

KANSAS TARGETED EMPLOYMENT CREDIT



For the taxable year beginning _____, 20 ____; ending _____, 20 ____

Name of Targeted Employment Business or Taxpayer Outsourcing Work to a Targeted Employment Business	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)

If you are filing as a targeted employment business check here Complete Part A, Part C and Part D.

If you are filing as a taxpayer outsourcing work to a targeted employment business check here Complete Part B, Part C and Part D.

PART A - TARGETED EMPLOYMENT BUSINESS

Name of Targeted Employment Business		Social Security Number / EIN		
Address of Targeted Employment Business	City	County	State	Zip

- Number of eligible individuals employed by targeted employment business (Complete Part D) 1. _____
- Targeted employment business credit for current year (total all column H fields from Part D) 2. _____

PART B - TAXPAYER OUTSOURCING WORK TO A TARGETED EMPLOYMENT BUSINESS CREDIT

Name of Targeted Employment Business		Social Security Number / EIN		
Address of Targeted Employment Business	City	County	State	Zip

- Number of eligible individuals employed by targeted employment business to which taxpayer outsourced work (Complete Part D)..... 3. _____
- Taxpayer outsourcing work to a targeted employment business credit for current year (total all column H fields from Part D)..... 4. _____

PART C - COMPUTATION OF TOTAL CREDIT CLAIMED THIS YEAR

- Targeted employment business credit (enter amount from line 2)..... 5. _____
- Taxpayer outsourcing work to a targeted employment business credit (enter amount from line 4)..... 6. _____
- Total credit for current tax year (add lines 5 and 6)..... 7. _____
- Proportionate share percentage (see instructions) 8. _____ %
- Your share of the credit (multiply line 7 by line 8) 9. _____
- Amount of your Kansas tax liability for this tax year after all credits other than this credit..... 10. _____
- Amount of credit allowed this tax year. Enter the lesser of lines 9 or 10. Enter this amount on the appropriate line of Form K-40, K-41, K-120, K-120S or K-130..... 11. _____



PART D - ELIGIBLE INDIVIDUALS (Attach additional schedules as needed)

Name of Eligible Individual					Social Security Number		
Job Title		Description of work performed					
A	B	C	D	E	F	G	H
Wage Rate Per Hour	Usual and Customary Market Wage Rate for Similar Job	Lesser of A or B Wage Rate	Hours Worked (see instructions)	(C x D) Net Pay	(E x 0.50) 50% Limitation	(D x \$7.50) \$7.50 Limitation	Lesser of F or G Tax Credit

Name of Eligible Individual					Social Security Number		
Job Title		Description of work performed					
A	B	C	D	E	F	G	H
Wage Rate Per Hour	Usual and Customary Market Wage Rate for Similar Job	Lesser of A or B Wage Rate	Hours Worked (see instructions)	(C x D) Net Pay	(E x 0.50) 50% Limitation	(D x \$7.50) \$7.50 Limitation	Lesser of F or G Tax Credit

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Per K.S.A. 79-32,302, I, _____, authorize the Kansas Department of Revenue to provide the Kansas Department for Aging and Disability Services with name, address, and contact number of the targeted employment business.

I understand information provided to the Kansas Department for Aging and Disability Services will maintain the confidentiality of the targeted employment business.

I do not give consent for the Kansas Department of Revenue to share my contact information with the Kansas Department for Aging and Disability Services.

Signature _____

Phone _____

Date _____

INSTRUCTIONS FOR SCHEDULE K-69

GENERAL INFORMATION

K.S.A. 79-32,300 provides a tax credit for tax years 2022 through 2027, which can be claimed against the income, privilege, or premium tax liability of a qualified targeted employment business or of a taxpayer outsourcing work to a qualified targeted employment business. The bill provides the following definitions:

“Targeted employment business” means those employers employing eligible individuals in competitive integrated employment in a competitive integrated setting and who are authorized to do business in Kansas. In order to qualify as a “targeted employment business,” the employer must pay earned income to an eligible individual in a calendar year. “Targeted employment business” does not include a community service provider.

“Competitive integrated employment” has the meaning as provided in the workforce innovation and opportunity act, 29 U.S.C. § 3101 et seq., as defined in 29 U.S.C. § 3102, 34 C.F.R. § 361.5 and 29 U.S.C. § 705.

