**Instructions for K120S Example - (Individuals see page 2)**

**Sample for Line 16 of the K34 Business & Job Development Credit**

*This sample was created for businesses that are unable to determine their exact property and payroll factors.*

*You will need to complete a property and payroll factor for each credit.*

*If inventory is included in the numerator then it must be included in denominator.*

**Property Factor:**

Investment in New Business Facility $ 406,022.00  
Average Inventory & Allocation Ratio $ 0.00

Total Qualifying Kansas Property $ 406,022.00

Kansas Beginning Property (Current Year) $ 202,067,263.00  
Kansas Ending Property (Current Year) $ 271,976,820.00  
Total Property $ 474,044,083.00  
Multiply by 50% 50%  
Average Property $ 237,022,042.00  
Total Rents in Kansas x 8 (Current Year) $ 3,438,576.00

Total average Kansas property $ 240,460,618.00  
**Property Factor**

(total qualifying Kansas Property divided by total average Kansas property) 0.1689%

**Payroll Factor:**

Total Kansas Wages (Current Year) $ 4,668,101.00  
Divided by Kansas Employees (Current Year) 673

Average Kansas Salary (Current Year) $ 6,936.00  
Times Qualified Business Facility Employees 5  
Total Facility Wages $ 34,680.00  
Divided by Total Kansas Wages (Current Year) $ 4,668,101.00

**Payroll Factor** 7429%

Property Factor 0.1689%  
Payroll Factor 7429%  
Total Percent .9118%  
Divide by 2 2  
Average percent .4559%

Kansas Total income (Current Year) $ 10,130,145.00  
Allocated Qualified Business Income $ 46,183.00  

**The sole proprietorship, partnership or S corporation stops here.**

Please provide a copy of the property and payroll factor calculation sheet to the sole proprietor, partners or shareholders.
Example for Individuals to figure lines 16 through 21 of K34 Credit

Sole proprietor, partner or shareholder percentage
Owned or per share basis: 35%

Allocated qualified business income: $ 46,183.00  
Times Percentage owned: 35%  
Your share of qualified business facility income: $ 16,164.05

The following two lines calculate your tax rate for the qualifying business income:

Your total Kansas tax liability: $ 2,277.00  
(line 8 or 12 which ever is applicable from K-40)  
Divided by your taxable income: $ 49,647.00  
(line 7 from the K-40)  
Effective tax rate: 4.5864%  

Your share of qualified business facility income: $ 16,164.05  
Times effective tax rate: 4.5864%  
Tax on qualified facility income: $ 741.00  
50% of tax: $ 370.00  
Total qualified employees and investment credit: $ 7,000.00  
Times your percentage owned: 35%  
Your share of credit: $ 2,450.00  
Credit allowable: $ 370.00  
(50% of tax or your share of credit, whichever is less)