

SENATE BILL No. 453

By Committee on Assessment and Taxation

2-5

1 AN ACT concerning taxation; relating to the homestead property tax
2 refund act; excluding social security payments from household income;
3 expanding eligibility related to increased property tax homestead
4 property tax refund claims; amending K.S.A. 2023 Supp. 79-4502 and
5 79-4508a and repealing the existing sections.
6

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

8 Section 1. K.S.A. 2023 Supp. 79-4502 is hereby amended to read as
9 follows: 79-4502. As used in this act, unless the context clearly indicates
10 otherwise:

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

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) For purposes of a claim under K.S.A. 79-4508, and
16 amendments thereto: (A) A person having a disability; (B) a person who is
17 55 years of age or older; (C) a disabled veteran; (D) the surviving spouse
18 of active duty military personnel who died in the line of duty; or (E) a
19 person other than a person included under subparagraph (A), (B), (C) or
20 (D) having one or more dependent children under 18 years of age residing
21 at the person's homestead during the calendar year immediately preceding
22 the year in which a claim is filed under this act; or (2) for purposes of a
23 claim under K.S.A. 2023 Supp. 79-4508a, and amendments thereto: ~~(A), a~~
24 ~~person who is 65 years of any age or older; or (B) a disabled veteran.~~ The
25 surviving spouse of a disabled veteran who was receiving benefits
26 pursuant to subsection (e)(1)(C) at the time of the veterans' death, shall be
27 eligible to continue to receive benefits until such time the surviving spouse
28 remarries.

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

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

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

16 (g) "Disability" means:

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

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

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

1 considered for the purpose of this paragraph as having a central visual
2 acuity of $20/200$ or less.

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

10 Sec. 2. K.S.A. 2023 Supp. 79-4508a is hereby amended to read as
11 follows: 79-4508a. (a) For tax year 2022, and all tax years thereafter, the
12 amount of any claim pursuant to this section shall be computed by
13 deducting the claimant's base year ad valorem tax amount for the
14 homestead from the claimant's homestead ad valorem tax amount for the
15 tax year for which the refund is sought.

16 (b) As used in this section:

17 (1) "Base year" means the year in which an individual becomes an
18 eligible claimant and who is also eligible for a claim for refund pursuant to
19 this section. For any individual who would otherwise be an eligible
20 claimant prior to 2021, such base year shall be deemed to be 2021 for the
21 purposes of this act.

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

31 (3) *"Household income" means all income as defined in K.S.A. 79-*
32 *4502(a), and amendments thereto, excluding all payments received under*
33 *the federal social security act received by persons of a household in a*
34 *calendar year while members of such household.*

35 (c) A claimant shall only be eligible for a claim for refund under this
36 section if:

37 (1) The claimant's household income for the year in which the claim
38 is filed is ~~\$50,000~~ \$80,000 or less, *except as provided in subsection (f)*;
39 and

40 (2) the appraised value of the claimant's homestead for the base year
41 is ~~\$350,000~~ \$500,000 or less.

42 The provisions of K.S.A. 79-4522, and amendments thereto, shall not
43 apply to a claim pursuant to this section. In the case of all tax years

1 commencing after December 31, 2022, the upper limit household income
2 threshold amount prescribed in this subsection shall be increased by an
3 amount equal to such threshold amount multiplied by the cost-of-living
4 adjustment determined under section 1(f)(3) of the federal internal revenue
5 code for the calendar year in which the taxable year commences. *In the*
6 *case of all base years commencing after December 31, 2021, the upper*
7 *limit appraised value threshold amount prescribed in this subsection shall*
8 *be increased each year to reflect the average percentage change in*
9 *statewide residential valuation of existing residential real property for the*
10 *preceding 10 years.*

11 (d) A taxpayer shall not be eligible for a homestead property tax
12 refund claim pursuant to this section if such taxpayer has received for such
13 property for such tax year either: (1) A homestead property tax refund
14 pursuant to K.S.A. 79-4508, and amendments thereto; or (2) the selective
15 assistance for effective senior relief (SAFESR) credit pursuant to K.S.A.
16 79-32,263, and amendments thereto.

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

18 (f) *The household income eligibility provision of subsection (c)(1)*
19 *shall not apply to a claimant who is a disabled veteran.*

20 (g) *The household income, appraised value and other eligibility*
21 *amendments made to this section by this act shall apply retroactively, and*
22 *the deadline to file claims for tax years 2022 and 2023 shall be extended*
23 *to on or before April 15, 2025.*

24 (h) The provisions of this section shall be a part of and supplemental
25 to the homestead property tax refund act.

26 Sec. 3. K.S.A. 2023 Supp. 79-4502 and 79-4508a are hereby
27 repealed.

28 Sec. 4. This act shall take effect and be in force from and after its
29 publication in the statute book.