

K-81

(Rev. 9/09)

KANSAS ENVIRONMENTAL COMPLIANCE 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)

1. Enter the total amount of the "qualified expenditures" made this tax year. 1. _____
 2. Proportionate share percentage (see instructions) 2. _____
 3. Your share of the credit this tax year. Multiply line 1 by line 2. 3. _____
 4. Enter the amount of available carry forward credit from the prior year's Schedule K-81. 4. _____
 - 5a. Total credit available this tax year. Add lines 3 and 4 and enter result: _____.
Multiply the amount on 5a by 90% and enter the result on line 5b. 5b. _____
 - 6a. Amount of your Kansas tax liability for this tax year to be applied against this credit: _____.
Multiply the amount on line 6a by 90% and enter the result on line 6b. 6b. _____
 7. Amount of credit allowable this tax year. Enter the lesser of lines 5b or 6b.
Enter this amount on the appropriate line of Form K-40, Form K-41 or Form K-120. 7. _____
- If line 6a is less than line 5a, complete line 8.**
8. Amount of credit to carry forward to next year's Schedule K-81. Subtract line 6a from line 5a.
Enter this amount on line 4 of next year's Schedule K-81. 8. _____

INSTRUCTIONS FOR SCHEDULE K-81

GENERAL INSTRUCTIONS

K.S.A. 79-32,222 provides a tax credit for tax years beginning after December 31, 2006 against the Kansas income tax liability equal to the amount of a taxpayer's "qualified expenditures" for an existing refinery to comply with environmental standards. To qualify for this tax credit a taxpayer shall apply to the Secretary of Health and Environment for a "certificate of compliance" that the costs were incurred to comply with environmental standards or requirements as specified in K.S.A. 79-32,222 subsection (a). If the credit allowed exceeds the taxpayer's tax liability in any one taxable year, the amount of the credit that exceeds the tax liability may be carried forward until the total amount of the credit is used, except that no such tax credit shall be carried over for deduction after the fourth taxable year succeeding the year in which the costs are incurred.

Qualified expenditures means expenditures which the secretary of health and environment certifies to the director of taxation are required for an existing refinery to comply with environmental standards or requirements established pursuant to federal statute or regulation, or state statute or rules and regulation, adopted after December 31, 2006.

Refinery means an industrial process plant, located in this state, where crude oil is processed and refined into petroleum products.

SPECIFIC LINE INSTRUCTIONS

Enter all requested information at the top of this schedule.

- LINE 1** – Enter the total amount of "qualified expenditures" made this tax year.
- LINE 2** – 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 3** – For your share of the credit multiply line 1 by line 2 and enter the result.
- LINE 4** – Enter the amount from line 8, from the prior year's Schedule K-81.
- LINE 5a** – Add lines 3 and 4 and enter the result.
- LINE 5b** – Multiply the amount on line 5a by 90% (.90) and enter the result.

LINE 6a – Enter your total Kansas tax liability for this tax 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 6a (not line 6b) 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 6a is \$400, then the amount of tax liability available to apply to any other credit schedules would be \$600.

LINE 6b – Multiply the amount on line 6a by 90% (.90) and enter the result.

LINE 7 – Enter the lesser of lines 5b or 6b. This is the amount of credit allowed for this tax year. Enter this amount on the appropriate line of Form K-40, Form K-41 or Form K-120.

If line 6a is less than line 5a, complete line 8.

LINE 8 – Subtract line 6a from line 5a. This is the amount of credit to carry forward to next year's Schedule K-81.

TAXPAYER ASSISTANCE

If you need assistance completing this schedule, contact the Kansas Department of Revenue:

Taxpayer 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

Direct your questions about qualifying for this credit to:

Kansas Department of Health & Environment
1000 SW Jackson, Suite 540
Topeka, KS 66612
(785) 296-1500
<http://www.kdheks.gov/>

Additional copies of this schedule and other tax forms are available from our office or web site at www.ksrevenue.org.