

**"Nonresident Return" and "Part-Year Return" boxes** – Boxes were added to the return to indicate if you are filing as a nonresident or a part-year resident. One of the two boxes must be marked.

**Consumer Use Tax** – Lines 24A and 24B – Under La. R.S. 47:302(K), LDR is required to collect 9 percent tax on out-of-state purchases. Act 1 of the 2018 Third Extraordinary Legislative Session reduced the use tax to 8.45 percent tax on out-of-state purchases made on or after July 1, 2018.

**Unidentified Preparer Penalty** – Act 525 of the 2018 Regular Legislative Session imposes a penalty on paid preparers who fail to sign or provide the identification number required by R.S. 47:1679 when completing this return. The penalty is \$50 for each occurrence of failing to sign or failing to provide an identification number and cannot exceed \$25,000 during any calendar year.

#### SCHEDULE C-NR – NONREFUNDABLE PRIORITY 1 CREDITS

**Small Town Health Professionals** – Code 115 – The Small Town Doctor/Dentist credit was renamed to Small Town Health Professionals credit per changes made in Act 342 of the 2017 Regular Legislative Session. The credit is for certified primary care physicians, dentists, or primary care nurse practitioners licensed to practice in certain areas of Louisiana. Taxpayers must apply to the Louisiana Department of Health (LDH) by November 30, 2018, for eligibility for 2018 and a copy of the certificate letter must be attached to the return. The credit amount is listed on the certificate letter and is limited to tax. For more information, see Revenue Information Bulletin 18-028 and Louisiana Administrative Code (LAC) 61:1.1915. (R.S. 47:297(H))

**Conversion of Vehicle to Alternative Fuel** – Code 185 – Act 325 of the 2017 Regular Legislative Session changed the credit to a nonrefundable credit. For purchases of new motor vehicles, the credit is equal to 10 percent of the cost of the qualified clean-burning motor vehicle or \$2,500, whichever is less. For conversions and fueling stations, the credit is equal to 30 percent of the cost of the qualified clean-burning motor vehicle fuel property. See Revenue Information Bulletin 17-016. (R.S. 47:6035) Use credit code 71F on Schedule F-NR to report the Act 125 recovery amount.

#### SCHEDULE D-NR – DONATION OF REFUND

Taxpayers can donate all or part of their refund to various organizations or funds. The following new organizations appear on Schedule D:

**Line 19 – Louisiana Horse Rescue Association**

**Line 20 – Louisiana Coalition against Domestic Violence**

#### NPR WORKSHEET – ADJUSTMENTS TO INCOME

**Add Back of Donation to Student Tuition Organization Credit** – Line 15 – Act 377 of the 2017 Regular Legislative Session provides for a prohibition on double state benefits for a donation to a school tuition organization. If you claimed the credit for a donation to school tuition organization on Form IT-540B, Schedule J-NR, you must add back certain deductions taken at the federal level otherwise deductible for state income tax purposes if the following conditions are met:

- Your federal itemized deductions allowed by Internal Revenue Code Section 170 included the donation made to the school tuition organization as a charitable contribution on Schedule A attached to Federal Form 1040; and
- You claimed the excess federal itemized personal deduction on Form IT-540B, Line 10C for the tax year in which the donation was made.

The amount required to be added back is the difference between the amount reported on Form IT-540B, Line 10C and the recalculated excess federal itemized personal deduction after removing the donation from the individual's federal itemized personal deduction for the tax year in which the donation was made. The addition is limited to the amount of the credit claimed. See Revenue Information Bulletin 18-024 on for more information. (R.S. 47:6301(A)(1)(a))

**Entity Level Taxes Paid to Other States** – Line 32 – Act 6 of the 2018 Second Extraordinary Legislative Session provides a deduction for an individual partner, member, or shareholder's proportionate share of an entity-level tax paid to other states that is based solely upon net income included in the entity's federal taxable income without any capital component. The deduction is for the taxpayer's share of the tax paid during 2018 and is limited to the extent that the proportionate share of the related income is or was taxed by Louisiana. (R.S. 47:33)

**Compensation for Disaster Services** – Line 33 – Act 358 of the 2017 Regular Session provides an exclusion for income received by an out-of-state employee for performing disaster or emergency-related work within the state during a declared or emergency period beginning January 1, 2018. Requests for written notice concerning emergency-related services are posted as Revenue Information Bulletins on LDR's website. (R.S. 47:53.5)

#### SCHEDULE F-NR – REFUNDABLE PRIORITY 2 CREDITS

**School Readiness Child Care Directors and Staff** – Code 66F – The credit is for eligible child care directors and eligible child care staff based on certain attained qualifications. The amount of the credit is adjusted each year if there is an increase in the Consumer Price Index Urban (CPI-U). The credit amount for 2018 can be found at [www.revenue.louisiana.gov/SchoolReadiness](http://www.revenue.louisiana.gov/SchoolReadiness). For more information regarding this credit, contact the Louisiana Department of Education. (R.S. 47:6106)

#### SCHEDULE J-NR – NONREFUNDABLE PRIORITY 3 CREDITS

**Child Care Credit Carried Forward From 2013 through 2017** – Line 3 – The child care tax credit for taxpayers whose federal adjusted gross income exceeds \$25,000 may not be refunded and any unused credit amounts can be used over the next five years. For the 2018 tax year, credits from 2013 through 2017 can be applied on Line 3. Any remaining child care credit from 2012 cannot be applied to the 2018 tax liability. (R.S. 47:297.4)

**School Readiness Credit Carried Forward From 2013 through 2017** – Line 5 – The school readiness credit for taxpayers whose federal adjusted gross income exceeds \$25,000 may not be refunded and any unused credit amounts can be used over the next five years. For the 2018 tax year, credits from 2013 through 2017 can be applied on Line 5. Any remaining credit from 2012 cannot be applied to the 2018 tax liability. (R.S. 47:6104)

**Donation to School Tuition Organization** – Code 213 – Act 377 of the 2017 Regular Legislative Session changed the Student Tuition Organization (STO) rebate to a nonrefundable credit for donations made on or after January 1, 2018 to an STO that provides scholarships to qualified students to attend a qualified school. The credit is limited to tax and unused credits may be carried forward for a period not to exceed three years. The donor must be a taxpayer who is required to file a Louisiana income tax return and if the credit is claimed, no other Louisiana tax benefit is allowed for the same donation. (R.S. 47:6301)

**Owner of Accessible and Barrier-free Home** – Code 221 – Act 270 of the 2017 Regular Legislative Session made changes to the credit for taxpayers who include accessible and barrier-free design elements in the construction of a new one or two family dwelling or the renovation of an existing dwelling of the taxpayer. The credit is for the lesser of \$5,000 or the cost of the construction or renovation, and is taken in the taxable year that the construction or renovation is completed. The total amount of credits granted in any calendar year is limited to \$500,000 and the credits will be granted on a first-come, first-serve basis. See Revenue Information Bulletin 18-027. (R.S. 47:297(P)) Use credit code 145 on Schedule C-NR to report the Act 125 recovery amount.

**Research and Development** – Code 252 – Act 336 of the 2017 Regular Legislative Session provides that credits earned based on participation in the Small Business Technology Transfer Program or the Small Business Innovation Research Grant program may be transferred or sold to another taxpayer beginning with the 2018 tax year. (R.S. 47:6015)

#### OTHER

##### R-6311, Tax Incentives with Job Creation Components

Act 87 of the 2018 Regular Legislative Session requires additional annual reporting of tax credits that include a job creation component by LDR. These credits are: Employment of Certain First Time Drug Offenders, Employment of First Time Nonviolent Offenders, Employment of Previously Unemployed, Hiring Eligible Re-entrants, New Jobs, and Credit for Certain Federal Tax Credits - Federal Work Opportunity Credit. All taxpayers claiming these credits will need to report the number of employees hired qualifying for the credit and the number of those that had a Louisiana driver's license at the time that they were hired on Form R-6311. This form should be completed by the entity or person that earned the credit and must be attached to the return being filed by the taxpayer claiming the credit.

#### VISIT THESE LDR WEBSITES:

- [www.revenue.louisiana.gov/taxforms](http://www.revenue.louisiana.gov/taxforms) for forms and instructions.
- [www.revenue.louisiana.gov/individuals](http://www.revenue.louisiana.gov/individuals) for tax information.
- [www.revenue.louisiana.gov/fileonline](http://www.revenue.louisiana.gov/fileonline) for free filing options.
- [www.revenue.louisiana.gov/latap](http://www.revenue.louisiana.gov/latap) for free payment options.

## General Information for Filing your 2018 Louisiana Nonresident and Part-Year Resident Individual Income Tax Return



- Please use black ink only.
- Free internet filing is available for most Louisiana taxpayers on [www.revenue.louisiana.gov/fileonline](http://www.revenue.louisiana.gov/fileonline).
- See the inside back cover for What's New for 2018.

### WHO MUST FILE A RETURN (Form IT-540B)

1. If you are a nonresident, or part-year resident, with income from Louisiana sources, who is required to file a federal individual income tax return, you must file a Louisiana return reporting income earned in 2018.
  - a. Write amounts only on those lines that are applicable.
  - b. Use only a pen with **black ink**.
  - c. Because this form is read by a machine, enter your numbers clearly inside the boxes like this:  

0	1	2	3	4	5	6	7	8	9	X
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  - d. All numbers should be rounded to the nearest dollar. Numbers should **NOT** be entered over the pre-printed zeros in the boxes on the far right, which are used to designate cents (.00).
  - e. To avoid any delay in processing, use this form for **2018** only.
  - f. If you are filing an amended return, mark an "X" in the "Amended Return" box on the face of the return.
2. You must file a return to obtain a refund or credit if you overpaid your tax through withholding, declaration of estimated tax, credit carried forward, composite partnership payments made on your behalf, or claiming a 2018 refundable child care credit.
3. Military – If you are military personnel whose domicile is not Louisiana, you must report any nonmilitary Louisiana sourced income on Form IT-540B, *Louisiana Nonresident Individual Income Tax Return*. The federal Military Spouses Residency Relief Act has extended certain residency protections to spouses of military members. Under this Act, a spouse's state of residence does not change when he or she moves to a new state to be with a servicemember who is under military orders to be in the new state. A spouse who is NOT a resident of Louisiana but is in Louisiana solely to be with a Louisiana stationed servicemember who is NOT a resident of Louisiana must report all Louisiana sourced income other than wages, interest, or dividends, on Form IT-540B. If you qualify under the Military Spouses Residency Relief Act, mark an "X" in the "MSRA" box on the face of the return. Income earned within or derived from Louisiana sources such as rents, royalties, estates, trusts, or partnerships is taxable to Louisiana. See Revenue Information Bulletin 10-005 for more information.

If you are military personnel whose home of record is Louisiana and you meet the filing requirements of 1 or 2 above, you must file a return, regardless of where you were stationed. If you are single, you should file Form IT-540, *Louisiana Resident Individual Income Tax Return*, and report all of your income to Louisiana. If you are married, and both you and your spouse are residents of Louisiana, you should file Form IT-540 and report all of your income to Louisiana. If you are married and one of you is **NOT** a resident of Louisiana, you may file as a resident (Form IT-540) or a nonresident (Form IT-540B), whichever is more beneficial to you and your spouse.

4. Surviving Spouses, Executors, Administrators, or Legal Representatives – A final return for a decedent must be filed if you are the surviving spouse, executor, administrator, or legal representative, and the decedent met the filing requirements at the date of death. If both conditions apply, mark the decedent box on the face of the return for the appropriate taxpayer, and attach a copy of the death certificate. If a refund is due to the decedent's estate, survivor, etc., you must also complete and attach Form R-6642, *Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer*, found on the LDR website.
5. Exception – NONRESIDENT Professional Athletes – If you are a professional athlete, who either plays for a professional sports franchise, or who is a member of a professional sports association or league, you must file Form **IT-540B-NRA**, *Louisiana Nonresident Professional Athlete Individual Income Tax Return*, electronically, instead of Form IT-540B. Refer to Louisiana Administrative Codes (LAC) 61.I.1305 and 61.III.1527 on LDR's website at [www.revenue.louisiana.gov/policies](http://www.revenue.louisiana.gov/policies).

### NAME, ADDRESS, AND SOCIAL SECURITY NUMBER

Enter your legal name, address, daytime telephone number, Social Security Number, and date of birth on your return. If there is a change in your name or address since last year's return (for example, new spouse), mark an "X" in the "Name Change" or "Address Change" box. LDR automatically updates your account when you change your address with the Post Office. 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](http://www.revenue.louisiana.gov/latap). If married, enter Social Security Numbers and date of birth for both you and your spouse. On a joint return, your names and Social Security Numbers must be listed in the same order that you listed them on your federal return. You must select if you are filing as a nonresident or a part-year resident.

**2015 LEGISLATION RECOVERY** – Mark an "X" in the box if you are claiming any of the recoveries allowed under Act 125 of the 2015 Regular Legislative Session. See the instructions for Schedules C-NR, F-NR, and J-NR and Revenue Information Bulletin 17-018 for more information.

### FORMS

Forms and instructions are on the Louisiana Department of Revenue (LDR) website, [www.revenue.louisiana.gov/taxforms](http://www.revenue.louisiana.gov/taxforms).

### AMENDED RETURNS

If you file your income tax return and later become aware of any changes you must make to income, deductions, exemptions, or credits, you must file an amended (corrected) Louisiana return. You must use the correct form for the tax year being amended, mark an "X" in the "Amended Return" box on the face of the return, include an explanation of the change and a copy of the federal amended return, Federal Form 1040X, if one was filed. If you are amending your income tax return due to utilizing a Net Operating Loss (NOL) carryback, you must mark an "X" in the "Amended Return" box and also in the "NOL Carryback" box on the face of the return, include an explanation of the change and a copy of the federal amended return, Federal Form 1040X, if one was filed. See LAC 61:1.1302 for more information.

