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Important Information

NEW INCOME TAX RATES. The 2017 Kansas legislature changed the personal income tax rates for tax years 2017 and 2018 by replacing the two-bracket structure with a three-bracket structure. For tax year 2018 the new tax rate for a married individual filing a joint return with taxable income of \$30,000 or less is 3.1%; taxable income of \$30,001 to \$60,000 is 5.25%; and taxable income over \$60,000 is 5.7%. The new tax rate for tax year 2018 for all other filers with taxable income of \$15,000 or less is 3.1%; taxable income of \$15,001 to \$30,000 is 5.25%; and taxable income over \$30,000 is 5.7%.

DOWNLOADING YOUR 1099-G. If you received a refund on your Individual Income Tax return last year, your 1099-G **MUST** be obtained from the Kansas Customer Service Center at www.ksrevenue.org.

CHILD AND DEPENDENT CARE CREDIT RESTORED. This credit is restored for child and dependent care expenses allowed and claimed on your individual federal income tax return. This credit may reduce your Kansas tax liability. You must be a Kansas resident and have a valid social security number for all individuals on your return. The credit allowed for tax year 2018 is 12.5%. This will increase to 18.75% for tax year 2019, and 25% for tax year 2020 and thereafter. See Notice 17-07 and K-40 instructions for line 14.

LOW INCOME EXCLUSION. Effective for tax year 2018, married individuals filing joint returns with taxable income of \$5,000 or less, and all other individuals with taxable income of \$2,500 or less, shall have a tax liability of zero. A return must be filed to calculate taxable income.

ITEMIZED DEDUCTIONS. Kansas itemized deductions are calculated using 100% charitable contributions, 50% qualified medical expenses, 50% qualified residential interest, and 50% real and personal property taxes as claimed on your federal itemized deductions. See Part C of Schedule S. (You may only itemize your deductions on your Kansas return if you itemized deductions on your federal return).

KANSAS ABLE SAVINGS. Starting tax year 2018, Kansas taxpayers may claim a subtraction modification up to \$3,000 per beneficiary (\$6,000 if married filing a

joint return) for contributions into a Kansas Achieving a Better Life Experience (ABLE) account or a qualified ABLE program established and maintained by another state or agency or instrumentality thereof pursuant to section 529A of the internal revenue code of 1986, as amended, for the purpose of saving private funds to support an individual with a disability. For more information on ABLE accounts visit Kansas ABLE Savings Plan at <https://savewithable.com/ks/home.html>

Kansas Compensating Use Tax

What is Compensating Use Tax? Since 1937 Kansas has imposed a compensating use tax on goods 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 rate. It also helps to assure fairness to Kansans who purchase the same items in Kansas and pay Kansas sales tax. Individuals and businesses buying items from retailers in other states may be subject to Kansas use tax on those purchases. This tax applies to the total cost of the merchandise, including postage, shipping, handling or transportation charges. It is the same as the combined state and local sales tax rate in effect where the buyer takes delivery in Kansas. For individuals, it is usually the home. For businesses, it is where the items are used (office, shop, etc).

Do I owe this tax? Kansans that buy goods in other states or through catalogs, internet, mail-order companies, or from TV, magazine and newspaper ads must pay Kansas use tax on the purchases if the goods are used, stored or consumed in Kansas and the seller does not charge a sales tax rate equal to or greater than the Kansas retailers' sales tax rate in effect where the item is delivered or first used. **EXAMPLE:** An Anytown, KS resident orders a computer from a company in New York over its website. Total cost is \$2,000 plus \$10 shipping. The Anytown resident will owe Kansas use tax of 8.95% (current Anytown rate) on the total charge of \$2,010. ($\$2,010 \times 0.0895 = \179.90)

How do I pay the Compensating Use Tax? To pay Kansas use tax on your untaxed out-of-state purchases made during calendar year 2018, refer to the instructions for line 20 of Form K-40. You may use the chart or compute the tax due by applying the state and local sales tax rate in effect for your address to the total purchases subject to the tax. Don't know your sales tax rate? Go to www.kssst.kdor.ks.gov/lookup.cfm to look up the rate for your location.

Contact our Taxpayer Assistance Center (back cover) if you have questions about the Kansas Use Tax.



The cat sized (4-5 lbs) **Swift Fox** is a denizen of the short- and mid-grass prairie ecosystems of the United States and Canada. The brown to grayish color and small size make it easily distinguishable from other Kansas foxes. The Swift Fox's name refers to its quickness when capturing prey, which includes rabbits, mice, prairie dogs, birds, grasshoppers and other insects. This little canid was highly susceptible to predator extermination programs in the 1930's, but today has returned to much of the western portion of their range. The Swift Fox is considered a Species of Greatest Conservation Concern by the state of Kansas and benefits from contributions to the Chickadee Checkoff. Photo Credit: Bob Gress