

# GENERAL INFORMATION FOR FILING YOUR 2001 LOUISIANA NONRESIDENT AND PART-YEAR RESIDENT INDIVIDUAL INCOME TAX RETURN

**Important:** If provided, taxpayers should file the pre-printed tax form imprinted with their name and address. Please print in black ink only.

## WHO MUST FILE A RETURN (Form IT-540B)

1. Any nonresident or part-year resident with income from Louisiana sources who is required to file a federal individual income tax return must file a Louisiana return reporting income earned in 2001.
2. Any taxpayer who has overpaid his tax through withholding or declaration of estimated tax must file a return to obtain a refund or credit.
3. Any military personnel whose home of record is Louisiana and who meets the filing requirements of 1 or 2 above must file a return and report all of his income regardless of where he was stationed. If you are single, you should file a resident return (Form IT-540) and report all of your income to Louisiana.

If you are married and both you and your spouse are residents of the State of Louisiana, you should file a resident return (Form IT-540) and report all of your income to Louisiana. If you are married and one of you is not a resident of Louisiana, you have the option of filing a resident (Form IT-540) or nonresident (Form IT-540B) return. You may choose the option that is more beneficial to your current situation.

If an income tax liability was paid to another state on nonmilitary income and income earned by a spouse, Louisiana resident taxpayers are allowed a credit for this liability, provided such income was included on the Louisiana return.

4. Any military personnel whose domicile is not Louisiana must report any nonmilitary Louisiana source income on Form IT-540B.
5. Surviving Spouses, Executors, Administrators, or Legal Representatives – You must file a final return for a decedent (a person who died) if both of the following are true. (1) You are the surviving spouse, executor, administrator, or legal representative. (2) The decedent met the filing requirements at the date of death. For more information on rules for filing a decedent's final return contact the Department of Revenue at the locations listed on the back cover.

**EXCEPTION – PROFESSIONAL ATHLETES** – A professional athlete that either plays for a professional sports franchise or is a member of a professional sports association or league must file form IT-540B-NRA instead of Form IT-540B. For further information, visit the Department's website at [www.rev.state.la.us](http://www.rev.state.la.us) and click on "Rules and Legislation" followed by "Policy Documents," scroll down to "Revenue Information Bulletins," and click on "Personal Income Tax." Click on Bulletin No. 01-003. You may also obtain forms via the website or at any location of the Department. The locations are listed on the back cover of the booklet.

Any nonresident and any individual who was a resident for part of the year and a nonresident the remainder of the year must report his income from all sources for the period during which he was a resident, plus all income from Louisiana sources for the period he was a nonresident, on Form IT-540B.

## FORMS

Forms and instructions may be obtained from any office of the Department of Revenue and on the Department's website at [www.rev.state.la.us](http://www.rev.state.la.us). The locations are listed on the back cover of this booklet.

## AMENDED RETURNS

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, you must file an amended

Louisiana return. A corrected return, Form IT-540B, for the tax year being amended should be submitted along with an explanation of the change(s) and a copy of the federal amended return, Form 1040X, if one was filed. The form should be clearly marked with an "X" in the "Amended Return" box. Do not make any adjustments for refunds received or for payments made with original return. This information is already on file.

## FEDERAL TAX ADJUSTMENTS

Louisiana Revised Statute 47:103C requires taxpayers whose federal returns are adjusted to furnish a statement disclosing the nature and amounts of such adjustments within 60 days after the adjustments have been made and accepted.

## WHEN TO FILE AND PAY TAX

1. A calendar year return is due on or before May 15, 2002.
2. Returns for fiscal years are due on or before the 15th day of the fifth month after the close of the taxable year.

## WHERE TO FILE AND PAY TAX

MAIL forms and payment to: Louisiana Department of Revenue, P.O. Box 3440, Baton Rouge, LA 70821-3440, or DELIVER to any office of the Department listed on the back cover of this booklet. **DO NOT SEND CASH.**

Payments should be made payable to the **Department of Revenue**. Cost for processing drafts or checks drawn on foreign banks will be charged to the taxpayer.

Write your Social Security Number on all payments and correspondence.

## EXTENSION OF TIME FOR FILING A RETURN

Louisiana recognizes the extension granted by the Internal Revenue Service. Attach a copy of your automatic or approved federal extension to your Louisiana income tax return.

