LOUISIANA 2023 CORPORATION INCOME TAX & 2024 CORPORATION FRANCHISE TAX INSTRUCTIONS

GENERAL INFORMATION

IMPORTANT
The Louisiana Revenue Account Number **must appear** on each page of the return. Failure to provide your Revenue Account Number will result in an assessment for negligence penalty. The Federal Employer Identification Number (FEIN) cannot be used in place of the Revenue Account Number.

PLEASE COMPLETE ALL APPLICABLE LINES AND SCHEDULES OF THE RETURN.
Failure to furnish complete information will cause processing of the return to be delayed and may necessitate a manual review of the return.

Every corporation should retain, for inspection by a revenue auditor, working papers showing the balance in each account on the corporation's books used in preparing the return until the taxes to which they relate have prescribed. When the corporation incurs a net operating loss, the working papers should be retained until such time that the net operating loss has prescribed.

WHO MUST FILE?
Domestic Corporations – Corporations organized under the laws of Louisiana must file Form CIFT-620, *Louisiana Corporation Income and Franchise Tax return,* each year unless exempt from both taxes.

Dormant Louisiana corporations must file Form CIFT-620, regardless of whether any assets are owned or any business operations are conducted, until a "Certificate of Dissolution" is issued by the Louisiana Secretary of State.

Foreign Corporations – Corporations organized under the laws of a state other than Louisiana that derive income from Louisiana sources must file Form CIFT-620 whether or not there is any tax liability.

A foreign corporation is subject to the franchise tax if it meets any one of the criteria listed below:

1. Qualifying to do business in Louisiana or actually doing business within this state; or,
2. Exercising or continuing the corporate charter within this state; or,
3. Owning or using any part or all of the corporate capital, plant, or other property in this state whether owned directly or indirectly by or through a partnership, joint venture, or any other business organization of which the foreign corporation or entity is a related party as defined in Louisiana Revised Statute (R.S.) 47:605.1.

A corporation will be subject to the franchise tax if it meets the above criteria, even if it is not required to pay income tax under federal Public Law 86-272.

Corporation franchise tax for foreign corporations, or other taxable foreign entities, continues to accrue as long as the corporation exercises its charter, does business, or owns or uses any part of its capital or plant in Louisiana, and in the case of a qualified corporation, until a "Certificate of Withdrawal" is issued by the Louisiana Secretary of State.

Other Entities – Any entity taxed as a corporation for federal income tax purposes will also be taxed as a corporation for Louisiana income tax purposes.

A domestic or foreign entity taxed as a corporation pursuant to 26 U.S.C. Subtitle A, Chapter 1, Subchapter C for federal income tax purposes, is subject to franchise tax if it meets any of the criteria that subject a domestic or foreign corporation to franchise tax, with 2 exceptions. Any limited liability company qualified and eligible to make an election to be taxed in accordance with the provisions of 26 U.S.C. Subtitle A, Chapter 1, Subchapter S on the first day of the franchise tax period is not subject to franchise tax. Any other entity that was acquired during the period January 1, 2012, to December 31, 2013, by an entity that was taxed pursuant to 26 U.S.C. Subtitle A, Chapter 1, Subchapter S, is not subject to franchise tax.

Revised Statutes 47:221 through 47:227 provide guidance regarding the filing requirements of insurance companies. Refer to R.S. 47:287.521, 47:287.526, 47:287.527, and 47:287.528 for information concerning the treatment of farmers' cooperatives, other cooperatives, shipowners' protection and indemnity associations, political organizations, and homeowners' associations.

Consolidated Groups – Louisiana law does not provide for filing consolidated returns. Generally, separate corporate income and franchise tax returns must be filed by all corporate entities liable for a Louisiana tax return.

Subchapter S Corporations – Louisiana income tax law does not recognize Subchapter S corporation status. An S corporation is required to file income tax in the same manner as a C corporation. However, in certain instances, all or part of the corporation income can be excluded from Louisiana income tax. For information on the S corporation exclusion of net income, refer to the instructions for Line 1B.

Qualified Subchapter S Subsidiary (QSub) – Whether or not the QSub is treated as a disregarded entity for Louisiana income tax purposes is at the election of the taxpayer pursuant to R.S. 47:287.732.1. This election is made by simply filing returns following the elected method. No election forms are necessary. Because the QSub is a corporation, the QSub is always required to file its own franchise tax return.

- If the election was made to treat the QSub as a **disregarded entity** for Louisiana income tax purposes and part of the S Corp parent, a corporation income tax return must still be filed for the QSub and Louisiana income will be reported as zero. A statement that the QSub income, expenses, and credits are being reported on the S Corp parent's return must be attached. The S Corp parent's income tax return will include all assets, liabilities, and items of income, deduction and credit, and any other items of the QSub. Income tax credits earned by the QSub are attributed to the S Corp parent. Credits that can be applied against income or franchise tax will be attributed to the S Corp parent to the extent they are not applied against the CFT of the QSub. For Federal form filed use code 2 for Form 1120S and for type of entity use code 08 for QSub filing as a disregarded entity.
- If the election was made to treat the QSub as a **separate entity** for Louisiana income tax purposes, then the parent S corporation and the QSub are each required to compute their Louisiana corporation income tax as if they have been required to file income tax returns with the Internal Revenue Service as C corporations. Under this election, the S Corp is entitled to take the S Corp exclusion allowed by R.S. 47:287.732(B), but the QSub is not entitled to an S Corp exclusion. For Federal form filed use code 2 for Form 1120S and for type of entity use code 09 for QSub filing as a separate entity.

PASS-THROUGH ENTITY TAX ELECTION
Revised Statute 47:287.732.2 allows Subchapter S Corporations, and other flow-through entities taxed as partnerships for federal income tax purposes, to elect to pay Louisiana income tax at the entity level. An individual, estate or trust who is a shareholder, member, or partner of the entity is allowed to

exclude the income taxed at the entity level that is included in their federal adjusted gross income or federal taxable income, respectively. Once the election is made, it is effective for the entire taxable year for which it was made as well as all subsequent taxable years until the election is terminated.

An entity must make the election on Form R-6980, *Tax Election for Pass-Through Entities*, and must receive LDR acceptance of the election. See Louisiana Administrative Code (LAC) 61:I.1001 for requirements to make the election. The election can be made during the taxable year prior to the taxable year in which the election is first effective, during the taxable year in which the election is first effective, or on or before the 15th day of the fourth month after the close of the taxable year in which the election is first effective.

Entities making the election should use Schedule J-1 to calculate their income tax. All Louisiana corporation income tax provisions apply, and the entity is taxed in the same manner as if the entity filed a federal income tax return with the Internal Revenue Service as a C Corporation.

Net operating losses earned in the year the election was made or after the election was made are tax items of the entity, and the loss and its carryforward must be reported on the CIFT-620. Net operating losses earned in tax years prior to the election that have previously passed through to the owners are tax items of the owners, and any carryforward remaining can only be used on the owner's income tax return. See Revenue Information Bulletin 19-019 and LAC 61:I.1001(C)(6) for more information.

Louisiana Administrative Code 61:I.1001(C)(2) mandates electronic filing of the CIFT-620 and all supporting documentation for any entity making the election. The following documentation must be attached to the CIFT-620 when filed:

- A *pro forma* Federal Form 1120 completed as if the entity had filed as a C corporation for federal income tax purposes;
- Schedule K-1s as actually issued to the owners of the entity for the taxable year;
- Form R-6981, *Statement of Owner's Share of Entity Level Tax Items*, reflecting any income that remains taxable to the entity's owners in Louisiana after the election such as dividend income and interest income; and
- Form R-6982, *Schedule of Tax Paid if Paid by Owner*, calculating how much tax would have been due if the entity had passed the income through to its owners, and the tax had been paid at the owner level.

EXEMPT CORPORATIONS

R.S. 47:287.501 provides that an organization described in Internal Revenue Code Sections 401(a) or 501 shall be exempt from income taxation to the extent the organization is exempt from income taxation under federal law, unless the contrary is expressly provided. Accordingly, an exempt organization that has income from an unrelated trade or business and files Federal Form 990-T with the Internal Revenue Service is subject to file and report its Louisiana-sourced unrelated business income to Louisiana. Louisiana Administrative Code 61:I.1140 and Revenue Information Bulletin 09-009 have been published providing guidance whereby these organizations are not exempt from taxation on the Louisiana-sourced unrelated business income or income not included under Internal Revenue Code (IRC) Sections 401(a) or 501.

To report Louisiana-sourced unrelated business income, exempt organizations are required to file Form CIFT-620. In instances when a multi-state exempt organization earns unrelated business income within Louisiana and outside of Louisiana, Schedules B through F are required. CIFT-401W, *Unrelated Business Income Worksheet for IRC 401(a) and 501 Organizations*, will serve as a guide in determining the amount of Louisiana-sourced unrelated business income that the organization must report. A 2023 calendar year return for these organizations is due on or before June 15, 2024. Returns for fiscal years are due on or before the 15th day of the sixth month following the close of the taxable year. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the following day.

An organization claiming exemption under R.S. 47:287.501 must submit a copy of the Internal Revenue Service ruling establishing its exempt status. Refer to R.S. 47:287.501(B) for additional exemptions provided for banking corporations. Information concerning exemptions from corporate franchise tax can be found under R.S. 47:608. Those corporations that meet the prescribed standards of organization, ownership, control, sources of income, and disposition of funds must apply for and secure a ruling of exemption from the Department.

ANNUAL INFORMATION RETURN OF SERVICE RECIPIENT

R.S. 47:114.1 requires all service recipients who are required to file Federal Form 1099-NEC with the IRS to file any Form 1099-NEC for services provided in Louisiana or for services performed by an individual residing in Louisiana at the time the services were performed with LDR. Form 1099-NEC can be filed electronically, or if you are filing less than 50, by paper with the filing of Form R-91001, *Annual Summary and Transmittal of Form 1099-NEC*. See LDR's website for more information.

ELECTRIC AND HYBRID VEHICLE ROAD USAGE FEE

Louisiana imposes a road usage fee on the owner or lessee of an electric or hybrid vehicle registered and operated in Louisiana during the calendar year as provided by R.S. 32:461. The fee is dedicated to state and local transportation and development funds and is to supplement the "road tax" paid on gas. The fee for 2023 is due on or before May 15, 2024 and is reported by filing Form R-19000, *Electric and Hybrid Vehicle Road Usage Fee*. For additional information, see LAC 61:I.5501.

CORPORATION FRANCHISE TAX INITIAL RETURN

An initial franchise tax return is due on or before the 15th day of the fourth month following the month in which the tax accrues. The initial return, Form R-6906A, *Corporation Franchise Tax Initial Return*, which covers the period beginning with the date the corporation first becomes liable for filing a return and ending with the next close of an accounting period, is available on LDR's website.

ELECTRONIC FILING MANDATE

Louisiana Administrative Code 61:III.1503 and 1505 require the electronic filing of the Corporation Income and Franchise Tax return if the total assets of the corporation filing the return has an absolute value equal to or greater than $250,000. An entity making the pass-through entity tax election must file the CIFT-620 electronically under LAC 61:I.1001(C)(2).

WHEN TO FILE

A 2023 calendar year return is due on or before May 15, 2024. Returns for fiscal years are due on or before the 15th day of the fifth month following the close of the taxable year. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the following day.

WHERE TO FILE AND PAY TAXES

The 2023 income tax return and the 2024 franchise tax return can be mailed to Louisiana Department of Revenue, P. O. Box 91011, Baton Rouge, LA 70821-9011. DO NOT SEND CASH. An electronic payment option is available on LDR's website at ***www.revenue.louisiana.gov/latap.***

Taxes may also be paid by credit card over the internet or by telephone. Visit *www.revenue.louisiana.gov* for more information.

EXTENSION OF TIME FOR FILING A RETURN

If you know you cannot file your return by the due date, you do not need to file for an extension. You will be granted an extension of six months to November 15, 2024 **if you timely requested an extension for federal income tax purposes**. In order to be granted the extension, you must mark the box to indicate you timely requested an extension for federal income tax purposes. The extension only applies to Corporation Franchise tax if you are also filing a corporation income tax return. See LAC 61:III.2503 for required documentation if the IRS denies your federal extension request.

Important: An extension does not relieve you of your obligation to pay all tax amounts due by the original due date. If you anticipate that you will owe additional tax on your return, then you should submit your payment with a payment voucher (Form CIFT620EXT-V) on or before May 15, 2024 for calendar year filers, or on or before the 15th day of the fifth month following the close of the accounting period for fiscal year filers.

An extension means only that you will not be assessed a delinquent filing penalty for filing your return after the due date but before the extended due date. Interest on the additional tax due from the due date of the return and any penalties will be assessed if applicable. If you file your return after the extended due date, you will be assessed delinquent filing penalty from the due date of the return. NOTE: No paper or electronic extension form needs to be filed to obtain the automatic extension.

