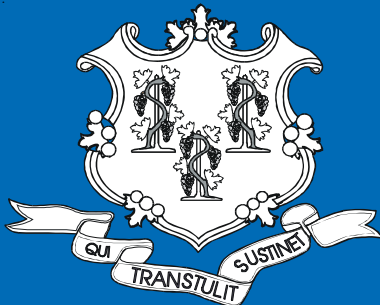


# 2005 Connecticut Package X

*This booklet  
contains forms  
and instructions  
for the following  
taxes:*

- Income
- Corporation
- Withholding
- Business Entity
- Trusts and Estates
- Partnership/  
S Corporation  
Composite
- Group Income
- Gift
- Sales and Use
- Miscellaneous



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## 2005 Tax Forms and Instructions

Forms may also be downloaded from  
our Web site at

**[www.ct.gov/DRS](http://www.ct.gov/DRS)**

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

Complete return in blue or black ink only.

Taxpayers must sign declaration on reverse side.

For the year January 1 - December 31, 2005, or other taxable year beginning: , 2005 and ending: , .

Filing Status section with checkboxes for Single, Married filing jointly, Married filing separately, and Head of household. Includes a field for spouse name and SSN.

Personal information section including Social Security Numbers, names, and mailing address.

Checkboxes for filing preferences: Form CT-8379, Form CT-2210, and Schedule CT-1040CRC.

Table for tax calculation with 16 rows and columns for descriptions and dollar amounts. Includes instructions like 'Federal adjusted gross income' and 'Connecticut Adjusted Gross Income'.

Vertical instruction: Clip check or money order here. Do not staple. Do NOT send W-2, W-2G, or 1099 forms.

Due date: April 15, 2006 - Attach a copy of all applicable schedules and forms to this return.

Webfile or e-file your return for faster refund, see Page 4 of booklet.

Your Social Security Number [ ]-[ ]-[ ]

17. Enter amount from Line 16. 17. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

3

W-2, W-2G, and 1099 Federal Identification Information (Only enter information from 18d, your W-2, W-2G, and 1099 forms if Connecticut income tax was withheld.)

Table with 3 columns: Column A (Employer's federal ID No.), Column B (Connecticut Wages, Tips, etc.), and Column C (Connecticut Income Tax Withheld). Rows 18a-18g.

18. Total Connecticut Income Tax Withheld (Add amounts in Column C and enter here.) 18. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

19. All 2005 estimated tax payments and any overpayments applied from a prior year 19. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

20. Payments made with Form CT-1040 EXT (Request for extension of time to file) 20. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

21. Total Payments (Add Lines 18, 19, and 20.) 21. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

4

22. Overpayment (If Line 21 is more than Line 17, subtract Line 17 from Line 21.) 22. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

23. Amount of Line 22 you want applied to your 2006 estimated tax 23. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

24. Total Contributions of Refund to Designated Charities (From Schedule 5, Line 70) 24. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

25. Refund (Subtract Lines 23 and 24 from Line 22.) For faster refund, use Direct Deposit by completing Lines 25a, 25b, and 25c. 25. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

25a. Type: checking [ ] savings [ ] 25b. Routing Number [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] 25c. Account Number [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

5

26. Tax Due (If Line 17 is more than Line 21, subtract Line 21 from Line 17.) 26. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

27. If Late: Enter penalty (Multiply Line 26 by 10% (.10).) 27. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

28. If Late: Enter interest (Multiply Line 26 by number of months or fraction of a month late, then by 1% (.01).) 28. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

29. Interest on underpayment of estimated tax (From Form CT-2210, see instructions, Page 17.) 29. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

30. Total Amount Due (Add Lines 26 through 29.) 30. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

6

Declaration: I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here section with fields for: Your Signature, Spouse's Signature (if joint return), Paid Preparer's Signature, Firm's Name, Address, and ZIP Code, Date, Telephone Number, Daytime Telephone Number, Preparer's SSN or PTIN, and FEIN.

Third Party Designee - Complete the following if you wish to authorize DRS to contact another person about this return. Designee's Name [ ] Telephone Number [ ] Personal Identification Number (PIN) [ ]

Schedule 1 - Modifications to Federal Adjusted Gross Income (Enter all items as positive numbers.)

(See Instructions, Page 18.)

