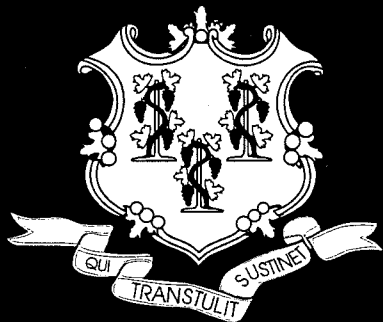


1997 PACKAGE X

Forms and
Instructions for the
following tax types are
included in this
booklet:

- INCOME
- CORPORATION
- WITHHOLDING
- TRUSTS AND ESTATES
- PARTNERSHIP
- S CORPORATION
INFORMATION AND
COMPOSITE
- GROUP INCOME
- GIFT
- SALES AND USE
- MISCELLANEOUS



Connecticut Package X

1997 Tax Forms and Instructions

Forms may also be downloaded
from the DRS website at:

<http://www.state.ct.us/drs>



GENE GAVIN
COMMISSIONER

STATE OF CONNECTICUT

DEPARTMENT OF REVENUE SERVICES

January 1998

Dear Tax Practitioner:

Our continued goal at the Department of Revenue Services (DRS) is to provide the highest level of service to our customers. During 1997, our efforts earned us additional awards for innovation and excellence. We have received many compliments from taxpayers about our excellent service, as well as from tax practitioners who recognize the improvements we continue to implement.

This 1997 Package X provides you with the most commonly used Connecticut tax forms and instructions. The loose-leaf-compatible format allows you to easily remove just the form you need to photocopy and return to the binder. We encourage you to use this method rather than wait for your order to be filled by our Forms Unit.

Forms that are not included in this Package X may be available in downloadable files on our Internet site: <http://www.state.ct.us/drs>. To simplify the downloading process, Acrobat Reader may be downloaded to your computer directly from our site, at no cost to you. Our Internet home page also includes updates on Connecticut filing information, legislation and policy.

Additional information about Connecticut state taxes is also available from DRS by phone or by visiting one of our regional walk-in offices. Please refer to the back cover of Package X for locations and phone numbers.

You are a valued customer of DRS and we want to help you give *your* customers excellent service, as well. We strive to provide you with forms and instructions that are clear, precise and easy to follow. For example, you may be happy to know that **individuals seeking an extension of time to file a Connecticut income tax return are no longer required to sign Form CT-1040EXT, *Application for Extension of Time to File Income Tax Return for Individuals*.**

Your comments, suggestions and concerns are valuable in helping us and we welcome your contact at any time. However, we have included a Taxpayer Questionnaire (**Form CT-TQ**) in this package to enable you to respond quickly. Please take a few moments to complete it and return it to us.

I look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script that reads "Gene Gavin".

Gene Gavin
Commissioner

1997 Connecticut Package X

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* Not available at press time. Check our Web site or call the Department of Revenue Services Forms Unit. (Telephone numbers are listed on the back cover)

<http://www.state.ct.us/drs>

1997 Connecticut Package X

PHOTOCOPY GUIDELINES

To save time, please photocopy the forms in this package instead of ordering them from the Department's Forms Unit. Photocopies must be:

- facsimiles of the official form;
- on paper of substantially the same weight and texture, and of quality at least as good as that used for the official form;
- the same size as the official form, both as to the overall dimensions of the paper and the image reproduced thereon;
- a high standard of legibility both as to the original form and as to filled-in matter.

For approval of forms other than photocopies, send your request to:

**State of Connecticut
Department of Revenue Services
Attn: James Chakulski, Sr.
Taxpayer Services Division
25 Sigourney Street
Hartford CT 06106-5032**

What's New?

These forms have been added to the 1997 Connecticut Package X:

S CORPORATION INFORMATION AND COMPOSITE INCOME TAX

Supplemental Attachment Form CT-1120SI Supplemental Attachment

WITHHOLDING TAX

CT-941X(B) Amended Quarterly Reconciliation of Withholding

CT-8809 Request For Extension of Time to File Informational Return

SALES AND USE TAX

CERT-129 Exemption for Items Used Directly in the Biotechnology Industry

CORPORATION BUSINESS TAX

CT-1120 MEC Machinery and Equipment Expenditure Credit Summary

CT-1120 OC Opportunity Certificate Credit

CT-1120 RDC Research and Development Credit

CT-1120SK S Corporation Business Tax Credit Summary

CT-1120SK Instructions S Corporation Business Tax Credit Summary Instructions

CT-1120 ESA 1998 First Installment Estimated Corporation Business Tax

CT-1120 ESB 1998 Second Installment Estimated Corporation Business Tax

CT-1120 ESC 1998 Third Installment Estimated Corporation Business Tax

CT-1120 ESD 1998 Fourth Installment Estimated Corporation Business Tax

(all Estimated Corporation Business Tax forms include instructions)

TAX FILING DUE DATES

NOTES

- Due dates for payment of Connecticut withholding tax are the same as due dates for payment of federal payroll tax. A **Form CT-WH (DRS/N)**, *Connecticut Withholding Tax Payment Form* is due each time a deposit of federal income tax is made, **unless** the Connecticut withholding tax liability is less than \$500 for a calendar quarter. These employers may remit their payment with **Form CT-941**, *Quarterly Reconciliation of Withholding*.
- Those taxpayers who report income on other than a calendar year basis should use their federal filing dates.
- **If any due date falls on a Saturday, Sunday, or legal holiday, substitute the next business day.**

January 15, 1998

Individual Estimated Payment (CT-1040ES)
4th Installment 1997
Estimated Connecticut Income Tax Payment Coupons
For Trusts and Estates (CT-1041ES)
4th Installment 1997
Estimated Group Income Tax Payment (CT-G ES)
4th Installment 1997
Estimated Composite Income Tax
Payment (CT-1120SI-ES) 4th Installment 1997

January 31

Quarterly Reconciliation of Withholding
(CT-941(DRS)) 4th Quarter 1997
Sales and Use Tax Return (OS-114)
Monthly, Quarterly and Annually

February 28

Annual Reconciliation of Withholding (CT-W3)
Annual Summary and Transmittal of
Information Returns (CT-1096)
Sales and Use Tax Return (OS-114) Monthly

March 15

Estimated Corporation Business Tax (CT-1120 ESA)
1st Installment 1998

March 31

Sales and Use Tax Return (OS-114) Monthly

April 1

Corporation Business Tax Return
(CT-1120, CT-1120S, CT-1120CR)
Application for Extension of Time to File
Corporation Business Tax Return
(CT-1120 EXT)

April 15

Resident Income Tax Return (CT-1040)
EZ Resident Income Tax Return (CT-1040EZ)
Nonresident or Part-Year Resident
Income Tax Return (CT-1040NR/PY)
Connecticut Income Tax Return for
Trusts and Estates (CT-1041)
Partnership Income Tax Return (CT-1065)
S Corporation Information and Composite
Income Tax Return (CT-1120SI)
Group Income Tax Return (CT-G)
Alternative Minimum Tax
Return-Individuals (CT-6251)
Gift Tax Return (CT-709)
Individual Use Tax Return (OP-186)
Individual Estimated Payment (CT-1040ES)
1st Installment 1998
Estimated Connecticut Income Tax Payment Coupons
For Trusts and Estates (CT-1041ES)
1st Installment 1998
Estimated Group Income Tax Payment (CT-G ES)
1st Installment 1998
Estimated Composite Income Tax Payment (CT-1120SI-ES)
1st Installment 1998
Application for Extension of Time to File
Gift Tax Return (CT-709 EXT)
Application for Extension of Time for Payment of
Income Tax (CT-1127)
Application for Extension of Time to File
Individual Income Tax Return (CT-1040EXT)
Application for Extension of Time to File
Connecticut Income Tax Return for
Trusts and Estates (CT-1041EXT)
Application for Extension of Time to File
S Corporation Information and Composite
Income Tax Return (CT-1120SI EXT)

TAX FILING DUE DATES

April 15 (continued)

Application for Extension of Time to File Partnership
Income Tax Return (CT-1065EXT)
Application for Extension of Time to File Group
Income Tax Return (CT-G EXT)

April 30

Quarterly Reconciliation of Withholding
(CT-941 (DRS)) 1st Quarter 1998
Sales and Use Tax Return (OS-114)
Monthly and Quarterly

May 15

Unrelated Business Income Tax Return (CT-990T)
Application for Extension of Time to File Unrelated
Business Income Tax Return (CT-990T EXT)

Generally, the due date for **Form CT-990T** and **Form CT-990T EXT** is the fifteenth day of the fifth month following the close of the organization's income year; for certain trusts, however, the due date is the fifteenth day of the fourth month following the close of their income year.

May 31

Sales and Use Tax Return (OS-114) Monthly

June 15

Individual Estimated Payment (CT-1040ES)
2nd Installment 1998
Estimated Connecticut Income Tax Payment Coupons
for Trusts and Estates (CT-1041ES)
2nd Installment 1998
Estimated Composite Income Tax Payment
(CT-1120SI-ES) 2nd Installment 1998
Estimated Group Income Tax Payment (CT-G ES)
2nd Installment 1998
Estimated Corporation Business Tax (CT-1120 ESB)
2nd Installment 1998

June 30

Sales and Use Tax Return (OS-114) Monthly

July 31

Quarterly Reconciliation of Withholding
(CT-941 (DRS)) 2nd Quarter 1998
Sales and Use Tax Return (OS-114)
Monthly and Quarterly

August 31

Sales and Use Tax Return (OS-114) Monthly

September 15

Individual Estimated Payment (CT-1040ES)
3rd Installment 1998
Estimated Connecticut Income Tax Payment
Coupons For Trusts and Estates (CT-1041ES)
3rd Installment 1998
Estimated Group Income Tax Payment (CT-G ES)
3rd Installment 1998
Estimated Composite Income Tax Payment
(CT-1120SI ES) 3rd Installment 1998
Estimated Corporation Business Tax (CT-1120 ESC)
3rd Installment 1998

September 30

Sales and Use Tax Return (OS-114) Monthly

October 31

Quarterly Reconciliation of Withholding
(CT-941 (DRS)) 3rd Quarter 1998
Sales and Use Tax Return (OS-114)
Monthly and Quarterly

November 30

Sales and Use Tax Return (OS-114) Monthly

December 15

Estimated Corporation Business Tax (CT-1120 ESD)
4th Installment 1998

December 31, 1998

Sales and Use Tax Return (OS-114) Monthly

January 15, 1998

Individual Estimated Payment (CT-1040ES)
4th Installment 1998
Estimated Connecticut Income Tax Payment Coupons
for Trusts and Estates (CT-1041ES)
4th Installment 1998
Estimated Group Income Tax Payment (CT-G ES)
4th Installment 1998
Estimated Composite Income Tax Payment
(CT-1120SI-ES) 4th Installment 1998

January 31, 1999

Quarterly Reconciliation of
Withholding (CT-941) 4th Quarter 1998
Sales and Use Tax Return (OS-114)
Monthly, Quarterly, and Annually

1997 TAXPAYER QUESTIONNAIRE

A MESSAGE FROM COMMISSIONER GENE GAVIN

Your evaluation of the services provided by the Department of Revenue Services (DRS) will help us to continue to improve our services for the taxpayers of Connecticut. We appreciate receiving your comments and suggestions at any time, but especially as you complete your income tax return. Please include this questionnaire with your return (do not staple it to the return) or mail it directly to:

**Department of Revenue Services
Taxpayer Services Division
PO Box 2987
Hartford CT 06104-2987**

1. RATE YOUR CONTACTS WITH DRS IN THE PAST YEAR.

	Excellent	Good	Fair	Poor
Ordering forms from the DRS				
DRS Telephone System (CONN-TAX)				
DRS walk-in assistance				
DRS website, tax seminar or new business workshop				

Please explain your rating for any category if Fair or Poor:

2. WHICH OF THE FOLLOWING DRS CUSTOMER SERVICES DO YOU EXPECT TO USE IN THE NEXT YEAR?

- | | |
|--|---|
| <input type="checkbox"/> DRS Site on the World Wide Web
<input type="checkbox"/> Tax-Fax (Fax-on-demand using your fax machine)
<input type="checkbox"/> Walk-in Assistance
<input type="checkbox"/> Tax Seminars | <input type="checkbox"/> Recorded Tax Information (CONN-TAX Telephone System)
<input type="checkbox"/> Telephone Assistance From a DRS Representative
<input type="checkbox"/> Tax Information Publications
<input type="checkbox"/> Other _____ |
|--|---|

3. THE FOLLOWING SUGGESTIONS TO IMPROVE DRS SERVICES WERE MADE ON LAST YEAR'S TAXPAYER QUESTIONNAIRE. PRIORITIZE (1-5) THE SUGGESTIONS IN ORDER OF THEIR IMPORTANCE TO YOU: (1 = most important)

Simplify forms and instructions _____ (Specify form)	
Direct deposit of refund	
Taxpayer education on _____ (Specify topic)	
Using the telephone to file returns (teletyping)	
Improve telephone access for taxpayer assistance	

4. WHAT OTHER SUGGESTIONS OR COMMENTS WOULD YOU LIKE TO ADD?

Form CT-1040

CONNECTICUT RESIDENT INCOME TAX RETURN

For the year January 1 - December 31, 1997, or other taxable year ▶ beginning _____, 1997, ▶ ending _____, 19____.



Label Use the DRS label located on the inside of this booklet. Otherwise, please print or type. (See instructions)	L A B E L H E R E	Your First Name and Middle Initial _____ Last Name _____	Your Social Security Number _____
		If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial _____ Last Name _____	Spouse's Social Security Number _____
		Home Address _____ Number and Street _____	DEPARTMENT USE ONLY
		*City, Town or Post Office _____ State _____ ZIP Code _____	

Check here if you used a preparer and do not want forms sent to you next year. Checking this box does not relieve you of your responsibility to file
If you are required to file Form CT-2210 and checked any boxes on Part 1, check here

Filing Status Check only one box.	NOTE: Your filing status must be the same as your federal income tax filing status for this year. See instructions for details.	
	▶ A. <input type="checkbox"/> Single	
	▶ B. <input type="checkbox"/> Married filing joint return or Qualifying widow(er) with dependent child	
	▶ C. <input type="checkbox"/> Married filing <i>SEPARATE</i> returns _____ ▶ _____	Spouse's Social Security Number _____
	▶ D. <input type="checkbox"/> Head of household (with qualifying person) _____	Spouse's full name _____

Income and Tax	1. Federal Adjusted Gross Income (from federal Form 1040, Line 32; Form 1040A, Line 16; Form 1040EZ, Line 4; or TeleFile Tax Record, Line H) ▶	1		
	2. Additions, if any (from Schedule 1, Line 37 on reverse) ▶	2		
	3. Add Line 1 and Line 2 ▶	3		
	4. Subtractions, if any (from Schedule 1, Line 47 on reverse) ▶	4		
	5. Connecticut Adjusted Gross Income (Subtract Line 4 from Line 3) ▶	5		
	6. Income Tax: From Tax Table or Tax Calculation Schedule (See Instructions) ▶	6		
	7. Net Credit for income taxes paid to other jurisdictions (from Schedule 2, Line 58 on reverse) ▶	7		
	8. Subtract Line 7 from Line 6. (If Line 7 is greater than Line 6, enter 0.) ▶	8		
	9. Connecticut Alternative Minimum Tax (from Form CT-6251) ▶	9		
	10. Add Line 8 and Line 9 ▶	10		
	11. Credit for property taxes paid on your primary residence and/or motor vehicle (from Schedule 3, Line 66). To be allowed this credit, you must complete Schedule 3 on reverse. ▶	11		
	12. Subtract Line 11 from Line 10 (If less than zero, enter 0) ▶	12		
	13. Adjusted Net Connecticut Minimum Tax Credit (from Form CT-8801) ▶	13		
	14. Connecticut Income Tax (Subtract Line 13 from Line 12. If less than zero, enter 0.) ▶	14		
	15. Individual Use Tax You must enter a zero on this line if no use tax is due, otherwise you will not be considered to have filed a use tax return. (See instructions) ▶	15		
16. Total Tax (Add Line 14 and Line 15) ▶	16			

Payments	17. Connecticut tax withheld (Attach all W-2s and certain 1099s; see instructions) ▶	17		
	18. All 1997 estimated tax payments and any overpayments applied from a prior year ▶	18		
	19. Payments made with extension request (Form CT-1040EXT) ▶	19		
	20. Total payments (Add Lines 17, 18 and 19) ▶	20		

Refund, Amount You Owe or Contribution	21. If Line 20 is greater than Line 16, enter amount overpaid. (Subtract Line 16 from Line 20) ▶	21		
	22. Amount of Line 21 you want applied to your 1998 estimated tax ▶	22		
	23. Amount of Line 21 you want to contribute to: (See Instructions for details of funds)			
	 AIDS Research ▶ \$2 ▶ \$5 ▶ \$15 ▶ other .00			
	Organ Transplant ▶ \$2 ▶ \$5 ▶ \$15 ▶ other .00			
	 Endangered Species/Wildlife ▶ \$2 ▶ \$5 ▶ \$15 ▶ other .00			
	Breast Cancer Research ▶ \$2 ▶ \$5 ▶ \$15 ▶ other .00			
	Safety Net Services ▶ \$2 ▶ \$5 ▶ \$15 ▶ other .00			
	TOTAL CONTRIBUTIONS ▶	23		00
	24. Amount of Line 21 you want refunded to you (Subtract Line 22 and Line 23 from Line 21) ▶	24		
REFUND ▶	25			
25. If Line 16 is greater than Line 20, enter the amount of tax you owe. (Subtract Line 20 from Line 16) ▶	25			
26. If Late: Enter Penalty (See instructions) ▶	26			
27. If Late: Enter Interest (1% x number of months late or fraction thereof x amount on Line 25) ▶	27			
28. Interest on underpayment of estimated tax (from Form CT-2210; see instructions) ▶	28			
29. Amount you owe with this return (Add Lines 25 through 28) ▶	29			
AMOUNT YOU OWE ▶				

TAXPAYERS MUST SIGN DECLARATION ON REVERSE

DUE DATE: April 15, 1998

Make your check payable to: COMMISSIONER OF REVENUE SERVICES, and write your Social Security Number(s) and "1997 Form CT-1040" on your check.

Attach a copy of all applicable schedules and forms to this return. Mail in the envelope provided to you (with the correct label affixed).

For refund request or no tax due, mail to DRS, PO Box 2976, Hartford, CT 06104-2976.

For payment, mail to DRS, PO Box 2977, Hartford, CT 06104-2977.

STAPLE W-2s, W-2Gs AND 1099s HERE
 CLIP CHECK OR MONEY ORDER HERE (DO NOT STAPLE)

SCHEDULE 1 - MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME (SEE INSTRUCTIONS)

Additions To Federal Adjusted Gross Income - Enter All Amounts as Positive Numbers

30. Interest on state and local government obligations other than Connecticut	▶	30		
31. Exempt-interest dividends from a mutual fund derived from state or municipal government obligations other than Connecticut	▶	31		
32. Shareholder's pro rata share of S corporation nonseparately computed loss (See instructions)	▶	32		
33. Taxable amount of lump sum distributions from qualified plans not included in federal adjusted gross income	▶	33		
34. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero)	▶	34		
35. Loss on sale of Connecticut state and local government bonds	▶	35		
36. Other- specify (See instructions): _____	▶	36		
37. Total Additions (Add Lines 30 through 36) Enter here and on Line 2 on the front of this form	▶	37		

Subtractions From Federal Adjusted Gross Income - Enter All Amounts as Positive Numbers

38. Interest on United States government obligations	▶	38		
39. Exempt dividends from qualifying mutual funds derived from United States government obligations	▶	39		
40. Social security benefit adjustment (See instructions)	▶	40		
41. Refunds of state and local income taxes	▶	41		
42. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities	▶	42		
43. Shareholder's pro rata share of S corporation nonseparately computed income (See instructions)	▶	43		
44. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero)	▶	44		
45. Gain on sale of Connecticut state and local government bonds	▶	45		
46. Other- specify (Do not include out-of-state income; see instructions): _____	▶	46		
47. Total Subtractions (Add Lines 38 through 46) Enter here and on Line 4 on the front of this form	▶	47		

SCHEDULE 2 - CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

IMPORTANT: Failure to attach a copy of the other jurisdiction's return could result in the disallowance of this credit.

48. MODIFIED CONNECTICUT ADJUSTED GROSS INCOME (See instructions) ▶ 48

FOR EACH COLUMN, ENTER THE FOLLOWING:

- 49. Enter other jurisdiction's name and two-letter code (See instructions)
- 50. Non-Connecticut income included on Line 48 and reported on another jurisdiction's income tax return (from Schedule 2 Worksheet)
- 51. Divide Line 50 by Line 48 (may not exceed 1.0000)
- 52. Income tax liability (Subtract Line 11 from Line 6; see instructions)
- 53. Multiply Line 51 by Line 52
- 54. Income tax paid to another jurisdiction
- 55. Enter the smaller of Line 53 or Line 54
- 56. TOTAL CREDIT (Add Line 55, all columns)
- 57. Foreign tax credit previously allowed (See instructions)
- 58. **NET CREDIT** for income taxes paid to other jurisdictions (Subtract Line 57 from Line 56) Enter this amount here and on Line 7 on the front of this form.

	COLUMN A		COLUMN B	
	Name	Code	Name	Code
▶ 49				
▶ 50				
▶ 51				
▶ 52				
▶ 53				
▶ 54				
▶ 55				
			56	
			57	
			58	

SCHEDULE 3 - CREDIT FOR PROPERTY TAXES PAID ON YOUR PRIMARY RESIDENCE AND/OR MOTOR VEHICLE
Failure to complete this schedule could result in the disallowance of this credit

QUALIFYING PROPERTY	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	NAME OF CONNECTICUT TAX TOWN OR DISTRICT	DESCRIPTION OF PROPERTY If primary residence, enter street address If motor vehicle, enter year, make and model	LIST / BILL NUMBER (If available)	*DATE PAID	AMOUNT PAID
PRIMARY RESIDENCE				59	
AUTO 1				60	
MARRIED FILING JOINT ONLY - AUTO 2				61	
62. TOTAL PROPERTY TAX PAID (Add all amounts for Column E)				62	
63. MAXIMUM PROPERTY TAX CREDIT ALLOWED				63	215 00
64. Enter the Lesser of Line 62 or Line 63. (If \$100 or less, enter this amount on Line 66. If greater than \$100, go to Line 65).				64	
65. Limitation - Enter the result from the <i>Property Tax Credit Limitation Worksheet</i> (See instructions)				65	
66. Subtract Line 65 from Line 64. Enter here and on Form CT-1040, Line 11.				66	

* **Generally, for property tax bills first due and payable on or after July 1, 1997.** (See instructions)

DECLARATION:

I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Your Return	Your Signature	Date	Spouse's Signature (if joint return)	Date
	Paid Preparer's Signature			Date
	Firm Name			Federal Employer I.D. Number

Form CT-1040EZ

CONNECTICUT RESIDENT EZ INCOME TAX RETURN

For the year January 1 - December 31, 1997, or other taxable year ▶ beginning _____, 1997, ▶ ending _____, 19____.

Label Use the DRS label located on the inside of this booklet. Otherwise, please print or type. (See instructions)	L A B E L H E R E	Your First Name and Middle Initial _____ Last Name _____ Social Security Number _____
		If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial _____ Last Name _____ Spouse's Social Security Number _____
		Home Address _____ Number and Street _____ DEPARTMENT USE ONLY
		City, Town or Post Office _____ State _____ ZIP Code _____ Your Telephone Number (____) _____



You may file Form CT-1040EZ if you meet ALL of the following conditions: (See instructions)
 A. You have no modifications to Federal Adjusted Gross Income for Connecticut income tax purposes; or your only modification is a federally taxable refund of state and local income taxes; **and**
 B. You were a resident of Connecticut for the entire taxable year; **and**
 C. You are not claiming credit for income taxes paid to another jurisdiction; **and**
 D. You do not have a federal alternative minimum tax liability, and you are not claiming an adjusted net Connecticut minimum tax credit.

Check here if you used a preparer and do not want forms sent to you next year. Checking this box does not relieve you of your responsibility to file..... ▶

Filing Status Check only one box.	NOTE: Your filing status must be the same as your federal income tax filing status for this year. See instructions for details.
	▶ A. <input type="checkbox"/> Single
	▶ B. <input type="checkbox"/> Married filing joint return or Qualifying widow(er) with dependent child
	▶ C. <input type="checkbox"/> Married filing <i>SEPARATE</i> returns _____ Spouse's full name _____ Spouse's Social Security Number _____
▶ D. <input type="checkbox"/> Head of household (with qualifying person)	

Income and Tax	1. Federal Adjusted Gross Income (from federal Form 1040, Line 32; Form 1040A, Line 16; Form 1040EZ, Line 4; or TeleFile Tax Record, Line H)	▶	1		
	2. Refunds of state and local income taxes (from federal Form 1040, Line 10; see instructions)	▶	2		
	3. Connecticut Adjusted Gross Income (Subtract Line 2 from Line 1)	▶	3		
	4. Income Tax: From Tax Table or Tax Calculation Schedule (See instructions)	▶	4		
	5. Credit for property taxes paid on your primary residence and/or motor vehicle (from Schedule 2 EZ, Line 26) To be allowed this credit, you must complete Schedule 2 EZ on reverse.	▶	5		
	6. Connecticut Income Tax (Subtract Line 5 from Line 4. If less than zero, enter 0.)	▶	6		
	7. Individual Use Tax (from Schedule 1 EZ, Line 18 on reverse) You must enter a zero on this line if no use tax is due, otherwise you will not be considered to have filed a use tax return. (See instructions)	▶	7		
	8. Total Tax (Add Line 6 and Line 7)	▶	8		

Payments	9. Connecticut tax withheld (Attach all W-2s and certain 1099s; see instructions)	▶	9		
	10. All 1997 estimated tax payments and any overpayments applied from a prior year	▶	10		
	11. Payments made with extension request (Form CT-1040EXT)	▶	11		
	12. Total payments (Add Lines 9, 10 and 11)	▶	12		

Refund, Amount You Owe or Contribution	13. If Line 12 is greater than Line 8, enter amount overpaid. (Subtract Line 8 from Line 12)	▶	13		
	14. Amount of Line 13 you want applied to your 1998 estimated tax	▶	14		
	15. Amount of Line 13 you want to contribute to: (See instructions for details of funds)				
	 AIDS Research ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00				
	Organ Transplant ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00				
	 Endangered Species/Wildlife ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00				
	Breast Cancer Research ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00				
	Safety Net Services ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00				
	TOTAL CONTRIBUTIONS	▶	15		00
	16. Amount of Line 13 you want refunded to you (Subtract Line 14 and Line 15 from Line 13)	▶	16		
17. If Line 8 is greater than Line 12, enter the amount of tax you owe. (Subtract Line 12 from Line 8. See instructions)	▶	17			
AMOUNT YOU OWE					

TAXPAYERS MUST SIGN DECLARATION ON REVERSE **DUE DATE: April 15, 1998**
 Make your check payable to: COMMISSIONER OF REVENUE SERVICES, and write your Social Security Number(s) and "1997 Form CT-1040EZ" on your check.
 Attach a copy of all applicable schedules and forms to this return.
 Mail in the envelope provided to you (with the correct label affixed).
For refund request or no tax due, mail to DRS, PO Box 150420, Hartford, CT 06115-0420.
For payment, mail to DRS, PO Box 150440, Hartford, CT 06115-0440.

SCHEDULE 1 EZ - INDIVIDUAL USE TAX

Complete this schedule if you have a Connecticut individual use tax liability. You owe use tax if you purchased taxable goods or services during the taxable year and did not pay Connecticut sales tax on the purchase. *Individual items with the purchase price of \$300 or more must be listed separately below. The total tax liabilities for items with the purchase price under \$300 need not be listed separately, but must be included on Line A.* For more information refer to the instruction booklet.

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G
DATE OF PURCHASE	DESCRIPTION OF ARTICLES OR SERVICES	RETAILER OR SERVICE PROVIDER	PURCHASE PRICE	CT TAX DUE (.06 x Column D)	TAX, IF ANY, PAID TO ANOTHER JURISDICTION	BALANCE DUE (Col. E - Col. F but not less than zero)
A. TOTAL OF INDIVIDUAL PURCHASES UNDER \$300 NOT LISTED ABOVE					A	
18. Individual Use Tax (Add all amounts for Column G) Enter here and on Line 7 on the front of this form.						18

IMPORTANT: You must enter a zero on Line 7 if no Connecticut use tax is due. If you do not make an entry on Line 7, you will not be considered to have filed a use tax return.

SCHEDULE 2 EZ - CREDIT FOR PROPERTY TAXES PAID ON YOUR PRIMARY RESIDENCE AND/OR MOTOR VEHICLE

Failure to complete this schedule could result in the disallowance of this credit.

QUALIFYING PROPERTY	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	NAME OF CONNECTICUT TAX TOWN OR DISTRICT	DESCRIPTION OF PROPERTY <small>If primary residence, enter street address If motor vehicle, enter year, make and model</small>	LIST / BILL NUMBER <small>(If available)</small>	*DATE PAID	AMOUNT PAID
PRIMARY RESIDENCE					19 ▶
AUTO 1					20 ▶
MARRIED FILING JOINT ONLY - AUTO 2					21 ▶
22. TOTAL PROPERTY TAX PAID (Add all amounts for Column E)					22 ▶
23. Maximum Property Tax Credit Allowed					23 215 00
24. Enter the Lesser of Line 22 or Line 23. (If \$100 or less, enter this amount on Line 26. If greater than \$100, go to Line 25).					24
25. Limitation - Enter the result from the <i>Property Tax Credit Limitation Worksheet (See instructions)</i>					25
26. Subtract Line 25 from Line 24. Enter here and on Form CT-1040EZ, Line 5.					26 ▶

* Generally, for property tax bills first due and payable on or after July 1, 1997. (See instructions)

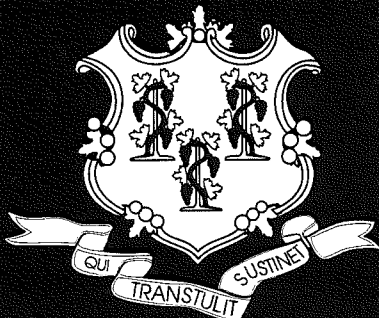
DECLARATION: I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here <small>Keep a copy of this return for your records</small>	Your Signature	Date	Spouse's Signature (if joint return)	Date
	Paid Preparer's Signature			Date
	Firm Name			Federal Employer I.D. Number

1997 FORM CT-1040

This booklet
contains:

- Form CT-1040
- Form CT-1040EXT
- Form CT-1040ES
- Individual Use Tax
Worksheet
- Tax Tables
- Tax Calculation
Schedule
- Taxpayer
Questionnaire



Connecticut Resident Income Tax

Return and Instructions

Dear Customer:

The Connecticut Department of Revenue Services is proud of the progress we have made in improving the quality of service that we provide to our customers. We are pleased to announce that again this year the Department has received awards for excellence and innovation and taxpayers continue to give us high marks for the way we do business. At DRS, we are committed to providing you with cost effective and efficient tax administration, programs that promote voluntary compliance, and above all, fair and equitable treatment of all taxpayers.

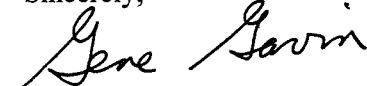
Before completing this return, please read the booklet carefully. Many important taxpayer-friendly legislative changes mean lower taxes for you, make the filing of your tax returns easier and facilitate faster refunds. These include:

- **lower 3% tax rate applies to more of your Connecticut income, reducing your overall tax;**
- **increase of available property tax credit up to \$215;**
- **expanded electronic and personal computer filing opportunities; and**
- **increase in threshold of underpayment of estimated taxes before interest may be imposed.**

Should you have any questions about filing your Connecticut state tax return, Department personnel are ready to help you. Please refer to the back cover for a complete list of our regional office locations, hours of service, phone and fax numbers. Comprehensive taxpayer information, including downloadable forms, is also available on our Internet site: <http://www.state.ct.us/drs>.

Your comments help us serve you better. I invite you to write or e-mail us through our Internet site with your ideas and suggestions.

Sincerely,


Gene Gavin
Commissioner

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

SOME IMPORTANT CHANGES

- The income tax rate for individuals for taxable years beginning on or after **January 1, 1997**, has been reduced to 3% on the first **\$6,250** of *Connecticut taxable income* for single/married filing separate filers, **\$10,000** of *Connecticut taxable income* for heads of household, and **\$12,500** of *Connecticut taxable income* for married individuals filing jointly. *Connecticut taxable income* above these amounts is taxed at 4.5%.
- A **NEW** property tax credit for Connecticut residents who have paid property taxes on their primary residence and/or privately owned or leased motor vehicles is allowed for property taxes first becoming due and actually paid during the 1997 taxable year. The maximum credit allowed is \$215 per return. If you pay more than \$100 in property tax, you may be subject to a limitation based on your Connecticut adjusted gross income. See *Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle*, Page 21 for additional information, or listen to Topic 408, *Property Tax Credit*, on CONN-TAX (see below).
- There are two additional contribution check off boxes on the Connecticut Income Tax Return: the **Breast Cancer Research and Education Fund** and the **Safety Net Services Fund**. You may contribute all or part of your refund to one or more of these funds. See *What Will Your Contribution be Used For?* on Page 13 for a description of each fund.
- The threshold at which estimated income tax payments are required has been raised to \$500 from \$200. See *Should I Make Estimated Tax Payments?* on Page 8.
- The penalty for late payment of use tax has been reduced from 15% to 10% of the balance due.
- Each shareholder of an S corporation subject to the Connecticut corporation business tax must include 90% of his or her pro rata share of the S corporation's nonseparately computed income or loss multiplied by the S corporation's corporation business tax apportionment percentage, in computing Schedule 1 modifications. See instructions for Line 32, on Page 15 or Line 43, on Page 16.
- **Form CT-8801**, *Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates* has been revised to allow a greater portion of the credit for alternative minimum tax paid in a prior year to be used in the current taxable year.
- Effective for taxable years beginning on or after January 1, 1998, the social security modification on Schedule 1 has been revised. When completing the 1998 **Form CT-1040ES** reduce Line K of the 1997 *Social Security Benefit Adjustment Worksheet* by 50% before completing Line L and Line M.
- Farmers and fishermen, as defined in §6654(i)(2) of the Internal Revenue Code, must now make only one estimated income tax payment. This payment is due on or before January 15 of the following year. In addition, if a farmer or fisherman files a return and pays the tax computed on the return as payable on or before March 1 of the following year, no estimated payment is required for the prior year. See *Special Rules for Farmers and Fishermen* on Page 8.

CONN-TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Call **860-297-5962** (Hartford area and out-of-state) or **1-800-382-9463** (in-state), press "2" to select "*Recorded Income Tax Information*," and enter the 3 digit number beside the topic of your choice.

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OTHER TAXES THAT YOU SHOULD KNOW ABOUT

The information that follows is intended to be a general description of other Connecticut taxes for which you may be liable. More detailed information is available by requesting the form or publication specified. Failure to pay these taxes, if you are liable for them, may subject you to civil and criminal penalties.

Connecticut Use Tax Reported on Form CT-1040

In general, purchased goods or services which would have been subject to the Connecticut sales tax had those goods or services been purchased from a Connecticut retailer, are subject to the Connecticut use tax. Typically, individuals who have purchased goods from mail order or catalog companies and have had those goods shipped to Connecticut, and individuals who have purchased goods at out-of-state locations and have brought those goods back into Connecticut, are subject to the Connecticut use tax if they did not pay Connecticut sales tax. The Connecticut use tax is computed on the purchase price of the goods or services and must be paid by April 15, 1998, for all purchases subject to the Connecticut use tax made during 1997. Taxpayers who owe use tax must complete Form CT-1040, *Individual Use Tax Worksheet*, on Page 23.

Connecticut Gift Tax (Form CT-709)

Gifts made during each calendar year by resident and nonresident individuals are subject to the Connecticut gift tax. Residents are subject to tax on all gifts of intangible property and of real and tangible personal property located in Connecticut. In general, gifts made to any particular donee are not subject to the Connecticut gift tax unless the value of all such gifts to such donee during the calendar year exceeds \$10,000. The tax is computed on the fair market value of the property that was given. The donor is liable for the tax, but if the donor does not pay the tax, it may be collected from the donee. The tax is reported on, and paid upon the filing of Form CT-709, *Connecticut Gift Tax Return*. The return must be filed, and the gift tax paid, on or before April 15 annually for gifts made during the preceding calendar year.

Connecticut Tax for Household Employers

Connecticut rules differ from federal rules. Household employers may not report and pay household employee withholding tax on their Connecticut income tax return. Request SN 96(8), *1996 Legislative Changes Concerning "Nanny Tax" Withholding*.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users **only** may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover of this booklet.

If you visit, be sure to bring:

1. your "state copy" of your federal Forms W-2 or 1099-R;
and
2. your **COMPLETED** federal income tax return.

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at Connecticut:

- post offices
- town halls
- public libraries
- some banks

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three, for DRS Forms Unit.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

HOW CAN I GET MY REFUND FASTER?

The Department of Revenue Services issues refund checks as quickly as possible. An incomplete or incorrectly prepared return can delay or reduce your income tax refund. The following tips will help us get your refund to you as quickly as possible.

1. File the appropriate form for your tax situation. Most people will be able to file the simpler **Form CT-1040EZ**, *Connecticut Resident EZ Income Tax Return*. (See *Which Form Should I Use?* on Page 6.) Using this form decreases processing time and speeds refunds.
2. Be sure to check the correct filing status.
3. Make sure a legible "state copy" of all federal Forms W-2 (Wages) are attached to your Connecticut return. Also attach Forms W-2G (Winnings), 1099-R (Pensions) and any other forms showing Connecticut income tax withheld.

4. Sign your return upon completion. If you and your spouse are filing jointly, both of you must sign.
5. Be sure your paid preparer signs the return.
6. Use the preprinted label if one is included with this booklet. The information on this label will help us process your return and refund more quickly.

If you are not using a preprinted label, be sure to include your name(s), mailing address and social security number(s) in the name and address section of your return.
7. Be sure that both you and your spouse file your income tax returns at the same time if you filed joint estimated tax payments but elected to file separate income tax returns. No refund will be processed until both Connecticut returns are received.
8. Use the correct mailing label when filing your return. One label is for refund requests or no additional tax due. The other is for payments.

Electronic Filing / On-Line Filing

The Department of Revenue Services participates with the Internal Revenue Service in the joint Federal/State Electronic Filing Program. You can now file electronically if you have a refund, a balance due or no tax due return. You will benefit from faster refunds and a direct deposit of refunds. The Department cannot provide you with information about how to file electronically. You must contact a tax professional or company that offers electronic filing or on-line filing through the Federal/State Electronic Filing Program.

WHO MUST FILE A CONNECTICUT RETURN?

You are required to file a Connecticut income tax return if you were a resident for the entire year or consent to be treated as a resident for the entire year **and** any of the following is true for the 1997 taxable year:

1. you had Connecticut income taxes withheld; **or**
2. you made estimated tax payments to Connecticut; **or**
3. you meet the gross income test (see below); **or**
4. you had a federal alternative minimum tax liability.

The Gross Income Test

You are required to file a Connecticut income tax return if your **gross income** for 1997 exceeds:

- \$12,000 for a Single or Married person filing separate
- \$19,000 for Head of household
- \$24,000 for Married persons filing jointly

Gross income means all income you received in the form of money, goods, property and services that is not exempt from federal tax **and** any additions to income from **Forms CT-1040 or CT-1040NR/PY**, Schedule 1.

Gross income includes, but is not limited to, the following items:

- compensation for services, including wages, fees, commissions, taxable fringe benefits, and similar items;
- gross income from a business;
- capital gains;
- interest and dividends;
- gross rental income;
- gambling winnings;
- alimony;
- taxable pensions and annuities;
- prizes and awards;
- your share of income from partnerships, S corporations, estates and trusts;
- IRA distributions;
- unemployment compensation;
- **federally taxable social security.**

The following examples explain the gross income test:

Example 1: A Connecticut resident whose only income is from a sole proprietorship files a federal Form 1040, Schedule C reporting the following:

Schedule C:	Gross Income	\$100,000
	Expenses	(92,000)
	Net Income	\$8,000

Since the gross income of \$100,000 exceeds the minimum requirements, this resident is required to file a Connecticut tax return.

Example 2: A Connecticut resident receives \$8,000 in federally nontaxable social security benefits and \$11,000 in interest income. Since nontaxable social security is not part of gross income, no Connecticut return must be filed provided no Connecticut tax was withheld and no estimated tax payments were made.

Example 3: A resident who files as single on a Connecticut income tax return receives \$11,500 in wage income and \$1,000 in federally-exempt interest from California state bonds. The taxpayer's federal gross income with additions from Form CT-1040, Schedule 1 (interest on state or local obligations other than Connecticut) is \$12,500. Therefore, a Connecticut return must be filed.

Title 19 Recipients

Title 19 recipients are required to file a Connecticut income tax return if the requirements for *Who Must File a Connecticut Return?* are met. If you were a Title 19 recipient in 1997 and Medicaid assisted in the payment of your long-term care in a nursing or convalescent home in 1997 and you do not have the funds to pay your Connecticut income tax, complete Form CT-19 IT and attach it to the front of your Connecticut income tax return. By completing this form you authorize DRS to verify your Title 19 status for 1997 with the Department of Social Services.

How Do I File A Decedent's Return?

A Connecticut income tax return must be filed for a taxpayer who died during the taxable year if the requirements for *Who Must File a Connecticut Return?* are met. It must be signed and filed by his or her executor, administrator or surviving spouse for the portion of the year before the taxpayer's death. The date of the taxpayer's death must be clearly stated at the top of the return. As for federal purposes, a joint return may be filed by a surviving spouse. (Indicate who is deceased and date of death.) Write "**Filing as surviving spouse**" in the deceased spouse's signature block of the return. In the case of the death of both spouses, a final return must be filed by their legal representative. The Connecticut filing status must be consistent with the federal filing status.

Claiming A Refund For A Deceased Taxpayer

If you are a surviving spouse filing a joint return with the deceased, file only the tax return to claim the refund. If you are a court-appointed representative, file the return and attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach federal Form 1310.

Any income received by the estate of the decedent for the portion of the taxable year after the decedent's death, and for succeeding taxable years until the estate is closed, must be reported each year on Form CT-1041, *Connecticut Income Tax Return for Trusts and Estates*.

Special Information For Nonresident Aliens

In accordance with Conn. Agencies Regs. §12-740-8, a nonresident alien who is a resident of Connecticut, or who is a nonresident of Connecticut but has Connecticut adjusted gross income derived from or connected with sources within this state, shall file a Connecticut income tax return and pay Connecticut income tax even though the nonresident alien is not or may not be required to file a federal income tax return or pay federal income tax. The provisions of any income tax treaty between the United States and another country shall be disregarded for Connecticut income tax purposes, because no such treaty prohibits or restricts the imposition of state and local income taxes. Therefore, for Connecticut income tax purposes, any treaty income as reported on federal Form 1040NR must be entered as a modification increasing federal adjusted gross income on Form CT-1040, Schedule 1, Line 36. Enter the words "**treaty income**" in the space provided. You must attach a copy of your federal Form 1040NR to your Connecticut income tax return whether or not one was actually filed with the Internal Revenue Service. (See *Am I a Resident, Part-year Resident or Nonresident* on Page 6.)

Taxable Year and Method of Accounting

A taxpayer's taxable year and method of accounting shall be the same as the taxpayer's taxable year and method of accounting for federal income tax purposes.

If a taxpayer's taxable year or method of accounting is changed for federal income tax purposes, the taxable year or method of accounting shall be similarly changed for Connecticut income tax purposes.

WHICH FORM SHOULD I USE?

Can I File Form CT-1040EZ?

Most residents will find that they qualify to file the short, simple **Form CT-1040EZ**. You may file **Form CT-1040EZ** if all of the following are true:

- you were a resident of Connecticut for the entire year or consent to be treated as a resident for the entire year; **and**
- you are not claiming credit for income taxes paid to another jurisdiction; **and**
- you have no modifications to federal adjusted gross income for Connecticut income tax purposes, **or** your only modification is a federally taxable refund of state and local income taxes (see *Schedule 1 Modifications to Federal Adjusted Gross Income* on Page 15); **and**
- you do not have a federal alternative minimum tax liability; **and**
- you are not claiming an adjusted net Connecticut minimum tax credit.

If **any** of these statements are **not** true, you must file **Form CT-1040** or **Form CT-1040NR/PY**.

If you owe penalty and interest for a late-filed return **and** you want to pay the amount with your return, you must file **Form CT-1040**. However, if you file **Form CT-1040EZ**, the Department will bill you for outstanding penalty and interest.

If one spouse is a resident and the other spouse is a part-year resident or nonresident and you file a joint federal income tax return you may not be eligible to file a joint **Form CT-1040EZ**. See *Filing Status* on Page 11 for information.

What is Connecticut Adjusted Gross Income?

For the purpose of completing **Form CT-1040**, Connecticut adjusted gross income is your federal adjusted gross income as reported on Line 32 of your federal Form 1040, Line 16 of your federal Form 1040A, Line 4 of your federal Form 1040EZ, or Line H on your TeleFile Tax Record with Connecticut modifications as listed on **Form CT-1040**, Schedule 1.

Am I a Resident, Part-Year Resident or Nonresident?

To determine your residency status and the return you must file for 1997, read the following:

Resident: (Complete **Form CT-1040EZ** or **Form CT-1040**)

1. Connecticut was my domicile (permanent legal residence) for the entire year of 1997; **or**
2. I maintained a permanent place of abode in Connecticut **and** spent a total of more than 183 days in Connecticut during the 1997 taxable year, **and** I am not a part-year resident.

Part-Year Resident: (Complete **Form CT-1040NR/PY**)

I changed my permanent legal residence by moving into or out of Connecticut during the taxable year. (See detailed filing instructions contained in the instruction booklet for **Form CT-1040NR/PY**.)

Nonresident: (Complete **Form CT-1040NR/PY**)

1. I was not a resident or part-year resident for 1997; **and**
2. I had income, gains or losses from Connecticut sources in 1997.

IMPORTANT: You may be treated as a nonresident for 1997 even though your domicile was Connecticut if **all** of the following conditions are met:

1. you maintained no permanent place of abode in Connecticut for the entire taxable year of 1997; **and**
2. you maintained a permanent place of abode outside of Connecticut for the entire taxable year of 1997; **and**
3. you spent not more than thirty days in the aggregate in Connecticut during the 1997 taxable year.

Military personnel stationed in Connecticut, but domiciled in another state are considered nonresidents. (See detailed filing instructions contained in the instruction booklet for **Form CT-1040NR/PY**.)

DEFINITIONS: *Domicile* (permanent legal residence) is the place you intend to have as your permanent home. It is the place you intend to return to whenever you are away. You can have only one domicile although you may have more than one place to live. Your domicile does not change until you move to a new location and definitely intend to make your permanent home there. If you move to a new location but intend to stay there only for a limited time (no matter how long), your domicile does not change. This also applies if you are working in a foreign country.

Permanent place of abode is a residence (a building or structure where a person can live) that you permanently maintain, whether or not you own it, and generally includes a residence owned by or leased to your spouse. A permanent place of abode is not deemed permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.

Are Military Personnel Required to File?

Military personnel who claim Connecticut as a residence but are stationed elsewhere will be subject to Connecticut income tax. If you enlisted in the service as a Connecticut resident and have not established a new domicile (permanent legal residence) elsewhere, you are required to file a resident income tax return unless you meet all three conditions for being treated as a nonresident listed above.

If your permanent home (domicile) was outside Connecticut when you entered the military, you do not become a Connecticut resident because you are stationed and live in Connecticut. As a nonresident, your military pay is not subject to Connecticut income tax. However, income that you receive from Connecticut sources while you are a nonresident (including your spouse's nonmilitary income) may be subject to Connecticut income tax. (See instructions for a Connecticut nonresident contained in the instruction booklet for **Form CT-1040NR/PY**.)

Example: Sue is a resident of Florida. She enlisted in the Navy in Florida and was stationed in Groton, Connecticut. She earned \$38,000 in military pay.

A. She had no other income.

Military personnel are residents of the state in which they resided when they enlisted. Since Sue resided and enlisted in Florida, she is considered a resident of Florida and does not have to file a Connecticut return.

B. Sue has a part-time job in Connecticut.

Her Connecticut source income from nonmilitary employment is taxable and must be reported on **Form CT-1040NR/PY**.

Spouses of military personnel who are stationed in Connecticut may be considered residents of this state even if their domicile is elsewhere. (See *Am I a Resident, Part-Year Resident or Nonresident?* on Page 6.)

For further information, contact the Department and request **IP 92(2.4)**, *Connecticut Income Tax Information for Military Personnel and Veterans*.

The income tax return of any individual in the U.S. armed forces serving in a combat zone or injured and hospitalized while serving in a combat zone shall be due 180 days after returning. There will be no penalty or interest charged. For any individual who dies while on active duty in a combat zone or as a result of injuries received in a combat zone, no income tax or return is due for the year of death. A refund of tax paid will be provided to the legal representative of the estate or to the surviving spouse.

DEFINITION: *Combat zone* is an area designated by the President of the United States as a combat zone by executive order. A combat zone also includes an area designated by the federal government as a *qualified hazardous duty area*.

Example: If an individual in the U.S. armed forces is serving in the peacekeeping efforts in Bosnia and Herzegovina, Croatia or Macedonia, he or she is also eligible for the 180 day extension due individuals serving in a combat zone. The individual should print at the top of his or her return "**Bosnia-Operation Joint Endeavor**".

WHEN SHOULD I FILE?

Your Connecticut income tax return is due on or before April 15, 1998, and will be considered timely-filed if received or if the date shown by the U.S. Post Office cancellation mark is on or before this date.

If your taxable year is other than the calendar year, you must file on or before the fifteenth day of the fourth month after the end of your taxable year. If this date falls on a Saturday, Sunday or legal holiday, substitute the next business day. Your return will be considered timely-filed if it is actually received or if the date shown by the U.S. Post Office cancellation mark is on or before the due date of your return.

If you file late, you will be subject to penalty and interest. Penalty and interest apply to late filing, late payment and underpayment of tax. If you have an overpayment of income tax or no tax is due but you are required to file a return and you file late, you will be subject to penalty.

How Do I Request an Extension of Time to File My Return?

If you are unable to file a timely return you must file **Form CT-1040EXT**, *Application for Extension of Time to File*, and pay the amount of tax you expect to owe on or before the original due date for filing your Connecticut income tax return. This form is contained in this booklet for your convenience. The filing of this form will automatically extend the due date for **six months** (October 15, 1998, for calendar year taxpayers) if federal Form 4868, *Application for Automatic Extension of Time*, has been filed. (You are not required to attach a copy of the federal extension request to **Form CT-1040EXT**.)

Form CT-1040EXT only extends the time to file your final return; it **does not** extend the time to pay your income tax or individual use tax. Penalty and interest will be assessed on any tax not paid by the original due date. (See *When Do Penalty and Interest Apply?* on Page 9.)

U.S. Citizens Living Abroad

If you are a U.S. citizen or resident living outside the United States and Puerto Rico, or in the armed forces of the United States serving outside the United States and Puerto Rico, and are unable to file a timely Connecticut income tax return, you must file **Form CT-1040EXT**. You must also pay the amount of tax that you expect to owe on or before the original due date of the return.

Include with **Form CT-1040EXT** a statement that you are a U.S. citizen or resident living outside the United States and Puerto Rico, or in the armed forces of the United States serving outside the United States and Puerto Rico and that you qualify for a federal automatic two-month extension. If your application is approved, the due date will be extended for six months (October 15, 1998, for calendar year taxpayers). If you are still unable to file your return and you have applied for and were granted an additional extension of time to file for federal purposes using federal Form 2350, you may also file your Connecticut return using the federal extension due date but you must attach a copy of the federal Form 2350 approval notice to the front of your Connecticut return.

WHAT IF I CAN'T PAY ALL THE TAX I OWE?

In general, penalty and interest apply to any portion of the tax that is not paid on or before the original due date of the return. Even if you cannot pay all the tax you owe, you should file your return on time and pay as much as you can. Penalty and interest will be assessed on any tax not paid by the original due date. (See *When Do Penalty and Interest Apply?* on Page 9.) If you continue to make payments, you can reduce the amount of interest you would otherwise owe.

Extension of Time to Pay the Tax

You may be eligible for an extension of six months to pay the tax you owe if you can show that it will cause you undue hardship to pay the tax on the date it is due. To receive consideration, you must file **Form CT-1127**, *Application For Extension Of Time For Payment Of Income Tax*, on or before the original due date of the return.

You must attach **Form CT-1127** to the front of your timely-filed Connecticut income tax return or your timely-filed **Form CT-1040EXT**. As evidence of the need for extension, you must attach (1) a statement of assets and liabilities, and (2) an itemized list of receipts and disbursements for the preceding three months. You must also explain why you are unable to borrow the money to pay the tax.

If an extension of time to pay is granted and full payment of tax is made on or before the end of the extension period, the penalty will be waived. Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment from the original due date of the return until the tax is paid in full. Interest charges cannot be waived.

You are required to make full payment of tax on or before the end of the extension period. The Department encourages you to begin making payments as soon as possible which will reduce the interest that you will otherwise owe. Mail payments to:

Accounts Receivable Unit
Department of Revenue Services
PO Box 5088
Hartford CT 06102-5088

WHAT SHOULD I DO IF I MAKE A MISTAKE OR LEAVE SOMETHING OFF MY RETURN?

If, after filing your income tax return, you receive an additional wage and tax statement (Form W-2 or 1099) or discover that an error was made, **do not** submit a second **Form CT-1040**. If corrections are necessary, you must file **Form CT-1040X, Amended Connecticut Income Tax Return**. An amended return claiming a refund of an overpayment must be filed within three years from the original due date of the return, or three years from the extended due date of the return if an extension of time to file the return was granted by the Department to the taxpayer.

Contributions made to designated funds and overpayments applied to the next year's estimated taxes on the original return are irrevocable and cannot be changed by amendment.

Changes to Your Federal Return

If your income is changed or corrected by the Internal Revenue Service, you must file **Form CT-1040X**, within 90 days after the final determination is made, if the federal change affects the Connecticut income tax liability (including alternative minimum tax).

If you file an amended federal income tax return, you must also file **Form CT-1040X** within 90 days after filing your amended federal income tax return if the change affects the Connecticut income tax liability (including alternative minimum tax).

Changes to Another State's Return

If you claimed credit on your Connecticut income tax return or **Form CT-6251, Connecticut Alternative Minimum Tax Return-Individuals**, for income tax paid to another jurisdiction and the amount of tax you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file **Form CT-1040X** within 30 days of the final determination of that amount.

IMPORTANT: For taxable years beginning on or after January 1, 1996, **Form CT-1040X** is year-specific. **Form CT-1040X** is available from the Department. In order to receive the appropriate form, state the year for which you are amending your return when requesting **Form CT-1040X**.

SHOULD I MAKE ESTIMATED TAX PAYMENTS?

A payment of estimated income tax is generally required if your Connecticut income tax (after tax credits) **minus** Connecticut tax withheld is **more than \$500**, **AND** you expect your Connecticut income tax withheld to be less than your required annual payment.

Your required annual payment for 1998 is the lesser of:

1. **90%** of the income tax shown on your **1998 Connecticut income tax return**;
- or
2. **100%** of the income tax shown on your **1997 Connecticut income tax return**, if you filed a 1997 Connecticut income tax return that covered a 12-month period.

You do **not** have to make estimated income tax payments if:

1. you were a Connecticut resident in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability;
- or
2. you were a nonresident or part-year resident with Connecticut source income in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did not have Connecticut source income in 1997 then you **must** use 90% of the income tax shown on your 1998 Connecticut income tax return as your required annual payment.

Special Rules for Farmers and Fishermen

If you are a farmer or fisherman (as defined in Section 6654(i)(2) of the Internal Revenue Code) who is required to make estimated income tax payments, you will be required to make only one payment. Your installment is due on or before January 15, 1999, for the 1998 taxable year. The required installment shall be the lesser of 66 2/3% of the Connecticut income tax shown on your 1998 return or 100% of the Connecticut income tax shown on your 1997 return. For further information, request **IP 97(8), Farmer's Guide to Sales and Use and Estimated Income Taxes**.

A farmer or fisherman, as defined in Section 6654(i)(2) of the Internal Revenue Code, who files a 1998 Connecticut income tax return on or before March 1, 1999, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for underpayment of estimated tax.

Farmers and fishermen who use these special rules **must** complete and attach **Form CT-2210, Underpayment of Estimated Tax by Individuals, Trusts and Estates** to their Connecticut income tax return to avoid being billed for interest on the underpayment of estimated income tax. **Form CT-2210, Part I, Box D** must be checked as well as the box for **Form CT-2210** on the front of **Form CT-1040**.

Annualized Income Installment Method

If your income varies throughout the year, using the annualized income installment method may enable you to reduce or eliminate the amount of your estimated tax payment for one or more periods. For further information, request **IP 93(6.4), A Guide to Calculating Your Annualized Estimated Tax Installments and Worksheet CT-1040AES**.

Filing Form CT-1040ES

Use **Form CT-1040ES, Estimated Connecticut Income Tax Payment Coupon**, to make estimated Connecticut income tax payments for 1998. If you made estimated tax payments in 1997, you will receive **1998 Estimated Connecticut Income Tax Payment Coupons for Individuals** in mid-January containing preprinted coupons with your name, address and social security number. To ensure that your payments are properly credited, be sure to use the preprinted coupons.

If you did not make estimated tax payments in 1997, use **Form CT-1040ES** included in this booklet to make your first estimated income tax payment. If you file this form, additional coupons will be mailed to you.

To avoid making estimated tax payments, you may request your employer to withhold additional amounts from your wages to cover the taxes on other income. You can make this change by providing your employer with a revised **Form CT-W4, Employee's Withholding or Exemption Certificate**.

1998 Estimated Tax Due Dates

Due dates of installments and the amount of required payments for 1998 calendar year taxpayers are as follows:

April 15, 1998	25% of your required annual payment
June 15, 1998	25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)
September 15, 1998	25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)
January 15, 1999	25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.)

As a result of legislation, the tax rate for 1998 estimated payments has been reduced. Complete **Form CT-1040ES** located in this booklet for installments due April 15, 1998 and June 15, 1998. Request **Form CT-1040ES** from the Department to calculate the amounts of installments due September 15, 1998 and January 15, 1999 using the reduced tax rate.

If any due date falls on a Saturday, Sunday or legal holiday, substitute the next business day. An estimate will be considered timely-filed if received or if the date shown by the U.S. Post Office cancellation mark is on or before the due date.

For those taxpayers who report on other than a calendar year basis, use your federal estimated tax installment dates.

Interest on Underpayment of Estimated Tax

If you did not pay enough tax through withholding and/or estimated payments by any installment due date, you may be charged interest. This is true even if you are due a refund when you file your tax return. Interest is calculated separately for each installment. Therefore, you may owe interest for an earlier installment, even if you paid enough tax later to make up the underpayment. Interest at 1% (.01) per month or fraction of a month shall be added to the tax due until the **earlier** of the following dates: April 15, 1998, or the date on which the underpayment is paid.

A taxpayer who files a 1997 income tax return on or before January 31, 1998, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for failing to make the estimated payment due January 15, 1998. (This does not apply to taxpayers paying estimated Connecticut income taxes as farmers or fishermen.)

Filing Form CT-2210

If your 1997 Connecticut income tax (after tax credits) minus Connecticut tax withheld, is more than \$500, you can use **Form CT-2210, Underpayment of Estimated Income Tax by Individuals, Trusts and Estates**, to find out if you paid enough income tax during the year. You can also use this form to calculate interest if you underpaid your estimated tax. **Form CT-2210** and detailed instructions are available from the Department. However, this is a complex form and you may prefer to have the Department calculate the interest for you.

WHEN DO PENALTY AND INTEREST APPLY?

Late Payment or Late Filing

In general, penalty and interest apply to any portion of the tax that is not paid on or before the original due date of the return. A penalty of 10% (.10) of the amount of tax underpaid will apply. **If no tax is due but you are required to file or if you are claiming a refund, the penalty for late filing is \$50.** Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment until the tax is paid in full. (See *LINE 26 - Penalty for Late Payment or Late Filing* on Page 14.)

Failure to File

If you fail to file your return and the Commissioner of Revenue Services files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater.

Failure to Report Federal Changes

If the Internal Revenue Service changes your income for any year or if you file an amended federal return, you are required to report such changes within 90 days after the final determination of such changes or the filing of such amendment, if the federal change affects the Connecticut income tax liability (including alternative minimum tax). The change should be reported on an amended Connecticut income tax return, **Form CT-1040X**. The penalty for failure to report any such change within the 90-day period is \$50.

Failure to Report State Changes

If you claimed credit for income tax paid to another jurisdiction on your Connecticut income tax return or **Form CT-6251** and the amount of tax you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file an amended Connecticut income tax return, **Form CT-1040X**, within 30 days of the final determination of that amount. The penalty for failure to report any such change within the 30-day period is \$50.

Waiver of Penalty

You may be entitled to a waiver of penalty if the failure to pay tax was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. (Be sure to include your name and social security number on all correspondence.) Do not include penalty waiver requests with the tax return.

Mail separately to:

**Penalty Review Committee
Department of Revenue Services
PO Box 5089
Hartford CT 06102 - 5089**

Interest cannot be waived. Before a penalty waiver can be granted, the taxpayer must pay **all tax and interest** due.

WHAT HAPPENS AFTER I FILE?

How Long Should Records be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as W-2 and 1099 forms) until the statute of limitations runs out for that return. Usually, this is three years from the date the return was due or filed.

This information may be needed in preparing future returns or in amending filed returns.

Copies of Returns

You may request a copy of a previously filed Connecticut income tax return from the Department by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. It generally takes three weeks to fill such requests.

Information About Refunds

If you have a touch-tone phone, you may get information on the status of your refund 24 hours a day by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). You must have the following information available: your social security number (and your spouse's, if filing jointly) and the exact amount of the refund you requested.

You should allow at least eight weeks for your refund to be processed. You are entitled to interest on your overpayment at the rate of 2/3% for each month or fraction of a month between the 90th day following receipt of your claim for a refund or the due date of your return, whichever is later, and the date of notice that your refund is due.

If you want your refund to be mailed to someone other than yourself, request **PS 96(4), Mailing and Issuance of a Tax Refund to a Party Other than the Taxpayer**.

Offset Against Debts

If you are due a refund but have not paid certain obligations to Connecticut state agencies or the Internal Revenue Service, all or part of your overpayment may be used to pay all or part of these outstanding debts or taxes. You will be advised by mail if your refund is reduced for this reason and will be given information directing you to the agency to contact if you wish to appeal. Your refund may also be reduced if you owe penalty and interest on late-filed or underpaid Connecticut income tax returns.

Nonobligated Spouse

When a joint return is filed and only one spouse owes past due child support or a debt to any Connecticut state agency, the spouse who is not obligated may be eligible to claim a share of a joint income tax refund. A nonobligated spouse who received income in 1997 and who made Connecticut tax payments (withholding or estimates) for taxable year 1997 may be eligible to claim his or her share of any refund if:

1. a joint Connecticut tax return was filed for 1997; and
2. an overpayment of tax was made.

If you are a nonobligated spouse, you may claim your share of a joint refund by filing **Form CT-8379, Nonobligated Spouse Claim**.

Do not use **Form CT-8379** to claim your share of a Connecticut refund that was applied to federal taxes owed to the Internal Revenue Service. You must contact the IRS Problem Resolution Office in Hartford at 860-240-4179.

INSTRUCTIONS FOR CONNECTICUT RESIDENT INCOME TAX RETURN - FORM CT-1040

HOW DO I START?

If you follow this easy five-step process, you should be able to complete your form with a minimum amount of time and effort.

Step One - Complete Your Federal Return

Before you begin, get all your records together, including your federal Forms W-2 (Wages), W-2G (Winnings), 1099-R (Pensions) and other 1099s. First use this information to complete your federal income tax return. The information on your federal return will help you complete your Connecticut return.

Step Two - Complete Your Connecticut Return

Remove the income tax forms from this booklet. One copy is for you to file with the Department of Revenue Services. The other copy is for your records. If you complete the copy for your records first, you will be able to make any necessary corrections and copy your final calculations onto the form you send to the Department of Revenue Services. Keep the copy for your records. You may need information from it when you file your next year's return, make estimated tax payments, or if we write to you with a question.

Simply proceed item by item, reading the instructions for each line item before you enter any amounts. Then copy all information carefully onto the form you intend to file.

Step Three - Order of Attachments

Staple all your Forms W-2 or **Form CT-4852** (substitute Form W-2) to the front of the income tax form in the appropriate area marked "**Staple Forms W-2, W-2G and 1099 here.**" Also attach any other forms showing Connecticut income tax withheld.

Paper clip your check or money order in payment of the tax due to the front of the income tax form in the appropriate area marked "**Clip check or money order here.**"

In addition, if you must file any of the following forms, attach the form(s) to the **front** of your income tax return in the following order:

- **Form CT-19 IT** (Title 19 status release)
- **Form CT-1127** (Extension of time to pay)
- **Form CT-8379** (Nonobligated spouse)

Attach other required forms and schedules to the back of your return or as directed on the form.

Step Four - Check Your Return

Take your time in completing your return. When you have finished your return, recheck all of your entries and arithmetic.

After you have completed your return, be sure to sign it and attach any required schedules, statements or forms.

REMEMBER: Errors delay refunds.

Step Five - Mailing Your Return

This package contains one envelope with two pre-addressed labels for mailing your return. By using the correct label, you will help us to reduce processing time.

For **REFUND REQUEST** or **NO TAX DUE**, affix the mailing label that has this address and mail to:

**Department of Revenue Services
PO Box 2976
Hartford CT 06104-2976**

For **PAYMENT**, affix the mailing label that has this address and mail to:

**Department of Revenue Services
PO Box 2977
Hartford CT 06104-2977**

NAME AND ADDRESS

All information on **Form CT-1040** should be for the calendar year January 1 through December 31, 1997, or for your fiscal year beginning in 1997. If filing for a fiscal year other than the calendar year, enter the month and day the taxable year began, and the month, day and year that it ended, at the top of the front page.

After you have completed your return and checked it for accuracy, remove the preprinted peel-off label included in this booklet and place it over the name and address blanks of your return. Using the label speeds up processing your return so that you may receive your refund sooner. It also reduces the possibility of error, which could delay your refund.

Make sure the information on the label is correct. Do not use this label if any of the information is incorrect. Print or type the correct information in the name and address blanks on your return.

If there is no preprinted label, print or type the information requested in the space provided at the top of **Form CT-1040**. Be sure your social security number is listed on your return. If you file a joint return, list your social security number and your spouse's social security number in the order they appear on your federal return.

If your return is being completed by someone else, take your booklet to your tax preparer so that the preparer can attach the label to your return.

FILING STATUS

Check the appropriate box to indicate your filing status. For the purpose of **Form CT-1040**, your filing status must match your federal income tax filing status for this year. Consult the information in your federal income tax booklet or call the Internal Revenue Service at 1-800-829-1040 if you are not certain of your filing status for 1997.

What if My Spouse and I are Residents of Different States?

When one spouse is a **Connecticut resident** or a **nonresident** and the other spouse is a **part-year resident**, **EACH** spouse who is required to file a Connecticut income tax return **must** file as "**married filing separate**."

When one spouse is a **Connecticut resident** and the other is a **nonresident**, **EACH** spouse who is required to file a Connecticut income tax return **must** file as "**married filing separate**" **unless**:

1. they file jointly for federal income tax purposes;
and
2. they elect to be treated as if both were Connecticut residents for the entire taxable year.

If filing a joint federal return and a separate Connecticut return, enter on Line 1 of **Form CT-1040** only your portion of the income included in joint federal adjusted gross income.

ROUNDING OFF TO WHOLE DOLLARS

You may round off cents to the nearest whole dollar on your return and schedules. All cents up to and including 49 cents are to be dropped. All amounts from 50 cents to 99 cents are to be rounded up to the next highest dollar. For example, \$1.29 becomes \$1.00 and \$3.59 becomes \$4.00. If you do round off, do so for all amounts.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents when adding and only round off the total. For example, if you received two state W-2 forms, one showing \$800.49 withheld and one showing \$50.22 withheld you would enter on **Form CT-1040**, Line 17, \$851.00 ($\$800.49 + \$50.22 = \850.71).

You may round off the amount of tax due as stated in the 1997 Tax Tables or as calculated using the Tax Calculation Schedule.

CAUTION: Rounding off to whole dollars may affect the amounts of your personal exemption and your personal tax credit.

FORM CT-1040 - LINE INSTRUCTIONS

LINE 1 - INCOME

Enter your federal adjusted gross income from your 1997 federal income tax return. This will be the amount reported on Line 32 of federal Form 1040, Line 16 of federal Form 1040A, Line 4 of federal Form 1040EZ, or Line H of federal TeleFile Tax Record.

LINE 2 - ADDITIONS

Enter the amount from **Form CT-1040**, Schedule 1, Line 37. (See *Additions to Federal Adjusted Gross Income* on Page 15.)

LINE 3

Add Line 1 and Line 2. Enter the total on Line 3.

LINE 4 - SUBTRACTIONS

Enter the amount from **Form CT-1040**, Schedule 1, Line 47. (See *Subtractions from Federal Adjusted Gross Income* on Page 16.)

LINE 5 - CONNECTICUT ADJUSTED GROSS INCOME

Subtract Line 4 from Line 3 and enter the result on Line 5. This is your Connecticut adjusted gross income.

LINE 6 - TAX COMPUTATION

If the amount on Line 5 is \$12,000 or less, enter zero on Line 6. If the amount is more than \$12,000, calculate your tax using one of the following methods:

Tax Tables - If your Connecticut adjusted gross income is less than or equal to \$102,000, you may use the Tax Tables in the back of this booklet to find your tax. Be sure to use the correct column in the Tax Tables. After you have found the correct tax, enter that amount on Line 6.

Tax Calculation Schedule - You must use the Tax Calculation Schedule to figure your tax if your Connecticut adjusted gross income is more than \$102,000. You may also use the Tax Calculation Schedule if your Connecticut adjusted gross income is less than or equal to \$102,000. This Schedule is found at the end of this booklet.

LINE 7 - NET CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

If all or part of the income reported on this return is subject to income tax in another state or specified jurisdiction and you have filed a return and paid income taxes to that jurisdiction, complete Schedule 2 on the back of **Form CT-1040** and enter the amount from Line 58 here. You must also complete Schedule 2 if you are claiming a foreign tax credit on your federal tax return for taxes paid to a Canadian province and you previously were allowed a credit for those taxes on your Connecticut return. (See *Schedule 2 - Credit for Income Taxes Paid to Other Jurisdictions* on Page 18.)

You must attach a copy of the tax return filed with that state or other jurisdiction to your Form CT-1040.

LINE 8

Subtract Line 7 from Line 6. Enter the result on Line 8. If Line 7 is greater than Line 6, enter 0. However, if the amount entered on Line 7 is a negative number, add that amount (as a positive number) to the amount entered on Line 6, and enter the total on Line 8.

LINE 9 - CONNECTICUT ALTERNATIVE MINIMUM TAX

If you were required to pay the federal alternative minimum tax for 1997, you must file **Form CT-6251**, *Connecticut Alternative Minimum Tax Return - Individuals*.

LINE 10

Add Line 8 and Line 9 and enter the total on Line 10.

LINE 11 - CREDIT FOR PROPERTY TAXES PAID ON YOUR PRIMARY RESIDENCE AND/OR MOTOR VEHICLE

If the amount on Line 10 is zero, skip Lines 11 and 12 and go to Line 13. Complete Schedule 3 on the back of **Form CT-1040** and enter the amount from Line 66 here. Be certain to include all of the requested information or your credit may be denied. (See *Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle* on Page 21.)

IMPORTANT: The credit is limited to the lesser of \$215 or the amount of qualifying property taxes paid. The maximum property tax credit allowed is \$215 per return, regardless of filing status. If you paid more than \$100 in property tax, you may be subject to a limitation based on your Connecticut adjusted gross income. (See *Property Tax Credit Limitation Worksheet* on Page 22.) This credit can only be used to offset your 1997 income tax. You cannot carry this credit forward and it is not refundable.

LINE 12

Subtract Line 11 from Line 10. Enter the result on Line 12. If less than zero, enter 0.

LINE 13 - ADJUSTED NET CONNECTICUT MINIMUM TAX CREDIT

Enter the amount shown on Line 11 of **Form CT-8801**, *Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates*, on Line 13. If you did not pay Connecticut alternative minimum tax in 1994 or thereafter, or if you entered an amount on Line 9 of this form, enter 0.

LINE 14 - CONNECTICUT INCOME TAX

Subtract Line 13 from Line 12. Enter the result on Line 14. If less than zero, enter 0.

LINE 15 - INDIVIDUAL USE TAX

Enter the total use tax due as reported on the *Individual Use Tax Worksheet* located on Page 23. You must enter a zero on Line 15 if no Connecticut use tax is due; otherwise you will not be considered to have filed a use tax return.

LINE 16 - TOTAL TAX

Add Line 14 and Line 15. Enter the total on Line 16.

LINE 17 - CONNECTICUT TAX WITHHELD

Enter the total income tax withheld for the State of Connecticut as indicated on your copies of Forms W-2, W-2G and certain 1099s. Enter only amounts withheld for the State of Connecticut. Do **not** include tax withheld for other states or the Internal Revenue Service. Be sure you staple the "state copy" of all Forms W-2 to the front of your return. Also, attach any other forms showing Connecticut tax withheld, otherwise, your claim of amounts withheld will not be allowed. If you have not received Form W-2 from your employer or Form 1099-R from your pension, annuity, retirement or profit sharing plan, you should request

Form CT-4852 (substitute Form W-2) to report your earnings and withholding. **Copies of Forms W-2G and 1099 need only be attached if they show Connecticut tax withheld.**

IMPORTANT: If the amount on Line 17 does not equal the amounts of Connecticut withholding as reported on Forms W-2, W-2G, **Form CT-4852** (substitute Form W-2) and certain 1099s, your **Form CT-1040** will be returned to you.

LINE 18 - ALL 1997 ESTIMATED PAYMENTS

Enter on Line 18 the total of all Connecticut estimated tax payments, advance tax payments, and any overpayments of Connecticut income tax applied from a prior year. Be sure to include any 1997 estimated payments made in 1998.

LINE 19 - PAYMENTS MADE WITH EXTENSION REQUEST

If you filed **Form CT-1040EXT**, *Application for Extension of Time to File*, enter on Line 19 the amount you paid with that form.

LINE 20 - TOTAL PAYMENTS

Add Lines 17, 18 and 19. Enter the total on Line 20. This represents the total of all Connecticut tax payments made.

LINE 21 - OVERPAYMENT

If Line 20 is greater than Line 16, subtract Line 16 from Line 20 and enter the result on Line 21. This is the amount of your

overpayment. To properly allocate your overpayment, go to Lines 22, 23 and 24. If Line 20 is less than Line 16, go to Line 25.

LINE 22 - AMOUNT OF LINE 21 YOU WANT APPLIED TO YOUR 1998 ESTIMATED TAX

Enter the amount of your 1997 overpayment that you want applied to your 1998 estimated Connecticut income tax. It will be treated as estimated tax paid on April 15, 1998, if your return is filed on time or if you filed a timely request for extension and your return is filed within the extension period. (Your request to apply this amount to 1998 estimated income tax is irrevocable.)

LINE 23 - AMOUNT OF LINE 21 YOU WANT TO CONTRIBUTE

You may contribute all or a portion of your refund to one or more of five designated funds. Check the appropriate box or write in a whole dollar amount for each fund to which you wish to contribute. Add your contributions and enter the total amount on Line 23. (Your contribution is irrevocable.)

You may only make a contribution on this return if you are entitled to a refund. Your contribution is limited to your refund amount. You may, however, also make **direct** contributions by following the instructions below.

WHAT WILL YOUR CONTRIBUTION BE USED FOR?

AIDS RESEARCH EDUCATION FUND

This fund was created to assist research, education and community service programs related to Acquired Immune Deficiency Syndrome (AIDS). The fund is administered by the Connecticut Department of Public Health. To contribute directly send to:

*AIDS Programs, Dept. of Public Health
410 Capitol Avenue, MS #11APV
PO Box 340308
Hartford CT 06134-0308*

Make check payable to:
"Treasurer, State of Connecticut/AIDS Fund"

ORGAN TRANSPLANT FUND

This fund was created to assist Connecticut residents in paying all or part of any costs associated with a medically required organ transplant. The fund is administered by the Connecticut Department of Social Services. To contribute directly send to:

*Department of Social Services
Attention: Accounts Receivable
25 Sigourney Street, 7th Floor
Hartford CT 06106-5003*

Make check payable to:
"Commissioner of Social Services/Organ Transplant Fund"

ENDANGERED SPECIES, NATURAL AREA PRESERVES, AND WATCHABLE WILDLIFE FUND

This fund was established to help preserve, protect and manage Connecticut wildlife and their habitats. The fund is administered by the Connecticut Department of Environmental Protection. To contribute directly send to:

*Department of Environmental Protection
Bureau of Administration Financial Management
79 Elm Street
Hartford CT 06106-5127*

Make check payable to:
"DEP-Endangered Species/Wildlife Fund"

BREAST CANCER RESEARCH AND EDUCATION FUND

This fund was created to assist research, education and community service programs related to Breast Cancer. The fund is administered by the Connecticut Department of Public Health. To contribute directly send to:

*Connecticut Department of Public Health
Breast and Cervical Cancer Early Detection Program
410 Capitol Avenue, MS #11 HLS
PO Box 340308
Hartford CT 06134-0308*

Make check payable to:
"Treasurer, State of Connecticut/Breast Cancer Fund"

SAFETY NET SERVICES FUND

This fund was created to protect the children of families whose public assistance benefits ended due to a time limit. The fund is administered by the Connecticut Department of Social Services. To contribute directly send to:

*Department of Social Services
Attention: Accounts Receivable
25 Sigourney Street, 7th Floor
Hartford CT 06106-5003*

Make check payable to:
"Commissioner of Social Services/Safety Net Fund"

LINE 24 - AMOUNT OF YOUR REFUND

Subtract the total of Line 22 and Line 23 from Line 21. Enter the result on Line 24. This is the amount of your refund. It is to your advantage to file your return early. Early filers receive their refunds faster. Be sure to affix the **refund label** to the envelope when mailing your return.

IMPORTANT: Your overpayment is applied in the following order: penalty and interest you owe, amounts designated by you to be applied to your 1998 estimated tax, other taxes you may owe the Department of Revenue Services, debts to other Connecticut state agencies, federal taxes you may owe the Internal Revenue Service, and charitable contributions designated by you. Any remaining balance will be refunded to you.

LINE 25 - IF LINE 16 IS GREATER THAN LINE 20, ENTER AMOUNT OF TAX YOU OWE

If Line 16 is greater than Line 20, subtract Line 20 from Line 16 and enter the result on Line 25. This is the amount of tax you owe. (See *Should I Make Estimated Tax Payments?* on Page 8.)

LINE 26 - PENALTY FOR LATE PAYMENT OR LATE FILING

If no income tax is due but you are required to file a return, the penalty for late filing is \$50. The penalty for late payment or underpayment of income or use tax is 10% (.10) of such amount due.

LINE 27 - INTEREST FOR LATE PAYMENT OR LATE FILING

If you fail to pay the tax when due, interest will be charged at the rate of 1% (.01) per month or fraction of a month from the due date until payment is made.

LINE 28 - INTEREST ON UNDERPAYMENT OF ESTIMATED TAX

If Line 14 minus Line 17 is more than \$500, you may owe interest on estimated tax that you either underpaid or paid late. **Form CT-2210**, *Underpayment of Estimated Income Tax by Individuals, Trusts and Estates*, can help you determine whether you did underestimate and will help you calculate interest. Because this is a complex form you may prefer to have the Department calculate the interest; do **not** file **Form CT-2210**, leave this line blank, and we will bill you. Interest on underpayment of estimated income tax stops accruing on the **earlier** of the day you pay your tax or April 15, 1998.

LINE 29 - AMOUNT YOU OWE

Add Lines 25 through 28. Enter the total on Line 29. This is the total amount you owe. Pay the amount in full with your return. Make your check or money order payable to the "**Commissioner of Revenue Services**". Write your social security number(s) and "**1997 Form CT-1040**" on the front of your check in the lower left corner. Be sure to sign your check and paper clip it to the front of your return. **Do not send cash.**

Failure to file or failure to pay the proper amount of tax when due **will result in the imposition of penalty and interest.** It is to your advantage to file when your return is due whether or not you are able to make full payment.

SIGN HERE

Now that you have completed your Connecticut **Form CT-1040**, sign your name and write the date you signed the return. Your spouse must also sign and enter the date if this is a joint return.

PAID PREPARER SIGNATURE

Anyone you pay to prepare your return must sign and date it. A preparer who signs your return must sign it by hand in the space provided. The preparer's federal employer identification number and firm name must also be entered in the space provided.

MAILING YOUR RETURN

Retain a copy of this return for your records. Attach to this return copies of any required schedules and forms. (Do **not** attach copies of your federal income tax return or federal schedules.)

1. Remove both labels from the envelope flap along the perforation.
2. Choose the correct label for your return, moisten and place it on the return envelope.
3. Affix the correct postage to the envelope, or your return may be late or not delivered.

Do not use these mailing labels to send other correspondence to the Department. Using these labels for other purposes will delay our response to you.

SCHEDULE 1 - MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

You may request **PS 92(3.1)**, *Connecticut Income Tax on Bonds or Obligations Issued by the United States Government, by State Governments or Municipalities*. This may assist you in determining if you are required to make a modification. This publication is available from the Department.

ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME - ENTER ALL AMOUNTS AS POSITIVE NUMBERS

LINE 30 - INTEREST ON STATE AND LOCAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter the total amount of interest income derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities, which interest income is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa and U.S. Virgin Islands.

LINE 31 - EXEMPT-INTEREST DIVIDENDS FROM A MUTUAL FUND DERIVED FROM STATE OR MUNICIPAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter the total amount of exempt-interest dividends received from a mutual fund that are derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities. If the exempt-interest dividends are derived from obligations of Connecticut and other states, enter only the percentage derived from non-Connecticut obligations. Do not enter exempt-interest dividends derived from government obligations of Puerto Rico, Guam, American Samoa and U.S. Virgin Islands.

Example: A fund invests in obligations of many states, including Connecticut. Assuming that 20% of the distribution is from Connecticut obligations, the remaining 80% would be added back on this line.

LINE 32 - SHAREHOLDER'S PRO RATA SHARE OF S CORPORATION NONSEPARATELY COMPUTED LOSS

Beginning in 1997, the phaseout of the Connecticut corporation business tax on S corporations affects the modification to federal adjusted gross income. If you are a shareholder of an S corporation that is subject to the Connecticut corporation business tax, multiply 90% of your pro rata share of the S corporation's nonseparately computed loss by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 32. Your pro rata share of the S corporation's nonseparately computed loss will be reported on federal Form 1120S, Schedule K-1. This form along with the Connecticut corporation business tax apportionment percentage is furnished to you by the S corporation.

IMPORTANT: If any federal limitations apply, add back only 90% of the net loss included on federal Schedule E, apportioned as provided above.

For the 1998 taxable year, the phaseout of the Connecticut corporation business tax on S corporations is reduced to 75%. In computing your estimated Connecticut adjusted gross income for 1998, follow the preceding instructions substituting 75% for 90%.

LINE 33 - TAXABLE AMOUNT OF LUMP- SUM DISTRIBUTIONS FROM QUALIFIED PLANS NOT INCLUDED IN FEDERAL AGI

If you filed federal Form 4972, Tax On Lump-Sum Distributions, with your federal Form 1040 to compute the tax on any part of a distribution from a qualified plan, enter that part of the distribution on Line 33. Do not enter any part of the distribution reported on Line 11a of federal Form 1040A or Line 16a of federal Form 1040 or on Schedule D of federal Form 1040.

LINE 34 - BENEFICIARY'S SHARE OF CONNECTICUT FIDUCIARY ADJUSTMENT

If you have any income from an estate or trust, any Connecticut modifications (that is, the Connecticut fiduciary adjustment) that apply to such income will be shown on **Form CT-1041**, *Connecticut Income Tax Return for Trusts and Estates*, Schedule B, Column 5. Your share of these modifications should be provided to you by the fiduciary. If your share of these modifications is an amount greater than zero, enter the amount on Line 34. If the amount is less than zero, enter the amount on Line 44.

If you are a beneficiary of more than one trust or estate, enter the net amount of all such modifications, if greater than zero, on Line 34.

LINE 35 - LOSS ON SALE OF CONNECTICUT STATE AND LOCAL GOVERNMENT BONDS

Enter the total losses from the sale or exchange of notes, bonds or other obligations of the State of Connecticut or its municipalities used in determining gain (loss) for federal income tax purposes, whether or not the entire loss is used in computing federal adjusted gross income.

LINE 36 - OTHER

Use Line 36 to report any of the following modifications:

1. Add back any Connecticut income tax deducted on the federal income tax return to arrive at federal adjusted gross income. Do not add back any Connecticut income tax deducted on federal Form 1040, Schedule A.
2. Add back any expenses paid or incurred for the production (including management, conservation and maintenance of property held for the production) or collection of income exempt from Connecticut income tax which were deducted on the federal return to arrive at federal adjusted gross income.

3. Add back any amortizable bond premium on bonds producing interest income exempt from Connecticut income tax which premiums were deducted on the federal return to arrive at federal adjusted gross income.
4. Add back any interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States which federal law exempts from federal income tax but does not exempt from state income taxes.
5. Add back to the extent deductible in determining federal adjusted gross income, any interest expenses on indebtedness incurred or continued to purchase or carry obligations or securities, the income from which is exempt from Connecticut income tax.
6. Also use Line 36 to report any additions to federal adjusted gross income required for Connecticut income tax purposes which are not listed on Lines 30 through 35.

LINE 37 - TOTAL ADDITIONS

Add Lines 30 through 36. Enter the total on Line 37 and on Line 2 on the front of Form CT-1040.

SUBTRACTIONS FROM FEDERAL ADJUSTED GROSS INCOME - ENTER ALL AMOUNTS AS POSITIVE NUMBERS

LINE 38 - INTEREST ON UNITED STATES GOVERNMENT OBLIGATIONS

Enter the total amount of interest income (to the extent includible in federal adjusted gross income) derived from U.S. government obligations, which federal law prohibits states from taxing. (For example: U.S. government bonds such as Saving Bonds Series EE and Series HH, U.S. Treasury bills and notes.)

For Series EE U.S. Savings Bonds, you are entitled to include on Line 38 **only** the amount of interest subject to federal income tax after exclusion of the amounts reported on federal Form 8815. In general, the net taxable amount will be reported by you on Schedule B of federal Form 1040 or Schedule 1 of federal Form 1040A.

IMPORTANT: Do not enter the amount of interest income derived from Federal National Mortgage Association (Fannie Mae) bonds, Government National Mortgage Association (Ginnie Mae) bonds, and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing interest income derived from these obligations, and this interest income is taxable for Connecticut income tax purposes.

Do not enter the amount of interest paid to you on any federal income tax refund.

LINE 39 - EXEMPT DIVIDENDS FROM QUALIFYING MUTUAL FUNDS DERIVED FROM U.S. GOVERNMENT OBLIGATIONS

Enter the total amount of exempt dividends received from a qualifying mutual fund that are derived from U.S. government obligations. A mutual fund is a qualifying fund if, **at the close of EACH quarter** of its taxable year, at least 50% of the value of its assets consists of U.S. government obligations. The percentage of dividends that are exempt dividends should be reported to you by the mutual fund.

IMPORTANT: Do not enter the amount of income derived from Federal National Mortgage Association (Fannie Mae) bonds, Government National Mortgage Association (Ginnie Mae) bonds

and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing income derived from these obligations, and this income is taxable for Connecticut income tax purposes.

Example: A qualifying mutual fund pays a dividend of \$100. Of the distribution, 55% is attributable to U.S. Treasury bills and 45% to other investments. The amount that should be reported on Line 39 is \$55.

LINE 40 - SOCIAL SECURITY BENEFIT ADJUSTMENT

If you receive federally taxable social security benefits, you may be able to reduce the amount of these benefits that is subject to Connecticut income tax. Complete the *Social Security Benefit Adjustment Worksheet* on Page 17 and enter the result on Line 40.

LINE 41 - REFUNDS OF STATE AND LOCAL INCOME TAXES

Enter the amount of taxable refunds of state and local income taxes reported on Line 10 of your federal Form 1040. If an amount is not reported on Line 10 of your federal Form 1040, or if you filed federal Forms 1040A, 1040EZ or TeleFile Tax Record, enter 0.

LINE 42 - TIER 1 AND TIER 2 RAILROAD RETIREMENT BENEFITS AND SUPPLEMENTAL ANNUITIES

If you received Tier 1 and/or Tier 2 railroad retirement benefits and supplemental annuities during 1997, you may deduct the amount included in your federal adjusted gross income. Enter the total amount of Tier 1 and/or Tier 2 railroad retirement benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 11b or Line 13b. Likewise, enter the amount of railroad unemployment benefits, including sickness benefits paid in lieu of unemployment benefits, to the extent included in your federal adjusted gross income.

LINE 43 - SHAREHOLDER'S PRO RATA SHARE OF S CORPORATION NONSEPARATELY COMPUTED INCOME

Beginning in 1997, the phaseout of the Connecticut corporation business tax on S corporations affects the modification to federal adjusted gross income. If you are a shareholder of an S corporation that is subject to the Connecticut corporation business tax, multiply 90% of your pro rata share of the S corporation's nonseparately computed income by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 43. Your pro rata share of the S corporation's nonseparately computed income will be reported on federal Form 1120S, Schedule K-1. This form along with the Connecticut corporation business tax apportionment percentage is furnished to you by the S corporation.

IMPORTANT: If you have deductible losses from a prior year or other adjustments, subtract only 90% of the net income included on the federal Schedule E, apportioned as provided above.

For the 1998 taxable year, the phaseout of the Connecticut corporation business tax on S corporations is reduced to 75%. In computing your estimated Connecticut adjusted gross income for 1998, follow the instructions above substituting 75% for 90%.

LINE 44 - BENEFICIARY'S SHARE OF CONNECTICUT FIDUCIARY ADJUSTMENT

If you have any income from an estate or trust, any Connecticut modifications (that is, the Connecticut fiduciary adjustment) that

apply to such income will be shown on **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**, Schedule B, Column 5. Your share of these modifications should be provided to you by the fiduciary. If your share of these modifications is an amount less than zero, enter the amount on Line 44. If the amount is greater than zero, enter the amount on Line 34.

If you are a beneficiary of more than one trust or estate, enter the net amount of all such modifications, if less than zero, on Line 44.

LINE 45 - GAIN ON SALE OF CONNECTICUT STATE AND LOCAL GOVERNMENT BONDS

Enter the total of all gains from the sale or exchange of notes, bonds or other obligations of the State of Connecticut or its municipalities used in determining gain (loss) for federal income tax purposes.

LINE 46 - OTHER

Use Line 46 to report any of the following modifications:

1. Subtract any interest paid on indebtedness incurred to acquire investments that provide income taxable in Connecticut but not taxable for federal purposes, that is not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.

2. Subtract expenses paid or incurred for the production (including management, conservation, and maintenance of property held for production) or collection of income taxable in Connecticut but exempt from federal income tax, which were not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.
3. Subtract any amortizable bond premium on bonds that provide interest income taxable in Connecticut but exempt from federal income tax, which premiums were not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.
4. Subtract the amount of any interest income from notes, bonds or other obligations of the State of Connecticut, interest income from which is included in federal adjusted gross income.

Do not use Line 46 to subtract income subject to tax in another jurisdiction (see *Schedule 2 - Credit for Income Taxes Paid to Other Jurisdictions* on Page 18) or income of a nonresident spouse. (See *Filing Status* on Page 11.)

LINE 47 - TOTAL SUBTRACTIONS

Add Lines 38 through 46. Enter the total on Line 47 and on Line 4 on the front of **Form CT-1040**.

SOCIAL SECURITY BENEFIT ADJUSTMENT WORKSHEET (Line 40)	
A. Enter the total amount from Box 5 of all your Forms SSA-1099 and Forms RRB-1099	A.
(If Line A is zero or less, stop here and enter 0 on Line 40. Otherwise, go to Line B.)	
B. Divide Line A above by 2	B.
C. Add the amounts on your federal Form 1040, Lines 7, 8a, 9 through 14, 15b, 16b, 17 through 19, and 21; or federal Form 1040A, Lines 7, 8a, 9, 10b, 11b and 12. Do not include here any amounts from Box 5 of Forms SSA-1099 or RRB-1099	C.
D. Enter the amount from federal Form 1040 or 1040A, Line 8b	D.
E. Add Lines B, C, and D	E.
F. Enter total adjustments from federal Form 1040, Line 31 or federal Form 1040A, Line 15	F.
G. Subtract Line F from Line E	G.
H. Enter on Line H the amount shown below for your filing status: <ul style="list-style-type: none"> ● single, head of household, or qualifying widow(er), enter \$25,000 ● married filing joint, enter \$32,000 ● married filing separate, enter 0 (\$25,000 if you lived apart from your spouse for all of 1997) 	H.
I. Subtract Line H from Line G. If zero or less, enter 0	I.
J. Divide Line I by 2	J.
K. Enter the lesser of Line B or Line J	K.
L. Taxable amount of social security benefits as reported on 1997 federal Form 1040, Line 20b or Form 1040A, Line 13b	L.
M. Social Security Benefit Adjustment - Subtract Line K from Line L. Enter the amount here and on Form CT-1040 , Line 40. (If Line K is greater than or equal to Line L, enter 0)	M.

SCHEDULE 2 - CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

Schedule 2 is used to claim a credit against your Connecticut income tax liability for income taxes paid by you for the taxable year to another state or political subdivision thereof, or the District of Columbia or any province of Canada. Credit may only be claimed if the income on which taxes were paid was derived from or connected with sources within the qualifying jurisdiction.

Example: No credit is allowed for taxes paid on dividends or interest income unless derived from property employed in a business or trade carried on in that jurisdiction. Credit is allowed, however, for taxes paid on wages earned for services performed in another jurisdiction.

Taxpayers seeking a credit for alternative minimum taxes paid to another jurisdiction must use **Form CT-6251, Connecticut Alternative Minimum Tax Return-Individuals**, to calculate their alternative minimum tax credit.

No credit shall be allowed for any of the following:

- income tax paid to a foreign country (including Canada);
- income tax paid to another jurisdiction, if the taxpayer claimed credit on that other jurisdiction's income tax return for income taxes paid to Connecticut;
- income tax paid to a Canadian province (including a political subdivision of a Canadian province) by a taxpayer electing to claim the foreign tax credit for federal income tax purposes in the current taxable year or a preceding taxable year. To the extent the taxpayer claims the foreign tax credit for such Canadian provincial income tax for a succeeding taxable year, the credit against Connecticut income tax previously allowed shall be added back to Connecticut income tax for such succeeding taxable year.

Taxpayers required to add back a previously allowed credit to Connecticut income tax, must use Line 57 of Schedule 2.

The allowed credit must be separately computed for each jurisdiction. Use separate columns for each jurisdiction for which you are claiming a credit. You **must** attach a copy of all income tax returns filed with other jurisdictions to your Connecticut income tax return. **Failure to attach a copy of the other states' returns could result in the disallowance of this credit.**

Schedule 2 provides two columns, A and B, to compute the credit for two jurisdictions. If you require more than two columns, you should create a worksheet identical to Schedule 2 and attach it to the back of your **Form CT-1040**.

IMPORTANT: If you are claiming credit for income taxes paid to another state and to its political subdivision (i.e. New York State and New York City), follow these rules to determine your credit:

- A. If the **same amount** of income is taxed by both the city and state, use only **one** column of Schedule 2 to calculate your credit:
1. Enter that amount of income in only **one** column on Schedule 2;
 2. Combine the amounts of tax paid to the city and the state and enter the total on Line 54 of that column.

B. If the **amounts** of income taxed by both the city and state are **not equal**:

1. Use two columns on **Form CT-1040**, Schedule 2;
2. Include only the same income taxed by both jurisdictions in the first column;
3. Include the excess income taxed by only one of the jurisdictions in the next column.

Example: Alisa and William are Connecticut residents, whose filing status is married filing joint.

- | | |
|--|---------------|
| 1. Connecticut AGI | \$ 110,000.00 |
| 2. New York State income | \$ 55,000.00 |
| 3. New York City income | \$ 44,000.00 |
| 4. Identical income subject to tax in both jurisdictions | \$ 44,000.00 |
| 5. New York State tax | \$ 2,600.00 |
| 6. New York City tax | \$ 225.00 |
| 7. Connecticut tax | |
| (Form CT-1040, Line 6) | \$ 4,762.50 |

Their Schedule 2 would be completed as follows:

LINE 48		\$110,000 00					
(N.Y. State and N.Y. City)		(N.Y. State Excess)					
		COLUMN A			COLUMN B		
		Name		Code	Name		Code
LINE 49	New York	N	Y	New York	N	Y	
LINE 50	44,000	00		11,000	00		
LINE 51		.4000			.1000		
LINE 52	4,762	50		4,762	50		
LINE 53	1,905	00		476	25		
LINE 54	2,305	00		520	00		
LINE 55	1,905	00		476	25		
LINE 56	TOTAL CREDIT:			\$2,381	25		

Their New York State tax is prorated on Line 54 in Column A and Column B, based upon the fraction of New York State income reported in each column. Because 4/5 of their New York State income is reported in Column A, 4/5 of their New York tax ($4/5 \times \$2,600 = \$2,080$) is included on Line 54 of Column A. Added to that figure in Column A is their New York City tax on the \$44,000 income ($\$2,080 + \$225 = \$2,305$). The remaining New York State tax ($1/5 \times \$2,600 = \520) is reported on Line 54, Column B.

LINE 48 - CONNECTICUT ADJUSTED GROSS INCOME WITH MODIFICATIONS

Add to Connecticut adjusted gross income from Line 5, any net loss derived from or connected with sources in another jurisdiction(s) where you were subject to income taxation, whether or not income tax was actually paid to the jurisdiction(s). The modified amount is entered on Line 48.

Example: Jake's Connecticut adjusted gross income of \$60,000 includes a net loss of \$20,000 from a business conducted in Rhode Island. He must add the \$20,000 net loss to the \$60,000 and enter the \$80,000 on Line 48.

LINE 49 - TAXING JURISDICTION(S)

If you claim credit for income taxes paid to another state or Canadian province (or a political subdivision of either), enter on Line 49 the name and the two-letter code of each taxing jurisdiction for which you are claiming credit. These codes are listed below.

STANDARD TWO-LETTER CODES

Alabama	AL	Louisiana	LA	Ohio	OH
Arizona	AZ	Maine	ME	Oklahoma	OK
Arkansas	AR	Maryland	MD	Oregon	OR
California	CA	Massachusetts ..	MA	Pennsylvania	PA
Colorado	CO	Michigan	MI	Rhode Island	RI
Delaware	DE	Minnesota	MN	South Carolina	SC
District of Columbia ...	DC	Mississippi	MS	Tennessee	TN
Georgia	GA	Missouri	MO	Utah	UT
Hawaii	HI	Montana	MT	Vermont	VT
Idaho	ID	Nebraska	NE	Virginia	VA
Illinois	IL	New Jersey	NJ	West Virginia	WV
Indiana	IN	New Mexico	NM	Wisconsin	WI
Iowa	IA	New York	NY	Any Canadian Province ..	OO
Kansas	KS	North Carolina ...	NC		
Kentucky	KY	North Dakota	ND		

LINE 50 - NON-CONNECTICUT INCOME

Complete the Schedule 2 Worksheet on Page 20 of this booklet to determine the total of non-Connecticut income which is included in your Connecticut adjusted gross income and is reported on another jurisdiction's income tax return. Enter on Line 50 the amount from Column II, Line 20 of the Worksheet.

LINE 51

Divide the amount on Line 50 by the amount on Line 48. The result cannot exceed 1.0000. (Round to four decimal places.)

LINE 52 - INCOME TAX LIABILITY

Subtract Line 11 from Line 6 and enter the result on Line 52.

IMPORTANT: In order to compute Line 52, *Income Tax Liability*, you **must** first complete **Form CT-1040**, Schedule 3, *Credit for Property Taxes Paid on your Primary Residence and/or Motor Vehicle*, on Page 21.

LINE 53

Multiply the percentage arrived at on Line 51 by the amount reported on Line 52.

LINE 54 - INCOME TAX PAID TO ANOTHER JURISDICTION

Enter on Line 54 the total amount of income tax paid to another jurisdiction.

Income tax paid means the lesser of your tax liability to that jurisdiction or the tax you paid to that jurisdiction as reported on a return filed with that jurisdiction, exclusive of any penalty or interest. Do not report taxes withheld for that jurisdiction.

LINE 55

Enter on Line 55 the lesser of the amounts reported on Line 53 or Line 54.

LINE 56 - TOTAL CREDIT

Add the amounts from Line 55A and Line 55B and Line 55 of any additional worksheets. Enter the total on Line 56.

The amount on Line 56 cannot exceed Line 53.

LINE 57 - FOREIGN TAX CREDIT PREVIOUSLY ALLOWED

Enter the amount of any credit previously allowed on your Connecticut income tax return from a prior year for income tax paid to a Canadian province (or a political subdivision of a Canadian province) if you also claimed a foreign tax credit for that tax on your federal income tax return for a succeeding taxable year.

LINE 58 - NET CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

Subtract Line 57 from Line 56 and enter the result on Line 58 and on Line 7 of **Form CT-1040**. Generally, the result will be a positive number; however, if the result is a negative number, be sure to enter it as a negative number on Line 7.

Taxpayer's Worksheet

SCHEDULE 2 - WORKSHEET LINE INSTRUCTIONS

Complete Schedule 2 - *Worksheet - Income and Adjustments* below to determine that portion of your Connecticut adjusted gross income that has been reported by you on an income tax return filed with another jurisdiction, on which you have paid income tax to that other jurisdiction, and for which you are seeking a credit against your Connecticut income tax. *Another jurisdiction* means another state of the United States, or a Canadian province, or a political subdivision of another state or Canadian province (but not the United States or Canada). If you paid income tax to more than one jurisdiction, you must complete a separate worksheet for each jurisdiction. Retain this worksheet with your 1997 tax records. Do **not** attach to your tax return.

The federal income tax return line references are to the federal Form 1040. If you file a federal Form 1040A, federal Form 1040EZ, or federal TeleFile Tax Record use the appropriate lines from those forms.

COLUMN I - LINES 1 THROUGH 20

Enter in Column I, Lines 1 through 15 of the worksheet, the amounts entered on Lines 7 through 21, respectively, of your federal income tax return.

Enter on Line 17 of the worksheet the amount entered on Line 31 of your federal income tax return.

Enter on Line 19 of the worksheet the **net** amount of your Connecticut modifications to federal adjusted gross income. (Subtract **Form CT-1040**, Schedule 1, Line 47 from Line 37, to arrive at this amount.)

COLUMN II - LINES 1 THROUGH 20

For each line, enter that portion of the amount entered on the corresponding line of Column I which was reported by you on an income tax return filed with (and on which income tax was paid to) the other jurisdiction. On Line 19 enter only the portion of Connecticut modifications **directly related** to income sourced in the other taxing jurisdiction.

Example 1: You and your spouse file a joint federal Form 1040 and a joint **Form CT-1040**. Your spouse's wages as an employee working in Rhode Island are \$20,000 and your wages as an employee working in Connecticut are \$25,000. On Line 7 of your federal Form 1040, you and your spouse enter the amount of \$45,000. You and your spouse will enter the amount of \$45,000 on Column I, Line 1 of the worksheet, and the amount of \$20,000 on Column II, Line 1 of the worksheet.

Example 2: You are the sole proprietor of a business conducted at two locations: one in Connecticut and one in Massachusetts. You file Schedule C of federal Form 1040 and **Form CT-1040**.

On Line 12 of your federal Form 1040, you enter the amount of \$100,000. Of the items of gross income on Schedule C (\$150,000), \$90,000 is derived from the Massachusetts location. Of the items of expenses on Schedule C (\$50,000), \$35,000 is derived from the Massachusetts location. You will enter the amount of \$100,000 on Column I, Line 6 of the worksheet, and the amount of \$55,000 (\$90,000 - \$35,000) on Column II, Line 6 of the worksheet.

COLUMN II - LINE 20

Enter the amount from Column II, Line 20 of the worksheet on Schedule 2, Line 50 of your Connecticut income tax return.

SCHEDULE 2 - WORKSHEET - INCOME AND ADJUSTMENTS

Complete this worksheet and enter the amount from Column II, Line 20 on **Form CT-1040**, Schedule 2, Line 50. Complete a separate worksheet for each jurisdiction if you paid income tax to more than one jurisdiction.

		<u>Column I</u>	<u>Column II</u> Amount Taxable in Other Taxing Jurisdiction
1. Wages, salaries, tips, etc.	1.		
2. Taxable interest	2.		
3. Dividend income	3.		
4. Taxable refunds of state and local income taxes	4.		
5. Alimony received	5.		
6. Business income or (loss)	6.		
7. Capital gain or (loss)	7.		
8. Other gains or (losses)	8.		
9. Taxable amount of IRA distributions	9.		
10. Taxable amount of pensions and annuities	10.		
11. Rental real estate, royalties, partnerships, S corporations, trusts, etc.	11.		
12. Farm income or (loss)	12.		
13. Unemployment compensation	13.		
14. Taxable amount of social security benefits	14.		
15. Other income	15.		
16. Add Lines 1 through 15	16.		
17. Total federal adjustments to income	17.		
18. Federal adjusted gross income (Subtract Line 17 from Line 16)	18.		
19. Connecticut modifications (See instructions)	19.		
20. Connecticut adjusted gross income (Add Line 18 and Line 19)	20.		

SCHEDULE 3 - CREDIT FOR PROPERTY TAXES PAID ON YOUR PRIMARY RESIDENCE AND/OR MOTOR VEHICLE

Schedule 3 is to be used by a Connecticut resident to claim a credit against his or her Connecticut income tax liability. The credit is for property taxes that first became **due** and were **paid** in 1997 to a Connecticut political subdivision on his or her primary residence and/or privately owned or leased motor vehicle. If you entered zero on **Form CT-1040**, Line 10, **DO NOT** complete this schedule.

Which Property Tax Bills Qualify?

Generally, this credit is allowed for property tax bills first becoming **due** July 1, 1997 and **paid** in 1997. It also includes supplemental property tax bills first becoming **due** and **paid** in 1997. However, the second installment of a property tax bill first becoming due in 1996 and paid in 1997 or the payment in 1997 of any delinquent property tax bills **do not** qualify for this credit.

Maximum Credit Allowed

The **maximum** credit allowed (on your primary residence and/or motor vehicle) is **\$215** per return, regardless of filing status. If you paid more than \$100 in property tax you may be subject to a limitation based on your Connecticut Adjusted Gross Income (AGI).

If your filing status is **Single** and your Connecticut AGI is greater than \$52,500; **Married filing joint** and your Connecticut AGI is greater than \$100,500; **Married filing separate** and your Connecticut AGI is greater than \$50,250; or **Head of household** and your Connecticut AGI is greater than \$78,500, complete the *Property Tax Credit Limitation Worksheet* on Page 22.

This credit cannot exceed the amount of qualifying property taxes paid or the amount of tax entered on **Form CT-1040**, Line 10. To receive this credit, you must complete Schedule 3 in its entirety.

Motor Vehicle Credit Restrictions

The number of motor vehicles eligible for this credit depends on your filing status as shown on the front of your Connecticut income tax return. Any individual whose filing status is *Single*, *Married filing separate* or *Head of household* is limited to the property tax paid on **one** motor vehicle. Individuals whose filing status is *Married filing joint* are limited to the property taxes paid on **two** motor vehicles.

Leased Motor Vehicles

The credit is also available to any Connecticut resident who leased a motor vehicle if **all** of the following conditions were met:

- you had a written lease agreement for a term of more than one year; **and**
- the property tax first became due and was paid during 1997 by either the leasing company or you; **and**
- you were lawfully in possession of the motor vehicle at the time the taxes first became due.

In order to determine the amount of property taxes which may be eligible for credit against your Connecticut income tax liability, please refer to your January 1998 billing statement from your leasing company. Your statement will either indicate the amount of property taxes paid on your leased motor vehicle or provide you with a toll-free number that you may call to obtain the necessary information.

If you do not receive a billing statement in January 1998, contact your leasing company for the appropriate property tax information.

COLUMN INSTRUCTIONS FOR SCHEDULE 3

COLUMN A - NAME OF CONNECTICUT TAX TOWN OR DISTRICT

Enter the Connecticut town or taxing district to which the qualifying property tax was paid.

COLUMN B - DESCRIPTION OF PROPERTY

Enter the description of the property. If a primary residence, enter the street address. If a motor vehicle, enter the year, make and model.

COLUMN C - LIST / BILL NUMBER

Enter the list or bill number from your property tax bill.

COLUMN D - DATE PAID

Enter the date that you paid qualifying property taxes (see *Which Property Tax Bills Qualify?* above).

COLUMN E - AMOUNT PAID

Enter the amount of property taxes paid.

LINE INSTRUCTIONS FOR SCHEDULE 3

LINE 59 - AMOUNT PAID - PRIMARY RESIDENCE

Enter the amount of property tax paid on your primary residence.

LINE 60 - AMOUNT PAID - AUTO 1

Enter the amount of property tax paid on your motor vehicle.

LINE 61 - AMOUNT PAID - MARRIED FILING JOINT ONLY - AUTO 2

Married Filing Joint Only - Enter the amount of property tax paid on your second motor vehicle.

LINE 62 - TOTAL PROPERTY TAX PAID

Add all amounts from Column E.

LINE 63 - MAXIMUM PROPERTY TAX CREDIT ALLOWED

Maximum Property Tax Credit allowed \$215 (subject to limitation).

LINE 64

Enter the **lesser** of Line 62 or Line 63. If \$100 or less, enter this amount on Line 66 and on the front of **Form CT-1040**, Line 11. If greater than \$100, go to Line 65.

LINE 65 - LIMITATION

Complete the *Property Tax Credit Limitation Worksheet* on Page 22, and enter here the amount from Line 5 of that worksheet.

LINE 66

Subtract Line 65 from Line 64. Enter here and on the front of **Form CT-1040**, Line 11.

HOW TO GET MORE INFORMATION

For further information, request **IP 97(9)**, *Q and A on Property Tax Credit* or listen to Topic 408, Property Tax Credit on **CONN-TAX** at 860-297-5962 (Hartford area and out-of-state) or 1-800-382-9463.

LINE 65 - PROPERTY TAX CREDIT LIMITATION WORKSHEET

Enter zero on Line 65 and do not complete this worksheet if your filing status is:

Single and your Connecticut AGI is less than or equal to **\$52,500**;

Married filing joint and your Connecticut AGI is less than or equal to **\$100,500**;

Married filing separate and your Connecticut AGI is less than or equal to **\$50,250**; or

Head of household and your Connecticut AGI is less than or equal to **\$78,500**.

PROPERTY TAX CREDIT LIMITATION WORKSHEET

1. Enter the amount reported on Form CT-1040 , Line 64	1.	
2. Credit allowed (Not subject to limitation)	2.	100.00
3. Subtract Line 2 from Line 1	3.	
4. Enter exclusion percentage from Chart below (use your filing status shown on the front of your tax return and your CONNECTICUT AGI)	4.	.
5. Multiply the amount on Line 3 by the percentage on Line 4. Enter the amount here and on Form CT-1040 , Line 65	5.	

PROPERTY TAX CREDIT EXCLUSION PERCENTAGES

(Use your filing status on the front of your tax return and your Connecticut AGI - Form CT-1040, Line 5.)

SINGLE			MARRIED FILING JOINT		
If you are Single and your Connecticut AGI is:			If you are Married Filing Joint and your Connecticut AGI is:		
More Than	Less Than or Equal to	Exclusion %	More Than	Less Than or Equal to	Exclusion %
\$0	\$52,500	0	\$0	\$100,500	0
\$52,500	\$62,500	.10	\$100,500	\$110,500	.10
\$62,500	\$72,500	.20	\$110,500	\$120,500	.20
\$72,500	\$82,500	.30	\$120,500	\$130,500	.30
\$82,500	\$92,500	.40	\$130,500	\$140,500	.40
\$92,500	\$102,500	.50	\$140,500	\$150,500	.50
\$102,500	\$112,500	.60	\$150,500	\$160,500	.60
\$112,500	\$122,500	.70	\$160,500	\$170,500	.70
\$122,500	\$132,500	.80	\$170,500	\$180,500	.80
\$132,500	\$142,500	.90	\$180,500	\$190,500	.90
\$142,500	and up	1.00	\$190,500	and up	1.00

MARRIED FILING SEPARATE			HEAD OF HOUSEHOLD		
If you are Married Filing Separate and your Connecticut AGI is:			If you are Head of Household and your Connecticut AGI is:		
More Than	Less Than or Equal to	Exclusion %	More Than	Less Than or Equal to	Exclusion %
\$0	\$50,250	0	\$0	\$78,500	0
\$50,250	\$55,250	.10	\$78,500	\$88,500	.10
\$55,250	\$60,250	.20	\$88,500	\$98,500	.20
\$60,250	\$65,250	.30	\$98,500	\$108,500	.30
\$65,250	\$70,250	.40	\$108,500	\$118,500	.40
\$70,250	\$75,250	.50	\$118,500	\$128,500	.50
\$75,250	\$80,250	.60	\$128,500	\$138,500	.60
\$80,250	\$85,250	.70	\$138,500	\$148,500	.70
\$85,250	\$90,250	.80	\$148,500	\$158,500	.80
\$90,250	\$95,250	.90	\$158,500	\$168,500	.90
\$95,250	and up	1.00	\$168,500	and up	1.00

INDIVIDUAL USE TAX WORKSHEET

Complete this worksheet to calculate your use tax liability when filing **Form CT-1040EZ**, **Form CT-1040** and **Form CT-1040NR/PY**. If you require additional lines, you should create an identical worksheet.

If you purchased taxable goods or services for use in Connecticut during the calendar year and a Connecticut or out-of-state merchant failed to collect Connecticut sales tax, you must pay the Connecticut use tax. Complete the schedule below to determine your Connecticut use tax liability.

Enter only those purchases subject to use tax that you have **not** previously reported on **Form OP-186**, *Connecticut Individual Use Tax Return*.

You must list separately on this worksheet, any individual item with a purchase price of **\$300 or more** and complete Columns A through G. You do not need to list separately any individual item with a purchase price of **less than \$300**. Such items are subject to tax and the total of these items should be reported on Line 1. Enter the total tax for all taxable purchases on Line 2.

Enter the result from Line 2 of this worksheet on **Form CT-1040EZ**, Line 7; **Form CT-1040**, Line 15; or **Form CT-1040NR/PY**, Line 17. **You must attach a copy of this worksheet to your Connecticut income tax return if you are reporting the purchase of any individual item with a purchase price of \$300.00 or more.**

For further information regarding the *Connecticut Individual Use Tax*, refer to the questions and answers on Page 24.

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G
DATE OF PURCHASE	DESCRIPTION OF ARTICLES OR SERVICES	RETAILER OR SERVICE PROVIDER	PURCHASE PRICE	CT TAX DUE (.06 x Column D)	TAX, IF ANY, PAID TO ANOTHER JURISDICTION	BALANCE DUE (Column E minus Column F but not less than zero)
1. TOTAL OF INDIVIDUAL PURCHASES UNDER \$300 NOT LISTED ABOVE						1.
Individual Use Tax (Add all amounts for Column G.) Enter here and on Form CT-1040EZ , Line 7; Form CT-1040 , Line 15; or Form CT-1040NR/PY , Line 17.						2.

IMPORTANT: You must enter this amount on your Connecticut income tax return for an individual use tax return to be considered as filed. You **must** enter 0 on the appropriate line if no Connecticut use tax is due.

Questions and Answers about the Connecticut Individual Use Tax

For additional information, request **IP 96(10.1), Q & A on the Connecticut Individual Use Tax**.

1. What is the use tax?

When you make a retail purchase in this state, you will usually pay 6% sales tax to the seller who in turn remits the tax to the Department of Revenue Services (DRS). There are some instances where Connecticut sales tax is not paid to the retailer. For example, the purchase of taxable goods or services from an out-of-state mail order company, a television shopping channel, or a computerized shopping service that is not registered to collect Connecticut sales tax may result in a use tax liability to you.

If you purchase a taxable good or service for use in Connecticut from an out-of-state merchant that is not registered to collect Connecticut sales tax, you **must** pay the Connecticut use tax directly to DRS. This tax has been in effect since 1947.

2. On what kinds of goods or services must I pay use tax?

Personal property, whether purchased or leased, including but not limited to, clothing costing \$50 or more, automobiles, vessels, appliances, furniture, VCRs, jewelry, cameras, computers and computer software. Services include, but are not limited to, repair services to your television, motor vehicle or vessel; computer and data processing services, such as access to on-line computer services; landscaping services for your home; or reupholstering services for your household furniture.

Effective July 1, 1997, computer and data processing services are taxed at 5% and repair and maintenance services to vessels are taxed at 4%.

3. Are there exemptions from the use tax?

Generally, all goods or services that are exempt from sales tax if purchased in Connecticut, are exempt from the use tax if purchased out-of-state for use in Connecticut. Some examples are: clothing costing less than \$50, or newspapers and magazines by subscription.

4. Do I owe Connecticut use tax on all my out-of-state purchases of taxable goods and services?

No. Items that you purchased at one time for \$25 or less **and that you brought** into Connecticut are not subject to Connecticut use tax. The \$25 exemption does **not** apply, however, to items that are **shipped** or **mailed** to you.

5. What if a customer buys taxable goods or services in another state, and the sales tax of the other state was charged by the vendor?

If the goods or services were purchased for use in Connecticut and if the tax paid to the other state is less than the Connecticut tax, then the customer must report and pay the use tax. The tax due would be the Connecticut tax less the tax paid to the other state.

EXAMPLE: You purchased a \$1,000 refrigerator in another state, and paid a \$50 tax to that state. If that refrigerator was purchased for use in Connecticut, a Connecticut use tax is owed. The Connecticut tax of \$60 is reduced to \$10, after allowance of \$50 credit for sales tax paid to another state. If no tax was paid to the other state, however, the Connecticut use tax is \$60.

6. When must individuals pay the use tax?

Where the purchases are not made in connection with a trade or business carried on by an individual, the individual must report the individual use tax either on his or her Connecticut income tax return, **Forms CT-1040EZ, CT-1040 or CT-1040NR/PY**, filed by April 15 for purchases made during the preceding calendar year, or on **Form OP-186, Connecticut Individual Use Tax Return**. A person may file one **Form OP-186** for the entire year or may file several returns throughout the year.

Persons engaged in a trade or business must register with DRS for business use tax and report their purchases made in connection with their trade or business on **Form OS-114**.

7. What is the penalty and interest for not paying the use tax?

The penalty is 10% (.10) of the tax. Interest is charged at the rate of 1% (.01) per month or a fraction of a month from the due date of the tax return. There are also criminal sanctions for willful failure to file a tax return.

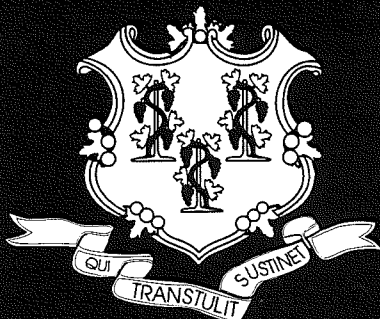
8. On what amount should the use tax be calculated?

The tax rate should be applied to the total purchase price of the taxable goods or services purchased, including separately stated charges (e.g., shipping and handling).

1997 FORM CT-1040 EZ

This booklet
contains:

- Form CT-1040EZ
- Form CT-1040EXT
- Form CT-1040ES
- Tax Tables
- Tax Calculation
Schedule



Connecticut Resident EZ Income Tax Return and Instructions

Dear Customer:

The Connecticut Department of Revenue Services is proud of the progress we have made in improving the quality of service that we provide to our customers. We are pleased to announce that again this year the Department has received awards for excellence and innovation and taxpayers continue to give us high marks for the way we do business. At DRS, we are committed to providing you with cost effective and efficient tax administration, programs that promote voluntary compliance, and above all, fair and equitable treatment of all taxpayers.

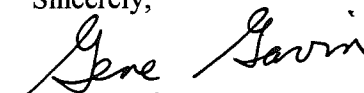
Before completing this return, please read the booklet carefully. Many important taxpayer-friendly legislative changes mean lower taxes for you, make the filing of your tax returns easier and facilitate faster refunds. These include:

- **lower 3% tax rate applies to more of your Connecticut income, reducing your overall tax;**
- **increase of available property tax credit up to \$215;**
- **expanded electronic and personal computer filing opportunities; and**
- **increase in threshold of underpayment of estimated taxes before interest may be imposed.**

Should you have any questions about filing your Connecticut state tax return, Department personnel are ready to help you. Please refer to the back cover for a complete list of our regional office locations, hours of service, phone and fax numbers. Comprehensive taxpayer information, including downloadable forms, is also available on our Internet site: <http://www.state.ct.us/drs>.

Your comments help us serve you better. I invite you to write or e-mail us through our Internet site with your ideas and suggestions.

Sincerely,


Gene Gavin
Commissioner

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

SOME IMPORTANT CHANGES

- The income tax rate for individuals for taxable years beginning on or after **January 1, 1997**, has been reduced to 3% on the first **\$6,250** of *Connecticut taxable income* for single/married filing separate filers, **\$10,000** of *Connecticut taxable income* for heads of household, and **\$12,500** of *Connecticut taxable income* for married individuals filing jointly. *Connecticut taxable income* above these amounts is taxed at 4.5%.
- A **NEW** property tax credit for Connecticut residents who have paid property taxes on their primary residence and/or privately owned or leased motor vehicles is allowed for property taxes first becoming due and actually paid during the 1997 taxable year. The maximum credit allowed is \$215 per return. If you pay more than \$100 in property tax, you may be subject to a limitation based on your Connecticut adjusted gross income. See *Schedule 2 EZ - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle* on Page 14, or listen to Topic 408, *Property Tax Credit*, on CONN-TAX (see below).
- There are two additional contribution check off boxes on the Connecticut Income Tax Return: the ***Breast Cancer Research and Education Fund*** and the ***Safety Net Services Fund***. You may contribute all or part of your refund to one or more of these funds. See *What Will Your Contribution be Used For?* on Page 13 for a description of each fund.
- The threshold at which estimated income tax payments are required has been raised to \$500 from \$200. See *Should I Make Estimated Tax Payments?* on Page 8.
- The penalty for late payment of use tax has been reduced from 15% to 10% of the balance due.
- Farmers and fishermen, as defined in §6654(i)(2) of the Internal Revenue Code, must now make only one estimated income tax payment. See *Special Rules for Farmers and Fishermen* on Page 8.

C O N N - T A X

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Call **860-297-5962** (Hartford area and out-of-state) or **1-800-382-9463** (in-state), press "2" to select "*Recorded Income Tax Information*," and enter the 3 digit number beside the topic of your choice.

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OTHER TAXES THAT YOU SHOULD KNOW ABOUT

The information that follows is intended to be a general description of other Connecticut taxes for which you may be liable. More detailed information is available by requesting the form or publication specified. Failure to pay these taxes, if you are liable for them, may subject you to civil and criminal penalties.

Connecticut Use Tax Reported on Form CT-1040EZ

In general, purchased goods or services which would have been subject to the Connecticut sales tax had those goods or services been purchased from a Connecticut retailer, are subject to the Connecticut use tax. Typically, individuals who have purchased goods from mail order or catalog companies and have had those goods shipped to Connecticut, and individuals who have purchased goods at out-of-state locations and have brought those goods back into Connecticut, are subject to the Connecticut use tax if they did not pay Connecticut sales tax. The Connecticut use tax is computed on the purchase price of the goods or services and must be paid by April 15, 1998, for all purchases subject to the Connecticut use tax made during 1997. Taxpayers who owe use tax must complete **Form CT-1040EZ, Schedule 1 EZ, Individual Use Tax**.

Connecticut Gift Tax (Form CT-709)

Gifts made during each calendar year by resident and nonresident individuals are subject to the Connecticut gift tax. Residents are subject to tax on all gifts of intangible property and of real and tangible personal property located in Connecticut. In general, gifts made to any particular donee are not subject to the Connecticut gift tax unless the value of all such gifts to such donee during the calendar year exceeds \$10,000. The tax is computed on the fair market value of the property that was given. The donor is liable for the tax, but if the donor does not pay the tax, it may be collected from the donee. The tax is reported on, and paid upon the filing of **Form CT-709, Connecticut Gift Tax Return**. The return must be filed, and the gift tax paid, on or before April 15 annually for gifts made during the preceding calendar year.

Connecticut Tax for Household Employers

Connecticut rules differ from federal rules. Household employers may not report and pay household employee withholding tax on their Connecticut income tax return. Request SN 96(8), *1996 Legislative Changes Concerning "Nanny Tax" Withholding*.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users **only** may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover of this booklet.

If you visit, be sure to bring:

1. your "state copy" of your federal Forms W-2 or 1099-R;
and
2. your **COMPLETED** federal income tax return.

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at Connecticut:

- post offices
- town halls
- public libraries
- some banks

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three, for DRS Forms Unit.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

HOW CAN I GET MY REFUND FASTER?

The Department of Revenue Services issues refund checks as quickly as possible. An incomplete or incorrectly prepared return can delay or reduce your income tax refund. The following tips will help us get your refund to you as quickly as possible.

1. File the appropriate form for your tax situation. Most people will be able to file the simpler **Form CT-1040EZ**, *Connecticut Resident EZ Income Tax Return*. (See *Which Form Should I Use?* on Page 6.) Using this form decreases processing time and speeds refunds.
2. Be sure to check the correct filing status.
3. Make sure a legible "state copy" of all federal Forms W-2 (Wages) are attached to your Connecticut return. Also attach Forms W-2G (Winnings), 1099-R (Pensions) and any other forms showing Connecticut income tax withheld.

4. Sign your return upon completion. If you and your spouse are filing jointly, both of you must sign.
5. Be sure your paid preparer signs the return.
6. Use the preprinted label if one is included with this booklet. The information on this label will help us process your return and refund more quickly.

If you are not using a preprinted label, be sure to include your name(s), mailing address and social security number(s) in the name and address section of your return.
7. Be sure that both you and your spouse file your income tax returns at the same time if you filed joint estimated tax payments but elected to file separate income tax returns. No refund will be processed until both Connecticut returns are received.
8. Use the correct mailing label when filing your return. One label is for refund requests or no additional tax due. The other is for payments.

Electronic Filing / On-Line Filing

The Department of Revenue Services participates with the Internal Revenue Service in the joint Federal/State Electronic Filing Program. You can now file electronically if you have a refund, a balance due or no tax due. You will benefit from faster refunds and direct deposit of refunds. The Department cannot provide you with information about how to file electronically. You must contact a tax professional or company that offers electronic filing or on-line filing through the Federal/State Electronic Filing Program.

WHO MUST FILE A CONNECTICUT RETURN?

You are required to file a Connecticut income tax return if you were a resident for the entire year or consent to be treated as a resident for the entire year **and** any of the following is true for the 1997 taxable year:

1. you had Connecticut income taxes withheld; **or**
2. you made estimated tax payments to Connecticut; **or**
3. you meet the gross income test (see below); **or**
4. you had a federal alternative minimum tax liability.

The Gross Income Test

You are required to file a Connecticut income tax return if your **gross income** for 1997 exceeds:

- \$12,000 for a Single or Married person filing separate
- \$19,000 for Head of household
- \$24,000 for Married persons filing jointly

Gross income means all income you received in the form of money, goods, property and services that is not exempt from federal tax **and** any additions to income from **Forms CT-1040** or **CT-1040NR/PY**, Schedule 1.

Gross income includes, but is not limited to, the following items:

- compensation for services, including wages, fees, commissions, taxable fringe benefits, and similar items;
- gross income from a business;
- capital gains;
- interest and dividends;
- gross rental income;
- gambling winnings;
- alimony;
- taxable pensions and annuities;
- prizes and awards;
- your share of income from partnerships, S corporations, estates and trusts;
- IRA distributions;
- unemployment compensation;
- **federally taxable** social security.

The following examples explain the gross income test:

Example 1: A Connecticut resident whose only income is from a sole proprietorship files a federal Form 1040, Schedule C, reporting the following:

Schedule C:	Gross Income	\$100,000
	Expenses	(92,000)
	Net Income	\$8,000

Since the **gross** income of \$100,000 exceeds the minimum requirements, this resident is required to file a Connecticut tax return.

Example 2: A Connecticut resident receives \$8,000 in federally nontaxable social security benefits and \$11,000 in interest income. Since nontaxable social security is not part of gross income, **no** Connecticut return must be filed provided no Connecticut tax was withheld and no estimated tax payments were made.

Title 19 Recipients

Title 19 recipients are required to file a Connecticut income tax return if the requirements for *Who Must File a Connecticut Return?* are met. If you were a Title 19 recipient in 1997 **and** Medicaid assisted in the payment of your long-term care in a nursing or convalescent home in 1997 **and** you do not have the funds to pay your Connecticut income tax, complete **Form CT-19 IT** and attach it to the **front** of your Connecticut income tax return. By completing this form you authorize DRS to verify your Title 19 status for 1997 with the Department of Social Services.

How Do I File A Decedent's Return?

A Connecticut income tax return must be filed for a taxpayer who died during the taxable year if the requirements for *Who Must File a Connecticut Return?* are met. It must be signed and filed by his or her executor, administrator or surviving spouse for the portion of the year before the taxpayer's death. The date of the taxpayer's death must be clearly stated at the top of the return. As for federal purposes, a joint return may be filed by a surviving spouse. (Indicate who is deceased and date of death.) Write "**Filing as surviving spouse**" in the deceased spouse's signature block of the return. In the case of the death of both spouses, a final return must be filed by their legal representative. The Connecticut filing status must be consistent with the federal filing status.

Claiming A Refund For A Deceased Taxpayer

If you are a surviving spouse filing a joint return with the deceased, file only the tax return to claim the refund. If you are a court-appointed representative, file the return **and** attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach federal Form 1310.

Any income received by the estate of the decedent for the portion of the taxable year after the decedent's death, and for succeeding taxable years until the estate is closed, must be reported each year on **Form CT-1041**, *Connecticut Income Tax Return for Trusts and Estates*.

Special Information For Nonresident Aliens

In accordance with Conn. Agencies Regs. §12-740-8, a nonresident alien who is a resident of Connecticut, or who is a nonresident of Connecticut but has Connecticut adjusted gross income derived from or connected with sources within this state, shall file a Connecticut income tax return and pay Connecticut income tax even though the nonresident alien is not or may not be required to file a federal income tax return or pay federal income tax. The provisions of any income tax treaty between the United States and another country shall be disregarded for Connecticut income tax purposes, because no such treaty prohibits or restricts the imposition of state and local income taxes. Therefore, for Connecticut income tax purposes, any treaty income as reported on federal Form 1040NR must be entered as a modification increasing federal adjusted gross income on **Form CT-1040**, Schedule 1, Line 36 or **Form CT-1040NR/PY**, Schedule 1, Line 38. (See detailed filing instructions contained in the instruction booklet for **Form CT-1040** or **Form CT-1040NR/PY**.)

Taxable Year and Method of Accounting

A taxpayer's taxable year and method of accounting shall be the same as the taxpayer's taxable year and method of accounting for federal income tax purposes.

If a taxpayer's taxable year or method of accounting is changed for federal income tax purposes, the taxable year or method of accounting shall be similarly changed for Connecticut income tax purposes.

WHICH FORM SHOULD I USE?

Can I File Form CT-1040EZ?

Most residents will find that they qualify to file the short, simple **Form CT-1040EZ**. You may file **Form CT-1040EZ** if all of the following are true:

- you were a resident of Connecticut for the entire year or consent to be treated as a resident for the entire year;
and
- you are not claiming credit for income taxes paid to another jurisdiction;
and
- you have no modifications to federal adjusted gross income for Connecticut income tax purposes, **or** your only modification is a federally taxable refund of state and local income taxes (see a list of modifications below);
and
- you do not have a federal alternative minimum tax liability;
and
- you are not claiming an adjusted net Connecticut minimum tax credit.

If **any** of these statements are **not** true, you must file **Form CT-1040** or **Form CT-1040NR/PY**.

If you owe penalty and interest for a late-filed return **and** you want to pay the amount with your return, you **must** file **Form CT-1040**. However, if you file **Form CT-1040EZ**, the Department will bill you for outstanding penalty and interest.

If one spouse is a resident and the other spouse is a part-year resident or nonresident and you file a joint federal income tax return you may not be eligible to file a joint **Form CT-1040EZ**. See *Filing Status* on Page 11 for information.

What is Connecticut Adjusted Gross Income?

For the purpose of completing **Form CT-1040EZ**, Connecticut adjusted gross income is your federal adjusted gross income as reported on Line 32 of your federal Form 1040, Line 16 of your federal Form 1040A, Line 4 of your federal Form 1040EZ, or Line H of your TeleFile Tax Record, minus any taxable refund of state and local income taxes reported on Line 10 of your federal Form 1040.

Am I a Resident, Part-Year Resident or Nonresident?

To determine your residency status and the return you must file for 1997, read the following:

Resident: (Complete **Form CT-1040EZ** or **Form CT-1040**)

1. Connecticut was my domicile (permanent legal residence) for the entire year of 1997;
or
2. I maintained a permanent place of abode in Connecticut **and** spent a total of more than 183 days in Connecticut during the 1997 taxable year, **and** I am not a part-year resident.

Part-Year Resident: (Complete **Form CT-1040NR/PY**)

I changed my permanent legal residence by moving into or out of Connecticut during the taxable year. (See detailed filing instructions contained in the instruction booklet for **Form CT-1040NR/PY**.)

Nonresident: (Complete **Form CT-1040NR/PY**)

1. I was not a resident or part-year resident for 1997;
and
2. I had income, gains or losses from Connecticut sources in 1997.

IMPORTANT: You may be treated as a nonresident for 1997 even though your domicile was Connecticut if **all** of the following conditions are met:

1. you maintained no permanent place of abode in Connecticut for the entire taxable year of 1997;
and
2. you maintained a permanent place of abode outside of Connecticut for the entire taxable year of 1997;
and
3. you spent not more than thirty days in the aggregate in Connecticut during the 1997 taxable year.

Military personnel stationed in Connecticut, but domiciled in another state are considered nonresidents. (See detailed filing instructions contained in the instruction booklet for **Form CT-1040** or **Form CT-1040NR/PY**.)

What are Some of the Modifications to Federal Adjusted Gross Income?

If you have any of the modifications listed below you must file **Form CT-1040**; you cannot file **Form CT-1040EZ**.

Additions

- Interest on state and local government obligations other than Connecticut;
- Exempt-interest dividends from a mutual fund derived from state or municipal government obligations other than Connecticut;
- Shareholder's pro rata share of certain S corporations' nonseparately computed loss;
- Taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income;
- Beneficiary's share of Connecticut fiduciary adjustment;
- Loss on sale of Connecticut state and local government bonds.

Subtractions

- Interest on United States government obligations;
- Exempt dividends from qualifying mutual funds derived from United States government obligations;
- Social security benefit adjustment;
- Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities;
- Shareholder's pro rata share of certain S corporations' nonseparately computed income;
- Beneficiary's share of Connecticut fiduciary adjustment;
- Gain on sale of Connecticut state and local government bonds.

DEFINITIONS: *Domicile* (permanent legal residence) is the place you intend to have as your permanent home. It is the place you intend to return to whenever you are away. You can have only one domicile although you may have more than one place to live. Your domicile does not change until you move to a new location and definitely intend to make your permanent home there. If you move to a new location but intend to stay there only for a limited time (no matter how long), your domicile does not change. This also applies if you are working in a foreign country.

Permanent place of abode is a residence (a building or structure where a person can live) that you permanently maintain, whether or not you own it, and generally includes a residence owned by or leased to your spouse. A permanent place of abode is not deemed permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.

Are Military Personnel Required to File?

Military personnel who claim Connecticut as a residence but are stationed elsewhere will be subject to Connecticut income tax. If you enlisted in the service as a Connecticut resident and have not established a new domicile (permanent legal residence) elsewhere, you are required to file a resident income tax return unless you meet all three conditions for being treated as a nonresident listed on Page 6.

If your permanent home (domicile) was outside Connecticut when you entered the military, you do not become a Connecticut resident because you are stationed and live in Connecticut. As a nonresident, your military pay is not subject to Connecticut income tax. However, income that you receive from Connecticut sources while you are a nonresident (including your spouse's nonmilitary income) may be subject to Connecticut income tax. (See instructions for a Connecticut nonresident contained in the instruction booklet for **Form CT-1040NR/PY**.)

Example: Sue is a resident of Florida. She enlisted in the Navy in Florida and was stationed in Groton, Connecticut. She earned \$38,000 in military pay.

A. She had no other income.

Military personnel are residents of the state in which they resided when they enlisted. Since Sue resided and enlisted in Florida, she is considered a resident of Florida and does not have to file a Connecticut return.

B. Sue has a part-time job in Connecticut.

Her Connecticut source income from nonmilitary employment is taxable and must be reported on **Form CT-1040NR/PY**.

Spouses of military personnel who are stationed in Connecticut may be considered residents of this state even if their domicile is elsewhere. (See *Am I a Resident, Part-Year Resident or Nonresident?* on Page 6.)

For further information, request **IP 92(2.4)**, *Connecticut Income Tax Information for Military Personnel and Veterans*.

The income tax return of any individual in the U.S. armed forces serving in a combat zone or injured and hospitalized while serving in a combat zone shall be due 180 days after returning. There will be no penalty or interest charged. For any individual who dies while on active duty in a combat zone or as a result of injuries received in a combat zone, no income tax or return is due for the year of death. A refund of tax paid will be provided to the legal representative of the estate or to the surviving spouse.

DEFINITION: *Combat zone* is an area designated by the President of the United States as a combat zone by executive order. A combat zone also includes an area designated by the federal government as a *qualified hazardous duty area*.

Example: If an individual in the U.S. armed forces is serving in the peacekeeping efforts in Bosnia and Herzegovina, Croatia or Macedonia, he or she is also eligible for the 180 day extension due individuals serving in a combat zone. The individual should print at the top of his or her return "**Bosnia-Operation Joint Endeavor**".

WHEN SHOULD I FILE?

Your Connecticut income tax return is due on or before April 15, 1998, and will be considered timely-filed if received or if the date shown by the U.S. Post Office cancellation mark is on or before this date.

If your taxable year is other than the calendar year, you must file on or before the fifteenth day of the fourth month after the end of your taxable year. If this date falls on a Saturday, Sunday or legal holiday, substitute the next business day. Your return will be considered timely-filed if it is actually received or if the date shown by the U.S. Post Office cancellation mark is on or before the due date of your return.

If you file late, you will be subject to penalty and interest. Penalty and interest apply to late filing, late payment and underpayment of tax. If you have an overpayment of income tax or no tax is due but you are required to file a return and you file late, you will be subject to penalty.

How Do I Request an Extension of Time to File My Return?

If you are unable to file a timely return you must file **Form CT-1040EXT**, *Application for Extension of Time to File*, and pay the amount of tax you expect to owe on or before the original due date for filing your Connecticut income tax return. This form is contained in this booklet for your convenience. The filing of this form will automatically extend the due date for **six months** (October 15, 1998, for calendar year taxpayers) if federal Form 4868, *Application for Automatic Extension of Time*, has been filed. (You are not required to attach a copy of the federal extension request to **Form CT-1040EXT**.)

Form CT-1040EXT only extends the time to **file** your final return; it **does not** extend the time to **pay** your income tax or individual use tax. Penalty and interest will be assessed on any tax not paid by the original due date. (See *When Do Penalty and Interest Apply?* on Page 9.)

U.S. Citizens Living Abroad

If you are a U.S. citizen or resident living outside the United States and Puerto Rico, or in the armed forces of the United States serving outside the United States and Puerto Rico and are unable to file a timely Connecticut income tax return, you must file **Form CT-1040EXT**. You must also pay the amount of tax that you expect to owe on or before the original due date of the return.

Include with **Form CT-1040EXT** a statement that you are a U.S. citizen or resident living outside the United States and Puerto Rico, or in the armed forces of the United States serving outside the United States and Puerto Rico, and that you qualify for a federal automatic two-month extension. If you

application is approved, the due date will be extended for six months (October 15, 1998, for calendar year taxpayers). If you are still unable to file your return and you have applied for and were granted an additional extension of time to file for federal purposes using federal Form 2350, you may also file your Connecticut return using the federal extension due date but you must attach a copy of the federal Form 2350 approval notice to the front of your Connecticut return.

WHAT IF I CAN'T PAY ALL THE TAX I OWE?

In general, penalty and interest apply to any portion of the tax that is not paid on or before the original due date of the return. Even if you cannot pay all the tax you owe, you should file your return on time and pay as much as you can. Penalty and interest will be assessed on any tax not paid by the original due date. (See *When Do Penalty and Interest Apply?* on Page 9.) If you continue to make payments, you can reduce the amount of interest you would otherwise owe.

Extension of Time to Pay the Tax

You may be eligible for an extension of six months to pay the tax you owe if you can show that it will cause you undue hardship to pay the tax on the date it is due. To receive consideration, you must file **Form CT-1127, Application For Extension Of Time For Payment Of Income Tax**, on or before the original due date of the return.

You must attach **Form CT-1127** to the front of your timely-filed Connecticut income tax return or your timely-filed **Form CT-1040EXT**. As evidence of the need for extension, you must attach (1) a statement of assets and liabilities, and (2) an itemized list of receipts and disbursements for the preceding three months. You must also explain why you are unable to borrow the money to pay the tax.

If an extension of time to pay is granted and full payment of tax is made on or before the end of the extension period, the penalty will be waived. Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment from the original due date of the return until the tax is paid in full. Interest charges cannot be waived.

You are required to make full payment of tax on or before the end of the extension period. The Department encourages you to begin making payments as soon as possible which will reduce the interest that you will otherwise owe. Mail payments to:

Accounts Receivable Unit
Department of Revenue Services
PO Box 5088
Hartford CT 06102-5088

WHAT SHOULD I DO IF I MAKE A MISTAKE OR LEAVE SOMETHING OFF MY RETURN?

If, after filing your income tax return, you receive an additional wage and tax statement (Form W-2 or 1099) or discover that an error was made, **do not** submit a second **Form CT-1040EZ**. If corrections are necessary, you must file **Form CT-1040X, Amended Connecticut Income Tax Return**. An amended return claiming a refund of an overpayment must be filed within three years from the original due date of the return, or three years from the extended due date of the return if an extension of time to file the return was granted by the Department to the taxpayer.

Contributions made to designated funds and overpayments applied to the next year's estimated taxes on the original return are irrevocable and cannot be changed by amendment.

Changes to Your Federal Return

If your income is changed or corrected by the Internal Revenue Service, you must file **Form CT-1040X**, within 90 days after the final determination is made, if the federal change affects the Connecticut income tax liability (including alternative minimum tax).

If you file an amended federal income tax return, you must also file **Form CT-1040X** within 90 days after filing your amended federal income tax return if the change affects the Connecticut income tax liability (including alternative minimum tax).

IMPORTANT: For taxable years beginning on or after January 1, 1996, **Form CT-1040X** is year-specific. **Form CT-1040X** is available from the Department. In order to receive the appropriate form, state the year for which you are amending your return when requesting **Form CT-1040X**.

SHOULD I MAKE ESTIMATED TAX PAYMENTS?

A payment of estimated income tax is generally required if your Connecticut income tax (after tax credits) **minus** Connecticut tax withheld is **more than \$500**, **AND** you expect your Connecticut income tax withheld to be less than your required annual payment.

Your required annual payment for 1998 is the lesser of:

1. **90%** of the income tax shown on your **1998 Connecticut income tax return**; or
2. **100%** of the income tax shown on your **1997 Connecticut income tax return**, if you filed a 1997 Connecticut income tax return that covered a 12-month period.

You do **not** have to make estimated income tax payments if:

1. you were a Connecticut resident in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability;
- or
2. you were a nonresident or part-year resident with Connecticut source income in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did not have Connecticut source income in 1997 then you **must** use 90% of the income tax shown on your 1998 Connecticut income tax return as your required annual payment.

Special Rules for Farmers and Fishermen

If you are a farmer or fisherman (as defined in Section 6654(i)(2) of the Internal Revenue Code) who is required to make estimated income tax payments, you will be required to make only one payment. Your installment is due on or before January 15, 1999, for the 1998 taxable year. The required installment shall be the lesser of 66 2/3% of the Connecticut income tax shown on your 1998 return or 100% of the Connecticut income tax shown on your 1997 return.

1998 Estimated Tax Due Dates

Due dates of installments and the amount of required payments for 1998 calendar year taxpayers are as follows:

April 15, 1998	25% of your required annual payment
June 15, 1998	25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)
September 15, 1998	25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)
January 15, 1999	25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.)

As a result of legislation, the tax rate for 1998 estimated payments has been reduced. Complete **Form CT-1040ES** located in this booklet for installments due April 15, 1998 and June 15, 1998. Obtain **Form CT-1040ES** from the Department to calculate the amount of installments due September 15, 1998 and January 15, 1999 using the reduced tax rate.

If any due date falls on a Saturday, Sunday or legal holiday, substitute the next business day. An estimate will be considered timely-filed if received or if the date shown by the U.S. Post Office cancellation mark is on or before the due date.

For those taxpayers who report on other than a calendar year basis, use your federal estimated tax installment dates.

A farmer or fisherman, as defined in §6654(i)(2) of the Internal Revenue Code, who files a 1998 Connecticut income tax return on or before March 1, 1999, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for underpayment of estimated tax.

Farmers and fishermen who use these special rules **must file Form CT-1040** and complete and attach **Form CT-2210, Underpayment of Estimated Tax by Individuals, Trusts and Estates**.

For further information, request **IP 97(8), Farmer's Guide to Sales and Use and Estimated Income Taxes**.

Annualized Income Installment Method

If your income varies throughout the year, using the annualized income installment method may enable you to reduce or eliminate the amount of your estimated tax payment for one or more periods. For further information, request **IP 93(6.4), A Guide to Calculating Your Annualized Estimated Tax Installments and Worksheet CT-1040AES**.

Filing Form CT-1040ES

Use **Form CT-1040ES, Estimated Connecticut Income Tax Payment Coupon**, to make estimated Connecticut income tax payments for 1998. If you made estimated tax payments in 1997, you will receive **1998 Estimated Connecticut Income Tax Payment Coupons for Individuals** in mid-January containing preprinted coupons with your name, address and social security number. To ensure that your payments are properly credited, be sure to use the preprinted coupons.

If you did not make estimated tax payments in 1997, use **Form CT-1040ES** included in this booklet to make your first estimated income tax payment. If you file this form, additional coupons will be mailed to you.

To avoid making estimated tax payments, you may request your employer to withhold additional amounts from your wages to cover the taxes on other income. You can make this change by providing your employer with a revised **Form CT-W4, Employee's Withholding or Exemption Certificate**.

Interest on Underpayment of Estimated Tax

If you did not pay enough tax through withholding and/or estimated payments by any installment due date, you may be charged interest. This is true even if you are due a refund when you file your tax return. Interest is calculated separately for each installment. Therefore, you may owe interest for an earlier installment, even if you paid enough tax later to make up the underpayment. Interest at 1% (.01) per month or fraction of a month shall be added to the tax due until the **earlier** of the following dates: April 15, 1998, or the date on which the underpayment is paid.

A taxpayer who files a 1997 income tax return on or before January 31, 1998, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for failing to make the estimated payment due January 15, 1998. (This does not apply to taxpayers paying estimated Connecticut income taxes as farmers or fishermen.)

If you owe interest for underpayment of 1997 estimated tax **and** you want to pay the amount with your return, you **must file Form CT-1040**. If you file **Form CT-1040EZ**, the Department will bill you for the interest.

WHEN DO PENALTY AND INTEREST APPLY?

Late Payment or Late Filing

In general, penalty and interest apply to any portion of the tax that is not paid on or before the original due date of the return. A penalty of 10% (.10) of the amount of tax underpaid will apply. **If no tax is due but you are required to file or if you are claiming a refund, the penalty for late filing is \$50.** Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment until the tax is paid in full.

Failure to File

If you fail to file your return and the Commissioner of Revenue Services files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater.

Failure to Report Federal Changes

If the Internal Revenue Service changes your income for any year or if you file an amended federal return, you are required to report such changes within 90 days after the final determination of such changes or the filing of such amendment, if the federal change affects the Connecticut income tax liability (including alternative minimum tax). The change should be reported on an amended Connecticut income tax return, **Form CT-1040X**. The penalty for failure to report any such change within the 90-day period is \$50.

Waiver of Penalty

You may be entitled to a waiver of penalty if the failure to pay tax was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. (Be sure to include your name and social security number on all correspondence.) Do not include penalty waiver requests with the tax return.

Mail separately to:

Penalty Review Committee
Department of Revenue Services
PO Box 5089
Hartford CT 06102 - 5089

Interest cannot be waived. Before a penalty waiver can be granted, the taxpayer must pay **all tax and interest due**.

WHAT HAPPENS AFTER I FILE?

How Long Should Records be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as W-2 and 1099 forms) until the statute of limitations runs out for that return. Usually, this is three years from the date the return was due or filed.

This information may be needed in preparing future returns or in amending filed returns.

Copies of Returns

You may request a copy of a previously filed Connecticut income tax return from the Department by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. It generally takes three weeks to fill such requests.

Information About Refunds

If you have a touch-tone phone, you may get information on the status of your refund 24 hours a day by calling 860-297-5962

(Hartford area or out-of-state) or 1-800-382-9463 (in-state). You must have the following information available: your social security number (and your spouse's, if filing jointly) and the exact amount of the refund you requested.

You should allow at least eight weeks for your refund to be processed. You are entitled to interest on your overpayment at the rate of 2/3% for each month or fraction of a month between the 90th day following receipt of your claim for a refund or the due date of your return, whichever is later, and the date of notice that your refund is due.

If you want your refund to be mailed to someone other than yourself, request **PS 96(4), Mailing and Issuance of a Tax Refund to a Party Other than the Taxpayer**.

Offset Against Debts

If you are due a refund but have not paid certain obligations to Connecticut state agencies or the Internal Revenue Service, all or part of your overpayment may be used to pay all or part of these outstanding debts or taxes. You will be advised by mail if your refund is reduced for this reason and will be given information directing you to the agency to contact if you wish to appeal. Your refund may also be reduced if you owe penalty and interest on late-filed or underpaid Connecticut income tax returns.

Nonobligated Spouse

When a joint return is filed and only one spouse owes past due child support or a debt to any Connecticut state agency, the spouse who is not obligated may be eligible to claim a share of a joint income tax refund. A nonobligated spouse who received income in 1997 and who made Connecticut tax payments (withholding or estimates) for taxable year 1997 may be eligible to claim his or her share of any refund if:

1. a joint Connecticut tax return was filed for 1997;
- and**
2. an overpayment of tax was made.

If you are a nonobligated spouse, you may claim your share of a joint refund by filing **Form CT-8379, Nonobligated Spouse Claim**.

Do not use **Form CT-8379** to claim your share of a Connecticut refund that was applied to federal taxes owed to the Internal Revenue Service. You must contact the IRS Problem Resolution Office in Hartford at 860-240-4179.

INSTRUCTIONS FOR CONNECTICUT RESIDENT INCOME TAX RETURN - FORM CT-1040EZ

HOW DO I START?

If you follow this easy five-step process, you should be able to complete your form with a minimum amount of time and effort.

Step One - Complete Your Federal Return

Before you begin, get all your records together, including your federal Forms W-2 (Wages), W-2G (Winnings), 1099-R (Pensions) and other 1099s. First use this information to complete your federal income tax return. The information on your federal return will help you complete your Connecticut return.

Step Two - Complete Your Connecticut Return

Remove the income tax forms from this booklet. One copy is for you to file with the Department of Revenue Services. The other copy is for your records. If you complete the copy for your records first, you will be able to make any necessary corrections and copy your final calculations onto the form you send to the Department of Revenue Services. Keep the copy for your records. You may need information from it when you file your next year's return, make estimated tax payments, or if we write to you with a question.

Simply proceed item by item, reading the instructions for each line item before you enter any amounts. Then copy all information carefully onto the form you intend to file.

Step Three - Order of Attachments

Staple all your Forms W-2 or **Form CT-4852** (substitute Form W-2) to the front of the income tax form in the appropriate area marked "**Staple Forms W-2, W-2G and 1099 here.**" Also attach any other forms showing Connecticut income tax withheld. Paper clip your check or money order in payment of the tax due to the front of the income tax form in the appropriate area marked "**Clip check or money order here.**"

In addition, if you must file any of the following forms, attach the form(s) to the **front** of your income tax return in the following order:

- **Form CT-19 IT** (Title 19 status release)
- **Form CT-1127** (Extension of time to pay)
- **Form CT-8379** (Nonobligated spouse)

Attach other required forms and schedules to the back of your return or as directed on the form.

Step Four - Check Your Return

Take your time in completing your return. When you have finished your return, recheck all of your entries and arithmetic.

After you have completed your return, be sure to sign it and attach any required schedules, statements or forms.

REMEMBER: Errors delay refunds.

Step Five - Mailing Your Return

This package contains one envelope with two pre-addressed labels for mailing your return. By using the correct label, you will help us to reduce processing time.

For **REFUND REQUEST** or **NO TAX DUE**, affix the mailing label that has this address and mail to:

**Department of Revenue Services
PO Box 150420
Hartford CT 06115-0420**

For **PAYMENT**, affix the mailing label that has this address and mail to:

**Department of Revenue Services
PO Box 150440
Hartford CT 06115-0440**

NAME AND ADDRESS

All information on **Form CT-1040EZ** should be for the calendar year January 1 through December 31, 1997, or for your fiscal year beginning in 1997. If filing for a fiscal year other than the calendar year, enter the month and day the taxable year began, and the month, day and year that it ended, at the top of the front page.

After you have completed your return and checked it for accuracy, remove the preprinted peel-off label included in this booklet and place it over the name and address blanks of your return. Using the label speeds up processing your return so that you may receive your refund sooner. It also reduces the possibility of error, which could delay your refund.

Make sure the information on the label is correct. Do not use this label if any of the information is incorrect. Print or type the correct information in the name and address blanks on your return. If there is no preprinted label, print or type the information requested in the space provided at the top of **Form CT-1040EZ**. Be sure your social security number is listed on your return. If you file a joint return, list your social security number and your spouse's social security number in the order they appear on your federal return.

If your return is being completed by someone else, take your booklet to your tax preparer so that the preparer can attach the label to your return.

FILING STATUS

Check the appropriate box to indicate your filing status. For the purpose of **Form CT-1040EZ**, your filing status must match your federal income tax filing status for this year. Consult the information in your federal income tax booklet or call the Internal Revenue Service at 1-800-829-1040 if you are not certain of your filing status for 1997.

What if My Spouse and I are Residents of Different States?

When one spouse is a **Connecticut resident** or a **nonresident** and the other spouse is a **part-year resident**, **EACH** spouse who is required to file a Connecticut income tax return **must** file as "**married filing separate.**"

When one spouse is a **Connecticut resident** and the other is a **nonresident**, **EACH** spouse who is required to file a Connecticut income tax return **must** file as "**married filing separate**" **unless**:

1. they file jointly for federal income tax purposes;

and

2. they elect to be treated as if both were Connecticut residents for the entire taxable year.

If filing a joint federal return and a separate Connecticut return, enter on Line 1 of **Form CT-1040EZ** only **your** portion of the income included in joint federal adjusted gross income.

ROUNDING OFF TO WHOLE DOLLARS

You may round off cents to the nearest whole dollar on your return and schedules. All cents up to and including 49 cents are to be dropped. All amounts from 50 cents to 99 cents are to be rounded up to the next highest dollar. For example, \$1.29 becomes \$1.00 and \$3.59 becomes \$4.00. If you do round off, do so for all amounts.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents when adding and only round off the total. For example, if you received two state W-2 forms, one showing \$800.49 withheld and one showing \$50.22 withheld you would enter on **Form CT-1040EZ**, Line 9, \$851.00 (\$800.49 + \$50.22 = \$850.71).

You may round off the amount of tax due as stated in the 1997 Tax Tables or as calculated using the Tax Calculation Schedule.

CAUTION: Rounding off to whole dollars may affect the amounts of your personal exemption and your personal tax credit.

FORM CT-1040EZ - LINE INSTRUCTIONS

LINE 1 - INCOME

Enter your federal adjusted gross income from your 1997 federal income tax return. This will be the amount reported on Line 32 of federal Form 1040, Line 16 of federal Form 1040A, Line 4 of federal Form 1040EZ, or Line H of federal TeleFile Tax Record.

LINE 2 - REFUNDS OF STATE AND LOCAL INCOME TAXES

Enter the amount of taxable refunds of state and local income taxes reported on Line 10 of your federal Form 1040. (If an amount is not reported on Line 10 of your federal Form 1040, or if you filed federal Forms 1040A, 1040EZ or federal TeleFile Tax Record, enter 0.)

LINE 3 - CONNECTICUT ADJUSTED GROSS INCOME

Subtract Line 2 from Line 1 and enter the result on Line 3. This is your Connecticut adjusted gross income.

LINE 4 - TAX COMPUTATION

If the amount on Line 3 is \$12,000 or less, enter zero on Line 4 and Line 6. You do not owe any tax. If the amount is more than \$12,000, calculate your tax using one of the following methods:

Tax Tables - If your Connecticut adjusted gross income is less than or equal to \$102,000, you may use the Tax Tables in the back of this booklet to find your tax. Be sure to use the correct column in the Tax Tables. After you have found the correct tax, enter that amount on Line 4.

Tax Calculation Schedule - You must use the Tax Calculation Schedule to figure your tax if your Connecticut adjusted gross income is more than \$102,000. You may also use the Tax Calculation Schedule if your Connecticut adjusted gross income is less than or equal to \$102,000. This schedule is found at the end of this booklet.

LINE 5 - CREDIT FOR PROPERTY TAXES PAID ON YOUR PRIMARY RESIDENCE AND/OR MOTOR VEHICLE

Complete Schedule 2 EZ on the back of Form CT-1040EZ and enter the amount from Line 26 here. Be certain to include all of the requested information or your credit may be denied. (See *Schedule 2 EZ - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle* on Page 14.)

IMPORTANT: The credit is limited to the lesser of \$215 or the amount of qualifying property taxes paid. The maximum property tax credit allowed is \$215 per return, regardless of filing status. If you paid more than \$100 in property tax you may be subject to a limitation based on your Connecticut adjusted gross income. (See *Property Tax Credit Limitation Worksheet*, on Page 15.) This credit can only be used to offset your 1997 income tax. You cannot carry this credit forward and it is not refundable.

LINE 6 - CONNECTICUT INCOME TAX

Subtract Line 5 from Line 4. Enter the result on Line 6. If less than zero, enter 0.

LINE 7 - INDIVIDUAL USE TAX

Enter the total use tax due as reported on Schedule 1 EZ, Line 18. (See *Schedule 1 EZ Individual Use Tax* on Page 13.) If you require additional lines, you should create a worksheet identical to Schedule 1 EZ, and attach it to the back of your Form CT-1040EZ. You must enter a zero on Line 7 if no Connecticut use tax is due; otherwise you will not be considered to have filed a use tax return.

LINE 8 - TOTAL TAX

Add Line 6 and Line 7. Enter the total on Line 8.

LINE 9 - CONNECTICUT TAX WITHHELD

Enter the total income tax withheld for the State of Connecticut as indicated on your copies of Forms W-2, W-2G and certain 1099s. Enter only amounts withheld for the State of Connecticut. Do not include tax withheld for other states or the Internal Revenue Service. Be sure you staple the "state copy" of all Forms W-2 to the front of your return. Also, attach any other forms showing Connecticut tax withheld, otherwise, your claim of amounts withheld will not be allowed. If you have not received Form W-2 from your employer or Form 1099-R from your pension, annuity, retirement or profit sharing plan, you should request Form CT-4852 (substitute Form W-2) to report your earnings and withholding. **Copies of Forms W-2G and 1099 need only be attached if they show Connecticut tax withheld.**

IMPORTANT: If the amount on Line 9 does not equal the amounts of Connecticut withholding as reported on Forms W-2, W-2G, Form CT-4852 (substitute Form W-2) and certain 1099s, your Form CT-1040EZ will be returned to you.

LINE 10 - ALL 1997 ESTIMATED PAYMENTS

Enter on Line 10 the total of all Connecticut estimated tax payments, advance tax payments, and any overpayments of Connecticut income tax applied from a prior year. Be sure to include any 1997 estimated payments made in 1998.

LINE 11 - PAYMENTS MADE WITH EXTENSION REQUEST

If you filed Form CT-1040EXT, *Application for Extension of Time to File*, enter on Line 11 the amount you paid with that form.

LINE 12 - TOTAL PAYMENTS

Add Lines 9, 10 and 11. Enter the total on Line 12. This represents the total of all Connecticut tax payments made.

LINE 13 - OVERPAYMENT

If Line 12 is greater than Line 8, subtract Line 8 from Line 12 and enter the result on Line 13. This is the amount of your overpayment. To properly allocate your overpayment, go to Lines 14, 15 and 16. If Line 12 is less than Line 8, go to Line 17.

LINE 14 - AMOUNT OF LINE 13 YOU WANT APPLIED TO YOUR 1998 ESTIMATED TAX

Enter the amount of your 1997 overpayment that you want applied to your 1998 estimated Connecticut income tax. It will be treated as estimated tax paid on April 15, 1998, if your return is filed on time or if you filed a timely request for extension and your return is filed within the extension period. (Your request to apply this amount to 1998 estimated income tax is irrevocable.)

LINE 15 - AMOUNT OF LINE 13 YOU WANT TO CONTRIBUTE

You may contribute all or a portion of your refund to one or more of five designated funds. Check the appropriate box or write in a whole dollar amount for each fund to which you wish to contribute. Add your contributions and enter the total amount on Line 15. (Your contribution is irrevocable.)

You may only make a contribution on this return if you are entitled to a refund. Your contribution is limited to your refund amount. You may, however, also make direct contributions by following the instructions on Page 13.

WHAT WILL YOUR CONTRIBUTION BE USED FOR?

AIDS RESEARCH EDUCATION FUND	ORGAN TRANSPLANT FUND	ENDANGERED SPECIES, NATURAL AREA PRESERVES, AND WATCHABLE WILDLIFE FUND	BREAST CANCER RESEARCH AND EDUCATION FUND	SAFETY NET SERVICES FUND
<p>This fund was created to assist research, education and community service programs related to Acquired Immune Deficiency Syndrome (AIDS). The fund is administered by the Connecticut Department of Public Health.</p> <p>To contribute directly send to: AIDS Programs, Dept. of Public Health 410 Capitol Avenue MS#11APV PO Box 340308 Hartford CT 06134-0308</p> <p>Make check payable to: "Treasurer, State of Connecticut/AIDS Fund"</p>	<p>This fund was created to assist Connecticut residents in paying all or part of any costs associated with a medically required organ transplant. The fund is administered by the Connecticut Department of Social Services.</p> <p>To contribute directly send to: Department of Social Services Attn: Accounts Receivable 25 Sigourney Street, 7th Fl Hartford CT 06106-5003</p> <p>Make check payable to: "Commissioner of Social Services/Organ Transplant Fund"</p>	<p>This fund was established to help preserve, protect and manage Connecticut wildlife and their habitats. The fund is administered by the Connecticut Department of Environmental Protection.</p> <p>To contribute directly send to: Department of Environmental Protection-Bureau of Administration Financial Management 79 Elm Street Hartford CT 06106-5127</p> <p>Make check payable to: "DEP-Endangered Species/Wildlife Fund"</p>	<p>This fund was created to assist research, education and community service programs related to Breast Cancer. The fund is administered by the Connecticut Department of Public Health.</p> <p>To contribute directly send to: Connecticut Department of Public Health Breast and Cervical Cancer Early Detection Program 410 Capitol Avenue, MS#11 HLS PO Box 340308 Hartford CT 06134-0308</p> <p>Make check payable to: "Treasurer, State of Connecticut/Breast Cancer Fund"</p>	<p>This fund was created to protect the children of families whose public assistance benefits ended due to a time limit. The fund is administered by the Connecticut Department of Social Services.</p> <p>To contribute directly send to: Department of Social Services Attn: Accounts Receivable 25 Sigourney Street, 7th Fl Hartford CT 06106-5003</p> <p>Make check payable to: "Commissioner of Social Services/Safety Net Fund"</p>

LINE 16 - AMOUNT OF YOUR REFUND

Subtract the total of Line 14 and Line 15 from Line 13. Enter the result on Line 16. This is the amount of your refund. It is to your advantage to file your return early. Early filers receive their refunds faster. Be sure to affix the **refund label** to the envelope when mailing your return.

IMPORTANT: Your overpayment is applied in the following order: penalty and interest you owe, amounts designated by you to be applied to your 1998 estimated tax, other taxes you may owe the Department of Revenue Services, debts to other Connecticut state agencies, federal taxes you may owe the Internal Revenue Service, and charitable contributions designated by you. Any remaining balance will be refunded to you.

LINE 17 - AMOUNT YOU OWE

If Line 8 is greater than Line 12, subtract Line 12 from Line 8, and enter the result on Line 17. This is the amount you owe. Pay the amount in full with your return. (See *Should I Make Estimated Tax Payments?* on Page 8.) Make your check or money order payable to the "Commissioner of Revenue Services". Write your social security number(s) and "1997 Form CT-1040EZ" on the front of your check in the lower left corner. Be sure to sign your check and paper clip it to the front of your return. **Do not send cash.**

Failure to file or failure to pay the proper amount of tax when due will result in the imposition of penalty and interest. It is to your advantage to file when your return is due whether or not you are able to make full payment.

SIGN HERE

Now that you have completed your Connecticut **Form CT-1040EZ**, sign your name and write the date you signed the return. Your spouse must also sign and enter the date if this is a joint return.

PAID PREPARER SIGNATURE

Anyone you pay to prepare your return must sign and date it. A preparer who signs your return must sign it by hand in the space provided. The preparer's federal employer identification number and firm name, must also be entered in the space provided.

MAILING YOUR RETURN

Retain a copy of this return for your records. Attach to this return copies of any required schedules and forms. (Do not attach copies of your federal income tax return or federal schedules.)

1. Remove both labels from the envelope flap along the perforation.
2. Choose the correct label for your return, moisten and place it on the return envelope.
3. Affix the correct postage to the envelope, or your return may be late or not delivered.

Do not use these mailing labels to send other correspondence to the Department. Using these labels for other purposes will delay our response to you.

SCHEDULE 1 EZ INDIVIDUAL USE TAX

Complete this schedule to calculate your use tax liability. If you purchased taxable goods or services for use in Connecticut during the calendar year and a Connecticut or out-of-state merchant failed to collect Connecticut sales tax, you **must** pay the Connecticut use tax.

You must list separately on this schedule any individual item with a purchase price of **\$300 or more** and complete Columns A through G. You do not need to list separately any individual item with a purchase price of **less than \$300**. Such items are subject to tax and the total of these items should be reported on Line A. Enter the total tax for all taxable purchases on Line 18 of Schedule 1 EZ and on Line 7 on the front of **Form CT-1040EZ**.

If you require additional lines, you should create an identical schedule and attach it to the back of your **Form CT-1040EZ**.

Enter only those purchases subject to use tax that you have not previously reported on a **Form OP-186, Connecticut Individual Use Tax Return**.

IMPORTANT: You must enter a zero on Line 7 if no Connecticut use tax is due. If you do not make an entry on Line 7, you will not be considered to have filed a use tax return.

For additional information, request **IP 96(10.1), Q & A on the Connecticut Individual Use Tax**.

SCHEDULE 2 EZ - CREDIT FOR PROPERTY TAXES PAID ON YOUR PRIMARY RESIDENCE AND/OR MOTOR VEHICLE

Schedule 2 EZ is to be used by a Connecticut resident to claim a credit against his or her Connecticut income tax liability. The credit is for property taxes that first became due and were paid in 1997 to a Connecticut political subdivision on his or her primary residence and/or privately owned or leased motor vehicle. If you entered zero on Form CT-1040EZ, Line 4, DO NOT complete this schedule.

Which Property Tax Bills Qualify?

Generally, this credit is allowed for property tax bills first becoming due July 1, 1997 and paid in 1997. It also includes supplemental property tax bills first becoming due and paid in 1997. However, the second installment of a property tax bill first becoming due in 1996 and paid in 1997 or the payment in 1997 of any delinquent property tax bills do not qualify for this credit.

Maximum Credit Allowed

The maximum credit allowed (on your primary residence and/or motor vehicle) is \$215 per return, regardless of filing status. If you paid more than \$100 in property tax you may be subject to a limitation based on your Connecticut Adjusted Gross Income (AGI).

If your filing status is **Single** and your Connecticut AGI is greater than \$52,500; **Married filing joint** and your Connecticut AGI is greater than \$100,500; **Married filing separate** and your Connecticut AGI is greater than \$50,250; or **Head of household** and your Connecticut AGI is greater than \$78,500 complete the *Property Tax Credit Limitation Worksheet* on Page 15.

This credit cannot exceed the amount of qualifying property taxes paid or the amount of tax entered on Form CT-1040EZ, Line 4. To receive this credit, you must complete Schedule 2 EZ in its entirety.

Motor Vehicle Credit Restrictions

The number of motor vehicles eligible for this credit depends on your filing status as shown on the front of your Connecticut income tax return. Any individual whose filing status is *Single*, *Married filing separate* or *Head of household* is limited to the property tax paid on one motor vehicle. Individuals whose filing status is *Married filing joint* are limited to the property taxes paid on two motor vehicles.

Leased Motor Vehicles

The credit is also available to any Connecticut resident who leased a motor vehicle if all of the following conditions were met:

- you had a written lease agreement for a term of more than one year; and
- the property tax first became due and was paid during 1997 by either the leasing company or you; and
- you were lawfully in possession of the motor vehicle at the time the taxes first became due.

In order to determine the amount of property taxes which may be eligible for credit against your Connecticut income tax liability, please refer to your January 1998 billing statement from your leasing company. Your statement will either indicate the amount of property taxes paid on your leased motor vehicle or provide you with a toll-free number that you may call to obtain the necessary information.

If you do not receive a billing statement in January 1998, contact your leasing company for the appropriate property tax information.

COLUMN INSTRUCTIONS FOR SCHEDULE 2 EZ

COLUMN A - NAME OF CONNECTICUT TAX TOWN OR DISTRICT

Enter the Connecticut town or taxing district to which the qualifying property tax was paid.

COLUMN B - DESCRIPTION OF PROPERTY

Enter the description of the property. If a primary residence, enter the street address. If a motor vehicle, enter the year, make and model.

COLUMN C - LIST / BILL NUMBER

Enter the list or bill number from your property tax bill.

COLUMN D - DATE PAID

Enter the date that you paid qualifying property taxes. (See *Which Property Tax Bills Qualify?*, above.)

COLUMN E - AMOUNT PAID

Enter the amount of property taxes paid.

LINE INSTRUCTIONS FOR SCHEDULE 2 EZ

LINE 19 - AMOUNT PAID - PRIMARY RESIDENCE

Enter the amount of property tax paid on your primary residence.

LINE 20 - AMOUNT PAID - AUTO 1

Enter the amount of property tax paid on your motor vehicle.

LINE 21 - AMOUNT PAID - MARRIED FILING JOINT ONLY - AUTO 2

Married Filing Joint Only - Enter the amount of property taxes paid on your second motor vehicle.

LINE 22 - TOTAL PROPERTY TAX PAID

Add all amounts for Column E.

LINE 23 - MAXIMUM PROPERTY TAX CREDIT ALLOWED

Maximum Property Tax Credit allowed \$215 (subject to limitation).

LINE 24

Enter the lesser of Line 22 or Line 23. If \$100 or less enter this amount on Line 26 and on the front of Form CT-1040EZ, Line 5. If greater than \$100, go to Line 25.

LINE 25 - LIMITATION

Complete the *Property Tax Credit Limitation Worksheet* on Page 15 and enter here the amount from Line 5 of that worksheet.

LINE 26

Subtract Line 25 from Line 24. Enter here and on the front of Form CT-1040EZ, Line 5.

HOW TO GET MORE INFORMATION

For further information, request IP 97(9), Q and A on *Property Tax Credit* or listen to Topic 408, *Property Tax Credit* on CONN-TAX at 860-297-5962 (Hartford area and out-of-state) or 1-800-382-9463.

