

Face of the Return

Federal Depreciation Previously Accelerated via State Bonus – Line 2G – Louisiana Revised Statute 47:297.25 allows businesses 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.

For each taxable year following the year you claim this deduction, you are required to add back to your federal taxable 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. See Revenue Information Bulletin 25-012 for additional information.

Bonus Depreciation – Line 3F – La. R.S. 47:297.25 allows businesses 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. For more information, see Revenue Information Bulletin 25-012. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

Louisiana Income Tax – Line 7 – Act 11 of the 2024 Third Extraordinary Legislative Session changed the income tax rate to a flat tax rate of 3%.

Schedule NRC-P1 – Nonrefundable Priority 1 Credits

Bone Marrow – Code 120 – This credit is no longer available. The credit was repealed per Act 5 of the 2024, Third Extraordinary Session effective January 1, 2025.

Donations to Eligible Maternal Wellness Center – Code 190 – La. R.S. 47:6113 allows 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.

Schedule NRC-P3 – Part I – Nonrefundable Priority 3 Credits

New Jobs Credits – Code 224 – This credit is no longer available because the time to carryforward unused credits has ended.

Eligible Re-Entrants – Code 228 – This credit is no longer available because the time to carryforward unused credits has ended.

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

Schedule RC-P2 – Part I – 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 exemption effective December 31, 2024.

Schedule A – Computation of Louisiana Taxable Income before Income Distribution Deduction

Federal Depreciation Previously Accelerated via State Bonus – Line 5 – La. R.S. 47:297.25 allows businesses 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.

For each taxable year following the year you claim this deduction, you are required to add back to your federal taxable 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. See Revenue Information Bulletin 25-012 for additional information.

Bonus Depreciation – Line 5E – La. R.S. 47:297.25 allows businesses 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. For more information, see Revenue Information Bulletin 25-012. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

VISIT THESE LDR WEBSITES:

- <https://revenue.louisiana.gov/tax-forms/> for forms and instructions
- <https://revenue.louisiana.gov/individuals/general-resources/individual-income-tax/> for tax information
- <https://latap.revenue.louisiana.gov/> for free filing and payment options



General Information and Instructions for Completing Form IT-541 Fiduciary Income Tax Return

Who Must File a Return

Louisiana Revised Statute 47:162 provides that every resident estate or trust and every nonresident estate or trust deriving income from Louisiana sources is liable for an income tax under the following guidelines:

1. The net income of an estate or trust for the taxable year is \$2,500 or more.
2. The gross income of an estate or trust for the taxable year is \$6,000 or more, regardless of the amount of net income.
3. The beneficiary of an estate or trust is a nonresident of Louisiana.

Grantor trusts, defined in La. R.S. 47:187 are also required to file a return if any part of the net Louisiana income is taxable to the trust or to the nonresident beneficiaries of the grantor trust.

Definitions

Bankruptcy Estate – An estate formed for a debtor for which a petition for relief has been filed and granted under chapter 7 or chapter 11 of title 11 of the United States Code ("Bankruptcy Code")

- If the debtor is an individual, the bankruptcy estate is treated under federal law, and thus Louisiana, as a separate taxable entity.
- A separate taxable entity is not created if a partnership or corporation files a petition under any chapter of title 11 of the U.S. Bankruptcy Code.

Fiduciary – Any person, firm, partnership, or association in whom a legal or ethical relationship of trust is established between two or more parties to manage and protect property or money. A fiduciary will have sufficient knowledge of the affairs of the trust or estate to enable the preparation and filing of a true and correct return.

Foreign Estate – Estates located outside the United States that derive income from Louisiana sources but are not required to file United States fiduciary income tax returns

Foreign Trust – Trusts located outside the United States that derive income from Louisiana sources but are not required to file United States fiduciary income tax returns

Louisiana Taxable Income – La. R.S. 47:300.6 defines Louisiana taxable income of a resident estate or trust as the amount of income taxed in accordance with federal law for the same taxable year. La. R.S. 47:300.7 defines Louisiana taxable income of a nonresident estate or trust as the amount of income taxed in accordance with federal law earned within or derived from sources within Louisiana for the same taxable year.

Resident Bankruptcy Estate – A bankruptcy estate formed for a debtor for which a petition for relief has been filed and granted under the Bankruptcy Code with any bankruptcy court located in Louisiana

Resident Estate – The estate of a decedent who was domiciled in Louisiana at the time of death

Resident Trust – A trust or a portion of a trust created by the last will and testament of a decedent domiciled in Louisiana at

the time of death. If the trust instrument provides that the trust is governed by Louisiana law, the trust is considered to be a resident trust even if the decedent was domiciled in another state at the time of death. Any trust instrument that does not specify as to which state's governing law prevails and that is administered in this state is considered a resident trust.

Nonresident Bankruptcy Estate – A bankruptcy estate formed for a debtor for which a petition for relief has been filed and granted under the Bankruptcy Code with any bankruptcy court not located in Louisiana

Nonresident Estate – The estate of a decedent who was not domiciled in Louisiana at the time of death

Nonresident Trust – Any trust that is not considered to be a resident trust. If the trust instrument provides that the trust is governed by another state's law, the trust is considered to be a nonresident trust even if the decedent was domiciled in Louisiana at the time of death.

Foreign Estates and Trusts Located Outside the United States

Foreign estates and trusts located outside the United States are generally not required to file a United States fiduciary income tax return. However, if the estate or trust derived income from Louisiana sources, the filing of a Louisiana fiduciary income tax return is required. The tax is imposed in the same manner as any other nonresident estate or trust. An alternate method of imposing the tax provided under La. R.S. 47:300.3(3) allows estates and trusts located outside the United States to elect to be taxed on total gross income from Louisiana sources at the rate of 5%. If this election is being made, enter a "1" in the box on Line 7.

Fiduciary Responsibility

As an entity in whom a relationship of trust is established to manage and protect property and money, the fiduciary is responsible for the preparation and filing of a true and correct return. La. R.S. 47:300.5 provides that the fiduciary of an estate or trust is personally liable for the payment of all taxes, penalties, and interest due by the estate or trust. The tax liability imposed on any beneficiary of the estate and trust is not the responsibility of the fiduciary.

Income Taxed to Fiduciary

Under the provisions of La. R.S. 47:181 and 47:300.2, the income tax imposed on an estate or trust for which a fiduciary will file applies to the Louisiana taxable income of estates or of any kind of property held in trust, including the following:

1. Income accumulated in trust for the benefit of unborn or unascertained persons or persons with contingent interests, and income accumulated or held for future distribution under the terms of the will or trust
2. Income that is to be distributed currently by the fiduciary to the beneficiaries and income collected by a guardian of a minor that is to be held or distributed as the court may direct
3. Income received by the estates of deceased persons during the period of administration or settlement of the estate
4. Income that, in the discretion of the fiduciary, may be either distributed to the beneficiaries or accumulated

NOTE: Include all income from Electing Small Business Trusts (ESBTs) on this return. Also, there is no special tax calculation for this income and no need to file a separate return.

Tax Rates Applied to Louisiana Taxable Income

Louisiana Revised Statute 47:300.1 provides the tax to be assessed, levied, collected, and paid upon the Louisiana taxable income of an estate or trust and shall be computed at the rate of 3% on Louisiana taxable income.

