



**LOUISIANA**  
DEPARTMENT of REVENUE

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

**RECIPIENT OF THIS FORM:  
Attach this form to your  
IT-540 or IT-540B**

|   |  |
|---|--|
| Pass-Through Entity's Name as shown on CIFT-620 |  |
| LA Revenue Account Number                       | Income Taxable Period Covered                      |
| Owner's Name                                    | Last four digits of Owner's Social Security Number |

**Owner's Share of Current Year Income and Deductions**

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



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

*Instructions for the Entity*

### Instructions

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

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

- **As Reported on Federal Schedule K-1 Column** - Include amounts as reported on the Federal K-1.

**Other Items** - Include any income or deduction items reported on Federal Schedule K-1, box 17 or 20. For example, report oil and gas depletion included on Schedule K-1, box 17, code R, for shareholders by the S corporation or on Schedule K-1, box 20, code T, for partners of partnerships on this line.

- **Amounts Taxed at the Entity Level Column** - This Part should include the amount on the CIFT-620 that was apportioned or allocated to Louisiana.
- **Income (Loss) Taxable at the Owner's Level Column** - This Part should include the amount on the CIFT-620 that was apportioned or allocated outside of Louisiana. This income is taxable to resident individuals. (*See note at the end of the instructions for nonresidents.*) For each row, subtract the amount in Amounts Taxed at the Entity Level Column from the amount in As Reported on Federal Schedule K-1 Column.

**PART II - Items Not Taxed at the Entity Level but Taxable to Individuals.** Pursuant to Louisiana Revised Statute ("R.S") 47:297.14(A)(2) income not taxed at the entity level is taxable at the owner's level.

- **As Reported on Federal Schedule K-1 Column** - Include amounts for interest and dividend income as reported on the Federal K-1.
- **Amounts Taxed at the Entity Level Column** - This column is the owner's share of the amount reported on the CIFT-620, Schedule F.
  - ◊ **Dividend and interest income** - Enter the owner's share if each item listed in Part II. The total across all owners must total to the appropriate line on CIFT-620, Schedule F.
  - ◊ **All others** - This column should include the owner's share of the amount deducted on the CIFT-620 that was apportioned or allocated to Louisiana. These deductions are allowed for corporation income tax purposes but not for individual income tax, except for the expenses disallowed by IRC 280C.
    - **Depletion** - Since depletion is allowed as a deduction at the entity level, depletion ordinarily reported on the Federal Form 1040 for oil and gas properties is not allowed on the pro forma Federal Form 1040 that is required to calculate the exclusion on the IT-540 under R.S. 47:297.14(A)(2).
    - **Expenses disallowed by IRC 280C** - Pursuant to R.S. 47:293, individuals are allowed to deduct expenses not deducted on the federal return due to Internal Revenue Code Section 280C. The amount deducted on IT-540, Schedule E must be reduced by the amount in this Part since it is deducted at the entity level.
- **Income (Loss) Taxable at the Owner's Level Column** -
  - ◊ List the income that was subtracted in the Amounts Taxed at the Entity Level Column for interest and dividend income. This income is taxable at the owner's level.
  - ◊ **Expenses disallowed by IRC 280C** - Subtract the amount in Amounts Taxed at the Entity Level Column from the owner's share of the expenses disallowed by IRC 280C and enter here.



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

*Instructions for the Entity*

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

- **As Reported on Federal Schedule K-1 Column** - Leave blank.
- **Amounts Taxed at the Entity Level Column** - This Part should include the owner's share of the deductions not allowed on the CIFT-620.
- **Income (Loss) Taxable at the Owner's Level Column** - Leave blank.

### **TOTAL** - Add the amounts in each column of Part I, Part II and Part III.

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

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### **INSTRUCTIONS FOR RECIPIENT OF THIS FORM**

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

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

### **PART II**

- **Income (Loss) Taxable at the Owner's Level Column** -
  - ◊ Expenses disallowed by IRC 280C – Report this amount on IT-540, Schedule E, code 25E.

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