



**2008**

**KANSAS**

**Corporate Income Tax**

*Forms and Instructions*

The logo for the Kansas Department of Revenue features a stylized black comet or shooting star with a long, wavy tail and a five-pointed star head, positioned above the word "KANSAS" in a bold, black, sans-serif font.

DEPARTMENT OF REVENUE

[www.ksrevenue.org](http://www.ksrevenue.org)

*File and Pay Electronically ... see page 3*

# What's New...

The following changes are effective for this tax year:

- ◆ **SALE OF BUSINESS ASSETS – SALES FACTOR.** For all tax years beginning after December 31, 2007 in the case of sales of intangible business assets, only the net gains from the sale shall be included in the sales factor. For more information, see page 21.
- ◆ **“BUSINESS INCOME” DEFINED.** For all tax years beginning after December 31, 2007, both the “Transactional Test” and the “Functional Test” will be applied in determining whether income is taxable to Kansas as “business income.” For additional information, see page 6.
- ◆ **CORPORATE SURTAX RATE DECREASED.** For tax year 2008, the surtax rate is 3.1% (decreased from 3.35%) on income in excess of \$50,000. The rate decreases to 3.05% in tax years 2009 and 2010. For 2011, and all tax years thereafter, the surtax rate is 3%.
- ◆ **NEW LINE FOR EXTENSION PAYMENTS.** A new line has been added to Form K-120 to report any payments made with your request for an extension of time to file.
- ◆ **NEW CREDITS – HIGHER EDUCATION DEFERRED MAINTENANCE.** There are two credits. One is a refundable credit equal to 60% of the amount contributed to a Kansas Community College or a Kansas Technical College. The other is a nonrefundable credit equal to 50% of the amount contributed to one of the Kansas Regent Universities or Washburn University. K-120 filers **must file** their returns **electronically** (e-File or WebFile) **to claim these credits**. The credit amount will be computed in the electronic return preparation process. See page 3 for electronic filing instructions.
- ◆ **NEW CREDIT – DECLARED DISASTER CAPITAL INVESTMENT (BUSINESS FACILITIES).** Credit is 10% of the qualifying capital investment in a business facility located in one of the following cities (or within 1 mile thereof): Chanute, Coffeyville, Erie, Fredonia, Greensburg, Independence, Iola, Neodesha or Osawatimie. There is a limitation of \$100,000 in credits per taxpayer. See Schedule K-87.
- ◆ **INTEREST RATE CHANGE.** For calendar year 2009, interest will be assessed at 6% per annum (.5% per month or fraction thereof). Penalty for late payment of income tax remains at 1% per month or fraction thereof, capped at 24%.

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## TIPS TO IMPROVE THE PROCESSING OF YOUR PAPER RETURN

Your Kansas return will be *imaged* on our computers, enabling us to process your return faster and with fewer errors. For our system to work, it is important that you use care in completing your return.

- **Do not staple or otherwise attach** pages of the return, payment voucher or check together. Enclose them loosely in the envelope.
- Use only black or dark blue ink and write legibly. Send the original copy – **not a photocopy** – to KDOR (Kansas Department of Revenue).
- If you are sending a payment with your return, complete Form K-120V, Kansas Corporate Income Tax Payment Voucher, included in this booklet.
- Your employer ID number (EIN) is part of your Kansas tax account number. To ensure proper credit to your account, include your EIN on your return.
- If you use a software package to produce your return, be sure it is approved by KDOR. Visit our web site at [www.ksrevenue.org](http://www.ksrevenue.org) for a list of approved software vendors.
- If you are **reproducing your own forms**, contact KDOR for information on the approval process.
- Only certain pages of your federal return are required to be enclosed with your Kansas return. See *Copy of Federal Return*, page 5.

# Electronic Filing & Payment Options

## IRS e-File



IRS e-File is a way to **file your return** electronically to the IRS and KDOR using an authorized IRS e-File provider. You can also e-File using KDOR approved commercial tax filing web sites or software products. Electronic filing is quick and easy and you will receive confirmation that KDOR has accepted your return within 48 hours of your transmission. Visit [www.webtax.org](http://www.webtax.org) for a list of authorized IRS e-File providers and software products.

Taxpayers who owe Kansas Corporate Income Tax and who file using IRS e-File can pay their balance due at the time of electronic filing. Simply follow the instructions provided by the approved tax filing web site or software package. If you choose not to pay at the time of filing, you can pay electronically through KS Web Tax or one of the credit card payment centers.

## KS WebTax

Taxpayers can **pay** their Kansas Corporate income tax and estimate tax through our online business center, KS WebTax, at [www.webtax.org](http://www.webtax.org).

KS WebTax is a secure, easy and convenient way to manage your business accounts. Businesses can make electronic payments; file sales tax, use tax, or franchise tax returns; and view online activity. KS WebTax simplifies your accounting process by having everything available in one easy-to-access location.

Visit KDOR's online business center to create an ID and password, then call 1-800-525-3901 for tax account personal identification numbers (PINs).

## Direct Payments

Direct payments can be made through our online business center, KS WebTax, using Electronic Funds Transfer (EFT). EFT payments are processed using the

Automated Clearing House (ACH) Debit method for transfer. For more information about filing taxes online see *KS WebTax* on this page.

Direct payments can also be made by telephone. To take advantage of this service, complete Form EF-101 and submit it to the Department of Revenue. This form can be found on our web site at [www.webtax.org](http://www.webtax.org) or by calling our electronic services staff toll-free at 1-800-525-3901. After you receive confirmation that the EF-101 has been processed, make your payment by calling the EFT Payment System toll-free at 1-877-600-5640.

## Credit Card Payments

Taxpayers also have the option



to pay their taxes by credit card. This service is available on-line or by phone through Official Payments Corporation, a third party vendor.

**Official Payments Corporation**  
1-800-2PAYTAX (1-800-272-9829)  
[www.officialpayments.com](http://www.officialpayments.com)

Official Payments Corporation accepts Mastercard, VISA, Discover and American Express and charges a convenience fee for their services. For rules regarding the credit card transactions and instructions for how to sign up to pay by credit card, visit the vendor's web site or call their toll-free number.



Please visit us at  
[www.webtax.org](http://www.webtax.org) for  
the most up-to-date  
electronic information.

# GENERAL INFORMATION

*If any due date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday.*

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## Who Must File a Return

A Kansas Corporation Income Tax return must be filed by all corporations doing business within or deriving income from sources within Kansas who are required to file a Federal Income Tax return, whether or not a tax is due.

**Unitary Groups (for taxable years after December 31, 1990):** If any member of a unitary group has activity in Kansas exceeding that protected by 15 U.S.C. Section 381, all unitary group members having Kansas property, payroll, or sales must file Kansas returns and pay the tax due.

Corporations which elect under subchapter S of the Internal Revenue Code not to be taxed as a corporation must file a Kansas Partnership or S Corporation return (Form K-120S). All other corporations must file on Form K-120.

**Exempt Organizations:** Any corporation exempt from federal income tax under the provisions of the Internal Revenue Code, and who files Form 990 or Form 990EZ, is exempt for Kansas income tax purposes in each year in which such corporation satisfies the Internal Revenue Code requirement for exemption. However, a corporation that is subject to the tax on unrelated business income by the Internal Revenue Code, who files a Form 990T, is also subject to the tax on unrelated business income for Kansas purposes and must file on Kansas Form K-120.

In addition to the corporations exempt from federal income tax, there shall also be exempt for Kansas income tax purposes, insurance companies, banks, trust companies, savings and loan associations, and any other organizations specifically exempt under the laws of the State of Kansas. (National bank associations, banks, trust companies, and savings and loan associations are required to file a Privilege Tax return, Form K-130. Insurance companies are subject to a Premium Tax.)

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## When to File

**Calendar Year:** If your return is based on a calendar year, it must be filed no later than April 15, 2009.

**Fiscal Year:** If your return is based on a tax year other than a calendar year, it must be filed no later than the 15th day of the fourth month following the end of your tax year.

**Conformity to Federal Due Dates:** Kansas returns are due one (1) month after the federal due date. If the original federal due date is not the 15th day of the third month after the close of a taxable year, the corporation is required to complete item "I" in the taxpayer information section of Form K-120 and enclose a letter indicating the authorizing federal statute. Do not enter your extended due date.

**Amended Returns:** In general, amended returns must be filed with the Kansas Department of Revenue within three (3) years of when the original return was filed. If the amended return will result in a refund, the amended return must be filed within three (3) years of when the original return was filed, or within two (2) years from the date the tax was paid, whichever is later.

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## Where to File

Use the preaddressed envelope in this tax booklet to mail your tax return. This envelope is designed for use in our automated mail-opening equipment and will expedite the processing of your return. If you are expecting a refund, place an "X" in the box on the front of the envelope. If your envelope has been misplaced, mail your return to the address shown on the back of Form K-120.

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## If You Need Forms

Kansas tax forms are available from our Taxpayer Assistance Center, by calling our voice mail forms request line at (785) 296-4937, or from our web site at [www.ksrevenue.org](http://www.ksrevenue.org).

**IMPORTANT:** Due to the sensitivity of the Department's imaging equipment for tax return processing, only an original preprinted form or an approved computer-generated version should be filed.

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## Accounting Period

The taxable year for Kansas is the same as the taxable year for federal income tax purposes. If your taxable year changes, or the method of your accounting is changed for federal income tax purposes, then the taxable year and method of accounting shall be similarly changed for Kansas income tax purposes.

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## Confidential Information

Income tax information disclosed to the Kansas Department of Revenue, either on returns or through department investigation, is held in strict confidence by law. The Kansas Department of Revenue, Internal Revenue Service and the Multi-state Tax Commission and several other states have an agreement under which some tax information is exchanged. This is to verify the accuracy and consistency of information reported on federal and Kansas tax returns.

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## Completing Your Return

All applicable lines on Form K-120 and Form K-120AS must be completed. Be certain to complete all boxes in the Taxpayer Information section of the return.

All corporations filing a combined return (single or multiple), or authorized to file using the alternative or separate accounting method, must complete lines 1 through 18 using the total combined income column from Schedule K-121.

**Nonbusiness Income Claimed:** Any taxpayer that claims nonbusiness income on the Kansas return is required to clearly demonstrate that the transaction or activity which gave rise to the income was unusual in nature and infrequent in occurrence or that the income was earned in the course of activities unrelated to the taxpayer's regular business operations in Kansas. The taxpayer must also submit a schedule as required by line 12 of the *Specific Line Instructions for Form K-120*. If the taxpayer does not demonstrate that the income is nonbusiness and does not submit the required schedules, the income will be considered to be business income by the Kansas Department of Revenue and the department will apportion that income as business income.