LINE 25 - PROPERTY TAX CREDIT LIMITATION WORKSHEET

Enter zero on Line 25 and do not complete this worksheet if your filing status is:

- Single** and your Connecticut AGI is less than or equal to **\$52,500**;
- Married filing joint** and your Connecticut AGI is less than or equal to **\$100,500**;
- Married filing separate** and your Connecticut AGI is less than or equal to **\$50,250**; or
- Head of household** and your Connecticut AGI is less than or equal to **\$78,500**.

PROPERTY TAX CREDIT LIMITATION WORKSHEET		
1. Enter the amount reported on Form CT-1040EZ , Line 24	1.	
2. Credit allowed (Not subject to limitation)	2.	100.00
3. Subtract Line 2 from Line 1	3.	
4. Enter exclusion percentage from Chart below (use your filing status shown on the front of your tax return and your CONNECTICUT AGI)	4.	.
5. Multiply the amount on Line 3 by the percentage on Line 4. Enter the amount here and on Form CT-1040EZ , Line 25	5.	

PROPERTY TAX CREDIT EXCLUSION PERCENTAGES

(Use your filing status on the front of your tax return and your Connecticut AGI - Form CT-1040EZ, Line 3.)

SINGLE			MARRIED FILING JOINT		
If you are Single and your Connecticut AGI is:			If you are Married Filing Joint and your Connecticut AGI is:		
More Than	Less Than or Equal to	Exclusion %	More Than	Less Than or Equal to	Exclusion %
\$0	\$52,500	0	\$0	\$100,500	0
\$52,500	\$62,500	.10	\$100,500	\$110,500	.10
\$62,500	\$72,500	.20	\$110,500	\$120,500	.20
\$72,500	\$82,500	.30	\$120,500	\$130,500	.30
\$82,500	\$92,500	.40	\$130,500	\$140,500	.40
\$92,500	\$102,500	.50	\$140,500	\$150,500	.50
\$102,500	\$112,500	.60	\$150,500	\$160,500	.60
\$112,500	\$122,500	.70	\$160,500	\$170,500	.70
\$122,500	\$132,500	.80	\$170,500	\$180,500	.80
\$132,500	\$142,500	.90	\$180,500	\$190,500	.90
\$142,500	and up	1.00	\$190,500	and up	1.00
MARRIED FILING SEPARATE			HEAD OF HOUSEHOLD		
If you are Married Filing Separate and your Connecticut AGI is:			If you are Head of Household and your Connecticut AGI is:		
More Than	Less Than or Equal to	Exclusion %	More Than	Less Than or Equal to	Exclusion %
\$0	\$50,250	0	\$0	\$78,500	0
\$50,250	\$55,250	.10	\$78,500	\$88,500	.10
\$55,250	\$60,250	.20	\$88,500	\$98,500	.20
\$60,250	\$65,250	.30	\$98,500	\$108,500	.30
\$65,250	\$70,250	.40	\$108,500	\$118,500	.40
\$70,250	\$75,250	.50	\$118,500	\$128,500	.50
\$75,250	\$80,250	.60	\$128,500	\$138,500	.60
\$80,250	\$85,250	.70	\$138,500	\$148,500	.70
\$85,250	\$90,250	.80	\$148,500	\$158,500	.80
\$90,250	\$95,250	.90	\$158,500	\$168,500	.90
\$95,250	and up	1.00	\$168,500	and up	1.00

Form CT-1040NR/PY

CONNECTICUT NONRESIDENT OR PART-YEAR RESIDENT INCOME TAX RETURN

1997 NR/PY

Check here for 1997 resident status: Nonresident Part-Year Resident

For the year January 1 - December 31, 1997, or other taxable year beginning _____, 1997, ending _____, 19__.

Label Use the DRS label located on the inside of this booklet. Otherwise, please print or type. (See instructions)	L A B E L H E R E	Your First Name and Middle Initial _____ Last Name _____ Your Social Security Number _____
		If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial _____ Last Name _____ Your Spouse's Social Security Number _____
		Home Address _____ Number and Street _____ DEPARTMENT USE ONLY
		City, Town or Post Office _____ State _____ ZIP Code _____ Your Telephone Number (____) _____



Check here if you used a preparer and do not want forms sent to you next year. Checking this box does not relieve you of your responsibility to file

If you are required to file Form CT-2210 and checked any boxes on Part 1, check here

Filing Status Check only one box.	<input type="checkbox"/> A. <input type="checkbox"/> Single
	<input type="checkbox"/> B. <input type="checkbox"/> Married filing joint return or Qualifying widow(er) with dependent child
	<input type="checkbox"/> C. <input type="checkbox"/> Married filing <i>SEPARATE</i> returns _____ Spouse's full name _____ Spouse's Social Security Number _____
	<input type="checkbox"/> D. <input type="checkbox"/> Head of household (with qualifying person)

Income and Tax	1. Federal Adjusted Gross Income (from federal Form 1040, Line 32; Form 1040A, Line 16; Form 1040EZ, Line 4; or TeleFile Tax Record, Line H)	1		
	2. Additions, if any (from Schedule 1, Line 39 on reverse)	2		
	3. Add Line 1 and Line 2	3		
	4. Subtractions, if any (from Schedule 1, Line 49 on reverse)	4		
	5. Connecticut Adjusted Gross Income (Subtract Line 4 from Line 3)	5		
	6. Income from Connecticut sources (from Schedule CT-SI, Line 25)	6		
	7. Enter the greater of Line 5 or Line 6 (If zero or less, go to Line 10 and enter 0)	7		
	8. Income Tax: From Tax Table or Tax Calculation Schedule (See instructions)	8		
	9. Divide Line 6 by Line 5 (If Line 6 is equal to or greater than Line 5, enter 1.0000)	9		
	10. Multiply Line 9 by Line 8	10		
	11. Net Credit for income taxes paid to other jurisdictions by part-year residents only (from Schedule 2)	11		
	12. Subtract Line 11 from Line 10 (If Line 11 is greater than Line 10, enter 0)	12		
	13. Connecticut Alternative Minimum Tax (from Form CT-6251)	13		
	14. Add Line 12 and Line 13	14		
	15. Adjusted Net Connecticut Minimum Tax Credit (from Form CT-8801)	15		
	16. Connecticut Income Tax (Subtract line 15 from Line 14. If less than zero, enter 0.)	16		
	17. Individual Use Tax You must enter a zero on this line if no use tax is due; otherwise you will not be considered to have filed a use tax return. (See instructions)	17		
	18. Total Tax (Add Line 16 and Line 17)	18		

Payments	19. Connecticut tax withheld (Attach all W-2s and certain 1099s; see instructions)	19		
	20. All 1997 estimated tax payments and any overpayments applied from a prior year	20		
	21. Payments made with extension request (Form CT-1040EXT)	21		
	22. Total payments (Add Lines 19, 20 and 21)	22		

Refund, Amount You Owe or Contribution	23. If Line 22 is greater than Line 18, enter amount overpaid. (Subtract Line 18 from Line 22)	23		
	24. Amount of Line 23 you want applied to your 1998 estimated tax	24		
	25. Amount of Line 23 you want to contribute to: (See Instructions for details of funds)			
	 AIDS Research <input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$15 <input type="checkbox"/> other ____ .00			
	Organ Transplant <input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$15 <input type="checkbox"/> other ____ .00			
	 Endangered Species/Wildlife <input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$15 <input type="checkbox"/> other ____ .00			
	Breast Cancer Research <input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$15 <input type="checkbox"/> other ____ .00			
	Safety Net Services <input type="checkbox"/> \$2 <input type="checkbox"/> \$5 <input type="checkbox"/> \$15 <input type="checkbox"/> other ____ .00			
	TOTAL CONTRIBUTIONS	25		00
	26. Amount of Line 23 you want to be refunded to you (Subtract Line 24 and Line 25 from Line 23)	26		
	REFUND			
	27. If Line 18 is greater than Line 22, enter the amount of tax you owe. (Subtract Line 22 from Line 18)	27		
28. If late: Enter Penalty (See instructions)	28			
29. If late: Enter Interest (1% x number of months late or fraction thereof x amount on Line 27)	29			
30. Interest on underpayment of estimated tax (from Form CT-2210; see instructions)	30			
31. Amount you owe with this return (Add Lines 27 through 30) AMOUNT YOU OWE	31			

**SEE PAYMENT AND MAILING INSTRUCTIONS ON REVERSE
TAXPAYERS MUST SIGN DECLARATION ON REVERSE**

STAPLE W-2s, W-2Gs AND 1099s HERE

 CLIP CHECK OR MONEY ORDER HERE (DO NOT STAPLE)

SCHEDULE 1 - MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME (SEE INSTRUCTIONS)

Additions To Federal Adjusted Gross Income - Enter All Amounts as Positive Numbers

32. Interest on state and local government obligations other than Connecticut	▶	32		
33. Exempt-interest dividends from a mutual fund derived from state or municipal government obligations other than Connecticut	▶	33		
34. Shareholder's pro rata share of S corporation nonseparately computed loss (See instructions)	▶	34		
35. Taxable amount of lump sum distributions from qualified plans not included in federal adjusted gross income	▶	35		
36. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero)	▶	36		
37. Loss on sale of Connecticut state and local government bonds	▶	37		
38. Other- specify (See instructions): _____	▶	38		
39. Total Additions (Add Lines 32 through 38) Enter here and on Line 2 on the front of this form.	▶	39		

Subtractions From Federal Adjusted Gross Income - Enter All Amounts as Positive Numbers

40. Interest on United States government obligations	▶	40		
41. Exempt dividends from qualifying mutual funds derived from United States government obligations	▶	41		
42. Social security benefit adjustment (See instructions)	▶	42		
43. Refunds of state and local income taxes	▶	43		
44. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities	▶	44		
45. Shareholder's pro rata share of S corporation nonseparately computed income (See instructions)	▶	45		
46. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero)	▶	46		
47. Gain on sale of Connecticut state and local government bonds	▶	47		
48. Other- specify (Do not include out-of-state income; see instructions): _____	▶	48		
49. Total Subtractions (Add Lines 40 through 48) Enter here and on Line 4 on the front of this form.	▶	49		

SCHEDULE 2 - CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS (FOR PART-YEAR RESIDENTS ONLY)

IMPORTANT: Failure to attach a copy of the other jurisdiction's return could result in the disallowance of this credit.

50. Connecticut AGI during the residency portion of the taxable year only (See instructions)	▶	50		
--	---	----	--	--

FOR EACH COLUMN, ENTER THE FOLLOWING:

- 51. Enter other jurisdiction's name and two-letter code (See instructions)
- 52. Non-Connecticut income included on Line 50 and reported on another jurisdiction's income tax return (Attach copy)
- 53. Divide Line 52 by Line 50 (may not exceed 1.0000)
- 54. Apportioned income tax (See instructions)
- 55. Multiply Line 53 by Line 54
- 56. Income tax paid to another jurisdiction
- 57. Enter the smaller of Line 55 or Line 56
- 58. **TOTAL CREDIT** (Add Line 57, all columns)
- 59. Foreign tax credit previously allowed
- 60. **NET CREDIT** for income taxes paid to other jurisdictions (Subtract Line 59 from Line 58)
Enter this amount here and on Line 11 on the front of this form.

	COLUMN A		COLUMN B	
	Name	Code	Name	Code
▶ 51				
▶ 52				
▶ 53				
▶ 54				
▶ 55				
▶ 56				
▶ 57				
			58	
			59	
			60	

DUE DATE: April 15, 1998

Make your check or money order payable to:

COMMISSIONER OF REVENUE SERVICES

Write your Social Security Number(s) and

"1997 Form CT-1040NR/PY" on your check or money order.

Attach a copy of all applicable schedules and forms to this return.

Mail in the envelope provided to you with the correct label affixed.

FOR REFUND REQUEST OR NO TAX DUE, MAIL TO:

Department of Revenue Services
PO Box 2968
Hartford CT 06104-2968

FOR PAYMENT, MAIL TO:

Department of Revenue Services
PO Box 2969
Hartford CT 06104-2969

DECLARATION:

I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Your Signature	Date	Spouse's Signature (if joint return)	Date
	Paid Preparer's Signature			Date
	Firm Name and Address			Federal Employer I.D. Number

Schedule CT-SI

NONRESIDENT OR PART-YEAR RESIDENT SCHEDULE OF INCOME FROM CONNECTICUT SOURCES

1997

**USE THIS SCHEDULE IF YOU WERE A NONRESIDENT OR PART-YEAR RESIDENT OF CONNECTICUT IN 1997
ATTACH TO FORM CT-1040NR/PY**

Your First Name and Middle Initial	Last Name	Your Social Security Number
If JOINT Return, Spouse's First Name and Middle Initial	Last Name	Spouse's Social Security Number

IMPORTANT: SEE INSTRUCTIONS BEFORE COMPLETING THIS SCHEDULE

PART 1 — CONNECTICUT INCOME — Part-Year Residents: Complete CT-1040AW, Part-Year Resident Income Allocation Worksheet. Add Columns B and D and enter the totals on Lines 1 through 25 below.
Nonresidents: Enter income received from Connecticut sources.

1. Wages, salaries, tips, etc.	1		
2. Taxable interest	2		
3. Dividend income	3		
4. Alimony received	4		
5. Business income or (loss)	5		
6. Capital gain or (loss)	6		
7. Other gains or (losses)	7		
8. Taxable amount of IRA distributions	8		
9. Taxable amount of pensions and annuities	9		
10. Rental real estate, royalties, partnerships, S-corporations, trusts, etc.	10		
11. Farm income or (loss)	11		
12. Unemployment compensation	12		
13. Taxable amount of social security benefits	13		
14. Other income (including Lump-Sum Distributions)	14		
15. Gross income from Connecticut sources (Add Lines 1 through 14)	15		

PART 2 — ADJUSTMENTS TO CONNECTICUT INCOME — Enter adjustments that are directly related to income reported above.

16. IRA deduction	16		
17. Medical savings account deduction	17		
18. Moving expenses	18		
19. One-half of self-employment tax	19		
20. Self-employed health insurance deduction	20		
21. Keogh and self-employed SEP and SIMPLE plans	21		
22. Penalty on early withdrawal of savings	22		
23. Alimony paid. Recipient's last name: _____ Social Security # _____ - _____ - _____	23		
24. Total adjustments (Add Lines 16 through 23)	24		
25. Income from Connecticut sources (Subtract Line 24 from Line 15) Enter the amount here and on Form CT-1040NR/PY, Page 1, Line 6	25		

PART 3 — PART-YEAR RESIDENTS: If you (and your spouse, if married) were Connecticut residents for only part of the year, check the appropriate boxes below and enter the information that applies to you (and your spouse) for the taxable year.

- | | |
|--|---|
| <p>(1) You moved into Connecticut: date / / <input type="checkbox"/></p> <p>Your spouse moved into Connecticut: date / / <input type="checkbox"/></p> <p>Enter the state of prior residence: Yourself <input type="text"/> Spouse <input type="text"/></p> <p>(2) You moved out of Connecticut: date / / <input type="checkbox"/></p> <p>Your spouse moved out of Connecticut: date / / <input type="checkbox"/></p> <p>(3) You moved out of Connecticut and received income from Connecticut sources during your nonresident period <input type="checkbox"/></p> <p>Your spouse moved out of Connecticut and received income from Connecticut sources during his or her nonresident period <input type="checkbox"/></p> | <p>(4) You moved out of Connecticut and received no income from Connecticut sources during your nonresident period <input type="checkbox"/></p> <p>Your spouse moved out of Connecticut and received no income from Connecticut sources during his or her nonresident period <input type="checkbox"/></p> <p>(5) You moved into Connecticut and received income from Connecticut sources during your nonresident period <input type="checkbox"/></p> <p>Your spouse moved into Connecticut and received income from Connecticut sources during his or her nonresident period <input type="checkbox"/></p> <p>(6) You moved into Connecticut and received no income from Connecticut sources during your nonresident period <input type="checkbox"/></p> <p>Your spouse moved into Connecticut and received no income from Connecticut sources during his or her nonresident period <input type="checkbox"/></p> |
|--|---|

ATTACH THIS SCHEDULE TO FORM CT-1040NR/PY

PART 1 - Part-Year Resident Income Allocation Worksheet

*Part-year residents must complete this worksheet before completing Schedule CT-SI
(See Instructions)*

Adjusted Gross Income Married persons filing separate Connecticut income tax returns should complete separate worksheets.	Federal Income as Modified	Connecticut Resident Period		Connecticut Nonresident Period		
	COLUMN A Income from federal return	COLUMN B Income from Column A for this period		COLUMN C Income from Column A for this period		COLUMN D Income from Column C from Connecticut sources
1. Wages, salaries, tips, etc.	1					
2. Taxable interest	2					
3. Dividend income	3					
4. Alimony received	4					
5. Business income or (loss)	5					
6. Capital gain or (loss)	6					
7. Other gains or (losses)	7					
8. Taxable amount of IRA distributions	8					
9. Taxable amount of pensions and annuities	9					
10. Rental real estate, royalties, partnerships, S-corporations, trusts, etc.	10					
11. Farm income or (loss)	11					
12. Unemployment compensation	12					
13. Taxable amount of Social Security benefits	13					
14. Other income (including Lump-Sum Distributions)	14					
15. Add Lines 1 through 14	15					

ADJUSTMENTS TO INCOME

16. IRA deduction	16					
17. Medical savings account deduction	17					
18. Moving expenses	18					
19. One-half of self-employment tax	19					
20. Self-employed health insurance deduction	20					
21. Keogh and self-employed SEP and SIMPLE plans	21					
22. Penalty on early withdrawal of savings	22					
23. Alimony paid	23					
24. Total adjustments (Add Lines 16 through 23)	24					
25. Subtract Line 24 from Line 15	25					

Add Columns B and D for each line and enter the totals on Lines 1 through 25 on Schedule CT-SI.

PART 2 - Employee Apportionment Worksheet

(See Instructions)

Do not use this worksheet if you know the exact amount of your Connecticut source income. Use **only** when the income from employment is earned both inside and outside Connecticut **and** the exact Connecticut amount is not known.

a. Working days (or other basis) outside Connecticut	a	
b. Working days (or other basis) inside Connecticut	b	
c. Total working days (Add Line a and Line b)	c	
d. Nonworking days (holidays, weekends, etc.)	d	
e. Connecticut ratio (Divide Line b by Line c) round to four places only	e	
f. Total income being apportioned	f	
g. Connecticut income (Multiply Line e by Line f) Enter here and on Schedule CT-SI, Line 1	g	

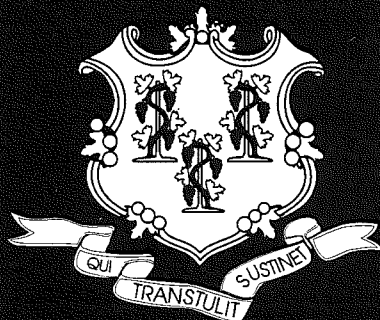
Basis, if other than working days: _____

ATTACH THIS WORKSHEET TO SCHEDULE CT-SI

1997 FORM CT-1040 NR/PY

This booklet
contains:

- Form CT-1040NR/PY
- Schedule CT-SI
- Worksheet
CT-1040AW
- Form CT-1040EXT
- Form CT-1040ES
- Schedule CT-1040BA
- Individual Use Tax
Worksheet
- Taxpayer
Questionnaire
- Tax Tables
- Tax Calculation
Schedule



Connecticut Nonresident or Part-Year Resident Income Tax

Return and Instructions

Dear Customer:

The Connecticut Department of Revenue Services is proud of the progress we have made in improving the quality of service that we provide to our customers. We are pleased to announce that, again this year, the Department has received awards for excellence and innovation and taxpayers continue to give us high marks for the way we do business. At DRS, we are committed to providing you with cost effective and efficient tax administration, programs that promote voluntary compliance, and above all, fair and equitable treatment of all taxpayers.

Before completing this return, please read the booklet carefully. Many important taxpayer-friendly legislative changes mean lower taxes for you, make the filing of your tax returns easier and facilitate faster refunds. These include:

- lower 3% tax rate applies to more of your Connecticut income, reducing your overall tax; and
- increase in threshold of underpayment of estimated taxes before interest may be imposed.

Should you have any questions about filing your Connecticut state tax return, Department personnel are ready to help you. Please refer to the back cover for a complete list of our regional office locations, hours of service, phone and fax numbers. Comprehensive taxpayer information, including downloadable forms, is also available on our Internet site: <http://www.state.ct.us/drs>.

Your comments help us serve you better. I invite you to write or e-mail us through our Internet site with your ideas and suggestions.

Sincerely,

Gene Gavin
Commissioner

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

SOME IMPORTANT CHANGES

- The income tax rate for individuals for taxable years beginning on or after **January 1, 1997**, has been reduced to 3% on the first **\$6,250** of *Connecticut taxable income* for single/married filing separate filers, **\$10,000** of *Connecticut taxable income* for head of household, and **\$12,500** of *Connecticut taxable income* for married individuals filing jointly. *Connecticut taxable income* above these amounts is taxed at 4.5%.
- There are two additional contribution check off boxes on the Connecticut Income Tax Return: the ***Breast Cancer Research and Education Fund*** and the ***Safety Net Services Fund***. You may contribute all or part of your refund to one or more of these funds. See *What Will Your Contribution be Used For?* on Page 14 for a description of each fund.
- The threshold at which estimated income tax payments are required has been raised to \$500 from \$200. See *Should I Make Estimated Tax Payments?* on Page 9.
- The penalty for late payment of use tax has been reduced from 15% to 10% of the balance due.
- Each shareholder of an S corporation subject to the Connecticut corporation business tax must include 90% of his or her pro rata share of the S corporation's nonseparately computed income or loss, multiplied by the S corporation's corporation business tax apportionment percentage, in computing Schedule 1 Modifications. See instructions for Line 34, on Page 16 or Line 45, on Page 17.
- **Form CT-8801**, *Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates* has been revised to allow a greater portion of the credit for alternative minimum tax paid in a prior year to be used in the current taxable year.
- Effective for taxable years beginning on or after January 1, 1998, the social security modification on Schedule 1 has been revised. When completing the 1998 **Form CT-1040ES** reduce Line K of the *1997 Social Security Benefit Adjustment Worksheet* by 50% before completing Line L and Line M.
- Farmers and fishermen as defined in section 6654 (i)(2) of the Internal Revenue Code, must now make only one estimated income tax payment. This payment is due on or before January 15 of the following year. In addition, if a farmer or fisherman files a return and pays the tax computed on the return as payable on or before March 1 of the following year, no estimated payment is required for the prior year. See *Special Rules for Farmers and Fishermen* on Page 9.

CONN - TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Call **860-297-5962** (Hartford area and out-of-state) or **1-800-382-9463** (in-state), press "2" to select "*Recorded Income Tax Information*," and enter the 3 digit number beside the topic of your choice.

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OTHER TAXES THAT YOU SHOULD KNOW ABOUT

The information that follows is intended to be a general description of other Connecticut taxes for which you may be liable. More detailed information is available by requesting the form or publication specified. Failure to pay these taxes, if you are liable for them, may subject you to civil and criminal penalties.

Connecticut Use Tax Reported on Form CT-1040NR/PY

In general, purchased goods or services which would have been subject to the Connecticut sales tax, had those goods or services been purchased from a Connecticut retailer, are subject to the Connecticut use tax. Typically, individuals who have purchased goods from mail order or catalog companies and have had those goods shipped to Connecticut, and individuals who have purchased goods at out-of-state locations and have brought those goods back into Connecticut, are subject to the Connecticut use tax if they did not pay Connecticut sales tax. The Connecticut use tax is computed on the purchase price of the goods or services and must be paid by April 15, 1998, for all purchases subject to the Connecticut use tax made during 1997. Taxpayers who owe this tax must complete **Form CT-1040NR/PY, Individual Use Tax Worksheet** on Page 33.

Connecticut Gift Tax (Form CT-709)

Gifts made during each calendar year by resident and nonresident individuals are subject to the Connecticut gift tax. Residents are subject to tax on all gifts of intangible property and of real and tangible personal property located in Connecticut. Nonresidents are taxed on gifts of real and tangible personal property located in Connecticut. In general, gifts made to any particular donee are not subject to the Connecticut gift tax unless the value of all such gifts to such donee during the calendar year exceeds \$10,000. The tax is computed on the fair market value of the property that was given. The donor is liable for the tax, but if the donor does not pay the tax, it may be collected from the donee. The tax is reported on, and paid upon the filing of **Form CT-709, Connecticut Gift Tax Return**. The return must be filed, and the gift tax paid, on or before April 15 annually, for gifts made during the preceding calendar year.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users **only** may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover.

If you visit, be sure to bring:

1. your "state copy" of your federal Form W-2 or 1099-R; and
2. your **COMPLETED** federal income tax return.

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at Connecticut:

- post offices
- town halls
- public libraries
- some banks

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three, for the DRS Forms Unit.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

HOW CAN I GET MY REFUND FASTER?

The Department of Revenue Services issues refund checks as quickly as possible. An incomplete or incorrectly prepared return can delay or reduce your income tax refund. The following tips will help us get your refund to you as quickly as possible.

1. File the appropriate form for your tax situation. File **Form CT-1040NR/PY**, *Connecticut Nonresident and Part-Year Resident Income Tax Return*, if you were a nonresident of Connecticut and received Connecticut source income in 1997, or if you changed your permanent legal residence by moving into or out of Connecticut during the taxable year. See *Am I A Resident, Part-Year Resident or Nonresident?* on Page 5.
2. Be sure to check the correct filing status.
3. Make sure a legible "state copy" of all federal Forms W-2 (Wages) are attached to your Connecticut return. Also attach Forms W-2G (Winnings), 1099-R (Pensions) and any other forms showing Connecticut income tax withheld.
4. Sign your return upon completion. If you and your spouse are filing jointly, both of you must sign.

5. Be sure your paid preparer signs the return.
6. Use the preprinted label if one is included with this booklet. The information on this label will help us process your return and refund more quickly.

If you are not using a preprinted label, be sure to include your name(s), mailing address and social security number(s) in the name and address section of your return.
7. Be sure that both you and your spouse file your income tax returns at the same time if you filed joint estimated tax payments but elected to file separate income tax returns. No refund will be processed until both Connecticut returns are received.
8. Use the correct mailing label when filing your return. One label is for refund requests or no additional tax due. The other is for payments.

WHO MUST FILE FORM CT-1040NR/PY?

You are required to file a Connecticut income tax return if you were a nonresident or part-year resident in 1997 **and** any of the following is true for the 1997 taxable year:

1. you had Connecticut income taxes withheld; or
2. you made estimated tax payments to Connecticut; or
3. you were a part-year resident who meets the gross income test (see below) or who had a federal alternative minimum tax liability in 1997; or
4. you were a nonresident with Connecticut source income in 1997 who meets the gross income test or who had a federal alternative minimum tax liability in 1997. See *Connecticut Source Income of a Nonresident* on Page 6.

The Gross Income Test

You are required to file a Connecticut income tax return if your **gross income for 1997** exceeds:

- \$12,000 for a Single or Married person filing separate
- \$19,000 for Head of household
- \$24,000 for Married persons filing jointly

Gross income means all income you received in the form of money, goods, property and services that is not exempt from federal tax **and** any additions to income from **Form CT-1040NR/PY**, Schedule 1.

Gross income includes, but is not limited to, the following items:

- compensation for services, including wages, fees, commissions, taxable fringe benefits, and similar items;
- gross income from a business;
- capital gains;
- interest and dividends;
- gross rental income;
- gambling winnings;
- alimony;
- taxable pensions and annuities;
- prizes and awards;
- your share of income from partnerships, S corporations, estates and trusts;
- IRA distributions;
- unemployment compensation;
- **federally taxable** social security.

The following examples illustrate the gross income test:

Example 1: A Connecticut nonresident whose only income is from a sole proprietorship located in Connecticut files a federal Form 1040, Schedule C reporting the following:

Schedule C:	Gross Income	\$100,000
	Expenses	(\$92,000)
	Net Income	\$ 8,000

Since the gross income of \$100,000 exceeds the minimum requirements and the income is from a Connecticut source, this nonresident is required to file a Connecticut tax return.

Example 2: An unmarried Connecticut part-year resident receives \$8,000 in federally nontaxable social security benefits and \$11,000 in interest income. Since nontaxable social security is not part of gross income, no Connecticut return must be filed provided no Connecticut tax was withheld and no estimated tax payments were made.

Example 3: A nonresident who files as an unmarried individual for federal income tax purposes receives \$11,500 in wage income from Connecticut employment and \$1,000 in federally-exempt interest from California state bonds. The taxpayer's federal gross income with additions from Form CT-1040NR/PY, Schedule 1, (interest on state or local obligations other than Connecticut) is \$12,500. Therefore, a Connecticut return must be filed.

Title 19 Recipients

Title 19 recipients are required to file a Connecticut income tax return if the requirements for *Who Must File Form CT-1040NR/PY?* are met. If you were a Title 19 recipient in 1997 and Medicaid assisted in the payment of your long-term care in a nursing or convalescent home in 1997 and you do not have the funds to pay your Connecticut income tax, complete Form CT-19 IT and attach it to the front of your Connecticut income tax return. By completing this form you authorize DRS to verify your Title 19 status for 1997 with the Department of Social Services.

What is Connecticut Adjusted Gross Income?

For the purpose of completing Form CT-1040NR/PY, Connecticut adjusted gross income is your federal adjusted gross income as reported on Line 32 of your federal Form 1040, Line 16 of your federal Form 1040A, Line 4 of your federal Form 1040EZ, or Line H of your federal TeleFile Tax Record with Connecticut modifications, as listed on Form CT-1040NR/PY, Schedule 1.

How Do I File a Decedent's Return?

A Connecticut income tax return must be filed for a nonresident or part-year resident taxpayer who died during the taxable year if the requirements for *Who Must File Form CT-1040NR/PY?* are met. It must be signed and filed by his or her executor, administrator or surviving spouse for the portion of the year before the taxpayer's death. The date of the taxpayer's death must be clearly stated at the top of the return. As for federal purposes, a joint return may be filed by a surviving spouse. (Indicate who is deceased and date of death.) Write "Filing as surviving spouse" in the deceased spouse's signature block of the return. In the case of the death of both spouses, a final return must be filed by their legal representative. The Connecticut filing status must be consistent with the federal filing status.

Claiming A Refund For a Deceased Taxpayer

If you are a surviving spouse filing a joint return with the deceased, file only the tax return to claim the refund. If you are a court-appointed representative, file the return and attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and attach federal Form 1310.

Any income received by the estate of the decedent for the portion of the taxable year after the decedent's death, and for succeeding taxable years until the estate is closed, must be reported each year on Form CT-1041, *Connecticut Income Tax Return for Trusts and Estates*.

Taxable Year and Method of Accounting

A taxpayer's taxable year and method of accounting shall be the same as the taxpayer's taxable year and method of accounting for federal income tax purposes.

If a taxpayer's taxable year or method of accounting is changed for federal income tax purposes, the taxable year or method of accounting shall be similarly changed for Connecticut income tax purposes.

AM I A RESIDENT, PART-YEAR RESIDENT OR NONRESIDENT?

To determine your residency status and the return you must file for 1997, read the following:

Resident: (Complete Form CT-1040EZ or Form CT-1040)

1. Connecticut was my domicile (permanent legal residence) for the entire year of 1997; or
2. I maintained a permanent place of abode in Connecticut and spent a total of more than 183 days in Connecticut during the 1997 taxable year, and I am not a part-year resident.

Part-Year Resident: (Complete Form CT-1040NR/PY)

I changed my permanent legal residence by moving into or out of Connecticut during the taxable year.

Nonresident: (Complete Form CT-1040NR/PY)

I was not a resident or part-year resident for 1997.

IMPORTANT: You may be treated as a nonresident for 1997 even though your domicile was Connecticut if all of the following conditions are met:

1. you maintained no permanent place of abode in Connecticut for the entire taxable year of 1997; and
2. you maintained a permanent place of abode outside of Connecticut for the entire taxable year of 1997; and
3. you spent not more than thirty days in the aggregate in Connecticut during the 1997 taxable year.

Military personnel stationed in Connecticut, but domiciled in another state, are considered nonresidents. See *Are Military Personnel Required to File?* on Page 6.

DEFINITIONS: *Domicile* (permanent legal residence) is the place you intend to have as your permanent home. It is the place you intend to return to whenever you are away. You can have only one domicile although you may have more than one place to live. Your domicile does not change until you move to a new location and definitely intend to make your permanent home there. If you move to a new location but intend to stay there only for a limited time (no matter how long), your domicile does not change. This also applies if you are working in a foreign country.

Permanent place of abode is a residence (a building or structure where a person can live) that you permanently maintain, whether or not you own it, and generally includes a residence owned by or leased to your spouse. A permanent place of abode is not deemed permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.

Are Military Personnel Required to File?

Military personnel who claim Connecticut as a residence but are stationed elsewhere will be subject to Connecticut income tax. If you enlisted in the service as a Connecticut resident and have not established a new domicile (permanent legal residence) elsewhere, you are required to file a resident income tax return unless you meet all three conditions for being treated as a nonresident listed on Page 5.

If your permanent home (domicile) was outside Connecticut when you entered the military, you do not become a Connecticut resident because you are stationed and live in Connecticut. As a nonresident, your military pay is not subject to Connecticut income tax. However, income that you receive from Connecticut sources while you are a nonresident (including your spouse's nonmilitary income) may be subject to Connecticut income tax.

Example: Sue is a resident of Florida. She enlisted in the Navy in Florida and was stationed in Groton, Connecticut. She earned \$38,000 in military pay.

A. She had no other income.

Military personnel are residents of the state in which they resided when they enlisted. Since Sue resided and enlisted in Florida, she is considered a resident of Florida and does not have to file a Connecticut return.

B. Sue has a part-time job in Connecticut.

Her Connecticut source income from nonmilitary employment is taxable and must be reported on **Form CT-1040NR/PY**.

Spouses of military personnel who are stationed in Connecticut may be considered residents of this state even if their domicile is elsewhere. See *Am I a Resident, Part-Year Resident or Nonresident?* on Page 5.

For further information, request **IP 92(2.4)**, *Connecticut Income Tax Information for Military Personnel and Veterans*.

The income tax return of any individual in the U.S. armed forces serving in a combat zone or injured and hospitalized while serving in a combat zone shall be due 180 days after returning. There will be no penalty or interest charged. For any individual who dies while on active duty in a combat zone or as a result of injuries received in a combat zone, no income tax or return is due for the year of death. A refund of tax paid will be provided to the legal representative of the estate or to the surviving spouse.

DEFINITION: *Combat zone* is an area designated by the President of the United States as a combat zone by executive order. A combat zone also includes an area designated by the federal government as a *qualified hazardous duty area*.

Example: If an individual in the U.S. armed forces is serving in the peacekeeping efforts in Bosnia and Herzegovina, Croatia or Macedonia, he or she is also eligible for the 180 day extension due individuals serving in a combat zone. The individual should print at the top of his or her return "**Bosnia-Operation Joint Endeavor**".

HOW NONRESIDENTS AND PART-YEAR RESIDENTS ARE TAXED

If you are a nonresident or a part-year resident, your tax liability is computed based upon the greater of your Connecticut adjusted gross income or your total income from Connecticut sources.

Connecticut Source Income of a Nonresident

Connecticut source income of a nonresident is income derived from or connected with sources within Connecticut when:

- the income is attributable to ownership or disposition of real or tangible personal property within Connecticut; including, but not limited to, the income from the rental or sale of such property;
- the income is attributable to compensation for services performed in Connecticut or income from a business, trade, profession or occupation carried on in Connecticut;
- the income is from a partnership doing business in Connecticut;
- the income is from an S corporation doing business in Connecticut; **or**
- the income is from a trust or estate with income derived from or connected with sources within Connecticut.

In general, Connecticut source income of a nonresident **does not include** the following income even if it was included in your federal adjusted gross income:

- distributions from qualified or non-qualified pension or retirement plans;
- interest, dividends or gains from the sale or exchange of intangible personal property, unless that property is employed in a business, trade, profession or occupation carried on in Connecticut;
- compensation you received for active service in the United States military;
- dividends from a corporation doing business in Connecticut;
- compensation you received from an interstate rail carrier, interstate motor carrier, or an interstate motor private carrier;
- gambling winnings;
- interest earned by an individual from a Connecticut bank (unless earned by a Connecticut business); **or**
- income from business or employment activities in Connecticut that are considered casual, isolated or inconsequential.

Activities Considered to be Casual, Isolated or Inconsequential

In general, activities that meet one of the following tests are considered casual, isolated or inconsequential:

1. **\$6,000 test** - The gross income from the presence of a nonresident in Connecticut does not exceed \$6,000 in the taxable year.

IMPORTANT: An employee's wages for services performed in Connecticut are taxable, regardless of amount, unless the employee's services meet the Ancillary Activity Test. See *Ancillary Activity Test* on Page 7.

2. **Ancillary Activity Test** - The nonresident's presence in Connecticut is ancillary to his or her primary business or employment duties that are performed at a base of operations outside of Connecticut. Ancillary activities are those activities that are secondary to the individual's primary out-of-state duties, and include such things as presence in the state for planning, training, attendance at conferences or symposia, etc.

Special Information for Nonresident Aliens

In accordance with Conn. Agencies Regs. §12-740-8, a nonresident alien who is a resident of Connecticut, or who is a nonresident of Connecticut but has Connecticut adjusted gross income derived from or connected with sources within this state, shall file a Connecticut income tax return and pay Connecticut income tax even though the nonresident alien is not or may not be required to file a federal income tax return or pay federal income tax. The provisions of any income tax treaty between the United States and another country shall be disregarded for Connecticut income tax purposes, because no such treaty prohibits or restricts the imposition of state and local income taxes. Therefore, for Connecticut income tax purposes, any treaty income as reported on federal Form 1040NR must be entered as a modification increasing federal adjusted gross income on **Form CT-1040NR/PY**, Schedule 1, Line 38. Enter the words "**treaty income**" in the space provided. You must attach a copy of federal Form 1040NR to your Connecticut income tax return whether or not one was actually filed with the Internal Revenue Service. To determine your Connecticut residency status and the form you should file, see *Am I A Resident, Part-Year Resident or Nonresident* on Page 5.

Connecticut Source Income of a Part-Year Resident

Connecticut source income of a part-year resident is the sum of:

1. Connecticut adjusted gross income for the part of the year you were a resident; **and**
2. income derived from or connected with Connecticut sources for the part of the year you were a nonresident; **and**
3. special accruals.

What Items are Subject to Special Accruals?

A part-year resident must recognize and report items of income, gain, loss or deduction on the accrual basis, regardless of the method of accounting normally used by the taxpayer. In general, an item of income is subject to special accrual if the right to receive it is fixed and the amount to be paid is determinable with reasonable accuracy at the time the taxpayer changes his or her residency status.

Change from Resident to Nonresident

If you moved out of Connecticut during the taxable year, you must include, in calculating your Connecticut adjusted gross income for the period of your Connecticut residency, all items of income, gain, loss or deduction you would be required to include if you were filing a federal income tax return for the same period on the accrual basis, together with any other accruals that are not otherwise includible or deductible for federal or Connecticut income tax purposes (such as deferred gains on installment obligations). Include items of special accruals with other items of income, gain, loss and deduction reported for your residency period. See *Instructions - Part-Year Resident Income Allocation Worksheet (CT-1040AW, Part 1)* on Page 27.

Example 1: Christine, a part-year resident who moved out of Connecticut in June 1997, sold property on the installment basis in April 1997. She will receive annual installment payments for five years. She must accrue the entire gain on the sale of the property to the portion of 1997 when she was a resident of Connecticut because her right to receive the gain was fixed and the amount was determinable before the time she changed her residency.

Example 2: David, a resident of Connecticut, retired from his Connecticut employment on September 1, 1997, and moved to Florida. His employer notified him on August 15, 1997, that he would receive a \$1,000 bonus on September 15, 1997. He must accrue the \$1,000 bonus to the portion of 1997 when he was a resident because the right to receive the bonus was fixed and the amount was determinable before the time he changed his residency.

Payment of Tax

If you moved out of Connecticut during the taxable year and you have items of income or gain subject to special accrual, you must either:

1. include the items of accrual in the calculation of tax in the year you changed your residence; **or**
2. file a surety bond or other security and pay the tax as a nonresident in the year(s) the income is actually received.

Surety Bond

You may elect to defer the payment of Connecticut income tax on items of special accrual by filing a surety bond with the Department in an amount not less than the amount of the additional Connecticut income tax that would be payable if no surety bond or other security were filed. If you choose this option, you must file **Form CT-1040NR/PY** for the taxable year when you changed your residence and include a separate statement showing the nature and amount of each item of special accrual as of the date of change of residence, together with a computation of the additional Connecticut income tax which would be due if the election to file a surety bond had not been made. For further information on the requirements for a surety bond, contact the Department and request a copy of Conn. Agencies Regs. §12-717(c)(4)-1 and **Forms CT-12-717A** and **CT-12-717B**.

Example 3: Sandy, a Connecticut resident, won the Connecticut state lottery in 1996 and will continue to receive her winnings on the installment basis for twenty years. She moved out of the state in 1997. Her lottery winnings are subject to special accrual. However, she may elect to post a surety bond or continue to have Connecticut income tax withheld by the Connecticut Division of Special Revenue rather than accruing all her future winnings to the period before her change of resident status.

If Sandy had won another state's lottery while she was a Connecticut resident, she would be required to either accrue all the winnings to the period before her change of residency or post a surety bond. Connecticut income tax withholding would not be an option available to her.

Change from Nonresident to Resident

If you moved into Connecticut during the taxable year, items of income, gain, loss or deduction that accrue to the period of the year prior to your Connecticut residency are not included in your Connecticut source income. However, items of income which are

derived from or connected with Connecticut sources may not be accrued to the nonresident period and must be included in calculating your Connecticut source income for that year.

Example 4: Alisa was a California resident from January 1, 1997, until July 31, 1997. She became a Connecticut resident on August 1. While a resident of California, Alisa earned \$10,000 for work performed in that state, but she did not receive payment for that work until September 30, 1997.

Alisa also owned a condominium in Connecticut, which she rented to a third party from January 1 to July 31, 1997. She received payment of the rent for the first four months of the year while she was living in California, and she received the remaining payments after she became a Connecticut resident.

Alisa will file a Connecticut part-year resident return for 1997. The \$10,000 of California source income earned before Alisa changed her residency is accrued to her nonresidency period even though she received the payment after becoming a Connecticut resident. The rental payments from Connecticut real estate are considered Connecticut source income regardless of when she received this income. Therefore, the entire amount of rental income is includible in her Connecticut adjusted gross income and none of it is subject to special accrual.

WHEN SHOULD I FILE?

Your Connecticut income tax return is due on or before April 15, 1998, and will be considered timely-filed if received or if the date shown by the U.S. Post Office cancellation mark is on or before this date.

If your taxable year is other than the calendar year, you must file on or before the fifteenth day of the fourth month after the end of your taxable year. If this date falls on a Saturday, Sunday or legal holiday, substitute the next business day. Your return will be considered timely-filed if it is actually received or if the date shown by the U.S. Post Office cancellation mark is on or before the due date of your return.

If you file late, you will be subject to penalty and interest. Penalty and interest apply to late filing, late payment and underpayment of tax. If you have an overpayment of income tax or no tax is due but you are required to file a return and you file late, you will be subject to penalty.

How Do I Request an Extension of Time to File My Return?

If you are unable to file a timely return, you must file **Form CT-1040EXT**, *Application for Extension of Time to File*, and pay the amount of tax you expect to owe on or before the original due date for filing your Connecticut income tax return. This form is contained in this booklet for your convenience. The filing of this form will automatically extend the due date for **six months** (October 15, 1998, for calendar year taxpayers), if federal Form 4868, *Application for Automatic Extension of Time*, has been filed. (You are not required to attach a copy of the federal extension request to **Form CT-1040EXT**.)

Form CT-1040EXT only extends the time to file your final return; it does not extend the time to pay your income tax or individual use tax. Penalty and interest will be assessed on any tax not paid by the original due date. See *When Do Penalty and Interest Apply?* on Page 10.

U.S. Citizens Living Abroad

If you are a U.S. citizen or U.S. resident living outside the United States and Puerto Rico, or in the armed forces of the United States serving outside the United States and Puerto Rico, and are unable to file a timely Connecticut income tax return, you must file **Form CT-1040EXT**. You must also pay the amount of tax that you expect to owe on or before the original due date of the return.

Include with **Form CT-1040EXT** a statement that you are a U.S. citizen or resident living outside the United States and Puerto Rico, or in the armed forces of the United States serving outside the United States and Puerto Rico and that you qualify for a federal automatic two-month extension. If your application is approved, the due date will be extended for six months (October 15, 1998, for calendar year taxpayers). If you are still unable to file your return and you have applied for and were granted an additional extension of time to file for federal purposes using federal Form 2350, you may also file your Connecticut return using the federal extension due date but you must attach a copy of the federal Form 2350 approval notice to the front of your Connecticut return.

WHAT IF I CAN'T PAY ALL THE TAX I OWE?

In general, penalty and interest apply to any portion of the tax that is not paid on or before the original due date of the return. Even if you cannot pay all the tax you owe, you should file your return on time and pay as much as you can. Penalty and interest will be assessed on any tax not paid by the original due date. (See *When Do Penalty and Interest Apply?* on Page 10.) If you continue to make payments, you can reduce the amount of interest you would otherwise owe.

Extension of Time to Pay the Tax

You may be eligible for an extension of six months to pay the tax you owe if you can show that it will cause you undue hardship to pay the tax on the date it is due. To receive consideration you must file **Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*, on or before the original due date of the return.

You must attach **Form CT-1127** to the front of your timely-filed Connecticut income tax return or your timely-filed **Form CT-1040EXT**. As evidence of the need for extension, you must attach: (1) a statement of assets and liabilities; and (2) an itemized list of receipts and disbursements for the preceding three months. You must also explain why you are unable to borrow the money to pay the tax.

If an extension of time to pay is granted and full payment of tax is made on or before the end of the extension period, the penalty will be waived. Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment from the original due date of the return until the tax is paid in full. Interest charges cannot be waived.

You are required to make full payment of tax on or before the end of the extension period. The Department encourages you to begin making payments as soon as possible which will reduce the interest that you will otherwise owe. Mail payments to:

Accounts Receivable Unit
Department of Revenue Services
PO Box 5088
Hartford CT 06102-5088

WHAT SHOULD I DO IF I MAKE A MISTAKE OR LEAVE SOMETHING OFF MY RETURN?

If, after filing your income tax return, you receive an additional wage and tax statement (Form W-2 or 1099) or discover that an error was made, **do not** submit a second Form CT-1040NR/PY. If corrections are necessary, you must file Form CT-1040X, *Amended Connecticut Income Tax Return*. An amended return claiming a refund of an overpayment must be filed within three years from the original due date of the return, or three years from the extended due date of the return if an extension of time to file the return was granted by the Department to the taxpayer.

Contributions made to designated funds and overpayments applied to the next year's estimated taxes on the original return are irrevocable and cannot be changed by amendment.

Changes to Your Federal Return

If your income is changed or corrected by the Internal Revenue Service, you must file Form CT-1040X, within 90 days after the final determination is made, if the federal change affects the Connecticut income tax liability (including alternative minimum tax).

If you file an amended federal income tax return, you must also file Form CT-1040X within 90 days after filing your amended federal income tax return if the change affects the Connecticut income tax liability (including alternative minimum tax).

Changes to Another State's Return

If you are a part-year resident who claimed credit on your Connecticut income tax return or Form CT-6251, *Connecticut Alternative Minimum Tax Return-Individuals*, for income tax paid to another jurisdiction during your period of residency and the amount of tax you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file Form CT-1040X within 30 days of the final determination of that amount.

IMPORTANT: For taxable years beginning on or after January 1, 1996, Form CT-1040X is year-specific. Form CT-1040X is available from the Department. In order to receive the appropriate form, state the year for which you are amending your return when requesting Form CT-1040X.

SHOULD I MAKE ESTIMATED TAX PAYMENTS?

A payment of estimated income tax is generally required if your Connecticut income tax (after tax credits) **minus** Connecticut tax withheld is **more than \$500**, **AND** you expect your Connecticut income tax withheld to be less than your required annual payment.

Your required annual payment for 1998 is the lesser of:

1. **90%** of the income tax shown on your **1998 Connecticut income tax return;**
- or
2. **100%** of the income tax shown on your **1997 Connecticut income tax return**, if you filed a 1997 Connecticut income tax return that covered a 12-month period.

You do not have to make estimated payments if:

1. you were a Connecticut resident in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability; or
2. you were a nonresident or part-year resident with Connecticut source income in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did **not** have Connecticut source income in 1997 then you **must** use 90% of the income tax shown on your 1998 Connecticut income tax return as your required annual payment.

Special Rules for Farmers and Fishermen

If you are a farmer or fisherman (as defined in Section 6654(i)(2) of the Internal Revenue Code) who is required to make estimated income tax payments, you will be required to make only one payment. Your installment is due on or before January 15, 1999, for the 1998 taxable year. The required installment shall be the lesser of 66 2/3% of the Connecticut income tax shown on your 1998 return or 100% of the Connecticut income tax shown on your 1997 return. For further information, request IP 97(8), *Farmer's Guide to Sales and Use and Estimated Income Taxes*.

A farmer or fisherman, as defined in Section 6654(i)(2) of the Internal Revenue Code, who files a 1998 Connecticut income tax return on or before March 1, 1999, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for underpayment of estimated tax.

Farmers and fishermen who use these special rules **must** complete and attach Form CT-2210, *Underpayment of Estimated Tax by Individuals, Trusts and Estates*, to their Connecticut income tax return to avoid being billed for interest on the underpayment of estimated income tax. Form CT-2210, Part I, Box D must be checked as well as the box for Form CT-2210 on the front of Form CT-1040NR/PY.

Annualized Income Installment Method

If your income varies throughout the year, using the annualized income installment method may enable you to reduce or eliminate the amount of your estimated tax payment for one or more periods. For further information, request IP 93(6.4), *A Guide to Calculating Your Annualized Estimated Tax Installments and Worksheet CT-1040AES*.

Filing Form CT-1040ES

Use Form CT-1040ES, *Estimated Connecticut Income Tax Payment Coupon*, to make estimated Connecticut income tax payments for 1998. If you made estimated tax payments in 1997, you will receive *1998 Estimated Connecticut Income Tax Payment Coupons For Individuals* in mid-January containing preprinted coupons with your name, address and social security number. To ensure that your payments are properly credited, use the preprinted coupons.

If you did not make estimated tax payments in 1997, use Form CT-1040ES included in this booklet to make your first estimated income tax payment. If you file this form, additional coupons will be mailed to you.

To avoid making estimated tax payments, you may request your employer to withhold additional amounts from your wages to cover the taxes on other income. You can make this change by providing your employer with a revised Form CT-W4, *Employee's Withholding or Exemption Certificate*.

1998 Estimated Tax Due Dates

Due dates of installments and the amount of required payments for 1998 calendar year taxpayers are as follows:

April 15, 1998	25% of your required annual payment
June 15, 1999	25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)
September 15, 1998	25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)
January 15, 1999	25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.)

As a result of legislation, the tax rate for 1998 estimated payments has been reduced. Complete **Form CT-1040ES** located in this booklet for installments due April 15, 1998 and June 15, 1998. Request **Form CT-1040ES** from the Department to calculate the amounts of installments due September 15, 1998 and January 15, 1999 using the reduced tax rate.

If any due date falls on a Saturday, Sunday or legal holiday, substitute the next business day. An estimate will be considered timely-filed if received or if the date shown by the U.S. Post Office cancellation mark is on or before the due date.

For those taxpayers who report on other than a calendar year basis, use your federal estimated tax installment dates.

Interest on Underpayment of Estimated Tax

If you did not pay enough tax through withholding and/or estimated payments by any installment due date, you may be charged interest. This is true even if you are due a refund when you file your tax return. Interest is calculated separately for each installment. Therefore, you may owe interest for an earlier installment, even if you paid enough tax later to make up the underpayment. Interest at 1% (.01) per month or fraction of a month shall be added to the tax due until the **earlier of** : April 15, 1998, or the date on which the underpayment is paid.

A taxpayer who files a 1997 income tax return on or before January 31, 1998, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for failing to make the estimated payment due January 15, 1998. (This does not apply to taxpayers paying estimated Connecticut income taxes as farmers or fishermen.)

Filing Form CT-2210

If your 1997 Connecticut income tax (after tax credits) minus Connecticut tax withheld, is more than \$500, you can use **Form CT-2210, Underpayment of Estimated Income Tax by Individuals, Trusts and Estates**, to find out if you paid enough income tax during the year. You can also use this form to calculate interest if you underpaid your estimated tax. **Form CT-2210** and detailed instructions are available from the Department. However, this is a complex form and you may prefer to have the Department calculate the interest for you.

WHEN DO PENALTY AND INTEREST APPLY?

Late Payment or Late Filing

In general, penalty and interest apply to any portion of the tax that is not paid on or before the original due date of the return. A penalty of 10% (.10) of the amount of tax underpaid will apply. **If no tax is due but you are required to file, or if you are claiming a refund, the penalty for late filing is \$50.** Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment until the tax is paid in full. See *LINE 28 - Penalty for Late Payment or Late Filing* on Page 15.

Failure to File

If you fail to file your return and the Commissioner of Revenue Services files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater.

Failure to Report Federal Changes

If the Internal Revenue Service changes your income for any year or if you file an amended federal return, you are required to report such changes within 90 days after the final determination of such changes or the filing of such amendment if the federal change affects the Connecticut income tax liability (including alternative minimum tax). The change should be reported on an amended Connecticut income tax return, **Form CT-1040X**. The penalty for failure to report any such change within the 90-day period is \$50.

Failure to Report State Changes

If you are a part-year resident who claimed credit for income tax paid to another jurisdiction during your period of residency on your Connecticut income tax return or **Form CT-6251** and the amount of tax you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file an amended Connecticut income tax return, **Form CT-1040X**, within 30 days of the final determination of that amount. The penalty for failure to report any such change within the 30-day period is \$50.

Waiver of Penalty

You may be entitled to a waiver of penalty if the failure to pay tax was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. (Be sure to include your name and social security number on all correspondence.) Do not include penalty waiver requests with the tax return.

Mail separately to:

**Penalty Review Committee
Department of Revenue Services
PO Box 5089
Hartford CT 06102-5089**

Interest cannot be waived. Before a penalty waiver can be granted, the taxpayer must pay **all tax and interest due**.

WHAT HAPPENS AFTER I FILE?

How Long Should Records be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as Forms W-2 and 1099) until the statute of limitations runs out for that return. Usually, this is three years from the date the return was due or filed.

This information may be needed in preparing future returns or in amending filed returns.

Copies of Returns

You may request a copy of a previously filed Connecticut income tax return from the Department by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. It generally takes three weeks to fill such requests.

Information About Refunds

If you have a touch-tone phone, you may get information on the status of your refund 24 hours a day by calling 860-297-5962 (Hartford area or out-of state) or 1-800-382-9463 (in-state). You must have the following information available: your social security number (and your spouse's, if filing jointly) and the exact amount of the refund you requested.

You should allow at least eight weeks for your refund to be processed. You are entitled to interest on your overpayment at the rate of 2/3% for each month or fraction of a month between the 90th day following receipt of your claim for a refund or the due date of your return, whichever is later, and the date of notice that your refund is due.

If you want your refund to be mailed to someone other than yourself, request **PS 96(4), Mailing and Issuance of a Tax Refund to a Party Other Than the Taxpayer**.

Offset Against Debts

If you are due a refund but have not paid certain obligations to Connecticut state agencies or the Internal Revenue Service, all or part of your overpayment may be used to pay all or part of these outstanding debts or taxes. You will be advised by mail if your refund is reduced for this reason and will be given information directing you to the agency to contact if you wish to appeal. Your refund may also be reduced if you owe penalty and interest on late-filed or underpaid Connecticut income tax returns.

Nonobligated Spouse

When a joint return is filed and only one spouse owes past due child support or a debt to any Connecticut state agency, the spouse who is not obligated may be eligible to claim a share of a joint income tax refund. A nonobligated spouse who received income in 1997 and who made Connecticut tax payments (withholding or estimates) for taxable year 1997 may be eligible to claim his or her share of any refund if:

1. a joint Connecticut tax return was filed for 1997;
- and
2. an overpayment of tax was made.

If you are a nonobligated spouse, you can claim your share of a joint refund by filing **Form CT-8379, Nonobligated Spouse Claim**.

Do not use **Form CT-8379** to claim your share of a Connecticut refund that was applied to federal taxes owed to the Internal Revenue Service. You must contact the IRS Problem Resolution Office in Hartford at 860-240-4179.

INSTRUCTIONS FOR CONNECTICUT NONRESIDENT OR PART-YEAR RESIDENT INCOME TAX RETURN - FORM CT-1040NR/PY

HOW DO I START?

If you follow this easy five-step process, you should be able to complete your form with a minimum amount of time and effort.

Step One - Complete Your Federal Return

Before you begin, get all your records together, including your federal Forms W-2 (Wages), W-2G (Winnings), 1099-R (Pensions) and other 1099s. First use this information to complete your federal income tax return. The information on your federal return will help you complete your Connecticut return.

Step Two - Complete Your Connecticut Return

Remove the income tax forms from this booklet. One copy is for you to file with the Department of Revenue Services. The other copy is for your records. If you complete the copy for your records first, you will be able to make any necessary corrections and copy your final calculations onto the form you send to the Department of Revenue Services. Keep the copy for your records. You may need information from it when you file your next year's return, make estimated tax payments, or if we write to you with a question.

Simply proceed item by item, reading the instructions for each line item before you enter any amounts. Then copy all information carefully onto the form you intend to file.

Forms and Schedules Included in this Booklet: In addition to **Form CT-1040NR/PY**, this booklet contains several forms you may have to complete. The following is a brief description of these forms and an explanation of who should complete them.

Form	Who Should Complete?
Schedule CT-SI	
Parts 1 and 2:	All nonresidents and part-year residents
Part 3:	All part-year residents
Worksheet CT-1040AW	
Part 1:	All part-year residents
Part 2:	A nonresident employee or part-year employee (for his or her nonresidency period) who worked in and outside of Connecticut and does not know the actual amount of Connecticut source income.
Schedule CT-1040BA	A self-employed nonresident or part-year resident (for his or her nonresidency period) who carried on business both in and outside of Connecticut.

Step Three - Order of Attachments

Staple your Forms W-2 or Form CT-4852 (substitute Form W-2) to the front of the income tax form in the appropriate area marked "Staple Forms W-2, W-2G and 1099 here." Also attach any other forms showing Connecticut income tax withheld.

Paper clip your check or money order in payment of the tax due to the front of the income tax form in the appropriate area marked "Clip check or money order here."

In addition, if you must file any of the following forms, attach the form(s) to the front of your income tax return in the following order:

- Form CT-19 IT (Title 19 status release)
- Form CT-1127 (Extension of time to pay)
- Form CT-8379 (Nonobligated spouse)
- Form CT-12-717A (Surety bond)
- Form CT-12-717B (Security in lieu of Surety bond)

Attach other required forms and schedules to the back of your return or as directed on the form.

Step Four - Check Your Return

Take your time in completing your return. When you have finished your return, recheck all of your entries and arithmetic.

After you have completed your return, be sure to sign it and attach any required schedules, statements or forms.

Remember: Errors delay refunds.

Step Five - Mailing Your Return

This package contains one envelope with two pre-addressed labels for mailing your return. By using the correct label, you will help us reduce processing time.

For REFUND REQUEST or NO TAX DUE, affix the mailing label that has this address and mail to:

Department of Revenue Services
PO Box 2968
Hartford CT 06104-2968

For PAYMENT, affix the mailing label that has this address and mail to:

Department of Revenue Services
PO Box 2969
Hartford CT 06104-2969

NAME AND ADDRESS

All information on Form CT-1040NR/PY should be for the calendar year January 1 through December 31, 1997, or for your fiscal year beginning in 1997. If filing for a fiscal year other than the calendar year, enter the month and day the taxable year began, and the month, day and year that it ended, at the top of the front page.

After you have completed your return and checked it for accuracy, remove the preprinted peel-off label included in this booklet and place it over the name and address blanks of your return. Using the label speeds up processing your return so that you may receive your refund sooner. It also reduces the possibility of error, which could delay your refund.

Make sure the information on the label is correct. Do not use this label if any of the information is incorrect. Print or type the correct information in the name and address blanks on your return. If there is no preprinted label, print or type the information requested in the space provided at the top of Form CT-1040NR/PY. Be sure your social security number is listed on

Page 12

your return. If you file a joint return, list your social security number and your spouse's social security number in the order they appear on your federal return.

If your return is being completed by someone else, take your booklet to your tax preparer so that the preparer can attach the label to your return.

FILING STATUS

Check the appropriate box to indicate your filing status. In general, when filing Form CT-1040NR/PY, your filing status must match your federal income tax filing status for this year. Consult the information in your federal income tax booklet or call the Internal Revenue Service at 1-800-829-1040 if you are not certain of your filing status for 1997.

What if My Spouse and I are Residents of Different States?

When one spouse is a Connecticut resident or a nonresident and the other spouse is a part-year resident, EACH spouse who is required to file a Connecticut income tax return must file as *married filing separate*.

Where one spouse is a Connecticut resident and the other is a nonresident, EACH spouse who is required to file a Connecticut income tax return must file as *married filing separate* unless:

1. they file jointly for federal income tax purposes; and
2. they elect to be treated as if both were Connecticut residents for the entire taxable year.

What if My Spouse and I are Part-Year Residents Who Moved Into or Out of Connecticut at Different Times?

Where both spouses are part-year residents, and move into or out of Connecticut at different times during the taxable year, both spouses must file as *married filing separate*.

IMPORTANT: If both spouses are part-year residents and moved into or out of Connecticut on the same day and filed jointly for federal income tax purposes, a joint Connecticut income tax return must be filed.

What if My Spouse and I are Both Nonresidents and Only One of Us has Connecticut Source Income?

Where both spouses are nonresidents and only one spouse has Connecticut source income, the spouse who is required to file a Connecticut income tax return must file as *married filing separate* unless:

1. they file jointly for federal income tax purposes; and
2. they elect to be treated as if both had Connecticut source income.

The election to file a joint return means that the joint federal adjusted gross income must be used on Line 1 of Form CT-1040NR/PY. It also means that the spouse who would not otherwise be required to file is now jointly and severally liable for any tax liability associated with the filing of the income tax return. The Connecticut income tax calculated using the joint income must be prorated based on the income of the spouse that is derived from or connected with sources in Connecticut.

IMPORTANT: If filing a joint federal return and a separate Connecticut return, enter on Line 1 of Form CT-1040NR/PY only your portion of the income included in joint federal adjusted gross income.

ROUNDING OFF TO WHOLE DOLLARS

You may round off cents to the nearest whole dollar on your return and schedules. All cents up to and including 49 cents are to be dropped. All amounts from 50 cents to 99 cents are to be rounded up to the next highest dollar. For example, \$1.29 becomes \$1.00 and \$3.59 becomes \$4.00. If you do round off, do so for all amounts.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents when adding and only

round off the total. For example, if you received two state W-2 forms, one showing \$800.49 withheld and one showing \$50.22 withheld you would enter on Form CT-1040NR/PY, Line 19, \$851.00 (\$800.49 + \$50.22 = \$850.71).

You may round off the amount of tax due as stated in the 1997 Tax Tables or as calculated using the Tax Calculation Schedule.

CAUTION: Rounding off to whole dollars may affect the amounts of your personal exemption and your personal tax credit.

FORM CT-1040NR/PY - LINE INSTRUCTIONS

COMPLETING THE RETURN

LINE 1 - INCOME

Enter your federal adjusted gross income from your 1997 federal income tax return. This will be the amount reported on Line 32 of federal Form 1040; Line 16 of federal Form 1040A; Line 4 of federal Form 1040EZ; or Line H of federal TeleFile Tax Record.

LINE 2 - ADDITIONS

Enter the amount from Form CT-1040NR/PY, Schedule 1, Line 39. See *Additions to Federal Adjusted Gross Income* on Page 16.

LINE 3

Add Line 1 and Line 2. Enter the total on Line 3.

LINE 4 - SUBTRACTIONS

Enter the amount from Form CT-1040NR/PY, Schedule 1, Line 49. See *Subtractions from Federal Adjusted Gross Income* on Page 17.

LINE 5 - CONNECTICUT ADJUSTED GROSS INCOME

Subtract Line 4 from Line 3 and enter the result on Line 5. This is your Connecticut adjusted gross income.

LINE 6 - INCOME FROM CONNECTICUT SOURCES

Complete Schedule CT-SI. (See *Instructions for Schedule CT-SI* on Page 22.) Enter the income from Connecticut sources from Schedule CT-SI, Line 25.

LINE 7

Enter the greater of Line 5, your Connecticut adjusted gross income, or Line 6, your income from Connecticut sources on Line 7. If Line 5 and Line 6 are equal, enter that amount on Line 7. If the amount on Line 7 is zero or less, go to Line 10 and enter 0.

LINE 8 - TAX COMPUTATION

If the amount on Line 7 is \$12,000 or less, enter zero on Line 8. If the amount is more than \$12,000, calculate your tax using one of the following methods:

Tax Tables - If Line 7 is less than or equal to \$102,000, you may use the Tax Tables in the back of this booklet to find your tax. Be sure to use the correct column in the Tax Tables. After you have found the correct tax, enter that amount on Line 8.

Tax Calculation Schedule - You must use the Tax Calculation Schedule to figure your tax if Line 7 is more than \$102,000. You may also use the Tax Calculation Schedule if Line 7 is less than or equal to \$102,000. This Schedule is found at the end of this booklet.

LINE 9

Divide Line 6 by Line 5 and enter the result on Line 9. If the result is less than zero, enter 0. If Line 6 is equal to or greater than Line 5, enter 1.0000. Do not enter a number that is less than zero or greater than one. Round to four decimal places.

LINE 10

Multiply Line 9 by Line 8 and enter the result on Line 10.

LINE 11 - NET CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS (Part-Year Residents Only)

If all or part of the income reported on this return for the period of your Connecticut residency is subject to income tax in another state or specified jurisdiction and you have filed a return and paid income taxes to that jurisdiction, complete Schedule 2 on the back of Form CT-1040NR/PY and enter the amount from Line 60 here. You must also complete Schedule 2 if you are claiming a foreign tax credit on your federal tax return for taxes paid to a Canadian province and you previously were allowed a credit for those taxes on your Connecticut return. See *Schedule 2 - Credit for Income Taxes Paid to Other Jurisdictions* on Page 19.

You must also attach a copy of the tax return filed with the other state or jurisdiction to the back of your Form CT-1040NR/PY.

IMPORTANT: The credit for income tax paid to other jurisdictions is limited to residents and part-year residents (for the period of their Connecticut residency).

LINE 12

Subtract Line 11 from Line 10 and enter the result on Line 12. If Line 11 is greater than Line 10, enter 0. However, if the amount entered on Line 11 is a negative number, add that amount (as a positive number) to the amount entered on Line 10, and enter the total on Line 12.

LINE 13 - CONNECTICUT ALTERNATIVE MINIMUM TAX

If you were required to pay the federal alternative minimum tax for 1997, you must file Form CT-6251, *Connecticut Alternative Minimum Tax Return - Individuals*.

LINE 14

Add Line 12 and Line 13. Enter the total on Line 14.

LINE 15 - ADJUSTED NET CONNECTICUT MINIMUM TAX CREDIT

Enter the amount shown on Line 11 of Form CT-8801, *Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates*, on Line 15. If you did not pay Connecticut alternative minimum tax in 1994 or thereafter, or if you entered an amount on Line 13 of this form, enter 0.

LINE 16 - CONNECTICUT INCOME TAX

Subtract Line 15 from Line 14. Enter the result on Line 16. If less than zero, enter 0.

LINE 17 - INDIVIDUAL USE TAX

Enter the total use tax due as reported on the *Individual Use Tax Worksheet*, located on Page 33. You **must** enter a zero on Line 17 if no Connecticut use tax is due; otherwise, you will not be considered to have filed a use tax return.

LINE 18 - TOTAL TAX

Add Line 16 and Line 17. Enter the total on Line 18.

LINE 19 - CONNECTICUT TAX WITHHELD

Enter the total income tax withheld for the State of Connecticut as indicated on your copies of Forms W-2, W-2G and certain 1099s. Enter only amounts withheld for the State of Connecticut. Do **not** include tax withheld for other states or the Internal Revenue Service. Be sure you staple the "state copy" of all Forms W-2 to the front of your return. Also, attach any other forms showing Connecticut tax withheld, otherwise, your claim of amounts withheld will not be allowed. If you have not received Form W-2 from your employer or Form 1099-R from your pension, annuity, retirement or profit sharing plan, you should request **Form CT-4852** (substitute Form W-2) to report your earnings and withholding. **Copies of Forms W-2G and 1099 need only be attached if they show Connecticut tax withheld.**

IMPORTANT: If the amount on Line 19 does not equal the amounts of Connecticut withholding as reported on Forms W-2, W-2G, **Form CT-4852** (substitute Form W-2) and certain 1099s, your **Form CT-1040NR/PY** will be returned to you.

LINE 20 - ALL 1997 ESTIMATED PAYMENTS

Enter on Line 20 the total of all Connecticut estimated tax payments, advance tax payments, and any overpayments of Connecticut income tax applied from a prior year. Be sure to include any 1997 estimated tax payments made in 1998.

LINE 21 - PAYMENTS MADE WITH EXTENSION REQUEST

If you filed **Form CT-1040EXT**, *Application for Extension of Time to File*, enter on Line 21 the amount you paid with that form.

LINE 22 - TOTAL PAYMENTS

Add Lines 19, 20 and 21. Enter the total on Line 22. This represents the total of all Connecticut tax payments made.

LINE 23 - OVERPAYMENT

If Line 22 is greater than Line 18, subtract Line 18 from Line 22 and enter the result on Line 23. This is the amount of your overpayment. To properly allocate your overpayment, go to Lines 24, 25 and 26. If Line 22 is less than Line 18, go to Line 27.

LINE 24 - AMOUNT OF LINE 23 YOU WANT APPLIED TO YOUR 1998 ESTIMATED TAX

Enter the amount of your 1997 overpayment that you want applied to your 1998 estimated Connecticut income tax. It will be treated as estimated tax paid on April 15, 1998, if your return is filed on time or if you filed a timely request for extension and your return is filed within the extension period. (Your request to apply this amount to 1998 estimated income tax is irrevocable.)

LINE 25 - AMOUNT OF LINE 23 YOU WANT TO CONTRIBUTE

You may contribute all or a portion of your refund to one or more of five designated funds. Check the appropriate box or write in a whole dollar amount for each fund to which you wish to contribute. Add your contributions and enter the total amount on Line 25. (Your contribution is irrevocable.)

You may only make a contribution on this return if you are entitled to a refund. Your contribution is limited to your refund amount. You may, however, also make **direct** contributions by following the instructions below.

What Will Your Contribution be Used For?

AIDS RESEARCH EDUCATION FUND	ORGAN TRANSPLANT FUND	ENDANGERED SPECIES, NATURAL AREA PRESERVES, AND WATCHABLE WILDLIFE FUND	BREAST CANCER RESEARCH AND EDUCATION FUND	SAFETY NET SERVICES FUND
<p>This fund was created to assist research, education and community service programs related to Acquired Immune Deficiency Syndrome (AIDS). The fund is administered by the Connecticut Department of Public Health.</p> <p>To contribute directly send to: AIDS Programs, Dept. of Public Health 410 Capitol Avenue MS#11APV PO Box 340308 Hartford CT 06134-0308</p> <p>Make check payable to: "Treasurer, State of Connecticut/AIDS Fund"</p>	<p>This fund was created to assist Connecticut residents in paying all or part of any costs associated with a medically required organ transplant. The fund is administered by the Connecticut Department of Social Services.</p> <p>To contribute directly send to: Department of Social Services Attn: Accounts Receivable 25 Sigourney Street, 7th Fl Hartford CT 06106-5003</p> <p>Make check payable to: "Commissioner of Social Services/Organ Transplant Fund"</p>	<p>This fund was established to help preserve, protect and manage Connecticut wildlife and their habitats. The fund is administered by the Connecticut Department of Environmental Protection.</p> <p>To contribute directly send to: Department of Environmental Protection-Bureau of Administration Financial Management 79 Elm Street Hartford CT 06106-5127</p> <p>Make check payable to: "DEP-Endangered Species/Wildlife Fund"</p>	<p>This fund was created to assist research, education and community service programs related to Breast Cancer. The fund is administered by the Connecticut Department of Public Health.</p> <p>To contribute directly send to: Connecticut Department of Public Health Breast and Cervical Cancer Early Detection Program 410 Capitol Avenue, MS#11 HLS PO Box 340308 Hartford CT 06134-0308</p> <p>Make check payable to: "Treasurer, State of Connecticut/Breast Cancer Fund"</p>	<p>This fund was created to protect the children of families whose public assistance benefits ended due to a time limit. The fund is administered by the Connecticut Department of Social Services.</p> <p>To contribute directly send to: Department of Social Services Attn: Accounts Receivable 25 Sigourney Street, 7th Fl Hartford CT 06106-5003</p> <p>Make check payable to: "Commissioner of Social Services/Safety Net Fund"</p>

LINE 26 - AMOUNT OF YOUR REFUND

Subtract the total of Line 24 and Line 25 from Line 23. Enter the result on Line 26. This is the amount of your refund. It is to your advantage to file your return early. Early filers receive their refunds faster. Be sure to affix the **refund label** to the envelope when mailing your return.

IMPORTANT: Your overpayment is applied in the following order: penalty and interest you owe, amounts designated by you to be applied to your 1998 estimated tax, other taxes you may owe the Department of Revenue Services, debts to other Connecticut state agencies, federal taxes you may owe the Internal Revenue Service, and charitable contributions designated by you. Any remaining balance will be refunded to you.

LINE 27 - IF LINE 18 IS GREATER THAN LINE 22, ENTER AMOUNT OF TAX YOU OWE

If Line 18 is greater than Line 22, subtract Line 22 from Line 18 and enter the result on Line 27. This is the amount of tax you owe. See *Should I Make Estimated Tax Payments?* on Page 9.

LINE 28 - PENALTY FOR LATE PAYMENT OR LATE FILING

If no income tax is due but you are required to file a return, the penalty for late filing is \$50. The penalty for late payment or underpayment of income or use tax due is 10% (.10) of such amount due.

LINE 29 - INTEREST FOR LATE PAYMENT OR LATE FILING

If you fail to pay the tax when due, interest will be charged at the rate of 1% (.01) per month or fraction of a month from the due date until payment is made.

LINE 30 - INTEREST ON UNDERPAYMENT OF ESTIMATED TAX

If Line 16 minus Line 19 is more than \$500, you may owe interest on estimated tax that you either underpaid or paid late. **Form CT-2210, *Underpayment of Estimated Income Tax by Individuals, Trusts and Estates***, can help you determine whether you did underestimate and will help you calculate interest. Because this is a complex form you may prefer to have the Department calculate the interest; do **not** file **Form CT-2210**,

leave this line blank, and we will bill you. Interest on underpayment of estimated income tax stops accruing on the **earlier** of the day you pay your tax or April 15, 1998.

LINE 31 - AMOUNT YOU OWE

Add Lines 27 through 30. Enter the total on Line 31. This is the total amount you owe. Pay the amount in full with your return. Make your check or money order payable to the "**Commissioner of Revenue Services.**" Write your social security number(s) and "**1997 Form CT-1040NR/PY**" on the front of your check in the lower left corner. Be sure to sign your check and paper clip it to the front of your return. **Do not send cash.**

Failure to file or failure to pay the proper amount of tax when due **will result in the imposition of penalty and interest.** It is to your advantage to file when your return is due whether or not you are able to make full payment.

SIGN HERE

Now that you have completed your Connecticut **Form CT-1040NR/PY**, sign your name and write the date you signed the return. Your spouse must also sign and enter the date if this is a joint return.

PAID PREPARER SIGNATURE

Anyone you pay to prepare your return must sign and date it. A preparer who signs your return must sign it by hand in the space provided. The preparer's federal employer identification number and firm name must also be entered in the space provided.

MAILING YOUR RETURN

Retain a copy of this return for your records. Attach to this return copies of any required schedules and forms. (Do **not** attach copies of your federal income tax return or federal schedules.)

1. Remove both labels from the envelope flap along the perforation.
2. Choose the correct label for your return, moisten and place it on the return envelope.
3. Affix the correct postage to the envelope, or your return may be late or not delivered.

Do not use these mailing labels to send other correspondence to the Department. Using these labels for other purposes will delay our response to you.

SCHEDULE 1 - MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

You may request **PS 92(3.1)**, *Connecticut Income Tax on Bonds or Obligations Issued by the United States Government, by State Governments or Municipalities*. This may assist you in determining if you are required to make a modification. This publication is available from the Department.

ADDITIONS TO FEDERAL ADJUSTED GROSS INCOME - ENTER ALL AMOUNTS AS POSITIVE NUMBERS

LINE 32 - INTEREST ON STATE AND LOCAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter the total amount of interest income derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities, which interest income is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa and U.S. Virgin Islands.

LINE 33 - EXEMPT-INTEREST DIVIDENDS FROM A MUTUAL FUND DERIVED FROM STATE OR MUNICIPAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter the total amount of exempt-interest dividends received from a mutual fund that are derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities. If the exempt-interest dividends are derived from obligations of Connecticut and other states, enter only the percentage derived from non-Connecticut obligations. Do not enter exempt-interest dividends derived from government obligations of Puerto Rico, Guam, American Samoa and U.S. Virgin Islands.

Example: A fund invests in obligations of many states, including Connecticut. Assuming that 20% of the distribution is from Connecticut obligations, the remaining 80% would be added back on this line.

LINE 34 - SHAREHOLDER'S PRO RATA SHARE OF S CORPORATION NONSEPARATELY COMPUTED LOSS

Beginning in 1997, the phaseout of the Connecticut corporation business tax on S corporations affects the modification to federal adjusted gross income. If you are a shareholder of an S corporation that is subject to the Connecticut corporation business tax, multiply 90% of your pro rata share of the S corporation's nonseparately computed loss by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 34. Your pro rata share of the S corporation's nonseparately computed loss will be reported on federal Form 1120S, Schedule K-1. This form along with the Connecticut corporation business tax apportionment percentage is furnished to you by the S corporation.

IMPORTANT: If any federal limitations apply, add back only 90% of the net loss included on federal Schedule E, apportioned as provided above.

For the 1998 taxable year, the phaseout of the Connecticut corporation business tax on S corporations is reduced to 75%. In computing your estimated Connecticut adjusted gross income for 1998, follow the above instructions substituting 75% for 90%.

LINE 35 - TAXABLE AMOUNT OF LUMP- SUM DISTRIBUTIONS FROM QUALIFIED PLANS NOT INCLUDED IN FEDERAL AGI

If you filed federal Form 4972, Tax On Lump-Sum Distributions, with your federal Form 1040 to compute the tax on any part of a distribution from a qualified plan, enter that part of the distribution on Line 35. Do not enter any part of the distribution reported on Line 11a of federal Form 1040A, or Line 16a of federal Form 1040, or on Schedule D of federal Form 1040.

Part-year residents only, should enter this amount on Worksheet CT-1040AW, Part-Year Resident Income Allocation Worksheet, Column A, Line 14.

LINE 36 - BENEFICIARY'S SHARE OF CONNECTICUT FIDUCIARY ADJUSTMENT

If you have any income from an estate or trust, any Connecticut modifications (that is, the Connecticut fiduciary adjustment) that apply to such income will be shown on Form CT-1041, *Connecticut Income Tax Return for Trusts and Estates*, Schedule B, Column 5. Your share of these modifications should be provided to you by the fiduciary. If your share of these modifications is an amount greater than zero, enter the amount on Line 36. If the amount is less than zero, enter the amount on Line 46.

If you are a beneficiary of more than one trust or estate, enter the net amount of all such modifications, if greater than zero, on Line 36.

LINE 37 - LOSS ON SALE OF CONNECTICUT STATE AND LOCAL GOVERNMENT BONDS

Enter the total losses from the sale or exchange of notes, bonds or other obligations of the State of Connecticut or its municipalities used in determining gain (loss) for federal income tax purposes, whether or not the entire loss is used in computing federal adjusted gross income.

LINE 38 - OTHER

Use Line 38 to report any of the following modifications:

1. Add back any Connecticut income tax deducted on the federal income tax return to arrive at federal adjusted gross income. Do not add back any Connecticut income tax deducted on federal Form 1040, Schedule A.
2. Add back any expenses paid or incurred for the production (including management, conservation and maintenance of property held for the production) or collection of income exempt from Connecticut income tax which were deducted on the federal return to arrive at federal adjusted gross income.
3. Add back any amortizable bond premium on bonds producing interest income exempt from Connecticut income tax which premiums were deducted on the federal return to arrive at federal adjusted gross income.
4. Add back any interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States which federal law

exempts from federal income tax but does not exempt from state income taxes.

5. Add back to the extent deductible in determining federal adjusted gross income, any interest expenses on indebtedness incurred or continued to purchase or carry obligations or securities, the income from which is exempt from Connecticut income tax.
6. Enter any item of income or gain subject to special accrual to the extent such item was not includible in federal adjusted gross income for the taxable year. See *What Items are Subject to Special Accruals?* on Page 7.
7. Also use Line 38 to report any additions to federal adjusted gross income required for Connecticut income tax purposes which are not listed on Lines 32 through 37.

LINE 39 - TOTAL ADDITIONS

Add Lines 32 through 38. Enter the total on Line 39 and on Line 2 on the front of Form CT-1040NR/PY.

SUBTRACTIONS FROM FEDERAL ADJUSTED GROSS INCOME - ENTER ALL AMOUNTS AS POSITIVE NUMBERS

LINE 40 - INTEREST ON UNITED STATES GOVERNMENT OBLIGATIONS

Enter the total amount of interest income (to the extent includible in federal adjusted gross income) derived from U.S. government obligations, which federal law prohibits states from taxing. (For example: U.S. government bonds such as Saving Bonds Series EE and Series HH, U.S. Treasury bills and notes.)

For Series EE U.S. Savings Bonds, you are entitled to include on Line 40 **only** the amount of interest subject to federal income tax after exclusion of the amounts reported on federal Form 8815. In general, the net taxable amount will be reported by you on Schedule B of federal Form 1040 or Schedule 1 of federal Form 1040A.

IMPORTANT: Do not enter the amount of interest income derived from Federal National Mortgage Association (Fannie Mae) bonds, Government National Mortgage Association (Ginnie Mae) bonds, and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing interest income derived from these obligations, and this interest income is taxable for Connecticut income tax purposes.

Do not enter the amount of interest paid to you on any federal income tax refund.

LINE 41 - EXEMPT DIVIDENDS FROM QUALIFYING MUTUAL FUNDS DERIVED FROM U.S. GOVERNMENT OBLIGATIONS

Enter the total amount of exempt dividends received from a qualifying mutual fund that are derived from U.S. government obligations. A mutual fund is a qualifying fund if, **at the close of EACH quarter of its taxable year**, at least 50% of the value of its assets consists of U.S. government obligations. The percentage of dividends that are exempt dividends should be reported to you by the mutual fund.

IMPORTANT: Do not enter the amount of income derived from Federal National Mortgage Association (Fannie Mae) bonds, Government National Mortgage Association (Ginnie Mae) bonds

and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing income derived from these obligations, and this income is taxable for Connecticut income tax purposes.

Example: A qualifying mutual fund pays a dividend of \$100. Of the distribution, 55% is attributable to U.S. Treasury bills and 45% to other investments. The amount that should be reported on Line 41 is \$55.

LINE 42 - SOCIAL SECURITY BENEFIT ADJUSTMENT

If you receive federally taxable social security benefits, you may be able to reduce the amount of these benefits that is subject to Connecticut income tax. Complete the *Social Security Benefit Adjustment Worksheet* on Page 18 and enter the result on Line 42.

LINE 43 - REFUNDS OF STATE AND LOCAL INCOME TAXES

Enter the amount of taxable refunds of state and local income taxes reported on Line 10 of your federal Form 1040. If an amount is not reported on Line 10 of your federal Form 1040, or if you filed federal Forms 1040A, 1040EZ or TeleFile Tax Record, enter 0.

LINE 44 - TIER 1 AND TIER 2 RAILROAD RETIREMENT BENEFITS AND SUPPLEMENTAL ANNUITIES

If you received Tier 1 and/or Tier 2 railroad retirement benefits and supplemental annuities during 1997, you may deduct the amount included in your federal adjusted gross income. Enter the total amount of Tier 1 and/or Tier 2 railroad retirement benefits reported on federal Form 1040, Line 16b or Line 20b or federal Form 1040A, Line 11b or Line 13b. Likewise, enter the amount of railroad unemployment benefits, including sickness benefits paid in lieu of unemployment benefits, to the extent included in your federal adjusted gross income.

LINE 45 - SHAREHOLDER'S PRO RATA SHARE OF S CORPORATION NONSEPARATELY COMPUTED INCOME

Beginning in 1997, the phaseout of the Connecticut corporation business tax on S corporations affects the modification to federal adjusted gross income. If you are a shareholder of an S corporation that is subject to the Connecticut corporation business tax, multiply 90% of your pro rata share of the S corporation's nonseparately computed income by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 45. Your pro rata share of the S corporation's nonseparately computed income will be reported on federal Form 1120S, Schedule K-1. This form along with the Connecticut corporation business tax apportionment percentage is furnished to you by the S corporation.

IMPORTANT: If you have deductible losses from a prior year or other adjustments, subtract only 90% of the net income included on federal Schedule E, apportioned as provided above.

For the 1998 taxable year, the phaseout of the Connecticut corporation business tax on S corporations is reduced to 75%. In computing your estimated Connecticut adjusted gross income for 1998, follow the above instructions, substituting 75% for 90%.

LINE 46 - BENEFICIARY'S SHARE OF CONNECTICUT FIDUCIARY ADJUSTMENT

If you have any income from an estate or trust, any Connecticut modifications (that is, the Connecticut fiduciary adjustment) that apply to such income will be shown on **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**, Schedule B, Column 5. Your share of these modifications should be provided to you by the fiduciary. If your share of these modifications is an amount less than zero, enter the amount on Line 46. If the amount is greater than zero, enter the amount on Line 36.

If you are a beneficiary of more than one trust or estate, enter the net amount of all such modifications, if less than zero, on Line 46.

LINE 47 - GAIN ON SALE OF CONNECTICUT STATE AND LOCAL GOVERNMENT BONDS

Enter the total of all gains from the sale or exchange of notes, bonds or other obligations of the State of Connecticut or its municipalities used in determining gain (loss) for federal income tax purposes.

LINE 48 - OTHER

Use Line 48 to report any of the following modifications:

1. Subtract any interest paid on indebtedness incurred to acquire investments that provide income taxable in Connecticut but not taxable for federal purposes, that is not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.

2. Subtract expenses paid or incurred for the production (including management, conservation, and maintenance of property held for production) or collection of income taxable in Connecticut but exempt from federal income tax, which were not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.
3. Subtract any amortizable bond premium on bonds that provide interest income taxable in Connecticut but exempt from federal income tax, which premiums were not deductible in determining federal adjusted gross income, and that is attributable to a trade or business of that individual.
4. Enter any item of loss or deduction subject to special accrual to the extent such item was not deductible in determining federal gross income for the taxable year. See *What Items are Subject to Special Accruals?* on Page 7.
5. Subtract the amount of any interest income from notes, bonds or other obligations of the State of Connecticut, interest income from which is included in federal adjusted gross income.

Do not use Line 48 to subtract income subject to tax in another jurisdiction (see *Schedule 2 - Credit for Income Taxes Paid to Other Jurisdictions* on Page 19) or income of a nonresident spouse. See *Filing Status* on Page 12.

LINE 49 - TOTAL SUBTRACTIONS

Add Lines 40 through 48. Enter the total on Line 49 and on Line 4 on the front of **Form CT-1040NR/PY**.

SOCIAL SECURITY BENEFIT ADJUSTMENT WORKSHEET (Line 42)		
A. Enter the total amount from Box 5 of all your Forms SSA-1099 and Forms RRB-1099	A.	
If Line A is zero or less, stop here and enter 0 on Line 42. Otherwise, go to Line B.		
B. Divide Line A above by 2	B.	
C. Add the amounts on your federal Form 1040, Lines 7, 8a, 9 through 14, 15b, 16b, 17 through 19, and 21; or federal Form 1040A, Lines 7, 8a, 9, 10b, 11b and 12. Do not include here any amounts from Box 5 of Forms SSA-1099 or RRB-1099	C.	
D. Enter the amount from federal Form 1040 or 1040A, Line 8b	D.	
E. Add Lines B, C, and D	E.	
F. Enter total adjustments from federal Form 1040, Line 31 or federal Form 1040A, Line 15	F.	
G. Subtract Line F from Line E	G.	
H. Enter on Line H the amount shown below for your filing status: <ul style="list-style-type: none"> • single, head of household, or qualifying widow(er), enter \$25,000 • married filing joint, enter \$32,000 • married filing separate, enter 0 (\$25,000 if you lived apart from your spouse for all of 1997) 	H.	
I. Subtract Line H from Line G. If zero or less, enter 0	I.	
J. Divide Line I by 2	J.	
K. Enter the lesser of Line B or Line J	K.	
L. Taxable amount of social security benefits as reported on 1997 federal Form 1040, Line 20b or Form 1040A, Line 13b	L.	
M. Social Security Benefit Adjustment - Subtract Line K from Line L. Enter the amount here and on Form CT-1040NR/PY , Line 42. (If Line K is greater than or equal to Line L, enter 0)	M.	

SCHEDULE 2 - CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

Schedule 2 is used by a **part-year resident** to claim a credit against Connecticut income tax liability for income taxes paid to another state or a political subdivision thereof, the District of Columbia, or any province of Canada for the portion of the taxable year that the taxpayer was a Connecticut resident. Credit may only be claimed if the income on which taxes were paid was derived from or connected with sources within the qualifying jurisdiction.

IMPORTANT: Nonresidents may not claim a credit for income taxes paid to other jurisdictions.

Example: No credit is allowed for taxes paid on dividends or interest income unless derived from property employed in a business or trade carried on in that jurisdiction. Credit is allowed, however, for taxes paid on wages earned for services performed in another jurisdiction.

Taxpayers seeking a credit for alternative minimum taxes paid to another jurisdiction must use **Form CT-6251, Connecticut Alternative Minimum Tax Return - Individuals**, to calculate their alternative minimum tax credit.

No credit shall be allowed for any of the following:

- income tax paid to a foreign country (including Canada);
- income tax paid to another jurisdiction, if the taxpayer claimed credit on that other jurisdiction's income tax return for income taxes paid to Connecticut;
- income tax paid to a Canadian province (including a political subdivision of a Canadian province) by a taxpayer electing to claim the foreign tax credit for federal income tax purposes in the current taxable year or a preceding taxable year. To the extent the taxpayer claims the foreign tax credit for such Canadian provincial income tax for a succeeding taxable year, the credit against Connecticut income tax previously allowed shall be added back to Connecticut income tax for such succeeding taxable year.

Taxpayers required to add back a previously allowed credit to Connecticut income tax, must use Line 59 of Schedule 2.

The allowed credit must be separately computed for each jurisdiction. Use separate columns for each jurisdiction for which you are claiming a credit. You **must** attach a copy of all income tax returns filed with other jurisdictions to your Connecticut income tax return. **Failure to attach a copy of the other states' returns could result in the disallowance of this credit.**

Schedule 2 provides two columns, A and B, to compute the credit for two jurisdictions. If you require more than two columns, you should create a worksheet identical to Schedule 2 and attach it to the back of your **Form CT-1040NR/PY**.

IMPORTANT: If you are claiming credit for income taxes paid to another state **and** to its political subdivision (i.e. New York State and New York City), follow these rules to determine your credit:

- A. If the **same amount** of income is taxed by both the city and state:
 1. Use only **one** column of Schedule 2 to calculate your credit;
 2. Enter that amount of income in only **one** column on Schedule 2;
 3. Combine the amounts of tax paid to the city and the state and enter the total on Line 56 of that column.

B. If the **amounts** of income taxed by both the city and state are **not equal**:

1. Use two columns on **Form CT-1040NR/PY**, Schedule 2;
2. Include only the same income taxed by both jurisdictions in the first column;
3. Include only the excess income taxed by only one of the jurisdictions in the next column.

Example: Danny is a part-year resident, married filing jointly. All of the following income was earned while a Connecticut resident and no income was earned while a nonresident.

1. Connecticut AGI	\$110,000.00
2. New York State income	\$ 55,000.00
3. New York City income	\$ 44,000.00
4. Identical income subject to tax in both jurisdictions	\$ 44,000.00
5. New York State tax	\$ 2,600.00
6. New York City tax	\$ 225.00
7. Connecticut tax	\$ 4,762.50

(Form CT-1040 NR/PY, Line 8)

Danny's Schedule 2 would be completed as follows:

LINE 50	\$110,000		00	
	(N.Y. State and N.Y. City)		(N.Y. State Excess)	
	COLUMN A		COLUMN B	
	Name	Code	Name	Code
Line 51	New York	N Y	New York	N Y
Line 52	44,000	00	11,000	00
Line 53	.4000		.1000	
Line 54	4,762	50	4,762	50
Line 55	1,905	00	476	25
Line 56	2,305	00	520	00
Line 57	1,905	00	476	25
Line 58	TOTAL CREDIT:		\$2,381	25

Danny's New York State tax is prorated on Line 56 in Column A and Column B based upon the fraction of New York State income reported in each column. Because 4/5 of his New York State income is reported in Column A, 4/5 of his New York tax (4/5 x \$2,600 = \$2,080) is included on Line 56 of Column A. Added to that figure in Column A is his New York City tax on the \$44,000 income (\$2,080 + \$225 = \$2,305). The remaining New York State tax (1/5 x \$2,600 = \$520) is reported on Line 56, Column B.

LINE 50 - CONNECTICUT ADJUSTED GROSS INCOME DURING THE RESIDENCY PORTION OF THE TAXABLE YEAR ONLY

The amount from Line 25, Column B of the Part-Year Resident Income Allocation Worksheet (CT-1040AW) will be entered on Line 50 with the following exceptions:

1. Add to the amount on Line 25, Column B any net loss during the period of Connecticut residency that was derived from or connected with sources in another jurisdiction(s) where you were subject to income taxation (whether or not income tax was actually paid to the jurisdiction(s)).
2. For the period of Connecticut residency, add back any item of loss or deduction and subtract any item of income or gain which was included in Column B (CT-1040AW) as an item of special accrual.

Enter the modified amount on Line 50.

Example: Ellen's Connecticut adjusted gross income for her residency period is \$60,000 which includes a net loss of \$20,000 from a business conducted in Rhode Island. She must add the \$20,000 net loss to the \$60,000 and enter \$80,000 on Line 50.

LINE 51 - TAXING JURISDICTION(S)

If you claim credit for income taxes paid to another state, or a Canadian province (or political subdivision of either), enter on Line 51 the name and the two-letter code of each taxing jurisdiction for which you are claiming credit. These codes are listed below.

STANDARD TWO-LETTER CODES

Alabama	AL	Louisiana	LA	Ohio	OH
Arizona	AZ	Maine	ME	Oklahoma	OK
Arkansas	AR	Maryland	MD	Oregon	OR
California	CA	Massachusetts ..	MA	Pennsylvania	PA
Colorado	CO	Michigan	MI	Rhode Island	RI
Delaware	DE	Minnesota	MN	South Carolina	SC
District of Columbia ...	DC	Mississippi	MS	Tennessee	TN
Georgia	GA	Missouri	MO	Utah	UT
Hawaii	HI	Montana	MT	Vermont	VT
Idaho	ID	Nebraska	NE	Virginia	VA
Illinois	IL	New Jersey	NJ	West Virginia	WV
Indiana	IN	New Mexico	NM	Wisconsin	WI
Iowa	IA	New York	NY	Any Canadian Province ..	OO
Kansas	KS	North Carolina ...	NC		
Kentucky	KY	North Dakota	ND		

LINE 52 - NON-CONNECTICUT INCOME

Complete Schedule 2 Part-Year Resident Worksheet on Page 21 to determine the total of non-Connecticut income which is included in your Connecticut adjusted gross income for your residency period and is reported on another jurisdiction's income tax return. To the amount on Schedule 2 - Part-Year Resident Worksheet, Column II, Line 25, add back any item of loss or deduction and subtract any item of income or gain that was included in Column II as an item of special accrual. Enter the result on Line 52.

LINE 53

Divide the amount on Line 52 by the amount on Line 50. The result cannot exceed 1.0000. (Round to four decimal places.)

LINE 54 - APPORTIONED INCOME TAX

To determine the portion of your 1997 Connecticut income tax attributable to income earned during your Connecticut residency:

1. Divide the amount on the Schedule 2 Part-Year Resident Worksheet on Page 21, Column I, Line 25, by the amount on Line 6, Form CT-1040NR/PY. (Round to four decimal places. The result may not exceed 1.0000.)
2. Multiply the result by the amount on Line 10, Form CT-1040NR/PY, and enter on Line 54.

LINE 55

Multiply the percentage arrived at on Line 53 by the amount reported on Line 54.

LINE 56 - INCOME TAX PAID TO ANOTHER JURISDICTION (While a Resident)

Enter on Line 56 the total amount of income tax paid to another jurisdiction on income derived from or connected with sources in that jurisdiction during the period of your Connecticut residency.

If the tax you paid to that jurisdiction was also based on income earned during your nonresidency period, you must prorate the amount of tax for which you are claiming credit. The proration is based upon the relationship that the income earned in that jurisdiction during your Connecticut residency (from Schedule 2 Part-Year Resident Worksheet, Line 25, Column II) bears to the total amount of income that you earned in that jurisdiction in the taxable year.

Example: Mark, a part-year resident, worked in Rhode Island all year and paid \$1,200 in Rhode Island tax in 1997. His total Rhode Island wages for 1997 were \$20,000 of which \$15,000 was earned while he was a Connecticut resident. The income tax paid to Rhode Island during his residency is:

$$\frac{\$15,000}{\$20,000} \times \$1,200 = \$900$$

He should enter \$900 on Line 56.

Income tax paid means the lesser of your tax liability to that jurisdiction or the tax you paid to that jurisdiction as reported on a return filed with that jurisdiction, exclusive of any penalty or interest. Do not report taxes withheld for that jurisdiction.

LINE 57

Enter on Line 57 the lesser of the amounts reported on Line 55 or Line 56.

LINE 58 - TOTAL CREDIT

Add the amounts from Line 57A, Line 57B, and Line 57 of any additional worksheets. Enter the total on Line 58. The amount on Line 58 cannot exceed Line 55.

LINE 59 - FOREIGN TAX CREDIT PREVIOUSLY ALLOWED

Enter the amount of any credit previously allowed on your Connecticut income tax return for a prior year for income tax paid to a Canadian province (or a political subdivision of a Canadian province) if you also claimed a foreign tax credit for that tax on your federal income tax return for a succeeding taxable year.

LINE 60 - NET CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

Subtract Line 59 from Line 58 and enter the result on Line 60 and on Line 11 of Form CT-1040NR/PY. Generally, the result will be a positive number; however, if the result is a negative number, be sure to enter it as a negative number on Line 11.

SCHEDULE 2 - PART-YEAR RESIDENT WORKSHEET LINE INSTRUCTIONS

Complete Schedule 2 - *Part-Year Resident Worksheet - Income and Adjustments* below to determine that portion of your Connecticut adjusted gross income from your period of Connecticut residency that has been reported by you on an income tax return filed with another jurisdiction, on which you have paid income tax to that other jurisdiction, and for which you are seeking a credit against your Connecticut income tax. *Another jurisdiction* means another state of the United States, a Canadian province, or a political subdivision of another state or Canadian province (but not the United States or Canada). If you paid income tax to more than one jurisdiction, you must complete a separate worksheet for each jurisdiction. Retain this worksheet with your 1997 tax records. Do not attach to your tax return.

The federal income tax return line references are to the federal Form 1040. If you file a federal Form 1040A, or federal Form 1040EZ, or federal TeleFile Tax Record use the appropriate lines from those forms.

Example 1: You and your spouse are part-year residents who file a joint federal Form 1040 and a joint Form CT-1040NR/PY. Your spouse's wages as an employee working in Rhode Island while a resident of Connecticut are \$20,000 and your wages as an employee working in Connecticut while a resident of Connecticut are \$25,000. On Line 7 of your federal Form 1040, you and your spouse entered \$45,000. Enter \$45,000 in Column I, Line 1 of the worksheet, and \$20,000 in Column II, Line 1 of the worksheet.

Example 2: You are the sole proprietor of a business conducted at two locations: one in Connecticut and one in Massachusetts. All of your income was earned while you were a Connecticut resident. You file Schedule C of federal Form 1040 and Form CT-1040NR/PY. On Line 12 of your federal Form 1040, you entered \$100,000. Of the items of gross income on Schedule C (\$150,000), \$90,000 is derived from the Massachusetts location. Of the items of expenses on Schedule C (\$50,000), \$35,000 is derived from the Massachusetts location. You will enter \$100,000 in Column I, Line 5 of the worksheet, and \$55,000 (\$90,000 - \$35,000) in Column II, Line 5 of the worksheet.

SCHEDULE 2 - PART-YEAR RESIDENT WORKSHEET - INCOME AND ADJUSTMENTS

Column I - Lines 1 through 25

Enter in Column I, Lines 1 through 25, the amounts entered in Column B, Lines 1 through 25, respectively, of the Part-Year Resident Income Allocation Worksheet (CT-1040AW), see instructions on Page 27.

Column II - Lines 1 through 25

For each line, enter that portion of the amount entered on the corresponding line of Column I which was reported by you on an income tax return filed with (and on which income tax was paid to) the other jurisdiction. Enter only the portion of Connecticut modifications, if any, that are **directly related** to income sourced in the other taxing jurisdiction.

Column II - Line 25

Enter the amount from Column II, Line 25 of the worksheet on Schedule 2, Line 52 of your Connecticut income tax return.

To this amount add back any item of loss or deduction and subtract any item of income or gain that was included in Column II as an item of special accrual. Enter the result on Line 52.

Complete this worksheet to determine the amount of income earned during your Connecticut residency and taxed by another jurisdiction. Enter the amount from Column II, Line 25 of this worksheet, on Form CT-1040NR/PY, Schedule 2, Line 52. Complete a separate worksheet for each jurisdiction if you paid income tax to more than one jurisdiction.		<u>Column I</u> (From Column B, Worksheet CT-1040AW)	<u>Column II</u> Amount Taxable in Other Taxing Jurisdiction
1	Wages, salaries, tips, etc.	1	
2	Taxable interest	2	
3	Dividend income	3	
4	Alimony received	4	
5	Business income or (loss)	5	
6	Capital gain or (loss)	6	
7	Other gains or (losses)	7	
8	Taxable amount of IRA distributions	8	
9	Taxable amount of pensions and annuities	9	
10	Rental real estate, royalties, partnerships, S corporations, trusts, etc.	10	
11	Farm income or (loss)	11	
12	Unemployment compensation	12	
13	Taxable amount of social security benefits	13	
14	Other income (including Lump-Sum distributions)	14	
15	Add lines 1 through 14	15	
16	IRA deduction	16	
17	Medical savings account deduction	17	
18	Moving expenses	18	
19	One-half of self-employment tax	19	
20	Self-employed health insurance deduction	20	
21	Keogh and self-employed SEP and SIMPLE plans	21	
22	Penalty on early withdrawal of savings	22	
23	Alimony paid	23	
24	Total adjustments - Add Lines 16 through 23	24	
25	Subtract Line 24 from Line 15	25	

INSTRUCTIONS FOR SCHEDULE CT-SI

GENERAL INFORMATION

Lines 1 through 25 represent the portion of those items that make up your federal adjusted gross income and were derived from or connected with sources within Connecticut.

Nonresidents

Report in Part 1, Schedule CT-SI, all items of income you received from Connecticut sources with modifications as described below. Report in Part 2, Schedule CT-SI, adjustments that are directly related to the income items in Part 1.

Part-Year Residents

Report in Part 1, Schedule CT-SI, the income that you received from all sources earned while you were a Connecticut resident and your Connecticut source income for the part of the year you were a nonresident of Connecticut. Report in Part 2, Schedule CT-SI, adjustments that are a result of transactions that occurred while you were a Connecticut resident or that are directly related to Connecticut source income for the part of the year you were a nonresident. First complete the Part-Year Resident Income Allocation Worksheet (CT-1040AW) to determine your income from Connecticut sources. The worksheet instructions are provided on Page 27. Then add the amounts in Columns B and D for each line of the worksheet and transfer the total to the corresponding line of Schedule CT-SI.

IMPORTANT: All part-year residents must also complete Part 3, Schedule CT-SI.

Modifications

All amounts reported in Part I should include any modifications to federal adjusted gross income as provided on Form CT-1040NR/PY, Schedule 1.

Example: A part-year Connecticut resident who received \$1,000 in taxable interest income reported on federal Form 1040 and \$1,000 in interest from New York bonds while a Connecticut resident would report \$2,000 on Line 2 of Part 1, Schedule CT-SI.

Special Accruals

For part-year residents, the amounts included on Worksheet CT-1040AW and on Parts 1 or 2, Schedule CT-SI, should include items of income, gain, loss and deduction that would accrue for federal income tax purposes prior to the change of residence. See *What Items are Subject to Special Accruals?* on Page 7 and instructions for Worksheet CT-1040AW on Page 27.

Part-year residents who file a bond or other security in lieu of special accruals do not include accruals in the amounts in Parts 1 or 2, Schedule CT-SI.

Capital Losses, Passive Activity Losses and Net Operating Losses

Capital losses, passive activity losses and net operating losses generated from activities within Connecticut can reduce Connecticut adjusted gross income derived from or connected with Connecticut sources of a nonresident to the extent that they are properly computed for federal income tax purposes and are offset against income derived from or connected with Connecticut sources. A nonresident must recompute capital losses, passive activity losses and net operating losses as if such nonresident's federal adjusted gross income consisted only of items derived from Connecticut sources.

Election to Forego Carryback

Where a nonresident incurs a net operating loss for Connecticut income tax purposes but does not incur a net operating loss for federal income tax purposes, the nonresident is required first to carry back such net operating loss to each of the three taxable years preceding the taxable year in which the net operating loss was incurred (except as limited by the information highlighted below) and then to carry any remaining net operating loss forward to each of the 15 taxable years following the taxable year in which the loss was incurred. An election to forego the three-year carryback period and to carry the loss forward may be made by filing a timely Form CT-1040NR/PY for the year the loss was incurred and attaching a statement indicating that the election to forego the carryback is being made. This election may not later be revoked.

IMPORTANT: No loss incurred by a nonresident for taxable years beginning prior to January 1, 1991 may be carried forward to a succeeding taxable year. Likewise, no loss incurred by a nonresident in a taxable year beginning on or after January 1, 1991 may be carried back to a taxable year beginning prior to January 1, 1991.

Example: Taxpayer B, a nonresident of Connecticut, reported a capital gain from sources outside of Connecticut (from the sale of securities) of \$20,000 on her 1991 federal income tax return. B also reported on her federal income tax return a capital loss of \$8,000 from sources exclusively within Connecticut (from the sale of real property not used in B's trade or business). For federal income tax purposes, B has a gain from the sale or exchange of property of \$12,000 (\$20,000 minus \$8,000). On her 1991 Connecticut nonresident income tax return, B has a capital loss of \$8,000 derived from or connected with sources within Connecticut, but may claim as a deduction only \$3,000 (in accordance with the federal limitation of \$3,000 of capital loss to offset ordinary income). She must carry forward the balance to the succeeding taxable year(s), even though her 1992 federal income tax return will show no capital loss carryforward.

LINE INSTRUCTIONS FOR SCHEDULE CT-SI

The federal income tax return line references are to the federal Form 1040. If you file federal Form 1040A, federal Form 1040EZ, or federal TeleFile Tax Record, use the appropriate lines from those forms.

LINE 1 - WAGES, SALARIES, TIPS, ETC.

(Federal Form 1040, Line 7)

Part-Year Resident

Enter the total of the amounts from Line 1, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter all wages, salaries, tips and other compensation that you earned for services performed in Connecticut while you were a nonresident of Connecticut.

If you worked both in and outside of Connecticut while you were a nonresident, and the amount of Connecticut source income is not known, see instructions for *Employee Apportionment Worksheet (CT-1040AW, Part 2)* on Page 28.

IMPORTANT: Income from employment activities in Connecticut that meet the Ancillary Activity Test are considered casual, isolated or inconsequential and are not part of the Connecticut source income of a nonresident. See *Ancillary Activity Test* on Page 7.

LINE 2 - TAXABLE INTEREST

(Federal Form 1040, Line 8a)

Part-Year Resident

Enter the total of Line 2, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter that part of your federal adjusted gross income (as modified by adjustments on Form CT-1040NR/PY, Schedule 1) that represents interest income earned as a nonresident that is part of the receipts of a business, trade, profession or occupation carried on in Connecticut or from the ownership of shares of an S corporation doing business in Connecticut and not otherwise exempt from Connecticut income tax. If a business is conducted both in and outside of Connecticut, see instructions for Line 5 of Schedule CT-SI.

LINE 3 - DIVIDEND INCOME

(Federal Form 1040, Line 9)

Part-Year Resident

Enter the total of Line 3, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter that part of your federal adjusted gross income (as modified by adjustments on Form CT-1040NR/PY, Schedule 1) that represents dividend income earned as a nonresident that is part of the receipts of a business, trade, profession or occupation carried on in Connecticut or from the ownership of shares of an S corporation doing business in Connecticut and not otherwise exempt from Connecticut income tax. If a business is conducted both in and outside of Connecticut, see instructions for Line 5 of Schedule CT-SI.

LINE 4 - ALIMONY RECEIVED

(Federal Form 1040, Line 11)

Part-Year Resident

Enter the amount from Line 4, Column B of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

This line does not apply to a nonresident.

LINE 5 - BUSINESS INCOME OR (LOSS)

(Federal Form 1040, Line 12)

Part-Year Resident

Enter the total of Line 5, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter that part of your federal adjusted gross income (as modified by adjustments on Form CT-1040NR/PY, Schedule 1) that represents business income or (loss) you received from a business, trade, profession or occupation carried on in Connecticut.

IMPORTANT: Income from business activities in Connecticut that are considered casual, isolated or inconsequential is not considered part of the Connecticut source income of a nonresident. See *Activities Considered to be Casual, Isolated or Inconsequential* on Page 6.

Where A Business, Trade, Profession or Occupation Is Carried On: Generally, your business, trade, profession or occupation (not including personal services as an employee) is considered to be carried on at the location:

1. where you have, maintain, operate or occupy desk space, an office, a shop, a store, a warehouse, a factory, an agency or other place where your affairs are regularly carried on (this summary is not all inclusive); or
2. where your business is transacted with a fair measure of permanency and continuity.

Example 1: A plumber, who is a resident of Rhode Island, carries on his business from an office in Danielson, Connecticut. He has maintenance contracts with housing authorities in the Worcester, Massachusetts area, which require him to regularly perform his services at various locations in and around Worcester. This taxpayer is considered to be carrying on business in Connecticut (by reason of his office in this state) and in Massachusetts (because his business is conducted there with a fair measure of permanency and continuity).

Example 2: Assume the same facts as in Example 1, except that the taxpayer carries on his business from an office in Auburn, Massachusetts and has maintenance contracts with housing authorities in northeast Connecticut. This taxpayer is considered to be carrying on business in Massachusetts (by reason of his office there) and in Connecticut (because his business is conducted in this state with a fair measure of permanency and continuity).

Business Carried On Both In and Outside of Connecticut: If your business, trade, profession or occupation is carried on both in and outside of Connecticut and you maintain books and records clearly reflecting income from the Connecticut operations, enter the net profit (loss) from business carried on in Connecticut on Line 5. Complete **Form CT-1040BA, Nonresident Business Apportionment Schedule**, Schedule A. If you report income using this method, your income reported to other states in which you carry on your business, where such states permit allocation on the basis of separate books and records, must result in a consistent allocation of income. (Where another state does not permit allocation on the basis of separate books and records, such a consistent allocation of income may not be possible.)

Example 3: In Example 1, assume the plumber allocated, on the basis of separate books and records, the income derived from his plumbing business on his Connecticut nonresident return as follows: 60% to Connecticut and 40% to Massachusetts. Therefore, on his Massachusetts return, this taxpayer must also allocate 60% of this income to Connecticut and 40% to Massachusetts, since Massachusetts permits allocation on the basis of separate books and records.

Apportionment Formula: If the Connecticut income of the business cannot be determined from your books and records, income from business carried on both in and outside of Connecticut must be apportioned according to a prescribed formula or an approved alternative method. **Form CT-1040BA, Nonresident Business Apportionment Schedule**, containing the formula and other instructions pertaining to the apportionment of business income, must be completed for this purpose and attached to Schedule CT-SI. If you submit an alternative method of apportionment, you must also complete Schedule CT-1040BA and submit all information about your alternative method of apportionment.

LINE 6 - CAPITAL GAIN OR (LOSS)

(Federal Form 1040, Line 13)

Part-Year Resident

Enter the total of Line 6, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter that part of your federal adjusted gross income (as modified by adjustments on **Form CT-1040NR/PY**, Schedule 1) that represents capital gains (losses) from Connecticut sources in accordance with federal provisions for determining capital gains (losses). This includes a deduction for any capital loss carryover from Connecticut sources **as limited by the following highlighted information**. Use a copy of federal Form 1040, Schedule D as a worksheet in determining your Connecticut capital gain (loss). Include in your computations only transactions that were from Connecticut sources in 1997. If these computations result in a net capital loss for Connecticut purposes, the loss is limited to \$3,000 (\$1,500 if you are married and filing separately) on the Connecticut return. Any balance of a 1997 net capital loss (in excess of the amount claimed on the 1997 return) will be treated as a carryover loss to be claimed on returns for subsequent years.

IMPORTANT: No loss incurred by a nonresident for taxable years beginning prior to January 1, 1991, may be carried forward to a succeeding taxable year. No loss incurred by a nonresident in a taxable year beginning on or after January 1, 1991, can be carried back to a taxable year beginning prior to January 1, 1991.

Capital Transactions from Connecticut Sources: Include transactions resulting in capital gains (losses) derived from real or tangible personal property located within Connecticut, whether or not connected with a trade or business, and capital gains (losses) from stocks, bonds and other intangible personal property used in or connected with a business, trade, profession or occupation carried on in Connecticut. Include your share of any capital gain (loss) derived from Connecticut sources of a partnership of which you are a partner, an estate or trust of which you are a beneficiary, or an S corporation of which you are a shareholder. If any capital gains (losses) are from business property (other than real property) of a business carried on both in and outside of Connecticut, apply the business apportionment method (Schedule CT-1040BA) in determining the Connecticut capital gain (loss). Gains and losses from the sale or disposition of real property are not subject to apportionment. In all cases, use the federal basis of property in computing capital gains (losses).

LINE 7 - OTHER GAINS OR (LOSSES)

(Federal Form 1040, Line 14)

Part-Year Resident

Enter the total of Line 7, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter that part of your federal adjusted gross income (as modified by adjustments on **Form CT-1040NR/PY**, Schedule 1) that represents the gain (loss) from the sale or exchange of non-capital assets from Connecticut sources. Apply the federal provisions for determining gains (losses) from the sale or exchange of other than capital assets to your Connecticut transactions.

Noncapital Transactions from Connecticut Sources: Include non-capital transactions pertaining to property used in connection with a business, trade, profession or occupation carried on in Connecticut. Also include your share of any non-capital gain (loss) from a partnership of which you are a partner, an estate or trust of which you are a beneficiary, or an S corporation of which you are a shareholder. If any capital gains (losses) are from business property (other than real property) of a business carried on both in and outside of Connecticut, apply the business apportionment method (Schedule CT-1040BA) in determining the Connecticut capital gain (loss). Gains and losses from the sale or disposition of real property are not subject to apportionment. In all cases, use the federal basis of property in computing capital gains (losses).

LINE 8 - TAXABLE AMOUNT OF IRA DISTRIBUTIONS

(Federal Form 1040, Line 15b)

Part-Year Resident

Enter the amount from Line 8, Column B of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

This line does not apply to a nonresident.

LINE 9 - TAXABLE AMOUNT OF PENSIONS AND ANNUITIES

(Federal Form 1040, Line 16b)

Part-Year Resident

Enter the amount from Line 9, Column B of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

This line does not apply to a nonresident.

LINE 10 - RENTAL REAL ESTATE, ROYALTIES, PARTNERSHIPS, S CORPORATIONS, TRUSTS, ETC.

(Federal Form 1040, Line 17)

Part-Year Resident

Enter the total of Line 10, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter that part of your federal adjusted gross income (as modified by adjustments on Form CT-1040NR/PY, Schedule 1) that represents income or losses from rents, royalties, partnerships, S corporations, trusts and estates that were derived from or connected with Connecticut sources. See the instructions below relating to each type of income received from these sources.

Rental and royalty income: As a nonresident, enter rents and royalties from:

1. real property located in Connecticut, whether or not used in connection with a business; and
2. tangible personal property not used in a business if such property is located in Connecticut; and
3. tangible and intangible personal property used in or connected with a business, trade, profession or occupation carried on in Connecticut.

If such income is earned by a business that is carried on both in and outside of Connecticut, apply the business apportionment percentage (Schedule CT-1040BA) or alternative method **only** to items of tangible and intangible personal property used in or connected with the business to determine the income from Connecticut sources. Do **not** apportion income from real property located in Connecticut (whether or not used in a business). That income must be entirely included if the real property is located in Connecticut and entirely excluded if the real property is located outside Connecticut. Do **not** apportion income from tangible personal property that is not used in a business. Report on this line your share of any rental or royalty income from a partnership, trust, estate or S corporation.

Partnerships: As a nonresident, enter your distributive share of partnership income, gain, loss and deduction that are derived from or connected with Connecticut sources. (This information should be provided to you by the partnership.) If your distributive share includes any other items of partnership income taxable to a nonresident, those items must be entered on the appropriate lines of Schedule CT-SI. For example, your share of a partnership's Connecticut capital gain would be included in determining the amount on Line 6.

S Corporation: As a nonresident, enter your pro rata share of the S corporation's separately stated items of income or loss that are derived from or connected with Connecticut sources. Also enter your pro rata share of the S corporation's nonseparately stated items of income or loss (to the extent includable in your Connecticut adjusted gross income) that are derived from or connected with Connecticut sources. (This information, which is reported in Part V of the S corporation's Form CT-1120SI, should be provided to you by the S corporation.) If your share includes items of income, such as dividends or capital gains, those items must be included elsewhere on the appropriate lines of Schedule CT-SI.

Trusts and Estates: As a nonresident beneficiary, enter your share of trust or estate income that is derived from or connected with Connecticut sources. (This information should be provided to you by the fiduciary.) If your share includes any items of taxable trust or estate income from Connecticut sources not reported on Line 10, those items should be included on the appropriate lines of Schedule CT-SI.

Passive Activity Loss Limitations: Any deduction for passive activity losses for a nonresident must be recomputed to determine the amounts which would be allowed if the federal adjusted gross income took into account only items of income, gain, loss or deduction derived from or connected with Connecticut sources. If you were a **part-year resident**, you must recalculate your passive activity loss limitations as if separate federal returns were filed for your resident and nonresident periods.

LINE 11 - FARM INCOME OR (LOSS)
(Federal Form 1040, Line 18)

Part-Year Resident

Enter the total of Line 11, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter that part of your federal adjusted gross income (as modified by adjustments on Form CT-1040NR/PY, Schedule 1) that represents income (loss) from farming carried on in Connecticut as a nonresident.

See the instructions for reporting business income (Line 5), including the instructions for reporting income from a business carried on both in and outside of Connecticut.

LINE 12 - UNEMPLOYMENT COMPENSATION
(Federal Form 1040, Line 19)

Part-Year Resident

Enter the total of Line 12, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

Enter that part of federal adjusted gross income that represents unemployment compensation received as a nonresident and derived from or resulting from former employment in Connecticut.

If the unemployment compensation received from Connecticut sources is based on wage or salary income earned partly in and partly outside of Connecticut, figure the amount allocable to Connecticut in the same manner as the wage and salary income on which it is based.

LINE 13 - TAXABLE AMOUNT OF SOCIAL SECURITY BENEFITS

(Federal Form 1040, Line 20b)

Part-Year Resident

Enter the amount from Line 13, Column B of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

This line does not apply to a nonresident.

LINE 14 - OTHER INCOME

(Federal Form 1040, Line 21)

Part-Year Resident

Enter the total of Line 14, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

When completing the Part-Year Resident Income Allocation Worksheet (CT-1040AW), include in Column A the total taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income. (This amount should also have been entered on Form CT-1040NR/PY, Line 35.) In Column B, enter the amount from Column A that you received during the period you were a Connecticut resident.

Also use Line 14 to report any adjustments to federal adjusted gross income not included on Lines 1 through 13.

Nonresident

Enter that part of federal adjusted gross income from other income derived from or connected with Connecticut sources. (Lump-sum distributions from qualified plans are not taxable to a nonresident.)

LINE 15 - GROSS INCOME FROM CONNECTICUT SOURCES

Add Lines 1 through 14 and enter the total on Line 15.

**PART 2 - ADJUSTMENTS TO CONNECTICUT INCOME
(Federal Form 1040, Lines 23 - 30a)**

LINES 16 - 23

Part-Year Resident

Enter the totals from Lines 16 through 23, Column B and Column D of the Part-Year Resident Income Allocation Worksheet (CT-1040AW).

Nonresident

The amount of the deduction for IRA (Line 16), medical savings account deduction (Line 17), moving expenses (Line 18), self-employment tax (Line 19), self-employed health insurance deduction (Line 20), Keogh and self-employed SEP and SIMPLE plans (Line 21), penalty on early withdrawal of savings (Line 22), and alimony paid (Line 23), is limited to the amount connected

with income from Connecticut sources while a nonresident that is stated on Lines 1 through 14. Any adjustment that relates to wage or salary income or business income must be apportioned to Connecticut on the same basis as the wage or salary income to which it relates.

LINE 24 - TOTAL ADJUSTMENTS

Add Lines 16 through 23. Enter the total on Line 24.

LINE 25 - INCOME FROM CONNECTICUT SOURCES

Subtract Line 24 from Line 15. Enter the total here and on Form CT-1040NR/PY, Line 6.

INSTRUCTIONS - PART-YEAR RESIDENT INCOME ALLOCATION WORKSHEET (CT- 1040AW, Part 1)

If you moved into or out of Connecticut during 1997, use Worksheet CT-1040AW, *Part-Year Resident Income Allocation Worksheet* to calculate your Connecticut source income for the entire taxable year.

Column A

Enter the amounts of income and adjustments reported on your federal return as modified by amounts on Form CT-1040NR/PY, Schedule 1, plus all items you would be required to include if you were filing a federal return on the accrual basis. See *What Items are Subject to Special Accruals?* on Page 7 and *Modifications to Federal Adjusted Gross Income* on Page 16.

Column B

Enter that part of the amount from Column A that you received during the period you were a Connecticut resident.

Column C

Enter that part of the amount from Column A that you received during the period you were a nonresident of Connecticut.

Column D

Enter that part of the amount from Column C that you received while a nonresident that was derived from or connected with Connecticut sources including, but not limited to:

1. services you performed in Connecticut;
and
2. real or tangible personal property located in Connecticut;
and
3. businesses, trades, professions or occupations conducted in Connecticut. See *Connecticut Source Income of a Nonresident* on Page 6.

Refer to each specific line instruction for Schedule CT-SI to determine the income from Connecticut sources earned during your nonresident period.

Example: You moved from California to Connecticut on September 15, 1997. On your federal return, you report \$50,000 in total wages. Of this amount, \$10,000 was earned while you were a Connecticut resident. On Line 1, you would enter \$50,000 in Column A, \$10,000 in Column B, \$40,000 in Column C and \$0 in Column D. No income was earned in Connecticut prior to the move.

Special Accruals

Report in Column B if you moved out of Connecticut, or Column C if you moved into Connecticut, all items you would be required to report if you were filing a federal return on the accrual basis for the period before you changed your resident status. These accrual amounts are to be combined with the corresponding amounts on Lines 1 through 25. See *What Items are Subject to Special Accruals?* on Page 7.

After completing Worksheet CT-1040AW, add the amount in Column B to the amount in Column D and transfer each total to the corresponding line of Schedule CT-SI. Attach the worksheet to Form CT-1040NR/PY.

Apportionment of wages earned while a nonresident: If your salary or wages while you were a nonresident were earned partially in Connecticut, you have to determine how much should be apportioned to Connecticut and enter that amount in Column D. If you do not know the actual amount of income you earned from working in Connecticut, complete the Employee Apportionment Worksheet, Part 2 of Worksheet CT-1040AW.

Partners and S Corporation Shareholders

Part-year residents are required to include their entire distributive or pro rata share of partnership or S corporation items of income, gain, loss and deduction in the computation of income derived from or connected with sources within Connecticut if the taxable year of the partnership or S corporation ends during the period the partner or shareholder was a resident.

If, however, the taxable year of the partnership or S corporation ends during the period that the partner was a nonresident, the distributive or pro rata share of partnership or S corporation items of income, gain, loss and deduction included by the part-year resident in the computation of income from Connecticut sources shall be only the portion of such items that are included in Connecticut adjusted gross income that are derived from or connected with sources within Connecticut.

EMPLOYEE APPORTIONMENT WORKSHEET (CT-1040AW, PART 2)

Sometimes your employment requires you to work both inside and outside Connecticut, but you do not know the actual amount of income you earned from working in Connecticut. In this case, you must apportion your income so that only the correct portion (the amount attributable to Connecticut) will be taxed by Connecticut. Nonresidents and part-year residents who were employed in Connecticut during the nonresidency period must use the Employee Apportionment Worksheet for this purpose. (Part-year residents may **not** apportion income earned while they were residents of Connecticut.)

Who May Not Apportion Income?

If you know the actual amount of your Connecticut source income, you may not apportion. Simply report your income taxable in Connecticut on your Connecticut return. Examples of individuals who are not permitted to apportion include:

1. an employee whose actual Connecticut income is shown on federal Form W-2;

and
2. an employee whose W-2 does not indicate initially his or her actual Connecticut income but whose employer issued a corrected W-2 or other statement which breaks down this amount. Since your employer is required by law to withhold Connecticut income tax on your Connecticut wages, this breakdown should be easy to obtain.

Nonresident employees who work inside and outside Connecticut should complete **Form CT-W4NA, Employee's Withholding or Exemption Certificate - Nonresident Apportionment**. The employer will use the information on **Form CT-W4NA** along with **Form CT-W4** to withhold the correct amount of Connecticut income tax for services performed in this state.

Who Must Use The Employee Apportionment Worksheet?

If your employment required you to perform services both inside and outside Connecticut and **you do not know the actual amount of income you earned in Connecticut**, you must use the Employee Apportionment Worksheet if you fit into any of the categories listed below:

1. an employee who is compensated on an hourly, daily, weekly or monthly basis;

or
2. an employee whose compensation depends upon sales, at least some of which take place outside of Connecticut;

or
3. an employee whose compensation is based on miles.

How Do I Complete The Employee Apportionment Worksheet?

If you qualify to use the Employee Apportionment Worksheet, select the appropriate basis below and then follow the instructions. If you have more than one job requiring the use of the worksheet, complete a worksheet for each job.

Working Day Basis

This basis should be used by employees who qualify to use the Employee Apportionment Worksheet and who are compensated on an hourly, daily, weekly or monthly basis. The income of these

taxpayers is to be apportioned to Connecticut in the same proportion that the amount of time spent working in Connecticut bears to the total working time.

Example: An auditor living in Massachusetts is employed by an accounting firm in Hartford at an annual salary of \$33,000. She works a total of 240 days in 1997, performing field audits in Rhode Island on 160 days of the year and working 80 days in Hartford. Her Connecticut adjusted gross income derived from or connected with sources within this state is \$11,000 computed as follows:

$$\$33,000 \times \frac{80}{240} = \$11,000$$

Sales Basis

Where compensation of a salesperson, agent or other employee is based in whole or in part upon commissions from sales, Connecticut adjusted gross income derived from or connected with sources within Connecticut is determined by multiplying the gross compensation earned from sales everywhere, determined as if the nonresident were a resident, by a fraction, the numerator of which is the amount of sales made within Connecticut and the denominator of which is the amount of sales made everywhere. The amount of sales is determined on the same basis as that on which the amount of sales is determined for purposes of figuring such individual's commissions. The determination of whether sales are made within Connecticut or elsewhere is based upon where the salesperson, agent or employee performs the activities in obtaining the order, not the location of the formal acceptance of the contract.

Mileage Basis

Where an employee's wages are based on mileage, Connecticut adjusted gross income derived from or connected with sources within this state is determined by multiplying the employee's gross wages, determined as if the nonresident were a resident, wherever earned, from the employment which includes employment carried on in Connecticut, by a fraction the numerator of which is the employee's total mileage traveled in Connecticut and the denominator of which is the employee's total mileage upon which the employer computes total wages.

Income from business activities in Connecticut that are considered casual, isolated or inconsequential is not considered part of the Connecticut source income of a nonresident. See *Activities Considered to be Casual, Isolated or Inconsequential* on Page 6.

COMPLETING THE WORKSHEET

LINE (a) - WORKING DAYS OUTSIDE CONNECTICUT

Enter on Line (a) the number of days you worked outside of Connecticut.

LINE (b) - WORKING DAYS INSIDE CONNECTICUT

Enter on Line (b) the number of days you worked inside of Connecticut.

Working days do not include days on which you were not required to work, such as holidays, sick days, vacations, and paid or unpaid

leave. If you spent a working day partly inside and partly outside of Connecticut, treat the day as having been spent one-half inside Connecticut.

LINE (c) - TOTAL WORKING DAYS

Add Line (a) and Line (b) and enter the total on Line (c).

LINE (d) - NONWORKING DAYS

Enter your nonworking days. Your nonworking days are those days during the year (or during the period you worked, if your job lasted less than a year) that you are not required to work, such as Saturdays, Sundays, holidays, sick days, vacation and leave with or without pay.

LINE (e) - CONNECTICUT RATIO

Divide Line (b) by Line (c) and enter the result on Line (e).

LINE (f) - TOTAL INCOME BEING APPORTIONED

Enter your total income from employment which is earned both inside and outside of Connecticut.

LINE (g) - CONNECTICUT INCOME

Multiply Line (e) by Line (f). Enter the result here and on Schedule CT-SI, Line 1. Attach the worksheet to Form CT-1040NR/PY.

BASIS IF OTHER THAN WORKING DAYS

If you are using the sales or mileage basis, substitute sales or mileage for working days and complete all items in the worksheet, except Line (d). Indicate what basis you are using in the space provided, and enter your Connecticut income from Line (g) on the appropriate line(s) of Schedule CT-SI.

SCHEDULE CT-1040BA - NONRESIDENT BUSINESS APPORTIONMENT SCHEDULE

GENERAL INSTRUCTIONS

Schedule CT-1040BA, *Nonresident Business Apportionment Schedule*, must be completed by nonresidents and part-year residents (for the nonresidency portion of the year) if they are required to apportion business income. See *Schedule CT-1040BA* on Page 32.

Who Must Apportion Business Income?

An apportionment of business income must be made if you are a nonresident and you carry on business both in and outside of Connecticut so that only the correct portion (the amount attributable to Connecticut) will be taxed by Connecticut.

Generally, your business is considered to be carried on at the location:

1. where you have, maintain, operate or occupy desk space, an office, a shop, a store, a warehouse, a factory, an agency or other place where your affairs are regularly carried on (this summary is not all inclusive);
- or
2. where your business is transacted with a fair measure of permanency and continuity.

Business is carried on outside of the state if you have, maintain, operate or occupy desk space, an office, a shop, a store, a warehouse, a factory, an agency or other place where your business matters are systematically and regularly carried on outside Connecticut.

An occasional or isolated business transaction outside of the state will not permit an apportionment of income. In addition, if you have no regular place of business outside of Connecticut, you may not apportion any income for business carried on outside of the state.

Example 1: A plumber, who is a resident of Rhode Island, carries on his business from an office in Danielson, Connecticut. He has maintenance contracts with housing authorities in the Worcester, Massachusetts area that require him to regularly perform his services at various locations in and around Worcester. This taxpayer is considered to be carrying on business in Connecticut (by reason of his office in this state) and in Massachusetts (because his business is conducted there with a fair measure of permanency and continuity).

Example 2: Assume the same facts as in Example 1, except that the taxpayer carries on his business from an office in Auburn, Massachusetts and has maintenance contracts with housing authorities in northeast Connecticut that require him to regularly perform his services at various locations in and around Connecticut. This taxpayer is considered to be carrying on business in Massachusetts (by reason of his office there) and in Connecticut (because his business is conducted here with a fair measure of permanency and continuity).

Income from business activities in Connecticut that are considered casual, isolated or inconsequential is not considered part of the Connecticut source income of a nonresident. See *Activities Considered to be Casual, Isolated or Inconsequential* on Page 6.

Who Must Complete Schedule A?

All nonresidents required to apportion income because they carry on business both in and outside of Connecticut must complete Schedule A.

If Apportionment is Determined from Books of the Business: If you carry on business both in and outside of Connecticut and maintain accounts clearly showing income from the Connecticut business, enter in the space immediately below Schedule A the words "Connecticut income determined from books." Do not complete Schedule B.

If you report income using this method, your income reported to other states in which you carry on your business, where such states permit allocation on the basis of separate books and records, must result in a consistent allocation of income. (Where another state does not permit allocation on the basis of separate books and records, such a consistent allocation of income may not be possible.)

Example 3: Assume the same facts as in Example 1, except that the plumber allocated, on the basis of separate books and records, the income derived from his plumbing business on his Connecticut nonresident return as follows: 60% to Connecticut and 40% to Massachusetts. Therefore, on his Massachusetts return, this taxpayer must also allocate 60% of this income to Connecticut and 40% to Massachusetts, since Massachusetts permits allocation on the basis of separate books and records.

Schedule CT-1040BA

1997

NONRESIDENT BUSINESS APPORTIONMENT SCHEDULE

**Formula basis apportionment of Connecticut income derived
from business carried on both inside and outside Connecticut**

For the year January 1 – December 31, 1997, or other taxable year beginning _____, 1997, ending _____, 19__.

Your First Name and Middle Initial _____	Last Name _____	Social Security Number ____-____-____ : : : ____-____-____
If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial _____	Last Name _____	Spouse's Social Security Number ____-____-____ : : : ____-____-____

Schedule A - List all places, both inside and outside Connecticut, where you carry on business

(1) STREET ADDRESS	(2) CITY AND STATE	(3) DESCRIPTION <i>(See Instructions)</i>

Schedule B - Formula basis apportionment of income (or loss), if books do not show the portion from Connecticut sources

Items used as Factors	Column A Totals - All locations	Column B Connecticut only	Column C Percent Column B is of Column A
1. Real property owned	1.		
2. Real property rented from others	2.		
3. Tangible personal property owned (or rented from others)	3.		
4. Property percentage <i>(Add Lines 1, 2 and 3)</i>	4.		%
5. Payroll percentage	5.		%
6. Gross income percentage	6.		%
7. Total of percentages <i>(Add Lines 4, 5 and 6, Column C)</i>	7.		%
8. Business apportionment percentage <i>(Divide total percentages on Line 7 by three, or actual number of percentages, if less than three)</i>	8.		%

The business apportionment percentage on Line 8 should be applied to certain items of business income or loss to determine the amounts to be reported on Schedule CT-SI. See specific line instructions for Schedule CT-SI for details.

ATTACH THIS SCHEDULE TO SCHEDULE CT-SI

INDIVIDUAL USE TAX WORKSHEET

Complete this worksheet to calculate your use tax liability when filing **Form CT-1040EZ**, **Form CT-1040** and **Form CT-1040NR/PY**. If you require additional lines, you should create an identical worksheet.

If you purchased taxable goods or services for use in Connecticut during the calendar year and a Connecticut or out-of-state merchant failed to collect Connecticut sales tax, you must pay the Connecticut use tax. Complete the schedule below to determine your Connecticut use tax liability.

Enter only those purchases subject to use tax that you have **not** previously reported on **Form OP-186**, *Connecticut Individual Use Tax Return*.

You must list separately on this worksheet any individual item with a purchase price of **\$300 or more** and complete Columns A through G. You do not need to list separately any individual item with a purchase price of **less than \$300**. Such items are subject to tax and the total of these items should be reported on Line 1. Enter the total tax for all taxable purchases on Line 2.

Enter the result from Line 2 of this worksheet on **Form CT-1040EZ**, Line 7; **Form CT-1040**, Line 15; or **Form CT-1040NR/PY**, Line 17. **You must attach a copy of this worksheet to your Connecticut income tax return if you are reporting the purchase of any individual item with a purchase price of \$300.00 or more.**

For further information regarding the *Connecticut Individual Use Tax*, refer to the questions and answers on Page 34.

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G
DATE OF PURCHASE	DESCRIPTION OF ARTICLES OR SERVICES	RETAILER OR SERVICE PROVIDER	PURCHASE PRICE	CT TAX DUE (.06 x Column D)	TAX, IF ANY, PAID TO ANOTHER JURISDICTION	BALANCE DUE (Column E minus Column F but not less than zero)
1. TOTAL OF INDIVIDUAL PURCHASES UNDER \$300 NOT LISTED ABOVE						1.
Individual Use Tax (Add all amounts for Column G.) Enter here and on Form CT-1040EZ , Line 7; Form CT-1040 , Line 15; or Form CT-1040NR/PY , Line 17.						2.

IMPORTANT: You must enter this amount on your Connecticut income tax return for an individual use tax return to be considered as filed. You **must** enter 0 on the appropriate line if no Connecticut use tax is due.

Questions and Answers about the Connecticut Individual Use Tax

For additional information, request IP 96 (10.1), *Q & A on the Connecticut Individual Use Tax*.

1. What is the use tax?

When you make a retail purchase in this state, you will usually pay 6% sales tax to the seller who in turn remits the tax to the Department of Revenue Services (DRS). There are some instances where Connecticut sales tax is not paid to the retailer. For example, the purchase of taxable goods or services from an out-of-state mail order company, a television shopping channel, or a computerized shopping service that is not registered to collect Connecticut sales tax may result in a use tax liability to you.

If you purchase a taxable good or service for use in Connecticut from an out-of-state merchant that is not registered to collect Connecticut sales tax, you **must** pay the Connecticut use tax directly to DRS. This tax has been in effect since 1947.

2. On what kinds of goods or services must I pay use tax?

Personal property, whether purchased or leased, including but not limited to, clothing costing \$50 or more, automobiles, vessels, appliances, furniture, VCRs, jewelry, cameras, computers and computer software. Services include, but are not limited to, repair services to your television, motor vehicle or vessel; computer and data processing services, such as access to on-line computer services; landscaping services for your home; or reupholstering services for your household furniture.

Effective July 1, 1997, computer and data processing services are taxed at 5% and repair and maintenance services to vessels are taxed at 4%.

3. Are there exemptions from the use tax?

Generally, all goods or services that are exempt from sales tax if purchased in Connecticut, are exempt from the use tax if purchased out-of-state for use in Connecticut. Some examples are: clothing costing less than \$50, or newspapers and magazines by subscription.

4. Do I owe Connecticut use tax on all my out-of-state purchases of taxable goods and services?

No. Items that you purchased at one time for \$25 or less **and that you brought** into Connecticut are not subject to Connecticut use tax. The \$25 exemption does **not** apply, however, to items that are **shipped** or **mailed** to you.

5. What if a customer buys taxable goods or services in another state, and the sales tax of the other state was charged by the vendor?

If the goods or services were purchased for use in Connecticut and if the tax paid to the other state is less than the Connecticut tax, then the customer must report and pay the use tax. The tax due would be the Connecticut tax less the tax paid to the other state.

EXAMPLE: You purchased a \$1,000 refrigerator in another state, and paid a \$50 tax to that state. If that refrigerator was purchased for use in Connecticut, a Connecticut use tax is owed. The Connecticut tax of \$60 is reduced to \$10, after allowance of \$50 credit for sales tax paid to another state. If no tax was paid to the other state, however, the Connecticut use tax is \$60.

6. When must individuals pay the use tax?

Where the purchases are not made in connection with a trade or business carried on by an individual, the individual must report the individual use tax either on his or her Connecticut income tax return, **Forms CT-1040EZ, CT-1040 or CT-1040NR/PY**, filed by April 15 for purchases made during the preceding calendar year, or on **Form OP-186, Connecticut Individual Use Tax Return**. A person may file one **Form OP-186** for the entire year or may file several returns throughout the year.

Persons engaged in a trade or business must register with DRS for business use tax and report their purchases made in connection with their trade or business on **Form OS-114**.

7. What is the penalty and interest for not paying the use tax?

The penalty is 10% (.10) of the tax. Interest is charged at the rate of 1% (.01) per month or a fraction of a month from the due date of the tax return. There are also criminal sanctions for willful failure to file a tax return.

8. On what amount should the use tax be calculated?

The tax rate should be applied to the total purchase price of the taxable goods or services purchased, including separately stated charges (e.g., shipping and handling).

**Form CT-1040EXT
APPLICATION FOR EXTENSION OF TIME TO FILE
CONNECTICUT INCOME TAX RETURN FOR INDIVIDUALS**

IMPORTANT! PLEASE READ INSTRUCTIONS ON REVERSE BEFORE COMPLETING THIS APPLICATION

TAXPAYER (Please type or Print)	Your First Name and Middle Initial	Last Name	Your Social Security Number
	If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial	Last Name	Spouse's Social Security Number
	Home Address	Number and Street	DEPARTMENT USE ONLY
	City, Town or Post Office	State	ZIP Code

**THIS IS NOT AN EXTENSION OF TIME TO PAY YOUR TAX
YOU MUST INCLUDE PAYMENT IF ANY TAX DUE OR PENALTY AND INTEREST MAY APPLY (SEE INSTRUCTIONS)
AN EXTENSION GRANTED BY THE INTERNAL REVENUE SERVICE DOES NOT AUTOMATICALLY EXTEND THE CONNECTICUT FILING DATE**

I request a **six-month extension** of time to **October 15, 1998** to file my Connecticut Income Tax Return for calendar year 1997 or until _____ for fiscal year ending ►_____.

I have requested a federal extension on federal Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return for Calendar Year 1997*. YES NO

If **NO**, the reason for the Connecticut extension is

.....

.....

.....

YOU WILL BE NOTIFIED ONLY IF YOUR EXTENSION REQUEST IS DENIED

1. Total income tax liability for 1997 (You may estimate this amount)..... 1 You must enter an amount on Line 1. If you do not expect to owe income tax, enter 0.			
2. Total individual use tax liability for 1997 (You may estimate this amount)..... 2 You must enter an amount on Line 2. If you do not expect to owe use tax, enter 0.			
3. Add Line 1 and Line 2..... 3			
4. Connecticut income tax withheld (Do not attach W2's or 1099's etc.)..... 4			SHADING
5. 1997 estimated Connecticut income tax payments including any 1996 overpayments credited to 1997..... 5			
6. Add Line 4 and Line 5..... 6			
7. Connecticut income tax and use tax balance due. (Subtract Line 6 from Line 3) If Line 6 is greater than Line 3, enter 0. Amount due with this form..... ►7			

Make your check or money order payable to: COMMISSIONER OF REVENUE SERVICES

Write your Social Security Number(s) and "1997 Form CT-1040EXT" on your check or money order.

Where to File

Mail to: State of Connecticut
Department of Revenue Services
PO Box 2977
Hartford CT 06104-2977

Form CT-1040EXT Instructions

Purpose

Use **Form CT-1040EXT** to request a **six-month extension to file** your Connecticut income tax return for individuals. This form also extends the time to file your individual use tax. It will not be necessary to include a reason for the Connecticut extension request if you have already filed an extension on federal Form 4868 with the Internal Revenue Service. If you did not file a federal Form 4868 you can apply for a six-month extension to file your Connecticut income tax return provided you have good cause for your request.

To Obtain A Connecticut Filing Extension You MUST

1. Complete **Form CT-1040EXT** in its entirety; **and**
2. File it by the due date of your return; **and**
3. Pay the amount shown on Line 7.

Any payment made is considered an income tax payment regardless of the amounts you enter on Lines 1 and 2.

IMPORTANT

Form CT-1040EXT only extends the *time to file* your Connecticut income tax return.

Form CT-1040EXT does not extend the *time to pay* your income tax.

You may qualify for a six-month extension of time to pay your tax. To request this extension you must file **Form CT-1127** with your timely filed Connecticut income tax return or extension.

Any underpayment of tax will bear interest at the rate of 1% (.01) per month or fraction thereof computed from the statutory due date to the date of payment. Also a penalty of 10% (.10) will be assessed on any underpayment of tax due. If no tax is due, the penalty for late filing is \$50.

U.S. Citizens Or Residents Living Outside The United States And Puerto Rico

You must file this form if:

- you are a U.S. citizen or resident living outside the United States and Puerto Rico and your tax home (within the meaning of section 162(a)(2) of the Internal Revenue Code) is outside the United States and Puerto Rico; or
- you are in the armed forces of the United States serving outside the United States and Puerto Rico on the date your federal income tax return is due, and are unable to file a timely Connecticut income tax return.

You must pay the amount of tax that you expect to owe on or before the original due date of the return. Explain on the front of this form that you are a U.S. citizen or resident living outside the United States and Puerto Rico, or are in the armed forces of the United States serving outside the United States and Puerto Rico, and that you qualify for an automatic, two-month federal income tax extension.

If your application is approved, the due date will be extended for six months (October 15, 1998, for calendar year taxpayers). If you are still unable to file your return and you have applied for and were granted an extension of time to file for federal purposes using federal Form 2350, you must file your Connecticut return using the federal extension due date and you must attach to the front of your return the federal Form 2350 approval notice.

When To File Form CT-1040EXT

File **Form CT-1040EXT** by April 15, 1998. If you are filing a fiscal year Connecticut income tax return, file **Form CT-1040EXT** by the 15th day of the fourth month following the close of the fiscal year.

If any due date falls on a Saturday, Sunday, or legal holiday, the next business day will be the due date.

YOUR SIGNATURE IS NOT REQUIRED ON THIS FORM

Form CT-1040X

AMENDED CONNECTICUT INCOME TAX RETURN FOR INDIVIDUALS

For calendar year ▶ 19___, or taxable year ▶ beginning _____, 19___, ▶ ending _____, 19___.

Please Print or Type	Your First Name and Middle Initial	Last Name	Your Social Security Number
	▶	▶	▶
	If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial	Last Name	Spouse's Social Security Number
	▶	▶	▶
Home Address	Number and Street	DEPARTMENT USE ONLY	
▶	▶	▶	
City, Town or Post Office	State	ZIP Code	
▶	▶	▶	

Form CT-1040X must be used if, after filing your 1991, 1992, 1993, 1994 or 1995 Connecticut income tax return, you discover one or more errors or omissions. This form must also be used to report the results of an IRS audit or if you amend your federal or another state's income tax return.

Are you amending your return as a result of federal or another state's changes? (see instructions) ▶ YES ▶ NO
 If YES, enter the date of federal change / / OR enter the date of other state's change / /
 You are required to attach a copy of the IRS audit results, federal Form 1040X, the other jurisdiction's amended return or other supporting documentation.

Filing Status:
 Filing Status Claimed: **On original return:** ▶ Single ▶ Married filing jointly/Qualifying widow(er) ▶ Married filing separate ▶ Head of household
On this return: ▶ Single ▶ Married filing jointly/Qualifying widow(er) ▶ Married filing separate ▶ Head of household

	USE PART 1 ON REVERSE TO EXPLAIN ANY CHANGES	A. Amount on original return or as previously adjusted	B. Net change Increase or (Decrease)	C. Correct amount
Income	1. Federal Adjusted Gross Income (from federal Form 1040, Form 1040A, or Form 1040EZ) 1			▶
	2. Additions, if any (If changed, attach Schedule 1 from Form CT-1040 or Form CT-1040NR/PY) 2			▶
	3. Add Line 1 and Line 2 3			▶
	4. Subtractions, if any (If changed, attach Schedule 1 from Form CT-1040 or Form CT-1040NR/PY) 4			▶
	5. Connecticut Adjusted Gross Income (Subtract Line 4 from Line 3) 5 Residents go to Line 10; Nonresidents and Part-Year Residents go to Line 6			▶
Nonresidents and Part-Year Residents Only	6. Part-Year and Nonresidents: enter your income from Connecticut sources from Schedule CT-SI; (If less than or equal to zero, enter 0) 6			▶
	7. Enter the greater of Line 5 or Line 6 (If zero, go to Line 14 and enter 0) 7			▶
	8. Income Tax: From Tax Table or Tax Calculation Schedule (See instructions) ... 8			▶
	9. Divide Line 6 by Line 5 (If Line 6 is equal to or greater than Line 5, enter 1.0000) 9	.	.	▶
Tax Computation and Credits	10. Income Tax (See instructions) 10			▶
	11. Adjusted Net Connecticut Minimum Tax Credit (from Form CT-8801) 11			▶
	12. Income Tax after Adjusted Net Connecticut Minimum Tax Credit (Subtract Line 11 from Line 10) 12			▶
	13. Net Credit for income tax paid to other jurisdictions (If changed, attach Schedule 2, Form CT-1040 or CT-1040NR/PY) residents and part-year residents only 13			▶
CT Alt. Min. OR CGDI Tax	14. Connecticut Income Tax (Subtract Line 13 from Line 12) 14			▶
	15. Connecticut Alternative Minimum Tax (from Form CT-6251) OR 1991 Capital Gains, Dividends and Interest Income Tax (See instructions) 15			▶
Income Tax	16. Total income tax 16			▶
Use Tax	17. Individual Use Tax 17			▶
TOTAL TAX	18. Total Tax (Add Line 16 and Line 17) 18			▶
Payments	19. Connecticut tax withheld (If changed, see instructions) 19			▶
	20. All estimated Connecticut income tax payments (including any overpayment credited from a prior year) and extension payments 20			
	21. Amounts paid with original return, plus additional tax paid after it was filed 21			
	22. Total payments (Add Lines 19, 20 and 21) 22			
	23. Overpayment, if any, as shown on original return (or as previously adjusted) 23			
Refund	24. Subtract Line 23 from Line 22 24			
	25. If Line 24, Column C is greater than Line 18, Column C, enter the amount overpaid REFUND ▶ 25			
Amount You Owe	26. If Line 18, Column C, is greater than Line 24, Column C, enter the amount you owe 26			
	27. Interest (See instructions) 27			
	28. Amount you owe with this return (Add Line 26, Column C and Line 27, Column C) AMOUNT YOU OWE ▶ 28			

**SEE MAILING INSTRUCTIONS ON REVERSE
TAXPAYERS MUST SIGN DECLARATION ON REVERSE**

PART 1 - Explanation of Changes to Income, Additions and Subtractions

Enter the line number from the front of this return for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include your name and social security number on any attachments.

FORM CT-1040X INSTRUCTIONS

PURPOSE

Form CT-1040X must be used if, after filing your Connecticut income tax return, you discover one or more errors or omissions. This form must also be used if you amend your federal income return or if your federal return is corrected or adjusted as a result of an IRS audit. Do not use this form to amend a Form CT-1041, Form CT-1065 or Form CT-1120SI.

This form may **only** be used to amend a 1991, 1992, 1993, 1994 or 1995 Income Tax Return for Individuals. It may not be used to amend any other year's return.

WHEN TO FILE FORM CT-1040X

If you file Form CT-1040X to report additional tax due or to claim a refund, it must be filed within three years from the due date of the original return. If your federal income tax return is either amended by you or changed by the Internal Revenue Service, you must file Form CT-1040X to report the change within 90 days.

If you claimed credit on your Connecticut income tax return or Form CT-6251 for taxes paid to another jurisdiction and the amount of tax you are required to pay to that jurisdiction changes, you must file Form CT-1040X to report the change within 30 days. Attach amended income tax return for other jurisdiction(s).

NOTE: If the above changes have no effect on the Connecticut tax liability, Form CT-1040X is not required to be filed.

PART-YEAR AND NONRESIDENTS

Lines 6-9: Part-year residents and nonresidents refer to your previously filed Form CT-1040NR/PY when completing this section.

SPECIFIC INSTRUCTIONS

Use Column A to enter the amounts shown on your original or previously adjusted return. Use Column B to enter the net increase or decrease for each line that you are changing. Explain each change on Part 1. Use Column C to report the corrected amounts for each line. If there is no change, enter the amount from Column A in Column C.

Line 8: Be sure to use the Tax Table or Tax Calculation Schedule for the taxable year to which your Form CT-1040X pertains. These forms are available from the Department of Revenue Services.

Line 10: **Residents:** Calculate the tax on the amount you entered on Line 5, Column C, using the Tax Table or Tax Calculation Schedule for the taxable year to which your Form CT-1040X pertains. Enter the result on Line 10, Column C.

Nonresidents or part-year residents: Multiply Line 9, Column C by Line 8, Column C. This is your allocated Connecticut income tax. Enter the result on Line 10, Column C.

Line 11: If changes are being made to your Adjusted Net Connecticut Minimum Tax Credit, you must complete a corrected Form CT-8801 and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of Form CT-8801.

Line 15: If changes are being made to your Connecticut Alternative Minimum Tax, you must complete a corrected Form CT-6251 and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of Form CT-6251.

If changes are being made to your Capital Gains, Dividends and Interest Income Tax, you must complete a corrected 1991 Schedule 394 and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of Schedule 394.

Line 17: If changes are being made to your Connecticut Individual Use Tax, you must complete a corrected Individual Use Tax Worksheet (for taxable years 1995 and after) or Form OP-186 (for taxable years prior to 1995) and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of the Individual Use Tax Worksheet or Form OP-186.

Line 19: If changes are being made to your Connecticut income tax withholding, attach supporting documentation such as additional Forms W-2, 1099 and/or W-2G.

FILING STATUS

Your filing status for Connecticut must be the same as the filing status used on your federal income tax return.

However, when one spouse is a Connecticut resident or a nonresident and the other spouse is a part-year resident, each spouse who is required to file a Connecticut income tax return must file as "married filing SEPARATE." Where one spouse is a Connecticut resident and the other is a nonresident, each spouse who is required to file a Connecticut income tax return must file as "married filing SEPARATE," **unless** you file jointly for federal income tax purposes, **and** you elect to be treated as if both of you were Connecticut residents for the entire taxable year.

INTEREST

Interest at the rate of 1¼% per month or fraction thereof will continue to accrue until the earlier of July 15, 1995 or the date on which the tax due is paid AND at the rate of 1% per month or fraction thereof from July 16, 1995, until the date on which the tax due is paid. A month is measured from the 16th day of the first month to the 15th day of the next month. Any fraction of a month is considered a whole month.

Make your check or money order payable to: COMMISSIONER OF REVENUE SERVICES

MAIL TO:

Write your Social Security Number(s) and "Form CT-1040X" on your check or money order.

Department of Revenue Services
PO Box 2978
Hartford CT 06104-2978

DECLARATION: I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Your Signature	Date	Spouse's Signature (If joint return)	Date
	Paid Preparer's Signature			Date
	Firm Name and Address			Federal Employer I.D. Number

FORM CT-1040X
AMENDED CONNECTICUT INCOME TAX RETURN FOR INDIVIDUALS

For the year January 1 - December 31, 1996, or other taxable year beginning _____, 1996, ending _____, 19____

Please Print or Type	Your First Name and Middle Initial ▶ _____	Last Name ▶ _____	Your Social Security Number ▶ _____
	If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial ▶ _____	Last Name ▶ _____	Spouse's Social Security Number ▶ _____
	Home Address ▶ _____	Number and Street ▶ _____	DEPARTMENT USE ONLY
	City, Town or Post Office ▶ _____	State ▶ _____	

Form CT-1040X must be used if, after filing your 1996 Connecticut income tax return, you discover one or more errors or omissions. This form must also be used to report the results of an IRS audit or if you amend your federal income tax return.

Are you amending your return as a result of federal or another state's changes? (See instructions) YES NO
 If YES, enter the date of federal change / / OR enter the date of state change / /
 You are required to attach a copy of the IRS audit results, federal Form 1040X, the other state's audit results or amended return along with supporting documentation.

Filing Status:
 Filing Status Claimed: **On original return:** Single Married filing jointly/Qualifying widow(er) Married filing separate Head of household
On this return: Single Married filing jointly/Qualifying widow(er) Married filing separate Head of household

		A Amount on Original Return or as Previously Adjusted	B Net Change Increase or (Decrease) Explain on reverse	C Correct Amount
Income	1. Federal Adjusted Gross Income (from federal Form 1040, Line 31 or Form 1040A, Line 16 or Form 1040EZ, Line 4).....1			▶
	2. Additions, if any (If changed, see instructions).....2			▶
	3. Add Line 1 and Line 2.....3			▶
	4. Subtractions, if any (If changed, see instructions).....4			▶
	5. Connecticut adjusted gross income (Subtract Line 4 from Line 3)....5 Residents go to Line 10; Nonresidents and Part-Year Residents go to Line 6			▶
Nonresidents and Part-Year Residents Only	6. Part-Year and Nonresidents: enter your income from Connecticut sources from Schedule CT-SI; (If less than or equal to zero, enter 0.).....6			▶
	7. Enter the greater of Line 5 or Line 6 (If zero, go to Line 10 and enter 0.).....7			▶
	8. Income tax: From Tax Table or Tax Calculation Schedule (See instructions).....8			▶
	9. Divide Line 6 by Line 5 (If Line 6 is equal to or greater than Line 5 enter 1.0000.).....9	.	.	▶
Tax Computation and Credits	10. Income tax (See instructions).....10			▶
	11. Net credit for income tax paid to other jurisdictions (If changed, see instructions) Residents and Part-Year Residents only ...11			▶
	12. Subtract Line 11 from Line 10.....12			▶
	13. Connecticut Alternative Minimum Tax (from Form CT-6251).....13			▶
	14. Add Line 12 and Line 13.....14			▶
	15. Credit for property tax paid on your primary residence and/or motor vehicle, Resident Individuals only (See instructions)...15			▶
	16. Subtract Line 15 from Line 14 (If less than or equal to zero, enter 0.)...16			▶
	17. Adjusted Net Connecticut Minimum Tax Credit (from Form CT-8801)....17			▶
Income Tax	18. Connecticut income tax (Subtract Line 17 from Line 16).....18			▶
Use Tax	19. Individual use tax (If changed, see instructions).....19			▶
TOTAL TAX	20. Total Tax (Add Line 18 and Line 19).....20			▶
Payments	21. Connecticut tax withheld (If changed, see instructions).....21			▶
	22. All 1996 estimated Connecticut income tax payments (including any overpayment credited from a prior year) and extension payments...22			
	23. Amounts paid with original return, plus additional tax paid after it was filed.....23			
	24. Total payments (Add Lines 21, 22 and 23).....24			
	25. Overpayment, if any, as shown on original return (or as previously adjusted).....25			
	26. Subtract Line 25 from Line 24.....26			
Refund	27. If Line 26, Column C is greater than Line 20, Column C, enter the amount overpaid..... REFUND ▶ 27			
Amount You Owe	28. If Line 20, Column C, is greater than Line 26, Column C, enter the amount you owe28			
	29. Interest (See instructions).....29			
	30. Amount you owe with this return (Add Line 28, Column C and Line 29, Column C) AMOUNT YOU OWE ▶ 30			

PART 1 - Explanation of Changes to Income, Additions and Subtractions

Enter the line number from the front of this return for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include your name and social security number on any attachments.

FORM CT-1040X INSTRUCTIONS

PURPOSE:

Form CT-1040X must be used if, after filing your 1996 Connecticut income tax return, you discover one or more errors or omissions. **Form CT-1040X** must also be used:

- if you amend your federal income tax return or if your federal return is corrected or adjusted as a result of an IRS audit. You must file **Form CT-1040X** to report the change within 90 days unless the change has no effect on your Connecticut income tax liability;
- if, as a Connecticut resident or part-year resident, you claimed credit on your Connecticut income tax return or **Form CT-6251** for income tax paid to another jurisdiction, **AND** you amend your income tax return filed with that jurisdiction or if that return is corrected or adjusted as the result of an audit by that jurisdiction, **AND** the amount of income tax that you are required to pay to that jurisdiction changes. You must file **Form CT-1040X** to report the change within 30 days.

Do not use this form to amend a **Form CT-1041**, **Form CT-1065** or **Form CT-1120SI**.

WHEN TO FILE FORM CT-1040X

If you file **Form CT-1040X** to report additional tax due or to claim a refund, it must be filed within three years from the original due date of the return or three years from the extended due date, if an extension of time to file had been granted by the Department to the taxpayer.

NOTE: If the above changes have no effect on the Connecticut tax liability, **Form CT-1040X** is not required to be filed.

PART-YEAR AND NONRESIDENTS

Lines 6-9: Part-year residents and nonresidents refer to your previously filed **Form CT-1040NR/PY** when completing this section.

SPECIFIC INSTRUCTIONS

Use Column A to enter the amounts shown on your original or previously adjusted return. Use Column B to enter the net increase or decrease for each line that you are changing. Explain each change on Part 1. Use Column C to report the corrected amounts for each line. If there is no change, enter the amount from Column A in Column C.

Line 2, 4: If changes are being made to your Schedule I from **Form CT-1040** or **Form CT-1040NR/PY**, you must complete a corrected Schedule I and attach it to **Form CT-1040X**. You must write the word "AMENDED" across the top of the Schedule I.

Line 8: Calculate the tax on the amount you entered on Line 7, Column C, using the Tax Table or Tax Calculation Schedule for 1996. Enter the result on Line 8, Column C.

Line 10: Residents: Calculate the tax on the amount you entered on Line 5, Column C, using the Tax Table or Tax Calculation Schedule for 1996. Enter the result on Line 10, Column C.

Nonresidents or part-year residents: Multiply Line 9, Column C by Line 8, Column C. Enter the result on Line 10, Column C.

Line 11: If changes are being made to your Schedule 2 from **Form CT-1040** or **Form CT-1040NR/PY**, you must complete a corrected Schedule 2 and attach it to **Form CT-1040X**. You must write the word "AMENDED" across the top of Schedule 2.

Line 13: If changes are being made to your Connecticut Alternative Minimum Tax, you must complete a corrected **Form CT-6251** and attach it to **Form CT-1040X**. You must write the word "AMENDED" across the top of **Form CT-6251**.

Line 15: Residents: If changes are being made to your property tax credit, you must complete and attach a corrected *Credit for Property Taxes Paid on your Primary Residence and/or Motor Vehicle* schedule. Write "AMENDED" across the top of the schedule. This credit may not exceed \$100.

Nonresidents or part-year residents: Enter zero on Line 15, Column C.

Line 17: If changes are being made to your Adjusted Net Connecticut Minimum Tax Credit, you must complete a corrected **Form CT-8801** and attach it to **Form CT-1040X**. You must write the word "AMENDED" across the top of **Form CT-8801**.

Line 19: If changes are being made to your Connecticut individual use tax, you must complete a corrected individual use tax schedule/worksheet and attach it to **Form CT-1040X**. You must write the word "AMENDED" across the top of the individual use tax schedule/worksheet.

Line 21: If changes are being made to your Connecticut income tax withholding, attach supporting documentation such as additional Forms W-2, W-2C, W-2G and/or 1099.

FILING STATUS

Your filing status for Connecticut must be the same as the filing status used on your federal income tax return.

However, when one spouse is a Connecticut resident or a nonresident and the other spouse is a part-year resident, each spouse who is required to file a Connecticut income tax return must file as "married filing SEPARATE". Where one spouse is a Connecticut resident and the other is a nonresident, each spouse who is required to file a Connecticut income tax return must file as "married filing SEPARATE", **unless** you file jointly for federal income tax purposes, **and** you elect to be treated as if both of you were Connecticut residents for the entire taxable year.

INTEREST

Interest at the rate of 1% (.01) per month or fraction of a month will continue to accrue until the date on which the tax due is paid. A month is measured from the 16th day of the first month to the 15th day of the next month. Any fraction of a month is considered a whole month.

Make your check or money order payable to: COMMISSIONER OF REVENUE SERVICES

Write your Social Security Number(s) and "1996 Form CT-1040X" on your check or money order.

MAIL TO:
Department of Revenue Services
PO Box 2978
Hartford CT 06104-2978

DECLARATION: I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Your Signature	Date	Spouse's Signature (if joint return)	Date	
	Paid Preparer's Signature			Date	Federal Employer I.D. Number
	Firm Name and Address				Connecticut Sales Tax Registration Number

AMENDED CONNECTICUT INCOME TAX RETURN FOR INDIVIDUALS

For the year January 1 - December 31, 1997, or other taxable year ▶ beginning _____, 1997, ▶ ending _____, 19_____.

Please Print or Type	Your First Name and Middle Initial	Last Name	Your Social Security Number
	▶	▶	▶
	If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial	Last Name	Spouse's Social Security Number
	▶	▶	▶
Home Address	Number and Street	DEPARTMENT USE ONLY	
▶	▶	▶	
City, Town or Post Office	State	ZIP Code	
▶	▶	▶	

Form CT-1040X must be completed if, after filing your 1997 Connecticut income tax return, you discover one or more errors or omissions. This form must also be used to report the results of an IRS audit or if you amend your federal or another state's income tax return.

Are you amending your return as a result of federal or another state's changes? (See instructions) ▶ YES ▶ NO

If YES, enter the date of federal change / / OR enter the date of other state's change / /

You are required to attach a copy of the IRS audit results, federal Form 1040X, the other state's audit results or amended return along with supporting documentation.

Filing Status:

Filing Status Claimed: **On original return:** ▶ Single ▶ Married filing jointly/qualifying widow(er) ▶ Married filing separate ▶ Head of household
On this return: ▶ Single ▶ Married filing jointly/qualifying widow(er) ▶ Married filing separate ▶ Head of household

	USE PART 1 ON REVERSE TO EXPLAIN ANY CHANGES	A. Amount on original return or as previously adjusted	B. Net change Increase or (Decrease) explain on reverse	C. Correct amount
Income	1. Federal Adjusted Gross Income (from federal Form 1040, Line 32; Form 1040A, Line 16; Form 1040EZ, Line 4; or Telefile Tax Record, Line H) 1			▶
	2. Additions, if any (If changed, see instructions) 2			▶
	3. Add Line 1 and Line 2 3			▶
	4. Subtractions, if any (If changed, see instructions) 4			▶
	5. Connecticut adjusted gross income (Subtract Line 4 from Line 3) 5 Residents go to Line 10; Nonresidents and Part-Year Residents go to Line 6			▶
Nonresidents and Part-Year Residents Only	6. Part-Year and Nonresidents: enter your income from Connecticut sources from Schedule CT-SI; (If less than or equal to zero, enter 0.) 6			▶
	7. Enter the greater of Line 5 or Line 6 (If zero, go to Line 10 and enter 0.) 7			▶
	8. Income tax: From Tax Table or Tax Calculation Schedule (See instructions) 8			▶
	9. Divide Line 6 by Line 5 (If Line 6 is equal to or greater than Line 5, enter 1.0000.) 9	.		▶
Tax Computation and Credits	10. Income tax (See instructions) 10			▶
	11. Net credit for income tax paid to other jurisdictions (If changed, see instructions) Residents and Part-Year Residents only 11			▶
	12. Subtract Line 11 from Line 10 12			▶
	13. Connecticut Alternative Minimum Tax (from Form CT-6251) 13			▶
	14. Add Line 12 and Line 13 14			▶
	15. Credit for property tax paid on your primary residence and/or motor vehicle, Resident Individuals only (See instructions) 15			▶
	16. Subtract Line 15 from Line 14 (If less than or equal to zero, enter 0.) 16			▶
	17. Adjusted Net Connecticut Minimum Tax Credit (from Form CT-8801) 17			▶
Income Tax Use Tax	18. Connecticut income tax (Subtract Line 17 from Line 16) 18			▶
	19. Individual use tax (If changed, see instructions) 19			▶
TOTAL TAX	20. Total Tax (Add Line 18 and Line 19) 20			▶
Payments	21. Connecticut tax withheld (If changed, see instructions) 21			▶
	22. All 1997 estimated Connecticut income tax payments (including any overpayment credited from a prior year) and extension payments ... 22			
	23. Amounts paid with original return, plus additional tax paid after it was filed 23			
	24. Total payments (Add Lines 21, 22 and 23) 24			
	25. Overpayment, if any, as shown on original return (or as previously adjusted) 25			
	26. Subtract Line 25 from Line 24 26			
Refund	27. If Line 26, Column C is greater than Line 20, Column C, enter the amount overpaid REFUND ▶ 27			
Amount You Owe	28. If Line 20, Column C, is greater than Line 26, Column C, enter the amount you owe 28			
	29. Interest (See instructions) 29			
	30. Amount you owe with this return (Add Line 28, Column C and Line 29, Column C) AMOUNT YOU OWE ▶ 30			

PART 1 - Explanation of Changes to Income, Additions and Subtractions

Enter the line number from the front of this return for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include your name and social security number on any attachments.

FORM CT-1040X INSTRUCTIONS

PURPOSE

Form CT-1040X must be completed if, after filing your 1997 Connecticut income tax return, you discover one or more errors or omissions. Form CT-1040X must also be completed:

- if you amend your federal income tax return or if your federal return is corrected or adjusted as a result of an IRS audit. You must file Form CT-1040X to report the change within 90 days unless the change has no effect on your Connecticut income tax liability;
- if, as a Connecticut resident or part-year resident, you claimed credit on your Connecticut income tax return or Form CT-6251 for income tax paid to another jurisdiction, AND you amend your income tax return filed with that jurisdiction or if that return is corrected or adjusted as the result of an audit by that jurisdiction, AND the amount of income tax that you are required to pay to that jurisdiction changes. You must file Form CT-1040X to report the change within 30 days.

This form may only be used to amend a 1997 Income Tax Return for Individuals. It may not be used to amend any other year's return.

Do not use this form to amend a Form CT-1041, Form CT-1065 or Form CT-1120SI.

WHEN TO FILE FORM CT-1040X

If you file Form CT-1040X to report additional tax due or to claim a refund, it must be filed within three years from the original due date of the return or three years from the extended due date, if an extension of time to file had been granted by the Department to the taxpayer.

If the above changes have no effect on the Connecticut tax liability, Form CT-1040X is not required to be filed.

NONRESIDENTS AND PART-YEAR RESIDENTS

Lines 6-9: Nonresidents and part-year residents refer to your previously filed Form CT-1040NR/PY when completing this section.

SPECIFIC INSTRUCTIONS

Use Column A to enter the amounts shown on your original or previously adjusted return. Use Column B to enter the net increase or decrease for each line that you are changing. Explain each change on Part 1. Use Column C to report the corrected amounts for each line. If there is no change, enter the amount from Column A in Column C.

Line 2, 4: If changes are being made to your Schedule 1 from Form CT-1040 or Form CT-1040NR/PY, you must complete a corrected Schedule 1 and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of the Schedule 1.

Line 8: Calculate the tax on the amount you entered on Line 7, Column C, using the Tax Table or Tax Calculation Schedule for 1997. Enter the result on Line 8, Column C.

Line 10: Residents: Calculate the tax on the amount you entered on Line 5, Column C, using the Tax Table or Tax Calculation Schedule for 1997. Enter the result on Line 10, Column C.

Nonresidents or part-year residents: Multiply Line 9, Column C by Line 8, Column C. Enter the result on Line 10, Column C.

Line 11: If changes are being made to your Schedule 2 from Form CT-1040 or Form CT-1040NR/PY, you must complete a corrected Schedule 2 and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of the Schedule 2.

Line 13: If changes are being made to your Connecticut Alternative Minimum Tax, you must complete a corrected Form CT-6251 and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of the Form CT-6251.

Line 15: Residents: If changes are being made to your property tax credit, you must complete and attach a corrected Credit for Property Taxes Paid on your Primary Residence and/or Motor Vehicle schedule. Write "AMENDED" across the top of the schedule. This credit may not exceed \$215.

Nonresidents or part-year residents: Enter zero on Line 15, Column C.

Line 17: If changes are being made to your Adjusted Net Connecticut Minimum Tax Credit, you must complete a corrected Form CT-8801 and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of Form CT-8801.

Line 19: If changes are being made to your Connecticut Individual Use Tax, you must complete a corrected individual use tax schedule/worksheet and attach it to Form CT-1040X. You must write the word "AMENDED" across the top of the individual use tax schedule/worksheet.

Line 21: If changes are being made to your Connecticut income tax withholding, attach supporting documentation such as additional Forms W-2, W-2C, W-2G and/or 1099.

FILING STATUS

Your filing status for Connecticut must be the same as the filing status used on your federal income tax return.

However, when one spouse is a Connecticut resident or a nonresident and the other spouse is a part-year resident, each spouse who is required to file a Connecticut income tax return must file as "married filing SEPARATE." Where one spouse is a Connecticut resident and the other is a nonresident, each spouse who is required to file a Connecticut income tax return must file as "married filing SEPARATE," unless you file jointly for federal income tax purposes, and you elect to be treated as if both of you were Connecticut residents for the entire taxable year.

