

Claiming the Aviation and Aerospace Tax Credit: **Step-by-Step Guide for Qualified Employees**

This tutorial was created to answer commonly asked questions about how to claim the Kansas Aviation and Aerospace tax credit for a qualified employee. If you have questions that are not answered by this tutorial or the Schedule K-26 instructions, you may call 785-368-8222. We are always working to improve forms and instructions and welcome any feedback and suggestions.

K-26
(Rev. 7-24)

KANSAS **AVIATION / AEROSPACE TAX CREDIT**

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For the taxable year beginning JAN. 1, 20 YY; ending DEC. 31, 20 YY.

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

If you are filing as a qualified **employee** check here ☒ and complete only Part A.

If you are filing as a qualified **employer** check here ☐ and complete only Parts B and C.

Fill in this information based on the qualified employee claiming the credit.

IMPORTANT: Taxpayers claiming a credit as a qualified employee only need to complete Part A of Schedule K-26. If claiming a credit as a qualified employee, do not complete Parts B or C. Please note that Part A needs to be completed each year, even if your employer information has not changed.

PART A - QUALIFIED EMPLOYEE CREDIT

Name of Qualified Employer / Contractor

EMPLOYER NAME

Date on which Qualified Employee Com-
menced Employment / Contracting

START DATE

Date on which Qualified Employee
Ended Employment

END DATE *-or-* N/A

In the box directly under “Part A” labeled “Name of Qualified Employer / Contractor,” list the employer that you worked for as a qualified employee during the tax year for which you are claiming a credit. Usually, this is your current employer. If you are still employed with this employer, put “N/A” in the box labeled “Date on which Qualified Employee Ended Employment.”

[instructions continued on next page]

Are you (check one):
Select one checkbox.



(1) ☐ An employee who has not previously been employed in the Kansas aviation sector.

(2) ☐ An employee who was previously employed by another employer or your current employer in the Kansas aviation sector but has been separated from such prior employment for at least 60 consecutive days.

Name of previous qualified employer or current employer from which separated:

Date of separation:

← *Fill out these two boxes if you select checkbox 2.* →

(3) ☐ Other such as a person moving into the state of Kansas for a job in the Kansas aviation sector; please explain: (Refer to instructions)



Select **only one** of the three checkboxes in Part A:

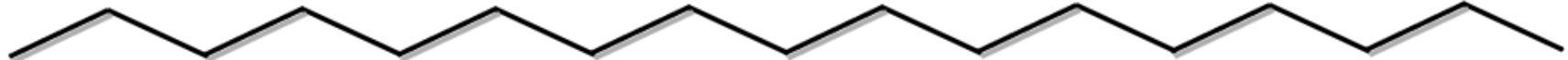
- Checkbox 1 is for employees new to the Kansas aviation sector during the tax year for which the credit is claimed.
- Checkbox 2 is for an employee who was previously employed in the Kansas aviation sector but experienced a significant absence from employment in that sector and is now considered “newly employed.” The absence must have lasted at least 60

consecutive days. A temporary furlough, scheduled shutdown for maintenance, or similar short-term event is not considered an absence from employment. Your previous qualified employer is the aviation sector employer that you worked for before the separation from employment. If you returned to the same employer, this may also be your current employer.

- Select checkbox 3 if you do not fit into either of the first two checkboxes but you believe you qualify for credit under the Kansas statutory definition of a “qualified employee” (provided in the K-26 instructions). Most qualified claimants will not need to use this checkbox. If you need to use this checkbox, please explain in detail why you should be considered “newly employed” in the Kansas aviation sector.

[instructions continued on next page]

1. Amount of qualified employee credit in current tax year (See instructions)	1. <u>5,000 –or- 0</u>
2. Employee credit carried forward from prior year	2. <u>From Line 6 from prior K-26</u>
3. Total employee credit available <u>(add lines 1 and 2)</u>	3. <u></u>
4. Qualified employee's current year Kansas tax liability after all credits other than this credit	4. <u>Line 12 from K-40 (see below)</u>
5. Current year qualified employee credit <u>(Enter the lesser of line 3 or line 4).</u> Enter the result here and on the appropriate line of Form K-40	5. <u></u>
6. Amount of credit to carry forward to next year <u>(Subtract line 5 from line 3)</u>	6. <u></u>



Line 1 - Enter \$5,000 if claiming an employee credit based on employment in the tax year for which this return is filed. If claiming carry forward only, enter 0.

Line 2 - Enter the amount of qualified employee credit carried forward from the prior year. If applicable, this amount should match line 6 from the prior year's K-26 schedule. If not applicable, leave this line blank. To claim any credit carried forward on Line 2, the amount being claimed must have been established on a K-26 schedule on a previous year's return.

Line 3 – See Schedule K-26 instructions.

Line 4 - This should be the qualified employee's Kansas tax year liability (Line 12 of the K-40) minus any other credits that will be taken prior to the aviation credit. This is not your Kansas withholding amount.

Lines 5 and 6 – See Schedule K-26 instructions.