

# FORM CT-1120K Business Tax Credit Summary

# 2008

(Rev. 12/08)

## Instructions

**Form CT-1120K**, *Business Tax Credit Summary*, must be attached to **Form CT-1120**, *Corporation Business Tax Return*, or the applicable tax form whenever tax credits from the current income year are being claimed or carryforward credit balances exist from a prior year.

Additional information about Connecticut tax credits is available in **Informational Publication 2007(31)**, *Guide to Connecticut Business Tax Credits*.

Corporation business tax credits must be applied in a specific order, where a corporation is eligible to claim more than one tax credit. In no event, however, shall any credit be claimed more than once. The order is as follows:

1. The Financial Institutions Credit must be applied before any other credit.
2. Any credit that may be carried back to a preceding income year must be applied after the Financial Institutions Credit, but before any other credit. Any credit carryback that will expire first must be claimed before any credit carryback that will expire later. If the credit carrybacks will expire at the same time, credits must be taken in the order in which the corporation may receive the maximum benefit.
3. Any credit that may not be carried back to a preceding income year and that may not be carried forward to a succeeding income year must be claimed next, in the order in which the corporation may receive the maximum benefit.
4. Any credit that may be carried forward to a succeeding income year must be claimed next. Any credit carryforward that will expire first must be claimed before any credit carryforward that will expire later. If the credit carryforwards will expire at the same time, credits must be taken in the order in which the corporation may receive the maximum benefit.
5. The Electronic Data Processing Equipment Property Tax Credit must be applied last, after all other credits have been applied.

**Limits on Credits:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% of the amount of tax due prior to the application of the tax credit.

No tax credit can be applied against the minimum tax of \$250.

Form CT-1120K must be attached to the tax returns covered under the following Connecticut General Statutes chapters, when tax credits from the current income year are being claimed or when carryforward credit balances exist from the prior year:

- Corporation business tax under Chapter 208;
- Domestic and foreign insurance premiums tax under Chapter 207;
- Health care centers tax under Chapter 207;
- Hospital and medical services tax under Chapter 207;
- Unrelated business income tax under Chapter 208a;
- Air carrier tax under Chapter 209;

- Railroad companies tax under Chapter 210;
- Community antenna television system companies tax under Chapter 211;
- Utility companies tax under Chapter 212; **or**
- Public service companies tax under Chapter 212a.

If the taxpayer is claiming a tax credit against more than one tax type, a duplicate Form CT-1120K and applicable tax credit forms must be attached to each tax return for which a tax credit is being claimed.

Any credit balance that remains after applying the credits to the current year tax may be carried forward or carried back as provided in the Connecticut General Statutes, if the credit has not expired.

---

### Part I-A — Financial Institutions Tax Credit

**Line 1** - Enter in Part I-A, Column A the credit earned in 2008. Enter in Column B the amount actually applied to the corporation business tax. The total amount applied in Column B cannot exceed the amount in Part II, Line 1.

---

### Part I-B — Tax Credits With Carryback Provisions

Enter in Part I-B, Column A all of the credits earned in 2008 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 year tax by filing **Form CT-1120X**, *Amended Corporation Business Tax Return*, or the appropriate amended tax return. If you are carrying forward a housing program contribution tax credit, also complete Part I-D.

Enter in Column B the amount actually applied to the corporation business tax. The total of Column B cannot exceed the amount in Part II, Line 3.

Enter in Column C the amount applied to taxes other than the corporation business tax. The total of Column C cannot exceed the amount in Part III, Line 1.

Enter in Column D the amount of credit carried back to prior years.

**Line 2** - Enter the Neighborhood Assistance Act (NAA) Credit. Any remaining balance may be carried back to the two immediately preceding income years.

**Line 3** - Enter the Housing Program Contribution Credit computed on **Form CT-1120 HPC**, *Housing Program Contribution Tax Credit*. Any remaining balance may be carried back to the five immediately preceding income years. If you are claiming a carryforward, also complete Part I-D, Line 16. See *Part I-D, Line 16* instructions.

