AN ACT concerning property tax; relating to homestead property tax
refunds; disabled veterans; amending K.S.A. 2013 Supp. 79-4501, 79-
4502 and 79-4508 and repealing the existing sections.

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

Section 1. K.S.A. 2013 Supp. 79-4501 is hereby amended to read as
follows: 79-4501. The title of this act shall be the homestead property tax
refund act. The purpose of this act shall be to provide ad valorem tax
refunds to: (a) Certain persons who are of qualifying age who own their
homestead; (b) certain persons who have a disability, who own their
homestead; and (c) certain persons other than persons included under the
provisions of (a) or (b) who have low incomes and dependent children and
own their homestead; and (d) partially or completely disabled veterans.

Sec. 2. K.S.A. 2013 Supp. 79-4502 is hereby amended to read as
follows: 79-4502. As used in this act, unless the context clearly indicates
otherwise:

(a) "Income" means the sum of adjusted gross income under the
Kansas income tax act, maintenance, support money, cash public
assistance and relief, not including any refund granted under this act, the
gross amount of any pension or annuity, including all monetary retirement
benefits from whatever source derived, including but not limited to, all
payments received under the railroad retirement act, except disability
payments, payments received under the federal social security act, except
that for determination of what constitutes income such amount shall not
exceed 50% of any such social security payments and shall not include any
social security payments to a claimant who prior to attaining full
retirement age had been receiving disability payments under the federal
social security act in an amount not to exceed the amount of such disability
payments or 50% of any such social security payments, whichever is
greater, all dividends and interest from whatever source derived not
included in adjusted gross income, workers compensation and the gross
amount of "loss of time" insurance. Income does not include gifts from
nongovernmental sources or surplus food or other relief in kind supplied
by a governmental agency, nor shall net operating losses and net capital
losses be considered in the determination of income. Income does not
include veterans disability pensions. Income does not include disability
payments received under the federal social security act.

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

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

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

(e) "Claimant" means a person who has filed a claim under the provisions of this act and was, during the entire calendar year preceding the year in which such claim was filed for refund under this act, except as provided in K.S.A. 79-4503, and amendments thereto, both domiciled in this state and was: (1) A person having a disability; (2) a person who is 55 years of age or older; (3) a partially or completely disabled veteran; (4) the surviving spouse of active duty military personnel who died in the line of duty; or (5) a person other than a person included under (1), (2), (3) or (4) having one or more dependent children under 18 years of age residing at the person's homestead during the calendar year immediately preceding the year in which a claim is filed under this act. The surviving spouse of a partially or completely disabled veteran who was receiving benefits pursuant to subsection (e)(3) of this section at the time of the veterans' death, shall be eligible to continue to receive benefits until such time the surviving spouse remarries.

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

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

(g) "Disability" means:

(1) Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, and an individual shall be determined to be under a disability only if the physical or mental impairment or impairments are of such severity that the individual is not only unable to do the individual's previous work but cannot, considering age, education and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which the individual lives or whether a specific job vacancy exists for the individual, or whether the individual would be hired if application was made for work. For purposes of the preceding sentence (with respect to any individual), "work which exists in the national economy" means work which exists in significant numbers either in the region where the individual lives or in several regions of the country; for purposes of this subsection, a "physical or mental impairment" is an impairment that results from anatomical, physiological or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques; or

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

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

(i) "Partially disabled veteran" means a person who is a resident of Kansas and has been honorably discharged from active service, including active duty or active duty for training, in any branch of the armed forces of the United States or Kansas national guard and who has been certified by the United States department of veterans affairs or its successor to have a 50% permanent disability sustained through military action or accident or resulting from disease contracted while in such active service.

(j) "Completely disabled veteran" means a person who is a resident of Kansas and has been honorably discharged from active service, including active duty or active duty for training, in any branch of the armed forces of the United States or Kansas national guard and who is entitled to compensation for a service-connected disability of 100% and the laws administered by the veterans administration.

Sec. 3. K.S.A. 2013 Supp. 79-4508 is hereby amended to read as follows: 79-4508. (a) Commencing in the tax year beginning after December 31, 2005, the amount of any claim pursuant to this act, except a claim by a completely disabled veteran, shall be computed by deducting the amount computed under column (2) from the amount of claimant's property tax accrued.

<table>
<thead>
<tr>
<th>Claimants household income</th>
<th>Deduction from property tax accrued</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least $0</td>
<td>But not more than $6,000</td>
</tr>
<tr>
<td>6,001</td>
<td>7,000</td>
</tr>
<tr>
<td>7,001</td>
<td>16,000</td>
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<tr>
<td>16,001</td>
<td>27,000</td>
</tr>
<tr>
<td>27,001</td>
<td>27,600</td>
</tr>
</tbody>
</table>

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

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

(d) In the case of all tax years commencing after December 31, 2004,
the upper limit threshold amount prescribed in this section subsection (a),
shall be increased by an amount equal to such threshold amount multiplied
by the cost-of-living adjustment determined under section 1(f)(3) of the
federal internal revenue code for the calendar year in which the taxable
year commences.

(e) For all taxable years beginning after December 31, 2013, the
amount of any claim by a completely disabled veteran shall be equal to
100% of the amount of property taxes accrued.

Sec. 4. K.S.A. 2013 Supp. 79-4501, 79-4502 and 79-4508 are hereby
repealed.

Sec. 5. This act shall take effect and be in force from and after its
publication in the statute book.