

SENATE BILL No. 402

By Committee on Assessment and Taxation

1-27

1 AN ACT concerning taxation; relating to the homestead property tax
2 refund act; modifying the definition of household income; providing an
3 eligibility exception for claimants who are required to live away from
4 the homestead by reason of health or other hardship; providing for one
5 homestead property tax refund claim form; **increasing the homestead**
6 **appraised value thresholds for two homestead refund claim**
7 **provisions**; providing that a person shall not lose eligibility for a
8 homestead property tax refund claim or the selective assistance for
9 effective senior relief (SAFESR) tax credit if the appraised valuation of
10 the homestead subsequently exceeds \$350,000 after qualifying in a
11 previous tax year; relating to the selective assistance for effective
12 senior relief (SAFESR) income tax credit; ~~establishing a constant~~
13 ~~modifying the~~ household income threshold **and providing a cost-of-**
14 **living adjustment; limiting eligibility to taxpayers born before 1961**;
15 amending K.S.A. 79-32,263, 79-4503, 79-4510 and 79-4522 and
16 K.S.A. 2025 Supp. 79-4502 **and 79-4508a** and repealing the existing
17 sections.
18

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

20 Section 1. K.S.A. 79-32,263 is hereby amended to read as follows:
21 79-32,263. This act shall be known and may be cited as the selective
22 assistance for effective senior relief (SAFESR). There shall be allowed as
23 a credit against the tax liability of a taxpayer imposed under the Kansas
24 income tax act, the following: (a) For tax years ~~2008, 2009 and 2010, an~~
25 ~~amount equal to 45% of the amount of property and ad valorem taxes~~
26 ~~actually and timely paid as described in this section; and (b) for tax year~~
27 ~~2011 and all tax years thereafter through 2025, an amount equal to 75% of~~
28 ~~the amount of property and ad valorem taxes actually and timely paid as~~
29 ~~described in this section~~ by a taxpayer who is 65 years of age or older and
30 ~~who~~ has household income equal to or less than 120% of the federal
31 poverty level for two persons; **and (b) for tax year 2026 and all tax years**
32 **thereafter, an amount equal to 75% of the amount of property and ad**
33 **valorem taxes actually and timely paid by a taxpayer who is 65 years of**
34 **age or older was born before January 1, 1961, and has household income**
35 **equal to or less than \$25,380 if such taxes were paid upon real or personal**
36 **property used for residential purposes of such taxpayer** ~~which~~ **that** is the

1 taxpayer's principal place of residence for the tax year in which the tax
2 credit is claimed. ***In the case of all tax years commencing after***
3 ***December 31, 2026, the upper limit household income threshold amount***
4 ***prescribed in this section shall be increased by an amount equal to such***
5 ***threshold amount multiplied by the cost-of-living adjustment determined***
6 ***under section 1(f)(3) of the federal internal revenue code for the***
7 ***calendar year in which the taxable year commences.*** The amount of any
8 such credit for any such taxpayer shall not exceed the amount of property
9 and ad valorem taxes paid by such taxpayer as specified in this section. A
10 taxpayer shall not take the credit pursuant to this section if such taxpayer
11 has received a homestead property tax refund pursuant to K.S.A. 79-4501
12 et seq., and amendments thereto, for such property for such tax year.
13 Subject to the provisions of this section, if the amount of such tax credit
14 exceeds the taxpayer's income tax liability for the taxable year, the amount
15 of such excess credit—~~which~~ *that* exceeds such tax liability shall be
16 refunded to the taxpayer. The secretary of revenue shall adopt rules and
17 regulations regarding the filing of documents that support the amount of
18 the credit claimed pursuant to this section. For purposes of this section,
19 "household income" means all income as defined in K.S.A. 79-4502(a),
20 and amendments thereto, including any payments received under the
21 federal social security act, received by persons of a household in a
22 calendar year while members of such household. *The definition of*
23 *"household income" in K.S.A. 79-4502(c), and amendments thereto, shall*
24 *not apply to this section.* The provisions of this act shall be a part of and
25 supplemental to the homestead property tax refund act.

