

Form CT-1120X
Amended Corporation Business Tax Return
Instructions

2006

(Rev. 12/06)

General Instructions

Complete this return in blue or black ink only.

Use **Form CT-1120X**, *Amended Corporation Business Tax Return*, to correct a **2006 Form CT-1120**, *Corporation Business Tax Return*, or **2006 Form CT-1120U**, *Unitary Corporation Business Tax Return*:

- As it was originally filed;
- As it was later adjusted by the corporation;
- As it was later adjusted by the Department of Revenue Services (DRS);
- To report federal adjustments by the Internal Revenue Service (IRS); or
- To claim a Connecticut tax credit.

Combined Returns

To amend a combined corporation business tax return for income years beginning on or after January 1, 2006, a taxpayer must file **Form CT-1120CR**, *Combined Corporation Business Tax Return*, and check the "Amended" box to indicate an amended return is being filed.

If a corporation is amending a Form CT-1120CR for income years beginning prior to January 1, 2006, an amended return should be filed using Form CT-1120X.

When to File

Generally, Form CT-1120X must be filed within three years from the due date of the original return, or if an extension of time to file was requested and granted, three years from the extended due date. 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 IRS adjustment, the corporation also **must** attach a complete copy of the IRS notification of changes. The return **must** be filed no later than 90 days after the final determination of the adjustment.

Federal and Connecticut Amended Return Changes

Any company whose return to the IRS has been amended must file Form CT-1120X within 90 days after the filing of an amended return with the IRS. The corporation must attach a complete copy of the amended federal return.

If the change involves an adjustment to Connecticut net income, a Connecticut apportionment factor, Connecticut net operating loss, or a Connecticut corporation business tax credit, explain in detail and attach all appropriate supporting forms and schedules.

Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents.

Information Section

Enter the income year covered by this return, the corporate name, address, Connecticut Tax Registration Number, and Federal Employer Identification Number (FEIN) in the spaces provided.

Check the appropriate box for the Connecticut corporation business tax return being amended. Indicate whether the taxpayer is currently under Connecticut audit and the reason for amending the return.

See the instructions for the Connecticut corporation business tax return and related schedules and forms for the year that is being amended, concerning modifications, allocation and apportionment of income, tax computation, or tax credits.

For additional information, call DRS Taxpayer Services Division at 1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only) or 860-297-5962 (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Line Instructions

Enter the amounts as shown on the original return or as adjusted by any prior audit or amended return.

Schedule A - Computation of Tax on Net Income

Line 1 - Enter the net income from Form CT-1120 or Form CT-1120U.

Line 2 - Enter the appropriate apportionment fraction from **Form CT-1120A**, *Corporation Business Tax Return Apportionment Computation, Schedule Q*, Line 2; *Schedule R*, Line 6, Column C; or from the applicable apportionment forms. The fraction must be expressed as a decimal and carried to six places.

Line 3 - Enter the amount from Line 1 multiplied by Line 2, or enter the amount from Line 1, if not entitled to apportion.

Line 4 - Enter the amount of any unused losses from **Form CT-1120 ATT**, *Corporation Business Tax Return Attachment Schedules H, I, and J, Schedule H*, Line 10, Column D, attributable to Connecticut business operations as reported in years ending December 31, 2000, and thereafter.

Net operating losses incurred for income years beginning on or after January 1, 2000, may be carried forward for 20 successive income years. Losses may not be carried back. 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.

Line 6 - Multiply Line 5 by 7.5% (.075) and enter the result.

Schedule B - Computation of Minimum Tax on Capital

Use *Schedule B* to compute the minimum tax on the capital of a corporation. The minimum tax on capital does not apply to real estate investment trusts, regulated investment companies, or interlocal risk management agencies formed under Chapter 113a of the Connecticut General Statutes.

Line 1 - Enter the amount shown on Form CT-1120 or Form CT-1120U, *Schedule E*, Line 6, Column C.

