



# 2018

## Individual Income Tax

*For a fast refund, file  
electronically!*

*Balance due?  
Pay electronically and  
choose your payment date.*

See back cover for details.

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

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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](http://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.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 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

## GENERAL INFORMATION

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

### Who Must File a Return

You must file a Kansas individual income tax return to receive any refund of taxes withheld, regardless of the amount of total income.

**KANSAS RESIDENTS.** A Kansas resident for income tax purposes is anyone who lives in Kansas, regardless of where they are 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: 1) you are required to file a federal income tax return; **or**, 2) your Kansas adjusted gross income is more than the total of your Kansas standard deduction and exemption allowance.

The minimum filing requirements are shown in the following table. 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 need not 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 \$12,000.

A Kansas resident must file if he or she is:		And gross income is at least:
<b>SINGLE</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).....	\$12,000
	65 or older or blind (one spouse) .....	\$12,700
	65 or older or blind (both spouses).....	\$13,400
	65 or older and blind (one spouse).....	\$13,400
	65 or older or blind (one spouse) and 65 or older and blind (other spouse) .....	\$14,100
<b>HEAD OF HOUSEHOLD</b>	Under 65.....	\$10,000
	65 or older or blind .....	\$10,850
	65 or older and blind.....	\$11,700
<b>MARRIED FILING SEPARATE</b>	Under 65.....	\$ 6,000
	65 or older or blind .....	\$ 6,700
	65 or older and blind.....	\$ 7,400

**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 received income from Kansas sources, you must file a Kansas return regardless of the amount of income received from Kansas sources (see Kansas Source Income as provided in Schedule S Part B Instructions). 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 considered 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 must include the dates that you were a resident in Kansas on Form K-40 and complete Part B of Schedule S.

**MILITARY PERSONNEL.** The active and reserve 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, including 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 received income from Kansas sources. Only income from Kansas sources is used to determine the Kansas income tax due for *nonresident* military service members. Nonresident service members will subtract out the amount of their military compensation on Schedule S, line A12.

Kansas income for services performed by a non-military spouse of a nonresident military service member is exempt from Kansas income tax. To qualify for this exemption, the non-military spouse must be residing in Kansas solely because the military service member is stationed in Kansas under military orders. Non-military spouses of service members stationed in Kansas will subtract out their Kansas source income on Schedule S, line A12.

**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 by a native American Indian residing on his/her tribal reservation is exempt from Kansas income tax only when the income is from sources on his/her tribal reservation. If any such income is included in the federal adjusted gross income, it is subtracted on Schedule S, line A16.

Kansas law provides that if a husband or wife is a resident of Kansas while the other is a nonresident of Kansas, and 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.

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## When to File

*You can "file now" and "pay later" using our Direct Payment option. See page 9.*

If your 2018 return is based on a calendar year, it must be filed and the tax paid no later than April 15, 2019.  
If your Kansas return is based on a fiscal year, it is due the 15th day of the 4th month following the end of your fiscal year. The instructions in this booklet apply to a calendar year filer.

**AMENDED RETURNS:** If the amended return will result in a refund to you, the amended return must be filed within three (3) years of when the original return was filed (including extensions allowed) or within two (2) years from the date the tax was paid, whichever is later.

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## Where to File

Mail your Kansas individual income tax return to the following address:

INDIVIDUAL INCOME TAX  
KANSAS DEPARTMENT OF REVENUE  
PO BOX 750260  
TOPEKA, KS 66675-0260

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## If You Need Forms

Due to the sensitivity of the Kansas Department of Revenue'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. Do not send the Kansas Department of Revenue a "copy" of your form.

Kansas income tax forms are available by calling or visiting our office (see back cover). Forms that do not contain colored ink for imaging purposes can be downloaded from our website at: **ksrevenue.org**

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## Extension of Time to File

*An extension of time to file is NOT an extension of time to pay the tax.*

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 federal Form 4868 with the IRS 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 pay the tax balance due for an extension, use the Kansas Payment Voucher (K-40V) and mark the box indicating an extension payment. If you do not pay the tax due (may be estimated) by the original due date, you will owe interest and penalty on any balance due.

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## Your 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 (1040, applicable Schedules A through F and Schedules 1 - 6) with your Kansas return.

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## Confidential Information

Income tax information disclosed to the Kansas Department of Revenue, either on returns or through department investigation, is held in strict confidence by law. The Kansas Department of Revenue, the 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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## Innocent Spouse Relief

In 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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## Estimated Tax

*If two-thirds of your income is from farming or fishing, you are not required to make estimated tax payments – but your return must be filed and your tax paid on or before March 1, 2019.*

If you have self-employment income or other income not subject to Kansas withholding, you may be required to prepay your Kansas income tax through estimated tax payments (Form K-40ES). Estimated tax payments are required if: 1) your Kansas income tax balance due, after withholding and prepaid credits, is \$500 or more; and 2) your withholding and prepaid credits for the current tax year are less than 90% of the tax on your current year's return, or 100% of the tax on your prior year's return.

For your convenience Kansas offers simple electronic payment solutions that are available 24 hours a day, 7 days a week! There are many advantages to paying electronically – no check to write or voucher to complete and mail; and you get immediate acknowledgment of payment. Additionally, reducing paper consumption is both cost effective and environmentally friendly. To choose an electronic payment option visit **ksrevenue.org** and sign in to the **KDOR Customer Service Center**.

**Underpayment Penalty:** If line 30 minus line 20 of Form K-40 is at least \$500 and is more than 10% of the tax on line 19 of Form K-40, you may be subject to a penalty for underpayment of estimated tax. Use Schedule K-210 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

*If you filed Schedule S with your original return, then you must file a Schedule S with your amended return, even if there are no amended changes to the Schedule.*

You must file an amended Kansas return when: 1) an error was made on your Kansas return, 2) there is a change (error or adjustment) on another state's return, or 3) there is a change (error or adjustment) on your federal return. **In the Amended Return section of Form K-40, mark the box that explains the reason for amending your 2018 Kansas return.**

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

**AMENDED FEDERAL RETURN (1040X):** If you are filing a 1040X for the same taxable year as this amended return, you must enclose a complete copy of the 1040X and a full explanation of all changes made on your Kansas return. If your 1040X is adjusted or disallowed, then 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 a previously filed federal return was not correct, or if your original return was adjusted by the IRS, 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 (the Kansas 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 to mark the appropriate box below the heading.