**NOTE: Do not make any adjustments for refunds received, or for payments made with the original return. This information is already on file.**

### FEDERAL TAX ADJUSTMENTS

Louisiana Revised Statute (R.S.) 47:103(C) requires taxpayers, whose federal returns are adjusted, to furnish a statement disclosing the nature and amounts of the adjustments within 60 days after the adjustments have been made and accepted. This statement must accompany the amended state return.

### WHEN TO FILE

1. A 2018 calendar year return is due on or before May 15, 2019.
2. Returns for fiscal years are due on or before the 15th day of the fifth month after the close of the taxable year.
3. If the due date falls on a weekend or legal state holiday, the return is due the next business day.

### WHERE TO FILE AND PAY TAX

Enter your legal name and Social Security Number on your return and any correspondence. **NOTE:** On a joint return, list the names and Social Security Numbers on Form IT-540B in the same order that you listed them on your federal return.

A return for which a **payment** is due must be mailed to P.O. Box 3550, Baton Rouge, LA 70821-3550. **Print the last four digits of your Social Security Number on your check or money order. DO NOT SEND CASH. An electronic payment option is available on the LDR website at [www.revenue.louisiana.gov/latap](http://www.revenue.louisiana.gov/latap).**

**You can also pay your taxes by credit card over the internet or by telephone.** Visit [www.officialpayments.com](http://www.officialpayments.com) or call 1.888.2PAY TAX (1.888.272.9829).



**All other individual income tax returns** must be mailed to P.O. Box 3440, Baton Rouge, LA 70821-3440.

### EXTENSION OF TIME FOR FILING A RETURN

The Secretary of the Louisiana Department of Revenue may grant an extension of time for filing returns not to exceed six months from the date the Louisiana income tax return is due. **State extensions must be filed electronically before the due date of the return.** An extension can be requested on the LDR website at [www.revenue.louisiana.gov/fileonline](http://www.revenue.louisiana.gov/fileonline). See page 12 for more options.

**By requesting an extension, you are only requesting additional time to file your tax return. An extension does not extend the time to pay the tax. Payments received after the due date will be charged interest and penalties.**

### INSTALLMENT REQUEST

If you are unable to pay the balance in full by the due date, you may submit an installment request using Form R-19026, *Installment Request for Individual Income*, which is available on LDR website. You may also submit the request by accessing your account at [www.revenue.louisiana.gov/latap](http://www.revenue.louisiana.gov/latap). There is a fee of \$105 to establish a standard installment payment agreement.

### KEEP YOUR RECORDS

You should keep copies of federal and state tax returns and W-2 statements for four years. In most cases, you do not have to submit a copy of your federal return with your state return unless requested by LDR. If you have completed Schedule H-NR to claim federal disaster relief credits, submit the specified forms as indicated in the instructions.

**Instructions for Preparing your 2018 Nonresident and Part-Year Resident Income Tax Return**

**NOTE:** If you are not required to file a federal return, but had Louisiana income tax withheld in 2018, complete Lines 1 through 6D. In the appropriate boxes above Line 7, enter the total amount of wages and income even though you may not be required to file a federal return and mark the box to the right. Skip to Line 14, enter zero "0" and complete the remainder of the return. You must enter the total amount of wages and income in the boxes above Line 7. Failure to do so will result in processing delays.

**Lines 1-5 – Filing status –** You must use the same filing status on your Louisiana return as you did on your federal return. In the box on the left, enter the number corresponding to your filing status: "1" for Single, "2" for Married Filing Jointly, "3" for Married Filing Separately, "4" for Head of Household, and "5" for Qualifying Widow(er). Head of Household status is for unmarried people who paid over half the cost of keeping up a home for a qualifying person. If you file as Head of Household, you must show the name of the qualifying person in the space provided, if the person is not a dependent. If you file as Qualifying Widow(er), you must show the name of the qualifying child in the space on Line 4, if the child is not a dependent.

**Lines 6A and 6B – Exemptions –** Mark an "X" in the appropriate boxes. You must use the same number of exemptions on your Louisiana return as you did on your federal return, unless: you are listed as a dependent on someone else's return, you are age 65 or over, or you are blind. You must claim an exemption for yourself on Line 6A, even if someone else claimed you on their federal tax return. This box has already been marked with an "X" for you.

**Line 6C –** Enter the names of the dependents claimed on your federal return. Complete the required information. If you have more than 6 dependents, attach a statement to your return with the required information. In the box on Line 6C, enter the total number of dependents claimed.

**Line 6D –** Add Lines 6A, 6B, and 6C.

**Line 7 –** Enter the amount of your Federal Adjusted Gross Income. This amount is taken from the Nonresident and Part-year Resident (NPR) Worksheet, Federal column, Line 12. If your Federal Adjusted Gross Income is less than zero, enter zero "0."

**Line 8 –** Enter the amount of your Louisiana Adjusted Gross Income. This amount is taken from the Nonresident and Part-year Resident (NPR) Worksheet, Louisiana column, Line 35. If your Louisiana Adjusted Gross Income is less than zero, enter zero "0."

**Line 9 –** Divide Line 8 by Line 7. Carry out to two decimal places in the percentage, for example 48.32 percent. **Do not round up.** The percentage cannot exceed 100 percent. When Federal Adjusted Gross Income is less than Louisiana income, the ratio shall be 100 percent (R.S. 47:293(10)).

**Lines 10A, 10B, and 10C –** If you did not itemize your deductions on your federal return, skip Lines 10A, 10B, and 10C and go to Line 10D.

**Line 10A –** If you itemized your deductions on your federal return, enter on Line 10A the amount of your federal itemized deductions shown on Federal Form 1040, Schedule A, Line 17.

**Line 10B –** If you itemized your deductions on your federal return, and your filing status is 1 or 3, enter \$12,000; 2 or 5, enter \$24,000; 4, enter \$18,000.

**Line 10C –** Subtract Line 10B from Line 10A. If less than zero, enter zero "0."

**Line 10D –** If you claimed federal disaster relief credits on your federal return as a result of Hurricane Katrina or Hurricane Rita, you must complete Schedule H-NR to determine your modified federal income tax deduction for Louisiana. The federal disaster relief credits claimed for this year and allowed by the IRS could be credits that are carried forward from previous years. However, the credits must be utilized on your federal return. Attach a copy of your federal return that indicates the amount of the credit, a copy of Federal Form 3800, and a copy of the appropriate IRS form to substantiate the amount of the credit.

If you **have not** claimed federal disaster relief credits, use the worksheet below to calculate your federal income tax deduction and enter the result on Line 10D.

**Optional Deduction –** The federal income tax deduction calculated on the worksheet may be increased by the amount of foreign tax credit claimed on Federal Form 1040, Schedule 3, Line 48. If taking the deduction, add the foreign tax credit amount from Federal Form 1040, Schedule 3, Line 48 to the tax from Federal Form 1040, Line 13 and enter on Line 1 below. Mark an "X" in box 1 on Line 10D to indicate the additional deduction is claimed. However, no special allowable credit may be claimed on Louisiana Nonrefundable Priority 1 Credits, Schedule C-NR, Line 3.

1	Enter the tax from Federal Form 1040, Line 13.	\$ _____
2	Net Investment Income Tax. Enter the amount from Federal Form 8960, Line 17.	\$ _____
3	Federal Tax. Add lines 1 and 2.	\$ _____
4a	Enter the amount from Form 4972, Line 30.	\$ _____
4b	Enter the amount from Form 8962, Line 29.	\$ _____
5	Add lines 4a and 4b.	\$ _____
6	Subtract line 5 from line 3 and enter on line 10D. <b>If amount is negative, enter zero.</b>	\$ _____

**Line 10E –** Add Lines 10C and 10D.

**Line 10F –** Multiply Line 10E by the percentage on Line 9. This amount of deduction is the portion applicable to your Louisiana income.

**Line 11 –** Subtract Line 10F from Line 8. If less than zero, enter zero "0".

**Line 12 –** Calculate your Louisiana income tax by using the Tax Computation Worksheet below. **DO NOT USE RESIDENT TAX TABLES.**

**Line 13 –** Enter the amount of the Nonrefundable Priority 1 Credits from Form IT-540B, Schedule C-NR, Line 8.

**Line 14 –** Subtract Line 13 from Line 12. If the result is less than zero, or if you are not required to file a federal return, enter zero "0" and complete the remainder of the return.

**Tax Computation Worksheet (Keep this worksheet for your records.)**

<b>A</b>	<b>Taxable Income:</b> Enter the amount from Form IT-540B, Line 11.	<b>A</b>	00
<b>B</b>	<b>First Bracket:</b> If Line A is greater than \$12,500 (\$25,000 if filing status is 2 or 5), enter \$12,500 (\$25,000 if filing status is 2 or 5). If Line A is less than \$12,500 (\$25,000 if filing status is 2 or 5), enter amount from Line A.	<b>B</b>	00
<b>C1</b>	<b>Combined Personal Exemption – Standard Deduction:</b> If your filing status is 2, 4, or 5, enter \$9,000; if 1 or 3, enter \$4,500.	<b>C1</b>	00
<b>C2</b>	<b>Credit for Dependents:</b> Enter \$1,000 for taxpayers and/or spouses who are 65 or over, or blind, and for each dependent claimed on Form IT-540B, Line 6C.	<b>C2</b>	00
<b>C3</b>	<b>Total:</b> Add Lines C1 and C2.	<b>C3</b>	00
<b>D</b>	<b>Ratio:</b> Enter the ratio from Form IT-540B, Line 9.	<b>D</b>	%
<b>E</b>	<b>Allowable Deduction:</b> Multiply Line C3 by the ratio on Line D.	<b>E</b>	00
<b>F</b>	<b>Taxable First Bracket:</b> Subtract Line E from Line B. Multiply balance by 2% and enter the result in the TAX column.	<b>F</b>	00
<b>G</b>	<b>Second Bracket:</b> Subtract Line B from Line A; and, if the balance is greater than zero, enter the balance or \$37,500 (\$75,000 if filing status is 2 or 5), whichever is less. <b>Note:</b> Reduce this amount by the amount that Line E exceeds Line B. Multiply balance by 4%, and enter the result in the TAX column.	<b>G</b>	00
<b>H</b>	<b>Third Bracket:</b> Subtract \$50,000 (\$100,000 if filing status is 2 or 5), from Line A, and enter the balance. If less than zero, enter "0." Multiply the balance by 6%, and enter the result in the TAX column.	<b>H</b>	00
<b>I</b>	<b>Total Tax:</b> Add the amounts in the TAX column on Lines F, G, and H. Enter here and on Form IT-540B, Line 12.	<b>I</b>	00



**Line 15** – Enter the amount of your Louisiana Refundable Child Care Credit from the 2018 Louisiana Refundable Child Care Credit Worksheet, page 15, Line 11. This worksheet must be attached to your return. **Your Federal Adjusted Gross Income must be \$25,000 or less to claim a credit on this line, and your child care expenses must have been incurred in Louisiana.** See instructions on page 12.

**Line 15A** – Enter the amount from the 2018 Louisiana Refundable Child Care Credit Worksheet, page 15, Line 3.

**Line 15B** – Enter the amount from the 2018 Louisiana Refundable Child Care Credit Worksheet, page 15, Line 6.

**Line 16** – Enter the amount of your 2018 Louisiana Refundable School Readiness Credit. **Your Federal Adjusted Gross Income must be \$25,000 or less to claim a credit on this line.** The amount is determined from your Louisiana Refundable School Readiness Credit Worksheet on page 16. In the boxes under Line 16, enter the number of your qualified dependents who attended the associated star rated facility or facilities.

**Line 17** – Enter the amount of the Louisiana Citizens Property Insurance assessment that was included in your homeowner’s insurance premium on Line 17A. Multiply the amount by 25 percent (.25) and enter the result on Line 17. A copy of the declaration page from your premium notice must be attached to your return. For additional information regarding this credit, visit [www.revenue.louisiana.gov/citizens](http://www.revenue.louisiana.gov/citizens).

Mark an “X” in the “2015 Legislation Recovery” box on the face of the return if you are claiming the recovery allowed under Act 125 of the 2015 Regular Legislative Session. Section 7 of Act 125 allows a recovery of the credit amount reduced by the Act if your 2014 return was filed after July 1, 2015, for which an extension was requested prior to May 15, 2015. You must attach Form R-6410, *2015 Legislation Recovery Worksheet*, to your return to show the calculation of the recovery. Include the 2018 recovery amount in the amount claimed on Line 17.

**Line 18** – Enter the amount of the Other Refundable Priority 2 Credits from Form IT-540B, Schedule F-NR, Line 10.

**Line 19** – Add Lines 15, and 16 through 18. Do not include amounts on Lines 15A, 15B, and 17A.

**Line 20** – If Line 14 is greater than Line 19, subtract Line 19 from Line 14. Also, enter a zero “0” on Line 21 and go to Line 22. Otherwise, enter a zero “0” on Line 20 and go to Line 21.

**Line 21** – If Line 19 is greater than Line 14, subtract Line 14 from Line 19.

**Line 22** – Enter the amount of the Nonrefundable Priority 3 Credits from Form IT-540B, Schedule J-NR, Line 16. These credits are limited to the tax liability calculated on Line 20.