An extension only extends the time to file the return, not the time to pay any tax that may be due.

Use Form R-6465 for requesting an extension beyond the date required for filing your federal return. The form is available on the Department's website.

## INTEREST AND PENALTY

**INTEREST** — Interest is due on all items of tax not paid on time. Interest is computed at the rate of 15 percent per annum from the date due until the date paid.

**DELINQUENT PENALTY** — For failure to file a return on time, a penalty of 5 percent of the tax accrues if the delay in filing is not more than 30 days, with an additional 5 percent for each additional 30 days or fraction thereof during which the failure to file continues, not to exceed a total of 25 percent.

**LATE PAYMENT PENALTY** — For failure to pay the tax in full by the date the return is required by law to be filed, determined without regard to any extension of time for filing the return, a penalty of 0.5 percent of the tax not paid accrues for each 30 days during which the failure to pay continues, not to exceed a total of 25 percent.

## KEEP YOUR RECORDS

Taxpayers should keep copies of federal and state returns and W-2 statements for four years. Do not submit a copy of your federal return, unless requested by the Department.

# INSTRUCTIONS FOR PREPARING YOUR 2001 Nonresident and Part-year Resident Individual Income Tax Return, Form IT-540B

## ABOUT THIS FORM

If you were a nonresident of Louisiana or a resident of Louisiana for only part of the year and a part of the income reported on your federal return is taxable to Louisiana, you should complete Form IT-540B. If you are a nonresident professional athlete, do not use this form. Use Form IT-540B-NRA.

1. If provided, use the pre-addressed copy of the return imprinted with the taxpayer's name and address.
2. Write amounts only on those lines that are applicable.
3. Use only a black ink pen. Do not use red ink.
4. Because this form is read by a machine, please print your numbers inside the boxes like this:



5. All numbers should be rounded to the nearest dollar and numbers should **NOT** be printed over the zeros printed in the handprint boxes used to designate cents.
6. To avoid any delay in processing, use this form for **2001** only.
7. If you are filing an amended return, mark an "X" in the "Amended Return" box.

**NAME, ADDRESS, AND SOCIAL SECURITY NUMBER** – Print your Social Security Number(s) in the space provided. If there is an error on the pre-addressed return, please correct it on the return. Using the pre-addressed return helps identify your account, saves processing time, and speeds refunds. If you did not receive a booklet that was pre-addressed, print your name, address, and Social Security Number on your return. **If your name and/or address has changed since last year's return (for example, new spouse), please mark the appropriate box.** Print a daytime telephone number in the space provided. If married, please give Social Security Numbers for both you and your spouse. List in the same order as they were listed on your federal return.

**LINES 1-5:** Filing status – You must use the same filing status on your Louisiana return as you did on your federal return. In the box on the left, print the number corresponding to your filing status: "1" for Single, "2" for Married Filing Jointly, "3" for Married Filing Separately, "4" for Head of Household, and "5" for Qualifying Widow(er). If your filing status is Head of Household, you must show the name of the qualifying person in the space provided if that person is not a dependent. Head of household status is for unmarried people who paid over half the cost of keeping up a home for a qualifying person.

**LINE 6:** Exemptions – Mark an "X" in the appropriate boxes. You must use the same number of exemptions on your Louisiana return as you did on your federal return unless you are listed as a dependent on someone else's return or you are 65 or over or blind. You must claim an exemption for yourself on Line 6A even if someone else claimed you on their federal tax return. This box has been marked for you. Print in the box provided on Line 6D the total number of exemptions claimed. The names of all dependents must be shown in the space provided.

**LINE 7** – Print the amount of your federal adjusted gross income. This amount is taken from federal Form 1040, Line 33, OR federal Form 1040A, Line 19, OR federal Form 1040EZ, Line 4, OR federal Telefile worksheet, Line "I". If your federal adjusted gross income is less than zero, enter zero.