### Part I-C — Tax Credits Without Carryback or Carryforward Provisions

Enter in Part I-C, Column A all of the credits earned in 2008 that can only be applied to the current year tax.

Enter in Column B the amount actually applied to the corporation business tax. The total of Column B cannot exceed the amount in Part II, Line 5.

Enter in Column C the amount applied to taxes other than the corporation business tax. The total of Column C cannot exceed the amount in Part III, Line 3.

**Lines 6 through 14** - Enter the applicable tax credit amounts in the spaces provided on each line.

---

### Part I-D — Tax Credits With Carryforward Provisions

Part I-D enables a corporation to account for any credits with carryforward provisions. This section also identifies any amounts of Research and Development or Research and Experimental Expenditures tax credits exchanged with the state for a credit refund.

Enter in Column A the credit carryforward amount from previous income years. Enter in Column B the credit amount claimed for the current income year. Enter in Column C the credit amount applied to the corporation business tax for the current income year. Enter in Column D the credit amount applied to taxes other than the corporation business tax, if applicable, in the current income year or the amount of Research and Development or Research and Experimental Expenditures tax credits exchanged with the state for a credit refund. Enter in Column E the tax credit carryforward amount.

**Line 16** - If claiming the Housing Program Contribution Credit, Part I-B, Line 3, must be completed first. Enter the applicable tax credit amounts in the spaces provided.

**Line 17** - The Employer-Assisted Housing Tax Credit was repealed effective June 7, 2006. Enter in Column A the amount of the tax credit carryforward from previous income years. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount.

**Line 18** - Enter the applicable tax credit amounts in the spaces provided on each line.

**Line 19** - For income years beginning on or after January 1, 2008, the Clean Alternative Fuel Tax Credit for Vehicles, Equipment, and Related Filling or Recharging Stations is no longer available.

**Lines 20 through 33** - Enter the applicable tax credit amounts in the spaces provided on each line.

### Part I-E — Electronic Data Processing Equipment Property Tax Credit

Enter in Column A the amount of tax credit carried forward from previous income years. Enter in Column B the amount of credit claimed in the current income year. Enter in Column C the amount applied to the corporation business tax. The amount in Column C cannot exceed the amount in Part II, Line 9. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount.

The Electronic Data Processing Equipment Property Tax Credit may be applied only after all other tax credits have been applied and must be applied first to the corporation business tax and then to any other applicable taxes.

**Line 35** - Enter the applicable tax credit amount in the spaces provided.

---

### Part II — Tax Credits Applied to the Corporation Business Tax

If the corporation is filing a combined return, complete **Form CT-1120CR**, *Schedule KC*, and do not complete this part.

This section enables a corporation to apply its tax credits in the order required by Conn. Gen. Stat. §12-217aa. This section also limits the amount of tax credits that may be applied to the corporation business tax.

---

### Part III — Tax Credits Applied to Taxes Other Than Corporation Business Tax

Some tax credits may be applied to taxes other than the corporation business tax. This section enables a corporation to account for any credits applied to other taxes. The following is a list of other taxes to which you may be able to apply these credits:

- Domestic and foreign insurance premiums tax under Chapter 207;
- Health care centers tax under Chapter 207;
- Hospital and medical services tax under Chapter 207;
- Unrelated business income tax under Chapter 208a;
- Air carrier tax under Chapter 209;
- Railroad companies tax under Chapter 210;
- Cable and community antenna television system companies tax under Chapter 211;
- Utility companies tax under Chapter 212;
- Public service companies tax under Chapter 212a; **or**
- Surplus lines brokers tax under Chapter 701d.

Enter the name of the tax to which you are applying the tax credit. If you are applying tax credits to more than one tax other than corporation business tax, duplicate Part III for each tax type and attach to Form CT-1120K.

If you are claiming a tax credit against more than one tax type, attach a duplicate Form CT-1120K and applicable tax credit forms.