

# K-59

# KANSAS HIGH PERFORMANCE INCENTIVE PROGRAM (HPIP) CREDITS

K-59  
Attach  
191625



(Rev. 8-5-25)

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

Name of taxpayer (as shown on return)	Social Security Number or Employer ID Number (EIN)
If partner, shareholder or member, enter name of partnership, S corporation, LLC or LLP that earned credit	EIN of entity that earned the credit

## PART A — GENERAL INFORMATION

1. Enter the period for which you were HPIP certified by the Secretary of Commerce. 1. \_\_\_\_\_ thru \_\_\_\_\_
2. Enter your HPIP or transferee certification number. 2. \_\_\_\_\_
  - a. Enter transferor certificate number. 2a. \_\_\_\_\_
  - b. Amount of credit for transferee. 2b. \_\_\_\_\_
  - c. Transferee - Years remaining when acquired (including this tax year). 2c. \_\_\_\_\_

## PART B — HPIP TRAINING AND EDUCATION CREDIT

3. Total qualified cash investment in training and education. 3. \_\_\_\_\_
4. Total amount expended for payroll during the period specified. 4. \_\_\_\_\_
5. Multiply line 4 by 2%. 5. \_\_\_\_\_
6. Amount of credit subject to limitation (subtract line 5 from line 3). 6. \_\_\_\_\_
7. Training and education credit for amount invested (the lesser of line 6 or \$50,000). 7. \_\_\_\_\_
8. Enter your proportionate share percentage. 8. \_\_\_\_\_
9. Amount of credit allowable for training and education. 9. \_\_\_\_\_
- 9a. Training and education credit used. 9a. \_\_\_\_\_

## PART C — HPIP INVESTMENT CREDIT

10. Address location of qualified business facility:

\_\_\_\_\_ Street Address \_\_\_\_\_ City

11. Complete the following **investment schedule** for the **1st qualifying year**:

	(1) Enter a Business Entity Tax Filing Period By Month	(2) Base Year: _____ Monthly Base Investment	(3) 1st Qualifying Year: Monthly Qualifying Investment
a			
b			
c			
d			
e			
f			
g			
h			
i			
j			
k			
l			
m	TOTAL		
n	Average Investment		
o	Capitalized Rents		
p	TOTAL		
q	Base		
r	Average Qualified Investment		
s	Minimum Investment Allowed Enter \$50,000 or \$1,000,000 (see instructions)		
t	Qualified Business Facility Investment		
u	INVESTMENT CREDIT (10% of line 11t)		



- |   |             |
|---|-------------|
| 12. Enter your proportionate share percentage. See instructions.  | 12. _____ % |
| 13. Amount of current year credit available (multiply line 11u by 12) or amount of credit received by transfer. | 13. _____   |
| 13a. Prior year(s) carryforward.  | 13a. _____  |
| 13b. Amount of credit transferred. (Transferor only)  | 13b. _____  |
| 13c. Total credit available this tax year (add lines 13 and 13a and subtract line 13b).                         | 13c. _____  |
| 14. Amount of tax liability for current year after all previous claimed credits.                                | 14. _____   |
| 15. Amount of credit used.  | 15. _____   |
| 16. Amount of carry forward for next year's Schedule K-59.  | 16. _____   |

**PART D — NEW INVESTMENT INFORMATION**

- |  |           |
|--|-----------|
| 17. Number of actual jobs created as a direct result of this qualified business facility investment.                       | 17. _____ |
| 18. Additional payroll generated as a direct result of actual jobs created on line 17.                                     | 18. _____ |
| 19. Actual number of jobs retained that would have been eliminated if not for this qualified business facility investment. | 19. _____ |
| 20. Payroll for actual jobs retained on line 19.   | 20. _____ |
| 21. Additional revenue or loss generated as a direct result of this qualified business facility investment.                | 21. _____ |
| 22. Additional sales generated as a direct result of this qualified business facility investment.                          | 22. _____ |
| 23. Total employment in the state of Kansas.   | 23. _____ |
| 24. Total payroll in the state of Kansas.  | 24. _____ |

