

### Who Must File A Return

Louisiana Revised Statute (R.S.) 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 over;
2. The gross income of an estate or trust for the taxable year is \$6,000 or over, regardless of the amount of net income;
3. The beneficiary of an estate or trust is a nonresident of Louisiana.

Grantor trusts, defined in Louisiana 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

*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.

*Resident Estate* - The estate of a decedent who was 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.

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

*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.

*Louisiana Taxable Income* - 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, less the amount of the federal income tax deduction.

### Estates and Trusts Located Outside the United States

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 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%.

### 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. 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 R.S. 47:181 and R.S. 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:

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; and,
4. Income that, in the discretion of the fiduciary, may be either distributed to the beneficiaries or accumulated.

### Tax Rates Applied to Louisiana Taxable Income

R.S. 47:300.1 provides the tax to be assessed, levied, collected, and paid upon the Louisiana taxable income of an estate or trust shall be computed at the following rates:

1. 2% on the first \$10,000 of Louisiana taxable income.
2. 4% on the next \$40,000 of Louisiana taxable income.
3. 6% on Louisiana taxable income in excess of \$50,000.

**Information at Source**

R. S. 47:164 provides that any person, firm, partnership, trust, corporation, or organization making payments aggregated \$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 Form (Form 1099) used for reporting such payments to 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 shall be accompanied by the Annual Summary and Transmittal of U.S. Information Returns, Federal Form 1096 furnishing the payor’s name, address, federal employer identification number (EIN), and/or social security number, along with the number of Forms 1099 enclosed. 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.

**Due Date of the Fiduciary Return**

A 2014 calendar year return is due on May 15, 2015. 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.

**Extension of Time For Filing**

The Secretary of the Louisiana Department of Revenue may grant an extension of time for filing returns not to exceed six months from the date the Louisiana income tax return is due. Extensions must be filed before the due date of the return. An extension can be requested on the LDR website at [www.revenue.louisiana.gov/fileonline](http://www.revenue.louisiana.gov/fileonline).

**By requesting an extension, you are only requesting additional time to file your tax return. An extension does not extend the time to pay the tax. Payments received after the due date will be charged interest and penalties.**

**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**

R.S. 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.

**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. Estates and trusts located outside the United States may elect to be taxed on total gross income from Louisiana sources at the rate of 5%.

**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:



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. To avoid any delay in processing, use this form for 2014 only.
6. If you are filing an amended return, mark an “X” in the “Amended Return” box on the face of the return.

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This space on the last page of the tax return is to be used only when specifically instructed by the Louisiana Department of Revenue (LDR). Otherwise, leave blank.

### Identification of Estate or Trust

Provide the LDR Account Number for the Estate or Trust, its Federal Identification Number, the legal name of the estate or trust, along with the name and title of the fiduciary. Provide the address, city, state, and zip code. 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, or final return.

Provide the information requested where lines are indicated below the name and address box. Indicate the date the entity was created in the space provided. Provide the number of Schedules K-1 and attach them to the return. Provide the type of entity that is filing this return. The type of entity can be found on Federal Form 1041, Box A.

### COMPUTATION OF INCOME

#### Line 1 - Federal taxable income before income distribution deduction

If the estate or trust is a resident estate or trust, complete Lines 1 through 3D. Line 1 is the amount of the federal taxable income before the income distribution deduction after the exemption deduction as reported on Federal Form 1041.

If the estate or trust is a nonresident estate or trust, **DO NOT complete Lines 1 through 3D.** Complete **Schedule A – Computation of Louisiana taxable income before distribution deduction** and **Schedule B - Computation of apportionment percentage**, if any of the net income is subject to apportionment. See instructions for Schedule A beginning on page 5.

### 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 on Federal Form 1041.

#### 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.

#### Line 2C - Total

Add Lines 2A and 2B.

### SUBTRACTIONS

#### Line 3A - Interest from U.S. Government Obligations

Enter the amount of interest 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

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% 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% of the net income of the taxpayer computed without allowance for depletion from the property. In determining net income from the property, federal income taxes 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. The amount of the exclusion is considered nontaxable income. 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 shares tax as provided in R.S. 47:1967.

#### Line 3D - Total

Add Lines 3A through 3C.

#### 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 2C and subtracting the amount on Line 3D. Enter the result.

**For nonresident estates and trusts**, complete Schedule A and Schedule B. Enter the result from Schedule A, Line 12.

#### 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 Share of Beneficiaries by providing information for each beneficiary.

#### Line 6 - Louisiana Taxable Income before Federal Income Tax Deduction

Subtract Line 5 from Line 4.

#### Line 7A - Federal Income Tax

Enter the amount from Schedule D, Line 19.

#### Line 7B - Federal Disaster Relief Credits

Enter on Line 7B the amount of the estate or trust federal disaster relief credits attributable to Louisiana. This amount is taken from Schedule D, line 18.

