



2019

Privilege Tax

GENERAL INFORMATION

If any due date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday.

Who Must File a Return

Every national banking association, bank, trust company, federally chartered savings bank, and savings and loan association subject to taxation under K.S.A. 79-1106 et seq. must file a Kansas privilege tax return.

Any taxpayer who owns, capitalizes or utilizes an affiliate with one of the affiliate's purposes being to make, hold or manage for, or on behalf of, the taxpayer, investments in securities which the taxpayer would be permitted to make for its own account may be required to file consolidated returns or combined reports for purposes of determining the tax liability under article 11 of chapter 79 of the Kansas Statutes Annotated as if such taxpayer and affiliate were one entity.

When and Where to File

Calendar year: If your return is based on a calendar year, it must be filed no later than April 15, 2019.

Fiscal year: If your return is based on a tax year other than a calendar year, it must be filed no later than the 15th day of the fourth month following the end of the tax year.

Conformity to federal due dates: If the original federal due date is not the 15th day of the fourth month (C-Corps) or the 15th day of the third month (S-Corps) after the close of a taxable year, the financial institution is required to complete item "H" in the header and enclose a letter indicating the authorizing federal statute. Do not enter your extended due date.

Cessation of doing business: Kansas Privilege Tax returns are due within six (6) months of the date on which the taxpayer ceases to do business in Kansas.

Amended Returns: If the amended return will result in a refund, then it must be filed within three (3) years from the date the original return was due including any extension allowed pursuant to law, or two (2) years from the date the tax claimed to be refunded or against which the credit claimed was paid, whichever of such periods expires later.

Mail your return to: KANSAS PRIVILEGE TAX, KANSAS DEPARTMENT OF REVENUE, PO BOX 758571, TOPEKA, KS 66675-8571.

Accounting Period

The taxable year for Kansas is the same as the taxable year for federal income tax purposes. If your taxable year changes, or the method of your accounting is changed for federal income tax purposes, then the taxable year and method of accounting shall be similarly changed for Kansas privilege tax purposes.

Extension of Time to File

If you are entitled to a refund, an extension to file is not required.

If you are unable to complete your return by the filing deadline, you may request an extension of time to file. If you filed federal Form 7004 for an extension with the IRS, enclose a copy of that form with your completed K-130 to automatically receive a six-month Kansas extension. (Kansas does not have a separate extension request form.)

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 possibly a penalty on the balance due. To pay the balance due for an extension, use the Kansas Privilege Tax Payment Voucher (Form K-130V) and mark the box indicating an extension payment.

Copy of Federal Return

You must enclose with Form K-130 copies of the following federal return pages as filed with the IRS. Do not enclose copies of proforma returns. The Department of Revenue reserves the right to request additional information as necessary.

- Pages 1 through 5 of either the federal return or the consolidated federal return as filed with the IRS. If the return is a consolidated return, you must enclose a company-by-company spreadsheet of income and expense to total the consolidated federal taxable income and a company-by-company spreadsheet of the consolidated balance sheet including Schedules M-1 and M-2.
- **Federal schedules to support any Kansas modifications claimed on page 1, Form K-130.**
- Federal Forms 851, 1118, and 5471, as applicable.

Completing Your Return

Begin by completing all boxes in the "Taxpayer Information" section of the return, then complete applicable lines on Form K-130 and Form K-130AS. All taxpayers filing a combined return (single or multiple), or who are authorized to file using the alternative or separate accounting method, must complete lines 1 through 21 using the total combined income column from Schedule K-131.

Cessation of Business: A tax is imposed for the privilege of engaging in transaction or activity incidental or related to the cessation of doing business in Kansas, including cessation due to merger, consolidation, dissolution, liquidation or any other event. The tax will be measured by the net income for the tax year in which the taxpayer ceases to do business and will be computed using the same applicable rates as other privilege taxpayers.

Confidential Information

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

Estimated Tax

Every national banking association, bank, trust company, and savings and loan association shall pay estimated tax (K-130ES) if its Kansas Privilege tax liability can reasonably be expected to exceed \$500. Any financial institution which began business in Kansas during this tax year is not required to pay estimated tax and no underpayment of estimated tax penalty will be imposed for this initial year.

For your convenience, estimate tax payments can be made online by visiting ksrevenue.org and signing into the *Kansas Customer Service Center*.

Amending Your Return

As applicable, enclose with your amended return a copy of the amended federal return, any other state's amended return(s), and/or any federal Revenue Agent's Report(s), or federal adjustment letter(s).

You must file an amended Kansas return when there is a change (error or adjustment) on your Kansas return, on another state's return, or on your federal return. Check the AMENDED box in the Taxpayer Information section of the K-130 if you are amending your 2019 Kansas return.

Amended Federal Return: If you are filing an amended federal return for the same taxable year as your amended Kansas 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 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.

Federal Audit: If income has been adjusted by the IRS, you must file an amended return with Kansas and include a copy of the Revenue Agent's Report or adjustment letter showing and explaining the adjustments. These adjustments must be submitted within 180 days from the date the federal adjustments are paid, agreed to, or become final, whichever is earlier. Failure by the taxpayer to notify the Department of Revenue within the 180 day period shall not bar the Department from assessing additional taxes or proceeding in court to collect such taxes. Failure by the taxpayer to comply with the requirements for filing returns shall toll the periods of limitation for the Department to assess or collect taxes.