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## Extension of Time to File

*An extension of time to file is not an extension to pay.*

If you are unable to complete your Corporate Income Tax return by the filing deadline, you may request an extension of time to file. If you filed federal form 7004 with the Internal Revenue Service for an extension of time, enclose a copy of that form with your completed K-120 return *to automatically receive a six-month extension to file your Kansas return*. Kansas does not have a separate extension request form. If you are entitled to a refund, an extension is not required to file the return after the original due date.

To pay the balance due for an extension, use the Kansas payment voucher (K-120V) located in this booklet and check the box indicating an extension payment. If you do not pay the tax due (may be estimated) by the original due date, you will owe interest and may also be charged a penalty on any balance due.

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## Copy of Federal Return

You must enclose with Form K-120 a copy of the following federal return pages as filed with the Internal Revenue Service:

- Pages 1 through 4 of the federal return or consolidated federal return, whichever is applicable, as filed with the Internal Revenue Service. If the return is a consolidated return, you must enclose a company-by-company spreadsheet of income and expense to total the consolidated federal taxable income and a company-by-company spreadsheet of the consolidated balance sheet including Schedules M-1 and M-2.
- **Federal schedules to support any Kansas modifications claimed on page 1, Form K-120.**
- Federal Forms 851, 1118, and 5471, as applicable.

**Do not enclose copies of proforma returns.** The Kansas Department of Revenue reserves the right to request additional information as necessary.

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## Estimated Tax

Every corporation shall pay estimated tax for the taxable year if its Kansas income tax liability can reasonably be expected to exceed \$500. Any corporation which began business in Kansas during this tax year is not required to pay estimated tax and no underpayment of estimated tax penalty will be imposed for this initial year. NOTE: Current year estimated payments can not be used to off-set prior year tax liabilities – see K.A.R. 92-11-22(c).

See the back cover of this booklet for information on obtaining forms and instructions for Corporate Estimated Tax (Form K-120ES). ***Tired of paper and postage? Use EFT, see page 3 for details.***

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## Business Income Election

A taxpayer may elect to have all income derived from the acquisition, management, use, or disposition of tangible and intangible property treated as business income. The election is effective and irrevocable for the taxable year of the election and the following nine taxable years. The election is binding on all members of a unitary group of corporations.

To make this election, a corporation must file Form K-120EL with the Kansas Department of Revenue within the time limits established by law.

- A corporation not previously doing business in Kansas that intends to make this election for its initial year of business must file Form K-120EL within 60 days after filing the articles of incorporation or application for authority to engage in business with the Kansas Secretary of State.
- For corporations currently doing business in Kansas, the election must be filed on or before the last day of the tax year immediately preceding the tax year for which the election is made.

Form K-120EL must be sent separately from the Corporate Income Tax return.

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## Amending Your Return

You must file an amended Kansas return when: 1) an error was made on your Kansas return, 2) there is a change (error or adjustment) on another state's return, 3) there is a change (error or adjustment) on your federal return. **Check the AMENDED box in the Taxpayer Information section of Form K-120 if you are amending your 2008 Kansas return.** Be sure to enclose any applicable supporting documents, such as a copy of the other state's amended return or a copy of the IRS amended return or Revenue Agent's Report or adjustment letter showing and explaining the adjustments. If additional tax is due, complete and enclose Form K-120V, marking an "X" in the "Amended Payment" box.

**AMENDED FEDERAL RETURN:** If you are filing an amended federal income tax return, for the same taxable year as your Kansas amended return, you must enclose a complete copy of the amended federal return and full explanations of all changes made on your amended Kansas return. If your amended federal return is adjusted or disallowed, you must provide the Kansas Department of Revenue with a copy of the adjustment or denial letter.

Pay the full amount of tax and interest due on an amended return and no penalty will be assessed. Consult the department's web site for annual interest rates.

If you did not file a Kansas return when you filed your original federal return, and the federal return has since been amended or adjusted, use the information on the amended or adjusted federal return to complete your original Kansas return. A copy of both the original and amended federal returns should be enclosed with the Kansas return along with an explanation of the changes.

**FEDERAL AUDIT:** Any taxpayer whose income has been adjusted by the Internal Revenue Service must file an amended return with Kansas and include a copy of the Revenue Agent's Report or adjustment letter showing and explaining the adjustments. These adjustments must be submitted within 180 days of the date the federal adjustments are paid, agreed to, or become final, whichever is earlier. Failure to notify the Kansas Department of Revenue within the 180 day period will cause the statute of limitations to remain open (the department can make adjustments for as many years back as necessary and interest and penalty computations will continue to increase).

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## Definitions

### **Business Income**

For tax years commencing after December 31, 2007, "business income" means: (1) Income arising from transactions and activity in the regular course of the taxpayer's trade or business; (2) income arising from transactions and activity involving tangible and intangible property or assets used in the operation of the taxpayer's trade or business; or (3) income of the taxpayer that may be apportioned to this state under the provisions of the Constitution of the United States and laws thereof, except that a taxpayer may elect that all income constitutes business income.

### **Unitary Business**

A multistate business is unitary when the operations conducted in one state benefit or are benefited by the operations conducted in another state or states. The essential test to be applied is whether or not the operation of the portion of the business within the state is dependent upon or contributory to the operation of the business outside the state. If there is such a relationship, the business is unitary. Stated another way, the test is whether a business' various parts are interdependent and of mutual benefit so as to form one business rather than several business entities and not whether the operating experience of the parts are the same at all places.

### **Activity Wholly Within Kansas—Single Entity**

If a particular trade or business is carried on exclusively within Kansas or if the activities outside of Kansas are such that federal Public Law 86-272 prohibits another state from imposing a tax, then the entire net income is subject to the Kansas income tax.

### **Activity Wholly Within Kansas—Consolidated**

If two or more corporations file a Federal Income Tax return on a consolidated basis, and if each of such corporations derive all of their income and expenses from sources within Kansas, they must file a consolidated return for Kansas income tax purposes.

### **Single Entity Apportionment Method**

Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a financial organization or the rendering of purely personal services by an individual, shall allocate and apportion net income as provided in the Uniform Division of Income for Tax Purposes Act.

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## Definitions (continued)

### **Combined Income Method—Single Corporate Filing**

When a group of corporations conduct a unitary business both within and outside of Kansas, the source of income shall be determined by the combined income approach. The combined income approach is the computation by formula apportionment of the business income of a unitary trade or business properly reportable to Kansas by members of a unitary group. The property, payroll, or sales factor for each member of a unitary business shall be determined by dividing the property, payroll, or sales figure for Kansas by the total property, payroll, or sales figure of the entire group. The average is multiplied by the income of the unitary group to determine the income of the company derived from sources in Kansas.

The Kansas Corporate Income Tax return filed on the combined income approach must include Schedule K-121.

Any corporation which files a consolidated return for federal purposes and a combined report for Kansas purposes must submit a copy of the consolidated federal Form 1120 and all other schedules and statements necessary to support the taxable income reported on the Kansas return. Schedule K-121 must be used to determine income of the corporation. Schedule K-121 single entity Kansas taxable income is then shown on line 19, Form K-120. The single entity tax from Schedule K-121 is entered on line 23, Form K-120. All corporations filing a combined return (single or multiple) must complete lines 1 through 18 of Form K-120 using the total combined income column from Schedule K-121.

### **Combined Income Method—Multiple Corporation Filing**

This method is the same as 'Combined Income Method—Single Corporation Filing' except that any corporation filing using the combined income method with more than one entity doing business in Kansas may file one Kansas return reporting the total combined income on that return and computing and paying the tax due on that return. Schedule K-121 must be used to determine the Kansas taxable income of each separate corporation. Schedule K-121 combined Kansas taxable income is then entered on line 19, Form K-120. The tax rate is then applied to the Kansas taxable income of each corporation with one surtax exemption allowed for each corporate taxpayer. The total tax due for all corporations is then shown on line 23, Form K-120. All corporations filing a combined return (single or multiple) must complete lines 1 through 18 of Form K-120 using the total combined income column from Schedule K-121.

### **Qualified Elective Two-Factor Method**

This method may be used by any taxpayer who qualifies and elects to utilize the two-factor formula of property and sales. A qualified taxpayer is any taxpayer whose payroll factor for a taxable year exceeds 200% of the average of the property factor and the sales factor. An election must be made by including a statement with the original tax return indicating that the taxpayer elects to utilize this apportionment method. The election will be effective and irrevocable for the taxable year of the election and the following nine taxable years. The election will be binding on all members of a unitary group of corporations.

### **Common Carrier Method**

All business income of railroads and interstate motor carriers of persons or property for-hire shall be apportioned to this state on the basis of mileage. For railroads, multiply the business income by a fraction, the numerator of which is the freight car miles in this state and the denominator of which is the freight car miles everywhere. For interstate motor carriers, multiply the business income by a fraction, the numerator of which is the total number of miles operated in this state and the denominator of which is the total number of miles operated everywhere.

If a unitary group of corporations consists of one or more corporations engaged in railroad or interstate motor carrier operations, including the interstate transport of persons or property for hire by rail or motor carrier, and one or more corporations not engaged in railroad or interstate motor carrier operations, the following method shall be used to determine the apportionable income of the group members engaged in railroad or interstate motor carrier operations. (a) A three-factor formula consisting of property, payroll, and sales shall be used to divide the apportionable business income of the unitary group between each corporation engaged in railroad or interstate motor carrier operations and all other members of the unitary group. The apportionment factor numerators shall consist of the property, payroll, and sales of each corporation engaged in railroad or interstate motor carrier operations. The apportionment factor denominators shall consist of the property, payroll, and sales of the entire

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## Definitions (concluded)

unitary group. For purposes of this subsection, the property, payroll, and sales factors shall be as defined in the uniform division of income for tax purposes act, K.S.A. 79-3271 et seq., and amendments thereto, and the regulations promulgated under this act. (b) The apportionable business income of each corporation engaged in railroad or interstate motor carrier operations shall be determined by multiplying the apportionable business income of the unitary group by the fraction computed according to subsection (a). (c) The apportionable business income of each corporation engaged in railroad or interstate motor carrier operations as determined according to subsection (b) shall then be apportioned to this state by using the single-factor mileage formula set forth in K.S.A. 79-3279(a), and amendments thereto. (d) The apportionable business income of each corporation in the unitary group that is not engaged in railroad or interstate motor carrier operations shall be determined by subtracting the amount determined in subsection (b) from the apportionable business income of the unitary group. (e) The apportionable business income of each corporation in the unitary group that is not engaged in railroad or interstate motor carrier operations, as determined in subsection (d), shall be apportioned to this state by using the applicable apportionment formula specified in K.S.A. 79-3279(b), and amendments thereto. K.A.R. 92-12-114.

