

Common errors that delay processing



Kansas Income Tax forms are designed to be *imaged* on our computers, enabling us to process your tax return faster and with fewer errors. In order for our system to work at its best and to ensure the most efficient processing of your Kansas return, it is important that you use the following guidelines to prepare your return.

✓ **DO** use black or dark blue ink.

✓ **DON'T** use red, purple, green, light blue, or any similar ink colors.

✓ **DO** print only one number or letter in each box and stay within the lines of each box. If a line or a box does not apply to you, leave it blank. For example, enter \$17,360 like this:

, 1 7 , 3 6 0 . 00

✓ **DON'T** use dollar signs, lines, slashes or other symbols in the boxes or in writing numbers. For example, **DO NOT** enter your numbers like this:

, \$ 1 7 , ~~3 6 0~~ . 00

✓ **DO** fold your K-40 and schedules in half and place your W-2s, 1099s and K-40V (if required) inside – **DO NOT** fasten them together.

✓ **DON'T** staple, paper clip, tape or use any other fastening device on documents you send to us.

✓ **DO** mail the ORIGINAL return and necessary enclosures to the Department of Revenue.

✓ **DON'T** mail a photocopy – keep it for your records.

Before mailing your return, be sure you have...

- ✓ placed your pre-addressed label at the top of Form K-40. If you do not have a label (or the label information is incorrect) print your name and address directly on Form K-40.
- ✓ marked the name or address change box on Form K-40 if your name or address changed.
- ✓ entered Social Security number(s) on the K-40 and all supporting documents.
- ✓ checked your math and made sure entries are on the proper lines.
- ✓ signed your return and had your spouse sign if filing joint.
- ✓ completed the Income Tax Payment Voucher (K-40V) if you are sending a payment by check or money order. The voucher helps ensure your remittance is properly credited to your account.

GENERAL INFORMATION

Who Must File a Return

KANSAS RESIDENTS

A Kansas resident for income tax purposes is anyone who lives in Kansas, regardless of where he or she is employed. An individual who is away from Kansas for a period of time and has intentions of returning to Kansas is a resident.

If you were a Kansas resident for the entire year, you must file a Kansas Individual Income Tax return if:

- You are required to file a federal income tax return, OR
- Your Kansas adjusted gross income is more than the total of your Kansas standard deduction and exemption allowance.

The minimum filing requirements for each filing status and exemption allowance situation are shown below. If you are not required to file a federal return, you may use this table to determine if you are required to file a Kansas return. For example, if your filing status is single, and you are over 65, you do not need to file a Kansas return unless your gross income is over \$6,100. A married couple filing jointly would not be required to file a Kansas return unless their gross income is over \$10,500.

A Kansas resident must file if he or she is:	And has gross income of at least:
SINGLE OR MARRIED FILING SEPARATE	
Under 65	\$5,250
65 or older or blind	\$6,100
65 or older and blind	\$6,950
MARRIED FILING JOINT	
Under 65 (both spouses)	\$10,500
65 or older or blind (one spouse)	\$11,200
65 or older or blind (both spouses)	\$11,900
65 or older and blind (one spouse)	\$11,900
65 or older or blind (one spouse) and 65 or older and blind (other spouse)	\$12,600
65 or older and blind (both spouses)	\$13,300
HEAD OF HOUSEHOLD	
Under 65	\$9,000
65 or older or blind	\$9,850
65 or older and blind	\$10,700

IMPORTANT: You must file a Kansas Individual Income Tax return to receive any refund of taxes withheld, regardless of the amount of total income, or to receive the Food Sales Tax refund.

MINOR DEPENDENTS

A minor child claimed on another person's return can claim a standard deduction of \$500 or the amount of their earned income (wages) up to \$3,000, whichever is greater. Unearned income (such as interest and dividends) over \$500 is taxable to Kansas and a Kansas return must be filed. If the taxable income (line 7, Form K-40) is zero, a return is not required. However, you must file a Kansas Individual Income Tax return to receive any refund of taxes withheld, regardless of the amount of total income.

NONRESIDENTS

If you are not a resident of Kansas, but you received income from Kansas sources, you must file a Kansas Individual Income Tax return regardless of the amount of income received from Kansas sources.

If your employer withheld Kansas taxes from your wages in error, you must also file a Kansas return in order to receive a refund, even though you had no income from Kansas sources. A letter from your employer on company letterhead and signed by an authorized company official explaining the error must accompany your return.

PART-YEAR RESIDENTS

You are a part-year resident of Kansas if you were a Kansas resident for less than 12 months during the tax year. As a part-year resident, you have the option to file your Kansas return either as a resident or as a nonresident.

MILITARY PERSONNEL

The active duty service pay of military personnel is taxable **ONLY** to your state of legal residency, no matter where you are stationed during the tax year. If your home of record on your military records is Kansas, you are a Kansas resident.

If you are a nonresident of Kansas but are stationed in Kansas due to military orders, you must file a Kansas return if you (or your spouse if filing jointly) received income from Kansas sources. Your total income, including service pay, is used to determine the **rate** of tax paid on your Kansas source income.

NATIVE AMERICAN INDIANS

Income received by native American Indians that is exempt from Federal Income Tax is also exempt from Kansas Income Tax. Income earned on a reservation, by a native American Indian residing on his or her tribal reservation, is also exempt from Kansas Income Tax. If any such income is included in the federal adjusted gross income, it is subtracted on the Kansas return.

When to File

If your 2002 return is based on a calendar year, it must be filed and the tax paid no later than **April 15, 2003**. If your return is based on a fiscal year, your Kansas return is due the 15th day of the 4th month following the end of your fiscal year. The instructions in this booklet assume a calendar year taxpayer.

By using an electronic filing option and the direct debit payment method, you can file your return at any time and your bank account will not be debited until the due date of the return. See instructions for this payment option on page 19.