DECLARATION OF ESTIMATED TAX

Revised Statute 47:287.654 requires every corporation that can reasonably expect its estimated income tax for the year to be $1,000 or more to make installment payments of its liability. The term "estimated tax" means the amount the taxpayer estimates to be the Louisiana income tax imposed for the period less the amount it estimates to be the sum of any credits allowable against the tax. **Payments of estimated income tax can only be applied against corporation income tax.**

See the instructions for Form CIFT-620ES regarding the penalty for underpayment or nonpayment of estimated income tax.

ROUNDING TO WHOLE DOLLARS

Round cents to the nearest whole dollar on Form CIFT-620. 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 AND FRANCHISE TAXABLE BASE

Louisiana income tax is imposed only upon that part of the net income of a corporation that is derived from sources within Louisiana.

When a corporation does business within and without Louisiana, the Louisiana franchise tax is imposed only on that part of the total taxable capital that is employed in Louisiana.

INSTRUCTIONS FOR COMPLETING FORM CIFT-620

This return is designed for electronic scanning, which permits faster processing with fewer errors. See "Who needs to complete what schedules" on Page 20 for the schedules that are required to be completed.

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. If completing by hand, use a pen with black ink.
3. Because this form is read by a machine, enter your numbers inside the boxes like this:

0	1	2	3	4	5	6	7	8	9	X

4. All numbers should be rounded to the nearest dollar. The space that designated cents (.00) has been removed to save space and therefore, cents should not be entered.
5. For Lines E, F, 1A, 1B, 1D, 5A, and 5C, mark the box to the left of the entry field if the amount is less than zero. Do not use a negative sign or parentheses with the amount. For example, if your Louisiana net income on Line 1A is a $10,000 loss, mark the box on Line 1A and enter 10,000.

Enter your legal and trade name, address, and LA Revenue Account Number on your return. For the unit type, use postal abbreviations such as APT, FL, STE, and RM. If you have a foreign address, enter the city name in the appropriate space. Follow the country's practice for entering the postal code and the name of the province, county, or state. Enter the foreign country name in the appropriate space. Don't abbreviate the country name.

If there is a change in your name or address since last year's return, mark an "X" in the "Name Change" or "Address Change" box. A direct address change can be accomplished by marking the "Address Change" box when filing your return, or can be submitted by accessing your account at *www.revenue.louisiana.gov/latap*.

PERIODS TO BE COVERED

The return must be filed for either a calendar year, a fiscal year (12-month accounting period ending on the last day of any month other than December), or a 52 - 53 week accounting period. Mark the box to indicate a calendar year return or a fiscal year return. For fiscal year and 52 - 53 week filers, the dates on which the reported period begin and end must be plainly stated in the appropriate space at the top of the return. The income tax period must be the same as that used for federal income tax purposes.

RETURNS FOR PART OF THE YEAR

Mark the appropriate box to indicate the filing of a short period return. For a short period return, the dates on which the reported period begin and end must be plainly stated in the appropriate space at the top of the return. The income tax period must be the same as that used for federal income tax purposes. Refer to the instructions for Schedules J, J-1, and L regarding the annualization of income and the proration of franchise tax.

FINAL RETURN

Mark the appropriate box to indicate the filing of a final return. For a final return, the dates on which the reported period begin and end must be plainly stated in the appropriate space at the top of the return. The income tax period must be the same as that used for federal income tax purposes. Marking the box for a final return does not close your account with LDR. To close a corporation income and franchise account, the corporation must either dissolve or withdraw its corporate charter with the Louisiana Secretary of State.

AMENDED RETURNS

The "AMENDED RETURN" box should be clearly marked when filing an amended return. In order to amend the amounts reported for the computation of income or franchise taxes, the taxpayer must file a revised Form CIFT-620, along with a detailed explanation of the changes, and a copy of Federal Form 1120X, if applicable.

REPORT OF FEDERAL ADJUSTMENTS

Revised Statute 47:287.614(C) requires every taxpayer whose federal return is adjusted to amend the Louisiana return reporting such adjustments within 180 days of the final determination of the adjustments by the IRS. The "Amended Due to IRS Audit" box should be marked to indicate that an amended return is being filed as a result of an IRS audit and a statement should accompany the amended return disclosing the nature and amounts of such adjustments.

ENTITY NOT REQUIRED TO FILE FRANCHISE TAX

Mark this box to indicate that the taxpayer is not required to file franchise tax. A code must also be entered in the box to the left of the entry field on Line 7. Refer to the instructions for Line 7.

ENTITY NOT REQUIRED TO FILE INCOME TAX

Mark this box to indicate that the taxpayer is not required to file income tax. A code must also be entered in the box to the left of the entry field on Line 2. Refer to the instructions for Line 2.

ALL TAXPAYERS ARE REQUIRED TO ANSWER LINES A - N

Line B – Total Business Interest Expense – Enter your total business interest expense calculated on Federal Form 8990, Part I, line 5. If the taxpayer is included with affiliates in a consolidated federal income tax return, the taxpayer will need to complete a Federal Form 8990 on a separate company basis to attach to your return. If you are not required to file Form 8990, or would not be required to file that form if on a separate company basis, enter a zero.

Line C – Total Business Interest Expense Deduction – Enter your total current year business interest expense deduction calculated on Federal Form 8990, Part I, line 30. If the taxpayer is included with affiliates in a consolidated federal income tax return, the taxpayer will need to complete a Federal Form 8990 on a separate company basis to attach to your return. If you are not required to file Form 8990, or would not be required to file that form if on a separate company basis, enter a zero.

Line D – Enter the income tax apportionment percentage from Schedule B, Line 6.

LINE G – Enter the corporation's six digit 2022 North American Industry Classification System (NAICS) Code.

LINE I – If you answered yes to Line I, you must complete Line 3 of Schedule A.

LINE L – If you answered yes to Line L, you must complete the top portion of Schedule G-1

LINE M – Enter the code from the following list for the type of federal form filed:

Code	Return
1	1120
2	1120-S
3	1120-FSC
4	1120-IC-DISC
5	1120-F

Code	Return
6	1120-L, or 1120-PC
7	1120-REIT
8	1120-H, or 1120-C
9	Other

LINE N – Enter the code from the following list for the type of entity that best describes the taxpayer:

Code	Entity Type
01	Corporation
02	Single Member Limited Liability Company
03	Limited Liability Company with more than one member
04	Limited Liability Partnership
05	Publicly Traded Limited Partnership
06	Non-Publicly Traded Limited Partnership
07	General Partnership
08	QSub filing as a disregarded entity
09	QSub filing as a separate entity
10	Other

LINE O – If you received acceptance of the pass-through entity tax election under R.S. 47:287.732.2, mark the box.

LINE 1A – Louisiana Net Income – Information regarding the computation of Louisiana net income is provided in the instructions for Schedule D. Enter the amount from Schedule D, Line 31. Mark the box if the Louisiana net income is a loss.

LINE 1B – S Corporation Exclusion – R.S. 47:287.732(B) provides an exclusion to corporations classified as S corporations under federal law. The exclusion is determined by multiplying Louisiana net income by a ratio calculated by dividing the number of issued and outstanding shares of the S corporation's capital stock owned by Louisiana residents on the last day of the S corporation's taxable year by the total number of issued and outstanding shares of capital stock on the last day of the S corporation's taxable year. This ratio is also applicable to a Louisiana net loss to exclude a percentage of the loss from carryforward treatment. For the purposes of this provision, the term "Louisiana residents" includes resident estates and trusts and resident and nonresident individual shareholders who have filed a correct and complete Louisiana income tax return and paid the tax due. Mark the box if the exclusion amount is a loss. An entity making the pass-through entity tax election is not eligible for the S corporation exclusion pursuant to R.S. 47:287.732.2(A)(1).

A SCHEDULE SHOWING THE CALCULATION OF THE EXCLUSION MUST BE ATTACHED TO THE RETURN.
Attach a schedule of all shareholders, identifying the shareholders reporting the S corporation income on a Louisiana tax return. Include the name, address, and social security number or Federal Taxpayer Identification Number (TIN), the number of shares held on the last day of the taxable year, and the amount of the distributive share of S corporation net income for each shareholder.

LINES 1C AND 1C1 – Net Operating Loss Carryforward – Pursuant to R.S. 47:287.86, a net operating loss relating to tax periods beginning on or after January 1, 2001, can be carried forward indefinitely. The Net Operating Loss deduction is limited to 72% of net income. A schedule showing the calculation of the loss carryforward must be attached to the return.

On Line 1C, enter the total amount of net operating loss carryforward available. On Line 1C1, enter the amount of Line 1C that is being used to reduce Louisiana net income.

- If Line 1C is equal to or greater than Line 1A, Line 1C1 is equal to 72 percent of Line 1A.
- If Line 1C is less than Line 1A, Line 1C1 is equal to 72 percent of Line 1C.

In the case where a federal tax refund or credit arises from the carryback or carryforward of a federal net operating loss, the Louisiana net operating loss must be reduced by the amount of the federal tax refunded or credited that had been deducted on a prior Louisiana return. In calculating the federal tax refund applicable to the loss, consideration must be given to the total federal refund or credit received from all prior periods, including the refund or credit resulting from the investment tax credit carryback. The amount of the refund or credit applicable to Louisiana is determined by multiplying the total refund or credit by a ratio obtained by dividing the federal tax deducted on the original Louisiana return by the total federal tax on the original federal tax return.

Net operating losses earned in the year the pass-through entity tax election was made or after the election was made are tax items of the entity, and the loss and its carryforward must be reported on the CIFT-620. Net operating losses earned in tax years prior to the election that have previously passed through to the owners are tax items of the owners, and any carryforward remaining can only be used on the owner's income tax return.

Line 1D – Louisiana Taxable Income – Subtract Lines 1B and 1C1 from Line 1A. Mark the box if less than zero.

Line 2 – Louisiana Income Tax – From Schedule J, Line 4 or Schedule J-1, Line 4.

If this entity is not required to file income tax, in the box to the left of the entry field for Line 2, provide the code for the reason this entity is not required to file income tax. Enter a "1" for Public Law 86-272, or enter a "2" for all other reasons for exemption and attach a statement listing the exemption and statutory citation.

Line 3 – Nonrefundable Credits From Schedule NRC-P1 – From Schedule NRC-P1, Line 7.

LINE 4 – Income Tax After Priority 1 Credits – Subtract Line 3 from Line 2. Enter zero if the actual difference is less than zero. The amount entered cannot be less than zero.

LINE 5A – Total Capital Stock, Surplus, and Undivided Profits – Enter the amount of total capital, surplus and undivided profits from Schedule G-1, Line 19. If the amount is less than zero, mark the box.

LINE 5B – Franchise Tax Apportionment Percentage – To compute your franchise tax apportionment percentage, you must complete Schedules H and I first. Enter on Line 5B the apportionment percentage from Schedule I, Line 4. Carry your percentage to two decimal places. Do not exceed 100.00%.

LINE 5C – Franchise Taxable Base – Multiply Line 5A by Line 5B. If less than zero, mark the box.

LINE 6 – Assessed Value of Real and Personal Property – R.S. 47:606(C) provides that the portion of capital stock, surplus, and undivided profits allocated for franchise taxation cannot be less than the total assessed value of real and personal property in this state for the calendar year preceding that in which the tax is due. The assessed value of real and personal property is generally that value determined for property tax purposes in the area where the property is located. Enter the amount of assessed value of the real and personal property located in Louisiana in 2023.

LINE 7 – Louisiana Franchise Tax – From Schedule L, Line 4. If this entity is not required to file franchise tax, in the box to the left of the entry field for Line 7, provide the code for the reason for exemption from franchise tax, from the following list. If the entity is a public utility holding corporation who is required to pay a minimum franchise tax of $100,000 per year under R.S. 47:602(C), enter a “7” in the box to the left of the entry field for Line 7.

Code	Exemption Reason/Other
1	LLC filing federal as S Corporation
2	LLC that qualifies for election to file federal as S Corporation
3	Taxpayer was purchased by entity filing as S Corporation during the period January 1, 2012, to December 31, 2013.
4	Insurance company paying a premium tax under Title 22, LA Revised Statutes
5	Taxpayer is exempt under the provisions of R.S. 47:608 (Attach a statement listing the exemption and statutory citation.)
6	Other (Attach a statement listing the exemption and statutory citation.)
7	Public utility holding corporation paying minimum franchise tax of $100,000 under R.S. 47:602(C)

Line 8 – Nonrefundable Credits From Schedule NRC-P1 – From Schedule NRC-P1, Line 8.

Line 9 – Franchise Tax After Priority 1 Credits – Subtract Line 8 from Line 7. Enter zero if the actual difference is less than zero. The amount entered cannot be less than zero.

LINE 10 – Tax After Priority 1 Credits – Enter the amount from Line 4 under Column 1 – Income Tax and the amount from Line 9 under Column 2 – Franchise Tax.

LINE 11 – Refundable Credits From Schedule RC-P2 – For Line 11, Column 1, enter the amount from Schedule RC-P2, Line 9. For Line 11, Column 2, enter the amount from Schedule RC-P2, Line 10.