### Alternative Accounting Method

If the uniform allocation and apportionment provisions do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for, or the Secretary of Revenue may require, in respect to all or any part of the taxpayer's business activity, if reasonable: (a) Separate accounting; (b) the exclusion of one or more of the factors; (c) the inclusion of one or more additional factors; or (d) the employment of any other method to effect an equitable allocation and apportionment of the taxpayer's income. A copy of the letter from the Kansas Department of Revenue granting the use of an alternative method must be enclosed with the return when filed. Enter the amount determined on your separate schedule on line 19, Form K-120. All corporations filing a combined return (single or multiple), or authorized to file using the alternative or separate accounting method, must complete lines 1 through 18 using the total combined income column from Schedule K-121.

### Separate Accounting Method

The separate method of reporting income to Kansas is allowable only in unusual circumstances and with the permission of the Department of Revenue where the use of the three-factor formula does not fairly represent the taxpayer's business activity. Before a taxpayer engaged in a multistate business may use the separate accounting method, the following requirements must be satisfied:

- The books and records are kept by recognized accounting standards to reflect accurately the amount of income of the multistate business which was realized in Kansas during the taxable period;
- The management functions of the business operations within Kansas are separate and distinct so that in conducting the Kansas business operations the management within Kansas did not utilize or incur centralized management services consisting of operational supervision, advertising, accounting, insurance, financing, personnel, physical facilities, technical and research, sales and servicing or purchasing during the taxable period;
- The business operations within Kansas are separate and distinct and do not contribute to or depend upon the overall operations of the company, and there are no interstate, intercompany, or interdivisional purchases, sales or transfers during the taxable period.

If all three requirements are not satisfied, the taxpayer shall determine Kansas taxable income by use of the apportionment formula.

Enter the amount determined on your separate schedule on line 19, Form K-120. All corporations filing a combined return (single or multiple), or are authorized to file using the alternative or separate accounting method, must complete lines 1 through 18 using the total combined income column from Schedule K-121.



# SPECIFIC LINE INSTRUCTIONS FOR FORM K-120, PAGES 1 AND 2

## TAXPAYER INFORMATION

If any "Taxpayer Information" has changed from the last original return you filed, please check the change box "J".

**Name and Address:** PRINT or TYPE the corporate name and address in the spaces provided.

**Beginning and Ending Dates:** Enter the beginning and ending dates of the corporation's tax year, even if your tax year is a calendar year.

**Final Return:** If a final return is being filed and the corporation is being liquidated, enter the discontinuation date in box "D" and enclose a copy of the federal form that states the federal code section the corporation was liquidated under.

**Information Requested in Boxes A through J:** Complete all requested information. For item A, refer to pages 7 and 8. For Item B, input the NAICS code. For items E and F, use the standard two-letter state abbreviation.

## INCOME

### LINE 1—FEDERAL TAXABLE INCOME

Enter federal taxable income after net operating loss and special deductions. All corporations filing a combined return (single or multiple), or are authorized to file using the alternative or separate accounting method, must complete lines 1 through 18 using the total combined income column from Schedule K-121.

A copy of certain pages of the federal return must be enclosed in all cases. See instructions on page 5.

### LINE 2—TOTAL STATE AND MUNICIPAL INTEREST

Enter interest income received, credited, or earned by you during the taxable year from any state or municipal obligations such as bonds and mutual funds. Reduce the income amount by any related expenses (such as management or trustee fees) directly incurred in purchasing these state or political subdivision obligations.

DO NOT include interest income or obligations of the state of Kansas or any Kansas political subdivision issued after December 31, 1987, or the following bonds exempted by Kansas law:

- Board of Regents Bonds for Kansas Colleges and Universities
- Electrical Generation Revenue Bonds
- Industrial Revenue Bonds
- Kansas Highway Bonds
- Kansas Turnpike Authority Bonds
- Urban Renewal Bonds

If you are a shareholder in a fund that invests in both Kansas and other states' bonds, only the Kansas bonds are exempt. Use the information provided by your fund administrator to determine the amount of taxable (non-Kansas) bond interest to enter here.

### LINE 3—TAXES ON OR MEASURED BY INCOME OR FEES OR PAYMENTS IN LIEU OF INCOME TAXES

Enter the taxes on or measured by income or fees or payments in lieu of income taxes which you deducted on your federal return in arriving at your federal taxable income.

Federal environmental tax must be added back to federal taxable income to the extent it is used as a deduction in arriving at federal taxable income. **You must complete Part IV - Schedule of Taxes.**

### LINE 4—FEDERAL NET OPERATING LOSS DEDUCTION

Enter the federal net operating loss deduction that was claimed on the Federal Income Tax return for the taxable year.

### LINE 5—OTHER ADDITIONS TO FEDERAL TAXABLE INCOME

Enter on line 5 any of the following which are additions to your federal taxable income:

- **Learning Quest Education Savings Program.** Enter the amount of any "nonqualified withdrawal" from the Learning Quest Savings Program.

**Note:** A tax credit for the additions below may be claimed on Part I of Form K-120 (schedule required).

- **Disabled Access Credit.** The amount of any depreciation deduction or business expense deduction claimed on your federal return that was used to determine the Disabled Access Credit on Schedule K-37.
- **Small Employer Healthcare Credit.** Reduce the amount of expense deduction that is included in federal taxable income by the dollar amount of the credit claimed. Complete Schedule K-57 and enclose it with your return.
- **Community Service Contribution Credit.** The amount of any charitable contribution claimed on your federal return used to compute the Community Service Contribution Credit on Schedule K-60.
- **Swine Facility Improvement Credit.** The amount of any costs claimed on your federal return and used as the basis for this credit on Schedule K-38.
- **Regional Foundation Contribution Credit:** The amount of any charitable contribution claimed on your federal return used to compute the Regional Foundation Credit on Schedule K-32.
- **Individual Development Account Credit.** Enter the amount of the contribution claimed to the extent the same is the basis for claiming the Individual Development Account Credit on Schedule K-68.
- **Expenditures – Energy Credits.** Enter the amount of any expenditures claimed to the extent the same is claimed as the basis for any credit allowed on Credit Schedule K-73, K-77, K-78, K-79, K-80, K-81, K-82, or K-83.
- **Amortization – Energy Credits.** Enter the amount of any amortization deduction claimed, to the extent the same is claimed on the federal income tax form for deduction, with regard to Credit Schedule K-73, K-77, K-78, K-79, K-82 or K-83 and any amount claimed in determining federal adjusted gross income on carbon dioxide recapture, sequestration or utilization machinery and equipment, or waste heat utilization system property.

### LINE 6—TOTAL ADDITIONS TO FEDERAL TAXABLE INCOME

Add lines 2 through 5 and enter the result on line 6.

**LINE 7—INTEREST ON U.S. GOVERNMENT OBLIGATIONS**

Enter any interest or dividend income received from obligations or securities of any authority, commission or instrumentality of the United States and its possessions that was included in your federal taxable income. This includes U.S. Savings Bonds, U.S. Treasury Bills, and the Federal Land Bank. You must reduce the interest amount by any related expenses (such as management or trustee fees) directly incurred in the purchase of these securities.

If you are a shareholder in a mutual fund that invests in both exempt and taxable federal obligations, only that portion of the distribution attributable to the exempt federal obligations may be subtracted here.

Enclose a schedule showing the name of each U.S. Government obligation interest deduction claimed.

Interest from the following are taxable to Kansas and may NOT be entered on this line:

- Federal National Mortgage Association (FNMA)
- Government National Mortgage Association (GNMA)
- Federal Home Loan Mortgage Corporation (FHLMC)

**LINE 8—IRC SECTION 78 AND 80% OF FOREIGN DIVIDENDS**

Enter the amount included in federal taxable income pursuant to the provisions of Section 78 of the Internal Revenue Code and 80% of dividends from corporations incorporated outside of the United States or the District of Columbia which are included in federal taxable income. Enclose a schedule to support the amount shown.

**LINE 9—OTHER SUBTRACTIONS FROM FEDERAL TAXABLE INCOME**

Enter on line 9, a total of the following subtractions from your federal taxable income (schedule required):

- **Refunds or Credits.** Any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction, to the extent included in federal taxable income.
- **Jobs and WIN Tax Credit.** The amount of federal targeted jobs and WIN credit.
- **Kansas Venture Capital, Inc. Dividends.** Dividend income received as a result of investing in stock issued by Kansas Venture Capital, Inc.
- **Electrical Generation Revenue Bonds.** Enter the gain from the sale of Electrical Generation Revenue Bonds that was included in your federal taxable income.
- **Learning Quest Education Savings Program.** Enter the amount of contributions deposited in the Learning Quest Education Savings Program or from a qualified 529 tuition program established by another state, up to a maximum of \$3,000 per student (beneficiary).
- **Sale of Kansas Turnpike Bonds.** Enter the gain from the sale of Kansas Turnpike Bonds that was included in your federal taxable income.
- **Qualified Long-Term Care Insurance Contracts.** Enter an amount not exceeding \$800 per contract, per taxpayer, of the premium costs paid for qualified long-term care insurance contracts as defined by Public Law 104-191, section 7702B paragraph (b).

- **Amortization – Energy Credits.** The amount of amortization deduction allowed relating to Credit Schedule K-73, K-77, K-78, K-79, K-82 or K-83, and the amount of amortization deduction allowed for carbon dioxide capture, sequestration or utilization machinery and equipment, or waste heat utilization system property. (55% of the amortization costs may be subtracted in the first year and 5% may be subtracted for each of the succeeding 9 years.)

**LINE 10—TOTAL SUBTRACTIONS FROM FEDERAL TAXABLE INCOME**

Add lines 7 through 9 and enter the result on line 10.

**LINE 11—NET INCOME BEFORE APPORTIONMENT**

Add line 1 to line 6 and subtract line 10. Enter the result on line 11.

**APPORTIONMENT AND ALLOCATION****LINE 12—NONBUSINESS INCOME—TOTAL COMPANY**

Enter on line 12 the total amount of nonbusiness net income everywhere that is to be directly allocated.

Any taxpayer that claims nonbusiness income on the Kansas return is required to clearly demonstrate that the transaction or activity which gave rise to the income was unusual in nature and infrequent in occurrence and tangible or intangible property or assets were not used in the operations of the taxpayer's regular trade or business. The taxpayer must also submit a schedule as required below. If the taxpayer does not demonstrate that the income is nonbusiness and does not submit the required schedule(s), the income will be considered to be business income by the Kansas Department of Revenue and the Department will apportion that income as business income.

