

NETWORK KANSAS PRESENTS

STEPS TO SUCCESS

A STEP-BY-STEP GUIDE TO STARTING A BUSINESS



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Thinking About Starting a Business

How to Start a Business

Taking the time up-front to explore and evaluate your business and personal goals can increase the success of your business. This information can then be used to build a comprehensive and well thought out business plan that will help you reach these goals. Starting and managing a business takes motivation, desire and talent. It also takes research and planning. The process of developing a business plan will help you think through some important issues that you may not have considered yet. Your plan will become a valuable tool as you set out to raise money for your business. It should also provide milestones to gauge your success.

Basic Qualities Essential for Business Owners

Every quality is not essential to be a successful business owner. However, you will need to possess certain ones:

- **Intelligence**-Street smarts and common sense that give you the ability to anticipate problems before they arise and know how to solve them when they do.
- **Willingness to Sacrifice**-You must be willing to sacrifice your time, money and effort to make your business succeed. Your employees, vendors and bank are in line to be paid before you are.
- **Organizational Skills**-The ability to keep track of what is going on in the business, what the priorities are and what needs to be done when.
- **Strong Interpersonal Skills**-The ability to deal with all types of individuals from the accountant to the irate customer. Plus, you will have to make decisions and stick by them.
- **Management/Leadership Skills**-A small business is about managing relationships with customers, employees, vendors. You must have the answers when necessary.
- **Optimism**-You must be able to weather the storm when things are not going well.

Pros and Cons of Owning a Business

Owning a small business will become your life. It is a full-time commitment. You will be on call 24 hours a day, seven days a week. Below are some of the pros and cons of owning a business:

Pros:

- You will be your own boss
- You may be the boss of employees
- You will influence the local economy
- You will have the satisfaction of creating a business
- You will be making the crucial decisions regarding the running of the business
- You will be able to help the youth of your community

Cons:

- You may have to take a large financial risk
- You may have to learn new business skills such as bookkeeping, inventory control, advertising, etc.
- You will have to work long hours and spend longer time away from your family
- You may not have a steady income

Getting Started

List your reasons for wanting to go into business. Some of the most common reasons for starting a business are:

- To be your own boss
- To fully use your skills and knowledge
- Financial independence
- Creative freedom

Next you need to determine what business is "right for you." Ask yourself these questions:

- What do I like to do with my time?
- What technical skills have I learned or developed?
- What do others say I am good at?
- How much time do I have to run a successful business?
- Do I have any hobbies or interests that are marketable?

Then you should identify the niche your business will fill. Conduct the necessary research to answer these questions:

- Is my idea practical and will it fill a need?
- What is my competition?
- What is my business advantage over existing firms?
- Can I deliver a better quality service?
- Can I create a demand for my business?

The final step before developing your plan is the pre-business checklist. You should answer these questions:

- What business am I interested in starting?
- What services or products will I sell? Where will I be located?
- What skills and experience do I bring to the business?
- What will be my legal structure?
- What will I name my business?
- What equipment or supplies will I need?
- What insurance coverage will be needed?
- What financing will I need?

- What are my resources?
- How will I compensate myself?

Possible Sources of Information:

- Local Chamber of Commerce
- Local Economic Development Agency
- Research gathered by industry experts
- Trade Associations
- Companies in the same field

Small Business Assistance Agencies and Resources

The following agencies have customer service programs dedicated to assisting the new entrepreneur and can provide some business registration requirements for your business.

NetWork Kansas



NetWork Kansas was established as a component of the Kansas Economic Growth Act of 2004 to further establish entrepreneurship and small business growth as a priority for economic and community development in the State of Kansas. Backed by more than 507 partners statewide, the NetWork Kansas service promotes an entrepreneurial environment by connecting entrepreneurs and small business owners with the expertise, education and economic resources they need in order to succeed. Entrepreneurs and small business owners are encouraged to visit www.networkkansas.com or by either calling (877) 521-8600 or info@networkkansas.com to speak with a NetWork Kansas referral coordinator to be connected to local resource partners who can assist them.



Expertise

The NetWork Kansas network includes more than 507 resource partners statewide who are public sector or non-profit organizations providing business building services to entrepreneurs and small businesses. Entrepreneurs are encouraged to call (877) 521-8600 to speak with a NetWork Kansas counselor; the counselor then conducts a “listen and learn” session to determine the entrepreneur’s exact needs. After these needs are understood, the counselor taps into a unique database of resource partners to identify the best person to fulfill their needs. After a connection is made between the client and the appropriate resource partner, the counselor tracks progress and engages additional resources, as required.

Education

NetWork Kansas partners offer a variety of seminars and workshops including how to start a business, tax workshops, business planning and more. In addition, NetWork Kansas is working with partners across the state to assess current entrepreneurial offerings with the objective of developing a vision for entrepreneurial education across the state.

Economic Resources

NetWork Kansas has more than 40 partners who provide loans and grants to entrepreneurs and small businesses. Partners include certified development companies, the seven regional economic development foundations, Mainstreet Kansas communities, USDA Rural Development and other organizations. Our resource network can also access additional matching dollars from NetWork Kansas through the following programs:

- **StartUp Kansas:** StartUp Kansas provides gap funding to small businesses located in rural and distressed areas of a city. StartUp Kansas loans match loans provided by NetWork Kansas Partners (see list above) or state funding programs.
- **Capital Multiplier:** The Capital Multiplier fund is available to businesses throughout the state and will match up to 9% of private capital invested in a business project.
- **E-Community Program:** Focused on the big “E” in the realm of rural economic development—entrepreneurship—A NetWork Kansas E-Community is a partnership that allows a town, a cluster of towns or an entire county to receive seed money through donations from individuals or businesses within the community. Through the Entrepreneurship Tax Credit, a fund is established for entrepreneurs and small business owners that is administered at the local level.

For more information about these programs and all the services offered by NetWork Kansas, visit www.networkkansas.com or call (877) 521-8600.

Kansas Business Center



<http://www.kansas.gov/businesscenter/>

The Kansas Business Center is your official state resource for information, filings and personal assistance to start or maintain your Kansas business. If you're thinking about starting a business, the Kansas Business Center is a one-stop-shop for the information and resources you'll need in order to do business in Kansas. This site will help you look at your financing, licensing, permitting and legal options. Then when you're up and running, the Kansas Business Center will provide you the resources to help you monitor the annual requirements that ensure your business has the opportunity to thrive. In addition, FREE Referral Coordinators are available to take your questions through Live Support Chat or by calling (877) 521-8600.

Depending on what stage you are within your business management, the Kansas Business Center offers you the following services:

Thinking

Explore if owning a business is right for you and gather tools to help you get started.

- Business Entity Name Availability Search
- Business Entity Name Reservation

Starting

- Developing, planning and licensing your business starts here
- Business Tax Registration
- Unemployment Tax Account
- Business Entity Formation
- Business Entity Name Reservation

Maintaining

- Monitor ongoing requirements for your business, such as annual filings, licensing and permits
- Business Tax Registration
- Unemployment Tax Account
- Business Entity Searches
- Business Entity Certificate of Good Standing
- Business Entity Letter of Good Standing
- Resident Agent and/or Registered Office Amendment

Closing

- Ensure that the proper steps are taken to close a business or transfer ownership to another party
- Business Entity Annual Report Filing
- Dissolution, Cancellation or Withdrawal of a Business Entity Amendmen

Kansas.gov



Kansas is considered the birthplace of eGovernment. Kansas legislation (K.S.A. 74-9301 et seq.) was passed in 1991 authorizing the creation of the [Information Network of Kansas, Inc. \(INK\)](#). In 1992, INK awarded Kansas Information Consortium, Inc. (now a subsidiary of [NIC Inc., \[NASDAQ: EGOV\]](#)) the network manager contract and began eGovernment operations.

Kansas.gov is the official Web site of the State of Kansas and its online services. The Kansas.gov staff assists Kansas government agencies by developing online solutions on their behalf. Kansas has launched many eGovernment applications including business filings, professional license renewals and license verifications. Kansas.gov continues to add services and information to improve online access to Kansas government.

Here are some commonly-used business services:

Business Start-up

- Business Entity Formation
- Business Entity Searches
- Business Entity Name Availability Search
- Business Entity Name Reservation
- Business Tax Registration
- Kansas Business Center
- Small Business Training Calendar
- Unemployment Tax Account

Employment & Labor

- KANSASWORKS
- Kansas Civil Service Job Search

Finance & Legal

- Business Entity Annual Report Filing
- Business Entity Formation
- Business Entity Certificate of Good Standing
- Business Entity Letter of Good Standing
- Business Entity Searches
- Business Tax Registration
- County District Court Records

- Judgment, Mortgage and Usury Rates
- Kansas Banking Mailings
- Kansas Business Center
- Small Business Training Calendar
- Uniform Commercial Code (UCC) Filing System
- Uniform Commercial Code (UCC) Notifications
- Uniform Commercial Code (UCC) Searches
- Unemployment Tax Account

Funding & Aid

- Kansas Grants Clearinghouse

Insurance

- Automobile Insurance Companies
- Insurance Company Information Search
- Insurance Fraud Protection
- Insurance Shoppers Guide
- Insurance Company Reports

Professional Licensure

- Behavioral Sciences Regulatory Board License Renewal
- Behavioral Sciences Regulatory Board (BSRB) License Verification
- Board of Accountancy CPA Firms Registration Renewal
- Board of Emergency Medical Services Certificate Renewals
- Board of Healing Arts License Renewals
- Board of Healing Arts License Verification
- Board of Optometry License Renewals
- Dental Board Verification
- Dry Cleaners Registration
- Dry Cleaners Registration Verification
- Nursing License Renewal
- Nursing License Verification
- Pharmacy License Renewal
- Pharmacy License Verification
- Private Investigation License Verification
- Real Estate License Renewal
- Real Estate License Verification
- Technical Professions License Renewals & Address Change

Property

- Mortgage Rates
- Property Tax Payments
- Property Valuation Data (Surveyor)

Safety & Security

- Criminal History Record Checks

State Records (court, criminal, vehicle, vital statistics)

- Criminal History Record Checks
- County District Court Records
- Motor Vehicle Records
- Motor Carrier Vehicle Records
- Vital Statistics

Taxes

- Board of Tax Appeals Case Decisions
- Business Tax Registration
- Property Tax Payments
- Tax Filing Resources
- Unemployment Tax Account

Transportation

- Automobile Insurance Companies
- International Fuel Tax Agreement (IFTA) License Renewal
- International Registration Plan (IRP) Filings
- Kansas Highway Patrol Online Crash Logs
- KCC and Single State Authorities Renewals
- Motor Vehicle Records
- Motor Carrier Vehicle Records
- Motor Vehicle Tag Registration (Web Tags)
- Road Condition Reporting System
- TruckingKS.org
- Trucking Permit System

Kansas.gov Subscriber Services

- County District Court Records
- Full Text Daily Bill Packets
- Kansas Statutes Annotated
- Board of Tax Appeals Case Decisions
- The Kansas Register
- Lobbyist-In-A-Box
- Motor Carrier Vehicle Records
- Motor Vehicle Records
- Multi-Bill Tracking
- Property Valuation Data (Surveyor)
- Uniform Commercial Code (UCC) Notifications

- Uniform Commercial Code (UCC) Searches
- Uniform Commercial Code (UCC) Secured Party Search

To view all online services Kansas.gov has to offer, visit www.kansas.gov/services.

Contributing Partners

The Kansas Business Center is a multi-agency effort with the Information Network of Kansas and Kansas.gov. We thank all of the contributing agencies for their collaboration and efforts put towards this initiative.

Kansas Department of Revenue (KDOR)

Taxpayer Assistance Center

Docking State Office Building

915 S.W. Harrison Street, First Floor

Topeka, KS 66625-0001

Phone: (785) 368-8222

TTY (Hearing Impaired): (785) 296-6461

Fax: (785) 291-3614

www.ksrevenue.org

Operational Hours: 8 a.m. - 5 p.m., Monday - Friday

The **Taxpayer Assistance Center** provides a wide range of assistance to taxpayers by phone and in person for all the taxes administered by the Kansas Department of Revenue. A Kansas Department of Revenue representative will assist you in completing Kansas income tax returns and homestead refund claims, as well as registration for business taxes and completion of business tax returns. The Center also assists taxpayers in understanding and responding to correspondence received from the Department, and answers questions about taxability, responsibilities, record keeping and return preparation for the various tax types. Publications, forms and small business workshop schedules are also available from the Kansas Department of Revenue Web site.

New Business Orientation/State Small Business Workshops - The Education Unit of the Taxpayer Assistance Center provides FREE assistance to new businesses regarding the taxes, rules and forms required of Kansas businesses. Seminars and workshops are held regularly throughout the state on sales tax, withholding tax and special business topics. One-on-one counseling on form preparation, requirements and business tax issues is also available.

Publications - The Kansas Department of Revenue publishes brochures, notices and information guides on a wide range of business tax topics. These free publications are available by mail, on the Kansas Department of Revenue Web site (www.ksrevenue.org), the State of Kansas Web site (www.Kansas.gov) or in person at the Taxpayers Assistance Center.

Kansas Secretary of State Business Services Division

First Floor, Memorial Hall
120 S.W. 10th Avenue
Topeka, KS 66612-1594
Phone: (785) 296-4564
Fax: (785) 296-4570
E-mail: kssos@kssos.org
www.kssos.org

The Business Services Division is located within the Secretary of State's Office. Sixteen full-time employees dedicated to providing customers with effective, efficient and responsive service staff the Business Services Division. The Business Services Division administers the Kansas General Corporation Code, the Kansas Limited Liability Act, the Kansas Revised Uniform Limited Partnership Act, Kansas Uniform Partnership Act, Uniform Commercial Code and other related laws. Forms and procedures to follow in forming and maintaining business entities, as well as business records, may also be found here.

Kansas Insurance Department

420 S.W. 9th Street
Topeka, KS 66612-1678
Phone: (785) 296-3071
Toll Free: (800) 432-2484 (in state only)
Fax: (785) 296-2283
www.ksinsurance.org

The Kansas Insurance Department staff is ready to answer questions you may have about your various insurance needs as you start your new business. Trained customer representatives are accessible by phone or e-mail on a daily basis. Use the Kansas Insurance Department as your insurance resource when beginning your new business venture.

Kansas Department of Health & Environment (KDHE)

Division of Health

Curtis State Office Building
1000 S.W. Jackson, Suite 300
Topeka, KS 66612-1365
Phone: (785) 296-1500
Fax: (785) 296-1562
info@kdhe.state.ks.us
www.kdheks.gov

The Division of Health, within the KDHE, acts as a clearinghouse for health promotion information and provides regulatory oversight for health-related industries and issues. This Division also provides general information about public health matters.

Bureau of Child Care

Phone: (785) 296-1300

Bureau of Health Facilities

Phone: (785) 296-1200

Bureau of Environmental Health

Phone: (785) 296-7278

Kansas Small Business Development Centers (KSBDCs)

Toll-Free: (877) 625-7232

www.Kansas.gov/ksbdc

The mission of the Kansas Small Business Development Centers is to provide entrepreneurs and small business owners with knowledge, tools and resources to enhance their success. The Kansas Small Business Development Centers identify business needs and guide small business owners toward opportunities and solutions. The regional Kansas Small Business Development Centers provide the following services:

Free counseling - Confidential management and/or technical assistance is delivered at the time and location most convenient to the small businessperson. Assistance is available in areas such as accounting and record keeping, business plan development, business start-up, market analysis, management information systems, marketing, pricing, public relations, sources of capital, cost analysis, computer systems, government procurement, advertising plans, product development, invention feasibility and commercialization.

Low-cost training - Classes, workshops, seminars and conferences focused on specific business issues are available.

Free resource referrals and business information - Kansas Small Business Development Centers provide referrals to other small business service providers, private consultants and local, state and federal organizations serving small businesses. The Kansas Small Business Development Centers also maintain libraries of books, periodicals, reference materials and audio and videotapes for business use.

Federal Resources

SCORE Business Resource Center

"Counselors to America's Small Business"

Kansas City Chapter
4747 Troost Avenue, Suite 128
Kansas City, MO 64110
Phone: (816) 235-6675

www.scorekc.org

Wichita Chapter
271 W. 3rd Street N Suite 2500
Wichita, KS67202
Phone: (316) 269-6273
<http://wichita.score.org/chapters/wichita-score>

Hutchinson Chapter
1 East 9th Avenue Quest Center
Hutchinson, KS67501
Phone: (620) 665-8468
<http://hutchinson.score.org/chapters/hutchinson-score>

The SCORE Association (Service Corps of Retired Executives) is the premier business counseling service found in the United States and it is free! The Service Corps of Retired Executives (SCORE) is an 11,500-member volunteer association sponsored by the U.S. Small Business Administration. It matches volunteer business-management counselors with present and prospective small business owners in need of advice. SCORE has counselors with experience in virtually every area of business management and maintains a national skills bank to identify the best counselors for its clients. The collective experience of SCORE counselors spans the full range of American enterprise.

Every effort is made to match your needs with a counselor who is experienced in a comparable line of business. All SCORE COUNSELING IS FREE.

SCORE members volunteer because they have experienced successful careers in business and want to give something back to their communities. They selflessly give of their time and expertise so that more small businesses will find success. SCORE counselors value your privacy and all counseling is confidential. Business counseling relationships with SCORE can last just a few sessions or a number of years based on your needs as an entrepreneur. You set the level of help you need and let SCORE provide you with assistance that will help you maximize your time with us.

Business Resource Center - You can visit the Center anytime Monday through Friday between the hours of 8 a.m. and 4:30 p.m.

The Center provides hardware and software as well as a comprehensive research library to assist small business. The Center uses personal computers and interactive software that allow the small business entrepreneur access to many programs to assist in the planning or expansion of their business. Included in the library are start-up guides for over 150 different businesses, business videotapes and numerous reference books from business start-up to marketing.

United States Internal Revenue Service (IRS)

The Internal Revenue Service (IRS) offers a variety of services available to businesses. For assistance or information on federal taxes:

Kansas Tax Assistance 785-368-8222

Individual Taxes: (800) 829-1040

Business Taxes: (800) 829-4933

TTY (Hearing Impaired): (800) 829-5500

For e-Help/IRS e-File: (866) 255-0654

For pre-recorded messages covering various tax topics, IRS Tele-Tax: (800) 829-4477

For IRS forms and publications unavailable online: (800) 829-3676

For further information, the IRS suggests entrepreneurs order the following appropriate free IRS Publications: 334- *Tax Guide for Small Business*, Publication 542-*Corporations or Publication 541-Partnerships*. If the entrepreneur will be hiring employees, order IRS *Publication 15, Circular E, Employer's Tax Guide and Supplement* and *Publication 15-A, Employer's Supplemental Tax Guide to Publication 15, Circular E*. These publications provide information on employer-employee relationships, contract labor, family employees and other important information. They also contain income tax and social security withholding tables.

For persistent federal tax problems (such as misplaced payments, incorrect bills, etc.), which are not resolved through regular IRS channels, write to:

Internal Revenue Service

Taxpayer Advocate Service

TTY (Hearing Impaired): (785) 296-6461

Toll-Free: (877) 777-4778

The following local Kansas IRS offices provide assistance Monday through Friday 8:30- 4:30 (walk-ins only, no appointment is necessary):

Overland Park

6717 Shawnee Mission Parkway

Overland Park, KS 66202

Phone: (816) 966-2840

Topeka

120 S.E. Sixth Ave.

Topeka, KS 66603

Phone: (785) 235-3053

Wichita

271 W. Third Street, Suite 2000

Wichita, KS 67202

Phone: (316) 352-7401

Minority Business Development Agency

U.S. Department of Commerce

MBDA National Enterprise Center

1401 Constitution Avenue, N.W.

Washington, DC 20230

Phone: (202) 482-0101

E-mail: cro-info@mbda.gov

www.mbda.gov

The Minority Business Development Agency (MBDA) is part of the U.S. Department of Commerce. MBDA is the **only** federal agency created specifically to foster the establishment and growth of minority-owned businesses in America. MBDA is an entrepreneurially focused and innovative organization committed to wealth creation in minority communities. The agency's mission is to actively promote the growth and competitiveness of large, medium and small minority business enterprises (MBEs). MBDA actively coordinates and leverages public and private sector resources that facilitate strategic alliances in support of its mission.

MBDA provides funding for a network of Minority Business Development Centers (MBDCs), Native American Business Development Centers (NABDCs) and Business Resource Centers (BRCs) located throughout the United States. The centers provide minority entrepreneurs with one-on-one assistance in writing business plans, marketing, management and technical assistance and financial planning to assure adequate financing for business ventures. The centers are staffed by business specialists who have the knowledge and practical experience needed to run successful and profitable businesses.

Starting a Business in Kansas

The Business Plan

A business plan defines your business, goals and serves as a written road map for the businessperson to determine where the company is, where it wants to be and how it plans to get there. A comprehensive, thoughtful business plan can be essential in obtaining outside funding, credit from suppliers, finance marketing for your business, management of your operation and achievement of your goals and objectives.

The information outlined below provides basic guidelines for the preparation of a Business Plan. The guidelines are very general and should be adapted to meet the specific circumstances of the business.

Executive Summary

The Executive Summary is often considered to be the most important component of the business plan. For the firm seeking financing, the summary should convince the lender or venture capitalist that it is a worthwhile investment. The summary should briefly cover at least the following:

- Name of the business
- Business location
- Discussion of the product market and competition
- Expertise of the management team
- Summary of financial projections

- Amount of financial assistance requested (if applicable)
- Form of and purpose for the financial assistance (if applicable)
- Purpose for undertaking the project (if financial assistance is sought)
- Business goals

Business Description

This section provides background information on the company and usually includes a general description of the business, including:

- Product or service
- Historical development of the business
- Name, date and place (state) of formation
- Business structure (Sole Proprietorship, Partnership, Corporation, etc.)
- Significant changes in ownership, structure, new products or lines, acquisitions with corresponding dates
- Subsidiaries and degree of ownership, including minority interests
- Principals and the roles they played in the formation of the company

Products or Services

Describe the present or planned product or service lines, including:

- Relative importance of each product or service including sales projections
- Product evaluation (use, quality, performance)
- Comparison to competitors' products or services and competitive advantages over other producers
- Demand for product or service and factors affecting demand other than price
- Project Financing
- If financing is sought for a specific project, it must include the following:
- Complete list of all items required to begin the business, undertake the expansion, buy or sell the business and associated costs
- Written explanation of all operating costs
- Owner's financial requirements, including taxes

Project Financing

If financing is sought for a specific project, it must include the following:

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Management

- Organizational chart with key individuals (include supervisory personnel with special value to the organization)
- Responsibilities of key individuals

- Personal resumes (describing skills and experience as they relate to activities of the business)
- Present salaries (include other compensation such as stock options and bonuses)
- Additional number of employees at year end, total payroll expenses for each of the previous five years (if applicable) broken down by wages and benefits
- Methods of compensation
- Departmental/divisional breakdown of workforce
- Planned staff additions

Ownership

- Names, addresses and business affiliations of principal holders of subject's common stock and other types of equity securities (include details on holdings)
- Degree to which principal holders are involved in management
- Principal non-management holders
- Names of board of directors, areas of expertise and role of the board when business is operational
- Amount of stock currently authorized and issued
- Marketing strategy/market analysis
- Current situation of industry
- Industry outlook
- Principal markets (commercial/industrial, consumer, government and international)
- Current industry size and anticipated growth in the next ten years (explain sources of projections)
- Major characteristics of the industry
- Effects of major social, economic, technological or regulatory trends on the industry

Description of Major Customers

- Names, locations, products or services sold to each
- Percentage of annual sales volume for each customer over previous five years (if applicable)
- Duration and condition of contracts in place

Description of Market

- Principal market participants and their performance
- Target market
- Customer requirements and ways for filling those requirements
- Buying habits of customers and impact on customers using the product or service

Description of Competition

Describe the companies with which the business competes and how the business compares with these companies. This section is a more detailed narrative than that contained in the description of the product or service above.

Description of Prospective Customers

Incorporate reaction to the firm and any of its products or services that have been seen or tested, including:

- Description of firm's marketing activities
- Overall marketing strategy
- Pricing policy
- Methods of selling, distributing and servicing the product
- Geographic penetration, field/product support, advertising, public relations, promotion and priorities among these activities

Description of Selling Activities

Include the method for identifying prospective customers and the method you will use to contact the relevant decision makers. Describe your sales effort by defining sales channels and terms, number of salespersons, number of sales contacts, anticipated time, initial order size, estimated sales and market share.

Technology

Describe technical status of the product (idea stage, development stage, prototype) and the relevant activities, milestones and other steps necessary to bring the product into production including:

- Present patent or copyright position (if applicable), include how much is patented and how much can be patented (how comprehensive and effective the patents or copyrights will be). Include a list of patents, copyrights, licenses or statements of proprietary interest in the product or product line
- Describe new technologies that may become practical in the next five years that may affect the product
- Describe new products (derived from initial products) the firm plans to develop to meet changing needs
- Describe regulatory or approval requirements and status, and discuss any other technical and legal considerations that may be relevant to the technological development of the product
- Describe research and development efforts both current and future
- Describe production/operating plan

Explain how the firm will perform production and/or delivery of service. Describe in terms of:

- Physical facilities: owned or leased, size and location, expansion capabilities and types and quantities of equipment needed (include a facilities plan and description of planned capital improvements and timetable for those improvements)
- Suppliers: name and location, length of lead time required, usual terms of purchase, contracts (amounts, duration and conditions) and subcontractors
- Labor supply (current and planned): number of employees, unionization, stability (seasonal or cyclical) and fringe benefits
- Technologies/skills required to develop and manufacture products
- Cost breakdown for materials, labor and manufacturing overhead for each product, plus cost versus volume curves for each product or service

Manufacturing Process

- Describe production or operating advantages of the firm; discuss whether they are expected to continue
- Specify standard product costs at different volume levels
- Present a schedule of work for the next one to two years

Financial Information

- Auditor: name, address
- Legal counsel: name, address
- Banker: name, location and contact officer
- Controls: cost system used and budgets used
- Describe cash requirements, now and over next five years, as well as how these funds will be used
- Amount to be raised from both debt and equity
- Plans to "go public"—relate this to future value and liquidity of investments
- Financial statements and projections for next five years
- Profit and loss or income statements, by month until break even and then by quarter
- Balance sheets as of the end of each year
- Cash budgets and cash flow projections
- Capital budgets for equipment and other capital acquisitions
- Manufacturing/shipping plan

If financing is sought, most lenders and venture capitalists will require:

- A funding request indicating the desired financing, capitalization, use of funds and future financing
- Financial statements for the past three years, if applicable
- Current financial statements
- Monthly cash flow financial projection, including the proposed financing for two years
- Projected balance sheets, income statement and statement of changes in financial position for two years, including the proposed financing

For assistance with writing your business plan, help is available from your local Kansas Small Business Development Center. Sample business plans can be found on the United States Small Business Administration's (SBA) Web site www.sba.gov.