AMENDED RETURNS: In general, amended returns must be filed with the Department of Revenue within three (3) years of when the original return was filed. If the amended return will result in a refund to you, the amended return may be filed within three (3) years of when the original return was filed, or within two (2) years from the date the tax was paid, whichever is later.

Where to File

Please use the pre-addressed envelope in this tax booklet to mail your tax return. This envelope is designed for use in our automated mail-opening equipment and will expedite the processing of your return. If you are expecting a refund, place an "X" in the box on the front of the envelope. If your envelope has been misplaced, mail your return to the following address:

INDIVIDUAL INCOME TAX/FOOD SALES TAX
KANSAS DEPARTMENT OF REVENUE
915 SW HARRISON ST
TOPEKA, KS 66699-1000

If You Need Forms

A tax booklet is mailed each year to the address on your previous year's Income Tax return.

Kansas Income Tax forms and instructions are available throughout the state at city and county clerk's offices, driver's license stations, banks, libraries, and other places of convenience. Specialized schedules and forms are available from our Taxpayer Assistance Office, or by calling our voice mail forms request line at (785) 296-4937 and from our web site: www.ksrevenue.org

Important: Due to the sensitivity of the Department's imaging equipment for tax return processing, only an **original** preprinted form or an **approved** computer-generated version of the K-40, Schedule S, and K-40V should be filed.

Extension of Time to File

If you are unable to complete your Kansas return by the filing deadline, you may request an extension of time to file. If you filed Form 4868 with the Internal Revenue Service for an automatic four-month extension to file, enclose a copy of this form with your completed Form K-40 to automatically receive a four-month extension to file your Kansas return. Kansas does not have a separate extension request form. (If you are entitled to a refund, an extension is not required to file the return after the original due date.)

Important: An extension of time to file is NOT an extension to pay. If you do not pay the tax amount due (may be estimated) by the original due date, you will owe interest and may also be charged a penalty on any balance due.

To pay the tax balance due for an extension, use the Kansas Payment Voucher (K-40V) located in this book. Check the box on the K-40V indicating extension payment.

Copy of Federal Return

If you file Form K-40 using a Kansas address, you do not need to include a copy of your Federal return. However, keep a copy as it may be requested by the Kansas Department of Revenue at a later date. If your Form K-40 shows an address other than Kansas, you must enclose a copy of your Federal return (1040EZ, 1040A or 1040 and applicable Schedules A-F) with your Kansas return.

Estimated Tax

If you have self-employment income or other income not subject to Kansas withholding, you may be required to file estimated income tax voucher to prepay your Kansas Income Tax. Estimated tax payments are required if:

- Your Kansas Income Tax balance due (after withholding and prepaid credits) is \$200 or more; AND
- Your withholding and prepaid credits for the current tax year are less than:
 - (1) 90% of the tax on your current year's return or
 - (2) 100% of the tax on your prior year's return.

To make estimated tax payments, obtain Form K-40ES, the Kansas estimated tax vouchers and instructions.

If two-thirds of your income is from farming or fishing, you are not required to make estimated tax payments if your return is filed and tax is paid on or before March 1, 2003.

Underpayment Penalty: If line 27 of Form K-40 is at least \$200 and is more than 10% of the tax on line 17 of Form K-40, you may be subject to a penalty for underpayment of estimated tax. Use Schedule K-210, in this booklet, to see if you will have a penalty or if you qualify for one of the exceptions to the penalty.

Amending Your Return

You must file an amended Kansas return when: 1) an error was made on your Kansas return, 2) there is a change on another state's return (error or adjustment), 3) there is a change on your federal return (error or adjustment). **Check the AMENDED box in the Filing Information section of the K-40 if you are amending your 2002 Kansas return.** For 2001 and all subsequent tax years, Form K-40 is used to amend your return. For tax years prior to 2001, you must use a Form K-40X for the year you are amending. For copies of Form K-40X, refer to **If You Need Forms** above.

AMENDED FEDERAL RETURN: If you are filing an amended federal income tax return, Form 1040X for the same taxable year as this amended return, you must enclose a complete copy of the amended

federal return and full explanations of all changes made on your amended Kansas return. If your amended federal return is adjusted or disallowed, it is necessary to provide the Kansas Department of Revenue with a copy of the adjustment or denial letter.

If you did not file a Kansas return when you filed your original federal return, and the federal return has since been amended or adjusted, use the information on the amended or adjusted federal return to complete your original Kansas return. A copy of both the original and amended federal returns should be enclosed with the Kansas return along with an explanation of the changes.

FEDERAL AUDIT: If you know that a previously filed federal return was not correct, or if your original return was adjusted by the Internal Revenue Service, amended returns or copies of the Revenue Agent's Reports must be submitted within 180 days of the date the federal adjustments are paid, agreed to, or become final, whichever is earlier. Failure to properly notify the Director of Taxation within the 180 day period will cause the statute of limitations to remain open (Department of Revenue could make assessments for as many years back as necessary).

Deceased Taxpayers

If you are the survivor or representative of a deceased taxpayer, you must file a return for the taxpayer who died during the calendar year.

If you are a surviving spouse filing a joint Federal Income Tax return, a joint Kansas return must also be filed. Include the decedent's Social Security number in the space provided in the heading of the return. Be sure the appropriate box below the heading has been checked.

Decedent Refund Documentation

If you are a surviving spouse requesting a refund of less than \$100, you must enclose **ONE** of the following with your Form K-40:

- Federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer
- Death certificate
- Obituary statement
- Funeral home notice
- Kansas Form RF-9, Decedent Refund Claim

If you are a surviving spouse requesting a refund of **OVER** \$100, or if a refund of **ANY** amount is being requested by someone other than the surviving spouse, you must submit with your Form K-40:

- Proof of death (death certificate, obituary statement or funeral home notice), **AND**
- Kansas Form RF-9, Decedent Refund Claim

Innocent Spouse Relief

In those cases where husband and wife file as married filing joint for Kansas, and one spouse is relieved of federal liability by the IRS under 26 USC 6013(e) or 6015, he or she is also relieved of Kansas tax, penalty and interest. Innocent spouse relief is also provided in Kansas cases where such relief would have been provided on the federal level had there been a federal liability.