“Eligible individual” means an individual, including a high school student, who is a Kansas resident, is employed by an employer in a competitive integrated setting, has a developmental disability that has been documented as required by the secretary for aging and disability services and who has agreed to provide the secretary for aging and disability services, or the secretary’s designee, information required by the secretary pursuant to the Kansas targeted employment act, or to permit the secretary of revenue to provide such information to the secretary for aging and disability services.

“Developmental disability” means the same as defined in K.S.A. 39-1803, and amendments thereto.

For every hour of work provided by an “eligible individual” the targeted employment business or taxpayer outsourcing work to a qualified targeted employment business earns a tax credit equal to 50% of the wages paid to the eligible individual on an hourly basis, not to exceed \$7.50 per hour. The wage rate used cannot be more than a reasonable or usual and customary market wage rate for a similar job.

The credit is not refundable, cannot be carried forward, and can only be used once each taxable year against the tax liability imposed by only one of the income, privilege, or premium taxes. The maximum amount of all tax credits allowed in each tax year under the Kansas targeted employment act is \$5,000,000.

SPECIFIC INSTRUCTIONS

Complete the information regarding the taxpayer claiming the credit.

If you are filing as a targeted employment business, check the box and complete Parts A, C and D.

If you are filing as a taxpayer outsourcing work to a targeted employment business, check the box and complete Parts B, C and D.

PART A - TARGETED EMPLOYMENT BUSINESS

LINE 1 – Enter the number of eligible individual employees employed by the targeted employment business from Part D.

LINE 2 – Enter the total of all column H fields from Part D. This is the targeted employment business credit for the current tax year.

PART B - TAXPAYER OUTSOURCING WORK TO A TARGETED EMPLOYMENT BUSINESS

LINE 3 – Enter the number of eligible individuals employed by the taxpayer outsourcing work to a targeted employment business from Part D.

LINE 4 – Enter the total of all column H fields from Part D. This is the taxpayer outsourcing work to a targeted employment business credit for the current tax year.

PART C - COMPUTATION OF TOTAL CREDIT CLAIMED THIS YEAR

LINE 5 – Enter the amount from line 2. This is the targeted employment business credit.

LINE 6 – Enter the amount from line 4. This is the taxpayer outsourcing work to a targeted employment business credit.

LINE 7 – Add lines 5 and 6. This is the total credit for the current year.

LINE 8 – Enter your proportionate share percentage.

Pass-through entities that HAVE NOT elected to be taxed at the entity level

Partners, shareholders or members, enter the percentage that represents your proportionate share in the partnership, S corporation, LLC or LLP.

Pass-through entities that HAVE elected to be taxed at the entity level

Electing pass-through entity, enter the percentage that represents the proportionate share of all “electing pass-through entity owners”. Partners, shareholders or members that are NOT “electing pass-through entity owners” (i.e. other pass-through entities and C corporations), enter the percentage that represents your proportionate share in the partnership, S corporation, LLC or LLP.

All other taxpayers, enter 100%.

LINE 9 – Enter your share of the credit by multiplying line 7 by line 8.

LINE 10 – Enter the amount of your Kansas tax liability for this tax year after all credits other than this credit.

LINE 11 – Enter the lesser of lines 9 or 10. This is the amount of credit allowed this tax year. Enter this amount on the appropriate line of Form K-40, K-41, K-120, K-120S or K-130.

PART D - ELIGIBLE INDIVIDUALS

Complete the information regarding each eligible employee employed by the targeted employment business, including name, social security number, job title, and description of work performed.

COLUMN A – Enter the wage rate per hour for the eligible individual.

COLUMN B – Enter the usual and customary market wage paid for a similar job.

COLUMN C - Enter the lesser of Column A or Column B and enter the result. This is the gross wage rate.

COLUMN D – Enter the actual hours worked (round to the nearest whole hour) by the eligible individual. Do not include hours for which the employee was on paid leave.

COLUMN E – Multiply amount in Column D by amount in Column C. This is the net wages paid to the eligible individual for this calculation.

COLUMN F – Multiply the amount in Column E by 50%. This is the 50% limitation which is required by statute.

COLUMN G – Multiply the amount in column D by \$7.50. This is the maximum wage per hour limitation imposed by statute.

COLUMN H – Enter the lesser of the amount in Column F or Column G.

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.

TAXPAYER ASSISTANCE

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: 785-368-8222
Fax: 785-291-3614

Additional copies of this credit schedule and other tax forms are available from our website at: **ksrevenue.gov**