26 Sec. 2. K.S.A. 2025 Supp. 79-4502 is hereby amended to read as
27 follows: 79-4502. As used in this act, unless the context clearly indicates
28 otherwise:

29 (a) "Income" means the sum of adjusted gross income under the
30 Kansas income tax act effective for tax year 2013 and thereafter without
31 regard to any modifications pursuant to K.S.A. 79-32,117(b)(xx) through
32 (xxiii) and (c)(xx), and amendments thereto, maintenance, support money,
33 cash public assistance and relief, not including any refund granted under
34 this act, the gross amount of any pension or annuity, including all
35 monetary retirement benefits from whatever source derived, including, but
36 not limited to, all payments received under the railroad retirement act,
37 except disability payments, payments received under the federal social
38 security act, except that for determination of what constitutes income, such
39 amount shall not exceed 50% of any such social security payments and
40 shall not include any social security payments to a claimant who prior to
41 attaining full retirement age had been receiving disability payments under
42 the federal social security act in an amount not to exceed the amount of
43 such disability payments or 50% of any such social security payments,

1 whichever is greater, all dividends and interest from whatever source
2 derived not included in adjusted gross income, workers compensation and
3 the gross amount of "loss of time" insurance. Income does not include gifts
4 from nongovernmental sources or surplus food or other relief in kind
5 supplied by a governmental agency, nor shall net operating losses and net
6 capital losses be considered in the determination of income. Income does
7 not include veterans disability compensation. Income does not include
8 disability payments received under the federal social security act.

9 (b) "Household" means a claimant, a claimant and spouse who
10 occupy the homestead or a claimant and one or more individuals not
11 related as husband and wife who together occupy a homestead.

12 (c) *For tax years prior to 2026, "household income" means all*
13 *income received by all persons of a household in a calendar year while*
14 *members of such household. For tax year 2026 and all tax years*
15 *thereafter, "household income" means the total Kansas adjusted gross*
16 *income as defined in K.S.A. 79-32,117, and amendments thereto, of all*
17 *persons of a household in a calendar year while members of such*
18 *household.*

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

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

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

- 34 (A) A person having a disability;
35 (B) a person who is 55 years of age or older;
36 (C) a disabled veteran;
37 (D) the surviving spouse of a deceased member of the armed forces
38 who died in the line of duty during a period of active service; or

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

43 (2) for purposes of a claim under K.S.A. 2025 Supp. 79-4508a, and

1 amendments thereto:

2 (A) A person who is 65 years of age or older; or

3 (B) a disabled veteran.

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

8 When a homestead is occupied by two or more individuals and more
9 than one of the individuals is able to qualify as a claimant, the individuals
10 may determine between them as to whom the claimant will be. If they are
11 unable to agree, the matter shall be referred to the secretary of revenue,
12 whose decision shall be final.

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

38 (g) "Disability" means:

39 (1) Inability to engage in any substantial gainful activity by reason of
40 any medically determinable physical or mental impairment ~~which~~ *that* can
41 be expected to result in death or has lasted or can be expected to last for a
42 continuous period of not less than 12 months, and an individual shall be
43 determined to be under a disability only if the physical or mental

1 impairment or impairments are of such severity that the individual is not
2 only unable to do the individual's previous work but cannot, considering
3 age, education and work experience, engage in any other kind of
4 substantial gainful work—~~which that~~ exists in the national economy,
5 regardless of whether such work exists in the immediate area in which the
6 individual lives or whether a specific job vacancy exists for the individual,
7 or whether the individual would be hired if application was made for work.
8 For purposes of the preceding sentence—(, with respect to any individual),
9 "work—~~which that~~ exists in the national economy" means work—~~which that~~
10 exists in significant numbers either in the region where the individual lives
11 or in several regions of the country;. For purposes of this subsection, a
12 "physical or mental impairment" is an impairment that results from
13 anatomical, physiological or psychological abnormalities—~~which that~~ are
14 demonstrable by medically acceptable clinical and laboratory diagnostic
15 techniques; or

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

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

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

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

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

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

37 Sec. 3. K.S.A. 79-4503 is hereby amended to read as follows: 79-
38 4503. (a) The right to file a claim under this act may be exercised on
39 behalf of a claimant by ~~his or her~~ *such claimant's* legal guardian,
40 conservator or attorney-in-fact. When a claimant dies after having filed a
41 timely claim, the amount thereof shall be disbursed to another member of
42 the household as determined by the director of taxation. If the claimant
43 was the only member of ~~his or her~~ *such claimant's* household, the claim