**Line 23** – Subtract Line 22 from Line 20. If less than zero, enter zero “0”.

**Lines 24A and 24B** – During 2018, if you purchased goods for use in Louisiana from outside the state and were not charged Louisiana state sales tax, you are required to file and pay the tax directly to LDR. This includes purchases from catalogs, television, Internet, another state, or outside the U.S. If any of the items were alcoholic beverages or tobacco products, you are required to file Form R-5629, *Consumer Excise Tax Return*. Use the Consumer Use Tax Worksheet below to calculate your use tax. Do not include any consumer use tax reported on Form R-1035, *Consumer Use Tax Return*, or purchases made for your business. You must register your business with LDR and report the use tax for your business under that account. Mark an “X” in the box to indicate if no use tax is due or the amount from the Consumer Use Tax Worksheet.

**Line 25** – Add Lines 23, 24A, and 24B.

**Line 26** – Enter the amount from Line 21, if applicable.

**Line 27** – Enter the amount of Refundable Priority 4 Credits from Form

IT-540B, Schedule I-NR, Line 6.

**Line 28** – Enter the amount of Louisiana income tax withheld in 2018. You must attach copies of all W-2 and 1099 forms that indicate tax was withheld.

**Line 29** – Enter the amount of any credit carried forward from 2017. This amount is shown on your 2017 Form IT-540, Line 38, or IT-540B, Line 39.

**Line 30** – Enter the amount of any payment made on your behalf by a composite partnership filing. Enter the name of the partnership on the line provided on the return. If more than one partnership made a payment on your behalf, attach a schedule labeled with your name and Social Security Number and list each partnership and payment made.

**Line 31** – Enter the total amount of estimated payments you made for the 2018 tax year.

**Line 32** – Enter the amount of the payment made with your 2018 extension request.

**Line 33** – Add Lines 26 through 32.

**Line 34 – Overpayment** - If Line 33 is greater than Line 25, subtract Line 25 from Line 33. **Your overpayment may be reduced by the Underpayment of Estimated Tax Penalty.** If Line 33 is equal to Line 25, enter a zero on Lines 34 through 41 and go to Line 42. If Line 33 is less than Line 25, enter a zero on Lines 34 through 40 and go to Line 41.

**Line 35** – See instructions for Underpayment Penalty, page 11.

**Line 36** – If Line 34 is greater than Line 35, subtract Line 35 from Line 34 and enter the balance on Line 36. If Line 35 is greater than Line 34, enter zero “0”, subtract Line 34 from Line 35 and enter the balance on Line 41.

**Line 37** – You may donate all or part of your overpayment (Line 36) to various organizations or funds listed on Schedule D-NR, Lines 2 through 20. Enter the amount from Schedule D-NR, Line 21. This amount cannot be greater than Line 36.

**Line 38** – Subtract Line 37 from Line 36. This amount of overpayment is available for credit or refund.

**Line 39** – Enter the amount of available overpayment shown on Line 38 that you wish to credit to 2019.

**Line 40** – Subtract Line 39 from Line 38. This amount is to be refunded. You must select how you want to receive your refund. If this is your first time filing, your refund cannot be directly deposited. Enter a “2” in the box if you want to receive your refund by paper check. Enter a “3” in the box if you want your refund directly deposited into your bank account. Carefully enter the information in the boxes to indicate the type of bank account, the routing number, and the account number. Your nine digit routing number appears under the memo line of your check; your bank account number will appear to the right of your routing number. **You are required to answer the question regarding the location of the bank account. If the information is unreadable or if you do not select a method to receive your refund, you will receive your refund by paper check.** Option 1 was omitted intentionally.

**Line 41** – If Line 25 is greater than Line 33, subtract Line 33 from Line 25. If you entered an amount from Line 36 as the result of underpayment penalty exceeding an overpayment, complete Lines 42 through 44, enter zero “0” on Lines 45 through 48, and go to Line 49.

**Lines 42 through 44** – You may make an additional donation to the funds listed on Lines 42 through 44. You must include payment for the amount being donated with your return. The donation will not be made unless you make payment and the donation cannot be refunded at a later date.

**Line 45** – Interest is charged on all tax amounts not paid by the due date. Enter the amount from the Interest Calculation Worksheet, page 11, Line 5.

**Line 46** – If you fail to file your tax return by the due date – on or before

### Consumer Use Tax Worksheet

Under La. R.S. 47:302(K), LDR is required to collect a 9 percent tax on out-of-state purchases made before July 1, 2018, and 8.45 percent tax on out-of-state purchases made on or after July 1, 2018. These rates (which includes 4 percent to be distributed by LDR to local governments) are in lieu of the actual rate in effect for your area, and is payable regardless of the actual combined state and local rate for your area.

This law ensures that Louisiana businesses are not at a competitive disadvantage with out-of-state businesses who are not required to collect sales tax.

Purchases made before July 1, 2018		
1	Taxable Purchases	
2	Tax Rate	.09
3	Total use tax due – Multiply Line 1 by Line 2 and enter result on Form IT-540B, Line 24A.	

Purchases made on or after July 1, 2018		
4	Taxable Purchases	
5	Tax Rate	.0845
6	Total use tax due – Multiply Line 4 by Line 5 and enter result on Form IT-540B, Line 24B.	

May 15, 2019, for calendar year filers, on or before your fiscal year due date, or on or before your approved extension date, you may be charged a delinquent filing penalty. Enter the amount from the Delinquent Filing Penalty Calculation Worksheet, page 11, Line 7.

**Line 47** – If you fail to pay the tax due by the due date – on or before May 15, 2019, for calendar year filers, you may be charged a delinquent payment penalty. Enter the amount from the Delinquent Payment Penalty Calculation Worksheet, page 11, Line 7.

**Line 48** – See instructions for Underpayment Penalty, page 11.

**Line 49** – Add Lines 41 through 48. You may make an electronic payment at [www.revenue.louisiana.gov/latap](http://www.revenue.louisiana.gov/latap). You may also make payment by check or money order. **DO NOT SEND CASH.** Make your check or money order payable to the **Louisiana Department of Revenue**. Print the last four digits of your Social Security Number on your check or money order and attach it to your return.

You can also pay your taxes by credit card over the internet or by telephone. Visit [www.officialpayments.com](http://www.officialpayments.com) or call 1-888-2PAYTAX (1-888-272-9829).



**Social Security Numbers** – Enter your social security number in boxes provided on each page of the return.

**Name Boxes** – Enter the first 4 letters of the primary taxpayer's **last name** in the boxes on the second, third, and fourth page of this return.

**Filing – YOU MUST SIGN AND DATE YOUR RETURN.** If married filing jointly, both spouses must sign.

**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 Federal Employer Identification Number (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 unidentifiable preparer penalty on the preparer. The penalty of \$50 is for each occurrence of failing to sign or failing to provide an identification number.

**DO NOT SUBMIT A PHOTOCOPY OF THE RETURN. Only submit an original return.**

Instructions for Nonresident and Part-Year Resident (NPR) Worksheet

The Nonresident and Part-year Resident Worksheet is used to identify that portion of Federal Adjusted Gross Income that is Louisiana-sourced income. The worksheet has two columns, Federal and Louisiana. Using your federal income tax return, complete the Federal column for Lines 1 – 12. The income lines of the worksheet correspond to specific line number references on Federal Form 1040. Under the Louisiana column, enter the amount of income that was earned or sourced in Louisiana on Lines 1 - 9 and use the 2018 Adjustments to Income lines to calculate Louisiana Adjusted Gross Income. Each of the Addition and Subtraction items are allowable in accordance with state law.

**Adjusted Gross Income**

**Line 1** – In the Federal column, enter the amount of wages, salaries, tips, etc. from your Federal Form 1040, Line 1. Of the Federal amount, enter the amount of income earned in Louisiana in the Louisiana column.

**Line 2** – In the Federal column, enter the amount of taxable interest from your Federal Form 1040, Line 2b. Of the Federal amount, enter the amount of interest income earned in Louisiana in the Louisiana column.

**Line 3** – In the Federal column, enter the amount of dividends from your Federal Form 1040, Line 3b. Of the Federal amount, enter the amount of dividends earned in Louisiana in the Louisiana column.

**Line 4** – If you have business or farm income on your Federal Form 1040, Schedule 1, Lines 12 and 18, add the amounts together including any losses from these lines that are included in your Federal Adjusted Gross Income. In the Federal column, enter the total amount of business or farm income. If the amount is a loss, indicate the loss by using brackets. For example, a business loss of \$1,356 would be reflected as <1,356>. Of the Federal amount, enter the amount of business and farm income that was sourced in Louisiana in the Louisiana column.

**Line 5** – If you have capital gains or ordinary gains on your Federal Form 1040, Schedule 1, Lines 13 and 14, add the amounts together including any losses from these lines that are included in your Federal Adjusted Gross Income. In the Federal column, enter the total amount of capital gains and ordinary gains. If the amount is a loss, indicate the loss by using brackets. For example, an ordinary loss of \$3,500 would be reflected as <3,500>. Of the Federal amount, enter the amount of gains or losses that was sourced in Louisiana in the Louisiana column.

**Line 6** – In the federal column, enter the amount of IRA distributions or benefits from pensions and annuities from your Federal Form 1040, Line 4b. Of the Federal amount, enter the amount of IRA distributions, pensions and annuities that was earned in Louisiana in the Louisiana column.

**Line 7** – In the Federal column, enter the amount of rental real estate, royalty, partnership, S corporation and trust income from your Federal Form 1040, Schedule 1, Line 17, including any losses from this line that are included in your Federal Adjusted Gross Income. If the amount is a loss, indicate the loss by using brackets. For example, an S corporation loss of \$2,000 would be reflected as <2,000>. Of the Federal amount, enter the amount of income from rental real estate, royalties, partnerships, S corporations, trusts, etc. that was sourced in Louisiana in the Louisiana column.

**Line 8** – In the Federal column, enter the amount of Social Security benefits from your Federal Form 1040, Line 5b. Do not enter the taxable amount of your Social Security benefits in the Louisiana column. Social Security benefits taxable for Federal are not taxable to Louisiana as provided under R.S. 47:44.2.

**Line 9** – If you have taxable refunds, credits, offsets, alimony received, unemployment compensation, or other income reported on Federal Form 1040, Schedule 1, Lines 10, 11, 19, or 21, add the amounts together.

**Note:** Prizes and awards, gambling winnings, including lotteries, raffles, and lump-sum payment from the sale of a right to receive future lottery payments are examples of other income as defined by IRS. In the Federal column, enter the total amount from the lines listed above. Of the Federal amount, enter the amount of income from these sources that was earned in Louisiana in the Louisiana column.

**Line 10** – Add Lines 1 through 9 for each column.

**Line 11** – In the Federal column, enter the total amount of adjustments to gross income from your Federal Form 1040, Schedule 1, Line 36. Of the Federal amount, enter the amount of Louisiana adjustments to income in the Louisiana column.

**Line 12** – Under the Federal column, subtract Line 11 from Line 10 and enter the result on Line 12. This amount should agree with Federal Form 1040, Line 7. Under the Louisiana column, subtract Line 11 from Line 10 and enter the result on Line 12.

Enter the Federal Adjusted Gross Income from the NPR worksheet, Federal column, Line 12 on Form IT-540B, Line 7. Complete the remainder of the worksheet to calculate Louisiana Adjusted Gross Income.

**Additions**

**Line 13** – Tax-exempt interest and dividend income reported on your federal return are taxable to Louisiana, if ALL of the following conditions are met:

- a. The interest and dividends were earned while you were domiciled in Louisiana.
- b. The interest and dividends were received from obligations of a state or political subdivision of a state other than Louisiana. Obligations of the State of Louisiana, its political subdivisions, or public corporations created by them and their constituted authorities are exempt from Louisiana taxes.
- c. The obligations were purchased on or after January 1, 1980.

Enter the amount of interest or dividend income taxable to Louisiana from Federal Form 1040, Lines 2a on Line 13 in the Louisiana column. See Revenue Ruling 11-001 if you have any Build America Bonds.

**Line 14** – If any previously exempted Louisiana Student Tuition Assistance and Revenue Trust (START) contributions were refunded to you during 2018 by the Louisiana Office of Student Financial Aid, enter the amount in the Louisiana column.

**Line 15** – R.S. 47:6301(A)(1)(a) provides for a prohibition on double state benefits for a donation to a school tuition organization. If you claimed the credit for a donation to school tuition organization on Form IT-540B, Schedule J-NR, you must add back certain deductions taken at the federal level otherwise deductible for state income tax purposes if the following conditions are met:

- a. Your federal itemized deductions allowed by Internal Revenue Code Section 170 included the donation made to the school tuition organization as a charitable contribution on Schedule A attached to Federal Form 1040; and
- b. You claimed the excess federal itemized personal deduction on Form IT-540B, Line 10C for the tax year in which the donation was made.

The amount required to be added back is the difference between the amount reported on Form IT-540B, Line 10C and the recalculated excess federal itemized personal deduction after removing the donation from the individual's federal itemized personal deduction for the tax year in which

the donation was made. The addition is limited to the amount of the credit claimed. See Revenue Information Bulletin 18-024 on for more information.

**Line 16** – Add Lines 12 through 15 and enter the result in the Louisiana column.

**Subtractions**

**Line 17** – Enter the amount of interest and dividends received from U.S. government obligations that are included in the amount on Line 12 under the Louisiana column. Include amounts received from mutual funds, which are identified as income from investments in U.S. government obligations. If the amount is not identified specifically, it is taxable and cannot be excluded. This amount must be included in the calculation of Line 12 in the Louisiana column.

