

# 2003 LOUISIANA

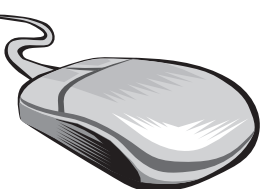
THIS BOOKLET CONTAINS 2 TAX FORMS.

## INCOME TAX RETURN RESIDENT FORM

Access information about the Department of Revenue on the World Wide Web at  
[www.revenue.louisiana.gov](http://www.revenue.louisiana.gov)

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OR  
ASK YOUR TAX PREPARER TO  
E-FILE YOUR RETURN FOR YOU.



Check the status of your refund or request forms by calling **1-888-829-3071**.

This toll-free number is available 24 hours a day.

For local calls within the Baton Rouge area, call **922-3270**.



# GENERAL INFORMATION FOR FILING YOUR 2003 LOUISIANA 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.

Free internet filing and E-Payment is available for most Louisiana taxpayers through the Department's website at [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov).

## WHO MUST FILE A RETURN

- All Louisiana resident individuals who are required to file a federal individual income tax return must file a return reporting all income earned in 2003.
- Any taxpayer who has overpaid his tax through withholding, declaration of estimated tax, or composite partnership payments made on behalf of the taxpayer must file a return to obtain a refund or credit.
- If you are **not required to file a federal return**, but had Louisiana income tax withheld in 2003, **you may file a return to claim a refund of the amount withheld. Please refer to the IRS requirements for filing to determine if you must file a federal return.**
- 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 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, resident taxpayers are allowed a credit for this liability, provided such income is included on the Louisiana return. Any military personnel whose domicile is not Louisiana must report any nonmilitary Louisiana source income on Form IT-540B. Louisiana residents that are members of the armed services and were stationed out-of-state for 120 or more consecutive days may be entitled to an exemption of up to \$29,999 of military income. Please see the instructions for Schedule E, Line 4J on page 24.
- Nonresident professional athletes should use Form IT-540B-NRA.
- A temporary absence from the State of Louisiana does not automatically change your domicile for income tax purposes. The intention to change one's domicile to another state must be shown by actions taken to establish a new domicile outside Louisiana and to abandon the Louisiana domicile and privileges. Examples of actions taken include: registering to vote, registering and titling vehicles, obtaining a driver's license, changing children's school attendance, obtaining homestead exemption, or any other actions that show intent. **These are intended as examples and do not necessarily indicate a change in residency.** An individual who continues to maintain a residence in Louisiana while working in another state is considered a Louisiana resident. Use Nonrefundable Tax Credits Schedule A – Part 1 to report taxes paid to another state.
- 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: you are the surviving spouse, executor, administrator, or legal representative; and, the decedent met the filing requirements at the date of death. Mark the decedent box on the face of the return and attach a copy of the death certificate along with Form R-6642. (Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer)

## FORMS

Forms and instructions may be obtained from any office of the Department of Revenue, and on the Department's website at [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov). 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, exemptions, or credits, you must file an amended Louisiana return. A corrected return 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, federal 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 the original return. This information is already on file.

## FEDERAL TAX ADJUSTMENTS

Louisiana Revised Statute 47:103(C), 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. This statement should accompany your amended state return.

## WHEN TO FILE AND PAY TAX

- A calendar year return is due on or before May 17, 2004.
- 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

For all returns: Print your Social Security Number on any correspondence. As well, on a joint return, print the Social Security Numbers in the same order that you listed them on your federal return.

Returns reflecting a refund should be mailed to P.O. Box 3440, Baton Rouge, LA 70821-3440.

Returns for which a payment is due should be mailed to P.O. Box 3550, Baton Rouge, LA 70821-3550. Please complete the payment voucher below and mail it with your remittance. Please do not send cash, and **print your Social Security Number(s) on the check or money order.**

## EXTENSION OF TIME FOR FILING A RETURN

Louisiana recognizes an 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 to request an extension beyond the date required for filing your federal return. The form is included in the back of this booklet and on the Department's website.

## INSTALLMENT AGREEMENT

An installment request, Form R-19025, is included in the back of this booklet and on the Department's website. If you are unable to pay the balance in full by the due date, this request must be submitted along with a minimum payment of 20 percent of the total amount owed.

## INTEREST AND PENALTIES

See Interest and Penalty Calculation Worksheet, page 14.

## 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.

# 2003

## Louisiana Income Tax Payment Voucher

Name  
Spouse's Name  
Address  
City, State, ZIP

**Print Social Security Numbers as shown on return.**

Your Social Security Number (1)

Your spouse's Social Security Number (2)

Make payment to:  
Louisiana Department of Revenue  
P. O. Box 3550  
Baton Rouge, LA 70821-3550  
**Do not send cash.**

AMOUNT ENCLOSED

Please include your Social Security Number on your payment.

Mail date

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6435

For office use only.



# INSTRUCTIONS FOR PREPARING YOUR 2003 LOUISIANA RESIDENT INDIVIDUAL INCOME TAX RETURN FORM IT-540

## ABOUT THIS FORM

The return has been designed for electronic scanning that permits faster processing with fewer errors. In order to avoid unnecessary delays caused by manual processing, taxpayers should follow the guidelines listed below:

1. If provided, use the pre-addressed copy of the return imprinted with the taxpayer's name(s) and address.
2. Print amounts only on those lines that are applicable.
3. Use only a black ink pen. Do not use red ink, or pencil.
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 **2003** 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. 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(s), address, and Social Security Number(s) 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.** If married, please give Social Security Numbers for both you and your spouse.

