

# FORM K-40

## LINE-BY-LINE INSTRUCTIONS

### TAXPAYER INFORMATION

**Label:** If you have a pre-addressed label 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, 2009. **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 2009, 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 2009, 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 on page 8).

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 2009. 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 2009, 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 2009 (born prior to January 1, 1955)?  Yes  No
- 2) Were you totally and permanently disabled or blind during 2009 (regardless of age)?  Yes  No
- 3) Did you have a dependent child who lived with you the entire year, was born before January 1, 2009, and was under the age of 18 all of 2009?  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 \$31,900. If you met the first two qualifications, complete the worksheet on page 26.

If you meet ALL of the qualifications for residency, taxpayer status, and qualifying income, complete Form K-40 – **or for a faster refund, use WebFile** (see page 3).

## 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 2009 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 beginning on page 18 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 \$31,900 or less, you may qualify for the food sales tax refund. Review the qualifications on page 11 and the qualifying income worksheet on page 26.

## 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 below.*

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.
- 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.

If you elect, on your federal return, to deduct state and local general **sales and use** taxes instead of state and local **income** taxes then your Kansas itemized deductions are the same as your federal itemized deductions. If you deduct **income** taxes on your federal return, use one of the two worksheets below to calculate your Kansas itemized deductions.

### ITEMIZED DEDUCTION WORKSHEET I

#### Federal Adjusted Gross Income of \$166,800 or Less

(\$83,400 or less if married filing separately)

- |  |    |  |
|--|----|--|
| 1) Total itemized deductions on line 29* of federal Schedule A.  | \$ |  |
| 2) State and local income taxes on line 5* of federal Schedule A.                                      | \$ |  |
| 3) Kansas itemized deductions (subtract line 2 from line 1). Enter this amount on line 4 of Form K-40. | \$ |  |

\* Federal line number references are subject to change

### ITEMIZED DEDUCTION WORKSHEET II

#### Federal Adjusted Gross Income Over \$166,800

(Over \$83,400 if married filing separately)

Refer to your federal itemized deductions worksheet, in your federal 1040 instruction book, not the federal Schedule A.

- |  |    |  |   |
|--|----|--|---|
| 1) Divide line 11* of the "Federal Itemized Deductions Worksheet" by line 3* of that worksheet (cannot exceed 100%). |    |  | % |
| 2) Enter the amount from line 5 of federal Schedule A (state and local income taxes paid).                           | \$ |  |   |
| 3) Multiply line 1 by line 2.  | \$ |  |   |
| 4) Subtract line 3 from line 2.  | \$ |  |   |
| 5) Enter the amount from line 29* of federal Schedule A.   | \$ |  |   |
| 6) Subtract line 4 from line 5. Enter this amount on line 4 of Form K-40.  | \$ |  |   |

\*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 22 to find the amount of your tax.

If line 7 is **more than \$50,000**, you must use the **Tax Computation Schedules** on page 26 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 on page 21.

### LINE 9 — NONRESIDENT ALLOCATION PERCENTAGE

Enter the percentage from Schedule S, Part B, line B23. If 100%, enter 100.0000.

### 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.

**Note:** If you are eligible for a tax credit paid to another state, the credit amount cannot exceed the tax liability shown on the other state's tax return. The tax liability is **NOT** the amount of tax withheld for the other state.



To receive a credit for taxes paid to another state, 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. 2009 tax paid to the foreign country .....	\$ _____
B. LESS: Federal foreign tax credit allowed ..	\$ _____
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 .....	\$ _____

**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), it is determined from the "Worksheet for Residents." 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 2009 tax actually paid to the other state .....	\$ _____
2) Total Kansas tax (Line 12, Form K-40) .	\$ _____
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) .	\$ _____
4) Kansas adjusted gross income (Line 3, Form K-40) .....	\$ _____
5) Percentage limitation (Divide line 3 by line 4) .....	_____ %
6) Maximum credit allowable (Multiply line 2 by line 5) .....	\$ _____
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) .....	\$ _____

