

# LOUISIANA 2025 CORPORATION INCOME & 2026 S CORPORATION INFORMATION RETURN OF INCOME TAX INSTRUCTIONS

## GENERAL INFORMATION

### IMPORTANT

The LDR Account Number **must appear** on each page of the return. Failure to provide your account number will result in an assessment for negligence penalty. The Federal Employer Identification Number (FEIN) cannot be used in place of the LDR account number.

### PURPOSE

This form is to be used to file the annual Corporation Income Tax Return or the annual S Corporation Information Return of Income and Composite Return if required.

The annual S Corp Informational Return of Income and Composite Return should only be filed by S corporations filing such a return for a short period beginning on or after January 1, 2026. All other S corporations should complete this form as a corporation.

### PLEASE COMPLETE ALL APPLICABLE LINES AND SCHEDULES OF THE RETURN.

Failure to furnish complete information will cause processing of the return to be delayed and may necessitate a manual review of the return.

Every corporation should retain, for inspection by a revenue auditor, working papers showing the balance in each account on the corporation's books used in preparing the return until the taxes to which they relate have prescribed. When the corporation incurs a net operating loss, the working papers should be retained until such time that the net operating loss has prescribed.

### WHO MUST FILE

**Domestic Corporations** – Corporations organized under the laws of Louisiana must file Form CIT-620, *Louisiana Corporation Income Tax return*, each year unless exempt.

Dormant Louisiana corporations must file Form CIT-620, regardless of whether any assets are owned or any business operations are conducted, until a "Certificate of Dissolution" is issued by the Louisiana Secretary of State.

**Foreign Corporations** – Corporations organized under the laws of a state other than Louisiana that derive income from Louisiana sources must file Form CIT-620 whether or not there is any tax liability.

**Other Entities** – Any entity taxed as a corporation for federal income tax purposes will also be taxed as a corporation for Louisiana income tax purposes.

Louisiana Revised Statutes 47:221 through 47:227 provide guidance regarding the filing requirements of insurance companies. Refer to La. R.S. 47:287.521, 47:287.526, 47:287.527, and 47:287.528 for information concerning the treatment of farmers' cooperatives, other cooperatives, shipowners' protection and indemnity associations, political organizations, and homeowners' associations.

**Consolidated Groups** – Louisiana law does not provide for filing consolidated returns. Generally, separate corporate income tax returns must be filed by all corporate entities liable for a Louisiana tax return.

**Subchapter S Corporations** – Louisiana income tax law does not recognize Subchapter S corporation status. An S corporation is required to file income tax in the same manner as a C corporation. However, in certain instances, all or part of the corporation income can be excluded from Louisiana income tax. For information on the S corporation

exclusion of net income, refer to the instructions for Line 1B. For taxable periods beginning on or after January 1, 2026, S corporations cannot claim an S corporation exclusion and are now required to file an annual information return. See Annual Information Return for S Corporations for additional information.

**Qualified Subchapter S Subsidiary (QSub)** – Whether or not the QSub is treated as a disregarded entity for Louisiana income tax purposes is at the election of the taxpayer pursuant to La. R.S. 47:287.732.1. This election is made by simply filing returns following the elected method. No election forms are necessary. For taxable periods beginning on or after January 1, 2026, S corporations are required to file an annual information return. See Annual Information Return for S Corporations for additional information.

- If the election was made to treat the QSub as a **disregarded entity** for Louisiana income tax purposes and part of the S Corp parent, a corporation income tax return must still be filed for the QSub and Louisiana income will be reported as zero. A statement that the QSub income, expenses, and credits are being reported on the S Corp parent's return must be attached. The S Corp parent's income tax return will include all assets, liabilities, and items of income, deduction and credit, and any other items of the QSub. Income tax credits earned by the QSub are attributed to the S Corp parent. Credits that can be applied against income tax will be attributed to the S Corp parent. For the Federal form filed, use code 2 for Form 1120S and for type of entity, use code 08 for QSub filing as a disregarded entity.
- If the election was made to treat the QSub as a **separate entity** for Louisiana income tax purposes, the parent S corporation and the QSub are each required to compute their Louisiana corporation income tax as if they have been required to file income tax returns with the Internal Revenue Service as C corporations. Under this election, the S Corp is entitled to take the S Corp exclusion allowed by La. R.S. 47:287.732(B), but the QSub is not entitled to an S Corp exclusion. For the Federal form filed, use code 2 for Form 1120S, and for type of entity use code 09 for QSub filing as a separate entity.

**Single Member LLC (SMLLC)** – Under Internal Revenue Service Regulations § 301.7701-3(b)(1)(ii), a single member LLC is considered to be a "disregarded entity." It is considered a division of its corporate owner under § 301.7701-2(a). All of its assets, liabilities, income, deductions, and credits are reported on the federal income tax return of its single member, the corporation. For state income tax purposes, a limited liability company shall be treated and taxed in the same manner that it is treated and taxed for federal income tax purposes (La. R.S. 12:1368). Therefore, the SMLLC will be included as a disregarded entity on the return of its single member.

### S CORPORATIONS ANNUAL INFORMATION RETURN

For taxable periods beginning on or after January 1, 2026, S corporations are required to file an annual information return. Individuals carrying on business as shareholders of an S corporation shall be liable for income tax only in their separate or individual capacities. S corporations will complete Form CIT-620, Lines A through I, and M through O and all applicable schedules including Schedules K and L if applicable. S corporations may elect to complete a composite return on behalf of any or all its nonresident shareholders. See S Corp composite filing section for more information.

## FILING REQUIREMENTS FOR S CORPORATIONS COMPLETING A COMPOSITE RETURN

For taxable periods beginning on or after January 1, 2026, each entity treated as an S corporation for federal income tax purposes which engages in activities in this state may file composite returns and make composite payment of tax on behalf of any or all nonresident shareholders. If you are electing to file a composite return, the following is required:

- Mark the box on the face of the return indicating that an S Corp composite return is being filed.
- Nonresident shareholders that are included on the return should be included on Schedule L, Included Shareholder's Share of Income and Tax.
- All other shareholders, including residents, estates and trusts, and nonresidents not included on Schedule L, must be included on Schedule K, NOT Included Shareholder's Share of Income and Tax.
- S corporation composite returns must be filed electronically.
- The tax rate of 3 percent (.03) is assessed on income attributable to Louisiana.

## PASS-THROUGH ENTITY TAX ELECTION

Louisiana Revised Statute 47:287.732.2 allows Subchapter S corporations and other flow-through entities taxed as partnerships for federal income tax purposes to elect to pay Louisiana income tax at the entity level. An individual, estate, or trust who is a shareholder, member, or partner of the entity is allowed to exclude the income taxed at the entity level that is included in their federal adjusted gross income or federal taxable income, respectively. Once the election is made, it is effective for the entire taxable year for which it was made as well as all subsequent taxable years until the election is terminated. **NOTE: For taxable periods beginning on or after January 1, 2026, S corporations who file a composite tax return cannot make this election.**

An entity must make the election on Form R-6980, *Tax Election for Pass-Through Entities*, and must receive LDR acceptance of the election. See LAC 61:1.1001 for requirements to make the election. The election can be made during the taxable year prior to the taxable year in which the election is first effective, during the taxable year in which the election is first effective, or on or before the 15th day of the fourth month after the close of the taxable year in which the election is first effective.

Entities making the election should use Schedule H-1 to calculate their income tax. All Louisiana corporation income tax provisions apply, and the entity is taxed in the same manner as if the entity filed a federal income tax return with the Internal Revenue Service as a C corporation.

Net operating losses earned in the year the election was made or after the election was made are tax items of the entity, and the loss and its carryforward must be reported on Form CIT-620. Net operating losses earned in tax years prior to the election that have previously passed through to the owners are tax items of the owners, and any carryforward remaining can only be used on the owner's income tax return. See Revenue Information Bulletin 19-019 and LAC 61:1.1001(C)(6) for more information.

Louisiana Administrative Code 61:1.1001(C)(2) mandates electronic filing of Form CIT-620 and all supporting documentation for any entity making the election. LAC 61:1.1001(C)(3) requires that the following documentation be attached to Form CIT-620 when filed:

- Schedule K-1's as actually issued to the owners of the entity for the taxable year
- Form R-6981, *Statement of Owner's Share of Entity Level Tax*

*Items*, reflecting any income that remains taxable to the entity's owners in Louisiana after the election such as dividend income and interest income

- Form R-6982, *Schedule of Tax Paid if Paid by Owner*, calculating how much tax would have been due if the entity had passed the income through to its owners, and the tax had been paid at the owner level

## EXEMPT CORPORATIONS

Louisiana Revised Statute 47:287.501 provides that an organization described in Internal Revenue Code Sections 401(a) or 501 shall be exempt from income taxation to the extent the organization is exempt from income taxation under federal law, unless the contrary is expressly provided. Accordingly, an exempt organization that has income from an unrelated trade or business and files Federal Form 990-T with the Internal Revenue Service is subject to file and report its Louisiana-sourced unrelated business income to Louisiana. Louisiana Administrative Code 61:1.1140 and Revenue Information Bulletin 09-009 have been published providing guidance whereby these organizations are not exempt from taxation on the Louisiana-sourced unrelated business income or income not included under Internal Revenue Code (IRC) Sections 401(a) or 501.

To report Louisiana-sourced unrelated business income, exempt organizations are required to file Form CIT-620. In instances when a multi-state exempt organization earns unrelated business income within Louisiana and outside of Louisiana, Schedules B through F are required. Form CIT-401W, *Unrelated Business Income Worksheet for IRC 401(a) and 501 Organizations*, will serve as a guide in determining the amount of Louisiana-sourced unrelated business income that the organization must report. A 2025 calendar year return for these organizations is due on or before June 15, 2026. Returns for fiscal years are due on or before the 15th day of the sixth month following the close of the taxable year. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the following day.

An organization claiming exemption under La. R.S. 47:287.501 must submit a copy of the Internal Revenue Service ruling establishing its exempt status. Refer to La. R.S. 47:287.501(B) for additional exemptions provided for banking corporations. Those corporations that meet the prescribed standards of organization, ownership, control, sources of income, and disposition of funds must apply for and secure a ruling of exemption from the Department.

## ANNUAL INFORMATION RETURN OF SERVICE RECIPIENT

Louisiana Revised Statute 47:114.1 requires all service recipients who are required to file Federal Form 1099-NEC with the IRS to file any Form 1099-NEC for services provided in Louisiana or for services performed by an individual residing in Louisiana at the time the services were performed with LDR. Form 1099-NEC must be filed electronically. For additional information, see RIB 23-006 and LAC 61:1.1515.

## ELECTRIC AND HYBRID VEHICLE ROAD USAGE FEE

Louisiana imposes a road usage fee on the owner or lessee of an electric or hybrid vehicle registered and operated in Louisiana during the calendar year as provided by La. R.S. 32:461. The fee is dedicated to state and local transportation and development funds and is to supplement the "road tax" paid on gas. The fee for 2025 is due on or before May 15, 2026, and is reported by filing Form R-19000, *Electric and Hybrid Vehicle Road Usage Fee*. Beginning in 2026, the Office of Motor Vehicles will collect the road usage fee for 2026 and forward. For additional information, see RIB 24-006 and LAC 61:1.5501.

## ELECTRONIC FILING MANDATE

Louisiana Administrative Code 1505 requires the electronic filing of the Corporation Income Tax return if the total assets of the corporation filing the return have an absolute value equal to or greater than \$250,000. Act 382 of the 2025 Regular Session requires electronic filing for S corporations who elect to file composite returns.

**WHEN TO FILE**

A 2025 calendar year return is due on or before May 15, 2026. Returns for fiscal years are due on or before the 15th day of the fifth month following the close of the taxable year. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the following day.

**WHERE TO FILE AND PAY TAXES**

The 2025 income tax return can be mailed to Louisiana Department of Revenue, P. O. Box 91011, Baton Rouge, LA 70821-9011. DO NOT SEND CASH. An electronic payment option is available on LDR's website at <https://latap.revenue.louisiana.gov>.

Taxes may also be paid by credit card over the internet or by telephone. Visit [www.revenue.louisiana.gov](http://www.revenue.louisiana.gov) for more information.

**EXTENSION OF TIME FOR FILING A RETURN**

If you cannot file your return by the due date, you do not need to file for an extension. You will be granted an extension of six months to November 16, 2026, **if you timely requested an extension for federal income tax purposes**. In order to be granted the extension, you must mark the box to indicate you timely requested an extension for federal income tax purposes. See LAC 61:III.2503 for required documentation if the IRS denies your federal extension request.