**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

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

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## Food Sales Tax Credit

*You must have a Kansas income tax liability to obtain a food sales tax credit.*

For qualifying taxpayers, an allowance is available to offset the cost of sales tax paid on food purchased in Kansas. The allowance is in the form of a nonrefundable tax credit, which means your credit amount will reduce your Kansas tax liability. If you do not have a Kansas tax liability, this credit is not available to you.

To qualify, you must be 55 years of age or older for all of 2018; or be permanently blind or disabled, regardless of age; or have a dependent child under the age of 18, who lived with you all year, whom you claim as a personal exemption on your income tax return. You must also be a Kansas resident (residing in Kansas the entire year) with a federal adjusted gross income of \$30,615 or less. The amount of credit is \$125 for each qualified exemption.

**NOTE:** Dependents that are 18 years of age or older (born before January 1, 2001) do not qualify as exemptions for this tax credit and no additional exemption is allowed for head of household filing status.

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## Homestead & Property Tax Relief Refunds

*These claims can be filed electronically. Refer to the K-40H and K-40PT instructions on our website for details.*

The Homestead Refund program offers a property tax rebate of up to \$700 for **homeowners**. To qualify, the claimant must be a Kansas resident (residing in Kansas the entire year) whose 2018 household income was \$35,000 or less, 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 refund is claimed on Kansas Form K-40H, Kansas Homestead Claim.

A property tax refund for homeowners, 65 years of age or older with household income of \$19,800 or less, is also available on Form K-40PT. The refund is 75% of the property taxes paid. Claimants who receive this property tax refund **cannot** claim a Homestead refund.

The Homestead and Property Tax Relief forms and instructions are available by calling or visiting our office (see back cover).

# K-40 Instructions

## TAXPAYER INFORMATION

Complete all information at the top of the K-40 by printing neatly. If your name or address changed, or if you are filing with or for a deceased taxpayer, indicate so by marking the appropriate boxes.

## AMENDED RETURN

If you are filing an amended return for 2018, mark the box that states the reason. **Note:** You **cannot** amend to change your filing status from "joint" to "separate" after the due date of the return.

## 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 each file separate federal returns, you must file separate Kansas returns.

## RESIDENCY STATUS

Check the appropriate box for your residency status (see page 3 for definitions). If you mark the **Part-year resident** box, enter the dates that you lived in Kansas and complete Schedule S, Part B. Nonresidents must also complete Part B of Schedule S.

## EXEMPTIONS AND DEPENDENTS

Enter the total exemptions for you, your spouse (if applicable), and each person you claim as a dependent.

If your filing status is **Head of Household**, you are allowed an additional Kansas exemption; 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.

In the spaces provided, enter the name, date of birth, relationship, and Social Security number of each person you claimed as a dependent (do not include you or your spouse). If additional space is needed, enclose a separate schedule.

## FOOD SALES TAX CREDIT

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

If you were a **resident of Kansas for all of 2018**, you meet the residency qualification. If you resided in Kansas less than 12 months of 2018, you do NOT qualify for the food sales tax credit.

**LINES A through C:** If you meet the residency qualification, complete lines A through C. If you answer YES to at least one question, you meet the taxpayer status qualification. If you answer NO to all three questions, you do NOT qualify for the credit.

**LINE D:** If you meet the residency and taxpayer status qualifications, enter your federal adjusted gross income (AGI) on line D. If the amount is a negative number, shade the minus [-] sign in the box to the left of the number.

If your federal AGI is less than \$30,616, complete lines E through H to determine your credit. If your federal AGI is more than \$30,615, you do not qualify for the food sales tax credit.

**LINE E:** Enter your total number of exemptions

**LINE F:** Enter the number of dependents you claimed that are 18 years of age or older (born before January 1, 2001).

**LINE G:** To determine your qualifying exemptions, subtract line F from line E.

**LINE H:** Compute the amount of your food sales tax credit by multiplying line G by \$125. Enter the result on line H and on line 18 of Form K-40.

## INCOME

**LINES 1 through 3:** Complete these line items as indicated on Form K-40. If any are negative numbers, shade the minus [-] sign in the box to the left of the negative number. **Note:** Many taxpayers will not have modifications. If you do not, skip line 2 and enter amount from line 1 on line 3. If, however, you have income that is taxable at the federal level but not taxable to Kansas, or income that is exempt from federal but taxable to Kansas, you must complete Part A of Schedule S.

## DEDUCTIONS

**LINE 4 (Standard deduction 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 on your federal return, you may either itemize or take the standard deduction on your Kansas return, 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, the other must also itemize.

### Kansas Standard Deduction

The following amounts will be the **standard deduction for most people** to enter on line 4:

Single.....	\$3,000
Married Filing Joint.....	\$7,500
Head of Household.....	\$5,500
Married Filing Separate.....	\$3,750

If **you or your spouse is over 65 and/or blind**, complete WORKSHEET I, Standard Deduction for People 65 or Older and/or Blind, to determine your standard deduction.

If **you are being claimed as a dependent** on another taxpayer's return and line 1 of Form K-40 includes income other than earned income, complete WORKSHEET II, Standard Deduction for People Claimed as a Dependent, to determine your standard deduction.

### WORKSHEET I - Standard Deduction for People 65 or Older and/or Blind

Check if:	You were 65 or older	<input type="checkbox"/>	Blind	<input type="checkbox"/>
	Spouse was 65 or older	<input type="checkbox"/>	Blind	<input type="checkbox"/>
<b>Filing status:</b>	<b>Boxes checked:</b>	<b>Enter on line 4:</b>		
Single	1	\$ 3,850		
	2	\$ 4,700		
Married Filing Joint	1	\$ 8,200		
	2	\$ 8,900		
	3	\$ 9,600		
	4	\$10,300		
Married Filing Separate	1	\$ 4,450		
	2	\$ 5,150		
	3	\$ 5,850		
	4	\$ 6,550		
Head of Household	1	\$ 6,350		
	2	\$ 7,200		

**WORKSHEET II - Standard Deduction for People Claimed as a Dependent**

1. Enter the amount of your earned income .....	\$	_____
2. Minimum standard deduction.....	\$	500.00
3. Enter the larger of lines 1 or 2 .....	\$	_____
4. Enter the amount for your filing status.....	\$	_____
Single: \$3,000      Married filing joint: \$7,500 Head of household: \$5,500      Married filing separate: \$3,750		
5. Enter lesser of lines 3 or 4. <b>Stop here</b> if under 65 and not blind. Enter result on line 4, K-40.....	\$	_____
6. a. Check all that apply: You were 65 or older <input type="checkbox"/> Blind <input type="checkbox"/>		
Spouse was 65 or older <input type="checkbox"/> Blind <input type="checkbox"/>		
b. Number of boxes checked		_____
c. Multiply 6b by \$850 (\$700 if married filing joint or married filing separate).....	\$	_____
7. Add lines 5 and 6c. Enter result here and on line 4, K-40 .....	\$	_____

**Kansas Itemized Deductions**

You may itemize your deductions on your Kansas return **ONLY** if you itemized your deductions on your federal return. To compute your Kansas itemized deductions you must complete Part C of Schedule S (see page 19).

