

Approved January 24, 1984
Date

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Representative Jim Braden at
Chairperson

9:10 a.m./~~p.m.~~ on January 18, 1984 in room 519S of the Capitol.

All members were present except:

Representatives Adam and Leach who were excused.

Committee staff present:

Wayne Morris, Legislative Research Department
Tom Severn, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Nancy Wolff, Secretary to the Committee

Conferees appearing before the committee:

Bill Edds, Department of Revenue
Georganna Myer, Department of Revenue
Sylvia Hougland, Secretary, Department of Aging
Patti Root, NC/Flint Hills Area Agency on Aging
Marian Warriner, League of Women Voters

Hearings were held on House Bill 2612 which would amend the homestead property tax refund act to increase "the free area" from \$3,000 to \$4,500, change the co-insurance rates, and allow refunds to be made when the current year's taxes are unpaid. House Bill 2612 was introduced by the Special Committee on Assessment and Taxation.

Bill Edds, Department of Revenue, gave testimony regarding HB 2612. He stated that the Department is in favor of the general concept of the bill but that there could be some problems with regard to the delinquency part of it.

Georganna Myer, Department of Revenue, reviewed the Planning and Research Bureau report of September 13, 1983, on the Homestead Claim Program which was presented to the Special Committee on Assessment and Taxation. (Exhibit I)

Tom Severn, of staff, presented a chart which outlined the maximum homestead property tax refund under the current law and under the committee recommendation as outlined in House Bill 2612. (Exhibit II)

Secretary Sylvia Hougland of the Kansas Department of Aging gave testimony in support of House Bill 2612. (Exhibit III) In response to a question, Secretary Hougland stated that the Governor is proposing no modification to the Homestead program in his FY 1985 budget. If House Bill 2612 becomes law, it is estimated that homestead tax refunds would total \$8.6 million, an increase of \$1.4 million over the governor's budget recommendation.

Patti Root, representing the Consumer Assistance and Information for the Aging, Area Agency on Aging, presented testimony in support of House Bill 2612. (Exhibit IV)

Marian Warriner of the League of Women Voters presented four points with regard to House Bill 2612. She stated that 1) the state should increase the use of property tax relief by people who are eligible; 2) decrease the opportunity for abuse; 3) increase benefits more for the lower level income rather than the higher income persons; and 4) expand the system to include more people who are in need of this type of help. (Exhibit V)

The meeting was adjourned at 10:45 a.m.

KANSAS DEPARTMENT OF REVENUE
PLANNING AND RESEARCH BUREAU

September 13, 1983

HOMESTEAD CLAIM PROGRAM

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KANSAS DEPARTMENT OF REVENUE
PLANNING AND RESEARCH BUREAU

TOPIC 1 - PART I

1982 HOMESTEAD REFUND CLAIMS STATISTICAL REPORT
(for Tax Year 1981)

A copy of the 1982 Homestead Claim statistical report is attached as Appendix I. A total of 57,149 claimants are included in this listing, with a total refund amount of \$8.2 million. Approximately 3,500 claimants are not included in this report due to errors detected in the computer audit of the claim forms. (Those claim forms were then manually audited and corrections made before refunds were granted. Currently, no procedure exists for merging these corrections into the original computer tape for all claims originally filed. Hopefully, a procedure of this type will be implemented next year so that these statistical reports will include all claimants' corrected returns.) There have been several improvements made in the data contained in this report.

SIZE OF HOUSEHOLD INCOME: The income brackets have been expanded, breaking down household income into \$1000 intervals from \$9,000 to \$13,000. In addition, the household income is broken down into \$500 intervals between \$3,000 and \$5,000 to correspond with the household income amounts on the "coinsurance" table in K.S.A. 79-4508.

Table I-A, following this narrative, shows the percent of claimants falling into each household income category, and the distribution within each category between renters and homeowners. Note the underlining in the last three columns. These lines designate the point at which approximately 50% of the claimants fall above the line and 50% below the line. In other words, approximately half of the total claimants have an income below \$6,000, approximately half of the renter claimants have an income below \$5,000, and approximately half the homeowner claimants have an income below \$7,000.

AGE OF CLAIMANT: The age groups now include persons from 0 to over 100 years old. From ages 20 to 100, the age groups are in 5 year intervals. Those persons age 54 and under are qualifying on the basis of a dependent under the age of 18. Those above 55 qualify because of age. The last category, DISABLED/BLIND, shows the number and characteristics of persons that qualify in this area. All such claimants are shown on this line only, which is included in the total line.

Table I-B shows the percent of claimants falling into each age bracket, and the distribution within each bracket of renters and homeowners. Note that for all claimants, including renters alone and homeowners alone, the median age is approximately 74.

TABLE I-A
HOUSEHOLD INCOME

<u>Category</u>	<u>Total Claimants</u>	<u>% of Total Claimants</u>	<u>Renters as % of Total Claimants</u>	<u>Homeowners as % of Total Claimants</u>
Loss	107	.19%	.02%	.17%
0 to \$1,000	454	.80%	.20%	.60%
\$1,001 to \$2,000	773	1.35%	.32%	1.03%
\$2,001 to \$3,000	2,568	4.50%	1.28%	3.22%
\$3,001 to \$4,000	9,469	16.57%	5.26%	11.31%
\$4,001 to \$5,000	9,383	16.42%	<u>3.85%</u> *	12.57%
\$5,001 to \$6,000	8,343	<u>14.60%</u> *	2.70%	11.90%
\$6,001 to \$7,000	6,930	12.10%	2.11%	<u>10.01%</u> *
\$7,001 to \$8,000	5,750	10.10%	1.58%	8.50%
\$8,001 to \$9,000	4,720	8.26%	1.23%	7.03%
\$9,001 to \$10,000	3,610	6.30%	.97%	5.35%
\$10,001 to \$16,000	2,461	4.30%	.69%	3.61%
\$11,001 to \$12,000	1,720	3.00%	.48%	2.52%
\$12,001 to \$13,000	<u>861</u>	<u>1.50%</u>	<u>.21%</u>	<u>1.29%</u>
Total	57,149	100.00%	20.90%	79.10%

* This line denotes the middle of the distribution of claimants. Approximately 50% of the claimants in each column fall above this line and 50% fall below the line.

TABLE I-B
AGE OF CLAIMANT

<u>Age Group</u>	<u>Total Claimants</u>	<u>% of Total</u>	<u>Renters as % of total claimants</u>	<u>Homeowners as % of total claimants</u>
0-19	141	.25%	.09%	.16%
20-24	318	.56%	.52%	.03%
25-29	636	1.11%	.93%	.19%
30-34	609	1.07%	.71%	.36%
35-39	501	.88%	.53%	.35%
40-44	293	.51%	.24%	.27%
45-49	234	.41%	.18%	.23%
50-54	230	.40%	.16%	.24%
55-59	1,780	3.11%	.67%	2.44%
60-64	4,412	7.72%	1.39%	6.33%
65-69	7,207	12.61%	2.22%	10.39%
70-74	10,008	<u>17.51%</u> *	<u>2.68%</u> *	<u>14.83%</u> *
75-79	10,606	18.56%	2.72%	15.84%
80-84	11,009	19.26%	4.48%	14.78%
85-89	4,614	8.07%	1.20%	6.88%
90-94	1,749	3.06%	.45%	2.61%
95-99	387	.68%	.11%	.57%
Disabled/Blind	<u>2,415</u>	<u>4.23%</u>	<u>1.62%</u>	<u>2.61%</u>
Total	57,149	100.00%	20.90%	79.10%

* This line is the point at which approximately half the claimants in this category fall above this age and half the claimants fall below this age.

KANSAS DEPARTMENT OF REVENUE
PLANNING AND RESEARCH BUREAU

TOPIC 1 - PART II

SUMMARY OF HOMESTEAD CLAIMANTS DECLARING A LOSS IN PROCESS YEAR 1982

The interim committee on Assessment and Taxation, requested some information on those persons applying for a homestead refund who declared household income losses. Attached are three exhibits summarizing the characteristics of this population. Please note that the total number of claimants declaring a loss is 104, not 107 as on the stat report. Three claims were included in the stat report which did not belong in this category, but no mechanism existed for correction of the stat tape.

Exhibit II-A shows the number of claimants falling within each \$5,000 income loss bracket, the percent of total in each bracket, and how the claimants qualified. The smallest loss declared was \$367, and the largest was \$277,301. Six persons claimed a homestead refund with a loss greater than \$95,000.

Exhibit II-B presents the distribution of homestead claimants with losses throughout the state. Each asterisk represents one claimant with a loss of over \$100,000. The primary purpose of this exhibit is to demonstrate that no single county is responsible for a disproportionately high number of these loss claimants.

The final exhibit, Exhibit II-C, summarizes the occupations of these claimants. The primary occupation is farming, with salesman coming in second.

For the benefit of the committee, the Department ran a preliminary stat report on its 1983 process year data (1982 Homestead Claims). Attached Exhibit II-D shows that the number of homestead claimants declaring a household income loss has grown from 104 in 1982 to 1,166 in 1983, an 1021.2% increase. Although this data is not complete, and is subject to audit, it appears there has been a significant increase in claimants with losses. A check was run on the size of the losses declared in 1983. Table II-E compares the range of income losses in 1982 with the 1983 income losses (to date).

EXHIBIT II-A

CHARACTERISTICS OF LOSS POPULATION ON HOMESTEAD CLAIMS IN 1982

<u>Amount of Loss</u>	<u>Number</u>	<u>% of total</u>	<u># eligible by age</u>	<u># eligible by dependent child</u>
\$1 to \$4999	24	23.1%	12	12
\$5000 to \$9999	18	17.3%	4	14
\$10,000 to \$14,999	4	3.8%	1	3
\$15,000 to \$19,999	12	11.5%	4	8
\$20,000 to \$24,999	9	8.7%	4	5
\$25,000 to \$29,999	4	3.8%	1	3
\$30,000 to \$34,999	7	6.7%	1	6
\$35,000 to \$39,999	2	1.9%	1	1
\$40,000 to \$44,999	8	7.7%	1	7
\$45,000 to \$49,999	4	3.8%	3	1
\$50,000 to \$54,999	2	1.9%	0	2
\$55,000 to \$59,999	2	1.9%	1	1
\$60,000 to \$64,999	1	1.0%	0	1
\$65,000 to \$69,999	1	1.0%	0	1
\$70,000 to \$74,999	0	--	--	--
\$75,000 to \$79,999	0	--	--	--
\$80,000 to \$84,999	0	--	--	--
\$85,000 to \$89,999	0	--	--	--
\$90,000 to \$94,999	0	--	--	--
\$95,000 to \$99,999	1	1.0%	1	0
\$100,000 to \$199,999	4	3.8%	2	2
\$200,000 & above	1	1.0%	0	1
Total	<u>104</u>		<u>36</u>	<u>68</u>

EXHIBIT II-C
OCCUPATION OF CLAIMANTS

<u>Occupation</u>	<u>% of Total</u>
Farmers	80.6%
Salesmen	5.1%
Realtors	3.1%
Contractors	3.0%
Seven other occupations together, totaled	8.0%

HOMEOWNERS AND RENTERS COMBINED

HOUSEHOLD INCOME	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX (1)		REFUND CLAIMED		TAX/INCOME (REFUND)		
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
LOSS	1,162	28,252,729	24,314	521,356	449	340,432	293	65	1.84	0.64
0 - 1,000	216	102,766	476	61,636	285	51,523	239	84	59.97	9.84
1,001 - 2,000	497	792,939	1,595	109,353	220	99,253	200	91	13.79	1.27
2,001 - 3,000	1,655	4,313,875	2,591	318,944	192	303,374	182	95	7.39	0.36
3,001 - 3,500	2,491	9,565,826	3,309	506,688	175	488,659	169	96	5.29	0.18
3,501 - 4,000	4,537	17,042,114	3,715	802,169	175	737,911	161	92	4.70	0.37
4,001 - 4,500	3,843	16,314,517	4,245	608,590	210	654,803	170	81	4.95	0.94
4,501 - 5,000	3,991	18,953,337	4,749	886,210	222	658,555	165	74	4.67	1.20
5,001 - 6,000	7,500	41,079,433	5,477	1,762,638	235	1,163,707	155	66	4.29	1.45
6,001 - 7,000	6,105	39,610,224	6,488	1,637,788	268	878,028	144	54	4.13	1.01
7,001 - 8,000	4,901	36,695,046	7,487	1,485,789	303	632,782	129	43	4.04	2.32
8,001 - 9,000	3,834	32,937,518	8,480	1,629,795	420	446,296	115	27	4.94	3.59
9,001 - 10,000	3,221	30,549,014	9,484	1,332,815	414	326,772	101	25	4.36	3.29
10,001 - 11,000	2,237	23,449,477	10,483	1,046,152	468	186,431	83	18	4.46	3.66
11,001 - 12,000	1,551	17,784,249	11,466	778,002	502	84,766	55	11	4.37	3.89
12,001 - 13,000	719	8,879,757	12,350	551,538	767	17,782	25	3	6.21	6.01
13,001 - OVER	0	0	0	0	0	0	0	0	0.00	0.00
TOTAL	48,970	269,817,363	5,510	14,239,463	291	7,071,074	144	50	5.27	2.65

1983 HOMESTEAD CLAIMS BY SIZE OF HOUSEHOLD INCOME

EXHIBIT 11-D

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

741 RETURNS INCLUDED IN HOMEOWNERS REPORTING BOTH PROPERTY TAX AND RENT

EXHIBIT II-E

1982 HOUSEHOLD INCOME LOSSES COMPARED TO
1983 HOUSEHOLD INCOME LOSSES

<u>Dollar Amount</u>	<u>1982</u>	<u>% of total</u>	<u>1983*</u>	<u>% of total</u>
\$0 to \$5,000	24	23.1%	369	31.6%
\$5,001 to \$10,000	18	17.3%	208	17.8%
\$10,001 to \$20,000	16	15.4%	227	19.5%
\$20,001 to \$30,000	13	12.5%	116	9.9%
\$30,001 to \$40,000	9	8.6%	64	5.5%
\$40,001 to \$50,000	12	11.5%	39	3.3%
\$50,001 to \$60,000	4	3.8%	22	1.9%
\$60,001 to \$70,000	2	1.9%	26	2.2%
\$70,001 to \$80,000	0	--	11	.9%
\$80,001 to \$90,000	0	--	21	1.8%
\$90,001 to \$100,000	1	.9%	17	1.5%
\$100,001 to \$200,000	4	3.8%	35	3.0%
\$200,001 to \$300,000	1	.9%	8	.7%
\$300,001 to \$400,000	0		3	.3%
Total	<u>104</u>		<u>1,166</u>	

* Claims processed as of September 9, 1983
GKM:1/1076/S216

KANSAS DEPARTMENT OF REVENUE
PLANNING AND RESEARCH BUREAU

TOPIC 1 - PART III

DECLINE IN HOMESTEAD CLAIMANTS AND
ALTERNATIVES TO CURRENT HOMESTEAD PROGRAM

Possible causes have been investigated for the decline in homestead tax refund claims. Some interesting statistics have been discovered which are helpful in explaining, at least in part, the decline in claims.

