

PROMOTING EMPLOYMENT ACROSS KANSAS PROGRAM(PEAK)

Summary

The creation of the Promoting Employment Across Kansas (PEAK) Act, K.S.A. 74-50,210 through 74-50,216, was passed by the 2009 Kansas Legislature. PEAK is intended to encourage economic development and the creation of new jobs in Kansas by incenting companies to relocate, locate, or expand business operations and jobs in Kansas.

During the benefit period, participating PEAK companies may retain 95 percent (95%) of the payroll withholding tax of PEAK-Eligible employees/jobs that pay at or above the county median wage where the operations and jobs will be located. Depending on the number of PEAK jobs/employees to be hired in Kansas and their wage levels, the Secretary of Commerce can approve benefit periods for up to 10 years.

PEAK requires the qualified company to commit to creating five new jobs in non-metropolitan counties or ten (10) new jobs in the metropolitan counties of Shawnee, Douglas, Wyandotte, Johnson, Leavenworth and Sedgwick over a two-year period. The qualified company must also pay wages to the PEAK jobs/employees, that when aggregated, meet or exceed the county median wage or North American Industry Classification System (NAICS) average wage for their industry. Qualified applicants include for-profit companies in eligible NAICS codes and not-for-profit headquarters facilities. Such companies must make available to its full-time employees “adequate” health insurance coverage and be paying at least 50% of the premium.

The Kansas Department of Commerce administers this program. Additional information and qualifications can be found at www.kansascommerce.com.

KDOR Requirements

After working with many qualified companies since the program’s inception, many qualified companies are not able to “retain” the Kansas withholding as they file Kansas withholding deposit reports. Many have contracted with third party payroll service companies to perform all payroll related services, and these third party payroll service companies are not able to comply with our requirements regarding the PEAK program.

To enable compliance and the continuation of the program, KDOR has begun an alternative process for participating PEAK companies that are not able to or have chosen to not “retain” the Kansas withholdings as they file with KDOR. Through an agreement between the Kansas Department of Revenue and the Kansas Department of Commerce, an alternative method has been established. This alternative method begins for calendar year 2012 and allows qualified companies to submit 100% of the Kansas withholding to the Department of Revenue. The Department of Revenue will then refund the retention amount (95%) on a quarterly basis. Department administrative fees will apply to companies choosing this method to cover additional processing costs. The fee for this alternative method is \$5 per PEAK-eligible employee of the qualified company and will be applied to each quarterly refund. The administrative fee for each quarter will be subtracted from each quarterly refund of the 95% retention of Kansas withholding

tax. To file and pay in this format, the PEAK company will make this election on the PEAK application field with the Department of Commerce.

Registration of PEAK Companies

The Kansas Department of Revenue will ensure that each qualified company is registered to remit Kansas withholding taxes as a Kansas employer.

KDOR will mail a letter of registration to each company that has qualified for the PEAK program.

Information regarding responsibilities for Kansas income tax withholding and computing the tax may be found in our [Kansas Withholding Tax Publication](#).

Filing Requirements

Qualified companies are required to remit Kansas withholding on PEAK-eligible employees on at least a monthly basis. If the company has already been registered with the Department because they are currently operating in Kansas, and the filing frequency is more frequent than “monthly”, KDOR would request that you continue to remit at that more frequent filing frequency for the PEAK program. Kansas withholding tax will be remitted electronically.

KW-5, Kansas Withholding Tax Deposit Report

Electronic Withholding payments include the information previously recorded on a KW-5 payment voucher and are required for EACH reporting period even when no Kansas withholding tax is withheld. Whether you are initiating an ACH Credit Payment through your bank or using WebTax to debit your bank account, you must specify how much should be paid and for the given tax period.

KW-3E, Kansas Annual Withholding Tax Return

The KW-3E shall be submitted on compact disk to KDOR with all required end-of-year reports including W-2's and 1099's by the last day of February of the following calendar year. See [Promoting Employment Across Kansas \(PEAK\) End-of-Year Electronic Reporting Requirements](#).

Summary Data File

In addition to the universally required documents (W-2's and 1099's), a comma separated value (CSV) file shall be required to be submitted with the KW-3E file reporting the following information for all employees:

- Name of employee
- SSN of employee
- Job title
- Position number or Employee number of employee
- PEAK status

- Employment date in Kansas
- Termination date of employment in Kansas
- Number of hours worked by employee for applicable calendar year
- Total Kansas wages of employee for applicable calendar year
- Total Kansas withholding tax of each employee for applicable calendar year
- 95% of total Kansas withholding tax for each PEAK-eligible employee for applicable calendar year
- 5% of total Kansas withholding tax for each PEAK-eligible employee for applicable calendar year.

Files must be in the appropriate data format in order for them to be processed. See [Promoting Employment Across Kansas \(PEAK\) End-of-Year Electronic Reporting Requirements](#) for more information about file formats, helpful tools, and additional filing information.

For technical questions concerning electronic filing, call Electronic Services at 1-800-525-3901 or email eservices@kdor.ks.gov. CD submissions should include a cover letter containing your Kansas Withholding Registration Number under the PEAK program, contact information, and a note identifying the submission as a PEAK filing.

Promoting Employment Across Kansas-Form PR-PEAK

K.S.A. 74-50,217 requires that the Kansas Department of Revenue collect specific information in relation to the tax benefits that have been received pursuant to the promoting employment across Kansas act (PEAK). The requested information must be completed annually by completing [Form PR-PEAK](#) by each participating business and will be used in evaluating the PEAK program.

This information must be provided to the Kansas Department of Revenue no later than the 15th day of the fourth month following the end of the taxable year of the qualified PEAK company.