Notice

Notice Number: 01-03
Tax Type: Homestead Property Tax Refunds
Brief Description: 2001 Changes to the Homestead Property Tax Refund Law.
Keywords:
Approval Date: 04/12/2001

Body:

OFFICE OF THE SECRETARY

NOTICE 2001-03

2001 CHANGES TO THE HOMESTEAD PROPERTY TAX REFUND LAW

Sections 1-3 of Senate Bill 44, passed by the 2001 Kansas Legislature, relate to Homestead Property Tax Refund Claims. These provisions are effective April 12, 2001.

Section 1 of the bill amends K.S.A. 79-4501 to remove certain outdated language related to claims being submitted by "certain female persons of qualifying age who are the surviving spouses of husbands who died during marriage, who own or rent their homestead, so long as they remain unmarried." This deletion will have no impact on the homestead property tax refund program. The Department of Revenue has followed a broader interpretation of the intent of the statute, and hasn't denied a homestead property tax refund claim to an eligible claimant because of their gender, or because they were a surviving spouse who remarried.

Section 2 of the bill amends K.S.A. 79-4504 to provide that homestead property tax refund claims will now be paid through the income tax refund fund. Previously, refund claims were paid from "funds appropriated for such purposes", and those funds would occasionally be inadequate to pay all claims. As a result, some claims were held up until additional funds were appropriated by the legislature. This change will eliminate that concern.

Section 3 of the bill amends K.S.A. 79-4521 that concerns the issuance and use of Certificates of Eligibility. Prior to the amendment, any person who owned a homestead and believed they would be entitled to a refund could apply to the county clerk of the county in which the homestead was located for a Certificate of Eligibility. After the county clerk was satisfied the claimant would be eligible for a refund the clerk was to make out the Certificate on forms provided by the Department of Revenue. After the county clerk had issued the Certificate, the claimant could present the Certificate to the county treasurer to apply the anticipated refund toward the claimant's first half property taxes.

The amendments made by Section 3 of the bill gives sole authority to grant a Certificate of Eligibility to the Department of Revenue. The new language provides that the Director of Taxation shall issue a Certificate of Eligibility for refund to each claimant who received a refund of property taxes for the prior year. County clerks no longer have authority to issue Certificates of Eligibility.

In light of these changes, the current process involving Certificates of Eligibility will follow these steps.

Step One: In mid-October the Department of Revenue will mail tally sheets and check lists to county treasurers and county clerks.

Step Two: During the first part of November the Department of Revenue will mail a Refund Advancement Letter and a Certificate of Eligibility to homeowners who received a homestead refund last year and who have no outstanding balances due to the department.

Step Three: The homestead claimant who has received a Certificate of Eligibility will take the Certificate and property tax statement to the county clerk for review. Once approved, the claimant will take the completed Certificate to the county treasurer to pay part or all of the first half of their property tax.

Prior to presenting the Certificate of Eligibility to the county treasurer, the claimant is to sign the Certificate, and also assign, in the space provided on the Certificate, the anticipated refund to the county to pay up to the first half of the property taxes on the claimant's homestead for the year in which the Certificate is issued. The claimant must also submit the Certificate to the county clerk of the county in which the homestead is located for review. The county clerk is to review the claim, based on proof of eligibility prescribed in rules and regulations adopted by the Secretary of Revenue, to determine whether the claimant will be eligible for the refund.

If the county clerk is satisfied the claimant will be eligible, the county clerk is to sign the certificate and return it to the claimant. The

claimant can then present it to the county treasurer. The county treasurer is to accept the Certificate in lieu of payment of that portion of the first half of taxes on the claimant's homestead in the current year which equals the amount of the homestead property tax refund received by the claimant for taxes levied in the preceding year. Use of the Certificate is limited to the amount of the first half of the property taxes actually due.

Step Four: Tally sheets. Certificates and property tax statements are to be returned by the counties to the Department of Revenue. Section 3 of Senate Bill 44 removes the prior requirement that county treasurers immediately send copies of Certificates of Eligibility they receive to the Director of Taxation. Instead, county treasurers are now required to send a copy of each Certificate to the Director by December 31st of each year.

Step Five: During January the Department of Revenue will review the Certificates to ensure that all certificates are complete.

Step Six: Around the middle of February eligibility checks are printed and mailed to the counties.

To obtain additional copies of this or any other notice call the Kansas Department of Revenue's voice mail forms request line at (785) 296-4937 or download them from our web site: **www.ink.org/public/kdor**. If you have any questions about this notice or the homestead property tax refund program, please contact our Taxpayer Assistance Center.

Taxpayer Assistance Center
Docking State Office Building
915 SW Harrison St., 1st Floor
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Issued: July 13, 2001

Date Composed: 07/12/2001 Date Modified: 10/09/2001

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