Site Selection

The physical location of a business is key. When determining the site for a particular business, identify those factors that are most important to that business, including both current and future needs. The determining factors involved with site selection may vary depending on the type of business. A manufacturing business may choose a site based on proximity to customers and

suppliers, a good transportation network, available labor and access to utilities. On the other hand, a retail business will place greater emphasis on access to customers, parking and visibility.

In some cases, it may be appropriate to start the business in the home. When starting a home-based business, the city or county clerk's office should be contacted to determine what local licenses and zoning requirements are needed. Be sure to ask both the city and county about taxes, fees and any specific requirements that might affect the proposed business. Also check with the local fire department regarding fire safety regulations. Listed below are some criteria to consider.

Criteria for a Manufacturing, Warehousing, Industrial Business:

- Allow for future expansion
- Convenient for employees
- Accessibility
- Available labor force
- Appropriate utilities
- Convenient to freight and express delivery systems

Criteria for a Retail Business:

- Select the appropriate type of center (mall, strip, mini)
- Review demographic data to gain information about the neighborhood/location
- Walk and talk the area. Talk to customers, employees and owners of businesses located nearby
- Ask for a traffic count from the local traffic department
- Visibility and signage
- Accessibility/convenient parking for your customers
- Know where your competitors are located, what they are doing and how they are doing it

Business Organization\Tax Structure

Kansas Secretary of State's Office
Business Services Division
First Floor, Memorial Hall
120 S.W. 10th Avenue
Topeka, KS 66612-1594
Phone: (785) 296-4564
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One of the first decisions a new business owner faces is choosing a structure for the business. Businesses range in size and complexity, from a self-employed plumber to a large corporation and can be organized in a variety of ways.

The principal types of business organizations are Sole Proprietorships, General Partnerships, Limited Partnerships, Limited Liability Partnerships, Corporations and Limited Liability Companies. Each structure has certain advantages and disadvantages. Factors such as taxes, type of business, insurance needs, number of owners and financial needs will determine how the business should be organized. Choosing the appropriate organizational structure for your business is one of the most important decisions to make and may require advice from an attorney, an accountant or another knowledgeable business advisor.

The following is a brief description of registration requirements on each type of business organization, as well as the variations of each structure. Again, it is advisable to have your legal counsel and/or accountant explain the advantages and disadvantages of each type of business organization before determining your business structure. In this chapter, you will find brief descriptions of each business structure.

Sole Proprietorship

Registration: None

Fee: None

The Sole Proprietorship is the most common form of business structure. A Sole Proprietorship is a business controlled and owned by one individual and is limited to the life of its owner; when the owner dies, the business ends. The owner receives the profits and takes the losses from the business. This individual alone is responsible for the debts and obligations of the business. Income and expenses of the business are reported on the proprietor's individual income tax return and profits are taxed at the proprietor's individual income tax rate.

Kansas has no state requirements to register or file the business name of a Sole Proprietorship. A self-employed person, who does not expect to have employees, is not required to apply for a Federal Employer's Identification Number through the IRS. Form 1040 (Schedule C) must be filed with the federal government and a Kansas Tax Return with the Kansas Department of Revenue, on or before the 15th day of the fourth month following the close of the taxable year.

Note: Sole Proprietors and Partnerships are required to make estimated income tax payments if their estimated Kansas income tax, after all credits, is \$200 or more. Non-residents should consider only income from Kansas sources for meeting these conditions.

Advantages

1. Few formalities and low organizational costs;
2. Decision making is made by the owner;
3. Ability to do business in almost any state without elaborate formalities;
4. Fewer reporting requirements to government agencies;

5. Avoidance of corporate "double tax";
6. Business losses may be taken as a personal income tax deduction to offset income from other sources;
7. All profits taxed as income to owner at the owner's personal income tax rate; and
8. Registration of a trade name is available to prevent confusion resulting from deceptively similar business names.

Disadvantages

1. Compared to Corporations and Partnerships, Sole Proprietorships cannot take advantage of certain fringe benefits afforded by the Internal Revenue Code;
2. Business terminates upon death of owner;
3. Investment capital limited to that of owner;
4. Loans based on credit worthiness of owner;
5. Owner's assets subject to business liabilities. Thus, if a company truck is involved in an accident, the owner's personal assets (i.e., bank accounts, cars, etc.) may be attached to compensate the injured party.

Tax Implications

1. Profits are taxed as personal income on IRS Form 1040, Schedule C; and
2. For information on Social Security tax, refer to IRS Publication 533, and use Form 1040, Schedule SE.

Other Helpful Publications

- For estimated tax payments, refer to IRS Publication 505; and
- To order Publication 583, Starting a Business & Keeping Records, contact the IRS at (800) 829-3676.

General Partnership (GP)

Registration: Secretary of State-Optional, not required.

Fee: \$35.00

A General Partnership is a business owned by two or more persons (even a husband and wife), who carry on the business as a partnership. Partnerships have specific attributes, which are defined by Kansas Statutes. All partners share equally in the right and responsibility to manage the business. Each partner is responsible for all debts and obligations of the business. The distribution of profits and losses, allocation of management responsibilities and other issues affecting the Partnership are usually defined in a written Partnership Agreement.

For income tax purposes, a General Partnership functions as a conduit and not as a separate taxable entity. No tax is imposed on the Partnership itself (K.S.A. 79-32,129 et. seq.). Those carrying on business as partners are liable for taxes based on their percentage of ownership and must file a

Kansas Individual Income Tax Return (Form K-40) (K.S.A. 79-3220). Each individual partner is subject to the same reporting requirements and tax rates as the Sole Proprietor or individual. The Partnership must file a Kansas Partnership or S Corporation Income Tax (Form K-120S) each year to enable the State to determine who should be paying taxes relative to the Partnership.

Unemployment taxes need not be paid on the partners or for services rendered by individuals who are the children under 18 years of age, the spouse or the parents of any partners. General Partnerships may file different statements with the Secretary of State's Office. The filings are optional and not mandatory. The filing fee for Partnership Statements is \$35. Partnerships are required to apply for a Federal Employer's Identification Number, whether they have employees or not.

Advantages

1. Easy to organize and few initial costs;
2. Draws financial resources and business abilities of all partners;
3. Quasi-entity status—may own assets; contract in partnership name; may sue and be sued in partnership name and may file separate bankruptcy;
4. Liability is shared by all partners;
5. Partners may take business losses as a personal income tax deduction; and
6. May register a trademark or servicemark to help prevent confusion resulting from deceptively similar business names.

Disadvantages

1. Each partner is personally liable for all the obligations of the business, not just his or her share. Thus, if a company truck is involved in an accident, each partner's personal assets may be attached to help compensate the injured party;
2. Each partner has the power to act on behalf of the business. This requires that partners be chosen with care;
3. No continuity of life—if any partner dies or becomes incompetent, the Partnership must dissolve and be reformed;
4. All partners must pay tax on their share of Partnership profits, although profits may be retained in the business; and
5. A Partnership has more opportunity than a Sole Proprietorship, but less than a Corporation, to take advantage of certain fringe benefits afforded by the Internal Revenue Code.

Tax Implications

1. Each partner receives a Schedule K-1 (Form 1120S), which shows proportional profits to be declared on each partner's 1040;
2. The Partnership files a return using IRS Form 1065;
3. Estimated tax payments may be subject to quarterly tax payments; refer to IRS Publication 505; and
4. Partners may be subject to self-employment withholding; refer to IRS Publication 533.

Other Helpful Publications

For more information, refer to IRS Publication 541 on Partnerships.

Limited Partnership (LP)

Registration: Secretary of State

The Limited Partnership may be required to register the Limited Partnership's interest in securities with the Office of the Securities Commissioner.

Fee: \$165.00 Paper filing (Domestic/Foreign) or \$160.00 Electronic filing (Domestic only)

In a Limited Partnership, each partner is liable for debts only up to the amount of his or her investment in the company. Under Kansas Statutes (K.S.A. 56-1a151), a Limited Partnership must be formed in writing between one or more general partners and one or more limited partners. In addition, limited partners have no voice in the management of the partnership.

Limited Partnerships are ideal for property or raising capital.

Each Limited Partnership must have and maintain a registered office that may or may not be the place of business. Additionally, a Kansas resident agent must be appointed, which may either be an individual, a domestic Corporation or the Partnership itself.

In a Limited Partnership, each partner is responsible for filing a Kansas *Individual Income Tax Return (Form K-40)*, the same requirement as a General Partnership. A *Kansas Partnership Return or S Corporation Income Tax (Form K-120S)* must also be filed. A *Limited Partnership Certificate* must be filed with the Secretary of State.

Advantages

1. Investors have liability limited to their respective investments in the partnership;
2. The Limited Partnership is a separate entity and may sue and be sued, own property, protect its limited partners from unlimited liability, raise capital by selling interests in the partnership, borrow money and exist independently of its partners' mortality;
3. The Limited Partnership does not have to be dissolved and reformed every time a general partner or limited partner dies;
4. Ability to borrow money, develop general partner savings, raise funds from operations, plus sell limited partner interests to generate capital;
5. Managed by the general partner and not subject to investor interference; and
6. Partners pay the tax because profits and losses pass through the entity to the partners.

Disadvantages

1. A Limited Partnership requires advanced accounting procedures;
2. Does not live in perpetuity, but lives for a stipulated period—usually for the life of the assets it owns;
3. Limited partners have little voice in management once the investment is made in the partnership;

4. Interests may not be freely traded; therefore, a limited partner must hold the investment indefinitely; and
5. A Certificate of Limited Partnership must be filed with the Secretary of State. Annual financial reporting must be made to limited partners and Annual Reports must be made to the Secretary of State. Also, a Franchise Tax must be paid to the Kansas Department of Revenue and all monies received and disbursed must be accounted for.

Tax Implications

- The Partnership files an IRS Form 1065, but individual partners pay taxes on their share of profits shown on Schedule K-1 (Form 1120S) via Form 1040;
- The Partnership must obtain a Federal Employer Tax Identification Number (FEIN, Form SS-4);
- Partners may be subject to self-employment withholding, refer to IRS Publication 533; and
- The Partnership files a Kansas Franchise Tax Return, Form K-150 if the partnerships' net capital accounts in Kansas equal \$1 million or more.

Other Helpful Publications

For an explanation of taxation and forms, refer to IRS Publication 541.

Limited Liability Partnership (LLP)

Registration: Secretary of State

The Limited Liability Partnership may be required to register the Limited Liability Partnership's interest in securities with the Office of the Securities Commissioner.

Fee: \$165.00 Paper filing (Domestic/Foreign) or \$160.00 Electronic filing (Domestic/Foreign)

A Limited Liability Partnership (LLP) is a partnership in which a partner's personal assets are shielded from claims for negligence, malpractice or other wrongful acts committed by other partners or the employees those partners directly supervise. A LLP does not shield partners against the partner's own acts, omissions or other partnership obligations.

In a LLP, no registered office is required and no resident agent must be appointed. However, the address of the principal office or partnership agent must be listed. A LLP is required to apply for a Federal Employer Tax Identification Number, IRS Form SS-4.

Advantages

1. Investors have liability limited to their respective investments in the partnership;
2. The LLP is a separate entity and may sue and be sued, own property, protect its partners from unlimited liability, raise capital by selling interest in the partnership, borrow money and exist independently of its partners' mortality; and
3. The LLP does not have to be dissolved and reformed every time a partner dies.

Disadvantages

1. A LLP requires advanced accounting;
2. The LLP does not live in perpetuity, but lives for a stipulated period, usually for the life of the assets it owns; and
3. Annual Reports must be made to the Secretary of State. Also, Franchise Tax must be paid to the Kansas Department of Revenue and all monies received and disbursed must be accounted for.

Tax Implications

1. The LLP files Kansas Franchise Tax Return, Form K-150 if LLP net capital accounts in Kansas equal \$1 million or more.

Corporation

Registration: Secretary of State

It may be necessary for Corporate securities to be registered with the Office of the Securities Commissioner.

Fee: \$90.00 Paper filing (Domestic & Professional)/\$115.00 Paper filing (Foreign) or \$85.00 Electronic filing (Domestic only)

The most complex business structure is the Corporation. A Corporation is a separate legal entity that is comprised of three groups of people: shareholders, directors and officers. The shareholders elect a board of directors that has responsibility for management and control of the Corporation. Because the Corporation is a separate legal entity, the Corporation generally is responsible for the debts and obligations of the business. In most cases, shareholders are insulated from claims against the Corporation. The Corporation, as a separate legal entity, is also a separate taxable entity.

The Corporation may be taxed under Subchapter C of the *Internal Revenue Code* (a "C" Corporation) or Subchapter S (an "S" Corporation). Kansas law provides for comparable treatment. A "C" Corporation reports its income and expenses on a *Corporation Income Tax Return* and is taxed on its profits at corporate income tax rates. Profits are taxed before dividends are paid. Dividends are taxed to shareholders, who report them as income, resulting in "double taxation" of profits, which are paid as dividends. If the Corporation meets the statutory requirements for "S" Corporation status, the shareholders may elect to be taxed as an "S" Corporation. The "S" Corporation is taxed in the same manner as a Partnership (i.e., the "S" Corporation files an information return to report its income and expenses, but it generally is not separately taxed). Income and expenses of the "S" Corporation flow through to the shareholders in proportion to their shareholdings and profits are taxed to the shareholders at their individual income tax rate. To elect to be an "S" Corporation, a Corporation must file *Form 2553* with the IRS.

A "domestic" Corporation is one incorporated in Kansas. A "domestic" Corporation must file *Articles of Incorporation* with the Secretary of State. This application requires a \$90.00 filing fee or \$85.00 E-filing online.

A "foreign" Corporation is a business incorporated in another country, state or jurisdiction other than Kansas. In order to conduct business in Kansas, a "foreign" Corporation must file an *Application for Authority to Engage in Business in Kansas*. This application carries a \$115.00 filing fee. A business is required to apply for Authority if it is doing business in Kansas in accordance with K.S.A. 17-7303.

The "professional" Corporation is comprised of a single professional or group of professionals, who file both *Articles of Incorporation* and a certificate from their specific professional regulatory board with the Secretary of State. Shareholders of a professional Corporation are limited to members of that specific profession.

It is advisable to have your legal counsel and/or accountant explain the advantages and disadvantages of each type of business structure.

Advantages

1. No shareholder, officer or director may be held liable for debts of the Corporation unless corporate law was breached;
2. Interests in the business may be readily sold by the transfer and sale of shares;
3. The ready transferability of shares in the Corporation facilitates estate planning;
4. If desired, the Corporation may be taxed as a Subchapter S under the *Internal Revenue Code*;
5. Shares of the company may be sold to investors in order to obtain capital financing;
6. Corporations, to a much greater extent than Sole Proprietorships and Partnerships, may take advantage of pension plans, medical payment plans, group life and accident plans and other fringe benefits available under the *Internal Revenue Code*;
7. The corporate structure provides for a great deal of flexibility with respect to tax planning. For instance, income between the Corporation and its shareholders may be adjusted, within reasonable limits, to obtain the most favorable tax treatment for each individual; and
8. The entity exists forever, so long as corporate regulations are met. There is no need to cease operations if an owner or manager dies.

Disadvantages

1. Cost of organization, legal fees and state filing fees can be expensive depending on the complexity and size of the business;
2. Control is vested in a board of directors, elected by shareholders rather than the individual owners. Thus, a shareholder who owns less than 50 percent of the stock may have no effective voice in how the business is run;
3. The possibility of double taxation exists. Income from the business is taxed at the corporate level and again when the individual shareholders receive profits in the form of dividends;
4. The Corporation must qualify in each state in which it chooses to do business;
5. Unlike Sole Proprietorships and Partnerships, individual shareholders may not deduct Corporation losses unless the Corporation has elected to be taxed as a Subchapter S Corporation; and

6. Annual Reports must be made to the Secretary of State. Also, Franchise Tax must be paid to the Kansas Department of Revenue and all monies received and disbursed must be accounted for.

Tax Implications

1. All forms of Corporations are required to file for a Federal *Employer Identification Tax Number, Form SS-4*;
2. Corporations must file an IRS Form 1120, which reports earnings and taxes profit;
3. Corporations may be subject to quarterly estimated tax payments; refer to IRS *Publication 505*; and
4. The Corporation files Kansas Franchise Tax Return, *Form K-150* if the taxable equity in Kansas equals \$1 million or more.

Other Helpful Publications

For more information on corporate taxes, request IRS *Publication 542*.

Tax Consideration

There are two ways to tax a Corporation: as a C Corporation or as a Subchapter S Corporation. In an S Corporation, salaries of officers are deductible expenses and therefore reduce the amount of income subject to corporate income tax, but they are also subject to individual income tax. If salaries become too high, the IRS may treat a portion as a dividend from the Corporation. In a C Corporation, dividends are not deductible by the Corporation, resulting in double taxation, because the same money is taxed as a part of the corporate profit and as income to the individual.

In order to qualify under the *Internal Revenue Code* as a Subchapter S Corporation, the Corporation must file *Form 2553* with the IRS and meet the following requirements:

1. Have at least one and no more than 75 shareholders (husband and wife can count as one shareholder);
2. Have no shareholders who are non-resident aliens;
3. Have only one class of stock;
4. Have no more than 80 percent of its gross receipts from outside the U.S.; and
5. Have no more than 20 percent of the Corporation's gross receipts from royalties, rents, dividends, interest, annuities and gains on sale or exchange of stock or securities.

Note: Every Corporation must make a declaration of its estimated income tax for the taxable year, if its Kansas income tax liability can reasonably be expected to exceed \$500 (K.S.A. 79-32,101). Any Corporation that began business in Kansas during this period is not required to file a declaration and no underpayment of estimated tax penalty will be imposed. Subchapter S Corporations must file a *Kansas Small Business Corporation Form (Form 120S)* and report income on individual income tax forms. Corporations doing business in Kansas, or deriving income from Kansas sources, must file a *Kansas Corporate Income Tax Return, Form K-120*. The corporate tax rate is four percent of Kansas taxable income, with an additional tax of 3.10 percent (2008) on income over \$50,000 (K.S.A. 79-32,110).

Limited Liability Company (LLC)

Registration: Secretary of State

It may be necessary for the Limited Liability Company interests to be registered with the Office of the Securities Commissioner.

Fee: \$165.00 Paper filing (Domestic/Foreign or Professional) or \$160.00 Electronic Filing (Domestic only)

A Limited Liability Company (LLC) is a business entity that combines the limited liability of a Corporation with the flexible management options of a General Partnership. Each member of a LLC enjoys liability limited to that of the investment in the business and pays taxes in proportion to ownership; thus avoiding the corporate malady of double taxation. Every LLC formed in Kansas must have the words "limited company," or their abbreviation "LC," "L.C.," "LLC" or "L.L.C." included at the end of the company name.

A LLC must maintain a resident agent and file *Annual Reports*. Members of a LLC may be involved in the management of the business without incurring personal liability. If properly structured, a LLC may receive pass-through income tax treatment similar to a Partnership. *Articles of Organization* and other filings must be filed with the Secretary of State. A foreign LLC must file an application for *Certificate for Authority to Engage in Business in Kansas/Foreign Limited Liability Company Application* with the Secretary of State.

The professional Limited Liability Company is comprised of a single professional or group of professionals, who file both *Articles of Organization* and a certificate from their specific professional regulatory board with the Secretary of State's Office. The certificate must state that each member is duly licensed and that the company name has been approved. No special wording denoting that they are different from a regular, non-professional LLC is required.

Advantages

1. Liability of members limited to amount invested;
2. Very flexible management options;
3. May be taxed as Partnership; and
4. A LLC can be perpetual.

Disadvantages

1. LLCs are complicated to form legally and require substantial accounting work;
2. Limited transfer of interest—an investment is illiquid since all members must vote to transfer a member's interest; and
3. Annual Reports must be made to the Secretary of State. Also, Franchise Tax must be paid to the Kansas Department of Revenue and all monies received and disbursed must be accounted for.

Tax Implications

1. A LLC must obtain a Federal Employer Tax Identification Number;
2. Although the business structure resembles a Corporation, LLCs can be taxed as though they were a Partnership. The IRS has the ultimate say on taxation, but new Treasury regulations allow the LLC to indicate how it is to be taxed when filing;
3. In a LLC, each member must report income on Individual Income Tax Forms and file a Kansas Partnership Return or S Corporation Income Tax (Form K-120S); and
4. The LLC files Kansas Franchise Tax Return, Form K-150 if the company's net capital accounts in Kansas equal \$1 million or more.

Business Trust

Registration: Secretary of State

Fee: \$65.00

The Business Trust has filing requirements similar to those required of Corporations. Specific questions about establishing a Kansas Business Trust should be directed to the Business Services Division within the Kansas Secretary of State's Office.

Franchise

Registration: None

Fee: None

There are no registration requirements at the state level for the establishment of a Franchise. However, some cities have occupational licensing for business establishments. Businesses are categorized according to the North American Industry Classification System (NAICS). There are no distinctions made between a business that has a national Franchise agreement and one that is independently owned.

Nonprofit Corporation

Registration: Secretary of State & Internal Revenue Service

It may be necessary to register debt securities with the Office of the Securities Commissioner.

Fee: \$20 Paper filing (Domestic only)/\$115.00 Paper filing (foreign) or \$20.00 Electronic filing (Domestic only)

There are three main characteristics that distinguish a nonprofit organization from a business enterprise, they are:

1. Significant amounts of revenues are received from providers or entities that do not expect to receive either repayment or economic benefits relative to the amounts provided;
2. There is no defined ownership that can be sold, redeemed or transferred; nor is there entitlement to a share of the assets if the organization is liquidated; and
3. The purpose of the operation is not to produce a profit.

There are more than 25 categories of tax-exempt organizations classified under *Section 501(c)(3)*, and *Section 501(a)* of the *Internal Revenue Code*, as well as additional types of entities under other sections of the code. Some of the major classifications include: civic leagues, religious organizations, chambers of commerce, recreation clubs, social clubs, labor organizations, libraries, museums and voluntary health and welfare organizations.

An organization that wants to be a nonprofit entity must apply for tax-exempt status from the IRS and pay a user fee. Tax exemption is a privilege granted by Congress through the IRS. In return, nonprofit organizations are subject to a range of IRS requirements that differ from those for business enterprises. Among those is the requirement that a nonprofit organization's activities (income and expenses) be substantially related to its exempt purpose. A nonprofit organization must limit all partisan political activity, as well as limit lobbying activities. In addition, none of the nonprofit organization's assets can ensure benefit to any private individual.

Most nonprofit organizations are required to file an *Annual Tax Return, Form 990*. If more than \$1,000 of income is received, that was not related to the exempt purpose, *Form 990T* must be completed and taxes on those receipts paid.

The best course of action to take before starting activities is to seek competent professional help prior to assuming you are a nonprofit organization. For more information, contact the IRS at (800) 829-1040 or at www.irs.gov/formspubs/lists. Or to order IRS *Publication 557-Tax Exempt Status for Your Organization*, contact the IRS at (800) 829-3676.

Registering Your Business

The name used by a business can become a valuable asset. Great care should be taken in selecting and protecting a suitable business name. You should not begin using a business name until you are certain that it is available for use. It is helpful to check telephone, business or trade directories and other sources for business names that are confusingly similar. A business name search can be done at: www.accessKansas.org/businesscenter/.

Assumed Name and Trade Name

An assumed name is one used by an enterprise in its daily business transactions and is sometimes called a fictitious name. Kansas does not have a fictitious name or trade name act and has no means in which to register them. A "d/b/a" may be used in Kansas without registering.

Corporate Name Reservation

A business that incorporates in Kansas must select a corporate name that is distinguishable, upon the records of the Secretary of State's Office, from the names already on file. The name must be different from the names of active domestic or foreign Corporations, Limited Partnerships and Limited

Liability Companies. A business may (although not required) reserve a name for corporate use by filing a name *Reservation Application* with the Secretary of State's Office. The name reservation is effective for 120 days from the date of filing and has a \$35.00 filing fee or \$30.00 online at the Kansas Business Center (www.Kansas.gov). All domestic and foreign business entities are treated similarly.

Trademarks and Servicemarks

Registration: Secretary of State

Fee: \$40.00/registers trademark for five years

Any person who adopts and uses a trademark in Kansas may file with the Kansas Secretary of State. There is no statutory requirement to register a trademark or servicemark. A trademark may be a word, symbol, design, combination word and design, a slogan or even a distinctive sound that identifies and distinguishes the goods or services of one party from those of another. If it is used to identify a service, it can be called a servicemark. In general, throughout this section, the term trademark will be used to refer to both trademarks and servicemarks.

Normally, a trademark for goods is the word or design that appears on the product or on its packaging, while a servicemark is usually the word or design that is used in advertising to identify the owner's services. A trademark is different from a copyright or a patent. A copyright gives protection for an artistic or literary work and a patent gives protection for an invention.

