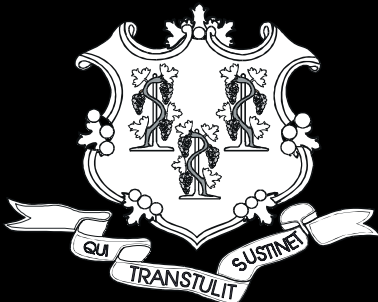


1999 FORM CT-1040

Connecticut Resident Income Tax Return and Instructions

This booklet
contains:

- Form CT-1040
- Form CT-1040 EXT
- Form CT-1040ES
- Individual Use Tax
Worksheet
- Taxpayer
Questionnaire
- Tax Tables
- Tax Calculation
Schedule



Dear Customer:

The Department of Revenue Services is proud of its award-winning record of excellence and integrity. Yet, there is more that we can do. This year, we have again worked with the Governor and Connecticut lawmakers to reduce taxes and to introduce new taxpayer-friendly measures to make filing your state tax return less burdensome. These are summarized for you on Page 4. Be sure to read them.

One of the most important changes for the 1999 taxable year is the increase in the maximum available property tax credit to \$425 per return. The property tax credit is a dollar-for-dollar tax reduction in your income tax liability. Your total tax bill is also reduced because the lower 3% income tax rate applies to more of your Connecticut taxable income.

Most Connecticut taxpayers will receive tax refunds this year. However, if you do owe tax, you may be eligible to pay that tax by credit card this year, for the first time. This is a convenient option that taxpayers have requested, and we are pleased to be able to provide it. See the instructions for Line 29 on Page 14 for more information.

We encourage you to file your Connecticut tax return in the fastest way possible. Many people who file this Form CT-1040 (the "long" form) are actually eligible for, and should use, the easier Form CT-1040EZ (the "short form"), or Telefile (if you received the Telefile return in the mail). Another fast filing alternative is electronic filing, either using your own personal computer, or through the help of a tax preparer. Both telefiling and electronic filing enable you to use direct deposit for your refund, making your money available to you faster than ever.

If you have questions about this return or need help in completing it, free assistance is available from our Taxpayer Service representatives. See the back cover for ways to reach us. Be sure to check our Web site listed below for the latest in tax information.

As we enter the next millennium, we renew our commitment to you to provide the highest quality of service possible. As always, I welcome your comments and ideas.

Sincerely,

Gene Gavin
Commissioner of Revenue Services

Taxpayer information is available on our Web site:
www.state.ct.us/drs

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

CONN-TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Call **1-800-382-9463** (toll-free from within Connecticut) or **860-297-5962** (from anywhere), press "1" to be connected to "Income Tax Information Menu," then press "2" to select "Recorded Income Tax Information." Enter the three-digit number next to the topic of your choice shown below, or follow the prerecorded instructions.

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Extended Telephone Hours for the 2000 Filing Season (Option "0"):

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| Tuesday, January 25 | (until 7 p.m.) | Thursday, April 6 | (until 7 p.m.) |
| Thursday, January 27 | (until 7 p.m.) | Saturday, April 8 | (8:30 a.m. - 12:00 p.m.) |
| Tuesday, February 1 | (until 7 p.m.) | Thursday, April 13 | (until 7 p.m.) |
| Thursday, February 3 | (until 7 p.m.) | | |

2000 Extended Telephone Personal Assistance and Walk-in Hours:

(25 Sigourney Street, Hartford Only)

- | | |
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| Saturday, April 15 | (8:30 a.m. - 12:00 p.m.) |
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SOME IMPORTANT CHANGES

- For taxable years beginning on or after **January 1, 1999**, the **income tax rates for individuals** whose filing status is:
 - *Single or Married Filing Separately*, **3%** of the **first \$10,000** of Connecticut taxable income, and **4.5%** of Connecticut taxable income **above \$10,000**;
 - *Head of Household*, **3%** of the **first \$16,000** of Connecticut taxable income, and **4.5%** of Connecticut taxable income **above \$16,000**;
 - *Married Filing Jointly*, **3%** of the **first \$20,000** of Connecticut taxable income, and **4.5%** of Connecticut taxable income **above \$20,000**.
- The maximum property tax credit is **\$425**. In order to take this credit, Connecticut residents **must** complete *Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle* on the back of **Form CT-1040**. See *Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle*, on Page 21.
- The personal income tax exemptions and credits for **Single** filers are increased over an eight-year period for taxable years beginning on or after January 1, 2000. **For the period prior to July 1, 2000**, withholding or estimated tax payments for single filers should be made without regard to the exemption and credit changes. See **Form CT-1040ES** for more information.
- For taxable years beginning on or after **January 1, 1999**, Social Security recipients whose filing status is: **Single or Married Filing Separately** and report a federal adjusted gross income of **less than \$50,000**; or **Married Filing Jointly** or **Head of Household** and report a federal adjusted gross income of **less than \$60,000** are not subject to Connecticut income tax on federally taxable Social Security benefits. Those recipients who meet any of the above conditions and all other Social Security recipients who pay federal income tax on their Social Security benefits should refer to the *Social Security Benefit Adjustment Worksheet* on Page 17 for more information.
- If a request for an extension of time to file an income tax return has been granted, no late payment penalty will be imposed if at least 90% of the income tax shown to be due on **Form CT-1040** is paid on or before the original due date of the return and the balance due is remitted with **Form CT-1040** on or before the extended due date of the return.
- New tax law changes allow an “innocent” spouse to claim relief from tax, penalty, and interest due on a joint return. See *Innocent Spouse Relief* on Page 6.
- When sending forms, returns, or payments to the Department, taxpayers may use certain private delivery services and satisfy the “timely mailing as timely filing/payment” rule. See *When Should I File?* on Page 7.
- The statute of limitations will be suspended for refund claims during any period that an individual is “financially disabled.” See *Amended Returns* on Page 8.
- Taxpayers may now be eligible to pay their 1999 Connecticut income tax liability by credit card. See the instructions for Line 29 on Page 14 for details.



GENERAL INFORMATION

WHERE TO GET HELP

Assistance is available from 8:00 a.m. to 5:00 p.m., Monday through Friday, by visiting any of the Department's offices listed on the back cover of this booklet.

If you visit, be sure to bring:

1. Your "state copy" of your federal Forms W-2 and any other forms showing Connecticut income tax withholding; **and**
2. Your **COMPLETED** federal income tax return.

WHERE TO GET ADDITIONAL FORMS AND PUBLICATIONS

You may obtain Connecticut tax forms and publications from any of the resources listed on the back cover of this booklet.

Connecticut income tax forms may also be obtained at any of the Department's offices as well as at most Connecticut post offices, banks, town halls, and public libraries or by writing to:

**Department of Revenue Services
Forms Unit
25 Sigourney Street
Hartford CT 06106-5032**

or by calling **1-800-382-9463** (toll-free from within Connecticut) and select **Option 2**; or **860-297-4753** (from anywhere). Both numbers are available 24 hours a day.

FILING TIPS TO GET YOU STARTED

- Make sure that you file the correct form. Most people may file the simpler **Form CT-1040EZ**, *Connecticut Resident EZ Income Tax Return*. (See *Can I File Form CT-1040EZ?* on Page 7.) Using **Form CT-1040EZ** saves you time and helps us process your refund faster.
- Check the correct filing status on your return.
- Attach a legible "state copy" of each federal Form W-2 (Wages) to your Connecticut return. Also attach Forms W-2G (Winnings), 1099-R (Pensions), and any other forms showing Connecticut income tax withheld.
- Sign your return upon completion. If you and your spouse are filing jointly, both of you must sign.
- Have your paid preparer sign the return.
- Use the preprinted label if one is included with this booklet. The information on this label helps us process your return and refund faster. If you are not using a preprinted label, be sure to include your name(s), mailing address, and Social Security Number(s) in the name and address section of your return.
- Be sure that both you and your spouse file your income tax returns at the same time if you filed joint estimated tax payments but elect to file separate income tax returns. No refund will be processed until both Connecticut returns are received.
- Use the correct mailing label on the envelope when filing your return. One label is for refund requests or no additional tax due. The other is for payments.

ELECTRONIC FILING / ON-LINE FILING

The Department of Revenue Services participates with the Internal Revenue Service in the joint Federal/State Electronic Filing Program. You can file electronically using your personal computer or through a tax professional if you have a refund, a balance due, or no tax due. File this way to speed the processing of your return and to elect direct deposit of your refund.

WHO MUST FILE A CONNECTICUT RETURN?

You are required to file a Connecticut income tax return if you were a resident for the entire year or consent to be treated as a resident for the entire year **and** any of the following is true for the 1999 taxable year:

1. You had Connecticut income taxes withheld; **or**
2. You made estimated tax payments to Connecticut; **or**
3. You meet the gross income test (see below); **or**
4. You had a federal alternative minimum tax liability.

The Gross Income Test

You are required to file a Connecticut income tax return if your **gross income** for 1999 exceeds:

- \$12,000 for a Single or Married Person Filing Separately
- \$19,000 for Head of Household
- \$24,000 for Married Persons Filing Jointly

Gross income means all income you received in the form of money, goods, property, and services that is not exempt from federal tax **and** any additions to income from **Forms CT-1040** or **CT-1040NR/PY**, *Schedule 1*.

Gross income includes, but is not limited to:

- Capital gains
- Interest and dividends
- Gross income from a business
- Gross rental income
- Gambling winnings
- Alimony
- Compensation for services, including wages, fees, commissions, taxable fringe benefits, and similar items
- Your share of income from partnerships, S corporations, estates, and trusts
- Prizes and awards
- Taxable pensions and annuities
- IRA distributions
- Unemployment compensation
- **Federally taxable** Social Security

The following examples explain the gross income test:

Example 1: A Connecticut resident whose only income is from a sole proprietorship files a federal Form 1040, reporting the following on Schedule C:

Gross Income	\$100,000
Expenses	(\$ 92,000)
Net Income	\$ 8,000

Because the **gross** income of \$100,000 exceeds the minimum requirements, this resident is required to file a Connecticut tax return.

Example 2: A Connecticut resident receives \$8,000 in federally nontaxable Social Security benefits and \$11,000 in interest income. Since nontaxable Social Security benefits are not part of gross income, the Connecticut resident is not required to file a Connecticut return unless Connecticut tax was withheld or estimated tax payments were made.

Example 3: A resident who files as single on a Connecticut income tax return receives \$11,500 in wage income and \$1,000 in federally-exempt interest from California State bonds. The taxpayer's federal gross income with additions from **Form CT-1040, Schedule 1** (interest on state or local obligations other than Connecticut) is \$12,500. Therefore, a Connecticut return must be filed.

Innocent Spouse Relief

In general, you and your spouse are both responsible for paying the full amount of tax, interest or penalties due on your joint return. However, you may not have to pay the tax, interest, and penalties related to your spouse (or former spouse). If you believe that all or any part of the amount due should be paid only by your spouse, you may request relief by filing **Form CT-8857, Innocent Spouse Relief**. See **Special Notice 99(15), Innocent Spouse Relief, Separation of Liability, and Equitable Relief**.

Title 19 Recipients

Title 19 recipients are required to file a Connecticut income tax return if the requirements for *Who Must File a Connecticut Return?* are met. If you were a Title 19 recipient in 1999 **and** Medicaid assisted in the payment of your long-term care in a nursing or convalescent home in 1999 **and** you do not have the funds to pay your Connecticut income tax, complete **Form CT-19IT** and attach it to the **front** of your Connecticut income tax return. By completing this form you authorize DRS to verify your Title 19 status for 1999 with the Department of Social Services.

How Do I File a Deceased Taxpayer's Return?

A Connecticut income tax return must be filed for a taxpayer who died during the taxable year if the requirements for *Who Must File a Connecticut Return?* are met. It must be signed and filed by his or her executor, administrator or surviving spouse for the portion of the year before the taxpayer's death. The date of the taxpayer's death must be clearly stated at the top of the return.

A joint return may be filed by a surviving spouse if the surviving spouse filed a joint federal income tax return. Write "**Filing as surviving spouse**" in the deceased spouse's signature block of the return. In the case of the death of both spouses, a final return must be filed by their legal representative. The Connecticut filing status must be consistent with the federal filing status.

Claiming a Refund for a Deceased Taxpayer

If you are a surviving spouse filing a joint return with the deceased, file the tax return to claim the refund. If you are a court-appointed representative, file the return **and** attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach federal Form 1310.

Any income received by the estate of the decedent for the portion of the taxable year after the decedent's death, and for succeeding taxable years until the estate is closed, must be reported each year on **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**.

Special Information for Nonresident Aliens

In accordance with Conn. Agencies Regs. §12-740-8, a nonresident alien who is a resident of Connecticut, or who is a nonresident of Connecticut but has Connecticut adjusted gross income derived from or connected with sources within this state, shall file a Connecticut income tax return and pay Connecticut income tax even though the nonresident alien is not or may not be required to file a federal income tax return or pay federal income tax. The provisions of any income tax treaty between the United States and another country shall be disregarded for Connecticut income tax purposes, because no such treaty prohibits or restricts the imposition of state and local income taxes. Therefore, for Connecticut income tax purposes, any treaty income as reported on federal Form 1040NR must be entered as a modification increasing federal adjusted gross income on **Form CT-1040, Schedule 1, Line 36**. In other words, a nonresident alien must compute his or her federal adjusted gross income as if he or she were filing a federal Form 1040 and were not a nonresident alien. Enter the words "treaty income" in the space provided. You must attach a copy of your federal Form 1040NR to your Connecticut income tax return whether or not one was actually filed with the Internal Revenue Service. (See *Am I a Resident, Part-year Resident or Nonresident?* below.)

Taxable Year and Method of Accounting

Your taxable year and method of accounting for Connecticut income tax purposes must be the same as your taxable year and method of accounting for federal income tax purposes.

If your taxable year or method of accounting is changed for federal income tax purposes, you must change your taxable year or method of accounting for Connecticut income tax purposes.

AM I A RESIDENT, PART-YEAR RESIDENT OR NONRESIDENT?

You are a **resident** and you should complete **Form CT-1040EZ** or **Form CT-1040** if:

- Connecticut was your domicile (permanent legal residence) for the entire 1999 taxable year; **or**
- You maintained a permanent place of abode in Connecticut **and** spent a total of more than 183 days in Connecticut during the 1999 taxable year, **and** you are not a part-year resident.

You are a **part-year resident** and you should complete **Form CT-1040NR/PY** if you changed your permanent legal residence by moving into or out of Connecticut during the 1999 taxable year. See detailed filing instructions contained in the instruction booklet for **Form CT-1040NR/PY**.

You are a **nonresident** and you should complete **Form CT-1040NR/PY** if you were neither a resident nor a part-year resident for 1999.

Although you and your spouse file jointly for federal purposes, you may be required to file separate Connecticut returns. For more information, see *Filing Status* on Page 12.

IMPORTANT: You may be treated as a nonresident for 1999 even though your domicile was Connecticut if **all** of the following conditions are met:

1. You maintained no permanent place of abode in Connecticut for the entire 1999 taxable year;
2. You maintained a permanent place of abode outside of Connecticut for the entire 1999 taxable year; **and**
3. You spent not more than 30 days in the aggregate in Connecticut during the 1999 taxable year.

Military personnel stationed in Connecticut, but domiciled in another state are considered nonresidents. (See detailed filing instructions contained in the instruction booklet for **Form CT-1040NR/PY**.)

Domicile (permanent legal residence) is the place you intend to have as your permanent home. It is the place you intend to return to whenever you are away. You can have only one domicile although you may have more than one place to live. Your domicile does not change until you move to a new location and definitely intend to make your permanent home there. If you move to a new location but intend to stay there only for a limited time (no matter how long), your domicile does not change. This also applies if you are working in a foreign country.

Permanent place of abode is a residence (a building or structure where a person can live) that you permanently maintain, whether or not you own it, and generally includes a residence owned by or leased by your spouse. A place of abode is not deemed permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.

Are Military Personnel Required to File?

Military personnel who claim Connecticut as a residence but are stationed elsewhere will be subject to Connecticut income tax. If you enlisted in the service as a Connecticut resident and have not established a new domicile (permanent legal residence) elsewhere, you are required to file a resident income tax return unless you meet all three conditions listed on Page 6 for being treated as a nonresident.

If your permanent home (domicile) was outside Connecticut when you entered the military, you do not become a Connecticut resident because you are stationed and live in Connecticut. As a nonresident, your military pay is not subject to Connecticut income tax. However, income that you receive from Connecticut sources while you are a nonresident (including your spouse's nonmilitary income) may be subject to Connecticut income tax. (See instructions for a Connecticut nonresident contained in the instruction booklet for **Form CT-1040NR/PY**.)

Example: Jennifer is a resident of Florida. She enlisted in the Navy in Florida and was stationed in Groton, Connecticut. She earned \$38,000 in military pay.

If Jennifer had no other income. . .

