


LOUISIANA
 DEPARTMENT of REVENUE

**Louisiana Statement of Owner's Share
of Entity Level Tax Items**
RECIPIENT OF THIS FORM:
Attach this form to your
IT-540, IT-540B, or IT-541

Pass-Through Entity's Legal Name shown on CIFT-620

LA Revenue Account Number

Income Taxable Period Covered

Owner's First and Last Name, or Name of Estate or Trust

Last four digits of Owner's Social Security Number or LDR Account Number:

Owner's Share of Current Year Income and Deductions

	As Reported on Federal Schedule K-1	Amounts Taxed at the Entity Level	Income (Loss) Taxable at the Owner's Level
Part I: Items taxed at the entity level (as reported on the CIFT-620).			
Ordinary Business Income (Loss)			
Net Rental Real Estate Income (Loss)			
Other Net Rental Income (Loss)			
Royalties			
Net Short-term Capital Gain (Loss)			
Net Long-term Capital Gain (Loss)			
Collectibles (28%) Gain (Loss)			
Unrecaptured Section 1250 Gain			
Net Section 1231 Gain (Loss)			
Other Income (Loss)			
Section 179 Deduction			
Other Deductions	()	()	
Other Items			
Part II: Items not taxed at the entity level (as reported on the CIFT-620) but taxable to the owner.			
Ordinary Dividends		()	
Qualified Dividends		()	
Dividend Equivalents		()	
Interest Income		()	
Louisiana depletion in excess of federal depletion		()	
Exempt amount of related members interest\intangible\management fee expense or costs		()	
Expenses not deducted on the federal return due to Internal Revenue Code Section 280C		()	()
Expenses not deducted on the federal return due to Internal Revenue Code Section 280E		()	
Other Items		()	
Part III: Items taxed at the entity level (as reported on the CIFT-620) but not taxable to the owner.			
Louisiana income tax			
Other Items			
TOTAL			



Louisiana Statement of Owner's Share of Entity Level Tax Items

Instructions

INSTRUCTIONS FOR THE ENTITY

An entity that made the pass-through entity tax election must complete a Form R-6981, *Louisiana Statement of Owner's Share of Entity Level Tax Items*, for each shareholder, member, or partner ("owner") for the tax year who are an individual, estate, or trust. As required by Louisiana Administrative Code ("LAC") 61:I.1001(C)(3)(b), Form R-6981 for each owner must be attached to the CIFT-620. A copy of the form must also be provided to the owner.

PART I – Items Taxed at the Entity Level (as reported on the CIFT-620).

- **As Reported on Federal Schedule K-1 Column** – Include amounts as reported on the Federal K-1.
 - **Other Items** – Include any income or deduction items reported on Federal Schedule K-1, box 17 or 20. For example, report dispositions of property with section 179 deductions included on Schedule K-1, box 17, code K, for shareholders by the S corporation or on Schedule K-1, box 20, code L, for partners of partnerships on this line.
- **Amounts Taxed at the Entity Level Column** – This Part should include the amount on the CIFT-620 that was apportioned or allocated to Louisiana.
- **Income (Loss) Taxable at the Owner's Level Column** – This Part should include the amount on the CIFT-620 that was apportioned or allocated outside of Louisiana. This income is taxable to the owner. *(See note at the end of the instructions for nonresidents.)* For each row, subtract the amount in Amounts Taxed at the Entity Level Column from the amount in As Reported on Federal Schedule K-1 Column.

PART II – Items Not Taxed at the Entity Level but Taxable to the Owner. Pursuant to Louisiana Revised Statutes ("R.S") 47:297.14(A)(2) for individuals, 47:300.6(B)(2)(e)(i) for resident estates or trusts, and 47:300.7(C)(2)(d)(i) nonresident estates or trusts, income not taxed at the entity level is taxable at the owner's level.