Confidential Information

Income tax information disclosed to the Kansas Department of Revenue, either on returns or through department investigation, is held in strict confidence by law. The Department of Revenue, Internal Revenue Service, and several other states have an agreement under which some income tax information is exchanged. This is to verify the accuracy and consistency of information reported on federal and Kansas Income Tax returns.

Food Sales Tax Refund

Form K-40 is not only a Kansas Income Tax return, but also the claim form for the Food Sales Tax Refund. This program offers a refund of the sales tax paid on food. To qualify, you must be 55 years of age or older, or be blind or disabled, or have a dependent child under 18 who lived with you all year whom you claim as a personal exemption. You must also be a Kansas resident (residing in Kansas the entire year) whose Kansas qualifying income is \$25,800 or less (see page 14). The refund is claimed on line 23 of Form K-40. The Food Sales Tax refund will either increase the amount of your Income Tax refund or decrease the amount you owe. *If you filed a Kansas Income Tax return last year, you may use TeleFile, WebFile, or PCFile to claim your Food Sales Tax refund and get your refund quicker. See page 3 for details on these quick and easy paperless filing options.*

Homestead Refund Program

This program offers a property tax rebate of up to \$600.00 for homeowners and renters. To qualify, the claimant must be a Kansas resident (residing in Kansas the entire year) whose 2002 household income was less than \$25,000, and who is over 55 years old, or is blind or disabled, or has a dependent child under 18 who lived with them all year. "Household income" is generally the total of all taxable and nontaxable income received by all household members.

This rebate is claimed on Kansas Form K-40H, "Kansas Homestead Refund Claim." This form and booklet of instructions are available from our Taxpayer Assistance Center, driver's license stations, your county clerk's office, and other places of convenience throughout the state, or by calling our voice mail forms request line: (785) 296-4937.

FORM K-40

LINE-BY-LINE INSTRUCTIONS

TAXPAYER INFORMATION

Label: If you have a pre-addressed label (located on the back cover of this booklet) and the name and address information is correct, place it on your Form K-40 in the space provided **after** you have completed your return.

Name and Address: If you do not have a pre-addressed label, or if the information on the label is incorrect, PRINT or TYPE your name and address in the spaces provided. Be sure to include your apartment or lot number, if applicable, to assure delivery of your refund or correspondence.

School District and County: Residents—Using the list on pages 30 and 31, enter your school district and county abbreviation for where you resided on December 31, 2002. **Nonresidents**—Leave these boxes blank.

Name or Address Change Box: If your name or address has changed since your last Kansas return was filed, mark an “X” in the box below the name and address area.

Deceased Taxpayer Box: If the taxpayer (or spouse, if filing a joint return), died during 2002, mark an “X” in the appropriate box below the name and address area.

First Four Letters of Last Name: Using ALL CAPITAL letters, enter the first four letters of your last name and that of your spouse in the boxes provided. If your last name has less than four letters, leave the remaining box(es) empty.

Social Security Number: You must enter the Social Security number(s) in the boxes on your return. In order to improve the confidentiality of your tax information, your Social Security numbers are not printed on your label.

Telephone Number: Should a problem arise in processing your return, it is helpful if we have a telephone number where you can be reached during our office hours. It will be kept confidential.

FILING INFORMATION

Filing Status: Your Kansas filing status must be the same as your federal filing status. If your federal filing status is “Qualifying Widow(er) with Dependent Child,” check the “Head of Household” box.

If you and your spouse file a joint Federal return, you must file a joint Kansas return, even if one of you is a nonresident. If you and your spouse file separate Federal Income Tax returns, you must file separate Kansas returns.

Amended Return. If you are filing an amended return for tax year 2002, place an “X” in the AMENDED box and in the appropriate sub-box indicating the reason you are filing an amended return.



*If you are filing an amended return, you **cannot** change the filing status from “joint” to “separate” after the due date has passed for filing a separate return (April 15th for calendar year taxpayers).*

Residency Status: Check the appropriate box for your residency status (see the definitions that begin on page 11).

If you and your spouse file a joint Federal Income Tax return and one of you is a nonresident of Kansas, you must file a joint nonresident Kansas return.

Exemptions: Enter the number of exemptions claimed on your federal return. If your filing status is “Head of Household,” you are

allowed an additional exemption on your Kansas return; enter a “1” in the box provided. Enter the total number of exemptions in the “Total Kansas exemptions” box. **Important**—If you are claimed as a dependent by another taxpayer, enter “0” in the “Total Kansas exemptions” box.

FOOD SALES TAX REFUND

To qualify for a refund of sales tax paid on food purchases, you must meet the qualifications for residency, taxpayer status, and qualifying income.

Residency: You must have lived in Kansas for the entire year of 2002. If you resided in Kansas less than 12 months of 2002, you do not qualify for the Food Sales Tax refund, even if your filing status shown on Form K-40 is “Resident.”

Taxpayer Status: If you resided in Kansas all 12 months of 2002, answer these questions:

- 1) Were you 55 years of age or older during 2002 (born prior to January 1, 1948)? Yes No
- 2) Were you totally and permanently disabled or blind during 2002 (regardless of age)? Yes No
- 3) Did you have one or more dependent children under the age of 18 who resided in your home during the entire calendar year? Yes No

If you answered “Yes” to one or more of these questions, you meet the taxpayer status qualification.

Qualifying Income: The income limit for a Food Sales Tax refund is \$25,800. If you met the first two qualifications, complete the worksheet on page 21.