**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 and enter result.

**LINE 7 (Taxable income):** Subtract line 6 from line 3; if less than zero, enter 0.

**TAX COMPUTATION**

**LINE 8 (Tax):** If line 7 is **\$100,000 or less**, use the **Tax Tables** beginning on page 20 to find the amount of your tax. If line 7 is **more than \$100,000**, you will need to use the **Tax Computation Worksheet** on page 27 to compute your tax.

If you are **filing as a resident**, skip lines 9 and 10 and proceed to line 11. If you are **filing as a nonresident**, you must complete Part B of Schedule S.

**LINE 9 (Nonresident percentage):** Enter the percentage from Schedule S, 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 IRC 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 (from federal Form 4972) on line 11. If a nonresident, leave line 11 blank.

If you are paying 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 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 income tax):** If you are filing as a **resident**, add lines **8** and **11** and enter result on line 12. If you are filing this return as a **nonresident**, enter the amount from line 10 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.

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 and the income derived from the other state must be included in your Kansas adjusted gross income (KAGI), line 3 of Form K-40. The tax liability is **NOT** the amount of tax withheld for the other state. **Important**—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.

**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. **Important**—If claiming a foreign tax credit, and you completed federal Form 1116, enclose a copy with your Kansas return.

**Worksheet for Foreign Tax Credit**

2018 tax paid to the foreign country .....	\$	_____
<b>LESS:</b> Federal foreign tax credit allowed .....	\$	_____
<b>EQUALS:</b> Kansas foreign tax limitation. 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: 1) your KAGI (line 3) includes income earned in the other state(s); **and** 2) 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” that follows. Complete the tax return(s) for the other state(s) and the income or earnings tax return filed with any local jurisdiction. If a return was not required for the local jurisdiction, complete a local return showing the amount of tax paid to the local jurisdiction and include it with your K-40 before using the worksheet.

The amount of income tax paid to another state includes tax paid to that state and to any local political subdivision.

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 of your Form K-40.

**Worksheet for Residents**

1. 2018 income tax that was actually <b>paid</b> to the other state (including political subdivisions thereof) .....	\$	_____
2. Total Kansas income tax (line 12, Form K-40) ..	\$	_____
3. Total income derived from other state <b>and</b> included in KAGI .....	\$	_____
4. KAGI (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 <b>lesser</b> of line 1 or line 6 here and on line 13, Form K-40.....	\$	_____



**Taxes Paid to Other States by Part-year Residents that file as Nonresidents**

If filing as a nonresident of Kansas you may claim this income tax 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 your 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. 2018 tax that was paid to the other state.....	\$ _____
2. Total income 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. Modified Kansas source income (line B21, Part B of Schedule S) .....	\$ _____
5. Income earned in the other state while a Kansas resident (amount of adjusted source income in the other state for which you are taking a tax credit and included in your Kansas adjusted gross income KAGI) .....	\$ _____
6. Percentage limitation (divide line 5 by line 3) .....	_____ %
7. 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) .....	\$ _____

Individuals claiming any of the following income tax credits must have a valid Social Security Number (SSN) for the entire year in which tax credits are claimed. A valid SSN is also required for each individual being claimed as a dependent, and spouse if married filing joint. An **Individual Taxpayer Identification Number (ITIN)** is a tax processing number issued by the Internal Revenue Service (IRS) and **NOT** a valid identification number for the Kansas income tax return and credits.

**LINE 14 (Credit for child and dependent care expenses):** *This credit is available to residents only - nonresidents and part-year residents are not eligible. Multiply amount of credit allowed against your federal tax liability (federal Form 2441) by 12.5% and enter the result on line 14.*

**Line 15 (Other credits):** Enter the total of all tax credits for which you are eligible. In claiming credits, you must complete and enclose the applicable schedule(s) with your Form K-40.

Adoption .....	K-47
Angel Investor.....	K-30
Business and Job Development (for carry forward use only) .....	K-34
Community Service Contribution .....	K-60
Declared Disaster Capital Investment (for carry forward use only) ...	K-87
Disabled Access .....	K-37

Electric Cogeneration Facility (for carry forward use only).....	K-83
High Performance Incentive Program (HIP).....	K-59
Historic Preservation .....	K-35
Individual Development Account .....	K-68
Kansas Center for Entrepreneurship .....	K-31
Low Income Student Scholarship .....	K-70
Owners Promoting Employment Across Kansas (PEAK).....	K-88
Plugging Abandoned Gas or Oil Well (for carry forward use only)....	K-39
Research and Development (for carry forward use only) .....	K-53
Rural Opportunity Zone .....	K-89
Storage and Blending Equipment (for carry forward use only) .....	K-82
Venture and Local Seed Capital (for carry forward use only) .....	K-55

**LINE 16 (Subtotal):** Subtract lines 13, 14 and 15 from line 12 and enter the result.

**LINE 17 (Earned income tax credit (EITC)):** This credit is for residents only – not part-year residents or nonresidents – and is a percentage of the federal EITC. Complete the following worksheet to determine your **Kansas** credit amount. **Important**—If you choose to have the IRS compute your federal EITC and do not receive the information from the IRS before the deadline to file your Kansas return, you should complete Form K-40 without the credit and pay any amount you owe. Once the IRS sends you the completed EITC figures, you may then file an amended Kansas return to claim the credit. See Amending Your Return on page 5.

Earned Income Tax Credit (EITC) Worksheet	
1. Federal EITC (from your federal tax return) .....	\$ _____
2. Kansas EITC (multiply line 1 by 17%).....	\$ _____
3. Enter amount from line 16 of Form K-40.....	\$ _____
4. Total (subtract line 3 from line 2).....	\$ _____
If line 4 is a <b>positive</b> figure, enter the amount from line 3 above on line 17 of Form K-40. Then enter amount from line 4 on line 25 of Form K-40.	
If line 4 is a <b>negative</b> figure, enter the amount from line 2 above on line 17 of Form K-40. Then enter zero (0) on line 25 of Form K-40.	

**LINE 18 (Food sales tax credit):** Enter your food sales tax credit as computed on Line H, front of Form K-40.

**LINE 19 (Tax balance after credits):** Subtract lines 17 and 18 from line 16 and enter result (cannot be less than zero).

