

HOUSE BILL No. 2668

By Representatives Croft, Esau, Lynn, Tarwater and Warren

2-12

1 AN ACT concerning taxation; relating to income tax; establishing the
2 property tax relief act, residential property tax refunds; providing for an
3 expiration of the selective assistance for effective senior relief credit
4 and homestead property tax refund; amending K.S.A. 79-32,263 and
5 79-4508 and repealing the existing sections.

6
7 *Be it enacted by the Legislature of the State of Kansas:*

8 New Section 1. The provisions of sections 1 through 16, and
9 amendments thereto, shall be known as and may be cited as the property
10 tax relief act.

11 New Sec. 2. As used in this act:

12 (a) "Act" means the property tax relief act.

13 (b) "Base year" means the year in which an individual who becomes
14 an eligible claimant and who is also eligible for a claim for refund
15 pursuant to section 8(b), and amendments thereto. For any individual who
16 would otherwise be an eligible claimant prior to 2021, such base year shall
17 be deemed to be 2021 for the purposes of this act. In the event that an
18 individual is no longer an eligible claimant under this act, the individual
19 shall establish a new base year in the year that the individual becomes an
20 eligible claimant.

21 (c) "Claimant" means a person who has filed a claim under the
22 provisions of this act and was, during the entire calendar year preceding
23 the year in which such claim was filed for refund under this act, except as
24 provided in section 3, and amendments thereto, domiciled in this state. The
25 surviving spouse who was receiving benefits pursuant to this act at the
26 time of the claimant's death shall be eligible to continue to receive benefits
27 until such time the surviving spouse remarries.

28 (d) "Homestead" means the dwelling, or any part thereof, owned and
29 occupied as a residence by the household and so much of the land
30 surrounding it, as defined as a home site for ad valorem tax purposes, and
31 may consist of a part of a multi-dwelling or multi-purpose building and a
32 part of the land upon which it is built or a manufactured home or mobile
33 home and the land upon which it is situated. "Owned" includes one or
34 more joint tenants or tenants in common.

35 When a homestead is occupied by two or more individuals and more
36 than one of the individuals is able to qualify as a claimant, the individuals

1 may determine between them as to who the claimant will be. If they are
2 unable to agree, the matter shall be referred to the secretary of revenue,
3 whose decision shall be final.

4 (e) "Household" means a claimant, a claimant and spouse who
5 occupy the homestead or a claimant and one or more individuals not
6 related as married individuals who together occupy a homestead.

7 (f) "Household income" means all income received by all persons of
8 a household in a calendar year while members of such household.

9 (g) "Income" means the sum of adjusted gross income under the
10 Kansas income tax act effective for tax year 2021, and all tax years
11 thereafter, without regard to any maintenance, support money, cash public
12 assistance and relief, not including any refund granted under this act, the
13 gross amount of any pension or annuity, including all monetary retirement
14 benefits from whatever source derived, including, but not limited to, all
15 payments received under the railroad retirement act, except disability
16 payments, payments received under the federal social security act, except
17 that for determination of what constitutes income, such amount shall not
18 exceed 50% of any such social security payments and shall not include any
19 social security payments to a claimant who, prior to attaining full
20 retirement age, had been receiving disability payments under the federal
21 social security act in an amount not to exceed the amount of such disability
22 payments or 50% of any such social security payments, whichever is
23 greater, all dividends and interest from whatever source derived not
24 included in adjusted gross income, workers compensation and the gross
25 amount of loss of time insurance. "Income" does not include gifts from
26 nongovernmental sources or surplus food or other relief in kind supplied
27 by a governmental agency, nor shall net operating losses and net capital
28 losses be considered in the determination of income. "Income" does not
29 include veterans disability pensions or disability payments received under
30 the federal social security act.