Louisiana provides a deduction for federal income taxes paid on Louisiana income. Generally, when the federal income tax liability is decreased by federal credits, the amount of the Louisiana income tax liability increases. Acts 23 of the

2005 1st Extraordinary Legislative Session expanded the relief granted to Louisiana taxpayers who claimed certain disaster credits granted for Hurricane Katrina or Hurricane Rita. To avoid paying additional income tax, Louisiana taxpayers who received these federal credits may increase the amount of their Louisiana federal income tax deduction by the amount of certain disaster relief credits claimed on the 2014 federal income tax form. Louisiana Administrative Code (LAC) 61:1.601 found on the LDR website at [www.revenue.louisiana.gov/policies](http://www.revenue.louisiana.gov/policies) provides complete information regarding disaster relief credits and designates the following federal credits as disaster relief credits:

1. Employee Retention Credit
2. Work Opportunity Credit
3. Rehabilitation Tax Credit
4. Employer-Provided Housing Credit
5. Low Income Housing Credit
6. New Markets Tax Credit

Consult your tax advisor or the IRS for information concerning the federal credits. You must attach a copy of the appropriate federal forms to your return for your modified Louisiana federal income tax deduction to be allowed.

**Line 8 - Louisiana Taxable Income**  
Subtract Line 7A from Line 6.

**Line 9 - Computation of Tax**

The Louisiana taxable income from Line 8 is taxed in three distinct brackets, at 2%, 4%, and 6%, respectively. Complete Worksheet 1 - Calculation of Income Tax found on page 4 to determine your income tax liability.

**Line 10 - 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. Credit may be claimed as a direct reduction of the Louisiana income tax liability for net income taxes properly paid to other states. No credit is allowable for gross receipts taxes or for net income taxes paid to the District of Columbia, cities, possessions of the United States, or foreign countries. The credit may be applied only against taxes due on income for the same year. The credit is allowed only to the extent of the tax due.

In order to substantiate the credit, a copy of the fiduciary return filed with the other state together with evidence of the payment of the tax to the other state must be submitted.

**Line 11 - Other Nonrefundable Credits**  
Enter the amount from Schedule NRC, Line 10.

**Line 12 - Total Income Tax after Nonrefundable Credits**  
Subtract Lines 10 and 11 from Line 9.

**Line 13 - Louisiana Citizens Insurance Credit**  
Enter the amount of the Louisiana Citizens Property Insurance assessment that was included in your property's insurance premium. A copy of the declaration page from your premium notice must be attached to your return. For additional information regarding this credit, visit [www.revenue.louisiana.gov/citizens](http://www.revenue.louisiana.gov/citizens).

**Line 14A - Other Refundable Credits**  
Enter the amount from Schedule RC, Line 6.

**Line 15 - Amount of Credit Carried Forward from 2013**  
Enter the amount of any credit carried forward from 2013. This amount is shown on your 2013 Form IT-541, Line 20 next to the words "Credit to 2014".

**Line 16 - 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 FEIN and list each partnership and payment made.

**Line 17 - Amount of Louisiana Tax Withheld for 2014**  
Enter the amount of Louisiana income tax withheld in 2014. You must attach copies of all W-2 and 1099 forms that indicate tax was withheld.

Worksheet 1 - Calculation of Income Tax						
1	<b>Louisiana Taxable Income</b> – Enter the amount of taxable income from Line 8					\$
2a	<b>First bracket:</b> If Line 1 is greater than \$10,000, enter \$10,000. If Line 1 is less than \$10,000, enter the amount from Line 1.	\$				
2b	<b>Less Personal Exemption</b> - resident estates and trusts deduct an exemption equal to \$2,500.	\$				TAX
3	<b>Taxable First Bracket</b> - Subtract Line 2b from Line 2a. Multiple the balance 2% and enter the result in the TAX column.	\$	3	2% Rate		\$
4	<b>Second Bracket:</b> Subtract Line 2a from Line 1; and, if the balance is greater than zero, enter the balance or \$40,000, whichever is less. Multiply balance by 4%, and enter the result in the TAX column.	\$	4	4% Rate		\$
5	<b>Third Bracket:</b> Subtract \$50,000 from Line 1, and enter the balance. If less than zero, enter "0." Multiply the balance by 6%, and enter the result in the TAX column.	\$	5	6% Rate		\$
6	<b>Total Tax:</b> Add the amounts in the tax column on Lines 3, 4, and 5. Enter here and on Form IT-541, Line 9.	\$	6			\$

**Line 18 - Amount of Estimated Payments for 2014 and Amount paid with Extension Request**

Enter the total amount of estimated payments made for the 2014 tax year and the amount of the payment made with your extension request from Schedule E, Line 6.

**Line 19 - Total Refundable Tax Credits and Payments**

Add Lines 13 through 18.

**Line 20 - Overpayment**

If Line 19 is greater than Line 12, subtract Line 12 from Line 19. If Line 19 is equal to Line 12, enter a zero on Lines 20 through 27. If Line 19 is less than Line 12, enter a zero on Lines 20 through 22 and go to Line 23.

**Line 21 - Amount to be credit to 2015**

Enter the amount of available overpayment shown on Line 20 that you wish to credit to 2015.

**Line 22 - Amount to be REFUNDED**

Subtract Line 21 from Line 20. This amount is to be refunded.

**Line 23 - Amount Owed**

If Line 12 is greater than Line 19, subtract Line 19 from Line 12.

**Line 24 - Interest**

Interest is charged on all tax amounts not paid by the due date. Enter the amount from the Interest Calculation Worksheet, page 15, Line 5.