On a joint return, print the Social Security Numbers in the same order that you show your first names. Your names and Social Security Numbers must be listed in the same order that you listed them 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 the 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 age 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 already been marked with an "X" 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 1040EZ, Line 4, **OR** federal Form 1040A, Line 21, **OR** federal Form 1040, Line 34, **OR** federal Telefile worksheet, Line "I". If your federal adjusted

gross income is less than zero, print zero. Residents with exempt income, recapture of START contributions, interest income from obligations of other states and their political subdivisions, or residents 65 years of age or over with annual retirement income taxable to Louisiana should use Schedule E to determine their Louisiana adjusted gross income. See "Instructions for Schedule E." As well, residents with 120 (or more) consecutive days of out-of-state active duty in the armed forces of the United States should refer to the instructions for Line 4J of Schedule E to determine if their income is exempt from Louisiana income tax. Mark the box if you used the amount from Louisiana Schedule E. **Nonresidents and part-year residents must use Form IT-540B to file their Louisiana return. Nonresident professional athletes must use Form IT-540B-NRA.**

**LINE 8** – Print the amount of your federal tax liability on this line. This amount is taken from your federal return. Each federal return is listed below:

Federal Form **1040EZ** filers: This amount is taken from Line 10.

Federal Form **1040A** filers: This amount is taken from Line 36.

Federal Form **1040** filers: This amount is taken from Line 54, less the amount from Form 4972 included on Line 41.

Federal **Telefile**: This amount is taken from the right hand column of Line K of the federal Telefile worksheet, [Line K (2) Tax].

**Optional deduction** – The federal tax deduction above may be increased by the amount of foreign tax credit claimed on federal Form 1040, Line 44. If this additional deduction is claimed, no special allowable credit may be claimed on Louisiana Nonrefundable Tax Credits Schedule A – Part 1, Line 4.

**LINE 9** – Subtract Line 8 from Line 7 and print the result. If less than zero, print "0".

**LINE 10** – Turn to the tax table that corresponds with your filing status. Locate the amount of your tax table income from Line 9 in the first two columns of the tax table. Read across to the column numbered the same as the total number of exemptions claimed on Line 6D. The amount shown in that column is your Louisiana tax liability. Print this amount on Line 10 of the return. If you have more than eight exemptions, refer to the instructions at the top of the tax tables.

**LINE 11** – Print the amount from Line 7 of **Louisiana** Nonrefundable Tax Credits Schedule A-Part 1. See instructions for "**Louisiana** Nonrefundable Tax Credits Schedule A-Part 1."

**LINE 12A** – Subtract Line 11 from Line 10 and print the result. If no federal return is required to be filed, or if less than zero, print "0". Please refer to the IRS requirements for filing to determine if you must file a federal return.

**LINE 12B** – If, during 2003, you purchased goods for use in Louisiana from out-of-state and were not properly charged Louisiana state sales tax, you are required to file and pay the tax directly to the Louisiana Department of Revenue. This can include purchases from catalogs, television, internet, outside the U.S., or another state. See the Consumer Use Tax worksheet included with the return.

**LINE 12C** – Add Lines 12A and 12B and print the result.

**LINE 13A** – Print the amount of Louisiana income tax withheld in 2003. A copy of the withholding tax Form(s) W-2 must be attached to your return for credit to be allowed. If this amount exceeds 10 percent of the income shown on Line 7, attach a copy of your federal return.

**LINE 13B** – Print the amount from Line 5 of **Louisiana** Refundable Tax Credits and Payments Schedule A-Part 2.

**LINE 13C** – Add Lines 13A and 13B and print the result.

**LINE 14** – If the amount on Line 12C is greater than the amount on Line 13C, additional tax is owed to Louisiana. Subtract Line 13C from Line 12C and print the result.

**LINE 14A** – Print the amount from Line 5 of the Interest and Penalty Calculation Schedule included with this return. **You must attach and file this schedule with your return.**

**LINE 14B** – Add Lines 14 and 14A and print the result. This is the balance due Louisiana. Make payment to the Louisiana Department of Revenue. Do not send cash. **Write your Social Security Number(s) on your remittance and attach it to your return.**

**LINE 15** – If the amount on Line 13C is greater than the amount on Line 12C, you have overpaid your tax. Subtract Line 12C from Line 13C and print the result.

**LINE 16A** – Print the amount of Line 15 you wish to donate. **You must attach Louisiana Schedule D.** Line 16A must equal Line 5 of Louisiana Schedule D.

**LINE 16A1** – Print the amount of Line 15 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 any part or all of your refund. If you are not an account holder and wish to enroll in this program, you may contact the Louisiana Office of Student Financial Assistance at 1-800-259-5626, ext. 1012 or through their website at [www.osfa.state.la.us](http://www.osfa.state.la.us). All contributions made by means of your refund will be equally distributed amongst the account holder's beneficiaries.

