



**2006**

**KANSAS**

**Individual Income Tax & Food Sales Refund**

*Forms and Instructions*



**KANSAS**

DEPARTMENT OF REVENUE

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

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

# What's New...

The following changes are effective for the 2006 tax year:

- ◆ **TELEFILE** – The Kansas TeleFile program has been discontinued. We encourage you to use our free WebFile program or IRS e-File. For more information on these electronic filing options, see page 3.
- ◆ **NEW DONATIONS** – Beginning with your 2006 Kansas individual income tax return, you may make tax-deductible donations to the Breast Cancer Research Fund and/or the Military Emergency Relief Fund. See details for lines 38 and 39 on page 20.
- ◆ **FOOD SALES TAX QUALIFYING INCOME INCREASED.** Qualifying income amounts for the food sales tax refund have increased and are as follows. Additional qualifications for this refund are on page 14.
 

If your qualifying income is:	Your food sales refund is:
\$ 0 — \$14,300	\$75 per exemption
\$14,301 — \$28,600	\$37 per exemption
- ◆ **LEARNING QUEST.** Effective July 1, 2006, immediate withdrawals of funds from the Learning Quest program used to pay post-secondary education expenses are allowed - no add-back required. For more information, visit [www.learningquestsavings.com](http://www.learningquestsavings.com).
- ◆ **LONG-TERM CARE INSURANCE CONTRACTS.** A subtraction modification may be taken for an amount not exceeding **\$600** per contract, per taxpayer, of the premium costs paid for qualified long-term care insurance contracts. See Schedule S instructions for Line A12.
- ◆ **NEW CREDIT – ASSISTIVE TECHNOLOGY CONTRIBUTION CREDIT.** A 25% credit is available for amounts contributed to KATCO (Kansas Assistive Technology Cooperative). The amounts contributed are used to purchase equipment that will increase, maintain or improve functional capabilities of individuals with disabilities. See Schedule K-42.
- ◆ **NEW CREDIT – KANSAS LAW ENFORCEMENT TRAINING CENTER CREDIT.** A 50% credit is available for amounts contributed to KLETC (Kansas Law Enforcement Training Center). The amounts contributed will be used by the center to provide continuing education for full-time law enforcement officers. See Schedule K-72.
- ◆ **NEW CREDIT – KANSAS CENTER FOR ENTREPRENEURSHIP CREDIT.** A 75% credit is available for amounts contributed to KCE (Kansas Center for Entrepreneurship). The center uses the contributions to seed qualified entrepreneurs in distressed and rural communities. See Schedule K-31.
- ◆ **NEW CREDIT – KANSAS NATIONAL GUARD/UNITED STATES RESERVE CREDIT.** A 25% credit is available for the wages paid by an employer of an unemployed National Guard or United States Reserve member. See Schedule K-74.
- ◆ **ENHANCED CREDIT – ADOPTION CREDIT.** Kansas credits ranging from 25% to 75% of the federal adoption credit are available for Kansas residents who adopt children. See Schedule K-47.
- ◆ **ENHANCED CREDIT – REGIONAL FOUNDATION CREDIT.** A 75% credit is available for amounts contributed to a Regional Foundation. Regional Foundations provide economic assistance to business located within their designated region. See Schedule K-32.
- ◆ **INTEREST RATE CHANGE.** For calendar year 2007, interest will be assessed at 9% per annum (.75% per month or fraction thereof). Penalty for late payment of income tax remains at 1% per month or fraction thereof, capped at 24%.

## WHAT'S IN THIS BOOKLET?

<b>What's New</b>	<b>2</b>
<b>Electronic Filing &amp; Payment Options</b>	<b>3</b>
<b>FS Tax Qualifying Worksheet</b>	<b>4</b>
<b>Form K-40</b>	<b>5, 37</b>
<b>Schedule S</b>	<b>7, 39</b>
<b>Form RF-9, Decedent Refund Claim</b>	<b>9</b>
<b>General Information</b>	<b>11</b>
<b>K-40 Instructions</b>	<b>14</b>
<b>Schedule S Instructions</b>	<b>21</b>
<b>Tax Table</b>	<b>25</b>
<b>Tax Computation Schedules</b>	<b>29</b>
<b>School Districts</b>	<b>30</b>
<b>Intangibles Tax Rates</b>	<b>32</b>
<b>Form 200 (Intangibles Tax Return)</b>	<b>35</b>
<b>Intangibles Instructions</b>	<b>36</b>
<b>Schedule K-210</b>	<b>41</b>
<b>Compensating Use Tax</b>	<b>43</b>
<b>Taxpayer Assistance</b>	<b>44</b>

# Electronic Filing & Payment Options

You can file your state Individual Income Tax return through one of three electronic filing methods offered by the Kansas Department of Revenue (KDOR). Paperless filing options available are **WebFile** and **IRS e-File**. These filing methods are safe, secure and accurate. You can get your refund in half the time, even faster with Direct Deposit. Visit the Kansas Department of Revenue e-commerce web site at [www.webtax.org](http://www.webtax.org) for more information.

## WebFile

WebFile is a secure online application for filing your Kansas Individual Income Tax and it can cut your refund time in half! If you have an overpayment, your refund can be deposited directly into your bank account. If you have a balance due, you have the option to pay electronically as well. It is a safe, secure, fast and free way to file and pay your tax or receive your refund.

You can use WebFile even if you itemize your deductions or need to amend your Kansas return.

To use the application you will need access to the Internet. You should have your taxpayer identification number (TIN) from your mailing label on this booklet OR you can use last year's original refund or balance due amount to access the system. NOTE: *Kansas residents* that did not file a 2005 Kansas return can use WebFile by following the on-line instructions. *Nonresidents* must have filed a 2005 Kansas return to use WebFile for 2006.

## 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 and within 48 hours you will get confirmation that KDOR has accepted your return.

You can prepare your own return and have a professional electronically transmit it to the IRS and KDOR or you can have your return prepared and transmitted by a tax professional. Depending on the tax professional and the specific services requested, a fee may be charged. You can also e-File using KDOR approved commercial tax filing web sites or software products. Visit our web site for a listing of authorized IRS e-File providers and software products.

## Direct Payment

Taxpayers who owe Kansas income tax may pay the balance due either at the time of electronic filing or by utilizing the online Individual Tax Payment Center. Visit our web site for more information.

## Credit Card Payment

Taxpayers also have the option to pay by  credit card. This service is available on the Internet through two payment centers, Official Payments Corporation (OPC) and Link2Gov. Both payment centers charge a convenience fee to accept Mastercard, VISA, Discover and American Express. In addition to on-line credit card payments, OPC and Link2Gov offer the option of paying tax liabilities by telephone.

For rules regarding credit card transactions and how to sign up to pay by credit card visit the web site of OPC at [www.officialpayments.com](http://www.officialpayments.com) or the web site of Link2Gov at [www.kstaxpayment.com](http://www.kstaxpayment.com).



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

## QUALIFYING INCOME WORKSHEET for the KANSAS FOOD SALES TAX REFUND

All taxpayers who meet the “residency” and “taxpayer status” qualifications must complete this worksheet to determine if they meet the “income” qualification for a Food Sales Tax refund.

- ▶ If you are **NOT** required to file a federal return, enter your income and deduction amounts in COLUMN A, beginning with line 1.
- ▶ If you filed federal Form 1040, 1040A or 1040EZ, complete COLUMN B, beginning with line 24.

	COLUMN A	COLUMN B
<b>Income. Enter the amounts received from the following sources:</b>		
1. Wages, salaries, tips, etc.	1.	
2. Taxable interest and dividends	2.	
3. Taxable refunds	3.	
4. Alimony received	4.	
5. Business income or (loss) (federal Schedules C, C-EZ)	5.	
6. Farm income or (loss) (federal Schedule F)	6.	
7. Capital gains or (losses) (federal Schedule D or Form 4797)	7.	
8. Taxable amount of IRA, annuity and pension distributions	8.	
9. Taxable amount of Social Security benefits	9.	
10. Rental real estate, royalties, partnerships, S corporations, trusts, etc. (federal Schedule E)	10.	
11. Unemployment compensation	11.	
12. Other Income (Jury duty, gambling winnings, etc.)	12.	
13. Total income. Add lines 1 through 12.	13.	
<b>FEDERAL ADJUSTMENTS TO INCOME. ENTER DEDUCTIONS FOR:</b>		
14. IRA deduction and self-employed SEP, SIMPLE and qualified plans	14.	
15. Penalty on early withdrawal of savings	15.	
16. Alimony paid and moving expenses	16.	
17. Clean-fuel vehicle deduction	17.	
18. Self-employed health insurance, Archer MSA and health savings account deduction	18.	
19. One-half of self-employment tax	19.	
20. Domestic production activities deduction	20.	
21. Tuition & fees deduction, student loan interest deduction, and educator expenses	21.	
22. Business Expenses for Reservists, Artists & Fee-Basis Government Officials	22.	
23. Total Adjustments. Add lines 14 through 22.	23.	
24. <b>Federal Adjusted Gross Income.</b> Column A filers: Subtract line 23 from line 13. Column B filers: Enter the Federal Adjusted Gross Income amount from Form 1040, 1040A, or 1040EZ.	24.	24.
25. <b>Kansas Modifications to Federal Adjusted Gross Income.</b> Enter the net modifications from line A17 of Kansas Schedule S, Part A. Refer to the instructions that begin on page 21. If this amount is a negative amount, put it in brackets ( ).	25.	25.
26. <b>Kansas Adjusted Gross Income.</b> If line 25 is a positive amount, add lines 24 and 25 and enter on line 26. If line 25 is a negative amount, subtract line 25 from line 24, and enter the result on line 26.	26.	26.
<b>ADDITION TO INCOME FOR FOOD SALES TAX REFUND. ENTER THESE AMOUNTS:</b>		
27. Interest income exempt from Kansas taxation, such as interest received from U. S. Savings Bonds, Treasury Notes, etc. (from line A7 of Kansas Schedule S, if applicable)	27.	27.
28. Exempt retirement benefits. Enter amount shown on line A10 of Schedule S, <b>except</b> Railroad Retirement Benefits.	28.	28.
29. Total Kansas additions. Add lines 27 and 28.	29.	29.
30. <b>Qualifying Income</b> for purpose of receiving a Food Sales Tax refund. Add lines 26 and 29.	30.	30.



If line 30 is **MORE** than \$28,600, you do not qualify for the Food Sales Tax Refund.

If line 30 is **LESS** than \$28,601, follow the instructions for line 25 of Form K-40 on page 19 to calculate the amount of your Food Sales Tax refund.

# GENERAL INFORMATION

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

## Who Must File a Return

### KANSAS RESIDENTS

A Kansas resident for income tax purposes is anyone who lives in Kansas, regardless of where he or she is employed. An individual who is away from Kansas for a period of time and has intentions of returning to Kansas is a resident.

If you were a Kansas resident for the entire year, you must file a Kansas Individual Income Tax return if:

- You are required to file a federal income tax return, OR
- Your Kansas adjusted gross income is more than the total of your Kansas standard deduction and exemption allowance.

