

FORM CT-1120A-CCA

Corporation Business Tax Return Apportionment Computation of Income from Credit Card Activities

Enter Income Year Beginning _____, _____, and Ending _____, _____

Corporation Name							CT TAX REGISTRATION NUMBER		
							0	0	0

- Refer to Instructions on Reverse Side -

CHECK HERE and complete **Form CT-1120A-CCA** if the corporation elects to use the alternative apportionment method provided by Conn. Gen. Stat. §12-218(j). The election is only available to businesses that have principal credit card operations located in a distressed municipality until January 1, 2002. It is irrevocable for five successive income years.

Enter the name of the distressed municipality, as defined in Conn. Gen. Stat. §32-9p(b), in which the principal credit card activities during this income year are located: _____

SCHEDULE R - CCA		CONNECTICUT RECEIPTS	
1.	Total interest, and fees or penalties in the nature of interest from credit card receivables, and receipts from fees charged to card holders, including, but not limited to, annual fees, where the billing address of a card holder is located in Connecticut.	1	
2.	Total amount of interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to card holders, including, but not limited to, annual fees, irrespective of the billing address of the card holder.	2	
3.	Receipts fraction (Divide Line 1 by Line 2).	3	0. (Carry to six places)
4.	The sum of net gains from the sale of credit card receivables and all credit card issuers' reimbursement fees.	4	
5.	Connecticut net gains (Multiply Line 4 by Line 3).	5	
6.	Connecticut receipts (Add Line 1 and Line 5).	6	

SCHEDULE A -1		COMPUTATION OF CONNECTICUT APPORTIONMENT FRACTION	
7.	Total Connecticut receipts from credit card activities (<i>Schedule R-CCA</i> , Line 6).	7	
8.	Total receipts from credit card activities (Total of <i>Schedule R-CCA</i> , Line 2 and Line 4).	8	
9.	Connecticut apportionment fraction (Divide Line 7 by Line 8). Enter here and on Form CT-1120 , <i>Schedule A</i> , Line 2.	9	0. (Carry to six places)

Enter the apportionment fraction from Line 9 above on **Form CT-1120**, *Schedule A*, Line 2, if the entire net income is attributable to income from credit card activities. Complete *Schedule A-2* if the corporation's net income is derived in part from sources other than credit card activities.

SCHEDULE A -2		COMPUTATION OF CONNECTICUT NET INCOME		
		Column A	Column B	Column C
		TOTAL NET INCOME	Net income derived from credit card activities	Net income derived from sources other than credit card activities
10.	Enter net income from Form CT-1120 , <i>Computation of Net Income</i> , Line 11, in Column A.	10		
11a.	Apportionment fraction from <i>Schedule A-1</i> , Line 9.	11a	(Carry to six places) 0.	
11b.	Apportionment fraction from Form CT-1120A , <i>Schedule Q</i> or <i>R</i> .	11b		(Carry to six places) 0.
12.	Balance after apportionment (Multiply Line 10, Column B, by Line 11a, Column B; Multiply Line 10, Column C, by Line 11b, Column C).	12		
13.	Connecticut net income (Add Line 12, Column B, and Line 12, Column C). Enter this amount here and on Form CT-1120 , <i>Schedule A</i> , Line 3. Make no entries on Form CT-1120 , <i>Schedule A</i> , Line 1 or Line 2.	13		

FORM CT-1120A-CCA

Instructions

PURPOSE

Form CT-1120A-CCA must be completed and attached to the Connecticut Corporation Business Tax Return *only* if the company:

- Carried on business both within and outside Connecticut and was taxable in another state during the income year for which the return is filed; **and**
- Elects to apportion its income derived from credit card activities under Conn. Gen. Stat. §12-218(j). That election is irrevocable for five successive income years and is applicable to the total income derived from credit card activities.

An election to apportion net income derived from credit card activities must be made on or before the due date or, if applicable, the extended due date, of the Connecticut corporation business tax return for an income year beginning on or after January 1, 1997.

WHO IS ELIGIBLE

A taxpayer is eligible to make the election if it is:

- A. An institution whose activities are limited to those described in 12 USC §1841(c)(2)(F), as from time to time amended;
- B. A bank whose deposits are insured by the Federal Deposit Insurance Corporation and which issues credit cards and regularly engages in credit card activities; or
- C. A wholly-owned subsidiary of a bank that is described in (B), if such subsidiary is engaged in purchasing, holding, selling, assigning, transferring, pledging or otherwise dealing with:
 - i. Revolving credit card accounts and credit card receivables;
 - ii. Pass-through or asset-backed certificates evidencing interests in one or more trusts or pools of credit card receivables; or
 - iii. Related letters of credit, indentures, evidences of indebtedness, and agreements including, but not limited to, agreements with originators or servicers of credit card receivables; **and** if both such subsidiary and such bank have made the election for the same five successive income years.

A taxpayer shall be eligible to apportion its net income derived from credit card activities for income years beginning on or after January 1, 1997, and prior to January 1, 2002, only if its principal credit card activities during such income years are located in a distressed municipality as defined in Conn. Gen. Stat. §32-9p(b).

SCHEDULE R-CCA CONNECTICUT RECEIPTS

Complete this schedule to calculate Connecticut receipts derived from credit card activities.

SCHEDULE A-1 COMPUTATION OF CONNECTICUT APPORTIONMENT FRACTION

Complete this schedule to derive an apportionment fraction from credit card activities. Enter the apportionment fraction from Line 9 on Form CT-1120, Schedule A, Line 2, if the corporation's entire net income is attributable to income from credit card activities. Complete Schedule A-1 and Schedule A-2 if the corporation's net income is derived in part from sources other than credit card activities.

SCHEDULE A-2 COMPUTATION OF CONNECTICUT NET INCOME

Complete this schedule only if income is derived in part from sources **other than** credit card activities. Separate apportionment formulas are used for net income derived from credit card activities (Schedule A-1, Line 9) and net income derived from sources other than credit card activities (Form CT-1120A, Schedule Q or R). Connecticut net income is computed on Schedule A-2, Line 13, and entered on Form CT-1120, Schedule A, Line 3.

DEFINITIONS

Credit card means a credit, travel, or entertainment card.

Receipts means receipts computed according to the method of accounting used by the taxpayer in the computation of net income.

Credit card issuer's reimbursement fee means the fee that a taxpayer receives from a merchant's bank because one of the persons to whom the taxpayer has issued a credit card has charged merchandise or services to the credit card.

Net income derived from credit card activities means interest and fees or penalties in the nature of interest from credit card receivables, and receipts from fees charged to card holders, including, but not limited to, annual fees, net gains from the sale of credit card receivables, credit card issuer's reimbursement fees, and credit card receivables servicing fees received in connection with credit cards issued by the taxpayer, **less** expenses related to that income, to the extent deductible under Conn. Gen. Stat. §§12-213 through 12-242z.

Billing address shall be presumed to be the location indicated in the books and records of the taxpayer as the address where any notice, statement or bill relating to the card holder is to be mailed, as of the date of mailing.

Credit card activities means those activities involving the underwriting and approval of credit card relationships or other business activities generally associated with the conduct of business by an issuer of credit cards from which it derives income.