

*As Amended by Senate Committee*

Session of 2007

**SENATE BILL No. 26**

By Special Committee on Assessment and Taxation

1-5

10 AN ACT concerning taxation; relating to homestead property tax refund  
11 act; amounts; filing requirements; **income verification, renters;**  
12 amending K.S.A. 79-4509 and 79-4511 and K.S.A. 2006 Supp. 79-4502  
13 and repealing the existing sections.

14  
15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 2006 Supp. 79-4502 is hereby amended to read as  
17 follows: 79-4502. As used in this act, unless the context clearly indicates  
18 otherwise:

19 (a) "Income" means the sum of adjusted gross income under the  
20 Kansas income tax act, maintenance, support money, cash public assis-  
21 tance and relief, not including any refund granted under this act, the gross  
22 amount of any pension or annuity, including all monetary retirement ben-  
23 efits from whatever source derived, including but not limited to, all pay-  
24 ments received under the railroad retirement act, except disability pay-  
25 ments and all payments received under the federal social security act  
26 except disability payments, all dividends and interest from whatever  
27 source derived not included in adjusted gross income, workers compen-  
28 sation and the gross amount of "loss of time" insurance. Income does not  
29 include gifts from nongovernmental sources or surplus food or other relief  
30 in kind supplied by a governmental agency, nor shall net operating losses  
31 and net capital losses be considered in the determination of income. In-  
32 come does not include veterans disability pensions.

33 (b) "Household" means a claimant, a claimant and spouse who oc-  
34 cupy the homestead or a claimant and one or more individuals not related  
35 as husband and wife who together occupy a homestead.

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

38 (d) "Homestead" means the dwelling, or any part thereof, whether  
39 owned or rented, which is occupied as a residence by the household and  
40 so much of the land surrounding it, as defined as a home site for ad  
41 valorem tax purposes, and may consist of a part of a multi-dwelling or  
42 multi-purpose building and a part of the land upon which it is built or a  
43 manufactured home or mobile home and the land upon which it is situ-

1 ated. “Owned” includes a vendee in possession under a land contract, a  
2 life tenant, a beneficiary under a trust and one or more joint tenants or  
3 tenants in common.

4 (e) “Claimant” means a person who has filed a claim under the pro-  
5 visions of this act and was, during the entire calendar year preceding the  
6 year in which such claim was filed for refund under this act, except as  
7 provided in K.S.A. 79-4503, and amendments thereto, both domiciled in  
8 this state and was: (1) A person having a disability; (2) a person who is 55  
9 years of age or older or (3) a person other than a person included under  
10 (1) or (2) having one or more dependent children under 18 years of age  
11 residing at the person’s homestead during the calendar year immediately  
12 preceding the year in which a claim is filed under this act.

13 When a homestead is occupied by two or more individuals and more  
14 than one of the individuals is able to qualify as a claimant, the individuals  
15 may determine between them as to whom the claimant will be. If they  
16 are unable to agree, the matter shall be referred to the secretary of rev-  
17 enue whose decision shall be final.

18 (f) “Property taxes accrued” means property taxes, exclusive of special  
19 assessments, delinquent interest and charges for service, levied on a  
20 claimant’s homestead in 1979 or any calendar year thereafter by the state  
21 of Kansas and the political and taxing subdivisions of the state. When a  
22 homestead is owned by two or more persons or entities as joint tenants  
23 or tenants in common and one or more of the persons or entities is not  
24 a member of claimant’s household, “property taxes accrued” is that part  
25 of property taxes levied on the homestead that reflects the ownership  
26 percentage of the claimant’s household. For purposes of this act, property  
27 taxes are “levied” when the tax roll is delivered to the local treasurer with  
28 the treasurer’s warrant for collection. When a claimant and household  
29 own their homestead part of a calendar year, “property taxes accrued”  
30 means only taxes levied on the homestead when both owned and occupied  
31 as a homestead by the claimant’s household at the time of the levy, mul-  
32 tiplied by the percentage of 12 months that the property was owned and  
33 occupied by the household as its homestead in the year. When a house-  
34 hold owns and occupies two or more different homesteads in the same  
35 calendar year, property taxes accrued shall be the sum of the taxes allo-  
36 cable to those several properties while occupied by the household as its  
37 homestead during the year. Whenever a homestead is an integral part of  
38 a larger unit such as a multi-purpose or multi-dwelling building, property  
39 taxes accrued shall be that percentage of the total property taxes accrued  
40 as the value of the homestead is of the total value. For the purpose of  
41 this act, the word “unit” refers to that parcel of property covered by a  
42 single tax statement of which the homestead is a part.

