This is **not** a **current year tax form** and **cannot be used to file a 2009 return.** If you use this form for a tax year other than is intended, it **will not be processed.** Instead, **it will be returned to you** with a request to submit your information on the proper form.

If you need a current year Kansas tax form, send your request through email at forms@kdor.ks.gov or call our voice mail forms request line at 785-296-4937. Please allow 2 weeks for delivery.

FORM LOCATED BELOW, PLEASE SCROLL OR PAGE DOWN.

Kansas Department of Revenue
www.ksrevenue.org

KANSAS

Franchise Tax Booklet

Forms and Instructions

2004

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Important Information

Beginning with Tax Year 2004, the Kansas Department of Revenue will administer the Kansas Franchise Tax. Forms and instructions for filing the Franchise Tax are contained herein. In general, the Franchise Tax is imposed on for-profit entities, registered with the Kansas Secretary of State, with net worth of $100,000 or more located in Kansas. Additionally, the Kansas legislature (2004 Senate Bill 147) reduced the Franchise Tax rate from 0.2% to 0.125%, and capped the tax at $20,000 for the 2004 Tax Year.

The Kansas Secretary of State's office will continue to receive the Annual Reports and the Franchise Fee. Consult the Secretary of State's web site for more information: http://www.kssos.org/main.html

Tips to Improve the Processing of Your Return

- Use only black or dark blue ink and write legibly so that our computer system can properly read each letter and number.
- KDOR (Kansas Department of Revenue) will use your Employer Identification Number (EIN) as part of your tax account number. To ensure that your account information is credited properly, include your EIN on your return.
- Enclose, but do not staple or otherwise attach pages of the return, payment voucher or check together.
- Do not send photocopies of the return, only send the original.
- If you use a software package to produce your return, be sure it is approved by KDOR. Visit our web site for a list of approved software vendors at **www.ksrevenue.org**.
- If you are **reproducing your own forms**, please call (785) 296-2460 for information on the approval process.

GENERAL INSTRUCTIONS

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

Who Must File a Return

A Kansas Franchise Tax return must be filed by any of the following entities that are duly registered and authorized to do business in Kansas by the Secretary of State, regardless of whether such entity has a franchise tax liability:

- foreign or domestic for profit corporation which has taxable equity attributable to Kansas of $100,000 or more.
- foreign or domestic professional corporation or association which has taxable equity attributable to Kansas of $100,000 or more.
- foreign or domestic limited liability company which has net capital accounts located or used in Kansas at the end of the preceding taxable year as required to be reported on the federal partnership return of income of $100,000 or more.
- foreign or domestic limited partnership which has net capital accounts located or used in Kansas at the end of the preceding taxable year as required to be reported on the federal partnership return of income of $100,000 or more.
- foreign or domestic limited liability partnership which has net capital accounts located or used in Kansas at the end of the preceding taxable year as required to be reported on the federal partnership return of income of $100,000 or more.
- foreign or domestic one-member limited liability company taxed as a sole proprietorship which has net book value of the limited liability company as calculated on an income tax basis located or used in Kansas at the end of the preceding taxable year of $100,000 or more.
- domestic business trust which has corpus as shown on its balance sheet at the end of the preceding taxable year as required to be reported to the Secretary of Revenue of $100,000 or more.
- foreign business trust which has a corpus which is located in or which it uses or intends to use in Kansas as shown on its balance sheet at the end of the preceding taxable year as required to be reported to the Secretary of Revenue of $100,000 or more.

When to File

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

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 your tax year.

Amended Returns: In general, amended returns must be filed with the Department of Revenue within three (3) years of when the original return was filed. If the amended return will result in a refund the amended return must be filed within three (3) years of when the original return was filed, or within two (2) years from the date the tax was paid, whichever is later.

