

UPDATED
SESSION OF 2025

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2231

As Amended by Senate Committee on
Assessment and Taxation

Brief*

HB 2231, as amended, would modify law related to income tax personal exemption amounts and make changes to the “tax freeze” refund option within the Homestead Property Tax Refund Act.

Personal Exemption Changes

The bill would establish, beginning in tax year 2024, that head-of-household filers would be allowed an additional personal exemption of \$2,320 and would increase the additional personal exemption for 100 percent permanently disabled military veterans to the same amount.

“Tax Freeze” Refund Program Changes

The bill would make changes to the refund option providing for a refund of the amount of tax in excess of the base year amount under the Homestead Property Tax Refund Act.

[*Note:* The Homestead Property Tax Refund Act includes three different refund options. The other two refund options would not be impacted by the bill.]

*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 <https://klrd.gov/>

The bill would, for purposes of only this refund option, provide for the definition of income to be the Kansas adjusted gross income of the taxpayer and would increase the income threshold for a taxpayer to be eligible for the refund to \$80,000 in tax year 2025. [Note: The bill would retain a formula in current law for increases to the income eligibility threshold amount in future years.]

The bill would increase, beginning in tax year 2025, the maximum appraised value of an eligible claimant's home in the base year from \$350,000 to \$450,000 and provide for future increases to this amount based upon the average percentage change in statewide residential valuation of existing residential real estate for the preceding 10 years. For taxpayers becoming eligible for the program by virtue of the increase in the appraised value limitation, the base year for purposes of calculating the refund would be 2024 or the first year in which the taxpayer is eligible for the program, whichever is later.

Background

The bill was introduced by the House Committee on Taxation at the request of a representative of the Kansas Department of Revenue (KDOR).

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by the Secretary of Revenue, who stated the bill would clarify that the intent of the Legislature is to provide a personal exemption for head-of-household filers as has been the practice of KDOR since related changes were made to statute in 1998.

No other testimony was provided.

The House Committee amended the bill to increase the personal exemption for disabled military veterans.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by the Secretary of Revenue and by a representative of the Military Officers Association of America. The proponents generally stated the bill would clarify the law to reflect current practice of KDOR and would cause the extra personal exemption amount afforded to certain disabled veterans to equal the amount of the dependent personal exemption.

No other testimony was provided.

The Senate Committee amended the bill to insert the amended contents of SB 215. Background information for SB 215 is provided below.

SB 215–Property Tax Refund Program Changes

SB 215 was introduced by Senators Corson, Faust-Goudeau, Francisco, Haley, Holscher, Pettey, Schmidt, and Sykes.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Military Officers Association of America, generally stating the bill should be amended to exclude additional categories of disabled veteran income from the definition of household income.

Written-only proponent testimony was provided by representatives of AARP of Kansas and the Kansas Association of Realtors and by a private citizen.

No other testimony was provided.

The Senate Committee amended the bill to replace the definition of household income with Kansas adjusted gross income, reduce the home valuation eligibility threshold from \$595,000 to \$450,000, and to clarify the base year for those made eligible for the program as a result of the increase in the residential valuation limitation.

Fiscal Information

According to the Department of Revenue, the personal exemption increase for disabled veterans would reduce State General Fund (SGF) receipts by approximately \$20,000 per year beginning in FY 2026.

The changes to the property tax refund program would reduce SGF receipts by \$8.5 million in FY 2026, \$17.4 million in FY 2027, and \$26.8 million in FY 2028.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Taxation; income tax; personal exemption; head of household; disabled veterans; property tax refunds; income; home valuation