

(Rev. 12/04)

## Form CT-1120CR

# Combined Corporation Business Tax Return Instructions

### Corporations That Qualify for Combined Reporting:

- Any taxpayer included in a consolidated return for federal income tax purposes may elect to file a combined return together with all other companies that are subject to the tax imposed under Conn. Gen. Stat. Chapter 208 or 209 and are included in the federal consolidated corporation income tax return.
- Any taxpayer not included in a federal consolidated return but which owns or controls, either directly or indirectly, substantially all the capital stock of one or more corporations may, at the discretion of the Commissioner of Revenue Services, be required, or permitted by written approval, to make a return on a combined basis covering these other corporations.

**Consent and Notice of Election:** Each corporation that consents to be included in a Combined Corporation Business Tax Return must submit **Form CT-1120CC**, *Combined Return Consent*, for the initial income year for which the election is being made. The election to file a combined return must be made by the electing corporations not later than the due date or the extended due date of the returns for which the election is made. The election to file a combined return must be in effect for at least five income years, and will continue in effect thereafter, until it is revoked.

**Change of Election:** Any corporation that has elected to file a combined return may subsequently revoke its election even though it continues to be included in a federal consolidated corporation income tax return with other corporations that are subject to the Connecticut corporation business tax. The revocation will not be effective before the fifth income year immediately following the initial income year in which the corporation elected to file a combined return. The election to file a separate return must be submitted in writing on **Form CT-1120CC-R**, *Revocation of Election and Consent to File Combined Corporation Business Tax Return*, by each corporation included in the combined return. The election to file separate returns must be made by the electing corporations by the due date or the extended due date of the separate returns for the initial income year for which the election is made. The election to file separate returns is irrevocable for five successive income years. After five income years, the corporations may elect to file a Combined Corporation Business Tax Return.

**Attachments Required:** Attach to **Form CT-1120CR**, *Combined Corporation Business Tax Return*, a complete copy of the federal consolidated return, including income statements and balance sheets, federal M-1 adjustments, and a schedule of intercompany eliminations as filed with the Internal Revenue Service.

**Form CT-1120 Required:** **Form CT-1120**, *Corporation Business Tax Return*, must be completed and attached to **Form CT-1120CR** for each corporation included.

All applicable tax credit forms, schedules, any other required forms, and any letters of approval or eligibility received from the agency administering the tax credit must be attached to and made part of this tax return for each corporation included.

**Where to File:** Make check or money order payable to the Commissioner of Revenue Services, and paper clip the check or money order to the front of the return. Do not staple. If your check is returned for insufficient or uncollected funds, the Department of Revenue Services (DRS) may resubmit the check to your bank electronically. Mail to:

Department of Revenue Services  
PO Box 2974  
Hartford CT 06104-2974

**Amended Return:** Any company that fails to include items of income or deduction or makes any other error on a return must file a Connecticut amended return using **Form CT-1120X**, *Amended Corporation Business Tax Return*. A copy of federal Form 1120X must be attached to substantiate any changes to federal net income.

**For Further Information:** Call DRS during business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m.:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

**TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

**Forms and Publications:** Forms and publications are available anytime:

- **Internet:** Preview and download forms and publications from the DRS Web site at **www.ct.gov/DRS**;
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX FAX; and
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.

### Line Instructions

Enter the beginning and ending dates of the Parent or Designated Connecticut Parent corporation's income year regardless of whether the corporation is a calendar year or fiscal year filer. Also enter the corporation's Connecticut Tax Registration Number and Federal Employer Identification Number (FEIN).

## Check and Complete Applicable Boxes

**1. Change of Closing Month or Address.** Indicate any change to the end of the corporation's filing period by checking off the proper box and attaching an explanation of the change.

To make any changes to the corporation's address, clearly print the new information, check the *Change of Address* box, and file **Form CT-8822C**, *Corporation Business Tax Change of Address*. If the *Change of Address* box is checked, a completed **Form CT-8822C** must be attached to **Form CT-1120CR**.

**2. Return Status.** Check the corresponding box to indicate the type of combined return being filed.

If this is the first time the corporation is filing **Form CT-1120CR**, check the *Initial Return* box and attach **Form CT-1120CC**.

If the corporation is legally dissolved or withdrawn, check the *Final Return* box.

If the corporation is filing for a short period, check the *Short Period Return* box.

