

Form CT-1120RC
Research and Experimental Expenditures Tax Credit

2025

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

Name of eligible taxpayer	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-1120RC** to claim the credit available under Conn. Gen. Stat. § 12-217j equal to 20% of the incremental increase in research and experimental expenditures that are conducted in Connecticut.

Required Attachment

This form must be accompanied by a detailed schedule that identifies the location in Connecticut where the research and experimentation was conducted and the amounts spent directly on research and experimentation in the current income year and in the previous income year.

Definitions

Connecticut research and experimental expenditures are those that may be deducted under § 174 of the Internal Revenue Code of 1986 and related regulations. Only amounts spent directly on such research and experimental expenditures will be allowed. Overhead and other expenses, including general and administrative expenses, which relate to a taxpayer's activities as a whole and not specifically to the research and experimental effort will not qualify.

Qualifying expenditures include but are not limited to:

- Expenditures incurred in connection with the taxpayer's trade or business that represent research and development costs in the experimental or laboratory sense;
- All costs incurred in the development of an experimental or pilot model, a plant process, a product, a formula, an invention, or similar property, and the improvement of already existing property of the type mentioned; **and**
- Costs of obtaining a patent, such as attorney's fees expended in making and perfecting a patent application.

Credit Computation

The credit is equal to 20% of the amount spent by the taxpayer, as defined in Conn. Gen. Stat. § 12-217j, directly on Connecticut research and experimental expenditures that exceeds the amount spent by that taxpayer on those expenditures during the previous income year.

Carryforward

Any remaining credit balance that exceeds the credit applied or exchanged may be carried forward for 15 income years. No carryback is allowed.

Part I - Credit Computation			
1.	Enter the amount of Connecticut research and experimental expenditures for the 2025 income year. Attach detailed schedule.	1.	00
2.	Enter the amount of Connecticut research and experimental expenditures for the 2024 income year. Attach detailed schedule.	2.	00
3.	Balance: Subtract Line 2 from Line 1. If zero or less, the taxpayer is not eligible for this credit.	3.	00
4.	Tax credit: Multiply Line 3 by 20% (.20). Enter here and on Form CT-1120K , Part I-C, Column B.	4.	00

Exchange of Tax Credit

A taxpayer whose gross income does not exceed \$70 million and who cannot take the credit as a result of having no tax liability under the Corporation Business Tax may elect to carry 100% of the credit forward or may be eligible to exchange the credit with the state for a credit to be issued in the form of a refund equal to 65% or 90% of its value, subject to certain limitations. See Conn. Gen. Stat. § 12-217ee. See **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*, for eligibility.

Only tax credits earned in the current year and entitled to be claimed in the current year may be exchanged.

Application Procedure for Exchange of Tax Credits

File Form CT-1120 XCH separately from **Form CT-1120**, *Corporation Business Tax Return*, or **Form CT-1120CU**, *Combined Unitary Corporation Business Tax Return*.

Attach **Form CT-1120RC**, *Research and Experimental Expenditures Tax Credit*, or **Form CT-1120 RDC**, *Research and Development Expenditures Tax Credit*, and all required supporting schedules and documentation to Form CT-1120 XCH.

At the same time as filing Form CT-1120 or Form CT-1120CU, mail the completed application and supporting information to:

Department of Revenue Services
Corporation Audit Unit Attn: XCH
450 Columbus Blvd Ste 1
Hartford CT 06103-1837

Check the box at the top of Form CT-1120 or Form CT-1120CU to indicate that you are exchanging research and development tax credits and enter the amount of credit to be issued in the form of a refund requested.

Additional Information

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

Part II - Computation of Carryforward - See instructions below.							
		A Total Credit Earned	B Credit Applied 2010 Through 2024	C Carryforward to 2025. Subtract Column B from Column A.	D Credit Applied to 2025	E Credit Exchanged	F Carryforward to 2026
1.	2010 Form CT-1120RC, Part I, Line 4						
2.	2011 Form CT-1120RC, Part I, Line 4						
3.	2012 Form CT-1120RC, Part I, Line 4						
4.	2013 Form CT-1120RC, Part I, Line 4						
5.	2014 Form CT-1120RC, Part I, Line 4						
6.	2015 Form CT-1120RC, Part I, Line 4						
7.	2016 Form CT-1120RC, Part I, Line 4						
8.	2017 Form CT-1120RC, Part I, Line 4						
9.	2018 Form CT-1120RC, Part I, Line 4						
10.	2019 Form CT-1120RC, Part I, Line 4						
11.	2020 Form CT-1120RC, Part I, Line 4						
12.	2021 Form CT-1120RC, Part I, Line 4						
13.	2022 Form CT-1120RC, Part I, Line 4						
14.	2023 Form CT-1120RC, Part I, Line 4						
15.	2024 Form CT-1120RC, Part I, Line 4						
16.	2025 Form CT-1120RC, Part I, Line 4						
17.	Total Research and Experimental Expenditures tax credit applied to 2025: Add Lines 1 through 16, Column D.						
18.	Total Research and Experimental Expenditures tax credit carryforward to 2026: Add Lines 2 through 16, Column F.						

Computation of Carryforward Instructions:

Lines 1 through 16, Columns A through D - Enter the amount for each corresponding year.

Lines 1 through 15, Column E - Enter the full amount of credit that was exchanged before the 65% or 90% exchange rate was applied, for each corresponding year.

Line 16, Column E - Enter the full amount of credit being exchanged before the 65% or 90% exchange rate was applied, from **Form CT-1120 XCH**, Part II, Line 1.

Lines 2 through 15, Column F - Subtract Column D and Column E from Column C.

Line 16, Column F - Subtract Column D and Column E from Column A.

Members included in 2024 Form CT-1120CU, Combined Unitary Corporation Business Tax Return:

Include in Column D credits shared to and used by another member of the combined group.