

K-37

(Rev. 9/10)

KANSAS DISABLED ACCESS CREDIT

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

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

PART A – GENERAL INFORMATION

- Are alterations in compliance with the Americans with Disabilities Act of 1990? Yes No (If no, you do not qualify for this credit.)
- Address of property altered _____

Street Address
City
- Date alterations were completed ____ / ____ / ____.

PART B – RESIDENCE

4. This is a: Personal residence Residence of a lineal ancestor or offspring

	Qualified Year	Carry Fwd Year	Carry Fwd Year	Carry Fwd Year	
5. Tax year	5				
6. Amount of expenditures incurred this tax year	6				
7. Percentage of expenditures eligible for credit	7				
8. Allowable expenditures (Multiply line 6 by line 7)	8				
9a. Lesser of credit on line 8 or \$9,000: _____ . Multiply 9a by 90%	9b				
10. Carry forward from prior year's K-37 (line 18 from prior year X 90%)	10				
11a. Tax liability for current year: _____ . Multiply 11a by 90%	11b				
12. Credit used in this tax period (see instructions)	12				
13. Refundable portion of credit (see instructions)	13				
14. Allowable credit (if this is your 1st year, enter amount from line 9b; otherwise enter amount from line 10; see instructions)	14				
15. Refundable percentage	15	25%	33%	50%	100%
16. Multiply line 14 by line 15	16				
17. Refund (subtract line 11b from line 16; cannot be less than zero)	17				
18. Carry forward (add lines 11a and 17; then subtract sum from line 9a)	18				

PART C – BUSINESS

- Expenditures attributable to removal or equivalent facilitation of an existing architectural barrier \$ _____
- Have you made all or any portion of an existing facility accessible to individuals with a disability? Yes No
- Expenditures attributable to modification or adaptation of an existing facility in order to employ individuals with a disability \$ _____
- Have you modified/adapted an existing facility or piece of equipment to employ individuals with a disability? Yes No
- Total costs incurred \$ _____
- 50% of expenditures \$ _____

	Qualified Year	Carry Fwd Year	Carry Fwd Year	Carry Fwd Year	Carry Fwd Year
23. Tax Year	23				
24. Credit (line 22 or \$10,000, whichever is less)	24				
25. Proportionate share percentage	25				
26. Your share of credit	26				
27. Carry forward	27				
28a. Total credit (add lines 26 & 27): _____ . Multiply 28a by 90%	28b				
29a. Tax liability for this year: _____ . Multiply 29a X 90%	29b				
30. Amount of credit this year (lesser of lines 28b or 29b)	30				
31. Carry forward (subtract line 29a from line 28a)	31				

PART D – MODIFICATIONS TO FEDERAL TAXABLE INCOME

- Depreciation claimed on capitalized expenditures deducted on federal return \$ _____
- Attributable expenses deducted on federal return \$ _____
- Total (must be added back in each subsequent year the entity files a Kansas return; see instructions) \$ _____

INSTRUCTIONS FOR SCHEDULE K-37

GENERAL INSTRUCTIONS

The disabled access credit under K.S.A. 79-32,175 *et seq.* is available to individual and business taxpayers that incur certain expenditures to make their property accessible to the disabled. The property must be an existing building, facility, or equipment located in Kansas and used in a trade or business or held for the production of income OR the property must be a personal dwelling located in Kansas. The credit is taken in the taxable year in which the modifications are completed.

To qualify for this credit, the specifications for making a building/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.* As used here, "facility" does not include new construction or any addition made to an existing facility, except a principal dwelling.

Principal dwelling: K.S.A. 79-32,176 provides that the principal dwelling credit include a taxpayer's principal dwelling or the principal dwelling of a lineal ascendant or descendant, including the construction of a small barrier-free living unit attached to the principal dwelling.

Qualified Expenditures: Only the expenditures that will make an **existing** facility accessible to individuals with a disability by removing or facilitating an existing architectural barrier qualify for the credit. Expenditures to modify or adapt an **existing** facility or equipment in order to employ individuals with a disability are also eligible for the credit.

Construction expenditures incurred for making a principal dwelling accessible to individuals with a disability are eligible for the credit. Any part of any expense paid or incurred in connection with the new construction or substantial renovation of a business facility or the normal replacement of depreciable property DOES NOT qualify for this credit.

