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## Important Information

**CHILD AND DEPENDENT CARE CREDIT.** This credit is 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 2019 is 18.75%, this will increase to 25% for tax year 2020 and all years thereafter. See Notice 17-07 and K-40 instructions for line 14.

**ITEMIZED DEDUCTIONS.** For tax year 2019 Kansas itemized deductions are calculated using 100% charitable contributions, 75% qualified medical expenses, 75% qualified residential interest, and 75% 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).

**NEW TAX CREDIT.** Purchases from Qualified Vendor Credit - Effective January 1, 2019 through 2023. 15% tax credit on goods and services purchased from “qualified vendors” or nonprofit “certified business” that employ individuals with disabilities and offer to contribute at least 75% of premium cost for individual health insurance coverage for each employee. The new credit schedule is the K-44 Purchases from Qualified Vendor Credit. This is a non-refundable credit. Unused credits may be carried forward up to four years. The maximum amount of credit for each taxpayer shall not exceed \$500,000 per qualified vendor per tax year.

## 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 goes to Missouri to purchase a laptop computer during a Missouri sales tax “Holiday.” The cost of the computer is \$2,000. The Anytown resident will owe Kansas use tax of 8.95% (current Anytown rate) on the total charge of \$2,000 when that resident brings the laptop computer back to Anytown, KS. ( $\$2,000 \times 0.0895 = \$179.00$ ).

**How do I pay the Compensating Use Tax?** To pay Kansas use tax on your untaxed out-of-state purchases made during calendar year 2019, 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.ksst.kdor.ks.gov/lookup.cfm](http://www.ksst.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 **Snowy Egret** is a very elegant heron and is found throughout most of central and eastern Kansas. They are easily distinguished by their immaculate white plumage and black legs offset by bright yellow feet. The long feathers on the head and neck were highly prized by the fashion industry in the late nineteenth and early twentieth centuries forcing them to the brink of extinction. Increased concern for the species and the passing of the Migratory Bird Treaty Act allowed the species to recover. Snowy Egrets are found along the edges of marshes and wetlands, and benefit from contributions to the Chickadee Checkoff.

Photo Credit: J. Daren Riedle.