Instructions for K120S Example - (Individuals see page 2)

Sample for Line 16 of the K34 Business & Job Development Credit

This sample was created for business' that are unable to determine their exact property and payroll factors.

You will need to complete a property and payroll factor for each credit.

If inventory is included in the numerator then it must be included in denominator.

Property Factor:

| Investment in New Business Facility | \$ 406,022.00 | Line 63 - Part D (original year) |
|--------------------------------------|---------------|----------------------------------|
| Average Inventory & Allocation Ratio | \$.00 | |
| | | |

Total Qualifying Kansas Property 406,022.00

| Kansas Beginning Property | (Current Year) | \$ 202,067,263.00 |
|---------------------------|----------------|--------------------------|
| Kansas Ending Property | (Current Year) | \$ <u>271,976,820.00</u> |
| Total Property | | \$474,044,083.00 |
| Multiply by 50% | | 50% |
| Average Property | | \$ 237,022,042.00 |
| Total Rents in Kansas x 8 | (Current Year) | \$ <u>3,438,576.00</u> |

\$ 240,460,618.000 Total average Kansas property

Property Factor

0.1689% (total qualifying Kansas Property divided by total average Kansas property)

Payroll Factor:

| Total Kansas Wages (Current Year) | \$ 4,668,101.00 |
|--|-----------------|
| Divided by Kansas Employees (Current Year) | <u>673</u> |

Average Kansas Salary (Current Year) \$ 6,936.00

Times Qualified Business Facility Employees Line 40 - Part C (original year)

Total Facility Wages \$ 34,680.00 Divided by Total Kansas Wages (Current Year) \$ 4,668,101.00

Payroll Factor .7429%

Property Factor 0.1689% Payroll Factor .7429% Total Percent .9118% Divide by 2 Average percent .4559%

Kansas Total income (Current Year) \$ 10,130,145.00 K-120S: Line 18

Allocated Qualified Business Income K-34: Enter on \$46,183.00

Line 16

The sole proprietorship, partnership or S corporation stops here.

Please provide a copy of the property and payroll factor calculation sheet to the sole proprietor, partners or shareholders.

Example for Individuals to figure lines 16 through 21 of K34 Credit

Sole proprietor, partner or shareholder percentage Owned or per share basis: 35%

| Allocated qualified business income: Times Percentage owned: | \$ 46,183.00 35% | K-34 line 16 |
|---|----------------------------|--------------|
| Your share of qualified business facility income: | \$ 16,164.05 | |

The following two lines calculate your tax rate for the qualifying business income:

| Your total Kansas tax liability: (line 8 or 12 which ever is applicable from K-40) Divided by your taxable income: (line 7 from the K-40) | \$ \$ | 2, 277.00 49,647.00 | |
|---|----------|------------------------|--------------|
| Effective tax rate: | | 4.5864% | |
| Your share of qualified business facility income: Times effective tax rate: | \$ | 16,164.05 4.5864% | |
| Tax on qualified facility income: | \$ | 741.00 | |
| 50% of tax: | \$ | 370.00 | |
| Total qualified employees and investment credit: Times your percentage owned: | \$ | 7,000.00 35% | K-34 line 13 |
| Your share of credit: | \$ | 2,450.00 | |
| Credit allowable: (50% of tax or your share of credit, whichever is less | \$ | 370.00 | K-34 line 21 |