The minimum filing requirements for each filing status and exemption allowance situation are shown below. If you are not required to file a federal return, you may use this table to determine if you are required to file a Kansas return. For example, if your filing status is single, and you are over 65, you do not need to file a Kansas return unless your gross income is over \$6,100. A married couple filing jointly would not be required to file a Kansas return unless their gross income is over \$10,500.

A Kansas resident must file if he or she is:	And has gross income of at least:
<b>SINGLE OR MARRIED FILING SEPARATE</b>	
Under 65 .....	\$5,250
65 or older or blind .....	\$6,100
65 or older and blind .....	\$6,950
<b>MARRIED FILING JOINT</b>	
Under 65 (both spouses) .....	\$10,500
65 or older or blind (one spouse) .....	\$11,200
65 or older or blind (both spouses) .....	\$11,900
65 or older and blind (one spouse) .....	\$11,900
65 or older or blind (one spouse) and 65 or older and blind (other spouse) .....	\$12,600
65 or older and blind (both spouses) .....	\$13,300
<b>HEAD OF HOUSEHOLD</b>	
Under 65 .....	\$9,000
65 or older or blind .....	\$9,850
65 or older and blind .....	\$10,700



**IMPORTANT:** You must file a Kansas Individual Income Tax return to receive any refund of taxes withheld, regardless of the amount of total income, or to receive the Food Sales Tax refund.

### MINOR DEPENDENTS

A minor child claimed on another person's return can claim a standard deduction of \$500 or the amount of their earned income (wages) up to \$3,000, whichever is greater. Unearned income (such as interest and dividends) over \$500 is taxable to Kansas and a Kansas return must be filed. If the taxable income (line 7, Form K-40) is zero, a return is not required. However, you must file a Kansas Individual Income Tax return to receive any refund of taxes withheld, regardless of the amount of total income.

### NONRESIDENTS

If you are not a resident of Kansas, but you received income from Kansas sources, you must file a Kansas Individual Income Tax return regardless of the amount of income received from Kansas sources.

If your employer withheld Kansas taxes from your wages in error, you must also file a Kansas return in order to receive a refund, even though you had no income from Kansas sources. A letter from your employer on company letterhead and signed by an authorized company official explaining the error must accompany your return. The letter must state the amount of wages and withholding applicable to Kansas.

### PART-YEAR RESIDENTS

You are a part-year resident of Kansas if you were a Kansas resident for less than 12 months during the tax year. As a part-year resident, you have the option to file your Kansas return either as a resident or as a nonresident.

### MILITARY PERSONNEL

The active duty service pay of military personnel is taxable ONLY to your state of legal residency, no matter where you are stationed during the tax year. If your home of record on your military records is Kansas, and you have not established residency in another state, you are still a Kansas resident and all of your income - to include your military compensation is subject to Kansas income tax.

If you are a nonresident of Kansas but are stationed in Kansas due to military orders, you must file a Kansas return if you (or your spouse if filing jointly) received income from Kansas sources. Only income from Kansas sources is used to determine the Kansas income tax due of **nonresident** military service members. All nonresident service members will subtract out the amount of their military compensation on Schedule S, line A11. See *Schedule S Line-by-Line Instructions* on page 21.

**NOTE:** Kansas law provides that if either a husband or wife is a resident of Kansas, the other is a nonresident of Kansas, and they file a Married Filing Joint federal return - they must file a Married Filing Joint Kansas return and file as **nonresidents** of the state of Kansas.

### NATIVE AMERICAN INDIANS

Income received by native American Indians that is exempt from Federal Income Tax is also exempt from Kansas Income Tax. Income earned on a reservation, by a native American Indian residing on his or her tribal reservation, is also exempt from Kansas Income Tax. If any such income is included in the federal adjusted gross income, it is subtracted on the Kansas return.

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## When to File

If your 2006 return is based on a calendar year, it must be filed and the tax paid no later than **April 15, 2007**. If your return is based on a fiscal year, your Kansas return is due the 15th day of the 4th month following the end of your fiscal year. The instructions in this booklet assume a calendar year taxpayer.

By using an electronic filing option and the direct payment method, you can file your return at any time and choose to have your bank account debited on the due date of the return. See instructions for this payment option on page 20.

**AMENDED RETURNS:** In general, amended returns must be filed with the Department of Revenue within three (3) years of when the original return was filed. If the amended return will result in a refund to you, the amended return may 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

Please use the pre-addressed 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 following address:

INDIVIDUAL INCOME TAX/FOOD SALES TAX  
KANSAS DEPARTMENT OF REVENUE  
915 SW HARRISON ST  
TOPEKA, KS 66699-1000

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## If You Need Forms

Kansas Income Tax forms and instructions are available throughout the state at city and county clerk's offices, banks, libraries, and other places of convenience. Specialized schedules and forms are available from our Taxpayer Assistance Office, or by calling our voice mail forms request line at (785) 296-4937 and from our web site at [www.ksrevenue.org](http://www.ksrevenue.org).

**Important:** Due to the sensitivity of KDOR's imaging equipment for tax return processing, only an **original** preprinted form or an **approved** computer-generated version of the K-40, Schedule S, and K-40V should be filed.

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## Extension of Time to File

If you are unable to complete your Kansas return by the filing deadline, you may request an extension of time to file. If you filed Form 4868 with the Internal Revenue Service for an automatic extension to file, enclose a copy of this form with your completed Form K-40 to automatically receive an 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.)

**Important:** An extension of time to file is NOT an extension to pay. If you do not pay the tax amount due (may be estimated) by the original due date, you will owe interest and penalty on any balance due.

To pay the tax balance due for an extension, use the Kansas Payment Voucher (K-40V) located in this book. Check the box on the K-40V indicating extension payment.

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## Copy of Federal Return

If you file Form K-40 using a Kansas address, you do not need to include a copy of your Federal return. However, keep a copy as it may be requested by the Kansas Department of Revenue at a later date. If your Form K-40 shows an address other than Kansas, you must enclose a copy of your Federal return (1040EZ, 1040A or 1040 and applicable Schedules A-F) with your Kansas return.

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## Estimated Tax

If you have self-employment income or other income not subject to Kansas withholding, you may be required to file estimated income tax voucher to prepay your Kansas Income Tax. Estimated tax payments are required if:

- Your Kansas Income Tax balance due (after withholding and prepaid credits) is \$500 or more; AND
- Your withholding and prepaid credits for the current tax year are less than:
  - (1) 90% of the tax on your current year's return or
  - (2) 100% of the tax on your prior year's return.

To make estimated tax payments, obtain Form K-40ES, the Kansas estimated tax vouchers and instructions.

**If two-thirds of your income is from farming or fishing, you are not required to make estimated tax payments if your return is filed and tax is paid on or before March 1, 2007.**

**Underpayment Penalty:** If line 29 minus line 18 of Form K-40 is at least \$500 and is more than 10% of the tax on line 17 of Form K-40, you may be subject to a penalty for underpayment of estimated tax. Use Schedule K-210, in this booklet, to see if you will have a penalty or if you qualify for one of the exceptions to the penalty.

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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 on another state's return (error or adjustment), 3) there is a change on your federal return (error or adjustment). **Check the AMENDED box in the Filing Information section of the K-40 if you are amending your 2006 Kansas return.** (Note: If you filed a Schedule S with your original return you must also file a Schedule S with your amended return, even if there are no amended changes.)

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

**AMENDED FEDERAL RETURN:** If you are filing an amended federal income tax return, Form 1040X for the same taxable year as this 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, it is necessary to provide the Kansas Department of Revenue with a copy of the adjustment or denial letter.

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:** If you know that a previously filed federal return was not correct, or if your original return was adjusted by the Internal Revenue Service, amended returns or copies of the Revenue Agent's Reports must be submitted within 180 days of the date the federal adjustments are paid, agreed to, or become final, whichever is earlier. Failure to properly notify the Director of Taxation within the 180 day period will cause the statute of limitations to remain open (Department of Revenue could make assessments for as many years back as necessary).

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## Deceased Taxpayers

If you are the survivor or representative of a deceased taxpayer, you must file a return for the taxpayer who died during the calendar year.

If you are a surviving spouse filing a joint Federal Income Tax return, a joint Kansas return must also be filed. Include the decedent's Social Security number in the space provided in the heading of the return. Be sure the appropriate box below the heading has been checked.

### Decedent Refund Documentation

If you are a surviving spouse requesting a refund of **\$100 or less**, you must enclose **ONE** of the following with your Form K-40:

- Federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer
- Death certificate
- Obituary statement
- Funeral home notice
- Letters Testamentary
- Kansas Form RF-9, Decedent Refund Claim (a copy of this form can be found in this tax booklet)

If you are a surviving spouse requesting a refund of **OVER \$100**, or if a refund of **ANY** amount is being requested by someone other than the surviving spouse, you must submit with your Form K-40:

- Proof of death (death certificate, obituary statement or funeral home notice), **AND**
- Kansas Form RF-9, Decedent Refund Claim (a copy of this form can be found in this tax booklet)

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## Innocent Spouse Relief

In those cases where husband and wife file as married filing joint for Kansas, and one spouse is relieved of federal liability by the IRS under 26 USC 6013(e) or 6015, he or she is also relieved of Kansas tax, penalty and interest. Innocent spouse relief is also provided in Kansas cases where such relief would have been provided on the federal level had there been a federal liability.

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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 Department of Revenue, Internal Revenue Service, and several other states have an agreement under which some income tax information is exchanged. This is to verify the accuracy and consistency of information reported on federal and Kansas Income Tax returns.

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## Food Sales Tax Refund

Form K-40 is not only a Kansas Income Tax return, but also the claim form for the Food Sales Tax Refund. This program offers a refund of the sales tax paid on food. To qualify, you must be 55 years of age or older, or be blind or disabled, or have a dependent child under 18 who lived with you all year whom you claim as a personal exemption. You must also be a Kansas resident (residing in Kansas the entire year) whose Kansas qualifying income is \$28,600 or less (see page 14). The refund is claimed on line 25 of Form K-40. The Food Sales Tax refund will either increase the amount of your Income Tax refund or decrease the amount you owe. If you filed a Kansas Income Tax return last year, you may use WebFile to claim your Food Sales Tax refund and get your refund quicker. See page 3 for details on this quick and easy paperless filing options.

All returns requesting a Food Sales Tax refund **MUST BE RECEIVED** by the department **NOT LATER THAN** April 15<sup>th</sup> or, within the federal extension period. Failure to file for a food sales tax refund before October 15<sup>th</sup> will result in a denial of the refund. The Director of Taxation may extend the time for filing any claim when good cause exists; or accept a claim filed after the deadline for filing in the case of sickness, absence or disability of the claimant if such claim has been filed within four years of such deadline.

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## Homestead Refund Program

This program offers a property tax rebate of up to \$600 for homeowners and renters. To qualify, the claimant must be a Kansas resident (residing in Kansas the entire year) whose 2006 household income was less than \$28,000, and who is over 55 years old, or is blind or disabled, or has a dependent child under 18 who lived with them all year. "Household income" is generally the total of all taxable and nontaxable income received by all household members.

