

Form CT-1120CR Combined Corporation Business Tax Return Instructions

2015

Complete this return in blue or black ink only.

For 2015, Form CT-1120CR filers should continue to file Form CT-1120CR on paper returns. See *Electronic Filing and Payment Requirements*, below.

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 Chapter 208 or Chapter 209 of the Connecticut General Statutes 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.

Note: For income years beginning on or after January 1, 2016, groups of corporations that are engaged in a unitary business, where one or more members of the group is subject to the Connecticut corporation business tax, are required to file and calculate the corporation business tax on a unitary basis. This new mandatory combined unitary tax method will replace the current combined filing method reported on Form CT-1120CR and the elective unitary method reported on Form CT-1120U.

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/M-3 adjustments, and a schedule of intercompany eliminations as filed with the Internal Revenue Service (IRS).

Form CT-1120 Required

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

When to File

Every corporation must file a return 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 taxpayers). In the case of any company that is not required to file a federal income tax return for the income year, the Connecticut combined corporation business tax return is due on or before the first day of the fourth month following the end of the income year. If the due date falls on a Saturday, Sunday, or legal holiday, the return is considered timely if filed on the next business day.

The return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

Federal Express (FedEx)	United Parcel Service (UPS)
<ul style="list-style-type: none">• FedEx First Overnight• FedEx International First Next Flight Out• FedEx International Economy• FedEx Priority Overnight• FedEx Standard Overnight• FedEx 2Day• FedEx International Priority• FedEx International First	<ul style="list-style-type: none">• UPS Next Day Air• UPS Next Day Air Early AM• UPS Next Day Air Saver• UPS 2nd Day Air• UPS 2nd Day Air A.M.• UPS Worldwide Express Plus• UPS Worldwide Express

This list is subject to change. See **Policy Statement 2015(2)**, *Designated Private Delivery Services and Designated Types of Service*.

Electronic Filing and Payment Requirements

For income years beginning on or after January 1, 2014, all corporation payments are required to be paid electronically. In addition, all corporations must file and pay their estimated taxes (Forms CT-1120 ESA, ESB, ESC and ESD) and extension requests (Form CT-1120 EXT) electronically.

See **Information Publication 2014(15)**, *Filing and Paying Connecticut Taxes Electronically*.

To request a waiver from the electronic filing and payment requirement visit www.ct.gov/drs/TSCfiling and complete **Form DRS-EWVR**, *Electronic Filing and Payment Waiver Request*.

The following penalties will apply if a required electronic funds transfer (EFT) payment is remitted late:

- 2% of the required tax due for EFT payments not more than 5 days late;
- 5% of the required EFT payments more than 5 days late but not more than 15 days late; **and**
- 10% of the required EFT payments more than 15 days late.

The following graduated penalty amounts will apply if you fail to remit payments electronically:

- First offense – 10% penalty on the amount of the tax payment, but not more than \$2,500;
- Second offense – 10% penalty, but not more than \$10,000; **and**
- Third and subsequent offenses – 10% penalty.

Late payments are subject to interest at the rate of 1% per month or fraction of a month from the due date until the tax is paid in full.

Extension Request

The combined group may request an extension of time to file the annual return by filing **Form CT-1120 EXT**, *Application for Extension of Time to File Corporation Business Tax Return*, not later than the first day of the month following the due date of the group's corresponding federal income tax return for the income year (April 1 for calendar year taxpayers).

In the case of a group not required to file a federal income tax return for the income year, the extension request must be filed on or before the first day of the fourth month following the end of the income year. Payment of the total tax due must be included with the request. The timely filing of Form CT-1120 EXT will automatically extend the due date for six months.

Visit www.ct.gov/TSC to file your extension request electronically.

Form CT-1120 EXT extends only the time to file the tax return. It does not extend the time to pay the corporation business tax. Interest on any tax not paid by the original due date is computed at 1% per month or fraction of a month until the tax is paid in full.

Payment Options

Pay Electronically: Visit www.ct.gov/TSC to use the **Taxpayer Service Center (TSC)** to make a direct tax payment. After logging into the **TSC**, select the *Make Payment Only* option and choose a tax type from the drop down box. Using this option authorizes the Department of Revenue Services (DRS) to electronically withdraw a payment from your bank account (checking or savings) on a date you select up to the due date. As a reminder, even if you pay electronically you must still file your return on or before the due date. Tax not paid on or before the due date will be subject to penalty and interest.