Military personnel are residents of the state in which they resided when they enlisted. Since Jennifer resided and enlisted in Florida, she is considered a resident of Florida and does not have to file a Connecticut return.

If Jennifer has a part-time job in Connecticut. . .

Her Connecticut source income from nonmilitary employment is taxable and must be reported on **Form CT-1040NR/PY**.

Spouses of military personnel who are stationed in Connecticut may be considered residents of this state even if their domicile is elsewhere. See *Am I a Resident, Part-Year Resident or Nonresident?* on Page 6.

See **Informational Publication 99(32)**, *Connecticut Income Tax Information for Military Personnel and Veterans*.

Combat Zone

The income tax return of any individual in the U.S. Armed Forces serving in a combat zone or injured and hospitalized while serving in a combat zone is due 180 days after returning. There will be no penalty or interest charged. For any individual who dies while on

active duty in a combat zone or as a result of injuries received in a combat zone, no income tax or return is due for the year of death. A refund of tax paid will be provided to the legal representative of the estate or to the surviving spouse.

Combat zone is an area designated by the President of the United States as a combat zone by executive order. A combat zone also includes an area designated by the federal government as a *qualified hazardous duty area*.

IMPORTANT: Members of the U.S. Armed Forces serving in the military operations in the Kosovo region are eligible for the 180 day extension allowed to individuals serving in a combat zone. Spouses of military personnel and civilians supporting the military in the Kosovo region who are away from their permanent duty stations but are not within the designated combat zone are also eligible for the extension. Individuals requesting an extension under the Kosovo provision should print the words "**Operation Allied Force**" at the top of the tax return.

CAN I FILE FORM CT-1040EZ?

Most residents may file the short, simple **Form CT-1040EZ**. You may file **Form CT-1040EZ** if **all** of the following are true:

- You were a resident of Connecticut for the entire year or consent to be treated as a resident for the entire year;
- You are not claiming credit for income taxes paid to another jurisdiction;
- You have no modifications to federal adjusted gross income for Connecticut income tax purposes, **or** your only modification is a federally taxable refund of state and local income taxes. See *Schedule 1 - Modifications to Federal Adjusted Gross Income* on Page 15;
- You do not have a federal alternative minimum tax liability; **and**
- You are not claiming an adjusted net Connecticut minimum tax credit.

If **any** of these statements are **not** true, you must file **Form CT-1040** or **Form CT-1040NR/PY**.

If you owe penalty and interest for a late-filed return and you want to pay the amount with your return, you must file **Form CT-1040**. However, if you file **Form CT-1040EZ**, the Department will bill you for outstanding penalty and interest.

If one spouse is a resident and the other spouse is a part-year resident or nonresident and you file a joint federal income tax return you may not be eligible to file a joint **Form CT-1040EZ**. See *Filing Status* on Page 12 for information.

What is Connecticut Adjusted Gross Income?

For the purpose of completing **Form CT-1040**, Connecticut adjusted gross income is your federal adjusted gross income as reported on Line 33 of your federal Form 1040, Line 18 of your federal Form 1040A, Line 4 of your federal Form 1040EZ, or Line I of your federal TeleFile Tax Record, with Connecticut modifications as listed on **Form CT-1040**, *Schedule 1*.

WHEN SHOULD I FILE?

Your Connecticut income tax return is due on or before April 18, 2000, and will be timely filed if received or if the date shown by the U.S. Postal Service cancellation mark is on or before this date.

If your taxable year is other than the calendar year, you must file on or before the fifteenth day of the fourth month after the end of your taxable year. If this date falls on a Saturday, Sunday or legal holiday, the next business day is the due date.

If you file late, you will be subject to penalty and interest on any portion of the tax that is not paid on or before the original due date of the return. Even if you cannot pay all the tax you owe, you should file your return on time and pay as much as you can. If you continue to make payments, you can reduce the amount of interest you would otherwise owe. See *Penalties and Interest* on Page 10.

NOTE: On or after October 1, 1999, taxpayers can use certain private delivery services, in addition to the U.S. Postal Service, for delivering returns, claims, statements or other documents, or payments, and meet the timely mailing as timely filing/payment rules. DRS has accepted the list of private delivery services that is currently published by the Internal Revenue Service. The following is the current list of designated private delivery services: Airborne Express (Airborne), DHL Worldwide Express (DHL), Federal Express (FedEX), and United Parcel Service (UPS). This list is subject to change. See **Special Notice 99(14), Designated Private Delivery Services.**

EXTENSION REQUESTS

If you are unable to file a timely return, you must file **Form CT-1040 EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for Individuals*, and pay the amount of tax you expect to owe on or before the original due date for filing your Connecticut income tax return. This form is included in this booklet. Filing this form automatically extends the due date for **six months** (October 16, 2000, for calendar year taxpayers) if federal Form 4868, *Application for Automatic Extension of Time to File US Individual Income Tax Return*, has been filed. You are not required to attach a copy of the federal extension request to **Form CT-1040 EXT**.

Form CT-1040 EXT only extends the time to **file** your final return; it **does not** extend the time to **pay** your income tax or individual use tax. See *Penalties and Interest* on Page 10.

United States Citizens Living Abroad

If you are a United States citizen or resident living outside the United States and Puerto Rico, or in the armed forces of the United States serving outside the United States and Puerto Rico, and are unable to file a timely Connecticut income tax return, you must file **Form CT-1040 EXT**. You must also pay the amount of tax that you expect to owe on or before the original due date of the return.

Include with **Form CT-1040 EXT** a statement that you are a United States citizen or resident living outside the United States and Puerto Rico, or in the armed forces of the United States serving outside the United States and Puerto Rico, and that you qualify for a federal automatic two-month extension. If your application is approved, the due date will be extended for six months (October 16, 2000, for calendar year taxpayers). If you are still unable to file your return, and you were granted an additional extension of time to file for federal purposes, you may file your Connecticut return using the federal extension due date. A copy of the federal Form 2350 approval notice must be attached to the front of your Connecticut return.

Extension of Time to Pay the Tax

You may be eligible for an extension of six months to pay the tax you owe if you can show that it will cause you undue hardship to pay the tax on the date it is due. To receive consideration, you must file **Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*, on or before the original due date of the return.

You must attach **Form CT-1127** to the front of your timely-filed Connecticut income tax return or your timely-filed **Form CT-1040 EXT**. As evidence of the need for extension, you

must attach: (1) a statement of assets and liabilities, **and** (2) an itemized list of receipts and disbursements for the preceding three months. You must also explain why you are unable to borrow the money to pay the tax.

If an extension of time to pay is granted and full payment of tax is made on or before the end of the extension period, the penalty will be waived. Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment from the original due date of the return until the tax is paid in full. Interest charges cannot be waived. You will receive monthly billing statements until the balance is paid in full.

You are required to make full payment of tax on or before the end of the extension period. The Department encourages you to begin making payments as soon as possible in order to reduce the interest that you would otherwise owe. Write your Social Security Number and **“1999 Form CT-1040”** on your check or money order. Mail payments to:

**Department of Revenue Services
Accounts Receivable Unit
PO Box 5088
Hartford CT 06102-5088**

WHERE DO I FILE?

For **REFUND REQUEST** or **NO TAX DUE**, affix the mailing label that has this address and mail to:

**Department of Revenue Services
PO Box 2976
Hartford CT 06104-2976**

For **PAYMENT**, affix the mailing label that has this address and mail to:

**Department of Revenue Services
PO Box 2977
Hartford CT 06104-2977**

AMENDED RETURNS

If, after filing your income tax return, you receive an additional W-2 or 1099 form or discover that an error was made, **do not** submit a second **Form CT-1040**. You must file **Form CT-1040X**, *Amended Connecticut Income Tax Return*, to report additional tax due or to claim a refund. **Form CT-1040X** must be filed no later than three years after the original due date of the return or, if DRS grants an extension of time to file, no later than three years after the extended due date of the return.

Contributions made to designated funds and overpayments applied to the next year's estimated taxes on the original return are irrevocable and cannot be amended.

NOTE: If you are financially disabled, the time within which you may file **Form CT-1040X** is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period that your spouse or any other person is authorized to act on your behalf in financial matters.

Changes to Your Federal Return

If your income is **changed or corrected** by the Internal Revenue Service or other competent authority, and the change or correction affects your Connecticut income tax liability (including your alternative minimum tax liability), you must file **Form CT-1040X**.

File **Form CT-1040X** no later than 90 days after the final determination of your federal income tax liability.

If you **amend** your federal income tax return, and the amendment affects your Connecticut income tax liability (including your alternative minimum tax liability), you must file **Form CT-1040X**. File **Form CT-1040X** no later than 90 days after the date of filing your amended federal income tax return.

Changes to Another State's Return

If you claimed credit on your Connecticut income tax return or **Form CT-6251, Connecticut Alternative Minimum Tax Return-Individuals**, for income tax paid to another jurisdiction, and, as the result of your income tax return with that jurisdiction being **changed or corrected** by tax officials or other competent authority of that jurisdiction, the amount of tax that you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file **Form CT-1040X**. File **Form CT-1040X** no later than 90 days (30 days for returns for taxable years beginning before January 1, 1998) after the final determination of such amount.

If you claimed credit on your Connecticut income tax return or **Form CT-6251, Connecticut Alternative Minimum Tax Return-Individuals**, for income tax paid to another jurisdiction, and, as a result of your filing an **amended** income tax return with that jurisdiction, the amount of tax that you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file **Form CT-1040X**. File **Form CT-1040X** no later than 90 days (30 days for returns for taxable years beginning before January 1, 1998) after the date of filing your amended income tax return with the other jurisdiction.

IMPORTANT: Form CT-1040X is available from the Department. In order to receive the appropriate form, state the year for which you are amending your return when requesting **Form CT-1040X**.

ESTIMATED TAX PAYMENTS

A payment of estimated income tax is generally required if your Connecticut income tax (after tax credits) **minus** Connecticut tax withheld is **more than \$500, and** you expect your Connecticut income tax withheld to be less than your required annual payment.

Your required annual payment for the 2000 taxable year is the lesser of:

- **90%** of the income tax shown on your **2000 Connecticut income tax return; or**
- **100%** of the income tax shown on your **1999 Connecticut income tax return**, if you filed a 1999 Connecticut income tax return that covered a 12-month period.

You do **not** have to make estimated income tax payments if:

- You were a Connecticut resident in 1999 and you did not file a 1999 income tax return because you had no Connecticut income tax liability; **or**
- You were a nonresident or part-year resident with Connecticut source income in 1999 and you did not file a 1999 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did not have Connecticut source income in 1999 then you **must** use 90% of the income tax shown on your 2000 Connecticut income tax return as your required annual payment.

Estimated Payment Rules for Farmers and Fishermen

If you are a farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments, you will be required to make only one payment. Your installment is due on or before January 16, 2001, for the 2000 taxable year. The required installment is the lesser of 66⅔% of the Connecticut income tax shown on your 2000 return or 100% of the Connecticut income tax shown on your 1999 return.

A farmer or fisherman who files a 2000 Connecticut income tax return on or before March 1, 2001, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for underpayment of estimated tax.

Farmers and fishermen who use these special rules **must** complete and attach **Form CT-2210, Underpayment of Estimated Income Tax by Individuals, Trusts and Estates**, to their Connecticut income tax return to avoid being billed for interest on the underpayment of estimated income tax. **Form CT-2210, Part I, Box D** must be checked as well as the box for **Form CT-2210** on the front of **Form CT-1040**. See **Informational Publication 99(17), Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuel Tax, and Estimated Income Tax**.

Annualized Income Installment Method

If your income varies throughout the year, using the annualized income installment method may enable you to reduce or eliminate the amount of your estimated tax payment for one or more periods. See **Informational Publication 99(33), A Guide to Calculating Your Annualized Estimated Tax Installments and Worksheet CT-1040AES**.

Filing Form CT-1040ES

Use **Form CT-1040ES, Estimated Connecticut Income Tax Payment Coupon for Individuals**, to make estimated Connecticut income tax payments for 2000. If you made estimated tax payments

2000 Estimated Tax Due Dates		Due dates of installments and the amount of required payments for 2000 calendar year taxpayers are:
April 18, 2000	25% of your required annual payment	
June 15, 2000	25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)	
September 15, 2000	25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)	
January 16, 2001	25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.)	

An estimate will be considered timely filed if received on or before the due date, or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date. Taxpayers who report on other than a calendar year basis should use their federal estimated tax installment dates. If the due date falls on a Saturday, Sunday or legal holiday, the next business day is the due date.

during 1999 for the 1999 taxable year, you will receive coupons for the 2000 taxable year in mid-January preprinted with your name, address, and Social Security Number. To ensure that your payments are properly credited, be sure to use the preprinted coupons.

If you did not make estimated tax payments in 1999, use **Form CT-1040ES** included in this booklet to make your first estimated income tax payment. If you file this form, additional preprinted coupons will be mailed to you.

To avoid making estimated tax payments, you may request your employer to withhold additional amounts from your wages to cover the taxes on other income. You can make this change by providing your employer with a revised **Form CT-W4, *Employee's Withholding or Exemption Certificate***. For help in determining the correct amount of Connecticut income tax to be withheld from your wage income, see **Informational Publication 00(1), *Is My Connecticut Withholding Correct?***

Interest on Underpayment of Estimated Tax

If you did not pay enough tax through withholding or estimated payments, or both, by any installment due date, you may be charged interest. This is true even if you are due a refund when you file your tax return. Interest is calculated separately for each installment. Therefore, you may owe interest for an earlier installment, even if you paid enough tax later to make up the underpayment. Interest at 1% (.01) per month or fraction of a month shall be added to the tax due until the **earlier of**: April 15, 2000, or the date on which the underpayment is paid.

A taxpayer who files a 1999 income tax return on or before January 31, 2000, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for failing to make the estimated payment due January 18, 2000. (This does not apply to taxpayers paying estimated Connecticut income taxes as farmers or fishermen.)

Filing Form CT-2210

If your 1999 Connecticut income tax (after tax credits) **minus** Connecticut tax withheld, is **more than \$500**, you can use **Form CT-2210, *Underpayment of Estimated Income Tax by Individuals, Trusts and Estates***, to find out if you paid enough income tax during the year. You can also use this form to calculate interest if you underpaid your estimated tax. **Form CT-2210** is available from the Department. However, this is a complex form and you may prefer to have the Department calculate the interest for you.

PENALTIES AND INTEREST

Late Payment or Late Filing

In general, penalty and interest apply to any portion of the tax that is not paid on or before the original due date of the return. The penalty for late payment or underpayment of income or use tax is 10% (.10) of such amount due. If a request for an extension of time to file an income tax return has been granted, no late payment penalty will be imposed if at least 90% of the income tax shown to be due on the return is paid on or before the original due date of the return and the balance due is remitted with the return on or before the extended due date of the return. In the event that no tax is due, the Commissioner of Revenue Services **may** impose a \$50 penalty for the late filing of any return or report that is required by law to be filed. Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment until the tax is paid in full.

Failure to File

If you fail to file your return and the Commissioner of Revenue Services files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater.

Failure to Report Federal Changes

If your income is **changed or corrected** by the Internal Revenue Service or other competent authority for any taxable year, you are required to report such change or correction no later than 90 days after the final determination of your federal income tax liability, if the federal change or correction affects your Connecticut income tax liability (including your alternative minimum tax liability). The change or correction should be reported on **Form CT-1040X**.

If you file an amended federal income tax return for any taxable year, you are required to file **Form CT-1040X** no later than 90 days after the date of filing your amended federal income tax return, if the amendment affects your Connecticut income tax liability (including your alternative minimum tax liability). In either case, the penalty for failure to file **Form CT-1040X** within such time is \$50.

Failure to Report State Changes

If you claimed credit for income tax paid to another jurisdiction on your Connecticut income tax return or **Form CT-6251**, and, as a result of your filing an amended income tax return with that jurisdiction, the amount of tax that you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file an amended Connecticut income tax return. You must file **Form CT-1040X** no later than 90 days (30 days for returns for taxable years beginning before January 1, 1998) after the date of filing an amended income tax return with the other jurisdiction. If you claimed credit for income tax paid to another jurisdiction on your Connecticut income tax return or **Form CT-6251**, and, as a result of your income tax return with that jurisdiction being **changed or corrected** by tax officials or other competent authority of that jurisdiction, the amount of tax that you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file an amended Connecticut income tax return. You must file **Form CT-1040X** no later than 90 days (30 days for returns for taxable years beginning before January 1, 1998) after the final determination of such amount. In either case, the penalty for failure to file **Form CT-1040X** within such time is \$50.

Waiver of Penalty

You may be entitled to a waiver of penalty if the failure to pay tax was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. Be sure to include your name, Social Security Number, name of original form filed or billing notice received, and taxable filing period on all correspondence. Attach your penalty waiver request to the **front** of your tax return or mail separately to:

**Department of Revenue Services
Penalty Review Committee
PO Box 5089
Hartford CT 06102-5089**

Interest cannot be waived. Before a penalty waiver can be granted, the taxpayer must pay all tax and interest due.