LINE 12 – Tax Liability After Priority 2 Credits

Column 1 – If Line 10 is greater than Line 11, subtract Line 11 from Line 10. Otherwise enter zero.

Column 2 – If Line 10 is greater than Line 11, subtract Line 11 from Line 10. Otherwise enter zero.

LINE 13 – Overpayment After Priority 2 Credits

Column 1 – If Line 12 is zero, subtract Line 10 from Line 11. Otherwise enter zero.

Column 2 – If Line 12 is zero, subtract Line 10 from Line 11. Otherwise enter zero.

LINE 14 – Nonrefundable Credits From Schedule NRC-P3

Column 1 – Enter the amount of the nonrefundable priority 3 credits from Schedule NRC-P3, Line 10. These credits are limited to the tax liability calculated on Line 12.

Column 2 – Enter the amount of the nonrefundable priority 3 credits from Schedule NRC-P3, Line 11. These credits are limited to the tax liability calculated on Line 12.

LINE 15 – Tax Liability After Priority 3 Credits

Column 1 – Subtract Line 14 from Line 12. If the result is less than zero, enter zero.

Column 2 – Subtract Line 14 from Line 12. If the result is less than zero, enter zero.

LINE 16A – Overpayment After Priority 2 Credits – Enter the amounts from Line 13.

LINE 16B – Refundable Credits From Schedule RC-P4

Column 1 – Enter the amount of the refundable priority 4 credits from Schedule RC-P4, Line 6.

Column 2 – Enter the amount of the refundable priority 4 credits from Schedule RC-P4, Line 7.

LINE 16C – Credit Carryforward From Prior Year Return – If you requested your overpayment from the prior year return to be applied to this year, enter that amount as shown on Schedule K, Line 1, under Column 1 or 2. The total of Line 16C, Column 1 and Column 2 cannot be greater than the amount of the credit carryforward.

LINE 16D – Estimated Payments – Enter the total of estimated income tax payments made during the year as shown on Schedule K, Lines 2 through 5.

LINE 16E – Amount of Extension Payment – Enter the amount paid as the extension payment under Column 1 or 2 as shown on Schedule K, Line 6. The total of Line 16E, Column 1 and Column 2 cannot be greater than the amount of the payment.

LINE 16F – Total Refundable Credits and Payments – For Line 16F, Column 1, enter the total of Lines 16A through 16E, Column 1. For Line 16F, Column 2, enter the total of Lines 16A through 16E, Column 2.

LINE 17 – Overpayment

Column 1 – If Line 16F is greater than Line 15, subtract Line 15 from Line 16F and enter the result. Otherwise, enter zero.

Column 2 – If Line 16F is greater than Line 15, subtract Line 15 from Line 16F and enter the result. Otherwise, enter zero.

Column 3 – If Columns 1 and 2 of Line 17 are greater than zero, add them together and enter the result here and on Line 26, Column 3 and go to Line 27. If you are filing an income only return and Line 17, Column 1, is greater than zero enter that amount in Column 3 and on Line 26, Column 3 and go to Line 27. If you are filing a franchise only return and Line 17, Column 2, is greater than zero, enter that amount in Column 3 and on Line 26, Column 3, and go to Line 27. Otherwise, leave Line 17, Column 3 blank.

Line 18 – Tax Due

Column 1 – If Line 15 is greater than Line 16F, subtract Line 16F from Line 15 and enter the result. Otherwise, enter zero. If you owe income tax, but have an overpayment for franchise tax on Line 17, Column 2, complete Column 1, Lines 21 through 25. If Line 25, Column 1, is greater than Line 17, Column 2, subtract Line 17, Column 2, from Line 25, Column 1, and enter the result on Line 25, Column 3. If Line 17, Column 2, is greater than Line 25, Column 1, subtract Line 25, Column 1, from Line 17, Column 2, and enter the result on Line 26, Column 2.

Column 2 – If Line 15 is greater than Line 16F, subtract Line 16F from Line 15 and enter the result. Otherwise, enter zero. If Line 18, Columns 1 and 2 are greater than zero, enter a zero on Line 19, enter the amount from Line 18, Column 2, on Line 20, Column 2, and go to Line 21.

LINE 19 – Amount of Income Tax Overpayment Applied to Franchise Tax

Column 2 – If you have an overpayment of income tax on Line 17, Column 1, and a balance due for franchise tax on Line 18, Column 2, you may apply the income tax overpayment towards the franchise tax balance. Enter the amount of Line 17, Column 1, on Line 19, Column 2.

LINE 20 – Net Tax Due

Column 2 – If Line 18 is greater than Line 19, subtract Line 19 from Line 18 and enter the result. If Line 19 is greater than Line 18, subtract Line 18 from Line 19 and enter the result on Line 26, Column 2.

LINE 21 – Interest – If your 2023 calendar year income tax or franchise tax amount is not paid by May 15, 2024, you will be charged interest on the unpaid tax from May 16, 2024, until the date the balance of tax due is paid. Because the interest rate varies from year to year and the interest rate for 2024 is not determined until the latter part of 2023, the Department is unable to provide a specific rate at the time of printing. Please see Form R-1111, *Interest Rate Schedule - Collected on Unpaid Taxes,* available on LDR's website, *www.revenue.louisiana.gov/taxforms.* In order to compute the INTEREST RATE PER DAY, multiply the monthly rate by 12, divide it by 365, and carry out to seven places to the right of the decimal. Example: Assume the 2024 monthly interest rate is determined to be .4375%. Multiply .4375% times 12 = 5.25% (.0525), which equals the annual interest rate. Divide .0525 by 365, .0525/365 = .0001438, which equals the INTEREST RATE PER DAY. NOTE!! You must carry out your computation to 7 places to the right of the decimal point.

Column 1 – Calculate interest on the income tax due on Line 18, Column 1.

Column 2 – Calculate interest on the franchise tax due on Line 20, Column 2. An overpayment of income tax may be netted to franchise tax due for purposes of calculating interest pursuant to R.S. 47:287.662.

LINE 22 – Delinquent Filing Penalty – The penalty for failure to file a return by the due date – on or before May 15, 2024, for calendar year filers, on or before your fiscal year due date, or on or before your approved extension date, is 5 percent of the total tax due if the delay in filing is for not more than 30 days, with an additional 5 percent for each additional 30 days or fraction thereof during which the failure to file continues. The penalty cannot exceed 25 percent of the tax due and accrues from the original due date.

Column 1 – Calculate delinquent filing penalty on the income tax due on Line 18, Column 1.

Column 2 – Calculate delinquent filing penalty on the franchise tax due on Line 18, Column 2.

LINE 23 – Delinquent Payment Penalty – The penalty for failure to pay the tax in full by the date the return is required by law to be filed, determined without regard to any extension of time for filing the return, is 5 percent of the unremitted tax not paid for each 30 days, or fraction thereof, during which the failure to pay continues. Please see LAC 61:III.2101 and Revenue Information Bulletin 20-007.

Column 1 – Calculate delinquent payment penalty on the income tax due on Line 18, Column 1.

Column 2 – Calculate delinquent payment penalty on the franchise tax due on Line 18, Column 2.

Important Notice: The sum of both the delinquent filing and delinquent payment penalties cannot exceed 25 percent of the tax due and can not be assessed on the same 30 days. 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, you may also incur a negligence penalty under R.S. 47:1604.1 if circumstances indicate willful negligence or intentional disregard of rules and regulations.

LINE 24 – Additional Donation to The Military Family Assistance Fund
If you do not have an overpayment to donate, or if you wish to donate to the Military Family Assistance Fund an amount that exceeds the amount of your overpayment, enter the amount of the donation on Line 24.

LINE 25 – Total Amount Due

Column 1 – Add Lines 18 and 21 through 24.

Column 2 – Add Lines 20 through 24.

Column 3 – Add Columns 1 and 2 and enter the result. Make payment to the Louisiana Department of Revenue. Do not send cash. Payment may also be made electronically or by credit card. See WHERE TO FILE AND PAY TAXES on page 2.

LINE 26 – Net Overpayment

Column 2 – If Line 19, Column 2, is greater than Line 18, Column 2, plus Line 22 and Line 23, Column 2; subtract Lines 18, 22 and 23, from Line 19. Enter the result here and in Column 3.

LINE 27 – Donation of Overpayment to The Military Family Assistance Fund – You may donate all or part of your overpayment (Line 26, Column 3) to The Military Family Assistance Fund. This fund provides assistance to family members of activated Louisiana military personnel.

LINE 28 – Amount of Overpayment to be Credited To 2024 Income Tax – In Column 3, subtract Line 27 from Line 26. This is your overpayment available to be credited to next year's income tax or refunded. Enter the amount of the result that you want to be credited to 2024 income tax.

LINE 29 – Amount of Overpayment to be Credited To 2025 Franchise Tax – In Column 3, subtract Line 27 and Line 28 from Line 26. This is your overpayment available to be credited to next year's franchise tax or refunded. Enter the amount of the result that you want to be credited to 2025 franchise tax.

Line 30 – Amount of Overpayment to be Refunded – In Column 3, subtract Lines 27, 28, and 29 from Line 26. This is the amount of your overpayment to be refunded.

SIGNATURES AND VERIFICATION
The return must be signed by the president, vice-president, treasurer, assistant treasurer, or any other authorized officer. If receivers, trustees in bankruptcy, or assignees are operating the property or business of the corporation, such officials must execute the return for such corporation. Telephone numbers of officers and preparers should be furnished. This verification is not required when the return is prepared by a regular full-time employee of the taxpayer.

PAID PREPARER INSTRUCTIONS

If your return was prepared by a paid preparer, that person must also sign in the appropriate space, complete the information in the “Paid Preparer Use Only” box and enter his or her identification number in the space provided under the box. If the paid preparer has a Preparer Tax Identification Number (PTIN), the PTIN must be entered in the space provided under the box, otherwise enter the FEIN or LDR account number. If the paid preparer represents a firm, the firm’s FEIN must be entered in the “Paid Preparer Use Only” box. The failure of a paid preparer to sign or provide an identification number will result in the assessment of the unidentified preparer penalty on the preparer. The penalty of $50 is for each occurrence of failing to sign or failing to provide an identification number.

GENERAL INFORMATION ON ALL CREDITS

If a schedule is required in the instructions below, you must attach a separate schedule for each credit claimed. The schedule should clearly identify the credit, 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* under Policy Documents.

A shareholder, partner or member of an S corporation or other pass-through entity must attach a copy of the Schedule K-1 and other documentation required to substantiate their share of any credit passed down from the entity.

An S corporation or other pass-through entity must provide their partners or members a Schedule K-1 and other documentation required to substantiate their share of any credit that was passed down from the entity.

Note: If you are claiming a credit that is recorded in the Tax Credit Registry, you must attach a a copy of Form R-6135, *Credit Registration Form*, to the return and list the State Certification Number in the appropriate space on the return. See Revenue Information Bulletin 14-005 for information on the Tax Credit Registry and Revenue Information Bulletin 17-008 for claiming a purchased transferable tax credit.

PASS-THROUGH ENTITY TAX ELECTION

Credits earned in the year the pass-through entity tax election was made or after the election was made are tax items of the entity, and the credit and its future carryforward must be reported on the entity’s return. Credits earned in the year the election was made or after cannot be used on the income tax return of any shareholder, member, or partner. Tax credits earned in tax years prior to the election that have previously passed through to the owners are tax items of the owners, and any credit carryforward remaining can only be used on the owner’s income tax return. See Revenue Information Bulletin 19-019 and Louisiana Administrative Code (LAC) 61:I.1001(C)(6) for more information.

INSTRUCTIONS FOR NONREFUNDABLE PRIORITY 1 CREDITS, SCHEDULE NRC-P1

LINES 1 THROUGH 6

Below is a list of nonrefundable credits available for Louisiana Corporate Income and Corporate Franchise taxes. For credits against the corporate income tax, enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 6 of Column A. For credits against the corporate franchise tax, enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 6 of Column B. Unless otherwise stated in the instructions for each line, enter credit amounts in Column A or B.

NOTE: Use only the codes referenced in the table of Schedule NRC-P1. The codes listed here are not interchangeable with other codes listed in this booklet.

Example:

Credit Description	Code	Amount of Credit Claimed
Premium Tax	1 0 0	5 0 0 . 00

LINE 7 – Total Income Tax Credits

Add Lines 1 through 6 of Column A and enter the result here and on CIFT-620, Line 3.

LINE 8 – Total Franchise Tax Credits

Add Lines 1 through 6 of Column B and enter the result here and on CIFT-620, Line 8.

