

Form CT-1120 MEC

Machinery and Equipment Expenditures Tax Credit

2023

For Income Year Beginning: _____, 2023 and Ending: _____.

Corporation name	Connecticut Tax Registration Number
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Complete this form in blue or black ink only. Do not use staples. Please note that each form is year specific. The correct year's form **must** be used.

Use **Form CT-1120 MEC** to claim the credit available under Conn. Gen. Stat. § 12-217o for the incremental increase in the amount spent by a corporation on machinery and equipment.

Expenditures claimed for this credit cannot be claimed in connection with any other Corporation Business Tax credit.

Definitions

Qualifying expenditures are any expenditures that fall within the definition of machinery and equipment acquired for and installed in a facility in Connecticut.

Machinery is the basic machine itself, including all of its component parts such as belts, pulleys, shafts, moving parts, operating structures, replacement and repair parts, whether purchased separately or in conjunction with a complete machine and regardless of whether the machine or component parts are assembled by the taxpayer or another related party; and all equipment or devices used or required to control, regulate, or operate the machinery, including without limitation, computers and data processing equipment. Furniture and fixtures, automobiles, or other property used for transportation are not machinery.

Equipment is a device separate from machinery but essential to the business. Repair and replacement parts for equipment also qualify for the credit under the same terms as provided for parts purchased for machinery. Furniture and fixtures, automobiles, construction equipment, or other property used for transportation are not equipment.

Facility means any plant, building, or other real property improvement used by the corporation in its trade or business.

Full-time permanent employee is an employee whose wages, salaries or other compensation is paid in Connecticut and whose employment requires an average of 35 hours or more of service each week for at least eight consecutive weeks.

Tax Credit Percentages

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

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

Additional Information

See the *Guide to Connecticut Business Tax Credits* available on the Department of Revenue Services (DRS) website at portal.ct.gov/DRS.

Credit Computation			
1.	Enter the amount of Connecticut machinery and equipment expenditures incurred during the 2023 income year. Attach schedule.	1.	
2.	Enter the amount of Connecticut machinery and equipment expenditures incurred during the 2022 income year. Attach schedule.	2.	
3.	Balance: Subtract Line 2 from Line 1. If zero or less, the corporation is not eligible for this credit.	3.	
4.	Enter the number of full-time permanent employees for 2023.	4.	
4a.	If Line 4 is 250 or fewer, enter 10% (.10) on Line 5.		
4b.	If Line 4 is at least 251, but not more than 800, enter 5% (.05) on Line 5.		
5.	Enter the applicable percentage (5% or 10%) from Line 4a or Line 4b.	5.	
6.	Tax credit: Multiply Line 3 by Line 5. Enter here and on Form CT-1120K , Part I-B, Column A.	6.	