Line 2 - Corporations, other than air carriers, enter the apportionment fraction from Form CT-1120A, *Schedule S*, Line 3, Column C. The fraction must be expressed as a decimal and carried to six places.

Line 3 - Enter the amount from Line 1 multiplied by Line 2, or enter the amount from Line 1, if not entitled to apportion.

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 sum by 12 and enter the result.

Line 6 - Multiply Line 5 by 0.31% (.0031) and enter the result. The maximum tax for *Schedule B* is \$1,000,000.

Schedule C - Computation of Amount Payable

Line 1(a) - Enter the amount from *Schedule A*, Line 6; *Schedule B*, Line 6; or the Minimum Tax (\$250 for each corporation included in the return), whichever is greater.

Line 1(b) - Multiply Line 1(a) by 20% (.20) and enter the result. If Line 1(a) is the Minimum Tax, enter zero.

Line 1(c) - If a corporation has received a notice from Connecticut Housing Finance Authority (CHFA) indicating that 60% or more of a revolving loan fund has not been properly loaned on or before the date three years after the date a revolving loan fund was established by such corporation, the credit amount specified in the notice must be recaptured. This amount should be reported on the first Form CT-1120 to be filed on or after the date of notice.

If the fixed capital on account of which a corporation claimed a Fixed Capital Investment tax credit is not held and used in Connecticut in the ordinary course of the corporation's trade or business in Connecticut for three full years following its acquisition, the corporation is required to recapture 100% of the amount of the credit allowed on the corporation business tax return required to be filed for the income year immediately following the income year during which the three-year period expires.

If the fixed capital on account of which a corporation claimed the Fixed Capital Investment tax credit is not held and used in Connecticut in the ordinary course of the corporation's trade or business in Connecticut for five full years following its acquisition, the corporation will be required to recapture 50% of the amount of the credit allowed on its corporation business tax return required to be filed for the income year immediately following the income year during which the five-year period expires.

Line 1 - Add Lines 1(a), 1(b), and 1(c), and enter the total. If no tax credits are being claimed, also enter this amount on Line 6.

Line 2 - Multiply Line 1 by 30% (.30) and enter the result.

Line 3 - Enter the greater of the amount on Line 2 or the *Minimum Tax*.

Line 4 - Subtract Line 3 from Line 1 and enter the result.

For income years beginning on or after January 1, 2002, the amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% of the amount of tax due prior to the application of credits.

No tax credit can be applied against the minimum tax. (*Conn Gen Stat. §12-219*)

Line 5 - Enter the total tax credits applied from **Form CT-1120K**, *Business Tax Credit Summary, Part II*, Line 11. Do not exceed the amount on Line 4.

Line 6 - Subtract Line 5 from Line 1 and enter the result.

Line 7(a) - Enter the amount paid with **Form CT-1120 EXT**, *Application for Extension of Time to File Corporation Business Tax Return*.

Line 7(b) - Enter the amount paid with estimate on **Form CT-1120 ESA, ESB, ESC, or ESD**, *Estimated Corporation Business Tax*.

Line 7(c) - Enter the amount of any overpayment from the prior year.

Line 7(d) - Enter the amount paid with the original return plus additional tax paid after the original return was filed.

Line 7 - Add Lines 7(a) through 7(d), and enter the total.

Line 8 - Subtract Line 7 from Line 6 and enter the result.

Line 9(a) - Enter penalty if applicable.

The penalty for late payment or underpayment of corporation business tax is 10% (.10) of the tax due or \$50, whichever is greater.

Line 9(b) - Enter interest due on tax not paid by the original due date.

Interest is computed at 1% (.01) per month or fraction of a month on the underpayment of tax from the original due date of the return through the date of payment.

Line 9(c) - Enter interest due on underpayment of estimated tax. Complete and attach **Form CT-1120I**, *Computation of Interest Due on Underpayment or Estimated Tax*.

Line 9 - Add Lines 9(a) through 9(c), and enter the total.

Line 10 - Enter the original amount of overpayment to be credited to 2007 estimated tax or refunded.