**LINE 8** – Print the total income taxable to Louisiana. On a separate sheet of paper, prepare a schedule that lists the items of income taxable to Louisiana. Please include on the schedule your name and Social Security Number along with an explanation of taxable Louisiana income. Nonresidents must report all income from Louisiana sources. Any individual who was a resident of Louisiana for only part of the year must report his income from all sources for the period during which he was a resident, plus all income from Louisiana sources for the period he was a nonresident. **Each taxpayer 65 or older is entitled to exclude up to \$6,000 of annual retirement income taxable to Louisiana.** "Annual retirement income" is pension and annuity income reported on federal Form 1040, Lines 15b and 16b, or federal Form 1040A, Lines 11b and 12b, which is taxable to Louisiana.

**LINE 9** – If you have any "Adjustments to Income" on your federal tax return that apply to Louisiana income, that amount should be shown on Line 9. On a separate sheet of paper, prepare a schedule that lists the adjustments to the items of income taxable to Louisiana. Please include on the schedule your name and Social Security Number along with an explanation of the adjustments.

**LINE 10** – Subtract Line 9 from Line 8. If less than zero, print "0".

**LINE 11** – Divide Line 10 by Line 7. Carry out two decimal places in the percentage; for example, 48.32 percent. **DO NOT ROUND UP.** The percentage cannot exceed 100 percent.

**LINE 12A** – Leave blank if you did **not** itemize deductions on your federal return. If you did itemize, print your federal itemized deductions from your federal Form 1040, Schedule A, Line 28.

**LINE 12B** – Leave blank if you did **not** itemize deductions on your federal return. If you did itemize, and your filing status is "1", print \$4,550; if "2" or "5", print \$7,600; if "3", print \$3,800; if "4", print \$6,650.

**LINE 12C** – Subtract Line 12B from Line 12A and print the balance. If less than zero, print "0".

**LINE 12D** – Multiply Line 12C by 50 percent (.50). Round up to the nearest dollar.

**LINE 12E** – See worksheet, page 10.

**LINE 12F** – Add Lines 12D and 12E and print the total.

**LINE 12G** – Multiply Line 12F by the percentage on Line 11 and print the result. This amount of deduction is the portion applicable to your Louisiana income.

**LINE 13** – Subtract Line 12G from Line 10. If less than zero, leave blank.

**LINE 14 – Calculate your Louisiana tax by using the Tax Computation Worksheet.  
(DO NOT USE RESIDENT TAX TABLES—USE WORKSHEET BELOW.)**

<b>TAX COMPUTATION WORKSHEET (Keep this worksheet for your records.)</b>					
<b>A Taxable Income:</b> Print the amount from Line 13 of Form IT-540B.				<b>A</b>	<b>00</b>
<b>B First Bracket:</b> If Line A is greater than \$10,000 (\$20,000 if filing status is 2 or 5), print \$10,000 (\$20,000 if filing status is 2 or 5). If Line A is less than \$10,000 (\$20,000 if filing status is 2 or 5), print amount from Line A.			<b>B</b>	<b>00</b>	
<b>C 1. Combined Personal Exemption – Standard Deduction:</b> If your filing status is 2, 4, or 5, print \$9,000; if 1 or 3, print \$4,500.	<b>C1</b>		<b>00</b>		
<b>2. Credit for Dependents:</b> Print \$1,000 for taxpayers and/or spouses who are 65 or over, or blind, and for each dependent claimed on Line 6C of Form IT-540B.	<b>C2</b>		<b>00</b>		
<b>3. Total:</b> Add Lines C1 and C2.	<b>C3</b>		<b>00</b>		
<b>D Ratio:</b> Enter the ratio from Form IT-540B, Line 11.	<b>D</b>		<b>%</b>		
<b>E Allowable Deduction:</b> Multiply Line C3 by the ratio on Line D.				<b>E</b>	<b>00</b>
				<b>TAX</b>	
<b>F Taxable First Bracket:</b> Subtract Line E from Line B. Multiply balance by 2% (.02) and print the result in the TAX column.			<b>F</b>	<b>00</b>	<b>2% Rate</b>
<b>G Second Bracket:</b> Subtract Line B from Line A; and, if the balance is greater than zero, print the balance or \$40,000 (\$80,000 if filing status is 2 or 5) whichever is less. Note: Reduce this amount by the amount that Line E exceeds Line B. Multiply balance by 4% (.04) and print the result in the TAX column.			<b>G</b>	<b>00</b>	<b>4% Rate</b>
<b>H Third Bracket:</b> Subtract \$50,000 (\$100,000 if filing status is 2 or 5) from Line A and print balance. If less than zero, enter zero. Multiply the balance by 6% (.06) and print the result in the TAX column.			<b>H</b>	<b>00</b>	<b>6% Rate</b>
<b>I Total Tax:</b> Add the tax on Lines F, G, and H. Print here and on Line 14 of Form IT-540B.				<b>I</b>	<b>00</b>

