FORM K-40
LINE-BY-LINE INSTRUCTIONS

TAXPAYER INFORMATION

Label: If you have a pre-addressed label (located on the back cover of this booklet) and the name and address information is correct, place it on your Form K-40 in the space provided **after** you have completed your return.

Name and Address: If you do not have a pre-addressed label, or if the information on the label is incorrect, PRINT or TYPE your name and address in the spaces provided. Be sure to include your apartment or lot number, if applicable, to assure delivery of your refund or correspondence.

School District and County: ***Residents***—Using the list on pages 30 and 31, enter your school district and county abbreviation for where you resided on December 31, 2005. ***Nonresidents*—**Leave these boxes blank.

Name or Address Change Box: If your name or address has changed since your last Kansas return was filed, mark an "X" in the box below the name and address area.

Deceased Taxpayer Box: If the taxpayer (or spouse, if filing a joint return), died during 2005, mark an "X" in the appropriate box below the name and address area.

First Four Letters of Last Name: Using ALL CAPITAL letters, enter the first four letters of your last name and that of your spouse in the boxes provided. If your last name has less than four letters, leave the remaining box(es) empty.

Social Security Number: You must enter the Social Security number(s) in the boxes on your return. In order to improve the confidentiality of your tax information, your Social Security numbers are not printed on your label.

Telephone Number: Should a problem arise in processing your return, it is helpful if we have a telephone number where you can be reached during our office hours. It will be kept confidential.

FILING INFORMATION

Filing Status: Your Kansas filing status must be the same as your federal filing status. If your federal filing status is **QUALIFYING WIDOW(ER) WITH DEPENDENT CHILD**, check the **HEAD OF HOUSEHOLD** box.

If you and your spouse file a joint Federal return, you must file a joint Kansas return, even if one of you is a nonresident. If you and your spouse file separate Federal Income Tax returns, you must file separate Kansas returns.

Amended Return. If you are filing an amended return for tax year 2005, place an "X" in the AMENDED box and in the appropriate sub-box indicating the reason you are filing an amended return.

*If you are filing an amended return, you **cannot** change the filing status from "joint" to "separate" after the due date has passed for filing a separate return (April 15th for calendar year taxpayers).*

Residency Status: Check the appropriate box for your residency status (see the definitions that begin on page 11).

If you and your spouse file a joint Federal Income Tax return and one of you is a nonresident of Kansas, you must file a joint nonresident Kansas return.

Exemptions: Enter the number of exemptions claimed on your federal return. If your filing status is "Head of Household," you are allowed an additional exemption on your Kansas return; enter a "1" in the box provided. Enter the total number of exemptions in the "Total Kansas exemptions" box. **Important**—If you are claimed as a dependent by another taxpayer, enter "0" in the "Total Kansas exemptions" box.

FOOD SALES TAX REFUND

To qualify for a refund of sales tax paid on food purchases, you must meet the qualifications for residency, taxpayer status, and qualifying income.

Residency: You must been domiciled in Kansas for the entire 12 months of 2005. To be "domiciled in Kansas" means you have established a permanent residence in Kansas and intend to remain in Kansas. If you resided in Kansas less than 12 months of 2005, you do not qualify for the Food Sales Tax refund, even if your filing status shown on Form K-40 is "Resident."

Taxpayer Status: If you meet the Residency qualification above, answer these questions:

1) Were you 55 years of age or older during 2005 (born prior to January 1, 1951)? ☐ Yes ☐ No
2) Were you totally and permanently disabled or blind during 2005 (regardless of age)? ☐ Yes ☐ No
3) Did you have a dependent child who lived with you the entire year who was born before January 1, 2005 and was under the age of 18 all of 2005? ☐ Yes ☐ No

If you answered "Yes" to one or more of these questions, you meet the taxpayer status qualification.

Qualifying Income: The income limit for a Food Sales Tax refund is $27,600. If you met the first two qualifications, complete the worksheet on page 6.

If you meet ALL of the qualifications for residency, taxpayer status, and qualifying income, **complete Form K-40, the TeleFile Worksheet**, **or WebFile**, whichever method of filing you prefer.

