STATE OF CONNECTICUT DEPARTMENT OF REVENUE SERVICES

## FORM CT-1120 CRMCEZ

(Rev. 12/98)

# 50% MANUFACTURING FACILITY CREDIT FOR FACILITIES LOCATED IN AN ENTERPRISE ZONE OR ENTERTAINMENT DISTRICT (COMBINED RETURN)

FOR INCOME YEAR				
BEGINNING		ENDING		
	19		19	
ELIGIBILITY CERTIFICATE NUMBER				

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Corporation Name							0	D	0

## **Purpose of Form**

Complete this form in order to claim the credit allowed under Conn. Gen. Stat. §12-217e against the tax imposed by Chapter 208. A credit is available of 50% of that portion of the Connecticut corporation business tax that is allocable to a manufacturing facility, as defined under Conn. Gen. Stat. §32-9p, which is located within a designated enterprise zone or designated entertainment district, provided the facility became eligible as a manufacturing or service facility after the designation of such zone.

#### Eligibility

To be eligible for this 50% credit, the corporation must obtain certification from the Department of Economic and Community Development (DECD) by establishing either that at least 150 full-time employees or 30% of the full-time positions directly attributable to the manufacturing facility were held by employees, were: (1) residents of such zone; or (2) residents of such municipality and eligible for training under the Federal Comprehensive Employment Training Act or any successor program. The credit may be taken in the first full income year following the year of certification by DECD and continues for the next nine years. Attach a copy of the eligibility certificate to the Connecticut corporation business tax return in each income year for which the credit is claimed. For further information see **IP 95(2.1)**, A Guide to Connecticut Corporation Business Tax Credits, or contact DECD, 505 Hudson Street, Hartford, CT 06106 (860-270-8143).

**IMPORTANT**: If the manufacturing facility does not meet the job creation requirement or if it is located outside the designated enterprise zone or designated entertainment district but within a targeted investment community, the facility may be eligible for the 25% Manufacturing Facility Credit using **Form CT-1120 CRMC**, 25% Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community.

If an otherwise eligible corporation has apportioned net income to Connecticut of zero, do not complete this form. The corporation is not entitled to claim this credit. If more than one corporation included in the combined return was issued an eligibility certificate, complete a separate Form CT-1120 CRMCEZ and Form CT-1120K for each eligible corporation and enter the total of Forms CT-1120K, Part I-C, Line 8, for all eligible corporations on Form CT-1120CR, Schedule KC, Part 1-C, Line 8.

This form must be attached to Form CT-1120 or Form CT-1102S.

Please read <i>Eligibi</i> completing this for	• • •	Computation of Tax Credit						
Instructions for the computation of Tangible Property and Wages, Salaries and Other Compensation are shown on the reverse side of this page.		COLUMN A	COLUMN B		COLUMN C			
		Mfg. Facility in an Enterprise Zone or Entertainment District Within Connecticut	Total Facilities Within Connecticut					
	a. Depreciable assets			FOR LINE 1 AND LINE 2 DIVIDE COLUMN A				
TANGIBLE PROPERTY	b. Land		BY COLUMN B					
(Average monthly	c. Capitalized rent				(Carry to six places)			
Net Book Value)	d. Other							
	1. TOTAL			1.				
WAGES, SALARIES AND OTHER COMPENSATION	2. TOTAL			2.				
FACILITY CREDIT	3. TOTAL (Add Line 1 and Line 2 in Column C)							
RATIO	4. <b>RATIO</b> (Divide Line 3 by two)	Enter here and on Line 6 below		4.				
5. Portion of combined tax attributable to credit claimant (Schedule A, Line 5)								
6. RATIO (Line 4 above)								
7. BALANCE (Multiply Line 5 by Line 6)				7.				
8. TAX CREDIT: Multiply Line 7 by 50% (.50). Enter here and on Form CT-1120K, Part I-C, Line 8				8.				

#### **Declaration:**

I declare under the penalty of false statement, that I have personal knowledge about the employment requirements contained herein and that, to the best of my knowledge and belief, the employment requirements have been met. The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars.

