

February 9, 2026

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
300 SW 10th Avenue, Room 548-S
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 402 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 402 is respectfully submitted to your committee.

SB 402 would make changes to the Homestead Property Tax Refund Act. Under current law, taxpayers who claim the Selective Assistance For Effective Senior Relief (SAFESR) tax credit are required to have household income equal to or less than 120.0 percent of the federal poverty level for two persons. The bill would hold the SAFESR household income eligibility limit to \$25,380 beginning in tax year 2026. For the homestead property tax refund program, the bill would change the definition of household income from all income from all members of the household to total Kansas adjusted gross income for all members of the household.

The bill would allow taxpayers to retain eligibility for the homestead property tax refund program beginning in tax year 2026 if they are required to live away from their home for health reasons or other hardships if the home is not rented or used for the production of income while the claimant is away. The bill would require the Department of Revenue to combine the homestead property tax refund program and the Kansas property tax relief claim for seniors and disabled veterans into one new claim form beginning in tax year 2026.

Under current law, a homeowner loses eligibility for a homestead property tax refund claim if the appraised valuation of the homestead subsequently exceeds \$350,000. The bill would allow a homeowner to participate in the homestead property tax refund program if the appraised valuation of the homestead exceeds \$350,000, if the homeowner previously received a homestead property tax refund on a homestead that had an appraised valuation not exceeding \$350,000. This homestead valuation provision would also be applied to the SAFESR tax credit but would not

apply to the Kansas property tax relief claim for seniors and disabled veterans. These changes would become effective beginning in tax year 2026.

Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
Expenditures			
State General Fund	--	\$313,954	\$76,034
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$313,954	\$76,034
Revenues			
State General Fund	--	\$20,000	\$1,060,000
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	\$20,000	\$1,060,000
FTE Positions	--	1.00	1.00

The Department of Revenue estimates that SB 402 would increase State General Fund revenues by \$20,000 in FY 2027. The bill would increase State General Fund revenues by \$5,310,000 from taxpayers no longer eligible to participate in the SAFESR tax credit program; however, some of these taxpayers would switch to the Kansas property tax relief claim for seniors and disabled veterans which would reduce State General Fund revenues by \$960,000. Changing the definition of household income for the homestead property tax refund program to Kansas adjusted gross income is estimated to reduce State General Fund revenues by \$4,240,000, while allowing certain homesteads to exceed the \$350,000 limit in appraised valuation to continue to participate in homestead property tax refund program and the SAFESR tax credit program is estimated to reduce State General Fund revenues by \$90,000. The fiscal effect on State General Fund revenues during subsequent years would be as follows:

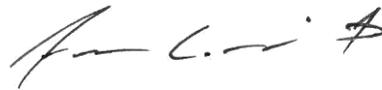
	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Not Eligible for SAFESR	\$7,060,000	\$8,590,000	\$9,910,000	\$11,060,000
SAFESR Switch to SVR *	(1,670,000)	(2,480,000)	(3,350,000)	(4,270,000)
Homestead Income Change	(4,240,000)	(4,240,000)	(4,240,000)	(4,240,000)
\$350K Home Value Change	<u>(90,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
	\$1,060,000	\$1,770,000	\$2,220,000	\$2,450,000

* Kansas property tax relief claim for seniors and disabled veterans is referred to as SVR on the current claim form K-40SVR.

The Department of Revenue indicates that the bill would require \$313,954 from the State General Fund in FY 2027 to implement the bill and to modify the automated tax system. The bill would require the Department to hire 1.00 new FTE position to answer questions from taxpayers and to assist with the administration of these property tax programs. The Department estimates

that ongoing expenses for salaries and wages for the 1.00 FTE position and overhead expenses would total \$76,034 from the State General Fund in FY 2028. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with SB 402 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue