Kansas

2016

Privilege Tax

IMPORTANT INFORMATION

DUE DATE FOR FILING. The Emancipation Day holiday falls on Friday, April 15, 2016; therefore, the due date for filing your Privilege Tax return is April 18, 2016. Kansas follows the IRS due date for tax deadlines.

TAX CREDIT. K.S.A. 72-99a07 provides a tax credit for contributions to a Scholarship Granting Organization (SGO) for the purpose of offering educational scholarships to eligible students to pay all or a portion of the tuition to attend a qualified school. The tax credit is allowed against the corporate income tax liability, privilege tax liability, and the premium tax liability for tax years commencing after December 31, 2014. The credit is an amount equal to 70 percent of the amount contributed to a scholarship granting organization. See Schedule K-70.

GENERAL INFORMATION

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

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.

NOTE: 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 18, 2016.

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: Kansas returns are due one (1) month after the federal due date. If the original federal due date is not the 15th day of the third month after the close of a taxable year, the financial institution is required to complete box "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, 915 SW HARRISON STREET, TOPEKA, KS 66612-1588.

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 Kansas 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 <u>all</u> 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 20 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 Kansas Department of Revenue, either on returns or through department investigation, is held in strict confidence by law. The Kansas 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 at **www.ksrevenue.org/eservices.html** or you may request Form K-130ES by contacting the Kansas Department of Revenue (see back cover).

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 2016 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 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.

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 Kansas Department of Revenue within the 180 day period shall not bar the Kansas Department of Revenue 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 Kansas Department of Revenue to assess or collect taxes.

Definitions

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.

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 20 using the total combined income column from Schedule K-131.

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 20, 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 23, 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 KDOR 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 20, 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 Kansas 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:

- 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;
- 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.
- 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 20, 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 for the financial institution's tax year, even if your tax year is a calendar year.

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

Information for Items A through I. Complete all requested information. For Item A, refer to page 4. 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 20 using the total combined income column from Schedule K-131. You are to complete lines 18 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—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 4—SAVINGS AND LOAN ASSOCIATION BAD DEBT DEDUCTION. Enter amount of bad debts allowable for federal income tax purposes. Use line 19 for the allowable Kansas bad debt deduction.

LINE 5—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 6—ADDITIONS TO FEDERAL TAXABLE INCOME. Add lines 2 through 5 and enter the result on line 6.

LINE 7—SUBTRACTIONS FROM FEDERAL TAXABLE INCOME. Enter on line 7 a total of these subtractions from your federal taxable income (schedule required):

- **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 8—NET INCOME BEFORE APPORTIONMENT. Add line 1 to line 6 and subtract line 7 and enter the result in line 8.

APPORTIONMENT and ALLOCATION

LINE 9—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 Kansas 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 10—APPORTIONABLE BUSINESS INCOME. Subtract line 9 from line 8 and enter the result on line 10.

LINE 11—AVERAGE PERCENT TO KANSAS. Enter the applicable percentages in spaces A, B and C. Enter on line 11 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.

LINE 12—AMOUNT TO KANSAS. Multiply line 10 by line 11 and enter the result on line 12.

LINE 13—NONBUSINESS INCOME—KANSAS. Enter the total amount of nonbusiness net income directly allocated to Kansas. Submit a schedule to support the amount shown.

K-130

(Rev. 7/15)

DO NOT STAPLE

2016 KANSAS PRIVILEGE TAX

170015

For the taxable year beginning 2015 ; ending

Filing Information

Name

Number and Street of Principal Office

City State Zip Code

A. Method Used to Determine Income of Corporation in Kansas

- 1. Activity wholly within Kansas - Single entity
- 2. Activity wholly within Kansas - Consolidated
- 3. Single entity apportionment method (K-130AS, Part V)
- 4. Combined income method - Single corporation filing (Sch. K-131)
- 5. Combined income method - Multiple corporation filing (Sch. K-131)
- 6. Alternative or separate accounting (Enclose letter of authorization & schedule)

B. Business Activity Code (NAICS)

C. Date Business Began in KS (mm/dd/yyyy)

D. Date Business Discontinued in KS (mm/dd/yyyy)

E. State and Month/Year of Incorporation (mm/yyyy)

F. State of Commercial Domicile

G. Type of Federal Return Filed

1. Separate 2. Consolidated

Employer's Identification Numbers (EINs) (Enter both if applicable)

EIN this entity:

EIN Federal Consolidated Parent:

H. Enter your original federal due date if other than the 15th day of the 3rd month after the end of the tax year.

I. If any taxpayer information has changed since the last return was filed, please check this box.

Mark this box if you are filing this as an AMENDED 2016 Kansas return.

NOTE: This form cannot be used for tax years prior to 2016.

Reason for amending your 2016 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. Federal net operating loss deduction	3	
4. Savings and loan bad debt deduction included in federal deductions	4	
5. Other additions to federal taxable income (schedule required)	5	
6. Total additions to federal taxable income (add lines 2, 3, 4 & 5)		6
7. Subtractions from federal taxable income (schedule required)		7
8. Net income before apportionment (add line 1 to line 6 and subtract line 7)		8
9. Nonbusiness income - Total company (schedule required)		9
10. Apportionable business income (subtract line 9 from line 8)		10
11. Average percent to Kansas (Part V, lines A, B, C and E; if 100% enter 100.0000)	A B C	11
12. Amount to Kansas (multiply line 10 by line 11)		12
13. Nonbusiness income - Kansas (schedule required)		13
14. Kansas expensing recapture (see instructions for Schedule K-120EX and enclose applicable schedules)		14
15. Kansas expensing deduction (see instructions for Schedule K-120EX and enclose applicable schedules)		15
16. Kansas net income before NOL deduction (add lines 12, 13, and 14, then subtract line 15)		16
17. Kansas net operating loss deduction (schedule required)		17
18. Kansas net income before bad debts (subtract line 17 from line 16)		18
19. Savings & loan bad debt deduction for Kansas (schedule required)		19
20. Combined report (Schedule K-131) or alternative/separate accounting income (separate schedule)		20

21. Kansas taxable income (subtract line 19 from line 18 or enter line 20, as applicable)			21	
22. Normal tax - Banks & savings and loans (2.25% of line 21)	22			
23a. Surtax - Banks (2.125% of line 21 in excess of $25,000)	23a			
23b. Surtax - Savings & loans and trust companies (2.25% of line 21 in excess of $25,000)	23b			
24. Total tax (Add lines 22 and 23a or 23b. If filing combined, use line 23 of K-131.)			24	
25. University deferred maintenance credit -- **for carry forward use only** (see instructions)			25	
26. Nonrefundable credits (Part III, line 9; cannot exceed amount of line 24 minus line 25)			26	
27. Balance (subtract lines 25 and 26 from line 24; if less than zero, enter 0)			27	
28. Estimated tax paid and amount credited forward (Part I, line 4)	28			If this is your ORIGINAL Kansas return, skip lines 32 and 33 and continue to line 34.
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			If this is your AMENDED Kansas return, complete lines 32 and 33 before continuing to line 34.
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 ☐	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 2017 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, 915 SW Harrison Street, Topeka, KS 66612-1588

PART I - ADDITIONAL INFORMATION

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 _____

c. 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

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, profit-sharing, etc. plans			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)			
b. Special Deductions	29(b)		29(c)	
30. Taxable income - Subtract line 29c from line 28			30	

K-130 AS

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 2 0 1 5; ending _____

Name as shown on Form K-130	Employer Identification Number (EIN)

PART V - APPORTIONMENT FORMULA

A. Property	WITHIN KANSAS		TOTAL COMPANY		PERCENT WITHIN KANSAS
(1) Value of owned real and tangible personal property used in the business at original cost	Beginning of Year	End of Year	Beginning of Year	End of Year	
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 11A, page 1)					A %

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	
(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 11B, page 1)			B %

C. Receipts			
(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 11C, page 1)			C %

D. Total percent (Sum of lines A, B & C)	D %
E. Average percent of D (Enter on line 11, page 1)	E %

PART VI - ADDITIONAL INFORMATION

1. If you claim that part of your net income is assignable to business conducted outside Kansas:

   a. Enclose a list of all states in which this corporation is doing business and filing state net income, franchise tax, privilege tax, corporate stock tax, bank shares tax, single business tax or earned surplus tax returns.

   b. Has any state determined that this corporation conducts or has conducted a unitary business with any other corporation? ____ Yes ____ No. If yes, specify which state or states and enclose a complete list of the corporations conducting the unitary business.

2. Describe briefly the nature and location(s) of your Kansas business activities.

   _____

   _____

3. Are the amounts in the total company column the same reported in returns or reports to other states? ____ Yes ____ No If no, please explain.

   _____

   _____

   _____

PART VII - AFFILIATED CORPORATIONS INCLUDED IN FORM K-130AS FINANCIAL INSTITUTION APPORTIONMENT SCHEDULE

Name of Corporation	Employer Identification #	Check if included: In Total Company Factors	Check if included: Within Kansas Factors

LINE 14—KANSAS EXPENSING RECAPTURE (K-120EX). If you have a Kansas expensing recapture amount from Schedule K-120EX, enter the amount on line 14 and enclose a copy of your completed K-120EX and federal Form 4562.

LINE 15—KANSAS EXPENSING DEDUCTION (K-120EX). Enter the amount of your Kansas expensing deduction and enclose a copy of your completed K-120EX and federal Form(s) 4562. Also enclose any schedule necessary to enable KDOR to reconcile the federal Form 4562 amounts to the expensing claimed on the K-120EX. **Important**—The deduction must qualify under IRC Section 168: Modified accelerated cost recovery system (MACRS).

NET INCOME

LINE 16—KANSAS NET INCOME BEFORE NOL DEDUCTION. Add lines 12, 13, and 14, then subtract line 15. Enter the result.

LINE 17—KANSAS NET OPERATING LOSS DEDUCTION. Enter the amount of your Kansas net operating loss carry forward. This amount cannot exceed the amount on line 16. (Schedule required.)

LINE 18—KANSAS NET INCOME BEFORE BAD DEBTS. Subtract line 17 from line 16 and enter the result. This amount is to be used by savings and loan associations to compute their Kansas bad debt deduction.

LINE 19—SAVINGS AND LOAN BAD DEBT DEDUCTION FOR KANSAS. Savings and loan associations are allowed, as a deduction from net income, a reserve established for the sole purpose of meeting or absorbing losses.

If all of your activity is **wholly within Kansas:**

a. Multiply the amount shown on line 18 by 5 percent and enter the result on line 19; OR,
b. Enter on line 19 the actual amount of bad debt; OR,
c. Enter on line 19 a reasonable addition to the Kansas reserve based on past experience.

If you use the **single entity apportionment method** (K-130AS) to determine income from Kansas sources:

a. Multiply the amount shown on line 18 by 5 percent and enter the result on line 19; OR,
b. Enter on line 19 the actual amount of Kansas bad debt. If you use this method, multiply the apportionment percentage (line 11, Form K-130) times the total corporation actual bad debt and enter the result on line 19, Form K-130; OR,
c. Enter on line 19 a reasonable addition to the Kansas reserve based on past experience. If you use this method you must determine the addition to reserve based upon total company; then multiply the apportionment percentage (line 11, Form K-130) times the total company amount and enter the result on line 19, Form K-130.

If you use the **combined income method** (K-131) to determine income from Kansas sources:

a. Multiply each individual corporation's *Kansas net income before bad debt deduction* (line 18, Schedule K-131) by 5 percent and enter each corporation's result on line 20, Schedule K-131 (Combined Income Method of Reporting); OR,
b. Enter on line 20 the actual amount of Kansas bad debt. If you use this method you must determine the actual bad debt of all entities included in the combined group prior to apportionment; then multiply the apportionment percentage for each combined entity (line 11, Schedule K-131) times the total bad debt of all entities and enter the result on line 20, Schedule K-131; OR,
c. Enter on line 20 a reasonable addition to reserve based on past experience. If you use this method you must determine the addition to reserve of all entities included in the combined group prior to apportionment; then multiply the apportionment percentage for each combined entity (line 11, Schedule K-131) times the total addition to reserve and enter the result on line 19, Schedule K-131.

Financial institutions are reminded that if they are required to file a combined income method return in Kansas, all financial institutions in the group are required to use the same method to determine Kansas bad debt deductions.

LINE 20—COMBINED REPORT OR ALTERNATIVE/SEPARATE ACCOUNTING INCOME. If you are filing a combined report (Schedule K-131) or you are authorized to file using the alternative or separate accounting method, enter on line 20 the Kansas taxable income from: **1)** line 20 of Schedule K-131; **or 2)** a separate schedule prepared by you (Separate/Alternative Method of Reporting).

LINE 21—KANSAS TAXABLE INCOME. Enter on line 21 either the result of line 18 minus line 19 **or** the amount on line 20.

LINE 22—NORMAL TAX. Multiply the amount shown on line 21 by 2.25% (.0225) and enter the result.

LINE 23—SURTAX. A. BANKS—Multiply the amount shown on line 21 in excess of $25,000 by 2.125% (.02125). Enter result on line 23A. **B. SAVINGS AND LOANS, TRUST COMPANIES AND FEDERALLY CHARTERED SAVINGS BANKS**—Multiply the amount shown on line 21 in excess of $25,000 by 2.25% (.0225). Enter result on line 23B.

LINE 24—TOTAL TAX. Add line 22 and line 23A or line 23B and enter result. If Schedule K-131 was used to determine income, enter the tax computed on Schedule K-131, line 23.

LINE 25—UNIVERSITY DEFERRED MAINTENANCE CREDIT (for carry forward use only). If you contributed toward deferred maintenance to a designated Kansas university, enter the carry forward amount of the **approved** credit on line 25.

LINE 26—TOTAL NONREFUNDABLE CREDITS. Enter the total nonrefundable credits from Part III, line 9. This amount cannot exceed the total of line 24 minus the amount on line 25.

LINE 27—BALANCE. Subtract the total of lines 25 and 26 from line 24 and enter the result. This amount cannot be less than zero.

LINE 28—ESTIMATED TAX PAID AND AMOUNT CREDITED FORWARD. Enter the total of your 2016 privilege year estimated tax payments plus any 2015 privilege year overpayment you had credited forward to 2016.

You could be liable for penalty due to underpayment of estimated tax. See *Estimated Tax* on page 2.

LINE 29—OTHER TAX PAYMENTS. If your company has any other withholding amounts, enter them on line 29. Enclose separate schedule to support your entry.

LINE 30—CHILD DAY CARE ASSISTANCE CREDIT (K-56). If you have a day care assistance credit, enter it on line 30 and enclose Schedule K-56 with your return.

LINE 31—COMMUNITY SERVICE CONTRIBUTION CREDIT REFUND (K-60). Enter the amount of community service contribution credit that was not used on line 26 and enclose Schedule K-60 with your return.

LINE 32—PAYMENT REMITTED ON ORIGINAL RETURN. Use this line only if you are filing an amended privilege tax return for the 2016 privilege tax year. Enter the amount of money you remitted to the Kansas Department of Revenue with your original 2016 return or any payment remitted with a previously filed 2016 amended, including penalty and interest.

LINE 33—OVERPAYMENT FROM ORIGINAL RETURN. Use this line only if you are filing an amended privilege tax return for the 2016 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 34—TOTAL PREPAID CREDITS. Add lines 28 through 32 and subtract line 33. Enter result on line 34.

BALANCE DUE

LINE 35—BALANCE DUE. If line 27 is greater than line 34, subtract line 34 from line 27 and enter the result. **Late Charges:** If amount on this line is not paid by the due date, or if a balance due return is filed after the due date, penalty and interest will be added according to the rules outlined in lines 36 and 37. **Extension of Time to File:** Interest is due on any delinquent tax balance, even if you have been granted an extension of time to file the return. If 90 percent 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 if paid by the extension due date.

LINE 36—INTEREST. If you paid your Kansas privilege tax after the original due date, compute interest at the rate of **.333% per month** or **4 percent per annum** (or portion thereof) on the balance due and enter result on line 36. Interest is to be computed in whole months.

LINE 37—PENALTY. If you paid your Kansas privilege tax after the due date, compute the penalty at 1 percent for each month (or fraction thereof) the return is late, or tax is unpaid, on the balance due – to a maximum of 24 percent.

LINE 38—ESTIMATED TAX PENALTY (K-230). If underpayment of estimated tax penalty is due, enter the penalty amount on line 38 and enclose Schedule K-230 with the return. If you are annualizing to compute the penalty, and meet an exception, check the box on line 38. Any financial institution which began a business in Kansas during this period is not required to file a declaration, and no underpayment of estimate tax penalty will be imposed.

LINE 39—TOTAL TAX, INTEREST, AND PENALTY DUE. Add lines 35 through 38 and enter the result. Complete Form K-130V, Privilege Tax Payment Voucher, and enclose it with your return and payment (do not use staples or tape to attach your documents together). Make your check or money order payable to *Kansas Privilege Tax*. A balance due less than $5 need not be paid.