RECORD RETENTION

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as W-2 and 1099 forms) until the statute of limitations runs out for that return. Usually, this is three years from the date the return was due or filed. You may need this information to prepare future returns or to amend filed returns.

COPIES OF RETURNS

You may request a copy of a previously filed Connecticut income tax return from the Department by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. It generally takes three weeks to fill such requests.

REFUND INFORMATION

The Department of Revenue Services issues refund checks as quickly as possible. If you have a touch-tone phone, you may check on the status of your refund 24 hours a day by calling **1-800-382-9463** (toll-free from within Connecticut) or **860-297-5962** (from anywhere). Be ready to provide your Social Security Number (and your spouse's, if filing jointly) and the exact amount of the refund you requested.

If you Telefile or electronically file your return, you will receive your refund in four days. If you send your return by mail, you should allow four weeks before calling to check on the status of your refund. If you do not receive your claim for refund by the 90th day after we receive your claim for refund, you will be entitled to interest on your overpayment at the rate of $\frac{2}{3}\%$ for each month or fraction of a month between the 90th day following receipt of your claim for a refund or the due date of your return, whichever is later, and the date of notice that your refund is due.

Offset Against Debts

If you are due a refund but have not paid certain obligations to Connecticut state agencies or the Internal Revenue Service, all or part of your overpayment may be used to pay all or part of these outstanding debts or taxes. You will be advised by mail if your refund is reduced for this reason and will be given information directing you to the agency to contact if you wish to appeal. Your refund may also be reduced if you owe penalty and interest on late-filed or underpaid Connecticut income tax returns.

Nonobligated Spouse

When a joint return is filed and only one spouse owes past-due child support or a debt to any Connecticut state agency, the spouse who is not obligated may be eligible to claim a share of a joint income tax refund. A nonobligated spouse who received income in 1999 and who made Connecticut income tax payments (withholding or estimates) for the 1999 taxable year may be eligible to claim his or her share of any refund if:

- A joint Connecticut tax return was filed for 1999; **and**
- An overpayment of tax was made.

If you are a nonobligated spouse, you may claim your share of a joint refund by filing **Form CT-8379, Nonobligated Spouse Claim**.

Do not use **Form CT-8379** to claim your share of a Connecticut refund that was applied to federal taxes owed to the Internal Revenue Service. You must contact the IRS Taxpayer Advocate Office in Hartford at 860-756-4555.

STEPS TO COMPLETING FORM CT-1040

Step One - Complete Your Federal Return

Before you begin, get all your records together, including your federal Forms W-2 (Wages), W-2G (Winnings), 1099-R (Pensions), and other 1099s. First use this information to complete your federal income tax return. The information on your federal return will help you complete your Connecticut return.

Step Two - Complete Your Connecticut Return

Remove the income tax forms from this booklet. One copy is for you to file with the Department of Revenue Services. The other copy is for your records. If you complete the copy for your records first, you will be able to make any necessary corrections and copy your final calculations onto the form you send to the Department of Revenue Services. Keep the copy for your records. You may need information from it when you file next year's return, make estimated tax payments, or to respond to a question from DRS. Proceed item by item, reading the instructions for each line item before you enter any amounts, copy all information carefully onto the form you intend to file.

Step Three - Order of Attachments

Staple all your W-2 forms or **Forms CT-4852** (substitute Form W-2) to the front of the income tax form in the appropriate area marked "**Staple W-2s, W-2Gs, and certain 1099s here.**" Also attach any other forms showing Connecticut income tax withheld.

Paper clip your check or money order in payment of the tax due to the front of the income tax form in the appropriate area marked "**Clip check or money order here.**" Be sure to write your Social Security Number and "**1999 Form CT-1040**" on your check or money order.

In addition, if you must file any of the following forms, attach the form(s) to the **front** of your income tax return in the following order:

- **Form CT-191T, Title 19 Status Release Form**
- **Form CT-1127, Application for Extension of Time for Payment of Income Tax**
- **Form CT-8379, Nonobligated Spouse Claim**

Attach other required forms and schedules to the back of your return or as directed on the form.

Step Four - Check Your Return

Take your time in completing your return. When you have finished, recheck all of your entries and arithmetic.

After you have completed your return, **be sure to sign it** and attach any required schedules, statements or forms.

REMEMBER: Errors Delay Refunds!

Step Five - Mailing Your Return

This package contains one envelope with two pre-addressed labels for mailing your return. Use the correct label to have your return and refund processed faster.

New for 1999

You may be able to pay your 1999 Connecticut income tax liability by credit card. See Page 14 for details.



INSTRUCTIONS FOR FORM CT-1040

NAME AND ADDRESS

All information on **Form CT-1040** should be for the calendar year January 1 through December 31, 1999, or for your fiscal year beginning in 1999. If filing for a fiscal year other than the calendar year, enter the month and day the taxable year began, and the month, day, and year that it ended, at the top of the front page.

After you have completed your return and checked it for accuracy, remove the preprinted peel-off label included in this booklet and place it over the name and address blanks of your return. Using the label helps us process your return faster so that you may receive your refund sooner. It also reduces the possibility of error, which could delay your refund.

Make sure the information on the label is correct. Do not use this label if any of the information is incorrect. Print or type the correct information in the name and address blanks on your return.

If there is no preprinted label, print or type the information requested in the space provided at the top of **Form CT-1040**. Be sure your Social Security Number is listed on your return. If you file a joint return, list your Social Security Number and your spouse's Social Security Number in the order they appear on your federal return.

If your return is being completed by someone else, take your booklet to your tax preparer so that the preparer can attach the label to your return.

FILING STATUS

Check the appropriate box to indicate your filing status. For the purpose of **Form CT-1040**, your filing status must match your federal income tax filing status for this year. Consult the information in your federal income tax booklet or call the Internal Revenue Service at 1-800-829-1040 if you are not certain of your filing status for 1999.

If your filing status is qualifying widow(er) with dependent child on federal Form 1040 or 1040A, check the box on **Form CT-1040** for "Married filing joint return or Qualifying widow(er) with dependent child." **Do not** enter your deceased spouses's name or Social Security Number in the spaces provided for Spouse's Name and Spouse's Social Security Number.

What if My Spouse and I are Residents of Different States?

When one spouse is a **Connecticut resident or a nonresident** and the other spouse is a **part-year resident**, **EACH** spouse who is required to file a Connecticut income tax return **must** file as **married filing separately**.

When one spouse is a **Connecticut resident** and the other is a **nonresident**, **EACH** spouse who is required to file a Connecticut income tax return **must** file as **married filing separately unless**:

- They file jointly for federal income tax purposes; **and**
- They elect to be treated as if both were Connecticut residents for the entire taxable year.

If filing a joint federal return and a separate Connecticut return, enter on **Form CT-1040**, Line 1 only **your** portion of the income included in joint federal adjusted gross income.

ROUNDING OFF TO WHOLE DOLLARS

Generally, you may round off cents to the nearest whole dollar on your return and schedules. However, if you need to add two or

more amounts to compute the amount to enter on a line, include cents and round off only the total.

Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents.

Example: \$1.29 becomes \$1.00, and \$3.50 becomes \$4.00. If you elect to round off, do so for all amounts.

You may round off the amount of tax due as stated in the 1999 Tax Tables or as calculated using the Tax Calculation Schedule.

CAUTION: Rounding off to whole dollars may affect the amounts of your personal exemption and your personal tax credit.

LINE INSTRUCTIONS

Line 1 - Federal Adjusted Gross Income

Enter your federal adjusted gross income from your 1999 federal income tax return. This will be the amount reported on Line 33 of federal Form 1040, Line 18 of federal Form 1040A, Line 4 of federal Form 1040EZ, or Line I of federal TeleFile Tax Record.

Line 2 - Additions

Enter the amount from **Form CT-1040, Schedule 1, Line 37.** (See *Additions to Federal Adjusted Gross Income* on Page 15.)

Line 3

Add Line 1 and Line 2. Enter the total on Line 3.

Line 4 - Subtractions

Enter the amount from **Form CT-1040, Schedule 1, Line 47.** (See *Subtractions from Federal Adjusted Gross Income* on Page 16.)

Line 5 - Connecticut Adjusted Gross Income

Subtract Line 4 from Line 3 and enter the result on Line 5. This is your Connecticut adjusted gross income.

Line 6 - Income Tax

If the amount on Line 5 is \$12,000 or less, enter 0 on Line 6. If the amount is more than \$12,000, calculate your tax using one of the following methods:

Tax Tables - If your Connecticut adjusted gross income is less than or equal to \$102,000, you may use the Tax Tables on Page 27 to find your tax. Be sure to use the correct column in the Tax Tables. After you have found the correct tax, enter that amount on Line 6.

Tax Calculation Schedule - You **must** use the *Tax Calculation Schedule* at the end of this booklet to figure your tax if your Connecticut adjusted gross income is more than \$102,000. You may also use the *Tax Calculation Schedule* if your Connecticut adjusted gross income is less than or equal to \$102,000.

Line 7 - Credit for Income Taxes Paid to Other Jurisdictions

If all or part of the income reported on this return is subject to income tax in a qualifying jurisdiction and you have filed a return and paid income taxes to that jurisdiction, complete *Schedule 2* on the back of **Form CT-1040** and enter the amount from Line 56 here. See *Schedule 2 - Credit for Income Taxes Paid to Other Jurisdictions* on Page 18.

You must attach a copy of your return filed with the qualifying jurisdiction(s) or the credit will be disallowed.

Line 8

Subtract Line 7 from Line 6. Enter the result on Line 8. If Line 7 is greater than Line 6, enter 0.

Line 9 - Connecticut Alternative Minimum Tax

If you were required to pay the federal alternative minimum tax for 1999, you must file **Form CT-6251, Connecticut Alternative Minimum Tax Return - Individuals**. Enter the amount shown on Line 26 of **Form CT-6251** on Line 9.

Line 10

Add Line 8 and Line 9 and enter the total on Line 10.

Line 11 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle

If the amount on Line 10 is zero, skip Lines 11 and 12 and go to Line 13. Otherwise, you **must** complete *Schedule 3* on the back of **Form CT-1040** to be allowed this credit. Enter the amount from Line 64 on Line 11. Be certain to include all of the requested information or your credit may be denied. See *Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle*, on Page 21.

IMPORTANT: The credit is limited to the lesser of \$425 or the amount of qualifying property taxes paid. The maximum property tax credit allowed is \$425 per return, regardless of filing status. If you paid more than \$100 in property tax, you may be subject to a limitation based on your Connecticut adjusted gross income. See *Property Tax Credit Limitation Worksheet* on Page 22. This credit can be used to offset only your 1999 income tax. You cannot carry this credit forward and it is not refundable.

Line 12

Subtract Line 11 from Line 10. Enter the result on Line 12. If less than zero, enter 0.

Line 13 - Adjusted Net Connecticut Minimum Tax Credit

Enter the amount from **Form CT-8801, Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates**, on Line 13. If you did not pay Connecticut alternative minimum tax in 1994 or thereafter, or if you entered an amount on **Form CT-1040**, Line 9, enter 0.

Line 14 - Connecticut Income Tax

Subtract Line 13 from Line 12. Enter the result on Line 14. If less than zero, enter 0.

Line 15 - Individual Use Tax

Enter the total use tax due as reported on the *Individual Use Tax Worksheet* on Page 23. You **must** enter 0 on Line 15 if no Connecticut use tax is due; otherwise you will not have filed a use tax return.

Line 16 - Total Tax

Add Line 14 and Line 15. Enter the total on Line 16.

Line 17 - Connecticut Tax Withheld

Enter the total income tax withheld for the State of Connecticut as indicated on your copies of W-2, W-2G, and 1099 forms. Enter only amounts withheld for the State of Connecticut. The amounts withheld should be shown in Box 18 of Form W-2, Box 14 of Form W-2G, Box 10 of Form 1099-R, and Box 4 of Form UC-1099G. If you received a 1999 Form 1099 showing Connecticut income tax withheld on other income you received, such as unemployment compensation, include the amount withheld in the total on Line 17. Do **not** include tax

withheld for other states or the Internal Revenue Service. Be sure you staple the “state copy” of all W-2 forms to the front of your return. Also, attach any other forms showing Connecticut tax withheld, otherwise, your claim of amounts withheld will not be allowed. If you have not received a W-2 form from your employer or Form 1099-R from your pension, annuity, retirement or profit sharing plan, you should request **Form CT-4852** (substitute Form W-2) to report your earnings and withholding. **Attach copies of W-2G and 1099 forms only if they show Connecticut tax withheld.**

IMPORTANT: If the amount on Line 17 does not equal the amounts of Connecticut withholding as reported on Forms W-2, W-2G, 1099, and **Form CT-4852**, the processing of your **Form CT-1040** will be delayed.

Line 18 - All 1999 Estimated Tax Payments

Enter on Line 18 the total of all Connecticut estimated tax payments, advance tax payments, and any overpayments of Connecticut income tax applied from a prior year. Be sure to include any 1999 estimated payments made in 2000. **Do not** include any refunds received.

Line 19 - Payments Made with Extension Request

If you filed **Form CT-1040 EXT, Application for Extension of Time to File**, enter on Line 19 the amount you paid with that form.

Line 20 - Total Payments

Add Lines 17, 18, and 19. Enter the total on Line 20. This represents the total of all Connecticut tax payments made.

Line 21 - Amount Overpaid

If Line 20 is greater than Line 16, subtract Line 16 from Line 20 and enter the result on Line 21. This is the amount of your overpayment. To properly allocate your overpayment, go to Lines 22, 23, and 24. If Line 20 is less than Line 16, go to Line 25.

Line 22 - Amount of Line 21 You Want Applied to Your 2000 Estimated Tax

Enter the amount of your 1999 overpayment that you want applied to your 2000 estimated Connecticut income tax. It will be treated as estimated tax paid on April 15, 2000, if your return is filed on time or if you filed a timely request for extension and your return is filed within the extension period. **Your request to apply this amount to your 2000 estimated income tax is irrevocable.**

Line 23 - Amount of Line 21 You Want to Contribute

You may contribute all or a portion of your refund to one or more of five designated funds. Check the appropriate box or write in a whole dollar amount for each fund to which you wish to contribute. Add your contributions and enter the total amount on Line 23. **Your contribution is irrevocable.**

You may make a contribution on this return only if you are entitled to a refund. Your contribution is limited to your refund amount. You may, however, also make **direct** contributions by following the instructions on Page 14.

Line 24 - Amount of Line 21 You Want Refunded to You

Subtract the total of Line 22 and Line 23 from Line 21. Enter the result on Line 24. This is the amount of your refund. Early filers receive their refunds faster. Be sure to affix the **refund label** to the envelope when mailing your return.

IMPORTANT: Your overpayment is applied in the following order: penalty and interest you owe, amounts designated by you to be applied to your 2000 estimated tax, other taxes you may owe the

Department of Revenue Services, debts to other Connecticut state agencies, federal taxes you may owe the Internal Revenue Service, and charitable contributions designated by you. Any remaining balance will be refunded to you.

Line 25 - If Line 16 is Greater Than Line 20, Enter Amount of Tax You Owe

If Line 16 is greater than Line 20, subtract Line 20 from Line 16 and enter the result on Line 25. This is the amount of tax you owe. (See *Estimated Tax Payments* on Page 9.)

Line 26 - Penalty For Late Payment or Late Filing

Late Payment Penalty: The penalty for late payment or underpayment of income or use tax is 10% (.10) of such amount due. Taxpayers who pay at least 90% (.90) of the income tax shown to be due on the return on or before the original due date of the return and remit the balance due with the return on or before the extended due date will avoid penalty for failure to pay the full amount due by the original due date. Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment until the tax is paid in full.

Late Filing Penalty: In the event that no tax is due, the Commissioner of Revenue Services may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

Line 27 - Interest for Late Payment or Late Filing

If you fail to pay the tax when due, interest will be charged at the rate of 1% (.01) per month or fraction thereof from the due date until payment is made.

Line 28 - Interest on Underpayment of Estimated Tax

If Line 14 minus Line 17 is more than \$500, you may owe interest on estimated tax that you either underpaid or paid late. **Form CT-2210, *Underpayment of Estimated Income Tax by Individuals, Trusts and Estates***, can help you determine whether you did underestimate and will help you calculate interest. Because this is a complex form you may prefer to have the Department calculate the interest; do **not** file **Form CT-2210**, leave this line blank, and we will bill you. Interest on underpayment of estimated income tax stops accruing on the **earlier** of the day you pay your tax or April 15, 2000.

Line 29 - Amount You Owe With This Return

Add Lines 25 through 28. Enter the total on Line 29. This is the total amount you owe. Pay the amount in full with your return.

New for 1999: You may now pay your 1999 Connecticut income tax liability by credit card if you filed a 1998 Connecticut income tax return.