This rebate is claimed on Kansas Form K-40H, Kansas Homestead Refund Claim. This form and instructions are available from our Taxpayer Assistance Center, your county clerk's office, and other places of convenience throughout the state, or by calling our voice mail forms request line: (785) 296-4937.

# FORM K-40

## LINE-BY-LINE INSTRUCTIONS

### TAXPAYER INFORMATION

**Label:** If you have a pre-addressed label (located on the back cover of this booklet) and the name and address information is correct, place it on your Form K-40 in the space provided **after** you have completed your return.

**Name and Address:** If you do not have a pre-addressed label, or if the information on the label is incorrect, PRINT or TYPE your name and address in the spaces provided. Be sure to include your apartment or lot number, if applicable, to assure delivery of your refund or correspondence.

**School District and County: Residents**—Using the list on pages 30 and 31, enter your school district and county abbreviation for where you resided on December 31, 2006.

**Nonresidents**—Leave these boxes blank.

**Name or Address Change Box:** If your name or address has changed since your last Kansas return was filed, mark an “X” in the box below the name and address area.

**Deceased Taxpayer Box:** If the taxpayer (or spouse, if filing a joint return), died during 2006, mark an “X” in the appropriate box below the name and address area.

**First Four Letters of Last Name:** Using ALL CAPITAL letters, enter the first four letters of your last name and that of your spouse in the boxes provided. If your last name has less than four letters, leave the remaining box(es) empty.

**Social Security Number (SSN):** You must enter the SSN(s) in the boxes on your return. To maintain the confidentiality of your tax information, SSNs are not printed on your label.

**Telephone Number:** Should a problem arise in processing your return, it is helpful if we have a telephone number where you can be reached during our office hours. It will be kept confidential.

### FILING INFORMATION

**Filing Status:** Your Kansas filing status must be the same as your federal filing status. If your federal filing status is **QUALIFYING WIDOW(ER) WITH DEPENDENT CHILD**, check the **HEAD OF HOUSEHOLD** box.

If you and your spouse file a joint Federal return, you must file a joint Kansas return, even if one of you is a nonresident. If you and your spouse file separate Federal Income Tax returns, you must file separate Kansas returns.

**Amended Return.** If you are filing an amended return for tax year 2006, place an “X” in the AMENDED box and in the appropriate sub-box indicating the reason you are filing an amended return.



If you are filing an amended return, you **cannot** change the filing status from “joint” to “separate” after the due date has passed for filing a separate return (April 15<sup>th</sup> for calendar year taxpayers).

**Residency Status:** Check the appropriate box for your residency status (see the definitions that begin on page 11).

If you and your spouse file a joint Federal Income Tax return and one of you is a nonresident of Kansas, you must file a joint nonresident Kansas return.

**Exemptions:** Enter the number of exemptions claimed on your federal return. If your filing status is “Head of Household,” you are allowed an additional exemption on your Kansas return; enter a “1” in the box provided. Enter the total number of exemptions in the “Total Kansas exemptions” box. **Important**—If you are claimed as a dependent by another taxpayer, enter “0” in the “Total Kansas exemptions” box.

### FOOD SALES TAX REFUND

To qualify for a refund of sales tax paid on food purchases, you must meet the qualifications for residency, taxpayer status, and qualifying income.

**Residency:** You must have been domiciled in Kansas for the entire 12 months of 2006. To be “domiciled in Kansas” means you have established a permanent residence in Kansas and intend to remain in Kansas. If you resided in Kansas less than 12 months of 2006, you do not qualify for the Food Sales Tax refund, even if your filing status shown on Form K-40 is “Resident.”

**Taxpayer Status:** If you meet the Residency qualification above, answer these questions:

- 1) Were you 55 years of age or older during 2006 (born prior to January 1, 1952)?  Yes  No
- 2) Were you totally and permanently disabled or blind during 2006 (regardless of age)?  Yes  No
- 3) Did you have a dependent child who lived with you the entire year who was born before January 1, 2006 and was under the age of 18 all of 2006?  Yes  No

If you answered “Yes” to one or more of these questions, you meet the taxpayer status qualification.

**Qualifying Income:** The income limit for a Food Sales Tax refund is \$28,600. If you met the first two qualifications, complete the worksheet on page 4.

If you meet ALL of the qualifications for residency, taxpayer status, and qualifying income, **complete Form K-40 or WebFile**, whichever method of filing you prefer.



## INCOME



If the amounts on lines 1, 2, or 3 are negative numbers, be sure to shade the minus (-) in the box to the left of the negative number.

### LINE 1 — FEDERAL ADJUSTED GROSS INCOME

Enter on line 1 your Federal **adjusted** gross income as reported on your 2006 Federal Income Tax return.

### LINE 2 — MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

Many taxpayers will not have any modifications. If you do not have any modifications, skip line 2 and enter the amount from line 1 on line 3.

However, if you have income that is taxable at the federal level but not taxable to Kansas, or have income that is exempt from federal taxation but taxable to Kansas, you must complete Part A of Schedule S. Review the instructions on page 21 to determine if you have any modifications to your Federal adjusted gross income.

### LINE 3 — KANSAS ADJUSTED GROSS INCOME

If line 2 is a positive amount, add lines 1 and 2 and enter the total on line 3. If line 2 is a negative amount (be sure to shade the minus (-) in the box to the left of the amount), subtract line 2 from line 1 and enter the result on line 3.

**NOTE:** If the amount on line 3 is \$28,600 or less, you may qualify for the Food Sales Tax refund. Review the qualifications on page 14 and the qualifying income worksheet on page 4.

## DEDUCTIONS

### LINE 4 — STANDARD OR ITEMIZED DEDUCTIONS

If you did not itemize your deductions on your federal return, you must take the standard deduction on your Kansas return. If you itemized your deductions on your federal return, you may either itemize on your Kansas return (by completing Itemized Deduction Worksheets I or II) or take the Kansas standard deduction, whichever is to your advantage.

If you are married and file separate returns, you and your spouse must use the same method of claiming deductions. If one of you itemize your deductions, then the other must also itemize.

#### KANSAS STANDARD DEDUCTION

Enter your Kansas standard deduction from the applicable chart or worksheet that follows.

If you can be claimed as a dependent by another taxpayer and line 1 of Form K-40 includes income other than earned income, you must use the "Standard Deduction for Dependents" worksheet.

### CHART I – Standard Deduction Chart for Most People

*Do not use this chart if you are 65 or older or blind, OR if someone can claim you as a dependent.*

Filing status:	Enter on line 4 of Form K-40:
Single .....	\$3,000
Married Filing Joint .....	\$6,000
Married Filing Separate .....	\$3,000
Head of Household .....	\$4,500

### CHART II – Standard Deduction Chart for People 65 or Older and/or Blind

*If someone can claim you as a dependent, use the worksheet for dependents in the next column.*

Check if: You were 65 or older  Blind   
 Your spouse was 65 or older  Blind

TOTAL Number of boxes checked

Filing status:	Number of boxes checked:	Enter on line 4 of Form K-40:
Single	1	\$3,850
	2	\$4,700
	1	\$6,700
	2	\$7,400
Married Filing Joint	3	\$8,100
	4	\$8,800
	1	\$3,700
	2	\$4,400
Married Filing Separate	3	\$5,100
	4	\$5,800
	1	\$5,350
	2	\$6,200
Head of Household	1	\$5,350
	2	\$6,200

### STANDARD DEDUCTION WORKSHEET FOR DEPENDENTS

*Use this worksheet only if someone can claim you as a dependent.*

- 1) Enter the amount of your earned income. 1.
- 2) Minimum standard deduction. 2. \$500
- 3) Enter the larger of lines 1 or 2. 3.
- 4) Enter the amount for your filing status:
  - Single — \$3,000
  - Married filing joint — \$6,000
  - Married filing separate — \$3,000
  - Head of household — \$4,500
 4.
- 5) Enter the lesser of lines 3 or 4. 5. 

**STOP HERE** if you are under 65 and not blind. Enter this amount on line 4 of Form K-40.
- 6) a. Check if:
  - You were 65 or older  Blind
  - Your spouse was 65 or older  Blind
 b. TOTAL number of boxes checked
- c. Multiply 6b by \$850 (\$700 if married filing joint or separate) 6c.
- 7) Add lines 5 and 6c. Enter here and on line 4 of Form K-40. 7.

## KANSAS ITEMIZED DEDUCTIONS

You may itemize your deductions on your Kansas return **ONLY** if you itemized your deductions on your Federal return. Your Kansas itemized deductions are the same as your Federal itemized deductions EXCEPT Kansas does not allow a deduction for state and local income taxes.

To compute your Kansas itemized deductions, complete the worksheet applicable for your federal adjusted gross income.

<b>ITEMIZED DEDUCTION WORKSHEET I</b>	
<b>Federal Adjusted Gross Income of \$150,500 or Less</b>	
(\$75,250 or less if married filing separately)	
1) Total itemized deductions on line 28* of federal Schedule A.	\$ <input type="text"/>
2) State and local income taxes on line 5* of federal Schedule A.	\$ <input type="text"/>
3) Kansas itemized deductions (subtract line 2 from line 1). Enter this amount on line 4 of Form K-40.	\$ <input type="text"/>
*Federal line number references are subject to change	

<b>ITEMIZED DEDUCTION WORKSHEET II</b>	
<b>Federal Adjusted Gross Income Over \$150,500</b>	
(Over \$75,250 if married filing separately)	
<i>Refer to your federal itemized deductions worksheet, in your federal 1040 instruction book, not the Federal Schedule A.</i>	
1) Divide line 11* of the "Federal Itemized Deductions Worksheet" by line 3* of that worksheet (cannot exceed 100%).	<input type="text"/> %
2) Enter the amount from line 5 of federal Schedule A (state and local income taxes paid).	\$ <input type="text"/>
3) Multiply line 1 by line 2.	\$ <input type="text"/>
4) Subtract line 3 from line 2.	\$ <input type="text"/>
5) Enter the amount from line 28* of federal Schedule A.	\$ <input type="text"/>
6) Subtract line 4 from line 5. Enter this amount on line 4 of Form K-40.	\$ <input type="text"/>
*Federal line number references are subject to change	

## LINE 5 — EXEMPTION ALLOWANCE

Multiply the total number of exemptions claimed on Form K-40 by \$2,250.

**Important:** If you are claimed as a dependent by another taxpayer, enter "0" on line 5.

## LINE 6 — TOTAL DEDUCTIONS

Add lines 4 and 5. Enter the total on line 6.

## LINE 7 — TAXABLE INCOME

Subtract line 6 from line 3. Enter the result on line 7. If line 7 is less than zero, enter "0".

## TAX COMPUTATION

### LINE 8 — TAX

If line 7 is **\$50,000 or less**, use the **Tax Tables** beginning on page 25 to find the amount of your tax.

If line 7 is **more than \$50,000**, you must use the **Tax Computation Schedules** on page 29 to compute your tax. If you are married filing jointly, use Schedule I. All others will use Schedule II.