**LINE 16B** – Print the amount of Line 15 you want **REFUNDED** to you.

**LINE 16C** – Print the amount of Line 15 you want **CREDITED** to your 2004 tax.

## INSTRUCTIONS FOR NONREFUNDABLE TAX CREDITS SCHEDULE A – Part I

**LINE 1 – CREDIT FOR NET INCOME TAX LIABILITIES PAID TO OTHER STATES** – (R.S. 47:33) If you were a resident of Louisiana for the entire year, you are allowed a credit for the net income tax liabilities paid to one or more states of the United States. Please note the “net income tax liability” is generally not the amount withheld. No credit may be claimed for taxes paid to cities, the District of Columbia, or foreign countries. The credit allowed on your Louisiana return must be for the same taxable year for which the tax was paid to other state(s) or in the succeeding taxable year. Print on Line 1 the amount of the paid income tax liabilities to other state(s). Round to the nearest dollar. **A copy of the return(s) filed with the other states must be attached to your Louisiana return.**

**LINE 2 – CREDIT FOR CERTAIN DISABILITIES** – (R.S. 47:297(A)) A credit of \$100 against the tax is permitted for the taxpayer, spouse, or dependent who is deaf, has lost the use of a limb, mentally incapacitated, or blind. **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 purposes of this credit, DEAF is defined as one who cannot understand speech through auditory means alone (even with the use of amplified sound) and must either use visual means or rely on other means of communication. LOSS OF LIMB is defined as one who has lost one or both hands at or above the wrist or one or both feet at or above the ankle. This credit also applies if use of the limb or limbs has been permanently lost. MENTALLY INCAPACITATED is defined as one who is incapable of caring for himself or performing routine daily health requirements due to his mental condition. BLIND is defined as one who is totally blind or whose central field of acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity is limited to a field no greater than 20 degrees. The name(s) of the qualifying dependent(s) must be printed on Line 2C. Print on Line 2D the total number of qualifying individuals. Multiply Line 2D by \$100 and print the result on Line 2E.

**LINE 3 – CREDIT FOR CONTRIBUTIONS TO EDUCATIONAL INSTITUTIONS** – (R.S. 47:37) Taxpayers who donate computer equipment to educational institutions 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.revenue.louisiana.gov](http://www.revenue.louisiana.gov). The completed certification form must be attached to the individual income tax return. Print on Line 3A the value of the property donated to an educational institution in Louisiana. Multiply the amount on Line 3A by 40 percent (.40) and print the result on Line 3B. Round to the nearest dollar.

**LINE 4 – CREDIT FOR CERTAIN FEDERAL CREDITS** – (R.S. 47:297(B)) Taxpayers are allowed a credit of 10 percent of the credits taken on Lines 44 and 46 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 the credit on Line 30 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. Print the total federal credit on Line 4A. Multiply Line 4A by 10 percent (.10) and print the result or \$25, whichever is less, on Line 4B.

**LINE 5 – See Child Care Credit Worksheet on page 23.**

**LINE 6 – OTHER CREDITS** – [A] **Family Responsibility Program Credit** (R.S. 47:297(F) & 46:449) 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 Capital Companies Credit** (R.S. 51:1924) Louisiana law provides for a credit for investment in Louisiana Capital Companies. [C] **Dedicated Research Investment Fund Credit** (R.S. 51:2203) A credit of 35 percent of a cash donation of \$200,000 or more to the Dedicated Research Investment Fund is available. The Louisiana Board of Regents



must certify the credit. [D] **Credit for Employment of the Previously Unemployed** (R.S. 47:6004) Business proprietors are possibly eligible for a credit for hiring the previously unemployed. [E] **Credit for Converting Vehicles to Alternative Fuel Usage** (R.S. 47:38) A credit is available for conversion of vehicles to alternative fuels. [F] **Small Town Doctor's Credit** (R.S. 47:297(H)) Doctors affiliated with small town community hospitals may qualify for a tax credit. [G] **Credit for a Dentist Who Maintains a Primary Practice in a Dental Health Professional Shortage Area** (R.S. 47:297(H)). [H] **Louisiana Basic Skills Training Tax Credit** (R.S. 47:6009) 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] **Credit for Gasoline and Special Fuels Taxes** (R.S. 47:297(C)) A credit is provided for gasoline and special fuels taxes paid for operating or propelling any commercial fishing boat. [J] **Credit for Educational Expenses Incurred for a Degree Related to Law Enforcement** (R.S. 47:297(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] **Credit for the Employment of Certain First-Time Drug Offenders** (R.S. 47:297(K)) A credit is available for the employment of certain first-time drug offenders. [L] **Bone Marrow Donor Expenses Credit** (R.S. 47:297(I)) An employer credit is provided for expenses associated with a bone marrow donor program. [M] **Credit for Purchase of a Bullet Proof Vest** (R.S. 47:297(L)) 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 or \$100, whichever is less. [N] **Credit for Donations to Assist Qualified Playgrounds** (R.S. 47:6008) A taxpayer may claim up to \$1000 or 50 percent of the value of a qualified donation to a qualified playground. [O] **Credit for Employment Related Expenses for Maintaining a Household for Certain Disabled Dependents** (R.S. 47:297.2) A credit is allowed for persons maintaining a household that includes dependents who are physically or mentally disabled. [P] **Motion Picture Investor Tax Credit** (R.S. 47:6007) Louisiana domiciled taxpayers may take a tax credit for investments in state certified motion picture productions. [Q] **Employment Tax Credit** (R.S. 47:1125.1) A motion picture production company may be entitled to a tax credit for the employment of Louisiana citizens. [R] **Rehabilitation of Historic Structures** (R.S. 47:6019) A taxpayer may be eligible for a credit as a result of incurring certain expenses during the rehabilitation of a historic structure located in a downtown development district. [S] **New Markets Credit** (R.S. 47:6016) A taxpayer may qualify for a credit if the taxpayer makes certain qualified low-income community investments. [T] **Louisiana Quality Jobs Program Credit** (R.S. 51:2452 et. seq). [U] **Enterprise Zone Tax Exemption Contract** (R.S. 51:1782 et. seq). [V] **Biomedical Research & Development Park** (R.S. 46:813.1 & R.S. 17:3389) Please contact the Department of Economic Development for details about this credit. [W] **Manufacturing Establishments** (R.S. 47:4305) Please contact the Department of Economic Development for details about this credit.

