

(Rev. 12/04)

**Clean Alternative Fuel – Vehicles, Equipment,
and Related Filling or Recharging Stations Credit**

FOR INCOME YEAR	
Beginning	2004, and Ending

Corporation Name	Connecticut Tax Registration Number
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Purpose

Complete **Form CT-1120 CAF**, *Clean Alternative Fuel – Vehicles, Equipment, and Related Filling or Recharging Stations Credit*, to claim the credit allowed under Conn. Gen. Stat. §12-217i. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

Credit Computation

A tax credit is allowed and may be applied against the taxes administered under Chapters 208, 209, 210, 211, or 212 of the Connecticut General Statutes for 10% (.10) of the expenditures paid or incurred for the incremental cost of purchasing vehicles exclusively powered by clean alternative fuel.

A 50% (.50) credit is available and may be applied against the corporation business tax (Chapter 208), for the expenses of equipment used in a compressed natural gas, liquefied petroleum gas or liquefied natural gas filling, or electric recharging station, and the purchase of equipment needed to convert a vehicle to either exclusive or dual use of a clean alternative fuel. The credit also applies to amounts spent directly on the construction of any filling station or improvements to any existing filling station in order to provide compressed natural gas, liquefied petroleum gas, or liquefied natural gas.

Any remaining credit balance that exceeds the credit applied may be carried forward to three succeeding income years.

Required Attachment

Documentation substantiating the expenditures must be attached to this form.

Definitions

- **Incremental cost** means the difference between the purchase price of a vehicle that is exclusively powered by a clean alternative fuel and the manufacturer's suggested retail price of a comparably equipped vehicle that is not powered by a clean alternative fuel.
- **Clean alternative fuel** means compressed natural gas, liquefied petroleum gas, liquefied natural gas, or electricity when used as a motor vehicle fuel.

Additional Information

For additional information, see **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Part I – Credit Computation			
1.	Cost of vehicles purchased for use in Connecticut exclusively powered by clean alternative fuel.	1.	
2.	Cost of such vehicles if such modifications were not purchased.	2.	
3.	Incremental Cost. (Subtract Line 2 from Line 1)	3.	
4.	Multiply Line 3 by 10% (.10).	4.	
5.	Cost of equipment used in a compressed natural gas, liquefied petroleum gas or liquefied natural gas filling, or electric recharging station.	5.	
6.	Cost of equipment used to convert a vehicle to clean alternative fuel.	6.	
7.	Amount spent directly on the construction of any filling station or improvements to any existing filling station in order to provide compressed natural gas, liquefied petroleum gas, or liquefied natural gas.	7.	
8.	Add Lines 5, 6, and 7.	8.	
9.	Multiply Line 8 by 50% (.50).	9.	
10.	Total Credit (Add Line 4 and Line 9.) Enter here and on Form CT-1120K , Part I-D, Line 17, Column B.	10.	

Part II – Computation of Carryforward

Credit may be carried forward to three succeeding income years.

		A	B	C	D	E
		Total Credit Earned	Current Year Credit Applied to All Taxes 2001 through 2003	Carryforward to 2004 (Subtract Column B from Column A)	Credit Applied to 2004	Carryforward to 2005 (See instructions below)
1.	2001 Clean Alternative Fuel Credit					
2.	2002 Clean Alternative Fuel Credit					
3.	2003 Clean Alternative Fuel Credit					
4.	2004 Clean Alternative Fuel Credit, Part I, Line 10					
5.	Total Clean Alternative Fuel Credit Applied to 2004. (Add Lines 1 through 4, Column D.)					
6.	Total Clean Alternative Fuel Credit Carryforward to 2005. (Add Lines 2 through 4, Column E) Enter here and on Form CT-1120K , Part I-D, Line 17, Column E.					

Computation of Carryforward Instructions

Lines 1 through 4, Columns A through D - Complete as indicated.

Line 2 and Line 3, Column E - Subtract Line 2 and Line 3, Column D, from Line 2 and Line 3, Column C. Enter the result on the appropriate lines.

Line 4, Column E - Subtract Line 4, Column D, from Line 4, Column A. Enter the result on Line 4, Column E.

Line 5 and Line 6 - Complete as indicated.