**PART A – PROPERTY TAX CREDIT**

1. Enter the amount of property tax paid this tax year on habitat land. This is the total of all "Exhibit B" worksheets that accompany your endangered species habitat agreement.

   1. ________________

2. Number of months this tax year the agreement was in effect: ________ . Enter this number as the numerator of the fraction (____/12), or enter the corresponding percentage.

   2. ________________/12 (or __%)

3. Property tax credit available. Multiply line 1 by line 2.

   3. ________________

4. Enter your total tax liability for this tax year after all credits other than this credit.

   4. ________________

5. Amount of habitat credit allowable for property tax. Enter the lesser of lines 3 or 4.

   5. ________________

**PART B – CREDIT FOR COSTS INCURRED**

6. Total costs incurred this tax year for improvements specified in the agreement. (Enclose an itemized list of expenses with copies of the invoices and receipts.)

   6. ________________

7. Amount of carry forward available. Enter the amounts from lines 14 and 16 of the prior year’s Schedule K-63.

   7. ________________

8. Total habitat management costs and credit available this tax year. Add lines 6 and 7.

   8. ________________

9. Enter your total tax liability for this tax year after all credits other than this credit. If you have an entry on line 5 above, subtract line 5 from line 4 and enter the result here.

   9. ________________

10. Habitat costs available for credit this tax year. Enter the lesser of lines 8 or 9.

    10. ________________

**PART C – COMPUTATION OF THIS YEAR’S CREDIT**

11. Total credit allowable this tax year. Add lines 5 and 10. Enter this amount on the appropriate line of Form K-40, Form K-41, or Form K-120.

    11. ________________

    If line 10 is less than line 8, complete Part D.

**PART D – COMPUTATION OF EXCESS CREDIT CARRY FORWARD OR REFUND**

12. Credit available for refund or carry forward. Subtract line 10 from line 8.

    12. ________________

13. Enter the lesser of lines 6 or 12.

    13. ________________

14. Subtract line 13 from line 12. This amount must be carried forward to next year.

    14. ________________

15. Excess credit from costs incurred this tax year available for carry forward or refund. Subtract line 14 from line 12.

    15. ________________

**Carry Forward or Refund Election.** You may elect to either carry the excess credit on line 15 forward to the next year or years until the credit is used, or you may elect to receive the excess credit as a refund. The excess credit you elect to carry forward from this year’s costs must continue to be carried forward in subsequent years until used.

**IMPORTANT:** Enter the amount from line 15 on either line 16 or line 17. Do not make an entry on both lines.

16. If you elect to carry forward the amount on line 15 to next year’s return, enter the amount from line 15 here and on line 7 of next year’s Schedule K-63.

    16. ________________

17. If you elect to receive a refund of the excess credit on line 15, enter the amount from line 15 here. Enter this amount also on the line provided on your return for the refundable portion of tax credits.

    17. ________________
GENERAL INFORMATION

K.S.A. 79-32,203 provides a habitat management income tax credit for property owners who enter into an agreement with the Secretary of Wildlife and Parks to preserve, maintain, or protect a portion of their property that has been designated as critical habitat for a species listed as endangered, threatened, or in need of conservation qualify for the credit. The credit amount is the total of the property tax paid on the land designated as critical habitat and the costs incurred to manage, construct, and maintain improvements approved by the Secretary of Wildlife and Parks.

This credit is available for taxable years beginning after December 31, 1997, but before January 1, 2003. The credit is limited to the tax liability after all other allowable credits are taken for the year the credit is claimed. Should the costs incurred (Part B of this schedule) exceed the tax liability, the taxpayer may, at the time of filing the initial return on which the credit is claimed, elect to either carry forward the excess credit to the next succeeding taxable year or years until the total amount of the credit has been used, or receive a refund of the excess credit.