31 (h) "Property taxes accrued" means property taxes, exclusive of
32 special assessments, delinquent interest and charges for service, levied on
33 a claimant's homestead in 2021 or any calendar year thereafter by the state
34 of Kansas and the political and taxing subdivisions of the state. When a
35 homestead is owned by two or more persons or entities as joint tenants or
36 tenants in common and one or more of the persons or entities is not a
37 member of the claimant's household, "property taxes accrued" is that part
38 of property taxes levied on the homestead that reflects the ownership
39 percentage of the claimant's household. For purposes of this act, property
40 taxes are levied when the tax roll is delivered to the local treasurer with the
41 treasurer's warrant for collection. When a claimant and household own
42 their homestead for only a part of a calendar year, "property taxes accrued"
43 means only taxes levied on the homestead when both owned and occupied

1 as a homestead by the claimant's household at the time of the levy,
2 multiplied by the percentage of 12 months that the property was owned
3 and occupied by the household as its homestead in that year. When a
4 household owns and occupies two or more different homesteads in the
5 same calendar year, "property taxes accrued" shall be the sum of the taxes
6 allocable to those several properties while occupied by the household as its
7 homesteads during the year. Whenever a homestead is an integral part of a
8 larger unit such as a multi-purpose or multi-dwelling building, "property
9 taxes accrued" shall be that percentage of the total property taxes that is
10 equal to the percentage of the value of the homestead compared to the total
11 unit's value. For the purposes of this act, the word "unit" refers to that
12 parcel of property covered by a single tax statement of which the
13 homestead is a part.

14 New Sec. 3. The right to file a claim under this act may be exercised
15 on behalf of a claimant by such person's legal guardian, conservator or
16 attorney-in-fact. When a claimant dies after having filed a timely claim,
17 the amount thereof shall be disbursed to another member of the household
18 as determined by the director of taxation. If the claimant was the only
19 member of such person's household, the claim may be paid to such
20 person's executor or administrator, but if neither is appointed and qualified,
21 the amount of the claim may be paid upon a claim duly made to any heir at
22 law. In the absence of any such claim within two years of the filing of the
23 claim, the amount of the claim shall escheat to the state. When a person
24 who would otherwise be entitled to file a claim under the provisions of this
25 act dies prior to filing such claim, another member of such person's
26 household may file such claim in the name of such decedent, subject to the
27 deadline prescribed by section 5, and amendments thereto, and the director
28 shall pay the amount to which the decedent would have been entitled to
29 such person filing the claim. If the decedent was the only member of such
30 person's household, the decedent's executor or administrator may file such
31 claim in the name of the decedent, and the claim shall be paid to the
32 executor or administrator. In the event that neither an executor or
33 administrator is appointed and qualified, such claim may be made by any
34 heir at law and the claim shall be payable to such heir at law. Any of the
35 foregoing provisions shall be applicable in any case where the decedent
36 dies in the calendar year preceding the year in which a claim may be made
37 under the provisions of this act, if such decedent was a resident of or
38 domiciled in this state during the entire part of such year that such
39 decedent was living. Where the decedent's death occurs during the
40 calendar year preceding the year in which a claim may be made, the
41 amount of the claim that would have been allowable if the decedent had
42 been a resident of or domiciled in this state the entire calendar year of such
43 person's death shall be reduced in a proportionate amount equal to a

1 fraction of the claim otherwise allowable, the numerator of which fraction
2 is the number of months in such calendar year following the month of the
3 decedent's death, and the denominator of which is 12.

4 New Sec. 4. A claimant may claim property tax relief under this act
5 with respect to property taxes accrued and, after audit by the director of
6 taxation with respect to this act, the allowable amount of such claim shall
7 be paid, except as otherwise provided in sections 6, 15 and 16, and
8 amendments thereto, to the claimant from the income tax refund fund upon
9 warrants of the director of accounts and reports pursuant to vouchers
10 approved by the director of taxation or by any person designated by the
11 claimant, but no warrant issued shall be drawn in an amount of less than
12 \$5. No interest shall be allowed on any payment made to a claimant
13 pursuant to this act.