Definitions

All financial institutions filing a combined return (single or multiple), or are authorized to file using the alternative or separate accounting method, must complete lines 1 through 21 using the total combined income column from Schedule K-131.

Business Income: For tax years commencing after December 31, 2007, business income means income: 1) from transactions and activity in the regular course of the taxpayer's trade or business; 2) from transactions and activity involving tangible and intangible property or assets used in the operation of the taxpayer's trade or business; or 3) of the taxpayer that may be apportioned to this state under the provisions of the constitution of the United States and laws thereof, except that a taxpayer may elect that all income constitutes business income.

Unitary Business: A multistate business is unitary when the operations conducted in one state benefit or are benefited by the operations conducted in another state or states. The essential test to be applied is whether or not the operation of the portion of the business within the state is dependent upon or contributory to the operations of the business outside of the state. If there is such a relationship, the business is unitary. Stated another way, the test is whether a business' various parts are interdependent and of mutual benefit so as to form one business rather than several business entities and not whether the operating experience of the parts are the same at all places.

Activity Wholly Within Kansas—Single Entity: If a financial institution's activity is carried on exclusively within Kansas the entire net income is subject to the Kansas Privilege Tax.

Activity Wholly Within Kansas—Consolidated: If two or more financial institutions file federal income tax returns on a consolidated basis, and if each of such financial institutions derive all their income and expenses from sources within Kansas, they must file a consolidated return for Kansas Privilege Tax purposes.

Single Entity Apportionment Method: Any taxpayer having income from business activity which is taxable both within and outside this state shall allocate and apportion net income.

Combined Income Method—Single Corporation Filing: When a group of financial institutions conduct a unitary business both inside and outside Kansas, the source of income shall be determined by the combined income of only those financial institutions which have a branch or office in Kansas using Schedule K-131. A financial institution that files a combined report for Kansas purposes must submit a copy of the consolidated Federal Form 1120 and all schedules and statements necessary to support the taxable income reported on the Kansas return.

Combined Income Method—Multiple Corporation Filing: This method is the same as the Single Corporation Filing method except that any financial institution using the combined income method with more than one entity doing business in Kansas may file one Kansas return reporting the total combined income on that return and computing and paying the tax due on that return. Schedule K-131 must be used to determine the Kansas taxable income of each separate corporation and the combined Kansas taxable income is then entered on line 21, K-130. The tax rate is then applied to the Kansas taxable income of each financial institution with one surtax exemption allowed for each privilege taxpayer. The total tax due for all corporations is then shown on line 24, Schedule K-131.

Alternative Accounting Method: If the uniform allocation and apportionment provisions do not fairly represent the extent of the taxpayer's business activity in this state the taxpayer may petition for, or the Secretary of Revenue may require, in respect to all or any part of the taxpayer's business activity, if reasonable: a) separate accounting; b) the exclusion of one or more of the factors; c) the inclusion of one or more additional factors; or d) the employment of any other method to effect an equitable allocation and apportionment of the taxpayer's income. A copy of the letter from the Department of Revenue granting the use of an alternative method must be attached to the return when filed. Enter the amount determined from your separate schedule on line 21, Form K-130.

Separate Accounting Method: The separate method of reporting income to Kansas is allowable only in unusual circumstances and with the permission of the Department of Revenue where the use of the three-factor formula does not fairly represent the taxpayer's business activity. Before a taxpayer, engaged in a multistate business, may separately account taxable income to Kansas, the following requirements shall be satisfied:

1) The books and records are kept by recognized accounting standards to accurately reflect the amount of income of the multistate business which was realized in Kansas during the taxable period; 2) the management functions of the business operations within Kansas are separate and distinct so that in conducting Kansas business operations the management within Kansas did not utilize or incur centralized management services consisting of operational supervision, advertising, accounting, insurance, financing, personnel, physical facilities, technical and research, sale/servicing or purchasing during the taxable period; and 3) the business operations within Kansas are separate and distinct and do not contribute to or depend upon the overall operations of the company, and there are no interstate, intercompany, or interdivisional purchases, sales or transfers during the taxable period.

If all three requirements are not satisfied, the taxpayer shall determine Kansas taxable income by use of the apportionment formula. Enter the amount determined from your separate schedule on line 21, Form K-130.

LINE INSTRUCTIONS FOR FORM K-130, PAGES 1 AND 2

TAXPAYER INFORMATION

Beginning and Ending Dates: Enter the beginning and ending dates of the corporation's tax year, even if it is a calendar year.

Name and Address: PRINT or TYPE your name and address in the spaces provided.

Information Requested in Boxes A through I: Complete all requested information. For item A, refer to page 3. If any *Taxpayer Information* has changed from the last original return filed by you, check the change box "I" so the tax account information can be updated.

Final Return: If a final return is being filed and the corporation is being liquidated, enclose a copy of the federal form that states the federal code section the corporation was liquidated under.

INCOME

LINE 1 (FEDERAL TAXABLE INCOME FOR KANSAS PRIVILEGE TAX PURPOSES): This line must only include income and expense of national banking associations, federally chartered savings banks or trust companies.

All financial institutions filing a combined return (single or multiple), or that are authorized to file using the alternative or separate accounting method, must complete lines 1 through 21 using the total combined income column from Schedule K-131. You are to complete lines 19 through 42 of the K-130, as applicable. If filing as a S corporation for federal purposes, enter the amount from Part IV, line 30. A copy of certain pages of the federal return must be enclosed in all cases. See instructions on page 2.

