

K-64

(Rev. 8/05)

KANSAS BUSINESS MACHINERY & EQUIPMENT CREDIT

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

Name of taxpayer (as shown on return)	Social Security Number
If partner, shareholder or member, enter name of partnership, S corporation, LLC or LLP	Employer Identification Number (EIN)

PART A – SCHEDULE OF PROPERTY TAXES PAID ON QUALIFIED MACHINERY & EQUIPMENT

PARTNERS, MEMBERS, AND SHAREHOLDERS: If you are a partner, member, or shareholder in more than one business qualifying for this credit, enclose a schedule showing the name and EIN, the information in Part A on the tax paid on qualified machinery and equipment, and your ownership percentage in each business. Enter on line 2 the total for all businesses.

Property tax year	Property classification	(a) Property tax paid*	(b) Date paid**
2004	Schedule 2 – Oil and Gas Machinery & Equipment		
2004	Schedule 5 – Commercial and Industrial Machinery & Equipment		
2004	Schedule 6 – Other Business Property (Check all that apply) <input type="checkbox"/> Spare Parts <input type="checkbox"/> Supplies <input type="checkbox"/> Other (describe):		
2005	Schedule 2 – Oil and Gas Machinery & Equipment		
2005	Schedule 5 – Commercial and Industrial Machinery & Equipment		
2005	Schedule 3 or Schedule 6 – Other Business Property (Check all that apply) <input type="checkbox"/> Spare Parts <input type="checkbox"/> Supplies <input type="checkbox"/> Other (describe):		

* Do not include any filing penalties.

** If paid on more than one date, enclose schedule.

- 1a. Enter the total from column (a) above. This is the total property tax paid this tax year on qualified commercial and industrial machinery and equipment. **Do not include equipment that you are leasing.** 1a. _____
- 1b. If you are a partner, member, or shareholder in a partnership, S corporation, LLC, or LLP, enter the percentage that represents your proportionate share. If you are the sole owner, enter 100%. 1b. _____ %
2. Total property tax eligible for credit. Multiply line 1a by line 1b. 2. _____

PART B – COMPUTATION OF CREDIT (All filers complete lines 3 and 4)

3. Credit percentage allowed. 3. 20%
4. Total credit available this tax year. Multiply line 2 by line 3. IMPORTANT: If you are filing Form K-120 or Form K-130, DO NOT complete lines 5 through 7 of Schedule K-64. Enter the amount from line 4 of this schedule on line 28 of Form K-120, or line 27 of Form K-130. 4. _____

Form K-40 or Form K-41 filers: Complete lines 5 and 6 and, if applicable, PART C.

5. Enter your total tax liability for this tax year after all credits other than this credit. 5. _____
6. Credit this tax year. Enter the lesser of lines 4 or 5.
Enter this amount on line 15 of Form K-40, or line 9 of Form K-41. 6. _____

If line 6 is less than line 4, complete PART C.

PART C – COMPUTATION OF REFUND (K-40 and K-41 filers ONLY)

7. Subtract line 6 from line 4. This is the amount of excess credit to be refunded.
Enter this amount on line 24 of Form K-40, or line 14 of Form K-41. 7. _____

INSTRUCTIONS FOR SCHEDULE K-64

GENERAL INFORMATION

K.S.A. 79-32,206 as amended by the 2002 Legislature provides a tax credit against the income tax, privilege tax, and insurance company premiums tax equal to 20% of the personal property tax paid on qualifying machinery and equipment. The property tax must have been levied and timely paid during the tax year for which the credit is taken. The amount of credit that exceeds the tax liability will be refunded. The credit is effective for all tax years beginning after December 31, 2001, for property tax years 2002 through 2004. **Note:** The credit will be 20% of the property tax levied for property tax years 2005 and 2006, and 25% of the property tax levied for property tax year 2007 and after.

"Qualifying machinery and equipment" means commercial and industrial machinery and equipment required to be listed for property taxation on Schedule 2, Schedule 3, Schedule 5, or Schedule 6 by a for-profit business required to file an income tax, privilege tax, or insurance company premiums tax return.

Schedule 2—Prescribed and/or itemized machinery and equipment used in mineral leasehold interests including diesel engines, drilling rigs, electric motors, line piping, mud pumps, water injection pumps, oil separators, oil well tubing pumps, pumping jacks, service units and tanks.

