

COMMERCIAL RESTORATION AND PRESERVATION CREDIT APPLICATION

Please read the instructions carefully before completing this application. Applications must be complete and submitted to the Kansas Department of Revenue for approval before certification can be awarded. Be sure to include documentation as requested in the application instructions.

PART A –GENERAL INFORMATION

Name of Taxpayer		EIN / SSN	
Mailing Address	City	State	Zip Code
Name and Title of Company Contact	Daytime Phone Number	Email Address	

PART B – OWNER INFORMATION

If the ownership entity for the property undergoing restoration and preservation is a pass-through entity or comprised of multiple owners, please fill out this section to identify each of the shareholders, partners, or members. Any Tax Credit Certificate will be issued to the pass-through entity, but any shareholders, partners, or members, who may be utilizing the credits must be identified to have access to their portion of the credit. **Attach a separate page for each shareholder, partner, or member.**

OWNER INFORMATION:

Name of Shareholder/Partner/Member EIN/SSN % of Ownership

Type of Entity: Individual Corporation Partnership LLC/LP Other (Describe): _____

Mailing Address City State Zip

Daytime Phone Email Address

OWNER INFORMATION:

Name of Shareholder/Partner/Member EIN/SSN % of Ownership

Type of Entity: Individual Corporation Partnership LLC/LP Other (Describe): _____

Mailing Address City State Zip

Daytime Phone Email Address

PART C – COMMERCIAL STRUCTURE INFORMATION

Address of Structure	City	State	Zip	County
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Property Name (If any)

Description of Structure

Year Structure was Built	Age of Structure	Property Class Code (located on valuation notices)
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Past Use of Building

Current/New Use of Building

Describe Any Portion of the Structure that is Less Than 50 Years Old (Attach additional sheets if needed)

Portion of Structure Less than 50 years Old: _____% Portion of Structure at Least or More Than 50 Years Old: _____%

PART D – PROJECT INFORMATION

Structure Restoration and Preservation: Start Date: _____ Completion Date: _____

Fire Suppression Equipment and Materials: Start Date: _____ Completion Date: _____

PART E – COMPUTATION OF CREDIT FOR RESTORATION AND PRESERVATION OF STRUCTURE

1. Enter the total costs and expenses incurred for the restoration and preservation of the commercial structure (Must be at least \$25,000 but less than \$500,000)..... \$ _____
2. Enter amount of grant funds, insurance moneys, etc. used to pay costs and expenses for structure..... \$ _____
3. Net costs and expenses incurred for the restoration and preservation of the commercial structure (Subtract line 2 from line 1)..... \$ _____
4. Portion of structure at least or more than 50 years old..... _____%
5. Credit for the restoration and preservation of the commercial structure (Multiply line 3 by line 4)..... \$ _____
6. Credit percentage allowed..... 10%
7. Total credit for the restoration and preservation of the commercial structure (Multiply line 5 by line 6)\$ _____

PART F – COMPUTATION OF CREDIT FOR FIRE SUPPRESSION EQUIPMENT AND MATERIALS

8. Enter the total costs incurred for the installation of fire suppression equipment and materials (Must be at least \$25,000 but less than \$500,000)..... \$ _____
9. Enter amount of grant funds, insurance moneys, etc. used to pay costs and expenses for fire suppression equipment and materials..... \$ _____
10. Net costs and expenses for the installation of fire suppression equipment and materials (Subtract line 9 from line 8) \$ _____
11. Portion of structure at least or more than 50 years old..... _____%
12. Credit for the installation of fire suppression equipment and materials (Multiply line 10 by line 11) \$ _____
13. Credit percentage allowed..... 10%
14. Total credit for the installation of fire suppression equipment and materials (Multiply line 12 by line 13)..... \$ _____

PART G – COMPUTATION OF CREDIT

- 15. Total credit for restoration and preservation of the commercial structure
(Enter the amount from line 7)..... \$ _____
- 16. Total credit for the installation of fire suppression equipment and materials
(Enter amount from line 14)..... \$ _____
- 17. Total Commercial Restoration and Preservation credit (Add lines 15 and 16 and enter the result)..... \$ _____

PART H – SCOPE OF WORK

In the section below, describe the work done during the restoration and preservation project. Be sure to include all work done to the property and specific details about the work performed. Separate costs and expenses of work done on the structure from costs and expenses for fire suppression materials and equipment. For large projects with multiple components please separate the various features of the structure that were affected by the project onto their own sheet and attach additional sheets as necessary.

