

McDonald County Property Tax Question — **Plain Language**

- 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 McDonald 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’s the year your property taxes are used as a comparison point.
- After that year, if your property taxes increase, the county could remove (exempt) part of the increase above that baseline. This is meant 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.

McDonald County, Missouri

SB 3 Real Estate Tax Credit

Questions and Answers

The McDonald County Commission has prepared the following questions and answers regarding the approval and implementation of the 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.

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 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
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Q: What is a zero percent county?

Pursuant to RSMo. 137.1055, in a zero percent county, the real property tax liability on an eligible taxpayer's homestead shall not be increased above the liability incurred during the initial credit year.

McDonald County does not currently levy a county property tax. However, other political subdivisions within McDonald County—such as school districts, cities, fire districts, and other taxing entities—do levy property taxes.

If approved by voters, the credit would apply to the eligible taxpayer's total real property tax liability on their homestead, subject to the limitations outlined in state law.

Q: What is the status of implementing the Real Estate Tax Credit?

The McDonald 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 property tax credit to eligible taxpayers residing in McDonald County in an amount equal to the taxpayer's eligible credit amount as defined by law.

Q: What will the ballot language be?

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

YES

NO

Q: What are the next steps?

The County Commission has certified the 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.

Q: Why is an application necessary?

The 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.

Q: Has the County done anything recently to provide tax relief?

McDonald County does not currently levy a county property tax. Any property taxes paid by residents are levied by other political subdivisions such as school districts, cities, and special districts.

The Real Estate Tax Credit, if approved, would apply to eligible homesteads within the county as authorized by state law.

If the Real Estate Tax Credit is Implemented in McDonald County

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.

Q: Who qualifies for the tax credit?

An eligible taxpayer is defined as a McDonald 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.

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.

Q: Would I automatically be enrolled?

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

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

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; or
- If the taxpayer fails to reapply annually.

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 statutory limitations)

Q: What does the tax credit NOT apply to?

The 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, the Real Estate Tax Credit will no longer be applied.

If approved again in the future, a new initial credit year will be established.

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

If implemented, taxing districts within McDonald County—such as school districts, cities, fire districts, ambulance districts, 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.

Q: Will there be additional costs to the county?

Beyond the cost of placing the question on the ballot and necessary software updates, implementation may result in:

- Administrative costs for staffing and training roughly (1 full time person at minimum wage in addition to the already hired Senior Tax Credit Position)
- Processing and reviewing applications 8 hours a day
- Outreach efforts to inform eligible taxpayers
- Ongoing verification of eligibility
- Managing appeals
- Annual record updates
- Election Cost roughly \$17,500

The total cost will depend on the number of applicants and the complexity of implementation.

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

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

SB 190 (Senior Property Tax Freeze):

- Applies only to eligible senior citizens (generally age 62 and older, subject to statutory requirements).
- Freezes the real property tax amount on a qualifying senior's primary residence at a base year amount.
- Participation by counties is optional.
- Applies only to eligible seniors who apply and qualify.

SB 3 (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, except for certain statutory exceptions.
- Requires voter approval before implementation.

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.
- If a taxpayer qualifies for both programs (for example, a senior homeowner), the interaction of the credits would be administered in accordance with state law and guidance from the Missouri Department of Revenue.
- Both programs require application and verification of eligibility.

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

For more information regarding the Real Estate Tax Credit in McDonald County, please contact the McDonald County Commission or the County Assessor's Office.