Where to File

Use the preaddressed envelope in this tax booklet to mail your tax return. This envelope is designed for use in our automated mail-opening equipment and will expedite the processing of your return. If you are expecting a refund place an "X" in the box on the front of the envelope. If your envelope has been misplaced, mail your return to the following address:

KANSAS FRANCHISE TAX
KANSAS DEPARTMENT OF REVENUE
915 SW HARRISON ST.
TOPEKA, KS 66699-5000

If You Need Forms

Kansas tax forms are available from our Taxpayer Assistance Center or by calling our voice mail forms request line at (785) 296-4937 and from our web site at **www.ksrevenue.org**.

Important: Due to the sensitivity of the Department's imaging equipment for tax return processing only an original preprinted form or an approved computer-generated version should be filed.

Extension of Time to File

If you are unable to complete your Franchise Tax return by the filing deadline you may request an extension of time to file. If you filed federal form 7004 with the Internal Revenue Service for an extension of time, enclose a copy of that form with your completed K-150 return to *automatically receive a six-month extension to file your Franchise return.* If you did not file a federal 7004, you may submit a written explanation with the filing of the completed K-150 return to receive a six-month extension.

An extension of time to file is not an extension of time to pay. However, if an extension of time to file is granted, no penalty will be imposed if 90% of the tax liability is paid on or before the original due date.

To pay the tax balance due for an extension, use the Kansas Franchise Tax Payment Voucher (K-150V) located in this book. Check the box indicating extension payment.

Payment of Tax

Calendar Year: If your return is based on a calendar year the tax must be paid no later than April 15.

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

Extension of Time to Pay

If you are unable to pay your Franchise Tax when it is due, you may request, in writing, an extension of time for the payment of tax for a reasonable period not to exceed six months. Any extension may exceed six months in the case of a taxpayer who is abroad. Interest accrues at the rate prescribed by K.S.A. 79-2968 during the extension period.

Completing Your Return

All applicable lines of Form K-150 must be completed. Be certain to complete all boxes in the Taxpayer Information section of the return.

The Form K-150 must be accompanied by a balance sheet listing all assets and liabilities as of the end of the tax year. **A federal balance sheet may be submitted, or the Kansas Balance Sheet on the back of Form K-150 may be used.** In the case of a business trust the balance sheet shall be as of the end of the tax period, certified by the trustee, fairly and truly reflecting the trust assets and liabilities and specifically setting out its corpus. In the case of a foreign business trust the balance sheet shall also fairly and truly reflect an allocation of its moneys and other assets as between those located, used or to be used in Kansas and those located, used or to be used elsewhere.

In addition, Form K-150 must be accompanied by sufficient information to show the allocation and apportionment calculations used in computing the amount of the tax.

SPECIFIC LINE INSTRUCTIONS

TAXPAYER INFORMATION

Beginning and Ending Dates: Enter the beginning and ending dates of the tax year for the corporation or entity, even if your tax year is a calendar year. Enter the dates as mm/dd/yyyy.

Name and Address: Please PRINT or TYPE the entity's name and address. If either the name or address changed since last year, mark an "X" in the name/address change box.

Additional Information: Complete all the requested information. Be sure to indicate the type of ownership or form of entity for which you are filing a return.

Federal Tax Type Used: Place an "X" on the appropriate line that represents the type of federal tax form used by this entity. If not listed, place an "X" by "Other" and indicate form type. For example, a single entity LLC would indicate "Other" and enter "1040".

KANSAS PERCENTAGE

Enter all percentages rounded to the fourth decimal point.

LINE 1 – AVERAGE VALUE OF REAL AND TANGIBLE PERSONAL PROPERTY OWNED OR RENTED DURING THE TAXABLE YEAR: Enter the average value of the corporation's or entity's real and tangible personal property owned or rented in Kansas during the next preceding tax period. Enter the average total value of the corporation's or entity's real and tangible personal property owned or rented everywhere and used during the next preceding tax period. Divide the average value of the corporation's or entity's real and tangible personal property owned or rented in Kansas during the next preceding tax period by the average total value of the corporation's or entity's real and tangible personal property owned or rented everywhere and used during the next preceding tax period.