**LINE 15 -** You may reduce your tax liability by the following credits. Attach a schedule and an explanation taken.

**1. CREDIT FOR CERTAIN DISABILITIES –** A credit of \$100 against the tax is permitted for a taxpayer, spouse, or dependent who is blind, deaf, mentally incapacitated, or has lost the use of a limb. **Only one credit is allowed per person.** The disability must exist at the end of the taxable year, or if death occurred during the taxable year, at the date of death. If you are claiming this credit for the first time, **a physician’s statement certifying the disability is required.** If one is not submitted with the return, it will be requested later. For definitions of these disabilities, contact the Department of Revenue. Multiply the total number of eligible individuals by \$100.

**2. CREDIT FOR CONTRIBUTIONS TO EDUCATIONAL INSTITUTIONS –** Taxpayers who donate computer equipment to educational institutions, defined by Louisiana R.S. 47:37, are allowed a credit of 40 percent of the value of the property donated against their Louisiana income tax. The recipient certifies the donation or contribution of property by using the Certificate of Donation, Form R-3400. This form is available on the Department’s website at [www.rev.state.la.us](http://www.rev.state.la.us). The completed certification form must be attached to the individual income tax return. Multiply the value of the property donated to an educational institution in Louisiana by 40 percent (.40).

**3. OTHER CREDITS –** (A) Family Responsibility Program Credit – Individuals who have a contract with the Louisiana Department of Social Services to contribute to medical care in the family responsibility program are eligible for a credit of 1/3 of their contribution, limited to \$200 per year. (B) Louisiana law provides for a credit for investment in Louisiana Capital Companies. (C) Louisiana law provides for a credit for a donation to a Dedicated Research Investment Fund of at least \$200,000. (D) Business proprietors are possibly eligible for a credit for hiring the previously unemployed. (E) A credit is available for conversion of vehicles to alternative fuels. (F) Doctors affiliated with small town community hospitals may qualify for a tax credit. (G) Losses from investments in motion pictures with substantial Louisiana con-

tent may entitle the investor to tax credits if the investment in the motion picture exceeds \$2,353,000. (H) Employers who pay for training to bring employees’ reading, writing, or mathematical skills to at least the 12th grade level may be entitled to a credit of \$250 per participating employee. (I) A credit is provided for gasoline and special fuels taxes paid for operating or propelling any commercial fishing boat. (J) A credit is provided for certain law enforcement officers and certain employees of the Department of Public Safety and Corrections for certain post-secondary educational expenses incurred in the pursuit of an undergraduate degree related to law enforcement. (K) A credit is available for the employment of certain first-time drug offenders. (L) An employer credit is provided for expenses associated with the bone marrow donor program. (M) A tax credit is allowed under the Louisiana Quality Jobs Program, whereby individuals are employed in new direct jobs that offer a basic health benefit plan. Qualified establishments must enter into a contract with the Department of Economic Development. (N) Qualified law enforcement officers and certain employees of the Department of Public Safety and Corrections are eligible for a credit for the purchase of a bulletproof vest. The credit is limited to the purchase price of the bulletproof vest or \$100, whichever is less. (O) A credit is available for donations to assist Qualified Playgrounds, R.S. 47:6008. (P) A credit is available for employment-related expenses for maintaining a household for certain disabled dependents, R.S. 47:297.2.

**4. SPECIAL ALLOWABLE CREDIT –** Taxpayers are allowed a credit of 10 percent of credits taken on Lines 43, 44, and 45 on federal Form 1040 plus 10 percent of any investment tax credit or jobs credit computed on federal Form 3800. If federal Form 1040A is used, the allowed credit is 10 percent of credits on Lines 27 and 28 of the federal return. If the credit was not utilized on the federal return because of the alternative minimum tax, you must reduce this amount by the portion of the credit that was not utilized. Multiply this total federal credit by 10 percent (.10) and print the result or \$25, whichever is less. Anyone qualifying for any

of these credits should contact the Department of Revenue for further instructions.