From the items of income directly allocated, there shall be deducted the expenses related thereto. The term "expenses related thereto" as used in this paragraph means any allowable deduction or portion thereof attributable to such income and a ratable part of any other allowable deductions which cannot definitely be allocated to some item or class of income.

A schedule must be submitted with the return showing: (1) the gross income from each class of income being specifically allocated, (2) the amount of each class of related expenses together with an explanation or computations showing how amounts were arrived at, (3) the total amount of the related expense for each income class, and (4) the net income for each income class. The schedules should provide appropriate columns as set forth above for items specifically assigned to Kansas and for nonbusiness items specifically assigned outside Kansas. An explanation must also be enclosed to explain specifically why each item of income arose from unusual and infrequent transactions outside of the regular course of the corporation's trade or business.

**LINE 13—APPORTIONABLE BUSINESS INCOME**

Subtract line 12 from line 11. Enter the result on line 13.

**LINE 14—AVERAGE PERCENT TO KANSAS**

Enter the applicable percentages in spaces A, B & C. If you are qualified and utilizing the elective two-factor formula, do not enter a percentage figure in space B. Enter on line 14

the average percent from Form K-120AS, Part VI, line E or K-121, Part II, line 5. NOTE: Round percentage to the fourth decimal point only. **If your business is wholly within Kansas enter 100.0000.**

**LINE 15—AMOUNT TO KANSAS**

Multiply line 13 by line 14 and enter the result on line 15.

**LINE 16—NONBUSINESS INCOME - KANSAS**

Enter the total amount of nonbusiness net income directly allocated to Kansas. Enclose a schedule to support the amount shown.

**NET INCOME**

**LINE 17—KANSAS NET INCOME BEFORE NOL DEDUCTION**

Add lines 15 and 16 and enter the result on line 17.

**LINE 18—KANSAS NET OPERATING LOSS DEDUCTION**

Enter on line 18 the amount of any Kansas net operating loss carry forward to which you are entitled. This amount cannot exceed the amount on line 17. Submit a separate schedule to support the amount shown and any remaining carry over available.

**LINE 19—COMBINED REPORT OR ALTERNATIVE/ SEPARATE ACCOUNTING INCOME**

If you are filing a combined report (Schedule K-121) or are authorized to file using the alternative or separate accounting method, enter on line 19 the Kansas taxable income from:

- line 19 of Schedule K-121; **OR**,
- a separate schedule prepared by you (Separate/Alternative Method of Reporting)

**TAXABLE INCOME**

**LINE 20—KANSAS TAXABLE INCOME**

Subtract line 18 from line 17 or enter the amount from line 19, whichever is applicable. If the result is a negative figure, enter zero.

**TAX**

*If filing Form K-121, skip lines 21 and 22 and proceed to line 23.*

**LINE 21—NORMAL TAX**

Multiply the amount shown on line 20 by 4% and enter the result on line 21.

**LINE 22—SURTAX**

Multiply the amount shown on line 20 in excess of \$50,000 by 3.1% and enter the result on line 22.

**LINE 23—TOTAL TAX**

Add lines 21 and 22. Enter the result on line 23. If Schedule K-121 was used to determine income, enter the tax computed on Schedule K-121, line 22.

**LINE 24—TOTAL NONREFUNDABLE CREDITS**

Enter the total nonrefundable credits from line 28, Part I, of the Nonrefundable Credits section. This amount cannot exceed the amount on line 23 of K-120.

**LINE 25—BALANCE**

Subtract line 24 from line 23 and enter result on line 25. This amount cannot be less than zero.

**LINE 26—ESTIMATED TAX PAID AND AMOUNT CREDITED FORWARD**

Enter the total of all 2008 estimated tax payments you made plus any 2007 overpayment you had credited forward to 2008.

**LINE 27—OTHER TAX PAYMENTS**

Enter the amount paid with your extension of time to file and any withholding amounts reported on Form K-19. Enclose Form(s) K-19.

**LINE 28—AMOUNT PAID WITH KANSAS EXTENSION**

Enter the amount paid with your request for an extension of time to file.

**LINE 29—BUSINESS MACHINERY & EQUIPMENT PROPERTY TAX CREDIT**

If you have a business machinery and equipment property tax credit from Schedule K-64, enter the amount of your credit on line 29. Enclose a copy of your completed Schedule K-64 (page 25) with Form K-120.

**LINE 30—TOTAL OF ALL OTHER REFUNDABLE CREDITS**

Enter the total of all other refundable credits from line 39, Part I, of the Refundable Credits section. Do not include the Business Machinery and Equipment Property Tax Credit (from Schedule K-64) here.

**LINE 31—PAYMENT REMITTED ON ORIGINAL RETURN**

Use this line if you are filing an amended Corporate Income Tax return for the 2008 tax year. Enter the amount of money you remitted to the Kansas Department of Revenue with your original 2008 return or any payment remitted with a previously filed 2008 amended return, including penalty and interest.

**LINE 32—OVERPAYMENT FROM ORIGINAL RETURN**

Use this line **ONLY** if you are filing an amended income tax return for the 2008 tax year. Enter the amount of overpayment shown on your original return. Since you were refunded the overpayment or it was credited forward, the amount is a subtraction entry.

**LINE 33—TOTAL PREPAID CREDITS**

Add lines 26 through 31 and subtract line 32. Enter the result on line 33.

**BALANCE DUE**

**LINE 34—BALANCE DUE**

If line 25 is greater than line 33, subtract line 33 from line 25 and enter the result on line 34.

**Late Charges**

If the amount on line 34 is not paid by the due date or if a balance due return is filed after the due date, penalty and interest are added according to the rules outlined in lines 35 and 36.

**Extension of Time to File Your Return:** Interest is due on any delinquent tax balance, even if you have been granted

an extension of time to file the return. If **90%** of your tax liability is paid on or before the original due date of your return, an automatic extension is applied and no penalty is assessed.

**LINE 35—INTEREST**

Effective for calendar year 2009 – if you paid your Kansas tax after the original due date, compute interest at the rate of **.5% per month** (or fraction thereof) on the balance due and enter the result on line 35.

**LINE 36—PENALTY**

If you paid your Kansas tax after the original due date, compute the penalty at 1% for each month (or portion thereof) the return is late or the tax is unpaid on the balance due amount, up to a maximum of 24%. Enter this amount on line 36.

**LINE 37—ESTIMATED TAX PENALTY**

If underpayment of estimated tax penalty is due, enter the amount from your Schedule K-220 on line 37 and enclose Schedule K-220 with the return. If you are annualizing to compute the penalty, check the box on line 37. Any corporation which began business in Kansas during this period is not required to file a declaration, and no underpayment of estimate tax penalty will be imposed.

**LINE 38—TOTAL TAX, INTEREST & PENALTY DUE**

Add the amount on lines 34, 35, 36 and 37 and enter the result on line 38. **Complete Form K-120V, Corporate Payment Voucher, and enclose it and your payment, with your return.** Form K-120V can be found in this tax booklet. A balance due less than \$5.00 does not need to be paid. Make check or money order payable to “Kansas Corporate Tax” and **enclose** it with your return and voucher.

**Do not** staple or otherwise attach your payment to the voucher or to your return.

**RETURNED CHECK CHARGE:** A fee of \$30.00, plus costs for a registered letter (currently \$9.62), is charged on all returned checks.

**OVERPAYMENT**

**LINE 39—OVERPAYMENT**

If line 33 is greater than the sum of line 25 and line 37, subtract the sum of line 25 and line 37 from line 33 and enter the result on line 39.

**LINE 40—REFUND**

Enter on line 40 that part of line 39 you wish to be refunded. No refund will be made for amounts less than \$5.00. Before mailing, mark an “X” in the refund box on the front of the envelope.

**LINE 41—CREDIT FORWARD**

Enter the portion of line 39 you wish to have applied to your 2009 Kansas estimated tax (must be \$1 or more). If the amount on line 39 is less than \$5, you may carry it forward to 2009 as an additional credit even if you don’t make estimated tax payments (remember to claim it on next year’s return). The amount on this line cannot exceed the total of lines 26, 27 and 28.

**SIGNATURE AND VERIFICATION**

The return must be signed and sworn to by the president, vice-president, or other principal officer. If the return is prepared by a firm or corporation, the return should be signed in the name of the firm or corporation. Any person or persons who prepares the return for compensation must sign the return.

**INSERT FRONT OF K-120**

**INSERT BACK OF K-120**

**INSERT PAGE 3 OF K-120  
PART I - NONREFUNDABLE CREDITS ...**

**INSERT PAGE 4 OF K-120  
PART II - ADDITIONAL INFORMATION ...**



**INSERT FRONT OF K-120AS**

**INSERT BACK OF K-120AS**

# SPECIFIC LINE INSTRUCTIONS FOR FORM K-120, PARTS I THROUGH V

## **PART I—NONREFUNDABLE & REFUNDABLE CREDITS**

Every corporation must complete this section when claiming a Kansas tax credit. The appropriate schedules provide specific instructions for these credits. See the back cover of this booklet for information on obtaining these schedules and instructions.

If you are eligible to claim any tax credits, complete the appropriate schedule and enclose it with your Kansas Corporate Income Tax return.



*If you are claiming the refundable Business Machinery and Equipment Credit on Schedule K-64, enter the amount of your credit on line 29 of Form K-120. DO NOT enter in Part I any portion of the credit computed on Schedule K-64.*

## **SCHEDULE OF NONREFUNDABLE CREDITS**

### **LINES 1 THROUGH 27**

Enter on lines 1 through 27 any *nonrefundable* tax credits for which you are eligible. You must complete and enclose with your Form K-120 the applicable credit schedule (see list of eligible nonrefundable credits in Part I, Form K-120).

### **LINE 28 – TOTAL NONREFUNDABLE CREDITS**

Add lines 1 through 27 and enter the total on line 28. Enter this amount on line 24 of Form K-120. Total nonrefundable credits cannot exceed your total tax on line 23 of the Form K-120



*If filing a combined return (Form K-121), the amount of nonrefundable credits for each separate entity cannot exceed that entity's tax liability.*

## **SCHEDULE OF REFUNDABLE CREDITS**

### **LINES 29 THROUGH 38**

Enter on lines 29 through 38 any *refundable* tax credits for which you are eligible. You must complete and enclose with your Form K-120 the applicable credit schedule(s). See the list of eligible refundable credits in Part I of Form K-120.

### **LINE 39 – TOTAL REFUNDABLE CREDITS**

Add amounts on lines 29 through 38 and enter the total on line 39. Enter this amount on line 30 of Form K-120.

