

CIRCUIT BREAKERS, TAX FREEZES, GOLDEN YEARS

Special Committee on Taxation

November 30, 2021



KLIRD

Kansas Legislative Research Department

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What are circuit breakers?

What are tax freezes?

What does Kansas have?

What do other states have?

Golden Years Proposals

Circuit Breakers

Property tax relief where benefit is dependent on and determined by income or other criteria and property tax burden.

Analogous to breaking an electrical circuit during an overload.

If taxpayer's property tax burden becomes "overloaded" relative to his or her income, circuit breaker property tax relief kicks in.

Circuit Breakers

Eligibility Determination

Age

Income

Other criteria or means to qualify

Benefit Calculation

Amount of Income

Amount of Property Tax

Maximum and Minimum Benefits

Administration and Disbursement

Tax Freezes

Property tax relief that “freezes” property tax burden to a fixed year and generally limits or prohibits tax increases from that point in time.

Assessment freezes are similar, but taxable value is fixed rather than actual tax burden.

Eligibility Determination

Age

Income

Other criteria or means to qualify

Changes to Frozen Tax or Assessment

New base if income changes

Additions to property generate new base

Capped allowable increases

Administration and Disbursement

Homestead Property Tax Refund Act

- Traditional circuit breaker
- 55 or older, dependent under 18, blind or disabled
- Income under \$36,300
- Sliding scale benefits capped at \$700

Selective Assistance for Effective Senior Relief (SAFESR)

- 65 or older and income under \$20,300
- 75 percent of prior year's property taxes

Currently, 29 states and DC offer circuit breakers

**Currently, 15 states offer some form of assessment
or tax freeze**

Of those, 7 states overlap, offering both

**Some of these programs are optional for the state's
localities**

**Lincoln Institute of Land Policy Tables provided to
the Committee**

Golden Years Program



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Would create a type of tax freeze program in Kansas

Debated in 2019, 2020, and 2021 sessions

Supplemental note language provided

Fiscal Information for various iterations provided

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