Information at Source

Louisiana Revised Statute 47:164 provides that any person, firm, partnership, trust, corporation, or organization making payments totaling \$1,000 or more during any taxable year for lease bonuses, delay rentals, mineral leases affecting lands located in Louisiana, and rentals paid for real property located in Louisiana to a nonresident individual or a firm, partnership, trust, corporation, or organization not located in Louisiana shall file an information return with the Secretary of Revenue on or before June 1 of the following year for each payee. The Federal Information Return Forms (Form 1099 et al.) used for reporting such payments to the Internal Revenue Service may be used for reporting the required information. A completed Federal Form 1099 should include the name and address of the entity receiving the payment, a Federal Employer Identification Number or the social security number of the payor and payee, and the amount and description of the payment made to the payee. Federal Form 1099 should be included with the filing of Form R-1203, *L-3 Transmittal of Withholding Tax Statements*. Informational returns reporting other items of income that would normally appear on the Federal Form 1099 are required only upon the specific request of the Secretary of Revenue.

For this purpose, amounts distributable to beneficiaries will be reportable if the income shown on the fiduciary return is for lease bonuses, delay rentals, or royalties from mineral leases affecting lands located in Louisiana and rentals paid for the use of real property located in Louisiana.

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 can be filed electronically, or if you are filing less than 50, by paper with the filing of Form R-91001, *Annual Summary and Transmittal of Form 1099-NEC*. See LDR's website for more information.

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*. For additional information, see LAC 61:I.5501.

Pass-Through Entity Tax Election

If the income earned by an estate or trust as a member, shareholder, or partner of an electing entity is included as income on the fiduciary income tax return, the trust or estate is allowed to take the exclusion of the income on its income tax return. Resident

estates or trusts should refer to the instructions for Lines 2D and 3D, nonresidents see Schedule A, Lines 4 and 6D.

If the income earned by an estate or trust as a member, shareholder, or partner of an electing entity is distributed to a beneficiary filing an individual income tax return in Louisiana in the same taxable year it is earned, the individual is allowed to take the exclusion of the distributed income on their individual income tax return for that taxable year. If the income is distributed to a corporation as a member, shareholder, or partner of an electing entity, the income is taxable to the corporation.

Electronic Filing Mandate

Louisiana Administrative Code 61:III.1509 requires the electronic filing of the Form IT-541 if the return is filed with one or more Schedule K-1s attached.

Due Date of the Fiduciary Return

A 2025 calendar year return is due on May 15, 2026. Fiscal year returns must be filed on or before the 15th day of the fifth month after the close of the fiscal period. If the due date falls on a weekend or legal holiday, the return is due the next business day.

Where to File a Fiduciary Return

Fiduciary returns must be filed with the Louisiana Department of Revenue, P. O. Box 3440, Baton Rouge, Louisiana 70821-3440. DO NOT SEND CASH. Checks or money orders should be made payable to the Louisiana Department of Revenue.

An electronic payment option is available on the LDR website at <https://latap.revenue.louisiana.gov>. You can also pay your taxes by credit card over the internet or by telephone. Visit www.revenue.louisiana.gov for more information.

Extension of Time for Filing

If you know you cannot file your return by the due date, you do not need to file for an extension. You will automatically be granted an extension of six months to November 16, 2026.

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 R-6466V, *Fiduciary Income Tax Electronically Filed Extension Payment Voucher*, by May 15, 2026. 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 a delinquent filing penalty from the original due date of the return. NOTE: No paper or electronic extension form needs to be filed to obtain the automatic extension.

Amended Returns

If you file your fiduciary income tax return and later become aware of any changes you must make, you must file an amended Louisiana return along with an explanation of the change(s) and a copy of the federal amended return, if one was filed. The form should be clearly marked with an "X" in the "Amended Return" box.

Federal Tax Adjustments

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

Interest on Refunds

According to La. R.S. 1624(A)(1), interest is allowed on refunds from ninety days after the later of the due date of the return, the filing date of the return or claim for refund on which the overpayment is claimed, or the date the tax was paid. Per La. R.S. 47:1624(F), the accrual of interest shall be suspended during any period that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by statute or regulation certain credits claimed on this tax return.

Rounding to Whole Dollars

Round cents to the nearest whole dollar on Form IT-541. 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

The Louisiana income tax is imposed upon only that part of the net income of a nonresident estate or trust that is derived from sources within Louisiana. Nonresident estates and trusts are required to allocate and apportion their income. Use Schedule A, *Computation of Louisiana Taxable Income before Income Distribution Deduction* and Schedule B, *Computation of Apportionment Percentage*, to calculate the amount of Louisiana taxable income before the income distribution deduction.

Special Filing Instructions for Bankruptcy Estates of an Individual Debtor

If a bankruptcy estate is filing Form IT-541 for an individual debtor, a copy of Federal Form 1041 and the attached Form 1040 must be attached to the return. The Louisiana income tax for the fiduciary is calculated under the tax rates for fiduciaries. Form IT-540 or IT-540B does not need to be completed or attached to the Form IT-541.

Special Filing Instructions for a Rapid Tax Determination Request

To request a rapid tax determination from LDR, the bankruptcy estate should mail a letter requesting a rapid tax determination of the kind provided for by Bankruptcy Code Section 505(b)(2), along with the tax returns for the covered tax periods to the department at this address:

Louisiana Department of Revenue
Bankruptcy Section, Collection Division
ATTN: Bankruptcy Section Supervisor
Post Office Box 66658
Baton Rouge, Louisiana 70896-6658

INSTRUCTIONS FOR COMPLETING FORM IT-541

About this Form

The return has been designed for electronic scanning, which permits faster processing with fewer errors. 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. Use only 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. Numbers should **NOT** be entered over the pre-printed zeros in the boxes on the far right, which are used to designate cents (.00).
5. For Lines 1 and 4, 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 Federal taxable income on Line 1 is a \$10,000 loss, mark the box on Line 1 and enter 10,000.
6. To avoid any delay in processing, use this form for **2025** only.
7. If you are filing an amended return, mark an "X" in the "Amended Return" box on the face of the return.

Period Covered

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 or a final 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.

Information Required

Provide the LDR Account Number for the estate or trust, its Federal Identification Number, and the legal name of the estate or trust. Two lines are provided for the name. Provide the mailing address, city, state, and zip code. If there is a change in your address since last year's return, mark an "X" in the "Address Change" box. A direct address change can be accomplished by marking the "Address Change" box when filing your return, or can be submitted by accessing your account at <https://latap.revenue.louisiana.gov>. Mark all applicable boxes indicating whether the trust is a resident trust or a nonresident trust and whether the return being filed is an initial return, an amended return, a final return, or a short period return.