## **PART II—ADDITIONAL INFORMATION**

All corporations must answer all questions in Part II.

## **PART III—AFFILIATED CORPORATIONS DOING BUSINESS IN KANSAS**

Every corporation must complete the information required in this section for every affiliated corporation which is doing business in Kansas. If additional space is needed, please enclose a schedule with your return.

## **PART IV—SCHEDULE OF TAXES**

Every corporation must complete this section in order for the Kansas Department of Revenue to verify the amount of taxes to be added back on line 3 of the return. If taxes are included elsewhere in the federal return, you must complete a schedule and enclose it with the Kansas return.

## **PART V—SCHEDULE OF INTEREST INCOME**

Every corporation must complete this section if they are claiming a modification for interest income on United States obligations on line 7, page 1 of Form K-120.

# SPECIFIC INSTRUCTIONS FOR FORM K-120AS

You must complete and enclose Parts VI, VII, & VIII, of Form K-120AS with your Kansas return if the corporation is doing business within and outside of Kansas and utilizing the apportionment formula to determine Kansas income.

## PART VI—APPORTIONMENT FORMULA

Part VI is to be used by corporations which derive income from sources both within and without Kansas for the purpose of allocating and apportioning income. All business income is apportionable to Kansas by one of the following methods:

- The majority of corporations will multiply business income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.
- Railroads will multiply business income by a fraction, the numerator of which is the freight car miles in this state and the denominator of which is the freight car miles everywhere.
- Interstate motor carriers will multiply business income by a fraction, the numerator of which is the total number of miles operated in this state and the denominator of which is the total number of miles operated everywhere.
- A qualifying taxpayer may elect to multiply business income by a fraction, the numerator of which is the property factor plus the sales factor, and the denominator of which is two. A qualifying taxpayer is any taxpayer whose payroll factor for a taxable year exceeds 200% of the average of the property factor and the sales factor. For additional information relating to this method and to determine if you are qualified, you may review K.S.A. 79-3279. If you qualify to use this method you are required to complete, for the first year, the payroll information on Form K-120AS, Part VI, line B **or** Form K-121, Part II, Section 2.
- Single Factor Apportionment – all years beginning after 12/31/01, and at the election of the taxpayer made at the time of filing of the original return, the qualifying business income of any investment funds service corporation organized as a corporation or S corporation which maintains its primary headquarters and operations or is a branch facility that employs at least 100 individuals on a full-time equivalent basis in this state and has any investment company fund shareholders resided in this state shall be apportioned to this state as provided in this subsection, as follows:

By multiplying the investment funds service corporation's qualifying business income from administration, distribution and management services provided to each investment company by a fraction, the numerator of which shall be the average of the number of shares owned by the investment company's fund shareholders resided in this state at the beginning of and at the end of the investment company's taxable year

that ends with or within the investment funds service corporation's taxable year, and the denominator of which shall be the average of the number of shares owned by the investment company's fund shareholders everywhere at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year.

Descriptions of each of the factors in the three-factor formula follow. The laws applicable to these factors are contained in K.S.A. 79-3280 through K.S.A. 79-3287. The applicable regulations are contained in K.A.R. 92-12-84 through K.A.R. 92-12-103. You may access these laws and regulations in the Policy Information Library at: [www.ksrevenue.org](http://www.ksrevenue.org)

**LINE A—Property Factor.** The property factor shall include all real and tangible personal property owned or rented and used during the income year to produce business income. Property used in connection with the production of nonbusiness income shall be excluded from the factor. Property shall be included in the property factor if it is actually used or is available for or capable of being used during the income year for the production of business income. Property used in the production of business income shall remain in the property factor until its permanent withdrawal is established by an identifiable event such as its sale or conversion to the production of nonbusiness income.

The numerator of the property factor shall include the average value of the taxpayer's real and tangible personal property owned and used in Kansas during the income year for the production of income, plus the value of rented real and tangible personal property so used. Property owned by the taxpayer in transit between locations of the taxpayer shall be considered to be at the destination for purposes of the property factor. Property in transit between a buyer and seller which is included by a taxpayer in the denominator of its property factor in accordance with its regular accounting practices shall be included in the numerator according to the state of destination. The value of mobile or movable property, such as construction equipment, trucks and/or leased electronic equipment which are located within and without Kansas during the income year, shall be determined for purposes of the numerator of the factor on the basis of total time within Kansas during the income year. Property owned by the taxpayer shall be valued at its original cost. As a general rule, "original cost" is deemed to be the basis of the property for federal income tax purposes at the time of acquisition by the taxpayer and adjusted by subsequent capital additions or improvements thereto and partial disposition thereof, by reason of sale, exchange, abandonment, etc. Property rented by the taxpayer is valued at eight times the net annual rental rate. As a general rule, the average value of property owned by the taxpayer shall be determined by averaging the values at the beginning and ending of the income year. However, the Director of Taxation may require or allow averaging by monthly values if such method of averaging is required to properly reflect the average value of the taxpayer's property for the income year.

**LINE B—Payroll Factor.** The payroll factor shall include the total amount paid by the taxpayer for compensation during the tax period. The total amount “paid” to the employees is determined upon the basis of the taxpayer’s accounting method. If the taxpayer has adopted the accrual method of accounting, all compensation properly accrued shall be deemed to have been paid. Notwithstanding the taxpayer’s method of accounting, at the election of the taxpayer, compensation paid to employees may be included in the payroll factor by use of the cash method if the taxpayer is required to report such compensation under such method for unemployment compensation purposes. The term “compensation” means wages, salaries, commissions and any other form of remuneration paid to employees for personal services. Payments made to an independent contractor or any other person not properly classifiable as an employee are excluded. Only amounts paid directly to employees are included in the payroll factor. The compensation of any employee on account of activities which are connected with the production of nonbusiness income shall be excluded from the factor. The denominator of the payroll factor is the total compensation paid everywhere during the income year.

The numerator of the payroll factor is the total amount paid in Kansas during the income year by the taxpayer for compensation. Compensation is paid in Kansas if any one of the following tests, applied consecutively, are met: (a) The employee’s service is performed entirely within Kansas; (b) The employee’s service is performed both inside and outside of Kansas, but the service performed without this State is “incidental” to the employee’s service in Kansas (the word “incidental” means any service which is temporary or transitory in nature, or which is rendered in connection with an isolated transaction); (c) If the employee’s services are performed both inside and outside of Kansas, the employee’s compensation will be attributed to Kansas if: (1) the employee’s base of operations is in Kansas; or (2) there is no base of operations in any state in which some part of the service is performed, but the place from which the service is directed or controlled is in Kansas; or (3) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the employee’s residence is in Kansas. The term “base of operation” is the place from where employees begin work and to which they customarily return in order to receive instructions from the taxpayer or communications from his customers or other persons, or to replenish stock or other materials, repair equipment, or perform any other functions necessary to the exercise of their trade or profession at some other point or points.

**LINE C—Sales Factor.** For purposes of the sales factor of the apportionment formula, the term “sales” means all gross receipts derived by the taxpayer from transactions and activity in the regular course of such trade or business. The following are rules for determining “sales” in various situations:

- In the case of a taxpayer engaged in manufacturing and selling or purchasing and reselling goods or products, “sales” includes all gross receipts from the sales of such goods or products (or other property of a kind which would properly be included in the inventory of the taxpayer if on

hand at the close of the income year) held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business. “Gross receipts” for this purpose means gross sales, less returns and allowances, and includes all interest income, service charges, carrying charges, or time-price differential charges incidental to such sales. Federal and state excise taxes (including sales taxes) shall be included as part of such receipts if such taxes are passed on to the buyer or included as part of the selling price of the product.

- In the case of cost plus fixed fee contracts, such as the operation of a government-owned plant for a fee, “sale” includes the entire reimbursed cost, plus the fee.
- In the case of a taxpayer engaged in providing services, such as the operation of an advertising agency, or the performance of equipment service contracts, or research and development contracts, “sales” includes the gross receipts from the performance of such services, including fees, commissions, and similar items.
- In the case of a taxpayer engaged in renting real or tangible property, “sales” includes the gross receipts from the rental, lease, or licensing the use of the property.
- In the case of a taxpayer engaged in the disposition of non-inventory assets and property used or purchased in the regular course of business, “sales” includes the capital gain or ordinary gain realized from such disposition. The term “sales” does not include the return of capital or recovery of basis with respect to non-inventory capital assets.
- For all taxable years beginning after December 31, 2007, in the case of sales of intangible business assets, only the net gains from the sale shall be included in the sales factor.

The numerator of the sales factor shall include gross receipts attributable to Kansas and derived by the taxpayer from transactions and activity in the regular course of its trade or business. All interest income, service charges, carrying charges, or time-priced differential charges incidental to such gross receipts shall be included regardless of the place where the accounting records are maintained or the location of the contract or other evidence of indebtedness.

#### **Sale of Tangible Personal Property in this State**

- Gross receipts from sales of tangible personal property (except sales to the United States Government) are in this state if:
  - the property is delivered or shipped to a purchaser within this state regardless of the f.o.b. point or other conditions of sale;
  - the property is shipped from an office, store, warehouse, factory, or other place of storage in this state and the taxpayer is not taxable in the state of the purchaser.
- Property shall be deemed to be delivered or shipped to a purchaser within this state if the recipient is located in this state, even though the property is ordered from outside this state.

- Property is delivered or shipped to a purchaser within this state if the shipment terminates in this state, even though the property is subsequently transferred by the purchaser to another state.
- The term “purchaser within this state” shall include the ultimate recipient of the property if the taxpayer in this state, at the designation of the purchaser, delivers to or has the property shipped to the ultimate recipient within this state.
- When property being shipped by a seller from the state of origin to a consignee in another state is diverted while enroute to a purchaser in this state, the sales are in this state.
- If a taxpayer whose salesman operates from an office located in this state makes a sale to a purchaser in another state in which the taxpayer is not taxable and the property is shipped directly by a third party to the purchaser, the following rules apply:
  - if the taxpayer is taxable in the state from which the third party ships the property, then the sale is in such state;
  - if the taxpayer is not taxable in the state from which the property is shipped, then the sale is in this state.

**Sales to the United States Government:** Gross receipts from the sales of tangible personal property to the United States Government are to be included in Kansas if the property is shipped from an office, store, warehouse, factory, or other place of storage in this state. Only sales for which the United States Government makes direct payment to the seller pursuant to the terms of its contract constitute sales to the United States Government. Thus, as a general rule, sales by a subcontractor to the prime contractor, the party to the contract with the United States Government, does not constitute sales to the United States Government.