Required Documentation: You must enclose the following with Schedule K-37:

- Detailed description of the alterations made,
- Copy of itemized invoice from contractor who completed the work or copy itemized invoice of materials used to complete job if completed by the taxpayer.
- Schedule showing computation of amounts entered on lines 19a or 20a.

SPECIFIC LINE INSTRUCTIONS

PART A — GENERAL INFORMATION

LINE 1 - Indicate if the alterations are in compliance with the Americans with Disabilities Act of 1990. If "No," you do not qualify for the credit. **Important:** Enclose a detailed description of the modifications made with this form along with all applicable receipts. If the alterations were made to the residence of a lineal ancestor or descendant, include their name and relationship to you in this detailed description.

LINE 2 - Enter the address of the residence, facility or equipment on which you are claiming the credit.

LINE 3 - Enter the month, day and year the alterations were completed to make the dwelling, facility or equipment accessible.

PART B — RESIDENCE

LINE 4 - If you are claiming this credit for alterations made to **your personal residence or to the personal residence of a lineal ancestor or offspring**, complete PARTS B and D of this credit schedule. If you are claiming this credit for alterations made to **an existing business facility or to business equipment**, complete PARTS C and D.

LINE 5 - Enter the current tax year.

LINE 6 - Enter the total expenses incurred in making your personal dwelling or that of a lineal ancestor or descendant accessible to the disabled incurred in this tax year.

LINE 7 - Using the amount of your Kansas Adjusted Gross Income from line 3 of Form K-40, enter the applicable percentage from the table below.

Kansas Adjusted Gross Income		Percentage of expenditures eligible for credit
Over	But not over	
\$ 0	25,000	100%
25,000	30,000	90%
30,000	35,000	80%
35,000	40,000	70%
40,000	45,000	60%
45,000	55,000	50%
55,000		0%

LINE 8 - Multiply line 6 by line 7.

LINE 9a - If this is the first year you are claiming this credit, enter the lesser of the amount of line 8 or \$9,000 on line 9a.

LINE 9b - Multiply the amount on line 9a by 90% and enter in the first column. This amount must also be entered on the appropriate line of Form K-40 or Form K-41.

LINE 10 - If this is the second, third or fourth year you are claiming the credit enter the amount of the carry forward available from line 18 on your prior year's Schedule K-37 and multiply that amount by 90%. Enter the result in the appropriate column.

LINE 11a - Enter the amount of your Kansas tax liability for this year. If you are filing more than one (1) credit schedule this year, enter only the amount of tax liability you wish to apply to this credit. The amount entered on line 11a (not 11b) is the amount of tax liability considered to be "used" when calculating the remaining tax liability to be applied against other credits. **Example:** If your tax liability is \$1000 (before applying the 90% factor) and the amount entered on line 11a is \$400, then the amount of tax liability available to apply to any other credit schedules would be \$600.

LINE 11b - Multiply the amount on line 11a by 90% and enter result on line 11b.

LINE 12 - Credit used in this tax year. If this is the first year Enter amount on line 9b or line 11b, whichever is less. If this is the second, third, or fourth year you are claiming the credit enter the amount of your tax liability from line 11b. Enter the amount on line 12 on the appropriate line of Form K-40.

LINE 13 - Refundable portion of this credit. If this is the first year Subtract line 11a from line 9a. If this is the second, third, or fourth

year you are claiming the credit subtract line 11a from line 10 and enter in the appropriate column.

LINE 14 - If this is the first year you are claiming this credit, enter the amount from line 9b in the first column. If this is the second, third or fourth year you are claiming the credit, enter the amount from line 10 in the appropriate column.

IMPORTANT: If line 11a (tax liability for current year) of this schedule is \$2,250 or more, skip lines 15 and 16, enter zero on line 17 and calculate line 18.

LINE 15 - This is the percentage of the disabled access credit eligible for refund.

LINE 16 - Multiply line 14 by line 15 only if your tax liability reported on line 11 is less than \$2,250.

LINE 17 - Subtract line 11b from line 16. Enter this amount on the appropriate line of your return. This amount cannot be less than zero.

