

K-55

(Rev. 9/09)

KANSAS VENTURE AND LOCAL SEED CAPITAL CREDIT

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

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

Type of Credit: <input type="checkbox"/> Kansas Venture Capital, Inc. <input type="checkbox"/> Certified Local Seed Pool	Enter the date(s) the investment or transfer was made and the name of the venture capital or local seed capital company.	
	DATE	NAME OF COMPANY INVESTED IN
	<input type="checkbox"/> Check here if this credit is a result of a transfer of credit from an investor in a Kansas venture capital company. Enter the name and address of the original investor.	
NAME		
ADDRESS		

PART A – COMPUTATION OF CREDIT FOR THIS YEAR’S INVESTMENT

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| 1. Total amount of cash investment this tax year. | 1. _____ |
| 2. Maximum percentage allowed. | 2. <u>25%</u> |
| 3. Maximum allowable credit for the amount invested this tax year. Multiply line 1 by line 2. | 3. _____ |
| 4. Enter your proportionate share percentage; see instructions. | 4. _____ |
| 5. Your share of the credit for this year’s investment. Multiply line 3 by line 4. | 5. _____ |
| 6. Amount of tax liability for current taxable year and all previously claimed credits. | 6. _____ |
| 7. Amount of credit allowable this tax year. Enter the lesser of line 5 or line 6. | 7. _____ |

PART B – COMPUTATION OF CARRY FORWARD CREDIT

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| 8. Total credit for amount invested this year. Enter the amount from line 5. | 8. _____ |
| 9. Total amount of carry forward available on this return. Enter the amount of available carry forward from the prior year’s Schedule K-55. Enclose a copy of the prior year’s Schedule K-55. | 9. _____ |
| 10a. Total credit available this tax year. Add lines 8 and 9 and enter the result : _____.
Multiply the amount on line 10a by 90% and enter the result on line 10b. | 10b. _____ |
| 11a. Amount of your Kansas tax liability for this tax year to be applied against this credit: _____.
Multiply the amount on line 11a by 90% and enter result on line 11b. | 11b. _____ |
| 12. Enter the lesser of lines 10b <u>or</u> 11b. Enter this amount on the appropriate line of Form K-40, Form K-120, or Form K-130. | 12. _____ |

PART C – COMPUTATION OF CREDIT CARRY FORWARD

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| 13. Credit available for carry forward to next year’s Schedule K-55. Subtract line 11a from line 10a. This amount cannot be less than zero. | 13. _____ |
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INSTRUCTIONS FOR SCHEDULE K-55

GENERAL INFORMATION

A credit may be deducted from a taxpayer's income or privilege tax liability if the taxpayer invests in stock issued by Kansas Venture Capital, Inc. (K.S.A. 74-8206). The taxpayer may also modify from federal taxable income any dividend income on stock issued by Kansas Venture Capital, Inc.

A credit may also be deducted from a taxpayer's income tax liability if the taxpayer invests in a certified local seed capital pool if that investment was made after December 31, 1986 (K.S.A. 74-8401 et seq.). Local seed capital pool means money invested in a fund established to provide funding for use by Kansas small businesses for any one of the following purposes: 1) development of a prototype product or process; 2) a marketing study to determine the feasibility of a new product or process; or 3) a business plan for the development and production of a new product or process. These local seed capital pools may be certified by the Secretary of Commerce by meeting certain criteria.

The amount of credit for any of these types of investments is 25% of the total amount of cash investment in such stock. The amount of credit, which exceeds the taxpayer's tax liability in any one taxable year, may be carried forward until the total amount of credit is used.

SPECIFIC LINE INSTRUCTIONS

Complete all the requested information at the top of Schedule K-55.

PART A - COMPUTATION OF CREDIT FOR THIS YEAR'S INVESTMENT

LINE 1—Enter the total amount of **cash** investment made this tax year.

LINE 2—This percentage determines the maximum credit allowable as a result of the investment made during this tax year. Do not make an entry on this line.

LINE 3—Multiply line 1 by line 2 and enter the result. This is the maximum credit allowable.

LINE 4—Partners, shareholders or members: Enter the percentage that represents your proportionate share in the partnership, S corporation, LLC or LLP. All other taxpayers: Enter 100%.

LINE 5—Multiply line 3 by line 4 and enter the result. This is your total credit for the amount invested this year.

LINE 6—Enter the total Kansas tax liability for the current tax year after all credits other than the credit allowed for investments made during this tax year.

LINE 7—Enter the amount from line 5 or line 6, whichever is less. This is the maximum credit allowed for investments made during this tax year.

PART B - COMPUTATION OF CARRY FORWARD CREDIT

LINE 8—Enter the total credit for the amount invested this year from line 3.

LINE 9—Enter the carry forward amounts available from prior years (line 10 of prior year K-55 schedules). Enclose a copy of the K-55 schedules from prior years.

LINE 10a—Add lines 8 and 9 and enter the result.

LINE 10b—Multiply the amount on line 10a by 90% (.90) and enter the result.

LINE 11a—Enter the amount of your Kansas tax liability for this year. If you are filing more than one (1) credit schedule this year, enter only the amount of tax liability you wish to apply to this credit. The amount entered on line 11a (not line 11b) is the amount of tax liability considered to be "used" when calculating the remaining tax liability to be applied against other credits. **Example:** If your tax liability is \$1,000 (before applying the 90% reduction) and the amount entered on line 11a is \$400, then the amount of tax liability available to apply to any other credit schedules would be \$600.

LINE 11b—Multiply the amount on line 11a by 90% (.90) and enter the result.

LINE 12—Enter the lesser of 10b from line 11b. Enter this amount on the appropriate line of Form K-40, Form K-120, or K-130

PART C - COMPUTATION OF TOTAL CREDIT CLAIMED THIS TAX YEAR

LINE 13 – Subtract line 11a from 10a. This amount can not be less than zero.

TAXPAYER ASSISTANCE

For assistance in completing this schedule contact:

Topeka Assistance Center
Docking State Office Building, 1st Floor
915 SW Harrison St.
Topeka, KS 66625-2007

Phone: (785) 368-8222
Hearing Impaired TTY: (785) 296-6461

Kansas tax forms are available from our office or on our web site at: www.ksrevenue.org