Indicate the date the entity was created and the fiduciary's six digit 2022 North American Industry Classification System (NAICS) code in the spaces provided. Provide the number of Schedules K-1 and attach them to the return. Enter the code(s) that describes the entity for which you are filing the return. In some cases, more than one code should be entered. For each entity type checked on Federal Form 1041, Box A, enter the code(s) from the following list:

| Code | Entity Type |
|------|--------------------------------|
| A | Decedent's Estate |
| B | Simple Trust |
| C | Complex Trust |
| D | Qualified Disability Trust |
| E | ESBT (<i>S portion only</i>) |
| F | Grantor Type Trust |
| G | Bankruptcy Estate - Ch. 7 |
| H | Bankruptcy Estate - Ch. 11 |
| I | Pooled Income Fund |
| J | Split-Interest Trust |
| K | Charitable Remainder Trust |

Line 1 – Federal Taxable Income before Modifications

Resident bankruptcy estates, enter the taxable income amount reported on Line 15 of the Federal Form 1040 that is an attachment to the Federal Form 1041. **Resident Electing Small Business Trusts (ESBT), enter the combined amount of the taxable income of the S portion of the ESBT, and the amount reported for the non-S portion on Federal Form 1041, Line 23.** All other resident trusts and resident estates enter the taxable income amount reported on Federal Form 1041, Line 23.

If the estate or trust is a **nonresident** estate or trust, **DO NOT complete Lines 1 through 3H. Complete Schedule A – Computation of Louisiana Taxable Income before Income Distribution Deduction, and Schedule B - Computation of Apportionment Percent, if any of the net income is subject to apportionment.** See instructions for Schedule A.

ADDITIONS**Line 2A – Net Income Tax Paid to any State or Political or Municipal Subdivision**

Enter the amount of net income tax paid to any state, political, or municipal subdivision that was deducted in the calculation of federal taxable income as provided by La. R.S. 47:300.6(B)(1)(b).

Line 2B – Interest Income from other States and their Political or Municipal Subdivisions

Enter the amount of interest on obligations of a state, political, or municipal subdivision other than Louisiana and its municipalities that are vested with the estate, trust, or fiduciary on or after January 1, 1980, as provided by La. R.S. 47:300.6(B)(1)(a).

Line 2C – Donation to School Tuition Organization Credit or Donation to Qualified Foster Care Charitable Organization Credit

Louisiana Revised Statute 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 IT-541, 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 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 IT-541, 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. See LAC 61:I.1925 for more information.

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 fiduciary's federal return. The addition is limited to the amount of the credit claimed on the return for the corresponding donation.

Line 2D – Add Back of Pass-Through Entity Loss

Louisiana Revised Statute 47:300.6(B)(2)(e)(i) provides an exclusion for an estate or trust who is a shareholder, member, or partner of an entity that made the pass-through entity tax election under La. R.S. 47:287.732.2. This election allows S corporations, and other entities taxed as partnerships for federal income tax purposes, to pay Louisiana income tax at the entity level. The entity must have

received LDR's approval of the election. The add-back amount is the Louisiana net operating loss that was reported at the entity level for this tax year that is included on Federal Form 1041. You must also include any net operating loss carried forward from a tax year in which the election was made and utilized in this tax year.

This amount should be included in the amount on Line 1. Do not include income not taxed at the entity level such as interest and dividend income. See Revenue Information Bulletin 23-022 and LAC 61:I.1001 for more information. You must attach a copy of Form R-6981, *Louisiana Statement of Owner's Share of Entity Level Tax Items*, and a pro forma Federal Form 1041 that excludes any income, deductions, or other tax items that were included in the calculation of Louisiana net income on the entity's Louisiana Form CIT-620. The amount that you can exclude is the difference in federal taxable income calculated on your Federal Form 1041 and the pro forma Federal Form 1041. If the difference is a loss, the loss must be added to your federal taxable income on this line.

Line 2E – Federal Exemption

Resident bankruptcy estates enter zero "0" on this line. Resident trusts and all other resident estates, enter the exemption amount reported on Federal Form 1041, Line 21.

Line 2F – Federal Income Distribution Deduction

Resident bankruptcy estates enter zero. Resident trusts and all other resident estates enter the amount from Federal Form 1041, Line 18.

Line 2G – Federal Depreciation Previously Accelerated via State Bonus

Louisiana Revised Statute 47:297.25 allows businesses 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 taxable 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. See Revenue Information Bulletin 25-012 for additional information. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

Line 2H – Total

Add Lines 2A through 2G.

SUBTRACTIONS**Line 3A – Interest and Dividends on U.S. Government Obligations**

Enter the amount of interest and dividends from U.S. government obligations or any income that is exempt from taxation under the laws of Louisiana.

Line 3B – Depletion in Excess of Federal Depletion

Louisiana Revised Statute 47:300.6(B)(2)(b) provides a deduction from gross income for depletion. Enter the amount of Louisiana depletion in excess of federal depletion. In computing net income in the case of oil and gas wells, a deduction is allowed for cost depletion or percentage depletion, whichever is greater. Percentage depletion is calculated as 22 percent of gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents and royalties paid or incurred by the taxpayer from the property. The depletion deduction cannot exceed 50 percent of the net income of the taxpayer computed without allowance for depletion from the property. In determining net income from the property, federal income tax is considered an expense.

Line 3C – S Bank Exclusion

Enter the amount of the S Bank shareholder exclusion that the estate or trust can claim as provided by La. R.S. 47:300.6(B) (2)(d). The amount of the exclusion is considered nontaxable income. La. R.S. 47:297.3(B)(5) provides that “S Bank nontaxable income” means (A) the portion of the income reported by an S Bank on Federal Form 1120S Schedule K-1 or (B) the portion of the income reported by an S Bank on an equivalent document, which is attributable to the net earnings used to compute the S Bank’s share’s tax as provided in La. R.S. 47:1967. Attach a copy of Schedule K-1 as documentation for the amount excluded. The exclusion is only allowed if the entity did not make the pass-through entity tax election under La. R.S. 47:287.732.2.

Line 3D – Pass-Through Entity Exclusion

Louisiana Revised Statute 47:300.6(B)(2)(e)(i) provides for an exclusion for an estate or trust who is a shareholder, member, or partner of an entity that made the pass-through entity tax election under La. R.S. 47:287.732.2. This election allows S corporations, and other entities taxed as partnerships for federal income tax purposes, to pay Louisiana income tax at the entity level. The entity must have received LDR’s approval of the election. The excluded amount is the income that was taxed at the entity level that is included on Federal Form 1041. This amount should be included in the amount on Line 1. Do not include income not taxed at the entity level such as interest and dividend income. See Revenue Information Bulletin 23-022 and LAC 61:I.1001 for more information. You must attach a copy of Form R-6981, *Louisiana Statement of Owner’s Share of Entity Level Tax Items*, and a pro forma Federal Form 1041 that excludes any income, deductions or other tax items that were included in the calculation of Louisiana net income on the entity’s Louisiana Form CIT-620. The amount that you can exclude is the difference in federal taxable income calculated on your Federal Form 1041 and the pro forma Federal Form 1041. If the difference is a loss, the loss must be added to your federal taxable income on Line 2D.

Line 3E – Exemption

Louisiana Revised Statute 47:300.6(B)(2)(c) provides a maximum exemption of \$2,500 for resident estates or trusts. The amount claimed on this line should not exceed the amount needed to reduce federal taxable income amount to zero.

Line 3F – Bonus Depreciation

Louisiana Revised Statute 47:297.25 allows businesses 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. 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. For more information, see Revenue Information Bulletin 25-012. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

Line 3G – Other Subtractions

On a separate schedule, list the source and amount of other subtractions allowed from federal net income. 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 3H – Total

Add Lines 3A through 3G.