The applicant may be an individual, firm, partnership, corporation, association, union or other organization. For the definition of when a trademark or servicemark is deemed to be used, see K.S.A. 81-208. The trademark or servicemark must, under Kansas law, be used before it can be registered. Filing a trademark or servicemark does not grant any substantive rights. The right to a mark is determined by common law. Registration of the mark with the Kansas Secretary of State provides public notice of the mark's use.

United States Patents, Trademarks, Servicemarks and Copyrights

U.S. Patent and Trademark Office

Public Search Facility-Madison East

600 Dulany Street, 1st Floor

P.O. Box 1450

Alexandria, VA 22313-1450

Phone: (800) 789-9199 (Customer Service)

TTY (Hearing Impaired) (571) 272-9950

Fax: (571) 273-8300

E-mail: usptoinfo@uspto.gov

www.uspto.gov

A patent for an invention is the grant of a property right to the inventor issued by the United States Patent and Trademark Office. Generally, the term of a new patent is 20 years from the date on which the application for the patent was filed in the United States or, in special cases, from the date an earlier related application was filed, subject to the payment of maintenance fees. U.S. patent grants are effective only within the United States, U.S. territories and U.S. possessions. Under certain circumstances, patent term extensions or adjustments may be available.

The right conferred by the patent grant is, in the language of the statute and of the grant itself, “the right to exclude others from making, using, offering for sale or selling” the invention in the United States or “importing” the invention into the United States. What is granted is not the right to make, use, offer for sale, sell or import, but the right to exclude others from making, using, offering for sale, selling or importing the invention. Once a patent is issued, the patentee must enforce the patent without aid of the USPTO.

There are three types of patents:

1. **Utility patents** may be granted to anyone who invents or discovers any new and useful process, machine, article of manufacture or composition of matter or any new and useful improvement thereof;
2. **Design patents** may be granted to anyone who invents a new, original and ornamental design for an article of manufacture; and
3. **Plant patents** may be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant.

What Is a Trademark or Servicemark?

A trademark is a word, name, symbol or device that is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others. A servicemark is the same as a trademark except that it identifies and distinguishes the source of a service rather than a product. The terms “trademark” and “mark” are commonly used to refer to both trademarks and servicemarks.

Trademark rights may be used to prevent others from using a confusingly similar mark, but not to prevent others from making the same goods or from selling the same goods or services under a clearly different mark. Trademarks which are used in interstate or foreign commerce may be registered with the USPTO. Further information can be found on registering a servicemark at www.uspto.gov.

Copyright

United States Copyright Office

James Madison Memorial Building
101 Independence Avenue, S.E., Fourth Floor
Washington, D.C. 20559-6000

Phone: (877) 476-0778

Forms and Publications Hotline: (202) 707-9100 (leave a recorded message)

E-mail: fill in form on Web site for questions and to order forms by mail

Copyright is a form of protection provided by the laws of the United States to the authors of “**original works of authorship**” including literary, dramatic, musical, artistic and certain other intellectual works. This protection is available to both published and unpublished works. Section 106 of the 1976 *Copyright Act* generally gives the owner of copyright the exclusive right to do and to authorize others to do the following:

- To reproduce the work in copies or phonorecords;
- To prepare derivative works based upon the work;
- To distribute copies or phonorecords of the work to the public by sale or other transfer of ownership or by rental, lease or lending;
- To perform the work publicly, in the case of literary, musical, dramatic and choreographic works, pantomimes and motion pictures and other audiovisual works;
- To display the work publicly, in the case of literary, musical, dramatic and choreographic works, pantomimes and pictorial, graphic or sculptural works, including the individual images of a motion picture or other audiovisual work; and
- In the case of sound recordings, to perform the work publicly by means of a digital audio transmission. *

For further information about the limitations of any of these rights, consult the copyright law or write to the Copyright Office.

*Note: Sound recordings are defined in the law as “works that result from the fixation of a series of musical, spoken or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work.” Common examples include recordings of music, dramas or lectures. A sound recording is not the same as a phonorecord. A phonorecord is the physical object in which works of authorship are embodied. The word “phonorecord” includes cassette tapes, CDs and vinyl disks as well as other formats.

Records

Every business, no matter the size, must keep written records of all business transactions. Proper records are required for the banker, the IRS, other taxing authorities and the owner/operator of the business. There is no prescribed way to keep books or records. The IRS allows you to choose any system suited to the purpose and nature of the business.

Proper accounting records need not require "books." What is really required is an orderly system for moving, handling and maintaining records that are generated with each business transaction. A record keeping system should be maintained on a daily basis for best results. The record keeping system should be simple enough for the owner/manager to maintain. If necessary, contact an accountant or bookkeeper to research other options. The system you choose should be designed to generate the information that is periodically required by taxing and other regulatory authorities.

The selected system should provide for:

1. A daily or otherwise periodic summary of cash receipts or sales
2. A disbursement and/or expense journal
3. A business checkbook
4. Employee compensation record (including withholding, Social Security and other payroll related taxes)
5. A general ledger (for Partnerships and Corporations) in which the receipts, disbursements and other transactions of the business are properly classified and summarized
6. An asset register (including depreciation when applicable)

Important records should be stored for at least four years and be readily accessible for easy reference. Standardized accounting forms for many kinds of businesses are available from most office supply stores. If you have trouble finding forms that suit your needs, consult an accountant for advice on a system to best serve your specific business.

Other Useful Publications:

- *IRS Publication 583- Starting a Business and Keeping Records*
- *IRS Publication 535-Business Expenses*

Contacts for Assistance:

Kansas Small Business Development Centers (KSBDCs)

Toll-Free: (877) 625-7232

www.Kansas.gov/ksbdc

Kansas Board of Accountancy

Phone: (785) 296-2162

Email: info@ksboa.ks.gov

www.ksboa.org

Kansas Business Center

Phone: (785) 296-5059

Toll Free Number: (800) 452-6727

Email: helpcenter@ink.org

<http://www.kansas.gov/businesscenter/>

Professional Relationships

Selecting a Certified Public Accountant (CPA)

Kansas Board of Accountancy

900 S.W. Jackson Street, Suite 556

Topeka, KS 66612-1239

Phone: (785) 296-2162

Fax: (785) 291-3501

E-mail: via submission form on Web site or info@ksboa.ks.gov

www.ksboa.org

Sound accounting practices mean more profits. The system selected need not be elaborate. In fact, the business that is mired in too many records is almost as bad as the business that has next to none. In most cases, the simpler a financial record keeping system is, the better. A solid accounting system should:

1. Maintain a record of all transactions of the business
2. Reflect (in a manner understandable by management) periodic operating results and financial conditions
3. Protect the assets of the business from errors, fraud and carelessness
4. Provide a basis for business planning by showing the results of past decisions and furnishing the facts needed for future decisions

If a CPA is hired, make sure he/she understands your industry and can explain the system proposed for installation. Fancy computer printouts or accrual-basis accounting are helpful management tools, but a new business may be too small for this level of sophistication. Some businesses find that a more desirable and less costly alternative is to maintain detailed written records and utilize a CPA to help convert such records into meaningful financial reports.

Choose a CPA with whom a candid relationship can be established. Choose one who seems interested in making a contribution toward the success of your business, not one who merely complies with requests or assists in tax preparation.

For a listing of CPAs, check your local telephone directory or contact the Kansas Board of Accountancy.

Selecting an Attorney

Kansas Bar Association's Lawyer Referral Service

1200 SW Harrison St.

Topeka, KS 66612

Phone: (785)234-5696

Email: info@ksbar.org

<http://ksbar.affiniscap.com/displaycommon.cfm?an=1&subarticlenbr=8>

Selecting an attorney to help you start up your business is easy with the Kansas Bar Association's (KBA) Lawyer Referral Service (LRS). With one phone call, the KBA's LRS will match you with an attorney who specializes in the area of expertise in which you need. In addition to meeting your business needs, KBA's LRS will find an attorney close to your location to provide convenient service. The phone call is free and once the operator connects you with an attorney, fees will be discussed and agreed upon at that time. For more information on selecting an attorney, go to our Web site or call (800) 928-3111.

Selecting a Banker

The location of a bank should not necessarily dictate the choice of a banker. Select a banker who understands the business and its goals. The relationship between a business owner and a banker

usually lasts for a number of years, so select one who will be there through the difficult, as well as the good times. Selecting a banker may also impact the means of financing the business. Interest rates, collateral and length of time for financing a project may vary from bank to bank.

Alternative Sources of Financing

If a bank is not utilized, the following institutions may be used as alternative sources of financing:

1. Commercial finance companies (these companies usually charge higher interest rates and generally loan money when there are accounts receivable, inventory or equipment to serve as collateral);
2. Leasing companies (can be used if purchasing equipment is not affordable);
3. Private investors;
4. Credit unions;
5. Consumer finance companies;
6. Industrial Revenue Bonds (IRBs)-Re-Development Corporations;
7. Insurance companies (mortgages);
8. Mortgage bankers (mortgages); or
9. Small Business Investment Companies.

Selecting Insurance

Kansas Insurance Department

420 S.W. 9th Street

Topeka, KS 66612-1678

Phone: (785) 296-3071

Toll Free: (800) 432-2484 (in state only)

Fax: (785) 296-2283

Email: commissioner@ksinsurance.org

www.ksinsurance.org

To determine your business insurance needs, you should begin with an analysis of your property and your risk. Your property includes the building in which you operate your business, along with the equipment used to run the business. Your risk can include the financial responsibility you have for the people and property within the business. Some businesses are not required by law to carry insurance, but you may want to purchase coverage to protect you, your property and your assets.

If you run a home-based business, one of the most important things you should do is let your insurance agent know you are working from your home. Be sure you clearly describe your business operation so that your agent can help you determine the right kind of coverage to properly protect not only your home, but also your business property.

Other insurance considerations include life and health insurance for employees, performance or dishonesty bond coverage, general liability insurance, commercial automobile coverage and business income or interruption insurance. A professional insurance agent or risk manager can assist the business in acquiring the necessary insurance coverage.

Choosing an insurance agent or risk manager is no different from selecting an attorney, accountant or any number of specialists. Check with business associates, friends or search your local yellow pages for possibilities.

The Kansas Insurance Department oversees several insurance plans for consumers who are qualified, but unable to purchase insurance through the ordinary market. Types of coverage provided include automobile, fire, property, workers' compensation, medical malpractice liability and third-party liability for owners and operators of underground storage tanks. Questions or complaints about insurance companies, agents, claims or insurance products can be directed to the Kansas Insurance Department.

Registering as an Employer

Kansas Withholding Tax

Register: Kansas Department of Revenue

Every Kansas employer or payer who is required to withhold Federal Income Taxes according to the Internal Revenue Code must also withhold Kansas Income Tax. In addition to a Federal Employer Identification Number (FEIN), employers must also have a Kansas Withholding Tax Number. An employer or payer pays no part of this tax, but is responsible for deducting it from the wages or taxable payments made to an employee or payee. The employer or payer holds the tax in trust for the State and then remits these funds to the Kansas Department of Revenue on a regular basis.

Kansas Definition of Employers

Kansas law defines an employer as any person, Firm, Partnership, Limited Liability Company, Corporation, Association, Trust, Fiduciary or any other organization:

- Who qualifies as an employer for federal income tax withholding purposes;
- Maintains an office, transacts business or derives any income from sources within the State of Kansas (whether or not the paying agency is in Kansas);
- For whom an individual performs or performed any services of whatever nature as the employee of such employer; and
- Who has control of the payment of wages for such services or is the officer, agent or employee of the person having control of the payment of wages.

A **Professional Employer Organization (PEO)** is considered to be an employer for the purpose of Withholding Kansas Income Tax from its assigned workers. A PEO is anyone engaged in providing or representing itself as providing, the services of employees in accordance with one or more professional employer arrangements.

Application should be made four weeks before you begin making payments subject to *Kansas Withholding Tax*. This ensures that you receive your Kansas Tax Account Number, *Withholding Registration Certificate* and deposit coupon book (if applicable) before your first tax payment is due. To register, obtain a *Kansas Business Tax Application Booklet*, and complete the *Business Tax Application, Form CR-16*. This booklet is available from the Kansas Department of Revenue office, forms request line, (785) 296-4937, or may be downloaded from the Kansas Department of Revenue's home page at www.ksrevenue.org. Also, tax registration can now be done on the Kansas Business Center at www.Kansas.gov/businesscenter. Or, the publication can be requested from the First Stop Clearinghouse. There is no fee or bond required for registration. If you have questions about completing the application, contact KDOR at (785) 368-8222.

Each employer is mailed a coupon book of *Kansas Withholding Tax Forms* for the calendar year. The coupon book has the *Periodic Deposit Reports (Form KW-5)*, the *Annual Return (Form KW-3, KW-3E for Electronic Filers)* and business change reporting forms. A *KW-5 Deposit Report* must be filed for each filing period, even if there was not any Kansas tax withheld.

Year-End Reports-Forms W-2 and KW-3/KW-3E

Every employer must give each employee three copies of the *Wage and Tax Statement (Form W-2)* by January 31 of the following year, even if Kansas tax was not withheld. Kansas wages and withholding information are reported on the same *W-2 Form* as are the Federal Wage, Withholding, Social Security and Medicare deduction information. A copy of the *W-2* marked "For State, City or Local Tax Department" must also be mailed to the Kansas Department of Revenue, with the *Year-End Report, Form KW-3/KW-3E*, by the end of February of the following year.

An employer who begins business or Withholding during a calendar year must file for that portion of the year the wages were paid or Kansas income tax withheld. An employer, who discontinues business or discontinues withholding during a calendar year, must file a *Notice of Discontinuation of Business (Form CR-108)* the *Final KW-5* and the *KW-3* within 30 days after the business closes or payment of wages cease.

Information Returns (Form 1099)

In addition to *W-2 Forms*, employers, businesses and individuals may be required to file information returns on payments of fees, commissions, rents, royalties and dividends that are subject to taxation. This is done on *Federal Form 1099*. Copies of these forms must be filed with the Internal Revenue Service and with the Kansas Department of Revenue by the end of February of the following year. *Information Returns* may be submitted through the combined Federal/State Electronic Funds Transfer Payments System. For further information, contact the Kansas Department of Revenue or the IRS.

Unemployment Insurance

Register: Kansas Department of Labor

The *Kansas Employment Security Law* was enacted to provide some income during limited unemployment for those individuals who are unemployed due to conditions in the economy or labor market and through no fault of their own. Unemployment Insurance pays benefits to workers until the employer recalls them or until they find jobs for which they are reasonably suited in terms of training, past experience and past wages. Unemployment Insurance is paid only to those claimants who meet the requirements of the law. Unemployment Insurance helps employers to conserve their trained labor force involuntarily laid-off for a temporary period. Also, it tends to apply a brake upon the downward spiral of business activity at the beginning of a downward trend in the economy.

Unemployment Insurance benefits paid to eligible claimants come from a trust fund supported by employer taxes. The Division of Employment Security of the Kansas Department of Labor (KDOL) administers both the collection of taxes and the payment of benefits.

All employers doing business in Kansas are subject to the provisions of the *Employment Security Law*. However, not all employers are subject to the taxing provisions of the law. Consequently, only those employees that work for a liable employer, which is required to pay unemployment taxes, are eligible for unemployment benefits.

Coverage is determined by the type and nature of the business, the number of workers employed and the amount of wages paid for services in employment. Employers who begin business operations in Kansas are required to file Form K-CNS 010, Status Determination Report, within 15 days of the date wages were first paid for employment. Upon receipt of the completed form, a determination of employer liability will be made and the employer will be notified. KDOL provides the *Employers Handbook* which more fully explains the process and procedures. It is available online at www.dol.ks.gov where you can click on each section individually or view the PDF version. The printed version of the handbook is no longer available.

Kansas Employment Security Law

For reporting purposes, all liable Kansas employers are provided Form K-CNS 100, *Employer's Quarterly Wage Report and Unemployment Tax Return*. This report is due on the last day of the month, following the end of each calendar quarter. The form is mailed to registered employers about 30 days in advance of the due date and is imprinted with the employer's name, address, account number and contribution rate. Employers who become newly liable during a calendar year must file a separate *Employer's Quarterly Report and Unemployment Tax Return* for each calendar quarter in which wages were paid. This report can be filed online.

Kansas Department of Labor

Division of Employment Security
Contributions Branch
401 S.W. Topeka Boulevard
Topeka, KS 66603
Phone: (785) 296-5000
www.dol.ks.gov

Kansas Workers Compensation

Kansas Department of Labor
Kansas Division of Workers Compensation
800 S.W. Jackson Street, Suite 600
Topeka, KS 66612-1216
Phone: (785) 296-4000
Toll Free: (800) 332-0353
Fax: (785) 296-0025
<http://www.dol.ks.gov/WorkComp/Default.aspx>

Workers Compensation is a private insurance plan where the benefits are not paid by the State of Kansas, but paid by the employer through an insurance provider, approved pool or a self-insured plan. Self-insurance can only be allowed where there is application to the Division of Workers Compensation and approval made by the Director. Normally, a fairly large financial reserve and excess insurance is required. For questions about being self-insured, call the Kansas Division of Workers Compensation, (785) 296-3606. For other workers compensation coverage, the employer should contact an insurance agent to obtain this insurance. Any difficulty an employer has in obtaining insurance should be referred to the Kansas Insurance Department, 420 S.W. 9th Street, Topeka, KS 66612-1678, telephone (800) 432-2484 (in state only) or (785) 296-3071. The Insurance Department

staff can answer questions in regard to rates and group-funded insurance pools. The Kansas Division of Workers Compensation has no jurisdiction in regard to setting premium rates.

The Division of Workers Compensation Ombudsman Section provides technical services with the most current information in complying with Kansas Workers Compensation laws, rules and regulations. The Division of Workers Compensation Ombudsman Section can be contacted by phone at either (785) 296-4000 or (800) 332-0353.

Federal Employer Identification Number

Use *Form SS-4, Application for Employer Identification Number*, to apply for an *Employer Identification Number (FEIN)*, by mail, telephone or fax.

Who must file:

You must file for an FEIN **IF**:

1. You pay wages to one or more employees
2. You are required to have an FEIN to use on any return, statement or other document, even if you are not an employer

(File early enough to allow time for processing *Form SS-4* and try to obtain the *FEIN* before you need the number for a return or deposit. The IRS recommends that you apply for your *FEIN* at least four weeks prior to starting your business if registering by mail.)

All businesses, except those Sole Proprietorships without employees, are required to obtain a *Federal Employer Identification Number (FEIN)*. Trusts, Estates, Corporations, Partnerships or Nonprofit Organizations (churches, clubs, etc.) must use FEINs, even if they have no employees. Individuals who file *Schedules C or F (Form 1040)* must use FEINs if they are required to file *Excise, Employment, Alcohol, Tobacco or Firearms Returns*. If you are a Sole Proprietor, file only one *Form SS-4, Application for Federal Employer Identification Number*, regardless of the number of businesses operated or the number of trade names under which a business operates. However, each Partnership, Trust, Estate or other entity must file a separate application. If you have become the new owner of an existing business, you cannot use the *FEIN* of the former owner.

If you have incorporated a Sole Proprietorship or formed a Partnership, you must get a new *FEIN* for the Corporation or Partnership. If you do not have a number by the time a return is due, write "applied for" and the date you applied in the space shown for the number.

If you do not have a number by the time a tax deposit is due, send your payment to the IRS Service Center where you file your returns. Make checks payable to Department of Treasury and show your name (as shown on *Form SS-4*), address, kind of tax, period covered and the date you applied for your FEIN.

Applications for an FEIN can be processed by:

Online:

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/How-to-Apply-for-an-EIN>

Mail:

Attn: EIN Operation
Cincinnati, OH 45999

Phone: (800) 829-4933 (Business & Specialty Tax Line)

Fax-TIN: (859) 669-5760

For more information about FEINs and for federal tax information, see *Publication 583, Starting a Business and Keeping Records*, available at <http://www.irs.gov/publications/p583/index.html>

Other helpful federal tax information:

Form SS-4, Application for Federal Employer Identification Number

Form 1040, ES Estimated Tax for Individuals

Publication 509, Tax Calendars for Current Year

Publication 1518, Tax Calendar for Small Businesses & Self-Employed

Publication 910, Guide to Free Tax Services

Publication 1066C, A Virtual Small Business Tax Workshop (DVD)

Publication 3207, Small Business Resource Guide (CD)

Some publications can be viewed online or ordered at www.irs.gov

Social Security Taxes

The ***Federal Insurance Contributions Act*** was enacted to insure income for retired persons who work for a certain period of time before their retirement. Both the employee and the employer pay Social Security or FICA taxes. Nearly all employees, employers and self-employed people are required to participate in the Social Security program. Employers are required to withhold the appropriate percentage from an employee's income and provide the employee a receipt for this deduction. The employer has to keep records for each employee, match the employee's contribution and make periodic deposits. There is a yearly ceiling on the amount of wages subject to FICA taxes. Additional information can be obtained at the Internal Revenue Service Web site www.irs.ustreas.gov or the Social Security Administration Web site at www.ssa.gov.

Self-Employment Tax

Form: *Schedule SE*-filed with *Form 1040*

The purpose of the Self-Employment Tax is to provide you with Social Security coverage, if you work for yourself. If you have income subject to Self-Employment Tax, use Schedule SE (Form 1040) to figure the tax. If you have more than one business, the profits and losses from all of your businesses are combined on the Schedule SE.

Income Tax Withholding

Besides withholding Social Security Tax, the employer must withhold Income Tax from employee wages. No maximum amount of wages is subject to Income Tax Withholding. No matter how much each employee earns, the employer continues to withhold income taxes. Each employee should furnish a *Form W-4* to the employer declaring the number of withholding exemptions allowable.

The amount of Income Tax to be withheld from the employee's gross wages is determined by:

1. Gross wages
2. Pay period frequency
3. Marital status
4. Withholding exemptions allowable

Based on information provided by the employee on *Form W-4*, the employer will use the *Income Tax Withholding Tables* provided in *Publication 15, Circular E, Employer's Tax Guide*, to determine how much to withhold from the employee's wages each pay period. If an employee fails to furnish a *W-4*, the employer must withhold taxes as if the employee were single and had no withholding exemptions.

An employer that is required to withhold income taxes or social security taxes must file a quarterly return reporting the amounts withheld. *Form 941, Employer's Quarterly Federal Tax Return*, is normally used for this purpose. *Form 941* is due on or before the last day of the month following the close of each quarter.

Form W-2, Wage and Tax Statement, and *Form W-3, Transmittal of Wage & Tax Statements*, should be filed by the designated date. Employees must be given three copies of *Form W-2* by January 31 and a copy must be sent to the Social Security Administration Office along with *Form W-3*. Employers filing 250 or more *W-2 Forms* must file them with the Social Security Administration electronically. Information on filing with the Social Security Administration can be found at www.ssa.gov/bsa. Or:

Social Security Administration

Toll-Free: (800) 772-1213

Toll-Free: (800) 772-6270 Business Services Online (BSO) reporting questions or problems

Toll-Free: (888) 772-2970 Electronic filing questions

Fax: (410) 597-0237

TTY: (Hearing Impaired): (800) 325-0778

E-mail: bsa.support@ssa.gov

Regional Wage Reporting Assistance

Employer Services Liaison Officer, Kansas City

Phone: (816) 936-5657

The tax withheld must be deposited with an authorized commercial bank, domestic savings and loan association, credit union or a federal reserve bank.

A *Federal Tax Deposit Coupon-Form 8109B* must accompany each deposit of withheld income and Social Security taxes, unless you are making electronic deposits. After applying for a *Federal Employer's Identification Number (FEIN)*, the deposit forms are automatically mailed to each employer. If none are received, *Form 8109B* can be obtained at your local IRS office or (800) 829-4933. **Computer generated forms will not be accepted.** Some taxpayers are required to deposit by

electronic funds transfer. Contact the IRS for information about the Electronic Federal Tax Payment. Or enroll at www.eftps.gov or contact Customer Service at (800) 555-4777 or TTY (800) 733-4829.

Criminal and civil penalties are provided for the willful failure to file returns and pay the tax, or for willfully filing false or fraudulent returns.

Federal Unemployment Tax (FUTA)

An employer liable for Withholding Taxes is usually liable for Federal Unemployment Taxes as well. The *Federal Unemployment Tax Act* provides for cooperation between the state and federal government in establishing and administering the Unemployment Insurance Program. Only the employer pays FUTA Tax.

If an employer paid wages of \$1,500 or more in any calendar year (not necessarily consecutive weeks), the employer usually must file *Form 940* or *Form 940 EZ* if the business meets certain conditions by January 31 of the following calendar year. Deposits may be required depending upon amounts due. Information on filing FUTA can be found at www.irs.gov (e-file) or the Electronic Federal Tax Payment System (EFTPS) at www.eftps.gov or (800) 555-4477.

Federal Estimated Income Tax

Generally, Sole Proprietors, Partners and shareholders of an S Corporation pay taxes on income by making regular payments of estimated tax during the year. If you expect to owe taxes, including Self-Employment Tax of \$1,000 or more when you file your return, you generally have to make estimated tax payments.

Form 1040-ES has instructions, an *Estimated Tax Worksheet*, and four *Declaration Vouchers*. Use the worksheet to figure your estimated tax and keep it for your records. The filing deadlines are April 15, June 15, September 15 and January 15. Corporations should use *Form 1120-W* to compute estimated tax.