If you meet ALL of the qualifications for residency, taxpayer status, and qualifying income, **mark the Food Sales Tax Refund box and complete Form K-40 or the TeleFile Worksheet**, whichever method of filing you prefer.

INCOME



If the amounts on lines 1, 2, or 3 are negative numbers, be sure to shade the minus (–) in the box to the left of the negative number.

LINE 1 — FEDERAL ADJUSTED GROSS INCOME

Enter on line 1 your Federal **adjusted** gross income as reported on your 2002 Federal Income Tax return.

LINE 2 — MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

Many taxpayers will not have any modifications. If you do not have any modifications, skip line 2 and enter the amount from line 1 on line 3.

However, if you have income that is taxable at the federal level but not taxable to Kansas, or have income that is exempt from federal taxation but taxable to Kansas, you must complete Part A of Schedule S (page 9). Review the instructions on page 22 to determine if you have any modifications to your Federal adjusted gross income.

LINE 3 — KANSAS ADJUSTED GROSS INCOME

If line 2 is a positive amount, add lines 1 and 2 and enter the total on line 3. If line 2 is a negative amount (be sure to shade the

minus (-) in the box to the left of the amount), subtract line 2 from line 1 and enter the result on line 3.

NOTE: If the amount on line 3 is \$25,800 or less, you may qualify for the Food Sales Tax refund. Review the qualifications on page 14 and the qualifying income worksheet on page 21.

DEDUCTIONS

LINE 4 — STANDARD OR ITEMIZED DEDUCTIONS

If you did not itemize your deductions on your federal return, you must take the standard deduction on your Kansas return. If you itemized your deductions on your federal return, you may either itemize on your Kansas return or take the Kansas standard deduction, whichever is to your advantage.

If you are married and file separate returns, you and your spouse must use the same method of claiming deductions. If one of you itemize your deductions, then the other must also itemize.

KANSAS STANDARD DEDUCTION

Enter your Kansas standard deduction from the applicable chart or worksheet that follows.

If you can be claimed as a dependent by another taxpayer and line 1 of Form K-40 includes income other than earned income, you must use the "Standard Deduction for Dependents" worksheet.

CHART I — Standard Deduction Chart for Most People

Do not use this chart if you are 65 or older or blind, OR if someone can claim you as a dependent.

Filing status:	Enter on line 4 of Form K-40:
Single	\$3,000
Married Filing Joint	\$6,000
Married Filing Separate	\$3,000
Head of Household	\$4,500

CHART II — Standard Deduction Chart for People 65 or Older and/or Blind

If someone can claim you as a dependent, use the worksheet for dependents in the next column.

Check if: You were 65 or older Blind
 Your spouse was 65 or older Blind

TOTAL Number of boxes checked _____

Filing status:	Number of boxes checked:	Enter on line 4 of Form K-40:
Single	1	\$3,850
	2	\$4,700
	1	\$6,700
	2	\$7,400
Married Filing Joint	3	\$8,100
	4	\$8,800
	1	\$3,700
	2	\$4,400
Married Filing Separate	3	\$5,100
	4	\$5,800
	1	\$5,350
	2	\$6,200
Head of Household	1	\$5,350
	2	\$6,200

STANDARD DEDUCTION WORKSHEET FOR DEPENDENTS

Use this worksheet **ONLY** if someone can claim you as a dependent.

- 1) Enter the amount of your earned income. 1. _____
 - 2) Minimum standard deduction. 2. \$500
 - 3) Enter the larger of lines 1 or 2. 3. _____
 - 4) Enter the amount for your filing status:
 - Single — \$3,000
 - Married filing joint — \$6,000
 - Married filing separate — \$3,000
 - Head of household — \$4,500
 4. _____
 - 5) Enter the lesser of lines 3 or 4. 5. _____
- STOP HERE** if you are under 65 and not blind. Enter this amount on line 4 of Form K-40.
- 6) a. Check if:
 - You were 65 or older Blind
 - Your spouse was 65 or older Blind
 - b. TOTAL number of boxes checked _____
 - c. Multiply 6b by \$850 (\$700 if married filing joint or separate) 6c. _____
- 7) Add lines 5 and 6c. Enter here and on line 4 of Form K-40. 7. _____

KANSAS ITEMIZED DEDUCTIONS

You may itemize your deductions on your Kansas return **ONLY** if you itemized your deductions on your Federal return. Your Kansas itemized deductions are the same as your Federal itemized deductions EXCEPT Kansas does not allow a deduction for state and local income taxes.

To compute your Kansas itemized deductions, complete the worksheet applicable for your federal adjusted gross income.

ITEMIZED DEDUCTION WORKSHEET I

Federal Adjusted Gross Income of \$137,300 or Less

(\$68,650 or less if married filing separately)

- 1) Total itemized deductions on line 28* of federal Schedule A. \$ _____
- 2) State and local income taxes on line 5* of federal Schedule A. \$ _____
- 3) Kansas itemized deductions (subtract line 2 from line 1). Enter this amount on line 4 of Form K-40. \$ _____

*Federal line number references are subject to change

ITEMIZED DEDUCTION WORKSHEET II

Federal Adjusted Gross Income Over \$137,300

(Over \$68,650 if married filing separately)

Refer to your federal itemized deductions worksheet, in your federal 1040 instruction book, not the Federal Schedule A.

- 1) Divide line 9* of the "Federal Itemized Deductions Worksheet" by line 3* of that worksheet (cannot exceed 100%). %
- 2) Enter the amount from line 5 of federal Schedule A (State and local income taxes paid). \$
- 3) Multiply line 1 by line 2. \$
- 4) Subtract line 3 from line 2. \$
- 5) Enter the amount from line 28* of federal Schedule A. \$
- 6) Subtract line 4 from line 5. Enter this amount on line 4 of Form K-40. \$

*Federal line number references are subject to change

LINE 5 — EXEMPTION ALLOWANCE

Multiply the total number of exemptions claimed on Form K-40 by \$2,250. **Important:** If you are claimed as a dependent by another taxpayer, enter "0" on line 5.