**Important: An extension does not relieve you of your obligation to pay all tax amounts due by the original due date.** If you anticipate that you will owe additional tax on your return, you should submit your payment with Form CIT-620EXT-V, *Corporation Income Extension Payment Voucher*, by May 15, 2026, for calendar year filers, or on or

before the 15th day of the fifth month following the close of the accounting period for fiscal year filers.

An extension means only that you will not be assessed a delinquent filing penalty for filing your return after the due date but before the extended due date. Interest on the additional tax due from the due date of the return and any penalties will be assessed if applicable. If you file your return after the extended due date, you will be assessed delinquent filing penalty from the due date of the return. **NOTE: No paper or electronic extension form needs to be filed to obtain the automatic extension.**

**DECLARATION OF ESTIMATED TAX**

Louisiana Revised Statute 47:287.654 requires every corporation that can reasonably expect its estimated income tax for the year to be \$1,000 or more to make installment payments of its liability. The term "estimated tax" means the amount the taxpayer estimates to be the Louisiana income tax imposed for the period, less the amount it estimates to be the sum of any credits allowable against the tax.

See the instructions for Form CIT-620ES, *Louisiana Estimated Tax Declaration Voucher For Corporations*, regarding the penalty for underpayment or nonpayment of estimated income tax.

**ROUNDING TO WHOLE DOLLARS**

Round cents to the nearest whole dollar on Form CIT-620. Total prepayments, including any credit carried forward from last year, should also be rounded to the nearest whole dollar.

**ALLOCATION AND APPORTIONMENT OF NET INCOME**

Louisiana income tax is imposed only upon that part of the net income of a corporation that is derived from sources within Louisiana.

**INSTRUCTIONS FOR COMPLETING FORM CIT-620**

This return is designed for electronic scanning, which permits faster processing with fewer errors. See "Who Needs To Complete What Schedules" on Page 18 for the schedules that are required to be completed.

In order to avoid unnecessary delays caused by manual processing, taxpayers should follow the guidelines listed below:

1. Enter amounts only on those lines that are applicable.
2. If completing by hand, use a pen with black ink.
3. Because this form is read by a machine, enter your numbers inside the boxes like this:

|   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | X |
|---|---|---|---|---|---|---|---|---|---|---|

4. All numbers should be rounded to the nearest dollar. The space that designated cents (.00) has been removed to save space; therefore, cents should not be entered.
5. For Lines F, G, 1A, 1B, and 1D, mark the box to the left of the entry field if the amount is less than zero. Do not use a negative sign or parentheses with the amount. For example, if your Louisiana net income on Line 1A is a \$10,000 loss, mark the box on Line 1A and enter 10,000.

Enter your legal and trade name, address, and LDR Account Number on your return. For the unit type, use postal abbreviations such as APT, FL, STE, and RM. If you have a foreign address, enter the city name in the appropriate space. Follow the country's practice for entering the postal code and the name of the province, county, or state. Enter the foreign country name in the appropriate space. Do not abbreviate the country name.

If there is a change in your name or address since last year's return, mark an "X" in the "Name Change" or "Address Change" box. A direct address change can be accomplished by marking the "Address Change" box when filing your return, or it can be submitted by accessing your account at <https://latap.revenue.louisiana.gov>.

**PERIODS TO BE COVERED**

This return must be filed for either a calendar year, a fiscal year (12-month accounting period ending on the last day of any month other than December), or a 52 - 53 week accounting period. Mark the box to indicate a calendar year return or a fiscal year return. For fiscal year and 52 - 53 week filers, the dates on which the reported period begin and end must be plainly stated in the appropriate space at the top of the return. The income tax period must be the same as that used for federal income tax purposes.

**RETURNS FOR PART OF THE YEAR**

Mark the appropriate box to indicate the filing of a short period return. For a short period return, the dates on which the reported period begin and end must be plainly stated in the appropriate space at the top of the return. The income tax period must be the same as that used for federal income tax purposes.

**FINAL RETURN**

Mark the appropriate box to indicate the filing of a final return. For a final return, the dates on which the reported period begin and end must be plainly stated in the appropriate space at the top of the return. The income tax period must be the same as that used for federal income tax purposes. Marking the box for a final return does not close your account with LDR. To close a corporation income account, the corporation must either dissolve or withdraw its corporate charter with the Louisiana Secretary of State.

**AMENDED RETURNS**

The "Amended Return" box should be clearly marked when filing an amended return. In order to amend the amounts reported for the computation of income taxes, the taxpayer must file a revised Form CIT-620 along with a detailed explanation of the changes and a copy of Federal Form 1120X, if applicable.

**FEDERAL TAX ADJUSTMENTS**

Louisiana Revised Statute 47:287.614(C) requires every taxpayer whose federal return is adjusted to amend the Louisiana return reporting such adjustments within 180 days of the final determination of the adjustments by the IRS. The "Amended Due to IRS Audit" box should be marked to indicate that an amended return is being filed as a result of an IRS audit and a statement should accompany the amended return disclosing the nature and amounts of such adjustments. This does not apply to S corporations for taxable periods beginning on or after January 1, 2026.

**ALL TAXPAYERS ARE REQUIRED TO ANSWER LINES A - N.**

**LINE A – Federal Employer Identification Number** – Self-explanatory

**LINE B – Total Business Interest Expense** – Enter your total business interest expense calculated on Federal Form 8990, Part I, Line 5. If the taxpayer is included with affiliates in a consolidated federal income tax return, the taxpayer will need to complete a Federal Form 8990 on a separate company basis to attach to your return. If you are not required to file Form 8990 or would not be required to file that form if on a separate company basis, enter a zero.

**LINE C – Total Business Interest Expense Deduction** – Enter your total current year business interest expense deduction calculated on Federal Form 8990, Part I, Line 30. If the taxpayer is included with affiliates in a consolidated federal income tax return, the taxpayer will need to complete a Federal Form 8990 on a separate company basis to attach to your return. If you are not required to file Form 8990 or would not be required to file that form if on a separate company basis, enter a zero.

**LINE D – Federal Disallowed Business Interest Expense** – Enter your disallowed business interest expense calculated on Federal Form 8990, Part I, line 31. If the taxpayer is included with affiliates in a consolidated federal income tax return, the taxpayer will need to complete a Federal Form 8990 on a separate company basis to attach to your return. If you are not required to file Form 8990 or would not be required to file that form if on a separate company basis, enter a zero. Interest expense deduction is limited to the amount on the federal return except as provided for by La. R.S. 47:287.82. Louisiana does not have a provision that allows for the deduction of interest expense disallowed by IRC Section 163(j).

**LINE E – Income Tax Apportionment Percentage** – Enter the income tax apportionment percentage from Schedule B, Line 6.

**LINE F – Gross Revenues** – Enter your total gross revenues. Mark the box if the gross revenues are a loss.

**LINE G – Total Assets** – Enter the total assets. Mark the box if the total assets are a loss.

**LINE H – NAICS Code** – Enter the corporation's six-digit 2022 North American Industry Classification System (NAICS) Code.

**LINE I** – Self-explanatory

**LINE J** – If you answered yes to Line J, you must complete Line 3 of Schedule A.

**LINES K and L** – Self-explanatory.

**LINE M** – Enter the code from the following list for the type of federal form filed:

| Code | Return       | Code | Return             |
|------|--------------|------|--------------------|
| 1    | 1120         | 6    | 1120-L, or 1120-PC |
| 2    | 1120-S       | 7    | 1120-REIT          |
| 3    | 1120-FSC     | 8    | 1120-H, or 1120-C  |
| 4    | 1120-IC-DISC | 9    | Other              |
| 5    | 1120-F       |      |                    |

**LINE N** – Enter the code from the following list for the type of entity that best describes the taxpayer:

| Code | Entity Type   |
|------|---|
| 01   | Corporation   |
| 02   | Single Member Limited Liability Company             |
| 03   | Limited Liability Company with more than one member |
| 04   | Limited Liability Partnership                       |
| 05   | Publicly Traded Limited Partnership                 |
| 06   | Non-Publicly Traded Limited Partnership             |
| 07   | General Partnership                                 |
| 08   | QSub filing as a disregarded entity                 |
| 09   | QSub filing as a separate entity                    |
| 10   | S corporation                                       |
| 11   | Other   |

**LINE O – Pass-Through Entity Tax Election** – If you received acceptance of the pass-through entity tax election under La. R.S. 47:287.732.2, mark the box.

**NOTE: FOR S CORPORATIONS WITH SHORT PERIODS BEGINNING ON OR AFTER JANUARY 1, 2026, SKIP LINES 1A THROUGH 1E.**

**LINE 1A – Louisiana Net Income** – Information regarding the computation of Louisiana net income is provided in the instructions for Schedule D. Enter the amount from Schedule D, Line 31. Mark the box if the Louisiana net income is a loss.

**LINE 1B – S Corporation Exclusion** – **NOTE: A schedule showing the calculation of the exclusion must be attached to the return.** La. R.S. 47:287.732(B) provides an exclusion to corporations classified as S corporations under federal law. The exclusion is determined by multiplying Louisiana net income (Line 1A) by a ratio calculated by dividing the number of issued and outstanding shares of the S corporation's capital stock owned by Louisiana residents on the last day of the S corporation's taxable year by the total number of issued and outstanding shares of capital stock on the last day of the S corporation's taxable year. This ratio is also applicable to a Louisiana net loss to exclude a percentage of the loss from carryforward treatment. For the purposes of this provision, the term "Louisiana residents" includes resident estates and trusts and resident and nonresident individual shareholders who have filed a correct and complete Louisiana income tax return and paid the tax due. Mark the box if the exclusion amount is a loss. An entity making the pass-through entity tax election is not eligible for the S corporation exclusion pursuant to La. R.S. 47:287.732.2(A)(1).

Attach a schedule listing all shareholders. Include each shareholder's name, address, Social Security number or Federal Taxpayer Identification Number (TIN), number of shares held at year-end, and their distributive share of S corporation net income (Line 1A).

This schedule is used to calculate the S corporation exclusion (Line 1B) and does not necessarily represent the amount of income taxable to each shareholder. Shareholders report their share of income on their own Louisiana income tax returns, and their taxable income may differ under Louisiana law.

For taxable periods beginning on or after January 1, 2026, S corporations are required to file an annual information return and cannot claim the S Corp exclusion. See S Corporations Annual Information Return on page 1 for additional information.

**LINE 1C AND 1C1 – Net Operating Loss Carryforward** – Pursuant to La. R.S. 47:287.86, a net operating loss relating to tax periods beginning on or after January 1, 2001, can be carried forward indefinitely. The Net Operating Loss deduction is limited to 72 percent of net income. A schedule showing the calculation of the loss carryforward must be attached to the return.

On Line 1C, enter the total amount of net operating loss carryforward available. On Line 1C1, enter the amount of Line 1C that is being used to reduce Louisiana net income.

- If Line 1C is equal to or greater than Line 1A, Line 1C1 is equal to 72 percent of Line 1A.
- If Line 1C is less than Line 1A, Line 1C1 is equal to 72 percent of Line 1C.

In the case where a federal tax refund or credit arises from the carryback or carryforward of a federal net operating loss, the Louisiana net operating loss must be reduced by the amount of the federal tax refunded or credited that had been deducted on a prior Louisiana return. In calculating the federal tax refund applicable to the loss, consideration must be given to the total federal refund or credit received from all prior periods, including the refund or credit resulting from the investment tax credit carryback. The amount of the refund or credit applicable to Louisiana is determined by multiplying the total refund or credit by a ratio obtained by dividing the federal tax deducted on the original Louisiana return by the total federal tax on the original federal tax return.

Net operating losses earned in the year the pass-through entity tax election was made or after the election was made are tax items of the entity, and the loss and its carryforward must be reported on Form CIT-620. Net operating losses earned in tax years prior to the election that have previously passed through to the owners are tax items of the owners, and any carryforward remaining can only be used on the owner's income tax return.

**LINE 1D – Louisiana Taxable Income** – Subtract Lines 1B and 1C1 from Line 1A. Mark the box if less than zero.

**LINE 1E – Louisiana Income Tax** – Enter the amount from Schedule H, Line 2 or Schedule H-1, Line 2.

**NOTE: If Lines 1A through 1E are completed, skip Lines 2A and 2B.**

**LINE 2A – Total Attributable Income for Nonresident Shareholders** – Enter total from Schedule L, Included Shareholder's Share of Income and Tax, Column M.

**LINE 2B – Total Amount of S Corp Composite Income Tax Due** – Enter total from Schedule L, Included Shareholder's Share of Income and Tax, Column O.