INCOME

If the amounts on lines 1, 2, or 3 are negative numbers, be sure to shade the minus (–) in the box to the left of the negative number.

LINE 1 — FEDERAL ADJUSTED GROSS INCOME

Enter on line 1 your Federal **adjusted** gross income as reported on your 2005 Federal Income Tax return.

LINE 2 — MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

Many taxpayers will not have any modifications. If you do not have any modifications, skip line 2 and enter the amount from line 1 on line 3.

However, if you have income that is taxable at the federal level but not taxable to Kansas, or have income that is exempt from federal taxation but taxable to Kansas, you must complete Part A of Schedule S. Review the instructions on page 21 to determine if you have any modifications to your Federal adjusted gross income.

LINE 3 — KANSAS ADJUSTED GROSS INCOME

If line 2 is a positive amount, add lines 1 and 2 and enter the total on line 3. If line 2 is a negative amount (be sure to shade the minus (–) in the box to the left of the amount), subtract line 2 from line 1 and enter the result on line 3.

NOTE: If the amount on line 3 is $27,600 or less, you may qualify for the Food Sales Tax refund. Review the qualifications on page 14 and the qualifying income worksheet on page 6.

DEDUCTIONS

LINE 4 — STANDARD OR ITEMIZED DEDUCTIONS

If you did not itemize your deductions on your federal return, you must take the standard deduction on your Kansas return. If you itemized your deductions on your federal return, you may either itemize on your Kansas return (by completing Itemized Deduction Worksheets I or II) or take the Kansas standard deduction, whichever is to your advantage.

If you are married and file separate returns, you and your spouse must use the same method of claiming deductions. If one of you itemize your deductions, then the other must also itemize.

KANSAS STANDARD DEDUCTION

Enter your Kansas standard deduction from the applicable chart or worksheet that follows.

If you can be claimed as a dependent by another taxpayer and line 1 of Form K-40 includes income other than earned income, you must use the "Standard Deduction for Dependents" worksheet.

CHART I – Standard Deduction Chart for Most People

Do not use this chart if you are 65 or older or blind, OR if someone can claim you as a dependent.

Filing status:	Enter on line 4 of Form K-40:
Single	$3,000
Married Filing Joint	$6,000
Married Filing Separate	$3,000
Head of Household	$4,500

CHART II – Standard Deduction Chart for People 65 or Older and/or Blind

If someone can claim you as a dependent, use the worksheet for dependents in the next column.

Check if: You were 65 or older ☐ Blind ☐
Your spouse was 65 or older ☐ Blind ☐

TOTAL Number of boxes checked _____

Filing status:	Number of boxes checked:	Enter on line 4 of Form K-40:
Single	1	$3,850
	2	$4,700
Married Filing Joint	1	$6,700
	2	$7,400
	3	$8,100
	4	$8,800
Married Filing Separate	1	$3,700
	2	$4,400
	3	$5,100
	4	$5,800
Head of Household	1	$5,350
	2	$6,200

STANDARD DEDUCTION WORKSHEET FOR DEPENDENTS

Use this worksheet only if someone can claim you as a dependent.

1) Enter the amount of your earned income. 1. _____
2) Minimum standard deduction. 2. $500
3) Enter the larger of lines 1 or 2. 3. _____
4) Enter the amount for your filing status:
   Single — $3,000
   Married filing joint — $6,000
   Married filing separate — $3,000
   Head of household — $4,500 4. _____
5) Enter the lesser of lines 3 or 4 5. _____
   STOP HERE if you are under 65 and not blind. Enter this amount on line 4 of Form K-40.
6) a. Check if:
   You were 65 or older ☐ Blind ☐
   Your spouse was 65 or older ☐ Blind ☐
   b. TOTAL number of boxes checked _____
   c. Multiply 6b by $850 ($700 if married filing joint or separate) 6c. _____
7) Add lines 5 and 6c. Enter here and on line 4 of Form K-40. 7. _____

KANSAS ITEMIZED DEDUCTIONS

You may itemize your deductions on your Kansas return **ONLY** if you itemized your deductions on your Federal return. Your Kansas itemized deductions are the same as your Federal itemized deductions EXCEPT Kansas does not allow a deduction for state and local income taxes.