CODE	CREDIT DESCRIPTION
100	**Premium Tax –** R.S. 47:227 provides a credit against corporate income tax 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 corporations 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 corporation. Also, attach a copy of the premium tax return and canceled checks in payment of the tax.
120	**Bone Marrow –** R.S. 47:287.758 provides a credit against corporate income tax 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 his 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 18 percent of the bone marrow donor expense paid or incurred by the employer during the tax year.
150	**Qualified Playgrounds –** R.S. 47:6008 provides a credit against corporate income tax or corporate franchise tax for donations to assist qualified playgrounds. The credit is the lesser of $720 or 36 percent of the value of the cash, equipment, goods, or services donated. For more information on this credit, see Revenue Ruling 02-020 posted on LDR’s website.
155	**Debt Issuance –** R.S. 47:6017 provides a credit against corporate income tax or corporate franchise tax for 72 percent of the amount of the filing fee paid to the Louisiana State Bond Commission, which is incurred by an economic development corporation in the preparation and issuance of bonds.
170	**Donations to Public Schools –** R.S. 47:6013 provides a credit against corporate income tax or corporate franchise tax for qualified donations made to a public school. The credit is equal to 28 percent of the appraised value of a qualified donation of property made to a public school. “Public school” is defined as a public elementary or secondary school. “Qualified donation” is defined as a donation of immovable property purchased or otherwise acquired by a corporation and donated to a public school immediately adjacent or contiguous to such property.
199	**Other –** Reserved for Future Credits

INSTRUCTIONS FOR NONREFUNDABLE PRIORITY 3 CREDITS, SCHEDULE NRC-P3

LINES 1 THROUGH 6

Below is a list of nonrefundable credits available for Louisiana Corporate Income and Corporate Franchise taxes. For credits against the corporate income tax, enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 6 of Column A. For credits against the corporate franchise tax, enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 6 of Column B. Unless otherwise stated in the instructions for each line, enter credit amounts in Column A or B.

NOTE: Use only the codes referenced in the table of Schedule NRC-P3. The codes listed here are not interchangeable with other codes listed in this booklet.

Example:

Credit Description	Code	Amount of Credit Claimed
Inventory Tax Credit Carried Forward	500	700.00

LINES 7 THROUGH 9 – Complete Lines 7 through 9 ONLY if a transferable credit is claimed (credit codes 251 through 262). For Lines 7A, 8A, and 9A, enter the LDR State Certification number from Form R-6135, for the credit claimed on Lines 7, 8, and 9 respectively. See Revenue Information Bulletin 17-008 on LDR's website for claiming a purchased transferable tax credit.

LINE 10 – Total Income Tax Credits

Add Lines 1 through 9 of Column A and enter the result here and on CIFT-620, Line 14, Column 1.

LINE 11 – Total Franchise Tax Credits

Add Lines 1 through 9 of Column B and enter the result here and on CIFT-620, Line 14, Column 2.

CODE	CREDIT DESCRIPTION
208	**Previously Unemployed –** This credit was repealed by Act 202 of the 2019 Regular Legislative Session effective December 31, 2018. If you have an eligible carryover amount, use this code to utilize the carryover amount against corporate income tax or corporate franchise tax for any years you have remaining in your five (5) year carryover period.
224	**New Jobs Credit –** This credit (R.S. 47:34 and 47:287.749) is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount against corporate income tax for any years you have remaining in your five (5) year carryover period.
228	**Eligible Re-entrants –** This credit (R.S. 47:287.748) is no longer available because Act 403 of the 2017 Regular Legislative Session ended the credit effective December 31, 2019. If you have an eligible carryover amount, use this code to utilize the carryover amount against corporate income tax for any years you have remaining in your five (5) year carryover period.
236	**Apprenticeship (2007) –** This credit was repealed by Act 357 of the 2015 Regular Legislative Session. If you have an eligible carryover amount, use this code to utilize the carryover amount for any years you have remaining in your ten (10) year carryover period. Credits earned beginning with the 2022 tax year should be claimed using credit code 463.
251	**Motion Picture Investment –** R.S. 47:6007(C)(1) provides a credit against corporate income tax for taxpayers domiciled in Louisiana, who invest in a state-certified motion picture production. Taxpayers taking this credit may attach Form R-10611, *Motion Picture Investment Tax Credit Schedule,* as documentation for this credit. You must certify certain requirements in order to use the credit. See RIB 23-023 for more information and attach Form R-90150, *Taxpayer Certification of Compliance of Tax Obligations for the Motion Picture Production Credit*, to your return. For information on the cap, see *www.revenue.louisiana.gov/CreditCaps*. This credit can only be claimed on Lines 7 through 9.
252	**Research and Development –** R.S. 47:6015 provides a credit against corporate income tax or corporate franchise tax to any taxpayer who earned the credit based on participation in the Small Business Technology Transfer or the Small Business Innovation Research Grant program. This credit can only be claimed on Lines 7 through 9.
253	**Historic Structures –** R.S. 47:6019 provides a credit against corporate income tax or corporate franchise tax if the taxpayer incurs certain expenses during the rehabilitation of a historic structure located in either a downtown development or a cultural district, or a historic structure contributing to the National Register of Historic Places. Refer to Revenue Information Bulletin 14-007 and 14-007A on LDR's website. This credit can only be claimed on Lines 7 through 9.
257	**Capital Company –** R.S. 51:1924 provides a credit against corporate income tax for the investment in a certified Louisiana capital company. The credit must be approved by the Commissioner of the Office of Financial Institutions. A copy of the certification must be attached to the return. This credit can only be claimed on Lines 7 through 9.
258	**LA Community Development Financial Institution (LCDFI)** R.S. 51:3085 et seq. provides a credit against corporate income tax or corporate franchise tax 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. This credit can only be claimed on Lines 7 through 9.
259	**New Markets –** R.S. 47:6016 provides a credit against corporate income tax or corporate franchise tax 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 posted as Revenue Information Bulletins on LDR's website. This credit can only be claimed on Lines 7 through 9.
261	**Motion Picture Infrastructure –** R.S. 47:6007(C)(2) provides a credit against corporate income tax for an approved state-certified infrastructure project for a film, video, television, or digital production or post-production facility. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. You must certify certain requirements in order to use the credit. See RIB 23-023 for more information and attach Form R-90150, *Taxpayer Certification of Compliance of Tax Obligations for the Motion Picture Production Credit*, to your return. For information on the cap, see *www.revenue.louisiana.gov/CreditCaps*. This credit can only be claimed on Lines 7 through 9.
262	**Angel Investor –** R.S. 47:6020 provides a credit against corporate income tax or corporate franchise tax to encourage third party investment of taxpayers who make qualified investments to certified Louisiana entrepreneurial businesses on or after January 1, 2011. To earn the Angel Investor Tax Credit, taxpayers must file an application with the Louisiana Department of Economic Development. See Revenue Information Bulletin 12-009 on LDR's website. This credit can only be claimed on Lines 7 through 9.
299	**Other –** Reserved for Future Credits

CODE **CREDIT DESCRIPTION**

305 **Tax Equalization –** R.S. 47:3201 et seq. provides a credit against corporate income tax or corporate franchise tax 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.

310 **Manufacturing Establishments –** R.S. 47:4301 et seq provides a credit against corporate income tax or corporate franchise tax to certain manufacturing establishments that have entered into a contract with the Louisiana Department of Economic Development. A copy of the contract showing the credit granted must be attached to the return.

399 **Other –** Reserved for Future Credits

412 **Refunds by Utilities –** R.S. 47:287.664 provides a credit against corporate income tax for certain court ordered refunds made by utilities to its customers.

424 **Donation to School Tuition Organization –** R.S. 47:6301 provides a credit against corporate income tax for donations made to a school tuition organization that provides scholarships to qualified students to attend a qualified school. Attach Form R-10604, *Receipt of Donation for Louisiana Tuition Donation Tax Credit,* to your return. See Revenue Information Bulletin 18-024 for more information.

454 **QMC Music Job Creation Credit –** R.S. 47:6023 provides a credit against corporate income tax to a Qualifying Music Company (QMC) that is a music publisher, sound recording studio, booking agent, or artist management that is engaged directly or indirectly in the production, distribution, and promotion of music. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return. The credit is limited to 50 percent of the taxpayer's tax liability.

457 **Neighborhood Assistance –** R.S. 47:35 and R.S. 47:287.753 provide a credit against corporate income tax for an entity engaged in the activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention in Louisiana. The credit is for up to 50 percent of the amount contributed and cannot exceed $180,000 annually.

458 **Research and Development –** R.S. 47:6015(K) provides a credit against corporate income tax or corporate franchise tax for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research or for a taxpayer who employs fewer than 50 employees and who meets the requirements of R.S. 47:6015(B)(3)(i). Beginning with the 2018 tax year, credits earned based upon participation in the Small Business Technology Transfer program or the Small Business Innovative Research Grant program should be claimed using credit code 252. The credit is obtained through the Louisiana Department of Economic Development and documentation from that agency must be attached to the return. See Revenue Information Bulletin 15-019 on LDR's website.

459 **Ports of Louisiana Import Export Cargo –** R.S. 47:6036(I) provides a credit against corporate income tax or corporate franchise tax 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.

460 **LA Import –** R.S. 47:6036.1 provides a credit against corporate income tax to encourage the utilization of Louisiana public port facilities for cargo imports and the development of new port infrastructure facilities for the manufacturing, distribution, and warehousing of imported goods. Taxpayers must apply to the Louisiana Department of Economic Development to receive certification. A copy of the certification of the credit must be attached to the return.

461 **LA Work Opportunity –** R.S. 47:287.750 provides a credit against corporate income tax or corporate franchise tax for a business that hires participants in the work release programs provided for in R.S. 15:711, 1111, 1199.9, and 1199.10. The Louisiana Department of Public Safety or applicable sheriff must certify that the eligible business employed an eligible re-entrant who is participating in a work release program on or after January 1, 2021 in an eligible job for 12 consecutive months. A copy of the certification of the credit must be attached to the return.

462 **Youth Jobs –** R.S. 47:6028 provides a credit against corporate income tax or corporate franchise tax for a business that hires one or more eligible youth on or after July 1, 2021. To earn the credit, the eligible youth must work at least three (3) consecutive months in a full-time or part-time position at the business. The credit is equal to $1,250 for each eligible youth hired in a full-time position or $750 for each eligible youth hired in a part-time position. Taxpayers must apply to the LDR to receive certification. A copy of the certification of the credit must be attached to the return. See LAC 61:I.1921 for more information.

463 **Apprenticeship (2022) –** R.S. 47:6033 provides a credit against corporate income tax or corporate franchise tax to employers for $1.25 for each hour of employment of an eligible apprentice, limited to $1,250 for each eligible apprentice. An eligible apprentice is a person who has entered into a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program or who is enrolled in a training program accredited by the National Center for Construction Education and Research which has no less than four levels of training and no less than 500 hours of instruction. Use this code for Apprenticeship credits earned for employment of eligible apprentices after December 31, 2021. Attach a copy of Form R-90005, *Apprenticeship Tax Credit Employer Certification,* and the required documentation as listed on that form.

464 **Donation to Qualified Foster Care Charitable Organization –** R.S. 47:6042 provides a credit against corporate income tax for donations made to a qualifying foster care charitable organization that provides services to a child in a foster care placement program established by the Department of Children and Family Services. The credit is for the amount of the donation used to provide the service, limited to $50,000. Form R-68009, *Receipt for Donations to Qualifying Foster Care Charitable Organization Credit*, must be attached to your return.

500 **Inventory Tax Credit Carried Forward and ITEP –** R.S. 47:6006 provides a credit against income tax or corporate franchise tax for ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, or retailers. Manufacturers, distributors, or retailers should use this code for the carryforward of unused nonrefundable credits (not current year credit) from 2015 through 2022. Manufacturers who claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the same year the inventory taxes were paid and members of their federal consolidated group, should use this code for the carryforward of unused nonrefundable credits from 2015 through 2022 and the current year credit calculated on the 2023 Form R-10610-ITE, *Schedule of Ad Valorem Tax Credit Claimed by ITEP Manufacturers and Related Parties for Ad Valorem Tax Paid on Inventory*, which must be attached to the return.

CODE	CREDIT DESCRIPTION
502	**Ad Valorem Natural Gas Credit Carried Forward –** R.S. 47:6006 provides a credit against corporate income tax or corporate franchise tax for ad valorem taxes paid to political subdivisions in Louisiana on natural gas held, used or consumed in providing natural gas storage services or operating natural gas storage facilities. Use this code for the carryforward of unused nonrefundable credits (not current year credit) from 2015 through 2022.
504	**Atchafalaya Trace –** R.S. 25:1226.4 provides a credit against corporate income tax or corporate franchise tax 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.
506	**Cane River Heritage –** R.S. 47:6026 provides a credit against corporate income tax or corporate franchise tax 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 Department of Culture, Recreation, and Tourism, and a copy of the contract must be attached to the return.
508	**Ports of Louisiana Investor –** R.S. 47:6036(C) provides a credit against corporate income tax or corporate franchise tax 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.
510	**Enterprise Zone –** R.S. 51:1782 et. seq. provide a credit against corporate income tax or corporate franchise tax for private sector investments in certain areas, which are designated as "Enterprise Zones". The taxpayer must enter into a contract with the Louisiana Department of Economic Development and a copy of the contract showing the credit granted must be attached to the return.
550	**Recycling Credit –** R.S. 47:6005 provides a credit against corporate income or corporate franchise tax for the purchase of certain equipment or service contracts related to recycling. The credit must be certified by the Louisiana Department of Environmental Quality and a copy of the certification must be attached to the return.
599	**Other –** Reserved for Future Credits

INSTRUCTIONS FOR PRIORITY 2 REFUNDABLE CREDITS, SCHEDULE RC-P2

LINES 1 THROUGH 5

Below is a list of refundable tax credits available for Louisiana Corporate Income and Corporate Franchise taxes. For credits against the corporate income tax, enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 5 of Column A. For credits against the corporate franchise tax, enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 5 of Column B. Unless otherwise stated in the instructions for each line, enter credit amounts in Column A or B.

