

Vernon County
Homestead Tax Credit FAQ

As Vernon County continues to evaluate the Homestead Property Tax Credit authorized by Senate Bill 3 (2025), residents and stakeholders may have questions about how the process will work, its potential impact, and the steps involved. To provide clarity and transparency, the County has compiled answers to frequently asked questions regarding the tax credit and how it is anticipated to affect taxpayers. This information is intended to inform the public and describe the issues regarding the tax credit.

Will the voters of Vernon County vote on whether to grant the Homestead Property Tax Credit?

Yes. The County voted to place the Homestead Property Tax Credit question on the ballot for the April 7, 2026 general municipal election.

What will the ballot language be?

“Shall the County of Vernon exempt eligible taxpayers from certain tax increases on eligible taxpayers’ primary residence above the liability incurred during the initial credit year?”

What voter percentage does it take for the ballot question to pass?

The question must receive a simple majority of the votes to pass.

If adopted by the voters, when will eligible taxpayers receive a tax credit?

Due to the time needed to modify the County’s software systems and develop processes in order to identify eligible taxpayers and calculate the tax credit, the tax credit will be calculated for tax year 2027 and forward.

Who is an eligible taxpayer?

A Missouri resident that owns their home or has a legal or equitable interest in the home based on a written document and the person is liable for the payment of property taxes on the home. A taxpayer must have their primary residence in Vernon County.

What is the initial credit year?

For a person that owned their home and was responsible for the payment of taxes in 2024, the initial credit year will be 2024. For all other individuals, the initial credit year will be the year that the person first owned their home and was responsible for the payment of taxes.

What is a homestead?

The real property that is actually occupied by an eligible taxpayer as his or her primary residence.

What property does the Homestead Tax Credit not apply to?

Agricultural property, commercial property, residential real property that does not include a homestead, and personal property.

If adopted, how will the homestead property tax credit be calculated?

Under the law, Vernon County is defined as a Five Percent County.

To determine the tax credit amount, compare the tax amount on the homestead for the year that the taxpayer was eligible (which can be no earlier than 2024 but is based on when the taxpayer owns the home and is liable for the taxes) to the tax amount on the homestead for the tax year in question. Based on that comparison, the tax liability for an eligible taxpayer's homestead may not be increased more than 5% or the rate of inflation based on the Consumer Price Index over the tax liability in the initial credit year. Any amount above that difference is the tax credit amount.

The credit will be applied when the taxpayer's property tax liability is calculated for the tax year. The amount of the credit will be noted on the tax bill sent to the taxpayer.

If the Homestead Tax Credit is adopted, are there any exceptions to the tax credit or reasons that a taxpayer's tax bill could go up in future years?

Yes.

If the voters vote to adopt a new tax levy or increase an existing property tax levy after a taxpayer's initial credit year, that new tax levy or increase to an existing tax levy would result in an increase to an eligible taxpayer's tax bill and would not be part of the tax credit.

In addition, if an eligible taxpayer makes new construction and improvements to the homestead, the real property tax liability for the initial credit year will be increased to reflect the tax liability related to the new construction and improvements. Said another way, if an eligible taxpayer adds on to their homestead after the initial credit year, the taxpayer will not receive a tax credit on the new construction and improvements and will be required to pay additional tax amounts on the new construction and improvements.

Similarly, if an eligible taxpayer's homestead is annexed into a taxing jurisdiction that the taxpayer did not previously owe taxes to in the initial credit year, then the real property tax liability for the initial credit year will be increased to reflect the tax liability due to the annexation.

Finally, the Blind Pension fund, and any bonded indebtedness of taxing jurisdictions will be excluded from the calculation of the Homestead Tax Credit.

If the Homestead Tax Credit is adopted, are there reasons that a taxpayer's tax bill could go down in future years?

Yes. If the tax liability on the homestead is lower in later years than it was in the eligible taxpayer's initial credit year, that tax year becomes the eligible taxpayer's initial credit year for all subsequent tax years.