- **As Reported on Federal Schedule K-1 Column** – Include amounts for interest and dividend income as reported on the Federal K-1.
- **Amounts Taxed at the Entity Level Column** – This column is the owner's share of the amount reported on the CIFT-620, Schedule F. These deductions are allowed for corporation income tax purposes. Since the items listed in this Part are subtractions on CIFT-620, Schedule F, the amounts should be entered as a negative. Enter the owner's share of each item listed in Part II. The total for all owners must total to the appropriate line on CIFT-620, Schedule F.
- **Income (Loss) Taxable at the Owner's Level Column** – This column should include the owner's share of the amount deducted on the CIFT-620, Schedule F. These deductions are allowed for corporation income tax purposes but not for individual or fiduciary income tax, except as described below.
 - **Dividend and Interest Income** – List the income that was subtracted in the Amounts Taxed at the Entity Level Column for interest and dividend income. This income is taxable at the owner's level.
 - **Depletion** – Since depletion is allowed as a deduction at the entity level, depletion ordinarily reported on the Federal Form 1040 for oil and gas properties is not allowed on the pro forma Federal Form 1040 that is required to calculate the exclusion on the IT-540 under R.S. 47:297.14(A)(2). Pursuant to R.S. 47:300.6(B)(2)(b) and 300.7(C), estates and trusts are allowed to deduct Louisiana depletion in excess of federal depletion. The amount deducted on IT-541 should not include the amount in this Part since it is deducted at the entity level.
 - **Expenses disallowed by IRC 280C** – Pursuant to R.S. 47:293, individuals are allowed to deduct expenses not deducted on the federal return due to Internal Revenue Code Section 280C. The amount deducted on IT-540, Schedule E, must be reduced by the amount in this Part since it is deducted at the entity level. There is no corresponding deduction under law for estates and trusts.
 - **Compensation for disaster services** – Pursuant to R.S. 47:53.5 and 242, individuals, estates and trusts that are nonresidents are allowed to exclude compensation received for disaster services if certain criteria is met. The amount deducted on IT-540B or IT-541 should not include the amount in this Part since it is deducted at the entity level.
 - **COVID-19 relief benefits** – Pursuant to R.S. 47:293, individuals are allowed to exclude any gratuitous grant, loan, rebate, tax credit, advance refund, or other qualified disaster relief benefit provided directly or indirectly by the state or federal government as a COVID-19 relief benefit is excluded if such income was included in the taxpayer's federal taxable income. The amount deducted on IT-540, Schedule E, should not include the amount in this Part since it is deducted at the entity level. There is no corresponding deduction under law for estates and trusts.



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PART III – Items Taxed at the Entity Level (as reported on the CIFT-620) but Not Taxable to the owner.

- **As Reported on Federal Schedule K-1 Column** – Leave blank.
- **Amounts Taxed at the Entity Level Column** – This Part should include the owner's share of the deductions not allowed on the CIFT-620.
- **Income (Loss) Taxable at the Owner's Level Column**
 - **Other Items** – This column should include the owner's share of the amount taxed on the CIFT-620 that was apportioned or allocated to Louisiana. These additions to income are required for corporation income tax purposes but not for individual or fiduciary income tax, except as explained below.
 - **Donation to School Tuition Organization Credit or Donation to Qualified Foster Care Charitable Organization Credit** – R.S. 47:6301(A)(1)(a) provides for a prohibition on double state benefits for a donation to a school tuition organization (STO). R.S. 47:6042(A)(1)(c) provides for a prohibition on double state benefits for a donation to a qualified foster care organization. If the entity claimed the credit for either of these donations, the entity must add back certain deductions taken at the federal level otherwise deductible for state income tax purposes if the federal deductions for charitable contributions allowed by Internal Revenue Code Section 170 included these donations. The amount added-back on IT-541 should not include the amount in this Part since it is added-back at the entity level.

TOTAL – Add the amounts in each column of Part I, Part II and Part III.

- **As Reported on Federal Schedule K-1 Column** – This amount should be the total included in Federal Adjusted Gross Income of the owner if an individual or federal taxable income if an estate or trust.
- **Amounts Taxed at the Entity Level Column** – The total of these items for all owners should total to Line 1A of the CIFT-620. This amount should be used on Form R-6982 in the column "Total Income Passed Through" for each owner.
- **Income (Loss) Taxable at the Owner's Level Column** – The total is the amount that does not qualify for the exclusion and this is taxable to the owner.



