



**Schedule of Ad Valorem Tax Credit Claimed by  
Manufacturers, Distributors and Retailers for Ad  
Valorem Tax Paid on Inventory or Natural Gas**

Louisiana Revised Statute 47:6006

**IMPORTANT:** Use this form if filing a 2020 tax return. See instructions.

PLEASE PRINT OR TYPE

Taxpayer Name
LDR Account ID
Filing Period

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

**LOUISIANA**  
DEPARTMENT of REVENUE

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Taxpayer Name	
SSN/LDR Account ID	Filing Period

**Check the box for the credit type this worksheet is used to calculate:**     Inventory Tax Credit (50F)     Ad Valorem Natural Gas Credit (51F)

See instructions to complete Lines 1 through 13 below.	Total Column	Column 1	Column 2	Column 3	Column 4	Column 5
1A New business limitation						
1B Date business formed or registered to do business after April 15, 2016						
2A Amount of ad valorem taxes paid						
2B Amount of ad valorem taxes paid on short-term rentals						
2C Amount of ad valorem taxes paid qualifying for the credit						
3 If Line 2C of the Total Column is less than or equal to \$500,000, see instructions. Otherwise, go to Line 4.	<input type="checkbox"/> <b>Act 59 exception (See instructions).</b>					
4 Adjusted Louisiana Income Tax						
5 Inventory Tax Credit - See instructions.						
6 Tax Liability before applying the Inventory Tax Credit or Ad Valorem Natural Gas Credit						
7 Amount of the credit exceeding tax liability						
8 Enter the amount from Line 7, Total Column, or \$1,000,000, whichever is less.						
9 Multiply Line 8 by 75 percent. This is the refundable portion of your credit for all taxpayers.						
10 Divide Line 9 by Line 7. This is the ratio of the excess credit that is refundable.						
11 Refundable credit amount per taxpayer						
12 Amount of credit to report on return						
13 Credit carry forward amount per taxpayer						

## INSTRUCTIONS

All taxpayers that are included on the same consolidated federal income tax return are required to combine their inventory taxes paid in order to determine the amount of the excess credit that is refundable. Taxpayers that are affiliated or related outside of a consolidated group are not required to combine their taxes paid in order to determine the amount of the excess credit that is refundable.

### GENERAL INSTRUCTIONS

1. This worksheet was designed to assist taxpayers in calculating the credit and provide the necessary computation to LDR. If you filed a consolidated federal income tax return, you must calculate the refundable portion of either the Inventory Tax Credit (50F) or the Ad Valorem Natural Gas Credit (51F) on a combined basis. You will need to complete one worksheet per credit type and attach a copy of the worksheet to the return of each taxpayer, whether an entity or person, included on the worksheet.
2. Enter the Taxpayer's name, SSN/LDR Account ID and filing period for the return to which this worksheet is attached in the space provided. Check the box for the credit type you are calculating on this worksheet. If you need to calculate both credit types, you must first complete this worksheet for the Inventory Tax Credit (50F) and then complete a separate worksheet for the Ad Valorem Natural Gas Credit (51F).
3. Columns are provided on Form R-10610 to report each taxpayer in the consolidated group separately. Starting in Column 1, enter the LDR account ID, or for an individual, the last four digits of their SSN, of any taxpayer included in the federal consolidated return AND paid ad valorem taxes qualifying for the credit in each column. **Attach additional pages as needed and include the total(s) of each additional page in the Total Column on the first page.**
4. If you are a manufacturer who has claimed the property tax exemption under the **Industrial Tax Exemption program (ITEP)** during the taxable year in which the local inventory taxes were levied, your credit is limited to tax and the excess can be carried forward not to exceed five years. If you filed a consolidated federal income tax return, the credit of all members of the consolidated group is limited to tax and the excess can be carried forward not to exceed five years. **If this applies to you**, each member of the consolidated group will need to complete a separate Form R-10610-ITE to calculate the credit for ad valorem taxes paid on the inventory.
5. For businesses formed or first registered to do business in Louisiana after April 15, 2016, a different set of limitations on refundability apply and your credit will be calculated separately from the consolidated group.

