

# K-87

(9/08)

# KANSAS DECLARED DISASTER CAPITAL INVESTMENT 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)

Indicate which city (or within one mile thereof) the capital investment in a business was made:

- Chanute                       Coffeyville                       Erie                       Fredonia                       Greensburg  
 Independence                       Iola                       Neodesha                       Osawatomie

Enter your pre-approved Certificate Number: DD - \_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

### PART A – COMPUTATION OF CREDIT (see instructions)

1. Amount of capital investment in a business which is located in the city of Chanute, Coffeyville, Erie, Fredonia, Greensburg, Independence, Iola, Neodesha or Osawatomie, Kansas or within one mile of the city limits of these cities. 1. \_\_\_\_\_  
*(Do not include investment for which you received, or will receive, assistance through the Southeast Kansas Business Restoration Assistance Program or the Kiowa County Business Restoration Assistance Program.)*
2. Authorized credit percentage. 2. 10%
3. Credit. Multiply line 1 by line 2. Do not enter more than \$100,000. 3. \_\_\_\_\_
4. Amount of pre-approved credit. *(This is the amount approved by KDOR)* 4. \_\_\_\_\_
5. Available credit. Enter the lesser of lines 3 or 4. 5. \_\_\_\_\_
6. Your proportionate share percentage (see instructions). 6. \_\_\_\_\_
7. Your share of the credit for the capital investments made this year. Multiply line 5 by line 6. **If you are electing to use the refund option, skip Part B (lines 8 through 11) and proceed to Part C.** 7. \_\_\_\_\_

### PART B – COMPUTATION OF TOTAL CREDIT CLAIMED THIS YEAR (see instructions)

8. Prior year's carry forward. Enter the amount of available carry forward from the prior year's Schedule K-87. (Make no entry for tax year 2008.) 8. \_\_\_\_\_
9. Total credit available this tax year. Add lines 7 and 8. 9. \_\_\_\_\_
10. Enter your total tax liability for this tax year after all credits other than this credit. 10. \_\_\_\_\_
11. Amount of credit this tax year. Enter the lesser of line 9 or line 10 here; and on the appropriate nonrefundable credit line of Form K-40, K-41, K-120 or K-130. **Skip Part C (lines 12 through 14) and proceed to line 15.** 11. \_\_\_\_\_

### PART C – COMPUTATION FOR REFUNDABLE PORTION OF CREDIT (see instructions)

12. Your share of the credit for the capital investments (Enter the amount from line 7 above). 12. \_\_\_\_\_
13. Authorized refundable credit percentage. 13. 50%
14. Amount of credit to be refunded. Multiply line 12 by line 13 and enter the result here and on the appropriate refundable tax credit line of Form K-40, K-41, K-120, or K-130. 14. \_\_\_\_\_

### PART D – COMPUTATION OF CREDIT CARRY FORWARD (see instructions)

15. Amount of excess credit available to carry forward to next year's return. Subtract line 11 from line 9 and enter the result here and on line 8 of next year's Schedule K-87. 15. \_\_\_\_\_

# INSTRUCTIONS FOR SCHEDULE K-87

## GENERAL INFORMATION

2008 Senate Substitute for HB 2434 provides an income, privilege or premiums tax credit for tax years 2008, 2009 and 2010 for any taxpayer who makes a capital investment in a business that is located in the city limits, or within one mile of, the following Kansas cities: Chanute, Coffeyville, Erie, Fredonia, Greensburg, Independence, Iola, Neodesha or Osawatomie. The investment must be made within three years of the date of the disaster's occurrence which is the subject of major disaster declaration DR 1699 or DR 1711. The credit shall not exceed 10% of the investment. The total amount of credit allowed for any one taxpayer shall not exceed \$100,000. In no event shall the total amount of credits or refunds exceed \$5,000,000 for any one fiscal year.