INTEREST

Interest at the rate of 1% (.01) per month or fraction of a month will continue to accrue from the original due date until the tax is paid in full. A month is measured from the 16th day of the first month to the 15th day of the next month. Any fraction of a month is considered a whole month.

Make your check or money order payable to: COMMISSIONER OF REVENUE SERVICES

MAIL TO:

Write your Social Security Number(s) and "1997 Form CT-1040X" on your check or money order.

Department of Revenue Services
PO Box 2978
Hartford CT 06104-2978

DECLARATION:

I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Your Signature	Date	Spouse's Signature (If joint return)	Date
	Paid Preparer's Signature			Date
Keep a copy of this return for your records	Firm Name and Address			Federal Employer I.D. Number
	▶			



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

Form CT-1040ES

1998 ESTIMATED CONNECTICUT INCOME TAX PAYMENT COUPON FOR INDIVIDUALS

WHERE TO GET HELP AND ADDITIONAL FORMS: The Department of Revenue Services, Taxpayer Services Division, can answer questions you may have on how to complete your estimated Connecticut income tax payments. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users **only** may call 860-297-4911. Connecticut tax forms and publications may be obtained by writing to: DRS Forms Unit, 25 Sigourney Street, Hartford CT 06106-5032, by calling 860-297-4753 (24-hour service) or by visiting our internet site at <http://www.state.ct.us/drs>.

GENERAL INSTRUCTIONS

WHO SHOULD FILE THIS COUPON: Use this coupon if you are required to make estimated income tax payments for 1998 and you do not receive a preprinted coupon package from the Department of Revenue Services. Coupon packages will be mailed in mid-January to those who made estimated income tax payments in the prior year.

NONRESIDENTS AND PART-YEAR RESIDENTS: Nonresident individuals are subject to Connecticut income tax on their Connecticut source income. Part-year residents are taxed on all income received while a resident of Connecticut and on income received from Connecticut sources while a nonresident. **Connecticut source income** includes, but is not limited to, income from a business, profession, occupation or trade conducted in this state, as well as income from the rental or sale of real or tangible property located in Connecticut.

WHO IS REQUIRED TO MAKE ESTIMATED PAYMENTS? In most cases, you must make estimated payments of Connecticut income tax if you expect to owe, after subtracting your Connecticut income tax withholding, more than \$500 for 1998, after tax credits, if any, are taken into account, **and** you expect your withholding to be less than your required annual payment.

Your required annual payment is the **lesser** of:

1. 90% of the income tax shown on your 1998 Connecticut income tax return
- OR
2. 100% of the income tax shown on your 1997 Connecticut income tax return, if you filed a 1997 Connecticut income tax return that covered a 12-month period.

You do **not** have to make estimated income tax payments if:

1. You were a Connecticut resident in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability, **or**
2. You were a nonresident or part-year resident with Connecticut source income in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did not have Connecticut source income in 1997, then you **must** use 90% of the income tax shown on your 1998 Connecticut income tax return as your required annual payment.

WHEN TO FILE: Estimated payments for the 1998 taxable year are due April 15, June 15, September 15, 1998, and January 15, 1999. (Fiscal year filers should follow federal filing dates.) If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date. An estimate will be considered timely-filed if received or if the date shown by the U.S. Post Office cancellation mark is on or before the due date.

HOW MUCH SHOULD I PAY? Complete the 1998 Estimated Income Tax Worksheets located on pages 2 and 3. As a result of 1997 legislation, the tax rate for estimated taxes will be reduced on July 1, 1998. Complete Worksheet A for installments due April 15, 1998 and June 15, 1998. Complete Worksheet B for installments due September 15, 1998 and January 15, 1999.

SPECIAL RULES FOR FARMERS AND FISHERMEN: Beginning with the 1997 taxable year, if you are a farmer or fisherman (as defined in Section 6654(i)(2) of the Internal Revenue Code) who is required to make estimated income tax payments, you will be required to make only one payment. Your installment is due on or before January 15, 1999, for the 1998 taxable year. The required installment shall be the lesser of 66% of the Connecticut income tax shown on your 1998 return or 100% of the Connecticut income tax shown on your 1997 return. For further information, request IP 97(8), *Farmer's Guide to Sales and Use and Estimated Income Taxes*, from the DRS Forms Unit.

ANNUALIZED INCOME INSTALLMENT METHOD: If your income varies throughout the year, using the *annualized income installment method* may enable you to reduce or eliminate the amount of your estimated tax payment for one or more periods. For further information, request IP 93(6.4), *A Guide To Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040AES*, from the DRS Forms Unit.

SOCIAL SECURITY BENEFIT ADJUSTMENT: Effective for taxable years beginning on or after January 1, 1998, the social security subtraction modification on Schedule 1 has been revised. (See instructions for Line 2.)

SHAREHOLDERS OF S CORPORATIONS THAT ARE SUBJECT TO CONNECTICUT CORPORATION BUSINESS TAX: The phaseout of the Connecticut corporation business tax on S corporations affects the modification to federal adjusted gross income allowed in the computation of Connecticut adjusted gross income of individuals who are S corporation shareholders. (See instructions for Line 2.)

INTEREST: If you did not pay enough tax through withholding and/or estimated payments by any installment due date, you may be charged interest. This is true even if you are due a refund when you file your tax return. Interest is figured separately for each installment. Therefore, you may owe interest for an earlier installment, even if you paid enough tax later to make up for the underpayment. Interest at 1% (.01) per month or fraction of a month will be added to the tax due until the **earlier** of the following: April 15, 1999, or the date on which the underpayment is paid.

IMPORTANT: If you file your income tax return for the 1998 taxable year on or before January 31, 1999, and pay in full the amount computed on the return as payable for the taxable year, no interest will be calculated on the underpayment of estimated income tax for the fourth required installment. (This does not apply to taxpayers paying estimated Connecticut income taxes as farmers or fishermen.)

**1998 ESTIMATED CONNECTICUT INCOME TAX WORKSHEET A
USE ONLY FOR INSTALLMENTS
DUE APRIL 15, 1998 AND JUNE 15, 1998**

1. Federal Adjusted Gross Income you expect in 1998 (From federal Form 1040ES)..... 1. _____
 2. Allowable Connecticut modifications (Additions or subtractions, see instructions, Page 5) 2. _____
 3. Connecticut adjusted gross income (Add Line 1 and Line 2) 3. _____
Nonresidents and Part-Year Residents: Enter your income from Connecticut sources if greater than your Connecticut adjusted gross income.
 4. Connecticut income tax (Complete Column A of the Tax Calculation Schedule below) 4. _____
 5. Apportionment factor (Connecticut residents enter 1.0000. Nonresidents and part-year residents, see instructions)..... 5. _____
 6. Multiply Line 5 by Line 4 6. _____
 7. Net Credit for income taxes due to other jurisdictions (See instructions, Page 5) 7. _____
 8. Subtract Line 7 from Line 6 8. _____
 9. Estimated Connecticut alternative minimum tax (See instructions, Page 5) 9. _____
 10. Add Line 8 and Line 9 10. _____
 11. Adjusted net Connecticut minimum tax credit (See instructions, Page 5) 11. _____
 12. Total estimated income tax (Subtract Line 11 from Line 10) 12. _____
 13. Multiply Line 12 by 90% (0.90) 13. _____
 14. Enter 100% of the income tax shown on your 1997 Connecticut income tax return (See instructions, Page 5)..... 14. _____
 15. Enter the lesser of Line 13 or Line 14. (If Line 14 is blank, enter the amount from Line 13.) This is your required annual payment. (See caution below)..... 15. _____
- CAUTION:** Generally, if you do not prepay (through timely estimates, withholding, or both) the **lesser** of 100% of the income tax shown on your 1997 Connecticut income tax return, or 90% of the income tax shown on your 1998 Connecticut income tax return, you may owe interest. To avoid interest charges, make sure your estimate is as accurate as possible. You may prefer to pay 100% of the income tax shown on your 1997 Connecticut income tax return.
16. Connecticut income tax withheld or expected to be withheld in 1998 16. _____
If Line 12 minus Line 16 is \$500 or less, no estimated payment is required.
 17. Subtract Line 16 from Line 15. If the result is zero or less, no estimated payment is required 17. _____
 18. Installment percentage 18. **.25**
 19. Multiply Line 17 by Line 18. Pay this amount for installments due April 15, 1998 and June 15, 1998 19. _____

TAX CALCULATION SCHEDULE

Follow the directions below to complete Column A and Column B.

		Column A		Column B
1. Enter the amount from Worksheet A, Line 3, in Column A. Enter the amount from Worksheet B, Line 3, in Column B.	1			
2. Enter Personal Exemption from Table A, Exemptions, Page 6 in both columns	2			
3. Connecticut taxable income (Subtract Line 2 from Line 1. If less than zero, enter 0)	3			
4. Connecticut Income Tax - For Installments due April 15, 1998, and June 15, 1998, see Table B, Page 6 For Installments due Sept. 15, 1998, and Jan. 15, 1999, see Table D, Page 3	4			
5. Enter Credit Percentage (from Table C, Personal Tax Credits, Page 6). If zero, enter 0	5	.		.
6. Multiply the amount on Line 4 by the percentage on Line 5	6			
7. CONNECTICUT INCOME TAX (Subtract Line 6 from Line 4) <i>Enter the amount from Column A on Worksheet A, Line 4. Enter the amount from Column B on Worksheet B, Line 4.</i>	7			

1998 ESTIMATED CONNECTICUT INCOME TAX WORKSHEET B USE ONLY FOR INSTALLMENTS DUE SEPTEMBER 15, 1998 AND JANUARY 15, 1999

1. Federal Adjusted Gross Income you expect in 1998 (From federal Form 1040ES).....	1. _____
2. Allowable Connecticut modifications (Additions or subtractions, see instructions, Page 5)	2. _____
3. Connecticut adjusted gross income (Add Line 1 and Line 2)	3. _____
Nonresidents and Part-Year Residents: Enter your income from Connecticut sources if greater than your Connecticut adjusted gross income.	
4. Connecticut income tax (Complete Column B of the Tax Calculation Schedule, Page 2).....	4. _____
5. Apportionment factor (Connecticut residents enter 1.0000. Nonresidents and part-year residents, see instructions).....	5. _____
6. Multiply Line 5 by Line 4.....	6. _____
7. Net Credit for income taxes due to other jurisdictions (See instructions, Page 5)	7. _____
8. Subtract Line 7 from Line 6	8. _____
9. Estimated Connecticut alternative minimum tax (See instructions, Page 5)	9. _____
10. Add Line 8 and Line 9.....	10. _____
11. Adjusted net Connecticut minimum tax credit (See instructions, Page 5)	11. _____
12. Total estimated income tax (Subtract Line 11 from Line 10)	12. _____
13. Multiply Line 12 by 90% (0.90)	13. _____
14. Enter 100% of the income tax shown on your 1997 Connecticut income tax return (See instructions, Page 5).....	14. _____
15. Enter the lesser of Line 13 or Line 14. (If Line 14 is blank, enter the amount from Line 13.) This is your required annual payment. (See caution below)	15. _____

CAUTION: Generally, if you do not prepay (through timely estimates, withholding, or both) the **lesser** of 100% of the income tax shown on your 1997 Connecticut income tax return, or 90% of the income tax shown on your 1998 Connecticut income tax return, you may owe interest. To avoid interest charges, make sure your estimate is as accurate as possible. You may prefer to pay 100% of the income tax shown on your 1997 Connecticut income tax return.

16. Connecticut income tax withheld or expected to be withheld in 1998	16. _____
If Line 12 minus Line 16 is \$500 or less, no estimated payment is required.	
17. Subtract Line 16 from Line 15. If the result is zero or less, no estimated payment is required	17. _____
18. Total 1998 estimated payments made in prior installments (April 15 and June 15, 1998)	18. _____
19. Subtract Line 18 from Line 17	19. _____
20. Installment percentage	20. .50
21. Multiply Line 19 by Line 20. Pay this amount for installments due September 15, 1998 and January 15, 1999	21. _____

TABLE D - CONNECTICUT INCOME TAX (Use for installments due September 15, 1998 and January 15, 1999)

Single/Married Filing Separately	Head of Household	Married Filing Jointly/Qualifying Widow(er)
If the amount on Line 3 is less than or equal to \$7,500, multiply by .03.	If the amount on Line 3 is less than or equal to \$12,000, multiply by .03.	If the amount on Line 3 is less than or equal to \$15,000, multiply by .03.
If the amount on Line 3 is more than \$7,500, multiply .045 by the excess over \$7,500 and add \$225.00.	If the amount on Line 3 is more than \$12,000, multiply .045 by the excess over \$12,000 and add \$360.00.	If the amount on Line 3 is more than \$15,000, multiply .045 by the excess over \$15,000 and add \$450.00.
For example, if the amount on Line 3 is \$10,500 enter \$360.00 on Line 4.	For example, if the amount on Line 3 is \$16,000 enter \$540.00 on Line 4.	For example, if the amount on Line 3 is \$17,500 . enter \$562.50 on Line 4.
(\$10,500 - \$7,500 = \$3,000 \$3,000 x .045 = \$135.00 \$135.00 + \$225.00 = \$360.00)	(\$16,000 - \$12,000 = \$4,000 \$4,000 x .045 = \$180.00 \$180.00 + \$360.00 = \$540.00)	(\$17,500 - \$15,000 = \$2,500 \$2,500 x .045 = \$112.50 \$112.50 + \$450.00 = \$562.50)

TAXPAYER WORKSHEET

INSTRUCTIONS FOR COMPLETING WORKSHEETS A AND B

Line 2: Enter the total of your estimated allowable Connecticut modifications. (See instructions for **Schedule 1** of **Form CT-1040** or **Form CT-1040NR/PY** for information about allowable modifications.)

Social security recipients who are subject to Connecticut income tax should refer to their *1997 Social Security Benefit Adjustment Worksheet* in their 1997 **Form CT-1040** or **Form CT-1040NR/PY** instruction booklet to compute their 1998 estimated tax payments. Effective for taxable years beginning on or after January 1, 1998, the social security modification of Schedule 1 has been revised. When completing the **1998 Form CT-1040ES**, reduce Line K of the *1997 Social Security Benefit Adjustment Worksheet* by 50% before completing Line L and Line M.

For the 1998 taxable year, in computing his or her Connecticut adjusted gross income, an individual who is a shareholder of an S corporation that is subject to the Connecticut corporation business tax will, **if the S corporation has nonseparately computed income in excess of its nonseparately computed loss**, subtract from his or her federal adjusted gross income 75% of his or her pro rata share, as a shareholder, of such excess multiplied by the S corporation's corporation business tax apportionment fraction under Conn. Gen. Stat. §12-218; or, **if the S corporation has nonseparately computed loss in excess of its nonseparately computed income**, add to his or her federal adjusted gross income 75% of his or her pro rata share, as a shareholder, of such excess **multiplied by** the S corporation's corporation business tax apportionment fraction under Conn. Gen. Stat. §12-218.

Line 3: **NONRESIDENTS AND PART-YEAR RESIDENTS ONLY:** If your Connecticut source income is greater than your Connecticut adjusted gross income, enter Connecticut source income on this line.

Line 4: To calculate your tax, complete the Tax Calculation Schedule on Page 2 and enter amounts from Column A on Worksheet A, Line 4, and Column B on Worksheet B, Line 4.

Line 5: **APPORTIONMENT FACTOR:** Nonresidents and part-year residents, if your Connecticut source income **is greater than or equal to** your Connecticut adjusted gross income, enter 1.0000. If your Connecticut source income **is less than** your Connecticut adjusted gross income, complete the following calculation and enter the result on Line 5.

$$\frac{\text{Connecticut Source Income}}{\text{Connecticut Adjusted Gross Income (Line 3)}} = \text{Line 5}$$

Do not enter a number that is less than zero or greater than 1. If the result is less than zero, enter 0; if greater than 1, enter 1.0000. Round to four decimal places.

Line 7: **RESIDENTS AND PART-YEAR RESIDENTS ONLY:** Enter estimated allowable net credit for income taxes due to other jurisdictions. Enter 0, if not applicable. (See instructions for **Schedule 2** of **Form CT-1040** or **Form CT-1040NR/PY**.)

Line 9: If you expect to owe federal alternative minimum tax in 1998, you may also owe Connecticut alternative minimum tax. Enter your estimated Connecticut alternative minimum tax liability. (See instructions for **Form CT-6251**, *Connecticut Alternative Minimum Tax Return - Individuals*.)

Line 11: Enter estimated allowable adjusted net Connecticut minimum tax credit. Enter 0 if you are not entitled to a credit, or if you entered an amount on Line 9. (See instructions for **Form CT-8801**, *Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates*.)

Line 14: If your 1997 Connecticut income tax return covered a 12-month period, enter 100% of the income tax shown on your return (from **Form CT-1040**, Line 14; **Form CT-1040EZ**, Line 6; or **Form CT-1040NR/PY**, Line 16). If you were a resident in 1997 and you did not file a 1997 Connecticut income tax return because you had no Connecticut income tax liability, enter 0. If you were a nonresident or part-year resident in 1997 **with** Connecticut source income and you did not file a 1997 Connecticut income tax return because you had no Connecticut income tax liability, enter 0. All other taxpayers must leave Line 14 blank.

COMPLETING THE PAYMENT COUPON

Complete the payment coupon below. Be sure to complete all the required taxpayer identification information. Enter the payment amount on Line 1 of this coupon. In determining your payment amount, you may subtract from your installment amount any **available** overpayment of 1997 income tax.

..... Cut Here

CT-1040ES		ESTIMATED CONNECTICUT INCOME TAX PAYMENT		1998
Your Social Security Number ▶ _____ : _____ : _____		Spouse's Social Security Number ▶ _____ : _____ : _____		DUE DATE
Your First Name and Middle Initial _____		Last Name _____		1. Payment Amount ▶ _____
Spouse's First Name and Middle Initial _____		Last Name _____		
Home Address (Number and Street) _____				
City, Town or Post Office _____		State _____	ZIP Code _____	

Send completed coupon and payment to:

Department of Revenue Services
PO Box 2932
Hartford CT 06104-2932

- See instructions for filing requirements.
- Print all information. Include your spouse's Social Security Number, if filing jointly.
- Make your check or money order payable to: **Commissioner of Revenue Services**
- Cut along dotted line and mail coupon and payment to the address printed on the coupon.
- Write your Social Security Number(s) and "1998 CT-1040ES" on your check or money order.
- If you file this coupon, additional coupons for the 1998 taxable year will be mailed to you by DRS.
- **Do not file coupon if no payment is due.**

TABLE A - EXEMPTIONS

Single/Married Filing Separately			Head of Household			Married Filing Jointly/Qualifying Widow(er)		
CONNECTICUT AGI *		EXEMPTION	CONNECTICUT AGI *		EXEMPTION	CONNECTICUT AGI *		EXEMPTION
MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO	
\$ 0	\$24,000	\$12,000	\$ 0	\$38,000	\$19,000	\$ 0	\$48,000	\$24,000
\$24,000	\$25,000	\$11,000	\$38,000	\$39,000	\$18,000	\$48,000	\$49,000	\$23,000
\$25,000	\$26,000	\$10,000	\$39,000	\$40,000	\$17,000	\$49,000	\$50,000	\$22,000
\$26,000	\$27,000	\$ 9,000	\$40,000	\$41,000	\$16,000	\$50,000	\$51,000	\$21,000
\$27,000	\$28,000	\$ 8,000	\$41,000	\$42,000	\$15,000	\$51,000	\$52,000	\$20,000
\$28,000	\$29,000	\$ 7,000	\$42,000	\$43,000	\$14,000	\$52,000	\$53,000	\$19,000
\$29,000	\$30,000	\$ 6,000	\$43,000	\$44,000	\$13,000	\$53,000	\$54,000	\$18,000
\$30,000	\$31,000	\$ 5,000	\$44,000	\$45,000	\$12,000	\$54,000	\$55,000	\$17,000
\$31,000	\$32,000	\$ 4,000	\$45,000	\$46,000	\$11,000	\$55,000	\$56,000	\$16,000
\$32,000	\$33,000	\$ 3,000	\$46,000	\$47,000	\$10,000	\$56,000	\$57,000	\$15,000
\$33,000	\$34,000	\$ 2,000	\$47,000	\$48,000	\$ 9,000	\$57,000	\$58,000	\$14,000
\$34,000	\$35,000	\$ 1,000	\$48,000	\$49,000	\$ 8,000	\$58,000	\$59,000	\$13,000
\$35,000	and up	\$ 0	\$49,000	\$50,000	\$ 7,000	\$59,000	\$60,000	\$12,000
			\$50,000	\$51,000	\$ 6,000	\$60,000	\$61,000	\$11,000
			\$51,000	\$52,000	\$ 5,000	\$61,000	\$62,000	\$10,000
			\$52,000	\$53,000	\$ 4,000	\$62,000	\$63,000	\$ 9,000
			\$53,000	\$54,000	\$ 3,000	\$63,000	\$64,000	\$ 8,000
			\$54,000	\$55,000	\$ 2,000	\$64,000	\$65,000	\$ 7,000
			\$55,000	\$56,000	\$ 1,000	\$65,000	\$66,000	\$ 6,000
			\$56,000	and up	\$ 0	\$66,000	\$67,000	\$ 5,000
						\$67,000	\$68,000	\$ 4,000
						\$68,000	\$69,000	\$ 3,000
						\$69,000	\$70,000	\$ 2,000
						\$70,000	\$71,000	\$ 1,000
						\$71,000	and up	\$ 0

TABLE B - CONNECTICUT INCOME TAX (Use for installments due April 15, 1998 and June 15, 1998)

Single/Married Filing Separately	Head of Household	Married Filing Jointly/Qualifying Widow(er)
If the amount on Line 3 is less than or equal to \$6,250, multiply by .03.	If the amount on Line 3 is less than or equal to \$10,000, multiply by .03.	If the amount on Line 3 is less than or equal to \$12,500, multiply by .03.
If the amount on Line 3 is more than \$6,250, multiply .045 by the excess over \$6,250 and add \$187.50.	If the amount on Line 3 is more than \$10,000, multiply .045 by the excess over \$10,000 and add \$300.00.	If the amount on Line 3 is more than \$12,500, multiply .045 by the excess over \$12,500 and add \$375.00.
For example, if the amount on Line 3 is \$9,000 enter \$311.25 on Line 4. (\$9,000 - \$6,250 = \$2,750 \$2,750 x .045 = \$123.75 \$123.75 + \$187.50 = \$311.25)	For example, if the amount on Line 3 is \$14,000 enter \$480.00 on Line 4. (\$14,000 - \$10,000 = \$4,000 \$4,000 x .045 = \$180.00 \$180.00 + \$300.00 = \$480.00)	For example, if the amount on Line 3 is \$16,000 enter \$532.50 on Line 4. (\$16,000 - \$12,500 = \$3,500 \$3,500 x .045 = \$157.50 \$157.50 + \$375.00 = \$532.50)

TABLE C - PERSONAL TAX CREDITS

Single/Married Filing Separately			Head of Household			Married Filing Jointly/Qualifying Widow(er)		
CONNECTICUT AGI *		CREDIT %	CONNECTICUT AGI *		CREDIT %	CONNECTICUT AGI *		CREDIT %
MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO	
\$12,000	\$15,000	75%	\$19,000	\$24,000	75%	\$24,000	\$30,000	75%
\$15,000	\$15,500	70%	\$24,000	\$24,500	70%	\$30,000	\$30,500	70%
\$15,500	\$16,000	65%	\$24,500	\$25,000	65%	\$30,500	\$31,000	65%
\$16,000	\$16,500	60%	\$25,000	\$25,500	60%	\$31,000	\$31,500	60%
\$16,500	\$17,000	55%	\$25,500	\$26,000	55%	\$31,500	\$32,000	55%
\$17,000	\$17,500	50%	\$26,000	\$26,500	50%	\$32,000	\$32,500	50%
\$17,500	\$18,000	45%	\$26,500	\$27,000	45%	\$32,500	\$33,000	45%
\$18,000	\$18,500	40%	\$27,000	\$27,500	40%	\$33,000	\$33,500	40%
\$18,500	\$20,000	35%	\$27,500	\$34,000	35%	\$33,500	\$40,000	35%
\$20,000	\$20,500	30%	\$34,000	\$34,500	30%	\$40,000	\$40,500	30%
\$20,500	\$21,000	25%	\$34,500	\$35,000	25%	\$40,500	\$41,000	25%
\$21,000	\$21,500	20%	\$35,000	\$35,500	20%	\$41,000	\$41,500	20%
\$21,500	\$25,000	15%	\$35,500	\$44,000	15%	\$41,500	\$50,000	15%
\$25,000	\$25,500	14%	\$44,000	\$44,500	14%	\$50,000	\$50,500	14%
\$25,500	\$26,000	13%	\$44,500	\$45,000	13%	\$50,500	\$51,000	13%
\$26,000	\$26,500	12%	\$45,000	\$45,500	12%	\$51,000	\$51,500	12%
\$26,500	\$27,000	11%	\$45,500	\$46,000	11%	\$51,500	\$52,000	11%
\$27,000	\$48,000	10%	\$46,000	\$74,000	10%	\$52,000	\$96,000	10%
\$48,000	\$48,500	9%	\$74,000	\$74,500	9%	\$96,000	\$96,500	9%
\$48,500	\$49,000	8%	\$74,500	\$75,000	8%	\$96,500	\$97,000	8%
\$49,000	\$49,500	7%	\$75,000	\$75,500	7%	\$97,000	\$97,500	7%
\$49,500	\$50,000	6%	\$75,500	\$76,000	6%	\$97,500	\$98,000	6%
\$50,000	\$50,500	5%	\$76,000	\$76,500	5%	\$98,000	\$98,500	5%
\$50,500	\$51,000	4%	\$76,500	\$77,000	4%	\$98,500	\$99,000	4%
\$51,000	\$51,500	3%	\$77,000	\$77,500	3%	\$99,000	\$99,500	3%
\$51,500	\$52,000	2%	\$77,500	\$78,000	2%	\$99,500	\$100,000	2%
\$52,000	\$52,500	1%	\$78,000	\$78,500	1%	\$100,000	\$100,500	1%
\$52,500	and up	0%	\$78,500	and up	0%	\$100,500	and up	0%

*** IMPORTANT: FORM CT-1040NR/PY filers must use income from Connecticut sources if it exceeds Connecticut Adjusted Gross Income.**

**UNDERPAYMENT OF ESTIMATED INCOME TAX
BY INDIVIDUALS, TRUSTS AND ESTATES**

Your First Name and Middle Initial	Last Name (as shown on your income tax return)	Your Social Security Number or F.E.I.N. ____ : ____ : ____
If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial	Last Name	Spouse's Social Security Number ____ : ____ : ____

AM I REQUIRED TO FILE THIS FORM? You do **not** have to file this form **unless** you check one of the boxes in Part I below or if you wish to calculate and pay the interest that you owe with your return. The Department will calculate any underpayment interest you owe and send you a bill. The underpayment interest will stop accruing on the earlier of the date you paid your total tax or April 15, 1998.

PURPOSE: Filers of **Forms CT-1040, CT-1040NR/PY, CT-1041, CT-G and CT-1120SI** who underpaid their estimated Connecticut income tax may use this form to calculate the amount of interest due or to lower or eliminate interest that would otherwise apply.

Filers of **Forms CT-G and CT-1120SI** must complete a separate **Form CT-2210** for each partner or shareholder, if applicable. The rate of tax is 4.5% for those partners or shareholders that are included on **Form CT-G or CT-1120SI**.

ARE MY TAXES UNDERPAID? In general, if you owe more than \$500 after subtracting the amount of Connecticut income tax withheld from your wages or pension, and you do not send in timely installments of your required annual payment, you will be charged interest on the underpaid amount.

Your required annual payment is the lesser of:

1. 90% of the income tax shown on your 1997 Connecticut income tax return; or
2. 100% of the income tax shown on your 1996 Connecticut income tax return, if you filed a 1996 income tax return that covered a 12-month period.

If either of the following applies to you, you are not underpaid and you should not file this form:

1. you did not file a 1996 Connecticut income tax return because you did not have any Connecticut income tax liability and you were a resident in 1996 or a nonresident or part-year resident with Connecticut-source income; or
2. the income tax shown on your 1997 Connecticut income tax return minus Connecticut tax withheld is \$500 or less.

WHEN ARE MY PAYMENTS DUE? In general, four equal installments of withholding, estimated tax or both are required on April 15, June 15, September 15 and January 15. (Fiscal year filers: follow federal filing dates.)

If any due date falls on a Saturday, Sunday, or legal holiday, substitute the next business day.

INTEREST: If you did not pay enough tax through withholding, estimated tax or both by any installment due date, you may be charged interest on the underpayment. This is true even if you are due a refund when you file your tax return. Interest is calculated separately for each installment. Therefore, you may owe interest for an earlier installment, even if you paid enough tax later to make up the underpayment. Overpayment of any estimated tax will be credited against any future installment.

Interest at 1% per month or fraction of a month will continue to accrue until the earlier of April 15, 1998, or the date on which the underpayment is paid.

A taxpayer who files his or her income tax return for the taxable year on or before January 31 and pays the total amount computed on the return as payable for the taxable year does not have to pay their January 15 estimate and will not incur interest on the underpayment of estimated income tax for the fourth required installment. Do not complete Schedule B, Worksheet D. (This does not apply to taxpayers paying estimated Connecticut income taxes as farmers or fishermen, as defined in Section 6654(i)(2) of the Internal Revenue Code.)

SPECIAL RULES FOR FARMERS AND FISHERMEN: Beginning with taxable year 1997, if you are a farmer or fisherman, as defined in Section 6654(i)(2) of the Internal Revenue Code, your required annual payment is the lesser of:

1. 66 2/3% of the income tax shown on your 1997 Connecticut income tax return; or
2. 100% of the income tax shown on your 1996 Connecticut income tax return, if you filed a 1996 income tax return that covered a 12-month period.

Farmers and fishermen are now only required to make one installment of estimated income tax for the taxable year. The due date for the installment is on or before January 15 of the following taxable year.

Farmers or fishermen who file **Form CT-1040, CT-1040NR/PY, CT-1041, CT-G or CT-1120SI** for the taxable year on or before March 1, 1998 and pay the total amount computed on the return as payable for the taxable year do not have to pay the January 15, 1998 estimate, which is the only estimate required, and will not incur interest on the underpayment of estimated income tax.

IMPORTANT: All farmers and fishermen, as defined in Section 6654(i)(2) of the Internal Revenue Code, who have checked Box D in Part 1, must complete and attach this form to their Connecticut income tax return to avoid being billed for interest on the underpayment of estimated income tax. Also check the box for **Form CT-2210** on the front of **Form CT-1040 or Form CT-1040NR/PY**.

NAME AND IDENTIFYING NUMBER BOX:

Individuals - Enter in the space provided at the top of the form your name and social security number as it appears on your Connecticut income tax return. If you filed a joint return, also enter your spouse's name and social security number.

Trusts and Estates - Enter in the space provided at the top of the form the name of the estate or trust and the name of the fiduciary as it appears on **Form CT-1041**. Also enter the federal employer identification number of the estate or trust.

PART I REASONS FOR FILING - If Box A, B, C, D or E applies to you, you may be able to lower or eliminate interest that would otherwise apply if we calculated your interest for you. You must check the box that applies and file this form with your tax return.

Check the boxes that apply (see instructions):

- A. You are using the annualized income installment method.
- B. Your required annual payment is based on your 1996 tax and you filed or are filing a joint return for either 1996 or 1997, but not for both years.
- C. You had Connecticut income tax withheld and you treat it as paid for estimated tax purposes when it was **actually** withheld, instead of in equal amounts on the payment due dates.
- D. You are a farmer or fisherman, as defined in Section 6654 (i)(2) of the Internal Revenue Code.
- E. You cannot use the prior year's tax as a basis for your required annual payment.

IMPORTANT: IF YOU CHECKED ANY OF THESE BOXES, BE SURE TO ALSO CHECK THE BOX FOR FORM CT-2210 ON THE FRONT PAGE OF YOUR INCOME TAX RETURN AND ATTACH THIS FORM TO THE BACK OF YOUR CONNECTICUT INCOME TAX RETURN.

PART II REQUIRED ANNUAL PAYMENT — All Filers Must Complete this Part.

Complete Part II to determine if you were required to make estimated payments.

(See Instructions)

- 1. 1997 Connecticut income tax 1. _____
- 2. Multiply Line 1 by 90% (.90) (Farmers and fishermen see instructions) 2. _____
- 3. Connecticut income tax withheld 3. _____
- 4. Subtract Line 3 from Line 1. **If the result is \$500 or less, STOP HERE. DO NOT COMPLETE OR FILE THIS FORM** 4. _____
- 5. Enter your 1996 total income tax (See instructions) 5. _____
- 6. Enter the smaller of Line 2 or Line 5. **THIS IS YOUR REQUIRED ANNUAL PAYMENT** 6. _____
- 7. Subtract Line 3 from Line 6. **If the result is zero or less, STOP HERE. DO NOT COMPLETE OR FILE THIS FORM** 7. _____

Attach this form to the back of your Connecticut Income Tax Return.

PART III CALCULATE YOUR UNDERPAYMENT AND INTEREST (See Instructions)

	A	B	C	D	TOTAL
8. Required annual payment. Enter the amount from Line 6, Part II. (If you checked Box A, or Box D on Part I, see instructions)					
9. Installment percentages.	.25	.50	.75	1.00	
10. Multiply Line 8 by Line 9. Enter each result in the appropriate column. (If you checked Box A on Part I, see instructions.)					
11. Enter the total Connecticut tax withheld, Line 3, Part II. Enter the same amount in Columns A, B, C and D. (If you checked Box C on Part I, skip this line and see instructions for Line 13.)					
12. Withholding percentages.	.25	.50	.75	1.00	
13. Multiply Line 11 by Line 12. Enter each result in the appropriate column. (If you checked Box C on Part 1, see instructions.)					
14. Subtract Line 13 from Line 10. Enter each result in the appropriate column. (If Line 13 is equal to or greater than Line 10 in any column, enter -0- in that column.)					
15. Enter the estimated tax payments. (See instructions)					
16. Underpayments - Subtract Line 15 from Line 14. Enter each result in the appropriate column. (If Line 15 is equal to or greater than Line 14 in any column, enter -0- in that column.)					
17. Interest - Use Worksheets A, B, C and D of Schedule B and enter each result in the appropriate column. Add Columns A, B, C and D. Enter the total in the Total column and on the appropriate line of your income tax return.					

KEEP A COPY OF THIS WORKSHEET FOR YOUR RECORDS

Schedule A
ANNUALIZED INCOME INSTALLMENT SCHEDULE

		(a)	(b)	(c)	(d)
NOTE: Estates and trusts do not use the period ending dates shown to the right. Instead, use the following: 2-28-97, 4-30-97, 7-31-97 and 11-30-97.		1-1-97 to 3-31-97	1-1-97 to 5-31-97	1-1-97 to 8-31-97	1-1-97 to 12-31-97
1. Enter your Connecticut adjusted gross income for each period (See instructions)	1				
2. Annualization amounts (Estates and trusts: see instructions)	2	4	2.4	1.5	1
3. Annualized income. Multiply Line 1 by Line 2	3				
4. Enter the tax on the amount on Line 3. (See instructions)	4				
5. Net Credit for tax paid to another jurisdiction - Residents and Part-year Residents only (See instructions)	5				
6. Subtract Line 5 from Line 4	6				
7. Connecticut alternative minimum tax (See instructions)	7				
8. Add Line 6 and Line 7	8				
9. Credit for property taxes paid on your primary residence and/or motor vehicle - Resident individuals only (See instructions)	9				
10. Subtract Line 9 from Line 8 (if less than zero, enter 0)	10				
11. Adjusted net Connecticut minimum tax credit (See instructions)	11				
12. Subtract Line 11 from Line 10	12				
13. Applicable percentages	13	0.225	0.45	0.675	0.90
14. Multiply Line 12 by Line 13	14				

COMPLETE LINES 15 - 25 IN ONE COLUMN BEFORE GOING TO THE NEXT COLUMN.

15. Add the amounts in all preceding columns of Line 21.	15				
16. Annualized income installment. Subtract Line 15 from Line 14. If zero or less, enter -0-.	16				
17. Enter 25% (.25) of your required annual payment (Part II, Line 6, Form CT-2210) in each column.	17				
18. Enter amount from Line 20 of the preceding column of this Schedule.	18				
19. Add Line 17 and Line 18 and enter the total.	19				
20. If Line 19 is more than Line 16, subtract Line 16 from Line 19, otherwise enter -0-.	20				
21. Enter the smaller of Line 16 or Line 19 here.	21				
22. Enter the amount from Line 21, Column (a) here and on Part III, Line 10, Column A, Form CT-2210.	22				
23. Add Line 21, Column (b) and Line 22, Column (a). Enter here and on Part III, Line 10, Column B, Form CT-2210.	23				
24. Add Line 21, Column (c) and Line 23, Column (b). Enter here and on Part III, Line 10, Column C, Form CT-2210.	24				
25. Add Line 21, Column (d) and Line 24, Column (c). Enter here and on Part III, Line 10, Column D, Form CT-2210.	25				

IF YOU COMPLETED THIS SCHEDULE, ATTACH IT TO FORM CT-2210.

**Schedule B
FOR CALCULATING INTEREST**

WORKSHEET A — For period beginning after April 15, 1997 and ending on or before June 15, 1997.

	DATE	AMOUNT	INT. RATE	INTEREST
	1	2	3	4
Line a - Underpayment			.01	
Line b - Late payment	4-16-97 to 5-15-97			
Line c - Revised underpayment			.01	
Line d - Late payment	5-16-97 to 6-15-97			
Line e - Total interest				

WORKSHEET B — For period beginning after June 15, 1997 and ending on or before September 15, 1997.

	1	2	3	4
Line a - Underpayment			.01	
Line b - Late payment	6-16-97 to 7-15-97			
Line c - Revised underpayment			.01	
Line d - Late payment	7-16-97 to 8-15-97			
Line e - Revised underpayment			.01	
Line f - Late payment	8-16-97 to 9-15-97			
Line g - Total interest				

WORKSHEET C — For period beginning after September 15, 1997 and ending on or before January 15, 1998.

	1	2	3	4
Line a - Underpayment			.01	
Line b - Late payment	9-16-97 to 10-15-97			
Line c - Revised underpayment			.01	
Line d - Late payment	10-16-97 to 11-15-97			
Line e - Revised underpayment			.01	
Line f - Late payment	11-16-97 to 12-15-97			
Line g - Revised underpayment			.01	
Line h - Late payment	12-16-97 to 1-15-98			
Line i - Total interest				

WORKSHEET D — For period beginning after January 15, 1998 and ending on or before April 15, 1998.

	1	2	3	4
Line a - Underpayment			.01	
Line b - Late payment	1-16-98 to 2-15-98			
Line c - Revised underpayment			.01	
Line d - Late payment	2-16-98 to 3-15-98			
Line e - Revised underpayment			.01	
Line f - Late payment	3-16-98 to 4-15-98			
Line g - Total interest				

KEEP A COPY OF THIS WORKSHEET FOR YOUR RECORDS

**FORM CT-2210
LINE INSTRUCTIONS**

PART I - REASONS FOR FILING

Complete Part I **only** if you are claiming that one of the following situations applies to you. By checking the appropriate box that applies to you, you may be able to lower or eliminate interest that would otherwise accrue if we calculated the interest for you under the normal requirements for making estimated tax payments. If you checked any of the boxes in Part I, be sure to also check the box for **Form CT-2210** on the front page of your **Form CT-1040** or **CT-1040NR/PY**.

BOX A - Check this box if you are using the annualized income installment method. (If your income fluctuated during the year this method may reduce or eliminate the amount of one or more required quarterly payments. See instructions for Schedule A.)

BOX B - Check this box if your estimated tax payments were based on your 1996 tax, **and** your filing status changed from last year. See changes in Filing Status, in Part II, Line 5 below.

BOX C - Check this box if you want income tax withheld in 1997 to be applied when it was **actually withheld** rather than in four equal installments. See instructions for Part III, Line 11 and Line 13, for further information.

BOX D - Check this box if you are a farmer or fisherman, as defined in Section 6654(i)(2) of the Internal Revenue Code, and:

1. you are required to make only one installment of estimated Connecticut income tax;
- or**
2. you have filed your tax return for the taxable year on or before March 1, 1998 and have paid the amount computed on the return as payable for the taxable year.

If you have filed your return for the taxable year and paid the amount computed as payable on or before March 1, 1998 and therefore are not required to make estimated income tax payments, you must check Box D in Part 1 of **Form CT-2210**. Stop there and do not complete Part II or Part III. Attach **Form CT-2210** to your income tax return and check the CT-2210 box on the front of **Form CT-1040** or **Form CT-1040NR/PY**.

If you are required to make an estimated income tax payment, it is due on or before January 15, 1998. The installment shall be the lesser of 66 2/3% of the income tax shown on your 1997 Connecticut income tax return or 100% of the income tax shown on your 1996 Connecticut income tax return. See the instructions for Part III, Line 8, for further information.

BOX E - Check this box if you cannot use the income tax shown on your 1996 Connecticut income tax return as a basis for your required annual payment. You can only use the income tax shown on your 1996 Connecticut income tax return if you meet one of the following conditions:

1. Your 1996 Connecticut income tax return covered a 12-month period.
- or**
2. You did not file a 1996 Connecticut income tax return because you did not have any Connecticut income tax liability and you were a resident in 1996 or a nonresident or part-year resident with Connecticut source income.

If you do not meet one of the above conditions, your required annual payment **must** be 90% of the income tax shown on your 1997 Connecticut income tax return.

PART II - REQUIRED ANNUAL PAYMENT

Line 1: Enter the amount of income tax shown on your 1997 Connecticut income tax return. (**Form CT-1040EZ**, Line 6; **Form CT-1040**, Line 14; **Form CT-1040NR/PY**, Line 16). Do not subtract estimated payments or Connecticut tax withheld in 1997.

Line 2: Farmers and fishermen multiply Line 1 by 66 2/3% (.6667).

Line 3: Enter **Connecticut** income tax withheld in 1997. (Do not enter estimated tax payments or taxes withheld for the IRS or other jurisdictions.)

Line 5: SAME FILING STATUS IN 1996 AND 1997 - If your filing status was the same on your 1996 and 1997 Connecticut income tax returns, and your 1996 Connecticut income tax return covered a 12-month

period, enter 100% of the income tax shown on your 1996 Connecticut income tax return. Enter zero if you did not file a 1996 income tax return because you did not have any Connecticut income tax liability and you were a resident in 1996 or a nonresident or part-year resident with Connecticut source income. **If you were a nonresident or part-year resident and you did not have Connecticut source income in 1997 then you must leave Line 5 blank and enter 90% of the income tax shown on your 1997 Connecticut income tax return as the required annual payment on Line 6.**

CHANGES IN FILING STATUS FROM 1996 TO 1997: If you are filing a joint Connecticut return for 1997 but filed separate Connecticut returns for 1996 (e.g., Single, Married Filing Separately or Head of Household), you must combine your 1996 separate tax liabilities to determine your combined 1996 income tax. (If either you or your spouse did not file a 1996 Connecticut income tax return, see the instructions for Part I, Box E to determine if you can use the prior year's tax as the basis for your required annual payment.)

If you are filing separate Connecticut returns for 1997 but filed a joint Connecticut return for 1996, you must determine your share of the 1996 tax. First calculate the 1996 tax both you and your spouse would have paid had you filed separate Connecticut returns for 1996 as married persons filing separately. Then complete the following calculation:

$$\frac{\text{Your separate 1996 tax liability}}{\text{Both spouses' separate 1996 tax liabilities}} \times \text{Your 1996 joint tax liability}$$

PART III - CALCULATE YOUR UNDERPAYMENT AND INTEREST

Line 8: If you are using the annualized income installment method, skip Line 8 and Line 9 and **go on to Line 10**. Be sure you also check Box A, Part I.

NEW: If you checked Box D in Part I because you are a **farmer or fisherman**, as defined in Section 6654(i)(2) of the Internal Revenue Code, and you have made only one installment of estimated income tax, complete column **D only**.

Line 10: If you checked Box A in Part I because you are using the annualized income installment method, enter the amounts from Schedule A, Lines 22 through 25, in the appropriate columns. Attach Schedule A to **Form CT-2210** and also include your computations of your Connecticut adjusted gross income for each period.

Line 11: Enter the total amount of **Connecticut** income tax withheld in 1997 in Columns A, B, C and D. (**Do not** enter estimated tax payments or taxes withheld for the IRS or other jurisdictions.)

EXAMPLE: If your total 1997 Connecticut income tax withheld was \$1300, enter **\$1300** in Columns A, B, C and D.

If you want Connecticut income tax withholding to apply when it was actually withheld, skip Line 11 and Line 12 and **go on to Line 13**. Be sure you also check Box C, Part I.

Line 13: If you want Connecticut income tax withholding to apply when it was actually withheld, enter the actual cumulative withholding amounts on Line 13.

EXAMPLE: If \$600 was withheld in March, \$200 in May, \$200 in August and \$300 in November, you would enter \$600 in Column A, \$800 in Column B, \$1000 in Column C, and \$1300 in Column D.

Line 15: Enter all timely installment payments in the appropriate columns. Timely installment payments are all payments (**other than any tax withheld**) made on or before the due date including any previous installment payments.

EXAMPLE: If estimated Connecticut income tax payments of \$100 each were made on April 15, 1997, June 15, 1997, September 15, 1997 and January 15, 1998, then you would enter \$100 in Column A, \$200 in Column B, \$300 in Column C and \$400 in Column D.

SCHEDULE A ANNUALIZED INCOME INSTALLMENT

GENERAL INSTRUCTIONS

You may benefit from using the annualized income installment method if your income varied throughout the year because you earned more money later in the year than you did in the early part of the year (e.g., lottery winnings, investment income, self-employment income).

By using this method, you may be able to reduce or eliminate the amount of one or more required installments.

For information on filing estimated tax payments using the annualized income installment method, you may request a copy of **IP 93(6.4)**, *A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040AES*, by calling the Forms Unit at 860-297-5962 or 1-800-382-9463 (in-state). (Voice mail service available 24 hours.)

If you use the annualized income installment method for any installment due date, you must use this method for all installment due dates. Schedule A of **Form CT-2210** automatically selects the smaller of the annualized income installment or regular installment (increased by the amount saved by using the annualized income installment method in computing earlier installments).

If you use the annualized income installment method, you are required to complete **all** of the following steps:

1. check Box A in Part 1 of **Form CT-2210**; and
2. enter the amounts from Schedule A, Lines 22 through 25 in the appropriate columns on Part III, **Form CT-2210**, Line 10; and
3. attach **Form CT-2210** and Schedule A to your return; and
4. attach your calculations of your Connecticut adjusted gross income for each period.

LINE INSTRUCTIONS

IMPORTANT: You must complete Lines 15 through 25 in one column before continuing to the next column.

Line 1: Attach a schedule showing how you computed your Connecticut adjusted gross income for each period.

Estates and trusts must enter their Connecticut taxable income.

Estates and trusts **must** use the following period ending dates: 2-28-97, 4-30-97, 7-31-97 and 11-30-97.

Line 2: Estates and trusts: do not use the amounts shown in Columns (a) - (d). Instead use 6, 3, 1.71429 and 1.09091, as the annualization amounts.

Line 4: Resident individuals must compute the tax on the amount shown on Line 3, using the tax tables or the tax calculation schedule. Resident estates and trusts must multiply Line 3 by 4.5% (.045).

Nonresidents and part-year resident individuals must use the schedules and worksheets for **Form CT-1040NR/PY** to determine Connecticut source income. Nonresident trusts and estates and part-year resident trusts must use the schedules and worksheets for **Form CT-1041** to determine Connecticut source income. To calculate the tax, complete the worksheet below:

a. Annualized income from Line 3 of this schedule	
b. Annualized Connecticut source income	
c. Enter the greater of Line a or Line b	
d. Enter the tax due on Line c using the tax tables or the tax calculation schedule. Trusts and estates, and partners or shareholders included in Form CT-G or Form CT-1120SI, multiply Line c by 4.5% (.045).	
e. Divide Connecticut source income for the period by Connecticut adjusted gross income for the period. This is your allocated Connecticut income tax percentage. (If Line b is greater than Line a, enter 1.000).	•
f. Multiply Line d by Line e. Enter here and on Line 4, Schedule A.	

Line 5: The credit for tax paid to another jurisdiction is based wholly or partly on the annualized income for each period.

Line 7: You must annualize your adjusted federal alternative minimum taxable income using the annualized amounts on Line 2. Use **Form CT-6251** as a guide.

Line 9: Resident individuals - Enter the credit for property taxes paid on your primary resident and/or motor vehicle, as calculated on your 1997 **Form CT-1040**, Schedule 3. **NOTE:** The credit shall not exceed \$215.00 and may be reduced further. Refer to **Form CT-1040**, Schedule 3 and instructions when calculating the credit.

Line 11: The adjusted net Connecticut minimum tax credit is based wholly or partly on the annualized income for each period.

SCHEDULE B FOR CALCULATING INTEREST

GENERAL INSTRUCTIONS

- Complete a separate worksheet for each underpayment shown on **Form CT-2210**, Part III, Line 16.

EXAMPLE: If the underpayment is shown in Column A of Part III, Line 16, complete Worksheet A. If no underpayment is shown in Column B of Part III, Line 16, but an underpayment is shown in Column C of Part III, Line 16, skip Worksheet B but complete Worksheet C.

- Interest at 1% (.01) per month or fraction of a month will continue to accrue until the earlier of April 15, 1998, or the date on which the underpayment is paid. A month is measured from the 16th day of the first month to the 15th day of the next month. Any fraction of a month is considered a whole month.

LINE INSTRUCTIONS

Before calculating your interest, list all estimated payments and Connecticut tax withholding for 1997 on a separate sheet of paper. For Connecticut income tax withheld, you are considered to have paid 25% of this amount on each payment due date (4/15, 6/15, 9/15 and 1/15) unless you can show otherwise.

Worksheet A

Line a: Enter in Column 2 the underpayment shown on **Form CT-2210**, Part III, Line 16.

Multiply Column 2 by Column 3 and enter the result in Column 4.

Line b: Enter in Column 2 the amount paid during the period listed in Column 1. If multiple payments were made during the period listed, combine those payments and enter the total.

Line c: Subtract Line b from Line a in Column 2. Enter the result on Line c, Column 2.

Multiply Column 2 by Column 3 and enter the result in Column 4.

Line d: Follow the instructions for Line b above.

Line e: Add all amounts in Column 4. Enter the total on Part III, Line 17, Column A of **Form CT-2210** in the appropriate column.

Worksheets B and D

Line a - d: Follow the instructions for these lines on Worksheet A above.

Line e: Subtract Line d from Line c in Column 2. Enter the result on Line e, Column 2.

Multiply Column 2 by Column 3 and enter the result in Column 4.

Line f: Enter in Column 2 the amount paid during the period listed in Column 1. If multiple payments were made during the period listed, combine those payments and enter the total.

Line g: Add all amounts in Column 4. Enter the total on Part III, Line 17, Column B or D respectively of **Form CT-2210**.

Worksheet C

Line a - f: Follow the instructions for these lines on Worksheets B and D above.

Line g: Subtract Line f from Line e in Column 2. Enter the result on Line g, Column 2.

Multiply Column 2 by Column 3 and enter the result in Column 4.

Line h: Enter in Column 2 the amount paid during the period listed in Column 1. If multiple payments were made during the period listed, combine those payments and enter the total.

Line i: Add all amounts in Column 4. Enter the total on Part III, Line 17, Column C of **Form CT-2210**.

Form CT-1127

1997

APPLICATION FOR EXTENSION OF TIME FOR PAYMENT OF INCOME TAX

Your First Name and Middle Initial	Last Name (As shown on your Income Tax Return)	Your Social Security Number or F.E.I.N.
	▶	_____ : _____ : _____
If a <i>Joint</i> Return, Spouse's First Name and Middle Initial	Last Name (As shown on your Income Tax Return)	Spouse's Social Security Number
	▶	_____ : _____ : _____
Home Address	Number and Street	Your Telephone Number
City, Town or Post Office	State	ZIP Code
		()

IMPORTANT! PLEASE READ THE INSTRUCTIONS ON THE BACK OF THIS APPLICATION

This form must be attached to the front of your timely filed return or timely application for extension of time to file. This form is not an extension of time to file. Use Form CT-1040EXT if you need additional time to file your return.

I request a six-month extension of time from _____, 19____, to
(Enter due date of return)
 _____, 19____, in which to pay tax (including individual use tax) of
 \$ _____ for the taxable year ended _____, 19____.

This extension is necessary and payment of the tax at this time will cause me undue hardship because: (If more space is needed, please attach a separate sheet) _____

I am unable to borrow money to pay the tax because: _____

As evidence of the need for the extension, I am attaching: (1) a statement of assets (including all bank accounts, receivables, notes, stocks, bonds, cash value life insurance, automobiles, and real estate) and liabilities as of the last day of the preceding month (showing book and market values of assets and whether any securities are listed or unlisted); and (2) an itemized list of receipts (income) and disbursements (expenses) for the three months before the date the tax is due.

— YOU WILL BE NOTIFIED ONLY IF YOUR EXTENSION REQUEST IS DENIED —

DECLARATION: I declare under the penalties of false statement that I have examined this application (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

SIGN HERE Keep a copy for your records	Your Signature	Date
	Spouse's Signature	Date
	Paid Preparer's Signature	Date
	Firm Name and Address	Federal Employer I.D. Number

FORM CT-1127 INSTRUCTIONS

Purpose:

The Commissioner of Revenue Services may grant an extension of time for payment of your Connecticut income tax and your individual use tax if you can show that it will cause you undue hardship to pay it on the date that it is due. To be considered, your application must be filed with the Commissioner on or before the date prescribed by law for payment of the tax.

Undue hardship means more than mere inconvenience. You must show that you will have substantial financial loss if you pay your tax on the date it is due. (Such a loss could be caused by having to sell property at a sacrifice price.) You must show that you do not have enough cash, above necessary working capital, to pay the tax. In determining cash available, include anything you can convert into cash and use current market prices. Also show that you are unable to borrow money to pay the tax, except under terms that will cause you severe loss and hardship.

Who May use This Form:

Filers of Forms CT-1040, CT-1040EZ, CT-1040NR/PY, CT-1041, CT-G and CT-1120SI may use this form.

Limitations:

As a general rule, an extension of time to pay any part of income tax shown on a return is limited to six months from the date that payment is due.

Security:

Security satisfactory to the Commissioner may be required as a condition for granting an extension. This is to assure that the risk of loss to the State of Connecticut will be no greater at the end of the extension period than it was at the beginning. The determination of the type of security, if any is required, will depend on the circumstances in each case. You will be contacted by the Department of Revenue Services, Collection and Enforcement Division, if any security is required.

To Obtain A Connecticut Extension of Time for Payment You MUST:

1. Complete **Form CT-1127** in its entirety; and
2. Attach it to the front of your **timely** filed return or timely application for extension of time to file.

We will notify you **ONLY** if your request is denied.

Interest:

Where the time for payment of Connecticut income tax is extended, interest will be added at the rate of 1% (.01) per month or fraction of a month on any balance due from the original due date of the Connecticut income tax return (determined without regard to any extension of time to file) to the date of actual payment.

Penalty:

If the extension of time for payment is approved, no penalty will be assessed if the tax due is paid on or before the end of the extension period. If the extension of time for payment is not granted or the tax due is not paid on or before the end of the extension period, a penalty of 10% (.10) of the amount of tax underpaid will be applied. If you believe that a penalty was unjustly assessed, you have the right to request a penalty waiver. Requests must be in writing and contain a clear and complete explanation. They should be addressed to the Department of Revenue Services, Penalty Review Committee, PO Box 5089, Hartford CT 06102-5089.

Where To File Form CT-1127:

Form CT-1127 MUST BE ATTACHED TO THE **FRONT** OF YOUR **TIMELY FILED CONNECTICUT INCOME TAX RETURN OR YOUR TIMELY APPLICATION FOR EXTENSION OF TIME TO FILE.**

Signature:

This form must be signed. If you are filing a joint return, you and your spouse must sign.

Others Who Can Sign For You:

Anyone with a signed Power of Attorney can sign on your behalf.

If a taxpayer is unable, by reason of illness, absence or other good cause to sign a request for an extension, any person standing in a close personal or business relationship (including attorneys, C.P.A.s and enrolled agents) to the taxpayer may sign the request on his or her behalf and shall be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for signature other than by the taxpayer and the relationship existing between the taxpayer and the signer.

Form CT-8379
NONOBLIGATED SPOUSE CLAIM

1997

You must place this form on TOP of your completed return

Taxpayer Information as Shown on Joint Connecticut Income Tax Return

First Name and Middle Initial	Last Name	Your Social Security Number ____ : ____ : ____	Nonobligated Spouse? <input type="checkbox"/> YES <input type="checkbox"/> NO
Spouse's First Name and Middle Initial	Last Name	Spouse's Social Security Number ____ : ____ : ____	Nonobligated Spouse? <input type="checkbox"/> YES <input type="checkbox"/> NO
Home Address	Number and Street	Your Telephone Number ()	
City, Town or Post Office	State	ZIP Code	

Filing status claimed on your Connecticut income tax return Married filing joint return

If filing status on your return is other than as indicated above, you cannot file this form. See "Requirements" on reverse side.

Who Qualifies - You qualify as a nonobligated spouse if you have income (e.g., wages, interest, etc.) and prepaid taxes (e.g., withholding or estimated tax payments) that are or were reported on a joint Connecticut income tax return, and you do not want your part of the joint Connecticut income tax refund to be applied to past-due child support or a debt to any Connecticut state agency owed solely by your spouse. In cases of child support, your spouse must be a person against whom an order (of the Superior Court or family support magistrate) for support of a minor child or children has been issued and who owes past-due child support (\$150 or more in an A.F.D.C. case or \$500 or more in a non-A.F.D.C. IV-D support case).

You may **not** use this form to claim your share of a Connecticut income tax refund that was applied to federal taxes owed to the Internal Revenue Service. You must contact the IRS Problem Resolution office in Hartford at 860-240-4179.

- | | | |
|---|--------------------------|--------------------------|
| | YES | NO |
| 1. Is the address above the same as on the joint return? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Answer the questions below before filing your claim. | | |
| a. Does the Nonobligated Spouse have Connecticut tax payments (such as withholding or estimated tax payments) reported on the joint return? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Will (Has) the joint refund for taxable year 1997 be (been) applied to past-due child support or a debt to any Connecticut state agency? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Is the Nonobligated Spouse liable for any past-due support or a debt to any Connecticut state agency? | <input type="checkbox"/> | <input type="checkbox"/> |

3. Allocation Items (See Instructions)	Joint	Nonobligated Spouse	Obligated Spouse
a. Connecticut Adjusted Gross Income			
b. Total Tax			
c. Connecticut Income Tax Withheld			
d. Separate Estimated Connecticut Tax Payments			
e. Joint Estimated Connecticut Tax Payments			
f. Payments Made With Extension Request			
g. Joint Amount Overpaid			

4. Nonobligated Spouse Refund - DRS will calculate this amount.

DECLARATION: I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Your Signature (Nonobligated Spouse)	Date
	Paid Preparer's Signature	Date
	Firm Name and Address	Federal Employer I.D. Number

GENERAL INSTRUCTIONS FOR FORM CT-8379

Requirements: To file a Nonobligated Spouse Claim, the nonobligated spouse must meet **all** of the following requirements:

1. The nonobligated spouse filed a joint Connecticut income tax return with the spouse owing past-due child support or a debt to any Connecticut state agency (the obligated spouse).
2. The nonobligated spouse received income (such as wages, interest, etc.) that is reported on the joint return.
3. The nonobligated spouse made Connecticut income tax payments (such as withholding or estimated tax payments) that are reported on the joint return.
4. The joint return reports an overpayment of Connecticut income tax, all or part of which was, or is expected to be, applied against past-due child support or a debt to any Connecticut state agency owed by the obligated spouse.

Filing the Return: Form CT-8379 must be filed with Form CT-1040, Form CT-1040EZ, Form CT-1040NR/PY or Form CT-1040X. This form **must** be placed on **TOP** of the completed return.

Copies of all Forms W-2 and 1099 showing Connecticut income tax withheld **must** be attached to Form CT-8379.

SPECIFIC INSTRUCTIONS

1. **Taxpayer Information:** Enter the taxpayer information exactly as it appears on your Connecticut income tax return. The name and Social Security Number entered first on the joint tax return must also be entered first on the *Nonobligated Spouse Claim*.
2. **Questions**
 - a. If "No," the nonobligated spouse does not qualify for a refund.
 - b. If you are filing a joint return for the indicated taxable year, and all or part of the overpayment will be applied or has been applied against your spouse's past-due child support or a debt to any Connecticut state agency, answer "Yes."
 - c. Answer "Yes" if the **nonobligated spouse** is liable for any part of this past-due child support or a debt to any Connecticut state agency.

3. **Allocation Items**

- a. Connecticut Adjusted Gross Income - Enter the joint amount as reported on your joint Connecticut income tax return (Form CT-1040, Line 5, Form CT-1040EZ, Line 3 or Form CT-1040NR/PY, Line 5). Then separately allocate the individual income according to which spouse earned the income. The sum of these **must** equal the amount reported as joint income.

Nonresidents and Part-Year Residents only - Complete the following chart. Enter the joint amount of your **Connecticut source income** as reported on your Form CT-1040NR/PY. Then separately allocate the Connecticut source income according to which spouse earned the income. The sum of these **must** equal the amount reported as joint Connecticut source income.

Allocation Item	Joint	Nonobligated Spouse	Obligated Spouse
Connecticut Source Income (Form CT-1040NR/PY, Line 6)			

- b. Total Tax - Enter the joint Connecticut tax liability as reported on your joint income tax return (Form CT-1040, Line 16, Form CT-1040EZ, Line 8 or Form CT-1040NR/PY, Line 18).
 - c. Connecticut Income Tax Withheld - Enter the joint amount as reported on your Connecticut income tax return (Form CT-1040, Line 17, Form CT-1040EZ, Line 9 or Form CT-1040NR/PY, Line 19). List each spouse's share separately as shown on your individual withholding forms (W-2s, 1099s, etc.).
 - d. Separate Estimated Connecticut Tax Payments - Enter any separately paid estimated Connecticut income tax payments in the appropriate spaces.
 - e. Joint Estimated Connecticut Tax Payments - Enter the total amount of any joint estimated Connecticut income tax payments.
 - f. Payments Made With Extension Request - The joint amount must be as reported on your joint Connecticut income tax return (Form CT-1040, Line 19, Form CT-1040EZ, Line 11 or Form CT-1040NR/PY, Line 21).
 - g. Joint Amount Overpaid - List the joint amount overpaid as reported on your Connecticut income tax return (Form CT-1040, Line 21, Form CT-1040EZ, Line 13 or Form CT-1040NR/PY, Line 23). The Department will compute the separate overpayments for the nonobligated spouse and the obligated spouse.
4. The Department will calculate the amount of the nonobligated spouse's refund. The nonobligated spouse's share of the joint Connecticut tax overpayment cannot exceed the joint overpayment.

5. **Signature**

This form must be signed by the nonobligated spouse.

Others Who Can Sign For You:

Anyone with a signed Power of Attorney can sign on your behalf.

Form CT-19 IT
TITLE 19 STATUS RELEASE FORM

General Instructions

If you are a Title 19 recipient, you are required to file a Connecticut income tax return if you meet one of the following conditions:

1. You had Connecticut income taxes withheld; or
2. You made estimated tax payments to Connecticut; or
3. You meet the Gross Income Test (See instructions for Form CT-1040 or Form CT-1040EZ); or
4. You had a federal alternative minimum tax liability.

Complete Form CT-19 IT and attach it to the front of your Connecticut income tax return. By completing this form you authorize the Department of Revenue Services to verify your Title 19 status for 1997 with the Department of Social Services.

Who may file Form CT-19 IT?

If you meet the conditions listed below you may file Form CT-19 IT, *Title 19 Status Release Form* to give permission to the Connecticut Department of Social Services to verify to the Connecticut Department of Revenue Services your Title 19 status for the taxable year:

1. You were a Title 19 recipient during the taxable year; and
2. Medicaid assisted in the payment of your long-term care in a nursing or convalescent home or under the Connecticut Home Care for Elders; and
3. You do not have the funds to pay your Connecticut income tax, or income available from subsequent earnings to pay the tax.

First Name	Middle Initial	Last Name	Social Security Number ____ : ____ : ____
Number and Street			Telephone ()
City, Town or Post Office		State	ZIP Code
TAXABLE YEAR FOR WHICH I AM CLAIMING TITLE 19 STATUS:			

If the recipient has given power of attorney to another person to file Connecticut income tax returns or other Connecticut tax forms on behalf of the recipient, attach a copy of the Power of Attorney form.

Signature of Recipient Named Above	Date
Signature of Person with power of attorney	Date
Name of Person with power of attorney (<i>Print or Type</i>)	

INDIVIDUAL USE TAX WORKSHEET

Complete this worksheet to calculate your use tax liability when filing **Form CT-1040EZ**, **Form CT-1040** and **Form CT-1040NR/PY**. If you require additional lines, you should create an identical worksheet.

If you purchased taxable goods or services for use in Connecticut during the calendar year and a Connecticut or out-of-state merchant failed to collect Connecticut sales tax, you must pay the Connecticut use tax. Complete the schedule below to determine your Connecticut use tax liability.

Enter only those purchases subject to use tax that you have **not** previously reported on **Form OP-186**, *Connecticut Individual Use Tax Return*.

You must list separately on this worksheet any individual item with a purchase price of **\$300 or more** and complete Columns A through G. You do not need to list separately any individual item with a purchase price of **less than \$300**. Such items are subject to tax and the total of these items should be reported on Line 1. Enter the total tax for all taxable purchases on Line 2.

Enter the result from Line 2 of this worksheet on **Form CT-1040EZ**, Line 7; **Form CT-1040**, Line 15; or **Form CT-1040NR/PY**, Line 17. **You must attach a copy of this worksheet to your Connecticut income tax return if you are reporting the purchase of any individual item with a purchase price of \$300.00 or more.**

For further information regarding the *Connecticut Individual Use Tax*, refer to the questions and answers on Page 34.

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G
DATE OF PURCHASE	DESCRIPTION OF ARTICLES OR SERVICES	RETAILER OR SERVICE PROVIDER	PURCHASE PRICE	CT TAX DUE (.06 x Column D)	TAX, IF ANY, PAID TO ANOTHER JURISDICTION	BALANCE DUE (Column E minus Column F but not less than zero)
1. TOTAL OF INDIVIDUAL PURCHASES UNDER \$300 NOT LISTED ABOVE						
Individual Use Tax (Add all amounts for Column G.) Enter here and on Form CT-1040EZ , Line 7; Form CT-1040 , Line 15; or Form CT-1040NR/PY , Line 17.						

IMPORTANT: You must enter this amount on your Connecticut income tax return for an individual use tax return to be considered as filed. You **must** enter 0 on the appropriate line if no Connecticut use tax is due.

TAX CALCULATION SCHEDULE

1. Enter CONNECTICUT AGI* (Form CT-1040, Line 5; CT-1040EZ, Line 3; or CT-1040NR/PY, Line 7)	1		
2. Enter Personal Exemption (From Table A, Exemptions)	2		
3. Connecticut Taxable Income (Subtract Line 2 from Line 1. If less than zero, enter 0.)	3		
4. Connecticut Income Tax (See Table B, Connecticut Income Tax)	4		
5. Enter Credit Percentage (From Table C, Personal Tax Credits). If zero, enter 0.	5		
6. Multiply the amount on Line 4 by the percentage on Line 5.	6		
7. INCOME TAX (Subtract Line 6 from Line 4) Enter this amount on CT-1040, Line 6; CT-1040EZ, Line 4; or CT-1040NR/PY, Line 8.	7		

***IMPORTANT:** Form CT-1040NR/PY filers must enter income from Connecticut sources if it exceeds Connecticut Adjusted Gross Income.

***KEEP THIS WORKSHEET FOR YOUR RECORDS
DO NOT ATTACH TO YOUR TAX RETURN***

Taxpayer's Worksheet

TABLE A - EXEMPTIONS

Use your filing status shown on the front of your tax return and your CONNECTICUT AGI * (From Tax Calculation Schedule, Line 1) to determine your exemption.

Single/Married Filing Separately			Head of Household			Married Filing Jointly/Qualifying Widow(er)		
CONNECTICUT AGI*		EXEMPTION	CONNECTICUT AGI*		EXEMPTION	CONNECTICUT AGI*		EXEMPTION
MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO	
\$ 0	\$24,000	\$12,000	\$ 0	\$38,000	\$19,000	\$ 0	\$48,000	\$24,000
\$24,000	\$25,000	\$11,000	\$38,000	\$39,000	\$18,000	\$48,000	\$49,000	\$23,000
\$25,000	\$26,000	\$10,000	\$39,000	\$40,000	\$17,000	\$49,000	\$50,000	\$22,000
\$26,000	\$27,000	\$ 9,000	\$40,000	\$41,000	\$16,000	\$50,000	\$51,000	\$21,000
\$27,000	\$28,000	\$ 8,000	\$41,000	\$42,000	\$15,000	\$51,000	\$52,000	\$20,000
\$28,000	\$29,000	\$ 7,000	\$42,000	\$43,000	\$14,000	\$52,000	\$53,000	\$19,000
\$29,000	\$30,000	\$ 6,000	\$43,000	\$44,000	\$13,000	\$53,000	\$54,000	\$18,000
\$30,000	\$31,000	\$ 5,000	\$44,000	\$45,000	\$12,000	\$54,000	\$55,000	\$17,000
\$31,000	\$32,000	\$ 4,000	\$45,000	\$46,000	\$11,000	\$55,000	\$56,000	\$16,000
\$32,000	\$33,000	\$ 3,000	\$46,000	\$47,000	\$10,000	\$56,000	\$57,000	\$15,000
\$33,000	\$34,000	\$ 2,000	\$47,000	\$48,000	\$ 9,000	\$57,000	\$58,000	\$14,000
\$34,000	\$35,000	\$ 1,000	\$48,000	\$49,000	\$ 8,000	\$58,000	\$59,000	\$13,000
\$35,000	and up	\$ 0	\$49,000	\$50,000	\$ 7,000	\$59,000	\$60,000	\$12,000
			\$50,000	\$51,000	\$ 6,000	\$60,000	\$61,000	\$11,000
			\$51,000	\$52,000	\$ 5,000	\$61,000	\$62,000	\$10,000
			\$52,000	\$53,000	\$ 4,000	\$62,000	\$63,000	\$ 9,000
			\$53,000	\$54,000	\$ 3,000	\$63,000	\$64,000	\$ 8,000
			\$54,000	\$55,000	\$ 2,000	\$64,000	\$65,000	\$ 7,000
			\$55,000	\$56,000	\$ 1,000	\$65,000	\$66,000	\$ 6,000
			\$56,000	and up	\$ 0	\$66,000	\$67,000	\$ 5,000
						\$67,000	\$68,000	\$ 4,000
						\$68,000	\$69,000	\$ 3,000
						\$69,000	\$70,000	\$ 2,000
						\$70,000	\$71,000	\$ 1,000
						\$71,000	and up	\$ 0

TABLE B - CONNECTICUT INCOME TAX

Use your filing status shown on the front of your tax return.

Single/Married Filing Separately	Head of Household	Married Filing Jointly/Qualifying Widow(er)
If the amount on Line 3 is less than or equal to \$6,250, multiply by .03.	If the amount on Line 3 is less than or equal to \$10,000, multiply by .03.	If the amount on Line 3 is less than or equal to \$12,500, multiply by .03.
If the amount on Line 3 is more than \$6,250, multiply .045 by the excess over \$6,250 and add \$187.50.	If the amount on Line 3 is more than \$10,000, multiply .045 by the excess over \$10,000 and add \$300.00.	If the amount on Line 3 is more than \$12,500, multiply .045 by the excess over \$12,500 and add \$375.00.
For example, if the amount on Line 3 is \$9,000 enter \$311.25 on Line 4. (\$9,000 - \$6,250 = \$2,750 \$2,750 x .045 = \$123.75 \$123.75 + \$187.50 = \$311.25)	For example, if the amount on Line 3 is \$14,000 enter \$480.00 on Line 4. (\$14,000 - \$10,000 = \$4,000 \$4,000 x .045 = \$180.00 \$180.00 + \$300.00 = \$480.00)	For example, if the amount on Line 3 is \$16,000 enter \$532.50 on Line 4. (\$16,000 - \$12,500 = \$3,500 \$3,500 x .045 = \$157.50 \$157.50 + \$375.00 = \$532.50)

TABLE C - PERSONAL TAX CREDITS

Use your filing status shown on the front on your tax return and your CONNECTICUT AGI* (From Tax Calculation Schedule, Line 1) to determine your credit percentage.

Single/Married Filing Separately			Head of Household			Married Filing Jointly/Qualifying Widow(er)		
CONNECTICUT AGI*		CREDIT %	CONNECTICUT AGI*		CREDIT %	CONNECTICUT AGI*		CREDIT %
MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO	
\$12,000	\$15,000	75%	\$19,000	\$24,000	75%	\$24,000	\$30,000	75%
\$15,000	\$15,500	70%	\$24,000	\$24,500	70%	\$30,000	\$30,500	70%
\$15,500	\$16,000	65%	\$24,500	\$25,000	65%	\$30,500	\$31,000	65%
\$16,000	\$16,500	60%	\$25,000	\$25,500	60%	\$31,000	\$31,500	60%
\$16,500	\$17,000	55%	\$25,500	\$26,000	55%	\$31,500	\$32,000	55%
\$17,000	\$17,500	50%	\$26,000	\$26,500	50%	\$32,000	\$32,500	50%
\$17,500	\$18,000	45%	\$26,500	\$27,000	45%	\$32,500	\$33,000	45%
\$18,000	\$18,500	40%	\$27,000	\$27,500	40%	\$33,000	\$33,500	40%
\$18,500	\$20,000	35%	\$27,500	\$34,000	35%	\$33,500	\$40,000	35%
\$20,000	\$20,500	30%	\$34,000	\$34,500	30%	\$40,000	\$40,500	30%
\$20,500	\$21,000	25%	\$34,500	\$35,000	25%	\$40,500	\$41,000	25%
\$21,000	\$21,500	20%	\$35,000	\$35,500	20%	\$41,000	\$41,500	20%
\$21,500	\$25,000	15%	\$35,500	\$44,000	15%	\$41,500	\$50,000	15%
\$25,000	\$25,500	14%	\$44,000	\$44,500	14%	\$50,000	\$50,500	14%
\$25,500	\$26,000	13%	\$44,500	\$45,000	13%	\$50,500	\$51,000	13%
\$26,000	\$26,500	12%	\$45,000	\$45,500	12%	\$51,000	\$51,500	12%
\$26,500	\$27,000	11%	\$45,500	\$46,000	11%	\$51,500	\$52,000	11%
\$27,000	\$48,000	10%	\$46,000	\$74,000	10%	\$52,000	\$96,000	10%
\$48,000	\$48,500	9%	\$74,000	\$74,500	9%	\$96,000	\$96,500	9%
\$48,500	\$49,000	8%	\$74,500	\$75,000	8%	\$96,500	\$97,000	8%
\$49,000	\$49,500	7%	\$75,000	\$75,500	7%	\$97,000	\$97,500	7%
\$49,500	\$50,000	6%	\$75,500	\$76,000	6%	\$97,500	\$98,000	6%
\$50,000	\$50,500	5%	\$76,000	\$76,500	5%	\$98,000	\$98,500	5%
\$50,500	\$51,000	4%	\$76,500	\$77,000	4%	\$98,500	\$99,000	4%
\$51,000	\$51,500	3%	\$77,000	\$77,500	3%	\$99,000	\$99,500	3%
\$51,500	\$52,000	2%	\$77,500	\$78,000	2%	\$99,500	\$100,000	2%
\$52,000	\$52,500	1%	\$78,000	\$78,500	1%	\$100,000	\$100,500	1%
\$52,500	and up	0%	\$78,500	and up	0%	\$100,500	and up	0%

*IMPORTANT: FORM CT-1040NR/PY filers must enter income from Connecticut sources if it exceeds Connecticut Adjusted Gross Income.

1997
Connecticut
Income Tax
Tables

1997 CONNECTICUT PERSONAL INCOME TAX TABLES
ALL EXEMPTIONS AND CREDITS ARE INCLUDED

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
0 - 12,000		NO TAX DUE			15,000					18,000				
12,000	12,050	0.19	0.00	0.00	15,000	15,050	27.23	0.00	0.00	18,000	18,050	108.45	0.00	0.00
12,050	12,100	0.56	0.00	0.00	15,050	15,100	27.68	0.00	0.00	18,050	18,100	109.35	0.00	0.00
12,100	12,150	0.94	0.00	0.00	15,100	15,150	28.13	0.00	0.00	18,100	18,150	110.25	0.00	0.00
12,150	12,200	1.31	0.00	0.00	15,150	15,200	28.58	0.00	0.00	18,150	18,200	111.15	0.00	0.00
12,200	12,250	1.69	0.00	0.00	15,200	15,250	29.03	0.00	0.00	18,200	18,250	112.05	0.00	0.00
12,250	12,300	2.06	0.00	0.00	15,250	15,300	29.48	0.00	0.00	18,250	18,300	113.18	0.00	0.00
12,300	12,350	2.44	0.00	0.00	15,300	15,350	29.93	0.00	0.00	18,300	18,350	114.53	0.00	0.00
12,350	12,400	2.81	0.00	0.00	15,350	15,400	30.38	0.00	0.00	18,350	18,400	115.88	0.00	0.00
12,400	12,450	3.19	0.00	0.00	15,400	15,450	30.83	0.00	0.00	18,400	18,450	117.23	0.00	0.00
12,450	12,500	3.56	0.00	0.00	15,450	15,500	31.28	0.00	0.00	18,450	18,500	118.58	0.00	0.00
12,500	12,550	3.94	0.00	0.00	15,500	15,550	37.01	0.00	0.00	18,500	18,550	129.92	0.00	0.00
12,550	12,600	4.31	0.00	0.00	15,550	15,600	37.54	0.00	0.00	18,550	18,600	131.38	0.00	0.00
12,600	12,650	4.69	0.00	0.00	15,600	15,650	38.06	0.00	0.00	18,600	18,650	132.84	0.00	0.00
12,650	12,700	5.06	0.00	0.00	15,650	15,700	38.59	0.00	0.00	18,650	18,700	134.31	0.00	0.00
12,700	12,750	5.44	0.00	0.00	15,700	15,750	39.11	0.00	0.00	18,700	18,750	135.77	0.00	0.00
12,750	12,800	5.81	0.00	0.00	15,750	15,800	39.64	0.00	0.00	18,750	18,800	137.23	0.00	0.00
12,800	12,850	6.19	0.00	0.00	15,800	15,850	40.16	0.00	0.00	18,800	18,850	138.69	0.00	0.00
12,850	12,900	6.56	0.00	0.00	15,850	15,900	40.69	0.00	0.00	18,850	18,900	140.16	0.00	0.00
12,900	12,950	6.94	0.00	0.00	15,900	15,950	41.21	0.00	0.00	18,900	18,950	141.62	0.00	0.00
12,950	13,000	7.31	0.00	0.00	15,950	16,000	41.74	0.00	0.00	18,950	19,000	143.08	0.00	0.00
13,000					16,000					19,000				
13,000	13,050	7.69	0.00	0.00	16,000	16,050	48.30	0.00	0.00	19,000	19,050	144.54	0.19	0.00
13,050	13,100	8.06	0.00	0.00	16,050	16,100	48.90	0.00	0.00	19,050	19,100	146.01	0.56	0.00
13,100	13,150	8.44	0.00	0.00	16,100	16,150	49.50	0.00	0.00	19,100	19,150	147.47	0.94	0.00
13,150	13,200	8.81	0.00	0.00	16,150	16,200	50.10	0.00	0.00	19,150	19,200	148.93	1.31	0.00
13,200	13,250	9.19	0.00	0.00	16,200	16,250	50.70	0.00	0.00	19,200	19,250	150.39	1.69	0.00
13,250	13,300	9.56	0.00	0.00	16,250	16,300	51.30	0.00	0.00	19,250	19,300	151.86	2.06	0.00
13,300	13,350	9.94	0.00	0.00	16,300	16,350	51.90	0.00	0.00	19,300	19,350	153.32	2.44	0.00
13,350	13,400	10.31	0.00	0.00	16,350	16,400	52.50	0.00	0.00	19,350	19,400	154.78	2.81	0.00
13,400	13,450	10.69	0.00	0.00	16,400	16,450	53.10	0.00	0.00	19,400	19,450	156.24	3.19	0.00
13,450	13,500	11.06	0.00	0.00	16,450	16,500	53.70	0.00	0.00	19,450	19,500	157.71	3.56	0.00
13,500	13,550	11.44	0.00	0.00	16,500	16,550	61.09	0.00	0.00	19,500	19,550	159.17	3.94	0.00
13,550	13,600	11.81	0.00	0.00	16,550	16,600	61.76	0.00	0.00	19,550	19,600	160.63	4.31	0.00
13,600	13,650	12.19	0.00	0.00	16,600	16,650	62.44	0.00	0.00	19,600	19,650	162.09	4.69	0.00
13,650	13,700	12.56	0.00	0.00	16,650	16,700	63.11	0.00	0.00	19,650	19,700	163.56	5.06	0.00
13,700	13,750	12.94	0.00	0.00	16,700	16,750	63.79	0.00	0.00	19,700	19,750	165.02	5.44	0.00
13,750	13,800	13.31	0.00	0.00	16,750	16,800	64.46	0.00	0.00	19,750	19,800	166.48	5.81	0.00
13,800	13,850	13.69	0.00	0.00	16,800	16,850	65.14	0.00	0.00	19,800	19,850	167.94	6.19	0.00
13,850	13,900	14.06	0.00	0.00	16,850	16,900	65.81	0.00	0.00	19,850	19,900	169.41	6.56	0.00
13,900	13,950	14.44	0.00	0.00	16,900	16,950	66.49	0.00	0.00	19,900	19,950	170.87	6.94	0.00
13,950	14,000	14.81	0.00	0.00	16,950	17,000	67.16	0.00	0.00	19,950	20,000	172.33	7.31	0.00
14,000					17,000					20,000				
14,000	14,050	15.19	0.00	0.00	17,000	17,050	75.38	0.00	0.00	20,000	20,050	187.16	7.69	0.00
14,050	14,100	15.56	0.00	0.00	17,050	17,100	76.13	0.00	0.00	20,050	20,100	188.74	8.06	0.00
14,100	14,150	15.94	0.00	0.00	17,100	17,150	76.88	0.00	0.00	20,100	20,150	190.31	8.44	0.00
14,150	14,200	16.31	0.00	0.00	17,150	17,200	77.63	0.00	0.00	20,150	20,200	191.89	8.81	0.00
14,200	14,250	16.69	0.00	0.00	17,200	17,250	78.38	0.00	0.00	20,200	20,250	193.46	9.19	0.00
14,250	14,300	17.06	0.00	0.00	17,250	17,300	79.13	0.00	0.00	20,250	20,300	195.04	9.56	0.00
14,300	14,350	17.44	0.00	0.00	17,300	17,350	79.88	0.00	0.00	20,300	20,350	196.61	9.94	0.00
14,350	14,400	17.81	0.00	0.00	17,350	17,400	80.63	0.00	0.00	20,350	20,400	198.19	10.31	0.00
14,400	14,450	18.19	0.00	0.00	17,400	17,450	81.38	0.00	0.00	20,400	20,450	199.76	10.69	0.00
14,450	14,500	18.56	0.00	0.00	17,450	17,500	82.13	0.00	0.00	20,450	20,500	201.34	11.06	0.00
14,500	14,550	18.94	0.00	0.00	17,500	17,550	91.16	0.00	0.00	20,500	20,550	217.41	11.44	0.00
14,550	14,600	19.31	0.00	0.00	17,550	17,600	91.99	0.00	0.00	20,550	20,600	219.09	11.81	0.00
14,600	14,650	19.69	0.00	0.00	17,600	17,650	92.81	0.00	0.00	20,600	20,650	220.78	12.19	0.00
14,650	14,700	20.06	0.00	0.00	17,650	17,700	93.64	0.00	0.00	20,650	20,700	222.47	12.56	0.00
14,700	14,750	20.44	0.00	0.00	17,700	17,750	94.46	0.00	0.00	20,700	20,750	224.16	12.94	0.00
14,750	14,800	20.81	0.00	0.00	17,750	17,800	95.29	0.00	0.00	20,750	20,800	225.84	13.31	0.00
14,800	14,850	21.19	0.00	0.00	17,800	17,850	96.11	0.00	0.00	20,800	20,850	227.53	13.69	0.00
14,850	14,900	21.56	0.00	0.00	17,850	17,900	96.94	0.00	0.00	20,850	20,900	229.22	14.06	0.00
14,900	14,950	21.94	0.00	0.00	17,900	17,950	97.76	0.00	0.00	20,900	20,950	230.91	14.44	0.00
14,950	15,000	22.31	0.00	0.00	17,950	18,000	98.59	0.00	0.00	20,950	21,000	232.59	14.81	0.00

* This column must also be used by a qualifying widow(er)

Continued on the next page

**Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

If 12,000 or less, no tax due.

**1997 CONNECTICUT PERSONAL INCOME TAX TABLES
ALL EXEMPTIONS AND CREDITS ARE INCLUDED**

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
21,000					24,000					27,000				
21,000	21,050	249.90	15.19	0.00	24,000	24,050	418.52	45.23	0.19	27,000	27,050	686.14	144.45	22.69
21,050	21,100	251.70	15.56	0.00	24,050	24,100	420.43	45.68	0.56	27,050	27,100	688.16	145.35	23.06
21,100	21,150	253.50	15.94	0.00	24,100	24,150	422.34	46.13	0.94	27,100	27,150	690.19	146.25	23.44
21,150	21,200	255.30	16.31	0.00	24,150	24,200	424.26	46.58	1.31	27,150	27,200	692.21	147.15	23.81
21,200	21,250	257.10	16.69	0.00	24,200	24,250	426.17	47.03	1.69	27,200	27,250	694.24	148.05	24.19
21,250	21,300	258.90	17.06	0.00	24,250	24,300	428.08	47.48	2.06	27,250	27,300	696.26	148.95	24.56
21,300	21,350	260.70	17.44	0.00	24,300	24,350	429.99	47.93	2.44	27,300	27,350	698.29	149.85	24.94
21,350	21,400	262.50	17.81	0.00	24,350	24,400	431.91	48.38	2.81	27,350	27,400	700.31	150.75	25.31
21,400	21,450	264.30	18.19	0.00	24,400	24,450	433.82	48.83	3.19	27,400	27,450	702.34	151.65	25.69
21,450	21,500	266.10	18.56	0.00	24,450	24,500	435.73	49.28	3.56	27,450	27,500	704.36	152.55	26.06
21,500	21,550	284.64	18.94	0.00	24,500	24,550	437.64	58.01	3.94	27,500	27,550	706.39	166.24	26.44
21,550	21,600	286.56	19.31	0.00	24,550	24,600	439.56	58.54	4.31	27,550	27,600	708.41	167.21	26.81
21,600	21,650	288.47	19.69	0.00	24,600	24,650	441.47	59.06	4.69	27,600	27,650	710.44	168.19	27.19
21,650	21,700	290.38	20.06	0.00	24,650	24,700	443.38	59.59	5.06	27,650	27,700	712.46	169.16	27.56
21,700	21,750	292.29	20.44	0.00	24,700	24,750	445.29	60.11	5.44	27,700	27,750	714.49	170.14	27.94
21,750	21,800	294.21	20.81	0.00	24,750	24,800	447.21	60.64	5.81	27,750	27,800	716.51	171.11	28.31
21,800	21,850	296.12	21.19	0.00	24,800	24,850	449.12	61.16	6.19	27,800	27,850	718.54	172.09	28.69
21,850	21,900	298.03	21.56	0.00	24,850	24,900	451.03	61.69	6.56	27,850	27,900	720.56	173.06	29.06
21,900	21,950	299.94	21.94	0.00	24,900	24,950	452.94	62.21	6.94	27,900	27,950	722.59	174.04	29.44
21,950	22,000	301.86	22.31	0.00	24,950	25,000	454.86	62.74	7.31	27,950	28,000	724.61	175.01	29.81
22,000					25,000					28,000				
22,000	22,050	303.77	22.69	0.00	25,000	25,050	500.84	72.30	7.69	28,000	28,050	767.14	175.99	30.19
22,050	22,100	305.68	23.06	0.00	25,050	25,100	502.78	72.90	8.06	28,050	28,100	769.16	176.96	30.56
22,100	22,150	307.59	23.44	0.00	25,100	25,150	504.71	73.50	8.44	28,100	28,150	771.19	177.94	30.94
22,150	22,200	309.51	23.81	0.00	25,150	25,200	506.65	74.10	8.81	28,150	28,200	773.21	178.91	31.31
22,200	22,250	311.42	24.19	0.00	25,200	25,250	508.58	74.70	9.19	28,200	28,250	775.24	179.89	31.69
22,250	22,300	313.33	24.56	0.00	25,250	25,300	510.52	75.30	9.56	28,250	28,300	777.26	180.86	32.06
22,300	22,350	315.24	24.94	0.00	25,300	25,350	512.45	75.90	9.94	28,300	28,350	779.29	181.84	32.44
22,350	22,400	317.16	25.31	0.00	25,350	25,400	514.39	76.50	10.31	28,350	28,400	781.31	182.81	32.81
22,400	22,450	319.07	25.69	0.00	25,400	25,450	516.32	77.10	10.69	28,400	28,450	783.34	183.79	33.19
22,450	22,500	320.98	26.06	0.00	25,450	25,500	518.26	77.70	11.06	28,450	28,500	785.36	184.76	33.56
22,500	22,550	322.89	26.44	0.00	25,500	25,550	520.24	88.09	11.44	28,500	28,550	787.39	185.74	33.94
22,550	22,600	324.81	26.81	0.00	25,550	25,600	522.20	88.76	11.81	28,550	28,600	789.41	186.71	34.31
22,600	22,650	326.72	27.19	0.00	25,600	25,650	530.16	89.44	12.19	28,600	28,650	791.44	187.69	34.69
22,650	22,700	328.63	27.56	0.00	25,650	25,700	532.11	90.11	12.56	28,650	28,700	793.46	188.66	35.06
22,700	22,750	330.54	27.94	0.00	25,700	25,750	534.07	90.79	12.94	28,700	28,750	795.49	189.64	35.44
22,750	22,800	332.46	28.31	0.00	25,750	25,800	536.03	91.46	13.31	28,750	28,800	797.51	190.61	35.81
22,800	22,850	334.37	28.69	0.00	25,800	25,850	537.99	92.14	13.69	28,800	28,850	799.54	191.59	36.19
22,850	22,900	336.28	29.06	0.00	25,850	25,900	539.94	92.81	14.06	28,850	28,900	801.56	192.56	36.56
22,900	22,950	338.19	29.44	0.00	25,900	25,950	541.90	93.49	14.44	28,900	28,950	803.59	193.54	36.94
22,950	23,000	340.11	29.81	0.00	25,950	26,000	543.86	94.16	14.81	28,950	29,000	805.61	194.51	37.31
23,000					26,000					29,000				
23,000	23,050	342.02	30.19	0.00	26,000	26,050	591.69	105.38	15.19	29,000	29,050	848.14	195.73	37.69
23,050	23,100	343.93	30.56	0.00	26,050	26,100	593.67	106.13	15.56	29,050	29,100	850.16	197.19	38.06
23,100	23,150	345.84	30.94	0.00	26,100	26,150	595.65	106.88	15.94	29,100	29,150	852.19	198.66	38.44
23,150	23,200	347.76	31.31	0.00	26,150	26,200	597.63	107.63	16.31	29,150	29,200	854.21	200.12	38.81
23,200	23,250	349.67	31.69	0.00	26,200	26,250	599.61	108.38	16.69	29,200	29,250	856.24	201.58	39.19
23,250	23,300	351.58	32.06	0.00	26,250	26,300	601.59	109.13	17.06	29,250	29,300	858.26	203.04	39.56
23,300	23,350	353.49	32.44	0.00	26,300	26,350	603.57	109.88	17.44	29,300	29,350	860.29	204.51	39.94
23,350	23,400	355.41	32.81	0.00	26,350	26,400	605.55	110.63	17.81	29,350	29,400	862.31	205.97	40.31
23,400	23,450	357.32	33.19	0.00	26,400	26,450	607.53	111.38	18.19	29,400	29,450	864.34	207.43	40.69
23,450	23,500	359.23	33.56	0.00	26,450	26,500	609.51	112.13	18.56	29,450	29,500	866.36	208.89	41.06
23,500	23,550	361.14	33.94	0.00	26,500	26,550	618.44	124.16	18.94	29,500	29,550	868.39	210.36	41.44
23,550	23,600	363.06	34.31	0.00	26,550	26,600	620.44	124.99	19.31	29,550	29,600	870.41	211.82	41.81
23,600	23,650	364.97	34.69	0.00	26,600	26,650	622.44	125.81	19.69	29,600	29,650	872.44	213.28	42.19
23,650	23,700	366.88	35.06	0.00	26,650	26,700	624.45	126.64	20.06	29,650	29,700	874.46	214.74	42.56
23,700	23,750	368.79	35.44	0.00	26,700	26,750	626.45	127.46	20.44	29,700	29,750	876.49	216.21	42.94
23,750	23,800	370.71	35.81	0.00	26,750	26,800	628.45	128.29	20.81	29,750	29,800	878.51	217.67	43.31
23,800	23,850	372.62	36.19	0.00	26,800	26,850	630.45	129.11	21.19	29,800	29,850	880.54	219.13	43.69
23,850	23,900	374.53	36.56	0.00	26,850	26,900	632.46	129.94	21.56	29,850	29,900	882.56	220.59	44.06
23,900	23,950	376.44	36.94	0.00	26,900	26,950	634.46	130.76	21.94	29,900	29,950	884.59	222.06	44.44
23,950	24,000	378.36	37.31	0.00	26,950	27,000	636.46	131.59	22.31	29,950	30,000	886.61	223.52	44.81

* This column must also be used by a qualifying widow(er) Continued on the next page

**Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

1997 CONNECTICUT PERSONAL INCOME TAX TABLES
ALL EXEMPTIONS AND CREDITS ARE INCLUDED

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
30,000					33,000					36,000				
30,000	30,050	929.14	224.98	54.23	33,000	33,050	1,172.14	312.73	162.45	36,000	36,050	1,374.64	523.71	234.49
30,050	30,100	931.16	226.44	54.68	33,050	33,100	1,174.16	314.19	163.35	36,050	36,100	1,376.66	525.62	235.46
30,100	30,150	933.19	227.91	55.13	33,100	33,150	1,176.19	315.66	164.25	36,100	36,150	1,378.69	527.53	236.44
30,150	30,200	935.21	229.37	55.58	33,150	33,200	1,178.21	317.12	165.15	36,150	36,200	1,380.71	529.44	237.41
30,200	30,250	937.24	230.83	56.03	33,200	33,250	1,180.24	318.58	166.05	36,200	36,250	1,382.74	531.36	238.39
30,250	30,300	939.26	232.29	56.48	33,250	33,300	1,182.26	320.04	166.95	36,250	36,300	1,384.76	533.27	239.36
30,300	30,350	941.29	233.76	56.93	33,300	33,350	1,184.29	321.51	167.85	36,300	36,350	1,386.79	535.18	240.34
30,350	30,400	943.31	235.22	57.38	33,350	33,400	1,186.31	322.97	168.75	36,350	36,400	1,388.81	537.09	241.31
30,400	30,450	945.34	236.68	57.83	33,400	33,450	1,188.34	324.43	169.65	36,400	36,450	1,390.84	539.01	242.29
30,450	30,500	947.36	238.14	58.28	33,450	33,500	1,190.36	325.89	170.55	36,450	36,500	1,392.86	540.92	243.26
30,500	30,550	949.39	239.61	68.51	33,500	33,550	1,192.39	327.36	185.74	36,500	36,550	1,394.89	542.83	244.48
30,550	30,600	951.41	241.07	69.04	33,550	33,600	1,194.41	328.82	186.71	36,550	36,600	1,396.91	544.74	245.94
30,600	30,650	953.44	242.53	69.56	33,600	33,650	1,196.44	330.28	187.69	36,600	36,650	1,398.94	546.66	247.41
30,650	30,700	955.46	243.99	70.09	33,650	33,700	1,198.46	331.74	188.66	36,650	36,700	1,400.96	548.57	248.87
30,700	30,750	957.49	245.46	70.61	33,700	33,750	1,200.49	333.21	189.64	36,700	36,750	1,402.99	550.48	250.33
30,750	30,800	959.51	246.92	71.14	33,750	33,800	1,202.51	334.67	190.61	36,750	36,800	1,405.01	552.39	251.79
30,800	30,850	961.54	248.38	71.66	33,800	33,850	1,204.54	336.13	191.59	36,800	36,850	1,407.04	554.31	253.26
30,850	30,900	963.56	249.84	72.19	33,850	33,900	1,206.56	337.59	192.56	36,850	36,900	1,409.06	556.22	254.72
30,900	30,950	965.59	251.31	72.71	33,900	33,950	1,208.59	339.06	193.54	36,900	36,950	1,411.09	558.13	256.18
30,950	31,000	967.61	252.77	73.24	33,950	34,000	1,210.61	340.52	194.51	36,950	37,000	1,413.11	560.04	257.64
31,000					34,000					37,000				
31,000	31,050	1,010.14	254.23	84.30	34,000	34,050	1,253.14	368.29	195.49	37,000	37,050	1,415.14	561.96	259.11
31,050	31,100	1,012.16	255.69	84.90	34,050	34,100	1,255.16	369.86	196.46	37,050	37,100	1,417.16	563.87	260.57
31,100	31,150	1,014.19	257.16	85.50	34,100	34,150	1,257.19	371.44	197.44	37,100	37,150	1,419.19	565.78	262.03
31,150	31,200	1,016.21	258.62	86.10	34,150	34,200	1,259.21	373.01	198.41	37,150	37,200	1,421.21	567.69	263.49
31,200	31,250	1,018.24	260.08	86.70	34,200	34,250	1,261.24	374.59	199.39	37,200	37,250	1,423.24	569.61	264.96
31,250	31,300	1,020.26	261.54	87.30	34,250	34,300	1,263.26	376.16	200.36	37,250	37,300	1,425.26	571.52	266.42
31,300	31,350	1,022.29	263.01	87.90	34,300	34,350	1,265.29	377.74	201.34	37,300	37,350	1,427.29	573.43	267.88
31,350	31,400	1,024.31	264.47	88.50	34,350	34,400	1,267.31	379.31	202.31	37,350	37,400	1,429.31	575.34	269.34
31,400	31,450	1,026.34	265.93	89.10	34,400	34,450	1,269.34	380.89	203.29	37,400	37,450	1,431.34	577.26	270.81
31,450	31,500	1,028.36	267.39	89.70	34,450	34,500	1,271.36	382.46	204.26	37,450	37,500	1,433.36	579.17	272.27
31,500	31,550	1,030.39	268.86	101.59	34,500	34,550	1,273.39	411.47	205.24	37,500	37,550	1,435.39	581.08	273.73
31,550	31,600	1,032.41	270.32	102.26	34,550	34,600	1,275.41	413.16	206.21	37,550	37,600	1,437.41	582.99	275.19
31,600	31,650	1,034.44	271.78	102.94	34,600	34,650	1,277.44	414.84	207.19	37,600	37,650	1,439.44	584.91	276.66
31,650	31,700	1,036.46	273.24	103.61	34,650	34,700	1,279.46	416.53	208.16	37,650	37,700	1,441.46	586.82	278.12
31,700	31,750	1,038.49	274.71	104.29	34,700	34,750	1,281.49	418.22	209.14	37,700	37,750	1,443.49	588.73	279.58
31,750	31,800	1,040.51	276.17	104.96	34,750	34,800	1,283.51	419.91	210.11	37,750	37,800	1,445.51	590.64	281.04
31,800	31,850	1,042.54	277.63	105.64	34,800	34,850	1,285.54	421.59	211.09	37,800	37,850	1,447.54	592.56	282.51
31,850	31,900	1,044.56	279.09	106.31	34,850	34,900	1,287.56	423.28	212.06	37,850	37,900	1,449.56	594.47	283.97
31,900	31,950	1,046.59	280.56	106.99	34,900	34,950	1,289.59	424.97	213.04	37,900	37,950	1,451.59	596.38	285.43
31,950	32,000	1,048.61	282.02	107.66	34,950	35,000	1,291.61	426.66	214.01	37,950	38,000	1,453.61	598.29	286.89
32,000					35,000					38,000				
32,000	32,050	1,091.14	283.48	120.38	35,000	35,050	1,334.14	456.90	214.99	38,000	38,050	1,455.64	638.46	288.36
32,050	32,100	1,093.16	284.94	121.13	35,050	35,100	1,336.16	458.70	215.96	38,050	38,100	1,457.66	640.37	289.82
32,100	32,150	1,095.19	286.41	121.88	35,100	35,150	1,338.19	460.50	216.94	38,100	38,150	1,459.69	642.28	291.28
32,150	32,200	1,097.21	287.87	122.63	35,150	35,200	1,340.21	462.30	217.91	38,150	38,200	1,461.71	644.19	292.74
32,200	32,250	1,099.24	289.33	123.38	35,200	35,250	1,342.24	464.10	218.89	38,200	38,250	1,463.74	646.11	294.21
32,250	32,300	1,101.26	290.79	124.13	35,250	35,300	1,344.26	465.90	219.86	38,250	38,300	1,465.76	648.02	295.67
32,300	32,350	1,103.29	292.26	124.88	35,300	35,350	1,346.29	467.70	220.84	38,300	38,350	1,467.79	649.93	297.13
32,350	32,400	1,105.31	293.72	125.63	35,350	35,400	1,348.31	469.50	221.81	38,350	38,400	1,469.81	651.84	298.59
32,400	32,450	1,107.34	295.18	126.38	35,400	35,450	1,350.34	471.30	222.79	38,400	38,450	1,471.84	653.76	300.06
32,450	32,500	1,109.36	296.64	127.13	35,450	35,500	1,352.36	473.10	223.76	38,450	38,500	1,473.86	655.67	301.52
32,500	32,550	1,111.39	298.11	140.66	35,500	35,550	1,354.39	504.58	224.74	38,500	38,550	1,475.89	657.58	302.98
32,550	32,600	1,113.41	299.57	141.49	35,550	35,600	1,356.41	506.49	225.71	38,550	38,600	1,477.91	659.49	304.44
32,600	32,650	1,115.44	301.03	142.31	35,600	35,650	1,358.44	508.41	226.69	38,600	38,650	1,479.94	661.41	305.91
32,650	32,700	1,117.46	302.49	143.14	35,650	35,700	1,360.46	510.32	227.66	38,650	38,700	1,481.96	663.32	307.37
32,700	32,750	1,119.49	303.96	143.96	35,700	35,750	1,362.49	512.23	228.64	38,700	38,750	1,483.99	665.23	308.83
32,750	32,800	1,121.51	305.42	144.79	35,750	35,800	1,364.51	514.14	229.61	38,750	38,800	1,486.01	667.14	310.29
32,800	32,850	1,123.54	306.88	145.61	35,800	35,850	1,366.54	516.06	230.59	38,800	38,850	1,488.04	669.06	311.76
32,850	32,900	1,125.56	308.34	146.44	35,850	35,900	1,368.56	517.97	231.56	38,850	38,900	1,490.06	670.97	313.22
32,900	32,950	1,127.59	309.81	147.26	35,900	35,950	1,370.59	519.88	232.54	38,900	38,950	1,492.09	672.88	314.68
32,950	33,000	1,129.61	311.27	148.09	35,950	36,000	1,372.61	521.79	233.51	38,950	39,000	1,494.11	674.79	316.14

* This column must also be used by a qualifying widow(er) Continued on the next page

**Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

**1997 CONNECTICUT PERSONAL INCOME TAX TABLES
ALL EXEMPTIONS AND CREDITS ARE INCLUDED**

If CT AGI is **		And you are			If CT AGI is **		And you are			If CT AGI is **		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
39,000					42,000					45,000				
39,000	39,050	1,496.14	714.96	317.61	42,000	42,050	1,617.64	944.46	530.08	45,000	45,050	1,739.14	1,215.39	644.83
39,050	39,100	1,498.16	716.87	319.07	42,050	42,100	1,619.66	946.37	531.99	45,050	45,100	1,741.16	1,217.37	646.74
39,100	39,150	1,500.19	718.78	320.53	42,100	42,150	1,621.69	948.28	533.91	45,100	45,150	1,743.19	1,219.35	648.66
39,150	39,200	1,502.21	720.69	321.99	42,150	42,200	1,623.71	950.19	535.82	45,150	45,200	1,745.21	1,221.33	650.57
39,200	39,250	1,504.24	722.61	323.46	42,200	42,250	1,625.74	952.11	537.73	45,200	45,250	1,747.24	1,223.31	652.48
39,250	39,300	1,506.26	724.52	324.92	42,250	42,300	1,627.76	954.02	539.64	45,250	45,300	1,749.26	1,225.29	654.39
39,300	39,350	1,508.29	726.43	326.38	42,300	42,350	1,629.79	955.93	541.56	45,300	45,350	1,751.29	1,227.27	656.31
39,350	39,400	1,510.31	728.34	327.84	42,350	42,400	1,631.81	957.84	543.47	45,350	45,400	1,753.31	1,229.25	658.22
39,400	39,450	1,512.34	730.26	329.31	42,400	42,450	1,633.84	959.76	545.38	45,400	45,450	1,755.34	1,231.23	660.13
39,450	39,500	1,514.36	732.17	330.77	42,450	42,500	1,635.86	961.67	547.29	45,450	45,500	1,757.36	1,233.21	662.04
39,500	39,550	1,516.39	734.08	332.23	42,500	42,550	1,637.89	963.58	549.21	45,500	45,550	1,759.39	1,249.23	663.96
39,550	39,600	1,518.41	735.99	333.69	42,550	42,600	1,639.91	965.49	551.12	45,550	45,600	1,761.41	1,251.23	665.87
39,600	39,650	1,520.44	737.91	335.16	42,600	42,650	1,641.94	967.41	553.03	45,600	45,650	1,763.44	1,253.23	667.78
39,650	39,700	1,522.46	739.82	336.62	42,650	42,700	1,643.96	969.32	554.94	45,650	45,700	1,765.46	1,255.23	669.69
39,700	39,750	1,524.49	741.73	338.08	42,700	42,750	1,645.99	971.23	556.86	45,700	45,750	1,767.49	1,257.24	671.61
39,750	39,800	1,526.51	743.64	339.54	42,750	42,800	1,648.01	973.14	558.77	45,750	45,800	1,769.51	1,259.24	673.52
39,800	39,850	1,528.54	745.56	341.01	42,800	42,850	1,650.04	975.06	560.68	45,800	45,850	1,771.54	1,261.24	675.43
39,850	39,900	1,530.56	747.47	342.47	42,850	42,900	1,652.06	976.97	562.59	45,850	45,900	1,773.56	1,263.24	677.34
39,900	39,950	1,532.59	749.38	343.93	42,900	42,950	1,654.09	978.88	564.51	45,900	45,950	1,775.59	1,265.25	679.26
39,950	40,000	1,534.61	751.29	345.39	42,950	43,000	1,656.11	980.79	566.42	45,950	46,000	1,777.61	1,267.25	681.17
40,000					43,000					46,000				
40,000	40,050	1,536.64	791.46	373.54	43,000	43,050	1,658.14	1,020.96	568.33	46,000	46,050	1,779.64	1,324.01	683.08
40,050	40,100	1,538.66	793.37	375.11	43,050	43,100	1,660.16	1,022.87	570.24	46,050	46,100	1,781.66	1,326.04	684.99
40,100	40,150	1,540.69	795.28	376.69	43,100	43,150	1,662.19	1,024.78	572.16	46,100	46,150	1,783.69	1,328.06	686.91
40,150	40,200	1,542.71	797.19	378.26	43,150	43,200	1,664.21	1,026.69	574.07	46,150	46,200	1,785.71	1,330.09	688.82
40,200	40,250	1,544.74	799.11	379.84	43,200	43,250	1,666.24	1,028.61	575.98	46,200	46,250	1,787.74	1,332.11	690.73
40,250	40,300	1,546.76	801.02	381.41	43,250	43,300	1,668.26	1,030.52	577.89	46,250	46,300	1,789.76	1,334.14	692.64
40,300	40,350	1,548.79	802.93	382.99	43,300	43,350	1,670.29	1,032.43	579.81	46,300	46,350	1,791.79	1,336.16	694.56
40,350	40,400	1,550.81	804.84	384.56	43,350	43,400	1,672.31	1,034.34	581.72	46,350	46,400	1,793.81	1,338.19	696.47
40,400	40,450	1,552.84	806.76	386.14	43,400	43,450	1,674.34	1,036.26	583.63	46,400	46,450	1,795.84	1,340.21	698.38
40,450	40,500	1,554.86	808.67	387.71	43,450	43,500	1,676.36	1,038.17	585.54	46,450	46,500	1,797.86	1,342.24	700.29
40,500	40,550	1,556.89	810.58	417.09	43,500	43,550	1,678.39	1,040.08	587.46	46,500	46,550	1,799.89	1,344.26	702.21
40,550	40,600	1,558.91	812.49	418.78	43,550	43,600	1,680.41	1,041.99	589.37	46,550	46,600	1,801.91	1,346.29	704.12
40,600	40,650	1,560.94	814.41	420.47	43,600	43,650	1,682.44	1,043.91	591.28	46,600	46,650	1,803.94	1,348.31	706.03
40,650	40,700	1,562.96	816.32	422.16	43,650	43,700	1,684.46	1,045.82	593.19	46,650	46,700	1,805.96	1,350.34	707.94
40,700	40,750	1,564.99	818.23	423.84	43,700	43,750	1,686.49	1,047.73	595.11	46,700	46,750	1,807.99	1,352.36	709.86
40,750	40,800	1,567.01	820.14	425.53	43,750	43,800	1,688.51	1,049.64	597.02	46,750	46,800	1,810.01	1,354.39	711.77
40,800	40,850	1,569.04	822.06	427.22	43,800	43,850	1,690.54	1,051.56	598.93	46,800	46,850	1,812.04	1,356.41	713.68
40,850	40,900	1,571.06	823.97	428.91	43,850	43,900	1,692.56	1,053.47	600.84	46,850	46,900	1,814.06	1,358.44	715.59
40,900	40,950	1,573.09	825.88	430.59	43,900	43,950	1,694.59	1,055.38	602.76	46,900	46,950	1,816.09	1,360.46	717.51
40,950	41,000	1,575.11	827.79	432.28	43,950	44,000	1,696.61	1,057.29	604.67	46,950	47,000	1,818.11	1,362.49	719.42
41,000					44,000					47,000				
41,000	41,050	1,577.14	867.96	462.90	44,000	44,050	1,698.64	1,110.37	606.58	47,000	47,050	1,820.14	1,405.01	721.33
41,050	41,100	1,579.16	869.87	464.70	44,050	44,100	1,700.66	1,112.30	608.49	47,050	47,100	1,822.16	1,407.04	723.24
41,100	41,150	1,581.19	871.78	466.50	44,100	44,150	1,702.69	1,114.24	610.41	47,100	47,150	1,824.19	1,409.06	725.16
41,150	41,200	1,583.21	873.69	468.30	44,150	44,200	1,704.71	1,116.17	612.32	47,150	47,200	1,826.21	1,411.09	727.07
41,200	41,250	1,585.24	875.61	470.10	44,200	44,250	1,706.74	1,118.11	614.23	47,200	47,250	1,828.24	1,413.11	728.98
41,250	41,300	1,587.26	877.52	471.90	44,250	44,300	1,708.76	1,120.04	616.14	47,250	47,300	1,830.26	1,415.14	730.89
41,300	41,350	1,589.29	879.43	473.70	44,300	44,350	1,710.79	1,121.98	618.06	47,300	47,350	1,832.29	1,417.16	732.81
41,350	41,400	1,591.31	881.34	475.50	44,350	44,400	1,712.81	1,123.91	619.97	47,350	47,400	1,834.31	1,419.19	734.72
41,400	41,450	1,593.34	883.26	477.30	44,400	44,450	1,714.84	1,125.85	621.88	47,400	47,450	1,836.34	1,421.21	736.63
41,450	41,500	1,595.36	885.17	479.10	44,450	44,500	1,716.86	1,127.78	623.79	47,450	47,500	1,838.36	1,423.24	738.54
41,500	41,550	1,597.39	887.08	510.96	44,500	44,550	1,718.89	1,142.85	625.71	47,500	47,550	1,840.39	1,425.26	740.46
41,550	41,600	1,599.41	888.99	512.87	44,550	44,600	1,720.91	1,144.81	627.62	47,550	47,600	1,842.41	1,427.29	742.37
41,600	41,650	1,601.44	890.91	514.78	44,600	44,650	1,722.94	1,146.77	629.53	47,600	47,650	1,844.44	1,429.31	744.28
41,650	41,700	1,603.46	892.82	516.69	44,650	44,700	1,724.96	1,148.73	631.44	47,650	47,700	1,846.46	1,431.34	746.19
41,700	41,750	1,605.49	894.73	518.61	44,700	44,750	1,726.99	1,150.68	633.36	47,700	47,750	1,848.49	1,433.36	748.11
41,750	41,800	1,607.51	896.64	520.52	44,750	44,800	1,729.01	1,152.64	635.27	47,750	47,800	1,850.51	1,435.39	750.02
41,800	41,850	1,609.54	898.56	522.43	44,800	44,850	1,731.04	1,154.60	637.18	47,800	47,850	1,852.54	1,437.41	751.93
41,850	41,900	1,611.56	900.47	524.34	44,850	44,900	1,733.06	1,156.56	639.09	47,850	47,900	1,854.56	1,439.44	753.84
41,900	41,950	1,613.59	902.38	526.26	44,900	44,950	1,735.09	1,158.51	641.01	47,900	47,950	1,856.59	1,441.46	755.76
41,950	42,000	1,615.61	904.29	528.17	44,950	45,000	1,737.11	1,160.47	642.92	47,950	48,000	1,858.61	1,443.49	757.67

* This column must also be used by a qualifying widow(er) Continued on the next page

**Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

1997 CONNECTICUT PERSONAL INCOME TAX TABLES
ALL EXEMPTIONS AND CREDITS ARE INCLUDED

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
48,000					51,000					54,000				
48,000	48,050	1,881.31	1,486.01	797.83	51,000	51,050	2,136.30	1,729.01	1,063.59	54,000	54,050	2,337.38	1,972.01	1,330.76
48,050	48,100	1,883.36	1,488.04	799.74	51,050	51,100	2,138.49	1,731.04	1,065.57	54,050	54,100	2,339.63	1,974.04	1,332.79
48,100	48,150	1,885.41	1,490.06	801.66	51,100	51,150	2,140.67	1,733.06	1,067.55	54,100	54,150	2,341.88	1,976.06	1,334.81
48,150	48,200	1,887.45	1,492.09	803.57	51,150	51,200	2,142.85	1,735.09	1,069.53	54,150	54,200	2,344.13	1,978.09	1,336.84
48,200	48,250	1,889.50	1,494.11	805.48	51,200	51,250	2,145.03	1,737.11	1,071.51	54,200	54,250	2,346.38	1,980.11	1,338.86
48,250	48,300	1,891.55	1,496.14	807.39	51,250	51,300	2,147.22	1,739.14	1,073.49	54,250	54,300	2,348.63	1,982.14	1,340.89
48,300	48,350	1,893.60	1,498.16	809.31	51,300	51,350	2,149.40	1,741.16	1,075.47	54,300	54,350	2,350.88	1,984.16	1,342.91
48,350	48,400	1,895.64	1,500.19	811.22	51,350	51,400	2,151.58	1,743.19	1,077.45	54,350	54,400	2,353.13	1,986.19	1,344.94
48,400	48,450	1,897.69	1,502.21	813.13	51,400	51,450	2,153.76	1,745.21	1,079.43	54,400	54,450	2,355.38	1,988.21	1,346.96
48,450	48,500	1,899.74	1,504.24	815.04	51,450	51,500	2,155.95	1,747.24	1,081.41	54,450	54,500	2,357.63	1,990.24	1,348.99
48,500	48,550	1,922.69	1,506.26	816.96	51,500	51,550	2,180.38	1,749.26	1,095.70	54,500	54,550	2,359.88	1,992.26	1,351.01
48,550	48,600	1,924.76	1,508.29	818.87	51,550	51,600	2,182.58	1,751.29	1,097.70	54,550	54,600	2,362.13	1,994.29	1,353.04
48,600	48,650	1,926.83	1,510.31	820.78	51,600	51,650	2,184.79	1,753.31	1,099.71	54,600	54,650	2,364.38	1,996.31	1,355.06
48,650	48,700	1,928.90	1,512.34	822.69	51,650	51,700	2,186.99	1,755.34	1,101.71	54,650	54,700	2,366.63	1,998.34	1,357.09
48,700	48,750	1,930.97	1,514.36	824.61	51,700	51,750	2,189.20	1,757.36	1,103.71	54,700	54,750	2,368.88	2,000.36	1,359.11
48,750	48,800	1,933.04	1,516.39	826.52	51,750	51,800	2,191.40	1,759.39	1,105.71	54,750	54,800	2,371.13	2,002.39	1,361.14
48,800	48,850	1,935.11	1,518.41	828.43	51,800	51,850	2,193.61	1,761.41	1,107.72	54,800	54,850	2,373.38	2,004.41	1,363.16
48,850	48,900	1,937.18	1,520.44	830.34	51,850	51,900	2,195.81	1,763.44	1,109.72	54,850	54,900	2,375.63	2,006.44	1,365.19
48,900	48,950	1,939.25	1,522.46	832.26	51,900	51,950	2,198.02	1,765.46	1,111.72	54,900	54,950	2,377.88	2,008.46	1,367.21
48,950	49,000	1,941.32	1,524.49	834.17	51,950	52,000	2,200.22	1,767.49	1,113.72	54,950	55,000	2,380.13	2,010.49	1,369.24
49,000					52,000					55,000				
49,000	49,050	1,964.51	1,567.01	874.33	52,000	52,050	2,224.90	1,810.01	1,168.76	55,000	55,050	2,382.38	2,053.01	1,411.76
49,050	49,100	1,966.60	1,569.04	876.24	52,050	52,100	2,227.13	1,812.04	1,170.79	55,050	55,100	2,384.63	2,055.04	1,413.79
49,100	49,150	1,968.69	1,571.06	878.16	52,100	52,150	2,229.36	1,814.06	1,172.81	55,100	55,150	2,386.88	2,057.06	1,415.81
49,150	49,200	1,970.79	1,573.09	880.07	52,150	52,200	2,231.58	1,816.09	1,174.84	55,150	55,200	2,389.13	2,059.09	1,417.84
49,200	49,250	1,972.88	1,575.11	881.98	52,200	52,250	2,233.81	1,818.11	1,176.86	55,200	55,250	2,391.38	2,061.11	1,419.86
49,250	49,300	1,974.97	1,577.14	883.89	52,250	52,300	2,236.04	1,820.14	1,178.89	55,250	55,300	2,393.63	2,063.14	1,421.89
49,300	49,350	1,977.06	1,579.16	885.81	52,300	52,350	2,238.27	1,822.16	1,180.91	55,300	55,350	2,395.88	2,065.16	1,423.91
49,350	49,400	1,979.16	1,581.19	887.72	52,350	52,400	2,240.49	1,824.19	1,182.94	55,350	55,400	2,398.13	2,067.19	1,425.94
49,400	49,450	1,981.25	1,583.21	889.63	52,400	52,450	2,242.72	1,826.21	1,184.96	55,400	55,450	2,400.38	2,069.21	1,427.96
49,450	49,500	1,983.34	1,585.24	891.54	52,450	52,500	2,244.95	1,828.24	1,186.99	55,450	55,500	2,402.63	2,071.24	1,429.99
49,500	49,550	2,006.78	1,587.26	893.46	52,500	52,550	2,269.88	1,830.26	1,189.01	55,500	55,550	2,404.88	2,073.26	1,432.01
49,550	49,600	2,008.90	1,589.29	895.37	52,550	52,600	2,272.13	1,832.29	1,191.04	55,550	55,600	2,407.13	2,075.29	1,434.04
49,600	49,650	2,011.01	1,591.31	897.28	52,600	52,650	2,274.38	1,834.31	1,193.06	55,600	55,650	2,409.38	2,077.31	1,436.06
49,650	49,700	2,013.13	1,593.34	899.19	52,650	52,700	2,276.63	1,836.34	1,195.09	55,650	55,700	2,411.63	2,079.34	1,438.09
49,700	49,750	2,015.24	1,595.36	901.11	52,700	52,750	2,278.88	1,838.36	1,197.11	55,700	55,750	2,413.88	2,081.36	1,440.11
49,750	49,800	2,017.36	1,597.39	903.02	52,750	52,800	2,281.13	1,840.39	1,199.14	55,750	55,800	2,416.13	2,083.39	1,442.14
49,800	49,850	2,019.47	1,599.41	904.93	52,800	52,850	2,283.38	1,842.41	1,201.16	55,800	55,850	2,418.38	2,085.41	1,444.16
49,850	49,900	2,021.59	1,601.44	906.84	52,850	52,900	2,285.63	1,844.44	1,203.19	55,850	55,900	2,420.63	2,087.44	1,446.19
49,900	49,950	2,023.70	1,603.46	908.76	52,900	52,950	2,287.88	1,846.46	1,205.21	55,900	55,950	2,422.88	2,089.46	1,448.21
49,950	50,000	2,025.82	1,605.49	910.67	52,950	53,000	2,290.13	1,848.49	1,207.24	55,950	56,000	2,425.13	2,091.49	1,450.24
50,000					53,000					56,000				
50,000	50,050	2,049.51	1,648.01	962.02	53,000	53,050	2,292.38	1,891.01	1,249.76	56,000	56,050	2,427.38	2,134.01	1,492.76
50,050	50,100	2,051.64	1,650.04	963.95	53,050	53,100	2,294.63	1,893.04	1,251.79	56,050	56,100	2,429.63	2,136.04	1,494.79
50,100	50,150	2,053.78	1,652.06	965.89	53,100	53,150	2,296.88	1,895.06	1,253.81	56,100	56,150	2,431.88	2,138.06	1,496.81
50,150	50,200	2,055.92	1,654.09	967.82	53,150	53,200	2,299.13	1,897.09	1,255.84	56,150	56,200	2,434.13	2,140.09	1,498.84
50,200	50,250	2,058.06	1,656.11	969.76	53,200	53,250	2,301.38	1,899.11	1,257.86	56,200	56,250	2,436.38	2,142.11	1,500.86
50,250	50,300	2,060.19	1,658.14	971.69	53,250	53,300	2,303.63	1,901.14	1,259.89	56,250	56,300	2,438.63	2,144.14	1,502.89
50,300	50,350	2,062.33	1,660.16	973.63	53,300	53,350	2,305.88	1,903.16	1,261.91	56,300	56,350	2,440.88	2,146.16	1,504.91
50,350	50,400	2,064.47	1,662.19	975.56	53,350	53,400	2,308.13	1,905.19	1,263.94	56,350	56,400	2,443.13	2,148.19	1,506.94
50,400	50,450	2,066.61	1,664.21	977.50	53,400	53,450	2,310.38	1,907.21	1,265.96	56,400	56,450	2,445.38	2,150.21	1,508.96
50,450	50,500	2,068.74	1,666.24	979.43	53,450	53,500	2,312.63	1,909.24	1,267.99	56,450	56,500	2,447.63	2,152.24	1,510.99
50,500	50,550	2,092.68	1,668.26	992.78	53,500	53,550	2,314.88	1,911.26	1,270.01	56,500	56,550	2,449.88	2,154.26	1,513.01
50,550	50,600	2,094.84	1,670.29	994.74	53,550	53,600	2,317.13	1,913.29	1,272.04	56,550	56,600	2,452.13	2,156.29	1,515.04
50,600	50,650	2,097.00	1,672.31	996.69	53,600	53,650	2,319.38	1,915.31	1,274.06	56,600	56,650	2,454.38	2,158.31	1,517.06
50,650	50,700	2,099.16	1,674.34	998.65	53,650	53,700	2,321.63	1,917.34	1,276.09	56,650	56,700	2,456.63	2,160.34	1,519.09
50,700	50,750	2,101.32	1,676.36	1,000.61	53,700	53,750	2,323.88	1,919.36	1,278.11	56,700	56,750	2,458.88	2,162.36	1,521.11
50,750	50,800	2,103.48	1,678.39	1,002.57	53,750	53,800	2,326.13	1,921.39	1,280.14	56,750	56,800	2,461.13	2,164.39	1,523.14
50,800	50,850	2,105.64	1,680.41	1,004.52	53,800	53,850	2,328.38	1,923.41	1,282.16	56,800	56,850	2,463.38	2,166.41	1,525.16
50,850	50,900	2,107.80	1,682.44	1,006.48	53,850	53,900	2,330.63	1,925.44	1,284.19	56,850	56,900	2,465.63	2,168.44	1,527.19
50,900	50,950	2,109.96	1,684.46	1,008.44	53,900	53,950	2,332.88	1,927.46	1,286.21	56,900	56,950	2,467.88	2,170.46	1,529.21
50,950	51,000	2,112.12	1,686.49	1,010.40	53,950	54,000	2,335.13	1,929.49	1,288.24	56,950	57,000	2,470.13	2,172.49	1,531.24

* This column must also be used by a qualifying widow(er)

Continued on the next page

**Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

1997 CONNECTICUT PERSONAL INCOME TAX TABLES

ALL EXEMPTIONS AND CREDITS ARE INCLUDED

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
57,000					60,000					63,000				
57,000	57,050	2,472.38	2,174.51	1,573.76	60,000	60,050	2,607.38	2,296.01	1,816.76	63,000	63,050	2,742.38	2,417.51	2,059.76
57,050	57,100	2,474.63	2,176.54	1,575.79	60,050	60,100	2,609.63	2,298.04	1,818.79	63,050	63,100	2,744.63	2,419.54	2,061.79
57,100	57,150	2,476.88	2,178.56	1,577.81	60,100	60,150	2,611.88	2,300.06	1,820.81	63,100	63,150	2,746.88	2,421.56	2,063.81
57,150	57,200	2,479.13	2,180.59	1,579.84	60,150	60,200	2,614.13	2,302.09	1,822.84	63,150	63,200	2,749.13	2,423.59	2,065.84
57,200	57,250	2,481.38	2,182.61	1,581.86	60,200	60,250	2,616.38	2,304.11	1,824.86	63,200	63,250	2,751.38	2,425.61	2,067.86
57,250	57,300	2,483.63	2,184.64	1,583.89	60,250	60,300	2,618.63	2,306.14	1,826.89	63,250	63,300	2,753.63	2,427.64	2,069.89
57,300	57,350	2,485.88	2,186.66	1,585.91	60,300	60,350	2,620.88	2,308.16	1,828.91	63,300	63,350	2,755.88	2,429.66	2,071.91
57,350	57,400	2,488.13	2,188.69	1,587.94	60,350	60,400	2,623.13	2,310.19	1,830.94	63,350	63,400	2,758.13	2,431.69	2,073.94
57,400	57,450	2,490.38	2,190.71	1,589.96	60,400	60,450	2,625.38	2,312.21	1,832.96	63,400	63,450	2,760.38	2,433.71	2,075.96
57,450	57,500	2,492.63	2,192.74	1,591.99	60,450	60,500	2,627.63	2,314.24	1,834.99	63,450	63,500	2,762.63	2,435.74	2,077.99
57,500	57,550	2,494.88	2,194.76	1,594.01	60,500	60,550	2,629.88	2,316.26	1,837.01	63,500	63,550	2,764.88	2,437.76	2,080.01
57,550	57,600	2,497.13	2,196.79	1,596.04	60,550	60,600	2,632.13	2,318.29	1,839.04	63,550	63,600	2,767.13	2,439.79	2,082.04
57,600	57,650	2,499.38	2,198.81	1,598.06	60,600	60,650	2,634.38	2,320.31	1,841.06	63,600	63,650	2,769.38	2,441.81	2,084.06
57,650	57,700	2,501.63	2,200.84	1,600.09	60,650	60,700	2,636.63	2,322.34	1,843.09	63,650	63,700	2,771.63	2,443.84	2,086.09
57,700	57,750	2,503.88	2,202.86	1,602.11	60,700	60,750	2,638.88	2,324.36	1,845.11	63,700	63,750	2,773.88	2,445.86	2,088.11
57,750	57,800	2,506.13	2,204.89	1,604.14	60,750	60,800	2,641.13	2,326.39	1,847.14	63,750	63,800	2,776.13	2,447.89	2,090.14
57,800	57,850	2,508.38	2,206.91	1,606.16	60,800	60,850	2,643.38	2,328.41	1,849.16	63,800	63,850	2,778.38	2,449.91	2,092.16
57,850	57,900	2,510.63	2,208.94	1,608.19	60,850	60,900	2,645.63	2,330.44	1,851.19	63,850	63,900	2,780.63	2,451.94	2,094.19
57,900	57,950	2,512.88	2,210.96	1,610.21	60,900	60,950	2,647.88	2,332.46	1,853.21	63,900	63,950	2,782.88	2,453.96	2,096.21
57,950	58,000	2,515.13	2,212.99	1,612.24	60,950	61,000	2,650.13	2,334.49	1,855.24	63,950	64,000	2,785.13	2,455.99	2,098.24
58,000					61,000					64,000				
58,000	58,050	2,517.38	2,215.01	1,654.76	61,000	61,050	2,652.38	2,336.51	1,897.76	64,000	64,050	2,787.38	2,458.01	2,140.76
58,050	58,100	2,519.63	2,217.04	1,656.79	61,050	61,100	2,654.63	2,338.54	1,899.79	64,050	64,100	2,789.63	2,460.04	2,142.79
58,100	58,150	2,521.88	2,219.06	1,658.81	61,100	61,150	2,656.88	2,340.56	1,901.81	64,100	64,150	2,791.88	2,462.06	2,144.81
58,150	58,200	2,524.13	2,221.09	1,660.84	61,150	61,200	2,659.13	2,342.59	1,903.84	64,150	64,200	2,794.13	2,464.09	2,146.84
58,200	58,250	2,526.38	2,223.11	1,662.86	61,200	61,250	2,661.38	2,344.61	1,905.86	64,200	64,250	2,796.38	2,466.11	2,148.86
58,250	58,300	2,528.63	2,225.14	1,664.89	61,250	61,300	2,663.63	2,346.64	1,907.89	64,250	64,300	2,798.63	2,468.14	2,150.89
58,300	58,350	2,530.88	2,227.16	1,666.91	61,300	61,350	2,665.88	2,348.66	1,909.91	64,300	64,350	2,800.88	2,470.16	2,152.91
58,350	58,400	2,533.13	2,229.19	1,668.94	61,350	61,400	2,668.13	2,350.69	1,911.94	64,350	64,400	2,803.13	2,472.19	2,154.94
58,400	58,450	2,535.38	2,231.21	1,670.96	61,400	61,450	2,670.38	2,352.71	1,913.96	64,400	64,450	2,805.38	2,474.21	2,156.96
58,450	58,500	2,537.63	2,233.24	1,672.99	61,450	61,500	2,672.63	2,354.74	1,915.99	64,450	64,500	2,807.63	2,476.24	2,158.99
58,500	58,550	2,539.88	2,235.26	1,675.01	61,500	61,550	2,674.88	2,356.76	1,918.01	64,500	64,550	2,809.88	2,478.26	2,161.01
58,550	58,600	2,542.13	2,237.29	1,677.04	61,550	61,600	2,677.13	2,358.79	1,920.04	64,550	64,600	2,812.13	2,480.29	2,163.04
58,600	58,650	2,544.38	2,239.31	1,679.06	61,600	61,650	2,679.38	2,360.81	1,922.06	64,600	64,650	2,814.38	2,482.31	2,165.06
58,650	58,700	2,546.63	2,241.34	1,681.09	61,650	61,700	2,681.63	2,362.84	1,924.09	64,650	64,700	2,816.63	2,484.34	2,167.09
58,700	58,750	2,548.88	2,243.36	1,683.11	61,700	61,750	2,683.88	2,364.86	1,926.11	64,700	64,750	2,818.88	2,486.36	2,169.11
58,750	58,800	2,551.13	2,245.39	1,685.14	61,750	61,800	2,686.13	2,366.89	1,928.14	64,750	64,800	2,821.13	2,488.39	2,171.14
58,800	58,850	2,553.38	2,247.41	1,687.16	61,800	61,850	2,688.38	2,368.91	1,930.16	64,800	64,850	2,823.38	2,490.41	2,173.16
58,850	58,900	2,555.63	2,249.44	1,689.19	61,850	61,900	2,690.63	2,370.94	1,932.19	64,850	64,900	2,825.63	2,492.44	2,175.19
58,900	58,950	2,557.88	2,251.46	1,691.21	61,900	61,950	2,692.88	2,372.96	1,934.21	64,900	64,950	2,827.88	2,494.46	2,177.21
58,950	59,000	2,560.13	2,253.49	1,693.24	61,950	62,000	2,695.13	2,374.99	1,936.24	64,950	65,000	2,830.13	2,496.49	2,179.24
59,000					62,000					65,000				
59,000	59,050	2,562.38	2,255.51	1,735.76	62,000	62,050	2,697.38	2,377.01	1,978.76	65,000	65,050	2,832.38	2,498.51	2,221.76
59,050	59,100	2,564.63	2,257.54	1,737.79	62,050	62,100	2,699.63	2,379.04	1,980.79	65,050	65,100	2,834.63	2,500.54	2,223.79
59,100	59,150	2,566.88	2,259.56	1,739.81	62,100	62,150	2,701.88	2,381.06	1,982.81	65,100	65,150	2,836.88	2,502.56	2,225.81
59,150	59,200	2,569.13	2,261.59	1,741.84	62,150	62,200	2,704.13	2,383.09	1,984.84	65,150	65,200	2,839.13	2,504.59	2,227.84
59,200	59,250	2,571.38	2,263.61	1,743.86	62,200	62,250	2,706.38	2,385.11	1,986.86	65,200	65,250	2,841.38	2,506.61	2,229.86
59,250	59,300	2,573.63	2,265.64	1,745.89	62,250	62,300	2,708.63	2,387.14	1,988.89	65,250	65,300	2,843.63	2,508.64	2,231.89
59,300	59,350	2,575.88	2,267.66	1,747.91	62,300	62,350	2,710.88	2,389.16	1,990.91	65,300	65,350	2,845.88	2,510.66	2,233.91
59,350	59,400	2,578.13	2,269.69	1,749.94	62,350	62,400	2,713.13	2,391.19	1,992.94	65,350	65,400	2,848.13	2,512.69	2,235.94
59,400	59,450	2,580.38	2,271.71	1,751.96	62,400	62,450	2,715.38	2,393.21	1,994.96	65,400	65,450	2,850.38	2,514.71	2,237.96
59,450	59,500	2,582.63	2,273.74	1,753.99	62,450	62,500	2,717.63	2,395.24	1,996.99	65,450	65,500	2,852.63	2,516.74	2,239.99
59,500	59,550	2,584.88	2,275.76	1,756.01	62,500	62,550	2,719.88	2,397.26	1,999.01	65,500	65,550	2,854.88	2,518.76	2,242.01
59,550	59,600	2,587.13	2,277.79	1,758.04	62,550	62,600	2,722.13	2,399.29	2,001.04	65,550	65,600	2,857.13	2,520.79	2,244.04
59,600	59,650	2,589.38	2,279.81	1,760.06	62,600	62,650	2,724.38	2,401.31	2,003.06	65,600	65,650	2,859.38	2,522.81	2,246.06
59,650	59,700	2,591.63	2,281.84	1,762.09	62,650	62,700	2,726.63	2,403.34	2,005.09	65,650	65,700	2,861.63	2,524.84	2,248.09
59,700	59,750	2,593.88	2,283.86	1,764.11	62,700	62,750	2,728.88	2,405.36	2,007.11	65,700	65,750	2,863.88	2,526.86	2,250.11
59,750	59,800	2,596.13	2,285.89	1,766.14	62,750	62,800	2,731.13	2,407.39	2,009.14	65,750	65,800	2,866.13	2,528.89	2,252.14
59,800	59,850	2,598.38	2,287.91	1,768.16	62,800	62,850	2,733.38	2,409.41	2,011.16	65,800	65,850	2,868.38	2,530.91	2,254.16
59,850	59,900	2,600.63	2,289.94	1,770.19	62,850	62,900	2,735.63	2,411.44	2,013.19	65,850	65,900	2,870.63	2,532.94	2,256.19
59,900	59,950	2,602.88	2,291.96	1,772.21	62,900	62,950	2,737.88	2,413.46	2,015.21	65,900	65,950	2,872.88	2,534.96	2,258.21
59,950	60,000	2,605.13	2,293.99	1,774.24	62,950	63,000	2,740.13	2,415.49	2,017.24	65,950	66,000	2,875.13	2,536.99	2,260.24

* This column must also be used by a qualifying widow(er)

Continued on the next page

**Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NRPY - Line 7

1997 CONNECTICUT PERSONAL INCOME TAX TABLES ALL EXEMPTIONS AND CREDITS ARE INCLUDED

If CT AGI is **		And you are			If CT AGI is **		And you are			If CT AGI is **		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
66,000					69,000					72,000				
66,000	66,050	2,877.38	2,539.01	2,302.76	69,000	69,050	3,012.38	2,660.51	2,545.76	72,000	72,050	3,147.38	2,782.01	2,748.26
66,050	66,100	2,879.63	2,541.04	2,304.79	69,050	69,100	3,014.63	2,662.54	2,547.79	72,050	72,100	3,149.63	2,784.04	2,750.29
66,100	66,150	2,881.88	2,543.06	2,306.81	69,100	69,150	3,016.88	2,664.56	2,549.81	72,100	72,150	3,151.88	2,786.06	2,752.31
66,150	66,200	2,884.13	2,545.09	2,308.84	69,150	69,200	3,019.13	2,666.59	2,551.84	72,150	72,200	3,154.13	2,788.09	2,754.34
66,200	66,250	2,886.38	2,547.11	2,310.86	69,200	69,250	3,021.38	2,668.61	2,553.86	72,200	72,250	3,156.38	2,790.11	2,756.36
66,250	66,300	2,888.63	2,549.14	2,312.89	69,250	69,300	3,023.63	2,670.64	2,555.89	72,250	72,300	3,158.63	2,792.14	2,758.39
66,300	66,350	2,890.88	2,551.16	2,314.91	69,300	69,350	3,025.88	2,672.66	2,557.91	72,300	72,350	3,160.88	2,794.16	2,760.41
66,350	66,400	2,893.13	2,553.19	2,316.94	69,350	69,400	3,028.13	2,674.69	2,559.94	72,350	72,400	3,163.13	2,796.19	2,762.44
66,400	66,450	2,895.38	2,555.21	2,318.96	69,400	69,450	3,030.38	2,676.71	2,561.96	72,400	72,450	3,165.38	2,798.21	2,764.46
66,450	66,500	2,897.63	2,557.24	2,320.99	69,450	69,500	3,032.63	2,678.74	2,563.99	72,450	72,500	3,167.63	2,800.24	2,766.49
66,500	66,550	2,899.88	2,559.26	2,323.01	69,500	69,550	3,034.88	2,680.76	2,566.01	72,500	72,550	3,169.88	2,802.26	2,768.51
66,550	66,600	2,902.13	2,561.29	2,325.04	69,550	69,600	3,037.13	2,682.79	2,568.04	72,550	72,600	3,172.13	2,804.29	2,770.54
66,600	66,650	2,904.38	2,563.31	2,327.06	69,600	69,650	3,039.38	2,684.81	2,570.06	72,600	72,650	3,174.38	2,806.31	2,772.56
66,650	66,700	2,906.63	2,565.34	2,329.09	69,650	69,700	3,041.63	2,686.84	2,572.09	72,650	72,700	3,176.63	2,808.34	2,774.59
66,700	66,750	2,908.88	2,567.36	2,331.11	69,700	69,750	3,043.88	2,688.86	2,574.11	72,700	72,750	3,178.88	2,810.36	2,776.61
66,750	66,800	2,911.13	2,569.39	2,333.14	69,750	69,800	3,046.13	2,690.89	2,576.14	72,750	72,800	3,181.13	2,812.39	2,778.64
66,800	66,850	2,913.38	2,571.41	2,335.16	69,800	69,850	3,048.38	2,692.91	2,578.16	72,800	72,850	3,183.38	2,814.41	2,780.66
66,850	66,900	2,915.63	2,573.44	2,337.19	69,850	69,900	3,050.63	2,694.94	2,580.19	72,850	72,900	3,185.63	2,816.44	2,782.69
66,900	66,950	2,917.88	2,575.46	2,339.21	69,900	69,950	3,052.88	2,696.96	2,582.21	72,900	72,950	3,187.88	2,818.46	2,784.71
66,950	67,000	2,920.13	2,577.49	2,341.24	69,950	70,000	3,055.13	2,698.99	2,584.24	72,950	73,000	3,190.13	2,820.49	2,786.74
67,000					70,000					73,000				
67,000	67,050	2,922.38	2,579.51	2,383.76	70,000	70,050	3,057.38	2,701.01	2,626.76	73,000	73,050	3,192.38	2,822.51	2,788.76
67,050	67,100	2,924.63	2,581.54	2,385.79	70,050	70,100	3,059.63	2,703.04	2,628.79	73,050	73,100	3,194.63	2,824.54	2,790.79
67,100	67,150	2,926.88	2,583.56	2,387.81	70,100	70,150	3,061.88	2,705.06	2,630.81	73,100	73,150	3,196.88	2,826.56	2,792.81
67,150	67,200	2,929.13	2,585.59	2,389.84	70,150	70,200	3,064.13	2,707.09	2,632.84	73,150	73,200	3,199.13	2,828.59	2,794.84
67,200	67,250	2,931.38	2,587.61	2,391.86	70,200	70,250	3,066.38	2,709.11	2,634.86	73,200	73,250	3,201.38	2,830.61	2,796.86
67,250	67,300	2,933.63	2,589.64	2,393.89	70,250	70,300	3,068.63	2,711.14	2,636.89	73,250	73,300	3,203.63	2,832.64	2,798.89
67,300	67,350	2,935.88	2,591.66	2,395.91	70,300	70,350	3,070.88	2,713.16	2,638.91	73,300	73,350	3,205.88	2,834.66	2,800.91
67,350	67,400	2,938.13	2,593.69	2,397.94	70,350	70,400	3,073.13	2,715.19	2,640.94	73,350	73,400	3,208.13	2,836.69	2,802.94
67,400	67,450	2,940.38	2,595.71	2,399.96	70,400	70,450	3,075.38	2,717.21	2,642.96	73,400	73,450	3,210.38	2,838.71	2,804.96
67,450	67,500	2,942.63	2,597.74	2,401.99	70,450	70,500	3,077.63	2,719.24	2,644.99	73,450	73,500	3,212.63	2,840.74	2,806.99
67,500	67,550	2,944.88	2,599.76	2,404.01	70,500	70,550	3,079.88	2,721.26	2,647.01	73,500	73,550	3,214.88	2,842.76	2,809.01
67,550	67,600	2,947.13	2,601.79	2,406.04	70,550	70,600	3,082.13	2,723.29	2,649.04	73,550	73,600	3,217.13	2,844.79	2,811.04
67,600	67,650	2,949.38	2,603.81	2,408.06	70,600	70,650	3,084.38	2,725.31	2,651.06	73,600	73,650	3,219.38	2,846.81	2,813.06
67,650	67,700	2,951.63	2,605.84	2,410.09	70,650	70,700	3,086.63	2,727.34	2,653.09	73,650	73,700	3,221.63	2,848.84	2,815.09
67,700	67,750	2,953.88	2,607.86	2,412.11	70,700	70,750	3,088.88	2,729.36	2,655.11	73,700	73,750	3,223.88	2,850.86	2,817.11
67,750	67,800	2,956.13	2,609.89	2,414.14	70,750	70,800	3,091.13	2,731.39	2,657.14	73,750	73,800	3,226.13	2,852.89	2,819.14
67,800	67,850	2,958.38	2,611.91	2,416.16	70,800	70,850	3,093.38	2,733.41	2,659.16	73,800	73,850	3,228.38	2,854.91	2,821.16
67,850	67,900	2,960.63	2,613.94	2,418.19	70,850	70,900	3,095.63	2,735.44	2,661.19	73,850	73,900	3,230.63	2,856.94	2,823.19
67,900	67,950	2,962.88	2,615.96	2,420.21	70,900	70,950	3,097.88	2,737.46	2,663.21	73,900	73,950	3,232.88	2,858.96	2,825.21
67,950	68,000	2,965.13	2,617.99	2,422.24	70,950	71,000	3,100.13	2,739.49	2,665.24	73,950	74,000	3,235.13	2,860.99	2,827.24
68,000					71,000					74,000				
68,000	68,050	2,967.38	2,620.01	2,464.76	71,000	71,050	3,102.38	2,741.51	2,707.76	74,000	74,050	3,237.38	2,894.82	2,829.26
68,050	68,100	2,969.63	2,622.04	2,466.79	71,050	71,100	3,104.63	2,743.54	2,709.79	74,050	74,100	3,239.63	2,896.87	2,831.29
68,100	68,150	2,971.88	2,624.06	2,468.81	71,100	71,150	3,106.88	2,745.56	2,711.81	74,100	74,150	3,241.88	2,898.92	2,833.31
68,150	68,200	2,974.13	2,626.09	2,470.84	71,150	71,200	3,109.13	2,747.59	2,713.84	74,150	74,200	3,244.13	2,900.97	2,835.34
68,200	68,250	2,976.38	2,628.11	2,472.86	71,200	71,250	3,111.38	2,749.61	2,715.86	74,200	74,250	3,246.38	2,903.01	2,837.36
68,250	68,300	2,978.63	2,630.14	2,474.89	71,250	71,300	3,113.63	2,751.64	2,717.89	74,250	74,300	3,248.63	2,905.06	2,839.39
68,300	68,350	2,980.88	2,632.16	2,476.91	71,300	71,350	3,115.88	2,753.66	2,719.91	74,300	74,350	3,250.88	2,907.11	2,841.41
68,350	68,400	2,983.13	2,634.19	2,478.94	71,350	71,400	3,118.13	2,755.69	2,721.94	74,350	74,400	3,253.13	2,909.16	2,843.44
68,400	68,450	2,985.38	2,636.21	2,480.96	71,400	71,450	3,120.38	2,757.71	2,723.96	74,400	74,450	3,255.38	2,911.20	2,845.46
68,450	68,500	2,987.63	2,638.24	2,482.99	71,450	71,500	3,122.63	2,759.74	2,725.99	74,450	74,500	3,257.63	2,913.25	2,847.49
68,500	68,550	2,989.88	2,640.26	2,485.01	71,500	71,550	3,124.88	2,761.76	2,728.01	74,500	74,550	3,259.88	2,915.29	2,849.51
68,550	68,600	2,992.13	2,642.29	2,487.04	71,550	71,600	3,127.13	2,763.79	2,730.04	74,550	74,600	3,262.13	2,917.34	2,851.54
68,600	68,650	2,994.38	2,644.31	2,489.06	71,600	71,650	3,129.38	2,765.81	2,732.06	74,600	74,650	3,264.38	2,919.38	2,853.56
68,650	68,700	2,996.63	2,646.34	2,491.09	71,650	71,700	3,131.63	2,767.84	2,734.09	74,650	74,700	3,266.63	2,921.43	2,855.59
68,700	68,750	2,998.88	2,648.36	2,493.11	71,700	71,750	3,133.88	2,769.86	2,736.11	74,700	74,750	3,268.88	2,923.47	2,857.61
68,750	68,800	3,001.13	2,650.39	2,495.14	71,750	71,800	3,136.13	2,771.89	2,738.14	74,750	74,800	3,271.13	2,925.51	2,859.64
68,800	68,850	3,003.38	2,652.41	2,497.16	71,800	71,850	3,138.38	2,773.91	2,740.16	74,800	74,850	3,273.38	2,927.56	2,861.66
68,850	68,900	3,005.63	2,654.44	2,499.19	71,850	71,900	3,140.63	2,775.94	2,742.19	74,850	74,900	3,275.63	2,929.60	2,863.69
68,900	68,950	3,007.88	2,656.46	2,501.21	71,900	71,950	3,142.88	2,777.96	2,744.21	74,900	74,950	3,277.88	2,931.65	2,865.71
68,950	69,000	3,010.13	2,658.49	2,503.24	71,950	72,000	3,145.13	2,779.99	2,746.24	74,950	75,000	3,280.13	2,933.69	2,867.74

* This column must also be used by a qualifying widow(er) Continued on the next page
** Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

1997 CONNECTICUT PERSONAL INCOME TAX TABLES

ALL EXEMPTIONS AND CREDITS ARE INCLUDED

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
75,000					78,000					81,000				
75,000	75,050	3,282.38	3,000.30	2,869.76	78,000	78,050	3,417.38	3,327.51	2,991.26	81,000	81,050	3,552.38	3,496.13	3,112.76
75,050	75,100	3,284.63	3,002.39	2,871.79	78,050	78,100	3,419.63	3,329.74	2,993.29	81,050	81,100	3,554.63	3,498.38	3,114.79
75,100	75,150	3,286.88	3,004.48	2,873.81	78,100	78,150	3,421.88	3,331.97	2,995.31	81,100	81,150	3,556.88	3,500.63	3,116.81
75,150	75,200	3,289.13	3,006.57	2,875.84	78,150	78,200	3,424.13	3,334.20	2,997.34	81,150	81,200	3,559.13	3,502.88	3,118.84
75,200	75,250	3,291.38	3,008.67	2,877.86	78,200	78,250	3,426.38	3,336.42	2,999.36	81,200	81,250	3,561.38	3,505.13	3,120.86
75,250	75,300	3,293.63	3,010.76	2,879.89	78,250	78,300	3,428.63	3,338.65	3,001.39	81,250	81,300	3,563.63	3,507.38	3,122.89
75,300	75,350	3,295.88	3,012.85	2,881.91	78,300	78,350	3,430.88	3,340.88	3,003.41	81,300	81,350	3,565.88	3,509.63	3,124.91
75,350	75,400	3,298.13	3,014.94	2,883.94	78,350	78,400	3,433.13	3,343.11	3,005.44	81,350	81,400	3,568.13	3,511.88	3,126.94
75,400	75,450	3,300.38	3,017.04	2,885.96	78,400	78,450	3,435.38	3,345.33	3,007.46	81,400	81,450	3,570.38	3,514.13	3,128.96
75,450	75,500	3,302.63	3,019.13	2,887.99	78,450	78,500	3,437.63	3,347.56	3,009.49	81,450	81,500	3,572.63	3,516.38	3,130.99
75,500	75,550	3,304.88	3,053.71	2,890.01	78,500	78,550	3,439.88	3,383.63	3,011.51	81,500	81,550	3,574.88	3,518.63	3,133.01
75,550	75,600	3,307.13	3,055.82	2,892.04	78,550	78,600	3,442.13	3,385.88	3,013.54	81,550	81,600	3,577.13	3,520.88	3,135.04
75,600	75,650	3,309.38	3,057.94	2,894.06	78,600	78,650	3,444.38	3,388.13	3,015.56	81,600	81,650	3,579.38	3,523.13	3,137.06
75,650	75,700	3,311.63	3,060.05	2,896.09	78,650	78,700	3,446.63	3,390.38	3,017.59	81,650	81,700	3,581.63	3,525.38	3,139.09
75,700	75,750	3,313.88	3,062.17	2,898.11	78,700	78,750	3,448.88	3,392.63	3,019.61	81,700	81,750	3,583.88	3,527.63	3,141.11
75,750	75,800	3,316.13	3,064.28	2,900.14	78,750	78,800	3,451.13	3,394.88	3,021.64	81,750	81,800	3,586.13	3,529.88	3,143.14
75,800	75,850	3,318.38	3,066.40	2,902.16	78,800	78,850	3,453.38	3,397.13	3,023.66	81,800	81,850	3,588.38	3,532.13	3,145.16
75,850	75,900	3,320.63	3,068.51	2,904.19	78,850	78,900	3,455.63	3,399.38	3,025.69	81,850	81,900	3,590.63	3,534.38	3,147.19
75,900	75,950	3,322.88	3,070.63	2,906.21	78,900	78,950	3,457.88	3,401.63	3,027.71	81,900	81,950	3,592.88	3,536.63	3,149.21
75,950	76,000	3,325.13	3,072.74	2,908.24	78,950	79,000	3,460.13	3,403.88	3,029.74	81,950	82,000	3,595.13	3,538.88	3,151.24
76,000					79,000					82,000				
76,000	76,050	3,327.38	3,107.57	2,910.26	79,000	79,050	3,462.38	3,406.13	3,031.76	82,000	82,050	3,597.38	3,541.13	3,153.26
76,050	76,100	3,329.63	3,109.71	2,912.29	79,050	79,100	3,464.63	3,408.38	3,033.79	82,050	82,100	3,599.63	3,543.38	3,155.29
76,100	76,150	3,331.88	3,111.84	2,914.31	79,100	79,150	3,466.88	3,410.63	3,035.81	82,100	82,150	3,601.88	3,545.63	3,157.31
76,150	76,200	3,334.13	3,113.98	2,916.34	79,150	79,200	3,469.13	3,412.88	3,037.84	82,150	82,200	3,604.13	3,547.88	3,159.34
76,200	76,250	3,336.38	3,116.12	2,918.36	79,200	79,250	3,471.38	3,415.13	3,039.86	82,200	82,250	3,606.38	3,550.13	3,161.36
76,250	76,300	3,338.63	3,118.26	2,920.39	79,250	79,300	3,473.63	3,417.38	3,041.89	82,250	82,300	3,608.63	3,552.38	3,163.39
76,300	76,350	3,340.88	3,120.39	2,922.41	79,300	79,350	3,475.88	3,419.63	3,043.91	82,300	82,350	3,610.88	3,554.63	3,165.41
76,350	76,400	3,343.13	3,122.53	2,924.44	79,350	79,400	3,478.13	3,421.88	3,045.94	82,350	82,400	3,613.13	3,556.88	3,167.44
76,400	76,450	3,345.38	3,124.67	2,926.46	79,400	79,450	3,480.38	3,424.13	3,047.96	82,400	82,450	3,615.38	3,559.13	3,169.46
76,450	76,500	3,347.63	3,126.81	2,928.49	79,450	79,500	3,482.63	3,426.38	3,049.99	82,450	82,500	3,617.63	3,561.38	3,171.49
76,500	76,550	3,349.88	3,161.88	2,930.51	79,500	79,550	3,484.88	3,428.63	3,052.01	82,500	82,550	3,619.88	3,563.63	3,173.51
76,550	76,600	3,352.13	3,164.04	2,932.54	79,550	79,600	3,487.13	3,430.88	3,054.04	82,550	82,600	3,622.13	3,565.88	3,175.54
76,600	76,650	3,354.38	3,166.20	2,934.56	79,600	79,650	3,489.38	3,433.13	3,056.06	82,600	82,650	3,624.38	3,568.13	3,177.56
76,650	76,700	3,356.63	3,168.36	2,936.59	79,650	79,700	3,491.63	3,435.38	3,058.09	82,650	82,700	3,626.63	3,570.38	3,179.59
76,700	76,750	3,358.88	3,170.52	2,938.61	79,700	79,750	3,493.88	3,437.63	3,060.11	82,700	82,750	3,628.88	3,572.63	3,181.61
76,750	76,800	3,361.13	3,172.68	2,940.64	79,750	79,800	3,496.13	3,439.88	3,062.14	82,750	82,800	3,631.13	3,574.88	3,183.64
76,800	76,850	3,363.38	3,174.84	2,942.66	79,800	79,850	3,498.38	3,442.13	3,064.16	82,800	82,850	3,633.38	3,577.13	3,185.66
76,850	76,900	3,365.63	3,177.00	2,944.69	79,850	79,900	3,500.63	3,444.38	3,066.19	82,850	82,900	3,635.63	3,579.38	3,187.69
76,900	76,950	3,367.88	3,179.16	2,946.71	79,900	79,950	3,502.88	3,446.63	3,068.21	82,900	82,950	3,637.88	3,581.63	3,189.71
76,950	77,000	3,370.13	3,181.32	2,948.74	79,950	80,000	3,505.13	3,448.88	3,070.24	82,950	83,000	3,640.13	3,583.88	3,191.74
77,000					80,000					83,000				
77,000	77,050	3,372.38	3,216.64	2,950.76	80,000	80,050	3,507.38	3,451.13	3,072.26	83,000	83,050	3,642.38	3,586.13	3,193.76
77,050	77,100	3,374.63	3,218.82	2,952.79	80,050	80,100	3,509.63	3,453.38	3,074.29	83,050	83,100	3,644.63	3,588.38	3,195.79
77,100	77,150	3,376.88	3,221.01	2,954.81	80,100	80,150	3,511.88	3,455.63	3,076.31	83,100	83,150	3,646.88	3,590.63	3,197.81
77,150	77,200	3,379.13	3,223.19	2,956.84	80,150	80,200	3,514.13	3,457.88	3,078.34	83,150	83,200	3,649.13	3,592.88	3,199.84
77,200	77,250	3,381.38	3,225.37	2,958.86	80,200	80,250	3,516.38	3,460.13	3,080.36	83,200	83,250	3,651.38	3,595.13	3,201.86
77,250	77,300	3,383.63	3,227.55	2,960.89	80,250	80,300	3,518.63	3,462.38	3,082.39	83,250	83,300	3,653.63	3,597.38	3,203.89
77,300	77,350	3,385.88	3,229.74	2,962.91	80,300	80,350	3,520.88	3,464.63	3,084.41	83,300	83,350	3,655.88	3,599.63	3,205.91
77,350	77,400	3,388.13	3,231.92	2,964.94	80,350	80,400	3,523.13	3,466.88	3,086.44	83,350	83,400	3,658.13	3,601.88	3,207.94
77,400	77,450	3,390.38	3,234.10	2,966.96	80,400	80,450	3,525.38	3,469.13	3,088.46	83,400	83,450	3,660.38	3,604.13	3,209.96
77,450	77,500	3,392.63	3,236.28	2,968.99	80,450	80,500	3,527.63	3,471.38	3,090.49	83,450	83,500	3,662.63	3,606.38	3,211.99
77,500	77,550	3,394.88	3,271.85	2,971.01	80,500	80,550	3,529.88	3,473.63	3,092.51	83,500	83,550	3,664.88	3,608.63	3,214.01
77,550	77,600	3,397.13	3,274.06	2,973.04	80,550	80,600	3,532.13	3,475.88	3,094.54	83,550	83,600	3,667.13	3,610.88	3,216.04
77,600	77,650	3,399.38	3,276.26	2,975.06	80,600	80,650	3,534.38	3,478.13	3,096.56	83,600	83,650	3,669.38	3,613.13	3,218.06
77,650	77,700	3,401.63	3,278.47	2,977.09	80,650	80,700	3,536.63	3,480.38	3,098.59	83,650	83,700	3,671.63	3,615.38	3,220.09
77,700	77,750	3,403.88	3,280.67	2,979.11	80,700	80,750	3,538.88	3,482.63	3,100.61	83,700	83,750	3,673.88	3,617.63	3,222.11
77,750	77,800	3,406.13	3,282.88	2,981.14	80,750	80,800	3,541.13	3,484.88	3,102.64	83,750	83,800	3,676.13	3,619.88	3,224.14
77,800	77,850	3,408.38	3,285.08	2,983.16	80,800	80,850	3,543.38	3,487.13	3,104.66	83,800	83,850	3,678.38	3,622.13	3,226.16
77,850	77,900	3,410.63	3,287.29	2,985.19	80,850	80,900	3,545.63	3,489.38	3,106.69	83,850	83,900	3,680.63	3,624.38	3,228.19
77,900	77,950	3,412.88	3,289.49	2,987.21	80,900	80,950	3,547.88	3,491.63	3,108.71	83,900	83,950	3,682.88	3,626.63	3,230.21
77,950	78,000	3,415.13	3,291.70	2,989.24	80,950	81,000	3,550.13	3,493.88	3,110.74	83,950	84,000	3,685.13	3,628.88	3,232.24

* This column must also be used by a qualifying widow(er) Continued on the next page

**Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

1997 CONNECTICUT PERSONAL INCOME TAX TABLES

ALL EXEMPTIONS AND CREDITS ARE INCLUDED

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
84,000					87,000					90,000				
84,000	84,050	3,687.38	3,631.13	3,234.26	87,000	87,050	3,822.38	3,766.13	3,355.76	90,000	90,050	3,957.38	3,901.13	3,477.26
84,050	84,100	3,689.63	3,633.38	3,236.29	87,050	87,100	3,824.63	3,768.38	3,357.79	90,050	90,100	3,959.63	3,903.38	3,479.29
84,100	84,150	3,691.88	3,635.63	3,238.31	87,100	87,150	3,826.88	3,770.63	3,359.81	90,100	90,150	3,961.88	3,905.63	3,481.31
84,150	84,200	3,694.13	3,637.88	3,240.34	87,150	87,200	3,829.13	3,772.88	3,361.84	90,150	90,200	3,964.13	3,907.88	3,483.34
84,200	84,250	3,696.38	3,640.13	3,242.36	87,200	87,250	3,831.38	3,775.13	3,363.86	90,200	90,250	3,966.38	3,910.13	3,485.36
84,250	84,300	3,698.63	3,642.38	3,244.39	87,250	87,300	3,833.63	3,777.38	3,365.89	90,250	90,300	3,968.63	3,912.38	3,487.39
84,300	84,350	3,700.88	3,644.63	3,246.41	87,300	87,350	3,835.88	3,779.63	3,367.91	90,300	90,350	3,970.88	3,914.63	3,489.41
84,350	84,400	3,703.13	3,646.88	3,248.44	87,350	87,400	3,838.13	3,781.88	3,369.94	90,350	90,400	3,973.13	3,916.88	3,491.44
84,400	84,450	3,705.38	3,649.13	3,250.46	87,400	87,450	3,840.38	3,784.13	3,371.96	90,400	90,450	3,975.38	3,919.13	3,493.46
84,450	84,500	3,707.63	3,651.38	3,252.49	87,450	87,500	3,842.63	3,786.38	3,373.99	90,450	90,500	3,977.63	3,921.38	3,495.49
84,500	84,550	3,709.88	3,653.63	3,254.51	87,500	87,550	3,844.88	3,788.63	3,376.01	90,500	90,550	3,979.88	3,923.63	3,497.51
84,550	84,600	3,712.13	3,655.88	3,256.54	87,550	87,600	3,847.13	3,790.88	3,378.04	90,550	90,600	3,982.13	3,925.88	3,499.54
84,600	84,650	3,714.38	3,658.13	3,258.56	87,600	87,650	3,849.38	3,793.13	3,380.06	90,600	90,650	3,984.38	3,928.13	3,501.56
84,650	84,700	3,716.63	3,660.38	3,260.59	87,650	87,700	3,851.63	3,795.38	3,382.09	90,650	90,700	3,986.63	3,930.38	3,503.59
84,700	84,750	3,718.88	3,662.63	3,262.61	87,700	87,750	3,853.88	3,797.63	3,384.11	90,700	90,750	3,988.88	3,932.63	3,505.61
84,750	84,800	3,721.13	3,664.88	3,264.64	87,750	87,800	3,856.13	3,799.88	3,386.14	90,750	90,800	3,991.13	3,934.88	3,507.64
84,800	84,850	3,723.38	3,667.13	3,266.66	87,800	87,850	3,858.38	3,802.13	3,388.16	90,800	90,850	3,993.38	3,937.13	3,509.66
84,850	84,900	3,725.63	3,669.38	3,268.69	87,850	87,900	3,860.63	3,804.38	3,390.19	90,850	90,900	3,995.63	3,939.38	3,511.69
84,900	84,950	3,727.88	3,671.63	3,270.71	87,900	87,950	3,862.88	3,806.63	3,392.21	90,900	90,950	3,997.88	3,941.63	3,513.71
84,950	85,000	3,730.13	3,673.88	3,272.74	87,950	88,000	3,865.13	3,808.88	3,394.24	90,950	91,000	4,000.13	3,943.88	3,515.74
85,000					88,000					91,000				
85,000	85,050	3,732.38	3,676.13	3,274.76	88,000	88,050	3,867.38	3,811.13	3,396.26	91,000	91,050	4,002.38	3,946.13	3,517.76
85,050	85,100	3,734.63	3,678.38	3,276.79	88,050	88,100	3,869.63	3,813.38	3,398.29	91,050	91,100	4,004.63	3,948.38	3,519.79
85,100	85,150	3,736.88	3,680.63	3,278.81	88,100	88,150	3,871.88	3,815.63	3,400.31	91,100	91,150	4,006.88	3,950.63	3,521.81
85,150	85,200	3,739.13	3,682.88	3,280.84	88,150	88,200	3,874.13	3,817.88	3,402.34	91,150	91,200	4,009.13	3,952.88	3,523.84
85,200	85,250	3,741.38	3,685.13	3,282.86	88,200	88,250	3,876.38	3,820.13	3,404.36	91,200	91,250	4,011.38	3,955.13	3,525.86
85,250	85,300	3,743.63	3,687.38	3,284.89	88,250	88,300	3,878.63	3,822.38	3,406.39	91,250	91,300	4,013.63	3,957.38	3,527.89
85,300	85,350	3,745.88	3,689.63	3,286.91	88,300	88,350	3,880.88	3,824.63	3,408.41	91,300	91,350	4,015.88	3,959.63	3,529.91
85,350	85,400	3,748.13	3,691.88	3,288.94	88,350	88,400	3,883.13	3,826.88	3,410.44	91,350	91,400	4,018.13	3,961.88	3,531.94
85,400	85,450	3,750.38	3,694.13	3,290.96	88,400	88,450	3,885.38	3,829.13	3,412.46	91,400	91,450	4,020.38	3,964.13	3,533.96
85,450	85,500	3,752.63	3,696.38	3,292.99	88,450	88,500	3,887.63	3,831.38	3,414.49	91,450	91,500	4,022.63	3,966.38	3,535.99
85,500	85,550	3,754.88	3,698.63	3,295.01	88,500	88,550	3,889.88	3,833.63	3,416.51	91,500	91,550	4,024.88	3,968.63	3,538.01
85,550	85,600	3,757.13	3,700.88	3,297.04	88,550	88,600	3,892.13	3,835.88	3,418.54	91,550	91,600	4,027.13	3,970.88	3,540.04
85,600	85,650	3,759.38	3,703.13	3,299.06	88,600	88,650	3,894.38	3,838.13	3,420.56	91,600	91,650	4,029.38	3,973.13	3,542.06
85,650	85,700	3,761.63	3,705.38	3,301.09	88,650	88,700	3,896.63	3,840.38	3,422.59	91,650	91,700	4,031.63	3,975.38	3,544.09
85,700	85,750	3,763.88	3,707.63	3,303.11	88,700	88,750	3,898.88	3,842.63	3,424.61	91,700	91,750	4,033.88	3,977.63	3,546.11
85,750	85,800	3,766.13	3,709.88	3,305.14	88,750	88,800	3,901.13	3,844.88	3,426.64	91,750	91,800	4,036.13	3,979.88	3,548.14
85,800	85,850	3,768.38	3,712.13	3,307.16	88,800	88,850	3,903.38	3,847.13	3,428.66	91,800	91,850	4,038.38	3,982.13	3,550.16
85,850	85,900	3,770.63	3,714.38	3,309.19	88,850	88,900	3,905.63	3,849.38	3,430.69	91,850	91,900	4,040.63	3,984.38	3,552.19
85,900	85,950	3,772.88	3,716.63	3,311.21	88,900	88,950	3,907.88	3,851.63	3,432.71	91,900	91,950	4,042.88	3,986.63	3,554.21
85,950	86,000	3,775.13	3,718.88	3,313.24	88,950	89,000	3,910.13	3,853.88	3,434.74	91,950	92,000	4,045.13	3,988.88	3,556.24
86,000					89,000					92,000				
86,000	86,050	3,777.38	3,721.13	3,315.26	89,000	89,050	3,912.38	3,856.13	3,436.76	92,000	92,050	4,047.38	3,991.13	3,558.26
86,050	86,100	3,779.63	3,723.38	3,317.29	89,050	89,100	3,914.63	3,858.38	3,438.79	92,050	92,100	4,049.63	3,993.38	3,560.29
86,100	86,150	3,781.88	3,725.63	3,319.31	89,100	89,150	3,916.88	3,860.63	3,440.81	92,100	92,150	4,051.88	3,995.63	3,562.31
86,150	86,200	3,784.13	3,727.88	3,321.34	89,150	89,200	3,919.13	3,862.88	3,442.84	92,150	92,200	4,054.13	3,997.88	3,564.34
86,200	86,250	3,786.38	3,730.13	3,323.36	89,200	89,250	3,921.38	3,865.13	3,444.86	92,200	92,250	4,056.38	4,000.13	3,566.36
86,250	86,300	3,788.63	3,732.38	3,325.39	89,250	89,300	3,923.63	3,867.38	3,446.89	92,250	92,300	4,058.63	4,002.38	3,568.39
86,300	86,350	3,790.88	3,734.63	3,327.41	89,300	89,350	3,925.88	3,869.63	3,448.91	92,300	92,350	4,060.88	4,004.63	3,570.41
86,350	86,400	3,793.13	3,736.88	3,329.44	89,350	89,400	3,928.13	3,871.88	3,450.94	92,350	92,400	4,063.13	4,006.88	3,572.44
86,400	86,450	3,795.38	3,739.13	3,331.46	89,400	89,450	3,930.38	3,874.13	3,452.96	92,400	92,450	4,065.38	4,009.13	3,574.46
86,450	86,500	3,797.63	3,741.38	3,333.49	89,450	89,500	3,932.63	3,876.38	3,454.99	92,450	92,500	4,067.63	4,011.38	3,576.49
86,500	86,550	3,799.88	3,743.63	3,335.51	89,500	89,550	3,934.88	3,878.63	3,457.01	92,500	92,550	4,069.88	4,013.63	3,578.51
86,550	86,600	3,802.13	3,745.88	3,337.54	89,550	89,600	3,937.13	3,880.88	3,459.04	92,550	92,600	4,072.13	4,015.88	3,580.54
86,600	86,650	3,804.38	3,748.13	3,339.56	89,600	89,650	3,939.38	3,883.13	3,461.06	92,600	92,650	4,074.38	4,018.13	3,582.56
86,650	86,700	3,806.63	3,750.38	3,341.59	89,650	89,700	3,941.63	3,885.38	3,463.09	92,650	92,700	4,076.63	4,020.38	3,584.59
86,700	86,750	3,808.88	3,752.63	3,343.61	89,700	89,750	3,943.88	3,887.63	3,465.11	92,700	92,750	4,078.88	4,022.63	3,586.61
86,750	86,800	3,811.13	3,754.88	3,345.64	89,750	89,800	3,946.13	3,889.88	3,467.14	92,750	92,800	4,081.13	4,024.88	3,588.64
86,800	86,850	3,813.38	3,757.13	3,347.66	89,800	89,850	3,948.38	3,892.13	3,469.16	92,800	92,850	4,083.38	4,027.13	3,590.66
86,850	86,900	3,815.63	3,759.38	3,349.69	89,850	89,900	3,950.63	3,894.38	3,471.19	92,850	92,900	4,085.63	4,029.38	3,592.69
86,900	86,950	3,817.88	3,761.63	3,351.71	89,900	89,950	3,952.88	3,896.63	3,473.21	92,900	92,950	4,087.88	4,031.63	3,594.71
86,950	87,000	3,820.13	3,763.88	3,353.74	89,950	90,000	3,955.13	3,898.88	3,475.24	92,950	93,000	4,090.13	4,033.88	3,596.74

* This column must also be used by a qualifying widow(er)

Continued on the next page

**Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

1997 CONNECTICUT PERSONAL INCOME TAX TABLES

ALL EXEMPTIONS AND CREDITS ARE INCLUDED

If CT AGI is**		And you are			If CT AGI is**		And you are			If CT AGI is**		And you are		
More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *	More Than	Less Than or Equal To	Single or Married Filing Separately	Head of Household	Married Filing Jointly *
93,000					96,000					99,000				
93,000	93,050	4,092.38	4,036.13	3,598.76	96,000	96,050	4,227.38	4,171.13	3,761.60	99,000	99,050	4,362.38	4,306.13	4,140.57
93,050	93,100	4,094.63	4,038.38	3,600.79	96,050	96,100	4,229.63	4,173.38	3,763.65	99,050	99,100	4,364.63	4,308.38	4,142.75
93,100	93,150	4,096.88	4,040.63	3,602.81	96,100	96,150	4,231.88	4,175.63	3,765.69	99,100	99,150	4,366.88	4,310.63	4,144.93
93,150	93,200	4,099.13	4,042.88	3,604.84	96,150	96,200	4,234.13	4,177.88	3,767.74	99,150	99,200	4,369.13	4,312.88	4,147.11
93,200	93,250	4,101.38	4,045.13	3,606.86	96,200	96,250	4,236.38	4,180.13	3,769.79	99,200	99,250	4,371.38	4,315.13	4,149.30
93,250	93,300	4,103.63	4,047.38	3,608.89	96,250	96,300	4,238.63	4,182.38	3,771.84	99,250	99,300	4,373.63	4,317.38	4,151.48
93,300	93,350	4,105.88	4,049.63	3,610.91	96,300	96,350	4,240.88	4,184.63	3,773.88	99,300	99,350	4,375.88	4,319.63	4,153.66
93,350	93,400	4,108.13	4,051.88	3,612.94	96,350	96,400	4,243.13	4,186.88	3,775.93	99,350	99,400	4,378.13	4,321.88	4,155.84
93,400	93,450	4,110.38	4,054.13	3,614.96	96,400	96,450	4,245.38	4,189.13	3,777.98	99,400	99,450	4,380.38	4,324.13	4,158.03
93,450	93,500	4,112.63	4,056.38	3,616.99	96,450	96,500	4,247.63	4,191.38	3,780.03	99,450	99,500	4,382.63	4,326.38	4,160.21
93,500	93,550	4,114.88	4,058.63	3,619.01	96,500	96,550	4,249.88	4,193.63	3,823.64	99,500	99,550	4,384.88	4,328.63	4,205.30
93,550	93,600	4,117.13	4,060.88	3,621.04	96,550	96,600	4,252.13	4,195.88	3,825.71	99,550	99,600	4,387.13	4,330.88	4,207.51
93,600	93,650	4,119.38	4,063.13	3,623.06	96,600	96,650	4,254.38	4,198.13	3,827.78	99,600	99,650	4,389.38	4,333.13	4,209.71
93,650	93,700	4,121.63	4,065.38	3,625.09	96,650	96,700	4,256.63	4,200.38	3,829.85	99,650	99,700	4,391.63	4,335.38	4,211.92
93,700	93,750	4,123.88	4,067.63	3,627.11	96,700	96,750	4,258.88	4,202.63	3,831.92	99,700	99,750	4,393.88	4,337.63	4,214.12
93,750	93,800	4,126.13	4,069.88	3,629.14	96,750	96,800	4,261.13	4,204.88	3,833.99	99,750	99,800	4,396.13	4,339.88	4,216.33
93,800	93,850	4,128.38	4,072.13	3,631.16	96,800	96,850	4,263.38	4,207.13	3,836.06	99,800	99,850	4,398.38	4,342.13	4,218.53
93,850	93,900	4,130.63	4,074.38	3,633.19	96,850	96,900	4,265.63	4,209.38	3,838.13	99,850	99,900	4,400.63	4,344.38	4,220.74
93,900	93,950	4,132.88	4,076.63	3,635.21	96,900	96,950	4,267.88	4,211.63	3,840.20	99,900	99,950	4,402.88	4,346.63	4,222.94
93,950	94,000	4,135.13	4,078.88	3,637.24	96,950	97,000	4,270.13	4,213.88	3,842.27	99,950	100,000	4,405.13	4,348.88	4,225.15
94,000					97,000					100,000				
94,000	94,050	4,137.38	4,081.13	3,639.26	97,000	97,050	4,272.38	4,216.13	3,886.12	100,000	100,050	4,407.38	4,351.13	4,270.49
94,050	94,100	4,139.63	4,083.38	3,641.29	97,050	97,100	4,274.63	4,218.38	3,888.21	100,050	100,100	4,409.63	4,353.38	4,272.72
94,100	94,150	4,141.88	4,085.63	3,643.31	97,100	97,150	4,276.88	4,220.63	3,890.31	100,100	100,150	4,411.88	4,355.63	4,274.94
94,150	94,200	4,144.13	4,087.88	3,645.34	97,150	97,200	4,279.13	4,222.88	3,892.40	100,150	100,200	4,414.13	4,357.88	4,277.17
94,200	94,250	4,146.38	4,090.13	3,647.36	97,200	97,250	4,281.38	4,225.13	3,894.49	100,200	100,250	4,416.38	4,360.13	4,279.40
94,250	94,300	4,148.63	4,092.38	3,649.39	97,250	97,300	4,283.63	4,227.38	3,896.58	100,250	100,300	4,418.63	4,362.38	4,281.63
94,300	94,350	4,150.88	4,094.63	3,651.41	97,300	97,350	4,285.88	4,229.63	3,898.68	100,300	100,350	4,420.88	4,364.63	4,283.85
94,350	94,400	4,153.13	4,096.88	3,653.44	97,350	97,400	4,288.13	4,231.88	3,900.77	100,350	100,400	4,423.13	4,366.88	4,286.08
94,400	94,450	4,155.38	4,099.13	3,655.46	97,400	97,450	4,290.38	4,234.13	3,902.86	100,400	100,450	4,425.38	4,369.13	4,288.31
94,450	94,500	4,157.63	4,101.38	3,657.49	97,450	97,500	4,292.63	4,236.38	3,904.95	100,450	100,500	4,427.63	4,371.38	4,290.54
94,500	94,550	4,159.88	4,103.63	3,659.51	97,500	97,550	4,294.88	4,238.63	3,949.06	100,500	100,550	4,429.88	4,373.63	4,336.13
94,550	94,600	4,162.13	4,105.88	3,661.54	97,550	97,600	4,297.13	4,240.88	3,951.17	100,550	100,600	4,432.13	4,375.88	4,338.38
94,600	94,650	4,164.38	4,108.13	3,663.56	97,600	97,650	4,299.38	4,243.13	3,953.29	100,600	100,650	4,434.38	4,378.13	4,340.63
94,650	94,700	4,166.63	4,110.38	3,665.59	97,650	97,700	4,301.63	4,245.38	3,955.40	100,650	100,700	4,436.63	4,380.38	4,342.88
94,700	94,750	4,168.88	4,112.63	3,667.61	97,700	97,750	4,303.88	4,247.63	3,957.52	100,700	100,750	4,438.88	4,382.63	4,345.13
94,750	94,800	4,171.13	4,114.88	3,669.64	97,750	97,800	4,306.13	4,249.88	3,959.63	100,750	100,800	4,441.13	4,384.88	4,347.38
94,800	94,850	4,173.38	4,117.13	3,671.66	97,800	97,850	4,308.38	4,252.13	3,961.75	100,800	100,850	4,443.38	4,387.13	4,349.63
94,850	94,900	4,175.63	4,119.38	3,673.69	97,850	97,900	4,310.63	4,254.38	3,963.86	100,850	100,900	4,445.63	4,389.38	4,351.88
94,900	94,950	4,177.88	4,121.63	3,675.71	97,900	97,950	4,312.88	4,256.63	3,965.98	100,900	100,950	4,447.88	4,391.63	4,354.13
94,950	95,000	4,180.13	4,123.88	3,677.74	97,950	98,000	4,315.13	4,258.88	3,968.09	100,950	101,000	4,450.13	4,393.88	4,356.38
95,000					98,000					101,000				
95,000	95,050	4,182.38	4,126.13	3,679.76	98,000	98,050	4,317.38	4,261.13	4,012.44	101,000	101,050	4,452.38	4,396.13	4,358.63
95,050	95,100	4,184.63	4,128.38	3,681.79	98,050	98,100	4,319.63	4,263.38	4,014.58	101,050	101,100	4,454.63	4,398.38	4,360.88
95,100	95,150	4,186.88	4,130.63	3,683.81	98,100	98,150	4,321.88	4,265.63	4,016.72	101,100	101,150	4,456.88	4,400.63	4,363.13
95,150	95,200	4,189.13	4,132.88	3,685.84	98,150	98,200	4,324.13	4,267.88	4,018.86	101,150	101,200	4,459.13	4,402.88	4,365.38
95,200	95,250	4,191.38	4,135.13	3,687.86	98,200	98,250	4,326.38	4,270.13	4,020.99	101,200	101,250	4,461.38	4,405.13	4,367.63
95,250	95,300	4,193.63	4,137.38	3,689.89	98,250	98,300	4,328.63	4,272.38	4,023.13	101,250	101,300	4,463.63	4,407.38	4,369.88
95,300	95,350	4,195.88	4,139.63	3,691.91	98,300	98,350	4,330.88	4,274.63	4,025.27	101,300	101,350	4,465.88	4,409.63	4,372.13
95,350	95,400	4,198.13	4,141.88	3,693.94	98,350	98,400	4,333.13	4,276.88	4,027.41	101,350	101,400	4,468.13	4,411.88	4,374.38
95,400	95,450	4,200.38	4,144.13	3,695.96	98,400	98,450	4,335.38	4,279.13	4,029.54	101,400	101,450	4,470.38	4,414.13	4,376.63
95,450	95,500	4,202.63	4,146.38	3,697.99	98,450	98,500	4,337.63	4,281.38	4,031.68	101,450	101,500	4,472.63	4,416.38	4,378.88
95,500	95,550	4,204.88	4,148.63	3,700.01	98,500	98,550	4,339.88	4,283.63	4,076.28	101,500	101,550	4,474.88	4,418.63	4,381.13
95,550	95,600	4,207.13	4,150.88	3,702.04	98,550	98,600	4,342.13	4,285.88	4,078.44	101,550	101,600	4,477.13	4,420.88	4,383.38
95,600	95,650	4,209.38	4,153.13	3,704.06	98,600	98,650	4,344.38	4,288.13	4,080.60	101,600	101,650	4,479.38	4,423.13	4,385.63
95,650	95,700	4,211.63	4,155.38	3,706.09	98,650	98,700	4,346.63	4,290.38	4,082.76	101,650	101,700	4,481.63	4,425.38	4,387.88
95,700	95,750	4,213.88	4,157.63	3,708.11	98,700	98,750	4,348.88	4,292.63	4,084.92	101,700	101,750	4,483.88	4,427.63	4,390.13
95,750	95,800	4,216.13	4,159.88	3,710.14	98,750	98,800	4,351.13	4,294.88	4,087.08	101,750	101,800	4,486.13	4,429.88	4,392.38
95,800	95,850	4,218.38	4,162.13	3,712.16	98,800	98,850	4,353.38	4,297.13	4,089.24	101,800	101,850	4,488.38	4,432.13	4,394.63
95,850	95,900	4,220.63	4,164.38	3,714.19	98,850	98,900	4,355.63	4,299.38	4,091.40	101,850	101,900	4,490.63	4,434.38	4,396.88
95,900	95,950	4,222.88	4,166.63	3,716.21	98,900	98,950	4,357.88	4,301.63	4,093.56	101,900	101,950	4,492.88	4,436.63	4,399.13
95,950	96,000	4,225.13	4,168.88	3,718.24	98,950	99,000	4,360.13	4,303.88	4,095.72	101,950	102,000	4,495.13	4,438.88	4,401.38

* This column must also be used by a qualifying widow(er) 102,000 + USE TAX CALCULATION SCHEDULE

** Form CT-1040EZ - Line 3; Form CT-1040 - Line 5; Form CT-10NR/PY - Line 7

FORM CT-1041

Connecticut Income Tax Return for Trusts and Estates

For residents, nonresidents and part-year residents

**1997
CT-1041**

For calendar year 1997, or other taxable year beginning _____, 1997, and ending _____, 19__

Name and Address	Name of Estate or Trust ▶ _____ ▶	Federal Employer I. D. Number
	Name and Title of Fiduciary ▶ _____ ▶	Date Received (DEPARTMENT USE ONLY)
	Address of Fiduciary <i>Number and Street</i> <i>P.O. Box</i> ▶ _____ ▶	(For Estates Only) Decedent's Social Security Number : : : : : : : : : : : :
	City, Town or Post Office State ZIP Code ▶ _____ ▶	Check applicable box: ▶ <input type="checkbox"/> Final Return ▶ <input type="checkbox"/> Amended Return.

