

WHAT'S NEW FOR LOUISIANA 2019 INDIVIDUAL INCOME TAX?

CAUTION! The pages of this booklet have been rearranged. The instructions have been moved to the middle of the booklet while the return and all worksheets have been moved to the outer pages.

Consumer Use Tax – Line 24 – Taxpayers are required to remit sales tax on purchases from remote sellers if the remote seller did not collect sales tax from the purchaser for sales for delivery into Louisiana during 2019. The rate of sales tax on these remote sales is 8.45%.

SCHEDULE C – NONREFUNDABLE PRIORITY 1 CREDITS

Credit for Taxes Paid to Other States – The credit is limited to the amount of taxes paid to the other state, or the amount determined by multiplying the taxpayer's Louisiana income tax liability by a fraction, the numerator of which is the taxpayer's Louisiana tax table income attributable to the other state to which net income taxes were paid, and the denominator of which is total Louisiana tax table income. The Louisiana Supreme Court's decision in *Smith v. Robinson*, 2018-CA-0728 (La. Dec. 5, 2018, rehearing February 27, 2019), held the requirement that the other state provide a similar credit to Louisiana taxpayers was unconstitutional, and that the Texas Franchise Tax is a net income tax for purposes of this credit. (R.S. 47:33)

Small Town Health Professionals – Code 115 – Act 338 of the 2019 Regular Legislative Session expanded the credit to include primary care physician assistants and optometrists. The credit is for certified primary care physicians, primary care physician assistants, dentists, optometrists, or primary care nurse practitioners licensed to practice in certain areas of Louisiana. Taxpayers must apply to the Louisiana Department of Health (LDH) during the application period of September 1, 2019, through October 31, 2019, 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))

SCHEDULE E – ADJUSTMENTS TO INCOME

Add Back of Pass-Through Entity Loss – Line 2D – Act 442 of the 2019 Regular Legislative Session provides for an exclusion for an individual who is a shareholder, member, or partner of an entity that made the pass-through entity tax election under R.S. 47:287.732.2. This election allows S corporations, and other entities taxed as partnerships for federal income tax purposes, to pay Louisiana income tax at the entity level. The entity must have received LDR's approval of the election. The add-back amount is the Louisiana net operating loss that was reported at the entity level for this tax year that is included on the Federal Form 1040 or 1040-SR. You must also include any net operating losses carried forward from a tax year in which the election was made and utilized in this tax year. This amount should be included in the amount on Schedule E, Line 1. Do not include income not taxed at the entity level such as interest and dividend income. See Revenue Information Bulletin 19-019 and LAC 61:1.1001(C)(4) for more information. (R.S. 47:297.14)

Pass-Through Entity Exclusion – Code 24E – Act 442 of the 2019 Regular Legislative Session provides for an exclusion for an individual who is a shareholder, member, or partner of an entity that made the pass-through entity tax election under R.S. 47:287.732.2. This election allows S corporations, and other entities taxed as partnerships for federal income tax purposes, to pay Louisiana income tax at the entity level. The entity must have received LDR's approval of the election. The excluded amount is the income that was taxed at the entity level that is included on Federal Form 1040 or 1040-SR. This amount should be included in the amount on Schedule E, Line 1. Do not include income not taxed at the entity level such as interest and dividend income. See Revenue Information Bulletin 19-019 and LAC 61:1.1001(C)(4) for more information. (R.S. 47:297.14)

SCHEDULE F – REFUNDABLE PRIORITY 2 CREDITS

School Readiness Child Care Directors and Staff – Code 66F and Line 6A – 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 2019 can be found at www.revenue.louisiana.gov/SchoolReadiness. You must enter the facility license number from Form R-10615 on Line 6A. Failure to do so will result in processing delays. For more information regarding this credit, contact the Louisiana Department of Education. (R.S. 47:6106)

SCHEDULE J – NONREFUNDABLE PRIORITY 3 CREDITS

Child Care Credit Carried Forward From 2014 through 2018 – 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 2019 tax year, credits from 2014 through 2018 can be applied on Line 3. Any remaining child care credit from 2013 cannot be applied to the 2019 tax liability. (R.S. 47:297.4)

School Readiness Credit Carried Forward From 2014 through 2018 – 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 2019 tax year, credits from 2014 through 2018 can be applied on Line 5. Any remaining credit from 2013 cannot be applied to the 2019 tax liability. (R.S. 47:6104)

Previously Unemployed – Code 208 – This credit was repealed by Act 202 of the 2019 Regular Legislative Session. If you have an eligible amount, use this code to utilize the carryover amount for any years you have remaining in your five (5) year carryover period.

Basic Skills Training – Code 212 – This credit was repealed by Act 202 of the 2019 Regular Legislative Session. If you have an eligible amount, use this code to utilize the carryover amount for any years you have remaining in your two (2) year carryover period.

QMC Music Job Creation Credit – Code 223 – R.S. 47:6023 provides for a credit to a Qualifying Music Company (QMC) that is a music publisher, sound recording studio, booking agent, or artist management that is engaged directly or indirectly in the production, distribution, and promotion of music. 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. The credit is limited to 50 percent of the taxpayer's tax liability.

VISIT THESE LDR WEBSITES:

- www.revenue.louisiana.gov/taxforms for forms and instructions.
- www.revenue.louisiana.gov/individuals for tax information.
- www.revenue.louisiana.gov/fileonline for free filing options.
- www.revenue.louisiana.gov/latap for free payment options.