

WORKSHEET INSTRUCTIONS (K-85)

GENERAL INSTRUCTIONS

K.S.A. 79-32,261 provides for a 50% income, privilege or premiums tax credit for contributions made on and after July 1, 2008 by any taxpayer who contributes to a Kansas Postsecondary Educational Institution for purposes of deferred maintenance. This tax credit is applicable for tax year 2008 for any contributions made on and after July 1, 2008, and for the tax years 2009, 2010, 2011 and 2012 for any contributions made during the entire tax year. When a taxpayer contributes to a Kansas "Postsecondary Educational Institution" or "university," the taxpayer will receive a Tax Credit Certificate containing an identification number. **DO NOT** file the Tax Credit Certificate with this credit schedule.

If the amount of the credit allowed for a taxpayer who contributes to a university exceeds the taxpayer's Kansas tax liability, such amount that exceeds the tax liability may be carried over for credit in the next succeeding taxable year or years until the total amount of the tax credit has been used, except that no such tax credit shall be carried over for credit after the third taxable year succeeding the taxable year in which the contribution was made.

Postsecondary Educational Institution or University means Emporia State University, Fort Hays State University, Kansas State University, Pittsburg State University, University of Kansas, Washburn University, and Wichita State University.

A SEPARATE SCHEDULE K-85 should be prepared/filed for each credit claimed – including a separate schedule for credits carried forward from the prior year. For example, if a taxpayer has carryforward from 2008 and two new contributions for 2009 - a 2009 Schedule K-85 would be filed for the carryforward from 2008 with the 2008 tax credit certificate number and two 2009 Schedule K-85s would be filed for the two new 2009 credits - one for each of the tax credit certificate numbers.

SPECIFIC LINE INSTRUCTIONS

Enter all requested information at the top of this schedule.

PART A - COMPUTATION OF CREDIT

LINE 1 – Enter the total amount contributed to a Kansas Postsecondary Educational Institution on and after July 1, 2008 for deferred maintenance.

LINE 2 – This percentage (50%) determines the maximum credit allowable by law.

LINE 3 – Multiply line 1 by line 2 and enter the result. This is the maximum credit allowable.

LINE 4 – 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 5 – Multiply line 3 by line 4 and enter the result. This is your share of the total credit for the amount contributed this year.

PART B –COMPUTATION OF TOTAL CREDIT CLAIMED THIS TAX YEAR

LINE 6 – Amount of carry forward from prior year. Enter the amount from the prior year credit. Not applicable for first year the credit is claimed (2008).

LINE 7a – Total credit available this tax year. Add lines 5 and 6 and enter the result.

LINE 7b—Multiply the amount on line 7a by 90% (.90) and enter the result.

LINE 8a – Enter the total Kansas tax liability for this tax year. If you are filing more than one (1) credit schedule this year, enter only the amount of tax liability you wish to apply to this credit. The amount entered on line 8a (not line 8b) is the amount of tax liability considered to be "used" when calculating the remaining tax liability to be applied against other credits. **Example:** If your tax liability is \$1,000 (before applying the 90% reduction) and the amount entered on line 8a is \$400, then the amount of tax liability available to apply to any other credit schedules would be \$600.

LINE 8b—Multiply the amount on line 8a by 90% (.90) and enter the result.

LINE 9 – Enter the lesser of line 7b or line 8b. Enter this amount on the appropriate line of Form K-40 or K-120.

If line 8a is less than line 7a, complete PART C.

PART C –COMPUTATION OF CARRY FORWARD CREDIT

LINE 10 – Subtract line 8a from line 7a, and enter the result. This is the amount of credit to carry forward to next year.