OVERPAYMENT

LINE 40—OVERPAYMENT. If line 34 is greater than the sum of line 27 and line 38, subtract the sum of line 27 and line 38 from line 34 and enter the result on line 40.

LINE 41—REFUND. Enter the amount of line 40 you wish to be refunded. No refund will be made for amounts less than $5.

LINE 42—CREDIT FORWARD. Enter the portion of line 40 you wish to have applied to your 2017 Kansas estimated privilege tax (must be $1 or more). If the amount on line 40 is less than $5, you may carry it forward to 2017 as an additional credit even if you don't make estimated tax payments. The amount on this line cannot exceed the total of line 28 and 29.

SIGNATURE and VERIFICATION

The return must be signed and sworn to by the president, vice-president, or other principal officer. If the return is prepared by a firm or corporation, the return should be signed in the name of the firm or corporation. Any person or persons who prepares the return for compensation must sign the return and provide their EIN (Employer Identification Number) or SSN (Social Security Number).

LINE INSTRUCTIONS FOR FORM K-130, PAGES 3 AND 4

PART I—ADDITIONAL INFORMATION

All corporations must answer all questions in Part I.

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

Every corporation must complete the information required in this section for every affiliated corporation doing business in Kansas. If additional space is needed, enclose a separate schedule.

PART III—SCHEDULE OF NONREFUNDABLE CREDITS

Every corporation must complete this section when claiming a Kansas *nonrefundable* tax credit. If you are eligible to claim any of the credits listed in this section, **complete the appropriate schedule(s) and enclose them with your Kansas Privilege Tax return**. Credit schedules and instructions are available from our office or website (see back cover).

Lines 1 through 7: Enter on lines 1 through 7 any *nonrefundable* tax credits for which you are eligible.

If you have a Community Service Contribution Credit (K-60) **with no refund**, enter the credit amount in this nonrefundable credit section. If you have a **refundable credit** on Schedule K-60, enter the credit amount on line 31 on the back of Form K-130.

Credit	Required Schedule
Business and Job Development (for carry forward use only)	K-34
Historic Preservation	K-35
Disabled Access	K-37
Venture Capital (for carry forward use only)	K-55
High Performance Incentive Program	K-59
Community Service Contribution	K-60
Low Income Student Scholarships	K-70
Declared Disaster Capital Investment (for carry forward use only)	K-87

IMPORTANT—*If you are claiming the refundable* ***Child Day Care Assistance Credit (K-56)****, do not report any part of the credit in this nonrefundable credit section; instead enter the total amount of your credit on line 30, back of Form K-130.*

Line 8: Add lines 1 through 7 and enter the total on line 8. Enter this amount on line 26, page 2 of Form K-130.

PART IV—COMPUTATION OF FEDERAL TAXABLE INCOME FOR S CORPORATIONS

Complete the lines in Part IV if you are reporting income as a S corporation for federal purposes. Kansas begins with federal taxable income rather than ordinary income for computation of privilege tax.

You must complete and enclose Parts V, VI, and VII of Form K-130AS with your Kansas return if the financial institution is doing business inside and outside of Kansas and utilizing the apportionment formula to determine Kansas income.

PART V—APPORTIONMENT FORMULA

Part V is to be used by corporations with income derived from sources both within and outside of Kansas for the purpose of allocating and apportioning income. All business income is multiplied by a fraction, the numerator of which is the property factor plus the payroll factor plus the receipts factor, and the denominator of which is three (3). Descriptions of each of the factors in the three-factor formula follow. The laws applicable to these factors are contained in K.S.A. 79-1130 through 79-1132. You may access these laws in the Kansas Department of Revenue's Policy Library at: **ksrevenue.org**

Line A—Property Factor: The property factor shall include all real and tangible personal property owned or rented and used during the income year and the average value of the taxpayer's loan and credit card receivables. Property used in connection with the production of nonbusiness income shall be excluded from the factor. Property shall be included in the property factor if it is actually used or is available for or capable of being used during the income year for the production of business income. Property used in the production of business income shall remain in the property factor until its permanent withdrawal is established by an identifiable event such as its sale or conversion to the production of nonbusiness income.

