

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

property taxes they pay on their homes. Nixing that deduction would raise revenue, at least partially offsetting the lower state income tax rates Brownback wants to adopt.

Jan. 25, 2013

Jan. 23—A new wrinkle in Gov. Sam Brownback's tax plan emerged Wednesday — elimination of another deduction for Kansas homeowners.

The governor wants to wipe away the income deduction claimed by Kansans for property taxes they pay on their homes. Nixing that deduction would raise revenue, at least partially offsetting the lower state income tax rates Brownback wants to adopt.

It's one of several components that Brownback's plan depends upon to reduce income tax rates while balancing a \$14 billion budget that avoids severe cuts in state services.

The governor also wants to keep a six-tenths of a cent sales tax increase that is scheduled to expire this summer. And he would ditch the deduction for home mortgage interest.

The latest twist caught lawmakers by surprise Wednesday, although the Brownback administration said it announced plans to eliminate the real estate tax deduction after the governor's State of the State speech.

The plan would affect roughly 372,000 Kansans who deduct their property taxes on their income taxes.

The deduction saves the average taxpayer \$125 a year. The home mortgage deduction trims an average \$300 off income tax payments. In turn, the state would reap an

added \$68 million by dumping the property tax deduction. Eliminating the

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

The latest news complicates an already delicate political dance for the governor. He's trying to balance a budget and slash income tax rates without radically cutting services. Tax cuts Brownback won last year would cause revenues to drop by about \$700 million in the fiscal year beginning in July.

Sen. Jim Denning, an Overland Park Republican who sits on the Senate Ways and Means Committee, cautioned that going after the home mortgage property tax deductions could be politically dangerous.

"It's all going to be an uphill battle," Denning said of eliminating the home mortgage and real estate tax deductions.

The issue bubbled up Wednesday morning when Budget Director Steve Anderson outlined the governor's tax-cutting plan to the Ways and Means Committee.

First, the governor wants to reduce the rate for the state's lowest income tax bracket to 1.9 percent from 3 percent from 2014 to 2016. Then in 2017, his plan would cut the upper tax bracket to 3.5 percent from 4.9 percent.

If state revenues increase more than 4 percent, Brownback would look to cut income tax rates even more. The governor ultimately wants to zero out the income tax for Kansans.

Brownback "believes the state would benefit from a fair, flatter tax policy," said his spokeswoman, Sherriene Jones-Sontag. "The bottom line to our approach to taxes is to grow the state's economy and create more jobs for Kansans."

Rep. Richard Carlson, chairman of the House tax committee, said he wants to see specifics of any tax change proposal early enough in the legislative session to allow for refinements.

“I haven’t formed an opinion yet,” the St. Marys Republican said of the proposal to

Hello. It looks like you’re using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved