

SENATE BILL No. 402

By Committee on Assessment and Taxation

1-27

AN ACT concerning taxation; relating to the homestead property tax refund act; modifying the definition of household income; providing an eligibility exception for claimants who are required to live away from the homestead by reason of health or other hardship; providing for one homestead property tax refund claim form; providing that a person shall not lose eligibility for a homestead property tax refund claim or the selective assistance for effective senior relief (SAFESR) tax credit if the appraised valuation of the homestead subsequently exceeds \$350,000 after qualifying in a previous tax year; relating to the selective assistance for effective senior relief (SAFESR) income tax credit; establishing a constant household income threshold; amending K.S.A. 79-32,263, 79-4503, 79-4510 and 79-4522 and K.S.A. 2025 Supp. 79-4502 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 79-32,263 is hereby amended to read as follows: 79-32,263. This act shall be known and may be cited as the selective assistance for effective senior relief (SAFESR). There shall be allowed as a credit against the tax liability of a taxpayer imposed under the Kansas income tax act, the following: (a) For tax years ~~2008, 2009 and 2010, an amount equal to 45% of the amount of property and ad valorem taxes actually and timely paid as described in this section; and (b) for tax year 2011 and all tax years thereafter~~ *through 2025*, an amount equal to 75% of the amount of property and ad valorem taxes actually and timely paid *as described in this section* by a taxpayer who is 65 years of age or older and ~~who~~ has household income equal to or less than 120% of the federal poverty level for two persons; *and (b) for tax year 2026 and all tax years thereafter, an amount equal to 75% of the amount of property and ad valorem taxes actually and timely paid by a taxpayer who is 65 years of age or older and has household income equal to or less than \$25,380 if* such taxes were paid upon real or personal property used for residential purposes of such taxpayer ~~which~~ *that* is the taxpayer's principal place of residence for the tax year in which the tax credit is claimed. The amount of any such credit for any such taxpayer shall not exceed the amount of property and ad valorem taxes paid by such taxpayer as specified in this section. A taxpayer shall not take the credit pursuant to this section if such

1 taxpayer has received a homestead property tax refund pursuant to K.S.A.
2 79-4501 et seq., and amendments thereto, for such property for such tax
3 year. Subject to the provisions of this section, if the amount of such tax
4 credit exceeds the taxpayer's income tax liability for the taxable year, the
5 amount of such excess credit ~~which~~ *that* exceeds such tax liability shall be
6 refunded to the taxpayer. The secretary of revenue shall adopt rules and
7 regulations regarding the filing of documents that support the amount of
8 the credit claimed pursuant to this section. For purposes of this section,
9 "household income" means all income as defined in K.S.A. 79-4502(a),
10 and amendments thereto, including any payments received under the
11 federal social security act, received by persons of a household in a
12 calendar year while members of such household. *The definition of*
13 *"household income" in K.S.A. 79-4502(c), and amendments thereto, shall*
14 *not apply to this section.* The provisions of this act shall be a part of and
15 supplemental to the homestead property tax refund act.

16 Sec. 2. K.S.A. 2025 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 effective for tax year 2013 and thereafter without
21 regard to any modifications pursuant to K.S.A. 79-32,117(b)(xx) through
22 (xxiii) and (c)(xx), and amendments thereto, maintenance, support money,
23 cash public assistance and relief, not including any refund granted under
24 this act, the gross amount of any pension or annuity, including all
25 monetary retirement benefits from whatever source derived, including, but
26 not limited to, all payments received under the railroad retirement act,
27 except disability payments, payments received under the federal social
28 security act, except that for determination of what constitutes income, such
29 amount shall not exceed 50% of any such social security payments and
30 shall not include any social security payments to a claimant who prior to
31 attaining full retirement age had been receiving disability payments under
32 the federal social security act in an amount not to exceed the amount of
33 such disability payments or 50% of any such social security payments,
34 whichever is greater, all dividends and interest from whatever source
35 derived not included in adjusted gross income, workers compensation and
36 the gross amount of "loss of time" insurance. Income does not include gifts
37 from nongovernmental sources or surplus food or other relief in kind
38 supplied by a governmental agency, nor shall net operating losses and net
39 capital losses be considered in the determination of income. Income does
40 not include veterans disability compensation. Income does not include
41 disability payments received under the federal social security act.