The numerator of the property factor shall include the average value of the taxpayer's real and tangible personal property owned and located or used in this state during the income year plus the value of rented real and tangible personal property so used. Property owned by the taxpayer in transit between locations of the taxpayer shall be considered to be at the destination for purposes of the property factor. Property in transit between a buyer and seller which is included by a taxpayer in the denominator of its property factor in accordance with its regular accounting practices shall be included in the numerator according to the state of destination. Transportation property is included in the numerator to the extent the property is used in this state. If the extent of the use of any transportation property within this state 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.

Property owned by the taxpayer shall be valued at its original cost or other basis of such property for federal income tax purposes without regard to depletion, depreciation or amortization. Property rented by the taxpayer is valued at eight times the gross annual rental rate. As a general rule the average value of property owned by the taxpayer shall be determined by averaging the values at the beginning and ending of the income year. However, the Director of Taxation may require or allow averaging by monthly values if such method of averaging is required to properly reflect the average value of the taxpayer's property for the income year.

Loans are valued at their outstanding principal balance, without regard to any reserve for bad debts. If a loan is charged off in whole or in part for federal income tax purposes, the portion of the loan charged off is not outstanding. Loans are considered to be located within this state if it is properly assigned to a regular place of business of the taxpayer within this state at the time the loan was made; or, in the case of a loan which is assigned by the taxpayer to a place without this state which is not a regular place of business, it shall be presumed, subject to rebuttal by the taxpayer on a showing supported by a preponderance of the evidence, that substantive contacts regarding the loan occurred within this state if, at the time the loan was made the taxpayers commercial domicile was within this state.

Credit card receivables are valued at their outstanding principal balance, without regard to any reserve for bad debts. If a credit card receivable is charged off in whole or in part for federal income tax purposes, the portion of the receivable charged off is not outstanding. In determining the location of credit card receivables, credit card receivables are treated as loans and shall be subject to the same rules outlined above.

Line B—Payroll Factor: The payroll factor shall include the total amount paid by the taxpayer for compensation during the tax period. The total amount "paid" to the employees is determined upon the basis of the taxpayer's accounting method. If the taxpayer has adopted the accrual method of accounting, all compensation properly accrued shall be deemed to have been paid. Notwithstanding the taxpayer's method of accounting, at the election of the taxpayer, compensation paid to employees may be included in the payroll factor by use of the cash method if the taxpayer is required to report such compensation under such method for unemployment compensation purposes. The term "compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services. Payments made to an independent contractor are excluded. Only amounts paid directly to employees are included in the payroll factor. The compensation of any employee on account of activities which are connected with the production of nonbusiness income shall be excluded from the factor. The denominator of the payroll factor is the total compensation paid everywhere during the income year.

The numerator of the payroll factor is the total amount paid in Kansas during the income year by the taxpayer for compensation. Compensation is paid in Kansas if any one of the following tests, applied consecutively, are met: (a) The employee's service is performed entirely within Kansas; (b) The employee's service is performed both inside and outside Kansas, but the service performed outside Kansas is *incidental* to the employee's service inside Kansas (the word *incidental* means any service which is temporary or transitory in nature, or which is rendered in connection with an isolated transaction); (c) If the employee's services are performed both inside and outside Kansas, the employee's compensation will be attributed to Kansas: (i) if the employee's principal base of operations is in Kansas; or (ii) if there is no base of operations in any state in which some part of the service is performed, but the place from which the service is directed or controlled is in Kansas; or (iii) if the base of operations and the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the employee's residence is in Kansas. The term "base of operation" is the place from which the employee starts his work and to which he customarily returns in order to receive instructions from the taxpayer or communications from his customers or other persons, or to replenish stock or other materials, repair equipment, or perform any other functions necessary to the exercise of his trade or profession at some other point or points.

Line C—Receipts Factor: The receipts factor is defined as a fraction, the numerator of which is the receipts of the taxpayer in this state during the taxable year and the denominator of which is the receipts of the taxpayer within and without this state during the taxable year. The receipts factor shall include only those receipts which constitute business income and are included in the computation of the apportionable income base for the taxable year. The method of

calculating receipts for purposes of the denominator is the same as the method used in determining receipts for purposes of the numerator. The following are rules for determining numerator "receipts" of various activities:

(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 percent 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.

