

NONRESIDENT MILITARY – KANSAS INCOME TAX

On December 19, 2003, President Bush signed into law the “Servicemembers Civil Relief Act”, (H.B. 100; Public Law 108-189). Among other provisions, the new law prohibits states from utilizing a nonresident servicemember’s military compensation to determine the rate of tax to be applied to that state’s source income:

A tax jurisdiction may not use the military compensation of a nonresident servicemember to increase the tax liability imposed on other income earned by the nonresident servicemember or spouse subject to tax by the jurisdiction. PL 108-189, Section 511(d).

*The term “servicemember” means a member of the uniformed services, as that term is defined in section 101(a)(5) of title 10 United States Code.

This law is effective for Tax Year 2003 and all tax years thereafter.

For Kansas Income Tax purposes, a nonresident military service member’s compensation for military service, as defined above, will be a subtraction modification on the Kansas Income Tax Return. The nonresident military service member’s compensation for military service will be subtracted out of Federal Adjusted Income on Schedule S, line A11.

Nonresident military service members will continue to complete Part B of Schedule S, to determine the Nonresident Allocation Percentage, Line 9 of the K-40.

EXAMPLE:

Fred and Janice Wilson are a married couple. Fred is an active duty servicemember in the USAF, stationed at McConnell AFB in Wichita, Kansas since July 2003. They are residents of the State of Texas. Janice is a social worker employed by the State of Kansas. They have one dependent. Income is as follows:

Fred:

W-2, Box 1 – USAF Wages - \$45,000

W-2, Box 17 - KS Tax Withheld - \$0

Both:

2004 Interest from a Kansas Bank - \$100

1099-G, State of Kansas (Income Tax refund) - \$80

1099, Kansas Unemployment Compensation - \$620

Janice:

W-2, Box 1 – Wages - \$15,000

W-2, Box 14 – KPERS Contributions - \$500

W-2, Box 17 – Kansas Tax Withheld - \$300

A completed K-40 and Schedule S follow on next page

KANSAS INDIVIDUAL INCOME TAX and/or FOOD SALES TAX REFUND

DO NOT STAPLE

Form with fields for Name (Fred Wilson), Spouse's Name (Janice Wilson), Address (1410 Market Derby KS 67037), and School District (260 SG).

Enter the first four letters of your last name. Use ALL CAPITAL letters. W I L S

Your Social Security number 4 0 0 2 5 6 7 8 9

Enter the first four letters of your spouse's last name. Use ALL CAPITAL letters. W I L S

Spouse's Social Security number 5 0 0 0 0 2 0 0 0

Daytime telephone number 3 1 6 7 8 8 2 2 2 2

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

If taxpayer (or spouse if filing joint) died during this tax year, mark an "X" in this box

Filing Information

Mark this box if you are filing this as an AMENDED 2004 Kansas return: []

Reason for amending your 2004 original Kansas return:

Amended affects Kansas only [] Amended Federal tax return [] Adjustment by the IRS []

Filing Status (Mark ONE)

- Single [] Married filing joint (Even if only one had income) [X] Married filing separate [] Head of household []

Residency Status (Mark ONE)

- Resident [] Nonresident or Part-year resident from ___/___/___ to ___/___/___ (Complete Schedule S, Part B) [X]

Exemptions

Number of exemptions claimed on your 2004 federal return [] 3 If filing status is head of household, add one exemption [] Total Kansas exemptions [] 3

If amount is negative, shade the minus (-) in box. Example: -

Income

Table with 3 rows: 1. Federal adjusted gross income 60800.00, 2. Modifications to Federal adjusted gross income 44580.00, 3. Kansas adjusted gross income 16220.00

Deductions

Table with 3 rows: 4. Standard deduction OR itemized deductions 6000.00, 5. Exemption allowance 6750.00, 6. Total deductions 12750.00, 7. Taxable income 3470.00

Tax Computation

Table with 4 rows: 8. Tax 122.00, 9. Nonresident allocation percentage 100%, 10. Nonresident tax 122.00, 11. Kansas tax on lump sum distributions 0.00, 12. TOTAL INCOME TAX 122.00

Empty boxes for additional information or signature.

