

Protect Your Investment in Your Home

Protect the Kansas Mortgage Interest Deduction

Talking Points

- As part of an income tax reform proposal, Kansas Governor Sam Brownback has proposed to eliminate the ability of Kansas taxpayers to claim itemized deductions on their state income taxes, including the home mortgage interest deduction.
- Over 417,000 Kansas taxpayers currently take advantage of the home mortgage interest deduction to reduce their state income tax burden, which delivers over \$162 million annually in income tax relief to Kansas homeowners.
- The average Kansas taxpayer receives nearly \$390 a year in tax benefits from the home mortgage interest deduction, but the amount of this tax benefit received by homeowners is much higher in parts of the state with higher housing prices.

Tax Benefits of the Kansas Mortgage Interest Deduction*		
Mortgage Debt	Amount of Deduction	Current Kansas State Income Tax Benefit
\$300,000	\$15,000	\$968.00
\$250,000	\$12,500	\$807.00
\$200,000	\$10,000	\$646.00
\$150,000	\$7,500	\$484.00
\$100,000	\$5,000	\$323.00

* Examples assume a homeowner with a five percent mortgage rate who pays the highest income tax rate of 6.45 percent.

- According to a statewide poll of registered voters conducted last week by American Strategies for the Kansas Association of REALTORS®, over 80% of Kansans believe that the availability of the home mortgage interest deduction is a factor in the decision whether to purchase a home. More than one quarter (28%) said that the home mortgage interest deduction is a “big” or “huge” factor, while only 11 percent say it is not a factor at all.
- More than two-thirds (67%) of Kansans say that eliminating the home mortgage interest deduction would have a negative impact on the Kansas housing market and the overall Kansas economy.
- After hearing a brief description of the Governor’s plan, 63 percent of Kansans oppose eliminating the home mortgage interest deduction as part of a bigger plan to cut state income taxes. Opposition to the plan is intense with 41 percent “strongly” opposed to the plan compared to only 14 percent of Kansans that strongly support the plan.