

**Schedule of Ad Valorem Tax Credit Claimed by ITEP  
Manufacturers for Ad Valorem Tax Paid on Inventory**  
Louisiana Revised Statute 47:6006

**IMPORTANT:** Use this form if filing a 2017 tax return. See instructions.

PLEASE PRINT OR TYPE

Taxpayer Name
LDR Account ID
Filing Period

Parish <small>Name of Louisiana Parish that issued the assessment</small>	Assessment Number	Total Assessment	Inventory Assessment <small>Qualified Inventory held by manufacturers, suppliers or retailers</small>	Ratio <small>Inventory Assessment/ Total Assessment  Use only if using ratio method to determine eligible tax credit *</small>	Total Assessed Tax Paid	Qualified Inventory Tax Credit Claimed on Current Year Return  <small>List actual tax paid or apply ratio method to determine eligible tax credit</small>	Check Number	Check Date	Check Amount
<b>Total</b>									

\* See RIB 06-036 for instructions and additional information.

**LOUISIANA**  
DEPARTMENT *of* REVENUE

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Taxpayer Name	
SSN/LDR Account ID	Filing Period

**Check the box for the credit type this worksheet is used to calculate:**    Inventory Tax Credit (218)                       Ad Valorem Natural Gas Credit (219)

<b>See instructions to complete Lines 1A through 3 below.</b>	
1A	Amount of ad valorem taxes paid
1B	Amount of ad valorem taxes paid on short-term rentals
1C	Amount of ad valorem taxes paid qualifying for the credit
2	Tax Liability before applying the credit
3	Amount of the credit exceeding tax liability

**INSTRUCTIONS**

Act 385 of the 2017 Regular Session of the Louisiana Legislature requires that all taxpayers that are included on the same consolidated federal income tax return to combine their inventory taxes paid in order to determine the amount of the excess credit that is refundable. Taxpayers that are affiliated or related outside of a consolidated group are no longer required to combine their inventory taxes paid.

**GENERAL INSTRUCTIONS**

1. This worksheet was designed to assist the following taxpayers in calculating the credit and provide necessary computation to LDR:
  - A manufacturer who has claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the taxable year in which the local inventory taxes were levied; or
  - Members of a consolidated federal income tax return that includes a manufacturer who has claimed the property tax exemption under ITEP.
2. If you are one of the taxpayers described in #1 above, your credit is limited to tax and the excess can be carried forward not to exceed five years.
3. This form should be used for tax year 2017.
4. Enter the Taxpayer's name, SSN/LDR Account ID and filing period for the return to which this worksheet is attached in the space provided. Check the box for the credit type you are calculating on this worksheet.

**GENERAL INSTRUCTIONS**

- 1A. Enter the amount of the ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, and retailers OR natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage.
- 1B. Enter the amount of Line 1A that is the ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, and retailers that is available for or subject to a short-term rental that will subsequently or ultimately be sold by the retailer that will be included on Line 1C.

Act 338 of the 2017 Regular Session amended the definition of "inventory" as enacted by Act 415 of the 2015 Regular Session, for purposes of this credit, to mean items of tangible personal property that are held for sale in the ordinary course of business, in the process of production for subsequent sale, or are to physically become a part of the production of such goods. The definition contains a listing of specific items that are included and not included in inventory effective for tax periods beginning on or after January 1, 2016. In addition to items that are clearly included by the enacted definition, the following items are included in inventory: used goods or trade-in merchandise; by-products of a manufacturer; raw materials and supplies that will be consumed in the Louisiana manufacturing process; and goods that are available for short-term rental that will subsequently or ultimately be sold by taxpayers classified under code numbers 532412 and 532310 of the North American Industry Classification System. Not included in inventory unless otherwise stated are: oil stored in tanks held by a producer prior to the first sale of the oil; items that haven been leased by the taxpayer; items that the taxpayer has depreciated for federal income tax purposes; items that have been used by the taxpayer and have been owned for more than eighteen months; and certain items stored in the state for use in interstate commerce. A "short-term rental" is defined as a rental of an item of tangible personal property for a period of less than 365 days, for an undefined period, or under an open-ended agreement.

- 1C. Enter the amount of ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, retailers OR natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage reported on Line 1A that meets the definition of inventory under R.S. 47:6006. Your credit for the inventory held is limited to tax and the excess can be carried forward not to exceed five years.
2. Enter the amount of your adjusted tax liability from your tax return. See chart below for line numbers.

Tax Year	IT-540	IT-540B	IT-540BNRA	IT-541	R-6922	CIFT-620
2017	Line 23	Line 22	Line 21	Line 19	Line 11	Line 16

3. Amount of the credit exceeding tax liability. Subtract Line 2 from Line 1C. If less than zero, enter zero.

If Line 3 is equal to zero, your entire credit on Line 1C will be used to offset tax. Enter the amount from Line 1C on Schedule NRC-P3 (Business) or Schedule J (Individual) with the identifying three-digit code listed below. If Line 3 is greater than zero, Line 3 is your credit carry forward and the amount on Line 2 is the amount of the credit that can be used to offset tax. Enter the amount from Line 2 on Schedule NRC-P3 or Schedule J with the identifying three-digit code listed below.

Inventory Tax Credit Carried Forward and ITEP	218
Ad Valorem Natural Gas Carried Forward	219