Line 4 – Louisiana Taxable Income before Income Distribution Deduction

For **resident** estates and trusts, Louisiana taxable income before the income distribution deduction is calculated by adding the amount on Line 1 to the amount on Line 2H and subtracting the amount on Line 3H. Enter the result. For **nonresident** estates and trusts, complete Schedule A and Schedule B. Enter the result from Schedule A, Line 14, and check the box on Line 4.

Line 5 – Louisiana Income Distribution Deduction

Enter the portion of Louisiana income that was distributed or was required to be distributed to the beneficiaries. Complete Schedule C – Distributive Shares of Beneficiaries by providing information for each beneficiary.

Line 6 – Louisiana Taxable Income

Subtract Line 5 from Line 4. If less than zero, enter zero “0”.

Line 7 – Total Tax

Multiply Line 6 by 3% (.03). Round to the nearest dollar. Enter a “1” in the box on Line 7 if a foreign estate or trust electing to be taxed on total gross income from Louisiana sources at the rate of 5%.

Line 8 – Credit for Net Income Taxes Paid to Other States

Resident estates or trusts are allowed a credit for net income taxes paid to other states. Note that you may not claim the tax withheld; you must file a return with the other state and claim the tax actually paid. You may not claim credit for taxes paid to cities or foreign countries. See Revenue Ruling 02-013 for information on taxes paid to the District of Columbia.

The credit is allowed **ONLY** if the other state does not allow a nonresident credit against the income taxes imposed by that state for taxes paid or payable to the state of resident. The credit is limited to the amount of Louisiana income tax that would have been imposed if the income earned in the other state had been earned in Louisiana.

The credit is equal to the lesser of the amount of taxes paid to the other state or the amount determined by multiplying the taxpayer’s Louisiana income tax liability by a fraction, the numerator of which is the taxpayer’s Louisiana taxable income attributable to the other state to which net income taxes were paid and the denominator of which is total Louisiana taxable income. See Revenue Information Bulletin 16-052 for information on qualifying states. A copy of the returns filed with the other states must be attached to your return along with Form R-10606, *Supplemental Worksheet for Credit for Taxes Paid to Other States*. If the taxes were paid on your behalf on a composite return to another state, copies of the return for the other state and your Schedule K-1 must be attached to the return.

Line 9 – Other Nonrefundable Priority 1 Income Tax Credits

Enter the amount from Schedule NRC-P1, Line 7.

Line 10 – Total Income Tax after Priority 1 Credits

Subtract Lines 8 and 9 from Line 7.

Line 11 – Refundable Priority 2 Credits

Enter the amount from Schedule RC-P2, Line 9.

Line 12 – Tax Liability After Priority 2 Credits

If Line 10 is greater than Line 11, subtract Line 11 from Line 10. Otherwise, enter zero "0".

Line 13 – Overpayment After Priority 2 Credits

If Line 11 is greater than Line 10, subtract Line 10 from Line 11. Otherwise, enter zero "0".

Line 14 – Nonrefundable Priority 3 Credits

Enter the amount from Schedule NRC-P3, Line 10. These credits are limited to the tax liability calculated on Line 12.

Line 15 – Tax Liability After Priority 3 Credits

Subtract Line 14 from Line 12. If the result is less than zero, enter zero "0."

Line 16 – Overpayment After Priority 2 Credits

Enter the amount from Line 13.

Line 17 – Refundable Priority 4 Credits

Enter the amount from Schedule RC-P4, Line 6.

Line 18 – Amount of Credit Carried Forward from 2024

Enter the amount of any credit carried forward from 2024. This amount is shown on your 2024 Form IT-541, Line 24.

Line 19 – For Nonresident Filers Only – Amount Paid on Your Behalf by a Composite Partnership Filing

Enter the amount of any payment made on your behalf by a composite partnership filing. Enter the name of the partnership on the line provided on the return. If more than one partnership made a payment on your behalf, attach a schedule labeled with your name and Federal Employer Identification Number (FEIN), and list each partnership and payment made.

Line 20 – Amount of Louisiana Tax Withheld for 2025

Enter the amount of Louisiana income tax withheld in 2025. You must attach copies of all W-2 and 1099 forms that indicate tax was withheld.

Line 21 – Amount of Estimated Payments for 2025 and Amount of Extension Payment

Enter the total amount of estimated payments made for the 2025 tax year and the amount of extension payment from Schedule D, Line 6.

Line 22 – Total Refundable Tax Credits and Payments

Add Lines 16 through 21.

Line 23 – Overpayment

If Line 22 is greater than Line 15, subtract Line 15 from Line 22. If Line 22 is equal to Line 15, enter a zero "0" on Lines 23 through 30. If Line 22 is less than Line 15, enter a zero "0" on Lines 23 through 25 and go to Line 26.

Line 24 – Amount to be Credited to 2026

Enter the amount of available overpayment shown on Line 23 that you wish to credit to 2026.

Line 25 – Amount to be Refunded

Subtract Line 24 from Line 23. This amount is to be refunded.

Line 26 – Amount Owed

If Line 15 is greater than Line 22, subtract Line 22 from Line 15.

Line 27 – Interest

Interest is charged on all tax amounts not paid by the due date. Enter the amount from the Interest Calculation Worksheet, Line 5.

Line 28 – Delinquent Filing Penalty

If you fail to file your tax return by the extended due date on or before November 16, 2026, for calendar year filers or on or before your fiscal year extended due date, you may be charged a delinquent filing penalty. Enter the amount from the Delinquent Filing Penalty Calculation Worksheet, Line 3.

Line 29 – Delinquent Payment Penalty

If you fail to pay the tax due by the due date on or before May 15, 2026, for calendar year filers, you may be charged a delinquent payment penalty. Enter the amount from the Delinquent Payment Penalty Calculation Worksheet, Line 7.

Line 30 – Total Amount Due

Add Lines 26 through 29.

Signature on Return

In order to be considered complete and to meet the requirements of the Louisiana Income Tax Law, the return must be signed by the individual or authorized officer of the organization receiving or having custody or control and management of the income of the estate or trust. If two or more individuals act jointly as fiduciaries, any one of them may sign the return.

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.

INSTRUCTIONS FOR SCHEDULE A - Computation of Louisiana Taxable Income before Income Distribution Deduction

Use Schedule A when reporting income of nonresident estates and trusts that earn income from Louisiana sources. La. R.S. 47:300.3(2) provides that income items of nonresident estates and trusts are subject to allocation or apportionment as determined by La. R.S. 47:241 through 47:247.

Line 1 – Federal Taxable Income before the Exemption and Distribution Deduction

Nonresident bankruptcy estates, enter the taxable income amount reported on Line 15 of the Federal Form 1040 that is an attachment to the Federal Form 1041. Nonresident Electing Small Business Trusts (ESBT), enter the combined amount of the taxable income of the S portion of the ESBT and the amounts reported for the non-S portion on Line 18, Line 21, and Line 23 of Federal Form 1041. All other nonresident trusts and nonresident estates, enter the sum of the amounts reported on Line 18, Line 21, and Line 23 of Federal Form 1041. Mark the box to the left of the entry field if the amount is less than zero.