14 New Sec. 5. Except as provided in section 14, and amendments
15 thereto, no claim in respect to property taxes levied in any year shall be
16 paid or allowed unless such claim is actually filed with and in the
17 possession of the department of revenue on or before April 15 of the year
18 next succeeding the year in which such taxes were levied.

19 New Sec. 6. The amount of any claim otherwise payable under this
20 act may be applied by the director of taxation against any liability
21 outstanding on the books of the department of revenue against the
22 claimant, or against any other individual who was a member of such
23 person's household in the year that the claim relates.

24 New Sec. 7. Only one claimant per household per year shall be
25 entitled to relief under this act.

26 New Sec. 8. Commencing in tax year 2021, and all tax years
27 thereafter, the amount of any claim pursuant to this act shall be computed
28 as follows:

29 (a) For a claimant who is less than 65 years of age and whose
30 household income is less than \$50,000, such claimant shall be eligible for
31 a refund based on the amount of property taxes accrued. Such claim shall
32 be computed as follows:

33 Percentage of property tax to be refunded = $-0.0005 * HI + 25$

34 Where HI equals the household income of the taxpayer.

35 The refund due to the claimant shall be computed as follows: The
36 percentage of property tax to be refunded shall be multiplied by the
37 property taxes accrued.

38 (b) (1) For a claimant who is 65 years of age and whose household
39 income is less than \$50,000, such claimant shall use the base year amount
40 of property taxes accrued to be refunded pursuant to subsection (a). Such
41 claimant shall also be allowed an additional refund in the amount to be
42 computed by deducting the property taxes accrued amount in the tax year
43 for which the refund is sought from the amount of a property taxes accrued

1 in the claimant's base year.

2 (c) Commencing in tax year 2022, the household income threshold
3 amounts prescribed in subsections (a) and (b) shall be increased by an
4 amount equal to such amount multiplied by the cost-of-living adjustment
5 determined under section 1(f)(3) of the federal internal revenue code of
6 1986 for the calendar year in which the taxable year commences.

7 New Sec. 9. (a) In administering this act, the director of taxation shall
8 make available suitable forms with instructions for claimants. Copies of
9 such forms shall also be made available to all county clerks and county
10 treasurers in sufficient numbers to supply claimants residing in their
11 respective counties. It shall be the duty of the county clerk to assist any
12 claimant seeking assistance in the filing of a claim under the provisions of
13 this act. The county treasurer of each county shall mail to each taxpayer,
14 with the property tax statement of such taxpayer, information on eligibility
15 for relief under this act to be provided by the secretary of revenue.

16 (b) The secretary of revenue is hereby authorized to adopt such rules
17 and regulations as may be necessary for the administration of the
18 provisions of this act.

19 New Sec. 10. (a) Every claimant under this act shall supply to the
20 director of taxation, in support of a claim, reasonable proof of age and
21 changes of homestead, household membership, household income,
22 household assets and size and the nature of property claimed as the
23 homestead.

24 (b) Every claimant who is a homestead owner, or whose claim is
25 based wholly or partly upon homestead ownership at some time during the
26 calendar year, shall supply to the director of taxation, in support of a claim,
27 the amount of property taxes levied upon the property claimed as a
28 homestead and a statement that the property taxes accrued used for the
29 purposes of this act have been or will be paid by the claimant. Upon
30 request by the director, such claimant shall provide a copy of the statement
31 of property taxes levied upon the property claimed as a homestead. The
32 amount of personal property taxes levied on a manufactured home or
33 mobile home shall be set out on the personal property tax statement
34 showing the amount of such tax as a separate item.

35 (c) The information required to be furnished under subsection (b)
36 shall be in addition to that required under subsection (a).