**Taxes Paid to Other States by Part-year Residents that file as 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 following worksheet 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 Part-year Residents filing as Nonresidents	
1) Amount of 2009 tax actually paid to the other state .....	\$ _____
2) Total Kansas tax (line 12, Form K-40) .....	\$ _____
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) .....	\$ _____
4) Kansas modified source income (Line B21, Part B, Schedule S) .....	\$ _____
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) \$ .....	\$ _____
6) Percentage limitation (Divide line 5 by line 3) .....	_____ %
7) Amount of other state's tax applicable to income reported to Kansas (Multiply line 1 by line 6) .....	\$ _____
8) Percentage limitation (Divide line 5 by line 4) .....	_____ %
9) Maximum credit allowable (Multiply line 2 by line 8) .....	\$ _____
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) .....	\$ _____

**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 required schedule to claim any of the following credits:

Credit	Schedule Required
Adoption Credit .....	K-47
Agritourism Liability Insurance Credit .....	K-33
Alternative Fuel Credit .....	K-62
Angel Investor Credit .....	K-30
Assistive Technology Contribution Credit .....	K-42
Bio-Mass to Energy Credit .....	K-79
Business and Job Development Credit .....	K-34
Business Machinery and Equipment Credit .....	K-64
Carryback of Net Operating Farm Loss Refund .....	K-67
Child Day Care Assistance Credit (employers only) .....	K-56
Community Service Contribution Credit .....	K-60
Declared Disaster Capital Investment Credit .....	K-87
Disabled Access Credit .....	K-37
Electric Cogeneration Facility Credit .....	K-83
Environmental Compliance Credit .....	K-81
High Performance Incentive Program Credit .....	K-59
Historic Preservation Credit .....	K-35
Historic Site Contribution Credit .....	K-75
Individual Development Account Credit .....	K-68
Integrated Coal Gasification Power Plant Credit .....	K-80
Kansas Center for Entrepreneurship Credit .....	K-31
Kansas Law Enforcement Training Center Credit .....	K-72
Nitrogen Fertilizer Plant Credit .....	K-78
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
Storage and Blending Equipment Credit .....	K-82
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 and enter the result. (If the result is zero or a negative amount, enter "0" on line 17.)

**LINE 18 — CONSUMERS' COMPENSATING USE TAX**  
(Refer to page 31 for an explanation of this tax)

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 freight, shipping or handling fees).

If you made untaxed out-of-state purchases, but do not know the amount of those purchases, use the following chart to estimate the compensating use tax for calendar year 2009.

**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 2009, enter a zero on line 18. If you are currently registered to report and remit Kansas compensating use tax, continue to do so on Form CT-10U, Compensating Use Tax Return, 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 does not require 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 2009 estimated tax payments plus any 2008 overpayment you had credited forward to 2009.

**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 17%. 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 10 of this booklet.

## LINE 24 — REFUNDABLE PORTION OF TAX CREDITS

Enter the total refundable portion of these credits:

Business Machinery and Equipment Credit .....	K-64
Carryback of Net Operating Farm Loss Refund .....	K-67
Child Day Care Assistance Credit (employers only) ....	K-56
Community Service Contribution Credit .....	K-60
Declared Disaster Capital Investment Credit .....	K-87
Disabled Access Credit .....	K-37
Historic Site Contribution Credit .....	K-75
Individual Development Account Credit .....	K-68
Regional Foundation Contribution Credit .....	K-32
Single City Port Authority Credit .....	K-76
Small Employer Healthcare Credit .....	K-57
Telecommunications and Railroad Credit .....	K-36

## LINE 25 — FOOD SALES TAX REFUND

Refer to the qualifications for this refund on page 11. If you meet all the qualifications, enter the refund amount 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 14 of the Qualifying Income Worksheet on page 26.

If your qualifying income on line 14 of the worksheet is:

- \$0 to \$15,950 – multiply the number of exemptions by \$84.  
Enter the refund amount on line 25.
- \$15,951 to \$31,900 – multiply the number of exemptions by \$41.  
Enter the refund amount on line 25.
- \$31,901 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 2009 tax year. Enter the amount of money you remitted to the Department of Revenue with your original 2009 return.