To compute your Kansas itemized deductions, complete the worksheet applicable for your federal adjusted gross income.

ITEMIZED DEDUCTION WORKSHEET I

Federal Adjusted Gross Income of $145,950 or Less

($72,975 or less if married filing separately)

1) Total itemized deductions on line 28* of federal Schedule A. $ _____
2) State and local income taxes on line 5* of federal Schedule A. $ _____
3) Kansas itemized deductions (subtract line 2 from line 1). Enter this amount on line 4 of Form K-40. $ _____

*Federal line number references are subject to change

ITEMIZED DEDUCTION WORKSHEET II

Federal Adjusted Gross Income Over $145,950

(Over $72,975 if married filing separately)

Refer to your federal itemized deductions worksheet, in your federal 1040 instruction book, not the Federal Schedule A.

1) Divide line 9* of the "Federal Itemized Deductions Worksheet" by line 3* of that worksheet (cannot exceed 100%). _____ %
2) Enter the amount from line 5 of federal Schedule A (state and local income taxes paid). $ _____
3) Multiply line 1 by line 2. $ _____
4) Subtract line 3 from line 2. $ _____
5) Enter the amount from line 28* of federal Schedule A. $ _____
6) Subtract line 4 from line 5. Enter this amount on line 4 of Form K-40. $ _____

*Federal line number references are subject to change

LINE 5 — EXEMPTION ALLOWANCE

Multiply the total number of exemptions claimed on Form K-40 by $2,250.

Important: If you are claimed as a dependent by another taxpayer, enter "0" on line 5.

LINE 6 — TOTAL DEDUCTIONS

Add lines 4 and 5. Enter the total on line 6.

LINE 7 — TAXABLE INCOME

Subtract line 6 from line 3. Enter the result on line 7. If line 7 is less than zero, enter "0".

TAX COMPUTATION

LINE 8 — TAX

If line 7 is **$50,000 or less,** use the **Tax Tables** beginning on page 25 to find the amount of your tax.

If line 7 is **more than $50,000,** you must use the **Tax Computation Schedules** on page 29 to compute your tax. If you are married filing jointly, use Schedule I. All others will use Schedule II.

Residents – *If you are filing as a resident, skip lines 9 and 10 and go to line 11.*
Nonresidents – *If you are filing as a nonresident, you must complete Part B of Schedule S. Follow the instructions beginning on page 24.*

LINE 9 — NONRESIDENT ALLOCATION PERCENTAGE

Enter the percentage from Schedule S, Part B, line B23.

LINE 10 — NONRESIDENT TAX

Multiply line 8 by the percentage on line 9 and enter the result on line 10.

LINE 11 — KANSAS TAX ON LUMP SUM DISTRIBUTIONS

If you received income from a lump sum distribution and there has been a Federal tax imposed on this income in accordance with federal Internal Revenue Code Section 402(e), then you are subject to Kansas tax on your lump sum distribution.

If you are a resident, enter **13%** of the Federal **tax** on your lump sum distribution (determined on Federal Form 4972) on line 11. *If you are a nonresident*, leave line 11 blank.

Note: If you are paying a Federal tax on a lump sum distribution received from the Kansas Public Employees' Retirement System (KPERS), prorate the Federal tax. Divide the Kansas taxable portion of the distribution (accumulated interest plus any contributions made since July 1, 1984, that have **not** been previously added back on your Kansas income tax returns) by the total portion of the distribution.

LINE 12 — TOTAL KANSAS TAX

If you are filing this return as a **resident**, add lines **8** and **11** and enter the result on line 12.

If you are filing this return as a **nonresident,** enter the amount from line **10** again on line 12.

CREDITS

LINE 13 — CREDIT FOR TAXES PAID TO OTHER STATES

If you paid income tax to another state, you may be eligible for a credit against your Kansas tax liability. If you had income from a state that has no state income tax, make no entry on line 13 and go to line 14.