To pay by credit card: Have your Discover®, MasterCard® or American Express Card® ready, and call toll-free **1-888-2PAY-TAX** (1-888-272-9829). You will be asked to enter Connecticut's code: **1777**. A convenience fee will be charged by the credit card service provider. The fee will range from 3% to 6% of the amount charged, with a minimum fee of \$3.00. You will be informed of the amount of the convenience fee during the telephone call, and you may elect to cancel the transaction.

To pay by mail: Make your check or money order payable to the "**Commissioner of Revenue Services.**" Write your Social Security Number(s) and "**1999 Form CT-1040**" on the front of your check or money order in the lower left corner. Be sure to sign your check and paper clip it to the front of your return. **Do not send cash.**

Failure to file or failure to pay the proper amount of tax when due **will result in the imposition of penalty and interest.** It is to your advantage to file when your return is due whether or not you are able to make full payment.

Sign Here

After completing your Connecticut **Form CT-1040**, sign your name and write the date you signed the return. Your spouse must also sign and enter the date if this is a joint return.

Paid Preparer Signature

Anyone you pay to prepare your return must sign and date it by hand. Paid preparers must also enter their Federal Employer Identification Number, Social Security Number or Preparer's Tax Identification Number (PTIN) in the space provided.

Mailing Your Return

Keep a copy of this return for your records. Attach to this return copies of any required schedules and forms. Do **not** attach copies of your federal income tax return or federal schedules.

1. Remove both labels from the envelope flap along the perforation.
2. Choose the correct label for your return, moisten and place it on the return envelope.
3. Affix the correct postage to the envelope, or your return may be late or not delivered.

Do not use these mailing labels to send other correspondence to the Department. Using these labels for other purposes will delay our response to you.

How Will My Contribution Be Used?				
<p>AIDS RESEARCH EDUCATION FUND</p> <p>This fund was created to assist research, education, and community service programs related to Acquired Immune Deficiency Syndrome (AIDS). The fund is administered by the Connecticut Department of Public Health.</p> <p>To contribute directly send to: AIDS Division, Department of Public Health MS#11APV PO Box 340308 Hartford CT 06134-0308</p> <p>Make check payable to: "Treasurer, State of Connecticut/AIDS Fund"</p>	<p>ORGAN TRANSPLANT FUND</p> <p>This fund was created to assist Connecticut residents in paying all or part of any costs associated with a medically required organ transplant. The fund is administered by the Connecticut Department of Social Services.</p> <p>To contribute directly send to: Department of Social Services Accounts Receivable 25 Sigourney Street Hartford CT 06106-5003</p> <p>Make check payable to: "Commissioner of Social Services/Organ Transplant Fund"</p>	<p>DANGEROUS SPECIES, NATURAL AREA PRESERVES, AND WATCHABLE WILDLIFE FUND</p> <p>This fund was established to help preserve, protect, and manage Connecticut's endangered plants and animals, wildlife and their habitats. The fund is administered by the Connecticut Department of Environmental Protection.</p> <p>To contribute directly send to: Department of Environmental Protection-Bureau of Administration Financial Management 79 Elm Street Hartford CT 06106-5127</p> <p>Make check payable to: "DEP-Endangered Species/Wildlife Fund"</p>	<p>BREAST CANCER RESEARCH AND EDUCATION FUND</p> <p>This fund was created to assist research, education, and community service programs related to breast cancer. The fund is administered by the Connecticut Department of Public Health.</p> <p>To contribute directly send to: Department of Public Health Breast and Cervical Cancer Early Detection Program MS#11HLS PO Box 340308 Hartford CT 06134-0308</p> <p>Make check payable to: "Treasurer, State of Connecticut/Breast Cancer Fund"</p>	<p>SAFETY NET SERVICES FUND</p> <p>This fund was created to protect the children of families whose public assistance benefits ended due to a time limit. The fund is administered by the Connecticut Department of Social Services.</p> <p>To contribute directly send to: Department of Social Services Accounts Receivable 25 Sigourney Street Hartford CT 06106-5003</p> <p>Make check payable to: "Commissioner of Social Services/Safety Net Fund"</p>

SCHEDULE 1 - MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

See **Policy Statement 92(3.1)**, *Connecticut Income Tax on Bonds or Obligations Issued by the United States Government, by State Governments or Municipalities*, for help in determining whether you must make a modification.

ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME - ENTER ALL AMOUNTS AS POSITIVE NUMBERS

Line 30 - Interest on State and Local Government Obligations Other Than Connecticut

Enter the total amount of interest income derived from state and municipal government obligations (other than obligations of the State of Connecticut or its municipalities) which is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, and U.S. Virgin Islands.

Line 31 - Exempt-Interest Dividends From a Mutual Fund Derived From State or Municipal Government Obligations Other Than Connecticut

Enter the total amount of exempt-interest dividends received from a mutual fund that are derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities. If the exempt-interest dividends are derived from obligations of Connecticut and other states, enter only the percentage derived from non-Connecticut obligations. Do not enter exempt-interest dividends derived from government obligations of Puerto Rico, Guam, American Samoa, and U.S. Virgin Islands.

Example: A fund invests in obligations of many states, including Connecticut. Assuming that 20% of the distribution is from Connecticut obligations, the remaining 80% would be added back on this line.

Line 32 - Shareholder's Pro Rata Share of S Corporation Nonseparately Computed Loss

The Connecticut Corporation Business Tax on S corporations is being phased out over a five-year period, beginning with the 1997 taxable year. This affects the modification to federal adjusted gross income.

If you are a shareholder of an S corporation that is subject to the Connecticut Corporation Business Tax, and the S corporation's taxable year for federal income tax purposes is the *calendar year*, multiply 55% of your pro rata share of the S corporation's nonseparately computed loss by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 32. (In computing your **estimated Connecticut adjusted gross income for 2000**, follow the preceding instructions, but substitute 30% for 55%.)

If you are a shareholder of an S corporation that is subject to the Connecticut Corporation Business Tax and the S corporation's taxable year for federal income tax purposes is *other than the calendar year*, multiply 75% of your pro rata share of the S corporation's nonseparately computed loss by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 32. (In computing your **estimated Connecticut adjusted gross income for 2000**, follow the preceding instructions, but substitute 55% for 75%.)

Your pro rata share of the S corporation's nonseparately computed loss will be reported on federal Form 1120S, Schedule K-1 furnished

to you by the S corporation. The S corporation's Connecticut corporation business tax apportionment percentage will be furnished to you by the S corporation.

IMPORTANT: If any federal limitations apply, add back only 55% of the net loss (75% of the net loss if the S corporation's taxable year is *other than the calendar year*) included on federal Schedule E, multiplied by the S corporation's Connecticut corporation business tax apportionment percentage.

Line 33 - Taxable Amount of Lump-Sum Distributions From Qualified Plans Not Included in Federal AGI

If you filed federal Form 4972, *Tax On Lump-Sum Distributions*, with your federal Form 1040 to compute the tax on any part of a distribution from a qualified plan, enter **that** part of the distribution on Line 33. Do not enter any part of the distribution reported on Line 11a of federal Form 1040A or Line 16a of federal Form 1040 or on Schedule D of federal Form 1040.

Line 34 - Beneficiary's Share of Connecticut Fiduciary Adjustment

If you have any income from an estate or trust, any Connecticut modifications (that is, the Connecticut fiduciary adjustment) that apply to such income will be shown on **Form CT-1041**, *Connecticut Income Tax Return for Trusts and Estates*, Schedule B, Column 5. Your share of these modifications should be provided to you by the fiduciary. If your share of these modifications is an amount greater than zero, enter the amount on Line 34. If the amount is less than zero, enter the amount on Line 44.

If you are a beneficiary of more than one trust or estate, enter the net amount of all such modifications, if greater than zero, on Line 34.

Line 35 - Loss on Sale of Connecticut State and Local Government Bonds

Enter the total losses from the sale or exchange of notes, bonds or other obligations of the State of Connecticut or its municipalities used in determining gain (loss) for federal income tax purposes, whether or not the entire loss is used in computing federal adjusted gross income.

Line 36 - Other

Use Line 36 to report any of the following modifications:

1. Add back any Connecticut income tax deducted on the federal income tax return to arrive at federal adjusted gross income. Do not add back any Connecticut income tax deducted on federal Form 1040, Schedule A.
2. Add back any expenses paid or incurred for the production (including management, conservation, and maintenance of property held for the production) or collection of income exempt from Connecticut income tax which were deducted on the federal return to arrive at federal adjusted gross income.
3. Add back any amortizable bond premium on bonds producing interest income exempt from Connecticut income tax which premiums were deducted on the federal return to arrive at federal adjusted gross income.

4. Add back any interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States which federal law exempts from federal income tax but does not exempt from state income taxes.
5. Add back to the extent deductible in determining federal adjusted gross income, any interest expenses on indebtedness incurred or continued to purchase or carry obligations or securities (the income from which is exempt from Connecticut income tax).
6. Also use Line 36 to report any additions to federal adjusted gross income required for Connecticut income tax purposes which are not listed on Lines 30 through 35.

Line 37 - Total Additions

Add Lines 30 through 36. Enter the total on Line 37 and on Line 2 on the front of **Form CT-1040**.

SUBTRACTIONS FROM FEDERAL ADJUSTED GROSS INCOME - ENTER ALL AMOUNTS AS POSITIVE NUMBERS

Line 38 - Interest on United States Government Obligations

Enter the total amount of interest income (to the extent includible in federal adjusted gross income) derived from U.S. government obligations, which federal law prohibits states from taxing (for example, U.S. government bonds such as Saving Bonds Series EE and Series HH, U.S. Treasury bills and notes).

For Series EE U.S. Savings Bonds, you are entitled to include on Line 38 **only** the amount of interest subject to federal income tax after exclusion of the amounts reported on federal Form 8815. In general, the net taxable amount you will report on Schedule B of federal Form 1040 or Schedule 1 of federal Form 1040A.

IMPORTANT: Do not enter the amount of interest income derived from Federal National Mortgage Association (Fannie Mae) bonds, Government National Mortgage Association (Ginnie Mae) bonds, and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing interest income derived from these obligations, and this interest income is taxable for Connecticut income tax purposes.

Do not enter the amount of interest paid to you on any federal income tax refund.

Line 39 - Exempt Dividends From Certain Qualifying Mutual Funds Derived From U.S. Government Obligations

Enter the total amount of exempt dividends received from a qualifying mutual fund that are derived from U.S. government obligations. A mutual fund is a qualifying fund if, **at the close of EACH quarter** of its taxable year, at least 50% of the value of its assets consists of U.S. government obligations. The percentage of dividends that are exempt dividends should be reported to you by the mutual fund.

IMPORTANT: Do not enter the amount of dividend income derived from Federal National Mortgage Association (Fannie Mae) bonds, Government National Mortgage Association (Ginnie Mae) bonds, and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing income derived from these obligations, and this income is taxable for Connecticut income tax purposes.

Example: A qualifying mutual fund pays a dividend of \$100. Of the distribution, 55% is attributable to U.S. Treasury bills and 45% to other investments. The amount that should be reported on Line 39 is \$55.

Line 40 - Social Security Benefit Adjustment

If your filing status is **Single** or **Married Filing Separately** and the amount reported on Line 1 of **Form CT-1040** is **less than \$50,000**, enter on Line 40 the amount of federally taxable Social Security benefits reported on federal Form 1040, Line 20b or federal Form 1040A, Line 13b. If your filing status is **Married Filing Jointly** or **Head of Household** and the amount reported on Line 1 of **Form CT-1040** is **less than \$60,000**, enter on Line 40 the amount of federally taxable Social Security benefits reported on federal Form 1040, Line 20b or federal Form 1040A, Line 13b. If your federal adjusted gross income is above the threshold for your filing status, complete the *Social Security Benefit Adjustment Worksheet* on Page 17 and enter the amount from Line N on Line 40.

When completing the worksheet, add to Line C the following amounts to the extent excluded from your federal adjusted gross income: employer-provided adoption benefits, qualified U.S. savings bond interest, foreign earned income or housing, and certain income of bona fide residents of American Samoa or Puerto Rico.

Line 41 - Refunds of State and Local Income Taxes

Enter the amount of taxable refunds of state and local income taxes that is reported on Line 10 of your federal Form 1040. If an amount is not reported on Line 10 of your federal Form 1040, or if you filed federal Form 1040A, 1040EZ or federal TeleFile Tax Record, enter 0.

Line 42 - Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities

If you received Tier 1 or Tier 2, or both, railroad retirement benefits and supplemental annuities during 1999, you may deduct the amount included in your federal adjusted gross income. Enter the total amount of Tier 1 and Tier 2 railroad retirement benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 11b or Line 13b. Likewise, enter the amount of railroad unemployment benefits, including sickness benefits paid in lieu of unemployment benefits, to the extent included in your federal adjusted gross income.

Line 43 - Shareholder's Pro Rata Share of S Corporation Nonseparately Computed Income

The Connecticut Corporation Business Tax on S corporations is being phased out over a five-year period, beginning with the 1997 taxable year. This affects the modification to federal adjusted gross income.

If you are a shareholder of an S corporation that is subject to the Connecticut Corporation Business Tax and the S corporation's taxable year for federal income tax purposes is the *calendar year*, multiply 55% of your pro rata share of the S corporation's nonseparately computed income by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 43. (In computing your **estimated Connecticut adjusted gross income for 2000**, follow the instructions above, but substitute 30% for 55%.)

If you are a shareholder of an S corporation that is subject to the Connecticut Corporation Business Tax and the S corporation's taxable year for federal income tax purposes is *other than the calendar year*, multiply 75% of your pro rata share of the S corporation's nonseparately computed income by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 43. (In computing your **estimated Connecticut adjusted gross income for 2000**, follow the instructions above, but substitute 55% for 75%.)

SOCIAL SECURITY BENEFIT ADJUSTMENT WORKSHEET (Line 40)

If your filing status is: Single or Married Filing Separately and the amount on Form CT-1040, Line 1 is less than \$50,000; or Married Filing Jointly or Head of Household and the amount on Form CT-1040, Line 1 is less than \$60,000, enter the amount of federally taxable Social Security benefits from federal Form 1040, Line 20b or federal Form 1040A, Line 13b on Form CT-1040, Line 40. Otherwise, you must complete this worksheet to determine the amount to enter on Form CT-1040, Line 40.

A. Enter the total amount from Box 5 of all your Forms SSA-1099 and Forms RRB-1099 If Line A is zero or less, stop here and enter 0 on Line 40. Otherwise, go to Line B.	A.	
B. Divide Line A above by 2	B.	
C. Add the amounts on your federal Form 1040, Lines 7, 8a, 9 through 14, 15b, 16b, 17 through 19, and 21; or federal Form 1040A, Lines 7, 8a, 9, 10b, 11b, and 12. Do not include here any amounts from Box 5 of Forms SSA-1099 or RRB-1099	C.	
D. Enter the amount from federal Form 1040 or 1040A, Line 8b	D.	
E. Add Lines B, C, and D	E.	
F. Add the amounts on your federal Form 1040, Lines 23, and 25 through 31a, and any amount you entered on the dotted line next to Line 32; or federal Form 1040A, Line 15	F.	
G. Subtract Line F from Line E	G.	
H. Enter on Line H the amount shown below for your filing status: <ul style="list-style-type: none"> • Single, Head of Household, or Qualifying Widow(er), enter \$25,000 • Married Filing Jointly, enter \$32,000 • Married Filing Separately, enter 0 (\$25,000 if you lived apart from your spouse for all of 1999) 	H.	
I. Subtract Line H from Line G. If zero or less, enter 0	I.	
J. Divide Line I by 2	J.	
K. Enter the lesser of Line B or Line J	K.	
L. Multiply the amount on Line K by 50% (.50)	L.	
M. Taxable amount of Social Security benefits as reported on 1999 federal Form 1040, Line 20b or Form 1040A, Line 13b	M.	
N. Social Security Benefit Adjustment - Subtract Line L from Line M. Enter the amount here and on Form CT-1040 , Line 40. (If Line L is greater than or equal to Line M, enter 0)	N.	

Your pro rata share of the S corporation's nonseparately computed income will be reported on federal Form 1120S, Schedule K-1 furnished to you by the S corporation. The S corporation's Connecticut corporation business tax apportionment percentage will be furnished to you by the S corporation.

IMPORTANT: If you have deductible losses from a prior year or other adjustments, subtract only 55% of the net income (75% of the net income if the S corporation's taxable year is *other than the calendar year*) included on federal Schedule E, multiplied by the S corporation's Connecticut corporation business tax apportionment percentage.

Line 44 - Beneficiary's Share of Connecticut Fiduciary Adjustment

If you have any income from an estate or trust, any Connecticut modifications (such as the Connecticut fiduciary adjustment) that apply to such income will be shown on **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates, Schedule B**, Column 5. Your share of these modifications should be provided to you by the fiduciary. If your share of these modifications is an amount less than zero, enter the amount on Line 44. If the amount is greater than zero, enter the amount on Line 34.

If you are a beneficiary of more than one trust or estate, enter the net amount of all such modifications, if less than zero, on Line 44.