**Line 25 - Delinquent Filing Penalty**

If you fail to file your tax return by the due date – on or before May 15, 2015, for calendar year filers, or on or before your fiscal year due date, or on or before your approved extension date, you may be charged delinquent filing penalty. Enter the amount from the Delinquent Filing Penalty Calculation Worksheet, page 15, Line 7.

**Line 26 - Delinquent Payment Penalty**

If you fail to pay 90 percent of the tax due by the due date – on or before May 15, 2015, for calendar year filers, you may be charged delinquent payment penalty. Enter the amount from the Delinquent Payment Penalty Calculation Worksheet, page 15, Line 7.

**Line 27 - Total Amount Due**

Add Lines 23 through 26.

**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.

Any person(s), firm, or corporation who prepares a taxpayer's return must also sign. If a firm or corporation prepares the return, it must be signed in the name of the firm or corporation. This verification is not required where a regular, full-time employee of the taxpayer prepares the return

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**INSTRUCTIONS FOR SCHEDULE A - Computation of Louisiana taxable income before income distribution deduction**

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

**Line 1 - Federal Taxable Income before Distribution Deduction**

Enter the amount of the federal taxable income before the income distribution deduction but before the exemption deduction as reported on Federal Form 1041.

**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.

**Line 3A - 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. This amount must be subtracted from federal taxable income. An example of such income would be interest on U.S. government obligations.

**Line 3B - Depletion in Excess of Federal 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% 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 can not exceed 50% of the net income of the taxpayer computed without allowance for depletion from the property. In determining net income from the property, federal income taxes 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. The amount of the exclusion is considered nontaxable income. 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 shares tax as provided in R.S. 47:1967.

**Line 4 - Total Subtractions**

Add Lines 3A through 3C.

**Line 5 - Modified Federal Taxable Income before Distribution Deduction**

Add the amount on Line 1 to the amount on Line 2. From that total, subtract the amount on Line 4 and enter the result.

**Modified Federal Taxable Income Allocated or Apportioned to Louisiana**

In accordance with 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 R.S. 47:241 through R.S. 47:247 to the estate's or trust's federal taxable income for the same year modified by the provisions of 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 6A - Net Rents and Royalties**

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

**Line 6B - Royalties from the Use of Patents, Trademarks**

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

**Line 6C - Income from Estates, Trust, and Partnerships**

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

**Line 6D - Income from Construction, Repair, Etc.**

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

**Line 6E - Other Allocable income**

Enter any other net allocable income. Other items of allocable 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 R.S. 47:243.

**6F - Total Allocable Income from all sources**

Add Lines 6A through 6E.

**Line 7 - Net Income Subject to Apportionment**

Subtract Line 6F from Line 5.

**Line 8 - Net Income Apportioned to Louisiana**

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

**Line 9A - 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 9B - Royalties from the Use of Patents, Trademarks**

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 9C - Income from Estates, Trust, 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 9D - 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 9E - 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 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. 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 commercial domicile

of the taxpayer. Dividends upon stock having a situs in Louisiana must be allocated to the state or states in which is earned the income from which the dividends are paid, in proportion to the respective amounts of such income earned in each state.

**9F - Total Allocable Income from Louisiana**

Add Lines 9A through 9E.

**Line 10 - Modified Federal Taxable Income Allocated and Apportioned to Louisiana**

Add Lines 8 and 9F and print the result on Line 10.

**Line 11 - 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 12 - Louisiana Taxable Income Before Income Distribution Deduction**

Subtract Line 11 from Line 10. Enter the result on Schedule A, Line 12 and on Form IT-541, Line 4.

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**SCHEDULE B - Computation of Apportionment Percent**

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**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.

**1. The 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.

**2. The 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.

**3. The 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. For further information concerning the apportionment factors, refer to 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. For further information concerning the apportionment factors, refer to 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.

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. Multiply the result by the amount on Schedule A, Line 7 to determine the amount of net income apportioned to Louisiana.

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### SCHEDULE C - Distributive Shares of Beneficiaries

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Enter the name of each beneficiary and his 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 without, the state. If additional space is needed, attach a separate schedule.

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### SCHEDULE D - Computation of Federal Income Tax Deduction

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Both R.S. 47:300.6(A) for resident estates and trusts and R.S. 47:300.7(A) for nonresident estates and trusts allow for a federal income tax deduction to be computed following the provisions of R.S. 47:287.83 and 287.85. R.S. 47:287.85(C) allows a deduction in computing net income for that portion of the federal income tax levied on Louisiana income. The deductible portion of the federal income tax is the sum of the allowable portion of the federal income tax which is calculated at alternative capital gain rates and the allowable portion of the federal income tax that is taxed at the ordinary rates.

obligations since such an adjustment would allow a federal tax deduction on income that Louisiana will never tax.

**Line 1** Louisiana income before federal income tax deduction. Enter the amount of the Louisiana income before federal income tax deduction found on Form IT-541, Line 6.

Items of difference that relate to apportionable income should have the apportionment percentage applied before computing the adjustment amount. Items of difference that relate to allocable income are considered only if they relate to Louisiana allocable income. The apportionment percentage is not applied to these items.

**Line 2.** Adjustments to convert Louisiana net income to a federal basis

Enter on Line 2 those items of difference between Louisiana and federal income such as state income taxes, interest on obligations of a state or political or municipal subdivision other than Louisiana, and the deduction for additional depletion. The adjustment for depletion is allowed only to the extent of the sum of the adjustments for state income taxes and interest on obligations of a state or political or municipal subdivision other than Louisiana.