**LINE 3 – Nonrefundable Priority 1 Credits** – Enter the amount from Schedule NRC-P1, Line 7.

**LINE 4 – Tax Liability After Priority 1 Credits** – Subtract Line 3 from Line 1E or Line 2B. Enter zero if the actual difference is less than zero. The amount entered cannot be less than zero.

**LINE 5 – Refundable Priority 2 Credits** – Enter the amount from Schedule RC-P2, Line 9.

**LINE 6 – Tax Liability After Priority 2 Credits** – If Line 4 is greater than Line 5, subtract Line 5 from Line 4. Otherwise, enter zero.

**LINE 7 – Overpayment After Priority 2 Credits** – If Line 6 is zero, subtract Line 4 from Line 5. Otherwise, enter zero.

**LINE 8 – Nonrefundable Priority 3 Credits** – Enter the amount of the nonrefundable priority 3 credits from Schedule NRC-P3, Line 10. These credits are limited to the tax liability calculated on Line 6.

**LINE 9 – Tax Liability After Priority 3 Credits** – Subtract Line 8 from Line 6. If the result is less than zero, enter zero.

**LINE 10A – Overpayment After Priority 2 Credits** – Enter the amount from Line 7.

**LINE 10B – Refundable Priority 4 Credits** – Enter the amount of the refundable priority 4 credits from Schedule RC-P4, Line 6.

**LINE 10C – Credit Carryforward From Prior Year Return** – If you requested your overpayment from the prior year return to be applied to this year, enter that amount as shown on Schedule I, Line 1.

**LINE 10D – Estimated Payments** – Enter the total of estimated income tax payments made during the year as shown on Schedule I, Lines 2 through 5.

**LINE 10E – Amount of Extension Payment** – Enter the amount paid as the extension payment shown on Schedule I, Line 6.

**LINE 10F – Total Refundable Credits and Payments** – Enter the total of Lines 10A through 10E.

**LINE 11 – Overpayment** – If Line 10F is greater than Line 9, subtract Line 9 from Line 10F. Enter the result here and on Line 18 and go to Line 19. If this amount is less than zero, enter zero.

**LINE 12 – Tax Due** – If Line 9 is greater than Line 10F, subtract Line 10F from Line 9 and enter the result. Otherwise, enter zero.

**LINE 13 – Interest** – If your 2025 calendar year income tax amount is not paid by May 15, 2026, you will be charged interest on the unpaid tax from May 16, 2026, until the date the balance of tax due is paid. Because the interest rate varies from year to year and the interest rate for 2026 is not determined until the latter part of 2025, the Department is unable to provide a specific rate at the time of printing. Please see Form R-1111, *Interest Rate Schedule - Collected on Unpaid Taxes*, available on LDR's website, <https://revenue.louisiana.gov/tax-forms>.

**LINE 14 – Delinquent Filing Penalty** – The penalty for failure to file a return by the due date on or before May 15, 2026, for calendar year filers, on or before your fiscal year due date, or on or before your approved extension date is 5 percent of the total tax due if the delay in filing is for 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. The penalty cannot exceed 25 percent of the tax due and accrues from the original due date.

**LINE 15 – Delinquent Payment Penalty** – The 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, is 5 percent of the unremitted tax not paid for each 30 days, or fraction thereof, during which the failure to pay continues. Please see LAC 61:III.2101.

**Important Notice:** The sum of both the delinquent filing and delinquent payment penalties cannot exceed 25 percent of the tax due and cannot be assessed on the same 30 days. Thirty-day increments are used for

the calculation of the delinquent filing and delinquent payment penalties. These penalties are based on the date LDR receives the return or payment. In addition to the delinquent penalties, you may also incur an accuracy-related penalty under La. R.S. 47:1604.1 if circumstances indicate negligent failure to comply with rules and regulations.

**LINE 16 – Additional Donation to The Military Family Assistance Fund** – If you do not have an overpayment to donate, or if you wish to donate to the Military Family Assistance Fund an amount that exceeds the amount of your overpayment, enter the amount of the donation on Line 16.

**LINE 17 – Total Amount Due** – Add Lines 12 through 16 and enter the result.

Make payment to the Louisiana Department of Revenue. Do not send cash. Payment may also be made electronically or by credit card. See WHERE TO FILE AND PAY TAXES on page 3.

**LINE 18 – Net Overpayment** – Subtract Line 17 from Line 11. If less than zero, enter "0".

**LINE 19 – Donation of Overpayment to The Military Family Assistance Fund** – You may donate all or part of your overpayment (Line 18) to The Military Family Assistance Fund. This fund provides assistance to family members of activated Louisiana military personnel.

**LINE 20 – Amount of Overpayment to be Credited To 2026 Income Tax** – Subtract Line 19 from Line 18. This is your overpayment available to be credited to next year's income tax or refunded. Enter the amount of the result that you want to be credited to 2026 income tax. S corporations should not credit the overpayment to next year's income tax. For taxable

periods beginning on or after January 1, 2026, shareholders are liable for income tax only in their separate or individual capacity, or if included in a composite tax return.

**LINE 21 – Amount of Overpayment to be Refunded** – Subtract Lines 19 and 20, from Line 18. This is the amount of your overpayment to be refunded.

#### SIGNATURES AND VERIFICATION

The return must be signed by the president, vice-president, treasurer, assistant treasurer, or any other authorized officer. If receivers, trustees in bankruptcy, or assignees are operating the property or business of the corporation, such officials must execute the return for such corporation. Telephone numbers and email address of officers and preparers should be furnished. This verification is not required when the return is prepared by a regular full-time employee of the taxpayer.

#### PAID PREPARER INSTRUCTIONS

If your return was prepared by a paid preparer, that person must also sign in the appropriate space, complete the information in the "Paid Preparer Use Only" box and enter his or her identification number in the space provided under the box. If the paid preparer has a Preparer Tax Identification Number (PTIN), the PTIN must be entered in the space provided under the box; otherwise, enter the FEIN or LDR account number. If the paid preparer represents a firm, the firm's FEIN must be entered in the "Paid Preparer Use Only" box. The failure of a paid preparer to sign or provide an identification number will result in the assessment of the unidentified preparer penalty on the preparer. The penalty of \$50 is for each occurrence of failing to sign or failing to provide an identification number.

## GENERAL INFORMATION ON ALL CREDITS

If a schedule is required in the instructions below, you must attach a separate schedule for each credit claimed. The schedule should clearly identify the credit, your name, and LDR account number. If documentation is required, you must submit the documentation with your return. For faster processing, you can upload all required information when you file your return electronically. Revenue Information Bulletins (RIB) are posted on <https://revenue.louisiana.gov/tax-policy> under Policy Documents.

A shareholder, partner, or member of an S corporation or other pass-through entity must attach a copy of the Schedule K-1 and other documentation required to substantiate their share of any credit passed down from the entity.

An S corporation or other pass-through entity must provide their partners or members a Schedule K-1 and other documentation required to substantiate their share of any credit that was passed down from the entity.

For taxable periods beginning on or after January 1, 2026, any credits, including previous credits earned when taxed as an S corporation for federal tax purposes, shall flow-through to shareholders on Schedule K or Schedule L in accordance with R.S. 47:1675(F).

**NOTE:** If you are claiming a credit that is recorded in the Tax Credit Registry, you must attach a copy of Form R-6135, *Credit Registration Form*, to the return and list the State Certification Number in the appropriate space on the return. See Revenue Information Bulletin 14-005 for information on the Tax Credit Registry and Revenue Information Bulletin 17-008 for claiming a purchased transferable tax credit.

#### PASS-THROUGH ENTITY TAX ELECTION

Credits earned in the year the pass-through entity tax election was made or after the election was made are tax items of the entity, and the credit and its future carryforward must be reported on the entity's return. Credits earned in the year the election was made or after cannot be used on the income tax return of any shareholder, member, or partner. Tax credits earned in tax years prior to the election that have previously passed through to the owners are tax items of the owners, and any credit carryforward remaining can only be used on the owner's income tax return. See Revenue Information Bulletin 19-019 and Louisiana Administrative Code (LAC) 61:1.1001(C)(6) for more information.

## INSTRUCTIONS FOR NONREFUNDABLE PRIORITY 1 CREDITS, SCHEDULE NRC-P1

### LINES 1 THROUGH 6

Below is a list of nonrefundable credits available for corporations and S corporations completing a composite tax return. Enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 6.

**NOTE: Use only the codes referenced in the table of Schedule NRC-P1. The codes listed here are not interchangeable with other codes listed on other schedules.**

Example:

| Credit Description | Code | Amount of Credit Claimed |
|--------------------|------|--------------------------|
| Premium Tax        | 100  | 500                      |

**LINE 7 – Total Income Tax Credits** – Add Lines 1 through 6 and enter the result here and on Form CIT-620, Line 3.

| CODE | CREDIT DESCRIPTION |
|------|--------------------|
|------|--------------------|

**100 – Premium Tax** – La. R.S. 47:227 provides a credit against corporate income tax for premium taxes paid during the preceding 12 months by an insurance company authorized to do business in Louisiana. The credit may be passed to corporations through certain legal entities such as partnerships. A schedule must be attached listing the entities that paid the premium tax and generated the credit on behalf of the corporation. Also, attach a copy of the premium tax return and canceled checks in payment of the tax.

**150 – Qualified Playgrounds** – La. R.S. 47:6008 provides a credit against corporate income tax for donations to assist

| CODE | CREDIT DESCRIPTION |
|------|--------------------|
|------|--------------------|

qualified playgrounds. The credit is the lesser of \$720 or 36 percent of the value of the cash, equipment, goods, or services donated. For more information on this credit, see Revenue Ruling 02-020 posted on LDR’s website.

**155 – Debt Issuance** – La. R.S. 47:6017 provides a credit against corporate income tax for 72 percent of the amount of the filing fee paid to the Louisiana State Bond Commission, which is incurred by an economic development corporation in the preparation and issuance of bonds.

**170 – Donations to Public Schools** – La. R.S. 47:6013 provides a credit against corporate income tax for qualified donations made to a public school. The credit is equal to 28 percent of the appraised value of a qualified donation of property made to a public school. “Public school” is defined as a public elementary or secondary school. “Qualified donation” is defined as a donation of immovable property purchased or otherwise acquired by a corporation and donated to a public school immediately adjacent or contiguous to such property.

**190 – Donations to Eligible Maternal Wellness Center** – La. R.S. 47:6113 provides a nonrefundable credit equal to 50 percent of the donation made to an eligible maternal wellness center during the taxable year. The credit must be claimed in the tax period in which the donation is made and may not exceed 50 percent of the taxpayer’s income tax liability. For more information on this credit, see Revenue Information Bulletin 25-014 posted on LDR’s website. Form R-90156, *Receipt for Donations to Eligible Maternal Wellness Center Credit*, must be attached to the return.

**199 – Other** – Reserved for future credits

## INSTRUCTIONS FOR PRIORITY 4 REFUNDABLE CREDITS, SCHEDULE RC-P4

### LINES 1 THROUGH 5

Below is a list of additional refundable tax credits available for corporations and S corporations completing a composite tax return. Enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 5.

**NOTE: Use only the codes referenced in the table of Schedule RC-P4. The codes listed here are not interchangeable with other codes listed on other schedules.**

Example:

| Credit Description | Code | Amount of Credit Claimed |
|--------------------|------|--------------------------|
| Inventory Tax      | 50F  | 400                      |

**LINE 6 – Total Income Tax credits** – Add Lines 1 through 5 and enter the result here and on Form CIT-620, Line 10B.

| CODE | CREDIT DESCRIPTION |
|------|--------------------|
|------|--------------------|

**50F – Inventory Tax** – La. R.S. 47:6006 allows a credit for ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, or retailers. Copies of the tax assessment and the canceled check in payment of the tax must be attached. You must attach Form R-10610, *Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors, and Retailers*, to your return. Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer’s failure to provide information or documentation required by LAC 61:1.1902.

The limitations on refundability depend on the amount of ad valorem taxes paid and when the business was formed.

| CODE | CREDIT DESCRIPTION |
|------|--------------------|
|------|--------------------|

- Unless otherwise provided for, if the total amount eligible for the credit is less than or equal to \$500,000, 100 percent of any excess credit is refundable. If the total eligible amounts are above \$500,000, 75 percent of any excess credit up to a maximum of \$750,000 is refundable.

- Unless otherwise provided, for businesses formed or first registered to do business in Louisiana after April 15, 2016, if the total amount eligible for the credit is less than \$10,000, 100 percent of any excess credit is refundable, and for total eligible amounts of \$10,000 or more, 75 percent of any excess credit up to a maximum of \$750,000 is refundable.

