

LOUISIANA
DEPARTMENT of REVENUE

**Net Capital Gains Deduction
Worksheet**

Attached Form R-6180 to your Form
IT-540 or IT-540B

Louisiana Revised Statute 47:293(9)(a)(xvii) provides a deduction for net capital gains resulting from the sale or exchange of an equity interest or from the sale or exchange of substantially all of the assets of a nonpublicly traded corporation, partnership, limited liability company, or other business organization commercially domiciled in Louisiana. **To qualify for the deduction, the business must have been held for a minimum of five years immediately prior to the sale or exchange.** See instructions for required supporting documentation and Revenue Information Bulletins (RIB) 10-017 and 16-039 for additional information.

Provide the following for the entity from which the gain was derived:	
Name of Business	
Louisiana Revenue Account Number	Federal Employer Identification Number
Describe the business activity conducted in Louisiana	
Where are the assets of the business held?	
Where are the management decisions of the business made?	
Where are day-to-day operational decisions made?	

Calculation of the Deduction

1	Net Capital Gains as reported on the federal return (See RIB 10-017)	1																													
2A	Number of years the business, or the assets that were sold or exchanged, was owned by the taxpayer prior to the sale or exchange. The taxpayer's holding period starts on the day the taxpayer acquires an equity interest in or the assets of the business.	2A																													
If the amount on Line 2A is less than 5, you are not allowed to claim this deduction. Stop here. You are finished with this worksheet. Otherwise, go to Line 2B.																															
2B	Number of years the business was commercially domiciled in Louisiana prior to the sale or exchange.	2B																													
If the amount on Line 2B is less than 5, you are not allowed to claim this deduction. Stop here. You are finished with this worksheet. Otherwise, go to Line 3.																															
3A	Enter the amount on Line 2B. On Line 3B, enter the amount shown below that applies to the number on Line 3A. Be sure to include the decimal.	3A																													
3B	<table border="0"> <tr> <td>If Line 3A is:</td> <td>at least</td> <td>but less than</td> <td>decimal amount</td> </tr> <tr> <td></td> <td>5 years</td> <td>10 years</td> <td>.50</td> </tr> <tr> <td></td> <td>10 years</td> <td>15 years</td> <td>.60</td> </tr> <tr> <td></td> <td>15 years</td> <td>20 years</td> <td>.70</td> </tr> <tr> <td></td> <td>20 years</td> <td>25 years</td> <td>.80</td> </tr> <tr> <td></td> <td>25 years</td> <td>30 years</td> <td>.90</td> </tr> <tr> <td></td> <td>30 years or greater</td> <td></td> <td>1.00</td> </tr> </table>	If Line 3A is:	at least	but less than	decimal amount		5 years	10 years	.50		10 years	15 years	.60		15 years	20 years	.70		20 years	25 years	.80		25 years	30 years	.90		30 years or greater		1.00	3B	X _____ . _____
If Line 3A is:	at least	but less than	decimal amount																												
	5 years	10 years	.50																												
	10 years	15 years	.60																												
	15 years	20 years	.70																												
	20 years	25 years	.80																												
	25 years	30 years	.90																												
	30 years or greater		1.00																												
4	Multiply Line 1 by the decimal amount on Line 3B. This is your capital gains deduction. Enter this amount on Form IT-540, Schedule E, using code 20E or Form IT-540B, Non-resident Part-Year Resident (NPR) worksheet, using code 20E.	4																													

Please furnish our office with the following:

- A notarized statement from a managing member or corporate officer attesting that the business was commercially domiciled in Louisiana for the year in which the transaction occurred.
- Documentation establishing the date the taxpayer acquired an equity interest in or the assets of the business. For example, documentation may include articles of incorporation or organization, acts of sale or exchange, or donative instruments.
- Copies of the last two returns on which the income from the business was reported. *Ex: If from a partnership, provide Form IT-565, Louisiana Partnership Return of Income, for the last two years.*
- If the gain is derived from a pass-through entity, provide detailed information on the pass-through structure.
- If the gain is from the sale of equity interests please provide:
 - A copy of the K-1 from the entity from which the gain derived.
 - A complete copy of the Federal Form 1040 for the period in which the gain was recognized. Please be sure to include the Schedule D and any corresponding schedules.
- If the gain is from the sale of assets please provide:
 - A copy of the K-1 from the entity from which the gain derived.
 - A complete copy of the Federal Form 1040 for the period in which the gain was recognized. Please be sure to include the Schedule D and any corresponding schedules.
 - A description of the assets.
 - A copy of the purchase and/or sales agreement.
 - A worksheet that shows a calculation of gross to net asset values.
- A qualified appraisal of the business issued by a qualified appraiser as defined by Internal Revenue Code Section 170(f)(11)(E). If you believe providing a qualified appraisal creates an undue hardship, you may request an exception to this requirement. To request an exception, you must detail your reasons in writing and submit with this form and the other required documentation. Expense or inconvenience of obtaining the appraisal does not qualify as an undue hardship.