Kansas Administrative Regulations

Kansas Department of Revenue

Article 12.—Income Tax

92-12-102. Special rules; property factor.

The following special rules are established in respect to the property factor of the apportionment formula: (a) If the subrents taken into account in determining the net annual rental rate under K.A.R. 92-12-89 produce a negative or clearly inaccurate value for any item of property, another method which will properly reflect the value of rented property may be required by the director of taxation or requested by the taxpayer.
In no case however shall such value be less than an amount which bears the same ratio to the annual rental rate paid by the taxpayer for such property as the fair market value of that portion of the property used by the taxpayer bears to the total fair market value of the rented property.

(b) If property owned by others is used by the taxpayer at no charge, or rented by the taxpayer for a nominal rate, the net annual rental rate for such property shall be determined on the basis of a reasonable market rental rate for such property.
(Authorized by K.S.A. 79-3236, 79-3288, 79-4301; effective May 1, 1979.)