, RSMo 2000. Original rule filed Oct. 24, 2000, effective June 30, 2001.*

12 CSR 30-3.090 Determining Class Life for Tangible Personal Property

PURPOSE: This rule sets out the publication assessors are to use when estimating value for depreciable tangible personal property for mass appraisal purposes.

State Tax Commission Annual Report – 2024

(1) For purposes of assessors estimating the value of depreciable tangible personal property for mass appraisal purposes in accordance with section 137.122, RSMo, class life and recovery periods shall be determined by reference to Internal Revenue Service Publication 946—How to Depreciate Property or successor publications thereto. Specifically, class lives and recovery periods shall be determined by reference to Appendix B—Table of Class Lives and Recovery Periods. Class life shall be determined under Table B-1 and Table B-2 under the column—Class Life (in years). Recovery period shall be determined by the number corresponding to the Class Life number for given items of machinery, tools, appliances and equipment under the column—GDS (MACRS).

AUTHORITY: section 138.430, RSMo 2000. Original rule filed April 13, 2006, effective Oct. 30, 2006.*

State Tax Commission Annual Report – 2024

Title 12—DEPARTMENT OF REVENUE
Division 30—State Tax Commission
Chapter 4—Agricultural Land Productive Values

12 CSR 30-4.010 Agricultural Land Productive Values

PURPOSE: This rule complies with the requirement of section 137.021, RSMo, to publish a range of productive values for agricultural and horticultural land for the ensuing tax year.

(1) Agricultural Land Grades and Values. The following are definitions of agricultural land grades and the productive values of each:

(A) Grade #1. This is prime agricultural land. Condition of soils is highly favorable with no limitations that restrict their use. Soils are deep, nearly level (zero to two percent (0–2%) slope) or gently sloping with low erosion hazard and not subject to damaging overflow. Soils that are consistently wet and poorly drained are not placed in Grade #1. They are easily worked and produce dependable crop yields with ordinary management practices to maintain productivity—both soil fertility and soil structure. They are adapted to a wide variety of crops and suited for intensive cropping. Use value: one thousand thirty-five dollars (\$1,035);

(B) Grade #2. These soils are less desirable in one (1) or more respects than Grade #1 and require careful soil management, including some conservation practices on upland to prevent deterioration. This grade has a wide range of soils and minimum slopes (mostly zero to five percent (0–5%)) that result in less choice of either crops or management practices. Primarily bottomland and best upland soils. Limitations—

1. Low to moderate susceptibility to erosion;
2. Rare damaging overflows (once in five to ten (5–10) years); and
3. Wetness correctable by drainage. Use value: eight hundred fifty dollars (\$850);

(C) Grade #3. Soils have more restrictions than Grade #2. They require good management for best results. Conservation practices are generally more difficult to apply and maintain. Primarily good upland and some bottomland with medium productivity. Limitations—

1. Gentle slope (two to seven percent (2–7%));
2. Moderate susceptibility to erosion;
3. Occasional damaging overflow (once in three to five (3–5) years) of Grades #1 and #2 bottomland; and
4. Some bottomland soils have slow permeability, poor drainage, or both. Use value: six hundred forty-five dollars (\$645);

State Tax Commission Annual Report – 2024

(D) Grade #4. Soils have moderate limitations to cropping that generally require good conservation practices. Crop rotation normally includes some small grain (for example, wheat or oats), hay, or both. Soils have moderately rolling slopes and show evidence of serious erosion. Limitations—

1. Moderate slope (four to ten percent (4–10%));
2. Grade #1 bottomland subject to frequent damaging flooding (more often than once in two (2) years), or Grades #2 and #3 bottomland subject to occasional damaging flooding (once every three to five (3–5) years);
3. Poor drainage in some cases; and
4. Shallow soils, possibly with claypan or hardpan. Use value: four hundred five dollars (\$405);

(E) Grade #5. Soils are not suited to continuous cultivation. Crop rotations contain increasing proportions of small grain (for example, wheat or oats), hay, or both. Upland soils have moderate to steep slopes and require conservation practices. Limitations—

1. Moderate to steep slopes (eight to twenty percent (8–20%));
2. Grades #2 and #3 bottomland subject to frequent damaging flooding (more than once in two (2) years) and Grade #4 bottomland subject to occasional damaging flooding; and
3. Serious drainage problems for some soils. Use value: one hundred and ninety-one dollars (\$191);

(F) Grade #6. Soils are generally unsuited for cultivation and are limited largely to pasture and sparse woodland. Limitations—

1. Moderate to steep slopes (eight to twenty percent (8–20%));
2. Severe erosion hazards present;
3. Grades #3 and #4 bottomland subject to frequent damaging flooding (more than once in two (2) years), and Grade #5 bottomland subject to occasional damaging flooding (once every three to five (3–5) years); and
4. Intensive management required for crops. Use value: one hundred and forty-seven dollars (\$147);

(G) Grade #7. These soils are generally unsuited for cultivation and may have other severe limitations for grazing and forestry that cannot be corrected. Limitations—

