



Connecticut Designated Taxable Member's
 Connecticut Tax Registration Number

PART I – Computation of Adjusted Federal Taxable Income

Column A

Member #:

Corporation name:

	Combined Group Total	Adjustments	Eliminations		
1. Net receipts or sales 1. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
2. Cost of goods sold 2. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
3. Gross profit: Subtract Line 2 from Line 1. 3. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
4. Dividends and inclusions 4. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
5. Interest 5. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
6. Gross rents 6. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
7. Gross royalties 7. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
8. Capital gain net income 8. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
9. Net gain or (loss) from Form 4797, Part II, Line 17 9. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
10. Other income 10. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
11. Total income: Add Lines 3 through 10. 11. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
12. Compensation of officers 12. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
13. Salaries and wages 13. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
14. Repairs and maintenance 14. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
15. Bad debts 15. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
16. Rents 16. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
17. Taxes and licenses 17. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
18. Interest 18. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
19. Charitable contributions 19. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
20. Depreciation 20. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
21. Depletion 21. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
22. Advertising 22. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
23. Pension, profit-sharing, etc., plans 23. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
24. Employee benefit programs 24. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
25. <i>Reserved for future use</i> 25.					
26. Other deductions 26. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
27. Total deductions: Add Lines 12 through 26. 27. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
28. Taxable income: Subtract Line 27 from Line 11. 28. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
29. Enter amount reported on Line 8, Capital gain net income. 29. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00
30. <i>Reserved for future use</i> 30.					
31. Adjusted federal taxable income: Subtract Line 29 from Line 28. 31. ▶	.00 ▶	.00 ▶	.00 ▶	.00	.00



(A. = Enter corporation name)

	Column B	Column C	Column D	Column E	Column F
	Member #:	Member #:	Member #:	Member #:	Member #:
A.					
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.		.00	.00	.00	.00
22.		.00	.00	.00	.00
23.		.00	.00	.00	.00
24.		.00	.00	.00	.00
25.					
26.		.00	.00	.00	.00
27.		.00	.00	.00	.00
28.		.00	.00	.00	.00
29.		.00	.00	.00	.00
30.					
31.		.00	.00	.00	.00



PART II – Computation of Combined Group Net Income

Combined Group Total

1. Form CT-1120CU-NI, Part I, Line 31, <i>Combined Group Total</i> column	1. ▶	.00
2. Interest exempt from federal tax	2. ▶	.00
3. State and local income taxes	3. ▶	.00
4. Interest expenses paid to a related member	4. ▶	.00
5. Intangible expenses and costs paid to a related member	5. ▶	.00
6. Federal bonus depreciation	6. ▶	.00
7. Business interest expense carried forward under IRC § 163(j) and deducted for federal tax purposes in the current year. See instructions.	7. ▶	.00
8. 80% of IRC § 179 deduction	8. ▶	.00
9. Other: Attach explanation.	9. ▶	.00
10. Total: Add Lines 1 through 9.	10. ▶	.00
11. Dividend deduction	11. ▶	.00
12. Federal bonus depreciation recovery	12. ▶	.00
13. Exceptions to add back of interest expenses paid to a related member.	13. ▶	.00
14. Exceptions to add back of intangible expenses paid to a related member	14. ▶	.00
15. 25% of IRC § 179 deduction added back in the preceding four years.	15. ▶	.00
16. IRC § 163(j) business interest deduction disallowed for federal tax purposes	16. ▶	.00
17. Contributions from Connecticut or its municipalities included in Part II, Line 1 above	17. ▶	.00
18. Other: Attach explanation.	18. ▶	.00
19. Total: Add Lines 11 through 18.	19. ▶	.00
20. Tentative Combined Group net income (loss): Subtract Line 19 from Line 10.	20. ▶	.00
21. Net Deferred Tax Liability Deduction. Do not exceed Line 20. See instructions.	21. ▶	.00
22. Combined Group net income (loss): Subtract Line 21 from Line 20. Enter here and on Part III, Line 1.	22. ▶	.00