**3. Short Period Return.** Check the corresponding box to indicate the reason for a short period combined return.

**4. Final Return.** If the corporation is filing a final combined return, check the corresponding box providing the reason for the final return.

### Dissolution

To properly dissolve a domestic corporation you must file a Certificate of Dissolution with the Connecticut Office of the Secretary of the State. A dissolved corporation **must** file a return for the period up to the date of legal dissolution or the date of the final liquidation of assets, whichever is later.

Any dissolved corporation that continues to conduct business **must** file **Form CT-1120** and pay any taxes due. If a corporation has been dissolved by forfeiture and wishes to be reinstated, it must submit a written request for a tax clearance to:

Department of Revenue Services  
Corporation Office Audit Unit  
25 Sigourney Street  
Hartford CT 06106-5032

The tax clearance and certificate of reinstatement must be filed with the Connecticut Office of the Secretary of the State.

### Withdrawal From State

A foreign corporation that wishes to withdraw from Connecticut must file a written application for withdrawal with the Connecticut Office of the Secretary of the State. Any corporation that has withdrawn must file Connecticut **Form CT-1120** up to the date of withdrawal and pay any taxes due.

### Mergers and Reorganizations

A corporation that has merged must file a written application with the Connecticut Office of the Secretary of the State. Any corporation that has merged must file Connecticut **Form CT-1120** covering the period up to the date of merger and pay any tax due.

For further information about withdrawal from the state, mergers and reorganizations, or dissolutions, contact the Connecticut Office of the Secretary of the State at 860-509-6000.

Any corporation that is reorganized must submit the details concerning the reorganization in writing and disclose the survivor's Connecticut Tax Registration Number. Mail to:

Department of Revenue Services  
PO Box 2937  
Hartford CT 06104-2937

**5. Type of Federal Return Filed.** Check the box if the federal return was filed on a consolidated basis. If the Consolidated Basis box is checked, enter the parent company's name and FEIN.

**6. Exchange of Research and Development Tax Credits.** Check this box if any included corporation is exchanging Research and Development tax credits available under Conn. Gen. Stat. §§12-217j or 12-217n, for a credit refund equal to 65% (.65) of the value of the credit, subject to certain limitations. Attach **Form CT-1120RC**, *Research and Experimental Expenditures Credit*, or **Form CT-1120 RDC**, *Research and Development Credit*, and **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*.

**7. Annualization.** Check the corresponding box if the corporation is annualizing its income. Complete **Form CT-1120I**, *Computation of Interest Due on Underpayment of Estimated Tax*, and attach it to **Form CT-1120CR**.

See **Informational Publication 2004(19)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

**8. Interest or Intangible Expense Add Back.** Complete as indicated.

**9. Passive Investment Companies.** Check the corresponding box if any included corporation is filing **Form CT-1120 PIC**, *Information Return for Passive Investment Companies*. If the "Yes" box is checked, **Form CT-1120 PIC** must be attached. Passive investment companies are exempt from the corporation business tax, but must file **Form CT-1120 PIC**.

### Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

If you do not round, DRS will disregard the cents.

### Part I - Separate Taxes of Corporations Included in the Combined Return

Each corporation included in **Form CT-1120CR** is required to calculate its tax as if it were not included in a combined return. Complete Part I and attach a separate **Form CT-1120**, *Corporation Business Tax Return*, including all appropriate schedules such as **Form CT-1120 ATT**,

Corporation Business Tax Return Attachment Schedules H, I, and J; **Form CT-1120A**, Corporation Business Tax Return Apportionment Computation; **Form CT-1120K**, Business Tax Credit Summary; other applicable forms, and any letters of approval or eligibility received from the agency administering the credit, for each corporation included.

Attach a schedule showing the name, Connecticut Tax Registration Number, and FEIN of each affiliate added to or deleted from the group since the filing of the prior year's **Form CT-1120CR**. Also attach **Form CT-1120CC** or **Form CT-1120CC-R**, as required.

## **Part II - Computation of Combined Net Income**

The combined net income is the sum of the separate net income or loss of each corporation included in the return, but only to the extent it is separately apportioned to Connecticut in accordance with the provisions of Conn. Gen. Stat. §§12-218, 12-218a, 12-218b, or 12-244, whichever is applicable.