NOTE: Use only the codes referenced in the table of Schedule RC-P2. The codes listed here are not interchangeable with other codes listed in this booklet.

Example:

Credit Description	Code	Amount of Credit Claimed
Milk Producers	5 8 F	4 0 0 . 00

LINES 6 THROUGH 8 – Complete Lines 6 through 8 ONLY if a transferable credit is claimed (credit code 62F). For Lines 6A, 7A, and 8A, enter the LDR State Certification number from Form R-6135, for the credit claimed on Lines 6, 7, and 8 respectively. See Revenue Information Bulletin 17-008 for claiming a purchased transferable tax credit.

LINE 9 – Total Income Tax Credits – Add Lines 1 through 8 of Column A and enter the result here and on CIFT-620, Line 11, Column 1.

LINE 10 – Total Franchise Tax Credits – Add Lines 1 through 5 of Column B and enter the result here and on CIFT-620, Line 11, Column 2.

CODE	CREDIT DESCRIPTION
52F	**Ad Valorem Offshore Vessels –** R.S. 47:6006.1 allows a refundable credit against corporate income or corporate franchise tax for 100 percent of the ad valorem taxes paid on vessels in Outer Continental Shelf Lands Act Waters. Copies of the tax assessment, the canceled check in payment of the tax, and a completed Form LAT 11A from the Louisiana Tax Commission must be attached to the return.
54F	**Telephone Company Property –** R.S. 47:6014 allows a refundable credit against corporate income or corporate franchise tax 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 taxpayer's behalf.
55F	**Prison Industry Enhancement –** R.S 47:6018 allows a refundable credit against corporate income or corporate franchise tax for 72 percent of the state sales and use tax paid by a taxpayer on purchases by a taxpayer of specialty apparel items from a private sector Prison Industry Enhancement (PIE) contractor. Contact LDR for further information regarding this credit.
58F	**Milk Producers –** R.S. 47:6032 allows a refundable credit against corporate income or corporate franchise tax 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 Department of Health to receive the credit. For more information see Revenue Information Bulletin 08-014 on LDR's website.
59F	**Technology Commercialization –** R.S. 51:2351 et seq. allow a refundable credit against corporate income or corporate franchise tax for a qualifying business 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.
62F	**Musical and Theatrical Production –** R.S. 47:6034 allows a refundable credit against corporate income tax 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.
65F	**School Readiness Child Care Provider –** R.S. 47:6105 allows a refundable credit against corporate income tax or corporate franchise tax 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 Louisiana Department of Education (LDOE).

CODE	CREDIT DESCRIPTION
	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 LDOE.
67F	**School Readiness Business-Supported Child Care –** R.S. 47:6107 allows a refundable credit against corporate income tax or corporate franchise tax 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 which the expenses are related or the quality rating of the child care facility that the child attends. Copies of canceled 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 Education.
68F	**School Readiness Fees and Grants to Resource and Referral Agencies –** R.S. 47:6107 allows a refundable credit against corporate income tax or corporate franchise tax for the payment by a business of fees and grants to child care resource and referral agencies. The credit shall not exceed $5,000 per tax year. For more information regarding this credit, please contact the Louisiana Department of Education.
70F	**Retention and Modernization –** R.S. 51:2399.1 et seq. allow a refundable credit against corporate income tax or corporate franchise tax 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.
73F	**Digital Interactive Media & Software –** R.S. 47:6022 allows a refundable credit against corporate income tax 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.
80F	**Other Refundable Credit –** Reserved for future credits.

INSTRUCTIONS FOR PRIORITY 4 REFUNDABLE CREDITS, SCHEDULE RC-P4

LINES 1 THROUGH 5

Below is a list of additional refundable tax credits available for Louisiana Corporate Income and Corporate Franchise taxes. For credits against the corporate income tax, enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 5 of Column A. For credits against the corporate franchise tax, enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 1 through 5 of Column B. Unless otherwise stated in the instructions for each line, enter credit amounts in Column A or B.

NOTE: Use only the codes referenced in the table of Schedule RC-P4. The codes listed here are not interchangeable with other codes listed in this booklet.

Example:

Credit Description	Code	Amount of Credit Claimed
Inventory Tax	5 0 F	4 0 0 . 00

LINE 6 – Total Income Tax credits – Add Lines 1 through 5 of Column A and enter the result here and on CIFT-620, Line 16B, Column 1.

LINE 7 – Total Franchise Tax credits – Add Lines 1 through 5 of Column B and enter the result here and on CIFT-620, Line 16B, Column 2.

CODE	CREDIT DESCRIPTION
50F	**Inventory Tax –** You must attach Form R-10610, *Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors, and Retailers,* to your return. Revised Statute 47:6006 allows a credit against income or corporate franchise tax for ad valorem taxes paid to political subdivisions in Louisiana on inventory held by manufacturers, distributors, or retailers. For purposes of the limitations on refundability, members included in a consolidated federal tax return will be treated as one taxpayer. If the total amount eligible for the credit is less than or equal to $500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above $500,000, 75 percent of any excess credit up to a maximum of $750,000 is refundable. For businesses formed or first registered to do business in Louisiana after April 15, 2016, if the total amount eligible for the credit is less than $10,000, 100 percent of any excess credit is refundable, and for total eligible amounts of $10,000 or more, 75 percent of any excess credit up to a maximum of $750,000 is refundable. The inventory tax credit is nonrefundable for taxes paid on inventory by any manufacturer who claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the same year the inventory taxes were paid.
51F	**Ad Valorem Natural Gas –** You must attach Form R-10610 to your return. Revised Statute 47:6006 allows a credit against income tax or corporate franchise tax for ad valorem taxes paid to political subdivisions in Louisiana on natural gas held, used or consumed in providing natural gas storage services or operating natural gas storage facilities. For purposes of the limitations on refundability, members included in a consolidated federal tax return will be treated as one taxpayer. If the total amount eligible for the credit is less than or equal to $500,000, 100 percent of any excess credit is refundable, and for total eligible amounts above $500,000, 75 percent of any excess credit up to a maximum of $750,000 is refundable. For businesses formed or first registered to do business in Louisiana after April 15, 2016, if the total amount eligible for the credit is less than $10,000, 100 percent of any excess credit is refundable, and for total eligible amounts of $10,000 or more, 75 percent of any excess credit up to a maximum of $750,000 is refundable.

INSTRUCTIONS FOR COMPLETING SCHEDULES

GENERAL INFORMATION

IMPORTANT–PLEASE COMPLETE ALL APPLICABLE LINES AND SCHEDULES OF THIS FORM. Failure to furnish complete information will cause the processing of the return to be delayed and may necessitate manual review of the return. See "Who needs to complete what schedules" on page 20 for the schedules that are required to be completed.

The Louisiana income tax law requires the apportionment reporting method is used when computing the Louisiana portion of a taxpayer's apportionable income unless it can be clearly demonstrated that the use of the apportionment method produces a manifestly unfair result, and permission to use the separate accounting method has been granted by the Secretary. Such permission, once secured, continues to be effective so long as there is no change in the nature and extent of the Louisiana operations or in their relationship to operations outside of this state. A statement of any such changes in operations should be communicated immediately to the Secretary of Revenue in order that a redetermination may be made as to whether the separate accounting method is permissible.

SCHEDULE A – REQUIRED INFORMATION

All taxpayers are required to answer questions 1 through 3. If you answered no to Line I on CIFT-620, answer no to question 3. Attach a schedule listing the names, addresses, FEIN and percentage for each question you answered yes.

SCHEDULE B –
COMPUTATION OF INCOME TAX APPORTIONMENT PERCENTAGE

Revised Statute 47:287.95 provides for an apportionment percent that is to be applied to the taxpayer's total net apportionable income in determining the Louisiana net apportionable income. Specific revenue ratios are prescribed for air, transportation businesses other than air or pipeline, broadcasting, and certain service enterprises. A single revenue ratio is prescribed for manufacturing, merchandising, pipeline transportation, and any other business for which a formula is not specifically prescribed. A specific apportionment formula, consisting of four ratios is prescribed for certain oil and gas businesses. The statute contemplates that only one specific formula is used in determining the apportionment percent, that being the formula prescribed for the taxpayer's primary business. As a general rule, where a taxpayer is engaged in more than one business, the taxpayer's primary business is that which is the primary source of the taxpayer's net apportionable income.

The income tax revenue and wage ratios are calculated on Schedule B. The income tax property ratio is calculated on Schedule C. Mark the box on Line 2 if the wage ratio is not considered as described below. Mark the box on Line 3 if the property ratio is not considered as described below.

Television, Radio and Other Broadcasting – See R.S. 47:287.95(K)

Oil And Gas Businesses – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the exploration, production, refining, or marketing of oil and gas is the arithmetical average of four ratios, as follows:

A. The ratio of the value of the immovable and corporeal movable property owned by the taxpayer and located in Louisiana to the value of the immovable and corporeal movable property owned by the taxpayer and used in the production of the net apportionable income.

B. The ratio of the amount paid by the taxpayer for salaries, wages, and other compensation for personal services rendered in this state to the total amount paid by the taxpayer for salaries, wages, and other compensation for personal services in connection with the production of net apportionable income.

C. 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. This ratio is counted twice (double-weighted).

This provision applies to the following:

- Any taxpayer whose income is primarily derived from the production or sale of unrefined oil and gas.
- Any taxpayer defined as an integrated oil company per the United States Internal Revenue Code – 26 USC 291(b)(4), or integrated oil companies that refine, produce, and have marketing operations, whose income in Louisiana is principally derived from production and sale of unrefined oil and gas, and who also engage in significant marketing of refined petroleum products in Louisiana. However, any corporation, whose activities during the taxable year do not include gross receipts from retail sales of oil and/or natural gas or gross receipts from refinery activities of oil and/or natural gas, will not be considered as an integrated oil company for Louisiana tax purposes.

When the numerator and denominator are zero in any one or more ratios in the apportionment formula, such ratio is dropped from the apportionment formula and the arithmetical average determined from the total remaining ratios.

Air Transportation – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of air transportation, is computed by means of a single ratio, the ratio of the amount of gross apportionable income derived from Louisiana sources to the total gross apportionable income of the taxpayer.

Gross apportionable income from Louisiana sources includes all gross receipts derived from passenger journeys and cargo shipments originating in Louisiana and any other items of gross apportionable income or receipts derived entirely from sources in Louisiana.

Transportation Other Than Air or Pipeline – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of transportation, other than aircraft or pipeline, is computed by means of a single ratio, the ratio of the amount of gross apportionable income from Louisiana sources to the total amount of gross apportionable income of the taxpayer. Gross apportionable income from Louisiana sources includes all such income that is derived from sources within the state and a portion of revenue from transportation partly without and partly within Louisiana.

Service Enterprises – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from a service business in which the use of property is not a substantial income producing factor is computed by means of a single ratio, the ratio of the gross apportionable income of the taxpayer from Louisiana sources to the total gross apportionable income of the taxpayer.

Gross apportionable income from Louisiana sources include the revenue from services sourced to Louisiana, and any other gross income derived entirely in this state. The general rule for sourcing service receipts to Louisiana is that service receipts are sourced to Louisiana if and to the extent the service is delivered to a location in Louisiana (market based). Refer to R.S. 47: 287.95(L) and LAC 61:I.1135 and 1136 for specific sourcing rules.

Manufacturing, Merchandising, Pipeline Transportation, and Other Businesses Not Addressed Above – The Louisiana apportionment percent of any taxpayer whose net apportionable income is derived primarily from the business of manufacturing or merchandising (manufacturing, producing, and/or selling tangible personal property) or pipeline transportation or other business not addressed above is computed by means of a single ratio, 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.

SCHEDULE C – OIL AND GAS BUSINESS COMPUTATION OF CORPORATE INCOME TAX PROPERTY RATIO

The property ratio is only included in the apportionment ratio for oil and gas businesses (described in the instructions for Schedule B). The property ratio is composed of real and tangible assets less real and tangible assets not used in production of net apportionable income.

