

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 Eligible Taxpayer	EIN/SSN
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Type of ownership: Individual C corporation S corporation Partnership LLC LLP
Other: _____

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

PART B – ELIGIBLE TAXPAYER INFORMATION

Eligible Taxpayer is the:

- Owner of Railroad Track
- Lessee of Railroad Track (please provide owner name of railroad track below)
- Owner of Rail Siding
- Lessee of Rail Siding (please provide owner name of rail siding below)

Name of Owner from which Lessee of Railroad Track or Rail Siding is leasing from:

Number of railroad track miles owned or leased within the state of Kansas: _____

Number of rail sidings owned or leased within the state of Kansas: _____

Tax year credit applied for: _____

PART C – PROJECT INFORMATION

Project #1: If you are doing more than one project during the tax year, please attach additional pages.

Date project began (mm/dd/yyyy)	Date project completed (mm/dd/yyyy)
Beginning Mile Post and city	Ending Mile Post and City

Detailed project description: Include track replacement, reconstruction or maintenance. Include locations by mile posts.

Completed project costs (Include breakdown by component): \$ _____

Will a tax credit be claimed at the federal level on the same expenditures provided for in the detailed description?
 Yes No If yes, those expenditures will not qualify for this tax credit.

CERTIFICATION

I hereby certify that all information reported 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 eligible taxpayer. I acknowledge that the Kansas Department of Revenue will be working with the Kansas Department of Transportation to verify and certify the qualified railroad track maintenance expenditures. I further understand that either state agency may, at its discretion, audit or examine the records upon which this certification is based.

Name of Eligible Taxpayer

Signature of Company Official

Title

Date

DEPARTMENT OF TRANSPORTATION APPROVAL

Signature of KDOT Official

Title

Date

DEPARTMENT OF REVENUE APPROVAL

Signature of KDOR Official

Title

Date

Project Number: _____

Date Received (mm/dd/yyyy): _____

INSTRUCTIONS FOR SCHEDULE K-205

GENERAL INSTRUCTIONS

During the 2022 Legislative Session, House Bill 2239 was passed and signed into law. New Section 18 of the Bill creates a new income tax credit for 50% of an eligible taxpayer's qualified railroad track maintenance expenditures. All qualified railroad track maintenance expenditures must be approved before any credit may be certified and allowed to be applied against an eligible taxpayer's income tax liability.

Any credit issued may not exceed the product of \$5,000 and the number of miles of railroad track owned or leased within the state of Kansas by the eligible taxpayer as of the close of the taxable year. For rail siding located on or adjacent to a class II or class III railroad in the state of Kansas, the amount of the credit issued shall not exceed \$5,000 per rail siding owned or leased within the state of Kansas by the eligible taxpayer as of the close of the taxable year.

If expenditures are approved, the Department of Revenue will issue a Tax Credit Certificate.

After an Application has been approved and a Tax Credit Certificate has been issued, all or part of the short line railroad tax credit may be transferred to an eligible customer or eligible vendor. Transfers become effective per an agreement between the two parties, made at any time during the five years immediately following the taxable year for which the credits were allowed. 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.

DEFINITIONS

Eligible taxpayer means:

(A) Any railroad subject to the Kansas income tax act that is classified by the United States Surface Transportation Board as a class II or class III railroad, as defined in 49 C.F.R. § 1201.1-1(a), as in effect on January 1, 2022; or

(B) any owner or lessee of rail siding located on or adjacent to a class II or class III railroad in the state of Kansas.

Qualified railroad track maintenance expenditures means gross expenditures for maintenance, reconstruction or replacement of railroad track, including roadbed, bridges, industrial leads and side track, and related track structures to the extent the expenditures are on track located in the state of Kansas and the track was owned or leased by an eligible taxpayer as of January 1, 2022.

Qualified railroad track maintenance expenditures does not include expenditures used to generate a federal tax credit or expenditures funded by a state or federal grant.

DETAILED PROJECT DESCRIPTION

Please provide a narrative summary description of the project. If the eligible taxpayer has both railroad track expenditures and rail siding expenditures, a separate project description (Part C) should be completed for each. Expenditures for each of these projects should be separated as well. Please attach additional pages if necessary. This summary should include track replacement, track reconstruction or track maintenance in Kansas. The associated railroad mileposts must also be noted. Provide a detailed list of expenditures as well as the project budget by line item. If more than one project was completed within the tax year, provide a detailed project description for each project with beginning and ending dates.

TAXPAYER ASSISTANCE

If you have questions about this application, please call the Taxpayer Assistance Center, Kansas Department of Revenue at 785-368-8222 or visit the Department's website at www.ksrevenue.gov

Submit this completed form with any supporting documentation to:

Kansas Department of Revenue
Office of Policy and Research
109 SW 9th Street
PO Box 3506
Topeka, KS 66601-3506

You may also email this completed form to:

KDOR_Policy&Research@ks.gov