LINE 6 — TOTAL DEDUCTIONS

Add lines 4 and 5. Enter the total on line 6.

LINE 7 — TAXABLE INCOME

Subtract line 6 from line 3. Enter the result on line 7. If line 7 is less than zero, enter "0".

TAX COMPUTATION

LINE 8 — TAX

If line 7 is **\$50,000 or less**, use the **Tax Tables** beginning on page 25 to find the amount of your tax.

If line 7 is **more than \$50,000**, you must use the **Tax Computation Schedules** on page 29 to compute your tax. If you are married filing jointly, use Schedule I. All others will use Schedule II.



Residents – If you are filing as a resident, skip lines 9 and 10 and go to line 11.

Nonresidents – If you are filing as a nonresident, you must complete Part B of Schedule S. Follow the instructions beginning on page 24.

LINE 9 — NONRESIDENT ALLOCATION PERCENTAGE

Enter the percentage from Schedule S, Part B, line B23.

LINE 10 — NONRESIDENT TAX

Multiply line 8 by the percentage on line 9 and enter the result on line 10.

LINE 11 — KANSAS TAX ON LUMP SUM DISTRIBUTIONS

If you received income from a lump sum distribution and there has been a Federal tax imposed on this income in accordance with federal Internal Revenue Code Section 402(e), then you are subject to Kansas tax on your lump sum distribution.

If you are a resident, enter **13%** of the Federal tax on your lump sum distribution (determined on Federal Form 4972) on line 11.

If you are a nonresident, leave line 11 blank.

Note: If you are paying a Federal tax on a lump sum distribution received from the Kansas Public Employees' Retirement System (KPERs), prorate the Federal tax. Divide the Kansas taxable portion of the distribution (accumulated interest plus any contributions made since July 1, 1984, that have **not** been previously added back on your Kansas income tax returns) by the total portion of the distribution.

LINE 12 — TOTAL KANSAS TAX

If you are filing this return as a **resident**, add lines 8 and 11 and enter the result on line 12.

If you are filing this return as a **nonresident**, enter the amount from line 10 again on line 12.

CREDITS

LINE 13 — CREDIT FOR TAXES PAID TO OTHER STATES

If you paid income tax to another state, you may be eligible for a credit against your Kansas tax liability. If you had income from a state that has no state income tax, make no entry on line 13 and go to line 14.



To receive this credit, you must enclose a copy of the other state(s) tax return and supporting schedules with Form K-40. Copies of the other state's W-2 forms are **NOT** acceptable. If claiming a foreign tax credit, and you were required to complete federal Form 1116, enclose a copy with your Kansas return.

Missouri Article X Refunds: If you received a refund from Missouri as a result of an Article X distribution, and you itemized your deductions in a prior year, you must reduce the amount reported on line (1) of either worksheet (current year tax actually paid) by that portion of the Article X Refund that is derived from income taxes. This amount is recorded on the Form 1099G you received from Missouri as the percentage of excess state revenues derived from Missouri income taxes.

Foreign Tax Credit: As used in this section, "state" means any state of the United States, the District of Columbia, Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision of a foreign country. The Kansas credit for foreign taxes is first limited to the difference between the actual tax paid to the foreign country and the foreign tax credit allowed on your Federal return.

If you claimed the foreign tax paid as an itemized deduction on your federal return, no credit is allowed in this section.

Foreign Tax Credit Worksheet

- A. 2002 tax paid to the foreign country \$ _____
- B. LESS: Federal foreign tax credit allowed ... \$ _____
- C. EQUALS: Kansas foreign tax limitation amount. Enter this amount on line 1 of the other state's tax credit worksheet for your Kansas residency status \$ _____

Taxes Paid to Other States by Kansas Residents: If you are a Kansas resident you may claim this credit if:

- Your total income on line 1 includes income earned in the other state(s); AND
- You were required to pay income tax to the other state(s) on that income.



Important: Your credit is NOT the amount of tax withheld in the other state(s); your credit is determined from the "Worksheet for Residents", below. You must complete the tax return(s) for the other state(s) before using this worksheet.

If you paid taxes to more than one state, complete a worksheet for each state, combine the results, and enter the total on line 13, Form K-40.

Worksheet for Residents

- 1) Amount of 2002 tax actually paid to the other state \$ _____
- 2) Total Kansas tax (Line 12, Form K-40) .. \$ _____
- 3) Other state's adjusted source income. (In many states the adjusted source income is reported on an income allocation schedule. That schedule will show the adjusted source income amount to enter here) \$ _____
- 4) Kansas adjusted gross income (Line 3, Form K-40) \$ _____
- 5) Percentage limitation (Divide line 3 by line 4) _____ %
- 6) Maximum credit allowable (Multiply line 2 by line 5) \$ _____
- 7) Credit for taxes paid to the other state (Enter the *lesser* of line 1 or line 6; enter also on line 13, Form K-40) \$ _____

Taxes Paid to Other States by Nonresidents: If you are filing as a nonresident of Kansas you may claim this credit if:

- You were a Kansas resident for part of the year,
- Your total income reported to Kansas includes income earned in the other state *while you were a Kansas resident*, AND
- You were required to pay taxes on that other state's income.

Complete the "Worksheet for Nonresidents" to determine your credit. If the credit is based on taxes paid to more than one state, complete a worksheet for each state, combine the results, and enter the total on line 13, Form K-40.

