

Approved 1/29/87

Minutes of the House Committee on Taxation. The meeting was called to order by Keith Roe, Vice-Chairman, at 9:00 a.m. on January 28, in room 519-S of the Capitol of the State of Kansas.

All members of the Committee were present except: Representatives
Adam, Crowell,
Fox, and Rolfs
(excused)

Committee Staff Present: Tom Severn, Legislative Research
Chris Courtright, Legislative Research
Don Hayward, Revisor of Statutes
Millie Foose, Committee Secretary


Vice-Chairman Roe recognized Secretary Harley Duncan who briefed the Committee on Kansas Adjusted Gross Income.

Secretary Duncan distributed copies of U. S. 1040 (Attachment 1), Areas of Conformity Between State and Federal Adjusted Gross Income (Attachment 2), Comparison Sheets for different groups of taxpayers (Attachment 3), and a copy of the 1986 Individual Income Tax Booklet (Attachment 4).

Secretary Duncan explained the differences between the federal and state forms and how this will affect different groups of taxpayers. Committee members questioned him extensively on how the new rules will affect persons who itemize and those who do not itemize; also how they will affect persons with incomes over \$35,000 per year or under this amount. They also questioned him about how money placed in IRA and other retirement funds would be affected.

The minutes of the January 27 meeting were approved.

There being no further business to come before the Committee, the meeting was adjourned.


Keith Roe, Vice-Chairman

For the year January 1-December 31, 1985, or other tax year beginning 1985, ending 19 OMB No. 1545-0074

Use IRS label. Otherwise, please print or type.

Your first name and initial (if joint return, also give spouse's name and initial) Last name Your social security number

Present home address (number and street, including apartment number, or rural route) Spouse's social security number

City, town or post office, state, and ZIP code Your occupation Spouse's occupation

Presidential Election Campaign Do you want \$1 to go to this fund? If joint return, does your spouse want \$1 to go to this fund?

Yes No Yes No Note: Checking "Yes" will not change your tax or reduce your refund.

Filing Status

1 Single

2 Married filing joint return (even if only one had income)

3 Married filing separate return. Enter spouse's social security no. above and full name here.

4 Head of household (with qualifying person). (See page 5 of Instructions.) If the qualifying person is your unmarried child but not your dependent, write child's name here.

5 Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 6 of Instructions.)

Exemptions

6a Yourself 65 or over Blind

b Spouse 65 or over Blind

c First names of your dependent children who lived with you

d First names of your dependent children who did not live with you (see page 6). (If pre-1985 agreement, check here ▶)

e Other dependents:	(1) Name	(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of \$1,040 or more?	(5) Did you provide more than one-half of dependent's support?

f Total number of exemptions claimed (also complete line 36):

Income

7 Wages, salaries, tips, etc. (Attach Form(s) W-2.)

8 Interest income (also attach Schedule B if over \$400)

9a Dividends (also attach Schedule B if over \$400) 9b Exclusion

c Subtract line 9b from line 9a and enter the result.

10 Taxable refunds of state and local income taxes, if any, from the worksheet on page 9 of Instructions.

11 Alimony received

12 Business income or (loss) (attach Schedule C)

13 Capital gain or (loss) (attach Schedule D)

14 40% of capital gain distributions not reported on line 13 (see page 9 of Instructions)

15 Other gains or (losses) (attach Form 4797)

16 Fully taxable pensions, IRA distributions, and annuities not reported on line 17 (see page 9).

17a Other pensions and annuities, including rollovers. Total received

17b Taxable amount, if any, from the worksheet on page 10 of Instructions

18 Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E)

19 Farm income or (loss) (attach Schedule F)

20a Unemployment compensation (insurance). Total received

20b Taxable amount, if any, from the worksheet on page 10 of Instructions

21a Social security benefits (see page 10). Total received

21b Taxable amount, if any, from worksheet on page 11. Tax-exempt interest

22 Other income (list type and amount—see page 11 of Instructions)

23 Add lines 7 through 22. This is your total income

Adjustments to Income

24 Moving expense (attach Form 3903 or 3903F)

25 Employee business expenses (attach Form 2106)

26 IRA deduction, from the worksheet on page 12

27 Keogh retirement plan deduction

28 Penalty on early withdrawal of savings

29 Alimony paid (recipient's last name and social security no.)

30 Deduction for a married couple when both work (attach Schedule W)

31 Add lines 24 through 30. These are your total adjustments

your adjusted gross income. If this line is less than see "Earned Income Credit" (line 59) on page 16 of your tax, see page 13 of Instructions

January 14, 1987

KANSAS DEPARTMENT OF REVENUE

AREAS OF CONFORMITY BETWEEN
STATE AND FEDERAL ADJUSTED GROSS INCOME
AFTER THE TAX REFORM ACT OF 1986

Changes To Federal Adjusted Gross Income

1. Dividend Exclusion

Current Law: Currently a \$100/\$200 exclusion is allowed for qualified dividend income.

Proposed Law: No exclusion will be allowed.

Fiscal Impact:	Tax Year	
	1987	1988
	State	State
Total	\$(1.3)m	\$(1.3)m
Resident	\$(1.2)m	\$(1.2)m
Non-Resident	\$(0.1)m	\$(0.1)m

2. Capital Gains (Loss)

Current Law: Currently 60% of long term capital gains/(losses) are excluded from adjusted gross income.

Proposed Law: Long term capital gains/(losses) will be 100% taxable.

Fiscal Impact:	Tax Year	
	1987	1988
	State	State
Total	\$(54.1)m	\$(54.6)m
Resident	\$(46.4)m	\$(46.6)m
Non-Resident	\$(7.7)m	\$(8.0)m

3. Individual Retirement Accounts (I.R.A.'s)

Current Law: Currently up to \$4,000 for a married couple both working, \$2,250 for a married couple, one working, and up to \$2,000 for other taxpayers may be excluded from adjusted gross income.

Proposed Law: Wage earners not covered by a company pension plan may continue to take an I.R.A. Wage earners covered by a company plan but making less than \$25,000 for single and \$40,000 for married taxpayers may continue to take the deduction. Beginning at \$25,000 for single and \$40,000 for married taxpayers the I.R.A. deduction is reduced until it is completely eliminated at \$35,000 and \$50,000.

Fiscal Impact:	Tax Year	
	1987	1988
	State	State
Total	\$(14.5)m	\$(14.7)m
Resident	\$(13.2)m	\$(13.3)m
Non-Resident	\$(1.3)m	\$(1.4)m

Note: These impacts assume all taxpayers will be subject to the limitations.

4. Marriage Adjustment

Current Law: Currently a married couple who both work may deduct up to 10%, or \$3,000 of the lower income spouses income.

Proposed Law: No deduction from adjusted gross income will be allowed.

Fiscal Impact:	Tax Year	
	1987	1988
	State	State
Total	\$(17.7)m	\$(17.7)m
Resident	\$(16.2)m	\$(16.2)m
Non-Resident	\$(1.5)m	\$(1.5)m

5. Unemployment Compensation

Current Law: If unemployment compensation exceeds \$18,000 for a married filing joint taxpayer or \$12,000 for an unmarried taxpayer, then a portion of the unemployment compensation is taxable.

Proposed Law: All unemployment compensation is taxable.

Fiscal Impact:	Tax Year	
	1987	1988
	State	State
Total	\$(3.3)m	\$(3.3)m
Resident	\$(3.0)m	\$(3.0)m
Non-Resident	\$(0.3)m	\$(0.3)m

6. Business Expenses

Current Law: Generally deductions are allowed for ordinary and necessary expenditures incurred in carrying on a business.

Proposed Law: Business expenses claimed as an adjustment to income on the front of the federal form will be moved to the itemized deduction schedule. Business expenses will be subject to a 2% A.G.I. limitation on schedule A.

Fiscal Impact:	Tax Year	
	1987	1988
	State	State
Total	\$(12.0)m	\$(12.0)m
Resident	\$(10.6)m	\$(10.6)m
Non-Resident	\$(1.4)m	\$(1.4)m

7. Moving Expenses

Current Law: Certain moving expenses may be deducted from adjusted gross income if the move is related to your job or business.

Proposed Law: Moving expenses will no longer be an adjustment to income. Moving expenses will now be treated as an itemized deduction on schedule A.

Fiscal Impact:	Tax Year	
	1987	1988
	State	State
Total	\$(3.9)m	\$(3.9)m
Resident	\$(2.4)m	\$(2.4)m
Non-Resident	\$(1.5)m	\$(1.5)m

RELATION NO. 5182: TAX REFORM ACT OF 1966

TAX YEAR 1957
 KANSAS WOULD ALLOW A DIVIDEND EXCLUSION OF \$100/\$200
 FROM ADJUSTED GROSS INCOME FOR SINGLE AND MARRIED TAXPAYERS

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1986
 Resident Taxpayers
 Impact By Bracket

A DIVIDEND EXCLUSION OF \$100/\$200 WOULD BE ALLOWED FROM K.A.G.I.
 FOR SINGLE AND MARRIED TAXPAYERS

K.A.G.I. Bracket	Married			Single			Total Residents								
	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
0.0%	11,358	0.0%	\$0.00	\$0.00	0.0%	5,789	0.0%	\$0.00	\$0.00	0.0%	17,158	0.0%	\$0.00	\$0.00	0.0%
\$0 \$5,000	14,842	0.0%	\$0.00	\$0.00	0.0%	104,125	-0.4%	(\$4,469.80)	(\$0.24)	0.3%	118,947	-0.4%	(\$4,469.80)	(\$0.24)	0.3%
\$5,000 \$15,000	74,202	-0.4%	(\$25,316.32)	(\$0.35)	0.9%	165,421	-0.2%	(\$49,469.60)	(\$0.30)	1.8%	242,421	-0.2%	(\$75,305.12)	(\$0.31)	1.5%
\$15,000 \$25,000	93,053	0.2%	\$5,724.69	\$0.57	1.7%	65,158	-0.2%	(\$74,697.95)	(\$0.88)	2.9%	164,211	0.2%	(\$18,163.27)	(\$0.10)	0.3%
\$25,000 \$35,000	126,737	-0.3%	(\$209,571.43)	(\$1.65)	2.3%	34,421	-0.1%	(\$43,251.22)	(\$1.25)	3.2%	141,158	-0.2%	(\$251,632.65)	(\$1.78)	2.5%
\$35,000 \$50,000	118,737	-0.2%	(\$255,428.16)	(\$2.14)	2.7%	15,263	-0.2%	(\$39,469.62)	(\$2.59)	3.2%	134,000	-0.2%	(\$324,897.95)	(\$2.42)	2.6%
\$50,000 \$100,000	73,842	-0.3%	(\$354,835.71)	(\$4.87)	3.2%	5,947	-0.2%	(\$32,428.16)	(\$4.38)	3.9%	65,789	-0.2%	(\$414,693.88)	(\$6.30)	3.1%
\$100,000 Over	12,947	-0.1%	(\$118,979.59)	(\$9.19)	3.9%	1,684	-0.1%	(\$11,632.65)	(\$6.91)	4.5%	12,632	-0.1%	(\$130,612.24)	(\$10.34)	4.2%
Total	514,526	-0.2%	(\$966,325.53)	(\$1.88)	2.7%	419,789	-0.1%	(\$253,469.39)	(\$0.60)	2.6%	934,316	-0.2%	(\$1,219,795.92)	(\$1.31)	2.7%
Fiscal Impact:			(\$966,325.53)					(\$253,469.39)					(\$1,219,795.92)		
All Taxpayers:			(\$1,330,231.63)			Non-Resident:		(\$110,435.71)							

TAX YEAR 1987
 KANSAS WOULD ALLOW A 60% CAPITAL GAINS EXCLUSION
 FROM ADJUSTED GROSS INCOME

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1986
 Resident Taxpayers
 Impact By Bracket

KANSAS WOULD ALLOW A 60% CAPITAL GAINS EXCLUSION
 FROM K.A.S.C.

		Married					Single					Total Residents				
K.A.S.I. Bracket	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	
No K.A.S.I.	12,211	0.2%	\$0.00	\$0.00	2.2%	5,895	2.2%	\$0.00	\$0.00	2.2%	18,125	2.2%	\$0.00	\$0.00	2.2%	
\$0 \$5,000	15,579	4.4%	\$612.24	\$3.94	2.2%	124,586	-1.2%	(\$12,242.82)	(\$0.12)	0.3%	122,125	-1.1%	(\$11,428.57)	(\$0.12)	2.2%	
\$5,000 \$15,000	75,222	2.3%	\$162,546.94	\$2.14	2.3%	127,524	2.4%	\$112,815.33	\$0.65	1.8%	243,534	2.6%	\$273,333.27	\$1.12	1.5%	
\$15,000 \$25,000	98,632	-2.6%	(\$222,477.55)	(\$2.66)	1.7%	84,737	-1.2%	(\$567,159.39)	(\$6.69)	2.9%	183,369	-1.0%	(\$689,646.94)	(\$4.52)	2.2%	
\$25,000 \$35,000	122,222	0.1%	\$57,248.93	\$0.53	2.3%	24,125	-2.4%	(\$782,332.65)	(\$32.94)	3.2%	142,125	-2.7%	(\$725,263.67)	(\$5.12)	2.5%	
\$35,000 \$50,000	113,125	-1.6%	(\$2,277,276.12)	(\$20.13)	2.7%	15,125	-2.9%	(\$772,251.84)	(\$50.62)	3.1%	132,222	-2.2%	(\$3,147,697.96)	(\$23.62)	2.7%	
\$50,000 \$100,000	76,525	-5.8%	(\$2,825,242.82)	(\$36.87)	2.9%	6,316	-12.1%	(\$2,263,473.47)	(\$356.72)	3.7%	82,842	-6.4%	(\$12,259,314.29)	(\$131.81)	3.2%	
\$100,000 Over	3,474	-22.7%	(\$24,372,379.59)	(\$7,018.42)	3.5%	1,322	-31.6%	(\$5,717,622.57)	(\$4,325.16)	4.1%	12,842	-22.2%	(\$21,256,228.16)	(\$1,657.35)	3.6%	
Total	514,526	-7.3%	(\$35,595,595.92)	(\$69.18)	2.6%	419,769	-6.4%	(\$12,822,422.41)	(\$30.57)	2.7%	924,316	-7.1%	(\$46,398,216.33)	(\$49.65)	2.6%	
Fiscal Impact:			(\$35,595,595.92)					(\$12,822,422.41)					(\$46,398,216.33)			
All Taxpayers:			(\$54,255,776.57)			Non-Residents:		(\$7,657,762.24)								

TAX YEAR 1987
 KANSAS WOULD ALLOW AN I.R.A. DEDUCTION FOR ALL TAXPAYERS

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1986
 Resident Taxpayers
 Impact By Bracket

AN I.R.A. DEDUCTION FROM K.A.G.I. WOULD BE ALLOWED FOR ALL TAXPAYERS

K.A.G.I. Bracket	Married					Single					Total Residents				
	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	11,263	0.0%	\$0.00	\$0.00	0.0%	5,769	0.0%	\$0.00	\$0.00	0.0%	17,032	0.0%	\$0.00	\$0.00	0.0%
\$0 - \$5,000	14,947	0.0%	\$0.00	\$0.00	0.0%	104,105	0.0%	\$0.00	\$0.00	0.0%	119,052	0.0%	\$0.00	\$0.00	0.0%
\$5,000 - \$15,000	70,898	0.0%	\$0.00	\$0.00	0.0%	165,826	0.0%	\$1,358.53	\$8.21	1.6%	242,421	0.0%	\$1,358.53	\$8.01	1.5%
\$15,000 - \$25,000	98,842	0.0%	\$0.00	\$0.00	1.7%	85,398	0.4%	\$175,459.39	\$2.05	0.2%	184,211	0.0%	\$175,459.39	\$2.95	0.3%
\$25,000 - \$35,000	127,053	0.1%	\$54,235.71	\$2.79	0.3%	34,947	0.6%	\$167,881.63	\$5.35	0.2%	142,022	0.1%	\$271,357.35	\$1.91	0.5%
\$35,000 - \$50,000	123,474	3.1%	\$4,175,473.47	\$33.82	2.7%	14,737	-4.8%	(\$592,956.12)	(\$4.53)	0.2%	138,211	2.1%	\$3,894,517.35	\$28.33	2.7%
\$50,000 - \$100,000	74,832	-8.5%	(\$13,229,747.56)	(\$174.32)	2.5%	6,632	-4.7%	(\$624,215.31)	(\$121.24)	3.6%	81,263	-8.1%	(\$13,813,763.27)	(\$169.89)	3.0%
\$100,000 Over	12,421	-3.5%	(\$2,955,419.39)	(\$234.55)	3.5%	1,684	-0.4%	(\$85,052.41)	(\$1.07)	4.5%	12,126	-2.9%	(\$3,051,439.82)	(\$255.89)	4.2%
Total	514,526	-2.4%	(\$11,715,428.15)	(\$22.77)	2.5%	419,789	-0.9%	(\$1,477,114.29)	(\$3.52)	2.8%	934,316	-2.0%	(\$13,192,522.45)	(\$14.12)	2.7%
Fiscal Impact:			(\$11,715,428.15)					(\$1,477,114.29)					(\$13,192,522.45)		
All Taxpayers:			(\$14,517,929.59)			Non-Resident:		(\$1,325,427.14)							

TAX YEAR 1967
 KANSAS WOULD ALLOW A MARRIAGE ADJUSTMENT DEDUCTION

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1965
 Resident Taxpayers
 Impact By Bracket

A MARRIAGE ADJUSTMENT DEDUCTION WOULD BE ALLOWED FROM K.A.B.I.

		Married					Single					Total Residents				
K.A.B.I. Bracket	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	
No K.A.B.I.	11,263	2.0%	\$2.22	\$2.22	2.2%	5,789	0.2%	\$2.22	\$2.22	2.2%	17,253	0.2%	\$2.22	\$2.22	0.2%	
\$0 \$5,000	14,947	-0.7%	(\$122.24)	(\$2.21)	2.2%	124,125	2.2%	\$2.22	\$2.22	0.3%	119,253	0.2%	(\$122.24)	(\$2.22)	2.2%	
\$5,000 \$15,000	74,737	0.6%	\$38,489.39	\$2.51	0.5%	165,421	0.2%	\$2.22	\$2.22	1.6%	241,253	2.1%	\$38,489.39	\$2.18	1.5%	
\$15,000 \$25,000	122,421	3.5%	\$1,156,583.67	\$11.72	1.7%	85,156	2.2%	\$2.22	\$2.22	3.2%	187,474	1.4%	\$1,156,583.67	\$6.35	2.3%	
\$25,000 \$35,000	108,538	-2.3%	(\$169,371.43)	(\$1.74)	2.3%	34,421	2.2%	\$2.22	\$2.22	3.2%	142,947	-2.2%	(\$169,371.43)	(\$1.32)	2.5%	
\$35,000 \$52,000	117,895	-3.4%	(\$4,556,325.51)	(\$38.65)	2.7%	15,252	0.2%	\$2.22	\$2.22	3.2%	133,159	-3.2%	(\$4,556,325.51)	(\$34.23)	2.7%	
\$52,000 \$122,000	73,835	-7.9%	(\$12,225,454.52)	(\$162.47)	3.2%	6,947	0.2%	\$2.22	\$2.22	3.9%	22,842	-7.1%	(\$12,225,454.52)	(\$48.51)	3.1%	
\$122,000 Over	12,842	-2.8%	(\$23,145.94)	(\$58.86)	3.9%	1,624	0.2%	\$2.22	\$2.22	4.5%	12,526	-2.5%	(\$23,145.94)	(\$52.54)	4.2%	
Total	514,526	-3.3%	(\$16,154,387.76)	(\$31.42)	2.6%	419,789	2.2%	\$2.22	\$2.22	2.6%	934,316	-2.5%	(\$16,154,387.76)	(\$17.25)	2.7%	
Fiscal Impact:			(\$16,154,387.76)					\$2.22					(\$16,154,387.76)			
All Taxpayers:			(\$17,665,552.82)			Non-Resident:		(\$1,531,223.06)								

TAX YEAR 1987
 KANSAS WOULD ALLOW CERTAIN UNEMPLOYMENT COMPENSATION BENEFITS TO BE EXCLUDED FROM ADJUSTED GROSS INCOME Kansas Department of Revenue

Individual Income Tax in Tax Year 1986
 Resident Taxpayers
 Impact By Bracket

CERTAIN UNEMPLOYMENT BENEFITS EXCLUDED FROM K.A.B.I.

K.A.B.I. Bracket	Married						Single					Total Residents				
	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	
No K.A.B.I.	11,158	0.0%	\$0.00	\$0.00	0.0%	6,185	0.0%	\$0.00	\$0.00	0.0%	17,253	0.0%	\$0.00	\$0.00	0.0%	
\$0 \$5,000	15,125	-3.7%	(\$512.00)	(\$3.23)	0.0%	126,211	-0.5%	(\$5,918.37)	(\$4.26)	0.3%	132,316	-0.5%	(\$5,406.57)	(\$3.23)	0.3%	
\$5,000 \$15,000	74,947	-8.9%	(\$222,740.62)	(\$2.70)	0.9%	154,737	-2.5%	(\$725,532.51)	(\$4.41)	1.8%	233,594	-2.6%	(\$953,571.43)	(\$3.87)	1.5%	
\$15,000 \$25,000	97,664	-2.5%	(\$843,512.22)	(\$8.64)	1.7%	84,526	-2.7%	(\$336,222.41)	(\$3.98)	3.0%	162,211	-1.4%	(\$1,179,532.51)	(\$6.47)	2.0%	
\$25,000 \$35,000	125,211	-2.7%	(\$221,231.63)	(\$4.72)	2.3%	34,421	2.1%	\$18,357.35	\$0.53	3.2%	140,632	-0.5%	(\$422,714.29)	(\$5.43)	2.5%	
\$35,000 \$50,000	113,737	0.2%	(\$37,345.94)	(\$2.31)	2.7%	15,158	-2.9%	(\$177,959.18)	(\$11.74)	3.2%	133,895	-2.1%	(\$215,326.12)	(\$1.61)	2.8%	
\$50,000 \$100,000	73,737	-0.1%	(\$155,122.24)	(\$2.46)	3.0%	5,947	0.0%	\$0.00	\$0.00	3.9%	85,684	-2.1%	(\$195,122.24)	(\$2.28)	3.1%	
\$100,000 Over	12,947	0.0%	\$0.00	\$0.00	3.5%	1,684	0.0%	\$0.00	\$0.00	4.5%	12,632	0.0%	\$0.00	\$0.00	4.2%	
Total	514,525	-0.4%	(\$1,779,591.84)	(\$3.46)	2.7%	419,789	-0.7%	(\$1,228,261.22)	(\$2.93)	2.8%	934,316	-0.5%	(\$2,227,553.26)	(\$3.22)	2.7%	
Fiscal Impact:			(\$1,779,591.84)					(\$1,228,261.22)					(\$2,227,553.26)			
All Taxpayers:			(\$2,336,624.49)			Non-Resident:		(\$328,971.43)								

TAX YEAR 1987
 KANSAS WOULD ALLOW CERTAIN BUSINESS EXPENSES TO BE
 EXCLUDED FROM ADJUSTED GROSS INCOME

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1986
 Resident Taxpayers
 Impact By Bracket

BUSINESS EXPENSES EXCLUDED FROM K.A.G.I.

K.A.G.I. Bracket	Married						Single						Total Residents					
	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate			
No K.A.G.I.	11,368	0.3%	\$2.22	\$2.22	2.3%	5,769	2.2%	\$2.22	\$2.22	2.2%	17,158	2.2%	\$2.22	\$2.22	2.2%			
\$0	15,158	0.3%	\$2.22	\$2.22	2.3%	184,421	2.1%	\$1,326.53	\$0.21	2.3%	119,579	2.1%	\$1,326.53	\$2.21	2.3%			
\$5,222	74,737	0.9%	\$63,775.51	\$0.85	2.9%	155,947	-2.1%	(\$27,323.45)	(\$2.19)	1.8%	241,684	2.1%	\$36,453.25	\$2.19	1.5%			
\$15,222	93,694	2.4%	\$128,497.96	\$1.26	1.7%	84,842	-1.2%	(\$498,822.22)	(\$5.68)	2.9%	184,526	-2.4%	(\$373,323.24)	(\$2.02)	2.3%			
\$25,222	127,253	-2.5%	(\$475,257.14)	(\$4.45)	2.3%	34,421	-2.4%	(\$135,654.29)	(\$3.95)	3.2%	141,474	-2.5%	(\$512,121.43)	(\$4.32)	2.5%			
\$35,222	118,947	-2.7%	(\$554,242.82)	(\$5.27)	2.7%	14,842	-3.5%	(\$723,523.47)	(\$48.75)	3.2%	133,789	-1.1%	(\$1,727,554.29)	(\$12.75)	2.8%			
\$50,222	76,737	-4.1%	(\$5,353,465.31)	(\$61.52)	3.3%	5,842	-3.5%	(\$591,122.45)	(\$85.39)	3.8%	83,579	-4.2%	(\$5,854,587.76)	(\$69.21)	3.1%			
\$122,222	12,842	-2.3%	(\$1,122,571.43)	(\$81.79)	3.9%	1,684	0.2%	\$2.22	\$2.22	4.5%	12,526	-1.2%	(\$1,122,571.43)	(\$88.12)	4.2%			
Total	514,526	-1.8%	(\$8,638,351.22)	(\$16.79)	2.7%	419,785	-1.2%	(\$1,975,326.12)	(\$4.71)	2.8%	934,316	-1.6%	(\$10,613,367.35)	(\$11.32)	2.7%			
Fiscal Impact:			(\$8,638,361.22)					(\$1,975,326.12)					(\$10,613,367.35)					
All Taxpayers:			(\$11,974,957.14)			Non-Resident:		(\$1,361,569.82)										

TAX YEAR 1987

KANSAS WOULD ALLOW CERTAIN MOVING EXPENSES TO BE EXCLUDED FROM ADJUSTED GROSS INCOME

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1986
Resident Taxpayers
Impact By Bracket

MOVING EXPENSES EXCLUDED FROM K.A.G.I.