**Line 18** – Enter the amount of retirement benefits received from the Louisiana State Employees’ Retirement System. This amount must be included in the calculation of Line 12 under the Louisiana column. Indicate the date that you or your spouse retired on the appropriate line.

**Line 19** – Enter the amount of retirement benefits received from the Louisiana State Teachers’ Retirement System. This amount must be included in the calculation of Line 12 under the Louisiana column. Indicate the date that you or your spouse retired on the appropriate line.

**Line 20** – Enter the amount of retirement benefits received from a Federal Retirement System. This amount must be included in the calculation of Line 12 under the Louisiana column. Indicate the date that you or your spouse retired on the appropriate line.

**Line 21** – Enter the amount of retirement benefits received from any retirement systems whose benefits are specifically exempted by law from Louisiana income tax. In the space provided, enter the name of the retirement system or the statutory citation exempting these benefits from Louisiana income tax. A list of the eligible retirement systems and their statutory citations can be found at [www.revenue.louisiana.gov/FAQ/Details/1216](http://www.revenue.louisiana.gov/FAQ/Details/1216). This amount must be included in the calculation of Line 12 under the Louisiana column. Indicate the date that you or your spouse retired on the appropriate line.

Worksheet for Line 22	Taxpayer	Spouse
1. Enter retirement income you received and reported on Federal Form 1040, Line 4b. Enter taxpayer’s amount on Line 1(a) and enter spouse’s amount on Line 1(b).	a. _____	b. _____
2. Enter retirement income you received and reported on Lines 18 through 21 of the NPR worksheet. Enter taxpayer’s amount on Line 2(a) and enter spouse’s amount on Line 2(b).	_____	_____
3. Subtract Line 2 from Line 1.	_____	_____
4. Maximum exemption for individuals 65 or older.	\$6,000	\$6,000
5. For each taxpayer 65 or older, enter the amount from Line 3 or Line 4, whichever is less.	_____	_____
6. If your filing status is single, head of household, married filing separately, or qualifying widow(er), enter the amount from Line 5(a) above on Line 22 under the Louisiana column. If your filing status is married filing jointly, add the amounts on Lines 5(a) and 5(b) above and enter the result on Line 22 under the Louisiana column.		

**Line 22** – Up to \$6,000 of your annual retirement income may be exempted from state taxation if your filing status is single, head of household, married filing separately, or qualifying widow(er), and you are 65 years of age or older. If your filing status is **married filing jointly**, both you and your spouse are age 65 years or older, and each of you received annual retirement income, up to \$6,000 of the annual retirement income that **each** taxpayer receives may be exempt from state taxation. “Annual retirement income” that is taxable to Louisiana is any distributions from a pension, an annuity, or an individual retirement arrangement (IRA) that you receive and report on Federal Form Federal Form 1040, Line 4b. Do not include retirement benefits that are listed on the NPR worksheet, Lines 18 through 21. Enter the name of the payor on the line provided.

If your filing status is single, head of household, married filing separately, or qualifying widow(er), determine the exempt amount that should be entered by completing the **FIRST COLUMN** of the worksheet provided above.

If your filing status is married filing jointly, determine the exempt amount

that should be entered by completing **BOTH COLUMNS** of the worksheet provided above.

**Line 23** – Louisiana Administrative Code 61:I.1303 provides that income derived from sources **on the reservation** that have been earned or received by an enrolled member of a federally recognized Indian tribe who resides on that tribe’s reservation shall be exempted from Louisiana individual income tax. The income derived from sources **outside of the reservation, including sources outside of Louisiana**, that have been earned or received by an enrolled member of a federally recognized Indian tribe residing on that tribe’s reservation is taxable for Louisiana individual income tax purposes. Income earned by a member of a federally recognized tribe residing off of the tribe’s reservation in Louisiana is taxable regardless of the income source. Additionally, an enrolled member of a federally recognized Indian tribe who resides on the reservation for a portion of the year and resides off the reservation for a portion of the year is taxed based on where the enrolled member resided when the income was earned. This amount must be included in the calculation of Line 12 under the Louisiana column.

**Line 24** – R.S. 47:293(9)(a)(vi) provides that any Louisiana resident who is a Louisiana Student Tuition Assistance and Revenue Trust (START) account holder with a filing status of single, married filing separately, head of household, and qualifying widow(er) can exempt up to \$2,400 per beneficiary from Louisiana taxable income. Account holders with a filing status of married filing jointly can each exempt up to \$4,800 per beneficiary from Louisiana taxable income. In certain situations, the exemption amount can be doubled. See Revenue Information Bulletin 06-003 for more information. The exemption is not allowed for amounts contributed to a START K12 account.

**Line 25** – R.S. 47:293(9)(e) provides an exclusion to Louisiana residents who were on active duty in the U.S. armed forces for 120 or more consecutive days. The exempt portion is the compensation earned outside of Louisiana during and after 120 plus consecutive days of active duty, up to \$30,000. Example: If on January 15, 2018, you went on active duty and continuously remained on active duty at least through May 14, 2018, (120 days) during which you served 40 days in Louisiana and the remainder outside of Louisiana, income from the 41st day forward is exempt, up to \$30,000, once you have served more than 120 consecutive days. Retain a copy of your official orders, including endorsements that establish your 120 plus consecutive days of active duty with your 2018 return. If filing electronically, bring a copy of your orders including endorsements to your tax preparer. This amount must be included in the calculation of Line 12 under the Louisiana column.

**Line 26** – R.S. 47:293(9)(a)(i) and (10) provide 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 shall be excluded if the income was included in the taxpayer’s Federal Adjusted Gross Income. Benefits may include payments from Restore Louisiana for recovery from the Great Flood of 2016. This amount must be included in the calculation of Line 12 under the Louisiana column.

**Line 27** – R.S. 47:293(9)(a)(xii) and (10) provide an exclusion of \$500 per tax year for individuals who volunteer for recreation departments or serve as volunteer firefighters. To qualify for the Recreation Volunteer exclusion, the taxpayer must serve as a volunteer for 30 or more hours during the taxable year and must be registered as a volunteer with a recreation department operated by the state of Louisiana or a political subdivision of the state. The recreation department must certify that the taxpayer served as a volunteer and was not compensated for their services. To qualify for the Volunteer Firefighter exclusion, the taxpayer must complete 24 hours of continuing education and be an active member of the Louisiana State Fireman’s Association or on the departmental personnel roster for the State Fire Marshal’s Volunteer Fireman’s Insurance Program. To substantiate the exclusion, a taxpayer should retain either a membership card with the taxpayer’s name and the applicable tax year, a lifetime membership card, or a copy of the departmental personnel roster for the State Fire Marshal’s Volunteer Fireman’s Insurance Program and a certificate or other document provided to the taxpayer noting the date of the training, the topic covered, the duration of the training, and name and contact information of the person providing the training to support the continuing education requirements.

**Line 28** – R.S. 47:293(9)(a)(xiii) and (10) provide an exclusion for a taxpayer who voluntarily retrofits an existing residential structure on which the homestead exemption is claimed for ad valorem tax purposes and the structure is not rental property. The exclusion is for 50 percent of the cost paid or incurred on or after January 1, 2007, less the value of any other state, municipal, or federally sponsored financial incentives and is limited to \$5,000 per retrofitted residential structure. To qualify, the voluntary retrofitting must not be a construction, reconstruction, alteration, or repair of an existing residential structure and must comply with the State Uniform Construction Code. See Revenue Information Bulletin 09-007 for more information.

**Line 29** – Enter the amount of your IRC 280C expense adjustment. See



## Instructions for Nonresident and Part-Year Resident Worksheet ...Continued

Revenue Information Bulletin 06-017 for further details. To substantiate the credit, provide LDR with a copy of the Federal Form 3800 that indicates the credit plus the appropriate form for the credit. A shareholder of an S corporation or other pass-through entities should attach a copy of Schedule K-1 to substantiate the credit.

**Line 30** – Louisiana residents are allowed a deduction for certain school expenses paid during their time as a resident. R.S. 47:297.10 provides for the Elementary and Secondary School Tuition deduction for expenses paid for your qualified dependent's enrollment in a nonpublic elementary or secondary school or any public elementary or secondary laboratory school operated by a public college or university. R.S. 47:297.11 provides for the Educational Expenses for Home-Schooled Children deduction for expenses paid for home-schooling your qualified dependent. R.S. 47:297.12 provides for the Educational Expenses for Quality Public Education deduction for expenses paid for a quality education for your qualified dependent's enrollment in a public elementary or secondary school. The dependent must be claimed on your 2018 return or must have been claimed on your 2017 return. To calculate the amount of the deduction, use the 2018 Louisiana School Expense Deduction Worksheet.

**Line 31** – R.S. 47:293(9)(a)(xvii) provides a deduction for net capital gains resulting from the sale or exchange of an equity interest; or from the sale or exchange of substantially all of the assets of a nonpublicly traded corporation, partnership, limited liability company, or other organization commercially domiciled in Louisiana. To qualify for the deduction, the taxpayer must have held the business for a minimum of five years immediately prior to the sale or exchange. Attach a copy of your federal return and supporting forms and Form R-6180, *Net Capital Gains Deduction Worksheet*, showing the calculation of the deduction and all tiers of any flow-thru amounts. This amount must be included in the calculation of Line 12 under the Louisiana column. See Revenue Information Bulletins 10-017 and 16-039 for more information.

**Line 32** – R.S. 47:33(A)(7) provides a deduction for an individual partner, member, or shareholder's proportionate share of an entity-level tax paid to other states that is based solely upon net income included in the entity's federal taxable income without any capital component.

The deduction is for the taxpayer's share of the tax paid during 2018 and is limited to the extent that the proportionate share of the related income is or was taxed by Louisiana. See Revenue Information Bulletin 18-029 for more information and the documentation required to be attached to your return. The associated income must be included or was included in the calculation of Line 12 under the Louisiana column.

**Line 33** – On a separate schedule, list the source and amount of other income included on Line 12 under the Louisiana column that Louisiana cannot tax. You must attach copies of supporting documentation in order to verify the exemption claimed on this line. Do not list income earned in another state. Residents of Louisiana are taxed on all income, regardless of where the income was earned. See Revenue Ruling 11-001 if you have any Build America Bonds. This line should be used for the following:

- Out-of-state employees claiming the exclusion for all income received for disaster or emergency-related work conducted in the state during a declared state of emergency. Requests for written notice concerning emergency-related services are posted as Revenue Information Bulletins on LDR's website. (R.S. 47:53.5)
- Employers claiming the deduction for providing continuous employment to a qualified individual with a disability within this state (R.S. 47:297.13).
- Disabled individuals claiming the exemption for expenses for making adaptations to their home (R.S.47:59.1).
- Persons receiving disability income for a permanent, total disability may exclude up to \$6,000 of annual disability income (R.S. 47:44.1(B)).
- Persons claiming an S Bank shareholder exclusion, which is equal to the S Bank shareholder's nontaxable income from Louisiana taxable income. "S Bank nontaxable income" means the portion of the income reported by an S Bank on Federal Form 1120S, Schedule K-1, or the portion of the income reported by an S Bank on an equivalent document, which is attributable to the net earnings used to compute the S Bank's shares tax as provided in R.S. 47:1967.

**Note:** The depletion deduction is limited to the amount of federal depletion. Louisiana does not have a provision that allows excess depletion on individual income tax.

**Line 34** – Add Lines 17 through 33.

**Line 35** – Subtract Line 34 from Line 16. This is the amount of income that is taxable to Louisiana. Also, enter this amount on Form IT-540B, Line 8.

## General Information Regarding Tax 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 your Social Security 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 are posted on [www.revenue.louisiana.gov/policies](http://www.revenue.louisiana.gov/policies) under Policy Documents.

**Note:** If you are claiming a credit that is recorded in the Tax Credit Registry, you must attach completed Form R-6140, *Credit Utilization Form*, (Section 2) and a copy of Form R-6135, *Credit Registration Form*, to the tax 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.

## Instructions for Nonrefundable Priority 1 Credits, Schedule C-NR

**2015 LEGISLATION RECOVERY** – Mark an "X" in the "2015 Legislation Recovery" box on the face of the return if you are claiming any of the recoveries allowed under Act 125 of the 2015 Regular Legislative Session. Section 7 of Act 125 allows a recovery of the credit amount reduced by the Act if your 2014 return was filed after July 1, 2015, for which an extension was requested prior to May 15, 2015.

You must attach Form R-6410 to your return to show the calculation of the recoveries. Include the 2018 recovery amount in the amount claimed on Schedule C-NR for the appropriate credit. This amount could be in addition to any credits earned for the 2018 tax year.

**Line 1** – A credit of \$72 is allowed for the taxpayer, spouse, or dependent who is deaf, has lost the use of a limb, is mentally incapacitated, or is blind (R.S. 47:297(A)). Only one credit is allowed per person. The disability must exist at the end of the taxable year or, if death occurred during the taxable year, at the date of death. If you are claiming this credit for the first time, a physician's statement is required certifying the disability. For purposes of this credit:

- DEAF is defined as one who cannot understand speech through auditory means alone (even with the use of amplified sound) and must either use visual means or rely on other means of communication.
- LOSS OF LIMB is defined as one who has lost one or both hands, at or above the wrist, or one or both feet, at or above the ankle.

This credit also applies if use of the limb or limbs has been lost permanently.

- MENTALLY INCAPACITATED is defined as one who is incapable of caring for himself, or of performing routine daily health requirements, due to his condition.
- BLIND is defined as one who is totally blind or whose central field of acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity is limited to a field no greater than 20 degrees.

