

Form CT-1120 TIC/EZ

2025

Manufacturing Facility Tax Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone

For Income Year Beginning: _____, **2025** and Ending: _____.

Corporation name	Connecticut Tax Registration Number
DECD Eligibility Certificate Number (If applicable)	

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 TIC/EZ** to claim the credit for manufacturing facilities allowed under Conn. Gen. Stat. § 12-217e against the Corporation Business Tax.

Eligibility

50% Credit - Taxpayers may qualify for a credit equal to 50% of that portion of the Connecticut Corporation Business Tax that is allocable to a manufacturing facility, that meets certain employment criteria and is located within a designated Enterprise Zone or other area designated as having Enterprise Zone level benefits. An Entertainment District, Enterprise Corridor Zone, Railroad Depot Zone, Contiguous Municipality Zone, Defense Plant Zone, Manufacturing Plant Zone, Airport Development Zone, and Qualified Manufacturing Plant Zone are areas having Enterprise Zone level benefits. A 50% credit is also available to businesses engaged in biotechnology, pharmaceutical, or photonics research, that are located in a municipality that has a major research university with programs in biotechnology, pharmaceuticals, or photonics, and that has an Enterprise Zone. To be eligible for a 50% credit, the corporation **must** obtain certification from the Department of Economic and Community Development (DECD) and establish either that at least 150 full-time employees or 30% of the full-time positions directly attributable to the manufacturing facility were held by employees that were: (1) residents of such zone or

(2) residents of the municipality and eligible for training under the federal Job Training Partnership Act or any successor program.

25% Credit - Taxpayers may qualify for a credit equal to 25% of that portion of the Connecticut Corporation Business Tax that is allocable to a manufacturing facility located in a Targeted Investment Community. Taxpayers with manufacturing facilities located in areas with Enterprise Zone level benefits that do not meet the employment criteria for the 50% credit qualify for the 25% credit. To be eligible for a 25% credit, the manufacturing facility **must** obtain certification from DECD.

The **credit period** is ten years and begins with the first full income year following the year of issuance of the eligibility certificate and continues for the following nine income years. The credit may be claimed for a maximum of ten years.

This credit is being sunset. You may not claim this credit unless your ten year credit period began prior to your 2018 income year.

Additional Information

See the *Guide to Connecticut Business Tax Credits* available on the Department of Revenue Services (DRS) website at portal.ct.gov/DRS, or contact the Department of Economic and Community Development.

Schedule A - Location Criteria for 50% Tax Credit		Yes	No	
1.	Is the certified facility located within an area having Enterprise Zone level benefits?			If Yes , go to <i>Schedule B</i> . If No , go to Question 2.
2.	Is the certified facility an eligible entertainment related project or support business located within a municipality with an approved entertainment district?			If Yes , go to <i>Schedule B</i> . If No , go to Question 3.
3.	Is the facility engaged in biotechnology, pharmaceutical, or photonics research and located in a municipality that has a major research university with programs in biotechnology, pharmaceuticals, or photonics, and that has an Enterprise Zone?			If Yes , go to <i>Schedule B</i> . If No , the company is eligible only for a 25% credit. Enter 25% (.25) on <i>Schedule C</i> , Line 7.

Schedule B - Employment Criteria for 50% Tax Credit		
1.	Enter the average number of full-time employment positions at the manufacturing facility during the last quarter of the current income year.	1.
2.	Enter the number of full-time employees prior to beginning the initial hiring for the facility. See instructions.	2.
3.	Subtract Line 2 from Line 1 and enter the result. If zero or less, the company is eligible only for the 25% credit. Enter 25% (.25) on <i>Schedule C</i> , Line 7.	3.
4.	Multiply Line 3 by 30% (.30).	4.
5.	Enter the number of full-time employees who are residents of the Enterprise Zone, or are residents of the municipality or Enterprise Corridor Zone, and are eligible for training under the federal Job Training Partnership Act.	5.
6.	If Line 5 is less than 150 and is less than the amount on Line 4, the company is eligible only for the 25% credit. Enter 25% (.25) here and on <i>Schedule C</i> , Line 7.	6.
7.	If Line 5 is 150 or greater or is greater than the amount on Line 4, the company is eligible for the 50% credit. Enter 50% (.50) here and on <i>Schedule C</i> , Line 7.	7.