- The inventory tax credit is nonrefundable for taxes paid on inventory by any manufacturer who claimed the property tax exemption under the Industrial Tax Exemption program (ITEP) during the same year the inventory taxes were paid. The nonrefundable inventory tax credit may be claimed on Schedule NRC-P3 using Code 500.

- The inventory tax credit is nonrefundable for taxes paid on inventory by corporations taxed as C corporations for federal income tax purposes, for taxable periods beginning on or after January 1, 2025. The nonrefundable inventory tax credit may be claimed on Schedule NRC-P3 using Code 500. See Revenue Information Bulletin 26-011 for additional information.

**51F – Ad Valorem Natural Gas** – La. R.S. 47:6006 allows a credit for ad valorem taxes paid to political subdivisions in Louisiana on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. You must attach Form R-10610, *Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors, and Retailers*, to your return.

| CODE | CREDIT DESCRIPTION   | CODE | CREDIT DESCRIPTION  |
|------|--|------|---|
|      | <p>The limitations on refundability depend on the amount of ad valorem taxes paid and when the business was formed.</p> <ul style="list-style-type: none"> <li>Unless otherwise provided for, if the total amount eligible for the credit is less than or equal to \$500,000, 100 percent of any excess credit is refundable. If the total eligible amounts are above \$500,000, 75 percent of any excess credit up to a maximum of \$750,000 is refundable.</li> <li>Unless otherwise provided, for businesses formed or first registered to do business in Louisiana after April 15, 2016, if the total amount eligible for the credit is less than \$10,000,</li> </ul> |      | <p>100 percent of any excess credit is refundable, and for total eligible amounts of \$10,000 or more, 75 percent of any excess credit up to a maximum of \$750,000 is refundable.</p> <ul style="list-style-type: none"> <li>The natural gas credit is nonrefundable for taxes paid on natural gas by corporations taxed as C corporations for federal income tax purposes, for taxable periods beginning on or after January 1, 2025. The nonrefundable natural gas credit may be claimed on Schedule NRC-P3 using Code 502. See Revenue Information Bulletin 26-011 for additional information.</li> </ul> |

## INSTRUCTIONS FOR NONREFUNDABLE PRIORITY 3 CREDITS, SCHEDULE NRC-P3

### LINES 1 THROUGH 6

Below is a list of nonrefundable credits available for corporations and S corporations completing a composite tax return. Enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 6.

**NOTE: Use only the codes referenced in the table of Schedule NRC-P3. The codes listed here are not interchangeable with other codes listed on other schedules.**

Example:

| Credit Description                   | Code | Amount of Credit Claimed |
|--------------------------------------|------|--------------------------|
| Inventory Tax Credit Carried Forward | 500  | 700                      |

**LINES 7 THROUGH 9** – Complete Lines 7 through 9 ONLY if a transferable credit is claimed (credit codes 251 through 262). For Lines 7A, 8A, and 9A, enter the LDR State Certification number from Form R-6135, for the credit claimed on Lines 7, 8, and 9 respectively. See Revenue Information Bulletin 17-008 on LDR’s website for claiming a purchased transferable tax credit.

**LINE 10 – TOTAL INCOME TAX CREDITS** – Add Lines 1 through 9 and enter the result here and on Form CIT-620, Line 8.

| CODE | CREDIT DESCRIPTION |
|------|--------------------|
|------|--------------------|

- 251 – Motion Picture Investment** – La. R.S. 47:6007(C)(1) provides a credit against corporate income tax for taxpayers domiciled in Louisiana, who invest in a state-certified motion picture production. Taxpayers taking this credit may attach Form R-10611, *Motion Picture Investment Tax Credit Schedule*, as documentation for this credit. You must certify certain requirements in order to use the credit. See RIB 23-023 for more information and attach Form R-90150, *Taxpayer Certification of Compliance of Tax Obligations for the Motion Picture Production Credit*, to your return. For information on the cap, see <https://revenue.louisiana.gov/tax-policy/general-resources/credit-caps>. This credit can only be claimed on Lines 7 through 9.
- 252 – Research and Development** – La. R.S. 47:6015 provides a credit against corporate income tax or to any taxpayer who earned the credit based on participation in the Small Business Technology Transfer or the Small Business Innovation Research Grant program. This credit can only be claimed on Lines 7 through 9.
- 253 – Historic Structures** – La. R.S. 47:6019 provides a credit against corporate income tax if the taxpayer incurs certain expenses during the rehabilitation of a historic structure located in either a downtown development or a cultural district, or a historic structure contributing to the National Register of Historic Places. Refer to Revenue Information Bulletin 14-007 and 14-007A on LDR’s website. This credit can only be claimed on Lines 7 through 9.
- 257 – Capital Company** – La. R.S. 51:1924 provides a credit against corporate income tax for the investment in a certified

| CODE | CREDIT DESCRIPTION |
|------|--------------------|
|------|--------------------|

- 258 – LA Community Development Financial Institution (LCDFI)** This credit is no longer available because Act 5 of the 2024 Third Extraordinary Legislative Session ended the credit effective December 31, 2024. If you have an eligible carryover amount, use this code to utilize the carryover amount against income tax for any carryover period.
- 261 – Motion Picture Infrastructure** – La. R.S. 47:6007(C)(2) provides a credit against corporate income tax for an approved state-certified infrastructure project for a film, video, television, or digital production or post-production facility. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return. You must certify certain requirements in order to use the credit. See RIB 23-023 for more information and attach Form R-90150, *Taxpayer Certification of Compliance of Tax Obligations for the Motion Picture Production Credit*, to your return. For information on the cap, see <https://revenue.louisiana.gov/tax-policy/general-resources/credit-caps>. This credit can only be claimed on Lines 7 through 9.
- 262 – Angel Investor** – La. R.S. 47:6020 provides a credit against corporate income tax or to encourage third party investment of taxpayers who make qualified investments to certified Louisiana entrepreneurial businesses on or after January 1, 2011. To earn the Angel Investor Tax Credit, taxpayers must file an application with the Louisiana Department of Economic Development. See Revenue Information Bulletin 12-009 on LDR’s website. This credit can only be claimed on Lines 7 through 9.
- 299 – Other** – Reserved for future credits
- 305 – Tax Equalization** – La. R.S. 47:3201 et seq. provides a credit against corporate income tax for tax equalization for certain businesses locating in Louisiana. The taxpayer must enter into a contract with the Louisiana Department of Economic Development and a copy of the contract showing the credit granted must be attached to the return.
- 310 – Manufacturing Establishments** – La. R.S. 47:4301 et seq provides a credit against corporate income tax to certain manufacturing establishments that have entered into a contract with the Louisiana Department of Economic Development. A copy of the contract showing the credit granted must be attached to the return.
- 399 – Other** – Reserved for future credits
- 412 – Refunds by Utilities** – La. R.S. 47:287.664 provides a credit against corporate income tax for certain court ordered refunds made by utilities to its customers.

| CODE | CREDIT DESCRIPTION   | CODE | CREDIT DESCRIPTION   |
|------|--|------|--|
| 424  | <b>Donation to School Tuition Organization</b> – La. R.S. 47:6301 provides a credit against corporate income tax for donations made to a school tuition organization that provides scholarships to qualified students to attend a qualified school. Attach Form R-10604, <i>Receipt of Donation for Louisiana Tuition Donation Tax Credit</i> , to your return. See Revenue Information Bulletin 18-024 for more information. Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by statute.  |      | corporate income tax for a business that hires one or more eligible youth on or after July 1, 2021. To earn the credit, the eligible youth must work at least three (3) consecutive months in a full-time or part-time position at the business. The credit is equal to \$1,250 for each eligible youth hired in a full-time position or \$750 for each eligible youth hired in a part-time position. Taxpayers must apply to the LDR to receive certification. Attach Form R-90004, <i>Louisiana Youth Jobs Tax Credit Employee Certification</i> . Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by LAC 61:1.1921.   |
| 454  | <b>QMC Music Job Creation Credit</b> – La. R.S. 47:6023 provides a credit against corporate income tax to a Qualifying Music Company (QMC) that is a music publisher, sound recording studio, booking agent, or artist management that is engaged directly or indirectly in the production, distribution, and promotion of music. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return. The credit is limited to 50 percent of the taxpayer's tax liability.  | 463  | <b>Apprenticeship (2022)</b> – La. R.S. 47:6033 provides a credit against corporate income tax to employers for \$1.25 for each hour of employment of an eligible apprentice, limited to \$1,250 for each eligible apprentice. An eligible apprentice is a person who has entered into a written apprenticeship agreement with an employer or an association of employers pursuant to a registered apprenticeship program or who is enrolled in a training program accredited by the National Center for Construction Education and Research which has no less than four levels of training and no less than 500 hours of instruction. Use this code for Apprenticeship credits earned for employment of eligible apprentices after December 31, 2021. Attach a copy of Form R-90005, <i>Apprenticeship Tax Credit Employer Certification</i> , and Form R-6311, <i>Tax Incentives with Job Creation Components</i> . Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by LAC 61:1.1909.  |
| 457  | <b>Neighborhood Assistance</b> – La. R.S. 47:35 and 47:287.753 provide a credit against corporate income tax for an entity engaged in the activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention in Louisiana. The credit is for up to 50 percent of the amount contributed and cannot exceed \$180,000 annually.   | 464  | <b>Donation to Qualified Foster Care Charitable Organization</b> – La. R.S. 47:6042 provides a credit against corporate income tax for donations made to a qualifying foster care charitable organization that provides services to a child in a foster care placement program established by the Department of Children and Family Services. The credit is for the amount of the donation used to provide the service, limited to \$50,000. Form R-68009, <i>Receipt for Donations to Qualifying Foster Care Charitable Organization Credit</i> , must be attached to your return. Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by LAC 61:1.1925.  |
| 458  | <b>Research and Development</b> – La. R.S. 47:6015(K) provides a credit against corporate income tax for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research or for a taxpayer who employs fewer than 50 employees and who meets the requirements of La. R.S. 47:6015(B)(3)(i). Beginning with the 2018 tax year, credits earned based upon participation in the Small Business Technology Transfer program or the Small Business Innovative Research Grant program should be claimed using credit code 252. The credit is obtained through the Louisiana Department of Economic Development and documentation from that agency must be attached to the return. See Revenue Information Bulletin 15-019 on LDR's website. | 500  | <b>Inventory Tax Credit Carried Forward, for C Corporations and/or ITEP</b> – La. R.S. 47:6006 provides a credit against income tax for ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, or retailers. Attach a completed 2025 Form R-10610-ITE, <i>Schedule of Ad Valorem Tax Credit Claimed by ITEP Manufacturers and C Corporations for Ad Valorem Tax Paid on Inventory or Natural Gas</i> .<br><ol style="list-style-type: none"> <li>Manufacturers, distributors, or retailers should use this code for the following: <ul style="list-style-type: none"> <li>current year credit for entities taxed as C corporations for federal income tax purposes that are not eligible to claim the refundable credit</li> <li>the carryforward of unused nonrefundable credits from 2015 through 2024</li> </ul> </li> <li>Manufacturers who claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the same year the inventory taxes were paid should use this code for the following: <ul style="list-style-type: none"> <li>the carryforward of unused nonrefundable credits from 2015 through 2024</li> <li>the current year credit</li> </ul> </li> </ol> |
| 459  | <b>Ports of Louisiana Import Export Cargo</b> – La. R.S. 47:6036(I) provides a credit against corporate income tax to encourage the use of state port facilities in Louisiana. The credit is based on the number of tons of qualified cargo imported and exported from or to manufacturing, fabrication, assembly, distribution, processing, or warehousing facilities located in the state. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.  |      |  |
| 460  | <b>LA Import</b> – La. R.S. 47:6036.1 provides a credit against corporate income tax to encourage the utilization of Louisiana public port facilities for cargo imports and the development of new port infrastructure facilities for the manufacturing, distribution, and warehousing of imported goods. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.   |      |  |
| 461  | <b>LA Work Opportunity</b> – La. R.S. 47:287.750 provides a credit against corporate income tax for a business that hires participants in the work release programs provided for in La. R.S. 15:711, 1111, 1199.9, and 1199.10. The Louisiana Department of Public Safety or applicable sheriff must certify that the eligible business employed an eligible re-entrant who is participating in a work release program on or after January 1, 2021, in an eligible job for 12 consecutive months. A copy of the certification of the credit must be attached to the return.  |      |  |
| 462  | <b>Youth Jobs</b> – La. R.S. 47:6028 provides a credit against   |      |  |