The amount of credit shall be reduced by an amount equal to any assistance payment received by the taxpayer from the Southeast Kansas Business Restoration Assistance Program, or from the Kiowa County Business Assistance Program. No taxpayer shall claim more than one credit for the same investment, except that nothing shall prevent a taxpayer from making a claim for and being allowed credit in a subsequent tax year when such taxpayer was not allowed the credit in a previous tax year. If the amount of this tax credit exceeds the income, privilege or premium tax liability for the taxpayer for any taxable year in which the qualified investment is made, the excess credit may be carried over for deduction from such taxpayer's tax liability in the next succeeding year or years until the total amount of the credit has been deducted from the tax liability, except that no such credit shall be carried over for deduction after the 10th taxable year succeeding the taxable year in which the qualified investment was made.

A taxpayer may receive a refund in lieu of the above described nonrefundable credit. The refund shall be 50% of the computed credit. The amount of refund shall also be reduced by an amount equal to any assistance payments received by the taxpayer. Should the taxpayer elect to receive the cash in lieu of the credit, the remaining portion of the tax credit shall be lost. Any refund shall be allowed against the tax liability in the tax year the qualified investment is placed into service.



**IMPORTANT:** Before you can claim this credit on Form K-87, the amount of credit **MUST BE APPROVED** by KDOR (Kansas Department of Revenue). An on-line application can be found at: [www.ksrevenue.org](http://www.ksrevenue.org)

## SPECIFIC LINE INSTRUCTIONS

Enter all requested information at the top of this schedule.

### **PART A - COMPUTATION OF CREDIT**

**LINE 1** – Amount of capital investment in a business which is located in the city of Chanute, Coffeyville, Erie, Fredonia, Greensburg, Independence, Iola, Neodesha or Osawatomie, Kansas or within one mile of the city limits of these cities. **Do not include** investment for which you have received, or will receive, assistance through the Southeast Kansas Business Restoration Assistance Program or from the Kiowa County Business Restoration Assistance Program.

**LINE 2** – The authorized credit percentage is 10%

**LINE 3** – Multiply line 1 by line 2, and enter the result here. Do not enter more than \$100,000.

**LINE 4** – Enter the amount of credit approved by KDOR (Kansas Department of Revenue).

**LINE 5** – Available credit. Enter the lesser of lines 3 or 4 here.

**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** – Your share of the credits. Multiply line 5 by line 6, and enter the result here.

**If you are electing to use the refund option skip lines 8 through 11 and proceed to Part C.**

### **PART B - COMPUTATION OF TOTAL CREDIT CLAIMED THIS YEAR**

**LINE 8** – Prior year's carry forward. Enter the amount of available carry forward from the prior year's Schedule K-87. (Make no entry for tax year 2008.)

**LINE 9** – Total credit available this tax year. Add lines 7 and 8 and enter the result here.

**LINE 10** – Enter your total tax liability for this tax year after all credits other than this credit.

**LINE 11** – Amount of credit this tax year. Enter the lesser of lines 9 or 10. Enter this amount on the appropriate nonrefundable credit line of Form K-40, K-41, K-120 or K-130. **Skip lines 12 through 14 and proceed to line 15.**

### **PART C - COMPUTATION FOR REFUNDABLE PORTION OF CREDIT**

**LINE 12** – Your share of the credit for the capital investments. Enter the amount from line 7 above.

**LINE 13** – The authorized refundable credit percentage is 50%.

**LINE 14** – Amount of credit to be refunded. Multiply line 12 by line 13 and enter the result here, and on the appropriate refundable credit line of Form K-40, K-41, K-120, or K-130.

### **PART D - COMPUTATION OF CREDIT CARRY FORWARD**

**LINE 15** – Amount of excess credit available to carry forward to next year's return. Subtract line 11 from line 9 and enter the result here and on line 8 of next year's Schedule K-87.



**IMPORTANT:** Do not send enclosures with this schedule, however keep copies of important documentation with your records. KDOR reserves the right to request additional information as necessary.

## TAXPAYER ASSISTANCE

For assistance in completing this schedule contact KDOR:

Taxpayer Assistance Center  
Docking State Office Building, 1<sup>st</sup> Floor  
915 SW Harrison St.  
Topeka, KS 66625-2007  
Phone: (785) 368-8222  
Hearing Impaired TTY: (785) 296-6461

Additional copies of this schedule and other tax forms are available from our office or web site at: [www.ksrevenue.org](http://www.ksrevenue.org)