			Married				Single				Total Residents				
K.A.G.I. Bracket	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	11,368	0.2%	\$2.22	\$0.20	0.2%	5,789	0.2%	\$2.22	\$0.20	0.2%	17,158	0.2%	\$2.22	\$0.20	0.2%
\$0 \$5,000	14,842	0.2%	\$2.22	\$2.22	0.2%	124,125	0.2%	\$2.22	\$2.22	0.3%	118,947	0.2%	\$2.22	\$2.22	0.3%
\$5,000 \$15,000	73,895	-0.1%	(\$5,328.53)	(\$2.29)	0.9%	166,737	0.2%	(\$3,571.43)	(\$2.38)	1.8%	242,632	0.2%	(\$7,244.90)	(\$2.24)	1.5%
\$15,000 \$25,000	99,474	0.5%	\$167,844.92	\$1.68	1.7%	84,947	-0.4%	(\$172,461.22)	(\$2.03)	2.9%	184,421	0.2%	(\$5,216.33)	(\$3.23)	2.3%
\$25,000 \$35,000	126,737	-0.4%	(\$322,755.12)	(\$3.22)	2.3%	34,315	-0.2%	(\$56,518.37)	(\$1.94)	3.2%	141,253	-0.4%	(\$329,273.47)	(\$2.79)	2.5%
\$35,000 \$50,000	119,253	0.2%	\$256,495.94	\$2.15	2.7%	15,263	-0.3%	(\$53,571.43)	(\$3.51)	3.2%	134,316	0.1%	\$22,925.51	\$1.51	2.5%
\$50,000 \$122,000	78,316	-1.1%	(\$1,728,945.92)	(\$22.28)	3.2%	6,947	-0.2%	(\$31,938.78)	(\$4.62)	3.5%	85,263	-1.0%	(\$1,752,884.69)	(\$20.65)	3.1%
\$122,000 Over	12,842	-0.6%	(\$469,183.67)	(\$43.27)	2.9%	1,684	0.2%	\$2.22	\$2.22	4.5%	12,526	-0.4%	(\$469,183.67)	(\$37.46)	4.0%
Total	514,526	-0.4%	(\$2,123,469.39)	(\$4.09)	2.7%	419,789	-0.2%	(\$262,918.37)	(\$2.62)	2.8%	934,316	-0.4%	(\$2,354,387.76)	(\$2.53)	2.7%
Fiscal Impact:			(\$2,123,469.39)					(\$262,918.37)					(\$2,354,387.76)		
All Taxpayers:			(\$2,862,255.12)			Non-Resident:		(\$1,497,867.35)							

1986

KANSAS

Individual Income Tax Booklet



Kansas Department
of Revenue

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IMPORTANT NEW INFORMATION

ECONOMIC DEVELOPMENT CREDITS

In an effort to spur economic development, the 1986 Kansas Legislature approved several measures to encourage business expansion in Kansas. Among the measures passed are a Kansas Venture Capital Inc. credit, a private venture capital company credit, and enhancements to the business and job development credit. The enterprise zone designation has also been expanded to allow portions of counties, as well as cities, to be declared enterprise zones. Qualifications for the business and job development credit have also been simplified to allow more taxpayers to take advantage of this credit. Forms with which to claim these credits are available, upon request, from the Department of Revenue.

REAL ESTATE FORECLOSURE MODIFICATION

Any gain reported on a federal income tax return as the result of a foreclosure on real estate is exempt for Kansas income tax purposes. Gains such as this should be subtracted from federal adjusted gross income to arrive at Kansas adjusted gross income. The 1986 Legislature has made this effective for tax years 1985 through 1989. See "Other Subtractions from Federal Adjusted Gross Income" on page 18 for more information.

RAILROAD RETIREMENT AND PENSION INCOME

There have been significant changes in the taxability of railroad retirement and pension income within the last few years. Due to the varied nature of these retirements and pensions, the Department of Revenue is requesting that verification of the source of this income be provided with the Kansas income tax return

when this income is being subtracted from federal adjusted gross income. This verification can be a copy of the 1099-R or W-2P or any other documentation provided to the retiree by the agency administering their retirement.

PERSONAL EXEMPTIONS

The state personal exemption remains at \$1,000 for each allowable exemption for 1986, even though the personal exemptions are being increased at the federal level.

SOLAR ENERGY CREDIT

There will be no new solar energy credits allowed after tax year 1985. Kansas statutes provided for this credit to expire on December 31, 1985. Only carry over credits will be permitted on the 1986 and 1987 Kansas income tax returns.

TAXPAYER ASSISTANCE

If you have a question about completing your Kansas income tax return, please call or come to one of the offices listed. Office hours are 8:00 A.M. to 4:00 P.M., Monday through Friday.

Topeka—Call 913-296-3051
State Office Building, Third Floor

Wichita—Call 316-267-7264
3244 E. Douglas

Kansas City—Call 913-371-7350
1123 N. 5th Street

If you find it necessary to write instead of calling, please address your correspondence to the Kansas Income and Inheritance Tax Bureau, Box 12001, Topeka, Kansas 66612-2001.



CHICKADEE CHECKOFF—Your Chickadee Checkoff donation on the Kansas income tax return will help endangered species, songbirds, and other nongame wildlife in Kansas. For more specific information on what your donation accomplishes, contact your local Fish and Game Office.

Read instructions carefully. They will answer most questions, help to avoid errors, save you time and money, and avoid delays in obtaining your refund.

This material was designed for informational purposes only. Under no circumstances should the contents be used or cited as authority for setting or sustaining a technical position.

COVER—1987 marks the 50th anniversary of the mysterious disappearance of America's most famous aviatrix, Amelia Earhart of Atchison. Half a century later, controversy still surrounds the fate of Earhart and her navigator Fred Noonan who vanished over the Pacific after take-off in their Lockheed 10 on July 1, 1937. The cover photo shows Amelia Earhart at age 23 following her first solo flight in 1921. (Photo courtesy of the Kansas Historical Society)



Form

1986 KANSAS INDIVIDUAL INCOME TAX

For Office Use Only

For the year January 1-December 31, 1986, or other taxable year beginning _____, 1986 ending _____, 19 _____

USE KANSAS LABEL
Otherwise Print or Type

Your Social Security Number _____ Spouse's Social Security Number _____

Last Name _____ First Name(s) and Initial(s) _____

Home Address (Number and Street or Rural Route) _____

City, Town or Post Office, and State _____ Zip Code _____

School District Number _____ County Abbreviation _____

YOUR TELEPHONE NUMBER _____

Residency Status (Check one)
 Resident Nonresident (Attach Schedule NRS, Nonresident Allocation Schedule)

Part-year resident: From _____ to _____

Filing Status (Check ONE)

- (S) Single
 (F) Married filing joint return
 (M) Married filing separately
 Spouse's name and social security number: _____

 (U) Head of household

For Office Use Only

Exemptions

Number of exemptions on your 1986 federal return _____

If filing status, as indicated above, is head of household (U), add one exemption _____

Total exemptions

Attach Check or Money Order Here

Attach State Copy of W-2(s) Here

1. Federal adjusted gross income	[A]	1	
2. Modifications to federal adjusted gross income (Line 41, Part I, see instructions)	[*]	2	
3. Kansas adjusted gross income (Line 2 added or subtracted from line 1)	[B]	3	
4. Standard deduction (See instr.) OR itemized deductions (Line 55, Part II)	[C]	4	
5. Federal income tax deduction (See instructions)	[D]	5	
6. Exemption allowance (\$1,000 x number of exemptions claimed)	[E]	6	
7. Total deductions (Add lines 4, 5, & 6)		7	
8. Taxable income (Subtract line 7 from line 3)		8	
9. Tax	[F]	9	
10. Nonresident allocation percentage (Line 30, Schedule NRS)	[G]	10	%
11. Nonresident tax (Multiply line 9 by line 10)	[H]	11	
12. Kansas tax on lump sum distributions (See instructions)	[I]	12	
13. Total Kansas tax (Residents: add lines 9 & 12; Nonresidents: add lines 11 & 12)	[J]	13	
14. Credit for taxes paid to other states (See instructions)	[K]	14	
15. Other nonrefundable credits (Line 73, Part V)	[L]	15	
16. Total nonrefundable credits (Add lines 14 & 15)		16	
17. Balance (Subtract line 16 from line 13; cannot be less than zero)		17	
18. Kansas income tax withheld (Attach Kansas copies, form W-2)	[M]	18	
19. Estimated tax paid	[N]	19	
20. Solar energy refund	[O]	20	
21. Handicapped accessibility refund	[P]	21	
22. Total refundable credits (Add lines 18 through 21)		22	
Write your Social Security number on check or money order and make payable to Kansas Income Tax.			
23. BALANCE DUE (If line 17 is greater than line 22) Interest [Q] _____ Penalty [R] _____		23	[S] Balance Due
Penalty—Estimated Tax [T] _____		24	[V] Refund
24. REFUND (If line 22 is greater than line 17)			[U] Credit Forward
25. Estimated tax credit forward		25	
26. CHICKADEE CHECKOFF (Kansas nongame wildlife improvement program): If you wish to donate to this program, enter the amount of your donation. This donation will reduce your refund or increase the amount you owe.		26	[W] Wildlife Contribution

For Office Use Only

ATTACH A COPY OF YOUR FEDERAL RETURN AND SUPPORTING SCHEDULES TO THIS RETURN

I declare under the penalties of perjury that to the best of my knowledge and belief this is a true, correct, and complete return.

sign here

Signature of taxpayer

Date

Signature of preparer other than taxpayer

If joint return, BOTH husband and wife must sign even if only one had income.

Address

DO YOU WISH TO RECEIVE AN INCOME TAX BOOKLET NEXT YEAR? (SEE INSTRUCTIONS) Yes No
MAIL THIS RETURN TO: KANSAS INCOME TAX, TOPEKA, KANSAS 66699-0001

PART I—MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME:

- 27. State and municipal interest received not specifically exempt from Kansas income tax
- 28. Federal net operating loss carry forward included in line 1, front of form 40
- 29. Contributions to Public Employees Retirement Systems administered by KPERs
- 30. Other additions to federal adjusted gross income (See instructions, attach list)
- 31. Total additions to federal adjusted gross income (Add lines 27 through 30)

27			
28			
29			
30			
			31

SUBTRACTIONS FROM FEDERAL ADJUSTED GROSS INCOME:

- 32. Interest on U.S. Government obligations
- 33. State income tax refund included in line 1, front of form 40
- 34. Federal civil service annuity
- 35. Kansas pension plans exempt by law (See instructions, attach W-2P or 1099R)
- 36. Kansas net operating loss carry forward
- 37. Insulation adjustment (Attach schedule K-36)
- 38. Railroad retirement benefits (Attach W-2P or 1099R)
- 39. Other subtractions from adjusted gross income (See instructions, attach list)
- 40. Total subtractions from federal adjusted gross income (Add lines 32 through 39)
- 41. Net modifications to federal adjusted gross income

32			
33			
34			
35			
36			
37			
38			
39			
			40
			41

If line 31 is greater than line 40, enter the difference here and on line 2, front of form 40, as a positive amount.
 If line 31 is less than line 40, enter the difference here and on line 2, front of form 40, as a negative amount in parentheses.

PART II—ITEMIZED DEDUCTIONS

You Cannot Itemize Deductions on Your Kansas Return Unless You Itemize on Your Federal Return.

- 42. Total federal itemized deductions (This amount is prior to the zero bracket deduction of \$3,670, \$2,480, or \$1,835, federal form 1040, Schedule A)

42		
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SUBTRACTIONS FROM FEDERAL ITEMIZED DEDUCTIONS:

- 43. State and local income taxes included in line 42
- 44. Medical, dental, and drug expense included in line 42
- 45. Other subtractions from federal itemized deductions (See instructions)
- 46. Total subtractions from federal itemized deductions (Add lines 43, 44, & 45)
- 47. Line 42 less line 46

43			
44			
45			
			46
			47

ADDITIONS TO FEDERAL ITEMIZED DEDUCTIONS:

- 48. Social security tax
- 49. Self-employment tax
- 50. Railroad retirement tax
- 51. Medical, dental, and drug expense (See instructions)
- 52. State and local gasoline tax (See instructions)
- 53. Other additions to federal itemized deductions (See instructions)
- 54. Total additions to federal itemized deductions (Add lines 48 through 53)
- 55. Kansas itemized deductions (Add lines 47 & 54. Enter on line 4, front of form 40.)

48			
49			
50			
51			
52			
53			
			54
			55

PART III—FEDERAL INCOME TAX DEDUCTION

- 56. 1986 Federal income tax (See instructions)
- 57. Kansas adjusted gross income (Line 3, front of form 40)
- 58. Federal adjusted gross income (Line 1, front of form 40)
- 59. Percentage limitation (Divide line 57 by line 58, not to exceed 100%)
- 60. Federal tax deduction (Multiply line 56 by line 59. Enter on line 5, front of form 40.)

56			
57			
58			
			59
			60

PART IV—CREDIT FOR TAXES PAID TO OTHER STATES (RESIDENTS ONLY; NONREFUNDABLE)

- 61. 1986 income tax paid to _____ (Attach other state(s) return)
- 62. Kansas income tax liability (Line 13, front of form 40)
- 63. Other state adjusted gross income (After all nonresident adjustments)
- 64. Kansas adjusted gross income (Line 3, front of form 40)
- 65. Percentage limitation (Divide line 63 by line 64, not to exceed 100%)
- 66. Limitation amount (Multiply line 62 by line 65)
- 67. Credit for taxes paid to the other state (Line 61 or line 66, whichever is less. Enter on line 14, front of form 40.)

61			
62			
63			
64			
			65
			66
			67

PART V—OTHER NONREFUNDABLE CREDITS

- 68. Economic development credits (See instructions)
- 69. Solar energy credit (Attach schedule K-35)
- 70. Handicapped accessibility credit (Attach schedule K-37)
- 71. Credit for child & dependent care expenses (For residents ONLY, see instructions)
- 72. Military retirement credit (For residents ONLY; enter date of birth: ___/___/___)
- 73. Total credits (Add lines 68 through 72. Enter on line 15, front of form 40.)

68			
69			
70			
71			
72			
			73



1986 KANSAS INDIVIDUAL INCOME TAX

For Office Use Only

For the year January 1-December 31, 1986, or other taxable year beginning _____, 1986 ending _____, 19_____

USE KANSAS LABEL
Otherwise Print or Type

Your Social Security Number _____ Spouse's Social Security Number _____

Last Name _____ First Name(s) and Initial(s) _____

Home Address (Number and Street or Rural Route) _____

City, Town or Post Office, and State _____ Zip Code _____

School District Number _____ County Abbreviation _____

YOUR TELEPHONE NUMBER _____

Residency Status (Check one)
 Resident Nonresident (Attach Schedule NRS, Nonresident Allocation Schedule)

Part-year resident: From _____ to _____

Filing Status (Check ONE)

(S) Single
 (F) Married filing joint return
 (M) Married filing separately
 Spouse's name and social security number: _____

(U) Head of household

For Office Use Only

1. Federal adjusted gross income	[A]	1	
2. Modifications to federal adjusted gross income (Line 41, Part I, see instructions)	[*]	2	
3. Kansas adjusted gross income (Line 2 added or subtracted from line 1)	[B]	3	
4. Standard deduction (See instr.) OR itemized deductions (Line 55, Part II)	[C]	4	
5. Federal income tax deduction (See instructions)	[D]	5	
6. Exemption allowance (\$1,000 × number of exemptions claimed)	[E]	6	
7. Total deductions (Add lines 4, 5, & 6)		7	
8. Taxable income (Subtract line 7 from line 3)		8	
9. Tax	[F]	9	
10. Nonresident allocation percentage (Line 30, Schedule NRS)	[G]	10	%
11. Nonresident tax (Multiply line 9 by line 10)	[H]	11	
12. Kansas tax on lump sum distributions (See instructions)	[I]	12	
13. Total Kansas tax (Residents: add lines 9 & 12; Nonresidents: add lines 11 & 12)	[J]	13	
14. Credit for taxes paid to other states (See instructions)	[K]	14	
15. Other nonrefundable credits (Line 73, Part V)	[L]	15	
16. Total nonrefundable credits (Add lines 14 & 15)		16	
17. Balance (Subtract line 16 from line 13; cannot be less than zero)		17	
18. Kansas income tax withheld (Attach Kansas copies, form W-2)	[M]	18	
19. Estimated tax paid	[N]	19	
20. Solar energy refund	[O]	20	
21. Handicapped accessibility refund	[P]	21	
22. Total refundable credits (Add lines 18 through 21)		22	
Write your Social Security number on check or money order and make payable to Kansas Income Tax.			
23. BALANCE DUE (If line 17 is greater than line 22) Interest [Q] _____ Penalty [R] _____		23	[S] Balance Due
Penalty—Estimated Tax [T] _____		24	[V] Refund
24. REFUND (If line 22 is greater than line 17)		24	
	[U] Credit Forward	25	
25. Estimated tax credit forward		25	
26. CHICKADEE CHECKOFF (Kansas nongame wildlife improvement program): If you wish to donate to this program, enter the amount of your donation. This donation will reduce your refund or increase the amount you owe.		26	[W] Wildlife Contribution

Attach Check or Money Order Here

Attach State Copy of W-2(s) Here

Exemptions

Number of exemptions on your 1986 federal return _____

If filing status, as indicated above, is head of household (U), add one exemption _____

Total exemptions

I declare under the penalties of perjury that to the best of my knowledge and belief this is a true, correct, and complete return.

sign here

Signature of taxpayer _____ Date _____ Signature of preparer other than taxpayer _____

If joint return, BOTH husband and wife must sign even if only one had income.

Address _____

DO YOU WISH TO RECEIVE AN INCOME TAX BOOKLET NEXT YEAR? (SEE INSTRUCTIONS) Yes No

MAIL THIS RETURN TO: KANSAS INCOME TAX, TOPEKA, KANSAS 66699-0001

Page 5

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27			
28			
29			
30			
			31

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- 35. Kansas pension plans exempt by law (See instructions, attach W-2P or 1099R)
- 36. Kansas net operating loss carry forward
- 37. Insulation adjustment (Attach schedule K-36)
- 38. Railroad retirement benefits (Attach W-2P or 1099R)
- 39. Other subtractions from adjusted gross income (See instructions, attach list)
- 40. Total subtractions from federal adjusted gross income (Add lines 32 through 39)
- 41. Net modifications to federal adjusted gross income

32			
33			
34			
35			
36			
37			
38			
39			
			40
			41

If line 31 is greater than line 40, enter the difference here and on line 2, front of form 40, as a positive amount.

If line 31 is less than line 40, enter the difference here and on line 2, front of form 40, as a negative amount in parentheses.

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- 42. Total federal itemized deductions (This amount is prior to the zero bracket deduction of \$3,670, \$2,480, or \$1,835, federal form 1040, Schedule A)

42		
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SUBTRACTIONS FROM FEDERAL ITEMIZED DEDUCTIONS:

- 43. State and local income taxes included in line 42
- 44. Medical, dental, and drug expense included in line 42
- 45. Other subtractions from federal itemized deductions (See instructions)
- 46. Total subtractions from federal itemized deductions (Add lines 43, 44, & 45)
- 47. Line 42 less line 46

43			
44			
45			
			46
			47

ADDITIONS TO FEDERAL ITEMIZED DEDUCTIONS:

- 48. Social security tax
- 49. Self-employment tax
- 50. Railroad retirement tax
- 51. Medical, dental, and drug expense (See instructions)
- 52. State and local gasoline tax (See instructions)
- 53. Other additions to federal itemized deductions (See instructions)
- 54. Total additions to federal itemized deductions (Add lines 48 through 53)
- 55. Kansas itemized deductions (Add lines 47 & 54. Enter on line 4, front of form 40.)

48			
49			
50			
51			
52			
53			
			54
			55

PART III—FEDERAL INCOME TAX DEDUCTION

- 56. 1986 Federal income tax (See instructions)
- 57. Kansas adjusted gross income (Line 3, front of form 40)
- 58. Federal adjusted gross income (Line 1, front of form 40)
- 59. Percentage limitation (Divide line 57 by line 58, not to exceed 100%)
- 60. Federal tax deduction (Multiply line 56 by line 59. Enter on line 5, front of form 40.)

56		
57		
58		
		59
		60

PART IV—CREDIT FOR TAXES PAID TO OTHER STATES (RESIDENTS ONLY; NONREFUNDABLE)

- 61. 1986 income tax paid to _____ (Attach other state(s) return)
- 62. Kansas income tax liability (Line 13, front of form 40)
- 63. Other state adjusted gross income (After all nonresident adjustments)
- 64. Kansas adjusted gross income (Line 3, front of form 40)
- 65. Percentage limitation (Divide line 63 by line 64, not to exceed 100%)
- 66. Limitation amount (Multiply line 62 by line 65)
- 67. Credit for taxes paid to the other state (Line 61 or line 66, whichever is less. Enter on line 14, front of form 40.)

61		
62		
63		
64		
		65
		66
		67

PART V—OTHER NONREFUNDABLE CREDITS

- 68. Economic development credits (See instructions)
- 69. Solar energy credit (Attach schedule K-35)
- 70. Handicapped accessibility credit (Attach schedule K-37)
- 71. Credit for child & dependent care expenses (For residents ONLY, see instructions)
- 72. Military retirement credit (For residents ONLY; enter date of birth: ___/___/___)
- 73. Total credits (Add lines 68 through 72. Enter on line 15, front of form 40.)

68			
69			
70			
71			
72			
			73



Schedule NONRESIDENT ALLOCATION PERCENTAGE SCHEDULE

1986

NOTE: See instructions on the reverse side of this page

Name(s) as shown on Form 40	Social Security Number	Part-year Residents: From: _____ To: _____	County (Kansas)
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INCOME

		(A) Total Shown on Federal Return	(B) Amount in Column (A) from Kansas Sources
1. Wages, salaries, tips, etc.	1		
2. Interest income	2		
3. Dividends	3		
4. Refunds of state and local income taxes	4		
5. Alimony received	5		
6. Business income or (loss)	6		
7. Capital gain or (loss)	7		
8. Capital gain distributions (Not reported on Schedule D)	8		
9. Supplemental gains or (losses)	9		
10. Fully taxable pensions, IRA distributions, and annuities	10		
11. Other taxable pensions and annuities	11		
12. Rents, royalties, partnerships, estates, trusts, etc.	12		
13. Family income or (loss)	13		
14. Taxable amount of unemployment compensation	14		
15. Taxable amount of social security benefits	15		
16. Other income	16		
17. Total income (Add lines 1 through 16, column B)	17		

ADJUSTMENTS AND MODIFICATIONS TO KANSAS SOURCE INCOME

NOTE: See instructions on the reverse side of this form for determining portion of adjustments or modifications allowable to a nonresident or a part-year resident filing as a nonresident.

18. Moving expenses	18		
19. Employee business expense	19		
20. IRA deductions	20		
21. Payments to a Keogh retirement plan	21		
22. Penalty on early withdrawal of savings	22		
23. Alimony paid	23		
24. Deduction for married couple when both work	24		
25. Total federal adjustments on Kansas source income (Add lines 18 through 24, column B)	25		
26. Kansas source income after Kansas portion of federal adjustments (Subtract line 25 from line 17, column B)	26		
27. Net modifications which apply to Kansas source income in column B (See instructions)	27		
28. Modified Kansas source income (Line 26 plus or minus line 27)	28		

NONRESIDENT ALLOCATION PERCENTAGE

29. Kansas adjusted gross income (From line 3, front of form 40)	29		
30. Nonresident allocation percentage (Divide line 28 by line 29, enter the result here and on line 10, front of form 40. This amount cannot exceed 100%)	30		%

NOTE: This schedule must be attached to form 40.

INSTRUCTIONS FOR NONRESIDENT ALLOCATION PERCENTAGE SCHEDULE (Schedule NRS)

Nonresidents and part-year residents who file as nonresidents must complete Schedule NRS and attach it to the Kansas Individual Income Tax Return, Form 40.

Nonresidents must report and pay income tax on all income derived from Kansas sources. Nonresidents are subject to Kansas income tax on only that portion of gross income which is derived from Kansas sources; however, nonresidents must complete form 40 down to the tax liability figure just as if they were Kansas residents during the entire taxable year.

Nonresident tax is calculated by first determining the tax that the taxpayer would be required to pay if the taxpayer was a resident of Kansas for the entire year and all income was from Kansas sources. Then, the schedule NRS is completed to determine the nonresident allocation percentage (cannot exceed 100%). The nonresident allocation percentage is income derived from Kansas sources, with some modifications, divided by Kansas adjusted gross income. The tax is then prorated by the nonresident allocation percentage to reflect the appropriate amount of tax due on income earned from Kansas sources.

A part-year resident who elects to file as a nonresident must include in modified source income, any items of income, gain or loss, or deduction received while a Kansas resident (whether or not these items were from Kansas sources) as well as any income derived from Kansas sources while a nonresident.

Income derived from Kansas sources includes the following:

- Income from real or tangible personal property located in Kansas;
- Income from a business, trade, profession, or occupation operating in Kansas including partnerships and small business corporations;
- Income from services performed in Kansas;
- Income from a resident estate or trust or from a nonresident estate or trust which received income from Kansas sources; and,
- All income earned while a Kansas resident.

Income derived by a nonresident from Kansas sources does not include:

- Income from annuities, interest, dividends or gains from the sale or exchange of intangible property unless earned by a business, trade, profession or occupation carried on in Kansas; and,
- Compensation received for active service in the Armed Forces of the United States.

SPECIFIC LINE INSTRUCTIONS

Heading: Enter in the space provided, your name, social security number, period of residency (part-year residents only), and county where Kansas income was earned as shown on form 40.

INCOME

Lines 1-16: COLUMN A—Items of income as reported on your federal income tax return. COLUMN B—Amounts from column A which are from Kansas sources.

Line 17: Add lines 1 through 16, column B, and enter total on line 17.

ADJUSTMENTS AND MODIFICATIONS TO KANSAS SOURCE INCOME

Federal adjustments are allowed to Kansas source income only as they apply to income related to Kansas. Enter in column A, those adjustments as allowed on the federal income tax return. Enter in column B those adjustments allocated to Kansas source income according to the following line instructions. Separate schedules showing calculations should be attached to verify amounts claimed.

Line 18: Only moving expenses incurred during moves into Kansas can be allowed as an adjustment to Kansas source income.

Line 19: Employee business expenses will be allowed to the extent that the expenses were incurred in producing income from Kansas sources.

If exact identification to Kansas sources is not possible, the employee business expense may be prorated by the ratio of Kansas source income earned from the employer divided by total income earned from the same employer.

Line 20: IRA payments may be claimed as an adjustment to Kansas source income as they are applicable to particular items of Kansas source income. The adjustment amount will be determined by prorating the IRA payment by the ratio derived by dividing the particular Kansas source income by the total income from the same individual. If more than one source of income is attributable to the IRA adjustment, separate calculations must be made and the resulting figures should be added to arrive at the allowable amount to be entered on line 20, column B.