TAX: Enter the income tax amount from line 12 122.00

114204



Credits	13. Credit for taxes paid to other states (See instructions, page 16)								00	
	14. Credit for child & dependent care expenses (See instructions, page 17).								00	
	15. Other credits (Enclose all appropriate credit schedules)								00	
	16. Total tax credits (Add lines 13, 14 and 15)								00	
	17. Income tax balance after credits (Subtract line 16 from line 12; cannot be less than zero)							1	2	2

Use Tax	18. Use tax due (See instructions on page 18).								00	
	19. Total Tax Balance (Add lines 17 and 18).							1	2	2

Withholding and Payments	20. Kansas income tax withheld from W-2, 1099, or K-19 (Enclose K-19; see instructions)							3	0	0	00
	21. Estimated tax paid.										00
	22. Amount paid with Kansas extension										00
	23. Earned income credit (See instructions, page 18).										00
	24. Refundable portion of tax credits (Enclose all appropriate credit schedules)										00

For an ORIGINAL return, skip to line 28. For an AMENDED return, complete lines 26 and/or 27 before continuing to line 28.

Withholding and Payments	25. FOOD SALES TAX REFUND (You must meet the qualifications listed on page 14)									00	
	26. Payments remitted with original return									00	
	27. Overpayment from original return (This figure is a subtraction; see instructions, page 18).	-								00	
28. Total refundable credits (Add lines 20 through 26 and subtract line 27)								3	0	0	00

Balance Due	29. UNDERPAYMENT (If line 19 is greater than line 28)									00
	30. Interest (See instructions, page 18)									00
	31. Penalty (See instructions, page 18)									00
	32. Estimated Tax Penalty (See instructions, page 18) <input type="checkbox"/> Check here if you were engaged in commercial farming or fishing in 2004.									00
33. AMOUNT YOU OWE (Add lines 29 through 32. Include amounts from lines 36 and 37 if applicable.) See payment options on page 19										00

Overpayment	34. OVERPAYMENT (If line 19 is less than line 28).								1	7	8	00
	35. CREDIT FORWARD (Enter the amount of line 34 you wish to be applied to your 2005 estimated tax)											00
	36. CHICKADEE CHECKOFF (Kansas Nongame Wildlife Improvement Program).											00
	37. SENIOR CITIZENS MEALS ON WHEELS CONTRIBUTION PROGRAM											00
38. REFUND (Subtract lines 35, 36 and 37 from line 34)									1	7	8	00

If you wish to donate to either the Chickadee Checkoff or the Senior Citizens Meals on Wheels Program, enter the amount of your donation on the appropriate line. This donation will reduce your refund or increase the amount you owe.

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 and belief this is a true, correct, and complete return.

Fred Wilson 1/11/05
 Signature of taxpayer Date Signature of preparer other than taxpayer Phone number of preparer

Janice Wilson
 Signature of taxpayer

If joint return, BOTH taxpayer and spouse must sign even if only one had income

Tax preparer's EIN (Employer Identification Number) OR SSN (Social Security Number)

ENCLOSE any necessary documents with this form. DO NOT STAPLE.

MAIL TO: KANSAS INCOME TAX KANSAS DEPARTMENT OF REVENUE 915 SW HARRISON ST TOPEKA, KS 66699-1000



Your First Name FRED	Initial M	Last Name WILSON
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Enter the first four letters of your last name. Use ALL CAPITAL letters. **W I L S**

Your Social Security number **4 0 0 2 5 6 7 8 9**

Spouse's First Name JANICE	Initial M	Last Name WILSON
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Enter the first four letters of your spouse's last name. Use ALL CAPITAL letters. **W I L S**

Spouse's Social Security number **5 0 0 0 0 2 0 0 0**

PART A - MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME (See instructions, page 22)

ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME:

- A1. State and municipal bond interest not specifically exempt from Kansas Income Tax (Reduced by related expenses)
- A2. Contributions to all Kansas public employee's retirement systems (See instructions)
- A3. Federal net operating loss carry forward
- A4. Contributions to a Regional Foundation (See instructions)
- A5. Other additions to federal adjusted gross income (See instructions and enclose list)
- A6. Total additions to federal adjusted gross income (Add lines A1 through A5)

								00
				5	0	0		00
								00
								00
								00
				5	0	0		00

SUBTRACTIONS FROM FEDERAL ADJUSTED GROSS INCOME:

- A7. Interest on U.S. Government obligations (Reduced by related expenses)
- A8. State income tax refund (If included on line 1 of Form K-40 or the Telefile worksheet)
- A9. Kansas net operating loss carry forward
- A10. Retirement benefits specifically exempt from Kansas Income Tax
- A11. Military Compensation of a Nonresident Servicemember (Nonresidents only; see instructions)
- A12. Learning Quest Education Savings Program contributions (See instructions)
- A13. Other subtractions from federal adjusted gross income (See instructions and enclose list)
- A14. Total subtractions from federal adjusted gross income (Add lines A7 through A13)

								00
						8	0	00
								00
								00
		4	5	0	0	0		00
								00
								00
		4	5	0	8	0		00

NET MODIFICATIONS:

If amount is negative, shade the minus (-) in box. Example: -

A15. Net modifications to federal adjusted gross income (Subtract line A14 from line A6). Enter on line 2, Form K-40. **If negative, shade minus (-) in box.** - **4 4 5 8 0 00**



PART B - NONRESIDENT ALLOCATION (See instructions, page 24)

If amount is negative, shade the minus (-) in box. Example: -

INCOME:

	Total From Federal Return:	Amount From Kansas Sources:
B1. Wages, salaries, tips, etc.	60,000	1 5 0 0 0 00
B2. Interest and dividend income.	100	0 0 0 0 0 00
B3. Refunds of state and local income taxes.	80	0 0 8 0 0 00
B4. Alimony received		0 0 0 0 0 00
B5. Business income or loss		- 0 0 0 0 0 00
B6. Farm income or loss.		- 0 0 0 0 0 00
B7. Capital gain or loss.		- 0 0 0 0 0 00
B8. Other gains or losses.		- 0 0 0 0 0 00
B9. Pensions, IRA distributions, and annuities.		0 0 0 0 0 00
B10. Rental real estate, royalties, partnerships, S corporations, estates, trusts, etc.		- 0 0 0 0 0 00
B11. Unemployment compensation, taxable Social Security benefits, and other income.	620	0 0 6 2 0 00
B12. Total income from Kansas sources (Add lines B1 through B11).		- 1 5 7 0 0 00

ADJUSTMENTS AND MODIFICATIONS TO KANSAS SOURCE INCOME:

	Total From Federal Return:	Amount From Kansas Sources:
B13. IRA Retirement Deductions		0 0 0 0 0 00
B14. Penalty on early withdrawal of savings.		0 0 0 0 0 00
B15. Alimony paid.		0 0 0 0 0 00
B16. Moving expenses		0 0 0 0 0 00
B17. Other federal adjustments.		0 0 0 0 0 00
B18. Total federal adjustments to Kansas source income (Add lines B13 through B17).		- 0 0 0 0 0 00
B19. Kansas source income after federal adjustments (Subtract line B18 from line B12).		- 1 5 7 0 0 00
B20. Net modifications applicable to Kansas source income (See instructions)		- 0 0 4 2 0 00
B21. Modified Kansas source income (Line B19 plus or minus line B20)		- 1 6 1 2 0 00
B22. Kansas adjusted gross income (From line 3, Form K-40).		- 1 6 2 2 0 00
B23. Nonresident allocation percentage (Divide line B21 by line B22 and round to nearest whole percent, enter on line 9, Form K-40)		1 0 0 %