The names of the qualifying dependents must be entered on Line 1C. On Line 1D, enter the total number of qualifying individuals. Multiply Line 1D by \$72 and enter the result on Line 1E.

**Line 2** – Taxpayers who donate computer or other technological equipment to educational institutions in Louisiana are allowed a credit of 29 percent of the value of the property donated (R.S. 47:37). The recipient certifies the donation of property by using Form R-3400, *Certification of Donation or Contribution of Property of a Sophisticated and Technological Nature*, available on LDR's website. You must attach the completed certification form to your return. On Line 2A, enter the value of the property donated to an educational institution in Louisiana. Multiply the amount on Line 2A by 29 percent and enter the result on Line 2B. Round to the nearest dollar.

**Line 3** – Taxpayers are allowed a credit of 7 percent of the following federal credits: a credit for the elderly computed on Federal Schedule R;

**Instructions for Nonrefundable Priority 1 Credits, Schedule C-NR ...Continued**

a foreign tax credit found on Federal Form 1040, Schedule 3, Line 48; a residential energy credit found on Federal Form 1040, Schedule 3, Line 53; plus 7 percent of any investment tax credit or jobs credit computed on Federal Form 3800 (R.S. 47:297(B)). If the credit was not used on the federal return because of the alternative minimum tax, you must reduce this amount by the portion of the credit that was not used. Enter the total federal credit on Line 3A. Multiply Line 3A by 7 percent and enter the result or \$18, whichever is less, on Line 3B.

**Additional Nonrefundable Priority 1 Credits, Lines 4 through 7**

Additional nonrefundable credits available for the tax year ending December 31, 2018, are referenced individually by a three-digit code. Please enter the credit description, identifying code, and the dollar amount claimed in the appropriate spaces on Lines 4 through 7.

**NOTE: Use only the codes referenced in the table on Schedule C-NR. The codes listed here are not interchangeable with other codes listed in this booklet.**

Example:

Credit Description	Code	Amount of Credit Claimed
Bone Marrow	120	500.00

**Line 8** – Add Lines 1E, 2B, 3B, and 4 through 7. Also, enter the amount on Form IT-540B, Line 13.

CODE	CREDIT DESCRIPTION
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- 099 – Education Credit Act 125 Recovery** – Section 7 of Act 125 of the 2015 Regular Legislative Session provides a recovery of the credit amount reduced by the Act if your 2014 return was filed after July 1, 2015, for which an extension was requested prior to May 15, 2015. Use this credit code to report one-third of the education credit reduced on your 2014 return. Attach Form R-6410 to your return. See Revenue Information Bulletin 17-018 for more information.
- 100 – Premium Tax** – R.S. 47:227 provides a credit 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 individuals 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 individual.
- 105 – Commercial Fishing** – R.S. 47:297(C) provides a credit for 72 percent of the gasoline and special fuels taxes paid for operating or propelling any commercial fishing boat. Attach a schedule listing all invoices and taxes paid. Do not claim the credit if you have already received a fuel tax refund.
- 110 – Family Responsibility** – R.S. 47:297(F) provides a credit for the amount contributed in a family responsibility program under the provisions of R.S. 46:449. The amount of this credit is equal to 24 percent of the contribution, not to exceed \$144.
- 115 – Small Town Health Professionals** – R.S. 47:297(H) provides a credit for certified primary care physicians, dentists, or primary care nurse practitioners licensed to practice in certain areas of Louisiana. Taxpayers must apply to the Louisiana Department of Health (LDH) by November 30, 2018, for eligibility for 2018 and a copy of the certificate letter must be attached to the return. The credit amount is listed on the certificate letter and is limited to tax. For more information, see Revenue Information Bulletin 18-028 and Louisiana Administrative Code (LAC) 61:I.1915.
- 120 – Bone Marrow** – R.S. 47:297(I) provides a credit 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 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.

CODE	CREDIT DESCRIPTION
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- 125 – Law Enforcement Education** – R.S. 47:297(J) provides a credit for certain law enforcement officers and specified employees of the Louisiana Departments of Public Safety or Corrections for 72 percent of specific post-secondary educational expenses incurred in the pursuit of an undergraduate degree related to law enforcement. The credit is limited to \$540.
- 130 – First Time Drug Offenders** – R.S. 47:297(K) provides a credit for a taxpayer who provides full-time employment to an individual who has been convicted of a first time drug offense, who is less than 25 years of age at the time of initial employment, has completed a court-ordered program certified by the employee's probation officer, and has worked 180 days. The credit is equal to \$144 per eligible employee. A statement signed by both the employer and employee certifying the employee's full-time work status for the year and Form R-6311, *Tax Incentives with Job Creation Components*, must be attached to the return.
- 135 – Bulletproof Vest** – R.S. 47:297(L) provides a credit for the purchase of a bulletproof vest for certain law enforcement personnel. The amount of this credit is equal to 72 percent of the purchase price, not to exceed \$72.
- 140 – Nonviolent Offenders** – R.S. 47:297(O) provides a credit for a taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense, has completed a court-ordered program certified by the employee's probation officer, and has worked 180 days. A statement signed by both the employer and employee certifying the employee's full-time work status for the year and Form R-6311 must be attached to the return.
- 145 – Owner of Newly Constructed Accessible Home Act 125 Recovery** – Section 7 of Act 125 of the 2015 Regular Legislative Session provides a recovery of the credit amount reduced by the Act if your 2014 return was filed after July 1, 2015, for which an extension was requested prior to May 15, 2015. Use this credit code to report one-third of the credit reduced on your 2014 return. Attach Form R-6410 to your return. See Revenue Information Bulletin 17-018 for more information. To claim a current year credit, use credit code 221 on Schedule J-NR.
- 150 – Qualified Playgrounds** – R.S. 47:6008 provides a credit for donations to assist qualified playgrounds. The credit is for 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 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.
- 175 – Donations of Materials, Equipment, Advisors, or Instructors Act 125 Recovery** – Section 7 of Act 125 of the 2015 Regular Legislative Session provides a recovery of the credit amount reduced by the Act if your 2014 return was filed after July 1, 2015, for which an extension was requested prior to May 15, 2015. Use this credit code to report one-third of the credit reduced on your 2014 return. Attach Form R-6410 to your return. See Revenue Information Bulletin 17-018 for more information.
- 185 – Conversion of Vehicle to Alternative Fuel** – R.S. 47:6035 provides a credit for the purchase of or conversion of a vehicle designed to run on an alternative fuel. The credit for the purchase of a qualifying new vehicle is equal to 10 percent of the cost of the qualified vehicle or \$2,500, whichever is less. The credit for vehicle conversions or building of fueling stations is equal to 30 percent of the cost of the qualified clean-burning motor vehicle fuel property. See Revenue Information Bulletin 13-023 for definition of alternative fuel and Revenue Information Bulletin 17-016 for more information. You must attach documentation verifying the conversion or purchase of the vehicle and the vehicle's registration with the Louisiana Department of Public Safety.
- 199 – Other** – Reserved for future credits.

**Instructions for Donations, Schedule D-NR**

- Line 1** – Enter the amount of adjusted overpayment from Form IT-540B, Line 36.
- Line 2** – You may donate all or part of your adjusted overpayment to The Military Family Assistance Fund. This fund provides assistance to family members of active Louisiana military personnel.
- Line 3** – You may donate all or part of your adjusted overpayment to

the Coastal Protection and Restoration Fund for the purposes of coastal restoration, conservation, and hurricane protection. For more information, visit [www.coastal.louisiana.gov](http://www.coastal.louisiana.gov).



**Instructions for Donations, Schedule D-NR ...Continued**

**Line 4** – You may contribute an amount of your adjusted overpayment to the Louisiana Student Tuition Assistance and Revenue Trust (START) Savings Program. Contributions are not allowed to a START K12 account. **IMPORTANT:** If filing a joint return, you or your spouse must be a registered account owner in the START Savings Program in order to contribute all or part of your overpayment. If you do not have an account, you may contact the Louisiana Office of Student Financial Assistance at 1-800-259-5626, or go to [www.startsavings.la.gov](http://www.startsavings.la.gov) to enroll. All contributions of your overpayment will be equally distributed among the account holder’s beneficiaries.

**Line 5** – You may donate all or part of your adjusted overpayment to the Wildlife Habitat and Natural Heritage Trust Fund. This fund provides for the acquisition and management of lands used for state parks, state forests, and wildlife and fishery management areas.

**Line 6** – You may donate all or part of your adjusted overpayment to the Louisiana Cancer and Lung Trust Fund (LCLTFB). This fund provides for resources to reduce the incidence, morbidity, mortality, and economic impact of all forms of cancer through education, prevention, research, and early detection.

**Line 7** – You may donate all or part of your adjusted overpayment to the Louisiana Pet Overpopulation Advisory Council for the purpose of promoting the proper treatment and well-being of animals. For more information, visit [www.louisianapetoverpopulation.org](http://www.louisianapetoverpopulation.org).

**Line 8** – You may donate all or part of your adjusted overpayment to promote unity among member food banks in Louisiana in support of their common mission to feed the hungry. For more information, visit [www.lafba.org](http://www.lafba.org).

**Line 9** – You may donate all or part of your adjusted overpayment to the Make-A-Wish Foundation of the Texas Gulf Coast & Louisiana. For more information, visit [www.texgulf.wish.org](http://www.texgulf.wish.org).

**Line 10** – You may donate all or part of your adjusted overpayment to the Louisiana Association of United Ways/LA 2-1-1 for the purpose of the 2-1-1 helpline. For more information, visit [www.louisiana211.org](http://www.louisiana211.org).

**Line 11** – You may donate all or part of your adjusted overpayment to the American Red Cross. For more information, visit [www.redcross.org](http://www.redcross.org).

**Line 12** – You may donate all or part of your adjusted overpayment to the

Honor Guard for Military Funerals Fund. This fund provides for military funeral honors for members of Louisiana’s military forces.

**Line 13** – You may donate all or part of your adjusted overpayment to the Louisiana State Troopers Charities, Inc. to assist in educational and community oriented programs that promote or improve the standing of the Louisiana State Police in the communities of this State.

**Line 14** – You may donate all or part of your adjusted overpayment to the Friends of Palmetto Island State Park, Inc. for the purpose of supporting and enhancing the Palmetto Island State Park.

**Line 15** – You may donate all or part of your adjusted overpayment to the American Rose Society. For more information, visit [www.rose.org](http://www.rose.org).

**Line 16** – You may donate all or part of your adjusted overpayment to the Extra Mile, Southeast Louisiana, Inc. to enhance and enrich the quality of life for all persons served by human service agencies. For more information, visit [www.temsela.org](http://www.temsela.org).

**Line 17** – You may donate all or part of your adjusted overpayment to the Louisiana Naval War Memorial Commission. This commission is responsible for the operation and upkeep of the U.S.S. KIDD Veterans Memorial.

**Line 18** – You may donate all or part of your adjusted overpayment to the Children’s Therapeutic Services at the Emerge Center. This organization provides for optimizing independent communication and social interaction skills. For more information, visit [www.emergela.org](http://www.emergela.org).

**Line 19** – You may donate all or part of your adjusted overpayment to the Louisiana Horse Rescue Association. The purpose of this association is to provide sanctuary for abused or abandoned horses of racing breeds until caring homes are found for them. For more information, visit [www.louisianahorserescue.com](http://www.louisianahorserescue.com)

**Line 20** – You may donate all or part of your adjusted overpayment to the Louisiana Coalition Against Domestic Violence (LCADV) fund. The purpose of this fund is to provide resources to educate women who are victims of domestic violence. For more information, visit [www.lcadv.org](http://www.lcadv.org).

**Line 21** – Add Lines 2 through 20. This amount cannot be more than Line 1. Also, enter this amount on Form IT-540B, Line 37.

**Instructions for Refundable Priority 2 Credits, Schedule F-NR**

**2015 LEGISLATION RECOVERY** – Mark an “X” in the “2015 Legislation Recovery” box on the face of the return if you are claiming any of the recoveries allowed under Act 125 of the 2015 Regular Legislative Session. Section 7 of Act 125 allows a recovery of the credit amount reduced by the Act if your 2014 return was filed after July 1, 2015, for which an extension was requested prior to May 15, 2015.

You must attach Form R-6410 to your return to show the calculation of the recoveries. Include the 2018 recovery amount in the amount claimed on Schedule F-NR for the appropriate credit. This amount could be in addition to any credits earned for the 2018 tax year.

**Line 1** – R.S. 47:297.9 allows a refundable credit for 72 percent of the amount paid by an active or reserve military servicemember, the spouse of an active or reserve military servicemember, or the dependent of such servicemember for obtaining a Louisiana noncommercial hunting or fishing license. A copy of the noncommercial hunting and/or fishing license must be submitted to LDR in order to claim the credit. Complete all information requested in Lines 1A through 1C. Multiply the amount paid by 72 percent (.72) and enter on Line 1D. The credit for the license is valid only during the time the servicemember is on active duty and does not apply to purchases of lifetime licenses. Please contact LDR for more information concerning this credit.

**Additional Refundable Priority 2 Credits, Lines 2 through 6**  
Additional refundable credits available for the tax year ending December 31, 2018, are referenced individually by a three-digit code. Please enter the credit description, identifying code and the dollar amount claimed in the appropriate spaces on Lines 2 through 6.

**NOTE: Use only the codes referenced in the table on Schedule F-NR. The codes listed here are not interchangeable with other codes listed in this booklet.**

Example:

Credit Description	Code	Amount of Credit Claimed
Historic Residential	<b>60F</b>	<b>400.00</b>

**Transferable, Refundable Priority 2 Credits, Lines 7 through 9**  
Complete Lines 7 through 9 if you are claiming the Musical and Theatrical

Productions credit. 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 for claiming a purchased transferable tax credit.