**PART E — CARRY FORWARD SCHEDULE**

- |                         |                        |                            |                               |
|-------------------------|------------------------|----------------------------|-------------------------------|
| 25. <b>First Year</b>   | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 26. <b>Second Year</b>  | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 27. <b>Third Year</b>   | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 28. <b>Fourth Year</b>  | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 29. <b>Fifth Year</b>   | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 30. <b>Sixth Year</b>   | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 31. <b>Seventh Year</b> | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 32. <b>Eighth Year</b>  | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 33. <b>Ninth Year</b>   | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 34. <b>Tenth Year</b>   | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>    | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |

 Lines 35 through 40 are to be used for HPIP carry forward on UNEXPIRED credits where the investments were placed into service in taxable years commencing after December 31, 2000.

- |                            |                        |                            |                               |
|----------------------------|------------------------|----------------------------|-------------------------------|
| 35. <b>Eleventh Year</b>   | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>       | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 36. <b>Twelfth Year</b>    | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>       | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 37. <b>Thirteenth Year</b> | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>       | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 38. <b>Fourteenth Year</b> | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>       | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 39. <b>Fifteenth Year</b>  | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>       | d. Carry Fwd Amt _____ | e. Credit Used _____       | f. Credit Fwd Available _____ |
| 40. <b>Sixteenth Year</b>  | a. Tax Year _____      | b. Certification No. _____ | c. Certification Date _____   |
| <b>Carry Forward</b>       | d. Carry Fwd Amt _____ | e. Credit Used _____       |                               |

# INSTRUCTIONS FOR SCHEDULE K-59

## GENERAL INFORMATION

Schedule K-59 provides an investment schedule and a carry forward schedule. Please read all directions before completing this schedule.

The High Performance Incentive Program (HPIP) provides for two types of credits: 1) Training and Education Credit [K.S.A. 74-50,132]; and, 2) Investment Tax Credit [K.S.A. 79-32,160a(e)]. Certification from the Kansas Department of Commerce (KDOC) is the initial requirement for either of the credits and must be maintained with your records.

**Training and Education Credit.** A qualified firm that invests in the training and education of its employees and pays higher than average wages is eligible to receive a tax credit. The credit is the amount of training and education expenditures that exceed 2% of the wages, limited to \$50,000. The credit must be used in the tax year it is earned. There is no carry forward provision for this credit.

**Investment Tax Credit.** A qualified firm may be eligible to receive a 10% investment tax credit for investment in excess of \$50,000 (\$1,000,000 for the counties of Douglas, Johnson, Sedgwick, Shawnee and Wyandotte) in a Qualified Business Facility (QBF). This credit may be carried forward for the next 16 tax years as long as the firm is recertified in the tax year the carry forward is used. Schedule K-59 must be completed for each QBF in the initial year and, if necessary, for any carry forward year for each location. Schedule K-59 must be completed for each credit received by transfer for its initial year and if necessary, for any carry forward year.



**IMPORTANT:** Do not send any enclosures with this credit schedule. If additional information is needed, the Department of Revenue reserves the right to request it at a later date.

A “qualified firm” is a for-profit business establishment, subject to state income, sales or property taxes, identified:

- under the North American Industry Classification System (NAICS) designation 221, 311 through 339, 423 through 425, 481 through 519, 521 through 721, 811 through 928; OR
- as a corporate or regional headquarters or back-office operation of a national or multinational corporation regardless of NAICS designation.

A business establishment may be assigned a NAICS designation according to the primary business activity at a single physical location in Kansas. There are additional qualifications to meet the definition of “qualified firm.” Contact KDOC for information.

A “qualified business facility investment” is the value of the real and tangible personal property, except inventory or property held for sale to customers in the ordinary course of business, which constitutes the qualified business facility. See K.S.A. 79-32,154(e).

“Corporate headquarters” is a facility where principal officers of the corporation are housed and from which direction, management or administrative support for transactions is provided.

K.S.A. 74-50,227 requires the collection of certain tax incentive information for publication on a database managed by the Kansas Department of Commerce. Information collected will include the name and address, including county of the recipient receiving the benefits from the tax incentive program, the annual amount of incentive claimed, distributed or received, qualification criteria for the incentive, and required benchmarks for continued participation in the program and progress made towards the benchmarks.