1 may be paid to ~~his or her~~ *such claimant's* executor or administrator, but if
2 neither is appointed and qualified, the amount of the claim may be paid
3 upon a claim duly made to any heir at law. In the absence of any such
4 claim within two ~~(2)~~ years of the filing of the claim, the amount of the
5 claim shall escheat to the state. When a person who would otherwise be
6 entitled to file a claim under the provisions of this act dies prior to filing
7 such claim, another member of such person's household may file such
8 claim in the name of such decedent, subject to the deadline prescribed by
9 K.S.A. 79-4505, *and amendments thereto*, and the director shall pay the
10 amount to which the decedent would have been entitled to such person
11 filing the claim. If the decedent was the only member of ~~his or her~~ *such*
12 *claimant's* household, the decedent's executor or administrator may file
13 such claim in the name of the decedent, and the claim shall be paid to said
14 executor or administrator. In the event that neither an executor or
15 administrator is appointed and qualified, such claim may be made by any
16 heir at law and the claim shall be payable to such heir at law. Any of the
17 foregoing provisions shall be applicable in any case where the decedent
18 dies in the calendar year preceding the year in which a claim may be made
19 under the provisions of this act, if such decedent was a resident of or
20 domiciled in this state during the entire part of such year that such
21 decedent was living. Where decedent's death occurs during the calendar
22 year preceding the year in which a claim may be made hereunder, the
23 amount of the claim that would have been allowable if the decedent had
24 been a resident of or domiciled in this state the entire calendar year of ~~his~~
25 ~~or her~~ *such claimant's* death shall be reduced in a proportionate amount
26 equal to a fraction of the claim otherwise allowable, the numerator of
27 which fraction is the number of months in such calendar year following
28 the month of decedent's death and the denominator of which is ~~twelve~~
29 ~~(12)~~.

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

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

41 *(A) "By reason of health" means to obtain medical care or to receive*
42 *basic services relating to daily living, self-care or mobility, including, but*
43 *not limited to, assistance with bathing and personal hygiene, dressing and*

1 grooming, health maintenance activities or preparation of meals; and

2 (B) "other hardship" does not include confinement in any
3 correctional institution or facility, including any correctional institution as
4 defined in K.S.A. 75-5202, and amendments thereto, any correctional
5 facility of the federal bureau of prisons or any other state or any city or
6 county jail facility.

7 Sec. 4. K.S.A. 79-4510 is hereby amended to read as follows: 79-
8 4510. In administering this act, the division of taxation shall make
9 available suitable forms with instructions for claimants. Copies of such
10 forms shall also be made available to all county clerks and county
11 treasurers in sufficient numbers to supply claimants residing in their
12 respective counties. It shall be the duty of the county clerk to assist any
13 claimant seeking assistance in the filing of a claim under the provisions of
14 this act. The county treasurer of each county shall mail to each taxpayer
15 with the property tax statement of such taxpayer information on eligibility
16 for homestead property tax relief to be provided by the secretary of
17 revenue.

18 *For tax year 2026, the division of taxation shall combine and modify as*
19 *appropriate the claim forms K-40H and K-40SVR for claims under K.S.A.*
20 *79-4508, and amendments thereto, or K.S.A. 2025 Supp. 79-4508a, and*
21 *amendments thereto, into one new claim form with instructions for*
22 *claimants and shall continue to utilize one claim form for all tax years*
23 *thereafter.*

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

27 **Sec. 5. K.S.A. 2025 Supp. 79-4508a is hereby amended to read as**
28 **follows: 79-4508a. (a) For tax year 2022 and all tax years thereafter, the**
29 **amount of any claim pursuant to this section shall be computed by**
30 **deducting the claimant's base year ad valorem tax amount for the**
31 **homestead from the claimant's homestead ad valorem tax amount for**
32 **the tax year for which the refund is sought.**

33 (b) *As used in this section:*

34 (1) *"Base year" means the year in which an individual becomes an*
35 *eligible claimant and who is also eligible for a claim for refund pursuant*
36 *to this section. For any individual who would otherwise be an eligible*
37 *claimant prior to 2021, such base year shall be deemed to be 2021 for*
38 *the purposes of this act.*

39 (2) *"Claimant" means a person who has filed a claim under the*
40 *provisions of this act and was, during the entire calendar year preceding*
41 *the year in which such claim was filed for refund under this act, except*
42 *as provided in K.S.A. 79-4503, and amendments thereto, both domiciled*
43 *in this state and was: (A) A person who is 65 years of age or older; or (B)*

1 *a disabled veteran. The surviving spouse of a person 65 years of age or*
 2 *older or a disabled veteran who was receiving benefits pursuant to this*
 3 *section at the time of the claimant's death shall be eligible to continue to*
 4 *receive benefits until such time the surviving spouse remarries.*