In order to make Louisiana net income and federal net income comparable, Louisiana net income should be converted to a federal basis. Items of difference between federal and state net income are divided into "compensating items" and "noncompensating items." The modifications to federal taxable income provided in R.S. 47:300.6(B) and R.S. 47:300.7(C) would be treated as "noncompensating items" of difference between federal and state income. These items arise from a difference in tax law between federal and state and will never adjust themselves. Any items of income or expense allocated in full outside Louisiana need not be considered because a federal tax deduction cannot be allowed on income that Louisiana will never tax.

**Line 3. Louisiana Taxable Income on a Federal Basis**

Subtract Line 2 from Line 1 and enter the result.

The net adjustment to Louisiana income would be limited to the excess of the sum of the items of deduction attributable to Louisiana allowed by federal law, but not by Louisiana and the items of gross income attributed to and taxed by Louisiana, but not by the federal government over the items of deduction allowed by Louisiana, but not by the federal. An adjustment would not be made for interest on U.S. government

**Line 4. Less: Louisiana Income Taxed at Special Rates**

Enter the amount of the capital gains allocable to Louisiana and taxed at special rates on the federal return.

**Line 5. Louisiana Ordinary Income on a Federal Basis**

Subtract Line 4 from Line 3 and enter the result.

**Line 6. Federal Taxable Income**

Enter on the amount of your federal taxable income after the income distribution deduction from your federal Form 1041.

**Line 7. Less: Federal Income Taxed at Special Rates**

Enter the amount of the income from your Federal Form 1041 that is taxed at special rates.



**Line 8. Federal Net Income—Ordinary**

Subtract Line 7 from Line 6 and enter the result.

**Line 9. Ratio—Louisiana Ordinary/Federal Ordinary**

Enter the ratio obtained by dividing Line 5 by Line 8.

**Line 10. Ratio—Louisiana Special/Federal Special**

Enter the ratio obtained by dividing Line 4 by Line 7.

**Line 11. Federal Income Tax Liability**

Enter the actual federal tax liability after being reduced for all credits except the alternative minimum tax credit.

**Line 12. Less: Federal Special Rates Tax**

Enter the amount of your special rates tax from your federal Form 1041.

**Line 13. Less: Alternative Minimum Tax**

Under most circumstances, the alternative minimum tax is not deductible on the Louisiana return. The tax is deductible only to the extent that Louisiana tax is paid on income on which alternative minimum tax has been paid and no regular federal income tax will be paid. Refer to Louisiana Administrative Code 61:I.1122 for further explanation.

**Line 14. Federal Ordinary Tax**

Subtract Lines 12 and 13 from Line 11 and enter the result.

**Line 15. Federal Income Tax Attributable to Louisiana Ordinary Income**

Enter the amount obtained by multiplying Line 14 by Line 9.

**Line 16. Federal Income Tax on Louisiana Income Taxed at Special Rates**

Enter the amount obtained by multiplying Line 12 by Line 10.

**Line 17. Federal Income Tax Disaster Relief Credits**

Acts 23 of the 2005 1st Extraordinary Legislative Session provides that an estate or trust may increase the amount of its federal income tax deduction by the amount of Federal Disaster Relief Credits attributable to Louisiana. Print the amount of your Federal Disaster Relief Credits attributable to Louisiana on this line and in the designated area on Form Form IT-541, Line 7B. Please refer to LAC 61:I.601 available on the Department’s website regarding the application of those federal credits deemed by the Secretary to be federal disaster credits.

**Line 18. Federal income tax disaster relief credits attributable to Louisiana**

Multiply Line 17 by Line 9. Enter the result on Schedule D, Line 18 and on Form IT-541, Line 7B.

**Line 19.**

Add Lines 15, 16, and 18. Enter the result on Form IT-541, Line 7A.

**SCHEDULE E - Summary of Estimated Tax Payments and Extension Payment**

Provide information regarding the estimated tax payments that you made for the 2014 tax year and the amount of payment made with the extension request.

**GENERAL INFORMATION ON ALL CREDITS**

R.S. 47:1675 provides for general rules governing the application of tax credits. Credits should be applied in numerical order using the codes provided below. If a schedule is required in the instructions below, you must attach a separate schedule for each credit claimed. The schedule should clearly identify the credit, your name, and LDR account number. If documentation is required, you must submit the documentation with your return. For faster processing, you can upload all required information when

you file your return electronically. Revenue Information Bulletins (RIB) are posted on [www.revenue.louisiana.gov/policies](http://www.revenue.louisiana.gov/policies) under Policy Documents.

**Note:** If you are claiming a credit that is recorded in the Tax Credit Registry, you must attach a completed Credit Utilization Form (R-6140, Section 2) and a copy of the Credit Registration Form (R-6135) to the tax return. See RIB No. 14-005.