**Transferee's only** - Complete the following sections: Part A (lines 2, 2b and 2c), Part C (lines 10, 13, 13a, and 13c through 16) and Part E (carryforward schedule). HPIP investment credits that have been transferred must be claimed in the tax year the credit was transferred. For example, if the transfer of the credit was made March 5, 2024, the credit must be on the tax return that includes March 5, 2024.

**Transferor** (the original credit earner) - Complete the entire form to establish the credit and show the transfer.

## LINE BY LINE INSTRUCTIONS

### PART A – GENERAL INFORMATION

**LINE 1** – Enter the period certified by KDOC.

**LINE 2** – Enter the HPIP or transferee certification number received from KDOC.

**LINE 2a** - Enter the transferor certificate number.

**LINE 2b** - Enter the amount of credit provided on the credit certificate issued to the transferee by the KDOC.

**LINE 2c - Transferee** - enter the number of carryforward years remaining of credit when the credit was acquired.

### PART B – HPIP TRAINING AND EDUCATION CREDIT

The training and education credit is authorized through HPIP and shall be claimed in the tax year for which the company is certified. If the HPIP certification period should overlap two tax years, the taxpayer shall have the choice of which tax year to claim the training and education tax credit.

**LINE 3** – Enter the total qualified business **cash** investment in the training and education of the qualified firm’s employees during the 12-month measurement period specified on your HPIP eligibility form or certification letter. Do not include spending used to match the state’s Kansas Industrial Retraining (KIR) program.

**LINE 4** – Enter the total dollar amount expended for payroll costs for both full time and part time positions. This should correspond to the amount reported on your Quarterly Wage Report and Unemployment Tax return From K-CNS 100.

**LINE 5** – Multiply line 4 by 2% and enter the result.

**LINE 6** – Subtract line 5 from line 3 and enter the result.

**LINE 7** – Enter amount from line 6 or \$50,000, whichever is less. This is the total training and education credit for cash investment made.

**LINE 8** – Partners, shareholders, or members must enter their proportionate share percentage in the partnership or S corporation. All other taxpayers enter 100%.

**LINE 9** – Multiply line 7 by line 8. This is the amount of credit allowable for training and education. Apply this credit to your tax liability before any other credits.

**LINE 9a** – Enter the amount of training and education credit used against your tax liability (cannot exceed your tax liability) on the appropriate line of Form K-40, Form K-41, Form K-120, or Form K-130.

### PART C – HPIP INVESTMENT CREDIT

Qualified business facility investment is the value of the real and tangible personal property, except inventory or property held for sale to customers in the ordinary course of the taxpayer’s business, which constitutes the qualified business facility, or which is used by the taxpayer in the operation of the QBF, during the taxable year for which the HPIP investment tax credit is claimed. The value of such property during the taxable year shall be: 1) its original cost if owned by the taxpayer; or 2) eight times the net annual rental rate if leased by the taxpayer.

All **three** of the following conditions must be met for property to be eligible for the HPIP investment tax credit.

1. Only those expenditures for real and tangible personal property made during the certification period will qualify for the credit;
2. The property must be capable of being used by the taxpayer or must be used by the taxpayer in the operation of the QBF during the certification period (no property classified or defined as construction in process); and
3. Only that property identified on the capital investment project form submitted to KDOC shall be eligible.

#### Current Year Investment Calculation:

The QBF investment for HPIP purposes is computed based on a monthly average of the HPIP qualified investment made during the certified or recertified months that fall within the taxpayer’s tax year. The investment or expenditures must meet the qualifications listed above. This property will also be present in the property factor for apportionment purposes. The QBF investment shall be determined by dividing the sum of the total cumulative value of such HPIP property on the last business day of each full calendar month during the portion of the taxable year during which the QBF was in operation by the number of full calendar months the QBF is in operation.