**Sales Other Than Sales of Tangible Personal Property:** K.S.A. 79-3287 provides for the inclusion in the numerator of the sales factor of gross receipts from transactions other than sales of tangible personal property (including transactions with the United States Government). Under this section gross receipts are attributed to Kansas if the income-producing activity which gave rise to the receipts is performed within Kansas or if property producing the receipts is located within Kansas.

Gross receipts are attributed to Kansas if, with respect to a single item of income, the income-producing activity is performed within and without Kansas but the greater proportion of the income-producing activity is performed in Kansas, based on costs of performance. In cases where services are performed partly within and partly without Kansas, the services performed in each state will usually constitute a separate income-producing activity; in such case, the gross receipts for the performance of services attributable to Kansas shall be measured by the ratio which the time spent in performing such services in this state bears to the total time spent in performing such services everywhere. Time spent in

performing services includes the amount of time expended in the performance of a contract or other obligation which gives rise to such gross receipts. Personal service not directly connected with the performance of the contract or other obligation, such as time expended in negotiating the contract, is excluded from the computation.

**LINE D(1)—TOTAL PERCENT.** If you are utilizing the three-factor formula to apportion income to Kansas, add lines A, B and C.

**LINE D(2)—TOTAL PERCENT.** If you are qualified and are utilizing the elective two-factor formula to apportion income to Kansas, add lines A and C.

**LINE E—AVERAGE PERCENT.** Divide line D(1) or D(2), whichever is applicable, by the number of factors used in the formula. For instance, if you are using the three-factor formula and the corporation does not have payroll anywhere, divide by 2.

### **Consistency in Reporting**

In completing Form K-120, K-120AS and K-121, if, with respect to prior tax years and to filing other states’ tax returns, the taxpayer departs from or modifies the manner in which income has been classified as business income from nonbusiness income, in valuing property or of excluding or including property in the property factor, in the treatment of compensation paid in the payroll factor, or in excluding or including gross receipts in the sales factor, the taxpayer shall disclose by separate enclosed schedule the nature and extent of the variance or modification. Only inconsistencies in the denominators of the property, payroll, and sales factors which materially affect the amount of business income apportioned to Kansas need to be disclosed. Inconsistencies in the determination of nonbusiness income and in the denominators of the factors due to a difference in state laws or regulations must be identified by that state’s statute or regulation section number and shown on the separate schedule. The amount of each inconsistency by state is to be shown.

When a taxpayer makes sales of tangible personal property which are shipped from Kansas and assigned to a state in which the taxpayer does not file a return or report, the taxpayer shall identify the state to which the property is shipped, report the total amount of sales assigned to such state, and furnish the facts upon which the taxpayer relies as establishing jurisdiction to tax by such state.

## **PART VII—ADDITIONAL INFORMATION**

All corporations must answer all questions.

## **PART VIII—AFFILIATED CORPORATION INFORMATION**

All corporations must complete this section and indicate which of the affiliated corporations have property or payroll or sales in either the “total company” factors or the “within Kansas” factors of the apportionment formula on Part VI of the return.

# K-121

(Rev. 7/08)

# KANSAS COMBINED INCOME METHOD OF REPORTING

For the taxable year beginning \_\_\_\_\_ 20\_\_\_\_, ending \_\_\_\_\_, 20\_\_\_\_

Name As Shown on Form K-120

Employer Identification Number (EIN)

## PART I KANSAS COMBINED NET INCOME

Enter separate corporate names and federal identification numbers	Corporation A	Corporation B	Eliminations (Explain Below)	Combined Income
1. Federal taxable income .....				
2. Total state and municipal interest .....				
3. Taxes on or measured by income or fees or payments in lieu of income taxes .....				
4. Federal net operating loss deduction .....				
5. Other additions to federal taxable income (Enclose schedule) ...				
6. Total (Add lines 1 through 5) .....				
7. Interest on U.S. government obligations .....				
8. IRC Section 78 and 80% of foreign dividends (Enclose schedule)				
9. Other subtractions from federal taxable income (Enclose schedule)				
10. Total subtractions (Add lines 7, 8, & 9) .....				
11. Net income before apportionment (Subtract line 10 from line 6) .				
12. Nonbusiness income—Total company (Enclose schedule) .....				
13. Apportionable business income (Subtract line 12 from line 11) ..				
14. Percent to Kansas (From line 6, Part II) .....				
15. Amount to Kansas (Line 14, Corp. A & B multiplied by line 13 combined income) .....				
16. Nonbusiness income—Kansas (Enclose schedule) .....				
17. Kansas net income (Add lines 15 & 16) .....				
18. Kansas net operating loss deduction (Enclose schedule) .....				
19. Combined report income (Subtract line 18 from line 17, enter on line 19, page 1, Form K-120) .....				
20. Normal tax (4% of line 19) .....				
21. Surtax (3.1% of amount on line 19 in excess of \$50,000) .....				
22. Total tax (Add lines 20 & 21, enter on line 23, page 2, Form K-120)				

### EXPLANATION OF ELIMINATIONS:

### ENCLOSE A COPY OF FEDERAL FORM 851 WITH THIS SCHEDULE

(Any corporation filing using the combined income method with more than one entity doing business in Kansas may file one Kansas return reporting the total Kansas combined income and tax on that return.)

**PART II**

(Form K-121)

**APPORTIONMENT FORMULA**

	Corporation A Within Kansas		Corporation B Within Kansas		Total Company		Percent Within Kansas	
	Beg. of Year	End of Year	Beg. of Year	End of Year	Beg. of Year	End of Year		
1a. Value of owned real and tangible personal property used in the business at original cost.								
Inventory .....								
Depreciable Assets .....								
Land .....								
Other Tangible Assets (Enclose schedule) .....								
Less: Construction in Progress .....								
Total Property to be Averaged .....								
<b>Average Owned Property</b> (Beg. + End ÷ 2)								
1b. Net annual rental property. Multiplied by 8 .....								
<b>TOTAL PROPERTY</b> .....								
Percentage: Corporation A (Divide Corp. A by Total Co.)							1A	
Percentage: Corporation B (Divide Corp. B by Total Co.)							1B	
2. Wages, salaries, commissions and other compensation of employees related to business income included in return.								
<b>TOTAL PAYROLL</b> .....								
Percentage: Corporation A (Divide Corp. A by Total Co.)							2A	
Percentage: Corporation B (Divide Corp. B by Total Co.)							2B	
3. Sales (Gross receipts, less returns and allowances) .....								
a. Sales delivered or shipped to purchasers in Kansas:								
(1) Shipped from outside Kansas .....								
(2) Shipped from within Kansas .....								
b. Sales shipped from Kansas to:								
(1) The United States Government .....								
(2) Purchasers in a state where the taxpayer would not be taxable (e.g., under Public Law 86-272) .....								
c. Dividends .....								
Interest .....								
Rents .....								
Royalties .....								
Gains/losses from intangible asset sales .....								
Gross proceeds from tangible asset sales .....								
Other income (Attach schedule) .....								
<b>TOTAL SALES</b> .....								
Percentage: Corporation A (Divide Corp. A by Total Co.)							3A	
Percentage: Corporation B (Divide Corp. B by Total Co.)							3B	
4. Total Percent: Corporation A (Add lines 1A, 2A, & 3A)							4A	
Corporation B (Add lines 1B, 2B, & 3B)      If utilizing three factor formula							4B	
5. Total Percent: Corporation A (Add lines 1A & 3A)							5A	
Corporation B (Add lines 1B & 3B)      If qualified and utilizing two factor formula							5B	
6. Average Percent: Corporation A (To Line 14, Part I, Page 1)							6A	
Corporation B (To Line 14, Part I, Page 1)      Average percent of line 4 or 5, whichever is applicable							6B	



**INSERT FRONT OF SCHEDULE K-64  
BUSINESS MACHINERY & EQUIPMENT CREDIT**

**INSERT  
INSTRUCTIONS FOR SCHEDULE K-64**

**INSERT  
2008 FORM 200**

**INSERT  
BACK OF FORM 200**

# 2009 INTANGIBLES TAX RATES

The following list shows the 2009 Intangibles Tax Rates as provided by the county clerks. The list shows the rate of tax imposed by the counties as well as any city/township rate. If your city/township is not listed, you may still be required to file a return to determine the county portion of the intangibles tax. The Intangibles Tax Return (Form 200) must be filed with the Kansas Department of Revenue on or before April 15, 2009. The county clerk will compute your intangibles tax liability and the county treasurer will bill you at a later date.

**IMPORTANT NOTE:** This list contains only those rates of which the Department of Revenue has been notified as of July 15, 2008. If you believe the tax rate for your area is different, please contact your county clerk.

**The following counties (and cities and townships therein) have imposed no intangibles tax:**

ALLEN COUNTY	ELLIS COUNTY	KIOWA COUNTY	SEDGWICK COUNTY
ANDERSON COUNTY	FINNEY COUNTY	LEAVENWORTH COUNTY	SEWARD COUNTY
BARTON COUNTY	FRANKLIN COUNTY	LINN COUNTY	SHAWNEE COUNTY
BOURBON COUNTY	GEARY COUNTY	LYON COUNTY	SHERIDAN COUNTY
BUTLER COUNTY	GRANT COUNTY	MIAMI COUNTY	SHERMAN COUNTY
CHAUTAUQUA COUNTY	GREENWOOD COUNTY	MONTGOMERY COUNTY	STANTON COUNTY
CHEROKEE COUNTY	HAMILTON COUNTY	MORRIS COUNTY	STEVENS COUNTY
COFFEY COUNTY	HASKELL COUNTY	MORTON COUNTY	TREGO COUNTY
COMANCHE COUNTY	HODGEMAN COUNTY	OTTAWA COUNTY	WICHITA COUNTY
CRAWFORD COUNTY	JACKSON COUNTY	POTTAWATOMIE COUNTY	WILSON COUNTY
DOUGLAS COUNTY	JEFFERSON COUNTY	ROOKS COUNTY	WOODSON COUNTY
EDWARDS COUNTY	JOHNSON COUNTY	SALINE COUNTY	WYANDOTTE COUNTY
ELK COUNTY	KINGMAN COUNTY	SCOTT COUNTY	

**ATCHISON COUNTY**  
 Atchison County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Huron .....	2.25
Muscotah .....	2.25
<u>Townships</u>	<u>Rate</u>
Grasshopper Twp .....	2.25
Kapioma Twp .....	2.25
Lancaster Twp .....	2.25
Walnut Twp .....	2.25

**BARBER COUNTY**  
 Barber County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Lake City Twp .....	2.25
McAdoo Twp .....	2.25
Moore Twp .....	2.25
Nippawalla Twp .....	2.25
Sharon Twp .....	2.25

