

HOUSE BILL No. 2722

By Representative King

1-31

9 AN ACT concerning income taxation; relating to credits; homestead
10 which has sustained substantial damage and is located in a disaster
11 area.

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

14 Section 1. (a) As used in this section:

15 (1) "Disaster area" means an area in which a disaster emergency has
16 been declared by the president under the provisions of the Robert T.
17 Stafford disaster and emergency assistance act.

18 (2) "Homestead" means the dwelling, or any part thereof, whether
19 owned or rented, which is occupied as a residence by the household and
20 so much of the land surrounding it, as defined as a home site for ad
21 valorem tax purposes, and may consist of a part of a multi-dwelling or
22 multi-purpose building and a part of the land upon which it is built or a
23 manufactured home or mobile home and the land upon which it is situ-
24 ated. "Owned" includes a vendee in possession under a land contract, a
25 life tenant, a beneficiary under a trust and one or more joint tenants or
26 tenants in common.

27 (3) "Public or private buyout" means any buyout from a local, state
28 or federal governmental entity or any non-governmental entity, including,
29 but not limited to, an individual, foundation, trust, association, corpora-
30 tion, limited liability company or partnership.

31 (4) "Substantial damage" means damage of any origin sustained by a
32 homestead as the direct result of a natural disaster, whereby the cost of
33 restoring the structure to its before damaged condition would equal or
34 exceed 50% of the market value of the structure before the damage
35 occurred.

36 (b) For taxable years commencing after December 31, 2006, there
37 shall be allowed as a credit against the tax liability of a resident imposed
38 under the Kansas income tax act a proportional amount of the property
39 taxes owed by such taxpayer on a homestead that has sustained substantial
40 damage and is located in a disaster area. The amount of the credit shall
41 be computed as follows:

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1 Date which substantial	Amount of property tax
2 damage occurs	credited
3 On or after January 1, but before February 1	Full amount
4 On or after February 1, but before March 1	$\frac{11}{12}$
5 On or after March 1, but before April 1	$\frac{5}{6}$
6 On or after April 1, but before May 1	$\frac{3}{4}$
7 On or after May 1, but before June 1	$\frac{2}{3}$
8 On or after June 2, but before July 1	$\frac{7}{12}$
9 On or after July 1, but before August 1	$\frac{1}{2}$
10 On or after August 1, but before September 1	$\frac{5}{12}$
11 On or after September 1, but before October 1	$\frac{1}{3}$
12 On or after October 1, but before November 1	$\frac{1}{4}$
13 On or after November 1, but before December 1	$\frac{1}{6}$
14 On or after December 1, but before January 1	$\frac{1}{12}$

15 (c) The tax credit allowed by subsection (b) shall be deducted from
 16 the taxpayer's income tax liability for the taxable year in which the natural
 17 disaster occurred. If the amount of the credit allowed by subsection (b)
 18 exceeds the taxpayer's income tax liability imposed under the Kansas in-
 19 come tax act, such excess amount shall be refunded to the taxpayer.

20 (d) No claim for relief under the provisions of this section shall be
 21 allowed to any taxpayer who is a recipient of funds from either a public
 22 or private buyout or insurance proceeds, which, as the case may be, are
 23 of an amount equal to or greater than 50% of the entire pre-disaster value
 24 of the homestead which sustained substantial damage.

25 (e) The taxpayer shall submit to the director all information that the
 26 director determines necessary for the calculation of the credit provided
 27 by this section. The secretary of revenue shall adopt such rules and reg-
 28 ulations as deemed necessary to carry out the provisions of this section,
 29 including, but not limited to, the filing of documents that support the
 30 amount of credit claimed pursuant to this section.

31 Sec. 2. This act shall take effect and be in force from and after its
 32 publication in the Kansas register.