**LINE 7 – TOTAL NONREFUNDABLE TAX CREDITS SCHEDULE A-PART 1** – Add Lines 1, 2E, 3B, 4B, 5, and 6. Print the result on Line 7 and on Line 11 of Form IT-540.

For complete information, refer to "Credits, Exemptions, Exclusions, and Deductions for Individual and Corporation Income Tax, Corporation Franchise Tax, Inheritance Tax and Gift Tax" on the Department's website at [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov).

## INSTRUCTIONS FOR REFUNDABLE TAX CREDITS AND PAYMENTS SCHEDULE A – Part 2

**LINE 1** – Print the total payments made by means of: A) estimated declarations, B) credit carried forward to this year, C) composite partnership payments made on your behalf, and D) payments remitted with extensions.

**LINE 2A** – 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 (R.S. 47:6006). A copy of the inventory tax assessment and a copy of the cancelled check in payment of the tax must be attached to the return.

**LINE 2B** – 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 (R.S. 47:6014). The credit may be passed through certain legal

entities to individuals. See Revenue Information Bulletin 01-004 on the Department's website. A schedule must be attached stating what entity(ies) paid the tax and obtained the credit on the individual's behalf.

**LINE 2** – Add Lines 2A and 2B and print the result.

**LINE 3** – A refundable credit is allowed against income tax for purchases by a taxpayer of specialty apparel items from a Private Sector Prison Industry Enhancement (PIE) contractor (R.S. 47:6018). Please contact the Department for further information concerning this credit.

**LINE 4** – See Child Care Credit Worksheet on page 23.

**LINE 5** – Add Lines 1, 2, 3, and 4 and print the result here and on Line 13B on the face of the return.

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

## Interest and Penalty Calculation Worksheet

In general, interest and penalties will be charged if you do not pay all amounts due on or before May 17, 2004. If the return is for a fiscal year, then interest and penalties will be charged if you do not pay on or before the 15<sup>th</sup> day of the fifth month after the close of the taxable year. **Important: The granting of an extension does not relieve one of their obligation to pay all tax amounts due by the due date.** Below, are worksheets to assist you in computing interest, delinquent penalty, and the late payment penalty.

**Interest** – Interest is due on all tax amounts that are not timely paid. Interest is charged at the rate of 15 percent per annum from the date due until the date paid.

### Interest Calculation Worksheet

1. Number of days late from \*May 17, 2004  
(\*or days late from fiscal year due date) \_\_\_\_\_
2. Interest rate per day .00041 \_\_\_\_\_
3. Interest rate (Multiply Line 1 by Line 2.) \_\_\_\_\_
4. Amount you owe  
(Line 14 of Form IT-540.) \_\_\_\_\_
5. Total interest due (Multiply Line 4 by Line 3  
and print the result on Line 1 of the  
“Interest and Penalty Calculation Schedule”  
included with the return.) .00 \_\_\_\_\_

**Delinquent Penalty** – A delinquent penalty will be assessed for failure to file a timely return. A penalty of 5 percent of the tax due 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. By law, the maximum delinquent penalty that can be imposed is 25 percent of the tax due.

### Delinquent Penalty Calculation Worksheet

1. Number of days late from \*May 17, 2004  
(\*or days late from fiscal year due date) \_\_\_\_\_
2. Divide Line 1 by 30 (days) ÷ 30 \_\_\_\_\_
3. Number of 30-day periods (If fraction of  
days remain, increase to nearest whole  
number.) \_\_\_\_\_
4. 30-day penalty percentage .05 \_\_\_\_\_
5. Total penalty percentage (Multiply Line 3  
by Line 4. The result cannot exceed  
25 percent.) \_\_\_\_\_
6. Amount you owe  
(Line 14 of Form IT-540.) \_\_\_\_\_
7. Total amount of delinquent penalty due  
(Multiply Line 6 by Line 5 and print the  
result on Line 2 of the “Interest and  
Penalty Calculation Schedule”  
included with the return.) .00 \_\_\_\_\_

**Late Payment Penalty** – If you fail to fully pay the tax due by the due date (May 17, 2004) a late payment penalty will be assessed. **The granting of an extension does not relieve one of their obligation to pay all tax amounts due by the due date.** A penalty of 0.5 percent of the tax not paid by the due date will accrue for each 30 days during which the failure to pay continues. This penalty cannot exceed 25 percent of the tax due.