**INSTRUCTIONS FOR NONREFUNDABLE CREDITS, SCHEDULE NRC**

Below is a list of nonrefundable credits available for Fiduciary Income tax. Enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 9. **NOTE: Use only the codes referenced in the table of Schedule NRC. The codes listed here are not interchangeable with other codes listed in this booklet.**

Example:

Credit Description	Code	Amount of Credit Claimed
New Jobs Credit	224	500.00

**Line 10** – Add Lines 1 through 9 and enter the result on Line 10 on Form IT-541, Line 11.

**CODE CREDIT DESCRIPTION**

**100 – Premium Tax** – 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. The credit may be passed to individuals through certain legal entities such as partnerships. A schedule must be attached listing the entities that paid the premium tax and generated the credit on behalf of the individual.

CODE	CREDIT DESCRIPTION	CODE	CREDIT DESCRIPTION
120	<b>Bone Marrow</b> – R.S. 47:287.758 provides a credit to employers authorized to do business in the state who incur bone marrow donor expense by developing a bone marrow donation program, educating employees related to bone marrow donations, making payments to a health care provider for determining tissue types of potential donors, and paying wages to an employee for time related to tissue typing and bone marrow donation. If the wage expense is used to obtain the credit, it cannot be deducted as an expense for income tax purposes. The amount of the credit is equal to 25 percent of the bone marrow donor expense paid or incurred by the employer during the tax year.		credit is for 50 percent of the value of the donated materials, equipment, or services rendered by the instructor. When taken with other applicable credits, this credit cannot exceed 20 percent of the employer's tax liability for any taxable year.
140	<b>Nonviolent Offenders</b> – R.S. 47:287.752 provides a credit for a taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense, has completed a court-ordered program certified by the employee's probation officer, and has worked 180 days. A statement signed by both the employer and employee certifying the employee's full-time work status for the year must be attached to the return.	199	<b>Other</b> – Reserved for future credits.
150	<b>Qualified Playgrounds</b> – R.S. 47:6008 provides a credit for donations to assist qualified playgrounds. The credit is for the lesser of \$1,000 or one-half 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.	200	<b>Atchafalaya Trace</b> – R.S. 25:1226.4 provides a credit to certain heritage-based cottage industries that have entered into a contract with the State Board of Commerce and Industry. A copy of the contract must be attached to the return.
155	<b>Debt Issuance</b> – R.S. 47:6017 provides a credit for 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.	208	<b>Previously Unemployed</b> – R.S. 47:6004 provides a credit for hiring a previously unemployed person who participates in the Family Independence Work Program in a newly created full-time job.
160	<b>Contributions to Educational Institutions</b> — R.S. 47:37 provides a credit of 40 percent of the value of tangible property of a sophisticated and technical nature to educational institutions in the State of Louisiana. The institution that receives the donation must furnish to the donor or seller a certification of such donation, contribution, or sale below cost, which shall include the date and the value of other property donated, contributed, or sold.	210	<b>Recycling Credit</b> – 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.
170	<b>Donations to Public Schools</b> — R.S. 47:6013 provides a credit for qualified donations made to a public school. The credit is equal to 40 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 and donated to a public school immediately adjacent or contiguous to such property. Please contact the Department for additional information regarding this credit.	212	<b>Basic Skills Training</b> – R.S. 47:6009 provides a credit for employers who pay for training to bring employees' reading, writing, or mathematical skills to at least the 12th grade level. The credit is limited to \$250 per participating employee, not to exceed \$30,000 for the tax year.
175	<b>Donations of Materials, Equipment, Advisors, Instructors</b> – R.S. 47:6012 provides a credit for employers within the state for donations of the newest technology available in materials, equipment, or instructors to public training providers, secondary and postsecondary vocational-technical schools, community colleges, or apprenticeship programs registered with the Louisiana Workforce Commission to assist in the development of training programs designed to meet industry needs. The	224	<b>New Jobs Credit</b> – R.S. 47:34 and R.S. 47:287.749 provide a credit to employers who establish or expand a business in the state. A schedule that includes the calculation of the credit must be attached to the return and must include the name, address, and Social Security Number of each new employee; highest number of full-time and qualified part-time employees during the previous year; highest number of full-time and part-time employees during the current year; number of new employees hired for new jobs created during this taxable year; and amount of credit carried forward from the previous year.
		226	<b>Refund by Utilities</b> – R.S. 47:287.664 provides a credit for certain court ordered refunds made by utilities to its customers.
		228	<b>Eligible Re-entrants</b> – R.S. 47:287.748 provides a credit to a taxpayer who employs an eligible re-entrant in Louisiana. An eligible re-entrant is defined as a person who has been convicted of a felony and who has successfully completed the Intensive Incarceration Program, as provided in R.S. 15:574.4.
		230	<b>Neighborhood Assistance</b> – R.S. 47:35 and R.S. 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 70 percent of the amount contributed for investment in programs approved by the Commissioner of Administration, and the credit shall not exceed \$250,000 annually.
		232	<b>Cane River Heritage</b> – R.S. 47:6026 provides a credit for a heritage-based cottage industry located or to be located in the Cane River Heritage Area Development Zone. The taxpayer must enter into a contract with the Louisiana Department of Culture, Recreation, and Tourism, and a copy of the contract must be attached to the return.

