

Property Tax Credit Proposal
Frequently Asked Questions for Henry County Voters
April 7, 2026 Ballot

This information is intended to keep the public informed and outline the considerations the County is addressing as it navigates this legislation. As Henry County continues to evaluate the implementation of the Real Estate Tax Credit authorized by Senate Bill 3 (2025) (RSMo. 137.1055), 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 status of the Real Estate Tax Credit, its implementation requirements, and the potential effects on taxpayers and local districts.

To comply with § 137.1055.2, RSMo. The Henry County Commission has placed a question on the April 7, 2026 ballot asking voters whether to approve a property tax credit that would limit increases in property taxes on a homeowner's primary residence.

What will voters decide?

Voters will decide whether Henry County should grant a property tax credit to homeowners that limits how much property taxes on their primary residence can increase each year. If approved, the credit would apply beginning with the 2027 tax year and continue in future years.

What will the ballot question say?

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

YES- supports the property tax credit.

NO- means the credit will not be implemented.

What does the property tax credit do?

If voters approve the proposal:

Henry County has been designated as a 5% County meaning property taxes on an eligible homeowner's primary residence would generally not increase by more than 5% per year. The increase could also match the Consumer Price Index (inflation) if it is higher than 5%. The credit would apply only to increases above the allowed amount, effectively limiting annual tax growth on a home.

Who qualifies for the credit?

To qualify as an Eligible Taxpayer, a person must:

Be a Missouri resident

Own or have a legal interest in the property

Live in the property as their primary residence (homestead)

Be responsible for paying the property taxes

A taxpayer may claim only one primary residence.

What is considered a "homestead"?

A homestead is a property that:

Is actually occupied as the homeowner's primary residence

Is owned by the person applying for the tax credit

Second homes, rental property, and commercial property do not qualify.

What is the "Initial Credit Year"?

The Initial Credit Year is the year used to establish the starting tax amount for the property.

For most homeowners, the initial credit year will be 2024. The credit compares future tax bills to the amount paid in that initial year.

If a homeowner's taxes drop in a later year, that lower year becomes the new baseline for future calculations.

How is the tax credit calculated?

The credit equals the difference between:

The property taxes owed in the current year, and

The property taxes owed in the initial credit year, adjusted for the allowed annual increase.

If taxes rise beyond the allowed limit, the credit reduces the tax bill by that excess amount.

When would the credit begin?

If approved by voters:

The credit would take effect for the 2027 property tax year

It would continue in future tax years

Will homeowners have to apply?

Yes. Eligible homeowners must submit an application to Henry County in order to receive the credit. The County Commission will establish: application forms, filing deadlines, procedures for approval.

Will the credit appear on property tax bills?

Yes. If approved and granted, the tax credit amount will appear on the property tax statement issued by the Henry County Collector of Revenue.

Are there situations where the tax credit may change?

Yes. The initial tax amount may be adjusted if:

New construction or improvements are added to the home

The property becomes subject to new taxing jurisdictions through annexation

Voters approve new property tax levies or increases

Are there any taxes excluded from the credit?

Yes. The credit does not apply to certain taxes, including:

The Missouri Blind Pension Fund tax

Taxes used to repay bonded debt

Other taxes protected by the Missouri Constitution

Can homeowners receive this credit along with other homestead tax credits?

No. A homeowner cannot claim this credit and the credit under Section 137.1050, RSMo., for the same homestead property.

How will this affect local districts?

Property taxes help fund services such as:

- Schools
- Fire and ambulance districts
- Libraries
- Cities and other local services

If the credit is implemented, some taxing districts could see reduced revenue from qualifying homesteads, which may affect budgets or service funding.

What happens if voters reject the proposal?

If a majority vote NO, the property tax credit will not take effect in Henry County.

What happens if voters approve the proposal?

If a majority vote YES:

Henry County will implement the property tax credit program.

Eligible homeowners may apply for the credit.

The credit will begin with the 2027 property tax year.

Q: What additional costs will there be to the county?

Beyond the costs of placing the question on the ballot and software updates, implementing the Real Estate Tax Credit may result in increased administrative costs for staffing, training, and processing Real Estate Tax Credit applications. The County may also need to allocate resources for outreach efforts to inform eligible taxpayers about the credit and assist them with the application process.

Because the question was placed on the ballot for a decision by the voters, there are also election costs for the County at the April general municipal election.

Additionally, the County will likely bear ongoing costs related to verifying eligibility, managing applications for the tax credit, and updating tax records annually to account for changes in property ownership or eligibility status. The full scope of costs is unknown and will depend on the number of applicants and the complexity of implementation.

Why is this question on the ballot?

Missouri law (Senate Bill 3, 2025) requires counties to place this question before voters to determine whether they want to implement this type of property tax credit.