Pay by Credit Card or Debit Card: You may elect to pay your tax liability using a credit card (American Express®, Discover®, MasterCard®, or VISA®) or comparable debit card. A convenience fee will be charged by the service provider. You will be informed of the amount of the fee and you may elect to cancel the transaction. At the end of the transaction you will be given a confirmation number for your records.

There are three ways to pay by credit card or comparable debit card:

- Login to your account in the **TSC** and select *Make Payment by Credit Card*;
- Visit: www.officialpayments.com and select *State Payments*; **or**
- Call Official Payments Corporation toll-free at 1-800-487-4567 to speak with a representative. You will be asked to enter the Connecticut Jurisdiction Code: 1777.

Your payment will be effective on the date you make the charge.

Pay by Mail: If you have received a waiver from the electronic payment requirement make check payable to **Commissioner of Revenue Services**. To ensure payment is applied to your account, write "2015 Form CT-1120CR" and your Connecticut Tax Registration Number on the front of the check. Be sure to sign your check and paper clip it to your return. Do not send cash. DRS may submit your check to your bank electronically.

Where to File

Mail return **with payment** to:

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

Mail return **without payment** to:

Department of Revenue Services
State of Connecticut
PO Box 150406
Hartford CT 06115-0406

Amended Returns

Any combined group that fails to include items of income or deduction or makes any other error on a return must file an amended combined return on **Form CT-1120CR**, *Combined Corporation Business Tax Return*, that applies to the tax year being amended and check the *Amended* box.

If a corporation has filed an amended federal return with the IRS and the amendment affects the corporation's Connecticut tax return, then within 90 days of the IRS final determination on that amended federal return, the corporation must file an amended Connecticut Corporation Business tax return and attach a copy of federal Form 1120X, Amended U.S. Corporation Income Tax return.

Corrections to taxable income made by the IRS must be reported to the Commissioner of Revenue Services on or before 90 days after the final determination of the change. All federal adjustments must be reported on an amended return. An extension request for reporting federal audit changes may be submitted in writing to the Commissioner stating the reason additional time is required.

If the adjustment on a Connecticut amended return is not related to an adjustment made on a federal amended return (e.g. an adjustment to Connecticut net income, Connecticut minimum tax base, a Connecticut apportionment factor, a Connecticut net operating loss, or a Connecticut corporation business tax credit), explain the adjustment in detail and attach all appropriate supporting forms and schedules.

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. Address Change - Check the *address change* box, and file **Form CT-8822C, Corporation Business Tax Change of Address** (available on the DRS website). If the *address change* 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* box and attach Form CT-1120CC.

If the corporation is legally dissolved or withdrawn, check the *Final* box and complete *Line 3*.

If the corporation is filing a short period return, check the *Short period* box.

If the corporation is filing an amended return, check the *Amended* box.

3. Final Return - If the parent or designated Connecticut parent 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** be included in Form CT-1120CR 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 and Pass-Through Audit Unit
25 Sigourney St Ste 2
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 be included in Form CT-1120CR 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 be included in Form CT-1120CR 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
State of Connecticut
PO Box 2937
Hartford CT 06104-2937

4. 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.

5. Exchange of Research and Development Tax Credits - Check the **Yes** 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% 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**.

6. Annualization - Check the corresponding box if the combined group is using the annualized installment method to calculate its estimated tax payments. Complete **Form CT-1120I, Computation of Interest Due on Underpayment of Estimated Tax**, and attach it to Form CT-1120CR.

See **Informational Publication 2015(14), Q & A on Estimated Corporation Business Tax and Worksheet CT-1120AE**.

7. Interest or Intangible Expense Add Back - Check the **Yes** box if any corporation pays, accrues, or incurs interest expenses or intangible expenses, costs, and related interest expenses to a related member. Attach **Form CT-1120AB, Summary of Add Back and Exceptions to Add Back of Interest and Intangible Expenses**.

8. 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. A passive investment company must be related to a financial services company or to an insurance company. 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. If you do not round, DRS will disregard the cents. 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.

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, 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*.