Line 2 – Net Income Taxes Paid to any State or Political or Municipal Subdivision

Enter the amount of net income taxes paid to any state or political or municipal subdivision deducted on Federal Form 1041 as provided by La. R.S. 47:300.7(C)(1).

Line 3 – Donation to School Tuition Organization Credit or Donation to Qualified Foster Care Charitable Organization Credit

Louisiana Revised Statute 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 IT-541, 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 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 IT-541, 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. See LAC 61:I.1925 for more information.

The addition required to be made on Line 3 is the amount of the charitable contribution made to the STO and the qualified foster care organization claimed on the fiduciary's federal return. The addition is limited to the amount of the credit claimed on the return for the corresponding donation.

Line 4 – Add Back of Pass-Through Entity Loss

Louisiana Revised Statute 47:300.7(C)(2)(d)(i) provides for an exclusion for an estate or trust who is a shareholder, member, or partner of an entity that made the pass-through entity tax election under La. R.S. 47:287.732.2. This election allows S corporations, and other entities taxed as partnerships for federal income tax purposes, to pay Louisiana income tax at the entity level. The entity must have received LDR's approval of the election. The add-back amount is the Louisiana net operating loss that was reported at the entity level for this tax year that is included on Federal Form 1041. You must also include any net operating loss carried forward from a tax year in which the election was made and utilized in this tax year.

This amount should be included in the amount on Line 1. Do not include income not taxed at the entity level such as interest and dividend income. See Revenue Information Bulletin 23-022 and LAC 61:I.1001 for more information. You must attach a copy of Form R-6981, *Louisiana Statement of Owner's Share of Entity Level Tax Items*, and a pro forma Federal Form 1041 that excludes any income, deductions or other tax items that were included in the calculation of Louisiana net income on the entity's Louisiana Form CIT-620. The amount that you can exclude is the difference in federal taxable income calculated on your Federal Form 1041 and the pro forma Federal Form 1041. If the difference is a loss, the loss must be added to your federal taxable income on this line.

Line 5 – Federal Depreciation Previously Accelerated via State Bonus

Louisiana Revised Statute 47:297.25 allows businesses 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. For each taxable year following the year you claim this deduction, you are required to add back to your federal taxable 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. See Revenue Information Bulletin 25-012 for additional information. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

Line 6A – Income Exempt from Taxation

Enter the amount of any income that is exempt from taxation under the laws of Louisiana or that is prohibited from taxation by the Constitution or laws of the United States as provided by La. R.S. 47:300.7(C)(2)(a). This amount must be subtracted from federal taxable income. An example of such income would be interest on U.S. government obligations. A schedule of the items on this line must be supplied.

Line 6B – Depletion in Excess of Federal Depletion

Louisiana Revised Statute 300.7(C)(2)(b) provides a deduction from gross income for depletion. Enter the amount of Louisiana depletion in excess of federal depletion. In computing net income in the case of oil and gas wells, a deduction is allowed for cost depletion or percentage depletion, whichever is greater. Percentage depletion is calculated as 22 percent of gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents and royalties paid or incurred by the taxpayer from the property. Percentage depletion cannot exceed 50 percent of the net income computed without allowance for depletion from the property. In determining net income from the property, federal income tax is considered an expense.

Line 6C – S Bank Exclusion

Enter the amount of the S Bank shareholder exclusion that the estate or trust can claim as provided by La. R.S. 47:300.7(C)(2)(c). The amount of the exclusion is considered nontaxable income. La. R.S. 47:297.3(B)(5) provides that "S Bank nontaxable income" means (A) the portion of the income reported by an S Bank on Federal Form 1120S Schedule K-1 or (B) the portion of the income reported by an S Bank on an equivalent document, which is attributable to the net earnings used to compute the S Bank's share's tax as provided in La. R.S. 47:1967. Attach a copy of Schedule K-1 as documentation for the amount excluded. The exclusion is only allowed if the entity did not make the pass-through entity tax election under La. R.S. 47:287.732.2.

6D – Pass-Through Entity Exclusion

Louisiana Revised Statute 47:300.7(C)(2)(d)(i) provides for an exclusion for an estate or trust who is a shareholder, member, or partner of an entity that made the pass-through entity tax election under La. R.S. 47:287.732.2. This election allows S corporations, and other entities taxed as partnerships for federal income tax purposes, to pay Louisiana income tax at the entity level. The entity must have received LDR's approval of the election. The excluded amount is the income that was taxed at the entity level that is included on Federal Form 1041. This amount should be included in the amount on Line 1. Do not include income not taxed at the entity level such as interest and dividend income. See Revenue Information Bulletin 23-022 and LAC 61:I.1001 for more information. You must attach a copy of Form R-6981, *Louisiana Statement of Owner's Share of Entity Level Tax Items*, and a pro forma Federal Form 1041 that excludes any income, deductions or other tax items that were included in the calculation of Louisiana net income on the entity's Louisiana Form CIT-620. The amount that you can exclude is the difference in federal taxable income calculated on your Federal Form 1041 and the pro forma Federal Form 1041. If the difference is a loss, the loss must be added to your federal taxable income on Line 4.

Line 6E – Bonus Depreciation

Louisiana Revised Statute 47:297.25 allows businesses 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. 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. For more information, see Revenue Information Bulletin 25-012. Form R-90158, *Bonus Depreciation Schedule*, must be attached to your return.

Line 6F – Other Subtractions

On a separate schedule, list the source and amount of other subtractions allowed from federal net income.

- 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.
- Exclusion for compensation for disaster services – Include the amount of income excluded as compensation for disaster services. The exclusion is for income received by a nonresident business for performing disaster or emergency-related work within the state during a declared emergency period beginning January 1, 2018. 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. (La. R.S. 47:53.5)

Line 6G – Total Subtractions

Add Lines 6A through 6F.

Line 7 – Modified Federal Taxable Income before Distribution Deduction

Add Lines 1 through 5, subtract the amount on Line 6G, and enter the result.

Modified Federal Taxable Income Allocated or Apportioned to Louisiana

In accordance with La. R.S. 47:300.3(2), Louisiana taxable income of a nonresident estate or trust for a taxable year is computed by applying the allocation and apportionment provisions of La. R.S. 47:241 through 47:247 to the estate's or trust's federal taxable income for the same year modified by the provisions of La. R.S. 47:300.7(C).

In order to determine Louisiana taxable income, it is necessary to separate all items of income into two general classes, namely those items that can be allocated directly to the state in which they are earned and those items of income that arise from business partly within and without Louisiana. Louisiana's share of allocable items can be determined by direct allocation. In the case of net income from business partly within and partly without the state, a percentage of the net income must be apportioned to Louisiana on the basis of an apportionment percentage.

If the Louisiana portion is entirely separable from the remainder and the use of the apportionment method would produce a manifestly unfair result, a separate accounting may be made for Louisiana business and the total net income. Prior written permission from the Secretary must be secured to report by the separate accounting method.

In computing net allocable income, all expenses, losses, and other deductions, except federal income taxes that are directly attributable to such income and a ratable portion of allowable deductions, except federal income taxes that are not directly attributable to any class of income, should be deducted from gross allocable income.