Schedule 3—Personal property available for this credit as provided by Kansas Department of Revenue (KDOR), Property Valuation Division (PVD), on Form RC-100.

Schedule 5—Commercial and industrial machinery and equipment used for business purposes.

Schedule 6—All other business related tangible personal property not elsewhere classified, such as spare parts. Equipment that is leased can only be claimed by the owner.

The personal property tax paid on motor vehicles, nonbusiness use property, leased equipment and tangible personal property owned by a public utility is NOT eligible for this credit. See K.S.A. 79-32,206.

Partnerships, S Corporations, LLCs and LLPs

Partners, shareholders and members will claim this credit in the same manner as they account for their proportionate share of the income or loss of the partnership, S corporation, LLC, or LLP. Enter on line 1b the percentage that represents your proportionate share. If you are a partner, shareholder or member in more than one business qualifying for this credit, you must enclose a schedule showing the business name, EIN and property tax information in Part A for each business. Enter on line 2 the total for all businesses.

Required Information

In order to complete this schedule you will need a copy of the receipt(s) from your county treasurer showing timely payment of the personal property tax on the qualifying property.

IMPORTANT: You *MUST* enclose copies of the paid receipts with this schedule if the credit on line 4 is more than \$500.

If your paid receipt does not separate the tax paid on qualified property from other personal property taxes paid, you must obtain a breakdown of the tax paid on the qualified property from the county and enclose it with this schedule. This may include obtaining the assessed value and mill levy from the county in order to determine the tax paid on qualified property. For example, if you own Schedule 2 property, you will need the tax paid on prescribed and itemized equipment separated from the total tax paid on the mineral leasehold interests. For Schedule 6 property, you will need the tax paid on business-related property separated from Schedule 6 non-business-related property.

PART A — SCHEDULE OF PROPERTY TAXES PAID

Using your paid receipt from the county treasurer, enter the amount of personal property tax timely paid on qualifying business machinery and equipment. DO NOT include any additional tax incurred due to filing penalties. If the receipt does not provide all the information necessary to complete Part A, obtain the personal property valuation notice and/or contact your county appraiser for a breakdown.

Railroads: Enter the amount of Property Tax Paid from Form RC-100 provided to you by KDOR, PVD - under the property classification "Schedule 3 or Schedule 6" - Other Business Property.

Partners, Shareholders or Members: If you are a partner, shareholder or member in more than one business qualifying for this credit, skip lines 1a and 1b. Enter on line 2 the total of your share of the property taxes paid for all entities from the separate schedule prepared according to the instructions on the left for pass-through entities.

LINE 1a—Enter the total personal property tax timely paid this tax year on qualified machinery and equipment from column (a) of Part A.

LINE 1b—If you are a partner, shareholder or member in a partnership, S corporation, LLC or LLP, enter the percentage that represents your proportionate share in the property/taxes shown in Part A. If you are the sole owner, enter 100%.

LINE 2—Multiply line 1a by line 1b. This is total personal property tax eligible for credit this tax year.

PART B — COMPUTATION OF CREDIT

NOTE: All filers will complete lines 3 and 4. Only Form K-40 and Form K-41 filers will complete lines 5, 6, and, if applicable, line 7.

LINE 3—The credit percentage is 20%.

LINE 4—Multiply line 2 by line 3. This is the amount of credit available this tax year. If you are filing Form K-120 or Form K-130, stop here and enter the line 4 amount on the line of your return for this credit. Form K-120 and Form K-130 filers DO NOT complete lines 5 through 7 of this schedule.

IMPORTANT: If the amount on line 4 is more than \$500, you must enclose copies of the paid tax receipts with this schedule.

LINE 5—Enter your Kansas tax liability after all credits other than this credit.

LINE 6—Enter the lesser of lines 4 or 5. Enter this amount on line 15 of Form K-40, or line 9 of Form K-41.

If line 6 is less than line 4, complete PART C.

PART C — COMPUTATION OF REFUND

LINE 7—Subtract line 6 from line 4. This is the excess credit to be refunded to you. Enter this amount on line 24 of Form K-40, or line 14 of Form K-41.

TAXPAYER ASSISTANCE

If you have questions about personal property tax or your valuation notice, contact your county appraiser. If you have questions or need a copy of your personal property tax receipt for payment, contact your county treasurer.

If you need assistance in completing this schedule, contact the 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

Kansas tax forms are available from our office or web site at www.ksrevenue.org.