K-121

(Rev. 8/04)

KANSAS

COMBINED INCOME METHOD OF REPORTING

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

Name As Shown on Form K-120	Employer Identification Number (EIN)

PART I KANSAS COMBINED NET INCOME

Enter separate corporate names and federal identification numbers	Corporation A	Corporation B	Eliminations (Explain Below)	Combined Income
1. Federal taxable income				
2. Total state and municipal interest				
3. Taxes on or measured by income or fees or payments in lieu of income taxes				
4. Federal net operating loss deduction				
5. Other additions to federal taxable income (Enclose schedule)				
6. Total (Add lines 1 through 5)				
7. Interest on U.S. government obligations				
8. IRC Section 78 and 80% of foreign dividends (Enclose schedule)				
9. Other subtractions from federal taxable income (Enclose schedule)				
10. Total subtractions (Add lines 7, 8, & 9)				
11. Net income before apportionment (Subtract line 10 from line 6)				
12. Nonbusiness income—Total company (Enclose schedule)				
13. Apportionable business income (Subtract line 12 from line 11)				
14. Percent to Kansas (From line 6, Part II)				
15. Amount to Kansas (Line 14, Corp. A & B multiplied by line 13 combined income)				
16. Nonbusiness income—Kansas (Enclose schedule)				
17. Kansas net income (Add lines 15 & 16)				
18. Kansas net operating loss deduction (Enclose schedule)				
19. Combined report income (Subtract line 18 from line 17, enter on line 19, page 1, Form K-120)				
20. Normal tax (4% of line 19)				
21. Surtax (3.35% of amount on line 19 in excess of $50,000)				
22. Total tax (Add lines 20 & 21, enter on line 23, page 2, Form K-120)				

EXPLANATION OF ELIMINATIONS:

ENCLOSE A COPY OF FEDERAL FORM 851 WITH THIS SCHEDULE

(Any corporation filing using the combined income method with more than one entity doing business in Kansas may file one Kansas return reporting the total Kansas combined income and tax on that return.)

PART II APPORTIONMENT FORMULA

(Form K-121)

	Corporation A Within Kansas		Corporation B Within Kansas		Total Company		Percent Within Kansas
	Beg. of Year	End of Year	Beg. of Year	End of Year	Beg. of Year	End of Year	
1a. Value of owned real and tangible personal property used in the business at original cost.							
Inventory							
Depreciable Assets							
Land							
Other Tangible Assets (Enclose schedule)							
Less: Construction in Progress							
Total Property to be Averaged							
Average Owned Property (Beg. + End ÷ 2)							
1b. Net annual rental property. Multiplied by 8							
TOTAL PROPERTY							
Percentage: Corporation A (Divide Corp. A by Total Co.)							1A
Percentage: Corporation B (Divide Crop. B by Total Co.)							1B
2. Wages, salaries, commissions and other compensation of employees related to business income included in return.							
TOTAL PAYROLL							
Percentage: Corporation A (Divide Corp. A by Total Co.)							2A
Percentage: Corporation B (Divide Corp. B by Total Co.)							2B
3. Sales (Gross receipts, less returns and allowances)							
a. Sales delivered or shipped to purchasers in Kansas:							
(1) Shipped from outside Kansas							
(2) Shipped from within Kansas							
b. Sales shipped from Kansas to:							
(1) The United States Government							
(2) Purchasers in a state where the taxpayer would not be taxable (e.g., under Public Law 86-272)							
c. Dividends							
Interest							
Rents							
Royalties							
Gains/losses from intangible asset sales							
Gross proceeds from tangible asset sales							
Other income (Attach schedule)							
TOTAL SALES							
Percentage: Corporation A (Divide Corp. A by Total Co.)							3A
Percentage: Corporation B (Divide Corp. B by Total Co.)							3B
4. Total Percent: Corporation A (Add lines 1A, 2A, & 3A)							4A
Corporation B (Add lines 1B, 2B, & 3B)	If utilizing three factor formula						4B
5. Total Percent: Corporation A (Add lines 1A & 3A)							5A
Corporation B (Add lines 1B & 3B)	If qualified and utilizing two factor formula						5B
6. Average Percent: Corporation A (To Line 14, Part I, Page 1)							6A
Corporation B (To Line 14, Part I, Page 1)	Average percent of line 4 or 5, whichever is applicable						6B