

KANSAS
ATTRACTING POWERFUL ECONOMIC EXPANSION TAX CREDIT



For the taxable year beginning _____, 20____; ending _____, 20____

Name of taxpayer (as shown on return)	Social Security Number or Employer ID Number (EIN)
If partner, shareholder or member, enter name of partnership, S corporation, LLC or LLP	Employer Identification Number (EIN)

Check One: Qualified Firm Qualified Supplier

PART A – COMPUTATION OF CREDIT AVAILABLE FOR THIS YEAR

- 1. Approved credit as certified by the Department of Commerce 1. _____
- 2. Enter your proportionate share percentage (see instructions)..... 2. _____
- 3. Total credit available (multiply line 1 by line 2)..... 3. _____

PART B – COMPUTATION OF THIS YEAR'S CREDIT

- 4. Amount of tax liability for this tax year after all credits other than this credit. 4. _____
- 5. Amount of credit this tax year (enter the lesser of lines 3 and 4; see instructions)..... 5. _____

PART C – COMPUTATION OF REFUND

- 6. Excess credit to be refunded (subtract line 5 from line 3, cannot be less than zero see instructions)..... 6. _____

PART D – NEW INVESTMENT INFORMATION

- 7. Number of actual jobs created as a direct result of this qualified investment 7. _____
- 8. Additional payroll generated as a direct result of actual jobs created on line 7. 8. _____
- 9. Actual number of jobs retained that would have been eliminated if not for the qualified investment 9. _____
- 10. Payroll for actual jobs retained on line 9. 10. _____
- 11. Additional revenue or loss generated as a direct result of this qualified investment. 11. _____
- 12. Additional sales generated as a direct result of this qualified investment..... 12. _____
- 13. Total employment in the state of Kansas. 13. _____
- 14. Total payroll in the state of Kansas. 14. _____

INSTRUCTIONS FOR SCHEDULE K-28

GENERAL INFORMATION

Qualified Firm

Pursuant to K.S.A. 74-50,313(a) for taxable years commencing after December 31, 2021, a qualified firm that makes a qualified business investment in a qualified business facility of at least \$1,000,000,000 as agreed to by the qualified firm and the Secretary of Commerce and meets the requirements of K.S.A. 74-50,312, and amendments thereto, shall be allowed a credit for such investment against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto.

Qualified Supplier

Pursuant to K.S.A. 74-50,313(b) for taxable years commencing after December 31, 2021, a qualified supplier that makes a qualified investment and meets the requirements of K.S.A. 2022 Supp. 74-50,312, and amendments thereto, shall be allowed a credit for such investment against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252 and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto.

DEFINITIONS

“**Qualified Firm**” means a for-profit business establishment, subject to state income, sales or property taxes that is:

Engaged in one or more of the following industries, as defined by the Secretary of Commerce:

- Advanced manufacturing,
- Aerospace,
- Distribution, logistics and transportation,
- Food and agriculture; or
- Professional and technical services

Engaged in any industry or revenue-producing activity if seeking benefits with respect to a qualified business facility that is the national corporate headquarters of the for-profit business establishment.

Qualified firm does not include a business establishment engaged in mining, swine production, ranching or gaming.

“**Qualified Supplier**” means any business that is a supplier of components, sub-assemblies, chemicals, or other process-related tangible goods, is located in Kansas and that is owned by an individual, any partnership, association, limited liability corporation, or corporation domiciled in Kansas or any business, including any business owned by an individual, any partnership, association, limited liability corporation or corporation, even if the business is a wholly owned subsidiary of a foreign corporation, that operates the qualified supplier in the state of Kansas for the purpose of supplying a qualified firm.

SPECIFIC LINE INSTRUCTIONS

Enter all requested information at the top of this schedule.

Check if you are a qualified firm or qualified supplier certified with the Kansas Department of Commerce.

PART A - COMPUTATION OF CREDIT AVAILABLE FOR THIS YEAR

LINE 1 - Enter the approved credit amount as certified by the Department of Commerce.

LINE 2 – Enter your proportionate share percentage.

Pass-through entities that HAVE NOT elected to be taxed at the entity level.

Partners, shareholders or members, enter the percentage that represents your proportionate share in the partnership, S corporation, LLC or LLP.

Pass-through entities that HAVE elected to be taxed at the entity level.

Electing pass-through entity, enter the percentage that represents the proportionate share of all “electing pass-through entity owners”. Partners, shareholders or members that are NOT “electing pass-through entity owners” (i.e. other pass-through entities and C corporations), enter the percentage that represents your proportionate share in the partnership, S corporation, LLC or LLP.

All other taxpayers, enter 100%.

LINE 3 – Enter the total credit available for this year's investment by multiplying line 1 by line 2.

PART B - COMPUTATION OF THIS YEAR'S CREDIT

LINE 4 – Enter the amount of your Kansas tax liability for this tax year after all credits, other than this credit.

LINE 5 – Enter the lesser of lines 3 or 4. This is the amount of credit allowed against your tax liability this tax year. Enter the amount on the appropriate line of Form K-40, K-41, K-120, K-120S or K-130 return.

PART C - COMPUTATION OF REFUND

LINE 6 – Subtract line 5 from line 3, cannot be less than zero. This is the excess amount of credit to be refunded. Enter the refund amount on the refundable credit line of your K-40, K-41, K-120, K-120S or K-130 return.

PART D - NEW INVESTMENT INFORMATION

LINES 7 through 14 - As a condition for claiming credits, any qualified firm or qualified supplier shall provide information pursuant to K.S.A. 79-32,243. It is important that the information provided in Part D is for the entity claiming the tax credit.

LINE 7 - Enter the number of actual jobs this taxpayer has created during this tax period as a direct result of the qualified investment.

LINE 8 - Enter the total compensation paid during this tax period for the employees identified on line 7.

LINE 9 - Enter the number of actual jobs that have been retained by this taxpayer during this tax period that would have been eliminated if not for the qualified investment.

LINE 10 - Enter the total compensation paid during this tax period for the employee(s) identified on line 9.

LINE 11 - Enter the income or loss generated during this tax period as a direct result of the qualified investment made.

LINE 12 - Enter the sales generated during this tax period as a direct result of the qualified investment made.

LINE 13 - Enter the entity's total number of employees in the state of Kansas for this tax period.

LINE 14 - Enter the total amount of compensation paid during this tax period for the total number of employees on line 13.

TAXPAYER ASSISTANCE

Questions you may have about qualifying for the attracting powerful economic expansion program should be addressed to:

Kansas Department of Commerce
1000 SW Jackson ST, Suite 100
Topeka KS 66612-1354
Phone: 785-296-5298
kansascommerce.gov

For assistance in completing this schedule contact the Kansas Department of Revenue:

Taxpayer Assistance Center
Scott Office Building
120 SE 10th Ave
PO Box 750260
Topeka KS 66699-0260
Phone: 785-368-8222
Fax: 785-291-3614
ksrevenue.gov

Additional copies of this credit schedule and other tax forms are available from our website at: ksrevenue.gov