

SESSION OF 2023

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2201**

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

Senate Sub. for HB 2201 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.]

The bill would, for purposes of only this refund option, exclude from the definition of “household income” all Social Security benefits, of which one-half are currently included in the definition.

The bill would increase the maximum amount of income for which taxpayers would be eligible for this refund option from \$50,000 to \$75,000.

The bill would increase the maximum appraised value of an eligible claimant’s home in the base year from \$350,000 to \$595,000 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.

*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 <http://www.kslegislature.org>

The changes would be retroactive to tax year 2022, and the deadline to file claims for tax year 2022 would be extended from April 15, 2023, to April 15, 2024.

Background

The bill was introduced by the House Committee on Taxation at the request of Representative Averkamp.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by Representative Averkamp, stating the bill would make the valuation notices more useful to taxpayers and increase the transparency of the property tax system. Written-only proponent testimony was provided by representatives of the Kansas Association of Realtors and the League of Kansas Municipalities.

Written-only neutral testimony was provided by a representative of the Kansas Association of Counties.

No other testimony was provided.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, written-only **proponent** testimony was provided by representatives of the Kansas Association of Realtors and the League of Kansas Municipalities.

No other testimony was provided.

The Senate Committee removed the contents of the bill and inserted the contents of SB 80, as amended by the Senate Committee on Assessment and Taxation and further amended the provisions to include the increase in the income threshold. Background information for SB 80 is provided

below. [Note: The contents of HB 2201, as amended by the Senate Committee, were inserted into HB 2002.]

SB 80 (Homestead Program Changes)

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, written-only **proponent** testimony was provided by a representative of the Kansas Policy Institute.

Neutral testimony was provided by a representative of the Military Officers Association of America-Kansas.

No other testimony was provided.

The Senate Committee amended the bill to increase the maximum appraised value of a claimant's home and provide for retroactivity of the provisions of the bill.

Fiscal Information

A fiscal note on the substitute bill was not immediately available.

Taxation; property tax; refunds; income; valuation; Homestead program; Social Security; Homestead Property Tax Refund Act