As a review, Table III-A presents a cumulative summary of homestead claims since the inception of the act in 1970 (claims beginning in 1971). The 1983 figure of 49,298 represents claims processed to 8/29/83. Following this figure is an estimate of total 1983 claims. Income limits are given, allowing the effect of the changes in these limits on the number of claims made to be easily seen. The footnotes explain the changes made in the statute and are noted next to the year in which the changes became effective.

Please note that for every year in which the income limit was not changed, with the exception of 1972, 1975 and 1976, the percent increase in number of claims and the total amount of refunds decreased. (In 1972 and 1975, the percent increase can probably be explained by a spread of information - more persons becoming aware of the existence of the program. In 1976, the bulk of the increase is most likely due to the inclusion of renters into the program.)

As is evident from Table III-A, homestead claims have been declining since 1980, with an estimated refund amount decline in 1983 of 12.5%.

The figures shown in Table III-A for process year 1980 represent claims filed on the basis of 1979 household income. The first component of household income on the claim form is Kansas adjusted gross income. As shown below, the average adjusted gross income for Kansas increased 16% from 1979 to 1981. This 16.3% increase in average adjusted gross income in Kansas can certainly explain part of the 14.8% decline in homestead claims over the same period.

<u>Tax Year</u>	<u>Average Adjusted Gross Income</u>	<u>Adjusted Gross Income % Increase</u>
1979	16,154	--
1980	17,611	9%
1981	18,789	7%
1981 over 1979		16.3%

In addition, other components of household income have had substantial increases since 1979. Social security, railroad retirement and veterans benefits all increased by the percentages shown below.

<u>Tax Year</u>	<u>Homestead Claim Process Year</u>	<u>Social Security, Railroad Retirement, and Veterans Benefit % Increase</u>
1980	1981	14.3%
1981	1982	11.2%
1982	1983	7.4%

Federal minimum wage levels are a possible component in figuring wage increases during this time period. The minimum wage increased by 7% in 1980 (homestead claim process year 1981) and by 8% in 1981 (homestead claim process year 1982).

Finally, the CPIU for all urban consumers in the Kansas City area increased 10.9% in 1980, with smaller increases in 1981 and 1982 as shown below. This index is considered to be an inflation factor and frequently cost-of-living salary increases are computed using this index as a base.

<u>Year</u>	<u>CPIU % Increased</u>
1980	10.9%
1981	5.6%
1982	6.3%

This data should demonstrate that the factors which make up household income on the Homestead Tax Refund claim form have increased by percentages large enough to easily push those in the upper end of the income ranges above the \$12,900 limit or, for those remaining under the household income limit, to increase their coinsurance amount so their refund was reduced or eliminated.

To illustrate this point, a small sample of 15 homestead claims was selected from claims made in 1980. Table III-B shows three components of household income - Kansas adjusted gross income, unreported income, and nontaxable income, such as social security, veterans benefits, etc. - and how these components grew from 1980 until 1982. The overall increase in household income for those claimants during this two year period was 30%. Of the 15 sample claimants who received a homestead refund in 1980, three of the fifteen were ineligible in 1981 and five of the fifteen were ineligible in 1982. This ineligibility was primarily caused by household income increasing faster than property tax. Therefore, although the income for persons 10, 11, and 13 in 1982 did not exceed the income limit, their property tax was so low that the "coinsurance" eliminated a refund.

Therefore, with fewer claimants each year, the state is refunding less money each year. If it is desired to increase either the number of claims made or the amount of refunds paid to \$10.3 million, as in process year 1980, a change in the homestead statutes must be made. Changes could be made with either of the following goals in mind: increasing the benefits for those claimants now eligible; or, increasing the number of claimants. For the following analysis, it was assumed it would be desirable to provide \$10.3 million in property tax relief, as requested by the interim committee.

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Alternative 1

The first approach to bringing the level of refunds back to the desired level of \$10.3 million is to increase the benefits for those claimants currently eligible for a homestead refund. Three ways of achieving this goal have been explored.

Option 1: Increasing "Free Area" in the Coinsurance Tables (No Exhibit)

Under the present statute, persons with a household income from 0 to \$3,000 receive all of their property tax in refund, up to the \$400 limit. The goal of refunding \$10.3 million could be attained by broadening this "free area."

The estimated refund for 1985, under current statutes, is \$6.6 million, consisting of 44,110 claimants. These figures were computed by estimating the 1983 totals, as shown on Table III-A, and decreasing those totals by an average of the decreases from 1981 to 1983, or 9%. Therefore, in order to spend \$10.3 million in 1985, refunds must be increased by \$3.7 million.

By increasing the "free area" to include those persons with a household income up to \$9,000, the refunds would be increased by \$2.7 million on persons claiming under the current statutes. By raising the "free area" to \$9,000, the coinsurance up to that point would be discarded. Persons who were previously ineligible because of coinsurance negating a refund, on lower levels of property taxes, would now be able to receive a refund. The \$1 million allowance (\$3.7 million - \$2.7 million) is for these persons that will become eligible (6,900 X \$145 average refund).

In order to maintain the new refund level at \$10.3 million, the persons in the \$8,000 to \$13,000 household income levels must continue to deduct the same amount of coinsurance from their property tax. The coinsurance rate for this group would have to become \$175 plus .045 of the income over \$8,000. Although the continuity of the tables would be destroyed, the most needy (household income under \$8,000) would benefit while those less needy (household income over \$8,000) would not be penalized or benefited.

Option 2: Reducing the Coinsurance Rates

This option involves not only increasing the "free area", but reducing the coinsurance rates for all claimants except those closest to the \$13,000 limit. There are a large number of possible ways to change the coinsurance rates, keeping the \$13,000 household income limit and the \$400 refund limit constant.

Table III-C presents one possibility, out of an infinite number, along with the amount of additional refund money paid. Keep in mind that decreasing the coinsurance for the various income levels will allow persons to receive a refund who were previously ineligible because their property tax was low enough to be cancelled out by the old coinsurance rates. Therefore, the new coinsurance tables presented must not spend the entire \$3.7 million, but must allow a "buffer" for those persons who are newly allowed to receive a refund. Note that \$2.7 million is spent on existing claimants, allowing only \$1 million to pay out to new claimants.

Option 3: Increase Refund Limit, Maintain Household Income Limit

By increasing the refund limit, but maintaining the same household income limit of \$13,000, persons who are presently eligible will receive greater benefits and

others, not presently eligible, who have low income but high property tax will be able to participate in the program.

Obviously, the refund limit could be set anywhere the legislature desires. In order to give an example of the effect of a change, a new refund limit of \$500 was selected.

Changing the refund limit cannot be done without changing the coinsurance rates. Table III-D presents one possible alternative. The amount of additional refunds paid is set out beside the income brackets.

Although only \$1 million in additional funds is spent here, keep in mind that these calculations were made using information from the 1982 stat report. There will be many new people entering the program, suddenly eligible because of the increased refund limit. The majority of these people will probably be in the upper end of the \$13,000 range. This particular option would not be as beneficial to the very low income level people. They would probably not be paying \$500 in property tax.

Alternative 2

The options under this alternative are designed to increase the number of claimants and the benefits. The rationale here is that many persons eligible in 1980 (the peak year for the homestead program) were pushed above the household income limit by inflation. Therefore, it may be desirable to try to bring these people back into the program.

Option 1: Increase the Household Income Limit, Maintain \$400 Refund Limit

The maximum household income allowed for persons filing for homestead refunds has been changed four times since the inception of the homestead refund program. The new limits and the process year in which the limits went into effect were shown on Table III-A. Obviously, for each year the limit remains the same, fewer people are eligible. If the purpose of the homestead refund is to help as many people as possible, the best solution to spend \$10.3 million, as in process year 1980, would be to change this limit again.

Computing a new household income limit can be done two ways. One method would be to increase the income limit by the amount of inflation for each tax year because wages, interest and benefits are tied to inflation. The best measure of inflation available is the CPI-U for the Kansas City area. Beginning in process year 1980, to obtain the \$10.3 million refund level again, the computations are as follows:

<u>Process Year</u>	<u>Income</u>	<u>CPI-U</u>	<u>% Increase</u>
1980	\$12,800	10.9	12,800 X 1.109 = 14,195
1981	14,195	5.6	14,195 X 1.056 = 14,990
1982	14,990	6.3	14,990 X 1.063 = 15,935
1983	15,935	*5.6	15,935 X 1.056 = 16,827
1984	16,827	*5.6	16,827 X 1.056 = 17,769
1985	17,769		

*The CPI-U for 1983 and 1984 are not known yet. To be conservative, the lowest increase from 1980 to 1982 was used as an estimated increase for 1984 and 1985.

According to these calculations, by raising the household income limit to \$17,800, the households that were pushed out of the \$12,800 limit, because of inflation, would become eligible again for a homestead refund.

A second method to estimate what the household income limit must be raised to in order to bring back those persons that were pushed out of eligibility by inflation is to raise components of household income from their 1979 levels to 1984 levels. It is known, for example, that average adjusted gross income for Kansans increased 9% in 1980, 7% in 1981, and is estimated to grow 6% in 1982. Using the information on growth of components set out in the beginning of this memorandum, the average household income of \$5,414.98 in 1979 (process year 1980) is equal to an average household income in 1984 of \$7,591.25. (This is a conservative estimate - some components, such as interest or alimony, were not increased due to lack of information. Adjusted gross income was increased 6% and social security, veterans benefits and railroad pensions were all increased 5% for 1983 and 1984 using conservative estimates.) This represents a growth of 40.2%. By raising the maximum household limit by this amount, $\$12,800 \times 1.402$, the new maximum should be \$17,945.

Therefore, both computational methods suggest that an appropriate figure for a new household income limit would be in the \$17,000 range. However, increasing the income limit to this level while maintaining the \$400 refund limit would necessitate a change in the coinsurance tables - a reduction of coinsurance rates since the present table only allows a \$13,000 income limit with the \$400 refund. This reduction in coinsurance rates would allow more persons under \$13,000 to claim a refund than previously. The more significant the reduction in coinsurance, the more significant the influx of new claimants would be. In addition, it is not possible to know how many people in the \$13,000 to \$18,000 range would be eligible to enter the program.

The best way to deal with this great uncertainty is to be extremely conservative. The conservative path chosen in this analysis is to raise the household income limit to \$15,000. Using this limit, it is reasonably safe to assume that not more than \$10.3 million would be spent.

Estimation of the amount refunded when raising the household income limit (and lowering the present coinsurance rates) is very difficult. It is hard to predict the number of additional persons that would enter the program in the \$13,000 to \$15,000 range. It is equally hard to predict the number of additional persons that will enter the program with an income below \$13,000 due to the lowered coinsurance rates. All that is known is that the desired number of claimants is 70,944 as in 1980. The population spread, then, for this new household income range was based upon the population spread in past stat reports and the 1980 Census population figures by household income brackets.

Table III-E presents one possible coinsurance table with a household limit of \$15,000. The amount paid in refunds for each bracket is set out beside the bracket. Please note that the total amount refunded is \$11.7 million, exceeding the \$10.3 million level. When raising the household income limit, and thereby spreading the coinsurance rates over a large number of income brackets, it is difficult to limit spending to \$10.3 million.

Option 2: Increased both the Household Income Limit and the Refund Limit

Consideration may be given to this final alternative. However, this alternative

would almost certainly result in spending more than the desired \$10.3 million amount. In addition, the primary benefactors of this change would be the claimants in the upper end of the income range.

Homestead Tax Refund Claims
TABLE III-A
SUMMARY OF BENEFITS

<u>Process Year</u>	<u>Income Limit</u>	<u>% Over (Under) Prior Year</u>	<u># of Claims</u>	<u>% Over (Under) Prior Year</u>	<u>Refunds</u>	
					<u>Amount</u>	<u>% Over (Under) Prior Year</u>
1971	\$ 3,620	--	14,716	--	\$ 976,724.36	--
1972	3,620	0	15,024	2.1	1,067,451.09	9%
1973(1)	5,900	63.0	30,416	102.4	3,149,289.82	195%
1974(2)	8,150	38.1	57,576	88.3	8,306,743.26	164%
1975	8,150	0	63,882	11.0	9,411,791.01	13%
1976(3)	8,150	0	67,056	5.0	9,562,617.72	2%
1977	8,150	0	61,628	(8.1)	8,641,461.08	(10%)
1978	8,150	0	56,587	(8.2)	8,111,526.09	(6%)
1979(4)	9,200	12.9	61,781	9.2	9,269,463.27	14%
1980(5)	12,900	40.2	70,944	14.8	10,331,944.40	11%
1981	12,900	0	67,429	(5.0)	9,807,633.69	(5%)
1982	12,900	0	60,478	(10.3)	9,019,264.35	(8%)
1983 YTD	12,900	0	49,298		7,238,447.01	
1983 Est.	12,900	0	53,266	(11.9)	7,889,652.96	(12.5%)

- (1) - Disabled or blind persons became eligible.
(2) - The general age limit was lowered to 60 and widows became eligible at 50.
(3) - Renters became eligible and were allowed to claim 12% of rent.
(4) - Persons with dependent children under age 18 became eligible.
The age limit was changed to 55 by implementing a phase-in program over 5 years.
(5) - The percentage of rent which renters are allowed to claim was increased from 12% to 15%.