5 *(3) For tax year 2025 and all tax years thereafter, "household*
 6 *income" means the total Kansas adjusted gross income of all persons of*
 7 *a household in a calendar year while members of such household.*

8 *(c) A claimant shall only be eligible for a claim for refund under*
 9 *this section if:*

10 *(1) The claimant's household income for the year in which the*
 11 *claim is filed is \$50,000 or less; and*

12 *(2)(A) For base years 2021 through 2024, the appraised value of the*
 13 *claimant's homestead for the base year is \$350,000 or less; and*

14 *(B) for base year 2025 and all base years thereafter, the appraised*
 15 *value of the claimant's homestead for the base year is \$375,000 or less.*

16 *The provisions of K.S.A. 79-4522, and amendments thereto, shall not*
 17 *apply to a claim pursuant to this section. In the case of all tax years*
 18 *commencing after December 31, 2022, the upper limit household income*
 19 *threshold amount prescribed in this subsection shall be increased by an*
 20 *amount equal to such threshold amount multiplied by the cost-of-living*
 21 *adjustment determined under section 1(f)(3) of the federal internal*
 22 *revenue code for the calendar year in which the taxable year*
 23 *commences.*

24 *(d) A taxpayer shall not be eligible for a homestead property tax*
 25 *refund claim pursuant to this section if such taxpayer has received for*
 26 *such property for such tax year either: (1) A homestead property tax*
 27 *refund pursuant to K.S.A. 79-4508, and amendments thereto; or (2) the*
 28 *selective assistance for effective senior relief (SAFESR) credit pursuant*
 29 *to K.S.A. 79-32,263, and amendments thereto.*

30 *(e) The amount of any claim shall be computed to the nearest \$1.*

31 *(f) The provisions of this section shall be a part of and*
 32 *supplemental to the homestead property tax refund act.*

33 ~~Sec.-5.~~ 6. K.S.A. 79-4522 is hereby amended to read as follows: 79-
 34 4522. *(a) (1) Except as provided in subsection (b), a person owning or*
 35 *occupying a homestead for which the appraised valuation for property tax*
 36 *purposes exceeds \$350,000 in any year shall not be entitled to claim a*
 37 *refund of property taxes under the homestead property tax refund act for*
 38 *any such year. The provisions of this paragraph shall apply to:*

39 *(A) Claims under K.S.A. 79-4508, and amendments thereto, for tax*
 40 *years prior to tax year 2026; and*

41 *(B) all claims under K.S.A. 79-32,263, and amendments thereto.*

42 *(2) For tax year 2026 and all tax years thereafter, except as*
 43 *provided in subsection (b), a person owning or occupying a homestead*

1 *for which the appraised valuation for property tax purposes exceeds*
2 *\$375,000 in any year shall not be entitled to claim a refund of property*
3 *taxes under the homestead property tax refund act for any such year.*
4 *The provisions of this paragraph shall apply to claims under K.S.A. 79-*
5 *4508, and amendments thereto.*

6 (b) *For tax year 2026 and all tax years thereafter, a person who*
7 *received a refund under this act or a credit pursuant to K.S.A. 79-32,263,*
8 *and amendments thereto, for any previous tax year when the person's*
9 *homestead had an appraised valuation not exceeding—\$350,000 the*
10 ***applicable amount provided in subsection (a)*** *shall not lose eligibility for*
11 *any subsequent tax year in the event that the appraised valuation of such*
12 *homestead exceeds—\$350,000 the applicable amount provided in*
13 ***subsection (a)*** *for any such subsequent tax year if the person otherwise*
14 *satisfies the statutory requirements for such a refund or credit.*

15 (c) *The provisions of this section—shall apply to claims pursuant to—*
16 ~~*K.S.A. 79-32,263 and 79-4508, and amendments thereto, but shall not*~~
17 ~~*apply to claims pursuant to K.S.A. 2025 Supp. 79-4508a, and amendments*~~
18 ~~*thereto.*~~

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

21 ~~Sec.—6.~~ 7. *K.S.A. 79-32,263, 79-4503, 79-4510 and 79-4522 and*
22 *K.S.A. 2025 Supp. 79-4502 and 79-4508a are hereby repealed.*

23 ~~Sec.—7.~~ 8. *This act shall take effect and be in force from and after its*
24 *publication in the statute book.*