37 New Sec. 11. In any case in which it is determined that a claim is or
38 was excessive and was filed with fraudulent intent, the claim shall be
39 disallowed in full, and, if the claim has been paid, the amount paid may be
40 recovered by assessment as income taxes are assessed, and such
41 assessment shall bear interest from the date of payment or credit of the
42 claim, until recovered, at the rate of 1% per month. The claimant in such
43 case and any person who assisted in the preparation or filing of such

1 excessive claim, or supplied information upon which such excessive claim
2 was prepared, with fraudulent intent, shall be guilty of a class B
3 misdemeanor. In any case in which it is determined that a claim is or was
4 excessive and was negligently prepared, 10% of the corrected claim shall
5 be disallowed, and, if the claim has been paid, the proper portion of any
6 amount paid shall be similarly recovered by assessment as income taxes
7 are assessed, and such assessment shall bear interest at the rate of 1% per
8 month from the date of payment until recovered. In any case in which it is
9 determined that a claim is or was excessive due to the fact that the
10 claimant neglected to include certain income received during the year, the
11 claim shall be corrected and the excess disallowed, and, if the claim has
12 been paid, the proper portion of any amount paid shall be similarly
13 recovered by assessment as income taxes are assessed.

14 New Sec. 12. No claim for relief under the provisions of this act shall
15 be allowed to any claimant who is a recipient of public funds specifically
16 designated for the payment of taxes during the period for which the claim
17 is filed.

18 New Sec. 13. A claim shall be disallowed if the director of taxation
19 finds that the claimant received title to such person's homestead primarily
20 for the purpose of receiving benefits under this act.

21 New Sec. 14. For claims in respect to property taxes levied in any
22 year, the director of taxation may extend the time for filing any claim or
23 accept a claim filed after the filing deadline when good cause exists, if the
24 claim has been filed within four years of the deadline.

25 New Sec. 15. (a) The director of taxation shall issue to the county
26 clerk by October 15 of each year an electronic record containing the name
27 of each eligible claimant who received a refund of property taxes under
28 this act for the prior year.

29 (b) When initially filing a claim under this act, the claimant shall be
30 given an election to receive such refund directly from the director of
31 taxation or have such refund applied to the claimant's ad valorem taxes in
32 the county. The claimant shall make the election on a form supplied by the
33 director of taxation. Such refund shall not be applied to any special
34 assessment.

35 (c) After the electronic record under subsection (a) has been received
36 from the director of taxation, the county clerk of the county in which the
37 property is located shall make any corrections needed, if any, based upon
38 information known by the county clerk concerning any change in
39 eligibility of any claimant listed in such record. After any needed
40 corrections have been made to the electronic record, the county clerk, on
41 behalf of each claimant listed in such record, shall certify the information
42 contained in such record to the county treasurer in lieu of paying that
43 portion of the first half of taxes on the claimant's homestead in the current

1 year, which equals the amount of the golden years homestead property tax
2 freeze refund received by the claimant for taxes levied in the preceding
3 year up to the amount of the first half of the property taxes due.

4 (d) The county treasurer shall certify and return the electronic record
5 referred to in subsection (a), including any changes made by the county
6 clerk pursuant to subsection (c), to the director of taxation by December 31
7 of each year. After receiving a claim of any claimant who is listed in the
8 electronic record submitted by the county treasurer, the director shall
9 examine the same, and, if the claim is valid, the director of accounts and
10 reports shall draw a warrant in favor of the county in which the claimant's
11 homestead is located upon a voucher approved by the director of taxation
12 in the amount of the allowable claim for refund. Sufficient information to
13 identify the claimant shall be directed to the county treasurer with each
14 warrant. Any taxes levied in any year on the homestead of any claimant
15 who has obtained the eligibility herein provided for in excess of the
16 amount paid to the county by the state and by the claimant on or before
17 December 20 of such year shall be paid by the claimant on or before May
18 10 of the succeeding year.

19 (e) For the purposes of this section, "electronic record" means the
20 same as defined in K.S.A. 16-1602, and amendments thereto.