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 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 apportioned separate net income or loss, as calculated for combined return purposes, of each corporation included in the return. Each corporation separately apportions its net income to Connecticut in accordance with the provisions of Conn. Gen. Stat. §§12-218, 12-218a, 12-218b, or 12-244, whichever is applicable.

The calculation of apportioned net income for combined return purposes differs slightly from such calculation for separate return purposes. For purposes of determining combined net income in Part II, the following adjustments must be made to each included corporation's calculation of apportioned separate net income:

Net income adjustments:

- Any intercompany intangible expenses and costs required to be added back pursuant to Conn. Gen. Stat. §12-218c and the corresponding income attributable to such expenses are eliminated provided that both the payor and payee are included in the combined return. See Conn. Gen. Stat. §12-223a(c)(1)(B). Enter the amount of expenses or income to be eliminated on Line 9 and Line 20, respectively.
- Intercorporate dividends from corporations included in the combined return are deducted. See Conn. Gen. Stat. §12-223a(c)(1)(A).

Apportionment calculation adjustments:

- 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).

These adjustments should not be made when calculating the separate tax of each included corporation for preference tax purposes in Part I.

Calculate each included corporation's apportioned net income on the consolidating schedules. Enter the sum of Lines 1 through 26 of each included corporation in the Combined Total Column.

Line 1 - Enter the corporation's federal taxable income (loss) before net operating loss and special deductions as filed on the corporation's federal return.

Line 2 - Enter all interest income exempt from federal taxation.

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 3.

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

Line 8 - Enter the Domestic Production Activities deduction permitted under IRC §199 and reported on federal Form 1120, Line 25.

Line 9 - Enter any other income amount. Attach an explanation.

- Include the amount of intercompany intangible expenses and costs that are eliminated pursuant to Conn. Gen. Stat. §12-223a(c)(1)(B).
- Also include the applicable amount of distributions from a manufacturing reinvestment account (MRA). Enter:
 - 100% of distributions from an MRA to the extent they are used for non-qualifying purchases; **and**
 - 100% of the money remaining in an MRA account that is returned to you after the five year period.

Line 11a - Enter the sum of the amounts entered on **Form CT-1120 ATT**, *Corporation Business Tax Return Attachment Schedules H, I, and J; Schedule I*, Line 2.

Line 11b - Enter the sum of the amounts entered on Form CT-1120 ATT, *Schedule I*, Line 3.

Line 11c - Enter the sum of the amounts entered on Form CT-1120 ATT, *Schedule I*, Line 4.

Line 11d - Enter the amounts of intercorporate dividends from corporations included in this combined return not otherwise deducted.

Line 12 - Enter the amount of any available capital loss carryover not deducted in computing federal capital gain. This amount is limited to the amount of the capital gain reported on the federal return as described in Conn. Gen. Stat. §12-217.

Line 13 - 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 14 - Enter the federal bonus depreciation recovery amount from Form CT-1120 ATT, Schedule J, Line 16.

Line 15 - Enter the amount of exceptions to interest add back as reported on Form CT-1120AB, Part II A, Line 1.

Line 16 - Enter the amount of exceptions to interest add back as reported on Form CT-1120AB, Part II A, Line 2.

Line 17 - Enter the amount of exceptions to interest add back as reported on Form CT-1120AB, Part II A, Line 3.

Line 18 - Enter the amount of exceptions to the add back of intangible expenses paid to a related member as reported on Form CT-1120AB, Part II B, Line 1.

Line 19 - Enter the amount of cancellation of debt income included in 2015 federal taxable income to the extent it was previously deferred for federal purposes and added back in arriving at Connecticut net income.

Line 20 - Enter any other income deduction. Attach an explanation.

- Enter the amount of contributions to a manufacturing reinvestment account.
- Enter the amount of income received from an included corporation attributable to intangible expenses and costs that is eliminated pursuant to Conn. Gen. Stat. §12-223a(c)(1)(B).
- Enter the amount received from a related member attributable to intangible expenses and costs (that is not already eliminated on this line) or to interest expenses and costs, provided such income was:
 - Included on Part II, Line 1 of this return;
 - Received from a related member who filed a Connecticut corporation business tax return for the same income year; **and**
 - Required to be added back by the related member under Conn. Gen. Stat. §§12-218c or 12-218d and was not entitled to an exception of the add back.