To receive this credit, you must enclose a copy of the other state(s) tax return and supporting schedules with Form K-40. Copies of the other state's W-2 forms are NOT acceptable. If claiming a foreign tax credit, and you were required to complete federal Form 1116, enclose a copy with your Kansas return.

Foreign Tax Credit: As used in this section, "state" means any state of the United States, District of Columbia, Puerto Rico, any territory or possession of the United States and any foreign country or political subdivision of a foreign country. The Kansas credit for foreign taxes is first limited to the difference between the actual tax paid to the foreign country and the foreign tax credit allowed on your federal return.

If you claimed the foreign tax paid as an itemized deduction on your federal return, no credit is allowed in this section.

Foreign Tax Credit Worksheet

A.	2005 tax paid to the foreign country	$ _____
B.	LESS: Federal foreign tax credit allowed ...	$ _____
C.	EQUALS: Kansas foreign tax limitation amount. Enter this amount on line 1 of the other state's tax credit worksheet for your Kansas residency status	$ _____

Taxes Paid to Other States by Kansas Residents: If you are a Kansas resident you may claim this credit if:

- Your total income on line 1 includes income earned in the other state(s); AND
- You were required to pay income tax to the other state(s) on that income.

IMPORTANT: Your credit is NOT the amount of tax withheld in the other state(s); your credit is determined from the "Worksheet for Residents", below. You must complete the tax return(s) for the other state(s) before using this worksheet.

If you paid taxes to more than one state, complete a worksheet for each state, combine the results, and enter the total on line 13, Form K-40.

Worksheet for Residents

1)	Amount of 2005 tax actually paid to the other state	$ _____
2)	Total Kansas tax (Line 12, Form K-40) ...	$ _____
3)	Other state's adjusted source income (In many states the adjusted source income is reported on an income allocation schedule, which should show the amount to enter here)	$ _____
4)	Kansas adjusted gross income (Line 3, Form K-40)	$ _____
5)	Percentage limitation (Divide line 3 by line 4)	_____ %
6)	Maximum credit allowable (Multiply line 2 by line 5)	$ _____
7)	Credit for taxes paid to the other state (Enter the lesser of line 1 or line 6; enter also on line 13, Form K-40)	$ _____

Taxes Paid to Other States by Nonresidents: If you are filing as a nonresident of Kansas you may claim this credit if:

- You were a Kansas resident for part of the year,
- Your total income reported to Kansas includes income earned in the other state while you were a Kansas resident, AND
- You were required to pay taxes on that other state's income.

Complete the "Worksheet for Nonresidents" to determine your credit. If the credit is based on taxes paid to more than one state, complete a worksheet for each state, combine the results, and enter the total on line 13, Form K-40.

Worksheet for Nonresidents

1)	Amount of 2005 tax actually paid to the other state	$ _____
2)	Total Kansas tax (line 12, Form K-40)	$ _____
3)	Other state's adjusted source income (In many states the adjusted source income is reported on an income allocation schedule, which should show the amount to enter here)	$ _____
4)	Kansas modified source income (Line B21, Part B, Schedule S)	$ _____
5)	Income earned in the other state while a Kansas resident (Amount of the adjusted source income in the other state for which you are taking a tax credit and which is included in your Kansas source income) ...	$ _____
6)	Percentage limitation (Divide line 5 by line 3)	_____ %
7)	Amount of other state's tax applicable to income reported to Kansas (Multiply line 1 by line 6)	$ _____
8)	Percentage limitation (Divide line 5 by line 4)	_____ %
9)	Maximum credit allowable (Multiply line 2 by line 8)	$ _____
10)	Credit for taxes paid to the other state (Enter the lesser of line 7 or line 9; enter also on line 13, Form K-40)	$ _____

LINE 14 — CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

This credit is available to residents only. Nonresidents are not eligible for this credit.

Multiply the amount of credit allowed against your Federal Income Tax liability on your federal return (from Federal Form 2441) by **25%**. Enter the result on line 14.