**LINE 16A** – Subtract Line 15 from Line 14 and print the balance. If less than zero, print “0”.

**LINE 16B** – Under Louisiana Revised Statute 47:302(K), the Department is required to collect an 8 percent use tax on goods purchased for use in Louisiana if the consumer has not been properly charged Louisiana sales tax. This can include purchases from catalogs, television, the internet, outside the U.S., or from another state. If you made such purchases and were not charged Louisiana sales tax, you must complete the worksheet on the inside back cover of this booklet. Print the Total Use Tax owed on Line 16B on the face of the return.

**LINE 16C** – Add Lines 16A and 16B. Print the total on Line 16C.

**LINE 16D** – Print the amount from Line 16C.

**LINE 17A** – Print the amount of Louisiana income tax withheld in 2001. A copy of the withholding tax Form(s) W-2 must be attached to your return for credit to be allowed.

**LINE 17B** – Print the total payments made on your estimated taxes including credits carried forward to this year and payments remitted with extensions.

**LINE 17C1** – A refundable credit is allowed against income tax for 100 percent of the ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, and retailers. A copy of the inventory tax assessment and a copy of the cancelled check in payment of the tax must be attached to your return.

**LINE 17C2** – A refundable credit is allowed against income tax for up to 40 percent of the ad valorem taxes paid to Louisiana political subdivisions by a telephone company with respect to that company’s public service properties located in Louisiana. The credit may be passed through certain legal entities to individuals. See Revenue Information Bulletin 01-004 at the Department’s website and R.S. 47:6014. You must attach a schedule stating what entity(ies) paid the tax and obtained the credit on your behalf.

**LINE 17C** – Add Lines 17C1 and 17C2 and print the result here.

**LINE 17D** – Add Lines 17A, 17B, and 17C. Print the total on line 17D.

**LINE 18** – If the amount on Line 16D is larger than the amount on Line 17D, you owe additional tax. Subtract Line 17D from Line 16D and print the balance on Line 18. If your return is delinquent, see Interest and Penalty Calculation Worksheet. Make payment to the Louisiana Department of Revenue. **DO NOT SEND CASH.** Print your Social Security Number on your payment and attach it to your return.

**LINE 19** – If the amount on Line 17D is larger than the amount on Line 16D, you have overpaid your tax. Subtract Line 16D from Line 17D and print the balance on Line 19.

**LINE 20** – Print the amount of Line 19 you want donated. You must complete Schedule D. Line 20 must equal Line 5 of Schedule D.

**LINE 20A** – Print the amount of Line 19 you wish to contribute to the START Savings Program. Important: You or your spouse (if filing

a joint return) must be a registered account owner in the START Savings Program in order to contribute your refund. If you are not an account holder and wish to contribute please call 1-(800) 259-5626, extension 1012, or (225) 342-0010, or visit the website at [www.osfa.state.la.us](http://www.osfa.state.la.us) for information on how to join the START Savings Program. All contributions to START Savings Program will be equally distributed amongst the account holder’s beneficiaries.

**LINE 21A** – Print the amount of Line 19 you want **REFUNDED** to you.

**LINE 21B** – Print the amount of Line 19 you want **CREDITED** to your 2002 tax.

**FILING** – You must sign and date your return. On a joint return, your spouse must also sign in the space provided. If your return was prepared by a paid preparer, they must also sign in the appropriate space and print their identification number. **DO NOT SUBMIT A PHOTOCOPY OF THE RETURN.**

### Interest and Penalty Calculation Worksheet

If your return is delinquent, you may owe penalties and/or interest. See the “General Information” section in this booklet. To calculate delinquent penalty and interest, use the worksheet below. Round to the nearest dollar.