LINE 2 (STATE AND MUNICIPAL INTEREST): Enter the total amount that was claimed as exempt income on the federal income tax return for the taxable year, less any related expenses directly incurred in the purchase of state or political subdivision obligations. If the bank has changed the method of accounting from cash to accrual, include the Section 481 adjustment on municipal interest using the same number of year spread allowed at the federal level.

LINE 3 (TAXES ON OR MEASURED BY INCOME OR FEES OR PAYMENT IN LIEU OF INCOME TAXES (does not include privilege taxes)): Enter the taxes on or measured by income or fees or payments in lieu of income taxes which you deducted on your federal return in arriving at federal taxable income (this figure should not include privilege taxes). Federal environmental tax must be added back to federal taxable income to the extent it is used as a deduction in arriving at federal taxable income. If additional space is needed, itemize these taxes on a separate schedule and enclose it with your return.

LINE 4 (FEDERAL NET OPERATING LOSS DEDUCTION): Enter the federal net operating loss deduction that was claimed on the federal income tax return for the taxable year.

LINE 5 (SAVINGS AND LOAN ASSOCIATION BAD DEBT DEDUCTION): Enter amount of bad debts allowable for federal income tax purposes. Use line 20 for the allowable Kansas bad debt deduction.

LINE 6 (OTHER ADDITIONS TO FEDERAL TAXABLE INCOME): Enter the total of these additions to your federal taxable income (schedule required):

- **Disabled Access Credit.** Amount of any depreciation deduction or business expense deduction claimed on your federal return that was used to determine this credit on your Schedule K-37.
- **Community Service Contribution Credit.** Amount of any charitable contributions claimed on your federal return used to compute this credit on your Schedule K-60.

- **Low Income Student Scholarship Credit.** Amount of any charitable contribution claimed on your federal return used to compute this credit on your Schedule K-70.

LINE 7 (ADDITIONS TO FEDERAL TAXABLE INCOME): Add lines 2 through 6 and enter the result on line 7.

LINE 8 (SUBTRACTIONS FROM FEDERAL TAXABLE INCOME): Enter a total of these subtractions from your federal taxable income (schedule required):

- **Refunds or Credits.** Any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction to the extent they are included in federal taxable income (this figure should not include privilege taxes).
- **Jobs and WIN Tax Credit.** The amount of federal targeted jobs and WIN credit.
- **Kansas Venture Capital, Inc. Dividends.** Dividend income received as a result of investing in stock issued by Kansas Venture Capital, Inc.

LINE 9 (NET INCOME BEFORE APPORTIONMENT): Add line 1 to line 7 and subtract line 8 and enter the result in line 9.

APPORTIONMENT AND ALLOCATION

LINE 10 (NONBUSINESS INCOME-TOTAL COMPANY): Enter the total amount of nonbusiness net income everywhere that is to be directly allocated. Business income is defined in privilege tax law as all income to the extent that it may be treated as apportionable business income under the constitution of the United States.

Any taxpayer that claims nonbusiness income on the Kansas return is required to clearly demonstrate that the asset which generated the income is not used in the general operations of the company and is not managed or controlled by the same people who control the operations of the company. The taxpayer must also submit a schedule as required below. If the taxpayer does not demonstrate that the income is nonbusiness and does not submit the required schedule(s), the income will be considered to be business income by the Department of Revenue and it will be apportioned in that manner.

From the terms of income directly allocated, there shall be deducted the expenses related thereto. The term "expenses related thereto" as used in this paragraph, mean any allowable deduction or portion thereof directly attributable to such income and a ratable part of any other allowable deductions which cannot definitely be allocated to some item or a class of income.

A schedule must accompany the return showing: 1) gross income from each class of income being specifically allocated; 2) amount of each class of related expenses together with an explanation or computations showing how amounts were computed; 3) total amount of the related expenses for each income class; and, 4) net income for each income class. The schedule should provide appropriate columns as set forth above for items specifically assigned to Kansas and also for times specifically assigned outside Kansas. Also submit documentation that explains why each item of income does not arise from transactions and activity in the regular course of the financial institution's trade or business.

LINE 11 (APPORTIONABLE BUSINESS INCOME): Subtract line 10 from line 9 and enter the result on line 11.

LINE 12 (AVERAGE PERCENT TO KANSAS): Enter the applicable percentages in spaces A, B and C. Enter on line 12 the average percent from Form K-130AS, Part V, line E or Form K-131, Part II, line 5. **Note:** Round percentage to the fourth decimal point only. If your business is wholly within Kansas enter 100.0000.



DO NOT STAPLE

For the taxable year beginning 2018; ending _____

Filing Information	Name		B. Business Activity Code (NAICS)	Employer's Identification Numbers (EINs) (Enter both if applicable)
	Number and Street of Principal Office		C. Date Business Began in KS (mm/dd/yyyy)	EIN this entity:
	City	State	Zip Code	EIN Federal Consolidated Parent:
	A. Method Used to Determine Income of Corporation in Kansas		E. State and Month/Year of Incorporation (mm/yyyy)	H. Enter your original federal due date if other than the 15th day of the 4th month (C-Corps) or 15th day of 3rd month (S-Corps) after the end of the tax year.
<input type="checkbox"/> 1. Activity wholly within Kansas - Single entity <input type="checkbox"/> 2. Activity wholly within Kansas - Consolidated <input type="checkbox"/> 3. Single entity apportionment method (K-130AS, Part V) <input type="checkbox"/> 4. Combined income method - Single corporation filing (Sch. K-131) <input type="checkbox"/> 5. Combined income method - Multiple corporation filing (Sch. K-131) <input type="checkbox"/> 6. Alternative or separate accounting (Enclose letter of authorization & schedule)		F. State of Commercial Domicile	I. If any taxpayer information has changed since the last return was filed, please mark this box.	
		G. Type of Federal Return Filed		
		<input type="checkbox"/> 1. Separate <input type="checkbox"/> 2. Consolidated		



Mark this box if you are filing this as an AMENDED 2019 Kansas return.