42 (b) "Household" means a claimant, a claimant and spouse who
43 occupy the homestead or a claimant and one or more individuals not

1 related as husband and wife who together occupy a homestead.

2 (c) *For tax years prior to 2026, "household income" means all*
3 *income received by all persons of a household in a calendar year while*
4 *members of such household. For tax year 2026 and all tax years*
5 *thereafter, "household income" means the total Kansas adjusted gross*
6 *income as defined in K.S.A. 79-32,117, and amendments thereto, of all*
7 *persons of a household in a calendar year while members of such*
8 *household.*

9 (d) "Homestead" means the dwelling, or any part thereof, owned and
10 occupied as a residence by the household and so much of the land
11 surrounding it, as defined as a home site for ad valorem tax purposes, and
12 may consist of a part of a multi-dwelling or multi-purpose building and a
13 part of the land upon which it is built or a manufactured home or mobile
14 home and the land upon which it is situated. "Owned" includes a vendee in
15 possession under a land contract, a life tenant, a beneficiary under a trust
16 and one or more joint tenants or tenants in common.

17 (e) "Claimant" means a person who has filed a claim under the
18 provisions of this act and was, during the entire calendar year preceding
19 the year in which such claim was filed for refund under this act, except as
20 provided in K.S.A. 79-4503, and amendments thereto, both domiciled in
21 this state and was:

22 (1) For purposes of a claim under K.S.A. 79-4508, and amendments
23 thereto:

24 (A) A person having a disability;
25 (B) a person who is 55 years of age or older;
26 (C) a disabled veteran;
27 (D) the surviving spouse of a deceased member of the armed forces
28 who died in the line of duty during a period of active service; or

29 (E) a person other than a person included under subparagraph (A),
30 (B), (C) or (D) having one or more dependent children under 18 years of
31 age residing at the person's homestead during the calendar year
32 immediately preceding the year in which a claim is filed under this act; or

33 (2) for purposes of a claim under K.S.A. 2025 Supp. 79-4508a, and
34 amendments thereto:

35 (A) A person who is 65 years of age or older; or
36 (B) a disabled veteran.

37 The surviving spouse of a disabled veteran who was receiving benefits
38 pursuant to subsection (e)(1)(C) at the time of the veterans' death; shall be
39 eligible to continue to receive benefits until such time the surviving spouse
40 remarries.

41 When a homestead is occupied by two or more individuals and more
42 than one of the individuals is able to qualify as a claimant, the individuals
43 may determine between them as to whom the claimant will be. If they are

1 unable to agree, the matter shall be referred to the secretary of revenue,
2 whose decision shall be final.

3 (f) "Property taxes accrued" means property taxes, exclusive of
4 special assessments, delinquent interest and charges for service, levied on
5 a claimant's homestead in 1979 or any calendar year thereafter by the state
6 of Kansas and the political and taxing subdivisions of the state. When a
7 homestead is owned by two or more persons or entities as joint tenants or
8 tenants in common and one or more of the persons or entities is not a
9 member of claimant's household, "property taxes accrued" is that part of
10 property taxes levied on the homestead that reflects the ownership
11 percentage of the claimant's household. For purposes of this act, property
12 taxes are "levied" when the tax roll is delivered to the local treasurer with
13 the treasurer's warrant for collection. When a claimant and household own
14 their homestead part of a calendar year, "property taxes accrued" means
15 only taxes levied on the homestead when both owned and occupied as a
16 homestead by the claimant's household at the time of the levy, multiplied
17 by the percentage of 12 months that the property was owned and occupied
18 by the household as its homestead in the year. When a household owns and
19 occupies two or more different homesteads in the same calendar year,
20 property taxes accrued shall be the sum of the taxes allocable to those
21 several properties while occupied by the household as its homestead
22 during the year. Whenever a homestead is an integral part of a larger unit
23 such as a multi-purpose or multi-dwelling building, property taxes accrued
24 shall be that percentage of the total property taxes accrued as the value of
25 the homestead is of the total value. For the purpose of this act, the word
26 "unit" refers to that parcel of property covered by a single tax statement of
27 which the homestead is a part.