LINE 15 — OTHER CREDITS

Enter on line 15 the total of all other tax credits for which you are eligible. You must complete and enclose with your Form K-40 the appropriate schedule to claim any of the following credits:

Credit	Schedule Required
Adoption Credit	K-47
Agricultural Loan Interest Reduction Credit	K-51/K-52
Agritourism Liability Insurance Credit	K-33
Alternative Fuel Credit	K-62
Angel Investor Credit	K-30
Assistive Technology Contribution Credit	K-42
Business and Job Development Credit	K-34
Business Machinery and Equipment Credit	K-64
Child Day Care Assistance Credit (employers only)	K-56
Community Service Contribution Credit	K-60
Disabled Access Credit	K-37
Habitat Management Credit	K-63
High Performance Incentive Program Credit	K-59
Historic Preservation Credit	K-35
Mathematics & Science Teacher Credit	K-71
Plugging an Abandoned Gas or Oil Well Credit	K-39
Regional Foundation Contribution Credit	K-32
Research & Development Credit	K-53
Single City Port Authority	K-76
Small Employer Healthcare Credit	K-57
Swine Facility Improvement Credit	K-38
Telecommunications Property/Income Tax Credit	K-36
Temporary Assistance to Families Contribution Credit	K-61
Venture and Local Seed Capital Credit	K-55

LINE 16 — TOTAL TAX CREDITS

Add lines 13, 14, and 15 and enter the result on line 16.

LINE 17 — BALANCE

Subtract line 16 from line 12. If the result is zero or a negative amount, enter "0" on line 17.

LINE 18 — CONSUMERS' COMPENSATING USE TAX

Please refer to the explanation of this tax on page 43.

Enter on line 18 the Compensating Use Tax due on purchases of items from retailers located outside of Kansas on which no sales tax was paid (including any freight, shipping or handling fees).

If you have made untaxed out-of-state purchases, but do not know the amount, use the following Adjusted Gross Income Chart to estimate the compensating use tax for calendar year 2005.

Adjusted Gross Income Chart

Find your Kansas adjusted gross income in the chart and enter the use tax indicated on line 18 of Form K-40. For example, if the Kansas adjusted gross income on line 3 is $32,000, you would enter $25 on line 18 of Form K-40.

If Line 3, Form K-40 is at least	but less than	Enter the following Use Tax amount on Line 18, Form K-40
$0	$15,000	$ 5
$15,000	$30,000	$15
$30,000	$45,000	$25
$45,000	$60,000	$35
$60,000	$75,000	$45
$75,000 and over – multiply the amount on line 3 of Form K-40 by .068% (.00068) and round to the nearest whole dollar.		

An entry is required on line 18. If no untaxed out-of-state purchases were made or you did not live in Kansas during 2005 – enter a zero on line 18. If you are currently registered to report and remit Kansas Compensating Use Tax – continue to do so on your Compensating Use Tax return, Form CT-10U, and enter a zero on line 18.

LINE 19 — TOTAL TAX BALANCE

Add lines 17 and 18 and enter the result on line 19.

WITHHOLDING AND PAYMENTS

LINE 20 — KANSAS INCOME TAX WITHHELD

Add the Kansas withholding amounts shown on your W-2 forms (also 1099s and K-19 forms, if applicable). Enter the total on line 20. The department is no longer requiring that copies of the W-2 or 1099 forms be enclosed with a paper Form K-40. However, the department reserves the right to ask for this information at a later date. K-19 forms must still be enclosed with a paper Form K-40.

If you have not received a W-2 form from your employer by January 31, or if the form you received is incorrect or not legible, contact your employer.

LINE 21 — ESTIMATED TAX PAID

Enter the total of your 2005 estimated tax payments plus any 2004 overpayment you had credited forward to 2005.

LINE 22 — AMOUNT PAID WITH KANSAS EXTENSION

Enter the amount paid with your request for an extension of time to file.

LINE 23 — EARNED INCOME CREDIT

This credit is available to residents only. Nonresidents are not eligible for this credit.