**USE TAX**

**LINE 20 (Use tax due):** If you made purchases of items from retailers located outside of Kansas on which no sales tax was paid (including freight, shipping or handling fees), complete line 20. If you are unsure as to the amount of tax due, use the following chart to estimate it for calendar year 2018. **Estimated amounts from this chart do not supersede actual amount of use tax owed.** See page 2 for more information about the Kansas Use Tax.

If line 3, K-40 is:	Use Tax is:	If line 3, K-40 is:	Use Tax is:
\$ 0 - \$15,000	\$ 6	\$45,001 - \$60,000	\$44
\$15,001 - \$30,000	\$19	\$60,001 - \$75,000	\$57
\$30,001 - \$45,000	\$32	\$75,001 and over	line 3 X .084%

**LINE 21 (Total tax balance):** Add amounts on lines 19 and 20 and enter the result on line 21.

**WITHHOLDING AND PAYMENTS**

**LINE 22 (Kansas income tax withheld):** Add the Kansas withholding amounts shown on your W-2 forms and/or 1099 forms



and enter the total on line 22. 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.

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

**LINE 23 (Estimated tax paid):** Enter the total of your 2018 estimated tax payments plus any 2017 overpayment you had credited forward to 2018.

**LINE 24 (Amount paid with Kansas extension):** Enter the amount paid with your request for an extension of time to file.

**LINE 25 (Refundable portion of earned income tax credit (EITC)):** If you have a refundable credit amount shown on line 4 of your EITC Worksheet, enter that amount on line 25.

**LINE 26 (Refundable portion of tax credits):** Enter the refundable portion of all other tax credits. Enclose a copy of the schedule(s) with your return.

**LINE 27 (Payments remitted with original return):** Use this line ONLY if you are filing an amended K-40 for the 2018 tax year. Enter the amount of money you remitted to the Department of Revenue with your original 2018 return. Also include the amount of a pending debit transaction you may have scheduled with your original return.

**LINE 28 (Overpayment from original return):** Use this line ONLY if you are filing an amended K-40 for the 2018 tax year. Enter the amount of overpayment shown on your original return. Since the amount on this line had been either refunded or credited forward, this will be a subtraction entry.

**LINE 29 (Total refundable credits):** Add lines 22 through 27 and subtract line 28. Enter result on line 29.

#### BALANCE DUE

**LINE 30 (Underpayment):** If your tax balance on line 21 is greater than your total credits on line 29, enter the difference on line 30.

If the amount on line 30 is not paid by the due date, penalty and interest will be added (see rules outlined for lines 31 and 32).

**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 31 (Interest):** Using the amount on line 30, compute interest at .5% for each month (or fraction thereof) from the original due date of the return.

**LINE 32 (Penalty):** Using the amount on line 30, compute penalty at 1% per month (or fraction thereof) from the original due date of the return. The maximum penalty is 24%.

**LINE 33 (Estimated tax penalty):** An estimated tax penalty may be due if the total of your withholding and estimate tax payments (lines 22 and 23) subtracted from line 19 is \$500 or more. Complete Schedule K-210 to determine the penalty amount to enter on line 33. There are two exceptions: **1)** if withholdings and/or estimated payments (lines 22 and 23) equal or exceed 100% of the prior year's tax liability (line 18 from last year's return) or, **2)** if your withholdings and/or estimated payments (lines 22 and 23) equal or exceed 90% of this year's total income tax (line 19). **Important**—If at least two-thirds of your income is from farming or fishing, mark an "X" in the box on line 33.

**LINE 34 (Amount you owe):** Add lines 30 through 33 and enter the total on line 34. 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 37 through 43, 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 three options to pay your Kansas income tax: credit card, direct payment, or check/money order.

#### Credit Card

Payment by credit card is available online through third-party vendors. Visit our Electronic Services website at [ksrevenue.org](http://ksrevenue.org) for a current list of vendors authorized to accept individual income tax payments for Kansas. A convenience fee, based on the amount of tax you are paying, 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. Electronic payments can also be made if you file a paper return by calling 785-368-8222; or log into our *Customer Service Center* at [ksrevenue.org](http://ksrevenue.org) for an online transaction.

When you select Direct Payment and provide your bank routing number and account number, you are authorizing the Department of Revenue 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 March 20 and elect Direct Payment, you can have your bank account debited on the due date (see *When to File* on page 4).

With Direct Payment, you are also assured that your payment is made on time. Direct payment authorizations on returns filed by midnight of the due date (see page 4) are considered to be timely paid. **Important**—You should check with your financial institution to be sure they allow an electronic debit (withdrawal) from your account.

Direct Payment saves time – no check to write and no voucher to complete and mail. If you need to revoke this payment authorization, you must notify the Department of Revenue at 785-368-8222 by 4:00 PM, two business days before the scheduled payment date.

#### Check or Money Order

If you choose to pay by check or money order, **you must complete and submit Form K-40V with your payment.** Write the last 4 digits of your Social Security number on your check or money order (example: XXX-XX-1234), ensure it contains a valid telephone number, and make it payable to *Kansas Income Tax*. If making a payment for someone else (i.e., daughter, son, parent), write that person's name, telephone number, and last 4 digits of their Social Security number (as shown in the example above) on the check. DO NOT send cash. DO NOT staple or tape your payment to the K-40V or K-40 – instead, enclose it loosely with your return.

Returned checks: A fee of \$30.00 plus costs for a registered letter will be charged on all returned checks.

#### OVERPAYMENT

**LINE 35 (Overpayment):** If your tax balance, line 21, is less than your total credits, line 29, enter the difference on line 35. **Note:** An overpayment less than \$5 will not be refunded but may be carried forward as a credit to next year's return (line 36), or contributed to any of the donation programs on lines 37 through 43.

**LINE 36 (Credit forward):** Enter the portion of line 35 you wish to have applied to your 2019 Kansas estimated income tax (must be \$1 or more). If the amount is less than \$5, you may carry it forward to 2019 as an additional credit, even if you do not make estimated tax payments. Additionally, you may make voluntary contributions to any of the donation programs listed on lines 37 through 43 – 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 37 (Chickadee checkoff):** Contributions to the Chickadee Checkoff Program are allocated to programs focused on species, habitat, outreach, and education. These programs allow us to address multiple objectives within our State Wildlife Action Plan. Specific projects include:

- Assess and monitor populations of Kansas Species of Greatest Conservation Need.
- Assess impacts of development actions on endangered species.
- Fund experiential learning opportunities for elementary, middle, and high school students.
- Preparation and publication of education materials
- Support citizen science and watchable wildlife opportunities

To contribute, enter \$1 or more on line 37.