Line 45 - Gain on Sale of Connecticut State and Local Government Bonds

Enter the total of all gains from the sale or exchange of notes, bonds or other obligations of the State of Connecticut or its municipalities used in determining gain (loss) for federal income tax purposes.

Line 46 - Other

Use Line 46 to report any of the following modifications:

1. Subtract any interest paid on indebtedness incurred to acquire investments that provide income taxable in Connecticut but exempt for federal purposes, that is not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.
2. Subtract expenses paid or incurred for the production (including management, conservation, and maintenance of property held for production) or collection of income taxable in Connecticut but exempt from federal income tax, which were not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.
3. Subtract any amortizable bond premium on bonds that provide interest income taxable in Connecticut but exempt from federal income tax, which premiums were not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.

4. Subtract the amount of any interest income from notes, bonds or other obligations of the State of Connecticut, interest income from which is included in federal adjusted gross income.
5. Subtract the amount of any distributions that you received from the Connecticut Higher Education Trust Fund (CHET) as a designated beneficiary to the extent includable in your federal adjusted gross income.

Do **not** use Line 46 to subtract income subject to tax in another jurisdiction or income of a nonresident spouse. (See *Filing Status* on Page 12.)

Line 47 - Total Subtractions

Add Lines 38 through 46. Enter the total on Line 47 and on Line 4 on the front of **Form CT-1040**.

SCHEDULE 2 - CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

IMPORTANT: You **must** first complete **Form CT-1040, Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle**, before completing *Schedule 2*. See instructions on Page 21.

Am I Eligible for the Credit for Income Taxes Paid to Other Jurisdictions?

If you are a **resident** of Connecticut and if any part of your income was taxed by a **qualifying jurisdiction**, you may be able to claim a credit against your Connecticut income tax liability for qualifying income tax payments that you have made.

Taxpayers seeking a credit for alternative minimum taxes paid to another jurisdiction must complete **Form CT - 6251, Connecticut Alternative Minimum Tax Return-Individuals**, to calculate their alternative minimum tax credit

What is a Qualifying Jurisdiction?

A *qualifying jurisdiction* includes another state of the United States, a local government within another state, or the District of Columbia. A *qualifying jurisdiction* does not include the State of Connecticut, the United States or a foreign country or its provinces (for example, Canada and Canadian provinces).

What are Qualifying Income Tax Payments?

Qualifying income tax payments are income taxes that you actually paid on income:

- Derived from or connected with sources within the qualifying jurisdiction; and
- Subject to tax in the qualifying jurisdiction.

Income Derived From or Connected with Sources within a Qualifying Jurisdiction Includes:

- Compensation that is received for personal services performed in a qualifying jurisdiction; and
- Income from a business, trade or profession carried on in a qualifying jurisdiction; and
- Income from real or tangible personal property situated in a qualifying jurisdiction.

Income from intangibles, such as stocks and bonds, is not considered derived from or connected with sources within a qualifying jurisdiction unless the income is from property employed in a business, trade or profession carried on in that jurisdiction.

What Payments Do Not Qualify?

- Income tax payments that are made to a qualifying jurisdiction on income that was not included in your Connecticut adjusted gross income;
- Income tax paid to a jurisdiction that is not a qualifying jurisdiction, including a foreign country or its provinces (for example, Canada and Canadian provinces);
- Alternative minimum tax paid to a qualifying jurisdiction;

- Income tax paid to a qualifying jurisdiction if you claimed credit on that jurisdiction's income tax return for income tax paid to Connecticut; **and**
- Penalties or interest on income taxes that you paid to a qualifying jurisdiction.

What Limitations Apply to the Credit?

The total credit is limited to whichever of the following amounts is least:

- The amount of income tax paid to the qualifying jurisdiction; or
- The portion of Connecticut income tax due on the Connecticut adjusted gross income that is sourced in the qualifying jurisdiction; or
- The amount of your Connecticut income tax entered on **Form CT-1040**, Line 6.

How Do I Calculate the Credit?

Complete *Schedule 2 - Credit For Income Taxes Paid to Other Jurisdictions*, to calculate your credit. In order to determine the amount to enter on Line 50, you must first complete the *Schedule 2 - Worksheet* on Page 20.

The allowed credit must be separately computed for each qualifying jurisdiction. Use separate columns for each qualifying jurisdiction for which you are claiming a credit. **Attach a copy of all income tax returns filed with qualifying jurisdictions to your Connecticut income tax return or the credit will be disallowed.**

Schedule 2 provides two columns, A and B, to compute the credit for two jurisdictions. If you need more than two columns, create a worksheet identical to *Schedule 2* and attach it to the back of your **Form CT-1040**.

IMPORTANT: If you are claiming credit for income taxes paid to another state **and** to one of its political subdivisions (e.g., New York State and New York City), follow these rules to determine your credit:

- A. If the **same amount** of income is taxed by both the city and state: (See Example 1 on Page 19.)
 1. Use only **one** column of *Schedule 2* to calculate your credit;
 2. Enter the same income taxed by both city and state in that column on *Schedule 2*;
 3. Combine the amounts of tax paid to the city and the state and enter the total on Line 54 of that column.
- B. If the **amounts** of income taxed by both the city and state **are not the same**: (See Example 2 on Page 19.)
 1. Use **two** columns on **Form CT-1040, Schedule 2**;
 2. Include only the same income taxed by both jurisdictions in the first column;
 3. Include the excess income taxed by only one of the jurisdictions in the next column.

Example 1: Jean is a Connecticut resident who worked in City Y, a city in State X, during the 1999 taxable year. Jean's filing status is single and her Connecticut adjusted gross income is \$160,000. The amount entered on Jean's **Form CT-1040**, Line 52 is \$6,950. Both State X and City Y impose an income tax. Her Connecticut adjusted gross income derived from State X is \$80,000 as is her Connecticut adjusted gross income derived from City Y. Both State X and City Y take into account Jean's entire adjusted gross income in computing the rate at which her income sourced in State X and City Y will be taxed. However, because Jean is not a resident of State X or City Y, only the income sourced in State X is taxed by State X, and only the income sourced in City Y is taxed by City Y. Because the amounts of income taxed by both State X and City Y are the same, Jean will use one column on **Form CT-1040, Schedule 2**. Jean pays an income tax of \$6,000 to State X and an income tax of \$360 to City Y. Since Jean's **Form CT-1040**, Line 48 is \$160,000, her *Schedule 2* will be completed as follows:

	COLUMN A	COLUMN B
LINE 49	State X, City Y	
LINE 50	80,000 00	
LINE 51	.5000	
LINE 52	6,950 00	
LINE 53	3,475 00	
LINE 54	6,360 00	
LINE 55	3,475 00	
LINE 56	TOTAL CREDIT	3,475 00

Example 2: Louise and George are Connecticut residents who file a married filing joint Connecticut income tax return. Louise and George's Connecticut adjusted gross income is \$110,000. The amount entered on **Form CT-1040**, Line 52 is \$4,257.50. Louise works in Connecticut. George works for an employer in State X, both within and without City Y, a city in State X. Both State X and City Y impose an income tax. George's income sourced in State X is \$55,000 and his income sourced in City Y is \$44,000. State X and City Y both take into account George's entire adjusted gross income in computing the rate at which his income sourced in State X and City Y will be taxed. However, because George is not a resident of State X or City Y, the income taxed by State X or City Y is only the income sourced in State X or City Y. Because the amounts of income taxed by both State X or City Y are not equal, Louise and George will use two columns on **Form CT-1040, Schedule 2**. George pays an income tax of \$2,600 to State X and an income tax of \$225 to City Y. Since Louise and George's **Form CT-1040**, Line 48 is \$110,000, their *Schedule 2* will be completed as follows:

	COLUMN A	COLUMN B
LINE 49	State X, City Y	Excess State X
LINE 50	44,000 00	11,000 00
LINE 51	.4000	.1000
LINE 52	4,257 50	4,257 50
LINE 53	1,703 00	425 75
LINE 54	2,305 00	520 00
LINE 55	1,703 00	425 75
LINE 56	TOTAL CREDIT	2,128 75

George's income tax paid to State X is prorated on Line 54 between Column A and Column B, based upon the fraction of income sourced in State X that is entered in each column. Because 4/5 of the income sourced in State X is reported in Column A, 4/5 of the income tax paid to State X ($4/5 \times \$2,600 = \$2,080$) is included on Line 54, Column A. Added to that amount is the income tax paid to City Y on the income sourced in City Y ($\$2,080 + \$225 = \$2,305$). The balance of the income tax paid to State X ($1/5 \times \$2,600 = \520) is entered on Line 54, Column B.

Line 48 - Modified Connecticut Adjusted Gross Income

Add to Connecticut adjusted gross income from Line 5, any **net** loss derived from or connected with sources in a qualifying jurisdiction(s) where you were subject to income taxation, whether or not income tax was actually paid to the jurisdiction(s). The modified amount is entered on Line 48.

Example: Fred's Connecticut adjusted gross income of \$60,000 includes income of \$15,000 from business activities conducted in Massachusetts and a net loss of \$20,000 from a business conducted in Rhode Island. He must add the \$20,000 net loss to the \$60,000 and enter the \$80,000 on Line 48.

Line 49 - Taxing Jurisdiction(s)

If you claim credit for income taxes paid to a qualifying jurisdiction, enter on Line 49 the name and the two-letter code of each qualifying jurisdiction for which you are claiming credit. If you are claiming credit for income taxes paid to a political subdivision of another state, enter on Line 49 the name and two-letter code of the state. These codes are listed below.

STANDARD TWO-LETTER CODES

Standard Two-letter Codes

Alabama	AL	Louisiana	LA	Ohio	OH
Arizona	AZ	Maine	ME	Oklahoma	OK
Arkansas	AR	Maryland	MD	Oregon	OR
California	CA	Massachusetts	MA	Pennsylvania	PA
Colorado	CO	Michigan	MI	Rhode Island	RI
Delaware	DE	Minnesota	MN	South Carolina	SC
District of Columbia	DC	Mississippi	MS	Tennessee	TN
Georgia	GA	Missouri	MO	Utah	UT
Hawaii	HI	Montana	MT	Vermont	VT
Idaho	ID	Nebraska	NE	Virginia	VA
Illinois	IL	New Jersey	NJ	West Virginia	WV
Indiana	IN	New Mexico	NM	Wisconsin	WI
Iowa	IA	New York	NY		
Kansas	KS	North Carolina	NC		
Kentucky	KY	North Dakota	ND		

Line 50 - Non-Connecticut Income

Complete the *Schedule 2 - Worksheet* on Page 20 to determine the total of non-Connecticut income which is included in your Connecticut adjusted gross income and is reported on a qualifying jurisdiction's income tax return. Enter on Line 50 the amount from Column II, Line 20 of the Worksheet.

Line 51

Divide the amount on Line 50 by the amount on Line 48. The result cannot exceed 1.0000. Round to four decimal places.

Line 52 - Income Tax Liability

Subtract Line 11 from Line 6 and enter the result on Line 52.

Line 53

Multiply the percentage arrived at on Line 51 by the amount reported on Line 52.

Line 54 - Income Tax Paid To Another Jurisdiction

Enter on Line 54 the total amount of income tax paid to a qualifying jurisdiction.

Income tax paid means the lesser of your tax liability to the qualifying jurisdiction or the tax you paid to that jurisdiction as reported on a return filed with that jurisdiction, but not penalty or interest. Do **not** report taxes withheld for the qualifying jurisdiction.

Line 55

Enter on Line 55 the lesser of the amounts reported on Line 53 or Line 54.

Line 56 - Total Credit For Income Taxes Paid To Other Jurisdictions

Add the amounts from Line 55A, Line 55B and Line 55 of any additional worksheets. The amount on Line 56 cannot exceed the amount on Line 53. Enter the total on Line 56 and on Line 7 of Form CT-1040.

IMPORTANT: Attach a copy of the income tax return filed with each qualifying jurisdiction to your Connecticut income tax return or the credit will be disallowed.

SCHEDULE 2 - WORKSHEET INSTRUCTIONS

Complete *Schedule 2 - Worksheet* below to determine the portion of your Connecticut adjusted gross income that has been reported by you on an income tax return filed with a qualifying jurisdiction, on which you have paid income tax to that jurisdiction, and for which you are seeking a credit against your Connecticut income tax. See *What is a Qualifying Jurisdiction?* on Page 18. If you paid income tax to more than one qualifying jurisdiction, you must complete a separate worksheet for each jurisdiction. Retain this worksheet with your 1999 tax records. Do **not** attach to your tax return.

The federal income tax return line references are to the federal Form 1040. If you file a federal Form 1040A, federal Form 1040EZ, or federal TeleFile Tax Record, use the appropriate lines from those forms.

Column I

Enter in Column I, Lines 1 through 15 of the worksheet, the amounts entered on Lines 7 through 21, respectively, of your federal income tax return.

Enter on Line 17 of the worksheet the amount entered on Line 32 of your federal income tax return.

Enter on Line 19 of the worksheet the **net** amount of your Connecticut modifications to federal adjusted gross income. (Subtract **Form CT-1040, Schedule 1**, Line 47 from Line 37, to arrive at this amount.)

Column II

For each line, enter that portion of the amount entered on the same line of Column I that you reported on an income tax return filed with (and on which income tax was paid to) the qualifying jurisdiction. On Line 19 enter only the portion of Connecticut modifications **directly related** to income sourced in the qualifying jurisdiction. The fact that the qualifying jurisdiction may take into account your entire adjusted gross income (to compute the rate at which your income sourced in that jurisdiction will be taxed) does not mean that you paid income tax to that jurisdiction on your entire adjusted gross income. Because you are a nonresident of the qualifying jurisdiction, you may be taxed by that jurisdiction only on your income sourced in that jurisdiction.

Example 1: You and your spouse file a joint federal Form 1040 and a joint **Form CT-1040**. Your spouse's wages as an employee working in Rhode Island are \$20,000 and your wages as an employee working in Connecticut are \$25,000. On Line 7 of your federal Form 1040, you and your spouse entered \$45,000. You and your spouse will enter \$45,000 on Line 1, Column I, and \$20,000 on Line 1, Column II.

Example 2: You are the sole proprietor of a business conducted at two locations: one in Connecticut and one in Massachusetts. You file Schedule C of federal Form 1040 and **Form CT-1040**. On Line 12 of your federal Form 1040, you entered \$100,000. Of the items of gross income on Schedule C (\$150,000), \$90,000 is derived from the Massachusetts location. Of the items of expenses on Schedule C (\$50,000), \$35,000 is derived from the Massachusetts location. You will enter \$100,000 on Line 6, Column I, and \$55,000 (\$90,000 - \$35,000) on Line 6, Column II.

SCHEDULE 2 - WORKSHEET		
Complete this worksheet and enter the amount from Line 20, Column II, on Form CT-1040, Schedule 2 , Line 50. Complete a separate worksheet for each qualifying jurisdiction if you paid income tax to more than one qualifying jurisdiction.	Column I	Column II Amount Taxable in Qualifying Jurisdiction
1. Wages, salaries, tips, etc.	1.	
2. Taxable interest	2.	
3. Ordinary dividends	3.	
4. Taxable refunds, credits, or offsets of state and local income taxes	4.	
5. Alimony received	5.	
6. Business income or (loss)	6.	
7. Capital gain or (loss)	7.	
8. Other gains or (losses)	8.	
9. Taxable amount of IRA distributions	9.	
10. Taxable amount of pensions and annuities	10.	
11. Rental real estate, royalties, partnerships, S corporations, trusts, etc.	11.	
12. Farm income or (loss)	12.	
13. Unemployment compensation	13.	
14. Taxable amount of Social Security benefits	14.	
15. Other income	15.	
16. Add Lines 1 through 15	16.	
17. Total federal adjustments to income	17.	
18. Federal adjusted gross income (Subtract Line 17 from Line 16)	18.	
19. Connecticut modifications (See instructions)	19.	
20. Connecticut adjusted gross income (Add Line 18 and Line 19)	20.	

SCHEDULE 3 - CREDIT FOR PROPERTY TAXES PAID ON YOUR PRIMARY RESIDENCE AND/OR MOTOR VEHICLE

Connecticut residents **must** complete *Schedule 3* to determine the amount of credit (if any) that may be taken against a Connecticut income tax liability. The credit is for property taxes paid during 1999 to a Connecticut political subdivision on a primary residence and/or a privately owned or leased motor vehicle. If you entered zero on **Form CT-1040**, Line 10, **DO NOT** complete this schedule. See **Informational Publication 99(34), Q&A: Income Tax Credit for Property Taxes Paid to a Connecticut Political Subdivision**.

Which Property Tax Bills Qualify?