**Residents** – If you are filing as a resident, skip lines 9 and 10 and go to line 11.  
**Nonresidents** – If you are filing as a nonresident, you must complete Part B of Schedule S. Follow the instructions beginning on page 23.

### LINE 9 — NONRESIDENT ALLOCATION PERCENTAGE

Enter the percentage from Schedule S, Part B, line B23.

### LINE 10 — NONRESIDENT TAX

Multiply line 8 by the percentage on line 9 and enter the result on line 10.

### LINE 11 — KANSAS TAX ON LUMP SUM DISTRIBUTIONS

If you received income from a lump sum distribution and there was a Federal tax imposed on this income in accordance with federal Internal Revenue Code Section 402(e), then you are subject to Kansas tax on your lump sum distribution.

If you are a resident, enter **13%** of the Federal tax on your lump sum distribution (determined on Federal Form 4972) on line 11. If you are a nonresident, leave line 11 blank.

**Note:** If you are paying a Federal tax on a lump sum distribution received from the Kansas Public Employees' Retirement System (KPERs), prorate the Federal tax. Divide the Kansas taxable portion of the distribution (accumulated interest plus any contributions made since July 1, 1984, that have **not** been previously added back on your Kansas income tax returns) by the total portion of the distribution.

### LINE 12 — TOTAL KANSAS TAX

If you are filing this return as a **resident**, add lines 8 and 11 and enter the result on line 12.

If you are filing this return as a **nonresident**, enter the amount from line 10 again on line 12.

## CREDITS

### LINE 13 — CREDIT FOR TAXES PAID TO OTHER STATES

If you paid income tax to another state, you may be eligible for a credit against your Kansas tax liability. If you had income from a state that has no state income tax, make no entry on line 13 and go to line 14.



To receive this credit, you must enclose a copy of the other state(s) tax return and supporting schedules with Form K-40. Copies of the other state's W-2 forms are NOT acceptable. If claiming a foreign tax credit, and you were required to complete federal Form 1116, enclose a copy with your Kansas return.

**Foreign Tax Credit:** As used in this section, "state" means any state of the United States, District of Columbia, Puerto Rico, any territory or possession of the United States and any foreign country or political subdivision of a foreign country. The Kansas credit for foreign taxes is first limited to the difference between the actual tax paid to the foreign country and the foreign tax credit allowed on your federal return.

If you claimed the foreign tax paid as an itemized deduction on your federal return, no credit is allowed in this section.

Foreign Tax Credit Worksheet	
A.	2006 tax paid to the foreign country ..... \$ <input type="text"/>
B.	LESS: Federal foreign tax credit allowed... \$ <input type="text"/>
C.	EQUALS: Kansas foreign tax limitation amount. Enter this amount on line 1 of the other state's tax credit worksheet for your Kansas residency status ..... \$ <input type="text"/>

**Taxes Paid to Other States by Kansas Residents:** If you are a Kansas resident you may claim this credit if:

- Your total income on line 1 includes income earned in the other state(s); AND
- You were required to pay income tax to the other state(s) on that income.



**IMPORTANT:** Your credit is NOT the amount of tax withheld in the other state(s); your credit is determined from the "Worksheet for Residents", below. You must complete the tax return(s) for the other state(s) before using this worksheet.

If you paid taxes to more than one state, complete a worksheet for each state, combine the results, and enter the total on line 13, Form K-40.

Worksheet for Residents	
1)	Amount of 2006 tax actually paid to the other state ..... \$ <input type="text"/>
2)	Total Kansas tax (Line 12, Form K-40) ... \$ <input type="text"/>
3)	Other state's adjusted source income (In many states the adjusted source income is reported on an income allocation schedule, which should show the amount to enter here) ..... \$ <input type="text"/>
4)	Kansas adjusted gross income (Line 3, Form K-40) ..... \$ <input type="text"/>
5)	Percentage limitation (Divide line 3 by line 4) ..... <input type="text"/> %
6)	Maximum credit allowable (Multiply line 2 by line 5) ..... \$ <input type="text"/>
7)	Credit for taxes paid to the other state (Enter the lesser of line 1 or line 6; enter also on line 13, Form K-40) ..... \$ <input type="text"/>

**Taxes Paid to Other States by Nonresidents:** If you are filing as a nonresident of Kansas you may claim this credit if:

- You were a Kansas resident for part of the year,
- Your total income reported to Kansas includes income earned in the other state while you were a Kansas resident, AND
- You were required to pay taxes on that other state's income.

Complete the "Worksheet for Nonresidents" to determine your credit. If the credit is based on taxes paid to more than one state, complete a worksheet for each state, combine the results, and enter the total on line 13, Form K-40.

Worksheet for Nonresidents	
1)	Amount of 2006 tax actually paid to the other state ..... \$ <input type="text"/>
2)	Total Kansas tax (line 12, Form K-40) ..... \$ <input type="text"/>
3)	Other state's adjusted source income (In many states the adjusted source income is reported on an income allocation schedule, which should show the amount to enter here) ..... \$ <input type="text"/>
4)	Kansas modified source income (Line B21, Part B, Schedule S) ..... \$ <input type="text"/>
5)	Income earned in the other state while a Kansas resident (Amount of the adjusted source income in the other state for which you are taking a tax credit and which is included in your Kansas source income) ... \$ <input type="text"/>
6)	Percentage limitation (Divide line 5 by line 3) ..... <input type="text"/> %
7)	Amount of other state's tax applicable to income reported to Kansas (Multiply line 1 by line 6) ..... \$ <input type="text"/>
8)	Percentage limitation (Divide line 5 by line 4) ..... <input type="text"/> %
9)	Maximum credit allowable (Multiply line 2 by line 8) ..... \$ <input type="text"/>
10)	Credit for taxes paid to the other state (Enter the lesser of line 7 or line 9; enter also on line 13, Form K-40) ..... \$ <input type="text"/>

#### LINE 14 — CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

This credit is available to residents only. Nonresidents are not eligible for this credit.

Multiply the amount of credit allowed against your Federal Income Tax liability on your federal return (from Federal Form 2441) by **25%**. Enter the result on line 14.

**LINE 15 — OTHER CREDITS**

Enter on line 15 the total of all other tax credits for which you are eligible. You must complete and enclose with your Form K-40 the appropriate schedule to claim any of the following credits:

<u>Credit</u>	<u>Schedule Required</u>
Adoption Credit .....	K-47
Agricultural Loan Interest Reduction Credit .....	K-51/K-52
Agritourism Liability Insurance Credit .....	K-33
Alternative Fuel Credit .....	K-62
Angel Investor Credit .....	K-30
Assistive Technology Contribution Credit .....	K-42
Business and Job Development Credit .....	K-34
Business Machinery and Equipment Credit .....	K-64
Cellulosic Plant Credit .....	K-79
Child Day Care Assistance Credit (employers only) .....	K-56
Coal/Coke Gasification Nitrogen Fertilizer Plant Credit .....	K-78
Community Service Contribution Credit .....	K-60
Disabled Access Credit .....	K-37
High Performance Incentive Program Credit .....	K-59
Historic Preservation Credit .....	K-35
Integrated Coal Gasification Power Plant Credit .....	K-80
Kansas Center for Entrepreneurship Credit .....	K-31
Kansas Law Enforcement Training Center Credit .....	K-72
Kansas National Guard/Reserve Employer Credit .....	K-74
Mathematics & Science Teacher Credit .....	K-71
Petroleum Refinery Credit .....	K-73
Plugging an Abandoned Gas or Oil Well Credit .....	K-39
Qualifying Pipeline Credit .....	K-77
Regional Foundation Contribution Credit .....	K-32
Research & Development Credit .....	K-53
Single City Port Authority .....	K-76
Small Employer Healthcare Credit .....	K-57
Swine Facility Improvement Credit .....	K-38
Telecommunications Property/Income Tax Credit .....	K-36
Temporary Assistance to Families Contribution Credit .....	K-61
Venture and Local Seed Capital Credit .....	K-55

**LINE 16 — TOTAL TAX CREDITS**

Add lines 13, 14, and 15 and enter the result on line 16.

**LINE 17 — BALANCE**

Subtract line 16 from line 12. If the result is zero or a negative amount, enter "0" on line 17.

**LINE 18 — CONSUMERS' COMPENSATING USE TAX**

**Please refer to the explanation of this tax on page 43.**

Enter on line 18 the Compensating Use Tax due on purchases of items from retailers located outside of Kansas on which no sales tax was paid (including any freight, shipping or handling fees).

If you made untaxed out-of-state purchases, but do not know the amount, use the following chart to estimate the compensating use tax for calendar year 2006.

**Adjusted Gross Income Chart  
for Use Tax Computation**

Find your Kansas adjusted gross income in the chart and enter the use tax indicated on line 18 of Form K-40. For example, if the Kansas adjusted gross income on line 3 is \$32,000, you would enter \$25 on line 18 of Form K-40.

If Line 3, Form K-40 is at least	but less than	Enter the following Use Tax amount on Line 18, Form K-40
\$0	\$15,000	\$ 5
\$15,000	\$30,000	\$15
\$30,000	\$45,000	\$25
\$45,000	\$60,000	\$35
\$60,000	\$75,000	\$45
\$75,000 and over – multiply the amount on line 3 of Form K-40 by .068% (.00068) and round to the nearest whole dollar.		



**An entry is required on line 18.** If no untaxed out-of-state purchases were made or you did not live in Kansas during 2006, enter a zero on line 18. If you are currently registered to report and remit Kansas Compensating Use Tax, continue to do so on your Compensating Use Tax return, Form CT-10U, and enter a zero on line 18.

**LINE 19 — TOTAL TAX BALANCE**

Add lines 17 and 18 and enter the result on line 19.

**WITHHOLDING AND PAYMENTS**

**LINE 20 — KANSAS INCOME TAX WITHHELD**

Add the Kansas withholding amounts shown on your W-2 forms (also 1099s and K-19 forms, if applicable). Enter the total on line 20. The Department of Revenue no longer requires that you enclose copies of W-2s or 1099s with Form K-40, but reserves the right to request them at a later date. You must, however, enclose any K-19 forms with your Form K-40.

If you have not received a W-2 form from your employer by January 31, or if the form you received is incorrect or not legible, contact your employer.

**LINE 21 — ESTIMATED TAX PAID**

Enter the total of your 2006 estimated tax payments plus any 2005 overpayment you had credited forward to 2006.

**LINE 22 — AMOUNT PAID WITH KANSAS EXTENSION**

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

**LINE 23 — EARNED INCOME CREDIT**

This credit is available to residents only. Nonresidents are not eligible for this credit.

Multiply the amount of credit allowed on your Federal return by 15%. You may choose to have the IRS compute your federal earned income credit. If you do not receive the information from the IRS before the deadline for filing your Kansas return you should complete Form K-40 without the credit, and be sure

to pay any amount you owe. Once the IRS sends you the completed earned income credit figures, you may then file an amended Kansas return to claim the credit. See *Amending Your Return* on page 12 of this booklet.