Filing Electronically

In general, employers who file at least 250 information returns, including *Forms W-2* and *W-2P*, must file electronically to report payee income to the IRS or Social Security Administration. *Form 4419, Application for Filing Information Returns Electronically* should be submitted to the IRS, Enterprise Computing Center, Martinsburg at least 30 days before the due date of the returns. Arrangements can be made for the payment of federal taxes either directly or through a financial institution. For more information, refer to the following publications that can be found on the IRS web site:

- *Tax Topic 802, Applications, Forms and Information*
- *Tax Topic 803, Waivers and Extensions*
- *Tax Topic 804, Test Files and Combined Federal and State Filing*
- *Tax Topic 805, Electronic Filing of Information Returns*

For further information, including approval procedures to file electronically write or call:

Internal Revenue Service

Enterprise Computing Center, Martinsburg
Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430
Toll Free: (866) 455-7438

Or call the Electronic Federal Tax Payment System for enrollment forms and further information at:

Customer Service: (800) 555-8778

TTY (Hearing Impaired): (800) 733-4829

www.eftps.gov

Federal Excise Taxes

Various Excise Taxes apply to motor fuel vendors, over-the-road truckers and certain other business operators. For guidance in determining if your business has a Federal Excise Tax liability, call (866) 699-4096 or TTY (Hearing Impaired), call (800) 829-4059, weekdays during business hours.

Other Employment Scenarios

Husband and Wife Business

One of the advantages of operating your own business is hiring family members. However, the Employment Tax requirements for family employees may vary from those that apply to other employees. Below are some issues to consider when operating a husband and wife business.

How spouses earn Social Security benefits

A spouse is considered an employee if there is an employer/employee type of relationship, i.e., the first spouse substantially controls the business in terms of management decisions and the second spouse is under the direction and control of the first spouse. If such a relationship exists, then the second spouse is an employee subject to Income Tax and FICA (Social Security and Medicare) withholding. However, if the second spouse has an equal say in the affairs of the business, provides substantially equal services to the business and contributes capital to the business, then a partnership type of relationship exists and the business' income should be reported on *Form 1065, U.S. Return of Partnership Income*.

Both spouses carrying on the trade or business

Under the *Small Business and Work Opportunity Tax Act of 2007*, a qualified joint venture conducted by a husband and wife who file a joint return is not treated as a partnership for federal tax purposes. All items of income, gain, loss, deduction and credit are divided between the spouses in accordance with their respective interests in the venture. Each spouse takes into account his or her respective share of these items as a sole proprietor. Thus, it is anticipated that each spouse would account for

his or her respective share on the appropriate form, such as *Schedule C*. For purposes of determining net earnings from self-employment, each spouse's share of income or loss from a qualified joint venture is taken into account just as it is for federal income tax purposes under the provision (i.e., in accordance with their respective interests in the venture).

This generally does not increase the total tax on the return, but it does give each spouse credit for social security earnings on which retirement benefits are based. However, this may not be true if either spouse exceeds the social security tax limitation. Refer to *Publication 553, Highlights of 2007 Tax Changes*, for further information about self-employment taxes. For more information on qualified joint ventures, refer to *Election for Husband and Wife Unincorporated Businesses*.

One spouse employed by another

If your spouse is your employee, not your partner, you must pay Social Security and Medicare taxes for him or her. The wages for the services of an individual who works for his or her spouse in a trade or business are subject to Income Tax Withholding and Social Security and Medicare taxes, but not to FUTA tax. For more information, refer to *Publication 15, Circular E, Employer Tax Guide*.

State and Federal Employer Posting Requirements (Posters)

The following is a list of posters available through various agencies that should be posted at the work site. Federal and Kansas State law requires that certain posters be displayed in the work place. Businesses are required to display as many as nine posters; only eight if not employing anyone under 18 years of age. Specific questions should be directed to the agency listed with poster title:

State of Kansas Requirements

Kansas Human Rights Commission

900 S.W. Jackson, Suite 858-S

Topeka, KS 66612

Phone: (785) 296-3206

Toll Free: (888) 893-6874

Fax: (785) 296-3206

TTY (Hearing Impaired): (785) 296-0245

<http://www.khrc.net/>

- *Equal Opportunity in Employment*

Kansas Department of Labor

Employment Standards

401 S.W. Topeka Boulevard

Topeka, KS 66603

Phone: (785) 296-4062

www.dol.ks.gov

- *Notice: Your employer is subject to the Kansas Workers Compensation Law that provides compensation for job-related injuries (K-WC 40)*

- *Child Labor-Notice of Hours (K-ESLR 100) for employers who employ youth under 16*
- *Notice to workers about Unemployment Insurance (K-CNS 405) for employers covered by Kansas Unemployment Insurance Statutes*

(These posters are available electronically at <http://www.dol.ks.gov/Laws/Posters.aspx>)

Federal Requirements

U.S. Department of Labor

Office of Small Business Programs

Wage and Hour Division

Frances Perkins Building

200 Constitution Avenue, N.W.

Washington, D.C. 20210

Toll-Free: (888) 487-2365

TTY (Hearing Impaired): (877) 889-5627

E-mail: CONTACT-OSBP@dol.gov

www.dol.gov

U.S. Department of Labor

Kansas City District Office

ESA-OFCCP

Gateway Tower II

400 State Avenue, Suite 1010

Kansas City, KS 66101-2414

Toll-Free phone: (866) 487-9243

(913) 551-5721 (US Dept. of Labor)

(866) 4-USWAGE (Wage and Hour Division)

Required for all employers (with few exceptions for Equal Employment Opportunity Community poster):

- *Minimum Wage Poster (WH-1088)*
- *Employee Polygraph Protection Notice (WH-1462)*
- *EEO Equal Employment Opportunity is the Law*
- *Family Medical Leave Act Required as Stipulated (WH-1420)*
- *Notice to Employees Working on Government Contracts (OSHA 6742)*
- *Notice to Employees Working on Federal or Federally Financed Construction Projects (WH-1321)*
- *Uniformed Services & Employment & Re-Employment Standards Act*

U.S. Department of Labor

Occupational Safety and Health Administration

200 Constitution Avenue, N.W.

Washington, D.C. 20210

Toll Free: (800) 321-6742

TTY (Hearing Impaired): (877) 889-5627

Wichita Area Office

271 W. Third Street N., Room 400

Wichita, KS 67202

Phone: (316) 269-6644

Toll Free: (800) 362-2896 (Kansas residents only)

Voice Mail: (316) 269-6646

Fax: (316) 269-6185

Required for All Employers

- *Job Safety and Health Protection (OSHA 3165)*

Required as Stipulated

- *Log and Summary of Occupational Injuries OSHA Citation (OSHA 300)*-refers to companies who have been cited

Other Federal Employer Postings

- *Pension Application-Notice of Application (direct questions to the IRS office)*
- *Affirmative Action Policy*

Business Registration, Licensing and Permits

Registering for Kansas Sales Tax

Every person, Partnership, Corporation, Association or Organization that is regularly engaged in the business of selling tangible personal property at retail; furnishing electrical energy, gas or water; furnishing installation and repair services or furnishing certain other enumerated services must apply for a *Sales Tax Certificate of Registration*. A retailer's registration under the *State Retailers' Sales Tax Act* is sufficient for the purposes of the local *Sales Tax*. Special registration for collection of local sales tax is not necessary. (Refer to K.S.A. 79-3601 et seq., *Retailers' Sales Tax* and K.S.A. 12-187 et seq., *Local Retailers' Sales Tax*.)

To apply for a Kansas Sales Tax Registration Number, obtain a *Kansas Business Tax Application Booklet*, and complete the application *Form CR-16*. This booklet and form are available from the First Stop Clearinghouse, the Kansas Department of Revenue Office or may be downloaded from the Kansas Department of Revenue's home page at www.ksrevenue.org. You can also register online through the Kansas Business Center at <http://www.Kansas.gov/businesscenter>. There are no fees or charges for a sales tax number; however, a bond equal to six months average tax liability may be required. The Kansas Department of Revenue will notify you if a bond is required.

After completing the registration process, you will automatically receive a *Registration Certificate* and *Sales Tax Returns* for each period. How often you report and pay Sales Tax depends on the volume

of your business. The majority of returns are filed on a monthly basis; the *Sales Tax Return* is due on the 25th day of the month, following the end of the reporting period. A return must be filed for each reporting period or fraction thereof, even if no sales were made and no tax is due.

Registering for a Kansas Consumers' Compensating (USE) Tax Certificate Number

Compensating Use Tax applies to property purchased in or from another state for use, storage or consumption in Kansas on which sales tax has not been paid. The purpose of this tax is to protect Kansas businesses from unfair competition from out-of-state companies selling to Kansas consumers without tax. The Use Tax is due whether the item is delivered into Kansas or picked up in the other state and brought back to Kansas.

The Compensating Use Tax rate is the same as the state and local sales tax rate in effect where the item will be used, stored or consumed. There are no local compensating use taxes, unless the item purchased or leased is a motor vehicle, trailer or vessel that is required to be registered.

There are two types of Use Tax:

Consumers' Compensating Use Tax - Paid by Kansas consumers directly to the KDOR on the total cost of goods purchased from out-of-state retailers. For Kansas businesses, Use Tax is due when equipment, fixtures and supplies are purchased from another state without tax. Individual Kansans will owe Use Tax on items ordered from catalogs, radio and television, on which the retailer did not collect Sales Tax. Retail purchases are taxable whether purchased by phone, fax or on the Internet.

Retailers' Compensating Use Tax - Collected by out-of-state retailers registered with the KDOR on merchandise they deliver or ship to Kansas. Retailers in other states are required to register and collect Use Tax from their Kansas customers if they have a physical presence in Kansas, such as maintaining a Kansas sales office or employing an agent or solicitor that operates in Kansas.

Exemption Certificates

An exemption certificate is a document that a buyer presents to a retailer to claim exemption from Kansas sales or use tax. It shows why sales tax was not charged on a retail sale of goods or taxable services. The buyer furnishes the exemption certificate and the seller keeps the certificate on file with other sales tax records.

An exemption certificate must be completed in its entirety and by regulation K.A.R. 92-19-25b must:

1. Explain why the sale is exempt;
2. Be dated;
3. Describe the property being purchased; and
4. Contain the seller's name and address and the buyer's name, address and signature.

Some exemption certificates also require a buyer to furnish the Kansas tax account number or a description of the buyer's business. The exemption certificates for nonprofit organizations require the Federal Employers Identification Number (FEIN) of the organization. Further information can be found

in *Publication KS-1520, Exemption Certificates* at www.ksrevenue.org. Or, by calling the Kansas Department of Revenue at (785) 368-8222 (options 5, then 2).

Non-resident Contractor/Subcontractor

Kansas Department of Revenue

Taxpayer Assistance Center
Docking State Office Building
915 S.W. Harrison Street, Room 150
Topeka, KS 66612
Phone: (785) 368-8222
TTY (Hearing Impaired): (785) 296-6461
Kansas Tax Form Requests: (785) 296-4937
Fax: (785) 291-3614
E-mail: tac@kdor.state.ks.us
www.ksrevenue.org

or

Kansas Secretary of State

First Floor, Memorial Hall
120 S.W. 10th Avenue
Topeka, KS 66612
Phone: (785) 296-4564
E-mail: corp@kssos.org
www.kssos.org

A non-resident contractor or a non-resident subcontractor intending to engage in the business of contracting must register with the Department of Revenue for each contract where the total contract price or amount received is more than \$10,000; refer to K.S.A. 79-1008 through 79-1015.

In addition, every contractor or subcontractor must file a bond before beginning performance of any contract. The amount of bond required from non-resident contractors is eight percent of the contract. In those instances where the contract is on a Sales Tax-Exempt Project, the amount of bond must be four percent. In either case, the minimum amount for a non-resident contractor bond is \$1,000.

The general contractor should make sure subcontractors, who are subject to the provisions of the *Non-resident Contractors Tax Act*, are also duly registered and bonded in order to protect the contractor from possible liability for the subcontractor's tax liability.

A Foreign Corporation, authorized by the Kansas Secretary of State to do business in this state, is not required to register the contract with the Kansas Department of Revenue. See K.S.A. 17-7301 regarding *Foreign Corporation Application for Authority to Engage in Business in Kansas*.

Non-resident Contractor Information Form, Instructions and the Non-resident Contractors Bond Form can be obtained from the Kansas Department of Revenue.

Retail Establishments Selling Alcohol

Kansas Department of Revenue

Division of Alcohol Beverage Control

Docking State Office Building

915 S.W. Harrison Street, Room 214

Topeka, KS 66625-3512

Cigarette and Tobacco Enforcement: (785) 296-7015

Cigarette and Tobacco Licensing: (785) 368-8222

Drug Tax Stamp Purchase: (785) 368-8222

Liquor Licensing and Enforcement: (785) 296-7015

TTY (Hearing Impaired): (785) 296-6117

Fax: (785) 296-7185

www.ksrevenue.org

On-Premise Establishments

Entities licensed to sell liquor by the drink for consumption on the premises to the general public are called "drinking establishments" (DE). Drinking establishments' licenses are issued only in "wet counties." In Kansas there are 60 wet counties that require a minimum of 30 percent of a DE's total food and beverage sales be comprised of food.

Exceptions to this law would be those drinking establishments in, Barton, Brown, Cowley, Crawford, Douglas, Edwards, Ellis, Geary, Graham, Grant, Greeley, Logan, Lyon, Montgomery, Riley, Saline, Sedgwick, Shawnee, Woodson and Wyandotte counties, where the voters opted to eliminate the food requirement. DEs' are permitted to serve alcohol between the hours of 9 a.m. and 2 a.m. every day of the week. The annual license fee is \$1,000.

Caterer licenses and temporary permits can be obtained for the sale of liquor by the drink on unlicensed premises in "wet counties." The food requirement for a caterer is 30 percent of gross sales at each catered event except in those counties listed in the second paragraph. A caterer may serve liquor between the hours of 6 a.m. and 2 a.m. The annual license fee is \$500; however, a temporary permit may be obtained for up to three consecutive days at \$25 per day. There is no requirement to sell food at temporary permit events. Operating hours for such events are the same as those for drinking establishments.

A private club license allows a business to sell liquor to club members and their guests for consumption on the premises. There are no minimum food requirements for private clubs. Clubs that maintain 50 percent of total sales in food may enter into reciprocal agreements with other clubs. This license is available in both "wet" and "dry" counties. The license fee for a for-profit private club is \$1,000. The license fee for nonprofit clubs varies from \$250 to \$1,000, depending on composition and size of membership. Alcohol may be served at private clubs between the hours of 9 a.m. and 2 a.m. Licenses for on-premise cereal malt beverage (beer containing 3.2 percent alcohol or less) may be obtained from the local unit of government. There are no food requirements for Cereal Malt Beverage (CMB) licenses. CMB may be served between the hours of 6 a.m. and midnight, Monday through

Saturday. Sales on Sunday are allowed only if the establishment meets a 30 percent food requirement identical to drinking establishments. CMB license fees vary between \$25 and \$200.

In addition to the license or permit required by the Division of Alcoholic Beverage Control, drinking establishments, clubs and caterers must obtain a **Retail Liquor Excise Tax Registration Number** to collect the ten percent tax imposed on the gross receipts from the sale of alcoholic drinks. Although no fee is required for the application, a bond in the amount of three months average tax liability or \$1,000, whichever is greater, is required. Apply for a Liquor Excise Tax Registration using the *Kansas Business Tax Application Booklet*, available from the Kansas Department of Revenue's Office. The booklet can be found at www.ksrevenue.org, www.Kansas.gov/businesscenter or the Commerce First Stop Clearinghouse.

Off-Premise Establishments

Retail liquor licenses may be obtained to sell liquor (spirits, wine and beer containing more than 3.2 percent alcohol) by the package for consumption away from the premises to the general public. Liquor retailers may sell liquor and Kansas Lottery tickets only. Retail liquor licenses are issued only to individuals and Partnerships (no Corporations). Additionally, to qualify for a retail liquor store license, applicants must be a U.S. citizen and reside in Kansas for four years preceding the date of application. Liquor retailers may operate between the hours of 9 a.m. and 11 p.m., Monday through Saturday. Sunday sales are prohibited. The retail liquor license fee is \$250.

Kansas imposes an eight percent liquor enforcement tax on all liquor sold by a retail liquor store, microbrewery or farm winery to Kansas consumers. The eight percent Liquor Enforcement Tax is also imposed on liquor and cereal malt beverages sold by a distributor to Kansas clubs, drinking establishments or caterers. Registration for this tax must be made in addition to the licenses required by the Division of Alcoholic Beverage Control. To apply for a Liquor Enforcement Tax Registration, complete the *Kansas Business Tax Application Form*.

Off-premise Cereal Malt Beverage licenses may be obtained from the local unit of government. Cereal malt beverage may be sold by the package between the hours of 6 a.m. and midnight, Monday through Saturday. Sunday sales are allowed in a place of business that is licensed to sell cereal malt beverage for consumption on the premises, which derives not less than 30 percent of its gross receipts from the sale of food for consumption on the licensed premises. Such premises must be located in a county where such sales on Sunday have been authorized by resolution of the board of county commissioners of the county or in a city where such sales on Sunday have been authorized by ordinance of the governing body of the city. Cereal Malt Beverage license fees vary between \$25 and \$200. Any license type may sell non-alcoholic malt beverages containing less than .05 percent alcohol by volume without additional license requirements. Cereal malt beverage license holders do not collect the Liquor Drink Tax. Instead, they collect Kansas Sales Tax on their drink sales.

Kansas Department of Agriculture

109 S.W. 9th Street

Topeka, KS 66612
Phone: (785) 296-3556
E-mail: ksag@kda.ks.gov
www.ksda.gov

The Kansas Department of Agriculture is a regulatory agency that serves all Kansans. It is charged by law to ensure: a safe food supply; safe sanitary lodging; responsible and judicious use of pesticides and nutrients; the protection of Kansas' natural and cultivated plants; integrity of weighing and measuring devices in commerce and that the state's waters are put to beneficial use.

The strong foundation provided by the agency's regulatory programs allows the Secretary of Agriculture to effectively advocate and educate on behalf of Kansas agriculture.

Food Safety and Consumer Protection Programs

These programs focus on protecting the health and well-being of all consumers.

The Food **Safety and Lodging Program** is responsible for food safety involving eggs and they license and inspect grocery stores, restaurants in grocery stores, convenience stores, restaurants, schools, senior meal sites, mobile food units, food wholesalers and warehouses, food processors and food manufacturers. They also license, monitor and inspect hotels, motels, boarding houses (bed and breakfast homes), lodges and rooming houses to ensure that acceptable sanitation levels are maintained to minimize health and safety hazards that could lead to illness or injury.

The **Meat and Poultry Inspection Program** licenses and inspects meat and poultry plants in a manner that is equal to federal inspection. It also responds to consumer food safety concerns involving meat or poultry products.

The **Dairy Inspection Program** licenses and inspects dairies, milk haulers, milk bottlers, cheese makers and other milk or dairy processing facilities. They also inspect ice plants and beer, wine and cider producers and bottlers.

The **Agricultural Commodities Assurance Program** contributes to food safety by verifying that inputs to agriculture are safe, quality products that are not misrepresented to their consumers. These products include: seeds, commercial feeding stuffs, FDA medicated feeds and feed mills and they conduct FDA tissue residue tests on beef and pork products when misuse of livestock medications are reported.

The **Weights and Measures Program** inspects and certifies large and small scales, scanners and gasoline pumps.

The **Grain Warehouse Inspection Program** ensures that grain warehouses are licensed and solvent.

Natural Resources and Utility Licensing

Kansas Corporation Commission (KCC)

Topeka Office
1500 S.W. Arrowhead Road
Topeka, KS 66604-4027
Phone: (785) 271-3100
Fax: (785) 271-3354
E-mail: public.affairs@kcc.ks.gov
www.kcc.state.ks.us

Public Utilities Permit: The Kansas Corporation Commission (KCC) issues the certificate required for transaction of business by public utilities. The Utilities Division, within the Corporation Commission, can provide specific information about certification requirements. For regulations regarding compensation and levies by cities for granting of franchises, refer to K.S.A. 12-2001 and 12-2010.

Kansas Corporation Commission

District Office No. 1

210 E. Frontview, Suite A
Dodge City, KS 67801
Phone: (620) 225-8888
Fax: (620) 225-8885

District Office No. 2

3450 N. Rock Road
Building 600, Suite 601
Wichita, KS 67226
Phone: (316) 630-4000
Fax: (316) 630-4005

District Office No. 3

1500 W. Seventh
Chanute, KS 66720
Phone: (620) 432-2300
Fax: (620) 432-2309

District Office No. 4

2301 E. 13th Street
Hays, KS 67601-2651
Phone: (785) 625-0550
Fax: (785) 625-0564

Oil and Gas Drilling Permit: Drilling Permits are handled in the Wichita office of KCC. An Oil and Gas Drilling Application Packet may be obtained by contacting:

Kansas Department of Health & Environment (KDHE)

Surface Mining Section

Division of Environment
Bureau of Environmental Remediation
4033 Parkview Drive
Frontenac, KS 66763
Phone: (620) 231-8540
Fax: (620) 231-0753

The Surface Mining Section of KDHE's Bureau of Environmental Remediation consists of three basic programs. The **Administration and Enforcement Program** is responsible for the issuance of new coal mining permits, the inspection of active permitted coal mines and the enforcement of all regulations pertaining to active coal mining operations. The **Abandoned Mine Land Program** reclaims coal mines abandoned prior to the passage of *PL 95-87*. The **Emergency Program** abates coal mining-related hazards, which have an immediate and imminent impact on the health and safety of the public.

Other Regulated Industry Licensing

Securities Registration

Securities Commissioner of Kansas

109 SW 9th St. Suite. 600
Topeka, KS 66612-1215
Phone: (785) 296-3307
Toll Free: (800) 232-9580
Fax: (785) 296-6872
E-mail: ksc@ksc.ks.gov
www.ksc.ks.gov

The Office of the Kansas Securities Commissioner (KSC) is an independent state agency funded entirely by industry fees. The KSC administers and enforces the *Kansas Uniform Securities Act*, the *Kansas Loan Brokers Act* and the *Kansas Uniform Land Sales Practices Act*. Based on those laws, the mission of the KSC is: "To protect and inform Kansas investors; to promote integrity and full disclosure in financial services and to foster capital formation."

KSC provides the following services in order to accomplish its mission:

- Regulation of securities transactions and investment advice within Kansas by registering securities, broker-dealers and their agents, investment advisers and their representatives and by monitoring compliance with exemptions from registration;
- Field audits at offices of registered persons to monitor compliance with laws, regulations and industry standards administered by KSC;
- Education of investors and entrepreneurs to help them avoid investment or regulatory problems; and
- Investigation, prosecution and correction of violations of laws and regulations. Penalties can include substantial fines and criminal violations may result in imprisonment.

"Securities" include common or preferred stock, bonds, notes or other debt instruments, Limited Partnership interests, Limited Liability Company interests, "investment contracts" and several other types specified under the *Kansas Uniform Securities Act*. Because of the many types and complexity of "securities", anyone seeking financing from or offering investments to persons other than regulated financial institutions, should contact the KSC for information about possible exemptions or registration requirements. KSC also recommends consultation with an attorney who is familiar and experienced with both Kansas and federal laws and regulations.

In order to "foster capital formation" in Kansas, the KSC administers a **Small Company Offering Registration Program (SCOR)** which helps entrepreneurs prepare documents and reduce the costs of registering a small public offering. KSC staff is available by phone, e-mail or meetings to discuss SCOR and other alternatives for raising capital in Kansas.

Licensing/Regulation of State-Chartered Banks & Trusts Companies, Savings & Loans, Mortgage Companies, Money Transmitters and Credit Counselors

The Office of the State Bank Commissioner

700 Jackson Street, Suite 300

Topeka, KS 66603

Phone: (785) 296-2266

Fax: (785) 296-0168

www.osbckansas.org

In July of 1999, the Consumer Credit Commissioner's Office merged with the Office of the State Bank Commissioner, thereby creating two divisions within the Bank Commissioner's Office: Division of Banking and the Division of Consumer and Mortgage Lending. The Division of Banking charters and regulates state banks, savings and loans, trust companies and money transmitters. The Division of Consumer and Mortgage Lending is in charge of regulating entities that fall under the *Kansas Uniform Consumer Credit Code*, a comprehensive statute that encompasses all credit granted for personal, family and household purposes. The Bank Commissioner's office, through the Division of Consumer and Mortgage Lending, also licenses and regulates as a "credit service organization" any entity that offers credit counseling or debt management services. This Division also administers the *Kansas Mortgage Business Act*, which governs residential mortgage brokers and lenders. Those who wish to engage in any of the above-described activities in Kansas may make application with the Bank Commissioner.

Insurance Companies/Requirements

Kansas Insurance Department

420 S.W. 9th Street

Topeka, KS 66612-1678

Phone: (785) 296-3071

Toll Free: (800) 432-2484 (in state only)

Fax: (785) 296-7805

Email: commissioner@ksinsurance.org

www.ksinsurance.org

The Kansas Insurance Department is responsible for the licensing and regulation of virtually all of the insurance companies, health maintenance organizations, automobile clubs and premium finance companies that operate in Kansas. The Department's authority to license and regulate these companies can be found in Chapter 40 of the *Kansas Statutes Annotated* and in the *Regulations of the Kansas Insurance Department*.

Unless specifically exempt by statute, all insurance companies must be licensed prior to transacting any business in this state. To become licensed, an insurance company must first submit an application for admission along with a \$500 non-refundable fee to the Kansas Insurance Department. A detailed review to determine if the company meets all the statutory requirements for admission is made by the Department. If the company is in compliance with all of the applicable *Kansas Statutes and Regulations*, an additional \$110 fee is required and a *Certificate of Authority* is issued.

Health Maintenance Organizations also must obtain a *Certificate of Authority* prior to transacting business in this state. Required materials are outlined in K.S.A. 40-3203 or can be obtained from the Insurance Department's office. The application must be accompanied with a \$150 filing fee. Once the application has been reviewed and found acceptable, a *Certificate of Authority* is issued and the Health Maintenance Organization may commence operation.

Automobile clubs must obtain a *Certificate of Authority* from the Insurance Department prior to transacting any business in the state. The admission process of an automobile club is similar to that of an insurance company. If the automobile club meets all the statutory requirements for admission, a licensing fee of \$165 is collected and a *Certificate of Authority* is issued.