Resident Status	Check here only if you checked any of the boxes on Part I of Form CT-2210 ▶ <input type="checkbox"/>
	Date trust was created, or for an estate, date of decedent's death: ▶ _____ If estate was closed, or trust terminated, enter date: ▶ _____
	Check applicable box: ▶ <input type="checkbox"/> Resident estate ▶ <input type="checkbox"/> Full-year resident trust ▶ <input type="checkbox"/> Part-year resident trust (attach Schedule CT-1041FA) ▶ <input type="checkbox"/> Nonresident estate (attach Schedule CT-1041FA) ▶ <input type="checkbox"/> Nonresident trust (attach Schedule CT-1041FA)

NOTE: Resident estates or full year resident trusts must attach Form CT-1041, Schedule C and if applicable, Schedule CT-1041FA

Type of Entity	Check applicable box: ▶ <input type="checkbox"/> Decedent's estate ▶ <input type="checkbox"/> Bankruptcy estate ▶ <input type="checkbox"/> Simple trust ▶ <input type="checkbox"/> Complex trust ▶ <input type="checkbox"/> Pooled income fund ▶ <input type="checkbox"/> Grantor type trust filing federal Form 1041
	If trust was created by the will of a decedent, also check here ▶ <input type="checkbox"/>

Full-year Resident only	1. Connecticut taxable income of fiduciary (from Form CT-1041, Schedule C, Line 17) ▶	1	
	2. Connecticut income tax: Multiply Line 1 by 4.5% (.045) ▶	2	
Nonresident Part-year	3. Allocated Connecticut income tax (from Schedule CT-1041FA, Part 1, Line 14) (nonresident estates and trusts, and part-year resident trusts only) ▶	3	
	4. Net credit for income tax paid to other jurisdictions by resident estates and trusts, and part-year resident trusts only (See instructions) ▶	4	
Credit	5. Subtract Line 4 from Line 2 or Line 3 (See instructions) ▶	5	
	6. Connecticut alternative minimum tax (from Form CT-1041, Schedule I, Part I, Line 25) ▶	6	
	7. Add Line 5 and Line 6 ▶	7	
TOTAL TAX	8. Adjusted net Connecticut minimum tax credit (from Form CT-8801) ▶	8	
	9. Connecticut income tax (Subtract Line 8 from Line 7) ▶	9	
	10. Connecticut income tax withheld (See instructions) ▶	10	
Payments	11. All 1997 estimated tax payments and any overpayment applied from a prior year ▶	11	
	12. Payments made with extension request (Form CT-1041EXT) ▶	12	
	13. Total payments (Add Lines 10, 11 and 12) ▶	13	
Refund, Amount Due or Contribution	14. If Line 13 is greater than Line 9, enter amount overpaid (Subtract Line 9 from Line 13) ▶	14	
	15. Amount of Line 14 you want to be applied to your 1998 estimated tax ▶	15	
	16. Balance of overpayment (Subtract Line 15 from Line 14) ▶	16	
	17. Amount you want to contribute to: (See instructions for details of funds)		
	AIDS Research ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00		
	Organ Transplant ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00		
	Endangered Species/Wildlife ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00		
	Breast Cancer Research ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00		
	Safety Net Services ▶ _____ \$2 ▶ _____ \$5 ▶ _____ \$15 ▶ other _____ .00		
	TOTAL CONTRIBUTIONS ▶	17	
18. Amount to be refunded to you (Subtract Line 17 from Line 16) ▶	18		
19. If Line 9 is greater than Line 13, enter the amount of tax you owe (Subtract Line 13 from Line 9) ▶	19		
20. If late: enter penalty (10% (.10) of the amount on Line 19 or if Line 19 is zero, enter \$50) ▶	20		
21. If late: enter interest (1% (.01) x number of months late or fraction thereof x amount on Line 19) ▶	21		
22. Interest on underpayments of estimated tax (from Form CT-2210) ▶	22		
23. Amount due with this return (Add Lines 19 through 22) ▶	23		

DUE DATE (FOR CALENDAR YEAR FILERS): April 15, 1998

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES.
Write trust's or estate's Federal Employer I.D. Number and "1997 CT-1041" on your check.

It is not necessary to attach federal Form 1041 or federal Schedule K-1 information.
Mail in the envelope provided with this return or to the address shown at right.

Mail to:
Department of Revenue Services
PO Box 2934
Hartford CT 06104-2934

TAXPAYERS MUST SIGN DECLARATION ON REVERSE

STAPLE W-2s, W-2Gs AND 1099s HERE
STAPLE W-2s, W-2Gs AND 1099s HERE
CLIP CHECK OR MONEY ORDER HERE (DO NOT STAPLE)

SCHEDULE A - CONNECTICUT FIDUCIARY ADJUSTMENTS - (See instructions)

Additions				
1. Interest on state and local government obligations other than Connecticut	▶	1		
2. Exempt-interest dividends received from a mutual fund derived from state or municipal government obligations other than Connecticut	▶	2		
3. Shareholder's pro-rata share of S corporation nonseparately computed loss (Enter as a positive figure)	▶	3		
4. Loss on sale of Connecticut state and local government bonds (Enter as a positive figure)	▶	4		
5. Connecticut income tax deducted in determining federal taxable income prior to deductions relating to distributions to beneficiaries	▶	5		
6. Other (Specify) _____	▶	6		
7. Total additions (Add Lines 1 through 6)	▶	7		
Subtractions				
8. Interest on United States government obligations	▶	8		
9. Dividends from certain mutual funds derived from United States government obligations	▶	9		
10. Shareholder's pro-rata share of S corporation nonseparately computed income	▶	10		
11. Gain on sale of Connecticut state and local government bonds	▶	11		
12. Refunds of Connecticut income tax	▶	12		
13. Other (Specify) _____	▶	13		
14. Total subtractions (Add Lines 8 through 13)	▶	14		
15. Connecticut fiduciary adjustment - (Subtract Line 14 from Line 7. This amount may be positive or negative) Enter on Form CT-1041, Schedule B, Part 1, Column 5, Line f.	▶	15		

IMPORTANT: All CT-1041 filers must complete Form CT-1041, Schedule B, Part 1

- A. If *inter vivos* trust, enter name, address and social security number of grantor: _____
- B. If you check "part-year resident trust" on the front of this return, enter the date on which the trust became irrevocable _____
- C. Does the estate or trust have an interest in real property or tangible personal property located in Connecticut? YES NO

COMPLETED SCHEDULES MUST BE ATTACHED TO THE BACK OF FORM CT-1041 IN THE FOLLOWING ORDER:

- **SCHEDULE B**
- **SCHEDULE C**
- **SCHEDULE CT-1041FA**
- **SCHEDULE I**
- **FORM CT-8801**
- **RETURNS FILED WITH OTHER JURISDICTIONS, AS APPLICABLE**

Declaration: I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Signature of Fiduciary or Officer Representing Fiduciary	Date	Telephone Number
	Paid Preparer's Signature		Federal Employer I.D. Number
	Firm Name and Address		

Check if you used a paid preparer and do not want forms sent to you next year.

Checking this box does not relieve you of your responsibility to file.

FORM CT-1041 SCHEDULE B

1997

Name of Estate or Trust	FEDERAL EMPLOYER ID NUMBER
-------------------------	----------------------------

Schedule B, Part 1 should be completed by all estates or trusts to calculate the share of each beneficiary and the fiduciary in the Connecticut fiduciary adjustment. Schedule B, Part 2 should only be completed by full-year or part-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries to calculate the resident noncontingent beneficiary percentage.

PART 1 – SHARES OF CONNECTICUT FIDUCIARY ADJUSTMENT OF A RESIDENT OR A NONRESIDENT ESTATE OR TRUST OR A PART-YEAR RESIDENT TRUST

(1) Name and address of each beneficiary Check box below if beneficiary is a nonresident of Connecticut	(2) Identifying number of each beneficiary	Shares of federal distributable net income <i>(See instructions)</i>		(5) Shares of Connecticut fiduciary adjustment
		(3) Amount	(4) Percent	
a) <input type="checkbox"/>				
b) <input type="checkbox"/>				
c) <input type="checkbox"/>				
d) <input type="checkbox"/>				
e) Fiduciary				*
The amount entered on Schedule B, Part 1, Column 5, Line f should be the same as the amount entered on Form CT-1041, Schedule A, Line 15 (See instructions).		f) Total		100%

*** IMPORTANT:** Enter the fiduciary adjustment from Column 5, Line e above, on Form CT-1041, Schedule C, Line 7 (if a resident estate or full year resident trust) or on Schedule CT-1041FA, Part 1, Line 4 (if a nonresident estate or trust or a part-year resident trust).

IMPORTANT: *The fiduciary must provide each beneficiary with a schedule of amounts of modifications for inclusion on the applicable income tax return.*

PART 2 – PERCENTAGE OF RESIDENT NONCONTINGENT BENEFICIARIES *(See instructions)*

1. Enter the number, if any, of resident noncontingent beneficiaries	1	
2. Enter the number of nonresident noncontingent beneficiaries	2	
3. Add Line 1 and Line 2	3	
4. Divide Line 1 by Line 3 and enter as a decimal <i>(See instructions)</i>	4	.

NOTE: If a full-year resident inter vivos trust, enter the percentage from Line 4 above on Form CT-1041, Schedule C, Line 14.
If a part-year resident inter vivos trust, enter the percentage from Line 4 above on Schedule CT-1041FA, Part 1, Line 7.

FORM CT-1041 SCHEDULE C

1997

Name of Estate or Trust	Federal Employer ID Number
-------------------------	----------------------------

All resident estates and full-year resident trusts must complete this schedule to determine the status of any nonresident beneficiaries and to calculate Connecticut taxable income.

Check applicable box:

- 1) Resident estate without any nonresident beneficiaries, **or**
Full-year resident trust without any nonresident beneficiaries:
Complete Lines 4 through 8; then go to Line 17
- 2) Resident estate with one or more nonresident beneficiaries, **or**
Full-year resident testamentary trust with one or more nonresident beneficiaries, **or**
Full-year resident inter vivos trust with one or more nonresident beneficiaries
but without any nonresident noncontingent beneficiaries:
first complete and attach Schedule CT-1041FA, Parts 3 and 2;
then complete Lines 4 through 8; then go to Line 17
- 3) Full-year resident inter vivos trust with one or more nonresident noncontingent beneficiaries:
first complete and attach Schedule CT-1041FA, Parts 3 and 2;
then complete Lines 4 through 17

4. Federal taxable income of fiduciary (from federal Form 1041, Line 23) ▶	4	
5. Includible gain pursuant to Internal Revenue Code §644 (trusts only)	5	
6. Add Line 4 and Line 5	6	
7. Fiduciary's share of Connecticut fiduciary adjustment (from Form CT-1041, Schedule B, Part 1, Column 5, Line e) ▶	7	
8. Gross taxable income of fiduciary as modified (Add Line 6 and Line 7)	8	

Full-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries, complete Lines 9 through 17; others go to Line 17

9. Enter the fiduciary's share of income from Connecticut sources (See instructions)	9	
10. Enter the amount from Line 5 above derived from Connecticut sources (trusts only)	10	
11a. Enter the amount from Schedule CT-1041FA, Part 3, Line 4, Column b	11a	
11b. Enter the amount from Schedule CT-1041FA, Part 3, Line 18, Column b	11b	
11c. Subtract Line 11b from Line 11a	11c	
12. Income from Connecticut sources of fiduciary as modified (Add Lines 9, 10 and 11c)	12	
13. Connecticut taxable income of fiduciary from non-Connecticut sources as modified (Subtract Line 12 from Line 8) ▶	13	
14. Enter as a decimal, the percentage of resident noncontingent beneficiaries (from Form CT-1041, Schedule B, Part 2, Line 4) ▶	14	
15. Connecticut taxable portion of non-Connecticut source income of fiduciary (Multiply Line 13 by Line 14)	15	
16. Connecticut taxable income of fiduciary of a resident inter vivos trust with one or more nonresident noncontingent beneficiaries (Add Line 12 and Line 15)	16	
17. Connecticut taxable income of fiduciary. If an inter vivos trust with one or more nonresident noncontingent beneficiaries, enter the amount from Line 16 above. Otherwise, enter the amount from Line 8 above. The amount entered on Line 17 must also be entered on Form CT-1041, Line 1. ▶	17	

FORM CT-1041
SCHEDULE CT-1041FA
Fiduciary Allocation

1997

(Rev. 12/97)

Name of Estate or Trust	Federal Employer ID Number
-------------------------	----------------------------

Complete this form as follows:

- Resident estate or trust with one or more nonresident beneficiaries. Complete Parts 3 and 2 in that order.
- Nonresident estate or trust and part-year resident trust. Complete Parts 3, 2 and 1 in that order.

PART 1 - Computation of Connecticut tax of a nonresident estate or trust and part-year resident trust

1. Federal taxable income of fiduciary (from federal Form 1041, Line 23) ▶	1	
2. Includible gain pursuant to Internal Revenue Code §644 (trusts only)	2	
3. Add Line 1 and Line 2	3	
4. Fiduciary's share of Connecticut fiduciary adjustment (from Form CT-1041, Schedule B, Part 1, Col. 5, Line e) ▶	4	
5. Gross taxable income of fiduciary as modified (Add Line 3 and Line 4)	5	
6. Connecticut taxable income of fiduciary from Connecticut sources (See instructions)	6	
Complete Lines 7 - 10 only if a part-year resident inter vivos trust with one or more nonresident noncontingent beneficiaries - Otherwise go on to Line 11		
7. Enter as a decimal, the percentage of resident noncontingent beneficiaries (from Form CT-1041, Schedule B, Part 2, Line 4) ▶	7	
8. Connecticut taxable income of fiduciary from non-Connecticut sources during the residency portion of the taxable year as modified (See instructions) ▶	8	
9. Connecticut taxable portion of non-Connecticut source income of fiduciary during the residency portion of the taxable year (Multiply Line 8 by Line 7)	9	
10. Connecticut taxable income of fiduciary of a part-year resident inter vivos trust with nonresident noncontingent beneficiaries (Add Line 6 and Line 9)	10	
11. If a part-year resident inter vivos trust with one or more nonresident noncontingent beneficiaries, enter the amount from Line 10. Otherwise, enter the greater of Line 5 or Line 6.	11	
12. Connecticut income tax. Multiply Line 11 by 4.5% (.045). If Line 11 is less than zero, enter 0.	12	
13. Part-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries: If Line 11 is greater than zero, enter 1.00. If Line 11 is less than or equal to zero, enter 0. All others: If Line 6 is greater than zero and greater than or equal to Line 5, enter 1.00. If Line 6 is less than Line 5, divide Line 6 by Line 5 and enter the result as a decimal on Line 13. If Line 6 is less than or equal to zero, enter 0.	13	
14. Allocated Connecticut tax (Multiply Line 12 by Line 13, enter here and on Form CT-1041, Line 3) ▶	14	

PART 2 - Fiduciary's and beneficiary's share of income from Connecticut sources (See instructions)

Beneficiary - (List in same order as on Form CT-1041, Schedule B, Part 1)		Connecticut Resident		Shares of federal distributable net income (See instructions)		(3) Shares of Income from Connecticut sources
Name and Address	Identifying number of each beneficiary	YES	NO	(1) Amount	(2) Percent	
a)						
b)						
c)						
d)						
e) Fiduciary						
TOTAL					100%	

Enter the amount from Form CT-1041, Schedule B, Part 1, Column 3, Line f on the TOTAL Line of Schedule CT-1041FA, Part 2, Column 1. Enter the amount from Schedule CT-1041FA, Part 3, Column b, Line 24, on the TOTAL Line of Schedule CT-1041FA, Part 2, Column 3.

IMPORTANT: The fiduciary must provide each nonresident beneficiary with a schedule of amounts of Connecticut source income for inclusion by the nonresident beneficiary on his or her CT-1040NR/PY, Schedule CT-SI.

PART 3 - Details of federal distributable net income and amounts from Connecticut sources (See instructions)

Lines 1 - 17, Column (a) are based on the entries on federal Form 1041, Page 1 with modifications as specified in instructions.

		(a) Federal amount as modified	(b) Amount of Column (a) from Connecticut sources
I N C O M E	1. Interest income (See instructions for modifications)	1	
	2. Dividends (See instructions for modifications)	2	
	3. Business income (or loss)	3	
	4. Capital gain (or loss)	4	
	5. Rents, royalties, partnerships, other estates and trusts	5	
	6. Farm income (or loss)	6	
	7. Ordinary gain (or loss)	7	
	8. Other income (specify): _____ (See instructions for modifications)	8	
	9. TOTAL INCOME (Add Lines 1 through 8)	9	
D E D U C T I O N S	10. Interest	10	
	11. Taxes	11	
	12. Fiduciary fees	12	
	13. Charitable deductions from federal Form 1041, Schedule A, Line 7	13	
	14. Attorney, accountant and return preparer's fees	14	
	15. Other deductions	15	
	16. TOTAL DEDUCTIONS (Add Lines 10 through 15)	16	
	17. Adjusted total income (or loss) (Subtract Line 16 from Line 9)	17	

LINES 18 - 24 are based on entries from federal Form 1041, Schedule B

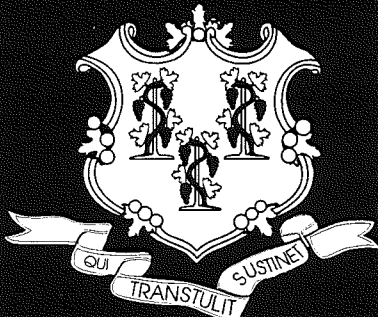
	18. Enter the amount from federal Form 1041, Schedule D, Line 16(1)	18	
	19. Enter long-term capital gain and short-term capital gain included on federal Form 1041, Schedule A, Line 1	19	
	20. Enter the amount from federal Form 1041, Schedule A, Line 4	20	
	21. If amount on Line 4 above is a loss, enter amount here (as a positive figure)	21	
	22. TOTAL (Add Lines 17 through 21)	22	
	23. If amount on Line 4 above is a gain, enter amount here	23	
	24. Distributable net income (Subtract Line 23 from Line 22) - enter Column (b) amount on Part 2, Column (3) TOTAL Line	24	

1997 FORM CT-1041

This booklet
contains:

- Form CT-1041
- Schedule B
- Schedule C
- Schedule CT-1041FA
- Form CT-1041 EXT
- Form CT-1041ES

NOTE: Line references to federal Form 1041 are based on information provided to us by the Internal Revenue Service through November 18, 1997.



Connecticut Income Tax Return for Resident, Nonresident and Part-Year Resident Trusts and Estates

Dear Customer:

The Connecticut Department of Revenue Services is proud of the progress we have made in improving the quality of service that we provide to our customers. We are pleased to announce that again this year the Department has received awards for excellence and innovation and taxpayers continue to give us high marks for the way we do business. At DRS, we are committed to providing you with:

- **cost effective and efficient tax administration,**
- **programs that promote voluntary compliance, and**
- **fair and equitable treatment of all taxpayers.**

Before completing this return, please read the booklet carefully. Should you have any questions about filing your Connecticut Income Tax Return for Trusts and Estates, Department personnel are ready to help you. Please refer to the back cover for a complete list of our regional office locations, hours of service, phone and fax numbers. Comprehensive taxpayer information, including downloadable forms, is also available on our Internet site: www.state.ct.us/drs.

Your comments help us serve you better. I invite you to write or e-mail us through our Internet site with your ideas and suggestions.

Sincerely,


Gene Gavin
Commissioner

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

SOME IMPORTANT CHANGES

- Schedule I of **Form CT-1041**, *Connecticut Income Tax Return for Resident, Nonresident and Part-Year Resident Trusts and Estates*, and **Form CT-8801**, *Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates*, are no longer contained in this booklet. If you need Schedule I or **Form CT-8801**, see *Where Can I Get Help?* and *Where Can I Get Additional Forms and Publications?* on Page 3.
- There are two additional contribution check off boxes on the Connecticut Income Tax Return for Trusts and Estates: the **Breast Cancer Research and Education Fund** and the **Safety Net Services Fund**. You may contribute all or part of your refund to one or more of these funds. See *What Will Your Contribution be Used For?* on Page 13 for a description of each fund.
- The threshold at which estimated income tax payments are required has been raised to \$500 from \$200. See *Should I Make Estimated Income Tax Payments for 1998?* on Page 9.
- Each shareholder of an S corporation subject to the Connecticut corporation business tax must include 90% of his or her pro rata share of the S corporation's nonseparately computed income or loss multiplied by the S corporation's business tax apportionment percentage in computing Schedule A, *Connecticut Fiduciary Adjustments*. See instructions for Line 3, on Page 17 or Line 10, on Page 18.
- **Form CT-8801**, *Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates* has been revised to allow a greater portion of the credit for alternative minimum tax paid in a prior year to be used in the current taxable year.
- Farmers and fishermen, as defined in §6654(i)(2) of the Internal Revenue Code, must now make only one estimated income tax payment. This payment is due on or before January 15 of the following year. In addition, if a farmer or fisherman files a return and pays the tax computed on the return as payable on or before March 1 of the following year, no estimated payment is required for the prior year. See *Special Rules for Farmers and Fishermen* on Page 9.

CONN - TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Dial 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) press "2" to select "Recorded Income Tax Information," and enter the 3-digit number beside the topic of your choice.

Easy-to-follow instructions will help you choose from among the following topics:

GENERAL INCOME TAX INFORMATION

- 101 Important income tax changes for 1997
- 102 How to choose the correct form
- 103 Where to get forms and assistance
- 104 Requesting a filing extension
- 105 Filing a decedent's return
- 106 Filing an error-free return
- 107 Amending a Connecticut return
- 108 Getting a copy of a previously filed return
- 109 Offsets of state income tax refunds
- 110 Deducting Connecticut income tax on your federal income tax return

INCOME TAX FILING REQUIREMENTS, RESIDENCY AND FILING STATUS

- 201 Who must file a Connecticut return?
- 202 What is gross income?
- 203 Who is a resident, nonresident or part-year resident?
- 204 What is Connecticut-source income of a nonresident?
- 205 Members of the armed forces
- 206 Student's filing requirements
- 207 Dependent children's filing requirements
- 208 What is your filing status?
- 209 Title 19 recipients

CONNECTICUT USE TAX, GIFT TAX AND OTHER INCOME TAX RETURNS

- 301 Individual use tax
- 302 Gift tax
- 303 Income tax on trusts and estates
- 304 S Corporation information and composite tax return
- 305 Partnership income tax return
- 306 Group return for shareholders, partners and beneficiaries

FORM CT-1040 OR CT-1040NR/PY

- 401 Tax status of United States government obligations
- 402 Tax status of state or local obligations
- 403 Residents who paid income tax to another jurisdiction
- 404 Deferred compensation
- 405 Pension income and individual retirement accounts
- 406 Modifications to federal adjusted gross income
- 407 Connecticut alternative minimum tax
- 408 Property tax credit

ESTIMATED TAX INFORMATION

- 501 Who must make estimated tax payments?
- 502 Withholding instead of making estimates
- 503 Estimated income tax form
- 504 When to file and how much to pay
- 505 Annualization of income
- 506 Interest on underpayments
- 507 Farmers and Fishermen

HOW TO USE YOUR TAX BOOKLET

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CONNECTICUT GIFT TAX

Gifts made during the calendar year by resident and nonresident individuals are subject to the Connecticut gift tax. Residents are taxed on all gifts of intangible property, real property and tangible personal property located in Connecticut. Nonresidents are taxed on gifts of real and tangible personal property situated in Connecticut. In general, gifts made to any particular donee are not subject to the Connecticut gift tax unless the value of all such gifts to such donee during the calendar year exceeds \$10,000. The tax is computed on the fair market value of the property that was given. The donor is liable for the tax, but, if the donor does not pay the tax, it may be collected from the donee. The tax is reported on, and paid upon the filing of Form CT-709, *Connecticut Gift Tax Return*. The return must be filed by April 15, 1998.

DEFINITIONS

For purposes of the Connecticut income tax, an **estate** is either a resident estate or a nonresident estate. A **trust** is either a resident trust, nonresident trust or part-year resident trust.

Resident estate is where a decedent was domiciled in Connecticut at the time of his or her death. A resident estate also includes a bankruptcy estate of an individual who, at the time of the commencement of the bankruptcy case, is a Connecticut resident.

Nonresident estate is an estate that is not a resident estate for any part of the year.

Trust means an arrangement that is ordinarily created either by a will or by an *inter vivos* declaration whereby a trustee or trustees take title to property for the purpose of protecting or conserving it for beneficiaries, and is classified and treated as a trust for federal income tax purposes.

Testamentary trust is a trust or portion of a trust created by the will of a decedent. **Inter vivos trust** is a trust created other than by the will of a decedent.

Resident trust is any trust or portion of a trust, consisting of property transferred by the will of a decedent who, at the time of death, was a resident individual. If an irrevocable trust consists of property of a grantor domiciled in Connecticut when the trust became irrevocable, it is a *resident trust*.

The criteria used to determine the domicile of a decedent or grantor are the same criteria used to determine domicile for Connecticut individual income tax purposes.

The term *resident trust* also includes a trust or a portion of a trust, consisting of the property of: (i) a person who was a resident of this state at the time the property was transferred to the trust if the trust was then irrevocable; (ii) a person who, if the trust was revocable at the time the property was transferred to the trust, and has not subsequently become irrevocable, was a resident of this state at the time the property was transferred to the trust; or (iii) a person who, if the trust was revocable when the property was transferred to the trust but the trust has subsequently become irrevocable, was a resident of this state at the time the trust became irrevocable.

For this purpose, a trust is **revocable** if it is subject to a power, exercisable immediately or at any future time, to revert title in the person (the grantor) whose property constitutes the trust. A trust becomes **irrevocable** when the possibility that such power may be exercised has ended.

Nonresident trust is a trust that is not a resident trust for any part of the year. **Part-year resident trust** is a trust that meets the definition of resident trust or nonresident trust for only part of the year.

IMPORTANT: The residence of the fiduciary or the beneficiary does not affect the status of an estate or trust as resident or nonresident.

If any resident trust or portion of a resident trust, other than a testamentary trust, has one or more nonresident *noncontingent beneficiaries*, the Connecticut taxable income of the trust shall be the sum of all income derived from or connected with sources within this state, **and** that portion of all other income which is derived by applying to all other income a fraction, the numerator of which is the number of resident noncontingent beneficiaries and the denominator of which is the total number of noncontingent beneficiaries.

The **Connecticut alternative minimum tax** is a tax imposed on certain individuals, estates and trusts in addition to their regular income tax. Fiduciaries who have a federal alternative minimum tax liability are subject to the Connecticut alternative minimum tax. The tax rate is the lesser of 19% of adjusted federal tentative minimum tax or 5% of adjusted federal alternative minimum taxable income. The adjusted federal alternative minimum taxable income of an inter vivos trust with one or more nonresident noncontingent beneficiaries is calculated using the above mentioned fraction.

A **noncontingent beneficiary** is a beneficiary whose interest is not subject to a condition precedent and includes every individual to whom a trustee of an inter vivos trust during the taxable year: (i) is required to currently distribute income or corpus (or both); or (ii) properly pays or credits income or corpus (or both); or (iii) may, in the trustee's discretion, distribute income or corpus (or both). *Noncontingent beneficiary* includes every beneficiary to whom or to whose estate any of the trust's income for the taxable year is required to be distributed at a specified future date or event **and** every beneficiary who has the unrestricted lifetime or testamentary power, exercisable currently or at some future specified date or event, to withdraw any of the trust's income for the taxable year or to appoint such income to any person, including the estate of such beneficiary. This also applies to a noncontingent beneficiary which is a trust or an estate. Wherever reference is made to an individual who is a noncontingent beneficiary, such reference shall be construed to include a trust or estate which is a noncontingent beneficiary, but shall not be construed to include a corporation which is a noncontingent beneficiary.

A **contingent beneficiary** is an individual (or trust or estate) who is a beneficiary, but not a noncontingent beneficiary, of a resident inter vivos trust.

A **grantor trust** that is required to file federal Form 1041, must file **Form CT-1041** in the same manner.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users only may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover of this booklet.

If you visit, be sure to bring:

1. your "State Copy" of your federal Form W-2; and
2. your **COMPLETED** federal income tax return.

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at Connecticut:

- post offices
- town halls
- some banks
- public libraries

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling our Forms Unit at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

WHO MUST FILE ?

The fiduciary of a Connecticut **resident estate or trust or part-year resident trust** must file **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**, if the estate or trust:

- is required to file a federal fiduciary income tax return for the taxable year;

or

- had any Connecticut taxable income for the taxable year.

The fiduciary of a **nonresident estate or trust** must file **Form CT-1041** if the estate or trust meets any of the following conditions:

- had income derived from or connected with sources within Connecticut (See definition below);
- incurred a net operating loss for Connecticut income tax purposes, but not for federal income tax purposes;

or

- incurred a net passive activity loss or net capital loss for Connecticut income tax purposes but did not incur a net passive activity loss or net capital loss, respectively, for federal income tax purposes.

Income Derived from or Connected with Connecticut Sources includes:

- income attributable to ownership or disposition of real or tangible personal property within Connecticut including, but not limited to, the income from the rental or sale of such property;
- income attributable to compensation for services performed in Connecticut or income from a business, trade, profession or occupation carried on in Connecticut;
- income from a partnership doing business in Connecticut;
- income from an S corporation doing business in Connecticut;
- income from a trust or estate with income derived from or connected with sources within Connecticut.

An estate or trust carries on a business, trade, profession or occupation within Connecticut if:

1. it maintains or operates desk space, an office, shop, store, warehouse, factory, agency or other place in Connecticut where its affairs are systematically and regularly carried on;

or

2. activities in connection with the business are conducted in Connecticut with a fair measure of permanency and continuity for livelihood or profit, as distinguished from isolated or incidental transactions.

A *grantor trust* that is required to file federal Form 1041, must file Form CT-1041 in the same manner.

A fiduciary that is required to file federal Form 1041-A and/or federal Form 5227 is not required to file Form CT-1041. However, the appropriate information must be given to the beneficiaries for completing their individual Connecticut returns. The fiduciary must disclose to the nonresident beneficiaries the amount of income derived from or connected with Connecticut sources.

GROUP RETURNS

A group return may be filed and taxes paid using **Form CT-G, Connecticut Group Income Tax Return**, on behalf of electing beneficiaries only by trusts or estates with ten or more qualified electing nonresident individual beneficiaries in each taxable year. All qualified electing nonresident beneficiaries must have the same taxable year.

A *qualified electing nonresident beneficiary* is one who meets all of the following conditions:

1. the beneficiary was a nonresident individual for the entire taxable year;
2. the beneficiary did not maintain a permanent place of abode in Connecticut at any time during the taxable year;
3. the beneficiary (or his or her spouse, if a joint federal income tax return is or will be filed) did not have income derived from or connected with Connecticut sources other than the beneficiary's share of trust or estate income derived from or connected with sources within Connecticut;
4. the beneficiary waives the right to claim any Connecticut personal exemption and any Connecticut personal credit;
5. the beneficiary does not have a Connecticut alternative minimum tax liability for the taxable year; and
6. the beneficiary elects to be included in **Form CT-G** by completing and delivering to the trust or estate a **Form CT-2NA, Nonresident Income Tax Agreement/Election To Be Included In A Group Return**, prior to the filing of the **Form CT-G** by the trust or estate. By making such election, the beneficiary expressly consents to personal jurisdiction in Connecticut for Connecticut income tax purposes and waives his or her right to request, on his or her own behalf or with others making such election, an extension of time to pay Connecticut income tax.

Form CT-G is available upon request.

CONNECTICUT TAX RETURNS FOR INDIVIDUALS

Every fiduciary who acts for an individual whose entire income is in his or her control (for example, a guardian or conservator for an incompetent person) must file a return (1) for a resident individual on **Form CT-1040**, or (2) for a nonresident or part-year resident on **Form CT-1040NR/PY**. In these cases, the fiduciary must pay the tax due.

Tax returns for decedents - A return must be filed by the executor, administrator or other representative of a taxpayer who died during the taxable year. Use **Form CT-1040**, **Form CT-1040EZ** or **Form CT-1040NR/PY**, depending upon the decedent's resident status.

CHANGE OF RESIDENCE OF THE GRANTOR OF A REVOCABLE TRUST

If the grantor of a revocable trust has changed his or her domicile from or to Connecticut between the time of transfer of such property to the trust and the time it becomes irrevocable, the residence of the trust will be deemed to have been changed at the date it ceases to be revocable. In such a case the fiduciary must, for the taxable year in which the change of status of the trust occurs, file Schedule CT-1041FA, *Fiduciary Allocation*. The change of residency of a beneficiary does not affect the status of the trust.

HOW PART-YEAR RESIDENT TRUSTS ARE TAXED

The income of a part-year resident trust derived from or connected with sources within Connecticut is the sum of the following:

1. the fiduciary's share of Connecticut taxable income for the period of residence, computed as if the taxable year for federal income tax purposes was limited to the period of residence;
- and
2. the fiduciary's share of Connecticut taxable income derived from or connected with sources within Connecticut for the period of nonresidence, determined as if the taxable year for federal income tax purposes was limited to the period of nonresidence;
- and
3. the amount of special accruals (See below).

SPECIAL ACCRUALS

A part-year resident trust must recognize and report items of income, gain, loss or deduction on the accrual basis, regardless of the method of accounting normally used by the taxpayer. In general, an item of income is subject to special accrual if the right to receive it is fixed and the amount to be paid is determinable with reasonable accuracy at the time the trust changes residency status.

Example: A part-year trust which sold property on an installment basis prior to changing from a resident trust to a nonresident trust would accrue the entire gain on the sale of that property to the residency portion of the year.

If the trust became a Connecticut resident trust during the taxable year, it must accrue to the nonresidency portion of the year any item of income, gain, loss or deduction which, under an accrual method of accounting, would be reportable at the time it changed its residence. No accrual is required or allowed for items of income, gain, loss or deduction derived from or connected with sources within Connecticut.

If the trust ceases to be a Connecticut resident trust, it must accrue any item of income, gain, loss or deduction which, under an accrual method of accounting, would be reportable at the time the residence was changed. This includes income or gain it elected to report on the installment basis.

Surety Bond in Lieu of Special Accruals

You may elect to defer the payment of Connecticut income tax on items of special accrual by filing a surety bond with the Department in an amount not less than the amount of the additional Connecticut income tax that would be payable if no surety bond or other security were filed. If you choose this option, you must file **Form CT-1041** for the taxable year when you changed your residence and include a separate statement showing the nature and amount of each item of accrual as of the date of change of residence, together with a computation of the additional Connecticut income tax which would be due if the election to file a surety bond had not been made. For further information on the requirements for a surety bond, contact the Department and request a copy of Conn. Agencies Regs. §12-717(c)(4)-1 and **Forms CT-12-717A, Connecticut Surety Bond Form Change of Resident Status - Special Accruals** and **CT-12-717B, Change of Resident Status - Special Accruals**.

TAXABLE YEAR AND METHOD OF ACCOUNTING

The taxable year and method of accounting of a trust or estate shall be the same as its taxable year and method of accounting for federal income tax purposes.

If the taxable year or method of accounting of a trust or estate is changed for federal income tax purposes, the taxable year or method of accounting shall be similarly changed for Connecticut income tax purposes. If a return for a period of less than 12 months is filed for federal income tax purposes, you must also file a short period return for Connecticut income tax purposes.

PAYMENTS FOR CHARITABLE PURPOSES EFFECT ON FIDUCIARY ADJUSTMENTS

When calculating the fiduciary adjustment as determined on Schedule A of **Form CT-1041** do not include the

modifications with respect to any amount paid or set aside for a charitable purpose during the taxable year. (See instructions for federal Form 1041-A, U.S. Information Return Trust Accumulation of Charitable Amounts, and Form 5227, Split-Interest Trust Information Return for information on charitable deductions.)

ORDER IN WHICH TO COMPLETE FORM CT-1041 AND SCHEDULES

The order in which to complete **Form CT-1041** and the schedules for resident and nonresident estates and full-year resident and nonresident trusts and part-year resident trusts is listed below.

- **Resident estate or trust with resident beneficiaries:**
 - Schedule A;
 - Part 1 of Schedule B;
 - Schedule C;
 - the front of **Form CT-1041** excluding Line 3;
and
 - Parts 1 and 2 of Schedule I, as necessary.
- **Resident estate or full-year resident testamentary trust with any nonresident beneficiaries, or a full-year resident inter vivos trust with nonresident contingent beneficiaries but without nonresident noncontingent beneficiaries:**
 - Schedule A;
 - Part 1 of Schedule B;
 - Parts 3 and 2 of Schedule CT-1041FA;
 - Schedule C;
 - the front of **Form CT-1041** excluding Line 3;
and
 - Parts 1 and 2 of Schedule I, as necessary.
- **Full-year resident inter vivos trust with nonresident noncontingent beneficiaries:**
 - Schedule A;
 - Parts 1 and 2 of Schedule B;
 - Parts 3 and 2 of Schedule CT-1041FA;
 - Schedule C;
 - the front of **Form CT-1041** excluding Line 3;
and
 - Parts 1 and 2 of Schedule I, as necessary.
- **Nonresident estate, full-year nonresident trust, or part-year resident inter vivos trust without nonresident noncontingent beneficiaries:**
 - Schedule A;
 - Part 1 of Schedule B;
 - Parts 3, 2 and 1 of Schedule CT-1041FA;

- the front of **Form CT-1041** starting at Line 3;
and
- Parts 1 and 2 of Schedule I, as necessary.
- **Part-year resident inter vivos trust with nonresident noncontingent beneficiaries:**
 - Schedule A;
 - Parts 1 and 2 of Schedule B;
 - Parts 3, 2 and 1 of Schedule CT-1041FA;
 - the front of **Form CT-1041** starting at Line 3;
and
 - Parts 1 and 2 of Schedule I, as necessary.

Form CT-8801, *Credit For Prior Year's Connecticut Minimum Tax For Individuals, Trusts and Estates*, must be completed as necessary for all types of trusts and estates who expect a credit or credit carryforward of alternative minimum tax paid in a prior year.

Exempt trusts - A trust that is taxable as a corporation for federal income tax purposes is exempt from Connecticut individual income tax, but is subject to Connecticut corporation business tax. A trust which, by reason of its purposes or activities, is exempt from federal income tax is also exempt from Connecticut corporation business tax. These include all charitable trusts.

WHEN SHOULD I FILE?

Form CT-1041 is due on or before April 15, 1998. If you file on a fiscal year basis, you must file on or before the fifteenth day of the fourth month after the end of the fiscal year. If the due date falls on a Saturday, Sunday or legal holiday, substitute the next business day. The return will be considered timely if the date shown by the U.S. Post Office cancellation mark is on or before the due date of the return.

The 1997 **Form CT-1041** may also be used for a taxable year beginning in 1998 if:

1. the estate or trust has a taxable year of less than 12 months that begins and ends in 1998;
and
2. the 1998 **Form CT-1041** is not available by the time the estate or trust is required to file its tax return. **However, the estate or trust must enter the beginning and ending dates of its taxable year on the 1997 Form CT-1041 and incorporate any tax law changes that are effective for taxable years beginning on or after January 1, 1998.**

An explanatory note must be attached to the face of the return if the return is for a short year beginning and ending in 1998.

WHERE TO FILE

Be sure to use the proper mailing address when filing **Form CT-1041**.

Mail to:

DEPARTMENT OF REVENUE SERVICES
P O BOX 2934
HARTFORD CT 06104-2934

HOW DO I FILE FOR AN EXTENSION?

Extension of Time to File

If the estate or trust cannot meet the filing deadline, the fiduciary must file **Form CT-1041EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for Trusts and Estates*, and pay the amount of tax the trust or estate expects to owe on or before the original due date for filing the **Form CT-1041**. **Form CT-1041EXT** is contained in this booklet. The filing of this form will automatically extend the due date for **six months** if a federal Application for Automatic Extension of Time (federal Form 2758 or Form 8736) has been filed. (You are not required to attach a copy of the federal extension request to **Form CT-1041EXT**.)

Form CT-1041EXT only extends the time to file **Form CT-1041**, it does not extend the time to pay the income tax. Interest of 1% (.01) per month or fraction thereof is charged on any tax not paid by the original due date. Also, a penalty of 10% (.10) will be assessed on any underpayment of total tax due.

Extension of Time to Pay the Tax

The fiduciary may be eligible for an extension of six months to pay the tax due if the fiduciary can show that it will cause undue hardship to pay the tax on the date it is due.

To be considered for such extension, the fiduciary must file **Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*, on or before the due date of the original return. The fiduciary must attach **Form CT-1127** to the front of the timely-filed **Form CT-1041**, or the timely-filed **Form CT-1041EXT**.

As evidence of the need for extension, the fiduciary must attach: (1) a statement of assets and liabilities; and (2) an itemized list of receipts and disbursements for the preceding three months. The fiduciary must also explain why he or she is unable to borrow the money to pay the tax.

If an extension of time to pay is granted and full payment of tax is made on or before the end of the extension period, the 10% (.10) penalty will be waived. Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment from the due date of the original return until the tax is paid in full. Interest charges cannot be waived.

Form CT-1127 is available upon request.

HOW TO FILE AN AMENDED RETURN

If after filing the Connecticut income tax return for trusts and estates you discover an error was made, submit another **Form CT-1041** with the necessary corrections. Check off the "AMENDED RETURN" box on the front of the return. Enter the amount paid with the original return on Line 12.

An amended return claiming credit for, or a refund of, an overpayment must be filed within three years from the due date of the original return, or three years from the extended due date of the return, if an extension of time to file the return was granted by the Department of Revenue Services.

Changes to Your Federal Return

The fiduciary must file an amended **Form CT-1041** to report changes made by the Internal Revenue Service within 90 days after the final determination of such changes if the federal change affects the total Connecticut tax liability (including alternative minimum tax).

If the fiduciary files an amended federal return showing a change in taxable income or a change in the shares of income distributable to the beneficiaries, the fiduciary must also file an amended **Form CT-1041** within 90 days of the date the fiduciary amends its federal return.

If the federal changes affect the distributable net income of the estate or trust, each beneficiary's share of any Connecticut fiduciary adjustment that is affected by the federal changes must be reported by the beneficiary on **Form CT-1040X**, *Connecticut Amended Income Tax Return*.

Changes to Another State's Return

If you claimed credit on **Form CT-1041**, *Connecticut Income Tax Return for Trusts and Estates*, or **Form CT-1041**, Schedule I, *Connecticut Alternative Minimum Tax Computation of Trust or Estate*, for taxes paid to another jurisdiction and the amount of tax you are required to pay to that jurisdiction is different than the amount used to determine the credit, you must file an amended **Form CT-1041** within 30 days of the final determination of that amount.

Contributions made to designated funds and overpayments applied to the next year's estimated income taxes on the original return are irrevocable and cannot be changed by amendment.

SHOULD I MAKE ESTIMATED INCOME TAX PAYMENTS FOR 1998?

A declaration of estimated income tax is generally required if your Connecticut income tax (after tax credits) minus Connecticut tax withheld is more than \$500 and you expect your Connecticut income tax withheld to be less than your required annual payment.

Required Annual Payment

The required annual payment is the lesser of:

1. 90% of the total income tax shown on your 1998 return;
- or
2. 100% of the total income tax shown on your 1997 return, if you filed a 1997 income tax return that covered a full 12 month period.

IMPORTANT: You do not have to make estimated income tax payments if the trust or estate did not file a 1997 income tax return because you did not have any Connecticut income tax liability and you were the fiduciary of a resident trust or estate in 1997, or a nonresident trust or estate or a part-year resident trust with Connecticut source income in 1997.

Special Rules for Farmers and Fishermen

If the trust or estate is classified as a farmer or fisherman (as defined in the Internal Revenue Code §6654(i)(2)) who is required to make estimated income tax payments, you will be required to make only one payment. Your installment is due on or before January 15, 1999, for the 1998 taxable year. The required installment shall be the lesser of 66 2/3% of the Connecticut income tax shown on your 1998 return or 100% of the Connecticut income tax shown on your 1997 return. For further information, request **IP 97(8)**, *Farmer's Guide to Sales and Use and Estimated Income Taxes*.

A farmer or fisherman, as defined in the Internal Revenue Code §6654(i)(2), who files a 1998 Connecticut income tax return on or before March 1, 1999, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for underpayment of estimated tax.

Farmers and fishermen who use these special rules **must** complete and attach **Form CT-2210**, *Underpayment of Estimated Tax by Individuals, Trusts and Estates*, to their Connecticut income tax return to avoid being billed for interest on the underpayment of estimated income tax. **Form CT-2210**, Part I, Box D must be checked as well as the box for **Form CT-2210** on the front of **Form CT-1041**.

Annualized Income Installment Method

If the income of an estate or trust varies throughout the year, using the annualized installment method may enable an estate or trust to reduce or eliminate the amount of its estimated tax payment for one or more periods. If the annualized installment method is used, special rules apply for computing the estimated tax payments for an estate or trust. For further information, you may request a copy of **IP 93(6.4)**, *A Guide to Calculating Your Annualized Estimated Tax Installments and Worksheet CT-1040AES*.

1998 Estimated Tax Due Dates

Due dates of installments and the amount of required payments for 1998 calendar year taxpayers are as follows:

April 15, 1998	25% of your required annual payment
June 15, 1998	25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)
September 15, 1998	25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)
January 15, 1999	25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.)

If any due date falls on a Saturday, Sunday or legal holiday, substitute the next business day. An estimate will be considered timely-filed if the date shown by U.S. Post Office is on or before the due date.

Fiscal year filers should follow federal filing installment dates.

Filing Form CT-1041ES

Use **Form CT-1041ES**, *Estimated Connecticut Income Tax for Trusts and Estates*, contained in this booklet, if you are required to make estimated payments.

Estates and certain trusts are required to make estimated income tax payments for any taxable year ending two or more years after the date of the decedent's death. (For additional information on when certain trusts are required to make estimated income tax payments see Internal Revenue Code, §§671 through 679.)

Guidelines for Banking Institutions

Banking institutions that wish to file multiple estimated Connecticut income tax payments should request a copy of **IP 94(7)**, *A Guide For Filers Of Multiple Forms CT-1041ES*.

Interest for Underpayment of Estimated Tax

If the fiduciary did not pay enough tax through withholding and/or estimated payments by any installment due date, the fiduciary may be charged interest. This is true even if the fiduciary is due a refund on the income tax return. Interest is calculated separately for each installment. Therefore, the fiduciary may owe interest for an earlier installment, even if the fiduciary paid enough tax later to make up the underpayment. Interest at 1% per month or fraction thereof shall be added to the tax due until the earlier of the following dates: April 15, 1998, or the date when the underpayment is paid.

For taxable years commencing on or after January 1, 1996. If, on or before January 31, 1998, a return is filed for taxable year 1997 and payment of the total amount computed on the return as payable for the taxable year is made, there will be no interest for underpayment of the fourth installment due January 15, 1998. (This does not apply to taxpayers paying estimated federal and Connecticut taxes as farmers or fishermen.)

Filing Form CT-2210

If your 1997 Connecticut income tax (after tax credit) minus Connecticut tax withheld, is more than \$500, you can use **Form CT-2210**, *Underpayment of Estimated Tax by Individuals, Trusts and Estates*, to find out if you paid enough income tax throughout the year. This form will also help you calculate interest if you underpaid your estimated tax. **Form CT-2210** is available from the Department. However, this is a complex form and you may prefer to have the Department calculate the interest for you.

PENALTIES AND INTEREST

Late Payment or Late Filing

The penalty for late payment is 10% (.10) of the balance due. If no tax is due but you are required to file, the penalty for late filing is \$50. Interest will be charged on the underpayment of the tax at the rate of 1% (.01) per month or fraction thereof.

Failure to File

If you fail to file your return and the Commissioner of Revenue Services files a return on your behalf, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater.

Penalty for Failure to Report Federal Changes

If the Internal Revenue Service changes the estate's or trust's taxable income for any year or if the fiduciary files an amended federal return, the fiduciary is required to report such changes within 90 days after the final determination of such changes or the filing of such amendment if the federal change affects the total Connecticut tax liability (including alternative minimum tax). The change should be reported on an amended **Form CT-1041**. The penalty for failure to report any such change within the 90-day period is \$50.

Penalty for Failure to Report State Changes

If you claimed credit for taxes paid to another jurisdiction on **Form CT-1041** or on Schedule I, Alternative Minimum Tax Computation of Fiduciary, and the amount of tax you are finally required to pay to that jurisdiction is different than the amount used to determine the credit, you must file an amended **Form CT-1041** within 30 days of the final determination of that amount. The penalty for failure to report any such change within the 30-day period is \$50.

WAIVER OF PENALTY

The fiduciary may be entitled to a waiver of penalty if the failure to pay the tax was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. (Be sure to include the name and social security number or federal employer identification number of the estate or trust on all correspondence.) Do not include penalty waiver requests with the tax return.

Mail separately to:

**PENALTY REVIEW COMMITTEE
DEPARTMENT OF REVENUE SERVICES
P O BOX 5089
HARTFORD CT 06102-5089**

Interest cannot be waived. Before a penalty waiver can be granted, the taxpayer must pay all tax and interest due.

COPIES OF RETURNS

You should keep copies of tax returns you have filed and the tax return package as part of your records. This information may be needed in preparing future returns or in amending filed returns.

You may request a copy of a previously filed Connecticut tax return from the Department by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. It generally takes three weeks to fill such requests. **Form LGL-002** is available from the Department.

HOW LONG SHOULD RECORDS BE KEPT?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it until the statute of limitations runs out for that return. Usually, this is three years from the date the return was due or filed.

INSTRUCTIONS FOR FORM CT-1041

FILING YEAR

All information on **Form CT-1041** should be for the calendar year January 1 through December 31, 1997, or any other fiscal year beginning in 1997. If filing for such a fiscal year or short taxable year, enter the month and day the taxable year began, and the month, day and year that it ended, at the top of the front page.

NAME AND ADDRESS

Enter in the spaces at the top of the return the name of the estate or trust and the name and address of the fiduciary. Also enter the federal employer identification number of the estate or trust in the space provided to the right of the address box. If it is necessary to file without a federal identification number, notify DRS once the number has been obtained. If an estate, also enter the decedent's social security number.

IMPORTANT: Enter name of estate or trust and federal employer identification number on all applicable schedules in the space provided.

TYPE OF RETURN

Final return

Check this box if this is a final return because the estate or trust has been terminated.

Amended return

Check this box if this is an amended return.

RESIDENCY STATUS

Enter the date the estate or trust was created and the date the estate or trust was terminated (if applicable) in the space provided.

Check only one applicable box to identify the resident status of the trust or estate.

If a trust was revocable when property was transferred to the trust but subsequently has become irrevocable, and the residency status of the grantor (whether as a resident or nonresident individual) during the taxable year that the trust became irrevocable differs from the residency status of the grantor during the taxable year that property was transferred to the trust, then the trust would be a *part-year resident trust*.

TYPE OF ENTITY

Check the applicable box to identify the type of estate or trust. If a trust was created by the will of a decedent, check the additional box.

ROUNDING OFF TO WHOLE DOLLARS

You may round off cents to the nearest whole dollar on your return and schedules. All cents up to and including 49 cents are to be dropped. All amounts from 50 cents to

99 cents are to be rounded up to the next highest dollar. For example, \$1.29 becomes \$1.00 and \$3.59 becomes \$4.00. If you do round off, do so for all amounts.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents when adding and only round off the total. For example, if you received two state W-2 forms, one showing \$800.49 withheld and one showing \$50.22 withheld, you would enter on **Form CT-1041**, Line 10, \$851.00 (\$800.49 + \$50.22 = \$850.71).

LINE INSTRUCTIONS FOR FORM CT-1041

LINE 1 - CONNECTICUT TAXABLE INCOME OF FIDUCIARY (Resident Estate or Full-Year Resident Trust Only)

Enter the amount from **Form CT-1041**, Schedule C, Line 17. (See instructions for **Form CT-1041**, Schedule C.)

LINE 2 RESIDENT ESTATE OR FULL-YEAR RESIDENT TRUST ONLY

Multiply Line 1 by 4.5% (0.045) and enter the result on Line 2.

LINE 3 - ALLOCATED CONNECTICUT INCOME TAX (Nonresident Estates or Trusts and Part-Year Resident Trusts Only)

Enter the amount from Schedule CT-1041FA, Part 1, Line 14. (See instructions for Schedule CT-1041FA.)

LINE 4 - CREDIT FOR INCOME TAX PAID TO OTHER JURISDICTIONS (Resident Estates and Full or Part-Year Resident Trusts Only)

Enter the amount from Line 10 of worksheet on Page 16. You must attach a copy of all income tax returns filed with other jurisdictions to the back of your **Form CT-1041**.

LINE 5

Resident estates and trusts: Subtract Line 4 from Line 2.
Part-year resident trusts: Subtract Line 4 from Line 3. If the result is less than zero, enter zero.

LINE 6 - CONNECTICUT ALTERNATIVE MINIMUM TAX

Enter the amount from **Form CT-1041**, Schedule I, Part 1, Line 25. Schedule I may be obtained by contacting the DRS Forms Unit. See *Where Can I Get Additional Forms and Publications* on Page 5.

LINE 7

Add Line 5 and Line 6.

LINE 8 - ADJUSTED NET CONNECTICUT MINIMUM TAX CREDIT

Enter the amount from Line 11 of **Form CT-8801**, *Credit For Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates*. If you did not pay Connecticut alternative minimum tax in a prior year or you entered an amount on Line 6 of this form, enter 0.

LINE 9 - CONNECTICUT INCOME TAX

Subtract Line 8 from Line 7. Enter the total on Line 9.

LINE 10 - CONNECTICUT TAX WITHHELD

This amount must total the income taxes withheld for the State of Connecticut as indicated on your copies of Forms W-2, W-2G and certain 1099's. Only enter income tax withheld for the State of Connecticut. Be sure you attach the "state copies" of Forms W-2 to the front of your return; otherwise, your claim of amounts withheld will not be allowed.

LINE 11 - ESTIMATED TAX PAID

Enter on Line 11 the total of all 1997 estimated income tax payments and any 1996 income tax overpayment credited to 1997. Be sure to include any 1997 estimated income tax payments made in 1998.

LINE 12 - PAYMENTS MADE WITH EXTENSION REQUEST

If you filed **Form CT-1041EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for Trusts and Estates*, for 1997, enter on Line 12 the amount you paid with **Form CT-1041EXT**.

If this is an amended return, enter the amount paid with the original return here.

LINE 13 - TOTAL PAYMENTS

Add Lines 10, 11 and 12. Enter the total on Line 13.

LINE 14 - OVERPAYMENT

If Line 13 is greater than Line 9, subtract Line 9 from Line 13 and enter the result on Line 14. This is the amount of your overpayment.

IMPORTANT: Your overpayment is applied in the following order: penalty and interest you owe, amounts designated by you to be applied to your 1998 estimated tax, other taxes you may owe the Department of Revenue Services, debts to other Connecticut state agencies, debts to the Internal Revenue Service, your charitable contributions and the amount to be refunded to you.

LINE 15 - AMOUNT OF LINE 14 TO BE APPLIED TO YOUR 1998 ESTIMATED TAX

Enter the amount of your 1997 overpayment that you wish to apply to your 1998 Connecticut estimated income tax. It will be treated as an estimate filed on April 15, 1998, if your return is filed on time or if you filed a timely request for extension and your return is filed within the extension period. (For fiscal year filers it will be treated as an estimate

filed on the fifteenth day of the fourth month of the 1998 taxable year.)

IMPORTANT: Your request to apply this amount to 1998 estimated income tax is irrevocable.

LINE 16 - BALANCE OF OVERPAYMENT

Subtract Line 15 from Line 14 and enter the result on Line 16.

LINE 17 - AMOUNT OF LINE 16 YOU WANT TO CONTRIBUTE

You may contribute all or a portion of your refund to one or more of five designated funds. Check the appropriate box or write in a whole dollar amount for each fund to which you wish to contribute. Add your contributions and enter the total amount on Line 17. (Your contribution is irrevocable.)

IMPORTANT: You may only choose a contribution amount if you are entitled to a refund. Your contribution is limited to your refund amount. You may contribute directly to these funds by mailing a check to the addresses below.

What will your contribution be used for?

AIDS RESEARCH EDUCATION FUND

This fund was created to assist research, education and community service programs related to Acquired Immune Deficiency Syndrome (AIDS). The fund is administered by the Connecticut Department of Public Health. To contribute directly send to:

*AIDS Programs, Dept. of Public Health
410 Capitol Avenue, MS #11APV
PO Box 340308
Hartford CT 06134-0308*

Make check payable to:
"Treasurer, State of Connecticut/AIDS Fund"

ORGAN TRANSPLANT FUND

This fund was created to assist Connecticut residents in paying all or part of any costs associated with a medically required organ transplant. The fund is administered by the Connecticut Department of Social Services. To contribute directly send to:

*Department of Social Services
Attention: Accounts Receivable
25 Sigourney Street, 7th Floor
Hartford CT 06106-5003*

Make check payable to:
"Commissioner of Social Services/Organ Transplant Fund"

ENDANGERED SPECIES, NATURAL AREA PRESERVES, AND WATCHABLE WILDLIFE FUND

This fund was established to help preserve, protect and manage Connecticut wildlife and their habitats. The fund is administered by the Connecticut Department of Environmental Protection. To contribute directly send to:

*Department of Environmental Protection
Bureau of Administration Financial Management
79 Elm Street
Hartford CT 06106-5127*

Make check payable to:
"DEP-Endangered Species/Wildlife Fund"

BREAST CANCER RESEARCH AND EDUCATION FUND

This fund was created to assist research, education and community service programs related to Breast Cancer. The fund is administered by the Connecticut Department of Public Health. To contribute directly send to:

*Connecticut Department of Public Health
Breast and Cervical Cancer
Early Detection Program
410 Capitol Avenue, MS #11 HLS
PO Box 340308
Hartford CT 06134-0308*

Make check payable to:
"Treasurer, State of Connecticut/Breast Cancer Fund"

SAFETY NET SERVICES FUND

This fund was created to protect the children of families whose public assistance benefits ended due to a time limit. The fund is administered by the Connecticut Department of Social Services. To contribute directly send to:

*Department of Social Services
Attention: Accounts Receivable
25 Sigourney Street, 7th Floor
Hartford CT 06106-5003*

Make check payable to:
"Commissioner of Social Services/Safety Net Fund"

LINE 18 - AMOUNT OF YOUR REFUND

Subtract Line 17 from Line 16. Enter the result on Line 18. This is the amount of your refund.

LINE 19 - AMOUNT OF TAX YOU OWE

If Line 9 is greater than Line 13, subtract Line 13 from Line 9 and enter the result on Line 19.

LINE 20 - LATE PAYMENT OR FILING: PENALTY

The penalty for late payment or underpayment of the tax due is 10% (.10) of such amount due. The penalty for late filing, where a tax return is required to be filed, but no tax is due, is \$50.

LINE 21 - LATE PAYMENT OR FILING: INTEREST

If you fail to pay the tax when due, interest will be charged at the rate of 1% (.01) per month or fraction thereof from the due date until payment is made.

LINE 22 - INTEREST ON UNDERPAYMENTS OF ESTIMATED TAX

If Line 9 minus Line 10 is more than \$500, you may owe interest on late or underpaid estimated income tax payments.

Form CT-2210, available from the Department, can help you find out if you did underestimate and will help you calculate the interest.

If you prefer to have the Department of Revenue Services calculate the interest, do not file Form CT-2210, leave this line blank and the Department will bill you.

LINE 23 - BALANCE DUE

Add Lines 19 through 22 and enter the result on Line 23. Pay the amount in full with the return. Make your check or money order payable to "Commissioner of Revenue Services." Write the federal employer identification number and "1997 Form CT-1041" on the check or money order in the lower left corner. Do not send cash.

SIGN HERE

The fiduciary or an officer representing the fiduciary must sign and date Form CT-1041 on the back of the return.

PAID PREPARER NOTE: Anyone you pay to prepare the return must sign it. The preparer required to sign the return must sign it by hand; signature stamps are not acceptable.

MAILING YOUR RETURN

Retain a copy of this return for your records. Attach to this return copies of any required schedules and forms. (Do not attach copies of your federal income tax return or federal schedules.) Use the envelope provided when mailing the return.

WORKSHEET - CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

This worksheet is used by resident estates and full-year resident trusts and part-year resident trusts to claim a credit against Connecticut income tax liability for income taxes paid for the taxable year to another state or a political subdivision thereof, the District of Columbia or any province of Canada. Credit may only be claimed if the income on which taxes were paid was derived from or connected with sources within the qualifying jurisdiction. For part-year resident trusts, the credit is allowed only for that portion of the taxable year in which a taxpayer was a Connecticut resident trust.

No credit shall be allowed for any of the following:

- income tax paid to a foreign country;
- income tax paid to another jurisdiction, if the taxpayer claimed on that other jurisdiction's income tax return credit for income taxes paid to Connecticut;
- income tax paid to a Canadian province (including a political subdivision of a Canadian province) by a taxpayer electing to claim the foreign tax credit for federal

income tax purposes in the current taxable year or preceding taxable year. To the extent the taxpayer claims the foreign tax credit for such Canadian provincial income tax for a succeeding taxable year, the credit against Connecticut income tax previously allowed shall be added back to Connecticut income tax for such succeeding taxable year.

Taxpayers required to add back a previously allowed credit to Connecticut income tax, must use Line 9 of the worksheet on Page 16.

The allowed credit must be separately computed for each jurisdiction. Use separate columns for each jurisdiction for which you are claiming a credit.

The worksheet on Page 16 provides two columns, A and B, to compute the credit for two jurisdictions. If you require more than two columns, you should create an identical worksheet.

If you are claiming credit for income taxes paid to another state and to its political subdivision (e.g., New York State

and New York City), follow these rules to determine your credit:

- A. If the same amount of income is taxed by both the city and state, use only one column of the worksheet to calculate your credit:
1. enter that amount of income in only one column on the worksheet;
 2. combine the amounts of tax paid to the city and the state and enter on Line 6 of that column.
- B. If the amounts of income taxed by both the city and state are not equal:
1. use two columns on the worksheet;
 2. include only the same income taxed by both jurisdictions in the first column;
 3. include only the excess income taxed by only one of the jurisdictions in the next column.

The credit claimed shall not exceed the amount of tax due to Connecticut on that portion of income taxed in another jurisdiction.

IMPORTANT: You must attach a copy of all income tax returns filed with other jurisdictions to the back of your **Form CT-1041**.

WORKSHEET - LINE INSTRUCTIONS

LINE 1 - CONNECTICUT TAXABLE INCOME OF FIDUCIARY

Resident Trust or Estate

Add to the Connecticut taxable income of the fiduciary from **Form CT-1041**, Line 1, any net loss derived from or connected with sources in other jurisdictions where you were subject to income taxation (whether or not income tax was actually paid to the jurisdictions). The modified amount is entered on Line 1 of the worksheet.

Example: The \$60,000 of taxable income of XYZ Trust includes a net loss of \$20,000 from a business conducted in Rhode Island. The fiduciary must add the \$20,000 net loss to the \$60,000 and enter \$80,000 on Line 1 of the worksheet.

Part-year Resident Trust

Add to Schedule CT-1041FA, *Fiduciary Allocation*, Part 1, Line 11, any net loss during the residency portion of the year that was derived from or connected with sources in other jurisdictions where you were subject to income taxation (whether or not income tax was actually paid to the jurisdictions).

LINE 2 - NON-CONNECTICUT INCOME

Resident Trust or Estate

Enter on Line 2 the total of non-Connecticut income which is included on Line 1 and is reported on another jurisdiction's income tax return.

Part-year Resident Trust

Enter on Line 2 the total of non-Connecticut income for the period of Connecticut residency which is included on Line 1 and is reported on another jurisdiction's income tax return. Enter on Line 4 your Connecticut income tax liability as shown on Schedule CT-1041FA, *Fiduciary Allocation*, Line 14.

LINE 3

Resident and Part-year Resident

Divide Line 2 by Line 1. The result cannot exceed 1.00. (Round to four decimal places.)

LINE 4 -CONNECTICUT INCOME TAX LIABILITY

Resident

Enter on Line 4 your Connecticut tax liability as shown on **Form CT-1041**, Line 2.

Part-year Resident Trust

Enter on Line 4 your Connecticut income tax liability as shown on Schedule CT-1041FA, *Fiduciary Allocation*, Line 14. For purposes of determining the Connecticut income tax liability of a part-year resident trust, the tax applies to the "income derived from or connected with sources within this state." The income derived from or connected with sources within this state for a part-year resident trust is the sum of (1) the trust's Connecticut taxable income during the residency portion of the taxable year and (2) the trust's income derived from or connected with sources within Connecticut during the nonresidency portion of the taxable year.

LINE 5

Resident and Part-year Resident

Multiply Line 3 by Line 4. Enter the result on Line 5.

LINE 6 - INCOME TAX PAID TO OTHER JURISDICTIONS

Resident

Enter on Line 6 the total amount of income tax paid to another jurisdiction for the taxable year.

Part-year Resident

Enter on Line 6 the amount of income tax paid to another jurisdiction for the period of Connecticut residency only.

LINE 7

Resident and Part-year Resident

Enter on Line 7 the lesser of Line 5 or Line 6.

LINE 8 - TOTAL CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS

Resident and Part-Year Resident

Add the amounts from Line 7A, Line 7B, and Line 7 of any additional worksheets. Enter the total on Line 8.

LINE 9 - FOREIGN TAX CREDIT PREVIOUSLY ALLOWED

Enter the amount of credit previously allowed on your Connecticut income tax return for income tax paid to a Canadian province (or a political subdivision of a Canadian

province) if you also claimed a foreign tax credit for federal income tax purposes in a succeeding taxable year.

LINE 10 - NET CREDIT

Subtract Line 9 from Line 8 and enter the result on Line 10 and on Line 4 of **Form CT-1041**. Generally the result will be a positive number; however if the result is a negative number, be sure to enter it as a negative number.

IMPORTANT: You must attach a copy of all income tax returns filed with other jurisdictions to the back of your **Form CT-1041**.

CREDIT FOR INCOME TAXES PAID TO OTHER JURISDICTIONS WORKSHEET	
Resident estates and full or part-year resident trusts only.	
	COLUMN A
1. Connecticut taxable income of fiduciary 1.	
Enter Name of Each Jurisdiction	
2. Non-Connecticut income included on Line 1 above 2.	
3. Divide Line 2 by Line 1 (may not exceed 1.0000) 3.	
4. Connecticut tax liability 4.	
5. Multiply Line 3 by Line 4 5.	
6. Income tax paid to another jurisdiction 6.	
7. Enter the lesser of Line 5 or Line 6 7.	
8. Total Credit (Add the amount on Line 7, for each column) 8.	
9. Foreign tax credit previously allowed 9.	
10. Net credit for income taxes paid to other jurisdictions (Subtract Line 9 from Line 8) Enter this amount here and on Form CT-1041 , Line 4 10.	

**FORM CT-1041, SCHEDULE A
CONNECTICUT FIDUCIARY ADJUSTMENTS**

CONNECTICUT FIDUCIARY ADJUSTMENT

This schedule is used for computing the Connecticut fiduciary adjustment, which is then allocated among the estate or trust and its beneficiaries in Schedule B, Part 1. The additions and subtractions enumerated in Schedule A of **Form CT-1041**, which relate to items of income, gain, loss or deduction of the estate or trust, constitute the fiduciary adjustment. However, the additions and subtractions for Line 7 and Line 14 of Schedule A should not be made with respect to any amount paid or set aside for charitable purposes.

Partner of a partnership - If the estate or trust has income as a partner of a partnership, any of the additions or subtractions that apply to such income should be included

in Schedule A of **Form CT-1041**. The estate's or trust's share of such partnership items may be obtained from the **Form CT-1065, Connecticut Partnership Income Tax Return**.

Beneficiary of another estate or trust - If the estate or trust is a beneficiary of another estate or trust, the share of the fiduciary adjustment of the other estate or trust to be included in Schedule A of **Form CT-1041** may generally be obtained from its fiduciary.

The estate or trust must make the additions and subtractions for its taxable year within which the taxable year of any S corporation, partnership or estate or trust of which it is a shareholder, partner or beneficiary, respectively, ends.

LINE INSTRUCTIONS

Entering Additions and Subtractions

- To the extent deductible in determining federal taxable income prior to the deductions relating to distributions to beneficiaries, the expenses relating to the amounts that are entered on Lines 1 through 5, inclusive, of Schedule A are to be entered on Line 13 (and are not to be netted against the amounts that are entered on Lines 1 through 5, inclusive).
- To the extent deductible in determining federal taxable income prior to the deductions relating to distributions to beneficiaries, the expenses relating to the amounts that are entered on Lines 8 through 12, inclusive, of Schedule A are to be entered on Line 6 (and are not to

be netted against the amounts that are entered on Lines 8 through 12, inclusive).

Example: to the extent deductible in determining federal taxable income prior to the deductions relating to distributions to beneficiaries, interest expenses on indebtedness incurred to purchase:

1. State and local government bonds, the interest from which is subject to Connecticut income tax, but exempt from federal income tax, is entered on Line 13 (and not netted against the amount that is entered on Line 1).
2. U. S. government bonds, the interest from which is subject to federal income tax, but exempt from Connecticut income tax, is entered on Line 6 (and not netted against the amount that is entered on Line 8).

SCHEDULE A - ADDITIONS AND SUBTRACTIONS

You may request PS 92(3.1), *Connecticut Income Tax on Bonds or Obligations Issued by the United States Government, by State Governments or Municipalities*. This may assist you in determining if you are required to make an adjustment. This publication is available from the Department.

ADDITIONS

LINE INSTRUCTIONS

LINE 1 - INTEREST ON STATE AND LOCAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter the total amount of interest income derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities, which interest income is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, and U. S. Virgin Islands.

LINE 2 - EXEMPT-INTEREST DIVIDENDS RECEIVED FROM A MUTUAL FUND DERIVED FROM STATE OR MUNICIPAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter the total amount of exempt-interest dividends received from a mutual fund that are derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities. If the exempt-interest dividends are derived from obligations of Connecticut or other states, enter only the percentage derived from non-Connecticut obligations. Do not enter exempt-interest dividends derived from government obligations of Puerto Rico, Guam, American Samoa, and U.S. Virgin Islands.

Example: A fund invests in obligations of many states, including Connecticut. Assuming that 20% of the distribution is from Connecticut obligations, the remaining 80% would be added back on this line.

LINE 3 - SHAREHOLDER'S PRO RATA SHARE OF S CORPORATION NONSEPARATELY COMPUTED LOSS

Beginning in 1997, the phaseout of the Connecticut corporation business tax on S corporations affects the modification to federal taxable income. If the estate or trust is a shareholder of an S corporation that is subject to the Connecticut corporation business tax, multiply 90% of its pro rata share of the S corporation's nonseparately computed loss by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 3. The estate's or trust's pro rata share of the S corporation's nonseparately computed loss will be reported on federal Form 1120S, Schedule K-1. This form along with the Connecticut corporation business tax apportionment percentage is furnished to the estate or trust by the S corporation.

IMPORTANT: If any federal limitations apply, add back only 90% of the net loss included on federal Schedule E, apportioned as provided above.

For the 1998 taxable year, the phaseout of the Connecticut corporation business tax on S corporations

is reduced to 75%. In computing your estimated Connecticut taxable income for 1998, follow the preceding instructions substituting 75% for 90%.

LINE 4 - LOSS ON SALE OF CONNECTICUT STATE AND LOCAL GOVERNMENT BONDS

Enter the total amount of losses from the sale or exchange of notes, bonds or other obligations of the State of Connecticut or its municipalities.

LINE 5 - CONNECTICUT INCOME TAX PAYMENTS DEDUCTED IN DETERMINING FEDERAL TAXABLE INCOME

Add back any Connecticut income tax paid or accrued to the extent deductible in determining federal taxable income prior to deductions relating to distributions to beneficiaries.

LINE 6 - OTHER

Use Line 6 to report any of the following modifications:

1. To add back any expenses paid or incurred for the production (including management, conservation, and

maintenance of property held for the production) or collection of income exempt from Connecticut income tax, to the extent deductible in determining federal taxable income prior to deductions relating to distributions to beneficiaries.

2. To add back any amortizable bond premium on bonds producing interest income exempt from Connecticut income tax, to the extent deductible in determining federal taxable income prior to deductions relating to distributions to beneficiaries.
3. To add any interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States which federal law exempts from federal income tax but does not exempt from state income taxes.
4. To add back any interest expenses on indebtedness incurred or continued to purchase or carry obligations or securities, the income from which is exempt from Connecticut income tax, to the extent deductible in determining federal taxable income prior to deductions relating to distributions to beneficiaries.

LINE 7 - TOTAL ADDITIONS

Add Lines 1 through 6. Enter the total on Line 7.

SUBTRACTIONS

LINE 8 - INTEREST ON UNITED STATES GOVERNMENT OBLIGATIONS

Enter the total of any interest income (to the extent includable in federal taxable income) derived from U.S. government obligations, which federal law prohibits states from taxing; i.e., all U.S. government bond interest such as Savings Bonds Series EE and Series HH, U.S. Treasury bills and notes.

Do not enter the amount of interest you earned on Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing interest income derived from these obligations and this interest income is taxable for Connecticut income tax purposes. Do not enter the amount of interest paid to you on any federal income tax refund.

LINE 9 - DIVIDENDS FROM CERTAIN MUTUAL FUNDS CONSISTING OF UNITED STATES GOVERNMENT OBLIGATIONS

Enter the total amount of exempt dividends received from a qualifying mutual fund that are derived from U.S. government obligations. A mutual fund is a qualifying fund if, at the close of each quarter of its taxable year, at least

50% of the value of its assets consists of U.S. Government obligations. The percentage of dividends that are exempt dividends should be reported to you by the mutual fund. (See Line 8, on this page.)

LINE 10 - SHAREHOLDER'S PRO RATA SHARE OF S CORPORATION NONSEPARATELY COMPUTED INCOME

Beginning in 1997, the phaseout of the Connecticut corporation business tax on S corporations affects the modification to federal taxable income. If the estate or trust is a shareholder of an S corporation that is subject to the Connecticut corporation business tax, multiply 90% of its pro rata share of the S corporation's nonseparately computed income by the S corporation's Connecticut corporation business tax apportionment percentage and enter this amount on Line 10. The estate's or trust's pro rata share of the S corporation's nonseparately computed income will be reported on federal Form 1120S, Schedule K-1. This form along with the Connecticut corporation business tax apportionment percentage is furnished to the estate or trust by the S corporation.

IMPORTANT: If you have deductible losses from a prior year or other adjustments, subtract only 90% of the net income included on the federal Schedule E, apportioned as provided above.

For the 1998 taxable year, the phaseout of the Connecticut corporation business tax on S corporations is reduced to 75%. In computing your estimated Connecticut taxable income for 1998, follow the preceding instructions, substituting 75% for 90%.

LINE 11 - GAIN ON SALE OF CONNECTICUT STATE AND LOCAL GOVERNMENT BONDS

Enter the total amount of all gains from the sale or exchange of notes, bonds or other obligations of the State of Connecticut or its municipalities used in determining gain (loss) for federal income tax purposes.

LINE 12 - REFUNDS OF CONNECTICUT INCOME TAX

Enter the amount of taxable refunds of Connecticut income tax reported on Line 8 of your federal Form 1041.

LINE 13 - OTHER

Use Line 13 to report any of the following modifications:

1. To subtract any interest paid on indebtedness incurred to acquire investments that provide income taxable in Connecticut but not taxable for federal purposes, to the extent not deductible in determining federal taxable income prior to deductions relating to distributions to beneficiaries.

2. To subtract expenses paid or incurred for the production (including management, conservation, and maintenance of property held for production) or collection of income taxable in Connecticut but exempt from federal income tax, to the extent not deductible in determining federal taxable income prior to deductions relating to distributions to beneficiaries.
3. To subtract any amortizable bond premium on bonds that provide interest income taxable in Connecticut but exempt from federal income tax, to the extent not deductible in determining federal taxable income prior to deductions relating to distributions to beneficiaries.

Do not use Line 13 to subtract income subject to tax in another jurisdiction. See worksheet for **Form CT-1041**, Line 4.

LINE 14 - TOTAL SUBTRACTIONS

Add Lines 8 through 13. Enter the total on Line 14.

LINE 15 - CONNECTICUT FIDUCIARY ADJUSTMENT

Subtract Line 14 from Line 7. Enter the result on Line 15 and as a total on **Form CT-1041**, Schedule B, Part 1, Column 5, Line f.

LINE INSTRUCTIONS FOR SCHEDULE B

Schedule B, Part 1 should be completed by all estates or trusts to calculate for the fiduciary and each beneficiary the share of the Connecticut fiduciary adjustment.

Schedule B, Part 2 should only be completed by full-year resident or part-year resident inter vivos trusts with any nonresident noncontingent beneficiaries to calculate the percentage of resident noncontingent beneficiaries. The status of the beneficiaries is determined as of year end.

PART 1 - SHARES OF CONNECTICUT FIDUCIARY ADJUSTMENT

The purpose of Part 1 is to show the distribution of the Connecticut fiduciary adjustment among the beneficiaries and the fiduciary of the estate or trust. The shares of the beneficiaries and of the fiduciary in the Connecticut fiduciary adjustment, **Form CT-1041**, Schedule A, Line 15 are in proportion to their respective shares of federal distributable net income of the estate or trust.

Report on Part 1 the names and addresses of all beneficiaries, both resident and nonresident, to whom income is distributable, whether or not the income is taxable to the nonresident beneficiaries. **Complete this section even if there is no distribution to the beneficiaries.**

COLUMNS 1 AND 2

Enter in Columns 1 and 2 the name, address and identifying number of each beneficiary of the estate or trust. If the mailing address differs from the home address, give both. If a beneficiary is a nonresident, check the appropriate box to the right of his or her name. If there are more than four beneficiaries, attach a schedule identical to Part 1 for the additional beneficiaries.

COLUMN 3

Enter the respective share of federal distributable net income of each beneficiary and of the fiduciary on the appropriate lines of Column 3. Entries must be made for all beneficiaries, both resident and nonresident.

If the distributable net income of a trust or estate for the taxable year is zero or less than zero, the share of each beneficiary in the Connecticut fiduciary adjustment is in proportion to such beneficiary's share of the income of the trust or estate for the taxable year, and any other amounts which are properly paid or credited or required to be distributed during the taxable year. Any balance of the fiduciary adjustment not allocable to any beneficiary is allocated to the trust or estate.

COLUMN 4

Determine the percentage interest of each beneficiary and of the fiduciary in federal distributable net income of the estate or trust, based upon amounts in Column 3, and enter that percentage on the appropriate line of Column 4.

COLUMN 5

Enter the amount of the Connecticut fiduciary adjustment (from **Form CT-1041**, Schedule A, Line 15) as the total of Column 5, Line f. The share of each beneficiary and of the fiduciary in the total amount is determined by multiplying the total fiduciary adjustment by the Column 4 percentage.

If the estate or trust has no federal distributable net income, the share of each beneficiary in the fiduciary adjustment must be in proportion to his or her share of the estate or trust income for the taxable year, under local law or the governing instrument, which is required to be distributed currently and any amounts of such income distributed in such year. Any balance of the fiduciary adjustment not allocable to beneficiaries must be allocated to the estate or trust. If the shares in the Connecticut fiduciary adjustment are apportioned in accordance with this paragraph, show the apportionment in a schedule attached to the return.

IMPORTANT: The fiduciary must provide each beneficiary with a schedule of modifications for inclusion on his or her Schedule 1 of **Form CT-1040** or **Form CT-1040NR/PY**, whichever applies.

PART 2 - PERCENTAGE OF RESIDENT NONCONTINGENT BENEFICIARIES

Complete Part 2 to calculate the resident noncontingent beneficiary percentage of a full-year resident or part-year resident inter vivos trust with nonresident noncontingent beneficiaries. These trusts are taxed on income derived from or connected with sources within Connecticut and all other income earned during the period of residency multiplied by the resident noncontingent beneficiary percentage. The percentage is a fraction, the numerator of which is the total number of resident noncontingent beneficiaries, and the denominator of which is the sum of both resident noncontingent and nonresident noncontingent beneficiaries. An example follows the line instructions. (For an explanation of inter vivos trust and noncontingent beneficiary see *Definitions* on Page 4.)

LINE 1

Enter the number, if any, of resident noncontingent beneficiaries on Line 1.

LINE 2

Enter the number of nonresident noncontingent beneficiaries on Line 2.

LINE 3

Add Lines 1 and 2 and enter the result on Line 3.

LINE 4

Divide Line 1 by Line 3 and enter the result as a decimal on Line 4. (Round to four decimal places.)

If the trust is a full-year resident inter vivos trust, enter this decimal on **Form CT-1041**, Schedule C, Line 14.

If the trust is a part-year resident inter vivos trust, enter this decimal on **Form CT-1041**, Schedule CT-1041FA, *Fiduciary Allocation*, Part 1, Line 7.

Example: Mr. Jones, a Connecticut resident, established an irrevocable trust in 1989 for the benefit of his three grandchildren, beneficiaries A, B and C. Since the trust consists of property transferred from a Connecticut resident, the trust is considered a *resident trust*. Because the trust was not created by the will of the decedent, the trust is an *inter vivos trust*. The trust agreement permits the trustee to distribute income or corpus (or both) to all three beneficiaries during the year. This makes all three beneficiaries *noncontingent beneficiaries*. Beneficiaries A and B are Connecticut residents but beneficiary C is a Vermont resident. Since there are one or more nonresident noncontingent beneficiaries, the fiduciary of this trust must complete **Form CT-1041**, Schedule B, Part 2 as follows:

1. Indicate the number, if any, of resident noncontingent beneficiaries.	2
2. Indicate the number of nonresident noncontingent beneficiaries.	1
3. Add Lines 1 and 2.	3
4. Divide Line 1 by Line 3 and enter the percentage as a decimal.	0.6667

The decimal on Line 4 (rounded to four decimal places) will be carried forward and entered on **Form CT-1041**, Schedule C, Line 14.

If the trust in the example above were a part-year resident trust, the amount on Line 4 would instead be entered on **Form CT-1041**, Schedule CT-1041FA, Part 1, Line 7.

LINE INSTRUCTIONS FOR SCHEDULE C

IMPORTANT: Verify line information from federal Form 1041. See note on cover.

This schedule must be completed by all resident estates or full-year resident trusts to determine the status of any nonresident beneficiaries and to calculate Connecticut taxable income.

LINES 1, 2 AND 3

Each resident estate or full-year resident trust must select one of the applicable boxes pertaining to the status of its beneficiaries. Inter vivos trusts with nonresident noncontingent beneficiaries calculate Connecticut taxable income differently than other trusts. (For further information see *Definitions* on Page 4.)

Check Box 1 if completing for a resident estate or trust without any nonresident beneficiaries. Proceed to Line 4 of the instructions (skip Lines 9 through 16).

Check Box 2 if completing for a resident estate or a resident testamentary trust with one or more nonresident beneficiaries or an inter vivos trust with nonresident contingent beneficiaries but without any nonresident noncontingent beneficiaries.

- Complete Schedule CT-1041FA, Parts 3 and 2, before proceeding to Line 4 of the instructions (skip Lines 9 through 16).

Check Box 3 if completing for a resident inter vivos trust with one or more nonresident noncontingent beneficiaries.

- Complete Schedule CT-1041FA, Parts 3 and 2, before proceeding to Line 4 of the instructions. (Be sure to complete Lines 9 through 17.)

LINE 4 - FEDERAL TAXABLE INCOME OF FIDUCIARY

Enter on Line 4 the amount of federal taxable income of the fiduciary as reported on federal Form 1041, Line 23.

LINE 5 - INCLUDABLE GAIN PURSUANT TO INTERNAL REVENUE CODE SECTION 644 (Trusts Only)

For federal income tax purposes, a separate tax is imposed on a trust that sells appreciated property within two years after such property has been transferred to the trust.

For Connecticut income tax purposes, the gain from this type of transaction is includable in Connecticut taxable income and is entered on Line 5 of this schedule.

LINE 6

Add Line 4 and Line 5 and enter the result on Line 6.

LINE 7 - FIDUCIARY'S SHARE OF CONNECTICUT FIDUCIARY ADJUSTMENT

Enter on Line 7, the fiduciary's share of the Connecticut fiduciary adjustment from Schedule B, Part 1, Column 5, Line e. This may be a positive or negative number.

LINE 8 - GROSS TAXABLE INCOME OF FIDUCIARY AS MODIFIED

Combine Line 6 and Line 7 and enter the result on Line 8.

LINES 9 THROUGH 17 ARE COMPLETED BY FULL-YEAR RESIDENT INTER VIVOS TRUSTS WITH ONE OR MORE NONRESIDENT NONCONTINGENT BENEFICIARIES - ALL OTHERS GO TO LINE 17 OF THESE INSTRUCTIONS.

LINE 9

Enter the fiduciary's share of income derived from or connected with sources within Connecticut from Schedule CT-1041FA, Part 2, Column 3, Line e.

LINE 10

Enter that portion of the amount entered on Line 5 that is derived from Connecticut sources (trusts only).

LINE 11

Enter on Line 11a, the amount from Schedule CT-1041FA, *Fiduciary Allocation*, Part 3, Column b, Line 4. Enter on Line 11b, the amount from Schedule CT-1041FA, *Fiduciary Allocation*, Part 3, Column b, Line 18. Subtract Line 11b from Line 11a and enter the result on Line 11c.

LINE 12 - INCOME FROM CONNECTICUT SOURCES OF FIDUCIARY AS MODIFIED

Add Lines 9, 10 and 11c and enter the result on Line 12.

LINE 13 - CONNECTICUT TAXABLE INCOME OF FIDUCIARY FROM NON-CONNECTICUT SOURCES AS MODIFIED

Subtract Line 12 from Line 8 and enter the result on Line 13.

LINE 14 - PERCENTAGE OF RESIDENT NONCONTINGENT BENEFICIARIES

Enter on Line 14 the decimal, rounded to four places, from Form CT-1041, Schedule B, Part 2, Line 4.

LINE 15 - CONNECTICUT TAXABLE PORTION OF NON-CONNECTICUT SOURCE INCOME OF FIDUCIARY

Multiply Line 13 by Line 14 and enter the result on Line 15.

LINE 16 - CONNECTICUT TAXABLE INCOME OF FIDUCIARY OF A RESIDENT INTER VIVOS TRUST WITH NONRESIDENT NONCONTINGENT BENEFICIARIES

Add Line 12 and Line 15 and enter the result on Line 16.

LINE 17 - CONNECTICUT TAXABLE INCOME OF FIDUCIARY

If an inter vivos trust with nonresident noncontingent beneficiaries, enter the amount from Line 16. Otherwise, enter the amount from Line 8.

The amount on Line 17 must also be entered on Form CT-1041, Line 1.

LINE INSTRUCTIONS FOR SCHEDULE CT-1041FA

IMPORTANT: Verify line information from federal Form 1041. See note on cover.

Schedule CT-1041FA, *Fiduciary Allocation*, must be completed and attached to a Form CT-1041 that is filed for:

1. a nonresident estate or trust having income derived from or connected with sources within Connecticut;
2. a part-year resident trust;
3. a resident estate or trust with a nonresident beneficiary; or
4. a resident inter vivos trust with one or more nonresident noncontingent beneficiaries.

Refer to the front page of Schedule CT-1041FA to determine which parts must be completed.

LINE 1 - FEDERAL TAXABLE INCOME OF FIDUCIARY

Enter the federal taxable income of the fiduciary as reported on federal Form 1041, Line 23.

LINE 2 - INCLUDABLE GAIN PURSUANT TO INTERNAL REVENUE CODE SECTION 644 (Trusts Only)

For federal income tax purposes, a separate tax is imposed on a trust that sells appreciated property within 2 years after such property has been transferred to the trust.

For Connecticut income tax purposes, the gain from this type of transaction is includable in Connecticut taxable income and is entered on Line 2.

LINE 3

Add Line 1 and Line 2 and enter the result on Line 3.

LINE 4 - FIDUCIARY'S SHARE OF CONNECTICUT FIDUCIARY ADJUSTMENT

Enter on Line 4 the amount from Form CT-1041, Schedule B, Part 1, Column 5, Line e. This may be a positive or negative number.

LINE 5 - GROSS TAXABLE INCOME OF FIDUCIARY AS MODIFIED

Add Line 3 and Line 4 and enter the result on Line 5.

LINE 6 - CONNECTICUT TAXABLE INCOME OF FIDUCIARY FROM CONNECTICUT SOURCES

In order to determine the Connecticut taxable income of the fiduciary from Connecticut sources, add the following:

a. Fiduciary's share of income from Connecticut sources from Schedule CT-1041FA, Part 2, Column 3, Line e.	
b. Amount of Schedule CT-1041FA, Part 1, Line 2 (§644 gain) that is from Connecticut sources.	
c. Subtract the amount on Schedule CT-1041FA, Part 3, Column b, Line 18 from the amount on Part 3, Column b, Line 4.	
d. Subtotal (Add Lines a, b and c).	

Part-year resident inter vivos trusts with nonresident noncontingent beneficiaries, complete Lines e through k. All others, enter Subtotal from Line d on Schedule CT-1041FA, Part 1, Line 6, and go to Line 11 of Schedule CT-1041FA.

Because the amount entered on Line d includes the fiduciary's share of distributable net income and certain gains that are derived from or connected with Connecticut sources for the residency and nonresidency portions of the taxable year, and the share for the residency portion of the taxable year may include income that is not Connecticut-sourced, complete Lines e through j to determine the amount to be subtracted from the amount entered on Line d.

e. Enter the portion of the amount on Schedule CT-1041FA, Part 3, Line 24, Column b, that was non-Connecticut source income during the residency portion of the taxable year.	
f. Enter the percentage from Form CT-1041 , Schedule B, Part 1, Column 4, Line e.	
g. Multiply Line e by Line f.	
h. Enter the portion of the gain from Internal Revenue Code §644 that was non-Connecticut source income during the residency portion of the taxable year.	
i. Enter the portion of Line c that was non-Connecticut source income during the residency portion of taxable year.	
j. Subtotal (Add Lines g, h, and i).	
k. Total (Subtract Line j from Line d and enter the result on Schedule CT-1041FA, Part 1, Line 6).	

LINES 7 THROUGH 10 SHOULD ONLY BE COMPLETED BY PART-YEAR RESIDENT INTER VIVOS TRUSTS WITH NONRESIDENT NONCONTINGENT BENEFICIARIES.

LINE 7 - PERCENTAGE OF RESIDENT NONCONTINGENT BENEFICIARIES

Enter on Line 7 the decimal (rounded to four places) from **Form CT-1041**, Schedule B, Part 2, Line 4.

LINE 8 - CONNECTICUT TAXABLE INCOME OF FIDUCIARY FROM NON-CONNECTICUT SOURCES DURING THE PERIOD OF CONNECTICUT RESIDENCY AS MODIFIED

Enter on Line 8 the amount from Line j of the worksheet for Line 6.

LINE 9 - CONNECTICUT TAXABLE PORTION OF NON-CONNECTICUT SOURCE INCOME OF FIDUCIARY

Multiply Line 8 by Line 7 and enter the result on Line 9.

LINE 10 - CONNECTICUT TAXABLE INCOME OF FIDUCIARY OF A PART-YEAR RESIDENT INTER VIVOS TRUST WITH NONRESIDENT NONCONTINGENT BENEFICIARIES

Add Line 6 and Line 9 and enter the result on Line 10.

LINE 11

If completing for a part-year resident inter vivos trust with nonresident noncontingent beneficiaries, enter the amount from Line 10. Otherwise, enter the greater of Line 5 or Line 6.

LINE 12 - CONNECTICUT INCOME TAX

Multiply Line 11 by 4.5% (.045) and enter the result on Line 12. (If Line 11 is less than zero, enter 0.)

LINE 13

Part-year resident inter vivos trust with nonresident noncontingent beneficiaries:

- If Line 11 is greater than zero, enter 1.00.
- If Line 11 is less than or equal to zero, enter 0.

All others:

- If Line 6 is greater than zero and Line 6 is greater than or equal to Line 5, enter 1.00.
- If Line 6 is greater than zero and less than Line 5, divide Line 6 by Line 5, and enter the result as a decimal on Line 13. (Round to four decimal places.)
- If Line 6 is less than or equal to zero, enter 0.

LINE 14 - ALLOCATED CONNECTICUT TAX

Multiply Line 12 by Line 13. Enter the result here and on **Form CT-1041**, Line 3.

PART 2 - FIDUCIARY'S AND BENEFICIARY'S SHARE OF INCOME DERIVED FROM OR CONNECTED WITH SOURCES WITHIN CONNECTICUT

The federal distributable net income derived from or connected with sources within Connecticut (Part 3, Column b, Line 24) is to be allocated in Part 2 to the estate or trust (fiduciary) and its beneficiaries in proportion to their respective shares in the federal distributable net income of the estate or trust.

COLUMNS 1 AND 2

Using Columns 3 and 4 of **Form CT-1041**, Schedule B, Part 1, enter the respective amount and percentage of federal distributable net income of each beneficiary and of the

fiduciary on the appropriate lines of Columns 1 and 2. List beneficiaries in the same order as used on **Form CT-1041**, Schedule B, Part 1, Column 1. The entries on Schedule B, Part 1, Columns 3 and 4, and Schedule CT-1041FA, Part 2, Columns 1 and 2 will be identical.

For resident beneficiaries, their entire distributable share of estate or trust income, not just the portion derived from or connected with Connecticut sources, will be included in their Connecticut adjusted gross income.

COLUMN 3

Enter on the Total Line of Column 3, the amount entered on Part 3, Column b, Line 24.

The share of each nonresident beneficiary or of the fiduciary of a nonresident estate or trust or part-year resident trust in such total amount is determined by multiplying the Column 3 total by the Column 2 percentage. With respect to part-year resident trusts, the amounts in Column 3 for nonresident beneficiaries should not include amounts received during the residency portion of the taxable year that were not derived from or connected with sources within Connecticut.

IMPORTANT: Fiduciary must provide each nonresident beneficiary with a schedule of amounts of income derived from or connected with sources within Connecticut for inclusion by the nonresident beneficiary on his or her **Form CT-1040NR/PY**, Schedule CT-SI.

PART 3 - DETAILS OF FEDERAL DISTRIBUTABLE NET INCOME AND AMOUNTS OF INCOME DERIVED FROM OR CONNECTED WITH SOURCES WITHIN CONNECTICUT

Enter in Column a the amount reported on federal Form 1041 as modified for the applicable items listed in Part 3. For information on federal amounts which may be modified, i.e., a shareholder's share of S corporation nonseparately computed income or loss, or the gain or loss on the sale of Connecticut state and local government bonds, see *Schedule A - Additions and Subtractions* on Page 17. Enter in Column b the portion of each amount in Column a that is income or deductions derived from or connected with sources within Connecticut.

Passive Activity Loss Limitations

Any deduction for passive activity losses must be recomputed to determine the amounts which would be allowed if the federal taxable income took into account only items of income, gain, loss or deduction of income derived from or connected with sources within Connecticut.

Part-Year Resident Trust Only

If completing for a part-year resident trust, include in Column b all income during the residency portion of the taxable year and all income derived from or connected with sources within Connecticut during the nonresidency portion of the taxable year. If the trust was a part-year resident trust, include in Column b all items of special accruals. See *Special Accruals* on Page 6.

Do not include in Column b any capital loss carried over from taxable years prior to 1991.

Part-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries should create a worksheet for Schedule CT-1041FA, Part 3, Column b. This worksheet should determine how much of the amount in Column b is attributable to non-Connecticut source income during the residency portion of the taxable year. This determination is used to complete the worksheet for Schedule CT-1041FA, Part 1, Line 6 on Page 22 of this booklet.

LINE 1 AND LINE 2 - INTEREST INCOME AND DIVIDENDS

Report in Column b, Line 1 and Line 2, income from interest and dividends included in Column a that is from a trade or business carried on in Connecticut and amounts which relate to items of income, gain, loss or deduction of the estate or trust derived from or connected with sources within Connecticut. Include in Column a and, if applicable, Column b, interest on state and local obligations other than Connecticut and exempt-interest dividends on state and local obligations other than Connecticut.

However, do not include in Column a or Column b any income which is exempt from state taxes under the laws of the United States or of Connecticut, such as interest on United States government bonds or dividends from qualifying mutual funds that are derived from U.S. government obligations. A mutual fund is a qualifying fund if at the close of each quarter of its taxable year, at least 50% of the value of its assets consists of U.S. government obligations.

LINE 3 - BUSINESS INCOME (OR LOSS)

Enter in Column b the net profit from a trade or business carried on in Connecticut by the estate or trust. If business is carried on both within and outside of Connecticut and the Connecticut income can be adequately determined from the books and records of the business, enter in Column b, Line 3, the net profit from business carried on in Connecticut, and in Column b, on the proper lines, the other items relating to the Connecticut operations. If the Connecticut income cannot be adequately determined from the books and records of the business, refer to Schedule CT-1040BA of **Form**

CT-1040NR/PY for instructions on how to determine the portion related to the Connecticut business operations.

LINE 4 - CAPITAL GAIN (OR LOSS)

Enter in Column b the amount of capital gain (or loss) from income derived from or connected with sources within Connecticut.

Part-year Residents and Nonresidents: Do not include in Column b a capital loss carried over from taxable years prior to 1991. (See Conn Agencies Regs. §12-711(b)-6)

LINE 5 - RENTS, ROYALTIES, PARTNERSHIPS, OTHER ESTATES AND TRUSTS

Include in Column b net rents and royalties from:

1. real property situated in Connecticut whether or not used in or connected with a business;
2. tangible personal property not used in or connected with a business, if such property has an actual location in Connecticut; and
3. tangible and intangible personal property used in or connected with a trade or business carried on in Connecticut by the estate or trust. If the estate or trust is a partner in a partnership, its distributive share of partnership income, gain, loss, or deduction derived from or connected with Connecticut sources is entered in Column b. This information is reported by the partnership on **Form CT-1065, Connecticut Partnership Income Tax Return**.

LINE 6 - FARM INCOME (OR LOSS)

Enter in Column b the net profit from farming carried on in Connecticut by the estate or trust. If farming is carried on both within and outside of Connecticut and the Connecticut income can be adequately determined from the books and records of the farm, enter in Column b, Line 6, the net profit from farming carried on in Connecticut, and in Column b, on the proper lines, the other items relating to the Connecticut operations. If the Connecticut income cannot be adequately determined from the books and records of the farm, refer to Schedule CT-1040BA of **Form CT-1040NR/PY** for instructions on how to determine the portion related to the Connecticut business operations.

LINE 7 - ORDINARY GAIN (OR LOSS)

Enter in Column b the amount of any ordinary gain (or loss) from federal Form 4797 derived from or connected with sources within Connecticut.

LINE 8 - OTHER INCOME

Enter in Column b any income derived from or connected with sources within Connecticut which is not reportable elsewhere in Part 3. If the estate or trust is a shareholder of an S corporation, its pro rata share of S corporation separately stated income or loss derived from or connected with Connecticut sources is entered in Column b. Also enter in Column b its pro rata share of the S corporation's nonseparately stated items of income or loss (to the extent includable in Connecticut taxable income of the fiduciary) that are derived from or connected with Connecticut sources. (This information, which is reported in Part V of the S corporation's **Form CT-1120SI**, should be provided to you by the S corporation.) If its share includes items of income, such as dividends or capital gains, those items must be included elsewhere on the appropriate lines of Schedule CT-1041FA.

Part-year Residents and Nonresidents: Do not include in Column b any net operating loss carried over from taxable years prior to 1991.

LINE 9

Add Lines 1 through 8 and enter the total on Line 9.

LINES 10 THROUGH 15

Enter in Column b only that portion of each item of deduction reported in Column a which relates to income derived from or connected with sources within Connecticut (as reported in Column b on Lines 1 through 8).

Enter on Line 15, Column a, the deduction allowed to trusts and estates under Internal Revenue Code §642(b). Use the following calculation to determine the amount of the §642 deduction to be reported on Line 15, Column b:

Line 15,	=	Part 3, Column b, Line 9	Line 15,
Column b		Part 3, Column a, Line 9	Column a

LINE 16

Add Lines 10 through 15 and enter the total on Line 16.

LINE 17 - ADJUSTED TOTAL INCOME (OR LOSS)

Subtract Line 16 from Line 9 and enter the result on Line 17.

LINE 18

Enter on Line 18, Column a, the amount from federal Form 1041, Schedule D, Column 1, Line 16.

LINE 19

Enter on Line 19, Column a, the amount from federal Form 1041, Schedule A, Line 1 (long term and short term capital gain portion only).

LINE 20

Enter on Line 20, Column a, the amount from federal Form 1041, Schedule A, Line 4.

LINE 21

If the amount on Line 4 of this schedule is a loss, enter that amount on Line 21, Column a (as a positive figure). Otherwise, enter 0.

LINE 22

Add Lines 17 through 21 and enter the total on Line 22.

LINE 23

If Line 4 above is a gain, enter that amount on Line 23. Otherwise, enter 0.

LINE 24 - DISTRIBUTABLE NET INCOME

Subtract Line 23 from Line 22 and enter the result on Line 24. Enter the amount from Part 3, Column b, Line 24, on Part 2, Column 3, TOTAL Line.

FORM CT-1041EXT
Application For Extension of Time to File
Connecticut Income Tax Return for Trusts and Estates

CT-1041EXT
1997

IMPORTANT! PLEASE READ INSTRUCTIONS ON REVERSE BEFORE COMPLETING THIS APPLICATION

TAXPAYER (Please Type or Print)	Name of Estate or Trust			Federal Employer I.D. Number
	Name and Title of Fiduciary			Date Received (FOR DEPARTMENT USE ONLY)
	Address of Fiduciary	Number and Street	P.O. Box	Decedent's Social Security Number (For Estates Only)
	City, Town or Post Office	State		ZIP Code

THIS IS NOT AN EXTENSION OF TIME TO PAY YOUR TAX
YOU MUST INCLUDE PAYMENT IF ANY TAX DUE OR PENALTY AND INTEREST MAY APPLY (SEE INSTRUCTIONS)
AN EXTENSION GRANTED BY THE INTERNAL REVENUE SERVICE DOES NOT AUTOMATICALLY EXTEND THE CONNECTICUT FILING DATE

I request a **six-month extension** of time to **October 15, 1998** to file a Connecticut Income Tax Return for Trusts and Estates for calendar year 1997 or until _____ for fiscal year ending ► _____.

A federal extension has been requested on either federal Form 2758, *Application for Extension of Time to File Certain Excise, Income, Information, and Other Returns*, or federal Form 8736, *Application for Automatic Extension of Time to File U.S. Return for a Partnership, REMIC, or for Certain Trusts*, for calendar year 1997 or fiscal year beginning _____, 1997 and ending _____, 19 ____.

YES NO.

If **NO**, the reason for the Connecticut extension is

.....

.....

— YOU WILL BE NOTIFIED ONLY IF YOUR EXTENSION REQUEST IS DENIED —

1. Total Connecticut income tax liability for 1997. (You may estimate this amount.).....	1		
NOTE: An amount must be entered on Line 1. If you do not expect to owe tax, enter zero (0).			
2. Connecticut income tax withheld.....	2		
3. 1997 estimated Connecticut income tax payments including any 1996 overpayments credited to 1997.....	3		
4. Add Line 2 and Line 3.....	4		
5. Connecticut income tax balance due (Subtract Line 4 from Line 1). Pay in full with this form. If Line 4 is greater than Line 1, enter zero (0)	► 5		

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES.
Write the Trust or Estate Federal Employer I.D. Number and "1997 Form CT-1041EXT" on the check or money order.

Mail to: State of Connecticut
 Department of Revenue Services
 PO Box 2934
 Hartford CT 06104-2934

DECLARATION: I declare under the penalties of false statement that I have examined this application and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of Fiduciary or Officer Representing Fiduciary	Date	Telephone Number ()
	Paid Preparer's Signature	Date	Federal Employer I.D. Number
Keep a copy of this return for your records	Firm's Name and Address		

Form CT-1041EXT Instructions

Purpose:

Use **Form CT-1041EXT** to request a six-month extension to file **Form CT-1041**, *Connecticut Income Tax Return for Trusts and Estates*. It is not necessary to include a reason for the Connecticut extension request if you have already filed an extension on federal Form 2758 or federal Form 8736 with the Internal Revenue Service.

If federal Form 2758 or federal Form 8736 was not filed, the fiduciary can apply for a six-month extension to file a Connecticut Income Tax Return provided there is reasonable cause for the request.

To Obtain a Connecticut Filing Extension the Fiduciary MUST:

1. Complete Form CT-1041EXT in its entirety; **and**
2. File it by the due date of the return; **and**
3. Pay the amount shown on Line 5.

IMPORTANT:

Form CT-1041EXT **only** extends the **time to file** the Connecticut Income Tax Return.

Form CT-1041EXT **does not extend** the **time to pay** the amount of tax due.

You may qualify for a six-month extension of time to pay your tax. To request this extension you must file **Form CT-1127**, *Extension of Time to Pay*, with your timely filed Connecticut income tax return or extension.

Any underpayment of tax will bear interest at the rate of 1% (.01) per month or fraction thereof computed from the statutory due date to the date of payment. Also, a penalty of 10% (.10) will be assessed on any underpayment of total tax due. If no tax is due, the penalty for late filing is \$50.

YOU WILL BE NOTIFIED ONLY IF YOUR EXTENSION REQUEST IS DENIED

When To File Form CT-1041EXT

If you are filing a calendar year Connecticut Income Tax Return for Trusts and Estates, file Form CT-1041EXT by April 15, 1998. If you are filing a fiscal year Connecticut Income Tax Return for Trusts and Estates, file Form CT-1041EXT by the 15th day of the fourth month following the close of the fiscal year.

If any due date falls on a Saturday, Sunday, or legal holiday, the next business day will be the due date.

Where To File

Mail to: State of Connecticut
Department of Revenue Services
PO Box 2934
Hartford CT 06104-2934

Specific Instructions

Name, Address and Tax Registration Numbers - Enter Name of Fiduciary, Address, Trust or Estate Federal Employer I.D. Number, and Decedent's Social Security Number (For estates only).

Signature - This form must be signed by the fiduciary.

Others Who Can Sign - Anyone with a signed Power of Attorney on file can sign on your behalf.

If a fiduciary is unable, by reason of illness, absence or other good cause to sign a request for an extension, any person standing in a close personal or business relationship (including attorneys, C.P.A.s and enrolled agents) to the fiduciary may sign the request on his or her behalf, and shall be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than by the fiduciary and the relationship existing between the fiduciary and the signer.



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

Form CT-1041ES

1998 ESTIMATED CONNECTICUT INCOME TAX PAYMENT COUPON FOR TRUSTS AND ESTATES

GENERAL INSTRUCTIONS

WHO SHOULD FILE THIS COUPON? Use this coupon if you are required to make estimated income tax payments for 1998. The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your estimated Connecticut income worksheet and payment coupon. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users only may call 860-297-4911. Connecticut tax forms may also be obtained by writing to: DRS Forms Unit, 25 Sigourney Street, Hartford CT 06106-5032 or by calling the DRS Forms Unit at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option 3. You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

NONRESIDENT ESTATES AND TRUSTS AND PART-YEAR RESIDENT TRUSTS: Nonresident estates and trusts are subject to Connecticut income tax on their Connecticut source income. Part-year resident trusts are taxed on all income received while a resident trust of Connecticut and on income received from Connecticut sources while a nonresident trust. **Connecticut source income** includes, but is not limited to, income from a business, profession, occupation or trade conducted in this state, as well as income from the rental or sale of real or tangible property located in Connecticut.

WHO IS REQUIRED TO MAKE ESTIMATED PAYMENTS? In most cases, you must make estimated payments of Connecticut income tax if you expect to owe, after subtracting your Connecticut income tax withholding, more than \$500 for 1998 after tax credits, if any, are taken into account **and** you expect your withholding to be less than your required annual payment.

Your required annual payment is the **lesser** of:

1. 90% of the income tax shown on your 1998 Connecticut income tax return;
- or
2. 100% of the income tax shown on your 1997 Connecticut income tax return, if you filed a 1997 Connecticut income tax return that covered a 12-month period.

You do **not** have to make estimated payments if:

1. you were a Connecticut resident in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability; **or**
2. you were a nonresident or part-year resident with Connecticut source income in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did **not** have Connecticut source income in 1997 then you **must** use 90% of the income shown on your 1998 Connecticut income tax return as your required annual payment.

Decedent's estates and certain trusts are required to make estimated Connecticut income tax payments for any taxable year ending two or more years after the date of the decedent's death. For additional information, see Conn. Gen. Stat. §12-722(n)(2).

WHEN TO FILE: Estimated payments for the 1998 taxable year are due April 15, June 15, September 15, 1998 and January 15, 1999. (Fiscal year filers should follow federal filing dates.) If any date falls on a Saturday, Sunday or legal holiday, the next business day is the due date.

HOW MUCH SHOULD I PAY? Complete the 1998 Estimated Income Tax Worksheet on the reverse side of this page to calculate your required annual payment.

SPECIAL RULES FOR FARMERS AND FISHERMEN: If you are a farmer or fisherman (as defined in Section 6654(i)(2) of the Internal Revenue Code) who is required to make estimated income tax payments, you will be required to make only one payment. Your installment is due on or before January 15, 1999, for the 1998 taxable year. The required installment shall be the lesser of 66 2/3% of the Connecticut income tax shown on your 1998 return or 100% of the Connecticut income tax shown on your 1997 return. For further information, request **IP 97(8)**, *Farmer's Guide to Sales and Use and Estimated Income Taxes*.

A farmer or fisherman, as defined in Section 6654(i)(2) of the Internal Revenue Code, who files a 1998 Connecticut income tax return on or before March 1, 1999, and pays in full the amount computed on the return as payable on or before that date, will not be charged interest for underpayment of estimated tax.

ANNUALIZED INCOME INSTALLMENT METHOD: If your income varies throughout the year, using the *annualized income installment method* may enable you to reduce or eliminate the amount of your estimated tax payment for one or more periods. For further information, request IP 93(6.4), *A Guide To Calculating Your Annualized Estimated Income Tax Installments* and Worksheet CT-1040AES, from the DRS Forms Unit.

SHAREHOLDERS OF S CORPORATIONS THAT ARE SUBJECT TO CONNECTICUT CORPORATION BUSINESS TAX: Shareholders of S corporations that are subject to Connecticut corporation business tax are now subject to tax on a percentage of the S corporation's nonseparately stated income or loss. See instructions for the 1997 **Form CT-1041**, Schedule A, Connecticut Fiduciary Adjustments.

INTEREST: If you did not pay enough tax through withholding and/or estimated payments by any installment due date, you may be charged interest. This is true even if you are due a refund when you file your tax return. Interest is figured separately for each installment. Therefore, you may owe interest for an earlier installment, even if you paid enough tax later to make up for the underpayment. Interest at 1% (.01) per month or fraction of a month will be added to the tax due until the **earlier** of the following: April 15, 1999, or the date on which the underpayment is paid.

IMPORTANT: If you file your income tax return for the 1998 taxable year on or before January 31, 1999 and pay in full the amount computed on the return as payable for the taxable year, no interest will be calculated on the underpayment of estimated income tax for the fourth required installment. (This does not apply to taxpayers paying estimated Connecticut income taxes as farmers or fishermen.)

COMPLETE THE PAYMENT COUPON

Complete the payment coupon below. Be sure to complete all the required taxpayer identification information. Enter the payment amount on Line 1 of this coupon. In determining your payment amount, you may subtract from your installment amount any **available** overpayment of 1997 income tax.

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CT-1041ES ESTIMATED CONNECTICUT INCOME TAX PAYMENT FOR TRUSTS AND ESTATES		1998
Federal Employer I.D. Number ▶	PAYMENT 1	FOR TAXABLE YEAR ENDING
Name of Estate or Trust	DATE RECEIVED (FOR DEPARTMENT USE ONLY) ▶	
Name and Title of Fiduciary	1. Payment Amount ▶	
Address (Number and Street)		
City, State and ZIP Code		

- See instructions for filing requirements.
- Print all information.
- Make check or money order payable to: **Commissioner of Revenue Services.**
- Write your Federal Employer I.D. Number and "1998 CT-1041ES" on the check.

Send completed coupon and payment to:

**Department of Revenue Services
PO Box 2934
Hartford CT 06104-2934**

1998 ESTIMATED CONNECTICUT INCOME TAX WORKSHEET

- 1. Federal taxable income of trust or estate expected for 1998 1. _____
- 2. Allowable Connecticut fiduciary adjustments (additions or subtractions, see instructions) 2. _____
- 3. Connecticut Taxable Income (Add Line 1 and Line 2) 3. _____
Nonresident Estates and Trusts and Part-Year Resident Trusts without Any Nonresident Noncontingent Beneficiaries: Enter your income from Connecticut sources if greater than your Connecticut taxable income.
- 4. Connecticut income tax (Multiply Line 3 by 0.045) 4. _____
- 5. Apportionment factor (Connecticut resident trusts and estates enter 1.0000. Nonresident trusts and estates and part-year resident trusts, see instructions) 5. _____
- 6. Multiply Line 4 by Line 5 6. _____
- 7. Net Credit for income taxes due to other jurisdictions (See instructions) 7. _____
- 8. Subtract Line 7 from Line 6 8. _____
- 9. Estimated Connecticut Alternative Minimum Tax (See instructions) 9. _____
- 10. Add Line 8 and Line 9 10. _____
- 11. Adjusted Net Connecticut Minimum Tax Credit (See instructions) 11. _____
- 12. Total Estimated Income Tax (Subtract Line 11 from Line 10) 12. _____
- 13. Multiply Line 12 by 90% (0.90) 13. _____
- 14. Enter 100% of the income tax shown on your 1997 Connecticut income tax return (See instructions) 14. _____
- 15. Enter the lesser of Line 13 or Line 14. (If Line 14 is blank, enter the amount from Line 13.)
This is your required annual payment. (See caution below) 15. _____

CAUTION: Generally, if you do not prepay (through timely estimates, through withholding, or both) the lesser of 100% of the income tax shown on your 1997 Connecticut income tax return, or 90% of the income tax shown on your 1998 Connecticut income tax return, you may owe interest. To avoid interest charges, make sure your estimate is as accurate as possible. You may prefer to pay 100% of the income tax shown on your 1997 Connecticut income tax return.

- 16. Connecticut income tax withheld or expected to be withheld in 1998 16. _____
If Line 12 minus Line 16 is \$500 or less, no estimated payment is required.
- 17. Subtract Line 16 from Line 15. If the result is zero or less, no estimated payment is required 17. _____
- 18. Installment Percentage 18. .25
- 19. Multiply Line 17 by Line 18 (Pay this amount for each installment) 19. _____

INSTRUCTIONS FOR COMPLETING WORKSHEET

- Line 2:** Enter the total of your estimated allowable Connecticut fiduciary adjustments. (See instructions for **Form CT-1041**, Schedule A, Connecticut Fiduciary Adjustments, or information about allowable adjustments. Trusts must add back any includible gain under Internal Revenue Code Section 644.) * *
- Line 3: NONRESIDENT ESTATES AND TRUSTS AND PART-YEAR RESIDENT TRUSTS WITHOUT ANY NONRESIDENT NONCONTINGENT BENEFICIARIES ONLY:** If your Connecticut source income is greater than your Connecticut taxable income, enter your Connecticut source income on this line. **RESIDENT OR PART-YEAR RESIDENT INTER VIVOS TRUSTS WITH NONRESIDENT NONCONTINGENT BENEFICIARIES:**

$$CT \text{ taxable income} = CT \text{ source income} + \left(\frac{\text{Non-Connecticut source income during total period of Connecticut residency}}{\text{total noncontingent beneficiaries}} \right) \times \left(\frac{\text{resident noncontingent beneficiaries}}{\text{total noncontingent beneficiaries}} \right)$$
- Line 5: NONRESIDENT ESTATES AND TRUSTS, AND PART-YEAR RESIDENT TRUSTS WITHOUT ANY NONRESIDENT NONCONTINGENT BENEFICIARIES ONLY:** If your Connecticut source income is less than your Connecticut adjusted gross income, complete the following calculation and enter the result on Line 5.

$$\frac{\text{Connecticut Source Income}}{\text{Connecticut Taxable Income (Line 3)}} = \text{Line 5}$$
- Do not** enter a number that is less than zero or greater than 1. If the result is less than zero enter 0, if greater than 1 enter 1.0000. Round to four decimal places.
- Line 7: RESIDENT ESTATES AND TRUSTS AND PART-YEAR RESIDENT TRUSTS ONLY:** Enter estimated allowable net credit for income taxes due and paid to other jurisdictions. Enter 0, if not applicable. (See instructions for **Schedule A of Form CT-1041**.) * *
- Line 9:** If you expect to owe federal alternative minimum tax in 1998, you may also owe Connecticut alternative minimum tax. Enter your estimated Connecticut alternative minimum tax liability. (See instructions for **Schedule I, Form CT-1041, Connecticut Alternative Minimum Tax Return computation of Trust and Estates**.) * *
- Line 11:** Enter estimated allowable adjusted net Connecticut minimum tax credit. Enter 0 if you are not entitled to a credit, or if you entered an amount on Line 9. (See instructions for **Form CT-8801, Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts and Estates**.) * *
- Line 14:** If your 1997 Connecticut income tax return covered a 12-month period, enter 100% of the income tax shown on your return (from **Form CT-1041**, Line 9). If you were a resident in 1997 and you did not file a 1997 Connecticut income tax return because you had no Connecticut income tax liability, enter 0. If you were a nonresident or part-year resident in 1997 with Connecticut source income and you did not file a 1997 Connecticut income tax return because you had no Connecticut income tax liability, enter 0. All other taxpayers must leave Line 14 blank.

* * These forms may be obtained by contacting the DRS Forms Unit. (See *Who Should File This Coupon?* on **Page 1** of this form.)
1997 Connecticut Package X - Page 174

CT-1041ES ESTIMATED CONNECTICUT INCOME TAX PAYMENT FOR TRUSTS AND ESTATES 1998		
Federal Employer I.D. Number ▶	PAYMENT 4	FOR TAXABLE YEAR ENDING
Name of Estate or Trust	DATE RECEIVED (FOR DEPARTMENT USE ONLY) ▶	
Name and Title of Fiduciary	1. Payment Amount ▶	
Address (Number and Street)		
City, State and ZIP Code		

- See instructions for filing requirements.
- Print all information.
- Make check or money order payable to: **Commissioner of Revenue Services.**
- Write your Federal Employer I.D. Number and "1998 CT-1041ES" on the check.

Send completed coupon and payment to:
Department of Revenue Services
PO Box 2934
Hartford CT 06104-2934

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CT-1041ES ESTIMATED CONNECTICUT INCOME TAX PAYMENT FOR TRUSTS AND ESTATES 1998		
Federal Employer I.D. Number ▶	PAYMENT 3	FOR TAXABLE YEAR ENDING
Name of Estate or Trust	DATE RECEIVED (FOR DEPARTMENT USE ONLY) ▶	
Name and Title of Fiduciary	1. Payment Amount ▶	
Address (Number and Street)		
City, State and ZIP Code		

- See instructions for filing requirements.
- Print all information.
- Make check or money order payable to: **Commissioner of Revenue Services.**
- Write your Federal Employer I.D. Number and "1998 CT-1041ES" on the check.

Send completed coupon and payment to:
Department of Revenue Services
PO Box 2934
Hartford CT 06104-2934

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CT-1041ES ESTIMATED CONNECTICUT INCOME TAX PAYMENT FOR TRUSTS AND ESTATES 1998		
Federal Employer I.D. Number ▶	PAYMENT 2	FOR TAXABLE YEAR ENDING
Name of Estate or Trust	DATE RECEIVED (FOR DEPARTMENT USE ONLY) ▶	
Name and Title of Fiduciary	1. Payment Amount ▶	
Address (Number and Street)		
City, State and ZIP Code		

- See instructions for filing requirements.
- Print all information.
- Make check or money order payable to: **Commissioner of Revenue Services.**
- Write your Federal Employer I.D. Number and "1998 CT-1041ES" on the check.

Send completed coupon and payment to:
Department of Revenue Services
PO Box 2934
Hartford CT 06104-2934

FORM CT-1065
CONNECTICUT PARTNERSHIP INCOME TAX RETURN

CT-1065
1997

For calendar year 1997, or other taxable year beginning _____, 1997, and ending _____, 19____.

Name of Partnership			Federal Employer ID Number
Physical Address Number and Street			Date Received (FOR DEPARTMENT USE ONLY)
City or Town			Connecticut Tax Registration Number

THIS SECTION MUST BE COMPLETED BY ALL FILERS:

- A. Check here if: **Amended return** **Final return** (out of business in CT)
- B. Total number of partners during the taxable year: Resident _____ Nonresident _____
- C. Enter the amount from federal Form 1065, Schedule K, Line 1: \$ _____
- D. Date business commenced: _____ Date business commenced in Connecticut: _____
- E. Check here if any partners are corporate entities E. **YES** **NO**
- F. Does the partnership have an interest in real property located in Connecticut? F. **YES** **NO**
- G. Did this partnership transfer a controlling interest in an entity owning Connecticut real property?
If "YES," enter entity name _____ G. **YES** **NO**
and federal employer I.D. number _____
- H. Was a controlling interest in your partnership transferred? H. **YES** **NO**
If "YES," enter transferor name _____
and social security number or federal employer I.D. number _____
- I. Was there a distribution of property from the partnership or a transfer of a partnership interest during the taxable year? (If "YES," attach explanation.) I. **YES** **NO**

SCHEDULE A - Business Information

Complete only if the partnership carries on business both WITHIN and OUTSIDE of Connecticut.

STREET ADDRESS	CITY AND STATE	DESCRIPTION OF PLACE	Check One		ACTIVITY AT THIS LOCATION
			OWNED	RENTED	

SCHEDULE B - Income Apportionment

Complete Schedule B ONLY if ALL of the following apply:

- (A) There are one or more nonresident partners; and
(B) The partnership carries on business both within and outside of Connecticut; and
(C) Books and records do not satisfactorily disclose income earned in Connecticut.

Items Used as Factors	Column A Totals Everywhere	Column B Connecticut Only	Column C Decimal Notation
1. Real property owned	1		Percent Column B is of Column A
2. Real property rented from others	2		
3. Tangible personal property owned or rented	3		
4. Property owned or rented (Add Lines 1, 2 and 3)	4		
5. Employee wages and salaries	5		
6. Gross income from sales and services	6		
7. Total (Add Column C, Lines 4, 5 and 6)		7	
8. Business apportionment fraction (Divide Line 7 by 3 or actual number of fractions)		8	

This return must be filed with the Connecticut Department of Revenue Services, PO Box 2935, Hartford, CT 06104-2935 not later than the 15th day of the fourth month following the close of the taxable year.

DECLARATION: I declare under the penalties of false statement that I have examined this application and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

SIGN HERE Keep a copy of this return for your records	Signature of General Partner	Date	Telephone Number ()
	Paid Preparer's Signature	Date	Federal Employer ID Number
	Firm Name and Address		

Check if you used a paid preparer and do not wish forms sent to you next year. Checking this box does not relieve you of your responsibility to file.

ATTACH ENTIRE FEDERAL FORM 1065 (EXCLUDING K-1s)

Attach additional sheets for Schedules C, D and E in the same format if necessary.

SCHEDULE C - Partner Information (List nonresidents first, residents next and corporate entities last)				Nonresident Partner	
Partner #	Name and Address	Identification Number	Profit %	Yes	No
#					
#					
#					

Connecticut Modifications	PARTNER			Total All Partners
	# _____	# _____	# _____	
ADDITIONS: ENTER ALL AMOUNTS AS POSITIVE NUMBERS				
1. Interest on state and local obligations other than obligations of Connecticut				
2. Exempt-interest dividends on state or local obligations other than Connecticut				
3. Certain deductions relating to income exempt from Connecticut income tax (See instructions)				
4. Other - (Specify) _____				
SUBTRACTIONS: ENTER ALL AMOUNTS AS POSITIVE NUMBERS				
5. Interest on U.S. obligations				
6. Dividends from certain mutual funds owning U.S. obligations				
7. Certain expenses relating to income exempt from federal income tax (See instructions)				
8. Other - (Specify) _____				

THE PARTNERSHIP MUST PROVIDE EACH PARTNER (INCLUDING A PARTNER OTHER THAN AN INDIVIDUAL) WITH A SCHEDULE OF AMOUNTS OF CONNECTICUT MODIFICATIONS, IF ANY, FOR INCLUSION ON THE APPROPRIATE FORMS.

SCHEDULE E - Computation of Connecticut Source Income of Nonresident Partners and Resident Partners other than individuals

Connecticut-sourced portion of items from federal Schedule K-1 (Form 1065)(See instructions).	PARTNER			Total Partners
	# _____	# _____	# _____	
1. Ordinary income (loss) from trade or business activities				
2. Net income (loss) from rental real estate activities				
3. Net income (loss) from other rental activities				
4. Portfolio income (loss)				
5. Guaranteed payments to partners				
6. Net gain (loss) under IRC §1231 (other than due to casualty or theft)				
7. Other income (loss)				
8. Expense deduction for property under IRC §179				
9. Other deductions				

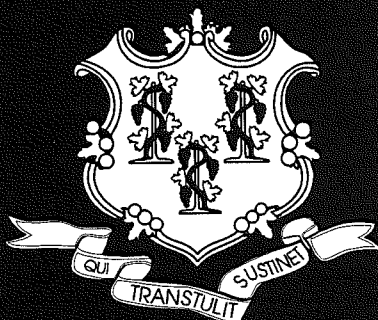
THE PARTNERSHIP MUST PROVIDE EACH PARTNER THAT IS A TRUST, ESTATE, PARTNERSHIP, S CORPORATION OR NONRESIDENT INDIVIDUAL WITH A SCHEDULE OF AMOUNTS OF INCOME DERIVED FROM OR CONNECTED WITH SOURCES WITHIN CONNECTICUT FOR INCLUSION ON THE APPROPRIATE FORMS.

1997 FORM CT-1065

Connecticut Partnership Income Tax Return and Instructions

This booklet
contains:

- Form CT-1065
- Form CT-1065 EXT



Dear Customer:

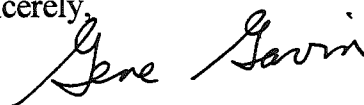
The Connecticut Department of Revenue Services is proud of the progress we have made in improving the quality of service that we provide to our customers. We are pleased to announce that again this year the Department has received awards for excellence and innovation and taxpayers continue to give us high marks for the way we do business. At DRS, we are committed to providing you with:

- **cost effective and efficient tax administration;**
- **programs that promote voluntary compliance; and**
- **fair and equitable treatment of all taxpayers.**

Before completing this return, please read the booklet carefully. Should you have any questions about filing your Connecticut Partnership Income Tax Return, Department personnel are ready to help you. Please refer to the back cover for a complete list of our regional office locations, hours of service, phone and fax numbers. Comprehensive taxpayer information, including downloadable forms, is also available on our Internet site: www.state.ct.us/drs.

Your comments help us serve you better. I invite you to write or e-mail us through our Internet site with your ideas and suggestions.

Sincerely,



Gene Gavin
Commissioner

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

CONN - TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Dial **860-297-5962** (Hartford area and out-of-state) or **1-800-382-9463** (in-state), press "2" to select "Recorded Income Tax Information," and enter the 3 digit number beside the topic of your choice.

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OTHER TAXES FOR WHICH THE PARTNERSHIP MAY BE LIABLE

The information that follows is intended to be a general description of certain other Connecticut taxes for which a partnership may be liable. Failure to pay these or any other taxes may subject the partnership and its partners to civil and criminal penalties.

To register for sales and use taxes and Connecticut income tax withholding as well as most other Connecticut taxes administered by the Department of Revenue Services, the partnership must complete **REG-1, Application for Tax Registration Number**. If the partnership already has a Connecticut tax registration number, the partnership may register for any additional taxes for which it is liable by contacting the Department's Registration Unit at 860-297-4885.

SALES AND USE TAXES

A partnership may be responsible for the filing of sales and use tax returns. Sales tax is due if the company makes sales of taxable goods or services. Use tax is due on the purchase of taxable goods or services, generally from out-of-state retailers or Connecticut retailers who have failed to collect the sales tax. Both taxes are reported on **Form OS-114, Sales and Use Tax Return**.

CONNECTICUT INCOME TAX WITHHOLDING

Anyone who maintains an office or transacts business in Connecticut and who is considered an employer for federal income tax withholding purposes must withhold Connecticut income tax whether or not the payroll department is located in Connecticut.

Connecticut income tax withholding is reported on **Form CT-941, Connecticut Quarterly Reconciliation of Withholding** and **Form CT-W3, Connecticut Annual Reconciliation of Withholding**.

CONTROLLING INTEREST TRANSFER TAX

A partnership may be liable for controlling interest transfer tax if it transfers a controlling interest in an entity that owns Connecticut real property. Partners may be liable if they transfer a controlling interest in a partnership that owns Connecticut real property. This tax is reported on **Form AU-330, Controlling Interest Transfer Tax Return**.

REAL ESTATE CONVEYANCE TAXES

A partner may be liable for state and municipal real estate conveyance taxes if the partner conveys, as a contribution of partnership assets, Connecticut real property to the partnership. The partnership may be liable if it conveys Connecticut real property to a partner in consideration for the partner's withdrawal or if there is a termination of the partnership. The state tax is reported on **Form OP-236, Real Estate Conveyance Tax Return**.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users **only** may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover of this booklet. If you visit, be sure to bring your **COMPLETED** federal Form 1065.

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at Connecticut:

- **post offices** • **town halls**
- **some banks** • **public libraries**

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling DRS Forms Unit at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

WHO MUST FILE A CONNECTICUT PARTNERSHIP INCOME TAX RETURN?

A partnership (including a limited liability partnership and a limited liability company treated as a partnership for federal purposes) must file **Form CT-1065, Connecticut Partnership Income Tax Return**, if:

1. it is required to file a federal Form 1065, U.S. Partnership Return of Income, and
2. it has any income, gain, loss or deduction derived from or connected with Connecticut sources.

Partnerships do not have to file a **Form CT-1065** merely because they have a partner or partners who are residents of Connecticut.

For more information on how LLC's are taxed in Connecticut, see **PS 92(12.2), Limited Liability Companies**.

INCOME DERIVED FROM OR CONNECTED WITH CONNECTICUT SOURCES includes:

- income attributable to the ownership of any interest in real property or tangible personal property located in Connecticut;
- income attributable to the ownership of any intangible personal property to the extent it is used in a business, trade, profession or occupation carried on in Connecticut; and
- income attributable to a business, trade, profession or occupation carried on in Connecticut.

A partnership has income, gain, loss or deduction from sources in Connecticut if it is a partner in a partnership which itself has income, gain, loss or deduction derived from Connecticut sources. This flow through or attribution theory extends through all layers of partnerships.

A PARTNERSHIP CARRIES ON A BUSINESS, TRADE, PROFESSION OR OCCUPATION WITHIN CONNECTICUT if:

- it maintains or operates desk space, an office, shop, store, warehouse, factory, agency or other place **in Connecticut** where its affairs are systematically and regularly carried on;
- or
- activities in connection with the business are conducted **in Connecticut** with a fair measure of permanency and continuity for livelihood or profit, as distinguished from isolated or incidental transactions.

HOW DO PARTNERS REPORT THEIR INCOME?

Resident individual partners must include their distributive share of partnership income on **Form CT-1040, Connecticut Resident Income Tax Return**. The partnership must provide each resident partner with a schedule of the amounts of Connecticut modifications that each partner must include on Schedule 1 of his or her **Form CT-1040**. A Connecticut resident is an individual whose domicile is in this state or an individual whose domicile is not in this state but who maintained a permanent place of abode in Connecticut **and** spent more than 183 days in the state during the taxable year.

Nonresident individual partners must include their distributive share of partnership items on **Form CT-1040NR/PY, Connecticut Nonresident or Part-Year Resident Income Tax Return**. The partnership must provide each nonresident partner with a schedule of his or her distributive share of partnership income (loss) derived from or connected with sources within Connecticut for inclusion on Schedule CT-SI of each nonresident partner's **Form CT-1040NR/PY, Connecticut Nonresident or Part-Year Resident Income Tax Return**. Additionally, each nonresident partner must be provided with a schedule of his or her

distributive share of Connecticut modifications for inclusion on Schedule 1 of his or her **Form CT-1040NR/PY**, and a schedule of the amounts of such modifications that relate to the distributive share of income (loss) derived from or connected with sources within Connecticut, for inclusion on Schedule CT-SI of each nonresident partner's **Form CT-1040NR/PY**.

A partner that is a corporation may be required to file **Form CT-1120**, *Corporation Business Tax Return* or **Form CT-1120S**, *Connecticut S Corporation Business Tax Return*.

A group return, **Form CT-G**, *Connecticut Group Income Tax Return*, may be filed by a partnership with ten or more qualified electing nonresident partners. See *Group Returns for Nonresident Individual Partners*, on Page 6.

WHEN IS FORM CT-1065 DUE?

A partnership must file **Form CT-1065** by the 15th day of the fourth month following the close of its taxable year. The return will be considered timely if the date shown by the U.S. Post Office cancellation mark is on or before the due date of the return. If any due date falls on a Saturday, Sunday, or a legal holiday, substitute the next business day. If a partnership is terminated and completely liquidated during its normal taxable year, resulting in an accounting period of less than 12 months for federal income tax purposes, the return is due the 15th day of the fourth month after the end of the accounting period.

Form CT-1065 is an informational return for calendar year 1997 or for the taxable year beginning in 1997 and ending in 1997 or 1998. If the return is not for a calendar year, fill in the "other taxable year" space at the top of the form.

WHAT INFORMATION MUST BE PROVIDED TO PARTNERS?

On or before the date **Form CT-1065** is filed, the partnership must provide each partner with information concerning the amount of such partner's:

- Distributive share of income, gain, loss and deduction derived from or connected with sources within Connecticut, and derived from or connected with sources outside Connecticut, and
- Distributive share of any Connecticut modifications that relate to partnership items of income, gain, loss or deduction derived from or connected with sources within Connecticut, and derived from or connected with sources outside Connecticut.

This information may be provided in the form of a statement attached to each partner's federal K-1. If all the items of income, gain, loss or deduction are derived from or connected with sources within Connecticut, it should be so stated.

Partners that are S corporations, partnerships, trusts or estates must be provided with a schedule of the partnership's income, gain, loss or deduction derived from or connected with sources within Connecticut so that they may properly inform their own shareholders, partners, or beneficiaries who may be nonresidents of Connecticut of any amounts taxable to them for Connecticut income tax purposes. For example, a resident partner which is a partnership may have one or more nonresident partners who need to know about their distributive share of any income, gain, loss or deduction derived from or connected with sources within Connecticut.

Example:

X, a partnership having items of income, gain, loss or deduction derived from Connecticut sources, has 3 partners: Q, a resident individual; R, a nonresident individual; and S, a partnership.

Partner S has two resident individual partners, T and U, and one nonresident individual partner, V.

X must do the following for Connecticut income tax purposes:

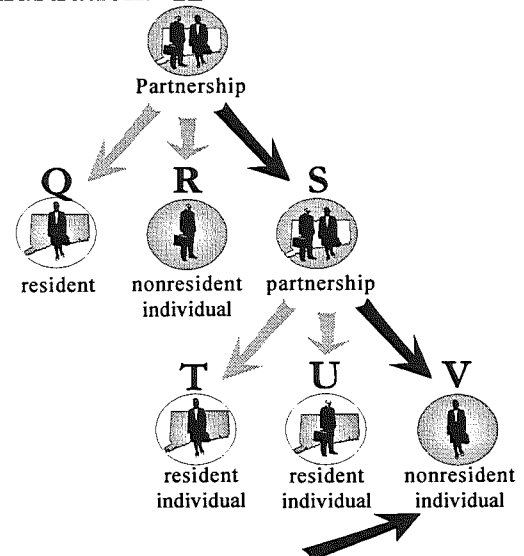
- File a **Form CT-1065**.
- Provide **all** partners with a **Form CT-1065**, Schedule D.
- Provide partner R with a **Form CT-1065**, Schedule E.
- Provide partner S, a pass-through entity with a nonresident partner, with a **Form CT-1065**, Schedule E.

Partner S has no income other than its distributive share of X's income, gain, loss or deduction.

S must do the following for Connecticut income tax purposes:

- File a **Form CT-1065**.
- Provide all partners with a schedule of their distributive shares of S's Connecticut modifications from the **Form CT-1065**, Schedule D provided to S by Partnership X.
- Provide its nonresident partner, V, with a schedule of V's distributive share of S's income, gain, loss or deduction from Connecticut sources from the **Form CT-1065**, Schedule E provided to S by Partnership X.

Illustration: X



This partner needs to know what the Connecticut sourced income was from X.

HOW TO FILE FOR AN EXTENSION

If the partnership is unable to file a timely return, **Form CT-1065EXT**, *Application for Extension of Time to File Connecticut Partnership Income Tax Return*, may be filed on or before the due date of the original return. This form is contained in this booklet. The filing of this form will automatically extend the due date for six months only if federal Form 8736, *Application for Automatic Extension of Time To File U.S. Return for a Partnership, REMIC or for Certain Trusts*, has been filed with the Internal Revenue Service. If federal Form 8736 was not filed, the partnership can apply for a six-month extension to file **Form CT-1065** provided there is reasonable cause for the request.

If a general partner is unable, by reason of illness, absence or other good cause, to request an extension, any person standing in a close personal or business relationship to the general partner (including an attorney, C.P.A., or enrolled agent) may sign the request on his or her behalf. This person shall be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than the general partner's and the relationship existing between the general partner and the signer.

HOW TO FILE AN AMENDED RETURN

If, after the partnership files its return, changes or corrections to income or deductions are made, the partnership must file an amended **Form CT-1065**. Check the *Amended Return* box on Question A on the front of **Form CT-1065**.

If the partnership files an amended federal return, the partnership must file an amended Connecticut return within 90 days after filing the amended federal return if the amendment affects the Connecticut income tax liability of its partners.

If the partnership's federal return is changed or corrected by the Internal Revenue Service, the partnership must file an amended **Form CT-1065** within 90 days after the final determination of such change or correction. Check the *Amended Return* box on Question A on the front of **Form CT-1065**. The penalty for failure to report any such change within the 90-day period will be \$50.

ACCOUNTING PERIOD AND METHOD OF ACCOUNTING

A partnership's accounting period and method of accounting for Connecticut income tax purposes shall be the same as such partnership's accounting period and method of accounting for federal income tax purposes.

If a partnership's accounting period or method of accounting is changed for federal income tax purposes, the accounting period or method of accounting shall be similarly changed for Connecticut income tax purposes.

PENALTY FOR LATE FILING

A penalty of \$50 is imposed against the partnership if the partnership is required to file a partnership return and fails to file the return on time, including extensions.

WAIVER OF PENALTY

The partnership may be entitled to a waiver of penalty if the failure to file the return on time was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. Do not include penalty waiver requests with **Form CT-1065**. Mail separately to:

**PENALTY REVIEW COMMITTEE
DEPARTMENT OF REVENUE SERVICES
PO BOX 5089
HARTFORD CT 06102-5089**

ROUNDING OFF TO WHOLE NUMBERS

You may round off cents to the nearest whole dollar on your return and schedules. All cents up to and including 49 cents are dropped. All amounts from 50 cents to 99 cents are rounded up to the next highest dollar. For example, \$1.29 becomes \$1.00 and \$3.59 becomes \$4.00. If you do round off, do so for all amounts.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents when adding and **only round off the total**.

INTERNAL REVENUE SERVICE EXCHANGE PROGRAM

The Department of Revenue Services and the Internal Revenue Service maintain an extensive exchange program, routinely sharing computer tapes and audit results. Discrepancies between income and deductions reported on federal returns and on this return, except those allowed under state law, are identified and may result in a state audit or further investigation.

GROUP RETURNS FOR NONRESIDENT INDIVIDUAL PARTNERS

A group return may be filed on **Form CT-G** and taxes paid on behalf of electing partners only by partnerships with ten or more qualified electing nonresident individual partners in a taxable year. All qualified electing nonresident individual partners must have the same taxable year. A *qualified electing nonresident partner* is one who meets **all** of the following conditions:

1. the partner was a nonresident individual for the entire taxable year; and
2. the partner did not maintain a permanent place of abode in Connecticut at any time during the taxable year; and

3. the partner (or his or her spouse if a joint federal income tax return is or will be filed) did not have income derived from or connected with sources within Connecticut other than the partner's pro rata share of partnership income derived from or connected with sources within Connecticut; and
4. the partner waives the right to claim any Connecticut personal exemption and any Connecticut personal credit; and
5. the partner does not have a Connecticut alternative minimum tax liability for the taxable year; and
6. the partner elects to be included in **Form CT-G** by completing and delivering to the partnership a **Form CT-2NA**, *Connecticut Nonresident Income Tax Agreement/Election to*

be Included in a Group Return, prior to the filing of the **Form CT-G** by the partnership. By making the election, the partner expressly consents to personal jurisdiction in Connecticut for Connecticut income tax purposes and waives his or her right to request, on his or her own behalf or with others making such election, an extension of time to pay Connecticut income tax.

Form CT-G is available from the Department.

Nonresident partners with Connecticut source income who do not qualify or who do not elect to be included on a group return must file **Form CT-1040NR/PY**.

INSTRUCTIONS FOR FORM CT-1065

Attach a complete copy of your federal Form 1065 (excluding K-1s)

NAME, ADDRESS, REGISTRATION NUMBERS

Enter the complete partnership name and address, federal employer identification number and Connecticut tax registration number. A Connecticut tax registration number is only necessary if the partnership is required to be registered for other taxes with the Department.

QUESTIONS A THROUGH I

Question A - Check the appropriate box if an amended return, final return (out of business in Connecticut) or both.

Question B - Enter the total number of resident partners and nonresident partners during the taxable year. The status of each partner is determined as of the end of the partnership year or at the date the partner leaves the partnership.

Question C - Enter the amount from federal Form 1065, Schedule K, Line 1, ordinary income (loss) from trade or business activities.

Question D - Enter the date the partnership began operating. Enter the date business commenced in Connecticut.

Question E - Check the box if any partners are corporate entities.

Question F - Indicate whether the partnership has an interest in any real property located in the state.

Question G - If this question is answered "Yes," the partnership may be liable for the controlling interest transfer tax. Enter the entity name and federal employer identification number in the applicable spaces.

Question H - If this question is answered "Yes," and the partnership owned Connecticut real property, the transferor(s) is liable for the controlling interest transfer tax. Enter the name and the social security number or federal employer identification number of the transferor(s).

For information on the controlling interest transfer tax, see *Other Taxes for Which the Partnership May Be Liable* on Page 3.

Question I - Under Internal Revenue Code §754, a partnership may elect to adjust the basis of partnership property when property is distributed or when a partnership interest is transferred. Attach any information included with federal Form 1065, U.S. Partnership Return of Income, relating to an Internal Revenue Code §754 election.

SCHEDULE A - BUSINESS INFORMATION

Complete Schedule A only if the partnership carries on business both within and outside of Connecticut. Enter the exact location of each place where the partnership carries on business, briefly describe each place of business (e.g., sales office, agency, factory, warehouse), and state whether it is rented or owned by the partnership. Briefly describe the activity at the location shown (e.g., storage, administration, manufacturing, wholesale sales, retail sales, commercial rental property).

SCHEDULE B - INCOME APPORTIONMENT

Complete Schedule B only if all of the following apply:

- A. there are one or more nonresident partners; and
- B. the partnership carries on business both within and outside of Connecticut; and
- C. the partnership does not maintain books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources.

The apportionment fraction calculated on Line 8 will be used to complete Schedule E and Schedule D.

The apportionment fraction calculated on Line 8 of this schedule is not to be used by partners that are C corporations. In fact, Schedule B need not be completed when all the partners are C corporations.

Schedule B must still be completed even if an authorized alternate allocation method is used. A detailed explanation of the authorized alternate method used to determine the

Connecticut income must be attached, together with full details of any adjustments increasing or decreasing the amount of Connecticut income computed by the authorized alternate method.

If the partnership does maintain books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, those amounts may be used to complete Schedule E.

LINE 1 - REAL PROPERTY OWNED

Enter in Column A the average value of all real property owned by the business, wherever located. Enter in Column B the average value of real property owned by the business and located in Connecticut.

The average value of property is determined by adding its fair market value at the beginning and the end of the taxable year and dividing by two.

LINE 2 - REAL PROPERTY RENTED FROM OTHERS

Enter in Column A the average value of all real property rented from others, wherever located. Enter in Column B the average value of real property rented from others and located in Connecticut.

The average value of real property rented by the business from others and to be included on Line 2 is eight times the gross rent payable during the taxable year for which the return is filed. Gross rent includes:

- any amount payable for the use or possession of real property, or any part of it, whether designated as a fixed sum of money or as a percentage of sales, profits or otherwise;
- any amount payable as additional rent or in lieu of rent such as interest, taxes, insurance, repairs or any other amount required to be paid by the terms of a lease or other agreement;
- the proportion of the cost of any improvement to real property made by or on behalf of the business which reverts to the owner or lessor upon termination of a lease or other arrangement. However, if a building is erected on leased land by or on behalf of the business, the value of the building is determined in the same manner as if it were owned by the business.

LINE 3 - TANGIBLE PERSONAL PROPERTY OWNED OR RENTED FROM OTHERS

Enter in Column A the average value of all tangible personal property which is owned or rented from others by the business, wherever located. Enter in Column B the average value of tangible personal property owned or rented from others by the business and located in Connecticut. The average value of tangible personal property that is owned is determined by adding its book value at the beginning and end of the taxable year and dividing by two.

The average value of tangible personal property rented from others is determined by multiplying by eight the gross rents payable during the taxable year for which the return is filed.

LINE 4 - PROPERTY OWNED OR RENTED

Add Lines 1, 2 and 3 in Column A and Column B and enter the result on Line 4. On Line 4, divide the Column B amount by the Column A amount. Carry the result to four decimal places and enter in Column C.

LINE 5 - EMPLOYEE WAGES AND SALARIES

Enter in Column A the total compensation paid to employees during the taxable year in connection with business operations carried on everywhere. Enter in Column B the total compensation paid to employees during the taxable year in connection with business operations carried on in Connecticut. Only enter wages, salaries and other personal service compensation paid to **employees** of the business. Do not include payments to partners, independent contractors, independent sales agents, etc. The compensation paid for services is in connection with operations carried on in Connecticut if the employee works in or travels out of an office or other place of business located in Connecticut.

Divide the Column B amount by the Column A amount. Carry the result to four decimal places and enter in Column C.

LINE 6 - GROSS INCOME FROM SALES AND SERVICES

Enter in Column A the total gross sales made, or charges for services performed, by the partnership or by employees, agents, agencies or independent contractors of the business everywhere. Enter in Column B the portion of total gross sales or charges which represents sales made, or services performed, by the partnership or by employees, agents, agencies or independent contractors of the business in Connecticut. This includes sales made or services performed by employees, agents, agencies or independent contractors situated at, connected with, or sent out from offices (or its agencies) located in Connecticut.

Divide the Column B amount by the Column A amount. Carry the result to four decimal places and enter in Column C.

Example: If a salesperson working out of a Connecticut office covers Connecticut, Massachusetts and Rhode Island, all sales made by such salesperson are to be allocated to Connecticut and included in Column B, Line 6.

LINE 7 - TOTAL

In Column C, add Lines 4, 5 and 6 and enter the total in Column C, Line 7.

LINE 8 - BUSINESS APPORTIONMENT FRACTION

Divide the amount on Line 7 by three (or by the actual number of fractions if less than three). Carry the result to four decimal places and enter the result in Column C, Line 8.

Attach entire federal Form 1065. Do not include K-1s.

SIGN HERE: Form CT-1065 must be signed by a general partner and a phone number must be provided.

Anyone you pay to prepare the return must sign it and fill in the other information requested in the paid preparer's area of the return. Paid preparers are required to sign the return by hand; signature stamps are not acceptable. The preparer's federal employer identification number, firm name and firm address must also be entered in the space provided. Retain a copy of this return for the partnership's records.

SCHEDULE C - PARTNER INFORMATION

Complete this part for all persons who were partners of the partnership for any part of the taxable year. **Identification Number** means either federal employer identification number or social security number, whichever is applicable. In the *profit %* column, enter each partner's profit percentage from federal Form 1065, Schedule K-1. Indicate whether the partner is a resident or nonresident. The status of each partner is determined at the end of the partnership's taxable year or at the date the partner leaves the partnership.

- List all nonresident partners first, resident partners next and corporate or other partners last. Number each partner sequentially.
- The number preceding the name and address of each partner shall be used to identify such partner in Schedule D and Schedule E.
- If there are more than three partners, attach additional sheets in the same format as Schedules C, D and E of this return.

SCHEDULE D - PARTNERS' SHARE OF CONNECTICUT MODIFICATIONS

If the partnership had Connecticut modifications to federal income, complete Schedule D for all persons who were partners (other than partners that are C corporations) during any part of the taxable year.

Amounts reported on Line 1 through Line 8 for nonresident partners are calculated by multiplying each nonresident partner's distributive share of each modification by the apportionment fraction on Form CT-1065, Schedule B, Line 8.

ADDITIONS

Enter each partner's share as a positive number.

LINE 1 - INTEREST ON STATE AND LOCAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter each partner's distributive share of interest income derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities, which interest income is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa and U.S. Virgin Islands.

LINE 2 - EXEMPT-INTEREST DIVIDENDS RECEIVED FROM A MUTUAL FUND DERIVED FROM STATE OR MUNICIPAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter each partner's distributive share of exempt-interest dividends received from a mutual fund that are derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities. If the exempt-interest dividends are derived from obligations of Connecticut and other states, enter only the percentage derived from non-Connecticut obligations. Do not enter exempt-interest dividends derived from government obligations of Puerto Rico, Guam, American Samoa and U.S. Virgin Islands.

Example: A fund invests in obligations of many states, including Connecticut. Assuming that 20% of the distribution is from Connecticut obligations, the remaining 80% would be added back on this line.

LINE 3 - CERTAIN DEDUCTIONS RELATING TO INCOME EXEMPT FROM CONNECTICUT INCOME TAX

Enter each partner's distributive share of the amount deducted for federal income tax purposes for interest expense on loans used to buy bonds and securities whose interest income is exempt from Connecticut income tax, expenses related to income exempt from Connecticut income tax, and the amortizable bond premium on any bond, the interest from which is exempt from Connecticut income tax.

LINE 4 - OTHER

Use Line 4 to report each partner's distributive share of modifications to income which are not listed on Lines 1, 2 and 3. For example, include each partner's distributive share of:

- any loss recognized on the sale or exchange of bonds or other obligations of the State of Connecticut or its municipalities;
- the partnership's share of any positive fiduciary adjustment received from a trust or estate of which the partnership is a beneficiary;
- any interest or dividend income on federal obligations or securities the federal government does not prohibit the states from taxing;
- income taxes paid to Connecticut, to the extent deductible in determining federal adjusted gross income;
- to the extent deductible in determining federal adjusted gross income, expenses paid for the production or collection of Connecticut tax exempt income, or paid for the management, conservation or maintenance of property held for the production of such income; and
- amortizable bond premium for the taxable year on any bond, the interest on which is exempt from Connecticut income tax.

SUBTRACTIONS

Enter each partner's share as a positive number.

LINE 5 - INTEREST ON UNITED STATES GOVERNMENT OBLIGATIONS

Enter each partner's distributive share of interest income derived from U.S. Government obligations (to the extent included in income on federal Form 1065) that federal law prohibits states from taxing. For example: U.S. Government bond interest such as Savings Bonds Series EE and Series HH, U.S. Treasury bills and notes.

Do not enter the amount of income derived from Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds, and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing income derived from these obligations and this income is taxed by Connecticut.

LINE 6 - EXEMPT DIVIDENDS FROM MUTUAL FUNDS DERIVED FROM UNITED STATES GOVERNMENT OBLIGATIONS

Enter each partner's distributive share of exempt dividends that are received from a qualifying mutual fund and that are derived from U.S. Government obligations. A mutual fund is a qualifying mutual fund if, **at the close of each quarter of its taxable year**, at least 50% of the value of its assets consists of U.S. Government obligations. The percentage of dividends that are exempt dividends should be reported to the partnership by the mutual fund. See Line 5, above.

LINE 7 - CERTAIN EXPENSES RELATING TO INCOME EXEMPT FROM FEDERAL INCOME TAX

Enter each partner's distributive share of interest expense on money borrowed to purchase or carry bonds or securities whose interest income is subject to Connecticut income tax but exempt from federal income tax, provided this interest was a business expense for the taxable year and was not deducted in determining partnership income on federal Form 1065.

LINE 8 - OTHER

Use Line 8 to report each partner's distributive share of modifications to income which are not listed on Lines 5, 6 and 7. For example, include each partner's distributive share of:

- any gain recognized on the sale or exchange of bonds or other obligations issued by the State of Connecticut or its municipalities;
- interest income from federally taxable Connecticut bonds;
- the partner's share of any negative Connecticut fiduciary adjustment received from a trust or estate of which the partnership is a beneficiary;
- any refund or credit for overpayment of income taxes imposed by any state, municipality, or province of Canada, to the extent such amount was included in federal gross income;

- business expenses incurred in connection with the income, or property held to produce income that is subject to Connecticut income tax but exempt from federal income tax (provided these expenses were not deducted in determining partnership income); and
- amortization of bond premium on any bond, the interest from which is subject to Connecticut income tax but exempt from federal income tax (provided this amortization was a business expense for the taxable year and was not deducted in determining partnership income).

The partnership must provide each partner (including a partner other than an individual) with a schedule of amounts of modifications for inclusion on the appropriate form.

SCHEDULE E - NONRESIDENT INCOME ALLOCATION

If the partnership has partners that are nonresident individuals, nonresident trusts or nonresident estates, or partners that are partnerships or S corporations, complete Schedule E for all such partners.

A partnership that maintains books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources **must** enter each nonresident partner's distributive share of partnership items derived from Connecticut sources as determined from those books and records.

A partnership that does not maintain books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources **must** use the apportionment fraction computed on Schedule B, Line 8, or an authorized alternate method, to determine the portion of each nonresident partner's distributive share of any item that is derived from or connected with Connecticut sources. This is accomplished by multiplying federal Form 1065, Schedule K-1 distributive share amounts for each partner by the apportionment fraction of Schedule B, Line 8 and entering the result on Schedule E.

The amounts included on Schedule E should include Connecticut apportioned modifications.

The character of the income (loss) for Connecticut purposes must mirror the character of such income (loss) on the federal return.

A loss should be clearly indicated by using parentheses ().

LINE 1 - ORDINARY INCOME (LOSS) FROM TRADE OR BUSINESS ACTIVITIES

Enter the Connecticut portion of each partner's distributive share of the ordinary income (loss) from the trade or business activities of the partnership. Unless the partnership maintains books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, this amount is calculated by multiplying the partner's ordinary income (loss) from the trade or business from the partner's federal Form 1065, Schedule K-1 by the apportionment fraction on Schedule B, Line 8.

LINES 2 AND 3 - NET INCOME (LOSS) FROM RENTAL ACTIVITIES

Enter the Connecticut portion of each partner's distributive share of amounts attributable to rental activities. Amounts attributable to real property located in Connecticut are 100% taxable to a nonresident partner for Connecticut income tax purposes. Amounts attributable to real property located outside Connecticut are not taxable to a nonresident partner for Connecticut income tax purposes.

LINE 4 - PORTFOLIO INCOME (LOSS)

Enter the Connecticut portion of each partner's distributive share of portfolio income (loss). Items of income, gain, loss and deduction derived from or connected with Connecticut sources **do not include** such items attributable to intangible personal property except to the extent such intangible property is employed in a business, trade, profession or occupation carried on in Connecticut. For example, dividends from stock used as collateral to secure a business loan (for a Connecticut business) would be income from intangible property employed in a Connecticut trade or business and therefore would be taxable for Connecticut income tax purposes to a nonresident partner.

LINE 5 - GUARANTEED PAYMENTS TO PARTNERS

Enter the Connecticut portion of each partner's distributive share of guaranteed payments made to the partner. Unless the partnership maintained books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, this is calculated by multiplying the partner's distributive share of guaranteed payments from federal Form 1065, Schedule K-1 by the apportionment fraction on Schedule B, Line 8.

LINE 6 - NET GAIN (LOSS) UNDER IRC §1231

Enter the Connecticut portion of each partner's distributive share of gain (loss) under Internal Revenue Code §1231.

If the amount relates to rental (real) property located in Connecticut, the gain (loss) is 100% sourced to Connecticut.

If the amount relates to a trade or business activity, unless the partnership maintains books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, such gain (loss) is calculated by multiplying the partner's distributive share of such gain (loss) under Internal Revenue Code §1231, from federal Form 1065, Schedule K-1 by the apportionment fraction on Schedule B, Line 8.

If the amount relates to a trade or business activity and the individual is a limited partner, the gain (loss) under Internal Revenue Code §1231, is a passive activity amount.

LINE 7 - OTHER INCOME (LOSS)

Enter the Connecticut portion of a partner's distributive share of other items of income, gain or loss that are not included on Lines 1 through 6.

Unless the partnership maintains books and records that satisfactorily disclose the portion of income, gain, loss or

deduction derived from or connected with Connecticut sources, the amount to be entered is calculated by multiplying the partner's distributive share of such items from federal Form 1065, Schedule K-1 by the apportionment fraction on Schedule B, Line 8.

LINE 8 - EXPENSE DEDUCTION FOR PROPERTY UNDER IRC §179

Enter the Connecticut portion of each partner's distributive share of the amount allowed as a deduction for federal purposes under Internal Revenue Code §179.

Unless the partnership maintains books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, the amount of the §179 deduction to be entered is calculated by multiplying the partner's share of such deduction from federal Form 1065, Schedule K-1 by the apportionment fraction on Schedule B, Line 8.

LINE 9 - OTHER DEDUCTIONS

Enter the Connecticut portion of each partner's distributive share of other deductions that are not deducted in arriving at ordinary income (loss) from trade or business activities and that are separately stated on the federal Schedule K-1.

Unless the partnership maintains books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, the amount to be entered is calculated by multiplying the partner's distributive share of such items from federal Form 1065, Schedule K-1 by the apportionment fraction on Schedule B, Line 8.

The partnership must provide each nonresident partner (including a partner other than an individual) with a schedule of amounts of income derived from or connected with sources within Connecticut for inclusion on the appropriate form.

Special limitations on partnership agreements: If a partnership agreement provides for a special allocation among the partners of any item of partnership income, gain, loss or deduction, federal income tax law requires that such a provision be disregarded for federal income tax purposes, where its principal purpose is the avoidance or evasion of federal income tax. In such a case, each partner's distributive share of such item is determined by such partner's distributive share for federal income tax purposes of the taxable income or loss of the partnership as described in Internal Revenue Code §702(a)(8). This treatment and distribution of the item is reflected in each partner's federal adjusted gross income and therefore, in each partner's Connecticut adjusted gross income, even though in a particular case no Connecticut income tax avoidance or evasion may be involved.

In certain cases, however, a provision for special allocation does not have as its principal purpose the avoidance or evasion of federal income tax, but has as its principal purpose the avoidance or evasion of Connecticut income tax. In such an instance, such special allocations are subject to review by the commissioner.

FORM CT-1065EXT
Application for Extension of Time to File
Connecticut Partnership Income Tax Return

CT-1065EXT
1997

IMPORTANT! PLEASE READ INSTRUCTIONS ON REVERSE BEFORE COMPLETING THIS APPLICATION

TAXPAYER (Please Type or Print)	Name of Partnership			Federal Employer ID Number
	Physical Address	Number and Street	P.O. Box	Date Received (FOR DEPARTMENT USE ONLY)
	City or Town	State	ZIP Code	Connecticut Tax Registration Number

AN EXTENSION GRANTED BY THE INTERNAL REVENUE SERVICE DOES NOT
AUTOMATICALLY EXTEND THE CONNECTICUT FILING DATE. (SEE INSTRUCTIONS)

I request a six-month extension of time to October 15, 1998 to file a Connecticut Partnership Income Tax Return for calendar year 1997, or until _____ for fiscal year ending _____.

A federal extension has been requested on federal Form 8736, *Application for Automatic Extension of Time to File U.S. Return for a Partnership, REMIC, or for Certain Trusts* for calendar year 1997, or fiscal year beginning _____, 1997, and ending _____, 19 ____.

YES NO

If **NO**, the reason for the Connecticut extension is: _____

— YOU WILL BE NOTIFIED ONLY IF THE EXTENSION REQUEST IS DENIED —

Mail to: State of Connecticut
Department of Revenue Services
PO Box 2935
Hartford CT 06104-2935

DECLARATION: I declare under the penalties of false statement that I have examined this application and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

SIGN HERE Keep a copy of this return for your records	Signature of General Partner	Title	Date	Telephone Number ()
	Paid Preparer's Signature		Date	Federal Employer ID Number
	Firm Name and Address			

Form CT-1065EXT Instructions

Purpose:

Use **Form CT-1065EXT** to request a six-month extension to **file a Form CT-1065**, *Connecticut Partnership Income Tax Return*. It will not be necessary to include a reason for the Connecticut extension request if you have already filed an extension on federal Form 8736 with the Internal Revenue Service.