**Line 10** – Add Lines 1D, and 2 through 9. Also, enter the amount on Form IT-540B, Line 18.

**CODE CREDIT DESCRIPTION**

- 52F – Ad Valorem Offshore Vessels** – R.S.47:6006.1 allows a refundable credit for 100 percent of the ad valorem taxes paid on vessels in Outer Continental Shelf Lands Act Waters. Copies of the tax assessment, the cancelled 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 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 individual’s behalf.
- 55F – Prison Industry Enhancement** – R.S. 47:6018 allows a refundable credit for 72 percent of the state sales and use tax paid by a taxpayer on purchases of specialty apparel items from a private sector Prison Industry Enhancement (PIE) contractor. Contact LDR for further information regarding this credit.
- 57F – Mentor-Protégé** – R.S. 47:6027 allows a refundable credit for a mentor business that fulfills the terms of a Mentor-Protégé Agreement as approved by the Louisiana Department of Economic Development. A copy of the certification of the credit must be attached to the return.
- 58F – Milk Producers** – R.S. 47:6032 allows a refundable credit 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

Instructions for Refundable Priority 2 Credits, Schedule F-NR ...Continued

CODE	CREDIT DESCRIPTION	CODE	CREDIT DESCRIPTION
	requirements of the Food and Drug Administration, shall be certified by the Louisiana Department of Health to receive the credit. Revenue Information Bulletin 08-014 provides information regarding the credit.		<i>louisiana.gov/SchoolReadiness</i> . For more information regarding this credit, contact the Louisiana Department of Education.
<b>59F</b>	<b>Technology Commercialization</b> – R.S.51:2351 et seq. allows a refundable credit for a qualifying individual or 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.	<b>67F</b>	<b>School Readiness Business-Supported Child Care</b> – R.S. 47:6107 allows a refundable credit 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 cancelled 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.
<b>60F</b>	<b>Historic Residential</b> – R.S. 47:297.6 allows a refundable credit for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in a National Register Historic District, a cultural district, a local historic district, a Main Street District, or a downtown development district. The tax credit is limited to one credit per rehabilitated structure and cannot exceed \$18,500 per structure. Taxpayers must apply to the Louisiana Department of Culture, Recreation, and Tourism, Division of Historic Preservation for certification. A copy of the certification of the credit must be attached to the return.	<b>68F</b>	<b>School Readiness Fees and Grants to Resource and Referral Agencies</b> – R.S. 47:6107 allows a refundable credit for a taxpayer whose business pays fees and grants to child care resource and referral agencies. The credit cannot exceed \$5,000 per tax year. For more information regarding this credit, contact the Louisiana Department of Education.
<b>62F</b>	<b>Musical and Theatrical Productions</b> – R.S. 47:6034 allows a refundable credit 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.	<b>70F</b>	<b>Retention and Modernization</b> – R.S. 51:2399.1 et seq. allows a refundable credit 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.
<b>65F</b>	<b>School Readiness Child Care Provider</b> – R.S. 47:6105 allows a refundable credit 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 or to children who participate in the Child Care Assistance Program administered by the Louisiana Department of Education (LDE). 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 LDE.	<b>71F</b>	<b>Conversion of Vehicle to Alternative Fuel Act 125 Recovery</b> Section 7 of Act 125 of the 2015 Regular Legislative Session provides a recovery of the credit amount reduced by the Act if your 2014 return was filed after July 1, 2015, for which an extension was requested prior to May 15, 2015. Use this credit code to report one-third of the conversion of vehicle to alternative fuel credit reduced on your 2014 return. Attach Form R-6410 to your return. See Revenue Information Bulletin 17-018 for more information. To claim a current year credit, use credit code 185 on Schedule C-NR.
<b>66F</b>	<b>School Readiness Child Care Directors and Staff</b> – R.S. 47:6106 allows a refundable credit for eligible child care directors and eligible child care staff. The tax credit is based on certain attained qualifications for directors and staff members. The credit amount is variable and the 2018 amount is posted at <i>www.revenue.louisiana.gov</i> .	<b>73F</b>	<b>Digital Interactive Media &amp; Software</b> – R.S. 47:6022 provides a credit to individuals 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.
		<b>80F</b>	<b>Other Refundable Credit</b> – Reserved for future credits.

Instructions for Refundable Priority 4 Credits, Schedule I-NR

**Refundable Priority 4 Credits, Lines 1 through 5**

Additional refundable credits available for the tax year ending December 31, 2018, are referenced individually by a three-digit code. Please enter the credit description, identifying code and the dollar amount claimed in the appropriate spaces on Lines 1 through 5.

**NOTE: Use only the codes referenced in the table on Schedule I-NR. The codes listed here are not interchangeable with other codes listed in this booklet.**

Example:

Credit Description	Code	Amount of Credit Claimed
Inventory Tax	50F	500.00

**Line 6** – Add Lines 1 through 5. Also, enter the amount on Form IT-540B, Line 27.

**CODE CREDIT DESCRIPTION**

**50F – Inventory Tax** – You must use Form R-10610, *Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors, and Retailers*, to calculate the amount of credit you can claim. R.S. 47:6006 allows a credit 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

**CODE CREDIT DESCRIPTION**

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 use Form R-10610 to calculate the amount of credit you can claim. R.S. 47:6006 allows a credit for 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.

## General Information about Disaster Relief Credits for Hurricane Katrina or Hurricane Rita

### Federal Disaster Relief Credits

Louisiana provides a deduction for federal income taxes paid on Louisiana income. Generally, when the federal income tax liability is decreased by federal credits, the amount of the Louisiana income tax liability increases. R.S. 47:293(4)(b) expands the relief granted to Louisiana taxpayers who claimed certain disaster credits granted for **Hurricane Katrina or Hurricane Rita**. To avoid paying additional income tax, Louisiana taxpayers who received these federal credits may increase the amount of their Louisiana federal income tax deduction by the amount of certain disaster relief credits claimed on the 2018 federal income tax form. Louisiana Administrative Code (LAC) 61:1.601 designated the following federal credits which were earned pursuant to either the Katrina Emergency Tax Relief Act of 2005 or the Gulf Opportunity Zone Act of 2005 as disaster relief credits:

1. Employee Retention Credit
2. Work Opportunity Credit
3. Rehabilitation Tax Credit
4. Employer-Provided Housing Credit
5. Low Income Housing Credit
6. New Markets Tax Credit

For complete information about disaster relief credits, see LAC 61:1.601 on the LDR website, [www.revenue.louisiana.gov/policies](http://www.revenue.louisiana.gov/policies).

Consult your tax advisor or the IRS for information concerning the federal credits. If you claimed federal disaster relief credits on your federal return, complete Schedule H-NR and attach a copy of the appropriate federal forms to your return to substantiate your modified Louisiana federal income tax deduction.

## Instructions for Modified Federal Income Tax Deduction, Schedule H-NR

**Line 1** – Enter the amount of your federal income tax liability from the Federal Income Tax Deduction worksheet on page 1.

**Line 2** – Enter the amount of federal disaster relief credits claimed on your federal return. The federal disaster relief credits claimed for this year and allowed by the IRS could be credits that are carried forward from previous years. Attach a copy of your federal return that indicates the amount of the

credit, a copy of Form 3800, and a copy of the appropriate IRS form in order to substantiate the amount of the credit.

**Line 3** – Add the amounts from Lines 1 and 2 and enter the result on Line 3 and on Form IT-540B, Line 10D. Mark an "X" in box 2 on Form IT-540B, Line 10D to indicate that your income tax deduction has been increased by the amount of federal disaster credits.

## Instructions for Nonrefundable Priority 3 Credits, Schedule J-NR

**2015 LEGISLATION RECOVERY** – Mark an "X" in the "2015 Legislation Recovery" box on the face of the return if you are claiming any of the recoveries allowed under Act 125 of the 2015 Regular Legislative Session. Section 7 of Act 125 allows a recovery of the credit amount reduced by the Act if your 2014 return was filed after July 1, 2015, for which an extension was requested prior to May 15, 2015.

You must attach Form R-6410 to your return to show the calculation of the recoveries. Include the 2018 recovery amount in the amount claimed on Schedule J-NR for the appropriate credit. This amount could be in addition to any credits earned for the 2018 tax year or carry forwards being utilized this year.

### Nonrefundable Child Care Credits

**Lines 1** – If you have claimed a Federal Child Care Credit on either Federal Form 1040, Schedule 3, Line 49, enter the amount.

**Line 2** – Enter the amount of your 2018 Louisiana Nonrefundable Child Care Credit from the Louisiana Nonrefundable Child Care Credit Worksheet on page 13. **Your Federal Adjusted Gross Income must be greater than \$25,000 to claim this credit.** See instructions on page 12.

**Line 3** – Enter the amount of your Louisiana Nonrefundable Child Care Credit carried forward from 2013 through 2017. The amount of your 2012 Nonrefundable Child Care Credit Carryforward cannot be included in this amount. To determine the carry forward amount, use the Louisiana Nonrefundable Child Care Credit Worksheet on page 13.

**Line 4** – Enter the amount of your Louisiana Nonrefundable School Readiness Credit. **Your Federal Adjusted Gross Income must be greater than \$25,000 to claim this credit.** The amount is determined from your Nonrefundable School Readiness Credit Worksheet on page 14. In the boxes under Line 4, enter the number of your qualified dependents who attended the associated star rated facility or facilities.

**Line 5** – Enter the amount of your Louisiana Nonrefundable School Readiness Credit carried forward from 2013 through 2017. The amount of your 2012 Nonrefundable School Readiness Credit Carryforward cannot be included in this amount. To determine the carry forward amount, use the Louisiana Nonrefundable School Readiness Credit Worksheet on page 14.

**Additional Nonrefundable Priority 3 Credits, Lines 6 through 11** Additional nonrefundable credits available for the tax year ending December 31, 2018, are referenced individually by a three-digit code. Please enter the credit description, identifying code and the dollar amount claimed in the appropriate spaces on Lines 6 through 11.

**Transferable, Nonrefundable Priority 3 Credits, Lines 12 through 15** Complete Lines 12 through 15 if you are claiming a transferable credit. For Lines 12A, 13A, 14A, and 15A, enter the State Certification Number from Form R-6135 for credits claimed on Lines 12 through 15 respectively. See Revenue Information Bulletin 17-008 for claiming a purchased transferable tax credit.

**NOTE: Use only the codes referenced in the table on Schedule J-NR. The codes listed here are not interchangeable with other codes listed in this booklet.**

Example:

Credit Description	Code	Amount of Credit Claimed
New Jobs Credit	2 2 4	5 0 0 . 00

**Line 16** – Add Lines 2 through 15. Also, enter the amount on Form IT-540B, Line 22.

CODE	CREDIT DESCRIPTION
200	<b>Atchafalaya Trace</b> – R.S. 25:1226.4 provides a credit 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.
202	<b>Organ Donation</b> – R.S. 47:297(N) provides a credit to offset certain expenses incurred by an individual or spouse for a living organ donation.
204	<b>Household Expense for Physically and Mentally Incapable Persons</b> – R.S. 47:297.2 provides a credit for a person who maintains a household that includes one or more dependents who are physically or mentally incapable of caring for themselves. The credit is for the applicable percentage of employment related expenses allowable pursuant to Section 21 of the Internal Revenue Code.
208	<b>Previously Unemployed</b> – R.S. 47:6004 provides a credit for hiring a previously unemployed person who participates in the Family Independence Work Program in a newly created full time job. A notarized statement from qualifying employee(s) certifying that they meet the qualifications for the credit and Form R-6311 must be attached to the return.
210	<b>Recycling Credit</b> – R.S. 47:6005 provides a credit 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.
212	<b>Basic Skills Training</b> – R.S. 47:6009 provides a credit for employers who pay for training to bring employees' reading, writing, or mathematical skills to at least the 12th grade level. The credit cannot exceed \$180 per participating employee and cannot exceed \$21,600 for the tax year.
213	<b>Donation to School Tuition Organization</b> – R.S. 47:6301 provides a credit for donations made to a school tuition organization that provides scholarships to qualified students to attend a qualified school. Attach Form R-10604, <i>Receipt of Donation for Louisiana Tuition Donation Tax Credit</i> , to your return. See Revenue Information Bulletin 18-024 for more information.
218	<b>Inventory Tax Credit Carried Forward and ITEP</b> – R.S. 47:6006 provides a credit 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 2014 through 2017. Manufacturers who claimed the property tax exemption under