| CODE         | CREDIT DESCRIPTION  | CODE         | CREDIT DESCRIPTION   |
|--------------|---|--------------|--|
|              | 3. Taxpayers taxed as C corporations for federal income tax purposes cannot earn the inventory tax credit for ad valorem taxes paid on or after July 1, 2026, but can continue to carry forward unexpired credits. However, C corporations that are cooperatives that are allowed the federal income tax deduction for any patronage dividends paid or allocated to their members can earn the credit. To claim this exception, a copy of Federal Form 1099-PATR must be submitted with the return. See Revenue Information Bulletin 26-011 for more information.   |              | or after July 1, 2026. This will be in regard to amounts that flow through to shareholders and in proportion to amounts calculated according to La. R.S. 47:287.732(B).  |
|              | 4. Taxpayers taxed as an S corporation for federal income tax purposes may earn the credit, for ad valorem payments made on or after July 1, 2026. This will be in regard to amounts that flow through to shareholders and in proportion to amounts calculated according to La. R.S. 47:287.732(B).   | <b>504 –</b> | <b>Atchafalaya Trace</b> – This credit is no longer available because Act 5 of the 2024 Third Extraordinary Legislative Session ended the credit effective December 31, 2024. If you have an eligible carryover amount, use this code to utilize the carryover amount against income tax for any years you have remaining in your 10 year carryover period.  |
| <b>502 –</b> | <b>Ad Valorem Natural Gas Credit Carried Forward and For C Corporations</b> – La. R.S. 47:6006 provides a credit against income tax for ad valorem taxes paid to political subdivisions in Louisiana on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. Attach a completed 2025 Form R-10610-ITE, <i>Schedule of Ad Valorem Tax Credit Claimed by ITEP Manufacturers and C Corporations for Ad Valorem Tax Paid on Inventory or Natural Gas</i> . Use this code for the following: <ul style="list-style-type: none"> <li>current year credit for entities taxed as C corporations for federal income tax purposes that are not eligible to claim the refundable credit</li> <li>the carryforward of unused nonrefundable credits from 2015 through 2024</li> </ul> Taxpayers taxed as C corporations for federal income tax purposes cannot earn the inventory tax credit for ad valorem taxes paid on or after July 1, 2026, but can continue to carry forward unexpired credits. However, C corporations that are cooperatives that are allowed the federal income tax deduction for any patronage dividends paid or allocated to their members can earn the credit. To claim this exception, a copy of Federal Form 1099-PATR must be submitted with the return. See Revenue Information Bulletin 26-011 for more information. | <b>505 –</b> | <b>Cane River Heritage</b> – This credit is no longer available because Act 5 of the 2024 Third Extraordinary Legislative Session ended the credit effective December 31, 2024. If you have an eligible carryover amount, use this code to utilize the carryover amount against income tax for any years you have remaining in your 10 year carryover period.  |
|              | Taxpayers taxed as an S corporation for federal income tax purposes may earn the credit, for ad valorem payments made on  | <b>508 –</b> | <b>Ports of Louisiana Investor</b> – This credit is no longer available because Act 5 of the 2024 Third Extraordinary Legislative Session ended the credit effective December 31, 2024. If you have an eligible carryover amount, use this code to utilize the carryover amount against income tax for any years you have remaining in your 10 year carryover period.  |
|              |   | <b>510 –</b> | <b>Enterprise Zone</b> – La. R.S. 51:1782 et. seq. provides a credit against corporate income tax for private sector investments in certain areas, which are designated as “Enterprise Zones”. The taxpayer must enter into a contract with the Louisiana Department of Economic Development and a copy of the contract showing the credit granted must be attached to the return. Per R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer’s failure to provide information or documentation required by statute. |
|              |   | <b>550 –</b> | <b>Recycling Credit</b> – La. R.S. 47:6005 provides a credit against corporate income for the purchase of certain equipment or service contracts related to recycling. The credit must be certified by the Louisiana Department of Environmental Quality and a copy of the certification must be attached to the return.   |
|              |   | <b>599 –</b> | <b>Other</b> – Reserved for future credits   |

## INSTRUCTIONS FOR PRIORITY 2 REFUNDABLE CREDITS, SCHEDULE RC-P2

### LINES 1 THROUGH 5

Below is a list of refundable tax credits available for corporations and S corporations completing a composite tax return. Enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 5.

**NOTE: Use only the codes referenced in the table of Schedule RC-P2. The codes listed here are not interchangeable with other codes listed on other schedules.**

Example:

| Credit Description | Code | Amount of Credit Claimed |
|--------------------|------|--------------------------|
| Milk Producers     | 58F  | 400                      |

**LINES 6 THROUGH 8** – Complete Lines 6 through 8 ONLY if a transferable credit is claimed (credit code 62F). For Lines 6A, 7A, and 8A, enter the LDR State Certification number from Form R-6135, for the credit claimed on Lines 6, 7, and 8 respectively. See Revenue Information Bulletin 17-008 for claiming a purchased transferable tax credit.

**LINE 9 – Total Income Tax Credits** – Add Lines 1 through 8 and enter the result here and on Form CIT-620, Line 5.

| CODE         | CREDIT DESCRIPTION   |
|--------------|--|
| <b>52F –</b> | <b>Ad Valorem Offshore Vessels</b> – La. R.S. 47:6006.1 allows a refundable credit against corporate income tax for 100 percent of the ad valorem taxes paid on vessels in Outer Continental Shelf Lands Act Waters. Copies of the tax assessment, the canceled check in payment of the tax, and a completed Form LAT 11A from the Louisiana Tax Commission must be attached to the return.  |
| <b>54F –</b> | <b>Telephone Company Property</b> – La. R.S. 47:6014 allows a refundable credit against corporate 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 to individuals who are shareholders or members of certain legal entities. See Revenue Information Bulletin 01-004 on LDR’s website. A schedule must be attached stating which entity paid the tax and obtained the credit on the taxpayer’s behalf. Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer’s failure to provide information or documentation required by LAC 61:l.1905. |
| <b>58F –</b> | <b>Milk Producers</b> – La. R.S. 47:6032 allows a refundable credit against corporate income tax for a resident taxpayer   |

| CODE       | CREDIT DESCRIPTION  | CODE       | CREDIT DESCRIPTION  |
|------------|---|------------|---|
|            | engaged in the business of producing milk for sale. Those milk producers that have obtained permits under the Louisiana Administrative Code, Title 51 and have met the requirements of the Food and Drug Administration shall be certified by the Department of Health to receive the credit. For more information see Revenue Information Bulletin 08-014 on LDR's website.  |            | La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by LAC 61:I.1903.   |
| <b>59F</b> | <b>Technology Commercialization</b> – This credit is no longer available because Act 5 of the 2024 Third Extraordinary Legislative Session ended the credit effective December 31, 2024. If you have an eligible carryover amount, use this code to utilize the carryover amount against income tax for any years you have remaining in your 20 year carryover period.  | <b>68F</b> | <b>School Readiness Fees and Grants to Resource and Referral Agencies</b> – La. R.S. 47:6107 allows a refundable credit against corporate income tax for the payment by a business of fees and grants to child care resource and referral agencies. The credit shall not exceed \$5,000 per tax year. Attach a copy of the receipt from the child care resource or referral agency and if applicable, a copy of the Schedule K-1 from the entity that made the donation to substantiate any credit earned from a pass-through entity. For more information regarding this credit, contact the Louisiana Department of Education. Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by LAC 61:I.1903.  |
| <b>62F</b> | <b>Musical and Theatrical Production</b> – La. R.S. 47:6034 allows a refundable credit against corporate income tax for the production expenses, transportation costs, employment of college and vocational-technical students, employment of residents, and for the construction, repair, or renovation of facilities related to the live performance industry. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification must be attached to the return.   | <b>70F</b> | <b>Retention and Modernization</b> – La. R.S. 51:2399.1 et seq. allow a refundable credit against corporate income tax for an employer who incurs qualified expenditures to modernize existing operations in Louisiana to retain the business in the state. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.  |
| <b>65F</b> | <b>School Readiness Child Care Provider</b> – La. R.S. 47:6105 allows a refundable credit against corporate income tax for a child care provider who operates a facility or facilities where care is given to foster children in the custody of the Louisiana Department of Children and Family Services (DCFS) or to children who participate in the Child Care Assistance Program administered by the Louisiana Department of Education (LDE). The credit is based on the average monthly number of children who attended the facility multiplied by an amount based on the quality rating of the child care facility. A copy of the certification from the Department of Education and any applicable K-1 must be attached to the return. For more information regarding this credit, contact LDE. Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by LAC 61:I.1903. | <b>73F</b> | <b>Digital Interactive Media &amp; Software</b> – La. R.S. 47:6022 allows a refundable credit against corporate income tax for the investment in businesses specializing in digital interactive media and software. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return. See Revenue Information Bulletin 12-017 on LDR's website.  |
| <b>67F</b> | <b>School Readiness Business-Supported Child Care</b> – La. R.S. 47:6107 allows a refundable credit against corporate income tax for a taxpayer who incurs eligible business-supported child care expenses. The percentage of eligible expenses allowed for the credit depends on the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility that the child attends. Copies of canceled checks, receipts, and other documentation containing the following information: the name and Louisiana revenue tax identification number of the child care facility to or for whom the eligible expenses were paid or made, the amount and nature of qualifying expenses at each child care facility as defined in La. R.S. 47:6102 and the child care facility's quality rating. For more information regarding this credit, contact the Louisiana Department of Education. Per  | <b>79F</b> | <b>Restaurant Recycling of Oyster Shells</b> – R.S. 47:6043 allows a refundable credit against corporate income tax for restaurants that donate oyster shells for use in benefitting the environment. The credit is equal to \$1 per 50 pounds of oyster shell material donated or \$2,000 per restaurant, whichever is less. To qualify, the oyster shells must be donated to the Oyster Shell Recycling Program of the Coalition to Restore Coastal Louisiana or any other oyster shell recycling program or activity designated as an approved program or activity. The amount of credits granted by the Department of Revenue is capped at \$100,000 per calendar year. Attach Form R- 90154, <i>Receipt for Restaurant Oyster Shell Recycling Credit</i> , to your return. Per R.S. 47:1624(F), the accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by LAC 61:I.1933. |
|            |   | <b>80F</b> | <b>Other Refundable Credit</b> – Reserved for future credits  |

# INSTRUCTIONS FOR COMPLETING SCHEDULES

## GENERAL INFORMATION

**IMPORTANT – PLEASE COMPLETE ALL APPLICABLE LINES AND SCHEDULES OF THIS FORM.** Failure to furnish complete information will cause the processing of the return to be delayed and may necessitate manual review of the return. See “Who needs to complete what schedules” on page 18 for the schedules that are required to be completed. S corporations filing annual information returns for taxable periods beginning on or after January 1, 2026, should complete all required schedules as listed on page 18.

The Louisiana income tax law requires the apportionment reporting method is used when computing the Louisiana portion of a taxpayer's apportionable income unless it can be clearly demonstrated that the use of the apportionment method produces a manifestly unfair result, and permission to use the separate accounting method has been granted by the Secretary. Such permission, once secured, continues to be effective so long as there is no change in the nature and extent of the Louisiana operations or in their relationship to operations outside of this state. A statement of any such changes in operations should be communicated immediately to the Secretary of Revenue in order that a redetermination may be made as to whether the separate accounting method is permissible.

## SCHEDULE A – REQUIRED INFORMATION

All taxpayers are required to answer questions 1 through 3. If you answered no to Line J on Form CIT-620, answer no to question 3. Attach a schedule listing the names, addresses, FEIN, and percentage for each question you answered yes.

## SCHEDULE B – COMPUTATION OF INCOME TAX APPORTIONMENT PERCENTAGE

Louisiana Revised Statute 47:287.95 provides for an apportionment percent that is to be applied to the taxpayer's total net apportionable income in determining the Louisiana net apportionable income. Specific revenue ratios are prescribed for air, transportation businesses other than air or pipeline, broadcasting, and certain service enterprises. A single revenue ratio is prescribed for manufacturing, merchandising, pipeline transportation, and any other business for which a formula is not specifically prescribed. A specific apportionment formula, consisting of four ratios, is prescribed for certain oil and gas businesses. The statute contemplates that only one specific formula is used in determining the apportionment percent, that being the formula prescribed for the taxpayer's primary business. As a general rule, where a taxpayer is engaged in more than one business, the taxpayer's primary business is that which is the primary source of the taxpayer's net apportionable income.