Premium finance companies must obtain a license from the Kansas Insurance Department prior to transacting business in this state. However, a premium finance company may be exempt from licensing if it meets certain criteria as set forth in K.S.A. 40-2603. A \$100 non-refundable license fee must accompany an application for admission.

Business Development Assistance Programs

There are a number of public and private organizations that have been organized to provide assistance with a variety of business needs. This chapter will identify organizations that can provide programs and services to meet the needs of your business.

Kansas Department of Commerce

1000 S.W. Jackson Street, Suite 100

Topeka, KS 66612-1354

Phone: (785) 296-3481

Fax: (785) 296-5055

KansasCommerce.com

The Kansas Department of Commerce is the lead agency for economic development in Kansas. The agency's mission is to deliver the highest level of business development, workforce and marketing services that build a healthy and expanding Kansas economy.

Business Development Division

Phone: (785) 296-5298

Fax: (785) 296-3490

E-mail: buscomdev@kansascommerce.com

The Business Development Division strives to grow the Kansas economy through the creation and retention of jobs and capital investment. In addition to promoting the growth, diversification and retention of existing business and industry in Kansas, the Division is responsible for the recruitment of new business to the state and the creation of new job opportunities for Kansans.

The Division's programs and services are grouped in the following three categories:

- Retention and Expansion
- Recruitment
- Finance and Incentives including the Office of Minority and Women and the Kansas Film Commission

If you're ready to take your Kansas business to the next level, our Business Retention and Expansion Programs can get you there. Business Retention & Expansion staff helps clients identify programs and incentives for their business expansion, meet their licensing requirements and assess the strengths and weaknesses of a local community.

Regional Project Managers provide personalized assistance to Kansas existing and start-up businesses to ensure project confidentiality. Assistance includes:

- Developing incentive proposals based on the business' needs and projected growth
- Ensuring that programs from all divisions of the Department of Commerce are considered for a project
- Serving as a liaison with other state agencies, including the departments of Revenue, Labor and Health and Environment

Additionally, the Regional Project Managers assist local communities to ensure they are prepared to meet the needs of their growing business community. Services include board training and strategic planning facilitation, referral to community development assistance programs and serving as a liaison to other state and federal agencies.

Trade Development and Trade Division

Phone: (785) 296-5298

Fax: (785) 296-3490

E-mail: ksintl@kansascommerce.com

The Trade Development Division provides assistance to Kansas companies wishing to begin or expand their international marketing efforts. Division staff works to increase the awareness of and develop a demand for Kansas products in foreign markets. They take an active role in working with U.S. and foreign government trade organizations to plan, promote and participate in trade activities for the benefit of Kansas companies.

Travel & Tourism Development Division

Phone: (785) 296-2009

Fax: (785) 296-6988

E-mail: tourism@travelks.com

TravelKS.com

The Travel & Tourism Division is charged with encouraging the traveling public to visit and travel within Kansas by promoting the recreational, historic and natural advantages of the state and its facilities. The Division's efforts include promotion to travel writers, motor coach tour operators, individual travelers and the international travel community.

Travel opportunities throughout the state can be found in the annual Kansas Travel Guide, Kansas! magazine and at TravelKS.com.

The division offers assistance in the form of Attraction Development Grants to create and enhance tourism destinations. Also available are Tourism Marketing Grants to encourage innovative marketing for tourism alliances and entities.

Specialized State Agencies

Housing Information Line.

State Data Centers

In Kansas, there are four State Data Centers established to provide access to census data to units of government, businesses and the public. Available information includes population, housing, economic and agricultural data. Some of the State Data Centers also offer limited survey and analysis service for data users.

Kansas State Library

State Capitol Building
300 S.W. Tenth Street, Room 343-N
Topeka, KS 66612-1593
Phone: (785) 296-3296
Toll Free: (800) 432-3919 (in Kansas only)
Text Message: (785) 256-0733
Fax: (785) 368-7291
E-mail: infodesk@library.ks.gov
<http://www.kslib.info/>

Center for Economic Development and Business Research

Wichita State University
2nd Floor, Devlin Hall
1845 Fairmount
Wichita, KS 67260-0121
Phone: (316) 978-3225
Fax: (316) 978-3950
E-mail: cedbr@wichita.edu
www.wichita.edu

Population and Research Laboratory

Kansas State University
204 Waters Hall
Manhattan, KS 66506
Phone: (785) 532-6011

Policy Research Institute

University of Kansas
1541 Lilac Lane
607 Blake Hall
Lawrence, KS 66045-3129
Phone: (785) 864-3701
E-mail: ipsr@ku.edu
www.ku.edu/pri

Business Startup Financing

The financing of a business venture can come from a variety of sources. It requires careful planning and research to determine which sources may be available and appropriate for the particular business. It is extremely difficult to start a business with 100 percent financing. Lending sources often require 20 to 50 percent equity participation by the business entity. This demonstrates that the business owner is willing to risk personal resources signifying a commitment to the project. Many factors influence financing sources and their willingness to participate in a particular project.

One of the keys to obtaining financing is to be prepared. Before discussing financing from a particular source, develop a thorough business plan. Also prepare complete financial information, usually three

to five years of historical financial statements, if applicable and three to five years of projected financial information. When meeting with a lender or investor, have a specific reason for requesting the funds and demonstrate the ability to repay.

This section attempts to identify and summarize some of the possible public sector sources of financing to assist businesses and business projects in Kansas. However, there is no free money for start-up companies.

Philanthropic foundations or governmental units make grants to nonprofit organizations that provide social programs and/or research. Governmental contracts are offered to minority and women owned businesses. However, to qualify for a contract, a business owner must first go through a certification process. The U.S. Small Business Administration backs loans in Kansas through a network of Certified Development Corporations (CDCs). Further information can be found at www.kacdc.com.

Information about federal government grants and contracts is available at www.grants.gov. Information on grants available through the State of Kansas can be found at www.kansasgrants.org. Information on grants for nonprofits can be located at foundation web sites or at your public library.

NetWork Kansas



NetWork Kansas has more than 40 partners who provide loans and grants to entrepreneurs and small businesses. Partners include certified development companies, the seven regional economic development foundations, Mainstreet Kansas communities, USDA Rural Development and other organizations. Our resource network can also access additional matching dollars from NetWork Kansas through the following programs:

- **StartUp Kansas:** StartUp Kansas was launched in August of 2006 to provide funding to small businesses in rural and distressed Kansas communities in the form of matching grants or unsecured loans matching the terms of the other financing provided by a NetWork Kansas partner working on behalf of the entrepreneur.
- **E-Community Program:** Focused on the big “E” in the realm of rural economic development—entrepreneurship—A NetWork Kansas E-Community is a partnership that allows a town, a cluster of towns or an entire county to receive seed money through donations from individuals or businesses within the community. Through the Entrepreneurship Tax Credit, a fund is established for entrepreneurs and small business owners that is administered at the local level.

For more information about these programs and all the services offered by NetWork Kansas, visit www.networkkansas.com or call (877) 521-8600.

Beginning Farmer Loan Program

555 South Kansas Avenue, Suite 202

Topeka, KS 66603

Phone: (785) 357-4445

Fax: (785) 357-4478

www.kdfa.org

The Kansas Development Finance Authority administers a federal program for beginning farmers. This program allows Kansans who have agricultural experience, but have never owned significant amounts of farmland, to secure below-market interest rate financing on purchases of agricultural land, improvements, equipment and breeding stock. Interest rates generally run from one to three percent below the market interest rate.

The program is funded through the issuance of tax-exempt bonds in the amount of the beginning farmer's loan. In most situations, the bond purchaser is the applicant's personal banker, who in turn, loans the proceeds to the applicant at a reduced rate. Farmers may borrow up to \$450,000 under the program limits, subject to lender approval.

Kansas Angel Investment Tax Credit

The **Kansas Angel Investment Tax Credit Program** is an initiative developed under the Kansas Economic Growth Act. The program is designed to bring together Kansas-based accredited angel investors with Kansas-based, Kansas Technology Enterprise Corporation (KTEC)-certified companies seeking seed and early stage investment. This program enables accredited angel investors to qualify for the Kansas Angel Investor Tax Credit and allows companies to become certified under the guidelines of the program. Specific information on the Kansas Angel Investment Tax Credit is available at the Kansas Angels Web site www.kansasangels.com/. Or, by contacting KTEC for additional information.

Kansas Angels Tax Credit

Phone: (785) 296-5272

Fax (785) 296-1160

Email: kansasangels@ktec.com

<https://www.kansasangels.com/>

Small Business Innovation Research (SBIR)

KTEC can help small companies compete for awards from a number of federal programs, including the Small Business Innovation Research Program. The Small Business Innovation Research Program is a highly competitive, three-phase federal award system that provides qualified small businesses with opportunities to propose innovative ideas that meet the specific research and development needs of the federal government. KTEC provides technical assistance to Kansas companies applying for federal SBIR funds. Federal grants range from \$50,000 to \$750,000. Additional information can be obtained by contacting KTEC.

Kansas Association of Certified Development Companies

A network of Certified Development Companies (CDCs) throughout the state provides resources to businesses by utilizing federal, state, United States Small Business Administration (SBA) and private financial sources. These organizations are certified by the SBA to originate loans for the SBA 504 Program. Most CDCs are familiar with available financing sources and have experience utilizing a variety of financing tools.

Kansas CDC's assist businesses by developing loan packages that meet the financial need of a project. These packages often contain more than one source of project funding, thus providing the small business customer with the best combination of rates and terms possible.

Some CDC's choose to provide services beyond just finance packaging. The follow list identifies the most common of these services:

1. Provide resources a start-up business can use when preparing its Business Plan.
2. Provide assistance in obtaining state and federal incentive programs for employee training.
3. Provide assistance to local governments in financing infrastructure and community services.
4. Provide assistance with housing programs.
5. Provide assistance with strategic planning and implementation.

Members of the KACDC further serve on various national, state and local organizations and are able to provide resource contacts for many projects.

Citywide Development Corporation of Kansas City, Kansas, Inc.

7628 State Avenue, Suite #3
Kansas City, KS 66612
Phone: (913) 788-9884
Fax: (913) 788-2741

Kansas City Area
6731 W. 212st St., Suite 208
Overland Park, KS 66209
Phone: (913) 312-5686
Toll Free: (877) 276-6303

North Central Kansas Regional Planning Commission

109 N. Mill Street, PO Box 565
Beloit, KS 67420
Phone: (785) 738-2218
Fax: (785) 738-2185
E-mail: ncrpc@nckcn.com

www.frontierfinancialpartners.com

Great Plains Development, Inc.

100 Military Plaza, Suite 128
Dodge City, KS 67801
Phone: (620) 227-6406
Fax: (620) 225-6051
Email: gpdi@gpdi.kscoxmail.com
www.gpdionline.com

Frontier Financial Partners, Inc.

Emporia Area
1512 W. 6th Avenue, Suite E
Emporia, KS 66801
Phone: (620) 342-7041
Toll Free: (877) 362-4265
Fax: (620) 342-6907

Heartland Business Capital

8900 Indian Creek Parkway Suite 150
Overland Park, KS 66210
Phone: (913) 599-1717
<http://www.hbcloans.com/>

**McPherson County Small Business
Development Association**

212 E. Euclid
P.O. Box 41
McPherson, KS 67460
Phone: (620) 241-3927
Fax: (620) 241-3927
Email: cpa7@sbcglobal.net
www.sbda.org

Mid-America, Inc.

1701 S. Broadway
128 Shirk Hall
Pittsburg, KS 66762
Phone: (620) 235-4924
Fax: (620) 235-4919

MO-KAN Development, Inc.

224 N. 7th St.
St. Joseph, MO 64501
Phone: (816) 233-3144
Fax: (816) 233-8498
www.mo-kan.org

Pioneer Country Development, Inc.

317 N. Pomeroy
P.O. Box 248
Hill City, KS 67642
Phone: (785) 421-2151
Fax: (785) 421-3496
Email: nwkpdc@ruraltel.net

**South Central Economic Development
District, Inc.**

200 W. Douglas, Suite 710
Wichita, KS 67202
Phone: (316) 262-7035
www.sckedd.org

Wakarusa Valley Development, Inc.

120 E. 9th Street, Suite 202
P.O. Box 367
Lawrence, KS 66044
Phone: (785) 749-7600
Fax: (785) 749-7601
Email: info@wakarusavalley.org
www.wakarusavalley.org

United States Department of Agriculture Rural Development

USDA Rural Development

Attn: Business and Community Programs
1303 S.W. First American Place, Suite 100
Topeka, KS 66604
Phone: (785) 271-2700
Fax: (785) 271-2708
<http://www.rurdev.usda.gov>

Business and Industrial Guaranteed Loan Program (B&I)

This program guarantees loans from local lenders to businesses and industries to benefit rural areas. Rural areas in this program are defined as cities of 50,000 or less population and areas outside the boundary of a city of 50,000 or more and its adjacent urbanized areas. The primary purpose of the program is to create and maintain employment and improve the economic and environmental climate

in rural communities. Assistance is provided in the form of a loan guarantee to the lender of up to 80 percent. Lenders are responsible for making and servicing the loans. Applicants apply for loans through private lenders.

The loans guaranteed under this program are typically limited to a maximum of \$10 million (can go up to \$25 million under certain circumstances). Historically, most loan guarantees requested have been in the \$250,000 to \$3 million range. The proceeds of loans under this program may be used for financing construction, conversion, acquisition, machinery and equipment, supplies or materials and working capital. The applicant will be required to provide sufficient cash or other assets as reasonable assurance of a successful project.

Rural Business Enterprise Grants (RBEG)

This program allows for grants to facilitate the development of small and emerging business enterprises in rural areas. Public bodies, private nonprofit corporations and federally recognized Indian Tribal groups are eligible to use grant funds and are based on need and available appropriated funds.

Rural Energy for America Program (REAP) formerly Renewable Energy/ Energy efficiency Program

This program allows for guaranteed loans, grants and combination guaranteed loans and grants to assist rural small businesses and agricultural producers. Agricultural producer (including farmers and ranchers) is defined as those who derive 50 percent or more of their gross income from the agricultural operations as eligible. Eligible renewable energy projects include projects that produce energy from wind, solar, biomass, geothermal, hydrogen-based sources, as well as hydroelectric and ocean. Eligible energy efficiency improvements are those improvements that reduce energy needs for agricultural producers and rural small businesses. Rural energy systems and energy efficiency improvements for residential properties are not eligible.

Rural Economic Development Loan and Grant Program (REDLG)

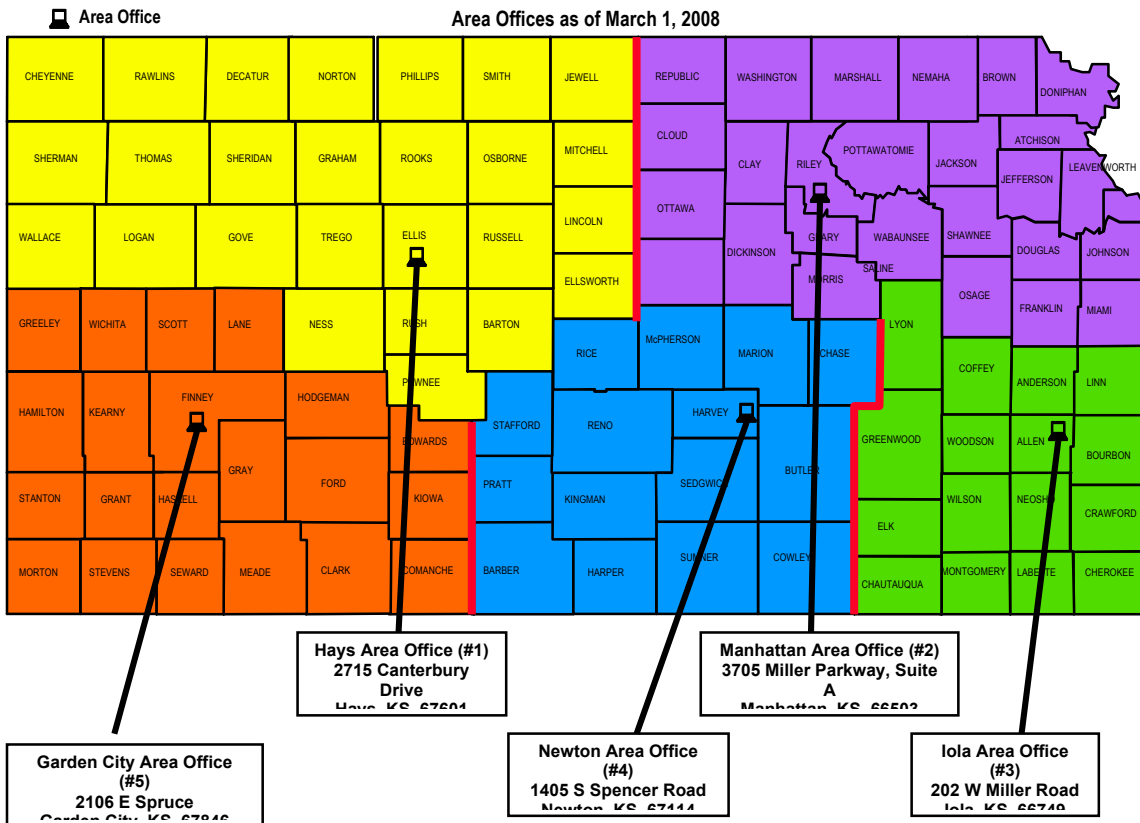
This program provides zero-interest loans and grants to Rural Utilities Service borrowers. Loans are provided to promote rural economic development and job creation projects. Grants are made to Rural Utility Service borrowers to establish revolving loan funds for community facilities and infrastructure as well as rural economic development.

Rural Cooperative Development Grant Program

This program provides grants to nonprofit institutions to establish and operate centers for rural cooperative development. The primary purpose of these grants is aimed at improving the economic condition of rural areas by promoting the development or improvement of cooperative organizations.

Intermediary Re-Lending Program

This program makes direct loans at one percent interest to establish revolving loan funds for businesses and community development projects by nonprofit corporations, public agencies, Indian tribes and cooperatives in rural areas. Initial loans can be up to \$2 million, (the average loan amount approved is about \$700,000) and subsequent loans of up to \$1 million per year are available.



USDA Rural Development
 Attn: Business and Community Programs
 1303 S.W. First American Place, Suite 100
 Topeka, KS 66604
 Phone: (785) 271-2730

Fax: (785) 271-2771

Area 1. Hays Area Office

2715 Canterbury Drive

Hays, KS 67601

Phone: (785) 628-3081

FAX: (785) 625-6065

Area 2. Manhattan Area Office

3705 Miller Parkway

Suite A

Manhattan, KS 66503

Phone: (785) 776-7582

FAX: (785) 539-2733

Area 3. Iola Area Office

202 W. Miller Rd.

Iola, KS 66749

Phone: (620) 365-2901

FAX: (620) 365-5785

Area 4. Newton Area Office

1405 South Spencer Rd.

Newton, KS 67114

Phone: (316) 283-0370

FAX: (316) 283-3114

Area 5. Garden City Area Office

2106 East Spruce

Phone: (620) 275-0211

FAX: (620) 275-4903

Taxes

This summary is designed to acquaint taxpayers with some major provisions of Kansas tax law. It is not intended as a substitute for the law, but provides a basic outline of the Kansas taxes required to be paid by Kansas businesses. Unless otherwise noted, the Director of Taxation at the Kansas Department of Revenue administers all state taxes.

Please direct all inquiries to:

Taxpayer Assistance Center

Docking State Office Building

915 S.W. Harrison Street, First Floor

Topeka, KS 66612-1588

Phone: (785) 368-8222

TTY (Hearing Impaired): (785) 296-6461

Fax: (785) 291-3614

Kansas Forms Requests: (785) 296-4937

Tax Appeals: (785) 296-8460

E-mail: tac@kdor.ks.gov

www.ksrevenue.org

Operational Hours: 8 a.m. – 5 p.m. Monday - Friday (Central Time)

Kansas Sales Tax

Kansas Department of Revenue

Sales Tax is levied under Chapter 79, Article 36 of the Kansas Statutes Annotated. The sales tax is levied on the gross receipts from admissions, the retail sale of tangible personal property (goods and merchandise) and certain services.

Rate Structure

Kansas Sales Tax is a combination of a 5.3 percent state rate and a local rate (levied by individual counties and cities). Each is a percentage added to the retail price of taxable items and services.

The Local Rate

In addition to the 5.3 percent state sales tax, counties and cities in Kansas have had the option of imposing a local sales tax since 1978. Before imposing a local sales tax, the governing body of the city or county must receive the approval of a majority of its voters. The maximum percentage is determined by the population of the city or by special legislative action. The rate of any class A, class B or class C city sales tax shall be fixed in the amount of .25 percent, .5 percent, .75 percent or 1 percent which amount shall be determined by the governing body of the city. The rate of any class D city sales tax shall be fixed in the amount of .10 percent, .25 percent, .5 percent, .75 percent, 1

percent, 1.125 percent, 1.25 percent, 1.5 percent or 1.75 percent. The rate of any countywide sales tax shall be fixed in an amount of either .25 percent, .5 percent, .75 percent or 1 percent which amount shall be determined by the Board of County Commissioners. When in doubt about a local tax rate, contact the city or county clerk for that area.

Since July 1, 2003, the combined tax rate that is charged is based on the "destination" of the goods or service-i.e. the rate in effect where the customer takes delivery of the merchandise or first takes use of a taxable service. See Local Tax Application-Destination Based Sourcing on page 14 of Publication KS-1510, Sales Tax and Compensating Use Tax.

Specific types of taxable services performed by contractors, subcontractors and repairmen are taxable. Other service businesses should consult the Department of Revenue and receive a written opinion on sales tax liability from the Director of Taxation. The written request must include a complete description of the activities and services performed by the business. For more information, contact the Taxpayer Assistance Center.

Exemptions and Exclusions

All retail sales of goods and taxable services are presumed to be taxable unless specifically exempted by law. Each retailer is obligated to determine the validity of a purchaser's claim for exemption and obtain a duly executed Exemption Certificate on all exempt purchases.

Corporate Income Tax

Kansas Department of Revenue

The Kansas Corporate Income Tax is levied on the Corporation's Federal Taxable Income, with modifications (additions and subtractions) provided by Kansas law (K.S.A. 79-32, 138). The normal Corporate Income Tax rate is four percent of all Kansas Taxable Income, plus a surtax of 3.1 TY 2008 percent of Taxable Income in excess of \$50,000 (K.S.A. 79-32,110).*

*3.05 percent TY 2009 & 2010 3.0 percent TY 2011

A Kansas Corporation Return (Kansas K-120 or K-120S) must be filed by all Corporations doing business within or deriving income from sources within Kansas (K.S.A. 79-32,110).

For Corporations with facilities both inside and outside Kansas, the net income attributable to Kansas is a proportion, based on the percentage of the Corporation's business that is located in Kansas. Computation is based on a three-factor, simple-average formula of the proportion of sales, property and payroll attributed to the state (K.S.A. 79-3271 et seq.). The normal and surtax rates apply.

Corporate Estimated Income Tax

Kansas Department of Revenue

A Corporation must declare and make estimated income tax payments if its yearly Kansas income tax liability can reasonably be expected to exceed \$500 (K.S.A. 79-32,101). Corporations beginning business during a tax year are not required to file a declaration for that tax year and no underpayment penalty will be imposed. Estimated payments are filed using *Kansas Form K-120ES*.

Subchapter S Corporation

Kansas Department of Revenue

Corporations that elect, under Subchapter S of the *Internal Revenue Code*, not to be taxed as a corporation, are not subject to the Kansas Income Tax on Corporations (K.S.A. 79-32,139). However, Subchapter S Corporations must file a *Kansas Small Business Corporation Return (Kansas Form K-120S)*. The shareholders of such corporations shall include in their individual taxable income the proportionate part of such corporation's federal taxable income, subject to the modifications of Kansas' law, in the same manner and to the same extent as required by the *Internal Revenue Code*.

Business Entity Franchise Taxes and Secretary of State's Annual Report

Kansas Department of Revenue/Secretary of State

All business entities qualified with the Kansas Secretary of State's Office are required to file an *Annual Report*. Beginning January 1, 2005, Annual Reports filed with the Secretary of State's Office must be accompanied by a flat filing fee of \$55.00 (for profit entities). *Annual Reports* may be filed electronically at www.kssos.org for a reduced filing fee of \$50.00 (for profit entities).

All business entities qualified with the Kansas Secretary of State's Office that have \$1 million of net worth or net capital accounts in the state must pay to the Kansas Department of Revenue a *Franchise Tax* of .09375 percent (TY 2008) of the total net worth or net capital accounts located in Kansas. Businesses must file the Franchise Tax Return, Form K-150. The form may be obtained at www.ksrevenue.org.*

*TY 2009 = .0625 percent TY 2010 = .03125 percent

Privilege Tax on Financial Institutions

Kansas Department of Revenue

The Privilege Tax is levied on the net income of financial institutions including banks, trusts and savings and loan associations. Every national banking association and state bank located or doing business within the state, shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and surtax and shall be computed as follows on banks:

- The normal tax shall be an amount equal to 2.25 percent of such net income
- The surtax shall be an amount equal to 2.125 percent of such net income in excess of \$25,000 (K.S.A. 79-1107)

For trusts and savings and loan associations, the normal tax rate is 2.25 percent of net income and the surtax is 2.25 percent of net income over \$25,000 (K.S.A. 79-1108). The Kansas Form K-130 is filed.

General Partnership

Kansas Department of Revenue

For income tax purposes, a General Partnership functions as a conduit and not as a separate taxable entity; therefore, no tax is imposed on the Partnership itself (K.S.A. 79-32,129 et seq.). Those carrying on business as partners are liable for tax only in their separate or individual capacities and file an *Individual Income Tax Return (Form K-40)* (K.S.A. 79-3220). Each individual partner is subject to the same reporting requirements and tax rates as a Sole Proprietor or individual. Nevertheless, the Partnership must file a *Kansas Partnership or S Corporation Income Tax Return (K-120S)* each year to enable the state to determine liability.

