

Revenue Information Bulletin 13-008
January 30, 2013
Individual Income Tax

**Compensation from Personal Services Rendered in Louisiana
by Nonresidents**

According to Louisiana Revised Statute 47:290, a tax is levied on all nonresident individuals who have income earned within or derived from sources in Louisiana. Nonresident means any individual not domiciled, residing in, or having a permanent place of abode in Louisiana. Income from sources within Louisiana includes compensation for personal services rendered within this state. Nonresident individuals include actors, musicians, performers, professional athletes, associated support personnel, and any other individual with income from Louisiana sources who is required to file a federal individual income tax return.

The method used to apportion the nonresident's total compensation for personal services performed in Louisiana depends on how the compensation is earned. The table below provides the appropriate apportionment calculations.

Nonresident compensation	Calculation
Compensation of salaried employee with constant rate of pay	(total compensation) X (LA working days/total working days)
Compensation based on volume of business	(total compensation) X (LA volume of business/total volume of business)
Compensation for continuous employment in Louisiana for part of year	total compensation for period employed in LA
Compensation from transportation services - hourly, daily, weekly, or monthly basis	(total compensation) X (LA working days/total working days)
Compensation from transportation services - mileage basis	(total compensation) X (LA mileage/total mileage)
Compensation of nonresident entertainers and athletes who are not members of a professional athletic team	(gross amount for services performed in LA) – (ordinary and necessary business expenses directly attributable to income earned in Louisiana + pro rata share of indirect business expenses)
Compensation of nonresident athletes who are members of a professional athletic team	(total compensation) X (LA duty days/total duty days)

If nonresidents can demonstrate that the calculations provided do not fairly and equitably apportion a nonresident's compensation, the nonresident may submit a proposal for an alternative method. Nonresident service providers need to keep adequate records to substantiate their determination or to permit a determination by the department.

Nonresident service providers should file a Louisiana Nonresident and Part-year Resident Return, Form IT-540B. Nonresident service providers who are professional athletes should file Form IT-540B-NRA, which must be filed electronically. Members of a professional athletic team include

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employees who are active players, players on the disabled list, and all other persons required to travel and who travel with and perform services on behalf of a professional athletic team on a regular basis such as coaches, managers, and trainers. A professional athletic team can include, but is not limited to, any professional baseball, basketball, football, soccer, or hockey team.

La. R.S. 39:100.1 provides for the creation of a fund in the state treasury called the Sports Facility Assistance Fund (Fund). Each year, the treasurer must pay into the Fund an amount equal to the income tax collected by Louisiana from nonresident professional athletes and professional sports franchises on income earned in Louisiana. In order to accurately attribute to the Fund the income tax collected from nonresident professional athletes and professional sports franchises, the department requires that nonresident professional athletes or professional sports franchises filing a Louisiana income tax return to file the return electronically and include the following information electronically with the return: the name and location of each facility, course, stadium, or arena in Louisiana where income was earned and the number of duty days spent at each Louisiana facility.

Forms not required to be filed electronically may be downloaded from the Department of Revenue's website. Returns are due by May 15th. If May 15th falls on a Saturday, Sunday, or a legal holiday, then the return should be filed no later than the next business day.

Taxpayers who are unable to file their return by the due date may request a six-month extension of time to file the individual income tax return. The Louisiana extension request must be made before the state tax filing due date, which is May 15 for calendar year filers or the 15th day of the fifth month after the close of a fiscal year. Electronic extension requests can be made through LDR's Individual Income Tax Online Tax Filing application, the Online Extension Filing application on LDR website, tax preparation software that supports the electronic filing of the Louisiana Application for Extension to File Individual Income Tax, or by requesting an extension thru LDR's phone system by calling 225/922-3270 or 888/829-3071. An extension only extends the time to file the return, not the time to pay the tax due.

If the nonresident service provider owes taxes, but is unable to pay by the due date, then the nonresident should submit the return by the due date. By filing timely, delinquent penalties can be avoided. Any amount paid with the return will reduce the interest and late payment penalty charges. The Collection Division will bill for any tax, interest, and penalties that are owed. The nonresident service performer can request an installment agreement by filling out Form R-19025, Installment Request for Individual Income. The Collection Division at (225) 219-7448 will handle the request.

For further assistance, please contact the Policy Services Division at (225) 219-2780.

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Historical Note: January 20, 2002 (original issued Revenue Information Bulletin 01-003); January 30, 2013 (reissued due to the discontinuation of the composite return for NFL Teams).

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