

**Revenue Information Bulletin No. 01-004**

**December 19, 2001**

**Exemptions From State and Local Taxes**

**Telecommunication Credit Available to Certain Individuals**

The telecommunication credit provided by La. Rev. Stat. Ann. § 47:6014(A) (West 2001) is usually thought of as a credit taken by corporations. However, some individuals may also be eligible for such a credit.

La. Rev. Stat. Ann. § 47:6014(A) (West 2001), provides that:

“Pursuant to the provisions of this Section, there shall be allowed a credit against Louisiana corporation or individual income taxes and Louisiana franchise tax for, and in an amount equal to, forty percent of the aggregate ad valorem taxes paid to political subdivisions of this state after December 31, 2000, by a telephone company, as defined in La. Rev. Stat. Ann. § 47:1851(Q) (West 2001), with respect to such telephone company’s public service properties, as defined in La. Rev. Stat. Ann. § 47:1851(M) (West 2001), which are assessed by the Louisiana Tax Commission at twenty-five percent of fair market value pursuant to La. Rev. Stat. Ann. § 47:1854 (West 2001).”

A person may take this credit on either the resident individual income tax return (Form IT-540) or the non-resident individual income tax return (Form IT-540B) provided the credit is acquired in one or more of the following ways:

1. The credit for taxes paid by an individual shall be applied against the Louisiana individual income tax.
2. The credit for taxes paid by or on behalf of a corporation classified under Subchapter S of the Internal Revenue Code of 1986, as amended, as an S corporation shall be applied first against any Louisiana corporation income and corporation franchise taxes due by such S corporation, and the remainder of any such credit shall be allocated to the shareholder or shareholders of such S corporation in accordance with their respective interests and applied against the Louisiana income tax of such shareholder or shareholders of the S corporation.
3. The credit for taxes paid by or on behalf of a partnership shall be allocated to the partners according to their distributive shares of partnership gross income and

applied against any Louisiana income tax and corporation franchise tax liability of such partners.

4. The credit for taxes paid by or on behalf of a limited liability company shall be allocated to the members according to their distributive shares of such limited liability company's gross income and applied against any Louisiana income tax and corporation franchise tax liability of such members; however, the credit for taxes paid by or on behalf of a limited liability company treated as a corporation for Louisiana income tax purposes may be applied against the Louisiana corporation income taxes of such limited liability company.

An individual claiming the credit must attach a statement indicating the entity(ies) from which they received the credit.

Interested parties may contact the Policy Services Division at (225) 219-2780.

Cynthia Bridges

Secretary