Do not include intercompany rents in the computation of the property factor of the apportionment fraction if the lessor and lessee are included in the combined return. See Conn. Gen. Stat. §12-223b(a).

Do not include receipts from any other company included in the combined return in the computation of the receipts factor of the apportionment fraction. See Conn. Gen. Stat. §12-223b(b).

**Operating Loss Carryovers:** The provisions of Conn. Gen. Stat. §12-217 pertaining to operating loss carryovers only apply to companies filing separate returns. There are specific regulations regarding the application of operating loss carryovers for companies filing a combined return. See Conn. Agencies Regs. §12-223a-2, Combined Operating Loss, for further information.

**Lines 1 through 3** - Complete as indicated.

**Line 4** - Enter the amount of interest expenses paid to a related member as reported on **Form CT-1120AB**, Part I A, Line 1.

**Line 5** - Enter the amount of intangible expenses paid to a related member as reported on **Form CT-1120AB**, Part I B, Line 1.

**Line 6** - Enter the amount of the federal bonus depreciation allowed under I.R.C. §168(k) and claimed on federal Form 4562, Depreciation and Amortization.

**Lines 7 through 9** - Complete as indicated.

**Line 10** - Enter the value of any capital gain realized from the sale of any land, or interest in land, to the state, any political subdivision of the state, or to any nonprofit land conservation organization where such land is to be permanently preserved as protected open space or to a water company (as defined in Conn. Gen. Stat. §25-32a), where such land is to be permanently preserved as protected open space land or as Class I or Class II water company.

**Line 11** - Enter the federal bonus depreciation recovery amount from **Form CT-1120 ATT**, *Schedule J*, Line 6.

**Line 12 through 25** - Complete as indicated.

## **Part III - Computation of Combined Minimum Tax Base**

The combined minimum tax base is the sum of the separate minimum tax base of each corporation included in the return, but only to the extent the base is separately apportioned to Connecticut in accordance with the provisions of Conn. Gen. Stat. §§12-219a or 12-244.

If any income and expenses are eliminated in Part II, Line 16, the intangible property of the corporation eliminating the income shall not be taken into account in apportioning under the minimum tax base as provided by the provisions of Conn. Gen. Stat. §12-219a.

## **Part IV - Computation of Amount Payable**

**Line 1** - Enter the total of all separate taxes as reported on Part I, Line 8.

**Line 2a** - Enter the total tax on Combined Net Income as reported on Part II, Line 25, *Combined Total Column*.

**Line 2b** - Enter the total tax on Combined Minimum Tax Base as reported on Part III, Line 7, *Combined Total Column*.

**Line 2c** - Enter the largest of Line 2a, Line 2b, or \$250 (minimum tax).

**Line 2d** - Multiply the number of companies included in this combined return, less one (the parent or designated parent), by \$250. Each affiliate included in the combined return must pay the minimum tax of \$250.

**Line 2** - To compute the combined tax before surtax, add the amounts on Line 2c and Line 2d.

**Line 3** - To compute the surtax, multiply the amount on Line 2c by 25% (.25). If Line 2c is \$250, enter zero.

**Surtax:** For income years beginning on or after January 1, 2004, and prior to January 1, 2005, any company subject to the corporation business tax must pay a surtax equal to 25% (.25) of the tax due without regard to credits. The surtax **does not** apply to the minimum tax of \$250. *Conn. Gen. Stat. §12-214(b), as amended by 2003 Conn. Pub. Acts 2, §32, as further amended by 2003 Conn. Pub. Acts 1, §87 (June 30 Spec. Sess.)*

**Line 4** - Currently, there are two tax credits subject to recapture. If a corporation has received a notice from Connecticut Housing Finance Authority (CHFA) indicating that 60% or more of a revolving loan fund has not been properly loaned on or before the date that is three years after the date a revolving loan fund is established by such corporation, the credit amount specified in the notice must be recaptured. This amount should be reported on the first Connecticut corporation business tax return required to be filed on or after the date of notice. If any amount of the recaptured credit has not been paid to the Commissioner of Revenue Services on or before the due date of the return, the amount shall accrue interest at 1% (.01) per month or fraction of a month, from the original due date to the date of payment.