#### Base Year Investment Calculation:

For investment in a QBF, which facility existed and was operated by the taxpayer prior to the investment, a base amount of investment will be deducted from the current year’s HPIP investment average. The base shall consist of the average HPIP investment made by the taxpayer in all prior years at this QBF. This property will also be present in the property factor for apportionment purposes. The base QBF investment for HPIP purposes shall be determined by dividing the sum of the total cumulative value of such HPIP property on the last business day of each full calendar month during the portion of the prior taxable year during which the QBF was in operation by the number of full calendar months the QBF was in operation. Only HPIP QBF investment that is related to the facility will be in the base.

**LINE 10** – Enter street address and city of the qualified business facility.

#### LINE 11a through 11l:

**Column (1) – Filing Period:** Enter the months in the order of the filing period being used by the legal entity.

**Column (2) – Base year—QBF Monthly Investment:** In the heading of Column (2), enter the tax year prior to the tax period of the qualifying credit (Base). Lines 11a through 11l of Column (2) are used to compute activity at the QBF prior to the year in which a credit is qualified. This prior year is referred to as the “base” year. If the QBF was in operation in the prior year and the taxpayer had been certified previously under the HPIP program, enter the total cumulative value of HPIP investment at this QBF on the last business day of each full calendar month during the portion of the preceding tax year during which the QBF was in operation.

**Column (3) Qualifying Year—QBF Monthly Investment:** In the heading of Column (3), enter the tax year you are establishing the current credit. On lines 11a through 11l, enter the total cumulative value of HPIP investment on the last business day of each full calendar month of operation at the QBF during the portion of the taxable year the QBF was in operation. If the QBF was in operation for only three full months during the tax year, you would enter the investment for those three months.

**LINE 11m** – For each Column, (2) and (3), add the amounts on lines 11a through 11l and enter the result on line 11m.

**LINE 11n** – For each Column, (2) and (3), divide the total in line 11m by the number of full months the QBF was in operation.

**LINE 11o** – For each Column, (2) and (3), enter the value of the property rented by the taxpayer and used at the QBF. Rented property is valued at eight times the net annual rental rate.

**LINE 11p** – For each Column, (2) and (3), add lines 11n and 11o.

**LINE 11q** – Enter the base amount shown on line 11p, Column (2).

**LINE 11r** – For Column (3), subtract line 11q from line 11p.

**LINE 11s** – Enter **\$1,000,000** as the minimum investment allowed if the qualified business facility investment was made on or after January 1, 2012 and in the county of Douglas, Johnson, Sedgwick, Shawnee, or Wyandotte. (See exception.)

Enter **\$50,000** as the minimum investment allowed if: 1) the qualified business facility investment was made in any county other than Douglas, Johnson, Sedgwick, Shawnee, or Wyandotte; or 2) the taxpayer has filed a certificate of intent to invest in a qualified business facility in the county of Douglas, Johnson, Sedgwick, Shawnee, or Wyandotte prior to December 31, 2011 and commences investment in the qualified business facility prior to December 31, 2013.

**LINE 11t** – Subtract the minimum investment allowed on line 11s (\$1,000,000 or \$50,000) from line 11r in Column (3).

**LINE 11u** – Multiply line 11t, Column (3), by 10% and enter the result.

**LINE 12** – Enter on line 12 your proportionate share percentage. Partners, shareholders or members of pass through entities, enter the percentage that represents your proportionate share in the partnership, S Corporation, LLC or LLP. All other taxpayers, enter 100%.

**LINE 13** – Multiply line 11u by line 12. This is the amount of current year credit available **OR** the amount of the credit received by a transfer.

**LINE 13a** – Enter amount of the available credit forward from the prior tax year.

**LINE 13b – Transferor only**, enter the amount of credit transferred.

**LINE 13c** – Add lines 13 and 13a and subtract line 13b for the total credit available this tax year.

**LINE 14** – Enter the total Kansas tax liability for the current tax year after all previously claimed credits (including the HPIP Training and Education Tax Credit calculated in PART B are subtracted).

**LINE 15** – Enter the lesser of line 13c or line 14. This is the amount of credit that can be used this tax period. Enter this amount on the appropriate line of Form K-40, Form K-41, Form K-120, or Form K-130.

**LINE 16** – Subtract line 15 from line 13c. Do not enter an amount less than zero. This is the amount of credit to be carried forward. PART E will need to be completed for the next tax period. Enter this carry forward amount on PART E, line d of the appropriate tax year.