**LINE 38 (Meals on Wheels contribution program for senior citizens):** Contributions are used solely for the purpose of funding the senior citizens Meals On Wheels program. The meals are prepared by a dietary staff and delivered by volunteers. The objective of the program is to prevent deterioration of the elderly and disabled 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 daily visits are important in case of an emergency situation. To contribute, enter \$1 or more on line 38.

**LINE 39 (Kansas breast cancer research fund):** This fund is devoted to ending suffering and death from breast cancer. Every dollar collected stays in Kansas to bring the latest in prevention, early detection, diagnosis, and treatment. Research is conducted at the University of Kansas Cancer Center. With hopes of finding a cure, these donations are used to help save lives and significantly enhance the health of Kansans living with breast cancer. To contribute, enter \$1 or more on line 39.

**LINE 40 (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. To contribute, enter \$1 or more on line 40.

**LINE 41 (Kansas hometown heroes fund):** All contributions are used solely for the purpose of advocating and assisting Kansas Veterans, dependents and survivors ensuring they receive all federal and state benefits they have earned. To contribute, enter \$1 or more on line 41.

**LINE 42 (Kansas creative arts industry fund):** The creative arts industry makes a significant impact on communities across Kansas every day. All money generated from this fund helps the Kansas Creative Arts Industries Commission (KCAIC) support this important industry. Together, the KCAIC and Kansas arts organizations are leveraging the creative arts to grow the Kansas economy, create jobs and better the state. To contribute, enter \$1 or more on line 42.

**LINE 43 (School district contribution fund):** Contributions to this fund help finance education for students in school districts across Kansas. Your donation of \$1 or more will go to the school district of your choice by entering the three-digit school district number in the spaces provided in line 43. Visit our website at [ksrevenue.org](http://ksrevenue.org) for a list of school districts within Kansas.

**LINE 44 (Refund):** Add lines 36 through 43 and subtract line 35. This is your refund amount. If line 44 is less than \$5 it will not be refunded, however, you may carry it forward to be applied to your 2019 Kansas income tax liability (enter the amount on line 36). If you carry it forward, remember to claim it as an estimate payment on your 2019 return. Or, you may apply a refund less than \$5 to one of the donation programs on lines 37 through 43.

If you file a **paper K-40**, 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-back cover.

#### Refund Set-off Program

Kansas law provides that if you owe any delinquent debt (state or federal tax, child support, student loans, etc.) to a Kansas state agency, municipality, municipal court or district court; to the IRS; or, to the Missouri Department of Revenue, 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.**

Unless the debt is a Kansas tax debt, the Kansas Department of Revenue will not have access to who the debt is owed to or how much is owed. You must contact the debtor setoff department at **785-296-4628** for that information.

#### SIGNATURE(S)

**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.

Returns filed on behalf of a decedent must 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 5).

**Preparer authorization box:** It may be necessary for the Department of Revenue to contact you with questions. By marking the box above the signature line, you are authorizing the director or director's designee to discuss your return and enclosures with your tax preparer.

**Mailing your return:** Before mailing your income tax return, be sure you have:

- ✓ completed all required information on the return;
- ✓ written your numbers legibly in the spaces provided;
- ✓ **enclosed Schedule S** if you have a modification on line 2, if you filed as a nonresident or part-year resident, or if you itemized your deductions for Kansas;
- ✓ **enclosed Form K-40V** if you are making a tax payment; and,
- ✓ signed your return.

**NOTE:** If your K-40 is filed with a Kansas address, do not include a copy of your federal return; however, keep a copy of it in case the Kansas Department of Revenue requests it at a later date. **If your K-40 shows an address other than Kansas, you must enclose a copy of your federal return** (1040, applicable Schedules A-F and Schedules 1-6).

**INSERT FRONT OF 2018 FORM K-40**

**INSERT BACK OF 2018 FORM K-40**



**INSERT FRONT OF 2018 SCHEDULE S**

**INSERT BACK OF 2018 SCHEDULE S**

# KANSAS UNDERPAYMENT OF ESTIMATED TAX (INDIVIDUAL INCOME TAX)

Name as shown on Form K-40

Social Security Number

**CURRENT AND PRIOR YEAR INFORMATION**

1. Amount from line 19, 2018 Form K-40 .....
2. Multiply line 1 by 90% (farmers and fishers multiply by 66 2/3%) .....
3. Prior year's tax liability (from line 18, 2017 Form K-40) .....
4. Enter the total amount of your 2018 Kansas income tax withheld .....

1	
2	
3	
4	

**NOTE: If any due date falls on a Saturday, Sunday, or legal holiday, substitute the next regular work day.**

**PART I – EXCEPTIONS TO THE PENALTY**

5. Cumulative total of your 2018 withholding .....
6. Cumulative timely paid estimated tax payments from January through each payment due date.....
7. Total amount withheld and timely paid estimate payments (add lines 5 and 6).....
8. Exception 1 – Cumulative amount from either line 2 or line 3, whichever is less .....
9. Exception 2 – Tax on annualized 2018 income; enclose computation. (Farmers/fishers use line 9b) ....

	1/1/18 - 4/15/18	1/1/18 - 6/15/18	1/1/18 - 9/15/18	1/1/18 - 1/15/19
5				
6				
7				
8	25% of line 2 or 3	50% of line 2 or 3	75% of line 2 or 3	100% of line 2 or 3
9a	22.5% of tax	45% of tax	67.5% of tax	90% of tax
9b				66.66% of tax

**PART II – FIGURING THE PENALTY**

10. Amount of underpayment. Enter the sum of line 8 less line 7; line 9a less line 7; or, line 9b less line 7, whichever is applicable .....
11. Due date of each installment .....
12. Number of days from the due date of the installment to the due date of the next installment or 12/31/18, whichever is earlier. If paid late, see instructions .....
13. Number of days from 1/15/19 to date paid or 4/15/19, whichever is earlier. If paid late, see instructions .....
14. Line 12 X 5% X amount on line 10 .....  
365
15. Line 13 X 6% X amount on line 10 .....  
365
16. Penalty (add lines 14 and 15) .....

10				
11	4/15/18	6/15/18	9/15/18	1/15/19
12	61	92	107	
13			15	
14				
15				
16				

17. Total penalty. Add amounts on line 16 and enter the total here and on line 33, Estimated Tax Penalty, on the back of Form K-40 .....