NOTE: This form cannot be used for tax years prior to 2019.

Reason for amending your 2019 Kansas return:



Amended affects Kansas only



Adjustment by the IRS



Amended federal tax return

1. Federal taxable income for Kansas privilege tax purposes	1	
2. Total state and municipal interest income.....	2	
3. Taxes on or measured by income or fees or payment in lieu of income taxes (does not include privilege taxes)	3	
4. Federal net operating loss deduction	4	
5. Savings and loan bad debt deduction included in federal deductions	5	
6. Other additions to federal taxable income (schedule required)	6	
7. Total additions to federal taxable income (add lines 2 through 6)	7	
8. Subtractions from federal taxable income (schedule required).....	8	
9. Net income before apportionment (add line 1 to line 7 and subtract line 8)	9	
10. Nonbusiness income - Total company (schedule required)	10	
11. Apportionable business income (subtract line 10 from line 9)	11	
12. Average percent to Kansas (Part V, lines A, B, C and E; if 100% enter 100.0000).....	12	A B C
13. Amount to Kansas (multiply line 11 by line 12)	13	
14. Nonbusiness income - Kansas (schedule required)	14	
15. Kansas expensing recapture (see instructions for Schedule K-120EX and enclose applicable schedules)	15	
16. Kansas expensing deduction (see instructions for Schedule K-120EX and enclose applicable schedules).....	16	
17. Kansas net income before NOL deduction (add lines 13, 14, and 15, then subtract line 16).....	17	
18. Kansas net operating loss deduction (schedule required)	18	
19. Kansas net income before bad debts (subtract line 18 from line 17).....	19	
20. Savings & loan bad debt deduction for Kansas (schedule required).....	20	
21. Combined report (Schedule K-131) or alternative/separate accounting income (separate schedule)	21	



22. Kansas taxable income (subtract line 20 from line 19 or enter line 21, as applicable).....	22	
23. Normal tax - Banks & Savings and Loans (2.25% of line 22).....	23	
24a. Surtax - Banks (2.125% of line 22 in excess of \$25,000).....	24a	
24b. Surtax - Savings and Loans and trust companies (2.25% of line 22 in excess of \$25,000).....	24b	
25. Total tax (Add lines 23 and 24a or 24b. If filing combined, use line 24 of K-131.).....	25	
26. Nonrefundable credits (Part III, line 9; cannot exceed amount on line 25).....	26	
27. Balance (subtract line 26 from line 25; if less than zero, enter 0).....	27	
28. Estimated tax paid and amount credited forward (Part I, line 4).....	28	<p>If this is your ORIGINAL Kansas return, skip lines 32 and 33 and continue to line 34.</p> <p>If this is your AMENDED Kansas return, complete lines 32 and 33 before continuing to line 34.</p>
29. Other tax payments (enclose separate schedule).....	29	
30. Child day care assistance credit (enclose Schedule K-56).....	30	
31. Community service contribution credit refund (enclose Schedule K-60).....	31	
32. Payment remitted with original return (see instructions).....	32	
33. Overpayment from original return (this is a subtraction; see instructions).....	33	
34. Total prepaid credits (add lines 28 through 32 and subtract line 33).....	34	
35. BALANCE DUE (if line 27 exceeds line 34).....	35	
36. Interest.....	36	
37. Penalty.....	37	
38. Estimated tax penalty If annualizing to compute penalty, check this box <input type="checkbox"/>	38	
39. Total tax, interest and penalty due (Add lines 35 through 38. Complete and enclose K-130V with your payment.).....	39	
40. Overpayment (if line 27 plus line 38 is less than line 34).....	40	
41. REFUND. Enter the amount of line 40 you wish to be refunded.....	41	
42. CREDIT FORWARD. Enter the amount of line 40 (original return only) you wish to be applied to your 2020 estimated tax. (Line 42 cannot exceed the total of lines 28 and 29).....	42	

I authorize the Director of Taxation or the Director's designee to discuss my return and enclosures with my preparer.
 I declare under the penalties of perjury that to the best of my knowledge this is a true, correct, and complete return.

sign here

Signature of officer	Title	Date
Individual or firm signature of preparer	Address and Phone Number	Date

Tax Preparer's EIN (Employer Identification Number) or SSN (Social Security Number)

ENCLOSE ALL REQUIRED FEDERAL FORMS AND SCHEDULES

Mail to: Kansas Privilege Tax, Kansas Department of Revenue, PO Box 758571, Topeka, KS 66675-8571

PART I - ADDITIONAL INFORMATION

170218

1. Did the corporation file a **Kansas** Privilege Tax return under the same name for the preceding year? ___ Yes ___ No If "no", enter previous name and EIN.

