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 2025 tax return. See instructions.

PLEASE PRINT OR TYPE

Taxpayer Name

LDR Account Number

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
Total									

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Taxpayer Name	
SSN/LDR Account Number	**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 13 below.	Total Column	Column 1 _____	Column 2 _____	Column 3 _____	Column 4 _____	Column 5 _____
1A	New business limitation						
1B	Date business formed or registered to do business after April 15, 2016						
2A	Amount of ad valorem taxes paid						
2B	Amount of ad valorem taxes paid on short-term rentals						
2C	Amount of ad valorem taxes paid qualifying for the credit						
3	If Line 2C of the Total Column is less than or equal to $500,000, see instructions. Otherwise, go to Line 4.						
4	Adjusted Louisiana Income Tax						
5	Inventory Tax Credit - *See instructions.*						
6	Tax Liability before applying the Inventory Tax Credit or Ad Valorem Natural Gas Credit						
7	Amount of the credit exceeding tax liability						
8	Enter the amount from Line 7, Total Column, or $1,000,000, whichever is less.						
9	Multiply Line 8 by 75 percent. This is the refundable portion of your credit for all taxpayers.						
10	Divide Line 9 by Line 7. This is the ratio of the excess credit that is refundable.						
11	Refundable credit amount per taxpayer						
12	Amount of credit to report on return						
13	Credit carry forward amount per taxpayer						

INSTRUCTIONS

All taxpayers who are included on the same consolidated federal income tax return are required to combine their inventory taxes paid in order to determine the amount of the excess credit that is refundable. Taxpayers who are affiliated or related outside of a consolidated group are not required to combine their taxes paid in order to determine the amount of the excess credit that is refundable.

GENERAL INSTRUCTIONS

1. This worksheet was designed to assist taxpayers in calculating the credit and provide the necessary computation to Louisiana Department of Revenue (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 combined 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.

2. Enter the taxpayer's name, SSN/LDR account number, 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 consolidated return AND paid ad valorem taxes qualifying for the credit in each column. **Attach additional pages as needed and include the total(s) of each additional page in the Total Column 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, your credit is limited to tax, and the excess can be carried forward, not to exceed 10 years. If you filed a consolidated federal income tax return, the credit of all members of the consolidated group is limited to tax, and the excess can be carried forward, not to exceed 10 years. **If this applies to you,** each member of the consolidated group will need to complete a separate Form R-10610-ITE to calculate the credit for ad valorem taxes paid on the inventory.

5. For businesses formed or first registered to do business in Louisiana after April 15, 2016, a different set of limitations on refundability applies, and your credit will be calculated separately from the consolidated group.

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

6. This form should be used for any returns filed for tax year 2025.

SPECIFIC LINE ITEM INSTRUCTIONS

1A. Each business that was formed or first registered to do business in Louisiana after April 15, 2016 should enter "yes" on Line 1A.

1B. For businesses that answered "yes" on Line 1A, enter the date the business was formed or first registered to do business in Louisiana on Line 1B in the applicable column. Otherwise, leave the space blank.

2A. 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.

2B. For each taxpayer listed starting in Column 1, enter the amount of Line 2A that is the ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, and retailers that is available for or subject to a short-term rental that will subsequently or ultimately be sold by the retailer that will be included on Line 2C.

For the purpose of this credit, inventory is defined in La. R.S. 47:6006 as items of tangible personal property that are held for sale in the ordinary course of business, in the process of production for subsequent sale, or are to physically become a part of the production of such goods. The definition contains a listing of specific items that are included and not included in inventory. In addition to items that are clearly included by the definition, the following items are included in inventory: used goods or trade-in merchandise; by-products of a manufacturer; raw materials and supplies that will be consumed in the Louisiana manufacturing process; and goods that are available for short-term rental that will subsequently or ultimately be sold by taxpayers classified under code numbers 532412 and 532310 of the North American Industry Classification System. A "short-term rental" is defined as a rental of an item of tangible personal property for a period of less than 365 days, for an undefined period, or under an open-ended agreement.

Not included in inventory unless otherwise stated are the following: oil stored in tanks held by a producer prior to the first sale of the oil; items that have 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.

2C. 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 reported on Line 2A that meets the definition of inventory under La. R.S. 47:6006. Enter the total of all columns in the "Total Column."

3. If the amount on Line 2C, Total Column, is greater than $500,000, go to Line 4.

 If the amount on Line 2C, Total Column, is less than or equal to $500,000, your entire credit (Line 2C) will be used to offset tax, and any excess will be refunded. For each taxpayer listed, enter the amount from Line 2C of their column on Schedule I (Individual) or Schedule RC-P4 (Business) with the identifying three-digit code.

 Special Instructions for Any Taxpayer Listed with "Yes" on Line 1A:

 If Line 2C is less than $10,000, your credit (Line 2C) will be used to offset tax, and any excess will be refunded. Enter the amount from Line 2C on Schedule I (Individual) or Schedule RC-P4 (Business) 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 2C is equal to or greater than $10,000 but less than $500,000, your credit (Line 2C) 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 4 through 7, 11, and 12.

 Stop here; you are finished with the worksheet.

4. 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-541	IT-565	CIT-620
2025	Line 22	Line 23	Line 15	Schedule 6922, Line 9	Line 9

5. 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 or Schedule RC-P4. Enter the total of all columns in the "Total Column."

6. Enter the tax liability before applying the Inventory Tax Credit or Ad Valorem Natural Gas Credit. For each taxpayer listed starting in Column 1, subtract Line 5 from Line 4. If less than zero, enter zero. Enter the total of all columns in the "Total Column."

7. Enter the amount of the credit exceeding tax liability. For each taxpayer listed starting in Column 1, subtract Line 6 from Line 2C. If less than zero, enter zero. Enter the total of all columns in the "Total Column."

 If Line 7, Total Column, is equal to zero, your entire credit on Line 2C will be used to offset tax. For each taxpayer listed starting in Column 1, enter the amount from Line 2C on Schedule I or Schedule RC-P4 with the identifying three-digit code. Stop here; you are finished with the worksheet.

8. In the "Total Column," enter the amount from Line 7, Total Column, or $1,000,000, whichever is less.

9. Multiply Line 8, 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.

10. Divide Line 9, Total Column, by Line 7, 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.

11. For each taxpayer listed starting in Column 1, multiply Line 7 by the ratio on Line 10, Total Column, and round to the nearest dollar. Enter the total of all columns in the "Total Column." This amount should equal the amount on Line 9, Total Column, except for minor rounding differences.

12. For each taxpayer listed starting in Column 1, if Line 7 is greater than zero, add Lines 6 and 11. Otherwise, enter the amount from Line 2C. For each taxpayer, enter the amount from Line 12 on Schedule I or Schedule RC-P4 with the identifying three-digit code.

13. For each taxpayer listed starting in Column 1, subtract Line 11 from Line 7. 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 (Individual) or Schedule NRC-P3 (Business) with the identifying three-digit code listed below.

Inventory Tax Credit Carried Forward	500
Ad Valorem Natural Gas Credit Carried Forward	502