#### LINE 24 — REFUNDABLE PORTION OF TAX CREDITS

Enter the total refundable portion of these credits:

Business Machinery and Equipment .....	K-64
Child Day Care Assistance Credit (employers only) .....	K-56
Community Service Contribution Credit .....	K-60
Disabled Access Credit .....	K-37
Individual Development Account Credit .....	K-68
Regional Foundation Contribution Credit .....	K-32
Single City Port Authority .....	K-76
Small Employer Healthcare Credit .....	K-57
Telecommunications Property/Income Credit .....	K-36

#### LINE 25 — FOOD SALES TAX REFUND

Refer to the qualifications for this credit on page 14. If you meet all the qualifications enter the amount of the refund on line 25.

To compute your Food Sales Tax refund, you will need the number of exemptions in the "Total Exemptions" box on the front of Form K-40, and your Qualifying Income amount from line 30 of the Qualifying Income Worksheet on page 4.

If your qualifying income on line 30 of the worksheet is:

- \$0 to \$14,300 – multiply the number of exemptions by \$75. Enter the refund amount on line 25.
- \$14,301 to \$28,600 – multiply the number of exemptions by \$37. Enter the refund amount on line 25.
- \$28,601 or greater – you are not eligible for the refund.

#### LINE 26 — CASH REMITTED ON ORIGINAL RETURN

Use this line ONLY if you are filing an amended K-40 for the 2006 tax year. Enter the amount of money you remitted to the Kansas Department of Revenue with your original 2006 return.

#### LINE 27 — OVERPAYMENT FROM ORIGINAL RETURN

Use this line ONLY if you are filing an amended K-40 for the 2006 tax year. Enter the amount of overpayment shown on your original return. Since you were refunded this amount or it was credited forward, this amount is a subtraction entry.

#### LINE 28 — TOTAL REFUNDABLE CREDITS

Add lines 20 through 26 and subtract line 27; enter the result on line 28.

## BALANCE DUE

#### LINE 29 — UNDERPAYMENT

If your tax balance on line 19 is greater than your total credits on line 28, enter the difference on line 29.

#### LATE CHARGES

If the amount on line 29 is not paid by the due date, penalty and interest are added according to the rules outlined in lines 30 and 31.

**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 30 — INTEREST

Compute interest at **0.75% for each month** (or fraction thereof) from the *original* due date of the return on the amount on line 29.

#### LINE 31 — PENALTY

Compute penalty at **1% per month** (or fraction thereof) from the *original* due date of the return on the amount on line 29. The maximum penalty is 24%.

#### LINE 32 — ESTIMATED TAX PENALTY

If the amount on line 29 minus the amount on line 18 is \$500 or more, you may be subject to an estimated tax penalty. To determine if you have a penalty, complete Schedule K-210, found in the back of this booklet. If you have a penalty on Schedule K-210, enter the amount on line 32. If the amount on line 29 minus the amount on line 17 is \$500 or more, you may not be subject to an estimated tax penalty if you meet one of the two exceptions: 1) if your withholdings and/or estimated payments (lines 20 & 21) equal or exceed 100% of the prior year's tax liability (line 17 from last year's return) or, 2) if your withholdings and/or estimated payments (lines 20 & 21) equal or exceed 90% of this year's income tax liability (line 17).



*If at least two-thirds of your income is from farming or fishing, mark an "X" in the box on line 32.*

#### LINE 33 — AMOUNT YOU OWE

Add lines 29 through 32 and enter the total on line 33. This amount should be paid in full with the return. A balance due less than \$5 does not need to be paid. You may make a donation to any or all of the contribution programs on lines 36 through 39, even if you have a balance due. Just add these amounts to your tax and write one check for total of the tax due and your contribution(s).

The Department of Revenue offers the following three options to pay your Kansas tax:

**Credit Card.** To pay by credit card, you must visit one of the service provider's web sites listed below. A convenience fee will be charged by the service provider based on the amount of tax you are paying. You can find out what the fee is by visiting their web site:

Official Payments Corporation - [www.officialpayments.com](http://www.officialpayments.com)  
Link2Gov - [www.kstaxpayment.com](http://www.kstaxpayment.com)

**Direct Payment.** This payment option is available if you WebFile or IRS e-File your Kansas return – it is NOT available if you file a paper Form K-40 return. When you select Direct Payment, and provide your bank routing number and bank account number, you are authorizing the department to initiate an electronic payment from your account for payment of your balance due. Direct Payment allows you to "file now, pay later." For example, if you file your return on February 20<sup>th</sup> and elect Direct Payment, you may choose to have your bank account debited on the April 15<sup>th</sup> due date.

With Direct Payment, you are also assured that your payment is made on time. Direct payment authorizations on returns filed by midnight of April 15<sup>th</sup> are considered to be timely paid.

Direct Payment saves time – no check to write and no K-40V voucher to complete and mail. If you need to revoke your election of this payment authorization, you must notify the department at 1-800-525-3901 by 4:00 PM; two business days before the scheduled payment date.



*You should check with your financial institution to be sure they allow an electronic debit (withdrawal) from your account.*

**Check or Money Order.** If you choose this payment option, you must complete and submit Form K-40V with your payment. Write your Social Security number on your check or money order and make it payable to “Kansas Income Tax.” If you are making a payment for someone else (i.e., daughter, son, parent), write that person’s name and Social Security number on the check. DO NOT send cash. DO NOT staple or tape your payment to the Form K-40V or Form K-40. Instead, enclose it loosely with your return.

Returned checks: A fee of \$30.00, plus costs for a registered letter (currently \$8.34), is charged on all returned checks.

## REFUND

### LINE 34 — OVERPAYMENT

If your tax balance, line 19, is less than your total credits, line 28, enter the difference on line 34. **NOTE:** An overpayment less than \$5 will not be refunded, but may be carried forward as a credit to next year’s return (line 35), or contributed to any of the contribution programs on lines 36 through 39.

### LINE 35 — CREDIT FORWARD

Enter the portion of line 34 you wish to have applied to your 2007 Kansas estimated income tax (must be \$1 or more).

If the amount on line 34 is less than \$5, you may carry it forward to 2007 as an additional credit even if you do not make estimated tax payments.

You may make voluntary contributions to any of the tax deductible programs/funds listed on LINES 36 through 39 of Form K-40 – see the following instructions. Your contribution(s) **will reduce** your **refund** or **increase the amount you owe**.



**Examination Adjustment:** *If your overpayment is decreased due to an adjustment to your return, any contributions you have made will be reduced by that amount. If your overpayment is increased, your contribution amount(s) will remain the same.*

### LINE 36 — CHICKADEE CHECKOFF PROGRAM

Contributions to the Kansas Nongame Wildlife Improvement program will help improve the quality of wildlife in Kansas. Last year’s contributions were used to:

- Finish a statewide assessment of reptiles and amphibians to further efforts to keep species from being put on endangered lists.
- Support the Kansas Nature-based Tourism Alliance and NaturalKansas web site.
- Monitor bald eagle populations and nesting success.
- Perform recovery plan strategies for state endangered species.

- Continue research on declining aquatic animals in southeast Kansas and restore some species.
- Sponsor the Kansas winter birdfeeder survey.
- Coordinate the Kansas Bluebird Program.
- Help support the (OWLS) Outdoor Wildlife Learning Sites for schools.

Enter on line 38 the amount you wish to contribute to this program (must be \$1 or more).

### LINE 37 — SENIOR CITIZENS MEALS ON WHEELS CONTRIBUTION PROGRAM

All contributions are used solely for the purpose of providing funds for the Senior Citizens Meals On Wheels Contribution Program. The meals are prepared by a dietary staff and are delivered by volunteers. The underlying objective of the program is to prevent deterioration of the elderly and handicapped individuals in the community, thus making it possible for them to live independently in their own homes for as long as possible. The friendly visit with the volunteers is socially helpful and the daily visit is important in case of an emergency situation.

Enter on line 39 the amount you wish to contribute to this program (must be \$1 or more).

### LINE 38 — BREAST CANCER RESEARCH FUND

The mission of the University of Kansas Cancer Center is to bring the best cancer prevention, diagnosis, and treatment to the people of Kansas. The Breast Cancer Research Fund was created to support research related to the prevention, diagnosis and treatment of breast cancer with hope of ending suffering and death caused by this disease.

Enter on line 36 the amount you wish to contribute to this fund (must be \$1 or more).

### LINE 39— MILITARY EMERGENCY RELIEF FUND

Contributions will be used to help military families with the cost of food, housing, utilities and medical services incurred while a member of the family is on active military duty.

Enter on line 37 the amount you wish to contribute to this fund (must be \$1 or more).

### LINE 40 — REFUND

Add lines 35 through 39 and subtract the result from line 34. This is your refund amount. If line 40 is less than \$5, it will not be refunded, however, you may carry it forward to be applied to your 2007 Kansas income tax liability (enter the amount on line 35). If you do carry it forward, please remember to claim it as an estimate payment on line 21 of the 2007 return. You also have an option to apply it to one of the contribution programs/funds (lines 36 through 39 of Form K-40).

Please **allow 4 to 8 weeks from the date you mail your return to receive your refund**. Errors, improperly completed forms, photocopied forms, or incomplete information will delay processing. **For a faster refund (7 days or less) consider filing your return electronically.** See page 3 for details.

**Refund Set-off Program:** Kansas law provides that if you owe any delinquent debt (Kansas tax, child support, student loans, etc.) to a Kansas state agency, municipality, municipal court or district court, your income tax refund will be applied (set-off) to that delinquent debt. **The set-off process will cause a 10 to 12 week delay to any remaining refund.**

## SIGNATURE

Your Income Tax return **must be signed**. You will not receive your refund if your return is not signed. Both taxpayers must sign a joint return even if only one had income. If the return is prepared by someone other than you, the preparer should also sign in the space provided.

If you are filing a return on behalf of a decedent, the return should be signed by the executor/executrix. If it is a joint return filed by the surviving spouse, indicate on the spouse's signature line "Deceased" and the date of death. **If a refund is due, enclose the required documents (see instructions for *Deceased Taxpayers* on page 13).**

## PREPARER AUTHORIZATION BOX

In some cases it may be necessary for the Department of Revenue to contact you about your tax return. By marking the box above the signature line, you are authorizing the director or director's designee to discuss your tax return and any enclosures with your tax preparer.

## MAILING YOUR RETURN

Before mailing your return, please be sure:

- ✓ you have completed all required information on the return.
- ✓ your numbers are legible in each box.
- ✓ you have enclosed, but not attached all K-19 forms.
- ✓ you have **enclosed Schedule S** if you have a modification on line 2 of Form K-40 or if you filed as a nonresident or part-year resident.
- ✓ you have completed and enclosed Form K-40V if you are making a tax payment.
- ✓ you signed your return.



*If you file Form K-40 using a Kansas address, do not include a copy of your Federal return. However, keep a copy as it may be requested by the department at a later date. If your Form K-40 shows an address other than Kansas, you must enclose a copy of your Federal return (1040EZ, 1040A or 1040 and applicable Schedules A-F) with your Kansas return.*

## SCHEDULE S LINE-BY-LINE INSTRUCTIONS

### PART A MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

#### ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME

These are items of income that are not taxed or included on your Federal return but are taxable to Kansas.

