

HOUSE BILL No. 2063

By Representatives Whipple, Edwards, Bradford, Christmann, DeGraaf,
Herrnanson, Howell and Osterman

1-23

Proposed Balloon Amendment
House Taxation Subcommittee

1 AN ACT concerning income taxation; relating to credits; homestead which
2 has sustained substantial damage and is located in a disaster area.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) As used in this section:

6 (1) "Disaster area" means an area in which a disaster emergency has
7 been declared by the president under the provisions of the Robert T.
8 Stafford disaster and emergency assistance act.

9 (2) "Homestead" means the dwelling, or any part thereof, whether
10 owned or rented, which is occupied as a residence by the household and so
11 much of the land surrounding it, as defined as a home site for ad valorem
12 tax purposes, and may consist of a part of a multi-dwelling or multi-
13 purpose building and a part of the land upon which it is built or a
14 manufactured home or mobile home and the land upon which it is situated.
15 "Owned" includes a vendee in possession under a land contract, a life
16 tenant, a beneficiary under a trust and one or more joint tenants or tenants
17 in common.

18 (3) "Public or private buyout" means any buyout from a local, state or
19 federal governmental entity or any non-governmental entity, including, but
20 not limited to, an individual, foundation, trust, association, corporation,
21 limited liability company or partnership.

22 (4) "Substantial damage" means damage of any origin sustained by a
23 homestead as the direct result of a natural disaster, whereby the cost of
24 restoring the structure to its before-damaged condition would equal or
25 exceed 50% of the market value of the structure before the damage
26 occurred.

27 (b) For taxable years commencing after December 31, 2012, there
28 shall be allowed as a credit against the tax liability of a resident imposed
29 under the Kansas income tax act a proportional amount of the property
30 taxes owed by such taxpayer on a homestead that has sustained substantial
31 damage and is located in a disaster area. The amount of the credit shall be
32 computed as follows:

33 Date which substantial damage occurs Amount of property tax credited
34 On or after January 1, but before February 1 Full amount
35 On or after February 1, but before March 1 $\frac{1}{2}$

as determined by the county appraiser on January 1 of the year

and paid

- 1 On or after March 1, but before April 1 5/6
- 2 On or after April 1, but before May 1 3/4
- 3 On or after May 1, but before June 1 2/3
- 4 On or after June 1, but before July 1 1/2
- 5 On or after July 1, but before August 1 1/3
- 6 On or after August 1, but before September 1 5/12
- 7 On or after September 1, but before October 1 1/4
- 8 On or after October 1, but before November 1 1/6
- 9 On or after November 1, but before December 1 1/12
- 10 On or after December 1, but before January 1 1/12

11 (c) The tax credit allowed by subsection (b) shall be deducted from
 12 the taxpayer's income tax liability for the taxable year in which the natural
 13 disaster occurred. If the amount of the credit allowed by subsection (b)
 14 exceeds the taxpayer's income tax liability imposed under the Kansas
 15 income tax act, such excess amount shall be refunded to the taxpayer.

16 (d) No claim for relief under the provisions of this section shall be
 17 allowed to any taxpayer who is a recipient of funds from either a public or
 18 private buyout or insurance proceeds, which, as the case may be, are of an
 19 amount equal to or greater than 50% of the entire pre-disaster value of the
 20 homestead which sustained substantial damage.

21 (e) The taxpayer shall submit to the director all information that the
 22 director determines necessary for the calculation of the credit provided by
 23 this section. The secretary of revenue shall adopt such rules and
 24 regulations as deemed necessary to carry out the provisions of this section,
 25 including, but not limited to, the filing of documents that support the
 26 amount of credit claimed pursuant to this section.

27 Sec. 2. This act shall take effect and be in force from and after its
 28 publication in the Kansas register.

The pre-disaster value of the homestead shall be the value determined by
 the county appraiser on January 1 of the year the damage occurred.

of taxation