Limited Partnership

Kansas Department of Revenue

In a Limited Partnership, each partner is responsible for filing an *Individual Income Tax Return (K-40)*, just as a General Partnership. A *Kansas Partnership or S Corporation Income Tax Return (K-120S)* must also be filed.

Individual Income Tax

Kansas Department of Revenue

The tax rate for individuals is based on taxable income. Refer to the *Kansas Individual Income Tax Booklet* for additional information. For taxpayer assistance on Kansas Individual Income Tax, call the Kansas Department of Revenue Taxpayer Assistance at (785) 368-8222.

Individuals file a quarterly estimated income tax payment if their liability after withholding and credits are estimated to be at least \$500 (K.S.A. 79-32,101).

Retail Liquor Sales Tax

Kansas Department of Revenue

- **Liquor Excise Tax**—Kansas imposes a ten percent Liquor Drink Tax on the sale of drinks containing alcoholic liquor by clubs, caterers or drinking establishments. A club, caterer or drinking establishment (including farm wineries and microbreweries selling to customers for on-premises consumption) must also:
 - Have a liquor license issued by the Division of Alcoholic Beverage Control; and
 - Have a Kansas Sales Tax Number; and
 - Post a bond of either \$1,000 or three months estimated Liquor Excise Tax Liability, whichever is greater.
- **Liquor Enforcement Tax**—Kansas imposes an eight percent Liquor Enforcement Tax on alcoholic liquor and cereal malt beverages sold by retail liquor stores, microbreweries or farm wineries to Kansas consumers or sold by distributors to Kansas clubs, drinking establishments or caterers. A retail liquor store, microbrewery, farm winery or distributor must also have a liquor license issued by the Division of Alcoholic Beverage Control.
- **Alcohol Gallonage Tax**—These taxes are levied at the wholesale level and are based on the quantity (gallons) of alcoholic beverages manufactured, used, sold, stored or purchased in Kansas. The tax is paid only once by the first receiver of the product in Kansas.

Local License and Occupations Tax

Chapter 12, Article 1, of the Kansas Statutes, allows localities to impose License or Occupation Taxes for the privilege of engaging in any business trade, occupation or profession. Because each city/county has its own regulations, permits and taxes, contact your local city hall/county courthouse for such information.

Cities may not impose a License or Occupation Tax on producers or growers of farm or garden products grown within the state (K.S.A. 12-1617).

Cigarette Tax

The Cigarette Stamp Tax is collected on the first sale, distribution or conveyance of the product (K.S.A. 79-3310).

Tobacco Products Tax

A tax is imposed upon the privilege of selling or dealing in tobacco products in this state by any person engaged in the business as a distributor thereof, at the rate of ten percent of the wholesale sales price of such tobacco products. The tax will be imposed at the time when the distributor (a) brings or causes to be brought into this state from without the state tobacco products for sale; (b) makes, manufactures or fabricates tobacco products in this state for sale in this state; or (c) ships or transports tobacco products to retailers in this state to be sold by those retailers. For more information on the Cigarette and Tobacco Products Taxes, contact the Kansas Department of Revenue.

Liquor Drink

Kansas imposes a ten percent Liquor Drink Tax on the sale of drinks containing alcoholic liquor by clubs, caterers or drinking establishments. A club, caterer or drinking establishment (including farm wineries and microbreweries selling to customers for on-premises consumption) must also:

- Have a Liquor License issued by the Division of Alcoholic Beverage Control
- Have a Kansas Sales Tax Number
- Post a bond of either \$1,000 or three months estimated Liquor Excise Tax Liability, whichever is greater

Liquor Enforcement Tax

Kansas imposes an eight percent Liquor Enforcement Tax on alcoholic liquor and cereal malt beverages sold by retail liquor stores, microbreweries or farm wineries to Kansas consumers or sold by distributors to Kansas clubs, drinking establishments or caterers. A retail liquor store, microbrewery, farm winery or distributor must also have a Liquor License issued by the Division of Alcoholic Beverage Control.

Bingo Taxes

Administrator of Charitable Gaming

Kansas Department of Revenue

Docking State Office Building, Room 230
915 S.W. Harrison Street
Topeka, KS 66625-3512
Phone: (785) 296-6127
Fax: (785) 291-3614
E-mail: bingo@kdor.ks.gov
www.ksrevenue.org

Kansas law permits nonprofit religious, educational, charitable, fraternal and veterans organizations to conduct bingo games in which the players are charged for participation if the organization first obtains a bingo license from the Kansas Department of Revenue. No license is required if a bingo game sponsor offers free bingo games or merely encourages a voluntary contribution. Bingo licenses cost \$25 and are good for 12 months commencing on July 1 of each year.

Kansas law requires that any person or business which leases facilities or premises to an organization for the conduct of bingo games on a daily basis or charges rent based upon the organization's revenue from bingo games, must be registered and is subject to various restrictions. Bingo premises registration certificates cost \$100 and are good for 12 months commencing on July 1 of each year.

Kansas law also requires that any person or business which sells disposable paper bingo faces or pull-tabs to an organization with a bingo license must be registered and is subject to various restrictions. Bingo premises registration certificates cost \$500 and are good for 12 months commencing on July 1 of each year. A one-time cash bond of \$1,000 is also required.

Pull-tabs may only be legally sold in the State of Kansas during a scheduled bingo session conducted by an organization holding a current bingo license. In that situation, pull-tabs are called instant bingo. The sale or possession of a pull-tab under any other conditions is illegal in the State of Kansas.

The bingo statutes may be found at K.S.A. 79-4701 et seq. and the bingo regulations may be found at K.A.R. 92-23-9 et seq.

Water Protection Fee

The Water Protection Fee is collected by public water suppliers engaged in the retail sales of water delivered through mains, lines or pipes. This fee is \$.03 per 1,000 gallons of water sold. An additional Public Water Supply Fee of \$.002 per 1,000 gallons of water sold is imposed for the inspection and regulation of public water supplies. These two fees are collected together at a total rate of \$.032 per 1,000 gallons of water sold. Both fees are reported on the same form. Public water suppliers also need to register with the Kansas Department of Health and Environment.

City water departments, rural water districts and any other organization, which sells water, pays the Clean Water Drinking Fee. Collectively all of these organizations are called 'public water supply

systems'. The Clean Drinking Water Fee is \$.03 per 1,000 gallons of water sold. The law specifically forbids the public water supply systems from adding this fee to their customers' water bill.

The Clean Drinking Water Fee is reported quarterly on the same form as the Water Protection Fee. The return requires two entries - one for the Water Protection Fee and one for the Clean Drinking Water Fee. For more information on the Water Protection Fee and the Public Water Supply Fee, call the Kansas Department of Revenue.

Maintaining a Business in Kansas

Taxes

Taxpayer Assistance Center

Docking State Office Building
915 S.W. Harrison Street, First Floor
Topeka, KS 66625-2007
Phone: (785) 368-8222
TTY (Hearing Impaired): (785) 296-6461
Fax: (785) 291-3614
www.ksrevenue.org
Operational Hours: 8 a.m. – 4:45 p.m., Monday - Friday

The Taxpayer Assistance Center provides a wide range of assistance to taxpayers by phone and in person for all the taxes administered by the Kansas Department of Revenue. A Kansas Department of Revenue representative will assist you in completing Kansas income tax returns and homestead refund claims, as well as registration for business taxes and completion of business tax returns. The Center also assists taxpayers in understanding and responding to correspondence received from the Department and answers questions about taxability, responsibilities, record keeping and return preparation for the various tax types. Publications, forms and small business workshop schedules are also available from the Kansas Department of Revenue Web site.

Kansas Court of Tax Appeals

Docking State Office Building
915 S.W. Harrison Street, Suite 451
Topeka, KS 66612-1505
Phone: (785) 296-2388
Fax: (785) 296-6690

The Court of Tax Appeals is an administrative court within the executive branch of state government and is the highest administrative tribunal for matters involving state and local taxation. The Court's mission is to resolve disputes between taxpayers and taxing authorities promptly and impartially and to help maintain public confidence in the state and local tax system.

Property Taxes

Kansas Department of Revenue Property Valuation Division

Docking State Office Building
915 S.W. Harrison Street, Room 400N

Topeka, KS 66612-1585
Phone: (785) 296-2365
Fax: (785) 296-2320
E-mail: pvd@kdor.ks.gov
www.ksrevenue.org

The Director of Property Valuation has supervisory authority over the administration of property valuation and taxation. Property taxes are levied locally on the assessed value of real and tangible personal property (see *Kansas Statutes Annotated, Chapter 79, Taxation*). The assessment of the property is done at the county level, except for public utility property, with state oversight. The rate of taxation varies among the numerous local taxing jurisdictions (counties, cities, townships, school districts, special-purpose districts), in accordance with their locally adopted budgets and the property tax base, but within rate limits established by the Kansas Legislature.

Real Property Transfer Tax

There is no tax on the transfer of real property in Kansas. A *Real Estate Sales Validation Questionnaire* stating the amount for which the property was sold must be filed with the Register of Deeds. A filing fee is charged. Forms may be obtained at the County Register of Deeds Office. While there is no tax on the transfer of real property, there is a Mortgage Registration Tax amounting to .26 percent for each dollar of the principal debt or mortgage (K.S.A. 79-3102).

Real Estate

All real property in Kansas, except for agricultural land, is appraised each year at its current market value as of January 1 and will be assessed and taxed according to one of six subclasses: residential, including apartments and condominiums (11.5 percent of market value); vacant lots (12 percent of market value); agricultural land (30 percent of productive use value); improvements on land devoted to agricultural use (25 percent of market value); nonprofit organizations (12 percent of market value); commercial (25 percent of market value); all other real property (30 percent of market value) and public utilities except railroads (33 percent) (Section 1 of Article 11 of the *Kansas Constitution* and K.S.A. 79-1439).

Public Utilities

The State Appraised Bureau, within the Property Valuation Division, is responsible for appraising the property of public utilities operating in Kansas. The market value of utility properties is determined using the unit valuation methodology. Final valuations are certified to each county clerk in the state based on the location of the utility property. The clerk determines the tax liability of each utility using local tax levies and the assessed value distributed to the county by the State.

Personal Property

Any business owning property, whether as an individual, corporation or merchant, must file a *Commercial Personal Property Statement* with the county appraiser by March 15. The County Appraiser's Office is usually located in the courthouse of each county. Some counties mail the statements in January or the statement may be obtained at the County Appraiser's Office. Commercial and industrial machinery and equipment purchased or leased prior to July 1, 2006 is valued at retail cost when new less straight line depreciation over its economic life with a maximum of a seven-year economic life, except that the value shall not be less than 20 percent of its retail cost when new. Such property is assessed at 25 percent of the resulting value. Commercial and industrial machinery and equipment purchased or leased after June 30, 2006 that meets the criteria set forth in K.S.A. 79-223 is exempt from ad valorem taxation.

Exemptions from Ad Valorem Property Taxation

Note – There is an income tax credit/refund based on 15 percent of the property tax, timely paid, on commercial personal property (K.S.A. 79-32,206).

Aircraft used in Business and Industry – Aircraft used predominantly to earn income for the owner in the conduct of the owner's business or industry may be exempted (K.S.A. 79-201k).

Antique Aircraft – Antique aircraft used exclusively for recreational or display purposes or any combination thereof may be exempted. The term "antique aircraft" means all aircraft 30 years or older as is determined by the date of manufacture (K.S.A. 79-220).

Property, Purchased, Constructed or Improved with Bond Monies – Real and personal property purchased, constructed, reconstructed or otherwise improved with the proceeds of Economic Development Revenue Bonds may be exempted for a period of ten calendar years after the calendar year in which the bonds are issued (K.S.A. 79-201a Second). Some municipalities require varying percentages of normal taxes to be paid during the ten years in the form of "payments in lieu of taxes."

Farm Machinery and Equipment – Machinery and equipment actually and regularly used in farming and ranching operations or feed lots, except for passenger vehicles, trucks, truck tractors, trailers, semi-trailers or pole trailers (K.S.A. 79-201j).

Aquaculture Machinery and Equipment – Equipment and machinery actually and regularly used in any aquaculture operation, except for passenger vehicles, trucks, truck tractors, trailers, semi-trailer or pole trailers (K.S.A. 79-201j).

Christmas Tree Machinery and Equipment – Equipment and machinery actually and regularly used in any Christmas tree operation, except for passenger vehicles, trucks, truck tractors, trailers, semi-trailer or pole trailers (K.S.A. 79-201j).

Grain – (K.S.A. 79-201n).

Graveyards – (K.S.A. 79-201c).

Hand Tools – All hand tools used by a mechanic in the construction or repair of machinery and equipment, including motor vehicles and hand tools and toolboxes used exclusively by a mechanic or tradesperson in the construction industry (K.S.A. 79-219 and 79-201o).

Hay and Silage, Farm Storage and Drying Equipment – (K.S.A. 79-201d).

Leased Real and Personal Property of Certain Economic Development Corporations – Certain leased property is exempt pursuant to K.S.A. 79-221 if it is integrally associated with other property that is exempt under Article 11 § 13 of the Kansas Constitution.

Livestock –Article 11 § 1 of the Kansas Constitution.

Merchants' and Manufacturers' Inventories – Inventories held by merchants and manufacturers (K.S.A. 79-201m).

Motor Vehicle Dealers' Inventories – (K.S.A. 79-201p).

Hospitals, Adult Care Homes, Private Children's Homes, Group Housing of Elderly, Handicapped, Mentally Ill or Retarded Persons – All real and tangible personal property used for the above purposes and operated by a nonprofit corporation (K.S.A. 79-201b).

Personal Property Moving in Interstate Commerce – Personal property that is moving in interstate commerce or stored in warehouses or storage areas prior to shipment out-of-state (K.S.A. 79-201f).

Personal Property Held for Sale or Display at Certain Functions – Personal property held for sale or display at and in connection with, a fair, exposition, trade show, auction, bazaar, flea market or convention (K.S.A. 79-215).

Reclaimed Surface Mine Property – (K.S.A. 79-201e).

Small Item Exemption – Personal property items with a retail cost of \$1,500 or less when new (K.S.A. 79-201w).

Initial Request for Exemption – Any property owner requesting an exemption from the payment of ad valorem property taxes, assessed or to be assessed against their property, is required to file an initial request for exemption on forms approved by the Court of Tax Appeals and provided by the county appraiser (K.S.A. 79-213).

Annual Claim for Exemption – The owner or owners of all property exempt from the payment of property taxes for a specified period of years shall, in each year after approval by the Court of Tax Appeals, file a claim of such exemption with the county appraiser of the county where the property is located on or before March 1 of each year (K.S.A. 79-210 Eleventh).

Mortgage Registration Tax

The Mortgage Registration Tax is levied according to K.S.A. 79-3102. The tax is retained locally and is in lieu of other taxes. Before any mortgage of real property or renewal or extension of such a mortgage is received and filed for the record, there shall be paid to the register of deeds of the county in which such property or any part thereof is situated a registration fee of .26 percent of the principal debt or obligation which is secured by such mortgage. In the event the mortgage states that an amount less than the entire principal debt or obligation will be secured thereby, the registration fee shall be paid on such lesser amount. There are certain exemptions and exclusions to the mortgage registration tax that are set forth in K.S.A. 79-3102.

Statutory Requirements on Insurance Premiums Written in Kansas

Kansas Department of Insurance

420 S.W. 9th Street

Topeka, KS 66612-1678

Phone: (785) 296-3071

Fax: (785) 296-7805

commissioner@ksinsurance.org

- **Insurance Premium Taxes** are levied and collected by the Kansas Department of Insurance (K.S.A. 40-252). Specific information on the following taxes can be obtained from the Kansas Department of Insurance.
- **Premium Tax** - Generally, K.S.A. 40-252 et al requires most insurance companies that write premiums in the State of Kansas to pay a 2.0 percent Premium Tax. Tax returns are filed annually on March 1. Note that there are several credits included in the statute that may

considerably reduce a company's annual tax payment. Companies remit estimated tax prepayments on June 15 and December 15 of each year based on the previous year's tax liability.

- **Firefighters Relief** - Premiums written by companies that are earmarked as fire or lightning coverage for risks located within the State of Kansas during the preceding calendar year are taxed at a rate of 2.0 percent. Revenue from this tax goes directly to firefighter relief associations in the state (K.S.A. 40-1703).
- **Fire Marshal** - The same premiums earmarked above for the firefighter relief associations are also used as a base for a levy of no more than 1.25 percent each year. Revenue from this levy is distributed to the State Fire Marshal's Office, the University of Kansas Fire Service Training Program and Emergency Management Services.
- **Retaliatory Taxes and Fees** - Imposed when the laws of another state require Kansas insurance companies to pay taxes and fees in excess of the taxes and fees assessed by the State of Kansas on companies domiciled in such state. The amount varies from company to company.

Business Tax Exemptions:

Renewable Energy Resource or Technology Property – (wind, solar, photovoltaic, biomass, hydropower, geothermal and landfill gas resources or technologies) (K.S.A. 79-201 Twelfth).

Personal Property Actually and Regularly Used Predominantly to Collect, Refine or Treat Landfill Gas – or to transport landfill gas from a landfill to a transmission pipeline and the landfill gas produced (K.S.A. 79-201).

Motor Vehicles – held as inventory for sale by motor vehicle dealers (K.S.A. 79-201p).

Certain low-producing oil leases – exemption broadened in 1998 to include average daily production of three barrels and five barrels (completion depth of 2,000 feet or more) (K.S.A. 79-201t).

Commercial and industrial machinery and equipment – purchased or leased after June 30, 2006 (K.S.A. 79-223).

Telecommunications and railroad machinery and equipment – purchased or leased after June 30, 2006 (K.S.A. 79-224).

Twelve-year exemption for any new or expanded integrated coal gasification power plant property – as defined by K.S.A. 2006 Supp. 79-32,238, and all property purchased for or constructed or installed at an integrated coal gasification power plant to comply with air emission standards (K.S.A. 79-225).

Ten-year exemption for any new, expanded or restored crude oil refinery – as that term is defined by K.S.A. 2006 Supp. 79-32,217 (K.S.A. 79-226).

Ten-year exemption for any new crude oil or natural gas liquid qualifying pipeline – as that term is defined by K.S.A. 2006 Supp. 79-32,223 (K.S.A. 79-227).

Ten-year exemption for any new or expanded integrated coal or coke gasification nitrogen fertilizer plant – as that term is defined by K.S.A. 2006 Supp. 79-32,228 (K.S.A. 79-228).

Ten-year exemption for new or expanded biomass-to-energy plant – defined to be an industrial process plant located in Kansas where biomass is processed (K.S.A. 79-229).

Ten-year exemption for any new nuclear generation facility real or tangible personal property – purchased, constructed or installed as part of a nuclear generation facility producing electricity or electric power (K.S.A. 79-230).

Ten-year exemption for any waste heat utilization system real or personal property – purchased, constructed or installed after December 31, 2006, for the recovery of waste heat generated in the process of generating electricity at an electric generation facility located in Kansas and the use of such heat is to generate additional electricity or to produce fuels from renewable energy resources or technologies as defined in K.S.A. 79-201 Eleventh (K.S.A. 79-231).

Ten-year exemption for storage and blending equipment for petroleum-based fuel and biodiesel, ethanol or other biofuel – that is installed at a fuel terminal, refinery or biofuel production plant after December 31, 2006 (K.S.A. 79-232).

Five-year exemption for any carbon dioxide capture, sequestration or utilization property and any electric generation unit – which captures and sequesters all carbon dioxide and other emissions (K.S.A. 79-233).

Electric generation facilities and pollution control devices of independent power producers – if base load plant, exemption is from commencement of construction and for 12 taxable years after construction is completed. If is peak load plant, exemption is from commencement of construction and for six taxable years after construction is completed (K.S.A. 79-257).

Electric generation facilities and pollution control devices of electric generation public utilities – if base load plant, exemption is from commencement of construction and for ten taxable years after construction is completed. If is peak load plant, exemption is from commencement of construction and for four taxable years after construction is completed (K.S.A. 79-258).

Ten year exemption for electric transmission lines and appurtenances to such lines – (K.S.A. 79-259).

Tax Abatement – Cities and counties may exempt property from ad valorem taxes for up to ten years for economic development purposes under Section 13 of Article 11 of the *Kansas Constitution*. The Board of County Commissioners, or the governing body of a city, may exempt from ad valorem taxation all or any portion of the appraised valuation of all buildings or added improvements together with the land upon which such buildings are located and all associated tangible personal property used exclusively by a business for the purpose of manufacturing articles of commerce, conducting research and development or storing goods or commodities which are sold or traded in interstate commerce. Additions to, or expansions of, existing businesses qualify for the Property Tax Exemptions if new employment is created as a result of such expansion.

Electronically Managing Tax Accounts

KWebTax

<http://www.ksrevenue.org/kswebtax.html>

Businesses can securely manage their business tax accounts online. Businesses can make electronic payments, file *Sales, Use or Franchise Tax Returns* and view online activity in one system under the security of their own password.

Account Management

The **Online Business System** allows a business to list all of its business tax accounts in one directory. After registering and creating a user ID and Password, you can organize your account directory by entering the Federal Employer Identification Number (FEIN) or license number and the specific personal identification number (PIN) related to each tax type. Once you have added your accounts, you will never be asked to enter the PIN again. Professional accounting and payroll services can list all of their clients under one or multiple User IDs and Passwords. The following tax types can be added to your account directory:

- ABC Distributors
- Compensating Use Tax
- Consumers' Compensating Use Tax
- Corporate Income Tax
- Franchise Tax
- Liquor Drink
- Liquor Enforcement
- Mineral Tax
- Motor Carrier Property Tax
- Motor Fuel Taxes
- Privilege Tax

- Sales Tax
- Withholding Tax

Electronic Funds Transfer Payments (EFT)

This system gives you the capability to make electronic payments using the **Automated Clearing House (ACH)** Debit method for transfer. Under this method, you authorize the Department of Revenue to electronically transfer your tax payment from your depository into the State's account. You will be asked to provide the financial routing information that is necessary to perform the transaction. Once provided, the information will be retained in the system but will never be displayed back to you in entirety for increased security. You can delete or edit your financial information as the need arises. EFT payments can be initiated for all tax types accepted for management in your account directory.

Sales and Use Tax Returns

File the *ST16* (single jurisdiction) or *ST36* (multiple jurisdictions) *Sales Tax Return* online and receive real-time confirmation of your transaction. You can also file the *CT9U* (Sales) or *CT10U* (Consumer's) *Compensating Use Tax Returns*. When you select to file your tax return, the system will provide you the correct online form for your required filing status. Your filing status (frequency) is determined by statute and is based on your annual sales or use tax liability. If your filing status changes at the start of the calendar year, the online system will automatically adjust for the change, but will still allow you to file for a prior period at the old status if you find it necessary to file a past due or amended return.

The online system allows you to manually enter your information; saving and storing until the time you are ready to submit your return. Otherwise, if you report collections in multiple jurisdictions and compile your data in a computer-based spreadsheet, you can upload your information in a simple format file from your desktop folder to the online application.

Kansas law requires that you submit a tax return even when you have no activity to report. The online system makes it easy to file a zero-based tax return. Simply select your filing period and check "no activity" and continue to easily submit your return.

The ACH Debit method is included as a payment option giving you the capability to electronically "file and pay" in one system application. You can also pay electronically as an ACH Credit, instructing your bank to transfer funds from your account to the State's account utilizing the required payment format. Otherwise, a completed payment voucher will be provided for print and submission along with your check or money order.

Kansas.gov



Kansas.gov is the official Web site of the State of Kansas and its online services. The Kansas.gov staff assists Kansas government agencies by developing online solutions on their behalf. Kansas has launched many eGovernment applications including business filings, professional license renewals

and license verifications. Kansas.gov continues to add services and information to improve online access to Kansas government. Some of the services available for maintaining your business:

Employment & Labor

- [KANSASWORKS](#)

Finance & Legal

- Business Entity Annual Report Filing
- Business Entity Certificate of Good Standing
- Business Entity Letter of Good Standing
- Business Entity Searches
- Business Tax Registration
- County District Court Records
- Judgment, Mortgage and Usury Rates
- Kansas Banking Mailings
- Kansas Business Center
- Small Business Training Calendar
- Uniform Commercial Code (UCC) Filing System
- Uniform Commercial Code (UCC) Notifications
- Uniform Commercial Code (UCC) Searches
- Unemployment Tax Account

Funding & Aid

- Kansas Grants Clearinghouse

Insurance

- Automobile Insurance Companies
- Insurance Company Information Search
- Insurance Fraud Protection
- Insurance Shoppers Guide
- Insurance Company Reports

Professional Licensure

- Behavioral Sciences Regulatory Board License Renewal
- Behavioral Sciences Regulatory Board (BSRB) License Verification
- Board of Accountancy CPA Firms Registration Renewal
- Board of Emergency Medical Services Certificate Renewals
- Board of Healing Arts License Renewals
- Board of Healing Arts License Verification
- Board of Optometry License Renewals
- Dental Board Verification
- Dry Cleaners Registration Verification
- Nursing License Renewal
- Nursing License Verification
- Pharmacy License Renewal
- Pharmacy License Verification
- Private Investigation License Verification
- Real Estate License Renewal
- Real Estate License Verification
- Technical Professions License Renewals & Address Change

Property

- Mortgage Rates
- Property Tax Payments
- Property Valuation Data (Surveyor)

Safety & Security

- Criminal History Record Checks

State Records (court, criminal, vehicle, vital statistics)

- Criminal History Record Checks
- County District Court Records
- Motor Vehicle Records
- Motor Carrier Vehicle Records
- Vital Statistics

Taxes

- Court of Tax Appeals Case Decisions
- Business Tax Registration
- Property Tax Payments
- Tax Filing Resources
- Unemployment Tax Account

Transportation

- Automobile Insurance Companies
- International Fuel Tax Agreement (IFTA) License Renewal
- International Registration Plan (IRP) Filings
- Kansas Highway Patrol Online Crash Logs
- KCC and Single State Authorities Renewals
- Motor Vehicle Records
- Motor Carrier Vehicle Records
- Motor Vehicle Tag Registration (Web Tags)
- Road Condition Reporting System
- TruckingKS.org
- Trucking Permit System

Kansas.gov Subscriber Services

- County District Court Records
- Full Text Daily Bill Packets
- Kansas Statutes Annotated
- Board of Tax Appeals Case Decisions
- The Kansas Register
- Lobbyist-In-A-Box
- Motor Carrier Vehicle Records
- Motor Vehicle Records
- Multi-Bill Tracking
- Property Valuation Data (Surveyor)
- Uniform Commercial Code (UCC) Notifications
- Uniform Commercial Code (UCC) Searches
- Uniform Commercial Code (UCC) Secured Party Search

To view all online services Kansas.gov has to offer, visit www.kansas.gov.