TABLE III-B

	PERSON #1					PERSON #2				
	Process Year					Process Year				
	1980	1981	% inc. or dec.	1982	% inc. or dec.	1980	1981	% inc. or dec.	1982	% inc. or dec.
Ks. Adjusted Gross Income	300	2,032		4,950						
Other Unreported Income						303	298		317	
Nontaxable Income						2,100	2,359		2,657	
Total Household Income	300	2,032	577%	4,950	144%	2,403	2,659	11%	2,974	12%
Property Tax or 15% Rent	287	330	15%	302	-8%	74	78	5%	88	13%
Refund	287	330	15%	255	-23%	74	78	5%	88	13%

	PERSON #3					PERSON #4				
	Process Year					Process Year				
	1980	1981	% inc. or dec.	1982	% inc. or dec.	1980	1981	% inc. or dec.	1982	% inc. or dec.
Ks. Adjusted Gross Income										
Other Unreported Income	344	323		352						
Nontaxable Income	2,904	3,325		3,642		3,795	4,348		4,773	
Total Household Income	3,248	3,648	12%	3,997	10%	3,795	4,348	15%	4,773	10%
Property Tax or 15% Rent	72	55	-24%	59	7%	204	195	-4%	217	11%
Refund	72	55	-24%	59	7%	193	172	-11%	178	3%

TABLE III-B (continued)

	PERSON #5					PERSON #6				
	Process Year					Process Year				
	<u>1980</u>	<u>1981</u>	<u>% inc. or dec.</u>	<u>1982</u>	<u>% inc. or dec.</u>	<u>1980</u>	<u>1981</u>	<u>% inc. or dec.</u>	<u>1982</u>	<u>% inc. or dec.</u>
Ks. Adjusted Gross Income										
Other Unreported Income	1,083			856		237	263			
Nontaxable Income	3,679	4,655		4,360		4,799	5,365		6,035	
Total Household Income	4,762	4,655	-2%	5,217	12%	5,037	5,628	12%	6,035	7%
Property Tax or 15% Rent	259	262	1%	304	16%	126	120	-5%	165	38%
Refund	218	227	4%	280	23%	76	47	-38%	76	62%

	PERSON #7					PERSON #8				
	Process Year					Process Year				
	<u>1980</u>	<u>1981</u>	<u>% inc. or dec.</u>	<u>1982</u>	<u>% inc. or dec.</u>	<u>1980</u>	<u>1981</u>	<u>% inc. or dec.</u>	<u>1982</u>	<u>% inc. or dec.</u>
Ks. Adjusted Gross Income										
Other Unreported Income	2,815	2,987		4,403		3,329	3,502		3,906	
Nontaxable Income	3,101	3,601		3,408		3,465	3,889		4,379	
Total Household Income	5,916	6,588	11%	7,811	19%	6,794	7,391	9%	8,285	12%
Property Tax or 15% Rent	163	183	12%	186	2%	241	256	6%	237	-7%
Refund	79	71	10%	24	-66%	123	112	-9%	51	-54%

TABLE III-B (continued)

	PERSON #9					PERSON #10				
	Process Year					Process Year				
	1980	1981	% inc. or dec.	1982	% inc. or dec.	1980	1981	% inc. or dec.	1982	% inc. or dec.
Ks. Adjusted Gross Income		4,241		4,511		5,578	8,676		8,825	
Other Unreported Income	3,458									
Nontaxable Income	4,836	5,476		6,818		3,126	*2,535		*2,861	
Total Household Income	8,294	9,717	17%	11,329	17%	8,704	*11,211	29%	*11,686	4%
Property Tax or 15% Rent	472	566	20%	619	9%	241				
Refund	212	144	-32%	72	-50%	34	N.E.		N.E.	
	PERSON #11					PERSON #12				
	Process Year					Process Year				
	1980	1981	% inc. or dec.	1982	% inc. or dec.	1980	1981	% inc. or dec.	1982	% inc. or dec.
Ks. Adjusted Gross Income	4,185	4,725		4,589		5,763	6,471		7,841	
Other Unreported Income										
Nontaxable Income	4,977	5,586		6,288		4,182	*4,003		*3,831	
Total Household Income	9,162	10,311	13%	11,077	7%	9,945	*10,474	5%	11,672	11%
Property Tax or 15% Rent	289	305	6%	321	5%	287				
Refund	61	27	-56%	10	-63%	25	N.E.		N.E.	

* Estimated Social Security - Claimant did not file a Homestead claim in this process year.

N.E. Not Eligible - Either household income is above the limit or too high in relation to the property tax paid, to enable claimant to receive a refund.

TABLE III-B (concluded)

	PERSON #13					PERSON #14				
	Process Year					Process Year				
	1980	1981	% inc. or dec.	1982	% inc. or dec.	1980	1981	% inc. or dec.	1982	% inc. or dec.
Ks. Adjusted Gross Income	6,903	7,648		9,566		5,787	111		11,635	
Other Unreported Income										
Nontaxable Income	3,360	3,656		*2,530		4,837	5,738		*3,795	
Total Household Income	10,263	11,305	10%	12,096	7%	10,624	5,849	-45%	*15,430	164%
Prop. Tax or 15% Rent	394	428	9%			412	376	-9%		
Refund	116	72	-38%	N.E.		103	294	185%	N.E.	

	PERSON #15				
	Process Year				
	1980	1981	% inc. or dec.	1982	% inc. or dec.
Ks. Adjusted Gross Income	7,580	8,730		10,138	
Other Unreported Income					
Nontaxable Income	3,537	*3,523		*3,350	
Total Household Income	11,117	*12,253	10%	*13,488	10%
Property Tax or 15% Rent	362				
Refund	46	N.E.		N.E.	

Estimated Social Security - Claimant did not file a Homestead claim in this process year.

N.E. Not Eligible - Either household income is above the limit or too high in relation to property tax paid, to enable claimant to receive a refund.

TABLE III-C
ALTERNATIVE COINSURANCE TABLES

<u>Claimants Household Income</u>	<u>Deduction from Property Tax Accrued and/or Rent</u>	<u>Additional Money Refunded</u>
0 to \$ 7,000	0	\$1,334,126.00
\$ 7,001 to \$ 8,000	5% of income in excess of \$7,000	556,989.02
\$ 8,001 to \$ 9,000	\$50 plus 6% of income in excess of \$8,000	353,579.96
\$ 9,001 to \$11,000	\$110 plus 7% of income in excess of \$9,000	426,455.45
\$11,001 and up	\$250 plus 7.5% of income in excess of \$11,000	75,726.27
Total Additional Money Spent -----		<u>\$2,746,876.70</u>

TABLE III-D
REFUND LIMIT OF \$500

Claimants Household <u>Income</u>	<u>Deduction from property tax accrued and/or rent</u>	<u>Additional Refund Paid</u>
0 to \$7,000	0	\$1,334,126.00
\$7,001 to \$9,000	6% of income in excess of \$7,000	906,292.96
\$9,001 to \$11,000	\$120 plus 8% of income in excess of \$9,000	465,155.63
\$11,001 and over	\$280 plus 11% of income in excess of \$11,000	<u>164,066.75</u>
	Total Additional Money Spent:	\$2,869,641.34

TABLE III-E
INCREASED HOUSEHOLD INCOME LIMIT

<u>Household Income</u>	<u>Deduction from property tax accrued and/or rent</u>	<u>Amount Refunded</u>
0 to \$ 4,000	0	\$ 1,840,392.00
\$4,001 to \$ 6,000	3% of income in excess of \$4,000	3,688.673.00
\$6,001 to \$10,000	\$60 plus 3.5% of income in excess of \$6,000	4,561,732.50
\$10,001 and up	\$200 plus 4% of income in excess of \$10,000	<u>1,581.982.00</u>
	Total Amount Refunded:	\$11,672,779.50

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(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF HOUSEHOLD INCOME

PROCESSED ON 08/04/83

HOMEOWNERS AND RENTERS COMBINED

HOUSEHOLD INCOME	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX (1)		REFUND CLAIMED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
LOSS	107	2,853,422	26,667	45,174	422	32,450	303	72	1.58	0.44
0 - 1,000	454	202,018	445	113,152	249	101,450	223	90	54.01	5.79
1,001 - 2,000	773	1,245,177	1,611	167,656	217	154,003	199	92	13.46	1.09
2,001 - 3,000	2,568	6,680,247	2,601	497,508	194	472,291	184	95	7.44	0.37
3,001 - 3,500	5,424	17,726,120	3,268	935,277	172	865,411	160	93	5.27	0.39
3,501 - 4,000	4,045	15,192,956	3,756	766,303	189	705,203	174	92	5.04	0.40
4,001 - 4,500	4,520	19,249,957	4,259	900,387	199	771,398	171	86	4.67	0.67
4,501 - 5,000	4,863	23,098,756	4,750	1,038,464	214	804,561	165	77	4.49	1.01
5,001 - 6,000	8,343	45,690,107	5,476	1,986,766	238	1,321,605	158	67	4.34	1.45
6,001 - 7,000	6,930	44,966,496	6,489	1,891,362	273	994,161	143	53	4.20	1.99
7,001 - 8,000	5,750	43,074,227	7,491	1,824,383	317	757,566	132	42	4.23	2.47
8,001 - 9,000	4,720	40,041,666	8,483	1,627,115	345	551,785	117	34	4.06	2.68
9,001 - 10,000	3,610	34,206,952	9,476	1,473,900	408	371,040	103	25	4.30	3.22
10,001 - 11,000	2,461	25,777,687	10,474	1,117,725	454	204,393	83	18	4.33	3.54
11,001 - 12,000	1,720	19,713,583	11,461	932,695	542	95,704	56	10	4.73	4.24
12,001 - 13,000	861	10,645,071	12,364	445,525	517	20,250	24	5	4.18	3.99
13,001 - OVER	0	0	0	0	0	0	0	0	0.00	0.00
TOTAL	57,149	344,657,638	6,031	15,763,392	276	8,223,271	144	52	4.57	2.18

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

1004 RETURNS INCLUDED IN HOMEOWNERS REPORTING BOTH PROPERTY TAX AND RENT

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF HOUSEHOLD INCOME

PROCESSED ON 08/04/83

RENTERS ONLY

HOUSEHOLD INCOME	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX(1)		REFUND CLAIMED PERC TAX RELIEVED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER		BEFORE	AFTER
LOSS	9	87,743-	9,749	2,990	332	1,737	193	58	3.40	1.42
0 - 1,000	112	29,874	267	20,067	179	19,637	175	98	67.17	1.43
1,001 - 2,000	182	295,311	1,623	30,374	167	29,599	163	97	10.28	0.26
2,001 - 3,000	730	1,911,584	2,619	129,163	177	127,848	175	99	6.75	0.06
3,001 - 3,500	1,911	6,221,468	3,256	331,431	173	282,697	148	85	5.32	0.78
3,501 - 4,000	1,093	4,112,515	3,763	195,970	179	183,081	168	93	4.76	0.31
4,001 - 4,500	1,087	4,629,536	4,259	198,375	182	171,501	158	86	4.28	0.58
4,501 - 5,000	1,114	5,293,900	4,752	207,049	186	159,841	143	77	3.91	0.89
5,001 - 6,000	1,544	8,437,406	5,465	329,613	213	217,278	141	66	3.90	1.33
6,001 - 7,000	1,208	7,829,139	6,481	302,939	251	162,755	135	54	3.86	1.79
7,001 - 8,000	904	6,780,656	7,501	310,267	343	117,455	130	38	4.57	2.84
8,001 - 9,000	705	5,982,053	8,485	224,422	318	76,465	108	34	3.75	2.47
9,001 - 10,000	554	5,249,396	9,475	198,586	358	52,199	94	26	3.78	2.78
10,001 - 11,000	393	4,114,829	10,470	153,834	391	29,417	75	19	3.73	3.02
11,001 - 12,000	274	3,141,628	11,466	175,189	639	14,644	53	8	5.57	5.11
12,001 - 13,000	121	1,498,537	12,385	56,267	465	2,722	22	5	3.75	3.57
13,001 - OVER	0	0	0	0	0	0	0	0	0.00	0.00
TOTAL	11,941	65,440,089	5,480	2,866,536	240	1,648,876	138	58	4.38	1.86

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

1004 RETURNS INCLUDED IN HOMEOWNERS REPORTING BOTH PROPERTY TAX AND RENT

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF HOUSEHOLD INCOME

PROCESSED ON 08/04/83

HOMEOWNERS ONLY

HOUSEHOLD INCOME	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX (1)		REFUND CLAIMED PERC TAX RELIEVED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER		BEFORE	AFTER
LOSS	98	2,765,679-28,221		42,184	430	30,713	313	73	1.52	0.41
0 - 1,000	342	172,144	503	93,085	272	81,813	239	88	54.07	6.54
1,001 - 2,000	591	949,866	1,607	137,282	232	124,404	210	91	14.45	1.35
2,001 - 3,000	1,838	4,768,703	2,595	368,345	200	344,443	187	94	7.72	0.50
3,001 - 3,500	3,513	11,504,652	3,275	603,846	172	582,714	166	97	5.24	0.18
3,501 - 4,000	2,952	11,080,441	3,754	570,333	193	522,122	177	92	5.14	0.43
4,001 - 4,500	3,433	14,620,421	4,259	702,012	204	599,897	175	85	4.80	0.69
4,501 - 5,000	3,749	17,804,856	4,749	831,415	222	644,720	172	78	4.66	1.04
5,001 - 6,000	6,799	37,252,701	5,479	1,657,153	244	1,104,327	162	67	4.44	1.48
6,001 - 7,000	5,722	37,137,357	6,490	1,588,423	278	831,406	145	52	4.27	2.03
7,001 - 8,000	4,846	36,293,571	7,489	1,514,116	312	640,111	132	42	4.17	2.40
8,001 - 9,000	4,015	34,059,613	8,483	1,402,693	349	475,320	118	34	4.11	2.72
9,001 - 10,000	3,056	28,957,556	9,476	1,275,314	417	318,841	104	25	4.40	3.30
10,001 - 11,000	2,068	21,662,858	10,475	963,891	466	174,976	85	18	4.44	3.64
11,001 - 12,000	1,446	16,571,955	11,461	757,506	524	81,060	56	11	4.57	4.08
12,001 - 13,000	740	9,146,534	12,360	389,258	526	17,528	24	5	4.25	4.06
13,001 - OVER	0	0	0	0	0	0	0	0	0.00	0.00
TOTAL	45,208	279,217,549	6,176	12,896,856	285	6,574,395	145	51	4.61	2.26