The value of immovable and corporeal movable property owned by the taxpayer and used in the production of net apportionable income is included in this ratio. Where only a part of the property is used in the production of apportionable income, only the value of that portion so used shall be included in the property ratio. However, where the entire property is used in the production of both allocable and apportionable income the value of the entire property shall be included in the property ratio. Idle property and property under construction, during such construction and prior to being placed in service, shall not be included in the property ratio. Property held as reserve or standby facilities, or property held as a reserve source of materials, shall be considered used in the production of apportionable income. Non-productive mineral leases are considered to be held for such use and should be included in the property ratio. The value of inventories of merchandise in transit shall be allocated to the state in which their delivery destination is located in the absence of conclusive evidence to the contrary.

SCHEDULE D – COMPUTATION OF LOUISIANA NET INCOME

All corporations should complete Schedule D. All lines should be completed.

SEPARATE ACCOUNTING METHOD

Those corporations that have been granted permission to use the separate accounting method should mark the box on the line above Line 1A and report the Louisiana amounts for the items on Lines 1A through 26. Skip Lines 27A through 30G. On Line 31, subtract Line 25 from Line 9. A copy of the federal return should be attached to the return.

INSTRUCTIONS

LINE 8 – Other Income – Taxpayers should include all taxable income not reported on Lines 1 or 4 through 7. This includes profits and losses from the sales or exchanges of property that are taxable as apportioned income. See LAC 61:I.1134. Taxpayers should also include interest income elected to be taxed under R.S. 47:287.738(F)(2).

LINE 27 – Allocable Income – Louisiana does not apply the business/nonbusiness concepts outlined in the Multistate Tax Compact. Irrespective of whether the net income derived from sources within Louisiana is determined by use of the apportionment method or the separate accounting method, the law designates certain classes of income as allocable income that must be accounted for on a separate (direct) basis. See LAC 61:I.1130 available on the Department's website. The classes of income designated as allocable income and the basis upon which such income should be allocated are as follows:

A. 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.

B. Royalties or similar revenue from the use of patents, trademarks, copyrights, secret processes, and other similar intangible rights must be allocated to the state in which such rights are used. The use referred to is that of the licensee rather than that of the licensor. A mineral lease, royalty interest, oil payment, or other mineral interest is allocated to the state in which the property subject to such mineral interest is situated.

C. 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.

D. 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.

E. Other allocable income – This line should include interest income received from a controlled corporation that a corporation elects to tax under R.S. 47:287.738(F)(2). The interest is allocated to the state or states in which the real and tangible personal property of the controlled corporation is located. The allocation is made on the basis of the ratio of the value of such property located in Louisiana to the value of such property within and without the state. See LAC 61:I.1130.A.2.

Calculation of Net Allocable Income – From the total gross allocable income from all sources and from gross allocable income from Louisiana sources, there is deducted all expenses, losses, and other deductions, except federal income taxes, allowable under the Louisiana income tax law that are directly attributable to such income, plus a ratable portion of the allowable deductions, except federal income taxes, that are not directly attributable to any item or class of gross income.

LAC 61:I.1130 provides that overhead expense attributable to items of gross allocable income derived from sources within and without Louisiana, except gross allocable income from rent of immovable or corporeal movable property or from construction, repair, or other similar services, may be determined by any reasonable method that clearly reflects net allocable income from such items of income.

LAC 61:I.1130.B.2.a PROVIDES:

i. Overhead expense attributable to Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services shall be deducted from such income for the purposes of determining Louisiana net allocable income or loss from such items of income. The amount of overhead expense attributable to such income shall be determined by multiplying overhead expense attributed to total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services by the arithmetical average of two ratios, as follows:

(a) the ratio of the amount of Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total gross allocable income from such sources;

(b) the ratio of the amount of direct cost incurred in the production of Louisiana gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total direct cost incurred in the production of such income.

ii. Overhead expense attributable to total gross allocable income derived from rent of immovable or corporeal movable property or from construction, repair, or other similar services shall be deducted from such income for the purposes of determining total net allocable income or loss from such items of income. The amount of overhead expense attributable to such income shall be determined by multiplying total overhead expense by the arithmetical average of two ratios, as follows:

(a) the ratio of the amount of total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total gross income derived from all sources;

(b) the ratio of the amount of direct cost incurred in the production of total gross allocable income derived from rent of immovable or corporeal movable property and from construction, repair, or other similar services to total direct cost incurred in the production of gross income from all sources.

iii. If the taxpayer has not maintained documents or records sufficient to compute the ratios required by this Subparagraph, the Secretary shall, upon examination, determine the method by which to attribute overhead expense.

In addition to direct expenses and a ratable portion of overhead expenses, LAC 61:I.1130 specifies the method for attributing a portion of interest expense to allocable income. The method of allocation and apportionment for interest set forth in the regulation is based on the approach that money is fungible and that interest expense is attributable to all activities and property regardless of any specific purpose for incurring an obligation on which interest is paid. Exceptions to the fungibility method are set forth in LAC 61:I.1130.B.1.b. The fungibility approach recognizes that all activities and property require funds and that management has a great deal of flexibility as to the source and use of funds and that the creditors of the taxpayer look to its general credit for repayment and thereby subject the money loaned to the risk of all of the taxpayer's activities. You must refer to LAC 61:I.1130 for information regarding the computation of interest expense.

LINES 27A THROUGH 27E – Allocable Income From All Sources – Enter the TOTAL net allocable income of each class, from all sources.

LINE 27F – Allocable Expenses – Enter the total of all allocable expenses. Attach a schedule detailing the expenses by allocable income type.

LINE 27G – Net Allocable Income From All Sources – Add Lines 27A through 27F.

LINE 28 – Net Income Subject to Apportionment – Subtract Line 27G from Line 26.

LINE 29 – Net Income Apportioned to Louisiana – Multiply the amount on Line 28 by the percentage from Schedule B, Line 6.

LINES 30A THROUGH 30E – Allocable Income From Louisiana Sources – Enter the total LOUISIANA allocable income of each class, from all sources.

LINE 30F – Louisiana Allocable Expenses – Enter the total of the allocable expenses associated with allocable income sourced to Louisiana. Attach a schedule detailing the expenses by allocable income type.

LINE 30G – Net Allocable Income From Louisiana Sources – Add Lines 30A through 30F. This is the LOUISIANA net allocable income.

LINE 31 – Add the net income apportioned to Louisiana, Line 29, to the net income allocated to Louisiana, Line 30G. If the separate method of accounting was used, subtract Line 25 from Line 9. Also enter this amount on Form CIFT-620, Line 1A.

SCHEDULE E – RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

This schedule should be completed by all entities filing an income tax return.

SCHEDULE F – RECONCILIATION OF FEDERAL AND LOUISIANA NET INCOME

This schedule MUST be completed by all corporations. Important! See R.S. 47:287.71 and 47:287.73 for information.

LINE 1 – Enter the total net income calculated under federal law before special deductions. If the corporation is included with affiliates in a consolidated federal income tax return, or is not a Subchapter C corporation for federal income tax purposes, enter the net income that would have been reported on the federal return if the corporation had been required to file an income tax return with the Internal Revenue Service on a separate Subchapter C corporation basis. Pass-through entities making the election to pay the income tax at the entity level must enter the net income that would have been reported on the federal return if the pass-through entity had been required to file an income tax return with the Internal Revenue Service on a separate Subchapter C corporation basis.

LINE 1a – Federal Disallowed Business Interest Expense – Enter your disallowed business interest expense calculated on Federal Form 8990, Part I, line 31. If the taxpayer is included with affiliates in a consolidated federal income tax return, the taxpayer will need to complete a Federal Form 8990 on a separate company basis to attach to your return. If you are not required to file Form 8990, or would not be required to file that form if on a separate company basis, enter a zero. This amount should not be included as a deduction in the amount reported on Line 1. Interest expense deduction is limited to the amount on the federal return except as provided for by R.S. 47:287.82. Louisiana does not have a provision that allows for the deduction of interest expense disallowed by IRC Section 163(j).

LINES 2a THROUGH 2d – Additions To Federal Net Income

LINE 2a – Louisiana Income Tax – The deduction taken on the federal return for Louisiana income tax is not allowed as a deduction on the Louisiana return and must be added back to federal net income.

LINE 2b – Related Member Transactions – Enter the amount from Form R-6950, *Schedule AB - Louisiana Corporation Income Tax Add-Back Form,* Line 10. Revised Statute 47:287.82 requires corporations to add-back, subject to certain exceptions, otherwise deductible interest expenses and costs, intangible expenses and costs, and management fees resulting from direct or indirect transactions with one or more related entities. Form R-6950 is available on LDR's website.

Line 2c – Donation to School Tuition Organization Credit or Donation to Qualified Foster Care Organization Credit – R.S. 47:6301(A)(1)(a) provides for a prohibition on double state benefits for a donation to a school tuition organization (STO). If you claimed the credit for a donation to a STO on CIFT-620, Schedule NRC-P3, you must add back certain deductions taken at the federal level otherwise deductible for state income tax purposes if the corporation's federal deductions for charitable contributions allowed by Internal Revenue Code Section 170 included a deduction for the donation made by the corporation to the STO. See Revenue Information Bulletin 18-024 on for more information.

R.S. 47:6042(A)(1)(c) provides for a prohibition on double state benefits for a donation to a qualified foster care organization. If you claimed the credit for a donation to a qualified foster care organization on CIFT-620, Schedule NRC-P3, you must add back certain deductions taken at the federal level otherwise deductible for state income tax purposes if the corporation's federal deductions for charitable contributions allowed by Internal Revenue Code Section 170 included a deduction for the donation made by the corporation to the qualified foster care organization.

The addition required to be made on Line 2c is the amount of the charitable contribution made to the STO and the qualified foster care organization claimed on the corporation's federal return. The addition is limited to the amount of the credit claimed on the return for the corresponding donation.

LINE 2d – List any other deduction not allowed by Louisiana law on Line 2d. Refer to R.S. 47:287.71, 47:287.73, 47:287.734 through 287.747 and Revenue Information Bulletin 07-010 for other additions to federal taxable income. A schedule of the items on this Line must be attached.

LINE 2e – Add Lines 2a through 2d.

LINES 3a THROUGH 3k – Subtractions From Federal Net Income

LINE 3a – Bank Dividends – R.S. 47:287.71 provides a deduction from federal net income for dividend income from banking corporations organized under the laws of Louisiana, from national banking corporations doing business in Louisiana, and from capital stock associations whose stock is subject to ad valorem taxation.

LINE 3b – All Other Dividends – R.S. 47:287.738(F)(1) allows a deduction for dividends that would otherwise be included in gross income.

LINE 3c – Interest – R.S. 47:287.738(F)(2) allows a deduction for interest that would otherwise be included in gross income.

LINE 3d – Road Home – R.S. 47:287.738(G) provides that any grant, loan, or other benefit directly or indirectly provided to a taxpayer by the Disaster Recovery Unit of the Office of Community Development is excluded if such income was included in the taxpayer's federal taxable income. Benefits may include payments from Restore Louisiana for recovery from the Great Flood of 2016.

LINE 3e – Louisiana Depletion in Excess of Federal Depletion – As provided in R.S. 47:287.745, in computing net income in the case of oil and gas wells, there is allowed as a deduction cost depletion as defined under federal law or percentage depletion, whichever is greater. Percentage depletion is equal to 22 percent of gross income from the property during the taxable year, excluding any rents or royalties paid or incurred by the taxpayer in respect of the property. This depletion amount should not exceed 50 percent of the net income of the property computed without an allowance for depletion. In determining net income from the property, a federal income tax is considered an expense.

LINE 3f – Expenses Not Deducted on the Federal Return due to IRC Section 280C – Whenever an otherwise allowable expense for purposes of computing federal net income is disallowed under the provisions of IRC Section 280C, an additional deduction in the amount of the disallowed expense is allowed under the provisions of R.S. 47:287.73(C)(4). An example of such an expense is salary expense disallowed due to the utilization of the federal jobs credit.

LINE 3g – Related Member Transactions – Enter the amount from Form R-6950, Line 11. R.S. 47:287.82 requires corporations to add-back, subject to certain exceptions, otherwise deductible interest expenses and costs, intangible expenses and costs, and management fees resulting from direct or indirect transactions with one or more related entities. Form R-6950 is available on LDR's website.

Line 3h – Compensation for Disaster Services – R.S. 47:53.5 provides an exclusion for income received by a nonresident business for performing disaster or emergency-related work within the state during a declared or emergency period. The exclusion applies only for income received in exchange for disaster or emergency-related work related to critical infrastructure that is performed during the declared disaster period, which begins within 10 days of the first day of the declaration or proclamation made by either the governor, the president, or appropriate local government official and ends 60 days after its conclusion, unless a longer period is subsequently authorized. Requests for written notice concerning emergency-related services are posted as Revenue Information Bulletins on LDR's website.

Line 3i – Expenses Not Deducted on the Federal Return due to IRC Section 280E – Whenever an otherwise allowable expense for purposes of computing federal net income is disallowed under the provisions of IRC Section 280E, an additional deduction in the amount of the disallowed expense is allowed under the provisions of R.S. 47:287.73(C)(1). The deduction is only allowed for a licensee engaged in the production or dispensing of therapeutic marijuana recommended for therapeutic use by patents clinically diagnosed as suffering from a debilitating medical condition as defined in R.S. 40:1046.