You may take credit against your 1999 Connecticut income tax liability for property tax payments that you made on your primary residence and/or privately owned or leased motor vehicle to a Connecticut political subdivision. Property tax bills that were due and paid during 1999 qualify for this credit. This includes any installment payments that you made during 1999 for installments due in 1999 and any installments that you prepaid during 1999 for installments due in 2000. Supplemental property tax bills that were due during 1999 or 2000 also qualify if paid during 1999. However, the late payment of any property tax bills or the payment of any interest, fees or charges related to the property tax bill do not qualify for the credit.

A husband and wife who file a joint Connecticut income tax return may consider property tax bills for which the husband or wife, or both, are liable.

You may claim credit for a leased motor vehicle if you had a written lease agreement for a term of more than one year; and the property tax became due and was paid during 1999 (either by the leasing company or by you). Refer to your January 2000 billing statement from the leasing company in order to determine the amount of property taxes that may be eligible for the credit. Your statement will either indicate the amount of property taxes paid on your leased motor vehicle or provide you with a toll-free number that you may call to obtain the necessary information. If you do not receive a billing statement in January 2000, contact your leasing company for the appropriate property tax information.

Example 1: Lisa received a property tax bill for a motor vehicle that was listed on her town's October 1, 1997, grand list. The bill was payable in two installments, July 1, 1998, and January 1, 1999. If Lisa paid the January 1, 1999, installment on January 1, 1999, she would be eligible to claim it on her 1999 income tax return, but if she prepaid it during 1998, she would not be eligible to take credit for it on her 1999 return, but she may have been eligible to take it on her 1998 return.

Example 2: Mary received a property tax bill for a motor vehicle that was listed on her town's October 1, 1998, grand list. The bill was payable in two installments, July 1, 1999, and January 1, 2000. Mary is eligible to take credit for both installments on her 1999 income tax return, if she paid both installments during 1999. If Mary waited until January 1, 2000, to pay her second installment, she would not be eligible to take credit on her 1999 return for this installment, but she may be eligible to take credit for it on her 2000 return.

Maximum Credit Allowed

The **maximum** credit allowed (on your primary residence or motor vehicle, or both) is **\$425** per return, regardless of filing status. If you paid more than \$100 in property tax you may be subject to a limitation based on your Connecticut Adjusted Gross Income (AGI).

This credit cannot exceed the amount of qualifying property taxes paid or the amount of tax entered on **Form CT-1040**, Line 10. To be allowed this credit, you must complete *Schedule 3* in its entirety.

Motor Vehicle Credit Restrictions

The number of motor vehicles eligible for this credit depends on your filing status as shown on the front of your Connecticut income tax return. Anyone whose filing status is *Single*, *Married Filing Separately* or *Head of Household* is limited to the property tax paid on **one** motor vehicle. Those whose filing status is *Married Filing Jointly* are limited to the property taxes paid on **two** motor vehicles.

SCHEDULE 3 INSTRUCTIONS

Column A - Name of Connecticut Tax Town or District

Enter the Connecticut town or taxing district to which the qualifying property tax was paid.

Column B - Description of Property

Enter the description of the property. If a primary residence, enter the street address. If a motor vehicle, enter the year, make, and model.

Column C - List or Bill Number

Enter the list or bill number from your property tax bill.

Column D - Date Paid

Enter the date that you paid qualifying property taxes.

Column E - Amount Paid

Enter the amount of property taxes paid.

Line 57 - Amount Paid - Primary Residence

Enter the amount of property tax paid on your primary residence.

Line 58 - Amount Paid - Auto 1

Enter the amount of property tax paid on your motor vehicle.

Line 59 - Amount Paid - Married Filing Jointly Only - Auto 2

Married Filing Jointly Only - Enter the amount of property tax paid on your second motor vehicle.

Lines 60 and 61 (Follow instructions on form.)

Line 62

Enter the **lesser** of Line 60 or Line 61. If \$100 or less, enter this amount on Line 64 and on the front of **Form CT-1040**, Line 11. If greater than \$100, go to Line 63.

Line 63

Enter 0 on Line 63 and go to Line 64 if your filing status is:

Single and your Connecticut AGI is \$52,500 or less;

Married Filing Jointly and your Connecticut AGI is \$100,500 or less;

Married Filing Separately and your Connecticut AGI is \$50,250 or less; or

Head of Household and your Connecticut AGI is \$78,500 or less.

Otherwise, you **must** complete the *Property Tax Credit Limitation Worksheet* on Page 22.

Line 64

Subtract Line 63 from Line 62. Enter here and on the front of **Form CT-1040**, Line 11.

PROPERTY TAX CREDIT LIMITATION WORKSHEET

IMPORTANT: If you meet any of the conditions listed below, enter 0 on Form CT-1040, Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle, Line 63 and go to Line 64.

- Your filing status is **Single** and your Connecticut AGI is **\$52,500, or less;**
- Your filing status is **Married Filing Jointly** and your Connecticut AGI is **\$100,500, or less;**
- Your filing status is **Married Filing Separately** and your Connecticut AGI is **\$50,250, or less;** or
- Your filing status is **Head of Household** and your Connecticut AGI is **\$78,500, or less.**

Otherwise, complete the worksheet and enter the amount from Line 5 below on Form CT-1040, Schedule 3, Line 63.

1. Enter the amount reported on Form CT-1040, Schedule 3, Line 62	1.	
2. Credit allowed (not subject to limitation)	2.	100.00
3. Subtract Line 2 from Line 1	3.	
4. Enter the decimal amount for your filing status and Connecticut AGI from the Limitation Table exactly as it appears below. (If zero stop here. Your credit is not limited.)	4.	
5. Multiply Line 3 by Line 4. Enter the result here and on Form CT-1040, Schedule 3, Line 63.	5.	

PROPERTY TAX CREDIT LIMITATION TABLE

Use your filing status on the front of your tax return and your Connecticut AGI - Form CT-1040, Line 5.

- Example 1: If your filing status is Single and your Connecticut AGI is \$54,000, enter .10 on Line 4 above.
 Example 2: If your filing status is Married filing jointly and your Connecticut AGI is \$121,000 enter .30 on Line 4 above.
 Example 3: If your filing status is Single and your Connecticut AGI is \$52,500, do not complete the Worksheet.

SINGLE			MARRIED FILING JOINTLY		
If you are Single <u>and your Connecticut AGI is:</u>			If you are Married filing jointly <u>and your Connecticut AGI is:</u>		
More Than	Less Than or Equal to	Decimal Amount	More Than	Less Than or Equal to	Decimal Amount
\$0	\$52,500	0	\$0	\$100,500	0
\$52,500	\$62,500	.10	\$100,500	\$110,500	.10
\$62,500	\$72,500	.20	\$110,500	\$120,500	.20
\$72,500	\$82,500	.30	\$120,500	\$130,500	.30
\$82,500	\$92,500	.40	\$130,500	\$140,500	.40
\$92,500	\$102,500	.50	\$140,500	\$150,500	.50
\$102,500	\$112,500	.60	\$150,500	\$160,500	.60
\$112,500	\$122,500	.70	\$160,500	\$170,500	.70
\$122,500	\$132,500	.80	\$170,500	\$180,500	.80
\$132,500	\$142,500	.90	\$180,500	\$190,500	.90
\$142,500	and up	1.00	\$190,500	and up	1.00
MARRIED FILING SEPARATELY			HEAD OF HOUSEHOLD		
If you are Married filing separately <u>and your Connecticut AGI is:</u>			If you are Head of household <u>and your Connecticut AGI is:</u>		
More Than	Less Than or Equal to	Decimal Amount	More Than	Less Than or Equal to	Decimal Amount
\$0	\$50,250	0	\$0	\$78,500	0
\$50,250	\$55,250	.10	\$78,500	\$88,500	.10
\$55,250	\$60,250	.20	\$88,500	\$98,500	.20
\$60,250	\$65,250	.30	\$98,500	\$108,500	.30
\$65,250	\$70,250	.40	\$108,500	\$118,500	.40
\$70,250	\$75,250	.50	\$118,500	\$128,500	.50
\$75,250	\$80,250	.60	\$128,500	\$138,500	.60
\$80,250	\$85,250	.70	\$138,500	\$148,500	.70
\$85,250	\$90,250	.80	\$148,500	\$158,500	.80
\$90,250	\$95,250	.90	\$158,500	\$168,500	.90
\$95,250	and up	1.00	\$168,500	and up	1.00

INDIVIDUAL USE TAX WORKSHEET

Complete this worksheet if you have a Connecticut individual use tax liability. If you require additional lines, you should copy this worksheet.

You owe use tax if you purchased taxable goods or services during the taxable year and did not pay Connecticut sales tax on the purchase. Refer to *Questions and Answers About the Connecticut Individual Use Tax*, on Page 24.

Enter only those purchases subject to use tax that you have **not** previously reported on **Form OP-186, Connecticut Individual Use Tax Return**.

List separately on this worksheet any individual item with a purchase price of **\$300 or more** and complete Columns A through G. Although you do not need to list separately any individual item with a purchase price of **less than \$300**, such items are subject to tax and the total of the purchase price of these items should be reported on Line 1, Column D. Multiply the sales and use tax rate by the purchase price of the item and enter the result in Column E.

Enter the total tax for all taxable purchases on Line 2 of this worksheet and on **Form CT-1040EZ**, Line 7; **Form CT-1040**, Line 15; or **Form CT-1040NR/PY**, Line 17. **You must attach a copy of this worksheet to your Connecticut income tax return if you are reporting the purchase of any individual item with a purchase price of \$300 or more.**

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G
DATE OF PURCHASE	DESCRIPTION OF ARTICLES OR SERVICES	RETAILER OR SERVICE PROVIDER	PURCHASE PRICE	CT TAX DUE (.06 X Column D)	TAX, IF ANY, PAID TO ANOTHER JURISDICTION	BALANCE DUE (Column E minus Column F but not less than zero)
1. Total of individual purchases under \$300 not listed above						1.
Individual Use Tax (Add all amounts for Column G.) Enter here and on Form CT-1040EZ , Line 7; Form CT-1040 , Line 15; or Form CT-1040NR/PY , Line 17.						2.

IMPORTANT: You must enter the amount from Line 2 on your Connecticut income tax return for an individual use tax return to be filed. You **must** enter 0 on the appropriate line of your Connecticut income tax return if no Connecticut use tax is due.

QUESTIONS AND ANSWERS ABOUT THE CONNECTICUT INDIVIDUAL USE TAX

For additional information, see **Informational Publication 99(28)**, *Q&A on the Connecticut Individual Use Tax*.

1. What is the use tax?

When you make a retail purchase in this state, you usually pay sales tax to the seller who in turn pays the tax to the Department of Revenue Services. Sometimes Connecticut sales tax is not paid to the retailer. In these situations, the purchaser must pay the use tax directly to the Department.

2. On what kinds of goods or services must I pay use tax?

You must pay use tax on taxable tangible personal property, whether purchased or leased. Examples of taxable personal property include items of clothing costing \$50 or more, automobiles, appliances, furniture, jewelry, cameras, VCRs, computers, and prewritten computer software. Some taxable services include repair services to your television, motor vehicle or computer, landscaping services for your home, reupholstering services for your household furniture, or charges for access to on-line computer services, including charges to access the Internet.

3. Are there exemptions from the use tax?

Yes. If you buy goods or services in Connecticut that are exempt from sales tax, they are exempt from the use tax if you buy them out-of-state for use in Connecticut. Some examples are items of clothing that cost less than \$50, newspapers, magazines by subscription, and repair and maintenance services to vessels.

4. Do I owe Connecticut use tax on all my out-of-state purchases of taxable goods and services?

No. If all the items you purchased **and brought into** Connecticut at one time total \$25 or less, you do not have to pay Connecticut use tax. The \$25 exemption does **not** apply to items that are **shipped or mailed** to you.

5. What is the use tax rate?

In general, the use tax rate for taxable goods or services is 6% (.06). However, effective July 1, 1999, computer and data processing services are taxed at 3% (.03) and paving, painting or staining, wallpapering, roofing, siding, and exterior sheet metal work services to residential property are taxed at 4% (.04).

6. What if I buy taxable goods or services in another state and the vendor charges sales tax for the other state?

If the goods or services were purchased for use in Connecticut and the tax paid to the other state is less than the Connecticut tax, you must report and pay the use tax. Your use tax due is the difference between the Connecticut tax and the tax paid to the other state.

Example: You purchased a \$1,000 refrigerator in another state, and paid a \$50 tax to that state. If you bought the refrigerator for use in Connecticut, you owe Connecticut use tax. The Connecticut tax of \$60 is reduced to \$10, after allowing \$50 credit for the tax paid to the other state. If no tax was paid to the other state, the Connecticut use tax is \$60.

7. When must individuals pay the use tax?

You must pay the individual use tax when you file an individual income tax return. **Forms CT-1040EZ, CT-1040 or CT-1040NR/PY**, must be filed by April 15 for the preceding calendar year. If you are not required to file a Connecticut income tax return, you must pay the use tax on **Form OP-186, Connecticut Individual Use Tax Return**. You may file **Form OP-186** for the entire year or you may file several returns throughout the year.

If you are engaged in a trade or business, you must register with the Department for business use tax and report purchases made in connection with your trade or business on **Form OS-114**.

8. What are the penalties and interest for not paying the use tax?

The penalty is 10% (.10) of the tax due. Interest is charged at the rate of 1% (.01) per month from the due date of the tax return. There are also criminal sanctions for willful failure to file a tax return.

9. On what amount should the use tax be calculated?

Calculate the use tax by multiplying the total cost of the taxable goods or services purchased, including separately stated charges such as shipping and handling, by the tax rate (generally 6%).

OTHER TAXES THAT YOU MAY OWE

The information that follows is intended to be a general description of other Connecticut taxes for which you may be liable. More detailed information is available in the forms or publications specified. Failure to pay these taxes, if you are liable for them, may subject you to civil and criminal penalties.

Connecticut Gift Tax (Form CT-709)

Gifts made during each calendar year by resident and nonresident individuals are subject to the Connecticut gift tax. Residents are subject to tax on all gifts of intangible property and of real and tangible personal property located in Connecticut. Nonresidents are taxed on gifts of real and tangible personal property located in Connecticut. In general, gifts made to any particular donee are not subject to the Connecticut gift tax unless the value of all such gifts

to such donee during the calendar year exceeds \$10,000. The tax is computed on the fair market value of the property that was given. The donor is liable for the tax, but if the donor does not pay the tax, it may be collected from the donee. The tax is reported on, and paid upon the filing of **Form CT-709, Connecticut Gift Tax Return**. The return must be filed, and the gift tax paid, on or before April 15 annually, for gifts made during the preceding calendar year.

Connecticut Tax for Household Employers

Connecticut rules differ from federal rules. Household employers may not report and pay household employee withholding tax with their Connecticut income tax return. See **Special Notice 96(8)**, *1996 Legislative Changes Concerning "Nanny Tax" Withholding*.

1999 TAXPAYER QUESTIONNAIRE

Department of Revenue Services, Taxpayer Services Division, PO Box 2987, Hartford CT 06104-2987

A MESSAGE FROM COMMISSIONER GENE GAVIN

Your evaluation of the services provided by the Department of Revenue Services (DRS) will help us serve you better. We appreciate receiving your comments and suggestions at any time, but especially as you complete your income tax return. Please include this questionnaire with your return (**do not staple it to the return**) or mail it to the above address.

1. Please rate your contacts with DRS in the past year.

	Excellent	Good	Fair	Poor
DRS Web site (www.state.ct.us/drs)				
Property Tax Credit Calculator (on DRS Web site)				
Tax-Fax (Fax on-demand using your fax machine — 860-297-5698)				
Recorded Tax Information (CONN-TAX Telephone System)				
Telephone Assistance From a DRS Representative				
Walk-in Assistance at a DRS Office				
Tax Seminar/New Business Workshops				
Informational Publications				
Obtaining Connecticut Tax Forms				
Other:				

Please explain your rating for any category if Fair or Poor: _____

2. Check the form you completed for the 1999 taxable year:

CT-1040EZ
 CT-1040EZ TELEFILE
 CT-1040
 CT-1040NR/PY
 CT-709

	Strongly Agree	Agree	Disagree	Strongly Disagree
INSTRUCTION BOOKLET				
Information is well organized	○	○	○	○
Instructions are easy to follow	○	○	○	○
Examples are clear	○	○	○	○
FORM				
Line instructions are clear	○	○	○	○
Form is easy to complete	○	○	○	○
Form is well designed	○	○	○	○

Please explain your rating for any category if you disagree or strongly disagree: _____

Other comments: _____

3. What additional services should DRS offer in the future? (Rate the following in the order of their importance to you.)