#### **LINE A1 — State and Municipal Bond 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 (i.e., management or trustee fees) directly incurred in purchasing these state or political subdivision obligations.

DO NOT include interest income on obligations of the state of Kansas or any Kansas political subdivision issued after 12/31/87, 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 A2 — Contributions to Public Employees' Retirement Systems**

Individuals affected are state employees, teachers, school district employees and other regular and special members of

KPERS, regular and special members of the Kansas Police and Firemen's Retirement System and members of the Justice and Judges Retirement System.

**Current employees:** Enter the amount you **contributed** from your salary to the Kansas Public Employees' Retirement System (KPERS) as shown on your W-2 form, typically box 14.

**Retired employees:** If you are receiving RETIREMENT checks from KPERS, the amount of your retirement income is subtracted on line A10—Retirement benefits specifically exempt from Kansas Income Tax. Make no entry on this line unless you also made contributions to KPERS during 2006 (for example, you retired during 2006).

**Lump Sum Distributions:** If you received a lump sum KPERS distribution during 2006, include on line A2 your 2006 KPERS contributions and follow the instructions for line A15—Other subtractions from federal adjusted gross income.

#### **LINE A3 — Federal Net Operating Loss Carry Forward**

Enter any Federal net operating loss carry forward claimed on your 2006 Federal Income Tax return.

#### **LINE A4 — Contributions to a Regional Foundation**

Enter the amount of any charitable contribution claimed on your federal return used to compute the Regional Foundation Community Contribution Credit on Schedule K-32.

#### **LINE A5 — Other Additions to Federal Adjusted Gross Income**

Enter on line A5 the following additions to your federal adjusted gross income:

- **Individual Development Account (IDA).** CONTRIBUTORS: Enter amount of the contribution claimed to the extent the same is the basis for claiming the IDA Credit on Schedule K-68. ACCOUNT HOLDERS: Enter amounts received as

withdrawals that are not used to pay for education expenses; job training costs; purchase of primary residence; or major repairs or improvement to a primary residence.

- **Federal Income Tax Refund.** Generally, there will be no entry here unless you amended your federal return for a prior year due to an investment credit carry back or a net operating loss carry back which resulted in you receiving a Federal Income Tax refund in 2006 for that prior year.
- **Disabled Access Credit Modification.** 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.
- **Partnership, S Corporation or Fiduciary Adjustments.** If you received income from a partnership, S corporation, joint venture, syndicate, estate or trust, enter your proportionate share of any required addition adjustments. The partnership, S Corporation, or trustee will provide you with the necessary information to determine these amounts.
- **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.
- **Learning Quest Education Savings Program.** The amount of any "nonqualified withdrawal" from the Learning Quest Education Savings Program.
- **Small Employer Healthcare Credit.** Reduce the amount of expense deduction that is included in federal adjusted gross income by the dollar amount of the credit claimed.
- **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 or K-80.
- **Amortization - Energy Credits.** Enter the amount of any amortization deduction claimed on the federal income tax return to the extent the same is claimed for deduction with regard to Credit Schedule K-73, K-77, K-78 or K-79.

**LINE A6 — Total Additions to Federal Adjusted Gross Income**

Add lines A1 through A5 and enter the result on line A6.

**SUBTRACTIONS FROM FEDERAL ADJUSTED GROSS INCOME**

These are items of income that are taxable on your Federal return but are not taxable to Kansas.

**LINE A7 — 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 adjusted gross 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.

Retain a schedule showing the name of each U.S. Government obligation interest deduction claimed, as it may be requested by the department at a later date.

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 A8 — State or Local Income Tax Refund**

Enter any state or local income tax refund included as income on your federal return.

**LINE A9 — Kansas Net Operating Loss Carry Forward**

Enter the amount from line 15 of Schedule CRF if it is the first year of carry forward OR line 17 a-j of Schedule CRF if it is any of the years following. Enclose a Schedule CRF for each loss year.

**LINE A10 — Exempt Retirement Benefits**

If you are **receiving** retirement benefits/pay, use this line to report **retirement benefits** exempt from Kansas Income Tax. For example, KPERS retirement benefits are subject to Federal Income Tax, but exempt from Kansas Income Tax. You must make a specific entry on Schedule S to report these exempt benefits. On line A10 enter the total amount of benefits received from these plans that was included in your federal adjusted gross income. Do not enclose copies of the 1099R forms with your return but keep copies for your records in case the Department of Revenue requires verification at a later date.

- **Federal Retirement Benefits:** Federal Civil Service Retirement or Disability Fund payments and any other amounts received as retirement benefits from employment by the Federal government or for service in the United States Armed Forces.
- **Kansas Pension Plans:**
  - Kansas Public Employees' Retirement Annuities
  - Kansas Police and Firemen's Retirement System Pensions
  - Kansas Teachers' Retirement Annuities
  - Kansas Highway Patrol Pensions
  - Justices and Judges Retirement System
  - Board of Public Utilities
  - Income from retirement annuity contracts purchased for faculty and others employed by the State Board of Regents or by educational institutions under its management with either their direct contributions or through salary reduction plans.
  - Certain pensions received from Kansas first class cities that are not covered by the Kansas Public Employee's Retirement System
- **Railroad Retirement Benefits:** Any retirement plan administered by the U.S. Railroad Retirement Board, including U.S. Railroad Retirement Benefits, tier I, tier II, dual vested benefits, and supplemental annuities.



#### LINE A11 — Military Compensation of a Nonresident Servicemember

Enter on line A11, the amount of the military compensation earned in tax year 2006 **only** if you are a **nonresident** of the state of Kansas. See *MILITARY PERSONNEL* on page 11.

#### LINE A12 — Qualified Long-Term Care (LTC) Insurance Contracts

*Single, Head of Household, and Married Filing Separate* filers purchasing a LTC contract for the named taxpayer will be limited to one (1) \$600 subtraction modification per return.

*Married Filing Joint* filers purchasing LTC contracts for both named taxpayers will be limited to two (2) \$600 subtraction modifications per return (for a total subtraction of \$1,200).

#### LINE A13 — Learning Quest Education Savings Program

Enter on line A13 the amount of contributions deposited in the Learning Quest Education Savings Program, up to a maximum of \$3,000 per student (beneficiary) or, \$6,000 per student (beneficiary) if your filing status is married filing joint.

#### LINE A14 — Armed Forces Recruitment, Sign-Up or Retention Bonus

Enter amounts received as a recruitment, sign up or retention bonus you received as an incentive to join, enlist or remain in the armed forces of the United States (including Kansas Army and Air National Guard), to the extent they are included in federal adjusted gross income. Also enter amounts you received for repayment of educational or student loans incurred by you or for which you are obligated to which you received as a result of your service in the armed forces of the United States, to the extent included in federal adjusted gross income.

#### LINE A15 — Other Subtractions from Federal Adjusted Gross Income

Enter on line A15, a total of the following subtractions from your Federal adjusted gross income. You may NOT subtract the amount of your income reported to another state.

- **Individual Development Account (IDA):** Enter amount of income earned on contributions deposited to an IDA established to pay for education expenses; job training costs; purchase of primary residence; or, major repairs or improvement to a primary residence.
- **Kansas National Guard Death Benefit:** Enter the amount received as a death benefit, not to exceed \$250,000, paid to you as the beneficiary or beneficiaries of any member of the Kansas National Guard who, after November 1, 2004 and prior to July 1, 2007, dies as a result of federal active duty in a combat area in the line of duty.
- **Jobs Tax Credit:** Enter the amount of the Federal targeted jobs tax credit disallowance claimed on your Federal Income Tax return.
- **Kansas Venture Capital, Inc. Dividends:** Enter the amount of dividend income received from Kansas Venture Capital, Inc.
- **KPERS Lump Sum Distributions:** Employees who terminated KPERS employment after July 1, 1984, and elect to receive their contributions in a lump sum distribution will report their taxable contributions on their Federal return.

Subtract the amount of the withdrawn accumulated contributions or partial lump-sum payment(s) to the extent either is included in federal adjusted gross income. See NOTICE 05-04 for additional information.

- **Partnership, S Corporation or Fiduciary Adjustments:** If you received income from a partnership, S Corporation, joint venture, syndicate, trust or estate, enter your proportionate share of any required subtraction adjustments. The partnership, S Corporation, or trustee will provide you with the necessary information to determine this amount.
- **S Corporation Privilege Adjustment:** If you are a shareholder in a bank, savings and loan, or other financial institution that is organized as an S Corporation, enter the portion of any income received that was not distributed as a dividend. This income has already been taxed on the privilege tax return filed by the S Corporation financial institution.
- **Sale of Kansas Turnpike Bonds:** Enter the gain from the sale of Kansas Turnpike Bonds that was included in your Federal adjusted gross income.
- **Electrical Generation Revenue Bonds:** Enter the gain from the sale of Electrical Generation Revenue Bonds that was included in your Federal adjusted gross income.
- **Native American Indian Reservation Income:** Enter the amount of income earned on a reservation, by a native American Indian residing on his or her tribal reservation, to the extent included in federal adjusted gross income.
- **Amortization - Energy Credits:** Enter the amount of amortization deduction allowed relating to Credit Schedules K-73, K-77, K-78 or K-79. Note: 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 A16 — Total Subtractions from Federal Adjusted Gross Income

Add lines A7 through A15 and enter the result on line A16.

#### LINE A17 — Net Modifications

Subtract line A16 from line A6. If line A6 is larger than line A16, enter the result on line 2 of Form K-40. If line A16 is larger than line A6 (or if line A6 is zero), enter the result on line 2 of Form K-40 and mark the box to the left to indicate it is a negative amount.

### PART B NONRESIDENT ALLOCATION

If you are filing as a nonresident, you must complete Part B. The purpose of Part B is to determine what percent of your total income from all sources and states is from Kansas sources.

#### INCOME:

**LINES B1 through B11**—This section is divided into two columns. In the left-hand column, enter the amounts for lines B1 through B11 directly from your 2006 Federal return. Enter in the right-hand column the amounts from Kansas sources.

A part-year resident who elects to file as a nonresident must include as income subject to Kansas income tax, unemployment compensation derived from sources in Kansas, any items of

income, gain or loss, or deduction received while a Kansas resident (whether or not these items were from Kansas sources) as well as any income derived from Kansas sources while a nonresident of Kansas.

**Kansas source income** includes:

- All income earned while a Kansas resident
- Income from services performed in Kansas
- Kansas lottery, pari-mutuel, casino and gambling winnings
- Income from real or tangible personal property located in Kansas
- Income from a business, trade, profession, or occupation operating in Kansas, including partnerships and S Corporations
- Income from a resident estate or trust, or income from a nonresident estate or trust that received income from Kansas sources
- Unemployment compensation derived from sources in Kansas

**Income received by a nonresident from Kansas sources does NOT include:**

- Income from annuities, interest, dividends, or gains from the sale or exchange of intangible property (such as bank accounts, stocks or bonds) unless earned by a business, trade, profession or occupation carried on in Kansas
- Compensation paid by the United States for service in the armed forces of the United States, performed during an induction period
- Qualified disaster relief payments under IRC Section 139

**LINE B12 — Total Income from Kansas Sources**

Add lines B1 through B11 and enter the result on line B12.

