

(Rev. 12/04)

**Research and Development Credit for Grants
to Institutions of Higher Education**

FOR INCOME YEAR	
Beginning	2004, and Ending

Corporation Name	Connecticut Tax Registration Number
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Purpose

Complete **Form CT-1120GC**, *Research and Development Credit for Grants to Institutions of Higher Education*, to claim the credit available under Conn. Gen. Stat. §12-217l based on the incremental increase in the amount a corporation spends in Connecticut for any grant or combination of grants to any institution of higher education in Connecticut. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

Credit Computation

The credit equals **25%** (.25) of the amount by which qualifying grants made in the current income year exceed the average qualifying grants made during the three preceding income years.

If this credit is claimed, the taxpayer shall reduce the amount of research and development expenses that otherwise may be taken into account in computing the allowable credit under Conn. Gen. Stat. §12-217n. See *Conn. Gen. Stat. §12-217n(h)*.

Required Attachment

This form must be accompanied by a detailed schedule that identifies the name and location of the institution of higher education, the date and amount of funds expended for the research and development grant, and a description of the grant.

Definitions

- A **grant**, for the purposes of this credit, is the donation of funds to any institution of higher education in Connecticut for the purposes of research and development related to advancements in technology.
- **Research and development related to advancements in technology** means development of new products, development of new uses for existing products, or development or improvement of methods for producing products. Research and development does **not** include testing or inspection for quality control purposes, efficiency surveys, management studies, consumer surveys or other market research, advertising or promotional activities, or research in connection with literary, historical, or similar projects.
- An **institution of higher education** means an educational institution in Connecticut that grants degrees beyond the high school level and is described in, and is exempt from, taxation under I.R.C. §501(c)(3), or exempt from taxation as a governmental unit.

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).

Credit Computation			
1.	Amount of research and development grants to institutions of higher education in Connecticut for the 2001 income year. (Attach detailed schedule)	1.	
2.	Amount of research and development grants to institutions of higher education in Connecticut for the 2002 income year. (Attach detailed schedule)	2.	
3.	Amount of research and development grants to institutions of higher education in Connecticut for the 2003 income year. (Attach detailed schedule)	3.	
4.	Add Lines 1, 2, and 3.	4.	
5.	Divide Line 4 by three (3). This is the average annual amount of grants during the three immediately preceding income years.	5.	
6.	Amount of research and development grants to institutions of higher education in Connecticut for the 2004 income year. (Attach detailed schedule)	6.	
7.	Balance (Subtract Line 5 from Line 6) (If zero or less, the corporation is not eligible for this credit.)	7.	
8.	TAX CREDIT: Multiply Line 7 by 25% (.25). Enter here and on Form CT-1120K , Part I-C, Line 9, Column A.	8.	