**BROWN COUNTY**  
 Brown County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Hamlin Twp .....	2.25
Hiawatha Twp .....	2.25
Irving Twp .....	2.25
Morrill Twp .....	2.25
Robinson Twp .....	2.25
Walnut Twp .....	2.25
Washington Twp .....	2.25

**CHASE COUNTY**  
 Chase County Intangibles—.75%

<u>Townships</u>	<u>Rate</u>
Homestead Twp .....	2.25

**CHEYENNE COUNTY**  
 Cheyenne County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Bird City .....	2.25
<u>Townships</u>	<u>Rate</u>
Benkelman Twp .....	2.25
Bird City Twp .....	2.25

Calhoun Twp .....	2.25
Wano Twp .....	2.25

**CLARK COUNTY**  
 Clark County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Englewood .....	2.25
Minneola .....	2.25
<u>Townships</u>	<u>Rate</u>
Appleton Twp .....	2.25
Englewood Twp .....	2.25
Lexington Twp .....	2.25

**CLAY COUNTY**  
 Clay County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Green .....	2.25
Longford .....	2.25

**CLOUD COUNTY**  
 Cloud County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Aurora .....	2.25
Clyde .....	2.25
Jamestown .....	2.25
<u>Townships</u>	<u>Rate</u>
Arion Twp .....	.50
Aurora Twp .....	2.25
Colfax Twp .....	2.25
Elk Twp .....	.50
Grant Twp .....	1.00

**COWLEY COUNTY**  
 Cowley County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Cambridge .....	2.25
<u>Townships</u>	<u>Rate</u>
Bolton Twp .....	2.25
Creswell Twp .....	2.25
Fairview Twp .....	2.25
Liberty Twp .....	2.25
Maple Twp .....	2.25
Ninnescah Twp .....	2.25
Omnia Twp .....	2.25
Rock Creek Twp .....	2.25

Salem Twp .....	2.25
Silverdale Twp .....	2.25
Vernon Twp .....	2.25
Walnut Twp .....	2.25

**DECATUR COUNTY**  
 Decatur County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Clayton .....	2.25
Norcatour .....	2.25
<u>Townships</u>	<u>Rate</u>
Allison Twp .....	2.25
Cook Twp .....	2.25
Finley Twp .....	2.25
Grant Twp .....	2.25
Harlan Twp .....	2.25
Liberty Twp .....	2.25
Lincoln Twp .....	2.25
Logan Twp .....	2.25
Lyon Twp .....	2.25
Olive Twp .....	2.25
Roosevelt Twp .....	2.25
Summit Twp .....	2.25

**DICKINSON COUNTY**  
 Dickinson County Intangibles—.75%

<u>Townships</u>	<u>Rate</u>
Banner Twp .....	2.25
Center Twp .....	2.25
Hope Twp .....	2.25
Jefferson Twp .....	2.25
Noble Twp .....	2.25
Sherman Twp .....	2.25
Union Twp .....	2.25
Willowdale Twp .....	2.25

**DONIPHAN COUNTY**  
 Doniphan County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Denton .....	2.25
Elwood .....	2.25
Highland .....	2.25
Severance .....	2.25
Troy .....	2.25
Wathena .....	2.25
White Cloud .....	2.25

<u>Townships</u>	<u>Rate</u>
Burr Oak Twp .....	2.25
Iowa Twp .....	2.25

**ELLSWORTH COUNTY**  
 Ellsworth County Intangibles—.75%

<u>Townships</u>	<u>Rate</u>
Ash Creek Twp .....	2.25
Black Wolf Twp .....	2.25
Columbia Twp .....	2.25
Garfield Twp .....	2.25
Mulberry Twp .....	2.25
Thomas Twp .....	2.25
Trivoli Twp .....	2.25

**FORD COUNTY**  
 Ford County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Bloom Twp .....	2.25
Bucklin Twp .....	2.25
Concord Twp .....	2.25
Ford Twp .....	2.25
Richland Twp .....	2.25
Sodville Twp .....	2.25
Spearville Twp .....	2.25
Wheatland Twp .....	2.25

**GOVE COUNTY**  
 Gove County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Gove .....	2.25
Grainfield .....	2.25
Grinnell .....	2.25
Park .....	.75
Quinter .....	2.25
<u>Townships</u>	<u>Rate</u>
Baker Twp .....	2.25
Gove Twp .....	2.25
Grainfield Twp .....	2.25
Grinnell Twp .....	2.25

**GRAHAM COUNTY**  
 Graham County Intangibles—.75%

<u>Townships</u>	<u>Rate</u>
Allodium Twp .....	2.25
Bryant Twp .....	2.25

Gettysburg Twp	2.25
Graham Twp	2.25
Happy Twp	2.25
Indiana Twp	2.25
Millbrook Twp	2.25
Nicodemus Twp	2.25
Pioneer Twp	2.25
Solomon Twp	2.25

**GRAY COUNTY**

Gray County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Copeland	2.25
Ensign	2.25
Ingalls	2.25
<u>Townships</u>	<u>Rate</u>
Copeland Twp	2.25
East Hess Twp	2.25
Foote Twp	2.25
Montezuma Twp	2.25

**GREELEY COUNTY**

Greeley County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Tribune	2.25

**HARPER COUNTY**

Harper County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Bluff City	2.25
Waldron	2.25
<u>Townships</u>	<u>Rate</u>
Township #2	2.25
Township #3	2.25
Township #4	2.25

**HARVEY COUNTY**

Harvey County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
North Newton	2.00
<u>Townships</u>	<u>Rate</u>
Alta Twp	2.25
Emma Twp	2.25
Garden Twp	2.25
Highland Twp	2.25
Lake Twp	2.25
Sedgwick Twp	2.25

**JEWELL COUNTY**

Jewell County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Burr Oak	2.25
Esbon	2.25
Jewell	2.25
Mankato	2.25
<u>Townships</u>	<u>Rate</u>
Athens Twp	.50
Burr Oak Twp	2.25
Esbon Twp	2.25
Grant Twp	2.25
Harrison Twp	1.00
Highland Twp	1.00
Holmwood Twp	.25
Ionia Twp	.25
Jackson Twp	.25
Limestone Twp	2.25
Odessa Twp	1.00
Vicksburg Twp	2.25
Walnut Twp	2.25
Whitemound Twp	2.25

**KEARNY COUNTY**

Kearny County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Deerfield	2.25

**LABETTE COUNTY**

Labette County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Mound Valley	2.25

**LANE COUNTY**

Lane County Intangibles—.75%

<u>Townships</u>	<u>Rate</u>
Dighton Twp	2.25
White Rock Twp	2.25

**LINCOLN COUNTY**

Lincoln County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Lincoln	2.25
<u>Townships</u>	<u>Rate</u>
Franklin Twp	2.25
Pleasant Twp	2.25
Salt Creek Twp	2.25
Scott Twp	1.00

**LOGAN COUNTY**

Logan County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Russell Springs	2.25
Winona	2.25
<u>Townships</u>	<u>Rate</u>
Elkader Twp	2.25
Lees Twp	2.25
Logansport Twp	2.25
Oakley Twp	2.25
Russell Springs Twp	2.25
Western Twp	2.25

**MARION COUNTY**

Marion County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Goessel	2.25
Peabody	1.125
<u>Townships</u>	<u>Rate</u>
Fairplay Twp	1.125
Menno Twp	2.25
Peabody Twp	2.25
West Branch Twp	2.25

**MARSHALL COUNTY**

Marshall County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Axtell	2.25
Blue Rapids	2.25
Marysville	2.25
Oketo	2.25
Summerfield	2.25
Vermillion	2.25
Waterville	2.25
<u>Townships</u>	<u>Rate</u>
Balderson Twp	2.25
Bigelow Twp	2.25
Blue Rapids City Twp	1.25
Center Twp	2.25
Clear Fork Twp	2.25
Cleveland Twp	2.25
Cottage Hill Twp	2.25
Elm Creek Twp	2.25
Franklin Twp	2.25
Guittard Twp	2.25
Herkimer Twp	2.25
Logan Twp	2.25
Marysville Twp	2.25
Murray Twp	2.25
Noble Twp	2.25
Oketo Twp	2.25
Richland Twp	2.25
Rock Twp	2.25
St. Bridget Twp	2.25
Walnut Twp	2.25
Waterville Twp	2.25

**McPHERSON COUNTY**

McPherson County Intangibles—.75%

<u>Townships</u>	<u>Rate</u>
Bonaville Twp	2.25
Delmore Twp	2.25
Empire Twp	1.00
Groveland Twp	2.25
Gypsum Creek Twp	2.25
Harper Twp	2.25
Jackson Twp	2.25
King City Twp	2.25
Little Valley Twp	2.25
Lone Tree Twp	2.25
Marquette Twp	2.25
McPherson Twp	2.25
Meridian Twp	2.25
Mound Twp	2.25
New Gottland Twp	2.25
Smoky Hill Twp	2.25
South Sharps Creek Twp	2.25
Spring Valley Twp	2.25
Superior Twp	2.25
Turkey Creek Twp	2.25
Union Twp	2.25

**MEADE COUNTY**

Meade County Intangibles—.75%

<u>Townships</u>	<u>Rate</u>
Crooked Creek Twp	2.25
Logan Twp	2.25
Odee Twp	2.25
Sand Creek Twp	2.25

**MITCHELL COUNTY**

Mitchell County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Beloit	2.25
Glen Elder	2.25
Hunter	2.25
Tipton	2.25
<u>Townships</u>	<u>Rate</u>
Asherville Twp	2.25
Beloit Twp	2.25
Bloomfield Twp	2.25
Blue Hill Twp	2.25
Carr Creek Twp	2.25
Center Twp	2.25
Custer Twp	2.25
Eureka Twp	2.25
Glen Elder Twp	2.25
Hayes Twp	2.25
Logan Twp	2.25
Lulu Twp	2.25
Pittsburg Twp	2.25
Plum Creek Twp	2.25
Round Springs Twp	2.25
Salt Creek Twp	2.25
Solomon Rapids Twp	2.25
Turkey Creek Twp	2.25
Walnut Creek Twp	2.25

**NEMAHA COUNTY**

Nemaha County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Bern	2.25
<u>Townships</u>	<u>Rate</u>
Adams Twp	2.25
Berwick Twp	2.25
Capioma Twp	2.25
Center Twp	2.25
Gilman Twp	2.25
Granada Twp	2.25
Harrison Twp	2.25
Mitchell Twp	2.25
Nemaha Twp	2.25
Red Vermillion Twp	2.25
Reilly Twp	2.25
Richmond Twp	2.25