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

1004 RETURNS INCLUDED IN HOMEOWNERS REPORTING BOTH PROPERTY TAX AND RENT

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF REFUND

PROCESSED ON 08/04/83

HOMEOWNERS AND RENTERS COMBINED

REFUND CLAIMED	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX (1)		REFUND CLAIMED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
0 - 49	9,587	72,343,475	7,546	1,897,943	198	253,523	26	13	2.62	2.27
50 - 99	12,336	80,447,646	6,521	2,706,664	219	923,522	75	34	3.36	2.21
100 - 149	11,424	69,348,407	6,070	2,900,750	254	1,416,509	124	49	4.18	2.14
150 - 199	8,938	51,087,611	5,716	2,537,064	284	1,549,705	173	61	4.96	1.93
200 - 249	6,160	33,486,750	5,436	2,071,782	336	1,373,594	223	66	6.18	2.08
250 - 299	4,195	21,464,299	5,117	1,596,889	381	1,143,010	272	72	7.43	2.11
300 - 349	2,538	11,522,592	4,540	1,045,354	412	817,858	322	78	9.07	1.97
350 - 400	1,971	4,956,858	2,515	1,006,946	511	745,550	378	74	20.31	5.27
TOTAL	57,149	344,657,638	6,031	15,763,392	276	8,223,271	144	52	4.57	2.18

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF REFUND

PROCESSED ON 08/04/83

REFUND CLAIMED	NUMBER OF RETURNS	HOUSEHOLD INCOME		RENTERS ONLY		REFUND CLAIMED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	PROPERTY TAX (1) AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
0 - 49	2,339	15,229,764	6,511	332,528	142	61,354	26	18	2.1A	1.78
50 - 99	2,732	15,649,973	5,728	522,092	191	202,496	74	39	3.33	2.04
100 - 149	2,172	12,020,193	5,534	470,108	216	267,907	123	57	3.91	1.68
150 - 199	1,737	8,955,240	5,156	437,004	252	300,326	173	69	4.87	1.52
200 - 249	1,129	5,691,775	5,041	382,755	339	252,867	224	66	6.72	2.24
250 - 299	922	4,358,628	4,727	314,544	341	251,324	273	80	7.21	1.45
300 - 349	539	2,278,411	4,227	201,817	374	173,308	322	86	8.85	1.25
350 - 400	371	1,256,105	3,386	205,688	554	139,294	375	68	16.37	5.2A
TOTAL	11,941	65,440,089	5,480	2,866,536	240	1,648,876	138	58	4.3A	1.86

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF REFUND

PROCESSED ON 08/04/83

HOMEOWNERS ONLY

REFUND CLAIMED	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX(1)		REFUND CLAIMED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
0 - 49	7,248	57,113,711	7,880	1,565,415	216	192,169	27	12	2.74	2.40
50 - 99	9,604	64,797,673	6,747	2,184,572	227	721,026	75	33	3.37	2.25
100 - 149	9,252	57,328,214	6,196	2,430,642	263	1,148,602	124	47	4.23	2.23
150 - 199	7,201	42,132,371	5,851	2,100,060	292	1,249,379	174	59	4.98	2.01
200 - 249	5,031	27,794,975	5,525	1,689,027	336	1,120,727	223	66	6.07	2.04
250 - 299	3,273	17,105,671	5,226	1,282,345	392	891,686	272	70	7.40	2.28
300 - 349	1,999	9,244,181	4,624	843,537	422	644,550	322	76	9.12	2.15
350 - 400	1,600	3,700,753	2,313	801,258	501	606,256	379	76	21.65	5.26
TOTAL	45,208	279,217,549	6,176	12,896,856	285	6,574,395	145	51	4.61	2.26

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF PROPERTY TAX

PROCESSED ON 08/04/83

HOMEOWNERS AND RENTERS COMBINED

PROPERTY TAX(1)	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX(1)		REFUND CLAIMED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
0 - 49	1,377	5,427,572	3,942	58,666	43	43,725	32	75	1.08	0.27
50 - 99	4,947	19,914,976	4,026	411,262	83	296,141	60	72	2.06	0.57
100 - 149	7,495	34,135,913	4,554	968,191	129	656,228	88	68	2.83	0.91
150 - 199	8,475	43,126,710	5,089	1,494,408	176	966,522	114	65	3.46	1.22
200 - 249	7,744	44,115,077	5,697	1,763,139	228	1,075,249	139	61	3.99	1.55
250 - 299	6,889	43,335,772	6,291	1,890,729	274	1,128,024	164	60	4.36	1.75
300 - 349	5,562	38,503,142	6,923	1,800,395	324	1,039,122	187	58	4.67	1.97
350 - 399	4,530	34,453,489	7,606	1,689,881	373	941,927	208	56	4.90	2.17
400 - 449	3,245	25,218,891	7,772	1,373,682	423	710,201	219	52	5.44	2.63
450 - 499	2,307	18,896,905	8,191	1,090,619	473	469,533	204	43	5.77	3.28
500 - 549	1,467	12,099,783	8,248	767,603	523	298,312	203	39	6.34	3.87
550 - 599	953	7,898,054	8,288	546,297	573	190,023	199	35	6.91	4.51
600 - 649	655	5,410,214	8,260	409,946	626	123,843	189	30	7.57	5.28
650 - 699	462	3,896,320	8,434	311,008	673	87,001	188	28	7.98	5.74
700 - 749	318	2,660,003	8,365	229,858	723	58,991	186	26	8.64	6.42
750 - 799	181	1,574,858	8,701	139,956	773	33,030	182	24	8.88	6.78
800 - 849	162	1,330,632	8,214	133,465	824	31,030	192	23	10.03	7.69
850 - 899	113	984,908	8,716	98,726	874	20,876	185	21	10.02	7.90
900 - 949	77	668,586	8,683	71,163	924	14,021	182	20	10.64	8.54
950 - 999	44	322,505	7,330	42,778	972	9,333	212	22	13.26	10.37
1,000 - OVER	146	683,328	4,680	471,620	3,230	30,139	206	6	69.01	64.60
TOTAL	57,149	344,657,638	6,031	15,763,392	276	8,223,271	144	52	4.57	2.18

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF PROPERTY TAX

PROCESSED On 08/04/83

RENTERS ONLY

PROPERTY TAX(1)	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX(1)		REFUND CLAIMED PERC TAX RELIEVED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	RELIEVED	BEFORE	AFTER
0 - 49	640	2,603,817	4,068	15,901	25	13,483	21	85	0.61	0.09
50 - 99	1,602	6,281,183	3,921	123,851	77	92,680	58	75	1.97	0.49
100 - 149	1,804	7,903,891	4,381	224,943	125	161,225	89	72	2.84	0.80
150 - 199	1,759	8,349,908	4,747	305,571	174	216,002	123	71	3.65	1.07
200 - 249	1,364	7,355,515	5,393	305,945	224	204,027	150	67	4.15	1.34
250 - 299	1,408	8,233,140	5,847	384,931	273	253,358	180	66	4.67	1.59
300 - 349	1,073	6,912,662	6,442	345,615	322	219,237	204	63	4.99	1.42
350 - 399	923	6,733,928	7,296	342,292	371	201,853	219	59	5.08	2.04
400 - 449	515	3,905,251	7,583	216,656	421	119,688	232	55	5.54	2.49
450 - 499	382	3,225,596	8,444	179,151	469	75,148	197	42	5.55	3.22
500 - 549	218	1,738,047	7,973	114,329	524	46,771	215	41	6.57	3.88
550 - 599	88	714,771	8,122	50,454	573	16,830	191	33	7.05	4.70
600 - 649	81	722,931	8,925	50,639	625	14,516	179	29	7.00	4.99
650 - 699	33	292,205	8,855	22,290	675	5,805	176	26	7.62	5.64
700 - 749	21	202,687	9,652	15,093	719	3,097	147	21	7.44	5.91
750 - 799	10	99,279	9,928	7,670	767	1,358	136	18	7.72	6.35
800 - 849	3	27,883	9,294	2,447	816	490	163	20	8.77	7.01
850 - 899	6	59,671	9,945	5,213	869	803	134	15	8.73	7.39
900 - 949	2	12,108	6,054	1,800	900	586	293	33	14.86	10.02
950 - 999	4	41,524	10,381	3,860	965	458	115	12	9.29	8.19
1,000 - OVER	5	24,092	4,818	147,885	0	1,461	292	1	613.83	607.77
TOTAL	11,941	65,440,049	5,480	2,866,536	240	1,648,876	138	58	4.38	1.85

(1) FOR RENTERS. PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY SIZE OF PROPERTY TAX

PROCESSED ON 08/04/83

HOMEOWNERS ONLY

PROPERTY TAX (1)	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX (1)		REFUND CLAIMED PERC TAX RELIEVED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
0 - 49	737	2,623,755	3,831	42,765	58	30,242	41	71	1.51	0.44
50 - 99	3,345	13,633,793	4,076	287,411	86	203,461	61	71	2.10	0.61
100 - 149	5,691	26,232,022	4,609	743,248	131	495,003	87	67	2.83	0.94
150 - 199	6,716	34,776,802	5,178	1,188,837	177	750,520	112	63	3.41	1.26
200 - 249	6,380	36,759,562	5,762	1,457,194	228	871,222	137	60	3.96	1.59
250 - 299	5,481	35,102,632	6,404	1,505,798	275	874,666	160	58	4.28	1.79
300 - 349	4,489	31,590,480	7,037	1,454,780	324	819,885	183	56	4.60	2.00
350 - 399	3,607	27,719,561	7,685	1,347,589	374	740,074	205	55	4.86	2.19
400 - 449	2,730	21,313,640	7,807	1,157,026	424	590,513	216	51	5.42	2.65
450 - 499	1,925	15,671,309	8,141	911,468	473	394,385	205	43	5.81	3.29
500 - 549	1,249	10,361,736	8,296	653,274	523	251,541	201	39	6.30	3.87
550 - 599	865	7,183,283	8,304	495,843	573	173,193	200	35	6.90	4.49
600 - 649	574	4,687,283	8,166	359,307	626	109,327	190	30	7.66	5.33
650 - 699	429	3,604,115	8,401	288,718	673	81,196	189	28	8.01	5.75
700 - 749	297	2,457,316	8,274	214,765	723	55,894	188	26	8.73	6.46
750 - 799	171	1,475,579	8,629	132,286	774	31,672	185	24	8.96	6.81
800 - 849	159	1,302,749	8,193	131,018	824	30,540	192	23	10.05	7.71
850 - 899	107	925,237	8,647	93,513	874	20,073	188	21	10.10	7.93
900 - 949	75	656,478	8,753	69,363	925	13,435	179	19	10.56	8.51
950 - 999	40	280,981	7,025	38,918	973	8,875	222	23	13.85	10.69
1,000 - OVER	141	659,236	4,675	323,735	2,296	28,678	203	9	49.10	44.75
TOTAL	45,208	279,217,549	6,176	12,896,856	285	6,574,395	145	51	4.61	2.26

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY AGE OF CLAIMANT

PROCESSED ON 08/04/83

HOMEOWNERS AND RENTERS COMBINED

AGE GROUP	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX (1)		REFUND CLAIMED PERC TAX RELIEVED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER		BEFORE	AFTER
0 - 19	141	718,086	5,093	33,865	240	22,358	159	66	4.71	1.60
20 - 24	318	1,455,971	4,579	126,020	396	62,570	197	50	8.65	4.35
25 - 29	636	3,200,088	5,032	221,702	349	124,686	196	56	6.92	3.03
30 - 34	609	3,528,307	5,794	195,421	321	115,189	189	59	5.53	2.27
35 - 39	501	2,861,782	5,712	186,173	372	96,944	194	52	6.50	3.11
40 - 44	293	1,568,484	5,353	97,794	334	56,450	193	58	6.23	2.63
45 - 49	234	1,164,643	4,977	75,976	325	45,529	195	60	6.52	2.61
50 - 54	230	1,085,749	4,721	70,414	306	43,609	190	62	6.48	2.46
55 - 59	1,780	10,327,511	5,802	571,705	321	279,724	157	49	5.53	2.82
60 - 64	4,412	26,473,250	6,000	1,277,669	290	661,743	150	52	4.82	2.32
65 - 69	7,207	45,658,217	6,335	2,039,613	283	976,239	135	48	4.46	2.32
70 - 74	10,008	63,826,478	6,378	2,667,633	267	1,304,963	130	49	4.17	2.13
75 - 79	10,606	66,454,230	6,266	2,782,479	262	1,422,058	134	51	4.18	2.04
80 - 84	11,009	65,295,537	5,931	3,042,392	276	1,629,921	148	54	4.65	2.16
85 - 89	4,614	26,799,618	5,808	1,195,120	259	685,739	149	57	4.45	1.90
90 - 94	1,749	9,647,474	5,516	446,464	255	275,980	158	62	4.62	1.76
95 - 99	387	2,024,764	5,232	95,422	247	63,174	163	66	4.71	1.59
100 - OVER	0	0	0	0	0	0	0	0	0.00	0.00
DISABLE/BLIND	2,415	12,567,449	5,204	637,530	264	356,395	148	56	5.07	2.23
TOTAL	57,149	344,657,638	6,031	15,763,392	276	8,223,271	144	52	4.57	2.18

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 1% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY AGE OF CLAIMANT

