

SB 215

Chairman Tyson-

Thank you for taking my oral and written testimony earlier today. Consistent with my testimony I suggest amendment language below for you and the revisor to consider if you desire to draft an amendment to SB 215. SB 215, if enacted, would increase the number of taxpayers eligible for more favorable property tax treatment of their Kansas homestead residence.

Recall my testimony referred to veteran and survivor benefit payments under 38 CFR § 3.3, 38 CFR § 3.4, and 38 CFR § 3.5 and treatment of these payments under the Homestead property tax refund act.

As a point of information, both of these VA benefit payment types, made under 38 CFR § 3.3 and 38 CFR § 3.5 respectively, are free of federal income tax.

Already excluded and highlighted is service-connected disability compensation paid per 38 CFR § 3.4. These payments are also federal income tax-free.

Here is KSA 79-4502 as written and with my suggested additional income calculation exclusion language inserted in **bold red**:

79-4502. Homestead property tax refund act; definitions. As used in this act, unless the context clearly indicates otherwise:

(a) "Income" means the sum of adjusted gross income under the Kansas income tax act effective for tax year 2013 and thereafter without regard to any modifications pursuant to K.S.A. [79-32,117](#)(b)(xx) through (xxiii) and (c)(xx), and amendments thereto, maintenance, support money, cash public assistance and relief, not including any refund granted under this act, the gross amount of any pension or annuity, including all monetary retirement benefits from whatever source derived, including but not limited to, all payments received under the railroad retirement act, except disability payments, payments received under the federal social security act, except that for determination of what constitutes income such amount shall not exceed 50% of any such social security payments and shall not include any social security payments to a claimant who prior to attaining full retirement age had been receiving disability payments under the federal social security act in an amount not to exceed the amount of such disability payments or 50% of any such social security payments, whichever is greater, all dividends and interest from whatever source derived not included in adjusted gross income, workers compensation and the gross amount of "loss of time" insurance. Income does not include gifts from nongovernmental sources or surplus

food or other relief in kind supplied by a governmental agency, nor shall net operating losses and net capital losses be considered in the determination of income. Income does not include veterans disability compensation. **Income does not include pension for veterans or pension for survivors paid pursuant to 38 Code of Federal Regulations (CFR) § 3.3. Income does not include Dependency and indemnity compensation paid pursuant to 38 CFR § 3.5.** Income does not include disability payments received under the federal social security act.

MOAA Kansas Council of Chapters supports the income and property value increases already included in the current text of SB 215. Further, we support common income and property value limits among the various residential property tax breaks in Kansas law as was discussed during the hearing.

I thank you for your unwavering support of veterans in all aspects of your public service as a State Senator.

Respectfully submitted,

Mike Kelly

Colonel, USAF (retired)

President

Kansas Council of Chapters