Signature of Officer (and title)	Name of Firm	Date

#### **INSTRUCTIONS**

**TANGIBLE PROPERTY:** Column A includes the average monthly net book value of the eligible manufacturing facility operating in an enterprise zone or designated entertainment district, including all machinery and equipment specifically acquired for and installed at that site (without reduction for any encumbrance). When rented, the value of the eligible manufacturing facility and all machinery and equipment specifically acquired for and installed at that site should be computed by multiplying the gross rents payable by the taxpayer during the income year by eight. Column B consists of the average monthly net book value of all real property, machinery and equipment held and owned by the taxpayer in Connecticut plus the value of all real property, machinery and equipment rented to the taxpayer in Connecticut, computed by multiplying the combined gross rents payable during the income year by eight. **Gross rents** means gross rents as defined in Conn. Gen. Stat. §12-218.

**WAGES, SALARIES AND OTHER COMPENSATION:** Column A consists of all wages, salaries and other compensation paid during the income year to employees of the taxpayer whose positions are *directly attributable* to the eligible manufacturing facility operating in an enterprise zone or designated entertainment district. Column B consists of the sum of wages, salaries and other compensation paid during the income year to all employees of the taxpayer in Connecticut.

An employee's position is *directly attributable* to an eligible manufacturing facility if: (A) the employee's service is performed or base of operation is at the eligible manufacturing facility; (B) the position did not exist prior to the construction, renovation, expansion or acquisition of the eligible manufacturing facility; and (C) the position would not have been created but for the construction, renovation, expansion or acquisition of the eligible manufacturing facility.

## SCHEDULE A - Computation of Form CT-1120 CRMCEZ - Portion of Combined Tax Attributable to Credit Claimant

1.	Net income apportioned to Connecticut, if greater than zero, for the eligible corporation (Form CT-1120CR, Part II, Line 10)	1.	
2a.	Total combined apportioned net income of all corporations ( <b>Form CT-1120CR</b> , aggregate sum of Part II, Line 10)	2a.	
2b.	Enter, as a positive number, the net loss apportioned to Connecticut for all corporations included on Line 2a	2b.	
2c.	Adjusted combined income (Add Line 2a and Line 2b)	2c.	
3.	Ratio (Divide Line 1 by Line 2c)	3.	
4.	Enter combined tax for all corporations (Form CT-1120CR, Part V, Line 2)	4.	
5.	Portion of Combined Tax Attributable to Credit Claimant (Multiply Line 4 by Line 3) Enter here and on Line 5 on the front of this form.	5.	

#### INSTRUCTIONS FOR SCHEDULE A

## **Purpose of Schedule**

Schedule A is used to adjust the combined tax in order to properly compute the portion of the combined tax attributable to the credit claimant under Conn. Gen. Stat. §12-217e. The portion of combined tax attributable to the credit claimant must be in the same ratio to the combined tax as the apportioned income of the eligible corporation bears to the total combined apportioned income for all corporations included in the combined return, disregarding net losses apportioned to Connecticut, in accordance with Conn. Gen. Stat. §12-217m(j)(2).

#### What is an Eligible Corporation

An eligible corporation is a corporation that has been issued an eligibility certificate from the Commissioner of Economic and Community Development, is properly included in a combined corporation business tax return under the provisions of Conn. Gen. Stat. §12-223a, and has net income apportioned to Connecticut that is greater than zero.

- Line 1 Enter the net income apportioned to Connecticut, if greater than zero, for the eligible corporation that has been issued an eligibility certificate from Form CT-1120CR, Part II, Line 10.
- Line 2a Enter the combined net income apportioned to Connecticut for all corporations included in the combined return. This is the aggregate sum of all amounts from Form CT-1120CR, Part II, Line 10, for all corporations.
- Line 2b Enter, as a positive number, the combined net loss apportioned to Connecticut for all corporations included in the combined return. This is the aggregate sum of all net losses from Form CT-1120CR, Part II, Line 10, for all corporations.
- Line 2c Add Line 2a and Line 2b.
- Line 3 Enter the ratio of the apportioned net income for the eligible corporation to the adjusted combined apportioned net income for all corporations. (Divide Line 1 by Line 2c).
- Line 4 Enter the combined tax from Form CT-1120CR, Part V, Line 2.
- Line 5 Enter the portion of combined tax attributable to the credit claimant in the same ratio as the apportioned net income of the eligible corporation bears to the adjusted combined apportioned net income for all corporations included in the combined return. (Multiply Line 4 by Line 3.)