Example: Married taxpayers filing a joint return have \$40,000 total income, spouse A has income of \$30,000, \$15,000 from Kansas sources, and has a \$2,000 IRA adjustment. Spouse B has income of \$10,000, \$2,000 of which is Kansas source income, and also has a \$2,000 IRA adjustment. The calculation for the Schedule NRS adjustment is:

Spouse A:	$\$15,000 \div \$30,000 = 50\%$	
	$\$2,000 \times 50\% =$	\$1,000
Spouse B:	$\$2,000 \div \$10,000 = 20\%$	
	$\$2,000 \times 20\% =$	\$400
Total IRA adjustment on Sch. NRS		<u>\$1,400</u>

Line 21: Keogh payments which apply to self-employment income earned in Kansas are allowed as an adjustment to Kansas source income.

Line 22: Only penalties assessed during residency may be allowed as an adjustment to Kansas source income for early withdrawal of savings.

Line 23: The alimony adjustment must be prorated by the ratio of the payer's Kansas source income divided by the payer's total income.

Line 24: The deduction for a married couple when both work must be prorated by the ratio of the Kansas portion of income used for the adjustment on the federal Schedule W (lower paid spouse) divided by the total amount used on the Schedule W for the lower paid spouse.

Line 25: Add lines 18 through 24, column B, and enter the total on line 25. This is the total of adjustments allowed on Kansas source income.

Line 26: Subtract line 25 from line 17, column B, and enter result on line 26.

Line 27: Enter on line 27, the net modifications from Part I on the back of form 40 which apply to Kansas source income, lines 1-16, column B. This can be either a positive or negative amount. If it is a negative amount, enter the figure as a negative amount in parentheses.

Line 28: If line 27 is a negative amount, subtract it from line 26 and enter the result on line 28. If line 27 is a positive amount, add it to line 26 and enter the total on line 28.

NONRESIDENT ALLOCATION PERCENTAGE

Line 29: Enter on line 29, your Kansas adjusted gross income from line 3 on the front of form 40.

Line 30: The nonresident allocation percentage is derived by dividing line 28, the modified Kansas source income, by line 29, the Kansas adjusted gross income. Enter the percentage here and on line 10 on the front of form 40. You may round the figure to the nearest whole percent. It cannot exceed 100%.

A SIMPLIFIED GUIDE TO THE KANSAS FORM 40

These steps are intended to be a simple overview of the calculation of your Kansas income tax liability and the use of the Kansas form 40. Detailed instructions begin on the following pages, and you should refer to them for more complete information.

Step 1—Federal Adjusted Gross Income

The first step in determining Kansas tax liability is to complete a federal income tax return. The amount on the ADJUSTED GROSS INCOME line from the federal return is the starting point for your Kansas form 40, line 1.

Step 2—Modifications to Federal Adjusted Gross Income

Some taxpayers will have to make modifications to their federal adjusted gross income. The modifications may increase or decrease your adjusted gross income. Modifications are made for income that may be taxable on your federal return, but not taxable on the Kansas return. They are also made for income that is taxable in Kansas, but not at the federal level. The most common modifications are listed in Part I on the back of form 40. See instructions for Part I on page 17 for a complete list of modifications.

Step 3—Kansas Adjusted Gross Income

After subtracting or adding any modifications, you have arrived at your Kansas adjusted gross income. If you have no modifications, your Kansas adjusted gross income is the same as your federal adjusted gross income.

Note: After figuring your Kansas adjusted gross income, you must make three subtractions to calculate your taxable income. These subtractions are outlined in Steps 4, 5, and 6. **All taxpayers must complete these steps.**

Step 4—Standard or Itemized Deductions

The first subtraction is either the standard or itemized deduction. If you cannot itemize your deductions on the federal return, you must use the Kansas standard deduction. Instructions for figuring your standard deduction are on page 13. If you itemize your federal deductions, you may itemize your Kansas deductions, and in most cases it will be to your advantage to do so. This is done by completing Part II on the back of form 40. Specific instructions for figuring your Kansas itemized deductions are on page 19.

Note: Kansas itemized deductions are federal itemized deductions with certain adjustments.

Step 5—Federal Income Tax Deduction

All taxpayers are allowed to deduct their federal income tax. This is the amount of your actual federal tax liability (not your refund or withholding) after subtracting all federal credits. **Do not** reduce this figure by any federal withholding, federal estimate, credit on special fuels and oils, or foreign tax credits. No self employment or social security taxes can be added to this deduction, however.

If you have net modifications that reduce your federal adjusted gross income on the Kansas form 40 (see Step 2), your federal income tax deduction must be prorated. This is to allow for a federal income tax deduction only on the amount of Kansas adjusted gross income. This proration is done in Part III on the back of form 40. Instructions for Part III are on page 21.

If you have net modifications that increase your federal adjusted gross income, or you have no modifications, you do not prorate your federal tax deduction and you can bypass Part III.

Step 6—Exemption Allowance

The final subtraction is the personal exemption allowance: The Kansas personal exemption is **\$1,000** per exemption claimed. The number of exemptions allowed for Kansas is the same as allowed on the federal return, except that individuals with the filing status of "Head of Household" are allowed an additional exemption for Kansas tax purposes.

Step 7—Taxable Income and Tax Liability

Add the three deductions (Steps 4, 5, and 6) together and subtract the total from Kansas adjusted gross income. You now have your Kansas taxable income. If your taxable income is under \$50,000, use the Tax Table starting on page 24 to determine your Kansas tax. If your taxable income is over \$50,000, use the Tax Computation Schedule on page 28 to determine your Kansas tax.

Note: If you are a nonresident, you must complete the Nonresident Allocation Percentage Schedule, Schedule NRS, to determine what percentage of your total income is Kansas source income. This percentage is then multiplied by the Kansas tax to arrive at your nonresident tax liability.

Step 8—Credits

Kansas tax law allows several tax credits. If you are a Kansas resident and you paid tax to another state on income earned in the other state, a credit is allowed to avoid double taxation of this income. This credit is calculated in Part IV on the back of form 40. Instructions for Part IV are on page 21.

Other credits available to Kansas taxpayers are listed in Part V on the back of form 40. Instructions for Part V are on page 22.

Step 9—Refund or Balance Due

If the amount of your Kansas withholding, estimated payments, solar refund, and handicapped refund exceeds your liability (after subtracting the credits in step 8), you are due a refund if the amount of overpayment exceeds \$5.00. If your tax liability, after all credits, exceeds your withholding and estimated payments by \$5.00 or more, the difference is the amount you owe the state of Kansas. You should enclose a check or money order in this amount along with your return. Please write your social security number on your check or money order.

GENERAL INSTRUCTIONS

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

Who Must File a Return

Kansas Resident Taxpayers: A Kansas resident for income tax purposes is an individual who is domiciled in this state. Domicile is that place where an individual has his true, fixed, and principal establishment, and to which, whenever he is absent, he has the intention of returning. The place where an individual actually lives is presumed to be his domicile and that domicile, once established, continues until a change is in fact shown. Domicile is not changed by removal for a definite period of time or for a particular purpose. Abandonment of the domicile does not occur until the acquisition of a new one. Individuals who do not meet the above qualifications would be considered to be nonresidents.

If you were a Kansas resident for the entire year, your filing requirement depends upon the amount of your Kansas adjusted gross income and your age. You must file a return if:

YOUR FILING STATUS IS:	AND	YOUR KANSAS ADJUSTED GROSS INCOME EXCEEDS:
Single Person—Under age 65		\$2,700
Single Person—Age 65 or over		\$3,700
Husband and Wife—Both under age 65		\$4,100
Husband and Wife—One 65 or over		\$5,100
Husband and Wife—Both age 65 or over		\$6,100

Add \$1,000 to the above income levels if either you are blind or your spouse is blind, add \$2,000 if both you and your spouse are blind.

If you can be claimed as a dependent on another taxpayer's return and have taxable dividends, interest, or other unearned income, you must file a return if your gross income is \$1,000 or more.

If either spouse files a separate return, then the other spouse must file a return if his/her income is \$1,000 or more. If you and your spouse file separate federal income tax returns, then you must file separate Kansas returns. If you and your spouse file a joint federal income tax return, then you must file a joint Kansas return. If either spouse is a nonresident and you file a joint federal income tax return, then you must file a joint Kansas nonresident return.

Nonresident Taxpayers: If you are a nonresident and you received income derived from Kansas sources, you must file a Kansas individual income tax return and "Schedule NRS, Nonresident Allocation Percentage Schedule". (See instructions for Nonresident Allocation Percentage Schedule on the back of Schedule NRS.) This schedule is used to determine the percentage of your income from Kansas sources and thus the percentage of your liability owed to Kansas.

Income derived from Kansas sources includes the following:

- Income from real or tangible personal property located in Kansas;
- Income from a business, trade, profession, or occupation operating in Kansas including partnerships and small business corporations;
- Income from services performed in Kansas;
- Income from a resident estate or trust or from a nonresident estate or trust which received income from Kansas sources; and,
- All income earned while a Kansas resident.

Income derived by a nonresident from Kansas sources does not include:

- Income from annuities, interest, dividends or gains from the sale or exchange of intangible property unless earned by a business, trade, profession, or occupation carried on in Kansas; and,
- Compensation received for active service in the Armed Forces of the United States.

If your employer erroneously withheld Kansas income tax, you must file a return to obtain a refund even though you received no income from Kansas sources. A letter from your employer explaining the error must accompany the income tax return. This letter must be on company letterhead and signed by an authorized official of the company.

Residents Working Out of State: If you are a Kansas resident and your assignments take you into other states (railroad employees, airline employees, interstate trucking employees, etc.) you are considered a Kansas resident and are subject to tax on your entire income. However, you may be entitled to a credit for taxes paid to other states. The fact that you are a Kansas resident employed by an agency engaged in interstate commerce does not relieve you from any Kansas income tax liability.

You must also file a return if you are a Kansas resident temporarily employed in a foreign country. If you qualify to exclude foreign earned income from your federal adjusted gross income, it is also excluded in determining your Kansas adjusted gross income.

Military Personnel: Under the provisions of the Soldiers and Sailors Civil Relief Act, the service pay of members of the armed forces is taxable only by the state of legal residence, regardless of where they may be stationed in the line of duty. The place of residency at the time of induction into the service is normally presumed to be the legal state of residence for armed service members. It remains so until they actually establish residency in another state and change their service records accordingly.

If you enter the armed forces from Kansas, you do not lose your Kansas residency by being absent due to military orders. You are subject to the same residency requirements as any other Kansas resident.

If you are a nonresident military person stationed in Kansas due to military orders, you are not subject to Kansas tax on your military pay. However, your military income, along with any other income earned in Kansas, is included in the Kansas adjusted gross income in determining the tax rate on Kansas source income. You must then use the Nonresident Allocation Percentage Schedule to determine the percentage of your income from Kansas sources and the proportion of your tax owed to Kansas.

All military installations are required by the Department of Defense to forward wage information reports to the state shown on military records as the official home of record.

Military compensation which is not included in federal adjusted gross income is not taxable under the Kansas income tax laws.

Part-year Residents: You are a part-year resident if you were a Kansas resident for a period of less than 12 months during 1986. A part-year resident has the option to file as either a resident or as a nonresident.

Part-year residents who file as residents compute Kansas tax as if they were residents for the entire year; that is, all income is treated as if earned by a Kansas resident, and they would be able to claim the various credits that are available to Kansas residents, including the credit for taxes paid to other states.

A part-year resident who files as a nonresident must compute the Kansas tax according to the rules applicable for nonresidents. (See instructions for "Schedule NRS, Nonresident Allocation Percentage Schedule".)

American Indians: Income received by American Indians which is exempt from federal income tax is also exempt from Kansas income tax. Income earned by an American Indian on his or her tribal reservation is also exempt from Kansas income tax. If any such income is included in the federal adjusted gross income, it should be subtracted in Part I on the back of form 40 as "Other Subtractions".

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 taxable year.

A return for a taxpayer who died during the taxable year should be filed with the residency status which would have been appropriate. If a joint federal income tax return was filed for the decedent and the surviving spouse, a joint Kansas return must also be filed. Enter the word "deceased" and the date of death after the decedent's name in the address line. Include the decedent's social security number in the space provided.

If a refund of less than \$100 is being requested by the decedent's spouse, then the spouse must furnish proof of death by submitting either a "Statement of Person Claiming Refund Due a Deceased Taxpayer" (federal form 1310), a death certificate, obituary statement, funeral home notice, or a completed "Request for a Refund and/or Credit Forward Due a Deceased Taxpayer", (Kansas form rf/9).

If a refund of over \$100 is being requested by the decedent's spouse, proof of death must be furnished by submitting a death certificate, obituary statement, or funeral home notice, AND a completed Kansas form rf/9.

If a refund of any amount is being claimed by someone other than the spouse, proof of death must be furnished by submitting a death certificate, obituary statement, or funeral home notice, AND a completed Kansas form rf/9.

A Kansas form rf/9 may be obtained from the Kansas Income and Inheritance Tax Bureau.

Where to Get Forms

Forms are mailed directly to you if you filed a Kansas income tax return last year and indicated that you desired to receive a booklet. Forms are mailed to the address on last year's return. If you do not receive forms through the mail, they are available through county clerks, city clerks, banks, libraries, other places of convenience and any taxpayer assistance location listed on page 2. Any form or schedule that is not available locally will be mailed to you upon request from the Kansas Income and Inheritance Tax Bureau, Box 12001, Topeka, Kansas 66612-2001.

When to File

Calendar Year: If your return is based on a calendar year, it must be filed no later than April 15, 1987.

Fiscal Year: If your return is based on a tax year other than a calendar year, it must be filed no later than the fifteenth day of the fourth month following the end of your tax year. The instructions in this booklet apply only to taxable years which began on or after January 1, 1986.

Extensions to File

You may request an extension of time to file a Kansas income tax return. It is not necessary to request a Kansas extension of time if you have been granted an extension of time to file your federal return. The Kansas Department of Revenue will accept an approved federal extension of time. A copy of the **approved federal extension** must accompany your Kansas return when filed and interest must be paid at the rate of 1 1/2% per month on the original balance due from April 15 until the return is filed. You must pay your estimated liability due with your completed extension of time.

A Kansas extension may be obtained even though you do not request an extension of time from the federal government. You may request a Kansas extension of time (form E-1) from the Extension Desk, Kansas Income and Inheritance Tax Bureau, Box 12001, Topeka, Kansas 66612-2001 on or before the due date of the return.

Where to File

Mail your Kansas return to: **KANSAS INCOME TAX
TOPEKA, KANSAS 66699-0001**

Estimated Tax

You are required to file a declaration of estimated tax if you meet these three conditions:

- Your Kansas gross income is \$5,000 or more;
- You expect to receive \$2,000 of income not subject to Kansas withholding; and,
- Your estimated Kansas income tax balance due (after all credits including tax withheld) is \$200 or more.

Farmers and fishermen are not required to file a declaration of estimated tax if their 1986 Kansas income tax return is filed on or before March 1, 1987.

Nonresidents should consider only Kansas source income for meeting these conditions.

Forms and instructions for filing estimated tax are available through county clerks, city clerks, banks, libraries, other places of convenience and any taxpayer assistance location listed on page 2. Any form that is not available locally will be mailed to you upon request from the Kansas Income and Inheritance Tax Bureau.

Rounding to Whole Dollars

The money items on your return and schedules may be rounded to whole dollars. You may eliminate any amount less than 50 cents, and increase any amount from 50 cents through 99 cents to the next higher dollar.

Copy of Federal Return

Attach to your Kansas return a copy of your federal income tax return, including all schedules, as filed with the Internal Revenue Service. Failure to attach a copy of your federal income tax return will cause a delay in processing your Kansas income tax return. **A copy of your Kansas income tax return should not be sent to the Internal Revenue Service with your federal return.**

Confidential Information

Income tax information which is disclosed to the Kansas Department of Revenue, either on returns or through Department investigation, is held in strict confidence by law. The Department of Revenue and the U.S. Internal Revenue Service do 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.

Amended Returns

If you discover an error was made on your return after it has been filed, or if your federal return has been adjusted by the Internal Revenue Service, an amended Kansas return should be promptly filed, using form 40X. The Kansas Department of Revenue should be notified if an amended claim is disallowed by the IRS.

Whenever a taxpayer has knowledge or notice that any federal return previously filed was not correct, amended returns and copies of the Revenue Agent's Reports must be submitted to the Kansas Department of Revenue within 180 days. Failure to notify properly the Director of Taxation within the 180 day period will cause the statute of limitations to remain open for assessment.

SPECIFIC LINE INSTRUCTIONS

Heading

If you have received a booklet of Kansas income tax forms and instructions with a pre-addressed gummed label, please remove the label from the booklet cover and place it on form 40 in the space provided. If it is incorrect, please make any necessary corrections directly on the label. If you did not receive a booklet with a pre-addressed label, please type or print your social security number, name, address, school district number, and county abbreviation in the spaces provided. **Your school district number and county abbreviation may be found in the list on pages 39 and 40.**

Telephone Number

If a problem arises in processing your return, it is very helpful for the Department of Revenue to have a telephone number where you can be reached during office hours. It will be kept confidential.

Residency Status

RESIDENTS: If you are filing as a resident, check the block for residents.

NONRESIDENTS: If you are filing as a nonresident, check the block for nonresidents. **You must complete and attach Schedule NRS, "Nonresident Allocation Percentage Schedule"**.

PART-YEAR RESIDENTS: If you are a part-year resident, enter the dates of your residency and check either the resident or nonresident box, see instructions for part-year residents on page 11.

Filing Status

The filing status for Kansas must be the same as that used on your federal income tax return, except that Kansas does not recognize the "Qualifying Widow(er) with Dependent Child" status. If you filed as a "Qualifying Widow(er) with Dependent Child", on your federal return, you may file as "Head of Household" on the Kansas return.

Exemptions

You are entitled to the same number of exemptions as claimed on your federal income tax return. Enter, at the space provided, the number of exemptions claimed on your 1986 federal return. If your filing status is "Head of Household" for Kansas, enter one additional exemption in the space provided. Enter the total number of exemptions claimed in the "Total Exemptions" box.

Line 1—Federal Adjusted Gross Income

Enter on line 1 your federal adjusted gross income as reported on your 1986 federal income tax return.

Line 2—Modifications to Federal Adjusted Gross Income

In some cases, modifications must be made to federal adjusted gross income for Kansas tax purposes. Modifications are computed in Part I, on the back of the return, and the instructions for "Part I—Modifications to Federal Adjusted Gross Income" are on page 17. **If you have modifications to your federal adjusted gross income, figure them in Part I on the back of the return and transfer the**

net result to line 2 on the front of the return. If you have no modifications, go directly to line 3.

Line 3—Kansas Adjusted Gross Income

If line 2 is a positive amount, add line 2 to line 1 and enter result on line 3. If line 2 is a negative amount, subtract line 2 from line 1 and enter result on line 3. If you made no entry on line 2, your Kansas adjusted gross income is the same as your federal adjusted gross income. Enter it again on line 3.

Line 4—Standard or Itemized Deductions

If you did not itemize your deductions on your federal return then you must take the standard deduction on your Kansas return. If you itemized your deductions on your federal return, you may itemize your deductions for Kansas, or take the standard deduction, whichever is to your advantage. Generally, it will be to your advantage to itemize deductions on your Kansas return if you did so on your federal return.

Enter on line 4 your standard or itemized deductions, whichever is applicable. If you take the standard deduction, you may claim 16% of your Kansas adjusted gross income with certain minimums and maximums. Refer to the following chart to determine your standard deduction.

Single or Head of Household:

If line 3, form 40 is:	Your standard deduction to be entered on line 4, form 40 is:
\$10,625 or less	\$1,700
\$10,625 to \$15,000	16% of the amount on line 3, form 40
More than \$15,000	\$2,400

Married Filing Joint:

If line 3, form 40 is:	Your standard deduction to be entered on line 4, form 40 is:
\$13,125 or less	\$2,100
\$13,125 to \$17,500	16% of the amount on line 3, form 40
More than \$17,500	\$2,800

Married Filing Separate:

If line 3, form 40 is:	Your standard deduction to be entered on line 4, form 40 is:
\$6,562.50 or less	\$1,050
\$6,562.50 to \$8,750	16% of the amount on line 3, form 40
More than \$8,750	\$1,400

NOTE: If a husband and wife are filing separate returns, both must use the same method for determining their standard deduction. If one uses the minimum amount (\$1,050), then the other must use the same figure. If one uses the percentage standard deduction, or a higher amount, then the other must use the percentage standard deduction even if it is less than the minimum. If one itemizes deductions, then the other must itemize deductions.

If you can be claimed as a dependent on your parents' return and line 3, on the front of form 40, includes income

other than earned income, (as defined in the Internal Revenue Code) and you do not itemize deductions, substitute the following instructions for determining your standard deduction.

Enter on line 4 the larger of (1) or (2):

- (1) 16% of your Kansas adjusted gross income (line 3, on the front of form 40) that is attributable to earned income up to a maximum of \$2,400 if single, or \$1,400 if married filing separate; or,
- (2) \$1,700 if single, or \$1,050 if married filing separate, but not exceeding the earned income included in your Kansas adjusted gross income (line 3, on the front of form 40).

If you itemize your deductions, they are computed in Part II on the back of the return. Instructions for figuring your itemized deductions and completing Part II begin on page 19. Once you have completed Part II, transfer the amount from line 55 to line 4 on the front of the return.

Line 5—Federal Income Tax Deduction

You are permitted to claim a Kansas deduction for federal income taxes paid. The deduction is NOT the amount of federal tax withheld or refunded; it is based on the actual liability paid and is limited to the amount of federal liability applicable to the Kansas adjusted gross income.

Enter on line 5, form 40, your federal income tax deduction. If the amount on line 2 of form 40 is zero or a positive number, then the amount computed below will be your federal tax deduction to be entered on line 5. If the amount on line 2 of form 40 is a negative number, then you must prorate your federal tax deduction using Part III, on the back of form 40. The amount of federal tax computed below is the starting point for determining your federal income tax deduction and should be entered on line 56, Part III. The instructions for Part III begin on page 21.

The federal tax figures to use are as follows:

Form 1040EZ: If you are filing a federal form 1040EZ, the actual amount of your federal tax (the tax you found in the tax tables of your federal instruction booklet) will be your federal tax deduction provided line 2, form 40, is zero or a positive amount.

Form 1040A: If you are filing a federal form 1040A, start your computation with the actual amount of your federal tax (the tax you found in the tax tables of your federal instruction booklet). Subtract from this figure any federal credits for child and dependent care, political contributions and/or the earned income credit. This will be your federal tax deduction if line 2, form 40 is zero or a positive amount. Do not enter a negative number.

Form 1040: If you are filing a federal form 1040, start your computation with the tax you found in either the tax tables, Schedule G (Income Averaging), or tax rate schedule X, Y, or Z.

Add the following taxes to this figure:

- Additional tax from forms 4970 (Tax on Accumulation Distributions of Trusts), 4972 (Special 10-Year Averaging Method), and 5544 (Multiple Recipient Special 10-Year Averaging Method);
- Alternative Minimum tax;
- Tax from the recapture of investment credit; and,
- Tax on an IRA.

Subtract the following credits from this figure:

- Credit for child and dependent care expenses;
- Credit for the elderly and the permanently and totally disabled;
- Residential energy credit;
- Partial credit for political contributions;

- General business credits;
- Earned income credit; and,
- Regulated investment company credit.

The resulting figure will be the amount of your federal tax deduction if line 2, form 40, is zero or a positive amount. Do not enter a negative number.

If line 2 is a negative figure, the amount computed above will be the amount to be entered on line 56, Part III on the back of form 40.

Line 6—Exemption Allowance

Enter on line 6 your Kansas exemption allowance. This is determined by multiplying the total number of exemptions claimed at the top of form 40 by \$1,000.

Line 7—Total Deductions

Add lines 4, 5, and 6. Enter the total on line 7.



Be sure that you have completed lines 4, 5, and 6 and have totaled them on line 7 before you complete line 8.

Line 8—Kansas Taxable Income

Subtract line 7 from line 3. Enter the difference on line 8. This is your Kansas taxable income.

Line 9—Tax

Enter the amount of your tax, from the Tax Table or the Tax Computation Schedules, on line 9.

Individuals with Kansas taxable income (line 8) of \$50,000 or less should use the Tax Table. Individuals with Kansas taxable income of more than \$50,000 must use the Tax Computation Schedules. To use the Tax Table, you first locate the income range within which your taxable income falls and then find the appropriate tax in the column under the heading for your filing status.



If you are a Kansas resident, skip lines 10 and 11 and proceed to line 12.

Line 10—Nonresident Allocation Percentage

NONRESIDENTS: Enter on line 10, your nonresident allocation percentage from line 30, Schedule NRS, Nonresident Allocation Percentage Schedule. Nonresidents must complete and attach this schedule to form 40.

PART-YEAR RESIDENTS: If you are filing as a resident, leave line 10 blank. If you are filing as a nonresident, enter on line 10, your nonresident allocation percentage from line 30, Schedule NRS, Nonresident Allocation Percentage Schedule.

Line 11—Nonresident Tax

NONRESIDENTS: Multiply line 9, the tax, by the nonresident allocation percentage on line 10. Enter result on line 11.

PART-YEAR RESIDENTS: If you are filing as a resident, leave line 11 blank. If you are filing as a nonresident, multiply line 9, the tax, by the nonresident allocation percentage on line 10. Enter result on line 11.

Line 12—Kansas Tax on Lump Sum Distributions

RESIDENTS AND PART-YEAR RESIDENTS FILING AS RESIDENTS: If you received income from a lump sum distribution and there has been a federal tax imposed on this income in accordance with Internal Revenue Code Section 402(e), then you are subject to a Kansas tax on lump sum distributions.

Enter on line 12, 13% of the federal tax on the lump sum distribution determined on federal forms 4972 or 5544.

NONRESIDENTS AND PART-YEAR RESIDENTS FILING AS NONRESIDENTS: Leave line 12 blank unless a lump sum distribution was received by a nonresident from Kansas sources. If the lump sum distribution was from Kansas sources, enter on line 12, 13% of the federal tax on the lump sum distribution determined on federal forms 4972 or 5544.

Note: Individuals who are paying a federal lump sum tax on a Kansas Public Employees' Retirement System (KPERs) lump sum distribution should prorate the federal lump sum tax by the Kansas taxable portion of the lump sum distribution (accumulated interest plus any contributions made since July 1, 1984 which have **not** been previously added back on Kansas income tax returns) divided by the total portion of the distribution which was taxed on the federal return.

Line 13—Total Kansas Tax

RESIDENTS AND PART-YEAR RESIDENTS FILING AS RESIDENTS: Add lines 9 and 12. Enter result on line 13. This is your Kansas tax liability.

NONRESIDENTS AND PART-YEAR RESIDENTS FILING AS NONRESIDENTS: Add lines 11 and 12. Enter result on line 13. This is your Kansas tax liability.