CODE	CREDIT DESCRIPTION	CODE	CREDIT DESCRIPTION
234	<b>LA Community Economic Development</b> – R.S. 47:6031 provides a credit for money donated, contributed, or represented by a sale below cost by the taxpayer to a certified community development corporation or a certified community development financial institution. The credit must be certified by the Louisiana Department of Economic Development, and a copy of the certification must be attached to the return.		made prior to January 1, 2012. 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.
236	<b>Apprenticeship</b> – R.S. 47:6033 provides a credit to employers for one dollar for each hour of employment of an eligible apprentice, limited to 1,000 hours for each eligible apprentice. An eligible apprentice is a person who has entered into a written apprenticeship agreement with an employer or an association of employers pursuant to a registered apprenticeship program or who is enrolled in a training program accredited by the National Center for Construction Education and Research. For more information regarding this credit, contact the Louisiana Workforce Commission.	256	<b>Motion Picture Employment of Resident</b> – R.S. 47:1125.1 provides a credit for the employment of residents of Louisiana in connection with the production of a motion picture. The credit may flow to an estate or trust via a partnership, limited liability company, Subchapter S Corporation, or other entities. Refer to Revenue Information Bulletin 05-005 on LDR's website.
238	<b>Ports of Louisiana Investor</b> – R.S. 47:6036(C) provides a credit to taxpayers to encourage investment in state port facilities in Louisiana. 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.	257	<b>Capital Company</b> – R.S. 51:1924 provides a credit for any person who invests in a certified Louisiana Capital Company. This credit must be approved by the Commissioner of the Louisiana Office of Financial Institutions. A copy of the certification must be attached to the return.
240	<b>Ports of Louisiana Import Export Cargo</b> – R.S. 47:6036(I) provides a credit to taxpayers 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.	258	<b>LA Community Development Financial Institution (LCDFI)</b> – R.S. 51:3085 et seq. provides a credit for certain investments in an LCDFI to encourage the expansion of businesses in economically distressed areas. The Louisiana Office of Financial Institutions administers this program.
251	<b>Motion Picture Investment</b> – R.S. 47:6007(C)(1) provides a credit for any taxpayer residing in Louisiana who invests in a state-certified, motion picture production. Taxpayers taking this credit may attach Form R-10611, available on LDR's website, as documentation for this credit.	259	<b>New Markets</b> – R.S. 47:6016 provides a credit if the taxpayer makes certain qualified low-income community investments, as defined in Section 45D of the Internal Revenue Code. The taxpayer must be certified by the Louisiana Department of Economic Development and approved by LDR. Information on the program investment limits are frequently posted as Revenue Information Bulletins on LDR's website.
252	<b>Research and Development</b> – R.S. 47:6015 provides a credit for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research activities. Use this code for Research and Development credits earned for expenditures made in tax years beginning before January 1, 2009. See Revenue Information Bulletin 09-020 on LDR's website.	260	<b>Brownfields Investor Credit</b> – R.S. 47:6021 provides a credit to taxpayers to encourage the cleanup, redevelopment, and productive reuse of brownfields sites in the state. The credit is obtained through the Louisiana Department of Economic Development and the Louisiana Department of Environmental Quality.
253	<b>Historic Structures</b> – R.S. 47:6019 provides a credit if the taxpayer incurs certain expenses during the rehabilitation of a historic structure that is located in a Downtown Development District or cultural district. Refer to Revenue Information Bulletin 14-007 and 14-007A on LDR's website.	261	<b>Motion Picture Infrastructure</b> – 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 postproduction 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. Refer to Revenue Information Bulletin 06-004 on LDR's website.
254	<b>Digital Interactive Media</b> – R.S. 47:6022 provides a credit to taxpayers for the investment in businesses specializing in digital interactive media. Use this code for Digital Interactive Media credits earned for expenditures	262	<b>Angel Investor</b> – R.S. 47:6020 provides a credit for taxpayers who make third party investments in certified Louisiana entrepreneurial businesses on or after January 1, 2011. To earn the Angel Investor Credit, taxpayers must file an application with the Louisiana Department of Economic Development. See Revenue Information Bulletin 12-009 on LDR's website.
		299	<b>Other</b> – Reserved for future credits.

**CODE CREDIT DESCRIPTION**

- 300 – Biomed/University Research** – R.S. 17:3389 provides a credit to persons who establish research activities either in a Biomedical or a University Research and Development Park. 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.
- 305 – Tax Equalization** – R.S. 47:3201 et seq. provides a credit for tax equalization for certain businesses locating in Louisiana. The taxpayer must enter into a contract with the Louisiana Department of Economic Development, and a copy of the contract showing the credit granted must be attached to the return.

**CODE CREDIT DESCRIPTION**

- 310 – Manufacturing Establishments** – 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.
- 315 – Enterprise Zone** – R.S. 51:1781 et seq. provides a credit for private sector investments in certain areas that 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.
- 399 – Other** – Reserved for future credits.

**INSTRUCTIONS FOR REFUNDABLE CREDITS, SCHEDULE RC**

**Other Refundable Tax Credits Lines 1 through 5**

Below is a list of additional refundable tax credits available to be claimed on this return. Please 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. The codes listed here are not interchangeable with other codes listed in this booklet.**

**Line 6 – Other Refundable Tax Credits** – Add Lines 1 through 5 and enter the result on Line 6 and on Form IT-541, Line 14.

