



# INSTRUCTIONS FOR SCHEDULE K-40C

## GENERAL INFORMATION

Any partnership or S corporation required to file a Kansas income tax return may elect to file a composite income tax return for its nonresident partners or nonresident shareholders that derive income from the partnership or S corporation. Any nonresident partner or nonresident shareholder may be included in a composite return unless the partner or shareholder has income from a Kansas source other than the partnership or S corporation. At this time, the Kansas Department of Revenue does not require written approval to file a composite return. Nonresident partners and nonresident shareholders included in a composite return shall not file a separate income tax return.

**IMPORTANT:** Schedule K-40C cannot be filed by a trust (must file a Kansas Fiduciary Income Tax return, Form K-41), or for any tax year that the S corporation or partnership is claiming a special tax credit or a net operating loss (NOL).

If your partnership or S corporation qualifies to complete a composite income tax return, the Kansas Individual Income Tax Return, Form K-40, must be completed for the partnership or S corporation in that specific entity's name. The totals from the K-40C will be transferred to Form K-40. Enclose a copy of the K-40C with Form K-40. Each composite return shall be filed and any applicable tax paid by the partnership or S corporation on or before the 15th day of the fourth month following the close of the taxable year of the partnership or S corporation.

## SPECIFIC COLUMN INSTRUCTIONS

(Please round ALL dollar figures to the nearest whole dollar)

**COLUMN 1**—Name of nonresident shareholder or partner (owner).

**COLUMN 2**—Social security number of nonresident owner.

**COLUMN 3**—Nonresident owner's state of residence.

**COLUMN 4**—Federal S corporation or partnership income. A deduction will be allowed for a percentage of the HR-10 contribution. The percentage is determined by dividing the Kansas portion of federal income by the federal income.

**COLUMN 5**—The filing status for Kansas must be the same as that used on the shareholder's or partner's federal income tax return, except that Kansas does not recognize the "Qualifying Widow(er) with Dependent Child" status. If a shareholder or partner filed as a "Qualifying Widow(er) with Dependent Child," on the federal return, they will file as "Head of Household" on the K-40C.

**COLUMN 6**—Shareholders and partners are entitled to the same number of exemptions as claimed on their federal income tax return. If the Kansas filing status in column 5 is "Head of Household," enter one additional exemption.

**COLUMN 7**—Exemption allowance. Multiply the number of exemptions from column 6 by \$2,250.

**COLUMN 8**—The shareholders or partners must use the standard deduction on a composite return: The Kansas standard deduction is as follows:

Filing Status	Standard Deduction Base	Additional Standard Deduction*
Single	\$3,000	\$850
Head of Household	\$4,500	\$850
Married Filing Joint	\$6,000	\$700
Married Filing Separate	\$3,000	\$700

\*An additional deduction amount is allowed for persons who are age 65 or over or blind.

**COLUMN 9**—Kansas taxable income. Income subject to Kansas income tax (subtract the total of columns 7 and 8 from column 4).

**COLUMN 10**—Tax before allocation. Derived by applying Kansas tax computation schedule to the amount in column 9.

**COLUMN 11**—Kansas S corporation or partnership income: Enter the Kansas portion of federal income.

**COLUMN 12**—Kansas nonresident tax: Column 10 multiplied by nonresident allocation percentage (this percentage determined by dividing column 11 by column 4 and rounding the result to the fourth decimal place; not to exceed 100.0000). Enter the total amount from K-40C on the applicable line of Form K-40.

**COLUMN 13**—Amount of Kansas estimated tax paid. Enter total amount from K-40C on the applicable line of Form K-40.

**COLUMN 14**—Amount of any nonresident owner withholding tax reported on Form KW-7S and paid with Form KW-7. Enter total amount of Column 14 on the applicable line of Form K-40.

**COLUMN 15**—Balance due or refund: Add columns 13 and 14 and subtract from column 12. Enter the total amount from K-40C on the applicable line of Form K-40 for either a balance due or refund.

## TAXPAYER ASSISTANCE

If you have questions or need assistance in completing this schedule, contact:

Taxpayer Assistance Center  
Kansas Department of Revenue  
915 SW Harrison St., 1<sup>st</sup> Floor  
Topeka, KS 66615-2017

Phone: 785-368-8222

Fax: 785-291-3614

Hearing Impaired TTY: 785-296-6461

Additional copies of tax forms are available from the department's web site at [www.ksrevenue.org](http://www.ksrevenue.org)