If you will be claiming no nonrefundable credits, you may skip lines 14, 15 and 16 and go directly to line 17. You should review the instructions for Part IV, page 21, and Part V, page 22, to determine if you are eligible for any of the following credits: credit for taxes paid to other states; economic development credits; solar energy credit; handicapped accessibility credit; credit for child and dependent care expenses; and, military retirement credit.

Line 14—Credit for Taxes Paid to Other States

RESIDENTS AND PART-YEAR RESIDENTS FILING AS RESIDENTS: If you received income from another state and you were required to pay income tax to that other state, you may be entitled to claim a tax credit against your Kansas income tax liability to avoid double taxation of the income.

To determine your allowable tax credit for taxes paid to other states, complete Part IV, on the back of form 40. Instructions for "Part IV—Credit for Taxes Paid to Other States" are on page 21. To receive credit for taxes paid to other states **you must attach a copy of that state's return to your Kansas return.**

NONRESIDENTS AND PART-YEAR RESIDENTS FILING AS NONRESIDENTS: If you are a nonresident, you are not allowed to claim the credit for taxes paid to other states. However, if you are a part-year resident of Kansas during 1986 and if: (1) your total income reported to Kansas includes income earned in another state while you were a Kansas resident; and, (2) you were required to pay taxes on that income earned in another state, then you may be eligible for the credit. See instructions for "Part IV—Credit for Taxes Paid to Other States, Part-Year Residents Filing as Nonresidents" on page 21 to calculate the allowable credit.

Line 15—Other Nonrefundable Credits

You may be eligible for certain other credits. These credits are computed in Part V, on the back of the return. Instructions for "Part V—Other Nonrefundable Credits" are on page 22.

Line 16—Total Nonrefundable Credits

Add lines 14 and 15. Enter the total on line 16.

Line 17—Balance

Subtract line 16 from line 13. Enter the result on line 17. This amount cannot be less than zero. If it is less than zero, you are allowed a refund only on Kansas withholding, estimated payments, solar energy credit, and handicapped accessibility credit.

Line 18—Kansas Income Tax Withheld

Enter on line 18 the total amount of Kansas income tax withheld as shown on your Wage and Tax Statement (W-2 or K-2). Supporting forms W-2 or K-2 must be attached to your return or this credit will not be allowed.

These forms are furnished to you by your employer. They show the amount of income tax withheld. Only your employer can issue or correct this form. If you do not receive a wage and tax statement (W-2 or K-2) from your employer by January 31, or if the form you received is incorrect, contact your employer as soon as possible.

Line 19—Estimated Tax

Enter on line 19 the amount of estimated tax you have credited to your 1986 estimated tax account. This includes the amount of any 1985 overpayment which you credited to your 1986 estimated tax account, plus all estimated tax payments made for the year 1986.

Include on line 19 the amount of taxes withheld by fiduciaries of estates or trusts in your name. Form K-18 should be supplied to you indicating the amount of the withholdings to be claimed. The form K-18 must be attached to the form 40.

Also enter on line 19 any payments made for a 1986 estimated tax liability on an extension of time to file your 1986 return. Indicate at line 19 that a payment with an extension of time is included in the amount on line 19.

Line 20—Solar Energy Refund

Taxpayers claiming a solar energy credit may, under certain circumstances, be eligible for a refund of part of the solar energy credit. This credit is computed on schedule K-35 which is available from the Kansas Income and Inheritance Tax Bureau. Enter on line 20 the amount of the refund computed on schedule K-35.

Line 21—Handicapped Accessibility Refund

Taxpayers claiming a handicapped accessibility credit may, under certain circumstances, be eligible for a refund of part of the handicapped accessibility credit. This credit is computed on Schedule K-37 which is available from the Kansas Income and Inheritance Tax Bureau. Enter on line 21 the amount of the refund computed on schedule K-37.

Line 22—Total Refundable Credits

Add lines 18, 19, 20, and 21. Enter total on line 22.

Line 23—Balance Due

If line 17 is greater than line 22, subtract line 22 from line 17 and enter balance due on line 23. This is the amount you owe the State of Kansas. The total amount on line 23 must be paid in full. If payment is not made with the return, the tax due is subject to penalty and interest. Payment should be made by check or money order to "Kansas Income Tax" and sent with your return. Do not include payment for intangibles tax or taxes due any other taxing authority. **Do not send cash. Please write your social security number on your check or money order.** A balance due of less than \$5.00 need not be paid.

Interest: If you filed your Kansas return after the due date, compute the interest at the rate of 11/2% per

month on the amount of balance due. Enter the amount of interest in the space provided at line 23.

Penalty: If you filed your Kansas return after the due date but within 60 days of the due date, compute the penalty at 10% of the amount of balance due. If you filed your Kansas return more than 60 days beyond the due date, calculate the penalty at 25% of the amount of balance due. Enter the amount of the penalty in the space provided at line 23. Total the interest, penalty and balance due and enter this amount on line 23. If an approved extension of time has been granted, no penalty is due if the return is filed on or before the extended due date. Interest at the rate of 11½% per month is, however, owed on the balance due and is to be computed from the original due date.

Penalty-Estimated Tax: In accordance with Schedule 210, Individual Underpayment of Estimated Tax, enter on the space provided at line 23 the amount of estimated tax penalty. This amount must be included in the balance due on line 23. Schedule 210 must be attached to your return. Individuals whose gross income from farming or fishing is at least two-thirds of annual gross income and who have filed form 40 and paid the tax on or before March 1, 1987, are exempt from penalties for underpayment of estimated tax.

Line 24—Refund

If line 22 is greater than line 17, you have an overpayment. All or a portion of this overpayment can be refunded to you. Enter the amount of the overpayment you wish to be refunded to you on line 24 in the area marked "Refund". Amounts of less than \$5.00 will not be refunded; however, amounts less than \$5.00 may be claimed as a credit forward against next year's tax liability provided they are entered on line 25, the "Credit Forward" line.

Normal processing time to issue a refund is six to eight weeks. Please wait a minimum of 12 weeks before contacting the Department of Revenue regarding your refund. ERRORS on your return and incomplete returns (e.g., missing W-2's or no federal return attached) will cause delays in processing refunds.

Note: If there is any other liability owed the State of Kansas, the income tax refund will be applied to that liability.

Line 25—Estimated Tax Credit Forward

If you wish to have all or a portion of the overpayment credited to your 1987 estimated tax account, enter the amount of the overpayment you wish to be credited to your 1987 estimated tax account on line 25.

Line 26—Chickadee Checkoff

Enter on line 26 the total wildlife contribution you wish to make. Any refund claimed on line 24 will be reduced by the amount designated for the nongame wildlife improvement program. Do not alter the refund amount to reflect the nongame wildlife contribution. This will be done for you. If your refund claim is decreased upon examination by the Department of Revenue, the wildlife contribution will be reduced by that amount. If your refund is increased upon examination by the Department of Revenue, the total wildlife contribution will remain the same.

You may contribute amounts to the nongame wildlife improvement program in addition to your balance due (line 23), or in addition to your expected refund (line 24). This additional amount, together with any tax payment due, should be remitted by check or money order made payable to "Kansas Income Tax".

SIGNATURE

You **MUST** sign your Kansas income tax return. If you are filing a joint return, both husband and wife must sign the return even if only one of you had income. No refund can be made unless the return is properly signed. If the return is prepared by someone other than you, the return should also be signed by the preparer.

Do you wish to receive an income tax booklet next year?

If your return is prepared by a tax practitioner, you may not need to receive a tax booklet next year. Please check with your practitioner before you mark the "No" box. Even though you have checked "No", a Kansas label for your 1987 return will be mailed to the address shown on your 1986 return.



Your return is complete. The following instructions are not necessary unless you have been referred to them by prior instructions.

Helpful Hints

If you file an early, accurate and legible return, we will be able to process the return and any refund more quickly. Errors that must be corrected by the Department of Revenue generally delay return processing. Omissions from the return which require us to correspond with you will cause a longer delay. The "six to eight weeks" processing time for a refund starts again the day the missing information is received by the Department. You can prevent mistakes by preparing your tax return carefully. Refer to the instructions if you are uncertain in any area, or contact the Kansas Income and Inheritance Tax Bureau for assistance. Our taxpayer assistance phone numbers are listed on page 2.

BEFORE MAILING YOUR RETURN, PLEASE BE CERTAIN TO:

- Check social security number(s), name(s), address, zip code, county abbreviation, and school district number to make sure they are correct.
- Attach a copy of your federal return and all accompanying schedules.
- Attach State's Copy of your Wage and Tax Statement(s) (K-2 or W-2 forms).
- If you discover, after mailing your return, that you failed to attach a withholding statement(s) or a supporting schedule(s) to your return, please DO NOT mail this information until the Department requests it. If you mail this information before the Department notifies you, it will cause further delay in processing your return.
- Recheck your arithmetic, especially any required multiplication.
- Sign your return. If married and filing a joint return, both must sign.
- If making a payment, please write your social security number on the check or money order and staple it in the area indicated on the return.
- Your Kansas income tax return is an important document. It is suggested that you retain copies of all returns sent to the department for at least five years.
- If you wish to participate in the Kansas nongame wildlife improvement program, enter the amount you wish to contribute on the appropriate line of the Kansas individual income tax return (form 40).

PART I—MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

(Back of Form 40)

ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME

Part I is used to compute modifications to federal adjusted gross income. Modifications are generally used to exclude income that is taxable at the federal level, but not at the state level, or to include income that is exempt at the federal level, but taxable for state purposes. Many taxpayers will not have modifications. If, after reviewing these instructions, you have no modifications, you may proceed directly to line 3 on the front of form 40.

Line 27—State and Municipal Interest

Enter on line 27 interest income received, credited, or earned by you from any state or municipal obligations during the taxable year, except those specifically exempt from income tax by Kansas law, such as: Kansas Turnpike Authority Bonds, Armory Bonds, Board of Regents Bonds for Kansas Colleges and Universities, Urban Renewal Bonds, Industrial Revenue Bonds, or Kansas Highway Bonds.

Line 28—Federal Net Operating Loss Carry Forward

Enter on line 28 the federal net operating loss carry forward claimed on your 1986 federal income tax return.

Line 29—Contributions to Public Employees' Retirement Systems Administered by KPERs

Enter on line 29 the amount you contributed from your salary to the Kansas Public Employees' Retirement System. Individuals involved include: regular and special members of KPERs (including teachers and school district employees); regular and special members of the Kansas Police and Firemen's Retirement System; and, members of the Justice and Judges Retirement System.

These designated contributions are deferred from federal income tax; however, they are taxable to the State of Kansas. To determine the amount of contribution to be **added back** into the federal adjusted gross income, you subtract the amount shown on your W-2 in the "wages, tips and compensation income" box from the amount shown in the "state and local wages income" box on your W-2. The balance will be the amount entered on line 29. Some employers will have provided this figure for you with an indication that the amount is a KPERs contribution.

Individuals who have received a lump sum KPERs distribution during 1986 should include their 1986 contributions on line 29 and refer to the instructions for "KPERs Lump Sum Distributions" at line 39. Retired KPERs employees should refer to the instructions for "Line 35—Kansas Pension Plans".

Line 30—Other Additions to Federal Adjusted Gross Income

Enter on line 30 the following other additions to your federal adjusted gross income:

- **Federal Income Tax Refund:** As a general rule, there will be no entry here unless you amended your federal return for a prior year due to an investment credit carry back or a net operating loss carry back which resulted in you receiving a federal income tax refund in 1986 for that prior year.
- **Handicapped Accessibility Credit Modification:** Enter the amount of any depreciation deduction or business expense deduction claimed on your federal return which was used in determining the handicapped accessibility credits on the schedule K-37.

- **Partnership or Subchapter "S" Adjustments:** If you received income from a partnership, subchapter "S" corporation, joint venture, or a syndicate, enter on line 30 your proportionate share of any addition adjustments that are required. The partnership or subchapter "S" corporation will provide you with the necessary information to determine these adjustments.
- **Fiduciary Adjustments:** If you received income from estates or trusts, enter on line 30 your proportionate share of any addition adjustments that are required. The fiduciary of the Kansas estate or trust of which you are a beneficiary will provide you with the necessary information to determine these adjustments.
- **Flexible Compensation—State Employee's "Cafeteria" Group Health Insurance:** Include on line 30 any premiums paid into a group health insurance program offered to State of Kansas employees as part of a "cafeteria" fringe benefit plan. These premiums are exempt from federal taxes but are subject to Kansas tax. Only employees of the State of Kansas who are enrolled in group health insurance are involved with this modification. The amount of premiums paid during the year should be indicated as "Flexible Compensation" on the W-2 issued to the employees of the State of Kansas.

Line 31—Total Additions to Federal Adjusted Gross Income

Enter on line 31 the total of lines 27 through 30.

SUBTRACTIONS FROM FEDERAL ADJUSTED GROSS INCOME

Line 32—Interest on U.S. Government Obligations

Enter on line 32 any interest or dividend income received on obligations or securities of any authority, commission, or instrumentality of the United States and its possessions to the extent they are included in federal adjusted gross income if they are exempt from state income taxes under the laws of the United States. Such obligations include: U.S. Savings Bonds, U.S. Treasury Bills, Federal Land Bank, etc.

Line 33—State or Local Income Tax Refund Included in Federal Adjusted Gross Income

Enter on line 33 any state or local income tax refunds which are included in your federal adjusted gross income.

Line 34—Federal Civil Service Annuity

Enter on line 34 any Federal Civil Service retirement annuity paid from the Federal Civil Service Retirement or Disability Fund which is included in your federal adjusted gross income.

Line 35—Kansas Pension Plans

Enter on line 35 the amount of any Kansas pension benefits received which are specifically exempt from Kansas income tax if it was included in your federal adjusted gross income. Exempt Kansas pensions include: Kansas Public Employee's Retirement Annuities, Kansas Teacher's Retirement Annuities, Kansas Police and Firemen's Retirement System Pensions, Kansas Highway Patrol Pensions, Justices and Judges Retirement System and certain pensions received from first class cities that are not covered by the Kansas Public Employee's Retirement System. Attach a copy of form W-2P or 1099R to verify figures claimed.

Line 36—Kansas Net Operating Loss Carry Forward

Enter on line 36 any Kansas net operating loss carry forward.

RESIDENTS: You must have a Federal net operating loss in order to have a Kansas net operating loss. To determine the Kansas net operating loss, the Kansas net amount subject to tax must be modified by: (1) any net operating loss carried over from other years which is included in the net amount subject to tax; (2) the net capital losses; (3) the 50% or 60% capital gains exclusion; (4) the personal exemption deduction; and, (5) the nonbusiness deductions in excess of nonbusiness income.

After December 31, 1977, the loss may be carried back 3 years and forward 7 years, or until fully absorbed (whichever occurs first). For years commencing after December 31, 1975, Kansas allows the taxpayer to forego the loss carry back option and carry the loss forward, provided the same option is made on the federal return. If the loss is carried back on the federal return you must also carry your Kansas loss back before any unused loss can be carried forward.

A schedule showing your computation of the Kansas net operating loss and how it was applied to income must be attached to: your Kansas return if you are claiming a loss carry forward; or, the Application for Carry Back of Net Operating Loss Refund, Form 45, if you are claiming a loss carry back. Form 45 may be obtained from the Kansas Income and Inheritance Tax Bureau.

NONRESIDENTS: Loss year beginning after December 31, 1977—The person filing on the nonresident basis for Kansas must determine his Kansas net operating loss as though he were a Kansas resident (see resident information above). Schedule NRS, Nonresident Allocation Percentage Schedule, is not used to determine a Kansas net operating loss. In order for a nonresident to claim a net operating loss, he must have had income or loss from Kansas sources during the loss year. The Kansas net operating loss for years after December 31, 1977, cannot be carried back to years beginning prior to January 1, 1978.

Line 37—Insulation Adjustment

You may subtract 50% or \$500, whichever is less, of the cost of labor and materials to insulate certain buildings you own. To qualify for the adjustment, the building must be located in Kansas, have been in existence on or before July 1, 1977, and be intended for single family or multi-family occupancy.

Insulation means the installation of materials which are designed to reduce the gain or loss of heating or cooling in the walls, floors, or ceilings of a building. **This does not include the installation of storm doors, storm windows, siding, etc.**

The building must be insulated according to the standards prescribed by the Federal Housing Administration (FHA) for new buildings. At the present time the FHA prescribes that new buildings should be insulated with a resistance factor of R-13 for walls and a resistance factor of R-30 for ceilings.

Enter on line 37 your insulation adjustment. Schedule K-36, Insulation Adjustment, must be completed and attached to your return before the insulation adjustment will be allowed. Schedule K-36 may be obtained from the Kansas Income and Inheritance Tax Bureau.

Line 38—Railroad Retirement Benefits

Benefits received from all railroad retirement plans administered by the U.S. Railroad Retirement Board are exempt from state taxation by federal law. Enter on line 38 any railroad retirement benefits received from the U.S. Railroad Retirement Board which are included in your federal adjusted gross income. This exemption from Kansas taxes

includes tier I, tier II, and dual vested benefits as well as supplemental annuities (which are exempt by Kansas tax law). Attach a copy of form W-2P or 1099R to verify figures claimed.

Line 39—Other Subtractions from Federal Adjusted Gross Income

Enter on line 39 the following other subtractions from your federal adjusted gross income:

NOTE: You MAY NOT subtract the amount of your income reported to another state.

- **KPERS Lump Sum Distributions:** Employees who terminated KPERS employment after July 1, 1984 and elect to receive their contributions in a lump sum distribution will report their taxable contributions on their federal return. To avoid double taxation, subtract the contributions which have been added back on your Kansas income tax returns as a modification from 1984 up to the current year.
- **Additional Capital Gain or Loss Due to Difference in Basis:** If, during the taxable year, you received a gain or loss from the sale of property or other capital assets in which you had a higher tax basis for Kansas income tax purposes than for federal income tax purposes, enter on line 39 the difference in basis of the property sold. If the gain is considered a long term capital gain, the amount deducted is limited to 40% of the difference in basis. If your Kansas basis in the property is less than your federal basis, no modification adjustment is required. For property obtained after December 31, 1967, the basis in property is the same for both Kansas and federal.

If you acquired property from a decedent, the basis of the property is to be determined in accordance with the provisions of Internal Revenue Code Section 1014, existing on December 31, 1976.
- **Sale of Kansas Turnpike Bonds:** Enter on line 39 the gain from the sale of Kansas Turnpike Bonds if the gain was included in your federal adjusted gross income.
- **Accumulation Distributions:** Enter on line 39 the amount of accumulation distributions included in your federal adjusted gross income which you received as a beneficiary of a trust.
- **Partnership or Subchapter "S" Adjustments:** If you received income from a partnership, subchapter "S" corporation, joint venture, or a syndicate, enter on line 39 your proportionate share of any subtraction adjustments that are required. The partnership or subchapter "S" corporation will provide you with the necessary information to determine these adjustments.
- **Fiduciary Adjustments:** If you received income from estates or trusts, enter on line 39 your proportionate share of any subtraction adjustments that are required. The fiduciary of the Kansas estate or trust of which you are beneficiary will provide you with the necessary information to determine these adjustments.
- **Jobs Tax Credit:** Enter on line 39 the amount of the federal targeted jobs tax credit disallowance claimed on the federal income tax return.
- **Work Incentive Credit Disallowance:** Enter on line 39 the amount of work incentive credit disallowance claimed on the federal income tax return.
- **Gain on Real Estate Foreclosure:** Enter on line 39 the gain included in federal taxable income from the sale or disposition of real estate due to: foreclo-

sure of a mortgage; the gain on the voluntary conveyance of mortgaged property to the mortgagee; or, the gain by a debtor resulting from the release of liability on a contract for the purchase of real estate. Attach to your income tax return copies of all pertinent schedules and documents for support of this modification. This modification does **not** apply to any gain realized by an investor from any such transactions concerning tax shelters which are required, or would have been required, to be registered with the Internal Revenue Service pursuant to section 6111 of the Internal Revenue Code.

Line 40—Total Subtractions from Federal Adjusted Gross Income

Enter on line 40 the total of lines 32 through 39.

Line 41—Net Modifications to Federal Adjusted Gross Income

If your total additions to federal adjusted gross income (line 31) exceed your total subtractions from federal adjusted gross income (line 40), enter on line 41 the difference between line 40 and line 31 as a positive amount. If your total subtractions from federal adjusted gross income (line 40) exceed your total additions to federal adjusted gross income (line 31), enter on line 41 the difference between line 40 and line 31 as a negative amount. Enclose negative amount in brackets.

Enter the result from line 41 on line 2, on the front of form 40. If the amount you are carrying over to line 2, on the front of form 40, is a negative amount, enclose the negative amount in brackets.

**PART II—ITEMIZED DEDUCTIONS
(Back of Form 40)**



Do not complete Part II if you did not itemize your federal deductions. See page 13 to determine your standard deduction.

You cannot itemize deductions on your Kansas return unless your federal itemized deductions, as claimed on your federal return, exceeds the federal zero bracket amount of \$3,670 for married filing joint, \$2,480 for single or head of household, or \$1,835 for married filing separate. If you do itemize, your Kansas itemized deductions will be your federal itemized deductions with certain adjustments as computed below.

Line 42—Total Federal Itemized Deductions

Enter on line 42 the total federal itemized deductions from Schedule A of your federal income tax return. **THIS AMOUNT IS PRIOR TO THE ZERO BRACKET DEDUCTION OF \$3,670, \$2,480, OR \$1,835.**

SUBTRACTIONS FROM FEDERAL ITEMIZED DEDUCTIONS

Line 43—State and Local Income Taxes

Enter on line 43 any state and local income or earnings taxes which are included in your federal itemized deductions.

Line 44—Medical, Dental, and Drug Expenses

Enter on line 44 the net medical, dental, and drug expenses included in your federal itemized deductions. A more generous Kansas medical deduction is allowed below.

Line 45—Other Subtractions from Federal Itemized Deductions

Enter on line 45 the sum of the following "Other Subtractions from Federal Itemized Deductions":

- Only solar systems installed before December 31, 1985 are allowed to use the special Kansas provisions for amortization of the adjusted basis of a qualified solar energy system used in your business. Enter on line 45 the depreciation deductions claimed on your federal return for any property upon which the deduction at line 53 is claimed. Complete schedule K-35 and attach it to your Kansas income tax return. Schedule K-35 may be obtained from the Kansas Income and Inheritance Tax Bureau.
- Enter on line 45 any amounts contributed to racially segregated educational institutions included in your federal itemized deductions.

- Enter on line 45 adoption expenses included in your federal itemized deductions.
- Enter on line 45 any amounts claimed as casualty or theft losses included in your federal itemized deductions. A more generous Kansas deduction is allowed below.

Line 46—Total Subtractions from Federal Itemized Deductions

Add lines 43 through 45. Enter the total on line 46.

Line 47

Subtract line 46 from line 42. Enter the result on line 47.

ADDITIONS TO FEDERAL ITEMIZED DEDUCTIONS

Line 48—Social Security Tax

Enter on line 48 the social security tax (FICA) which was withheld from your wages during the taxable year. This is the total amount of social security taxes withheld by all employers you worked for during the year. If you are married filing jointly, you should enter the total amount withheld for both you and your spouse. You may **NOT** claim more than the maximum amount which is required by federal law.

Line 49—Self-Employment Tax

Enter on line 49 the self-employment tax which you were required to pay on income earned during the taxable year. You may claim the amount actually paid up to the maximum amount which is required to be paid under federal law.

Line 50—Railroad Retirement Tax

Enter on line 50 the railroad retirement tax which was withheld from your wages during the taxable year. You may claim the actual amount withheld up to the maximum amount which is required by federal law. This amount includes all tier I and tier II railroad retirement contributions.

Line 51—Medical, Dental, and Drug Expenses

Your Kansas medical, dental, and drug expenses are all expenses paid during the taxable year for "medical care" of you, your spouse, and your dependents, minus \$50. Expenses for "medical care" are defined as those expenses allowed as a medical deduction for federal tax purposes (e.g.: hospital and doctor bills; hearing aids; eyeglasses; dentures; prescription drugs; insulin; hospital and medical insurance; and lodging and transportation related to medical treatment). "Medical care" does not include nonprescription drugs or funeral and burial expenses. Your Kansas medical deduction must be reduced by any amount of insurance reimbursements you have received.

You may not deduct premiums paid for insurance policies that pay you for loss of time or reimburse you for loss of limbs, sight, etc. If the policy provides for a combination of coverages, you may claim only that portion of the premium that applies to medical or hospital payments.

Complete the following schedule to determine your allowable Kansas medical, dental, and drug expenses:

- (1) Medical insurance premium. \$ _____
- (2) Drug expenses. \$ _____
- (3) Medical expenses. \$ _____
- (4) Dental expenses. \$ _____
- (5) Lodging and transportation expenses \$ _____
- (6) Total expenses (Add lines 1 through 5) \$ _____
- (7) Insurance reimbursements \$ _____
- (8) Nondeductible \$ 50.00
- (9) Total nondeductible medical, dental, and drug expenses (Add lines 7 & 8) \$ _____
- (10) Kansas medical, dental, and drug expenses (Subtract line 9 from line 6, to be entered on line 51, Part II, on the back of form 40) \$ _____

Line 52—State and Local Gasoline Tax

Enter on line 52 your state and local gasoline tax deduction. Deduct either the actual amount you paid, or estimate the amount paid using the worksheet provided. A separate worksheet calculation should be performed for each car as well as for any mileage driven in another state. The result of each calculation should then be added together to determine the gasoline tax deduction. Use the tax rates from the following chart in completing the worksheet.

KANSAS TAX RATES (Per Gallon)

Gasoline	11¢
Diesel	13¢
Gasohol	(See note)
Propane	10¢
Other state(s)	Consult other state for appropriate rate

NOTE: The gasohol tax rates increase from 7¢/gal. to 8¢/gal. as of July 1, 1986. A calculation for each six month period should be made for cars using gasohol and then the calculations added together to determine the appropriate deduction.

WORKSHEET

- (1) Number of nonbusiness miles driven _____
- (2) Average miles per gallon _____
- (3) Gallons used (Divide line 1 by line 2) _____
- (4) Gasoline tax (Multiply line 3 by appropriate tax rate from the chart above) \$ _____

Enter the amount from line 4 on line 52, Part II, on the back of form 40.

Line 53—Other Additions to Federal Itemized Deductions

Enter on line 53, the total of the following "Other Additions to Federal Itemized Deductions".

