R -10610 (1/17)

LOUISIANA
DEPARTMENT *of* REVENUE

Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors and Retailers for Ad Valorem Tax Paid on Inventory or Natural Gas

Louisiana Revised Statute 47:6006

IMPORTANT: Use this form if filing a 2016 tax return. See instructions.

PLEASE PRINT OR TYPE.

Taxpayer Name

LDR Account ID

Filing Period

Parish — Name of Louisiana Parish that issued the assessment	Assessment Number	Total Assessment	Inventory Assessment — Qualified Inventory held by manufacturers, suppliers or retailers	Ratio — Inventory Assessment/ Total Assessment *Use only if using ratio method to determine eligible tax credit *	Total Assessed Tax Paid	Qualified Inventory Tax Credit Claimed on Current Year Return — List actual tax paid or apply ratio method to determine eligible tax credit	Check Number	Check Date	Check Amount

* See RIB 06-036 for instructions and additional information.

LOUISIANA
DEPARTMENT *of* REVENUE

Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors and Retailers for Ad Valorem Tax Paid on Inventory or Natural Gas

Louisiana Revised Statute 47:6006

IMPORTANT: Use this form if filing a 2016 tax return. See instructions.

PLEASE PRINT OR TYPE.

Taxpayer Name	
SSN/LDR Account ID	**Filing Period**

Check the box for the credit type this worksheet is used to calculate: ☐ Inventory Tax Credit (50F) ☐ Ad Valorem Natural Gas Credit (51F)

	See instructions to complete Lines 1 through 14 below.	**Total Column**	Column 1	Column 2	Column 3	Column 4	Column 5
1	Industrial Tax Exemption program (ITEP) related ad valorem taxes						
2	New business limitation						
3A	Amount of ad valorem taxes paid						
3B	Amount of ad valorem taxes paid qualifying for the credit						
4	If Line 3 of the Total Column is less than or equal to $500,000, see instructions. Otherwise, go to Line 5.						
5	Adjusted Louisiana Income Tax						
6	Inventory Tax Credit - *See instructions.*						
7	Tax Liability before applying the Inventory Tax Credit or Ad Valorem Natural Gas Credit						
8	Amount of the credit exceeding tax liability						
9	Enter the amount from Line 8, Total Column, or $1,000,000, whichever is less.						
10	Multiply Line 9 by 75 percent. This is the refundable portion of your credit for all taxpayers.						
11	Divide Line 10 by Line 8. This is the ratio of the excess credit that is refundable.						
12	Refundable credit amount per taxpayer						
13	Amount of credit to report on return						
14	Credit carry forward amount per taxpayer						

INSTRUCTIONS

Acts 4 and 5 of the 2016 Second Extraordinary Session of the Louisiana Legislature amended R.S. 47:6006 concerning the calculation of the Inventory Tax Credit (50F) and the Ad Valorem Natural Gas Credit (51F) for all returns received on or after July 1, 2016 regardless of tax year. Exception: amended returns filed on or after July 1, 2016 in which the credit was properly claimed on the original return filed before July 1, 2016. Part of the changes require that taxpayers that affiliated or related to combine their inventory taxes paid in order to determine the amount of the excess credit that is refundable. See Louisiana Administrative Code 61:I.1902 for the definition of "affiliated or related".

GENERAL INSTRUCTIONS

1. This worksheet was designed to assist taxpayers in calculating the credit and provide the necessary computation to LDR. If you filed a consolidated federal income tax return, you must calculate the refundable portion of either the Inventory Tax Credit (50F) or the Ad Valorem Natural Gas Credit (51F) on a consolidated basis. You will need to complete one worksheet per credit type and attach a copy of the worksheet to the return of each taxpayer, whether an entity or person, included on the worksheet.

    If the provision of an affiliated or related business entity does apply to you, you must calculate the refundable portion of either the Inventory Tax Credit (50F) or the Ad Valorem Natural Gas Credit (51F) on a consolidated basis. You will need to complete one worksheet per credit type and attach a copy of the worksheet to the return of each taxpayer, whether an entity or person, that is claiming any of the credits calculated on the worksheet.

2. Enter the Taxpayer's name, SSN/LDR Account ID and filing period for the return to which this worksheet is attached in the space provided. Check the box for the credit type you are calculating on this worksheet. If you need to calculate both credit types, you must first complete this worksheet for the Inventory Tax Credit (50F) and then complete a separate worksheet for the Ad Valorem Natural Gas Credit (51F).

3. Columns are provided on Form R-10610 to report each taxpayer in the consolidated group separately. Starting in Column 1, enter the LDR account number, or for an individual, the last four digits of their SSN, of any taxpayer included in the federal consolidate return AND paid ad valorem taxes qualifying for the credit in each column. **Attach additional pages as needed and enter the totals of each additional page in the columns on the first page.**

4. If you are a manufacturer who has claimed the property tax exemption under the Industrial Tax Exemption program (ITEP) during the taxable year in which the local inventory taxes were levied; or are any related party, affiliate, subsidiary, parent company, or owner of such manufacturer for the inventory held that is related to the business of such manufacturer, your credit for the inventory held that is related to the business of such manufacturer is limited to tax and the excess can be carried forward not to exceed five years. **If this applies** to you, you will need to complete Form R-10610-ITE first to calculate your credit for ad valorem taxes paid on the inventory held that is related to the business of the ITEP manufacturer. If you paid ad valorem taxes on inventory not related to the ITEP manufacturer, that amount will be reported on Form R-10610.

5. If the business was formed or first registered to do business in Louisiana after April 15, 2016, your credit will be calculated separately from any affiliated or related entities.

