

Part IV - Connecticut Income Tax Credit Summary

		Column A Total credit earned by member in 2015 (from Form CT-1065/CT-1120SI, Part VII)	Column B Credit allowed on behalf of member on composite return (amounts from worksheet below)
1. <i>Reserved for future use.</i>	1.		
2. Job expansion tax credit	2.	00	00
3. Angel investor tax credit	3.	00	00
4. Insurance reinvestment fund tax credit	4.	00	00
5. Total credits: Add Lines 2 through 4.	5.	00	00

Income Tax Credit Worksheet

Completed for nonresident, noncorporate, and PE members only.		Column A Tax credit limitation	Column B 2015 credit amount earned (enter amounts from Part IV, Column A)	Column C Amount of credit applied to 2015 income tax liability
1. Income tax liability: PE should enter member's amount from Form CT-1065/CT-1120SI, Part I, <i>Schedule B</i> , Column D.	1.	00		
2. <i>Reserved for future use.</i>	2.			
3. <i>Reserved for future use.</i>	3.			
4. Job expansion tax credit: Enter in Column C the lesser of Line 4, Column B, or Line 1, Column A.	4.		00	00
5. Balance of income tax liability: Subtract Line 4, Column C from Line 1, Column A. If less than zero, enter "0."	5.	00		
6. Angel investor tax credit: Enter in Column C the lesser of Line 6, Column B, or Line 5, Column A.	6.		00	00
7. Balance of income tax liability: Subtract Line 6, Column C from Line 5, Column A. If less than zero, enter "0."	7.	00		
8. Insurance reinvestment fund tax credit: Enter in Column C the lesser of Line 8, Column B, or Line 7, Column A.	8.		00	00

Schedule CT K-1 Instructions

Complete the return in blue or black ink only.

A pass-through entity (PE) must furnish **Schedule CT K-1, Member's Share of Certain Connecticut Items**, to all members.

General Instructions for PEs

A PE must complete Part I for resident noncorporate members, nonresident noncorporate members, and members that are pass-through entities. A PE must also complete Part II and Part III for nonresident noncorporate members and members that are pass-through entities. Part IV, Column A, should be completed for all members, if applicable.

A PE must furnish Schedule CT K-1 on or before the fifteenth day of the fourth month following the close of the taxable year (April 15 if the PE's taxable year for federal income tax purposes is the calendar year). If the PE requested an extension of time to file **Form CT-1065/CT-1120SI, Connecticut Composite Income Tax Return**, by timely filing **Form CT-1065/CT-1120SI EXT, Application for Extension of Time to File Connecticut Composite Income Tax Return**, the deadline for furnishing Schedule CT K-1 to members is automatically extended to the fifteenth day of the ninth month following the close of the taxable year (September 15 if the PE's taxable year for federal income tax purposes is the calendar year).

For taxable year 2015, Form CT-1065/CT-1120SI **must** be filed electronically and the associated tax payments **must** be remitted electronically. You are **not** required to file Form CT K-1T and paper copies of Schedule CT K-1 with DRS. However, Schedule CT K-1 is still required to be issued to the members.

Income tax credits that may be claimed by the member of the PE are reported on Schedule CT K-1, Part IV. See **Special Notice 2010(3), 2010 Legislative Changes Affecting the Income Tax; Special Notice 2012(6), 2012 Legislative Changes Affecting the Income Tax; and Special Notice 2013(7), 2013 Legislative Changes Affecting the Income Tax.**

Specific Instructions for Schedule CT K-1

Complete the member information section, including the member's Social Security Number (SSN) or Federal Employer Identification Number (FEIN). Check the box to indicate if the number is an SSN or FEIN.

Part I - Connecticut Modifications

Transfer entries for that member from Form CT-1065/CT-1120SI, Part V, Lines 1 through 10.

Part II - Connecticut-Sourced Portion of Items From Federal Schedule K-1 of Form 1065 or 1120S

Column A: Transfer the amount attributable to each member from Federal Form 1065, Schedule K-1, Lines 1 through 13 or Federal Form 1120S, Schedule K-1, Lines 1 through 12.

Column B: Transfer the Connecticut-sourced amounts attributable to each member from Form CT-1065/CT-1120SI, Part VI, Lines 1 through 13.