Worksheet for Nonresidents

- 1) Amount of 2002 tax actually paid to the other state \$ _____
- 2) Total Kansas tax (line 12, Form K-40) \$ _____
- 3) Other state's adjusted source income (In many states the adjusted source income is reported on an income allocation schedule. That schedule will show the adjusted source income amount to enter here) \$ _____
- 4) Kansas modified source income (Line B21, Part B, Schedule S) \$ _____
- 5) Income earned in the other state while a Kansas resident (Amount of the adjusted source income in the other state for which you are taking a tax credit and which is included in your Kansas source income) \$ _____
- 6) Percentage limitation (Divide line 5 by line 3) _____ %
- 7) Amount of other state's tax applicable to income reported to Kansas (Multiply line 1 by line 6) \$ _____
- 8) Percentage limitation (Divide line 5 by line 4) _____ %
- 9) Maximum credit allowable (Multiply line 2 by line 8) \$ _____
- 10) Credit for taxes paid to the other state (Enter the *lesser* of line 7 or line 9; enter also on line 13, Form K-40) \$ _____

LINE 14 — CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

This credit is available to residents only. Nonresidents are not eligible for this credit.

Multiply the amount of credit allowed against your Federal Income Tax liability on your federal return by **25%**. Enter the result on line 14.

LINE 15 — OTHER CREDITS

Enter on line 15 the total of all other tax credits for which you are eligible. You must complete and enclose with your Form K-40 the appropriate schedule to claim any of the following credits:

Credit	Schedule Required
Adoption Credit	K-47
Agricultural Loan Interest Reduction Credit	K-51/K-52
Alternative Fuel Credit	K-62
Business and Job Development Credit	K-34
Business Machinery and Equipment Credit	K-64
Child Day Care Assistance Credit (employers only)	K-56
Community Service Contribution Credit	K-60
Disabled Access Credit	K-37
Habitat Management Credit	K-63
High Performance Incentive Program Credit	K-59

Historic Preservation Credit	K-35
Plugging an Abandoned Gas or Oil Well Credit	K-39
Research & Development Credit	K-53
Single City Port Authority	K-76
Small Employer Health Insurance Contribution Credit ..	K-57
Swine Facility Improvement Credit	K-38
Telecommunications Property/Income Tax Credit	K-36
Temporary Assistance to Families Contribution Credit	K-61
Venture and Local Seed Capital Credit	K-55

LINE 16 — TOTAL TAX CREDITS

Add lines 13, 14, and 15 and enter the result on line 16.

LINE 17 — BALANCE

Subtract line 16 from line 12. If the result is zero or a negative amount, enter "0" on line 17.

WITHHOLDING AND PAYMENTS

LINE 18 — KANSAS INCOME TAX WITHHELD

Add the Kansas withholding amounts shown on your W-2 forms (also 1099s and K-19 forms, if applicable). Enter the total on line 18. Your W-2 forms and any 1099 or K-19 forms showing Kansas tax withheld must be enclosed with your Form K-40 or the credit will be disallowed.

If you have not received a W-2 form from your employer by January 31, or if the form you received is incorrect or not legible, contact your employer.

LINE 19 — ESTIMATED TAX PAID

Enter the total of your 2002 estimated tax payments plus any 2001 overpayment you had credited forward to 2002.

LINE 20 — AMOUNT PAID WITH KANSAS EXTENSION

Enter the amount paid with your request for an extension of time to file.

LINE 21 — EARNED INCOME CREDIT

This credit is available to residents only. Nonresidents are not eligible for this credit.

Multiply the amount of credit allowed on your Federal return by 15%. You may choose to have the IRS compute your federal earned income credit. If you do not receive the information from the IRS before the deadline for filing your Kansas return you should complete Form K-40 without the credit, and be sure to pay any amount you owe. Once the IRS sends you the completed earned income credit figures, you may then file an amended Kansas return to claim the credit. See **Amending Your Return** on page 12 of this booklet.

LINE 22 — REFUNDABLE PORTION OF TAX CREDITS

Enter the total refundable portion of these credits:

Business Machinery and Equipment	K-64
Child Day Care Assistance Credit (employers only)	K-56
Community Service Contribution Credit	K-60
Disabled Access Credit	K-37
Habitat Management Credit	K-63
Single City Port Authority	K-76
Small Employer Health Insurance Contribution Credit	K-57
Telecommunications Property/Income Credit	K-36

LINE 23 — FOOD SALES TAX REFUND

Refer to the qualifications for this credit on page 14. **If you meet all the qualifications, you must mark an "X" in the "Food Sales Tax Refund" box on the front of Form K-40.**

To compute your Food Sales Tax refund, you will need the number of exemptions in the "Total Exemptions" box on the front of Form K-40, and your Qualifying Income amount from line 27 of the Qualifying Income Worksheet on page 21.

If your qualifying income on line 27 of the Worksheet is:

- \$0 to \$12,900 – multiply the number of exemptions by \$72. Enter the refund amount on line 23.
- \$12,901 to \$25,800 – multiply the number of exemptions by \$36. Enter the refund amount on line 23.
- \$25,801 or greater – you are not eligible for the refund.

LINE 24 — CASH REMITTED ON ORIGINAL RETURN

Use this line ONLY if you are filing an amended Income Tax return for the 2002 tax year. Enter the amount of money you remitted to the Department of Revenue with your original 2002 return.

LINE 25 — OVERPAYMENT FROM ORIGINAL RETURN

Use this line ONLY if you are filing an amended Income Tax return for the 2002 tax year. Enter the amount of overpayment shown on your original return. Since you were refunded this amount or it was credited forward, this amount is a subtraction entry.

LINE 26 — TOTAL REFUNDABLE CREDITS

Add lines 18 through 24 and subtract line 25; enter the result on line 26.

BALANCE DUE

LINE 27 — UNDERPAYMENT

If your tax balance on line 17 is greater than your total credits on line 26, enter the difference on line 27.

LATE CHARGES

If the amount on line 27 is not paid by the due date, or if a balance due return is filed after the due date, penalty and interest are added according to the rules outlined in lines 28 and 29.