Line 22 - Subtract Line 21 from Line 10. Enter the result here.

Line 23 - Enter the appropriate apportionment fraction from Form CT-1120A, Schedule Q, Line 2; Schedule R, Line 6, Column C; or from the appropriate apportionment form. The fraction must be expressed as a decimal and carried to six places.

Line 24 - Enter the amount from Line 22 multiplied by Line 23, or enter the amount from Line 22, if not entitled to apportion.

Lines 25 and 27 - Net operating losses incurred by an included corporation in an income year prior to its inclusion in the combined return may be utilized to offset up to 50% of its separately calculated net income on Line 25. In general, net operating losses incurred by the combined group in prior income years may be utilized to offset up to 50% of combined net income

on Line 27. The total amount of operating loss carryforward being applied on Line 25 and Line 27 cannot exceed 50% of Connecticut net income reported on the *Combined Total* column, Line 24.

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. Net operating losses incurred by a combined group may only be used to offset the net income of companies that were part of the combined return in the year of the loss. See Conn. Agencies Regs. §12-223a-2, Combined Operating Loss.

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 20, 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 separate taxes from Part I, Line 51.

Line 2a - Enter the tax on combined net income from Part II, Line 29, Combined Total column.

Line 2b - Enter the tax on combined minimum tax base from Part III, Line 7, Combined Total column.

Line 2c - Enter the largest of Line 2a, Line 2b or \$250.

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 3 - To compute the surtax, multiply the amount on Line 2c by 20%. If Line 2c is \$250, enter "0."

Line 4 - Enter the total tax credits that must be recaptured. The following tax credits are subject to recapture:

- Historic Preservation
- Insurance Reinvestment
- Fixed Capital Investment
- New Jobs Creation
- Urban and Industrial Site Reinvestment

In most cases, other than the Fixed Capital Investment tax credit, the corporation will have been advised by the agency administering the tax credit that recapture is required.

A corporation is required to recapture the Fixed Capital Investment tax credit when the fixed capital is not held and used in Connecticut by the corporation for five full years following its acquisition. See **Form CT-1120 FCIC**, *Fixed Capital Investment Tax Credit*, to calculate the amount of tax credit that must be recaptured.

See the *Guide to Connecticut Business Tax Credits* available on the Department of Revenue Services (DRS) website at www.ct.gov/DRS.

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 "0." If the amount is greater than zero, enter the amount up to a maximum of \$500,000.

Line 8 - Multiply Line 7 by 49.99% (0.4999).

Line 9 - Multiply the number of included corporations by \$250.

Line 12 - Enter the total tax credits applied from Schedule KC, Combined Tax Credits, Part II, Line 9. Do not exceed the amount on Line 11.

Line 14a - Enter the amount paid with Form **CT-1120 EXT**.

Line 14b - Enter the amount(s) paid with Form **CT-1120 ESA, ESB, ESC, or ESD**.

Line 14c - Enter the amount of any overpayment from the prior year.

Line 14 - Add Lines 14a, 14b, and 14c.

Line 16a - Enter penalty if applicable. See *Interest and Penalties* in the instructions for **Form CT-1120, Corporation Business Tax Return**.

Line 16b - Enter interest due on tax not paid by the original due date. See *Interest and Penalties* in the instructions for Form CT-1120, *Corporation Business Tax Return*.

Line 16c - Enter interest due on underpayment of estimated tax. Complete and attach **Form CT-1120I**.

Line 16 - Add Lines 16a, 16b, and 16c.

Line 17a - Enter the amount of overpayment to be credited to 2016 estimated tax.

The overpayment will be treated as estimated tax paid on the fifteenth day of the third month (March 15 for calendar year filers), if the tax return is filed on time or if the tax return is filed within the extension period if a timely request for extension was filed. **A request to apply an overpayment to the following income year is irrevocable.** See **IP 2015(14), Q&A on Estimated Corporation Business Tax and Worksheet CT-1120AE**.

Line 17b - Enter the amount of overpayment to be refunded.

Lines 17c through 17e - Get the refund faster by choosing **direct deposit**. Complete lines 17c, 17d and 17e to have the refund directly deposited into a checking or savings account.