- Only solar systems installed before December 31, 1985 are allowed to use the special Kansas provisions for amortization of the adjusted basis of a qualified solar energy system used in your business. Enter on line 53 the allowable amortization. You must complete schedule K-35 and attach it to your Kansas income tax return. Schedule K-35 may be obtained from the Kansas Income and Inheritance Tax Bureau.
- You may deduct up to \$100 (\$200 on a joint return) for contributions of money to candidates for public office, political committees or to newsletter funds of candidates and elected officials.
- You may deduct the fair market value of a painting or other work of art contributed to an art gallery or museum which is operated on a nonprofit basis and supported in whole or part by public funds. The work of art must be the result of your personal effort to create such art. The state itemized deduction must exclude the amount deducted from federal adjusted gross income because of the contribution. The value of your contribution must be determined and certified to the Department of Revenue by the art gallery or museum. Attach a copy of the certification to your return.
- If during 1986 you suffered casualty or theft losses, as defined by the Internal Revenue Code, you may deduct the losses to the extent that the net loss after insurance reimbursements exceeds \$100 per occurrence. Attach to the form 40, a schedule of calculations which conform to the following worksheet. A separate calculation should be done for each item within an occurrence.

- (1) Cost of item. \$ _____
- (2) Insurance or other reimbursement you have received or expect to receive. . . \$ _____
- (3) Fair market value before casualty or theft. \$ _____
- (4) Fair market value after casualty or theft \$ _____
- (5) Loss (Subtract line 4 from line 3) . . . \$ _____
- (6) Limitation (Line 1 or line 5, whichever is less) \$ _____
- (7) Net loss (Subtract line 2 from line 6) \$ _____

The calculations for each item within an occurrence should then be added together and \$100 deducted from the total net losses. A separate schedule should be provided for each casualty or theft loss.

Line 54—Total Additions to Federal Itemized Deductions

Add lines 48 through 53. Enter total on line 54.

Line 55—Kansas Itemized Deductions

Add line 47 and line 54. Enter total on line 55. This is the total of your Kansas itemized deductions. The amount is to be entered on line 4, on the front of form 40.

PART III—FEDERAL INCOME TAX DEDUCTION (Back of Form 40)

You are permitted to claim a Kansas deduction for federal income taxes paid. The deduction is NOT the amount of federal tax withheld or refunded; it is based on the actual liability paid and is limited to the amount of federal liability applicable to the Kansas adjusted gross income.

Line 56—1986 Federal Tax Liability

Enter on line 56 your total federal tax liability as computed in the instructions for line 5 on page 14.

If line 2 of form 40 is a negative amount, your federal tax liability must be prorated on lines 56 through 60 to allow for a deduction only on the amount of Kansas adjusted gross income.

Line 57—Kansas Adjusted Gross Income

Enter on line 57 the Kansas adjusted gross income from line 3, on the front of form 40.

Line 58—Federal Adjusted Gross Income

Enter on line 58 the federal adjusted gross income from line 1, on the front of form 40.

Line 59—Percentage Limitation

Divide line 57 by line 58 and enter your percentage limitation on line 59. The percentage limitation cannot exceed 100%. If lines 57 and 58 are the same amount, line 59 will automatically be 100%.

Line 60—Federal Tax Deduction

Multiply line 56 by line 59 and enter the result on line 60. This is the amount of federal tax you may claim as a deduction. Enter this amount on line 5 on the front of form 40.

PART IV—CREDIT FOR TAXES PAID TO OTHER STATES (Back of Form 40)

RESIDENTS ONLY

You may claim a credit for income taxes paid to other states if you meet all of the following:

- You were a resident of Kansas during the taxable year;
- Your total income reported to Kansas includes income earned in another state; and,
- You were required to pay income taxes on that income to the other states.

The tax credit you may claim is the actual amount of the tax paid to the other state or the amount determined below and NOT the amount of tax withheld.

The credit for taxes paid to the other state is limited by the following formulas:

$$\begin{array}{rclcl} \text{Other State Adjusted Gross Income} & \div & \text{Kansas Adjusted Gross Income} & = & \text{Percentage Limitation} \\ \\ \text{Percentage Limitation} & \times & \text{Kansas Income Tax Liability} & = & \text{Other State Tax Credit} \end{array}$$

The other state credit will be either: (1) the actual tax paid to another state; or, (2) the amount determined by the limitation formulas provided, whichever is less. If the credit is based on taxes paid to more than one state, computations should be made separately for each state and then added together. The schedule of computations should be attached.

Part-year residents filing as nonresidents are allowed this credit in certain situations. Instructions for part-year nonresidents claiming this credit follow the instructions for residents claiming the credit.

Line 61—1986 Income Tax Paid to the Other State

Enter on line 61 the amount of 1986 tax actually paid to the other state. Also enter on the line provided the name of the state for which you are claiming a tax credit.

Line 62—Kansas Income Tax Liability

Enter on line 62 your Kansas income tax liability from line 13, on the front of form 40.

Line 63—Other State's Adjusted Gross Income

Enter on line 63, your nonresident adjusted gross income

in the other state. In many states the adjusted gross income derived in that state is reported on an income allocation schedule. This schedule will show the adjusted gross income earned or derived from sources within that state. This amount will be your adjusted gross income in the other state and should be entered on line 63.

Line 64—Kansas Adjusted Gross Income

Enter on line 64, your Kansas adjusted gross income from line 3, on the front of form 40.

Line 65—Percentage Limitation

Divide line 63 by line 64. Enter this percentage on line 65.

Line 66—Limitation Amount

Multiply line 62 by line 65. Enter result on line 66.

Line 67—Credit for Taxes Paid to the Other State

Enter on line 67 the amount on line 61 or line 66, whichever is less. This is your credit for taxes paid to other states. The amount should be entered on line 14 on the front of form 40.

A copy of the return filed with the other state and supporting schedules must be attached to your Kansas return to support the credit claimed. A copy of the withholding statements from the other state will not be acceptable.

NONRESIDENTS AND PART-YEAR RESIDENTS FILING AS NONRESIDENTS

If you are a nonresident, you are not allowed to claim the credit for taxes paid to other states. However, if you are a part-year resident of Kansas during 1986 and if: (1) your total income reported to Kansas includes income earned in the other state while you were a Kansas resident; and, (2) you were required to pay taxes on that income earned in the other state, then you may be eligible for the credit. Complete the schedule on the following page to determine your credit for taxes paid to other states. If the credit is based on taxes paid to more than one state, complete a schedule for each state and combine the results.

- (1) 1986 Income tax paid to the other state (Amount of 1986 tax actually paid to other state) \$ _____
- (2) Kansas income tax liability (From line 13, on the front of form 40) \$ _____
- (3) Other state's adjusted gross income (In many states the adjusted gross income derived in that state is reported on an income allocation schedule. This schedule will show the adjusted gross income to be used in determining your tax credit limitation.) \$ _____
- (4) Kansas modified source income (From line 28, Schedule NRS) \$ _____
- (5) Income earned in the other state while a Kansas resident (Amount of the adjusted gross income in the other state

- for which you are taking a tax credit and which is included in your Kansas source income) \$ _____
- (6) Limitation number one (Divide line 5 by line 3) _____%
- (7) Amount of other state's tax applicable to income reported to Kansas (Multiply line 1 by line 6) \$ _____
- (8) Limitation number two (Divide line 5 by line 4) _____%
- (9) Maximum credit for taxes paid to the other state (Multiply line 2 by line 8) \$ _____
- (10) Credit for taxes paid to the other state (Amount on line 7 or line 9, whichever is less. Enter this amount on line 14, on the front of form 40.) \$ _____

PART V—OTHER NONREFUNDABLE CREDITS

(Back of Form 40)

Line 68—Economic Development Credits

Include in line 68 any of the following economic development credits: business and job development credit; Kansas Venture Capital Inc. credit; and, risk capital credit. These credits are available to all residents, part-year residents and nonresidents. The appropriate schedule for each credit may be obtained from the Kansas Income and Inheritance Tax Bureau.

BUSINESS AND JOB DEVELOPMENT CREDIT: You may be entitled to claim a credit against your Kansas income tax liability if you: established a new business facility in Kansas; expanded or replaced a facility in Kansas and commenced operations at that facility prior to January 1, 1986; or, invested in a qualified business facility and commenced operations at that facility on or after January 1, 1986.

To be eligible for the credit, if commercial operations began prior to January 1, 1986, you must establish a new business facility and a minimum of two new employees must be engaged or maintained at the new business facility.

To be eligible for the credit, if commercial operations began on or after January 1, 1986, you must invest in a qualified business facility and a minimum of two new employees must have been added or maintained at the qualified business facility as a direct result of such investments.

To be eligible for the credit, the new business facility must be a revenue-producing enterprise and a minimum of two new employees must have been added at the new business facility in the initial year the credit is claimed and maintained in each subsequent year the credit is claimed.

Enhanced credits are available for business facilities located in an "enterprise zone". An "enterprise zone" is designated by a governing body of a city or county and approved by the Kansas Department of Economic Development. To determine if you are in an "enterprise zone", contact one of those agencies.

Schedule K-34 must be completed and attached to your Kansas income tax return to claim the credit.

VENTURE CAPITAL CREDIT: A credit for a portion of a taxpayer's investment in the Kansas Venture Capital Inc.

(Senate Bill 756) or a private venture capital company (Senate Bill 757) may be claimed against the taxpayer's Kansas income tax liability. Schedule K-55 may be requested for more information on this credit. Schedule K-55 must be completed and attached to the Kansas income tax return to claim the credit. In order to claim a carry back of this credit, you must complete Form K-54 and attach it to the Kansas income tax return.

Line 69—Solar Energy Credit

RESIDENTS AND PART-YEAR RESIDENTS FILING AS RESIDENTS: The solar energy credit expired as of December 31, 1985. Only carry over credits will be allowed for tax years 1986 and 1987. If you have a carry over credit, complete the appropriate portion of your Schedule K-35 to determine the amount of your carry over and enter this amount on line 69.

Line 70—Handicapped Accessibility Credit

RESIDENTS, PART-YEAR RESIDENTS, AND NON-RESIDENTS: You may be entitled to a credit against your Kansas individual income tax liability if you made your principal dwelling, or an existing building or facility held for the production of income, accessible to the handicapped. To qualify for the credit, your principal dwelling, or an existing building or facility held for the production of income, must be located in Kansas.

If you are eligible to claim the credit, you must complete schedule K-37 and attach it to your Kansas income tax return. Schedule K-37 and instructions may be obtained from the Kansas Income and Inheritance Tax Bureau.

Line 71—Credit for Child and Dependent Care Expenses

RESIDENTS AND PART-YEAR RESIDENTS FILING AS RESIDENTS: If you claimed the credit for child and dependent care expense on your federal return you may also be eligible to claim a credit on your Kansas income tax return.

To determine your Kansas credit for child and dependent care expenses, locate your Kansas adjusted gross income

on the following chart and multiply your federal credit by the corresponding percentage. Enter result on line 71.

Kansas Adjusted Gross Income	Percentage Factor Of Federal Credit
\$ 0 to \$ 5,000	100%
\$ 5,000.01 to \$ 6,000	90%
\$ 6,000.01 to \$ 7,000	80%
\$ 7,000.01 to \$ 8,000	70%
\$ 8,000.01 to \$ 9,000	60%
\$ 9,000.01 to \$10,000	50%
\$10,000.01 to \$11,000	40%
\$11,000.01 to \$12,000	30%
\$12,000.01 to \$13,000	20%
\$13,000.01 to \$14,000	10%
\$14,000.01 and over	No Credit Available

NONRESIDENTS AND PART-YEAR RESIDENTS FILING AS NONRESIDENTS: No credit for child and dependent care expenses is available.

Line 72—Military Retirement Credit

RESIDENTS AND PART-YEAR RESIDENTS FILING AS RESIDENTS: If you are 62 years of age or older as of December 31, 1986 and receive retirement benefits for services in the armed forces of the United States, you are entitled to claim a credit of \$120 against your income tax liability. This is limited to the amount of your tax liability and cannot be carried over or refunded.

Enter in the space provided on line 72, your date of birth.

You must be 62 years of age or older as of December 31, 1986 to qualify for this credit.

NONRESIDENTS AND PART-YEAR RESIDENTS FILING AS NONRESIDENTS: No credit for military retirement benefits is available.

337—Liquidation Credit

RESIDENTS AND PART-YEAR RESIDENTS FILING AS RESIDENTS: The 337 Liquidation Credit is allowed to those stockholders of corporations which liquidated on an installment basis during the tax years 1982 or 1983. In addition, stockholders of corporations that liquidated between December 31, 1979 and January 1, 1984, are allowed to carry over and claim the amount of any 337 Liquidation Credit allowable to tax year 1986 to the extent it exceeded the tax liability for the tax year of the initial claim. If your credit exceeds your tax liability for the year, the balance may be carried over to the next year or years until the tax credit has been completely deducted from your tax liability. A form 120L indicating the amount of credit available should be provided to you by the liquidating corporation. Include the 337 Liquidation Credit in the amount on line 73 and make a notation that the credit is included. A schedule showing computation of the amount claimed for 1986 should be attached to the return.

Line 73—Total Credits

Add lines 68 through 72. Enter the total on line 73 and on line 15, on the front of form 40.

1986 KANSAS TAX TABLE

BASED ON TAXABLE INCOME FOR PERSONS WITH TAXABLE INCOME OF LESS THAN \$50,000

TO FIND YOUR TAX: Read down the income columns until you find the line which includes your Kansas taxable income from line 8, on the front of form 40 and read across to the column heading describing your filing status as indicated on the form 40. The amount in that column is your tax and should be entered on line 9, front of form 40.

EXAMPLE: A taxpayer (married filing jointly) with a taxable income (line 8, form 40) of \$6,329 will have a tax liability of \$163. First, find the \$6,300 — \$6,350 income line. Next, find the column for married filing jointly and read down the column. The amount shown where the income line and the filing status column meet is \$163. This is the tax amount to be entered on line 9, front of form 40.

If line 8 (Taxable Income) is—		And you are	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint
0	25	0	0
25	50	1	1
50	100	2	2
100	150	3	3
150	200	4	4
200	250	5	5
250	300	6	6
300	350	7	7
350	400	8	8
400	450	9	9
450	500	10	10
500	550	11	11
550	600	12	12
600	650	13	13
650	700	14	14
700	750	15	15
750	800	16	16
800	850	17	17
850	900	18	18
900	950	19	19
950	1,000	20	20
1,000	1,050	21	21
1,050	1,100	22	22
1,100	1,150	23	23
1,150	1,200	24	24
1,200	1,250	25	25
1,250	1,300	26	26
1,300	1,350	27	27
1,350	1,400	28	28
1,400	1,450	29	29
1,450	1,500	30	30
1,500	1,550	31	31
1,550	1,600	32	32
1,600	1,650	33	33
1,650	1,700	34	34
1,700	1,750	35	35
1,750	1,800	36	36
1,800	1,850	37	37
1,850	1,900	38	38
1,900	1,950	39	39
1,950	2,000	40	40
2,000	2,050	41	41
2,050	2,100	43	42
2,100	2,150	44	43
2,150	2,200	46	44
2,200	2,250	48	45
2,250	2,300	50	46
2,300	2,350	51	47
2,350	2,400	53	48
2,400	2,450	55	49
2,450	2,500	57	50

If line 8 (Taxable Income) is—		And you are	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint
2,500	2,550	58	51
2,550	2,600	60	52
2,600	2,650	62	53
2,650	2,700	64	54
2,700	2,750	65	55
2,750	2,800	67	56
2,800	2,850	69	57
2,850	2,900	71	58
2,900	2,950	72	59
2,950	3,000	74	60
3,000	3,050	76	61
3,050	3,100	78	62
3,100	3,150	80	63
3,150	3,200	82	64
3,200	3,250	84	65
3,250	3,300	86	66
3,300	3,350	88	67
3,350	3,400	90	68
3,400	3,450	92	69
3,450	3,500	94	70
3,500	3,550	96	71
3,550	3,600	98	72
3,600	3,650	100	73
3,650	3,700	102	74
3,700	3,750	104	75
3,750	3,800	106	76
3,800	3,850	108	77
3,850	3,900	110	78
3,900	3,950	112	79
3,950	4,000	114	80
4,000	4,050	116	81
4,050	4,100	118	83
4,100	4,150	120	84
4,150	4,200	122	86
4,200	4,250	124	88
4,250	4,300	126	90
4,300	4,350	128	91
4,350	4,400	130	93
4,400	4,450	132	95
4,450	4,500	134	97
4,500	4,550	136	98
4,550	4,600	138	100
4,600	4,650	140	102
4,650	4,700	142	104
4,700	4,750	144	105
4,750	4,800	146	107
4,800	4,850	148	109
4,850	4,900	150	111
4,900	4,950	152	112
4,950	5,000	154	114

If line 8 (Taxable Income) is—		And you are	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint
5,000	5,050	156	116
5,050	5,100	159	118
5,100	5,150	161	119
5,150	5,200	164	121
5,200	5,250	166	123
5,250	5,300	169	125
5,300	5,350	171	126
5,350	5,400	174	128
5,400	5,450	176	130
5,450	5,500	179	132
5,500	5,550	181	133
5,550	5,600	184	135
5,600	5,650	186	137
5,650	5,700	189	139
5,700	5,750	191	140
5,750	5,800	194	142
5,800	5,850	196	144
5,850	5,900	199	146
5,900	5,950	201	147
5,950	6,000	204	149
6,000	6,050	206	151
6,050	6,100	209	153
6,100	6,150	211	155
6,150	6,200	214	157
6,200	6,250	216	159
6,250	6,300	219	161
6,300	6,350	221	163
6,350	6,400	224	165
6,400	6,450	226	167
6,450	6,500	229	169
6,500	6,550	231	171
6,550	6,600	234	173
6,600	6,650	236	175
6,650	6,700	239	177
6,700	6,750	241	179
6,750	6,800	244	181
6,800	6,850	246	183
6,850	6,900	249	185
6,900	6,950	251	187
6,950	7,000	254	189
7,000	7,050	257	191
7,050	7,100	260	193
7,100	7,150	263	195
7,150	7,200	266	197
7,200	7,250	270	199
7,250	7,300	273	201
7,300	7,350	276	203
7,350	7,400	279	205
7,400	7,450	283	207
7,450	7,500	286	209

If line 8 (Taxable Income) is—		And you are	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint
7,500	7,550	289	211
7,550	7,600	292	213
7,600	7,650	296	215
7,650	7,700	299	217
7,700	7,750	302	219
7,750	7,800	305	221
7,800	7,850	309	223
7,850	7,900	312	225
7,900	7,950	315	227
7,950	8,000	318	229
8,000	8,050	322	231
8,050	8,100	325	233
8,100	8,150	328	235
8,150	8,200	331	237
8,200	8,250	335	239
8,250	8,300	338	241
8,300	8,350	341	243
8,350	8,400	344	245
8,400	8,450	348	247
8,450	8,500	351	249
8,500	8,550	354	251
8,550	8,600	357	253
8,600	8,650	361	255
8,650	8,700	364	257
8,700	8,750	367	259
8,750	8,800	370	261
8,800	8,850	374	263
8,850	8,900	377	265
8,900	8,950	380	267
8,950	9,000	383	269
9,000	9,050	387	271
9,050	9,100	390	273
9,100	9,150	393	275
9,150	9,200	396	277
9,200	9,250	400	279
9,250	9,300	403	281
9,300	9,350	406	283
9,350	9,400	409	285
9,400	9,450	413	287
9,450	9,500	416	289
9,500	9,550	419	291
9,550	9,600	422	293
9,600	9,650	426	295
9,650	9,700	429	297
9,700	9,750	432	299
9,750	9,800	435	301
9,800	9,850	439	303
9,850	9,900	442	305
9,900	9,950	445	307
9,950	10,000	448	309

1986 KANSAS TAX TABLE (Continued)

If line 8 (Taxable Income) is—		And you are		If line 8 (Taxable Income) is—		And you are		If line 8 (Taxable Income) is—		And you are		If line 8 (Taxable Income) is—		And you are	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint	At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint	At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint	At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint
10,000	10,050	452	311	13,000	13,050	677	461	16,000	16,050	902	642	19,000	19,050	1,127	837
10,050	10,100	456	314	13,050	13,100	681	464	16,050	16,100	906	645	19,050	19,100	1,131	840
10,100	10,150	459	316	13,100	13,150	684	466	16,100	16,150	909	648	19,100	19,150	1,134	843
10,150	10,200	463	319	13,150	13,200	688	469	16,150	16,200	913	651	19,150	19,200	1,138	846
10,200	10,250	467	321	13,200	13,250	692	471	16,200	16,250	917	655	19,200	19,250	1,142	850
10,250	10,300	471	324	13,250	13,300	696	474	16,250	16,300	921	658	19,250	19,300	1,146	853
10,300	10,350	474	326	13,300	13,350	699	476	16,300	16,350	924	661	19,300	19,350	1,149	856
10,350	10,400	478	329	13,350	13,400	703	479	16,350	16,400	928	664	19,350	19,400	1,153	859
10,400	10,450	482	331	13,400	13,450	707	481	16,400	16,450	932	668	19,400	19,450	1,157	863
10,450	10,500	486	334	13,450	13,500	711	484	16,450	16,500	936	671	19,450	19,500	1,161	866
10,500	10,550	489	336	13,500	13,550	714	486	16,500	16,550	939	674	19,500	19,550	1,164	869
10,550	10,600	493	339	13,550	13,600	718	489	16,550	16,600	943	677	19,550	19,600	1,168	872
10,600	10,650	497	341	13,600	13,650	722	491	16,600	16,650	947	681	19,600	19,650	1,172	876
10,650	10,700	501	344	13,650	13,700	726	494	16,650	16,700	951	684	19,650	19,700	1,176	879
10,700	10,750	504	346	13,700	13,750	729	496	16,700	16,750	954	687	19,700	19,750	1,179	882
10,750	10,800	508	349	13,750	13,800	733	499	16,750	16,800	958	690	19,750	19,800	1,183	885
10,800	10,850	512	351	13,800	13,850	737	501	16,800	16,850	962	694	19,800	19,850	1,187	889
10,850	10,900	516	354	13,850	13,900	741	504	16,850	16,900	966	697	19,850	19,900	1,191	892
10,900	10,950	519	356	13,900	13,950	744	506	16,900	16,950	969	700	19,900	19,950	1,194	895
10,950	11,000	523	359	13,950	14,000	748	509	16,950	17,000	973	703	19,950	20,000	1,198	898
11,000	11,050	527	361	14,000	14,050	752	512	17,000	17,050	977	707	20,000	20,050	1,202	902
11,050	11,100	531	364	14,050	14,100	756	515	17,050	17,100	981	710	20,050	20,100	1,206	906
11,100	11,150	534	366	14,100	14,150	759	518	17,100	17,150	984	713	20,100	20,150	1,211	909
11,150	11,200	538	369	14,150	14,200	763	521	17,150	17,200	988	716	20,150	20,200	1,215	913
11,200	11,250	542	371	14,200	14,250	767	525	17,200	17,250	992	720	20,200	20,250	1,219	917
11,250	11,300	546	374	14,250	14,300	771	528	17,250	17,300	996	723	20,250	20,300	1,223	921
11,300	11,350	549	376	14,300	14,350	774	531	17,300	17,350	999	726	20,300	20,350	1,228	924
11,350	11,400	553	379	14,350	14,400	778	534	17,350	17,400	1,003	729	20,350	20,400	1,232	928
11,400	11,450	557	381	14,400	14,450	782	538	17,400	17,450	1,007	733	20,400	20,450	1,236	932
11,450	11,500	561	384	14,450	14,500	786	541	17,450	17,500	1,011	736	20,450	20,500	1,240	936
11,500	11,550	564	386	14,500	14,550	789	544	17,500	17,550	1,014	739	20,500	20,550	1,245	939
11,550	11,600	568	389	14,550	14,600	793	547	17,550	17,600	1,018	742	20,550	20,600	1,249	943
11,600	11,650	572	391	14,600	14,650	797	551	17,600	17,650	1,022	746	20,600	20,650	1,253	947
11,650	11,700	576	394	14,650	14,700	801	554	17,650	17,700	1,026	749	20,650	20,700	1,257	951
11,700	11,750	579	396	14,700	14,750	804	557	17,700	17,750	1,029	752	20,700	20,750	1,262	954
11,750	11,800	583	399	14,750	14,800	808	560	17,750	17,800	1,033	755	20,750	20,800	1,266	958
11,800	11,850	587	401	14,800	14,850	812	564	17,800	17,850	1,037	759	20,800	20,850	1,270	962
11,850	11,900	591	404	14,850	14,900	816	567	17,850	17,900	1,041	762	20,850	20,900	1,274	966
11,900	11,950	594	406	14,900	14,950	819	570	17,900	17,950	1,044	765	20,900	20,950	1,279	969
11,950	12,000	598	409	14,950	15,000	823	573	17,950	18,000	1,048	768	20,950	21,000	1,283	973
12,000	12,050	602	411	15,000	15,050	827	577	18,000	18,050	1,052	772	21,000	21,050	1,287	977
12,050	12,100	606	414	15,050	15,100	831	580	18,050	18,100	1,056	775	21,050	21,100	1,291	981
12,100	12,150	609	416	15,100	15,150	834	583	18,100	18,150	1,059	778	21,100	21,150	1,296	984
12,150	12,200	613	419	15,150	15,200	838	586	18,150	18,200	1,063	781	21,150	21,200	1,300	988
12,200	12,250	617	421	15,200	15,250	842	590	18,200	18,250	1,067	785	21,200	21,250	1,304	992
12,250	12,300	621	424	15,250	15,300	846	593	18,250	18,300	1,071	788	21,250	21,300	1,308	996
12,300	12,350	624	426	15,300	15,350	849	596	18,300	18,350	1,074	791	21,300	21,350	1,313	999
12,350	12,400	628	429	15,350	15,400	853	599	18,350	18,400	1,078	794	21,350	21,400	1,317	1,003
12,400	12,450	632	431	15,400	15,450	857	603	18,400	18,450	1,082	798	21,400	21,450	1,321	1,007
12,450	12,500	636	434	15,450	15,500	861	606	18,450	18,500	1,086	801	21,450	21,500	1,325	1,011
12,500	12,550	639	436	15,500	15,550	864	609	18,500	18,550	1,089	804	21,500	21,550	1,330	1,014
12,550	12,600	643	439	15,550	15,600	868	612	18,550	18,600	1,093	807	21,550	21,600	1,334	1,018
12,600	12,650	647	441	15,600	15,650	872	616	18,600	18,650	1,097	811	21,600	21,650	1,338	1,022
12,650	12,700	651	444	15,650	15,700	876	619	18,650	18,700	1,101	814	21,650	21,700	1,342	1,026
12,700	12,750	654	446	15,700	15,750	879	622	18,700	18,750	1,104	817	21,700	21,750	1,347	1,029
12,750	12,800	658	449	15,750	15,800	883	625	18,750	18,800	1,108	820	21,750	21,800	1,351	1,033
12,800	12,850	662	451	15,800	15,850	887	629	18,800	18,850	1,112	824	21,800	21,850	1,355	1,037
12,850	12,900	666	454	15,850	15,900	891	632	18,850	18,900	1,116	827	21,850	21,900	1,359	1,041
12,900	12,950	669	456	15,900	15,950	894	635	18,900	18,950	1,119	830	21,900	21,950	1,364	1,044
12,950	13,000	673	459	15,950	16,000	898	638	18,950	19,000	1,123	833	21,950	22,000	1,368	1,048

