

SENATE BILL No. 238

By Committee on Assessment and Taxation

2-16

1 AN ACT concerning taxation; relating to homestead property tax refunds;
2 eligibility for armed forces service-connected disability; amending
3 K.S.A. 2014 Supp. 79-4502 and repealing the existing section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2014 Supp. 79-4502 is hereby amended to read as
7 follows: 79-4502. As used in this act, unless the context clearly indicates
8 otherwise:

9 (a) "Income" means the sum of adjusted gross income under the
10 Kansas income tax act effective for tax year 2013 and thereafter without
11 regard to any modifications pursuant to K.S.A. 79-32,117(b)(xx) through
12 (xxiii) and (c)(xx), and amendments thereto, maintenance, support money,
13 cash public assistance and relief, not including any refund granted under
14 this act, the gross amount of any pension or annuity, including all
15 monetary retirement benefits from whatever source derived, including but
16 not limited to, all payments received under the railroad retirement act,
17 except disability payments, payments received under the federal social
18 security act, except that for determination of what constitutes income such
19 amount shall not exceed 50% of any such social security payments and
20 shall not include any social security payments to a claimant who prior to
21 attaining full retirement age had been receiving disability payments under
22 the federal social security act in an amount not to exceed the amount of
23 such disability payments or 50% of any such social security payments,
24 whichever is greater, all dividends and interest from whatever source
25 derived not included in adjusted gross income, workers compensation and
26 the gross amount of "loss of time" insurance. Income does not include gifts
27 from nongovernmental sources or surplus food or other relief in kind
28 supplied by a governmental agency, nor shall net operating losses and net
29 capital losses be considered in the determination of income. Income does
30 not include veterans disability pensions. Income does not include disability
31 payments received under the federal social security act. *Income does not*
32 *include any payments received for a service-connected disability under the*
33 *laws administered by the veterans administration.*

34 (b) "Household" means a claimant, a claimant and spouse who
35 occupy the homestead or a claimant and one or more individuals not
36 related as husband and wife who together occupy a homestead.

1 (c) "Household income" means all income received by all persons of
2 a household in a calendar year while members of such household.

3 (d) "Homestead" means the dwelling, or any part thereof, owned and
4 occupied as a residence by the household and so much of the land
5 surrounding it, as defined as a home site for ad valorem tax purposes, and
6 may consist of a part of a multi-dwelling or multi-purpose building and a
7 part of the land upon which it is built or a manufactured home or mobile
8 home and the land upon which it is situated. "Owned" includes a vendee in
9 possession under a land contract, a life tenant, a beneficiary under a trust
10 and one or more joint tenants or tenants in common.

11 (e) "Claimant" means a person who has filed a claim under the
12 provisions of this act and was, during the entire calendar year preceding
13 the year in which such claim was filed for refund under this act, except as
14 provided in K.S.A. 79-4503, and amendments thereto, both domiciled in
15 this state and was: (1) A person having a disability; (2) a person who is 55
16 years of age or older; (3) a disabled veteran; (4) the surviving spouse of
17 active duty military personnel who died in the line of duty; or (5) a person
18 other than a person included under (1), (2), (3) or (4) having one or more
19 dependent children under 18 years of age residing at the person's
20 homestead during the calendar year immediately preceding the year in
21 which a claim is filed under this act. The surviving spouse of a disabled
22 veteran who was receiving benefits pursuant to subsection (e)(3) of this
23 section at the time of the veterans' death, shall be eligible to continue to
24 receive benefits until such time the surviving spouse remarries.

25 When a homestead is occupied by two or more individuals and more
26 than one of the individuals is able to qualify as a claimant, the individuals
27 may determine between them as to whom the claimant will be. If they are
28 unable to agree, the matter shall be referred to the secretary of revenue
29 whose decision shall be final.

30 (f) "Property taxes accrued" means property taxes, exclusive of
31 special assessments, delinquent interest and charges for service, levied on
32 a claimant's homestead in 1979 or any calendar year thereafter by the state
33 of Kansas and the political and taxing subdivisions of the state. When a
34 homestead is owned by two or more persons or entities as joint tenants or
35 tenants in common and one or more of the persons or entities is not a
36 member of claimant's household, "property taxes accrued" is that part of
37 property taxes levied on the homestead that reflects the ownership
38 percentage of the claimant's household. For purposes of this act, property
39 taxes are "levied" when the tax roll is delivered to the local treasurer with
40 the treasurer's warrant for collection. When a claimant and household own
41 their homestead part of a calendar year, "property taxes accrued" means
42 only taxes levied on the homestead when both owned and occupied as a
43 homestead by the claimant's household at the time of the levy, multiplied

1 by the percentage of 12 months that the property was owned and occupied
2 by the household as its homestead in the year. When a household owns and
3 occupies two or more different homesteads in the same calendar year,
4 property taxes accrued shall be the sum of the taxes allocable to those
5 several properties while occupied by the household as its homestead
6 during the year. Whenever a homestead is an integral part of a larger unit
7 such as a multi-purpose or multi-dwelling building, property taxes accrued
8 shall be that percentage of the total property taxes accrued as the value of
9 the homestead is of the total value. For the purpose of this act, the word
10 "unit" refers to that parcel of property covered by a single tax statement of
11 which the homestead is a part.

12 (g) "Disability" means:

13 (1) Inability to engage in any substantial gainful activity by reason of
14 any medically determinable physical or mental impairment which can be
15 expected to result in death or has lasted or can be expected to last for a
16 continuous period of not less than 12 months, and an individual shall be
17 determined to be under a disability only if the physical or mental
18 impairment or impairments are of such severity that the individual is not
19 only unable to do the individual's previous work but cannot, considering
20 age, education and work experience, engage in any other kind of
21 substantial gainful work which exists in the national economy, regardless
22 of whether such work exists in the immediate area in which the individual
23 lives or whether a specific job vacancy exists for the individual, or whether
24 the individual would be hired if application was made for work. For
25 purposes of the preceding sentence (with respect to any individual), "work
26 which exists in the national economy" means work which exists in
27 significant numbers either in the region where the individual lives or in
28 several regions of the country; for purposes of this subsection, a "physical
29 or mental impairment" is an impairment that results from anatomical,
30 physiological or psychological abnormalities which are demonstrable by
31 medically acceptable clinical and laboratory diagnostic techniques; or

32 (2) blindness and inability by reason of blindness to engage in
33 substantial gainful activity requiring skills or abilities comparable to those
34 of any gainful activity in which the individual has previously engaged with
35 some regularity and over a substantial period of time.

36 (h) "Blindness" means central visual acuity of $20/200$ or less in the
37 better eye with the use of a correcting lens. An eye which is accompanied
38 by a limitation in the fields of vision such that the widest diameter of the
39 visual field subtends an angle no greater than 20 degrees shall be
40 considered for the purpose of this paragraph as having a central visual
41 acuity of $20/200$ or less.

42 (i) "Disabled veteran" means a person who is a resident of Kansas
43 and has been honorably discharged from active service in any branch of

1 the armed forces of the United States or Kansas national guard and who
2 has been certified by the United States department of veterans affairs or its
3 successor to have a 50% permanent disability sustained through military
4 action or accident or resulting from disease contracted while in such active
5 service.

6 Sec. 2. K.S.A. 2014 Supp. 79-4502 is hereby repealed.

7 Sec. 3. This act shall take effect and be in force from and after its
8 publication in the statute book.