Multiply the amount of credit allowed on your Federal return by 15%. You may choose to have the IRS compute your federal earned income credit. If you do not receive the information from the IRS before the deadline for filing your Kansas return you should complete Form K-40 without the credit, and be sure to pay any amount you owe. Once the IRS sends you the completed earned income credit figures, you may then file an amended Kansas return to claim the credit. See *Amending Your Return* on page 12 of this booklet.

LINE 24 — REFUNDABLE PORTION OF TAX CREDITS

Enter the total refundable portion of these credits:

Business Machinery and Equipment K-64
Child Day Care Assistance Credit (employers only) K-56
Community Service Contribution Credit K-60
Disabled Access Credit K-37
Habitat Management Credit K-63
Individual Development Account Credit K-68
Regional Foundation Contribution Credit K-32
Single City Port Authority K-76
Small Employer Healthcare Credit K-57
Telecommunications Property/Income Credit K-36

LINE 25 — FOOD SALES TAX REFUND

Refer to the qualifications for this credit on page 14. If you meet all the qualifications enter the amount of the refund on line 25.

To compute your Food Sales Tax refund, you will need the number of exemptions in the "Total Exemptions" box on the front of Form K-40, and your Qualifying Income amount from line 30 of the Qualifying Income Worksheet on page 6.

If your qualifying income on line 30 of the worksheet is:

$0 to $13,800	– multiply the number of exemptions by $72. Enter the refund amount on line 25.
$13,801 to $27,600	– multiply the number of exemptions by $36. Enter the refund amount on line 25.
$27,601 or greater	– you are not eligible for the refund.

LINE 26 — CASH REMITTED ON ORIGINAL RETURN

Use this line ONLY if you are filing an amended Income Tax return for the 2005 tax year. Enter the amount of money you remitted to the Department of Revenue with your original 2005 return.

LINE 27 — OVERPAYMENT FROM ORIGINAL RETURN

Use this line ONLY if you are filing an amended Income Tax return for the 2005 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 28 — TOTAL REFUNDABLE CREDITS

Add lines 20 through 26 and subtract line 27; enter the result on line 28.

BALANCE DUE

LINE 29 — UNDERPAYMENT

If your tax balance on line 19 is greater than your total credits on line 28, enter the difference on line 29.

LATE CHARGES

If the amount on line 29 is not paid by the due date, penalty and interest are added according to the rules outlined in lines 30 and 31.

Extension of Time to File Your Return: Interest is due on any delinquent tax balance, even if you have been granted an extension of time to file the return. If **90%** 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.

LINE 30 — INTEREST

Compute interest at **0.583% for each month** (or fraction thereof) from the *original* due date of the return on the amount on line 29.

LINE 31 — PENALTY

Compute penalty at **1% per month** (or fraction thereof) from the *original* due date of the return on the amount on line 29. The maximum penalty is 24%.

LINE 32 — ESTIMATED TAX PENALTY

If the amount on line 29 minus the amount on line 18 is $500 or more, you may be subject to an estimated tax penalty. To determine if you have a penalty, complete Schedule K-210, found in the back of this booklet. If you have a penalty on Schedule K-210, enter the amount on line 32. If the amount on line 29 minus the amount on line 18 is $500 or more, you may not be subject to an estimated tax penalty if you meet one of the two exceptions: 1) if your withholdings and/or estimated payments (lines 20 & 21) equal or exceed 100% of the prior year's tax liability (line 17 from last year's return) or, 2) if your withholdings and/or estimated payments (lines 20 & 21) equal or exceed 90% of this year's income tax liability (line 17).

If at least two-thirds of your income is from farming or fishing, mark an "X" in the box on line 32.

LINE 33 – AMOUNT YOU OWE

Add lines 29 through 32 and enter the total on line 33. This amount should be paid in full with the return. A balance due less than $5 does not need to be paid. You may make a contribution to the Nongame Wildlife Improvement Program (line 36) or to the Senior Citizens Meals on Wheels Contribution Program (line 37) even if you have a balance due return. Just add these amounts to your tax and write one check for total of the tax due and your contribution(s).