Line 3j - COVID-19 Relief Benefits Exemption - R.S. 47:287.738(H) provides that any gratuitous grant, loan, rebate, tax credit, advance refund, or other qualified disaster relief benefit provided directly or indirectly by the state or federal government as a COVID-19 relief benefit is excluded if such income was included in the taxpayer's federal taxable income. Benefits may include payments from the Louisiana Main Street Recovery Fund. See Revenue Information Bulletin 21-019 and Revenue Ruling 22-002. Attach a schedule detailing the source and amount of the excluded benefits and a copy of the Federal Form 1120.

LINE 3k – Other Subtractions – Refer to R.S.47:287.71, 47:287.73, and 47:287.734 through 287.747 for other subtractions from federal net income. A schedule of the items on this line must be supplied. To the extent that refunds of Louisiana income tax are included in federal taxable income, they should be deducted on this line in accordance with R.S. 47:287.71. For the deduction for employment of certain qualified disabled individuals (R.S. 47:297.13), Form R-10605, *Application for Deduction for Employment of Certain Qualified Disabled Individuals,* must be attached to your return.

Line 3l – Total Subtractions – Add Lines 3a through 3k.

LINE 4 – Louisiana Net Income From All Sources – Add Lines 1 and 2e and subtract Line 3l. This amount should agree with Schedule D, Line 26.

SCHEDULE G – LIABILITIES AND CAPITAL FROM BALANCE SHEET

This schedule MUST be completed by all taxpayers filing this return.

The Schedule G balance sheet should reflect the values of any assets as shown on the books, as provided in LAC 61:I.320. The corporation franchise tax law provides that all assets are deemed to have such values as reflected on the books of the corporation subject to examination and revision by the Secretary. The Secretary may increase the book value of assets up to cost to reflect the true value of surplus and undivided profits, but is prohibited from making revisions that would reflect any value below the amount reflected on the books of the taxpayer. A taxpayer may, at his own discretion, reflect values in excess of cost. In determining cost to which the revisions limitation applies, the fair market value of any asset received in an exchange of properties shall, in most cases, be deemed to constitute the cost of the asset to the taxpayer.

CORPORATION FRANCHISE TAX SCHEDULES

Corporations compute their tax liability on the basis of the portion of the total taxable base employed in Louisiana at the close of the preceding calendar or fiscal year. Schedules G through I must be completed.

SCHEDULE G-1 COMPUTATION OF FRANCHISE TAX BASE

The franchise taxable base includes all items of capital stock, surplus, and undivided profits. The provisions of R.S 47:605.1 still apply to determine the amount, if any, of debt owed to affiliates appearing on a corporation's books that are considered equity investments by the affiliates for franchise tax purposes.

INSTRUCTIONS

Complete Lines 1 through 11 on Schedule G-1 if any debt to affiliates appears on the balance sheet at year's end. See Revenue Ruling 06-010 and Revenue Information Bulletin 13-006 on LDR's website for additional information. For this purpose, an affiliated corporation is any member of a controlled group of corporations as defined in 26 U.S.C. 1563, or any other person that would be a member of a controlled group if rules similar to those of 26 U.S.C. 1563 were applied to that person. Debt to affiliates does not include trade debt that is less than one hundred eighty days old or deposit liabilities to related parties, and cannot be reduced by receivables.

LINE 10A – If Line 9 is greater than zero, AND Line 5 is greater than or equal to zero, subtract Line 5 from Line 9. If both conditions of this line do not apply, skip to Line 10B.

If Line 10A is less than zero, enter zero on Line 11 and Line 17. If Line 10A is greater than zero, multiply Line 10A by 50 percent and enter this amount on Line 11 and Line 17. This amount must be included in the base.

LINE 10B – If Line 9 is greater than zero, AND Line 5 is less than or equal to zero, subtract Line 5 from Line 9. Multiply the difference by 50 percent and enter the result. Enter the lesser of Line 9 or Line 10B on Line 11 and Line 17. If Line 9 equals Line 10B, enter that amount on Line 11 and on Line 17.

ALL CORPORATIONS MUST COMPLETE LINES 12 - 19.

DETERMINATION OF TOTAL CAPITAL STOCK, SURPLUS, AND UNDIVIDED PROFITS

CAPITAL STOCK – Capital stock means all stock that is issued and outstanding. However, the cost of treasury stock may be deducted from earned surplus, limited to the extent of the surplus that was available when the treasury stock was acquired. Capital stock, whether par value or not, is deemed to have such value as is reflected on the books, subject to examination and revision by the Secretary, but in no event less than shown on the books.

SURPLUS, UNDIVIDED PROFITS, ETC. – Surplus and undivided profits is deemed to have such value as is reflected on the books of the corporation, subject to examination and revision by the Secretary. Reserves other than depreciation, bad debts, other established valuation reserves, etc., should be included. Examples of reserves to be included in surplus and undivided profits are reserves for contingencies, repairs, self-insurance, etc. In addition, any excessive valuation reserve should be included in the taxable base to the extent of such excess. The entire profit on installment obligations should be included in surplus regardless of whether deferred on the books. Many times, items contained in "Other Current Liabilities" and "Other Liabilities" are not truly debt, such as the deferred income tax account, and consideration must be given to these items. If that is the case, then 100 percent of the deferred income tax or any other item that is not debt must be reported as "Earned surplus and undivided profits." DEFERRED INCOME TAX MUST BE INCLUDED IN THE TAXABLE BASE.

In computing surplus and undivided profits, any amounts required by court order to be set aside and segregated in such manner as not to be available for distribution to stockholders or for investment in properties may be excluded from the franchise taxable base.

In the event that surplus and undivided profits accounts reflect a negative figure or deficit, such deficit shall reduce the franchise taxable base.

Refer to R.S. 47:605(A) for information concerning the reduction of surplus for depreciation sustained, but not taken on the books of a corporation under the control of a governmental agency.

Refer to R.S. 47:602 for those items that are excludable from the franchise taxable base and the limitations set forth under R.S. 47:602(H).

LINE 18 – Attach a schedule detailing the amount of the holding corporation deductions allowed under R.S. 47:602(B) through (G). In the box on Line 18 enter the code from the following list for the deduction you are claiming. Refer to each statute to determine what amount can be deducted.

Code	Deduction
1	Bank holding corporation deduction (R.S. 47:602(B)) - Any corporation having as a subsidiary a banking corporation organized under the laws of the United States or of the state of Louisiana and 80% of its capital stock is owned by the corporation.
2	Public utility holding corporation deduction (R.S. 47:602(C)) - Any public utility holding corporation that was registered under the Public Utility Holding Company Act of 1935 prior to it being repealed in 2005 having subsidiary corporations where at least 80% of the voting power of all classes of its stock, not including nonvoting stock which is limited and preferred as to dividends, is owned by a registered public utility holding corporation
3	Public water utility holding corporation deduction (R.S. 47: 602(D)) - Any corporation having one or more subsidiary public water utility corporations. See R.S. 47:602(D)(2) for the definition of subsidiary public water utility corporation.
4	Deduction for members of certain controlled groups (R.S. 47:602(E)) - Any corporation in a controlled group, having as a member of such group a telephone corporation regulated by the Louisiana Public Service Commission.
5	Other holding company deduction (R.S. 47:606(G)) – Any corporation not meeting the criteria for the above deductions that has one or more subsidiaries that is subject to the franchise tax imposed by R.S. 47:601(A), and in which at least 80% of the voting and nonvoting power of all classes of their stock, membership, partnership, or other ownership interests are owned, directly or indirectly, by a corporation subject to the franchise tax imposed by R.S. 47:601(A).
6	Subsidiary of public utility holding corporation deduction (R.S. 47:606(G)(4)) - Any direct or indirect subsidiary of a regulated company (at least 80% of the voting power of all classes of its stock, not including nonvoting stock which is limited and preferred as to dividends, is owned by a public utility holding corporation that was registered under the Public Utility Holding Company Act of 1935 prior to it being repealed in 2005) that directly owns at least 80% of the voting power of the stock, membership, partnership, or other ownership interests in a "public-utility company", as defined by the Public Utility Holding Company Act of 1935 prior to its repeal.

COMPUTATION OF CORPORATE FRANCHISE TAX

AVERAGE RATIO – In the allocation of total capital stock, surplus, and undivided profits to Louisiana, the ratio to be used is the arithmetical average of two separately computed ratios obtained by dividing Louisiana property and assets by total property and assets and Louisiana net sales and other revenue by total net sales and other revenue. If the denominator in the calculation of either ratio is zero, then that ratio is eliminated as a factor in determining the average of the ratios. Schedules H and I are used to calculate the franchise tax allocation ratio. See LAC 61:I.306 available on the Department's website.

CORPORATIONS MERGING – The property and net sales and other revenue of a merging corporation must be included in the ratios of the surviving corporation.

SCHEDULE H – COMPUTATION OF CORPORATE FRANCHISE TAX PROPERTY RATIO

In computing the property ratio, Columns 1 and 2 must be completed. The various classes of property and assets shown below are allocated within and without Louisiana on the basis indicated:

CASH – Cash on hand is allocated to the state in which located.

CASH IN BANKS AND TEMPORARY INVESTMENTS – Cash in banks and temporary investments are allocated to the state in which they have their business situs or, in the absence of a business situs, to the state in which the commercial domicile of the taxpayer is located. If a cash account shows a deficit balance, then that account should be treated as having a zero balance for purposes of indicating the asset value for Schedule H.

TRADE ACCOUNTS AND TRADE NOTES RECEIVABLE – Such receivables are allocated by reference to the transactions from which the receivables arose, on the basis of the location at which delivery was made in the case of the sale of merchandise or the location at which the services were performed in the case of charges for services rendered or the place where the loan was negotiated in the case of a lending business. In the absence of sufficient records of a detailed allocation, the total trade accounts and notes receivable may be apportioned to Louisiana on the basis of the ratio of the amount of merchandise deliveries in Louisiana and charges for services performed in Louisiana during the year to the total amount of merchandise deliveries and charges for services, unless it is apparent that the use of this method produces an unfair and inequitable result.

INVESTMENTS IN AND ADVANCES TO A PARENT OR SUBSIDIARY– Investments in and advances to a parent or subsidiary are allocated within and without Louisiana on the basis of the ratio of capital employed in Louisiana by the parent or subsidiary for Louisiana corporation franchise tax purposes. The average of the ratios for Louisiana corporation franchise tax purposes (Schedule I of Form CIFT-620) of the parent or subsidiary is applied to the investment in or advances to such parent or subsidiary to determine the amount to be attributed to Louisiana.

OTHER INVESTMENTS – Notes, accounts, stocks, and bonds other than those described above and the cash surrender value of life insurance are allocated to the state in which they have a business situs, or in the absence of a business situs, to the commercial domicile of the taxpayer.

REAL AND TANGIBLE PERSONAL PROPERTY – Such property shall generally be allocated within and without Louisiana on the basis of actual location. Corporeal movable property of a class that is not normally located within a particular state the entire taxable year, such as rolling stock and other mobile equipment that is used in Louisiana, is allocated within and without Louisiana by use of a ratio or ratios that shall give due consideration to the actual usage, such as mileage operated or traffic density within and without this state. Mineral leases and royalty interests are allocated within and without this state on the basis of the actual location of the property covered by the lease or royalty interest. The value of inventories of merchandise in transit is allocated to the state in which their delivery destination is located in the absence of conclusive evidence to the contrary. Refer to LAC 61:I.306 for more information on the allocation of specific assets.

OTHER ASSETS – All other assets are allocated within or without Louisiana on such basis as may be reasonably applicable to the particular asset and the type of business involved. Investments in or advances to a partnership are attributed within and without Louisiana based on the percentage of the partnership's capital employed in Louisiana. The percentage of the partnership's capital employed in Louisiana is the allocation ratio, also known as the franchise tax apportionment ratio, that would be computed for the partnership if the partnership were a corporation subject to franchise tax. See LAC 61:I.306.A.2.h.

SCHEDULE I – COMPUTATION OF CORPORATE FRANCHISE TAX APPORTIONMENT PERCENTAGE

The franchise tax revenue ratio is calculated on Schedule I. The franchise tax property ratio is calculated on Schedule H. If the denominator in the calculation of either ratio is zero, then that ratio is eliminated as a factor in determining the average of the ratios. Mark the box on Line 1D if the revenue ratio is not considered in the average. Mark the box on Line 2 if the property ratio is not considered in the average.