2. Enter the address of the corporation's principal location in Kansas.

Telephone _____

3. The corporation's books are in care of:

Name _____

Address _____

Telephone _____

4. List each estimated tax payment and credit forward amount claimed on this return.

Date	Amount
TOTAL (Enter on line 28 of K-130)	

5. Has your corporation been involved in any reorganization during the period covered by this return? ___ Yes ___ No If "yes", enclose a detailed explanation.

6. If this is a final return for Kansas, please state the reason. If the corporation was liquidated or dissolved, state the IRC section under which the corporation was liquidated.

7. If your federal taxable income has been redetermined for any prior years that have not previously been reported to Kansas, check the applicable box(es) below and state the calendar, fiscal, or short period year ending date. You are required to submit, **under separate cover**, the federal Forms 1139, 1120X, or Revenue Agent's Report along with the Kansas amended return.

- Revenue Agent's Report Other State's Adjustment
 Amended Return
 Net Operating Loss

Years ended _____

8. If you are registered with the Kansas Department of Revenue under any other Kansas tax act, enter all registration or license numbers on the applicable line.

a. Sales Tax _____

b. Compensating Use Tax _____

Withholding Tax _____

d. Other (specify) _____

PART II - AFFILIATED FINANCIAL INSTITUTIONS OR CORPORATIONS DOING BUSINESS IN KANSAS

Name of Corporation	Employer ID Number

(Enclose a separate sheet for additional corporations)

PART III - SCHEDULE OF NONREFUNDABLE (see instructions)

1. Business and Job Development Credit - for carry forward use only (enclose Schedule K-34)	
2. Historic Preservation Credit (enclose Schedule K-35)	
3. Disabled Access Credit (enclose Schedule K-37)	
4. Venture Capital Credit - for carry forward use only (enclose Schedule K-55)	
5. High Performance Incentive Program Credit (enclose Schedule K-59)	
6. Community Service Contribution Credit (enclose Schedule K-60)	
7. Low Income Student Scholarships Credit (enclose Schedule K-70)	
8. Declared Disaster Capital Investment Credit - for carry forward use only (enclose Schedule K-87).....	
9. Total Nonrefundable Credits (enter on line 26, page 2)	

PART IV - COMPUTATION OF FEDERAL TAXABLE INCOME FOR S CORPORATION

170318

1. (a) Gross receipts/sales _____ (b) Less: Returns and allowances _____ Balance	1	
2. Less: Cost of goods sold and/or operations	2	
3. Gross profit	3	
4. Dividends	4	
5. Interest	5	
6. Gross rents	6	
7. Gross royalties	7	
8. Capital gain net income	8	
9. Net gain or (loss) from Form 4797, Part III	9	
10. Other income.....	10	
11. Total income - Add lines 3 through 10	11	

DEDUCTIONS

12. Compensation of officers	12		
13. (a) Salaries and wages _____ (b) Less empl. credit _____ Balance.....	13		
14. Repairs and maintenance	14		
15. Bad debts	15		
16. Rents	16		
17. Taxes and licenses	17		
18. Interest.....	18		
19. Charitable contributions (not over 10% of taxable income as adjusted).....	19		
20. Depreciation	20		
21. Less depreciation claimed elsewhere on return	21(a)		21(b)
22. Depletion	22		
23. Advertising.....	23		
24. Pension plans, profit-sharing plans, etc.	24		
25. Employee benefit programs.....	25		
26. Other deductions	26		
27. Total deductions - Add lines 12 through 26.....	27		
28. Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)	28		
29. Less: a. Net operating loss deduction	29(a)		29(c)
b. Special Deductions	29(b)		
30. Taxable income - Subtract line 29c from line 28.....	30		

KANSAS

Financial Institution Apportionment Schedule

FOR USE BY FINANCIAL INSTITUTIONS APPORTIONING INCOME
(Financial Institutions using the combined income method must use Schedule K-131)

For the taxable year beginning 2018 ; ending _____

Name as shown on Form K-130	Employer Identification Number (EIN)
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PART V - APPORTIONMENT FORMULA

A. Property	WITHIN KANSAS		TOTAL COMPANY		PERCENT WITHIN KANSAS
	Beginning of Year	End of Year	Beginning of Year	End of Year	
(1) Value of owned real and tangible personal property used in the business at original cost.					
Value of taxpayer's loans and credit card receivables					
Depreciable assets.....					
Land					
Other tangible assets (Enclose schedule).....					
Less: Construction in progress					
Total property to be averaged					
Average owned property (Beg. + End ÷ 2)					
(2) Gross annual rented property. Multiplied by 8					
TOTAL PROPERTY (Enter on line 12A, page 1).....					