If the fixed capital on account of which a corporation claimed the credit is not held and used in Connecticut in the ordinary course of the corporation's trade or business in Connecticut for three full years following its acquisition, the corporation will be required to recapture 100% of the amount of the credit

allowed on its corporation business tax return required to be filed for the income year immediately succeeding the income year during which the three-year period expires.

If the fixed capital on account of which a corporation claimed the credit is not held and used in Connecticut in the ordinary course of the corporation's trade or business in Connecticut for five full years following its acquisition, the corporation will be required to recapture 50% (.50) of the amount of the credit allowed on its corporation business tax return required to be filed for the income year immediately succeeding the income year during which the five-year period expires.

**Line 5** - To compute the total combined tax, add the amounts on Lines 2 through 4. Enter the result on Line 5.

**Line 6** - To compute the preference tax, subtract Line 5, *Total Combined Tax*, from Line 1, *Total Separate Taxes*. If the amount is zero or less, enter zero. If the amount is greater than zero, enter the amount up to a maximum of \$250,000.

**Line 7** - To compute the total tax, add Line 5 and Line 6. Enter the total on Line 7.

**Line 8** - Multiply Line 7 by 30% (.30) and enter the result on Line 8.

**Line 9** - Multiply the number of companies included by \$250 (minimum tax). Enter the result on Line 9.

**Line 10** - Enter the greater of Line 8 or Line 9.

**Line 11** - To compute the Tax Credit Limitation, subtract Line 10 from Line 7. Enter the result on Line 11.

**Line 12** - Enter the total tax credits from *Schedule KC*, Part II, Line 11. **Do not exceed the amount on Line 11 above.**

**Lines 13 through 16** - Complete as indicated.

**Line 17** - Complete as indicated.

**Overpayment of tax liability for a previous income year** is credited against the current estimated tax liability as of the receipt date of **Form CT-1120CR** and **not Form CT-1120 EXT**. Accordingly, an overpayment cannot be determined to exist until a completed return is filed. Overpayments will be treated as estimated tax paid on the fifteenth day of the third month (March 15 for calendar year filers), if **Form CT-1120CR** is filed by the fifteenth day of the third month following the close of the income year. **A request to apply an overpayment to the following income year is irrevocable.**

**Line 18** - To compute the balance due with this return, add Line 15 and Line 16. Enter the total on Line 18.

#### **Part V - Connecticut Combined Operating Loss Carryover**

**Lines 1 through 5** - Enter the amount of the combined Connecticut apportioned operating income (loss) carryover from the five preceding income years as reported on Connecticut corporation business tax returns filed for those years. Net operating losses incurred for income years beginning prior to January 1, 2000, may be carried forward for five successive income years. Net operating losses incurred in income years beginning on or after

January 1, 2000, may be carried forward for 20 successive income years. Conn. Gen. Stat. §12-217.

**Line 6** - Add Lines 1 through 5 in Column A and enter the total on Line 6, Column A. Add Lines 2 through 5 in Column B and enter the total on Line 6, Column B. Enter the amount from Line 6, Column A on Part II, *Computation of Combined net Income*, Line 23.

#### **Signature**

The return must be signed by a duly authorized officer.

#### **Paid Preparer Signature**

Anyone who is paid to prepare the return must sign and date it. Paid preparers must also enter their Social Security Number or Preparer Tax Identification Number (PTIN), their firm's FEIN, and their firm's address and telephone number in the spaces provided.

**Paid Preparer Authorization:** If the corporation wishes to allow DRS to contact the paid preparer who signed the 2004 tax return, check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer's Signature" section of the return. It does not apply to the firm, if any, shown in that section.

If the "Yes" box is checked, the corporation is authorizing DRS to call the paid preparer to answer any questions that may arise during the processing of the 2004 corporation business tax return. The corporation is also authorizing the paid preparer to:

- Give DRS any information that is missing from the return;
- Call DRS for information about the processing of the corporation's return or the status of the corporation's refund or overpayment; **and**
- Respond to certain DRS notices that the corporation may have shared with the preparer regarding math errors, offsets, and return preparation. The notices will be sent to the preparer.

The corporation is not authorizing the paid preparer to receive any refund check, bind the corporation to anything (including additional tax liability), or otherwise represent the corporation before DRS. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing the 2005 corporation business tax return. This is on or before the first day of the month following the due date of the company's corresponding federal income tax return for the income year (April 1 for calendar year filers).

