

Form CT-1120 FCIC
Fixed Capital Investment Credit

2004

(Rev. 12/04)

FOR INCOME YEAR	
Beginning	2004, and Ending

Corporation Name	Connecticut Tax Registration Number
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Purpose

Complete **Form CT-1120 FCIC**, *Fixed Capital Investment Credit*, to claim the credit allowed under Conn. Gen. Stat. §12-217w. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

Required Attachment

This form must be accompanied by a detailed schedule that identifies the fixed capital acquired; date of acquisition; cost of the fixed capital; location where the fixed capital is used in Connecticut; and from whom the fixed capital was acquired.

Expenditures claimed for this credit cannot be claimed in connection with any other corporation business tax credit.

Definitions

Fixed capital is defined as tangible personal property that:

- Has a class life of more than four years, as described under I.R.C. §168(e);
- Is purchased from a person other than a related person;
- Is not acquired to be leased, and is not leased, to another person during the 12 months following its acquisition; **and**
- Will be held and used in Connecticut by a corporation in the ordinary course of the corporation's trade or business in Connecticut for not less than five full years following its acquisition.

Fixed capital **does not** include inventory, land, buildings or structures, or **mobile transportation property**.

Mobile transportation property is considered to be any transport equipment designed to move or convey people or property from one place to another, including, but not limited to: trucks; buses; forklifts; snowplows; or certain construction equipment such as backhoes, bulldozers, cement mixers, and loaders.

Recapture Provision

- 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.
- The recapture provisions do not apply if the property that is the subject of the tax credit is replaced.

Additional Information

For additional information, see **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

PART I - Credit Computation			
1.	Fixed capital investment expenditures made during the income year. (Attach detailed schedule)	1.	
2.	Enter fixed capital expenditures from Line 1 that were applied against any other corporation business tax credit.	2.	
3.	Subtract Line 2 from Line 1 and enter the result here.	3.	
4.	Tax Credit: Multiply Line 3 by 5% (.05). Enter here and on Form CT-1120K , Part I-D, Line 20, Column B.	4.	

PART II - Computation of Carryforward - Credit may be carried forward to five succeeding income years

		A Total Credit Earned	B Credit Applied 1999 through 2003	C Carryforward to 2004 (Subtract Column B from Column A)	D Credit Applied to 2004	E Carryforward to 2005 (See instructions below)
1.	1999 Form CT-1120 FCIC, Line 4					
2.	2000 Form CT-1120 FCIC, Part I, Line 4					
3.	2001 Form CT-1120 FCIC, Part I, Line 4					
4.	2002 Form CT-1120 FCIC, Part I, Line 4					
5.	2003 Form CT-1120 FCIC, Part I, Line 4					
6.	2004 Form CT-1120 FCIC, Part I, Line 4					
7.	Total Fixed Capital Investment Credit Carryforward to 2005 (Add Lines 2 through 6, Column E. Enter total here and on Form CT-1120K , Part I-D, Line 20, Column E.)					

Computation of Carryforward Instructions:

Lines 1 through 6, Columns A through D - Complete as indicated.

Lines 2 through 5, Column E - Subtract Lines 2 through 5, Column D from Lines 2 through 5, Column C. Enter the result on the appropriate lines.

Line 6, Column E - Subtract Line 6, Column D from Line 6, Column A. Enter the result here.

Line 7 - Complete as indicated.

PART III - Computation of Recapture

1.	Enter the amount of fixed capital investment credit from income year 1998 required to be recaptured. Enter also the credit amount from income year 1999 to be recaptured. (Attach detailed schedule)	1.		
2.	Multiply Line 1 by 50% (.50)	2.		
3.	Enter the amount of fixed capital investment credit from income year 2000 required to be recaptured. (Attach detailed schedule)	3.		
4.	Enter the amount of fixed capital investment credit from income years 2001 through 2003 to be recaptured. (Attach detailed schedule)	4.		
5.	Total Recapture Amount. Add Lines 2 through 4. Enter total here and on Form CT-1120 , <i>Schedule C</i> , Line 1c.	5.		

Computation of Recapture Instructions:

The corporation is required to recapture 100% of the credit allowed if the fixed capital for which the credit was claimed or its replacement, 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 is required to recapture 50% of the credit allowed if the fixed capital for which the credit was claimed or its replacement, 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.

Recapture is required in the income year following the income year during which such three-year or five-year period expires. Fixed capital investment credits claimed in income year 1999 are therefore subject to the 50% recapture in income year 2005. Corporations electing to recapture these credits earlier than required may enter these amounts on Line 1.

Fixed capital investment credits claimed in income year 2000 are subject to full recapture in income year 2004.

Fixed capital investment credits taken in subsequent income years are not required to be recaptured in income year 2004. Corporations electing to recapture these credits earlier than required may enter these amounts on Line 4.