The income tax revenue and wage ratios are calculated on Schedule B. The income tax property ratio is calculated on Schedule C. Mark the box on Line 2 if the wage ratio is not considered as described below. Mark the box on Line 3 if the property ratio is not considered as described below.

**Television, Radio, and Other Broadcasting** – See La. R.S. 47:287.95(K).

**Oil And Gas Businesses** – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the exploration, production, refining, or marketing of oil and gas is the arithmetical average of four ratios, as follows:

- A. The ratio of the value of the immovable and corporeal movable property owned by the taxpayer and located in Louisiana to the value of the immovable and corporeal movable property owned by the taxpayer and used in the production of the net apportionable income.

- B. The ratio of the amount paid by the taxpayer for salaries, wages, and other compensation for personal services rendered in this state to the total amount paid by the taxpayer for salaries, wages, and other compensation for personal services in connection with the production of net apportionable income.
- C. The ratio of net sales made in the regular course of business and other gross apportionable income attributable to this state to the total net sales made in the regular course of business and other gross apportionable income of the taxpayer. This ratio is counted twice (double-weighted).

This provision applies to the following:

- Any taxpayer whose income is primarily derived from the production or sale of unrefined oil and gas.
- Any taxpayer defined as an integrated oil company per the United States Internal Revenue Code – 26 USC 291(b)(4), or integrated oil companies that refine, produce, and have marketing operations, whose income in Louisiana is principally derived from production and sale of unrefined oil and gas, and who also engage in significant marketing of refined petroleum products in Louisiana. However, any corporation, whose activities during the taxable year do not include gross receipts from retail sales of oil and/or natural gas or gross receipts from refinery activities of oil and/or natural gas, will not be considered as an integrated oil company for Louisiana tax purposes.

When the numerator and denominator are zero in any one or more ratios in the apportionment formula, such ratio is dropped from the apportionment formula and the arithmetical average determined from the total remaining ratios.

**Air Transportation** – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of air transportation, is computed by means of a single ratio, the ratio of the amount of gross apportionable income derived from Louisiana sources to the total gross apportionable income of the taxpayer.

Gross apportionable income from Louisiana sources includes all gross receipts derived from passenger journeys and cargo shipments originating in Louisiana and any other items of gross apportionable income or receipts derived entirely from sources in Louisiana.

**Transportation Other Than Air or Pipeline** – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation, other than aircraft or pipeline, is computed by means of a single ratio, the ratio of the amount of gross apportionable income from Louisiana sources to the total amount of gross apportionable income of the taxpayer. Gross apportionable income from Louisiana sources includes all such income that is derived from sources within the state and a portion of revenue from transportation partly without and partly within Louisiana.

**Service Enterprises** – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from a service business in which the use of property is not a substantial income producing factor is computed by means of a single ratio, the ratio of the gross apportionable income of the taxpayer from Louisiana sources to the total gross apportionable income of the taxpayer.

Gross apportionable income from Louisiana sources includes the revenue from services sourced to Louisiana, and any other gross income derived entirely in this state. The general rule for sourcing service receipts to Louisiana is that service receipts are sourced to Louisiana

if and to the extent the service is delivered to a location in Louisiana (market based). Refer to La. R.S. 47: 287.95(L) and LAC 61:I.1135 and 1136 for specific sourcing rules.

**Manufacturing, Merchandising, Pipeline Transportation, and Other Businesses Not Addressed Above** – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of manufacturing or merchandising (manufacturing, producing, and/or selling tangible personal property) or pipeline transportation or other business not addressed above is computed by means of a single ratio, the ratio of net sales made in the regular course of business and other gross apportionable income attributable to this state to the total net sales made in the regular course of business and other gross apportionable income of the taxpayer.

#### **SCHEDULE C – OIL AND GAS BUSINESS COMPUTATION OF CORPORATE INCOME TAX PROPERTY RATIO**

The property ratio is only included in the apportionment ratio for oil and gas businesses (described in the instructions for Schedule B). The property ratio is composed of real and tangible assets, less real and tangible assets not used in production of net apportionable income. Act 5 of the 2024 Third Extraordinary Session repeals the provision that treats moveable property within a Foreign Trade Zone as located outside of Louisiana for purposes of the apportionment calculation.

The value of immovable and corporeal movable property owned by the taxpayer and used in the production of net apportionable income is included in this ratio. Where only a part of the property is used in the production of apportionable income, only the value of that portion so used shall be included in the property ratio. However, where the entire property is used in the production of both allocable and apportionable income the value of the entire property shall be included in the property ratio. Idle property and property under construction, during such construction and prior to being placed in service, shall not be included in the property ratio. Property held as reserve or standby facilities, or property held as a reserve source of materials, shall be considered used in the production of apportionable income. Non-productive mineral leases are considered to be held for such use and should be included in the property ratio. The value of inventories of merchandise in transit shall be allocated to the state in which their delivery destination is located in the absence of conclusive evidence to the contrary.

#### **SCHEDULE D – COMPUTATION OF LOUISIANA NET INCOME**

All corporations should complete Schedule D. All lines should be completed.

#### **SEPARATE ACCOUNTING METHOD**

Those corporations that have been granted permission to use the separate accounting method should mark the box on the line above Line 1A and report the Louisiana amounts for the items on Lines 1A through 26. Skip Lines 27A through 30G. On Line 31, subtract Line 25 from Line 9. A copy of the federal return should be attached to the return.

#### **INSTRUCTIONS**

**LINE 8 – Other Income** – Taxpayers should include all taxable income not reported on Lines 1 or 4 through 7. This includes profits and losses from the sales or exchanges of property that are taxable as apportioned income. See LAC 61:I.1134. Taxpayers should also include interest income elected to be taxed under La. R.S. 47:287.738(F)(2).

**LINE 27 – Allocable Income** – Louisiana does not apply the business/nonbusiness concepts outlined in the Multistate Tax Compact. Irrespective of whether the net income derived from sources within Louisiana is determined by use of the apportionment method or the separate accounting method, the law designates certain classes of

income as allocable income that must be accounted for on a separate (direct) basis. See LAC 61:I.1130 available on the Department's website. The classes of income designated as allocable income and the basis upon which such income should be allocated are as follows:

- A. Rents and royalties from immovable or corporeal movable property must be allocated to the state where the property is located at the time the income is derived.
- B. Royalties or similar revenue from the use of patents, trademarks, copyrights, secret processes, and other similar intangible rights must be allocated to the state in which such rights are used. The use referred to is that of the licensee rather than that of the licensor. A mineral lease, royalty interest, oil payment, or other mineral interest is allocated to the state in which the property subject to such mineral interest is situated.
- C. Estates, trusts, and partnerships having a corporation as a member or beneficiary must allocate and apportion their income within and without the state in accordance with the processes and formulas prescribed for corporations, and the share of any corporate member or beneficiary in the net income from sources in this state, so computed, must be allocated to this state in the return of the member or beneficiary.
- D. Income from construction, repair, or other similar services must be allocated to the state in which the service is performed. The phrase "other similar services" means any work that has as its purpose the improvement of immovable property belonging to a person other than the taxpayer where a substantial portion of the work is performed at the location of such property, whether or not such services actually result in improvements to the property.
- E. Other allocable income – This line should include interest income received from a controlled corporation that a corporation elects to tax under La. R.S. 47:287.738(F)(2). The interest is allocated to the state or states in which the real and tangible personal property of the controlled corporation is located. The allocation is made on the basis of the ratio of the value of such property located in Louisiana to the value of such property within and without the state. See LAC 61:I.1130.A.2.

**Calculation of Net Allocable Income** – From the total gross allocable income from all sources and from gross allocable income from Louisiana sources, there is deducted all expenses, losses, and other deductions, except federal income taxes, allowable under the Louisiana income tax law that are directly attributable to such income, plus a ratable portion of the allowable deductions, except federal income taxes, that are not directly attributable to any item or class of gross income.

LAC 61:I.1130 provides that overhead expense attributable to items of gross allocable income derived from sources within and without Louisiana, except gross allocable income from rent of immovable or corporeal movable property or from construction, repair, or other similar services, may be determined by any reasonable method that clearly reflects net allocable income from such items of income.

#### **LAC 61:I.1130.B.2.A PROVIDES:**

- i. Overhead expense attributable to Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services shall be deducted from such income for the purposes of determining Louisiana net allocable income or loss from such items of income. The amount of overhead expense attributable to such income shall be determined by multiplying overhead expense attributed to total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services by the arithmetical average of two ratios, as follows:

- (a) the ratio of the amount of Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total gross allocable income from such sources;
  - (b) the ratio of the amount of direct cost incurred in the production of Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total direct cost incurred in the production of such income.
- ii. Overhead expense attributable to total gross allocable income derived from rent of immovable or corporeal movable property or from construction, repair, or other similar services shall be deducted from such income for the purposes of determining total net allocable income or loss from such items of income. The amount of overhead expense attributable to such income shall be determined by multiplying total overhead expense by the arithmetical average of two ratios, as follows:
- (a) the ratio of the amount of total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total gross income derived from all sources;
  - (b) the ratio of the amount of direct cost incurred in the production of total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total direct cost incurred in the production of gross income from all sources.
- iii. If the taxpayer has not maintained documents or records sufficient to compute the ratios required by this Subparagraph, the Secretary shall, upon examination, determine the method by which to attribute overhead expense.

In addition to direct expenses and a ratable portion of overhead expenses, LAC 61:1.1130 specifies the method for attributing a portion of interest expense to allocable income. The method of allocation and apportionment for interest set forth in the regulation is based on the approach that money is fungible and that interest expense is attributable to all activities and property regardless of any specific purpose for incurring an obligation on which interest is paid. Exceptions to the fungibility method are set forth in LAC 61:1.1130.B.1.b. The fungibility approach recognizes that all activities and property require funds and that management has a great deal of flexibility as to the source and use of funds and that the creditors of the taxpayer look to its general credit for repayment and thereby subject the money loaned to the risk of all of the taxpayer's activities. You must refer to LAC 61:1.1130 for information regarding the computation of interest expense.

**LINES 27A THROUGH 27E – Allocable Income From All Sources –** Enter the TOTAL net allocable income of each class, from all sources.

**LINE 27F – Allocable Expenses –** Enter the total of all allocable expenses. Attach a schedule detailing the expenses by allocable income type.

**LINE 27G – Net Allocable Income From All Sources –** Add Lines 27A through 27F.

**LINE 28 – Net Income Subject to Apportionment –** Subtract Line 27G from Line 26.

**LINE 29 – Net Income Apportioned to Louisiana –** Multiply the amount on Line 28 by the percentage from Schedule B, Line 6.

**LINES 30A THROUGH 30E – Allocable Income From Louisiana Sources –** Enter the total LOUISIANA allocable income of each class, from all sources.

**LINE 30F – Louisiana Allocable Expenses –** Enter the total of the allocable expenses associated with allocable income sourced to Louisiana. Attach a schedule detailing the expenses by allocable income type.

**LINE 30G – Net Allocable Income From Louisiana Sources –** Add Lines 30A through 30F. This is the LOUISIANA net allocable income.

**LINE 31 –** Add the net income apportioned to Louisiana, Line 29, to the net income allocated to Louisiana, Line 30G. If the separate method of accounting was used, subtract Line 25 from Line 9. Also enter this amount on Form CIT-620, Line 1A.

#### **SCHEDULE E – RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN**

This schedule should be completed by all entities filing an income tax return.

#### **SCHEDULE F – RECONCILIATION OF FEDERAL AND LOUISIANA NET INCOME**

This schedule MUST be completed by all corporations. Important! See La. R.S. 47:287.71 and 47:287.73 for information.

**LINE 1 –** Enter the total net income calculated under federal law before special deductions. If the corporation is included with affiliates in a consolidated federal income tax return, or is not a Subchapter C corporation for federal income tax purposes, enter the net income that would have been reported on the federal return if the corporation had been required to file an income tax return with the Internal Revenue Service on a separate Subchapter C corporation basis. Pass-through entities making the election to pay the income tax at the entity level must enter the net income that would have been reported on the federal return if the pass-through entity had been required to file an income tax return with the Internal Revenue Service on a separate Subchapter C corporation basis.

#### **LINES 2a through 2e – Additions to Federal Net Income**

**LINE 2a – Louisiana Income Tax –** The deduction taken on the federal return for Louisiana income tax is not allowed as a deduction on the Louisiana return and must be added back to federal net income.

**LINE 2b – Related Member Transactions –** Enter the amount from Form R-6950, *Schedule AB - Louisiana Corporation Income Tax Add-Back Form*, Line 10. Louisiana Revised Statute 47:287.82 requires corporations to add-back, subject to certain exceptions, otherwise deductible interest expenses and costs, intangible expenses and costs, and management fees resulting from direct or indirect transactions with one or more related entities. Form R-6950 is available on LDR's website.