#### **Schedule KC - Combined Tax Credits**

**Schedule KC**, *Combined Tax Credits*, must be completed whenever tax credits are claimed. **Schedule KC** contains the combined total of the tax credits which are claimed on **Form CT-1120K**, *Business Tax Credit Summary*, by the parent corporation and each affiliate in the group. Attach **Form CT-1120K** to **Schedule KC** for each corporation in the combined group claiming a business tax credit.

All applicable credit forms, schedules, and any letters of approval or eligibility received from the agency administering the tax credit must be attached to this tax return.

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, for additional information on Connecticut business tax credits.

**Limit on Credits:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of total tax due prior to the application of the tax credits.

For income years beginning on or after January 1, 2002, financial service companies are subject to the minimum tax of \$250, and no tax credit can be applied against the minimum tax of \$250 for each included corporation.

## **Part I - Tax Credits From 2004 Income Year**

### **Part I-A - Financial Institutions Tax Credit**

**Line 1** - Enter on *Schedule KC*, Part I-A, Line 1, Column A, the combined total tax credit amount being applied from **Form CT-1120K**, Part I-A, Line 1, Column B, for financial institutions constructing new facilities in Connecticut.

### **Part I-B - Tax Credits With Carryback Provisions**

Enter on *Schedule KC*, Part I-B, Lines 2 through 4, Column A, the amounts from **Form CT-1120K**, Part I-B, Lines 2 through 4, Column B. This is the combined total of all credits actually applied to the corporation business tax in 2004 that have a carryback provision. The credits indicated here are applied to the current year tax first. Any remaining balance may be claimed against a preceding year tax by filing **Form CT-1120X** or the appropriate amended tax returns.

Enter on *Schedule KC*, Part I-B, Lines 2 through 4, Column B, the combined totals of all credit amounts from **Form CT-1120K**, Part I-B, Lines 2 through 4, Column D. This is the combined total of all tax credits which are being carried back to a preceding tax year. For credits that also have a carryforward provision, complete *Schedule KC*, Part I-D.

**Line 2** - Enter in Column A the amount from **Form CT-1120K**, Part I-B, Line 2, Column B. Enter in Column B the amount from **Form CT-1120K**, Part I-B, Line 2, Column D.

**Line 3** - Enter in Column A the amount from **Form CT-1120K**, Part I-B, Line 3, Column B. Enter in Column B the amount from **Form CT-1120K**, Part I-B, Line 3, Column D.

**Line 4** - Enter in Column A the amount from **Form CT-1120K**, Part I-B, Line 4, Column B. Enter in Column B the amount from **Form CT-1120K**, Part I-B, Line 4, Column D.

**Line 5** - Add Lines 2 through 4 in Column A and Column B. Enter the total in the spaces provided.

### **Part I-C - Tax Credits Without Carryback or Carryforward Provisions**

Enter on *Schedule KC*, Part I-C, Lines 6 through 12, Column A, the combined total of all credits applied to the current year corporation business tax from **Form CT-1120K**, Part I-C, Column B, Lines 6 through 12.

**Line 6** - Enter in Column A the amount from **Form CT-1120K**, Part I-C, Line 6, Column B.

**Line 7** - Enter in Column A, the amount from **Form CT-1120K**, Part I-C, Line 7, Column B.

**Line 8** - Enter in Column A the amount from **Form CT-1120K**, Part I-C, Line 8, Column B.

**Line 9** - Enter in Column A the amount from **Form CT-1120K**, Part I-C, Line 9, Column B.

**Line 10** - Enter in Column A the amount from **Form CT-1120K**, Part I-C, Line 10, Column B.

**Line 11** - Enter in Column A the amount from **Form CT-1120K**, Part I-C, Line 11, Column B.

**Line 12** - Enter in Column A the amount from **Form CT-1120K**, Part I-C, Line 12, Column B.

**Line 13** - Add Lines 6 through 12 in Column A. Enter the total in the spaces provided.

### **Part I-D - Tax Credits With Carryforward Provisions**

Enter on *Schedule KC*, Part I-D, Lines 14 through 27, Column A the combined total of all tax credit carryforward amounts from previous income years. Enter on Part I-D, Lines 16 through 25, Column B the current year credit amount claimed. Enter on Part I-D, Lines 14 through 27, Column C the amount of tax credit applied to the corporation business tax for the current year. Enter on Part I-D, Lines 14 through 27, Column D, the total available credit carryforward to 2005.