Business Incentives

The Kansas Department of Revenue (KDOR) provides an outreach program about the tax incentives available to individuals and businesses in Kansas. The department visits with cities, counties, chambers, businesses and other groups to promote the Kansas tax incentives. KDOR wants to make our customers aware of the Kansas tax incentives offered plus provide customers with the information necessary to understand and qualify for the tax incentives made available through Kansas law. If you are interested in having a representative from the Kansas Department of Revenue speak to your group about Kansas tax incentives, please contact our Tax Incentive Department at (785) 296-3070.

Most states provide some type of tax incentives, whether in the form of credits or exemptions for the construction of a new building, the improvement of an existing building or the hiring of new employees. Kansas law provides for a variety of tax incentives which includes tax credits, exemption from sales tax and property tax abatements and refunds. A brief description is provided of the most commonly used tax credits and incentives for small businesses. A complete list of credits and incentives can be found at www.ksrevenue.org.

Personal Property

Any business owning property, whether as an individual, corporation or merchant, must file a *Commercial Personal Property Statement* with the county appraiser by March 15. The County Appraiser's Office is usually located in the courthouse of each county. Some counties mail the statements in January or the statement may be obtained at the County Appraiser's Office.

Commercial and industrial machinery and equipment is valued using economic longevity with a maximum of a seven-year economic life, straight-line depreciation from retail cost when new, with a 20 percent residual and assessed at 25 percent thereof.

Exemptions and Exclusions

Note - There is an income tax credit/refund based on 25 percent of the property tax, timely paid, on commercial personal property (K.S.A. 79-32,206). Some municipalities require varying percentages of normal taxes to be paid during the ten years in the form of "payments in lieu of taxes" for police and fire protection.

Tax Abatement

Cities and counties may exempt property from Ad Valorem Taxes for up to ten years for economic development purposes under Section 13 of Article 11 of the *Kansas Constitution*. The Board of County Commissioners or the governing body of a city, may exempt from ad valorem taxation all or any portion of the appraised valuation of all buildings or added improvements together with the land upon which such buildings are located and all associated tangible personal property used exclusively by a business for the purpose of manufacturing articles of commerce, conducting research and development or storing goods or commodities which are sold or traded in interstate commerce.

Additions to, or expansions of, existing businesses qualify for the Property Tax Exemptions if new employment is created as a result of such expansion.

Ad Valorem Tax Exemption

Any Ad Valorem Tax Exemption or partial exemption, granted for economic development reasons, shall be in effect for not more than ten years after the calendar year in which the business commences its operations or in which an expansion is completed under Section 13 of Article 11 of the *Kansas Constitution*.

Business Machinery and Equipment Property Tax Credit

Kansas Department of Revenue

Any taxpayer may claim an Income or Privilege Tax Credit for Personal Property Tax paid on commercial and industrial machinery and equipment. The property tax must have been levied and timely paid during the tax year for which the credit is taken. The machinery and equipment must be classified for property taxation purposes as subclass 2, 5 or 6 of class 2 under section 1 of Article 11 of the Kansas Constitution. The credit is 15 percent of the Personal Property Tax paid on specific commercial and industrial machinery and equipment. The amount of credit, which exceeds the tax liability for a taxable year, is refunded to the taxpayer. A K-64, Business and Machinery and Equipment Credit Form is filed.

Alternative-Fueled Motor Vehicle Property Credit

Any person, Association, Partnership, Limited Liability Company, Limited Partnership or Corporation who owns and operates a qualified alternative-fueled motor vehicle licensed in the State of Kansas or who makes an expenditure for a qualified alternative-fuel fueling station during the tax year qualifies for an Income Tax Credit. A *Schedule K-62, Alternative-Fuel Tax Credit* must be filed. Contact the Department of Revenue for further information.

Angel Investor Tax Credit

The Angel Investor Tax Credit is effective for all taxable years beginning after December 31, 2004 and prior to January 1, 2017. A Kansas income tax credit shall be allowed for an investor who makes a cash investment in the qualified securities of a qualified Kansas business. Kansas businesses must apply with the Kansas Technology Enterprise Corporation (KTEC) to become qualified for the credit. The credit is 50 percent of the investor's cash investment up to \$100,000 investment in any single qualified Kansas business. If the amount of credit exceeds the investor's tax liability in any one taxable year, the remaining portion of the credit may be carried forward until the total amount of the credit is used. The business may download Schedule K-30 to claim the Angel Investor Tax Credit. This schedule must be completed and submitted with the *Income Tax Return*.

Kansas Technology Enterprise Corporation

214 S.W. 6th, 1st Floor
Topeka, KS 66603-3719
Phone: (785) 296-5272

Business and Job Development Credit

The purpose of the Business and Job Development Credit is to provide tax incentives throughout the state that encourages businesses to create new jobs through capital investment projects involving the building of new facilities or the expansion or renovation of existing facilities. There are two different acts within the *Kansas Statutes* that provide a Tax Credit for those businesses that make an investment and create jobs as a result of that investment. The acts are the *Job Expansion and Investment Credit Act* of 1976 and the *Kansas Enterprise Zone Act*. The business must file *Schedule K-34, Business and Job Development Credit*.

Community Service Contribution Credit

For taxable years beginning after December 31, 1998, any business firm, which makes a contribution to an approved community service organization, is allowed a credit against their tax liability. For taxable years beginning after December 31, 2000, the definition of business firm has been expanded to include individuals subject to the state income tax. A business firm must contribute to a community service organization or governmental entity, which engages in the activities of providing community services, crime prevention or health care services. A list of approved community service organizations can be found at Kansascommerce.com. A *Schedule K-60, Community Service Contribution Credit* must be filed.

Disabled Access Credit

The Disabled Access Credit is available to individual and business taxpayers who make their property accessible to the disabled. The property must be a personal residence located in Kansas or an existing building, facility or equipment located in Kansas and used in a trade or business or held for the production of income. Specifications for making a building or facility accessible and usable by the disabled must be in conformity with Title I and Title III of the *Americans with Disabilities Act of 1990, 42 USCA 12101 et seq. and 28 CFR Part 36 and 29 CFR 1630 et seq.* Expenditures incurred to remove an existing architectural barrier qualify for the Disabled Access Credit. Effective July 1, 1997, the construction of a small barrier free living unit attached to the principal residence also qualifies as an eligible expenditure. Expenditures incurred to modify or adjust an existing facility or piece of equipment for the purpose of employing individuals with a disability qualifies for the Disabled Access Credit. For a business taxpayer, the credit is 50 percent of the actual expenditures or \$10,000, whichever is less, not to exceed the taxpayers Income or Privilege Tax Liability. A business may carry forward any amount of credit, which exceeds the Income or Privilege Tax Liability for a period of four years. A *Schedule K37, Kansas Disabled Access Credit Form* must be filed with the Income or Privilege Tax Return.

Work Opportunity Tax Credit (WOTC)

Section 51 of the IRS Code is the Work Opportunity Tax Credit. The Work Opportunity Tax Credit offers employers a credit against their tax liability if they hire individuals from targeted groups. Qualified first-year wages are qualified wages paid or incurred by the employer for work performed by a targeted group employee during the one-year period beginning on the date the individual begins work for the employer. Qualified wages are generally wages subject to the *Federal Unemployment Tax Act (FUTA)* without regard to the *FUTA* dollar limit, but not more than \$6,000 each tax year for each employee (\$3,000 each tax year for a summer youth employee). Contact the Internal Revenue Service for more information on the Work Opportunity Tax Credit. The employee must meet the requirements explained in the instructions to *Form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity and Welfare-to-Work Credits*. A targeted group employee is any employee who has been certified by your State Employment Security Agency (SESA) as a:

- Recipient of assistance under Aid to Families with Dependent Children (AFDC) or its successor program, Temporary Assistance for Needy Families (TANF)
- Veteran
- Ex-felon
- High-risk youth
- Vocational rehabilitation referral
- Summer youth employee
- Food stamp recipient
- Supplemental Security Income (SSI) recipient

High Performance Incentive Program

- Encourages companies to expand their capital investment in Kansas plant and equipment by providing an Investment Tax Credit and an exemption from Sales Tax for a specific project;
- Encourages accelerated growth in a business, leading to related job creation, by making state funds available to reimburse 50 percent of the costs of approved consulting services;
- Gives companies a tax credit for making a cash investment in the training and education of its employees;
- Stimulates growth in the Kansas economy by encouraging eligible non-manufacturing companies to sell to specific kinds of out-of-state customers and to Kansas manufacturers; and
- A tax credit is available to those qualified businesses that make an investment in a qualified business facility.

A firm must be qualified by the Secretary of Commerce to be eligible for the Investment Tax Credit. For information on the certification process, contact the Kansas Department of Commerce at (785) 296-5298. File *Schedule K-59* to claim the High Performance Incentive Program Credit.

Training and Education Tax Credit

The **High Performance Incentive Program** gives qualified firms an Income Tax Credit for making a cash investment in the training and education of its employees for all taxable years beginning after

December 31, 1992. The program also gives qualified firms a Privilege Tax Credit for making a cash investment in the training and education of its employees for all taxable years beginning after December 31, 1997. The Tax Credit must be claimed in its entirety in the tax year eligible. For the Training and Education Tax Credit, the Secretary of Commerce must qualify a firm. In addition to certification by the Secretary of Commerce, a firm must spend at least two (2) percent of their total wages paid on worker training and education to qualify for the Training and Education Tax Credit. *Schedule K-59, High Performance Incentive Program Credits* to claim the High Performance Incentive Program Credit. This schedule must be completed and submitted with the *Income or Privilege Tax Return*. For information on the certification process, contact Commerce at (785) 296-5298.

Investment Tax Credit

A qualified firm may be eligible to receive a ten (10) percent investment tax credit for investment in excess of \$50,000 in a qualified business facility. The credit may be carried forward for the next ten (10) tax years as long as the firm is recertified in the tax year the carry forward is used. *Schedule K-59, High Performance Incentive Program Credits* must be completed for each qualified business facility in the initial year, and if necessary, for any carry forward for each location. For information on the certification process, contact Commerce at (785) 296-5298.

Certified Local Seed Capital Pool Credit

A Certified Local Seed Capital Pool is money invested in a fund established to provide funding for small businesses to develop a:

- Prototype product or process;
- Marketing study to determine the feasibility of a new product or process; or
- Business plan for the development and production of a new product or process.

A taxpayer who invests in a Certified Local Seed Capital Pool will be allowed a credit against their Income Tax liability. The credit is 25 percent of the cash investment in the Local Seed Capital Pool. The amount of credit, which exceeds the tax liability in any one taxable year, may be carried forward until the total amount of credit is used. The Secretary of Commerce must certify a Local Seed Capital Pool. For a list of Certified Local Seed Capital Pools, you may contact Commerce at (785) 296-5298. A K-55, Venture and Local Seed Capital Credit Form is filed.

Regional Foundation Credit

For taxable years beginning after December 31, 2003, any taxpayer contributing to an approved regional foundation is allowed a Tax Credit against their tax liability. A taxpayer must make a contribution to a regional foundation that demonstrates capacity to provide economic development services to regions. The Secretary of the Kansas Department of Commerce must approve the regional foundation. A list of regional foundations can be downloaded at Kansascommerce.com. The credit amount shall not exceed 75 percent of the total contribution made during the taxable year to an

approved regional foundation. A K-32, *Regional Foundation Contribution Credit Form* must be filed for each foundation the taxpayer contributed to during the tax year.

Research and Development Credit

The Kansas Research and Development Credit allows a taxpayer who makes expenditures in research and development activities in Kansas to claim an Income Tax Credit. Expenditures made for research and development purposes must be allowable under the provisions of the *Federal Internal Revenue Code of 1986*. The *Internal Revenue Code* defines qualified research expenditures as those expenses for activities intended to discover information that eliminates uncertainty concerning the development or improvement of a product. Product is a process, technique, formula or invention.

Several types of expenditures are not allowed:

- Acquisition of another's patent, model or production
- Advertising
- Consumer surveys
- Efficiency surveys
- Historical or literary research
- Management studies
- Ordinary testing for quality control
- Research conducted after commercial production begins
- Research related to style taste, cosmetic or seasonal design factors
- Research related to the adaptation of an existing business component to a particular customer's requirement
- Research conducted outside of the United States
- Any research in the social sciences, arts or humanities
- Research funded by any grant, contract or government
- Routine data collection

The credit is 6.5 percent of the difference between the actual qualified research and development expenses for the year and the average of the actual expenditures made during the year and the two previous tax years. The credit allowed in any one-tax year is limited to 25 percent of the credit plus any carry forward. Any remaining unused credit may be carried forward in 25 percent increments until the total amount of credit is used. Form K-53, *Research and Development Credit* is filed.

Venture Capital Credit

A Kansas Venture Capital Company is any for-profit Partnership or Corporation that has as its primary business activity the investment of funds in return for equity in ventures that are in need of capital for expansion, new product development or similar business purposes.

Kansas provides an Income Tax Credit for those taxpayers who invest in stock issued by:

- Kansas Venture Capital, Inc.; or
- A Certified Kansas Venture Capital Company; or
- In the technology-based Venture Capital Company, Sunflower Technology Venture, LP.

Privilege taxpayers who invest in stock issued by Kansas Venture Capital, Inc. are allowed a credit against their Privilege Tax Liability. The Kansas Secretary of Commerce must certify Venture Capital Companies. For a list of Certified Venture Capital Companies, you may contact the Kansas Department of Commerce at (785) 296-5298. The credit is 25 percent of the total amount of cash investment in the stock. Any unused credit may be carried forward until the total amount is used. A *Schedule K-55, Venture and Local Seed Capital Credit Form* must be filed.

Telecommunications Credit

K.S.A. 79-32, 210 created a credit for Property Tax paid by telecommunications companies on property initially acquired and first placed in service after January 1, 2001 that has an assessment rate of 33 percent. The credit will be equal to the amount of Property Taxes timely paid for the difference between an assessment level of 25 percent and the actual assessment of 33 percent. A K-36, *Telecommunications Credit Form* must be filed. For further information, contact the Kansas Department of Revenue.

Employer Health Insurance Contribution Credit

Eligible small business employers will receive a tax credit for contributions they make to health savings accounts or insurance plans for their employees for up to three years. This applies to any small business, association or trust that has between two and 50 employees and: (1) has not contributed to any health insurance premium or health savings account on behalf of an employee within the preceding two years or (2) has been in existence for less than two years and has not provided any health insurance or health savings account contributions for employees. For more information or to apply for a tax credit, contact the Kansas Insurance Department at (800) 432-2484 or (785) 296-7862.

Simply Kansas Trademark Program

The Simply Kansas Trademark Program seeks to assist businesses in marketing Kansas-produced agriculturally based products. The program provides companies with increased exposure of their products through publications, trade shows and Web sites. The program also conducts business and marketing seminars for companies in Kansas and provides an online directory of members.

Business Enhancement Grant Program

The Business Enhancement Grant Program offers grants to Simply Kansas members to assist with marketing projects that will increase awareness and sales of their products.

Local Incentives

Industrial Revenue Bonds

Industrial Revenue Bonds (IRBs) are security obligations issued by municipalities and counties on behalf of a particular business entity. IRB financing allows governmental units to serve as a financing conduit for business entities. IRBs are not backed by the "full faith and credit" of the issuing governmental unit, thus the ability of a company to use this type of financing is incumbent on its own financial strength and availability to repay the obligations.

In Kansas, qualified businesses utilizing IRBs can realize certain tax exemptions. Most property financed with the proceeds of an IRB can qualify for Property Tax Exemption for a period of up to ten years. Individual jurisdictions vary in their approach to the use of tax exemptions for economic development purposes. Some locales require varying portions of the normal taxes to be paid during the ten-year period of exemption in the form of "payments in lieu of taxes." Another benefit to this type of financing is the Sales Tax Exemption, which applies to the cost of building materials and equipment installed at the site.

IRBs provide potential for long-term financing at reduced costs, when compared with traditional financing options. These lower financing costs are achieved because interest on IRBs issued under Kansas law is not considered as gross income for Kansas taxpayers. Additionally, certain qualifying projects may benefit from like treatment at the federal level, making interest received by bondholders from such issues exempt from Federal Income Tax. These tax advantages afforded to bondholders can result in lowered costs of financing for the business. To qualify as federally tax-exempt, the bond issue must meet the guidelines and requirements of the *Internal Revenue Code*, Kansas Statutes and be supported by the local unit of government.

The proceeds of such a federally, tax-exempt issue are restricted to financing the cost of land, building, equipment and certain other developmental and financing costs. Interested individuals are encouraged to contact their local community officials and consult with bond counsel to determine a project's eligibility for IRBs.

Kansas Enterprise Zone

Kansas Department of Commerce
Business Development Division
1000 S.W. Jackson Street, Suite 1000
Topeka, KS 66612-1354
Phone: (785) 296-5298
TTY (Hearing Impaired): (785) 296-3487
Fax: (785) 296-3490
E-mail: buscomdev@kansascommerce.com
KansasCommerce.com

All of Kansas is an Enterprise Zone (EZ) providing business expansion and development incentives on a statewide basis. Qualified businesses across the state may be eligible for the basic incentives of:

- A one-time job creation tax credit of \$1,500 per net new job;
- An investment tax credit of \$1,000 per \$100,000 of qualified business facility investment;
- Sales Tax Project Exemption (*Form PR-70b*) on the purchase of tangible personal property or services purchased for the construction, enlarging or remodeling of a business. The sale and installation of machinery and equipment purchased for the installation at the business shall also be exempt from sales tax.

Rural counties may become designated as a “non-metropolitan business region” through the Kansas Department of Commerce. If the qualified business is located in one of these counties, they may be eligible to receive an enhanced job creation tax credit of \$2,500 for each net new job instead of the basic incentive of \$1,500.

To qualify for EZ incentives, manufacturing businesses must create a minimum of two net new jobs. Non-manufacturing and non-retail businesses must create a minimum of five net new jobs. Retail business are only qualified for the Sales Tax Project Exemption. The following criteria must be met to qualify:

- Create a minimum of two net new jobs; and
- Be located in a city with a population of 2,500 or less or, outside of a city but within a county having a population of 10,000 or less.

Additionally, the Business and Job Development Tax Credit Program allows a retailer to claim \$100 for each net new job created and \$100 for each \$100,000 in qualified business investment if a minimum of two net new jobs are created. All Enterprise Zone and Business and Job Development tax credits may be claimed using the Kansas Department of Revenue Form K-34.

Community Development Block Grant/Economic Development

Kansas Department of Commerce Rural Development Division Community Development Block Grant

1000 S.W. Jackson Street, Suite 1000

Topeka, KS 66612-1354

Phone: (785) 296-7092

Fax: (785) 296-3776

Email: dbeck@kansascommerce.com

<http://www.kansascommerce.com/index.aspx?NID=126>

The U.S. Small Cities Community Block Grant Program (CDBG) has established an Economic Development set-aside to assist cities with a population of fewer than 50,000 or counties under 200,000 residents. The funds are provided to units of local governments to assist private companies in undertaking projects that will lead to the creation or retention of permanent jobs in Kansas.

CDBG funds can be used for infrastructure needs or business finance. Eligible infrastructure items include water, sewer, storm drainage, roads, gas lines and rail spurs. Infrastructure funding requires half the funding be paid back by the company over a ten-year period at a rate of two percent. This is accomplished through a special assessment placed on the real property. Business finance includes funding for working capital, equipment, land and buildings. This funding carries a fixed interest rate set at three percent below prime or four percent (whichever is greater) established at the award date. The term of the loan depends on the type of assets being financed: working capital up to five years, equipment up to ten years and real property up to 15 years. Collateral is required.

There are 12 funding rounds per year, with a 45-day application review period. The maximum amount of funds that can be applied for is equal to \$35,000 per full-time job with a ceiling of \$750,000. At least 51 percent of the jobs created or retained must meet HUD's low-to-moderate income (LMI) test, which is based on median family income in the county where the project is located.

CDBG funds must be matched with other funding from private or public sources. Projects that utilize more than \$500,000 of CDBG funds must have at least \$1 of matching funds for every \$1 of CDBG funds. For projects that utilize \$500,000 or less of CDBG funds, only \$0.50 matching funds is required per \$1 of CDBG funds.

Under the Section 108 Loan Guarantee Program, the U.S. Department of Housing and Urban Development (HUD) provides a guarantee for notes or other obligations issued by public entities for activities eligible under the Community Development Block Grant Program. These guarantees are limited to economic development projects that cause the creation or retention of permanent full-time employment. They must involve a private for-profit organization that has a sufficient financial history to permit a comprehensive risk analysis and to demonstrate a high degree of financial feasibility for the proposed activities. The maximum amount of the Section 108 guarantee is \$7 million with a maximum term of ten years. The interest rate is determined in the open market, with HUD not

providing any interest subsidy. This guarantee can constitute no more than 75 percent of the total project and must have at least 25 percent equity. If the Section 108 guarantee is 75 percent of the project, Commerce must have first collateral position. A subordinate position will be considered when Section 108 represents less than 50 percent of the total project cost. All job creation and retention must be in place within three years of the contract with the maximum cost per job of \$35,000.

Export Assistance

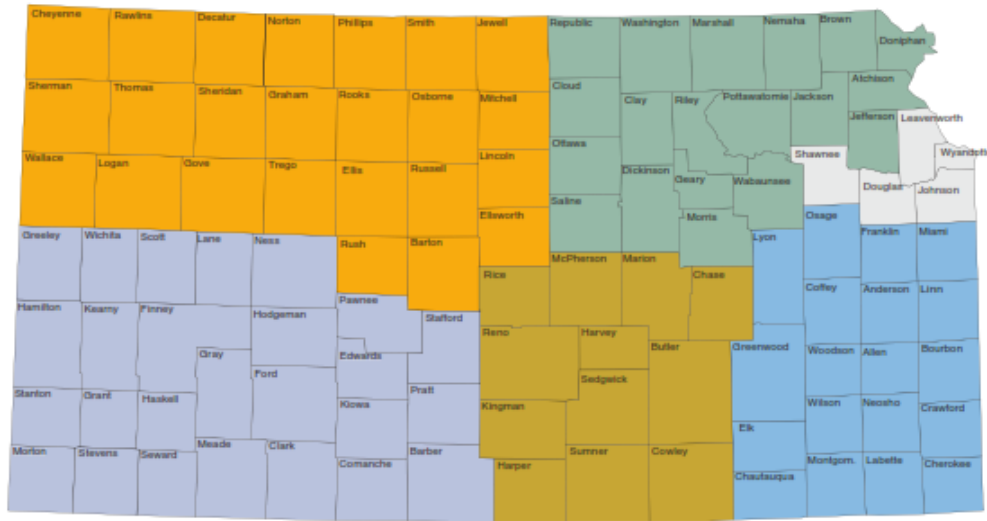
If you're ready to take your Kansas business to the next level, our Business Retention and Expansion Programs can get you there. Business Retention & Expansion staff helps clients identify programs and incentives for their business expansion, meet their licensing requirements and assess the strengths and weaknesses of a local community.

Regional Project Managers provide personalized assistance to Kansas existing and start-up businesses to ensure project confidentiality. Assistance includes:

- Developing incentive proposals based on the business' needs and projected growth
- Ensuring that programs from all divisions of the Department of Commerce are considered for a project
- Serving as a liaison with other state agencies, including the departments of Revenue, Labor and Health and Environment

Additionally, the Regional Project Managers assist local communities to ensure they are prepared to meet the needs of their growing business community. Services include board training and strategic planning facilitation, referral to community development assistance programs and serving as a liaison to other state and federal agencies.

Commerce Business & Community Development Field Office Regions



Northwest Region

James Foster
jfoster@kansascommerce.com
(785) 443-3002
Dan Steffen
dsteffen@kansascommerce.com
(785) 217-3252

Northeast Region

Lyle Peterson
lpeterson@kansascommerce.com
(785) 633-8404

East Central Region

Susan NeuPoth Cadoret
scadoret@kansascommerce.com
(785) 296-7198

Southwest Region

Aaron Cannon
acannon@kansascommerce.com
(620) 277-8006
Carol Meyer
cmeyer@kansascommerce.com
(620) 755-6738

South Central Region

Renee Lippincott
rlippincott@kansascommerce.com
(620) 204-0855
Bob Fettke
rfettke@kansascommerce.com
(316) 655-7055

Southeast Region

Barbara Anderson
banderson@kansascommerce.com
(620) 717-5713
Craig VanWey
cvanwey@kansascommerce.com
(785) 633-8407

12MK572107 10-2012

United States Department of Commerce

Herbert C. Hoover Building
1401 and Constitution Avenue, N.W.
Washington, D.C. 20230
Phone: (202) 482-2000
Email: TheSec@doc.gov
www.commerce.gov

The U.S. Department of Commerce encourages, serves and promotes the nation's international and domestic interest in commerce. With the exception of the SBA, the range of programs and information available to the business community through the U.S. Department of Commerce is unmatched elsewhere in the federal government.