Name of Depositor Street Address City, State, Zip Code	Date _____	No. 101
Pay to the Order of _____	\$ _____	
Name of your Bank Street Address City, State, Zip Code		
092125789	091 025 025413	0101
↑ Routing Number	↑ Account Number	

Enter the nine-digit bank routing number and the bank account number in Lines 17d and 17e. The bank routing number is normally the first nine-digit number printed on the check or savings withdrawal slip. The bank account number generally follows the bank routing number. Do not include the check number as part of the account number. Bank account numbers can be up to 17 characters.

If any of the bank information supplied for direct deposit does not match, or the applicable bank account is closed prior to the deposit of the refund, the refund will automatically be mailed.

Line 17f - Federal banking rules require DRS to request information about foreign bank accounts when the taxpayer requests the direct deposit of a refund into a bank account. If the refund is to be deposited into a bank account outside of the United States, DRS will mail the refund.

Part V - Connecticut Combined Operating Loss Carryover

Lines 1 through 16 - Enter the amount of the combined Connecticut apportioned operating income (loss) carryover from the preceding income years indicated as reported on Connecticut corporation business tax returns filed for those years. Net operating losses incurred in income years beginning on or after January 1, 2000, may be carried forward for 20 successive income years.

Line 17 - Add Lines 1 through 15 in Column D, enter the total on Line 17, Column D. Enter the amount from Line 17, Column D on Part II, *Computation of Combined Net Income*, Line 27, *Combined Total* column. This amount, including the amount reported on Forms CT-1120CR, Part II, Line 25, cannot exceed 50% of Form CT-1120CR, Part II, Line 24, *Combined Total* column.

Line 18 - Add Lines 1 through 16 in Column E, enter the total on Line 18, Column E.

Signature

The return must be signed by a duly authorized officer.

Paid Preparer Signature

A paid preparer must sign and date Form CT-1120CR. Paid preparers must also enter their Social Security Number (SSN) or Preparer Tax Identification Number (PTIN) and their firm's FEIN in the spaces provided.

Paid Preparer Authorization

If the corporation wishes to allow DRS to contact the paid preparer who signed the 2015 Combined Corporation Business 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 2015 Combined 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 next Combined 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. This schedule 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 and schedules must be attached to this tax return. See the *Guide to Connecticut Business Tax Credits* available on the Department of Revenue Services (DRS) website at www.ct.gov/DRS for additional information on Connecticut business tax credits.

Limit on Credits

The amount of tax credits allowable against the corporation business tax for any income year generally shall not exceed 50.01% of the amount of total tax due prior to the application of the tax credits.

No tax credit can be applied against the minimum tax of \$250 for each included corporation.

Part I - Tax Credits From 2015 Income Year

Part I-A - Tax Credits With Carryback Provisions

Enter on Line 1 and Line 2, Column A the amounts from Form CT-1120K, Part I-A, Line 1 and Line 2, Column B. This is the combined total of all credits actually applied to the corporation business tax in 2015 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 tax year by filing an amended tax return.

Enter on Line 1 and Line 2, Column B the combined totals of all credit amounts from Form CT-1120K, Part I-A, Line 1 and Line 2, 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-C.

Part I-B - Tax Credits Without Carryback or Carryforward Provisions

Enter on Lines 4 through 14, Column A the combined total of all credits applied to the current year corporation business tax from Form CT-1120K, Part I-B, Column B, Lines 4 through 14.

Part I-C - Tax Credits With Carryforward Provisions

Enter on Lines 16 through 30, Column A the combined total of all tax credit carryforward amounts from previous income years. Enter on Lines 18 through 30, Column B the current year credit amount claimed. Enter on Lines 16 through 30, Column C the amount of tax credit applied to the corporation business tax for the current year. Enter on Lines 16 through 30, Column D the total available credit carryforward to 2016.

Part I-D - Electronic Data Processing Equipment Property Tax Credit

Line 32 - Enter in Columns A through C the amount from Form CT-1120K, Part I-D, Line 32, Columns A through C. Enter in Column D the amount from Form CT-1120K, Part I-D, Line 32, 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 Lines 2, 4, 6, and 8 the total amount of tax credits applied to the corporation business tax.

Part III - Credit Reconciliation

Enter in 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.

For Further Information

Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only), **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

Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.