Example:

Credit Description	Code	Amount of Credit Claimed
Inventory Tax	50F	400.00

**CODE CREDIT DESCRIPTION**

- 50F – Inventory Tax** – R.S. 47:6006 allows a refundable credit for 100 percent of the ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, or retailers. Refer to Revenue Information Bulletin 06-036 on the LDR website.
- 51F – Ad Valorem Natural Gas** – R.S. 47:6006 allows a refundable credit for 100 percent of the 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. Both a copy of the tax assessment and a copy of the cancelled check in payment of the tax must be attached to the return.
- 52F – Ad Valorem Offshore Vessels** –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 cancelled check in payment of the tax, and a completed Form LAT 11A from the Louisiana Tax Commission must be attached to the return.

**CODE CREDIT DESCRIPTION**

- 54F – Telephone Company Property** – 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. A schedule must be attached stating which entity paid the tax and obtained the credit on the individual’s behalf.
- 55F – Prison Industry Enhancement** – R.S. 47:6018 allows a refundable credit for the state sales and use tax paid by a taxpayer on purchases of specialty apparel items from a private sector Prison Industry Enhancement (PIE) contractor. Contact LDR for further information regarding this credit.
- 56F – Urban Revitalization** – R.S. 51:1801 et seq. allows a refundable credit for investing in certain economically depressed areas of 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.
- 57F – Mentor-Protégé** – R.S. 47:6027 allows a refundable credit for a mentor business that fulfills the terms of a Mentor-Protégé Agreement as approved by the Louisiana Department of Economic Development. A copy of the certification of the credit must be attached to the return.
- 58F – Milk Producers** – 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 and Hospitals to receive the credit. Revenue Information Bulletin 08-014 provides information regarding the credit.

CODE	CREDIT DESCRIPTION	CODE	CREDIT DESCRIPTION
<b>59F</b>	<b>Technology Commercialization</b> – R.S. 51:2351 et seq. allows a refundable credit for a qualifying taxpayer that invests in the commercialization of Louisiana technology. 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.		which the expenses are related or the quality rating of the child care facility that the child attends. Copies of cancelled checks and other documentation to support the amount of eligible expenses must be maintained and provided upon request. For more information regarding this credit, contact the Louisiana Department of Children and Family Services.
<b>61F</b>	<b>Angel Investor</b> – R.S. 47:6020 allows a refundable credit for taxpayers who made third party investments in certified Louisiana entrepreneurial businesses between January 1, 2005, and December 31, 2009. To earn the Angel Investor Credit, taxpayers must file an application with the Louisiana Department of Economic Development. Refer to Revenue Information Bulletin 06-020 on LDR's website.	<b>68F</b>	<b>School Readiness Fees and Grants to Resource and Referral Agencies</b> – R.S. 47:6107 allows a refundable credit for a taxpayer whose business pays fees and grants to child care resource and referral agencies. The credit can not exceed \$5,000 per tax year. For more information regarding this credit, contact the Louisiana Department of Children and Family Services.
<b>62F</b>	<b>Musical and Theatrical Productions</b> – R.S. 47:6034 allows a refundable credit for the production expenses, transportation costs, employment of college and vocational-technical students, employment of residents, and for the construction, repair, or renovation of facilities related to the live performance industry. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.	<b>70F</b>	<b>Retention and Modernization</b> – 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.
<b>64F</b>	<b>Solar Energy Systems – Non-Leased</b> – R.S. 47:6030 provides a refundable credit for taxpayers who purchased and installed a solar electric system, a solar thermal system, or any combination of those components at a single-family detached residence located in the state. Taxpayers are also eligible for the credit when a resident purchased a newly constructed home with such systems already installed. Only one credit is allowed per residence including prior installations for which a credit was received. The credit is equal to 50 percent of the first \$25,000 of the cost of a solar electric system, a solar thermal system, or any combination of components thereof. See Revenue Information Bulletin 13-026 on LDR's website. Form R-1086, available on LDR's website, must be attached to your return as documentation for this credit. When taking this credit, the taxpayer will not be eligible for any other state tax credit, exemption, exclusion, deduction, or any other tax benefit for that property.	<b>71F</b>	<b>Conversion of Vehicle to Alternative Fuel</b> – R.S. 47:6035 allows a refundable credit for the purchase of, or conversion of a vehicle designed to run on an alternative fuel. Alternative fuel means natural gas, liquified petroleum gas, and any nonethanol based advanced biofuel. An electric vehicle qualifies if the vehicle has at least four wheels; is manufactured primarily for use on public roads; is able to attain a maximum speed of at least fifty-five miles per hour; and is propelled to a significant extent by an electric motor which draws electricity from a battery which has a capacity of not less than four kilowatt hours and is capable of being recharged from an external source of electricity. The credit is not allowed for the costs associated with the purchase or conversion of a flexible fuel vehicle, designed to run on both alternative fuel and gasoline or diesel. The purchased vehicle must be properly registered with the Louisiana Department of Public Safety. You must attach documentation verifying the conversion or purchase of the vehicle. See Revenue Information Bulletin 13-023 on LDR's website.
<b>65F</b>	<b>School Readiness Child Care Provider</b> – R.S. 47:6105 allows a refundable credit for a child care provider who operates a facility or facilities where care is given to foster children in the custody of the Louisiana Department of Children and Family Services (DCFS) or to children who participate in the Child Care Assistance Program administered by the Office of Family Support in DCFS. The credit is based on the average monthly number of children who attended the facility multiplied by an amount based on the quality rating of the child care facility. For more information regarding this credit, contact DCFS.	<b>72F</b>	<b>Research and Development</b> – R.S. 47:6015 allows a refundable credit for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research activities. 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 09-020 on LDR's website.
<b>67F</b>	<b>School Readiness Business-Supported Child Care</b> – R.S. 47:6107 allows a refundable credit for a taxpayer who incurs eligible business-supported child care expenses. The percentage of eligible expenses allowed for the credit depends on the quality rating of the child care facility to	<b>73F</b>	<b>Digital Interactive Media &amp; Software</b> – R.S. 47:6022 provides a credit to taxpayers for the investment in businesses specializing in digital interactive media and software. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return. See Revenue Information Bulletin 12-017 on LDR's website.

