



STATE OF KANSAS

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*Curt T. Schneider*  
*Attorney General*

July 13, 1978

ATTORNEY GENERAL OPINION NO. 78- 228

Mr. Sherman A. Parks, Jr.  
Deputy Assistant Secretary of State  
Office of the Secretary of State  
2nd Floor - State Capitol  
Topeka, Kansas 66612

Re: Limited Partnerships--Invested Capital--Definition

Synopsis: The "invested capital" as that term is used in K.S.A. 56-123a(b) and K.S.A. 56-123c(b), upon which the annual franchise tax of such limited partnerships is based, refers to the invested capital of the limited partnership contributed by its general and limited partners, and not to the profits or losses of the entity in any particular year.

\* \* \*

Dear Mr. Parks:

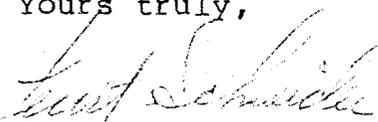
K.S.A. 56-123a(b), concerning domestic limited partnerships, and K.S.A. 56-123c(b), concerning foreign limited partnerships, requires that at the time of filing the annual report required of each of them, there be paid an annual franchise tax "in an amount equal to one dollar (\$1) for each one thousand dollars (\$1,000) of the invested capital of the partnership, except that no annual tax shall be less than twenty dollars (\$20) nor more than two thousand five hundred dollars (\$2,500)." [Emphasis supplied.]

You request my opinion whether the term "invested capital" as underscored above is limited to the amount contributed to the limited partnership by the general and limited partners as its capital, or whether the amount of "invested capital" is determined by the annual profit or loss of the partnership. In my judgment,

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the "invested capital" on which the annual franchise tax is based is limited to the amount of capital invested in the limited partnership by the general and limited partners, and is not determined by the annual profit or loss of the limited partnership. The invested capital may remain unaffected by profits in any given year, or by losses, for that matter, and in my judgment, the term "invested capital" refers to just that, and not to profits or losses of the entity.

Yours truly,



CURT T. SCHNEIDER  
Attorney General

CTS:JRM:kj