Line 8A – Net Rents and Royalties

Enter the total amount of net rents and royalties earned by the estate or trust.

Line 8B – Royalties from the Use of Patents, Trademarks, etc.

Enter the total amount of royalties from the use of patents, trademarks, etc.

Line 8C – Income from Estates, Trusts, and Partnerships

Enter the total amount of income derived from estates, trusts, and partnerships.

Line 8D – Income from Construction, Repair, etc.

Enter the total amount of income derived from construction, repair, or other similar services.

Line 8E – Other Allocable Income

Enter any other net allocable income. Other items of income such as interest income, dividends on corporate stock, profits from sales and exchanges of capital assets, and salaries, wages, or other compensations received by a nonresident individual for personal services are considered allocable under the provisions of La. R.S. 47:243.

Line 8F – Total Allocable Income from All Sources

Add Lines 8A through 8E.

Line 9 – Net Income Subject to Apportionment

Subtract Line 8F from 7.

Line 10 – Net Income Apportioned to Louisiana

Multiply Line 9 by the percentage from Schedule B, Line 7.

Line 11A – Net Rents and Royalties

Enter the amount of Louisiana net rents and royalties. 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.

Line 11B – Royalties from the Use of Patents, Trademarks, etc.

Enter the amount of Louisiana royalties from the use of patents, trademarks, etc. Royalties or similar revenue from the use of patents, trademarks, copyrights, secret processes, and other similar intangible rights must be allocated to the states in which such rights are used by the licensee. Please attach a schedule showing your computation.

Line 11C – Income from Estates, Trusts, and Partnerships

Enter the total amount of Louisiana income derived from estates, trusts, and partnerships. 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.

Line 11D – Income from Construction, Repair, Etc.

Enter the amount of Louisiana income derived from construction, repair, or other similar services. 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.

Line 11E – Other Allocable Income

Enter any other net Louisiana allocable income. Other items of allocable income such as interest income, dividends on corporate stock, and salaries, wages, or other compensations received by a nonresident individual for personal services are considered allocable under the provisions of La. R.S. 47:243. Please attach a schedule of your computations.

Profits from sales and exchanges of capital assets consisting of immovable or corporeal movable property are allocated to the state where such property is located at the time the income is derived. Profits from sales or exchanges not made in the regular course of business, of property, other than capital assets consisting of incorporeal property or rights, are allocated to the state where such property is located at the time of the sale. A mineral lease, royalty interest, oil payment, or other mineral interest is considered to be Louisiana income if the property creating the mineral interest is located in Louisiana. Other profits from sales and exchanges of capital assets consisting of incorporeal property or rights is allocated to the state in which the securities or credits producing such income have their situs, which is the business situs of such securities or credits, if they have been so used in connection with the taxpayer's business as to acquire a business situs, or, in the absence of such a business situs, the legal domicile of the taxpayer. Please attach a schedule showing your computations.

Interest on customers' notes and accounts, except when such interest is from the primary business of making loans, must be allocated by reference to the transaction from which the receivable arose (to the state where delivery was made in the case of sales of merchandise; where services were performed in the case of charges for services, etc.). Interest on customers' accounts when the primary business is making loans is not allocable income.

Other interest and dividends must be allocated to the state in which the securities or credits producing such income have their situs, which is the business situs of such securities or credits, if they have been so used in connection with the taxpayer's business as to acquire a business situs, or, in the absence of such a business situs, the legal commercial domicile of the taxpayer.

11F – Total Allocable Income from Louisiana

Add Lines 11A through 11E.

Line 12 – Modified Federal Taxable Income Allocated and Apportioned to Louisiana

Add Lines 10 and 11F.

Line 13 – Federal Itemized Deductions Attributable to Louisiana

Nonbusiness deductions are allowable to the extent that they are attributable to Louisiana. In particular, nonbusiness interest shall be attributed to Louisiana to the extent paid to persons or firms domiciled in this state and nonbusiness charitable contributions shall be attributed to Louisiana to the extent that they are made to Louisiana organizations. If a contribution is made to an organization that is present within and without Louisiana, the contributions shall be attributed to Louisiana if made to a Louisiana chapter or branch of the organization.

Line 14 – Louisiana Taxable Income Before Income Distribution Deduction

Subtract Line 13 from Line 12. Enter the result here and Form IT-541, Line 4. Also, check the box on Line 4 indicating Schedule A was used.

SCHEDULE B – Computation of Apportionment Percent

Computation of Apportionment Percent

Your principal type of business determines which factors apply in the calculation of your Louisiana apportionment percent. For Air Transportation, use factors (1) and (3); for Pipeline Transportation, use factors (1), (2), and (3); for Other Transportation, use factors (1) and (3); for Service Enterprises in which the use of property is not a material income producing factor, use factors (1) and (2); otherwise, use factors (1), (2), and (3); for Loan Business, use factors (2) and (4); for Merchandising and Manufacturing, use factors (1), (2), (3), and (5); and for Other Businesses, use factors (1), (2), and (3). Calculate your apportionment percent using Schedule B. Mark the box on each line if the respective ratio is not considered as described below.

1. Sales and Charges for Services Factor – The Louisiana sales factor shall include all sales made in the regular course of business where the goods, merchandise, or property is received in this state by the purchaser. In the case of delivery by common carrier or by other means of transportation, including transportation by the purchaser, the place where the goods are ultimately received after all transportation is completed shall be considered as the place at which the goods are received by the purchaser. The Louisiana factor shall also include all charges for services performed in Louisiana.

The sales factor for income from air transportation would be the ratio of the gross receipts derived from passenger journeys and cargo shipments originated in Louisiana and any other items of apportionable income or receipts derived entirely from Louisiana sources to total gross apportionable income of the taxpayer.

Mark the box on Line 1D if the sales factor is not considered.

2. Salaries and Wages Factor – There shall be included in the Louisiana factor the total salaries, wages, and other personal service compensation paid during the taxable year for services rendered in Louisiana in connection with the production of apportionable income. Mark the box on Line 2 if the wage factor is not considered.

3. Property Factor – The Louisiana factor shall be the average of the value of the taxpayer's real property and tangible personal property used in the production of apportionable income within this state at the beginning of the taxable year and at the end of the taxable year. Mark the box on Line 3 if the property factor is not considered. For further information concerning the apportionment factors, refer to La. R.S. 47:245.

4. Loan Factor – In the case of a loan business, the Louisiana factor shall be the amount of loans made in this state during the period for which the return is filed. Mark the box on Line 4 if the loan factor is not considered. For further information concerning the apportionment factors, refer to La. R.S. 47:245.

5. Additional Sales Factor – Taxpayers whose net apportionable income is derived primarily from the business of manufacturing or merchandising (manufacturing, producing, and/or selling tangible personal property) are required to use a fourth ratio. This is 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. These sales are the same as those reported on Schedule B, Line 1D. Mark the box on Line 5 if the additional sales factor is not considered.

This provision does not apply to the following:

- Any taxpayer subject to the tax imposed pursuant to Chapter 8 of Subtitle II of Title 47 of the Louisiana Revised Statutes (Tobacco Tax)
- Any taxpayer whose income is primarily derived from the production or sale of unrefined oil and gas.