LINE 18 - (Add line 11a and 17) then subtract this result from line 9a. Do not enter an amount less than zero. This amount will be entered on line 10 of next year's Schedule K-37 as a carry forward from a prior year. For the 2nd, 3rd and 4th years add lines 11a and 17 and subtract from line 18 from the previous year's Schedule K-37. Any carry forward remaining on line 18 in the 4th year will be refunded.

PART C — BUSINESS

Costs incurred in making a business facility accessible to individuals with a disability or in making equipment usable for the employment of individuals with a disability are used to determine your disabled access credit. In most instances, the expenditures would be capitalized and depreciated over the life of the improvement. However, any expenses that were not capitalized but deducted as current expenses are also recognized in computing your disabled access credit.

LINE 19a - Enter the capitalized expenditures and/or business expense deductions that were specifically attributable to the removal or equivalent facilitation of an existing architectural barrier for the purpose of making a facility accessible to individuals with a disability.

LINE 19b - Indicate whether you have made all or any portion of an existing facility accessible to individuals with a disability.

LINE 20a - Enter the capitalized expenditures and/or business expense deductions that were specifically attributable to the modification or adaptation of a facility or equipment for the purpose of employing individuals with a disability.

LINE 20b - Indicate whether you have modified or adapted an existing facility or piece of equipment to employ individuals with a disability.

LINE 21 - For income taxpayers, add lines 19a and 20a and enter the total on line 21. For privilege tax purposes, enter the amount from line 19a on line 21. (The privilege tax credit does not include the provision for adaptation or modification of equipment for employment purposes.)

LINE 22 - Multiply line 21 by 50%.

LINE 23 - Enter the tax year in which the expenditures were made.

LINE 24 - Enter the amount on line 22 or \$10,000, whichever is less.

LINE 25 - Partners, shareholders or members: Enter the percentage that represents your proportionate share in the partnership, S corporation, LLC or LLP. All other taxpayers: Enter 100%.

LINE 26 - Multiply line 24 by line 25. This is your total credit for the amount invested this year.

LINE 27 - Enter the amount of carry forward available to this return from a prior year's Schedule K-37. Enclose a copy of the prior year's Schedule K-37 with this form.

LINE 28a - Add lines 26 and 27 and enter result on line 28a.

LINE 28b - Multiply the amount on line 28a by 90%. Enter the result on line 28b. This is the total credit available this tax year.

LINE 29a - Enter the amount of your Kansas tax liability for this year. If you are filing more than one (1) credit schedule this year, enter only the amount of tax liability you wish to apply to this credit. The amount entered on line 29a (and not 29b) is the amount of tax liability considered to be "used" when calculating the remaining tax liability to be applied against other credits. **Example:** If your tax liability is \$1000 (before applying the 90% factor) and the amount entered on line 29a is \$400, then the amount of tax liability available to apply to any other credit schedules would be \$600.

LINE 29b - Multiply the amount on line 29a by 90% and enter result on line 29b.

LINE 30 - Enter the amount from line 28b or line 29b, whichever is less. This is the credit allowable for investments made this tax year. Enter this amount on the appropriate line of your return for this tax credit.

LINE 31 - Subtract line 29a from line 28a. This amount cannot be less than zero. Enter this amount on the appropriate line of next year's Schedule K-37 as the amount of excess credit to be carried forward.

PART D MODIFICATIONS TO FEDERAL TAXABLE INCOME

LINE 32 - Enter the amount of depreciation claimed as a current business expense deduction on your federal income tax return for the capitalized expenditures entered on lines 19a and 20a. Enclose a schedule showing your computations.

LINE 33 - Enter the amount of business expense deduction claimed on your federal income tax return for the capitalized expenditures entered on lines 19a and 20a.

LINE 34 - Add lines 32 and 33. This is the total depreciation and expense claimed on your federal income tax return. Enter this amount on the applicable line on your Kansas Income Tax return as "Other Additions" to federal taxable income. If filing Form K-40, enter this amount on Part A of Schedule S.

TAXPAYER ASSISTANCE

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

Tax Operations
Docking State Office Building, 1st fl.
915 SW Harrison St.
Topeka, KS 66625-2007
Phone: (785) 368-8222
Fax: (785) 291-3614

Additional copies of this credit schedule and other tax forms are available from our web site at: ksrevenue.org