The Department of Revenue offers the following three options to pay your Kansas tax:

Credit Card. To pay by Credit Card, you must visit the service provider's Internet web site listed below. A convenience fee will be charged by the service provider based on the amount

of tax you are paying. You can find out what the fee is by visiting the provider's web site:

Official Payments Corporation
www.officialpayments.com

Direct Payment. This payment option is available if you WebFile, TeleFile or IRS e-File your Kansas return – it is NOT available if you file a paper Form K-40 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 account for payment of your balance due. Direct Payment allows you to "file now, pay later." For example, if you file your return on February 20 and elect Direct Payment, you may choose to have your bank account debited on 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 April 15th are considered to be timely paid.

Direct Payment saves time – no check to write and no K-40V 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.

You should check with your financial institution to be sure they allow an electronic debit (withdrawal) from your account.

Check or Money Order. If you choose this payment option, **you must complete and submit Form K-40V** with your payment. Write your Social Security number on your check or money order and make it payable to "Kansas Income Tax." If you are making a payment for someone else (i.e., son, daughter, parent), write that person's name and Social Security number on the check. DO NOT send cash. DO NOT staple or tape your payment to the Form K-40V or Form K-40. Instead, enclose it loosely with your return.

Returned check charge: A fee of $30.00, plus costs for a registered letter (currently $7.92), is charged on all returned checks.

REFUND

LINE 34 — OVERPAYMENT

If your tax balance on line 19 is less than your total credits on line 28, enter the difference on line 34.

NOTE: An overpayment of less than $5 will not be refunded, but may be carried forward as a credit to next year's return (line 35), or contributed to the Chickadee Checkoff (line 36) or the Senior Citizens Meals on Wheels Contribution Program (line 37).

LINE 35 — CREDIT FORWARD

Enter the portion of line 34 you wish to have applied to your 2006 Kansas estimated income tax (must be $1 or more).

If the amount on line 34 is less than $5, you may carry it forward to 2006 as an additional credit even if you do not make estimated tax payments.

LINE 36 — CHICKADEE CHECKOFF

You may contribute to the Kansas Nongame Wildlife Improvement program to help improve the quality of wildlife in Kansas. Your donation is tax deductible. In 2005, contributions were used to:

- Support a statewide assessment of reptiles and amphibians to further efforts to keep species from being put on endangered lists.
- Support the Kansas Nature-based Tourism Alliance and NaturalKansas website.
- Monitor bald eagle populations and nesting success.
- Develop recovery plans for state endangered species.
- Continue research on declining aquatic animals in southeast Kansas and restore some species.
- Sponsor the Kansas winter birdfeeder survey.
- Coordinate the Kansas Bluebird Program.
- Help support the (OWLS) Outdoor Wildlife Learning Sites for schools.

Enter on line 36 the amount you wish to contribute to this program. Amounts less than $1 cannot be credited to the program.

LINE 37 — SENIOR CITIZENS MEALS ON WHEELS CONTRIBUTION PROGRAM

All contributions are used solely for the purpose of providing funds for the Senior Citizens Meals On Wheels Contribution Program. The meals are prepared by a dietary staff and are delivered by volunteers. The underlying objective of the program is to prevent deterioration of the elderly and handicapped individuals in the community, thus making it possible for them to live independently in their own homes for as long as possible. The friendly visit with the volunteers is socially helpful and the daily visit is important in case of an emergency situation.

Enter on line 37 the amount you wish to contribute to this program. Amounts less than $1 cannot be credited to the program.

Examination Adjustment: If your overpayment is decreased due to an adjustment to your return, your Nongame Wildlife contribution and/or your Senior Citizens Meals on Wheels contribution will be reduced by that amount. If your overpayment is increased, your Nongame Wildlife and/or your Senior Citizens Meals on Wheels contribution amount will remain the same.

LINE 38 — REFUND

Add lines 35, 36 and 37 and subtract from line 34. This is your refund. If line 38 is less than $5, it will not be refunded. If line 38 is less than $5 you have an option to carry it forward to be applied to your 2006 Kansas income tax liability (enter the amount on line 35). If you do carry it forward, please remember to claim it on line 21 of the 2006 return. You also have an option to donate it to the Chickadee Checkoff or the Senior Citizens Meals On Wheels Contribution Program or both.

