

Important note concerning Schedule A-1 of the Louisiana Form CIFT - 620

100 % of deferred income tax must be included in the franchise taxable base.

Many times, the deferred income tax account is included in "Other Liabilities." Because most items contained in "Other Liabilities" will be subject to the new debt phase-out, consideration must be given to any item reported in "Other Liabilities" that is not truly debt. If that is the case, then 100% of the deferred income tax or other item, must be reported as "Earned surplus and undivided profits."