CODE	CREDIT DESCRIPTION	CODE	CREDIT DESCRIPTION
	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 2014 through 2017 and the current year credit calculated on the 2018 Form R-10610-ITE, <i>Schedule of Ad Valorem Tax Credit Claimed by ITEP Manufacturers for Ad Valorem Tax Paid on Inventory</i> .	<b>238</b>	<b>Ports of Louisiana Investor</b> – R.S. 47:6036(C) provides a credit to individuals 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.
<b>219</b>	<b>Ad Valorem Natural Gas Credit Carried Forward</b> – R.S. 47:6006 provides a credit 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 2014 through 2017.	<b>240</b>	<b>Ports of Louisiana Import Export Cargo</b> – R.S. 47:6036(I) provides a credit to individuals 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.
<b>221</b>	<b>Owner of Accessible and Barrier-free Home</b> – R.S. 47:297(P) provides a credit for a taxpayer who includes accessible and barrier-free design elements in the construction of a new one or two family dwelling or in the renovation of an existing dwelling of the taxpayer. The credit is for the lesser of \$5,000 or the cost of the construction or renovation, and is taken in the taxable year that the construction or renovation is completed. Form R-1089, <i>Owner of Accessible and Barrier-Free Home Tax Credit for Individuals</i> , must be attached to your return as documentation for this credit. See Revenue Information Bulletin 18-027 on LDR’s website.	<b>251</b>	<b>Motion Picture Investment</b> – R.S. 47:6007(C)(1) provides a credit for an individual taxpayer residing in Louisiana who invests in a state-certified, motion picture production. Taxpayers taking this credit may attach Form R-10611, <i>Motion Picture Investment Tax Credit Schedule</i> , as documentation for this credit. See Revenue Information Bulletin 17-019 and <a href="http://www.revenue.louisiana.gov/CreditCaps">www.revenue.louisiana.gov/CreditCaps</a> for more information. This credit can only be claimed on Lines 12 through 15.
<b>224</b>	<b>New Jobs Credit</b> – R.S. 47:34 and R.S. 47:287.749 provide a credit to employers who establish or expand a business in the state. You must attach Form R-6311 and a schedule that includes the calculation of the credit; the name, address, and Social Security Number of each new employee; highest number of full-time and qualified part-time employees during the previous year; highest number of full-time and part-time employees during the current year; number of new employees hired for new jobs created during this taxable year; and amount of credit carried forward from the previous year.	<b>252</b>	<b>Research and Development</b> – R.S. 47:6015 provides a credit for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research activities. Use this code for Research and Development credits earned for expenditures made in tax years beginning before January 1, 2009. Also, use this code for credits earned based on participation in the Small Business Technology Transfer or the Small Business Innovation Research Grant program beginning with the 2018 tax year.
<b>226</b>	<b>Refund by Utilities</b> – R.S. 47:287.664 provides a credit for certain court ordered refunds made by utilities to its customers.	<b>253</b>	<b>Historic Structures</b> – R.S. 47:6019 provides a credit if the taxpayer incurs certain expenses during the rehabilitation of a historic structure that is located in a Downtown Development District or cultural district. Refer to Revenue Information Bulletins 14-007 and 14-007A on LDR’s website. This credit can only be claimed on Lines 12 through 15.
<b>228</b>	<b>Eligible Re-entrants</b> – R.S. 47:287.748 provides a credit to a taxpayer who employs an eligible re-entrant in Louisiana. An eligible re-entrant is defined as a person who has been convicted of a felony and who has successfully completed the Intensive Incarceration Program, as provided in R.S. 15:574.4. A list of eligible re-entrants and documentation to verify they have completed the Intensive Incarceration Program along with Form R-6311 must be attached to the return.	<b>254</b>	<b>Digital Interactive Media</b> – R.S. 47:6022 provides a credit to individuals for the investment in businesses specializing in digital interactive media. Use this code for Digital Interactive Media credits earned for expenditures made prior to January 1, 2012. 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. This credit can only be claimed on Lines 12 through 15.
<b>230</b>	<b>Neighborhood Assistance</b> – R.S. 47:35 and R.S. 47:287.753 provide a credit 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 equal to 50 percent of the amount contributed and cannot exceed \$180,000.	<b>257</b>	<b>Capital Company</b> – R.S. 51:1924 provides a credit for any person who invests in a certified Louisiana Capital Company. This credit must be approved by the Commissioner of the Louisiana Office of Financial Institutions. A copy of the certification must be attached to the return. This credit can only be claimed on Lines 12 through 15.
<b>231</b>	<b>Research and Development</b> – R.S. 47:6015(K) provides a credit for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research activities 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.	<b>258</b>	<b>LA Community Development Financial Institution (LCDFI)</b> – R.S. 51:3085 et seq. provides a credit 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 12 through 15.
<b>232</b>	<b>Cane River Heritage</b> – R.S. 47:6026 provides a credit 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 Louisiana Department of Culture, Recreation, and Tourism, and a copy of the contract must be attached to the return.	<b>259</b>	<b>New Markets</b> – R.S. 47:6016 provides a credit 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 12 through 15.
<b>236</b>	<b>Apprenticeship</b> – R.S. 47:6033 provides a credit to employers for one dollar for each hour of employment of an eligible apprentice, limited to 1,000 hours for each eligible apprentice. An eligible apprentice is a person who has entered into a written apprenticeship 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. For more information regarding this credit, contact the Louisiana Workforce Commission.	<b>260</b>	<b>Brownfields Investor Credit</b> – R.S. 47:6021 provides a credit to individuals to encourage the cleanup, redevelopment, and productive reuse of brownfields sites in the state. The credit is obtained through the Louisiana Department of Economic Development and the Louisiana Department of Environmental Quality. This credit can only be claimed on Lines 12 through 15.
		<b>261</b>	<b>Motion Picture Infrastructure</b> – R.S. 47:6007(C)(2) provides a credit for an approved state-certified infrastructure project for a film, video, television, or digital production or postproduction facility. 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

**Instructions for Nonrefundable Priority 3 Credits, Schedule J-NR ...Continued**

CODE	CREDIT DESCRIPTION
	Revenue Information Bulletin 17-019, and <a href="http://www.revenue.louisiana.gov/CreditCaps">www.revenue.louisiana.gov/CreditCaps</a> for more information. This credit can only be claimed on Lines 12 and 15.
<b>262</b>	<b>Angel Investor</b> – R.S. 47:6020 provides a credit for taxpayers who make third party investments in certified Louisiana entrepreneurial businesses on or after January 1, 2011. To earn the Angel Investor 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 12 through 15.
<b>299</b>	<b>Other</b> – Reserved for future credits.
<b>300</b>	<b>Biomed/University Research</b> – R.S. 17:3389 provides a credit to persons who establish research activities either in a Biomedical or a University Research and Development Park. 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.

CODE	CREDIT DESCRIPTION
<b>305</b>	<b>Tax Equalization</b> – R.S. 47:3201 et seq. provides a credit 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.
<b>310</b>	<b>Manufacturing Establishments</b> – R.S. 47:4301 et seq. provides a credit 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.
<b>315</b>	<b>Enterprise Zone</b> – R.S. 51:1781 et seq. provides a credit for private sector investments in certain areas that 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.
<b>399</b>	<b>Other</b> – Reserved for future credits.

**Interest and Penalty Calculation Worksheets**

In general, you will be charged interest and penalties if you do not pay all amounts due on or before the due date.

1. A 2018 calendar year return is due on or before May 15, 2019.
2. Returns for fiscal years are due on or before the 15th day of the fifth month after the close of the taxable year.
3. If the due date falls on a weekend or legal state holiday, the return is due the next business day.

**Important: An extension does not relieve you of your obligation to pay all tax amounts due by the original due date.**

**Interest** – If your income tax is not paid by the due date, you will be charged interest on the unpaid tax until the balance is paid in full. The interest rate is variable and the 2019 interest rate is posted on LDR’s website on Form R-1111, *Interest Rate Schedule - Collected on Unpaid Taxes*. To compute the DAILY INTEREST RATE, multiply the 2019 monthly interest rate by 12 then divide the result by 365 and carry out to seven places to the right of the decimal. Example: Assume the 2019 monthly interest rate is 0.5833 percent, multiply 0.005833 by 12 then divide the result by 365 to get the daily interest rate of 0.0001917.

Interest Calculation Worksheet		
1	Number of days late from the due date	
2	Daily interest rate (See instructions above.)	0. _____
3	Interest rate (Multiply Line 1 by Line 2.)	
4	Amount you owe (Form IT-540B, Line 41)	.00
5	Total interest due (Multiply Line 4 by Line 3, and enter the result on Form IT-540B, Line 45.)	.00

**Delinquent Filing Penalty** – A delinquent filing penalty will be charged for failure to file a return on or before your due date, or your approved extension date. The penalty is five percent of the tax for each 30 days or fraction thereof during which the failure to file continues. The maximum delinquent filing penalty that can be imposed is 25 percent of the tax due.

Delinquent Filing Penalty Calculation Worksheet		
1	Number of days late from your due date, or your approved extension date	
2	Divide Line 1 by 30 days.	÷30
3	Number of 30-day periods (If fraction of days remain, increase the amount to the nearest whole number.)	
4	30-day penalty percentage	.05
5	Total penalty percentage (Multiply Line 3 by Line 4. The result cannot exceed 25 percent.)	
6	Amount you owe (Form IT-540B, Line 41)	.00

7	Total amount of delinquent filing penalty due (Multiply Line 6 by Line 5 and enter the result on Form IT-540B, Line 46.)	.00
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**Important Notice:** The sum of both the delinquent filing and delinquent payment penalties cannot exceed 25 percent of the tax due. 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.

**Delinquent Payment Penalty** – If you fail to pay the tax due by the due date, a delinquent payment penalty of 0.5 percent of the tax not paid by the due date will accrue for each 30 days, or fraction thereof, during which the failure to pay continues. This penalty cannot exceed 25 percent of the tax due. Use the worksheet below to calculate that penalty.

Delinquent Payment Penalty Calculation Worksheet		
1	Number of days late from the due date	
2	Divide Line 1 by 30 days.	÷30
3	Number of 30-day periods (If fraction of days remain, increase the amount to the nearest whole number.)	
4	30-day penalty percentage	.005
5	Total penalty percentage (Multiply Line 3 by Line 4. The result cannot exceed 25 percent.)	
6	Amount you owe (Form IT-540B, Line 41)	.00
7	Total amount of delinquent payment penalty (Multiply Line 6 by Line 5 and enter the result on Form IT-540B, Line 47.)	.00

**Underpayment Penalty** – Louisiana imposes an underpayment penalty on an individual’s failure to sufficiently pay income tax throughout the year by withholding or declaration payments. In order to determine if an underpayment penalty is due and to compute the amount of the underpayment penalty, you must complete Form R-210NR, *Underpayment of Individual Income Tax Penalty Computation*, and attach the completed form to your return. See Revenue Information Bulletin 04-004 for the definition of farmer for purposes of applying underpayment penalty.

**Line 35** – Although you may have an overpayment, if you failed to sufficiently pay income tax throughout the year, in accordance with R.S. 47:117.1, you may be subject to the underpayment penalty. Complete the 2018 Form R-210NR available on LDR’s website and enter the amount from Line 19 on Line 35. Attach the completed Form R-210NR to your return. If you are a farmer, mark the box on Line 35.

**Line 48** – If you have a tax deficiency, you may be charged an underpayment penalty. Complete the 2018 Form R-210NR and enter the amount from Line 19 on Line 48. Attach the completed Form R-210NR to your return. If you are a farmer, mark the box on Line 48.

### Extension of Time for Filing a Return

The Secretary of LDR may grant an extension of time for filing returns not to exceed six months from the date the Louisiana income tax return is due. **Extensions must be filed before the due date of the return.** The four options for requesting an extension are as follows:

1. Filing an extension request electronically via LDR's website at [www.revenue.louisiana.gov/fileonline](http://www.revenue.louisiana.gov/fileonline) or [www.revenue.louisiana.gov/extensions](http://www.revenue.louisiana.gov/extensions);
2. Filing an extension request electronically via LDR's IVR phone system by calling 225-922-3270 or 888-829-3071. For an extension request, select option #3, then select option #1. Taxpayers will need the social security number of the primary account holder to request the extension;

3. Submitting a state extension to LDR by "checking the state extension box" included in the tax preparation software for an electronically-filed return; or
4. Mailing Form R-2867, *Transmittal of Federal Extension Request for Louisiana Individual Income Tax Return*, along with a copy of your federal paper extension or a copy of the receipt for an electronically-filed federal extension to the address on Form R-2867.

**By requesting an extension, you are only requesting additional time to file your tax return. An extension does not extend the time to pay the tax. Payments received after the due date will be charged interest and penalties.**

### 2018 Louisiana Child Care Credit Instructions

R.S. 47:297.4 allows a state tax credit for residents for child and dependent care expenses allowed by Internal Revenue Code Section 21. The credit is refundable for taxpayers whose Federal Adjusted Gross Income is \$25,000 or less and is nonrefundable for taxpayers whose Federal Adjusted Gross Income is more than \$25,000.

**The Child Care Credit may only be taken for child care expenses incurred in Louisiana during the time a person was a Louisiana resident.**

#### INCOME EQUAL TO OR LESS THAN \$25,000

Taxpayers whose Federal Adjusted Gross Income is \$25,000 or less are allowed a refundable credit whether or not a federal child care credit has been claimed. In order to claim the Louisiana Refundable Child Care Credit, the taxpayer must comply with the same law and rules of Internal Revenue Code Section 21 that governs the federal child care credit for the 2018 taxable year. Use Lines 1 through 11 of the Louisiana Refundable Child Care Credit Worksheet on page 15 to compute your refundable credit. See instructions for the worksheet below.

#### INCOME GREATER THAN \$25,000

Taxpayers whose Federal Adjusted Gross Income is greater than \$25,000 are allowed a credit against their Louisiana income tax liability for a certain percentage of their federal child care credit. If you are unable to claim the credit in the year in which it is earned, the unused portion of the credit can be used over the next five years. Use Lines 1 through 15 of the 2018 Louisiana Nonrefundable Child Care Credit Worksheet on page 13 to compute your 2018 nonrefundable credit, and to appropriately claim any carry forward you may have from previous years.