17	
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# INSTRUCTIONS FOR SCHEDULE K-210

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

## WHO MAY USE THIS SCHEDULE

If you are an individual taxpayer (including farmer or fisher), use this schedule to determine if your income tax was fully paid throughout the year by withholding and/or estimated tax payments. If your 2018 tax due (line 19 of Form K-40 — DO NOT include compensating tax from line 20 of the K-40), less withholding and tax credits (excluding estimated tax payments made) is \$500 or more, you may be subject to an underpayment of estimated tax penalty and must complete this form.

Taxpayers (other than farmers or fishers) are not required to make a payment for the January 15th quarter if a Form K-40 was filed and the tax was paid in full on or before January 31, 2019.

**Farmers and Fishers:** If at least two-thirds of your annual gross income is from farming or fishing and you filed Form K-40 and paid the tax on or before March 1, 2019, you may be exempt from any penalty for underpayment of estimated tax. If exempt, write "Exempt-farmer/fisher" on line 1 and do not complete the rest of this schedule. If you meet this gross income test, but you did not file a return and pay the tax on or before March 1, 2019, you must use this schedule to determine if you owe a penalty for underpayment of estimated tax.

## COMPLETING THIS SCHEDULE

Enter your name and your Social Security number in the space provided at the top of this schedule.

**LINES 1 through 4:** Complete these lines based on information on your income tax return for this tax year and last tax year.



If you did not file an income tax return for the prior tax year, or if you did file a return but your income tax balance (line 19, Form K-40) was zero, then enter zero on line 3 of this schedule.

## PART I – EXCEPTIONS TO THE PENALTY

You are NOT subject to a penalty if your 2018 tax payments (line 7) equal or exceed the amounts for one of the exceptions (lines 8 or 9a or 9b) for the same payment period.

**LINE 5:** Multiply the amount on line 4 by the percentage shown in each column of line 5.

**LINE 6:** Enter the cumulative amount of timely paid estimated tax payment made in each quarter. For example, Column 3 will be the total of your estimated tax payments made from January 1 through September 15, 2018.

**LINE 7:** For each column, add lines 5 and 6 and enter the result on line 7.

**LINE 8:** *Exception 1* applies if the amount on line 7 of a column equals or exceeds the amount on line 8 for the same column. Multiply line 2 or 3 (whichever is less) by the percentages shown in each column of line 8. **If the amount on line 7 (for each column) is equal to or greater than the amount on line 8 (for each column) – no penalty is due and no further entries are required.**

**LINE 9:** *Exception 2* applies if your 2018 tax payments equal or exceeds 90% (66 2/3% for farmers and fishers) of the tax on your annualized income for these 2018 periods:

January 1 – March 31	Multiply income by 4
January 1 – May 31	Multiply income by 2.4
January 1 – August 31	Multiply income by 1.5
January 1 – December 31	Multiply income by 1

This exception applies if the amount on line 7 exceeds the amount on line 9a or 9b (as applicable). If you are a farmer or fisher, you will only complete the last column on line 9b.

**For example,** to figure the first column, total your income from January 1 to March 31, 2018 and multiply by 4. Subtract your deductions (standard or itemized) and your exemption allowance amount. Using this net annualized income figure, compute the tax. Multiply the tax by the percentage rate in the first column.

Repeat these instructions for the remaining three columns, using the multiplication factors given above to annualize the income for that period. Enclose a schedule showing your computation of annualized income and tax amounts. **If the amount on line 7 (for each column) is equal to or greater than the amount on line 9a (for each column), or line 9b, for farmers or fishers – no penalty is due and no further entries are required.**

## PART II – FIGURING THE PENALTY

**LINE 10:** Enter on line 10 the amount of underpayment of tax, which is the **lesser** of one of the following computations:

- Line 8 less line 7; **or**,
- Line 9a less line 7; **or**,
- Line 9b less line 7

**LINE 11:** This line contains the due date of each installment for a calendar year taxpayer.

**LINE 12:** The number of days on line 12 are precomputed for a calendar year taxpayer that made timely payments. If you did not make timely payments, you should disregard the precomputed number of days on line 12 and compute the number of days on each quarter to the date paid.

**EXAMPLE:** If you paid the 6/15/18 installment on 6/28/18 the number of days to enter on line 12, column 2 will be computed from 6/15/18 to 6/28/18, which equals 13 days. If you then paid the next quarter timely at 9/15/18, the number of days will be from 9/15/18 to 1/15/19, which equals the 122 days (107 already entered + 15).

**LINE 13:** The penalty rate begins in column 3 for a calendar year taxpayer, therefore no entry is required in columns 1 and 2. The 15 days in the 3rd column are from 1/1/19 to 1/15/19. If you did not make timely payments, you should disregard the precomputed number of days on line 13 and compute the number of days on each quarter to the date paid.

- If you file your return prior to 1/15/19, enter in the third column the number of days from 1/1/18 to the date filed and disregard the precomputed number of days (15) entered on line 13.
- The fourth column must be completed by you. Enter the number of days from 1/15/19 to the date the return was filed and paid.

**LINES 14 and 15:** Penalty is computed to 12/31/18 at 5% and from 1/1/2019 to the date the tax was paid or 4/15/19, whichever is earlier, at 6%.

**LINE 16:** For each column, add lines 14 and 15 and enter the result on line 16.

**LINE 17:** Add the amounts on line 16 together and enter the result on line 17. Also enter this amount on Form K-40, line 33, Estimated Tax Penalty.



# Schedule S Instructions

**CAUTION:** Line numbers on Schedule S that reference federal Form 1040 are from the 2017 tax forms and subject to change for 2018.

## PART A – MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

### Additions to Federal Adjusted Gross Income (AGI)

If you have income that is not taxed or included on your federal return but is taxable to Kansas, complete lines A1 through A6.

**LINE A1:** Enter interest income received, credited or earned during the taxable year from any state or municipal obligations such as bonds and mutual funds. Reduce the income by any related expenses (management or trustee fees, etc.) directly incurred in purchasing the 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 exempt 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; and, 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:** Individuals affected are state employees, teachers, school district employees and other regular and special members of the Kansas Public Employees' Retirement System (KPERs); and regular and special members of the Kansas Police and Firemen's Retirement System, as well as members of the Justice and Judges Retirement System. **Current employees:** Enter amount you contributed from your salary to KPERs as shown on your W-2 form, typically box 14. **Retired employees:** If you are receiving KPERs retirement checks, the amount of your retirement income is subtracted on line A11. Make no entry on this line unless you also made contributions to KPERs during 2018 (for example, you retired during 2018). Lump Sum Distributions: If you received a lump sum KPERs distribution during 2018, include on line A2 your 2018 KPERs contributions and follow the instructions for line A16.

