

# FORM CT-1120 TIC/EZ

(New 12/99)

## Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone

FOR INCOME YEAR	
BEGINNING	ENDING
DECD ELIGIBILITY CERTIFICATE NUMBER	

Corporation Name	CT TAX REGISTRATION NUMBER									

— SEE INSTRUCTIONS ON REVERSE —

### Purpose of Form

Complete **Form CT-1120 TIC/EZ**, *Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone*, to claim the credit for manufacturing facilities which is allowed under Conn. Gen. Stat. §12-217e against the corporation business tax.

### Eligibility

**50% Credit** - A credit is available of 50% (.50) of that portion of the Connecticut corporation business tax that is allocable to a manufacturing facility, as defined under Conn. Gen. Stat. §32-9p, which meets certain employment criteria, and is located within a designated enterprise zone or other area designated as having enterprise zone level benefits, provided the facility became eligible after the designation of such zone. Areas having enterprise zone level benefits: Enterprise Zone, Entertainment District, Enterprise Corridor Zone, Railroad Depot Zone, Contiguous Municipality Zone, Defense Plant Zone, Manufacturing Plant Zone, Qualified Manufacturing Plant Zone. A 50% credit is also available to businesses that are engaged in biotechnology, pharmaceutical, or photonics research and are located in a municipality that has a major research university with programs in biotechnology, pharmaceuticals, or photonics, and has an enterprise zone. To be eligible for a 50% credit, the corporation **must** obtain certification from the Department of Economic and Community Development (DECD) and establish either that at least 150 full-time employees or 30% of the full-time positions directly attributable to the manufacturing facility were held by employees that were: (1) residents of such zone; or (2) residents of such municipality and eligible for training under the Federal Job Training Partnership Act or any successor program.

**25% Credit** - A credit is available of 25% (.25) of that portion of the Connecticut corporation business tax that is allocable to a manufacturing facility that is located in a targeted investment community or other area with enterprise zone level benefits and does not meet certain employment criteria. To be eligible for a 25% credit, the manufacturing facility **must** obtain certification from DECD. It is not necessary to meet the job creation requirement.

The 50% or 25% credit may **not** be taken prior to the first full income year following the date of certification by DECD. The credit may be claimed for a maximum of ten years. Attach a copy of the eligibility certificate received from DECD to the Connecticut corporation business tax return in each income year for which the credit is claimed. For further information see **Informational Publication 95(2.1)**, *Guide to Connecticut Corporation Business Tax Credits*, or contact DECD, 505 Hudson Street, Hartford, CT 06106, 860-270-8143.

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

<b>SCHEDULE A - Location Criteria for 50% Credit</b>	<b>Yes</b>	<b>No</b>	
1. Is the certified facility located within an area having enterprise zone level benefits?			If Yes, go to <i>Schedule B</i> . If No, go to Question 2.
2. Is the certified facility an eligible entertainment related project or support business located within a municipality with an approved entertainment district?			If Yes, go to <i>Schedule B</i> . If No, go to Question 3.
3. Is the business engaged in biotechnology, pharmaceutical, or photonics research and located in a municipality that has a major research university with programs in biotechnology, pharmaceuticals, or photonics; and has an enterprise zone?			If Yes, go to <i>Schedule B</i> . If No, the company is eligible only for a 25% credit. Enter 25% (.25) on <i>Schedule C</i> , Line 7.

<b>SCHEDULE B - Employment Criteria for 50% Credit</b>		
1. Enter the average number of full-time employment positions at the manufacturing facility during the last quarter of the current income year.	1.	
2. Enter the number of full-time employees prior to beginning the initial hiring for the facility. (See instructions)	2.	
3. Subtract Line 2 from Line 1, enter the result here. (If zero or less, the company is eligible only for the 25% credit. Enter 25% (.25) on <i>Schedule C</i> , Line 7.)	3.	
4. Multiply Line 3 by 30% (.30).	4.	
5. Enter the number of full-time employees who are residents of the enterprise zone, or are residents of the municipality or enterprise corridor zone, and are eligible for training under the federal Job Training Partnership Act.	5.	
6. If Line 5 is less than 150 and is less than the amount on Line 4, the company is eligible only for the 25% credit. Enter 25% (.25) here and on <i>Schedule C</i> , Line 7.	6.	
7. If Line 5 is 150 or greater, or is greater than the amount on Line 4, the company is eligible for the 50% credit. Enter 50% (.50) here and on <i>Schedule C</i> , Line 7.	7.	

