

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT

FOR INCOME YEAR		
Beginning	1998, and Ending	19

Corporation Name	CT TAX REGISTRATION NUMBER								

PURPOSE OF FORM

Complete **Form CT-1120 MEC**, *Machinery and Equipment Expenditure Credit*, to claim the credit for the incremental increase in the amount spent by a corporation on machinery and equipment pursuant to Conn. Gen. Stat. §12-217o. For more information see **IP 95(2.1)**, *A Guide to Connecticut Corporation Business Tax Credits*.

DEFINITIONS

- **Qualifying expenditures** are any expenditures for machinery and equipment acquired for and installed in a facility in Connecticut.
- **Machinery** is the basic machine itself, including all of its component parts such as belts, pulleys, shafts, moving parts, operating structures, replacement and repair parts, whether purchased separately or in conjunction with a complete machine and regardless of whether the machine or component parts are assembled by the taxpayer or another related party, and all equipment or devices used or required to control, regulate or operate the machinery, including without limitation, computers and data processing equipment. Furniture and fixtures, automobiles or other property used for transportation are not machinery.
- **Equipment** is a device separate from machinery but essential to the business. Repair and replacement parts for equipment also qualify for the credit under the same terms as provided for parts purchased for machinery. Furniture and fixtures, automobiles or other property used for transportation are not equipment.
- A **full-time, permanent employee** is an employee, wherever located, whose employment requires an average of 35 hours or more of service each week for at least eight consecutive weeks.

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT PERCENTAGES

In the case of a corporation that has 250 or fewer full-time, permanent employees, the credit is equal to **10%** (.10) of the amount spent on machinery and equipment acquired for and installed in a facility in Connecticut that exceeds the amount spent by the corporation during the preceding income year for such expenditures.

In the case of a corporation that has between 250 and 800 full-time, permanent employees, the credit is equal to **5%** (.05) of the amount spent by the corporation on machinery and equipment acquired for and installed in a facility in Connecticut that exceeds the amount spent by the corporation during the preceding income year for such expenditures.

This form must be attached to **Form CT-1120** or **Form CT-1120S**.

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT			
1.	Amount of Connecticut machinery and equipment expenditures incurred during the 1998 income year (Attach schedule)	1	
2.	Amount of Connecticut machinery and equipment expenditures incurred during the 1997 income year from 1997 Form CT-1120 MEC , Line 2 (Attach schedule)	2	
3.	Balance (Subtract Line 2 from Line 1. If zero or less, do not file this form.)	3	
4.	Enter the number of full-time permanent employees for 1998 (Attach schedule)	4	
4a.	If Line 4 is 250 or fewer, enter 10% (.10) on Line 5		
4b.	If Line 4 is at least 251, but not more than 800, enter 5% (.05) on Line 5		
5.	Enter the applicable percentage (5% or 10%)	5	
6.	Tax credit (Multiply Line 3 by Line 5) Enter here and on Form CT-1120K , PART I-C, Line 11 or Form CT-1120SK , Part I-C, Line 11.	6	