Extension of Time to File Your Return: Interest is due on any delinquent tax balance, even if you have been granted an extension of time to file the return. If **90%** of your tax liability is paid on or before the *original* due date of your return, an automatic extension is applied and no penalty is assessed.

LINE 28 — INTEREST

Compute interest at **0.583%** for each month (or portion thereof) from the due date of the return on the amount on line 27.

LINE 29 — PENALTY

Compute penalty at **1% per month** (or portion thereof) from the due date of the return on the amount on line 27. The maximum penalty is 24%. For example, if you paid tax of \$150 on May 20, 2003, (due date of April 15, 2003) multiply line 17 (\$150) by 2% and enter the result (\$3.00) on line 29.

LINE 30 — ESTIMATED TAX PENALTY

If the amount on line 27 is \$200 or more, you may be subject to

an estimated tax penalty. To determine if you have a penalty, complete Schedule K-210, found in the back of this booklet. If you have a penalty on Schedule K-210, enter the amount on line 30. If the amount on line 27 is \$200 or more, you may not be subject to an estimated tax penalty if you meet one of the two exceptions: 1) if your withholdings and/or estimated payments (lines 18 & 19) equal or exceed 100% of the prior year's tax liability (line 17 from last year's return) or, 2) if your withholdings and/or estimated payments (lines 18 & 19) equal or exceed 90% of this year's tax liability (line 17).



If at least two-thirds of your income is from farming or fishing, mark an "X" in the box on line 30.

LINE 31 – AMOUNT YOU OWE

Add lines 27 through 30 and enter the total on line 31. This amount should be paid in full with the return. A balance due less than \$5 does not need to be paid. You may make a contribution to the Nongame Wildlife Improvement Program or to the Senior Citizens Meals on Wheels Contribution Program even if you have a balance due return. Just add these amounts to your tax and write one check for total of the tax due and your contribution(s).

The Department of Revenue offers three different options to pay your Kansas tax:

Credit card. To pay by credit card, visit the service provider's Internet web site listed below. A convenience fee will be charged by the service provider based on the amount of tax you are paying. You can find out what the fee is by visiting the provider's web site:

Official Payments Corporation
www.officialpayments.com

Direct Debit. This payment option is available if you WebFile, PC File, or TeleFile your Kansas return – it is NOT available if you file a paper Form K-40 return or use Fed/State e-File. When you select Direct Debit, and provide your bank routing number and bank account number, you are authorizing the department to initiate an electronic payment from your account for payment of your balance due. Direct Debit allows you to "file now, pay later." For example, if you file your return on February 20 and elect Direct Debit, our automated debit request will not occur until the April 15th due date.

With Direct Debit, you are also assured that your payment is made on time. Direct debit payment authorizations on returns filed by midnight of April 15th are considered to be timely paid.

Direct Debit saves time – no check to write and no K-40V voucher to complete and mail. Should you need to revoke your election of this payment authorization, you must notify the department at 1-800-525-3901 by 5:00 PM on April 15, 2003.



You should check with your financial institution to be sure they allow an electronic debit (withdrawal) from your account.

Check or money order. If you choose this payment option, you must complete and submit Form K-40V with your payment. Write your Social Security number on your check or money order and make it payable to "Kansas Income Tax." If you are making a payment for someone else (i.e., son, daughter,

parent), write that person's name and Social Security number on the check. DO NOT send cash. DO NOT staple or tape your payment to the Form K-40V or Form K-40. Instead, enclose it loosely with your return.

Returned check charge: A fee of \$37.92 is charged on all returned checks.

REFUND

LINE 32 — OVERPAYMENT

If your tax balance on line 17 is less than your total credits on line 26, enter the difference on line 32.

NOTE: An overpayment of less than \$5 will not be refunded, but may be carried forward as a credit to next year's return (line 33), or contributed to the Chickadee Checkoff (line 34) or the Senior Citizens Meals on Wheels Contribution Program (line 35).

LINE 33 — CREDIT FORWARD

Enter the portion of line 32 you wish to have applied to your 2003 Kansas estimated income tax (must be \$1 or more). If the amount on line 32 is less than \$5, you may carry it forward to 2003 as an additional credit even if you do not make estimated tax payments.

LINE 34 — CHICKADEE CHECKOFF

You may contribute to the Kansas Nongame Wildlife Improvement program to help improve the quality of wildlife in Kansas. Your donation is tax deductible. In 2002, contributions were used to:

- Conduct the Kansas amphibian monitoring program.
- Support the Kansas Nature-based Tourism Alliance and NaturalKansas website.
- Monitor bald eagle populations and nesting success.
- Develop recovery plans for state endangered species.
- Continue research on declining population of freshwater clams in southeast Kansas.
Sponsor the Kansas winter birdfeeder survey.
- Coordinate the Kansas Bluebird Program.
- Continue (OWLS) Outdoor Wildlife Learning Sites for schools.

Enter on line 34 the amount you wish to contribute to this program. Amounts less than \$1 cannot be credited to the program.

LINE 35 — SENIOR CITIZENS MEALS ON WHEELS CONTRIBUTION PROGRAM

All contributions are used solely for the purpose of providing funds for the Senior Citizens Meals On Wheels Contribution Program. The meals are prepared by a dietary staff and are delivered by volunteers. The underlying objective of the program is to prevent deterioration of the elderly and handicapped individuals in the community, thus making it possible for them to live independently in their own homes for as long as possible. The friendly visit with the volunteers is socially helpful and the daily visit is important in case of an emergency situation.

Enter on line 35 the amount you wish to contribute to this program. Amounts less than \$1 cannot be credited to the program.

Examination Adjustment: If your overpayment is decreased due to an adjustment to your return, your Nongame Wildlife

contribution and/or your Senior Citizens Meals on Wheels contribution will be reduced by that amount. If your overpayment is increased, your Nongame Wildlife and/or your Senior Citizens Meals on Wheels contribution amount will remain the same.

