

HOUSE BILL No. 2670

By Committee on Veterans, Military and Homeland Security

2-13

1 AN ACT concerning property tax; relating to homestead property tax
2 refunds; disabled veterans; amending K.S.A. 2013 Supp. 79-4501, 79-
3 4502 and 79-4508 and repealing the existing sections.

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

6 Section 1. K.S.A. 2013 Supp. 79-4501 is hereby amended to read as
7 follows: 79-4501. The title of this act shall be the homestead property tax
8 refund act. The purpose of this act shall be to provide ad valorem tax
9 refunds to: (a) Certain persons who are of qualifying age who own their
10 homestead; (b) certain persons who have a disability, who own their
11 homestead; ~~and~~ (c) certain persons other than persons included under the
12 provisions of (a) or (b) who have low incomes and dependent children and
13 own their homestead; *and (d) partially or completely disabled veterans.*

14 Sec. 2. K.S.A. 2013 Supp. 79-4502 is hereby amended to read as
15 follows: 79-4502. As used in this act, unless the context clearly indicates
16 otherwise:

17 (a) "Income" means the sum of adjusted gross income under the
18 Kansas income tax act, maintenance, support money, cash public
19 assistance and relief, not including any refund granted under this act, the
20 gross amount of any pension or annuity, including all monetary retirement
21 benefits from whatever source derived, including but not limited to, all
22 payments received under the railroad retirement act, except disability
23 payments, payments received under the federal social security act, except
24 that for determination of what constitutes income such amount shall not
25 exceed 50% of any such social security payments and shall not include any
26 social security payments to a claimant who prior to attaining full
27 retirement age had been receiving disability payments under the federal
28 social security act in an amount not to exceed the amount of such disability
29 payments or 50% of any such social security payments, whichever is
30 greater, all dividends and interest from whatever source derived not
31 included in adjusted gross income, workers compensation and the gross
32 amount of "loss of time" insurance. Income does not include gifts from
33 nongovernmental sources or surplus food or other relief in kind supplied
34 by a governmental agency, nor shall net operating losses and net capital
35 losses be considered in the determination of income. Income does not
36 include veterans disability pensions. Income does not include disability

1 payments received under the federal social security act.

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

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

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

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

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

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

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

17 (g) "Disability" means:

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

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

41 (h) "Blindness" means central visual acuity of $\frac{20}{200}$ or less in the
42 better eye with the use of a correcting lens. An eye which is accompanied
43 by a limitation in the fields of vision such that the widest diameter of the

1 visual field subtends an angle no greater than 20 degrees shall be
 2 considered for the purpose of this paragraph as having a central visual
 3 acuity of ²⁰/₂₀₀ or less.

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

11 (j) "Completely disabled veteran" means a person who is a resident
 12 of Kansas and has been honorably discharged from active service,
 13 including active duty or active duty for training, in any branch of the
 14 armed forces of the United States or Kansas national guard and who is
 15 entitled to compensation for a service-connected disability of 100% and
 16 the laws administered by the veterans administration.

17 Sec. 3. K.S.A. 2013 Supp. 79-4508 is hereby amended to read as
 18 follows: 79-4508. (a) Commencing in the tax year beginning after
 19 December 31, 2005, the amount of any claim pursuant to this act, *except a*
 20 *claim by a completely disabled veteran*, shall be computed by deducting
 21 the amount computed under column (2) from the amount of claimant's
 22 property tax accrued.

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(1)		(2)
Claimants household income		Deduction from property tax accrued
At least	But not more than	
\$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%

39 (b) The director of taxation shall prepare a table under which claims
 40 under ~~this act~~ *subsection (a)* shall be determined. The amount of claim for
 41 each bracket shall be computed only to the nearest \$1.

42 (c) The claimant may elect not to record the amount claimed on the
 43 claim. The claim allowable to persons making this election shall be

1 computed by the department which shall notify the claimant by mail of the
2 amount of the allowable claim.

3 (d) In the case of all tax years commencing after December 31, 2004,
4 the upper limit threshold amount prescribed in ~~this section~~ subsection (a),
5 shall be increased by an amount equal to such threshold amount multiplied
6 by the cost-of-living adjustment determined under section 1(f)(3) of the
7 federal internal revenue code for the calendar year in which the taxable
8 year commences.

9 (e) *For all taxable years beginning after December 31, 2013, the*
10 *amount of any claim by a completely disabled veteran shall be equal to*
11 *100% of the amount of property taxes accrued.*

12 Sec. 4. K.S.A. 2013 Supp. 79-4501, 79-4502 and 79-4508 are hereby
13 repealed.

14 Sec. 5. This act shall take effect and be in force from and after its
15 publication in the statute book.