



# Schedule CT-NR

## Elective Composite Income Tax Remittance Calculation

Pass-through entity's Federal Employer Identification Number

# 2021

Please note that each form is year specific. To prevent any delay in processing your return, the correct year's form **must** be submitted to the Department of Revenue Services (DRS).

	<b>Column A</b> Member # (from Part 3)	<b>Column B</b> Connecticut Source Income/(Loss) (See instructions.)	<b>Column C</b> Multiply Column B by 6.99% (0.0699)	<b>Column D</b> Members' PE Tax Credit (from Part 9, Column D)	<b>Column E</b> Members' CT Income Tax Liability (Column C minus Column D)
1.		.00	.00	.00	.00
2.		.00	.00	.00	.00
3.		.00	.00	.00	.00
4.		.00	.00	.00	.00
5.		.00	.00	.00	.00
6.		.00	.00	.00	.00
7.		.00	.00	.00	.00
8.		.00	.00	.00	.00
9.		.00	.00	.00	.00
10.		.00	.00	.00	.00
11.		.00	.00	.00	.00
12.		.00	.00	.00	.00
13.		.00	.00	.00	.00
14.		.00	.00	.00	.00
15.		.00	.00	.00	.00
16.		.00	.00	.00	.00
17.		.00	.00	.00	.00
18.		.00	.00	.00	.00
19.		.00	.00	.00	.00
20.		.00	.00	.00	.00
21.	Subtotal(s) from supplemental attachment(s)	.00	.00	.00	.00
22.	<b>Total Elective Composite Income Tax Remittance:</b> Add Lines 1 through 21, Column E. Enter this amount on Form CT-1065/CT-1120SI, Part 1, <i>Schedule A</i> , Line 2b. ....				

## Schedule CT-NR Instructions

### General Instructions

Please note that each form is year specific. To prevent any delay in processing your return, the correct year's form **must** be submitted to the Department of Revenue Services (DRS).

Use **Schedule CT-NR, Elective Composite Income Tax Remittance Calculation**, if the pass-through entity (PE) checked the box on Page 1 of **Form CT-1065/CT-1120SI, Connecticut Pass-Through Entity Tax Return**, which states "PE elects to remit income tax on behalf of its nonresident members." Schedule CT-NR must be attached to Form CT-1065/CT-1120SI.

**Note to Combined Filers:** PEs that elect to calculate their PE Tax on a combined basis **cannot** also elect to remit composite income tax on behalf of their nonresident individual members.

### Line Instructions

**Only complete Schedule CT-NR for members who are nonresident individuals (including nonresident grantor trusts) coded as NIs on Part 3 of Form CT-1065/CT-1120SI. Do not include any other members, including members who themselves are PEs (parent PEs), even if such parent PEs have members who are nonresident individuals.**

If there are more than twenty members who are nonresident individuals, use **Schedule CT-NR Supplemental Attachment** and enter the subtotals on Line 21, Columns B through E.

#### Column A: Member Number

Enter the assigned member number of each nonresident individual member. This number is found in Part 3 of Form CT-1065/CT-1120SI.

An electing PE must remit composite income tax on behalf of all of its nonresident individual members; it cannot choose to remit only on behalf of certain nonresident individual members.

#### Column B: Connecticut Source Income/(Loss)

Enter the total member's Connecticut source income or loss. This amount is the total of the amounts entered for the member on Form CT-1065/CT-1120SI, Part 6, Lines 1 through 13.

**Federal rules apply** for restrictions in netting only similar characters of income, and capital loss limitations.

Deductions that are deemed to be itemized deductions for federal income tax purposes should not be included as part of other deductions in determining Connecticut source income.

**Column C:** Multiply each line of Column B by 6.99%. If the amount reported for a member in Column B is negative, enter zero ("0") for the member in Column C.

#### Column D: Members' PE Tax Credit

Enter the member's PE Tax Credit as properly reported on Form CT-1065/CT-1120SI, Part 9, Column D.

#### Column E: Members' CT Income Tax Liability

Subtract Column D from Column C and enter the amount for each member. If the amount reported for a member in Column D exceeds the amount reported for the member in Column C, enter zero ("0") for the member in Column E.

Report the amount remitted on behalf of each nonresident individual member on Part 4 of **Schedule CT K-1, Member's Share of Certain Connecticut Items**.

**Column E, Line 22:** Add Line 1 through Line 21 in Column E. Enter the resulting amount on Line 22 and on Form CT-1065/CT-1120SI, Part 1, *Schedule A*, Line 2b.

### Elective Composite Income Tax Remittance - Terms and Conditions

By checking the box on Page 1 of Form CT-1065/CT-1120SI, the PE agrees to remit composite income tax to DRS in connection with the PE's 2021 taxable year on behalf of each of its members who are nonresident individuals. The PE will report the amount of composite income tax due on Schedule CT-NR and will pay the amount due with its tax due on Form CT-1065/CT-1120SI by the due date, without regard to extension, of such form. The amount of composite income tax due will be calculated in accordance with Schedule CT-NR and its instructions.

**Note:** The Nonresident Elective Composite Income Tax Election is made on an annual basis and is irrevocable.

If an electing PE does not calculate the proper amount of composite income tax on its originally filed Schedule CT-NR, the PE must file an amended Schedule CT-NR (which must be attached to an amended Form CT-1065/CT-1120SI) to request a refund of the overpayment or to report and pay any additional composite income tax, plus penalty and interest,

if applicable. If the PE fails to remit the proper amount of composite income tax due, DRS may issue an assessment of tax, plus penalty and interest thereon, to the PE as if such amount was a tax due from the PE under Conn. Gen. Stat. § 12-699. DRS must issue such assessment within the time period prescribed for assessments of tax due under Conn. Gen. Stat. § 12-699.

Each nonresident individual member of an electing PE will be excused from the requirement to file **Form CT-1040NR/PY, Connecticut Nonresident and Part-Year Resident Income Tax Return**, if the nonresident individual member has no income derived from or connected with Connecticut sources for the taxable year at issue other than from the electing PE or from other PEs that also elect to remit composite income tax on his or her behalf. If a nonresident member is excused from filing, he or she may still choose to file Form CT-1040NR/PY to report his or her Connecticut source income and to claim his or her PE Tax Credit and the composite income tax payment remitted by the PE on his or her behalf.

A nonresident individual member who is excused from filing and does not choose to file his or her own Form CT-1040NR/PY will be deemed to have filed his or her return on the day the PE files its PE Tax return.

If the PE files an amended Schedule CT-NR with DRS, the PE should issue amended Schedule CT K-1s to its nonresident individual members. The PE's nonresident individual members who filed Form CT-1040NR/PY with DRS will be required to amend their returns to report the amended composite income tax remitted on their behalf.

If the PE fails to pay the proper amount of composite income tax due, DRS may issue assessments of income tax against the nonresident individual members. Such an assessment is subject to the time period prescribed for assessments of income tax under Chapter 229 of the Connecticut General Statutes and shall account for any composite income tax payments made by the PE on behalf of the respective nonresident individual member.