PART III – Tax on Combined Group Net Income

	Column A	Column B	Column C
	Taxable Member #:	Taxable Member #:	Taxable Member #:
Corporation name:			
Combined Group Total			
1. Combined group net income (loss) from Part II, Line 22, <i>Combined Group Total</i> column. 1.	.00		
2. Combined group net income (loss) included in Line 1 subject to special apportionment rules. 2.	.00		
3. Combined group net income (loss) included in Line 1 subject to the standard apportionment method. Subtract Line 2 from Line 1. 3.	.00		
4. Standard apportionment fraction from Form CT-1120A-CU, <i>Schedule Q</i> , Line 10. 4.	.	.	.
5. Standard apportioned Connecticut net income (loss). Multiply Line 3 by Line 4 in each column. 5.	.00	.00	.00
6. Special apportioned income (loss) from the appropriate special apportionment form. 6.	.00	.00	.00
6a. Add the amounts on Line 5 and Line 6 in each column. 6a.	.00	.00	.00
7. Other. 7.	.00	.00	.00
8. Connecticut net income (loss): Add the amounts on Line 6a and Line 7 in each column. 8.	.00	.00	.00
9. Add the amounts in each column on Line 8 and enter the total. 9.	.00		
10. Operating loss carryover. Do not exceed 50% (.50) of Line 8 in each column. 10.	.00	.00	.00
11. Add the amounts in each column on Line 10 and enter the total. 11.	.00		
12. Net income (loss): Subtract the amounts in each column on Line 10 from the amounts in the same column on Line 8. 12.	.00	.00	.00
13. Tax: Multiply each column on Line 12 by 7.5% (.075) or enter \$250, whichever is greater. 13.	.00	.00	.00
14. Add the amounts in each column on Line 13 and enter the total here and on Form CT-1120CU, Part I, Line 1. 14.	.00		



(A. = Enter corporation name)

	Column D	Column E	Column F	Column G	Column H
	Taxable Member #:	Taxable Member #:	Taxable Member #:	Taxable Member #:	Taxable Member #:
A.					
1.					
2.					
3.					
4.
5.		.00	.00	.00	.00
6.		.00	.00	.00	.00
6a.		.00	.00	.00	.00
7.		.00	.00	.00	.00
8.		.00	.00	.00	.00
9.					
10.		.00	.00	.00	.00
11.					
12.		.00	.00	.00	.00
13.		.00	.00	.00	.00



Form CT-1120CU-NI Instructions

Purpose

Use Form CT-1120CU-NI to calculate the combined group's tax on the net income base. Complete and attach Form CT-1120CU-NI to Form CT-1120CU. Combined groups are subject to tax on the greater of their net income base or their minimum tax base (sometimes referred to as the *capital base*). See **Special Notice 2016(1)**, *Combined Unitary Legislation*.

General Information - How to Calculate the Combined Group's Net Income

A combined group's net income is the aggregate net income or loss of each taxable member and nontaxable member, derived from a unitary business, subject to the following:

- Each member calculates its net income derived from a unitary business as if it were filing a Corporation Business Tax return on a stand alone basis, subject to certain modifications described herein.
- Dividends paid from one member to another are eliminated from the income of the recipient.
- The principles set forth in the federal consolidated return regulations promulgated under IRC § 1502 shall apply to the extent consistent with the Connecticut combined group membership and combined unitary reporting principles. Income deferred in accordance with such principles is restored to the seller's income if the object of the transaction is resold to an entity not in the combined group or resold to or converted by a combined group member for use outside of the unitary business. The income is also restored to the seller's income if the buyer and seller are no longer part of the same combined group. The restored income is included in the seller's net income as if it were earned immediately prior to the event that caused its restoration.
- The charitable contribution limitation is calculated on a combined group's net income, prior to the charitable contribution deduction. To the extent that a member's charitable contribution deduction is limited, it may be carried forward by the member and utilized in a future year. To the extent that the group's charitable contribution deduction is limited, each member shall deduct an amount equal to its pro rata share of the group's allowable deduction. Charitable contribution carryforwards are treated as if they were charitable contributions made in the subsequent year. These carryforwards may be used by the member in a combined unitary tax return or, if it no longer files in a combined unitary tax return in the future year, a separate return.
- Gains and losses from the sale or exchange of capital assets, property described in IRC § 1231(a)(3), and property subject to an involuntary conversion are removed from the separate member's net income and aggregated at the group level. The net gain or loss is apportioned to the taxable members in accordance with the net income apportionment provisions. Apportioned net losses are carried forward by each taxable member separately.
- No deductions are allowed for expenses that are attributable to income of any member of the combined

group, which income is prohibited from Connecticut taxation under the United States Constitution or other federal law.

Part I – Computation of Adjusted Federal Taxable Income

Complete a column for each taxable and nontaxable member. If there are more than six members in the combined group, attach copies of Page 2 as needed using the same format.