Please **allow 4 to 8 weeks from the date you mail your return to receive your refund**. Errors, improperly completed forms, photocopied forms or incomplete information will delay the processing of your return. **For a faster refund (7 days or less), consider filing your return electronically.** See page 3 for details.

Refund Set-off Program: Kansas law provides that if you owe any delinquent debt (Kansas tax, child support, student loans, etc.) to a Kansas state agency, municipality, municipal court or district court, your income tax refund will be applied (set-off) to that delinquent debt. **The set-off process will cause a 10 to 12 week delay to any remaining refund.**

SIGNATURE

Your Income Tax return must be signed. Both taxpayers must sign a joint return even if only one had income. If the return is prepared by someone other than you, the preparer should also sign in the space provided.

If you are filing a return on behalf of a decedent, the return should be signed by the executor/executrix. If it is a joint return filed by the surviving spouse, indicate on the spouse's signature line "Deceased" and the date of death. **If a refund is due, enclose the required documents (see instructions for *Deceased Taxpayers* on page 13).**

PREPARER AUTHORIZATION BOX

In some cases it may be necessary for the Department of Revenue to contact you about your tax return. By marking the box above the signature line, you are authorizing the director or director's designee to discuss your tax return and any enclosures with your tax preparer.

MAILING YOUR RETURN

Before mailing your return, please be sure:

- ✓ you have completed all required information on the return.
- ✓ your numbers are legible in each box.
- ✓ you have enclosed, but not attached all K-19 forms and applicable schedules. **If you have a modification on line 2 of form K-40, you MUST enclose your completed Schedule S form.**
- ✓ you have completed and enclosed Form K-40V if you are making a tax payment.

If you file Form K-40 using a Kansas address, do not include a copy of your Federal return. However, keep a copy as it may be requested by the department at a later date. If your Form K-40 shows an address other than Kansas, you must enclose a copy of your Federal return (1040EZ, 1040A or 1040 and applicable Schedules A-F) with your Kansas return.

SCHEDULE S
LINE-BY-LINE INSTRUCTIONS

PART A — MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME

These are items of income that are not taxed or included on your Federal return but are taxable to Kansas.

LINE A1 — State and Municipal Bond Interest

Enter interest income received, credited, or earned by you during the taxable year from any state or municipal obligations such as bonds and mutual funds. Reduce the income amount by any related expenses (i.e., management or trustee fees) directly incurred in purchasing these state or political subdivision obligations.

DO NOT include interest income on obligations of the state of Kansas or any Kansas political subdivision issued after December 31, 1987, or the following bonds exempted by Kansas law:

- Board of Regents Bonds for Kansas Colleges and Universities
- Electrical Generation Revenue Bonds
- Industrial Revenue Bonds
- Kansas Highway Bonds
- Kansas Turnpike Authority Bonds
- Urban Renewal Bonds

If you are a shareholder in a fund that invests in both Kansas and other states' bonds, only the Kansas bonds are exempt. Use the information provided by your fund administrator to determine the amount of taxable (non-Kansas) bond interest to enter here.

LINE A2 — Contributions to Public Employees' Retirement Systems

Individuals affected are state employees, teachers, school district employees and other regular and special members of KPERS, regular and special members of the Kansas Police and Firemen's Retirement System and members of the Justice and Judges Retirement System.

Current employees: Enter the amount you **contributed** from your salary to the Kansas Public Employees' Retirement System (KPERS) as shown on your W-2 form, typically box 14.

Retired employees: If you are receiving RETIREMENT checks from KPERS, the amount of your retirement income is subtracted on line A10—"Retirement benefits specifically exempt from Kansas Income Tax." Make no entry on this line unless you also made contributions to KPERS during 2005 (for example, you retired during 2005).

Lump Sum Distributions: If you received a lump sum KPERS distribution during 2005, include on line A2 your 2005