**ADJUSTMENTS AND MODIFICATIONS TO KANSAS SOURCE INCOME:**

Enter in the "Federal" column the adjustments to income shown on the front of your federal return. Federal adjustments are allowed to Kansas source income only as they apply to income related to Kansas. The following instructions apply to the "Kansas Sources" column only.



*Enclose with your K-40 a separate sheet showing calculations of amounts entered on lines B13 through B17 in the Kansas source column.*

**LINE B13 — IRA/Retirement Deductions**

Enter any IRA payments applicable to particular items of Kansas source income.

**LINE B14 — Penalty on Early Withdrawal of Savings**

Enter only those penalties for early withdrawal assessed during Kansas residency.

**LINE B15 — Alimony Paid**

Prorate the "alimony paid" amount claimed on your federal return by the ratio of the payer's Kansas source income divided by the payer's total income.

**LINE B16 — Moving Expenses**

Enter only those moving expenses incurred in 2006 to move into Kansas.

**LINE B17 — Other Federal Adjustments**

Enter the total of all other allowed Federal Adjustments\* including, but not limited to:

- One-half of Self-Employment Tax Deduction – the portion of the federal deduction applicable to self-employment income earned in Kansas.
- Self-Employed Health Insurance Deduction – payments for health insurance on yourself, your spouse, and dependents applicable to self-employment income earned in Kansas.
- Student Loan Interest Deduction – interest payments made while a Kansas resident.
- Self-employed SEP, SIMPLE, and qualified plans – the portion of the federal deduction applicable to income earned in Kansas.
- Business expenses for Reservists, Artists & Fee-Basis Government Officials – the portion of the federal deduction applicable to income earned in Kansas.
- Domestic Production Activities Deduction – the portion of the federal deduction applicable to income earned in Kansas.
- Archer MSA and Health Savings Account Deduction – the portion of the federal deduction applicable to income earned in Kansas.
- Jury Duty pay you gave to your employer.

**LINE B18 — Total Federal Adjustments to Kansas Source Income**

Add lines B13 through B17 and enter the total on line B18.

**LINE B19 — Kansas Source Income after Federal Adjustments**

Subtract line B18 from line B12. Enter the result on line B19.

**LINE B20 — Net Modifications Applicable to Kansas Source Income**

Enter the net modifications from Schedule S, Part A that are applicable to Kansas source income. If this is a negative amount, shade the minus (–) in the box to the left of line B20.

**LINE B21 — Modified Kansas Source Income**

If line B20 is a positive amount, add lines B19 and B20. If line B20 is a negative amount, subtract line B20 from line B19. Enter the result on line B21.

**LINE B22 — Kansas Adjusted Gross Income**

Enter the amount from line 3, Form K-40.

**LINE B23 — Nonresident Allocation Percentage**

Divide line B21 by line B22. Round the result to the nearest whole percent. It cannot exceed 100%. Enter the percentage here and on line 9, Form K-40.

*\*This is the list of allowed Federal Adjustments as of publication of this Booklet (in addition to those on lines B13 through B16). You may enter on line B17 any Federal Adjustment allowed by federal law for Tax Year 2006 (not already entered on lines B13 - B16).*









# 2006 TAX COMPUTATION SCHEDULES

YOU MUST USE THE TAX COMPUTATION SCHEDULES  
IF YOUR TAXABLE INCOME IS \$50,000 OR MORE



Be sure to use the proper schedule when computing tax.

## SCHEDULE I—MARRIED FILING JOINT

If amount on line 7, Form K-40 is:                      Enter on line 8, Form K-40:

Over	But Not Over	
\$ 0 .....	\$30,000 .....	3.50% of line 7, Form K-40
\$30,000 .....	\$60,000 .....	\$1,050 plus 6.25% of excess over \$30,000
\$60,000 .....		\$2,925 plus 6.45% of excess over \$60,000

## SCHEDULE II—SINGLE, HEAD OF HOUSEHOLD, OR MARRIED FILING SEPARATE

If amount on line 7, Form K-40 is:                      Enter on line 8, Form K-40:

Over	But Not Over	
\$ 0 .....	\$15,000 .....	3.50% of line 7, Form K-40
\$15,000 .....	\$30,000 .....	\$525 plus 6.25% of excess over \$15,000
\$30,000 .....		\$1,462.50 plus 6.45% of excess over \$30,000

# LIST OF KANSAS UNIFIED SCHOOL DISTRICTS AND COUNTY ABBREVIATIONS

This list was furnished by the Kansas State Department of Education.

The correct school district number to be entered should be the one where you resided on December 31, 2006, even though you may have moved since then and your new address, county, and new school district number may be different.

The following list is provided to assist you in locating your Unified School District Number. The districts are listed under the county in which the headquarters of the districts

are located. Many districts overlap into one or more counties, therefore, if you are unable to locate your school district in your home county, check the adjacent counties where the headquarters may be located. Further assistance may be obtained from your county clerk or local school district office.

Enter the appropriate county abbreviation and school district number in the spaces provided on your Form K-40.

COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER
<b>ALLEN (AL)</b> Humboldt 258 Iola 257 Marmaton Valley 256	<b>CHEYENNE (CN)</b> Cheylin 103 St. Francis Schools 297	<b>DOUGLAS (DG)</b> Baldwin City 348 Eudora 491 Lawrence 497	<b>GREELEY (GL)</b> Greeley County Schools 200
<b>ANDERSON (AN)</b> Crest 479 Garnett 365	<b>CLARK (CA)</b> Ashland 220 Minneola 219	<b>EDWARDS (ED)</b> Kinsley-Offerle 347 Lewis 502	<b>GREENWOOD (GW)</b> Eureka 389 Hamilton 390 Madison-Virgil 386
<b>ATCHISON (AT)</b> Atchison County Community 377 Atchison Public Schools 409	<b>CLAY (CY)</b> Clay Center 379	<b>ELK (EK)</b> Elk Valley 283 West Elk 282	<b>HAMILTON (HM)</b> Syracuse 494
<b>BARBER (BA)</b> Barber County North 254 South Barber 255	<b>CLOUD (CD)</b> Concordia 333 Southern Cloud 334	<b>ELLIS (EL)</b> Ellis 388 Hays 489 Victoria 432	<b>HARPER (HP)</b> Anthony-Harper 361 Attica 511
<b>BARTON (BT)</b> Claffin 354 Ellinwood Public Schools 355 Great Bend 428 Hoisington 431	<b>COFFEY (CF)</b> Burlington 244 Lebo-Waverly 243 LeRoy-Gridley 245	<b>ELLSWORTH (EW)</b> Ellsworth 327 Lorraine 328	<b>HARVEY (HV)</b> Burrton 369 Halstead 440 Hesston 460 Newton 373 Sedgwick Public Schools 439
<b>BOURBON (BB)</b> Fort Scott 234 Uniontown 235	<b>COMANCHE (CM)</b> Comanche County 300	<b>FINNEY (FI)</b> Garden City 457 Holcomb 363	<b>HASKELL (HS)</b> Satanta 507 Sublette 374
<b>BROWN (BR)</b> South Brown County 430 Hiawatha 415	<b>COWLEY (CL)</b> Arkansas City 470 Central 462 Dexter 471 Udall 463 Winfield 465	<b>FORD (FO)</b> Bucklin 459 Dodge City 443 Spearville 381	<b>HODGEMAN (HG)</b> Hanston 228 Jetmore 227
<b>BUTLER (BU)</b> Andover 385 Augusta 402 Circle 375 Douglass Public Schools 396 El Dorado 490 Flinthills 492 Bluestem 205 Remington-Whitewater 206 Rose Hill Public Schools 394	<b>CRAWFORD (CR)</b> Cherokee 247 Frontenac Public Schools 249 Girard 248 Northeast 246 Pittsburg 250	<b>FRANKLIN (FR)</b> Central Heights 288 Ottawa 290 Wellsville 289 West Franklin 287	<b>JACKSON (JA)</b> Holton 336 Royal Valley 337 North Jackson 335
<b>CHASE (CS)</b> Chase County 284	<b>DECATUR (DC)</b> Oberlin 294	<b>GEARY (GE)</b> Geary County Schools 475	<b>JEFFERSON (JF)</b> Jefferson County North 339 Jefferson West 340 McLouth 342 Oskaloosa Public Schools 341 Perry Public Schools 343 Valley Falls 338
<b>CHAUTAUQUA (CQ)</b> Cedar Vale 285 Chautauqua Co. Community 286	<b>DICKINSON (DK)</b> Abilene 435 Chapman 473 Herington 487 Rural Vista 481 Solomon 393	<b>GOVE (GO)</b> Wheatland 292 Grinnell Public Schools 291 Quinter Public Schools 293	<b>JEWELL (JW)</b> Jewell 279 Rock Hills 107
<b>CHEROKEE (CK)</b> Baxter Springs 508 Columbus 493 Galena 499 Riverton 404	<b>DONIPHAN (DP)</b> Elwood 486 Highland 425 Midway Schools 433 Troy Public Schools 429 Wathena 406	<b>GRAHAM (GH)</b> Hill City 281	<b>JOHNSON (JO)</b> Blue Valley 229 De Soto 232 Gardner-Edgerton 231 Olathe 233 Shawnee Mission Public Schools 512 Spring Hill 230



COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER
<b>KEARNY (KE)</b> Deerfield 216 Lakin 215	<b>MIAMI (MI)</b> Louisburg 416 Osawatomie 367 Paola 368	<b>RAWLINS (RA)</b> Rawlins County 105	<b>SHERIDAN (SD)</b> Hoxie Community Schools 412
<b>KINGMAN (KM)</b> Cunningham 332 Kingman-Norwich 331	<b>MITCHELL (MC)</b> Beloit 273 Waconda 272	<b>RENO (RN)</b> Buhler 313 Fairfield 310 Haven Public Schools 312 Hutchinson Public Schools 308 Nickerson 309 Pretty Prairie 311	<b>SHERMAN (SH)</b> Goodland 352
<b>KIOWA (KW)</b> Greensburg 422 Haviland 474 Mullinville 424	<b>MONTGOMERY (MG)</b> Caney Valley 436 Cherryvale 447 Coffeyville 445 Independence 446	<b>REPUBLIC (RP)</b> Republic County 109 Pike Valley 426	<b>SMITH (SM)</b> Smith Center 237 West Smith County 238
<b>LABETTE (LB)</b> Chetopa 505 Labette County 506 Oswego 504 Parsons 503	<b>MORRIS (MR)</b> Morris County 417	<b>RICE (RC)</b> Chase-Raymond 401 Little River 444 Lyons 405 Sterling 376	<b>STAFFORD (SF)</b> Macksville 351 St. John-Hudson 350 Stafford 349
<b>LANE (LE)</b> Dighton 482 Healy Public Schools 468	<b>MORTON (MT)</b> Elkhart 218 Rolla 217	<b>RILEY (RL)</b> Blue Valley 384 Manhattan-Ogden 383 Riley County 378	<b>STANTON (ST)</b> Stanton County 452
<b>LEAVENWORTH (LV)</b> Basehor-Linwood 458 Easton 449 Fort Leavenworth 207 Lansing 469 Leavenworth 453 Tonganoxie 464	<b>NEMAHA (NM)</b> B & B 451 Nemaha Valley 442 Sabetha 441	<b>ROOKS (RO)</b> Palco 269 Plainville 270 Stockton 271	<b>STEVENS (SV)</b> Hugoton Public Schools 210 Moscow Public Schools 209
<b>LINCOLN (LC)</b> Lincoln 298 Sylvan Grove 299	<b>NEOSHO (NO)</b> Chanute Public Schools 413 Erie-St. Paul 101	<b>RUSH (RH)</b> LaCrosse 395 Otis-Bison 403	<b>SUMNER (SU)</b> Argonia Public Schools 359 Belle Plaine 357 Caldwell 360 Conway Springs 356 Oxford 358 South Haven 509 Wellington 353
<b>LINN (LN)</b> Jayhawk 346 Pleasanton 344 Prairie View 362	<b>NESS (NS)</b> Ness City 303	<b>RUSSELL (RS)</b> Paradise 399 Russell County 407	<b>THOMAS (TH)</b> Brewster 314 Colby Public Schools 315 Golden Plains 316
<b>LOGAN (LG)</b> Oakley 274 Triplains 275	<b>NORTON (NT)</b> Northern Valley Schools 212 Norton Community Schools 211 West Solomon Valley Schools 213	<b>SCOTT (SC)</b> Scott County 466	<b>TREGO (TR)</b> WaKeeney 208
<b>LYON (LY)</b> Emporia 253 North Lyon County 251 Southern Lyon County 252	<b>OSAGE (OS)</b> Burlingame Public Schools 454 Lyndon 421 Marais Des Cygnes Valley 456 Osage City 420 Santa Fe Trail 434	<b>SALINE (SA)</b> Eil-Saline 307 Salina 305 Southeast of Saline 306	<b>WABAUNSEE (WB)</b> Mill Creek Valley 329 Mission Valley 330
<b>MARION (MN)</b> Centre 397 Goessel 411 Durham-Hillsboro-Lehigh 410 Marion 408 Peabody-Burns 398	<b>OSBORNE (OB)</b> Osborne County 392	<b>SEDGWICK (SG)</b> Cheney 268 Clearwater 264 Derby 260 Goddard 265 Haysville 261 Maize 266 Mulvane 263 Renwick 267 Valley Center Public Schools 262 Wichita 259	<b>WALLACE (WA)</b> Wallace County Schools 241 Weskan 242
<b>MARSHALL (MS)</b> Axtell 488 Marysville 364 Valley Heights 498 Vermillion 380	<b>OTTAWA (OT)</b> North Ottawa County 239 Twin Valley 240	<b>SCOTT (SC)</b> Scott County 466	<b>WASHINGTON (WS)</b> Barnes 223 Clifton-Clyde 224 Washington County Schools 108
<b>MCPHERSON (MP)</b> Canton-Galva 419 Inman 448 Smokey Valley 400 McPherson 418 Moundridge 423	<b>PAWNEE (PN)</b> Ft. Larned 495 Pawnee Heights 496	<b>SEWARD (SW)</b> Kismet-Plains 483 Liberal 480	<b>WICHITA (WH)</b> Leoti 467
<b>MEADE (ME)</b> Fowler 225 Meade 226	<b>PHILLIPS (PL)</b> Eastern Heights 324 Logan 326 Phillipsburg 325	<b>SEWARD (SW)</b> Kismet-Plains 483 Liberal 480	<b>WILSON (WL)</b> Altoona-Midway 387 Fredonia 484 Neodesha 461
	<b>POTTAWATOMIE (PT)</b> Kaw Valley 321 Onaga-Havensville-Wheaton 322 Wamego 320 Rock Creek 323	<b>SEWARD (SW)</b> Kismet-Plains 483 Liberal 480	<b>WOODSON (WO)</b> Woodson 366
	<b>PRATT (PR)</b> Pratt 382 Skyline Schools 438 Western Plains 106	<b>SEWARD (SW)</b> Kismet-Plains 483 Liberal 480	<b>WYANDOTTE (WY)</b> Bonner Springs 204 Kansas City 500 Piper-Kansas City 203 Turner-Kansas City 202

# 2007 INTANGIBLES TAX RATES

The following list shows the 2007 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, 2007. 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, 2006. 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
Sheridan Twp .....	2.25
Silverdale Twp .....	2.25

Vernon Twp .....	2.25
Walnut Twp .....	2.25
Windsor 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
Fragrant Hill Twp .....	2.25
Hope Twp .....	2.25
Jefferson Twp .....	2.25
Noble Twp .....	2.25
Sherman 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



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
Summer 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
Jackson 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>
Gen	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

# Compensating Use Tax Liability

## What is Compensating Use Tax?

Since 1937 Kansas has imposed a compensating use tax on goods and merchandise purchased from outside Kansas and used, stored or consumed in Kansas. Its purpose is to protect Kansas retailers from unfair competition from out-of-state retailers who sell goods tax-free by applying a tax on these items equal to the Kansas sales tax rate. It also helps to assure fairness to Kansans who purchase the same items in Kansas and pay Kansas sales tax on them.

Individuals and businesses buying items from retailers in other states may be subject to Kansas use tax on those purchases. The use tax applies to the total cost of the merchandise, including postage, shipping, handling or transportation charges. The use tax rate is the same as the combined state and local sales tax rate in effect where the buyer takes delivery in Kansas. For individuals, this is usually our home. For businesses, it will be the office, shop, job site, etc. where the item(s) are used.

## Do You Owe Use Tax?

**Individual Kansans** that buy goods in other states or through catalogs, mail-order companies, over the Internet or from TV, magazine and newspaper ads must pay Kansas use tax on these purchases if the seller does not charge a Kansas tax equal to the Kansas Retailers' Sales Tax rate in effect where the item(s) will be used, stored or consumed.

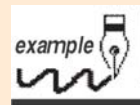


A Topeka, KS resident orders a computer from a company in New York over its web site. Total cost for the computer is \$2,000 plus \$10 shipping. The Topeka resident will owe 7.45% (current Topeka sales tax rate) Kansas use tax on the total cost of \$2,010.  $\$2,010 \times .0745 = \$149.75$ .



You call a toll-free number and place an order for gifts and food items. The items are shipped to your Kansas address and no tax is charged on the order. You will owe Kansas use tax on the total cost of these items since you would have had to pay Kansas sales tax on them had they been purchased from a Kansas retailer.

**Kansas businesses** also owe use tax on items on which they are the final consumers – equipment, fixtures, office supplies and other non-inventory items purchased for their business. When these items are purchased from a Kansas retailer, Kansas sales tax is paid to the retailer. When they are purchased from an out-of-state retailer without Kansas tax, the Kansas use tax must be paid directly to the Kansas Department of Revenue, at a rate equal to the combined state and local sales tax rate where the business takes delivery in Kansas.



A Garden City, KS clothing store orders garment racks from a vendor in St. Louis for \$500 plus \$25 shipping charge. There is no sales tax on the invoice. The Garden City store will owe Kansas Consumers' Compensating Use Tax equal to the Garden City sales tax rate (currently 7.45%) on the total cost of these fixtures.  $\$525 \times .0745 = \$39.11$ .

## How to Pay Use Tax

### Individuals - Complete line 18, Form K-40

To pay the Kansas use tax on your untaxed out-of-state purchases by mail, internet, etc., during calendar year 2006, please consult the **Line-By-Line Instructions** on page 18. You may either use the chart, or compute the tax due by applying the state and local tax rate in effect for your address to the total purchases subject to the tax.

**DON'T KNOW YOUR SALES TAX RATE?** Go on-line to [www.ksrevenue.org](http://www.ksrevenue.org) and select the "Kansas Sales and Use Tax Locator" under the "Your Business" section.

If you have any questions about use tax or about your responsibilities for reporting and paying this tax as an individual Kansas consumer, please contact our office at (785) 368-8222.

### Businesses - Obtain a Use Tax Reporting Number

Kansas businesses buying equipment, fixtures, tools, supplies and other taxable items for their business must register with the department and file separate use tax returns. There is no use tax reporting on Kansas income tax forms K-41 (Fiduciary Income Tax), K-120 (Corporation Income Tax), K-120S (Partnership or S Corporation Income Tax) or K-130 (Privilege Tax).

To obtain a use tax reporting number, simply complete the Business Tax Application, Form CR-16, available from our web site, office, or forms request line. The department will assign a reporting number and will periodically (quarterly returns for most taxpayers) send you the use tax returns (Form CT-10U) on which to report your taxable purchases and pay the use tax due. If your estimated use tax liability for a calendar year is less than \$80, you will only file one use tax return for the entire calendar year. Paperless filing and payment options are also available through our Online Business Center at [www.webtax.org](http://www.webtax.org).

More information about use tax for businesses including a sample completed use tax return is in our Publication KS-1510, Kansas Sales and Compensating Use Tax, available from our web site or office.



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

PRSR STD  
 U.S. POSTAGE  
**PAID**  
 KANSAS DEPT.  
 OF REVENUE



ATTENTION: If correct, peel off and affix to the return you file.  
 If label is incorrect, do not use.

**Taxpayer Assistance**

**BY PHONE**

If you have a question about completing your Kansas Individual Tax return, call (785) 368-8222 to speak to 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**

Assistance in completing your return is available from our Topeka office or from free volunteer tax assistance programs (VITA) by the Internal Revenue Service (IRS) and the American Association of Retired Persons (AARP). VITA and TCE sites can be found in community centers, libraries, churches, retirement homes, etc. For a site nearest you, call 1-800-829-1040, or visit your local IRS office. For the AARP-Tax Aide site nearest you, visit their web site at [www.aarp.org/taxaide/home.html](http://www.aarp.org/taxaide/home.html), and enter your city, state and zip code **or** call 1-888-227-7669.

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

The Department of Revenue office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

**REFUND INFORMATION**

You can check the status of your current year refund 24 hours a day/7 days a week from our web site or by phone. You will need to provide the Social Security number(s) shown on your return and the expected amount of your refund. When you have this information, do one of the following:

- Go to [www.ksrevenue.org](http://www.ksrevenue.org), click on **Your Personal**, then click on **Refund Status Online**.
- Call **1-800-894-0318** for automated refund information and follow the recorded instructions.

NOTE: If you *filed your return electronically*, please allow the Department of Revenue 7 days to process your refund. If you *filed a paper return*, normal processing time is 4 to 8 weeks.

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

Tax forms can be found at many city and county clerk offices, banks, libraries, and other places of convenience **or** on our web site at [www.ksrevenue.org](http://www.ksrevenue.org). To obtain forms by mail, contact the 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 two weeks for delivery of your form(s).