

Form CT-1120A Corporation Business Tax Return Apportionment Computation

Complete this form in blue or black ink only. See instructions on reverse.

Corporation name	Connecticut Tax Registration Number
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Schedule Q - Net Income Apportionment

1. (a) Gross receipts from business carried on within Connecticut	▶	00
(b) Gross receipts from business carried on outside Connecticut	▶	00
(c) Total: Add Line 1(a) and Line 1(b).		00
2. Proportion of income attributable to Connecticut: Divide Line 1(a) by Line 1(c). <i>Enter on Form CT-1120, Schedule A, Line 2. Carry to six places.</i>		0.

Schedule R - Net Income Apportionment

Factor	Item	Column A Connecticut	Column B Everywhere	Column C
Tangible Property	1. (a) Inventories	▶	00	Divide Column A by Column B.
	(b) Depreciable assets	▶	00	
	(c) Land	▶	00	
	(d) Capitalized rent	▶	00	
	(e) Other: See instructions.	▶	00	
	1. Total		00	
Average Monthly Net Book Value				Carry to six places
Wages, Salaries, and Other Compensation	2. Total	▶	00	0.
Gross Receipts	3. (a) Sales of tangibles	▶	00	Carry to six places
	(b) Services	▶	00	
	(c) Interest	▶	00	
	(d) Rents and royalties	▶	00	
	(e) Net gains from sales of assets	▶	00	
	(f) Other	▶	00	
	3. Total		00	
	4. Enter amount from Line 3, Column C.			0.
Apportionment Fraction	5. Total: Add Lines 1 through 4 in Column C.			0.
	Apportionment: Line 5 divided by number of factors used. Enter here and on Form CT-1120, Schedule A, Line 2.			0.

Schedule S - Minimum Tax Base Apportionment

Factor	Item	Column A Connecticut	Column B Everywhere	Column C
Intangible Assets	1. (a) Cash	▶	00	Divide Line 3, Column A by Line 3, Column B.
	(b) Notes and accounts receivable	▶	00	
	(c) Investments (other than stock)	▶	00	
	(d) Other	▶	00	
	1. Total		00	
Average Monthly Net Book Value				Enter below and on Form CT-1120, Schedule B, Line 2.
Tangible Property	2. (a) Inventories	▶	00	Carry to six places
	(b) Depreciable assets	▶	00	
	(c) Land	▶	00	
	(d) Other	▶	00	
	2. Total		00	
Average Monthly Net Book Value				
Apportionment Fraction	3. Total: Add Line 1 and Line 2.		00	0.

Form CT-1120A Instructions

Complete this form in blue or black ink only.

Complete and file it as part of the Corporation Business Tax Return only if the company carried on business within and outside Connecticut and was taxable in another state during the income year for which the return is filed.

A corporation entitled to apportion its income must complete either *Schedule Q*, *Schedule R*, or one of the special apportionment forms listed below. Special apportionment forms are applicable for the following business types:

- Air Carriers calculate their apportionment fraction on **Form CT-1120A-A**, *Corporation Business Tax Return Apportionment Computation - Air Carriers*.
- Companies whose income is derived from credit card activities calculate their apportionment fraction on **Form CT-1120A-CCA**, *Corporation Business Tax Return Apportionment Computation of Income From Credit Card Activities*.
- Manufacturers calculate their apportionment fraction on **Form CT-1120A-MFG**, *Corporation Business Tax Return Apportionment Computation - Manufacturing Companies*.
- Broadcasters and Production Entities calculate their apportionment fraction on **Form CT-1120A-BPE**, *Corporation Business Tax Return Apportionment Computation - Broadcasters and Production Entities*.
- Securities Brokerage Services Companies calculate their apportionment fraction on **Form CT-1120A-SBC**, *Corporation Business Tax Return Apportionment Computation - Securities Brokerage Services*.
- Companies not otherwise conducting business in Connecticut, that are limited partners in a limited partnership doing business in Connecticut may elect to apportion their net income inside and outside Connecticut on **Form CT-1120A-LP**, *Corporation Business Tax Return Apportionment of Limited Partnership Interests*.
- Motor Bus Companies and Motor Carriers calculate their apportionment fraction on **Form CT-1120A-BMC**, *Corporation Business Tax Return Apportionment - Motor Bus and Motor Carrier Companies*. Income derived from sources other than carrying passengers or tangible property for hire must be apportioned by an apportionment fraction calculated on **Form CT-1120A**, *Schedule Q* or *Schedule R*.
- Financial Service Companies calculate their apportionment fraction on **Form CT-1120A-FS**, *Corporation Business Tax Return Apportionment Computation of Income From Financial Service Companies Activities*.
- Corporations that receive income from rendering services to or on behalf of regulated investment companies use **Form CT-1120A-IRIC**, *Corporation Business Tax Return Apportionment Computation of Income From Services to Regulated Investment Companies*.