## LINE 27 — OVERPAYMENT FROM ORIGINAL RETURN

Use this line ONLY if you are filing an amended K-40 for the 2009 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 will be 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 **.417% 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 line 18 is at least \$500 and is more than 10% of the tax on line 17, you may be subject to an estimated tax penalty. To determine if you have a penalty, complete Schedule K-210, found in 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 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 of less than \$5 need not 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 the total of tax due and your contribution(s).

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

**Credit Card.** Payment by credit card is available on-line or by phone through third-party vendors. Visit our Electronic Services web site at [www.webtax.org](http://www.webtax.org) for a current list of vendors authorized to accept individual income tax payments for Kansas. Based on the amount of tax you are paying, a convenience fee will be charged.

**Direct Payment.** If you choose WebFile or IRS e-File to file your Kansas return, **Direct Payment** is an option during the filing process to pay your balance due. If you file a paper return you also have the option to make an *electronic payment* by calling the Department of Revenue toll-free at 1-866-450-6490 or visit <https://www.kdor.org/personaltax/mainpage.aspx> for an on-line transaction.

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 can 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 \$10.04), 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 2010 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 2010 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:

- Conduct a statewide mammals atlas to update critical information for sensitive mammal populations for sensitive species evaluations and recovery.
- 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 declining freshwater clams.

- Continue long-term nongame projects such as the Kansas Winter Birdfeeder Survey, Bluebird Nest Program, and Backyard Nongame Wildlife Habitat Improvement Program.
- Help support the (OWLS) Outdoor Wildlife Learning Sites for schools.

Enter on line 36 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 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 37 the amount you wish to contribute to this program (must be \$1 or more).

### LINE 38 — KANSAS BREAST CANCER RESEARCH FUND

The Kansas Breast Cancer Research Fund is devoted to ending suffering and death from breast cancer in Kansas. Every dollar collected stays in Kansas to bring the latest in breast cancer prevention, early detection, diagnosis, and treatment to Kansans. The research is conducted at the University of Kansas Cancer Center. With the hope of finding a cure, the purpose of this fund is to help save lives and significantly enhance the health of Kansans living with breast cancer.

Enter on line 38 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 39 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 2010 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 your 2010 return. You also have an option to apply it to one of the contribution programs/funds (lines 36 through 39 of Form K-40).

If you file a **paper** return, you need to **allow 16 weeks** from the date you mail it to receive your refund. Errors, inaccurate forms, photocopied forms, or incomplete information will delay processing even longer. **For a fast refund – file 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 10).**

## 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 (management or trustee fees, etc.) 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 & 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 A12—Retirement benefits specifically exempt from Kansas income tax. Make no entry on this line unless you also made contributions to KPERS during 2009 (for example, you retired during 2009).

**Lump Sum Distributions:** If you received a lump sum KPERS distribution during 2009, include on line A2 your 2009 KPERS contributions and follow the instructions for line A17—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 2009 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 2009 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, K-80, K-81, K-82 or K-83.
- **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, K-79, K-82 or K-83 and any amount claimed in determining federal adjusted gross income on carbon dioxide recapture, sequestration or utilization machinery and equipment, or waste heat utilization system property.
- **Ad Valorem or Property Taxes.** Enter the amount of Ad Valorem or Property Taxes paid by a nonresident of Kansas to a state other than Kansas or to a local government located outside of Kansas, when the law of such state does not allow a Kansas resident to claim a deduction of Ad Valorem or Property Taxes paid to a Kansas political subdivision in determining taxable income (for income tax purposes) in such other state, to the extent that such taxes are claimed as an itemized deduction for federal income tax purposes.

#### **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 — Social Security Benefits**

If the amount on Line 1 of Form K-40, Kansas Individual Income Tax Return, is \$75,000 or less, (regardless of your filing status) enter on line A7 the amount received as benefits in 2009 under the Social Security Act (including SSI) to the extent these benefits are included in federal adjusted gross income. **Do not make an entry** if your social security benefit is not subject to federal income tax.