Louisiana Statement of Owner's Share of Entity Level Tax Items

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INSTRUCTIONS FOR RECIPIENT OF THIS FORM

This form is provided to you to assist you in completing the pro forma Federal Form 1040 or 1041 required under LAC 61:I.1001(C) (4)(c). The pro forma Federal Form 1040 or 1041 must exclude any income, deductions or other tax items that were included in the calculation of Louisiana net income on the entity's Louisiana Form CIFT-620, which is reported in the Amounts Taxed at the Entity Level Column. When completing the pro forma Federal Form 1040 or 1041, use the amounts in the Income (Loss) Taxable at the Owner's Level Column instead of the Federal Schedule K-1. See instructions for Part II below for more information.

For individuals, the amount that you can exclude is the difference in Adjusted Gross Income ("AGI") calculated on your Federal Form 1040 and the pro forma Federal Form 1040. If the difference is a loss, the loss must be added to your AGI for Louisiana purposes.

For estates and trusts, the amount that you can exclude is the difference in federal taxable income calculated on your Federal Form 1041 and the pro forma Federal Form 1041. If the difference is a loss, the loss must be added to your federal taxable income for Louisiana purposes.

NOTE: Individuals filing a nonresident return must include a pro forma Nonresident and Part-Year Resident (NPR) Worksheet of the Louisiana Form IT-540B excluding any income, deductions or other tax items that were included in the calculation of Louisiana net income on the entity's Louisiana Form CIFT-620. The difference of the amount on the NPR worksheet, Line 12, from the original version and the pro forma version is the amount you can exclude. If the difference is a loss, the loss must be added to your AGI for Louisiana purposes.

PART II AND III

Pursuant to Louisiana Revised Statutes ("R.S.") 47:297.14(A)(2) for individuals, 47:300.6(B)(2)(e)(i) for resident estates or trusts, and 47:300.7(C)(2)(d)(i) nonresident estates or trusts, income not taxed at the entity level is taxable at the owner's level.

- **Dividend and Interest Income** – Dividends and interest income are not taxable on the entity level and thus are taxable to the owner.

Below are deductions that are allowed for corporation income tax purposes but not for individual or fiduciary income tax, except as explained below.

- **Depletion** – Since depletion is allowed as a deduction at the entity level, depletion ordinarily reported on the Federal Form 1040 for oil and gas properties is not allowed on the pro forma Federal Form 1040 that is required to calculate the exclusion on the IT-540 under R.S. 47:297.14(A)(2). Pursuant to R.S. 47:300.6(B)(2)(b) and 300.7(C), estates and trusts are allowed to deduct Louisiana depletion in excess of federal depletion. The amount deducted on IT-541 should not include the amount in this Part since it is deducted at the entity level.
- **Expenses disallowed by IRC 280C** – Pursuant to R.S. 47:293, individuals are allowed to deduct expenses not deducted on the federal return due to Internal Revenue Code Section 280C. The amount deducted on IT-540, Schedule E, must be reduced by the amount in this Part since it is deducted at the entity level. There is no corresponding deduction under law for estates and trusts.
- **Compensation for disaster services** – Pursuant to R.S. 47:53.5 and 242, individuals, estates and trusts that are nonresidents are allowed to exclude compensation received for disaster services if certain criteria is met. The amount deducted on IT-540B or IT-541 should not include the amount in this Part since it is deducted at the entity level.
- **COVID-19 relief benefits** – Pursuant to R.S. 47:293, individuals are allowed to exclude any gratuitous grant, loan, rebate, tax credit, advance refund, or other qualified disaster relief benefit provided directly or indirectly by the state or federal government as a COVID-19 relief benefit is excluded if such income was included in the taxpayer's federal taxable income. The amount deducted on IT-540, Schedule E, should not include the amount in this Part since it is deducted at the entity level. There is no corresponding deduction under law for estates and trusts.
- **Donation to School Tuition Organization Credit or Donation to Qualified Foster Care Charitable Organization Credit** – R.S. 47:6301(A)(1)(a) provides for a prohibition on double state benefits for a donation to a school tuition organization (STO). R.S. 47:6042(A)(1)(c) provides for a prohibition on double state benefits for a donation to a qualified foster care organization. If the entity claimed the credit for either of these donations, the entity must add back certain deductions taken at the federal level otherwise deductible for state income tax purposes if the federal deductions for charitable contributions allowed by Internal Revenue Code Section 170 included these donations. The amount added-back on IT-541 should not include the amount in this Part since it is added-back at the entity level.