

SESSION OF 2002

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2377**

As Amended by House Committee of the Whole

**Brief\***

HB 2377, as amended by the House Committee of the Whole, would provide a new income tax credit and enact two new income tax check-offs.

The bill would provide refundable income tax credits beginning in tax year 2002 equivalent to certain percentages of property taxes actually and timely paid upon the principal dwellings of low-income individuals who are 65 years of age or older.

Specifically, such individuals with a measure of income determined by Kansas adjusted gross income minus Social Security disability benefits and plus income from interest or dividends earned on public sector obligations or securities, state and city KPERS retirement benefits, certain board of public utility retirement benefits, and federal civil service and military retirement benefits would be eligible for income tax credits if such measure is \$30,000 or less.

Qualifying individuals with income of \$0 to \$10,000 would receive a credit equivalent to 30 percent of property taxes paid; qualifying individuals with income over \$10,000 to \$20,000 would receive a credit equivalent to 20 percent of property taxes paid; and qualifying individuals with income over \$20,000 to \$30,000 would receive a credit equivalent to 10 percent of property taxes paid.

Individuals claiming this new credit would be ineligible to also claim refunds pursuant to the Homestead Property Tax Refund Act.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>

The bill also would provide two new individual income tax check-offs allowing taxpayers to contribute moneys to unified school districts of their choice and for home community-based service waiver funding.

## **Background**

Representative Toplikar appeared as a proponent to the original bill.

The House Committee amended the bill, which was originally introduced during the 2001 Session, to change the effective date of the credit from tax year 2001 to tax year 2002. The House Committee of the Whole added the two check-offs.

A fiscal note from the Department of Revenue indicates that the credit would be expected to reduce receipts by \$0.924 million. The fiscal note further indicates that an additional \$0.515 million in State General Fund expenditures would be necessary to administer the credit. No fiscal notes were immediately available relative to administrative costs associated with the House Committee of the Whole check-off amendments.