If federal Form 8736 was not filed, the partnership can apply for a six-month extension to file a Connecticut Partnership Income Tax Return, provided there is reasonable cause for the request.

To Obtain a Connecticut Filing Extension the Partnership MUST:

1. Complete **Form CT-1065EXT** in its entirety, **and**
2. File it by the due date of the return.

— YOU WILL BE NOTIFIED ONLY IF EXTENSION REQUEST IS DENIED —

When To File Form CT-1065EXT:

If you are filing a calendar year Connecticut Partnership Income Tax Return, file **Form CT-1065EXT** by April 15, 1998. If you are filing a fiscal year Connecticut Partnership Income Tax Return, file **Form CT-1065EXT** by the 15th day of the fourth month following the close of the fiscal year.

If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.

Where To File:

Mail to: State of Connecticut
Department of Revenue Services
PO Box 2935
Hartford CT 06104-2935

Specific Instructions

Name, Address and Tax Registration Numbers - Enter name of partnership, address, federal employer ID number and Connecticut tax registration number (if applicable).

Signature - This form must be signed by a general partner, or, for a limited liability company, by anyone with authority to sign the return for the LLC.

Others Who Can Sign - Anyone with a signed Power of Attorney on file can sign on the partnership's or limited liability company's behalf.

If a general partner is unable, by reason of illness, absence or other good cause, to sign a request for an extension, any person standing in a close personal or business relationship to the general partner (including attorneys, C.P.A.s and enrolled agents) may sign the request on the general partner's behalf and shall be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than by the general partner and the relationship existing between the general partner and the signer.

**CONNECTICUT S CORPORATION
INFORMATION AND COMPOSITE INCOME TAX RETURN**

IMPORTANT: PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

For calendar year 1997, or other taxable year ▶ beginning _____, 1997, and ▶ ending _____, 19__.

Corporation Name			Federal Employer ID Number	
Physical Address	Number and Street	P.O. Box	Date Received (FOR DEPARTMENT USE ONLY)	
City or Town	State	ZIP Code	Connecticut Tax Registration Number	

Check here if: Amended Return Final Return Total number of shareholders during the taxable year: Resident ▶ _____ Nonresident ▶ _____

PART I Schedule A Complete only if the S corporation must file a composite return. (See instructions)

A NONRESIDENT SHAREHOLDER'S NAME	IDENTIFICATION NO.	B Connecticut Source Income (See Instructions)	C TAX (Col. B x .045)	D Estimated Tax Paid, If Any	E Interest (Form CT-2210)
1.	▶	▶			
2.	▶	▶			
3.	▶	▶			
4.	▶	▶			
5.	▶	▶			
6.	▶	▶			
7. Subtotal from additional schedules (if needed)					
8. Total Connecticut source income (Add Column B, Lines 1 - 7)					
9. Total composite return tax liability (Add Column C, Lines 1 - 7)					
10. Total estimated tax paid - if any (Add Column D, Lines 1 - 7)					
11. Total interest due (Add Column E, Lines 1 - 7)					

PART I Schedule B

COMPUTATION OF COMPOSITE RETURN TAX DUE

1. Total Connecticut source income of nonresident individual shareholders included in composite return (From Schedule A, Column B, Line 8)	▶	1	
2. Tax liability: Multiply Line 1 by 4.5% (.045)	▶	2	
3. Payments of estimated tax, if any (From Schedule A, Column D, Line 10)	▶	3	
4. Payment made with extension request	▶	4	
5. Total payments (Add Line 3 and Line 4)	▶	5	
6. If Line 5 is more than Line 2, enter amount overpaid (Subtract Line 2 from Line 5)	▶	6	
7. Amount of Line 6 to be applied to 1998 estimated tax	▶	7	
8. Amount of Line 6 to be refunded (Subtract Line 7 from Line 6)	▶	8	
9. If Line 2 is greater than Line 5, enter amount of tax owed (Subtract Line 5 from Line 2)	▶	9	
10. If late: Enter Penalty (10% x amount on Line 9 or if Line 9 is zero, enter \$50)	▶	10	
11. If late: Enter Interest (1% x number of months late, or fraction thereof x amount on Line 9)	▶	11	
12. Interest for underpayment of estimated tax (Attach Form(s) CT-2210 if applicable)	▶	12	
13. Balance due with this return (Add Lines 9 through 12)	▶	13	

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
Mail to: Department of Revenue Services, PO Box 2967, Hartford CT06104-2967 not later than the 15th of the fourth month following the close of the taxable year.

DECLARATION: I declare under the penalties of false statement that I have examined this return and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

SIGN HERE Keep a copy of this return for your records	Signature of Officer	Title	Date	Telephone Number ()
	Paid Preparer's Signature			Date
	Firm Name and Address			Federal Employer ID Number

Check if you used a paid preparer and do not wish forms sent to you next year. Checking this box does not relieve you of your responsibility to file.

PART II - Income Apportionment (See instructions)

Complete this part ONLY if ALL of the following apply:

- (A) There are one or more nonresident shareholders; and
- (B) The S corporation carries on business both within and outside of Connecticut; and
- (C) Books do not separately reflect income earned in Connecticut.

Items Used as Factors	Column A Totals Everywhere	Column B Connecticut Only	Column C Decimal Notation
1. Real property owned	1		Percent Column B is of Column A
2. Real property rented from others	2		
3. Tangible personal property owned or rented	3		
4. Property owned or rented (Add Lines 1, 2 and 3)	4		
5. Employee wages and salaries	5		
6. Gross income from sales and services	6		
7. Total (Add Column C, Lines 4, 5 and 6)		7	
8. Apportionment fraction (Divide Line 7 by three or actual number of fractions)		8	

PART III Business Information Attach schedule to the back of this return listing all places, both within and outside of Connecticut, where the S corporation carries on business.

PART IV Shareholders Information
Shareholder # (List nonresidents first, residents next)

Shareholder #	Federal ID Number or S.S. Number	% Stock Ownership	Nonresident	
			Yes	No
▶ #	▶	▶		
▶ #	▶	▶		
▶ #	▶	▶		

PART V Nonresident Shareholders' Share of Connecticut Source Income (Including Connecticut modifications)

Connecticut-sourced portion of items from federal Schedule K-1 (Form 1120S) (See instructions)	SHAREHOLDER		
	▶ #	▶ #	▶ #
1. Ordinary (nonseparately stated) income (loss)	▶	▶	▶
2. Net income (loss) from rental real estate activities	▶	▶	▶
3. Net income (loss) from other rental activities	▶	▶	▶
4. Portfolio income	▶	▶	▶
5. Expense deduction for property under IRC §179	▶	▶	▶
6. Other deductions	▶	▶	▶
7. Net gain (loss) under IRC §1231 (other than due to casualty or theft)	▶	▶	▶
8. Other income (loss) (Attach schedule)	▶	▶	▶

The S corporation must provide each nonresident shareholder with a schedule of amounts of income derived from or connected with sources within Connecticut for inclusion by the shareholder on the appropriate lines of Schedule CT-SI of Form CT-1040NR/PY or Schedule CT-1041FA of Form CT-1041, as the case may be.

PART VI Shareholder's Share of Connecticut Modifications

ADDITIONS — ENTER ALL AMOUNTS AS POSITIVE NUMBERS	SHAREHOLDER		
	▶ #	▶ #	▶ #
1. Interest on state and local obligations other than Connecticut	▶	▶	▶
2. Exempt-interest dividends on state and local obligations other than CT	▶	▶	▶
3. Certain deductions relating to income exempt from Connecticut Income Tax	▶	▶	▶
4. Ordinary loss (See instructions) Enter 90% of each shareholder's share	▶	▶	▶
5. Other (Specify)	▶	▶	▶
SUBTRACTIONS — ENTER ALL AMOUNTS AS POSITIVE NUMBERS			
6. Interest on U.S. obligations	▶	▶	▶
7. Dividends from certain mutual funds owning U.S. obligations	▶	▶	▶
8. Certain expenses related to income exempt from federal income tax but subject to Connecticut tax	▶	▶	▶
9. Ordinary income (See instructions) Enter 90% of each shareholder's share	▶	▶	▶
10. Other (Specify)	▶	▶	▶

The S corporation must provide each shareholder with the amounts of Connecticut modifications (as reported in Part VI) for inclusion by the shareholder on Schedule 1 of Form CT-1040 or Form CT-1040NR/PY, or Schedule A of Form CT-1041, as the case may be. The S corporation must also provide each nonresident shareholder with information about the portion of the amounts reported in Part VI that is Connecticut sourced for inclusion by the shareholder on Schedule CT-SI of Form CT-1040NR/PY or Schedule CT-1041FA of Form CT-1041, as the case may be.

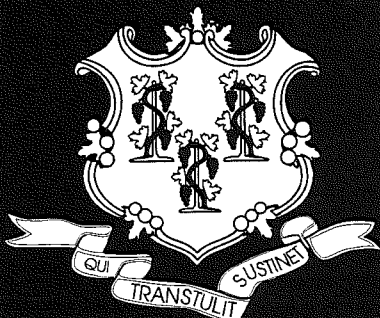
1997

FORM CT-1120SI

Connecticut S Corporation Information and Composite Income Tax Return and Instructions

This booklet
contains:

- Form CT-1120SI
- Form CT-1120SI EXT
- Form CT-1NA
- Form CT-1120SI ES



Dear Customer:

The Connecticut Department of Revenue Services is proud of the progress we have made in improving the quality of service that we provide to our customers. We are pleased to announce that again this year the Department has received awards for excellence and innovation and taxpayers continue to give us high marks for the way we do business. At DRS, we are committed to providing you with:

- **cost effective and efficient tax administration,**
- **programs that promote voluntary compliance, and**
- **fair and equitable treatment of all taxpayers, above all.**

Before completing your Connecticut S Corporation and Composite Income Tax Return, please read the booklet carefully. On Page 2 you will find important legislative changes that may mean lower taxes for you, including:

- **information on the phaseout of the Connecticut corporation business tax on S corporations;**
- **information on the phaseout of the Connecticut income tax modification to each shareholder's federal adjusted gross income for his or her pro rata share of an S corporation's nonseparately computed income or loss; and**
- **information on an S corporation's eligibility to claim tax credits against its corporation business tax liability.**

Should you have any questions about filing your return, Department personnel are ready to help you. Please refer to the back cover for a complete list of our regional office locations, hours of service, phone and fax numbers. Comprehensive taxpayer information, including downloadable forms, is also available on our Internet site: www.state.ct.us/drs.

Your comments help us serve you better. I invite you to write or e-mail us through our Internet site with your ideas and suggestions.

Sincerely,

Gene Gavin
Commissioner

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

LEGISLATIVE CHANGES

PHASEOUT OF S CORPORATION BUSINESS TAX

Conn. Gen. Stat. §12-217(c)(2) provides for the phaseout of the corporation business tax on S corporations by reducing the percentage of net income subject to tax for income years commencing on or after January 1, 1997.

For Income Years Commencing on or After	But Before	Net Income Subject to Corporation Business Tax
1/1/1997	1/1/1998	90%
1/1/1998	1/1/1999	75%
1/1/1999	1/1/2000	55%
1/1/2000	1/1/2001	30%
1/1/2001		0%

Conn. Gen. Stat. §12-701(a)(10) and (20) provides for a similar phaseout of the modification to the federal adjusted gross income for S corporation shareholders in computing their Connecticut income tax liability for taxable years commencing on or after January 1, 1997. Nonresident shareholders will now be subject to tax on the Connecticut

sourced portion of their pro rata share of nonseparately stated income or loss (as well as their Connecticut sourced portion of their pro rata share of separately stated income or loss). See Conn. Gen. Stat. §12-719(c)(3).

S CORPORATIONS ELIGIBLE FOR CORPORATION BUSINESS TAX CREDITS

Conn. Gen. Stat. §12-217, as amended by Public Act 97-283, provides that S corporations are eligible for corporation business tax credits to the extent and in the same percentage as net income of the S corporation is subject to the corporation business tax. Therefore, for 1997 when 90% of the S corporation income is subject to the corporation business tax, S corporations are allowed to use credits to the extent available, to offset the tax on 90% of S corporation income. The remainder, if any, can be carried forward.

S corporations computing tax based on capital and those subject to the minimum tax are not affected by the phaseout and consequently, are allowed to use applicable credits in full.

CONN - TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Call **860-297-5962** (Hartford area and out-of-state) or **1-800-382-9463** (in-state), press "2" to select "Recorded Income Tax Information," and enter the 3 digit number beside the topic of your choice.

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- 103 Where to get forms and assistance
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- 502 Withholding instead of making estimates
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OTHER TAXES FOR WHICH THE S CORPORATION MAY BE LIABLE

The information that follows is intended to be a general description of certain other Connecticut taxes for which an S corporation may be liable. Failure to pay these or any taxes for which the S corporation may be liable may subject the S corporation and its officers to civil and criminal penalties.

To register for sales and use taxes and Connecticut income tax withholding, as well as most other Connecticut taxes administered by the Department of Revenue Services, the S corporation must complete **REG-1, Application for Tax Registration Number**. If the S corporation already has a Connecticut tax registration number, it may register for any additional taxes for which the S corporation is liable by contacting the Department's Registration Unit at 860-297-4885.

CONNECTICUT SALES AND USE TAXES

A corporation may be responsible for the filing of sales and use tax returns. Sales taxes are due if the company makes sales of taxable goods or services. Use taxes are due on the purchase of taxable goods or services from out-of-state retailers, or Connecticut retailers who have failed to collect the sales tax. Both taxes are reported on **Form OS-114, Sales and Use Tax Return**.

CONNECTICUT INCOME TAX WITHHOLDING

Anyone who maintains an office or transacts business in Connecticut **and** who is considered an employer for federal income tax withholding purposes must withhold Connecticut income tax whether or not the payroll department is located in Connecticut. Connecticut income tax withholding is reported on **Form CT-941, Connecticut Quarterly Reconciliation of Withholding**, and **Form CT-W3, Connecticut Annual Reconciliation of Withholding**.

CONTROLLING INTEREST TRANSFER TAXES

Connecticut imposes a tax on the transfer of a controlling interest in an entity where the entity owns an interest in Connecticut real property. This tax is reported on **Form AU-330, Controlling Interest Transfer Tax**.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users only may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover of this booklet.

If you visit, be sure to bring your **COMPLETED** federal Form 1120S and your **COMPLETED Form CT-1120S, Connecticut S Corporation Business Tax Return.**

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at Connecticut:

- post offices
- town halls
- some banks
- public libraries

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling DRS Forms Unit at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

WHO MUST FILE A CONNECTICUT S CORPORATION INFORMATION AND COMPOSITE INCOME TAX RETURN?

Every S corporation carrying on business or having the right to carry on business in Connecticut, as the term is used in Conn. Gen. Stat. §12-214, must file a return on **Form CT-1120SI, Connecticut S Corporation Information and Composite Income Tax Return**, regardless of the amount of its income (or loss). **Form CT-1120SI** must be filed in addition to filing **Form CT-1120S, Connecticut S Corporation Business Tax Return.**

For the 1997 income year, the S corporation is subject to Connecticut corporation business tax on 90% of its nonseparately stated S corporation income. The tax is reported on **Form CT-1120S** filed by the S corporation. Shareholders report their pro rata share of S corporation income on an

individual income tax return (**Forms CT-1040 or CT-1040NR/PY**), a group return (**Form CT-G**), or on this composite income tax return (**Form CT-1120SI**) filed for nonresident shareholders by the S corporation.

HOW DO SHAREHOLDERS REPORT THEIR INCOME?

Resident Shareholders: S corporation income is included in each resident shareholder's federal adjusted gross income and therefore, is included in income reported on such shareholder's **Form CT-1040, Connecticut Resident Income Tax Return.** The S corporation must provide each resident shareholder with a schedule of the amounts of Connecticut modifications that each shareholder must include on Schedule 1 of his or her **Form CT-1040.** A Connecticut resident is an individual whose domicile is in this state or an individual whose domicile is not in this state but who maintained a permanent place of abode in Connecticut and spent more than 183 days in this state during the taxable year.

Nonresident Shareholders: The S corporation must provide each nonresident shareholder with a schedule of amounts of S corporation income derived from or connected with sources within Connecticut for inclusion on **Schedule CT-SI** of each shareholder's **Form CT-1040NR/PY, Connecticut Nonresident or Part-Year Resident Income Tax Return.** Additionally, the S corporation must provide each nonresident shareholder with a schedule of Connecticut modifications that each shareholder must include on Schedule 1 of his or her **Form CT-1040NR/PY.** Nonresidents, for purposes of these instructions and forms, will include all individuals and entities that are not residents.

INCOME DERIVED FROM OR CONNECTED WITH CONNECTICUT SOURCES includes:

1. income attributable to the ownership of any interest in real property or tangible personal property located in Connecticut and intangible personal property to the extent it is used in a business, trade, profession or occupation carried on **in Connecticut;**
2. income attributable to a business, trade, profession or occupation carried on **in Connecticut; and**
3. the portion of a nonresident shareholder's pro rata share of S corporation income that is derived from or connected with Connecticut sources.

The S corporation must make a composite payment of all tax due for all nonresident individuals who do not agree to file a **Form CT-1040NR/PY**, or who do not elect to be included on a group return (**Form CT-G**). A nonresident shareholder who prefers to pay all tax due by filing **Form CT-1040NR/PY** must file a **Form CT-1NA, Connecticut Nonresident Income Tax Agreement**, with the S corporation prior to the filing date of the **Form CT-1120SI.** By filing **Form CT-1NA**, the nonresident shareholder agrees to file a **Form CT-1040NR/PY**, make timely payment of all tax due and be subject to personal jurisdiction in Connecticut for purposes of the collection of income taxes attributable to the S corporation. Each **Form CT-1NA** must be attached to and filed with the **Form CT-1120SI.** The S corporation must retain a copy of each **Form CT-1NA** with its records.

WHEN IS FORM CT-1120SI DUE?

An S corporation must file **Form CT-1120SI** by the 15th day of the fourth month following the close of its taxable year. The return will be considered timely if the date shown by the U.S. Post Office cancellation mark is on or before the due date of the return. **In addition, the S corporation must separately file Form CT-1120S by the first day of the fourth month following the end of its income year.** If any due date falls on a Saturday, Sunday, or legal holiday, substitute the next business day.

If the S corporation is terminated, completely liquidated or has changed its accounting method during its normal taxable year, resulting in an accounting period of less than 12 months for federal income tax purposes, the return is due the 15th day of the fourth month after the end of the accounting period.

EXTENSION OF TIME TO FILE THE RETURN

If the S corporation is unable to file a timely return, **Form CT-1120SI EXT**, *Application for Extension of Time to File Connecticut S Corporation Information and Composite Income Tax Return*, may be filed, with payment of the amount of income tax estimated to be due, on or before the original due date for filing the return. This form is contained in this booklet. The filing of this form will automatically extend the due date for six months only if federal Form 7004, *Application for Automatic Extension of Time To File Corporation Return*, has been filed with the Internal Revenue Service. If federal Form 7004 was not filed, the S corporation can apply for a six-month extension to file **Form CT-1120SI**, provided there is reasonable cause for the request.

Form CT-1120SI EXT only extends the time to file a return; it does not extend the time to pay the amount of income tax due. Interest and penalty will apply on amounts not timely paid.

If an officer is unable, by reason of illness, absence or other good cause, to request an extension, any person standing in a close personal or business relationship (including attorneys, C.P.A.s and enrolled agents) to the officer may sign the request on his or her behalf, and shall be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than the officer's and the relationship existing between the officer and the signer.

EXTENSION OF TIME TO PAY THE TAX

An S corporation that is making a composite income tax payment on behalf of its nonresident shareholders may be eligible for an extension of six months to pay the tax due with the composite return if it can be shown that paying the tax by the due date will cause undue hardship. To receive consideration, the S corporation must file **Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*, on or before the due date of the original return.

The S corporation must attach **Form CT-1127** to the front of a timely filed **Form CT-1120SI** or a timely filed **Form CT-1120SI EXT**. As evidence of the need for extension, the S corporation must attach (1) a statement of assets and

liabilities and (2) an itemized list of receipts and disbursements for the preceding three months. The S corporation must also explain why money cannot be borrowed to pay the tax due.

Shareholders who elect to be included on **Form CT-G** waive their right to request an extension of time to pay.

If an extension of time to pay is granted and full payment of tax is made on or before the end of the extension period, the 10% (.10) penalty will not be imposed. Interest of 1% (.01) per month or fraction of a month will continue to accrue on the underpayment from the due date of the original return until the tax is paid in full. Interest charges cannot be waived.

HOW TO FILE AN AMENDED RETURN

If, after the S corporation files its return, changes or corrections to income or deductions are made, the S corporation must file an amended **Form CT-1120SI**. Check the amended return block on the front of **Form CT-1120SI**.

Failure to Report Federal Changes: If the Internal Revenue Service changes your income for any year or if you file an amended federal return, you are required to report such changes within 90 days after the final determination of such changes or the filing of such amendment. The penalty for failure to report any such change within the 90-day period is \$50.

ACCOUNTING PERIOD AND METHOD OF ACCOUNTING

An S corporation's accounting period and method of accounting for Connecticut tax purposes shall be the same as the S corporation's accounting period and method of accounting for federal income tax purposes.

If an S corporation's accounting period or method of accounting is changed for federal income tax purposes, the accounting period or method of accounting must be similarly changed for Connecticut income tax purposes.

PENALTY AND INTEREST FOR 1997 FORM CT-1120SI

Late Payment or Late Filing

If the S corporation fails to pay the tax when due, interest will be charged on the underpayment of tax at the rate of 1% (.01) per month or fraction thereof. The penalty for late payment is 10% (.10) of the balance due. If no tax is due but the S corporation is required to file a return, and the S corporation fails to timely file, the penalty is \$50.00.

Failure to File

If you fail to file your return and the Commissioner of Revenue Services files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater.

Interest on Underpayment of Estimated Tax

If the shareholder did not pay enough tax through his or her own estimates or the S corporation did not pay enough estimated tax on the shareholder's behalf by any installment due date, the shareholder may be charged interest on the underpaid amount. This is true even if the shareholder is due a refund. Interest is figured separately for each installment. Interest can be calculated by using **Form CT-2210**,

Underpayment of Estimated Income Tax by Individuals, Trusts and Estates, which may be obtained by calling the DRS Forms Unit. However, this is a complex form and you may prefer to have the Department calculate it for you.

WAIVER OF PENALTY

The S corporation may be entitled to a waiver of penalty if the failure to pay the tax was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. Do not include penalty waiver requests with **Form CT-1120SI**. Mail separately to:

Penalty Review Committee
Department of Revenue Services
PO Box 5089
Hartford CT 06102 - 5089

Interest on underpayments cannot be waived. Before a penalty waiver can be granted, a taxpayer must pay all tax and interest due.

ROUNDING OFF TO WHOLE NUMBERS

You may round off cents to the nearest whole dollar on your return and schedules. All cents up to and including 49 cents are dropped. All amounts from 50 cents to 99 cents are rounded up to the next highest dollar.

Example: \$1.29 becomes \$1.00 and \$3.59 becomes \$4.00. If you elect to round off, do so for all amounts.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents when adding and only round off the total.

You may round off the amount of tax due.

INTERNAL REVENUE SERVICE EXCHANGE PROGRAM

The Department of Revenue Services and the Internal Revenue Service maintain an extensive exchange program, routinely sharing computer tapes and audit results. Discrepancies between income and deductions reported on federal returns and on this return, except those allowed under state law, will be identified and may result in a state audit or further investigation.

GROUP RETURNS FOR NONRESIDENT INDIVIDUAL SHAREHOLDERS

A group return may be filed on **Form CT-G**, and taxes paid on behalf of electing shareholders by S corporations with ten or more qualified electing nonresident individual shareholders in a taxable year. All qualified electing nonresident individual shareholders must have the same taxable year. A "**qualified electing nonresident shareholder**" is one who meets all of the following conditions:

1. the shareholder was a nonresident individual for the entire taxable year;
2. the shareholder did not maintain a permanent place of abode in Connecticut at any time during the taxable year;
3. the shareholder (or his or her spouse if a joint federal income tax return is or will be made) did not have income derived from or connected with sources within Connecticut other

than the shareholder's pro rata share of S corporation income derived from or connected with sources within Connecticut;

4. the shareholder waives the right to claim any Connecticut personal exemption and any Connecticut personal credit;
5. the shareholder does not have a Connecticut alternative minimum tax liability for the taxable year; and
6. the shareholder elects to be included in **Form CT-G** by completing and delivering to the S corporation a **Form CT-2NA, Election to be Included in a Group Return**, prior to the filing of the **Form CT-G** by the S corporation. By making such election, the shareholder expressly consents to personal jurisdiction in Connecticut for Connecticut income tax purposes and waives his or her right to request, on his or her own behalf or with others making such election, an extension of time to pay Connecticut income tax.

PAYMENT OF 1998 ESTIMATED COMPOSITE INCOME TAXES

Estimated tax must be paid by the S corporation if the tax for any nonresident shareholder listed on the composite return exceeds \$500. Use **Form CT-1120SI ES** to make estimated payments.

The **required annual payment** is the lesser of:

- 90% of the tax shown on your 1998 Connecticut income tax return;
- or
- 100% of the tax shown on your 1997 Connecticut income tax return, if you filed a 1997 income tax return that covered a 12 month period.

For the taxable year beginning in 1998, to calculate the estimated Connecticut composite income tax payment, follow the instructions for the 1997 **Form CT-1120SI**, Part I, Schedule A, using each shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on **Form CT-1120SI**, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

You do not have to make estimated income tax payments if you did not file a 1997 income tax return because you did not have any Connecticut income tax liability and during your 1997 taxable year you were either a resident, a nonresident or a part-year resident, with income derived from or connected with sources in Connecticut.

Installment Amounts and Due Dates: For estimated tax purposes there are four required installments for each taxable year. The amount of any required installment is 25% of the required annual payment. The due dates for the required installments are:

- **APRIL 15, 1998**
- **JUNE 15, 1998**
- **SEPTEMBER 15, 1998**
- **JANUARY 15, 1999**

If any due date falls on a Saturday, Sunday or legal holiday, substitute the next business day.

Annualized Income Installment Method: If a shareholder does not receive income evenly throughout the year, the shareholder may be able to lower or eliminate the interest otherwise due for not making estimated payments in the four equal installments by calculating his or her underpayments using the “**annualized income method.**” The required estimated tax payment using the annualized income method for one or more periods may be less than the amount figured

using the equal installment method. If the shareholder establishes that the annualized income installment is less than the equal installment method, the shareholder may use the annualized income method to determine the amount of the estimated tax payments.

For each installment, the aggregate of the shareholders’ estimated tax payments may be reported by using one Form CT-1120SI ES.

FORM CT-1120SI INSTRUCTIONS

GENERAL INSTRUCTIONS

Enter the S corporation’s name, address, federal employer identification number and Connecticut tax registration number.

Check the appropriate box(es) for an amended return, final return or both.

Enter the total number of shareholders, whether resident or nonresident, during the taxable year. The number of shareholders is determined as of the end of the S corporation’s taxable year.

PART I - SCHEDULE A S CORPORATION SHAREHOLDER INFORMATION - COMPOSITE RETURN

This part must be completed for all S corporations that have any nonresident shareholders who have failed to submit a completed **Form CT-1NA** or **Form CT-2NA** to the S corporation.

- **Form CT-1NA** is an agreement that the nonresident shareholder will file **Form CT-1040NR/PY**.
- **Form CT-2NA** is the election of the shareholder to be included on **Form CT-G**.

Column A - Shareholder’s Name and Identification Number - Enter the names and federal employer identification numbers or social security numbers of the shareholders who must be included in the composite return.

Column B - Connecticut Source Income - For each nonresident who is a shareholder and who is included in the composite return, enter the shareholder’s Connecticut source income. This amount is the total of the amounts entered on **Form CT-1120SI**, Part V, Lines 1 through 8. **The federal rules regarding restrictions in netting only similar characters of income apply.**

Column C - Tax - Multiply the income derived from or connected with sources within Connecticut in Column B by 4.5% (.045) to compute the tax liability for each nonresident individual shareholder included in the composite return. Enter the total for all such shareholders on Line 9.

Column D - Estimated Tax Paid - If any estimated composite tax was paid by the S corporation, the amount paid should be allocated in this column among the nonresident individual shareholders included in the composite return. Enter the total estimated tax paid on Line 10.

Column E - Interest - Enter the amount of each shareholder’s interest due. Use **Form CT-2210** to calculate the interest on underpayment.

If there are more than six nonresident shareholders, use the Supplemental Attachment to **Form CT-1120SI**, Part I, Schedule A, and Parts IV, V, and VI. The Supplemental Attachment is included in the back of this booklet.

PART I - SCHEDULE B COMPUTATION OF COMPOSITE RETURN TAX LIABILITY

LINE 1 - CONNECTICUT-SOURCE INCOME OF SHAREHOLDERS INCLUDED IN COMPOSITE RETURN

Enter the total income derived from or connected with sources within Connecticut of all shareholders for whom the S corporation is filing the composite income tax return as entered on Part I, Schedule A, Column B, Line 8.

LINE 2 - TAX LIABILITY

Multiply the amount entered on Line 1 by 4.5% (.045) to compute the amount of tax liability. The amount computed should equal the amount entered on Part I, Schedule A, Column C, Line 9.

LINE 3 - PAYMENTS OF ESTIMATED TAX

Enter the total payments of estimated tax made by the S corporation on behalf of the shareholders as entered on Part I, Schedule A, Column D, Line 10.

LINE 4 - PAYMENT MADE WITH EXTENSION REQUEST

If **Form CT-1120SI EXT**, *Application for Extension of Time to File S Corporation Information and Composite Income Tax Return*, was filed, enter on Line 4 the amount of tax paid with **Form CT-1120SI EXT**.

LINE 5 - TOTAL PAYMENTS

Add Line 3 and Line 4. Enter the total on Line 5.

LINE 6 - OVERPAYMENT

If Line 5 is more than Line 2, subtract Line 2 from Line 5 and enter the resulting amount on Line 6. This is the amount of overpayment.

LINE 7 - AMOUNT OF LINE 6 TO BE APPLIED TO 1998 ESTIMATED TAX

Enter the amount of the 1997 overpayment to be applied to the S corporation's 1998 estimated Connecticut composite income tax.

LINE 8 - AMOUNT OF REFUND

Subtract Line 7 from Line 6. Enter the result on Line 8. This is the amount of the refund due.

LINE 9 - AMOUNT OF TAX OWED

If Line 2 is greater than Line 5, subtract Line 5 from Line 2, and enter the result on Line 9. This is the amount of tax owed.

LINE 10 - LATE PAYMENT OR FILING PENALTY

The penalty for late payment of the tax due is 10% (.10) of the amount due. If no tax is due but the filing of a return is required, the penalty for late filing is \$50.

LINE 11 - LATE PAYMENT INTEREST

With respect to any tax not paid by the due date, interest is charged at the rate of 1% (.01) per month or fraction thereof from the due date until payment is made.

LINE 12 - UNDERPAYMENT OF ESTIMATED TAX

Enter the amount from Part I, Schedule A, Line 11. This is the total interest due for all shareholders.

LINE 13 - BALANCE DUE WITH THIS RETURN

Add Lines 9 through 12 and enter the total on Line 13. Pay the balance due with this return. Make check or money order payable to the "Commissioner of Revenue Services". Include the S corporation's federal employer identification number and "1997 Form CT-1120SI" on the front of the check or money order in the lower left corner. Do not send cash. Paper clip (do not staple) the check to the front of the return. Be sure to sign the check.

SIGN HERE: Form CT-1120SI must be signed by a corporate officer. A phone number must be provided.

Anyone you pay to prepare the return must sign it and fill in the other information requested in the paid preparer's area of the return. Any paid preparer required to sign the return must sign it by hand; signature stamps are not acceptable. The preparer's federal employer identification number, firm name and firm address must also be entered in the space provided. Retain a copy of this return for the S corporation's records.

Attach to the return a copy of all applicable schedules and forms including Form CT-2210 for each shareholder, if applicable.

PART II - INCOME APPORTIONMENT

Complete Part II only if all of the following apply:

1. The S corporation has at least one shareholder who is a nonresident individual, trust or estate or a part-year resident individual or trust;
2. the S corporation carries on business both within and outside of Connecticut; and
3. the S corporation does not maintain books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources.

The apportionment fraction calculated on Line 8 is used to complete Part V for the S corporation's nonresident shareholders.

Part II must still be completed even if an authorized alternate allocation method is used. A detailed explanation of the authorized alternate method used to determine the Connecticut income must be attached, together with full details of any adjustments increasing or decreasing the amount of Connecticut income computed by the authorized alternate method.

If the S corporation does maintain books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources those amounts must be used to complete Part V.

LINE 1 - REAL PROPERTY OWNED

Enter in Column A the average value of all real property owned everywhere by the business. Enter in Column B the average value of Connecticut real property owned by the business.

The average value of real property owned by the business is determined by adding its fair market value at the beginning and at the end of the taxable year and dividing the sum by two.

LINE 2 - REAL PROPERTY RENTED FROM OTHERS

Enter the value of all real property rented everywhere in Column A and the value of real property rented in Connecticut in Column B.

The average value of real property rented by the business from others and to be included on Line 2 is eight times the gross rent payable during the taxable year for which the return is filed.

Gross rent includes:

- any amount payable for the use or possession of real property, or any part of it, whether designated as a fixed sum of money or as a percentage of sales, profits or otherwise;
- any amount payable as additional rent or in lieu of rent such as interest, taxes, insurance, repairs or any other amount required to be paid by the terms of a lease or other agreement;
- the yearly amortization applicable to any improvement to real property made by or on behalf of the business which reverts to the owner or lessor upon termination of a lease or other arrangement.

However, if a building is erected on leased land by or on behalf of the business, the value of the building is determined in the same manner as if it were owned by the business.

LINE 3 - TANGIBLE PERSONAL PROPERTY OWNED OR RENTED FROM OTHERS

Enter in Column A the average value of all tangible personal property owned or rented everywhere by the business. Enter in Column B the average value of tangible personal property owned or rented in Connecticut by the business. The average value of tangible personal property owned by business is determined by adding its book value at the beginning and at the end of the taxable year and dividing the sum by two. The average value of tangible personal property rented from others is determined by multiplying by eight the gross rents payable during the taxable year for which the return is filed.

LINE 4 - PROPERTY OWNED OR RENTED

Add Lines 1, 2, and 3 in Column A and Column B. Enter the result on Line 4 in Column A and Column B. On Line 4, divide the Column B amount by the Column A amount. Carry the result to four decimal places and enter it in Column C, Line 4.

LINE 5 - EMPLOYEE WAGES AND SALARIES

Enter in Column A the total compensation paid to employees during the taxable year in connection with business operations carried on everywhere. Enter in Column B the total compensation paid to employees during the taxable year in connection with business operations carried on in Connecticut. Only enter wages, salaries and other personal service compensation paid to employees of the business. Do not include payments to independent contractors, independent sales agents, etc. The compensation paid for services is in connection with operations carried on in Connecticut if the employee works in or travels out of an office or other place of business located in Connecticut.

Divide the Column B amount by the Column A amount. Carry the result to four decimal places and enter it in Column C.

LINE 6 - GROSS INCOME FROM SALES AND SERVICES

Enter in Column A, total gross sales made and charges for services performed by the S corporation or by its employees, agents, agencies or independent contractors of the business everywhere. Enter in Column B the portion of total gross sales or charges that represents the sales made, or services performed, by the S corporation or by its employees, agents, agencies or independent contractors of the business in Connecticut. This includes sales made or services performed by employees, agents, agencies or independent contractors situated at, connected with, or sent out from offices of the business (or its agencies) located in Connecticut.

For example, if the sales territory of a salesperson working out of the Connecticut office of the business covers Connecticut, Massachusetts and Rhode Island, all sales made by such salesperson are to be allocated to Connecticut and included in Column B, Line 6.

Divide the Column B amount by the Column A amount. Carry the result to four decimal places and enter it in Column C.

LINE 7 - TOTAL OF PERCENTAGES

In Column C, add Lines 4, 5 and 6 and enter the total in Column C, Line 7.

LINE 8 - APPORTIONMENT FRACTION

Divide Line 7 by three (or by the actual number of percentages if less than three). Carry the result to four decimal places and enter it in Column C, Line 8.

PART III - BUSINESS INFORMATION

Attach a schedule that lists the exact location of each place where the S corporation carries on business. Briefly describe each place (e.g., sales office, agency, factory). Briefly describe the activity at the location shown (e.g., storage, administration, manufacturing).

PART IV - S CORPORATION SHAREHOLDER INFORMATION

Enter the name, address, federal employer identification number or social security number (whichever is applicable), percentage of stock ownership (enter as a decimal and carry to four places), and residence status of all shareholders. Every shareholder whether an individual, trust or estate and whether resident or nonresident must be listed. **Assign each shareholder a number, and list in sequential order.**

If there are more than three nonresident shareholders, use the Supplemental Attachment to **Form CT-1120SI**, Part I, Schedule A, and Parts IV, V, and VI. The Supplemental Attachment is included in the back of this booklet.

Each shareholder must be assigned the same "shareholder #" for Parts IV, V, and VI.

Example: If Mary L. Smith is identified as shareholder #1 in Part IV, Mary L. Smith must also be identified as shareholder #1 in Parts V and VI. If Mary L. Smith is a resident individual, so that no information is entered in Part V with respect to her, no entry would be made in Part V with respect to a person identified as shareholder #1.

PART V - COMPUTATION OF CONNECTICUT SOURCE INCOME OF NONRESIDENT SHAREHOLDERS

Each shareholder must be assigned the same number for Parts IV, V, and VI.

Complete this part for all nonresident shareholders whether or not included on the composite return.

S corporations carrying on business both within and outside Connecticut must apportion each nonresident shareholder's pro rata share of items of income, gain, loss or deduction and the related Connecticut modifications to arrive at the Connecticut source income reported in Part V.

The character of the income (loss) for Connecticut income tax purposes must mirror the character of such income (loss) for federal income tax purposes.

LINE 1

Enter the Connecticut portion of each nonresident shareholder's pro rata share of nonseparately stated income or loss. If books and records are maintained that satisfactorily disclose the portion of each shareholder's pro rata share of nonseparately stated income derived from or connected with Connecticut sources, the Connecticut portion is calculated by multiplying each shareholder's pro rata share of nonseparately stated income (as modified by the amount reported on Part VI, Line 9), or each shareholder's pro rata share of nonseparately stated loss (as modified by the amount reported in Part VI, Line 4) by the amount of nonseparately stated income that the S corporation's books and records show to be Connecticut sourced.

If such books and records are **not** maintained, calculate the Connecticut portion of such income or loss by multiplying each shareholder's pro rata share of nonseparately stated income (as modified by the amount reported on Part VI, Line 9), or the shareholder's pro rata share of nonseparately stated loss (as modified by the amount reported in Part VI, Line 4) by the S corporation's apportionment fraction as reported on Part II, Line 8.

Example 1: An S corporation, whose ordinary income is entirely derived from its retail business, maintains books and records that satisfactorily show how much of its ordinary income is from each of its retail stores (including its stores in Connecticut). The amount that those books and records show to be the sum of its ordinary income from each of its Connecticut stores equals 22% of the S corporation's ordinary income. Shareholder #1's pro rata share of nonseparately stated income is \$50,000. The amount of her pro rata share of the Connecticut modification entered on Part VI, Line 9, is \$9,000. The Connecticut portion of her pro rata share of nonseparately stated income is \$9,020. $(\$50,000 - \$9,000) \times .22 = \$9,020$.

Example 2: The facts are the same as in Example 1, except the S corporation does not maintain books and records that satisfactorily show how much of its ordinary income is derived from each of its retail stores. The S corporation's apportionment fraction as reported on Part II, Line 8, is 15% (.15). The Connecticut portion of Shareholder #1's pro rata share of nonseparately stated income is \$6,150. $(\$50,000 - \$9,000) \times .15 = \$6,150$.

LINE 2 THROUGH LINE 8

Important: The amounts entered on Lines 2 through 8 should also reflect the shareholder's pro rata share of Connecticut modifications (as reported in Part VI, Lines 1-3, 5-8, and 10) to the extent the modifications are Connecticut sourced.

LINE 2 AND LINE 3

Enter the Connecticut portion of the shareholder's pro rata share of amounts attributable to rental activities (gain or loss). Amounts attributable to real property located in Connecticut are 100% taxable for Connecticut income tax purposes to a nonresident shareholder. Amounts attributable

to real property located outside Connecticut are not taxable for Connecticut income tax purposes to a nonresident shareholder.

LINE 4

Enter the Connecticut portion of the shareholder's pro rata share of portfolio income (loss). Items of income, gain, loss and deduction derived from or connected with sources within Connecticut do not include such items attributable to intangible personal property except to the extent such intangible property is employed in a business, trade, profession or occupation carried on in Connecticut. For example, dividends from stock used as collateral to secure a business loan (for a Connecticut business) would be income from intangible property employed in a Connecticut trade or business and therefore would be subject to Connecticut income tax.

Enter the Connecticut portion of the shareholder's pro rata share of capital gain. If the amount relates to the sale of rental property located in Connecticut, the capital gain (loss) is 100% sourced to Connecticut.

Items of capital gain (loss) attributable to intangible personal property (e.g., sale of stock) are not sourced to Connecticut except to the extent such capital gain is attributable to an intangible asset employed in a trade, business, profession or occupation carried on in Connecticut.

Example 3: Shareholder #3 has portfolio income sourced to Connecticut of \$5,000. \$1,000 of the \$5,000 is from interest on U.S. Government obligations, and is reported in Part VI, Line 6. The Connecticut portion of this shareholder's pro rata share of portfolio income to be entered on Part V, Line 4 is \$4,000. $\$5,000 - \$1,000 = \$4,000$.

LINE 5

Enter the Connecticut portion of the shareholder's pro rata share of the amount allowed as a deduction for federal purposes under §179 of the Internal Revenue Code.

Unless the S corporation maintains books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, the Connecticut portion is calculated by multiplying the shareholder's share of such deduction from federal Schedule K-1 by the apportionment fraction on Line 8 of Part II of this return.

LINE 6

Enter the Connecticut portion of the shareholder's pro rata share of other deductions that are not deducted in arriving at ordinary income (loss) from trade or business activities and that are separately stated on the federal Schedule K-1.

Unless the S corporation maintains books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, the Connecticut portion is calculated by multiplying the shareholder's pro rata share of such items from federal Form 1120S, Schedule K-1 by the apportionment fraction on Line 8 of Part II of this return.

LINE 7

Enter the Connecticut portion of the shareholder's pro rata share of gain (loss) under §1231 of the Internal Revenue Code.

If the amount relates to rental property located in Connecticut, the gain (loss) is 100% sourced to Connecticut.

If the amount relates to a trade or business activity, unless the S corporation maintains books and records that satisfactorily disclose the portion of income, gain, loss or deduction derived from or connected with Connecticut sources, the Connecticut portion of such gain (loss) is calculated by multiplying the shareholder's share of such gain (loss) under §1231 of the Internal Revenue Code from federal Form 1120S, Schedule K-1, by the apportionment fraction on Line 8 of Part II of this return.

LINE 8

Enter the Connecticut portion of the shareholder's pro rata share of other items of income, gain, loss or deduction not included on Lines 1 through 7 above.

PART VI - SHAREHOLDERS' SHARE OF CONNECTICUT MODIFICATIONS

Each shareholder must be assigned the same number for Parts IV, V, and VI.

Enter each shareholder's pro rata share of Lines 1 through 10.

This part is to be filled out for all shareholders.

ADDITIONS

Enter each shareholder's share as a positive number.

LINE 1 - INTEREST ON STATE AND LOCAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter each shareholder's pro rata share of interest income derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities, which interest income is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa and U.S. Virgin Islands.

LINE 2 - EXEMPT-INTEREST DIVIDENDS RECEIVED FROM A MUTUAL FUND DERIVED FROM STATE OR MUNICIPAL GOVERNMENT OBLIGATIONS OTHER THAN CONNECTICUT

Enter each shareholder's pro rata share of exempt-interest dividends received from a mutual fund that are derived from state and municipal government obligations, other than obligations of the State of Connecticut or its municipalities. If the exempt-interest dividends are derived from obligations of Connecticut and other states, enter only the percentage derived from non-Connecticut obligations. Do not enter

exempt-interest dividends derived from government obligations of Puerto Rico, Guam, American Samoa and U.S. Virgin Islands.

Example: A fund invests in obligations of many states, including Connecticut. Assuming that 20% of the distribution is from Connecticut obligations, the remaining 80% would be added back on this line.

LINE 3 - CERTAIN DEDUCTIONS RELATING TO INCOME EXEMPT FROM CONNECTICUT INCOME TAX

Enter each shareholder's pro rata share of the amount deducted for federal income tax purposes for: (1) interest expense on loans used to buy bonds and securities whose interest is exempt from Connecticut income tax; (2) expenses related to income exempt from Connecticut income tax; and (3) amortizable bond premium on any bond, the interest from which is exempt from Connecticut income tax.

LINE 4 - ORDINARY LOSS

Enter 90% of each shareholder's pro rata share of the S corporation's nonseparately computed loss (if any) multiplied by the S corporation's Connecticut corporation business tax apportionment fraction reported on **Form CT-1120S, Connecticut S Corporation Business Tax Return.**

LINE 5 - OTHER

Use Line 5 to report each shareholder's pro rata share of additions to income which are not listed on Lines 1 through 4. For example, include each shareholder's pro rata share of:

- any loss recognized on the sale of bonds or other obligations of the State of Connecticut or its municipalities;
- the S corporation's share of any positive fiduciary adjustment received from a trust or estate of which the S corporation is a beneficiary;
- any interest or dividend income on federal obligations or securities the federal government does not prohibit states from taxing;
- income taxes imposed under Chapter 229 of the Connecticut General Statutes, and paid to Connecticut by the S corporation with a composite return on behalf of nonresident shareholders, to the extent deductible by such nonresident shareholders in determining their federal adjusted gross income;
- to the extent deductible in determining federal adjusted gross income, expenses paid for the production or collection of Connecticut tax exempt income, or paid for the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the taxable year on any bond the interest on which is exempt from Connecticut income tax.

SUBTRACTIONS

Enter each shareholder's share as a positive number.

LINE 6 - INTEREST ON UNITED STATES GOVERNMENT OBLIGATIONS

Enter each shareholder's pro rata share of interest income (to the extent included in federal adjusted gross income) that federal law prohibits states from taxing; i.e., all U.S. Government bond interest such as Savings Bonds Series EE and Series HH, U.S. Treasury bills and notes.

Do not enter the amount of interest earned on Federal National Mortgage Association (Fannie Mae) Bonds, Government National Mortgage Association (Ginnie Mae) Bonds and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing income derived from these obligations, and this interest is taxed by Connecticut. For more information, including lists of exempt and taxable obligations, request **PS 92(3.1)**, *Connecticut Income Tax on Bonds or Obligations Issued by the United States Government, by State Governments or Municipalities*.

LINE 7 - EXEMPT DIVIDENDS FROM QUALIFYING MUTUAL FUNDS DERIVED FROM U.S. GOVERNMENT OBLIGATIONS

Enter each shareholder's pro rata share of exempt dividends that are received from a qualifying mutual fund and that are derived from U.S. Government obligations. A mutual fund is a qualifying fund if, at the close of each quarter of its taxable year, at least 50% of the value of its assets consists of U.S. Government obligations. The percentage of dividends that are exempt dividends should be reported to you by the mutual fund.

Do not enter the amount of income derived from Federal National Mortgage Association (Fannie Mae) bonds, Government National Mortgage Association (Ginnie Mae) bonds and Federal Home Loan Mortgage Corporation (Freddie Mac) securities. Federal law does not prohibit states from taxing income derived from these obligations, and this income is taxable for Connecticut income tax purposes.

Example: A qualifying mutual fund pays a dividend of \$100. Of the \$100 distribution, 55% is attributable to U.S. Treasury bills and 45% to other investments. The amount that should be reported on Line 7 is \$55.

LINE 8 - CERTAIN EXPENSES RELATING TO INCOME EXEMPT FROM FEDERAL INCOME TAX

Enter each shareholder's pro rata share of interest expense on money borrowed to purchase or carry bonds or securities, whose interest income is subject to Connecticut income tax but exempt from federal income tax, provided this interest was a business expense for the federal taxable year and was not deducted in determining the S corporation income.

LINE 9 - ORDINARY INCOME

Enter 90% of each shareholder's pro rata share of the S corporation's nonseparately computed income (if any) multiplied by the S corporation's Connecticut corporation business tax apportionment fraction reported on **Form CT-1120S**, *Connecticut S Corporation Business Tax Return*.

LINE 10 - OTHER

Use Line 10 to report each shareholder's pro rata share of subtractions not listed on Lines 6 through 9. For example, include each shareholder's pro rata share of:

- any gain recognized on the sale or exchange of bonds or other obligations issued by the State of Connecticut or its municipalities;
- interest income from federally taxable Connecticut bonds;
- any negative Connecticut fiduciary adjustment received from a trust or estate of which the S corporation is a beneficiary;
- any refund or credit for the overpayment of income taxes imposed by any state or province of Canada, to the extent such amount was included in federal adjusted gross income;
- business expenses incurred in connection with the income, or property held to produce income, that is subject to Connecticut income tax but exempt from federal income tax (provided these expenses were not deducted in determining S corporation income);
- amortization of bond premium on any bond, the interest from which is subject to Connecticut income tax but exempt from federal income tax (provided this amortization was business expense for the taxable year and was not deductible in determining S corporation income).

FORM CT-1120SI
SUPPLEMENTAL ATTACHMENT

Rev. 12/97

(Part 1, Schedule A)

PART I Schedule A

A		B	C	D	E
NONRESIDENT SHAREHOLDER'S NAME	IDENTIFICATION NO.	Connecticut Sourced Income <i>(Enter amount from Part V)</i>	TAX <i>(Column B x 4.5%)</i>	Estimated Tax Paid, If Any	Interest <i>(Form CT-2210)</i>
1.	▶	▶			
2.	▶	▶			
3.	▶	▶			
4.	▶	▶			
5.	▶	▶			
6.	▶	▶			
7.	▶	▶			
8.	▶	▶			
9.	▶	▶			
10.	▶	▶			
11.	▶	▶			
12.	▶	▶			
13.	▶	▶			
14.	▶	▶			
15.	▶	▶			
16.	▶	▶			
17.	▶	▶			
18.	▶	▶			
19.	▶	▶			
20.	▶	▶			
TOTAL					

FORM CT-1120SI
SUPPLEMENTAL ATTACHMENT
(Part IV, Part V and Part VI)

PART IV Shareholder #	NAME AND ADDRESS OF SHAREHOLDER	Federal Employer Identification Number or Social Security Number	% Stock Ownership	Nonresident	
				Yes	No
▶		▶	▶		
▶		▶	▶		
▶		▶	▶		
▶		▶	▶		

PART V Computation of Connecticut Source Income of Nonresident Shareholders

Pro rata share of Connecticut items from federal Schedule K-1 (Form 1120S)	SHAREHOLDER			
	▶ # ____	▶ # ____	▶ # ____	▶ # ____
1. Ordinary (nonseparately stated) Income (Loss)	▶	▶	▶	▶
2. Net Income (Loss) from rental real estate activities ...	▶	▶	▶	▶
3. Net Income (Loss) from other rental activities	▶	▶	▶	▶
4. Portfolio Income	▶	▶	▶	▶
5. Expense deduction for property under IRC §179	▶	▶	▶	▶
6. Other Deductions	▶	▶	▶	▶
7. Net Gain (Loss) under Section 1231 (other than due to casualty or theft)	▶	▶	▶	▶
8. Other Income (Loss) (Attach Schedule)	▶	▶	▶	▶


PART VI Connecticut Modifications


ADDITIONS - ENTER ALL AMOUNTS AS POSITIVE NUMBERS	SHAREHOLDER			
	▶ # ____	▶ # ____	▶ # ____	▶ # ____
1. Interest on state and local obligations other than Connecticut	▶	▶	▶	▶
2. Exempt-interest dividends on state and local obligations other than Connecticut	▶	▶	▶	▶
3. Certain deductions relating to income exempt from Connecticut Income Tax	▶	▶	▶	▶
4. Ordinary Loss. Enter 90% of each shareholder's share	▶	▶	▶	▶
5. Other (Specify) _____	▶	▶	▶	▶
SUBTRACTIONS - ENTER ALL AMOUNTS AS POSITIVE NUMBERS				
6. Interest on U.S. obligations	▶	▶	▶	▶
7. Dividends from certain mutual funds owning U.S. obligations	▶	▶	▶	▶
8. Certain expenses related to income exempt from federal income tax but subject to Connecticut tax	▶	▶	▶	▶
9. Ordinary Income. Enter 90% of each shareholder's share	▶	▶	▶	▶
10. Other (Specify) _____	▶	▶	▶	▶

CT-1120SI ES ESTIMATED CONNECTICUT COMPOSITE INCOME TAX PAYMENT 1998			
Federal Employer ID Number ▶	Connecticut Tax Registration Number ▶	PAYMENT 2	FOR TAXABLE YEAR ENDING
Name of Entity		DATE RECEIVED (For Department Use Only) ▶	
Address (Number and Street)		1. Payment Amount ▶	
City or Town	State	ZIP Code	

See instructions on reverse for filing requirements.
 Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
 Write the S corporation's Federal Employer Identification Number and
 "1998 CT-1120SI ES" on check or money order.

Send completed coupon and payment to:
Department of Revenue Services
PO Box 2967
Hartford CT 06104-2967

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CT-1120SI ES ESTIMATED CONNECTICUT COMPOSITE INCOME TAX PAYMENT 1998			
Federal Employer ID Number ▶	Connecticut Tax Registration Number ▶	PAYMENT 1	FOR TAXABLE YEAR ENDING
Name of Entity		DATE RECEIVED (For Department Use Only) ▶	
Address (Number and Street)		1. Payment Amount ▶	
City or Town	State	ZIP Code	

See instructions on reverse for filing requirements.
 Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
 Write the S corporation's Federal Employer Identification Number and
 "1998 CT-1120SI ES" on check or money order.

Send completed coupon and payment to:
Department of Revenue Services
PO Box 2967
Hartford CT 06104-2967

Instructions for CT-1120SI ES

Fill in the taxable year of the S corporation for which this payment is made. For calendar year filers, this would be December 31, 1998. To determine the amount due and due date of payment, please refer to the instructions for **Form CT-1120SI**, *Connecticut S Corporation Information and Composite Income Tax Return*.

Estimated taxes must be paid by the S corporation if the tax for any nonresident shareholder listed on the composite return exceeds \$500. Use **Form CT-1120SI ES** to make estimated payments.

The **required annual payment** is the lesser of:

- 90% of the tax shown on your 1998 Connecticut income tax return;
or
- 100% of the tax shown on your 1997 Connecticut income tax return, if you filed a 1997 income tax return that covered a 12 month period.

For the taxable year beginning in 1998, to calculate the estimated Connecticut composite income tax payment, follow the instructions for the 1997 Form CT-1120SI, Part I, Schedule A, using each shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on Form CT-1120SI, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

IMPORTANT: For those taxpayers whose taxable year is not the calendar year, the due dates of the installments must be adjusted to agree with the federal filing installment dates for that taxable year.



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Instructions for CT-1120SI ES

Fill in the taxable year of the S corporation for which this payment is made. For calendar year filers, this would be December 31, 1998. To determine the amount due and due date of payment, please refer to the instructions for **Form CT-1120SI**, *Connecticut S Corporation Information and Composite Income Tax Return*.

Estimated taxes must be paid by the S corporation if the tax for any nonresident shareholder listed on the composite return exceeds \$500. Use **Form CT-1120SI ES** to make estimated payments.

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- 90% of the tax shown on your 1998 Connecticut income tax return;
or
- 100% of the tax shown on your 1997 Connecticut income tax return, if you filed a 1997 income tax return that covered a 12 month period.

For the taxable year beginning in 1998, to calculate the estimated Connecticut composite income tax payment, follow the instructions for the 1997 Form CT-1120SI, Part I, Schedule A, using each shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on Form CT-1120SI, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

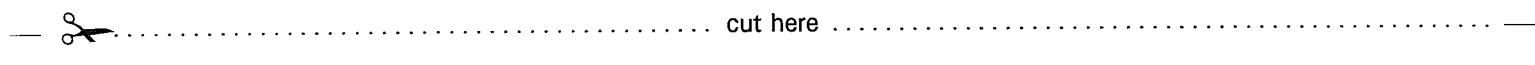
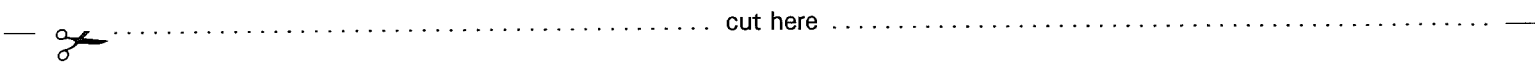
IMPORTANT: For those taxpayers whose taxable year is not the calendar year, the due dates of the installments must be adjusted to agree with the federal filing installment dates for that taxable year.

CT-1120SI ES ESTIMATED CONNECTICUT COMPOSITE INCOME TAX PAYMENT 1998			
Federal Employer ID Number ▶	Connecticut Tax Registration Number ▶	PAYMENT 4	FOR TAXABLE YEAR ENDING
Name of Entity		DATE RECEIVED (For Department Use Only) ▶	
Address (Number and Street)		1. Payment Amount ▶	
City or Town	State	ZIP Code	

See instructions on reverse for filing requirements.
 Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
 Write the S corporation's Federal Employer Identification Number and
 "1998 CT-1120SI ES" on check or money order.

Send completed coupon and payment to:

**Department of Revenue Services
 PO Box 2967
 Hartford CT 06104-2967**



CT-1120SI ES ESTIMATED CONNECTICUT COMPOSITE INCOME TAX PAYMENT 1998			
Federal Employer ID Number ▶	Connecticut Tax Registration Number ▶	PAYMENT 3	FOR TAXABLE YEAR ENDING
Name of Entity		DATE RECEIVED (For Department Use Only) ▶	
Address (Number and Street)		1. Payment Amount ▶	
City or Town	State	ZIP Code	

See instructions on reverse for filing requirements.
 Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
 Write the S corporation's Federal Employer Identification Number and
 "1998 CT-1120SI ES" on check or money order.

Send completed coupon and payment to:

**Department of Revenue Services
 PO Box 2967
 Hartford CT 06104-2967**

Instructions for CT-1120SI ES

Fill in the taxable year of the S corporation for which this payment is made. For calendar year filers, this would be December 31, 1998. To determine the amount due and due date of payment, please refer to the instructions for **Form CT-1120SI**, *Connecticut S Corporation Information and Composite Income Tax Return*.

Estimated taxes must be paid by the S corporation if the tax for any nonresident shareholder listed on the composite return exceeds \$500. Use **Form CT-1120SI ES** to make estimated payments.

The **required annual payment** is the lesser of:

- 90% of the tax shown on your 1998 Connecticut income tax return;
or
- 100% of the tax shown on your 1997 Connecticut income tax return, if you filed a 1997 income tax return that covered a 12 month period.

For the taxable year beginning in 1998, to calculate the estimated Connecticut composite income tax payment, follow the instructions for the 1997 Form CT-1120SI, Part I, Schedule A, using each shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on Form CT-1120SI, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

IMPORTANT: For those taxpayers whose taxable year is not the calendar year, the due dates of the installments must be adjusted to agree with the federal filing installment dates for that taxable year.



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Instructions for CT-1120SI ES

Fill in the taxable year of the S corporation for which this payment is made. For calendar year filers, this would be December 31, 1998. To determine the amount due and due date of payment, please refer to the instructions for **Form CT-1120SI**, *Connecticut S Corporation Information and Composite Income Tax Return*.

Estimated taxes must be paid by the S corporation if the tax for any nonresident shareholder listed on the composite return exceeds \$500. Use **Form CT-1120SI ES** to make estimated payments.

The **required annual payment** is the lesser of:

- 90% of the tax shown on your 1998 Connecticut income tax return;
or
- 100% of the tax shown on your 1997 Connecticut income tax return, if you filed a 1997 income tax return that covered a 12 month period.

For the taxable year beginning in 1998, to calculate the estimated Connecticut composite income tax payment, follow the instructions for the 1997 Form CT-1120SI, Part I, Schedule A, using each shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on Form CT-1120SI, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

IMPORTANT: For those taxpayers whose taxable year is not the calendar year, the due dates of the installments must be adjusted to agree with the federal filing installment dates for that taxable year.

FORM CT-1120SI EXT

**CT-1120SI EXT
1997**

(Rev. 12/97)

**Application For Extension of Time to File Connecticut
S Corporation Information and Composite Income Tax Return**

IMPORTANT! PLEASE READ INSTRUCTIONS ON REVERSE BEFORE COMPLETING THIS APPLICATION

TAXPAYER (Please Type or Print)	Name of Corporation	Federal Employer ID Number
	Address Number and Street P.O. Box	Date Received (FOR DEPARTMENT USE ONLY)
	City, Town or Post Office State ZIP Code	Connecticut Tax Registration Number

**THIS IS NOT AN EXTENSION OF TIME TO PAY YOUR TAX
YOU MUST INCLUDE PAYMENT IF ANY TAX DUE OR PENALTY AND INTEREST MAY APPLY. (SEE INSTRUCTIONS)
AN EXTENSION GRANTED BY THE INTERNAL REVENUE SERVICE DOES NOT AUTOMATICALLY EXTEND THE CONNECTICUT FILING DATE.**

I request a six-month extension of time, to October 15, 1998, to file a Connecticut S Corporation Information and Composite Income Tax Return for calendar year 1997, or until _____ for fiscal year ending ► _____.

This extension is **not** an extension to file the S corporation's Connecticut Corporation Business Tax Return, Form CT-1120S. Form CT-1120 EXT is used for this purpose.

A federal extension has been requested on federal Form 7004, *Application for Automatic Extension of Time to File Corporation Income Tax Return* for calendar year 1997, or fiscal year beginning _____, 1997, and ending _____, 19____. YES NO

If **NO**, the reason for the Connecticut extension is:

.....

.....

— YOU WILL BE NOTIFIED ONLY IF THE EXTENSION REQUEST IS DENIED —

1. Total Connecticut S corporation composite income tax liability for 1997. (You may estimate this amount).... NOTE: An amount must be entered on Line 1. If no tax is due, enter zero (0).	1		
2. The sum of 1997 estimated Connecticut S corporation composite income tax payments and any 1996 overpayment credited to 1997.....	2		
3. Connecticut S corporation composite income tax balance due (Subtract Line 2 from Line 1). Pay in full with this form. If Line 2 is greater than Line 1, enter zero (0)	3		

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
Write the S Corporation's Federal Employer ID Number and "1997 Form CT-1120SI EXT" on the check or money order.

Mail to: State of Connecticut
Department of Revenue Services
PO Box 2967
Hartford CT 06104-2967

DECLARATION: I declare under the penalties of false statement that I have examined this application and to the best of my knowledge and belief it is true, complete and correct. Declaration of the preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Sign Here	Signature of Corporate Officer	Title	Date	Telephone Number ()
	Paid Preparer's Signature		Date	Federal Employer ID Number
Keep a copy of this return for your records	Firm Name and Address			

Form CT-1120SI EXT Instructions

Purpose:

Use Form CT-1120SI EXT to request a six-month extension to **file** a Connecticut S Corporation Information and Composite Income Tax Return. It will not be necessary to include a reason for the Connecticut extension request if you have already filed an extension request on federal Form 7004 with the Internal Revenue Service.

This extension is **not** an extension to file the S corporation's Connecticut Corporation Business Tax Return (Form CT-1120S). Form CT-1120 EXT is used for that purpose.

If federal Form 7004 was not filed, the corporation can apply for a six-month extension to file a Connecticut S Corporation Information and Composite Income Tax Return, provided there is reasonable cause for the request.

To Obtain a Connecticut Filing Extension the Corporation MUST:

1. Complete Form CT-1120SI EXT in its entirety, and
2. File it by the due date of the return, and
3. Pay the amount shown on Line 3.

IMPORTANT:

Form CT-1120SI EXT **only** extends the **time to file** the Connecticut S Corporation Information and Composite Income Tax Return.

Form CT-1120SI EXT **does not extend** the **time to pay** the amount of tax due.

A Form CT-1127, *Extension of Time to Pay*, must be filed to extend the due date for any payment due with this extension.

Any underpayment of tax will accrue interest at the rate of 1% (.01) per month or fraction thereof, computed from the statutory due date to the date of payment. Also, a penalty of 10% (.10) will be assessed on any underpayment of total tax due. If no tax is due, the penalty for late filing is \$50.

YOU WILL BE NOTIFIED ONLY IF THE EXTENSION REQUEST IS DENIED

When To File Form CT-1120SI EXT:

If you are filing a calendar-year Connecticut S Corporation Information and Composite Income Tax Return, file Form CT-1120SI EXT by April 15, 1998. If you are filing a fiscal-year Connecticut S Corporation Information and Composite Income Tax Return, file Form CT-1120SI EXT by the 15th day of the fourth month following the close of the fiscal year.

If any due date falls on a Saturday, Sunday, or legal holiday, the next business day will be the due date.

Where To File:

Mail to: State of Connecticut
Department of Revenue Services
PO Box 2967
Hartford CT 06104-2967

Specific Instructions

Name, Address and Tax Registration Numbers - Enter name of corporation, address, federal employer ID number and Connecticut tax registration number.

Signature - This form must be signed by an officer of the corporation.

Others Who Can Sign - Anyone with a signed Power of Attorney on file can sign on your behalf.

If a corporate officer is unable, by reason of illness, absence, or other good cause to sign a request for an extension, any person standing in a close personal or business relationship (including attorneys, C.P.A.s and enrolled agents) to the corporate officer may sign the request on his or her behalf and will be considered a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than by the corporate officer and the relationship existing between the corporate officer and the signer.

FORM CT-1NA

CONNECTICUT NONRESIDENT INCOME TAX AGREEMENT

IMPORTANT - READ INSTRUCTIONS BELOW

Nonresident's Taxable Year Beginning _____, 1997, and Ending: _____, 19__		Taxable Year of S Corporation Beginning _____, 1997, and Ending _____, 19__					
NONRESIDENT INDIVIDUAL'S NAME AND MAILING ADDRESS		S CORPORATION NAME AND MAILING ADDRESS					
NAME		NAME					
STREET OR OTHER MAILING ADDRESS		STREET OR OTHER MAILING ADDRESS					
CITY OR TOWN	STATE	ZIP CODE	CITY OR TOWN	STATE	ZIP CODE		
SOCIAL SECURITY NUMBER		SPOUSE'S SOCIAL SECURITY NUMBER		CONNECTICUT TAX REGISTRATION NUMBER		FEDERAL EMPLOYER I.D. NUMBER	

Internal Revenue Service Center Where Nonresident Individual's Federal Return is Filed _____

INSTRUCTIONS

Who May File: Any nonresident individual who is a shareholder of an S corporation that has income derived from or connected with sources within Connecticut may complete a Form CT-1NA, *Connecticut Nonresident Income Tax Agreement*. If no Form CT-1NA is attached to the S corporation's return and the shareholder is not part of a group return, the S corporation is required to include the nonresident's income derived from, or connected with, sources within Connecticut in the computation of the composite return tax due on Form CT-1120SI, *S Corporation Information and Composite Income Tax Return*. Nonresidents whose only connection with Connecticut is as shareholders of an S corporation carrying on business in Connecticut, do not have to file an individual income tax return (Form CT-1040NR/PY), if their income is included on Form CT-1120SI.

When and Where to File: Form CT-1NA must be completed and delivered to the S corporation prior to the filing of Form CT-1120SI by the S corporation for each taxable year. The due date for Form CT-1120SI is the 15th day of the fourth month following the close of the taxable year.

Declaration: I declare that I am or have been a nonresident of Connecticut, and hereby agree that I will timely file a Connecticut Nonresident Income Tax Return, Form CT-1040NR/PY, make timely payment of any income tax due on such return with respect to the income of the S corporation named above, and agree to be subject to personal jurisdiction in Connecticut for purposes of the collection of said income tax, together with any additions to tax, interest and penalties.

This agreement shall be binding upon my heirs, representatives, assigns, successors, executors and administrators.

Sign Here _____
Your Signature Date Spouse's Signature (if joint return) Date

Form CT-G

CONNECTICUT GROUP INCOME TAX RETURN

CT-G 1997

(Rev. 12/97)

For calendar year 1997, or other taxable year ▶ beginning _____, 1997, ▶ ending _____, 19 ____.

(For qualified electing **nonresident** individuals who are partners, LLC members, shareholders of S corporations or beneficiaries of trusts or estates)

Name of Entity ▶			Federal Employer Identification Number		
Address Number and Street ▶		PO Box	Date Received (FOR DEPARTMENT USE ONLY)		
City or Town ▶	State	ZIP Code	Connecticut Tax Registration Number		

Check box for type of entity filing this return: ▶ Partnership ▶ LLC ▶ S Corporation ▶ Estate ▶ Trust

Check box if amended return:

Total number of partners, LLC members, shareholders or beneficiaries (as the case may be) included in this group return ▶ _____

1. Income tax (Total of amounts in Schedule G, Column D)..... ▶	1			
2. Estimated tax paid (Total of amounts in Schedule G, Column E) ▶	2			
3. Amount paid with extension request (if any)..... ▶	3			
4. Enter the total payments (Add Line 2 and Line 3) ▶	4			
5. If Line 4 is greater than Line 1, subtract the amount on Line 1 from the amount on Line 4, and enter the amount of overpayment to be credited to 1998 ▶	5			
6. If Line 1 is greater than Line 4, subtract the amount on Line 4 from the amount on Line 1, and enter the tax due..... ▶	6			
7. If late: Enter penalty [10% (.10) x amount on Line 6, or if Line 6 is zero, enter \$50 per partner]..... ▶	7			
8. If late: Enter interest [1% (.01) x number of months late, or fraction thereof x amount on Line 6] ▶	8			
9. Interest for underpayment of estimated tax [Attach Form(s) CT-2210, if applicable] ▶	9			
10. BALANCE DUE (Add Lines 6 through 9)..... ▶	10			

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
Write Federal Employer ID Number and "1997 Form CT-G" on your check or money order.

Mail to: State of Connecticut
Department of Revenue Services
PO Box 5019
Hartford CT 06104-5019

Declaration: I declare under the penalties of false statement that I have examined this return and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

<p>Sign Here</p> <p>Keep a copy of this return for your records</p>	Signature of General Partner, LLC Member, Fiduciary or Officer	Date	Telephone Number ()
	Paid Preparer's Signature	Date	Federal Employer ID Number
	Firm Name and Address		

Schedule G

Group Income Tax Schedule

1997

Name of Entity

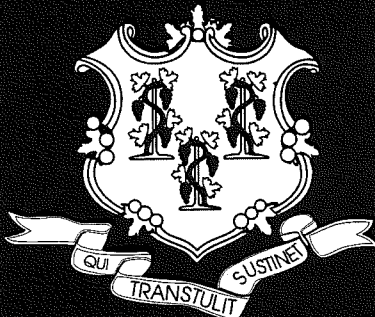
A Social Security Number	B Name and Address	C Share of Connecticut Source Income	D Connecticut Income Tax (Column C x 4.5%)	E Share of Estimated Tax Paid	F CT-2210 Underpayment Interest
▶		▶			
▶		▶			
▶		▶			
▶		▶			
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1997 FORM CT-G

Connecticut Group Income Tax Return and Instructions

This booklet
contains:

- Form CT-G
- Form CT-G EXT
- Form CT-G ES
- Form CT-2NA



Dear Customer:

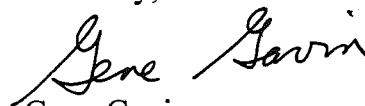
The Connecticut Department of Revenue Services is proud of the progress we have made in improving the quality of service that we provide to our customers. We are pleased to announce that again this year the Department has received awards for excellence and innovation and taxpayers continue to give us high marks for the way we do business. At DRS, we are committed to providing you with:

- **cost effective and efficient tax administration,**
- **programs that promote voluntary compliance, and**
- **fair and equitable treatment of all taxpayers.**

Before completing this return, please read the booklet carefully. Should you have any questions about filing your Connecticut Group Income Tax Return, Department personnel are ready to help you. Please refer to the back cover for a complete list of our regional office locations, hours of service, phone and fax numbers. Comprehensive taxpayer information, including downloadable forms, is also available on our Internet site: www.state.ct.us/drs.

Your comments help us serve you better. I invite you to write or e-mail us through our Internet site with your ideas and suggestions.

Sincerely,


Gene Gavin
Commissioner

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

CONN - TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Dial 860-297-5962 (Hartford area and out-of-state) or 1-800-382-9463 (in-state), press "2" to select "Recorded Income Tax Information," and enter the 3 digit number beside the topic of your choice.

GENERAL INCOME TAX INFORMATION

- 101 Important income tax changes for 1997
- 102 How to choose the correct form
- 103 Where to get forms and assistance
- 104 Requesting a filing extension
- 105 Filing a decedent's return
- 106 Filing an error-free return
- 107 Amending a Connecticut return
- 108 Getting a copy of a previously filed return
- 109 Offsets of state income tax refunds
- 110 Deducting Connecticut income tax from your federal income tax return

INCOME TAX FILING REQUIREMENTS, RESIDENCY AND FILING STATUS

- 201 Who must file a Connecticut return?
- 202 What is gross income?
- 203 Who is a resident, nonresident or part-year resident?
- 204 What is Connecticut source income of a nonresident?
- 205 Members of the armed forces
- 206 Student's filing requirements
- 207 Dependent children's filing requirements
- 208 What is your filing status?
- 209 Title 19 recipients

CONNECTICUT USE TAX, GIFT TAX AND OTHER INCOME TAX RETURNS

- 301 Individual use tax
- 302 Gift tax
- 303 Income tax on trusts and estates
- 304 S corporation information and composite income tax return
- 305 Partnership income tax return
- 306 Group return for shareholders, partners and beneficiaries

FORM CT-1040 OR FORM CT-1040NR/PY

- 401 Tax status of United States government obligations
- 402 Tax status of state or local obligations
- 403 Residents and part-year residents who paid income tax to another jurisdiction
- 404 Deferred compensation
- 405 Pension income, social security and individual retirement accounts
- 406 Modifications to federal adjusted gross income
- 407 Connecticut alternative minimum tax
- 408 Property tax credit

ESTIMATED TAX INFORMATION

- 501 Who must estimate?
- 502 Withholding instead of making estimates
- 503 Estimated income tax form
- 504 When to file and how much to pay
- 505 Annualization of income
- 506 Interest on underpayments
- 507 Farmers and Fishermen

GROUP RETURNS FOR NONRESIDENT PARTNERS, S CORPORATION SHAREHOLDERS, AND TRUST OR ESTATE BENEFICIARIES

WHO MAY FILE

A partnership doing business in Connecticut, or having income, gain, loss or deduction derived from or connected with sources within Connecticut, may file a Connecticut group income tax return on behalf of its qualified electing nonresident partners. A group return may be filed only by a partnership with ten or more qualified electing nonresident partners in a taxable year. All qualified electing nonresident partners must have the same taxable year.

A “qualified electing nonresident partner” is one who meets all of the following conditions:

1. the partner was a **nonresident** individual for the entire taxable year;
2. the partner did not maintain a permanent place of abode in Connecticut at any time during the taxable year;
3. the partner (or his or her spouse, if a joint federal income tax return is or will be filed) did not have income, gain, loss or deduction derived from or connected with Connecticut sources other than the partner’s distributive share of partnership income, gain, loss or deduction derived from or connected with sources within Connecticut;
4. the partner waives the right to claim any Connecticut personal exemption and any Connecticut personal credit;
5. the partner does not have a Connecticut alternative minimum tax liability for the taxable year; and
6. the partner elects to be included on **Form CT-G** by completing and delivering to the partnership a **Form CT-2NA, Election to be Included in a Group Return**, prior to the filing of **Form CT-G** by the partnership. By making this election, the partner expressly consents to personal jurisdiction in Connecticut for Connecticut income tax purposes and waives his or her right to request, on his or her own behalf or with others making this election, an extension of time to pay Connecticut income tax. This election is binding upon the partner's heirs, representatives, assigns, successors, executors and administrators.

Connecticut residents may not be included on Form CT-G, *Connecticut Group Income Tax Return*.

The provisions of these instructions also apply to S corporations, LLCs that are treated as partnerships for federal income tax purposes, and trusts or estates, and wherever reference is made herein to:

1. “partnership,” the reference will be construed to mean an S corporation, LLC, or trust or estate;
2. “partner,” the reference will be construed to mean an S corporation shareholder, LLC member, or trust or estate beneficiary;
3. “nonresident partner’s distributive share of partnership income derived from or connected with sources within Connecticut,” the reference will be construed to mean:

For S corporations, each nonresident shareholder's pro rata share of income, gain, loss or deduction derived from or connected with sources within Connecticut.

For an LLC, each nonresident LLC member's distributive share of income, gain, loss or deduction (net of modifications) derived from or connected with sources within Connecticut.

For a trust or estate, each nonresident beneficiary's share of trust or estate income, gain, loss or deduction (net of modifications) derived from or connected with sources within Connecticut.

4. “**Form CT-1065**,” the reference will be construed to mean **Form CT-1120SI** or **Form CT-1041**.

CONNECTICUT SOURCE INCOME OF A NONRESIDENT

Connecticut source income of a nonresident is income derived from or connected with sources within Connecticut when:

1. the income is attributable to ownership or disposition of real or tangible personal property within Connecticut; including, but not limited to, the income from the rental or sale of the property; or
2. the income is attributable to compensation for services performed in Connecticut or income from a business, trade, profession or occupation carried on in Connecticut; or
3. the nonresident individual is a partner of a partnership doing business in Connecticut, or having any income, gain, loss or deduction derived from or connected with sources within Connecticut; or
4. the nonresident individual is a member of a limited liability company doing business in Connecticut, or having any income, gain, loss or deduction derived from or connected with sources within Connecticut; or
5. the nonresident individual is a shareholder of an S corporation doing business in Connecticut, or having any income, gain, loss or deduction derived from or connected with sources within Connecticut; or
6. the nonresident individual is a beneficiary of a trust or estate with any income, gain, loss or deduction derived from or connected with sources within Connecticut.

WHO MAY BE INCLUDED IN THE GROUP RETURN

Only individuals may be included in the group return. All eligible members of the partnership need not be included. Each partner makes his or her own decision as to whether or not to be included in the group return. Nonresident partners not included in the group income tax return are required to file **Form CT-1040NR/PY** if they have any income, gain, loss or deduction derived from or connected with sources within Connecticut and meet the gross income test. See instructions for **Form CT-1040NR/PY**.

The filing of a group return will be considered to be a group of separate returns meeting the individual filing requirements imposed by the Connecticut Income Tax Act. The Department retains the right to require the filing of an individual Connecticut income tax return by any of the partners.

A qualified electing nonresident partner may not revoke an election to be included in a group return, or elect to be included in a group return, after the fifteenth day of the fourth month following the close of such partner's taxable year.

AFTER-DISCOVERED INCOME OF A PARTNER

If, after a final group return has been filed, a partner electing to be included in a group return discovers any income, gain, loss or deduction derived from or connected with sources within Connecticut other than from his or her distributive share of partnership income, gain, loss or deduction, the partner must:

1. file a **Form CT-1040NR/PY** on his or her own behalf;
2. report all income derived from or connected with sources within Connecticut (including income reported on the group return) on the partner's own **Form CT-1040NR/PY**;
3. report as tax paid on the partner's own **Form CT-1040NR/PY** the tax paid on behalf of such partner with the group return; and
4. attach a copy of **Form CT-G**, including Schedule G of the group return.

DUE DATE OF GROUP RETURN

The group return is due the fifteenth day of the fourth month following the close of the taxable year of the qualified electing nonresident partners. The return will be considered timely-filed if received or if the date shown by the U.S. Post Office cancellation mark is on or before the due date of the return. If any due date falls on a Saturday, Sunday or legal holiday, substitute the next business day.

EXTENSION

If you are unable to file a timely return, you must file **Form CT-G EXT**, *Application for Extension of Time To File Connecticut Group Income Tax Return*, and pay the amount of income tax estimated to be due on or before the original due date for filing the return. **Form CT-G EXT** is contained in this booklet.

Form CT-G EXT only extends the time to file a return; it does not extend the time to pay the amount of income tax due. Interest of 1% (.01) per month or fraction thereof is charged on any tax not paid by the original due date. A penalty of 10% (.10) of the balance due will be assessed on any underpayment of tax due.

PAYMENT OF 1998 ESTIMATED GROUP INCOME TAXES

Estimated tax must be paid if the tax for any partner listed on the group return exceeds \$500. Use **Form CT-G ES** to make estimated tax payments.

Your Required Annual Payment for 1998 is the Lesser of:

1. 90% of the tax shown on your 1998 Connecticut income tax return; or
2. 100% of the tax shown on your 1997 Connecticut income tax return, if you filed a 1997 income tax return that covered a 12 month period.

You are not required to make estimated income tax payments if you did not file a 1997 income tax return because you did not have any Connecticut income tax liability during your 1997 taxable year and you were either a resident or a nonresident or a part-year resident with income derived from or connected with sources within Connecticut.

Installment Amounts and Due Dates: For estimated tax purposes, there are four required installments for each taxable year. The amount of any required installment is 25% of the required annual payment. The due dates for the required installments are:

- **APRIL 15, 1998**
- **JUNE 15, 1998**
- **SEPTEMBER 15, 1998**
- **JANUARY 15, 1999**

If any due date falls on a Saturday, Sunday or legal holiday, substitute the next business day.

Annualized Income Installment Method: If your income varies throughout the year, using the annualized installment method may enable you to reduce or eliminate the amount of your estimated tax payment for one or more periods. For further information, request **IP 93(6.4), A Guide to Calculating Your Annualized Estimated Tax Installments and Worksheet CT-1040AES**.

For each installment, the aggregate of the partners' estimated tax payments may be reported by using one Form CT-G ES.

S Corporations Filing Estimated Group Income Tax Payments:

Total each qualified electing nonresident shareholder's estimated pro rata share of S corporation income or loss to calculate the estimated Connecticut group income tax payment for the 1998 taxable year. In calculating each shareholder's estimated pro rata share, follow the instructions for the 1997 **Form CT-1120SI**, Part I, Schedule A.

However, in calculating the amounts to enter on **Form CT-1120SI**, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

LINE INSTRUCTIONS FOR FORM CT-G

LINE 1

Enter the total Connecticut income tax from Column D of Schedule G.

LINE 2

Enter the total estimated tax paid (if any) from Column E of Schedule G.

LINE 3

Enter the payment made (if any) with **Form CT-G EXT**.

LINE 4

Enter the total payments. Add Line 2 and Line 3.

LINE 5

If Line 4 is more than Line 1, subtract Line 1 from Line 4. Enter the result on Line 5. This is the amount of your

overpayment. The entire amount shall be credited to the group's 1998 Connecticut estimated tax.

LINE 6

If Line 1 is more than Line 4, subtract Line 4 from Line 1. Enter the result on Line 6. This is the amount of tax due.

LINE 7

The penalty for late payment is 10% (.10) of the balance due. If no tax is due, but the filing of a return is required, the penalty for late filing is \$50 for each partner listed on the group return.

LINE 8

Interest will be charged at the rate of 1% (.01) per month or fraction thereof from the due date until payment is made if any tax due is not paid by the due date.

LINE 9

Enter the amount of interest (if any) on underpayment of estimated tax from Column F of Schedule G.

LINE 10

Balance Due. Add Lines 6 through 9.

SIGN HERE: Form CT-G must be signed by a general partner, LLC member, fiduciary or officer.

Anyone you pay to prepare the return must sign it and fill in the other information requested in the paid preparer's area of the return. Any paid preparer required to sign the return must sign it by hand; signature stamps are not acceptable. The preparer's federal employer identification number, firm name and firm address must also be entered in the space provided.

SCHEDULE G INSTRUCTIONS

Column A

Enter the social security number of each qualified electing nonresident partner.

Column B

Enter the name and address of each qualified electing nonresident partner.

Column C

Enter each qualified electing nonresident partner's distributive share of the partnership's income, gain, loss or deduction derived from or connected with sources within Connecticut.

Partnerships

Each partner's distributive share of the partnership's income, gain, loss or deduction derived from or connected with sources within Connecticut must be entered from the partnership's **Form CT-1065, Connecticut Partnership Income Tax Return**, Schedule E. Federal rules restricting the netting of different types of income are applicable (e.g., portfolio income included in the partner's income may not be offset by passive losses; excess passive activity losses that cannot be offset may be carried forward).

Limited Liability Companies

Each member's distributive share of the limited liability company's income, gain, loss or deduction derived from or connected with sources within Connecticut must be entered from the limited liability company's **Form CT-1065**, Schedule E. Federal rules restricting the netting of different types of income are applicable (e.g., portfolio income included in the member's income may not be offset by passive losses; excess passive activity losses that cannot be offset may be carried forward).

S corporations

Each shareholder's pro rata share of the S corporation's income, gain, loss or deduction derived from or connected with sources within Connecticut must be entered from the S corporation's **Form CT-1120SI**, Part V, Lines 1 through 8. The federal rules restricting the netting of different types of income are applicable (e.g., portfolio income included in the shareholder's income may not be offset by passive losses; excess passive activity losses that cannot be offset may be carried forward).

Trusts and Estates

Each beneficiary's share of the trust or estate's income, gain, loss or deduction derived from or connected with sources within Connecticut must be entered from the trust or estate's **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**, Schedule CT-1041FA, Parts 2 and 3. Federal rules restricting the netting of different types of income are applicable (e.g., portfolio income included in the beneficiary's income may not be offset by passive losses; excess passive activity losses that cannot be offset may be carried forward).

NOTE: An individual must report losses in order for them to be carried forward. For example, if a nonresident partner's distributive share of income, gain, loss or deduction derived from or connected with sources within Connecticut for the taxable year is a \$20,000 passive activity loss, that partner must report the loss by filing as part of a group return or by filing **Form CT-1040NR/PY** in order to carry the loss forward. **Losses that are not reported cannot be carried forward to succeeding years.**

Column D

Enter the Connecticut income tax. Multiply Column C by 4.5% (.045).

Column E

Enter each partner's share of estimated Connecticut income tax paid (if any). This amount may have been paid with **Form CT-1040ES, Connecticut Individual Estimated Payment**, or **Form CT-G ES, Connecticut Estimated Group Income Tax Payment**.

Column F

Enter each partner's share of the underpayment interest (if any). The underpayment interest can be calculated on **Form CT-2210, Underpayment of Estimated Income Tax by Individuals, Trusts and Estates**. A separate **Form CT-2210** must be attached for each partner, if applicable.

(Rev. 12/97)

Form CT-G EXT

Application for Extension of Time to File Connecticut Group Income Tax Return

CT-G EXT 1997

IMPORTANT! PLEASE READ INSTRUCTIONS ON REVERSE BEFORE COMPLETING THIS APPLICATION

TAXPAYER (Please Type or Print)	Name of Partnership, LLC, Trust, Estate or S Corporation			Federal Employer ID Number
	Address	Number and Street	PO Box	Date Received (FOR DEPARTMENT USE ONLY)
	City, Town or Post Office	State	ZIP Code	Connecticut Tax Registration Number

THIS IS NOT AN EXTENSION OF TIME TO PAY ANY AMOUNT OF TAX - PENALTIES AND INTEREST MAY APPLY. AN EXTENSION GRANTED BY THE INTERNAL REVENUE SERVICE DOES NOT AUTOMATICALLY EXTEND THE CONNECTICUT FILING DATE. (SEE INSTRUCTIONS)

I request a six-month extension of time, to October 15, 1998, to file a Connecticut Group Income Tax Return for calendar year 1997 or until _____ for fiscal year ending ► _____.

The reason for the Connecticut extension is

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.....

— YOU WILL BE NOTIFIED ONLY IF THE EXTENSION REQUEST IS DENIED —

1. Total Connecticut Group Income Tax liability for 1997. (You may estimate this amount) 1. NOTE: An amount must be entered on Line 1. If you do not expect to owe tax, enter zero (0).		
2. 1997 Estimated Connecticut group income tax payments and any 1996 overpayment credited to 1997 2.		
3. Connecticut Group Income Tax balance due (Subtract Line 2 from Line 1). Pay in full with this form. If Line 2 is greater than Line 1, enter zero (0) ► 3.		

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
Write the Partnership, LLC, Trust, Estate or S Corporation Federal Employer ID Number and "1997 Form CT-G EXT" on the check or money order.

Mail to: State of Connecticut
Department of Revenue Services
PO Box 5019
Hartford CT 06104-5019

DECLARATION: I declare under the penalties of false statement that I have examined this application and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Signature of General Partner, LLC Member, Fiduciary or Officer	Date	Telephone Number ()
	Paid Preparer's Signature	Date	Federal Employer ID Number
	Firm Name and Address		

Form CT-G EXT Instructions

Purpose:

Use **Form CT-G EXT**, *Application for Extension of Time to File Connecticut Group Income Tax Return*, to request a six-month extension to **file a Form CT-G**, *Connecticut Group Income Tax Return*.

There must be reasonable cause provided with the Connecticut extension request.

To Obtain A Connecticut Filing Extension the Group MUST:

1. Complete Form CT-G EXT in its entirety; **and**
2. File it by the due date of the return; **and**
3. Pay the amount shown on Line 3.

NOTE: Form CT-G EXT *only* extends the *time to file* the Connecticut Group Income Tax Return.
Form CT-G EXT *does not extend* the *time to pay* the amount of tax due.

Any underpayment of tax will bear interest at the rate of 1% (.01) per month or fraction thereof, computed from the statutory due date to the date of payment. Also, a penalty of 10% (.10) will be assessed on any underpayment of total tax due. If no tax is due, the penalty for late filing is \$50 for each partner, LLC member, S corporation shareholder, or trust or estate beneficiary, as the case may be.

— **YOU WILL BE NOTIFIED ONLY IF THE EXTENSION REQUEST IS DENIED** —

When To File Form CT-G EXT:

The group return is due the 15th day of the fourth month following the close of the taxable year of the qualified electing nonresident partners, S corporation shareholders, LLC members, or trust or estate beneficiaries, as the case may be.

NOTE: If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.

Where To File:

Mail to: State of Connecticut
Department of Revenue Services
PO Box 5019
Hartford CT 06104-5019

Specific Instructions

Name, Address, Tax Registration Numbers - Enter name of partnership, LLC, trust, estate or S corporation, address, federal employer ID number and Connecticut Tax Registration Number, if any.

Signature - This form must be signed by a general partner, LLC member, fiduciary or officer.

Others Who Can Sign - Anyone with a signed Power of Attorney on file can sign on your behalf.

NOTE: If a general partner, LLC member, fiduciary or officer is unable, by reason of illness, absence or other good cause to sign a request for an extension, any person standing in a close personal or business relationship (including attorneys, C.P.A.s and enrolled agents) to the general partner, LLC member, fiduciary or officer may sign the request on his or her behalf, and will be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than by the general partner, LLC member, fiduciary or officer and the relationship existing between the general partner, LLC member, fiduciary or officer and the signer.

CT-G ES ESTIMATED CONNECTICUT GROUP INCOME TAX PAYMENT 1998			
Federal Employer ID Number ▶	Connecticut Tax Registration Number ▶	PAYMENT 2	FOR TAXABLE YEAR ENDING
Name of Entity		DATE RECEIVED (For Department Use Only) ▶	
Address (Number and Street)		1. Payment Amount ▶	
City or Town	State	ZIP Code	
CHECK TYPE OF ENTITY: <input type="checkbox"/> Partnership <input type="checkbox"/> Estate <input type="checkbox"/> S Corporation <input type="checkbox"/> Trust <input type="checkbox"/> LLC			

See instructions on reverse for filing requirements.

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
Write the Entity's Federal Employer ID Number and "1998 CT-G ES"
on check or money order.

Send completed coupon and payment to:

Department of Revenue Services
PO Box 5019
Hartford CT 06102-5019

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CT-G ES ESTIMATED CONNECTICUT GROUP INCOME TAX PAYMENT 1998			
Federal Employer ID Number ▶	Connecticut Tax Registration Number ▶	PAYMENT 1	FOR TAXABLE YEAR ENDING
Name of Entity		DATE RECEIVED (For Department Use Only) ▶	
Address (Number and Street)		1. Payment Amount ▶	
City or Town	State	ZIP Code	
CHECK TYPE OF ENTITY: <input type="checkbox"/> Partnership <input type="checkbox"/> Estate <input type="checkbox"/> S Corporation <input type="checkbox"/> Trust <input type="checkbox"/> LLC			

See instructions on reverse for filing requirements.

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
Write the Entity's Federal Employer ID Number and "1998 CT-G ES"
on check or money order.

Send completed coupon and payment to:

Department of Revenue Services
PO Box 5019
Hartford CT 06102-5019

Instructions for CT-G ES

Fill in the taxable year for which this payment is made. Calendar year filers, enter December 31, 1998.

Estimated tax must be paid if the tax for any nonresident individual filing as part of a group return will be more than \$500.

To determine the amount due and due date of payment, please refer to the instructions for **Form CT-G**, *Connecticut Group Income Tax Return and Instructions*, for use by qualified electing nonresident partners, LLC members, S corporation shareholders, and beneficiaries of trusts and estates.

ESTIMATED TAX PAYMENTS FOR THE 1998 TAXABLE YEAR

Estimated taxes must be paid if the tax for any partner listed on the group return exceeds \$500. Use **Form CT-G ES** to make estimated payments.

Your Required Annual Payment is the lesser of:

- 90% of the tax shown on your 1998 Connecticut income tax return;
or
- 100% of the 1997 total income tax shown on your 1997 return, if you filed a 1997 income tax return that covered a 12 month period.

S Corporations filing estimated group income tax payments:

For the taxable year beginning in 1998, to calculate the estimated Connecticut group income tax payment, follow the instructions for the 1997 Form CT-1120SI, Part I, Schedule A, using each qualified electing nonresident shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on Form CT-1120SI, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

NOTE: For those taxpayers whose taxable year is not the calendar year, the due dates of the installments must be adjusted to agree with the federal filing installment dates for that taxable year.



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Instructions for CT-G ES

Fill in the taxable year for which this payment is made. Calendar year filers, enter December 31, 1998.

Estimated tax must be paid if the tax for any nonresident individual filing as part of a group return will be more than \$500.

To determine the amount due and due date of payment, please refer to the instructions for **Form CT-G**, *Connecticut Group Income Tax Return and Instructions*, for use by qualified electing nonresident partners, LLC members, S corporation shareholders, and beneficiaries of trusts and estates.

ESTIMATED TAX PAYMENTS FOR THE 1998 TAXABLE YEAR

Estimated taxes must be paid if the tax for any partner listed on the group return exceeds \$500. Use **Form CT-G ES** to make estimated payments.

Your Required Annual Payment is the lesser of:

- 90% of the tax shown on your 1998 Connecticut income tax return;
or
- 100% of the 1997 total income tax shown on your 1997 return, if you filed a 1997 income tax return that covered a 12 month period.

S Corporations filing estimated group income tax payments:

For the taxable year beginning in 1998, to calculate the estimated Connecticut group income tax payment, follow the instructions for the 1997 Form CT-1120SI, Part I, Schedule A, using each qualified electing nonresident shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on Form CT-1120SI, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

NOTE: For those taxpayers whose taxable year is not the calendar year, the due dates of the installments must be adjusted to agree with the federal filing installment dates for that taxable year.

CT-G ES ESTIMATED CONNECTICUT GROUP INCOME TAX PAYMENT 1998			
Federal Employer ID Number ▶	Connecticut Tax Registration Number ▶	PAYMENT 4	FOR TAXABLE YEAR ENDING
Name of Entity		DATE RECEIVED (For Department Use Only) ▶	
Address (Number and Street)		1. Payment Amount ▶	
City or Town	State	ZIP Code	
CHECK TYPE OF ENTITY: <input type="checkbox"/> Partnership <input type="checkbox"/> Estate <input type="checkbox"/> S Corporation <input type="checkbox"/> Trust <input type="checkbox"/> LLC			

See instructions on reverse for filing requirements.

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES

Write the Entity's Federal Employer ID Number and "1998 CT-G ES"

on check or money order.

Send completed coupon and payment to:

Department of Revenue Services

PO Box 5019

Hartford CT 06102-5019

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CT-G ES ESTIMATED CONNECTICUT GROUP INCOME TAX PAYMENT 1998			
Federal Employer ID Number ▶	Connecticut Tax Registration Number ▶	PAYMENT 3	FOR TAXABLE YEAR ENDING
Name of Entity		DATE RECEIVED (For Department Use Only) ▶	
Address (Number and Street)		1. Payment Amount ▶	
City or Town	State	ZIP Code	
CHECK TYPE OF ENTITY: <input type="checkbox"/> Partnership <input type="checkbox"/> Estate <input type="checkbox"/> S Corporation <input type="checkbox"/> Trust <input type="checkbox"/> LLC			

See instructions on reverse for filing requirements.

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES

Write the Entity's Federal Employer ID Number and "1998 CT-G ES"

on check or money order.

Send completed coupon and payment to:

Department of Revenue Services

PO Box 5019

Hartford CT 06102-5019

Instructions for CT-G ES

Fill in the taxable year for which this payment is made. Calendar year filers, enter December 31, 1998.

Estimated tax must be paid if the tax for any nonresident individual filing as part of a group return will be more than \$500.

To determine the amount due and due date of payment, please refer to the instructions for **Form CT-G**, *Connecticut Group Income Tax Return and Instructions*, for use by qualified electing nonresident partners, LLC members, S corporation shareholders, and beneficiaries of trusts and estates.

ESTIMATED TAX PAYMENTS FOR THE 1998 TAXABLE YEAR

Estimated taxes must be paid if the tax for any partner listed on the group return exceeds \$500. Use **Form CT-G ES** to make estimated payments.

Your Required Annual Payment is the lesser of:

- 90% of the tax shown on your 1998 Connecticut income tax return;
or
- 100% of the 1997 total income tax shown on your 1997 return, if you filed a 1997 income tax return that covered a 12 month period.

S Corporations filing estimated group income tax payments:

For the taxable year beginning in 1998, to calculate the estimated Connecticut group income tax payment, follow the instructions for the 1997 Form CT-1120SI, Part I, Schedule A, using each qualified electing nonresident shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on Form CT-1120SI, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

NOTE: For those taxpayers whose taxable year is not the calendar year, the due dates of the installments must be adjusted to agree with the federal filing installment dates for that taxable year.



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Instructions for CT-G ES

Fill in the taxable year for which this payment is made. Calendar year filers, enter December 31, 1998.

Estimated tax must be paid if the tax for any nonresident individual filing as part of a group return will be more than \$500.

To determine the amount due and due date of payment, please refer to the instructions for **Form CT-G**, *Connecticut Group Income Tax Return and Instructions*, for use by qualified electing nonresident partners, LLC members, S corporation shareholders, and beneficiaries of trusts and estates.

ESTIMATED TAX PAYMENTS FOR THE 1998 TAXABLE YEAR

Estimated taxes must be paid if the tax for any partner listed on the group return exceeds \$500. Use **Form CT-G ES** to make estimated payments.

Your Required Annual Payment is the lesser of:

- 90% of the tax shown on your 1998 Connecticut income tax return;
or
- 100% of the 1997 total income tax shown on your 1997 return, if you filed a 1997 income tax return that covered a 12 month period.

S Corporations filing estimated group income tax payments:

For the taxable year beginning in 1998, to calculate the estimated Connecticut group income tax payment, follow the instructions for the 1997 Form CT-1120SI, Part I, Schedule A, using each qualified electing nonresident shareholder's estimated pro rata share of S corporation income. However, in calculating the amounts to enter on Form CT-1120SI, Part VI, Lines 4 and 9, substitute 75% wherever 90% is used in the 1997 instructions.

NOTE: For those taxpayers whose taxable year is not the calendar year, the due dates of the installments must be adjusted to agree with the federal filing installment dates for that taxable year.

FORM CT-2NA

CONNECTICUT NONRESIDENT INCOME TAX AGREEMENT/ ELECTION TO BE INCLUDED IN A GROUP RETURN

(Rev. 12/97)

IMPORTANT - READ INSTRUCTIONS BELOW

Nonresident's Taxable Year Beginning _____, 1997 and Ending, _____, 19__		Taxable Year of Partnership Beginning _____, 1997 and Ending, _____, 19__	
NONRESIDENT INDIVIDUAL'S NAME AND MAILING ADDRESS		PARTNERSHIP NAME AND MAILING ADDRESS	
NAME		NAME	
STREET OR OTHER MAILING ADDRESS		STREET OR OTHER MAILING ADDRESS	
CITY OR TOWN	STATE	ZIP CODE	
CITY OR TOWN	STATE	ZIP CODE	
SOCIAL SECURITY NUMBER	SPOUSE'S SOCIAL SECURITY NUMBER	CONNECTICUT TAX REGISTRATION NUMBER	FEDERAL EMPLOYER ID NUMBER

Internal Revenue Service Center Where Nonresident Individual's Federal Return is Filed _____

INSTRUCTIONS

Who May File: Any individual who is a qualified electing nonresident partner in a partnership doing business in Connecticut or having income, gain, loss or deduction derived from or connected with sources within Connecticut is eligible to elect to be included in a group income tax return (Form CT-G) filed by the partnership. **Form CT-2NA, Connecticut Nonresident Income Tax Agreement/Election to be Included in a Group Return**, must be filed by each electing partner with the partnership before the group return is filed. A partnership is eligible to file a Form CT-G for a taxable year if it has ten or more qualified electing nonresident partners for that taxable year. The qualified electing nonresident partners must all have the same taxable year.

This election may also be made by any individual who is:

- a qualified electing nonresident shareholder in an S corporation doing business in Connecticut or having any income, gain, loss or deduction derived from or connected with sources within Connecticut; or
- a qualified electing nonresident member of an LLC treated as a partnership for federal income tax purposes and doing business in Connecticut or having any income, gain, loss or deduction derived from or connected with sources within Connecticut; or
- a qualified electing nonresident beneficiary of a trust or estate having any income, gain, loss or deduction derived from or connected with sources within Connecticut.

NOTE: The filing of a group return will be considered to be a group of separate returns meeting the individual filing requirements imposed by the Connecticut Income Tax Act. The Department retains the right to require the filing of an individual Connecticut income tax return by any of the partners. However, a qualified electing nonresident partner may not revoke an election to be included in a group return, or elect to be included in a group return, after the fifteenth day of the fourth month following the close of partner's taxable year.

Terms also Applicable to S Corporation Shareholders, to LLC Members and to Beneficiaries of Trusts or Estates:

Wherever reference is made in this form to "partnership" and "partner" the reference will be construed to include: S corporation and S corporation shareholder, respectively; LLC and LLC member, respectively; or trust or estate and beneficiary, respectively.

Wherever reference is made in this form to "nonresident partner's distributive share of partnership income derived from or connected with sources within Connecticut," this reference will be construed to mean:

For S corporations, each nonresident shareholder's pro rata share of income, gain, loss and deduction derived from or connected with sources within Connecticut. For more information, see the instructions for 1997 Form CT-1120SI.

For an LLC, each nonresident LLC member's distributive share of income, gain, loss and deduction (net of modifications) derived from or connected with sources within Connecticut.

For a trust or an estate, each nonresident beneficiary's share of trust or estate income, gain, loss and deduction (net of modifications) derived from or connected with sources within Connecticut.

When and Where to File: Form CT-2NA must be completed and delivered to the partnership prior to the filing of Form CT-G by the partnership for each taxable year. The due date for Form CT-G is the fifteenth day of the fourth month following the close of the taxable year of the qualified electing nonresident partners. The partnership must keep **Forms CT-2NA** in its records.

Declaration: I declare that I meet all of the following conditions for the taxable year: I was a nonresident individual for the entire taxable year; I did not maintain a permanent place of abode in Connecticut at any time during the taxable year; neither I nor my spouse (if a joint federal income tax return is or will be made), had income derived from or connected with Connecticut sources other than my distributive share of partnership income derived from or connected with sources within Connecticut for the taxable year; I waive my right to claim any Connecticut personal exemption and any Connecticut personal credit for the taxable year; I waive my right to request an extension of time to pay the Connecticut income tax; I did not have a Connecticut alternative minimum tax liability for the taxable year; I consent and agree to be subject to personal jurisdiction in Connecticut for purposes of the collection of Connecticut income tax, together with any additions to tax, interest and penalties, for the taxable year; and I authorize the partnership to designate a partner who will act as my agent (and that of the other qualified electing nonresident partners) in filing the group return.

This agreement shall be binding upon my heirs, representatives, assigns, successors, executors and administrators.

Sign Here

Your Signature

Date

Spouse's Signature (if joint return)

Date



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES



**CONNECTICUT WITHHOLDING TAX PAYMENT FORM
CT-WH (DRS/N)**

The attached withholding tax payment coupon may be used by new employers and employers who have not received the *Employer's Withholding Remittance Coupon Book*. This is an interim coupon to be used only until the issuance of the *Employer's Withholding Remittance Coupon Book*. Once the book is received, only the preprinted coupons contained in the book should be used.

EMPLOYER'S RECORD OF PAYMENT

1. ENTER QUARTER (1, 2, 3 or 4)		
(MAR = 1; JUN = 2; SEPT = 3; DEC = 4)		
2. CONNECTICUT TAX WITHHELD		
3. PAYMENT DATE:		

Employers are required to withhold tax from employee wages at the time that wages are paid. Use Form CT-WH (DRS/N) to make your payments to the Connecticut Department of Revenue Services. Due dates for payment of Connecticut withholding tax for wage and nonpayroll amounts are the same as the due dates for the employer's deposit of federal income tax withholding. Each time you make a federal tax deposit, you are required to mail a payment to the Department of Revenue Services of all Connecticut income tax withheld. However, if your Connecticut withholding tax liability is less than \$500 for a calendar quarter, you may remit the tax quarterly with Form CT-941. Special rules apply for household employers. See SN 96(8), *1996 Legislative Changes Concerning "Nanny Tax" Withholding*.

Do not file Form CT-WH (DRS/N) if no payment is due.

**INSTRUCTIONS FOR COMPLETING THE CONNECTICUT WITHHOLDING TAX PAYMENT COUPON
FORM CT-WH (DRS/N)**

Enter name, address and identification numbers in appropriate boxes.

Line 1: Enter the number of the quarter to which this payment applies (1=January 1 through March 31; 2=April 1 through June 30; 3=July 1 through September 30; 4=October 1 through December 31).

NOTE: If the tax liability was incurred during one quarter and paid to DRS in another quarter, enter the number for the quarter in which the tax liability was incurred. For example, if the tax liability was incurred in March and paid to DRS in April, enter "1" on Line 1 of Form CT-WH.

Line 2: Enter the total amount of Connecticut income tax withheld from wages and nonpayroll amounts since your last payment was made to the Department of Revenue Services. Pay the total amount shown on Line 2.

Make your check payable to: COMMISSIONER OF REVENUE SERVICES
Mail your completed coupon and payment to: Department of Revenue Services
PO Box 2931
Hartford CT 06104-2931

SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. RETAIN TOP PORTION FOR YOUR RECORDS.

CT-WH (DRS/N) CONNECTICUT WITHHOLDING TAX PAYMENT 1998

CONNECTICUT TAX REGISTRATION NUMBER	FEDERAL EMPLOYER I.D. NUMBER	YEAR 1998
ENTER NAME AND ADDRESS BELOW. PLEASE PRINT OR TYPE.		1. ENTER QUARTER (1, 2, 3 or 4)
		(MAR = 1; JUN = 2; SEPT = 3; DEC = 4)
		2. CONNECTICUT TAX WITHHELD
DO NOT FOLD OR BEND COUPON		See instructions for filing requirements. Pay total amount shown on Line 2. Make check payable to Commissioner of Revenue Services. Do not file this Form CT-WH if no payment is due. Write your Connecticut Tax Registration Number on check. Mail to: Department of Revenue Services PO Box 2931 Hartford CT 06104-2931



1998 CONNECTICUT QUARTERLY RECONCILIATION OF WITHHOLDING
FORM CT-941 (DRS)

The attached Quarterly Reconciliation of Withholding coupon may be used by new employers who have not received the Employer's Withholding Remittance Coupon Book for 1998. All employers registered for Connecticut income tax withholding are also required to file Connecticut Quarterly Reconciliation of Withholding Returns (Form CT-941). You must file a quarterly reconciliation as long as you have an active withholding account with the DRS, even if no tax is due, or if no tax was required to be withheld for that quarter. In general, Form CT-941 must be filed even if you are not required to file federal Form 941 (e.g. household employers, agricultural employers, intermittent filers and payers of nonpayroll amounts, see NOTE below). Due dates are: First Quarter, April 30; Second Quarter, July 31; Third Quarter, October 31; Fourth Quarter, January 31. Extended due date: an employer who made full and timely payments of all income tax withholding for the quarter, may file the return by the 10th day of the second month following the end of the quarter. Household employers: April 15 for annual filers only. If any date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date. NOTE: Seasonal filers must obtain permission from the Department of Revenue Services to file for the quarters in which they are active. Annual filers who withhold Connecticut withholding taxes from nonpayroll income only must obtain permission from the Department of Revenue Services to file for the fourth quarter. Household employers who voluntarily register with DRS may request annual filing. See Connecticut Circular CT for detailed information on how to obtain permission to become a seasonal or annual filer.

INSTRUCTIONS FOR COMPLETING FORM CT-941 (DRS)

- Line 1: Enter the total amount of wages paid to all employees and nonpayroll amounts subject to withholding during this quarter.
Line 2: Enter the total amount of Connecticut wages paid to all employees and Connecticut nonpayroll amounts subject to withholding during this quarter.
Line 3: Enter the total amount of Connecticut income tax withheld on wage and nonpayroll amounts during the quarter. (This should match Total Connecticut Tax Liability on the back of this form.)
Line 4: Enter any credit from the previous quarter as a result of overpayment, if applicable.
Line 5: Enter the sum of all payments made for this quarter.
Line 6: Add Lines 4 and 5. This is the total of your payments and credits for the quarter.
Line 7: Subtract Line 6 from Line 3 and enter the result on Line 7. This is the amount of tax due or credit. If Line 6 is more than Line 3, complete Lines 9 and/or 10.
Line 8: Enter Penalty and Interest in items 8a and 8b, and enter the total on Line 8. The penalty for late payment is 10% of the tax due. If no tax is due, the penalty is \$50.00 for late filing. Interest will be computed on the underpayment of tax at the rate of 1% per month or fraction thereof.
Line 9: Enter amount of tax credit to be applied to next quarter.
Line 10: Enter amount of tax credit to be refunded.
Line 11: Add Lines 7 and 8. This is the total amount now due.

Be sure to complete all requested information on the back of this return. See instructions on back. Sign and date the return in the space provided. If payment is due, remit payment with this return. Make your check payable to: COMMISSIONER OF REVENUE SERVICES. Write your Connecticut Tax Registration Number on check. Mail your completed return and payment (if applicable) to: Department of Revenue Services PO Box 2931 Hartford CT 06104-2931

CT 941 (DRS) CONNECTICUT QUARTERLY RECONCILIATION OF WITHHOLDING >1998

CONNECTICUT TAX REGISTRATION NUMBER FEDERAL EMPLOYER I.D. NUMBER ENTER REPORTING QUARTER (1, 2, 3 or 4) DUE DATE

ENTER NAME AND ADDRESS BELOW. PLEASE PRINT OR TYPE

TAXPAYER'S COPY

- Check if household employer
Check if you no longer have employees in Connecticut and enter date of last payroll: _____

Table with 11 rows and 3 columns: Description, Amount, and Total. Rows include Gross Wages, Connecticut Tax Withheld, Credit from Prior Period, Payments Made, Total Deposits, Net Tax Due, Penalty and Interest, Amount Applied to Next Quarter, Amount to be Refunded, and Total Amount Due.

I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct.

Signature _____

Title _____ Date _____

SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. RETAIN TOP PORTION FOR YOUR RECORDS

CT 941 (DRS) CONNECTICUT QUARTERLY RECONCILIATION OF WITHHOLDING >1998

CONNECTICUT TAX REGISTRATION NUMBER FEDERAL EMPLOYER I.D. NUMBER ENTER REPORTING QUARTER (1, 2, 3 or 4) DUE DATE

ENTER NAME AND ADDRESS BELOW. PLEASE PRINT OR TYPE

- Check if household employer
Check if you no longer have employees in Connecticut and enter date of last payroll: _____

Table with 11 rows and 3 columns: Description, Amount, and Total. Rows include Gross Wages, Connecticut Tax Withheld, Credit from Prior Period, Payments Made, Total Deposits, Net Tax Due, Penalty and Interest, Amount Applied to Next Quarter, Amount to be Refunded, and Total Amount Due.

I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct.

Mail To: Department of Revenue Services PO Box 2931 Hartford CT 06104-2931

Signature _____

Title _____ Date _____

INSTRUCTIONS FOR FORM CT-941 (BACK)

Parts I and II: Any employer with a Connecticut withholding tax liability of less than \$500 for a calendar quarter need **not** complete Part I or Part II.

Part I: Complete if you are a **federal monthly schedule depositor**. Enter Connecticut tax liability for each month of the quarter. The Total Connecticut Tax Liability for the quarter should equal **Line 3** on the front of this form.

Part II: Complete if you are a **federal semiweekly schedule depositor including a daily depositor**. Enter Connecticut tax liability for each period listed. The Total Connecticut Tax Liability for the quarter should equal **Line 3** on front of this form.

CT-941 (DRS) Back (Rev. 8/97)

Any employer with a Connecticut withholding tax liability of less than \$500 for a calendar quarter need **not** complete the back of this form.

Part I: Complete if you are a **federal monthly schedule depositor**.

Monthly Summary of Connecticut Tax Liability			
(A) First month liability	(B) Second month liability	(C) Third month liability	Total liability for quarter

Part II: Complete if you are a **federal semiweekly schedule depositor including a daily depositor**.

(A) First Month of Quarter:

Date Wages Paid	Connecticut Tax Liability
1st - 3rd	
4th - 7th	
8th - 11th	
12th - 15th	
16th - 19th	
20th - 22nd	
23rd - 25th	
26th - last	
Total	

(B) Second Month of Quarter:

Date Wages Paid	Connecticut Tax Liability
1st - 3rd	
4th - 7th	
8th - 11th	
12th - 15th	
16th - 19th	
20th - 22nd	
23rd - 25th	
26th - last	
Total	

(C) Third Month of Quarter:

Date Wages Paid	Connecticut Tax Liability
1st - 3rd	
4th - 7th	
8th - 11th	
12th - 15th	
16th - 19th	
20th - 22nd	
23rd - 25th	
26th - last	
Total	

Total Connecticut Tax Liability for the quarter (add Columns A, B and C) ◀ This should equal **Line 3** on the front of this form

Any employer with a Connecticut withholding tax liability of less than \$500 for a calendar quarter need **not** complete the back of this form.

Part I: Complete if you are a **federal monthly schedule depositor**.

Monthly Summary of Connecticut Tax Liability			
(A) First month liability	(B) Second month liability	(C) Third month liability	Total liability for quarter

Part II: Complete if you are a **federal semiweekly schedule depositor including a daily depositor**.

(A) First Month of Quarter:

Date Wages Paid	Connecticut Tax Liability
1st - 3rd	
4th - 7th	
8th - 11th	
12th - 15th	
16th - 19th	
20th - 22nd	
23rd - 25th	
26th - last	
Total	

(B) Second Month of Quarter:

Date Wages Paid	Connecticut Tax Liability
1st - 3rd	
4th - 7th	
8th - 11th	
12th - 15th	
16th - 19th	
20th - 22nd	
23rd - 25th	
26th - last	
Total	

(C) Third Month of Quarter:

Date Wages Paid	Connecticut Taxes Liability
1st - 3rd	
4th - 7th	
8th - 11th	
12th - 15th	
16th - 19th	
20th - 22nd	
23rd - 25th	
26th - last	
Total	

Total Connecticut Tax Liability for the quarter (add Columns A, B and C) ◀ This should equal **Line 3** on the front of this form



CT-941X

AMENDED CONNECTICUT QUARTERLY RECONCILIATION OF WITHHOLDING (FOR CALENDAR QUARTERS ENDING ON OR AFTER DECEMBER 31, 1995)

NAME OF EMPLOYER	CONNECTICUT TAX REGISTRATION NUMBER
ADDRESS (Number and Street)	FEDERAL EMPLOYER I.D. NUMBER
City, Town or Post Office	State Zip Code

Check only one box to indicate the quarter and enter the taxable year below:

- 1st Quarter January - March
 2nd Quarter April - June
 3rd Quarter July - September
 4th Quarter October - December
 Year **19** ____

	AMOUNT AS ORIGINALLY REPORTED ON CT-941	NET CHANGE Increase or (Decrease)	CORRECTED AMOUNT
1. Gross wages and nonpayroll amounts1		▶	
2. Gross Connecticut wages and nonpayroll amounts2		▶	
3. Connecticut tax withheld3		▶	
4. Credits from prior period4		▶	
5. Payments made with Form CT-WH for this quarter5		▶	
6. Payments made with original return.....6		▶	
7. Total deposits (Add Lines 4, 5 and 6)7		▶	
8. Overpayment, if any, as shown on original return (or as previously adjusted)8		▶	
9. Subtract Line 8 from Line 79		▶	
10. Net tax due or (credit) (Subtract Line 9 from Line 3)10		▶	
11. Interest11		▶	
12. TOTAL AMOUNT DUE OR (CREDIT) (Add Line 10 and Line 11)12		▶	

Overpayment: If amount on Line 12 is a credit, enter overpayment amount here ▶ \$ _____ and

check if to be: Applied to next quarter **OR** Refunded

Was any of this overpayment withheld from employee wages? YES () NO ()

Underpayment: If Line 12 shows an amount due, make check payable to: COMMISSIONER OF REVENUE SERVICES

Write your Connecticut Tax Registration Number on check.

Attach a copy of all applicable schedules and forms (see instructions).

Mail to:
Department of Revenue Services
PO Box 2931
Hartford CT 06104-2931

Declaration: I declare under the penalties of false statement that I have examined this return and, to the best of my knowledge and belief, it is true, complete and correct.

Sign Here Keep a copy of this return for your records	Signature of Employer	Date
	Paid Preparer's Signature	Date
	Firm Name and Address	Federal Employer I.D. Number

Complete explanation of changes section on reverse

Explanation of Changes of the Connecticut Quarterly Reconciliation

Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include the business name and tax registration numbers on any attachments.

FORM CT-941X INSTRUCTIONS

**AMENDED CONNECTICUT QUARTERLY RECONCILIATION OF WITHHOLDING
(FOR CALENDAR QUARTERS ENDING ON OR AFTER DECEMBER 31, 1995)**

Purpose

Use **Form CT-941X** to correct Form CT-941, Connecticut Quarterly Reconciliation of Withholding, as it was originally filed. Form CT-941X can only be used to correct a single quarterly return. If additional quarters require correction, a separate Form CT-941X must be completed for each quarter. Form CT-941X must be filed within three years from the due date of the original return. If your federal Form 941 is either amended by you or changed or corrected by the Internal Revenue Service, you must file Form CT-941X to report the change within 90 days after filing the amended federal return or within 90 days after the final determination of such change or correction, respectively.

NOTE: Form CT-941X is not to be used to correct any mistakes made on Form CT-W3, Connecticut Annual Reconciliation of Withholding. To correct any errors made on Form CT-W3, you must submit a revised Form CT-W3 clearly labeled "AMENDED."

Information Section

Enter the name of the employer, address, Connecticut tax registration number and federal employer identification number in the spaces provided. Also, check the appropriate box and enter the year to identify the quarterly return being amended.

Use Correct Form CT-941X

Use this Form CT-941X to amend a Form CT-941 for any calendar quarter ending on or after December 31, 1995. Use Form CT-941X(B) to amend a Form CT-941 for any calendar quarter ending on or before September 30, 1995. To request forms, call the DRS Forms Unit at 860-297-4753 or 1-800-382-9463 (in state).

SPECIFIC INSTRUCTIONS

In the first column, enter the amount reported on the original Form CT-941.

In the second column, enter the net increase or net decrease for each line which has been changed. (Any decrease should be in brackets.)

In the third column, enter the amount that should have been reported on the original Form CT-941.

Line 10: If the amount on Line 10 is a net tax due, you must complete Line 11 and Line 12. If Line 10 is a credit, enter the same amount on Line 12 and complete the overpayment section.

Line 11: The unpaid amount is subject to interest of 1% (.01) per month, or fraction thereof, from the due date.

Line 12: Add Line 10 and Line 11. Enter total.

Overpayment: If the amount on Line 12 is a credit, enter the amount in the space provided and check the appropriate box to indicate whether the overpayment is to be applied to the next quarter or is to be refunded.

Underpayment: If Line 12 shows an amount due, make check payable to: COMMISSIONER OF REVENUE SERVICES
Write your Connecticut tax registration number on the check.

Mailing Address: Mail your return to: State of Connecticut
Department of Revenue Services
PO Box 2931
Hartford CT 06104-2931

Attachments: A copy of your federal Form 941c; quarterly reconciliations of withholding from other states (original and corrected copies), and all federal Forms W-2c that have been issued must be attached to support your changes.

Signature: This form must be signed by the employer. Anyone paid to prepare the tax return must sign the return. The preparer's federal employer identification number, firm name and firm address must also be entered in the space provided.

New 8/97

CT-941X(B)

AMENDED CONNECTICUT QUARTERLY RECONCILIATION OF WITHHOLDING (FOR CALENDAR QUARTERS ENDING ON OR BEFORE SEPTEMBER 30, 1995)

NAME OF EMPLOYER	CONNECTICUT TAX REGISTRATION NUMBER
ADDRESS (Number and Street)	FEDERAL EMPLOYER I.D. NUMBER
City, Town or Post Office	State Zip Code

Check only one box to indicate the quarter and enter the taxable year below:

1st Quarter January - March
 2nd Quarter April - June
 3rd Quarter July - September
 4th Quarter October - December
 ▶ 19 ____

	AMOUNT AS ORIGINALLY REPORTED ON CT-941	NET CHANGE Increase or (Decrease)	CORRECTED AMOUNT
1. Gross wages and nonpayroll amounts1		▶	
2. Gross Connecticut wages and nonpayroll amounts2		▶	
3. Connecticut tax withheld3		▶	
4. Credits from prior period4		▶	
5. Payments made with Form CT-WH for this quarter5		▶	
6. Payments made with original return.....6		▶	
7. Total deposits (Add Lines 4, 5 and 6)7		▶	
8. Net tax due or (credit) (Line 3 minus Line 7)8		▶	
9. Interest9		▶	
10. TOTAL AMOUNT DUE OR (CREDIT) (Add Line 8 and Line 9)10		▶	

Overpayment = If amount on Line 10 is a credit, enter overpayment amount here ▶ \$ _____ and

check if to be: Applied to next quarter **OR** Refunded

Was any of this overpayment withheld from employee wages? YES () NO ()

Pay total amount shown on Line 10.

Make check payable to: COMMISSIONER OF REVENUE SERVICES
Write your Connecticut Tax Registration Number on check
Attach a copy of all applicable schedules and forms (see instructions)

Mail to:
Department of Revenue Services
P.O. Box 2931
Hartford, CT 06104-2931

Declaration: I declare under the penalties of false statement that I have examined this return and, to the best of my knowledge and belief, it is true, complete and correct.

Sign Here Keep a copy of this return for your records	Signature of Employer	Date
	Paid Preparer's Signature	Federal Employer I.D. Number
	Firm Name and Address	

Complete explanation of changes section on reverse

Explanation of Changes of the Connecticut Quarterly Reconciliation

Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include the business name and tax registration numbers on any attachments.

FORM CT-941X(B) INSTRUCTIONS

**AMENDED CONNECTICUT QUARTERLY RECONCILIATION OF WITHHOLDING
(FOR CALENDAR QUARTERS ENDING ON OR BEFORE SEPTEMBER 30, 1995)**

Purpose

Use **Form CT-941X(B)** to correct Form CT-941, Connecticut Quarterly Reconciliation of Withholding, as it was originally filed. Form CT-941X(B) can only be used to correct a single quarterly return. If additional quarters require correction, a separate Form CT-941X(B) must be completed for each quarter. Form CT-941X(B) must be filed within three years from the due date of the original return. If your federal Form 941 is either amended by you or changed or corrected by the Internal Revenue Service, you must file Form CT-941X(B) to report the change within 90 days after filing the amended federal return or within 90 days after the final determination of such change or correction, respectively.

NOTE: Form CT-941X(B) is not to be used to correct any mistakes made on Form CT-W3, Connecticut Annual Reconciliation of Withholding. To correct any errors made on Form CT-W3, you must submit a revised Form CT-W3 clearly labeled "AMENDED."

Use Correct Form CT-941X

Use this **Form CT-941X(B)** to amend a Form CT-941 for any calendar quarter ending on or before September 30, 1995. Use Form CT-941X to amend Form CT-941 for any calendar quarter ending on or after December 31, 1995. To request forms, call the DRS Forms Unit at 860-297-4753 or 1-800-382-9463

Information Section

Enter the name of the employer, address, Connecticut tax registration number and federal employer identification number in the spaces provided. Also, check the appropriate box and enter the year to identify the quarterly return being amended.

SPECIFIC INSTRUCTIONS

In the first column, enter the amount reported on the original Form CT-941.

In the second column, enter the net increase or net decrease for each line which has been changed. (Any decrease should be in brackets.)

In the third column, enter the amount that should have been reported on the original Form CT-941.

Line 8: If the amount on Line 8 is a net tax due, you must complete Line 9 and Line 10. If Line 8 is a credit, enter the same amount on Line 10 and complete the overpayment section.

Line 9: The unpaid amount is subject to interest of 1¼% (.0125) per month, or fraction thereof, from the due date until June 30, 1995. Interest accrues at 1% (.01) per month, or fraction thereof, on the unpaid balance, effective July 1, 1995. Do not include the penalty amount with your remittance.

Line 10: Add Line 8 and Line 9. Enter total.

Overpayment: If the amount on Line 10 is a credit, enter the amount in the space provided and check the appropriate box to indicate whether the overpayment is to be applied to the next quarter or is to be refunded.

Attachments: A copy of your federal Form 941c; quarterly reconciliations of withholding from other states (original and corrected copies), and all federal Forms W-2c that have been issued must be attached to support your changes.

Signature

The form must be signed by the employer.

Anyone paid to prepare the tax return must sign the return. The preparer's federal employer identification number, firm name, and firm address must also be entered in the space provided.

Make your check payable to "COMMISSIONER OF REVENUE SERVICES" and mail your return to: State of Connecticut
Department of Revenue Services
P.O. Box 2931
Hartford, CT 06104-2931

Write your Connecticut Tax Registration Number on the check.



**1998 CONNECTICUT ANNUAL RECONCILIATION OF WITHHOLDING
CT-W3 (DRS)**



The attached Annual Reconciliation of Withholding may be used by new employers and employers who have not received the Employer's Withholding Coupon Book for 1998. **Annual Reconciliation:** Form CT-W3 (DRS), Connecticut Annual Reconciliation of Withholding, is due the last day of February. No payment is to be made with this form. Employers must file every "state copy" of federal Form W-2 with the annual reconciliation, even if no Connecticut income tax was withheld.

INSTRUCTIONS FOR COMPLETING THE ANNUAL RECONCILIATION OF WITHHOLDING - Form CT-W3

- Line 1:** Enter the total amount of Connecticut income tax withheld from wages for the entire calendar year. This should equal the Total Line on the back of this form.
- Line 2:** Enter the gross Connecticut wages paid during the calendar year.
- Line 3:** Indicate the number of W-2 forms submitted with this return.

Be sure to complete all requested information on the back of this form. Sign and date the return in the space provided. **Do not make payment with this form.** All payments must be made using Forms CT-WH and CT-941. Send with Form CT-W3 every "state copy" of federal Form W-2 reporting Connecticut wages paid during the calendar year (copy 1 of the optional six-part federal Form W-2 or equivalent). If you are required by the IRS to file copies of federal Form W-2 on magnetic media, you must file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms W-2 with DRS, you may be excused from the magnetic media filing requirements without obtaining a waiver. You can obtain DRS magnetic media reporting specifications IP 92(10.5), *1997 Connecticut Magnetic Media Filing Requirements for Federal Form W-2*, by calling DRS Forms Unit at: 860-297-4753 or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users only, call 860-297-4911

Household employers: If a household employer is **not** registered with DRS for Connecticut income tax withholding purposes, the employer should enter the words "HOUSEHOLD EMPLOYER" in the space reserved for the Connecticut tax registration number on this form.

Agricultural employers: If an agricultural employer is **not** registered with DRS for Connecticut income tax withholding purposes, the employer should write the words "AGRICULTURAL EMPLOYER" in the space reserved for the Connecticut tax registration number on this form.

Mail your completed return to: Department of Revenue Services, PO Box 2930, Hartford CT 06104-2930

CT-W3 (DRS) CONNECTICUT ANNUAL RECONCILIATION OF WITHHOLDING ▶1998		
CONNECTICUT TAX REGISTRATION NUMBER	FEDERAL EMPLOYER I.D. NUMBER	DUE DATE
▶		
<i>Enter name and address below. Please print or type.</i>		
1. Connecticut tax withheld from wages (See Instructions) ▶1.		
2. Total Connecticut wages reported ▶2.		
3. Number of W-2s submitted ▶3.		

NOTE: DO NOT MAKE PAYMENT WITH THIS FORM.

DEPARTMENT OF REVENUE SERVICES
P O BOX 2930
HARTFORD CT 06104-2930

I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct.

Signature _____

Title _____ Date _____

SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. RETAIN TOP PORTION FOR YOUR RECORDS.

TAXPAYER'S COPY

- Check if you are a household employer and you withhold Connecticut income tax from the wages of household employees.
- Check if you are a household employer and you do **not** withhold Connecticut income tax from the wages of household employees.

CT-W3 (DRS) CONNECTICUT ANNUAL RECONCILIATION OF WITHHOLDING ▶1998		
CONNECTICUT TAX REGISTRATION NUMBER	FEDERAL EMPLOYER I.D. NUMBER	DUE DATE
▶		
<i>Enter name and address below. Please print or type.</i>		
1. Connecticut tax withheld from wages (See Instructions) ▶1.		
2. Total Connecticut wages reported ▶2.		
3. Number of W-2s submitted ▶3.		

NOTE: DO NOT MAKE PAYMENT WITH THIS FORM.

DEPARTMENT OF REVENUE SERVICES
P O BOX 2930
HARTFORD CT 06104-2930

I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct.

Signature _____

Title _____ Date _____

PART A: Complete for Each Period

PERIOD		CONNECTICUT INCOME TAX WITHHELD FROM WAGES
JANUARY 1 - MARCH 31	1st QUARTER	
APRIL 1 - JUNE 30	2nd QUARTER	
JULY 1 - SEPTEMBER 30	3rd QUARTER	
OCTOBER 1 - DECEMBER 31	4th QUARTER	
TOTAL		

Include the "state copy" of all wage and tax statements (Copy 1 of the optional six-part Federal Form W-2 or equivalent) reporting Connecticut wages paid during the calendar year with this return.

If you are required by the IRS to file copies of federal Form W-2 on magnetic media, you **must** file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms W-2 with DRS, you may be excused from the magnetic media filing requirements without obtaining a waiver.

For DRS magnetic media reporting specifications, IP 92(10.5), contact the Department of Revenue Services by calling the Forms Unit at:

860-297-4753 or
1-800-382-9463 (in-state).
Telecommunications Device for the Deaf
(TDD/TT) Users only, call 860-297-4911

◀ This should equal **Line 1** on the front of this form.

PART B: Indicate by checking the appropriate box below your deposit schedule for federal withholding tax purposes.

Monthly Semi-weekly Other _____

CT-W3 (DRS) Back (Rev. 8/97)

PART A: Complete for Each Period

PERIOD		CONNECTICUT INCOME TAX WITHHELD FROM WAGES
JANUARY 1 - MARCH 31	1st QUARTER	
APRIL 1 - JUNE 30	2nd QUARTER	
JULY 1 - SEPTEMBER 30	3rd QUARTER	
OCTOBER 1 - DECEMBER 31	4th QUARTER	
TOTAL		

Include "state copy" of all wage and tax statements (Copy 1 of the optional six-part Federal Form W-2 or equivalent) reporting Connecticut wages paid during the calendar year with this return.

If you are required by the IRS to file copies of federal Form W-2 on magnetic media, you **must** file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms W-2 with DRS, you may be excused from the magnetic media filing requirements without obtaining a waiver.

For DRS magnetic media reporting specifications, IP 92(10.5), contact the Department of Revenue Services by calling the Forms Unit at:

860-297-4753 or
1-800-382-9463 (in-state).
Telecommunications Device for the Deaf
(TDD/TT) Users only, call 860-297-4911

◀ This should equal **Line 1** on the front of this form.

PART B: Indicate by checking the appropriate box below your deposit schedule for federal withholding tax purposes.

Monthly Semi-weekly Other _____

CT-W3 (DRS) Back (Rev. 8/97)

Purpose. Complete Form CT-W4 so that your employer can withhold the correct amount of Connecticut income tax from your pay. Underwithholding may result in interest charges at the rate of 1% per month or fraction thereof. If you are newly hired, your employer must, within 35 days, send a copy of this form to Department of Labor pursuant to Conn. Gen. Stat. §31-2c.

General Instructions. Complete the certificate below, sign it, and return it to your employer. Refer to **IP 92(9.3), Is My Connecticut Withholding Correct?**, to check the amount of your Connecticut income tax withholding. Additional information is provided on the back of this form.

Exemption From Withholding. Read Line 4 of the certificate below to see if you can claim exempt status. If you are exempt, complete Line 4, but do not complete Lines 2 and 3. Sign the form and return it to your employer. Connecticut income tax will not be withheld from your pay.

To Avoid Underwithholding. You could be underwithheld if any of the following apply:

- you work more than one job;
- you qualify under the Special Rules For Certain Married Individuals, and do not use the supplemental tables;
- you have substantial nonwage income.

For 1996 only:

- you were not employed during the **first** 6 months of 1996; or
- your income increased substantially during the **last** 6 months of 1996.

You should consider making an adjustment to your withholding or making estimated payments on **Form CT-1040ES**. You may also wish to select Filing Status "D" to elect the highest level of withholding.

Nonresident Employees who work partly within and partly outside of Connecticut, see information on page 2.

Filing Status Worksheet

Check one box for filing status and enter letter on Line 1 below:

- A. You are **single**; or
You are **married and you are filing separately**; or
You are **married filing jointly**, both you and your spouse work, and your combined income is **\$100,500 or less**.
(Refer to Special Rules For Certain Married Individuals on page 2.)
- B. You will file as a **head of household** on your federal tax return.
- C. You are **married filing jointly and your spouse is not employed**.
- D. You are **married filing jointly**, have a working spouse, and your combined income is more than **\$100,500**; or
You have a significant nonwage income, and wish to avoid having too little tax withheld; or
You are a **nonresident** and you have substantial other income.
- E. You are exempt because you qualify on Line 4 below.

★★★COMPLETE SCHEDULE BELOW★★★

----- CUT HERE AND GIVE THE CERTIFICATE TO YOUR EMPLOYER. KEEP THE TOP PORTION FOR YOUR RECORDS -----

FORM CT-W4

EMPLOYEE'S WITHHOLDING OR EXEMPTION CERTIFICATE

State of Connecticut
Department of Revenue Services

FIRST NAME	MIDDLE INITIAL	LAST NAME	YOUR SOCIAL SECURITY NUMBER
HOME ADDRESS			_____
CITY/TOWN, STATE AND ZIP CODE			

1. Filing Status (Enter letter from box checked above) 1. _____
2. Additional withholding amount per pay period 2. _____
3. Reduced withholding amount per pay period 3. _____
4. I claim exemption from withholding and I certify that I meet the following condition for exemption:
- This year I expect a refund of **ALL** Connecticut income tax withheld because I expect to have **NO** Connecticut income tax liability.
- If you meet the above condition, check here to claim exemption from withholding 4.

CAUTION: The Department of Revenue Services will review Forms CT-W4 claiming exemption from withholding.

EMPLOYEE'S SIGNATURE	DATE (Month/Day/Year)
----------------------	-----------------------

If you are a full-time student, check here. (NOTE: Full-time students are not automatically exempt.)

Employers Must Complete Lines 5 through 11.

5. Is this a new or rehired employee? Yes No If yes, provide the date of hire: _____

6. Employer's Business Name	9. Connecticut Tax Registration Number
7. Employer's Business Address	10. Federal Employer Identification Number
8. City/Town, State and ZIP Code	11. Contact Person Telephone Number ()

EMPLOYEE INSTRUCTIONS

CAUTION: Underwithholding could result in interest charges at the rate of 1% per month or fraction thereof. IP 92(9.3), *Is My Connecticut Withholding Correct?*, can help you determine if enough Connecticut income tax is being withheld. For a copy of this publication, call the DRS Forms Unit at 1-800-382-9463 (in-state) or 860-297-5962 (select option 3. Forms Voice-Mail is available 24 hours).

NOTE: If during the taxable year an employee has a change occur in his or her circumstances that will result in underwithholding of Connecticut income tax, such as a bonus or a change in filing status, the employee must (within 10 days of the change) furnish to his or her employer a new Form CT-W4 reflecting that change.

Nonresident employees who work partly within and partly outside of Connecticut for the same employer should also complete **Form CT-W4NA, *Employee's Withholding or Exemption Certificate - Nonresident Apportionment***, and provide it to the employer. The information on Form CT-W4NA along with the information on Form CT-W4 will assist your employer to determine how much to withhold from your wages for services performed within Connecticut. Form CT-W4NA is available from your employer or from the DRS Forms Unit.

SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS

If you are a married individual filing jointly and you and your spouse both select FILING STATUS "A", you may have too much or too little Connecticut income tax withheld from your pay if withholding is based on the withholding tables. This is because the phaseout of the personal exemption and credit is dependent upon your combined incomes. The withholding tables cannot reflect your exact withholding requirement without considering your spouse's income.

To minimize this problem, a SUPPLEMENTAL TABLE is provided on Pages 3 and 4 of this form that can be used to adjust your withholding.

You are not required to use this table. However, if you choose to adjust your withholding, look up both spouses' incomes on the chart and follow the instructions.

NOTE: Do not use the supplemental tables to adjust your withholding if you use the **IP 92(9.3)** worksheet.

For further information or to order forms and publications call 1-800-382-9463 (in-state) or 860-297-5962 (Forms Voice-Mail is available 24 hours). Telecommunications Device for the Deaf users only call 860-297-4911.

EMPLOYER INSTRUCTIONS

Employers are required to retain a Form CT-W4 in their files for each employee. Refer to 1995 Circular CT, Employers Tax Guide, for complete instructions.

Employers must also file copies of Form CT-W4 with the Connecticut Department of Revenue Services (DRS) and the Connecticut Department of Labor (DOL) for certain employees as listed below:

REPORT CERTAIN EMPLOYEES CLAIMING EXEMPTION FROM WITHHOLDING TO DRS: Employers are required to file copies of Form CT-W4 with the Department of Revenue Services for certain employees claiming exemption from Connecticut withholding. See 1995 Circular CT, Employers Tax Guide, page 12, for further information. Mail copies of Form CT-W4 for those employees only to the Department of Revenue Services at the address below.

REPORT NEW AND REHIRED EMPLOYEES TO DOL: New employees are defined as workers not previously employed by your business, as well as workers who are hired after having been separated from your business for a period of more than 6 months.

Conn. Gen. Stat. §31-2c requires employers with offices in Connecticut or transacting business in Connecticut to report names, addresses and social security numbers of new employees to the Department of Labor within 35 days from the date of hire to assist in the enforcement of child support obligations. Mail copies of Form CT-W4 for those employees only to the Department of Labor at the address listed below or FAX to the number listed below.

The Department of Labor may use information reported on this form in a manner consistent with its governmental powers and duties. For more information on DOL requirements or for alternate reporting options, call the DOL at 860-566-5370.

For new employees; send/fax Form CT-W4 to:	For an employee claiming exempt status; send Form CT-W4 to:
Department of Labor Office of Research 200 Folly Brook Boulevard Wethersfield CT 06109 Fax # 1-800-816-1108	Department of Revenue Services P.O. Box 2931 Hartford CT 06104-2931
If the employee is both a new employee and claiming exempt status, send a copy of Form CT-W4 to each agency. For further information or to order forms and publications call 1-800-382-9463 (In-state) or 860-297-5962.	

1996 SUPPLEMENTAL TABLE FOR MARRIED COUPLES FILING JOINTLY - EFFECTIVE JULY 1, 1996
 (For married couples who both select status "A" on their Form CT-W4's)

Annual Salary	2,000	4,000	6,000	8,000	10,000	12,000	14,000	16,000	18,000	20,000	22,000	24,000	26,000
3,000	0	0	0	0	0	0	(15)	(42)	(111)	(190)	(318)	(379)	(530)
6,000	0	0	0	0	0	0	(15)	(42)	(111)	(175)	(295)	(357)	(460)
9,000	0	0	0	0	0	0	(15)	(35)	(89)	(153)	(252)	(253)	(334)
12,000	0	0	0	0	0	0	0	(12)	(66)	(82)	(120)	(138)	(246)
15,000	(23)	(23)	(23)	(23)	(15)	0	0	9	15	21	(55)	(73)	(118)
18,000	(111)	(111)	(111)	(96)	(81)	(66)	(18)	51	41	20	(56)	61	(29)
21,000	(253)	(246)	(231)	(216)	(180)	(105)	(34)	(3)	(14)	29	34	34	(56)
24,000	(387)	(372)	(357)	(294)	(197)	(138)	(95)	(63)	61	59	0	0	(13)
27,000	(623)	(587)	(512)	(427)	(368)	(310)	(203)	(91)	(84)	(86)	(106)	(5)	27
30,000	(803)	(707)	(648)	(590)	(531)	(338)	(276)	(227)	(219)	(145)	(75)	24	20
33,000	(920)	(862)	(803)	(682)	(542)	(466)	(404)	(317)	(209)	(89)	(62)	24	20
36,000	(1,076)	(1,017)	(824)	(747)	(671)	(594)	(456)	(278)	(172)	(89)	(62)	24	20
39,000	(1,046)	(907)	(830)	(754)	(639)	(462)	(278)	(143)	(51)	33	60	145	141
42,000	(990)	(914)	(837)	(684)	(479)	(304)	(157)	(22)	71	154	181	267	263
45,000	(997)	(882)	(705)	(506)	(344)	(182)	(35)	100	192	276	303	388	384
48,000	(927)	(722)	(547)	(385)	(223)	(61)	86	221	314	397	424	510	425
51,000	(883)	(721)	(559)	(397)	(235)	(73)	74	209	302	385	371	376	291
54,000	(864)	(702)	(540)	(378)	(216)	(54)	93	228	321	323	269	273	188
57,000	(756)	(594)	(432)	(270)	(108)	54	201	296	307	309	255	260	175
60,000	(648)	(486)	(324)	(162)	0	162	228	282	294	296	242	246	161
63,000	(540)	(378)	(216)	(54)	68	149	215	269	280	282	228	233	148
66,000	(432)	(270)	(108)	(27)	54	135	201	255	267	269	215	219	134
69,000	(324)	(203)	(122)	(41)	41	122	188	242	253	255	201	206	121
72,000	(297)	(216)	(135)	(54)	27	108	174	228	240	242	188	192	278
75,000	(311)	(230)	(149)	(68)	14	95	161	215	226	228	259	438	535
78,000	(324)	(243)	(162)	(81)	0	81	147	201	213	386	510	611	
81,000	(338)	(257)	(176)	(95)	(14)	68	134	272	458	642			
84,000	(351)	(270)	(189)	(108)	(27)	54	291	523	631				
87,000	(365)	(284)	(203)	(122)	44	300	548						
90,000	(378)	(297)	(216)	36	295	473							
93,000	(392)	(226)	30	293									
96,000	(234)	25	203										
99,000	23												

Continued on page 4

Effective July 1, 1996

PLEASE REFER TO INSTRUCTIONS ON THE FOLLOWING PAGE

1996 SUPPLEMENTAL TABLE FOR MARRIED COUPLES FILING JOINTLY - EFFECTIVE JULY 1, 1996
 (For married couples who both select status "A" on their Form CT-W4's)

Annual Salary	28,000	30,000	32,000	34,000	36,000	38,000	40,000	42,000	44,000	46,000	48,000	50,000	52,000
3,000	(676)	(763)	(839)	(943)	(1,046)	(1,006)	(947)	(952)	(956)	(923)	(826)	(796)	(810)
6,000	(545)	(648)	(752)	(855)	(824)	(828)	(833)	(837)	(765)	(641)	(547)	(553)	(567)
9,000	(457)	(560)	(601)	(623)	(709)	(713)	(680)	(583)	(466)	(385)	(304)	(310)	(324)
12,000	(369)	(338)	(423)	(509)	(594)	(522)	(398)	(304)	(223)	(142)	(61)	(67)	(81)
15,000	(160)	(245)	(331)	(378)	(363)	(245)	(164)	(83)	(2)	79	160	153	140
18,000	(134)	(219)	(228)	(185)	(172)	(91)	(10)	71	152	233	314	308	294
21,000	(123)	(107)	(71)	(71)	(71)	10	91	172	253	334	415	409	355
24,000	11	24	24	24	24	105	186	267	348	429	510	422	328
27,000	7	7	7	7	7	88	169	250	331	372	372	285	190
30,000	0	0	0	0	0	81	162	243	243	243	243	156	61
33,000	0	0	0	0	0	81	122	122	122	122	122	34	(60)
36,000	0	0	0	0	0	0	0	0	0	0	0	(87)	(182)
39,000	122	122	122	81	0	0	0	0	0	0	0	(87)	(182)
42,000	243	243	162	81	0	0	0	0	0	0	0	(87)	(182)
45,000	324	243	162	81	0	0	0	0	0	0	0	(87)	(97)
48,000	324	243	162	81	0	0	0	0	0	0	0	84	167
51,000	190	109	28	(53)	(134)	(134)	(134)	(134)	(134)	(49)	126	220	
54,000	88	7	(74)	(155)	(236)	(236)	(236)	(236)	(65)	113	209		
57,000	74	(7)	(88)	(169)	(250)	(250)	(165)	9	191				
60,000	61	(20)	(101)	(182)	(263)	(92)	86	182					
63,000	47	(34)	(115)	(111)	(18)	164							
66,000	34	(47)	43	140	155								
69,000	105	198	299										
72,000	356	371											

INSTRUCTIONS

- Find your and your spouse's approximate incomes on each side of the table.
- At the intersection of the two numbers is an adjustment amount.
THIS IS A YEARLY ADJUSTMENT AMOUNT.
- To calculate the adjustment for each pay period, complete the following worksheet.

	PAY PERIOD TABLE
If you are paid:	Pay periods in a year:
	52
	26
	24
	12
- Adjustment amount _____
 - Pay periods in a year (see pay period table) _____
 - Pay period adjustment (Divide Line A by Line B) _____

If the adjustment is positive, enter the adjustment amount from Line 3C, on Line 2 of one spouse's Form CT-W4.
 If the adjustment is negative (), enter the adjustment amount from Line 3C, on Line 3 of one spouse's Form CT-W4.

1998 FORM CT-W4P

State of Connecticut
Department of Revenue Services

Purpose: This form allows Connecticut residents who receive pensions or annuities to instruct the payer of the pension or annuity to withhold Connecticut income tax.

You are not required to have Connecticut income tax withheld from your pension or annuity payments. However, you must make estimated Connecticut income tax payments if you expect to owe, after subtracting your Connecticut income tax withheld from any other CT source income, more than \$500 for 1998 after tax credits, if any, are taken into account **and** you expect your withholding from any other CT source income, to be less than your required annual payment. Your required annual payment is the lesser of:

- 90% of the income tax shown on your 1998 Connecticut income tax return
OR
- 100% of the income tax shown on your 1997 Connecticut income tax return, if you filed a 1997 Connecticut income tax return that covered a 12-month period.

You do **not** have to make estimated income tax payments if:

- You were a Connecticut resident in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability,
OR
- you were a nonresident or part-year resident with Connecticut source income in 1997 and you did not file a 1997 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did not have Connecticut source income in 1997, you **must** use 90% of the income tax shown on your 1998 Connecticut income tax return as your required annual payment.

PLEASE SEND A COMPLETED FORM CT-W4P TO THE PAYER OF YOUR PENSION OR ANNUITY IF YOU WISH TO HAVE CONNECTICUT INCOME TAX WITHHELD.

DO NOT SEND THIS FORM TO THE DEPARTMENT OF REVENUE SERVICES.

IF YOU DO NOT WANT TAX WITHHELD FROM YOUR PENSION OR ANNUITY PAYMENTS, DO NOT RETURN THIS FORM.

General Instructions: If you wish to have Connecticut income tax withheld from your pension or annuity payments, you may either:

- Complete the worksheet on the back of this form to estimate how much income tax to have withheld, round to the nearest whole dollar but not less than \$10, and enter this amount on Line 1 of the Withholding Certificate. (This option is for people who want to include all income in determining their withholding amount.)
OR
- If you know how much you want your payer to withhold from each payment, you may fill in a *whole dollar amount*, but not less than \$10, on Line 1 of the Withholding Certificate.

.....
DETACH AND RETURN THIS CERTIFICATE TO THE PAYER OF YOUR PENSION OR ANNUITY. KEEP THE TOP PORTION FOR YOUR RECORDS

1998 FORM CT-W4P

WITHHOLDING CERTIFICATE FOR PENSION OR ANNUITY PAYMENTS

State of Connecticut
Department of Revenue Services

FIRST NAME AND MIDDLE INITIAL	LAST NAME	YOUR SOCIAL SECURITY NUMBER
HOME ADDRESS	CLAIM OR IDENTIFICATION NUMBER (IF ANY) OF YOUR PENSION OR ANNUITY CONTRACT	
CITY OR TOWN, STATE AND ZIP CODE		

1. Amount of Connecticut income tax you want withheld from EACH payment.

1.	.00
----	-----

Please Sign Here	SIGNATURE	DATE

1998 CT-W4P ESTIMATED INCOME TAX WORKSHEET

(Use this worksheet if you wish to include all 1998 estimated income in determining withholding amount.)

1. Total adjusted gross income you expect in 1998.....	1.	
2. Allowable Connecticut adjustments (additions or subtractions, see instructions).....	2.	
3. Connecticut adjusted gross income (Combine Line 1 and Line 2).....	3.	
IMPORTANT: Nonresidents and part-year residents: Enter your income from Connecticut sources if greater than your Connecticut adjusted gross income.		
4. Connecticut income tax (See instructions).....	4.	
5. Apportionment factor (Connecticut residents enter 1.0000. Nonresidents and part-year residents, see instructions).....	5.	.
6. Multiply Line 5 by Line 4.....	6.	
7. Net credit for income taxes due to other jurisdictions (See instructions).....	7.	
8. Subtract Line 7 from Line 6.....	8.	
9. Estimated Connecticut alternative minimum tax (See instructions).....	9.	
10. Add Line 8 and Line 9.....	10.	
11. Adjusted net Connecticut minimum tax credit (See instructions).....	11.	
12. Subtract Line 11 from Line 10.....	12.	
13. Connecticut income tax withheld or expected to be withheld in 1998 (on income <u>other than</u> this pension or annuity).....	13.	
14. Subtract Line 13 from Line 12. (IMPORTANT: If this amount is \$500 or less, you are not required to <u>prepay</u> this amount).....	14.	
15. Amount to be withheld from each payment, (divide Line 14 by the number of payments you will receive in 1998) round to the nearest whole dollar but not less than \$10.	15.	

1998 CT-W4P Estimated Income Tax Worksheet

LINE INSTRUCTIONS

CAUTION: If you expect to owe more than \$500 in Connecticut income tax after subtracting Connecticut income tax withheld, you may be required to make estimated payments. Generally, if you do not prepay (through timely estimated tax payments and/or withholding) the lesser of 100% of the income tax shown on your 1997 Connecticut income tax return or 90% of the income tax shown on your 1998 Connecticut income tax return, you may owe interest at the rate of 1% per month or fraction thereof.

- Line 1:** Enter your estimated federal adjusted gross income. (Adjusted gross income means wages, interest, dividends, alimony received and all income minus certain adjustments to income such as alimony paid and qualified contributions to an IRA).
- Line 2:** Enter the total of your estimated allowable Connecticut adjustments. Subtractions include any items included in federal adjusted gross income which are not taxable under Connecticut law. Additions include items which are taxable under Connecticut law but are not included in federal adjusted gross income. (See instructions for **Schedule 1** of **Form CT-1040** or **Form CT-1040NR/PY** for more information about allowable Connecticut adjustments.)
- Line 3:** **NONRESIDENTS AND PART-YEAR RESIDENTS ONLY:** If your Connecticut source income is greater than your Connecticut adjusted gross income, enter Connecticut source income on this line.
- Line 4:** Complete the following schedule to estimate your 1998 Connecticut income tax:

a. Enter CONNECTICUT adjusted gross income (From Line 3 of the Estimated Income Tax Worksheet on Page 2)..... a.		
b. Enter exemption (From Table A - Exemptions on Page 4)..... b.		
c. Connecticut taxable income (Subtract Line b from Line a - if less than 0, enter 0)..... c.		
d. Connecticut income tax (From table below)..... d.		
e. Enter credit percentage (From Table B - Personal Tax Credits, on Page 4)..... e.		
f. Multiply the amount on Line d by the percentage on Line e..... f.		
g. Connecticut income tax (Subtract Line f from Line d). Enter this amount on Line 4 of the worksheet on Page 2..... g.		

Connecticut Income Tax (Line d)

Single/Married Filing Separately	Head of Household	Married Filing Jointly/Qualifying Widow(er)
If the amount on Line c is less than or equal to \$7,500, multiply by .03. If the amount on Line c is more than \$7,500, multiply .045 by the excess over \$7,500 and add \$225.00	If the amount on Line c is less than or equal to \$12,000, multiply by .03. If the amount on Line c is more than \$12,000, multiply .045 by the excess over \$12,000 and add \$360.00.	If the amount on Line c is less than or equal to \$15,000, multiply by .03. If the amount on Line c is more than \$15,000, multiply .045 by the excess over \$15,000 and add \$450.00.
For example, if the amount on Line c is \$10,500 enter \$360.00 on Line d. (\$10,500 - \$7,500 = \$3,000 \$3,000 x .045 = \$135.00 \$135.00 + \$225.00 = \$360.00)	For example, if the amount on Line c is \$16,000 enter \$540.00 on Line d. (\$16,000 - \$12,000 = \$4,000 \$4,000 x .045 = \$180.00 \$180.00 + \$360.00 = 540.00)	For example, if the amount on Line c is \$17,500 enter \$562.50 on Line d. (\$17,500 - \$15,000 = \$2,500 \$2,500 x .045 = \$112.50 \$112.50 + 450.00 = 562.50)

Line 5: **APPORTIONMENT FACTOR:** Nonresidents and part-year residents, if your Connecticut source income is greater than or equal to your Connecticut adjusted gross income enter 1.0000. If your Connecticut source income is less than your Connecticut adjusted gross income, complete the following calculation and enter the result on Line 5.

$$\frac{\text{Income from Connecticut Sources}}{\text{CT Adjusted Gross Income (Line 3)}} = \text{Line 5}$$

If the result is less than zero enter 0, if the result is greater than 1, enter 1.0000. Round to four decimal places.

- Line 7:** **RESIDENT AND PART-YEAR RESIDENTS ONLY:** Enter estimated allowable net credit for income taxes paid to other jurisdictions. (See instructions for **Schedule 2** of **Form CT-1040** or **Form CT-1040NR/PY**.)
- Line 9:** If you expect to owe federal alternative minimum tax in 1998, you may also owe Connecticut alternative minimum tax. Enter your estimated Connecticut alternative minimum tax liability. (See instructions for **Form CT-6251, Connecticut Alternative Minimum Tax Return**.)
- Line 11:** Enter estimated adjusted net Connecticut minimum tax credit. Enter 0 if you are not entitled to a credit, or if you enter an amount on Line 9. (See instructions for **Form CT-8801, Credit for Prior Year Connecticut Minimum Tax For Individuals, Trusts and Estates**.)
- Line 15:** Divide the amount on Line 14 by the number of pension or annuity payments you will receive in 1998. Round to the nearest whole dollar but not less than \$10. **Enter this amount on Line 1 of the certificate on the front of this form.**

Use these tables in completing the worksheet on the reverse side

TABLE A - EXEMPTIONS

Single/Married Filing Separately			Head of Household			Married Filing Jointly/Qualifying Widow(er)		
CONNECTICUT AGI (See Line 3)		EXEMPTION	CONNECTICUT AGI (See Line 3)		EXEMPTION	CONNECTICUT AGI (See Line 3)		EXEMPTION
MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO	
\$ 0	\$24,000	\$12,000	\$ 0	\$38,000	\$19,000	\$ 0	\$48,000	\$24,000
\$24,000	\$25,000	\$11,000	\$38,000	\$39,000	\$18,000	\$48,000	\$49,000	\$23,000
\$25,000	\$26,000	\$10,000	\$39,000	\$40,000	\$17,000	\$49,000	\$50,000	\$22,000
\$26,000	\$27,000	\$ 9,000	\$40,000	\$41,000	\$16,000	\$50,000	\$51,000	\$21,000
\$27,000	\$28,000	\$ 8,000	\$41,000	\$42,000	\$15,000	\$51,000	\$52,000	\$20,000
\$28,000	\$29,000	\$ 7,000	\$42,000	\$43,000	\$14,000	\$52,000	\$53,000	\$19,000
\$29,000	\$30,000	\$ 6,000	\$43,000	\$44,000	\$13,000	\$53,000	\$54,000	\$18,000
\$30,000	\$31,000	\$ 5,000	\$44,000	\$45,000	\$12,000	\$54,000	\$55,000	\$17,000
\$31,000	\$32,000	\$ 4,000	\$45,000	\$46,000	\$11,000	\$55,000	\$56,000	\$16,000
\$32,000	\$33,000	\$ 3,000	\$46,000	\$47,000	\$10,000	\$56,000	\$57,000	\$15,000
\$33,000	\$34,000	\$ 2,000	\$47,000	\$48,000	\$ 9,000	\$57,000	\$58,000	\$14,000
\$34,000	\$35,000	\$ 1,000	\$48,000	\$49,000	\$ 8,000	\$58,000	\$59,000	\$13,000
\$35,000	and up	\$ 0	\$49,000	\$50,000	\$ 7,000	\$59,000	\$60,000	\$12,000
			\$50,000	\$51,000	\$ 6,000	\$60,000	\$61,000	\$11,000
			\$51,000	\$52,000	\$ 5,000	\$61,000	\$62,000	\$10,000
			\$52,000	\$53,000	\$ 4,000	\$62,000	\$63,000	\$ 9,000
			\$53,000	\$54,000	\$ 3,000	\$63,000	\$64,000	\$ 8,000
			\$54,000	\$55,000	\$ 2,000	\$64,000	\$65,000	\$ 7,000
			\$55,000	\$56,000	\$ 1,000	\$65,000	\$66,000	\$ 6,000
			\$56,000	and up	\$ 0	\$66,000	\$67,000	\$ 5,000
						\$67,000	\$68,000	\$ 4,000
						\$68,000	\$69,000	\$ 3,000
						\$69,000	\$70,000	\$ 2,000
						\$70,000	\$71,000	\$ 1,000
						\$71,000	and up	\$ 0

TABLE B - PERSONAL TAX CREDITS

Single/Married Filing Separately			Head of Household			Married Filing Jointly/Qualifying Widow(er)		
CONNECTICUT AGI (See Line 3)		CREDIT %	CONNECTICUT AGI (See Line 3)		CREDIT %	CONNECTICUT AGI (See Line 3)		CREDIT %
MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO		MORE THAN	LESS THAN OR EQUAL TO	
\$12,000	\$15,000	75%	\$19,000	\$24,000	75%	\$24,000	\$30,000	75%
\$15,000	\$15,500	70%	\$24,000	\$24,500	70%	\$30,000	\$30,500	70%
\$15,500	\$16,000	65%	\$24,500	\$25,000	65%	\$30,500	\$31,000	65%
\$16,000	\$16,500	60%	\$25,000	\$25,500	60%	\$31,000	\$31,500	60%
\$16,500	\$17,000	55%	\$25,500	\$26,000	55%	\$31,500	\$32,000	55%
\$17,000	\$17,500	50%	\$26,000	\$26,500	50%	\$32,000	\$32,500	50%
\$17,500	\$18,000	45%	\$26,500	\$27,000	45%	\$32,500	\$33,000	45%
\$18,000	\$18,500	40%	\$27,000	\$27,500	40%	\$33,000	\$33,500	40%
\$18,500	\$20,000	35%	\$27,500	\$34,000	35%	\$33,500	\$40,000	35%
\$20,000	\$20,500	30%	\$34,000	\$34,500	30%	\$40,000	\$40,500	30%
\$20,500	\$21,000	25%	\$34,500	\$35,000	25%	\$40,500	\$41,000	25%
\$21,000	\$21,500	20%	\$35,000	\$35,500	20%	\$41,000	\$41,500	20%
\$21,500	\$25,000	15%	\$35,500	\$44,000	15%	\$41,500	\$50,000	15%
\$25,000	\$25,500	14%	\$44,000	\$44,500	14%	\$50,000	\$50,500	14%
\$25,500	\$26,000	13%	\$44,500	\$45,000	13%	\$50,500	\$51,000	13%
\$26,000	\$26,500	12%	\$45,000	\$45,500	12%	\$51,000	\$51,500	12%
\$26,500	\$27,000	11%	\$45,500	\$46,000	11%	\$51,500	\$52,000	11%
\$27,000	\$48,000	10%	\$46,000	\$74,000	10%	\$52,000	\$96,000	10%
\$48,000	\$48,500	9%	\$74,000	\$74,500	9%	\$96,000	\$96,500	9%
\$48,500	\$49,000	8%	\$74,500	\$75,000	8%	\$96,500	\$97,000	8%
\$49,000	\$49,500	7%	\$75,000	\$75,500	7%	\$97,000	\$97,500	7%
\$49,500	\$50,000	6%	\$75,500	\$76,000	6%	\$97,500	\$98,000	6%
\$50,000	\$50,500	5%	\$76,000	\$76,500	5%	\$98,000	\$98,500	5%
\$50,500	\$51,000	4%	\$76,500	\$77,000	4%	\$98,500	\$99,000	4%
\$51,000	\$51,500	3%	\$77,000	\$77,500	3%	\$99,000	\$99,500	3%
\$51,500	\$52,000	2%	\$77,500	\$78,000	2%	\$99,500	\$100,000	2%
\$52,000	\$52,500	1%	\$78,000	\$78,500	1%	\$100,000	\$100,500	1%
\$52,500	and up	0%	\$78,500	and up	0%	\$100,500	and up	0%

FORM CT-W4NA

State of Connecticut Department of Revenue Services

Purpose: Complete **Form CT-W4NA** if you are a **nonresident** who performs services both within and outside of Connecticut for the same employer. The information on **Form CT-W4NA** along with the information on **Form CT-W4, Employee's Withholding and Exemption Certificate**, will assist your employer in withholding the correct amount of Connecticut income tax from your wages for services performed in Connecticut. **IMPORTANT:** You are also required to file **Form CT-W4** with your employer.

Note: You must notify your employer within 10 days if you become a Connecticut resident or you substantially change the percentage of services performed in Connecticut.

Resident and Nonresident Defined

For income tax purposes, you have to consider where you were domiciled and where you maintained a permanent place of abode during the taxable year. In general, your *domicile* is the place that you intend to have as your permanent home - the place you intend to return to whenever you may be away.

You can have only one domicile. Your domicile does not change until you move to a new location with the sincere intention of making your permanent home there. If you move to a new location but intend to stay there only for a limited amount of time (no matter how long), your domicile does not change.

A *permanent place of abode* is a residence you permanently maintain, whether you own it or not, and generally includes a residence your spouse owns or leases. A place of abode is not permanent if you maintain it only during a temporary or limited period of time for a particular purpose.

Resident - You are a Connecticut resident if:

1. Connecticut was your domicile (permanent legal residence) for the entire year; **or**
2. You maintained a permanent place of abode in Connecticut and spent a total of more than 183 days in Connecticut.

Note: You may be treated as a nonresident for the taxable year even though your domicile was Connecticut if **all** of the following conditions are met for the entire taxable year:

1. You maintained no permanent place of abode in Connecticut; **and**
2. You maintained a permanent place of abode outside Connecticut; **and**
3. You spent thirty days or less in Connecticut.

(Military personnel that are stationed in Connecticut but are domiciled in another state are treated as nonresidents.)

Part-Year Resident - You are a part-year resident if you changed your residence by moving into or out of Connecticut during the taxable year.

Nonresident - You are a nonresident if:

1. You were not a resident or part-year resident for the taxable year; **and**
2. You had income from Connecticut sources during the taxable year.

----- CUT HERE AND GIVE THE CERTIFICATE TO YOUR EMPLOYER -----

FORM CT-W4NA

EMPLOYEE'S WITHHOLDING OR EXEMPTION CERTIFICATE - NONRESIDENT APPORTIONMENT

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

First name	Middle initial	Last name	Social Security Number
Home Address			
City or Town, State and ZIP			

I certify that I am **not** a resident of Connecticut and that my residence is as stated above.

I certify that the portion of my services performed in Connecticut during the year is estimated to be %

I will notify my employer within 10 days of any change in the percentage of my services performed within Connecticut, or of a change in my status from nonresident to resident of Connecticut.

Employee Signature	Date
--------------------	------

EMPLOYER: You must withhold the applicable amount of Connecticut income tax from wages paid to employees who file this certificate. For instructions refer to Connecticut Circular CT. Keep this certificate with your records.

Employer's name and address	Connecticut Tax Registration Number
-----------------------------	-------------------------------------



**1998 CONNECTICUT ANNUAL SUMMARY AND TRANSMITTAL OF INFORMATION RETURNS
CT-1096 (DRS)**

PLEASE READ INSTRUCTIONS ON BACK BEFORE COMPLETING THIS FORM

The attached Annual Reconciliation of Withholding may be used by new payers and payers who have not received Employer's Withholding Coupon Books for 1998.

Annual Reconciliation: Form CT-1096 (DRS), Connecticut Annual Summary and Transmittal of Information Returns, must be filed by certain payers who are required to file federal Form 1096. Form CT-1096 is due on the last day of February. No payment is to be made with this form.

If you are required to file a federal Form 1096, you must file a Form CT-1096 with every "state copy" of the following:

- federal Form W-2G, for winnings paid to resident individuals, even if no Connecticut income tax was withheld;
- federal Form 1099-MISC, for payments to resident individuals or, if the payments relate to services performed wholly or partly in Connecticut, payments to nonresident individuals, even if no Connecticut income tax was withheld;
- federal Form 1099-R, **only** if Connecticut income tax was withheld;
- federal Form 1099-S, reporting real estate transactions in Connecticut.

The above federal forms must be filed even if you are not required to be registered with DRS. Unregistered filers should write "Information Only" in the space reserved for the Connecticut Tax Registration Number on this form.

Mail your completed return to: Department of Revenue Services
PO Box 5081
Hartford CT 06102-5081

CT-1096 (DRS) CONNECTICUT ANNUAL SUMMARY AND TRANSMITTAL OF INFORMATION RETURNS ▶ 1998			
CONNECTICUT TAX REGISTRATION NUMBER	FEDERAL EMPLOYER I.D. NUMBER	DUE DATE	
▶			
<i>Enter name and address below. Please print or type.</i>			
1. Connecticut income tax withheld from nonpayroll amounts (See Instructions) ▶ 1.			
2. Total nonpayroll amount reported with this Form CT-1096 ▶ 2.			
3. Number of 1099s and W-2Gs submitted ▶ 3.			

NOTE: DO NOT MAKE PAYMENT WITH THIS FORM.

TAXPAYER'S COPY

MAIL TO: DEPARTMENT OF REVENUE SERVICES
P O BOX 5081
HARTFORD CT 06102-5081

I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct.

Signature _____

Title _____ Date _____

SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. RETAIN TOP PORTION FOR YOUR RECORDS.

CT-1096 (DRS) CONNECTICUT ANNUAL SUMMARY AND TRANSMITTAL OF INFORMATION RETURNS ▶ 1998			
CONNECTICUT TAX REGISTRATION NUMBER	FEDERAL EMPLOYER I.D. NUMBER	DUE DATE	
▶			
<i>Enter name and address below. Please print or type.</i>			
1. Connecticut income tax withheld from nonpayroll amounts (See Instructions) ▶ 1.			
2. Total nonpayroll amount reported with this Form CT-1096 ▶ 2.			
3. Number of 1099s and W-2Gs submitted ▶ 3.			

NOTE: DO NOT MAKE PAYMENT WITH THIS FORM.

MAIL TO: DEPARTMENT OF REVENUE SERVICES
P O BOX 5081
HARTFORD CT 06102-5081

I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct.

Signature _____

Title _____ Date _____

INSTRUCTIONS FOR COMPLETING FORM CT-1096

Line 1: Enter the total amount of Connecticut income tax withheld from nonpayroll amounts during the calendar year. (This should equal the Total Line on the back of this form.)

Line 2: Enter the total amount of gross winnings, miscellaneous income, distributions and proceeds from federal Forms W-2G, 1099-MISC, 1099-R and 1099-S reported with this return.

Line 3: Indicate the number of federal Forms W-2G, 1099-MISC, 1099-R and 1099-S submitted with this return.

Be sure to complete all requested information on the back of this return. Sign and date the return in the space provided.

Do not make payment with this return. All payments must be made using Forms CT-WH and CT-941.

NOTE: If you are required by the IRS to file copies of federal Forms 1099, W-2G or both, on magnetic media, you must file these forms on magnetic media with DRS. However if you file 24 or fewer Forms 1099, W-2G or both, with DRS, you may be excused from the magnetic media filing requirements for that particular type of information return without obtaining a waiver. You can obtain DRS magnetic media reporting specifications, IP 93(54), *1997 Connecticut Magnetic Media Filing Requirements for Federal Forms 1099-R, 1099-S, 1099-Misc and W-2G*, by calling DRS Forms Unit: 860-297-4753 or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users **only**, call 860-297-4911.

Complete for Each Period

PERIOD		CONNECTICUT INCOME TAX WITHHELD FROM NONPAYROLL AMOUNTS
JANUARY 1 - MARCH 31	1st QUARTER	
APRIL 1 - JUNE 30	2nd QUARTER	
JULY 1 - SEPTEMBER 30	3rd QUARTER	
OCTOBER 1 - DECEMBER 31	4th QUARTER	
TOTAL		

If you are required to file a federal Form 1096, you must file a Form CT-1096 with every "state copy" of the following:

- federal Form W-2G, for winnings paid to resident individuals, even if no Connecticut income tax was withheld;
- federal Form 1099-MISC, for payments made to resident individuals or, if the payments relate to services performed wholly or partly in Connecticut, payments to nonresident individuals, even if no Connecticut income tax was withheld;
- federal Form 1099-R, only if Connecticut income tax was withheld;
- federal Form 1099-S, reporting real estate transactions in Connecticut.

If you are required by the IRS to file copies of federal Forms 1099, W-2G or both, on magnetic media, you must file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms 1099, W-2G or both, with DRS, you may be excused from the magnetic media filing requirements for that particular type of information return without obtaining a waiver.

For DRS magnetic media reporting specifications, IP 93(54), contact the Department of Revenue Services by calling the Forms Unit at:

860-297-4753 or
1-800-382-9463 (in-state).
Telecommunications Device for the Deaf
(TDD/TT) Users only, call 860-297-4911

◀ This should equal **Line 1** on the front of this form.

CT-1096 (DRS) Back (Rev. 8/97)

Complete for Each Period

PERIOD		CONNECTICUT INCOME TAX WITHHELD FROM NONPAYROLL AMOUNTS
JANUARY 1 - MARCH 31	1st QUARTER	
APRIL 1 - JUNE 30	2nd QUARTER	
JULY 1 - SEPTEMBER 30	3rd QUARTER	
OCTOBER 1 - DECEMBER 31	4th QUARTER	
TOTAL		

If you are required to file a federal Form 1096, you must file a Form CT-1096 with every "state copy" of the following:

- federal form W-2G, for winnings paid to resident individuals, even if no Connecticut income tax was withheld;
- federal Form 1099-MISC, for payments made to resident individuals or, if the payments relate to services performed wholly or partly in Connecticut, payments to nonresident individuals, even if no Connecticut income tax was withheld;
- federal Form 1099-R, only if Connecticut income tax was withheld;
- federal Form 1099-S, reporting real estate transactions in Connecticut.

