

HOUSE BILL No. 2297

By Representatives Holland, Brown, Burroughs, Carlin, Crow, Davis,
Faust-Goudeau, Frownfelter, Lane, Lukert, Ruff, Ward and Williams

1-30

10 AN ACT concerning taxation; relating to the homestead property tax re-
11 fund act; amending K.S.A. 79-4509 and K.S.A. 2006 Supp. 79-4502
12 and 79-4508 and repealing the existing sections.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 2006 Supp. 79-4502 is hereby amended to read as
16 follows: 79-4502. As used in this act, unless the context clearly indicates
17 otherwise:

18 (a) "Income" means the sum of adjusted gross income under the
19 Kansas income tax act, maintenance, support money, cash public assis-
20 tance and relief, not including any refund granted under this act, the gross
21 amount of any pension or annuity, including all monetary retirement ben-
22 efits from whatever source derived, including but not limited to, all pay-
23 ments received under the railroad retirement act, ~~except disability pay-~~
24 ~~ments and all payments received under the federal social security act~~
25 ~~except disability payments~~, all dividends and interest from whatever
26 source derived not included in adjusted gross income, workers compen-
27 sation and the gross amount of "loss of time" insurance. Income does not
28 include gifts from nongovernmental sources or surplus food or other relief
29 in kind supplied by a governmental agency, nor shall net operating losses
30 and net capital losses be considered in the determination of income. In-
31 come does not include veterans disability pensions. *Income does not in-*
32 *clude payments received under the federal social security act.*

33 (b) "Household" means a claimant, a claimant and spouse who oc-
34 cupy the homestead or a claimant and one or more individuals not related
35 as husband and wife who together occupy a homestead.

36 (c) "Household income" means all income received by all persons of
37 a household in a calendar year while members of such household.

38 (d) "Homestead" means the dwelling, or any part thereof, whether
39 owned or rented, which is occupied as a residence by the household and
40 so much of the land surrounding it, as defined as a home site for ad
41 valorem tax purposes, and may consist of a part of a multi-dwelling or
42 multi-purpose building and a part of the land upon which it is built or a
43 manufactured home or mobile home and the land upon which it is situ-

1 ated. "Owned" includes a vendee in possession under a land contract, a
2 life tenant, a beneficiary under a trust and one or more joint tenants or
3 tenants in common.

4 (e) "Claimant" means a person who has filed a claim under the pro-
5 visions of this act and was, during the entire calendar year preceding the
6 year in which such claim was filed for refund under this act, except as
7 provided in K.S.A. 79-4503, and amendments thereto, both domiciled in
8 this state and was: (1) A person having a disability; (2) a person who is 55
9 years of age or older or (3) a person other than a person included under
10 (1) or (2) having one or more dependent children under 18 years of age
11 residing at the person's homestead during the calendar year immediately
12 preceding the year in which a claim is filed under this act.

13 When a homestead is occupied by two or more individuals and more
14 than one of the individuals is able to qualify as a claimant, the individuals
15 may determine between them as to whom the claimant will be. If they
16 are unable to agree, the matter shall be referred to the secretary of rev-
17 enue whose decision shall be final.

18 (f) "Property taxes accrued" means property taxes, exclusive of special
19 assessments, delinquent interest and charges for service, levied on a
20 claimant's homestead in 1979 or any calendar year thereafter by the state
21 of Kansas and the political and taxing subdivisions of the state. When a
22 homestead is owned by two or more persons or entities as joint tenants
23 or tenants in common and one or more of the persons or entities is not
24 a member of claimant's household, "property taxes accrued" is that part
25 of property taxes levied on the homestead that reflects the ownership
26 percentage of the claimant's household. For purposes of this act, property
27 taxes are "levied" when the tax roll is delivered to the local treasurer with
28 the treasurer's warrant for collection. When a claimant and household
29 own their homestead part of a calendar year, "property taxes accrued"
30 means only taxes levied on the homestead when both owned and occupied
31 as a homestead by the claimant's household at the time of the levy, mul-
32 tiplied by the percentage of 12 months that the property was owned and
33 occupied by the household as its homestead in the year. When a house-
34 hold owns and occupies two or more different homesteads in the same
35 calendar year, property taxes accrued shall be the sum of the taxes allo-
36 cable to those several properties while occupied by the household as its
37 homestead during the year. Whenever a homestead is an integral part of
38 a larger unit such as a multi-purpose or multi-dwelling building, property
39 taxes accrued shall be that percentage of the total property taxes accrued
40 as the value of the homestead is of the total value. For the purpose of
41 this act, the word "unit" refers to that parcel of property covered by a
42 single tax statement of which the homestead is a part.