43 (g) “Disability” means:

- 1 (1) Inability to engage in any substantial gainful activity by reason of  
2 any medically determinable physical or mental impairment which can be  
3 expected to result in death or has lasted or can be expected to last for a  
4 continuous period of not less than 12 months, and an individual shall be  
5 determined to be under a disability only if the physical or mental im-  
6 pairment or impairments are of such severity that the individual is not  
7 only unable to do the individual's previous work but cannot, considering  
8 age, education and work experience, engage in any other kind of sub-  
9 substantial gainful work which exists in the national economy, regardless of  
10 whether such work exists in the immediate area in which the individual  
11 lives or whether a specific job vacancy exists for the individual, or whether  
12 the individual would be hired if application was made for work. For pur-  
13 poses of the preceding sentence (with respect to any individual), "work  
14 which exists in the national economy" means work which exists in signif-  
15 icant numbers either in the region where the individual lives or in several  
16 regions of the country; for purposes of this subsection, a "physical or  
17 mental impairment" is an impairment that results from anatomical, phys-  
18 iological or psychological abnormalities which are demonstrable by med-  
19 ically acceptable clinical and laboratory diagnostic techniques; or  
20 (2) blindness and inability by reason of blindness to engage in sub-  
21 substantial gainful activity requiring skills or abilities comparable to those of  
22 any gainful activity in which the individual has previously engaged with  
23 some regularity and over a substantial period of time.  
24 (h) "Blindness" means central visual acuity of  $\frac{20}{200}$  or less in the bet-  
25 ter eye with the use of a correcting lens. An eye which is accompanied  
26 by a limitation in the fields of vision such that the widest diameter of the  
27 visual field subtends an angle no greater than 20 degrees shall be consid-  
28 ered for the purpose of this paragraph as having a central visual acuity of  
29  $\frac{20}{200}$  or less.  
30 (i) "Rent constituting property taxes accrued" means ~~20%~~ 15% of the  
31 gross rent actually paid in cash or its equivalent in ~~1979~~ 2007 or any  
32 taxable year thereafter by a claimant and claimant's household solely for  
33 the right of occupancy of a Kansas homestead on which ad valorem prop-  
34 erty taxes were levied in full for that year. When a household occupies  
35 two or more different homesteads in the same calendar year, rent con-  
36 stituting property taxes accrued shall be computed by adding the rent  
37 constituting property taxes accrued for each property rented by the  
38 household while occupied by the household as its homestead during the  
39 year.  
40 (j) "Gross rent" means the rental paid at arm's length solely for the  
41 right of occupancy of a homestead or space rental paid to a landlord for  
42 the parking of a mobile home, exclusive of charges for any utilities, serv-  
43 ices, furniture and furnishings or personal property appliances furnished

1 by the landlord as a part of the rental agreement, whether or not expressly  
2 set out in the rental agreement. Whenever the director of taxation finds  
3 that the landlord and tenant have not dealt with each other at arms length  
4 and that the gross rent charge was excessive, the director may adjust the  
5 gross rent to a reasonable amount for the purposes of the claim.

6 Sec. 2. K.S.A. 79-4509 is hereby amended to read as follows: 79-  
7 4509. In the event property taxes accrued, rent constituting property taxes  
8 accrued or their sum exceeds ~~\$600~~ \$700 for a household in any one year,  
9 the amount thereof shall, for purposes of this act, be deemed to have  
10 been ~~\$600~~ \$700.

11 Sec. 3. K.S.A. 79-4511 is hereby amended to read as follows: 79-  
12 4511. (a) Every claimant under this act shall supply to the division, in  
13 support of a claim, reasonable proof of age or disability, and changes of  
14 homestead, household membership, household income, and size and na-  
15 ture of property claimed as the homestead. A claim alleging disability  
16 shall be supported by a report of the examining physician of the claimant  
17 with a statement or certificate that the applicant has a disability within  
18 the meaning of subsection (g) of K.S.A. 79-4502 and amendments  
19 thereto.

20 (b) Every claimant who is a homestead owner, or whose claim is  
21 based wholly or partly upon homestead ownership at some time during  
22 the calendar year, shall supply to the division, in support of a claim, ~~a~~  
23 ~~copy of the statement~~ *the amount* of property taxes levied upon the prop-  
24 erty claimed as a homestead and a statement that the property taxes ac-  
25 crued used for purposes of this act have been or will be paid by the  
26 claimant and that there are no delinquent property taxes on the home-  
27 stead. *Upon request by the division, such claimant shall provide a copy*  
28 *of the statement of property taxes levied upon the property claimed as a*  
29 *homestead.* The amount of personal property taxes levied on a manufac-  
30 tured home or mobile home shall be set out on the personal property tax  
31 statement showing the amount of such tax as a separate item.

32 (c) Every claimant who is a homestead renter, or whose claim is based  
33 wholly or partly upon homestead rental at some time during the calendar  
34 year, shall supply to the division, in support of a claim, a statement pre-  
35 scribed by the director certifying the amount of gross rent paid and that  
36 ad valorem property taxes were levied in full for that year on the property,  
37 all or a part of which was rented by the claimant. ***When such claimant***  
38 ***reports household income that is 150% or less of the homestead***  
39 ***rental amount and such claimant has failed to provide any docu-***  
40 ***mentation or information requested by the division to verify such***  
41 ***household income in support of a claim as required pursuant to***  
42 ***subsection (a), within 30 days of such request, such homestead***  
43 ***property tax refund claim shall be denied.***

1 (d) The information required to be furnished under subsections (b)  
2 or (c) shall be in addition to that required under subsection (a).

3 Sec. 4. K.S.A. 79-4509 and 79-4511 and K.S.A. 2006 Supp. 79-4502  
4 are hereby repealed.

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