



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

**RECIPIENT OF THIS FORM:**  
Attach this form to your  
IT-540, IT-540B, or IT-541.

Pass-Through Entity's Legal Name Shown on Form CIT-620

LDR Account Number

Income Taxable Period Covered

Owner's First and Last Name or Name of Estate or Trust

Last Four Digits of Owner's Social Security Number or LDR Account Number

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

|                                                                                                             | As Reported on Federal<br>Schedule K-1 | Amounts Taxed at the<br>Entity Level | Income (Loss) Taxable<br>at the Owner's Level |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------|-----------------------------------------------|
| <b>Part I: Items taxed at the entity level (as reported on Form CIT-620)</b>                                |                                        |                                      |                                               |
| Ordinary Business Income (Loss)                                                                             |                                        |                                      |                                               |
| Net Rental Real Estate Income (Loss)                                                                        |                                        |                                      |                                               |
| Other Net Rental Income (Loss)                                                                              |                                        |                                      |                                               |
| Royalties                                                                                                   |                                        |                                      |                                               |
| Net Short-Term Capital Gain (Loss)                                                                          |                                        |                                      |                                               |
| Net Long-Term Capital Gain (Loss)                                                                           |                                        |                                      |                                               |
| Collectibles (28%) Gain (Loss)                                                                              |                                        |                                      |                                               |
| Unrecaptured Section 1250 Gain                                                                              |                                        |                                      |                                               |
| Net Section 1231 Gain (Loss)                                                                                |                                        |                                      |                                               |
| Other Income (Loss)                                                                                         |                                        |                                      |                                               |
| Section 179 Deduction                                                                                       |                                        |                                      |                                               |
| Other Deductions                                                                                            | (                      )               | (                      )             |                                               |
| Other Items                                                                                                 |                                        |                                      |                                               |
| <b>Part II: Items not taxed at the entity level (as reported on Form CIT-620) but taxable to the owner</b>  |                                        |                                      |                                               |
| Ordinary Dividends                                                                                          |                                        | (                      )             |                                               |
| Qualified Dividends                                                                                         |                                        | (                      )             |                                               |
| Dividend Equivalents                                                                                        |                                        | (                      )             |                                               |
| Interest Income                                                                                             |                                        | (                      )             |                                               |
| Louisiana Depletion in Excess of<br>Federal Depletion                                                       |                                        | (                      )             |                                               |
| Exempt Amount of Related<br>Members Interest\Intangible\<br>Management Fee Expense or<br>Costs              |                                        | (                      )             |                                               |
| Expenses Not Deducted on the<br>Federal Return Due to Internal<br>Revenue Code Section 280E                 |                                        | (                      )             |                                               |
| Other Items                                                                                                 |                                        | (                      )             |                                               |
| <b>Part III: Items taxed at the entity level (as reported on Form CIT-620) but not taxable to the owner</b> |                                        |                                      |                                               |
| Louisiana Income Tax                                                                                        |                                        |                                      |                                               |
| Other Items                                                                                                 |                                        |                                      |                                               |
| <b>TOTAL</b>                                                                                                |                                        |                                      |                                               |



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

### Instructions

#### INSTRUCTIONS FOR THE ENTITY

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

#### PART I – Items Taxed at the Entity Level (as reported on Form CIT-620, *Louisiana Corporation Income Tax Return*).

- **As Reported on Federal Schedule K-1 Column** – Include amounts as reported on the Federal K-1.
  - **Other Items** – Include any income or deduction items reported on Federal Schedule K-1, box 17 or 20. For example, report dispositions of property with section 179 deductions included on Schedule K-1, box 17, code K, for shareholders by the S corporation or on Schedule K-1, box 20, code L, for partners of partnerships on this line.
- **Amounts Taxed at the Entity Level Column** – This part should include the amount on Form CIT-620 that was apportioned or allocated to Louisiana.
- **Income (Loss) Taxable at the Owner's Level Column** – This part should include the amount on Form CIT-620 that was apportioned or allocated outside of Louisiana. This income is taxable to the owner. (*See note at the end of the instructions for nonresidents.*) For each row, subtract the amount in Amounts Taxed at the Entity Level Column from the amount in As Reported on Federal Schedule K-1 Column.