### Late Payment Penalty Calculation Worksheet

1. Number of days late from \*May 17, 2004  
(\*or days late from fiscal year due date) \_\_\_\_\_
2. Divide Line 1 by 30 (days) ÷ 30 \_\_\_\_\_
3. Number of 30-day periods (If fraction of  
days remain, increase to nearest whole  
number.) \_\_\_\_\_
4. 30-day penalty percentage .005 \_\_\_\_\_
5. Total penalty percentage (Multiply Line 3  
by Line 4. The result cannot exceed  
25 percent.) \_\_\_\_\_
6. Amount you owe  
(Line 14 of Form IT-540.) \_\_\_\_\_
7. Total amount of late payment penalty due  
(Multiply Line 6 by Line 5 and print the  
result on Line 3 of the “Interest and  
Penalty Calculation Schedule”  
included with the return.) .00 \_\_\_\_\_

**Important note:** The sum of BOTH the delinquent and late payment penalties cannot exceed 25 percent (.25) of the tax due. The 30-day increments used for the calculation of the delinquent and late payment penalties are based on the date the Department receives the return and/or payment, not the date the envelope is postmarked.

**Underpayment Penalty** – An underpayment penalty may be charged if your tax deficiency is greater than \$1,000 and your filing status is either single, married filing separately, or head of household. If your filing status is married filing joint, or qualifying widow(er) you might incur an underpayment penalty if your tax deficiency is greater than \$2,000. In order to determine if an underpayment penalty is due, and to compute the underpayment penalty, you must obtain Form R-210 that is available from any of the Department’s Regional Offices. A list of these offices is located on the back cover of this booklet. The form is also available on the Department’s website, at [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov).

## CHILD CARE CREDIT WORKSHEET

R.S. 47:297.4 allows for a certain percentage of your federal Child Care Credit to be claimed as a credit against your Louisiana individual income tax. In order to take this credit, you must have claimed the federal credit on either federal Form 1040 or federal Form 1040A.

1. Enter the amount of your Adjusted Gross Income (AGI) from Line 7 of Form IT-540 or Schedule E, Line 1 if Schedule E is completed. \_\_\_\_\_ .00
2. From federal Form 1040 Line 45 or federal Form 1040A Line 29, enter the amount of the Child Care Credit claimed. Enter this amount on Line 1 of the Child Care Credit Schedule included with the return. \_\_\_\_\_ .00
- Caution!!** If the amount on Line 1 above is less than or equal to \$25,000 proceed to the next line. If Line 1 above is greater than \$25,000 proceed to Line 5.
3. Multiply Line 2 above by \_\_\_\_\_ .50
4. Enter this amount on Line 3 of the Child Care Credit Schedule included with this return and on Line 4 of Refundable Tax Credits Schedule A—Part 2. \_\_\_\_\_ .00

**STOP!!** Your AGI must be greater than \$25,000 to proceed to Line 5!!

5. Using AGI from Line 1 on this worksheet, determine applicable percentage from the chart below:

AGI	Percentage
\$25,001 – \$35,000	30%
\$35,001 – \$60,000	10%
over \$60,000	10%

Applicable percentage: \_\_\_\_\_

6. Multiply amount on Line 2 by the percentage on Line 5. \_\_\_\_\_ .00

**Important!!** If AGI is greater than \$60,000 then the credit is limited to the LESSER of twenty-five dollars (\$25.00) or 10 percent of the federal credit. You may be required to carry forward some or all of your nonrefundable Louisiana Child Care credit. You must utilize the schedule below to determine your applicable credit for 2003 or any carry forward to 2004.

## CARRY FORWARD PROVISION FOR NONREFUNDABLE CHILD CARE CREDIT

1. Enter amount from Line 10 of Form IT-540. \_\_\_\_\_ .00
2. From Nonrefundable Tax Credits, Schedule A – Part 1. Add Lines 1, 2E, 3B, 4B, and 6. \_\_\_\_\_ .00
3. From Refundable Credits, Schedule A – Part 2. Add Lines 2 and 3. \_\_\_\_\_ .00
4. Subtract Lines 2 and 3 from Line 1 above. \_\_\_\_\_ .00
5. If line 4 is greater than or equal to Line 6 of the Child Care Credit Worksheet above, your entire credit is allowed and there is no carry forward amount. Enter the amount from Line 6 of the Child Care Credit Worksheet above on Line 2 of the Child Care Credit Schedule included with the return.

6. If Line 4 is zero or less than zero your Child Care Credit carry forward is equal to Line 6 of the Child Care Credit Worksheet above. Enter zero on Line 2 of the Child Care Credit Schedule included with the return.

7. Enter amount of Nonrefundable Child Care Credit from Line 6 of the worksheet above. \_\_\_\_\_ .00

8. If Line 4 is greater than zero but less than Line 7 above, Line 4 is your allowable Child Credit for 2003. Enter this amount on Line 2 of the Child Care Credit Schedule included with the return.