PROCESSED ON 08/04/83

RENTERS ONLY

AGE GROUP	NUMBER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX(1)		REFUND CLAIMED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
0 - 19	49	221,353	4,517	10,971	224	8,221	168	75	4.95	1.24
20 - 24	299	1,329,263	4,446	120,633	403	59,992	201	50	9.07	4.56
25 - 29	530	2,601,944	4,909	188,715	356	104,800	198	56	7.25	3.22
30 - 34	405	2,224,482	5,493	121,739	301	79,640	197	65	5.47	1.89
35 - 39	301	1,737,171	5,771	90,211	300	57,073	190	63	5.19	1.90
40 - 44	137	788,534	5,756	41,735	305	24,752	181	59	5.29	2.15
45 - 49	104	557,869	5,364	28,858	277	19,531	188	68	5.17	1.67
50 - 54	92	469,009	5,098	26,854	292	17,469	190	65	5.72	2.00
55 - 59	384	1,952,056	5,083	135,050	352	52,561	137	39	6.91	4.22
60 - 64	795	4,178,449	5,256	171,523	216	108,773	137	63	4.10	1.50
65 - 69	1,208	6,898,317	5,440	253,612	200	147,292	116	58	3.67	1.54
70 - 74	1,531	8,548,685	5,584	303,019	198	166,499	109	55	3.54	1.59
75 - 79	1,555	8,825,558	5,676	316,299	203	171,812	110	54	3.58	1.63
80 - 84	2,562	15,186,218	5,927	639,636	250	363,015	142	57	4.21	1.82
85 - 89	684	3,871,770	5,660	154,155	225	85,664	125	56	3.98	1.76
90 - 94	258	1,511,945	5,860	60,667	235	34,031	132	56	4.01	1.76
95 - 99	64	350,545	5,477	18,160	284	12,276	192	68	5.18	1.67
100 - OVER	0	0	0	0	0	0	0	0	0.00	0.00
DISABLE/BLIND	923	4,186,921	4,536	184,699	200	135,475	147	73	4.41	1.17
TOTAL	11,941	65,440,089	5,480	2,866,536	240	1,648,876	138	58	4.38	1.86

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
BY AGE OF CLAIMANT

PROCESSED ON 08/04/83

HOMEOWNERS ONLY

AGE GROUP	NUMRER OF RETURNS	HOUSEHOLD INCOME		PROPERTY TAX(1)		REFUND CLAIMED			TAX/INCOME (REFUND)	
		AMOUNT	AVERAGE	AMOUNT	AVER	AMOUNT	AVER	PERC TAX RELIEVED	BEFORE	AFTER
0 - 19	92	496,733	5,399	22,894	249	14,137	154	62	4.60	1.76
20 - 24	19	126,708	6,669	5,387	284	2,578	136	48	4.25	2.21
25 - 29	106	598,144	5,643	32,987	311	19,886	188	60	5.51	2.19
30 - 34	204	1,303,825	6,391	73,682	361	35,549	174	48	5.65	2.92
35 - 39	200	1,124,611	5,623	95,962	480	39,871	199	42	8.53	4.98
40 - 44	156	779,950	5,000	56,059	359	31,698	203	57	7.18	3.12
45 - 49	130	606,774	4,667	47,118	362	25,998	200	55	7.76	3.48
50 - 54	138	616,740	4,469	43,560	316	26,140	189	60	7.06	2.82
55 - 59	1,396	8,375,455	6,000	436,655	313	227,163	163	52	5.21	2.50
60 - 64	3,617	22,294,801	6,164	1,106,146	306	552,970	153	50	4.96	2.48
65 - 69	5,939	38,759,900	6,526	1,786,001	301	828,947	140	46	4.60	2.46
70 - 74	8,477	55,277,793	6,521	2,364,614	279	1,138,464	134	48	4.27	2.21
75 - 79	9,051	57,628,672	6,367	2,466,180	272	1,250,246	138	51	4.27	2.10
80 - 84	8,447	50,109,319	5,932	2,402,756	284	1,266,906	150	53	4.79	2.26
85 - 89	3,930	22,927,848	5,834	1,040,965	265	600,075	153	58	4.54	1.92
90 - 94	1,491	8,135,529	5,456	385,797	259	241,949	162	63	4.74	1.76
95 - 99	323	1,674,219	5,183	77,262	239	50,898	158	66	4.61	1.57
100 - OVER	0	0	0	0	0	0	0	0	0.00	0.00
DISABLE/BLIND	1,492	8,380,528	5,617	452,831	304	220,920	148	49	5.40	2.76
TOTAL	45,208	279,217,549	6,176	12,896,856	285	6,574,395	145	51	4.61	2.26

(1) FOR RENTERS, PROPERTY TAX IS CALCULATED AS 15% OF RENT PAID

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS
SOURCES OF INCOME BY SIZE OF HOUSEHOLD INCOME

PROCESSED ON 08/04/83

*** TAXABLE INCOME ***

HOUSEHOLD INCOME	FROM INCOME TAX RETURNS			WAGES			INTEREST		
	AMOUNT OF INCOME	NO. OF RETURNS	AVER	AMOUNT OF INCOME	NO. OF RETURNS	AVER	AMOUNT OF INCOME	NO. OF RETURNS	AVER
LOSS	2,945,231-	106	27,785	2,100	1	2,100	0	0	0
0 - 1,000	516,997	281	1,840	50,466	17	2,969	14,745	36	410
1,001 - 2,000	672,047	325	2,068	34,347	43	799	41,956	79	531
2,001 - 3,000	1,201,876	573	2,098	116,034	100	1,160	199,373	426	464
3,001 - 3,500	1,014,420	425	2,387	116,906	142	823	290,319	688	422
3,501 - 4,000	1,294,625	535	2,420	167,331	178	940	451,875	869	520
4,001 - 4,500	1,582,825	599	2,642	173,206	170	1,019	694,004	1,103	629
4,501 - 5,000	2,074,100	705	2,942	235,730	206	1,144	942,162	1,313	718
5,001 - 6,000	5,653,745	1,792	3,155	762,312	537	1,420	2,600,573	2,729	953
6,001 - 7,000	7,877,859	2,070	3,806	772,233	472	1,636	3,043,080	2,350	1,295
7,001 - 8,000	10,068,637	2,266	4,443	743,048	367	2,025	3,072,809	1,915	1,605
8,001 - 9,000	11,265,006	2,224	5,065	468,198	238	1,967	2,692,763	1,454	1,852
9,001 - 10,000	11,353,175	2,061	5,509	403,042	191	2,110	1,968,508	991	1,986
10,001 - 11,000	10,464,980	1,695	6,174	217,582	101	2,154	1,137,884	509	2,236
11,001 - 12,000	8,760,893	1,286	6,813	146,543	63	2,326	752,254	328	2,293
12,001 - 13,000	4,958,730	683	7,260	112,710	35	3,220	376,697	141	2,672
13,001 - OVER	0	0	0	0	0	0	0	0	0
TOTAL	75,814,684	17,626	4,301	4,521,788	2,861	1,580	18,279,002	14,931	1,224

HOUSEHOLD INCOME	DIVIDENDS			OTHER		
	AMOUNT OF INCOME	NO. OF RETURNS	AVER	AMOUNT OF INCOME	NO. OF RETURNS	AVER
LOSS	900	1	900	5,685-	1	5,685
0 - 1,000	473	2	237	12,262	14	876
1,001 - 2,000	1,023	3	341	34,175	39	876
2,001 - 3,000	19,879	44	452	105,809	143	740
3,001 - 3,500	20,680	60	345	140,439	174	807
3,501 - 4,000	25,402	81	314	169,312	238	711
4,001 - 4,500	54,318	114	476	216,812	271	800
4,501 - 5,000	73,513	141	521	289,001	312	926
5,001 - 6,000	176,125	350	503	672,219	669	1,005
6,001 - 7,000	223,007	337	662	645,327	570	1,132
7,001 - 8,000	249,506	348	717	565,352	467	1,211
8,001 - 9,000	227,696	251	907	437,245	334	1,309
9,001 - 10,000	116,362	169	689	303,504	224	1,355
10,001 - 11,000	56,300	78	722	161,408	105	1,537
11,001 - 12,000	76,548	78	981	117,648	71	1,657
12,001 - 13,000	15,979	29	551	47,441	35	1,355
13,001 - OVER	0	0	0	0	0	0
TOTAL	1,337,711	2,086	641	3,912,269	3,667	1,067

(RVITHSTA)

1982 KANSAS HOMESTEAD OR RENTER
PROPERTY TAX RELIEF CLAIMS

PROCESSED ON 08/04/83

SOURCES OF INCOME BY SIZE OF HOUSEHOLD INCOME

*** NON TAXABLE INCOME ***

HOUSEHOLD INCOME	SOCIAL SECURITY			VETERANS PENSIONS & DISABIL			RAILROAD RETIREMENT			OTHER PENSIONS & ANNUITIES		
	AMOUNT OF INCOME	NO. OF RETURNS	AVER	AMOUNT OF INCOME	NO. OF RETURNS	(PAY) AVER	AMOUNT OF INCOME	NO. OF RETURNS	AVER	AMOUNT OF INCOME	NO. OF RETURNS	AVER
LOSS	83,306	19	4,385	0	0	0	0	0	0	0	0	0
0 - 1,000	377,052	125	3,016	10,656	8	1,332	496	1	496	7,979	3	2,660
1,001 - 2,000	928,903	399	2,328	39,603	28	1,414	5,439	5	1,088	24,308	16	1,519
2,001 - 3,000	4,598,421	1,821	2,525	159,337	115	1,386	25,205	16	1,575	63,354	67	946
3,001 - 3,500	14,271,374	4,711	3,029	825,769	477	1,731	46,905	25	1,876	139,064	123	1,131
3,501 - 4,000	11,116,270	3,379	3,290	599,080	513	1,168	115,336	55	2,097	135,694	141	962
4,001 - 4,500	14,148,450	3,885	3,642	718,548	705	1,019	232,961	97	2,402	248,107	268	926
4,501 - 5,000	16,838,566	4,239	3,972	981,078	876	1,120	336,482	117	2,876	340,988	358	952
5,001 - 6,000	30,619,707	7,219	4,242	1,068,560	955	1,119	1,321,889	365	3,622	1,084,577	921	1,178
6,001 - 7,000	26,193,511	5,810	4,508	1,052,521	547	1,924	2,120,580	480	4,418	1,423,485	986	1,444
7,001 - 8,000	22,814,457	4,744	4,809	852,220	389	2,191	1,593,437	345	4,619	1,577,750	921	1,717
8,001 - 9,000	19,853,595	3,880	5,117	748,529	336	2,228	1,233,465	265	4,655	1,712,698	833	2,056
9,001 - 10,000	15,860,141	2,915	5,441	517,051	215	2,405	997,755	192	5,197	1,585,056	713	2,223
10,001 - 11,000	10,674,526	1,941	5,499	320,637	115	2,788	630,209	117	5,386	1,322,377	489	2,704
11,001 - 12,000	7,673,402	1,342	5,718	188,602	74	2,549	429,795	72	5,969	932,774	334	2,793
12,001 - 13,000	3,905,915	691	5,653	103,492	31	3,338	190,681	33	5,778	556,926	167	3,335
13,001 - OVER	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	199,957,596	47,120	4,244	8,185,683	5,384	1,520	9,280,635	2,185	4,247	11,155,137	6,340	1,759

HOUSEHOLD INCOME	ALL INTEREST AND DIVIDENDS			ALIMONY PAYMENTS			WRKN CMP - UNEMP			SUP MNY - P/A		
	AMOUNT OF INCOME	NO. OF RETURNS	AVER	AMOUNT OF INCOME	NO. OF RETURNS	AVER	AMOUNT OF INCOME	NO. OF RETURNS	AVER	AMOUNT OF INCOME	NO. OF RETURNS	AVER
LOSS	9,715	35	278	0	0	0	1,469	1	1,469	0	0	0
0 - 1,000	22,502	86	262	0	0	0	2,834	5	567	35,184	23	1,530
1,001 - 2,000	31,883	114	280	3,016	5	603	8,956	7	1,279	185,860	130	1,430
2,001 - 3,000	98,121	282	348	9,885	8	1,236	38,995	34	1,147	726,994	356	2,042
3,001 - 3,500	145,245	412	353	17,281	17	1,017	34,652	32	1,083	1,008,791	492	2,050
3,501 - 4,000	167,550	436	384	20,562	16	1,285	68,352	43	1,590	1,084,454	401	2,704
4,001 - 4,500	292,794	585	501	16,779	15	1,119	48,759	44	1,108	987,258	352	2,805
4,501 - 5,000	367,999	690	533	21,866	17	1,286	59,643	48	1,243	680,107	257	2,646
5,001 - 6,000	901,940	1,444	625	42,188	26	1,623	169,849	125	1,359	818,604	366	2,237
6,001 - 7,000	1,129,709	1,430	790	39,850	26	1,533	177,946	109	1,633	502,873	242	2,078
7,001 - 8,000	1,123,049	1,353	830	22,525	17	1,325	159,421	98	1,627	323,307	159	2,033
8,001 - 9,000	1,085,038	1,291	840	17,895	7	2,556	126,022	80	1,575	207,637	121	1,716
9,001 - 10,000	856,767	1,118	766	23,643	12	1,970	98,792	58	1,703	139,104	86	1,617
10,001 - 11,000	613,200	894	686	9,945	9	1,105	106,973	49	2,183	139,584	58	2,407
11,001 - 12,000	475,488	694	685	1,047	3	349	69,439	40	1,736	95,609	43	2,223
12,001 - 13,000	260,065	380	684	8,700	1	8,700	51,174	24	2,132	57,078	25	2,283
13,001 - OVER	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	7,581,065	11,244	674	255,182	179	1,426	1,223,276	797	1,535	6,992,444	3,111	2,248

