

K-67

(Rev. 9/08)

KANSAS SCHEDULE FOR CARRYBACK OF NET OPERATING FARM LOSS REFUND

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)

**SUBMIT THIS SCHEDULE AND A COPY OF YOUR
FEDERAL FORM 1045, WITH YOUR INCOME TAX RETURN.**

Did you experience a change in marital status or file any of the carry back years with a different filing status than the loss year? ☐ No ☐ Yes If yes, you need to complete Schedule IV (see instructions).

Schedules I, II and IV have been provided to assist you in completing Schedule III. For assistance in completing this refund application you may contact the Kansas Department of Revenue, 915 SW Harrison St., Topeka, KS 66625-2007, or call (785) 368-8222.

SCHEDULE I KANSAS COMPUTATION SCHEDULE (See Instructions)		SCHEDULE II KANSAS COMPUTATION SCHEDULE (See Instructions)				
LOSS YEAR		CARRYBACK YEARS				
	(A)	(B)	(C)	(D)	(E)	(F)
1. Taxable income per Kansas return ...						
2. Net operating loss from prior year ...						
3. Net capital loss						
4. Nontaxable capital gain						
5. Exemptions						
6. Excess nonbusiness deductions						
7. Other adjustments:						
a. Charitable contributions						
b. _____						
8. Net operating loss						
9. Modified taxable income						
10. Net operating loss carryback:						
a. Net operating loss carried to 5th preceding year						
b. Net operating loss carried to 4th preceding year						
c. Net operating loss carried to 3rd preceding year						
d. Net operating loss carried to 2nd preceding year						
e. Net operating loss carried to 1st preceding year						
11. Remaining unused net operating loss						

SCHEDULE IV – KANSAS ALLOCATION SCHEDULE

Complete this schedule only if any one of the years involved was filed with a different filing status than any other year. You must complete this schedule for EACH YEAR that an allocation is necessary (see instructions).

Year _____	Joint Income (Q)	Taxpayer Income (R)	Spouse's Income (S)
36. Wages, salaries, tips, etc.			
37. Interest taxable to Kansas			
38. Dividends less exclusion			
39. Business income			
40. Taxable capital gains and losses			
41. Rents, royalties and partnerships			
42. Farm income			
43. Other income (include any net operating losses from prior years)			
44. Total income (add lines 36 through 43)			
45. Less standard or itemized deductions			
46. Less federal tax			
47. Less exemptions			
48. Taxable income (Line 44 minus lines 45, 46 and 47. Enter the result in the appropriate year's column on line 1, Schedule I or II. Do not complete lines 49 through 57 unless you are on Step 3; see instructions.)			
49. Tax on joint filing status			
50. Tax on married filing separate status			
51. Total of taxpayer's and former spouse's tax (add amount on line 50, columns R and S)			
52. Subtract net operating loss from taxpayer's taxable income (line 48, column R, minus line 8, Schedule I). This amount cannot be less than zero.			
53. Add line 52 column (R) to line 48, column (S) and enter the result			
54. Determine tax on income shown on line 53 using married filing joint rates			
55. Divide line 50, column (R), by line 51			
56. Taxpayer's recomputed share of joint liability (multiply line 54 by line 55)			
57. Amount of tax actually paid by each spouse (withholdings, estimate payments, remittances, etc.)			
58. Taxpayer's portion of decrease in tax (subtract line 56 from line 57)			

SCHEDULE V – FARM NET OPERATING LOSS (REFUND / CARRY FORWARD TRACKING)

(a) Taxable year: ____/____/____ to ____/____/____

(b) Loss year: ____/____/____ to ____/____/____

(c) Amount from K-67, Schedule III, Line 35: _____

[illegible]

INSTRUCTIONS FOR FORM K-67

Kansas tax laws regarding Net Operating Losses (NOL) are in conformity with the Federal NOL tax laws. In order to have a Kansas NOL, you must have all of the following: 1) a Federal NOL; 2) Kansas income tax return and supporting schedules on file for the loss year; and 3) an income or loss from Kansas sources or a Kansas resident for at least part of the year the loss was incurred.

Generally, a Kansas NOL must be carried forward or backward in the same manner as the Federal NOL. This means if you did not carry back on the Federal return, you cannot file a Kansas NOL carry back claim. If a NOL was incurred in a taxable year beginning after 12/31/87, the loss may **ONLY** be carried forward 10 taxable years (complete Kansas Form CRF).

For **farm** NOLs [as defined by 26 U.C.S. 172(i)] a NOL deduction is allowed under Kansas law in the same manner that it is allowed under the Federal internal revenue code except that such NOL may be carried forward to each of the 10 taxable years following the taxable year of the NOL. Furthermore, **farm** NOLs incurred in taxable years beginning after 12/31/99 may be carried back five taxable years.

If there was a change in marital status (divorce, marriage, or death of one of the spouses) between the year of the loss and any of the years to which the loss is carried, see instructions for Schedule IV.

K.S.A. 79-32,143(f) provides that no refund of income tax which results from a **farm** NOL carry back shall be allowed in an amount exceeding \$1,500 in any year. **Effective in tax year 2006, any overpayment in excess of \$1,500 may be carried forward to any year or years after the year of the loss and may be claimed as a credit against the tax.**

There are potentially four steps involved in a farm NOL carryback: STEP 1 is computing the amount of the loss allowable for carryback; STEP 2 is determining how much of the allowable loss will be carried back to each year; STEP 3 is applying the correct amount of loss to each year to determine the resulting refund, and STEP 4 tracks the refunds and carryforwards. Each step corresponds to a schedule on this form.

SCHEDULE I

Column A

LINE 1: Enter the loss year (2007 if the loss occurred in tax year 2007) in column A. Enter the Kansas **taxable income** from the loss year. This amount will be a negative figure (Line 7, K-40).