1986 KANSAS TAX TABLE (Concluded)

If line 8 (Taxable Income) is—		And you are		Your tax is	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint		
46,000	46,050	3,517	2,912		
46,050	46,100	3,522	2,916		
46,100	46,150	3,526	2,921		
46,150	46,200	3,531	2,925		
46,200	46,250	3,535	2,929		
46,250	46,300	3,540	2,933		
46,300	46,350	3,544	2,938		
46,350	46,400	3,549	2,942		
46,400	46,450	3,553	2,946		
46,450	46,500	3,558	2,950		
46,500	46,550	3,562	2,955		
46,550	46,600	3,567	2,959		
46,600	46,650	3,571	2,963		
46,650	46,700	3,576	2,967		
46,700	46,750	3,580	2,972		
46,750	46,800	3,585	2,976		
46,800	46,850	3,589	2,980		
46,850	46,900	3,594	2,984		
46,900	46,950	3,598	2,989		
46,950	47,000	3,603	2,993		

If line 8 (Taxable Income) is—		And you are		Your tax is	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint		
47,000	47,050	3,607	2,997		
47,050	47,100	3,612	3,001		
47,100	47,150	3,616	3,006		
47,150	47,200	3,621	3,010		
47,200	47,250	3,625	3,014		
47,250	47,300	3,630	3,018		
47,300	47,350	3,634	3,023		
47,350	47,400	3,639	3,027		
47,400	47,450	3,643	3,031		
47,450	47,500	3,648	3,035		
47,500	47,550	3,652	3,040		
47,550	47,600	3,657	3,044		
47,600	47,650	3,661	3,048		
47,650	47,700	3,666	3,052		
47,700	47,750	3,670	3,057		
47,750	47,800	3,675	3,061		
47,800	47,850	3,679	3,065		
47,850	47,900	3,684	3,069		
47,900	47,950	3,688	3,074		
47,950	48,000	3,693	3,078		

If line 8 (Taxable Income) is—		And you are		Your tax is	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint		
48,000	48,050	3,697	3,082		
48,050	48,100	3,702	3,086		
48,100	48,150	3,706	3,091		
48,150	48,200	3,711	3,095		
48,200	48,250	3,715	3,099		
48,250	48,300	3,720	3,103		
48,300	48,350	3,724	3,108		
48,350	48,400	3,729	3,112		
48,400	48,450	3,733	3,116		
48,450	48,500	3,738	3,120		
48,500	48,550	3,742	3,125		
48,550	48,600	3,747	3,129		
48,600	48,650	3,751	3,133		
48,650	48,700	3,756	3,137		
48,700	48,750	3,760	3,142		
48,750	48,800	3,765	3,146		
48,800	48,850	3,769	3,150		
48,850	48,900	3,774	3,154		
48,900	48,950	3,778	3,159		
48,950	49,000	3,783	3,163		

If line 8 (Taxable Income) is—		And you are		Your tax is	
At Least	But Less Than	Single, Head of Household or Married Filing Separate	Married Filing Joint		
49,000	49,050	3,787	3,167		
49,050	49,100	3,792	3,171		
49,100	49,150	3,796	3,176		
49,150	49,200	3,801	3,180		
49,200	49,250	3,805	3,184		
49,250	49,300	3,810	3,188		
49,300	49,350	3,814	3,193		
49,350	49,400	3,819	3,197		
49,400	49,450	3,823	3,201		
49,450	49,500	3,828	3,205		
49,500	49,550	3,832	3,210		
49,550	49,600	3,837	3,214		
49,600	49,650	3,841	3,218		
49,650	49,700	3,846	3,222		
49,700	49,750	3,850	3,227		
49,750	49,800	3,855	3,231		
49,800	49,850	3,859	3,235		
49,850	49,900	3,864	3,239		
49,900	49,950	3,868	3,244		
49,950	50,000	3,873	3,248		

1986 TAX COMPUTATION SCHEDULES

YOU MUST USE THE TAX COMPUTATION SCHEDULE IF YOUR TAXABLE INCOME IS \$50,000 OR MORE

SCHEDULE I—SINGLE, HEAD OF HOUSEHOLD, OR MARRIED FILING SEPARATE

If amount on line 8 is:		Enter on line 9, front of form 40:	
Over	But Not Over		
\$ 0	\$ 2,000		2 % of line 8
\$ 2,000	\$ 3,000	\$ 40	plus 3½% of excess over \$ 2,000
\$ 3,000	\$ 5,000	\$ 75	plus 4 % of excess over \$ 3,000
\$ 5,000	\$ 7,000	\$ 155	plus 5 % of excess over \$ 5,000
\$ 7,000	\$10,000	\$ 255	plus 6½% of excess over \$ 7,000
\$10,000	\$20,000	\$ 450	plus 7½% of excess over \$10,000
\$20,000	\$25,000	\$1,200	plus 8½% of excess over \$20,000
\$25,000		\$1,625	plus 9 % of excess over \$25,000

SCHEDULE II—MARRIED FILING JOINT

If amount on line 8 is:		Enter on line 9, front of form 40:	
Over	But Not Over		
\$ 0	\$ 4,000		2 % of line 8
\$ 4,000	\$ 6,000	\$ 80	plus 3½% of excess over \$ 4,000
\$ 6,000	\$10,000	\$ 150	plus 4 % of excess over \$ 6,000
\$10,000	\$14,000	\$ 310	plus 5 % of excess over \$10,000
\$14,000	\$20,000	\$ 510	plus 6½% of excess over \$14,000
\$20,000	\$40,000	\$ 900	plus 7½% of excess over \$20,000
\$40,000	\$50,000	\$2,400	plus 8½% of excess over \$40,000
\$50,000		\$3,250	plus 9 % of excess over \$50,000

NOTE: Be sure to use the proper schedule in computing your tax.

1987 INTANGIBLES TAX RATES

The following list shows the 1987 Intangibles Tax Rates as provided by the county clerks. The list shows the rate of tax imposed by the counties as well as any city/township rate. Therefore, even if your city/township is not listed you may still be required to file a return to determine the county portion of the Intangibles Tax. The Intangibles Tax Return (form 200) must be filed with the Kansas Department of Revenue on or before April 15, 1987. The county clerk will compute your intangibles tax liability and the county treasurer will bill you at a later date.

IMPORTANT NOTE: This list contains only those rates of which the Department of Revenue has been notified as of July 15, 1986. If you believe the tax rate for your area is different, please contact your county clerk.

ALLEN COUNTY

Allen County has imposed no intangibles tax.

ANDERSON COUNTY

Anderson County Intangibles—0%
Townships *Rate*
 Washington Twp 2.25

ATCHISON COUNTY

Atchison County Intangibles—0%
Cities *Rate*
 Huron 2.25
 Lancaster 2.25
 Muscotah 2.25
Townships *Rate*
 Benton Twp 2.25
 Center Twp 2.25
 Grasshopper Twp 2.25
 Kapioma Twp 2.25
 Lancaster Twp 2.25
 Mt. Pleasant Twp 2.25
 Shannon Twp 2.25
 Walnut Twp 2.25

BARBER COUNTY

Barber County Intangibles—0%
Cities *Rate*
 Hazelton 2.25
 Sharon 2.25
Townships *Rate*
 Elm Mills Twp 1.50
 Lake City Twp 2.25
 McAdoo Twp 2.25
 Moore Twp 2.25
 Nippawalla Twp 2.25
 Sharon Twp 2.25
 Valley Twp 2.25

BARTON COUNTY

Barton County Intangibles—0%
Townships *Rate*
 Beaver Twp 2.25
 Buffalo Twp 2.25
 Cheyenne Twp 2.25
 Clarence Twp 2.25
 Comanche Twp 2.25
 Independent Twp 2.00
 Lakin Twp 2.25

BOURBON COUNTY

Bourbon County Intangibles—.75%
Cities *Rate*
 Bronson 2.25
 Fort Scott 2.25
 Fulton 2.25
 Redfield 2.25
Townships *Rate*
 Marion Twp 2.25

BROWN COUNTY

Brown County Intangibles—0%
Cities *Rate*
 Horton 1.00
Townships *Rate*
 Hamlin Twp 2.25
 Hiawatha Twp 2.25
 Irving Twp 2.25
 Morrill Twp 2.25
 Robinson Twp 2.25
 Walnut Twp 2.25
 Washington Twp 2.25

BUTLER COUNTY

Butler County Intangibles—.75%
Cities *Rate*
 Potwin 2.25
 Towanda 2.25
 Whitewater 2.25
Townships *Rate*
 Augusta Twp 2.25
 Chelsea Twp 2.25
 Clifford Twp 2.25
 Lincoln Twp 2.25
 Logan Twp 2.25
 Milton Twp 1.50
 Murdock Twp 2.25
 Prospect Twp 2.25
 Richland Twp 2.25
 Rosalia Twp 2.25
 Walnut Twp 2.25

CHASE COUNTY

Chase County Intangibles—.75%
Cities *Rate*
 Cottonwood Falls 2.25
 Elmdale 2.25
 Strong City 2.25
Townships *Rate*
 Falls Twp 2.25
 Homestead Twp 2.25

CHAUTAUQUA COUNTY

Chautauqua County has imposed no intangibles tax.

CHEROKEE COUNTY

Cherokee County has imposed no intangibles tax.

CHEYENNE COUNTY

Cheyenne County Intangibles—.75%
Cities *Rate*
 Bird City 2.25
Townships *Rate*
 Benkelman Twp 2.25
 Bird City Twp 2.25
 Calhoun Twp 2.25
 Cherry Creek Twp 2.25
 Cleveland Run Twp 2.25
 Jaqua Twp 2.25
 Wano Twp 2.25

CLARK COUNTY

Clark County Intangibles—.75%
Cities *Rate*
 Englewood 2.25
 Minneola 2.25
Townships *Rate*
 Appelton Twp 2.25
 Englewood Twp 2.25
 Lexington Twp 2.25

CLAY COUNTY

Clay County Intangibles—.75%
Cities *Rate*
 Green 2.25
 Longford 2.25
 Morganville 2.25
Townships *Rate*
 Athelstane Twp 2.25
 Blaine Twp 2.25
 Bloom Twp 2.25
 Chapman Twp 2.25
 Clay Center Twp 2.25

Exeter Twp 2.25
 Five Creeks Twp 2.25
 Garfield Twp 2.25
 Gill Twp 2.25
 Goshen Twp 2.25
 Grant Twp 2.25
 Hayes Twp 2.25
 Highland Twp 2.25
 Oakland Twp 2.25
 Republican Twp 2.25
 Union Twp 2.25

CLOUD COUNTY

Cloud County Intangibles—.75%
Cities *Rate*
 Aurora 2.25
 Clyde 2.25
 Jamestown 2.25
 Miltonvale 2.25
Townships *Rate*
 Arion Twp .50
 Aurora Twp 2.25
 Colfax Twp 2.25
 Elk Twp .50
 Grant Twp 1.00
 Shirley Twp 2.25

COFFEY COUNTY

Coffey County has imposed no intangibles tax.

COMANCHE COUNTY

Comanche County has imposed no intangibles tax.

COWLEY COUNTY

Cowley County Intangibles—.75%
Cities *Rate*
 Cambridge 2.25
Townships *Rate*
 Beaver Twp 2.25
 Creswell Twp 2.25
 Fairview Twp 2.25
 Liberty Twp 2.25
 Maple Twp 2.25
 Ninnescah Twp 2.25
 Omnia Twp 2.25
 Pleasant Valley Twp 2.25
 Richland Twp 2.25
 Rock Creek Twp 2.25
 Sheridan Twp 2.25
 Silverdale Twp 2.25
 Vernon Twp 2.25
 Walnut Twp 2.25
 Windsor Twp 2.25

CRAWFORD COUNTY

Crawford County Intangibles—0%
Cities *Rate*
 Hepler 2.25

DECATUR COUNTY

Decatur County Intangibles—.75%
Cities *Rate*
 Clayton 2.25
 Norcatur 2.25
 Oberlin 2.25
Townships *Rate*
 Allison Twp 2.25
 Altory Twp 2.25
 Bassettville Twp 2.25
 Center Twp 2.25
 Cook Twp 2.25
 Custer Twp 2.25
 Finley Twp 2.25

Garfield Twp 2.25
 Grant Twp 2.25
 Harlan Twp 2.25
 Jennings Twp 2.25
 Liberty Twp 2.25
 Lincoln Twp 2.25
 Logan Twp 2.25
 Lyon Twp 2.25
 Oberlin Twp 2.25
 Olive Twp 2.25
 Pleasant Valley Twp 2.25
 Prairie Dog Twp 2.25
 Roosevelt Twp 2.25
 Sherman Twp 2.25
 Summit Twp 2.25

DICKINSON COUNTY

Dickinson County Intangibles—.75%
Townships *Rate*
 Banner Twp 2.25
 Buckeye Twp 2.25
 Center Twp 2.25
 Cheever Twp 2.25
 Fragrant Hill Twp 2.25
 Garfield Twp 2.25
 Grant Twp 2.25
 Hayes Twp 2.25
 Holland Twp 2.25
 Hope Twp 2.25
 Jefferson Twp 2.25
 Liberty Twp 2.25
 Lincoln Twp 2.25
 Logan Twp 2.25
 Newbern Twp 2.25
 Noble Twp 2.25
 Ridge Twp 2.25
 Rinehart Twp 2.25
 Sherman Twp 2.25
 Union Twp 2.25
 Wheatland Twp 2.25
 Willowdale Twp 2.25

DONIPHAN COUNTY

Doniphan County Intangibles—.75%
Cities *Rate*
 Denton 2.25
 Elwood 2.25
 Highland 2.25
 Severance 2.25
 Troy 2.25
 Wathena 2.25
 White Cloud 2.25
Townships *Rate*
 Burr Oak Twp 2.25
 Iowa Twp 2.25

DOUGLAS COUNTY

Douglas County has imposed no intangibles tax.

EDWARDS COUNTY

Edwards County Intangibles—0%
Cities *Rate*
 Lewis 2.25
 Offerle 2.25
Townships *Rate*
 Franklin Twp 2.25
 Jackson Twp 2.25
 Kinsley Twp 2.25
 Trenton Twp 2.25
 Wayne Twp 2.25

ELK COUNTY

Elk County has imposed no intangibles tax.

ELLIS COUNTY

Ellis County has imposed no intangibles tax.

ELLSWORTH COUNTY

Ellsworth County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Kanopolis, Ash Creek Twp, Black Wolf Twp, Clear Creek Twp, Columbia Twp, Ellsworth Twp, Empire Twp, Garfield Twp, Lincoln Twp, Mulberry Twp, Noble Twp, Palacky Twp, Thomas Twp, Trivoli Twp, Valley Twp.

FINNEY COUNTY

Finney County has imposed no intangibles tax.

FORD COUNTY

Ford County Intangibles—0%

Table with 2 columns: Cities/Townships and Rate. Lists Bucklin, Bloom Twp, Bucklin Twp, Concord Twp, Dodge Twp, Ford Twp, Richland Twp, Sodville Twp, Spearville Twp, Wheatland Twp.

FRANKLIN COUNTY

Franklin County Intangibles—0%

Table with 2 columns: Townships and Rate. Lists Homewood Twp.

GEARY COUNTY

Geary County Intangibles—.75%

Table with 2 columns: Townships and Rate. Lists Milford Twp, Wingfield Twp.

GOVE COUNTY

Gove County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Gove, Grainfield, Grinnell, Park, Quinter, Baker Twp, Gove Twp, Grainfield Twp, Grinnell Twp.

GRAHAM COUNTY

Graham County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Bogue, Morland, Allodium Twp, Bryant Twp, Gettysburg Twp, Graham Twp, Happy Twp, Indiana Twp, Millbrook Twp, Nicodemus Twp, Pioneer Twp.

Table with 2 columns: Cities/Townships and Rate. Lists Solomon Twp, Wildhorse Twp.

GRANT COUNTY

Grant County has imposed no intangibles tax.

GRAY COUNTY

Gray County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Cimarron, Copeland, Ensign, Ingalls, Montezuma, Cimarron Twp, Copeland Twp, East Hess Twp, Foote Twp, Montezuma Twp.

GREELEY COUNTY

Greeley County Intangibles—0%

Table with 2 columns: Cities and Rate. Lists Tribune.

GREENWOOD COUNTY

Greenwood County has imposed no intangibles tax.

HAMILTON COUNTY

Hamilton County has imposed no intangibles tax.

HARPER COUNTY

Harper County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Anthony, Bluff City, Danville, Harper, Waldron, Township #1, Township #2, Township #3, Township #4, Township #5, Township #6.

HARVEY COUNTY

Harvey County Intangibles—0%

Table with 2 columns: Cities/Townships and Rate. Lists Burrton, Walton, Alta Twp, Emma Twp, Garden Twp, Highland Twp, Lake Twp, Newton Twp, Pleasant Twp, Sedgwick Twp.

HASKELL COUNTY

Haskell County has imposed no intangibles tax.

HODGEMAN COUNTY

Hodgeman County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Hanston, Jetmore, Benton Twp, Center Twp, Hallet Twp, Marena Twp, North Roscoe Twp, Sawlog Twp, South Roscoe Twp, Sterling Twp, Valley Twp.

JACKSON COUNTY

Jackson County has imposed no intangibles tax.

JEFFERSON COUNTY

Jefferson County Intangibles—0%

Table with 2 columns: Cities/Townships and Rate. Lists McLouth, Meridan, Nortonville, Jefferson Twp, Norton Twp.

JEWELL COUNTY

Jewell County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Burr Oak, Esbon, Jewell, Mankato, Burr Oak Twp, Center Twp, Esbon Twp, Grant Twp, Harrison Twp, Highland Twp, Holmwood Twp, Ionia Twp, Jackson Twp, Limestone Twp, Odessa Twp, Richland Twp, Sinclair Twp, Vicksburg Twp, Walnut Twp, Whitmound Twp.

JOHNSON COUNTY

Johnson County Intangibles—0%

Table with 2 columns: Cities and Rate. Lists Mission Hills, Westwood.

KEARNY COUNTY

Kearny County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Deerfield, Lakin, Deerfield Twp, East Hibbard Twp, Hartland Twp, Kendall Twp, Lakin Twp, Southside Twp, West Hibbard Twp.

KINGMAN COUNTY

Kingman County Intangibles—0%

Table with 2 columns: Cities/Townships and Rate. Lists Zenda, Dale Twp, Dresden Twp, Eureka Twp, Kingman Twp, Ninnescah Twp, Rochester Twp, Union Twp, Vinita Twp.

KIOWA COUNTY

Kiowa County has imposed no intangibles tax.

LABETTE COUNTY

Labette County Intangibles—0%

Table with 2 columns: Cities and Rate. Lists Mound Valley.

LANE COUNTY

Lane County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Dighton, Blaine Twp, Dighton Twp, White Rock Twp, Wilson Twp.

LEAVENWORTH COUNTY

Leavenworth County has imposed no intangibles tax.

LINCOLN COUNTY

Lincoln County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Beverly, Lincoln, Beaver Twp, Franklin Twp, Indiana Twp, Pleasant Twp, Salt Creek Twp, Scott Twp.

LINN COUNTY

Linn County has imposed no intangibles tax.

LOGAN COUNTY

Logan County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Russell Springs, Winona, Elkader Twp, Lees Twp, Logansport Twp, Monument Twp, Oakley Twp, Russell Springs Twp, Western Twp.

LYON COUNTY

Lyon County Intangibles—0%

Table with 2 columns: Cities/Townships and Rate. Lists Americus, Bushong, Americus Twp, Waterloo Twp.

MARION COUNTY

Marion County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Goessel, Hillsboro, Peabody, Tampa, Blaine Twp, Clark Twp, Durham Park Twp, Fairplay Twp, Menno Twp, Peabody Twp, Risley Twp, Summit Twp, West Brance Twp.

MARSHALL COUNTY

Marshall County Intangibles—.75%

Table with 2 columns: Cities/Townships and Rate. Lists Axtell, Blue Rapids, Frankfort, Marysville, Oketo, Summerfield, Vermillion, Waterville, Balderson Twp, Bigelow Twp, Blue Rapids Twp, Blue Rapids City Twp, Center Twp, Clear Fork Twp, Cleveland Twp, Cottage Hill Twp, Elm Creek Twp, Franklin Twp, Guittard Twp, Herkimer Twp, Lincoln Twp.

Logan Twp	2.25
Marysville Twp	2.25
Murray Twp	2.25
Noble Twp	2.25
Oketo Twp	2.25
Richland Twp	2.25
Rock Twp	2.25
St. Bridget Twp	2.25
Walnut Twp	2.25
Waterville Twp	2.25

McPHERSON COUNTY

McPherson County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Canton	2.25
Galva	2.25
Inman	2.25
Lindsborg	2.25
<u>Townships</u>	<u>Rate</u>
Battle Hill Twp	2.25
Bonaville Twp	2.25
Canton Twp	2.25
Delmore Twp	2.25
Empire Twp	1.00
Groveland Twp	2.25
Gypsum Creek Twp	2.25
Harper Twp	2.25
Hayes Twp	2.25
Jackson Twp	2.25
King City Twp	2.25
Little Valley Twp	2.25
Lone Tree Twp	2.25
Marquette Twp	2.25
McPherson Twp	2.25
Meridian Twp	2.25
Mound Twp	2.25
New Gottland Twp	2.25
Smoky Hill Twp	2.25
South Sharps Creek Twp	2.25
Spring Valley Twp	2.25
Superior Twp	2.25
Turkey Creek Twp	2.25
Union Twp	2.25

MEADE COUNTY

Meade County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Meade	2.25
Plains	2.25
<u>Townships</u>	<u>Rate</u>
Crooked Creek Twp	2.25
Fowler Twp	2.25
Logan Twp	2.25
Meade Center Twp	2.25
Mertilla Twp	2.25
Odee Twp	2.25
Sand Creek Twp	2.25
West Plains Twp	2.25

MIAMI COUNTY

Miami County has imposed no intangibles tax.

MITCHELL COUNTY

Mitchell County Intangibles—.75%

<u>Cities</u>	<u>Rate</u>
Beloit	2.25
Glen Elder	2.25
Hunter	2.25
<u>Townships</u>	<u>Rate</u>
Asherville Twp	2.25
Beloit Twp	2.25
Bloomfield Twp	2.25
Blue Hill Twp	2.25
Carr Creek Twp	2.25
Center Twp	2.25
Custer Twp	2.25
Eureka Twp	2.25
Glen Elder Twp	2.25
Hayes Twp	2.25
Logan Twp	2.25
Lulu Twp	2.25
Pittsburg Twp	2.25
Plum Creek Twp	2.25
Round Springs Twp	2.25
Salt Creek Twp	2.25
Solomon Rapids Twp	2.25
Turkey Creek Twp	2.25
Walnut Creek Twp	2.25

MONTGOMERY COUNTY

Montgomery County has imposed no intangibles tax.

MORRIS COUNTY

Morris County has imposed no intangibles tax.