    If this applies to you, you will need to complete Form R-10610 to calculate your credit under "Column 1". Enter the date the business was formed or first registered to do business in Louisiana on Line 2, Total Column, and go to Line 3A.

6. This form should be used for any returns for tax year 2016.

SPECIFIC LINE ITEM INSTRUCTIONS

1. For each taxpayer listed starting in Column 1, enter the amount of ad valorem taxes paid on the inventory held that is related to the business of the ITEP manufacturer. This amount is from Form R-10610-ITE, Line 2.

2. See #5 under General Instructions.

3A. For each taxpayer listed starting in Column 1, enter the amount of ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, retailers OR natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage. Do not enter any amounts reported on Line 1.

3B. For each taxpayer listed starting in Column 1, enter the amount of ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, retailers OR natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage that meets the definition of inventory under R.S. 47:6006. Do not enter any amounts reported on Line 1. Enter the total of all columns in the "Total Column".

    Act 415 of the 2015 Regular Session enacted a definition of "inventory", for purposes of this credit, to mean items of tangible personal property that are held exclusively for sale in the ordinary course of business, in the process of production for subsequent sale, or to physically to become a part of the production of such goods. Act 415 also enacted listings of specific items that are included and not included in inventory. In addition to items that are clearly included by the enacted definition, the following items are included in inventory: used goods or trade-in merchandise; by-products of a manufacturer; and raw materials and supplies that will be consumed in the Louisiana manufacturing process. Not included in inventory are: oil stored in tanks held by a producer prior to the first sale of the oil; items that haven been leased by the taxpayer; items that the taxpayer has depreciated for federal income tax purposes; items that have been used by the taxpayer and have been owned for more than eighteen months; and certain items stored in the state for use in interstate commerce.

4. If the amount on Line 3B, Total Column, is greater than $500,000, go to Line 5.

    If the amount on Line 3B, Total Column, is less than or equal to $500,000, your entire credit (Line 3B) will be used to offset tax and any excess will be refunded. For each taxpayer listed, enter the amount from Line 3B of their column on Schedule RC-P4 or Schedule I with the identifying three-digit code.

    Special instructions for any taxpayer listed with "Yes" on Line 2:
    If Line 3B is less than $10,000, your credit (Line 3B) will be used to offset tax and any excess will be refunded. Enter the amount from Line 3B on Schedule RC or Schedule F with the identifying three-digit code. However, the taxpayer must be included in the remaining calculations to determine the refundability for the group.

    If Line 3B is equal to or greater than $10,000 but less than $500,000, your credit (Line 3B) will be used to offset tax and 75 percent of the excess will be refunded. Complete the rest of the worksheet using just the column for this taxpayer and the "Total Column." The other columns will be blank for Lines 5 through 8, 12 and 13.

    Stop here; you are finished with the worksheet.

5. For each taxpayer listed starting in Column 1, enter the amount of your adjusted tax liability from your tax return. See chart below for line numbers. Enter the total of all columns in the "Total Column."

Tax Year	IT-540	IT-540B	IT-540BNRA	IT-541	R-6922	CIFT-620
2016	Line 24	Line 23	Line 21	Line 19	Line 11	Line 16

6. Complete this line only if both credits are claimed and after calculating the Inventory Tax Credit. For each taxpayer listed starting in Column 1, enter the Inventory Tax credit amount claimed on Schedule I (Individual) or Schedule RC-P4 (Business). Enter the total of all columns in the "Total Column."

7. Tax Liability before applying the Inventory Tax Credit or Ad Valorem Credit. For each taxpayer listed starting in Column 1, subtract Line 6 from Line 5. If less than zero, enter zero. Enter the total of all columns in the "Total Column."

8. Amount of the credit exceeding tax liability. For each taxpayer listed starting in Column 1, subtract Line 7 from Line 3B. If less than zero, enter zero. Enter the total of all columns in the "Total Column."

    If Line 8, Total Column, is equal to zero, your entire credit on Line 3B will be used to offset tax. For each taxpayer listed starting in Column 1, enter the amount from Line 3B on Schedule I or Schedule RC-P4 with the identifying three-digit code. Stop here; you are finished with the worksheet.

9. In the Total Column, enter the amount from Line 8, Total Column, or $1,000,000, whichever is less.

10. Multiply Line 9, Total Column, by 75 percent, round to the nearest dollar, and enter the result in the Total Column. This is the refundable portion of your credit for all taxpayers.

11. Divide Line 10, Total Column, by Line 8, Total Column, round to six places after the decimal, and enter the ratio in the Total Column. This is the ratio of the excess credit that is refundable.

12. For each taxpayer listed starting in Column 1, multiply Line 8 by the ratio on Line 11, Total Column, round to the nearest dollar. Enter the total of all columns in the "Total Column." This amount should equal Line 10, Total Column, except for minor rounding differences.

13. For each taxpayer listed starting in Column 1, if Line 8 is greater than zero, add Lines 7 and 12. Otherwise, enter the amount from Line 3B. For each taxpayer, enter the amount from Line 13 on Schedule I or Schedule RC-P4 with the identifying three-digit code.

14. For each taxpayer listed starting in Column 1, subtract Line 12 from Line 8. Enter the total of all columns in the "Total Column." This amount is your credit carry forward. This amount should be reported on next year's return, on Schedule J or Schedule NRC-P3 with the identifying three-digit code listed below.

Tax Year	2016
Inventory Tax Credit Carried Forward	218
Ad Valorem Natural Gas Credit Carried Forward	219