**NOTE:** If you claim the investment tax credit allowed on line 15, Schedule K-59, you may not claim a business and job development credit on Schedule K-34 using the same QBF investment.

#### PART D – NEW INVESTMENT INFORMATION

**LINES 17 through 24** – K.S.A. 79-32,243 requires that KDOR collect specific information for all taxable years commencing after December 31, 2005. The information collected will be used by KDOR in evaluating the effectiveness of the HPIP tax credits.

It is important that the information provided in Part D is for the entity claiming the tax credit. If you are completing Schedule K-59 for carry forward purposes only, you should complete lines 17-24 for the number of jobs created or retained, associated payroll, revenue

and sales generated during this tax period, not cumulative from the beginning of this credit.

**LINE 17** – Enter the number of actual jobs this taxpayer has created during this tax period as a direct result of the qualified business facility investment made.

**LINE 18** – Enter the total compensation paid during this tax period for the employees identified on line 17.

**LINE 19** – Enter the number of actual jobs that have been retained by this taxpayer during this tax period that would have been eliminated if not for this qualified business facility investment.

**LINE 20** – Enter the total compensation paid during this tax period for the employee(s) identified on line 19.

**LINE 21** – Enter the income or loss generated during this tax period as a direct result of the qualified business facility investment made.

**LINE 22** – Enter the sales generated during this tax period as a direct result of the qualified business facility investment made.

**LINE 23** – Enter the entity’s total number of employees in the state of Kansas for this tax period.

**LINE 24** – Enter the total amount of compensation paid during this tax period for the total number of employees on line 23.

#### PART E – CARRY FORWARD SCHEDULE

This schedule will track the credit carry forward available for this particular investment credit. Complete a new line for each tax year the credit is carried forward, on the same schedule, until the credit is exhausted or the 16 succeeding tax years have lapsed. Once a credit is established, any succeeding tax year in which the carry forward credit is not claimed will be considered as one of the 16 succeeding tax years.

To claim remaining carry forward the taxpayer must be recertified for the majority of the tax year in which the carry forward is to be claimed, except that no carry forward shall be allowed for deduction after the 16th taxable year succeeding the taxable year in which the credit initially was claimed. To obtain the recertification, you must complete the HPIP Tax Credit Carry-forward Application with KDOC.

When claiming a carry forward credit, you will need to submit the first page of Schedule K-59, with the taxpayer information as contained in the header, and lines 10, 13, 14, 15, 16, PART D and PART E completed.

#### LINES 25 through 40:

**a. Tax Year** – For line 25, enter the first tax year following the tax year the credit was computed. For lines 26 through 40, enter the next consecutive tax year.

**b. Certification No.** – Enter the HPIP, certification or recertification number from KDOC for this tax year. Transferee - Enter the certificate number issued by KDOC.

**c. Certification Period** – Enter the time period covered under the certification or recertification for the tax year.

**d. Carry Forward Amount** – For line 25, enter the amount from PART C, line 16. For lines 26 through 40, enter the amount of available credit forward from the prior tax year until the 16 succeeding tax years have expired or total carry forward has been used.



*Follow the instructions on Line 13 to calculate the amount of credit to be used this tax year.*

**e. Credit Used** – Enter the credit amount to be applied against the tax liability summed with the amount of credit transferred during the tax year.

**f. Carry Forward Available** – Subtract line e from line d. Enter this amount on line f and on line d of succeeding year of carryforward.

#### TAXPAYER ASSISTANCE

Questions you may have about qualifying for the high performance incentive program should be addressed to:

Kansas Department of Commerce  
1000 SW Jackson St., Suite 100  
Topeka KS 66612-1354

Phone: 785-296-5298  
[kansascommerce.gov](http://kansascommerce.gov)

For assistance in completing this schedule contact the Kansas Department of Revenue:

Taxpayer Assistance Center  
Scott Office Building  
120 SE 10th Ave  
PO Box 750260  
Topeka KS 66699-0260  
Phone: 785-358-8222  
Fax: 785-296-8989  
[ksrevenue.gov](http://ksrevenue.gov)