International Trade Administration

Kansas City U.S. Export Assistance Center

United States Department of Commerce
United States and Foreign Commercial Service/International Trade Administration
2509 Commerce Tower, 911 Main Street
Kansas City, MO 64105
Phone: (816) 421-1876
Fax: (816) 471-7839
Email: Regina.Heise@trade.gov
<http://export.gov/index.asp>

Wichita U.S. Export Assistance Center

United States Department of Commerce
United States and Foreign Commercial Service/International Trade Administration
150 N. Main Street, Suite 200
Wichita, KS 67202
Phone: (316) 263-4067
Fax: (316) 263-8306
Email: Andrew.Anderson@trade.gov
<http://export.gov/index.asp>

These agencies promote the export of Kansas non-agricultural products and services worldwide.

United States Department of Homeland Security

U.S. Customs and Border Protection

1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20229
Phone: (202) 344-1440
www.cbp.gov

The goal of the Customs and Border Protection Agency is to partner with the trade community to develop, enhance and maintain security throughout the global supply chain and to stop the illegal export of equipment, technology and munitions to unauthorized destinations.

Field Operations Office-Chicago

610 S. Canal Street, Room 900
Chicago, IL 60607
Phone: (312) 983-9100
Fax: (312) 886-4921
www.cbp.gov
Operational Hours: 8 a.m.-5 p.m. Monday - Friday (Central)

The U.S. Customs Service is responsible for ensuring that all goods entering and exiting the U.S. do so in accordance with all applicable United States laws and regulations. Agency information, telephone numbers and basic commodities which may require export licenses can be obtained by viewing either the U.S. Department of Commerce, Bureau of Industry and Security, Department of State, Office of Defense Trade Controls, Bureau of Alcohol Control or the Bureau of the Census Web sites. These sites include information from numerous other agencies with export control responsibilities. Further guidance regarding export licenses should be directed to the U.S. Customs Port of Export location used to export your goods.

Port of Entry

Kansas City Port of Entry

Port Code: 4501
4100 N. Mulberry Drive, Suite 110
Kansas City, MO 64116
Phone: (816) 584-1994
Fax: (816) 584-8431

Wichita Port of Entry

Port Code: 4504
Cargo Building
2227 Air Cargo Road
Wichita, KS 67209
Phone: (316) 946-9726
Fax: (316) 946-9704

A Port of Entry is any designated place at which a Customs Officer is authorized to accept entries of merchandise, to collect duties and to enforce the various provisions of the Customs and navigation laws.

Other Employer Regulations

State Americans with Disabilities Act Coordinator

State ADA Coordinator

915 S.W. Harrison, 6th Floor
Topeka, KS 66612
Phone: (785) 296-1389
TTY (Hearing Impaired): (800) 766-3777
Fax: (785) 296-0043

The *State Americans with Disabilities Act (ADA)* Coordinator oversees the State of Kansas compliance with and implementation of, the *Americans with Disabilities Act* and applicable State law.

The ADA requires that the States' programs, services and activities be accessible to and usable by people with disabilities when viewed in its entirety.

If the public has general questions about the ADA and its rules and regulations or if the public believes the State of Kansas is not in compliance with the ADA, they may file a complaint with the State ADA Coordinator, by phone at (785) 296-1389.

Kansas Commission on Disability Concerns

900 S.W. Jackson Street, Suite 100
Topeka, KS 66612-1354
Phone: (785) 296-1722
Toll Free: (800) 295-5232
TTY (Hearing Impaired): (785) 296-5044
Fax: (785) 296-3490
<http://www.kcdcinfo.com/>

The Kansas Commission on Disability Concerns provides information and referrals on disability issues, employment incentives and civil rights requirements. Architectural accessibility surveys and training on civil rights are available to employers. The Commission also presents workshops and seminars on the American's with Disability Act (ADA).

Kansas Human Rights Commission

Main Office, Topeka
900 S.W. Jackson, Suite 568-S
Topeka, KS 66612-1258
Phone: (785) 296-3206
Toll Free: (888) 793-6874
TTY (Hearing Impaired): (785) 296-0245
Fax: (785) 296-0589
Email: khrc@ink.org
www.khrc.net

TTY (Hearing Impaired): (316) 337-6272
Fax: (316) 337-7376

Independence Office:
200 Arco Place, Suite 311
Independence, KS 67301-5353
Phone: (620) 331-7083

Dodge City Office

100 Military Plaza, Suite 220
Dodge City, KS 67801-4945
Phone: (620) 225-4804
Fax: (620) 225-4986

Wichita Office:

130 South Market, Suite 7050
Wichita, KS 67202-3827
Phone: (316) 337-6270

The mission of the Kansas Human Rights Commission is to prevent and eliminate discrimination and assure equal opportunities in all employment relations, segregation or separation and assure equal opportunities in all places of public accommodations and in housing.

Small Disadvantaged Businesses and Women-Owned Business Assistance

Kansas Department of Commerce

Office of Minority & Women Business Development

1000 S.W. Jackson Street, Suite 100

Topeka, KS. 66612-1354

Phone: (785) 296-3425

Fax: (785) 296-3490

Email: rharris@kansascommerce.com

KansasCommerce.com

The Office of Minority and Women Business Development assists small, minority and women owned businesses. The office provides information and makes referrals, as appropriate, to business owners about resources for developing or starting a business including technical, financial, business management and procurement information.

The services available from this office include the following:

- Offers Certification as a Minority Business Enterprise (MBE), Women Business Enterprise (WBE) and/or Disadvantaged Business Enterprise (DBE).
- Conducts seminars and workshops regarding business management, financing, procurement and other business topics.
- Provides networking opportunities to provide exposure and visibility to governmental agencies, large private corporations and prime contractors who are seeking the services, supplies and products of minority-and women-owned businesses.
- Serves as an advocate, by making recommendations concerning policies and activities affecting minority-and women-owned businesses.
- Provides referrals for financing alternatives. Yet, no loans or grants are available through this office.
- Free listing provided in the Kansas Minority-and Woman-Owned Business Directory.

The *Minority-Owned and Women-Owned Business Directory* has been prepared to serve as a resource guide for purchasing agents and other persons involved in the procurement of goods and services.

Listing in the directory is free, if you meet the following criteria:

- The business must meet Small Business Size Standards as defined by SBA 13CFR, Part 121.201; and
- The business must be owned and controlled by a minority or woman who holds at least 51 percent of the business interest.

Kansas Statewide Certification Program

Many governmental and private entities are committed to the inclusion of disadvantaged, minority-owned and women-owned businesses in their procurement and contracting processes and utilize the Certification Program for locating vendors. This office offers MBE and WBE Certifications, while working jointly with the Kansas Department of Transportation, Office of Civil Rights to provide DBE Certification. Certifications are valid for three years and a business must complete a recertification application annually to remain in the program. Businesses that are certified will be listed in a directory of certified businesses.

Eligibility for Certification

- The business must meet small business size standards as defined by SBA 13CFR, Part 121.201 for the MBE/WBE Certification and 49CFR Part 26 for the DBE Certification.
- The business must be independent, viable and for profit.
- The business must be in operation for at least six revenue producing months prior to application and be able to provide at least one Federal Tax Return for the business.
- The business must be at least 51 percent owned and controlled by a socially and economically disadvantaged person. Economic Disadvantage is a personal net worth under \$750,000 excluding equity in the applicant's business and primary residence. (This criterion applies to the DBE Program, administered under the requirements of 49 CFR of Federal Regulation, Part 26.)
- Being economically disadvantaged is not a requirement for the MBE/WBE Certification.
- The applicant must be a U.S. Citizen or have been lawfully admitted as a permanent U.S. resident.

Applications for Certification can be obtained online by visiting our Web site at KansasCommerce.com or by contacting the Office of Minority and Women Business Development at (785) 296-5298 or e-mail: rharris@kansascommerce.com.

Kansas Department of Transportation

Office of Civil Rights
Eisenhower State Office Building
700 S.W. Harrison Street, 3rd Floor West
Topeka, KS 66603
Phone: (785) 296-6703
Email: publicinfo@ksdot.org

The Kansas Department of Transportation has also established a Disadvantaged Business Enterprise Program in accordance with Code 49 of *Federal Regulations Part 26*. The Department of Transportation receives federal financial assistance from the U.S. Department of Transportation. It is the policy and commitment of the Kansas Department of Transportation that disadvantaged businesses shall have a level playing field to participate in the performance of contracts financed in whole or in part, with federal funds. Businesses who are disadvantaged and whose primary business activity includes highway construction, must apply for certification through this Department.

The Kansas Department of Transportation publishes a directory identifying certified Disadvantaged Business Enterprises willing to perform as subcontractors on their federally aided projects. Copies of the directory are available at the address listed above or can be downloaded from the Kansas Department of Transportation's Web site. Upon request, a copy can be sent by mail.

Federal Minority Business Assistance

Minority Business Development Agency

Chicago National Enterprise Center
105 West Adam St. Suite 2300
Chicago, IL 60603
Phone: (312) 755-2565
E-mail: info@chicagombdcenter.com
www.mbda.gov

The Minority Business Development Agency is part of the U.S. Department of Commerce. MBDA is the only federal agency created specifically to foster the establishment and growth of minority-owned businesses in America. MBDA is an entrepreneurially focused and innovative organization committed to wealth creation in minority communities. The MBDA's mission is to actively promote the growth and competitiveness of large, medium and small minority business enterprises (MBEs). MBDA actively coordinates and leverages public and private-sector resources that facilitate strategic alliances in support of its mission.

MBDA provides funding for a network of Minority Business Development Centers (MBDCs), Native American Business Development Centers (NABDCs) and Business Resource Centers (BRCs) located throughout the United States. The Centers provide minority entrepreneurs with one-on-one assistance in writing business plans, marketing, management and technical assistance and financial planning to assure adequate financing for business ventures. The Centers are staffed by business specialists who have the knowledge and practical experience needed to run successful and profitable businesses.

Business referral services are provided free of charge. However, the network generally charges nominal fees for specific management and technical assistance services. MBDA's new Minority Business Internet Portal (Web site) is an e-commerce solution designed for the MBE community. This

Internet platform provides MBEs with access to customized tools and business information to help them grow and thrive in an ever-changing digital economy.

User-driven applications of the Portal (Web site) include the Phoenix Database of minority-owned firms and the Opportunity Contract Matching System. The Phoenix Database contains descriptive information on MBEs throughout the U.S. and is designed to match firms with actual contract opportunities. Individuals will automatically receive e-mail alerts of contractual and international trade opportunities in their area. Purchasers from government and the private sector use Phoenix to identify MBEs that can provide the products and services they need. There is no charge for use of the system.

Other applications of the Portal (Web site) include the Resource Locator – a Business Assistance Identifier System; the Business Locator – a Business-to-Business Matching System and Match Me to Capital – a Financier Matching System. The Portal (Web site) also features a Business Tool Bar for online business, business news, success stories, a research library and calendar of events.

Kansas Women's Business Center

Enterprise Center of Johnson County
8527 Bluejacket Street
Lenexa, KS 66214
Phone: (913) 492-5922
Email: dbrowning@kansaswbc.com
www.KansasWBC.com

The mission of the Kansas Women's Business Center is to advance the success of women business owners, resulting in a stronger entrepreneurial economy. The center offers the following services:

- Kauffman FastTrak New Venture Ten Week Business Startup Course offered twice yearly;
- Resources and referrals to assist in forwarding the growth of women-owned businesses; and
- Manages Women's Capital Connection, an angel investor group.

Workforce Services in Kansas

KANSASWORKS is an employer-driven strategic partnership among businesses, economic development organizations, training providers, educational institutions, state agencies and other service agencies. This collaboration operates through local Kansas workforce centers for the purpose of connecting employers to a qualified, well-trained, ready-to-work pool of job seekers to compete in the global marketplace. By serving both employers and job seekers, this integrated system advances the quality of life for Kansas communities. For details, please contact:

Phone: (877) 509-6757

Workforce Training

The Kansas Industrial Training (KIT), Kansas Industrial Retraining (KIR) and Investments in Major Projects and Comprehensive Training (IMPACT) Programs focus primarily on Kansas "basic industries" firms involved in manufacturing, distribution, regional or national service, agriculture, mining, research and development, interstate transportation and tourism activities primarily aimed at attracting out-of-state tourists. Non-basic industries are eligible (under KIT and KIR Programs) only if some compelling economic benefit to the state can be shown and/or if the project has an impact on occupations involved in businesses that play a supporting role in economic development efforts. Such projects might include those targeting severe labor shortages in specific occupations, housing shortages and certain business services. Swine production facilities are not eligible.

The KIT, KIR and IMPACT Programs can pay for the costs of training new employees or retraining existing workers. Instructors may come from your supervisory staff, community colleges, area technical schools, consultants, vendors or other sources. Training may take place at your business, a local school or temporary rental facility.

Kansas Industrial Training Program (KIT)

The KIT Program is designed to help new and expanding companies offset the costs of training workers for new jobs. Training funds can be used to reimburse negotiated costs for pre-employment, on-the-job and/or classroom training.

Eligibility: Creation of one new job (excluding recalled workers, replacement workers or formerly existing jobs) that pays an average wage of at least \$11.00 per hour in Douglas, Johnson, Leavenworth, Sedgwick, Shawnee and Wyandotte counties and at least \$9.50 per hour in the rest of the state.

Benefits: Examples of eligible costs include:

- Instructors' salaries
- Curriculum planning and development
- Travel expenses
- Materials and supplies
- Training aids
- Minor equipment
- Training facilities

Contact: Workforce Services
Phone: (877) 509-6757

Kansas Industrial Retraining Program (KIR)

For restructuring companies whose employees are likely to be displaced due to obsolete or inadequate job skills or knowledge.

Eligibility: Companies restructuring due to the incorporation of new or existing technology, product diversification and/or new production activities. Must be retraining one existing employee with an average wage of at least \$11.00 per hour in Douglas, Johnson, Leavenworth, Sedgwick, Shawnee and Wyandotte counties, and at least \$9.50 per hour in the rest of the state. Company must provide a dollar-for-dollar match.

Benefits: Examples of eligible costs include:

- Instructors' salaries
- Curriculum planning and development
- Travel expenses
- Materials and supplies
- Training aids
- Minor equipment
- Training facilities

Contact: Workforce Services

Phone: (785) 296-0607

Investments in Major Projects and Comprehensive Training Program (IMPACT)

The IMPACT Program, reserved exclusively for Kansas "basic industries," is designed to respond to the training and capital requirements of major business expansions and locations in the state. Under certain circumstances, IMPACT can also be used to retrain existing employees. The IMPACT Program has two major components: State of Kansas Investments in Lifelong Learning (SKILL) and Major Project Investment (MPI). SKILL funds may be used for expenses related to training a new or existing workforce. MPI funds may be used for other expenses such as the purchase or relocation of equipment, labor recruitment and/or building costs.

Eligibility: New and expanding basic enterprises (individual firms or consortiums of businesses) that are creating a large number of new jobs at a higher than average wage. Restructuring companies may also be eligible if their employees are likely to be displaced because of obsolete or inadequate job skills or knowledge. The company must be retraining at least 250 existing employees in metropolitan areas and 100 existing employees in non-metropolitan areas. The company and a Kansas public educational institution must jointly submit a proposal.

To be eligible for the MPI component, the employer must spend more than two percent of payroll on workforce training or utilize funds from SKILL for employee education and training.

Benefits: Examples of eligible expenses that SKILL funds may be used for:

- Instructors' salaries
- Curriculum planning and development
- Travel expenses
- Materials and supplies
- Training aids
- Minor equipment
- Training facilities

Also, up to 50 percent of the SKILL funds may be used to lease or purchase training equipment for local educational institutions.

Contact: Workforce Services

Phone: (877) 509-6757

Workforce Investment Act of 1998

The Workforce Investment Act (WIA) provides the framework for a workforce preparation and employment system designed to meet the needs of businesses as well as job seekers. This framework allows Local Workforce Investment Boards to direct resources toward the training needs of area employers. WIA services include classroom and on-the-job training, work experience, job coaching, job development and job placement for eligible individuals. All of these services are geared toward developing individuals with the skills and work ethic to meet employment needs.

Contact: Workforce Services
Phone: (877) 509-6757

Foreign Labor Certification

Does your business require workers who are in short supply in this country? If you can't find qualified and available U.S. workers to fill vacancies in your company, you may qualify to hire foreign workers through the Foreign Labor Certification Program (FLC).

Contact: Workforce Support Services
Phone: (877) 509-6757

Federal Bonding

The Federal Bonding Program provides individual fidelity bonds to employers for job applicants who are (or may be) denied coverage because of a record of arrest, conviction or imprisonment; history of alcohol or drug abuse; poor credit history; lack of employment history or dishonorable discharge.

Contact: Workforce Support Services
Phone: (877) 509-6757

Work Opportunity Tax Credits

The Work Opportunity Tax Credit (WOTC) program provides federal income tax credits to encourage employers to hire job seekers who face the greatest barriers to employment.

Contact: Workforce Support Services
Phone: (877) 509-6757

Registered Apprenticeship

Registered Apprenticeship is a formalized training relationship between an employer and an employee. Training outlines for apprenticeable occupations are developed in accordance with industry standards and may be customized to meet an employer's needs. Apprentices work full-time under the supervision of experienced workers. Under their guidance, the apprentices gradually learn the mechanics of the trade/occupation and perform the work under less and less supervision. Apprentices are paid commensurate with their knowledge and abilities. Registered Apprenticeship is driven by the needs of employers and directly connected to solving their skilled worker needs.

Contact: Workforce Services
Phone: (785) 296-4161

Local Workforce Centers

Workforce Centers are located throughout Kansas providing complete employee recruitment services including assessment, testing, screening, job development and job placement. The staff will work with you to ensure only qualified candidates are referred. Workforce services personnel are available to come to your office to discuss your employment needs and work with you to fill those needs.

If you don't have time to meet your local workforce services personnel face-to-face, you can fax your job orders to the nearest office or enter them on Kansasworks.com.

Are you hiring several workers? Most workforce centers can provide an office where you or your human resources staff can interview candidates.

Local Workforce Centers

Atchison Workforce Center

818 Kansas Avenue
Atchison, KS 66002-2396
Phone: (913) 367-4311
TTY: 711 or (800) 766-3777
Fax: (913) 367-4265
Email: atchisonjobs@kansasworks.com

KANSASWORKS

Neosho Community College
801 W. 14th Street
Chanute, KS 66720-2704
Phone: (620) 431-2820 ext. 634/635
TTY: 711 or (800) 766-3777
Fax: (620) 431-2375
Email: chanutejobs@kansasworks.com

KANSASWORKS

2308 First Avenue
Dodge City, KS 67801-2560
Phone: (620) 227-2149
TTY: 711 or (800) 766-3777
Fax: (620) 227-9667
Email: dodgecityjobs@kansasworks.com

Butler Workforce Center

2318 W. Central Avenue
El Dorado, KS 67042-3207
Phone: (316) 321-2350
TTY: 711 or (800) 766-3777
Fax: (316) 321-7653
Email: butlerjobs@kansasworks.com

KANSASWORKS

1622 Industrial Rd. Suite 15
Emporia, KS 66801-3934
Phone: (620) 342-3355 ext. 400
TTY: (620) 343-1025
Fax: (620) 342-2806
Email: emporiajobs@kansasworks.com

KANSASWORKS

107 E. Spruce Street
Garden City, KS 67846-5446
Phone: (620) 276-2339
TTY: 711 or (800) 766-3777
Fax: (620) 276-7306
Email: gardencityjobs@kansasworks.com

KANSASWORKS

1025 Main Street
Great Bend, KS 67530-4429
Phone: (620) 793-5445
TTY: 711 or (800) 766-3777
Fax: (620) 793-3188
Email: greatbendjobs@kansasworks.com

KANSASWORKS

332 E. 8th Street
Hays, KS 67601-4145
Phone: (785) 625-5654
TTY: 711 or (800) 766-3777
Fax: (785) 625-0092
Email: haysjobs@kansasworks.com

KANSASWORKS

Hutchinson Community College
609 E. 14th
Hutchinson, KS 67501-5825
Phone: (620) 665-3559
TTY: 711 or (800) 766-3777
Fax: (620) 728-8161
Email: d@d.com

KANSASWORKS

200 ARCO Place, Suite 101
Independence, KS 67301-5304
Phone: (620) 332-5904
TTY: (620) 332-5926
Fax: (620) 331-0856
Email: independencejobs@kansasworks.com

Junction City Workforce Center

1012 W. 6th Street, Suite A
Junction City, KS 66441-3998
Phone: (785) 762-8870
TTY: 711 or (800) 766-3777
Fax: (785) 762-3078
Email: junctioncityjobs@kansasworks.com

Wyandotte County Workforce Center

552 State Avenue
Kansas City, KS 66101-2403
Phone: (913) 279-2600
TTY: (913) 281-1942
Fax: (913) 342-9676
Email: kansascityjobs@kansasworks.com

Lawrence Workforce Center

2540 Iowa Street, Suite R
Lawrence, KS 66046-5754
Phone: (785) 840-9675
Voice and TTY
Fax: (785) 865-5465
Email: lawrencejobs@kansasworks.com

Leavenworth Workforce Center

4101 South 4th Street
Leavenworth, KS 66048-4490
Phone: (913) 946-1537
TTY: (913) 682-6717
Fax: (913) 684-2598

KANSASWORKS

Colvin Adult Learning Center
930 N. Kansas Avenue
Liberal, KS 67901-2643

Phone: (620) 253-0291
TTY: 711 or (800) 766-3777
Fax: (620) 624-3355
Email: leavenworthjobs@kansasworks.com

Pittsburg, KS 66762-5101
Phone: (620) 231-4250
TTY: (620) 232-9815
Fax: (620) 231-6448
Email: pittsburgjobs@kansasworks.com

Manhattan Workforce Center

205 S. 4th Street, Suite K
Manhattan, KS 66502-6168
Phone: (785) 539-5691
Fax: (785) 539-5697
Email: manhattanjobs@kansasworks.com

KANSASWORKS

Hutchinson Community College – Newton
203 E. Broadway
Newton, KS 67114-2223
Phone: (316) 283-7000
TTY: 711 or (800) 766-3777
Fax: (316) 245-0257
Email: mhoisington@kansascommerce.com

Johnson County Workforce Center

9221 Quivira Road
Overland Park, KS 66215-3905
Phone: (913) 577-5900
TTY: (913) 341-1507
Fax: (913) 642-7260
Email: overlandparkjobs@kansasworks.com

KANSASWORKS

Fort Scott Community College
Miami County Campus
501 S. Hospital Drive, Suite 300
Paola, KS 66071-2111
Phone: (913) 294-4178
TTY: (620) 332-1661
Fax: (913) 294-5186

KANSASWORKS

105 W. Euclid

KANSASWORKS

203 N. 10th Street
Salina, KS 67401-2115
Phone: (785) 827-0385
TTY: 711 or (800) 766-3777
Fax: (785) 827-2307
Email: salinajobs@kansasworks.com

Topeka Workforce Center

1430 S.W. Topeka Blvd.
Topeka, KS 66612-1819
Phone: (785) 235-5627
Voice & TTY
Fax: (785) 233-5899
Email: topekajobs@kansasworks.com

Sumner County Workforce Center

107 S. Washington
Wellington, KS 67152
Phone: (620) 326-2659
Fax: (620) 326-5225

Wichita Workforce Center

150 N. Main, Suite 100
Wichita, KS 67202-1321
Phone: (316) 771-6800
TTY: (316) 771-6844
Fax: (316) 771-6890
Email: wichitajobs@kansasworks.com

Cowley Workforce Center
108 East 12th Avenue
Winfield, KS 67156-7326

Phone: (620) 221-7790
TTY: 711 or (800) 766-3777

Safety and Health Achievement Recognition Program

United States Department of Labor

Occupational Health and Safety Administration Requirements (OSHA)

Kansas Department of Labor

Industrial Safety and Health Section
417 SW Jackson St.
Topeka, KS 66603
Phone: (785) 296-4386
Fax: (785) 296-1775
Email: Dena.Ackors@dol.ks.gov

The Safety and Health Achievement Recognition Program (SHARP) provides incentives and support to small, high-hazard employers to work with their employees to develop, implement and continuously improve the effectiveness of their workplace safety and health programs. SHARP is administered in conjunction with the Occupational Safety and Health Administration (OSHA) by the 21(d) Consultation Program in the Industrial Safety and Health Section of the Kansas Department of Labor. The OSHA Consultation Program assists small employers in complying with OSHA standards without assessing penalties or citations.

Companies who successfully complete the requirements for SHARP will receive a one-year exemption from OSHA's General Schedule Inspections. However, OSHA still reserves the right to respond to fatalities/catastrophes, formal employee complaints, imminent danger situations and follow-up inspections from previously cited violations. A certificate signed by the Assistant Secretary of OSHA is awarded to the company as a participant in SHARP. Other participant benefits extend far beyond OSHA's exemption and the SHARP Certificate. A fully functioning safety and health program will:

- Eliminate the reoccurrence of hazards in the workplace
- Lower the frequency of lost work day cases
- Reduce worker's compensation premiums
- Lower employee turnover
- Increase worker productivity
- Improve employee morale

For companies who are interested in participating in SHARP, a formal letter requesting participation in SHARP must be sent to:

**Kansas Department of Labor
Industrial Safety and Health Section**

Kansas Department of Labor
Division of Industrial Safety and Health
Attention: Dena Ackors
417 SW Jackson St.
Topeka, Kansas 66603-3327

Required Filings

Annual Reports

All business entities qualified with the Kansas Secretary of State's Office are required to file an Annual Report. Annual Reports filed with the Secretary of State's Office must be accompanied by a flat filing fee of \$55.00 (for profit entities). Annual Reports may be filed electronically at www.kansas.gov/businesscenter for a reduced filing fee of \$50.00 (for profit entities).

**Kansas Secretary of State
Business Services Division**

First Floor, Memorial Hall
120 S.W. 10th Avenue
Topeka, KS 66612-1594
Phone: (785) 296-4564
Fax: (785) 296-4570
www.kssos.org