**If this applies to you**, you will need to complete Form R-10610 separate from the consolidated group to calculate your credit under "Column 1." Enter "Yes" on Line 1A, Column 1, the date the business was formed or first registered to do business in Louisiana on Line 1B, Total Column, and go to Line 2A.

6. This form should be used for any returns filed for tax year 2020.
7. New for the 2020 tax year:
  - a. Act 56 of the 2020 Second Extraordinary Legislative Session allows taxpayers who make payment of ad valorem taxes after December 31, 2020, and before April 16, 2021, to elect to treat these payments as having been made on December 31, 2020, for purposes of the credit. Taxpayers making this election must submit a schedule showing the ad valorem tax payments, the actual payment date of each payment and a statement that they elect these taxes to be treated as paid on December 31, 2020.
  - b. Act 59 of the 2020 Second Extraordinary Legislative Session provides that for the 2020 tax year only, taxpayers, including members included in a consolidated federal tax return that are treated as one taxpayer, who employed a minimum of 100 full-time employees at each location in the state for whom withholding tax was remitted to LDR for at least one month within each of the first three quarters of calendar year 2020 and the total amount eligible for the credit is less than or equal to \$1 million, 100 percent of any excess credit is refundable. Act 59 does not apply to any manufacturer who claimed the property tax exemption under ITEP during the same year the inventory taxes were paid. If you qualify under this provision, follow the specific instructions on Line 3 for when the amount on Line 2C, Total Column, is less than or equal to \$500,000. Also, check the box on Line 3 and attach a schedule that includes a list of all locations within the state along with the LDR account number the withholding tax is paid under and for each full-time employee, list their name, address, last four digits of their Social Security Number, their work location, and the amount of Louisiana withholding tax remitted on their behalf for each month from January 2020 through September 2020.
  - c. If you have an eligible carryover amount from tax year 2015 or later, your carryover period has increased from five (5) years to 10 years as provided by Act 50 of 2020 Second Extraordinary Legislative Session effective January 1, 2021.

### SPECIFIC LINE ITEM INSTRUCTIONS

- 1A. Each business that was formed or first registered to do business in Louisiana after April 15, 2016 should enter "Yes" on Line 1A.
- 1B. Businesses that answered "yes" on Line 1A enter the date the business was formed or first registered to do business in Louisiana on Line 1B in the applicable column. Otherwise leave the space blank.

- 2A. For each taxpayer listed starting in Column 1, enter the amount of ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, retailers OR natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage.
- 2B. For each taxpayer listed starting in Column 1, enter the amount of Line 2A that is the ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, and retailers that is available for or subject to a short-term rental that will subsequently or ultimately be sold by the retailer that will be included on Line 2C.

For the purpose of this credit, inventory is defined in R.S. 47:6006 as items of tangible personal property that are held for sale in the ordinary course of business, in the process of production for subsequent sale, or are to physically become a part of the production of such goods. The definition contains a listing of specific items that are included and not included in inventory. In addition to items that are clearly included by the definition, the following items are included in inventory: used goods or trade-in merchandise; by-products of a manufacturer; raw materials and supplies that will be consumed in the Louisiana manufacturing process; and goods that are available for short-term rental that will subsequently or ultimately be sold by taxpayers classified under code numbers 532412 and 532310 of the North American Industry Classification System. A "short-term rental" is defined as a rental of an item of tangible personal property for a period of less than 365 days, for an undefined period, or under an open-ended agreement.

Not included in inventory unless otherwise stated are: oil stored in tanks held by a producer prior to the first sale of the oil; items that have been leased by the taxpayer; items that the taxpayer has depreciated for federal income tax purposes; items that have been used by the taxpayer and have been owned for more than eighteen months; and certain items stored in the state for use in interstate commerce.