K-131

(Rev. 7/14)

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)

PART I KANSAS COMBINED NET INCOME

	Corporation A	Corporation B	Eliminations (explain below)	Combined Income
Enter separate corporate names and federal Employer Identification Numbers (EIN)				
1. Federal taxable income				
2. Total state and municipal interest				
3. Federal net operating loss deduction				
4. Savings and Loan Association bad debt deduction included in federal deductions				
5. Other additions to federal taxable income (enclose schedule)				
6. Total additions to federal taxable income (add lines 1 through 5)				
7. Subtractions from federal taxable income (enclose schedule)				
8. Net income before apportionment (subtract line 7 from line 6)				
9. Nonbusiness income—Total company (enclose schedule)				
10. Apportionable business income (subtract line 9 from line 8)				
11. Percent to Kansas (from line 5, Part II)				
12. Amount to Kansas (line 10 combined income multiplied by line 11, Corp. A & B				
13. Nonbusiness income—Kansas (enclose schedule)				
14. Kansas expensing recapture (see instructions for K-120EX)				
15. Kansas expensing deduction (see instructions for K-120EX)				
16. Kansas net income (add lines 12, 13, & 14; then subtract line 15)				
17. Kansas net operating loss deduction (enclose schedule)				
18. Kansas net income before Kansas bad debt deduction (subtract line 17 from line 16)				
19. Kansas savings and loan bad debt deduction (enclose schedule)				
20. Kansas taxable income (subtract line 19 from line 18; enter result here and on line 20, page 2 of Form K-130)				
21. Normal tax (2.25% of line 20)				
22. Surtax: A. Banks (2.125% of amount on line 20 in excess of $25,000)				
B. Savings and loans and trust companies (2.25% of amount on line 20 in excess of $25,000)				
23. Total tax (line 21 plus line 22A or line 22B; enter on line 24, page 2 of Form K-130)				

EXPLANATION OF ELIMINATIONS:

ENCLOSE A COPY OF FEDERAL FORM 851 TO 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.)

PART II APPORTIONMENT FORMULA FOR FORM K-131

	Corporation A Within Kansas		Corporation B Within Kansas		Total Company		Percent Within Kansas
	Beg. of Year	End of Year	Beg. of Year	End of Year	Beg. 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 Corp A by Total Company)	1A	
Percentage: Corporation B (Divide Corp 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 Corp A by Total Company)	2A	
Percentage: Corporation B (Divide Corp 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) Merchants discount						
(5) Services						
(6) Investment 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						
(e) Attribution of certain receipts to commercial domicile						
TOTAL RECEIPTS						

Percentage: Corporation A (Divide Corp A by Total Company)	3A	
Percentage: Corporation B (Divide Corp B by Total Company)	3B	

4. Total Percent: Corporation A (Add lines 1A, 2A, and 3A)	4A	
Corporation B (Add lines 1B, 2B, and 3B)	4B	

5. Average Percent: Corporation A (To Line 12, Part I, Page 1)	5A	
Corporation B (To Line 12, Part I, Page 1)	5B	

State of Kansas
Department of Revenue
Docking State Office Building, 915 SW Harrison St.
Topeka, KS 66612-1588

PRESORT STD
U.S. POSTAGE
PAID
PERMIT #460
TOPEKA, KS

Taxpayer Assistance

ksrevenue.org

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

Tax Assistance Center
Docking State Office Building - 1st floor
915 SW Harrison Street
Topeka, KS 66612-1588

PHONE: 785-368-8222
FAX: 785-291-3614

HOURS: 8 a.m. to 4:45 p.m. (M-F)

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 Kansas 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 Kansas Department of Revenue. Visit **ksrevenue.org** for a list of approved software vendors.
- If you are "reproducing" your own tax forms, contact the Kansas Department of Revenue for information on the approval process.

K-130V

Rev. 7-15

FOR OFFICE USE ONLY

2016 KANSAS
PRIVILEGE TAX
PAYMENT VOUCHER

For the taxable year beginning _____ ending _____

Employer Identification Number

Corporation Name			
Corporation Address			Name or Address Change
City, Town, or Post Office	State	Zip Code	
Name of Contact Person		Phone Number	

Amended Payment

Extension Payment

PAYMENT AMOUNT $

Make check or money order payable to: Kansas Privilege Tax

DO NOT SUBMIT PHOTOCOPIES OF THIS FORM

179115