#### PART II – Items Not Taxed at the Entity Level but Taxable to the Owner

Pursuant to Louisiana Revised Statutes ("R.S") 47:297.14(A)(2) for individuals, 47:300.6(B)(2)(e)(i) for resident estates or trusts, and 47:300.7(C)(2)(d)(i) for nonresident estates or trusts, income not taxed at the entity level is taxable at the owner's level.

- **As Reported on Federal Schedule K-1 Column** – Include amounts for interest and dividend income as reported on the Federal K-1.
- **Amounts Taxed at the Entity Level Column** – This column is the owner's share of the amount reported on Form CIT-620, Schedule F. These deductions are allowed for corporation income tax purposes. Since the items listed in this part are subtractions on Form CIT-620, Schedule F, the amounts should be entered as a negative. Enter the owner's share of each item listed in Part II. The total for all owners must total to the appropriate line on Form CIT-620, Schedule F.
- **Income (Loss) Taxable at the Owner's Level Column** – This column should include the owner's share of the amount deducted on the Form CIT-620, Schedule F. These deductions are allowed for corporation income tax purposes but not for individual or fiduciary income tax, except as described below.
  - **Dividend and Interest Income** – List the income that was subtracted in the Amounts Taxed at the Entity Level Column for interest and dividend income. This income is taxable at the owner's level.
  - **Depletion** – Since depletion is allowed as a deduction at the entity level, depletion ordinarily reported on the Federal Form 1040 for oil and gas properties is not allowed on the pro forma Federal Form 1040 that is required to calculate the exclusion on Form IT-540, *Louisiana Resident Individual Income Tax Return*, under La. R.S. 47:297.14(A)(2). Pursuant to La. R.S. 47:300.6(B)(2)(b) and 300.7(C), estates and trusts are allowed to deduct Louisiana depletion in excess of federal depletion. The amount deducted on Form IT-541, *Louisiana Fiduciary Income Tax Return*, should not include the amount in this part since it is deducted at the entity level.
  - **Compensation for disaster services** – Pursuant to La. R.S. 47:53.5 and 242, individuals, estates and trusts that are nonresidents are allowed to exclude compensation received for disaster services if certain criteria is met. The amount deducted on Form IT-540B, *Louisiana Nonresident and Part-Year Resident Income Tax Return*, or IT-541 should not include the amount in this part since it is deducted at the entity level.
  - **COVID-19 relief benefits** – Pursuant to La. R.S. 47:293, individuals are allowed to exclude 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. These amounts are excluded if such income was included in the taxpayer's federal adjusted gross income. The amount deducted on Form IT-540, Schedule E, should not include the amount in this part since it is deducted at the entity level. There is no corresponding deduction under Louisiana law for estates and trusts.



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

### Instructions

#### PART III – Items Taxed at the Entity Level (as reported on Form CIT-620) but Not Taxable to the owner

- **As Reported on Federal Schedule K-1 Column** – Leave blank.
- **Amounts Taxed at the Entity Level Column** – This part should include the owner's share of the deductions not allowed on Form CIT-620.
- **Income (Loss) Taxable at the Owner's Level Column**
  - **Other Items** – This column should include the owner's share of the amount taxed on Form CIT-620 that was apportioned or allocated to Louisiana. These additions to income are required for corporation income tax purposes but not for individual or fiduciary income tax, except as explained below.
  - **Donation to School Tuition Organization Credit or Donation to Qualified Foster Care Charitable Organization Credit** – La. R.S. 47:6301(A)(1)(a) provides for a prohibition on double state benefits for a donation to a school tuition organization (STO). La. 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 the entity claimed the credit for either of these donations, the entity must add back certain deductions taken at the federal level which are otherwise deductible for state income tax purposes. The add-back is required if the federal deductions for charitable contributions allowed by Internal Revenue Code Section 170 included these donations. The amount added-back on IT-541 should not include the amount in this part since it is added-back at the entity level.

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

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

**Exclusion Amount** – This amount shall be equal to the total of "Amounts Taxed at the Entity Level". In no event shall the total income subject to Louisiana income tax be any less or more than the income that would have been subject to Louisiana income tax if the election had not been made.