**LINE 2c – Donation to School Tuition Organization Credit or Donation to Qualified Foster Care Organization Credit –** La. R.S. 47:6301(A)(1) (a) provides for a prohibition on double state benefits for a donation to a school tuition organization (STO). If you claimed the credit for a donation to a STO on Form CIT-620, Schedule NRC-P3, you must add back certain deductions taken at the federal level otherwise deductible for state income tax purposes if the corporation's federal deductions for charitable contributions allowed by Internal Revenue Code Section 170 included a deduction for the donation made by the corporation to the STO. See Revenue Information Bulletin 18-024 on for more information.

Louisiana Revised Statute 47:6042(A)(1)(c) provides for a prohibition on double state benefits for a donation to a qualified foster care organization. If you claimed the credit for a donation to a qualified foster care organization on Form CIT-620, Schedule NRC-P3, you must add back certain deductions taken at the federal level otherwise deductible for state income tax purposes if the corporation's federal deductions for charitable contributions allowed by Internal Revenue Code Section 170 included a deduction for the donation made by the corporation to the qualified foster care organization.

The addition required to be made on Line 2c is the amount of the charitable contribution made to the STO and the qualified foster care organization claimed on the corporation's federal return. The addition is limited to the amount of the credit claimed on the return for the corresponding donation.

**LINE 2d – Federal Depreciation Previously Accelerated Via State Bonus** – La. R.S. 47:287.73 allows corporations to elect a bonus depreciation deduction, also known as full expensing, for qualified property placed in service during the tax year. This election permits you to subtract 100% of the cost of qualified property on your Louisiana return in the year the property is placed in service.

For each taxable year following the year you claim this deduction, you are required to add back to your federal net income the amount of federal depreciation claimed on the same property because the property was fully expensed on your Louisiana return in the initial year. Also, an add back is required, for state purposes, of any federal loss carryforward from the property's disposition when it is used. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

**LINE 2e** – List any other deduction not allowed by Louisiana law on Line 2d. Refer to La. R.S. 47:287.71, 47:287.73, 47:287.734 through 287.747 and Revenue Information Bulletin 07-010 for other additions to federal taxable income. A schedule of the items on this line must be attached.

**LINE 2f** – Add Lines 2a through 2e.

#### **LINES 3a through 3l – Subtractions From Federal Net Income**

**LINE 3a – Bank Dividends** – La. R.S. 47:287.71 provides a deduction from federal net income for dividend income from banking corporations organized under the laws of Louisiana, from national banking corporations doing business in Louisiana, and from capital stock associations whose stock is subject to ad valorem taxation.

**LINE 3b – All Other Dividends** – La. R.S. 47:287.738(F)(1) allows a deduction for dividends that would otherwise be included in gross income.

**LINE 3c – Interest** – La. R.S. 47:287.738(F)(2) allows a deduction for interest that would otherwise be included in gross income.

**LINE 3d – Road Home** – La. R.S. 47:287.738(G) provides that any grant, loan, or other benefit directly or indirectly provided to a taxpayer by the Disaster Recovery Unit of the Office of Community Development is excluded if such income was included in the taxpayer's federal taxable income. Benefits may include payments from Restore Louisiana for recovery from the Great Flood of 2016.

**LINE 3e – Louisiana Depletion in Excess of Federal Depletion** – As provided in La. R.S. 47:287.745, in computing net income in the case of oil and gas wells, there is allowed as a deduction cost depletion as defined under federal law or percentage depletion, whichever is greater. Percentage depletion is equal to 22 percent of gross income from the property during the taxable year, excluding any rents or royalties paid or incurred by the taxpayer in respect of the property. This depletion amount should not exceed 50 percent of the net income of the property computed without an allowance for depletion. In determining net income from the property, a federal income tax is considered an expense.

**LINE 3f – Standard Deduction** – La. R.S. 47:287.71(9) provides for a standard deduction of up to \$20,000, for corporations subject to income tax pursuant to La. R.S. 47:287.11. S corporations filing either an informational return or a composite return for tax periods beginning on or after January 1, 2026, are not subject to the income tax imposed by La. R.S. 47:287.11. Therefore, such S corporations are not eligible for the standard deduction. To calculate the standard deduction, see steps below.

1. First, calculate your Modified Louisiana Net Income from all sources by completing Schedule F.

- Do not include the standard deduction on Line 3f when making this calculation.
2. Use the amount from Step 1 to determine your standard deduction as follows:
- If your modified Louisiana net income from all sources is \$20,000 or more, enter \$20,000 on Line 3f.
  - If your modified Louisiana net income from all sources is between \$1 and \$19,999, enter that amount on Line 3f.
  - If your modified Louisiana net income from all sources is \$0 or less, enter \$0 on Line 3f.
3. Also, the standard deduction should be included in the amount reported on Schedule D, Line 24 (Other Deductions).

**LINE 3g – Related Member Transactions** – Enter the amount from Form R-6950, Line 11. La. R.S. 47:287.82 requires corporations to add-back, subject to certain exceptions, otherwise deductible interest expenses and costs, intangible expenses and costs, and management fees resulting from direct or indirect transactions with one or more related entities. Form R-6950 is available on LDR's website.

**LINE 3h – Compensation for Disaster Services** – La. R.S. 47:53.5 provides an exclusion for income received by a nonresident business for performing disaster or emergency-related work within the state during a declared or emergency period. The exclusion applies only for income received in exchange for disaster or emergency-related work related to critical infrastructure that is performed during the declared disaster period, which begins within 10 days of the first day of the declaration or proclamation made by either the governor, the president, or appropriate local government official and ends 60 days after its conclusion, unless a longer period is subsequently authorized. Requests for written notice concerning emergency-related services are posted as Revenue Information Bulletins on LDR's website.

**LINE 3i – Expenses not Deducted on the Federal Return due to IRC Section 280E** – Whenever an otherwise allowable expense for purposes of computing federal net income is disallowed under the provisions of IRC Section 280E, an additional deduction in the amount of the disallowed expense is allowed under the provisions of La. R.S. 47:287.73(C)(1). The deduction is only allowed for a licensee engaged in the production or dispensing of therapeutic marijuana recommended for therapeutic use by patents clinically diagnosed as suffering from a debilitating medical condition as defined in La. R.S. 40:1046.

**LINE 3j – COVID-19 Relief Benefits Exemption** – La. R.S. 47:287.738(H) provides that 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. Benefits may include payments from the Louisiana Main Street Recovery Fund. See Revenue Information Bulletin 21-019 and Revenue Ruling 22-002. Attach a schedule detailing the source and amount of the excluded benefits and a copy of the Federal Form 1120.

**LINE 3k – Bonus Depreciation and Amortization** – La. R.S. 47:287.73 allows corporations to elect a bonus depreciation deduction, also known as full expensing, for qualified property placed in service during the tax year. This election permits you to deduct 100% of the cost of qualified property on your Louisiana return in the year the property is placed in service. Use this line to report the bonus depreciation amount that exceeds the depreciation claimed on your federal return. For this deduction, "qualified property" and "qualified improvement property" have the same meanings as those defined by Sections 168(k) and 168(e)(6) of the Internal Revenue Code, respectively, as in effect on January 1, 2024. The term "research and experimental expenditures" is defined as in Section 174 of the Internal Revenue Code, effective as of January 1, 2024. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

**LINE 3I – Other Subtractions** – Refer to La. R.S.47:287.71, 47:287.73, and 47:287.734 through 287.747 for other subtractions from federal net income. A schedule of the items on this line must be supplied. To the extent that refunds of Louisiana income tax are included in federal taxable income, they should be deducted on this line in accordance with La. R.S. 47:287.71. For the deduction for employment of certain qualified disabled individuals (La. R.S. 47:297.13), Form R-10605, *Application for Deduction for Employment of Certain Qualified Disabled Individuals*, must be attached to your return.

**LINE 3m – Total Subtractions** – Add Lines 3a through 3I.

**LINE 4 – Louisiana Net Income From All Sources** – Add Lines 1 and 2e and subtract Line 3m. This amount should agree with Schedule D, Line 26.

### **SCHEDULE G – BALANCE SHEET PER BOOKS**

This schedule MUST be completed by all taxpayers filing this return.

The information should match Schedule L, Balance Sheets per Books, from the corresponding federal form filed by the taxpayers. See detailed instructions below for lines listed on federal Schedule L but not separately listed on this schedule.

- Tax-exempt securities – should be included on Line 6, Other investments
- Other current assets – should be included on Line 16, Other assets
- Mortgage and real estate loans – should be included on Line 16, Other assets
- Other investments – should be included on Line 16, Other assets or Line 5, Stock and obligations of subsidiaries
- Adjustments to shareholders' equity – should be included on Line 26, Retained earnings
- Less cost of treasury stock – should be included on Line 23, Other liabilities

## **OTHER SCHEDULES**

### **SCHEDULE H – CALCULATION OF INCOME TAX**

Complete Schedule H only if you are filing this return as a corporation. For taxable periods beginning on or after January 1, 2026, S corporations shall be liable for income tax only in their separate or individual capacities. See page 1 for additional information on S corporations.

**LINE 1** – Enter the amount of net taxable income from CIT-620, Line 1D.

**LINE 2** – Multiply Line 1 by .055. Round to the nearest dollar. Enter the results here and on Form CIT-620 Line 1E.

### **SCHEDULE H-1 – PASS-THROUGH ENTITY TAX ELECTION CALCULATION OF INCOME TAX**

All taxpayers who are filing this return as a corporation and marked the box on Form CIT-620, Line O, must use Schedule H-1 to compute their income tax.

**NOTE:** S corporations who elect to file a composite tax return for taxable periods beginning on or after January 1, 2026, cannot make an election to be taxed as a pass-through entity.

**LINE 1** – Enter the amount of net taxable income from CIT-620, Line 1D.

**LINE 2** – Multiply Line 1 by .03. Round to the nearest dollar. Enter the results here and on Form CIT-620, Line 1E.

### **SCHEDULE I – SUMMARY OF ESTIMATED PAYMENTS**

List any credit carried forward from prior year's return and any estimated payments or extension payments you made. Estimated payments can be verified by using the Louisiana Taxpayer Access Point (LaTAP) on LDR's website.

A credit carried forward from prior year's return can be applied against your income tax liability on Form CIT-620, Line 10C.

### **SCHEDULE J – ADDITIONAL INFORMATION REQUIRED**

All corporations must complete Schedule J. All lines should be completed.

### **SCHEDULE K AND SCHEDULE L – SHAREHOLDER'S SHARE OF INCOME AND TAX FOR S CORPORATIONS**

For taxable periods beginning on or after January 1, 2026:

1. All S corporations must complete Schedule K, Not Included Shareholder's Share of Income and Tax.
2. S corporations must complete Schedule L, Included Nonresident Shareholder's Share of Income and Tax, for each nonresident shareholder that is reported on the composite S corporation filing.

**Shareholder Number** – Begin with number one "1" and use consecutive numbering for each shareholder required to be listed on this schedule. Also, provide a total for all shareholders on this schedule as applicable. Complete each row with the requested information for each shareholder.

**ID Type** – Enter Social Security Number (SSN) if the shareholder is an individual. Enter FEIN if the shareholder is a trust or estate.

**SSN or FEIN** – If ID type is SSN, enter the Social Security Number of the shareholder required to be included on this schedule. If ID type is FEIN, enter the Federal Employer Identification Number of the shareholder.

**Name** – Enter the full name if the shareholder is an individual or the legal name of the entity.

**Address, City, State, and ZIP** – Enter the mailing address of each shareholder.

**Shareholder's Share of Profit (%)** – Enter the year-end percentage of each shareholder. Enter the total for all shareholders on this schedule.

**Shareholder's Share of Loss (%)** – Enter the year-end percentage of each shareholder. Enter the total for all shareholders on this schedule.

**Shareholder's Share of Credits (%)** – Enter the year-end percentage of each shareholder. Enter the total for all shareholder on this schedule.

**Resident of LA for Tax Year** – Enter "Yes" or "No". Enter "No" if the shareholder is an entity such as a corporation, or partnership.

**Credits Claimed on the Return** – For each shareholder listed on Schedule L, enter "Yes" or "No" indicating whether tax credits earned by the S Corp flow through to the shareholders and are being claimed on the composite filing.