IMPORTANT!! For taxpayers whose primary business is manufacturing, the apportionment ratio is a single ratio consisting of net sales and other revenues. Mark the box on Line 2 to report that the property ratio is not being used. The term "business of manufacturing" is defined as a business whose net sales are derived primarily from the manufacture, production, and sale of tangible personal property and does not include the following:

- Any taxpayer whose income is primarily derived from the production or sale of unrefined oil and gas.
- Any taxpayer whose income is primarily derived from the manufacture, distribution, distillation, importation, or sale of alcoholic beverages.
- Any taxpayer defined as an integrated oil company per the United States Internal Revenue Code - 26 USC 291(b)(4), or integrated oil companies that refine, produce, and have marketing operations, whose income in Louisiana is principally derived from production and sale of unrefined oil and gas, and who engage in significant marketing of refined petroleum products in Louisiana.

LINE 1 – Net sales of merchandise, charges for services, and other revenues – The various classes of income shown below are allocated within and without Louisiana on the basis indicated:

A. Sales – The total amount of net sales should be equal to gross receipts less returns and allowances. Sales attributable to this state are all sales made in the regular course of business where the goods, merchandise, or property are received in this state by the purchaser. In the case of delivery of goods by common carrier or by other means of transportation, including transportation by the purchaser, the place at which the goods are ultimately received after all transportation has been completed is considered as the place at which the goods are received by the purchaser. However, direct delivery into this state by the taxpayer to a person or firm designated by a purchaser from within or without the state shall constitute delivery to the purchaser in this state. Sales of scrap materials and by-products are construed to meet the requirements for inclusion in the sales factor. Revenue derived from a sale of property not made in the regular course of business shall not be considered. Therefore, sales made other than to customers, such as stocks and bonds and revenues or gains on the sale of property other than stock in trade should not be included as net sales of merchandise. Whenever a transaction is determined to be a sale that is not to be included as a sale to customers in the regular course of business, the amount does not constitute "other revenue" so as to qualify for inclusion in either the numerator or the denominator of the allocation ratio.

B. Services – Income from services other than those described below is attributed within and without Louisiana on the basis of the location at which the services are rendered.

AIR TRANSPORTATION – Revenues attributable to Louisiana from air transportation shall include all gross receipts derived from passenger journeys and cargo shipments originating in Louisiana.

PIPELINE TRANSPORTATION – Other revenues attributable to this state derived from the transportation of crude petroleum, natural gas, petroleum products, or other commodities for others through pipelines shall include all gross revenue derived from operations entirely within this state, plus a portion of any revenue from operations partly within and partly without this state, based upon the ratio of the number of units of transportation service performed in Louisiana in connection with such revenue to the total of such units. A unit of transportation service is the transportation of any designated quantity of crude petroleum, natural gas, petroleum products, or other commodities for any designated distance.

OTHER TRANSPORTATION – Other revenues attributable to this state derived from transportation other than by aircraft or pipeline shall include all such income that is derived entirely from sources within this state, and a portion of revenue from transportation partly within and partly without, to be prorated subject to rules and regulations of the Secretary, which shall give due consideration to the proportion of service performed in Louisiana.

C. Other Revenues – Revenues other than those from sales is allocated to Louisiana on the basis indicated below:

(I) RENTS AND ROYALTIES – Income from rents and royalties is allocated within and without Louisiana on the basis of the location or situs of the property from which the rents and royalties are derived. Royalties or similar revenue from the use of patents, trademarks, copyrights, secret processes, and other similar intangible rights is attributed to the state or states in which such rights are used.

(II) DIVIDENDS AND INTEREST FROM A PARENT OR SUBSIDIARY – Such amounts are allocated within and without Louisiana on the basis of the ratio of the capital employed in Louisiana by the parent or subsidiary. The average of the ratios found on Form CIFT-620, Schedule I, for Louisiana franchise tax purposes of the parent or subsidiary is applied to the amount of dividends and other revenues received from such parent or subsidiary to determine the amount to be attributed to Louisiana.

(III) OTHER DIVIDENDS AND INTEREST – Interest on customers' notes and accounts is attributed to the state in which such customers are located. Other dividends and interest are attributed to the state in which the securities or credits producing such revenue have their situs, which is at 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 a business situs, is at the commercial domicile of the taxpayer.

(IV) ALL OTHER REVENUES – All other revenues are attributed within or without Louisiana on the basis of such ratio or ratios as may be reasonably applicable to the type of revenue and business involved. Revenues from partnerships are attributed within and without Louisiana based on the percentage of the partnership's capital employed in Louisiana. The percentage of the partnership's capital employed in Louisiana is the allocation ratio, also known as the franchise tax apportionment ratio, that would be computed for the partnership if the partnership were a corporation subject to franchise tax. See LAC 61:I.306.A.1.j.iii.

D. Total And Revenue Ratio – Add the amounts in Columns 1 and 2. Divide the total of Column 2 by the total of Column 1 and enter the result in Column 3. Round to two decimal places. Mark the box if this ratio is not used.

LINE 2 – Franchise Tax Property Ratio – Enter the percentage from Schedule H, Line 21, Column 2. Mark the box if this ratio is not used.

LINE 3 – Total Of Applicable Percentages – Add the total percentages in Column 3.

LINE 4 – Average of Percents – Divide Line 3 by applicable number of ratios. Percentage must be carried out to two decimal places. Do not exceed 100.00%. Enter the average here and on CIFT-620, Line 5B.

OTHER SCHEDULES

SCHEDULE J – CALCULATION OF INCOME TAX

Short period filers:
Mark the box if this income tax return is for part of a year, other than the initial or final return. For purposes of computing the tax due for part of a year, other than the initial or final return, Louisiana taxable income shall be placed on an annual basis by multiplying the amount of taxable income by twelve and dividing the result by the number of months included in the period for which the short period return is required or permitted. The tax on this annualized income is computed and multiplied by a fraction. The numerator of the fraction is equal to the number of months included in the period for which the short period return is being filed, and the denominator is twelve. Specific instructions for short period filers are below:

LINE 1 – Short period filers should multiply the amount from CIFT-620, Line 1D by twelve and divide the result by the number of months included in the period for which the short period return is being filed.

LINES 2 AND 3 – Follow the instructions on Schedule J.

LINE 4 – Add the amounts in Column 2, Lines 2a through 2c. Multiply the result by a fraction. The numerator of the fraction is equal to the number of months included in the period for which the short period return is being filed, and the denominator is twelve. Round to the nearest dollar. Enter the result here and on CIFT-620, Line 2.

SCHEDULE J-1 – PASS-THROUGH ENTITY TAX ELECTION CALCULATION OF INCOME TAX

All taxpayers that marked the box on the CIFT-620, Line O, must use Schedule J-1 to compute their income tax. All others must use Schedule J.

Short period filers:
Mark the box if this income tax return is for part of a year, other than the initial or final return. For purposes of computing the tax due for part of a year, other than the initial or final return, Louisiana taxable income shall be placed on an annual basis by multiplying the amount of taxable income by twelve and dividing the result by the number of months included in the period for which the short period return is required or permitted. The tax on this annualized income is computed and multiplied by a fraction. The numerator of the fraction is equal to the number of months included in the period for which the short period return is being filed, and the denominator is twelve. Specific instructions for short period filers are below:

LINE 1 – Short period filers should multiply the amount from CIFT-620, Line 1D by twelve and divide the result by the number of months included in the period for which the short period return is being filed.

LINES 2 AND 3 – Follow the instructions on Schedule J-1.

LINE 4 – Add the amounts in Column 2, Lines 2a through 2c. Multiply the result by a fraction. The numerator of the fraction is equal to the number of months included in the period for which the short period return is being filed, and the denominator is twelve. Round to the nearest dollar. Enter the result here and on CIFT-620, Line 2.

SCHEDULE K – SUMMARY OF ESTIMATED PAYMENTS

List any credit carried forward from prior year's return and any estimated payments or extension payments you made. Estimated payments can be verified by using the Louisiana Taxpayer Access Point (LaTAP) on LDR's website.

A credit carried forward from prior year's return can be applied against your income tax liability on CIFT-620, Line 16C, Column 1, or your franchise tax liability on CIFT-620, Line 16C, Column 2.

Estimated payments made during the year can only be applied against your income tax liability on CIFT-620, Line 16D, Column 1. An extension payment can be applied against your income tax liability on CIFT-620, Line 16E, Column 1, or your franchise tax liability on CIFT-620 Line 16E, Column 2.

SCHEDULE L – CALCULATION OF FRANCHISE TAX

A public utility holding corporation is required to pay a minimum franchise tax of $100,000 per year under R.S. 47:602(C). See the instructions for CIFT-620, Line 7.

Short period filers:
Mark the box if this franchise tax return is for part of a year, other than the initial or final return. In the case of a return for part of the year other than the initial or final return, the franchise tax due shall be prorated. To calculate the tax due, the tax for a full year is computed and multiplied by a ratio. The numerator of the ratio is the number of months from the closing date of the prior franchise year to the closing date of the short period return filed, and the denominator is 12. Specific instructions for short period filers are below:

LINES 1 THROUGH 3 – Follow the instructions on Schedule L.

LINE 4 – Multiply the amount on Line 3 by $2.75 for each $1,000 or major fraction. Multiply the result by a fraction. The numerator of the fraction is equal to the number of months included in the period for which the short period return is being filed, and the denominator is twelve. Round to the nearest dollar. Enter the result here and on CIFT-620, Line 7.

SCHEDULE M – ANALYSIS OF EARNED SURPLUS AND UNDIVIDED PROFITS PER BOOKS

Schedule M should analyze Schedule G, Line 11, Column 2. Any changes to the balance of earned surplus and undivided profits should be recorded here.

SCHEDULE N – ADDITIONAL INFORMATION REQUIRED

All corporations must complete Schedule N. All lines should be completed.

WHO NEEDS TO COMPLETE WHAT SCHEDULES

Taxpayers are required to complete all schedules listed below for the type of return they are filing.

	Filing an Income Tax Return	Filing a Franchise Return	Filing A CIFT Return
The Return	Yes	Yes	Yes
Schedules NRC-P1, RC-P2, NRC-P3, and RC-P4	Only if claiming credits		
Schedule A	Yes	Yes	Yes
Schedule B	Yes	No	Yes
Schedule C	Only for certain oil and gas businesses	No	Only for certain oil and gas businesses
Schedule D	Yes	No	Yes
Schedule E	Yes	No	Yes
Schedule F	Yes	No	Yes
Schedule G	Yes	Yes	Yes
Schedule G - 1	No	Yes	Yes
Schedule H	No	Yes, all columns	Yes, all columns
Schedule I	No	Yes	Yes
Schedule J or J-1	Yes	No	Yes
Schedule K	Only if you need to report applicable payments		
Schedule L	No	Yes	Yes
Schedule M	No	Yes	Yes
Additional information required	Yes	Yes	Yes

What's New for Louisiana 2023 Corporation Income Tax and 2024 Corporation Franchise Tax?

Louisiana Franchise Tax Exemption Reason/Other Box – Line 7 – Act 432 of the 2023 Regular Legislative Session creates an exemption from the franchise tax for a limited liability company that meets the following requirements on or before July 1, 2023:

1. Files as real estate investment trust for federal income tax purposes, and

2. 100 percent of the limited liability company's shares of common stock are owned by a tax-exempt organization.

Qualifying taxpayers should utilize code 6 for "other" for purposes of reporting the exemption on Line 7 and attach a statement listing the exemption and statutory citation. (R.S. 47:601(C)(1)(c)(ii))

SCHEDULE NRC-P3 – NONREFUNDABLE PRIORITY 3 CREDITS

Motion Picture Investment – Code 251 and Motion Picture Infrastructure – Code 261 – Act 411 of the 2023 Regular Legislative Session prohibits a taxpayer from using a credit if there exists a delinquent federal, state, or local tax obligation. The taxpayer must certify that there is no delinquent federal, state, or local tax obligation on Form R-90150, *Taxpayer Certification of Compliance of Tax Obligations for the Motion Picture Production Credit*. This form must be attached to the return.

Historic Structures – Code 253 – Act 426 of the 2023 Regular Legislative Session expands the credit to include expenditures which are incurred on or after January 1, 2023 and to allow the credit for expenditures related to the rehabilitation of a historic structure contributing to the National Register of Historic Places. In addition, Act 426 increases the credit and provides a different rate for qualifying structures located in a rural area for taxable periods beginning on or after January 1, 2023 and before January 1, 2029. (R.S. 47:6019)

Biomed/University Research – This credit is no longer available because Act 386 of the 2017 Regular Legislative Session ended the credit effective July 1, 2017.

Digital Interactive Media – This credit is no longer available because the time to carry forward unused credits has ended.

OTHER

Electric and Hybrid Vehicle Road Usage Fee – Act 578 of the 2022 Regular Legislative Session levies a road usage fee to be paid by the owner or lessee of an electric or hybrid vehicle registered and operated in Louisiana during the calendar year. The fee is based on a calendar year and is prorated if the vehicle was owned, leased, or registered in Louisiana for less than a year. The fee is dedicated to state and local transportation and development funds and is to supplement the "road tax" paid on gas. Use Form R-19000, *Electric and Hybrid Vehicle Road Usage Fee*, to pay the fee. The fee for 2023 is due on or before May 15, 2024. For additional information, see LAC 61:I.5501. (R.S. 32:461)