B. Payroll (Those corporations qualified and utilizing the elective two-factor formula must complete this area only during the first year of qualifying)	Within Kansas	Total Company	PERCENT WITHIN KANSAS
(1) Compensation of officers			
(2) Wages, salaries and commissions			
(3) Payroll expense included in cost of goods sold			
(4) Payroll expense included in repairs			
(5) Other wages and salaries			
TOTAL PAYROLL (Enter on line 12B, page 1)			

C. Receipts	Within Kansas	Total Company	PERCENT WITHIN KANSAS
(1) Receipts from:			
(a) Lease of real property			
(b) Lease of tangible personal property			
(c) Credit card receivable			
(d) Merchants discount			
(e) Services			
(f) Investments and trading assets and activities			
(g) Other			
(2) Interest from loans:			
(a) Secured by real property			
(b) Not secured by real property			
(3) Net gains from sales of:			
(a) Loans			
(b) Credit cards receivable			
(4) Fees			
(a) Loan servicing			
(b) Credit card issues reimbursement			
(5) Attribution of certain receipts to commercial domicile			
TOTAL RECEIPTS (Enter on line 12C, page 1)			C %

D. Total percent (Sum of lines A, B & C)	D	%
E. Average percent of D (Enter on line 12, page 1)	E	%

(1) Receipts from the lease of real property—the numerator shall include receipts from the lease or rental of real property owned by the taxpayer if the property is located in Kansas or receipts from the sublease of real property if the property is located in Kansas.

(2) Receipts from the lease of tangible personal property—the numerator shall include receipts from the lease or rental of tangible personal property owned by the taxpayer if the property is located in Kansas when first placed in service by the lessee. Receipts from the lease or rental of transportation property owned by the taxpayer are included in the numerator to the extent that the property is used in this state. If the extent of the use of any transportation property within Kansas cannot be determined, then the property will be deemed to be used wholly in the state in which the property has its principal base of operations. A motor vehicle will be deemed to be used wholly in the state in which it is registered.

(3) Receipts from credit card receivables—the numerator shall include interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to card holders, such as annual fees, if the billing address of the card holder is in Kansas.

(4) Receipts from merchants discount—the numerator includes receipts from the merchants discount if the commercial domicile of the merchant is in Kansas. Such receipts shall be computed net of any card holder charge backs, but shall not be reduced by any interchange transaction fees or by any issuer's reimbursement fees paid to another for charges made by its card holder.

(5) Receipts from services not otherwise apportioned shall be included in the numerator if the service is performed in Kansas. If the service is performed in and out of state, the numerator includes receipts from services not otherwise apportioned under this section, if a greater proportion of the income-producing activity is performed in Kansas based on cost of performance.

(6) Receipts from investment assets and activities and trading assets and activities—the numerator shall include those amounts attributable to Kansas.

(a) Interest, dividends, net gains, but not less than zero, and other income from investment assets and activities and from trading assets and activities shall be included in the receipts factor. Investment assets and activities and trading assets and activities include but are not limited to: Investment securities; trading account assets; federal funds; securities purchased and sold under agreements to resell or repurchase; options; futures contracts; forward contracts; notional principal contracts such as swaps; equities; and foreign currency transactions. With respect to the investment and trading assets and activities described in subparagraphs (A) and (B) of this paragraph, the receipts factor shall include the amounts described in such subparagraphs.

(A) The receipts factor shall include the amount by which interest from federal funds sold and securities purchased under resale agreements exceeds interest expense on federal funds purchased and securities sold under repurchase agreements.

(B) The receipts factor shall include the amount by which interest, dividends, gains and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book, and foreign currency transactions, exceed amounts paid in lieu of interest, amounts paid in lieu of dividends, and losses from such assets and activities.

(b) The numerator of the receipts factor includes interest, dividends, net gains, but not less than zero, and other income from investment assets and activities and from trading assets and activities described in paragraph (a) of this subsection that are attributable to this state.

(A) The amount of interest, dividends, net gains, but not less than zero, and other income from investment assets and activities in the investment account to be attributed to this state and included

in the numerator is determined by multiplying all such income from such assets and activities by a fraction, the numerator of which is the average value of such assets which are properly assigned to a regular place of business of the taxpayer within this state and the denominator of which is the average value of all such assets.

(B) The amount of interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements attributable to this state and included in the numerator is determined by multiplying the amount described in subparagraph (A) of paragraph (a) of this subsection from such funds and such securities by a fraction, the numerator of which is the average value of federal funds sold and securities purchased under agreements to resell which are properly assigned to a regular place of business of the taxpayer within this state and the denominator of which is the average value of all such funds and such securities.

(C) The amount of interest, dividends, gains and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book and foreign currency transactions, but excluding amounts described in subparagraphs (A) or (B) of this paragraph, attributable to this state and included in the numerator is determined by multiplying the amount described in subparagraph (B) of paragraph (a) of this subsection by a fraction, the numerator of which is the average value of such trading assets which are properly assigned to a regular place of business of the taxpayer within this state and the denominator of which is the average value of all such assets.

(D) For purposes of this paragraph, average value shall be determined using the rules for determining the average value of tangible personal property.

(c) In lieu of using the method set forth in paragraph (b) of this subsection, the secretary of revenue may permit or require in order to fairly represent the business activity of the taxpayer in this state, the use of the method set forth in this paragraph.

(A) The amount of interest, dividends, net gain, but not less than zero, and other income from investment assets and activities in the investment account to be attributed to this state and included in the numerator is determined by multiplying all such income from such assets and activities by a fraction, the numerator of which is the gross income from such assets and activities which are properly assigned to a regular place of business of the taxpayer within this state and the denominator of which is the gross income from all such assets and activities.

(B) The amount of interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements attributable to this state and included in the numerator is determined by multiplying the amount described in subparagraph (A) of paragraph (a) of this subsection from such funds and such securities by a fraction, the numerator of which is the gross income from such funds and such securities which are properly assigned to a regular place of business of the taxpayer within this state and the denominator of which is the gross income from all such funds and such securities.