- |   |       |
|---|-------|
| 1. Number of days late from May 15  |       |
| 2. Divide by 30 days.   | ÷ 30  |
| 3. Number of 30-day periods (If fraction of days remain, increase to nearest whole number.) | _____ |

#### Interest Calculation

- |  |         |
|--|---------|
| 4. Balance Due Louisiana (Amount on Line 18 of return)       | \$ .00  |
| 5. Interest rate per day                                     | .00041  |
| 6. Days late (Line 1 above)                                  | x _____ |
| 7. Interest rate (Multiply Line 5 by Line 6.)                | _____   |
| 8. Total amount of interest due (Multiply Line 4 by Line 7.) | \$ .00  |

#### Delinquent Penalty Calculation

- |   |        |
|---|--------|
| 9. 30-day penalty percentage  | .05    |
| 10. Number of 30-day periods (Line 3 above)   | _____  |
| 11. Total penalty percentage (Cannot exceed 25 percent) (Multiply Line 9 by Line 10.) | _____  |
| 12. Total amount of penalty due (Multiply Line 4 by Line 11.)                         | \$ .00 |

#### Total Amount Due

- |  |        |
|--|--------|
| 13. Total of Lines 4, 8, and 12. Include this amount on Line 18 of the return. | \$ .00 |
|--|--------|

If the full amount of tax is not paid on the due date, a late payment penalty will be assessed. The combined amount of delinquent penalty and late payment penalty cannot exceed 25 percent. If you have obtained an approved extension and file your return on or before the extension date, a delinquent penalty is not assessed. To avoid the assessment of the late payment penalty, all taxes must be paid on or before May 15, even if you have an approved extension.

**Nonresident Worksheet and Instructions to Compute  
Modified Federal Income Tax Deduction for  
Line 12E of Form IT-540B.**

Last year, many taxpayers received an "Advance Payment" from the Internal Revenue Service as a result of Congress passing, and the President signing into law, the Economic Growth and Tax Relief Reconciliation Act of 2001. This law directed the U.S. Treasury to issue to eligible taxpayers an up-front payment of a **tax credit** that would normally have been taken when filing a federal return in 2002. Because this is a **reduction of federal income tax** and Louisiana law allows a deduction for federal income tax, **the federal tax deduction for Louisiana would normally be reduced**. If this deduction goes down, then the amount of Louisiana income subject to state tax increases, causing your Louisiana income tax to rise.

To avoid any state tax burden caused by the passage of Federal Income Tax Relief, Governor Foster and the members of the Louisiana Legislature requested the Department to seek permission from the Louisiana Board of Tax Appeals to eliminate the Louisiana tax effect of any advance federal payments you may have received during the 2001 tax year. To determine your deduction for Line 12E of the Louisiana Nonresident Income Tax Return (Form IT-540B), please complete the schedule below:

**IMPORTANT: For many Louisiana taxpayers, Line 2 on the schedule below will be zero because the taxpayer received the correct amount of advance payment (your tax credit) from the IRS last year.** Without the tax relief granted by the state, the federal income tax deduction on Line 12E of the Louisiana Nonresident Income Tax Return (Form IT-540B) **would be decreased** by the amount of any federal advance payment received causing you to pay more Louisiana income tax.

**IMPORTANT: If you filed Federal Form 1040EZ, print the amount from Line 11 of Form 1040EZ on Line 12E of Louisiana Form IT-540B. If you used Federal Telefile to file your federal tax return, enter the amount from the right hand column on Line K of the Federal Telefile Worksheet on Line 12E of Louisiana Form IT-540B.**

- 1) Enter the amount of your federal tax liability. This amount is taken from Federal Form 1040A, Line 34, OR Federal Form 1040, Line 52, less the amount from Federal Form 4972 included on Line 40.

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Optional deduction - The Federal Tax Deduction computed above may be increased by the amount of foreign tax credit claimed on Federal Form 1040, Line 43. If this additional deduction is elected, no special allowable credit may be claimed on Line 15 of Form IT-540B.

- 2) Enter the amount of the RATE REDUCTION CREDIT computed on your federal return. This amount is taken from Federal Form 1040A, Line 30, OR Federal Form 1040, Line 47.

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Add Lines 1 and 2 and print result on Line 12E of the Louisiana Nonresident Income Tax Return (Form IT-540B).

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**IMPORTANT: If you filed Federal Form 1040EZ, print the amount from Line 11 of Form 1040EZ on Line 12E of Louisiana Form IT-540B. If you used Federal Telefile to file your federal tax return, enter the amount from the right hand column on Line K of the Federal Telefile Worksheet on Line 12E of Louisiana Form IT-540B.**