

SCHEDULE C - Tax Credit Computation					
Instructions for the computation of Tangible Property and Wages, Salaries, and Other Compensation are shown below.		COLUMN A	COLUMN B	COLUMN C	
		Eligible Facility Approved by DECD	Total Facilities Within Connecticut (including Eligible Facility)		
TANGIBLE PROPERTY (Average Monthly Net Book Value)	a. Depreciable assets			FOR LINE 1 AND LINE 2 DIVIDE COLUMN A BY COLUMN B (Carry to six decimal places)	
	b. Land				
	c. Capitalized rent				
	d. Other				
	1. TOTAL			1.	
WAGES, SALARIES, AND OTHER COMPENSATION	2. TOTAL			2.	
FACILITY CREDIT RATIO	3. TOTAL (Add Line 1 and Line 2 in Column C)			3.	
	4. FACILITY RATIO (Divide Line 3 by two)			4.	
	5. TOTAL TAX (from Form CT-1120, Schedule C, Line 1a)			5.	
TAX CREDIT CALCULATION	6. BALANCE (Multiply Line 5 by Line 4)			6.	
	7. TAX CREDIT PERCENTAGE (See instructions)			7.	
	8. TAX CREDIT (Multiply Line 6 by Line 7. Enter here and on Form CT-1120K, Part I-C, Line 7, Column A.)			8.	

INSTRUCTIONS

SCHEDULE A

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

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

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

SCHEDULE B

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

Line 1 - Complete as indicated.

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

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

Line 4 - Multiply Line 3 by 30% (.30).

Lines 5 through 7 - Complete as indicated.

SCHEDULE C

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

Tangible Property: Column A includes the average monthly net book value of the eligible manufacturing facility including all machinery and equipment specifically acquired for and installed at that site (without reduction for any encumbrance). When rented, the value of the eligible manufacturing facility and all machinery and equipment specifically acquired for and installed at that site should be computed by multiplying the gross rents payable by the taxpayer during the income year by eight. Column B consists of the average monthly net book value of all real property,

machinery, and equipment held and owned by the taxpayer in Connecticut plus the value of all real property, machinery, and equipment rented to the taxpayer in Connecticut, computed by multiplying the combined gross rents payable during the income year by eight. **Gross rents** means gross rents as defined in Conn. Gen. Stat. §12-218.

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

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

Lines 1 through 4 - Complete as indicated.

Line 5 - Enter the total tax from Form CT-1120, *Schedule C*, Line 1a.

Line 6 - Multiply Line 5 by Line 4.

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

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