



**INSTRUCTIONS**

**TANGIBLE PROPERTY:** Column A includes the average monthly net book value of the eligible manufacturing facility operating in an enterprise zone or designated entertainment district, including all machinery and equipment specifically acquired for and installed at that site (without reduction for any encumbrance). When rented, the value of the eligible manufacturing facility and all machinery and equipment specifically acquired for and installed at that site should be computed by multiplying the gross rents payable by the taxpayer during the income year by eight. Column B consists of the average monthly net book value of all real property, machinery and equipment held and owned by the taxpayer in Connecticut plus the value of all real property, machinery and equipment rented to the taxpayer in Connecticut, computed by multiplying the combined gross rents payable during the income year by eight. **Gross rents** means gross rents as defined in Conn. Gen. Stat. §12-218.

**WAGES, SALARIES AND OTHER COMPENSATION:** Column A consists of all wages, salaries and other compensation paid during the income year to employees of the taxpayer whose positions are **directly attributable** to the eligible manufacturing facility operating in an enterprise zone or designated entertainment district. Column B consists of the sum of wages, salaries and other compensation paid during the income year to all employees of the taxpayer in Connecticut.

An employee's position is **directly attributable** to an eligible manufacturing facility if: (A) the employee's service is performed or base of operation is at the eligible manufacturing facility; (B) the position did not exist prior to the construction, renovation, expansion or acquisition of the eligible manufacturing facility; and (C) the position would not have been created but for the construction, renovation, expansion or acquisition of the eligible manufacturing facility.

**SCHEDULE A - Computation of Form CT-1120 CRMCEZ - Portion of Combined Tax Attributable to Credit Claimant**

1. Net income apportioned to Connecticut, if greater than zero, for the eligible corporation (Form CT-1120CR, Part II, Line 10)	1.		
2a. Total combined apportioned net income of all corporations (Form CT-1120CR, aggregate sum of Part II, Line 10)	2a.		
2b. Enter, as a positive number, the net loss apportioned to Connecticut for all corporations included on Line 2a	2b.		
2c. Adjusted combined income (Add Line 2a and Line 2b)	2c.		
3. Ratio (Divide Line 1 by Line 2c)	3.		
4. Enter combined tax for all corporations (Form CT-1120CR, Part V, Line 2)	4.		
5. <b>Portion of Combined Tax Attributable to Credit Claimant</b> (Multiply Line 4 by Line 3) Enter here and on Line 5 on the front of this form.	5.		

**INSTRUCTIONS FOR SCHEDULE A**

**Purpose of Schedule**

Schedule A is used to adjust the combined tax in order to properly compute the portion of the combined tax attributable to the credit claimant under Conn. Gen. Stat. §12-217e. The portion of combined tax attributable to the credit claimant must be in the same ratio to the combined tax as the apportioned income of the eligible corporation bears to the total combined apportioned income for all corporations included in the combined return, disregarding net losses apportioned to Connecticut, in accordance with Conn. Gen. Stat. §12-217m(j)(2).

**What is an Eligible Corporation**

An eligible corporation is a corporation that has been issued an eligibility certificate from the Commissioner of Economic and Community Development, is properly included in a combined corporation business tax return under the provisions of Conn. Gen. Stat. §12-223a, and has net income apportioned to Connecticut that is greater than zero.

**Line 1** - Enter the net income apportioned to Connecticut, if greater than zero, for the eligible corporation that has been issued an eligibility certificate from **Form CT-1120CR**, Part II, Line 10.

**Line 2a** - Enter the combined net income apportioned to Connecticut for all corporations included in the combined return. This is the aggregate sum of all amounts from **Form CT-1120CR**, Part II, Line 10, for all corporations.

**Line 2b** - Enter, as a positive number, the combined net loss apportioned to Connecticut for all corporations included in the combined return. This is the aggregate sum of all net losses from **Form CT-1120CR**, Part II, Line 10, for all corporations.

**Line 2c** - Add Line 2a and Line 2b.

**Line 3** - Enter the ratio of the apportioned net income for the eligible corporation to the adjusted combined apportioned net income for all corporations. (Divide Line 1 by Line 2c).

**Line 4** - Enter the combined tax from **Form CT-1120CR**, Part V, Line 2.

**Line 5** - Enter the portion of combined tax attributable to the credit claimant in the same ratio as the apportioned net income of the eligible corporation bears to the adjusted combined apportioned net income for all corporations included in the combined return. (Multiply Line 4 by Line 3.)