Addition Modification Required: The property taxes and costs claimed as the basis for the habitat management credit that are claimed for deduction in determining federal adjusted gross income must be added back to federal adjusted gross income. Enter the total on the line on your return provided for addition modifications.

Required Documentation: You must enclose these documents with this schedule:

1. A signed copy of your endangered species habitat agreement with the Kansas Department of Wildlife and Parks, including all “Exhibit B” worksheets. Do not send “Exhibit A,” the map of habitat land.
2. An itemized list of Part B costs with copies of invoices.

Partnerships and S Corporations: Partners and shareholders should enter on lines 1 and 6 their proportionate share of the taxes and costs incurred this tax year by the partnership or S corporation (enclose computation).

SPECIFIC LINE INSTRUCTIONS

PART A – PROPERTY TAX CREDIT

LINE 1 – Enter the total real estate taxes paid on the habitat land under agreement with the Kansas Department of Wildlife and Parks from the Exhibit B worksheet(s) of agreement. DO NOT include any additional tax incurred due to filing penalties.

LINE 2 – Enter as the numerator the number of months this tax year the agreement was in effect. For example, for an agreement entered into during March, enter “9”, resulting in the fraction 9/12ths, or 75%.

LINE 3 – Multiply line 1 by line 2. This is the amount of property tax credit available this tax year.

LINE 4 – Enter your total Kansas tax liability for this tax year after all credits other than the habitat management credit.

LINE 5 – Enter the lesser of lines 3 or 4.

PART B – CREDIT FOR COSTS INCURRED

LINE 6 – Enter the total costs incurred this tax year for management and improvements specified in the agreement. Enclose an itemized list with copies of invoices and receipts (circling the habitat items if combined with other purchases) with this schedule.

LINE 7 – Credit forward available. Enter the total of lines 14 and 16 of the prior year’s Schedule K-63.

LINE 8 – Add lines 6 and 7.

LINE 9 – Enter your total Kansas tax liability for this tax year after all credits other than the habitat management credit. If you have an entry on line 5 of this schedule, subtract line 5 from line 4 and enter the result on line 9.

LINE 10 – Enter the lesser of lines 8 or 9.

PART C – CREDIT COMPUTATION

LINE 11 – Add lines 5 and 10. Enter this amount on the tax credit line for your return (Form K-40, K-41, or K-120).

If line 10 is less than line 8, complete PART D.

PART D – CARRY FORWARD or REFUND COMPUTATION

LINE 12 – Subtract line 10 from line 8. This is the amount of excess credit available for refund or carry forward. (The property tax amount from Part A is not eligible for refund or carry forward).

LINE 13 – Enter the lesser of lines 6 or 12.

LINE 14 – Subtract line 13 from line 12. This amount must be carried forward to next year since a carry forward election was made for these excess expenses in a prior year. Enter this amount on line 7 of next year’s Schedule K-63. Keep a copy of this schedule to file with next year’s return.

LINE 15 – Subtract line 14 from line 2. This is the amount of excess credit available from costs incurred this tax year eligible for carry forward or refund.

LINE 16 – If you elect to carry forward the amount on line 15, enter the amount on line 16. Enter this amount (plus any amount on line 14) on line 7 of next year’s Schedule K-63. Keep a copy of this schedule to file with next year’s return.

LINE 17 – If you elect to have the amount on line 15 refunded to you, enter the amount from line 15 here, and also on the line provided on your return for the refundable portion of tax credits.

TAXPAYER ASSISTANCE

For information about endangered wildlife, critical habitats, or your conservation agreement, contact:

Kansas Department of Wildlife and Parks
Division of Fisheries and Wildlife
512 SE 25th Ave.
Pratt, KS 67124
(620) 672-5911

For assistance in completing this schedule contact:

Taxpayer Assistance Center
120 SE 10th Ave
PO Box 758571
Topeka, KS 66675-8571
Phone: (785) 368-8222
Hearing Impaired TTY: (785) 296-6461

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