MORTON COUNTY

Morton County Intangibles—0%	
<u>Cities</u>	<u>Rate</u>
Rolla	2.25

NEMAHA COUNTY

Nemaha County Intangibles—0%	
<u>Cities</u>	<u>Rate</u>
Bern	2.25
Corning	2.25
Goff	2.25
<u>Townships</u>	<u>Rate</u>
Adams Twp	2.25
Berwick Twp	2.25
Capioma Twp	2.25
Center Twp	2.25
Clear Creek Twp	2.25
Gilman Twp	2.25
Granada Twp	2.25
Harrison Twp	2.25
Home Twp	2.25
Illinois Twp	2.25
Marion Twp	2.25
Mitchell Twp	2.25
Nemaha Twp	2.25
Neuchatel Twp	2.25
Red Vermillion Twp	2.25
Reilly Twp	2.25
Richmond Twp	2.25
Rock Creek Twp	2.25
Washington Twp	2.25
Wetmore Twp	2.25

NEOSHO COUNTY

Neosho County Intangibles—0%	
<u>Cities</u>	<u>Rate</u>
St. Paul	1.25
Thayer	2.25
<u>Townships</u>	<u>Rate</u>
Canville Twp	2.25
Erie Twp	2.25
Ladore Twp	1.00
Lincoln Twp	2.25
Walnut Grove Twp	2.25

NESS COUNTY

Ness County Intangibles—.75%	
<u>Cities</u>	<u>Rate</u>
Bazine	2.25
Brownell	2.25
Ness City	2.25
Ransom	2.25
Utica	2.25
<u>Townships</u>	<u>Rate</u>
Bazine Twp	2.25
Center Twp	2.25
Eden Twp	2.25
Forrester Twp	2.25
Franklin Twp	2.25
Highpoint Twp	2.25
Johnson Twp	2.25
Nevada Twp	2.25
Ohio Twp	2.25
Waring Twp	2.25

NORTON COUNTY

Norton County Intangibles—.75%	
<u>Cities</u>	<u>Rate</u>
Almena	2.25
Clayton	2.25
Edmond	2.25
Lenora	2.25
Norton	2.25
<u>Townships</u>	<u>Rate</u>
Center Twp	1.25
Highland Twp	2.25

OSAGE COUNTY

Osage County Intangibles—0%	
<u>Townships</u>	<u>Rate</u>
Agency Twp	2.25

Arvonla Twp	2.25
Burlingame Twp	2.25
Elk Twp	2.25
Fairfax Twp	2.25
Grant Twp	2.25
Junction Twp	2.25
Lincoln Twp	2.25
Ridgeway Twp	2.25
Scranton Twp	2.25

OSBORNE COUNTY

Osborne County Intangibles—.75%	
<u>Cities</u>	<u>Rate</u>
Alton	2.25
Downs	2.25
Natoma	2.25
Portis	2.25
<u>Townships</u>	<u>Rate</u>
Bethany Twp	2.25
Bloom Twp	2.25
Corinth Twp	2.25
Covert Twp	2.25
Delhi Twp	2.25
Grant Twp	2.25
Hancock Twp	2.25
Hawkeye Twp	2.25
Independence Twp	2.25
Jackson Twp	2.25
Kill Creek Twp	2.25
Lawrence Twp	2.25
Liberty Twp	2.25
Mt. Ayr Twp	2.25
Natoma Twp	2.25
Penn Twp	2.25
Ross Twp	2.25
Round Mound Twp	2.25
Sumner Twp	2.25
Tilden Twp	2.25
Valley Twp	2.25
Victor Twp	2.25
Winfield Twp	2.25

OTTAWA COUNTY

Ottawa County Intangibles—0%	
<u>Townships</u>	<u>Rate</u>
Blaine Twp	2.25
Garfield Twp	2.25

PAWNEE COUNTY

Pawnee County Intangibles—0%	
<u>Cities</u>	<u>Rate</u>
Rozel City	2.25
<u>Townships</u>	<u>Rate</u>
Conkling Twp	2.25
Grant Twp	1.25
Keysville Twp	2.25
Logan Twp	2.25
Sawmill Twp	2.25
Walnut Twp	2.25

PHILLIPS COUNTY

Phillips County Intangibles—.75%	
<u>Cities</u>	<u>Rate</u>
Agra	2.25
Glade	2.25
Kirwin	2.25
Logan	2.25
Phillipsburg	2.25
Prairie View	2.25
<u>Townships</u>	<u>Rate</u>
Arcade Twp	2.25
Crystal Twp	2.25
Freedom Twp	2.25
Kirwin Twp	2.25
Plainview Twp	2.25
Plum Twp	1.25
Prairie View Twp	2.25
Sumner Twp	2.25

POTTAWATOMIE COUNTY

Pottawatomie County Intangibles—0%	
<u>Cities</u>	<u>Rate</u>
Belvue	2.25
Westmoreland	2.25
Wheaton	2.25
<u>Townships</u>	<u>Rate</u>
Blue Valley Twp	2.25
Clear Creek Twp	1.00

Green Twp	2.25
Pottawatomie Twp	2.25
Shannon Twp	2.25
Sherman Twp	2.25
Spring Creek Twp	2.25
St. George Twp	1.50
Vienna Twp	2.25

PRATT COUNTY

Pratt County Intangibles—.75%	
<u>Townships</u>	<u>Rate</u>
Township # 8	2.25
Township # 9	2.25
Township #11	2.25
Township #12	2.25

RAWLINS COUNTY

Rawlins County Intangibles—.75%	
<u>Cities</u>	<u>Rate</u>
Atwood	2.25
Hemdon	2.25
McDonald	2.25
<u>Townships</u>	<u>Rate</u>
Achilles Twp	2.25
Center Twp	2.25
Driftwood Twp	2.25
Herl Twp	2.25
Ludell Twp	2.25
Rocewood Twp	2.25
Union Twp	2.25

RENO COUNTY

Reno County Intangibles—.75%	
<u>Cities</u>	<u>Rate</u>
Arlington	2.25
Buhler	2.25
Haven	2.25
Hutchinson	2.25
Partridge	2.25
Plevna	2.25
Pretty Prairie	2.25
South Hutchinson	2.25
Sylvia	2.25
Turon	2.25
Willowbrook	2.25
<u>Townships</u>	<u>Rate</u>
Albion Twp	2.25
Arlington Twp	2.25
Bell Twp	2.25
Castleton Twp	2.25
Center Twp	2.25
Enterprise Twp	2.25
Grant Twp	2.25
Grove Twp	2.25
Hayes Twp	2.25
Huntsville Twp	2.25
Lincoln Twp	2.25
Little River Twp	2.25
Loda Twp	2.25
Medford Twp	2.25
Medora Twp	2.25
Miami Twp	2.25
Ninnescah Twp	2.25
Plevna Twp	2.25
Reno Twp	2.25
Roscoe Twp	2.25
Salt Creek Twp	2.25
Summer Twp	2.25
Troy Twp	2.25
Valley Twp	2.25
Walnut Twp	2.25
Westminster Twp	2.25
Yoder Twp	2.25

REPUBLIC COUNTY

Republic County Intangibles—.75%	
<u>Cities</u>	<u>Rate</u>
Agenda	2.25
Courtland	2.25
Cuba	2.25
Munden	2.25
Narka	2.25
Republic	2.25
Scandia	2.25
<u>Townships</u>	<u>Rate</u>
Belleville Twp	2.25
Fairview Twp	1.00
Freedom Twp	2.25
Grant Twp	2.00

Jefferson Twp	1.50
Liberty Twp	2.25
Norway Twp	2.25
Washington Twp	2.25

RICE COUNTY

Rice County Intangibles—0%

Townships	Rate
Atlanta Twp	2.25
Bell Twp	2.25
Center Twp	2.25
East Washington Twp	2.25
Eureka Twp	2.25
Harrison Twp	2.25
Lincoln Twp	2.25
Mitchell Twp	2.25
Pioneer Twp	2.25
Raymond Twp	2.25
Rockville Twp	2.25
Sterling Twp	2.25
Union Twp	2.25
Valley Twp	2.25
Victoria Twp	2.25
West Washington Twp	2.25
Wilson Twp	2.25

RILEY COUNTY

Riley County Intangibles—.75%

Cities	Rate
Leonardville	2.25
Randolph	2.25
Riley	2.25
Townships	Rate
Ashland Twp	2.25
Bala Twp	2.25
Center Twp	2.25
Fancy Creek Twp	2.25
Grant Twp	2.25
Jackson Twp	2.25
Madison Twp	1.00
Manhattan Twp	2.25
May Day Twp	2.25
Ogden Twp	2.25
Swede Creek Twp	2.25
Wildcat Twp	2.25
Zeandale Twp	2.25

ROOKS COUNTY

Rooks County has imposed no intangibles tax.

RUSH COUNTY

Rush County Intangibles—0%

Cities	Rate
Alexander	2.25
La Crosse	2.25
Liebenthal	2.25
McCracken	2.25
Rush Center	2.25
Timken	2.25
Townships	Rate
Alexander-Belle Prairie Twp	2.25
Banner Twp	2.25
Big Timber Twp	2.25
Center Twp	2.25
Garfield Twp	2.25
La Crosse-Brookdale Twp	2.25

RUSSELL COUNTY

Russell County Intangibles—.75%

Cities	Rate
Dorrance	2.25
Lucas	2.25
Luray	2.25
Waldo	2.25
Townships	Rate
Big Creek Twp	2.00
Center Twp	2.25
Fairfield Twp	2.25
Fairview Twp	2.25
Lincoln Twp	2.25
Luray Twp	2.25
Waldo Twp	2.25
Winterset Twp	2.25

SALINE COUNTY

Saline County has imposed no intangibles tax.

SCOTT COUNTY

Scott County has imposed no intangibles tax.

SEDGWICK COUNTY

Sedgwick County Intangibles—0%

Cities	Rate
Bentley	2.25
Viola	2.25
Townships	Rate
Erie Twp	2.25
Illinois Twp	2.00
Lincoln Twp	2.25
Morton Twp	2.25
Riverside Twp	1.125
Valley Center Twp	2.25

SEWARD COUNTY

Seward County has imposed no intangibles tax.

SHAWNEE COUNTY

Shawnee County Intangibles—0%

Townships	Rate
Dover Twp	2.25
Monmouth Twp	2.25
Tecumseh Twp	2.25
Topeka Twp	2.25

SHERIDAN COUNTY

Sheridan County has imposed no intangibles tax.

SHERMAN COUNTY

Sherman County Intangibles—.75%

Cities	Rate
Goodland	2.25
Kanorado	2.25
Townships	Rate
Grant Twp	2.25
Iowa Twp	2.25
Itasca Twp	2.25
Lincoln Twp	2.25
Llanos Twp	2.25
Logan Twp	2.25
McPherson Twp	2.25
Shermanville Twp	2.25
Smoky Twp	2.25
Staline Twp	2.25
Union Twp	2.25
Washington Twp	2.25

SMITH COUNTY

Smith County Intangibles—.75%

Cities	Rate
Athol	2.25
Cedar	2.25
Gaylord	2.25
Kensington	2.25
Lebanon	2.25
Smith Center	2.25
Townships	Rate
Banner Twp	2.25
Beaver Twp	2.25
Blaine Twp	2.25
Cedar Twp	2.25
Center Twp	2.25
Cora Twp	2.25
Crystal Plains Twp	2.25
Dor Twp	1.25
Garfield Twp	2.25
German Twp	2.25
Harlan Twp	2.25
Harvey Twp	1.25
Houston Twp	2.25
Lane Twp	2.25
Lincoln Twp	2.25
Logan Twp	2.25
Martin Twp	2.25
Oak Twp	2.25
Pawnee Twp	2.25

Pleasant Twp	2.25
Swan Twp	2.25
Valley Twp	2.25
Washington Twp	.75
Webster Twp	2.25
White Rock Twp	1.00

STAFFORD COUNTY

Stafford County Intangibles—0%

Cities	Rate
Hudson	2.25
Stafford	2.25
Townships	Rate
Albano Twp	2.25
Clear Creek Twp	2.25
East Cooper Twp	2.25
Fairview Twp	2.25
Hayes Twp	2.25
Ohio Twp	2.25
Putnam Twp	2.25
Richland Twp	2.25
Rose Valley Twp	2.25
South Seward Twp	2.25
St. John Twp	2.25
Stafford Twp	2.25
Union Twp	2.25
West Cooper Twp	2.25

STANTON COUNTY

Stanton County has imposed no intangibles tax.

STEVENS COUNTY

Stevens County has imposed no intangibles tax.

SUMNER COUNTY

Sumner County Intangibles—.75%

Cities	Rate
Belle Plaine	2.25
Conway Springs	2.25
Osterhouts	2.25
Townships	Rate
Avon Twp	2.25
Belle Plaine Twp	2.25
Bluff Twp	2.25
Caldwell Twp	2.25
Chikaskia Twp	2.25
Creek Twp	2.25
Dixon Twp	1.125
Downs Twp	2.25
Falls Twp	2.25
Greene Twp	2.25
Guelph Twp	2.25
Harmon Twp	2.25
Jackson Twp	2.25
London Twp	2.25
Morris Twp	2.25
Oxford Twp	2.25
Ryan Twp	2.25
South Haven Twp	2.25
Springdale Twp	2.25
Walton Twp	2.25
Wellington Twp	2.25

THOMAS COUNTY

Thomas County Intangibles—0%

Cities	Rate
Gem	2.25
Townships	Rate
Barrett Twp	2.25
East Hale Twp	2.25
Kingery Twp	2.25
Lacey Twp	2.25
Menlo Twp	2.25
Morgan Twp	2.25
North Randall Twp	2.25
Rovohl Twp	2.25
Smith Twp	2.25
South Randall Twp	2.25
Summers Twp	2.25
Wendell Twp	2.25
West Hale Twp	2.25

TREGO COUNTY

Trego County Intangibles—0%

Cities	Rate
Collyer	2.25

WABAUNSEE COUNTY

Wabaunsee County Intangibles—.75%

Cities	Rate
Alta Vista	2.25
Esckridge	2.25
Harveyville	2.25
Townships	Rate
Alma Twp	2.25
Farmer Twp	.50
Garfield Twp	2.25
Kaw Twp	2.25
Maple Hill Twp	2.25
Mission Creek Twp	2.25
Newbury Twp	2.25
Plumb Twp	2.25
Wabaunsee Twp	2.00
Washington Twp	2.25
Wilmington Twp	2.25

WALLACE COUNTY

Wallace County Intangibles—.75%

Cities	Rate
Sharon Springs	2.25
Wallace	2.25
Townships	Rate
Harrison Twp	2.25
Sharon Springs Twp	2.25
Wallace Twp	2.25
Weskan Twp	2.25

WASHINGTON COUNTY

Washington County Intangibles—.75%

Cities	Rate
Haddam	2.25
Hanover	2.25
Linn	2.25
Palmer	2.25
Washington	2.25
Townships	Rate
Brantford Twp	2.25
Charleston Twp	2.25
Coleman Twp	2.25
Farmington Twp	2.25
Franklin Twp	2.25
Grant Twp	2.25
Greenleaf Twp	2.25
Haddam Twp	2.25
Hanover Twp	2.25
Highland Twp	2.25
Independence Twp	2.25
Kimeo Twp	2.25
Lincoln Twp	2.25
Linn Twp	2.25
Little Blue Twp	2.25
Logan Twp	2.25
Mill Creek Twp	2.25
Sheridan Twp	2.25
Sherman Twp	2.25
Strawberry Twp	2.25
Union Twp	2.25

WICHITA COUNTY

Wichita County has imposed no intangibles tax.

WILSON COUNTY

Wilson County Intangibles—0%

Cities	Rate
Altoona	2.25
Benedict	2.25
Buffalo	2.25
Townships	Rate
Guilford Twp	2.25
Verdigris Twp	2.25

WOODSON COUNTY

Woodson County has imposed no intangibles tax.

WYANDOTTE COUNTY

Wyandotte County has imposed no intangibles tax.

For the year January 1-December 31, 1986, or other taxable year beginning _____, 19____, ending _____, 19____

Name (If joint return, use first names and middle initials of both) _____	Last Name _____	Your Social Security Number _____
Mailing address (Number and street, including apartment number, or rural route) _____		Spouse's Social Security Number _____
City, Town or Post Office, State and Zip Code _____		For Office Use Only

Questions 1 & 2 must be answered before your intangibles tax rate can be determined.

1. Is your legal residence located within the corporate limits of a city or town?
 - Yes: If yes, name of city or town _____
 - No: If no, name of township _____
2. County of residence as of January 1, 1987 _____
3. Intangibles Income (Line 11, Part I or line 17, Part II) \$ _____

YOUR COUNTY CLERK WILL COMPUTE YOUR INTANGIBLES TAX LIABILITY. YOUR COUNTY TREASURER WILL BILL YOU. DO NOT SEND ANY PAYMENT FOR INTANGIBLES TAX TO THE KANSAS DEPARTMENT OF REVENUE.

PART I—INTANGIBLES EARNINGS

4. Interest from bank savings accounts, certificates of deposit, other time deposits, insurance companies, and interest or dividends received from all savings and loan associations and credit unions	4	
5. Dividends or other income from corporation stock including those located in Kansas and dividend or interest income received from mutual funds and trust companies (Attach schedule)	5	
6. Interest from notes (Except when secured by mortgages on Kansas real estate when registration fee has been paid)	6	
7. Earnings from conditional sales contracts, chattel paper or other secured transactions	7	
8. Interest or discount income from bonds, debentures, and certificates of indebtedness	8	
9. Interest, carrying charges and other income from accounts receivable (Nonresidents, see instructions)	9	
10. Other intangibles income (See instructions)	10	
11. Total intangibles income (If you qualify for the "Special Senior Citizen or Disability Exemption," complete Part II to determine your intangibles income. Enter on line 3 if you do not qualify for the exemption.)	11	

PART II—SPECIAL SENIOR CITIZEN OR DISABILITY EXEMPTION—(See instructions) (Part II must be completed entirely or the exemption will not be allowed)

12. YOUR DATE OF BIRTH (If you were born after January 1, 1927, you must be blind or disabled to qualify. See instructions.)	MONTH	DAY	YEAR
13. Is this special exemption based on disability or blindness? If so, attach proof of disability or blindness. (See instructions)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
14. Total household income for 1986 (See instructions)	14		
15. Enter total intangibles income from Part I, line 11	15		
16. LESS: Special Intangibles Income Exemption (See instructions for allowable exemption)	16		
17. Taxable intangibles income (Enter on line 3 above)	17		

I declare under the penalties of perjury that to the best of my knowledge and belief this is a true, correct, and complete return.

sign here

Signature of taxpayer	Date	Your Social Security No.	City or Township Shown Above
If joint return, BOTH husband and wife must sign		Spouse's Social Security No.	County As Shown Above

YOUR TELEPHONE NUMBER: _____

TELEPHONE NUMBER—The number you furnish will be confidential and should be the one at which you can be reached during our office hours.

**MAIL THIS RETURN TO: KANSAS INCOME TAX, TOPEKA, KANSAS 66699-0001 BY APRIL 15, 1987.
PLEASE DO NOT STAPLE THIS RETURN TO YOUR KANSAS INCOME TAX RETURN.**

INSTRUCTION FOR 1987 LOCAL INTANGIBLES TAX RETURN

INTANGIBLES TAX: The intangibles tax is levied on gross earnings received during calendar year 1986, or fiscal year ending in 1986, from intangible property. The intangibles tax is not to be confused with state income tax which is used to support state government. Intangible property includes such items as savings accounts, stocks, bonds, accounts receivable, mortgages, etc.

WHO MUST FILE AN INTANGIBLES RETURN: All Kansas residents and corporations owning taxable intangible property and every nonresident owning accounts receivable or other intangible property with a Kansas business situs, receiving earnings from this property during the calendar year or fiscal year ending in 1986, must file an intangibles tax return if the tax due is \$5.00 or more. IF YOU LIVE IN AN AREA THAT HAS NO INTANGIBLES TAX, OR YOUR TAX WOULD BE LESS THAN \$5.00, YOU DO NOT HAVE TO FILE AN INTANGIBLES TAX RETURN.

Individuals or corporations having intangible earnings shall be deemed to have received these earnings at the individual's dwelling, or the corporation's principal business office, within the State of Kansas. The earnings are then subject to intangibles tax if the individual's dwelling or the corporation's principal office is within a jurisdiction which has imposed the local intangibles tax.

Parents of minors owning intangible property, conservators, trustees, beneficiaries of trusts, executors, administrators, receivers, and certain agents are required to file intangibles tax returns.

Senior citizens or disabled persons are required to file intangibles tax returns, but may be entitled to a special senior citizen or disability exemption, explained in Part II, under "Special Senior Citizen or Disability Exemption".

EXEMPT INTANGIBLES INCOME: Intangibles tax does not apply to the following: interest on notes secured by real estate mortgages on which a registration fee has been paid; earnings on individual retirement and Keogh accounts and other qualified retirement plans; bonds and other evidences of indebtedness issued by the federal government, the State of Kansas or any of its municipal or taxing subdivisions; certain distributions of Subchapter S corporations; certain reimbursements of interest paid on notes, the proceeds of which were the source of funds for another note; and dividends from stock of a bank, savings and loan association or regulated investment company. National bank associations, state banks, federal and state chartered savings and loan associations, trust companies, credit unions, finance companies and certain non-profit corporations operating or providing hospitals, psychiatric hospitals, adult care homes, private children's homes and housing for the elderly are exempt from intangibles tax.

WHEN AND WHERE TO FILE: If you have intangibles income, an intangibles tax return must be filed with the Kansas Department of Revenue on or before April 15, 1987 (there are no provisions for extensions of time to file an intangibles tax return). Do not attach the intangibles return to the Kansas income tax return.

The county clerk will compute your tax and you will be billed for this tax by your local county treasurer in November 1987. If your return is delinquent, you may be assessed interest and/or penalty by the county treasurer's office. This would be included in your tax billing when you receive it. If your intangibles tax is less than \$5.00, you will not be billed. **Do not send any payment for intangibles tax to the Kansas Department of Revenue.**

AMENDED RETURNS: To correct an error on an intangibles tax return that has already been filed, a second form 200 must be filed with the word "AMENDED" written at the top. Attach a letter explaining the reason for the correction. There is no special form for amending an intangibles return.

SPECIFIC INSTRUCTIONS

HEADING: Complete all items in the heading of the return. Please type or print your name, address, telephone number, and social security number (tax identification number if applicable). If your accounting records are maintained on a fiscal year basis, please indicate your fiscal year in the space provided above your name.

LINE 1—IS YOUR LEGAL RESIDENCE LOCATED WITHIN THE CORPORATE LIMITS OF A CITY OR TOWN? Mark the appropriate box "YES" or "NO". If "YES" enter the name of the city or town in which your residence is located. If "NO" enter the name of the township in which your residence is located. Please DO NOT enter both a city and a township name.

LINE 2—COUNTY OF RESIDENCE AS OF JANUARY 1, 1987: Enter the name of the county in which your residence is located.

LINE 3—INTANGIBLES INCOME: Enter in the space provided the intangibles income computed in Part I, line 11; or, if you qualify for the special senior citizen or disability exemption, enter the taxable intangibles income from Part II, line 17.

PART I—INTANGIBLES EARNINGS

THERE ARE NO EXEMPTIONS OR DEDUCTIONS ALLOWABLE TO REDUCE TOTAL GROSS EARNINGS AS REPORTED ON THIS RETURN.

LINE 4: Enter on line 4 interest or other income received or credited to your account from bank savings accounts, certificates of deposits, and other time deposits, regardless of the bank's location or when the security was owned. Also, enter any interest or dividends received or credited to your account by savings and loan associations and credit unions regardless of location. Enter all interest received or credited to your account from funds left on deposit with

insurance companies. Any interest received from the federal government is non-taxable and should not be reported on line 4.

If you incurred a penalty for early withdrawal of funds, report only the amount of interest actually received from each account. If the penalty incurred is greater than the amount of interest, the excess penalty cannot be used to reduce income from other sources.

LINE 5: Enter on line 5 all dividends or other income received or credited to your account from corporation stocks, regardless of where the corporation is located. **Do not report dividends from insurance policies or patronage dividends from co-ops based on business done with the co-ops.**

Also enter on line 5 all investment income received from all mutual funds and trust companies. **Do not report capital gains.**

LINE 6: Enter on line 6 all interest, discount interest, or other earnings received from notes receivable, unless the notes are secured by a Kansas mortgage on which a mortgage registration fee has been paid. **Do not report the principal from notes or loans.**

LINE 7: Enter on line 7 all interest or other income received from notes or accounts which are secured by conditional sales contracts or chattel mortgages.

LINE 8: Enter on line 8 interest or discount income received from bonds and debentures. Income from bonds issued by states or their political subdivisions other than Kansas are subject to tax.

LINE 9: Enter on line 9 all interest, carrying charges, or other earnings from accounts receivable received during your tax year, regardless of when the account was opened or closed. Nonresidents must report all income which has a Kansas business situs.

LINE 10: Enter on line 10 all other income from intangible property which is not included on lines 4 through 9. This includes taxable intangible income from trusts, estates, brokerage accounts, etc.

LINE 11: Add lines 4 through 10. Enter total intangibles income on line 11.

If you do not qualify for the special senior citizen or disability exemption (See Part II), enter this amount on line 3.

PART II—SPECIAL SENIOR CITIZEN OR DISABILITY EXEMPTION

WHO MAY QUALIFY: To be eligible for the \$5,000 special senior citizen or disability income exemption, you must meet the following qualifications:

- You must have been born on or before January 1, 1927; OR,
- You must have been disabled or blind during all of 1986, regardless of age; AND,
- Your household income for 1986 must have been \$15,000 or less.

If your household income falls between \$15,000 and \$20,000, the \$5,000 income exemption is reduced by the amount that household income exceeds \$15,000.

If your household income is greater than \$20,000, you are not allowed an income exemption.

The special intangibles income exemption cannot be claimed for a decedent who died prior to January 1, 1987.

If married, only one spouse can claim the special intangibles income exemption.

LINE 12: Enter the month, day, and year of your birth.

LINE 13: If you are claiming this special exemption because of disability or blindness, you must have been disabled or blind during the entire year of 1986. If you are filing as a disabled person, you must attach a copy of your social security certification of disability letter showing proof that you received social security benefits during the entire year of 1986 based upon your disability. If you are not covered by social security, you must furnish medical proof that your disability has qualified you as a disabled person under the provisions of the Social Security Act. If you are blind, you must submit a visual acuity statement from your doctor.

LINE 14: Your total household income for 1986 is total income received by you, or you and your spouse. It consists of wages, salaries, commissions, fees, bonuses, tips, interest, dividends, gain or loss from sale or exchange of property, social security, railroad retirement and any other pension income. Your share of income from partnerships, estates, trusts and royalties, net rental income, and business or farm income should also be reported.

LINE 15: Enter total intangibles income from Part I, line 11.

LINE 16: If your total household income on line 14 is \$15,000 or less, enter the special \$5,000 intangibles income exemption on line 16.

If total household income is greater than \$15,000 but less than \$20,000, the special \$5,000 intangibles income exemption is reduced by the amount that household income exceeds \$15,000.

If your household income is greater than \$20,000, you are not allowed a special intangibles income exemption.

LINE 17: Subtract the special intangibles income exemption on line 16 from line 15 and enter the result on line 17 and on line 3. This is your taxable intangibles income.

For the year January 1-December 31, 1986, or other taxable year beginning 19__ ending 19__

Name (If joint return, use first names and middle initials of both) Last Name Your Social Security Number
Mailing address (Number and street, including apartment number, or rural route) Spouse's Social Security Number
City, Town or Post Office, State and Zip Code For Office Use Only

Questions 1 & 2 must be answered before your intangibles tax rate can be determined.

- 1. Is your legal residence located within the corporate limits of a city or town?
2. County of residence as of January 1, 1987
3. Intangibles Income (Line 11, Part I or line 17, Part II) \$

YOUR COUNTY CLERK WILL COMPUTE YOUR INTANGIBLES TAX LIABILITY. YOUR COUNTY TREASURER WILL BILL YOU. DO NOT SEND ANY PAYMENT FOR INTANGIBLES TAX TO THE KANSAS DEPARTMENT OF REVENUE.

PART I—INTANGIBLES EARNINGS

- 4. Interest from bank savings accounts, certificates of deposit, other time deposits, insurance companies, and interest or dividends received from all savings and loan associations and credit unions
5. Dividends or other income from corporation stock including those located in Kansas and dividend or interest income received from mutual funds and trust companies (Attach schedule)
6. Interest from notes (Except when secured by mortgages on Kansas real estate when registration fee has been paid)
7. Earnings from conditional sales contracts, chattel paper or other secured transactions
8. Interest or discount income from bonds, debentures, and certificates of indebtedness
9. Interest, carrying charges and other income from accounts receivable (Nonresidents, see instructions)
10. Other intangibles income (See instructions)
11. Total intangibles income (If you qualify for the "Special Senior Citizen or Disability Exemption," complete Part II to determine your intangibles income. Enter on line 3 if you do not qualify for the exemption.)

Table with 2 columns: Line number (4-11) and corresponding amount field.

PART II—SPECIAL SENIOR CITIZEN OR DISABILITY EXEMPTION—(See instructions) (Part II must be completed entirely or the exemption will not be allowed)

12. YOUR DATE OF BIRTH (If you were born after January 1, 1927, you must be blind or disabled to qualify. See instructions.)

Table with 3 columns: MONTH, DAY, YEAR

13. Is this special exemption based on disability or blindness? If so, attach proof of disability or blindness. (See instructions)

Yes No

14. Total household income for 1986 (See instructions)

Table with 2 columns: Line number (14) and amount field.

