Changes to CIFT-620 for 2022/2023 for DELTA

The return

* New check boxes
  + Amended due to IRS audit
  + Timely requested extension for federal income tax purposes
* Line B has been changed to: Total business interest expense
  + Box to notate negative amount was removed.
* Line C has been changed to: Total business interest expense deduction
  + Entry filed increased from 10 to 11 digits.
* Line G – taxpayers told to use 2022 NAICS code
* Line N- codes has be revised to be 2 digits.
  + Codes 1-8 now have a zero before the number.
  + Code 08 changed and 09 is new
  + 2021 code 8 is now code 10.
* Line 1A title is now: Louisiana net income before loss adjustments
* Lines 1D and 1D1 were deleted.
* 2021 Line 1E is now Line 1D.
* Line 2- tax rates and brackets have changed. See info below under Schedule J and J-1 for details.
* Line 7- Tax rate and brackets have changed. To calculate the tax:
  + Take the greater of Line 5C or Line 6,
    - If equal to or less than $300,000; tax is zero
    - Otherwise, subtract $300,000 from the amount. Tax is now $2.75 for each $1,000 or major fraction of, of the result rounded to the nearest dollar.
* Line 7 exemption codes
  + Add code 7 for “public utility company paying minimum tax”
* Line 15, column 3 has been deleted from the return
* Line 16E is now called: Amount of extension payment
* 2022 Line 28 is now Amount of overpayment to be credited to 2023 income tax (2021 Line 29)
* 2022 Line 29 is now Amount of overpayment to be credited to 2024 franchise tax
* 2022 Line 29 is now Amount of overpayment to be refunded (2021 Line 28)
  + Decode needs to be changed

SCHEDULE NRC-P1

* Removed credit code 185
* New code added:
  + Code 198 for Legal Settlement
    - This code is for internal use only. This code is not listed on the return and is not for public use.

SCHEDULE NRC-P3

* New code: 463 Apprenticeship (2022)
  + Has cap of $2.5million per calendar year; need to track in BCM
  + No preapproval of credit is being done.
* New code: 464 Donation to Qualified Foster Care Organization
  + Has cap of $500,000 per calendar year; need to track in BCM
  + No preapproval of credit is being done.

* Changed name of code 236 to Apprenticeship (2007)
  + Decode needs to be change

SCHEDULE RC-P2

* Removed credit code 57F

Schedule D- Computation of Louisiana Net Income

* Line 30 is now called: Louisiana net income before loss adjustments

SCHEDULE F

* Line 1a is new and called “Federal disallowed business interest expense”
* Line 2c is now: Donation to School Tuition Organization Credit or Donation to Qualified Foster Care Organization Credit

Schedule G-1 Computation of Franchise Tax Base

* Line 18- added a box to capture codes of 1-6.

Schedule J – Calculation of Income Tax

* Line 1 comes from CIFT-620, Line 1D now.
* Tax rate and brackets changed.
  + 3.5% on the first $50,000
  + 5.5% on the next $100,000
  + 7.5% on the excess over $150,000
* Total calculation for lines 3 and 4 changed.

Schedule J-1 – Pass-Through Entity Tax Election Calculation of Income Tax

* Line 1 comes from CIFT-620, Line 1D now.
* Tax rate changed.
  + 1.85% on the first $25,000
  + 3.5% on the next $75,000
  + 4.25% on the excess over $100,000

Schedule K – Summary of Estimated Tax Payments

* A column was added to separate payments for CIT and CFT.
* Line 6 changes to Amount of extension payment

SCHEDULE L – CALCULATION OF FRANCHISE TAX

* Tax rate and brackets have changed. Tax is now $2.75 for each $1,000 or major fraction of the amount on Line 3 of this schedule rounded to the nearest dollar.

Posting Info tab

* No changes needed.
* Refundable credits should be applied according to how they were applied on the return.
  + The transaction for them states what tax
* 2022 voucher for extension payment will have amounts separated to apply to CIT and CFT.
  + Transaction will be needed to follow suit