#### **LINE A8 — KPERS Lump Sum Roll Overs**

Enter any amounts withdrawn from a qualified retirement account and include any earnings thereon to the extent that the amounts withdrawn were: **1)** Originally received as a KPERS lump sum payment at retirement that you rolled over into a qualified retirement account, and **2)** the amount entered is included in federal adjusted gross income (included in line 1 of Form K-40). **Do not make an entry** if the amount withdrawn consists of income that was originally received 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 or, a pension received from any Kansas first class city that is not covered by the Kansas Public Employee's Retirement System.

#### **LINE A9 — 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 (management or trustee fees, etc.) 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 A10 — State or Local Income Tax Refund**

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

#### **LINE A11 — Kansas Net Operating Loss Carry Forward**

Enter the amount from line 14 of Schedule CRF if it is the first year of carry forward or line 16a-j of Schedule CRF if it is any of the years following. Enclose a Schedule CRF for each loss year.

#### **LINE A12 — Exempt Retirement Benefits**

If you are **receiving** retirement benefits/pay, use this line to report **retirement benefits** exempt from Kansas income tax (do not include Social Security benefits on this line). 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 A12 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
  - Amounts received by retired employees of Washburn University as retirement and pension benefits under the university’s retirement plan
  - 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 A13— Military Compensation of a Nonresident Servicemember**

Enter on line A13 the amount of the military compensation earned in tax year 2009 **only** if you are a **nonresident** of the state of Kansas. See *MILITARY PERSONNEL* on page 8. Enter also, any Kansas income for services performed by a non-military spouse of a nonresident military service member when the spouse resides in Kansas solely because the service member is stationed in Kansas under military orders.

**LINE A14— Qualified Long-Term Care (LTC) Insurance Premiums**

Enter the amount of the premium costs paid for qualified LTC insurance contracts\*. Limitations are as follows:

*Single, Head of Household, and Married Filing Separate filers* purchasing a LTC contract for the named taxpayer will be limited to one (1) \$900 subtraction modification per return.

*Married Filing Joint filers* purchasing LTC contracts for both named taxpayers will be limited to two (2) \$900 subtraction modifications per return (for a total subtraction of \$1,800).

\* A **Kansas** “qualified” LTC insurance contract is one that meets the definition of a **federal** “qualified” LTC insurance contract. This subtraction modification is in addition to any federal deduction.

**LINE A15 — Learning Quest Education Savings Program**

Enter the amount of contributions deposited in the Learning Quest Education Savings Program, or a qualified 529 tuition program established by another state, 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 A16 — 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 that 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 A17— Other Subtractions from Federal Adjusted Gross Income**

Enter on line A17 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.
- **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 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 Schedule K-73, K-77, K-78, K-79, K-82 or K-83, and the amount of amortization deduction allowed for carbon dioxide capture, sequestration or utilization machinery and equipment, or waste heat utilization system property. **Note:** 55% of the amortization costs may be subtracted in the first year and 5% may be subtracted for each of the succeeding nine years.

**LINE A18— Total Subtractions from Federal Adjusted Gross Income**

Add lines A7 through A17 and enter the result on line A18.

**LINE A19 — Net Modifications**

Subtract line A18 from line A6 and enter the result on line 2 of Form K-40. **If line A18 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 2009 federal return. In the right-hand column enter 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 & 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
- Amounts received by nonresident individuals as retirement benefits or pensions, even if the benefit or pension was “earned” while the individual was a resident of Kansas. This rule also applies to amounts received by nonresidents from 401k, 403b, 457s, IRAs, etc.
- 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 2009 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
- Health Savings Account Deduction – the portion of the federal deduction applicable to income earned in Kansas
- Tuition and Fees Deduction – the portion of the federal deduction applicable to income earned in Kansas
- Educator Expenses – the portion of the federal deduction applicable to income earned in Kansas

#### 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 fourth decimal place; not to exceed 100.0000. Enter the result here and on line 9 of 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 2009 (not already entered on lines B13 - B16).