28 (g) "Disability" means:

29 (1) Inability to engage in any substantial gainful activity by reason of
30 any medically determinable physical or mental impairment~~which~~ that can
31 be expected to result in death or has lasted or can be expected to last for a
32 continuous period of not less than 12 months, and an individual shall be
33 determined to be under a disability only if the physical or mental
34 impairment or impairments are of such severity that the individual is not
35 only unable to do the individual's previous work but cannot, considering
36 age, education and work experience, engage in any other kind of
37 substantial gainful work~~which~~ that exists in the national economy,
38 regardless of whether such work exists in the immediate area in which the
39 individual lives or whether a specific job vacancy exists for the individual,
40 or whether the individual would be hired if application was made for work.
41 For purposes of the preceding sentence~~—~~, with respect to any individual),
42 "work~~which~~ that exists in the national economy" means work~~which~~ that
43 exists in significant numbers either in the region where the individual lives

1 or in several regions of the country; For purposes of this subsection, a
2 "physical or mental impairment" is an impairment that results from
3 anatomical, physiological or psychological abnormalities~~which~~ *that* are
4 demonstrable by medically acceptable clinical and laboratory diagnostic
5 techniques; or

6 (2) blindness and inability by reason of blindness to engage in
7 substantial gainful activity requiring skills or abilities comparable to those
8 of any gainful activity in which the individual has previously engaged with
9 some regularity and over a substantial period of time.

10 (h) "Blindness" means central visual acuity of $20/200$ or less in the
11 better eye with the use of a correcting lens. An eye~~which~~ *that* is
12 accompanied by a limitation in the fields of vision such that the widest
13 diameter of the visual field subtends an angle no greater than 20 degrees
14 shall be considered for the purpose of this paragraph as having a central
15 visual acuity of $20/200$ or less.

16 (i) "Disabled veteran" means a person who is a resident of Kansas
17 and who:

18 (1) Served in the active military, naval, air or space service, including
19 those groups and individuals listed under 38 C.F.R. § 3.7, and who was
20 discharged or released therefrom under an honorable discharge or a
21 general discharge under honorable conditions;

22 (2) received a disability that was incurred or aggravated in the line of
23 duty in the active military, naval, air or space service, including those
24 groups and individuals listed under 38 C.F.R. § 3.7; and

25 (3) has a service-connected evaluation percentage equal to or greater
26 than 50%, pursuant to 38 U.S.C. § 1101 et seq. or 10 U.S.C. § 1201 et seq.

27 Sec. 3. K.S.A. 79-4503 is hereby amended to read as follows: 79-
28 4503. (a) The right to file a claim under this act may be exercised on
29 behalf of a claimant by ~~his or her~~ *such claimant's* legal guardian,
30 conservator or attorney-in-fact. When a claimant dies after having filed a
31 timely claim, the amount thereof shall be disbursed to another member of
32 the household as determined by the director of taxation. If the claimant
33 was the only member of ~~his or her~~ *such claimant's* household, the claim
34 may be paid to ~~his or her~~ *such claimant's* executor or administrator, but if
35 neither is appointed and qualified, the amount of the claim may be paid
36 upon a claim duly made to any heir at law. In the absence of any such
37 claim within two~~(2)~~ years of the filing of the claim, the amount of the
38 claim shall escheat to the state. When a person who would otherwise be
39 entitled to file a claim under the provisions of this act dies prior to filing
40 such claim, another member of such person's household may file such
41 claim in the name of such decedent, subject to the deadline prescribed by
42 K.S.A. 79-4505, *and amendments thereto*, and the director shall pay the
43 amount to which the decedent would have been entitled to such person

1 filing the claim. If the decedent was the only member of ~~his or her~~ *such*
2 *claimant's* household, the decedent's executor or administrator may file
3 such claim in the name of the decedent, and the claim shall be paid to said
4 executor or administrator. In the event that neither an executor or
5 administrator is appointed and qualified, such claim may be made by any
6 heir at law and the claim shall be payable to such heir at law. Any of the
7 foregoing provisions shall be applicable in any case where the decedent
8 dies in the calendar year preceding the year in which a claim may be made
9 under the provisions of this act, if such decedent was a resident of or
10 domiciled in this state during the entire part of such year that such
11 decedent was living. Where decedent's death occurs during the calendar
12 year preceding the year in which a claim may be made hereunder, the
13 amount of the claim that would have been allowable if the decedent had
14 been a resident of or domiciled in this state the entire calendar year of ~~his~~
15 ~~or her~~ *such claimant's* death shall be reduced in a proportionate amount
16 equal to a fraction of the claim otherwise allowable, the numerator of
17 which fraction is the number of months in such calendar year following
18 the month of decedent's death and the denominator of which is ~~twelve~~
19 ~~(12)~~.