Corporate Partner

A corporation that owns an interest in a partnership or joint venture should include its pro rata share of its apportionment factor (property, payroll, and receipts) in the numerator and denominator of the Connecticut statutory apportionment formula (Conn. Gen. Stat. §12-218) which is used to determine the corporation's portion of its total net income subject to the Connecticut corporation business tax.

Schedule Q - Net Income Apportionment

This schedule should be completed only by companies that derive business income from operations that **do not** involve the manufacture, sale, or use of tangible personal or real property, and are not entitled to apportion their income using one of the special apportionment forms listed above. Item 1(a) should include all receipts from business carried on within Connecticut. The components of the receipts factor in *Schedule Q* will be determined in the same manner as in *Schedule R*.

Schedule R - Net Income Apportionment

This schedule should be completed only by companies that derive business income from operations that involve the manufacture, sale, or use of tangible personal or real property, and are not entitled to apportion their income using one of the special apportionment forms listed above.

Item 1. Enter on Lines 1(a), 1(b), 1(c), and 1(e), the average monthly net book value for each category of tangible personal and real property that is held and owned within Connecticut. Enter on Line 1(d) the average monthly net value of capitalized rent, which is computed by multiplying by eight the gross rents paid directly or indirectly for the use or possession of the rented property. Include interest, taxes, insurance, and repairs to the rented property. Royalties are excluded. Enter on Line 1(e) items such as construction-in-progress, interest in partnerships, etc. Total the amounts and divide Column A by Column B to compute the apportionment fraction, carried to six decimal places.

Item 2. This factor must include all compensation paid by the corporation during the income year to officers and all other employees inclusive of salaries and wages that have been capitalized and not claimed as a deduction in the income year of the return.

Item 3. Enter the gross receipts from sales and other sources during the income year. Include the following: receipts from sales of tangible property delivered or shipped to a purchaser within Connecticut regardless of the f.o.b. point or other conditions of sale; receipts from services performed within Connecticut; interest earned from assets managed or controlled within Connecticut; rents and royalties from property situated within Connecticut; royalties from the use of patents and copyrights within Connecticut; net gains from sales or other disposition of intangible assets managed or controlled within Connecticut; and net gains from sales or disposition of tangible assets situated within Connecticut. If losses from sales or other dispositions of such tangible or intangible assets exceed the gains, enter zero for the net gains. Dividends are excluded from the receipts factor. All other receipts earned within Connecticut not included above must be included in the receipts factor.

Item 4. This factor is the same as Item 3, Column C.

Item 6. Divide Line 5 by the number of applicable apportionment factors. The number of applicable factors is four if the payroll, property, and double weighted receipts factors apply to a corporation. A factor is inapplicable if both the numerator and denominator are zero.

Schedule S - Minimum Tax Base Apportionment

Item 3. This apportionment factor must include the average monthly net book value of all assets exclusive of holdings of stock of private (nongovernmental) corporations. The intangible assets of a company that has its principal place of business within Connecticut are deemed to have a tax situs within Connecticut unless it can be clearly established that some or all of the assets are held in connection with business conducted during the income year outside Connecticut.

Apportionment in Special Cases

The statutory method is designed to produce a reasonable apportionment within and outside Connecticut, therefore, it must be used in all cases except those in which it has been determined by the Commissioner of Revenue Services that an exception should be made. While the statutory method may produce a result substantially different from that produced by some other method, that fact alone does not justify an exception. It is the responsibility of the taxpayer to show that the statutory apportionment fraction, when applied to its business, provides grossly inequitable results and that the income attributed to Connecticut is out of proportion to the business transacted in Connecticut. The variance must be significant enough to invalidate the assumption that the statutory method is reasonable.

The return of a taxpayer requesting relief from the statutory method of apportionment must be filed initially on the statutory basis using the formula methods prescribed in Conn. Gen. Stat. §§12-218, 12-218b, 12-219a, or 12-244 for computing the net income and the minimum tax base, together with: (1) payment of the tax due on the applicable base as so computed, and (2) a statement containing a specific alternate method. Data supporting the contention that the operation of the statutory method is grossly inequitable and attributes to Connecticut an undue proportion of the taxpayer's net income or minimum tax base must be provided. Permission to determine the tax on an alternate basis will not be considered in any case in which this procedure has not been strictly followed.

The Commissioner will notify the company as to whether the proposed alternate method of apportionment is accepted or rejected. If the proposed method is accepted, the tax will be adjusted.