

LOUISIANA
DEPARTMENT *of* REVENUE

**Schedule of Ad Valorem Tax Credit Claimed by ITEP
Manufacturers and Related Parties for Ad Valorem
Tax Paid on Inventory**

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)

See instructions to complete Lines 1A through 4 below.	
1A	Amount of ad valorem taxes paid
1B	Amount of ad valorem taxes paid qualifying for the credit
2	Industrial Tax Exemption program (ITEP) related ad valorem taxes
3	Tax Liability before applying the Inventory Tax Credit or Ad Valorem Credit
4	Amount of the credit exceeding tax liability

GENERAL INSTRUCTIONS

1. This worksheet was designed to assist the following taxpayers in calculating the credit and provide the necessary computation to LDR:
 - 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
 - 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.
2. If you meet the description of #1, you will use this form to report the credit for the ad valorem taxes paid on the inventory held that is related to the business of the ITEP manufacturer separate from other inventory. Your credit for the inventory held that is related to the business of the ITEP manufacturer is limited to tax and the excess can be carried forward not to exceed five years.
3. If you paid ad valorem taxes on inventory not related to the ITEP manufacturer, or on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage, that amount will be reported on Form R-10610. You will need to complete this worksheet prior to the R-10610.
4. This form should be used for tax year 2016.
5. 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.

SPECIFIC LINE ITEM INSTRUCTIONS

- 1A. Enter the amount of the ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, retailers.
- 1B. 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 1A.

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.

2. Enter the amount of ad valorem taxes paid on the inventory held that is related to the business of the ITEP manufacturer that is included on Line 1B. 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.
3. Enter the amount of your adjusted tax liability from your tax return. See chart below for line numbers.

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

4. Amount of the credit exceeding tax liability. Subtract Line 3 from Line 2. If less than zero, enter zero.

If Line 4 is equal to zero, your entire credit on Line 2 will be used to offset tax. Enter the amount from Line 2 on Schedule NRC-P3 or Schedule J with the identifying three-digit code listed below. If Line 4 is greater than zero, Line 4 is your credit carry forward and the amount on Line 3 is the amount of the credit that can be used to offset tax. Enter the amount from Line 3 on Schedule NRC-P3 or Schedule J with the identifying three-digit code listed below.

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