<b>SCHEDULE C - Tax Credit Computation</b>					
Instructions for the computation of Tangible Property and Wages, Salaries, and Other Compensation are shown below.		COLUMN A	COLUMN B	COLUMN C	
		Eligible Facility Approved by DECD	Total Facilities Within Connecticut (including Eligible Facility)		
<b>TANGIBLE PROPERTY</b>  (Average Monthly Net Book Value)	a. Depreciable assets			FOR LINE 1 AND LINE 2 DIVIDE COLUMN A BY COLUMN B  (Carry to six decimal places)	
	b. Land				
	c. Capitalized rent				
	d. Other				
	1. TOTAL			1.	
<b>WAGES, SALARIES, AND OTHER COMPENSATION</b>	2. TOTAL			2.	
<b>FACILITY CREDIT RATIO</b>	3. TOTAL (Add Line 1 and Line 2 in Column C)			3.	
	4. FACILITY RATIO (Divide Line 3 by two)			4.	
	5. TOTAL TAX (from Form CT-1120 or Form CT-1120S, Schedule C, Line 1a)			5.	
<b>TAX CREDIT CALCULATION</b>	6. BALANCE (Multiply Line 5 by Line 4)			6.	
	7. TAX CREDIT PERCENTAGE ( See instructions)			7.	
	8. TAX CREDIT (Multiply Line 6 by Line 7. Enter here and on Form CT-1120K or Form CT-1120SK, Part I-C, Line 7.)			8.	

## INSTRUCTIONS

### SCHEDULE A

*Schedule A* is used to determine if the manufacturing facility is located in an area of enterprise zone level benefits. If the facility does not meet the criteria for location, it is eligible only for the 25% credit. Skip *Schedule B* and continue on *Schedule C*.

**Lines 1 and 2** - Check Yes if the manufacturing facility is located within one of the areas having enterprise zone level benefits.

**Line 3** - Check Yes if the facility is engaged in biotechnology, pharmaceutical, or photonics research, and is located in a municipality that has a major research university with programs in biotechnology, pharmaceuticals, or photonics; and an enterprise zone.

### SCHEDULE B

*Schedule B* is used to determine if the facility employs enough workers who are residents of the enterprise zone or are residents of the municipality and qualify for federal Job Training Partnership Act benefits. If the facility does not meet the criteria for employment of local workers it is eligible only for the 25% credit.

**Line 1** - Complete as indicated.

**Line 2** - The initial hiring for the new facility is based on the start date established with DECD.

**Line 3** - Subtract Line 2 from Line 1, enter result here. If zero or less, the company is eligible only for the 25% credit. Do not continue on Lines 5 through 7. Enter 25% (.25) on *Schedule C*, Line 7.

**Line 4** - Multiply Line 3 by 30% (.30).

**Lines 5 through 7** - Complete as indicated.

### SCHEDULE C

*Schedule C* is used to determine the amount of the tax credit.

**Tangible Property:** Column A includes the average monthly net book value of the eligible manufacturing facility 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. 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.

**Lines 1 through 4** - Complete as indicated.

**Line 5** - Enter the total tax from Form CT-1120 or Form CT-1120S, *Schedule C*, Line 1a.

**Line 6** - Multiply Line 5 by Line 4.

**Line 7** - Enter the tax credit percentage. This percentage will be either 25% (.25) or 50% (.50) and is determined from *Schedule A*, Line 3, or *Schedule B*, Line 6 or Line 7.

**Line 8** - Enter the total tax credit. Multiply Line 6 by Line 7, enter here and on Form CT-1120K or Form CT-1120SK, Part I-C, Line 7.