FORM CT-1120 MEC

1999

EOD INIOONAE VEAD

(Rev. 12/99)

Machinery and Equipment Expenditure Credit

		FOR INCOME YEAR				
	Beginning	1999, and Ending				
		CT	TAX REGISTE	RATION	NUMB	BER
Corporation Name					0 (0 0

PURPOSE OF FORM

Complete Form CT-1120 MEC, Machinery and Equipment Expenditure Credit, to claim the credit for the incremental increase in the amount spent by a corporation on machinery and equipment pursuant to Conn. Gen. Stat. §12-2170, as amended by 1999 Conn. Pub. Acts 121, §3. For further information, see Informational Publication 95(2.1), A Guide to Connecticut Corporation Business Tax Credits, or contact the Department of Revenue Services, Taxpayer Services Division, 1-800-382-9463 (toll-free from within Connecticut) or 860-297-5962 (from anywhere).

DEFINITIONS

- Qualifying expenditures are any expenditures for machinery and equipment acquired for and installed in a facility in Connecticut.
- Machinery is the basic machine itself, including all of its component parts such as belts, pulleys, shafts, moving parts, operating
 structures, replacement and repair parts, whether purchased separately or in conjunction with a complete machine and regardless
 of whether the machine or component parts are assembled by the taxpayer or another related party, and all equipment or devices
 used or required to control, regulate or operate the machinery, including without limitation, computers and data processing
 equipment. Furniture and fixtures, automobiles or other property used for transportation are not machinery.
- **Equipment** is a device separate from machinery but essential to the business. Repair and replacement parts for equipment also qualify for the credit under the same terms as provided for parts purchased for machinery. Furniture and fixtures, automobiles or other property used for transportation are not equipment.
- A *full-time*, *permanent employee* is an employee whose wages, salaries or other compensation is paid in Connecticut, and whose employment requires an average of 35 hours or more of service each week for at least eight consecutive weeks.

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT PERCENTAGES

In the case of a corporation that has not more than 250 full-time, permanent employees in Connecticut, the credit is equal to **10%** (.10) of the amount spent on machinery and equipment acquired for and installed in a facility in Connecticut that exceeds the amount spent by the corporation during the preceding income year for such expenditures.

In the case of a corporation that has between 251 and 800 full-time, permanent employees in Connecticut, the credit is equal to 5% (.05) of the amount spent by the corporation on machinery and equipment acquired for and installed in a facility in Connecticut that exceeds the amount spent by the corporation during the preceding income year for such expenditures.

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

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT						
1.	Amount of Connecticut machinery and equipment expenditures incurred during the 1999 income year (Attach schedule)					
2.	Amount of Connecticut machinery and equipment expenditures incurred during the 1998 income year (1998 Form CT-1120 MEC, Line 1. Attach schedule)					
3.	3. Balance (Subtract Line 2 from Line 1. If zero or less, the corporation is not eligible for this credit.)					
4.	Enter the number of full-time permanent employees for 1999 (Attach schedule) 4					
4a.	a. If Line 4 is 250 or fewer, enter 10% (.10) on Line 5					
4b.	. If Line 4 is at least 251, but not more than 800, enter 5% (.05) on Line 5					
5.	5. Enter the applicable percentage (5% or 10%)					
6.	6. Tax credit (Multiply Line 3 by Line 5) Enter here and on Form CT-1120K, Part I-C, Line 10, or Form CT-1120SK, Part I-C, Line 10.					