If you are required by the IRS to file copies of federal Forms 1099, W-2G or both, on magnetic media, you must file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms 1099, W-2G or both, with DRS, you may be excused from the magnetic media filing requirements for that particular type of information return without obtaining a waiver.

For DRS magnetic media reporting specifications, IP 93(54), contact the Department of Revenue Services by calling the Forms Unit at:

860-297-4753 or
1-800-382-9463 (in-state).
Telecommunications Device for the Deaf
(TDD/TT) Users, call 860-297-4911

◀ This should equal **Line 1** on the front of this form.

CT-1096 (DRS) Back (Rev. 9/97)

New 5/93

**SUBSTITUTE FOR FORM W-2, WAGE AND TAX STATEMENT, OR FORM 1099R,
DISTRIBUTIONS FROM PENSIONS, ANNUITIES, RETIREMENT OR
PROFIT-SHARING PLANS, IRA'S, INSURANCE CONTRACTS, ETC.**

• Attach to Form CT-1040, CT-1040EZ, CT-1040NR/PY or CT-1040X •

1. Name (First, Middle, Last)	2. Social Security Number
-------------------------------	---------------------------

3. Address (Number and Street)

(City, State, Zip Code)

4. Please Fill In The Year At The End Of This Statement:

I have been unable to obtain a Form W-2 or have received an incorrect Form W-2, Wage and Tax Statement, or Form 1099R (Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRA's, Insurance Contracts, etc.), from the employer or wage payer named below, and have so notified the Internal Revenue Service. The amounts shown below are my best estimates of all wages or payments paid to me and the Federal and Connecticut Taxes withheld by this employer or payer during 19 _____.

5. Name, Address, City, State and Zip Code of Employer or Payer	6a. Connecticut Tax Registration Number of Employer or Payer (If Known)
	6b. Federal Employer Identification Number of Employer or Payer (If Known)

7. FEDERAL INCOME TAX WITHHELD	8. WAGES, TIPS, OTHER COMPENSATION OR PAYMENTS (See Note Below)	9. CONNECTICUT INCOME TAX WITHHELD	10. CONNECTICUT WAGES, TIPS, ETC.
--------------------------------	---	------------------------------------	-----------------------------------

NOTE: Include in #8 and #10 the total of (1) wages paid, (2) noncash payments, (3) tips / reported, and (4) all other compensation before deductions for taxes, insurance, etc.

11. How did you determine the amounts in items 7 through 10 above? (If you received a Form W-2 showing Federal Wages and Federal Income Tax withheld, you **must** attach that form with Form CT-4852 to your Connecticut Income Tax Return. If you did not receive a Form W-2 but you file Form 4852 to report Federal Wages and Federal Tax withheld, you **must** attach a copy of that form with Form CT-4852 to your Connecticut Income Tax Return.)

12. Give reason Form W-2, 1099R (or W-2c, Statement of Corrected Income and Tax Amounts) was not furnished by the employer, or payer, if known, and explain your efforts to get it.

DECLARATION: I declare under the penalties of false statement that I have examined this application and to the best of my knowledge and belief it is true, complete and correct.

Signature _____ Date _____

CT-8809

REQUEST FOR EXTENSION OF TIME TO FILE INFORMATIONAL RETURNS

(For Forms W-2, W-2G, 1099-R, 1099-S and 1099-MISC)

Extension Request for Tax Year 19__	1. Filer or transmitter name and mailing address (number and street including room or suite number, or post office box, city, state, and ZIP code)	2. Connecticut Tax Registration Number
		3. Federal Employer Identification Number
	4. Person to be contacted about this request	5. Telephone Number ()

6. Check the boxes that apply. You need not enter the number of returns.

Type of Return	Paper Returns (✓)	Magnetic Media (✓)	Type of Return	Paper Returns (✓)	Magnetic Media (✓)	Type of Return	Paper Returns (✓)	Magnetic Media (✓)
W-2			1099-MISC			1099-S		
W-2G			1099-R					

7. Has an extension of time to file federal informational returns been requested from the Internal Revenue Service?

Yes No (If "Yes," attach a copy of federal Form 8809.)

If "Yes," was the request for extension approved?

Yes No (If "Yes," attach a copy of the extension request approval.)

8. State in detail why you need an extension. If you need more space, attach additional page(s).

9. Will you provide, or have you provided, a copy of the informational return or the required statement to the recipient on time? (See instructions.)

Yes No

DECLARATION

I declare under the penalties of false statement that I have examined this form and to the best of my knowledge and belief it is true, complete and correct.

Signature	Title	Date
-----------	-------	------

INSTRUCTIONS FOR CT-8809

Purpose of Form. Use this form to request an extension of time to file Forms W-2, W-2G, 1099-R, 1099-S and 1099-MISC.

NOTE: DO NOT use this form to request an extension of time to furnish the statement to the recipient or for an extension of time to file Form CT-1040. For rules on extending the time to file Form CT-1040, see Form CT-1040 Instructions.

Who May File. Filers of returns submitted on paper or on magnetic media may request an extension of time to file using this form. A transmitter for multiple filers may file this form but must attach a list of the names, addresses, and federal employer identification numbers of those for whom they will be filing.

When to File. The Department of Revenue Services (DRS) encourages you to file Form CT-8809 as soon as you know an extension of time to file is necessary. However, Form CT-8809 **must** be filed by the due date of the informational returns, which must be filed (postmarked) by the last day of February. If you are requesting an extension of time to file several types of forms, you may use one Form CT-8809. You can request an extension for only one tax year on this form. **An extension cannot be granted if a request is filed after the due date of the original returns.**

Filing Due Dates

Form Number	Due Date
W-2	Last day of February
W-2G	Last day of February
1099	Last day of February

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day will be the due date.

Where to File. State of Connecticut
Department of Revenue Services
PO Box 2930
Hartford CT 06104-2930

Extension Period. If your extension request is approved, an extension will be granted for 30 days from the original due date.

Additional Extension. If you need additional time to file, you may request an additional 30 days by submitting another Form CT-8809.

Approval or Denial of Request. Requests for extensions of time to file information returns are not automatically granted. Approval or denial is based on administrative criteria and guidelines. The DRS will send you a letter of explanation **only** if your request is denied.

SPECIFIC INSTRUCTIONS

Item 1. Enter the name and complete mailing address, including room or suite number, of the filer requesting the extension of time. If you act as transmitter for a group of filers, enter the transmitter name and address, and attach a list of filer names, addresses, Connecticut tax registration numbers, and federal employer identification numbers.

NOTE: Notification of denial will only be sent to the person who requested the extension.

Item 2. Enter your ten-digit Connecticut tax registration number.

Item 3. Enter your nine-digit federal employer identification number or social security number if you are not required to have an employer identification number. Do not enter hyphens. A transmitter should enter the transmitter's federal employer identification number in this box.

Item 4. Enter the name of someone to contact if additional information is required.

Item 5. Enter the telephone number, including area code, of the person shown on item 4.

Item 6. Indicate the type(s) of informational return(s) for which you are requesting an extension of time to file and how they will be filed by checking the appropriate box(es).

NOTE: An employer or payer who is required by the Internal Revenue Service to file copies of federal Forms W-2, W-2G, 1099MISC, 1099R and/or 1099S on magnetic media must file these forms on magnetic media with DRS. However, an employer or payer who files 24 or fewer Forms W-2, W-2G and/or 1099 with DRS is not required to file those forms on magnetic media with DRS and need not request a waiver.

For magnetic media reporting specifications, contact the Department of Revenue Services by calling the Forms Unit at 1-800-382-9463 (in-state) or 860-297-4962. Select option 3 using your touch tone phone (voice mail service available 24 hours a day). Telecommunications Device for the Deaf (TDD/TT) users, call 860-297-4911.

Item 7. Indicate whether or not the filer applied for an extension of time to file federal informational returns. If an extension was requested, a copy of the federal Form 8809, Request for Extension of Time to File Informational Returns, must be attached to Form CT-8809. In addition, if a federal extension was requested, indicate whether or not it was approved by the Internal Revenue Service. If the extension was approved, attach a copy of the approval to Form CT-8809.

Item 8. Explain why you need an extension of time to file your informational returns.

Item 9. Check the appropriate box to indicate whether you will provide, or have provided, a copy of the informational returns or the required statement to the recipients on time.

NOTE: If this extension request is approved, it will only extend the due date for filing the returns with the DRS. It will not extend the due date for furnishing the required copies or statements to recipients.

Signature The extension request must be signed by you or a person who is duly authorized to sign a return, statement or other document.

Note: Failure to properly complete and sign this form may cause a delay in processing or result in the denial of your request. Be sure you are requesting an extension of time to file only for returns listed on Form CT-8809.

FORM CT-709

CONNECTICUT GIFT TAX RETURN

CT-709
CALENDAR YEAR
▶1997

Donor's First Name and Middle Initial ▶	Last Name ▶	Social Security Number
Address ▶	Number and Street ▶	P.O. Box ▶
City, Town or Post Office ▶	State	ZIP Code
Check applicable box: Connecticut Resident <input type="checkbox"/> Nonresident <input type="checkbox"/>		Check here if Amended Return <input type="checkbox"/>

IMPORTANT: FORM CT-709 CANNOT BE FILED AS A JOINT RETURN

SECTION 1

- A. If the donor died during the calendar year for which this return is filed, check here and enter date of death ▶ _____ 19____.
- B. If the donor died during the calendar year for which this return is filed and a federal estate tax return extension was requested on federal Form 4768, *Application for Extension of Time to File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes*, check here
- C. If the donor is claiming special valuation on a gift of farmland, check here **YES** **NO**
- D. Is your spouse a U.S. citizen?
If "NO," did you transfer any property to your spouse during the calendar year?
- E. Gifts by husband or wife to third parties. Do you consent to have the gifts made by you and your spouse to third parties during the calendar year considered as made one-half by each of you? (see instructions).....
(If the answer is "NO," skip Lines F, G and H and go to Schedule A. If the answer is "YES," the following information must be furnished and your spouse must sign the consent shown below.)
- F. Were you married to one another during the entire calendar year?.....
If the answer above is "NO," check whether married divorced widowed (give date) _____
- G. Will your spouse file a gift tax return for this calendar year?.....
- H. **Consent of Spouse** - I consent to have the gifts made by me and by my spouse to third parties during the calendar year considered as made one-half by each of us. We are both aware of the joint and several liability for tax created by the execution of this consent.
Name of consenting spouse ▶ _____ Social Security No. ▶ _____
Consenting spouse's signature _____ Date _____

SECTION 2

TAX COMPUTATION

1. Total taxable gifts (Schedule A, Line 13)	▶	1		
2. Connecticut Gift Tax (see instructions)	▶	2		
3. Payments made with extension request	▶	3		
4. If Line 3 is greater than Line 2, enter amount overpaid (Subtract Line 2 from Line 3)	▶	4		
5. If Line 2 is greater than Line 3, enter balance of tax due (Subtract Line 3 from Line 2)	▶	5		
6. Interest (from due date of tax)	▶	6		
7. Penalty	▶	7		
8. Total amount due (Add Lines 5, 6 and 7)	▶	8		

Due Date: On or before April 15 following the close of the calendar year in which the gifts were made.
(For donors who died during the calendar year in which the gifts were made, see instructions.)

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES
Write the donor's Social Security Number and "1997 Form CT-709" on the check.

Mail to: Department of Revenue Services
PO Box 2978
Hartford CT 06104-2978

DECLARATION: I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and to the best of my knowledge and belief it is true, complete and correct. Declaration of preparer (other than donor) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Donor's Signature	Date	Telephone Number ()
	Paid Preparer's Signature	Date	Federal Employer I.D. Number
	Firm Name and Address		

ATTACH A COMPLETE COPY OF FEDERAL FORM 709 AND THE NECESSARY SUPPLEMENTAL DOCUMENTS (SEE INSTRUCTIONS)

SCHEDULE A - Computation of Taxable Gifts

(Attach additional sheets if necessary)

(A) Item No.	(B) Donee's name, address, social security number and description of gift. If the gift was made by means of a trust, enter trust's identifying number below. If the gift was securities, enter the CUSIP number(s), if available. If the gift was property, its fair market value at the date of the gift shall be considered the amount of the gift. (See instructions for gifts of farmland.)	(C) Donor's adjusted basis of gift	(D) Date of gift	(E) Value at date of gift
1				

1. Total gifts made by donor (See instructions)	1	
2. One-half of items _____ attributable to spouse (See instructions)	2	
3. Subtract Line 2 from Line 1	3	
4. Gifts made by spouse to be included (From Schedule A, Line 2 of spouse's return)	4	
5. Total gifts (Add Line 3 and Line 4)	5	
6. Total annual exclusions for gifts listed on Schedule A (Including Line 4 above) (See instructions)	6	
7. Total included amount of gifts (Subtract Line 6 from Line 5)	7	
DEDUCTIONS		
8. Gifts to spouse for which a marital deduction will be claimed, based on items _____ of Schedule A	8	
9. Exclusions attributable to gifts on Line 8	9	
10. Marital deduction (Subtract Line 9 from Line 8)	10	
11. Charitable deduction (based on items _____ to _____ less exclusions).....	11	
12. Total deductions (Add Line 10 and Line 11)	12	
13. Taxable gifts (Subtract Line 12 from Line 7) Enter here and also on Section 2, Line 1 on the front page of this form	13	

Terminable Interest Marital Deduction (see instructions)

14. Check here if you elected, under the rules of Internal Revenue Code Section 2523(f), to include gifts of qualified terminable interest property on Line 8 above. Enter the item numbers (from Schedule A, above) of the gifts for which you made this election. _____
15. Check here if you elect under Internal Revenue Code Section 2523(f)(6) **NOT** to treat as qualified terminable interest property any joint and survivor annuities that are reported on Schedule A and would otherwise be treated as qualified terminable interest property under Internal Revenue Code Section 2523(f).
Enter the item numbers (from Schedule A) for the annuities for which you are making this election. _____

PLEASE ATTACH THE NECESSARY SUPPLEMENTARY DOCUMENTS (SEE INSTRUCTIONS)

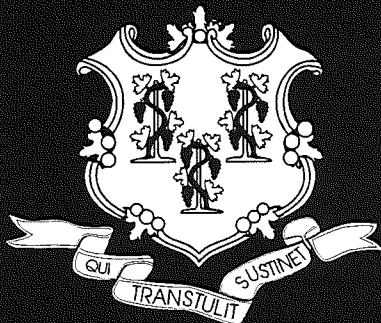
1997 FORM CT-709

Connecticut Gift Tax

Return and Instructions

This booklet
contains:

- Form CT-709
- Form CT-709EXT
- Form
CT-709FARMLAND



Dear Customer:

The Connecticut Department of Revenue Services is proud of the progress we have made in improving the quality of service that we provide to our customers. We are pleased to announce that again this year the Department has received awards for excellence and innovation and taxpayers continue to give us high marks for the way we do business. At DRS, we are committed to providing you with:

- **cost effective and efficient tax administration;**
- **programs that promote voluntary compliance; and**
- **fair and equitable treatment of all taxpayers.**

Before completing this return, please read the booklet carefully. Should you have any questions about filing your Connecticut Gift Tax Return, Department personnel are ready to help you. Please refer to the back cover for a complete list of our regional office locations, hours of service, phone and fax numbers. Comprehensive taxpayer information, including downloadable forms, is also available on our Internet site: www.state.ct.us/drs.

Your comments help us serve you better. I invite you to write or e-mail us through our Internet site with your ideas and suggestions.

Sincerely,

Gene Gavin
Commissioner

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

Special valuation rules for determining the amount of certain gifts

Gifts, other than gifts of land classified as farmland in accordance with Conn. Gen. Stat. §12-107c, must be valued in accordance with the gift tax provisions of the Internal Revenue Code and the regulations thereunder, including, where applicable, the special valuation rules of §§2701 to 2704.

For more information, see Internal Revenue Service (IRS) Publication 448, Federal Estate and Gift Taxes.

CONN - TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Dial 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) press "2" to select "Recorded Income Tax Information," and enter the 3-digit number beside the topic of your choice.

Easy-to-follow instructions will help you choose from among the following topics:

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CONNECTICUT SUCCESSION TAX

The Connecticut succession tax is imposed on the transfer of property after death. The succession tax differs from an estate tax in that the size of the exemption and the rate of taxation vary depending upon the relationship of the decedent to the individual receiving the decedent's property.

The tax is levied on the transfer of property to heirs or beneficiaries after an individual dies. Most transfers of property from deceased residents of Connecticut and the transfer of certain types of property by deceased nonresidents are taxable. The relationship of the decedent to the individual receiving the property determines the class of the transfer, which in turn, fixes the rate of taxation.

A credit will be allowed on a succession tax return in the amount of any tax imposed and paid on **Form CT-709, Connecticut Gift Tax Return**, with respect to taxable gifts which are includable in the gross taxable estate of the donor.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users only may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover of this booklet. If you visit, be sure to bring your **COMPLETED** federal gift tax return.

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at Connecticut:

- post offices
- town halls
- some banks
- public libraries

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling the DRS Forms Unit at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

WHAT IS GIFT TAX?

It is the tax that is imposed on the transfer of property by gift during each calendar year. The tax is measured by taxable gifts (as defined for federal gift tax purposes). The federal gift tax exclusion of \$10,000 per donee per year for a gift of present interest and the unlimited gift tax marital deduction are recognized for Connecticut gift tax purposes. **However, there is no unified credit for Connecticut gift tax purposes.** Therefore, the tax computed on **Form CT-709** as payable must be paid upon the filing of this return.

PERSON ON WHOM THE GIFT TAX IS IMPOSED

The gift tax is imposed on donors who are resident individuals or nonresident individuals. If the gift tax is not paid when due, the donee will be personally liable for the tax to the extent of the value of the gift. The donor's residency status is determined at the time the gift was made.

WHO MUST FILE?

A. A Connecticut **resident individual** donor must file a **Form CT-709** if:

1. a. the donor makes a transfer by gift of any intangible property (including cash); **or**
b. the donor makes a transfer by gift of real or tangible personal property located within Connecticut;

and

2. the donor is required to file a federal Form 709, *United States Gift (and Generation-Skipping Transfer) Tax Return*.

B. A **nonresident individual** donor must file **Form CT-709** if:

1. a. the donor makes a transfer by gift of any intangible property employed in carrying on any trade or business within Connecticut; **or**
b. the donor makes a transfer by gift of real or tangible personal property located within Connecticut;

and

2. the donor is required to file a federal Form 709, *United States Gift (and Generation-Skipping Transfer) Tax Return*.

C. A **married couple may not file a joint gift tax return.** However, they may elect to "gift split." (See *Gift Splitting* on Page 8.) If the spouses elect gift splitting, the donor spouse and the consenting spouse must **each** file separate gift tax returns unless **either** of the following **EXCEPTIONS** is met:

EXCEPTION 1 - During the calendar year:

- only **one** spouse (the donor spouse) made any gifts;
and
- the total value of these gifts to each third-party donee does not exceed \$20,000;
and
- all of these gifts constitute present interests.

EXCEPTION 2 - During the calendar year:

- only **one** spouse (the donor spouse) made gifts of more than \$10,000 but not more than \$20,000 to any third-party donee;

and

- the only gifts made by the other spouse (the consenting spouse) were gifts of not more than \$10,000 to third-party donees other than those to whom the donor spouse made gifts;

and

- all of the gifts made by both spouses constitute present interests.

If either Exception 1 or 2 is met, only the donor spouse must file a return and the consenting spouse must signify his or her election to gift split on the donor spouse's return.

D. Only individuals are required to file returns as donors. However, where gifts are made by **trusts, estates, partnerships or corporations**, the individual beneficiaries, partners or stockholders become donors and may incur liability under Connecticut gift tax law. For example, (1) a gift by a corporation will generally be treated as a gift by the stockholders of the corporation and (2) a gift to a corporation will generally be treated as a gift to the stockholders of the corporation.

The criteria used, for gift tax purposes, to determine who is a resident individual or a nonresident individual are the same criteria used for determining residency for Connecticut income tax purposes.

WHEN SHOULD I FILE?

Generally, the gift tax return must be filed, and the gift tax paid, on or before April 15 annually for gifts made during the preceding calendar year. If this date falls on a Saturday, Sunday or legal holiday, substitute the next business day as the due date.

If the donor of the gifts died during the year in which the gifts were made, the due date for filing **Form CT-709** is the same as the due date for filing federal Form 709. The federal gift tax return for a calendar year in which the donor dies must be filed not later than the **earlier** of:

1. the due date (with extensions) for filing the donor's federal estate tax return, federal Form 706;

or

2. April 15 of the year following the calendar year when the gifts were made.

IMPORTANT: Under this rule, federal Form 709 will be due before April 15 if the donor died before July 15 of the

year in which the gifts were made. Therefore, the Connecticut gift tax return will also be due before April 15. If the donor died after July 14, the due date for federal Form 709 (without extensions) will always be April 15 of the following year. In this case, the Connecticut gift tax return will also be due on April 15. If no federal estate tax return is required to be filed, the due date for federal Form 709 is April 15 unless an extension of time to file has been granted. Therefore, the Connecticut return is also due on April 15.

If the donor becomes legally incompetent or dies before filing the gift tax return, such donor's guardian or conservator, or such donor's executor or administrator, respectively, shall file the tax return. If there is no duly qualified executor or administrator, the heirs, legatees, devisees and distributees are liable for and required to pay the tax to the extent of the value of their inheritances, bequests, devises or distributive shares of the donor's estate.

Where to File

Make your check or money order payable to the "**Commissioner of Revenue Services.**" Write the donor's social security number and "**1997 Form CT-709**" on the check. Do not send cash.

Mail to:

**Department of Revenue Services
PO Box 2978
Hartford CT 06104-2978**

Extension of Time to File

If you, as donor, are unable to **file** a timely gift tax return you must file **Form CT-709EXT**, *Application for Extension of Time to File Connecticut Gift Tax Return*, and pay the amount of tax you expect to owe on or before the original due date for filing your Connecticut gift tax return. **Form CT-709EXT** is contained in this booklet for your convenience. The filing of this form will automatically extend the due date for **six months**, without stating a reason, if an extension of time to file federal Form 709 has been filed with the IRS. If a federal extension request has not been filed, a six-month extension of time to file the Connecticut gift tax return will be granted for reasonable cause, which must be stated on **Form CT-709EXT**.

If a taxpayer is unable, by reason of illness, absence or other good cause, to sign a request for an extension, any person standing in close personal or business relationship to the taxpayer may sign the request on his or her behalf, and shall be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than the taxpayer's and the relationship existing between the taxpayer and the signer.

What Should I Do If I Make a Mistake or Leave Something Off My Return?

If you, as the donor, file an amended Connecticut gift tax return to claim a refund, the return must be filed within three years from the due date of the original return or the extended due date of the return, if an extension of time to file the return was granted by the Department of Revenue Services. To file an amended return, check the *Amended Return* box on the top of **Form CT-709**.

If the taxable amount of gifts reported on federal Form 709 has been changed or corrected by the Internal Revenue Service, the taxpayer must report such change to the Commissioner of Revenue Services by filing an amended Connecticut gift tax return within 90 days after the final determination of such change or correction.

If you, as a donor, file an amended federal gift tax return, you must also file an amended Connecticut gift tax return within 90 days after filing your amended federal gift tax return if the change affects the Connecticut gift tax liability.

For calendar years 1995 and thereafter, use **Form CT-709** for the year that is being amended. Check the *Amended Return* box on the top of the form.

For calendar years 1992, 1993 and 1994, use **Form CT-709** (Rev. 10/94), and enter the year being amended in the designated area. Check the *Amended Return* box on the top of the form.

For calendar year 1991, use a 1991 **Form CT-709** (New 1/92) and write **AMENDED** at the top of the return.

PENALTIES AND INTEREST

Late Payment

The penalty for late payment is 10% (.10) of the balance due or \$50, whichever is greater. Interest will be charged on the underpayment of the tax at the rate of 1% (.01) per month or fraction thereof.

Late Filing

The penalty for late filing, when no tax is due but a return is required to be filed, is \$50.

WAIVER OF PENALTY

A waiver of penalty may be obtained if the failure to file the return on time was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. (Be sure to include your name and social security number on all correspondence.) Do not include penalty waiver requests with **Form CT-709**. Mail separately to:

**Penalty Review Committee
Department of Revenue Services
PO Box 5089
Hartford CT 06102-5089**

Interest **cannot** be waived. Before a penalty waiver can be granted, you must pay **all** tax and interest due.

HOW LONG SHOULD RECORDS BE KEPT?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it until the statute of limitations runs out for that return. Usually, this is three years from the date the return was due or filed.

This information may be needed in preparing future returns or in amending filed returns.

COPIES OF RETURNS

You may request a copy of a previously filed Connecticut gift tax return from the Department by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. It generally takes three weeks to fill such requests.

TRANSFERS SUBJECT TO GIFT TAX

Transfers (in trust or otherwise) of property (real or personal, tangible or intangible) by gift (direct or indirect) by resident or nonresident individuals during 1997 are subject to the gift tax.

TAXABLE GIFTS

Taxable gifts, for Connecticut gift tax purposes, has the same definition as for federal gift tax purposes. It is the *total amount of gifts* made during the calendar year less certain deductions.

The total amount of gifts for Connecticut gift tax purposes is the sum of the value, at the date of the gift, of each gift made by the donor to a donee during the calendar year. This amount may be less than the total amount of gifts for federal gift tax purposes, to the extent that any gifts made by the donor are not subject to Connecticut gift tax (e.g., a gift of real property located in another state).

Annual Exclusion

Certain transfers are wholly or partially excluded from the total amount of gifts. The **first \$10,000** (\$20,000 gift split) of any gifts to any donee during the calendar year of a present (not future) interest in property is excluded from the total amount of gifts. A **present interest** in property is an unrestricted right to the immediate use, possession or enjoyment of property or the income from the property. However, if the first **\$10,000** of gifts to any donee involved tangible personal property or real property located outside Connecticut, no exclusion would be available for Connecticut gift tax purposes with respect to additional gifts to that donee.

No part of a gift of a future interest is covered by the annual exclusion. **Future interests** include reversions, remainders, and other interests or estates, whether vested or contingent, and whether or not supported by a particular interest or estate, which are limited to commence in use, possession or enjoyment at some future date or time. For more information, see IRS Publication 448.

Deductions are allowable from the total amount of gifts to the extent that gifts are made to: (1) a charitable organization, (2) a government entity for exclusively public purposes or (3) a donee who at the time of the gift is the donor's spouse, provided such gifts are included, for Connecticut gift tax purposes, in the total amount of gifts. For more information, see IRS Publication 448.

For gifts made to a **spouse** who is **not a United States citizen**, the annual exclusion is \$100,000. (See *Gifts to Your Spouse* on Page 9.)

VALUE OF GIFT

General Rules

The value of a gift is the fair market value of the property on the date the gift is made. The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, when neither is forced to buy or sell, and when both have reasonable knowledge of all relevant facts. Fair market value may not be determined by a forced sale price, nor by the sale price of the item in a market other than that in which the item is most commonly sold to the public. The location of the item must be taken into account whenever appropriate.

IMPORTANT: The valuation rules that are used in determining federal taxable gifts are also used in valuing Connecticut taxable gifts. For example, the fair market value of property may be reduced by the unpaid principal balance of any mortgages to which the property is subject.

The value of any **annuity, interest for life, term of years, remainder or reversionary interest** (other than those subject to the special valuation rules) shall be determined in accordance with the tables found in IRS Publications 1457 and 1458.

Example: During October 1997, Ted conveys title to his house to a friend while retaining life use for himself. Ted does not receive any money or other type of payment from his friend. By retaining life use, Ted has made a gift of a remainder interest to his friend.

To determine the value of the gift, Ted should follow the instructions in IRS Publication 448.

The gift of a remainder interest is a gift of a future interest. Ted is not allowed to claim the annual exclusion for his gift to his friend. If subsequently, Ted were to transfer by gift his life use in the house, he would be making an additional gift. For more information on valuation of this gift, see IRS Publication 448.

Special Valuation Rules

Gifts, other than gifts of land classified as farmland in accordance with Conn. Gen. Stat. §12-107c, must be valued in accordance with the gift tax provisions of the Internal Revenue Code, and the regulations thereunder including where applicable, the special valuation rules of §§2701 to 2704. Generally, the special valuation rules apply where a donor transfers certain property to a member of his or her family and, immediately after the transfer, retains or is deemed to have retained an interest in the property.

For example, certain gifts of real property in which the donor retains a life estate and transfers a remainder interest to a member of his or her family are subject to the special valuation rules. Where the special valuation rules apply, the value of the retained interest is disregarded in determining the value of the gift made to the family member. For more information, see IRS Publication 448.

GIFTS OF FARMLAND

Transfers of Farmland or Change of Classification

For transfers of **land that is classified as farmland pursuant to Conn. Gen. Stat. §12-107c** to a donee who is a lineal descendant or spouse thereof, the property may be valued based upon its current use as farmland without regard to neighborhood land use of a more intensive nature. If, within ten years of the transfer, such farmland is transferred by the donee to a person other than the donee's lineal descendant or spouse thereof or is no longer classified as farmland, such donee (or, if such land was transferred to such donee's lineal descendant or spouse thereof, such descendant or spouse thereof) shall be liable for the difference between the tax that was due from the donor and the tax that would have been due if such land had been valued based upon its fair market value, rather than at its value as land classified as farmland.

A **lineal descendant** is a person in the direct line of descent, such as a child or grandchild. A lineal descendant does not include a corporation, partnership or trust.

The donor who claims special valuation on a gift of farmland is required to provide a copy of **Schedule CT-709 FARMLAND** to the donee. The information on that schedule will enable the donee to determine the amount of any additional tax that may become due.

Due date of additional tax liability

If additional gift tax is due because within ten years the donee transfers the farmland to a person other than the donee's lineal descendant or spouse thereof, or the land is no longer classified as farmland in accordance with Conn. Gen. Stat. §12-107c, such donee (or, if such land was transferred to such donee's lineal descendant or spouse thereof, such descendant or spouse thereof) must submit a written statement within sixty days following the transfer or change in classification, indicating: (1) the original donor's name and social security number; (2) the date of the original gift; (3) the date of such transfer or change in classification; (4) the donee's name, address and social security number; (5) the amount being remitted to the Commissioner of Revenue Services and (6) an explanation concerning how

such amount was calculated. A copy of this written statement should be retained for recordkeeping purposes.

The written statement should be accompanied by a check or money order and mailed to: Department of Revenue Services, PO Box 2978, Hartford, CT 06104-2978. The check or money order should be payable to the "**Commissioner of Revenue Services.**"

If the tax is not so paid, it will bear interest at the rate of 1% per month or fraction thereof, commencing at the expiration of the sixty days, until paid.

The Commissioner may, for good cause, extend the time for payment of the tax or any part thereof if the donee (or, if such land was transferred to the donee's lineal descendant or spouse thereof, such descendant or spouse thereof) files a written application with the Commissioner on or before the expiration of the sixty-day period.

GIFT SPLITTING

If both spouses consent and an election was made for federal gift tax purposes, all gifts made to third parties during the calendar year, whether made by one spouse alone or made partly by each spouse, shall be considered as made one-half by each spouse (but only if at the time of the gift, each spouse is a citizen or resident of the United States). Thus, the first \$20,000 of gifts of a present interest in property to any donee by consenting spouses during the calendar year are not subject to tax. Where such consent is given, the gift tax liability of the spouses will be joint and several which means one or both parties can be held responsible to pay the full amount of the tax due.

IMPORTANT: If both spouses consent and an election is made to gift split, each spouse must file his or her own **Form CT-709, Connecticut Gift Tax Return**. The election to gift split must be made on each return.

To split the gift, the spouses must be legally married to each other at the time of the gift. If they are divorced during the year, they still may split the gift so long as neither marries anyone else during the year. In addition, both must be citizens or residents of the United States on the date of the gift and one spouse may not create a general power of appointment in the other spouse over the property transferred. If the spouses consent to gift splitting, all gifts made during the year that qualify must be split.

The executor or administrator for a deceased spouse's estate, or the guardian of a legally incompetent spouse, as the case may be, may signify the consent, but the consent of an executor or administrator will not be effective with respect to gifts made by the surviving spouse during that portion of the calendar year that his or her spouse was deceased.

GIFTS TO YOUR SPOUSE

Do not report any gifts to your spouse on **Form CT-709**, Schedule A, unless: (1) you made a gift of a terminable interest to your spouse; (2) you made a gift of a terminable future interest to your spouse; or (3) your spouse was not a citizen of the United States at the time of the gift. A **terminable interest in property** is an interest that will end or fail after a period of time or when some contingency occurs or fails to occur. Some examples of terminable interests are:

- a life estate;
- an estate for a specified number of years; or
- any other property interest that after a period of time may terminate or fail.

Report all terminable interest gifts whether or not they can be deducted.

There is no marital deduction for gifts to a spouse who is not a United States citizen. However, an annual exclusion may apply. (See *Taxable Gifts* on Page 7.)

CHARITABLE REMAINDER TRUSTS

If you made a gift to a charitable remainder trust and your spouse is the only noncharitable beneficiary other than you, the interest you gave to your spouse is not considered a terminable interest gift and, therefore, should not be reported on **Form CT-709**, Schedule A.

TRANSFERS FOR A CONSIDERATION IN MONEY OR MONEY'S WORTH

Gifts include not only transfers without consideration but also sales and exchanges for less than adequate and full consideration in money or money's worth, to the extent the value of the item sold or exchanged exceeds the value of the consideration received.

POWERS OF APPOINTMENT AND DISCLAIMERS

The exercise or release of a power of appointment may constitute a gift by the individual possessing the power. For additional information, see IRS Publication 448.

JOINT TENANCY

If you buy property with your own funds, and the title to such property is held by yourself and the donee as joint tenants with right of survivorship, but that right may be extinguished by either party severing his or her interest, you have made a gift to the donee in the amount of half the value of the property.

If you create a joint bank account for yourself and the donee (or a similar type of ownership by which you can get back the entire fund without the donee's consent), you have made a gift to the donee if and only if the donee draws on the account for his or her own benefit. The amount of the gift is the amount that the donee withdrew without any obligation to repay you.

If you buy a U.S. Savings Bond registered as payable to yourself or the donee, there is a gift to the donee if he or she cashes the bond without any obligation to account to you.

NONRESIDENT ALIENS

Nonresident aliens are subject to gift tax for gifts of property located within Connecticut. Under certain circumstances they are also subject to gift tax for gifts of intangible property. For additional information, see IRS Publication 448.

FORM CT-709 INSTRUCTIONS

SECTION 1 - INSTRUCTIONS

The top of **Form CT-709** requests information concerning the donor and the consenting spouse if gift splitting is elected. The donor's name, address, social security number, residence and citizenship must be entered. Also, information must be entered if the donor died during the calendar year.

Question A - Check this box if the donor died during the year and enter the date of death.

Question B - Check this box if the donor died during the year and a federal extension was requested on federal Form 4768, *Application for Extension of Time to File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes*.

Question C - Check this box if you are making a gift of land that is classified as farmland under Conn. Gen. Stat. §12-107c to a lineal descendant or such descendant's spouse and you are using a value based on its current use as farmland. An appraisal or other document showing an adequate explanation of value based upon its current use **and Schedule CT-709FARMLAND** must be attached. If no appraisal is attached to show how the property is valued, explain in detail how it was determined.

Question D - Indicate whether or not your spouse is a United States citizen. If "no," indicate if any property has been transferred to him or her during the calendar year.

Question E - If you and your spouse elect to have all the gifts made during the calendar year considered as made one-half by each, check the box marked "YES" on Line E and enter the consenting spouse's name and social security number on Line H. If the gift splitting election is made, the consenting spouse must sign and date the **Form CT-709** on Line H.

The consent may generally be signed any time after the end of the calendar year. However, there are two exceptions:

1. The consent may not be signed after April 15 following the end of the year in which the gift was made. (But, if neither you nor your spouse has filed a gift tax return for the year on or before that date, the consent must be made on the first gift tax return for the year filed by either of you);

and

2. The consent may not be signed after a notice of deficiency for the gift tax for the year has been sent to either you or your spouse.

The executor for a deceased spouse or the guardian for a legally incompetent spouse may consent.

The consent is effective for the entire calendar year. Therefore, all gifts made by both you and your spouse to third parties during the calendar year (while you were married) must be split. (See *Gift Splitting* on Page 8.)

Question F - Indicate your marital status.

Question G - Indicate whether or not a gift tax return will be filed by your spouse for the year.

SECTION 2 - INSTRUCTIONS

LINE 1

Enter the amount from **Form CT-709**, Schedule A, Line 13. This is the amount of taxable gifts for the year.

LINE 2

Calculate the Connecticut gift tax by using the **Gift Tax Rate Schedule** (below) and enter the amount on Line 2. (The unified credit allowed to offset gift taxes on lifetime transfers for federal gift tax purposes cannot be taken for Connecticut gift tax purposes.)

GIFT TAX RATE SCHEDULE

AMOUNT OF TAXABLE GIFTS	RATE OF TAX
Not over \$25,000	1%
Over \$25,000 but not over \$50,000	\$250, plus 2% of the excess over \$25,000
Over \$50,000 but not over \$75,000	\$750, plus 3% of the excess over \$50,000
Over \$75,000 but not over \$100,000	\$1,500, plus 4% of the excess over \$75,000
Over \$100,000 but not over \$200,000	\$2,500, plus 5% of the excess over \$100,000
Over \$200,000	\$7,500, plus 6% of the excess over \$200,000

LINE 3

Enter the amount, if any, paid with the **Form CT-709EXT**, *Application for Extension of Time to File Connecticut Gift Tax Return*.

LINE 4

If the amount on Line 3 is greater than Line 2, enter the amount overpaid.

LINE 5

If the amount on Line 3 is less than Line 2, enter the balance of tax due.

LINE 6

If you fail to pay the tax when due, interest will be charged at the rate of 1% (.01) per month or fraction of a month from the due date until payment is made.

LINE 7

The penalty for late payment of the tax due is 10% (.10) of the balance due or \$50, whichever is greater.

The penalty for late filing, where a tax return is required to be filed, but no tax is due, is \$50.

LINE 8

Add Lines 5, 6 and 7 and enter the total on Line 8. This is your balance due. Pay the amount in full with the return. Make your check or money order payable to the "Commissioner of Revenue Services". Write your social security number and "1997 Form CT-709" on the check or money order in the lower left corner. Do not send cash.

SIGN HERE

You, as the donor, must sign and date **Form CT-709**. If the donor becomes legally incompetent or dies before filing the gift tax return, such donor's guardian or conservator, or such donor's executor or administrator, respectively, may sign the return on the donor's behalf.

PAID PREPARER NOTE

Anyone you pay to prepare your return must sign it by hand in the space provided; signature stamps are not acceptable. The preparer's federal employer identification number, firm name and firm address must also be entered in the space provided.

MAILING YOUR RETURN

Retain a copy of this return for your records. Attach to this return a complete copy of federal Form 709, *United States Gift (and Generation-Skipping Transfer) Tax Return*, including **all** attachments, and other documents listed on Page 14.

SCHEDULE A - COMPUTATION OF TAXABLE GIFTS

General Instructions

The information on Schedule A should generally be identical to the information reported on federal Form 709, Schedule A. However, **only** those gifts subject to Connecticut gift tax should be reported on the **Form CT-709**, Schedule A. For gifts of land that is classified as farmland under Conn. Gen. Stat. §12-107c, the land's value as farmland may differ from that reported on federal Form 709 Schedule A. (See *Gifts of Farmland* on Page 8.)

You must always enter all gifts of future interests that you made during the calendar year regardless of value. There is no annual exclusion of \$10,000 for gifts of future interest.

Gifts to Your Spouse

Do not enter any gifts to your spouse on Schedule A unless: (1) you gave a gift of a terminable interest to your spouse; (2) you gave a gift of a terminable future interest to your spouse; or (3) your spouse was not a citizen of the United States at the time of the gift.

If all the terminable interests that you gave to your spouse qualify as life estates with power of appointment, do not enter any of them on Schedule A.

If You do not Elect Gift Splitting

If the total amount of gifts of present interests to any donee is more than \$10,000 in the calendar year, you must enter all such gifts that you made during the year to or on behalf

of that donee, including those gifts that will be excluded under the annual exclusion. If the total amount is \$10,000 or less, do not enter on Schedule A any gifts (except gifts of future interests) that you made to that donee.

If You Elect Gift Splitting

Enter on Schedule A the entire value of every gift you made during the calendar year while you were married, even if the gift's value will be less than \$10,000 after it is split on Schedule A, Line 2.

The donor's adjusted basis for Connecticut gift tax purposes is the same as the donor's adjusted basis for federal gift tax purposes.

The order for grouping gifts in Column A of Schedule A is as follows:

1. gifts to the donor's spouse;
2. gifts to third parties that are to be split with the spouse;
3. charitable gifts (if taxpayer is not splitting with the spouse); and
4. other gifts.

If a transfer results in gifts to two people (i.e., a life estate to one, remainder to another), the gifts must be listed separately.

Each gift made during the year should be identified by number in Column A.

SCHEDULE A - LINE INSTRUCTIONS

LINE 1

The values listed on Schedule A, Column E are totaled and entered on Line 1.

LINE 2

If you are not splitting gifts with your spouse, skip this line and enter the amount from Line 1 on Line 3. If you are splitting gifts with your spouse, show half of the gifts you made to third parties on Line 2. On the short line, indicate which numbered items from Schedule A you are gift splitting. (Your spouse should enter this amount on Schedule A, Line 4, of his or her return.)

LINE 3

Subtract Line 2 from Line 1, and enter the balance on Line 3. This is the amount of the donor's gifts after subtracting the spouse's portion of gifts subject to gift splitting.

LINE 4

If you are not splitting gifts, skip this line and go to Line 5. If you gave all of the gifts, and your spouse is only filing a **Form CT-709** to show his or her half of those gifts, you need not enter any gifts on Line 4 of your return, nor include your spouse's half anywhere else on your return. Your spouse should enter the amount from Schedule A, Line 2, of your return on Schedule A, Line 4, of his or her return. If both you and your spouse make gifts for which a return is required, the amount each of you shows on Schedule A, Line 2, of his or her return must be shown on Schedule A, Line 4, of the other's return.

Example: H and W elect to gift split for the year. During the year, W made gifts totaling \$80,000. One half of the gifts, \$40,000 is allocable to H. The \$40,000 is shown on W's return, Schedule A, Line 2. This amount is also entered on Schedule A, Line 4 of H's return and will be added to the gifts on Line 3 in determining total gifts made by H during the year.

LINE 5

Add Line 3 and Line 4. The total consists of the donor's own gifts less the amount that is split with a consenting spouse, plus the donor's share of the spouse's gifts, which he or she has consented to split.

LINE 6

Enter the total annual exclusions you are claiming for the gifts listed on Schedule A (including gifts listed on Line 4). The **first \$10,000 or less** of gifts to any donee during the

calendar year of a present interest in property is excluded. However, if the first \$10,000 of gifts to any donee involved tangible personal property or real property located outside Connecticut, no exclusion would be available for Connecticut gift tax purposes with respect to additional gifts to that donee.

If you split a gift with your spouse, the annual exclusion you claim against the gift may not be more than your half of the gift.

Example: You give your sister a new car costing \$16,000. Your spouse agrees to gift split with you. Each spouse will be considered to have made a gift of \$8,000 ($\$16,000 \times 1/2$). While the maximum annual exclusion per donee is \$10,000, in this case each spouse will be allowed an exclusion of \$8,000 and not \$10,000.

LINE 7

Line 6 is subtracted from Line 5 and the balance is entered on Line 7. This is the total amount of gifts before the calculation of the marital deduction and charitable deduction.

LINE 8

Enter on Line 8 all of the gifts to your spouse which you entered on Schedule A and for which you are claiming a marital deduction. Do not enter any gift that you did not include on Schedule A. On the short line, indicate which numbered items from Schedule A are gifts to your spouse for which you are claiming the marital deduction.

You may deduct all gifts of nonterminable interests made during this time that you entered on Schedule A regardless of amount, and certain gifts of terminable interests as outlined below.

Do not enter on Line 8 any gifts to your spouse if your spouse was not a United States citizen at the time of the gift.

Terminable Interests

Generally, you cannot take the marital deduction if the gift to your spouse is a terminable interest. In most cases, a terminable interest is nondeductible if someone other than the donee spouse will have an interest in the property following the termination of the donee spouse's interest.

Some examples of terminable interests are:

- a life estate;
- an estate for a specified number of years; or
- any other property interest that after a period of time may terminate or fail.

Life Estate with Power of Appointment

You may deduct, without an election, a gift of a terminable interest if all five of the following requirements are met:

1. the donee spouse must be entitled for life to all of the income from the entire interest, or to a specific portion of all the income from the entire interest; and
2. the income payable to the donee spouse must be payable annually or at more frequent intervals; and
3. the donee spouse must have the power to appoint the entire interest or the specific portion to either himself or herself or to his or her estate; and
4. the power in the donee spouse must be exercisable by him or her alone and (whether exercisable by will or during life) must be exercisable in all events; and
5. the entire interest or the specific portion must not be subject to a power in any other person to appoint any part to any person other than the donee spouse.

Election to Deduct Qualified Terminable Interest Property (QTIP)

You may elect to deduct a gift of a terminable interest if the gift meets requirements 1, 2 and 5 above, even though it does not meet requirements 3 and 4.

Make the election by checking the box on Schedule A, Line 14. **You may not make the election on a late filed Form CT-709.**

LINE 9

Enter the amount of the annual exclusions that were claimed for the gifts that you entered on Line 8.

LINE 10

Line 9 is subtracted from Line 8 and the balance is entered on Line 10. This is the marital deduction that can be claimed for the year. If a terminable interest is given to a spouse and a QTIP election is made, the value of the property transferred should equal the amount on Line 10.

LINE 11

On Line 11 show your total charitable, public, or similar gifts (minus exclusions allowed). On the short line, indicate which numbered items from the top of Schedule A are charitable gifts. You may deduct from the total amount of gifts made during the calendar year all gifts you gave to or for the use of:

- the United States, a state or political subdivision of a state or the District of Columbia, for exclusively public purposes;
- any corporation, trust, community chest, fund or foundation organized and operated only for religious, charitable, scientific, literary or educational purposes, or

to prevent cruelty to children or animals, or to foster national or international amateur sports competition (if none of its activities involve providing athletic equipment, unless it is a qualified amateur sports organization), as long as no part of the earnings benefits any one person, no substantial propaganda is produced, and no lobbying or campaigning for any candidate for public office is done;

- a fraternal society, order or association operating under a lodge system, if the transferred property is to be used only for religious, charitable, scientific, literary or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals;
- any war veterans organization organized in the United States (or any of its possessions) or any of its auxiliary departments of local chapters or posts, as long as no part of any of the earnings benefits any one person.

LINE 12

Add Line 10 and Line 11. This is the total of the marital deduction and the charitable gift deduction.

LINE 13

Line 12 is subtracted from Line 7 and the balance is entered on Line 13. This is the amount of taxable gifts for the year. The amount entered on Line 13 is also carried forward to Section 2, Line 1 on the front page of the return.

TERMINABLE INTEREST MARITAL DEDUCTION

LINE 14

If an election is made under section 2523 of the Internal Revenue Code for terminable interest transfers to a spouse, the appropriate information must be included on Line 14.

LINE 15

Check the box on Line 15 if the transferor wishes to make the election out of QTIP treatment that is available for certain annuities. Section 2523(f)(6) of the Internal Revenue Code creates an automatic QTIP election for gifts of joint and survivor annuities where the spouses are the only possible recipients of the annuity prior to the death of the last surviving spouse.

The donor spouse can elect out of QTIP treatment by checking the box on Line 15 and entering the item number from **Form CT-709**, Schedule A, for the annuities for which he or she is making the election. Any annuities entered on Line 15 cannot also be entered on Schedule A, Line 8. Any such annuities that are not listed on Line 15 must be entered on Schedule A, Line 8. If there is more than one such joint and survivor annuity, the donor is not required to make the election for all of them. Once made, the election is irrevocable.

SUPPLEMENTAL DOCUMENTS AND ATTACHMENTS

To support the value of your gifts reported on **Form CT-709**, *Connecticut Gift Tax Return*, attach the necessary supplementary documents to the back of your Connecticut Gift Tax Return.

1. Attach a complete copy of federal Form 709, *United States Gift (and Generation-Skipping Transfer) Tax Return* (including all attachments).
2. A donor claiming special valuation on a gift of farmland **must** attach a sworn statement, **Schedule CT-709 FARMLAND**, as to the fair market value of the farmland, based on its highest and best use value, as of the time of the transfer, and must also provide a copy to the donee(s).
3. For each gift of a life insurance policy, attach a copy of federal Form 712, Life Insurance Statement.

For single premium or paid-up policies, where the surrender value of the policy exceeds its replacement cost, the true economic value of the policy will be greater than the amount shown on federal Form 712, Line 56. In these situations, you should report the true economic value of the policy.

4. For gifts of stock of closely held or inactive corporations, attach the balance sheet for the period nearest the date of the gift, statements of net earnings or operating results and dividends paid for each of the five preceding years, and a concise statement of the method of valuation.
5. Any other documents, such as **appraisals** required for adequate explanation of value must be attached to the return. If no appraisal is attached to show how property is valued, explain in detail how value was determined.

A lack of information may lead to a determination that an incomplete return has been filed.

FORM CT-709EXT
Application For Extension of Time to File
Connecticut Gift Tax Return

CT-709EXT
CALENDAR YEAR
▶ 19 _____

IMPORTANT! PLEASE READ INSTRUCTIONS ON REVERSE BEFORE COMPLETING THIS APPLICATION

TAXPAYER <small>(Please Type or Print)</small>	Donor's First Name and Middle Initial	Last Name	Social Security Number
	Address	Number and Street	Date Received (FOR DEPARTMENT USE ONLY)
	City, Town or Post Office	State	ZIP Code

THIS IS NOT AN EXTENSION OF TIME TO PAY ANY AMOUNT OF TAX — PENALTIES AND INTEREST MAY APPLY. (SEE INSTRUCTIONS)
AN EXTENSION GRANTED BY THE INTERNAL REVENUE SERVICE DOES NOT AUTOMATICALLY EXTEND THE CONNECTICUT FILING DATE.

I request a six-month extension of time to file a Connecticut Gift Tax Return for the calendar year _____.
If the donor died during the year that the gifts were made enter the date of death (see instructions) ▶ _____.

I have requested a federal extension using federal Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*, for calendar year 19____; or I have requested an extension of time to file the federal gift tax return by writing to the district director or service center of the Internal Revenue Service for my area. YES NO

If **NO**, the reason for the Connecticut extension is:

.....

.....

— YOU WILL BE NOTIFIED ONLY IF YOUR EXTENSION REQUEST IS DENIED —

1. Total Connecticut gift tax liability for **19**____ (You may estimate this amount.).....▶ 1.

NOTE: You must enter an amount in the box provided. If you do not expect to owe tax, enter zero (0).

Make check or money order payable to: COMMISSIONER OF REVENUE SERVICES.
Write the donor's Social Security Number and "19____ Form CT-709EXT" on the check or money order.

Mail to: State of Connecticut
 Department of Revenue Services
 PO Box 2978
 Hartford CT 06104-2978

DECLARATION: I declare under the penalties of false statement that I have examined this application and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Signature of Donor	Date	Telephone Number ()
	Paid Preparer's Signature	Date	Federal Employer I.D. Number
	Firm Name and Address		

Form CT-709EXT Instructions

Purpose:

Use **Form CT-709EXT** to request a six-month extension to **file** a Connecticut Gift Tax Return. It will not be necessary to include a reason for the Connecticut extension request if you have already filed an extension on federal Form 4868 or if you have written a letter to the district director or the Internal Revenue Service Center for your area.

If federal Form 4868 was not filed, the donor can apply for a six-month extension to file a Connecticut Gift Tax Return, provided there is reasonable cause for the request.

To Obtain A Connecticut Filing Extension You MUST:

1. Complete Form CT-709EXT in its entirety, **and**
2. File it by the due date of the return, **and**
3. Pay the amount shown on Line 1.

NOTE: Form CT-709EXT **only extends the time to file** your Connecticut Gift Tax Return.
Form CT-709EXT **does not extend the time to pay** your gift tax.

Any underpayment of tax will accrue interest at the rate of 1% per month or fraction thereof computed from the statutory due date to the date of payment. Also, a penalty of 10% of the balance due or \$50, whichever is greater, will be assessed on any underpayment of the total tax due. If no tax is due, but you are required to file, the penalty for late filing is \$50.

YOU WILL BE NOTIFIED ONLY IF YOUR EXTENSION REQUEST IS DENIED

When To File Form CT-709EXT:

This extension request is due on or before the original due date for filing your Connecticut gift tax return. Generally this extension request must be filed on or before April 15 annually for gifts made during the preceding calendar year. If the donor of the gifts died during the year in which the gifts were made, the due date for filing Form CT-709EXT is the **earlier** of the due date, with extensions, of the donor's federal Estate Tax Return (Form 706) or April 15 of the year following the calendar year in which the gifts were made.

NOTE: If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.

Where To File:

Mail to: State of Connecticut
Department of Revenue Services
PO Box 2978
Hartford CT 06104-2978

Specific Instructions:

FORM CT-709 CANNOT BE FILED AS A JOINT RETURN WITH YOUR SPOUSE

Calendar Year - Enter the calendar year in which the gifts were made.

Name, Address and Social Security Number - Enter the donor's name, address and Social Security Number.

Signature - This form must be signed by the donor.

Others Who Can Sign - Anyone with a signed Power of Attorney on file can sign on your behalf.

NOTE: If a donor is unable, by reason of illness, absence, or other good cause, to sign a request for an extension, any person standing in a close personal or business relationship (including attorneys, C.P.A.s and enrolled agents) to the donor may sign the request on his or her behalf and shall be considered as a duly authorized agent for this purpose, provided the request sets forth the reasons for a signature other than by the donor and the relationship existing between the donor and the signer.

**SCHEDULE
CT-709 FARMLAND**

CALENDAR YEAR

19_____

(Rev. 12/97)

Donor's First Name and Middle Initial		Last Name		Social Security Number	
Address		Number and Street		P.O. Box	
City, Town or Post Office		State		ZIP Code	
				Date Received (FOR DEPARTMENT USE ONLY)	

Schedule of farmland

(A) Item No.	(B) Donee's name, address, social security number and description of gift <small>Include the town, volume and page number of land records at which the deed of gift is recorded.</small>	(C) Date of Gift	(D) Fair market value of farmland at date of gift	(E) Value as farmland at date of gift
1				

(F) Gift tax due and owing from the donee if the farmland that is valued at current use is subsequently transferred or reclassified (See instructions).....

**YOU MUST SIGN THIS AFFIDAVIT BEFORE A NOTARY PUBLIC,
COMMISSIONER OF THE SUPERIOR COURT OR JUSTICE OF THE PEACE.**

DONOR'S AFFIDAVIT

I, the donor, being over 18 years of age and understanding the obligations of oath, do hereby solemnly swear (or affirm), under the penalties of false statement, that I have examined this schedule, including, but not limited to, the amount that I entered (in Column D, above) as the fair market value, based upon its highest and best use value, for the land that is classified as farmland and for which I have claimed special valuation under Conn. Gen. Stat. § 12-646a, and, to the best of my knowledge and belief, it is true, correct and complete.

Signature of Donor

STATE OF CONNECTICUT
COUNTY OF _____

On this, the _____ day of _____, 19 _____, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he or she executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

IF YOU ARE CLAIMING SPECIAL VALUATION ON A GIFT OF FARMLAND, THIS SCHEDULE MUST BE ATTACHED TO FORM CT-709. A COPY OF THIS SCHEDULE AND THE INSTRUCTIONS ON THE REVERSE SIDE MUST ALSO BE FURNISHED BY YOU TO THE DONEE.

SCHEDULE CT-709FARMLAND

PURPOSE OF SCHEDULE: For Connecticut gift tax purposes, a donor claiming special valuation on a gift of farmland must attach a sworn statement to the Connecticut gift tax return indicating the fair market value of the farmland, based on its highest and best use value, as of the date of transfer. Schedule CT-709FARMLAND is that sworn statement.

WHO SHOULD FILE THIS SCHEDULE? Schedule CT-709FARMLAND should be filed by any donor who makes a gift of farmland to a lineal descendant or spouse thereof AND claims special valuation of such land.

GENERAL INFORMATION

Land that is classified as farmland pursuant to Conn. Gen. Stat. Section 12-107c and that is transferred to a donee who is a lineal descendant or spouse thereof, is valued based upon its current use as farmland without regard to neighborhood land use of a more intensive nature. If, within ten years, the farmland (or any interest therein) is transferred by the donee to a party other than the donee's lineal descendant or the spouse thereof, or is no longer classified as farmland, the donee (or, if the land was transferred to the donee's lineal descendant or the spouse thereof, the descendant or the spouse thereof) shall be liable for the difference between the tax that was due from the donor and the tax that would have been due if the land had been valued based upon its fair market value, rather than at its value as land that is classified as farmland. The additional tax due must be paid within sixty days following the transfer or the change in classification, or interest will accrue at the rate of 1% per month or fraction thereof. The additional gift tax that may become due and payable is entered on the front.

INSTRUCTIONS

1. **This schedule must be attached to Form CT-709, Connecticut Gift Tax Return**, if the donor is making a gift of farmland to a donee who is a lineal descendant or spouse thereof and the donor claims special valuation of the land.

2. Enter the donor's identifying information at the top of the schedule.

3. In Column A, number each gift.

4. In Column B, enter the donee's identifying information and a complete description of the farmland being transferred, including the town volume and page number of the land records at which the deed of gift is recorded. This information should match the description on **Form CT-709**, Schedule A, Column B. You must attach a copy of the deed that evidences its receipt and recording by the town clerk.

5. In Column C, enter the date of the gift.

6. In Column D, enter the fair market value of the farmland, based on its highest and best use value, as of the date of the transfer. This should match the amount recorded on federal Form 709, Schedule A.

7. In Column E, enter the value of the farmland based upon its current use as farmland, as of the date of the transfer. This should match the amount recorded on **Form CT-709**, Schedule A, Column E.

8. Calculate the additional gift tax due by completing a pro forma **Form CT-709** using the fair market value of the farmland as reported on federal Form 709, Schedule A. Subtract the tax reported on Form CT-709 from the tax calculated on the pro forma Form CT-709. Enter on Line F on the front of this schedule.

9. The donor must sign this schedule before a notary public, commissioner of the superior court or justice of the peace.

Form CT-1120
CORPORATION BUSINESS TAX RETURN

1997

ENTER INCOME YEAR BEGINNING _____, 1997 AND ► **ENDING** _____, 19

Total Assets Gross Receipts Federal Business Activity Code Audited By <input type="checkbox"/> F <input type="checkbox"/> O	L A B E L H E R E	Corporation Name Number and Street City or Town State ZIP Code	CT TAX REGISTRATION NUMBER 0 0 0 DATE RECEIVED (For Dept. Use Only) FEDERAL EMPLOYER I.D. NUMBER
---	---	--	---

CHECK AND COMPLETE ALL APPLICABLE BOXES

CHANGE OF: Mailing Address Closing Month **RETURN STATUS:** Initial Return Final Return Short Period
 Merger or Acquisition Change of Filing Status

IF THIS IS A SHORT PERIOD, PLEASE CHECK CORRESPONDING BOX:

IF THIS IS A FINAL RETURN, HAS THE CORPORATION:
 DISSOLVED WITHDRAWN MERGED / REORGANIZED (Enter survivor's CT tax registration number) _____

FEDERAL RETURN WAS FILED ON: 1120 1120A 1120H CONSOLIDATED BASIS 1120PC (See Instructions) OTHER

State of incorporation _____ Date of organization _____ Date qualified in CT _____ Date business commenced in CT _____

Is this part of a combined return including two or more corporations? Yes (Complete Form CT-1120CR) No

Was this company included in a Connecticut Combined Business Tax Return for any prior year? Yes No (If first year, attach Form CT-1120CC.)

- ATTACH A COMPLETE COPY OF FORM 1120 INCLUDING ALL SCHEDULES AS FILED WITH THE INTERNAL REVENUE SERVICE -

COMPUTATION OF NET INCOME

1. Federal taxable income (loss) before net operating loss and special deductions	▶	1	
2. Interest income wholly exempt from federal tax	▶	2	
3. Unallowable deduction for corporation tax (Schedule F, Line 8)	▶	3	
4. TOTAL (Add Lines 1, 2 and 3)	▶	4	
5. Dividend deduction (Form CT-1120/CT-1120S ATT, Schedule I, Line 4)	▶	5	
6. Capital loss carryover (if not deducted in computing federal capital gain)	▶	6	
7. TOTAL (Add Line 5 and Line 6)	▶	7	
8. NET INCOME (Subtract Line 7 from Line 4)	▶	8	

SCHEDULE A - COMPUTATION OF TAX ON NET INCOME

1. Net Income (Line 8) (If 100% Connecticut, enter also on Schedule A, Line 3)	▶	1	
2. Apportionment fraction (Form CT-1120A, Schedule Q or R) (Carry to six places)	▶	2	0.
3. Connecticut net income (Line 1 or Line 1 multiplied by Line 2)	▶	3	
4. Operating loss carryover (Form CT-1120/CT-1120S ATT, Schedule H, Line 6)	▶	4	
5. Income subject to tax (Subtract Line 4 from Line 3)	▶	5	
6. TAX: Multiply Line 5 by 10.50% (.1050)	▶	6	

SCHEDULE B - COMPUTATION OF MINIMUM TAX ON CAPITAL

1. Minimum tax base (Schedule D, Column C, Line 6) (Banks, Form CT-1120/CT-1120S ATT, Schedule J, Column D, Line 5) (If 100% Connecticut, enter also on Line 3)	▶	1	
2. Apportionment fraction (Form CT-1120A, Schedule S) (Carry to six places)	▶	2	0.
3. Line 1, or Line 1 multiplied by Line 2	▶	3	
4. Number of months covered by this return	▶	4	
5. Multiply Line 3 by Line 4, divide the result by 12	▶	5	
*6. TAX: (3 and 1/10 mills per dollar) Multiply Line 5 by .0031. (Maximum tax for Sch. B is \$1,000,000) *Banks: Multiply Line 3 by 4% (.04)	▶	6	

SCHEDULE C - COMPUTATION OF AMOUNT PAYABLE (MINIMUM TAX \$250)

1. Tax (Larger of Schedule A, Line 6, or Schedule B, Line 6 or \$250)	▶	1		
2. Tax Credits (Form CT-1120K, Part III, Column B, Line 34)	▶	2		
3. Balance of tax payable (Subtract Line 2 from Line 1. If zero or less, enter -0-)	▶	3		
4. TAX PAYMENTS	(a) Paid with application for extension, Form CT-1120 EXT	▶	4a	
	(b) Paid with estimates (Forms CT-1120 ESA, ESB, ESC & ESD)	▶	4b	
	(c) Overpayment from prior year	▶	4c	
5. Balance of tax due (overpaid) (Subtract Line 4 from Line 3)	▶	5		
6. Add Penalty ▶ (6a) _____ Interest ▶ (6b) _____ CT-1120I Interest ▶ (6c) _____	▶	6		
7. Amount to be credited to 1998 estimated tax ▶ (7a) _____ refunded ▶ (7b) _____	▶	7		
8. Balance due with this return (Add Line 5 and Line 6)	▶	8		

ENTER TOTAL OF LINES 4a, 4b, 4c

Make check payable to: Commissioner of Revenue Services (Attach check to return with paper clip. Do not staple.)
Mail to: Department of Revenue Services, PO Box 2974, Hartford CT 06104-2974

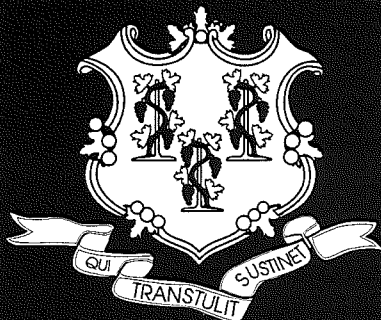
▶ Check if you do not want a booklet sent to you next year. Checking this box does not relieve you of your responsibility to file.

1997 FORM CT-1120

Connecticut Corporation Business Tax Return and Instructions

This booklet
contains:

- Form CT-1120
- Form CT-1120/CT-1120S ATT
- Form CT-1120A
- Form CT-1120K
- Form CT-1120I
- Form CT-1120EXT
- Forms CT-1120ESA, ESB,
ESC and ESD



Dear Customer:

The Connecticut Department of Revenue Services is proud of the progress it has made in improving the quality of service it provides to its customers. This year the Department received additional awards for excellence and innovation, and taxpayers continue to give us high marks for the way we do business. Every member of the DRS staff is committed to providing:

- **cost effective and efficient tax administration;**
- **programs that promote voluntary compliance;**
- **courteous customer service; and**
- **fairness to all taxpayers.**

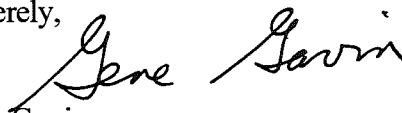
On Page 4 of this booklet we have included a summary of several legislative changes that may affect your 1997 Connecticut Corporation Business Tax Return. Please read the section carefully before completing your return. Among these changes are taxpayer-friendly initiatives that may reduce your tax burden, including a new safe harbor provision for estimated tax payments and changes to corporation business tax credits.

Should you have any questions about filing your Connecticut state tax return, Department personnel are ready to help you. The back cover of this booklet has a complete list of our regional office locations, hours of service, phone and fax numbers. Please note that comprehensive taxpayer information is also available on our Internet site:

<http://www.state.ct.us/drs>

Your comments help us serve you better. I invite you to write or e-mail me (through our Internet site) with your ideas and suggestions.

Sincerely,


Gene Gavin
Commissioner of Revenue Services

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

CONN - TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Dial 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state), press "2" to select "Recorded Income Tax Information," and enter the 3-digit number noted beside the topic of your choice listed below.

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DRS PROCEDURE STRICTLY ENFORCED FOR CORPORATION FILERS

The DRS considers any corporation business tax return that is filed without a complete copy of the federal income tax return, including all schedules and attachments, as filed with the Internal Revenue Service, to be incomplete. The corporation will be subject to a late filing penalty if the appropriate documentation is not attached to the Corporation Business Tax Return and submitted by the due date.

WHAT THIS BOOKLET CONTAINS

Read the instructions contained in this booklet carefully before preparing the *Connecticut Corporation Business Tax Return*. This booklet contains information and instructions regarding the following forms:

Form CT-1120, *Connecticut Corporation Business Tax Return* is used to compute tax both on a net income basis and on a capital stock basis. Tax is paid on the basis that yields the higher tax. The minimum tax is \$250.

Form CT-1120/CT-1120S ATT contains the following computation schedules:

- Schedule H**, *Connecticut Apportioned Operating Loss Carryover*;
- Schedule I**, *Dividend Deduction*; and
- Schedule J**, *Minimum Tax Base for Banks*.

Form CT-1120A is used to compute the apportionment factors for the net income and the minimum tax base.

Form CT-1120K is used to summarize a corporation's claim for available business tax credits.

Form CT-1120I is used to compute the interest due on underpayment of estimated tax.

Form CT-1120 EXT is the application that is required for obtaining an extension of time to file **Form CT-1120**.

Forms CT-1120 ESA, ESB, ESC and ESD are used to file estimated corporation business tax installments for the 1998 income year.

For information on how to obtain forms or other information from the Department of Revenue Services refer to the back cover.

OTHER TAXES FOR WHICH THE CORPORATION MAY BE LIABLE

The information that follows is intended to be a general description of certain other Connecticut taxes for which a corporation may be liable. Failure to pay these or any taxes for which the corporation may be liable may subject the corporation and its officers to civil and criminal penalties.

To register for sales and use taxes and Connecticut income tax withholding as well as most other Connecticut taxes administered by the Department of Revenue Services, the corporation must complete **Form REG-1**, *Application for Tax Registration Number*. If the corporation already has a Connecticut tax registration number, additional taxes for which the corporation is liable may be added to the registration by contacting the Department's Registration Unit at 860-297-4885.

Connecticut Sales And Use Taxes

A corporation may be responsible for the filing of sales and use tax returns. Sales taxes are due if the company makes sales of taxable goods or services. Use taxes are due on the purchase of taxable goods or services from out-of-state retailers, or Connecticut retailers who have failed to collect the sales tax. Both taxes are reported on **Form OS-114**, *Sales and Use Tax Return*.

Connecticut Income Tax Withholding

Anyone who maintains an office or transacts business in Connecticut and who is considered an employer for federal income tax withholding purposes must withhold Connecticut income tax whether or not the payroll department is located in Connecticut.

Controlling Interest Transfer Taxes

Connecticut imposes a tax on the transfer of a controlling interest in an entity where the entity owns an interest in Connecticut real property. This tax is reported on **Form AU-330**, *Controlling Interest Transfer Tax*.

1997 LEGISLATIVE CHANGES AFFECTING THE CORPORATION BUSINESS TAX

TAX RATE DECREASES

Conn. Gen. Stat. §12-214 (a)(1) specifies the effective dates and rate changes to the corporation business tax. Income years and corresponding rates are:

For Income Years Commencing On or After	But Before	Tax Rate
1/1/1997	1/1/1998	10.50%
1/1/1998	1/1/1999	9.50%
1/1/1999	1/1/2000	8.50%
1/1/2000		7.50%

PHASEOUT OF S CORPORATION BUSINESS TAX

Conn. Gen. Stat. §12-217(c)(2) provides for the phaseout of the S corporation business tax by reducing the percentage of net income subject to tax for income years commencing on or after January 1, 1997. S corporations remain subject to the capital base tax (Form CT-1120S, Schedule B) and the minimum tax.

S corporation shareholders will pay personal income tax on the percentage of their pro-rata share of nonseparately stated income that is not subject to the corporation business tax when filing Form CT-1040, Form CT-1040NR/PY, Form CT-1120SI or Form CT-G.

For Income Years Commencing On or After	But Before	Net Income Subject to Tax
1/1/1997	1/1/1998	90%
1/1/1998	1/1/1999	75%
1/1/1999	1/1/2000	55%
1/1/2000	1/1/2001	30%
1/1/2001		0%

1997 AND 1998 SAFE HARBOR CHANGES FOR CORPORATE ESTIMATES

Conn. Gen. Stat. §12-242(d)(1), as amended by Public Act 97-163, §1, includes new "safe harbor" percentages to apply to prior year's tax when calculating quarterly estimated payments.

Effective for income years beginning on or after January 1, 1997, the *revised* estimated payments for the 1997 income year are the lesser of:

1st installment

45% of prior year's tax or 27% of current year's tax.

2nd installment

105% of prior year's tax or 63% of current year's tax.

3rd installment

120% of prior year's tax or 72% of current year's tax.

4th installment

150% of prior year's tax or 90% of current year's tax.

Effective for income years beginning on or after January 1, 1998, the estimated payments for the 1998 income year are the lesser of:

1st installment

30% of prior year's tax or 27% of current year's tax.

2nd installment

70% of prior year's tax or 63% of current year's tax.

3rd installment

80% of prior year's tax or 72% of current year's tax.

4th installment

100% of prior year's tax or 90% of current year's tax.

LIMITED LIABILITY COMPANIES

Effective for income years beginning on or after January 1, 1997, Conn. Gen. Stat. §34-101, as amended by Public Act 97-70, §2, changes the definition of a Limited Liability Company (LLC) from an organization having **two** or more members to an organization having **one** or more members.

DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS

Effective for income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217, as amended by Public Act 97-119, §1, now provides that dividends received from a real estate investment trust are not deductible in determining the corporation business tax unless the dividends are either:

1. deductible under §243 of the Internal Revenue Code;
- or
2. received by a qualified dividend recipient from a qualified real estate investment trust.

CORPORATION DELINQUENT COLLECTION PROCEDURE

Effective for income years beginning on or after January 1, 1998, a new provision in Public Act 97-193, §2 allows the Commissioner of Revenue Services to disallow a credit against the corporation business tax if the company has any outstanding taxes (including interest, penalties, or fees) due and unpaid to the state following a 30 day late period.

CHANGES TO REFUND CLAIM APPEAL PROCEDURE

Effective July 1, 1997, Conn. Gen. Stat. §12-225, as amended by Public Act 97-243, §52, allows taxpayers to appeal the disallowance of a refund claim pertaining to an Amended Corporation Business Tax Return to the Commissioner of Revenue Services. Previously, taxpayers were only allowed to appeal their disallowed claim to the Superior Court. (See also Conn. Gen. Stat. §12-226, as amended by Public Act 97-243, §1.)

APPORTIONMENT ELECTION AVAILABLE TO INSTITUTIONS THAT DERIVE INCOME FROM CREDIT CARD ACTIVITIES

Effective January 1, 1997, Conn. Gen. Stat. §12-218(j), as amended by Public Act 97-4 (June Special Session), allows certain institutions to apportion income derived from credit card activities to Connecticut using a single factor apportionment formula that attributes receipts to the billing address of the card holder. Income derived by the qualifying institutions from sources other than credit card activities is apportioned using the regular formula under Conn. Gen. Stat. §12-218.

A qualifying institution may elect, on or before the due date of its Corporation Business Tax Return, to use the special apportionment formula. The election is irrevocable for five successive income years.

The special apportionment is restricted to businesses whose principal credit card operations are located in a distressed municipality until January 1, 2002. Thereafter, a taxpayer will be eligible to make the election without regard to the location of its principal credit card activities.

Form CT-1120A-CCA, *Apportionment Computation of Income From Credit Card Activities*, is used to make the election.

1997 LEGISLATIVE CHANGES AFFECTING CONNECTICUT CORPORATION BUSINESS TAX CREDITS

NEW CORPORATION BUSINESS TAX CREDITS

CREDIT FOR FIXED CAPITAL INVESTMENTS

For income years beginning on or after January 1, 1998, Public Act 97-295, §1 creates a new "Fixed Capital" investment corporation business tax credit that will be available to corporations for amounts paid or incurred for any new tangible personal property that meets all of the following criteria:

1. has a class life of more than four years;
2. is purchased from someone other than a related person;
3. is not leased to another person within 12 months;
and
4. will be held and used in this state for a period of not less than five years.

Fixed capital does not include inventory, land, buildings or structures, or mobile transportation property. The

percentages of credit beginning January 1, 1998, through December 31, 2000, are:

For Income Years Commencing On or After	Credit Percentage
January 1, 1998	3%
January 1, 1999	4%
January 1, 2000	5%

Recapture Provisions: The fixed capital must be held and used in this state for a minimum of 3 years or the corporation will be required to recapture 100% of the credit on the following income year's Corporation Business Tax Return. If the corporation does not hold and use the fixed capital for a minimum of 5 years, it will be required to recapture 50% of the credit on the following income year's Corporation Business Tax Return.

Additional Provisions:

1. The credit taken cannot exceed the amount of tax liability.
2. Corporations claiming a tax credit for the Fixed Capital Investment Credit cannot claim another corporation business tax credit against any tax with respect to the same expenditure.

Carryforward Provision: Any credit not used during the income year when the acquisition was made may be carried forward to the next five succeeding income years until the entire credit is used.

CREDIT FOR NEW HUMAN CAPITAL INVESTMENTS

For income years beginning on or after January 1, 1998, Public Act 97-295, §2 creates a new “Human Capital” investment corporation business tax credit that will be available to corporations for amounts paid or incurred for the following:

1. in-state job training of persons employed in this state;
2. work education programs in this state including, but not limited to, programs in public high schools and work education-diversified occupation programs;
3. in-state training and education of persons employed in this state provided by institutions of higher learning in this state;
4. donations or capital contributions to institutions of higher learning in this state for technological improvements, including physical plant improvements;
5. planning, site preparation, construction, renovation or acquisition of facilities in this state for the purpose of establishing a day care facility in this state; or
6. child care subsidies paid to employees employed in this state.

The percentages of credit beginning January 1, 1998, through December 31, 2000, are:

For Income Years Commencing On or After	Credit Percentage
January 1, 1998	3%
January 1, 1999	4%
January 1, 2000	5%

Additional Provisions:

1. The credit taken cannot exceed the amount of tax liability.
2. Corporations claiming a tax credit for the Human Capital Investment Credit cannot claim another corporation business tax credit against any tax with respect to the same expenditure.

Carryforward Provision: Any credit not used during the income year when the expenditure was made may be carried forward in the next five succeeding income years until the entire credit is used.

OPPORTUNITY CERTIFICATE TAX CREDIT PROGRAM

For income years beginning on or after January 1, 1997, Public Act 97-295, §7 entitles corporations that hire qualified employees through the Opportunity Certificate Credit Program to claim a credit against their Connecticut corporation business tax. The Commissioner of Social Services will administer this program, which entitles the corporation to claim a tax credit in the amount of \$125.00 for each full month that a “qualified employee” is employed.

CHANGES TO EXISTING CREDITS

FOR INCOME YEARS BEGINNING ON OR AFTER JANUARY 1, 1998, THE FOLLOWING CORPORATION BUSINESS TAX CREDITS HAVE BEEN REPEALED:

- Air Pollution Abatement Facilities (*Conn. Gen. Stat. §12-217c*),
- Industrial Waste Treatment Expenditures (*Conn. Gen. Stat. §12-217d*),
- Work Education Credits for High School Students (*Conn. Gen. Stat. §12-217f*),
- Employee Training Credit (*Conn. Gen. Stat. §12-217k*),
- New Facilities Credit (*Conn. Gen. Stat. §12-217m*),
- Child Day Care Credits (*Conn. Gen. Stat. §§17b-740 through 742*).

Any corporation that has claimed any of the repealed credits may carry any remaining tax credit forward (if carryforward provisions apply).

THE HOUSING PROGRAM CONTRIBUTION CREDIT

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §8-395, as amended by Public Act 97-295, §13, provides that an approved housing program must be scheduled for completion no more than three years from the date of approval. If a program fails to be completed within three years, the Connecticut Housing Finance Authority (CHFA) will reclaim any remaining funds contributed by the firm and reallocate them to another eligible program. Credits must be claimed on the tax return representing the income year in which the contribution was made.

Housing Program Contribution credits not used in the period in which the contribution was made may be carried forward or backward for the five succeeding or preceding income years until the entire credit has been taken.

DISTRESSED MUNICIPALITY AND ENTERPRISE ZONE CREDITS

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217e, as amended by Public Act 97-295, §14, provides that tax credits based on eligibility certificates issued by the Department of Economic and Community Development (**DECD**) can first be claimed in the calendar year following the year of issuance and may be claimed for the next nine income years.

WORK EDUCATION PROGRAM CREDIT

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217f, as amended by Public Act 97-295, §15, provides that wages paid to students participating in cooperative work education programs must be paid during the corporation's income year.

APPRENTICESHIP CREDIT EXPANDED

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217g, as amended by Public Act 97-295, §16, expands the credit for apprenticeship training to include all manufacturing trades. The Public Act also creates an additional credit for construction trades.

NEW FACILITIES CREDIT

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217m, as amended by Public Act 97-295, §17, provides that tax credits based on eligibility certificates issued by **DECD** can first be claimed in the calendar year following the year of issuance and may be claimed for the following six income years.

EMPLOYER-ASSISTED HOUSING CREDIT

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217p, as amended by Public Act 97-295, §18, entitles corporations that have been certified by **CHFA** to claim a credit in any income year for the amount paid during the year into a revolving loan fund established to provide loans for housing located in this state for low and moderate income employees employed by the business firm. The credit must be claimed on the tax return for the income year in which the firm made payment into the fund.

For income years beginning on or after January 1, 1998, if **CHFA** determines that 60% or more of a revolving loan has not been properly loaned, the business firm must recapture any credits previously taken. Interest will accrue on the amount recaptured at a rate of 1% per month from the due date to date of payment.

Any credit not used may be carried forward or backward for the five immediately preceding or succeeding income years.

CHILD DAY CARE CREDIT FOR SUBSIDIES, FACILITIES AND PARENT EDUCATION PROGRAMS

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §17b-740, as amended by Public Act 97-295, §19, requires businesses that pay or incur expenditures for these programs to submit their applications to the Commissioner of Social Services. Applications must be submitted after October 1 of the year before the expenditures are to be made and before June 1 of the year in which such expenditures were made.

Any tax credit not used in the period during which the expenditure was made may be carried forward for the immediately succeeding five income years until the entire credit is used. The Public Act also eliminates the carryback provision.

CHILD DAY CARE FACILITIES CREDIT ALLOWANCE INCREASED

Effective January 1, 1998, Conn. Gen. Stat. §§12-634 and 17b-740 have been amended by Public Act 97-259, §§24 and 27 to increase the credit available to business firms that invest cash in the construction or operation of child day care facilities used primarily by employees. The credit allowance has also been increased to \$50,000.

NEIGHBORHOOD ASSISTANCE PROGRAM LIMITATION INCREASED

Effective January 1, 1998, Conn. Gen. Stat. §12-632, as amended by Public Act 97-251, §1, increases the amount of available funds for eligible businesses under the Neighborhood Assistance Program from \$3 million to \$4 million in any one fiscal year.

CLEAN ALTERNATIVE FUEL

Conn. Gen. Stat. §12-217i, as amended by Public Act 97-295, §23, extends the sunset provision for claiming the Clean Alternative Fuel credit from 1998 until January 1, 2000.

S CORPORATIONS ELIGIBLE FOR CORPORATION BUSINESS TAX CREDITS

Conn. Gen. Stat. §12-217, as amended by Public Act 97-283, provides that an S corporation is eligible for corporation business tax credits to the extent and in the same percentage that net income of the S corporation is subject to the corporation business tax. For tax year 1997, 90% of the S corporation's net income is subject to the corporation business tax. Thus, the corporation is allowed to claim 90% of 1997 credits earned (including carryforwards). The remaining 10% may be carried forward.

Corporations subject to the capital base tax or minimum tax are not affected by the phaseout and, consequently, are allowed to use applicable credits in full.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users only may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover of this booklet.

If you visit, be sure to bring your **COMPLETED** federal Form 1120 Corporation Business Tax Return.

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at most Connecticut:

- post offices
- town halls
- banks
- public libraries

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling our Forms Unit at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

WHO MUST FILE FORM CT-1120?

Form CT-1120, Connecticut Corporation Business Tax Return, must be filed by every corporation (or association taxable as a corporation) which carries on business or has the right to carry on business in Connecticut. Any corporation dissolved or withdrawn from Connecticut is subject to the corporation business tax up to the date of dissolution or withdrawal.

Important: S corporations must use **Form CT-1120S, Connecticut S Corporation Business Tax Return**. Corporations selecting combined filing must also complete **Form CT-1120CR, Combined Corporation Business Tax Return**.

The following companies **are exempt** from filing a Connecticut Corporation Business Tax Return:

- Insurance companies other than domestic insurance companies.
- Companies exempt by the federal corporation net income tax law.
- A Domestic International Sales Corporation (DISC) which has made a valid election for federal income tax purposes to be treated as a DISC.
- Companies subject to gross earnings taxes or whose properties in Connecticut are operated by companies subject to gross earnings taxes under Conn. Gen. Stat. Ch. 210.
- Cooperative housing corporations, as defined for federal income tax purposes.
- Corporate limited partners in one or more investment partnerships that are otherwise not doing business in Connecticut.

The following companies, organizations or associations **are exempt** from payment of Connecticut corporation business tax **but must register and file Form CT-1120** to claim the exemption:

- A homeowners association which has elected for federal income tax purposes to be treated as such; (A copy of federal Form 1120H must be attached to its Connecticut Corporation Business Tax Return.)
- Certain political organizations or associations that are exempt from federal income taxes under §527 of the Internal Revenue Code; (A copy of federal Form 1120 POL must be attached to its Connecticut Corporation Business Tax Return.)
- Companies not owned or controlled, directly or indirectly, by any other company, whose annual gross revenues in the most recently completed year did not exceed \$100,000,000, and which engaged in the research, design, manufacture, sale or installation of alternative energy systems, or motor vehicles powered in whole or in part by electricity, natural gas or solar energy, including their parts and components, provided at least seventy-five percent of the gross annual revenues of such company are derived from such research, design, manufacture, sale or installation; (Refer to **Form CT-1120**, Schedule G, Line 7; this exemption will not be allowed for income years commencing on or after January 1, 1998.)

- Companies whose net income is directly attributable to the research, design, manufacture or sale in Connecticut of aero-derived gas turbine systems in industrial applications developed after October 1, 1992; (Refer to **Form CT-1120**, Schedule G, Line 6; this exemption will not be allowed for income years commencing on or after January 1, 1998.)
- Insurance and financial services companies whose corporate headquarters are located in the export zone in the City of Hartford, Connecticut and are conducting all of their business outside the United States.

WHEN TO FILE FORM CT-1120

A return for a taxable period ending December 31 must be filed not later than April 1 of the following year, and, for any other taxable period, not later than the first day of the fourth month following the close of the taxable period. The return will be considered timely if the date shown by the U.S. Post Office cancellation mark is on or before the due date of the return. If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date. If the return is filed late, the corporation will be subject to penalties and interest.

HOW TO REQUEST AN EXTENSION

In order to secure an extension of time to file the annual return, the corporation must file **Form CT-1120 EXT**, *Application for Extension of Time to File*, not later than the first day of the fourth month following the close of the taxable period, together with payment of the total tax due. The filing of **Form CT-1120 EXT** will automatically extend the due date for six months. However, **Form CT-1120 EXT** only extends the time to file the tax return, it does not extend the time to pay the corporation business tax. Interest on any tax not paid by the original due date will be computed at the rate of 1% per month or fraction thereof.

WHERE TO FILE

Please use the pre-addressed envelope that was enclosed with your return or mail to:

**State of Connecticut
Department of Revenue Services
PO Box 2974
Hartford CT 06104-2974**

ACCOUNTING PERIOD AND METHOD OF ACCOUNTING

A corporation's accounting period and method of accounting for Connecticut tax purposes shall be the same as the corporation's accounting period and method of accounting for federal tax purposes.

If a corporation's accounting period or method of accounting is changed for federal tax purposes, the accounting period or method of accounting must also be changed for Connecticut tax purposes.

AMENDED RETURNS

Any company that fails to include items of income or deduction or makes any other error on a return must file an amended return using **Form CT-1120X**, *Amended Connecticut Corporation Business Tax Return*. A copy of federal Form 1120X must be attached to substantiate any changes to federal net income.

INTERNAL REVENUE SERVICE CHANGES

Corrections to taxable income by the Internal Revenue Service must be reported to the Commissioner of Revenue Services on or before the due date or extended due date of the next return or within 90 days after receipt of the notice of correction from the Internal Revenue Service, whichever is later. All federal adjustments must be reported using **Form CT-1120X**. An extension request for reporting federal audit changes must be submitted in writing to the Commissioner of Revenue Services setting forth the reason additional time is required.

ESTIMATED TAX REQUIREMENTS

Every corporation carrying on or having the right to carry on business in Connecticut whose estimated tax exceeds \$1,000 must file estimated tax payment coupons. Refer to General Instructions on **Forms CT-1120 ESA, ESB, ESC and ESD**, *Estimated Corporation Business Tax*. Four preprinted estimated tax payment coupons with instructions will be mailed to corporations that paid an estimated tax or whose Connecticut corporation business tax liability exceeded \$1,000 in 1997. Safe harbor provisions have been established for calculating the required estimated tax installment due. If a corporation does not receive preprinted estimated coupons, **Forms CT-1120 ESA, ESB, ESC and ESD** and instructions are included in the forms section of this booklet.

INTEREST AND PENALTY

Interest will be computed at the rate of 1% per month or fraction thereof from the due date of the return through the date of payment. Interest due on the underpayment of estimated tax is computed using **Form CT-1120I, Computation of Interest Due On Underpayment of Estimated Tax.**

Failure to file and late filing

The penalty for late filing of or failure to file a return or a report of federal audit changes, where no additional tax is due is \$50.

Late payment

The penalty for late payment is 10% of the balance of tax due or \$50, whichever is greater.

Willful failure to file or pay

Where any person willfully fails to pay the tax or to file a return, that person will, in addition to any other penalty, be fined not more than \$1,000 or imprisoned not more than one year, or both.

Willful filing of a fraudulent or materially false return

Where any person willfully files a tax return known by that person to be fraudulent or false in any material matter, that person may be fined not more than \$5,000 or imprisoned not more than five years nor less than one year, or both.

WAIVER OF PENALTY

A corporation may be entitled to a waiver of penalty if the failure to file or pay tax was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. Do not include the penalty waiver request with **Form CT-1120**. Mail separately to:

**Penalty Review Committee
Department of Revenue Services
PO Box 5089
Hartford CT 06102-5089**

Interest on underpayments or late payments of tax cannot be waived. Before a penalty waiver can be granted, a taxpayer must pay all tax and interest due.

TAX CLEARANCE/TAX STATUS

Any request for tax clearance or tax status must be submitted in writing to the Department of Revenue Services, Audit Division, 25 Sigourney Street, Hartford, CT 06106-5032 and must state the following:

1. name and address of taxpayer;
2. Connecticut tax registration number;
3. reason for request; and
4. tax types for which the tax clearance or tax status is being requested.

Tax Status Requests

In accordance with the Commissioner of Revenue Services' policy issued in December 1996, the Department will send information pertaining to tax status requests directly to the corporation's last known address as shown on the Department's records. In situations where anyone other than a corporate officer or director requests tax status information, the requester will be required to include a completed **LGL-001, Power of Attorney**. (To obtain an **LGL-001** see "*Where Can I Get Additional Forms and Publications?*", on Page 8.)

INSTRUCTIONS FOR FORM CT-1120

Attach a complete copy of your federal corporation tax return to Form CT-1120, including all schedules and attachments as filed with the Internal Revenue Service.

REQUIRED INFORMATION

Enter the beginning and ending dates of the corporation's income year regardless of whether the corporation is a calendar year or fiscal year filer. Also enter the corporation's Connecticut tax registration number, federal employer identification number, total assets, federal business activity code and gross receipts (net of returns and allowances) in the spaces provided at the top of Form CT-1120.

In the spaces provided enter the state in which the corporation filed its Articles of Incorporation and the date of organization. If incorporated outside of Connecticut enter the date qualified to do business in Connecticut. A corporation must enter the date it commenced business operations in Connecticut.

If the corporation is included in a Connecticut Combined Corporation Business Tax Return refer to **Form CT-1120CR**. If the corporation is included in a Connecticut Combined Corporation Business Tax Return for the first year, **Form CT-1120CC**, *Authorization and Consent of Corporation to be Included in a Combined Corporation Business Tax Return*, must be completed.

NAME AND ADDRESS

Remove the preprinted label from the back of this booklet and place it over the name and address block of the return. Make sure the information on the label is correct. If you need to make any changes, draw a line through the incorrect information and clearly print the new information. Using the label reduces the possibility of error in processing your return.

If there is no preprinted label, print or type the information requested in the space provided at the top of **Form CT-1120**. Be sure to enter the corporation's Connecticut tax registration number and federal employer identification number.

CHANGE OF ADDRESS/CLOSING MONTH

Indicate any change of address by checking off the mailing address box on **Form CT-1120**. Indicate any change to the end of your filing period by checking off the proper box and attach an explanation of the change.

INITIAL OR FINAL RETURN

If this is the first time the corporation has filed **Form CT-1120**, check the "Initial Return" box.

If the corporation is legally dissolved or withdrawn, check the "Final Return" box.

If the corporation has filed a short period, check the "Short Period" box.

DISSOLUTION

A domestic corporation is properly dissolved by the filing of a Certificate of Dissolution with the Connecticut Office of Secretary of the State. A dissolved corporation must file a return for the period up to the date of legal dissolution or the date of final liquidation of assets, whichever is later.

Any dissolved corporation which continues to conduct business must file a Corporation Business Tax Return and pay any taxes due. If a corporation has been dissolved by forfeiture and wishes to be reinstated, it must submit a written request for a tax clearance to:

**Department of Revenue Services
Audit Division
25 Sigourney Street
Hartford CT 06106-5032**

The tax clearance and certificate of reinstatement must be filed with the Connecticut Office of Secretary of the State.

WITHDRAWAL FROM STATE

A foreign corporation that wishes to withdraw from Connecticut must file a written application for withdrawal with the Connecticut Office of Secretary of the State. Any corporation that has withdrawn must file a Connecticut Corporation Business Tax Return up to the date of withdrawal and pay any taxes due.

MERGERS AND REORGANIZATIONS

A corporation that has merged must file a return covering the period up to the date of merger. For further information contact the Connecticut Office of Secretary of the State.

Any corporation that is reorganized must submit the details concerning the reorganization in writing and disclose the survivor's Connecticut tax registration number. Send to:

**Department of Revenue Services
Operations Division
25 Sigourney Street
Hartford CT 06106-5032**

TYPE OF FEDERAL RETURN FILED

Check the appropriate box for the type of federal return filed. If the box for federal Form 1120PC is checked, see *Computation of Net Income*, Line 1, below.

ATTACHMENTS TO BE FILED WITH THE RETURN

Attach a complete copy of the corporation's federal Form 1120 including all schedules and attachments used in arriving at federal taxable income.

FORM CT-1120 - LINE INSTRUCTIONS

COMPUTATION OF NET INCOME

Line 1 - Enter your federal taxable income before net operating loss and special deductions as filed on your federal return.

Federal Form 1120PC filers: Conn. Gen. Stat. §12-217(a) allows non-life insurance companies the full deduction for losses incurred without making the adjustment required by §832 (b)(5)(B) of the Internal Revenue Code.

Line 2 - Enter all interest income that is exempt from federal taxation.

Line 3 - Enter the amount from **Form CT-1120**, Schedule F, Line 8 (total unallowable deduction for corporation business tax).

Line 4 - Add Lines 1, 2 and 3 and enter the total on Line 4.

Line 5 - Enter dividend deduction from **Form CT-1120/CT-1120S ATT**, *Corporation Business Tax Return Attachment*, Schedule I, Line 4.

Line 6 - Enter the amount of any capital loss carryover available which was not deducted in computing federal capital gain. This is limited to the amount of the capital gain reported on the federal return as prescribed in Conn. Gen. Stat. §12-217.

Line 7 - Add Line 5 and Line 6 and enter the total on Line 7.

Line 8 - Subtract Line 7 from Line 4 and enter the result on Line 8.

SCHEDULE A - COMPUTATION OF TAX ON NET INCOME

A corporation entitled to apportion its income must complete **Form CT-1120A**, *Corporation Business Tax Return Apportionment Computation*, Schedule Q or R, whichever is applicable, and carry the result to Schedule A, Line 2. Special apportionment forms are applicable for the following business types:

- Air carriers must use **Form CT-1120A-A**, *Apportionment - Air Carriers*. Motor bus companies and motor carriers engaged in multistate business must use **Form CT-1120A-BMC**, *Apportionment - Bus Companies and Motor Carriers*.
- Insurance companies use **Form CT-1120A-I**, *Apportionment - Insurance Companies*.
- Corporations that receive income for services performed for regulated investment companies use **Form CT-1120A-IRIC**, *Corporation Business Tax Return Apportionment Computation - Income From Services to Regulated Investment Companies*.
- Corporations that receive income from rendering securities brokerage services use **Form CT-1120A-SBC**, *Corporation Business Tax Return Apportionment Computation - Securities Brokerage Services*.
- Corporations that derive income from credit card activities may elect to use **Form CT-1120A-CCA**, *Apportionment Computation of Income From Credit Card Activities*.
- If a corporation is a limited partner in one or more limited partnerships (other than an investment partnership) and is not otherwise carrying on or doing business in Connecticut, complete **Form CT-1120A-LP**, *Connecticut Distributive Share of Limited Partnership Income*.

Line 1 - Enter the net income from **Form CT-1120, Computation of Net Income**, Line 8. A corporation that is not entitled to apportion its income must also enter this amount on Schedule A, Line 3.

Line 2 - Enter the appropriate apportionment fraction from **Form CT-1120A**, Schedule Q, Line 2; or Schedule R, Line 6, Column C; or from the appropriate forms previously referenced. The fraction must be expressed as a decimal and carried to six places.

Line 3 - Enter the amount from Line 1, if not entitled to apportion, or Line 1 multiplied by Line 2.

Line 4 - Enter the amount of any unused losses from **Form CT-1120/CT-1120S ATT**, Schedule H, Line 6 attributable to Connecticut business operations as reported in years ending December 31, 1992, and thereafter.

Important: Losses may be carried forward for five successive income years. The loss entered here is limited to the loss attributed to Connecticut according to the method of apportionment prescribed in Conn. Gen. Stat. §12-218. Refer to **Form CT-1120CR** instructions for information about combined carryforward losses.

Line 5 - Subtract Line 4 from Line 3 and enter the result on Line 5.

Line 6 - Multiply Line 5 by 10.50% (.1050) and enter the result on Line 6.

SCHEDULE B - COMPUTATION OF MINIMUM TAX ON CAPITAL

Schedule B is used to compute the minimum tax on the capital of a corporation pursuant to Conn. Gen. Stat. §12-219. It does not apply to insurance companies, real estate investment trusts, regulated investment companies or interlocal risk management agencies formed under Chapter 113a. If a corporation is a limited partner in one or more limited partnerships (other than an investment partnership) and is not otherwise carrying on or doing business in Connecticut, complete **Form CT-1120A-LP, Connecticut Distributive Share of Limited Partnership Income**.

Line 1 - Enter the amount shown on **Form CT-1120**, Schedule D, Column C, Line 6. Banking institutions must enter the amount appearing on **Form CT-1120/CT-1120S ATT**, Schedule J, Column D, Line 5. Corporations that are not entitled to apportion their minimum tax base must also enter this amount on Schedule B, Line 3.

Line 2 - Corporations, other than air carriers, enter the apportionment fraction from **Form CT-1120A**, Schedule S, Column C, Line 3. The fraction must be expressed as a decimal carried to six places.

Line 3 - Enter the amount from Line 1 if not entitled to apportion, or Line 1 multiplied by Line 2.

Line 4 - Enter the number of months the corporation carried on business or had the right to carry on business in Connecticut, whichever is greater. A fractional part of a month is counted as a full month.

Line 5 - Multiply Line 3 by Line 4. Divide the result by 12 and enter the amount on Line 5.

Line 6 - Multiply Line 5 by 0.31% (.0031) and enter the result on Line 6. The maximum tax for Schedule B is \$1,000,000.

Banking institutions must multiply the amount on Line 3 by 4% (.04) and enter the result on Line 6.

SCHEDULE C - COMPUTATION OF AMOUNT PAYABLE

Line 1 - Enter the largest of **Form CT-1120**, Schedule A, Line 6 or **Form CT-1120**, Schedule B, Line 6 or \$250.

Line 2 - Enter the total tax credits from **Form CT-1120K, Business Tax Credit Summary**, Part III, Column B, Line 34.

Line 3 - Subtract Line 2 from Line 1 and enter the result on Line 3. If negative, enter zero.

Line 4 - Enter on Lines 4a, 4b and 4c all prepayments you have made. Enter the total on Line 4.

Line 5 - Subtract Line 4 from Line 3 and enter the result on Line 5.

Line 6(a) - Enter penalty if applicable. (See *Interest and Penalty*, Page 10.)

Line 6(b) - Enter interest due on tax not paid by the original due date. (See *Interest and Penalty*, Page 10.)

Line 6(c) - Enter interest due on underpayment of estimated tax. (Complete and attach **Form CT-1120I**.)

Line 6 - Add Lines 6a, 6b and 6c and enter total on Line 6.

Line 7(a) - Enter the amount of overpayment to be credited to 1998 estimated tax.

Important: Overpayments are credited only as of the date of receipt of the completed **Form CT-1120**.

Line 7(b) - Enter the amount of overpayment to be refunded.

Line 7 - Enter the sum of Lines 7(a) and 7(b).

Line 8 - Balance Due - Add Line 5 and Line 6 and enter the result on Line 8.

SCHEDULE D - COMPUTATION OF MINIMUM TAX BASE

Line 1 - Enter the beginning (Column A) and ending (Column B) values of the issued and outstanding capital stock including treasury stock at par or face value, fractional shares, scrip certificates and payments on subscriptions. Refer to federal Form 1120, Schedule L, Lines 22a and 22b.

Line 2 - Enter the beginning (Column A) and ending (Column B) values of paid-in or capital surplus, including retained earnings. Any deficit must be reported as a negative number. Refer to federal Form 1120, Schedule L, Lines 23, 24 and 25.

Line 3 - Enter the beginning (Column A) and ending (Column B) values of all surplus reserves (including deferred taxes). Attach a schedule of all surplus reserves to support the amounts shown on Line 3.

Important: A reserve is an amount set aside or deducted from current or retained earnings for meeting future liabilities.

Line 4 - Add Lines 1, 2 and 3 (Column A and Column B) and enter the average in Column C.

Line 5 - Enter the total holdings of stock from **Form CT-1120**, Schedule E in Column A and Column B. Enter the average of Column A and Column B on Line 5, Column C.

Line 6 - Subtract Line 5, Column C from Line 4, Column C. Enter the result here and on **Form CT-1120**, Schedule B, Line 1.

SCHEDULE E - HOLDINGS OF STOCK

List the beginning and ending book values of total holdings of stock of private corporations, including treasury stock. The total book value of shares must equal the amount claimed as a deduction on **Form CT-1120**, Schedule D, Line 5. The book value of stock does not include the value of other assets acquired and held in connection with or incidental to the ownership of such stock. **Private corporations** means all non-governmental corporations, whether closely or publicly held.

SCHEDULE F - TAXES

Conn. Gen. Stat. §12-217 disallows any deduction for the Connecticut corporation business tax and any deduction for taxes imposed on or measured by income or profits by any state, political subdivision or the District of Columbia.

Line 1 - Enter all payroll taxes deducted in arriving at federal taxable income.

Line 2 - Enter all real property taxes deducted in arriving at federal taxable income.

Line 3 - Enter all personal property taxes deducted in arriving at federal taxable income.

Line 4 - Enter all sales and use taxes deducted in arriving at federal taxable income.

Line 5 - Enter any other taxes not based on income or profits deducted in arriving at federal taxable income.

Line 6 - Enter the amount of Connecticut corporation business tax deducted in the computation of federal taxable income.

Line 7 - Enter any corporate tax imposed on or measured by income or profits by any state (other than Connecticut), or political subdivision, or the District of Columbia deducted in the computation of federal taxable income.

Line 8 - Add the amounts on Lines 6 and 7 in Column B and enter the result on Line 8. Enter also on **Form CT-1120**, Computation of Net Income, Line 3.

SCHEDULE G - ADDITIONAL REQUIRED INFORMATION

Corporate Officers - Enter corporate officers' names, complete home addresses and corporate titles.

Line 1 - If the principal place of business is located outside Connecticut, enter the name of the state where it is located.

Line 2 - Enter the Connecticut towns in which the corporation owned or leased (as lessee) real or tangible personal property or performed any services. (Attach schedule if necessary.)

Line 3a - If the corporation transferred a controlling interest in an entity owning Connecticut real property, the corporation (the transferor) is subject to the controlling interest transfer tax. Enter the name and federal employer identification number of the entity in which a controlling interest was transferred.

Important: The transferor is required to file **Form AU-330**, *Controlling Interest Transfer Taxes*.

Line 3b - If this corporation was the entity in which a controlling interest was transferred, enter the name and federal employer identification number of the transferor. The transferor is subject to the controlling interest transfer tax.

Important: The entity in which a controlling interest was transferred is required to file **Form AU-331**, *Controlling Interest Transfer Taxes Informational Return*.

Line 4 - If any other corporation owns a majority of the voting stock of this corporation, enter the name of such corporation.

Line 5 - Corrections to taxable income by the Internal Revenue Service must be reported on or before the due date or extended due date of the next return, or within 90 days after receipt of the notice of correction from the Internal Revenue Service, whichever is later.

All federal adjustments must be reported using **Form CT-1120X**.

Line 6 - Enter the net income attributable to aero-derived gas turbine system activities in Connecticut that is exempt from the Connecticut corporation business tax under Conn. Gen. Stat. §12-214(a)(2)(H). (See *Who Must File Form CT-1120?* on Page 8.)

Line 7 - If exemption from the Connecticut corporation business tax is being claimed under Conn. Gen. Stat. §12-214(a)(2)(G), ATTACH EXPLANATION. (See *Who Must File Form CT-1120?* on Page 8.)

Line 8 - Insurance and financial services companies whose corporate headquarters are located in the export zone in the City of Hartford, Connecticut, and conducting all of their business outside the United States are exempt from corporation business tax under Conn. Gen. Stat. Title 32, Chapter 588w. ATTACH EXPLANATION. (See *Who Must File Form CT-1120?* on Page 8.)

SIGNATURE

The return must be signed by a duly authorized officer.

Anyone who is paid to prepare the return must sign the return and enter the preparer's federal employer identification number.

OVERVIEW OF CONNECTICUT CORPORATION BUSINESS TAX CREDITS

The following information is intended to provide a brief description and application information for obtaining Connecticut corporation business tax credits. More detailed descriptions of each credit are contained in **IP 95(2.1)**, *A Guide to Connecticut Corporation Business Tax Credits*, available from the Department of Revenue Services.

APPRENTICESHIP TRAINING CREDIT IN MANUFACTURING, PLASTIC AND CONSTRUCTION TRADES

A credit is available to corporations that employ apprentices who are receiving manufacturing, plastic, and construction trades training. The credit is limited to qualifying apprenticeship programs and is based, in part, upon the number of work hours accrued by the apprentices.

Compute the credit for manufacturing and plastic trades training by multiplying the total number of apprentice work hours (but only during the first half of a two-year apprenticeship and the first three-quarters of a four-year apprenticeship) in the income year for which the claim is made by \$4.00. The credit for manufacturing and plastic trades training may not exceed 50% of actual wages paid to apprentices in the claim year or \$4,800 per apprenticeship, whichever is less.

Compute the credit for construction trade training by multiplying the total number of apprentice work hours (but only during the first half of a two-year apprenticeship and the first three-quarters of a four-year apprenticeship) in the income year for which the claim is made by \$2.00. The credit for construction trades training may not exceed 50% of actual wages paid to apprentices in the claim year or \$1,000, whichever is less. No carryforward or carryback is allowed.

Application information can be obtained by calling the **Department of Labor** at 860-566-2450 and requesting Form ATX-792. (*Conn. Gen. Stat. §12-217g*, and *Conn. Agencies Regs. §§12-217g-1 through 12-217g-10*, as amended by Public Act 97-295, §16)

CLEAN ALTERNATIVE FUEL CREDITS (10% AND 50%) FOR VEHICLES, EQUIPMENT AND RELATED FILLING/RECHARGING STATIONS

A credit of 10% is available for expenses paid or incurred for the following alternative fuel vehicles and equipment:

- the incremental cost of purchasing a vehicle which is exclusively powered by a clean alternative fuel;
or
- the purchase of conversion equipment incorporated into or used in converting vehicles to use clean alternative fuels;
or
- the purchase and installation of equipment incorporated into or used in a compressed natural gas filling or electric recharging station for vehicles powered by clean alternative fuels.

A credit of 50% is available for the amount spent directly on any of the following:

- the construction of any filling station or improvements to any existing filling station in order to provide compressed natural gas, liquefied petroleum gas or liquefied natural gas;
or
- the conversion of motor vehicles so that they can use electricity, compressed natural gas, liquefied petroleum gas or liquefied natural gas.

Any credit not used in the income year may be carried forward for three succeeding income years. No carryback is allowed. For additional information contact **DRS**, Taxpayer Services Division, at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217i* and *SN 93(15)*)

CONNECTICUT INSURANCE REINVESTMENT CREDIT

A credit is available for investments in Connecticut insurance companies made through a fund manager who is registered by the Insurance Commissioner.

The credit may be claimed only with respect to an insurance company that is incorporated in Connecticut, occupies a new facility in Connecticut and employs not less than 25% of its total work force in new jobs. The credit is 10% of the amount invested beginning no sooner than three years from the date of investment but not later than seven years after the date of investment. For years seven through ten, the credit increases to 20% of amount invested.

Any tax credit not used in the income year for which it was allowed may be carried forward for the five immediately succeeding income years until the full credit has been allowed. No carryback is allowed. Application information can be obtained by calling **DECD** at 860-270-8140. (*Conn. Gen. Stat. §38a-88a*, as amended by Public Act 97-292)

ELECTRONIC DATA PROCESSING EQUIPMENT PROPERTY TAX CREDIT

A credit is available equivalent to 100% of the property tax paid on electronic data processing (EDP) equipment on the grand list of a Connecticut municipality on or after October 1, 1994 or any subsequent year. EDP equipment is defined as computers, printers, peripheral computer equipment, bundled software and any computer-based equipment acting as a computer as defined under §168 of the Internal Revenue Code of 1986. Credit carryforwards are allowable (after all other credits have first been applied) and may be taken for five succeeding income years.

Form CT-1120 EDPC must be attached to the Connecticut corporation business tax return. Direct inquiries to **DRS**, Taxpayer Services Division, at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217t*)

EMPLOYER-ASSISTED HOUSING TAX CREDIT

A credit is available for contributions made to revolving loan funds established to provide loans for housing located in Connecticut for employees whose household income does not exceed 140% of the area median income adjusted for family size.

The credit is equal to the amount paid into a qualified revolving loan fund. A corporation's credit cannot exceed \$100,000 annually. Any tax credit not used in the period during which the investment was made may be carried forward or backward for the five immediately succeeding or preceding income years until the full credit has been used.

For income years commencing on or after January 1, 1998, if CHFA determines that 60% or more of a revolving loan has not been properly loaned, the business firm will be required to recapture the credits previously granted.

Applications can be obtained by calling the Tax Credit Unit of CHFA at 860-721-9501, Ext. 345 or 363. Applications should be submitted on or before November 1 for the succeeding income year. (*Conn. Gen. Stat. §12-217p*, as amended by Public Act 97-295 and SN 93(15))

FINANCIAL INSTITUTIONS CREDIT

A credit is available for financial institutions that build and occupy a facility of at least 900,000 sq. ft. and create and maintain new jobs in Connecticut. A qualifying financial institution may claim credits against their corporation business tax for up to 15 years, 50% for years one through ten and 25% for years eleven through fifteen. No carryforward or carryback is allowed. To apply for the credit, financial institutions must submit a proposal to the Commissioner of Economic and Community Development. For additional information contact DECD 860-270-8050. (*Conn. Gen. Stat. §§12-217u and 36-2*)

HOUSING PROGRAM CONTRIBUTION CREDIT

A credit is available for contributions to housing programs sponsored, developed or managed by a nonprofit organization as defined by Conn. Agencies Regs. §8-395-1(h), having as one of its purposes the construction, rehabilitation, ownership, or operation of housing for low and moderate income families. A tax credit voucher may be granted in an amount equal to 100% of the value of the contribution made; however, the maximum credit allowed to any corporation is \$50,000 annually.

The amount of tax credit which is not used in the income year for which the credit is issued must be carried back to the five preceding income years beginning with the earliest income year before any unused balance can be carried forward to the five succeeding income years (beginning with the earliest income year).

For income years commencing on or after January 1, 1998, to be eligible for this credit, a housing program must be scheduled for completion not more than three years from the date of approval. If the program fails to be completed after three years, or at any time the authority determines that a program is unlikely to be completed, CHFA may reclaim any remaining funds and reallocate such funds to another eligible program.

Application information can be obtained by calling CHFA at 860-721-9501 Ext. 231. Applications must be submitted on or after October 15 but before November 15 annually and are approved on a first-come, first-served basis. (*Conn. Gen. Stat. §8-395*, as amended by Public Act 97-295 and *Conn. Agencies Regs. §§8-395-1 through 8-395-10*)

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT

A credit is available that is based upon a percentage of the incremental increase in expenditures for machinery and equipment. Connecticut machinery and equipment expenditures include any tangible personal property acquired for and installed in a facility in Connecticut that is subject to depreciation under Section 168 of the Internal Revenue Code. Machinery and equipment does not include automobiles or other property used for transportation.

A 5% credit applies if the corporation employs between 251 and 800 full time employees. A 10% credit applies if the number of full-time employees is 250 or less. No carryforward or carryback is allowed.

A special allowance has been made for corporations whose income year (for federal purposes) commences on the first day of January, February, March, April or May of 1995. Expenditures made by such corporations for machinery and equipment acquired for and installed in a Connecticut facility from January 1, 1995 through May 31, 1995 will be deemed to have been spent during the 1997 income year. Form CT-1120 MEC is used to claim these expenditures.

Direct inquiries to DRS, Taxpayer Services Division, 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217o* and SN 93(15))

MANUFACTURING FACILITY CREDIT FOR FACILITIES LOCATED IN A DISTRESSED MUNICIPALITY

A credit is available that is equivalent to 25% of tax allocable to a manufacturing facility that has been certified by DECD and is located in a distressed municipality. The credit period is ten years. It begins with the first full income year following the year of issuance and continues for the following nine years.

Application information can be obtained by calling DECD at 860-270-8140 and requesting the Urban Jobs/Enterprise Zone Program questionnaire. (*Conn. Gen. Stat. §§12-217e*, as amended by Public Act 97-295; 32-9p and 32-70)

MANUFACTURING FACILITY CREDIT LOCATED IN AN ENTERPRISE ZONE OR ENTERTAINMENT DISTRICT.

A credit is available that is equivalent to 50% of tax allocable to a qualifying manufacturing facility located in a designated enterprise zone or entertainment district located in a distressed municipality, certified as such by **DECD**. The certified business is eligible for the **50%** credit if it actually created jobs as a result of facility enhancement. The business must have filled at least 30% or 150 of those jobs with enterprise zone residents or Jobs Training Partnership Act eligible municipal residents. The credit period is ten years. It starts with the first full income year following the year of issuance and continues for the following nine years.

If the business is located in an enterprise zone and does not meet the job creation requirement, it may still be eligible for the 25% Manufacturing Facility credit, discussed on Page 17.

Application information can be obtained by calling **DECD** at 860-270-8140 and requesting the Urban Jobs/Enterprise Zone Program questionnaire. (*Conn. Gen. Stat. §§12-217e*, as amended by Public Act 97-295, 32-9p and 32-70)

SERVICE FACILITY CREDIT

A credit is available to service facilities located outside of an enterprise zone in a targeted investment community. The credit percentage varies from 15% to 50%, depending upon the number of new employees occupying the service facility.

A service facility is defined as any plant, building, or other real property improvement which is to be used by an establishment as such terms are used in the Standard Industrial Classification Manual. The service facility must show a strong performance in exporting goods and services as defined by the Commissioner of Economic and Community Development.

An eligibility certificate issued by **DECD** must be attached to the Connecticut corporation business tax return.

Application information can be obtained by calling **DECD** at 860-270-8140. (*Conn. Gen. Stat. §12-217e*, as amended by Public Act 97-295.)

NEIGHBORHOOD ASSISTANCE PROGRAM CREDIT

Tax credits are available of up to 60% (depending on the type of program) of a firm's contribution to community programs that have received both municipal and state approval. Corporations that contribute at least \$250 to one or more approved community programs may apply for the credit. Examples of approved programs include neighborhood assistance, job-training, education services, crime prevention, energy conservation and substance abuse prevention.

The amount of tax credit that is not taken during the income year in which the program proposal was approved may only be carried back to the two immediately preceding income years (beginning with the earlier of such years). Application information may be obtained from **DRS** by calling 860-297-5687. Applications, in the form of pledges, are accepted annually between September 15 and October 1. (*Conn. Gen. Stat. §§12-631 through 12-638*, and *Conn. Agencies Regs. §§12-638-1 through 12-638-8*, as amended by Public Act 97-251)

ENTERPRISE ZONE CREDIT FOR QUALIFYING NEW CORPORATIONS

This credit is available to new qualifying corporations only. A qualifying corporation is a corporation which is created on or after January 1, 1997 in an enterprise zone which either:

1. has 375 or **more** employees, at least 40% of whom:
 - are residents of the enterprise zone or the municipality in which the enterprise zone is located;
and
 - qualify under the Job Training Partnership Act;
or
2. has less than 375 employees, at least 150 of whom:
 - are residents of the enterprise zone or the municipality in which the enterprise zone is located;
and
 - qualify under the Job Training Partnership Act.

The credit amount is equal to 100% of the tax liability in years one through three and 50% in years four through ten.

Application information can be obtained by calling **DECD** at 860-270-8140. (*Conn. Gen. Stat. §12-217v*)

RESEARCH AND DEVELOPMENT GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

A credit is available equivalent to 25% of the incremental increase in amounts spent by any corporation for any grant or combination of grants to an institution of higher education in Connecticut made for the purposes of research and development related to advancements in technology.

The credit is equal to 25% of the amount by which qualifying grants made in the current income year exceed the average qualifying grants made during the three preceding income years. No carryforward or carryback is allowed.

For additional information contact **DRS**, Taxpayer Services Division, at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217l*)

**RESEARCH AND DEVELOPMENT:
NONINCREMENTAL EXPENDITURES CREDIT**

A credit is available for research and development expenditures conducted in Connecticut that are paid or incurred for years beginning on or after January 1, 1993. The credit allowed for 1993 and 1994 expenditures may not be claimed until income years commencing on or after January 1, 1995. Research and experimental costs are those that may be deducted under §174 of the Internal Revenue Code of 1986 and are conducted in Connecticut. Credit percentages depend upon expenses paid or incurred:

Expense Amounts:	Credit Percentage:
\$50 million or less	1%
more than \$50 million but not more than \$100 million	\$500,000 + 2% over \$50,000,000
more than \$100 million but not more than \$200 million	\$1,500,000 + 4% over \$100,000,000
over \$200 million	\$5,500,000 + 6% over \$200,000,000

Credits that are allowed but that exceed the limitation amounts may be carried forward to each successive income year until such credits are fully taken. Credits must be taken in the order in which they were allowed.

Complete **Form CT-1120 RDC** by multiplying the amounts spent on research and development conducted in Connecticut by the appropriate percentage.

Direct inquiries to **DRS**, Taxpayer Services Division, at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217n* and **SN 93(21)**)

**RESEARCH AND DEVELOPMENT:
INCREMENTAL EXPENDITURE CREDIT**

A credit is available equivalent to 20% of the incremental increase in research and development experimental expenditures conducted in Connecticut. Research and experimental expenditures are those that may be deducted under Internal Revenue Code §174. No carryforward or carryback is allowed; however, biotechnology companies are permitted to carryforward any unused credit for 15 years.

Complete **Form CT-1120RC** by multiplying the incremental amount spent on research and development conducted in Connecticut by 20%. Direct inquiries to **DRS**, Taxpayer Services Division at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217j*, **SN 93(15)** and **SN 93(21)**)

TRAFFIC REDUCTION PROGRAMS CREDIT

A credit equal to 50% of the amount spent for direct costs of transportation management programs and services on management (commuting) expenses related to the attainment of Federal Clean Air Act standards is available to corporations employing 100 or more people. No carryforward or carryback is allowed.

Application procedures can be obtained by calling the **Department of Transportation** at 860-594-2844. (*Conn. Gen. Stat. §12-217s*)

OPPORTUNITY CERTIFICATE CREDIT PROGRAM

A credit is available to corporations that hire qualifying persons through an Opportunity Certificate Program that is administered by the Department of Social Services (**DSS**).

Corporations are entitled to claim a tax credit in the amount of \$125.00 for each full month that a qualified employee is employed.

Form CT-1120 OC is used to calculate the credit. For additional information call **DSS** at 860-579-6215. (*Public Act 97-295, §7*)

IMPORTANT CHANGES FOR INCOME YEARS BEGINNING ON OR AFTER JANUARY 1, 1998

FOR INCOME YEARS BEGINNING ON OR AFTER JANUARY 1, 1998, THE FOLLOWING CORPORATION BUSINESS TAX CREDITS HAVE BEEN REPEALED:

- Air pollution abatement facilities.
- Industrial waste treatment expenditures.
- New facilities credit.

Any corporation that has claimed any of the repealed credits may carry any remaining tax credit(s) forward (if carryforward provisions apply).

FOR INCOME YEARS BEGINNING ON OR AFTER JANUARY 1, 1998, THE FOLLOWING CORPORATION BUSINESS TAX CREDITS HAVE BEEN REPEALED ON AN INDIVIDUAL BASIS BUT CONTINUE TO SURVIVE AS PART OF THE NEW HUMAN CAPITAL INVESTMENT CREDIT:

- Work education credits for high school students.
- Employment training credit.
- Child day care, subsidy, facility and parent education programs credit.

For additional information refer to the *1997 Legislative Changes Affecting the Corporation Business Tax Credits* on Pages 4 through 7 or call the **DRS** Taxpayer Services Division at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state).

1997 FORM CT-1120K INSTRUCTIONS

1997 Form CT-1120K, *Business Tax Credit Summary*, must be attached to Form CT-1120, *Corporation Business Tax Return* or the applicable tax form whenever tax credits from the current income year are being claimed or carryforward credit balances exist from 1996. Additional information about Connecticut tax credits is available in the Department of Revenue Services publication IP 95(2.1), *A Guide to Connecticut Corporation Business Tax Credits*. This publication is available by calling 1-800-382-9463 (in-state) or 860-297-5962 (select Option 3).

PART I-A - TAX CREDITS FROM THE 1997 INCOME YEAR THAT CAN ONLY BE APPLIED TO THE CORPORATION BUSINESS TAX

Enter in Part I-A, Lines 1 through 12, Column A and Column B all of the credits that can be claimed and applied only to the corporation business tax for the 1997 income year.

Line 1 - Enter the Work Education Program credit computed according to the provisions of Conn. Gen. Stat. §12-217f. Eligibility Certificate Forms CWE-DO 474 and CWE-DO 474S, issued by the Department of Education, must be attached to and made a part of the tax return.

Line 2 - Enter the Apprenticeship Training credit computed according to the provisions of Conn. Gen. Stat. §12-217g. Eligibility Certificate Form ATX-792, issued by the Department of Labor, must be attached to and made a part of the tax return.

Line 3a - Enter the Manufacturing Facility credit as computed on Form CT-1120MC, *Manufacturing Facility Located in a Distressed Municipality*, which must be attached to and made a part of the tax return. Form UT-4, Certificate of Eligibility, and Form UT-9, Claim for Corporation Business Tax Credit, both issued by the Department of Economic and Community Development, must also be attached to and made a part of the tax return.

Line 3b - If filing a combined return enter the Manufacturing Facility credit as computed on Form CT-1120 CRMC, *Manufacturing Facility Located In A Distressed Municipality*, which must be attached to and made a part of the combined tax return. Form UT-4, Certificate of Eligibility, and Form UT-9, Claim for Corporation Business Tax Credit, both issued by the Department of Economic and Community Development, must also be attached to and made a part of the tax return.

Line 4a - Enter the credit for a Manufacturing Facility located in an Enterprise Zone or designated Entertainment District, as computed on Form CT-1120 MCEZ, *Manufacturing Facility Located in an Enterprise Zone or Entertainment District*, which must be attached to and made a part of the tax return. Form UT-4, Certificate

of Eligibility, and Form UT-9, Claim for Corporation Business Tax Credit, both issued by the Department of Economic and Community Development, must also be attached to and made a part of the tax return.

Line 4b - If filing a combined return enter the credit for a Manufacturing Facility located in an Enterprise Zone or designated Entertainment District, as computed on Form CT-1120 CRMCEZ, *Manufacturing Facility Located in an Enterprise Zone or Entertainment District*, which must be attached to and made a part of the tax return. Form UT-4, Certificate of Eligibility, and Form UT-9, Claim for Corporation Business Tax Credit, both issued by the Department of Economic and Community Development, must also be attached to and made a part of the tax return.

Line 5 - Enter the credit for Financial Institutions Constructing New Facilities in Connecticut. The initial Certificate of Eligibility issued by the Department of Economic and Community Development must be attached to and made a part of the tax return.

Line 6 - Enter the Research and Experimental Expenditures credit, as computed on Form CT-1120RC, *Research Credit*, which must be attached to and made a part of the tax return.

Line 7 - Enter the Employee Training credit, as computed on Form CT-1120 ETC, *Employee Training Credit*, which must be attached to and made a part of the tax return.

Line 8 - Enter the credit for Research and Development Grants to Institutions of Higher Education, as computed on Form CT-1120GC, *Grant Credit*, which must be attached to and made a part of the tax return.

Line 9 - Enter the Machinery and Equipment Expenditure credit, as computed on Form CT-1120 MEC, *Machinery and Equipment Expenditure Credit*, which must be attached to and made part of the tax return.

Line 10 - Enter on Line 10, Column A and Column B the allowable Research and Development credit, as computed on 1997 Form CT-1120 RDC, *Research and Development Credit*, Part II, Line 8, which must be attached to and made part of the tax return.

Line 11 - Enter the credit for Traffic Reduction Programs computed according to the provisions of Conn. Gen. Stat. §12-217s. The initial certificate of eligibility issued by the Department of Transportation must be attached to and made part of the tax return.

Line 12 - Enter the Opportunity Certificate Program credit, as computed on Form CT-1120 OC, *Opportunity Certificate Credit*, which must be attached to and made part of the tax return. A copy of the approval letter issued by the Department of Social Services must also be attached to and made part of the tax return.

Line 13 - Add Lines 1 through 12 in Column A and Column B and enter the totals in the spaces provided.

PART I-B - 1997 TAX CREDITS THAT CAN BE APPLIED TO CORPORATION BUSINESS TAX, GROSS EARNINGS TAXES OR OTHER TAXES

Enter in Part I-B, Lines 14 through 21, Column A the total amount of credits claimed for the 1997 income year. Enter on Lines 14 through 21, Column B the amount of tax credit being applied to the corporation business tax. Enter on Lines 14 through 21, Column C and Column D the amount and the tax type if the credit is being applied to taxes other than the corporation business tax.

Line 14 - Enter the Air Pollution Abatement Facilities credit computed according to the provisions of Conn. Gen. Stat. §12-217c. A copy of the approval letter issued by the Department of Environmental Protection and/or a copy of **CERT-117**, *Certificate For Purchases of Tangible Personal Property Incorporated Into or Consumed in Air Pollution Control Facilities*, must be attached to and made a part of the tax return.

Line 15 - Enter the Industrial Waste Treatment Facilities credit computed according to the provisions of Conn. Gen. Stat. §12-217d. A copy of the approval letter issued by the Department of Environmental Protection and/or a copy of **CERT-124**, *Certificate For Purchases in Connection With Water Pollution Control Facilities*, must be attached to and made a part of the tax return.

Line 16 - Enter the Neighborhood Assistance Act (N.A.A.) credit computed according to the provisions of Conn. Gen. Stat. §§12-631 through 12-638. A copy of the N.A.A. tax credit approval letter issued by the Department of Revenue Services must be attached to and made a part of the tax return.

Line 17 - Enter the Child Day Care Subsidy credit computed according to the provisions of Conn. Gen. Stat. §17-613. A copy of the approval letter issued by the Department of Social Services must be attached to and made a part of the tax return.

Line 18 - Enter the Housing Program Contribution credit computed according to the provisions of Conn. Gen. Stat. §8-395. A copy of the tax credit voucher issued by the Connecticut Housing Finance Authority (CHFA) must be attached to and made a part of the tax return.

Line 19 - Enter the Employer-Assisted Housing credit computed according to the provisions of Conn. Gen. Stat. §12-217p. A copy of the Certificate of Compliance Letter issued by the Connecticut Housing Finance Authority (CHFA) must be attached to and made a part of the tax return.

Line 20 - Enter the total credit for Clean Alternative Fuel relating to vehicles, equipment and filling/recharging stations computed according to the provisions of Conn. Gen. Stat. §12-217i. Tax credits claimed under this section must be supported by schedules reflecting the details of the

computations, including the dates on which expenses were paid or incurred. These schedules must be attached to and made a part of the tax return.

Line 21 - Enter on Line 21, Column A the allowable Electronic Data Processing Equipment Property Tax (EDP) credit, as computed on 1997 **Form CT-1120 EDPC**, *Electronic Data Processing Equipment Property Tax Credit*, Part I, Line 8, which must be attached to and made part of the tax return to which the credit is being applied. The credit must first be applied to the corporation business tax. Any remaining EDP credit balance may be applied to other taxes as described in Conn. Gen. Stat. §12-217t, only after all other tax credits are first applied. Enter on Line 21, Column B the amount of EDP credit being applied to the corporation business tax. Enter on Line 21, Column C and Column D the amount and the tax type if the EDP credit is being applied to taxes other than the corporation business tax.

Line 22 - Add Lines 14 through 21 and enter total in Column A through Column C.

PART II - CARRYFORWARD CREDITS FROM 1996

The taxpayer must maintain a tax credit schedule for each credit item included in the carryforward balance. The schedule must indicate the year in which the credit was originally claimed and the income years to which the credit was carried back or forward. Enter on Lines 23 through 32, Column A the total amount of carryforward credits. Enter on Lines 23 through 32, Column B the amount of tax credit carryforward being applied to the corporation business tax. Enter on Lines 23 through 32, Column C and Column D the amount of carryforward and the tax type being applied to taxes other than the corporation business tax.

Line 23 - Enter any credit carryforward balance for Air Pollution Abatement Facilities. Credits may be carried forward for nine successive income years. Carryback provisions are not applicable to this credit.

Line 24 - Enter any credit carryforward balance for Industrial Waste Treatment Facilities. Credits may be carried forward for four successive income years. Carryback provisions are not applicable to this credit.

Line 25 - Enter any credit carryforward balance for the Neighborhood Assistance Act (N.A.A.) tax credit program for income years 1992 through 1994. Tax credits earned during income years 1992 through 1994 must first be carried back to the five preceding income years, and then carried forward to the five succeeding income years. Carryforward provisions are no longer available for N.A.A. tax credits issued after January 1, 1995. Commencing with the 1995 income year, N.A.A. tax credits may only be carried back to the two preceding income years.

Line 26 - Enter any credit carryforward balance for Child Day Care Subsidy, Facility, and Program Education tax credit. Credits may only be carried forward to the five succeeding income years.

Line 27 - Enter any available credit carryforward balance for Housing Program Contributions tax credit (formerly Low and Moderate Income Housing). Credits must first be carried back to the five preceding income years, and then be carried forward to the five succeeding income years.

Line 28 - Enter any credit carryforward balance for Purchases for Vehicles using Clean Alternative Fuel and Related Filling/Recharging Stations under Conn. Gen. Stat. 12-217i. Credits may be carried forward for three succeeding income years.

Line 29 - Enter any credit carryforward balance for Employer-Assisted Housing credits. Credits must first be carried back to the five preceding income years and then be carried forward to the five succeeding income years.

Line 30 - Enter any credit carryforward balance for Electronic Data Processing Equipment credits from **Form CT-1120 EDP**, Part I, Line 7. Any balance after all other credits have been applied may be taken in any of the five succeeding income years.

Line 31 - Enter any credit carryforward balance for Research and Development credits from **Form CT-1120 RDC**, Part III, Line 14. All allowable credits from prior years must be carried forward and applied before the current year's credit may be taken. Any balance may be carried forward to each successive income year until the credit is fully taken.

Line 32 - This carryforward is available to biotechnology companies **only**. Enter any credit carryforward balance for Research and Expenditures credits from **Form CT-1120 RC**, Part II, Line 3. Any unused credit balance can be carried forward and applied to each successive income year until the credit is fully taken. The maximum carryforward period is 15 years.

Line 33 - Add Lines 23 through 32 in Column A through Column C and enter the totals in the spaces provided. Line 33, Column A is the corporation's credit carryforward balance from 1996 for all of the above credits with a carryforward provision. Line 33, Column B is the amount of carryforward tax credit from 1996 being applied to the 1997 corporation business tax. Line 33, Column C is the total amount of carryforward tax credit from 1996 being applied to 1997 taxes other than the corporation business tax.

PART III - TAX CREDIT SUMMARY

Line 34 - TOTAL TAX CREDITS - Add Lines 13, 22 and 33 in Column A through Column C and enter the totals in the spaces provided. Line 34, Column A is the corporation's total tax credit available for 1997 income year. Line 34, Column B is the corporation's total tax credit that is applied to the corporation business tax. Enter this amount on **Form CT-1120**, Schedule C, Line 2 and attach the 1997 **Form CT-1120K**, *Business Tax Credit Summary*. If filing a combined return enter the combined total of all tax credits from **Form CT-1120K**, Column B on **Form CT-1120 CR**, Schedule KC, Line 34. Column C is the total amount of credit being applied to taxes other than the corporation business tax. Enter this amount on the appropriate tax form and attach a copy of 1997 **Form CT-1120K**, *Business Tax Credit Summary*. If the taxpayer is claiming a tax credit against more than one tax type a duplicate **Form CT-1120K** and applicable tax credit forms must be attached to each tax return for which a tax credit is being claimed.

PART IV - CARRYFORWARD AND CARRYBACK OF 1997 CREDITS

This schedule is provided to enable a corporation to account for any credits that were earned in 1997 which were not applied to or were in excess of the 1997 Connecticut corporation business tax, gross earnings taxes or other taxes. The credits that were earned in 1997 that have a carryback provision should be indicated in Part IV, and claimed against a preceding year's tax by filing **Form CT-1120X**, *Amended Corporation Business Tax Return*, or the appropriate amended tax return. Part IV is also used to record credits earned in 1997 that have a carryforward provision and that are available for the 1998 income year.

Lines 35 through 45 - Column D is used to enter the credits claimed from Part I-B of this form that have a carryback or a carryforward provision.

Lines 35 through 45 - Column E is used to enter the credit items applied from Part I-B of this form against the 1997 Connecticut corporation business tax, gross earnings taxes or other taxes.

Lines 37, 39 and 40 - Column F is used to enter any credit carryback items from Part I-B of this form. The credit carryback may be claimed by filing **Form CT-1120X**, *Amended Connecticut Corporation Business Tax Return*, and attaching **Form CT-1120K**.

Lines 35 through 45 - Column G is used to enter any credit carryforward balance after the application of the 1997 Connecticut corporation business tax, gross earnings taxes or other taxes and the application of any credit carryback.

ADDITIONAL CONNECTICUT TAX FORMS AND PUBLICATIONS

Corporation Business Tax Forms

CT-1120 ESA

Estimated Corporation Business Tax Payment Coupon - 1st Installment

CT-1120 ESB

Estimated Corporation Business Tax Payment Coupon - 2nd Installment

CT-1120 ESC

Estimated Corporation Business Tax Payment Coupon - 3rd Installment

CT-1120 ESD

Estimated Corporation Business Tax Payment Coupon - 4th Installment

CT-1120I

Computation of Interest Due on Underpayment of Estimated Tax

CT-1120/CT-1120S ATT

Corporation Business Tax Return Attachment (Schedules H, I and J)

CT-1120 EXT

Application for Extension of Time to File Corporation Business Tax Return

CT-1120CC

Authorization and Consent of a Corporation to be Included in a Combined Corporation Business Tax Return

CT-1120

Corporation Business Tax Return

CT-1120 S

S Corporation Business Tax Return

CT-1120CR

Combined Corporation Business Tax Return

CT-1120L

Corporation Business Tax Return-Life Insurance Company

CT-1120X

Amended Corporation Business Tax Return

CT-1120A

Corporation Business Tax Return Apportionment Computation

CT-1120A-A

Apportionment - Air Carrier

CT-1120A-BMC

Apportionment - Motor Bus/Motor Carrier

CT-1120A-IRIC

Apportionment - Income From Services to Regulated Investment Companies

CT-1120A-LP

Connecticut Distributive Share of Limited Partnership Income

CT-1120A-SBC

Apportionment - Securities Brokerage Service Companies

CT-1120A-CCA

Apportionment Computation of Income From Credit Card Activities

Other Connecticut Forms and Publications

OP-253X

Request for Ordering Connecticut Package X

OP-253B

Request for Ordering Connecticut Corporation Business Tax Forms

CT-990T

Connecticut Unrelated Business Income Tax Return

REG-1

Application for Tax Registration Number

OS-114

Sales and Use Tax Return

LGL-001

Power of Attorney

IP 94(6.1)

Overview of Connecticut Business Tax Credits

IP 95(2.1)

A Guide to Connecticut Corporation Business Tax Credits

Corporation Business Tax Credit Forms

CT-1120K

Business Tax Credit Summary

CT-1120SK

S Corporation Business Tax Credit Summary

CT-1120MC

Manufacturing Facility Located in a Distressed Municipality

CT-1120 MCEZ

Manufacturing Facility Located in an Enterprise Zone or Entertainment District

CT-1120 CRMC

Manufacturing Facility Located in a Distressed Municipality (Combined Return)

CT-1120 CRMCEZ

Manufacturing Facility Located in an Enterprise Zone or Entertainment District (Combined Return)

CT-1120 ETC

Employee Training Credit

CT-1120GC

Research and Development Grants to Institutions of Higher Education

CT-1120RC

Research Credit

CT-1120 RDC

Research and Development Credit

CT-1120 EDPC

Electronic Data Processing Equipment Property Tax Credit

CT-1120 MEC

Machinery and Equipment Credit

CT-1120 OC

Opportunity Certificate Credit

Connecticut Tax Booklets

CT-1120

Connecticut Corporation Business Tax Return and Instructions

CT-1120S

Connecticut S Corporation Business Tax Return and Instructions

CT-1120SI

Connecticut S Corporation Information and Composite Income Tax Return and Instructions

CT-1065

Connecticut Partnership Income Tax Return and Instructions

CT-G

Connecticut Group Income Tax Return and Instructions

CT-1040

Connecticut Resident Income Tax Return and Instructions (individuals)

CT-1040EZ

Connecticut Resident EZ Income Tax Return and Instructions (individuals)

CT-1040NR/PY

Connecticut Nonresident or Part-Year Resident Income Tax Return and Instructions

CT-1041

Connecticut Income Tax Return for Trusts and Estates

CT-709

Connecticut Gift Tax Return and Instructions

IP 92(8.3)

1995 Connecticut Circular CT - Employer's Tax Guide and Withholding Tables

AN 95(8)

Withholding Rules for Connecticut Employers

For information on how to obtain DRS forms and publications, see *Where Can I Get Additional Forms And Publications?*, on Page 8.

1997 CT-1120A INSTRUCTIONS FOR SCHEDULES Q, R AND S

Complete this form and file as a part of the Corporation Business Tax Return only if the company carried on business within and outside of Connecticut and was taxable in another state during the income year for which the return is filed.

FORM CT-1120A, SCHEDULES Q, R AND S ARE NOT APPLICABLE TO THE FOLLOWING COMPANIES:

AIR CARRIERS calculate their apportionment fraction on Form CT-1120A-A;
INSURANCE COMPANIES calculate their apportionment fraction on Form CT-1120A-I.

SPECIAL FILING INSTRUCTIONS FOR SCHEDULES Q AND R ARE APPLICABLE TO THE FOLLOWING COMPANIES. HOWEVER, THEY MUST CALCULATE THE MINIMUM TAX APPORTIONMENT FRACTION ON SCHEDULE S:

- COMPANIES whose income is derived from credit card activities principally located in distressed municipalities may elect to calculate their apportionment fraction on Form CT-1120A-CCA.
- COMPANIES whose income is from services performed for Regulated Investment Companies may elect to calculate their apportionment fraction on Form CT-1120A-IRIC.
- SECURITIES BROKERAGE SERVICES COMPANIES may elect to calculate their apportionment fraction on Form CT-1120A-SBC.
- COMPANIES (not otherwise conducting business in Connecticut) who are limited partners in a limited partnership doing business in Connecticut may apportion their limited partnership distribution on Form CT-1120A-LP, Connecticut Distributive Share of Limited Partnership Income.
- MOTOR BUS COMPANIES and MOTOR CARRIERS calculate their apportionment fraction on Form CT-1120A-BMC. Income derived from sources other than carrying passengers or tangible property for hire must be apportioned by an apportionment fraction calculated on Form CT-1120A, Schedule Q or R.

Schedule Q - APPORTIONMENT OF NET INCOME

This schedule should be completed only by companies that derive business income from operations which do not involve the manufacture, sale or use of tangible property or real property. **Item 1(a)** should include all receipts from business carried on within Connecticut. The components of the receipts factor in Schedule Q will be determined in the same manner as in Schedule R.

Schedule R - APPORTIONMENT OF NET INCOME

This schedule should be completed only by companies that derive business income from operations which involve the manufacture, sale or use of tangible personal or real property.

Item 1. Enter on Line 1(a) through Line 1(e) the average monthly net book value for each category of tangible personal and real property that is held and owned or rented by the corporation. Average monthly net value is computed by multiplying by eight the gross rents paid directly or indirectly for the use or possession of the property. Include interest, taxes, insurance and repairs to the property. Royalties are excluded.

Total the amounts and divide Column A by Column B to reach the apportionment factor, carried to six decimal places.

Item 2. This fraction must include all compensation paid by the corporation during the income year to officers and all other employees inclusive of salaries and wages which have been capitalized and not claimed as a deduction in the income year of the return.

Item 3. Enter the gross receipts from sales and other sources during the income year. Include the following: receipts from sales of tangible property delivered or shipped to a purchaser within this state regardless of the f.o.b. point or other conditions of sale; receipts from services performed within Connecticut; rents and royalties from property situated within Connecticut; royalties from patents and copyrights used within Connecticut; interest earned from assets managed or controlled within the state; net gains from sales or other disposition of intangible assets managed or controlled within the state; and net gains from sales or disposition of tangible assets situated within the state. If losses from sales or other dispositions of such tangible or intangible assets exceed the gains, then enter zero for the net gains. Dividends are excluded from the receipts factor. All other receipts earned within Connecticut not included above must be apportioned.

Item 4. This fraction is the same as Item 3, Column C.

Schedule S - MINIMUM TAX BASE APPORTIONMENT

Item 3. This apportionment factor must include the average monthly net book value of all assets exclusive of holdings of stock of private (nongovernmental) corporations. The intangible assets of a company that has its principal place of business within Connecticut are deemed to have a tax situs within Connecticut, unless it can be clearly established that some or all of the assets are held in connection with business conducted during the income year outside of Connecticut.

APPORTIONMENT IN SPECIAL CASES

Conn. Gen. Stat. §12-221a provides for deviation from the statutory apportionment method under certain extraordinary circumstances. The return of a taxpayer requesting relief must be filed initially on the statutory basis using the formula methods prescribed in Conn. Gen. Stat. §§12-218, 12-219a or 12-244 for computing the net income and the minimum tax base, together with (1) payment of the tax due on the applicable base as so computed and (2) a statement containing a specific alternative method. Data supporting the contention that the operation of the statutory method is grossly inequitable and attributes to Connecticut an undue proportion of the taxpayer's net income or minimum tax base must be provided. Permission to determine the tax on an alternative basis will not be considered in any case in which this procedure has not been strictly followed.

Since the statutory method is designed to produce a reasonable apportionment within and without Connecticut, it must be used in all cases except those in which it has been determined by the Commissioner of Revenue Services that an exception should be made. It is also emphasized that while the statutory method may produce a result substantially different from that produced by some other method, that fact alone does not justify an exception. It is the responsibility of the taxpayer to show that the statutory apportionment fraction, when applied to its business, provides grossly inequitable results and that the income attributed to Connecticut is out of proportion to the business transacted in Connecticut. The variance must be significant enough to invalidate the assumption that the statutory method is reasonable.

The commissioner will notify the company as to whether the proposed alternative method of apportionment is accepted or rejected. If the proposed method is accepted the tax will be adjusted. The return may be audited within three years after the date filed. If the taxpayer is aggrieved by the audit findings a hearing may be granted, provided a request for a hearing is filed within 60 days after issuance of the notice of assessment.

(Rev. 12/97)

COMPUTATION OF INTEREST DUE ON UNDERPAYMENT OF ESTIMATED TAX

ENTER INCOME YEAR BEGINNING _____, 1997 AND ENDING _____, 19 ____

CT TAX REGISTRATION NUMBER

Corporation Name

0 0 0

GENERAL INSTRUCTIONS

Each corporation is required to make four installment tax payments for each income year pursuant to Conn. Gen. Stat. §12-242d, as amended by Public Act 97-163. Form CT-1120I is used by corporations to determine interest due on underpayments of estimated Connecticut corporation business tax. If the corporation has made timely installment tax payments (Forms CT-1120 ESA, ESB, ESC, ESD) and has paid at least 90% of the current year tax or 150% of the prior year tax at the required installment rate, the taxpayer is not subject to interest on underpaid installments. If the current year tax is \$1,000 or less, it is not necessary to complete this form. Form CT-1120I is also used to compute interest due on required installments of Connecticut unrelated business income tax, Form CT-990T.

PART I – COMPUTATION OF REQUIRED ANNUAL PAYMENT

Interest on underpaid installments is calculated pursuant to Conn. Gen. Stat. §12-242d, as amended by Public Act 97-163. Enter on Line 1 the tax liability for the current income year from Form CT-1120 or CT-1120S, Schedule C, Line 3; or Form CT-1120CR, Part V, Line 6; or Form CT-1120L, Schedule B, Line 3; or Form CT-990T, Computation of Amount Payable, Line 3.

Enter on Line 3 the total tax from the previous income year before the application of any tax credits.

PART II – COMPUTATION OF REQUIRED INSTALLMENTS

The required installment payments are due on the 15th day of the 3rd, 6th, 9th and 12th months of the income year. If any due date falls on a Saturday, Sunday or legal holiday, substitute the next business day.

Lines 6 through 9 - Calculate the required minimum installment payments due. Multiply the required annual payment from Part I, Line 5 by the required installment rate and enter the result on the appropriate line.

PART III – COMPUTATION OF INTEREST

Payments accompanying an estimated installment Form CT-1120ESA, ESB, ESC or ESD will be applied as of the receipt date of the payment. The payment must be made or credit established on or before the due date of the required installment. Payments of estimated tax are credited first against underpaid installments in the order in which such installments are required to be paid. NOTE: The overpayment from the filing of a corporation business tax return is established and credited as of the date of receipt of the completed return.

Lines 10b, 11a, 12a, 13a, 14a, 15a, 16a, 17a, 18a, 19a, 20a, 21a and 22a - Enter the payment amounts on the appropriate line according to the date of payment. Payments are first applied to any remaining unpaid installment balances that are due, and any overpayment balance can then be applied to the next required installment due.

Lines 10a, 13c, 16c and 19c - Enter on the appropriate line the required installment amount that is due. The required installment amounts are computed in Part II, Lines 6 through 9.

Lines 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22 - Interest is calculated monthly on the accumulated unpaid required installment balance due at the rate of 1% (.01) per month.

Line 23 - Enter the total interest due on unpaid required installment balances by adding the amounts on Lines 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22. This amount is also entered on the appropriate Connecticut tax form.

PART I – COMPUTATION OF REQUIRED ANNUAL PAYMENT

1. 1997 Tax Due (1997 Form CT-1120 or CT-1120S, Schedule C, Line 3 or CT-1120CR, Part V, Line 6) less \$1,000	1	
2. Multiply Line 1 by 90% (.90)	2	
3. 1996 Tax (1996 Form CT-1120 or CT-1120S, Schedule C, Line 1 or Form CT-1120CR, Part V, Line 4)	3	
4. Multiply Line 3 by 150% (1.50)	4	
5. REQUIRED ANNUAL PAYMENT (Enter the lesser of Line 2 or Line 4)	5	

PART II – COMPUTATION OF REQUIRED INSTALLMENTS

6. FIRST REQUIRED INSTALLMENT: Multiply Line 5 by 30% (.30). Enter here and on Line 10a	6	
7. SECOND REQUIRED INSTALLMENT: Multiply Line 5 by 40% (.40). Enter here and on Line 13c	7	
8. THIRD REQUIRED INSTALLMENT: Multiply Line 5 by 10% (.10). Enter here and on Line 16c	8	
9. FOURTH REQUIRED INSTALLMENT: Multiply Line 5 by 20% (.20). Enter here and on Line 19c	9	

CONTINUED ON REVERSE

PART III – COMPUTATION OF INTEREST

10a. Enter the First Required Installment amount due on the 15th day of the third month (from Part II, Line 6)	10a		
10b. Enter payments made or credits received on or before the 15th day of the third month (FIRST INSTALLMENT DUE DATE)	10b		
10c. First Installment Underpayment Balance (Subtract Line 10b from Line 10a)	10c		
10. INTEREST DUE - 16th day of the third month through the 15th day of the fourth month (Multiply Line 10c by .01 if greater than zero)	10		
11a. Enter payments made or credits received on or before the 15th day of the fourth month	11a		
11b. First Installment Underpayment Balance (Subtract Line 11a from Line 10c)	11b		
11. INTEREST DUE - 16th day of the fourth month through the 15th day of the fifth month (Multiply Line 11b by .01 if greater than zero)	11		
12a. Enter payments made or credits received on or before the 15th day of the fifth month	12a		
12b. First Installment Underpayment Balance (Subtract Line 12a from Line 11b)	12b		
12. INTEREST DUE - 16th day of the fifth month through the 15th day of the sixth month (Multiply Line 12b by .01 if greater than zero)	12		
13a. Enter payments made or credits received on or before the 15th day of the sixth month (SECOND INSTALLMENT DUE DATE)	13a		
13b. First Installment Underpayment Balance (Subtract Line 13a from Line 12b)	13b		
13c. Enter the Second Required Installment amount due on the 15th day of the sixth month (from Part II, Line 7)	13c		
13d. Second Installment Underpayment Balance (Add Line 13b and Line 13c)	13d		
13. INTEREST DUE - 16th day of the sixth month through the 15th day of the seventh month (Multiply Line 13d by .01 if greater than zero)	13		
14a. Enter payments made or credits received on or before the 15th day of the seventh month	14a		
14b. Second Installment Underpayment Balance (Subtract Line 14a from Line 13d)	14b		
14. INTEREST DUE - 16th day of the seventh month through the 15th day of the eighth month (Multiply Line 14b by .01 if greater than zero)	14		
15a. Enter payments made or credits received on or before the 15th day of the eighth month	15a		
15b. Second Installment Underpayment Balance (Subtract Line 15a from Line 14b)	15b		
15. INTEREST DUE - 16th day of the eighth month through the 15th day of the ninth month (Multiply Line 15b by .01 if greater than zero)	15		
16a. Enter payments made or credits received on or before the 15th day of the ninth month (THIRD INSTALLMENT DUE DATE)	16a		
16b. Second Installment Underpayment Balance (Subtract Line 16a from Line 15b)	16b		
16c. Enter the Third Required Installment amount due on the 15th day of the ninth month (from Part II, Line 8)	16c		
16d. Third Installment Underpayment Balance (Add Line 16b and Line 16c)	16d		
16. INTEREST DUE - 16th day of the ninth month through the 15th day of the tenth month (Multiply Line 16d by .01 if greater than zero)	16		
17a. Enter payments made or credits received on or before the 15th day of the tenth month	17a		
17b. Third Installment Underpayment Balance (Subtract Line 17a from Line 16d)	17b		
17. INTEREST DUE - 16th day of the tenth month through the 15th day of the eleventh month (Multiply Line 17b by .01 if greater than zero)	17		
18a. Enter payments made or credits received on or before the 15th day of the eleventh month	18a		
18b. Third Installment Underpayment Balance (Subtract Line 18a from Line 17b)	18b		
18. INTEREST DUE - 16th day of the eleventh month through the 15th day of the twelfth month (Multiply Line 18b by .01 if greater than zero)	18		
19a. Enter payments made or credits received on or before the 15th day of the twelfth month (FOURTH INSTALLMENT DUE DATE)	19a		
19b. Third Installment Underpayment Balance (Subtract Line 19a from Line 18b)	19b		
19c. Enter the Fourth Required Installment amount due on the 15th day of the twelfth month (from Part II, Line 9)	19c		
19d. Fourth Installment Underpayment Balance (Add Line 19b and Line 19c)	19d		
19. INTEREST DUE - 16th day of the twelfth month through the 15th day of the thirteenth month (Multiply Line 19d by .01 if greater than zero)	19		
20a. Enter payments made or credits received on or before the 15th day of the thirteenth month	20a		
20b. Fourth Installment Underpayment Balance (Subtract Line 20a from Line 19d)	20b		
20. INTEREST DUE - 16th day of the thirteenth month through the 15th day of the fourteenth month (Multiply Line 20b by .01 if greater than zero)	20		
21a. Enter payments made or credits received on or before the 15th day of the fourteenth month	21a		
21b. Fourth Installment Underpayment Balance (Subtract Line 21a from Line 20b)	21b		
21. INTEREST DUE - 16th day of the fourteenth month through the 15th day of the fifteenth month (Multiply Line 21b by .01 if greater than zero)	21		
22a. Enter payments made or credits received on or before the 15th day of the fifteenth month	22a		
22b. Fourth Installment Underpayment Balance (Subtract Line 22a from Line 21b)	22b		
22. INTEREST DUE - 16th day of the fifteenth month to the 1st day of the sixteenth month (Multiply Line 22b by .01 if greater than zero)	22		
23. TOTAL INTEREST DUE (Add Lines 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22) Enter here and on the appropriate Connecticut tax form	23		

CT-1120S

S
1997

(Rev. 12/97)

S CORPORATION BUSINESS TAX RETURN

ENTER INCOME YEAR BEGINNING _____, 1997 AND ▶ENDING _____, 19____

CT TAX REGISTRATION NUMBER

Total Assets ▶	L A B E L H E R E	Corporation Name					000
Gross Receipts ▶		Number and Street					DATE RECEIVED (For Dept. Use Only)
Federal Business Activity Code ▶		City or Town	State	ZIP Code	FEDERAL EMPLOYER I.D. NUMBER		
Audited By <input type="checkbox"/> F <input type="checkbox"/> O							

CHECK EACH APPLICABLE BOX AND COMPLETE INFORMATION BELOW

CHANGE OF: Mailing Address Closing Month **RETURN STATUS:** Initial Return Final Return Short Period
IF THIS IS A SHORT PERIOD, PLEASE CHECK CORRESPONDING BOX: Merger or Acquisition Change of Filing Status
IF THIS IS A FINAL RETURN, HAS THE CORPORATION:
▶ DISSOLVED ▶ WITHDRAWN ▶ MERGED / REORGANIZED (Enter survivor's CT Tax Registration Number) _____

State of incorporation _____ Date of organization _____ Date qualified in CT _____ Date business commenced in CT _____

Was this company included in a Connecticut Combined Corporation Business Tax Return for any prior year? ▶ Yes ▶ No

COMPUTATION OF NET INCOME

1. Federal ordinary income (loss) (Federal Form 1120S, Line 21)	▶	1	
2. Unallowable deduction for corporation tax (Schedule F, Line 8)	▶	2	
3. Net Income: (Add Line 1 and Line 2)	▶	3	

SCHEDULE A - COMPUTATION OF TAX ON NET INCOME

1. Net Income (Line 3 above) (If 100% Connecticut, enter also on Schedule A, Line 3)	▶	1	
2. Apportionment fraction (Form CT-1120A, Schedule Q or R) (Carry to six places)	▶	2	0.
3. Connecticut net income (Line 1 or Line 1 multiplied by Line 2)	▶	3	
4. Operating loss carryover (Form CT-1120/CT-1120S ATT, Schedule H, Line 6)	▶	4	
5. Connecticut S corporation net income or loss (Subtract Line 4 from Line 3)	▶	5	
6. Connecticut S corporation net income subject to tax: Multiply Line 5 by 90% (.90)	▶	6	
7. TAX: Multiply Line 6 by 10.50% (.1050)	▶	7	

SCHEDULE B - COMPUTATION OF MINIMUM TAX ON CAPITAL

1. Minimum tax base (Schedule D, Column C, Line 6) (If 100% Connecticut, enter on Line 3)	▶	1	
2. Apportionment fraction (Form CT-1120A, Schedule S) (Carry to six places)	▶	2	0.
3. Line 1, or Line 1 multiplied by Line 2	▶	3	
4. Number of months covered by this return	▶	4	
5. Line 3 multiplied by Line 4, divided by 12	▶	5	
6. TAX: (3 and 1/10 mills per dollar. Multiply Line 5 by .0031) (Maximum tax for Sch. B is \$1,000,000) ...	▶	6	

SCHEDULE C - COMPUTATION OF AMOUNT PAYABLE (MINIMUM TAX \$250)

1. Tax (Larger of Schedule A, Line 7, or Schedule B, Line 6 or \$250)	▶	1		
2. Tax Credits (Form CT-1120SK, Part III, Column A or Column B, Line 34)	▶	2		
3. Balance of tax payable (Subtract Line 2 from Line 1. If zero or less, enter -0-)	▶	3		
4. TAX PAYMENTS	(a) Paid with application for extension, Form CT-1120 EXT	▶	4a	
	(b) Paid with estimates (Forms CT-1120 ESA, ESB, ESC & ESD)	▶	4b	
	(c) Overpayment from prior year	▶	4c	
5. Balance of tax due (overpaid) (Subtract Line 4 from Line 3)	▶	5		
6. Add: Penalty ▶ (6a) _____ Interest ▶ (6b) _____ CT-1120I Interest ▶ (6c) _____	▶	6		
7. Amount to be: credited to 1998 estimated tax ▶ (7a) _____ refunded ▶ (7b) _____	▶	7		
8. Balance due with this return (Add Line 5 and Line 6)	▶	8		

▼ **ENTER TOTAL OF LINES 4a, 4b, 4c** ▼

Attach a complete copy of Form 1120S including all schedules as filed with the Internal Revenue Service.
Make check payable to: Commissioner of Revenue Services
 (Attach check to return with paper clip. Do not staple.)
 Mail to: Department of Revenue Services, PO Box 2974, Hartford CT 06104-2974

▶ Check if you do not want a booklet sent to you next year. Checking this box does not relieve you of your responsibility to file.

SCHEDULE D - COMPUTATION OF MINIMUM TAX BASE (See instructions)	COLUMN A	COLUMN B	COLUMN C
	BEGINNING OF YEAR	END OF YEAR	(COLUMN A plus COLUMN B) DIVIDED BY 2
1. Capital stock (Federal Schedule L, Line 22)			
2. Surplus and undivided profits (Federal Sch. L, Line 23 and Line 24)			
3. Surplus reserves (Attach schedule)			
4. Total (Add Lines 1, 2 and 3) Enter average in Column C			
5. Holdings of stock of private corporations (Sch. E) Enter average in Column C .			
6. Balance (Subtract Column C, Line 5 from Column C, Line 4. Enter here and on Schedule B, Line 1)			

SCHEDULE E - HOLDINGS OF STOCK		
NAME OF CORPORATION	BEGINNING OF YEAR AMOUNT	END OF YEAR AMOUNT
TREASURY STOCK		
TOTAL Enter here and on Schedule D, Line 5		

SCHEDULE F - TAXES	COLUMN A	COLUMN B
1. Payroll		
2. Real property		
3. Personal property		
4. Sales and use		
5. Other		
6. Connecticut corporation business [deducted in the computation of federal ordinary income (loss)]		
7. Tax on or measured by income or profits imposed by other states or political subdivisions [deducted in the computation of federal ordinary income (loss)] ATTACH SCHEDULE		
8. Total unallowable deduction for corporation business tax purposes (Add Column B, Line 6 and Line 7. Enter here and on front, Computation of Net Income, Line 2)		

SCHEDULE G - ADDITIONAL REQUIRED INFORMATION		
Name of Officer	Address	Title

- Is the principal place of business located in Connecticut? Yes No If "No," enter State where principal place of business is located _____
- In what Connecticut towns does the corporation own or lease (as lessee) real or tangible personal property, or perform services?

- Did this corporation transfer a controlling interest in an entity owning Connecticut real property? Yes No
If "Yes," enter: Entity Name _____ Federal Employer I.D. Number _____
 - Was a controlling interest in your company owning Connecticut real property transferred? Yes No
If "Yes," enter: Transferor Name _____ Federal Employer I.D. Number _____
- Last taxable year this corporation was audited by the Internal Revenue Service _____
Were adjustments reported to Connecticut? Yes No (If "No," attach explanation.)
- Amount of net income for which exemption is claimed pursuant to Conn. Gen. Stat. §12-214(a)(2)(H) _____
- If exemption from corporation business tax is being claimed under Conn. Gen. Stat. §12-214(a)(2)(G) ATTACH EXPLANATION.

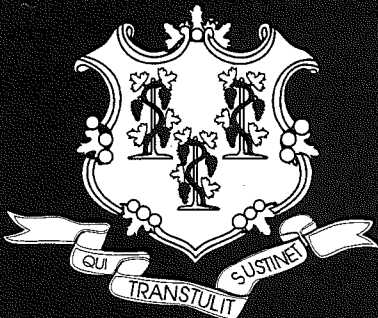
DECLARATION: I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

SIGN HERE Keep a copy of this return for your records	Signature of Corporate Officer	Title	Date	Telephone Number ()
	Paid Preparer's Signature		Date	Federal Employer I.D. Number
	Firm's Name and Address			Telephone Number ()

1997 FORM CT-1120S

This booklet
contains:

- Form CT-1120S
- Form CT-1120/CT-1120S ATT
- Form CT-1120A
- Form CT-1120SK
- Form CT-1120I
- Form CT-1120 EXT
- Forms CT-1120 ESA, ESB,
ESC and ESD



Connecticut S Corporation Business Tax Return and Instructions

Dear Customer:

The Connecticut Department of Revenue Services is proud of the progress it has made in improving the quality of service it provides to its customers. This year the Department received additional awards for excellence and innovation, and taxpayers continue to give us high marks for the way we do business. Every member of the DRS staff is committed to:

- **cost effective and efficient tax administration;**
- **programs that promote voluntary compliance;**
- **courteous customer service; and**
- **fairness to all taxpayers.**

On Page 4 of this booklet we have included a summary of several legislative changes that may affect your 1997 Connecticut S Corporation Business Tax Return. Please read the section carefully before completing your return. Among these changes are taxpayer-friendly initiatives that may reduce your tax burden, including a new safe harbor provision for estimated tax payments and changes to corporation business tax credits.

Should you have any questions about filing your Connecticut state tax return, Department personnel are ready to help you. The back cover of this booklet has a complete list of our regional office locations, hours of service, phone and fax numbers. Please note that comprehensive taxpayer information is also available on our Internet site:

<http://www.state.ct.us/drs>

Your comments help us serve you better. I invite you to write or e-mail me (through our Internet site) with your ideas and suggestions.

Sincerely,

Gene Gavin
Commissioner of Revenue Services

Taxpayer information is available on our Internet site:
<http://www.state.ct.us/drs>

Department of Revenue Services walk-in locations and telephone numbers are listed on the back cover.

CONN - TAX

If you have a touch-tone phone, you can obtain important income tax information 24 hours a day from CONN-TAX, the Department's information line. Dial 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state), press "2" to select "Recorded Income Tax Information," and enter the 3-digit number noted beside the topic of your choice listed below.

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CONNECTICUT TAX ASSISTANCE Back Cover

DRS PROCEDURE STRICTLY ENFORCED FOR CORPORATION FILERS

The DRS considers any corporation business tax return that is filed without a complete copy of the federal income tax return, including all schedules and attachments, as filed with the Internal Revenue Service, to be incomplete. The corporation will be subject to a late filing penalty if the appropriate documentation is not attached to the S Corporation Business Tax Return and submitted by the due date.

WHAT THIS BOOKLET CONTAINS

Read the instructions contained in this booklet carefully before preparing the *Connecticut S Corporation Business Tax Return*. This booklet contains information and instructions regarding the following forms:

Form CT-1120S, *Connecticut S Corporation Business Tax Return* is used to compute tax both on a net income basis and on a capital stock basis. Tax is paid on the basis that yields the higher tax. The minimum tax is \$250.

Form CT-1120/CT-1120S ATT, Schedule H, *Connecticut Apportioned Operating Loss Carryover* is used by an S corporation to compute the Connecticut operating loss carryover.

Form CT-1120A is used to compute the apportionment factors for the net income and the minimum tax base.

Form CT-1120SK is used to summarize a corporation's claim for available business tax credits.

Form CT-1120I is used to compute the interest due on underpayment of estimated tax.

Form CT-1120 EXT is the application that is required for obtaining an extension of time to file **Form CT-1120S**.

Forms CT-1120 ESA, ESB, ESC and ESD are used to file estimated corporation business tax installments for the 1998 income year.

For information on how to obtain forms or other information from the Department of Revenue Services refer to the back cover.

OTHER TAXES FOR WHICH THE CORPORATION MAY BE LIABLE

The information that follows is intended to be a general description of certain other Connecticut taxes for which a corporation may be liable. Failure to pay these or any taxes for which the corporation may be liable may subject the corporation and its officers to civil and criminal penalties.

To register for sales and use taxes and Connecticut income tax withholding as well as most other Connecticut taxes administered by the Department of Revenue Services, the corporation must complete **Form REG-1, Application for Tax Registration Number**. If the corporation already has a Connecticut tax registration number, additional taxes for which the corporation is liable may be added to the registration by contacting the Department's Registration Unit at 860-297-4885.

Connecticut Sales And Use Taxes

A corporation may be responsible for the filing of sales and use tax returns. Sales taxes are due if the company makes sales of taxable goods or services. Use taxes are due on the purchase of taxable goods or services from out-of-state retailers, or Connecticut retailers who have failed to collect the sales tax. Both taxes are reported on **Form OS-114, Sales and Use Tax Return**.

Connecticut Income Tax Withholding

Anyone who maintains an office or transacts business in Connecticut and who is considered an employer for federal income tax withholding purposes must withhold Connecticut income tax whether or not the payroll department is located in Connecticut.

Controlling Interest Transfer Taxes

Connecticut imposes a tax on the transfer of a controlling interest in an entity where the entity owns an interest in Connecticut real property. This tax is reported on **Form AU-330, Controlling Interest Transfer Tax**.

1997 LEGISLATIVE CHANGES AFFECTING THE CORPORATION BUSINESS TAX

TAX RATE DECREASES

Conn. Gen. Stat. §12-214 (a)(1) specifies the effective dates and rate changes to the corporation business tax. Income years and corresponding rates are:

For Income Years Commencing On or After	But Before	Tax Rate
1/1/1997	1/1/1998	10.50%
1/1/1998	1/1/1999	9.50%
1/1/1999	1/1/2000	8.50%
1/1/2000		7.50%

PHASEOUT OF S CORPORATION BUSINESS TAX

Conn. Gen. Stat. §12-217(c)(2) provides for the phaseout of the S corporation business tax by reducing the percentage of net income subject to tax for income years commencing on or after January 1, 1997. S corporations remain subject to the capital base tax (Form CT-1120S, Schedule B) and the minimum tax.

S corporation shareholders will pay personal income tax on the percentage of their pro-rata share of nonseparately stated income that is not subject to the corporation business tax when filing Form CT-1040, Form CT-1040NR/PY, Form CT-1120SI or Form CT-G.

For Income Years Commencing On or After	But Before	Net Income Subject to Tax
1/1/1997	1/1/1998	90%
1/1/1998	1/1/1999	75%
1/1/1999	1/1/2000	55%
1/1/2000	1/1/2001	30%
1/1/2001		0%

1997 AND 1998 SAFE HARBOR CHANGES FOR CORPORATE ESTIMATES

Conn. Gen. Stat. §12-242(d)(1), as amended by Public Act 97-163, §1, includes new "safe harbor" percentages to apply to prior year's tax when calculating quarterly estimated payments.

Effective for income years beginning on or after January 1, 1997, the *revised* estimated payments for the 1997 income year are the lesser of:

1st installment

45% of prior year's tax or 27% of current year's tax.

2nd installment

105% of prior year's tax or 63% of current year's tax.

3rd installment

120% of prior year's tax or 72% of current year's tax.

4th installment

150% of prior year's tax or 90% of current year's tax.

Effective for income years beginning on or after January 1, 1998, the estimated payments for the 1998 income year are the lesser of:

1st installment

30% of prior year's tax or 27% of current year's tax.

2nd installment

70% of prior year's tax or 63% of current year's tax.

3rd installment

80% of prior year's tax or 72% of current year's tax.

4th installment

100% of prior year's tax or 90% of current year's tax.

LIMITED LIABILITY COMPANIES

Effective for income years beginning on or after January 1, 1997, Conn. Gen. Stat. §34-101, as amended by Public Act 97-70, §2, changes the definition of a Limited Liability Company (LLC) from an organization having **two** or more members to an organization having **one** or more members.

DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS

Effective for income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217, as amended by Public Act 97-119, §1, now provides that dividends received from a real estate investment trust are not deductible in determining the corporation business tax unless the dividends are either:

1. deductible under §243 of the Internal Revenue Code;
- or
2. received by a qualified dividend recipient from a qualified real estate investment trust.

CORPORATION DELINQUENT COLLECTION PROCEDURE

Effective for income years beginning on or after January 1, 1998, a new provision in Public Act 97-193, §2 allows the Commissioner of Revenue Services to disallow a credit against the corporation business tax if the company has any outstanding taxes (including interest, penalties, or fees) due and unpaid to the state following a 30 day late period.

CHANGES TO REFUND CLAIM APPEAL PROCEDURE

Effective July 1, 1997, Conn. Gen. Stat. §12-225, as amended by Public Act 97-243, §52, allows taxpayers to appeal the disallowance of a refund claim pertaining to an Amended Corporation Business Tax Return to the Commissioner of Revenue Services. Previously, taxpayers were only allowed to appeal their disallowed claim to the Superior Court. (See also Conn. Gen. Stat. §12-226, as amended by Public Act 97-243, §1.)

APPORTIONMENT ELECTION AVAILABLE TO INSTITUTIONS THAT DERIVE INCOME FROM CREDIT CARD ACTIVITIES

Effective January 1, 1997, Conn. Gen. Stat. §12-218(j), as amended by Public Act 97-4 (June Special Session), allows certain institutions to apportion income derived from credit card activities to Connecticut using a single factor apportionment formula that attributes receipts to the billing address of the card holder. Income derived by the qualifying institutions from sources other than credit card activities is apportioned using the regular formula under Conn. Gen. Stat. §12-218.

A qualifying institution may elect, on or before the due date of its Corporation Business Tax Return, to use the special apportionment formula. The election is irrevocable for five successive income years.

The special apportionment is restricted to businesses whose principal credit card operations are located in a distressed municipality until January 1, 2002. Thereafter, a taxpayer will be eligible to make the election without regard to the location of its principal credit card activities.

Form CT-1120A-CCA, *Apportionment Computation of Income From Credit Card Activities*, is used to make the election.

1997 LEGISLATIVE CHANGES AFFECTING CONNECTICUT CORPORATION BUSINESS TAX CREDITS

NEW CORPORATION BUSINESS TAX CREDITS

CREDIT FOR FIXED CAPITAL INVESTMENTS

For income years beginning on or after January 1, 1998, Public Act 97-295, §1 creates a new "Fixed Capital" investment corporation business tax credit that will be available to corporations for amounts paid or incurred for any new tangible personal property that meets all of the following criteria:

1. has a class life of more than four years;
2. is purchased from someone other than a related person;
3. is not leased to another person within 12 months;
and
4. will be held and used in this state for a period of not less than five years.

Fixed capital does not include inventory, land, buildings or structures, or mobile transportation property. The

percentages of credit beginning January 1, 1998, through December 31, 2000, are:

For Income Years Commencing On or After	Credit Percentage
January 1, 1998	3%
January 1, 1999	4%
January 1, 2000	5%

Recapture Provisions: The fixed capital must be held and used in this state for a minimum of 3 years or the corporation will be required to recapture 100% of the credit on the following income year's Corporation Business Tax Return. If the corporation does not hold and use the fixed capital for a minimum of 5 years, it will be required to recapture 50% of the credit on the following income year's Corporation Business Tax Return.

Additional Provisions:

1. The credit taken cannot exceed the amount of tax liability.
2. Corporations claiming a tax credit for the Fixed Capital Investment Credit cannot claim another corporation business tax credit against any tax with respect to the same expenditure.

Carryforward Provision: Any credit not used during the income year when the acquisition was made may be carried forward to the next five succeeding income years until the entire credit is used.

CREDIT FOR NEW HUMAN CAPITAL INVESTMENTS

For income years beginning on or after January 1, 1998, Public Act 97-295, §2 creates a new “Human Capital” investment corporation business tax credit that will be available to corporations for amounts paid or incurred for the following:

1. in-state job training of persons employed in this state;
2. work education programs in this state including, but not limited to, programs in public high schools and work education-diversified occupation programs;
3. in-state training and education of persons employed in this state provided by institutions of higher learning in this state;
4. donations or capital contributions to institutions of higher learning in this state for technological improvements, including physical plant improvements;
5. planning, site preparation, construction, renovation or acquisition of facilities in this state for the purpose of establishing a day care facility in this state; or
6. child care subsidies paid to employees employed in this state.

The percentages of credit beginning January 1, 1998, through December 31, 2000, are:

For Income Years Commencing On or After	Credit Percentage
January 1, 1998	3%
January 1, 1999	4%
January 1, 2000	5%

Additional Provisions:

1. The credit taken cannot exceed the amount of tax liability.
2. Corporations claiming a tax credit for the Human Capital Investment Credit cannot claim another corporation business tax credit against any tax with respect to the same expenditure.

Carryforward Provision: Any credit not used during the income year when the expenditure was made may be carried forward in the next five succeeding income years until the entire credit is used.

OPPORTUNITY CERTIFICATE TAX CREDIT PROGRAM

For income years beginning on or after January 1, 1997, Public Act 97-295, §7 entitles corporations that hire qualified employees through the Opportunity Certificate Credit Program to claim a credit against their Connecticut corporation business tax. The Commissioner of Social Services will administer this program, which entitles the corporation to claim a tax credit in the amount of \$125.00 for each full month that a “qualified employee” is employed.