9. Subtract Line 4 from Line 7, this is your carry forward from 2003 to 2004. \_\_\_\_\_ .00

## INSTRUCTIONS FOR SCHEDULE E – Adjustments to Income

**LINE 1** — Print the amount of your federal adjusted gross income. This amount is shown on your federal Form 1040EZ, Line 4, **OR** federal Form 1040A, Line 21, **OR** federal Form 1040, Line 34, **OR** federal Telefile worksheet, Line “I”. If less than zero, print zero.

**LINE 2** — Interest income and dividends not reported on your federal return are taxable to Louisiana if all of the following conditions are met:

- a. You are filing as a resident of Louisiana.
- b. The interest is received from obligations of a state or political subdivision of a state other than Louisiana. (Obligations of the State of Louisiana, its political subdivisions, or public corporations created by them and their constituted authorities are exempt from Louisiana taxes.)
- c. The obligations were purchased on or after January 1, 1980. Print on Line 2 the **total** taxable interest and dividends. Do not list interest and dividends separately.

**LINE 2A** – Recapture of START program contributions. Print on this line any previously exempted START contributions that were refunded to you by the Louisiana Office of Student Financial Aid.

**LINE 3** — Add Lines 1, 2, and 2A and print the result.

**LINE 4A** — Print the amount of interest and dividends from U.S. government obligations that are included in the amount on Line 1 of Schedule E. Include here amounts received from mutual funds that are identified as income from investments in U.S. government obligations. If the amount is not specifically identified, it is taxable and cannot be excluded.

**LINE 4B** — Print the amount of retirement benefits received from the Louisiana State Employees’ Retirement System that is included in the amount on Line 1 of Schedule E.

**LINE 4C** — Print the amount of retirement benefits received from the Louisiana State Teachers’ Retirement System that is included in the amount on Line 1 of Schedule E.

**LINE 4D1** — Print the amount of retirement benefits received from the Federal Retirement System that is included in the amount on Line 1 of Schedule E.

**LINE 4D2** — Print the amount of retirement benefits received from any retirement system whose benefits are specifically exempted from Louisiana tax. **Print the name of the retirement system or the statute** exempting these benefits from Louisiana income tax in the space provided.

## INSTRUCTIONS FOR SCHEDULE E – Adjustments to Income (continued)

**LINE 4E** — If your filing status is single, head of household, or married filing separate and you are 65 or over, up to six thousand dollars (\$6,000) of annual retirement income that you receive may be exempt from state taxation. If your filing status is married filing joint or qualified widow(er) and **BOTH** taxpayers are receiving annual retirement income and **BOTH** are 65 or over, up to \$6000 of annual retirement income that **each** taxpayer receives may be exempt from state taxation. “Annual retirement income” is pension and annuity income you receive that is reported on federal Form 1040, Lines 15b and 16b, **OR** federal Form 1040A, Lines 11b and 12b, that is taxable to Louisiana. Do not include retirement benefits claimed on Lines 4B, 4C, 4D1, and 4D2 of Schedule E. Print the name or source of the pension(s) or annuity(ies) on Line 4E of Schedule E.

If your filing status is single, head of household or married filing separate, determine the exempt amount that should be printed on Line 4E, by completing the **FIRST COLUMN** of the worksheet below.

If your filing status is married filing joint or qualified widow(er), determine the exempt amount that should be printed on Line 4E by completing **BOTH COLUMNS** of the worksheet below.

	Taxpayer	Spouse
1. Print pension and annuity income you received and reported on federal Form 1040, Lines 15b and 16b, <b>OR</b> federal Form 1040A, Lines 11b and 12b on Line 1(a). Print spouse’s amount on Line 1(b).	a. _____	b. _____
2. Print pension and annuity income you received and claimed on Lines 4B, 4C, 4D1, and 4D2 of Schedule E on Line 2(a). Print spouse’s amount on Line 2(b).	a. _____	b. _____
3. Subtract Line 2 from Line 1 and print the result.	a. _____	b. _____
4. Maximum exemption for individual 65 and over.	a. <u>\$6,000</u>	b. <u>\$6,000</u>
5. For each taxpayer 65 or over, print the amount from Line 3 or Line 4, whichever is less.	a. _____	b. _____
6. If your filing status is single, head of household or married filing separate print the amount from Line 5(a) on Line 4E of Schedule E. If your filing status is married filing joint or qualified widow(er) add the amounts on Lines 5(a) and 5(b) and print the result on Line 4E of Schedule E.		

**LINE 4F** — Social Security benefits taxed on your federal return are exempt from Louisiana tax. Print the amount shown on your federal Form 1040, Line 20b, **OR** federal Form 1040A, Line 14b.

**LINE 4G** — Income earned or received by a tribal member living on the reservation or land held in trust for the tribe will not be subject to Louisiana income tax if such income is derived from sources within the boundaries of the tribal land or outside the State of Louisiana. If a tribal member or a nontribal member earns income or derives wages from services performed outside the boundaries of the tribal land, but within the State of Louisiana, such income shall be taxable. Income earned by nontribal members working within the boundaries of tribal land is subject to Louisiana tax. All income earned by a tribal member living off the reservation is subject to Louisiana income tax.