Overpayment of tax liability for a preceding income year is credited against the current estimated tax liability as of the receipt date of a completed tax return and **not** a tentative tax return. An overpayment cannot be determined to exist until a completed return is filed. Overpayments will be treated as estimated tax paid on March 15, if the tax return is filed by March 15. **Your request to apply an overpayment to the following tax year is irrevocable.**

Line 11 - Balance Due (Add Lines 8, 9, and 10.)

Line 12(a) - Enter the amount to be credit to 2007 estimated tax.

Line 12(b) - Enter the amount to be refunded.

Schedule D - Computation of Net Income

Line 1 - Enter your federal taxable income (loss) before net operating loss and special deductions as filed on your federal return.

Line 2 - Enter all interest income exempt from federal taxation.

Line 3 - Enter the amount from Form CT-1120 or Form CT-1120U, *Schedule F*, Line 8 (total unallowable deduction for corporation business tax).

Line 4 - Enter the amount of interest expenses paid to a related member as reported on **Form CT-1120AB, Add Back and Exceptions to Add Back of Interest and Intangible Expenses**, Part I A, Line 1.

Line 5 - Enter the amount of intangible expenses paid to a related member as reported on Form CT-1120AB, Part I B, Line 1.

Line 6 - *Reserved for future use.*

Line 7 - Add Lines 1 through 5 and enter the total.

Line 8 - Enter the dividend deduction calculated on Form CT-1120 ATT, *Schedule I*, Line 4.

Line 9 - Enter the amount of any available capital loss carryover not deducted in computing federal capital gain. This amount is limited to the amount of the capital gain reported on the federal return as described in Conn. Gen. Stat. §12-217.

Line 10 - Enter the value of any capital gain realized from the sale of any land, or interest in land, to the state, any political subdivision of the state, or to any nonprofit land conservation organization where such land is to be permanently preserved as protected open space or to a water company (as defined in Conn. Gen. Stat. §25-32a), where such land is to be permanently preserved as protected open space or as Class I or Class II water company land.

Line 11 - Enter the federal bonus depreciation recovery amount from Form CT-1120 ATT, *Schedule J*, Line 7.

Line 12 - Enter the amount of exceptions to interest add back as reported on Form CT-1120AB, Part II A, Line 1.

Line 13 - Enter the amount of exceptions to interest add back as reported on Form CT-1120AB, Part II A, Line 2.

Line 14 - Enter the amount of exceptions to interest add back as reported on Form CT-1120AB, Part II A, Line 3.

Line 15 - Enter the amount of exceptions to the add back of intangible expenses paid to a related member as reported on Form CT-1120AB, Part II B, Line 1.

Line 16 - Enter the amount received from a related member attributable to intangible expenses and costs or to interest expenses and costs, provided such income was:

- Included on *Schedule D*, Line 1 of this return;
- Received from a related member who filed a Connecticut corporation business tax return for the same income year; **and**
- Required to be added back by the related member under Conn. Gen. Stat. §§12-218c or 12-218d and was not entitled to an exception of the add back.

Line 17 - Add Lines 8 through 16 and enter the total.

Line 18 - Subtract Line 17 from Line 7. Enter the result here and on *Schedule A*, Line 1.

Explanation of Changes

Show any computation in detail. Attach additional schedules if necessary. If amending to claim a tax credit, attach Form CT-1120K.

Remittance

Make check payable to **Commissioner of Revenue Services** and write the Connecticut Tax Registration Number on the check. DRS may submit your check to your bank electronically.

Mail to: Department of Revenue Services
PO Box 2974
Hartford CT 06104-2974

Signature

The return must be signed by a duly authorized officer.

Paid Preparer Signature

Anyone paid to prepare the tax return must sign and date it. Paid preparers must also enter their Social Security Number (SSN) or Preparer Tax Identification Number (PTIN), their firm's Federal Employer Identification Number, and their firm's address and telephone number in the spaces provided.