

K-74

(Rev. 8/07)

KANSAS NATIONAL GUARD & RESERVE EMPLOYER 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)

PART A – COMPUTATION OF CREDIT

This credit is being claimed for employing _____, Social Security Number _____
(Name)

1. Total amount of salary or compensation you paid this tax year for employing a member of the Kansas Army or Air National Guard who was federally activated and deployed on or after August 7, 1990, that you did not employ prior to such activation and deployment and who was currently unemployed at the time you employed them. 1. _____
2. Maximum percentage allowed by law. 2. 25%
3. Maximum credit for this tax year. Multiply line 1 by line 2. 3. _____
4. Credit limitation. 4. \$7,000
5. Maximum credit allowed. Enter the lesser of line 3 or line 4. 5. _____
6. Proportionate share percentage (see instructions). 6. _____
7. Your share of the credit for employing this member. Multiply line 5 by line 6. 7. _____

PART B – COMPUTATION OF TOTAL CREDIT CLAIMED THIS TAX YEAR

8. Amount of available carry forward from the prior year's Schedule K-74. 8. _____
9. Total credit available. Add lines 7 and 8. 9. _____
10. Amount of tax liability for current taxable year after all previously claimed credits. 10. _____
11. Amount of credit allowable this tax year. Enter the lesser of line 9 or line 10. Also enter this amount on the appropriate line of Form K-40, K-41 or Form K-120. 11. _____

If line 11 is less than line 9, complete PART C.

PART C – COMPUTATION OF CREDIT CARRY FORWARD

12. Amount of credit to carry forward to next year's Schedule K-74 (subtract line 11 from line 9). 12. _____

INSTRUCTIONS FOR SCHEDULE K-74

GENERAL INSTRUCTIONS

K.S.A. 79-32,244 provides that for years 2006, 2007 and 2008, a 25% Kansas income tax credit for employing a member of the Kansas army and air national guard or a member of a Kansas unit of the reserved forces of the United States who was federally activated and deployed on or after August 7, 1990. The credit is 25% of the amount paid as salary or compensation, not to exceed \$7,000 for each member employed. This credit is further limited to salary or compensation paid for one (1) year for each member employed.

To qualify for this credit the following criteria must be met:

- 1) an employer must employ a member of the Kansas army and air national guard or a member of a Kansas unit of the reserved forces of the United States who was federally activated and deployed on or after August 7, 1990, *and*
- 2) an employer must NOT have employed such said member prior to such activation and deployment, *and*
- 3) the member must have been unemployed at the time the employer (who is claiming this credit) employed said member.

The credit allowed shall not exceed the amount of the tax imposed under the Kansas income tax act, reduced by the sum of any other credits. If the amount of the credit allowed by this section exceeds the taxpayers' income tax liability imposed by the Kansas income tax act for such taxable year, such excess may be carried over for credit in the same manner in the succeeding taxable years until the total amount of such credit is used.



You must complete a separate Schedule K-74 for each employee.

SPECIFIC LINE INSTRUCTIONS

PART A - COMPUTATION OF CREDIT

LINE 1 – Enter total amount of salary or compensation you paid this tax year for employing a member of the Kansas Army or Air National Guard who was federally activated and deployed on or after August 7, 1990, that you did not employ prior to such activation and deployment and who was currently unemployed at the time you employed them.

LINE 2 – The maximum percentage (25%) allowed by law. Make no entry on this line.

LINE 3 – Multiply line 1 by line 2 and enter the result. This is the maximum credit for this tax year.

LINE 4 – Credit limitation set by law (\$7,000). Make no entry on this line.

LINE 5 – Maximum credit allowed. Enter the lesser of line 3 of line 4.

LINE 6 – 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 7 – Multiply line 5 by line 6 and enter the result. This is your share of the total credit for the amount invested this year.

PART B — COMPUTATION OF TOTAL CREDIT CLAIMED THIS TAX YEAR

LINE 8 – Enter the carry forward amounts available from prior year's K-74 schedules and enclose a copy of those schedules.

LINE 9 – Add lines 7 and 8. Enter the result.

LINE 10 – Enter the total Kansas tax liability for the current tax year after all previously claimed credits.

LINE 11 – Enter the lesser of line 9 or line 10. Enter this amount on the appropriate line of Forms K-40, K-41 or K-120.

If line 11 is less than line 9, complete PART C.

PART C — COMPUTATION OF CARRY FORWARD CREDIT

LINE 12 – Subtract line 11 from line 9. Enter the result. This amount cannot be less than zero. Enter this amount on next year's Schedule K-74.

TAXPAYER ASSISTANCE

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

Taxpayer Assistance Center
Docking State Office Building
915 SW Harrison St., 1st Floor
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: www.ksrevenue.org