**LINE A3:** If you have a Kansas expensing recapture amount from Schedule K-120EX, enter the amount on line A3 and enclose a copy of your completed K-120EX and federal Form 4562.

**LINE A4:** Enter the amount of any charitable contribution claimed on your federal return used to compute Low Income Student Scholarship credit on Schedule K-70.

**LINE A5:** Enter amounts for the following additions.

- **Federal Income Tax Refund.** Generally, there will be no entry for this unless you amended your federal return for a prior year due to carry back of an investment credit or a net operating loss which resulted in you receiving a federal income tax refund in 2018 for that prior year.
- **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.** Charitable contributions claimed on your federal return used to compute the community service contribution credit on Schedule K-60.
- **Learning Quest Education Savings Program (LQESP).** Any "nonqualified withdrawal" from the LQESP.
- **Amortization – Energy Credits.** Allowable amortization deduction claimed on the federal return relating to credit Schedule K-73, K-77, K-79, K-82, or K-83 and amounts claimed

in determining federal AGI on carbon dioxide recapture, sequestration or utilization machinery and equipment, or waste heat utilization system property.

- **Ad Valorem or Property Taxes.** Ad Valorem or property taxes paid by a nonresident of Kansas to a state or local government outside 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 to the extent they are claimed as an itemized deduction for federal income tax purposes.
- **Abortion Expenses.** Total amount of credit(s) allowed on your federal return that includes coverage of, reimbursement for, or credit/partial credit for, abortion or abortion expenses.

**LINE A6:** Add lines A1 through A5 and enter result on line A6.

### Subtractions from Federal Adjusted Gross Income (AGI)

If you have items of income that are taxable on your federal return but not to Kansas, then complete lines A7 through A17.

**LINE A7:** If the amount on Line 1 of Form K-40 is \$75,000 or less, enter the amount received as benefits in 2018 under the Social Security Act (including SSI) to the extent these benefits are included in your federal AGI. **Do not make an entry** if your social security benefit is not subject to federal income tax.

**LINE A8:** Enter amounts withdrawn from a qualified retirement account and include any earnings thereon to the extent that amounts withdrawn were: 1) originally received as a KPERs lump sum payment at retirement and rolled over into a qualified retirement account, and 2) included in your federal AGI (line 1 of Form K-40). **Do not make an entry** if the amount withdrawn consists of income 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 KPERs.

**LINE A9:** Enter 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 AGI. 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 investing in both exempt and taxable federal obligations, you may subtract only that portion of the distribution attributable to the exempt federal obligations. Retain a schedule showing the name of each U.S. Government obligation interest deduction claimed, as it may be requested by the Department of Revenue 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:** Enter any state or local income tax refund included as income on your federal return. **NOTE:** Your 1099-G **MUST** be obtained from the Kansas Customer Service Center at [www.ksrevenue.org](http://www.ksrevenue.org).

**LINE A11:** If you are **receiving** retirement benefits/pay, report on this line **benefits** exempt from Kansas income tax (do not include Social Security benefits). 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. Enter total amount of benefits received from the

following plans that was included in your federal AGI. Do not enclose copies of the 1099R forms, instead keep copies for your records for verification by the Department of Revenue at a later date.

- 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
- Retirement plans administered by the U.S. Railroad Retirement Board, including U.S. Railroad Retirement Benefits, tier I, tier II, dual vested benefits, and supplemental annuities
- Kansas Public Employees' Retirement (KPERS) annuities
- Kansas Police and Firemen's Retirement System pensions
- Distributions from Police and Fire Department retirement plans for the city of Overland Park, Kansas
- Kansas Teachers' Retirement annuities
- Kansas Highway Patrol pensions
- Kansas Justices and Judges Retirement System annuities
- Board of Public Utilities pensions
- 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 KPERS

**LINE A12:** Enter amount of military compensation earned in tax year 2018 **only** if you are a **nonresident** of Kansas. See **MILITARY PERSONNEL**, herein. Also enter 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 A13:** Enter contributions deposited in the Learning Quest Education Savings Program (LQESP) or qualified 529 tuition programs (as defined under IRC Section 529) established by another state, up to \$3,000 per student (beneficiary); or \$6,000 per student (beneficiary) if your filing status is married filing joint. You may have your direct deposit refund sent directly to your LQESP account. Visit [learningquest.com](http://learningquest.com) for details about saving money for higher education.

**LINE A14:** Enter amounts of a recruitment, sign up or retention bonus received as incentive to join, enlist or remain in the armed forces (including Kansas Army and Air National Guard), to the extent they are included in federal AGI. Also enter amounts received for repayment of education 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 they are included in federal AGI.

**LINE A15:** Enter contributions deposited in an **Achieving a Better Life Experience (ABLE)** account established under the Kansas ABLE savings program or a qualified ABLE program established and maintained by another state or agency or instrumentality thereof (as defined under IRC Section 529A) up to \$3,000 per beneficiary; or \$6,000 per beneficiary if your filing status is married filing joint. For details about ABLE saving accounts for qualified disability expenses, please visit Kansas ABLE Saving Plans at <https://savewithable.com/ks/home.html>

**LINE A16:** Enter a total of the following subtractions from your federal AGI. You may not subtract the amount of your income reported to another state.

- **Jobs Tax Credit.** Federal targeted jobs tax credit disallowance claimed on your federal income tax return.
- **Kansas Venture Capital, Inc. Dividends.** Dividend income received from Kansas Venture Capital, Inc.

- **KPERS Lump Sum Distributions.** Employees who terminated KPERS employment after 7/1/84, 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 AGI.
- **Partnership, S Corporation, or Fiduciary Adjustments.** The proportionate share of any required subtraction adjustments on income received from a partnership, S corporation, joint venture, syndicate, trust or estate. The partnership, S corporation, or trustee will provide you with 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.** Gain from the sale of Kansas turnpike bonds that was included in your federal AGI.
- **Electrical Generation Revenue Bonds.** Gain from the sale of electrical generation revenue bonds, included in your federal AGI.
- **Native American Indian Reservation Income.** Income earned on a reservation by a native American Indian residing on his or her tribal reservation, to the extent it is included in federal AGI.
- **Amortization – Energy Credits.** Allowable amortization deduction relating to credit schedule K-73, K-77, K-79, K-82 or K-83, and the allowable amortization deduction 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% for each of the succeeding nine years.
- **Organ Donor Expenses.** Unreimbursed travel, lodging, and medical expenditures incurred by you or your dependent, while living, for the donation of human organ(s) to another person for transplant; to the extent that the expenditures are included in your federal AGI. This subtraction modification cannot exceed \$5,000. See **NOTICE 14-03** for more information.

