

## **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 "fair market value" as it exists the first day of January each year. Fair 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 undue compulsion.

**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 1, unless the county appraiser gets an extension. An alternative form of notification may be approved for a year in which no change in appraised valuation occurs. Please contact your county appraiser for more information by March 1.

**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 opportunities 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 file 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 31 of the following year. More information is available in PVD's two Guides to the Valuation Appeals Process.

You cannot appeal twice 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 for the same year.

**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:

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

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 15. All or at least half of the tax is due by December 20, and the second half is due by May 10 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 eligible homeowners who own and occupy their homestead. The refund is based on a portion of the property tax paid on a Kansas resident's homestead. The maximum refund is \$700. There are several requirements to qualify, and the requirements may change annually. The claim form is to be filed between January 1 and April 15. For example, a 2015 claim is to be filed between January 1 and April 15, 2016.

To qualify you must be a Kansas resident, living in Kansas the entire year. For 2015 for example, your total household income had to be \$34,000 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, OR (4) Are a disabled veteran (50 percent or more disability), or the surviving spouse of a disabled veteran who has not remarried, or the surviving spouse of an active duty military personnel who died in the line of duty and not remarried.

The "Safe Senior" Property Tax Refund is a property tax refund for eligible homeowners age 65 years or older. There are several requirements to qualify, and the requirements may change annually. The refund is 75% of property taxes paid on the homestead. The claim is to be filed between January 1 and April 15. If eligible, you may claim either a Safe Senior property tax refund claim or a Homestead refund claim, but not both.

For example for 2015, to qualify you had to be a Kansas resident who owned and occupied your homestead and your total "household income" including social security was \$19,100 or less, AND you: were 65 years or older all of 2015; AND did not have any delinquent property taxes in 2015.

For more information about the Homestead Refund or the Safe Senior Property Tax Refund, contact the Taxpayer Assistance Center of the Kansas Department of Revenue 785-368-8222 or your local county clerk's office. More information, forms and instructions are available online at <http://www.ksrevenue.gov/formshs.html>