Describe an existing feature of the structure and its condition prior to the restoration and preservation project.

Describe work performed on the feature during the restoration and preservation project, and the condition of the feature after the project was completed.

Costs and expenses associated with feature\$ _____

SIGNATURE

Signature of Taxpayer Applying for Credit

I declare under the penalties of perjury that all information in this application and any accompanying documentation is true and correct and that I am duly authorized to submit this information on behalf of the taxpayer.

Name Title Date

For Office Use Only
Date Received: _____
Date Approved: _____
Amount Approved: _____

INSTRUCTIONS FOR COMMERCIAL RESTORATION AND PRESERVATION CREDIT APPLICATION

Section 14 of 2022 House Bill 2237 establishes, for all tax years starting after December 31, 2021, a tax credit against the tax liability imposed by the Kansas income, privilege, or premium tax of an amount equal to 10% of the costs and expenses incurred for the restoration and preservation of a commercial structure at least 50 years old that does not receive the historic preservation credit provided by K.S.A. 79-32,211. An additional 10% credit for costs and expenses is allowed for the installation of fire suppression materials or equipment. To qualify for the credit related to the structure, the total amount of costs and expenses for the structure must be equal to at least \$25,000 but shall not exceed \$500,000. Similarly, to qualify for the credit related to fire suppression materials or equipment, the total amount of costs and expenses for the fire suppression materials or equipment must be equal to at least \$25,000 but shall not exceed \$500,000. The total, aggregate amount of credit that may be allowed for all taxpayers per tax year is \$10 million.

To apply for the credit, an application for Commercial Restoration and Preservation Credit must be completed and submitted to the Department of Revenue for review. **The Application must be submitted between December 1st and December 31st of the year in which the costs and expenditures were made. Applications will be reviewed and processed in the order received until all applications have been processed or the \$10 million cap has been reached, whichever comes first.** If approved, the Department will issue a Tax Credit Certificate for the credit allowed, no later than February 1st of the following year.

To qualify for the credit, costs and expenses incurred for the restoration and preservation of a commercial structure must be costs and expenses that are added to the basis of the building and can be charged to a capital account. In general, this is work done to the physical building, including walls, roofs, floors, plumbing, electrical, and heating. This is also true for fire suppression materials or equipment.

Costs and expenses that do not qualify include those associated with furnishings, (such as window treatments, rugs, furniture, artwork, and decorations), and equipment (such as retail displays, sales counters, machinery, production machinery and equipment), other than fire suppression materials and equipment. Similarly, costs and expenses associated with items outside the building, such as parking lots, driveways, sidewalks, and landscaping, do not qualify. Cost and expenses related to a portion of a structure that is not 50 years or older, and cost and expenses related to the expansion of, or additions to, a structure do not qualify. Costs and expenses associated with detached structures, such as a garage, storage shed, or other out-building do not qualify.

There are also “soft costs” which may qualify when included in a project. These include construction period interest and taxes, architect fees, engineering fees, construction management costs, reasonable developer fees, and any other fees that would normally be charged to a capital account. These “soft costs” are only allowed to the extent that they are applied to the building’s structural components. Any fees that are attributable to any item other than the structure are not allowable. This list is not absolute, and every factual situation will be reviewed on its own merit.

After an application has been approved and a Tax Credit Certificate has been issued, all or part of the restoration and preservation credit may be transferred to another individual or entity. Transfers become effective per an agreement between the two parties. Once a transfer has been made, the transferor and the transferee should complete and submit Form K-260, Kansas Tax Credit Transfer Notification to the Department of Revenue. Submission of this form notifies the Department that a transfer has taken place and allows the Department to update ownership records for tax reporting purposes. Submission of the Form K-260 should not precede the actual transfer or agreement, and does not constitute the actual transfer.

Any tax credit certificate issued is based solely on the application and supporting information received by the Department. If the application and supporting information are found to be in error or are later disallowed in whole or in part by the Secretary of Revenue, the tax credit certificate shall be null and void and the entity that originally earned the tax credit, shall be liable for repayment to the state in the amount disallowed.

Submit this application with any supporting documentation through our Kansas Customer Service Center at:

<https://www.kdor.ks.gov/Apps/kcsc/login.aspx>

TAXPAYER ASSISTANCE

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

Office of Policy and Research
109 SW 9th Street
PO Box 3506
Topeka, KS 66601-3506
Phone: 785-368-8222
Fax: 785-291-3614

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

www.ksrevenue.gov