CHANGES TO EXISTING CREDITS

FOR INCOME YEARS BEGINNING ON OR AFTER JANUARY 1, 1998, THE FOLLOWING CORPORATION BUSINESS TAX CREDITS HAVE BEEN REPEALED:

- Air Pollution Abatement Facilities (*Conn. Gen. Stat. §12-217c*),
- Industrial Waste Treatment Expenditures (*Conn. Gen. Stat. §12-217d*),
- Work Education Credits for High School Students (*Conn. Gen. Stat. §12-217f*),
- Employee Training Credit (*Conn. Gen. Stat. §12-217k*),
- New Facilities Credit (*Conn. Gen. Stat. §12-217m*),
- Child Day Care Credits (*Conn. Gen. Stat. §§17b-740 through 742*).

Any corporation that has claimed any of the repealed credits may carry any remaining tax credit forward (if carryforward provisions apply).

THE HOUSING PROGRAM CONTRIBUTION CREDIT

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §8-395, as amended by Public Act 97-295, §13, provides that an approved housing program must be scheduled for completion no more than three years from the date of approval. If a program fails to be completed within three years, the Connecticut Housing Finance Authority (CHFA) will reclaim any remaining funds contributed by the firm and reallocate them to another eligible program. Credits must be claimed on the tax return representing the income year in which the contribution was made.

Housing Program Contribution credits not used in the period in which the contribution was made may be carried forward or backward for the five succeeding or preceding income years until the entire credit has been taken.

DISTRESSED MUNICIPALITY AND ENTERPRISE ZONE CREDITS

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217e, as amended by Public Act 97-295, §14, provides that tax credits based on eligibility certificates issued by the Department of Economic and Community Development (**DECD**) can first be claimed in the calendar year following the year of issuance and may be claimed for the next nine income years.

WORK EDUCATION PROGRAM CREDIT

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217f, as amended by Public Act 97-295, §15, provides that wages paid to students participating in cooperative work education programs must be paid during the corporation's income year.

APPRENTICESHIP CREDIT EXPANDED

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217g, as amended by Public Act 97-295, §16, expands the credit for apprenticeship training to include all manufacturing trades. The Public Act also creates an additional credit for construction trades.

NEW FACILITIES CREDIT

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217m, as amended by Public Act 97-295, §17, provides that tax credits based on eligibility certificates issued by **DECD** can first be claimed in the calendar year following the year of issuance and may be claimed for the following six income years.

EMPLOYER-ASSISTED HOUSING CREDIT

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §12-217p, as amended by Public Act 97-295, §18, entitles corporations that have been certified by **CHFA** to claim a credit in any income year for the amount paid during the year into a revolving loan fund established to provide loans for housing located in this state for low and moderate income employees employed by the business firm. The credit must be claimed on the tax return for the income year in which the firm made payment into the fund.

For income years beginning on or after January 1, 1998, if **CHFA** determines that 60% or more of a revolving loan has not been properly loaned, the business firm must recapture any credits previously taken. Interest will accrue on the amount recaptured at a rate of 1% per month from the due date to date of payment.

Any credit not used may be carried forward or backward for the five immediately preceding or succeeding income years.

CHILD DAY CARE CREDIT FOR SUBSIDIES, FACILITIES AND PARENT EDUCATION PROGRAMS

For income years beginning on or after January 1, 1997, Conn. Gen. Stat. §17b-740, as amended by Public Act 97-295, §19, requires businesses that pay or incur expenditures for these programs to submit their applications to the Commissioner of Social Services. Applications must be submitted after October 1 of the year before the expenditures are to be made and before June 1 of the year in which such expenditures were made.

Any tax credit not used in the period during which the expenditure was made may be carried forward for the immediately succeeding five income years until the entire credit is used. The Public Act also eliminates the carryback provision.

CHILD DAY CARE FACILITIES CREDIT ALLOWANCE INCREASED

Effective January 1, 1998, Conn. Gen. Stat. §§12-634 and 17b-740 have been amended by Public Act 97-259, §§24 and 27 to increase the credit available to business firms that invest cash in the construction or operation of child day care facilities used primarily by employees. The credit allowance has also been increased to \$50,000.

NEIGHBORHOOD ASSISTANCE PROGRAM LIMITATION INCREASED

Effective January 1, 1998, Conn. Gen. Stat. §12-632, as amended by Public Act 97-251, §1, increases the amount of available funds for eligible businesses under the Neighborhood Assistance Program from \$3 million to \$4 million in any one fiscal year.

CLEAN ALTERNATIVE FUEL

Conn. Gen. Stat. §12-217i, as amended by Public Act 97-295, §23, extends the sunset provision for claiming the Clean Alternative Fuel credit from 1998 until January 1, 2000.

S CORPORATIONS ELIGIBLE FOR CORPORATION BUSINESS TAX CREDITS

Conn. Gen. Stat. §12-217, as amended by Public Act 97-283, provides that an S corporation is eligible for corporation business tax credits to the extent and in the same percentage that net income of the S corporation is subject to the corporation business tax. For tax year 1997, 90% of the S corporation's net income is subject to the corporation business tax. Thus, the corporation is allowed to claim 90% of 1997 credits earned (including carryforwards). The remaining 10% may be carried forward.

Corporations subject to the capital base tax or minimum tax are not affected by the phaseout and, consequently, are allowed to use applicable credits in full.

GENERAL INFORMATION

WHERE CAN I GET HELP?

The Department of Revenue Services, Taxpayer Services Division can answer questions you may have on how to complete your Connecticut tax return. Taxpayer Services may be reached from 8:00 a.m. to 5:00 p.m., Monday through Friday, by calling 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users **only** may call 860-297-4911.

Assistance is also available from 8:00 a.m. to 5:00 p.m. by visiting any of the Department's offices listed on the back cover of this booklet.

If you visit, be sure to bring your **COMPLETED** federal Form 1120S Corporation Business Tax Return.

WHERE CAN I GET ADDITIONAL FORMS AND PUBLICATIONS?

Connecticut income tax forms may be obtained at any of the Department's offices (listed on the back cover) as well as at most Connecticut:

- **post offices**
- **town halls**
- **banks**
- **public libraries**

Connecticut tax forms may also be obtained by writing to:

DRS Forms Unit
25 Sigourney Street
Hartford CT 06106-5032

or by calling our Forms Unit at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state) 24 hours a day and choosing option three.

Electronic Delivery Options

You can also obtain forms and publications 24 hours a day from our site on the World Wide Web at <http://www.state.ct.us/drs> or through the Department's fax retrieval system by calling the DRS TAX-FAX at 860-297-5698 from the handset attached to your fax machine.

WHO MUST FILE FORM CT-1120S?

A corporation which files with the Internal Revenue Service as an S corporation must file a **Form CT-1120S, Connecticut S Corporation Business Tax Return**, if it carries on business or has the right to carry on business in Connecticut. Any S corporation dissolved or

withdrawn from Connecticut is subject to the corporation business tax up to the date of dissolution or withdrawal.

IMPORTANT: In addition to filing **Form CT-1120S**, S corporations must **separately** file **Form CT-1120SI, Connecticut S Corporation Information and Composite Income Tax Return**, by the 15th day of the fourth month following the close of its taxable year.

Corporate limited partners in one or more investment partnerships that are otherwise not doing business in Connecticut are exempt from filing a Connecticut S Corporation Business Tax Return.

The following companies are exempt from payment of tax but must file a Connecticut Corporation Business Tax Return to claim the exemption:

1. Companies whose net income is directly attributable to the research, design, manufacture or sale in Connecticut of aero-derived gas turbine systems in industrial applications developed after October 1, 1992. Refer to **Form CT-1120S**, Schedule G, Line 5.

This exemption will not be allowed for income years commencing on or after January 1, 1998.

2. Companies not owned or controlled, directly or indirectly, by any other company, whose annual gross revenues in the most recently completed year did not exceed \$100,000,000, and which engaged in the research, design, manufacture, sale or installation of alternative energy systems, or motor vehicles powered in whole or in part by electricity, natural gas or solar energy, including their parts and components are exempt from corporation business tax, provided at least seventy-five percent of the gross annual revenues of such company are derived from such research, design, manufacture, sale or installation. Refer to **Form CT-1120S**, Schedule G, Line 6.

This exemption will not be allowed for income years commencing on or after January 1, 1998.

WHEN TO FILE FORM CT-1120S

A return for a taxable period ending December 31 must be filed not later than April 1 of the following year, and, for any other taxable period, not later than the first day of the fourth month following the close of the taxable period. The return will be considered timely if the date shown by the U.S. Post Office cancellation mark is on or before the due date of the return. If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date. If the return is filed late, the corporation will be subject to penalties and interest.

HOW TO REQUEST AN EXTENSION

In order to secure an extension of time within which to file the annual return, the corporation must file **Form CT-1120 EXT**, *Application for Extension of Time To File*, not later than the first day of the fourth month following the close of the taxable period, together with payment of the total tax due. The filing of **Form CT-1120 EXT** will automatically extend the due date for six months. However, **Form CT-1120 EXT** only extends the time to file the tax return, it does not extend the time to pay the corporation business tax. Interest on any tax not paid by the original due date will be computed at the rate of 1% per month or fraction thereof.

WHERE TO FILE

Please use the pre-addressed envelope that was enclosed with your return or mail to:

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES
PO BOX 2974
HARTFORD CT 06104-2974

ACCOUNTING PERIOD AND METHOD OF ACCOUNTING

An S corporation's accounting period and method of accounting for Connecticut tax purposes shall be the same as the S corporation's accounting period and method of accounting for federal tax purposes.

If an S corporation's accounting period or method of accounting is changed for federal tax purposes, the accounting period or method of accounting must also be changed for Connecticut tax purposes.

AMENDED RETURNS

Any company that fails to include items of income or deduction or makes any other error on a return must file an amended return using **Form CT-1120X**, *Amended Corporation Business Tax Return*. A copy of the amended federal Form 1120S must be attached to substantiate any changes to federal net income.

INTERNAL REVENUE SERVICE CHANGES

Corrections to ordinary income (loss) from trade or business activities by the Internal Revenue Service must be reported to the Commissioner of Revenue Services

on or before the due date or extended due date of the next return or within 90 days after receipt of the notice of correction from the Internal Revenue Service, whichever is later. All federal adjustments must be reported using **Form CT-1120X**. An extension request for reporting federal audit changes must be submitted in writing to the Commissioner of Revenue Services setting forth the reason additional time is required.

ESTIMATED TAX REQUIREMENTS

Every S corporation carrying on or having the right to carry on business in Connecticut whose estimated current year tax exceeds \$1,000 must file estimated tax payment coupons. Refer to General Instructions on **Forms CT-1120 ESA, ESB, ESC and ESD**, *Estimated Corporation Business Tax*. Four preprinted estimated tax payment coupons with instructions will be mailed to corporations that paid an estimated tax or whose Connecticut S corporation business tax liability exceeded \$1,000 in 1997. Safe harbor provisions have been established for calculating each required estimated tax installment payment.

If a corporation did not receive preprinted estimated coupons, **Forms CT-1120 ESA, ESB, ESC, and ESD** and instructions are included in the forms section of this booklet.

INTEREST AND PENALTY

Interest will be computed at the rate of 1% per month or fraction thereof from the due date of the return through the date of payment. Interest due on the underpayment of estimated tax is computed using **Form CT-1120I**, *Computation of Interest Due On Underpayment of Estimated Tax*.

Failure to file and late filing

The penalty for late filing of or failure to file a return or a report of federal audit changes, where no additional tax is due, is \$50.

Late payment

The penalty for late payment is 10% of the balance of tax due or \$50, whichever is greater.

Willful failure to file or pay

Where any person willfully fails to pay the tax or to file a return, that person will, in addition to any other penalty, be fined not more than \$1,000 or imprisoned not more than one year, or both.

Willful filing of a fraudulent or materially false return

Where any person willfully files a tax return known by that person to be fraudulent or false in any material matter, that person may be fined not more than \$5,000 or imprisoned not more than five years nor less than one year, or both.

WAIVER OF PENALTY

A corporation may be entitled to a waiver of penalty if the failure to file or pay tax was due to reasonable cause. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. Do not include the penalty waiver request with **Form CT-1120S**. Mail separately to:

**Penalty Review Committee
Department of Revenue Services
PO Box 5089
Hartford CT 06102 - 5089**

Interest on underpayments or late payments of tax cannot be waived. Before a penalty waiver can be granted, a taxpayer must pay all tax and interest due.

TAX CLEARANCE/TAX STATUS

Any request for tax clearance or tax status must be submitted in writing to the Department of Revenue Services, Audit Division, 25 Sigourney Street, Hartford, CT 06106-5032 and must state the following:

1. name and address of taxpayer;
2. Connecticut tax registration number;
3. reason for request; and
4. tax types for which the tax clearance or tax status is being requested.

Tax Status Requests

In accordance with the Commissioner of Revenue Services' policy issued in December 1996, the Department will send information pertaining to tax status requests directly to the corporation's last known address as shown on the Department's records. In situations where anyone other than a corporate officer or director requests tax status information, the requester will be required to include a completed **LGL-001**, *Power of Attorney*. (To obtain an **LGL-001** see "*Where Can I Get Additional Forms and Publications?*", on Page 8.)

INSTRUCTIONS FOR FORM CT-1120S

Attach a complete copy of your federal corporation tax return to Form CT-1120S, including all schedules and attachments as filed with the Internal Revenue Service.

REQUIRED INFORMATION

Enter the beginning and ending dates of the S corporation's income year, regardless of whether a calendar year or fiscal year filer. Also enter the S corporation's Connecticut tax registration number, federal employer identification number, total assets, federal business activity code and gross receipts (net of returns and allowances) in the spaces provided at the top of **Form CT-1120S**.

In the spaces provided enter the state in which the S corporation filed its Articles of Incorporation and the date of organization. If incorporated outside of Connecticut enter the date qualified to do business in Connecticut. An S corporation must enter the date it commenced business operations in Connecticut.

If the S corporation was included in a Connecticut Combined Corporation Business Tax Return in the prior year, refer to **Form CT-1120CR**, *Combined Corporation Business Tax Return*, for instructions on deleting the corporation from the combined return for the current year.

NAME AND ADDRESS

Remove the preprinted label from the back of this booklet and place it over the name and address block of the return. Make sure the information on the label is correct. If you need to make any changes, draw a line through the incorrect information and clearly print the new information. Using the label reduces the possibility of error in processing your return.

If there is no preprinted label, print or type the information requested in the space provided at the top of **Form CT-1120S**. Be sure to enter the corporation's Connecticut tax registration number and federal employer identification number.

CHANGE OF ADDRESS/CLOSING MONTH

Indicate any change of address by checking off the mailing address box on **Form CT-1120S**. Indicate any change to the end of your filing period by checking off the proper box and attaching an explanation of the change.

INITIAL OR FINAL RETURN

If this is the first time the S corporation has filed **Form CT-1120S**, check the "Initial Return" box.

If the S corporation is legally dissolved or withdrawn, check the "Final Return" box.

If the S corporation has filed a short period, check the "Short Period" box.

DISSOLUTION

A domestic S corporation is properly dissolved by the filing of a Certificate of Dissolution with the Connecticut Office of Secretary of the State. A dissolved S corporation must file a return for the period up to the date of legal dissolution or the date of the final liquidation of assets, whichever is later.

Any dissolved S corporation which continues to conduct business must file a Corporation Business Tax Return and pay any taxes due. If an S corporation has been dissolved by forfeiture and wishes to be reinstated, it must submit a written request for a tax clearance to the Department of Revenue Services, Audit Division, 25 Sigourney Street, Hartford CT 06106-5032. The tax clearance and Certificate of Reinstatement must be filed with the Connecticut Office of Secretary of the State.

WITHDRAWAL FROM STATE

A foreign S corporation that wishes to withdraw from Connecticut must file a written application for withdrawal with the Connecticut Office of Secretary of the State. Any S corporation that has withdrawn must file a Connecticut Corporation Business Tax Return up to the date of withdrawal and pay any taxes due.

MERGERS AND REORGANIZATIONS

An S corporation that has merged must file a return covering the period up to the date of merger. For further information contact the Connecticut Office of Secretary of the State.

Any S corporation that is reorganized must submit the details concerning the reorganization in writing and disclose the survivor's Connecticut tax registration number. Send to:

**Department of Revenue Services
Operations Division
25 Sigourney Street
Hartford CT 06106-5032**

ATTACHMENTS TO BE FILED WITH THE RETURN

Attach a complete copy of the corporation's federal Form 1120S including all schedules and attachments used in arriving at ordinary income (loss) from trade or business activities.

FORM CT-1120S LINE INSTRUCTIONS

COMPUTATION OF NET INCOME

Line 1 - Enter the ordinary income (loss) from federal Form 1120S, Line 21.

Line 2 - Enter the amount from **Form CT-1120S**, Schedule F, Line 8 (total unallowable deduction for S corporation business tax).

Line 3 - Add Lines 1 and 2 and enter total on Line 3.

SCHEDULE A - COMPUTATION OF TAX ON NET INCOME

An S corporation entitled to apportion its income must complete **Form CT-1120A**, *Corporation Business Tax Return Apportionment Computation*, Schedule Q or R, whichever is applicable, and carry the result to Line 2 of Schedule A. An S corporation must not include separately stated items in the apportionment fraction on Schedule R. Special apportionment forms are available for the following business types:

- Air carriers and motor bus companies engaged in multistate business must use **Form CT-1120A-A**, *Apportionment - Air Carrier*.
- Motor bus companies and motor carriers engaged in multistate business must use **Form CT-1120A-BMC**, *Apportionment - Bus Companies and Motor Carriers*.
- S Corporations that receive income for services performed for regulated investment companies use **Form CT-1120A-IRIC**, *Corporation Business Tax Return Apportionment Computation - Income From Services to Regulated Investment Companies*.
- S Corporations that receive income from rendering securities brokerage services use **Form CT-1120A-SBC**, *Corporation Business Tax Return Apportionment Computation - Securities Brokerage Services*.
- S Corporations that derive income from credit card activities may elect to use **Form CT-1120A-CCA**,

Apportionment Computation of Income From Credit Card Activities.

- If a corporation is a limited partner in one or more limited partnerships (other than an investment partnership) and is otherwise not carrying on or doing business in Connecticut, complete **Form CT-1120A-LP**, *Connecticut Distributive Share of Limited Partnership Income*.

Line 1 - Enter the net income from Line 3 above. An S corporation that may not apportion its income must also enter this amount on Schedule A, Line 3.

Line 2 - Enter the appropriate apportionment fraction from **Form CT-1120A**, Schedule Q, Line 2 or Schedule R, Line 6, Column C or from the appropriate apportionment forms previously referenced. The fraction must be expressed as a decimal and carried to 6 places.

Line 3 - Enter the amount from Line 1, if not entitled to apportion, or Line 1 multiplied by Line 2.

Line 4 - Enter the amount of any unused losses from **Form CT-1120/CT-1120S ATT**, Schedule H, Line 6 attributable to Connecticut business operations as reported in years ending December 31, 1992 and thereafter.

Important: Losses may be carried forward for five successive income years. The loss entered here is limited to the loss attributed to Connecticut according to the method of apportionment prescribed in Conn. Gen. Stat. §12-218.

Line 5 - Subtract Line 4 from Line 3 and enter the result on Line 5.

Line 6 - Multiply Line 5 by 90% (.90) and enter the result on Line 6.

Line 7 - Multiply Line 6 by 10.50% (.1050) and enter the result on Line 7.

SCHEDULE B - COMPUTATION OF MINIMUM TAX ON CAPITAL

Schedule B is used to compute the minimum tax on capital of an S corporation pursuant to Conn. Gen. Stat. §12-219. If a corporation is a limited partner in one or more limited partnerships (other than an investment partnership) and is otherwise not carrying on or doing business in Connecticut, complete **Form CT-1120A-LP, Connecticut Distributive Share of Limited Partnership Income**.

Line 1 - Enter the amount shown on **Form CT-1120S**, Schedule D, Column C, Line 6. An S corporation that does not apportion its minimum tax base must also enter this amount on **Form CT-1120S**, Schedule B, Line 3.

Line 2 - An S corporation entitled to apportion its minimum tax base must complete **Form CT-1120A**, and enter the apportionment fraction from **Form CT-1120A**, Schedule S, Column C, Line 3. The fraction must be expressed as a decimal carried to 6 places.

Line 3 - Enter the amount from Line 1 if not entitled to apportion, or Line 1 multiplied by Line 2.

Line 4 - Enter the number of months the S corporation carried on business or had the right to carry on business in Connecticut, whichever is greater. A fractional part of a month is counted as a full month.

Line 5 - Multiply Line 3 by Line 4. Divide the result by 12 and enter the amount on Line 5.

Line 6 - Multiply Line 5 by 0.31% (.0031) and enter the result on Line 6. The maximum tax for Schedule B is \$1,000,000.

SCHEDULE C - COMPUTATION OF AMOUNT PAYABLE

Line 1 - Enter the largest of **Form CT-1120S**, Schedule A, Line 7 or **Form CT-1120S**, Schedule B, Line 6 or \$250.

Line 2 - Enter the total tax credits from **Form CT-1120SK, S Corporation Business Tax Credit Summary**, Part III, Column A or Column B. If the largest amount of tax is from Schedule A, Line 7, enter the amount of tax credits applied from **Form CT-1120SK**, Line 34, Column B. However, if the largest amount of tax is from Schedule B, Line 6 or \$250, enter the amount of tax credits applied from **Form CT-1120SK**, Line 34, Column A.

Line 3 - Subtract Line 2 from Line 1 and enter the result on Line 3. If negative, enter zero.

Line 4 - Enter on Lines 4a, 4b and 4c all prepayments you have made. Enter the total on Line 4.

Line 5 - Subtract Line 4 from Line 3 and enter the result on Line 5.

Line 6(a) - Enter penalty if applicable. (See *Interest and Penalty*, on Page 9.)

Line 6(b) - Enter interest due on tax not paid by the original due date. (See *Interest and Penalty*, on Page 9.)

Line 6(c) - Enter interest due on underpayment of estimated tax. (Complete and attach **Form CT-1120I**.)

Line 6 - Add Lines 6a, 6b and 6c and enter total on Line 6.

Line 7(a) - Enter the amount of overpayment to be credited to 1998 estimated tax.

Important: Overpayments are credited only as of the date of receipt of the completed **Form CT-1120S**.

Line 7(b) - Enter the amount of overpayment to be refunded.

Line 7 - Enter the sum of Lines 7(a) and 7(b).

Line 8 - Balance Due - Add Line 5 and Line 6 and enter the result on Line 8.

SCHEDULE D - COMPUTATION OF MINIMUM TAX BASE

Line 1 - Enter the beginning (Column A) and ending (Column B) values of the issued and outstanding capital stock including treasury stock at par or face value, fractional shares, scrip certificates and payments on subscriptions. Refer to federal Form 1120S, Schedule L, Line 22.

Line 2 - Enter the beginning (Column A) and ending (Column B) values of any paid-in or capital surplus, including retained earnings. Any deficit must be reported as a negative number. Refer to federal Form 1120S, Schedule L, Lines 23 and 24.

Line 3 - Enter the beginning (Column A) and ending (Column B) values of all surplus reserves (including deferred taxes). Attach a schedule of all surplus reserves to support the amounts shown on Line 3.

Important: A reserve is an amount set aside or deducted from current or retained earnings to meet future liabilities.

Line 4 - Add Lines 1, 2 and 3 (Column A and Column B) and enter the average in Column C.

Line 5 - Enter the total holdings of stock from **Form CT-1120S**, Schedule E in Column A and Column B. Enter the average of Column A and Column B on Line 5, Column C.

Line 6 - Subtract Line 5, Column C from Line 4, Column C. Enter the result here and on **Form CT-1120S**, Schedule B, Line 1.

SCHEDULE E - HOLDINGS OF STOCK

List the beginning and ending book values of total holdings of stock of private corporations, including treasury stock. The total book value of shares must equal the amount claimed as a deduction on **Form CT-1120S**, Schedule D, Line 5. The book value of stock does not include the value of other assets acquired and held in connection with or incidental to the ownership of such stock. *Private corporations* means all non-governmental corporations, whether closely or publicly held.

SCHEDULE F - TAXES

Conn. Gen. Stat. §12-217 disallows any deduction for the Connecticut corporation business tax and any deduction for taxes imposed on or measured by income or profits by any state, political subdivision or the District of Columbia.

Line 1 - Enter all payroll taxes deducted in arriving at federal ordinary income (loss) from trade or business activities.

Line 2 - Enter all real property taxes deducted in arriving at federal ordinary income (loss) from trade or business activities.

Line 3 - Enter all personal property taxes deducted in arriving at federal ordinary income (loss) from trade or business activities.

Line 4 - Enter all sales and use taxes deducted in arriving at federal ordinary income (loss) from trade or business activities.

Line 5 - Enter any other taxes not based on income or profits deducted in arriving at federal ordinary income (loss) from trade or business activities.

Line 6 - Enter the amount of Connecticut corporation business tax deducted in the computation of federal ordinary income (loss) from trade or business activities.

Line 7 - Enter any corporate tax on or measured by income or profits imposed by any state (other than Connecticut), or political subdivision, or the District of Columbia deducted in the computation of federal ordinary income (loss) from trade or business activities.

Line 8 - Add the amounts on Lines 6 and 7 in Column B and enter the result on Line 8. Enter also on **Form CT-1120S**, Computation of Net Income, Line 2.

SCHEDULE G - ADDITIONAL REQUIRED INFORMATION

Corporate Officers - Enter officers' names, complete home addresses and corporate titles.

Line 1 - If the principal place of business is located outside of Connecticut, enter the name of the state where it is located.

Line 2 - Enter the Connecticut towns in which the S corporation owned or leased (as lessee) real or tangible personal property or performed any services. (Attach schedule if necessary.)

Line 3a - If the S corporation transferred a controlling interest in an entity owning Connecticut real property, the S corporation (the transferor) is subject to the controlling interest transfer tax. Enter the name and federal employer identification number of the entity in which a controlling interest was transferred.

Important: The transferor is required to file **Form AU-330**, *Controlling Interest Transfer Taxes*.

Line 3b - If this S corporation was the entity in which a controlling interest was transferred, enter the name and federal employer identification number of the transferor. The transferor is subject to the controlling interest transfer tax.

Important: The entity in which a controlling interest was transferred is required to file **Form AU-331**, *Controlling Interest Transfer Taxes Informational Return*.

Line 4 - Corrections to ordinary income (loss) from trade or business activities by the Internal Revenue Service must be reported on or before the due date or extended due date of the next return or within 90 days after receipt of the notice of correction from the Internal Revenue Service, whichever is later. All federal adjustments must be reported using **Form CT-1120X**.

Line 5 - Enter the net income attributable to aero-derived gas turbine system activities in Connecticut that is exempt from the Connecticut corporation business tax under Conn. Gen. Stat. §12-214(a)(2)(H). (See *Who Must File Form CT-1120S?*, on Page 8.)

Line 6 - If exemption from Connecticut corporation business tax is being claimed under Conn. Gen. Stat. §12-214(a)(2)(G) ATTACHEXPLANATION. (See *Who Must File Form CT-1120S?*, on Page 8.)

SIGNATURE

The return must be signed by a duly authorized officer.

Anyone who is paid to prepare the return must sign the return and enter the preparer's federal employer identification number.

OVERVIEW OF CONNECTICUT CORPORATION BUSINESS TAX CREDITS

The following information is intended to provide a brief description and application information for obtaining Connecticut corporation business tax credits. More detailed descriptions of each credit are contained in **IP 95(2.1)**, *A Guide to Connecticut Corporation Business Tax Credits*, available from the Department of Revenue Services.

APPRENTICESHIP TRAINING CREDIT IN MANUFACTURING, PLASTIC AND CONSTRUCTION TRADES

A credit is available to corporations that employ apprentices who are receiving manufacturing, plastic, and construction trades training. The credit is limited to qualifying apprenticeship programs and is based, in part, upon the number of work hours accrued by the apprentices.

Compute the credit for manufacturing and plastic trades training by multiplying the total number of apprentice work hours (but only during the first half of a two-year apprenticeship and the first three-quarters of a four-year apprenticeship) in the income year for which the claim is made by \$4.00. The credit for manufacturing and plastic trades training may not exceed 50% of actual wages paid to apprentices in the claim year or \$4,800 per apprenticeship, whichever is less.

Compute the credit for construction trade training by multiplying the total number of apprentice work hours (but only during the first half of a two-year apprenticeship and the first three-quarters of a four-year apprenticeship) in the income year for which the claim is made by \$2.00. The credit for construction trades training may not exceed 50% of actual wages paid to apprentices in the claim year or \$1,000, whichever is less. No carryforward or carryback is allowed.

Application information can be obtained by calling the **Department of Labor** at 860-566-2450 and requesting Form ATX-792. (*Conn. Gen. Stat. §12-217g*, and *Conn. Agencies Regs. §§12-217g-1 through 12-217g-10*, as amended by Public Act 97-295, §16)

CLEAN ALTERNATIVE FUEL CREDITS (10% AND 50%) FOR VEHICLES, EQUIPMENT AND RELATED FILLING/RECHARGING STATIONS

A credit of 10% is available for expenses paid or incurred for the following alternative fuel vehicles and equipment:

- the incremental cost of purchasing a vehicle which is exclusively powered by a clean alternative fuel;
or
- the purchase of conversion equipment incorporated into or used in converting vehicles to use clean alternative fuels;
or
- the purchase and installation of equipment incorporated into or used in a compressed natural gas filling or electric recharging station for vehicles powered by clean alternative fuels.

A credit of 50% is available for the amount spent directly on any of the following:

- the construction of any filling station or improvements to any existing filling station in order to provide compressed natural gas, liquefied petroleum gas or liquefied natural gas;
or
- the conversion of motor vehicles so that they can use electricity, compressed natural gas, liquefied petroleum gas or liquefied natural gas.

Any credit not used in the income year may be carried forward for three succeeding income years. No carryback is allowed. For additional information contact **DRS**, Taxpayer Services Division, at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217i* and **SN 93(15)**)

CONNECTICUT INSURANCE REINVESTMENT CREDIT

A credit is available for investments in Connecticut insurance companies made through a fund manager who is registered by the Insurance Commissioner.

The credit may be claimed only with respect to an insurance company that is incorporated in Connecticut, occupies a new facility in Connecticut and employs not less than 25% of its total work force in new jobs. The credit is 10% of the amount invested beginning no sooner than three years from the date of investment but not later than seven years after the date of investment. For years seven through ten, the credit increases to 20% of amount invested.

Any tax credit not used in the income year for which it was allowed may be carried forward for the five immediately succeeding income years until the full credit has been allowed. No carryback is allowed. Application information can be obtained by calling **DECD** at 860-270-8140. (*Conn. Gen. Stat. §38a-88a*, as amended by Public Act 97-292)

ELECTRONIC DATA PROCESSING EQUIPMENT PROPERTY TAX CREDIT

A credit is available equivalent to 100% of the property tax paid on electronic data processing (**EDP**) equipment on the grand list of a Connecticut municipality on or after October 1, 1994 or any subsequent year. **EDP** equipment is defined as computers, printers, peripheral computer equipment, bundled software and any computer-based equipment acting as a computer as defined under §168 of the Internal Revenue Code of 1986. Credit carryforwards are allowable (after all other credits have first been applied) and may be taken for five succeeding income years.

Form CT-1120 EDPC must be attached to the Connecticut corporation business tax return. Direct inquiries to **DRS**, Taxpayer Services Division, at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217t*)

EMPLOYER-ASSISTED HOUSING TAX CREDIT

A credit is available for contributions made to revolving loan funds established to provide loans for housing located in Connecticut for employees whose household income does not exceed 140% of the area median income adjusted for family size.

The credit is equal to the amount paid into a qualified revolving loan fund. A corporation's credit cannot exceed \$100,000 annually. Any tax credit not used in the period during which the investment was made may be carried forward or backward for the five immediately succeeding or preceding income years until the full credit has been used.

For income years commencing on or after January 1, 1998, if CHFA determines that 60% or more of a revolving loan has not been properly loaned, the business firm will be required to recapture the credits previously granted.

Applications can be obtained by calling the Tax Credit Unit of CHFA at 860-721-9501, Ext. 345 or 363. Applications should be submitted on or before November 1 for the succeeding income year. (*Conn. Gen. Stat. §12-217p*, as amended by Public Act 97-295 and SN 93(15))

FINANCIAL INSTITUTIONS CREDIT

A credit is available for financial institutions that build and occupy a facility of at least 900,000 sq. ft. and create and maintain new jobs in Connecticut. A qualifying financial institution may claim credits against their corporation business tax for up to 15 years, 50% for years one through ten and 25% for years eleven through fifteen. No carryforward or carryback is allowed. To apply for the credit, financial institutions must submit a proposal to the Commissioner of Economic and Community Development. For additional information contact DECD 860-270-8050. (*Conn. Gen. Stat. §§12-217u and 36-2*)

HOUSING PROGRAM CONTRIBUTION CREDIT

A credit is available for contributions to housing programs sponsored, developed or managed by a nonprofit organization as defined by Conn. Agencies Regs. §8-395-1(h), having as one of its purposes the construction, rehabilitation, ownership, or operation of housing for low and moderate income families. A tax credit voucher may be granted in an amount equal to 100% of the value of the contribution made; however, the maximum credit allowed to any corporation is \$50,000 annually.

The amount of tax credit which is not used in the income year for which the credit is issued must be carried back to the five preceding income years beginning with the earliest income year before any unused balance can be carried forward to the five succeeding income years (beginning with the earliest income year).

For income years commencing on or after January 1, 1998, to be eligible for this credit, a housing program must be scheduled for completion not more than three years from the date of approval. If the program fails to be completed after three years, or at any time the authority determines that a program is unlikely to be completed, CHFA may reclaim any remaining funds and reallocate such funds to another eligible program.

Application information can be obtained by calling CHFA at 860-721-9501 Ext. 231. Applications must be submitted on or after October 15 but before November 15 annually and are approved on a first-come, first-served basis. (*Conn. Gen. Stat. §8-395*, as amended by Public Act 97-295 and *Conn. Agencies Regs. §§8-395-1 through 8-395-10*)

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT

A credit is available that is based upon a percentage of the incremental increase in expenditures for machinery and equipment. Connecticut machinery and equipment expenditures include any tangible personal property acquired for and installed in a facility in Connecticut that is subject to depreciation under Section 168 of the Internal Revenue Code. Machinery and equipment does not include automobiles or other property used for transportation.

A 5% credit applies if the corporation employs between 251 and 800 full time employees. A 10% credit applies if the number of full-time employees is 250 or less. No carryforward or carryback is allowed.

A special allowance has been made for corporations whose income year (for federal purposes) commences on the first day of January, February, March, April or May of 1995. Expenditures made by such corporations for machinery and equipment acquired for and installed in a Connecticut facility from January 1, 1995 through May 31, 1995 will be deemed to have been spent during the 1997 income year. **Form CT-1120 MEC** is used to claim these expenditures.

Direct inquiries to DRS, Taxpayer Services Division, 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217o* and SN 93(15))

MANUFACTURING FACILITY CREDIT FOR FACILITIES LOCATED IN A DISTRESSED MUNICIPALITY

A credit is available that is equivalent to 25% of tax allocable to a manufacturing facility that has been certified by DECD and is located in a distressed municipality. The credit period is ten years. It begins with the first full income year following the year of issuance and continues for the following nine years.

Application information can be obtained by calling DECD at 860-270-8140 and requesting the Urban Jobs/Enterprise Zone Program questionnaire. (*Conn. Gen. Stat. §§12-217e*, as amended by Public Act 97-295; 32-9p and 32-70)

MANUFACTURING FACILITY CREDIT LOCATED IN AN ENTERPRISE ZONE OR ENTERTAINMENT DISTRICT

A credit is available that is equivalent to 50% of tax allocable to a qualifying manufacturing facility located in a designated enterprise zone or entertainment district located in a distressed municipality, certified as such by **DECD**. The certified business is eligible for the **50%** credit if it actually created jobs as a result of facility enhancement. The business must have filled at least 30% or 150 of those jobs with enterprise zone residents or Jobs Training Partnership Act eligible municipal residents. The credit period is ten years. It starts with the first full income year following the year of issuance and continues for the following nine years.

If the business is located in an enterprise zone and does not meet the job creation requirement, it may still be eligible for the 25% Manufacturing Facility credit, discussed on Page 17.

Application information can be obtained by calling **DECD** at 860-270-8140 and requesting the Urban Jobs/Enterprise Zone Program questionnaire. (*Conn. Gen. Stat. §§12-217e*, as amended by Public Act 97-295, 32-9p and 32-70)

SERVICE FACILITY CREDIT

A credit is available to service facilities located outside of an enterprise zone in a targeted investment community. The credit percentage varies from 15% to 50%, depending upon the number of new employees occupying the service facility.

A service facility is defined as any plant, building, or other real property improvement which is to be used by an establishment as such terms are used in the Standard Industrial Classification Manual. The service facility must show a strong performance in exporting goods and services as defined by the Commissioner of Economic and Community Development.

An eligibility certificate issued by **DECD** must be attached to the Connecticut corporation business tax return.

Application information can be obtained by calling **DECD** at 860-270-8140. (*Conn. Gen. Stat. §12-217e*, as amended by Public Act 97-295.)

NEIGHBORHOOD ASSISTANCE PROGRAM CREDIT

Tax credits are available of up to 60% (depending on the type of program) of a firm's contribution to community programs that have received both municipal and state approval. Corporations that contribute at least \$250 to one or more approved community programs may apply for the credit. Examples of approved programs include neighborhood assistance, job-training, education services, crime prevention, energy conservation and substance abuse prevention.

The amount of tax credit that is not taken during the income year in which the program proposal was approved may only be carried back to the two immediately preceding income years (beginning with the earlier of such years). Application information may be obtained from **DRS** by calling 860-297-5687. Applications, in the form of pledges, are accepted annually between September 15 and October 1. (*Conn. Gen. Stat. §§12-631 through 12-638*, and *Conn. Agencies Regs. §§12-638-1 through 12-638-8*, as amended by Public Act 97-251)

ENTERPRISE ZONE CREDIT FOR QUALIFYING NEW CORPORATIONS

This credit is available to new qualifying corporations only. A qualifying corporation is a corporation which is created on or after January 1, 1997 in an enterprise zone which either:

1. has 375 or **more** employees, at least 40% of whom:
 - are residents of the enterprise zone or the municipality in which the enterprise zone is located;
and
 - qualify under the Job Training Partnership Act;
or
2. has less than 375 employees, at least 150 of whom:
 - are residents of the enterprise zone or the municipality in which the enterprise zone is located;
and
 - qualify under the Job Training Partnership Act.

The credit amount is equal to 100% of the tax liability in years one through three and 50% in years four through ten.

Application information can be obtained by calling **DECD** at 860-270-8140. (*Conn. Gen. Stat. §12-217v*)

RESEARCH AND DEVELOPMENT GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

A credit is available equivalent to 25% of the incremental increase in amounts spent by any corporation for any grant or combination of grants to an institution of higher education in Connecticut made for the purposes of research and development related to advancements in technology.

The credit is equal to 25% of the amount by which qualifying grants made in the current income year exceed the average qualifying grants made during the three preceding income years. No carryforward or carryback is allowed.

For additional information contact **DRS**, Taxpayer Services Division, at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217l*)

**RESEARCH AND DEVELOPMENT:
NONINCREMENTAL EXPENDITURES CREDIT**

A credit is available for research and development expenditures conducted in Connecticut that are paid or incurred for years beginning on or after January 1, 1993. The credit allowed for 1993 and 1994 expenditures may not be claimed until income years commencing on or after January 1, 1995. Research and experimental costs are those that may be deducted under §174 of the Internal Revenue Code of 1986 and are conducted in Connecticut. Credit percentages depend upon expenses paid or incurred:

Expense Amounts:	Credit Percentage:
\$50 million or less	1%
more than \$50 million but not more than \$100 million	\$500,000 + 2% over \$50,000,000
more than \$100 million but not more than \$200 million	\$1,500,000 + 4% over \$100,000,000
over \$200 million	\$5,500,000 + 6% over \$200,000,000

Credits that are allowed but that exceed the limitation amounts may be carried forward to each successive income year until such credits are fully taken. Credits must be taken in the order in which they were allowed.

Complete **Form CT-1120 RDC** by multiplying the amounts spent on research and development conducted in Connecticut by the appropriate percentage.

Direct inquiries to **DRS**, Taxpayer Services Division, at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217n* and **SN 93(21)**)

**RESEARCH AND DEVELOPMENT:
INCREMENTAL EXPENDITURE CREDIT**

A credit is available equivalent to 20% of the incremental increase in research and development experimental expenditures conducted in Connecticut. Research and experimental expenditures are those that may be deducted under Internal Revenue Code §174. No carryforward or carryback is allowed; however, biotechnology companies are permitted to carryforward any unused credit for 15 years.

Complete **Form CT-1120RC** by multiplying the incremental amount spent on research and development conducted in Connecticut by 20%. Direct inquiries to **DRS**, Taxpayer Services Division at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state). (*Conn. Gen. Stat. §12-217j*, **SN 93(15)** and **SN 93(21)**)

TRAFFIC REDUCTION PROGRAMS CREDIT

A credit equal to 50% of the amount spent for direct costs of transportation management programs and services on management (commuting) expenses related to the attainment of Federal Clean Air Act standards is available to corporations employing 100 or more people. No carryforward or carryback is allowed.

Application procedures can be obtained by calling the **Department of Transportation** at 860-594-2844. (*Conn. Gen. Stat. §12-217s*)

OPPORTUNITY CERTIFICATE CREDIT PROGRAM

A credit is available to corporations that hire qualifying persons through an Opportunity Certificate Program that is administered by the Department of Social Services (**DSS**).

Corporations are entitled to claim a tax credit in the amount of \$125.00 for each full month that a qualified employee is employed.

Form CT-1120 OC is used to calculate the credit. For additional information call **DSS** at 860-579-6215. (Public Act 97-295, §7)

IMPORTANT CHANGES FOR INCOME YEARS BEGINNING ON OR AFTER JANUARY 1, 1998

FOR INCOME YEARS BEGINNING ON OR AFTER JANUARY 1, 1998, THE FOLLOWING CORPORATION BUSINESS TAX CREDITS HAVE BEEN REPEALED:

- Air pollution abatement facilities.
- Industrial waste treatment expenditures.
- New facilities credit.

Any corporation that has claimed any of the repealed credits may carry any remaining tax credit(s) forward (if carryforward provisions apply).

FOR INCOME YEARS BEGINNING ON OR AFTER JANUARY 1, 1998, THE FOLLOWING CORPORATION BUSINESS TAX CREDITS HAVE BEEN REPEALED ON AN INDIVIDUAL BASIS BUT CONTINUE TO SURVIVE AS PART OF THE NEW HUMAN CAPITAL INVESTMENT CREDIT:

- Work education credits for high school students.
- Employment training credit.
- Child day care, subsidy, facility and parent education programs credit.

For additional information refer to the *1997 Legislative Changes Affecting the Corporation Business Tax Credits* on Pages 4 through 7 or call the **DRS** Taxpayer Services Division at 860-297-5962 (Hartford area or out-of-state) or 1-800-382-9463 (in-state).

1997 FORM CT-1120SK INSTRUCTIONS

1997 Form CT-1120SK, *S Corporation Business Tax Credit Summary*, must be attached to Form CT-1120S, *S Corporation Business Tax Return* or the applicable tax form whenever tax credits from the current income year are being claimed or carryforward credit balances exist from 1996. Additional information about Connecticut tax credits is available in the Department of Revenue Services publication IP 95(2.1), *A Guide to Connecticut Corporation Business Tax Credits*. This publication is available by calling 1-800-382-9463 (in-state) or 860-297-5962 (select Option 3).

PART I - TAX CREDITS FROM THE 1997 INCOME YEAR

Enter in Part I, Lines 1 through 21 all of the credits that can be claimed for the 1997 income year.

Line 1 - Enter the Work Education Program credit computed according to the provisions of Conn. Gen. Stat. §12-217f. Eligibility Certificate Forms CWE-DO 474 and CWE-DO 474S, issued by the Department of Education, must be attached to and made a part of the tax return.

Line 2 - Enter the Apprenticeship Training credit computed according to the provisions of Conn. Gen. Stat. §12-217g. Eligibility Certificate Form ATX-792, issued by the Department of Labor, must be attached to and made a part of the tax return.

Line 3 - Enter the Manufacturing Facility credit as computed on Form CT-1120MC, *Manufacturing Facility Located in a Distressed Municipality*, which must be attached to and made a part of the tax return. Form UT-4, Certificate of Eligibility, and Form UT-9, Claim for Corporation Business Tax Credit, both issued by the Department of Economic and Community Development, must also be attached to and made a part of the tax return.

Line 4 - Enter the credit for a Manufacturing Facility located in an Enterprise Zone or designated Entertainment District, as computed on Form CT-1120 MCEZ, *Manufacturing Facility Located in an Enterprise Zone or Entertainment District*, which must be attached to and made a part of the tax return. Form UT-4, Certificate of Eligibility, and Form UT-9, Claim for Corporation Business Tax Credit, both issued by the Department of Economic and Community Development, must also be attached to and made a part of the tax return.

Line 5 - Enter the credit for Financial Institutions Constructing New Facilities in Connecticut. The initial Certificate of Eligibility issued by the Department of Economic and Community Development must be attached to and made a part of the tax return.

Line 6 - Enter the Research and Experimental Expenditures credit, as computed on Form CT-1120RC, *Research Credit*, which must be attached to and made a part of the tax return.

Line 7 - Enter the Employee Training credit, as computed on Form CT-1120 ETC, *Employee Training Credit*, which must be attached to and made a part of the tax return.

Line 8 - Enter the credit for Research and Development Grants to Institutions of Higher Education, as computed on Form CT-1120GC, *Grant Credit*, which must be attached to and made a part of the tax return.

Line 9 - Enter the Machinery and Equipment Expenditure credit, as computed on Form CT-1120 MEC, *Machinery and Equipment Expenditure Credit*, which must be attached to and made part of the tax return.

Line 10 - Enter on Line 10 the allowable Research and Development credit, as computed on 1997 Form CT-1120 RDC, *Research and Development Credit*, Part II, Line 8, which must be attached to and made part of the tax return.

Line 11 - Enter the credit for Traffic Reduction Programs computed according to the provisions of Conn. Gen. Stat. §12-217s. The initial certificate of eligibility issued by the Department of Transportation must be attached to and made part of the tax return.

Line 12 - Enter the Opportunity Certificate Program credit, as computed on Form CT-1120 OC, *Opportunity Certificate Credit*, which must be attached to and made part of the tax return. A copy of the approval letter issued by the Department of Social Services must also be attached to and made part of the tax return.

Line 13 - (Reserved for future use.)

Line 14 - Enter the Air Pollution Abatement Facilities credit computed according to the provisions of Conn. Gen. Stat. §12-217c. A copy of the approval letter issued by the Department of Environmental Protection and/or a copy of CERT-117, *Certificate For Purchases of Tangible Personal Property Incorporated Into or Consumed in Air Pollution Control Facilities*, must be attached to and made a part of the tax return.

Line 15 - Enter the Industrial Waste Treatment Facilities credit computed according to the provisions of Conn. Gen. Stat. §12-217d. A copy of the approval letter issued by the Department of Environmental Protection and/or a copy of **CERT-124, Certificate for Purchases in Connection with Water Pollution Control Facilities**, must be attached to and made a part of the tax return.

Line 16 - Enter the Neighborhood Assistance Act (N.A.A.) credit computed according to the provisions of Conn. Gen. Stat. §§12-631 through 12-638. A copy of the N.A.A. tax credit approval letter issued by the Department of Revenue Services must be attached to and made a part of the tax return.

Line 17 - Enter the Child Day Care Subsidy credit computed according to the provisions of Conn. Gen. Stat. §17b-740. A copy of the approval letter issued by the Department of Social Services must be attached to and made a part of the tax return.

Line 18 - Enter the Housing Program Contribution credit computed according to the provisions of Conn. Gen. Stat. §8-395. A copy of the tax credit voucher issued by the Connecticut Housing Finance Authority (CHFA) must be attached to and made a part of the tax return.

Line 19 - Enter the Employer-Assisted Housing credit computed according to the provisions of Conn. Gen. Stat. §12-217p. A copy of the Certificate of Compliance Letter issued by the Connecticut Housing Finance Authority (CHFA) must be attached to and made a part of the tax return.

Line 20 - Enter the total credit for Clean Alternative Fuel relating to vehicles, equipment and filling/recharging stations computed according to the provisions of Conn. Gen. Stat. §12-217i. Tax credits claimed under Conn. Gen. Stat. §12-217i must be supported by schedules reflecting the details of the computations, including the dates on which expenses were paid or incurred. These schedules must be attached to and made a part of the tax return.

Line 21 - Enter the allowable Electronic Data Processing Equipment Property Tax (EDP) credit, as computed on 1997 **Form CT-1120 EDPC, Electronic Data Processing Equipment Property Tax Credit, Part I**, Line 8, which must be attached to and made part of the tax return to which the credit is being applied.

Line 22 - Add Lines 1 through 21 and enter the total in Column A.

PART II - CARRYFORWARD CREDITS FROM 1996

The taxpayer must maintain a tax credit schedule for each credit item included in the carryforward balance. The schedule must indicate the year in which the credit was originally claimed and the income years to which the credit was carried back or forward. Enter on Lines 23 through 32, Column A the total amount of carryforward credits.

Line 23 - Enter any credit carryforward balance for Air Pollution Abatement Facilities. Credits may be carried forward for nine successive income years.

Line 24 - Enter any credit carryforward balance for Industrial Waste Treatment Facilities. Credits may be carried forward for four successive income years.

Line 25 - Enter any credit carryforward balance for the Neighborhood Assistance Act (N.A.A.) tax credit program for income years 1992 through 1994. Tax credits earned during income years 1992 through 1994 must first be carried back to the five preceding income years, and then be carried forward to the five succeeding income years. Carryforward provisions are no longer available for N.A.A. tax credits issued after January 1, 1995. Commencing with the 1995 income year, N.A.A. tax credits may only be carried back to the two preceding income years.

Line 26 - Enter any credit carryforward balance for Child Day Care Subsidy, Facility, and Program Education tax credit. Credits may only be carried forward to the five succeeding income years.

Line 27 - Enter any available credit carryforward balance for Housing Program Contributions tax credit (formerly Low and Moderate Income Housing). Credits must first be carried back to the five preceding income years, and then be carried forward to the five succeeding income years.

Line 28 - Enter any credit carryforward balance for Purchases for Vehicles using Clean Alternative Fuel and Related Filling/Recharging Stations under Conn. Gen. Stat. 12-217i. Credits may be carried forward for three succeeding income years.

Line 29 - Enter any credit carryforward balance for Employer-Assisted Housing credits. Credits must first be carried back to the five preceding income years and then be carried forward to the five succeeding income years.

Line 30 - Enter any credit carryforward balance for Electronic Data Processing Equipment credits from **Form CT-1120 EDPC**, Part I, Line 7. Any balance after all other credits have been applied may be taken in any of the five succeeding income years.

Line 31 - Enter any credit carryforward balance for Research and Development credits from **Form CT-1120 RDC**, Part III, Line 14. All allowable credits from prior years must be carried forward and applied before current year's credit may be taken. Any balance may be carried forward to each successive income year until the credit is fully taken.

Line 32 - This carryforward is available to Biotechnology Companies only. Enter any credit carryforward balance for Research and Expenditures credits from **Form CT-1120RC**, Part II, Line 3. Any unused credit balance can be carried forward and applied to each successive income year until the credit is fully taken. The maximum carryforward period is 15 years.

Line 33 - Add Lines 23 through 32 and enter the total in Column A, Line 33. This is the S corporation's credit carryforward balance from 1996 for all of the above credits with a carryforward provision.

PART III - TAX CREDIT SUMMARY

Line 34 - TOTAL TAX CREDITS - Add Line 22 and Line 33 in Column A and enter the total in Column A. Multiply the amount in Column A by 90% (.90) and enter the result in Column B.

For income year 1997, 90% of the S corporation's net income is subject to the corporation business tax. The S corporation is allowed to claim 90% of 1997 credits (including carryforwards). The remaining 10% may be carried forward for tax credits that have a carryforward provision.

S corporations computing tax based on income (Schedule A), enter the amount of tax credits being applied from Line 34, Column B on **Form CT-1120S**, Schedule C, Line 2 and attach the 1997 **Form CT-1120SK**, *S Corporation Business Tax Credit Summary*.

S corporations computing tax based on capital (Schedule B) and those subject to the minimum tax (\$250.00), enter the amount of tax credit being applied to the corporation business tax from Line 34, Column A on **Form CT-1120S**, Schedule C, Line 2 and attach the 1997 **Form CT-1120SK**, *S Corporation Business Tax Credit Summary*.

PART IV - CARRYFORWARD AND CARRYBACK OF 1997 CREDITS

This schedule is provided to enable a corporation to account for any credits that were earned in 1997 which were not applied to or were in excess of the 1997 Connecticut S corporation business tax. The credits that were earned in 1997 that have a carryback provision should be indicated in Part IV, and claimed against a preceding year's tax by filing **Form CT-1120X**, *Amended Corporation Business Tax Return*, or the appropriate amended tax return. Part IV is also used to record credits earned in 1997 that have a carryforward provision and that are available for the 1998 income year.

Lines 35 through 45 - Column D is used to enter the credits claimed from Part I of this form that have a carryback or a carryforward provision.

Lines 35 through 45 - Column D1 is used to multiply Column D by 90% (.90). Column D1 should only be completed by S corporations computing tax based on net income (Schedule A). S corporations computing tax based on capital (Schedule B) and those subject to the minimum tax (\$250.00) should skip Column D1 and proceed to Column E.

Lines 35 through 45 - Column E is used to enter the credits applied from Part I of this form against the 1997 Connecticut S corporation business tax. For S corporations computing tax based on net income (Schedule A), Column E may not exceed Column D1. For S corporations computing tax based on capital (Schedule B) and those subject to the minimum tax (\$250.00), Column E may not exceed Column D.

Lines 37, 39 and 40 - Column F is used to enter any credit carryback items from Part I of this form. The credit carryback may be claimed by filing **Form CT-1120X**, *Amended Connecticut Corporation Business Tax Return*, and attaching **Form CT-1120SK**.

Lines 35 through 45 - Column G is used to enter any credit carryforward balance after the application of the 1997 Connecticut S corporation business tax.

ADDITIONAL CONNECTICUT TAX FORMS AND PUBLICATIONS

Corporation Business Tax Forms

CT-1120 ESA

Estimated Corporation Business Tax Payment Coupon - 1st Installment

CT-1120 ESB

Estimated Corporation Business Tax Payment Coupon - 2nd Installment

CT-1120 ESC

Estimated Corporation Business Tax Payment Coupon - 3rd Installment

CT-1120 ESD

Estimated Corporation Business Tax Payment Coupon - 4th Installment

CT-1120I

Computation of Interest Due On Underpayment of Estimated Tax

CT-1120/CT-1120S ATT

Corporation Business Tax Return Attachment (Schedules H, I and J)

CT-1120 EXT

Application For Extension Of Time to File Corporation Business Tax Return

CT-1120CC

Authorization And Consent of A Corporation to Be Included In A Combined Corporation Business Tax Return

CT-1120

Corporation Business Tax Return

CT-1120 S

S Corporation Business Tax Return

CT-1120CR

Combined Corporation Business Tax Return

CT-1120L

Corporation Business Tax Return-Life Insurance Company

CT-1120X

Amended Corporation Business Tax Return

CT-1120A

Corporation Business Tax Return Apportionment Computation

CT-1120A-A

Apportionment - Air Carrier

CT-1120A-BMC

Apportionment - Motor Bus/Motor Carrier

CT-1120A-IRIC

Apportionment - Income From Services to Regulated Investment Companies

CT-1120A-LP

Connecticut Distributive Share of Limited Partnership Income

CT-1120A-SBC

Apportionment - Securities Brokerage Service Companies

CT-1120A-CCA

Apportionment Computation of Income From Credit Card Activities

Other Connecticut Forms and Publications

OP-253X

Request For Ordering Connecticut Package X

OP-253B

Request For Ordering Connecticut Corporation Business Tax Forms

CT-990T

Connecticut Unrelated Business Income Tax Return

REG-1

Application For Tax Registration Number

OS-114

Sales And Use Tax Return

LGL-001

Power of Attorney

IP 94(6.1)

Overview of Connecticut Business Tax Credits

IP 95(2.1)

A Guide To Connecticut Corporation Business Tax Credits

Corporation Business Tax Credit Forms

CT-1120K

Business Tax Credit Summary

CT-1120SK

S Corporation Business Tax Credit Summary

CT-1120MC

Manufacturing Facility Located In A Distressed Municipality

CT-1120 MCEZ

Manufacturing Facility Located In An Enterprise Zone Or Entertainment District

CT-1120 CRMC

Manufacturing Facility Located In A Distressed Municipality (Combined Return)

CT-1120 CRMCEZ

Manufacturing Facility Located in An Enterprise Zone Or Entertainment District (Combined Return)

CT-1120 ETC

Employee Training Credit

CT-1120GC

Research and Development Grants To Institutions Of Higher Education

CT-1120RC

Research Credit

CT-1120 RDC

Research And Development Credit

CT-1120 EDPC

Electronic Data Processing Equipment Property Tax Credit

CT-1120 MEC

Machinery and Equipment Credit

CT-1120 OC

Opportunity Certificate Credit

Connecticut Tax Booklets

CT-1120

Connecticut Corporation Business Tax Return and Instructions

CT-1120S

Connecticut S Corporation Business Tax Return and Instructions

CT-1120SI

Connecticut S Corporation Information and Composite Income Tax Return and Instructions

CT-1065

Connecticut Partnership Income Tax Return and Instructions

CT-G

Connecticut Group Income Tax Return and Instructions

CT-1040

Connecticut Resident Income Tax Return and Instructions (individuals)

CT-1040EZ

Connecticut Resident EZ Income Tax Return and Instructions (individuals)

CT-1040NR/PY

Connecticut Nonresident or Part-Year Resident Income Tax Return and Instructions

CT-1041

Connecticut Income Tax Return for Trusts and Estates

CT-709

Connecticut Gift Tax Return and Instructions

IP 92(8.3)

1995 Connecticut Circular CT - Employer's Tax Guide and Withholding Tables

AN 95(8)

Withholding Rules for Connecticut Employers

For information on how to obtain DRS forms and publications, see *Where Can I Get Additional Forms And Publications?*, on Page 8.

1997 FORM CT-1120/CT-1120S ATT INSTRUCTIONS

Form CT-1120/CT-1120S ATT must be attached to Form CT-1120 or Form CT-1120S whenever Schedule H, I or J is used in the calculation of the Connecticut corporation business tax.

SCHEDULE H - CONNECTICUT APPORTIONED OPERATING LOSS CARRYOVER

Lines 1 through 5 - Enter the amount of the unused Connecticut apportioned operating loss carryover from income years beginning 1992, 1993, 1994, 1995 and 1996 as reported on Connecticut corporation business tax returns filed for those years.

Line 6 - Add Lines 1 through 5. Enter the total on Line 6 and on Form CT-1120 or Form CT-1120S, Schedule A, Line 4.

SCHEDULE I - DIVIDEND DEDUCTION (FORM CT-1120 ONLY)

Line 1 - Enter in Column A total dividend income included in the computation of federal taxable income, except for dividends received from a real estate investment trust, unless those dividends are: (1) deductible under §243 of the Internal Revenue Code or (2) received by a qualified dividend recipient from a qualified real estate investment trust.

Line 2 - Enter in Column A dividends from less than 20% owned domestic corporations, which would include dividends from money market funds. The deduction is limited to 70% of gross dividends less related expenses. Multiply Column A by Column B (.70) and enter in Column C. Enter in Column D related expenses. (Attach schedule of related expenses and computation.)

Line 3 - Dividend Balance: Subtract Line 2 from Line 1 and enter on Line 3, Column A. Multiply by 1.0 and enter in Column C. Enter in Column D related expenses. (Attach schedule of related expenses and computation.)

Line 4 - Enter in Column E total dividend deduction. Add Column E, Line 2 and Column E, Line 3. Enter total here and on Form CT-1120, Computation of Net Income, Line 5.

SCHEDULE J - MINIMUM TAX BASE FOR BANKS (FORM CT-1120 ONLY)

State banks and trust companies, national banks, mutual savings banks, and savings and loan associations shall calculate the tax due on Form CT-1120, Schedule B, by completing Schedule J. The tax is calculated at the rate of 4% (.04) on the **lesser** of the amount of interest or dividends actually credited by them on savings accounts of depositors or account holders during the current income year, or the amount of interest or dividends that would have been credited if it had been computed at the rate of 1/8% (.00125) per annum.

Lines 1 through 4 - Columns A, B and C are used to record the date, the amount of interest or dividends actually credited to savings accounts of depositors or account holders during the current income year, and the amount of interest or dividends deemed to be credited to savings accounts of depositors or account holders during the current income year at the rate of 1/8% (.00125) per annum.

Line 5 - Add Lines 1 through 4 of Column B and enter the total in Column B, Line 5. Add Lines 1 through 4 of Column C and enter the total in Column C, Line 5. Enter the lesser of Column B, Line 5 or Column C, Line 5 in Column D, Line 5 and on Form CT-1120, Schedule B, Line 1.

1997 FORM CT-1120 EXT INSTRUCTIONS

Purpose: Use Form CT-1120 EXT to request a six-month extension to file Form CT-1120, CT-1120S, CT-1120L or CT-1120CR. It is not necessary to include a reason for the Connecticut extension request if an extension on federal Form 7004 was already filed with the Internal Revenue Service.

If federal Form 7004 was not filed, the corporation can apply for a six-month extension to file the Connecticut corporation business tax return provided there is reasonable cause for the request.

The Department of Revenue Services will notify the corporation only if the request for extension is denied.

To obtain a Connecticut filing extension the corporation MUST:

1. complete Form CT-1120 EXT in its entirety, **including all tax credits**;
2. file it by the first day of the fourth month following the close of the income year; and
3. pay the amount shown on front page, Line 3.

NOTE: Form CT-1120 EXT **only** extends the **time to file** the Connecticut Corporation Business Tax Return. Form CT-1120 EXT **does not extend** the **time to pay** the amount of tax due.

Interest will be assessed at the rate of 1% per month or fraction thereof on any underpayment of tax computed from the first day of the fourth month following the close of the income year. If a return is filed late a penalty of 10% or \$50, whichever is greater, will also be assessed on the underpayment of total tax due.

When To File Form CT-1120 EXT: File Form CT-1120 EXT on or before the first day of the fourth month following the close of the income year (April 1 for calendar year taxpayers). **NOTE: If the due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.**

Mail to: State of Connecticut
 Department of Revenue Services
 P O Box 2974
 Hartford CT 06104-2974

Required Information – Enter the beginning and ending dates of the corporation’s income year, corporate name, address, Connecticut Tax Registration Number and Federal Employer Identification Number.

Signature – This form must be signed by an officer of the corporation.

Others Who Can Sign – Anyone (including attorneys, CPAs and enrolled agents) with a signed Power of Attorney on file can sign for the corporation in place of a corporate officer.

SPECIAL INSTRUCTIONS — COMBINED TENTATIVE CORPORATION BUSINESS TAX RETURN

If two or more affiliated corporations electing to file a Combined Corporation Business Tax Return apply for an extension, complete the schedule below. Attach a list of additional corporations if needed. The tentative amount of the tax may in no event be less than the sum of \$250 for each corporation to be included in the Combined Corporation Tax Return.

Form CT-1120CC, Authorization and Consent to be included in a Combined Corporation Business Tax Return, should be attached to and made a part of this Form CT-1120 EXT for the initial income year for all affiliates that are included. The election to file a Combined Corporation Business Tax Return will require the filing of a Combined Corporation Business Tax Return for all succeeding years or periods.

Check here for: Addition Deletion of Affiliates (Attach explanation)

Affiliate Name

CT Tax Registration Number

Federal Employer I.D. Number

COMPLETE THIS SCHEDULE IF YOU ARE FILING A COMBINED CORPORATION BUSINESS TAX RETURN

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
NO.	Affiliated Corporations Included In This Combined Return:	CT TAX REGISTRATION NO.	TENTATIVE AMOUNT OF TAX	PREPAYMENTS/ CREDITS	TAX PAID WITH THIS RETURN
1	COMMON PARENT OR DESIGNATED CT PARENT	-000			
2		-000			
3		-000			
4		-000			
5		-000			
6		-000			
7		-000			
8		-000			

FILING REQUIREMENTS FOR 1998 CORPORATE ESTIMATES

WHO MUST FILE:

Every company carrying on business or having the right to carry on business in Connecticut, whose estimated current year tax liability after applying corporation business tax credits exceeds \$1,000, must pay estimated tax in four installments (or be subject to interest on the underpayment of estimated tax). Estimated corporation business tax payments for the 1998 income year are due as follows:

<u>INSTALLMENT</u>	<u>CALENDAR YEAR DUE DATE</u>	<u>REQUIRED PAYMENT - THE LESSER OF</u>
1st (ESA)	March 15, 1998	30% of prior year's tax or 27% of current year's tax
2nd (ESB)	June 15, 1998	* 70% of prior year's tax or 63% of current year's tax
3rd (ESC)	September 15, 1998	* 80% of prior year's tax or 72% of current year's tax
4th (ESD)	December 15, 1998	* 100% of prior year's tax or 90% of current year's tax

* Includes prior installment(s)

Coupon packages will be mailed in mid-January to corporations that paid an estimated tax or whose Connecticut corporation business tax liability exceeded \$1,000 in 1997. Use of these preprinted forms will enhance the accuracy and timeliness of processing estimated payments.

WHO SHOULD FILE THESE COUPONS?

For corporations that did not receive preprinted forms, estimated payment coupon Forms CT-1120 ESA, ESB, ESC and ESD, and instructions are enclosed. Additional estimated forms are available by calling 1-800-382-9463 (in-state) or 860-297-5962.

COMPLETING THE PAYMENT COUPONS:

Complete the payment coupons and be sure to include all the required taxpayer identification information. Enter the payment on Line 5 of each coupon. In determining your payment amount, you may subtract from your installment amount any available overpayment applied to 1998 from the date on which the 1997 Connecticut Corporation Business Tax Return was filed.

CT-1120 ESB
 Payment Coupon - Second Installment
ESTIMATED CORPORATION BUSINESS TAX
 (Rev. 1/98)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES
PO Box 2965 Hartford CT 06104-2965 FOR INCOME YEAR ENDING

CHECK HERE IF CLOSING MONTH HAS CHANGED AND ATTACH EXPLANATION.

CT TAX REGISTRATION NUMBER	1	Tax shown on preceding year return multiplied by 70% (.70): See instructions on reverse side of this form.	1			B
DATE RECEIVED (DRS USE ONLY)	2	Current year second installment (from Schedule 1, Line 4)	2			
FEDERAL EMPLOYER IDENTIFICATION NO.	3	Second installment due (lesser of Line 1 or Line 2)	3			
IS THIS A COMBINED RETURN? ("X" One) <input type="checkbox"/> YES <input type="checkbox"/> NO	4	Amount paid with Form CT-1120 ESA plus overpayment from preceding year	4			
	5	Payment due with this coupon (Subtract Line 4 from Line 3)	5			

Corporation Name		
Number and Street		
City or Town	State	ZIP Code

DUE DATE: No later than the 15th day of the 6th month of the income year.

NOTE: If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.

MAKE CHECK PAYABLE TO: COMMISSIONER OF REVENUE SERVICES

MAIL TO: Department of Revenue Services
 PO Box 2965
 Hartford CT 06104-2965

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CT-1120 ESA
 Payment Coupon - First Installment
ESTIMATED CORPORATION BUSINESS TAX
 (Rev. 1/98)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES
PO Box 2965 Hartford CT 06104-2965 FOR INCOME YEAR ENDING

CHECK HERE IF CLOSING MONTH HAS CHANGED AND ATTACH EXPLANATION.

CT TAX REGISTRATION NUMBER	1	Tax shown on preceding year return multiplied by 30% (.30): See instructions on reverse side of this form.	1			A
DATE RECEIVED (DRS USE ONLY)	2	Current year first installment (from Schedule 1, Line 4)	2			
FEDERAL EMPLOYER IDENTIFICATION NO.	3	First installment due (lesser of Line 1 or Line 2)	3			
IS THIS A COMBINED RETURN? ("X" One) <input type="checkbox"/> YES <input type="checkbox"/> NO	4	Overpayment from preceding year applied to this estimate	4			
	5	Payment due with this coupon (Subtract Line 4 from Line 3)	5			

Corporation Name		
Number and Street		
City or Town	State	ZIP Code

DUE DATE: No later than the 15th day of the 3rd month of the income year.

NOTE: If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.

MAKE CHECK PAYABLE TO: COMMISSIONER OF REVENUE SERVICES

MAIL TO: Department of Revenue Services
 PO Box 2965
 Hartford CT 06104-2965

GENERAL INSTRUCTIONS

WHO MUST FILE: Every company carrying on business or having the right to carry on business in Connecticut whose estimated current year tax liability, as shown on Schedule 1, Line 3 is \$1,000 or more.

COMBINED RETURNS: If you are filing a combined return for an affiliated group of corporations, attach a list of the names and registration numbers of those corporations. Enter the total combined estimated current year tax including preference tax on Schedule 1, Line 1.

TAX SHOWN ON THE PRECEDING YEAR RETURN: The tax shown on the preceding year return is the amount of tax before the application of any tax credits.

INTEREST: If the current year tax is \$1,000 or more and the estimated payment does not equal (1) 63% of the current year tax or (2) 70% of the tax shown on the preceding year return (without regard to any tax credits), whichever is less, interest will be assessed at the rate of 1% per month (or fraction thereof) on the amount of the underpayment for the period of the underpayment. If a company uses an estimate of its current year's tax to determine the required annual payment and such amount changes during the year, it may find that earlier installments of estimated tax were underpaid. Payments of estimated tax are credited first against underpaid installments in the order in which such installments are required to be paid.

SCHEDULE 1

1. Estimated current year tax (before applying corporation business tax credits)	1		
2. Less: estimated corporation business tax credits (See above instructions)	2		
3. SUBTOTAL (Subtract Line 2 from Line 1)	3		
4. Current year second installment: Multiply Line 3 by 63% (.63)	4		

CT-1120 ESB Back (Rev. 1/98)



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GENERAL INSTRUCTIONS

WHO MUST FILE: Every company carrying on business or having the right to carry on business in Connecticut whose estimated current year tax liability, as shown on Schedule 1, Line 3 is \$1,000 or more.

COMBINED RETURNS: If you are filing a combined return for an affiliated group of corporations, attach a list of the names and registration numbers of those corporations. Enter the total combined estimated current year tax including preference tax on Schedule 1, Line 1.

TAX SHOWN ON THE PRECEDING YEAR RETURN: The tax shown on the preceding year return is the amount of tax before the application of any tax credits.

INTEREST: If the current year tax is \$1,000 or more and the estimated payment does not equal (1) 27% of the current year tax or (2) 30% of the tax shown on the preceding year return (without regard to any tax credits), whichever is less, interest will be assessed at the rate of 1% per month (or fraction thereof) on the amount of the underpayment for the period of the underpayment. If a company uses an estimate of its current year's tax to determine the required annual payment and such amount changes during the year, it may find that earlier installments of estimated tax were underpaid. Payments of estimated tax are credited first against underpaid installments in the order in which such installments are required to be paid.

SCHEDULE 1

1. Estimated current year tax (before applying corporation business tax credits)	1		
2. Less: estimated corporation business tax credits (See above instructions)	2		
3. SUBTOTAL (Subtract Line 2 from Line 1)	3		
4. Current year first installment: Multiply Line 3 by 27% (.27)	4		

CT-1120 ESA Back (Rev. 1/98)

CT-1120 ESD
 Payment Coupon - Fourth Installment
ESTIMATED CORPORATION BUSINESS TAX
 (Rev. 1/98)

STATE OF CONNECTICUT
 DEPARTMENT OF REVENUE SERVICES
 PO Box 2965 Hartford CT 06104-2965
 FOR INCOME YEAR ENDING

CHECK HERE IF CLOSING MONTH HAS
 CHANGED AND ATTACH EXPLANATION.

D

CT TAX REGISTRATION NUMBER	1	Tax shown on preceding year return multiplied by 100% (1.00): See instructions on reverse side of this form.	1		
DATE RECEIVED (DRS USE ONLY)	2	Current year fourth installment (from Schedule 1, Line 4)	2		
FEDERAL EMPLOYER IDENTIFICATION NO.	3	Fourth installment due (lesser of Line 1 or Line 2)	3		
IS THIS A COMBINED RETURN? ("X" One)	4	Amount paid with Forms CT-1120 ESA, CT-1120 ESB and CT-1120 ESC plus overpayment from preceding year	4		
	5	Payment due with this coupon (Subtract Line 4 from Line 3)	5		

Corporation Name		
Number and Street		
City or Town	State	ZIP Code

DUE DATE: No later than the 15th day of the 12th month of the income year.
NOTE: If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.
MAKE CHECK PAYABLE TO: COMMISSIONER OF REVENUE SERVICES
MAIL TO: Department of Revenue Services
 PO Box 2965
 Hartford CT 06104-2965

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CT-1120 ESC
 Payment Coupon - Third Installment
ESTIMATED CORPORATION BUSINESS TAX
 (Rev. 1/98)

STATE OF CONNECTICUT
 DEPARTMENT OF REVENUE SERVICES
 PO Box 2965 Hartford CT 06104-2965
 FOR INCOME YEAR ENDING

CHECK HERE IF CLOSING MONTH HAS
 CHANGED AND ATTACH EXPLANATION.

C

CT TAX REGISTRATION NUMBER	1	Tax shown on preceding year return multiplied by 80% (.80): See instructions on reverse side of this form.	1		
DATE RECEIVED (DRS USE ONLY)	2	Current year third installment (from Schedule 1, Line 4)	2		
FEDERAL EMPLOYER IDENTIFICATION NO.	3	Third installment due (lesser of Line 1 or Line 2)	3		
IS THIS A COMBINED RETURN? ("X" One)	4	Amount paid with Forms CT-1120 ESA and CT-1120 ESB plus overpayment from preceding year	4		
	5	Payment due with this coupon (Subtract Line 4 from Line 3)	5		

Corporation Name		
Number and Street		
City or Town	State	ZIP Code

DUE DATE: No later than the 15th day of the 9th month of the income year.
NOTE: If any due date falls on a Saturday, Sunday or legal holiday, the next business day will be the due date.
MAKE CHECK PAYABLE TO: COMMISSIONER OF REVENUE SERVICES
MAIL TO: Department of Revenue Services
 PO Box 2965
 Hartford CT 06104-2965

GENERAL INSTRUCTIONS

WHO MUST FILE: Every company carrying on business or having the right to carry on business in Connecticut whose estimated current year tax liability, as shown on Schedule 1, Line 3 is \$1,000 or more.

INTEREST: If the current year tax is \$1,000 or more and the estimated payment does not equal (1) 90% of the current year tax or (2) 100% of the tax shown on the preceding year return (without regard to any tax credits), whichever is less, interest will be assessed at the rate of 1% per month (or fraction thereof) on the amount of the underpayment for the period of the underpayment. If a company uses an estimate of its current year's tax to determine the required annual payment and such amount changes during the year, it may find that earlier installments of estimated tax were underpaid. Payments of estimated tax are credited first against underpaid installments in the order in which such installments are required to be paid.

COMBINED RETURNS: If you are filing a combined return for an affiliated group of corporations, attach a list of the names and registration numbers of those corporations. Enter the total combined estimated current year tax including preference tax on Schedule 1, Line 1.

TAX SHOWN ON THE PRECEDING YEAR RETURN: The tax shown on the preceding year return is the amount of tax before the application of any tax credits.

SCHEDULE 1

1. Estimated current year tax (before applying corporation business tax credits)	1		
2. Less: estimated corporation business tax credits (See above instructions)	2		
3. SUBTOTAL (Subtract Line 2 from Line 1)	3		
4. Current year fourth installment: Multiply Line 3 by 90% (.90)	4		

CT-1120 ESD Back (Rev. 1/98)

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GENERAL INSTRUCTIONS

WHO MUST FILE: Every company carrying on business or having the right to carry on business in Connecticut whose estimated current year tax liability, as shown on Schedule 1, Line 3 is \$1,000 or more.

INTEREST: If the current year tax is \$1,000 or more and the estimated payment does not equal (1) 72% of the current year tax or (2) 80% of the tax shown on the preceding year return (without regard to any tax credits), whichever is less, interest will be assessed at the rate of 1% per month (or fraction thereof) on the amount of the underpayment for the period of the underpayment. If a company uses an estimate of its current year's tax to determine the required annual payment and such amount changes during the year, it may find that earlier installments of estimated tax were underpaid. Payments of estimated tax are credited first against underpaid installments in the order in which such installments are required to be paid.

COMBINED RETURNS: If you are filing a combined return for an affiliated group of corporations, attach a list of the names and registration numbers of those corporations. Enter the total combined estimated current year tax including preference tax on Schedule 1, Line 1.

TAX SHOWN ON THE PRECEDING YEAR RETURN: The tax shown on the preceding year return is the amount of tax before the application of any tax credits.

SCHEDULE 1

1. Estimated current year tax (before applying corporation business tax credits)	1		
2. Less: estimated corporation business tax credits (See above instructions)	2		
3. SUBTOTAL (Subtract Line 2 from Line 1)	3		
4. Current year third installment: Multiply Line 3 by 72% (.72)	4		

STATE OF CONNECTICUT FORM CT-1120X INSTRUCTIONS

GENERAL INSTRUCTIONS

Use **Form CT-1120X** to correct your Connecticut corporation business tax return as it was originally filed or as it was later adjusted by the corporation, by the Department of Revenue Services, the Internal Revenue Service, or to claim a Connecticut tax credit.

When To File

Generally, Form CT-1120X must be filed within three years from the extended due date of the original return. See the information below concerning a federal Revenue Agent's Report (RAR) or federal and Connecticut amended return changes.

RAR - Internal Revenue Service Adjustments

If this return is filed as a result of Internal Revenue Service adjustments, you must also attach a complete copy of the Internal Revenue Service notification of changes. The return must be filed on or before the due date of the next return or within ninety days after having received notification of the Internal Revenue Service changes, whichever is later.

Federal and Connecticut Amended Return Changes

Any company whose return to the Internal Revenue Service has been amended must file Form CT-1120X within ninety days after the filing of an amended return with the Internal Revenue Service. You must attach a complete copy of your amended federal return.

If you amend only your Connecticut Corporation Business Tax Return, Form CT-1120X must be filed within three years from the extended due date of the original return.

If the change involves an adjustment to Connecticut net income, Connecticut apportionment factor, Connecticut operating loss carryover or a Connecticut corporation business tax credit, explain in detail and attach all appropriate supporting forms and schedules.

Information Section

Enter the income year covered by this return, the corporate name, address, Connecticut Tax Registration Number and federal employer identification number in the spaces provided.

Check the appropriate boxes for type of return being amended, indicate whether the taxpayer is currently under Connecticut audit and the reason for amending the return.

Refer to the instructions for the Connecticut Corporation Business Tax Return and related schedules and forms for the year you are amending, concerning modifications, allocation and apportionment of income, tax computation, or tax credits. For additional information, you may call the Taxpayer Services Division at 1-800-382-9463 (within Connecticut) or 860-297-5962 (Hartford area or out-of-state). Telecommunications Device for the Deaf (TDD/TT) users only call 860-297-4911.

SPECIFIC INSTRUCTIONS

Page 1

- Lines 1 - 10, Column A: Enter the amounts as shown on your original return or as adjusted by any prior audit or amended return.
- Lines 1 - 10, Column B: Enter the amount(s) of any change(s) and explain the change(s) on the reverse side of Form CT-1120X (explanation of changes section). The amounts entered in Column B should be the net increase or net decrease for each line that has been changed.
- Lines 1 - 10, Column C: Add the increase in Column B to the amount in Column A or subtract the Column B decrease from Column A and enter the result here. If Column B has no entries, enter the amount from Column A in Column C.
- Surtax (Line 4) Compute surtax for income years beginning on or after January 1, 1989, and before January 1, 1992, by multiplying Line 3 by 20%. For income years beginning on or after January 1, 1992, and before January 1, 1993, multiply Line 3 by 10%. Enter zero if Line 3 is minimum tax.
- Line 11 - Enter the amount of tax you paid with your original return.
- Line 12 - Enter the amount of any tax you paid after filing your original return.
- Line 13 - Add the amounts on Lines 8 through 12, Column C, and enter the total here.
- Line 14 - Enter the amount of any overpayment reported on your original return or as last adjusted.
- Line 15 - Subtract Line 14 from Line 13 and enter the result on Line 15.
- Line 16 - If Line 15 is greater than Line 7, Column C, subtract Line 7, Column C from Line 15 and enter the result on Line 16.
- Line 17 - If Line 7, Column C, is greater than Line 15, subtract Line 15 from Line 7, Column C, and enter the result on Line 17.
- Line 18 - Enter the amount of interest due on Line 18. Interest is computed on the underpayment of tax from the statutory due date to the date of payment. (Refer to interest rates on page 2 of instructions.) Do not include the penalty with your remittance. If a penalty is due, the Department of Revenue Services will calculate the amount of penalty due and issue a billing to the corporation.
- Line 19 - Add Line 17 and Line 18 and enter total on Line 19.

Page 2, Schedule A and Schedule B

- Lines 1 - 6, Column A: Enter the amounts as shown on your original return or as adjusted by any prior audit or amended return.
- Lines 1 - 6, Column B: Enter the amount(s) of any change(s) and explain the change(s) on the reverse side of Form CT-1120X (explanation of changes section). The amounts entered in Column B should be the net increase or net decrease for each line that has been changed.
- Lines 1 - 6, Column C: Add the increase in Column B to the amount in Column A or subtract the Column B decrease from Column A and enter the result here. If Column B has no entries, enter the amount from Column A in Column C.

Tax Rates

Tax Years Beginning on or after	but before	Income Base	Capital Base	Minimum	Other
1-1-81	1-1-83	10% (.10)	.0031	\$250.00	Add'l Base Net Income & Salaries 5% (.05)
1-1-83	1-1-85	11.5% (.1150)	.0031	\$250.00	
1-1-85	1-1-89	11.5% (.1150)	.0031	\$100.00	
1-1-89	1-1-92	11.5% (.1150)	.0031	\$250.00	Surtax 20% (.20)
1-1-92	1-1-93	11.5% (.1150)	.0031	\$250.00	Surtax 10% (.10)
1-1-93	1-1-95	11.5% (.1150)	.0031	\$250.00	
1-1-95	1-1-96	11.25% (.1125)	.0031	\$250.00	
1-1-96	1-1-97	10.75% (.1075)	.0031	\$250.00	
1-1-97	1-1-98	10.50% (.1050)	.0031	\$250.00	

Interest

The interest rates on tax underpayments:

Period	Interest Rate
7-1-76 through 6-30-80	1% (.01) per month or fraction thereof
7-1-80 through 1-31-82	1¼% (.0125) per month or fraction thereof
2-1-82 through 12-31-93	1⅔% (.016667) per month or fraction thereof
1-1-94 through 6-30-95	1¼% (.0125) per month or fraction thereof
On or after 7-1-95	1% (.01) per month or fraction thereof

Remittance

Make your check payable to "Commissioner of Revenue Services" and write your Connecticut Tax Registration Number on the check.

Mail to: State of Connecticut
 Department of Revenue Services
 PO Box 2974
 Hartford CT 06104-2974

Signature

The return must be signed by either the president, vice-president, treasurer, assistant treasurer, chief accounting officer or any other officer duly authorized.

Anyone paid to prepare the tax return must sign the return. The preparer's federal employer identification number, name, address and telephone number must be entered in the spaces provided.

ENTER INCOME YEAR BEGINNING _____, 1997 AND ▶ ENDING _____, 19__

Name of Parent or Designated Parent Corporation		
Number and Street		
City or Town	State	ZIP Code

PARENT OR DESIGNATED PARENT			
CT TAX REGISTRATION NUMBER			
			000
DATE RECEIVED (For Dept. Use Only)			
FEDERAL EMPLOYER I.D. NUMBER			

CHECK EACH APPLICABLE BOX

- CHANGE OF:** Mailing Address Closing Month
RETURN STATUS: Amended Return Initial Return Final Return Short Period
IF THIS IS A SHORT PERIOD, PLEASE CHECK CORRESPONDING BOX: Merger or Acquisition Change of Filing Status
IF THIS IS A FINAL RETURN, HAS THE CORPORATION:
 DISSOLVED WITHDRAWN MERGED / REORGANIZED (Enter Survivor's CT Tax Registration Number) _____

PART I - SEPARATE TAXES OF CORPORATIONS INCLUDED IN THE COMBINED RETURN If additional lines are needed, please attach a worksheet.

CORPORATION NAME	* CT TAX REGISTRATION NUMBER	SEPARATE TAX (Form CT-1120, Sch. C, Line 1)
1. COMMON PARENT OR DESIGNATED CONNECTICUT PARENT	—000	
2.	—000	
3.	—000	
4.	—000	
5.	—000	
6.	—000	
7.	—000	
8. TOTAL SEPARATE TAXES (Add Lines 1 through 7) Enter here and on Part V, Line 1		

* Tax registration numbers must be included for parent and all subsidiaries.

ENTER the total number of corporations, including the parent corporation, in this combined return ▶ _____

Check here for Addition (Attach explanation) Deletion of Affiliates (Attach explanation)

Affiliate Name _____ CT Tax Registration Number _____ Federal Employer I.D. Number _____

Notice is hereby given to the Commissioner of Revenue Services that the affiliated corporations listed above have elected to be included in this Combined Corporation Business Tax Return pursuant to the provisions of Conn. Gen. Stat. §12-223a(1). **Attach Forms CT-1120CC if applicable.**

PART V - Complete Parts I, II, III and Schedule KC before completing Part V.

Computation of Amount Payable

1. TOTAL SEPARATE TAXES (Part I, Line 8)	▶	1	
COMBINED TAX COMPUTATION:			
2a. Tax on Combined Net Income (Part II, Combined Total Column, Line 16)	▶ 2a		
2b. Tax on Combined Minimum Tax Base (Part III, Combined Total Column, Line 7)	▶ 2b		
2c. Tax (Largest of Line 2a or Line 2b or \$250)	▶ 2c		
2d. Tax on the number of companies included in the combined return less one, multiplied by \$250	▶ 2d		
2. COMBINED TAX (Add Line 2c and Line 2d)	▶	2	
3. PREFERENCE TAX (Subtract Line 2 from Line 1, but not less than zero; maximum of \$25,000)	▶	3	
4. TOTAL TAX (Add Line 2 and Line 3)	▶	4	
5. TAX CREDITS (Schedule KC, Part III, Line 34)	▶	5	
6. BALANCE OF TAX PAYABLE (Subtract Line 5 from Line 4, but not less than zero)	▶	6	
TAX PAYMENTS:			
7a. Paid with Application for Extension, Form CT-1120 EXT	▶ 7a		
7b. Paid with Estimates: Forms CT-1120 ESA, ESB, ESC and ESD	▶ 7b		
7c. Overpayment from prior year	▶ 7c		
7. TOTAL TAX PAYMENTS (Add Lines 7a, 7b and 7c)	▶	7	
8. BALANCE OF TAX DUE (overpaid) (Subtract Line 7 from Line 6)	▶	8	
9. Add: Penalty ▶(9a) _____ Interest ▶(9b) _____ CT-1120I Interest ▶(9c) _____		9	
10. Amount to be credited to 1998 Estimated Tax (10a) ▶ _____ Refunded (10b) ▶ _____		10	
11. BALANCE DUE WITH THIS RETURN (Add Line 8 and Line 9)	▶	11	

Make check payable to: Commissioner of Revenue Services
Mail to: Department of Revenue Services, PO Box 2974, Hartford CT 06104-2974

1.
PARENT OR DESIGNATED
CT PARENT CORPORATION

ENTER CORPORATION NAMES
ENTER CONNECTICUT TAX REGISTRATION NUMBERS
ENTER FEDERAL EMPLOYER I.D. NUMBERS

- 000

1.	Form CT-1120, Computation of Net Income, Line 1, (federal taxable income (loss) before net operating loss and special deductions)	1
2.	Interest income wholly exempt from federal tax	2
3.	Unallowable deduction for corporation tax (From Form CT-1120, Schedule F, Line 8)	3
4.	TOTAL (Add Lines 1, 2 and 3)	4
5.	Dividends (a) Dividends from domestic companies less than 20% owned Limited to 70% deduction (less related expenses)	5a
	(b) Other dividends (less related expenses)	5b
	(c) Intercompany dividends (from corporations included in this combined return)	5c
6.	Capital loss carryover (if not deducted in computing federal capital gain) (Attach schedule)	6
7.	TOTAL (Add Lines 5a, 5b, 5c and 6)	7
8.	NET INCOME (Loss) (Subtract Line 7 from Line 4) if 100% Connecticut, enter also on Line 10	8
9.	Apportionment fraction (Form CT-1120A, Schedule Q or R) (Carry to six places)	9
10.	Connecticut net income (Line 8, or Line 8 multiplied by Line 9)	10
11.	Operating loss carryover from separate return year (cannot exceed amount on Line 10) (Attach schedule)	11
12.	Net income (Subtract Line 11 from Line 10)	12
13.	Combined net income (Add all amounts on Line 12) (Enter on Page 3, Combined Total Column, Line 13)	13
14.	Operating loss carryover from combined return year (cannot exceed amount on Line 13) (Attach schedule)	14
15.	Income subject to tax (Subtract Line 14 from Line 13)	15
16.	TAX: Multiply Line 15 by 10.50% (.1050)	16

1.	Form CT-1120, (Sch. D, Column C, Line 6) (Banks, Form CT-1120/CT-1120S ATT, Sch. J, Column D, Line 5) (if 100% CT, enter also on Line 3)	1
2.	Apportionment fraction (Form CT-1120A, Schedule S) (Carry to six places)	2
3.	Line 1, or Line 1 multiplied by Line 2	3
4.	Number of months covered by this return	4
5.	Line 3 multiplied by Line 4, divided by 12	5
6.	*Combined minimum tax base (Add all amounts on Line 5) (Enter on Page 3, Combined Total Column, Line 6)	6
7.	TAX: Multiply Line 6 by .0031 (3 1/10 mills per dollar)	7

* If a banking corporation is not included in the combined group, enter the total of all included corporations on Page 3, Combined Total Column, Line 6. Calculate the tax on the combined total of Line 6 at the rate of 3 1/10 mills per dollar (.0031) and enter this amount on Page 3, Combined Total Column, Line 7.

If the combined group includes a banking corporation do not enter any amount on Page 3, Combined Total Column, Line 6. Instead, enter on Page 3, Combined Total Column, Line 7, the sum of the tax due for each individual corporation based on the amount entered on Line 5, using the applicable tax rate for each corporation. (Banks are taxable at the rate of 4% of Line 3.) (Corporations other than banks are taxable at the rate of 3 1/10 mills per dollar (.0031) of Line 5.)

PART IV	NET INCOME EXEMPTION: AERO-DERIVED GAS TURBINE EXEMPTION	
	Enter the total amount of Connecticut net income for all companies included in this combined return for which exemption is claimed pursuant to Conn. Gen. Stat. §12-214(a)(2)(H)	\$

	2. AFFILIATE	3. AFFILIATE	4. AFFILIATE	5. AFFILIATE	6. AFFILIATE	7. AFFILIATE	COMBINED TOTAL
	- 000	- 000	- 000	- 000	- 000	- 000	
1							
2							
3							
4							
5a							
5b							
5c							
6							
7							
8							
9	0.	0.	0.	0.	0.	0.	
10							
11							
12							
13							
14							
15							
16							
1							
2	0.	0.	0.	0.	0.	0.	
3							
4							
5							
6							
7							

DECLARATION: I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy of this return for your records	Signature of Corporate Officer	Title	Date	Telephone Number ()
	Paid Preparer's Signature		Date	Federal Employer I.D. Number
	Firm's Name and Address			Telephone Number ()

SCHEDULE KC — COMBINED TAX CREDITS

Attach 1997 Form CT-1120K, Business Tax Credit Summary, for each affiliate claiming a business tax credit and enter the combined credit totals on Schedule KC.

PART I-A – TAX CREDITS FROM 1997 INCOME YEAR THAT CAN ONLY BE APPLIED TO THE CORPORATION BUSINESS TAX

TYPE	COMBINED AMOUNT	NAME OF AFFILIATE COMPUTING CREDIT
1. Work Education		
2. Apprenticeship		
3b. Manufacturing Facilities (Attach Form CT-1120 CRMC)		
4b. Manufacturing Facilities - Enterprise Zone or Entertainment District (Attach Form CT-1120 CRMCEZ)		
5. New Facilities for Financial Institutions		
6. Research and Experimental Expenditures (Attach Form CT-1120RC)		
7. Employee Training (Attach Form CT-1120 ETC)		
8. Grants to Institutions of Higher Education (Attach Form CT-1120GC)		
9. Machinery and Equipment (Attach Form CT-1120 MEC)		
10. 1997 Allowable Research and Development Credit (Attach Form CT-1120RDC)		
11. Traffic Reduction		
12. Opportunity Certificate (Attach Form CT-1120 OC)		
13. TOTAL PART I-A (Add Lines 1 through 12)		

PART I-B – TAX CREDITS FROM 1997 INCOME YEAR THAT CAN BE APPLIED TO THE CORPORATION BUSINESS TAX, GROSS EARNINGS TAXES OR OTHER TAXES

14. Air Pollution		
15. Industrial Waste		
16. Neighborhood Assistance		
17. Child Day Care		
18. Housing Program Contribution		
19. Employer-Assisted Housing		
20. Clean Alternative Fuel-Vehicles, Equipment and related Refilling/Recharging Stations (See Instructions)		
21. EDP Credit (Attach Form CT-1120 EDPC)		
22. TOTAL PART I-B (Add Lines 14 through 21)		

PART II – CARRYFORWARD CREDITS FROM 1996

23. Air Pollution		
24. Industrial Waste		
25. Neighborhood Assistance		
26. Child Day Care		
27. Housing Program Contribution (Formerly Low and Moderate Income Housing)		
28. Clean Alternative Fuel		
29. Employer-Assisted Housing		
30. Electronic Data Processing Equipment Property Tax Credit (From Form CT-1120EDPC, Part I, Line 7)		
31. Research and Development (From Form CT-1120RDC, Part III, Line 14)		
32. Research and Expenditures (See Instructions)		
33. TOTAL CARRYFORWARD CREDITS (Add Lines 23 through 32)		

PART III - OTHER TAX CREDITS

34. TOTAL TAX CREDITS (Add Lines 13, 22 and 33) (Enter here and on 1997 Form CT-1120CR, Part V, Line 5)		
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PART IV - CARRYFORWARD AND CARRYBACK OF 1997 CREDITS (FROM SCHEDULE KC, PART I-A AND PART I-B)

Tax Credits	COLUMN D 1997 Credit Claimed	COLUMN E 1997 Credit Applied	COLUMN F Carryback	COLUMN G Carryforward to 1998 (Col. D less Cols. E and F)
35. Air Pollution				
36. Industrial Waste				
37. Neighborhood Assistance				
38. Child Day Care				
39. Housing Program Contribution				
40. Employer-Assisted Housing				
41. Clean Alternative Fuel				
42. Electronic Data Processing (Form CT-1120 EDPC)				
43. Research and Development (Form CT-1120 RDC)				
44. Research and Expenditures (See Instructions)				
45. Opportunity Certificate (Form CT-1120 OC)				

**STATE OF CONNECTICUT
1997 FORM CT-1120CR Instructions**

General Instructions for the Filing of a Combined Corporation Business Tax Return

CORPORATIONS THAT QUALIFY FOR COMBINED REPORTING

- A. Any taxpayer included in a consolidated return for federal income tax purposes may elect to file a combined return together with all other companies that are subject to the tax imposed under Conn. Gen. Stat. Chapter 208 or 209 and are included in the federal consolidated corporation income tax return. Attach to Form CT-1120CR a complete copy of the federal consolidated income and balance sheet spreadsheets plus federal M-1 adjustments for all companies included in the consolidated federal return as filed with the Internal Revenue Service.
- B. Any taxpayer not included in a federal consolidated return but who owns or controls, either directly or indirectly, substantially all the capital stock of one or more corporations may, at the discretion of the Commissioner of Revenue Services, be required or permitted by written approval to make a return on a combined basis covering such other corporations.

CONSENT AND NOTICE OF ELECTION

The consent in writing (Form CT-1120CC) of each corporation to be included in a combined Connecticut corporation business tax return must be filed not later than the extended due date of the return of the electing corporation. Forms CT-1120CC should be attached to and made a part of the Connecticut combined corporation business tax return for the initial income year for which the election to file a combined return is made. The election to file a combined return will require the filing of a combined return for all succeeding income years. The Connecticut tax registration number must be included for parent and all subsidiaries.

CHANGE OF ELECTION

- A. Any taxpayer may elect to file a separate return provided notice of such intent is filed with the Commissioner of Revenue Services prior to the beginning of the income year with respect to which the taxpayer elects to file a separate return. All other companies included in the combined return must also file separate returns in accordance with Conn. Gen. Stat. §12-223a.
- B. In the case of a corporation not included in a federal consolidated return, permission to file a combined return will be withdrawn if ownership and control is extended to other corporations or a substantial change is made in the nature or locations of the operations of the corporations.

SEPARATE RETURNS REQUIRED

A separate return (Form CT-1120) must be completed and attached to the combined corporation business tax return for each corporation included. In the case of an affiliated group filing a consolidated federal corporation income tax return, a copy of the federal return and a schedule of all intercompany eliminations must be attached to and made a part of the combined Connecticut corporation business tax return.

FOR FURTHER INFORMATION, SEE PS 92(1) - FILING OF COMBINED CORPORATION BUSINESS TAX RETURNS.

AMENDED RETURN

Any company that fails to include items of income or deduction or makes any other error on a return must file an amended return using Form CT-1120X, Amended Connecticut Corporation Business Tax Return. A copy of federal Form 1120X must be attached to substantiate any changes to federal net income.

ALTERNATIVE ENERGY SYSTEMS OR MOTOR VEHICLES POWERED BY ALTERNATIVE FUELS

Companies not owned or controlled, directly or indirectly, by any other company, whose annual gross revenues in the most recently completed year did not exceed \$100,000,000, and which engaged in the research, design, manufacture, sale or installation of alternative energy systems or motor vehicles powered in whole or in part by electricity, natural gas or solar energy, including their parts or components, are exempt from corporation business tax, provided at least seventy-five percent of the gross annual revenues of such companies are derived from such research, design, manufacture, sale or installation. See Conn. Gen. Stat. §12-214(a)(2)(G) and ATTACH EXPLANATION.

NONLIFE INSURANCE COMPANIES - UNPAID LOSS RESERVES

Conn. Gen. Stat. §12-217(a) allows nonlife insurance companies the full deduction for losses incurred without making the adjustment required by §832(b)(5)(B) of the Internal Revenue Code.

QUALIFIED COMPANIES HEADQUARTERED IN THE EXPORT ZONE IN THE CITY OF HARTFORD, CONNECTICUT

A qualified insurance or financial service company whose corporate headquarters are located in the export zone in the City of Hartford, CT, and are conducting all of their business outside the United States are exempt from the corporation business tax. See Conn. Gen. State Title 32, Chapter 588W and ATTACH EXPLANATION.

Specific Instructions

PART I - SEPARATE TAXES OF CORPORATIONS INCLUDED IN THE COMBINED RETURN

Conn. Gen. Stat. §12-223f imposes a combined return preference tax. Each corporation included in a Connecticut combined corporation business tax return (Form CT-1120CR) is required to calculate its tax as if it were not included in a combined return. Complete Part I and attach a separate corporation business tax return (Form CT-1120), including all appropriate schedules (such as Form CT-1120/CT-1120S ATT, Form CT-1120A and Form CT-1120K) for each corporation included. See Form LSN-102, Special Notice Concerning Preference Tax on Companies included in Combined Corporation Business Tax Returns, for further information.

PART II - COMPUTATION OF COMBINED NET INCOME

The combined net income is the sum of the separate net income or loss of each corporation included, but only to the extent that said income or loss is separately apportioned to Connecticut in accordance with the provisions of Conn. Gen. Stat. §§12-218, 12-218a, or 12-244, whichever is applicable. Intercompany rents are not included in the computation of the property factor of the apportionment fraction if the lessor and lessee are included in the combined return.

Receipts of a corporation included in the combined return from any other corporation included in such return shall not be included in the computation of the receipts factor of the apportionment fraction of such corporation. See Conn. Gen. Stat. §12-223b.

OPERATING LOSS CARRYOVERS

The provisions of Conn. Gen. Stat. §12-217 pertaining to operating loss carryovers apply to companies filing separate returns. In the case of a combined return see Conn. Agencies Regs. §12-223a-2, Combined Operating Loss, for further information.

PART III - COMPUTATION OF COMBINED MINIMUM TAX BASE

The combined minimum tax base is the sum of the separate minimum tax base of each corporation included, but only to the extent said base is separately apportioned to Connecticut in accordance with the provisions of Conn. Gen. Stat. §12-219a or 12-244.

When a banking or other financial corporation is included in the combined return with corporations that are not banking or other financial corporations, add the minimum tax of the banking or other financial corporation to the product of the combined minimum tax base for the other corporations, multiplied by 3 1/10 mills per dollar (.0031). Enter the sum on Part III, Combined Total Column, Line 7.

PART IV - AERO-DERIVED GAS TURBINE EXEMPTION

Net income directly attributable to the research, design, manufacture or sale in Connecticut of aero-derived gas turbine systems in advanced industrial applications developed after October 1, 1992, is exempt from Connecticut corporation business tax. Enter the amount of net income for which an exemption is claimed by members of the combined group in the space provided on page 2 of this return. See Conn. Gen. Stat. §12-214(a)(2)(H).

PART V - COMPUTATION OF AMOUNT PAYABLE

Line 1 - Enter the total of all separate taxes as reported on Part I, Line 8.

Line 2a - Enter the total tax on Combined Net Income as reported on Part II, Combined Total Column, Line 16.

Line 2b - Enter the total tax on Combined Minimum Tax Base as reported on Part III, Combined Total Column, Line 7.

Line 2c - Enter the largest of Line 2a or Line 2b or \$250 (minimum tax).

Line 2d - Multiply the number of companies included in this combined return, less one (the parent or designated parent), by \$250. Each affiliate included in the combined return must pay the minimum tax of \$250.

Line 2 - To compute the combined tax, add the amounts on Line 2c and Line 2d.

Line 3 - To compute the preference tax, subtract Line 2, the combined tax, from Line 1, the total separate taxes but not less than zero and not greater than \$25,000. The maximum preference tax is \$25,000.

Line 4 - To compute the total tax, add Line 2, the combined tax, to line 3, the preference tax.

Line 5 through 11 - Complete as indicated on page 1, Part V.

SCHEDULE KC - COMBINED TAX CREDITS

Form CT-1120K, *Business Tax Credit Summary*, must be completed by each affiliate and parent included in the combined return claiming a tax credit. Enter the combined totals of all Form CT-1120K for each tax credit being claimed from the current income year, or combined carryforward credit balances that exist from the 1996 income year by each affiliate and parent included in the combined return on Form CT-1120CR, Schedule KC, Combined Tax Credits. Additional information about Connecticut tax credits is available in the Department of Revenue Services publication IP 95(2.1), *A Guide to Connecticut Corporation Business Tax Credits*. Ordering information is available by calling 1-800-382-9463 (in-state) or 860-297-5962.

PART I-A - TAX CREDITS FROM THE 1997 INCOME YEAR THAT CAN ONLY BE APPLIED TO THE CORPORATION BUSINESS TAX

Enter in Schedule KC, Part I-A, Line 1 through Line 12, the combined total of all tax credits being claimed and applied on Form CT-1120K, Part I-A, Column B, Lines 1 through 12 and enter the name of each affiliate or parent included in the combined return claiming the tax credit in the space provided.

Line 1 - Enter the Work Education Program credit computed according to the provisions of Conn. Gen. Stat. §12-217f. The credit is 10% of annual wages paid, not to exceed \$300 per student, for employers that hire public high school students who are enrolled in state-approved work education programs. Eligibility Certificate Forms CWE-DO 474 and CWE-DO 474S issued by the Department of Education must be attached to and made a part of the tax return.

Line 2 - Enter the Apprenticeship Training credit computed according to the provisions of Conn. Gen. Stat. §12-217g. The credit is computed at 50% of actual wages paid at the rate of \$4.00 per hour with a maximum amount of \$4,800 per apprenticeship. Eligibility Certificate Form ATX-792 issued by the Department of Labor must be attached to and made a part of the tax return.

Line 3b - Enter the Manufacturing Facilities credit as computed on Form CT-1120 CRMC, *Manufacturing Facility Located in a Distressed Municipality*, which must be attached to and made a part of the tax return. Form UT-4, Certificate of Eligibility, and Form UT-9, Claim for Corporation Tax Credit, both issued by the Department of Economic and Community Development, must also be attached to and made a part of the tax return. If more than one corporation included in the combined return was issued an eligibility certificate, complete a separate Form CT-1120 CRMC for each eligible corporation, add Line 8 from each Form CT-1120 CRMC and enter the total on Schedule KC, Part I-A, Line 3b.

Line 4b - Enter the credit for Manufacturing Facilities located in an Enterprise Zone or designated Entertainment District, as computed on Form CT-1120 CRMCEZ, *Manufacturing Facility Located in an Entertainment Zone or Entertainment District*, which must be attached to and made a part of the tax return. Form UT-4, Certificate of Eligibility, and Form UT-9, Claim for Corporation Tax Credit, both issued by the Department of Economic and Community Development, must also be attached to and made a part of the tax return. If more than one corporation included in the combined return was issued an eligibility certificate, complete a separate Form CT-1120 CRMCEZ for each eligible corporation, add Line 8 from each Form CT-1120 CRMCEZ and enter the total on Schedule KC, Part I-A, Line 4b.

- Line 5** - Enter the credit for Financial Institutions Constructing New Facilities in Connecticut according to the provisions of Conn. Gen. Stat. The Initial Certificate of Eligibility issued by the Department of Economic and Community Development must be attached to and made a part of the tax return.
- Line 6** - Enter the Research and Experimental Expenditures credit as computed on Form CT-1120RC, *Research Credit*, which must be attached to and made a part of the tax return.
- Line 7** - Enter the Employee Training credit as computed on Form CT-1120 ETC, *Employee Training Credit*, which must be attached to and made a part of the tax return.
- Line 8** - Enter the credit for Research and Development Grants to Institutions of Higher Education, as computed on Form CT-1120GC, *Grant Credit*, which must be attached to and made a part of the tax return.
- Line 9** - Enter the Machinery and Equipment Expenditure Credit, as computed on Form CT-1120 MEC, which must be attached to and made a part of the tax return.
- Line 10** - Enter on Line 10, Column A and Column B the allowable Research and Development credit as computed on 1997 Form CT-1120 RDC, Research and Development Credit, Part II, Line 8, which must be attached to and made a part of the tax return.
- Line 11** - Enter the credit for Traffic Reduction Programs computed according to the provisions of Conn. Gen. Stat. 12-217s. The initial certificate of eligibility issued by the Department of Transportation must be attached to and made a part of the tax return.
- Line 12** - Enter the Opportunity Certificate Program Credit, as computed on Form CT-1120 OC, which must be attached to and made a part of the tax return. A copy of the tax credit approval letter issued by the Department of Social Services must also be attached to and made a part of the tax return.
- Line 13** - Add Lines 1 through 12 and enter the total in the space provided.

PART I-B - TAX CREDITS FROM THE 1997 INCOME YEAR THAT CAN BE APPLIED TO THE CORPORATION BUSINESS TAX, GROSS EARNINGS TAXES OR OTHER TAXES.

Enter in Schedule KC, Part I-B, Lines 14 through 21, the combined total of all tax credits being claimed and applied on Form CT-1120K, Part I-B, Column B, Lines 14 through 21 and enter the name of each affiliate or parent included in the combined return claiming the tax credit.

- Line 14** - Enter the Air Pollution Abatement Facilities credit computed according to the provisions of Conn. Gen. Stat. §12-217c. A copy of the approval letter issued by the Department of Environmental Protection and/or a copy of CERT-117, *Certificate for Purchases of Tangible Personal Property Incorporated Into or Consumed in Air Pollution Control Facilities*, must be attached to and made a part of the tax return.
- Line 15** - Enter the Industrial Waste Treatment Facilities credit computed according to the provisions of Conn. Gen. Stat. §12-217d. A copy of the approval letter issued by the Department of Environmental Protection and/or a copy of CERT-124, *Certificate for Purchases of Tangible Personal Property Incorporated Into or Consumed in Water Pollution Control Facilities*, must be attached to and made a part of the tax return.
- Tax credits for air pollution and industrial waste are computed at the rate of 5% on the approved expenditures, which must be supported by schedules reflecting the details of the computations and the dates on which construction, rebuilding, acquisition or expansion of the facilities commenced.
- Line 16** - Enter the Neighborhood Assistance Act Credit (N.A.A.) computed according to the provisions of Conn. Gen. Stat. §§12-631 through §12-638. A copy of the Neighborhood Assistance Act tax credit approval letter issued by the Department of Revenue Services must be attached to and made a part of the tax return.
- Line 17** - Enter the Child Day Care credit computed according to the provisions of Conn. Gen. Stat. §17-613. A copy of the approval letter issued by the Department of Social Services must be attached to and made a part of the tax return.
- Line 18** - Enter the Housing Program Contribution credit computed according to the provisions of Conn. Gen. Stat. §8-395. A copy of the approval letter issued by the Connecticut Housing Finance Authority (CHFA) must be attached to and made a part of the tax return.
- Line 19** - Enter the Employer-Assisted Housing credit computed according to the provisions of Conn. Gen. Stat. §12-217p. A copy of the Certificate of Compliance issued by the Connecticut Housing Finance Authority (CHFA) must be attached to and made a part of the tax return.
- Line 20** - Enter the total credit for Clean Alternative Fuel relating to vehicles, equipment and filling/recharging stations. Conn. Gen. Stat. §12-217i(a) allows a 10% credit for income years commencing prior to January 1, 2000, for the incremental expenditures paid or incurred for the purchase of a vehicle which is exclusively powered by a clean alternative fuel.

Conn. Gen. Stat. §12-217i also allows a 50% credit for expenditures paid or incurred for income years beginning on or after January 1, 1994, and prior to January 1, 2000, for amounts spent directly on:

1. the construction of any filling station or improvement to an existing filling station in order to provide either compressed natural gas or liquified petroleum gas or liquified natural gas;
2. the purchase and installation of equipment for the conversion of motor vehicles so that they can use either compressed natural gas, liquified petroleum gas or liquified natural gas.
3. the purchase and installation of equipment used in a compressed natural gas filling, liquified petroleum gas or liquified natural gas filling or electric recharging station.

Tax credits claimed must be supported by schedules reflecting the details of the computations, including the dates on which expenses were paid or incurred. These schedules must be attached to and made a part of the tax return.

Line 21 - Enter in Line 21, Column A the allowable Electronic Data Processing Equipment Property Tax Credit as computed on 1997 Form CT-1120 EDP, Electronic Data Processing Equipment Property Tax Credit, Part I, Line 8, which must be attached to and made a part of the 1997 tax return to which the credit is being applied. The credit must first be applied to the corporation business tax. Any remaining EDP credit balance may be applied to other taxes described in 12-217t, only after all other tax credits available to be applied against such other taxes are first applied. Enter in Line 21, Column B the amount of EDP credit being applied to the corporation business tax. Enter in Line 21, Column C and Column D the amount and the tax type if the EDP credit is being applied to taxes other than the corporation business tax.

Line 22 - Add Lines 14 through 21 and enter the total in the space provided.

PART II - CARRYFORWARD CREDITS FROM 1996

Enter in Schedule KC, Part II, Lines 23 through 32, the combined total of all carryforward tax credits being claimed and applied on Form CT-1120K, Part II, Column B, Lines 23 through 32, and enter the name of each affiliate or parent included in the combined return claiming a carryforward tax credit in the space provided. The taxpayer must maintain a tax credit schedule for each credit item included in the carryforward balance. The schedule should indicate the year the credit was originally claimed and the income years to which the credit was carried back or forward.

Line 23 - Enter any credit carryforward balance for Air Pollution Abatement Facilities. Credits may be carried forward for nine successive income years. Carryback provisions are not applicable to this credit.

Line 24 - Enter any credit carryforward balance for Industrial Waste Treatment Facilities. Credits may be carried forward for four successive income years. Carryback provisions are not applicable to this credit.

Line 25 - Enter any credit carryforward balance for the Neighborhood Assistance Act credit program for income years 1991 through 1994. Tax credits earned during income years 1991 through 1994 must be carried back to the five preceding income years, and then be carried forward to the five succeeding income years.

Commencing with the 1995 income year, Neighborhood Assistance Act credits may only be carried back to the two preceding income years. Carryforward provisions are no longer available for Neighborhood Assistance Act credits issued after January 1, 1995. Additional information on 1995 legislative changes affecting the Neighborhood Assistance Act credit is available in the Department of Revenue Services Special Notice SN 95(11).

Line 26 - Enter any credit carryforward balance for the Child Day Care credit. Credits must be carried forward to the five succeeding income years.

Line 27 - Enter any credit carryforward balance. Credits must first be carried back to the five preceding income years, and then be carried forward to the five succeeding income years.

Line 28 - Enter any credit carryforward balance for Purchases for Vehicles using Clean Alternative Fuel and Related Filling/Recharging Stations under Conn. Gen. Stat. §12-217i. Credits may be carried forward for three succeeding income years. Carryback provisions are not applicable to this credit.

Line 29 - Enter any credit carryforward balance for Employer-Assisted Housing credits. Credits must first be carried back to the five preceding income years and then be carried forward to the five succeeding income years.

Line 30 - Enter any credit carryforward balance for Electronic Data Processing Equipment from Form CT-1120 EDP, Part I, Line 7. Any balance after all other credits have been applied may be taken in any of the five succeeding income years.

Line 31 - Enter any credit carryforward balance for Research and Development from Form CT-1120 RDC, Part III, Line 14. All allowable credits from prior years must be carried forward and applied before current year's credit may be taken. Any balance may be carried forward to each successive income year until the credit is fully taken.

Line 32 - This carryforward is available to Biotechnology companies only. Enter any carryforward balance for Research and Expenditures from Form CT-1120 RC, Part II, Line 7. Any unused credit balance can be carried forward and applied to each successive income year until the credit is fully taken. The maximum carryforward period is 15 years.

Line 33 - Add Lines 23 through 32 and enter the total in the space provided.

PART III - TAX CREDIT SUMMARY

Line 34 - TOTAL TAX CREDITS - Add Lines 13, 22 and 33. This is your total tax credit available for 1997 to be applied against the 1997 Connecticut corporation business tax. Enter this amount in the space provided and on Form CT-1120CR, Page 1, Part V, Line 5. Any unused credit that has a carryback provision may be claimed by filing Form CT-1120X.

PART IV - CARRYFORWARD AND CARRYBACK OF 1997 CREDITS

This schedule is provided to enable the corporation to account for any credits that were earned in 1997 but were not applied or were in excess of the 1997 Connecticut corporation business tax. The credits earned in 1997 that have a carryback provision should be indicated in Part III, and claimed against a preceding year's tax by filing Form CT-1120X. Part IV is also used to record credits earned in 1997 that have a carryforward provision and are available for the 1998 income year.

Lines 35 through 45 - Column D is used to enter the credits claimed from Part 1-B of this schedule that have a carryback or a carryforward provision.

Lines 35 through 45 - Column E is used to enter the credit items applied from Part 1-B of this schedule against the 1997 Connecticut corporation business tax.

Lines 37, 39 and 40 - Column F is used to enter any credit carryback items from Part 1-B of this schedule. The credit carryback may be claimed by filing Form CT-1120X, which must be attached to and made a part of the the Amended Connecticut Corporation Business Tax Return.

Lines 35 through 45 - Column G is used to enter any credit carryforward balance after the application of the 1997 Connecticut corporation business tax and application of any credit carryback.

FORM CT-1120CC

12/94

AUTHORIZATION AND CONSENT TO BE INCLUDED IN A COMBINED CORPORATION BUSINESS TAX RETURN

This form must be completed and attached to Form CT-1120CR, Combined Corporation Business Tax Return, by each corporation for the initial year it is included in a timely filed combined return.

FOR THE INCOME YEAR BEGINNING _____, 19____ AND ENDING _____, 19____

Name of Affiliate

Address and Street

City or Town, State and ZIP Code

Connecticut Tax Registration Number	2. Federal Employer Identification Number
Date of Incorporation	4. Date Incorporated
Type of Business	6. Current Status: <input type="checkbox"/> Active <input type="checkbox"/> Inactive

Name of Common Parent Corporation (or Designated Connecticut Parent)	Connecticut Tax Registration Number	Federal Employer Identification Number
---	-------------------------------------	--

The corporation named above hereby: (a) authorizes the common parent corporation (or designated Connecticut parent) named above to file a combined corporation business tax return for the income year for which this form is submitted on behalf of it and its Connecticut taxpayer affiliates under the name of:

and (b) authorizes the common parent corporation (or designated Connecticut parent) to file a combined corporation business tax return on its behalf for each income year thereafter for which a combined return must be made by the affiliated group under the provisions of Conn. Gen. Stat. §12-223a.

Taxpayer Name

Connecticut Tax Registration Number

WARNING: I declare under the penalties of false statement that I have examined this return and to the best of my knowledge and belief it is true, complete and correct.

Signature of Principal Officer

Title

(_____)_____
Telephone Number

**Form CT-1120 RDC
RESEARCH AND DEVELOPMENT CREDIT**

FOR INCOME YEAR		
Beginning	1997, and Ending	19
ELIGIBILITY CERTIFICATE NUMBER (If applicable)		

Corporation Name	CT TAX REGISTRATION NUMBER									
	0 0 0									

INSTRUCTIONS

PURPOSE OF FORM

Form CT-1120 RDC must be completed to claim the credit against the Connecticut corporation business tax for research and development expenses paid or incurred during the income year where the research and experimentation was conducted in Connecticut pursuant to Conn. Gen. Stat. §12-217n. An eligibility certificate from the Department of Economic and Community Development must be obtained prior to claiming the credit by a company that pays or incurs research and development expenses in excess of two hundred million dollars for the income year. Form CT-1120 RDC and a copy of the eligibility certificate, if applicable, must be attached to the Connecticut Corporation Business Tax Return for each income year for which the credit is claimed. A detailed schedule that identifies the Connecticut locations where research and development was conducted and lists the amounts spent directly on such research and development must also accompany Form CT-1120 RDC. For further information contact the Department of Economic and Community Development, 505 Hudson Street, Hartford, CT or call 860-270-8140.

DEFINITION

Connecticut research and development expenditures are those amounts deductible under §174 of the Internal Revenue Code of 1986, as in effect on May 28, 1993, determined without regard to Conn. Gen. Stat. §208C(c), and basic research payments as defined under §41 of the Internal Revenue Code to the extent not deducted under §174 of the Internal Revenue Code. The research and development must be conducted in Connecticut and not funded by anyone other than the taxpayer.

RESEARCH AND DEVELOPMENT CREDIT COMPUTATION

Complete Part I, Tentative Research and Development Credit Computation, to arrive at the tentative credit that is allowed for the income year based upon the research and development expenditures paid or incurred in Connecticut during the income year. The tentative credit in Part I must be calculated in accordance with the eligibility certificate issued by the Department of Economic and Community Development before completing Part II, Research and Development Credit Computation. The tentative credit may be reduced for any workforce reductions in Connecticut.

PART I - TENTATIVE RESEARCH AND DEVELOPMENT CREDIT COMPUTATION		
1a. Amount of Connecticut research and development expenditures for 1997 income year (Attach detailed schedule)	1a	
1b. Amount of excess Connecticut research and experimental expenditures for 1997 income year pursuant to Conn. Gen. Stat. §12-217j (1997 Form CT-1120RC, Line 3)	1b	
1c. Amount of excess grant expenditures to institutions of higher education in Connecticut for research and development pursuant to Conn. Gen. Stat. §12-217i (1997 Form CT-1120GC, Line 7)	1c	
1d. Total excess expenditures (Add Line 1b and Line 1c)	1d	
1e. Net research and development expenditures for 1997 (Subtract Line 1d from Line 1a)	1e	
1f. Tentative credit for 1997 (from Tentative Credit Rate Schedule below) (Multiply amount on Line 1e by percentage amount from Tentative Rate Schedule)	1f	
1g. Reduction of tentative credit for 1997 (from Connecticut Wage Base Reduction Schedule, Column C below)	1g	
1. ALLOWABLE TENTATIVE CREDIT FOR 1997 (Subtract Line 1g from Line 1f)	1	

**CONNECTICUT WAGE BASE REDUCTION SCHEDULE
(applicable if net research and development expenses exceed \$200,000,000)**

TENTATIVE CREDIT RATE SCHEDULE

If Net Research and Development Expenditures (Line 1e) are:	The tentative credit allowed is:
\$50 million or less	1% of Net Research and Development Expenditures
more than \$50 million but not more than \$100 million	\$500,000 + 2% of amount over \$50,000,000
more than \$100 million but not more than \$200 million	\$1,500,000 + 4% of amount over \$100,000,000
more than \$200 million	\$5,500,000 + 6% of amount over \$200,000,000

Workforce Reduction Percentage	Column A	Column B	Column C
	Reduction Percentage	Tentative Credit (Part I, Line 1f)	Tentative Credit Reduction (Col. A x Col. B)
not more than 2%	0%		zero
more than 2% but not more than 3%	10%		
more than 3% but not more than 4%	20%		
more than 4% but not more than 5%	40%		
more than 5% but not more than 6%	70%		
more than 6%	100%		

PART II - RESEARCH AND DEVELOPMENT CREDIT COMPUTATION		
2. Allowable tentative credit for 1997 (from Part I, Line 1)		2
3. Multiply Line 2 by 33 $\frac{1}{3}$ %		3
4. Enter the 1997 Connecticut corporation business tax liability (or combined corporation business tax liability) due after the application of the total amount of Connecticut corporation business tax credits, (except the Research and Development Credit) ..		4
5. Multiply Line 4 by 50%		5
6a. Enter 200% of Line 2	6a	
6b. Enter 90% of Line 4	6b	
6. Enter the lesser of Line 6a or Line 6b		6
7. Enter the greater of Line 5 or Line 6		7
8. 1997 RESEARCH AND DEVELOPMENT CREDIT Enter the lesser of Line 3 or Line 7 on Form CT-1120K, Part I-A, Line 10 or Form CT-1120SK, Part I, Line 10		8

PART III - ALLOWABLE RESEARCH AND DEVELOPMENT CREDIT		
9. Enter the 1997 Connecticut corporation business tax liability (or combined business tax liability) due after the application of the total amount of Connecticut corporation business tax credits, (except the Research and Development Credit). If the result is zero, go to Part IV, Line 16		9
10. Enter the 1995 Research and Development Credit carryforward from 1996 Form CT-1120 RDC, Part IV, Line 16 (cannot exceed amount reported on Line 9)		10
11. Balance (Subtract Line 10 from Line 9)		11
12. Enter the 1996 Research and Development Credit carryforward from 1996 Form CT-1120 RDC, Part IV, Line 19 (cannot exceed amount reported on Line 11)		12
13. Balance (Subtract Line 12 from Line 11)		13
14. Research and Development Carryforward (Add Line 10 and Line 12). Enter here and on Form CT-1120K or Form CT-1120SK, Part II, Line 31		14
15. Enter the 1997 Research and Development Credit from 1997 Form CT-1120 RDC, Part II, Line 8 (cannot exceed amount reported on Line 13)		15

PART IV - COMPUTATION OF RESEARCH AND DEVELOPMENT CREDIT CARRYFORWARD		
16. Enter the 1995 Research and Development Credit Carryforward from 1996 Form CT-1120 RDC, Part IV, Line 16		16
17. 1995 Research and Development Credit carryforward applied in 1997 . Enter amount from Part III, Line 10.		17
18. 1995 Research and Development Credit Carryforward Balance: The Research and Development Credit carryforward balance for the 1995 income year to be carried forward to the 1998 Form CT-1120 RDC (Subtract Line 17 from Line 16)		18
19. Enter the 1996 Research and Development Credit Carryforward balance from 1996 Form CT-1120 RDC, Part IV, Line 19		19
20. 1996 Research and Development Credit carryforward applied in 1997 . Enter amount from Part III, Line 12.		20
21. 1996 Research and Development Credit Carryforward Balance: The Research and Development Credit carryforward balance for the 1996 income year to be carried forward to the 1998 Form CT-1120 RDC (Subtract Line 20 from Line 19)		21
22. 1997 Research and Development Credit from 1997 Form CT-1120 RDC, Part II, Line 2		22
23. 1997 Research and Development Credit applied in 1997 . Enter amount from Part III, Line 15		23
24. 1997 Research and Development Credit Carryforward Balance: The Research and Development Credit carryforward balance for the 1997 income year to be carried forward to the 1998 Form CT-1120 RDC (Subtract Line 23 from Line 22)		24
25. Add Line 18, Line 21 and Line 24. Enter here and on Form CT-1120K or Form CT-1120SK, Part IV, Line 43, Column G ..		25

FORM CT-1120RC

RESEARCH AND EXPERIMENTAL EXPENDITURES CREDIT

FOR INCOME YEAR		
Beginning	1997, and Ending	19

Corporation Name	CT TAX REGISTRATION NUMBER										
											000

INSTRUCTIONS

PURPOSE OF FORM

Form CT-1120RC must be completed to claim the credit equal to 20% of the incremental increase in research and experimental expenditures where the research and experimentation is conducted in Connecticut, pursuant to Conn. Gen. Stat. §12-217j.

DEFINITIONS

Connecticut research and experimental expenditures are those that may be deducted under Section 174 of the Internal Revenue Code and related regulations, for research and experimentation conducted in Connecticut.

This form must be accompanied by a detailed schedule that identifies the Connecticut locations where research and experimentation is conducted and lists the amounts spent directly on such research and experimentation as defined in Section 174 of the Internal Revenue Code.

RESEARCH CREDIT COMPUTATION

The credit is equal to 20% of the amount spent by the corporation directly on Connecticut research and experimental expenditures that exceeds the amount spent by that corporation on those expenditures during the preceding income year.

PART I - RESEARCH CREDIT COMPUTATION			
1. Amount of Connecticut research and experimental expenditures for the 1997 income year. (ATTACH DETAILED SCHEDULE)	1		
2. Amount of Connecticut research and experimental expenditures for the 1996 income year. (ATTACH DETAILED SCHEDULE)	2		
3. Balance (Subtract Line 2 from Line 1) (If zero or less, do not file this form; the corporation is not eligible for this credit)	3		
4. TAX CREDIT: Multiply Line 3 by 20% (.20) Enter here and on Form CT-1120K , Part I-A, Line 6 or Form CT-1120SK , Part I, Line 6, Column A	4		

NOTE: Biotechnology Companies

For credit carryforward instructions, please refer to Part II on reverse side of this form.

**CARRYFORWARD SCHEDULE
FOR BIOTECHNOLOGY COMPANIES ONLY:**

Carryforward Instructions:

Any unused credit balance can be carried forward and applied to each successive income year until the credit is fully taken. The maximum carryforward period is **15 years** and is applicable to income years commencing on or after January 1, 1997.

PART II - COMPUTATION OF RESEARCH AND EXPERIMENTAL CREDIT CARRYFORWARD FOR BIOTECHNOLOGY COMPANIES			
5. Enter amount from Part I, Line 4	5		
6. 1997 Research and Experimental credit applied from Form CT-1120K , Part I-A, Line 6, Column B or Form CT-1120SK , Part I, Line 6, Column A	6		
7. 1997 Research and Experimental credit carryforward balance to 1998 Form CT-1120RC (Subtract Line 6 from Line 5). Enter here and on Form CT-1120K or Form CT-1120SK , Part IV, Line 44, Column G	7		

FORM CT-1120 EDP

1997

(Rev. 12/97)

**ELECTRONIC DATA PROCESSING EQUIPMENT
PROPERTY TAX CREDIT**

FOR INCOME YEAR		
Beginning	1997, and Ending	19

Corporation Name	CT TAX REGISTRATION NUMBER										
											000

INSTRUCTIONS

PURPOSE OF FORM

Form CT-1120 EDP must be completed to claim the credit for personal property taxes on electronic data processing equipment, that were paid (by corporations whose method of accounting for federal income tax purposes is the cash receipts and disbursements method) or incurred (by corporations whose method of accounting for federal income tax purposes is the accrual method) during the income year to a Connecticut municipality, pursuant to Conn. Gen. Stat. §12-217t.

DEFINITION

"Electronic Data Processing Equipment" means computers, printers, peripheral computer equipment, bundled software and any computer-based equipment acting as a computer as defined in Section 168 of the Internal Revenue Code of 1986, and any other equipment reported as a Code 20 on the Personal Property Declaration as prescribed by the Secretary of the Office of Policy and Management pursuant to Conn. Gen. Stat. §12-27.

Attach a complete copy of the Personal Property Declaration including all schedules as filed with the municipality for the October 1, 1996, grand list.

In the case of leased electronic data processing equipment, the lessee, not the lessor, is entitled to claim the credit allowed by Conn. Gen. Stat. §12-217t if the lease by its terms or by operation imposes on the lessee the cost of the personal property taxes on the equipment. However, the lessor and lessee may elect, in writing, that the lessor may claim the credit. The election must be attached to the tax return filed by the lessor on which the electronic data processing equipment property tax credit is claimed.

ELECTRONIC DATA PROCESSING EQUIPMENT CREDIT COMPUTATION

The amount allowed as a credit in 1997 will be the personal property taxes on electronic data processing equipment as defined above, paid or incurred pursuant to Conn. Gen. Stat. §12-71 or §12-80a and appearing on the October 1, 1996 grand list or in the list prescribed under §12-80a for the grand list, and any carryforward balance from the 1996 income year. The EDP credit is allowed **only** after the application of all other tax credits have first been applied. The allowable credit is applied first against the corporation business tax. The remaining credit may be applied against the taxes administered under chapters 202a, 207, 208a, 209, 210, 211 or 212. Effective January 1, 1995, the remaining credit balance that exceeds the credit applied may be carried forward for five succeeding income years.

PART I – ALLOWABLE ELECTRONIC DATA PROCESSING EQUIPMENT PROPERTY TAX CREDIT			
1. Enter the 1997 Connecticut corporation business tax liability due before the application of any tax credits from Form CT-1120, CT-1120S, CT-1120L, or CT-990T.....	1		
2. Enter the total of all 1997 Connecticut corporation business tax credits available under Chapter 208 except the Electronic Data Processing Equipment Property Tax Credit from Form CT-1120K, Part III, Line 34, Column A or Form CT-1120SK, Part III, Line 33, Column A.....	2		
3. Balance (Subtract Line 2 from Line 1).....	3		
4. Enter the 1995 Electronic Data Processing Property Tax Credit carryforward from 1996 Form CT-1120 EDP, Part II, Line 16 (cannot exceed the amount reported on Line 3).....	4		
5. Balance (Subtract Line 4 from Line 3).....	5		
6. Enter the 1996 Electronic Data Processing Property Tax Credit carryforward from 1996 Form CT-1120 EDP, Part II, Line 21 (cannot exceed the amount reported on Line 5).....	6		
6a. Balance (Subtract Line 6 from Line 5).....	6a		
7. Credit Carryforward Balance (Add Line 4 and Line 6).....	7		
8. Enter the amount of personal property taxes paid or incurred on electronic data processing equipment in 1997 from October 1, 1996 grand list (cannot exceed the amount reported on Line 6a) ...	8		
9. 1997 Allowable Electronic Data Processing Equipment Tax Credit (Add Line 7 and Line 8) Enter here and on Form CT-1120K, Part I-B, Line 21, Column B or Form CT-1120SK, Part I, Line 21, Column A.....	9		

Note: Credit Carryforward Computation Schedule is located on reverse side of this form

PART II – COMPUTATION OF ELECTRONIC DATA PROCESSING EQUIPMENT PROPERTY TAX CREDIT CARRYFORWARD

10. 1995 Electronic Data Processing Credit carryforward balance to 1997 from 1996 Form CT-1120 EDPC, Part II, Line 16	10		
11. 1995 Electronic Data Processing Credit carryforward applied to 1997 corporation business taxes and taxes under Conn. Gen. Stat. Sections 12-202a, 207, 208a, 209, 210, 211 or 212	11		
12. 1995 Electronic Data Processing Credit Carryforward Balance for the 1995 income year to be carried forward to 1998 Form CT-1120 EDPC. (Subtract Line 11 from Line 10)	12		
13. 1996 Electronic Data Processing Credit carryforward balance to 1997 from 1996 Form CT-1120 EDPC, Part II, Line 21	13		
14. 1996 Electronic Data Processing Credit carryforward applied to 1997 corporation business taxes and taxes under Conn. Gen. Stat. Sections 12-202a, 207, 208a, 209, 210, 211 or 212	14		
15. 1996 Electronic Data Processing Credit Carryforward Balance for the 1996 income year to be carried forward to 1998 Form CT-1120 EDPC. (Subtract Line 14 from Line 13).	15		
16. 1997 Electronic Data Processing Equipment tax paid or incurred from October 1, 1996 grand list	16		
17. 1997 Electronic Data Processing Credit applied to 1997 corporation business taxes and taxes under Conn. Gen. Stat. Sections 12-202a, 207, 208a, 209, 210, 211 or 212	17		
18. 1997 Electronic Data Processing Credit Carryforward Balance for the 1997 income year to 1998 Form CT-1120 EDPC. (Subtract Line 17 from Line 16)	18		
19. Carryforward Balance to 1998 (Add Line 12, Line 15 and Line 18). Enter total amount here and on Form CT-1120K or Form CT-1120SK, Part IV, Line 42, Column G.	19		

(Rev. 12/97)

**TAX CREDIT FOR RESEARCH AND DEVELOPMENT GRANTS
TO INSTITUTIONS OF HIGHER EDUCATION**

FOR INCOME YEAR		
Beginning	1997, and Ending	19

Corporation Name	CT TAX REGISTRATION NUMBER
	0 0 0

INSTRUCTIONS

PURPOSE OF FORM

Form CT-1120 GC must be completed to claim the credit, pursuant to Conn. Gen. Stat. §12-217I, based on the amount spent in Connecticut for any grant or combination of grants by a corporation to any institution of higher education in Connecticut for the purposes of research and development related to advancements in technology.

DEFINITIONS

A grant, for the purposes of this credit, is the donation of funds to any institution of higher education in Connecticut for the purposes of research and development related to advancements in technology. This form must be accompanied by a detailed schedule that identifies the name and location of the institution of higher education, the date and amount of funds expended for the research and development grant, and a description of the grant.

An institution of higher education means any public or nonprofit educational institution in Connecticut which:

1. admits as regular students individuals having a certificate of graduation from high school or equivalent certificate; **and**
2. is legally licensed, accredited or approved by the Board of Governors for Higher Education to provide a program of education beyond high school; **and**
3. provides an educational program in Connecticut for which it awards a bachelor's or higher degree, or provides a program towards gainful employment.

Research and development related to advancements in technology means development of new products, development of new uses for existing products, or development or improvement of methods for producing products.

Research and development does not include testing or inspection for quality control purposes, efficiency surveys, management studies, consumer surveys or other market research, advertising or promotional activities, or research in connection with literary, historical or similar projects.

GRANTS TO INSTITUTIONS OF HIGHER EDUCATION CREDIT			
1. Amount of research and development grants to institutions of higher education in Connecticut for the 1994 income year (ATTACH DETAILED SCHEDULE)	1		
2. Amount of research and development grants to institutions of higher education in Connecticut for the 1995 income year (ATTACH DETAILED SCHEDULE)	2		
3. Amount of research and development grants to institutions of higher education in Connecticut for the 1996 income year (ATTACH DETAILED SCHEDULE)	3		
4. Add Lines 1, 2 and 3	4		
5. Divide Line 4 by Line 3. (This is the average annual amount of grants during the three immediately preceding income years)	5		
6. Amount of research and development grants to institutions of higher education in Connecticut for the 1997 income year (ATTACH DETAILED SCHEDULE)	6		
7. Balance (Subtract Line 5 from Line 6) (If zero or less do not file this form; the corporation is not eligible for this credit)	7		
8. TAX CREDIT: Multiply Line 7 by 25% (.25). Enter here and on Form CT-1120K , Part I-A, Line 8 or Form CT-1120SK , Part I, Line 8	8		

FORM CT-1120 ETC
EMPLOYEE TRAINING CREDIT

1997

FOR INCOME YEAR		
Beginning	1997, and Ending	19

Corporation Name	CT TAX REGISTRATION NUMBER										
											000

INSTRUCTIONS

PURPOSE OF FORM

Form CT-1120 ETC must be completed to claim the credit based on the amount spent in Connecticut on training of employees employed in Connecticut, pursuant to Conn. Gen. Stat. §12-217k.

DEFINITIONS

A Connecticut employee, for the purposes of the employee training tax credit, is any individual who is compensated for services performed in Connecticut for an employer that is subject to the Connecticut corporation business tax. The compensation must be subject to Connecticut employment tax and to Connecticut income tax withholding.

Training is the instruction, maintenance or improvement of the skills required by the employer for the proper performance of the employee's duties and must be conducted in Connecticut.

This form must be accompanied by a detailed schedule that identifies the dates, locations and a description of the training programs conducted in Connecticut and the amounts spent on them.

EMPLOYEE TRAINING CREDIT COMPUTATION

The credit is equal to 20% of the amount spent in Connecticut by a corporation on the training of its Connecticut employees that exceeds the amount spent in Connecticut by the corporation on the training of its Connecticut employees during the preceding income year.

EMPLOYEE TRAINING CREDIT			
1. Employee training expenditures in Connecticut for Connecticut employees for the 1997 income year. (ATTACH DETAILED SCHEDULE)	1		
2. Employee training expenditures in Connecticut for Connecticut employees for the 1996 income year. (ATTACH DETAILED SCHEDULE)	2		
3. Balance (Subtract Line 2 from Line 1) (If zero or less, do not file this form; the corporation is not eligible for this credit)	3		
4. TAX CREDIT: Multiply Line 3 by 20% (.20) Enter here and on Form CT-1120K, Part I-A, Line 7 or Form CT-1120SK, Part I, Line 7	4		

FORM CT-1120 MEC

1997

(New 12/97)

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT

FOR INCOME YEAR		
Beginning	1997, and Ending	19

Corporation Name	CT TAX REGISTRATION NUMBER				
	0	0	0	0	0

INSTRUCTIONS

PURPOSE OF FORM

Form CT-1120 MEC must be completed to claim the credit for the incremental increase in the amount spent by a corporation on machinery and equipment pursuant to Conn. Gen. Stat. §12-217o.

DEFINITIONS

Connecticut machinery and equipment expenditures include any tangible personal property acquired for and installed in a facility in Connecticut that is subject to depreciation under Section 168 of the Internal Revenue Code. Machinery and equipment does not include automobiles or other property used for transportation.

A permanent full-time employee is an employee, wherever located, not classified as part-time or seasonal by the corporation and whose wages are subject to federal employment and withholding taxes.

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT PERCENTAGES

The credit is equal to:

In the case of a corporation having 250 or less permanent full-time employees, **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 more than 250 permanent full-time employees but not more than 800 permanent full-time employees, **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.

MACHINERY AND EQUIPMENT EXPENDITURE SPECIAL ALLOWANCE:

A **special allowance** has been established for corporations that incurred expenditures for machinery and equipment whose income year commences on the first day of January, February, March, April or May of 1995. Expenditures incurred for machinery and equipment acquired for and installed in a Connecticut facility from January 1, 1995 through May 31, 1995 will be deemed to have been spent during the 1997 income year. These expenditures shall be added to amounts spent during the corporation's 1997 income year. Enter this amount on Form CT-1120 MEC, Line 1.

MACHINERY AND EQUIPMENT EXPENDITURE CREDIT		
1. Amount of Connecticut machinery and equipment expenditures incurred from January 1, 1995 through May 31, 1995 (Attach schedule)	1	
2. Amount of Connecticut machinery and equipment expenditures incurred during the 1997 income year (Attach schedule)	2	
3. Add Line 1 and Line 2. (Total machinery and equipment expenditures incurred in 1997)	3	
4. Amount of Connecticut machinery and equipment expenditures incurred during the 1996 income year (Attach schedule)	4	
5. Balance (Subtract Line 4 from Line 3) (If zero or less, do not file this form.)	5	
6. Enter the number of full-time employees for 1997 (Attach schedule)	6	
6a. If Line 6 is 250 or less, enter 10% on Line 7		
6b. If Line 6 is 251, but not more than 800, enter 5% on Line 7		
7. Enter the applicable percentage (5% or 10%)	7	
8. Tax credit (Multiply Line 5 by Line 7) Enter here and on Form CT-1120K , PART I-A, Line 9 or Form CT-1120SK , Part I, Line 9.	8	

FORM CT-1120 OC
OPPORTUNITY CERTIFICATE CREDIT

1997

FOR INCOME YEAR		
Beginning	1997, and Ending	19

Corporation Name	CT TAX REGISTRATION NUMBER					
						000

INSTRUCTIONS

PURPOSE OF FORM

Form CT-1120 OC must be completed to claim the credit available under Public Act 97-295, §7. Any business firm which desires to hire a qualifying employee in any income year commencing on or after January 1, 1997, may apply to the Commissioner of Social Services for an allocation of a tax credit in an amount equal to \$125.00 for each full month that such employee is employed by the firm.

DEFINITIONS

A qualifying employee is any employee who is employed not less than 15 hours per week by the business firm and, who, at the time of being hired by such firm, is and has been receiving benefits from the temporary family assistance program for more than nine months.

OPPORTUNITY CERTIFICATE CREDIT COMPUTATION

Multiply the number of complete calendar months worked by qualified employees during the income year beginning on or after January 1, 1997 by \$125.00 to determine the amount of credit.

This form must be accompanied by a verification letter issued by the Department of Social Services for each employee hired under the Opportunity Certificate Program.

PART I - OPPORTUNITY CERTIFICATE CREDIT COMPUTATION (If additional lines are needed, please attach a worksheet)					
	COLUMN A Employee Name	COLUMN B Employee Social Security Number	COLUMN C Date of Hire	COLUMN D Number of Complete Calendar Months Employed	COLUMN E Column D multiplied by \$125
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.	Tax Credit: (Add Lines 1 through 7, Column E) Enter here and on Form CT-1120K, Part I-A, Line 12 or Form CT-1120SK, Part I, Line 12.				

NOTE: For credit carryforward instructions and schedule, please refer to Part II on reverse side of this form.

CARRYFORWARD SCHEDULE

Carryforward Instructions:

Any unused credit balance can be carried forward and **applied** to five successive income years until the credit is fully taken.

PART II - COMPUTATION OF OPPORTUNITY CERTIFICATE CREDIT CARRYFORWARD			
9. Enter amount from Part I, Line 8	9		
10. 1997 Opportunity Certificate credit applied from Form CT-1120K, Part I-A, Line 12, Column B or Form CT-1120SK, Part I, Column A	10		
11. 1997 Opportunity Certificate credit carryforward balance to 1998 Form CT-1120 OC (Subtract Line 10 from Line 9). Enter here and on Form CT-1120K or Form CT-1120SK, Part IV, Line 45, Column G	11		

PART II – CARRYFORWARD CREDITS FROM 1996

	COLUMN A Total Amount of Carryforward Credits	COLUMN B Amount Applied to Corporation Tax	COLUMN C Amount Applied to Other Taxes	COLUMN D Enter Tax Type
23. Air Pollution	▶			
24. Industrial Waste	▶			
25. Neighborhood Assistance	▶			
26. Child Day Care	▶			
27. Housing Program Contribution	▶			
28. Clean Alternative Fuel	▶			
29. Employer-Assisted Housing	▶			
30. Electronic Data Processing Equipment Property Tax Credit (Enter amount from Form CT-1120 EDPC, Part I, Line 7)	▶			
31. Research and Development (Enter amount from Form CT-1120 RDC, Part III, Line 14)	▶			
32. Research and Expenditures (From Biotechnology Companies)	▶			
33. TOTAL CARRYFORWARD CREDITS (Add Lines 23 through 32 and enter total in Column A through Column C)	▶			

PART III — TAX CREDIT SUMMARY

	COLUMN A Total Amount of Credits Claimed	COLUMN B Amount Applied to Corporation Tax	COLUMN C Amount Applied to Other Taxes
34. TOTAL TAX CREDITS (Add Lines 13, 22 and 33 and enter amount in Column A through Column C)	▶		

Enter the amount of tax credits being applied to the corporation business tax from Line 34, Column B (above) on Form CT-1120, Schedule C, Line 2 or CT-1120L, Schedule B, Line 2.

If filing a **combined return**, enter the combined total of the tax credits on Form CT-1120K, Column B (above) on Form CT-1120CR, Schedule KC.

If being applied against another tax type, enter the amount from Part III, Line 34, Column C (above) on the appropriate tax form.

PART IV — CARRYFORWARD AND CARRYBACK OF 1997 TAX CREDITS

	COLUMN D Credit Claimed	COLUMN E Credit Applied	COLUMN F Carryback	COLUMN G Carryforward to 1998 (Col. D less Cols. E and F)
35. Air Pollution				▶
36. Industrial Waste				▶
37. Neighborhood Assistance		▶		
38. Child Day Care				▶
39. Housing Program Contribution		▶		▶
40. Employer-Assisted Housing		▶		▶
41. Clean Alternative Fuel				▶
42. Electronic Data Processing				▶
43. Research and Development (Form CT-1120 RDC)				▶
44. Research and Expenditures (from Biotechnology Companies)				▶
45. Opportunity Certificate				▶

(New 12/97)

S CORPORATION BUSINESS TAX CREDIT SUMMARY
- REFER TO INSTRUCTIONS BEFORE COMPLETING THIS FORM -

Corporation Name	CT TAX REGISTRATION NUMBER 000
------------------	--

PART I - TAX CREDITS FROM 1997 INCOME YEAR

	COLUMN A Total Amount of Credits Claimed
1. Work Education ▶	
2. Apprenticeship ▶	
3. Manufacturing Facilities (Attach Form CT-1120MC) ▶	
4. Manufacturing Facilities - Enterprise Zone or Entertainment District (Attach Form CT-1120 MCEZ) ▶	
5. New Facilities for Financial Institutions ▶	
6. Research and Expenditures (Attach Form CT-1120RC) ▶	
7. Employee Training (Attach Form CT-1120 ETC) ▶	
8. Grants to Institutions of Higher Education (Attach Form CT-1120GC) ▶	
9. Machinery and Equipment (Attach Form CT-1120 MEC) ▶	
10. 1997 Allowable Research and Development Credit (Enter amount from Form CT-1120 RDC, Part II, Line 8) ▶	
11. Traffic Reduction ▶	
12. Opportunity Certificate (Attach Form CT-1120 OC) ▶	
13. <i>Reserved for future use</i>	
14. Air Pollution ▶	
15. Industrial Waste ▶	
16. Neighborhood Assistance ▶	
17. Child Day Care ▶	
18. Housing Program Contribution ▶	
19. Employer-Assisted Housing ▶	
20. Clean Alternative Fuel - Vehicles, Equipment and Related Refilling/Recharging Stations (See instructions) ▶	
21. 1997 Allowable Electronic Data Processing Equipment Property Tax Credit (Enter amount from Form CT-1120 EDPC, Part I, Line 8) ▶	
22. TOTAL PART I (Add Lines 1 through 21) ▶	

PART II – CARRYFORWARD CREDITS FROM 1996

		COLUMN A Total Amount of Credits Claimed
23.	Air Pollution	
24.	Industrial Waste	
25.	Neighborhood Assistance	
26.	Child Day Care	
27.	Housing Program Contribution	
28.	Clean Alternative Fuel	
29.	Employer-Assisted Housing	
30.	Electronic Data Processing Equipment Property Tax Credit (Enter amount from Form CT-1120 EDP, Part I, Line 7)	
31.	Research and Development (Enter amount from Form CT-1120 RDC, Part III, Line 14)	
32.	Research and Expenditures (Biotechnology companies only)	
33.	TOTAL CARRYFORWARD CREDITS (Add Lines 23 through 32)	

PART III – TAX CREDIT SUMMARY

		COLUMN A Total Amount of Credits Claimed	COLUMN B Multiply Amount from Column A by 90% (.90)
34.	TOTAL TAX CREDITS (Add Lines 22 and 33 and enter amount in Column A)		

For S corporations computing tax based on net income (Schedule A):

Enter the amount of tax credits being applied to the corporation business tax from Line 34, Column B on Form CT-1120S, Schedule C, Line 2.

For S corporations computing tax based on capital (Schedule B) and those subject to the minimum tax (\$250.00):

Enter the amount of tax credits being applied to the corporation business tax from Line 34, Column A on Form CT-1120S, Schedule C, Line 2.

PART IV – CARRYFORWARD AND CARRYBACK OF 1997 TAX CREDITS

* Only S corporations computing tax based on net income (Schedule A) should complete Column D1.	COLUMN D Credit Claimed	COLUMN D1* Multiply Amount from Column D by 90% (.90) (See instructions)	COLUMN E Credit Applied (See instructions)	COLUMN F Carryback	COLUMN G Carryforward to 1998 (Col. D less Cols. E and F)
35.	Air Pollution				
36.	Industrial Waste				
37.	Neighborhood Assistance				
38.	Child Day Care				
39.	Housing Program Contribution				
40.	Employer-Assisted Housing				
41.	Clean Alternative Fuel				
42.	Electronic Data Processing				
43.	Research and Development (Form CT-1120 RDC)				
44.	Research and Expenditures (Biotechnology companies only)				
45.	Opportunity Certificate				

SALES AND USE TAX RETURN

OS-114

GENERAL INSTRUCTIONS

1. A RETURN MUST BE FILED even if no tax is due or no sales were made.
2. DUE DATE:
Return is due one month after period ending. Return must be postmarked on or before the due date.
3. DEDUCTIONS: Fill out reverse side of this form if you claim deductions.
4. INTEREST: For late payment - 1% of tax due per month from due date.
5. PENALTY: For failure to pay tax when due - 15% of tax due or \$50, whichever is greater.
6. NEW OWNERS: Do not use previous owner's form to file your return. Any change in ownership requires a new permit.
7. Make check payable to: *COMMISSIONER OF REVENUE SERVICES. (Be sure to include the Tax Registration Number on your check.)*
FOR COMPLETE INSTRUCTIONS CONSULT FORM O-88.

FOR PERIOD ENDING
CONNECTICUT TAX REGISTRATION NUMBER

FOR DEPARTMENT USE ONLY

*PLEASE ENTER ANY CHANGES
TO YOUR NAME AND/OR ADDRESS
BELOW:*

NEW TRADE NAME:
NEW MAILING ADDRESS:
<input type="checkbox"/> <i>Please check if change applies to both mailing and physical address.</i>
NEW PHYSICAL LOCATION (P. O. Box Not Acceptable)

1	GROSS RECEIPTS FROM SALES OF GOODS	▶	1	
2	GROSS RECEIPTS FROM LEASES AND RENTALS	▶	2	
3	GROSS RECEIPTS FROM LABOR AND SERVICES	▶	3	
4	PURCHASES OF GOODS BY YOUR BUSINESS SUBJECT TO USE TAX	▶	4	
5	LEASES AND RENTALS BY YOUR BUSINESS SUBJECT TO USE TAX	▶	5	
6	PURCHASES OF SERVICES BY YOUR BUSINESS SUBJECT TO USE TAX	▶	6	
7	TOTAL: <i>Add Lines 1 through 6</i>	▶	7	
8	TOTAL DEDUCTIONS: <i>Please complete reverse side, enter amount from Total Deductions here.</i>	▶	8	
9	BALANCE SUBJECT TO TAX: <i>Subtract Line 8 from Line 7, but not less than zero</i>	▶	9	
10	GROSS AMOUNT OF TAX DUE: <i>Multiply Line 9 by 6% (.06)</i>	▶	10	
11	CREDITS: <i>See instructions, Form O-88</i>	▶	11	
12	NET AMOUNT OF TAX DUE: <i>Subtract Line 11 from Line 10</i>	▶	12	
13	FOR LATE PAYMENT OF TAX: <i>See General Instructions</i> INTEREST ▶ _____ + PENALTY ▶ _____ =	▶	13	
14	TOTAL AMOUNT DUE: <i>Add Line 12 and Line 13</i>	▶	14	

PLEASE COMPLETE ITEMS BELOW

IF THIS RETURN IS NOT FOR A FULL PERIOD, ENTER THE DATES COVERED: FROM: _____ TO: _____

IF THIS BUSINESS HAS CHANGED OWNERSHIP SINCE YOUR LAST RETURN, ENTER NAME AND ADDRESS OF NEW OWNERS AND DATE SOLD.
NAME: _____ ADDRESS: _____ DATE SOLD: _____

IF THIS IS YOUR FIRST RETURN, PLEASE ENTER BUSINESS STARTING DATE: _____ **IF YOU ARE OUT OF BUSINESS, PLEASE ENTER LAST BUSINESS DATE:** _____

I declare under the penalties of false statement that this return has been examined by me and to the best of my knowledge and belief it is true, complete and correct.

TAXPAYER'S SIGNATURE X	TITLE	DATE
PAID PREPARER'S SIGNATURE X	PAID PREPARER'S ADDRESS	DATE

DEDUCTIBLE ITEMS AT 6% TAX RATE

MISSING LINE NUMBERS REFLECT CHANGES IN SALES TAX EXEMPTIONS

15	Sales for resale - sales of goods	▶	15	
16	Sales for resale - leases and rentals	▶	16	
17	Sales for resale - labor and services	▶	17	
18	Subscription sales of newspapers, magazines and puzzle magazines	▶	18	
19	Trucks with gross vehicle weight rating over 26,000 pounds	▶	19	
20	Trucks used exclusively for carriage of interstate freight	▶	20	
21	Food products for human consumption & food sold through vending machines	▶	21	
22	Sales of soda, candy, gum, etc., purchased with food stamps	▶	22	
23	Fuel for motor vehicles	▶	23	
24	Sales of electricity, gas and heating fuel for residential dwellings	▶	24	
25	Sales of electricity - \$150 monthly charge per business	▶	25	
26	Sales of electricity, gas and heating fuel for mfg. or agric. production	▶	26	
27	Aviation fuel	▶	27	
29	Sales of tangible personal property to persons issued Farmer Tax Exemption Permit	▶	29	
30	Machinery and its component parts, materials, tools and fuel for manufacturing production	▶	30	
31	Machinery, materials, tools and equipment used in commercial printing process or publishing	▶	31	
32	Machinery, materials, tools and fuel for commercial fishing	▶	32	
33	Out-of-state - sales of goods	▶	33	
34	Out-of-state - leases and rentals	▶	34	
35	Out-of-state - labor and services	▶	35	
36	Sales of motor vehicles purchased by nonresidents	▶	36	
37	Prescription medicines - sales of goods	▶	37	
38	Non-prescription medicines and diabetic equipment - sales of goods	▶	38	
39	Sales to charitable or religious organizations - sales of goods	▶	39	
40	Sales to charitable or religious organizations - leases and rentals	▶	40	
41	Sales to charitable or religious organizations - labor and services	▶	41	
42	Sales to federal, Connecticut or municipal agencies - sales of goods	▶	42	
43	Sales to federal, Connecticut or municipal agencies - leases and rentals	▶	43	
44	Sales to federal, Connecticut or municipal agencies - labor and services	▶	44	
45	Sales of items certified for air and/or water pollution abatement - sales of goods	▶	45	
46	Sales of items certified to air and/or water pollution abatement - leases and rentals	▶	46	
47	Non-taxable labor and services	▶	47	
48	Business services between parent companies and wholly owned subsidiaries	▶	48	
49	Sale of vessels to nonresidents taxed at a lower rate (See instructions, Form O-88)	▶	49	
50	Trade-ins - motor vehicles, vessels, snowmobiles, farm tractors, aircraft, construction equipment	▶	50	
52	Taxed goods returned within 90 days at 6% rate (.06)	▶	52	
56	Sales of oxygen, blood plasma, prostheses, etc. - sales of goods	▶	56	
57	Sales of oxygen, blood plasma, prostheses, etc. - leases, rentals or repair services	▶	57	
58	Sales of printed material for future delivery out of state	▶	58	
59	Sales of articles of clothing or footwear under \$50	▶	59	
60	Sales of material and components for non-commercial production of clothing	▶	60	
63	Funeral expenses	▶	63	
64	Sales & purchases of repair or replacement parts used in manufacturing.	▶	64	
69	Repair services, repair and replacement parts for aircraft (See instructions, Form O-88)	▶	69	
71	Certain machinery under the Manufacturing Recovery Act of 1992 (See instructions, Form O-88)	▶	71	
72	Sales of machinery, equipment, tools, supplies and fuel used in the biotechnology industry	▶	72	
73	Sales of repair and maintenance services to vessels (See instructions, Form O-88)	▶	73	
74	Computer and data processing services (See instructions, Form O-88)	▶	74	
A	Other Adjustments - sales of goods (Describe:)	▶	A	
B	Other Adjustments - leases and rentals (Describe:)	▶	B	
C	Other Adjustments - labor and services (Describe:)	▶	C	
NOTE: Line 51 is now part of Line 50. Lines 53, 54, 55, 61, 62 and 70 are deleted. The deductions for these exemptions should go into Line A, B or C. Line 73 and 74 are new.				
TOTAL DEDUCTIONS (Enter on Line 8 on the front of this return)				

INSTRUCTIONS FOR COMPLETING CONNECTICUT SALES AND USE TAX RETURN
Filing Instructions



1. Use the preprinted tax return mailed to you by the Department of Revenue Services.
2. The correct CT Tax Registration Number and period ending must appear on the return in the space provided.
3. Be sure that your mailing address on the front of the return is correct.
4. If you have changed your **PHYSICAL LOCATION**, indicate that change in the space provided.
5. All deductions claimed must be itemized on the reverse side of the return.
6. A return will be considered timely if it bears a U.S. postmark on or before the last day of the month following the filing period shown on the return. If the due date falls on a Saturday, Sunday or legal holiday, substitute the next business day.
7. A return must be completed and filed even if no sales were made or no tax is due.
8. **WRITE YOUR CT TAX REGISTRATION NUMBER ON THE CHECK.**
9. **MAKE CHECK OR MONEY ORDER PAYABLE TO: COMMISSIONER OF REVENUE SERVICES.**
10. Mail the return and payment in the enclosed self-addressed envelope.
11. If you have any questions, please contact Taxpayer Services at 860-297-5962 or 1-800-382-9463 (in-state):
TDD/TT (Telecommunications Device for the Deaf) users only, call at 860-297-4911.

SPECIAL NOTES

- A:** Taxpayers who do not account for sales tax separately from gross receipts may use this **ALTERNATIVE METHOD** to determine amounts for Lines 1, 2 and 3.
- STEP 1 - Deduct the total of all exempt sales from gross receipts.
STEP 2 - For receipts subject to the 6% tax rate, multiply the remaining balance by 94.3% (.943).
STEP 3 - Add back the amount subtracted for exempt sales.
STEP 4 - Enter the total on the appropriate gross receipts (Line 1, 2 or 3) line.
- B:** RETURN AND REMITTANCES. Improperly completed returns or unsigned checks will be returned for completion and/or signature.
- C:** SUCCESSOR'S LIABILITY. The purchaser of a business is liable for the taxes of his predecessor to the extent of the purchase price unless a certificate of clearance is obtained from this Department. (See Conn. Gen. Stat. §12-424(2).)
- D:** CORPORATE OFFICER LIABILITY. Corporate officers may be held liable for sales and use taxes incurred by their corporations under Conn. Gen. Stat. §12-414a.

LINE BY LINE INSTRUCTIONS

- LINE 1 - ENTER TOTAL GROSS RECEIPTS** from the sale of tangible personal property.
- NOTE: (a) Include in Line 1 receipts from: (1) Sales of cigarettes and motor vehicle fuel, (2) Tax-exempt sales, (3) Total credit sales, (4) Federal and state excise taxes and state petroleum companies gross earnings tax, (5) Sales of heating fuel, electricity and gas, and (6) Shipping and delivery charges.
(b) Exclude from Line 1 receipts from: (1) Installment payments from conditional or credit sales previously reported, (2) Sales and use taxes and Admissions, Dues and Cabaret Tax reimbursements, (3) Sales of real estate, and (4) Commissions received, except sales agents services.
- LINE 2 - ENTER TOTAL GROSS RECEIPTS** from the leasing and renting of tangible personal property.
- NOTE: Include in Line 2 receipts from: (1) Royalties or periodic payments received, (2) Maintenance charges, (3) Cancellation charges, (4) Installation charges, (5) Shipping and delivery charges.
- LINE 3 - ENTER TOTAL GROSS RECEIPTS** derived from the rendering of all services, including but not limited to: (a) computer and data processing services; (b) credit information and reporting services; (c) employment agencies and agencies providing personnel services; (d) private investigation, protection, patrol work, watchman and armored car services, excluding services of off-duty police officers and off-duty firefighters; (e) painting and lettering services; (f) photographic studio services; (g) telephone answering services; (h) stenographic services; (i) services to existing industrial, commercial or income-producing real property; (j) business analysis, management, management consulting and public relations services; (k) piped-in music services; (l) flight instruction and chartering services by a certified air carrier; (m) motor vehicle repair services; (n) motor vehicle parking excluding valet parking at any airport; (o) radio or television repair services; (p) furniture reupholstering and repair services; (q) repair services to electrical or electronic devices; (r) lobbying or consulting services; (s) sales agent services for selling tangible personal property, excluding auctioneer services; (t) locksmith services; (u) advertising or public relations services not related to the development of media advertising or cooperative direct mail advertising; (v) landscaping and horticulture services; (w) window cleaning services; (x) maintenance services; (y) janitorial services; (z) exterminating services; (aa) swimming pool cleaning and maintenance services; (bb) the following renovation and repair services to other than industrial, commercial or income-producing real property: paving of any sort, painting or staining, wallpapering, roofing, siding and exterior sheetmetal work; (cc) miscellaneous personal services (SIC Industry Group 729), excluding services by licensed massage therapists or licensed hypertrichologists; (dd) repair or maintenance services to tangible personal property including any contract of warranty or service related to any such item; (ee) business analysis, management or management consulting services rendered by a general partner or an affiliate thereof to a limited partnership; (ff) telecommunications services; (gg) community antenna television services; (hh) noncommercial vessel storage or mooring charges (exclusive of the period from November 1 through April 30).
- LINE 4 - ENTER GROSS PURCHASES** of tangible personal property subject to use tax.
- LINE 5 - ENTER GROSS LEASE AND RENTAL** payments subject to use tax.
- LINE 6 - ENTER GROSS PAYMENTS** for services subject to use tax.
- LINE 7 - ENTER TOTAL OF LINES 1, 2, 3, 4, 5 and 6.**
- LINE 8 - ENTER DEDUCTION TOTAL** from the Deduction Total line on the back of the return.
- LINE 9 - SUBTRACT LINE 8** from Line 7. Enter the difference. (Not less than zero)
- LINE 10 - MULTIPLY AMOUNT** entered on Line 9 by the 6% tax rate (.06).
- LINE 11 - CREDITS.** To receive authorized tax credits for any prior period an amended return must have been filed, and a credit notice received from the Department of Revenue Services, for the period(s) the overpayment was made. The credit notice must be attached to your return. Advance payment credits will also be entered on this line.
- LINE 12 - SUBTRACT** Line 11 from Line 10. Enter the difference.
- LINE 13 - INTEREST -** If this is a late or amended return, interest is computed at the rate of 1% per month or fraction thereof from the due date until the date of payment. Interest is based on the amount which should have been remitted on time.
PENALTY FOR FAILURE TO PAY TAX WHEN DUE: 15% of the tax due or \$50, whichever is greater.
- LINE 14 - ADD** Line 12 and Line 13. Enter total.

DEDUCTIONS

The Department may require certificates from purchasers to support exempt sales.

- LINE 15, 16, 17 - SALES FOR RESALE.** Enter total sales made during the period for which resale certificates have been accepted.
- LINE 18 - SUBSCRIPTION SALES OF NEWSPAPERS, MAGAZINES AND PUZZLE MAGAZINES.**
- LINE 19 - ENTER ALL SALES, RENTALS AND LEASES OF COMMERCIAL TRUCKS** (including tractors and semitrailers) with gross vehicle weight rating over 26,000 pounds.
- LINE 20 - ENTER ALL SALES, RENTALS AND LEASES OF COMMERCIAL TRUCKS** (including tractors and semitrailers) operated actively and exclusively for carriage of interstate freight, pursuant to a certificate or permit issued by the Interstate Commerce Commission.
- LINE 21 - SALES OF FOOD.** Enter total sales of food products for human consumption, vegetable seeds and food sold through vending machines. (NOTE: FOOD DOES NOT INCLUDE alcoholic beverages, soda, candy, gum and tobacco products or food prepared for immediate consumption.)

- LINE 22** - SALES OF CERTAIN NONFOOD PRODUCTS PURCHASED WITH FOOD STAMPS.
- LINE 23** - SALES OF FUEL FOR TRANSPORTATION. Enter the sales of gasoline and diesel fuels on which the state excise tax has been assessed.
- LINE 24** - SALES OF HEATING FUEL, ELECTRICITY AND GAS FOR USE IN ANY RESIDENTIAL DWELLING.
- LINE 25** - SALES OF ELECTRICITY TO BUSINESSES amounting to \$150 or less per month. Monthly charges in excess of \$150 are taxable.
- LINE 26** - SALES OF HEATING FUEL, GAS AND ELECTRICITY TO AGRICULTURAL PRODUCERS AND MANUFACTURERS when 75% or more of the heating fuel, gas or electricity is consumed in a building or location used for agricultural production or manufacturing.
- LINE 27** - SALES OF AVIATION FUEL used exclusively for aviation purposes.
- LINE 29** - Sales of tangible personal property for exclusive use in agricultural production where a copy of the farmer tax exemption permit has been retained.
- LINE 30** - SALES OF MACHINERY AND ITS COMPONENT PARTS, MATERIALS, TOOLS AND FUEL FOR MANUFACTURING PRODUCTION. Sales or leases of machinery and component parts to build machinery, used directly in the manufacturing production process. Sales of materials, tools and fuel used directly in an industrial plant in the manufacturing production process or in the furnishing of gas, water, steam or electricity when delivered to consumers through mains, lines or pipes.
- LINE 31** - Sales or leases of machinery, materials, tools, equipment and supplies used predominantly in the production of printed material by a commercial printer or in a related printing production process including publishing.
- LINE 32** - SALES FOR COMMERCIAL FISHING. Sales of vessels, machinery or equipment for exclusive use on commercial fishing vessels. Sales of materials, tools and fuel used directly in the commercial fishing industry.
- LINE 33, 34** - SALES FOR INTERSTATE AND FOREIGN COMMERCE. Enter total sales in interstate or foreign commerce where delivery was provided by seller to a point outside of Connecticut, irrespective of transportation facilities involved. For the sales of vessels, refer to Line 49.
- LINE 35** - OUT OF STATE SALES OF SERVICES when the benefit of the services is exclusively realized outside this state.
- LINE 36** - SALES OF MOTOR VEHICLES PURCHASED BY NONRESIDENTS.
- LINE 37** - SALES OF MEDICINES BY PRESCRIPTION. Enter the total of medicines, syringes and needles by prescription.
- LINE 38** - SALES OF NON-PRESCRIPTION MEDICINES. Enter total sales of vitamins, vitamin compounds, mineral preparations, food supplements, internal analgesics, hemorrhoidal products, laxatives, cold and cough products, cold and allergy products, asthma products, antacids and test strips tablets, lancets and glucose monitoring equipment for the care of diabetes, and medication for diseases of the eye.
- LINE 39, 40, 41** - SALES TO EXEMPT CHARITABLE OR RELIGIOUS ORGANIZATIONS. Enter total sales made to charitable or religious organizations for scientific, educational, literacy, historical or cemetery purposes, if the organization has furnished a valid exemption certificate.
- LINE 42, 43, 44** - SALES TO GOVERNMENTAL AGENCIES. Enter total sales to the United States, State of Connecticut or any political subdivision or agency thereof, including public schools, police, fire departments, etc.
- LINE 45, 46** - SALES OF CERTIFIED ITEMS FOR AIR AND/OR WATER POLLUTION ABATEMENT. Enter the total sales of tangible personal property or supplies to be incorporated into or used and consumed in facilities whose primary purpose is the reduction, control or elimination of air and/or water pollution, certified as approved for such purpose by the Water Resources Commission or the Air Pollution Control Commission.
- LINE 47** - NON-TAXABLE LABOR & SERVICE CHARGES. Enter total of non-taxable labor and service charges included in Line 3. Example: labor on new construction.
- LINE 48** - SALES OF BUSINESS SERVICES BETWEEN PARENT COMPANIES AND WHOLLY OWNED SUBSIDIARIES.
- LINE 49** - SALES OF VESSELS TO NONRESIDENTS TAXED AT A RATE LOWER THAN 6%. In order to calculate the adjustment for this line you must: (1) subtract the state of registration's tax rate from Connecticut's tax rate of 6%. Note: There is no adjustment if the other state's tax rate is 6% or more. (2) divide the difference by .06 to arrive at a percentage. (3) multiply the percentage by total sales at the specific rate. Follow this procedure for all sales made at rates lower than 6%. Add all adjustments for the reporting period and enter on this line. The adjustment is necessary to compensate for the lower rates. Example: If the state of registration's tax rate is 4.5%, and gross sales at this rate are \$50,000 (.06-.045 = .015/.06 = .25 x \$50,000 = \$12,500), enter \$12,500 on Line 49.
- LINE 50** - TRADE-INS. Enter total trade-in allowance on motor vehicles, farm tractors, snowmobiles, vessels, aircraft, construction equipment.
- LINE 52** - RETURNED GOODS TAXED AT 6%. Enter goods returned for credit within 90 days of date of sale.
- LINE 56, 57** - SALES OF OXYGEN, BLOOD, ARTIFICIAL DEVICES, CRUTCHES AND WHEELCHAIRS. Enter on appropriate lines sales of oxygen, blood or blood plasma, prostheses or the sales, leases or repair services of crutches, walkers, wheelchairs, etc. and vital life support equipment.
- LINE 58** - SALES OF PRINTED MATERIAL. Enter sales of printed material delivered to Connecticut where purchaser has certified it will be delivered for use out of state within 30 days.
- LINE 59** - SALES OF CLOTHING UNDER \$50. Enter total sales of items of clothing or footwear costing less than \$50. This exemption will not apply to purchases of: special clothing or footwear primarily designed for athletic activity or protective use; jewelry, handbags, luggage, wallets, umbrellas, watches and similar items carried on or about the human body.
- LINE 60** - SALES OF CLOTH AND COMPONENTS USED IN THE NON-COMMERCIAL PRODUCTION OF CLOTHING.
- LINE 63** - FUNERAL EXPENSES. Enter first \$2,500 of tangible personal property for each funeral.
- LINE 64** - SALE OR PURCHASES OF REPAIR AND REPLACEMENT PARTS USED IN MANUFACTURING. Multiply gross by .0833 and enter.
- LINE 69** - Sales, use, storage or other consumption of repair or replacement parts and repair services exclusively for use in aircraft having a weight of 6,000 lbs. or more owned or leased by a certified air carrier, or in the significant overhauling or rebuilding of such aircraft on a factory basis. Sales of aircraft having a weight of 6,000 lbs or more (effective 10/1/97).
- LINE 71** - Gross receipts from the sales, use, storage and consumption in this state of materials, tools, fuels and machinery and equipment to be used primarily in manufacturing, as described in the Manufacturing Recovery Act of 1992; for sales made on or after 7/1/96, multiply applicable gross receipts by .50 and enter.
- LINE 72** - SALES OR LEASES OF MACHINERY, EQUIPMENT, SUPPLIES, TOOLS AND FUEL USED DIRECTLY IN THE BIOTECHNOLOGY INDUSTRY.
- LINE 73** - SALES OF REPAIR AND MAINTENANCE SERVICES FOR VESSELS. Vessel means every description of watercraft, other than seaplane. The effective rate for sales made as of 7/1/97 is 4%. Take the applicable gross receipts and multiply by 33% and enter.
- LINE 74** - COMPUTER AND DATA PROCESSING SERVICES WILL BE PHASED OUT. The effective rate as of 7/1/97 is 5%. Multiply the applicable gross receipts by 16.66% and enter.
- LINE A, B & C** - OTHER ADJUSTMENTS – EXPLAIN FULLY. On the applicable line enter and describe any other deductions not enumerated. For example, include on these lines: Sales to senior centers, sales made by eleemosynary nonprofit organizations of not more than \$20. For a complete list of sales and use tax exemptions, refer to Conn. Gen. Stat. §12-412.
- NOTE:** Line 51 is now part of Line 50. Line 65 is part of Line 64. Lines 53, 54, 55, 61, 62 and 70 are deleted. The deductions for these exemptions should go into Line A, B or C. Line 73 and 74 are new.