Lines 1 through 28

For each member of the combined group, enter the appropriate amounts that were reported on its federal Form 1120 (or that would have been reported if it filed such a return). Use the *Eliminations* column to eliminate any transactions between members of the combined group. Use the *Adjustments* column to adjust any line to reflect the combined unitary basis of reporting. For information on adjustments that are required to be made for combined unitary purposes, see *How to Calculate the Combined Group's Net Income*, on this page. Also see **Special Notice 2016(1)**, *Combined Unitary Legislation*.

Line 29

The group's capital gain or loss is determined at the group level. Use Line 29 to remove any capital gains or losses prior to arriving at adjusted federal taxable income.

Gains and losses from the sale or exchange of capital assets, property described in IRC § 1231(a)(3), and property subject to an involuntary conversion are aggregated at the group level. The aggregate net gain or loss is then apportioned by the taxable members in accordance with the net income apportionment provisions. Apportioned net losses are carried forward by each taxable member separately. See the instructions to Part III, Line 7.

Part II – Computation of Combined Group Net Income

Report Connecticut specific modifications at the combined group level.

Line 1

Enter the amount from Part I, Line 31, *Combined Group Total* column.

Line 2

Enter all interest income exempt from federal taxation.

Line 3

Enter state and local income taxes deducted in the calculation of federal taxable income, including Connecticut Corporation Business Tax.

Line 4

Enter the amount of interest expenses paid by a combined group member to a related member that is not included in the combined group.

Line 5

Enter the amount of intangible expenses paid by a combined group member to a related member that is not included in the combined group.

Line 6

Enter the amount of the federal bonus depreciation allowed under IRC § 168(k) and claimed on federal Form 4562, Depreciation and Amortization.

Line 7

Enter the amount of business interest expense that was incurred in a prior year and that was carried forward and deducted in the current year for federal tax purposes pursuant to IRC § 163(j).

Line 8

Enter 80% of the IRC § 179 deduction claimed for federal tax purposes.

Line 9

Enter any other income amount. Attach an explanation.

Line 10

Enter the sum of Line 1 through Line 9.

Line 11

Enter the amount of the dividend deduction. To calculate this amount, use Form CT-1120 ATT, *Schedule I*, as a worksheet.

Line 12

Enter the federal bonus depreciation recovery amount. To calculate this amount, use Form CT-1120 ATT, *Schedule J*, as a worksheet.

Line 13

Enter the amount of exceptions to the add back of interest expenses paid by a combined group member to a related member that is not included in the combined group.

Line 14

Enter the amount of exceptions to the add back of intangible expenses paid by a combined group member to a related member that is not included in the combined group.

Line 15

Enter 25% of IRC § 179 deduction that was added back in calculating the Connecticut net income in the preceding four years.

Line 16

Enter the amount of business interest expense that was incurred in the current year but was not allowed to be deducted for federal tax purposes pursuant to IRC § 163(j).

Line 17

Enter the amount of any contributions made by the State of Connecticut or political subdivision thereof to the extent that those contributions are included in federal taxable income.

Line 18

Enter any other income deduction. Attach an explanation. Include on Line 18 the Foreign Derived Intangible Income (FDII) deduction claimed for federal purposes.

Line 19

Enter the sum of Lines 11 through 18.

Line 20

Tentative Combined Group net income (loss): Subtract Line 19 from Line 10.

Line 21

Net Deferred Tax Liability Deduction: Enter one-thirtieth (1/30) of the amount reported on Line 6 of **Form CT-DTLD, Statement of Net Deferred Tax Liability Deduction**, that was submitted to DRS on or before July 3, 2017. Companies are not eligible to claim this deduction if Form CT-DTLD was not submitted on or before July 3, 2017. For more information, see **Special Notice 2016(1), Combined Unitary Legislation**.

Under the original law, companies that timely filed Form CT-DTLD could claim one-seventh of their Net Deferred Tax Liability Deduction annually for a seven year period starting with their 2018 income year. Pursuant to amendments to the law that were enacted in 2017, these companies instead may claim one-thirtieth of such deduction annually for a thirty year period starting with their 2021 income year.

Line 22

Combined Group net income (loss): Subtract Line 21 from Line 20. Enter here and on Part III, Line 1.

Part III – Tax on Combined Group Net Income

Complete a column for each taxable member. If there are more than eight taxable members in the combined group, attach copies of Page 5, as needed, using the same format.

Do not complete columns for nontaxable members.

Line 1

Enter the amount from Part II, Line 22.