(C) The amount of interest, dividends, gains and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book and foreign currency transactions, but excluding amounts described in subparagraphs (A) or (B) of this paragraph, attributable to this state and included in the numerator is determined by multiplying the amount described in subparagraph (B) of paragraph (a) of this subsection by a fraction, the numerator of which is the gross income from such trading assets and activities which are properly assigned to a regular place of business of the taxpayer within this state and the denominator of which is the gross income from all such assets and activities.

(d) If the taxpayer elects or is required by the secretary of revenue to use the method set forth in paragraph (c) of this subsection, it shall use this method on all subsequent returns unless the taxpayer receives prior permission from the secretary of revenue to use, or the secretary of revenue requires, a different method.

(e) The taxpayer shall have the burden of proving that an investment asset or activity or trading asset or activity was properly assigned to a regular place of business outside of this state by demonstrating that the day-to-day decisions regarding the asset or activity occurred at a regular place of business outside this state. Where the day-to-day decisions regarding an investment asset or activity or trading asset or activity occur at more than one regular place of business and one such regular place of business is in this state and one such regular place of business is outside this state, such asset or activity shall be considered to be located at the regular place of business of the taxpayer where the investment or trading policies or guidelines with respect to the asset or activity are established. Unless the taxpayer demonstrates to the contrary, such policies and guidelines shall be presumed to be established at the commercial domicile of the taxpayer.

(7) Other receipts, if applicable—the numerator of the receipts factor includes other receipts pursuant to the rules set forth in K.S.A. 79-3286, 79-3287 and 79-3288, and amendments thereto.

(8) Interest from loans secured by real property—the numerator shall include interest and fees or penalties in the nature of interest from loans secured by real property if the property is located within the state. If the property is located both within this state and one or more states, it shall be included in the numerator if more than 50% of the fair market value of the real property is located within the state. If more than 50% of the fair market value of the real property is not located in any one state, the receipts shall be included in the numerator of the receipts factor if the borrower is located in Kansas.

(9) Interest from loans not secured by real property—the numerator shall include interest and fees or penalties in the nature located in Kansas.

(10) Net gains from the sale of loans—the numerator shall include net gains from the sale of loans. Net gains are determined by a fraction, the numerator includes the interest and fees or penalties in the nature of interest from loans in this state and the denominator is the total amount of interest and fees or penalties in the nature of interest from loans.

(11) Net gains from the sale of credit card receivables—the numerator shall include net gains from the sales of credit card receivables multiplied by a fraction, the numerator of which is the amount included in the numerator of the receipts factor of credit card receivables and the denominator of which is the taxpayers total amount of interest and fees or penalties in the nature of interest from credit card receivables and fees charged to card holders.

(12) Loan servicing fees—the numerator shall include loan servicing fees derived from loans secured by real property multiplied by a fraction, the numerator of which is the amount included in the

numerator of the receipts factor of interest from loans secured by real property, and the denominator is the total amount of interest and fees or penalties in the nature of interest from loans secured by real property; loan servicing fees from loans not secured by real property are also multiplied by a fraction of interest and fees or penalties for loans not secured by real property. If the taxpayer receives loan servicing fees for servicing secured or unsecured loans, the numerator shall include the fees if the borrower is located in Kansas.

(13) Credit card issuer's reimbursement fees—the numerator shall include all credit card issuer's reimbursement fees multiplied by a fraction, the numerator of which is the amount included in the numerator of the receipts factor of credit card receivables and the denominator is the taxpayer's total amount of interest and fees or penalties in the nature of interest from credit card receivables and fees charged to card holders.

(14) All receipts which would be assigned to another state in which the taxpayer is not taxable shall be included in the numerator of the receipts factor, if the taxpayer's commercial domicile is in Kansas.

Line D—Total Percent: If you are utilizing the three-factor formula to apportion income to Kansas, add lines A, B, & C.

Line E—Average Percent: Divide line D by the number of factors used in the formula. For instance, if the corporation does not have payroll anywhere, divide by 2.

CONSISTENCY IN REPORTING

In completing Forms K-130 and K-130AS, if, with respect to prior tax years and to filing other states' tax returns, the taxpayer departs from or modifies the manner in which income has been classified as business income from nonbusiness income, in valuing property or of excluding or including property in the property factor, in the treatment of compensation paid in the payroll factor, or in excluding or including gross receipts in the receipt factor, the taxpayer shall disclose by separate attached schedule the nature and extent of the variance or modification. Only inconsistencies in the denominators of the property, payroll, and receipts factors which materially affect the amount of business income apportioned to Kansas need be disclosed. Inconsistencies in the determination of nonbusiness income and in the denominators of the factors due to a difference in state laws or regulations must be identified by that state's statute or regulation section number and shown on the separate schedule. The amount of each inconsistency by state is to be shown.

PART VI—ADDITIONAL INFORMATION

All financial institutions must answer all questions.

PART VII—AFFILIATED CORPORATION INFORMATION

All financial institutions must complete this section and indicate which of the affiliated corporations have property or payroll or receipts in either the "total company" factors or the "within Kansas" factors of the apportionment formula on page 1 of Form K-130AS.