LINE 2 – TOTAL PAYROLL: Enter the total amount of payroll paid by the corporation or entity in Kansas during the next preceding tax period. Enter the total amount of payroll paid everywhere by the corporation or entity during the next preceding tax period. Divide the total amount of payroll paid by the corporation or entity in Kansas during the next preceding tax period by the total amount of compensation paid everywhere by the corporation or entity during the next preceding tax period.

LINE 3 – SALES: Enter the total sales of the corporation or entity in Kansas during the next preceding tax period. Enter the total sales of the corporation or entity everywhere during the next preceding tax period. Divide the total sales of the corporation or entity in Kansas during the next preceding tax period by the total sales of the corporation or entity everywhere during the next preceding tax period.

LINE 4 – AVERAGE PERCENT TO KANSAS: Add the percentages on lines 1 through 3 and divide by the number of factors used.

TAX COMPUTATION

LINE 5 – NET WORTH (TOTAL SHAREHOLDERS EQUITY): For a corporation, enter the total amount of shareholder's equity. "Shareholder's equity" means the sum of: (1) paid-in capital stock, except that paid-in capital stock does not include any capital stock issued by a corporation and reacquired by such corporation through gift, purchase or otherwise and available for resale or retirement; (2) capital paid in, in excess of par; and (3) retained earnings. This same information should be listed on the corporation's federal income tax return.

For a limited liability company, enter the net book value as calculated on an income tax basis.

For a limited partnership or limited liability partnership, enter the net capital accounts as stated on the federal income tax return.

LINE 6 – AVERAGE PERCENTAGE: Enter the average percentage shown on line 4.

LINE 7 – KANSAS NET WORTH (SHAREHOLDER'S EQUITY ATTRIBUTABLE TO KANSAS): Multiply line 5 by line 6. Enter the result on line 7.

LINE 8 – TOTAL KANSAS FRANCHISE TAX: Multiply line 7 by .125% (.00125). If the result is $20,000 or less, enter the result on line 8. If the result is more than $20,000, enter $20,000 on line 8.

LINE 9 – AMOUNT PAID WITH EXTENSION: Enter the amount paid with your extension of time to file.

LINE 10 – REFUND: If the amount on line 9 is greater than the total Kansas franchise tax on line 8, subtract line 8 from line 9 and enter the result on line 10. No refund will be made for amounts less than $5.00. Before mailing, mark an "X" in the refund box on the front of the envelope.

LINE 11 – TAX DUE: If the amount on line 8 is greater than the amount paid with extension on line 9, subtract line 9 from line 8 and enter the result on line 11.

LINE 12 – INTEREST: Effective for calendar year 2005 - if you paid your Kansas tax after the original due date, compute interest at the rate of .417% per month (or fraction thereof) on the amount on line 8. Enter the result on line 12. Interest is to be computed in whole months.

LINE 13 – PENALTY: If you paid your Kansas tax after the original due date, compute penalty at 1% for each month (or fraction thereof) the tax is unpaid on the amount on line 8, up to a maximum of 24%. Enter this amount on line 13.

LINE 14 – TOTAL TAX, INTEREST AND PENALTY DUE: Add lines 11, 12 and 13. Enter the result on line 14.

The Department of Revenue offers two different payment options to pay your Kansas Franchise Tax:

Direct Payment. This payment option is available if you WebFile. It is not available if you file a paper Form K-150 return. When you select Direct Payment and provide your bank routing number and bank account number, you are authorizing the Department to initiate an electronic payment from your bank account for payment of your balance due.