6. Total Percentages – Add the percentages under Column 3 on Lines 1D, 2, 3, 4, and 5.

7. Average of Percents – Divide Line 6 by the number of factors used.

SCHEDULE C – Distributive Shares of Beneficiaries

Enter the name and social security number, or FEIN, of each beneficiary and their distributive share of the estate or trust income allocated to the State of Louisiana. Each beneficiary's distributive share is deemed to apply to taxable and nontaxable income and to income from sources within, as well as from sources outside the state. If additional space is needed, attach a separate schedule. Enter the total on Form IT-541, Line 5.

SCHEDULE D - Summary of Estimated Tax Payments and Extension Payment

Provide information regarding the estimated tax payments and extension payment that you made for the 2025 tax year.

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, the Fiduciary's 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/policies> 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.

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. If the pass-through entity made the election for 2025, any credits earned for 2025 cannot be used on the fiduciary 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 fiduciary income tax return. See Revenue Information Bulletin 19-019 and LAC 61:I.1001(C)(6) for more information.

INSTRUCTIONS FOR NONREFUNDABLE PRIORITY 1 CREDITS, SCHEDULE NRC-P1

NONREFUNDABLE PRIORITY 1 CREDITS, LINES 1 THROUGH 6

Below is a list of nonrefundable credits available for Louisiana income tax. 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 codes listed on other schedules.**

Example:

| Credit Description | Code | Amount of Credit Claimed |
|--------------------|------|--------------------------|
| Premium Tax | 100 | 500.00 |

LINE 7 – Add Lines 1 through 6 and enter the result here and on Form IT-541, Line 9.

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

100 - Premium Tax – La. R.S. 47:227 provides a credit for premium taxes paid during the preceding 12 months by an insurance company authorized to do business in Louisiana. A copy of the premium tax return and cancelled checks in payment of the tax must be attached to the return.

150 - Qualified Playgrounds – La. R.S. 47:6008 provides a credit for donations to assist 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 for 72 percent 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.

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

170 - Donations to Public Schools – La. R.S. 47:6013 provides a credit 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. The credit can only be passed through to taxpayers who are shareholders or members of certain legal entities.

190 - Donations to Eligible 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 NONREFUNDABLE PRIORITY 3 CREDITS, SCHEDULE NRC-P3

NONREFUNDABLE PRIORITY 3 CREDITS, LINES 1 THROUGH 6

Below is a list of nonrefundable credits available for Louisiana income tax. 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 | 500.00 |

TRANSFERABLE, NONREFUNDABLE PRIORITY 3 CREDITS, 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, if applicable. For more information, see Revenue Information Bulletin 17-008 regarding claiming a purchased transferable tax credit.

LINE 10 – Add Lines 1 through 9 and enter the result here and on Form IT-541, Line 14.

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

251 - Motion Picture Investment – La. R.S. 47:6007(C)(1) provides a credit 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 for 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 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 for the investment in a certified Louisiana capital company. The credit must be approved by the Commissioner of the Office of Financial Institutions. A copy of the certification from the Office of Financial Institutions must be attached to the return. This credit can only be claimed on Lines 7 through 9.

258 - LA Community Development Financial Institution (LCDFI) – This credit is no longer available because Act

| CODE | CREDIT DESCRIPTION |
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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 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 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 for tax equalization for certain businesses located 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 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 for certain court ordered refunds made by utilities to its customers.

424 - Donation to School Tuition Organization – La. R.S. 47:6301 provides a credit for donations made to a school tuition organization that provides scholarships to qualified students to attend a qualified school. Form R-10604, *Receipt for Donations to School Tuition Organization Tax Credit*, must be attached 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.

INSTRUCTIONS FOR NONREFUNDABLE PRIORITY 3 CREDITS, SCHEDULE NRC-P3

...Continued

| CODE | CREDIT DESCRIPTION | CODE | CREDIT DESCRIPTION |
|---|---|--|---|
| 454 - QMC Music Job Creation Credit | – La. R.S. 47:6023 provides a credit 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. | 462 - Youth Jobs | – La. R.S. 47:6028 provides a credit 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 Department to receive certification. See LAC 61:I.1921 for more information and attach Form R- 90004, <i>Louisiana Youth Jobs Tax Credit Employer Application</i> , 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:I.1921. |
| 457 - Neighborhood Assistance | – La. R.S. 47:35 and 47:287.753 provide a credit 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. | 463 - Apprenticeship (2022) | – La. R.S. 47:6033 provides a credit 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 apprentice 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 statute LAC 61:I.1909. |
| 458 - Research and Development | – La. R.S. 47:6015(K) provides a credit for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research activities 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. | 464 - Donation to Qualified Foster Care Charitable Organization | – La. R.S. 47:6042 provides a credit 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:I.1925. |
| 459 - Ports of Louisiana Import Export Cargo | – La. R.S. 47:6036(I) provides a credit 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. | 500 - Inventory Tax Credit Carried Forward and ITEP | – 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. Manufacturers, distributors, or retailers should use this code for the carryforward of unused nonrefundable credits (not current year credit) from 2015 through 2024. Manufacturers who claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the |
| 460 - LA Import | – La. R.S. 47:6036.1 provides a credit 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 - LA Work Opportunity | – La. R.S. 47:287.750 provides a credit 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. | | |

INSTRUCTIONS FOR NONREFUNDABLE PRIORITY 3 CREDITS, SCHEDULE NRC-P3

...Continued

| CODE | CREDIT DESCRIPTION | CODE | CREDIT DESCRIPTION |
|--|---|--|--|
| | same year the inventory taxes were paid, and members of those manufacturer's federal consolidated group, should use this code for the carryforward of unused nonrefundable credits from 2015 through 2024. The current year credit calculated on the 2025 Form R-10610-ITE, <i>Schedule of Ad Valorem Tax Credit Claimed by ITEP Manufacturers for Ad Valorem Tax Paid on Inventory</i> , which must be attached to the 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:I.1902. | | 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. |
| 502 - Ad Valorem Natural Gas Credit Carried Forward | – La. R.S. 47:6006 provides 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. Use this code for the carryforward of unused nonrefundable credits (not current year credit) from 2015 through 2024. | 508 - Ports of Louisiana Investor | – 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. |
| 504 - Atchafalaya Trace | – 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. | 510 - Enterprise Zone | – La. R.S. 51:1782 et. seq. provides a credit 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 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. |
| 506 - Cane River Heritage | – This credit is no longer available because Act 5 of the 2024 Third Extraordinary Legislative Session ended the credit effective December 31, 2024. If | 550 - Recycling Credit | – La. R.S. 47:6005 provides a credit 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. |
| | | 599 - Other | – Reserved for future credits |

INSTRUCTIONS FOR REFUNDABLE PRIORITY 2 CREDITS, SCHEDULE RC-P2

REFUNDABLE PRIORITY 2 CREDITS, LINES 1 THROUGH 5

Below is a list of refundable tax credits available for Louisiana income tax. 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 | 400.00 |

TRANSFERABLE REFUNDABLE PRIORITY 2 CREDITS, 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, if applicable. For more information, see Revenue Information Bulletin 17-008 regarding claiming a purchased transferable tax credit.

