

SENATE BILL No. 462

By Committee on Assessment and Taxation

2-8

1 AN ACT concerning taxation; relating to income taxation; providing
2 homestead property tax refunds to certain persons based on the increase
3 in property tax over the base year property tax amount; amending
4 K.S.A. 79-4502, 79-4508 and 79-4509 and repealing the existing
5 sections.
6

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

8 New Section 1. (a) For tax year 2021, and all tax years thereafter, the
9 amount of any claim pursuant to this section shall be computed by
10 deducting the claimant's base year ad valorem tax amount for the
11 homestead from the claimant's homestead ad valorem tax amount for the
12 tax year for which the refund is sought.

13 (b) As used in this section:

14 (1) "Base year" means the year in which an individual becomes an
15 eligible claimant and who is also eligible for a claim for refund pursuant to
16 this section. For any individual who would otherwise be an eligible
17 claimant prior to 2020, such base year shall be deemed to be 2020 for the
18 purposes of this act. In the event an individual is no longer an eligible
19 claimant under this section, the individual shall establish a new base year
20 in the year that the individual becomes an eligible claimant.

21 (2) "Claimant" means a person who has filed a claim under the
22 provisions of this act and was, during the entire calendar year preceding
23 the year in which such claim was filed for refund under this act, except as
24 provided in K.S.A. 79-4503, and amendments thereto, both domiciled in
25 this state and was: (A) A person who is 65 years of age or older; or (B) a
26 disabled veteran. The surviving spouse of a person 65 years of age or older
27 or a disabled veteran who was receiving benefits pursuant to this section at
28 the time of the claimant's death shall be eligible to continue to receive
29 benefits until such time the surviving spouse remarries.

30 (c) A claimant shall only be eligible for a claim for refund under this
31 section if the claimant's household income for the year in which the claim
32 is filed is \$50,000 or less. In the case of all tax years commencing after
33 December 31, 2021, the upper limit household income threshold amount
34 prescribed in this subsection shall be increased by an amount equal to such
35 threshold amount multiplied by the cost-of-living adjustment determined
36 under section 1(f)(3) of the federal internal revenue code for the calendar

1 year in which the taxable year commences.

2 (d) A taxpayer shall not be eligible for a homestead property tax
3 refund claim pursuant to this section if such taxpayer has received for such
4 property for such tax year either: (1) A homestead property tax refund
5 pursuant to K.S.A. 79-4508, and amendments thereto; or (2) the selective
6 assistance for effective senior relief (SAFESR) credit pursuant to K.S.A.
7 79-32,263, and amendments thereto.

8 (e) The amount of any claim shall be computed to the nearest \$1.

9 (f) Notwithstanding any provision of law to the contrary, for tax year
10 2021, no claim pursuant to this section shall be paid or allowed unless
11 such claim is filed with and in the possession of the department of revenue
12 on or before April 15, 2023.

13 (g) The provisions of this section shall be a part of and supplemental
14 to the homestead property tax refund act.

15 Sec. 2. K.S.A. 79-4502 is hereby amended to read as follows: 79-
16 4502. As used in this act, unless the context clearly indicates otherwise:

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

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

43 (c) "Household income" means all income received by all persons of

1 a household in a calendar year while members of such household.

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

10 (e) "Claimant" means a person who has filed a claim under the
11 provisions of this act and was, during the entire calendar year preceding
12 the year in which such claim was filed for refund under this act, except as
13 provided in K.S.A. 79-4503, and amendments thereto, both domiciled in
14 this state and was: (1) *For purposes of a claim under K.S.A. 79-4508, and*
15 *amendments thereto: (A) A person having a disability; ~~(2)~~ (B) a person*
16 *who is 55 years of age or older; ~~(3)~~ (C) a disabled veteran; ~~(4)~~ (D) the*
17 *surviving spouse of active duty military personnel who died in the line of*
18 *duty; or ~~(5)~~ (E) a person other than a person included under ~~(1), (2), (3) or~~*
19 *~~(4)~~ subparagraph (A), (B), (C) or (D) having one or more dependent*
20 *children under 18 years of age residing at the person's homestead during*
21 *the calendar year immediately preceding the year in which a claim is filed*
22 *under this act; or (2) for purposes of a claim under section 1, and*
23 *amendments thereto: (A) A person who is 65 years of age or older; or (B)*
24 *a disabled veteran. The surviving spouse of a disabled veteran who was*
25 *receiving benefits pursuant to subsection ~~(e)(3) of this section (e)(1)(C)~~ at*
26 *the time of the veterans' death, shall be eligible to continue to receive*
27 *benefits until such time the surviving spouse remarries.*

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

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

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

15 (g) "Disability" means:

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

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

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

1 acuity of ²⁰/₂₀₀ or less.

2 (i) "Disabled veteran" means a person who is a resident of Kansas
 3 and has been honorably discharged from active service in any branch of
 4 the armed forces of the United States or Kansas national guard and who
 5 has been certified by the United States department of veterans affairs or its
 6 successor to have a 50% *or greater* permanent disability sustained through
 7 military action or accident or resulting from disease contracted while in
 8 such active service.

9 Sec. 3. K.S.A. 79-4508 is hereby amended to read as follows: 79-
 10 4508. (a) Commencing in the tax year beginning after December 31, 2005,
 11 the amount of any claim pursuant to this act *and under this section* shall be
 12 computed by deducting the amount computed under column (2) from the
 13 amount of claimant's property tax accrued.

	(1)	(2)
Claimant's	Claimant's household	Deduction from property tax
	income	accrued
	But not	
	more than	
At least		
\$0	\$6,000	\$0
6,001	7,000	4%
7,001	16,000	4% plus 4% of every \$1,000, or
		fraction thereof, of income in
		excess of \$7,001
16,001	27,000	40% plus 5% of every \$1,000,
		or fraction thereof, of income in
		excess of \$16,001
27,001	27,600	95%

28 (b) The director of taxation shall prepare a table under which claims
 29 under this act *and this section* shall be determined. The amount of claim
 30 for each bracket shall be computed only to the nearest \$1.

31 (c) The claimant may elect not to record the amount claimed on the
 32 claim. The claim allowable to persons making this election shall be
 33 computed by the department which shall notify the claimant by mail of the
 34 amount of the allowable claim.

35 (d) In the case of all tax years commencing after December 31, 2004,
 36 the upper limit threshold amount prescribed in this section, shall be
 37 increased by an amount equal to such threshold amount multiplied by the
 38 cost-of-living adjustment determined under section 1(f)(3) of the federal
 39 internal revenue code for the calendar year in which the taxable year
 40 commences.

41 Sec. 4. K.S.A. 79-4509 is hereby amended to read as follows: 79-
 42 4509. (a) In the event property taxes accrued exceeds \$700 for a household
 43 in any one year, the amount thereof shall, for purposes of this act, be

1 deemed to have been \$700.

2 *(b) The provisions of subsection (a) shall not apply to a claim for*
3 *refund pursuant to section 1, and amendments thereto.*

4 Sec. 5. K.S.A. 79-4502, 79-4508 and 79-4509 are hereby repealed.

5 Sec. 6. This act shall take effect and be in force from and after its
6 publication in the Kansas register.