

SESSION OF 2025

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2005

As Amended by House Committee on Taxation

Brief*

HB 2005, as amended, would enact the Veterans' Valor Property Tax Relief Act, creating a refundable income tax credit, effective beginning in tax year 2025, for taxpayers who have been deemed totally disabled, permanently, and totally disabled, or unemployable, under federal regulations related to disabled veterans.

The amount of the credit would be 50 percent of the property and ad valorem taxes actually and timely paid on the residential property of the taxpayer.

Taxpayers receiving the credit would be prohibited from receiving a credit pursuant to the Homestead Property Tax Refund Act or the Selective Assistance for Effective Senior Relief program.

The credit would be supplemental to the Homestead Property Tax Refund Act, but the income and appraised value limitations provided in the Homestead Property Tax Refund Act would not apply to the credit.

The Secretary of Revenue would be required to adopt rules and regulations regarding documentation supporting claims for the credit.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

Background

The bill was introduced by Representatives Proctor, Barrett, Bergquist, Blex, Bloom, Bohi, Buehler, Butler, Chauncey, Collins, Delperdang, Ellis, Esau, Essex, Goddard, Howerton, Kessler, Minnix, Moser, Neelly, Resman, Rhiley, Roeser, Steele, Sweely, Thompson, Turk, and Waymaster.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by Representative Proctor, a representative of the Military Officers Association of America, a retired U.S. Army veteran, and a private citizen. The proponents generally stated the bill would provide targeted property tax relief to disabled Kansas veterans, who deserve such relief in recognition of the value of their sacrifice and service to the country.

Written-only proponent testimony was provided by the Riley County Board of Commissioners, five disabled Kansas veterans, and representatives of the Kansas Association of Counties and League of Kansas Municipalities.

No other testimony was provided.

The House Committee amended the bill to reduce the amount of the credit from 75 percent to 50 percent.

Fiscal Information

According to the Department of Revenue, enactment of the bill is estimated to reduce state receipts by \$7.6 million in FY 2026, by \$8.1 million in FY 2027, and by \$8.7 million in FY 2027.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department

indicates it would require a total of \$209,975 from the State General Fund in FY 2026 to implement the bill and to modify the automatic tax system and would require an additional 1.0 FTE position to administer the credit.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Taxation; tax credits; property tax; disabled veterans; Veterans' Valor Property Tax Relief Act