Schedule C - Credit Computation					
Instructions for the computation of tangible property and wages, salaries, and other compensation are shown below.			Column A	Column B	Column C
			Eligible Facility Approved by DECD	Total Facilities Within Connecticut (Including Eligible Facility)	For Line 1 and Line 2, divide Column A by Column B. Carry to six decimal places.
Tangible Property	1a.	Depreciable assets			
	1b.	Land			
	1c.	Capitalized rent			
	1d.	Other			
	1.	Total			
Wages, Salaries, and Other Compensation	2.	Total			2.
Facility Credit Ratio	3.	Total: Add Line 1 and Line 2 in Column C.			3.
	4.	Facility ratio: Divide Line 3 by two.			4.
	5.	Tax: From Form CT-1120, Schedule C , Line 1, <i>Total Tax</i> , or the credit claimant's total tax from the appropriate column on Form CT-1120CU, Part I, Line 9			5.
Tax Credit Calculation	6.	Balance: Multiply Line 5 by Line 4.			6.
	7.	Tax credit percentage: See instructions.			7.
	8.	Tax credit: Multiply Line 6 by Line 7. Enter here and on Form CT-1120K , Part I-B, Column A.			8.

Instructions

Schedule A

Schedule A is used to determine if the manufacturing facility is located in an area eligible to receive Enterprise Zone level benefits. If the facility does not meet the criteria for location, it is eligible only for the 25% credit. Skip *Schedule B* and continue on to *Schedule C*.

Lines 1 and 2 - Check **Yes** if the manufacturing facility is located within one of the areas having Enterprise Zone level benefits.

Line 3 - Check **Yes** if the facility is engaged in biotechnology, pharmaceutical, or photonics research, and is located in a municipality that has a major research university with programs in biotechnology, pharmaceuticals, or photonics, and that has an Enterprise Zone.

Schedule B

Schedule B is used to determine if the facility employs enough workers who are residents of the Enterprise Zone or are residents of the municipality and qualify for federal Job Training Partnership Act benefits. If the facility does not meet the criteria for employment of local workers, it is eligible only for the 25% credit.

Line 1 - Complete as indicated.

Line 2 - The initial hiring for the new facility is based on the start date established with DECD.

Line 3 - Subtract Line 2 from Line 1 and enter the result. If zero or less, the company is eligible only for the 25% credit. Do not continue on to Lines 5 through 7. Enter 25% on *Schedule C*, Line 7.

Line 4 - Multiply Line 3 by 30%.

Lines 5 through 7 - Complete as indicated.

Schedule C

Schedule C is used to determine the amount of the tax credit.

Tangible Property: Column A includes the average monthly net book value of the eligible manufacturing facility including all machinery and equipment specifically acquired for and installed at that site, without reduction for any encumbrance. When rented, the value of the eligible manufacturing facility and all machinery and equipment

specifically acquired for and installed at that site should be computed by multiplying the gross rents payable by the taxpayer during the income year by eight. Column B consists of the average monthly net book value of all real property, machinery, and equipment held and owned by the taxpayer in Connecticut plus the value of all real property, machinery, and equipment rented to the taxpayer in Connecticut, computed by multiplying the combined gross rents payable during the income year by eight. **Gross rents** means gross rents as defined in Conn. Gen. Stat. § 12-218(j)(3)(B).

Wages, Salaries, and Other Compensation: Column A consists of all wages, salaries, and other compensation paid during the income year to employees of the taxpayer whose positions are directly attributable to the eligible manufacturing facility. Column B consists of the sum of wages, salaries, and other compensation paid during the income year to all employees of the taxpayer in Connecticut.

An employee's position is **directly attributable** to an eligible manufacturing facility if the:

- Employee's service is performed or base of operation is at the eligible manufacturing facility;
- Position did not exist prior to the construction, renovation, expansion, or acquisition of the eligible manufacturing facility; **and**
- Position would not have been created but for the construction, renovation, expansion, or acquisition of the eligible manufacturing facility.

Line 5 - Enter the tax from **Form CT-1120, Schedule C**, Line 1, *Total Tax*, or the credit claimant's total tax from the appropriate column on Form CT-1120CU, Part I, Line 9

Line 6 - Multiply Line 5 by Line 4.

Line 7 - Enter the tax credit percentage. This percentage will be either 25% or 50%, and is determined from *Schedule A*, Line 3, or *Schedule B*, Line 6 or Line 7.

Line 8 - Enter the tax credit. Multiply Line 6 by Line 7, enter here and on Form CT-1120K, Part I-B, Column A.