K-150
(10/04)

DO NOT STAPLE

2004 KANSAS FRANCHISE TAX

680104

For the taxable year beginning ____ ____ ____ ____ ____ ____ ____ ____ ; ending ____ ____ ____ ____ ____ ____ ____ ____

TAXPAYER INFORMATION

Name

Number and Street of Principal Office

City State Zip Code

☐ **If your name or address has changed since last year, mark an "X" in this box.**

Business Activity Code (NAICS): ____ ____ ____ ____ ____ ____

Date Business Began in KS (mm/dd/yyyy): ____ ____ ____ ____ ____ ____ ____ ____

Date Business Discontinued in KS (mm/dd/yyyy): ____ ____ ____ ____ ____ ____ ____ ____

State of Commercial Domicile: ____ ____

Employer ID Numbers (EINs)
(Enter both if applicable)

EIN this entity: ____ ____ ____ ____ ____ ____ ____ ____ ____

EIN Federal Consolidated Parent: ____ ____ ____ ____ ____ ____ ____ ____ ____

Federal Form Type Used:

☐ Corporate (1120) ☐ Corporate Short Form (1120A) ☐ Business Trust (1120) ☐ Other: _____

☐ Co-op (1120) ☐ Small Business (1120S) ☐ Partnership (1065)

KANSAS PERCENTAGE

NOTE: This form must be accompanied by a balance sheet listing all assets and liabilities as of the end of the tax year.

	TOTAL IN KANSAS		TOTAL EVERYWHERE		PERCENT TO KANSAS
1. Average value of real and tangible personal property owned or rented during the taxable year . .	$ _____	divided by	$ _____	=	1
2. Total payroll	$ _____	divided by	$ _____	=	2
3. Sales	$ _____	divided by	$ _____	=	3
4. Average percent to Kansas (Add percentages on lines 1 through 3 and divide by the number of factors used)					4

TAX COMPUTATION

5. Net worth (Total shareholders equity)	5	
6. Average percent (Enter percentage from Line 4).	6	
7. Kansas net worth (Multiply line 5 by line 6)	7	
8. Total Kansas franchise tax (Multiply line 7 by .00125; cannot be more than $20,000)	8	
9. Amount paid with extension.	9	
10. Refund (If line 9 exceeds line 8)	10	
11. Tax due (If line 8 exceeds line 9).	11	
12. Interest (See instructions)	12	
13. Penalty (See instructions)	13	
14. Total tax, interest and penalty due (Add lines 11, 12 and 13) **(Complete Form K-150V)**	14	

SIGNATURES

☐ 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

Mail to: **Kansas Franchise Tax**
Kansas Department of Revenue
915 SW Harrison Street
Topeka, KS 66612-1588

KANSAS BALANCE SHEET

A balance sheet listing all assets and liabilities as of the end of the tax year must be included with Form K-150. A federal balance sheet may be submitted, or you may use the following Kansas Balance Sheet.

	Beginning of tax year		End of tax year	
Assets	**(a)**	**(b)**	**(c)**	**(d)**
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments				
10a Buildings and other depreciable assets				
b Less accumulated depreciation				
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets				
15 Total assets				
Liabilities				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities				
19 Loans from shareholders				
20 All nonrecourse loans				
21 Mortgages, notes, bonds payable in 1 year or more				
22 Other liabilities				
23 Capital stock (preferred and common)				
24 Additional paid-in capital				
25 Retained earnings (appropriated and unappropriated)				
26 Adjustments to shareholders' equity				
27 Less cost of treasury stock				
28 Partners' capital accounts				
29 Total liabilities and shareholders' equity				

K-150V

(7/04)

FOR OFFICE USE ONLY

2004 KANSAS
FRANCHISE TAX VOUCHER

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

Name		
Number and Street or Principal Office		
City, Town, or Post Office	State	Zip Code
Name of Contact Person		Phone Number

Employer Identification Number

Name or Address Change

Extension Payment

Make check or money order payable to: Kansas Franchise Tax

DO NOT SUBMIT PHOTOCOPIES OF THIS FORM

PAYMENT AMOUNT $

680204

Direct Payment allows you to "file now, pay later". For example, if you file your return on February 20 and elect Direct Payment for a return due April 15th, our automated debit request will not occur until the April 15th due date.