(1 = most important — 4 = least important)

Direct Deposit of Refund 1 ○ 2 ○ 3 ○ 4 ○
Expansion of Telefile 1 ○ 2 ○ 3 ○ 4 ○
On-Line Filing 1 ○ 2 ○ 3 ○ 4 ○
Other: _____ 1 ○ 2 ○ 3 ○ 4 ○

4. What other suggestions or comments would you like to add? _____ _____

1999
Connecticut
Income Tax
Tables

**1999 CONNECTICUT INCOME TAX TABLES
ALL EXEMPTIONS AND CREDITS ARE INCLUDED**

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
\$66,000					\$69,000					\$72,000				
66,000	66,050	2,821.13	2,458.01	2,201.51	69,000	69,050	2,956.13	2,579.51	2,444.51	72,000	72,050	3,091.13	2,701.01	2,647.01
\$67,000					\$70,000					\$73,000				
67,000	67,050	2,866.13	2,498.51	2,282.51	70,000	70,050	3,001.13	2,620.01	2,525.51	73,000	73,050	3,136.13	2,741.51	2,687.51
\$68,000					\$71,000					\$74,000				
68,000	68,050	2,911.13	2,539.01	2,363.51	71,000	71,050	3,046.13	2,660.51	2,606.51	74,000	74,050	3,181.13	2,812.92	2,728.01
\$69,000					\$72,000					\$75,000				
69,000	69,050	2,956.13	2,579.51	2,444.51	72,000	72,050	3,091.13	2,701.01	2,647.01	75,000	75,050	3,226.13	2,858.17	2,783.01

* This column must also be used by a qualifying widow(er) Continued on the next page

FORM CT-1040 Connecticut Resident Income Tax Return

1999 1040

For the year January 1 - December 31, 1999, or other taxable year beginning _____, 1999, ending _____.

Label Use the DRS label located on the inside of this booklet. Label Here Your First Name and Middle Initial Last Name Your Social Security Number...

Filing Status Check only one box. NOTE: Your filing status must be the same as your federal income tax filing status for this year. A. Single B. Married filing joint return...

Table with columns for Income and Tax, Payments, Refund, Amount You Owe, or Contribution. Rows 1-29 detailing various tax calculations and amounts owed.

Make your check or money order payable to: COMMISSIONER OF REVENUE SERVICES. For refund request or no tax due, mail to: Department of Revenue Services PO Box 2976...

Taxpayers must sign declaration on reverse — Due date: April 18, 2000 — Attach a copy of all applicable schedules and forms to this return.

SCHEDULE 1 - MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME (See instructions, page 15)

Additions To Federal Adjusted Gross Income - Enter All Amounts as Positive Numbers

30. Interest on state and local government obligations other than Connecticut	▶	30		
31. Exempt-interest dividends from a mutual fund derived from state or municipal government obligations other than Connecticut	▶	31		
32. Shareholder's pro rata share of S corporation nonseparately computed loss	▶	32		
33. Taxable amount of lump sum distributions from qualified plans not included in federal adjusted gross income	▶	33		
34. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero)	▶	34		
35. Loss on sale of Connecticut state and local government bonds	▶	35		
36. Other - specify _____	▶	36		
37. Total additions (Add Lines 30 through 36) Enter here and on Line 2 on the front of this form.	▶	37		

Subtractions From Federal Adjusted Gross Income - Enter All Amounts as Positive Numbers

38. Interest on United States government obligations	▶	38		
39. Exempt dividends from certain qualifying mutual funds derived from United States government obligations	▶	39		
40. Social Security benefit adjustment (See Social Security Benefit Adjustment Worksheet, page 17)	▶	40		
41. Refunds of state and local income taxes	▶	41		
42. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities	▶	42		
43. Shareholder's pro rata share of S corporation nonseparately computed income	▶	43		
44. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero)	▶	44		
45. Gain on sale of Connecticut state and local government bonds	▶	45		
46. Other - specify (Do not include out-of-state income) _____	▶	46		
47. Total subtractions (Add Lines 38 through 46) Enter here and on Line 4 on the front of this form.	▶	47		

SCHEDULE 2 - CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

Important: You must attach a copy of your return filed with the other jurisdiction(s) or the credit will be disallowed.

48. **MODIFIED CONNECTICUT ADJUSTED GROSS INCOME** (See instructions, page 19) ▶ 48

FOR EACH COLUMN, ENTER THE FOLLOWING:

- 49. Enter other jurisdiction's name and two-letter code (See instructions, page 19)
- 50. Non-Connecticut income included on Line 48 and reported on another jurisdiction's income tax return (Complete Schedule 2 Worksheet, page 20)
- 51. Divide Line 50 by Line 48 (may not exceed 1.0000)
- 52. Income tax liability (Subtract Line 11 from Line 6; see instructions, page 19)
- 53. Multiply Line 51 by Line 52
- 54. Income tax paid to another jurisdiction
- 55. Enter the lesser of Line 53 or Line 54
- 56. **TOTAL CREDIT** (Add Line 55, all columns)
Enter this amount here and on Line 7 on the front of this form.

	COLUMN A		COLUMN B	
	Name	Code	Name	Code
49	▶		▶	
50	▶		▶	
51	▶	.	▶	.
52	▶		▶	
53	▶		▶	
54	▶		▶	
55	▶		▶	
56	▶			

SCHEDULE 3 - CREDIT FOR PROPERTY TAXES PAID ON YOUR PRIMARY RESIDENCE AND/OR MOTOR VEHICLE
Failure to complete this schedule could result in the disallowance of this credit.

QUALIFYING PROPERTY	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	
	NAME OF CONNECTICUT TAX TOWN OR DISTRICT	DESCRIPTION OF PROPERTY If primary residence, enter street address If motor vehicle, enter year, make, and model	LIST OR BILL NUMBER (If available)	DATE PAID (See instructions, page 21)	AMOUNT PAID	
PRIMARY RESIDENCE					57	▶
AUTO 1					58	▶
MARRIED FILING JOINT ONLY - AUTO 2					59	▶
60. TOTAL PROPERTY TAX PAID (Add all amounts for Column E)					60	▶
61. MAXIMUM PROPERTY TAX CREDIT ALLOWED					61	425 00
62. Enter the Lesser of Line 60 or Line 61. (If \$100 or less, enter this amount on Line 64. If greater than \$100, go to Line 63.)					62	
63. Limitation - Enter the result from the <i>Property Tax Credit Limitation Worksheet</i> (See instructions, page 21)					63	
64. Subtract Line 63 from Line 62. Enter here and on Line 11 on the front of this form.					64	▶

DECLARATION: I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars, or both. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Your Return	Your Signature _____ Date _____	Spouse's Signature (if joint return) _____ Date _____
	Paid Preparer's Signature _____ Date _____	
	Firm Name _____ Preparer's EIN, SSN or PTIN _____	

FORM CT-1040 EXT

**Application For Extension of Time to File
Connecticut Income Tax Return For Individuals**

IMPORTANT! PLEASE READ INSTRUCTIONS ON REVERSE BEFORE COMPLETING THIS APPLICATION

TAXPAYER (Please Type or Print)	Your First Name and Middle Initial	Last Name	Your Social Security Number	
	If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial	Last Name	Spouse's Social Security Number	
	Home Address	Number and Street	Apt. No.	PO Box
	City, Town or Post Office	State	ZIP Code	Your Telephone Number ()

DEPARTMENT USE ONLY

This is not an extension of time to pay your tax.

You must include payment of any tax due or penalty and interest may apply. (See instructions on reverse)

An extension granted by the Internal Revenue Service does not automatically extend the Connecticut filing date.

I request a **six-month extension** of time to **October 16, 2000**, to file my Connecticut Income Tax Return for calendar year 1999 or until _____ for fiscal year ending ► _____ .

I have requested a federal extension on federal Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return for Calendar Year 1999*. YES NO

If **NO**, the reason for the Connecticut extension is _____

YOU WILL BE NOTIFIED ONLY IF YOUR EXTENSION REQUEST IS DENIED

1. Total income tax liability for 1999 (You may estimate this amount) You must enter an amount on Line 1. If you do not expect to owe income tax, enter 0	1.		
2. Total individual use tax liability for 1999. (You may estimate this amount) You must enter an amount on Line 2. If you do not expect to owe use tax, enter 0	2.		
3. Add Line 1 and Line 2	3.		
4. Connecticut income tax withheld (Do not attach W2s or 1099s)	4.		
5. 1999 estimated Connecticut income tax payments including any 1998 overpayments credited to 1999	5.		
6. Add Line 4 and Line 5	6.		
7. Connecticut income tax and use tax balance due. (Subtract Line 6 from Line 3) If Line 6 is greater than Line 3, enter 0. Amount due with this form	►7.		

Remember to include your name(s), mailing address, and Social Security Number(s) at the top of this form.

Make your check or money order payable to: COMMISSIONER OF REVENUE SERVICES

Write your Social Security Number(s) and "1999 Form CT-1040 EXT" on your check or money order.

Mail to: Department of Revenue Services
PO Box 2977
Hartford CT 06104-2977

FORM CT-1040 EXT Instructions

Purpose

Use **Form CT-1040 EXT** to request a **six-month extension to file** your Connecticut income tax return for individuals. This form also extends the time to file your individual use tax. It will not be necessary to include a reason for the Connecticut extension request if you have already filed an extension on federal Form 4868 with the Internal Revenue Service. If you did not file a federal Form 4868, you can apply for a six-month extension to file your Connecticut income tax return provided you have good cause for your request.

How to Get an Extension to File

To get a Connecticut filing extension, you **must** complete **Form CT-1040 EXT** in its entirety; file it by the due date of your return; **and** pay the amount shown on Line 7. Your signature is not required on this form. You will be notified only if your extension request is denied.

Important! **Form CT-1040 EXT** extends *only the time to file* your Connecticut income tax return. **Form CT-1040 EXT** *does not extend the time to pay* your income tax.

You may qualify for a six-month extension of time to pay your tax. To request this extension you must file **Form CT-1127, Application For Extension of Time for Payment of Income Tax**, with your timely filed Connecticut income tax return or extension.

Any payment made with this form is considered an income tax payment regardless of the amounts you enter on Lines 1 and 2.

Penalty and Interest

In general, penalty and interest apply to any portion of the tax that is not paid on or before the original due date of the return. Interest will be computed on the underpayment of tax at the rate of 1% (.01) per month or fraction thereof computed from the statutory due date to the date of payment.

Late Payment Penalty: The penalty for underpayment of tax is 10% (.10) of such amount due.

Late Filing Penalty: In the event that no tax is due, the Commissioner of Revenue Services may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

U.S. Citizens or Residents Living Outside the United States and Puerto Rico

You must file this form if:

- You are a U.S. citizen or resident living outside the United States and Puerto Rico and your tax home (within the meaning of I.R.C. §162(a)(2)) is outside the United States and Puerto Rico; or
- You are in the armed forces of the United States serving outside the United States and Puerto Rico on the date your federal income tax return is due, and are unable to file a timely Connecticut income tax return.

You must pay the amount of tax that you expect to owe on or before the original due date of the return (see *Penalty and Interest*). Explain on the front of this form that you are a U.S. citizen or resident living outside the United States and Puerto Rico, or are in the armed forces of the United States serving outside the United States and Puerto Rico, and that you qualify for an automatic, two-month federal income tax extension.

If your application is approved, the due date will be extended for six months (October 16, 2000, for calendar year taxpayers). If you are still unable to file your return and you have applied for and were granted an extension of time to file for federal purposes using federal Form 2350, you must file your Connecticut return using the federal extension due date and you must attach a copy of the federal Form 2350 approval notice to the front of your Connecticut return.

When To File Form CT-1040 EXT

File **Form CT-1040 EXT** by April 18, 2000. If you are filing a fiscal year Connecticut income tax return, file **Form CT-1040 EXT** by the 15th day of the fourth month following the close of the fiscal year.

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Where To File

Mail to: Department of Revenue Services
PO Box 2977
Hartford CT 06104-2977



FORM CT-1040ES

2000 Estimated Connecticut Income Tax Payment Coupon For Individuals



General Instructions

Who Should File this Coupon: Use this coupon if you are required to make estimated income tax payments for 2000 and you do not receive a preprinted coupon package from the Department of Revenue Services. Coupon packages will be mailed in mid-January to those who made estimated income tax payments in the prior year.

New for Single Filers: As a result of 1999 legislation, the personal exemptions and credits for **single filers** will be increased for estimated payments made on or after July 1, 2000. See *How Much Should I Pay?* below.

Nonresidents and Part-year Residents: Nonresident individuals are subject to Connecticut income tax on their Connecticut source income. Part-year residents are taxed on all income received while a resident of Connecticut and on income received from Connecticut sources while a nonresident. **Connecticut source income** includes, but is not limited to, income from a business, profession, occupation or trade conducted in this state, as well as income from the rental or sale of real or tangible property located in Connecticut.

Who is Required to Make Estimated Payments? If, after subtracting your Connecticut income tax withholding, you expect to owe more than \$500 for the 2000 taxable year, after taking any tax credits into account, **and** you expect your withholding to be less than your required annual payment, you must make estimated Connecticut income tax payments.

Your required annual payment is the **lesser** of:

- 90% of the income tax shown on your 2000 Connecticut income tax return; **or**
- 100% of the income tax shown on your 1999 Connecticut income tax return, if you filed a 1999 Connecticut income tax return that covered a 12-month period.

You do **not** have to make estimated income tax payments if:

- You were a Connecticut resident in 1999 and you did not file a 1999 income tax return because you had no Connecticut income tax liability, **or**
- You were a nonresident or part-year resident with Connecticut source income in 1999 and you did not file a 1999 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did **not** have Connecticut source income in 1999, then you **must** use 90% of the income tax shown on your 2000 Connecticut income tax return as your required annual payment.

When to File: Estimated payments for the 2000 taxable year are due April 18, June 15, September 15, 2000, and January 16, 2001. (Fiscal year filers should follow federal filing dates.) If the due date falls on a Saturday, Sunday or legal holiday, the next business day is the due date. An estimate will be considered timely filed if received on or before the date shown by the U.S. Postal Service cancellation mark is on or before the due date.

NOTE: On or after October 1, 1999, taxpayers can use certain private delivery services, in addition to the U.S. Postal Service, for delivering returns, claims, statements or other documents, or payments, and meet the timely mailing as timely filing/payment rules. DRS has accepted the list of private delivery services that is currently published by the Internal Revenue Service. The following is the current list of designated private delivery services: Airborne Express (Airborne), DHL Worldwide Express (DHL), Federal Express (FedEX), and United Parcel Service (UPS). This list is subject to change. See **Special Notice 99(14), Designated Private Delivery Services.**

How Much Should I Pay? Complete the *2000 Estimated Connecticut Income Tax Worksheet* on Page 2 to calculate your required annual payment. **Single filers only:** Complete the worksheet on Page 2 for installments due April 18, 2000, and June 15, 2000. Complete the worksheet on Page 4 for installments due September 15, 2000, and January 16, 2001.

Estimated Payment Rules for Farmers and Fishermen: If you are a farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments, you will be required to make only one payment. Your installment is due on or before January 16, 2001, for the 2000 taxable year. The required installment is the lesser of 66⅔% of the Connecticut income tax shown on your 2000 return or 100% of the Connecticut income tax shown on your 1999 return. See **Informational Publication 99(17), Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax and Estimated Income Tax.**

Annualized Income Installment Method: If your income varies throughout the year, using the annualized income installment method may enable you to reduce or eliminate the amount of your estimated tax payment for one or more periods. See **Informational Publication 99(33), A Guide To Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040AES.**

Shareholders of S Corporations that are Subject to Connecticut Corporation Business Tax: Shareholders of S corporations that are subject to Connecticut corporation business tax are subject to tax on a percentage of the S corporation's nonseparately stated income or loss. See the instructions for Line 2 below.

Social Security Benefit Adjustment: Social Security recipients who will file an income tax return as: Single or Married Filing Separately and will report a federal adjusted gross income of **less than \$50,000**; or Married Filing Jointly or Head of Household and will report a federal adjusted gross income of **less than \$60,000**, are not subject to Connecticut income tax on federally taxable Social Security Benefits. See the instructions for Line 2 below.

Interest: If you did not pay enough tax through withholding or estimated payments, or both, by any installment due date, you may be charged interest, even if you are due a refund when you file your tax return. Interest is figured separately for each installment. Therefore, you may owe interest for an earlier installment, even if you paid enough tax later to make up for the underpayment. Interest at 1% (.01) per month or fraction of a month will be added to the tax due until the **earlier** of April 15, 2001, or the date on which the underpayment is paid.

If you file your income tax return for the 2000 taxable year on or before January 31, 2001, and pay in full the amount computed on the return as payable for the taxable year, no interest will be calculated on the underpayment of estimated income tax for the fourth required installment. (This does not apply to taxpayers paying estimated Connecticut income taxes as farmers or fishermen.)

Instructions for Completing Worksheets

Line 2: Enter the total of your estimated allowable Connecticut modifications. (See instructions for *Schedule 1 - Modifications to Federal Adjusted Gross Income of Form CT-1040 or Form CT-1040NR/PY* for information about allowable modifications.)