MAXIMUM HOMESTEAD PROPERTY TAX REFUND
UNDER CURRENT LAW AND UNDER
COMMITTEE RECOMMENDATION

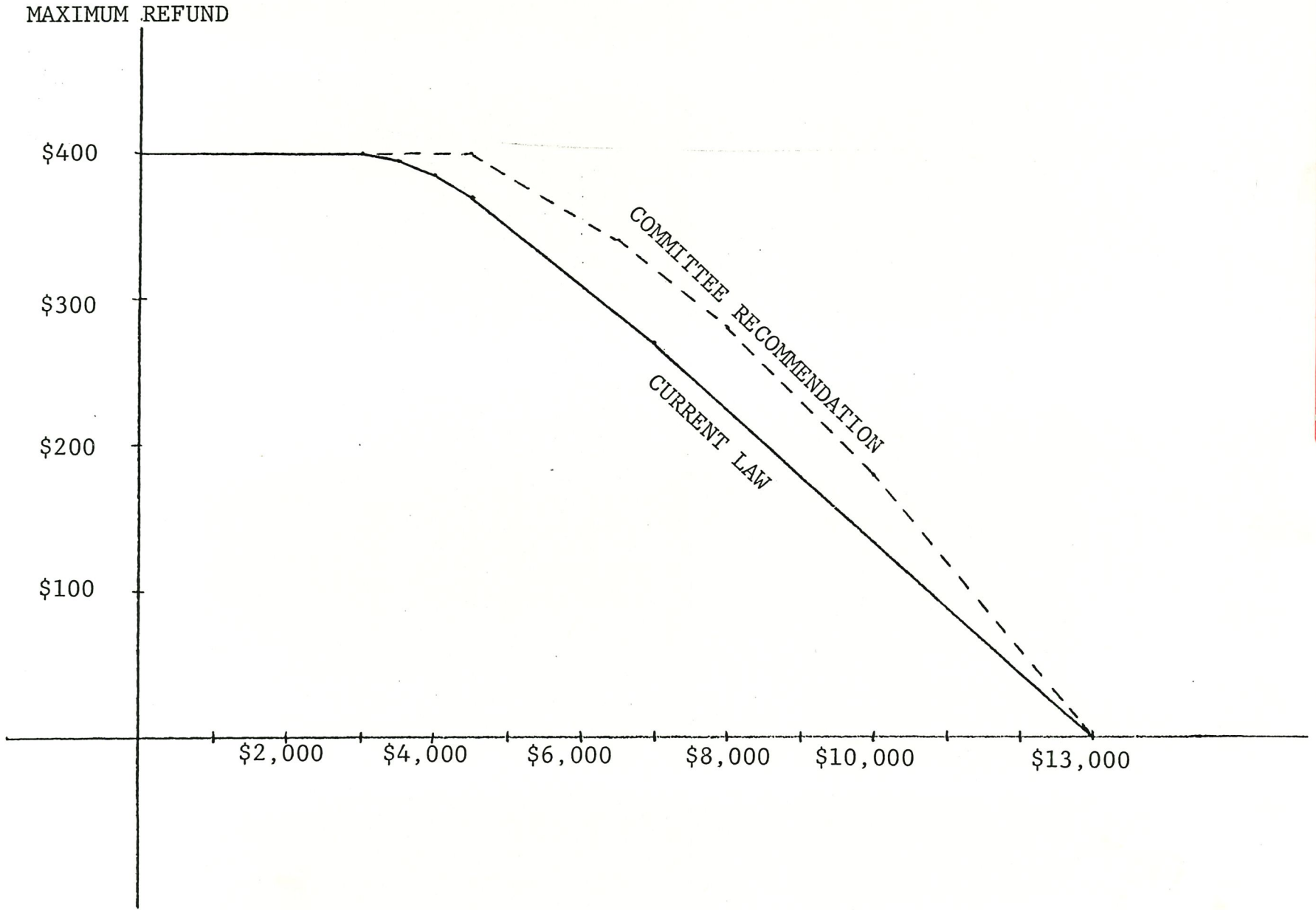


EXHIBIT II
1/19/84

TO HOUSE ASSESSMENT AND TAXATION COMMITTEE
BY KANSAS DEPARTMENT ON AGING
JANUARY 18, 1984

BILL BRIEF:

HB 2612 amends the Homestead Property Tax Refund Program.

SUMMARY PROVISIONS:

1. Increases the \$3,000 free area to \$4,500.
2. Provides that delinquent property taxes on the Homestead shall not be construed to include property taxes on the Homestead which were levied in the calendar year for which a claim is filed.
3. Provides that whenever a claim is allowed and current property taxes have not been paid for the first portion of the calendar year, any refund check should be made out jointly to the claimant and county treasurer.
4. Increases the amount of refund for household income levels above the free area.

TESTIMONY:

The Kansas Department on Aging appreciates the opportunity to address the committee in regard to proposed changes in the Homestead Property Tax Refund program.

The Department supports the major provisions in HB 2612 because it increases property tax refunds for eligible claimants in lower income levels through changes in the free area and changing the brackets of income levels. The increase is greater for households with incomes up to \$6,000 than those at higher levels.

The bill also allows persons who cannot pay the first half of their property taxes to be eligible for benefits. Under HB 2612 whenever current taxes have not been paid, a refund check made out jointly to the claimant and county treasurer will be issued. Both of these changes strengthen the intent of the program: to protect the house and property of Kansans who because of limited income are overly burdened by property taxes.

The decrease in the number of Homestead claimants is a concern to the Department. Although other eligibility criteria such as blind, disabled, and household with a dependent have been added since the enactment of the program in 1970, the aged population has been the largest group of claimants. In 1982, 87% of the claimants were age 60 and older. This percentage represents 49,992 of the total 57,149 claimants for that year.

According to a study presented to the interim committee by the Department of Revenue, decreases in the number of claimants may have been due to increases in non-taxable income which pushed incomes over the

income limit. The Department agrees but believes that many eligible persons under present statute could file but have not done so.

KDOA did some rough comparisons of household income and potential claimants. Based on 1980 census data, for 1 and 2 person families, headed by someone 65+, there was a potential applicant pool of 53,272 households at 125% of poverty or below. 125% of the poverty level for 1979 was \$4,336 for an individual and \$5,420 for a couple, both well below the Homestead maximum of 12,800 in 1980.

For 1982, the 125% of poverty for an individual was \$5,820, and for a couple was \$7,775. These figures project 65+ only at 125% of poverty or below and would still be well within the Homestead maximums.

Another indicator of the number of potential elderly claimants can be derived from the KDOA 1979-80 Statewide Needs Assessment survey for persons 60+. 83% owned their own home, 43% lived alone and 46% lived only with a spouse. 54% of this 60+ population had incomes of \$7,200 or below in 1979. Given no changes, and projecting into 1982, that 54% or 224,480 elderly, would have incomes today of \$9,720. These are still well within the Homestead limits.

The point, of course, is that there is still a large untapped eligible pool of claimants.

The Budget Department prepared an analysis of claimants showing a high of 70,944 in 1980 decreasing to 60,478 in 1982. Although we were unable to specifically pinpoint the cause of the decrease, a variety of factors may have contributed to this including, the change in income maximums; mass public information and public media approaches. While Revenue, SRS, and Aging have made good efforts to reach the pool, there may be more that needs to be done.

The Department on Aging in conjunction with our 11 Area Agencies participate in providing both information and direct outreach assistance to elderly citizens through their offices. Although average staff, is 5, a great deal of time is spent in training older volunteers to assist older people in filling out their Homestead funds. Each of the 11 Area Agencies on Aging throughout Kansas has an Information and Referral Program which publishes announcements of the program and assists persons in completing the forms.

They have indicated that direct assistance is often necessary because many older people are unfamiliar with filling out complex forms, understanding eligibility, guidelines and need actual direct assistance in completion. Area Agencies have indicated that increased public information done on a planned basis particularly in the mass media is needed.

A concerted effort to formulate and carry-out a public information plan would increase the probability that needy Kansans would file a claim. In addition, additional direct outreach may be needed.

The Homestead Property Tax Refund Program is a viable program. To older homeowners, it provides some income relief which may help them stay in their homes. HB 2612 makes some timely and appropriate adjustments to the Homestead Act.

Thank you for your consideration of our comments.

SPECIAL COMMITTEE ON ASSESSMENT AND TAXATION

HOUSE OF REPRESENTATIVES

JANUARY 17, 1984

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to express my concerns on House Bill 2612. I am Patti M. Root, Director of Consumer Assistance and Information for the Aging program with the North Central Flint Hills Area Agency on Aging. Our agency is located in Manhattan and covers eighteen counties in North Central Kansas.

I am here today in support of House Bill 2612. Over the past eight years, Consumer Assistance and Information has been directly assisting older persons in completing Homestead Tax Refunds and other tax forms. During 1983, we personally assisted 664 older persons in completing Homestead Refunds in sixteen counties. However, during 1982 we personally assisted 799 older persons. There has been an noticeable drop in the number of form being prepared by our office. I am not sure ~~what the reasons~~ for this decline are, however, I believe this is true for the entire state. I am sure, many of the 52,000+ older Kansans in our area are eligible, but have not applied. Within our program their are only two full-time staff persons and approximately 80 volunteers doing taxes in the entire 18 counties. Because of our limited funds and our other job tasks it has been difficult to reach all possible recipients of the Homestead Tax Refund program.

Public information aim particularly at older persons is needed. As people get older, their mobility declines and thus, they may not be as active in their community as others and may not get the necessary information about Homestead Tax Refunds. They may also need a person directly assisting them in preparing the form. If the Homestead Tax Refund program is

1/19/84

to be utilized to it's fullest, an extensive publicity campaign needs to be developed. We will of course continue our outreach efforts so that older Kansans will take advantage of this good program.

I would like to comment on two of the proposed changes. The free area on computing the tax refund has been raised from \$3,000 to \$4,500. This will enable older persons to receive larger refunds, as they should with incomes so limited. Many older persons will benefit greatly from this positive change.

The next issue I would like to address is the section regarding delinquent property tax. From our past experience, we have found a number of older persons who could not apply for the Homestead Tax refund because they had not paid their property tax. Many older persons are in a Catch 22 situation. They can't afford to pay their taxes, therefore they can't collect benefits from the Homestead Tax program. However, with the new proposed changes an older person could file for the Homestead Tax Refund and then pay their taxes. This will not only help older persons, but some counties may also benefit.

Again I would like to restate, we are in support of House Bill 2612 and encourage you to pass this bill as written.

On behalf of senior citizens in the North Central Flint Hills Area, thank you for your consideration of this bill. I would be glad to answer any questions.

Respectfully Submitted,

Patti M. Root

Patti M. Root
Consumer Assistance and Information for the Aging
Area Agency on Aging
2601 Anderson Ave.
Manhattan, KS 66502

**Volunteer Guide
for
Homestead and Food Sales
Tax Claims**

Consumer Assistance & Information

For the Aging

Manhattan, Kansas 66502

FALL 1983

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This guide was developed with the help of the State Department of Revenue to train local volunteers to assist older persons of their community with Kansas Homestead and Food Sales Tax Claims. It is an effort to outline the minimum qualifications in a step-by-step fashion, and to define in simple language the terms encountered in completing the forms.

Printing of this booklet was made possible by the Kansas Department of Revenue, Homestead and Food Sales Tax Refund Unit.

Consumer Assistance and Information for the Aging is a direct service project of the North Central-Flint Hills Area Agency on Aging, 2601 Anderson, Manhattan, Kansas, 66502.

HOMESTEAD CLAIM DEFINITIONS

Homestead

The house, apartment, rented room, mobile home, or other dwelling that the claimant owns and occupies, or rents and occupies. It may also apply to a nursing home, if the facility is on the tax rolls.

Household

A household is you, or you and your spouse, providing your spouse occupies the homestead. Household also includes you and any other individual(s) (other than your spouse) who together with you own or rent and occupy the homestead as a residence. The definition of household was amended by the 1980 Legislation to exclude the claimants spouse when they do not occupy the homestead; however, this amendment will not apply to prior years and will not apply to computing household income for Food Sales Tax Claims.

Household Income

All income received by members of the home, who together own and occupy or together rent and occupy the homestead.

Unlike federal and state income tax forms, household income for Homestead purposes includes Social Security plus the amount deducted each month for Medicare, non-taxable annuities, pensions and disability pay. About the only income exempt is gifts.

Key phrases to remember in determining household income are: "together own and occupy" or "together rent and occupy". Household income includes income of any persons in the home meeting the above test.

For example, if two sisters own a home in joint tenancy, and both occupy the home, both incomes would be added to determine the household income.

You are not required to include income received by dependent minor children or incapacitated persons unless they hold legal title to the property.

Rent Paid for Occupancy

The amount paid for rent during the year, but not including charges for utilities, furniture, appliances or services furnished by the landlord.

If there are charges included in the rent the amount must be deducted from the amount of the total rent paid for the period rented.

Rent paid for occupancy should be documented on the Certification of Rent Paid--Schedule IV. (See Section on Completing Certification of Rent Schedule.)

Rent Constituting Property Tax Accrued

Indirectly, through their landlord, renters pay property taxes. Rent constituting property taxes accrued, is the portion of the rent you paid which went to pay property taxes. For purposes of the homestead form, this has been set at 15% of rent paid for occupancy.

QUALIFICATIONS

To be qualified to file for a homestead refund, the claimant must meet ONE of the following:

CHART I

Claimant was 55 years of age or older on January 1, 1983. (Born on or before January 1, 1928). ¹	YES
---	-----

NO

Claimant was disabled or blind during the entire year of 1983 regardless of age. ²	YES
---	-----

NO

Did claimant, regardless of age, have one or more dependents who for the entire year were under 18 residing in the homestead?	YES
---	-----

NO

If the claimant cannot meet one of the stipulations they do not qualify.

You may qualify. See question in Chart II.
--

¹Since the refund is based on general property taxes or rent constituting property taxes during the year of 1983, the claimant must be 55 years of age all year.

²If the claim is based on disability, you must attach a copy of their social security certification of disability as proof that they received social security benefits during the entire year of 1983.

Those not covered by Social Security must complete Schedule-V Certification of Disability.

Those who are blind must either complete Schedule-V, or submit a statement from their doctors.