Part III - Connecticut Income Tax Information

Line 1

Transfer the amount of Connecticut income tax liability reported by the PE for that member from Form CT-1065/CT-1120SI, Part I, *Schedule B*, Column F.

Part IV - Connecticut Income Tax Credit Summary

Lines 2 through 4

Column A: Transfer the member's allocable gross amount of each type of income tax credit from Form CT-1065/CT-1120SI, Part VII. Resident noncorporate members and nonresident noncorporate members filing Forms CT-1040, CT-1040NR/PY, or CT-1041, must file **Schedule CT-IT Credit, Income Tax Credit Summary**. Column A is used to calculate the amount of the credit allowed on the respective returns, and also when completing Schedule CT-IT Credit, Part II.

Column B: Complete the Income Tax Credit Worksheet on Page 2 before completing this column. This column should be completed for nonresident noncorporate members and PE members only. Transfer the amount(s) of credit allowed on behalf of the member from Column C of the Income Tax Credit Worksheet.

Line 5, Column B: The total credit is transferred to Form CT-1065/CT-1120SI, Part I, *Schedule B*, Column E for each member.

Specific Instructions for Income Tax Credit Worksheet

This worksheet should be completed **only** for nonresident, noncorporate members, and members that are PEs.

Tax Credits Without Carryforward Provisions

The job expansion tax credit, which has no carryforward provision, is applied first.

Tax Credits With Limited Carryforward Provisions

If an income tax liability remains after the application of the credits without a carryforward provision, the angel investor tax credit and the insurance reinvestment fund tax credit are applied. Any angel investor tax credit or insurance reinvestment fund tax credit balance that remains after applying the tax credit to the current year income tax liability may be carried forward if the period for claiming the tax credit has not expired. However, the composite income tax return Form CT-1065/CT-1120SI and Schedule CT K-1 does not compute nor report each member's credit carryforward information. A nonresident, noncorporate member may elect to file a Connecticut income tax return and Schedule CT-IT Credit to properly calculate the amount of income tax credit carryforward, if any.

Income Tax Credit Worksheet

Line 1: Income Tax Liability

Column A: Enter the 2015 income tax liability for the member from Form CT-1065/CT-1120SI, Part I, *Schedule B*, Column D.

Line 4: Job Expansion Tax Credit

Column B: Enter the amount of job expansion tax credit earned from Part IV, Column A.

Column C: Enter the amount applied to the member's 2015 income tax liability. Enter the lesser of Line 4, Column B, or Line 1, Column A.

Line 5: Balance of Income Tax Liability

Subtract Line 4, Column C from Line 1, Column A. If less than zero, enter "0."

Line 6: Angel Investor Tax Credit

Column B: Enter the amount of angel investor tax credit earned from Part IV, Column A.

Column C: Enter the amount applied to the member's 2015 income tax liability. Enter the lesser of Line 6, Column B, or Line 5, Column A.

Line 7: Balance of income Tax Liability

Subtract Line 6, Column C from Line 5, Column A. If less than zero, enter "0."

Line 8: Insurance Reinvestment Fund Tax Credit

Column B: Enter the amount of insurance reinvestment fund tax credit earned from Part IV, Column A.

Column C: Enter the amount applied to the member's 2015 income tax liability. Enter the lesser of Line 8, Column B, or Line 7, Column A.

General Instructions for Recipients

Do not attach Schedule CT K-1 to your Connecticut income tax return.

Recipients That Are Resident Individuals

Enter amounts from Schedule CT K-1, Part I, Lines 1, through 5, on **Form CT-1040**, *Connecticut Resident Income Tax Return, Schedule 1*, Lines 31 through 38. Enter amounts from Schedule CT K-1, Part I, Lines 6 through 10, on Form CT-1040, *Schedule 1*, Lines 40 through 49.

Use the amounts from Schedule CT K-1, Part IV, Column A, to complete Schedule CT-IT Credit, Part I, Column C, where applicable, and Part II, Column D.

Use the Pass-through entity (PE) information on the upper left hand section of Schedule CT K-1 to complete Schedule CT-IT Credit, Part II.