**LINE 4H** — List the source and amount of other income included in Line 1 of Schedule E that Louisiana cannot tax. Do not list income earned in another state. Residents of Louisiana are taxed on all

income regardless of where it was earned. Credit for taxes paid to other states may be deducted on Nonrefundable Tax Credits Schedule A – Part 1, Line 1. Nonresidents and part-year residents should use Form IT-540B to determine their Louisiana tax. Nonresident professional athletes should use Form IT-540B-NRA. Disabled individuals claiming an exemption (R.S. 47:59.1) for making adaptations to their home should use this line to deduct the expenses from their gross income. Persons receiving disability income (R.S. 47:44.1(B)) for a permanent total disability may exclude up to \$6,000 of annual disability income from their taxable income.

Persons claiming an S Bank shareholder exclusion should use this line to report the exclusion. An S Bank shareholder may exclude from Louisiana tax table income an amount equal to the S Bank shareholder’s nontaxable income. “S Bank non-taxable income” means the portion of the income reported by an S Bank on federal Form 1120S (Schedule K-1), or equivalent document, and which is attributable to the net earnings used to compute the S Bank’s shares tax as provided in R.S. 47:1967.

**LINE 4I** — **START Savings Program** - Enter the total amount contributed (up to \$2,400 per account plus any carry-forward) on Line 4I. For information concerning the carryforward provision of the **START Savings Program**, please refer to Revenue Information Bulletin 03-001 on the Department’s website.

**LINE 4J** – Residents of Louisiana who served in the armed services of the United States may be able to exempt military compensation earned outside of Louisiana. If you served 120 or more consecutive days on active duty as a member of the armed services of the United States, the compensation paid to you (and/or your spouse) by the armed services while serving outside of Louisiana is exempt from Louisiana income tax. Example: On January 15, 2003, you went on active duty and continuously remained on active duty past May 13, 2003. (119 days). Up to \$29,999 of compensation paid to you (and/or your spouse) by your branch of the armed services may be exempt from Louisiana income tax. The exempt portion is that amount of compensation earned outside of Louisiana during and after 120 plus consecutive days of active duty. In the above example, if you served 40 days in Louisiana and the remainder of duty outside of Louisiana, income from the 41<sup>st</sup> day forward is exempt once you have served 120 plus consecutive days of active duty. Please attach a copy of your official orders, including endorsements, that establish your 120 plus consecutive days of out-of-state active duty.

**LINE 4K** — Add Lines 4A through 4J and print the result.

**LINE 4L** — Print on Line 4L the amount of federal tax applicable to the exempt income shown on Line 4K. If Line 8 on the face of Form IT-540 is greater than zero, complete both options and use the option that results in the **lowest** federal tax.

Option 1:	If Line 4K is:	Then print on Line 4L:
	Less than \$15,000	-0-
	\$15,000 - \$50,000	25% of the amount over \$15,000
	more than \$50,000	\$8,750 plus 40% of the amount over \$50,000

**Option 2:** Divide Line 4K by Line 1. Carry out two decimal places in the percentage; for example, 48.32%. **DO NOT ROUND UP.** The percentage cannot exceed 100%. Multiply your total federal tax from Line 8 of Form IT-540 by the ratio obtained. If there is no applicable federal tax, print zero.

**LINE 4M** — Subtract Line 4L from Line 4K and print the result.

**LINE 5** — Subtract Line 4M from Line 3 and print the result here and on Line 7 of Form IT-540. Mark the box on Line 7 of Form IT-540 indicating Schedule E was used.





State of Louisiana
Department of Revenue
P.O. Box 3440
Baton Rouge, LA 70821-3440
Application for Extension of Time to File
Louisiana Individual Income Tax

Please note: If you received an extension to file your federal tax return for this period, you do not need a separate extension for filing your state return. Louisiana will recognize and accept the federal extension authorizing the same extended due date as the federal.

Attach a copy of your federal application, Form 4868 or 8736, to your completed Louisiana return. If you have an approved Form 2688 or 8800, attach a copy of it to your Louisiana return.

If you do not have a federal extension, then you should use this form for making your request. The maximum time allowed is six months past the due date of the Louisiana return.

This is not an extension of time for payment of tax. Any tax not paid by the original due date of the Louisiana return will be assessed interest at the rate of 15 percent per annum from the due date to the payment date. A late payment penalty of up to 25 percent may also be imposed.

Individual Extension

- 1. Print total Louisiana income tax liability for tax year ended.
2. Print total Louisiana income tax withheld
3. Print total estimated tax payments. (Include overpayment carried forward from previous year.)
4. Print total prepayments (Add Lines 2 and 3.)

5. Print income tax balance due. (Subtract Line 4 from Line 1. If Line 4 is more than Line 1, enter 0.) Attach your remittance to this form. Make check payable to: Louisiana Department of Revenue and mail to above address. ... 5 .00

Form fields for: Your First Name and Initial, Last Name, Your Social Security Number, Present home address, Your Spouse's Social Security Number, City, town, or APO, State, ZIP, Tax period

I request an extension of time until month, year, to file a Louisiana individual income tax return for the calendar year or fiscal year ending month, year.







**Scheduled payments are due on the 15th of each month. Penalty and interest will continue to accrue until the balance of tax is paid in full.**

In order to calculate the six (6) monthly installment payments, subtract the 20% down payment from the total tax due on Form IT-540.

Tax Due	\$ _____
Less down payment (20%)	\$ _____
Balance	\$ _____

Divide the balance due by six (6) to determine the monthly installment payment.