1. Very steep slopes (over fifteen percent (15%));
2. Severe erosion potential;

State Tax Commission Annual Report – 2024

3. Grades #5 and #6 bottomland subject to frequent damaging flooding (more than once in two (2) years);
4. Intensive management required to achieve grass or timber productions; and
5. Very shallow topsoil. Use value: seventy-three dollars (\$73);

(H) Grade #8. Land capable of only limited production of plant growth. It may be extremely dry, rough, steep, stony, sandy, wet, or severely eroded. Includes rivers, running branches, dry creek, and swamp areas. The lands do provide areas of benefit for wildlife or recreational purposes. Use value: thirty dollars (\$30); and

(I) Definitions. The following are definitions of flooding for purposes of this rule:

1. Damaging flooding. A damaging flood is one that limits or affects crop production in one (1) or more of the following ways:
 - A. Erosion of the soil;
 - B. Reduced yields due to plant damage caused by standing or flowing water;
 - C. Reduced crop selection due to extended delays in planting and harvesting; and
 - D. Soil damage caused by sand and rock being deposited on the land by flood waters;
2. Frequent damaging flooding. Flooding of bottomlands that is so frequent that normal row cropping is affected (reduces row crop selection); and
3. Occasional damaging flooding. Flooding of bottomland that is so infrequent that producing normal row crops is not compromised in most years.

(2) Forest Land and Horticultural Land. The following prescribes the treatment of forest land and horticultural land:

(A) Forest land, whose cover is predominantly trees and other woody vegetation, should not be assigned to a land classification grade based on its productivity for agricultural crops. Forest land of two (2) or more acres in area, which if cleared and used for agricultural crops, would fall into land grades #1–#5 should be placed in land grade #6; or if land would fall into land grades #6 or #7 should be placed in land grade #7. Forest land may or may not be in use for timber production, wildlife management, hunting, other outdoor recreation, or similar uses; and

(B) Land utilized for the production of horticultural crops should be assigned to a land classification grade based on productivity of the land if used for agricultural crops. Horticultural crops include fruits, ornamental trees and shrubs, flowers, vegetables, nuts,

State Tax Commission Annual Report – 2024

Christmas trees, and similar crops which are produced in orchards, nurseries, gardens, or cleared fields.

AUTHORITY: section 137.021, RSMo Supp. 2023. Original rule filed Dec. 13, 1983, effective March 12, 1984. Rescinded and readopted: Filed Oct. 17, 1984, effective April 11, 1985. Amended: Filed Nov. 15, 1985, effective May 11, 1986. Amended: Filed Sept. 3, 1986, effective Dec. 1, 1986. Emergency amendment filed Nov. 8, 1988, effective Dec. 31, 1988, expired Feb. 28, 1989. Amended: Filed Nov. 8, 1988, effective Jan. 27, 1989. Amended: Filed Sept. 17, 1990, effective Feb. 14, 1991. Amended: Filed Oct. 13, 1992, effective June 7, 1993. Amended: Filed Sept. 15, 1994, effective March 30, 1995. Amended: Filed Nov. 15, 1996, effective June 30, 1997. Amended: Filed Dec. 28, 1999, effective July 30, 2000. Amended: Filed Dec. 29, 2003, effective June 30, 2004. Amended: Filed Dec. 29, 2005, effective Aug. 30, 2006. Amended: Filed Dec. 21, 2007, effective June 30, 2008. Amended: Filed Dec. 19, 2013, effective June 30, 2014. Amended: Filed Dec. 20, 2017, effective June 30, 2018. Amended: Filed Dec. 18, 2019, effective July 30, 2020. Amended: Filed Dec. 29, 2021, effective June 30, 2022. Amended: Filed Dec. 29, 2023, effective June 30, 2024.*

**Original authority: 137.021, RSMo 1975, amended 1983, 1986, 1989, 1994, 1997, 2018.*

Legislative action. *The State Tax Commission filed a proposed amendment with the Secretary of State on December 21, 2009. This proposed amendment, relating to agricultural land productive values, was published in the February 1, 2010, issue of the **Missouri Register** (35 MoReg 221–223). The commission received numerous comments regarding this proposed amendment. Section 137.021, RSMo, provides that the General Assembly, within sixty (60) days of convening, may disapprove such a rulemaking. On February 18, 2010, Senate Committee Substitute for Senate Concurrent Resolutions Nos. 35 and 32 disapproving the proposed amendment was passed by the Missouri House of Representatives and the Missouri Senate. As a result of this action, an order of withdrawal was published in the May 17, 2010, issue of the **Missouri Register** (35 MoReg 822).*

Legislative action. *The State Tax Commission filed a proposed amendment with the Secretary of State on December 23, 2011. This proposed amendment, relating to agricultural land productive values, was published in the February 1, 2012, issue of the **Missouri Register** (37 MoReg 157–159). The commission received one (1) comment regarding this proposed amendment. Section 137.021, RSMo, provides that the General Assembly, within sixty (60) days of convening, may disapprove such a rulemaking. House Concurrent Resolution No. 8 disapproving the proposed amendment was passed by the Missouri House of Representatives on February 21, 2012, and by the Missouri Senate on March 1, 2012. As a result of this action, an order of withdrawal was published in the May 15, 2012, issue of the **Missouri Register** (37 MoReg 857).*