43 (g) "Disability" means:

- 1 (1) Inability to engage in any substantial gainful activity by reason of
2 any medically determinable physical or mental impairment which can be
3 expected to result in death or has lasted or can be expected to last for a
4 continuous period of not less than 12 months, and an individual shall be
5 determined to be under a disability only if the physical or mental im-
6 pairment or impairments are of such severity that the individual is not
7 only unable to do the individual's previous work but cannot, considering
8 age, education and work experience, engage in any other kind of sub-
9 substantial gainful work which exists in the national economy, regardless of
10 whether such work exists in the immediate area in which the individual
11 lives or whether a specific job vacancy exists for the individual, or whether
12 the individual would be hired if application was made for work. For pur-
13 poses of the preceding sentence (with respect to any individual), "work
14 which exists in the national economy" means work which exists in signif-
15 icant numbers either in the region where the individual lives or in several
16 regions of the country; for purposes of this subsection, a "physical or
17 mental impairment" is an impairment that results from anatomical, phys-
18 iological or psychological abnormalities which are demonstrable by med-
19 ically acceptable clinical and laboratory diagnostic techniques; or
20 (2) blindness and inability by reason of blindness to engage in sub-
21 substantial gainful activity requiring skills or abilities comparable to those of
22 any gainful activity in which the individual has previously engaged with
23 some regularity and over a substantial period of time.
24 (h) "Blindness" means central visual acuity of $\frac{20}{200}$ or less in the bet-
25 ter eye with the use of a correcting lens. An eye which is accompanied
26 by a limitation in the fields of vision such that the widest diameter of the
27 visual field subtends an angle no greater than 20 degrees shall be consid-
28 ered for the purpose of this paragraph as having a central visual acuity of
29 $\frac{20}{200}$ or less.
30 (i) "Rent constituting property taxes accrued" means ~~20%~~ 15% of the
31 gross rent actually paid in cash or its equivalent in ~~1979~~ 2007 or any
32 taxable year thereafter by a claimant and claimant's household solely for
33 the right of occupancy of a Kansas homestead on which ad valorem prop-
34 erty taxes were levied in full for that year. When a household occupies
35 two or more different homesteads in the same calendar year, rent con-
36 stituting property taxes accrued shall be computed by adding the rent
37 constituting property taxes accrued for each property rented by the
38 household while occupied by the household as its homestead during the
39 year.
40 (j) "Gross rent" means the rental paid at arm's length solely for the
41 right of occupancy of a homestead or space rental paid to a landlord for
42 the parking of a mobile home, exclusive of charges for any utilities, serv-
43 ices, furniture and furnishings or personal property appliances furnished

1 by the landlord as a part of the rental agreement, whether or not expressly
2 set out in the rental agreement. Whenever the director of taxation finds
3 that the landlord and tenant have not dealt with each other at arms length
4 and that the gross rent charge was excessive, the director may adjust the
5 gross rent to a reasonable amount for the purposes of the claim.

6 Sec. 2. K.S.A. 2006 Supp. 79-4508 is hereby amended to read as
7 follows: 79-4508. (a) Commencing in the tax year beginning after Decem-
8 ber 31, 2005, the amount of any claim pursuant to this act shall be com-
9 puted by deducting the amount computed under column (2) from the
10 amount of claimant's property tax accrued and/or rent constituting prop-
11 erty tax accrued.

(1)		(2)
Claimants household income		Deduction from property tax accrued and/or rent constituting property tax accrued
At least	But not more than	
15 \$0	16 \$6,000	\$0
	17 \$8,000	
18 6,001	7,000	
19 8,001	9,000	4%
20 7,001	16,000	
21 9,001	18,000	4% plus 4% of every \$1,000, or fraction thereof, of income in excess of \$7,001 \$9,001
24 16,001	27,000	
25 18,001	29,000	40% plus 5% of every \$1,000, or fraction thereof, of income in excess of \$16,001 \$18,001
28 27,001	27,600	
29 29,001	30,000	95%

30 (b) The director of taxation shall prepare a table under which claims
31 under this act shall be determined. The amount of claim for each bracket
32 shall be computed only to the nearest \$1.

33 (c) The claimant may elect not to record the amount claimed on the
34 claim. The claim allowable to persons making this election shall be com-
35 puted by the department which shall notify the claimant by mail of the
36 amount of the allowable claim.

37 (d) In the case of all tax years commencing after December 31, 2004,
38 the upper limit threshold amount prescribed in this section, shall be in-
39 creased by an amount equal to such threshold amount multiplied by the
40 cost-of-living adjustment determined under section 1(f)(3) of the federal
41 internal revenue code for the calendar year in which the taxable year
42 commences.

43 Sec. 3. K.S.A. 79-4509 is hereby amended to read as follows: 79-

1 4509. In the event property taxes accrued, rent constituting property taxes
2 accrued or their sum exceeds ~~\$600~~ \$750 for a household in any one year,
3 the amount thereof shall, for purposes of this act, be deemed to have
4 been ~~\$600~~ \$750.

5 New Sec. 4. A person owning or occupying a homestead that is not
6 rental property and for which the appraised valuation for property tax
7 purposes exceeds \$300,000 in any year shall not be entitled to claim a
8 refund of property taxes under the homestead property tax refund act for
9 any such year. The provisions of this section shall be part of and supple-
10 mental to the homestead property tax refund act.

11 Sec. 5. K.S.A. 79-4509 and K.S.A. 2006 Supp. 79-4502 and 79-4508
12 are hereby repealed.

13 Sec. 6. This act shall take effect and be in force from and after its
14 publication in the statute book.