

SESSION OF 2008

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR HOUSE BILL NO. 2529**

As Amended by Senate Committee of the Whole

Brief*

Senate Sub. for HB 2529, the Selective Assistance for Effective Senior Relief ("SAFE Senior") Act, would provide a refundable income tax credit beginning in tax year 2008 that would be available to certain senior citizens to help reimburse a portion of property taxes paid on their homesteads.

Those taxpayers age 65 or older with household income of 120 percent or less of the federal poverty level for two persons (currently \$16,800) would be eligible to claim the tax credit, which would be equivalent to 75 percent of property taxes actually and timely paid on real or personal property used for residential purposes which was also their principal place of residence.

The SAFE Senior credit would be supplemental to the Homestead Property Tax Refund Act, and taxpayers could not claim the credit for a given tax year if they have also claimed a Homestead refund.

"Household income" would be defined to mean all income, including payments received under the federal Social Security Act, received by all persons of a household in a calendar year while members of such household.

*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 <http://www.kslegislature.org>

Background

The original HB 2529 dealt with income tax withholding requirements for certain publicly traded partnerships. Those provisions were included in another piece of legislation enacted in 2007, S Sub HB 2031.

The Senate Assessment and Taxation Committee on March 19, 2008, recommended that the bill's original provisions be stripped; that a substitute bill be created; and that the aforementioned income tax credit provisions be inserted.

The Senate Committee of the Whole amendment is technical in nature.

Senator Dennis Pyle and a subcommittee on SB 617 had worked extensively to craft the provisions of the SAFE Senior tax credit. The Department of Revenue indicated that the new credit would be expected to reduce SGF receipts by about \$3.4 million per year beginning in FY 2009.