**LINE A17:** Add lines A7 through A16 and enter result.

**LINE A18:** Subtract line A17 from line A6 and enter the result here and on line 2 of Form K-40. **If line A17 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 – INCOME ALLOCATION FOR NONRESIDENTS AND PART-YEAR RESIDENTS**

If you are filing as a nonresident or part-year resident, complete this section to determine what percent of your total income from all sources and states is from Kansas sources.

### **Income**

**LINES B1 through B11:** In the left-hand column, enter the amounts from your 2018 federal return. In the right-hand column enter amounts from Kansas sources.

A part-year resident electing 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 items were from Kansas sources), and 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 from a nonresident estate or trust that received

income from Kansas sources; and, 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 U.S., performed during an induction period; and, qualified disaster relief payments under federal IRC Section 139.

**LINE B12:** Add lines B1 through B11 and enter result.

### **Adjustments to Income**

In the *Federal* column enter adjustments to income as shown on your federal return. Federal adjustments are allowed to Kansas source income only as they apply to income related to Kansas. To support entries on lines B13 through B17, enclose a separate sheet with your calculations for amounts entered as Kansas source income. NOTE: The instructions for the following lines apply to the *Amount from Kansas Sources* column only.

**LINE B13:** Enter any IRA payments applicable to particular items of Kansas source income.

**LINE B14:** Enter only those penalties for early withdrawal assessed during Kansas residency.

**LINE B15:** 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:** Enter only those moving expenses incurred in 2018 for a move into Kansas.

**LINE B17:** Enter total of all other allowed Federal Adjustments\* including, but not limited to those in the following list.

- 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 – amount of the federal deduction applicable to income earned in Kansas.
- Business expenses for Reservists, Artists and fee-basis government officials – 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. **Note:** At the time these instructions went to print, some tax benefits had expired. This includes the deduction for qualified tuition and fees. To find out if legislation extended this provision, go to [IRS.gov/Form1040](http://IRS.gov/Form1040).
- Educator Expenses – the portion of the federal deduction applicable to income earned in Kansas.

\* This is the list of allowed federal adjustments as of publication of these instructions (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 2018 (not already entered on lines B13 through B16).

**LINE B18:** Add lines B13 through B17 and enter result.

**LINE B19:** Subtract line B18 from B12 and enter result.

**LINE B20:** 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:** 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:** Enter amount from line 3, Form K-40.

### **Nonresident Allocation Percentage**

**LINE B23:** 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.

## **PART C – KANSAS ITEMIZED DEDUCTIONS**

### **Itemized Deduction Computation**

If you itemized deductions on your federal return and wish to itemize on your Kansas return, you must complete Part C to compute the amount allowable for Kansas.

**LINE C1:** Enter in the first space the amount of expenses for medical care allowable as deductions in section 213 of the federal IRC from line 4 of your federal Schedule A. Multiply this amount by 50% and enter the result in box C1.

**LINE C2:** Enter in the first space real estate taxes from line 5b of your federal Schedule A. Multiply this amount by 50% and enter the result in box C2.

**LINE C3:** Enter in the first space personal property taxes from line 5c of federal Schedule A. Multiply this amount by 50% and enter the result in box C3.

**LINE C4:** Enter in the first space the total qualified residence interest from lines 8a through 8c of federal Schedule A. Multiply this total by 50% and enter the result in box C4.

**LINE C5:** Enter in box C5, the amount of gifts to charity from line 14 of federal Schedule A.

**LINE C6:** Add lines C1 through C5 and enter the result in box C6. This is the amount of your Kansas itemized deductions to enter on line 4 of Form K-40.

**CAUTION:** Due to the newly redesigned 2018 IRS U.S. Individual Income Tax Return (Form 1040) and Itemized Deductions (Form 1040 Schedule A), references to the federal form numbers listed on the Kansas forms K-40 and Schedule S may have changed. Do not rely solely upon referenced numbers for calculating your Kansas Itemized Deductions. Please look at the requested information and locate this on your federal form(s) to insure **accurate calculation and to avoid any processing delays.**





















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## Taxpayer Assistance

ksrevenue.org

**Filing.** For questions about Kansas taxes, contact our Taxpayer Assistance Center. If you are eligible, free tax preparation is available through programs such as VITA (offered by the IRS), AARP-Tax Aide, and TCE. These programs have sites throughout the state of Kansas. To find a site near you, call **1-800-829-1040** or visit a local IRS office. To find an AARP site, call **1-888-227-7669** or visit their website at **aarp.org/money/taxes/aarp\_taxaide**.

**NOTE:** Our office has moved and is no longer located in the Docking State Office Building.

Taxpayer Assistance Center  
Scott Office Building - 1st floor  
120 SE 10th Avenue  
PO Box 750260  
Topeka, KS 66675-0260  
*Hours: 8 a.m. to 4:45 p.m. (M-F)*

Phone: 785-368-8222  
Fax: 785-291-3614

**Refunds.** You may check the status of your current year tax refund from our website or by phone. You will need your Social Security number(s) and the expected amount of your refund. When you have this information, visit our website and click **Refund Status** or call 785-368-8222.

**Forms.** If you use paper, file the original forms from this booklet, not a copy; or a form from an *approved* software package. Visit our website for a list of *approved* software vendors.

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## Electronic File & Pay Options

ksrevenue.org

**“NEW AND IMPROVED” - WebFile** is a *simple, secure, fast and free* Kansas electronic filing option. You may use WebFile if you are a Kansas resident or non-resident and have filed a Kansas individual income tax return in the past 3 years. Visit our website and select **Personal Tax** and **File Your State Taxes Online** to get started. If you need assistance signing into the system, contact our office by email at **kdor\_TAC@ks.gov** or call **785-368-8222**.

**IRS e-File** is a *fast, accurate, and safe* way to file a federal and Kansas income tax return. Ask your preparer about e-File or visit our website for a list of authorized e-File providers and software products. Join the 1.3 million taxpayers that used IRS e-File last year!

**Direct Payment** allows you to “file now, pay later” by choosing the date you would like your bank account debited. No check to write or voucher to complete, and nothing to mail to the Kansas Department of Revenue! See the instructions on our website for more information.

**Credit Card** payments for your Kansas tax can be made online through third-party vendors. Services and fees vary, but all vendors accept major credit cards. Visit our website for a list of vendors authorized to accept payments for Kansas.