**Income Attributable to Louisiana** – Enter the income attributable to Louisiana. Add all income attributable to Louisiana and enter the total for shareholders in the total column. For Schedule L, enter the total on Form CIT-620, Line 2A. If less than zero, enter "0".

**Income Not Attributable to Louisiana** – Enter the income not attributable to Louisiana. If less than zero, enter “0”.

**Income Tax Due** – For each shareholder listed on Schedule L, a tax rate of 3 percent (.03) is assessed on the amount of income attributable to Louisiana. Calculate the tax due for each shareholder and enter the total for all shareholders in the Total column. Also, enter the amount on Form CIT-620, Line 2B.

**Nonrefundable Priority 1 Credits** – For each shareholder, enter their share of Nonrefundable Priority 1 Credits. Add the amount of Nonrefundable Priority 1 Credits and enter the total for all shareholders in the Total column.

**Schedule NRC-P1** – Refer to the list of nonrefundable credits in the instructions for Schedule NRC-P1. For each nonrefundable credit being claimed, enter the identifying three-digit code. Each credit must be listed separately. For each shareholder, enter their share of the applicable credit. Enter the total for all shareholders in the total column and on Form CIT-620, Schedule NRC-P1. **NOTE: Use only the codes referenced in the table of Schedule NRC-P1. The codes listed are not interchangeable with other codes listed on other schedules.**

**Income Tax Due after Nonrefundable Priority 1 Credits** – For each shareholder listed on Schedule L, subtract Total Nonrefundable Priority 1 Credits from Income Tax Due and enter the result. This amount cannot be less than zero. Enter the total for all shareholders on this schedule.

**Refundable Priority 2 Credits** – For each shareholder, enter their share of Refundable Priority 2 Credits from Schedule RC-P2. Add the amount of Refundable Priority 2 Credits and enter the total for all shareholders in the Total column.

**Schedule RC-P2** – Refer to the list of refundable credits in the instructions for Schedule RC-P2. For each refundable credit being claimed, enter the identifying code. Each credit must be listed separately. For each shareholder, enter their share of the applicable credit. Enter the total for all shareholders in the total column and on Form CIT-620, Schedule RC-P2. **NOTE: Use only the codes referenced in the table of Schedule RC-P2. The codes listed are not interchangeable with other codes listed on other schedules.**

**Income Tax Due after Total Refundable Priority 2 Credits** – For each shareholder listed on Schedule L, subtract Refundable Priority 2 Credits from Income Tax Due after Total Refundable Priority 1 Credits and enter the result. This amount cannot be less than zero. Enter the total for all shareholders on this schedule.

**Nonrefundable Priority 3 Credits** – For each shareholder, enter their share of Nonrefundable Priority 3 Credits. Add the amount of Nonrefundable Priority 3 Credits and enter the total for all shareholders in the Total column.

**Schedule NRC-P3** – Refer to the list of nonrefundable credits in the instructions for Schedule NRC-P3. For each nonrefundable credit being claimed, enter the identifying three-digit code. Each credit must be listed separately. For each shareholder, enter their share of the applicable credit. Enter the total for all shareholders in the total column and on Form CIT-620, Schedule NRC-P3. **NOTE: Use only the codes referenced in the table of Schedule NRC-P3. The codes listed are not interchangeable with other codes listed on other schedules.**

**Amount Paid on Shareholder’s Behalf** – For each shareholder listed on Schedule L, subtract Nonrefundable Priority 3 Credits from Income Tax Due after Total Refundable Priority 2 credits and enter the result. This amount cannot be less than zero. Enter the total for all shareholders on this schedule.

**Refundable Priority 4 Credits** – For each shareholder, enter their share of Refundable Priority 4 Credits. Add the amount of Refundable Priority 4 Credits and enter the total for all shareholders in the Total column.

**Schedule RC-P4** – Refer to the list of refundable credits in the instructions for Schedule RC-P4. For each refundable credit being claimed, enter the identifying code. Each credit must be listed separately. For each shareholder, enter their share of the applicable credit. Enter the total for all shareholders here and on Form CIT-620, Schedule RC-P4. **NOTE: Use only the codes referenced in the table of Schedule RC-P4. The codes listed are not interchangeable with other codes listed on other schedules.**

## WHO NEEDS TO COMPLETE WHAT SCHEDULES

Taxpayers are required to complete all schedules listed below for the type of return they are filing.

| Filing a Corporation Income Tax Return or S Corporation Annual Information Return |  |
|---|--|
| <b>The Return</b>   | Yes  |
| <b>Schedules NRC-P1, RC-P2, NRC-P3, and RC-P4</b>                                 | Only if claiming credits as a corporation or S corporation filing a composite tax return for taxable periods beginning on or after January 1, 2026 |
| <b>Schedule A</b>   | Yes  |
| <b>Schedule B</b>   | Yes  |
| <b>Schedule C</b>   | Only for certain oil and gas businesses  |
| <b>Schedule D</b>   | Yes  |
| <b>Schedule E</b>   | Yes  |
| <b>Schedule F</b>   | Yes  |
| <b>Schedule G</b>   | Yes  |
| <b>Schedule H or H-1</b>  | Only if filing as a corporation for income tax purposes (does not apply to S Corps for taxable periods beginning January 1, 2026)                  |
| <b>Schedule I</b>   | Only if you need to report applicable payments   |
| <b>Schedule J</b>   | Yes  |
| <b>Schedule K</b>   | Only for taxpayers filing as an S Corp for taxable periods beginning on or after January 1, 2026   |
| <b>Schedule L</b>   | Only for S Corps filing a composite tax return for taxable periods beginning on or after January 1, 2026   |

## What's New for Louisiana 2025 Corporation Income Tax?

**Louisiana Corporation Franchise Tax** – Act 6 of the 2024 Third Extraordinary Legislative Session repealed the franchise tax for taxable periods beginning on or after January 1, 2026, and removes references to the franchise tax in certain credit statutes. Franchise tax and any related schedules have been removed from the return.

**Louisiana Corporation Income Tax** – Act 5 of the 2024 Third Extraordinary Legislative Session provides for a flat rate of 5.5% for tax periods beginning on or after January 1, 2025.

**Subchapter S Corporations** – For taxable periods beginning on or after January 1, 2026, S corporations are required to file an annual information return. Individuals carrying on business as shareholders of an S corporation shall be liable for income tax only in their separate or individual capacities. S corporations will use Form CIT-620 to report the required information.

**S Corp Composite Filing – Lines 2A and 2B** – For taxable periods beginning on or after January 1, 2026, each entity treated as an S corporation for federal income tax purposes which engages in activities in this state may file composite returns and make composite payment of tax on behalf of any or all nonresident shareholders. The S Corp composite computation of income tax for included nonresident shareholders is computed on Schedule L, *Included Nonresident Shareholder's Share of Income Tax*. A new box has been added on the face of the return indicating that an S Corp composite return is being filed.

### SCHEDULE NRC-P1 – NONREFUNDABLE PRIORITY 1 CREDITS

**Bone Marrow – Code 120** – The code is no longer available on the return because Act 11 of the 2024 Third Extraordinary Legislative Session repealed this credit effective December 31, 2024.

**Donations to Eligible Maternal Wellness Center – Code 190** – La. R.S. 47:6113 provides a nonrefundable credit equal to 50 percent of the donation made to an eligible maternal wellness center during the taxable year. The credit must be claimed in the tax period in which the donation is made and may not exceed 50 percent of the taxpayer's income tax liability. For more information on this credit, see Revenue Information Bulletin 25-014 posted on LDR's website. Form R-90156, *Receipt for Donations to Eligible Maternal Wellness Center Credit*, must be attached to the return.

### SCHEDULE RC-P4 – REFUNDABLE PRIORITY 4 CREDITS

**Inventory Tax – Code 50F** – This credit can no longer be claimed as refundable by entities taxed as C corporations for federal income tax purposes for tax periods beginning on or after January 1, 2025. Taxpayers should use credit code 500 to claim the nonrefundable inventory credit. See Revenue Information Bulletin 26-011 for additional information.

**Ad Valorem Natural Gas – Code 51F** – This credit can no longer be claimed as refundable by entities taxed as C corporations for federal income tax purposes for tax periods beginning on or after January 1, 2025. Taxpayers should use credit code 502 to claim the nonrefundable natural gas credit. See Revenue Information Bulletin 26-011 for additional information.

### SCHEDULE NRC-P3 – NONREFUNDABLE PRIORITY 3 CREDITS

**New Jobs Credit – Code 224** – This credit is no longer available because the time to carry forward unused credits has ended.

**Eligible Re-entrants – Code 228** – This credit is no longer available because the time to carry forward unused credits has ended.

**Apprenticeship (2007) – Code 236** – This credit is no longer available because the time to carry forward unused credits has ended.

**Inventory Tax Credit Carried Forward, for C Corporations and/ or ITEP – Code 500** – For taxable periods beginning January 1, 2025, through June 30, 2026, credits earned by taxpayers taxed as a C corporation for federal income tax purposes, may be claimed as a nonrefundable inventory credit using this credit code.

**Ad Valorem Natural Gas Credit Carried Forward and for C Corporations – Code 502** – For taxable periods beginning January 1, 2025, through June 30, 2026, credits earned by taxpayers taxed as a C corporation for federal income tax purposes, may be claimed as a nonrefundable inventory credit using this credit code.

### SCHEDULE RC-P2 – REFUNDABLE PRIORITY 2 CREDITS

**Prison Industry Enhancement – Code 55F** – The code is no longer available on the return because Act 11 of the 2024 Third Extraordinary Legislative Session repealed this credit effective December 31, 2024.

### SCHEDULE C – OIL AND GAS BUSINESS COMPUTATION OF CORPORATE INCOME TAX PROPERTY RATIO

Act 5 of the 2024 Third Extraordinary Session repeals the provision that treats moveable property within a Foreign Trade Zone as located outside of Louisiana for purposes of the apportionment calculation.

### SCHEDULE F – RECONCILIATION OF FEDERAL AND LOUISIANA NET INCOME

**Federal depreciation previously accelerated via state bonus – Line 2d – 47:287.73** allows corporations to elect a bonus depreciation and amortization deduction, also known as full expensing, for qualified property placed in service during the tax year. This election permits you to subtract 100% of the cost of qualified property on your Louisiana return in the year the property is placed in service.

For each taxable year following the year you claim this deduction, you are required to add back to your federal net income the amount of federal depreciation claimed on the same property because the property was fully expensed on your Louisiana return in the initial year.

**Louisiana standard deduction – Line 3f** – Act 5 of the Third Extraordinary Legislative Session provides for a standard deduction of up to \$20,000. See instructions for Schedule F, Line 3f.

**Bonus depreciation and amortization – Line 3k** – La. R.S. 47:287.73 allows corporations to elect a bonus depreciation and amortization deduction, also known as full expensing, for qualified property placed in service during the tax year. This election permits you to deduct 100% of the cost of qualified property on your Louisiana return in the year the property is placed in service. Use this line to report the bonus depreciation and amortization amount that exceeds the depreciation claimed on your federal return. For this deduction, "qualified property" and "qualified improvement property" have the same meanings as those defined by Sections 168(k) and 168(e)(6) of the Internal Revenue Code, respectively, as in effect on January 1, 2024. The term "research and experimental expenditures" is defined as in Section 174 of the Internal Revenue Code, effective as of January 1, 2024. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

### SCHEDULE G – BALANCE SHEET PER BOOKS

**Assets – Lines 1 through 18** – This schedule has been renamed to Balance Sheet per Books and an assets section has been added.

### SCHEDULE H – CALCULATION OF INCOME TAX

The tax rate has been changed to a flat rate of 5.5% for tax periods beginning on or after January 1, 2025.

### SCHEDULE H-1 – PASS-THROUGH ENTITY TAX ELECTION CALCULATION OF INCOME TAX

The tax rate for the pass-through entity tax election has been changed to a flat rate of 3% for tax periods beginning on or after January 1, 2025.

### SCHEDULES K AND L – SHAREHOLDER'S SHARE OF INCOME AND TAX FOR S CORPORATIONS

For taxable periods beginning on or after January 1, 2026:

- All S corporations must complete Schedule K, *Not Included Shareholder's Share of Income and Tax*.
- S corporations must complete Schedule L, *Included Nonresident Shareholder's Share of Income and Tax*, for each nonresident shareholder that is reported on the composite S corporation filing.

### VISIT THESE LDR WEBSITES:

- <https://revenue.louisiana.gov/tax-forms/> for forms and instructions
- <https://revenue.louisiana.gov/businesses/tax-types/corporate-income-franchise-tax/> for tax information
- <https://latap.revenue.louisiana.gov/> for free filing and payment options