**KANSAS FINANCIAL INSTITUTION
COMBINED INCOME METHOD OF REPORTING**

For the taxable year beginning _____, 20 ____, ending _____, 20 ____

Name as shown on Form K-130	Employer Identification Number (EIN)
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PART I KANSAS COMBINED NET INCOME

Enter separate corporate names and federal identification numbers	Corporation A	Corporation B	Eliminations (Explain Below)	Combined Income
1. Federal ordinary income				
2. Total state and municipal interest				
3. Taxes on or measured by income or fees or payments in lieu of income taxes (does not include privilege taxes)				
4. Federal net operating loss deduction				
5. Savings and Loan Association bad debt deduction included in federal deductions				
6. Other additions to federal taxable income (enclose schedule)				
7. Total additions to federal taxable income (add lines 1 through 5)				
8. Subtractions from federal taxable income (enclose schedule)				
9. Net income before apportionment (subtract line 8 from line 7)				
10. Nonbusiness income—Total company (enclose schedule)				
11. Apportionable business income (subtract line 10 from line 9)				
12. Percent to Kansas (from line 5, Part II)				
13. Amount to Kansas (line 11, combined income multiplied by line 12 Corporation A and B)				
14. Nonbusiness income—Kansas (enclose schedule)				
15. Kansas expensing recapture (see instructions for K-120EX)				
16. Kansas expensing deduction (see instructions for K-120EX)				
17. Kansas net income (add lines 13, 14 and 15; then subtract line 16)				
18. Kansas net operating loss deduction (enclose schedule)				
19. Kansas net income before Kansas bad debt deduction (subtract line 18 from line 17)				
20. Kansas savings and loan bad debt deduction (enclose schedule)				
21. Kansas taxable income (subtract line 20 from line 19; enter result here and on line 21, front of Form K-130)				
22. Normal tax (2.25% of line 21)				
23. Surtax: A. Banks (2.125% of amount on line 21 in excess of \$25,000) B. Savings and loans and trust companies (2.25% of amount on line 21 in excess of \$25,000)				
24. Total tax (add lines 22 and 23A or line 23B; enter result here and on line 25, page 2 of Form K-130)				

Explanation of Eliminations:

ENCLOSE A COPY OF FEDERAL FORM 851 WITH THIS SCHEDULE

(Any corporation filing using the combined income method with more than one entity doing business in Kansas may file one Kansas return reporting the total Kansas combined income and tax on that return.)

	Corporation A Within Kansas		Corporation B Within Kansas		Total Company		Percent Within Kansas
	Beginning of Year	End of Year	Beginning of Year	End of Year	Beginning of Year	End of Year	
1a. Value of owned real and tangible personal property used in the business at original cost. Value of taxpayers loans and credit card receivables							
Depreciable Assets							
Land							
Other Tangible Assets (Enclose schedule) ..							
Less: Construction in Progress							
Total Property to be Averaged							
Average Owned Property (Beg. + End + 2)							
1b. Gross Annual Rental Property. Multiplied by 8							
TOTAL PROPERTY							
Percentage: Corporation A (divide Corporation A by Total Company).....						1A	
Percentage: Corporation B (divide Corporation B by Total Company).....						1B	
2. Wages, salaries, commissions and other compensation of employees related to business income included in return.							
TOTAL PAYROLL							
Percentage: Corporation A (divide Corporation A by Total Company).....						2A	
Percentage: Corporation B (divide Corporation B by Total Company)						2B	
3. Receipts							
a. Receipts from:							
(1) Lease of real property							
(2) Lease of tangible personal property							
(3) Credit card receivables							
(4) Merchandise discount							
(5) Services							
(6) Investments and trading assets and activities							
(7) Other							
b. Interest from loans:							
(1) Secured by real property							
(2) Not secured by real property							
c. Net gains from sale of							
(1) Loans							
(2) Credit cards receivable							
d. Fees							
(1) Loan servicing							
(2) Credit card issuers reimbursement							
TOTAL RECEIPTS							
Percentage: Corporation A (Divide Corporation A by Total Company)						3A	
Percentage: Corporation B (Divide Corporation B by Total Company)						3B	
4. Total Percent:							
Percentage: Corporation A (Add lines 1A, 2A, and 3A)						4A	
Percentage: Corporation B (Add lines 1B, 2B, and 3B)						4B	
5. Total Percent							
Percentage: Corporation A (To Line 12 Part I, Page 1)						5A	
Percentage: Corporation B (To Line 12 Part I, Page 1)						5B	

Taxpayer Assistance

ksrevenue.org

Filing. For assistance in completing your Kansas Privilege Tax return, contact our Taxpayer Assistance Center.

NOTE: Our office has moved and is no longer located in the Docking State Office Building.

Taxpayer Assistance Center	Phone: 785-368-8222
Scott Office Building - 1st floor	Fax: 785-291-3614
120 SE 10th Avenue	
PO Box 758571	
Topeka, KS 66675-8571	
<i>Hours: 8 a.m. to 4:45 p.m. (M-F)</i>	

Forms. Your Kansas tax return is imaged on our computers, enabling us to process it faster and with fewer errors. In order for our system to work, it is important that you use care in completing your return.

- Use only black or dark blue ink and write legibly.
- Send the original copy, not a photocopy, to the Department of Revenue.
- Your EIN is part of your Kansas tax account number. To ensure proper credit to your account, include your EIN on your return.
- Do not staple or otherwise attach pages of your return or your check together.
- If you use a software package to complete your Kansas return, be sure it is approved by the Department of Revenue. Visit ksrevenue.org for a list of approved software vendors.
- If you are “reproducing” your own tax forms, contact the Department of Revenue for information on the approval process.