Recipients That Are Nonresident or Part-Year Resident Individuals

Enter amounts from Schedule CT K-1, Part I, Lines 1 through 5, on **Form CT-1040NR/PY**, *Connecticut Nonresident and Part-Year Resident Income Tax Return*, Lines 33 through 40. Enter amounts from Schedule CT K-1, Part I, Lines 6 through 10, on Form CT-1040NR/PY, Lines 42 through 51.

Enter amounts from Schedule CT K-1, Part II, Lines 1 through 13, on the appropriate lines of Form CT-1040NR/PY, Schedule CT-SI.

Enter the amount from Schedule CT K-1, Part III, Line 1, on Form CT-1040NR/PY, on one of the lines for income tax withheld (Lines 20a through 20g). Also enter the PE's FEIN and the Connecticut-sourced income. Check the box to indicate that the information is from Schedule CT K-1.

Use the amounts from Schedule CT K-1, Part IV, Column A, to complete Schedule CT-IT Credit, Part I, Column C, where applicable, and Part II, Column D.

Use the Pass-through entity (PE) information on the upper left hand section of Schedule CT K-1 to complete Schedule CT-IT Credit, Part II.

Recipients That Are Nonresident or Part-Year Resident Individuals Are Required to File Form CT-1040NR/PY

- If a member has income derived from or connected with Connecticut sources other than from one or more PEs, the member **is required to file** Form CT-1040NR/PY.
- If a member's only income derived from or connected with Connecticut sources is from one or more PEs, but at least one of the PEs is not required to make a Connecticut income tax payment on the member's behalf because the member's share of that PE's income derived from or connected with Connecticut sources is less than \$1,000, the member **is required to file** Form CT-1040NR/PY if the sum of the member's income from all PEs is \$1,000 or more. If the sum is less than \$1,000, the member is not required to file Form CT-1040NR/PY.

- If a member's only income derived from or connected with Connecticut sources is from one or more PEs and each PE is required to make a Connecticut income tax payment on the member's behalf because the member's share of each PE's income derived from or connected with Connecticut sources is \$1,000 or more, the member **is not required to file** Form CT-1040NR/PY.

Recipients That Are Trusts or Estates

Enter amounts from Schedule CT K-1, Part I, Lines 1 through 5, on **Form CT-1041**, *Connecticut Income Tax Return for Trusts and Estates, Schedule A*, Lines 1 through 5. Enter amounts from Schedule CT K-1, Part I, Lines 6 through 10, on Form CT-1041, *Schedule A*, Lines 7 through 11.

Enter amounts from Schedule CT K-1, Part II, Lines 1 through 13, on the appropriate lines of Schedule CT-1041FA, Part III, Column B.

Enter the amount from Schedule CT K-1, Part III, Line 1, on Form CT-1041, Line 10. You are required to attach Schedule CT K-1 to Form CT-1041.

If all or a portion of the amounts reported on Schedule CT K-1, Part IV, Column A, is to be allocated between the trust and the trust beneficiaries, use the amount reported to complete the worksheet for Schedule CT-IT Credit found in the Form CT-1041, *Connecticut Income Tax Return for Trusts and Estates*, instructions booklet.

If the trust is not allocating the amounts reported on Schedule CT K-1, Part IV, Column A, between the trust and the trust beneficiaries (the trust is claiming the entire amount of credit(s) reported in Column A), then use the amounts reported on Schedule CT K-1, Part IV, Column A, to complete Schedule CT-IT Credit Part I, Column C, where applicable, and Part II, Column D.

Use the PE information on the upper left hand section of Schedule CT K-1 to complete Schedule CT-IT Credit, Part II.

Recipients That Are Parent PEs

Include the following for each of your members:

- The amounts from Schedule CT K-1, Part I, Lines 1 through 10, in the amounts entered on the parent PE's Form CT-1065/CT-1120SI, Part V, Lines 1 through 10.
- The amounts from Schedule CT K-1, Part II, Lines 1 through 13, in the amounts entered on the parent PE's Form CT-1065/CT-1120SI, Part VI, Lines 1 through 13.
- The amounts from Schedule CT K-1, Part IV, Lines 1 through 4, Column A, on the parent PE's Form CT-1065/CT-1120SI, Part VII, Lines 1 through 4.

Recipients that are parent PEs must also enter the amount from Schedule CT K-1, Part III, Line 1, on the parent PE's Form CT-1065/CT-1120SI, Part I, *Schedule D*, Column C.