LINE 2: If any prior year NOL is included in the adjusted gross income, enter the amount on line 2. Since you are reducing the allowable loss shown on line 1 by the amounts shown on succeeding lines, the amount entered will be a positive figure.

LINE 3: Enter the same capital loss that was computed on your Federal NOL claim as a positive figure.

LINE 4: Enter the portion of the Federal long-term capital gains excluded from income.

LINE 5: Enter amount of the personal exemption allowance claimed on the Kansas return.

LINE 6: Enter amount of the Kansas nonbusiness deductions in excess of Kansas nonbusiness income. Note that although the same method is used to compute this as is used to compute the Federal NOL, income (i.e., municipal and Federal bonds, etc.) and deductions (i.e., itemized or standard deductions, etc.) are not the same on the Federal return as on the Kansas return, therefore, the Kansas NOL in some cases will be a different amount.

LINE 8: Reduce the loss on line 1 by the total of lines 2 through 6. If the answer is a negative figure, this will be your Kansas NOL. Carry the NOL from line 8 to line 10a, column B, Schedule II and also, to line 13, column H, Schedule III.

SCHEDULE II

Enter the carry back years in columns B, C, D, E & F (if the loss year is 2007 in column A, then column B will be 2002, column C will be 2003, column D will be 2004, etc.). The NOL must be carried to the 5th year preceding the year of the loss (column B). If any loss remains, it is carried to the 4th year preceding the year of the loss (column C) and then to the 3rd year prior to the loss year (column D), etc. The computations for Schedule II are essentially the same as those for Schedule I, with a few exceptions. The excess nonbusiness deductions are not added back.

LINE 7A: If the allowable portion of the charitable contributions shown on the Federal itemized deductions have been increased, show the same adjustment as shown on the Federal NOL claim on line 7a.

LINE 9: Add lines 1 through 7 to determine the modified taxable income and enter the total on line 9 (cannot be less than zero).

LINE 10: This is the unused portion of the NOL.

Column B: If the loss exceeds modified taxable income, show the difference on line 10a.

Column C: If the loss exceeds modified taxable income, show the difference on line 10b.

Column D: If the loss exceeds modified taxable income, show the difference on line 10c.

Column E: If the loss exceeds modified taxable income, show the difference on line 10d.

Column F: If the loss exceeds modified taxable income, show the difference on line 10e.

LINE 11: If the loss in **Column F** exceeds the modified income, the remainder is shown on line 11 and must be carried forward (the carryforward is limited to 10 years).

SCHEDULE III

Columns G, I, K, M and O are brought directly to Schedule III from the carry back year returns **UNLESS** there has been a prior amendment or adjustment, in which case the amounts entered should be those on the last amendment or adjustment. Columns H, J, L, N and P show how these items would change after the loss is applied. The amounts on Schedule II, lines 10(a), 10(b), 10(c), 10(d), and 10(e) will be the amounts used for the corresponding year on Schedule III, line 13, columns H, J, L, N and P.

SCHEDULE IV

This schedule is used when there is a change in marital status between year of the loss and any of the years to which the loss is to be carried. The NOL of one spouse normally cannot be applied to the income of the other spouse; therefore, it is necessary to determine what portion of the jointly filed return applies to the spouse who sustained the loss. There are two situations, which are exceptions to the rule.

Situation 1 – The taxpayer was married in the loss year, one spouse had a NOL but the other spouse did not, and the prior years were filed on a single or married filing separate basis. In this situation, the spouse who had no NOL may file jointly with the spouse who had a NOL, but the loss can **only** be carried back to the income of the spouse who sustained the loss. In this situation, you should complete lines 36 through 48 to verify that both spouses do have a loss.

Situation 2 – A joint return is filed with the same spouse on both the loss year and all the years to which the loss is carried. In this situation **do not** complete Schedule IV.

NONRESIDENTS: A nonresident must determine the net operating loss as though he were a Kansas resident. The information shown on the nonresident allocation percentage schedule is not used to determine a Kansas NOL. Read the instructions for completing this schedule before completing your nonresident Kansas return.

REFUND CARRYOVER: NOLs may be exhausted before taxpayers receive all tax refunds due to the \$1,500 per year refund limitation. Use Schedule III, Line 35, Columns G, I, K, M and O to report these refund carryovers.

SCHEDULE V

Schedule V - This schedule is used to track refunds and carryforwards. Beginning with tax year 2006 some or all of the tax refund realized as a result of a farm NOL carryback may be carried forward as a credit toward next year's tax liability.

Column (a): Enter the taxable year.

Column (b): Enter the loss year from which the overpayment of tax results.

Column (c): Enter the amount from K-67, Schedule III, Line 35.

Column (d): Enter the amount of refunds, by tax year, already issued to you as a result of a farm NOL. A maximum refund of \$1,500 per year is allowed as a result of a farm NOL. For tax year 2006, taxpayers may carry forward some of all of the overpayment of tax (as a result of a farm NOL carry back) to any future year or years to be used as a credit against any tax owed. For tax years 2006 and after, enter in column (d) the amount of refund, if any, you are requesting this tax year - capped at \$1,500. Enter this same amount on the appropriate line of Form K-40 or Form K-41, **refundable** credit.

Column (e): For tax years beginning with 2006, enter the amount of your tax liability for this tax year after all credits other than this credit.

Column (f): For tax years beginning with 2006, enter the amount of credit you want applied to this tax year's liability. Do not enter more than this year's tax liability. Enter this same amount on the appropriate line of Form K-40 or Form K-41, **nonrefundable** credit.

Column (g): Enter the balance of the overpayment here. Subtract the sum of column (d) and column (f) from the previous year's balance.