

K-79

(Rev. 9/09)

KANSAS BIOMASS-TO-ENERGY PLANT CREDIT

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

Name of taxpayer (as shown on return)	Social Security Number or Employer ID Number (EIN)
If partner, shareholder or member, enter name of partnership, S corporation, LLC or LLP	Employer ID Number (EIN)

PART A – COMPUTATION OF CREDIT

Complete PART A only in the year the new biomass-to-energy plant or the expansion of the capacity of an existing biomass-to-energy plant has been placed into service.

1. Enter the total amount of the "qualified investment." Do not enter more than \$250,000,000. 1. _____
2. Authorized credit percentage. 2. 10%
3. Credit limit on the "qualified investment" of \$250,000,000 or less. Multiply line 1 by line 2. 3. _____
4. Enter the total amount of the "qualified investment" that exceeds \$250,000,000. 4. _____
5. Authorized credit percentage. 5. 5%
6. Credit limit on the "qualified investment" that exceeds \$250,000,000. Multiply line 4 by line 5. 6. _____
7. Credit limit on the total "qualified investment". Add line 3 and line 6. 7. _____
8. Authorized credit percentage allowed to be claimed each tax year. 8. 10%
9. Total credit allowed to be claimed in the year the biomass-to-energy plant is placed into service. Multiply line 7 by line 8. 9. _____
10. Proportionate share percentage (see instructions). 10. _____
11. Your share of the credit that may be claimed this tax year and the next subsequent nine (9) tax years. Multiply line 9 by line 10. 11. _____

PART B – COMPUTATION OF TOTAL CREDIT CLAIMED THIS YEAR

Indicate which year of the ten (10) equal, annual installments for which this credit is being claimed:

1st year 2nd year 3rd year 4th year 5th year 6th year 7th year 8th year 9th year 10th year

If the credit is being claimed for the "carry-over" 11th, 12th, 13th or 14th tax years, skip line 12 and make an entry on line 13.

12. Enter the amount from line 11, Schedule K-79 from the first year in which this credit was claimed. 12. _____
13. Enter the amount of available carry forward credit from the prior year's Schedule K-79. 13. _____
- 14a. Total credit available this tax year. Add lines 12 and 13 and enter result: _____.
Multiply the amount on 14a by 90% and enter the result on line 14b. 14b. _____
- 15a. Amount of your Kansas tax liability for this tax year to be applied against this credit: _____.
Multiply the amount on line 15a by 90% and enter the result on line 15b. 15b. _____
16. Amount of credit allowable this tax year. Enter the lesser of lines 14b or 15b.
Enter this amount on the appropriate line of Form K-40, Form K-41 or Form K-120. 16. _____

If line 15a is less than line 14a, complete PART C.

PART C – COMPUTATION OF CARRY FORWARD CREDIT

17. Amount of credit to carry forward to next year's Schedule K-79. Subtract line 15a from line 14a.
Enter this amount on line 13 of next year's Schedule K-79. 17. _____

INSTRUCTIONS FOR SCHEDULE K-79

GENERAL INFORMATION

K.S.A. 79-32,234 provides a tax credit against the Kansas income tax liability of a taxpayer who makes a "qualified investment" in a "biomass-to-energy plant" for tax years beginning after December 31, 2005. The credit is 10% of the taxpayer's "qualified investment" on the first \$250,000,000 invested, and 5% of the taxpayer's "qualified investment" that exceeds \$250,000,000. The credit will be taken in ten (10) equal, annual installments, beginning with the year in which the taxpayer places into service the new biomass-to-energy plant or the expansion of an existing biomass-to-energy plant.

Before making a qualified investment, a taxpayer shall apply to the Secretary of Commerce to enter into an agreement for a tax credit. After receipt of such application, the Secretary of Commerce may enter into an agreement with the applicant for a biomass-to-energy plant credit if the Secretary determines that the taxpayer's proposed investment satisfies the requirements.

If the credit allowed exceeds the investor's tax liability in any one taxable year, the amount of the credit that exceeds the tax liability may be carried forward until the total amount of the credit is used, except that no such tax credit shall be carried over for deduction after the 14th taxable year after the taxable year in which the first annual installment is allowed.

Expenditures used to qualify for this credit shall not be used to qualify for any other type of Kansas Income Tax credit.

Biomass means any organic matter available on a renewable or recurring basis, including solid and liquid organic waste, but excluding: (1) Petroleum oil, natural gas, coal and lignite, and any products thereof; and (2) corn or grain sorghum suitable for human consumption.

