

# K-53

(Rev. 8/11)

## KANSAS RESEARCH AND DEVELOPMENT CREDIT

For the taxable year beginning \_\_\_\_\_, 20\_\_\_\_; ending \_\_\_\_\_, 20\_\_\_\_.

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

### PART A COMPUTATION OF MAXIMUM ALLOWABLE CREDIT FOR THIS YEAR'S EXPENDITURES

1. Research and development expenditures for current year.  
☐ Machinery and Equipment    ☐ Payroll    ☐ Other    1. \_\_\_\_\_
2. Research and development expenditures for the:  
a. first preceding taxable year.    2a. \_\_\_\_\_  
b. second preceding taxable year, if applicable (see instructions).    2b. \_\_\_\_\_
3. Total (add lines 1, 2a, and if applicable 2b, and enter the total on line 3; see instructions).    3. \_\_\_\_\_
4. Average (divide line 3 by 3). This is your average expenditure over the last three years.    4. \_\_\_\_\_
5. Expenditure amount for credit (subtract line 4 from line 1). If line 1 is less than or equal to line 4, enter "0."    5. \_\_\_\_\_
6. Total research and development credit (multiply line 5 by 6.5% or .065).    6. \_\_\_\_\_
7. Maximum allowable credit in any one year (multiply line 6 by 25% or .25).    7. \_\_\_\_\_
8. Enter your proportionate share percentage (see instructions).    8. \_\_\_\_\_ %
9. Your share of the amount expended this year (multiply line 7 by line 8).    9. \_\_\_\_\_

### PART B – COMPUTATION OF ALLOWED CREDIT FOR THIS YEAR'S EXPENDITURES

10. Amount of your tax liability for this tax year after all other credits other than this credit.    10. \_\_\_\_\_
11. Amount of credit allowable as a result of expenditures made this tax year (enter amount from line 9 or line 10, whichever is less).    11. \_\_\_\_\_

### PART C – COMPUTATION OF CARRY FORWARD CREDIT

12. Amount of carry forward allowed (multiply line 6 by the percentage on line 8, then subtract line 11).    12. \_\_\_\_\_

### PART D – COMPUTATION OF CREDITS FROM PRIOR YEARS

	(A)	(B)	(C)	(D)
13. Year end date of original K-53 for which a carry over is being claimed.	13			
14. Amount of carry over from the original K-53 for the year shown on line 13.	14			
15. Amount of line 14 which has previously been used as a credit.	15			
16. Year(s) credit was used.	16			
17. Carry forward remaining (line 14 minus line 15).	17			
18. Maximum credit allowable in any one year from original K-53 for the year shown on line 13.	18			
19. Amount of carry forward available to this return (lesser of line 17 or line 18).	19			

20. Total carry forward amount available (add line 19, columns A through D).    20. \_\_\_\_\_
21. Amount of tax liability for current taxable year after all previously claimed credits.    21. \_\_\_\_\_

### PART E – COMPUTATION OF TOTAL CREDIT CLAIMED THIS TAX YEAR

22. Enter the lesser of the sum of lines 11 and 20 or line 21. Enter this amount on the appropriate line of Form K-40, Form K-41, or Form K-120.    22. \_\_\_\_\_

# INSTRUCTIONS FOR SCHEDULE K-53

## GENERAL INFORMATION

A credit may be deducted from a taxpayer's Kansas income tax liability if the taxpayer had qualifying expenditures in research and development activities conducted within Kansas (K.S.A. 79-32,182b). Qualifying expenditures are expenditures made for research and development purposes (other than expenditures of monies made available to the taxpayer pursuant to federal or state law), which are expenses allowable for deduction under the provisions of the federal Internal Revenue Code of 1986 and amendments thereto.

The allowable credit is 6.5% of the amount by which the amount expended for the activities in the taxable year exceeds the taxpayer's average of the actual expenditures. This is for the activities made in the taxable year and the two immediate preceding taxable years.

The amount of credit allowable in any one taxable year is limited to 25% of the total amount of the credit plus any applicable carry forward. The amount of any remaining unused credit may be carried forward until the total amount of the credit is used.

Keep an itemized schedule of the expenditures for the amounts claimed on lines 1, 2a and 2b. KDOR (Kansas Department of Revenue) reserves the right to request additional information as necessary.

## SPECIFIC LINE INSTRUCTIONS

Enter the taxpayer's name and Social Security number or federal Employer Identification Number (EIN) in the space provided. If the person claiming this credit is a partner or shareholder in a partnership, LLC, S Corporation, etc., enter the name and EIN of that entity.

### PART A – COMPUTATION OF MAXIMUM ALLOWABLE CREDIT FOR THIS YEAR'S EXPENDITURES

**LINE 1** – Mark the box that best describes your research and development expenditures for the current year.

**LINE 2a** – Enter the total allowable research and development expenditures for activities conducted within Kansas for the **first** tax year preceding the current taxable year.

**LINE 2b** – Enter the total allowable research and development expenditures for activities conducted within Kansas for the **second** tax year preceding the current taxable year.

**LINE 3** – Add lines 1, 2a, and 2b and enter the result on line 3.

**LINE 4** – Divide line 3 by three (3). This is the amount of average expenditures.

**LINE 5** – Subtract line 4 from line 1. This is the amount of expenditures eligible for the credit. If line 1 is less than or equal to line 4, enter zero on line 5.

**LINE 6** – Multiply line 5 by 6.5% (.065). This is the total credit.

**LINE 7** – Multiply line 6 by 25% (.25). This is the maximum credit allowed in any one tax year.

**LINE 8** – 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 9** – Multiply line 7 by line 8 and enter the result.

### PART B-COMPUTATION OF ALLOWED CREDIT FOR THIS YEAR'S EXPENDITURES

**LINE 10** — Enter amount of your Kansas tax liability for this year.

**LINE 11** – Enter the lesser of line 9 or line 10. This is the credit allowed for expenditures made during this tax year.

### PART C - COMPUTATION OF CARRY FORWARD CREDIT

**LINE 12** – Multiply line 6 by the proportionate share percentage (line 8), then subtract line 11. This is the amount of credit to be carried forward.

### PART D-COMPUTATION OF CREDITS FROM PRIOR YEARS

If additional columns are necessary, please enclose an additional schedule. You will need copies of your Schedule K-53 forms from prior years to complete this section.

**LINE 13** – Enter the year end date of the original Schedule K-53 for which you are claiming a carry forward credit.

**LINE 14** – Enter the amount of carry forward from the original schedule K-53 for the year shown on line 13.

**LINE 15** – Enter the total amount of line 14 which you have previously claimed as a credit.

**LINE 16** – Enter the years you previously claimed the credit.

**LINE 17** – Subtract line 15 from line 14. This is the amount of carry forward remaining from the prior K-53 Schedules.

**LINE 18** – Enter the maximum credit allowable in any one year from the original Schedule K-53 for the year shown on line 13.

**LINE 19** – Enter the lesser of line 17 or line 18. This is the amount of carry forward available to this return from each year shown on line 13.

**LINE 20** – Add line 19, columns (A) through (D) (plus additional columns if applicable) and enter the result. This is the total amount of carry forward credit available to this tax year.

**LINE 21** – Enter total Kansas tax liability for the current tax year after all previously claimed credits.

### PART E – COMPUTATION OF TOTAL CREDIT CLAIMED THIS TAX YEAR

**LINE 22** – Enter the lesser of the sum of lines 11 and 20 **or** line 21. Enter this amount on the appropriate line of Form K-40, Form K-41, or Form K-120.

## TAXPAYER ASSISTANCE

For assistance in completing this schedule contact KDOR:

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