

State of Louisiana  
 Department of Revenue  
**Apportionment  
 of Income Schedule**



Period covered by this return \_\_\_\_\_

**Please do not write in this space.**

Name of partnership \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, ZIP \_\_\_\_\_

Requirements for filing – This form is to be attached to and filed with the Partnership Return (Form IT-565) if any partner who shares in the profits or income of the partnership is not a resident of Louisiana and a portion of the income is from business or property located outside Louisiana. (See General Instructions below.)

**General Instructions**

Under the provisions of the Louisiana Income Tax Law, nonresident individuals are taxed on only a portion of their net income that is derived from property located, business transacted, or services rendered in Louisiana. Therefore, in the case of a partnership, having nonresident partners and having income from sources both within and without the State of Louisiana, it is necessary that the net income from business, property, or services in Louisiana of the partnership be computed so that nonresident individuals participating therein may report the proper amount on his individual return (Form IT-540B).

those items of income that arise from business partly without the State. Louisiana's share of the first class of items can be determined by direct allocation and entered as Items 7(a), (b), and (c) in Section A of this form. But, in the case of net income from business partly within and partly without the State, a percent of the net income must be apportioned to Louisiana (Item 6 in Section A), on the basis of an apportionment percent computed in Section D. However, if the Louisiana portion is entirely separable from the remainder, and the use of the apportionment method would produce a manifestly unfair result, a separate accounting may be made for Louisiana business and the total net income therefrom entered as Item 8 in lieu of the apportionment described in the previous sentence, if permission to use that method is secured from the Secretary. For more precise information concerning the methods of allocation and apportionment, see Louisiana Revised Statutes 47:241 through 47:245.

In order to determine the amount of income earned in Louisiana, it is necessary to separate all items of income into two general classes, namely: (1) those items that can be allocated directly to the State in which they are earned, such as Items 4(a), (b), and (c) in Section A of this form and (2)

**Section A. Computation of Louisiana net income**

1. Total net income of partnership .....		00
2. Add any Federal income taxes deducted in arriving at net income shown above. ....		00
3. Net income from all sources .....		00
4. Less: Allocable income from all sources (Attach schedule supporting each amount entered on Lines a, b, and c below and Lines 7a, b, and c.)		
(a) Net rents and royalties .....	00	
(b) Net profit from sales or exchanges of property (including such items as stocks, bonds, land, machinery, and mineral rights) not made in the regular course of business .....	00	
(c) Other net allocable income .....	00	
5. Balance-net income subject to apportionment.....		00
6. Net income apportioned to Louisiana (Multiply Line 5 by percent from Line 6, Section D.) .....		00
7. Add allocable income from Louisiana sources		
(a) Net rents and royalties .....	00	
(b) Net profit from sales or exchanged property (including such items as stocks, bonds machinery, and mineral rights) not made in the regular course of business. ....	00	
(c) Other net allocable income .....	00	
8. Total net income from Louisiana sources .....		00

**Section B. Distributive shares of nonresident partners**

Enter in this schedule the name of each nonresident member and his distributive share in the portion of the net income of the partnership allocated to the State of Louisiana (Item 8). Each partner's distributive share is deemed to apply ratably to taxable and nontaxable income, and to income from sources within, as well as from sources without the State.

Social Security Number or Federal Employer ID Number	Name and address	Percentage of beneficial interest	Distributive share of net income to nonresident partner
(a)		%	00
(b)		%	00
(c)		%	00
(d)		%	00
(e)		%	00
(f)		%	00
<b>Totals</b>		100%	00

**Apportionment of Income Schedule**

**Section C. Computation of apportionment percent**

**Instructions**

The Louisiana Income Tax Law creates a presumption that the apportionment method of reporting must be used in the determination of the net income where such net income is apportionable. It is mandatory that the apportionment method be used unless it can be clearly shown that the use of the apportionment method produces a manifestly unfair result, and permission to use the separate accounting method is granted by the Secretary. The proportion of such income to be attributed to sources within this State should be determined by means of an apportionment percent based on the factors set forth below. The percent computed in that schedule is the arithmetic average of the factors applicable to your operations, which factors depend on your principal kind of business.

The "Louisiana Factors" are as follows:

1. **The Sales and Charges for Services Factor.** The Louisiana sales factor shall include all sales made in the regular course of business where the goods, merchandise, or property is received in this State by the purchaser. In the case of delivery by common carrier or by other means of transportation, including transportation by the pur-

chaser, the place where the goods are ultimately received after all transportation is completed shall be considered as the place at which the goods are received by the purchaser. The Louisiana factor shall also include all charges for services performed in Louisiana.

2. **The Salaries and Wages Factor.** There shall be included in the Louisiana factor the total salaries, wages, and other personal service compensation paid during the taxable year for services rendered in Louisiana in connection with the production of apportionable net income.

3. **The Property Factor.** The Louisiana factor shall be the average of the value of the taxpayer's real property and tangible personal property used in the production of apportionable income within this State:

a. at the beginning of the taxable year, and

b. at the end of the taxable year.

4. **The Loan Factor.** In the case of a loan business, the Louisiana factor shall be the amount of loans made in this State during the period for which the return is filed.

For further information relative to these apportionment factors, see R.S. 47:245.

**Section D. Apportionment factors to be used in determining income derived from sources partly within Louisiana**

Not all of the following factors should be used. Your principal kind of business determines which factors apply. For air transportation, use factors (1) and (3); for pipeline transportation, use factors (1), (2), and (3); for other transportation, use factors (1) and (3); for service enter-

prises in which the use of property is not a material income-producing factor, use factors (1) and (2), otherwise, use factors (1), (2), and (3); for loan businesses, use factors (2) and (4); and, for merchandising, manufacturing, and other business, use factors (1), (2), and (3).

Description of items used as factors	1. Total amount	2. Louisiana amount	3. Percent (Col 2 ÷ Col 1)
1. Net sales of merchandise and/or charges for services			
(a) Sales where goods, merchandise, or property is received in Louisiana by the purchaser .....	00	00	
(b) Charges for services performed in Louisiana .....	00	00	
(c) Other gross apportionable income .....	00	00	
Total (In Column 1, enter total net sales and charges for services; in Column 2, enter total of Lines a, b, and c. Enter ratio in Column 3.) .....	00	00	%
2. Wages, salaries, and other personal service compensation paid during the year (Enter amounts in Columns 1 and 2, and ratio in Column 3.) ..	00	00	%
3. Income tax property factor ratio .....	00	00	%
4. Loans made during the year (Enter amounts in Columns 1 and 2, and ratio in Column 3.) .....	00	00	%
5. Total percents in Column 3 .....			%
6. Average of percents (Divide Line 5 by number of factors used. Use result in determining income apportioned to Louisiana on Page 1, Section A, Line 6.) .....			%

**Explanation of Louisiana business**

- Describe the nature of your business activity and specify your principle product or service, both in Louisiana and elsewhere.  
 Louisiana \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Elsewhere \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- Give address and descriptions of places of business within Louisiana \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_