#### REFUNDABLE CHILD CARE CREDIT INSTRUCTIONS

1. Your Federal Adjusted Gross Income must be \$25,000 or less to claim a Louisiana refundable child care credit. If you did not file and claim a federal child care credit, you may still file for, and receive, a refundable Louisiana Child Care Credit, if you meet certain criteria. In order to qualify for the Louisiana credit, you must meet the **same tests** for earned income, qualifying dependents, and qualifying expenses as required by the IRS for the federal child care credit.
2. In order to claim your Louisiana Child Care Credit, you must meet the following requirements:
  - A. Your filing status must be single, head of household, qualifying widow(er), or married filing jointly. See item number 3 for information on married filing separately.
  - B. The care was provided to your dependent child to allow you, and your spouse if married filing jointly, to work or look for work. If you did not find a job and have no earned income for the year, you cannot claim the credit.
  - C. The qualifying child must be under age 13.
  - D. The person who provided the care cannot be your spouse, the parent of the qualifying child, or a person whom you can claim

as a dependent. If your child provided the care, he cannot be your dependent and must be age 19 or older by the end of 2018.

3. If your filing status is married filing separately, you will be considered single for purposes of calculating the credit if all of the following apply:
  - A. You lived apart from your spouse during the last 6 months of 2018.
  - B. Your qualifying dependent child lived in your home for more than half of 2018.
  - C. You provided over half the cost of keeping up your home.

If you meet all these requirements and meet the requirements of 2(B), 2(C), and 2(D), you are eligible for the credit.

#### DEFINITIONS

**Qualifying Child** – A child under age 13 who can be claimed as a dependent by the taxpayer. If the child turned 13 during the year, the child qualifies for the part of the year he was under age 13.

**Qualified Expenses** – Amounts paid for household services and care of the qualifying person while the taxpayer worked or looked for work. Child support payments are not qualified expenses. Also, expenses reimbursed by a state social service agency are not qualified expenses unless the reimbursement was included in the taxpayer's income. Prepaid expenses are treated as paid in the year the care was provided. Do not include the following as qualified expenses for 2018:

1. Expenses incurred in 2017 but did not pay until 2018.
2. Expenses incurred in 2018 but did not pay until 2019.
3. Expenses prepaid in 2018 for care to be provided in 2019.

**Dependent Care Benefits** – These include amounts your employer paid directly to either you or your care provider for the care of your qualifying child while you worked. Also, dependent care benefits include the fair market value of care in a daycare facility provided or sponsored by your employer and any pre-tax contributions you made under a dependent care flexible spending arrangement (FSA). Your salary may have been reduced to pay for these benefits. If you received dependent care benefits, they should be shown on your 2018 Forms W-2 in box 10.

**Earned Income** – Earned income includes wages, salaries, tips, other taxable employee compensation, and net earnings from self employment. A net loss from self employment reduces earned income. Earned income also includes strike benefits, any disability pay you report as wages, and other taxable compensation. You can elect to include nontaxable combat pay in earned income. Earned income does not include: pensions and annuities, social security payments, workers' compensation, interest, dividends, or unemployment compensation, scholarship or fellowship grants, nontaxable workfare payment, or any amount received for work while an inmate in a penal institution.

For additional definitions, details, and information, see the Internal Revenue Service's Publication 503.



**X DO NOT ATTACH THIS WORKSHEET TO YOUR RETURN.**

**2018 Louisiana Nonrefundable Child Care Credit Worksheet** (For use with Form IT-540B)

The Child Care Credit may only be taken for child care expenses incurred in Louisiana during the time a person was a Louisiana resident.

<b>1</b>	Enter Federal Child Care Credit from Federal Form 1040, Schedule 3, Line 49.	<b>1</b>		.00								
<b>1A</b>	Enter the applicable percentage from the chart shown below. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Federal Adjusted Gross Income</th> <th style="text-align: left;">Percentage</th> </tr> </thead> <tbody> <tr> <td>\$25,001 – \$35,000</td> <td>30% (.30)</td> </tr> <tr> <td>\$35,001 – \$60,000</td> <td>10% (.10)</td> </tr> <tr> <td>over \$60,000</td> <td>10% (.10)</td> </tr> </tbody> </table>	Federal Adjusted Gross Income	Percentage	\$25,001 – \$35,000	30% (.30)	\$35,001 – \$60,000	10% (.10)	over \$60,000	10% (.10)	<b>1A</b>	<b>X</b> . _____	
Federal Adjusted Gross Income	Percentage											
\$25,001 – \$35,000	30% (.30)											
\$35,001 – \$60,000	10% (.10)											
over \$60,000	10% (.10)											
<b>2</b>	Multiply your Federal Child Care Credit shown on Line 1 by the percentage shown on Line 1A and enter the result. <b>If your Federal Adjusted Gross Income is less than or equal to \$60,000</b> , this is your available Nonrefundable Child Care Credit for 2018. Proceed to Line 3.	<b>2</b>		.00								
<b>2A</b>	<b>Important! If your Federal Adjusted Gross Income is greater than \$60,000</b> , the amount on Line 2 is limited to the LESSER of \$25.00, or 10 percent of the federal credit. If Line 2 is greater than \$25.00, enter \$25 here. This is your available Nonrefundable Child Care Credit for 2018.	<b>2A</b>		.00								
<b>3</b>	Enter the amount of Louisiana income tax from Form IT-540B, Line 20.	<b>3</b>		.00								
<b>4</b>	If Line 3 is less than or equal to zero, your entire Child Care Credit for 2018 (Line 2 or 2A above) will be carried forward to 2019. Also, any available carryforward from 2013 through 2017 will be carried forward to 2019. If Line 3 above is less than or equal to zero, enter zero "0" on Form IT-540B, Schedule J-NR, Lines 2 and 3. Stop here; you are finished with the worksheet.	<b>4</b>										
<b>Use Lines 5 through 8 to determine the amount of Nonrefundable Child Care Credit Carryforward from 2013 through 2017 utilized for 2018.</b>												
<b>5</b>	If Line 3 above is greater than zero, enter the amount from Line 3.	<b>5</b>		.00								
<b>6</b>	Enter the amount of any Child Care Credit Carryforward from 2013 through 2017.	<b>6</b>		.00								
<b>7</b>	Subtract Line 6 from Line 5.	<b>7</b>		.00								
<b>8</b>	If Line 7 is less than or equal to zero, the amount of Child Care Credit Carryforward used for 2018 is equal to Line 5 above. Enter the amount from Line 5 above on Form IT-540B, Schedule J-NR, Line 3. If Line 7 is less than zero, subtract Line 5 from Line 6 and enter the result here. This amount is your unused Child Care Credit Carryforward from 2013 through 2017 that can be carried forward to 2019. Also, your entire Child Care Credit for 2018 (Line 2 or 2A above) will be carried forward to 2019. Stop here; you are finished with the worksheet.	<b>8</b>		.00								
<b>Use Lines 9 through 13 to determine the amount of Child Care Credit Carryforward utilized from 2013 through 2017 plus any amount of your 2018 Child Care Credit.</b>												
<b>9</b>	If Line 7 above is greater than zero, enter the amount of carryforward shown on Line 6 above on Form IT-540B, Schedule J-NR, Line 3.	<b>9</b>										
<b>10</b>	If Line 7 above is greater than zero, enter the amount from Line 7.	<b>10</b>		.00								
<b>11</b>	Enter the amount of your 2018 Child Care Credit (Line 2 or Line 2A above).	<b>11</b>		.00								
<b>12</b>	Subtract Line 11 from Line 10.	<b>12</b>		.00								
<b>13</b>	If Line 12 is greater than or equal to zero, your entire Child Care Credit for 2018 (Line 2 or 2A above) has been utilized. Enter the amount from Line 11 above on Form IT-540B, Schedule J-NR, Line 2. Stop here; you are finished with the worksheet.	<b>13</b>										
<b>Use Line 14 to determine what amount of your 2018 Child Care Credit you can claim.</b>												
<b>14</b>	If Line 12 above is less than zero, the amount on Line 10 above is the amount of your 2018 Child Care Credit. Enter the amount from Line 10 above on Form IT-540B, Schedule J-NR, Line 2.	<b>14</b>										
<b>Use Line 15 to determine the amount of your 2018 Child Care Credit to be carried forward to 2019.</b>												
<b>15</b>	If Line 12 above is less than zero, subtract Line 10 from Line 11 to compute your Child Care Carryforward to 2019. Enter the result here and keep this amount for your records.	<b>15</b>		.00								

**X DO NOT ATTACH THIS WORKSHEET TO YOUR RETURN.**

**2018 Louisiana Nonrefundable School Readiness Credit Worksheet (For use with Form IT-540B)**

R.S. 47:6104 provides a School Readiness Credit in addition to the credit for child care expenses as provided under R.S. 47:297.4. To qualify for this credit, the taxpayer must have Federal Adjusted Gross Income GREATER THAN \$25,000, must have claimed a Louisiana Nonrefundable Child Care Credit, and must have incurred child care expenses for a qualified dependent under age six who attended a child care facility that is participating in the Quality Start Rating program administered by the Louisiana Department of Education. The qualifying child care facility must have provided the taxpayer with Form R-10614, *Louisiana School Readiness Tax Credit*, which verifies the facility's name, the facility license number, the LA Revenue Account number, the Quality Rating, and the rating award date.

<b>1</b>	Enter the amount of 2018 Louisiana Nonrefundable Child Care Credit found on the Louisiana Nonrefundable Child Care Credit Worksheet on either Line 2 or Line 2A.	<b>1</b>		.00
<b>2</b>	<p>Using the star rating of the child care facility that your qualified dependent attended during 2018, shown on Form R-10614, enter the number of your qualified dependents under age six who attended a:</p> <p>Five Star Facility _____ and multiply the number by 2.0 . . . . . (i) _____</p> <p>Four Star Facility _____ and multiply the number by 1.5 . . . . . (ii) _____</p> <p>Three Star Facility _____ and multiply the number by 1.0 . . . . . (iii) _____</p> <p>Two Star Facility _____ and multiply the number by .50 . . . . . (iv) _____</p> <p>On Form IT-540B, Schedule J-NR, Line 4 enter in the boxes designated for 5, 4, 3, or 2 the number of your qualified dependents as shown above for the associated star rated facility.</p>			
<b>3</b>	Add lines (i) through (iv) and enter the result. Be sure to include the decimal.	<b>3</b>	X _____	
<b>4</b>	Multiply Line 1 by the total on Line 3. If the number results in a decimal, round to the nearest dollar and enter the result here. This is your available Nonrefundable School Readiness Credit for 2018.	<b>4</b>		.00
<b>5</b>	Enter the amount from Form IT-540B, Line 20.	<b>5</b>		.00
<b>6</b>	Add the amounts of Nonrefundable credits from Form IT-540B, Schedule J-NR, Lines 2 and 3.	<b>6</b>		.00
<b>7</b>	Subtract Line 6 from Line 5.	<b>7</b>		.00
<b>8</b>	If Line 7 is less than or equal to zero, your entire School Readiness Credit for 2018 (Line 4) will be carried forward to 2019. Also, any available carryforward from 2013 through 2017 will be carried forward to 2019. If Line 7 above is less than or equal to zero, enter zero "0" on Form IT-540B, Schedule J-NR, Lines 4 and 5. Stop here; you are finished with the worksheet.			
<b>Use Lines 9 through 12 to determine the amount of Nonrefundable School Readiness Credit Carryforward from 2013 through 2017 utilized for 2018.</b>				
<b>9</b>	If Line 7 above is greater than zero, enter the amount from Line 7.	<b>9</b>		.00
<b>10</b>	Enter the amount of any School Readiness Credit Carryforward from 2013 through 2017.	<b>10</b>		.00
<b>11</b>	Subtract Line 10 from Line 9.	<b>11</b>		.00
<b>12</b>	If Line 11 is less than or equal to zero, the amount of School Readiness Credit Carryforward used for 2018 is equal to Line 9. Enter the amount from Line 9 on Form IT-540B, Schedule J-NR, Line 5. If Line 11 is less than zero, subtract Line 9 from Line 10 and enter the result here. This amount is your unused School Readiness Credit Carryforward from 2013 through 2017 that can be carried forward to 2019. Also, your entire School Readiness Credit for 2018 (Line 4) will be carried forward to 2019. Stop here; you are finished with the worksheet.	<b>12</b>		.00
<b>Use Lines 13 through 17 to determine the amount of School Readiness Credit Carryforward utilized from 2013 through 2017 plus any amount of your 2018 School Readiness Credit.</b>				
<b>13</b>	If Line 11 above is greater than zero, enter the amount of carryforward shown on Line 10 above on Form IT-540B, Schedule J-NR, Line 5.			
<b>14</b>	If Line 11 is greater than zero, enter the amount from Line 11.	<b>14</b>		.00
<b>15</b>	Enter the amount of your 2018 School Readiness Credit (Line 4).	<b>15</b>		.00
<b>16</b>	Subtract Line 15 from Line 14.	<b>16</b>		.00
<b>17</b>	If Line 16 is greater than or equal to zero, your entire School Readiness Credit for 2018 (Line 4) has been utilized. Enter the amount from Line 15 on Form IT-540B, Schedule J-NR, Line 4. Stop here; you are finished with the worksheet.			
<b>Use Line 18 to determine what amount of your 2018 School Readiness Credit you can claim.</b>				
<b>18</b>	If Line 16 is less than zero, the amount on Line 14 is the amount of your 2018 School Readiness Credit. Enter the amount from Line 14 above on Form IT-540B, Schedule J-NR, Line 4.			
<b>Use Line 19 to determine the amount of your 2018 School Readiness Credit to be carried forward to 2019.</b>				
<b>19</b>	If Line 16 is less than zero, subtract Line 14 from Line 15 to compute your School Readiness Carryforward to 2019. Enter the result here and keep this amount for your records.	<b>19</b>		.00