LINE 36 — REFUND

Add lines 33, 34 and 35 and subtract from line 32. This is your refund. If line 36 is less than \$5, it will not be refunded. If line 36 is less than \$5 you have an option to carry it forward to be applied to your 2003 Kansas income tax liability (enter the amount on line 33). If you do carry it forward, please remember to claim it on line 19 of the 2003 return. You also have an option to donate it to the Chickadee Checkoff or the Senior Citizens Meals On Wheels Contribution Program or both.

Please allow 4 to 6 weeks from the date you mail your return to receive your refund. Errors, improperly completed forms, photocopied forms or incomplete information will delay the processing of your return.

Refund Set-off Program: Kansas law provides that if you owe any delinquent debt (Kansas tax, child support, student loans, etc.) to a Kansas state agency, municipality, municipal court or district court, your income tax refund will be applied (set-off) to that delinquent debt. **The set-off process will cause a 10 to 12 week delay to any remaining refund.**

SIGNATURE

Your Income Tax return must be signed. Both taxpayers must sign a joint return even if only one had income. If the return is prepared by someone other than you, the preparer should also sign in the space provided.

If you are filing a return on behalf of a decedent, the return should be signed by the executor/executrix. If it is a joint return filed by the surviving spouse, indicate on the spouse's signature line "Deceased" and the date of death. **If a refund is due, enclose the required documents (see instructions for "Deceased Taxpayers" on page 13).**

PREPARER AUTHORIZATION BOX

In some cases it may be necessary for the Department of Revenue to contact you about your tax return. By marking the box above the signature line, you are authorizing the director or director's designee to discuss your tax return and any enclosures with your tax preparer.

MAILING YOUR RETURN

Before mailing your return, please be sure:

- ✓ you have completed all required information on the return.
- ✓ your numbers are legible in each box.
- ✓ you have enclosed, but not stapled, all Kansas W-2 forms; applicable 1099 forms; and applicable schedules.
- ✓ you have completed and enclosed Form K-40V if you are making a tax payment.



If you file Form K-40 using a Kansas address, do not include a copy of your Federal return. However, keep a copy as it may be requested by the department at a later date. If your Form K-40 shows an address other than Kansas, you must enclose a copy of your Federal return (1040EZ, 1040A or 1040 and applicable Schedules A-F) with your Kansas return.

QUALIFYING INCOME WORKSHEET for the KANSAS FOOD SALES TAX REFUND

All taxpayers who meet the “residency” and “taxpayer status” qualifications must complete this worksheet to determine if they meet the “income” qualification for a Food Sales Tax refund.

- ▶ If you are **NOT** required to file a federal return, enter your income and deduction amounts in COLUMN A, beginning with line 1.
- ▶ If you filed federal Form 1040, 1040A or 1040EZ, complete COLUMN B, beginning with line 21.

	COLUMN A	COLUMN B
Income. Enter the amounts received from the following sources:		
1. Wages, salaries, tips, etc.	1.	
2. Taxable interest and dividends	2.	
3. Taxable refunds	3.	
4. Alimony received	4.	
5. Business income or (loss) (federal Schedules C, C-EZ)	5.	
6. Farm income or (loss) (federal Schedule F)	6.	
7. Capital gains or (losses) (federal Schedule D or Form 4797)	7.	
8. Taxable amount of IRA, annuity and pension distributions	8.	
9. Taxable amount of Social Security benefits	9.	
10. Rental real estate, royalties, partnerships, S corporations, trusts, etc. (federal Schedule E)	10.	
11. Unemployment compensation	11.	
12. Other Income (Jury duty, gambling winnings, etc.)	12.	
13. Total income. Add lines 1 through 12.	13.	
Federal adjustments to income. Enter deductions for:		
14. IRA, Keogh and self-employed SEP deduction	14.	
15. Penalty on early withdrawal of savings	15.	
16. Alimony paid	16.	
17. Moving expenses	17.	
18. Self-employed health insurance and self-employment tax deduction	18.	
19. Student loan interest deduction or medical savings account deduction	19.	
20. Total Adjustments. Add lines 14 through 19.	20.	
21. Federal Adjusted Gross Income. Column A filers: Subtract line 20 from line 13. Column B filers: Enter the amount from line 33 of Form 1040, line 21 of Form 1040A, or line 4 of Form 1040EZ.	21.	21.
22. Kansas Modifications to Federal Adjusted Gross Income. Enter the net modifications from line A12 of Kansas Schedule S, Part A. Refer to the instructions that begin on page 19. If this amount is a negative amount, put it in brackets ().	22.	22.
23. Kansas Adjusted Gross Income. If line 22 is a positive amount, add lines 21 and 22 and enter on line 23. If line 22 is a negative amount, subtract line 22 from line 21, and enter the result on line 23.	23.	23.
Qualifying Income for Food Sales Tax Refund. Enter these amounts:		
24. Interest income exempt from Kansas taxation, such as interest received from U. S. Savings Bonds, Treasury Notes, etc. (from line A6 of Kansas Schedule S, if applicable).	24.	24.
25. Exempt retirement benefits. Enter amount shown on line A9 of Schedule S, except Railroad Retirement Benefits.	25.	25.
26. Total Kansas additions. Add lines 24 and 25.	26.	26.
27. Qualifying Income for purpose of receiving a Food Sales Tax refund. Add lines 23 and 26.	27.	27.



If line 27 is **MORE** than \$25,800, you do not qualify for the Food Sales Tax Refund.

If line 27 is **LESS** than \$25,800, check the Food Sales Tax Refund Box on the front of Form K-40, and follow the instructions for line 23 of Form K-40 on page 18 to calculate the amount of your Food Sales Tax refund.