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Important Information

DUE DATE FOR FILING. April 18, 2017 is the due date for filing 2016 income tax returns. See page 4.

TAXPAYER ASSISTANCE CENTER. The Taxpayer Assistance Center in Topeka has moved. The new address can be found on the back cover of this booklet.

LOW INCOME EXCLUSION. Effective for tax year 2016, married individuals filing joint returns with taxable income of \$12,500 or less, and all other individuals with taxable income of \$5,000 or less, shall have a tax liability of zero. A return must be filed to calculate taxable income.

ITEMIZED DEDUCTIONS. Kansas itemized deductions are calculated using 100% charitable contributions, 50% qualified residential interest, and 50% real and personal property taxes as claimed on your federal itemized deductions. See Part C of Schedule S.

SOCIAL SECURITY NUMBER (SSN) REQUIREMENT. Individuals claiming income tax credits must have a valid SSN for the entire year in which tax credits are claimed. A valid SSN is also required for a spouse, if married filing joint, and each individual being claimed as a dependent. This requirement does not apply to credits for taxes paid to other states.

ANGEL INVESTOR TAX CREDIT EXTENDED. This tax credit has been extended to tax year 2021. The Angel Investor tax credit is available to qualified individuals who provide seed-capital financing for emerging Kansas businesses engaged in development, implementation and commercialization of innovative technologies, products and services. It is administered by the Kansas Department of Commerce.

RURAL OPPORTUNITY ZONE (ROZ) CREDIT. The ROZ program, which provides an income tax exemption for certain nonresident individuals who establish residency in the ROZ counties, is available through tax year 2021. To claim this tax credit you must file your income tax return electronically—see page 28.

If you ***purchased*** goods ***online*** or through ***catalogs, newspapers, TV ads***, etc. and did not pay sales tax, then you likely owe ***Kansas Compensating Use Tax***



What is Compensating Use Tax? Since 1937 Kansas has imposed a compensating use tax on goods purchased from outside Kansas and used, stored or consumed in Kansas. Its purpose is to protect Kansas retailers from unfair competition from out-of-state retailers who sell goods tax-free by applying a tax on these items equal to the Kansas rate. It also helps to assure fairness to Kansans who purchase the same items in Kansas and pay Kansas sales tax. Individuals and businesses buying items from retailers in other states may be subject to Kansas use tax on those purchases. This tax applies to the total cost of the merchandise, including postage, shipping, handling or transportation charges. It is the same as the combined state and local sales tax rate in effect where the buyer takes delivery in Kansas. For individuals, it is usually the home. For businesses, it is where the items are used (office, shop, etc).

Do I owe this tax? Kansans that buy goods in other states or through catalogs, internet, mail-order companies, or from TV, magazine and newspaper ads must pay Kansas use tax on the purchases if the goods are used, stored or consumed in Kansas and the seller does not charge a sales tax rate equal to or greater than the Kansas retailers' sales tax rate in effect where the item is delivered or first used. **EXAMPLE:** An Anytown, KS resident orders a computer from a company in New York over its website. Total cost is \$2,000 plus \$10 shipping. The Anytown resident will owe Kansas use tax of 8.95% (current Anytown rate) on the total charge of \$2,010. ($\$2,010 \times 0.0895 = \179.90)

How do I pay the Compensating Use Tax? To pay Kansas use tax on your untaxed out-of-state purchases made during calendar year 2016, refer to the instructions for line 19 of Form K-40. You may use the chart or compute the tax due by applying the state and local sales tax rate in effect for your address to the total purchases subject to the tax. Don't know your sales tax rate? Go to www.kssst.kdor.ks.gov/lookup.cfm to look up the rate for your location.

Contact our Taxpayer Assistance Center (page 28) if you have questions about the Kansas use tax.



The brightly colored Cave Salamander, *Eurycea lucifuga*, is known only from the Ozark Plateau in southeastern Cherokee County. True to its name, the Cave Salamander is typically found in the twilight zone of caves with permanent spring flows. This species is listed as Endangered by the state of Kansas and benefits from contributions to the Chickadee Checkoff on your Kansas Income Tax Return.