Line 2

Enter the amount of net income (loss) included in Line 1 that is subject to special apportionment rules. Net income derived from the following activities must be separately apportioned from other net income:

Activity	Use Form
Carrying of passengers or property for hire	Form CT-1120A-BMC
Services to regulated investment companies	Form CT-1120A-IRIC
Securities brokerage services	Form CT-1120A-SBC
Broadcasting and programming production services	Form CT-1120A-BPE
Credit card activities by financial service companies	Form CT-1120A-CCA

Net income that is subject to these special apportionment rules should be removed from the combined group's net income and separately apportioned on the forms listed above. Receipts from the activities whose net income is subject to separate apportionment should be removed from the calculation of the standard apportionment calculation on Form CT-1120A-CU, *Schedule Q*.

Line 3

Subtract Line 2 from Line 1.

Line 4

Enter the apportionment fraction for each respective taxable member that is reported on Form CT-1120A-CU, *Schedule Q*, Line 10.

Line 5

Multiple Line 3 by Line 4 in each column.

Line 6

Enter the amount of net income (loss) reported on Line 2 that is separately apportioned by a taxable member to Connecticut. Use the appropriate special apportionment form to calculate the separately apportioned net income (loss).

Line 6a

Add the amounts on Line 5 and Line 6 in each column.

Line 7

Enter the amount of capital gains apportioned to Connecticut by each respective taxable member as calculated on the Gains Adjustment worksheet below.

Also, if at least one taxable member reports positive net income on Line 6a and at least one other taxable member reports a loss on Line 6a, report the sharing of the current year loss(es) on Line 7. This adjustment is explained in the footnote to Example 3b of **OCG-3, Office of the Commissioner Guidance Regarding the Calculation of the Corporation Business Tax on a Combined Unitary Basis.**

Line 8

Add the amounts on Line 6a and Line 7 in each column.

Line 9

Add the amounts in each column on Line 8.

Line 10

Enter the net operating loss (NOL) deduction for each respective taxable member. Do not exceed 50% of the amount reported in each column on Line 8.

Line 11

Add the amounts in each column on Line 10.

Line 12

Subtract the amounts in each column on Line 10 from the amounts in each column on Line 8.

Line 13

Multiply each column by 7.5% (.075). Other than for REITs and RICs, if the resulting amount is less than \$250, enter \$250.

Line 14

Add the amounts in each column on Line 13. Enter this total here and on Form CT-1120CU, Part I, Line 1.

Form CT-1120CU-NI, Part III, Line 7 Gains Adjustment – Worksheet		Member #	
1. Enter the combined group’s net capital gain or loss from the current year.....	1.		.00
2. Enter the taxable member’s apportionment fraction from Part III, Line 4.	2.		.00
3. Multiply Line 1 by Line 2.	3.		.00
4. Enter the taxable member’s apportioned capital losses from prior years.*	4.		.00
5. Subtract Line 4 from Line 3. If positive, include the amount on Part III, Line 7. Otherwise, carry the amount forward as an apportioned capital loss to next year.	5.		.00

* Capital losses should be carried forward in accordance with the rules illustrated in Example B of **Special Notice 2016(1)**.

How to Apply NOLs

After apportionment, NOLs are deducted from each taxable member’s portion of the combined group’s net income in accordance with the following:

- NOLs incurred by a taxable member in a year when it filed a separate Corporation Business Tax return may be used only to reduce its apportioned amount of the combined group’s net income.
- NOLs incurred by a group that filed a **Form CT-1120CR, Combined Corporation Business Tax Return**, or a **Form CT-1120U, Unitary Corporation Business Tax Return**, in an income year prior to 2016 may be used to reduce the apportioned amount of the combined group’s net income of any taxable member that was included in the Form CT-1120CR or Form CT-1120U in the loss year. Only the combined NOLs from a Form CT-1120CR, and not separate company NOLs from such a return that were available for preference tax purposes under Conn. Gen. Stat. § 12-223f, may be utilized.
- NOLs incurred by a taxable member in a year in which it filed a combined unitary tax return as required in the Unitary Legislation may be used by the taxable member and/or may be shared with other members that were included in the combined group in the year of the loss (regardless of whether the member was a taxable member or nontaxable member in the loss year).

A taxable member may not claim an NOL deduction that exceeds 50% of its portion of the combined group’s net income. NOLs generated by a group that filed a Form CT-1120CR or Form CT-1120U may be used by any member of such prior year’s return if they all are members of the current year Form CT-1120CU. Otherwise, these NOLs should be divided among the former members of the Form CT-1120CR or Form CT-1120U as described in **Special Notice 2016(1), Combined Unitary Legislation**. These divided NOLs may be shared between Form CT-1120CU members that filed together in the loss year.

See **Special Notice 2016(1), Combined Unitary Legislation**.