Instructions for Adjustments to Income, Schedule E

Line 1 – Enter the amount of your Federal Adjusted Gross Income. This amount is shown on your Federal Form 1040 or 1040-SR, Line 11. If the amount is less than zero, mark the box on Line 1. Do not use a negative sign with the amount. For example, if your Federal AGI is a \$10,000 loss, mark the box on Line 1 and enter 10,000.

Line 2A – Tax-exempt interest and dividend income reported on your federal return are taxable to Louisiana if ALL of the following conditions are met:

- a. You are filing as a resident of Louisiana.
- b. The interest or dividend income is 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 **TOTAL** taxable interest and dividends. Do not list interest and dividends separately. See Revenue Ruling 11-001 if you have any Build America Bonds.

Line 2B – Enter any previously exempted Louisiana Student Tuition Assistance and Revenue Trust (START) contributions that were refunded to you during 2022 by the Louisiana Office of Student Financial Aid.

Line 2C – Enter any previously exempted Louisiana Student Tuition Assistance and Revenue Trust Grades K-12 (START K12) contributions that were refunded to you during 2022 by the Louisiana Office of Student Financial Aid.

Line 2D – R.S. 47:297.14 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 Federal Form 1040 or 1040-SR. You must also include any net operating loss 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:I.1001(C)(4) for more information.

Line 3 – Add Lines 1, 2A, 2B, 2C, and 2D. If the amount is less than zero, enter zero "0." This line may not be less than zero.

EXEMPT INCOME LINES 4A THROUGH 4G

Income items that are considered exempt by Louisiana law to arrive at Louisiana taxable income are referenced individually by a three-digit code. Enter the description, identifying code, and dollar amount in the appropriate spaces on Lines 4A through 4G.

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

Example:

Exemption Description Code Amount

START Savings Program 0 9 E 7 0 0 00

CODE EXEMPTION DESCRIPTION

O1E - Interest and Dividends on U.S. Government Obligations

 Enter the amount of interest and dividends received from U.S. government obligations that are included in the amount on Line 1 of Schedule E. 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.

CODE

EXEMPTION DESCRIPTION

- 02E Louisiana State Employees' Retirement Benefits Enter the amount of retirement benefits received from the Louisiana State Employees' Retirement System. This amount should be included in the amount on Schedule E, Line 1. Indicate the month and year that you or your spouse retired in the appropriate space.
- 03E Louisiana State Teachers' Retirement Benefits Enter the amount of retirement benefits received from the Louisiana State Teachers' Retirement System. This amount should be included in the amount on Schedule E, Line 1. Indicate the month and year that you or your spouse retired in the appropriate space.
- 04E Federal Retirement Benefits Enter the amount of retirement benefits received from a Federal Retirement System, including benefits received from a military survivor benefit plan. This amount should be included in the amount on Schedule E, Line 1. Indicate the month and year that you or your spouse retired in the appropriate space.
- 05E Other Retirement Benefits Enter the amount of retirement benefits received from any retirement systems whose benefits are specifically exempted by law from Louisiana income tax. This includes retirement systems for school employees, State Police, municipal employees and police, parochial employees, firefighters, Assessors, Clerks of Court, District Attorneys, Registrars of Voters, Sheriffs, and certain local retirement systems. 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. This amount should be included in the amount on Schedule E, Line 1. Indicate the month and year that you or your spouse retired in the appropriate space.

Worksheet for Code 06E	Taxpayer	Spouse
1. Enter retirement income you received and reported on Federal Form 1040 or 1040-SR, Lines 4b and 5b. 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 as codes 02E, 03E, 04E, and 05E of Schedule E. Enter taxpayer's amount on Line 2(a) and enter spouse's amount on Line 2(b).		
3. Subtract Line 2 from Line 1.		
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 Schedule E and code as 06E. If your filing status is married filing jointly, add the amounts on Lines 5(a) and 5(b) above and enter the result on Schedule E and code as 06E.
- 06E Annual Retirement Income Exemption for Taxpayers 65
 Years of Age or Older 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