

K-81

(Rev. 8/11)

KANSAS ENVIRONMENTAL COMPLIANCE CREDIT

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	Employer ID Number (EIN)

1. Enter the total amount of the "qualified expenditures" made this tax year. 1. _____
 2. Proportionate share percentage (see instructions) 2. _____
 3. Your share of the credit this tax year (multiply line 1 by line 2). 3. _____
 4. Enter the amount of available carry forward credit from the prior year's Schedule K-81. 4. _____
 5. Total credit available this tax year (add lines 3 and 4). 5. _____
 6. Amount of your Kansas tax liability for this tax year after all credits, other than this credit. 6. _____
 7. Amount of credit allowable this tax year (enter the lesser of lines 5 or 6).
Enter this amount on the appropriate line of Form K-40, Form K-41 or Form K-120. 7. _____
- If line 7 is less than line 5, complete line 8.**
8. Amount of credit to carry forward to next year's Schedule K-81 (subtract line 7 from line 5).
Enter this amount on line 4 of next year's Schedule K-81. 8. _____

GENERAL INSTRUCTIONS

K.S.A. 79-32,222 provides a tax credit for tax years beginning after December 31, 2006 against the Kansas income tax liability equal to the amount of a taxpayer's "qualified expenditures" for an existing refinery to comply with environmental standards. To qualify for this tax credit a taxpayer shall apply to the Secretary of Health and Environment for a "certificate of compliance" that the costs were incurred to comply with environmental standards or requirements as specified in K.S.A. 79-32,222 subsection (a). If the credit allowed exceeds the taxpayer's tax liability in any one taxable year, the amount of the credit that exceeds the tax liability may be carried forward until the total amount of the credit is used, except that no such tax credit shall be carried over for deduction after the fourth taxable year succeeding the year in which the costs are incurred.

Qualified expenditures means expenditures which the secretary of health and environment certifies to the director of taxation are required for an existing refinery to comply with environmental standards or requirements established pursuant to federal statute or regulation, or state statute or rules and regulation, adopted after December 31, 2006.

Refinery is an industrial process plant, located in this state, where crude oil is processed and refined into petroleum products.

SPECIFIC LINE INSTRUCTIONS

Enter all requested information at the top of this schedule.

LINE 1 – Enter the total *qualified expenditures* made this tax year.

LINE 2 – 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 3 – Multiply line 1 by line 2 and enter result. This is your share of the credit.

LINE 4 – Enter the amount shown on line 8 of the prior year's Schedule K-81.

LINE 5 – Add lines 3 and 4 and enter the result. This is the total credit available this tax year.

LINE 6 – Enter your total Kansas tax liability for this tax year after all credits, other than this credit.

LINE 7 – Enter the lesser of lines 5 or 6. This is the amount of credit allowed for this tax year. Enter this amount on the appropriate line of Form K-40, Form K-41 or Form K-120.

If line 7 is less than line 5, complete line 8.

LINE 8 – Subtract line 7 from line 5. This is the amount of credit to carry forward to next year's Schedule K-81.

TAXPAYER ASSISTANCE

Direct your questions about qualifying for this credit to:

Kansas Department of Health & Environment
1000 SW Jackson, Suite 540
Topeka, KS 66612
Phone: (785) 296-1500
Web site: kdheks.gov

If you need assistance completing this schedule, contact the Kansas Department of Revenue:

Tax Operations
Docking State Office Building, 1st Floor
915 SW Harrison St., Topeka, KS 66625-2007
Phone: (785) 368-8222
Web site: ksrevenue.org