Social Security Benefit Adjustment: If you will file a federal income tax return as Single or as Married Filing Separately and you expect your federal adjusted gross income will be **less than \$50,000**, enter as a subtraction the amount of federally taxable Social Security benefits reported on federal Form 1040, Line 20b or federal Form 1040A, Line 13b. If you will file a federal income tax return as Married Filing Jointly or as Head of Household and you expect your federal adjusted gross income will be **less than \$60,000**, enter as a subtraction the amount of federally taxable Social Security benefits reported on federal Form 1040, Line 20b or federal Form 1040A, Line 13b. If you expect your federal adjusted gross income will be above the threshold for your filing status, complete the *Social Security Benefit Adjustment Worksheet* on Page 5 and enter the amount from Line N on Line 2.

When completing the worksheet, add to Line C the following amounts to the extent excluded from your federal adjusted gross income: employer-provided adoption benefits, qualified U.S. savings bond interest, foreign earned income or housing, and certain income of bona fide residents of American Samoa or Puerto Rico.

Shareholders of S Corporations: Individuals who are shareholders of an S corporation that is subject to the Connecticut corporation business tax should follow the instructions for *Schedule 1 - Modifications to Federal Adjusted Gross Income* of **Form CT-1040** or **Form CT-1040NR/PY**, but substitute 30% for 55%, if the S corporation's taxable year for federal income tax purposes is the *calendar year*. If the S corporation's taxable year for federal income tax purposes is *other than the calendar year*, substitute 55% for 75%.

Line 3: Nonresidents and Part-Year Residents only: If your Connecticut source income is greater than your Connecticut adjusted gross income, enter your Connecticut source income on this line.

Line 4: To calculate your tax, complete the *Tax Calculation Schedule*.

Line 5: Apportionment Factor: Nonresidents and part-year residents, if your Connecticut source income is **greater than or equal to** your Connecticut adjusted gross income, enter 1.0000. If your Connecticut source income is **less than** your Connecticut adjusted gross income, complete the following calculation and enter the result on Line 5.

$$\frac{\text{Connecticut Source Income}}{\text{Connecticut Adjusted Gross Income (Line 3)}} = \text{Line 5}$$

Do not enter a number that is less than zero or greater than 1. If the result is less than zero, enter 0; if greater than 1 enter 1.0000. Round to four decimal places.

Line 7: Residents And Part-year Residents Only: Enter estimated allowable credit for income taxes paid to other jurisdictions. Enter 0, if not applicable. (See instructions for *Schedule 2 - Credit for Income Taxes Paid to Other Jurisdictions* of **Form CT-1040** or **Form CT-1040NR/PY**.)

Line 9: If you expect to owe federal alternative minimum tax in 2000, you may also owe Connecticut alternative minimum tax. Enter your estimated Connecticut alternative minimum tax liability. (See instructions for **Form CT-6251, Connecticut Alternative Minimum Tax Return - Individuals**.)

Line 11: Enter estimated allowable adjusted net Connecticut minimum tax credit. Enter 0 if you are not entitled to a credit, or if you entered an amount on Line 9. (See instructions for **Form CT-8801, Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates**.)

Line 14: If your 1999 Connecticut income tax return covered a 12-month period, enter 100% of the income tax shown on your return (from **Form CT-1040**, Line 14; **Form CT-1040EZ**, Line 6; or **Form CT-1040NR/PY**, Line 16). If you were a resident in 1999 and you did not file a 1999 Connecticut income tax return because you had no Connecticut income tax liability, enter 0. If you were a nonresident or part-year resident in 1999 **with** Connecticut source income and you did not file a 1999 Connecticut income tax return because you had no Connecticut income tax liability, enter 0. All other taxpayers must leave Line 14 blank.

2000 ESTIMATED CONNECTICUT INCOME TAX WORKSHEET

Married Filing Jointly or Separately and Head of Household Filers: Complete this worksheet for all installments.

Single Filers only: Complete this worksheet for installments due April 18, 2000, and June 15, 2000. Complete the worksheet on Page 4 for installments due September 15, 2000, and January 16, 2001.

1. Federal Adjusted Gross Income you expect in 2000 (From federal Form 1040ES)	1.	_____
2. Allowable Connecticut modifications (additions or subtractions, see instructions, Page 1)	2.	_____
3. Connecticut adjusted gross income (Combine Line 1 and Line 2) Nonresidents and Part-Year Residents: Enter your Connecticut source income if greater than your Connecticut adjusted gross income.	3.	_____
4. Connecticut income tax (Complete the <i>Tax Calculation Schedule</i> below)	4.	_____
5. Apportionment factor (Connecticut residents enter 1.0000. Nonresidents and part-year residents, see instructions, above)	5.	•
6. Multiply Line 5 by Line 4	6.	_____
7. Credit for income taxes paid to other jurisdictions (See instructions, above)	7.	_____
8. Subtract Line 7 from Line 6	8.	_____
9. Estimated Connecticut Alternative Minimum Tax (See instructions, above)	9.	_____
10. Add Line 8 and Line 9	10.	_____
11. Adjusted Net Connecticut Minimum Tax Credit (See instructions, above)	11.	_____
12. Total estimated income tax (Subtract Line 11 from Line 10)	12.	_____
13. Multiply Line 12 by 90% (66⅔% for farmers and fishermen)	13.	_____
14. Enter 100% of the income tax shown on your 1999 Connecticut income tax return (See instructions, above)	14.	_____
15. Enter the lesser of Line 13 or Line 14. (If Line 14 is blank, enter the amount from Line 13.) This is your required annual payment. (See caution below)	15.	_____

CAUTION: Generally, you may owe interest if you do not prepay (through timely estimates, withholding, or both) the **lesser** of 100% of the income tax on your 1999 Connecticut income tax return, or 90% of the income tax shown on your 2000 Connecticut income tax return, you may owe interest. To avoid interest charges, make sure your estimate is as accurate as possible. You may prefer to pay 100% of the income tax shown on your 1999 Connecticut income tax return.

16. Connecticut income tax withheld or expected to be withheld in 2000	16.	_____
17. Subtract Line 16 from Line 15. If zero or less, or if Line 12 minus Line 16 is \$500 or less, no estimated payment is required ...	17.	_____
18. Installment amount	18.	.25
19. Multiply Line 17 by Line 18. Pay this amount for each installment	19.	_____

TAX CALCULATION SCHEDULE

1. Enter the amount from Line 3 of the <i>2000 Estimated Connecticut Income Tax Worksheet</i>	1		
2. Enter Personal Exemption (from Table A, Exemptions, Page 3)	2		
3. Connecticut taxable income (Subtract Line 2 from Line 1. If less than zero, enter 0)	3		
4. Connecticut income tax (See Table B, Connecticut Income Tax, Page 3).	4		
5. Enter Decimal Amount (from Table C, Personal Tax Credits, Page 3). If zero, enter 0	5	•	
6. Multiply the amount on Line 4 by the decimal amount on Line 5	6		
7. CONNECTICUT INCOME TAX (Subtract Line 6 from Line 4) Enter this amount on Line 4, 2000 Estimated Connecticut Income Tax Worksheet, above.	7		

2000 ESTIMATED CONNECTICUT INCOME TAX WORKSHEET

For Single Filers Only: Complete this Worksheet for Installments Due September 15, 2000, and January 16, 2001.

1. Federal Adjusted Gross Income you expect in 2000 (From federal Form 1040ES)	1.	_____
2. Allowable Connecticut modifications (additions or subtractions, see instructions, Page 1)	2.	_____
3. Connecticut adjusted gross income (Combine Line 1 and Line 2) Nonresidents and Part-Year Residents: Enter your Connecticut source income if greater than your Connecticut adjusted gross income.	3.	_____
4. Connecticut income tax (Complete the <i>Tax Calculation Schedule</i> below)	4.	_____
5. Apportionment factor (Connecticut residents enter 1.0000. Nonresidents and part-year residents, see instructions)	5.	• _____
6. Multiply Line 5 by Line 4	6.	_____
7. Credit for income taxes paid to other jurisdictions (See instructions)	7.	_____
8. Subtract Line 7 from Line 6	8.	_____
9. Estimated Connecticut Alternative Minimum Tax (See instructions)	9.	_____
10. Add Line 8 and Line 9	10.	_____
11. Adjusted Net Connecticut Minimum Tax Credit (See instructions)	11.	_____
12. Total estimated income tax (Subtract Line 11 from Line 10)	12.	_____
13. Multiply Line 12 by 90% (66⅔% for farmers and fishermen)	13.	_____
14. Enter 100% of the income tax shown on your 1999 Connecticut income tax return (See instructions)	14.	_____
15. Enter the lesser of Line 13 or Line 14. (If Line 14 is blank, enter the amount from Line 13.) This is your required annual payment. (See caution below)	15.	_____
CAUTION: Generally, you may owe interest if you do not prepay (through timely estimates, withholding, or both) the lesser of 100% of the income tax shown on your 1999 Connecticut income tax return, or 90% of the income tax shown on your 2000 Connecticut income tax return, you may owe interest. To avoid interest charges, make sure your estimate is as accurate as possible. You may prefer to pay 100% of the income tax shown on your 1999 Connecticut income tax return.		
16. Connecticut income tax withheld or expected to be withheld in 2000	16.	_____
17. Subtract Line 16 from Line 15. If zero or less, or if Line 12 minus Line 16 is \$500 or less, no estimated payment is required	17.	_____
18. Total estimated payments made in April 18, 2000, and June 15, 2000 for the 2000 taxable year	18.	_____
19. Subtract line 18 from Line 17.	19.	_____
20. Installment amount	20.	.50
21. Multiply Line 19 by Line 20. Pay this amount for each installment due September 15, 2000, and January 16, 2001	21.	_____

TAX CALCULATION SCHEDULE

1. Enter the amount from Line 3 of the <i>2000 Estimated Connecticut Income Tax Worksheet</i>	1	_____	_____
2. Enter Personal Exemption (from Table A, Exemptions, on this page)	2	_____	_____
3. Connecticut taxable income (Subtract Line 2 from Line 1. If less than zero, enter 0)	3	_____	_____
4. Connecticut income tax (See Table B, Connecticut Income Tax, page 3).	4	_____	_____
5. Enter Decimal Amount (from Table C, Personal Tax Credits, on this page). If zero, enter 0	5	• _____	_____
6. Multiply the amount on Line 4 by the decimal amount on Line 5	6	_____	_____
7. CONNECTICUT INCOME TAX (Subtract Line 6 from Line 4) Enter this amount on Line 4, 2000 Estimated Connecticut Income Tax Worksheet, above.	7	_____	_____

TABLE A - EXEMPTIONS FOR 2000 TAXABLE YEAR			TABLE C - PERSONAL TAX CREDITS FOR 2000 TAXABLE YEAR		
Single Filers Only			Single Filers Only		
CONNECTICUT AGI*		EXEMPTION	CONNECTICUT AGI*		DECIMAL AMOUNT
MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO	
\$ 0	\$25,000	\$12,250	\$12,250	\$15,300	.75
\$25,000	\$26,000	\$11,250	\$15,300	\$15,800	.70
\$26,000	\$27,000	\$10,250	\$15,800	\$16,300	.65
\$27,000	\$28,000	\$ 9,250	\$16,300	\$16,800	.60
\$28,000	\$29,000	\$ 8,250	\$16,800	\$17,300	.55
\$29,000	\$30,000	\$ 7,250	\$17,300	\$17,800	.50
\$30,000	\$31,000	\$ 6,250	\$17,800	\$18,300	.45
\$31,000	\$32,000	\$ 5,250	\$18,300	\$18,800	.40
\$32,000	\$33,000	\$ 4,250	\$18,800	\$20,400	.35
\$33,000	\$34,000	\$ 3,250	\$20,400	\$20,900	.30
\$34,000	\$35,000	\$ 2,250	\$20,900	\$21,400	.25
\$35,000	\$36,000	\$ 1,250	\$21,400	\$21,900	.20
\$36,000	\$37,000	\$ 250	\$21,900	\$25,500	.15
\$37,000	and up	\$ 0	\$25,500	\$26,000	.14
			\$26,000	\$26,500	.13
			\$26,500	\$27,000	.12
			\$27,000	\$27,500	.11
			\$27,500	\$49,000	.10
			\$49,000	\$49,500	.09
			\$49,500	\$50,000	.08
			\$50,000	\$50,500	.07
			\$50,500	\$51,000	.06
			\$51,000	\$51,500	.05
			\$51,500	\$52,000	.04
			\$52,000	\$52,500	.03
			\$52,500	\$53,000	.02
			\$53,000	\$53,500	.01
			\$53,500	and up	.00

***IMPORTANT:** Form CT-1040NR/PY filers **must** use income from Connecticut sources if it exceeds Connecticut Adjusted Gross Income.

SOCIAL SECURITY BENEFIT ADJUSTMENT WORKSHEET

CAUTION: See the instructions on page 1 to determine if you must complete this worksheet.

A. Enter the total amount that you expect to be reported in Box 5 of all your 2000 Forms SSA-1099 and Forms RRB-1099. If Line A is zero or less, stop here. Otherwise, go to Line B	A.
B. Divide Line A above by 2	B.
C. Add the amounts that you expect to report on your 2000 federal Form 1040, Lines 7, 8a, 9 through 14, 15b, 16b, 17 through 19, and 21; or your 2000 federal Form 1040A, Lines 7, 8a, 9, 10b, 11b, and 12. Do not include any amounts from Box 5 of Forms SSA-1099 or RRB-1099.	C.
D. Enter the amount that you expect to report on your 2000 federal Form 1040 or 1040A, Line 8b	D.
E. Add Lines B, C, and D	E.
F. Add the amounts that you expect to report on your federal Form 1040, Lines 23, and 25 through 31a, and any amount you entered on the dotted line next to Line 32; or the amount you expect to report on federal Form 1040A, Line 15.	F.
G. Subtract Line F from Line E	G.
H. Enter on Line H the amount shown below for the filing status that you expect to report for the 2000 taxable year: <ul style="list-style-type: none"> • Single, Head of Household, or Qualifying Widow(er), enter \$25,000 • Married Filing Jointly, enter \$32,000 • Married Filing Separately, enter 0 (\$25,000 if you lived apart from your spouse for all of 2000) 	H.
I. Subtract Line H from Line G. If zero or less, enter 0	I.
J. Divide Line I by 2	J.
K. Enter the lesser of Line B or Line J	K.
L. Multiply Line K by 50% (.50)	L.
M. Taxable amount of Social Security benefits that you expect to report on your 2000 federal Form 1040, Line 20b or Form 1040A, Line 13b	M.
N. Social Security Benefit Adjustment - Subtract Line L from Line M. Enter the amount here and as a subtraction on Line 2 of the <i>2000 Estimated Connecticut Income Tax Worksheet</i> . (If Line L is greater than or equal to Line M, enter 0.)	N.

COMPLETING THE PAYMENT COUPON

If you have not received preprinted, personalized estimated Connecticut payment coupons for 2000, complete the payment coupon below. Be sure to complete all the required taxpayer identification information. Enter the payment amount on Line 1 of this coupon. If you file the coupon below, preprinted, personalized coupons will be mailed to you for the 2000 taxable year.

.....  Cut Here 

CT-1040ES		ESTIMATED CONNECTICUT INCOME TAX PAYMENT		2000	
Your Social Security Number		Spouse's Social Security Number		DUE DATE	
▶ _____ : _____ : _____		▶ _____ : _____ : _____			
Your First Name and Middle Initial		Last Name		1. Payment Amount ▶ _____	
Spouse's First Name and Middle Initial		Last Name			
Home Address	Number and Street	Apt. No.	PO Box		
City, Town or Post Office		State	ZIP Code		

Send completed coupon and payment to:

- Print all information. Include your spouse's Social Security Number, if filing jointly.
- Make your check or money order payable to: **Commissioner of Revenue Services**
- Cut along dotted line and mail coupon and payment to the address printed on the coupon.
- Write your Social Security Number(s) and "2000 CT-1040ES" on your check or money order.
- If you file this coupon, additional coupons for the 2000 taxable year will be mailed to you by DRS.
- **Do not file coupon if no payment is due.**

Department of Revenue Services
PO Box 2932
Hartford CT 06104-2932

TAX CALCULATION SCHEDULE

1. Enter CONNECTICUT AGI* (Form CT-1040, Line 5; CT-1040EZ, Line 3; or CT-1040NR/PY, Line 7)	1		
2. Enter Personal Exemption (From Table A, Exemptions)	2		
3. Connecticut Taxable Income (Subtract Line 2 from Line 1. If less than zero, enter 0.)	3		
4. Connecticut Income Tax (See Table B, Connecticut Income Tax)	4		
5. Enter Decimal Amount (From Table C, Personal Tax Credits). If zero, enter 0.	5	.	
6. Multiply the amount on Line 4 by the decimal amount on Line 5.	6		
7. INCOME TAX (Subtract Line 6 from Line 4) Enter this amount on CT-1040, Line 6; CT-1040EZ, Line 4; or CT-1040NR/PY, Line 8.	7		

* **IMPORTANT:** Form CT-1040NR/PY filers **must** enter income from Connecticut sources if it exceeds Connecticut Adjusted Gross Income.

Taxpayer's Worksheet
