

Revenue Ruling  
No. 01-002  
May 18, 2001

Individual Income Tax  
Certain Lump Sum Distributions Not Taxable

This Revenue Ruling addresses the taxation of lump sum distributions paid to a Louisiana domiciliary for state income tax purposes. For purposes of this ruling, a lump sum distribution is defined as provided by IRC 402(e)(4)(D)(i). Such distributions often occur from qualified pension or profit sharing plans upon the retirement or death of a covered employee.

Louisiana individual income tax is based on tax table income. The computation of tax table income begins with federal adjusted gross income and makes certain modifications. The Louisiana Revised Statutes, Title 47, Section 293 defines adjusted gross income as the adjusted gross income of the individual for the taxable year that is reportable on the individual's federal income tax return. No modifications are made for lump sum distributions. To the extent that lump sum distributions are not properly includable in the federal adjusted gross income, such distributions are not included in tax table income.

Cynthia Bridges  
Secretary

By: \_\_\_\_\_  
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**A Revenue Ruling is written to provide guidance to the public and to Department of Revenue employees. It is issued under Section 61:III.101(C) of the Louisiana Administrative Code to apply principles of law to a specific set of facts. A Revenue Ruling does not have the force and effect of law and is not binding on the public. It is a statement of the department's position and is binding on the department until superseded or modified by a subsequent change in statute, regulation, declaratory ruling, or court decision.**