CHART II

In addition to meeting one of the preceding qualifications, the claimant must also meet each of the following:

Was the claimant a resident of Kansas all of 1983?	NO	STOP!
--	----	-------

YES

Did the claimant own and occupy a home or mobile home on the tax rolls?

OR

Did the claimant rent and occupy a house, apartment, or nursing home room which was on the county property tax rolls? ¹	NO	STOP!
--	----	-------

YES

Has the claimant paid all delinquent taxes?²

NO STOP!

YES

Did the claimant pay all rent, taxes, or nursing home fees?³

NO STOP!

YES

Was claimant's household income for 1983 below or equal to \$12,800?⁴

NO STOP!

YES

Claimant may qualify. Proceed to claim form and definition of Household Income.

¹Public owned facilities are not taxed. Therefore, residents of some nursing homes, and apartments for the elderly, may not qualify. Ask the County Clerk, if in doubt as to whether property is on the tax rolls.

²Those filing before June 21, 1984, need to have paid only the first half of their taxes.

³Most medicaid nursing home residents are not eligible. (See explanation on page 7).

⁴Meeting the income qualification does not, however, guarantee a refund. Only households with income less than \$3,400 receive 100% refund. Two factors determine the amount of the refund; total household income and the amount of general property tax on the homestead, or 15% of rent paid for occupancy. (See definition).

WHO MAY FILE

Only one person per household may file a claim.

If a husband and wife maintain separate homes, they are each entitled to file a homestead claim. (See explanation on page 1).

Two or more individuals, who are not related as husband and wife but together own and occupy, or rent and occupy a homestead, are entitled to only one claim. Both incomes are used in determining household income. If they cannot agree as to whom the claimant will be, they should submit the facts to the Secretary of Revenue, who will determine the proper claimant.

A claim may be filed on behalf of a claimant by a legal guardian, conservator, or attorney-in-fact. Amendments now make it also possible to file a claim for a deceased person under two (2) conditions:

- 1) The claimant died before filing a claim (died after January 1 of this year) and if decedent was a resident of Kansas the entire year preceeding death, OR
- 2) If the claimant died during 1983, and was a resident during the entire part of the year he/she was living.

Claim may be filed by another member of the household, or the decedent's executor or administrator in the name of the decedent. Or, if there is not an executor or administrator, a claim may be filed and made payable to any heir at law. When filing on behalf of a claimant, it is necessary to attach a copy of the legal documentation giving authority to the individual.

For those who died during 1983, the allowable property taxes used in computing the refund will be reduced proportionate to the part of the year he/she lived.

The portion of taxes allowable is computed by using a fraction in which the numerator (top number) is the number of months the claimant lived, and the denominator is twelve. For example, if the claimant died September 10, 1983, 9/12 or 3/4 of their general property taxes would be allowed, and entered on line 16a.

Portion of General Property Taxes Allowed Deceased Claimant

Month of Death	Portion	%	Month of Death	Portion	%
January	1/12	8	July	7/12	58
February	1/6	17	August	2/3	67
March	1/4	25	September	3/4	75
April	1/3	33	October	5/6	83
May	5/12	42	November	11/12	92
June	1/2	50	December	12/12	100

When filing on behalf of a deceased person, it is necessary to attach a copy of the death certificate or funeral announcement AND a copy of letters of administration if the estate has been or will be probated; or, if estate is not probated, an affidavit of heirship. Affidavit of Heirship forms are available from Kansas Homestead and Food Sales Tax Refund Unit, Box 12001, Topeka, Kansas, 66612.

COMPLETING FORM 40-H

Computing Household Income

Lines 1-7

Answer questions based on information gathered with questions in Chart I and II. This ensures the eligibility of the claimant.

Line 8 - To be completed by those filing 1983 Kansas Income Tax Return.

Enter on line 8 the claimants Kansas adjusted gross income from line 9, form 40 or line 6, form 40A, if a 1983 Kansas income tax return was filed by the claimant or any member of the household as defined. If claimant or any member of the household are required to file a 1983 Kansas income tax return, you must complete lines 8, 9, and 10. If not, you may omit lines 8, 9, and 10, and report all taxable and nontaxable income on lines 11a through 13h.

Lines 9 and 10

If the claimant filed an income tax return, and their 1982 refund was included in their Kansas adjusted gross income, enter the amount on line 9. If it was not included, enter zero on line 9. Line 9 should be subtracted from line 8 and entered on line 10.

Line 11 - To be completed by those not filing Kansas Income Tax Return.

On lines a-d list all income that would normally be reported on the income tax return, if income was sufficient to require one to be filed.

- Wages (11a): include odd jobs, part-time employment, and self-employment.
- Interest (11b): list interest from savings account, bonds, credit union dividends, money markets, and All Saver Certificates.
- Dividends (11c): list returns on stocks and insurance policies.
- Other (11d): include such things as capital gains or losses, net rental income (attach schedule on reverse of 40-H), net farm income (Federal Farm Income Schedule may be used to document net income). Any income reported on 11d should be explained on an attached schedule.

If claimant uses part of the homestead for business, or rents part of it out, they may claim only the general property tax paid for the part in which they live. Schedule III is used to calculate the percentage allowed, and also the net income of such ventures.

Line 13 - Non-taxable Income Sources. To be completed by all claimants.

In reporting income, review the definition of household. Remember all income of those who together own and occupy, or who together rent and occupy, must be included.

Social Security or Railroad Retirement Benefits.

Besides the basic monthly amount the recipient receives, we must include the amounts deducted for Medicare (for those participating, which includes most persons 65 or disabled). Each month \$12.20 is automatically deducted to cover the recipients share of Part B insurance costs.

If the claimant has not kept a record of Social Security benefits, it can be easily calculated. Using the amount of their December check, add the Medicare deduction of \$12.20 (if applicable) and multiply by 12. This will be equal to their annual Social Security benefits.

The same method may also be used to calculate annual Railroad Retirement benefits, and SSI (Supplemental Security Income) benefits. (December check + \$12.20 x 12 = benefits).

The amount of the one time Social Security Death Benefits must also be counted as income.

Other Pensions and Annuities.

Many recent retirees are recovering money that they contributed to their pension fund. While this money is not taxable, it is included in calculating household income.

Interest and Dividends.

Interest from tax-exempt bonds, and the dividends exclusion that was not included in the gross income, or on line 11b must be reported.

Other Income.

Enter amounts of alimony payments, workman's compensation, the entire amount of ADC received and any other types of income not already reported.

Not Included as Income.

Reimbursements by Medicare and Health Insurance policies for actual medical expenses are not considered income. Nor are the values of noncash benefits, Energy Assistance, and Food Stamps.

Line 15 - Total Household Income.

Add the amounts of lines 10, 12, and 14, this is the total household income. If the amount is more than \$12,800 no refund is allowed and you need not go further.

COMPUTING ALLOWABLE PROPERTY TAXES

Types of Ownership

How the property is held, as mentioned earlier, determines whose income must be reported. It can also affect the portion of general property taxes used in computing the refund.

If any name other than that of the claimant or in addition to that of the claimant appears on the tax statement, then schedule II--Statement of Ownership (found on reverse of 40H) must be completed. Examples of such titles include: "et al", which means "and others"; Life Estate; Joint Tenants; Tenants in Common; Other interest.

The purpose of declaring type of ownership is to clarify the claimants share or interest in the property; and to determine whether other owners occupied the homestead, and therefore, whether their income should be counted. If the title indicates the claimant owns only a share of the property as is the case with Tenants in Common, then only that portion or percentage reflecting their ownership is allowable.

Homeowner

Only general property tax can be considered. Amounts included for special assessments, charges for services, or interest must be deducted from the property tax statement.

Each claimant is allowed the homestead and adjoining land up to one acre (40 acres, if a farm). If adjoining lots total more than one acre, ask the county clerk to extract the amount of property taxes applicable.

If the claimant owned and occupied more than one homestead during the year, a property tax statement should be attached for each homestead or if one property is sold attach a copy of the closing statement.

If a portion of the homestead is used for rental or business, the claimant must complete the Rental/Business Income Schedule on the back of the 40H form. Only the portion of taxes equal to the portion of the homestead used for personal use can be entered on line 16a. One of two methods may be used to compute the allowable general taxes.

1. A percentage of square feet used for personal use, multiplied by the general property taxes, OR
2. Rooms rented divided by total number of rooms equal percentage of allowable taxes, and multiplied by the general property taxes, and then entered on line 16a.

Farm Owner

Claimants may use only the general property taxes paid for 40 acres of land including the house and out-buildings.

If the homestead contains more than 40 acres, use one of the following methods to compute the amount to be entered on line 16a:

- 1) $\frac{40 \text{ acres}}{\text{Total Acreage}} \times \text{Property Taxes}$ OR
- 2) $\frac{40 \text{ acres}}{\text{Total Acreage}} \times (\text{Total Assesed Value of Land} + \text{Improvements}) \times \text{Mill levy}$

However, it may be to the claimants advantage to call or visit the county clerks office (or appraiser) and have their property tax statements pro-rated. In this way they can be assured they are receiving the true assessment applicable.

Portion Rented. If a portion of the 40 acres is rented to others, the claimant may claim the general tax applicable to the improvements and land they have retained for their personal use.

Mobile Home Owners

Claimants may claim both the property taxes paid on their mobile homes and 15% of the rent paid for the use of the land on which it is located. If cars and trucks are included in the property tax amount, ask the county clerk to pro-rate the amount of property taxes. Pro-rated amount is placed on line 16a.

Claimant must complete the Certification of Rent Paid statement, listing total lot rent paid, and deducting charges for utilities, trash service, etc., if provided by the landlord. 15% of the resulting rent paid for occupancy is entered on line 16b.

The combined total of 16a and 16b is used in determining refund.

COMPUTING RENT CONSTITUTING PROPERTY TAXES ACCRUED

Renters

Renters can claim 15% of the rent paid for occupancy (see definitions), as their portion of property taxes. They or their landlord should complete a Certification of Rent Paid Form, Schedule IV. Tips on aiding in completing the form, discussed later.

If you occupied more than one homestead during 1983, a Certification of Rent Paid statement must be attached for each homestead, and the total amounts of the rent constituting property taxes accrued, added and entered on line 16b.

Farm Renters

If the claimant lives on a farm, they are allowed 15% of the rent paid for up to 40 acres. It is necessary to complete a Certification of Rent Paid by one of the following methods:

- 1) Using the Certification of Rent, on line 6 enter the fair market value (total rent paid) of the landlord's crop share on the date of delivery.

On line 7, indicate the amount of all expenses furnished by landlord. (Bear in mind that only rent paid for space occupied can be considered.) Utilities, services, furniture, appliances, etc. must be subtracted on line 7.

Subtract line 7 from line 6 and enter amount on line 8 and on page 1, line 16b, space [P], form 40H.

OR

- 2) Claimant may use the same method of determining applicable property taxes described for Farm Owner; then multiply that amount times the rent paid.

Special farm rental schedules are available upon request from the Kansas Homestead and Food Sales Tax Refund Unit, Box 12001, Topeka, Kansas, 66612.

Nursing Home Resident

Nursing home residents are eligible only if the nursing home is on the property tax rolls. The county clerk can provide this information. The Department of Revenue has ruled that only the portion of the resident's care provided by the claimant can be considered. Only social security, other pensions, or the amount the claimant pays can be considered when computing rent paid for space occupied. The amount paid by medicaid or other public funds may not be considered. All services and other expenses must be subtracted from the actual amount the claimant pays. When this is done, in most cases, none of their actual payment is left for rent paid for space occupied. If the claimant pays for one or more months without Medicaid assistance, a claim should be filed on these months.

Those wishing to apply, should have a Certification of Rent Paid form completed by the Nursing Home's bookkeeping department. Costs of utilities, food, medical care, furnishing, and all other services the home provides, must be deducted from the fee the resident pays, or use 25% as explained on Schedule IV. In most cases, this is the most beneficial and easiest method for computing rent paid for space occupied for nursing home residents. This amount should be placed on line 8 of the Certification omitting line 7.

DETERMINING THE REFUND

The refund is determined by using the homestead tables found in the Homestead packet beginning on page 7.

Reading across the top, find the appropriate household income bracket, (amount of line 15). Reading down, find the general property tax and/or 15% of Rent Paid for occupancy (line 17). The point where the two meet is the amount of the claimant's refund. Enter this amount on line 18. Note carefully the difference between "over/but not more than" limits on income and "were at least/but less than" limits on taxes.

If you like, the Kansas Department of Revenue will determine the amount of the refund, if all but line 18 are completed.

FINAL STEPS

1. All claim forms must be signed by the claimant. If the claimant is incapable of signing, attach a copy of the affidavit included in Homestead packet or other legal document giving the individual authority to sign.
2. Copies of Property Taxes or Certification of Rent Paid must be attached.
3. Name, address, and Social Security number must be accurate and clearly written.
4. Statement of ownership, if applicable, must be completed by claimants.
5. Any supporting document: i.e., Rental/Business Income Schedule; Certificate of Disability; are also to be attached.
6. When possible, a telephone number should be listed in the appropriate space. This will enable the Department to contact the claimant if additional information is needed.

NOTE: The claimant should allow 10 to 12 weeks for processing of the claim. Although the time span may be less, it is wise to allow adequate time for processing.

CERTIFICATION OF RENT PAID

If the claimant is filing on property taxes as a portion of rent paid, the Certification of Rent Paid (CRP) for 1983 must be completed. Under an amendment passed in 1980, a landlord's signature is no longer required for the CRP. You must indicate on the CRP the total rent paid for the homestead less expenses for services provided by the landlord (which were included in the rent). The difference is rent paid for space occupied and entered on line 8. You may wish to consult the landlord as to the value of services or use the schedule on the reverse side of the CRP.

A CRP must be completed for each place the claimant rented and occupied during 1983.

RETROACTIVE CLAIMS

The Director of Taxation can now accept claims filed after the due date within four years of the original due date and only for one of the following reasons:

- a) Sickness
- b) Absence
- c) Disability of the claimant

Should you encounter a possible claimant, document their income and allowable property taxes for the years in question and attach a letter of explanation outlining justifications as to how one of the above limitations prevented the claimant from filing a timely claim.