Rock Creek Twp	2.25
Washington Twp	2.25

**NEOSHO COUNTY**

Neosho County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Canville Twp	2.25
Erie Twp	2.25
Lincoln Twp	2.25
Walnut Grove Twp	2.25

**NESS COUNTY**

Ness County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Bazine	2.25
Brownell	2.25
Ness City	2.25
Ransom	2.25
Utica	2.25
<u>Townships</u>	<u>Rate</u>
Bazine Twp	2.25
Center Twp	2.25
Eden Twp	2.25
Forrester Twp	2.25
Franklin Twp	2.25
Highpoint Twp	2.25
Johnson Twp	2.25
Nevada Twp	2.25
Ohio Twp	2.25
Waring Twp	2.25

**NORTON COUNTY**

Norton County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Lenora	2.25
<u>Townships</u>	<u>Rate</u>
Highland Twp	.25

**OSAGE COUNTY**

Osage County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Agency Twp	2.25
Lincoln Twp	2.25
Scranton Twp	2.25

**OSBORNE COUNTY**

Osborne County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Alton	2.25
Downs	2.25
Natoma	2.25
Portis	2.25
<u>Townships</u>	<u>Rate</u>
Bethany Twp	2.25
Bloom Twp	2.25
Corinth Twp	2.25
Covert Twp	2.25
Delhi Twp	2.25
Grant Twp	2.25
Hancock Twp	2.25
Hawkeye Twp	2.25
Independence Twp	2.25
Jackson Twp	2.25
Kill Creek Twp	2.25
Lawrence Twp	2.25
Liberty Twp	2.25
Mt. Ayr Twp	2.25
Natoma Twp	2.25
Penn Twp	2.25
Ross Twp	2.25
Round Mound Twp	2.25
Summer Twp	2.25
Tilden Twp	2.25
Valley Twp	2.25
Victor Twp	2.25
Winfield Twp	2.25

**PAWNEE COUNTY**

Pawnee County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Conkling Twp	2.25

Grant Twp .....	1.25
Keysville Twp .....	2.25
Logan Twp .....	2.25
Sawmill Twp .....	2.25
Walnut Twp .....	2.25

**PHILLIPS COUNTY**

Phillips County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Agra .....	2.25
Glade .....	2.25
Kirwin .....	2.25
Logan .....	2.25
Phillipsburg .....	2.25
Prairie View .....	2.25

<u>Townships</u>	<u>Rate</u>
Arcade Twp .....	2.25
Crystal Twp .....	2.25
Freedom Twp .....	2.25
Kirwin Twp .....	.25
Mound Twp .....	.875
Plainview Twp .....	2.25
Plum Twp .....	.125
Prairie View Twp .....	2.25
Sumner Twp .....	2.25

**PRATT COUNTY**

Pratt County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Banner Twp .....	2.25
Center Twp .....	2.00
Elm Twp .....	2.25
Gove Twp .....	2.25
McClellan Twp .....	2.25
McPherson Twp .....	2.00
Ninnescah Twp .....	2.25
Paxon Twp .....	2.25
Richland Twp .....	2.25
Saratoga Twp .....	2.00
South Valley Twp .....	2.00

**RAWLINS COUNTY**

Rawlins County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Atwood .....	2.25
Herndon .....	2.25
McDonald .....	2.25

<u>Townships</u>	<u>Rate</u>
Achilles Twp .....	2.25
Center Twp .....	1.00
Driftwood Twp .....	2.25
Herl Twp .....	2.25
Ludell Twp .....	2.00
Rocewood Twp .....	1.00
Union Twp .....	2.25

**RENO COUNTY**

Reno County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Partridge .....	2.25
Plevna .....	2.25
Pretty Prairie .....	2.25
Sylvia .....	2.25
Willowbrook .....	2.25

<u>Townships</u>	<u>Rate</u>
Albion Twp .....	2.25

Arlington Twp .....	2.25
Bell Twp .....	2.25
Castleton Twp .....	2.25
Enterprise Twp .....	2.25
Hayes Twp .....	2.25
Little River Twp .....	2.25
Medford Twp .....	2.25
Miami Twp .....	2.25
Ninnescah Twp .....	2.25
Plevna Twp .....	2.25
Reno Twp .....	2.25
Roscoe Twp .....	2.25
Troy Twp .....	2.25
Walnut Twp .....	2.25

**REPUBLIC COUNTY**

Republic County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Agenda .....	2.25
Cuba .....	2.25
Munden .....	2.25
Narka .....	2.25
Scandia .....	2.25

<u>Townships</u>	<u>Rate</u>
Liberty Twp .....	1.00

**RICE COUNTY**

Rice County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Bell Twp .....	2.25
Center Twp .....	2.25
Eureka Twp .....	2.25
Lincoln Twp .....	2.25
Mitchell Twp .....	2.25
Rockville Twp .....	2.25
Sterling Twp .....	2.25
Union Twp .....	2.25
Valley Twp .....	2.25

**RILEY COUNTY**

Riley County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Leonardville .....	2.25
Riley .....	2.25

<u>Townships</u>	<u>Rate</u>
Ashland Twp .....	2.25
Bala Twp .....	2.25
Center Twp .....	2.25
Fancy Creek Twp .....	2.25
Madison Twp .....	1.00
May Day Twp .....	2.25
Ogden Twp .....	2.25
Swede Creek Twp .....	2.25
Wildcat Twp .....	2.25

**RUSH COUNTY**

Rush County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Alexander .....	2.25
La Crosse .....	2.25
Rush Center .....	2.25

<u>Townships</u>	<u>Rate</u>
Alexander-Belle Prairie Twp .....	2.25
Big Timber Twp .....	2.25

Center Twp .....	2.25
La Crosse-Brookdale Twp .....	2.25

**RUSSELL COUNTY**

Russell County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Lucas .....	2.25
Luray .....	2.25
Waldo .....	2.25

<u>Townships</u>	<u>Rate</u>
Big Creek Twp .....	2.00
Fairfield Twp .....	2.25
Fairview Twp .....	2.25
Lincoln Twp .....	2.25
Luray Twp .....	2.25
Waldo Twp .....	2.25
Winterset Twp .....	2.25

**SMITH COUNTY**

Smith County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Athol .....	2.25
Cedar .....	2.25
Gaylord .....	2.25
Kensington .....	2.25
Lebanon .....	2.25
Smith Center .....	2.25

<u>Townships</u>	<u>Rate</u>
Banner Twp .....	2.25
Beaver Twp .....	2.25
Blaine Twp .....	2.25
Cedar Twp .....	2.25
Center Twp .....	2.25
Cora Twp .....	2.25
Crystal Plains Twp .....	2.25
Dor Twp .....	.50
Garfield Twp .....	2.25
German Twp .....	2.25
Harlan Twp .....	2.25
Houston Twp .....	2.25
Lane Twp .....	2.25
Lincoln Twp .....	2.25
Logan Twp .....	2.25
Martin Twp .....	2.25
Oak Twp .....	2.25
Pawnee Twp .....	2.25
Pleasant Twp .....	2.25
Swan Twp .....	2.25
Valley Twp .....	2.25
Webster Twp .....	2.25
White Rock Twp .....	1.00

**STAFFORD COUNTY**

Stafford County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Hudson .....	2.25
Stafford .....	2.25

<u>Townships</u>	<u>Rate</u>
Albano Twp .....	2.25
East Cooper Twp .....	2.25
Fairview Twp .....	2.25
Ohio Twp .....	2.25
Richland Twp .....	2.25
Stafford Twp .....	2.25
Union Twp .....	2.25
West Cooper Twp .....	2.25

**SUMNER COUNTY**

Sumner County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Avon Twp .....	2.25
Belle Plaine Twp .....	2.25
Bluff Twp .....	2.25
Caldwell Twp .....	2.25
Chikaskia Twp .....	2.25
Downs Twp .....	2.25
Falls Twp .....	2.25
Greene Twp .....	2.25
Guelph Twp .....	2.25
Harmon Twp .....	2.25
Jackson Twp .....	2.25
London Twp .....	2.25
Morris Twp .....	2.25
Oxford Twp .....	2.25
Ryan Twp .....	2.25
South Haven Twp .....	2.25

**THOMAS COUNTY**

Thomas County Intangibles—0%

<u>Cities</u>	<u>Rate</u>
Gem .....	2.25

**WABAUNSEE COUNTY**

Wabaunsee County Intangibles—0%

<u>Townships</u>	<u>Rate</u>
Farmer Twp .....	.50
Maple Hill Twp .....	2.25

**WALLACE COUNTY**

Wallace County Intangibles—.75%

<u>Townships</u>	<u>Rate</u>
Weskan Twp .....	2.25

**WASHINGTON COUNTY**

Washington County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Haddam .....	2.25
Hanover .....	2.25
Linn .....	2.25
Palmer .....	2.25
Washington .....	2.25

<u>Townships</u>	<u>Rate</u>
Brantford Twp .....	2.25
Charleston Twp .....	2.25
Coleman Twp .....	2.25
Farmington Twp .....	2.25
Grant Twp .....	2.25
Greenleaf Twp .....	2.25
Haddam Twp .....	2.25
Hanover Twp .....	2.25
Highland Twp .....	2.25
Independence Twp .....	2.25
Kimeo Twp .....	2.25
Lincoln Twp .....	2.25
Linn Twp .....	2.25
Little Blue Twp .....	2.25
Logan Twp .....	2.25
Mill Creek Twp .....	2.25
Sheridan Twp .....	2.25
Sherman Twp .....	2.25
Strawberry Twp .....	2.25
Union Twp .....	2.25



State of Kansas  
 Department of Revenue  
 Docking State Office Building, 915 SW Harrison St.  
 Topeka, KS 66612-1588

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 OF REVENUE



# Taxpayer Assistance

## BY PHONE

If you have a question about completing your Kansas Corporate Income Tax return, call 785-368-8222 to speak with a customer representative.

If you prefer, you may fax information to 785-291-3614.

TTY Users  
 Telecommunications  
 Device for the Deaf  
 785-296-6461



## IN PERSON

Personal assistance to complete your return is also available at the following location:

Taxpayer Assistance Center  
 Docking State Office Building - 1st floor  
 915 SW Harrison Street  
 Topeka, KS 66625-2007

Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

## REQUEST FOR TAX FORMS - 785-296-4937

Tax forms are available at most city and county clerk offices, banks, libraries, and other places of convenience. To obtain forms by mail, contact the Kansas Department of Revenue voice mail system at 785-296-4937. You will be asked to give your name, address, telephone number, and form(s) you desire. Please allow about two weeks for delivery of your form(s). Tax forms can also be found on the Department of Revenue's web site at [www.ksrevenue.org](http://www.ksrevenue.org).