- 2C. For each taxpayer listed starting in Column 1, enter the amount of ad valorem taxes paid to local subdivisions in Louisiana on inventory held by manufacturers, distributors, retailers OR natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage reported on Line 2A that meets the definition of inventory under R.S. 47:6006. Enter the total of all columns in the "Total Column".

- 3. If the amount on Line 2C, Total Column, is greater than \$500,000, go to Line 4.

If the amount on Line 2C, Total Column, is less than or equal to \$500,000, your entire credit (Line 2C) will be used to offset tax and any excess will be refunded. For each taxpayer listed, enter the amount from Line 2C of their column on Schedule I (Individual) or Schedule RC-P4 (Business) with the identifying three-digit code.

**Special instructions for any taxpayer listed with "Yes" on Line 1:**

If Line 2C is less than \$10,000, your credit (Line 2C) will be used to offset tax and any excess will be refunded. Enter the amount from Line 2C on Schedule I or Schedule RC-P4 with the identifying three-digit code. However, the taxpayer must be included in the remaining calculations to determine the refundability for the group.

If Line 2C is equal to or greater than \$10,000 but less than \$500,000, your credit (Line 2C) will be used to offset tax and 75 percent of the excess will be refunded. Complete the rest of the worksheet using just the column for this taxpayer and the "Total Column." The other columns will be blank for Lines 4 through 7, 11 and 12.

Stop here; you are finished with the worksheet.

- 4. For each taxpayer listed starting in Column 1, enter the amount of your adjusted tax liability from your tax return. See chart below for line numbers. Enter the total of all columns in the "Total Column".

Tax Year	IT-540	IT-540B	IT-540BNRA	IT-541	R-6922	CIFT-620
2020	Line 22	Line 22	Line 19	Line 17	Line 9	Line 15

- 5. Complete this line only if both credits are claimed and after calculating the Inventory Tax Credit. For each taxpayer listed starting in Column 1, enter the Inventory Tax Credit amount claimed on Schedule I or Schedule RC-P4. Enter the total of all columns in the "Total Column".
- 6. Tax Liability before applying the Inventory Tax Credit or Ad Valorem Natural Gas Credit. For each taxpayer listed starting in Column 1, subtract Line 5 from Line 4. If less than zero, enter zero. Enter the total of all columns in the "Total Column".
- 7. Amount of the credit exceeding tax liability. For each taxpayer listed starting in Column 1, subtract Line 6 from Line 2C. If less than zero, enter zero. Enter the total of all columns in the "Total Column".

If Line 7, Total Column, is equal to zero, your entire credit on Line 2C will be used to offset tax. For each taxpayer listed starting in Column 1, enter the amount from Line 2C on Schedule I or Schedule RC-P4 with the identifying three-digit code. Stop here; you are finished with the worksheet.

8. In the Total Column, enter the amount from Line 7, Total Column, or \$1,000,000, whichever is less.
9. Multiply Line 8, Total Column, by 75 percent, round to the nearest dollar, and enter the result in the Total Column. This is the refundable portion of your credit for all taxpayers.
10. Divide Line 9, Total Column, by Line 7, Total Column, round to six places after the decimal, and enter the ratio in the Total Column. This is the ratio of the excess credit that is refundable.
11. For each taxpayer listed starting in Column 1, multiply Line 7 by the ratio on Line 10, Total Column, and round to the nearest dollar. Enter the total of all columns in the "Total Column." This amount should equal the amount on Line 9, Total Column, except for minor rounding differences.
12. For each taxpayer listed starting in Column 1, if Line 7 is greater than zero, add Lines 6 and 11. Otherwise, enter the amount from Line 2C. For each taxpayer, enter the amount from Line 12 on Schedule I or Schedule RC-P4 with the identifying three-digit code.
13. For each taxpayer listed starting in Column 1, subtract Line 11 from Line 7. Enter the total of all columns in the "Total Column." This amount is your credit carry forward. This amount should be reported on next year's return, on Schedule J (Individual) or Schedule NRC-P3 (Business) with the identifying three-digit code listed below.

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