**Line 14** - If you are claiming the Housing Program Contribution Credit, complete Part I-B, Line 3. Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 14, Column A. This is the carryforward amount for the Employer-Assisted Housing Credit. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 14, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Column E.

**Line 15** - If you are claiming the Employer-Assisted Housing Credit, complete Part I-B, Line 4. Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 15, Column A. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 15, Column C. Enter in Column D the amount from **Form CT-1120K**, Line 15, Column E.

**Line 16** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 16, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 16, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 16, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 16, Column E.

**Line 17** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 17, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 17, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 17, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 17, Column E.

**Line 18** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 18, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D,

Line 18, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 18, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 18, Column E.

**Line 19** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 19, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 19, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 19, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 19, Column E.

**Line 20** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 20, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 20, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 20, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 20, Column E.

**Line 21** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 21, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 21, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 21, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 21, Column E.

**Line 22** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 22, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 22, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 22, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 22, Column E.

**Line 23** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 23, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 23, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 23, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 23, Column E.

**Line 24** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 24, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 24, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 24, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 24, Column E.

**Line 25** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 25, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-D, Line 25, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 25, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 25, Column E.

**Line 26** - Enter in Column A the amount from **Form CT-1120K**, Part I-D, Line 26, Column A. Enter in Column C the amount from **Form CT-1120K**, Part I-D, Line 26, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-D, Line 26, Column E.

**Line 27** - Total Part I-D. Add Lines 14 through 26 in Columns A through D. Enter the total in the spaces provided.

### **Part I-E - Electronic Data Processing Equipment Property Tax Credit**

**Line 28** - Enter on *Schedule KC*, Part I-E, Line 28, Column A the amount from **Form CT-1120K**, Part I-E, Line 28, Column A. Enter in Column B the amount from **Form CT-1120K**, Part I-E, Line 28, Column B. Enter in Column C the amount from **Form CT-1120K**, Part I-E, Line 28, Column C. Enter in Column D the amount from **Form CT-1120K**, Part I-E, Line 28, Column E.

### **Part II - Total Tax Credits Applied**

This section enables a corporation to apply its tax credits in the order required by Conn. Gen. Stat. §12-217aa. This section also allows for the limitation of the amount of tax credits otherwise allowable against the corporation business tax. Enter on *Schedule KC*, Part II, Lines 2, 4, 6, 8, and 10 the total amount of tax credits applied to the corporation business tax.

**Line 1** - Enter the amount from **Form CT-1120CR**, Part IV, Line 11.

**Line 2** - Enter the amount from *Schedule KC*, Part I-A, Line 1, Column A. Do not exceed the amount on Line 1.

**Line 3** - Enter the creditable corporation business tax balance. Subtract Line 2 from Line 1. Enter the result on Line 3.

**Line 4** - Enter the amount from *Schedule KC*, Part I-B, Line 5, Column A. Do not exceed the amount on Line 3.

**Line 5** - Enter the creditable corporation business tax balance. Subtract Line 4 from Line 3. Enter the result on Line 5.

**Line 6** - Enter the amount from *Schedule KC*, Part I-C, Line 13, Column A. Do not exceed the amount on Line 5.

**Line 7** - Enter the creditable corporation business tax balance. Subtract Line 6 from Line 5. Enter the result on Line 7.

**Line 8** - Enter the amount from *Schedule KC*, Part I-D, Line 27, Column C. Do not exceed the amount on Line 7.

**Line 9** - Enter the creditable corporation business tax balance. Subtract Line 8 from Line 7. Enter the result on Line 9.

**Line 10** - Enter the amount from *Schedule KC*, Part I-E, Line 28, Column C. Do not exceed amount on Line 9.

**Line 11** - Add Part II, Lines 2, 4, 6, 8, and 10. Enter the total here and on **Form CT-1120CR**, Part IV, *Computation of Amount Payable*, Line 12. Do not exceed amount on Line 1.

### **Part III - Credit Reconciliation**

Enter on *Schedule KC*, Part III, Column A the name of each corporation included in the combined return claiming a tax credit. Enter in Column B the Connecticut Tax Registration Number of each corporation included in the combined return claiming a tax credit. Enter in Column C the name of the tax credit claimed. Enter in Column D the amount of tax credit applied.