



Revenue Information Bulletin No. 24-017

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Income Tax

Restaurant Oyster Shells Recycling Tax Credit

Act 404 of the 2023 Regular Session of the Louisiana Legislature (“Act 404”) enacted La. R.S. 47:6043, which authorizes an income tax credit for Louisiana restaurants that donate oyster shell material to an approved oyster shell recycling program for taxable years beginning on or after January 1, 2024 but before January 1, 2029. The credit is refundable and may be applied against corporation, individual, and fiduciary income taxes for the year for which the receipt is issued. Any credits that exceed a taxpayer's liability will be treated as an overpayment, from which, the taxpayer may receive a refund. The Oyster Shell Recycling Program of the Coalition to Restore Coastal Louisiana is currently the only approved program. Additional programs may be approved by the Department of Revenue (“Department”) as outlined in the regulation.

The amount of the credit is equal to one dollar per 50 pounds of donated oyster shell material, limited to \$2,000 per restaurant. The total amount of credits approved by the Department is limited to \$100,000 per calendar year. All returns received on the same business day will be treated as received at the same time. In instances where the aggregate amount of credit requests received on a single business day exceeds the \$100,000 cap, the Department will approve tax credits on a pro rata basis.

If the total amount of credits claimed in a particular calendar year exceeds the \$100,000 annual cap, the Department will treat the excess as having been applied for on the first day of the following year. To utilize the credits in the subsequent year during which the taxpayer's claim has priority, the taxpayer shall claim the credits on the subsequent tax year's return and file it prior to the end of the calendar year. If the taxpayer fails to file a return in the subsequent year, the credits shall lose their priority status.

For example, ABC Oyster House, LLC (“ABC”) earned \$1,000 in restaurant oyster shell recycling tax credits for tax year 2024. Before receiving ABC's 2024 income tax return, the total credits claimed in calendar year 2025 reached and exceeded the \$100,000 annual credit cap. Because the credit cap was reached for calendar year 2025, ABC could not claim the credits on its 2024 income tax return. However, since the Department treats excess credit claims as having been applied for on the first day of the following year, ABC will have priority status to claim the credits for tax year 2025, which is filed in calendar year 2026. If ABC fails to file a 2025 income tax return on or before December 31, 2026, its credit priority status will be lost.

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Receipts must be issued by the approved program to the donor on a quarterly basis, or monthly if approved by the Department, utilizing Form R-90154, *Receipt for Restaurant Oyster Shell Recycling Credit*¹. Form R-90154 must be attached to the taxpayer's return as documentation for the credit. For taxable years beginning on or after January 1, 2024, taxpayers may claim the credit on either Form IT-540, *Resident Individual Income Tax Return*, with completed Schedule F Refundable Priority 2 Credits, Form CIFT-620, *Corporation Income Tax and Franchise Tax Return*, with completed Schedule RC-P2 Refundable Priority 2 Credits, or Form IT-541, *Fiduciary Income Tax Return*, with Schedule RC-P2 Refundable Priority 2 Credits.

Questions concerning this Bulletin may be submitted by email to Policy.Publications@LA.gov.

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Secretary

¹ Form R-90154 will be provided to approved programs.