

SESSION OF 2026

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 434**

As Recommended by House Committee on
Taxation

Brief*

House Sub. for SB 434 would enact the Veterans' Valor Property Tax Relief Act, creating a refundable income tax credit for certain disabled veterans, and would repeal a sales tax exemption for certain disabled veterans scheduled to take effect July 1, 2026.

Veterans' Valor Property Tax Relief Act

The tax credit, which would begin in tax year 2026, would be 50 percent of the property and ad valorem taxes actually and timely paid on the residential property of the taxpayer. Taxpayers eligible for the credit would be residents of Kansas who have been discharged from active service under an honorable discharge or a general discharge under honorable conditions from any component of the uniformed services and determined by the Secretary of such component to be rated with a 100 percent permanent and total service-connected disability, a total service-connected disability, or a total disability rating based on unemployability.

Taxpayers receiving the credit would be prohibited from receiving a credit pursuant to the Homestead Property Tax Refund Act or the Selective Assistance for Effective Senior Relief program.

*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 <https://klrd.gov/>

The credit would be supplemental to the Homestead Property Tax Refund Act, but the income and appraised value limitations provided in the Homestead Property Tax Refund Act would not apply to the credit.

The Secretary of Revenue would be required to adopt rules and regulations regarding documentation supporting claims for the credit.

Repealed Sales Tax Exemption

The bill would repeal a sales tax exemption currently scheduled to take effect July 1, 2026, for veterans rated with a 100 percent disability or deemed totally disabled or unemployable for disabilities sustained through active military service.

The sales tax exemption is limited to sales of \$24,000 per year per eligible person and does not include sales of motor vehicles, alcoholic beverages, tobacco, or electronic cigarettes and consumable material. It is scheduled to be available to surviving spouses of deceased veterans who would otherwise qualify and will require the Department of Revenue to prepare exemption certificate cards for eligible individuals.

Background

The House Committee on Taxation replaced the contents of SB 434 with the provisions of HB 2005, as amended by the House Committee on Taxation, and recommended a substitute bill be passed.

[*Note:* SB 434, as amended by the Senate Committee of the Whole, would have amended state law related to determination of disability for disabled veterans qualifying for the sales tax exemption that would be repealed by the substitute bill.]

HB 2005

The bill was introduced by Representatives Proctor, Barrett, Bergquist, Blex, Bloom, Bohi, Buehler, Butler, Chauncey, Collins, Delperdang, Ellis, Esau, Essex, Goddard, Howerton, Kessler, Minnix, Moser, Neelly, Resman, Rhiley, Roeser, Steele, Sweely, Thompson, Turk, and Waymaster.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by Representative Proctor, a representative of the Military Officers Association of America, a retired U.S. Army veteran, and a private citizen. The proponents generally stated the bill would provide targeted property tax relief to disabled Kansas veterans, who deserve such relief in recognition of the value of their sacrifice and service to the country.

Written-only proponent testimony was provided by the Riley County Board of Commissioners, five disabled Kansas veterans, and representatives of the Kansas Association of Counties and League of Kansas Municipalities.

No other testimony was provided.

The House Committee amended the bill to reduce the amount of the credit from 75 percent to 50 percent.

On January 20, 2026, the bill was withdrawn from the calendar and re-referred to the House Committee on Taxation.

Upon re-referral, the House Committee amended the bill to update the effective year of the credit to 2026, revise the definition of disabled veterans eligible for the credit, and add the repeal of the sales tax exemption.

Fiscal Information

A revised fiscal note on the substitute bill was not immediately available.

Taxation; tax credits; property tax; sales tax; exemptions; disabled veterans;
Veterans' Valor Property Tax Relief Act