Biomass-to-energy plant means an industrial process plant, located in this state, where biomass is processed to produce annually any of the following, and coproducts: (1) Not less than 500,000 gallons of cellulosic alcohol; (2) liquid or gaseous fuel or energy in a quantity having BTU value equal to or greater than 500,000 gallons of cellulosic alcohol; or (3) oil produced for direct conversion into fuel in a quantity having BTU value equal to or greater than 500,000 gallons of cellulosic alcohol.

Expansion of an existing biomass-to-energy plant means expansion which begins after December 31, 2005, of the capacity of an existing biomass-to-energy plant by at least 10% of such capacity.

New biomass-to-energy plant means a biomass-to-energy plant, construction of which begins after December 31, 2005.

Qualified investment means expenditures made in construction of a new biomass-to-energy plant or in expansion of the capacity of an existing biomass-to-energy plant, for real and tangible personal property incorporated in and used as part of such plant.

SPECIFIC LINE INSTRUCTIONS

Enter all requested information at the top of this schedule.

PART A – COMPUTATION OF CREDIT (To be completed only in the first year that this credit is claimed)

LINE 1 – Enter the total qualified investment up to and including the first \$250,000,000 made in the construction of a new biomass-to-energy plant or in the expansion of the capacity of an existing biomass-to-energy plant.

LINE 2 – The credit is limited to 10% of the first \$250,000,000 of "qualified investment".

LINE 3 – Credit limit on the qualified investment for the first \$250,000,000. Multiply line 1 by line 2, and enter the result.

LINE 4 – Enter the total qualified investment which exceeds the first \$250,000,000 of investment made in the construction of a new biomass-to-energy plant or in the expansion of the capacity of an existing biomass-to-energy plant.

LINE 5 – The credit is limited to 5% of the qualified investment that exceeds \$250,000,000.

LINE 6 – Credit limit on the qualified investment that exceeds \$250,000,000. Multiply line 4 by line 5, and enter the result.

LINE 7 – Credit limit on the total qualified investment. Add line 3 and line 6, and enter the result.

LINE 8 – Authorized credit percentage. This credit may be claimed in ten (10) equal annual installments.

LINE 9 – Total credit allowed to be claimed this tax year. Multiply line 7 by line 8, and enter the result.

LINE 10 – Partners, shareholders or members: Enter the percentage that represents your proportionate share in the partnership, S corporation, LLC or LLP. All other taxpayers: Enter 100%.

LINE 11 – Your share of the credit. Multiply line 9 by line 10, and enter the result.

PART B – COMPUTATION OF TOTAL CREDIT CLAIMED THIS YEAR

Indicate, by checking the appropriate box, which year of the annual installments for which this credit is being claimed.

LINE 12 – Enter the amount from line 11, Schedule K-79 from the first year in which this credit was claimed.

LINE 13 – Enter the amount of available carry forward credit from the prior year's Schedule K-79.

LINE 14a – Add lines 12 and 13 and enter the result.

LINE 14b – Multiply the amount on line 14a by 90% (.90) and enter the result.

LINE 15a – Enter your total Kansas tax liability for this tax year. If you are filing more than one (1) credit schedule this year, enter only the amount of tax liability you wish to apply to this credit. The amount entered on line 15a (not line 15b) is the amount of tax liability considered to be "used" when calculating the remaining tax liability to be applied against other credits. **Example:** If your tax liability is \$1,000 (before applying the 90% reduction) and the amount entered on line 15a is \$400, then the amount of tax liability available to apply to any other credit schedules would be \$600.

LINE 15b – Multiply the amount on line 15a by 90% (.90) and enter the result.

LINE 16 – Enter the lesser of lines 14b or 15b. This is the amount of credit allowed for this tax year. Enter this amount on the appropriate line of Form K-40, Form K-41 or Form K-120.

If line 15a is less than line 14a, complete PART C.

PART C – COMPUTATION OF CARRY FORWARD CREDIT

LINE 17 – Subtract line 15a from line 14a. This is the amount of credit to carry forward to next year's Schedule K-79.



IMPORTANT: Do not send any enclosures with this schedule. A copy of the approved authorization from the Secretary of Commerce must be kept with your records. The Kansas Department of Revenue reserves the right to request additional information as necessary.

TAXPAYER ASSISTANCE

Address questions about qualifying for this credit to:

Kansas Department of Commerce
1000 SW Jackson, Suite 100
Topeka, KS 66612-1354
(785) 296-3481
<http://kdoch.state.ks.us>

For assistance in completing this schedule contact the Kansas Department of Revenue:

Taxpayer Assistance Center
Docking State Office Building, 1st Floor
915 SW Harrison St.
Topeka, KS 66625-2007
Phone: (785) 368-8222
Hearing Impaired TTY: (785) 296-6461
Fax: (785) 291-3614

Additional copies of this income tax credit schedule and other tax forms are available from our web site at www.ksrevenue.org.