With Direct Payment you are also assured that your payment is made on time. Direct Payment authorizations on returns filed by midnight of their due date are considered to be timely paid.

Direct payment saves time since there is no check to write and no K-150V voucher to complete and mail. If you need to revoke your election of this payment authorization you must notify the Department at 1-800-525-3901 by 4:00 PM two business days before the scheduled payment date.

Before deciding to use Direct Payment please check with your financial institution to be sure they allow an electronic debit (withdrawal) from your bank account.

Check or Money Order. If you chose this payment option you must complete Form K-150V, Franchise Tax Voucher, and enclose it with your return and payment. Write your EIN number on your check or money order and make it payable to "Kansas Franchise Tax". DO NOT send cash. DO NOT staple or tape your payment to the Form K-150 or K-150V. Instead, enclose it loosely with your return. A balance due of less than $5.00 does not need to be paid.

Returned check charge: A fee of $30.00, plus costs for a registered letter (approximately $8.00), is charged on all returned checks.

SIGNATURE AND VERIFICATION

The return filed for a corporation must be signed and sworn to by the president, vice president, or other principal officer of the corporation. The return filed for a limited liability partnership must be signed by a partner of the limited liability partnership. The return filed for a limited liability company must be signed by a member of the limited liability company.

Any person or persons who prepares the return for compensation must sign the return.

EFT and ONLINE PAYMENTS

How & When to Apply to Use EFT

The easiest way to ***file*** *and* ***pay*** Kansas Franchise Tax is through our Online Business Center at **www.webtax.org**. With this system you can also make *electronic* ***payments*** for most business tax types such as, Withholding Tax, Privilege Tax, Corporate Income Tax, or Corporate Estimate Tax. All you need to get started in the Online Business Center is your personal identification numbers (PINs) that are assigned for each tax type. Please call our Electronic Services staff at 1-800-525-3901 for your PIN assignment(s).

Alternative electronic payment methods will require you to submit the EF-101, Authorization for Electronic Funds Transfer. We will need this form if you decide to pay electronically as an ACH Credit, or if you choose to initiate your payment through our touch-tone telephone service. The EF-101 is available on our website or you can request it from our office by calling the number above.

More Online Options

The Online Business Center simplifies your Kansas business tax payments by having all of your tax accounts available in one "easy to access" location at **www.webtax.org**. The first time you use the Online Business Center, you will initiate your payment with your nine-digit federal Employer Identification Number (EIN), or license number and your seven-digit Personal Identification Number (PIN). After your initial payment, you will no longer be required to enter the specific PIN that relates to each tax type. Instead, you will access the Online Business Center by entering a user name and password created by you.

You are also able to file your Kansas Retailers' Sales and Use Tax returns in the secure environment of our new online tax management system. If you compile your sales and use reporting information in a computer-based spreadsheet, the Online Business Center allows the capability to upload your reporting data in an easy-to-format file from your desktop folder to the online application. Otherwise, you can manually enter your information, saving and storing it until the time you are ready to submit your completed tax return.

Please visit us at www.webtax.org for the most up-to-date electronic information.

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

PRSRT STD
U.S. POSTAGE
PAID
KANSAS DEPT.
OF REVENUE

Taxpayer Assistance

BY PHONE

If you have a question about completing your Kansas Franchise Tax return, call 785-368-8222 to speak with a customer representative.

If you prefer, you may fax information to 785-291-3614.

TTY Users
Telecommunications
Device for the Deaf
785-296-6461

IN PERSON

Personal assistance to complete your return is also available at the following location:

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

Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

REQUEST FOR TAX FORMS - 785-296-4937

Tax forms are available at most city and county clerk offices, banks, libraries, and other places of convenience. To obtain forms by mail, contact the Kansas Department of Revenue voice mail system at 785-296-4937. You will be asked to give your name, address, telephone number, and form(s) you desire. Please allow about two weeks for delivery of your form(s). Tax forms can also be found on the Department of Revenue's web site at **www.ksrevenue.org**.