21 New Sec. 16. If there are delinquent property taxes on the claimant's
22 homestead, the refund shall be paid to the county treasurer of the county in
23 which such homestead is located and applied first to the oldest of such
24 delinquent property taxes and applied forward to the most recent
25 delinquent property taxes and then to any other property taxes due on the
26 claimant's homestead.

27 Sec. 17. K.S.A. 79-32,263 is hereby amended to read as follows: 79-
28 32,263. This act shall be known and may be cited as the selective
29 assistance for effective senior relief (SAFESR). There shall be allowed as
30 a credit against the tax liability of a taxpayer imposed under the Kansas
31 income tax act, the following: (a) For tax years 2008, 2009 and 2010, an
32 amount equal to 45% of the amount of property and ad valorem taxes
33 actually and timely paid as described in this section; and (b) for tax year
34 2011 ~~and all tax years thereafter~~ *through tax year 2020*, an amount equal to
35 75% of the amount of property and ad valorem taxes actually and timely
36 paid by a taxpayer who is 65 years of age or older and who has household
37 income equal to or less than 120% of the federal poverty level for two
38 persons if such taxes were paid upon real or personal property used for
39 residential purposes of such taxpayer which is the taxpayer's principal
40 place of residence for the tax year in which the tax credit is claimed. The
41 amount of any such credit for any such taxpayer shall not exceed the
42 amount of property and ad valorem taxes paid by such taxpayer as
43 specified in this section. A taxpayer shall not take the credit pursuant to

1 this section if such taxpayer has received a homestead property tax refund
 2 pursuant to K.S.A. 79-4501 et seq., and amendments thereto, for such
 3 property for such tax year. Subject to the provisions of this section, if the
 4 amount of such tax credit exceeds the taxpayer's income tax liability for
 5 the taxable year, the amount of such excess credit which exceeds such tax
 6 liability shall be refunded to the taxpayer. The secretary of revenue shall
 7 adopt rules and regulations regarding the filing of documents that support
 8 the amount of the credit claimed pursuant to this section. For purposes of
 9 this section, "household income" means all income as defined in K.S.A.
 10 79-4502(a), and amendments thereto, including any payments received
 11 under the federal social security act, received by persons of a household in
 12 a calendar year while members of such household. The provisions of this
 13 act shall be part of and supplemental to the homestead property tax refund
 14 act.

15 Sec. 18. K.S.A. 79-4508 is hereby amended to read as follows: 79-
 16 4508. (a) ~~Commencing in the tax year~~ *For the tax years* beginning after
 17 December 31, 2005, *and ending prior to January 1, 2021*, the amount of
 18 any claim pursuant to this act shall be computed by deducting the amount
 19 computed under column (2) from the amount of claimant's property tax
 20 accrued.

(1)		(2)
Claimant's household income		Deduction from property tax accrued
	But not	
At least	more than	
\$0	\$6,000	\$0
6,001	7,000	4%
7,001	16,000	4% plus 4% of every \$1,000, or fraction thereof, of income in excess of \$7,001
16,001	27,000	40% plus 5% of every \$1,000, or fraction thereof, of income in excess of \$16,001
27,001	27,600	95%

35 (b) The director of taxation shall prepare a table under which claims
 36 under this act shall be determined. The amount of claim for each bracket
 37 shall be computed only to the nearest \$1.

38 (c) The claimant may elect not to record the amount claimed on the
 39 claim. The claim allowable to persons making this election shall be
 40 computed by the department which shall notify the claimant by mail of the
 41 amount of the allowable claim.

42 (d) In the case of all tax years commencing after December 31, 2004,
 43 the upper limit threshold amount prescribed in this section, shall be

1 increased by an amount equal to such threshold amount multiplied by the
2 cost-of-living adjustment determined under section 1(f)(3) of the federal
3 internal revenue code for the calendar year in which the taxable year
4 commences.

5 Sec. 19. K.S.A. 79-32,263 and 79-4508 are hereby repealed.

6 Sec. 20. This act shall take effect and be in force from and after its
7 publication in the statute book.