

A Homeowner's Guide to Property Tax in Kansas

Why is property taxed in Kansas? Your property tax dollars are used by city and county governments to provide funding for roads, parks, fire protection, police protection, public schools and many other local services.

What does my county appraiser do? By law, your county appraiser is responsible for listing and valuing property in a uniform and equal manner. The appraiser estimates only the value of your property. The amount of taxes you pay depends on the budgets set in August by your city and county governments.

How does the county's appraisal affect my taxes? If your property value goes up, it does not necessarily mean you will pay more taxes. Likewise, if your property value goes down or does not change, it does not automatically mean you will pay less or the same amount of taxes. Changes in property values do not change the amount of tax dollars needed for local public services.

Will the value of my property change every year? The value of your property may change each year -it depends on several things. If you make improvements to your home, such as adding a garage, the value may go up. The value may also go up or down because of recent sales in your neighborhood. The county appraiser continually updates sales prices and other information on homes all over the county.

What value is my home appraised at for property tax purposes? Your county appraiser appraises your home at "market value" as it exists the first day of January each year. Market value is the amount of money a well-informed buyer would pay and a well-informed seller would accept for property in an open and competitive market, without any outside influence.

How does my county appraiser determine market value? When valuing your home, the appraiser reviews the age, quality, location, condition, style and size of your property. The appraiser then uses one or more of the following three methods to value your property:

1. The Market Approach: sales of similar property are compared to each other. The appraiser then adjusts for differences (for example, one house may have more square footage than another). This method works well for valuing homes.
2. The Cost Approach: age and what it would cost to replace your home are taken into consideration. This approach works well for new and unique properties.
3. The Income Approach: in simple terms, income from rent is used to value property. This method works well for income producing properties (for example, apartment buildings and malls).

Does the county appraiser visit my property? State law requires the county appraiser to view and inspect the exterior of all the property in the county every six years.

If I bought my house last year, shouldn't the value be the same as what I paid for it a year ago? Not necessarily. One sale by itself does not determine market value. The price you paid for your home is first verified by the county appraiser and then pooled with sales of similar homes. The appraiser uses this information to value your home. Also, market conditions may have changed in the last year.

When will I be notified of the value of my property? The "notice of value" on your home should be mailed by March 1st, unless the county appraiser gets an extension.

How can I determine if the appraisal of my home is accurate? You can visit the county appraiser's office to review information on similar sales and verify that the information the appraiser's office has on your property is correct. If a neighbor has a similar house for sale, the sale price may also give you an indication of the value of your house. In addition, real estate professionals can provide information about market conditions.

What can I do if I believe the value of my home is too high? There are two ways to have the value of your home reviewed:

1. you may appeal the "notice of value" of your home that is mailed to you in the Spring by contacting the county appraiser's office by phone or in writing within 30 days of the mailing date of the notice, or
2. you may fill out a "payment under protest" form with the county treasurer at the time you pay your taxes. If an escrow or tax service agent pays your property taxes, then protest no later than January 31st of the following year.

You cannot appeal using both methods for the same property in the same tax year. So, if you start to appeal your "notice of value," be sure that you follow through with the appeal. You will not be allowed to "pay under protest" later.

What is the mill levy? The mill levy is the "tax rate" that is applied to the assessed value of your property. One mill is one dollar per \$1,000 dollars of assessed value. It consists of a local portion which is used to fund area services and a statewide portion which is used to fund public schools. The statewide school mill levy is currently 20 mills. However, the first \$20,000 in appraised value of your home is exempt from the statewide school mill levy.

How do I calculate the property taxes on my home? Follow these simple steps:

1. Looking at your notice of value, find the "appraised value" of your home. Multiply the appraised value by the "assessment percentage" of 11.5% (.115).

$$\frac{\text{appraised value}}{\text{appraised value}} \times .115 = \frac{\text{assessed value}}{\text{assessed value}}$$

2. Multiply the assessed value by your "mill levy" and then divide by 1,000 to estimate the property tax you owe. Contact your county clerk to find out what your mill levy is.

$$\frac{\text{assessed value}}{\text{assessed value}} \times \frac{\text{mill levy}}{\text{mill levy}} \div 1,000 = \$ \frac{\text{tax bill}}{\text{tax bill}}$$

3. The first \$20,000 in appraised value of your home is exempt from the 20 mill statewide portion of the mill levy. For example, if the appraised value of your home is \$20,000 or more, the amount your tax bill will be reduced is as follows:

$$\begin{array}{ccccccccccc} \underline{20,000} & \times & .115 & = & 2,300 & \times & 20 \text{ mills} & + & 1,000 & = & \$46 \\ \text{appraised value} & & \text{assessment} & & \text{assessed value} & & \text{statewide school levy} & & & & \text{amount of reduction} \end{array}$$

If your home is appraised for less than 20,000 use your appraised value and follow the same procedures as shown in the above example. Please call your county clerk or appraiser's office if you have any questions.

When are property tax bills sent and when should they be paid? The county treasurer mails tax bills on or before December 15th. All or at least half of the tax is due by December 20th, and the second half is due by May 10th of the following year. If you have a mortgage loan on your property, you will receive a statement with tax information on it. Your tax bill will be sent to the mortgage company or bank, and the tax will be paid out of your escrow account.

Do I qualify for a homestead property tax refund? The Homestead Refund is a rebate program for the property taxes paid by homeowners and renters. The refund is based on a portion of the property tax paid on a Kansas resident's homestead. If you own your home, the refund is a percentage of your general property tax. If you rent your home, 15% of the rent paid for occupancy is used as the property tax amount. The maximum refund is \$700. To qualify you must be a Kansas resident, living in Kansas the entire year. Your total household income must be \$29,100 or less. You must also meet one of the following requirements: (1) Be 55 years of age or older, OR (2) Be blind or disabled, OR (3) Have a dependent child under 18 who lived with you all year whom you claim as a personal exemption.

Homestead Refund Advancement Program. This program provides eligible homeowners with the opportunity to apply a portion of their anticipated Homestead refund to help pay the first half of their property tax. There is a question on form K-40H asking the homeowner whether they want their next year's homestead advancement sent directly to their County Treasurer. If the box is checked on the 2007 K-40H, the 2008 homestead advancement will be sent directly from Kansas Department of Revenue to the County Treasurer. If you do not check this box, you can not participate in the homestead advancement program, and none of your homestead refund will be used to pay your 2008 property taxes.

The 2008 Legislature created the **Selective Assistance for Effective Senior Relief (SAFESR) Act**, which provides for an income tax credit:

- In an amount equal to 45% of the amount of property taxes actually and timely paid for tax years 2008, 2009 and 2010 on real or personal property used for residential purposes of such taxpayer if it is the taxpayer's principal place of residence for the tax year the credit is claimed. For tax years 2011 and thereafter the credit is 75%.
- The taxpayer must be 65 years or older and have a household income equal to or less than 120% of the federal poverty level for two persons.
- The credit is not available for taxpayers who claim a homestead property tax refund.

For questions about homestead or SAFESR contact the Kansas Department of Revenue at: Kansas Taxpayer Assistance 785-368-8222