20 (b) (1) *For tax year 2026 and all tax years thereafter, a claimant who*
21 *qualified for a refund under this act as a Kansas resident in the past and*
22 *otherwise qualifies as a claimant under this act shall not lose eligibility*
23 *for any subsequent tax year when the claimant is required to live away*
24 *from the homestead, including living away from Kansas, by reason of*
25 *health or other hardship so long as the homestead is not rented, nor used*
26 *for the production of income, while the claimant is away. This subsection*
27 *shall apply to claims under K.S.A. 79-4508, and amendments thereto, and*
28 *K.S.A. 2025 Supp. 79-4508a, and amendments thereto, but shall not apply*
29 *to K.S.A. 79-32,263, and amendment thereto.*

30 (2) *For purposes of this subsection:*

31 (A) *"By reason of health" means to obtain medical care or to receive*
32 *basic services relating to daily living, self-care or mobility, including, but*
33 *not limited to, assistance with bathing and personal hygiene, dressing and*
34 *grooming, health maintenance activities or preparation of meals; and*

35 (B) *"other hardship" does not include confinement in any*
36 *correctional institution or facility, including any correctional institution as*
37 *defined in K.S.A. 75-5202, and amendments thereto, any correctional*
38 *facility of the federal bureau of prisons or any other state or any city or*
39 *county jail facility.*

40 Sec. 4. K.S.A. 79-4510 is hereby amended to read as follows: 79-
41 4510. In administering this act, the division of taxation shall make
42 available suitable forms with instructions for claimants. Copies of such
43 forms shall also be made available to all county clerks and county

1 treasurers in sufficient numbers to supply claimants residing in their
2 respective counties. It shall be the duty of the county clerk to assist any
3 claimant seeking assistance in the filing of a claim under the provisions of
4 this act. The county treasurer of each county shall mail to each taxpayer
5 with the property tax statement of such taxpayer information on eligibility
6 for homestead property tax relief to be provided by the secretary of
7 revenue.

8 *For tax year 2026, the division of taxation shall combine and modify as*
9 *appropriate the claim forms K-40H and K-40SVR for claims under K.S.A.*
10 *79-4508, and amendments thereto, or K.S.A. 2025 Supp. 79-4508a, and*
11 *amendments thereto, into one new claim form with instructions for*
12 *claimants and shall continue to utilize one claim form for all tax years*
13 *thereafter.*

14 The secretary of revenue is hereby authorized to adopt such rules and
15 regulations as may be necessary for the administration of the provisions of
16 this act and the act of which this act is amendatory.

17 Sec. 5. K.S.A. 79-4522 is hereby amended to read as follows: 79-
18 4522. (a) *Except as provided in subsection (b), a person owning or*
19 *occupying a homestead for which the appraised valuation for property tax*
20 *purposes exceeds \$350,000 in any year shall not be entitled to claim a*
21 *refund of property taxes under the homestead property tax refund act for*
22 *any such year.*

23 (b) *For tax year 2026 and all tax years thereafter, a person who*
24 *received a refund under this act or a credit pursuant to K.S.A. 79-32,263,*
25 *and amendments thereto, for any previous tax year when the person's*
26 *homestead had an appraised valuation not exceeding \$350,000 shall not*
27 *lose eligibility for any subsequent tax year in the event that the appraised*
28 *valuation of such homestead exceeds \$350,000 for any such subsequent*
29 *tax year if the person otherwise satisfies the statutory requirements for*
30 *such a refund or credit.*

31 (c) *The provisions of this section shall apply to claims pursuant to*
32 *K.S.A. 79-32,263 and 79-4508, and amendments thereto, but shall not*
33 *apply to claims pursuant to K.S.A. 2025 Supp. 79-4508a, and amendments*
34 *thereto.*

35 (d) The provisions of this section shall be a part of and supplemental
36 to the homestead property tax refund act.

37 Sec. 6. K.S.A. 79-32,263, 79-4503, 79-4510 and 79-4522 and K.S.A.
38 2025 Supp. 79-4502 are hereby repealed.

39 Sec. 7. This act shall take effect and be in force from and after its
40 publication in the statute book.