FOOD SALES TAX DEFINITIONS

The Food Sales Tax Refund Act provides a \$20 refund to Kansas residents who meet the qualifications below. No sales receipts, or other proof of purchase is required. Any Kansas resident meeting the income restrictions and age or disability requirements can qualify for a \$20 refund.

Residence

The house, apartment, rented room, mobile home, or nursing home which the claimant considers to be their place of residence.

Household

The claimant and their spouse, or claimant and any other individual(s) who occupy a common residence.

Household Income

All income received by persons occupying a common residence is included in totaling household income.

While the same types of Income countable for Homestead purposes (everything except gifts and noncash benefits--see pages 4 and 5), is counted for Food Sales Tax purposes, the total may not be the same when individuals share a residence. For Food Sales tax purposes, occupying a common residence is the only criteria used for determining whose income is included in household income total. Whereas, for Homestead purposes the "own and occupy" or "rent and occupy" test is used.

Income of spouses are always totaled together regardless of whether they occupy a common residence.

QUALIFICATIONS

To qualify, three basic qualifications must be met:

- 1) Claimant must have been 55, or totally and permanently disabled, or blind all of 1983.
- 2) Claimant must have been Kansas resident all of 1983, and
- 3) Total Household Income for 1983 must be \$10,000 or less.

WHO MAY FILE

Only one person per household may file a claim! But a claim should request a refund for all eligible persons within the household.¹ (This is true even if a husband and wife maintain separate residences, because by definition they are a household).

The right to file a claim does not survive a person's death.

If more than one individual qualifies they must determine among themselves who will file. If they cannot agree as to whom the claimant will be, they should submit the facts to the Secretary of Revenue, who will determine the proper claimant.

¹Joint claims will be paid by one check.

HOW TO FILE

Forms will be mailed to anyone who filed a Homestead or Food Sales Tax Claim last year. Or, they are available from the county clerk.

Claims should be filed as soon as possible after December 31, 1983 and no later than October 15, 1984. As with Homestead Claims, the Director of Taxation can accept claims after the due date within four years for reasons of sickness, absence, or disability of the claimant.

COMPLETING FORM 70

Claimant Information

Remember only one claim per household will be considered. So the volunteers first responsibility is to determine the composition of the household and which members are eligible. (See Qualifications). Then insure all eligible persons are included on one application.

Income

Household income must include total income of all members of your household regardless of whether or not they qualify for a refund of Food Sales Tax.

Line 4 - Social Security and Other Pensions

Follow same instructions as for Homestead and include income for any member of the household.

Line 5 - Other Income, not included in Line 4

Any other sources of income, interest, net rent, capital gains, for all members of the household should be listed here.

Line 6 - Total Household Income

Total lines 4 and 5, double checking that ALL income of ALL members of the household has been included. If greater than \$10,000 no refund is allowed.

REFUND

Line 7 - If total household income (Line 6) is \$10,000 or less, enter number of persons who meet one of the following qualifications:

- a) 55 years of age all of 1983, OR
- b) disabled all of 1983, OR
- c) blind all of 1983.

Line 8 - Multiply line 7 by \$20 and enter results on line 8. This will be the amount of refund check.

FINAL DETAILS

All persons counted on line 7 must sign the claim (including claimant).

When possible, a telephone number should be listed in the appropriate space. This will enable the Department to contact the claimant if additional information is needed.

On line corresponding with their signature, list Social Security number, and check the way they qualified (either age or disability, both are not necessary). However, if they qualify under disability, and have never submitted proof of disability in prior years, they must do so at this time.

If form was completed by someone other than the claimant, the preparer must sign and date the completed form.

Food Sales Tax Claims may be mailed with Homestead Claims. The address is:

Kansas Department of Revenue
Homestead and Food Sales Tax Refund Unit
Topeka, Kansas 66625

However, separate checks will be made for Homestead and Food Sales Tax refunds and will be mailed at separate times.

NOTE: The claimant should allow 10 to 12 weeks for processing of the claim. Although the time span may be less, it is wise to allow adequate time for processing.

PROBLEMS

- PROBLEM 1** Jim Brown, 62, rents a home with his sister, Marie, 64. His only income is \$370 a month from Social Security, and \$100 in interest. His sister receives \$304.30 from SSI and Social Security.
- Is Jim eligible to apply for a Homestead refund? Is his sister? What is their total household income for Homestead purposes? What other information do you need to calculate their refund?
- Would they qualify for a Food Sales Tax Refund? What would be the Household Income?
- PROBLEM 2** Virginia Poke's father died in September of 1983. He was 72. She wants to know if she can file a Homestead claim for his estate. Can she?
- PROBLEM 3** Mabel Smith lives in Apartment Towers, an elderly housing complex. The site manager at the nutrition site told her she was not eligible to apply for a refund. She wants to know why not! What would you tell her?
- PROBLEM 4** Mr. William Green owns and still lives on his farm. He wants to know if all his property taxes will be refunded. He owns 120 acres. What portion of his general property taxes are allowable?
- PROBLEM 5** Mrs. Jones owns a mobile home, her property taxes were \$75 and she rents a lot from Parkside Estates for \$45 a month; only service the park provides is trash removal. Assume her household income is \$4,200 and the Mobile Home Park pays trash service of \$3.50 a month. What is her refund?
- PROBLEM 6** The local nursing home administrator calls you. She's just learned about the Homestead Refund Program, and that some nursing home residents are eligible. She would like for you and other volunteers to come out to the home and complete applications for all the residents.
- What information must you have before setting up a date for such a venture? What information should the residents have available? Is there anything the Nursing Home can do to make the job go faster?
- PROBLEM 7** Mary Simmons, 68, paid \$310 in taxes on the home she owns. Her husband is and has been in a nursing home (not on the tax rolls) in a neighboring town for the past 3 years. Mary's income is \$330 a month in Social Security. Her husband receives \$710 a month in Veteran's benefits and Social Security. Mr. Simmons' income is used in its entirety to pay the nursing home bill.
- Is Mary eligible for a Homestead refund? If so, how much will she receive?
- PROBLEM 8** Joan and Ralph Jamison (both age 64) lived together in their home from January to August 1983. On September 1, 1983, Ralph was placed in a nursing home (on the tax rolls). The nursing home fees are paid by Ralph from savings. Ralph's income is \$350 in Social Security, Joan receives \$175 in Social Security, and Ralph received \$200 in interest in December. They own their own home and paid \$500 in taxes on it.
- Would Joan and Ralph be eligible for a Homestead Refund? Whose income and how much income would apply toward the claim on their home? Could Ralph file on the nursing home costs as well?
- PROBLEM 9** Miss Maggie Jones, Social Security number XXX-XX-XXXX, and her sister, Miss Lucy Jones, Social Security number 000-00-0000, have requested your assistance in preparing their 1983 Kansas Homestead Claim, and Food Sales Tax Claim.
- The sisters share Maggie's home located at 1516 Troy, Smith City, Kansas, 66106, Smith County. Their school district is 509.
- Maggie Jones was born on January 4, 1914; and Lucy Jones was born on July 4, 1928.
- Maggie Jones - Income: Maggie Jones informs you that she received \$380.10 Social Security in December. She also received \$1,750 interest from Smith City Bank. Her tax statement shows she paid \$265 for general property taxes due; only her name appears on the tax statement.
- Lucy Jones - Income: Lucy Jones shows you her Kansas Income Tax Return which shows adjusted gross income of \$4,000; \$3,200 was from wages and \$800 from interest.

Do they qualify for a Homestead refund? Prepare the proper forms.

Do they qualify for the Food Sales Tax Refund? Prepare the proper forms.

PROBLEM ANSWERS

- PROBLEM 1** One claim is allowed per household. Therefore, either Jim or his sister may apply but not both. If they cannot decide who should file the claim, the Secretary of Revenue will make a determination.
- Because they together rent and occupy, both incomes are considered in determining household income. To calculate his annual Social Security, you would take his monthly check times 12, which yields \$4,440 (you would not add \$12.20 before multiplying, because at age 62, Jim is not eligible for Medicare). To calculate Marie's, use the same principle. Her annual benefits would equal \$3,651.60. Add to this Jim's interest income. Their total household income would be \$8,191.60. To finish their claim, you would need a completed Rent Certification Form.
- They should also qualify for a Food Sales Tax refund. Their total household income would be \$8,191.60. They are both over 55, so they are both eligible. They should both sign the claim and they'll receive one check for \$40.
- PROBLEM 2** A Homestead claim may be filed for Mr. Poke. If his wife is living, she must apply. If she was at least 55 all of last year, she can file in her name, using their combined income and don't forget to include the Lump Sum Social Security Death Benefit of \$255.
- If she cannot qualify on her own, she may file in her husband's name. She will need to provide proof of death and the refund would be paid to her as surviving spouse.
- If there is no surviving spouse, then the executor or administrator of his estate may file the claim on his behalf. If the estate was not probated Virginia may file the claim as the legal heir. Proof of death and the Letters of Administration if the estate was probated, or the Affidavit of Heirship, if the heir at law is filing, must be attached to the claim.
- The amount of property taxes allowable in calculating the refund will be 9/12 or 75% if being filed on behalf of the claimant.
- *PROBLEM 3** First verify your facts with the county clerk's office. If Apartment Towers is a HUD financed project, then it is public owned, and not on the property tax rolls. Explain that in order to be eligible to claim a refund, someone must have paid property taxes on the premises in which she resides. She would qualify for a Food Sales Tax Refund.
- PROBLEM 4** One-third. The 40 acres maximum allowed a farm homestead is one-third his total acreage ($40 \div 120$) (providing he uses the 40 acres for his own personal use). If he rents out the land, he would only be allowed the general property tax for the plot where the home and buildings set. But because a farmer is allowed the out buildings and improvements in addition to the 40 acres, it may be to his advantage to have the county clerk or appraiser extract the 40 acres immediately surrounding the house, and add the improvements and buildings.
- PROBLEM 5** Mrs. Jones can claim the \$75 in property taxes, plus 15% of the total lot rent paid, less value of the trash removal. The Certification of Rent Paid form must be completed.
- Based on the assumption that the only item provided by the landlord is trash, the total rent paid for occupancy is \$498 ($\$45 - \$3.50 \times 12 = \498). Multiply by 15% and \$74.70 should be entered on line 16b. Add to property taxes on the trailer, and the total that would be entered on line 17 is \$149.70. Her refund would be \$128.
- PROBLEM 6** First, determine if the nursing home is on the tax rolls. (The Administrator should know). Second, explain that only private-pay patients are eligible, those who are Medicaid recipients are not eligible as previously explained on page 7.
- Residents should have a listing of their total household income. It may be necessary to solicit the aid of a family member and/or the resident's guardian in obtaining the needed information.
- To complete the claims, it will be necessary to have a Certification of Rent Paid. The nursing home administrator may prepare one to use for all residents. From the monthly fee they should deduct each resident's share of utility costs, food, medical care, furnishings, and any services the home provides. Then multiply the number of months the resident was in the home, or use

*All HUD projects are not public owned, each should be verified with the County Clerk to verify if the property is on the tax roll.

PROBLEM 6 25% of rent paid as explained in instructions. In most cases, this is the most beneficial and the
 (Continued) easiest method for computing rent paid for nursing home residents.

Even if the home is not on the tax rolls, there may be residents who still maintain their homestead (still pay property taxes) who would need help filing an application.

Nursing home residents may also qualify for a Food Sales Tax Claim. If a spouse is living they should file a joint claim; if not, each resident should file a separate claim.

PROBLEM 7 Mary is eligible for a refund due to amended legislation, the income received by Mr. Simmons would not have to be included inasmuch as he does not occupy the homestead. Her total income would be computed by multiplying $\$330 + 12.20 \times 12 = \$4,106.40$ and with general tax of \$310, her refund would be \$293. However, the spouses income must be included for Food Sales Tax purposes and the combined income exceeds \$10,000; therefore, they would not qualify for a Food Sales Tax refund.

PROBLEM 8 Yes, they would. Joan's entire income of \$2,100.00 ($\175×12) for the year and Ralph's income for January to August of \$2,800.00 ($12 - 4$ (months of September through December) \times \$350). Yes, he could; \$1,600 ($\$350 \times 4 + \200 interest) would be the applicable income.

PROBLEM 9 Homestead Claim - Maggie Jones would be the claimant; Lucy is only 54 on January 1, 1983. Lucy does not own the house with Maggie, so her income is not included.

Line 11b - interest	\$1,750.00
Line 12 - Total	\$1,750.00
Line 13a - Social Security	\$4,707.60
($\$380.10 + \12.20×12)	
Line 14 - Total	\$4,707.60
Line 15 - Total Household Income	\$6,457.60
Line 16a	\$ 265.00
Line 17	\$ 265.00
Line 18 - Refund	\$ 160.00

Food Sales Tax Claim - Because Lucy occupies the residence with Maggie, her income must be included even though she is not old enough to qualify.

Line 4	\$4,707.60
Line 5	\$5,750.00
Line 6 - Total Household Income	\$10,457.60
Line 7	not eligible for food
Line 8 - Refund	sales tax refund (income over \$10,000)

LWVK LEAGUE OF WOMEN VOTERS OF KANSAS

909 Topeka Boulevard-Annex

913/354-7478

Topeka, Kansas 66612

January 18, 1984

STATEMENT TO THE HOUSE ASSESSMENT & TAXATION COMMITTEE IN
SUPPORT OF HB 2612

Mr. Chairman and Members of the Committee:

I am Marian Warriner speaking for the League of Women Voters of Kansas. We support the proposed changes in the Homestead Property Tax Refund Act. Specifically we support:

- 1) The increase in the maximum refund and the increase in the income level for that maximum benefit.
- 2) The provision to cover current but unpaid taxes through a refund check made jointly to the taxpayer-claimant and the county treasurer.

Inflation has taken some value from the benefits originally planned when this program was enacted. We urge you to consider increasing the benefits and increasing the maximum income level for eligibility.

Thank you.

Marian Warriner

Marian Warriner
LWVK Lobbyist for State Finance