CONNECTICUT INDIVIDUAL USE TAX RETURN
 For the year January 1 - ► December 31, 19 _____

Your First Name and Middle Initial ▶	Last Name ▶	Your Social Security Number _____ : _____ : _____
If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial ▶	Last Name ▶	Spouse's Social Security Number _____ : _____ : _____
Home Address Number and Street ▶		
City, Town or Post Office ▶	State	ZIP Code

Purpose of Form: Use this form to report purchases of goods or services subject to Connecticut use tax for any calendar year. You may use this form to report either a single transaction or multiple transactions for the same calendar year. (Instead of using this form, you may use Line 15 on **Form CT-1040** or Line 7 on **Form CT-1040EZ** to report your use tax.)

Name and ID: Enter your name and social security number at the top of this form, and if applicable, your spouse's name and social security number. You may file either a separate or a joint return regardless of your filing status for income tax purposes.

Calendar Year: Enter the last 2 digits of the calendar year for which you are filing this return. You may file more than one form for a given year but do not combine transactions for different years.

- PART I.**
- | | |
|--|--|
| <ul style="list-style-type: none"> Column 1 - Enter the month, day and year of the purchases. Column 2 - Enter a brief description of taxable items or services purchased, such as jewelry, a boat, etc. Column 3 - Enter the name of the retailer from whom the item or service was purchased. Column 4 - Enter the purchase price. | <ul style="list-style-type: none"> Column 5 - Multiply the purchase price in Column 4 by 6% (.06) or the applicable rate, and enter the result. Column 6 - Enter the tax, if any, paid to another jurisdiction on the taxable item purchased. Column 7 - Subtract the amount entered in Column 6 from the amount entered in Column 5 and enter the difference in Column 7. Total Amount Due (If less than zero, enter 0, and do not file this form). |
|--|--|

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COLUMN 7
DATE OF PURCHASE	DESCRIPTION OF ARTICLES OR SERVICES	RETAILER OR SERVICE PROVIDER	PURCHASE PRICE	CONN. TAX DUE (.06 x Col. 4)	TAX, IF ANY, PAID TO ANOTHER JURISDICTION	BALANCE DUE (Col. 5 minus Col. 6 but not less than zero)

<p align="center">- NOTE: IF NO USE TAX IS DUE, YOU ARE NOT REQUIRED TO FILE A USE TAX RETURN. -</p> <p>PENALTY: FOR FAILURE TO PAY TAX WHEN DUE - 10% (.10) of the tax due.</p> <p>INTEREST: FOR LATE PAYMENT - 1% (.01) of tax due per month, or fraction thereof, from due date.</p>	<p>Total Tax ▶</p> <p>Penalty ▶</p> <p>Interest ▶</p> <p>TOTAL AMOUNT DUE ▶</p>
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- PART II.** Check one of the following, whichever applies:
- A. This return represents all purchases subject to use tax made during the calendar year listed above.
 - B. This return represents one of the following:
 - A single taxable purchase made during the calendar year listed above **OR**
 - Multiple taxable purchases made through a date prior to the end of the calendar year listed above **OR**
 - A subsequent return for the calendar year listed above for items not previously reported.

**PLEASE NOTE: DO NOT MAIL THIS RETURN WITH YOUR INCOME TAX RETURN.
 A SEPARATE CHECK MUST ACCOMPANY THIS RETURN.**

DUE DATE: This return may be filed at the time of purchase, but not later than April 15 for purchases made during the preceding calendar year.
NOTE: DO NOT FILE THIS RETURN IF USE TAX WAS ALREADY PAID ON A MOTOR VEHICLE, VESSEL OR AIRCRAFT UPON REGISTRATION.

MAKE CHECK OR MONEY ORDER PAYABLE TO: **COMMISSIONER OF REVENUE SERVICES.**
 Write your Social Security Number and "19____ Individual Use Tax" on your check or money order.
 Mail this return with check or money order to: **DEPARTMENT OF REVENUE SERVICES, PO Box 2973, Hartford CT 06104-2973.**

DECLARATION: I declare under the penalties of false statement that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete and correct. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Keep a copy for your records	Your Signature	Date	Spouse's Signature	Date
	Paid Preparer's Signature	Date	Federal Employer ID Number	
	Firm Name and Address			

QUESTIONS AND ANSWERS ON THE CONNECTICUT INDIVIDUAL USE TAX

This information answers commonly-asked questions about the Connecticut use tax. Understanding the use tax provisions is important because failure to comply can result in payment of interest and penalties. You must pay the Connecticut use tax on taxable goods and services when a Connecticut merchant fails to collect Connecticut sales tax from you or when you purchase taxable goods or services for use in Connecticut from an out-of-state merchant.

1. **Q. What is the use tax?**
 - A. When you make a retail purchase in this state, you will usually pay sales tax to the seller who in turn remits the tax to the Department of Revenue Services (DRS). There are some instances where Connecticut sales tax is not paid to the retailer. In these situations, the use tax must be paid by the purchaser directly to DRS. This tax has been in effect since 1947.
2. **Q. On what kinds of goods or services must I pay use tax?**
 - A. Personal property, whether purchased or leased, includes but is not limited to clothing costing \$50 or more, automobiles, appliances, furniture, VCRs, jewelry, cameras, computers and computer software. Services include, but are not limited to, repair services to your television, motor vehicle or computer; landscaping services for your home; or reupholstering services for your household furniture.
3. **Q. Are there exemptions from the use tax?**
 - A. Generally, all goods or services that are exempt from sales tax are exempt from use tax. Some examples are: clothing costing less than \$50 or newspapers and magazines by subscription.
4. **Q. What if a Connecticut retailer doesn't collect tax from a customer on a sale of taxable goods or services?**
 - A. The customer must file a use tax return and pay the tax.
5. **Q. What if a customer buys taxable goods or services from an out-of-state mail order company or television shopping channel and no Connecticut tax is charged by the vendor?**
 - A. The customer must file a use tax return and pay the use tax if the goods or services were purchased for use in Connecticut.
6. **Q. What if a customer buys taxable goods or services in another state and sales tax of the other state was charged by the vendor?**
 - A. If the goods or services were purchased for use in Connecticut and if the tax paid to the other state is less than the Connecticut tax, the customer must file a use tax return. The tax due is the Connecticut tax less the tax paid to the other state.
For example: Suppose that you purchased a \$1,000 refrigerator in another state and paid a \$50 tax to that state. If that refrigerator was purchased for use in Connecticut, a Connecticut use tax is owed. The Connecticut tax of \$60 is reduced to \$10, after allowance of \$50 credit for sales tax paid to the other state. If no tax was paid to the other state, however, the Connecticut use tax is \$60.
7. **Q. Am I being misled by an out-of-state merchant who tells me that I do not need to pay Connecticut use tax?**
 - A. Yes. While you may or may not have to pay tax in another state where you bought the goods or services, you must pay Connecticut use tax on taxable goods or services purchased for use in Connecticut.
8. **Q. Do I owe Connecticut use tax on all my out-of-state purchases of taxable goods and services?**
 - A. No. Items you purchased at one time for \$25 or less and *which you brought* into Connecticut are not subject to Connecticut use tax. However, the \$25 exemption does not apply to items that are *shipped or mailed* to you.
9. **Q. Can an out-of-state business, for example, a mail-order house, collect Connecticut use tax on taxable goods which are mailed or delivered into Connecticut?**
 - A. Yes, if the business has been registered to collect Connecticut use tax. If the business is not registered, then you must file a use tax return and pay the tax yourself.
10. **Q. When must individuals pay the use tax?**
 - A. A use tax return must be filed by April 15 for purchases made during the preceding year where the purchases are not made in connection with a trade or business carried on by the individual. If this date falls on a Saturday, Sunday or legal holiday, substitute the next business day. A person may file one return for the entire year or several returns throughout the year.
11. **Q. Do persons engaged in a trade or business have an obligation to pay use tax on purchases made in connection with their trade or business?**
 - A. Yes, if they make taxable purchases of goods or services out-of-state for use in their trade or business use tax purposes and report their purchases on their monthly or quarterly Sales and Use Tax Return. For further information, you may request **IP 93(3.1) Questions and Answers on the Connecticut Use Tax for Businesses and Professions**.
12. **Q. What is the penalty and interest for not paying the use tax?**
 - A. The penalty is 10% of the tax. Interest is charged at the rate of 1% per month or fraction thereof, from the due date of the tax return. There are also criminal sanctions for wilful failure to file a tax return. **PLEASE NOTE: IF NO USE TAX IS DUE, YOU ARE NOT REQUIRED TO FILE THIS RETURN.**
13. **Q. What are the use tax filing requirements for motor vehicles, vessels and aircraft?**
 - A. Generally, if the item is not purchased from a retailer, the Connecticut Department of Motor Vehicles will collect the use tax when an individual registers a motor vehicle or vessel. The Connecticut Department of Transportation will collect the use tax when an individual registers an aircraft. If you do not intend to register your motor vehicle, vessel or aircraft immediately after you purchase it, a use tax return must be filed by April 15 for a purchase made during the preceding year where the purchase is not made in connection with a trade or business carried on by the individual.
14. **Q. On what amount should the use tax be calculated?**
 - A. The tax rate should be applied to the total cost of the taxable goods or services purchased including separately-stated charges (such as shipping and handling). Computer services (5%) and repairs to vessels (4%) are taxable at a different rate.

FOR FURTHER INFORMATION: To order forms, publications or for further information, call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962. Telecommunication Device for the Deaf TDD/TT users only call 860-297-4911. Internet: <http://www.state.ct.us/drs>.

CERT-100

(Rev. 10/94)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**MATERIALS, TOOLS AND FUEL CERTIFICATE****CONN. AGENCIES REGS. §12-412(18)-1****GENERAL PURPOSE:** This certificate is to be used by the purchaser of materials, tools and fuel to establish that items purchased are to be used:

- directly in an industrial manufacturing plant in the actual fabrication of a product to be sold; **or**
- directly in the furnishing of power to an industrial manufacturing plant; **or**
- directly in the furnishing of gas, water, steam or electricity when delivered to consumers through mains, lines, pipes or bottles.

Whether or not the materials, tools and fuel will be used in Connecticut, charges for those materials, tools and fuel, when used as indicated above, are not subject to sales and use taxes.

If the materials, fuel or tools are not used in the manner described above, a purchaser who claimed an exemption shall owe a use tax on the total price of the materials, tools or fuel.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business involved in the actual fabrication of a product to be sold, in the furnishing of power to an industrial manufacturing plant, or in the furnishing of gas, water, steam or electricity to consumers through mains, lines, pipes or bottles to advise the seller of materials, tools or fuel that the sales and use taxes do not apply to the charges for the purchase. This certificate may be issued only for materials, tools and fuel, as defined in Conn. Agencies Regs. §12-412(18)-1. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.**INSTRUCTIONS FOR THE SELLER:** Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of the materials, tools or fuel were not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who is engaged in the actual fabrication of finished products to be sold, in the furnishing of power to an industrial manufacturing plant, or in the furnishing of gas, water, steam or electricity to consumers through mains, lines, pipes or bottles. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not engaged in such fabrication **or** that the materials, fuel or tools will not be used directly in actual fabrication of finished products to be sold. This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date that the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt under Materials, Tools and Fuel Certificate" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "Certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "Blanket Certificate" must be checked. A Blanket Certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 203-566-7033.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 203-297-4911.**

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

CHECK ONE BOX: BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

CHECK APPROPRIATE BOX AND PROVIDE WRITTEN DESCRIPTION OF EACH ITEM PURCHASED:

 MATERIALS TOOLS FUEL

DESCRIPTION:

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The item(s) described above are materials, tools or fuel, as defined in Conn. Agencies Regs. Section 12-412(18)-1, to be used:

- directly in an industrial manufacturing plant in the actual fabrication of a product to be sold; **or**
- directly in the furnishing of power to an industrial manufacturing plant; **or**
- directly in the furnishing of gas, water, steam or electricity, when delivered to consumers through mains, lines, pipes or bottles.

In accordance with the above-mentioned regulation, the purchase of these item(s) is not subject to sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, correct and complete. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of purchasing company

By: _____ Title _____ Date _____
Authorized signature of owner or officer

**MACHINERY AND COMPONENT PARTS OF MACHINERY
USED DIRECTLY IN A MANUFACTURING PROCESS**

CONN. GEN. STAT. §12-412(34) AND (73)

GENERAL PURPOSE: This certificate is to be used by the purchaser of:

- (i) machinery, to be used directly in the manufacturing production process; or
- (ii) any part(s) of a machine purchased exclusively for the purpose of assembling a machine to be used directly in a manufacturing production process. Such part(s) shall be assembled into a machine by the purchaser or someone acting on behalf of the purchaser.

Whether or not the machinery or component part(s) of a machine will be used in Connecticut, charges for such machinery or component part(s), when used as indicated above, are not subject to sales and use taxes.

If the machinery or component part(s) of a machine are not used in the manner described above, a purchaser who claimed an exemption shall owe a use tax on the total price of the machinery or component part(s) purchased under such exemption.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business purchasing manufacturing machinery or component part(s) of a machine to advise the seller of the machinery or component part(s) that the sales and use taxes do not apply to the charges for the purchase. This certificate may be issued only for (i) machinery used directly in a manufacturing production process, as defined in Conn. Gen. Stat. §12-412(34) and Conn. Agencies Regs. §12-412(34)-1, or (ii) any part(s) of a machine purchased exclusively for the purpose of assembling a machine for use directly in a manufacturing production process, as described in Conn. Gen. Stat. §12-412(73). A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance. In addition, the purchaser must prepare a record of the use of a component part purchased under Conn. Gen. Stat. §12-412(73) which must be maintained by the purchaser for a period of not less than three years following the date of purchase. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale and the storage, use or other consumption, of the machinery or component part(s) of a machine are not subject to sales and use taxes. The certificate is valid only if taken in good faith (i) in the case of machinery purchased under Conn. Gen. Stat. §12-412(34), from a person purchasing the machinery for use in manufacturing, and (ii) in the case of component part(s) of a machine purchased under Conn. Gen. Stat. §12-412(73), from a person purchasing the parts for use in manufacturing machinery or who will assemble the parts into a machine on behalf of a person engaged in manufacturing. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not engaged in manufacturing or that the machinery will not be used directly in a manufacturing production process. This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date on which the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt under CERT-101" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "Certificate for One Purchase Only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "Blanket Certificate" must be checked. A Blanket Certificate shall remain in effect for a three year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (IF NONE, explain on reverse)
NAME OF SELLER	ADDRESS	CT TAX REG. # (IF NONE, explain on reverse)

CHECK ONE BOX: Blanket Certificate Certificate for One Purchase Only

DESCRIPTION OF MACHINERY OR COMPONENT PART(S):

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The item(s) described above are: (i) machinery to be used directly in a manufacturing production process, as defined in Conn. Gen. Stat. §12-412(34) and Conn. Agencies Regs. §12-412(34)-1, or (ii) component part(s) of a machine purchased exclusively for the purpose of assembling a machine for use directly in a manufacturing production process, as described in Conn. Gen. Stat. §12-412(73).

In accordance with Conn. Gen. Stat. §12-412(34) or (73), the purchase of the above-described item(s) is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge of the information contained herein and that to the best of my knowledge and belief, it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of Purchaser

BY: _____
Signature of Authorized Owner, Officer or Agent Title Date

CERTIFIED REHABILITATION CERTIFICATE FOR CERTIFIED HISTORIC STRUCTURES

CONN. AGENCIES REGS. §12-407(2)(i)(1)-1

GENERAL PURPOSE: This certificate is to be used by an owner to establish that services to real property being rendered by a general contractor (or by a general contractor to establish that services to real property being rendered by a subcontractor) are directly connected with a certified and substantial rehabilitation of a certified historic structure. Charges for that portion of the services to a qualifying project are not subject to sales and use taxes.

Services to real property include such services as management, electrical, plumbing, paving, painting, staining, carpentry, roofing, siding, plastering, heating, air conditioning, ventilation, flooring, exterior sheet metal work, sandblasting, carpeting, masonry, wallpapering and refuse removal services.

However, services to real property do not include locksmith, landscaping and horticultural, window cleaning, maintenance, janitorial, exterminating, or swimming pool cleaning and maintenance services; charges for such services will be fully subject to sales and use taxes. See Conn. Agencies Regs. §12-407(2)(i)(1)-1(g)(2).

Under Conn. Gen. Stat. §12-407(2)(i)(DD), this certificate may not be issued by an owner or general contractor and may not be accepted by a service provider where the services being rendered by the service provider involve paving of any sort, painting or staining, wallpapering, roofing, siding and exterior sheet metal work.

Contractors are consumers of tangible personal property physically incorporated into buildings being constructed or renovated by them. Sales of such property to contractors are retail sales subject to sales and use taxes. Where a subcontractor will not accept a resale certificate issued by the general contractor in connection with services to industrial, commercial or income-producing real property being rendered to the general contractor by the subcontractor, this certificate may be issued by the general contractor to the subcontractor. Where a subcontractor will accept a resale certificate issued by the general contractor in connection with services to industrial, commercial or income-producing real property being rendered to the general contractor by the subcontractor, this certificate need not be issued.

INSTRUCTIONS FOR SERVICE RECIPIENT (OWNER OR GENERAL CONTRACTOR): This certificate is to be issued and signed by an owner to advise its general contractor that sales and use taxes do not apply to all or a portion of the charges made by the general contractor for services rendered to the owner's certified historic structure. The general contractor, in turn, should sign and issue a certificate to its subcontractors, advising each subcontractor that sales and use taxes do not apply to all or a portion of the charges made by the subcontractor for services rendered to the general contractor. A copy of the certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance. The owner must attach a copy of (A)(1) the listing of the building in the National Register or (2) the certification by the Secretary of the Interior to the Secretary of the Treasury that the building is located in a registered historic district and is of historic significance to the district and (B) the certification by the Secretary of the Interior to the Secretary of the Treasury that the rehabilitation is consistent with the historic character of the building or the district in which the building is located.

INSTRUCTIONS FOR SERVICE PROVIDER (GENERAL CONTRACTOR OR SUBCONTRACTORS): Acceptance of this certificate, when properly completed, by a service provider shall relieve such service provider from the burden of proving that services were rendered in the certified rehabilitation of a certified historic structure. The certificate is valid only if taken in good faith from the owner (or general contractor). The good faith of the service provider will be questioned if such provider has knowledge of facts that give rise to a reasonable inference that the certificate is inaccurate. This certificate and bills or invoices to the owner (or general contractor) must be maintained for a period of at least six years from the date that the services were rendered. Bills or invoices shall be marked (with words such as "Services exempt under Certified Rehabilitation Certificate") to indicate that charges for services were partially or totally exempted from sales and use taxes.

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962. TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

NAME OF SERVICE RECIPIENT	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SERVICE PROVIDER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

LOCATION OF AFFECTED REAL PROPERTY

GENERAL DESCRIPTION OF SERVICES RENDERED

CONTINUED ON REVERSE

DECLARATION OF SERVICE RECIPIENT

The real property identified above is a certified historic structure, as defined in 26 U.S.C. §48(g)(3)(A).

The structure is being substantially rehabilitated, as defined in 26 U.S.C. §48(g)(1)(C).

The rehabilitation will be a certified rehabilitation, as defined in 26 U.S.C. §48(g)(2)(C).

_____% of the services being rendered to the above identified real property are directly connected with its substantial and certified rehabilitation. In accordance with Conn. Agencies Regs. §12-407(2)(i)(I)-1(c)(1), these services are treated as services rendered in the construction of new real property and this percentage of the charges is not subject to sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, correct and complete. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Check one: owner general contractor

Name of service recipient *(Please print or type)*

By: _____
Signature of service recipient Title Date

RESIDENTIAL CONDOMINIUM ASSOCIATION CERTIFICATE

CONN. AGENCIES REGS. §12-407(2)(i)(1)-1

GENERAL PURPOSE: This certificate is to be used by a residential condominium association to establish, for a particular calendar year, the percentage of the condominium units that are not owner-occupied. That percentage will be used by the service provider as the percentage of charges for services to real property that are subject to sales and use taxes.

Services to real property include such services as management, electrical, plumbing, painting, paving, carpentry, staining, roofing, siding, plastering, heating, air conditioning, ventilation, exterior sheet metal work, flooring, sandblasting, carpeting, masonry, wallpapering and refuse removal services.

However, services to real property **do not** include locksmith, landscaping and horticultural, window cleaning, maintenance, janitorial, exterminating or swimming pool cleaning and maintenance services; charges for such services will be fully subject to sales and use taxes. See Conn. Agencies Regs. §12-407(2)(i)(1)-1(g)(2).

Under Conn. Gen. Stat. §12-407(2)(i)(DD), this certificate may not be issued by a residential condominium association and may not be accepted by a service provider where the services being rendered by the service provider involve paving of any sort, painting or staining, wallpapering, roofing, siding and exterior sheet metal work.

Contractors are consumers of tangible personal property physically incorporated into buildings being constructed or renovated by them. Sales of such property to contractors are retail sales subject to sales and use taxes. Where a subcontractor **will not accept** a resale certificate issued by the general contractor in connection with services to industrial, commercial or income-producing real property being rendered to the general contractor by the subcontractor, this certificate may be issued by the general contractor to the subcontractor. Where a subcontractor **will accept** a resale certificate issued by the general contractor in connection with services to industrial, commercial or income-producing real property being rendered to the general contractor by the subcontractor, this certificate need not be issued.

INSTRUCTIONS FOR SERVICE RECIPIENT (Condominium Association or General Contractor): This certificate must be signed by a principal officer of the association. The information must be accurate as of the first day of the calendar year covered by this certificate. A copy of the certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the end of the calendar year covered by this certificate. This certificate may be issued only where the services are rendered to the common elements and where the services are "services to industrial, commercial or income-producing real property," as defined in Regs. §12-407(2)(i)(1)-1(g). This certificate may not be issued in connection with the rendering to the condominium association of any other services or where the services are not rendered to the common elements.

INSTRUCTIONS FOR SERVICE PROVIDER (General Contractor or Subcontractor): Acceptance of this certificate, when properly completed, by a service provider shall relieve such service provider from the burden of proving that services were not rendered to income-producing real property only if taken in good faith from the condominium association or the general contractor. The good faith of the service provider will be questioned if such provider has knowledge of facts that give rise to a reasonable inference that the certificate is inaccurate. This certificate and bills or invoices to the condominium association must be maintained for a period of at least six years from the date that the services were rendered. Bills or invoices must be marked (with words such as "Services exempt under Residential Condominium Association Certificate") to indicate that charges for services were partially or totally exempted from sales and use taxes.

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962. TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

NAME OF RESIDENTIAL CONDOMINIUM ASSN.	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SERVICE PROVIDER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

GENERAL DESCRIPTION OF SERVICES BEING RENDERED TO RESIDENTIAL CONDOMINIUM ASSOCIATION BY SERVICE PROVIDER

PERIOD COVERED BY THIS CERTIFICATE:
(CALENDAR YEAR _____)

CONTINUED ON REVERSE

DECLARATION BY CONDOMINIUM ASSOCIATION

As of the first day of the calendar year covered by this certificate, there were _____ units in this residential condominium association, of which _____ units were not occupied by their owners as a dwelling. This information concerning occupancy was obtained from unit owners.

In accordance with Conn. Agencies Regs. §12-407(2)(i)(I)-1(f)(4), because _____% of the units were not owner-occupied, the same percentage of any charges made to this condominium association by any service provider rendering services to industrial, commercial or income-producing real property, as defined in Conn. Agencies Regs. §12-407(2)(i)(I)-1(g), is subject to sales and use taxes during the calendar year covered by this certificate.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, correct and complete. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of Condominium Association

By: _____
Signature of Principal Officer Title Date

NEW CONSTRUCTION CERTIFICATE

CONN. AGENCIES REGS. §12-407(2)(i)(I)-1

GENERAL PURPOSE: Charges for that portion of the services to real property that are directly connected with the construction of a new building or a new addition that expands the cubic footage of an existing building, or with the making of site improvements that put the property affected to a new use, are not subject to sales and use taxes. This certificate is to be used by an owner to establish that services to real property being rendered by a general contractor (or by a general contractor to establish that services to real property being rendered by a subcontractor) are directly connected with:

- the construction of a new building or a new addition that expands the cubic footage of an existing building; **or**
- the making of site improvements that put the property affected to a new use.

Services to real property include such services as management, electrical, plumbing, paving, painting, staining, carpentry, roofing, siding, plastering, heating, air conditioning, ventilation, exterior sheet metal work, flooring, sandblasting, carpeting, masonry, wallpapering and refuse removal services. However, services to real property **do not** include locksmith, landscaping and horticultural, window cleaning, maintenance, janitorial, exterminating, or swimming pool cleaning and maintenance services; charges for such services will be fully subject to sales and use taxes. See Conn. Agencies Regs. §12-407(2)(i)(I)-1(g)(2).

Contractors are consumers of **tangible personal property physically incorporated into buildings being constructed or renovated** by them. Sales of such property to contractors are retail sales subject to sales and use taxes. If a subcontractor **will not accept** a resale certificate issued by the general contractor in connection with services to real property being rendered to the general contractor by the subcontractor, **this certificate** may be issued by the general contractor to the subcontractor. If a subcontractor **will accept** a resale certificate issued by the general contractor, this certificate need not be issued.

INSTRUCTIONS FOR SERVICE RECIPIENT (OWNER OR GENERAL CONTRACTOR): This certificate is to be issued and signed by an owner to advise its general contractor that sales and use taxes do not apply to all or a portion of the charges made by the general contractor for services rendered to the owner's industrial, commercial, or income-producing property. The general contractor, in turn, should sign and issue a certificate to its subcontractors, advising each subcontractor that sales and use taxes do not apply to all or a portion of the charges made by the subcontractor for services rendered to the general contractor. This certificate may be issued only where the services rendered are "services to industrial, commercial or income-producing real property," as defined in Conn. Agencies Regs. §12-407(2)(i)(I)-1(g). A copy of the certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance.

INSTRUCTIONS FOR SERVICE PROVIDER (GENERAL CONTRACTOR OR SUBCONTRACTORS): Acceptance of this certificate, when properly completed, by a service provider shall relieve such service provider from the burden of proving that services were rendered in the construction of new real property. The certificate is valid only if taken in good faith from the owner (or general contractor). The good faith of the service provider will be questioned if such provider has knowledge of facts that give rise to a reasonable inference that the certificate is inaccurate. This certificate and bills or invoices to the owner (or general contractor) must be maintained for a period of at least six years from the date that the services were rendered. Bills or invoices shall be marked (with words such as "Services exempt under New Construction Certificate") to indicate that charges for services were partially or totally exempted from sales and use taxes.

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962. TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

NAME OF SERVICE RECIPIENT	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SERVICE PROVIDER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

LOCATION OF AFFECTED REAL PROPERTY

GENERAL DESCRIPTION OF SERVICES RENDERED

CONTINUED ON REVERSE

DECLARATION BY SERVICE RECIPIENT

_____ % of the services being rendered to the above identified real property are directly connected with the construction of a new building or a new addition that expands the cubic footage of an existing building or with the making of site improvements that put the property affected to a new use. In accordance with Conn. Agencies Regs. §12-407(2)(i)(I)-1(c)(1), this percentage of the services is treated as services rendered in the construction of new real property and this percentage of the charges is not subject to sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, correct and complete. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Check one: owner
 general contractor

Name of service recipient (Please print or type)

By: _____
Signature of service recipient Title Date

CERT-105

(Rev. 10/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**COMMERCIAL MOTOR VEHICLE PURCHASED WITHIN CONNECTICUT
TO BE USED EXCLUSIVELY IN THE CARRIAGE OF
FREIGHT IN INTERSTATE COMMERCE****CONN. GEN. STAT. §12-412(70)**

GENERAL PURPOSE: This certificate is to be used by the purchaser of a commercial truck, truck tractor, tractor or semitrailer, or vehicle used in combination therewith, which will be operated actively and exclusively during the one-year period following the date of purchase of such vehicle for the carriage of interstate freight pursuant to a certificate or permit issued by the Interstate Commerce Commission or its successor agency to the purchaser.

If the motor vehicle is not used in the manner described above, the purchaser shall be liable for Connecticut use tax on the total purchase price. A motor vehicle is considered to be used exclusively in interstate commerce only if each and every payload qualifies as an interstate commerce venture. Any other vehicle use, such as transporting payloads originating and terminating within Connecticut, makes the purchaser liable for tax.

INSTRUCTIONS TO THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business that purchases commercial trucks, truck tractors, tractors or semitrailers, or vehicles used in combination therewith, which will be operated actively and exclusively during the one-year period following the date of purchase of such vehicles for the carriage of interstate freight pursuant to a certificate or permit issued by the Interstate Commerce Commission, to advise the seller of such motor vehicle that the sales and use taxes do not apply to the purchase. The purchaser must attach to this certificate a copy of the certificate or permit that was issued by the Interstate Commerce Commission to the purchaser. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.

INSTRUCTIONS TO THE SELLER: Acceptance of this certificate, when properly completed and accompanied by a copy of the certificate or permit issued by the Interstate Commerce Commission to the purchaser, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of a motor vehicle as described above were not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who purchases a commercial truck, truck tractor, tractor or semitrailer, or vehicle used in combination therewith, which will be operated actively and exclusively during the one-year period following the date of purchase of such vehicle for the carriage of interstate freight pursuant to a certificate or permit issued by the Interstate Commerce Commission to the purchaser. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the motor vehicle being purchased by the purchaser will not be operated actively and exclusively during the one-year period following the date of purchase for the carriage of interstate freight pursuant to a certificate or permit issued by the Interstate Commerce Commission to the purchaser. This certificate, and the documents attached thereto, and bills or invoices to the purchaser must be maintained for a period of at least six years from the date that the motor vehicle was purchased. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-105" will satisfy the requirement.

This certificate may be used only for individual exempt purchases, and may not be used as a "blanket certificate" for a continuing line of purchases.

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.

TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (IF NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
		I.C.C. Permit Number	
NAME OF SELLER	ADDRESS	CT TAX REG. # (IF NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

VEHICLE IDENTIFICATION DATA

MAKE OF VEHICLE _____ MODEL _____

YEAR _____ COLOR _____ VEHICLE IDENTIFICATION NO. _____

MANUFACTURER'S GROSS VEHICLE WEIGHT RATING _____

COMPUTATION OF PRICE/TRADE-IN DATA

GROSS SALES PRICE _____ MAKE _____ MODEL _____

TRADE-IN ALLOWANCE _____ YEAR _____ VEHICLE IDENTIFICATION NO. _____

NET SALES PRICE _____ STATE OF REGISTRATION AND NO. _____

CONTINUED ON REVERSE

**CLAIM FOR REFUND OF USE TAX PAID ON MOTOR VEHICLE
PURCHASED FROM OTHER THAN A MOTOR VEHICLE DEALER**

CONN. GEN. STAT. §12-431(b)

PART I INSTRUCTIONS

WHO SHOULD USE THIS FORM: Any person who:

- purchased a motor vehicle from a person who is not a motor vehicle dealer; and
- paid less for the motor vehicle than its average trade-in value, as shown in the *N.A.D.A. Official Used Car Guide, Eastern Edition*, for the month of the purchase; and
- paid Connecticut use tax, when registering the vehicle with the Connecticut Department of Motor Vehicles, based on the vehicle's average trade-in value, and
- wishes to claim a partial refund of the Connecticut use tax because it can be proven that the actual purchase price of the motor vehicle was less than the vehicle's average trade-in value.

DO NOT USE THIS FORM IF: the actual purchase price of the vehicle equals or exceeds its average trade-in value. The Connecticut use tax is owed on the actual purchase price of vehicles.

A person purchasing a motor vehicle from a person other than a motor vehicle dealer must pay Connecticut use tax on the average trade-in value of the vehicle, without additions or deductions (e.g., for low or high mileage, or for optional equipment or the absence of optional equipment), as shown in the *N.A.D.A. Official Used Car Guide, Eastern Edition* for the month of purchase. If the purchaser can prove that the actual purchase price of the motor vehicle was less than the average trade-in value and submits this form, properly completed, and the documentation described below within 60 days after registering the vehicle with the Connecticut Department of Motor Vehicles, then any overpayment of Connecticut use tax by the purchaser on the vehicle will be refunded.

ALL CLAIMS MUST INCLUDE THE FOLLOWING

- **PURCHASER'S AFFIDAVIT:** The purchaser or purchasers must complete (and execute before a Notary Public, Justice of the Peace or Commissioner of the Superior Court) Part III.
- **SELLER'S AFFIDAVIT:** The seller or sellers must complete (and execute before a Notary Public, Justice of the Peace or Commissioner of the Superior Court) Part IV.
- **VALIDATED FORM H-13:** A copy of the validated "Application for Registration of a Motor Vehicle and Certificate of Title" (Form H-13) for the vehicle must be attached.
- **BILL OF SALE:** A copy of the bill of sale from the seller to the purchaser must be attached.
- **CANCELLED CHECK OR OTHER EVIDENCE OF PAYMENT:** A copy of the cancelled check used to purchase the vehicle (front and back), if payment was made by check, or other evidence of payment, if payment was not made by check, must be attached. For example: If paid by cash, you must submit a copy of the bank statement showing the withdrawal.
- **EXPLANATION FOR ACTUAL PURCHASE PRICE BEING LESS THAN N.A.D.A. AVERAGE TRADE-IN VALUE:** An explanation (and documenting evidence, such as a photograph, repair bill or appraisal pertaining to the condition of the vehicle) must be attached.

TIME IN WHICH CLAIM SHOULD BE SUBMITTED: This form (properly completed) and the documentation enumerated above should be submitted **within 60 days after registration of the motor vehicle** to the Department of Revenue Services, P.O. Box 5034, Hartford, CT 06102-5034.

TIME IN WHICH NOTICE OF ALLOWANCE OR DISALLOWANCE OF A CLAIM WILL GENERALLY BE GIVEN: The Department will generally give notice of the allowance or disallowance of the claim for refund within four to six weeks after its receipt of the claim. Allowed claims will be subject to further examination as provided by law.

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962. TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

PART II PURCHASER: READ INSTRUCTIONS FIRST, THEN COMPLETE THIS PART AND PART III ON REVERSE.

PLEASE PRINT LEGIBLY TO EXPEDITE YOUR REFUND

SOCIAL SECURITY NUMBER OF PURCHASER		TAX TYPE	REC TYPE	TRANS	
		77	75/76	2	
ADY	NAME OF PURCHASER				
1	Last	First			
ADDRESS					
CITY		STATE	ZIP CODE		
FOR DRS USE ONLY	REC TYPE	ACCOUNT NUMBER	TAX TYPE	PERIOD	UNIT
	41		77		1
TRANSACTION DATE		STATUS	REASON	TAX AMOUNT	
		19	11		
REFERENCE		SOURCE			
MVD		3			

PREPARED BY: _____ SUPERVISOR'S INITIALS _____

CONTINUED ON REVERSE

Purchaser's Daytime Telephone Number _____
Date of Purchase: _____ Date of Registration: _____
Name of Seller _____
Address of Seller _____
Seller's Daytime Telephone Number _____

DESCRIPTION OF MOTOR VEHICLE

Year: _____ Make: _____ Model: _____
Vehicle Identification No. _____ Odometer Reading on Date of Purchase: _____

REFUND CALCULATION

Value Used by DMV in Computing Tax: \$ _____ Tax Paid to DMV \$ _____
Actual Purchase Price: \$ _____ × 6% = Tax Actually Due \$ _____
REFUND CLAIMED (Tax Paid Less Tax Actually Due) \$ _____

PART III PURCHASER: SIGN THIS BEFORE NOTARY PUBLIC, JUSTICE OF THE PEACE OR COMMISSIONER OF THE SUPERIOR COURT

I, the purchaser named in Part II, being duly sworn, depose and say that I purchased the vehicle identified in Part II from the seller named in Part II. The actual purchase price of the vehicle was \$ _____. No other consideration, such as transfers of property other than money, cancellations or offsets of debts owed by the seller, etc., has been or will be paid or transferred by me in connection with my purchase of the vehicle identified in Part II. I have closely examined this claim, and, to the best of my knowledge and belief, it is true, correct and complete. I understand that willfully making a statement that I know to be fraudulent or false in any material matter may result in my being fined not more than \$2,000 or imprisoned not more than one year.

Signature of Purchaser _____ Social Security Number _____
If Jointly Purchased,
Signature of Other Purchaser _____ Social Security Number _____

STATE OF CONNECTICUT
COUNTY OF _____

On this the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that _____ executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Title of Officer

(Notary Public: Affix seal here)

My commission expires the _____ day of _____, 19 _____.

PART IV SELLER: SIGN THIS BEFORE NOTARY PUBLIC, JUSTICE OF THE PEACE OR COMMISSIONER OF THE SUPERIOR COURT

I, the seller named in Part II, being duly sworn, depose and say that I sold the vehicle identified in Part II to the purchaser named in Part II. The actual purchase price of the vehicle was \$ _____. No other consideration, such as transfers of property other than money, cancellations or offsets of debts owed to the purchaser, etc., has been or will be paid or transferred to me in connection with my sale of the vehicle identified in Part II. I have closely examined this claim, and, to the best of my knowledge and belief, it is true, correct and complete. I understand that willfully making a statement that I know to be fraudulent or false in any material matter may result in my being fined not more than \$2,000 or imprisoned not more than one year.

Signature of Seller _____ Social Security Number _____
If Jointly Sold,
Signature of Other Seller _____ Social Security Number _____

STATE OF CONNECTICUT
COUNTY OF _____

On this the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that _____ executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Title of Officer

(Notary Public: Affix seal here)

My commission expires the _____ day of _____, 19 _____.

**RATE REDUCTION CERTIFICATE
VESSEL PURCHASED FROM A CONNECTICUT RETAILER WITHIN
THE STATE OF CONNECTICUT BY A RESIDENT OF ANOTHER STATE**

CONN. GEN. STAT. §12-408(1)(D)

PART I INSTRUCTIONS

● **LOWER TAX RATE FOR NONRESIDENT INDIVIDUALS PURCHASING VESSELS FROM CONNECTICUT RETAILERS:** Under the procedures set out below, the sale of a vessel by a Connecticut retailer to a nonresident individual is subject to Connecticut sales tax *but at the sales tax rate imposed under the laws of that other state*, if that tax rate is less than 6%. (If not, the 6% tax rate applies.)

● **PROCEDURE TO BE FOLLOWED BY RETAILERS:** The retailer must impose the tax at the 6% rate at the time of sale or at the tax rate of the other state, if less than 6%, provided the purchaser furnishes evidence that the purchaser is a resident of such other state (such as a driver's license issued by such other state) and not a Connecticut resident. This certificate (along with the evidence described above) shall be filed with the retailer's Sales and Use Tax Return. A copy of such certificate and evidence shall be retained by the retailer. The submittal of incomplete certificates or of certificates without the evidence described above may result in a tax assessment being made against the retailer.

● **RESIDENT OF ANOTHER STATE:** An individual is considered a resident of another state if, for Connecticut income tax purposes, the person is considered to be a nonresident. The lower sales tax rate is only available to nonresident individuals, and is not available to corporations or other business entities organized under the laws of another state. *Any individual issued a driver's license by the State of Connecticut as well as by another state will be treated as a Connecticut resident, and not as a nonresident individual.*

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

PART II RETAILER — READ INSTRUCTIONS FIRST, THEN COMPLETE THIS PART AND PART IV ON REVERSE

RETAILER INFORMATION

NAME OF RETAILER _____ CT TAX REGISTRATION NO. _____
ADDRESS _____ TELEPHONE NO. _____ DATE OF SALE _____

PURCHASER INFORMATION

NAME OF PURCHASER _____ DAYTIME TELEPHONE NO. _____

(Driver's License No.) (Issued by State of) *SEE INSTRUCTIONS* (Expiration Date)

VESSEL IDENTIFICATION DATA

MAKE OF VESSEL _____ MODEL _____ YEAR _____
TYPE _____ LENGTH _____ NAME OF VESSEL _____
STATE OF REGISTRATION AND NO. _____

COMPUTATION OF PRICE

GROSS SALES PRICE _____
TRADE-IN ALLOWANCE _____
NET SALES PRICE _____
OUT-OF-STATE TAX RATE _____ %
TAX COLLECTED \$ _____

TRADE-IN DATA

MAKE _____ MODEL _____
TYPE _____ LENGTH _____ YEAR _____
STATE OF REGISTRATION AND NO. _____
U.S.C.G. VESSEL DOCUMENTATION NO. _____

CONTINUED ON REVERSE

PART III PURCHASER: SIGN THIS BEFORE NOTARY PUBLIC, JUSTICE OF THE PEACE OR COMMISSIONER OF THE SUPERIOR COURT

I, the purchaser named in Part II, being duly sworn, depose and say that the vessel described in Part II was purchased by me from the retailer named in Part II. I am not a Connecticut resident. I am a resident of the State of _____. I have closely examined this certificate, and, to the best of my knowledge and belief, it is true, correct and complete. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Signature of Purchaser _____ Social Security Number _____

If Jointly Purchased,
Signature of Other Purchaser _____ Social Security Number _____

STATE OF CONNECTICUT
COUNTY OF _____

On this the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that _____ executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Title of Officer

(Notary Public: Affix seal here)

My commission expires the _____ day of _____, 19 _____

PART IV RETAILER: SIGN THIS BEFORE NOTARY PUBLIC, JUSTICE OF THE PEACE OR COMMISSIONER OF THE SUPERIOR COURT

I, an authorized agent of the retailer named in Part II, being duly sworn, depose and say that I have closely examined this certificate, and, to the best of my knowledge and belief, it is true, correct and complete. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Signature of Retailer _____

STATE OF CONNECTICUT
COUNTY OF _____

On this the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that _____ executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Title of Officer

(Notary Public: Affix seal here)

My commission expires the _____ day of _____, 19 _____

CERT-107 (BACK)
(Rev. 11/96)
Replaces: CERT-107 (Rev. 7/96)

CERT-108

(Rev. 7/96)

**CERTIFICATE OF PARTIAL EXEMPTION
MATERIALS, TOOLS AND FUELS**

CONN. GEN. STAT. §12-412I

GENERAL PURPOSE: This certificate is to be used by the purchaser of materials, tools and fuels to establish that items purchased are to be used or consumed in an industrial plant as follows:

- directly in the manufacturing, processing or fabricating of tangible personal property to be sold; or
- in any process preparatory or related to the manufacturing, processing or fabricating of tangible personal property to be sold, including research and development; or
- in the measuring or testing of tangible personal property to be sold.

This certificate entitles the purchaser to an exemption from sales and use taxes which is based on the reduction by a percentage of the gross receipts or sales price for the sale of qualifying materials, tools or fuels. Whether or not the materials, tools and fuels will be used in Connecticut, charges for such property, when used as indicated above, are entitled to the exemption.

If the materials, tools and fuels are not used in the manner described above, a purchaser who has claimed the exemption shall owe a use tax which shall amount to the difference between the amount of tax paid under the exemption and the amount of tax that would have been due if no such exemption were claimed.

The exemption is phased in over a five-year period, culminating in a maximum exemption of 50 percent of the gross receipts or sales price:

January 1, 1993 to June 30, 1993:	10%
July 1, 1993 to June 30, 1994:	20%
July 1, 1994 to June 30, 1995:	30%
July 1, 1995 to June 30, 1996:	40%
July 1, 1996 and beyond:	50%

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be signed by an owner or officer of a business purchasing materials, tools or fuels for use in the manufacturing, processing or fabricating in an industrial plant of tangible personal property to be sold to advise the seller of materials, tools and fuels that the purchase is entitled to exemption. This certificate may be issued only for materials, tools and fuels, as such items are defined in Conn. Gen. Stat. §12-412i. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale and the storage, use or other consumption, of the materials, tools or fuel were entitled to an exemption for a portion of the gross receipts or sales price. This certificate is valid only if taken in good faith from a person who is purchasing materials, tools or fuels for use in any of the following activities in an industrial plant: (1) manufacturing, fabricating or processing of tangible personal property to be sold; (2) any process preparatory or related to such manufacturing, fabricating or processing, including research and development; or (3) the measuring or testing of tangible personal property to be sold. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not engaged in manufacturing, processing or fabricating; or that the materials, tools or fuels will not be used in the manufacturing, processing or fabricating of tangible personal property to be sold, in any process preparatory or related thereto, or in the measuring or testing of such property.

This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date that the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that a purchase of materials, tools or fuels entitled to an exemption has occurred. The words "Exempt Under Conn. Gen. Stat. §12-412i: Materials, Tools and Fuels" will satisfy this requirement.

This certificate may be used for individual purchases, in which event the box marked "certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of purchases, in which event the box marked "blanket certificate" must be checked. A blanket certificate shall remain in effect for a three-year period, unless written revocation is made by the purchaser prior to the expiration of the period.

NOTE: If materials, tools and fuel are exempt under Conn. Gen. Stat. §12-412(18), they do not fall within the purview of Conn. Gen. Stat. §12-412i. Exempt purchases of materials, tools and fuel under Conn. Gen. Stat. §12-412(18) must be made on a Materials, Tools and Fuel Certificate Under Conn. Agencies Regs. §12-412(18)-1 (CERT-100).

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.

TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

CHECK ONE BOX: BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

CHECK APPROPRIATE BOX AND PROVIDE WRITTEN DESCRIPTION OF EACH ITEM PURCHASED:
 MATERIALS TOOLS FUELS

DESCRIPTION:

DECLARATION BY PURCHASER

The item(s) described above are materials, tools or fuel, as defined in Conn. Gen. Stat. §12-412i, to be used in an industrial plant in the manufacturing, processing or fabricating of tangible personal property to be sold, in any process preparatory or related thereto, including research and development, or in the measuring or testing of such property.

In accordance with the above-mentioned statute, the purchase of these item(s) is subject to an exemption from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, correct and complete. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of purchasing company

By: _____
Authorized signature of owner or officer

Title

Date

CERT-109

(Rev. 7/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**CERTIFICATE OF PARTIAL EXEMPTION
MACHINERY AND EQUIPMENT****CONN. GEN. STAT. §12-412I****GENERAL PURPOSE:** This certificate is to be used by the purchaser of machinery and equipment to establish that items purchased are to be used as follows:

- primarily in the manufacturing of tangible personal property; or
- primarily in the processing of tangible personal property; or
- primarily in the fabricating of tangible personal property.

This certificate entitles the purchaser to an exemption from sales and use taxes which is based on the reduction by a percentage of the gross receipts or sales price for the sale of qualifying machinery or equipment. Whether or not the machinery or equipment will be used in Connecticut, charges for such property, when used as indicated above, are entitled to the exemption.

DESCRIPTION OF THE USE OF ITEM(S) BEING PURCHASED:

The machinery or equipment is used primarily:

- For research and development with respect to or in furtherance of the manufacturing, processing or fabricating of tangible personal property;
- For measuring or testing with respect to or in furtherance of the manufacturing, processing or fabricating of tangible personal property;
- At any stage of the manufacturing, processing or fabricating process from the time raw materials are received to the time the product is ready for delivery or storage;
- To maintain or repair any machinery or equipment described above; or
- For metal finishing.

If the machinery or equipment is not used in the manner described above, a purchaser who has claimed the exemption shall owe a use tax which shall amount to the difference between the amount of tax paid under the exemption and the amount of tax that would have been due if no such exemption were claimed.

The exemption is phased in over a five-year period, culminating in a maximum exemption of 50 percent of the gross receipts or sales price:

January 1, 1993 to June 30, 1993:	10%
July 1, 1993 to June 30, 1994:	20%
July 1, 1994 to June 30, 1995:	30%
July 1, 1995 to June 30, 1996:	40%
July 1, 1996 and beyond	50%

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be signed by an owner or officer of a business purchasing the machinery or equipment for use in the manufacturing, processing or fabricating of tangible personal property to advise the seller of machinery or equipment that the purchase is entitled to exemption. This certificate may be issued only for machinery and equipment used primarily in the process of manufacturing, processing or fabricating, as defined in Conn. Gen. Stat. §12-412i. A copy of this certificate and records that substantiate the information entered on a certificate must be maintained for a period of at least six years from the date of issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of the machinery or equipment were entitled to an exemption for a portion of the gross receipts or sales price. This certificate is valid only if taken in good faith from a person who is purchasing the machinery or equipment for use in manufacturing, fabricating or processing. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not engaged in manufacturing, processing or fabricating or that the machinery or equipment will not be used primarily in the process of manufacturing, processing or fabricating tangible personal property.

This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date that the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that a purchase of machinery or equipment entitled to an exemption has occurred. The words "Exempt Under Conn. Gen. Stat. §12-412i: Machinery and Equipment" will satisfy this requirement.

This certificate may be used for individual purchases, in which event the box marked "certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of purchases, in which event the box marked "blanket certificate" must be checked. A blanket certificate shall remain in effect for a three-year period, unless written revocation is made by the purchaser prior to the expiration of the period.

NOTE: If machinery is exempt under Conn. Gen. Stat. §12-412(34), it does not fall within the purview of Conn. Gen. Stat. §12-412i. Exempt purchases of machinery under Conn. Gen. Stat. §12-412(34) must be made on a Manufacturing Machinery Certificate Under Conn. Agencies Regs. §12-412(34)-1 (CERT-101).

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.**TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

CHECK ONE BOX:

- BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

DESCRIPTION OF MACHINERY, EQUIPMENT, REPLACEMENT PARTS OR REPAIR PARTS:

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The item(s) described above are machinery or equipment to be used primarily in the process of manufacturing, processing or fabricating, as defined in Conn. Gen. Stat. §12-412i.

In accordance with the above-mentioned statute, the purchase of these item(s) is subject to an exemption from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, correct and complete. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of purchasing company

By: _____ Title _____ Date _____
Authorized signature of owner or officer

CERT-110

(Rev. 7/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**AIRCRAFT REPAIR SERVICES CERTIFICATE
AIRCRAFT REPAIR AND REPLACEMENT PARTS CERTIFICATE****CONN. GEN. STAT. §§12-412(76) AND (77)**

- GENERAL PURPOSE:**
- (1) This certificate is to be used by the purchaser of aircraft repair services to establish that aircraft repair services are being purchased:
- with regard to aircraft owned or leased by a certificated air carrier; or
 - with regard to the significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis.
- (2) This certificate is to be used by the purchaser of aircraft repair and replacement parts to establish that items purchased are to be used exclusively:
- in aircraft owned or leased by a certificated air carrier; or
 - in the significant overhauling or rebuilding of aircraft or aircraft components on a factory basis.

If the aircraft repair services or the aircraft repair and replacement parts are not used in the manner described above, a purchaser who claimed an exemption shall owe a use tax on the total price of the repair services or the repair and replacement parts.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business that is a certificated air carrier, or a business that is involved in the significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis, to advise the seller of aircraft repair services or aircraft repair and replacement parts that the sales and use taxes do not apply to the charges for the purchase. This certificate may be issued only for aircraft repair services or aircraft repair and replacement parts, as defined in Conn. Gen. Stat. (refer to section §12-412(76) and (77)). A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale and the storage, use or other consumption, of the aircraft repair services or the aircraft repair and replacement parts were not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who is a certificated air carrier or is engaged in the significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not a certificated air carrier or is not engaged in the significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis. This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-110" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "blanket certificate" must be checked. A blanket certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

CHECK ONE BOX: BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

CHECK APPROPRIATE BOX AND PROVIDE WRITTEN DESCRIPTION OF EACH ITEM PURCHASED
 AIRCRAFT REPAIR SERVICES AIRCRAFT REPAIR OR REPLACEMENT PARTS

DESCRIPTION:

CONTINUED ON REVERSE

CERT-111

(Rev. 7/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**CERTIFICATE FOR MACHINERY, EQUIPMENT, MATERIALS, TOOLS AND FUEL
USED BY AN AIRCRAFT MANUFACTURER OPERATING
AN AIRCRAFT MANUFACTURING FACILITY****CONN. GEN. STAT. §12-412(78)****GENERAL PURPOSE:** This certificate is to be used by the purchaser of machinery, equipment, materials, tools and fuel to establish that items purchased are to be used by an aircraft manufacturer operating an aircraft manufacturing facility in Connecticut.

If the machinery, equipment, materials, tools or fuel are not used in the manner described above, a purchaser who claimed an exemption shall owe a use tax on the total price of the item(s) purchased under such exemption.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business that is an aircraft manufacturer operating an aircraft manufacturing facility, as described in Conn. Gen. Stat. §12-412(78), in Connecticut to advise the seller of machinery, equipment, tools or fuel that the sales and use taxes do not apply to the charges for the purchase. This certificate may be issued only for machinery, equipment, tools or fuel, as defined in Conn. Gen. Stat. §12-412(78). A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.**INSTRUCTIONS FOR THE SELLER:** Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale and the storage, use or other consumption, of the machinery, equipment, materials, tools or fuel were not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who is an aircraft manufacturer operating an aircraft manufacturing facility in Connecticut. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not an aircraft manufacturer operating an aircraft manufacturing facility in Connecticut. This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-111" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "blanket certificate" must be checked. A blanket certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

CHECK ONE BOX:

 BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

CHECK APPROPRIATE BOX AND PROVIDE WRITTEN DESCRIPTION OF EACH ITEM PURCHASED

 MACHINERY EQUIPMENT MATERIALS TOOLS FUEL

DESCRIPTION:

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The item(s) described above are machinery, equipment, materials, tools or fuel, as described in Conn. Gen. Stat. §12-412(78), to be used by an aircraft manufacturer operating an aircraft manufacturing facility, as described in Conn. Gen. Stat. §12-412(78), in Connecticut.

In accordance with Conn. Gen. Stat. §12-412(78), the purchase of these item(s) is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of purchasing company

By: _____ Title _____ Date _____
Authorized signature of owner or officer

**CERTIFICATE FOR EXEMPT QUALIFYING PURCHASES
OF MEALS OR LODGING BY AN EXEMPT ORGANIZATION
OR QUALIFYING GOVERNMENTAL AGENCY**

When completing this certificate, refer to **PS 96(7), Purchases of Meals or Lodging by Exempt Organizations or Qualifying Governmental Agencies**, for further important information.

GENERAL PURPOSE: This certificate is to be used by an exempt organization or qualifying governmental agency to establish that the purchase of meals or lodging by such exempt organization or qualifying governmental agency is exempt from sales and use taxes as a qualifying exempt purchase. This certificate may be used **only** if all three of the following conditions are met:

1. The retailer directly invoices and charges the exempt organization or qualifying governmental agency for the meals or lodging; **and**
2. The exempt organization or qualifying governmental agency directly pays the retailer with a check drawn on its own account or with a credit card issued in its own name. Cash payments will not satisfy this condition, regardless of the cost of the meal or lodging; **and**
3. The exempt organization or qualifying governmental agency is not reimbursed, in whole or in part, by donation or otherwise, for its payment for the meals or lodging by those consuming the meals or lodging.

CREDIT CARD PURCHASES: If a credit card is used to pay the retailer of meals or lodging, the card must be issued in the name of the exempt organization or qualifying governmental agency and must be used exclusively to make purchases for the use of the exempt organization or qualifying governmental agency (not for the convenience of its officers, employees or members), and the credit card charges must be paid by a check drawn on the organization's or agency's own checking account.

NONQUALIFYING PURCHASES: This certificate may not be used (and tax must be paid) on the purchase of meals or lodging not meeting all three of the conditions that are set out above. Some examples of purchases that are **nonqualifying purchases** include fund raisers where those who attend are charged or are required to make what is purported to be a "donation"; a seminar or conference where meals or lodging are provided at no extra charge to those paying the conference or seminar registration fee; and events such as high school or college reunion dinners, class picnics, proms, holiday parties, where an exempt organization or qualifying governmental agency pays the retailer with its own check but collects reimbursement, in whole or in part, by "donation" or otherwise, from those consuming the meals or lodging.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be completed and signed by an officer of an exempt organization or qualifying governmental agency for a qualifying exempt purchase of meals or lodging at a specific event and submitted to the Department. If the purchaser is an exempt organization, it must **either** attach to **CERT-112** a copy of its determination letter issued by the United States Treasury Department, determining it to be an organization described under §501(c)(3) or (13) of the Internal Revenue Code **or**, if it was issued an exemption permit before July 1, 1995 by the Department under Conn. Agencies Regs. §12-426-15, enter its exemption permit number on **CERT-112**. If the purchaser is a qualifying governmental agency, no attachment is required. If the Department concludes that a qualifying exempt purchase is being made, the certificate, with the Department's official approval noted thereon, will be returned to the exempt organization or qualifying governmental agency. The exempt organization or qualifying governmental agency must then provide the approved certificate to the retailer of meals or lodging. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance.

EVENTS THAT QUALIFY FOR REFUND ONLY: If the exempt organization or qualifying governmental agency will be paying (and will not be reimbursed, in whole or in part) for the meals or lodging of some of the attendees but will be reimbursed in whole or in part for the meals or lodging of others, a preapproved exemption will **not** be issued and the exempt organization or qualifying governmental agency will be required to pay tax on **all** the meals or lodging at the time of the purchase. However, upon the filing, and the approval by the Department, of **CERT-122, Certificate of Refund of Sales Tax Paid on Exempt Qualifying Purchases of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency**, tax will be refunded on those meals or lodging that were paid for by the exempt organization or qualifying governmental agency and for which it was not reimbursed, in whole or in part. Tax paid on those meals or lodging for which full or partial reimbursement was received by the exempt organization or qualifying governmental agency is not eligible for refund.

Example 1: B, an exempt organization, is sponsoring a dinner at a restaurant to honor one of its members. The restaurant is charging B \$50 per meal and B is selling tickets for \$50 per person; however, the honoree and members of the immediate family are attending as guests of the exempt organization. B must pay sales tax on all meals purchased. It may, however, complete and file a **CERT-122** in order to claim a refund of only the taxes paid on meals consumed by the honoree and members of the immediate family.

Example 2: C, an exempt organization, is sponsoring a retirement dinner at a restaurant to honor one of its employees. The restaurant is charging C \$60 per meal. C is selling tickets for \$50 per person and paying the \$10 per meal difference to the restaurant from its own funds. C must pay sales tax on all meals purchased. Because the organization received partial reimbursement for all of the meals, C is not eligible for a refund of any of the tax paid.

INSTRUCTIONS FOR RETAILER OF MEALS OR LODGING: Acceptance of this certificate, when properly completed and when the Department's official approval is noted thereon, shall relieve the retailer from the burden of proving that the sale of meals or lodging was not subject to sales and use taxes. This certificate is valid only if taken in good faith from an exempt organization or qualifying governmental agency. For example, the good faith of the retailer will be questioned if such retailer has knowledge of facts that give rise to a reasonable inference that the exempt organization or qualifying governmental agency is being reimbursed in whole or in part for the meals or lodging by those consuming the meals or lodging.

NOTE: The retailer of meals or lodging must **not** accept this certificate unless the retailer directly invoices and charges the exempt organization or qualifying governmental agency for the meals or lodging.

Also, the retailer must **not** accept the certificate unless the retailer is directly paid by the exempt organization or qualifying governmental agency with a check drawn on the exempt organization's or qualifying governmental agency's own checking account or with a credit card issued in the organization's or agency's name (not in the name of one of its members, employees or officers). **Cash payments will not satisfy this condition, regardless of the cost of the meal or lodging.**

This certificate, and the documents attached thereto, and bills or invoices to the purchaser must be maintained for a period of at least six years from the date the meals or lodging was purchased. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt under CERT-112" will satisfy the requirement. This certificate only applies to the specific event indicated and may not be used for the exempt purchase of any meals or lodging at any other event.

FOR FURTHER INFORMATION: Call the *Exempt Organization Coordinator* at 860-297-5604 or 1-800-382-9463 (In-State) Choose Option 0. Telecommunications Device for the Deaf (TDD/TT) users **only** call 860-297-4911.

CONTINUED ON REVERSE

Name of Exempt Organization or Qualifying Governmental Agency _____ Federal Employer Identification Number _____

Address of Exempt Organization or Qualifying Governmental Agency _____

Check One Box: Qualifying Governmental Agency
 Exempt Organization
Enter Connecticut Exemption Permit Number (if any) _____
(If the exempt organization was not issued a Connecticut exemption permit (E-number) by the Department prior to July 1, 1995, please attach a copy of the exempt organization's §501(c)(3) or (13) determination letter issued by the United States Treasury Department.)

Name of Retailer _____ Check Appropriate Box(es)
 Meals Lodging
Address of Retailer _____ Date(s) of Event _____

Describe Purpose or Reason for Event: (Please be specific. For example: Meeting of Board of Trustees, or Luncheon to honor volunteers)

In reference to the purchase of meals or lodging by the exempt organization or qualifying governmental agency:

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
TOTAL NUMBER OF MEALS OR LODGING TO BE PURCHASED _____	NUMBER FOR WHICH NO REIMBURSEMENT, FULL OR PARTIAL, IS TO BE RECEIVED _____	NUMBER FOR WHICH REIMBURSEMENT, FULL OR PARTIAL, IS TO BE RECEIVED _____

The sum of the numbers entered in Column B and in Column C should equal the number entered in Column A.

Will the meals or lodging be in conjunction with a conference or seminar for which a charge will be made to those attending? <input type="checkbox"/> Yes <input type="checkbox"/> No	Will the retailer of the meals or lodging directly invoice and charge the agency or organization for the meals or lodging? <input type="checkbox"/> Yes <input type="checkbox"/> No
Will a charge, by whatever name called, be made for the meals or lodging by the exempt organization or qualifying governmental agency to those who will consume the meals or lodging? <input type="checkbox"/> Yes <input type="checkbox"/> No	Will the agency or organization directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees or officers) or with a U.S. Government "I. M. P. A. C." credit card? <input type="checkbox"/> Yes <input type="checkbox"/> No

DECLARATION BY EXEMPT ORGANIZATION OR QUALIFYING GOVERNMENTAL AGENCY

I hereby declare that the exempt organization or qualifying governmental agency:

- is being directly invoiced and charged by the retailer;
- is directly paying the retailer with a check drawn on its own account or with a credit card issued in its own name; and
- will not be reimbursed, directly or indirectly, by donation or otherwise, for all or a portion of the cost of the meals or lodging by those consuming the meals or lodging.

I also declare that any exemption permit noted on this certificate, or any determination letter or group exemption letter (as the case may be) attached to this certificate, has not been canceled or revoked.

I hereby declare under the penalties of false statement, the information contained herein, to the best of my knowledge and belief, is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Authorized Signature _____ Title _____ Date _____ Telephone Number _____

NOTICE TO RETAILERS: Do not accept this certificate if the following section has not been completed and the Department's official approval has not been noted thereon.

This Section Is To Be Completed by the Department of Revenue Services

REQUEST APPROVED BY DEPARTMENT

Official Approval/Department of Revenue Services _____ Date Approved _____

REQUEST DISAPPROVED BY THE DEPARTMENT

- Exempt organization did not provide proof of exempt status. (Connecticut exemption permit number or §501(c)(3) or (13) determination letter issued by the U.S. Treasury Department.)
- Exempt organization or qualifying governmental agency will not be directly invoiced and charged by the retailer of the meals or lodging.
- Exempt organization or qualifying governmental agency will not directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees or officers) or with a U.S. Government "I. M. P. A. C." credit card.
- Exempt organization or qualifying governmental agency will be reimbursed, in whole or in part, for its payment for the meals or lodging by those consuming the meals or lodging.

Official Disapproval/Department of Revenue Services _____ Date Disapproved _____

**CERTIFICATE FOR PURCHASES OF TANGIBLE PERSONAL PROPERTY AND SERVICES BY
A NONPROFIT NURSING HOME, NONPROFIT REST HOME OR NONPROFIT HOME FOR THE AGED**

CONN. GEN. STAT. §12-412(5)

GENERAL PURPOSE: This certificate is to be used by a nonprofit nursing home, nonprofit rest home or nonprofit home for the aged that has been issued an exemption permit by the Department to establish that items purchased are to be used by such home for the exclusive purposes for which it was established, and will not be resold. The terms "home for the aged," "nursing home" and "rest home" are defined in Conn. Gen. Stat. §19a-490(c) as "an establishment which furnishes, in single or multiple facilities, food and shelter to two or more persons unrelated to the proprietor and in addition, provides services which meet a need beyond the basic provisions of food, shelter and laundry."

If a sale of meals or lodging to this home is involved, this certificate establishes that the home neither has been nor will be reimbursed in any manner, by donations, sales of tickets or otherwise, by those served the meals or provided the lodging for the price of the meals or lodging.

If the purchaser has not been issued an exemption permit by the Department or does not use the property or service(s) purchased for the exclusive purposes of the home, a purchaser who claimed an exemption shall owe a use tax on the total purchase price of the property or service(s).

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an officer of a nonprofit nursing home, nonprofit rest home or nonprofit home for the aged that has been issued an exemption permit by the Department, to advise the seller of tangible personal property or services that the sales and use taxes do not apply to the charges for the purchase. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained by the purchaser for a period of at least six years from the date of its issuance. The number on the valid exemption permit issued by the Department to the purchaser must be entered below.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of the tangible personal property or services were not subject to sales and use taxes. The certificate is valid only if taken in good faith from a nonprofit nursing home, nonprofit rest home or nonprofit home for the aged that has been issued an exemption permit by the Department. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser has not been issued an exemption permit by the Department. This certificate and bills or invoices to the purchaser must be maintained by the seller for a period of at least six years from the date that the items or services were purchased. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-113" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "blanket certificate" must be checked. A blanket certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE). OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	EXEMPTION PERMIT #
			FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

CHECK ONE BOX: BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

CHECK APPROPRIATE BOX AND PROVIDE WRITTEN DESCRIPTION OF EACH ITEM PURCHASED:
 TANGIBLE PERSONAL PROPERTY SERVICES

DESCRIPTION:

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The item(s) described above are tangible personal property or services to be used by a nonprofit nursing home, nonprofit rest home or nonprofit home for the aged that has been issued an exemption permit by the Department, to establish that items purchased are to be used by such home for the exclusive purposes for which it was established and will not be resold.

In accordance with Conn. Gen. Stat. §12-412(5), the purchase of these item(s) is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars).

Name of purchasing home

By: _____

Authorized signature of owner or officer

Title

Date

CERT-114

(Rev. 7/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**COMMERCIAL MOTOR VEHICLE OR MOTOR BUS PURCHASED WITHIN CONNECTICUT
TO BE USED IN INTERSTATE COMMERCE AS AN INTERSTATE MOTOR BUS****CONN. GEN. STAT. §§12-412(82) AND (83)****GENERAL PURPOSE:** This certificate is to be used by the purchaser of either (i) a commercial motor vehicle, as defined in Conn. Gen. Stat. §14-1(11)(A) and (B); or (ii) a motor bus, as defined in Conn. Gen. Stat. §14-1(44),

(A) which will be operated pursuant to the provisions of Conn. Gen. Stat. §13b-88 or 13b-89, and

(B) which will derive, during the one-year period following the date of purchase of such vehicle, 75% of its revenue from its days in service from out-of-state trips or trips crossing state lines.

If the commercial motor vehicle or motor bus is not used in the manner described above, the purchaser shall be liable for Connecticut use tax on the total purchase price.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business that purchases a commercial motor vehicle, as defined in Conn. Gen. Stat. §14-1(11) (A) and (B), or motor bus, as defined in Conn. Gen. Stat. §14-1(44), which will be operated pursuant to the provisions of Conn. Gen. Stat. §13b-88 or 13b-89 and which will derive, during the one-year period following the date of purchase of such vehicle, 75% of its revenue from days in service from out-of-state trips or trips crossing state lines, to advise the seller of such vehicle or bus that the sales and use taxes do not apply to the purchase. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.**INSTRUCTIONS FOR THE SELLER:** Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of a commercial motor vehicle or motor bus were not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who purchases a commercial motor vehicle or motor bus which will be operated pursuant to the provisions of Conn. Gen. Stat. §13b-88 or 13b-89 and which will derive, during the one-year period following the date of purchase of such vehicle, 75% of its revenue from days in service from out-of-state trips or trips crossing state lines. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the commercial motor vehicle or motor bus being purchased by the purchaser will not be operated pursuant to the provisions of Conn. Gen. Stat. §13b-88 or 13b-89. This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date that the commercial motor vehicle or motor bus was purchased. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-114" will satisfy the requirement.

This certificate may be used for a single exempt purchase only, and may not be used as a "blanket certificate" for a continuing line of purchases.

A permit number issued by the Connecticut DPUC may be entered below instead of a permit number issued by the Connecticut DOT if the permit was issued prior to October 1, 1979 and has not been suspended or revoked by the DOT.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
			PERMIT NUMBER
NAME OF SELLER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

VEHICLE IDENTIFICATION DATA

Make of Vehicle _____ Model _____

Year _____ Color _____

Vehicle Identification Number _____

Manufacturer's Gross Vehicle Weight Rating _____

No. of Passengers (Including Driver) _____

Will this vehicle be used to transport students under age 21 and from school? Yes No**COMPUTATION OF PRICE/TRADE-IN DATA**

Gross Sales Price _____

Trade-In Allowance _____

Net Sales Price _____

Make of Trade-In _____ Model _____

Year _____ Vehicle Identification No. _____

State of Registration and No. _____

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The vehicle described above is a "commercial motor vehicle," as defined in Conn. Gen. Stat. §14-1(11)(A) or (B), or a "motor bus," as defined in Conn. Gen. Stat. §14-1(44), which will be operated pursuant to the provisions of Conn. Gen. Stat. §13b-88 or 13b-89 and which will derive, during the one-year period following the date of purchase of such vehicle, 75% of its revenue from its days in service from out-of-state trips or trips crossing state lines.

In accordance with Conn. Gen. Stat. §12-412(82) and (83), the purchase of this commercial motor vehicle or motor bus is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of purchaser

By: _____
Signature of authorized person Title Date

**CERTIFICATE FOR EXEMPT PURCHASES OF
GAS, ELECTRICITY AND HEATING FUEL**

CONN. GEN. STAT. §§12-412(1), 12-412(3)(A), 12-412(16) and 12-412h

GENERAL PURPOSE: This certificate is to be used by the purchaser of (i) gas, including bottled gas, (ii) electricity when delivered to consumers through mains, lines, pipes or bottles, or (iii) heating fuel for any of the following uses:

- (i) use in any residential dwelling, when the meter through which the gas, electricity or heating fuel is measured furnishes gas, electricity or heating fuel for both residential and non-residential purposes. (If a building is used solely for housing, this certificate need not be provided by the consumer in order to make exempt purchases of gas, electricity or heating fuel);
- (ii) use directly in agricultural production, provided the exemption shall be allowed only with respect to a metered building, location or premises at which not less than 75% of the gas, electricity or heating fuel consumed at such building, location or premises is used for the purpose of such production;
- (iii) use directly in the fabrication of a finished product to be sold, provided the exemption shall be allowed only with respect to a metered building, location or premises at which not less than 75% of the gas, electricity or heating fuel consumed at such building, location or premises is used for the purpose of such fabrication; or
- (iv) use directly in an industrial manufacturing plant, provided the exemption shall be allowed only with respect to a metered building, location or premises at which not less than 75% of the gas, electricity or heating fuel consumed at such building, location or premises is used for the purpose of such manufacturing.

If the gas, electricity or heating fuel is not used in the manner described above, a purchaser who claimed an exemption shall owe a use tax on the total purchase price of the gas, electricity or heating fuel purchased under such exemption.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by: (i) an owner of a commercial building at which the gas, electricity or heating fuel is used predominantly (more than 50%) for residential purposes, or (ii) an owner or officer of an establishment that uses the gas, electricity or heating fuel in a location at which (A) agricultural production, (B) the fabrication of a finished product to be sold or (C) production in an industrial manufacturing plant takes place, to advise the seller of gas, electricity or heating fuel that the sales and use taxes do not apply to the charges for the purchase. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least three years from the date of its issuance.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of the gas, electricity or heating fuel are not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who is (i) an owner of a commercial building at which the gas, electricity or heating fuel is used predominantly (more than 50%) for residential purposes, or (ii) an owner or officer of an establishment that uses the gas, electricity or heating fuel in a location at which (A) agricultural production, (B) the fabrication of a finished product to be sold or (C) production in an industrial manufacturing plant takes place. For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not purchasing the gas, electricity or heating fuel for use in the portion of a building in which a finished product to be sold is fabricated. This certificate and bills or invoices to the purchaser must be maintained for a period of at least three years from the date that the gas, electricity or heating fuel was purchased.

This certificate shall be considered to be a "blanket certificate," covering all purchases of gas, electricity or heating fuel made under it, and shall be effective for a period of **three years from the date of issuance**, unless a written revocation is furnished by the purchaser to the seller prior to the expiration of the three-year period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	SERVICE LOCATION	FEDERAL EMPLOYER I.D. NUMBER
	MAILING ADDRESS IF DIFFERENT FROM SERVICE LOCATION	CT TAX REG. NO. (If NONE, explain on reverse)
NAME OF SELLER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT TAX REG. NO. (If NONE, explain on reverse)

CHECK ONE BOX: GAS ELECTRICITY HEATING FUEL

CONTINUED ON REVERSE

If the purchaser is a commercial customer whose gas, electricity or heating fuel usage is predominantly for residential purposes and claims exemption under Conn. Gen. Stat. §12-412(3) or (16) as a residential user, CHECK THIS BOX and sign the Declaration below.

If the purchaser claims exemption from sales and use taxes as a nonprofit charitable hospital, a nonprofit nursing home, nonprofit rest home, or nonprofit home for the aged, or as an organization established exclusively for charitable, religious, scientific, educational, literary, historical or cemetery purposes, the purchaser MUST PROVIDE ITS STATE OF CONNECTICUT EXEMPTION CERTIFICATE NUMBER HERE and sign the Declaration below. _____

If the purchaser claims exemption from sales and use taxes as a governmental entity under Conn. Gen. Stat. §12-412(1), CHECK THIS BOX and sign the Declaration below.

If the purchaser claims exemption under Conn. Gen. Stat. §12-412(3) or (16) as purchasing the gas, electricity or heating fuel for use in a location at which agricultural production, the fabrication of a finished product to be sold, or production in an industrial manufacturing plant takes place, please complete the remainder of this certificate and sign the Declaration below.

PLEASE NOTE: If there is any change in the circumstances enabling you to claim exemption under Conn. Gen. Stat. §12-412(3) or (16), you must notify the seller within sixty (60) days of such change.

THE FOLLOWING IS TO BE COMPLETED BY PURCHASERS USING GAS, ELECTRICITY OR HEATING FUEL IN AGRICULTURAL PRODUCTION, FABRICATION OF A FINISHED PRODUCT TO BE SOLD, OR AN INDUSTRIAL MANUFACTURING PLANT:

I hereby certify that the gas, electricity or heating fuel being purchased under this exemption certificate is consumed in a metered building, location or premises for use in

- AGRICULTURAL PRODUCTION,
- FABRICATION OF A FINISHED PRODUCT TO BE SOLD, OR
- AN INDUSTRIAL MANUFACTURING PLANT,

and that not less than 75% of such gas, electricity or heating fuel consumed at such metered building, location or premises is used in a location at which such production, fabrication or manufacturing takes place. When gas, electricity or heating fuel measured by a single meter has a mixed use, the purchaser must establish that 75% or more of the gas, electricity or heating fuel measured by such meter is used in a location at which agricultural production, fabrication of a finished product to be sold or production in an industrial manufacturing plant takes place.

How was the percentage of gas, electricity or heating fuel used for exempt purposes computed? _____

List the product(s) being produced, fabricated or manufactured at the building, location or premises for which exemption is claimed. _____

Do you presently use a farmer tax exemption permit (Form OR-248) or an exemption certificate for purchases of machinery, materials, tools and fuel? YES NO

DECLARATION BY PURCHASER

The gas, electricity or heating fuel being purchased under this certificate will be used (i) in a commercial building at which the gas, electricity or heating fuel is used predominantly (more than 50%) for residential purposes, or (ii) directly in a location at which (A) agricultural production, (B) the fabrication of a finished product to be sold or (C) production in an industrial manufacturing plant takes place.

In accordance with Conn. Gen. Stat. §§12-412(1), 12-412(3), 12-412(16) and 12-412h, the purchase of gas, electricity or heating fuel under this certificate is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars).

Name of purchaser (company or individual)

By: _____
Authorized signature of owner or officer

Title

Date

CERT-115 (BACK)
(Rev. 10/96)
Replaces: CERT-115 (New 8/94)

EXEMPT PETROLEUM PRODUCTS CERTIFICATE**CONN. GEN. STAT. §12-587(a)(3) and (4)**

GENERAL PURPOSE: In order to establish that charges made by a distributor selling **exempt petroleum products** to a purchaser are not subject to the petroleum products gross earnings tax, this certificate must be issued to the distributor by:

- (A) any person who is purchasing (for resale to others) those **exempt petroleum products**; or
- (B) any person who is purchasing (but not for resale) the following exempt petroleum products: bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil to be used in any vessel having a displacement exceeding 4,000 deadweight tons; propane gas to be used exclusively as fuel for a motor vehicle; or number 2 heating oil, to be used in a commercial fishing vessel by a person who has been issued a **Form OR-256, Commercial Fisherman Permit**, by the Department of Revenue Services and who is purchasing such fuel on or after the date of issuance of the permit but on or before the date of expiration of such permit.

DEFINITIONS: For petroleum products gross earning tax purposes, the following products are **exempt petroleum products**:

- (A) number 2 heating oil to be used exclusively for heating purposes;
- (B) kerosene (commonly known as number 1 oil) to be used exclusively for heating purposes, provided delivery is by a supplier of both number 1 oil and number 2 oil, and delivery is made by means of a truck with a metered delivery ticket to a residential dwelling or a centrally-metered system serving a group of residential dwellings;
- (C) propane gas to be used exclusively for heating purposes;
- (D) bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil to be used in any vessel having a displacement exceeding 4,000 deadweight tons;
- (E) propane gas to be used exclusively as a fuel for a motor vehicle;
- (F) number 2 heating oil to be used in a commercial fishing vessel by a person who has been issued a **Form OR-256, Commercial Fisherman Permit**, by the Department of Revenue Services and who is purchasing such fuel on or after the date of issuance of the permit but on or before the date of expiration of such permit.

INSTRUCTIONS FOR THE PURCHASER: Any person who is purchasing (for resale to others) **exempt petroleum products** must issue this certificate to the distributor from whom those products are being purchased. In addition, any person who is purchasing (but not for resale) bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil to be used in any vessel having a displacement exceeding 4,000 deadweight tons, or propane gas to be used exclusively as fuel for a motor vehicle, must issue this certificate to the distributor from whom those products are being purchased. In addition, any person who has been issued a **Form OR-256, Commercial Fisherman Permit**, by the Department of Revenue Services and who is purchasing, on or after the date of issuance of the permit but on or before the date of expiration of such permit, number 2 heating oil to be used in a commercial fishing vessel must issue this certificate to the distributor from whom number 2 heating oil is being purchased.

If more than one type of exempt petroleum product is being purchased from the distributor, the purchaser must issue a separate CERT-116 to the distributor for each type of product being purchased.

A purchaser who is required to issue this certificate to a distributor must retain a copy of this certificate and records that substantiate the information entered on the certificate for a period of at least three years from the date of its issuance.

This certificate may be used for a single exempt purchase (in which event the purchaser must check the box marked "Certificate for Single Purchase Only") or may be used for a continuing line of exempt purchases (in which event the purchaser must check the box marked "Blanket Certificate"). A blanket certificate shall remain in effect for a one-year period unless the purchaser makes a written revocation of the certificate prior to the expiration of the one-year period.

If the purchaser issues a CERT-116 to the distributor for exempt petroleum products that ultimately are not put to an exempt use (for example, number 2 heating oil that was to be used exclusively for heating purposes is ultimately used as fuel for a motor vehicle), the purchaser is subject to, and must pay, the petroleum products gross earnings tax on such products.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the seller's gross earnings from the sale of an exempt petroleum product were not subject to the petroleum products gross earnings tax. The certificate is valid only if taken in good faith by the seller. The good faith of the seller will be questioned if the seller has knowledge of facts that give rise to a reasonable inference that the product sold is not an exempt petroleum product (because, for example, the seller has knowledge of facts that number 2 heating oil that the seller has sold to the purchaser is likely to be used as fuel for a motor vehicle).

The seller must maintain a copy of this certificate and bills or invoices to the purchaser for a period of at least three years from the date of purchase (or, if the certificate is used for a continuing line of exempt purchases, three years from the date of the last purchase). The seller shall mark the bills, invoices or records covering all purchases made under this certificate with the words "Exempt Petroleum Products Certificate" or "Exempt under CERT-116" to indicate that an exempt purchase has occurred.

If the distributor is making a first sale in this state of petroleum products, some of which are exempt petroleum products and others of which are non-exempt petroleum products, tax is due on the distributor's gross earnings from the first sale of non-exempt petroleum products. The distributor's invoice should indicate that the tax applies to the gross earnings from the sale of the non-exempt petroleum products.

FOR FURTHER INFORMATION: CALL THE EXCISE/PUBLIC SERVICES UNIT AT 860-541-3225 OR TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962. TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

CONTINUED ON REVERSE

NAME OF PURCHASER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT. TAX REGISTRATION NUMBER
NAME OF SELLER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT. TAX REGISTRATION NUMBER

CHECK ONE BOX: Blanket Certificate Certificate for One Purchase Only

DESCRIPTION OF PRODUCT SOLD

- number 2 heating oil, to be used exclusively for heating purposes;
- kerosene, commonly known as number 1 oil, to be used for heating purposes, provided delivery is by a supplier of both number 1 oil and number 2 oil, and via a truck with a metered delivery ticket to a residential dwelling or a centrally-metered system serving a group of residential dwellings;
- propane gas to be used exclusively for heating purposes;
- bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil to be used in any vessel having a displacement exceeding 4,000 deadweight tons;
- propane gas to be used exclusively as a fuel for a motor vehicle; and
- number 2 heating oil to be used in a commercial fishing vessel by a person who has been issued a **Form OR-256, Commercial Fisherman Permit**, and who is purchasing such fuel on or after the date of issuance of the permit but on or before the date of expiration of such permit.

DECLARATION BY PURCHASER

The product described above is an exempt petroleum product as defined herein and charges for such product are not subject to the petroleum products gross earnings tax.

I hereby declare, under the penalties of false statement, that I have personal knowledge of the information contained in this certificate and that to the best of my knowledge and belief it is true, complete and correct. (The penalty for false statement is, in addition to any other penalty provided by law, a fine of not more than five thousand dollars or imprisonment for not more than five years or both.)

Name of Purchaser

BY: _____
Signature of Authorized Owner, Officer or Agent Title Date

**CERTIFICATE FOR PURCHASES OF TANGIBLE PERSONAL PROPERTY
INCORPORATED INTO OR CONSUMED IN AIR POLLUTION CONTROL FACILITIES****CONN. GEN. STAT. §§12-412(22), 12-217c, 12-81(52)**

GENERAL PURPOSE: This certificate is to be used by the purchaser of tangible personal property or supplies acquired for incorporation into or used and consumed in the operation of facilities, the primary purpose of which is the reduction, control or elimination of air pollution, certified as approved for such purpose by the Commissioner of Environmental Protection. Said Commissioner may certify to a portion of such tangible personal property or supplies acquired for incorporation into such facilities to the extent that such portion shall have as its primary purpose the reduction, control or elimination of air pollution.

This certificate may also be used to substantiate the taking of a credit against the corporation business tax, pursuant to Conn. Gen. Stat. §12-217c, and/or to certify that for the purposes of the municipal property tax exemption afforded by Conn. Gen. Stat. §12-81(52), the tangible personal property purchased has been approved for incorporation or consumption in the operation of air pollution abatement facilities. For information on either of these provisions, see Policy Statement 94(5).

As explained in Policy Statement PS 94(5), this certificate may be used to satisfy the Department of Environmental Protection approval required by the following provisions:

- Conn. Gen. Stat. §12-412(22), sales and use tax exemption
- Conn. Gen. Stat. §12-81(52), municipal property tax exemption
- Conn. Gen. Stat. §12-217c, corporation business tax credit.

FOR PURCHASES OF ITEMS NOT LISTED IN POLICY STATEMENT 94(5): The purchaser must obtain and attach to this certificate, written approval from the Commissioner of Environmental Protection indicating that such item of tangible personal property or service is approved for use in an air pollution control facility. For information on how to obtain written approval from the Department of Environmental Protection, see Policy Statement 94(5).

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business that purchases tangible personal property or supplies to be incorporated into or consumed in the operation of facilities, the primary purpose of which is the reduction, control or elimination of air pollution, certified as approved for such purpose by the Commissioner of Environmental Protection. In order for the purchaser to qualify for the exemption from sales and use taxes afforded by Conn. Gen. Stat. §12-412(22), the purchaser must present this certificate to the retailer at the time of purchase of the qualifying tangible personal property or supplies.

In order to obtain the corporation business tax credit afforded by Conn. Gen. Stat. §12-217c, the purchaser must append a copy of this certificate, properly completed, to its Connecticut Corporation Business Tax Return, Form CT-1120.

In order to obtain the municipal property tax exemption pursuant to Conn. Gen. Stat. §12-81(52) which may be available for the purchase of qualifying tangible personal property, the taxpayer must file a copy of this certificate, properly completed, with the assessor of the municipality in which the structures or equipment are located, after confirming that municipality's procedures for qualifying for such exemption.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale of tangible personal property is not subject to sales and use taxes when such tangible personal property will be used or consumed in the operation of facilities, the primary purpose of which is the reduction, control or elimination of air pollution, and is certified as approved for such purpose by the Commissioner of Environmental Protection.

The certificate is valid only if taken in good faith from a person who is an owner or officer of a business that will use tangible personal property being purchased as provided in the provisions of Conn. Gen. Stat. §12-412(22). For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser will not use the tangible personal property for air pollution abatement or that the tangible personal property cannot be used for such purpose, or that the tangible personal property has not been approved by the Department of Environmental Protection. This certificate together with proof that the tangible personal property is approved for use or consumption in air pollution abatement, and bills or invoices to the purchaser, must be maintained by the seller for a period of at least six years from the date on which the items were purchased. The bills, invoices or records covering purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-117" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "blanket certificate" must be checked. A blanket certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

CONTINUED ON REVERSE

NAME OF PURCHASER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT. TAX REGISTRATION NUMBER
NAME OF SELLER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT. TAX REGISTRATION NUMBER

CHECK ONE BOX: Blanket Certificate Certificate for One Purchase Only Air Pollution Equipment
 Construction Materials Supplies Engineering Supplies

DESCRIPTION OF ITEMS OR SERVICES PURCHASED:

DECLARATION BY PURCHASER

The item(s) described above are tangible personal property to be used or consumed by a business in the operation of facilities, the primary purpose of which is the reduction, control or elimination of air pollution, certified as approved for such purpose by the Commissioner of Environmental Protection.

In accordance with Conn. Gen. Stat. §12-412(22), the purchase of these item(s) is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge of the information contained in this Certificate and that to the best of my knowledge and belief it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars or both.)

Name of purchasing business

BY: _____ Title _____ Date _____
Authorized signature of owner or officer

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

CERT-118

(Rev. 7/96)

**SALE OF REPLACEMENT PARTS FOR MACHINERY TO A
BUSINESS ENTITY LOCATED IN AN ENTERPRISE ZONE**

CONN. GEN. STAT. §12-412(43)

GENERAL PURPOSE: This certificate is to be used by the purchaser of any replacement parts for manufacturing production machinery when such purchaser is a business entity located in any enterprise zone designated pursuant to Conn. Gen. Stat. §32-70, when such replacement parts are to be used within such enterprise zone.

If replacement parts of a machine are not used in the manner described above, a purchaser who claimed an exemption shall owe a use tax on the total price of the replacement parts purchased under such exemption.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be signed and issued by an owner or officer of a business entity involved in manufacturing which is located in an enterprise zone. Its purpose is to advise the seller of replacement parts for machinery that the sales and use taxes do not apply to the charges for the purchase of such parts. A copy of the business entity's Enterprise Zone Location Eligibility Certificate, issued by the Department of Economic Development, must be attached to this certificate. A copy of this certificate and the Enterprise Zone Location Eligibility Certificate, and records that substantiate the information entered on this certificate, must be maintained for a period of at least six years from the date of this certificate.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate in good faith, when properly completed, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of replacement parts for machinery are not subject to sales and use taxes. The certificate is valid only if taken in good faith from a business entity located in an enterprise zone and engaged in a manufacturing production process. The good faith of the seller will be questioned if the seller has knowledge of facts that the purchaser is not engaged in manufacturing or that the replacement parts will not be used in machinery used directly in a manufacturing production process in an enterprise zone. This certificate, with a copy of the business entity's Enterprise Zone Location Eligibility Certificate attached, and bills or invoices to the purchaser must be maintained for a period of at least six years from the date the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-118" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "blanket certificate" must be checked. A blanket certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT TAX REGISTRATION NUMBER
NAME OF SELLER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT TAX REGISTRATION NUMBER

CHECK ONE BOX: Blanket Certificate Certificate for One Purchase Only

DESCRIPTION OF ITEMS PURCHASED:

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The items described above are replacement parts for machinery used directly in a manufacturing production process, as defined in Conn. Gen. Stat. §12-412(34) and Conn. Agencies Regs. §12-412(34)-1. The business entity purchasing these replacement parts is located in an enterprise zone designated pursuant to Conn. Gen. Stat. §32-70, and such replacement parts are to be used within such enterprise zone. In accordance with Conn. Gen. Stat. §12-412(43), the purchase of these replacement parts is not subject to sales and use taxes. A copy of the business entity's Enterprise Zone Location Eligibility Certificate, issued by the Department of Economic and Community Development, is attached to this certificate.

I hereby declare, under the penalties of false statement, that I have personal knowledge of the information contained herein and that to the best of my knowledge and belief it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of purchasing business

BY: _____
Authorized signature of owner or officer Title Date

**CERTIFICATE FOR PURCHASES OF TANGIBLE PERSONAL PROPERTY
AND SERVICES BY QUALIFYING EXEMPT ORGANIZATIONS****CONN. GEN. STAT. §12-412(8)**

GENERAL PURPOSE: This certificate is to be issued by a qualifying exempt organization to retailers when purchasing items that are to be used by such organization exclusively for the purposes for which it was established, and are not to be resold. Pursuant to Conn. Gen. Stat. §12-412(8), a **qualifying exempt organization** is either:

- an organization that was issued an exemption permit before July 1, 1995 by the Department of Revenue Services pursuant to Conn. Agencies Regs. §12-426-15, which permit has not been canceled or revoked by the Department of Revenue Services, or
- an organization that is exempt from federal income tax under section 501(a) of the Internal Revenue Code and that has been determined, by a determination letter issued by the United States Treasury Department, to be an organization described in section 501(c)(3) or (13) of the Internal Revenue Code, which determination letter has not been revoked by the Internal Revenue Service.

This certificate is not to be used in connection with the purchase of meals or lodging.

If the purchaser is not a qualifying exempt organization or does not use the property or services purchased exclusively for the purposes for which the organization was established, the purchaser shall owe use tax on the total purchase price of the property or services.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an officer of a qualifying exempt organization to advise the seller of tangible personal property or taxable services that the sales and use taxes do not apply to the purchase. A copy of this certificate, documents attached hereto, and records that substantiate the information entered on this certificate must be maintained by the purchaser for a period of at least six years from the date of its issuance.

The purchaser must attach to this certificate a copy of the:

- exemption permit issued to the organization before July 1, 1995 by the Department of Revenue Services pursuant to Conn. Agencies Regs. §12-426-15, or
- determination letter or group exemption letter issued by the Internal Revenue Service which establishes that the organization has been determined to be an exempt organization described under section 501(c)(3) or (13) of the Internal Revenue Code.

NOTE: For purchases occurring on or after January 1, 1996, a qualifying exempt organization that is covered by a group exemption letter, and that was **not** issued an exemption permit before July 1, 1995 by the Department of Revenue Services pursuant to Conn. Agencies Regs. §12-426-15, must attach to this certificate a copy of:

- the group exemption letter issued by the Internal Revenue Service to subordinate organizations (including the qualifying exempt organization) on whose behalf a central organization applied for recognition of exemption,
- the organization's written consent to the central organization to be covered by the group exemption letter, **and**
- the central organization's written notification to the Internal Revenue Service that the organization consents to be covered by the group exemption letter.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale and the storage, use or consumption of the tangible personal property or taxable services are not subject to sales and use taxes. The certificate is valid only if taken in good faith from a qualifying exempt organization. For example, the good faith of the seller will be questioned if the seller has knowledge of facts that the purchaser is not a qualifying exempt organization. This certificate, attached documents, and bills or invoices to the purchaser must be maintained for a period of at least six years from the date that the items or services were purchased. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate an exempt purchase has occurred. The words "Exempt Under CERT-119" will satisfy the requirement.

This certificate may be used for a single exempt purchase, in which event the box marked "certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "blanket certificate" must be checked. A blanket certificate will remain in effect for one-year, unless, prior to the expiration of the one-year period, the conditions under which this certificate was issued change or a written revocation is made by the purchaser.

IMPORTANT: An exempt organization must pay for its exempt purchases by a check drawn on its checking account or by a credit card issued in its name (and not in the name of any of its members or officers). An exempt purchase for \$10.00 or less may be made using cash, as long as the purchase is made with the exempt organization's own funds. However, a blanket CERT-119 may not be used for a cash purchase, and a properly completed CERT-119, with the appropriate documents attached, must be issued to the retailer at the time of each cash purchase.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

CONTINUED ON REVERSE

NAME OF PURCHASER	ADDRESS	CT TAX REGISTRATION NUMBER <i>(if any)</i>	EXEMPTION PERMIT # <i>(if any)</i>
			FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REGISTRATION NUMBER <i>(if any)</i>	FEDERAL EMPLOYER I.D. #

CHECK ONE BOX: BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

CHECK APPROPRIATE BOX AND PROVIDE WRITTEN DESCRIPTION OF EACH ITEM PURCHASED:
 TANGIBLE PERSONAL PROPERTY TAXABLE SERVICES

DESCRIPTION:

DECLARATION BY PURCHASER

The purchaser declares that the tangible personal property or taxable services described above are to be used exclusively for the purposes for which the purchaser was established and are not to be resold. The purchaser further declares that the exemption permit, determination letter or group exemption letter (as the case may be) attached to this certificate has not been canceled or revoked.

In accordance with Conn. Gen. Stat. §12-412(8), the purchase of the item(s) is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, the information contained herein, to the best of my knowledge and belief, is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of purchaser

By: _____
Signature of authorized person Title Date

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

CERT-120

(Rev. 11/97)

**CERTIFICATE FOR MACHINERY, EQUIPMENT, TOOLS,
MATERIALS, AND SUPPLIES USED IN THE PRODUCTION OF
PRINTED MATERIAL OR IN PREPRESS PRODUCTION
CONN. GEN. STAT. §12-412(71) AND (72)**

GENERAL PURPOSE: This certificate is to be used by the purchaser of machinery, equipment, tools, materials and supplies to establish that the item(s) being purchased are to be used predominantly:

- (a) in the production of printed material by a commercial printer or publisher; or
- (b) in the typesetting, color separation, finished copy with type proofs and artwork or similar content mounted for photomechanical reproduction, or other similar products to be sold for use in the production of printed materials (the "prepress production of printed material").

If the machinery, equipment, tools, materials or supplies are not used in the manner described herein, a purchaser who claimed the exemption shall owe a use tax on the total price of the item(s) purchased under the exemption.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a purchaser described above to advise the seller of machinery, equipment, tools, materials, supplies or fuel that the sales and use taxes do not apply to the charges for the purchase. This certificate may be issued only for machinery, equipment, tools, materials or supplies used predominantly in the production of printed material by a commercial printer or publisher or by a person engaged in prepress production, as described in Conn. Gen. Stat. §12-412(71) and (72).

A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of machinery, equipment, tools, materials or supplies is not subject to sales and use taxes. This certificate is valid only if taken in good faith from a person who is a commercial printer or publisher engaged in the production of printed material or prepress production of products to be sold for use in the production of printed material. The good faith of the seller will be questioned if the seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not a commercial printer, publisher or engaged in prepress production.

This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date on which the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-120" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "Certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "Blanket Certificate" must be checked. A Blanket Certificate will remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962. TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (IF NONE, explain on reverse)
		FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REG. # (IF NONE, explain on reverse)
		FEDERAL EMPLOYER I.D. #

CHECK ONE BOX: BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

CHECK APPROPRIATE BOX(ES) AND PROVIDE A WRITTEN DESCRIPTION OF EACH ITEM PURCHASED

- MACHINERY EQUIPMENT TOOLS MATERIALS SUPPLIES

DESCRIPTION:

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The item(s) described above are machinery, equipment, tools, materials or supplies to be used predominantly in (a) the production of printed material by a commercial printer or publisher, as described in Conn. Gen. Stat. §12-412(71), or (b) the prepress production of products to be sold for use in the production of printed material, as described in Conn. Gen. Stat. §12-412(72).

In accordance with Conn. Gen. Stat. §12-412(71) and (72), the purchase of the above-described item(s) is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that to the best of my knowledge and belief it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of Purchaser

By: _____
Authorized Signature Title Date

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

CERT-121

(Rev. 11/96)

**EXEMPTION FOR LANDSCAPING AND HORTICULTURE SERVICES,
WINDOW CLEANING SERVICES AND MAINTENANCE SERVICES
RENDERED TO PERSONS ELIGIBLE FOR TOTAL DISABILITY BENEFITS**

CONN. GEN. STAT. §12-412(85)

GENERAL PURPOSE: This certificate is to be used by a person determined to be, and who is currently, eligible for total disability benefits under Title II of the Social Security Act (42 U.S.C. §401 et seq.) to purchase landscaping and horticulture services, window cleaning services or maintenance services, when the services are rendered at the residence of such person. If the services purchased exempt under this certificate are not rendered at the residence of such a person, a purchaser who claimed exemption shall owe use tax on the total price of the services purchased under such exemption. (Note: Conn. Gen. Stat. §12-412(85), as amended by 1995 Conn. Pub. Acts 359, §7, refers to the services to be exempted by the letters of the subparagraphs of Conn. Gen. Stat. §12-407(2)(i) under which they were enumerated at the time the exemption was enacted. These letter designations are no longer correct, due to subsequent amendments of Conn. Gen. Stat. §12-407(2)(i).)

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be signed and issued to the provider of services described above by a person determined to be, and who is currently, eligible for total disability benefits under the Social Security Act to purchase such services to be rendered at such person's residence. For purposes of this exemption, a "residence" is a place of abode, of which the purchaser bears primary financial responsibility for upkeep. Therefore, a homeowner or condominium owner may qualify for exemption, whereas a renter or person living with a family member will be presumed not to qualify unless there is a written agreement stating that the person receiving total disability benefits is responsible for the upkeep of the residence. In order to be eligible to claim exemption under Conn. Gen. Stat. §12-412(85), in the event of an audit by the Department the purchaser must be able to present to the Department a Third Party Query certificate ("TPQY") obtained from the Social Security Administration proving that the purchaser was eligible for total disability benefits at the time the services were purchased, or such other evidence of eligibility as the commissioner may deem sufficient. A copy of this CERT-121 must be maintained for a period of at least six years from the date the services are purchased.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate in good faith, when properly completed, shall relieve the seller from the burden of proving that the sale and the consumption of landscaping and horticulture services, window cleaning services or maintenance services are not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person eligible for and receiving total disability benefits under the Social Security Act purchasing services to be rendered at such person's residence. The good faith of the seller will be questioned if the seller has knowledge of facts indicating that the person furnishing this certificate is not eligible to receive total disability benefits under the Social Security Act or that the services being purchased are to be rendered at a location that is not the residence of such person. This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date the services are purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-121" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "Certificate for One Purchase Only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "Blanket Certificate" must be checked. A blanket certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME OF PURCHASER	ADDRESS	SOCIAL SECURITY NUMBER
NAME OF SELLER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT TAX REGISTRATION NUMBER

CHECK ONE BOX: Blanket Certificate Certificate for One Purchase Only

DESCRIPTION OF SERVICES PURCHASED:

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

I have been determined to be, and am currently, eligible for total disability benefits under the Social Security Act. The services described above are landscaping and horticulture services, window cleaning services or maintenance services to be rendered at my residence, as described in Conn. Gen. Stat. §12-412(85). In accordance with Conn. Gen. Stat. §12-412(85), the purchase of these services is not subject to sales and use taxes.

I hereby declare, under the penalties of false statement, the information contained herein, to the best of my knowledge and belief, is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of purchaser

Date

**CERTIFICATE FOR REFUND OF SALES TAX PAID
ON EXEMPT QUALIFYING PURCHASES OF MEALS OR LODGING BY
AN EXEMPT ORGANIZATION OR QUALIFYING GOVERNMENTAL AGENCY**

When completing this certificate, refer to **PS 96(7), Purchases of Meals or Lodging by Exempt Organizations or Qualifying Governmental Agencies**, for further important information.

GENERAL PURPOSE: This certificate is to be used by an exempt organization or qualifying governmental agency to request a refund of sales tax paid on a qualifying exempt purchase of meals or lodging. This certificate may be used **only** if all three of the following conditions are met:

1. The retailer directly invoiced and charged the exempt organization or qualifying governmental agency for the meals or lodging; **and**
2. The exempt organization or qualifying governmental agency directly paid the retailer with a check drawn on its own account or with a credit card issued in its own name. Cash payments will not satisfy this condition, regardless of the cost of the meal or lodging; **and**
3. The exempt organization or qualifying governmental agency was not reimbursed, in whole or in part, by donation or otherwise, for its payment for the meals or lodging by those consuming the meals or lodging.

CREDIT CARD PURCHASES: If a credit card was used to pay the retailer of meals or lodging, the card must be issued in the name of the exempt organization or qualifying governmental agency and must be used exclusively to make purchases for the use of the exempt organization or qualifying governmental agency (not for the convenience of its officers, employees or members), and the credit card charges must be paid by a check drawn on the organization's or agency's own checking account.

NONQUALIFYING PURCHASES: This certificate may not be used (and tax will not be refunded) on the purchase of meals or lodging not meeting all three of the conditions that are set out above. Some examples of purchases that are **nonqualifying purchases** include fund raisers where those who attend were charged or were required to make what is purported to be a "donation"; a seminar or conference where meals or lodging were provided at no extra charge to those paying the conference or seminar registration fee; and events such as high school or college reunion dinners, class picnics, proms, holiday parties, where an exempt organization or qualifying governmental agency paid the retailer with its own check but collected reimbursement, in whole or in part, by "donation" or otherwise, from those who consumed the meals or lodging.

WHO SHOULD FILE THIS CERTIFICATE: If the exempt organization or qualifying governmental agency did not receive prior approval of exemption from the Department, either because it was reimbursed, in whole or in part, for certain meals or lodging (although not reimbursed, in whole or in part, for other meals or lodging) or because it did not submit properly completed **CERT-112** at least three weeks prior to the event, the exempt organization or qualifying governmental agency must pay the tax to the retailer at the time of the purchase of the meals or lodging, and may request a refund of sales tax paid on the particular meals or lodging for which it was not reimbursed, in whole or in part, by submitting this certificate to the Department.

EVENTS THAT QUALIFY FOR REFUND ONLY: If the exempt organization or qualifying governmental agency will be paying (and will not be reimbursed, in whole or in part) for the meals or lodging of some of the attendees but will be reimbursed in whole or in part for the meals or lodging of others, a preapproved exemption will **not** be issued and the exempt organization or qualifying governmental agency will be required to pay tax on **all** the meals or lodging at the time of the purchase. However, upon the filing, and the approval by the Department, of **CERT-122, Certificate for Refund of Sales Tax Paid on Exempt Qualifying Purchases of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency**, tax will be refunded on those meals or lodging that were paid for by the exempt organization or qualifying governmental agency and for which it was not reimbursed, in whole or in part. Tax paid on those meals or lodging for which full or partial reimbursement was received by the exempt organization or qualifying governmental agency is not eligible for refund.

Example 1: B, an exempt organization, is sponsoring a dinner at a restaurant to honor one of its members. The restaurant is charging B \$50 per meal and B is selling tickets for \$50 per person; however, the honoree and members of the immediate family are attending as guests of the exempt organization. B must pay sales tax on all meals purchased. It may, however, complete and file a **CERT-122** in order to claim a refund of only the taxes paid on meals consumed by the honoree and members of the immediate family.

Example 2: C, an exempt organization, is sponsoring a retirement dinner at a restaurant to honor one of its employees. The restaurant is charging C \$60 per meal. C is selling tickets for \$50 per person and paying the \$10 per meal difference to the restaurant from its own funds. C must pay sales tax on all meals purchased. Because the organization received partial reimbursement for all of the meals, C is not eligible for a refund of any of the tax paid.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be completed and signed by an officer of an exempt organization or qualifying governmental agency to request a refund of taxes paid on the qualifying exempt purchase of meals or lodging. If the purchaser is an exempt organization, it must **either** attach to **CERT-122** a copy of its determination letter issued by the United States Treasury Department, determining it to be an organization described under §501(c)(3) or (13) of the Internal Revenue Code **or**, if it was issued an exemption permit before July 1, 1995 by the Department under Conn. Agencies Regs. §12-426-15, enter its exemption permit number on **CERT-122**. If the purchaser is a qualifying governmental agency, no attachment is required. If the Department concludes that a qualifying exempt purchase was made, the tax paid thereon will be refunded to the purchaser. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained by the exempt organization or qualifying governmental agency for a period of at least six years from the date of its issuance. The following items must be included with **CERT-122**:

1. A copy of an itemized bill directly invoicing and charging the exempt organization or qualifying governmental agency for the meals or lodging. **The bill must separately state the amount of sales tax charged on meals and on lodging; and**
2. A copy of the canceled check(s) (front and back), including the initial deposit, drawn on the exempt organization or qualifying governmental agency's checking account, directly paying for the meals or lodging.

FOR FURTHER INFORMATION: Call the *Exempt Organization Coordinator* at 860-297-5604 or 1-800-382-9463 (In-State) Choose Option 0. Telecommunications Device for the Deaf (TDD/TT) users **only** call 860-297-4911.

CONTINUED ON REVERSE

Name of Exempt Organization or Qualifying Governmental Agency	Federal Employer Identification Number
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Address of Exempt Organization or Qualifying Governmental Agency _____

Check One Box: Qualifying Governmental Agency
 Exempt Organization
 Enter Connecticut Exemption Permit Number (if any) _____
(If the exempt organization was not issued a Connecticut exemption permit (E-number) by the Department prior to July 1, 1995, please attach a copy of the exempt organization's §501(c)(3) or (13) determination letter issued by the United States Treasury Department.)

Name of Retailer	Check Appropriate Box(es) <input type="checkbox"/> Meals <input type="checkbox"/> Lodging
Address of Retailer	Date(s) of Event

Describe Purpose or Reason for Event: (Please be specific. For example: Meeting of Board of Trustees, or Luncheon to honor volunteers)

In reference to the purchase of meals or lodging by the exempt organization or qualifying governmental agency:

Column A	Column B	Column C
TOTAL NUMBER OF MEALS OR LODGING PURCHASED _____	NUMBER FOR WHICH NO REIMBURSEMENT, FULL OR PARTIAL, WAS RECEIVED _____	NUMBER FOR WHICH REIMBURSEMENT, FULL OR PARTIAL, WAS RECEIVED _____
TOTAL COST OF MEALS OR LODGING PURCHASED (EXCLUDING TAX) _____	COST OF MEALS OR LODGING FOR WHICH NO REIMBURSEMENT, FULL OR PARTIAL, WAS RECEIVED (EXCLUDING TAX) _____	COST OF MEALS OR LODGING FOR WHICH REIMBURSEMENT, FULL OR PARTIAL, WAS RECEIVED (EXCLUDING TAX) _____
TOTAL TAX PAID ON THIS AMOUNT _____	TOTAL TAX PAID ON THIS AMOUNT _____	TOTAL TAX PAID ON THIS AMOUNT _____

The sum of the numbers entered in Column B and Column C should equal the number entered in Column A

DECLARATION BY EXEMPT ORGANIZATION OR QUALIFYING GOVERNMENTAL AGENCY

I hereby declare that the exempt organization or qualifying governmental agency:

- was directly invoiced and charged by the retailer;
- directly paid the retailer with a check drawn on its own account or with a credit card issued in its own name; and
- was not reimbursed, directly or indirectly, by donation or otherwise, for all or a portion of the cost of the meals or lodging by those consuming the meals or lodging.

I also declare that any exemption permit noted on this certificate, or any determination letter or group exemption letter (as the case may be) attached to this certificate, has not been canceled or revoked.

I hereby declare under the penalties of false statement, the information contained herein, to the best of my knowledge and belief, is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Authorized Signature _____	Title _____	Date _____	Telephone Number _____
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This Section Is To Be Completed by the Department of Revenue Services

REQUEST APPROVED BY DEPARTMENT

Official Approval/Department of Revenue Services _____ Date Approved _____

REQUEST DISAPPROVED BY THE DEPARTMENT

- Exempt organization did not provide proof of exempt status. (Connecticut exemption permit number or §501(c)(3) or (13) determination letter issued by the United States Treasury Department.)
- Exempt organization or qualifying governmental agency was not directly invoiced and charged by the retailer of the meals or lodging.
- Exempt organization or qualifying governmental agency did not directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees or officers) or a U.S. Government "I. M. P. A. C." credit card.
- Exempt organization or qualifying governmental agency was reimbursed, in whole or in part, for its payment for the meals or lodging by those consuming the meals or lodging.

Official Disapproval/Department of Revenue Services _____ Date Disapproved _____

**BLANKET CERTIFICATE FOR EXEMPT QUALIFYING PURCHASES
 OF MEALS OR LODGING BY AN EXEMPT ORGANIZATION
 OR QUALIFYING GOVERNMENTAL AGENCY**

When completing this blanket certificate, refer to **PS 96(7), Purchases of Meals or Lodging by Exempt Organizations or Qualifying Governmental Agencies**, for further important information.

GENERAL PURPOSE: This blanket certificate is to be used by an exempt organization or qualifying governmental agency to establish that purchases of meals or lodging by such exempt organization or qualifying governmental agency during a one-year period from the same retailer are exempt from sales and use taxes as qualifying exempt purchases. This certificate may be used **only** if all four of the following conditions are met:

1. The retailer directly invoices and charges the exempt organization or qualifying governmental agency for the meals or lodging; **and**
2. The exempt organization or qualifying governmental agency directly pays the retailer with a check drawn on its own account or with a credit card issued in its own name. Cash payments will not satisfy this condition, regardless of the cost of the meal or lodging; **and**
3. The exempt organization or qualifying governmental agency is not reimbursed, in whole or in part, by donation or otherwise, for its payment for the meals or lodging by those consuming the meals or lodging; **and**
4. The purchase of the meals or lodging occurs before the expiration of the one-year period specified on the blanket certificate.

EXPIRATION OF BLANKET CERTIFICATE: This blanket certificate expires one year after the Approval Date entered on the reverse. For example, if the Approval Date that is entered on the reverse is September 23, 1996, this certificate expires on September 23, 1997 (and covers qualifying exempt purchases of meals or lodging from the same retailer from September 23, 1996 up to and including September 23, 1997).

CREDIT CARD PURCHASES: If a credit card is used to pay the retailer of meals or lodging, the card must be issued in the name of the exempt organization or qualifying governmental agency and must be used exclusively to make purchases for the use of the exempt organization or qualifying governmental agency (not for the convenience of its officers, employees or members), and the credit card charges must be paid by a check drawn on the organization's or agency's own checking account.

NONQUALIFYING PURCHASES: This blanket certificate may not be used (and tax must be paid) on the purchase of meals or lodging not meeting all four of the conditions that are set out above. Some examples of purchases that are **nonqualifying purchases** include fund raisers where those who attend are charged or are required to make what is purported to be a "donation"; a seminar or conference where meals or lodging are provided at no extra charge to those paying the conference or seminar registration fee; events such as high school or college reunion dinners, class picnics, proms, holiday parties, where an exempt organization or qualifying governmental agency pays the retailer with its own check but collects reimbursement, in whole or in part, by "donation" or otherwise, from those consuming the meals or lodging; and events that occur after the expiration of the one-year period specified on the blanket certificate.

INSTRUCTIONS FOR THE PURCHASER: This blanket certificate is to be completed and signed by an officer of an exempt organization or qualifying governmental agency for qualifying exempt purchases of meals or lodging during a one year period and submitted to: Department of Revenue Services, 25 Sigourney Street, Hartford, CT 06106-5032, Attn: Exempt Organization Coordinator, Legal Division. If the purchaser is an exempt organization, it must **either** attach to **CERT-123** a copy of its determination letter issued by the United States Treasury Department, determining it to be an organization described under §501(c)(3) or (13) of the Internal Revenue Code **or**, if it was issued an exemption permit before July 1, 1995 by the Department under Conn. Agencies Regs. §12-426-15, enter its exemption permit number on **CERT-123**. If the purchaser is a qualifying governmental agency, no attachment is required. If the Department concludes that qualifying exempt purchases will be made, the certificate, with the Department's official approval noted thereon, will be returned to the exempt organization or qualifying governmental agency. The exempt organization or qualifying governmental agency must then provide the approved certificate to the retailer of meals or lodging. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of its issuance.

EVENTS THAT QUALIFY FOR REFUND ONLY: If the exempt organization or qualifying governmental agency will be paying (and will not be reimbursed, in whole or in part) for the meals or lodging of some of the attendees but will be reimbursed in whole or in part for the meals or lodging of others, a preapproved exemption will **not** be issued and the exempt organization or qualifying governmental agency will be required to pay tax on **all** the meals or lodging at the time of the purchase. However, upon the filing, and the approval by the Department, of **CERT-122, Certificate of Refund of Sales Tax Paid on Exempt Qualifying Purchases of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency**, tax will be refunded on those meals or lodging that were paid for by the exempt organization or qualifying governmental agency and for which it was not reimbursed, in whole or in part. Tax paid on those meals or lodging for which full or partial reimbursement was received by the exempt organization or qualifying governmental agency is not eligible for refund.

Example 1: B, an exempt organization, is sponsoring a dinner at a restaurant to honor one of its members. The restaurant is charging B \$50 per meal and B is selling tickets for \$50 per person; however, the honoree and members of the immediate family are attending as guests of the exempt organization. B must pay sales tax on all meals purchased. It may, however, complete and file a **CERT-122** in order to claim a refund of only the taxes paid on meals consumed by the honoree and members of the immediate family.

Example 2: C, an exempt organization, is sponsoring a retirement dinner at a restaurant to honor one of its employees. The restaurant is charging C \$60 per meal. C is selling tickets for \$50 per person and paying the \$10 per meal difference to the restaurant from its own funds. C must pay sales tax on all meals purchased. Because the organization received partial reimbursement for all of the meals, C is not eligible for a refund of any of the tax paid.

INSTRUCTIONS FOR RETAILER OF MEALS OR LODGING: Acceptance of this blanket certificate, when properly completed and when the Department's official approval is noted thereon, shall relieve the retailer from the burden of proving that sales of meals or lodging were not subject to sales and use taxes. This certificate is valid only if taken in good faith from an exempt organization or qualifying governmental agency. For example, the good faith of the retailer will be questioned if such retailer has knowledge of facts that give rise to a reasonable inference that the exempt organization or qualifying governmental agency is being reimbursed in whole or in part for the meals or lodging by those consuming the meals or lodging.

NOTE: The retailer of meals or lodging must **not** accept this certificate unless the retailer directly invoices and charges the exempt organization or qualifying governmental agency for the meals or lodging.

Also, the retailer must **not** accept the certificate unless the retailer is directly paid by the exempt organization or qualifying governmental agency with a check drawn on the exempt organization's or qualifying governmental agency's own checking account or with a credit card issued in the organization's or agency's name (not in the name of one of its members, employees or officers). **Cash payments will not satisfy this condition, regardless of the cost of the meal or lodging.**

This certificate, and the documents attached thereto, and bills or invoices to the purchaser must be maintained for a period of at least six years from the date the meals or lodging was purchased. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt under CERT-123" will satisfy the requirement. This certificate only applies to events occurring before the expiration of the one-year period specified on the blanket certificate.

FOR FURTHER INFORMATION: Call the *Exempt Organization Coordinator* at 860-297-5604 or 1-800-382-9463 (In-State) Choose Option 0. Telecommunications Device for the Deaf (TDD/TT) users **only** call 860-297-4911.

CONTINUED ON REVERSE

Name of Exempt Organization or Qualifying Governmental Agency	Federal Employer Identification Number
---	--

Address of Exempt Organization or Qualifying Governmental Agency

Check One Box: Qualifying Governmental Agency
 Exempt Organization
 Enter Connecticut Exemption Permit Number (if any) _____
(If the exempt organization was not issued a Connecticut exemption permit (E-number) by the Department prior to July 1, 1995, please attach a copy of the exempt organization's §501(c)(3) or (13) determination letter issued by the United States Treasury Department.)

Name of Retailer	Check Appropriate Box(es) <input type="checkbox"/> Meals <input type="checkbox"/> Lodging
Address of Retailer	Date(s) of Event (if known)

Describe Purpose or Reason for Events: (Please be specific. For example: Meeting of Board of Trustees, or Luncheon to honor volunteers)

Will the exempt organization or qualifying agency receive reimbursement, full or partial, for any or all of the meals or lodging? <input type="checkbox"/> Yes <input type="checkbox"/> No	Will the retailer of the meals or lodging directly invoice and charge the agency or organization for the meals or lodging? <input type="checkbox"/> Yes <input type="checkbox"/> No
Will a charge, by whatever name called, be made for the meals or lodging by the exempt organization or qualifying governmental agency to those who will consume the meals or lodging? <input type="checkbox"/> Yes <input type="checkbox"/> No	Will the agency or organization directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees or officers) or with a U.S. Government "I. M. P. A. C." credit card? <input type="checkbox"/> Yes <input type="checkbox"/> No

DECLARATION BY EXEMPT ORGANIZATION OR QUALIFYING GOVERNMENTAL AGENCY

I hereby declare that the exempt organization or qualifying governmental agency:

- is being directly invoiced and charged by the retailer;
- is directly paying the retailer with a check drawn on its own account or with a credit card issued in its own name; and
- will not be reimbursed, directly or indirectly, by donation or otherwise, for all or a portion of the cost of the meals or lodging by those consuming the meals or lodging.

I also declare that any exemption permit noted on this certificate, or any determination letter or group exemption letter (as the case may be) attached to this certificate, has not been canceled or revoked.

I hereby declare under the penalties of false statement, the information contained herein, to the best of my knowledge and belief, is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Authorized Signature	Date	Telephone Number
Print or Type Name	Print or Type Title	

NOTICE TO RETAILERS: Do not accept this certificate if the following section has not been completed and the Department's official approval has not been noted thereon; or for any events occurring more than one year after the Approval Date specified below.

This Section is to be Completed by the Department of Revenue Services

REQUEST APPROVED BY DEPARTMENT

Official Approval/Department of Revenue Services	Approval Date (This certificate expires one year after the Approval Date)
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REQUEST DISAPPROVED BY THE DEPARTMENT

- Exempt organization did not provide proof of exempt status. (Connecticut exemption permit number or §501(c)(3) or (13) determination letter issued by the U.S. Treasury Department.)
- Exempt organization or qualifying governmental agency will not be directly invoiced and charged by the retailer of the meals or lodging.
- Exempt organization or qualifying governmental agency will not directly pay the retailer of the meals or lodging with a check drawn on its own checking account or with a credit card issued in its own name (and not in the name of one of its members, employees or officers) or with a U.S. Government "I. M. P. A. C." credit card.
- Exempt organization or qualifying governmental agency will be reimbursed, in whole or in part, for its payment for the meals or lodging by those consuming the meals or lodging.

Official Disapproval/Department of Revenue Services	Date Disapproved
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CERT-124

(New 8/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**CERTIFICATE FOR PURCHASES IN CONNECTION
WITH WATER POLLUTION CONTROL FACILITIES****CONN. GEN. STAT. §§12-412(21), 12-217d AND 12-81(51)**

GENERAL PURPOSE: This certificate is to be used by the purchaser of tangible personal property acquired for incorporation into or used and consumed in the operation of facilities for the treatment of industrial waste before the discharge thereof into any waters of the state or into any sewerage system emptying into such waters, the primary purpose of which is the reduction, control or elimination of water pollution, certified as approved for such purpose by the Commissioner of Environmental Protection. Said Commissioner may certify to a portion of such tangible personal property acquired for incorporation into such facilities to the extent that such portion shall have as its primary purpose the reduction, control or elimination of water pollution.

This certificate may also be used to substantiate the taking of a credit against the corporation business tax, pursuant to Conn. Gen. Stat. §12-217d, and/or to certify that for the purposes of the municipal property tax exemption afforded by Conn. Gen. Stat. §12-81(51), the tangible personal property purchased has been approved for incorporation into or consumption in the operation of water pollution abatement facilities. For information on either of these provisions, see Policy Statement 96(8).

As explained in Policy Statement 96(8), this certificate may be used to satisfy the Department of Environmental Protection approval required by the following provisions:

- Conn. Gen. Stat. §12-412(21), sales and use taxes exemption
- Conn. Gen. Stat. §12-217d, corporation business tax credit.
- Conn. Gen. Stat. §12-81(51), municipal property tax exemption

FOR PURCHASES OF ITEMS NOT LISTED IN POLICY STATEMENT 96(8): The purchaser must obtain and attach to this certificate written approval from the Commissioner of Environmental Protection indicating that such item of tangible personal property or service is approved for use in a water pollution control facility. For information on how to obtain written approval from the Department of Environmental Protection, see Policy Statement 96(8).

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business that purchases tangible personal property to be incorporated into or consumed in the operation of facilities for the treatment of industrial waste before the discharge thereof into any waters of the state or into any sewerage system emptying into such waters, the primary purpose of which is the reduction, control or elimination of water pollution, certified as approved for such purpose by the Commissioner of Environmental Protection. In order for the purchaser to qualify for the exemption from sales and use taxes afforded by Conn. Gen. Stat. §12-412(21), the purchaser must present this certificate to the retailer at the time of purchase of the qualifying tangible personal property.

In order to obtain the corporation business tax credit afforded by Conn. Gen. Stat. §12-217d, the purchaser must append a copy of this certificate, properly completed, to its Connecticut corporation business tax return, Form CT-1120.

In order to obtain the municipal property tax exemption pursuant to Conn. Gen. Stat. §12-81(51) which may be available for the purchase of qualifying tangible personal property, the taxpayer must file a copy of this certificate, properly completed, with the assessor of the municipality in which the structures or equipment are located, after confirming that municipality's procedures for qualifying for such exemption.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale of tangible personal property is not subject to sales and use taxes when such tangible personal property will be used or consumed in the operation of facilities for the treatment of industrial waste before the discharge thereof into any waters of the state or into any sewerage system emptying into such waters, the primary purpose of which is the reduction, control or elimination of water pollution, certified as approved for such purpose by the Commissioner of Environmental Protection.

The certificate is valid only if taken in good faith from a person who is an owner or officer of a business that will use tangible personal property being purchased as provided in the provisions of Conn. Gen. Stat. §12-412(21). For example, the good faith of the seller will be questioned if such seller has knowledge of facts that give rise to a reasonable inference that the purchaser will not use the tangible personal property for water pollution abatement or that the tangible personal property cannot be used for such purpose, or that the tangible personal property has not been approved by the Department of Environmental Protection. This certificate, together with proof that the tangible personal property is approved for use or consumption in water pollution abatement, and bills or invoices to the purchaser, must be maintained by the seller for a period of at least six years from the date on which the items were purchased. The bills, invoices or records covering purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-124" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "Certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "Blanket Certificate" must be checked. A Blanket Certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

CONTINUED ON REVERSE

NAME OF PURCHASER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT. TAX REGISTRATION NUMBER
NAME OF SELLER	ADDRESS	FEDERAL EMPLOYER I.D. NUMBER
		CT. TAX REGISTRATION NUMBER

CHECK ONE BOX:

Blanket Certificate

Certificate for One Purchase Only

CHECK APPLICABLE BOX(ES):

Services

Construction Materials

Supplies

Engineering Supplies

Water Pollution Equipment

DESCRIPTION OF ITEMS OR SERVICES PURCHASED:

(NOTE: SERVICES ARE NOT EXEMPT FROM SALES AND USE TAXES, BUT AMOUNTS PAID FOR SERVICES MAY BE USED TO CALCULATE THE CORPORATION BUSINESS TAX CREDIT UNDER CONN. GEN. STAT. §12-217d, PROVIDED APPROVAL FOR THE PURCHASE OF SERVICES IS OBTAINED IN ADVANCE FROM THE COMMISSIONER OF ENVIRONMENTAL PROTECTION.)

DECLARATION BY PURCHASER

The item(s) described above are tangible personal property to be used or consumed by a business in the operation of facilities for the treatment of industrial waste before the discharge thereof into any waters of the state or into any sewerage system emptying into such waters, the primary purpose of which is the reduction, control or elimination of water pollution, or services used for the construction, rebuilding, acquisition or expansion of facilities for the treatment of industrial waste, certified as approved for such purpose by the Commissioner of Environmental Protection.

In accordance with Conn. Gen. Stat. §12-412(21), the purchase of the item(s) of tangible personal property is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge of the information contained in this Certificate and that to the best of my knowledge and belief it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars or both.)

Name of purchasing business

BY: _____
Authorized signature of owner or officer

Title

Date

CERT-125

(New 8/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**SALES AND USE TAX EXEMPTION FOR MOTOR VEHICLE
PURCHASED WITHIN THE STATE OF CONNECTICUT
BUT NOT REGISTERED IN THIS STATE BY A PURCHASER
WHO DOES NOT RESIDE IN THIS STATE**

CONN. GEN. STAT. §12-412(60) provides an exemption from sales and use taxes for "the sale of any motor vehicle in this state when the purchaser of such motor vehicle is not a resident of this state and does not maintain a permanent place of abode in this state, provided such motor vehicle is not presented for registration with the department of motor vehicles in this state and such purchaser submits any affidavit or other evidence as may be requested by the commissioner of revenue services concerning such purchaser's residency or place of abode."

GENERAL PURPOSE: This certificate is to be used by a nonresident purchaser in connection with the purchase of a motor vehicle exempt from sales and use taxes from a licensed Connecticut motor vehicle dealer, when the vehicle will not be presented for any form of registration in Connecticut.

NOTE: This certificate shall not be valid unless wholly and correctly completed and acknowledged. Any item which is inapplicable shall be noted as such by the purchaser. Any misrepresentation will result in the imposition of use tax liability and statutory interest and penalties upon the purchaser or sales tax liability and statutory interest and penalties upon the retailer. Information contained herein will be furnished to other states and is subject to verification by the State of Connecticut. If the purchaser is a corporation, its president shall sign the Affidavit of Purchaser. If the motor vehicle is not used in the manner described herewith, the purchaser who claimed exemption shall owe a use tax on the total price of the motor vehicle purchased under such exemption.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by the purchaser who does not maintain a permanent place of abode in Connecticut and will not be registering the motor vehicle in Connecticut.

Do not use this form if you (purchaser) maintain a permanent place of abode in Connecticut. A **permanent place of abode** is a dwelling place (a building or structure where a person can live) permanently maintained by an individual, whether or not owned by or leased to such individual, and generally includes a dwelling place owned by or leased to his or her spouse. Partnerships or corporations do not qualify for this exemption if the entity maintains a Connecticut situs, if the operator(s) maintain a permanent place of abode in Connecticut or if the entity owns fixed assets located in this state.

INSTRUCTIONS FOR THE SELLER: This form shall be filed with the retailer's Sales and Use Tax Return for the period for which the exemption is claimed. The retailer shall retain a copy with its records. A copy of this executed certificate shall be furnished to the purchaser. This certificate and bill or invoice to the purchaser must be maintained for a period of at least six years from the date the item is purchased. This certificate is valid only if taken in good faith from a person who does not maintain a permanent place of abode in this state and will not be presenting this motor vehicle for any form of registration in Connecticut. The good faith of the seller will be questioned if such seller knows or has knowledge of facts that give rise to a reasonable inference that the purchaser is a resident of Connecticut or maintains a permanent place of abode here, or intends to present the motor vehicle for registration with the Department of Motor Vehicles in this state. The bill, purchase invoice or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-125" will satisfy the requirement.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

RETAILER INFORMATION - Please Print

NAME OF RETAILER _____ CT TAX REGISTRATION NUMBER _____
STREET _____ DATE OF SALE _____
CITY OR TOWN, STATE & ZIP CODE _____ TELEPHONE () _____

PURCHASER INFORMATION - Please Print

NAME OF PURCHASER _____ TELEPHONE () _____	
IF AN INDIVIDUAL Home address: _____ No. & Street _____ City, State & Zip _____	IF PARTNERSHIP OR CORPORATION Home address: _____ No. & Street _____ City, State & Zip _____
Name and address of employer: _____ No. & Street _____ City, State & ZIP _____	Name and address of Operator: _____ No. & Street _____ City, State & ZIP _____
(Drivers License Number) _____ (State) _____ (Expiration Date) _____	(Drivers License Number) _____ (State) _____ (Expiration Date) _____

CONTINUED ON REVERSE

MOTOR VEHICLE IDENTIFICATION DATA

YEAR _____ MAKE OF VEHICLE _____ MODEL _____
COLOR _____ VEHICLE IDENTIFICATION NUMBER _____

RETAIL SALES PRICE DATA

GROSS SALES PRICE* _____
TRADE-IN ALLOWANCE _____
NET SALES PRICE _____

TRADE-IN DATA

MAKE _____ MODEL _____
YEAR _____ VEHICLE ID NUMBER _____
STATE OF REG. & PLATE NUMBER _____

***NOTE: Do not deduct manufacturer's rebates from gross sales price. Deduct registration fees from gross sales price.**

AFFIDAVIT OF PURCHASER

I HEREBY CERTIFY UNDER PENALTY OF FALSE STATEMENT that the above-described motor vehicle was purchased from the above-named retailer by the above-named purchaser. The purchaser is not a resident of the State of Connecticut, but is a resident of the State of _____. The purchaser does not maintain a permanent place of abode in Connecticut. The motor vehicle will not be presented for any form of registration (including Title Only) with the Connecticut Department of Motor Vehicles. The motor vehicle will be registered for highway use with the State of _____.

FOR THE PURCHASER: _____
(Signature) (Title)

Sworn to and subscribed before me this _____ day of _____, 19 _____

(Notary Public)

My commission expires the _____ day of _____, 19 _____

AFFIDAVIT OF RETAILER

I HEREBY CERTIFY UNDER PENALTY OF FALSE STATEMENT that I have examined this certificate and to the best of my knowledge and belief, the information contained herein is true, accurate and complete.

FOR THE RETAILER: _____
(Signature) (Title)

Sworn to and subscribed before me this _____ day of _____, 19 _____

(Notary Public)

My commission expires the _____ day of _____, 19 _____

FALSE STATEMENT IS A CLASS A MISDEMEANOR PUNISHABLE BY A FINE NOT IN EXCESS OF ONE THOUSAND DOLLARS OR IMPRISONMENT NOT IN EXCESS OF ONE YEAR, OR BOTH.

CERT-126

(New 7/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES**CERTIFICATE FOR EXEMPT PURCHASES OF TANGIBLE PERSONAL PROPERTY
FOR LOW AND MODERATE INCOME HOUSING FACILITIES****CONN. GEN. STAT. §12-412 (29)**

GENERAL PURPOSE: This certificate is to be used by sponsors, owners or operators of low and moderate income housing facilities, as described in Conn. Gen. Stat. §12-412 (29), as well as by contractors for the construction, renovation, repair, maintenance or operation of such facilities, to purchase tangible personal property to be incorporated into or to be used and consumed in the operation of the facilities. By way of example and not of limitation, such tangible personal property may consist of materials that will be physically incorporated into a construction project or supplies or equipment that will be used and consumed in the operation of the facility after its construction. **Services are not exempt under Conn. Gen. Stat. §12-412 (29) and may not be purchased without payment of tax with this certificate.**

If the tangible personal property is not used in the manner described above, a purchaser who claimed an exemption shall owe a use tax on the total price of such property.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by a sponsor, owner or operator of a low and moderate income housing facility, or a contractor under contract with a sponsor, owner or operator of such facility, for purchases of tangible personal property to be incorporated into or used and consumed in the operation of the facility. In order for the purchaser to qualify for the exemption from sales and use taxes afforded by Conn. Gen. Stat. §12-412 (29), the purchaser must present this certificate to the retailer at the time of the purchase of the qualifying tangible personal property, together with a signed and dated copy of the Facility Approval Letter from the Department of Revenue Services identifying the low and moderate income housing facility named in this certificate and acknowledging that such facility is entitled to the exemption. A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of issuance of this certificate.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that tangible personal property is not subject to sales and use taxes when such tangible personal property will be incorporated into or used and consumed in the operation of a low and moderate income housing facility. This certificate is valid only if taken in good faith from a sponsor, owner or operator of a low and moderate income housing facility, as described in Conn. Gen. Stat. §12-412 (29), or from a contractor under contract with a sponsor, owner or operator of the facility, and must be accompanied by a signed and dated copy of the Facility Approval Letter from the Department of Revenue Services identifying the low and moderate income housing facility named in this certificate and acknowledging that such facility is entitled to the exemption. The good faith of the seller will be questioned if, for example, such seller has knowledge of facts that give rise to a reasonable inference that the purchaser does not intend to use the property in connection with the low and moderate income housing facility identified in the Facility Approval Letter, or that the purchaser is not the sponsor, owner or operator of such facility, or a contractor under contract with such sponsor, owner or operator. This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date of purchase. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-126" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "Certificate For One Purchase Only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "Blanket Certificate" must be checked. A Blanket Certificate shall remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

NAME AND ADDRESS OF LOW AND MODERATE INCOME HOUSING FACILITY

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #
NAME OF SELLER	ADDRESS	CT TAX REG. # (If NONE, explain on reverse)	FEDERAL EMPLOYER I.D. #

PURCHASER IS (CHECK APPROPRIATE BOX(ES)):

SPONSOR OWNER OPERATOR CONTRACTOR OF THE ABOVE-NAMED FACILITY

IF PURCHASER IS CONTRACTOR, DESCRIBE PURPOSE OF CONTRACT AND IDENTIFY THE OTHER CONTRACTING PARTY OR PARTIES:

PROVIDE WRITTEN DESCRIPTION OF EACH ITEM PURCHASED:

CHECK ONE BOX:

BLANKET CERTIFICATE CERTIFICATE FOR ONE PURCHASE ONLY

A SIGNED AND DATED COPY OF THE D.R.S. FACILITY APPROVAL LETTER IDENTIFYING THE HOUSING FACILITY MUST BE ATTACHED TO THIS CERTIFICATE

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The item(s) described above are tangible personal property to be incorporated into or used and consumed in the operation of the low and moderate income housing facility identified herein and in the attached Facility Approval Letter. I declare that the above-named purchaser is the sponsor, owner or operator of the facility, or a contractor under contract with the sponsor, owner or operator of the facility. I acknowledge that the purchaser will be liable for Connecticut use tax, plus applicable penalty and interest as of the date of purchase, on the total purchase price of such property if any of the requirements for the exemption under Conn. Gen. Stat. §12-412 (29) are not present or are not met.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars, or both.)

Name of purchaser

By: _____
Authorized signature Title Date

**CERTIFICATE FOR EXEMPT PURCHASES BY AN ENROLLED
MEMBER OR BY THE TRIBAL GOVERNMENT OF THE
MASHANTUCKET PEQUOT TRIBE OR MOHEGAN TRIBE**

CONN. GEN. STAT. §12-412(2)

GENERAL PURPOSE: This certificate is to be used by either an enrolled member or an agent of the tribal government of the Mashantucket Pequot Tribe or Mohegan Tribe for purchases or rentals of tangible personal property or purchases of services on the reservation of such tribe.

The purchaser who claims this exemption shall owe use tax on the total purchase price of the tangible personal property or services if, at the time of the purchase, the purchaser does not intend to use such tangible personal property or services exclusively on the reservation, and subsequently uses such tangible personal property or services off the reservation.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an enrolled member or agent of the tribal government of the Mashantucket Pequot Tribe or Mohegan Tribe for purchases or rentals of tangible personal property or purchases of services on the reservation of the tribe with which the purchaser is affiliated.

Tangible personal property. Sales and purchases of tangible personal property take place on the reservation if title to such property passes to the purchaser on the purchaser's reservation. Rentals of tangible personal property take place on the reservation if delivery of the property occurs on the reservation. **Purchases or rentals of tangible personal property are not exempt, and sales and use taxes apply to such purchases, where title to the property passes to the purchaser, or delivery of rented property is taken by the purchaser, off the reservation, even if the purchaser will immediately transport the property to the reservation for exclusive use on such reservation.**

Services. The sale, storage, use or other consumption of a service occurs where the benefit of the service is derived in accordance with Chapter 219 of the Connecticut General Statutes, and the regulations thereunder. For example, certain services, such as business management services enumerated in Conn. Gen. Stat. §12-407(2)(i)(J), that are rendered for the benefit of a tribal business operating exclusively on the reservation, are considered to have taken place on the reservation, even if the services are performed by a service provider located off the reservation. Services to real property, such as services to industrial, commercial or income producing real property enumerated in Conn. Gen. Stat. §12-412(2)(i)(I), are considered to take place where the real property is located. Services to tangible personal property, such as repairs to motor vehicles or appliances, are generally considered to occur at the location where the services are rendered. Purchasers of services should inquire with the Department of Revenue Services if they are uncertain of the taxability of such services.

A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of issuance.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale, storage, use or other consumption, of tangible personal property or services is not subject to sales and use taxes. **This certificate is valid only if taken in good faith from an enrolled member or agent of the tribal government of the Mashantucket Pequot Tribe or Mohegan Tribe for purchases of tangible personal property where title to such tangible personal property will pass to the purchaser on the reservation of the purchaser's tribe; for rentals of tangible personal property where delivery of the property is taken on the reservation; and for purchases of services where the benefit of the service occurs on such reservation under Connecticut law.** The good faith of the seller will be questioned if the seller has knowledge that the passage of title to the tangible personal property sold, the delivery of tangible personal property rented, or the benefit of the services rendered will occur off the purchaser's reservation; or has knowledge of facts that give rise to a reasonable inference that the purchaser does not intend to use the tangible personal property exclusively on the reservation or that the purchaser is not an enrolled member or agent of the government of the tribe. Sellers of services should inquire with the Department of Revenue Services if they are uncertain of the taxability of the service being sold. This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date of the purchase. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-127" will satisfy the requirement.

This certificate may be issued annually as a "blanket certificate" for a continuing line of exempt purchases.

Check One Box: One-Time Purchase Blanket Certificate

Description of property purchased or rented or services purchased:

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

I declare that I am either an enrolled member or agent of the tribal government of the Mashantucket Pequot Tribe or Mohegan Tribe purchasing tangible personal property or services on such tribe's reservation. I further declare that title to the tangible personal property is being taken on the reservation, or that delivery of rented property is being taken on the reservation, and that the property purchased or rented, or the services purchased, are intended to be used exclusively on such reservation. If, however, the tangible personal property purchased or rented or services purchased under this certificate are intended to be used off the reservation, I acknowledge that the enrolled member or tribal government will be liable for Connecticut use tax on the total purchase price of such tangible personal property or services if and when such tangible personal property or services are actually used off the reservation.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that, to the best of my knowledge and belief, it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of tribe with which the purchaser is affiliated

By: _____
 Enrolled member or Agent of the tribal government Title (if applicable) Date

CERT-128
(Rev. 10/96)

**CERTIFICATE FOR EXEMPT PURCHASES BY CONTRACTORS
IN CONNECTION WITH CONSTRUCTION PROJECTS ON THE
MASHANTUCKET PEQUOT OR MOHEGAN RESERVATIONS**

CONN. GEN. STAT. §12-412(2)

GENERAL PURPOSE: This certificate is to be used by a construction contractor to purchase or rent tangible personal property for use exclusively in connection with construction projects performed for the Mashantucket Pequot Tribe or Mohegan Tribe or their enrolled members on the reservations of those tribes. Such tangible personal property may consist of materials and supplies to be physically incorporated into the construction project, or equipment purchased or rented by the contractor to be used on the reservation in the fulfillment of the contract, provided such equipment is used exclusively and permanently on the reservation, and the entire cost of the purchase is passed on to the tribe or an enrolled member of the tribe. **This exemption applies only when title to tangible personal property passes to the contractor, or delivery of rented property is taken by the contractor, on the tribal reservation upon which the project is being performed.**

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by a construction contractor for purchases or rentals of tangible personal property to be used in connection with a construction contract performed for the Mashantucket Pequot Tribe or Mohegan Tribe or an enrolled member of the tribe on the reservation of such tribe, when (a) title to the property passes, or the delivery of rented property is taken, on the reservation; (b) the entire cost of the purchase or rental of the property is passed on to the tribe or an enrolled member of the tribe; and (c) the equipment will be used exclusively and permanently on the tribe's reservation (or for the entire rental period in the case of rented property). **Purchases or rentals of tangible personal property are not exempt, and sales and use taxes apply to such purchases by a construction contractor, where title to the property, or delivery of the rented property, is taken by the purchaser off the reservation, even if the purchaser will immediately transport the property to the reservation.** If title to property, or delivery of rented property, is taken on the reservation and the purchaser intends to use the property off the reservation and subsequently so uses it, or if the entire cost of the purchase or rental is not passed on to the tribe or an enrolled member of the tribe, the purchaser will be liable for use tax on the purchase price of the property.

A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of issuance.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale, storage, use or other consumption of tangible personal property is not subject to sales and use taxes. **This certificate is valid only if taken in good faith from a contractor for sales or rentals of property that take place on a tribal reservation in connection with a construction contract that will be performed for the Mashantucket Pequot Tribe or the Mohegan Tribe or an enrolled member of the tribe on that tribe's reservation. Sales of property take place at the location where title to the property passes or where rented property is delivered.** The good faith of the seller will be questioned if the seller has knowledge that the passage of title to the property, or the delivery of rented property, will not take place on the reservation, or has knowledge of facts that give rise to a reasonable inference that the purchaser does not intend to use the property in connection with a construction contract for the tribe on the tribe's reservation, permanently and exclusively on the reservation, or that the entire cost of the purchase will not be passed on to the tribe or one of its enrolled members.

This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date of the purchase. The bills, invoices or records covering the purchase made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-128" will satisfy the requirement.

This certificate may be issued annually as a "blanket certificate" for a continuing line of exempt purchases.

Check One Box:

One-Time Purchase Blanket Certificate

Description of property purchased or rented:

**FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962.
TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.**

CONTINUED ON REVERSE

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

CERT-129 (New 5/97) AD 11387

**EXEMPTION FOR ITEMS USED DIRECTLY IN
THE BIOTECHNOLOGY INDUSTRY
CONN. GEN. STAT. §12-412(89)**

GENERAL PURPOSE: This certificate is to be used by the purchaser of machinery, equipment, tools, materials, supplies and fuel to establish that the item(s) being purchased are to be used directly in the biotechnology industry.

If the machinery, equipment, tools, materials, supplies and fuel are not used in the manner described herein, a purchaser who claimed the exemption shall owe a use tax on the total price of the item(s) purchased under such exemption.

INSTRUCTIONS FOR THE PURCHASER: This certificate is to be issued and signed by an owner or officer of a business involved in the application of technologies in biotechnology, such as recombinant DNA techniques, biochemistry, molecular and cellular biology, genetics and genetic engineering, biological cell fusion techniques, and new bioprocesses, using living organisms, or parts of organisms, to produce or modify products, to improve plants or animals, to develop microorganisms for specific uses, to identify targets for small molecule pharmaceutical development, to transform biological systems into useful processes and products to advise the seller of machinery, equipment, tools, materials, supplies or fuel that the sales and use taxes do not apply to the charges for the purchase. This certificate may be issued only for machinery, equipment, tools, materials, supplies or fuel as provided in Conn. Gen. Stat. §12-412(89).

A copy of this certificate and records that substantiate the information entered on this certificate must be maintained for a period of at least six years from the date of issuance. If no Connecticut tax registration number has been assigned to the purchaser, enter the tax registration number assigned by another state and identify the state.

INSTRUCTIONS FOR THE SELLER: Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving that the sale, and the storage, use or other consumption, of machinery, equipment, tools, materials, supplies or fuel is not subject to sales and use taxes. This certificate is valid only if taken in good faith from a person who is engaged in the application of technologies in biotechnology. The good faith of the seller will be questioned if the seller has knowledge of facts that give rise to a reasonable inference that the purchaser is not engaged in applying technologies in biotechnology or that the item(s) purchased will not be used directly in such activities.

This certificate and bills or invoices to the purchaser must be maintained for a period of at least six years from the date on which the items were purchased. The bills, invoices or records covering all purchases made under this certificate must be appropriately marked to indicate that an exempt purchase has occurred. The words "Exempt Under CERT-129" will satisfy the requirement.

This certificate may be used for individual exempt purchases, in which event the box marked "Certificate for one purchase only" must be checked. This certificate may also be used for a continuing line of exempt purchases, in which event the box marked "Blanket Certificate" must be checked. A Blanket Certificate will remain in effect for a three-year period, unless a written revocation is made by the purchaser prior to the expiration of the period.

FOR FURTHER INFORMATION: CALL TAXPAYER SERVICES AT 1-800-382-9463 (IN-STATE) OR 860-297-5962. TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD/TT) USERS ONLY CALL 860-297-4911.

NAME OF PURCHASER	ADDRESS	CT TAX REG. # (IF NONE, explain on reverse)	FEDERAL EMPLOYER ID #
NAME OF SELLER	ADDRESS	CT TAX REG. # (IF NONE, explain on reverse)	FEDERAL EMPLOYER ID #

CHECK ONE BOX

BLANKET CERTIFICATE

CERTIFICATE FOR ONE PURCHASE ONLY

CHECK APPROPRIATE BOX(ES) AND PROVIDE A WRITTEN DESCRIPTION OF EACH ITEM PURCHASED

MACHINERY EQUIPMENT TOOLS MATERIALS SUPPLIES FUELS

DESCRIPTION:

CONTINUED ON REVERSE

DECLARATION BY PURCHASER

The item(s) described above are machinery, equipment, tools, materials, supplies and fuel being purchased under the exemption provided in Conn. Gen. Stat. §12-412(89).

In accordance with Conn. Gen. Stat. §12-412(89), the purchase of the above-described item(s) is exempt from sales and use taxes.

I hereby declare, under the penalties of false statement, that I have personal knowledge about the information contained herein and that to the best of my knowledge and belief it is true, complete and correct. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.)

Name of Purchaser

By: _____
Authorized Signature Title Date



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

SALES & USE TAX RESALE CERTIFICATE

Issued to (Seller)

Address

I certify that

Name of Firm (Buyer)

is engaged as a registered

- () Wholesaler
() Retailer
() Manufacturer
() Lessor
() Other (specify)

Street Address or P.O. Box No.

City

State

Zip

and is registered with the below listed states and cities within which your firm would deliver purchases to us and that any such purchases are for wholesale, resale, ingredients or components of a new product to be resold, leased, or rented in the normal course of our business. We are in the business of wholesaling, retailing, manufacturing, leasing (renting) the following:

City or State

State Registration or I.D. No.

City or State

State Registration or I.D. No.

City or State

State Registration or I.D. No.

City or State

State Registration Or I.D. No.

City or State

State Registration or I.D. No.

City or State

State Registration or I.D. No.

I further certify that if any property so purchased tax free is used or consumed by the firm as to make it subject to a sales or use tax we will pay the tax due direct to the proper taxing authority when state law so provides or inform the seller for added tax billing. This certificate shall be part of each order which we may hereafter give to you, unless otherwise specified, and shall be valid until cancelled by us in writing or revoked by the city or state.

General description of products to be purchased from the seller:

I declare under the penalties of false statement that this certificate has been examined by me and to the best of my knowledge and belief is a true, correct and complete certificate.

Authorized Signature

(Owner, Partner or Corporate Officer)

Title

Date



STATE OF CONNECTICUT

DEPARTMENT OF REVENUE SERVICES

TWENTY-FIVE SIGOURNEY STREET

HARTFORD, CONNECTICUT 06106

CONTRACTOR'S EXEMPT PURCHASE CERTIFICATE

"I hereby certify under the penalties of false statement that I am engaged in the performance of a construction contract on a project for the following named exempt agency or organization:

State full name of Agency or Organization

Address of Same

That such organization holds exemption certificate No. _____
issued by the department of revenue services, or

That such agency is to the best of my knowledge and belief exempt from the
Sales and Use Tax because it is a

Town, School, Fire or Police Department, Library, etc., or other Branch of
the State or Federal Government (state which) in accordance with
Regulation No. 12-426-18 of the Sales and Use Tax.

That this certificate is issued to cover all purchases of materials and
supplies to be physically incorporated in and become a permanent part of
the project referred to above.

Permit No. _____ (signed) _____
Print No. or "none" written signature of contractor

Date: _____
Name of Firm

Place: _____
Address

(Copy of this certificate may be made for use of Contractor) "

PURCHASED GOING BUSINESS
PREVIOUS OWNER(S) INFORMATION

Name	Address	CT Tax Registration Number

ADDITIONAL TAXES YOU ARE REGISTERING FOR: PLEASE LIST YOUR CURRENT CT TAX REGISTRATION NUMBER _____
 AND LIST ADDITIONAL TAXES YOU ARE REGISTERING FOR BELOW.

	Date Liability Began

OTHER EXPLANATION

LOCATION(S) FOR WHICH YOU HOLD ACTIVE TAX PERMITS

Name of Business	Address	CT Tax Registration Number

LOCATION(S) FOR WHICH YOU WILL BE REPORTING WITHHOLDING TAXES

Name of Business	Address	CT Tax Registration Number

General Instructions

- A. This application (REG-1) is used to register all businesses for the following taxes:
 SALES AND USE TAX, BUSINESS USE TAX, ROOM OCCUPANCY TAX, CORPORATION BUSINESS TAX, ADMISSIONS, DUES AND CABARET TAX, CIGARETTE TAX (Over the counter retail), WITHHOLDING TAX, TOURISM ACCOUNT SURCHARGE ON THE RENTAL/LEASING OF PASSENGER MOTOR VEHICLES, UNRELATED BUSINESS INCOME TAX, TIRE FEE, DRY CLEANING SURCHARGE and UTILITY COMPANIES TAX.
- B. This application is used only for the taxes listed above. Others must be applied for as follows:
- Cigarette Sales other than retail, use Form REG 2CIG
 - Motor Carrier Tax, use Form REG 3MC
 - Fuel Taxes of any kind, use Form REG 5MF
 - Catalogue Sales - Out of State Use Tax, use Form REG 7
- Line 4. A trade or registered name is the business' name. Example: John Doe may be the name of the owner on Line 2, but Doe's Antiques is the name chosen by John Doe for his business and is the name that he would enter on this line.
- Line 6. An application must be filed and a fee must be paid for each location requiring a permit.
- Line 7. All correspondence must be mailed directly to the taxpayer.
- Line 19. A partnership or limited liability company that is treated as a partnership for federal income tax purposes is not required to complete this application unless it is liable for one or more of the taxes listed in "A" above.
- Line 23A. Enter date of **first payroll in Connecticut**.
- Line 24. If you charge admission, have a membership or run an establishment providing entertainment, you may be liable for Admissions, Dues and Cabaret Tax. If you are uncertain, please contact the Taxpayer Services Division at 1-800-382-9463 (In-state) or 860-566-7033. TDD/TT users call 860-297-4911.
- Line 25. The closing date of the income year must be the same fiscal year end as reported to the Internal Revenue Service.
- Line 29. An exemption will not be recognized if an Internal Revenue Service letter of exemption is not enclosed. If an exemption is pending, submit a copy upon receipt.
- Line 30. Cigarette licenses expire September 30 of each year.
- Line 31. Do not include the \$20 registration fee if you are currently registered with the Department of Revenue Services for Sales and Use Taxes at the physical location listed on Line 6 and plan to rent/lease motor vehicles from this same physical location.
- Line 33. Any place of business engaged in the cleaning of clothing or other fabrics using tetrachlorethylene, stoddard solvent or other chemicals OR any place of business which accepts clothing or other fabrics to be cleaned by another establishment using such chemicals.
- Line 35. If a Connecticut business purchases merchandise, rentals or services for use in state, and the Connecticut Sales Tax is not collected, a Use Tax is due to Connecticut.

Signature: Application must be signed by Owner, Partner or Corporate Officer.
Application fees are non refundable.

POWER OF ATTORNEY

LGL-001 (Rev. 11/96)

WHO IS GIVING A POWER OF ATTORNEY TO ANOTHER PERSON?

Taxpayer Name Address (Number & Street) City, State and ZIP Code	CT Tax Registration Number, if any Social Security Number or Federal Employer Identification Number Taxpayer is: <input type="checkbox"/> Any individual, if the request pertains to an income or individual use tax return filed by that individual (or by the individual and his or her spouse if the request pertains to a joint income tax return). <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust (other than a business trust) <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Estate <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Business Trust <input type="checkbox"/> Other (specify) _____
--	---

TO WHOM IS A POWER OF ATTORNEY BEING GIVEN?

The above-named taxpayer hereby appoints the following individual(s) as attorney(s)-in-fact to represent the taxpayer before any division of the Department of Revenue Services for the following tax matter(s). [Specify the type(s) of tax and year(s) or period(s). Use the date of death for succession and estate taxes.]

Name	Address	Telephone Number

TYPE OF TAX (Corporation Business Tax, Admissions Tax, etc.)	YEAR(S) or PERIOD(S)

The attorney(s)-in-fact (or any of them) are authorized, subject to revocation, to receive confidential information and to perform on behalf of the taxpayer(s) the following acts for the tax matters described above.

- Check the boxes for the powers granted**
- To receive, but not to endorse and collect, checks (made payable to the above mentioned taxpayer) in payment of any refund of Connecticut taxes, penalties or interest.
 - To execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund.
 - To execute consents extending the statutory period for assessment or collection of taxes.
 - To execute closing agreements under 1996 Conn. Pub. Acts 221, §12.
 - To delegate authority or to substitute another representative.
 - To represent the above named taxpayer before any division of the Department of Revenue Services.
- Taxpayer's Signature**

This power of attorney revokes all earlier powers of attorney on file with the Department of Revenue Services for the same tax matters and years or periods covered by this power of attorney, except the following:

(Specify to whom granted and date, or refer to attached copies of earlier powers)

NAME	DATE

WHO MAY EXECUTE THIS POWER OF ATTORNEY?

The power of attorney must be signed by:

- Any individual, if the request pertains to an income or individual use tax return filed by that individual (or by the individual and his or her spouse if the request pertains to a joint income tax return);
- A member, if the taxpayer is a limited liability company that is not managed by managers, or a manager, if the taxpayer is a limited liability company that is managed by managers;
- The sole proprietor, if the taxpayer is a sole proprietorship;
- The trustee, if the taxpayer is a trust;
- A principal officer, if the taxpayer is a corporation;
- The administrator or executor, if the taxpayer is an estate;
- A general partner, if the taxpayer is a partnership or a limited partnership;
- The successor, receiver, guarantor or assignee of the taxpayer;
- The authorized representative of any of the above.

SIGN THIS BEFORE NOTARY PUBLIC, JUSTICE OF THE PEACE OR COMMISSIONER OF THE SUPERIOR COURT

I, being a person over eighteen years of age and being duly sworn, depose and say:

- If I am not the taxpayer identified above, I have been authorized by that taxpayer to execute this power of attorney on behalf of that taxpayer and I am permitted by the instructions on this form (LGL-001), to execute this power of attorney.
- I have examined this power of attorney, and, to the best of my knowledge and belief, it is true, correct and complete.

Print your name _____ Print your title (if applicable) _____

Signature _____

STATE OF _____ ss. _____
COUNTY OF _____

On this the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that _____ executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand. _____

(Title)
My commission expires on the _____ day of _____

(Notary Public: affix seal here) _____, 19____.

**REQUEST FOR DISCLOSURE
 OF TAX RETURN OR
 TAX RETURN INFORMATION**

WHO IS ENTITLED TO MAKE THIS REQUEST?

This request can be made by:

- The sole proprietor, if the taxpayer is a sole proprietorship;
- The trustee, if the taxpayer is a trust;
- The administrator or executor, if the taxpayer is an estate;
- A general partner, if the taxpayer is a partnership or a limited partnership;
- A member, if the taxpayer is a limited liability company that is not managed by managers, or a manager, if the taxpayer is a limited liability company that is managed by managers;
- A principal officer, if the taxpayer is a corporation;
- The successor, receiver, guarantor or assignee of the taxpayer;
- The authorized representative of any of the above.
- Any individual, if the request pertains to an income or individual use tax return filed by that individual (or by the individual and his or her spouse if the request pertains to a joint income tax return (Check boxes 5F and 7L).

Mail or hand-deliver this request to:

DEPARTMENT OF REVENUE SERVICES
 25 Sigourney Street
 Hartford, CT 06106-5032
 Attn: Director, Taxpayer Services Division

(Put the caption "REQUEST FOR DISCLOSURE OF TAX RETURN OR TAX RETURN INFORMATION" on the envelope)

WHOSE RETURNS ARE YOU REQUESTING?

1. TAXPAYER NAME			2. CONNECTICUT TAX REGISTRATION NO.		
3. ADDRESS (Number & Street)	(City or Town)	(State)	(ZIP Code)	4. SOCIAL SECURITY NO. OR F.E.I.N.	
5. TAXPAYER IS: (Check box)					
<input type="checkbox"/> A. Corporation <input type="checkbox"/> B. Partnership <input type="checkbox"/> C. Sole Proprietorship <input type="checkbox"/> D. Trust (other than a business trust) <input type="checkbox"/> E. Estate <input type="checkbox"/> F. Individual <input type="checkbox"/> G. Limited Liability Company <input type="checkbox"/> H. Business Trust <input type="checkbox"/> I. Other (specify _____)					
6. What information are you requesting?					

WHAT IS YOUR STATUS?

7. (Check box)

<input type="checkbox"/> A. Sole Proprietor (Box 5C must be checked)	<input type="checkbox"/> B. Partner (Box 5B must be checked; attach partnership agreement)	<input type="checkbox"/> C. Guarantor (attach guaranty)
<input type="checkbox"/> D. Receiver (attach certificate of appointment)	<input type="checkbox"/> E. Trustee (Box 5H must be checked if a business trust. All other trusts must check 5D; attach trust agreement)	<input type="checkbox"/> F. Other (specify _____)
<input type="checkbox"/> G. Successor (attach agreement)	<input type="checkbox"/> H. Assignee (attach assignment)	<input type="checkbox"/> I. Principal Officer (Box 5A must be checked; attach last annual report filed with Secretary of the State.)
<input type="checkbox"/> J. Authorized Representative (Attach LGL-001 (Power of Attorney))	<input type="checkbox"/> K. Executor or Administrator (Box 5E must be checked; attach certificate of appointment)	<input type="checkbox"/> L. Individual

M. Member, if the taxpayer is a limited liability company that is not managed by managers, or a manager, if the taxpayer is a limited liability company that is managed by managers (Box 5G must be checked)

WHAT IS YOUR NAME?

8. NAME OF PERSON MAKING REQUEST

9. HOME ADDRESS (Number & Street)			10. BUSINESS ADDRESS (Number & Street)		
City or Town	State	ZIP Code	City or Town	State	ZIP Code

SIGN THIS BEFORE NOTARY PUBLIC, JUSTICE OF THE PEACE, OR COMMISSIONER OF THE SUPERIOR COURT

I, being a person over eighteen years of age and being duly sworn, depose and say:

1. If I am not the taxpayer identified above, I have been authorized by that taxpayer to execute this request on behalf of the taxpayer, and I am permitted by the instructions on this form (LGL-002) to make this request.
2. I have examined this request, and, to the best of my knowledge and belief, it is true, correct and complete.

Signature _____ Title _____

STATE OF _____
 COUNTY OF _____

ss. _____

On this the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that _____ executed the same for purposes therein contained.

In witness whereof I hereunto set my hand.

(Title of Officer)

My commission expires on the _____ day of _____, 19____.

(Notary Public: affix seal here)

LIMITED POWER OF ATTORNEY

AUTHORITY TO BE MAILED BLANK TAX RETURNS,
RETURN INFORMATION AND OTHER CORRESPONDENCE
OTHERWISE TO BE MAILED TO ANOTHER

LGL-003 (Rev. 7/96)

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES
25 Sigourney Street, Hartford CT 06106-5032

WHO IS GIVING A LIMITED POWER OF ATTORNEY TO ANOTHER PERSON?

Taxpayer Name	CT Tax Registration Number or Social Security Number
Address (Number & Street)	Taxpayer is: <input type="checkbox"/> Any individual, if the request pertains to an income or individual use tax return filed by that individual (or by the individual and his or her spouse if the request pertains to a joint income tax return). <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Estate <input type="checkbox"/> Other (specify) _____
City, State and ZIP Code	

TO WHOM IS A LIMITED POWER OF ATTORNEY BEING GIVEN?

The above-named taxpayer hereby appoints the following person(s) as attorney(s)-in-fact to be mailed blank tax returns, return information, including but not limited to notices of assessment, billing statements, credit notices, refund checks (made payable to the above-named taxpayer), and other items that pertain to the above-named taxpayer and that would otherwise be mailed directly to the above-named taxpayer.

Name	Address	Telephone Number

TYPE OF TAX (Corporation Business Tax, Admissions Tax, etc.)	YEAR(S) or PERIOD(S)

The attorney(s)-in-fact are authorized, subject to revocation, to receive blank returns and the information specified above, but are not authorized to represent the above-named taxpayer before any division of the Department of Revenue Services. This limited power of attorney revokes all earlier similar powers of attorney on file with the Department of Revenue Services for the same tax matters and years or periods covered by this power of attorney.

WHO CAN EXECUTE THIS LIMITED POWER OF ATTORNEY?

- The power of attorney must be signed by:
- ▶ An individual if the request pertains to an income or individual use tax return filed by that individual (or by the individual and his or her spouse if the request pertains to a joint income tax return).
 - ▶ A principal officer, if the taxpayer is a corporation
 - ▶ A partner, if the taxpayer is a partnership
 - ▶ The fiduciary, if the taxpayer is a trust or an estate
 - ▶ A sole proprietor, if the taxpayer is a sole proprietorship

SIGN THIS BEFORE NOTARY PUBLIC, JUSTICE OF THE PEACE OR COMMISSIONER OF THE SUPERIOR COURT

I, as a person authorized to sign this power of attorney and being duly sworn, declare:

- If I am signing as a principal officer, fiduciary, or partner on behalf of the taxpayer, I have the authority to execute this power of attorney on behalf of the taxpayer.
- I understand that I am authorizing the Department of Revenue Services to mail blank tax returns, not to the taxpayer, but to the person(s) that I have appointed in this power of attorney, and I acknowledge the taxpayer's duty to file timely tax returns is in no way diminished.
- I understand that I am authorizing the Department of Revenue Services to mail return information, including but not limited to notices of assessment and billing statements, and other correspondence, not to the taxpayer, but to the person(s) that I have appointed in this power of attorney. I acknowledge that the period within which the taxpayer is permitted to file any petition for reassessment begins to run once the Department mails the notice of assessment to the person(s) that I have appointed in this power of attorney.
- I have examined this power of attorney, and, to the best of my knowledge and belief, it is true, complete and correct.

Print your name

Print your title (if applicable)

Signature

STATE OF
COUNTY OF

ss. _____

On this the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that _____ executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

(Title)

My commission expires on the _____ day of

_____, 19_____.

(Notary Public: affix seal here)



FORM OP-253

REQUEST FOR ORDERING CONNECTICUT INCOME AND CORPORATION BUSINESS TAX FORMS

1997

MAIL TO:
 STATE OF CONNECTICUT
 DEPARTMENT OF REVENUE SERVICES
 FORMS SECTION
 25 SIGOURNEY STREET
 HARTFORD CT 06106-5032

NAME
STREET
CITY, STATE and ZIP CODE

INSTRUCTIONS

To expedite your order, please print your name and address in the space provided at the top of this form. If a preprinted mailing label is provided below, please make any corrections. Enter the quantity of those forms that you wish to order, up to a total of 1,000 forms.

If you wish to order more than a total of 1000 forms, you may provide us with a pre-addressed label from Federal Express or other prepaid mailing service showing your firm's account number. You may also arrange to pick up large orders at DRS, 25 Sigourney Street, Hartford, CT, by contacting our Forms Unit.

For further information, call the Forms Unit at 860-297-4753 between 8:00 a.m. and 5:00 p.m.

(A) Form Number	(B) FORM TITLE	(C) QUANTITY
CT-1040	Connecticut Resident Income Tax Return	
CT-1040EZ	Connecticut Resident EZ Income Tax Return	
CT-1040ES	1998 Estimated Connecticut Income Tax Payment Coupon for Individuals	
CT-1040EXT	Application for Extension of Time to File Connecticut Income Tax Return for Individuals	
CT-1040NR/PY	Connecticut Nonresident or Part-Year Resident Income Tax Return	
CT-1040BA	Connecticut Nonresident Business Apportionment Schedule	
CT-1040AW	Part-Year Resident Income Allocation Worksheet and Employee Apportionment Worksheet	
Schedule CT-SI	Nonresident or Part-Year Resident Schedule of Income from Connecticut Sources	
CT-1041	Connecticut Income Tax Return for Trusts and Estates	
CT-1041 Sch B	Calculation of Connecticut Fiduciary Adjustment and Resident Noncontingent Beneficiary Percentage	
CT-1041 Sch C	Calculation of Connecticut Taxable Income for Full-Year Resident Trusts and Estates	
CT-1041ES	Estimated Connecticut Income Tax Payment Coupons for Trusts and Estates	
CT-1041EXT	Application for Extension of Time to File Connecticut Income Tax Return for Trusts and Estates	
CT-1041FA	Fiduciary Allocation Schedule	
CT-1041 Sch I	Connecticut Alternative Minimum Tax Computation of Trust or Estate	
CT-1065	Connecticut Partnership Income Tax Return	
	Subtotal	

Additional forms listed on reverse

DO NOT REMOVE LABEL
 This label will be used to
 mail your Forms order.
 (Please make any
 corrections on this label.)



STATE OF CONNECTICUT

DEPARTMENT OF REVENUE SERVICES

TWENTY-FIVE SIGOURNEY STREET

HARTFORD, CONNECTICUT 06106

REQUEST FOR ORDERING 1997 CONNECTICUT PACKAGE X

The **1997 Connecticut Package X** contains 100 of the most widely-used Connecticut tax forms and instructions, including 1997 Connecticut income tax, sales and use taxes, corporation business tax and gift tax forms and instructions, and 1998 withholding tax forms.

The **1997 Connecticut Package X** is being sold for \$10.00 per mail-order copy (Connecticut sales tax and postage included).

To order, fill out the information and mailing label below. Mail it and a check or money order for the total amount due to:

State of Connecticut
Department of Revenue Services
Forms Section - Package X
25 Sigourney Street
Hartford CT 06106-5032

Package X will be available in January, 1998. For further information, please contact the Forms Section at 860-297-4753.

NOTE: If you wish to pick up the **1997 Connecticut Package X**, it will be sold at the Department of Revenue Services, Registration Section, 25 Sigourney Street, Hartford, for \$6.00 per copy (Connecticut sales tax included).

.....

	x \$10.00 =	
(Quantity Ordered)		(Total Amount Due)

Make check or money order payable to: D.R.S.

DO NOT REMOVE LABEL
*This label will be used to mail your Package X.
(Please make any corrections on this label.)*

(NEW 10/93)

CT-8822

Change of Address

Please type or print.

See Instructions on back.

Do not attach this form to your return.

Part I Complete This Part To Change Your Home Mailing Address

Check **ALL** boxes this change affects:

1. Connecticut Individual income tax returns (Forms CT-1040, CT-1040EZ, CT-1040NR/PY, etc.)
If your last return was a joint return and you are now establishing a residence separate from the spouse with whom you filed that return, check here.....
2. Gift tax return (Form CT-709)

NAME

SOCIAL SECURITY NUMBER

3a. Your name (first name, initial, and last name)	3b. Your social security number
4a. Spouse's name (first name, initial, and last name)	4b. Spouse's social security number
5. Prior name(s). See instructions	
6a. Your old address (no., street, city or town, state, and ZIP code). If a P.O. Box or foreign address, see instructions	Apt. no.
6b. Spouse's old address, if different from line 6a (no., street, city or town, state, and ZIP code). If a P.O. Box or foreign address, see instructions	Apt. no.
7. New address (no., street, city or town, state, and ZIP code). If a P.O. Box or foreign address, see instructions	Apt. no.
8. Effective date of address change	

Part II Complete This Part To Change Your Business Mailing Address or Business Location

Check **ALL** boxes this change affects:

9. Other income tax returns (Form CT-1041, CT-1065, CT-1120SI, etc.)
10. Corporation business tax returns (Forms CT-1120, CT-1120S, etc.)
11. Business location

12a. Business name	12b. CT Tax Registration Number	12c. Federal Employer I.D. Number
13. Old address (no., street, city or town, state, and ZIP code). If a P.O. Box or foreign address, see instructions		Room or suite no.
14. New address (no., street, city or town, state, and ZIP code). If a P.O. Box or foreign address, see instructions		Room or suite no.
15. New business location (no., street, city or town, state, and ZIP code). If a foreign address, see instructions		Room or suite no.
16. Effective date of address change		

Part III Signature

Daytime telephone number of person to contact (optional) ► () _____

Please Sign Here	Your signature	Date	Spouse's signature. If a joint return, both should sign	Date
	If Part II completed, signature of owner, officer, or representative	Date	Title	

Instructions

You may use Form CT-8822 to notify the Connecticut Department of Revenue Services if you changed your home or business mailing address or your business location. If this change also affects the mailing address for your children who filed Connecticut income tax returns, complete and file a separate Form CT-8822 for each child.

If you have received a Connecticut income tax return with an incorrect address on your preprinted mailing label, and have not yet filed your return, you may note your new address on the return. If a return is not due at this time or you did not file your return with the corrected address information you may use Form CT-8822, Change of Address to notify the Department of Revenue Services of your new address.

Note: *If you moved after you filed your return and you are expecting a refund, also notify the post office serving your old address. This will help forward your check to your new address.*

Prior Name(s)

If you or your spouse changed your name due to marriage, divorce, etc., complete line 5.

P.O. Box

If your post office does not deliver mail to your street address and you have a P.O. Box, show your P.O. Box number instead of your street address.

Foreign Address

If your address is outside of the United States or its possessions or territories, enter the information in the following order: number, street, city, province or state, postal code, and country. **Do not** abbreviate the country name. Be sure to include any apartment, room, or suite number in the space provided.

Where to File

Please mail to: State of Connecticut
Department of Revenue Services
Registration Section
P.O. Box 2937
Hartford, CT 06104-2937

STATE OF CONNECTICUT

Department of Revenue Services

MISSION STATEMENT

The Mission of the Connecticut Department of Revenue Services is to administer the tax laws of the State of Connecticut and collect the tax revenues in the most cost effective manner; achieve the highest level of voluntary compliance through accurate, efficient and courteous customer services; and perform in a manner which instills public confidence in the integrity and fairness of the state's tax programs.

CONNECTICUT TAX ASSISTANCE

 CALL : 	 WALK-IN : 
<p>For further information about Connecticut taxes call the Department of Revenue Services at:</p> <ul style="list-style-type: none">• 860-297-5962 (Hartford area or out-of-state)• 1-800-382-9463 (In-State) <p>Telecommunications Device for the Deaf (TDD/TT) users only, call 860-297-4911.</p> <p>Forms and publications may be obtained at any hour of the day seven days a week:</p> <ul style="list-style-type: none">• Telephone: use the numbers listed above and select Option 3 from a touch-tone phone;• Internet: preview and download forms from the DRS website (http://www.state.ct.us/drs);• DRS TaxFax: call 860-297-5698 from the handset attached to your fax machine.	<p>For assistance or forms, visit our offices from 8:00 a.m. to 5:00 p.m. (weekdays)</p> <p>BRIDGEPORT 10 Middle Street 203-579-6251</p> <p>HAMDEN * 2105 State Street 203-789-7516</p> <p>* The Hamden office is moving in 1998. To verify the address, please call before you visit.</p> <p>HARTFORD 25 Sigourney Street 860-297-5962</p> <p>NORWICH 2 Cliff Street 860-889-2669</p> <p>WATERBURY 91 Schraffts Drive 203-596-4310</p>
 WRITE : 	
<p>Department of Revenue Services Taxpayer Services Division 25 Sigourney Street Hartford CT 06106-5032</p>	

If you require special accommodations, please advise the Department representative.