<b>CODE</b>	<b>CREDIT DESCRIPTION</b>	<b>CODE</b>	<b>CREDIT DESCRIPTION</b>
<b>74F</b>	<b>Leased Solar Energy Systems</b> — Use this code for systems installed by a third party through a lease with the residence owner. R.S. 47:6030 provides a refundable credit to taxpayers who purchased and installed, through a lease, a solar electric system, a solar thermal system, or any combination of those components at a single-family detached residence located in the state. Only one credit is allowed per residence including prior installations for which a credit was received. The credit is equal to 38 percent of the first \$25,000 of the cost of such system. For the purpose of determining the amount of the credit on leased		systems, the cost of a system is limited to no more than \$4.50 per watt for a system purchased and installed before July 1, 2014 and \$3.50 per watt for a system purchased and installed on or after July 1, 2014. See Revenue Information Bulletin 13-026 on LDR's website. Form R-1086, available on LDR's website, must be attached to your return as documentation for this credit. When taking this credit, the taxpayer will not be eligible for any other state tax credit, exemption, exclusion, deduction, or any other tax benefit for that property.
		<b>80F</b>	<b>Other Refundable Credit</b> – Reserved for future credits.

**Interest and Penalty Calculation Worksheets**

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

1. A 2014 calendar year return is due on or before May 15, 2015.
2. Returns for fiscal years are due on or before the 15th day of the fifth month after the close of the taxable year.
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 2015 interest rate is posted on LDR’s website on Form R-1111, Interest Rate Schedule Collected on Unpaid Taxes. To compute the DAILY INTEREST RATE, multiply the 2015 monthly interest rate by 12 then divide the result by 365 and carry out to seven places to the right of the decimal. Example: Assume the 2015 monthly interest rate is 0.5833 percent, multiply 0.00583 by 12 then divide the result by 365 to get the daily interest rate of 0.0001917.

Interest Calculation Worksheet		
1	Number of days late from the due date.	
2	<b>Daily interest rate</b> (See instructions above.)	0. _____
3	Interest rate (Multiply Line 1 by Line 2.)	
4	Amount you owe (Form IT-541, Line 23.)	.00
5	Total interest due (Multiply Line 4 by Line 3, and enter the result on Form IT-541, Line 24).	.00

**Delinquent Filing Penalty** – A delinquent filing penalty will be charged for failure to file a return on or before your due date, or your approved extension date. The penalty is five percent of the tax for each 30 days or fraction thereof during which the failure to file continues. By law, the maximum delinquent filing penalty that can be imposed is 25 percent of the tax due.

Delinquent Filing Penalty Calculation Worksheet		
1	Number of days late from your due date, or your approved extension date.	
2	Divide Line 1 by 30 days.	÷30
3	Number of 30-day periods (If fraction of days remain, increase to nearest whole number.)	
4	30-day penalty percentage	.05
5	Total penalty percentage (Multiply Line 3 by Line 4. The result cannot exceed 25 percent.)	
6	Amount you owe (Form IT-541, Line 23.)	.00
7	Total amount of delinquent filing penalty due (Multiply Line 6 by Line 5 and enter the result on Form IT-541, Line 25.)	.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 a negligence penalty if circumstances indicate willful negligence or intentional disregard of rules and regulations.

**Delinquent Payment Penalty** – If you fail to pay 90 percent of the tax due by the due date, 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.

To determine if you owe a delinquent payment penalty, answer the following questions:

1. Are you paying a 2014 tax liability after the due date? If yes, continue to Line 2.
2. Have you paid at least 90 percent of total tax due?
  - a. Enter the amount from Form IT-541, Line 12. \_\_\_\_\_ .00
  - b. Enter the amount from Form IT-541, Line 13. \_\_\_\_\_ .00
  - c. Enter the amount from Form IT-541, Line 14. \_\_\_\_\_ .00
  - d. Subtract Lines b and c from Line a above. \_\_\_\_\_ .00
  - e. Multiply Line d by 10 percent. \_\_\_\_\_ .00
  - f. Enter the amount from Form IT-541, Line 26. \_\_\_\_\_ .00

If the amount on Line f is less than or equal to the amount on Line e, you have paid at least 90 percent of the total tax due. If the amount on Line f is greater than the amount on Line e, you have not paid at least 90 percent of the total tax due by the due date; therefore, you owe the delinquent payment penalty. 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 23.)	.00
7	Total amount of Delinquent Payment Penalty (Multiply Line 6 by Line 5 and enter the result on Form IT-541, Line 26.)	.00