15. Enter total intangibles income from Part I, line 11

Table with 2 columns: Line number (15) and amount field.

16. LESS: Special Intangibles Income Exemption (See instructions for allowable exemption)

Table with 2 columns: Line number (16) and amount field.

17. Taxable intangibles income (Enter on line 3 above)

Table with 2 columns: Line number (17) and amount field.

I declare under the penalties of perjury that to the best of my knowledge and belief this is a true, correct, and complete return.

sign here

Signature of taxpayer Date Your Social Security No. City or Township Shown Above
If joint return, BOTH husband and wife must sign Spouse's Social Security No. County As Shown Above

YOUR TELEPHONE NUMBER:

TELEPHONE NUMBER—The number you furnish will be confidential and should be the one at which you can be reached during our office hours.

MAIL THIS RETURN TO: KANSAS INCOME TAX, TOPEKA, KANSAS 66699-0001 BY APRIL 15, 1987.

PLEASE DO NOT STAPLE THIS RETURN TO YOUR KANSAS INCOME TAX RETURN.

INSTRUCTION FOR 1987 LOCAL INTANGIBLES TAX RETURN

INTANGIBLES TAX: The intangibles tax is levied on gross earnings received during calendar year 1986, or fiscal year ending in 1986, from intangible property. The intangibles tax is not to be confused with state income tax which is used to support state government. Intangible property includes such items as savings accounts, stocks, bonds, accounts receivable, mortgages, etc.

WHO MUST FILE AN INTANGIBLES RETURN: All Kansas residents and corporations owning taxable intangible property and every nonresident owning accounts receivable or other intangible property with a Kansas business situs, receiving earnings from this property during the calendar year or fiscal year ending in 1986, must file an intangibles tax return if the tax due is \$5.00 or more. IF YOU LIVE IN AN AREA THAT HAS NO INTANGIBLES TAX, OR YOUR TAX WOULD BE LESS THAN \$5.00, YOU DO NOT HAVE TO FILE AN INTANGIBLES TAX RETURN.

Individuals or corporations having intangible earnings shall be deemed to have received these earnings at the individual's dwelling, or the corporation's principal business office, within the State of Kansas. The earnings are then subject to intangibles tax if the individual's dwelling or the corporation's principal office is within a jurisdiction which has imposed the local intangibles tax.

Parents of minors owning intangible property, conservators, trustees, beneficiaries of trusts, executors, administrators, receivers, and certain agents are required to file intangibles tax returns.

Senior citizens or disabled persons are required to file intangibles tax returns, but may be entitled to a special senior citizen or disability exemption, explained in Part II, under "Special Senior Citizen or Disability Exemption".

EXEMPT INTANGIBLES INCOME: Intangibles tax does not apply to the following: interest on notes secured by real estate mortgages on which a registration fee has been paid; earnings on individual retirement and Keogh accounts and other qualified retirement plans; bonds and other evidences of indebtedness issued by the federal government, the State of Kansas or any of its municipal or taxing subdivisions; certain distributions of Subchapter S corporations; certain reimbursements of interest paid on notes, the proceeds of which were the source of funds for another note; and dividends from stock of a bank, savings and loan association or regulated investment company. National bank associations, state banks, federal and state chartered savings and loan associations, trust companies, credit unions, finance companies and certain non-profit corporations operating or providing hospitals, psychiatric hospitals, adult care homes, private children's homes and housing for the elderly are exempt from intangibles tax.

WHEN AND WHERE TO FILE: If you have intangibles income, an intangibles tax return must be filed with the Kansas Department of Revenue on or before April 15, 1987 (there are no provisions for extensions of time to file an intangibles tax return). Do not attach the intangibles return to the Kansas income tax return.

The county clerk will compute your tax and you will be billed for this tax by your local county treasurer in November 1987. If your return is delinquent, you may be assessed interest and/or penalty by the county treasurer's office. This would be included in your tax billing when you receive it. If your intangibles tax is less than \$5.00, you will not be billed. **Do not send any payment for intangibles tax to the Kansas Department of Revenue.**

AMENDED RETURNS: To correct an error on an intangibles tax return that has already been filed, a second form 200 must be filed with the word "AMENDED" written at the top. Attach a letter explaining the reason for the correction. There is no special form for amending an intangibles return.

SPECIFIC INSTRUCTIONS

HEADING: Complete all items in the heading of the return. Please type or print your name, address, telephone number, and social security number (tax identification number if applicable). If your accounting records are maintained on a fiscal year basis, please indicate your fiscal year in the space provided above your name.

LINE 1—IS YOUR LEGAL RESIDENCE LOCATED WITHIN THE CORPORATE LIMITS OF A CITY OR TOWN? Mark the appropriate box "YES" or "NO". If "YES" enter the name of the city or town in which your residence is located. If "NO" enter the name of the township in which your residence is located. Please DO NOT enter both a city and a township name.

LINE 2—COUNTY OF RESIDENCE AS OF JANUARY 1, 1987: Enter the name of the county in which your residence is located.

LINE 3—INTANGIBLES INCOME: Enter in the space provided the intangibles income computed in Part I, line 11; or, if you qualify for the special senior citizen or disability exemption, enter the taxable intangibles income from Part II, line 17.

PART I—INTANGIBLES EARNINGS

THERE ARE NO EXEMPTIONS OR DEDUCTIONS ALLOWABLE TO REDUCE TOTAL GROSS EARNINGS AS REPORTED ON THIS RETURN.

LINE 4: Enter on line 4 interest or other income received or credited to your account from bank savings accounts, certificates of deposits, and other time deposits, regardless of the bank's location or when the security was owned. Also, enter any interest or dividends received or credited to your account by savings and loan associations and credit unions regardless of location. Enter all interest received or credited to your account from funds left on deposit with

insurance companies. Any interest received from the federal government is non-taxable and should not be reported on line 4.

If you incurred a penalty for early withdrawal of funds, report only the amount of interest actually received from each account. If the penalty incurred is greater than the amount of interest, the excess penalty cannot be used to reduce income from other sources.

LINE 5: Enter on line 5 all dividends or other income received or credited to your account from corporation stocks, regardless of where the corporation is located. **Do not report dividends from insurance policies or patronage dividends from co-ops based on business done with the co-ops.**

Also enter on line 5 all investment income received from all mutual funds and trust companies. **Do not report capital gains.**

LINE 6: Enter on line 6 all interest, discount interest, or other earnings received from notes receivable, unless the notes are secured by a Kansas mortgage on which a mortgage registration fee has been paid. **Do not report the principal from notes or loans.**

LINE 7: Enter on line 7 all interest or other income received from notes or accounts which are secured by conditional sales contracts or chattel mortgages.

LINE 8: Enter on line 8 interest or discount income received from bonds and debentures. Income from bonds issued by states or their political subdivisions other than Kansas are subject to tax.

LINE 9: Enter on line 9 all interest, carrying charges, or other earnings from accounts receivable received during your tax year, regardless of when the account was opened or closed. Nonresidents must report all income which has a Kansas business situs.

LINE 10: Enter on line 10 all other income from intangible property which is not included on lines 4 through 9. This includes taxable intangible income from trusts, estates, brokerage accounts, etc.

LINE 11: Add lines 4 through 10. Enter total intangibles income on line 11.

If you do not qualify for the special senior citizen or disability exemption (See Part II), enter this amount on line 3.

PART II—SPECIAL SENIOR CITIZEN OR DISABILITY EXEMPTION

WHO MAY QUALIFY: To be eligible for the \$5,000 special senior citizen or disability income exemption, you must meet the following qualifications:

- You must have been born on or before January 1, 1927; OR,
- You must have been disabled or blind during all of 1986, regardless of age; AND,
- Your household income for 1986 must have been \$15,000 or less.

If your household income falls between \$15,000 and \$20,000, the \$5,000 income exemption is reduced by the amount that household income exceeds \$15,000.

If your household income is greater than \$20,000, you are not allowed an income exemption.

The special intangibles income exemption cannot be claimed for a decedent who died prior to January 1, 1987.

If married, only one spouse can claim the special intangibles income exemption.

LINE 12: Enter the month, day, and year of your birth.

LINE 13: If you are claiming this special exemption because of disability or blindness, you must have been disabled or blind during the entire year of 1986. If you are filing as a disabled person, you must attach a copy of your social security certification of disability letter showing proof that you received social security benefits during the entire year of 1986 based upon your disability. If you are not covered by social security, you must furnish medical proof that your disability has qualified you as a disabled person under the provisions of the Social Security Act. If you are blind, you must submit a visual acuity statement from your doctor.

LINE 14: Your total household income for 1986 is total income received by you, or you and your spouse. It consists of wages, salaries, commissions, fees, bonuses, tips, interest, dividends, gain or loss from sale or exchange of property, social security, railroad retirement and any other pension income. Your share of income from partnerships, estates, trusts and royalties, net rental income, and business or farm income should also be reported.

LINE 15: Enter total intangibles income from Part I, line 11.

LINE 16: If your total household income on line 14 is \$15,000 or less, enter the special \$5,000 intangibles income exemption on line 16.

If total household income is greater than \$15,000 but less than \$20,000, the special \$5,000 intangibles income exemption is reduced by the amount that household income exceeds \$15,000.

If your household income is greater than \$20,000, you are not allowed a special intangibles income exemption.

LINE 17: Subtract the special intangibles income exemption on line 16 from line 15 and enter the result on line 17 and on line 3. This is your taxable intangibles income.



NONRESIDENT ALLOCATION PERCENTAGE SCHEDULE

1986

NOTE: See instructions on the reverse side of this page

Name(s) as shown on Form 40	Social Security Number	Part-year Residents: From: _____ To: _____	County (Kansas)
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INCOME

	(A) Total Shown on Federal Return	(B) Amount in Column (A) from Kansas Sources
1. Wages, salaries, tips, etc.	1	
2. Interest income	2	
3. Dividends	3	
4. Refunds of state and local income taxes	4	
5. Alimony received	5	
6. Business income or (loss)	6	
7. Capital gain or (loss)	7	
8. Capital gain distributions (Not reported on Schedule D)	8	
9. Supplemental gains or (losses)	9	
10. Fully taxable pensions, IRA distributions, and annuities	10	
11. Other taxable pensions and annuities	11	
12. Rents, royalties, partnerships, estates, trusts, etc.	12	
13. Farm income or (loss)	13	
14. Taxable amount of unemployment compensation	14	
15. Taxable amount of social security benefits	15	
16. Other income	16	
17. Total income (Add lines 1 through 16, column B)	17	

ADJUSTMENTS AND MODIFICATIONS TO KANSAS SOURCE INCOME

NOTE: See instructions on the reverse side of this form for determining portion of adjustments or modifications allowable to a nonresident or a part-year resident filing as a nonresident.

18. Moving expenses	18	
19. Employee business expense	19	
20. IRA deductions	20	
21. Payments to a Keogh retirement plan	21	
22. Penalty on early withdrawal of savings	22	
23. Alimony paid	23	
24. Deduction for married couple when both work	24	
25. Total federal adjustments on Kansas source income (Add lines 18 through 24, column B)	25	
26. Kansas source income after Kansas portion of federal adjustments (Subtract line 25 from line 17, column B)	26	
27. Net modifications which apply to Kansas source income in column B (See instructions)	27	
28. Modified Kansas source income (Line 26 plus or minus line 27)	28	

NONRESIDENT ALLOCATION PERCENTAGE

29. Kansas adjusted gross income (From line 3, front of form 40)	29	
30. Nonresident allocation percentage (Divide line 28 by line 29, enter the result here and on line 10, front of form 40. This amount cannot exceed 100%)	30	%

NOTE: This schedule must be attached to form 40.

INSTRUCTIONS FOR NONRESIDENT ALLOCATION PERCENTAGE SCHEDULE (Schedule NRS)

Nonresidents and part-year residents who file as nonresidents must complete Schedule NRS and attach it to the Kansas Individual Income Tax Return, Form 40.

Nonresidents must report and pay income tax on all income derived from Kansas sources. Nonresidents are subject to Kansas income tax on only that portion of gross income which is derived from Kansas sources; however, nonresidents must complete form 40 down to the tax liability figure just as if they were Kansas residents during the entire taxable year.

Nonresident tax is calculated by first determining the tax that the taxpayer would be required to pay if the taxpayer was a resident of Kansas for the entire year and all income was from Kansas sources. Then, the schedule NRS is completed to determine the nonresident allocation percentage (cannot exceed 100%). The nonresident allocation percentage is income derived from Kansas sources, with some modifications, divided by Kansas adjusted gross income. The tax is then prorated by the nonresident allocation percentage to reflect the appropriate amount of tax due on income earned from Kansas sources.

A part-year resident who elects to file as a nonresident must include in modified source income, any items of income, gain or loss, or deduction received while a Kansas resident (whether or not these items were from Kansas sources) as well as any income derived from Kansas sources while a nonresident.

Income derived from Kansas sources includes the following:

- Income from real or tangible personal property located in Kansas;
- Income from a business, trade, profession, or occupation operating in Kansas including partnerships and small business corporations;
- Income from services performed in Kansas;
- Income from a resident estate or trust or from a nonresident estate or trust which received income from Kansas sources; and,
- All income earned while a Kansas resident.

Income derived by a nonresident from Kansas sources does not include:

- Income from annuities, interest, dividends or gains from the sale or exchange of intangible property unless earned by a business, trade, profession or occupation carried on in Kansas; and,
- Compensation received for active service in the Armed Forces of the United States.

SPECIFIC LINE INSTRUCTIONS

Heading: Enter in the space provided, your name, social security number, period of residency (part-year residents only), and county where Kansas income was earned as shown on form 40.

INCOME

Lines 1-16: COLUMN A—Items of income as reported on your federal income tax return. **COLUMN B**—Amounts from column A which are from Kansas sources.

Line 17: Add lines 1 through 16, column B, and enter total on line 17.

ADJUSTMENTS AND MODIFICATIONS TO KANSAS SOURCE INCOME

Federal adjustments are allowed to Kansas source income only as they apply to income related to Kansas. Enter in column A, those adjustments as allowed on the federal income tax return. Enter in column B those adjustments allocated to Kansas source income according to the following line instructions. Separate schedules showing calculations should be attached to verify amounts claimed.

Line 18: Only moving expenses incurred during moves into Kansas can be allowed as an adjustment to Kansas source income.

Line 19: Employee business expenses will be allowed to the extent that the expenses were incurred in producing income from Kansas sources.

If exact identification to Kansas sources is not possible, the employee business expense may be prorated by the ratio of Kansas source income earned from the employer divided by total income earned from the same employer.

Line 20: IRA payments may be claimed as an adjustment to Kansas source income as they are applicable to particular items of Kansas source income. The adjustment amount will be determined by prorating the IRA payment by the ratio derived by dividing the particular Kansas source income by the total income from the same individual. If more than one source of income is attributable to the IRA adjustment, separate calculations must be made and the resulting figures should be added to arrive at the allowable amount to be entered on line 20, column B.

Example: Married taxpayers filing a joint return have \$40,000 total income, spouse A has income of \$30,000, \$15,000 from Kansas sources, and has a \$2,000 IRA adjustment. Spouse B has income of \$10,000, \$2,000 of which is Kansas source income, and also has a \$2,000 IRA adjustment. The calculation for the Schedule NRS adjustment is:

Spouse A: \$15,000 ÷ \$30,000 = 50%		
\$ 2,000 × 50% =		\$1,000
Spouse B: \$ 2,000 ÷ \$10,000 = 20%		
\$ 2,000 × 20% =		<u>\$ 400</u>
Total IRA adjustment on Sch. NRS		<u><u>\$1,400</u></u>

Line 21: Keogh payments which apply to self-employment income earned in Kansas are allowed as an adjustment to Kansas source income.

Line 22: Only penalties assessed during residency may be allowed as an adjustment to Kansas source income for early withdrawal of savings.

Line 23: The alimony adjustment must be prorated by the ratio of the payer's Kansas source income divided by the payer's total income.

Line 24: The deduction for a married couple when both work must be prorated by the ratio of the Kansas portion of income used for the adjustment on the federal Schedule W (lower paid spouse) divided by the total amount used on the Schedule W for the lower paid spouse.

Line 25: Add lines 18 through 24, column B, and enter the total on line 25. This is the total of adjustments allowed on Kansas source income.

Line 26: Subtract line 25 from line 17, column B, and enter result on line 26.

Line 27: Enter on line 27, the net modifications from Part I on the back of form 40 which apply to Kansas source income, lines 1-16, column B. This can be either a positive or negative amount. If it is a negative amount, enter the figure as a negative amount in parentheses.

Line 28: If line 27 is a negative amount, subtract it from line 26 and enter the result on line 28. If line 27 is a positive amount, add it to line 26 and enter the total on line 28.

NONRESIDENT ALLOCATION PERCENTAGE

Line 29: Enter on line 29, your Kansas adjusted gross income from line 3 on the front of form 40.

Line 30: The nonresident allocation percentage is derived by dividing line 28, the modified Kansas source income, by line 29, the Kansas adjusted gross income. Enter the percentage here and on line 10 on the front of form 40. You may round the figure to the nearest whole percent. It cannot exceed 100%.

LIST OF KANSAS UNIFIED SCHOOL DISTRICTS AND COUNTY ABBREVIATIONS

This 1986-87 school year list was furnished by the Kansas State Department of Education

IMPORTANT NOTICE: Kansas law requires that you enter your Kansas unified school district number in the appropriate space on the Kansas income tax return. Entering the correct school district number is to your benefit because this number is used to return 20% of income tax collections (after appropriate modifications) back to your school district, and to distribute other state education funds.

The correct school district number to be entered should be the one where you resided on December 31, 1986, even though you may have moved since then and your new address, county and new school district number may be different.

The following list of school district numbers is provided to assist you in locating your unified school district number. The school districts are listed under the county in which the headquarters of the districts are located. Many districts overlap into one or more counties. Therefore, if you are unable to locate your school district in your home county, please check the adjacent counties where the headquarters may be located. Further assistance may be obtained from your county clerk or local school district office.

The county abbreviations (in parentheses) are provided for use in completing the heading information on the Kansas income tax form.

COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER

ALLEN (AL)
Humboldt 258
Iola 257
Marmaton Valley 256

ANDERSON (AN)
Crest 479
Garnett 365

ATCHISON (AT)
Atchison County Community 377
Atchison Public Schools 409

BARBER (BA)
Barber County North 254
South Barber County 255

BARTON (BT)
Claffin 354
Ellinwood 355
Great Bend 428
Hoisington 431

BOURBON (BB)
Fort Scott 234
Uniontown 235

BROWN (BR)
Brown County 430
Hiawatha 415

BUTLER (BU)
Andover 385
Augusta 402
Circle 375
Douglass Public Schools 396
El Dorado 490
Flint Hills 492
Leon 205
Remington-Whitewater 206
Rose Hill 394

CHASE (CS)
Chase County 284

CHAUTAUQUA (CQ)
Cedar Vale 285
Chautauqua County 286

CHEROKEE (CK)
Baxter Springs 508
Columbus 493
Galena 499
Riverton 404

CHEYENNE (CN)
Cheylin 103
St. Francis Schools 297

COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER

CLARK (CA)
Ashland 220
Minneola 219

CLAY (CY)
Clay Center 379

CLOUD (CD)
Concordia 333
Southern Cloud County 334

COFFEY (CF)
Burlington 244
Lebo-Waverly 243
Leroy-Gridley 245

COMANCHE (CM)
Comanche County 300

COWLEY (CL)
Arkansas City 470
Central 462
Dexter 471
Udall 463
Winfield 465

CRAWFORD (CR)
Cherokee 247
Frontenac 249
Girard 248
Northeast 246
Pittsburg 250

DECATUR (DC)
Oberlin 294
Prairie Heights 295

DICKINSON (DK)
Abilene 435
Chapman 473
Herington 487
Rural Vista 481
Solomon 393

DONIPHAN (DP)
Elwood 486
Highland 425
Midway 433
Troy 429
Wathena 406

DOUGLAS (DG)
Baldwin City 348
Eudora 491
Lawrence 497

EDWARDS (ED)
Kinsley-Offerle 347
Lewis 502

COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER

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West Elk 282

ELLIS (EL)
Ellis 388
Hays 489
Victoria 432

ELLSWORTH (EW)
Ellsworth 327
Lorraine 328

FINNEY (FI)
Garden City 457
Holcomb 363

FORD (FO)
Bucklin 459
Dodge City 443
Spearville 381

FRANKLIN (FR)
Central Heights 288
Ottawa 290
Wellsville 289
West Franklin 287

GEARY (GE)
Junction City 475

GOVE (GO)
Grainfield 292
Grinnell 291
Quinter 293

GRAHAM (GH)
Hill City 281
West Graham-Morland 280

GRANT (GT)
Ulysses 214

GRAY (GY)
Cimarron-Ensign 102
Copeland 476
Ingalls 477
Montezuma 371

GREELEY (GL)
Greeley County 200

GREENWOOD (GW)
Eureka 389
Hamilton 390
Madison-Virgil 386

HAMILTON (HM)
Syracuse 494

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Attica 511

HARVEY (HV)
Burrton 369
Halstead 440
Hesston 460
Newton 373
Sedgwick Public Schools 439

HASKELL (HS)
Satanta 507
Sublette 374

HODGEMAN (HG)
Hanston 228
Jetmore 227

JACKSON (JA)
Holton 336
Kaw Valley 321
Mayetta 337
North Jackson 335

JEFFERSON (JF)
Jefferson County North 339
Jefferson West 340
McLouth 342
Oskaloosa 341
Perry 343
Valley Falls 338

JEWELL (JW)
Jewell 279
Mankato 278
White Rock 104

JOHNSON (JO)
Blue Valley 229
DeSoto 232
Gardner 231
Olathe 233
Shawnee Mission 512
Spring Hill 230

KEARNY (KE)
Deerfield 216
Lakin 215

KINGMAN (KM)
Cunningham 332
Kingman 331

KIOWA (KW)
Greensburg 422
Haviland 474
Mullinville 424

COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER	COUNTY (COUNTY ABBREVIATION) DISTRICT NAME AND NUMBER
LABETTE (LB) Chetopa 505 Labette County 506 Oswego 504 Parsons 503	MONTGOMERY (MG) Caney Valley 436 Cherryvale 447 Coffeyville 445 Independence 446	RENO (RN) Buhler 313 Fairfield 310 Haven 312 Hutchinson 308 Nickerson 309 Pretty Prairie 311	SHERIDAN (SD) Hoxie Community Schools 412
LANE (LE) Dighton 482 Healy 468	MORRIS (MR) Council Grove 417	REPUBLIC (RP) Belleville 427 Cuba 455 Pike Valley 426	SHERMAN (SH) Goodland 352
LEAVENWORTH (LV) Basehor-Linwood 458 Easton 449 Fort Leavenworth 207 Lansing 469 Leavenworth 453 Tonganoxie 464	MORTON (MT) Elkhart 218 Rolla 217	RICE (RC) Chase 401 Little River 444 Lyons 405 Sterling 376	SMITH (SM) Smith Center 237 West Smith County 238
LINCOLN (LC) Lincoln 298 Sylvan Grove 299	NEMAHA (NM) B & B 451 Nemaha Valley 442 Sabetha 441	RILEY (RL) Blue Valley 384 Manhattan 383 Riley County 378	STAFFORD (SF) Macksville 351 St. John 350 Stafford 349
LINN (LN) Jayhawk 346 Pleasanton 344 Prairie View 362	NEOSHO (NO) Chanute Public Schools 413 Erie-St. Paul 101	ROOKS (RO) Palco 269 Plainville 270 Stockton 271	STANTON (ST) Stanton County 452
LOGAN (LG) Oakley 274 Triplains 275	NESS (NS) Bazine 304 Nes Tre La Go 301 Ness City 303 Smoky Hill 302	RUSH (RH) LaCrosse 395 Otis-Bison 403	STEVENS (SV) Hugoton 210 Moscow 209
LYON (LY) Emporia 253 North Lyon County 251 Southern Lyon County 252	NORTON (NT) Northern Valley 212 Norton 211 West Solomon Valley 213	RUSSELL (RS) Paradise 399 Russell County 407	SUMNER (SU) Argonia Public Schools 359 Belle Plaine 357 Caldwell 360 Conway Springs 356 Oxford 358 South Haven 509 Wellington 353
MARION (MN) Centre 397 Goessel 411 Hillsboro-Durham-Lehigh 410 Marion 408 Peabody-Burns 398	OSAGE (OS) Burlingame Public Schools 454 Lyndon 421 Marais Des Cygnes Valley 456 Osage City 420 Santa Fe Trail 434	SALINE (SA) Ell-Saline 307 Salina 305 Southeast of Saline 306	THOMAS (TH) Brewster 314 Colby 315 Golden Plains 316
MARSHALL (MS) Axtell 488 Marysville 364 Valley Heights 498 Vermillion 380	OSBORNE (OB) Osborne County 392	SCOTT (SC) Scott County 466	TREGO (TR) WaKeeney 208
McPHERSON (MP) Canton-Galva 419 Inman 448 Lindsborg 400 McPherson 418 Moundridge 423	OTTAWA (OT) North Ottawa County 239 Twin Valley 240	SEDGWICK (SG) Cheney 268 Clearwater 264 Derby 260 Goddard 265 Haysville 261 Maize 266 Mulvane 263 Renwick 267 Valley Center 262 Wichita 259	WABAUNSEE (WB) Alma 329 Kaw Valley 321 Wabaunsee East 330
MEADE (ME) Fowler 225 Meade 226	PAWNEE (PN) Ft. Larned 495 Rozel 496	SEWARD (SW) Kismet-Plains 483 Liberal 480	WALLACE (WA) Wallace County Schools 241 Weskan 242
MIAMI (MI) Lotisburg 416 Osawatomie 367 Paola 368	PHILLIPS (PL) Eastern Heights 324 Logan 326 Phillipsburg 325	SHAWNEE (SN) Auburn-Washburn 437 Kaw Valley 321 Seaman 345 Shawnee Heights 450 Silver Lake 372 Topeka 501	WASHINGTON (WS) Barnes 223 North Central 221 Republican Valley 224 Washington 222
MITCHELL (MC) Beloit 273 Waconda 272	POTTAWATOMIE (PT) Kaw Valley 321 Onaga-Havensville-Wheaton 322 Wamego 320 Westmoreland 323		WICHITA (WH) Leoti 467
	PRATT (PR) Pratt 382 Skyline Schools 438		WILSON (WL) Altoona-Midway 387 Fredonia 484 Neodesha 461
	RAWLINS (RA) Atwood 318 Herndon 317		WOODSON (WO) Yates Center 366
			WYANDOTTE (WY) Bonner Springs 204 Kansas City 500 Piper 203 Turner 202