LINE 9 – Add Lines 1 through 8 and enter the result here and on Form IT-541, Line 11.

CODE CREDIT DESCRIPTION

- 52F - Ad Valorem Offshore Vessels** – La. R.S. 47:6006.1 allows a refundable credit 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.
- 54F - Telephone Company Property** – La. R.S. 47:6014 allows a refundable credit 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. Copies of the tax assessment, the canceled check in payment of the tax, and a schedule stating which entity paid the tax and obtained the credit on the taxpayer's behalf must be attached. 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.1905.

INSTRUCTIONS FOR REFUNDABLE PRIORITY 2 CREDITS, SCHEDULE RC-P2

...Continued

| CODE | CREDIT DESCRIPTION | CODE | CREDIT DESCRIPTION |
|---|---|---|--|
| 58F - Milk Producers | – La. R.S. 47:6032 allows a refundable credit for a resident taxpayer 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 Louisiana Department of Health to receive the credit. For more information, see Revenue Information Bulletin 08-014 on LDR's website. | 77F - Funeral and Burial Expense for a Pregnancy-Related Death | – La. R.S. 47:297.22 allows a refundable credit for the reasonable funeral and burial expenses associated with the pregnancy-related death of a person. A "pregnancy-related death" means the death of a Louisiana resident while pregnant, during labor and delivery, or within one year after childbirth from a pregnancy complication, a chain of events initiated by the pregnancy, or the aggravation of an unrelated condition by the normal effects of the pregnancy. The credit may be claimed by the estate of the deceased on the deceased person's return or the estate's return and if not, by the individual who actually paid the funeral and burial expense. The credit is equal to the actual reasonable funeral and burial expenses paid or \$5,000, whichever is less, and is claimed for the year in which the death occurred. Reasonable funeral and burial expenses include costs and fees associated with transportation of the remains, embalming or cremation services, caskets, plots, grave markers or headstones, funeral home facility and staff services, and other related professional services. It does not include costs and fees associated with flowers, vaults, or urns. A copy of the death certificate, a schedule listing the expenses paid, and copies of the receipts must be attached to the return. |
| 59F - Technology Commercialization | – 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. | 79F - Restaurant Recycling of Oyster Shells | – La. R.S. 47:6043 allows a refundable credit 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, 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 by the department. The amount of credits granted by the Department of Revenue is capped at \$100,000 per calendar year. See LAC 61:I.1933 for more information and attach Form R- 90154, <i>Receipt for Restaurant Oyster Shell Recycling Credit</i> , 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 statute. |
| 62F - Musical and Theatrical Production | – La. R.S. 47:6034 allows a refundable credit for the production expenses, 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. This credit can only be claimed on Lines 6 through 8. | 80F - Other Refundable Credit | – Reserved for future credits |
| 70F - Retention and Modernization | – La. R.S. 51:2399.1 et seq. allows a refundable credit 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. 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. | | |
| 73F - Digital Interactive Media & Software | – La. R.S. 47:6022 allows a refundable credit 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. | | |

INSTRUCTIONS FOR REFUNDABLE PRIORITY 4 CREDITS, SCHEDULE RC-P4

REFUNDABLE PRIORITY 4 CREDITS, LINES 1 THROUGH 5

Below is a list of additional refundable tax credits available for Louisiana income tax. 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 | 400.00 |

LINE 6 – Add Lines 1 through 5 and enter the result here and on Form IT-541, Line 17.

CODE

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. For purposes of the limitations on refundability, members included in a consolidated federal tax return will be treated as one taxpayer. If the total amount eligible for the credit is less than or equal to \$500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above \$500,000, 75 percent of any excess credit up to a maximum of \$750,000 is refundable. 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. Copies of the tax assessment and the canceled check

CODE

in payment of the tax must be attached. 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. 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:I.1902.

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. For purposes of the limitations on refundability, members included in a consolidated federal tax return will be treated as one taxpayer. If the total amount eligible for the credit is less than or equal to \$500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above \$500,000, 75 percent of any excess credit up to a maximum of \$750,000 is refundable. 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. You must attach Form R-10610, *Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors, and Retailers* to your return.

Interest and Penalty Calculation Worksheets

You will be charged interest and penalties if you do not pay all amounts due on or before the due date.

1. A 2025 calendar year return is due on or before May 15, 2026, and receives an automatic six-month extension to November 16, 2026.
2. Returns for fiscal years are due on or before the 15th day of the fifth month after the close of the taxable year and receive an automatic six-month extension.
3. If the due date falls on a weekend or legal holiday, the return is due the next business day.

Important: An extension does not relieve you of your obligation to pay all tax amounts due by the original due date.

Interest – If your income tax is not paid by the due date, you will be charged interest on the unpaid tax until the balance is paid in full. The interest rate is variable and the 2026 interest rate is posted on LDR's website on Form R-1111, *Interest Rate Schedule - Collected on Unpaid Taxes*.

| Interest Calculation Worksheet | | |
|--------------------------------|---|----------|
| 1 | Number of days late from the due date | |
| 2 | Daily interest rate (See Form R-1111.) | 0. _____ |
| 3 | Interest rate (Multiply Line 1 by Line 2.) | |
| 4 | Amount you owe (Form IT-541, Line 26) | .00 |
| 5 | Total interest due (Multiply Line 4 by Line 3, and enter the result on Form IT-541, Line 27.) | .00 |

Delinquent Filing Penalty – A delinquent filing penalty will be charged for failure to file a return on or before the extended due date of November 16, 2026. The penalty is five percent of the tax for each 30 days, or fraction thereof, during which the failure to file continues calculated from the original due date. Therefore, if you file after the extended due date, the delinquent filing penalty that will be assessed is the maximum of 25 percent of the tax due.

| Delinquent Filing Penalty Calculation Worksheet | | |
|---|---|-----|
| 1 | Total penalty percentage | .25 |
| 2 | Amount you owe (Form IT-541, Line 26) | .00 |
| 3 | Total amount of delinquent filing penalty due (Multiply Line 2 by Line 1 and enter the result on Form IT-541, Line 28.) | .00 |

Important Notice: The sum of both the delinquent filing and delinquent payment penalties cannot exceed 25 percent of the tax due. 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 mentioned above, 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.

Delinquent Payment Penalty – If you fail to pay the tax due by the due date of May 15, 2026, a delinquent payment penalty of 5 percent of the tax not paid by the due date will accrue **for each 30 days, or fraction thereof**, during which the failure to pay continues. This penalty cannot exceed 25 percent of the tax due. Use the worksheet below to calculate that penalty.

| Delinquent Payment Penalty Calculation Worksheet | | |
|--|--|-----|
| 1 | Number of days late from the due date | |
| 2 | Divide Line 1 by 30 days. | ÷30 |
| 3 | Number of 30-day periods (If fraction of days remain, increase the amount to the nearest whole number.) | |
| 4 | 30-day penalty percentage | .05 |
| 5 | Total penalty percentage (Multiply Line 3 by Line 4. The result cannot exceed 25 percent.) | |
| 6 | Amount you owe (Form IT-541, Line 26) | .00 |
| 7 | Total amount of Delinquent Payment Penalty (Multiply Line 6 by Line 5 and enter the result on Form IT-541, Line 29.) | .00 |