Installments:

Six installments of \$ \_\_\_\_\_ each.

Please contact the Collection Division at (225) 219-7448 for a final installment of any tax and/or accrued interest and penalties. Payments are due on the 15th of each month.

The normal billing process will continue. A part of that process is the issuance of a Final Notice Before Seizure. **Failure to make the scheduled monthly payment will result in seizure of bank accounts and/or garnishment of your wages.** Please ensure that your social security number is written on your remittance.





# DID YOU FILE YOUR CONSUMER USE TAX?!



## What is Consumer Use Tax?

The Consumer Use Tax is a tax due on purchases made outside of Louisiana for use, storage, or consumption in Louisiana. The Use Tax is paid to the Louisiana Department of Revenue by the buyer when the Louisiana Sales Tax has not been collected by the seller. Use Tax is not a new tax. It was first enacted in 1948.

## What is the Consumer Use Tax rate?



The Consumer Use Tax rate is calculated at a combined rate of 8% (4% state rate and 4% local rate).

## What items are subject to the Consumer Use Tax?

Whether purchased by mail order, catalog, shopping networks, or on the Internet, all purchases of tangible personal property that would be subject to the Sales Tax if purchased in Louisiana are subject to the Consumer Use Tax.

Some examples include books, cassettes, compact discs, computers, electronic equipment, clothing, jewelry, sporting goods, audio and video tapes, appliances, furniture or other home furnishings, and tobacco products.



## The Consumer Use Tax Law ensures that:

- services (education, public safety, healthcare, etc.) are available to Louisiana citizens and businesses; and,
- Louisiana businesses are not at a competitive disadvantage with out-of-state companies that are not required to collect Sales Tax.

# KNOW THE FACTS, PAY THE TAX!





# E-FILE AND E-PAY TODAY!

IT'S SIMPLE TO FILE AND PAY YOUR TAXES ELECTRONICALLY!



1. Just go to the Department's Internet website at [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov).

2. Select "e-Services," and then click on "LDR Online filing."

3. Click on "Individual Income Tax Web Filing (IT-540)."

4. Read information about who qualifies to file electronically.

5. If you wish to find out what information is needed for electronic filing of your current year resident return,

click on "Information Needed BEFORE filing." You will then see a pre-filing worksheet that can be printed and then filled in with the requested information. You will then have this needed information at hand when electronically filing your return.

6. Enter your Social Security Number, spouse's Social Security Number, the first two letters of your last name, the first two characters of your address, your filing status on the last Louisiana income tax return that we have on record, and the number of exemptions you claimed on that return.

- To file your return, click on "File Return," fill out the requested information (from your worksheet), press the calculate button, review and sign the calculated return with a Personal Identification Number (PIN) of your choice. When the signed form is displayed, click on the submit button to transmit. Note: the option for direct debit or direct deposit will be offered, depending on if it is a balance due or refund return. To use either option you will need to enter your 9-digit bank routing number and bank account number – information normally found on the bottom of your check.
- You must then see the "Confirmed" page before you can consider the return filed. Print a copy of the return with the confirmation number for your records.
- To submit a payment for current or past individual income tax liability or declaration of estimated tax, click on "Payment Only." You will need to enter your check information – the amount, effective date of payment (it can be in the future), bank routing number, bank account number, and tax period to which the payment is to be applied. A trace number will be provided to you after the payment request is submitted.

*E-File or E-Pay* – Convenient taxpayer services provided by the Louisiana Department of Revenue.

STATE OF LOUISIANA  
DEPARTMENT OF REVENUE  
617 NORTH THIRD STREET  
BATON ROUGE LA 70802-5428

PRESORT STD  
U.S. POSTAGE PAID  
STATE OF LOUISIANA  
DEPARTMENT OF REVENUE

*TAX ASSISTANCE IS AVAILABLE AT THE FOLLOWING OFFICES OF THE DEPARTMENT OF REVENUE.*

ALEXANDRIA REGIONAL OFFICE  
COMMERCIAL BUILDING  
201 JOHNSTON STREET, STE. 100  
318-487-5333

BATON ROUGE—MAIN OFFICE  
617 NORTH THIRD STREET  
225-219-0102 (ASSISTANCE)  
225-219-2114 (TDD)

BATON ROUGE—REGIONAL OFFICE  
8549 UNITED PLAZA BOULEVARD, SUITE 200  
225-922-2300

LAFAYETTE REGIONAL OFFICE  
825 KALISTE SALOOM ROAD  
BRANDYWINE III, STE. 150  
337-262-5455

LAKE CHARLES REGIONAL OFFICE  
ONE LAKESHORE DRIVE, STE. 1550  
337-491-2504

MONROE REGIONAL OFFICE  
122 ST. JOHN STREET  
ROOM 105  
318-362-3151

NEW ORLEANS REGIONAL OFFICE  
1555 POYDRAS STREET, STE. 900  
504-568-5233

SHREVEPORT REGIONAL OFFICE  
1525 FAIRFIELD AVENUE, ROOM 630  
318-676-7505

THIBODAUX REGIONAL OFFICE  
1418 TIGER DRIVE  
985-447-0976

**START**

**Louisiana's College Savings Program**  
**(800) 259-5626 Ext. 1012**