

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 265**

As Amended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 265, as amended, would change the definition of “income” to disregard the new “non-wage business income” exemption for the purpose of calculating income for both the homestead refund and the Selective Assistance for Effective Senior Relief (SAFESR) tax credit of the Homestead Refund Program. Under the current definition of “income” for the Homestead Refund Program, any person whose sole income was exempt under the “non-wage business income” exemption (created by the passage of 2012 HB 2117) could qualify for the refund, assuming the other eligibility qualifications were met. Passage of the bill would correct the definition of income to the originally intended calculation of income for the Homestead Refund Program.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation. A representative from the Department of Revenue requested the bill introduction and testified at the Senate Committee hearing that the amendment is a technical change to reflect the original intentions of the Homestead Refund and the SAFESR tax credit. There was no other testimony on the bill.

The Senate Committee on Assessment and Taxation amended the bill to make the change retroactive to 2013. The amendment was requested by the Department of Revenue.

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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>

According to the fiscal note prepared by the Division of the Budget, there is no fiscal impact associated with the bill, as the bill reflects the original intention of the definition of income for the Homestead Refund Program. If the bill is not passed, the fiscal note states, there possibly would be a negative impact to the State General Fund, as more taxpayers will be eligible for the refund or credit than originally intended.