

## POSSIBLE TAX REFUND FOR KANSAS RESIDENTS

If you work in Kansas City, Missouri and live in Kansas, recent tax developments may give you a basis for a refund.

Although Kansas provides residents a tax credit for taxes paid to the State of Missouri, it had not previously allowed a credit for earnings tax paid to municipalities including Kansas City, Missouri. However, the recent U.S. Supreme Court ruling in *Comptroller of the Treasury of Maryland v. Wynne*, held that states must allow a credit for taxes paid to any political subdivision, including taxes paid to cities. In response to that holding, the Kansas Department of Revenue issued a notice on August 10, 2015 that it would follow the *Wynne* decision and allow a credit in Kansas for the earnings tax paid to Kansas City. For technical reasons, the credit is unlikely to be significant from 2013 forward. However, it may be a significant portion of the earnings tax paid in 2011 and 2012.

In order to claim a refund, an amended Kansas income tax return must be filed within the three year statute of limitations. This means the earliest year that can be amended is 2011, and then only if the original return had been filed under extension. The limitations for filing a 2012 amendment begin to expire on April 15, 2016 for 2012 returns that were not extended.

### PEOPLE

Scott E. Hunt

### SERVICES AND INDUSTRIES

Corporate

Tax