

INSTRUCTIONS FOR SCHEDULE K-60

GENERAL INFORMATION

K.S.A. 79-32,194 *et seq.* provides a tax credit for any business firm, including privilege and premiums tax taxpayers, that contributes to an approved community service organization engaged in providing community services. Effective for all taxable years beginning after December 31, 2000, any individual taxpayer (not just those with business income) subject to the Kansas income tax act are also eligible to claim the credit for contributions made to an approved community service organization. Programs and organizations eligible to offer this credit to their contributors are approved by the Director of Community Development of the Kansas Department of Commerce.

The credit is either 50% of the total amount contributed during the taxable year, or 70% of the total amount contributed during the taxable year if the approved community service organization is located in a rural community as defined in the law. Effective for all tax years beginning after December 31, 1998, if the credit allowed exceeds the tax liability, the excess will be refunded. **Exception:** A business firm who acquired the tax credit from a business firm not subject to Kansas income, privilege or premiums tax must carry forward the unused assigned credit. The credit may be carried forward for up to 5 years, except that the total credit must be claimed within 10 years after the tax year the contribution was made.

Addition Modification Required. Taxpayers claiming this credit (except those claiming an assigned credit) must make an addition modification on the Kansas return for the amount of any charitable contribution claimed on the federal return and used as the basis for the Community Service Contribution Credit.

Assigned Credits. If you are claiming a credit sold, assigned, or conveyed to you by a business firm not subject to Kansas tax, you must enclose with Schedule K-60 copies of the written agreement assigning the credit, the notification sent to the Director of Community Development, Kansas Department of Commerce, as well as the acknowledgment letter received from Commerce.



If you are claiming a new community service contribution credit for contributions made this tax year, you must acquire an approved tax credit application from the community service organization eligible to offer this credit. The Kansas Department of Revenue reserves the right to request any certifications or copies of written agreements as necessary.

SPECIFIC LINE INSTRUCTIONS

Complete a separate Schedule K-60 for each community service organization you contributed to during the tax year.

Enter all requested information at the top of this schedule.

PART A – COMPUTATION OF CREDIT FOR THIS YEAR'S CONTRIBUTION

LINE 1 – Enter the total contributions made to the community service organization this tax year.

LINE 2 – Partners, shareholders or members: Enter the percentage that represents your proportionate share in the partnership, S corporation, LLC or LLP. All other taxpayers: Enter 100%.

LINE 3 – Multiply line 1 by line 2, and enter the result on line 3. This is your share of the contributions made and claimed as the basis for the credit this tax year. Enter this amount on the applicable line of your return for the required addition modification.

LINE 4 – Circle the credit percentage that was authorized by the Kansas Department of Commerce.

LINE 5 – Multiply line 3 by line 4. Enter the result on line 5. This is the maximum allowable credit.

PART B – COMPUTATION OF THIS YEAR'S CREDIT

LINE 6 – Enter the amount of any carry forward available from a prior year's Schedule K-60. Enclose a copy of your prior year's Schedule K-60.

LINE 7 – Add lines 5 and 6.

LINE 8 – Enter your total Kansas tax liability after all credits other than this credit. This is also the maximum amount of credit allowed as a result of contributions made this tax year. (**K-120 filers** will enter this amount in Part I of Form K-120 if the credit is not an assigned credit or one not eligible for refund.)

LINE 9 – Enter the lesser of lines 7 or 8. Enter this amount on the appropriate line of your return.

PART C – COMPUTATION OF REFUNDABLE PORTION OF CREDIT

If you are claiming this credit based on contributions made *after* December 31, 1997, complete Part C. However, if you are claiming an assigned credit or a carry forward from contributions made prior to December 31, 1997, skip line 10 and complete line 11.

LINE 10 – Subtract line 9 from line 7. This is the excess credit to be refunded. Enter this amount on the line provided on your return for the refundable portion of tax credits.

PART D-COMPUTATION OF CREDIT CARRY FORWARD (certain taxpayers only)

You must use Part D if you are: 1) a business firm who acquired the tax credit from a business firm not subject to Kansas income, privilege, or premiums tax. Assigned credits must be carried forward – they are not eligible for refund; **or**, 2) claiming a carry forward from contributions made prior to December 31, 1997. For tax years after December 31, 1998, the credit is refundable for all taxpayers except those claiming assigned credits.

LINE 11 – Subtract line 9 from line 7. Do not enter an amount less than zero. This is the amount of credit you have available to enter on next year's Schedule K-60. Keep a copy of this form to file with your tax return and Schedule K-60 for next year.

TAXPAYER ASSISTANCE

Questions about the community service organizations eligible to offer this credit to their contributors should be addressed to:

Kansas Department of Commerce
Director of Community Development
1000 SW Jackson, Suite 100
Topeka, KS 66612-1354
Phone: (785) 296-3485
www.kansascommerce.com

For assistance in completing this schedule contact the Kansas Department of Revenue.

Taxpayer Assistance Center
Docking State Office Building, 1st Floor
915 SW Harrison St.
Topeka, KS 66625-2007
Phone: (785) 368-8222
Hearing Impaired TTY: (785) 296-6461

Additional copies of this schedule and other tax forms are available from our office or web site at: www.ksrevenue.org