31. Interest on state and local government obligations other than Connecticut 31. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
32. Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations 32. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
33. Allocated for future use • 33.
34. Taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income 34. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
35. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero.) 35. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
36. Loss on sale of Connecticut state and local government bonds 36. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
37. Allocated for future use • 37.
38. Other - specify •
39. Total Additions (Add Lines 31 through 38.) Enter here and on Line 2. 39. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
40. Interest on U.S. government obligations 40. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
41. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations 41. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
42. Social Security benefit adjustment (See Social Security Benefit Adjustment Worksheet, Page 20.) 42. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
43. Refunds of state and local income taxes 43. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
44. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities 44. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
45. Special depreciation allowance for qualified property placed in service during the preceding year(s) 45. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
46. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero.) 46. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
47. Gain on sale of Connecticut state and local government bonds 47. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
48. Allocated for future use • 48.
49. Other - specify (Do not include out of state income.) •
50. Total Subtractions (Add Lines 40 through 49.) Enter here and on Line 4. 50. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions

(You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed.)

51. Modified Connecticut adjusted gross income (See instructions, Page 24.) 51. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
52. Enter qualifying jurisdiction's name and two-letter code (See instructions, Page 24.) 52. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]
53. Non-Connecticut income included on Line 51 and reported on a qualifying jurisdiction's income tax return (Complete Schedule 2 Worksheet, Page 23.) 53. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
54. Divide Line 53 by Line 51. (May not exceed 1.0000) 54. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]
55. Income tax liability (Subtract Line 11 from Line 6.) 55. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
56. Multiply Line 54 by Line 55. 56. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
57. Income tax paid to a qualifying jurisdiction (See instructions, Page 25.) 57. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
58. Enter the lesser of Line 56 or Line 57. 58. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00
59. Total Credit (Add Line 58, all columns.) Enter here and on Line 7. 59. [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] . 00

**Schedule 3 - Property Tax Credit Worksheet**

| Qualifying Property   | Primary Residence   | Auto 1  | Auto 2 (Married Filing Jointly Only)  |
|---|---|---|---|
| Name of Connecticut Tax Town or District  |   |   |   |
| Description of Property<br>If primary residence, enter street address.<br>If motor vehicle, enter year, make, and model.  |   |   |   |
| Date(s) Paid<br>(See instructions, Page 26.)  | • ___ / ___ / 2005<br>• ___ / ___ / 2005                                    | • ___ / ___ / 2005<br>• ___ / ___ / 2005                                    | • ___ / ___ / 2005<br>• ___ / ___ / 2005                                    |
| Amount Paid   | 60. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 | 61. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 | 62. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 |
| 63. Total Property Tax Paid (Add Lines 60, 61, and 62.)   |   |   | 63. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 |
| 64. Maximum Property Tax Credit Allowed   |   |   | 64. • 3 5 0 . 00  |
| 65. Enter the lesser of Line 63 or Line 64.   |   |   | 65. • <input type="text"/> . 00   |
| 66. Enter the decimal amount for your filing status and Connecticut AGI from the Property Tax Credit Table exactly as it appears on Page 27. (If zero, enter amount from Line 65 on Line 68.) |   |   | 66. • <input type="text"/> . <input type="text"/>                           |
| 67. Multiply Line 65 by Line 66.  |   |   | 67. • <input type="text"/> . 00   |
| 68. Subtract Line 67 from Line 65. Enter here and on Line 11.   |   |   | 68. <input type="text"/> . 00   |

**Schedule 4 - Individual Use Tax Worksheet**

Complete this worksheet to calculate your Connecticut individual use tax liability.

| Column A   | Column B                         | Column C                     | Column D       | Column E                       | Column F                                  | Column G  |
|--|----------------------------------|------------------------------|----------------|--------------------------------|---|---|
| Date of purchase   | Description of goods or services | Retailer or service provider | Purchase price | CT tax due<br>(.06 X Column D) | Tax, if any, paid to another jurisdiction | Balance due<br>(Column E minus Column F but not less than zero) |
| •  |                                  |                              |                |                                |   |   |
| •  |                                  |                              |                |                                |   |   |
| •  |                                  |                              |                |                                |   |   |
| •  |                                  |                              |                |                                |   |   |
| •  |                                  |                              |                |                                |   |   |
| • Total of individual purchases under \$300 not listed above |                                  |                              |                |                                |   |   |

69. Individual Use Tax (Add all amounts for Column G.) Enter here and on Line 15. • 69.  . 00

**Schedule 5 - Contribution Worksheet**

|  |  |
|--|--|
| 70a. AIDS Research   | 70a. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 |
| 70b. Organ Transplant  | 70b. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 |
| 70c. Endangered Species/Wildlife   | 70c. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 |
| 70d. Breast Cancer Research  | 70d. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 |
| 70e. Safety Net Services   | 70e. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 |
| 70f. Military Family Relief Fund   | 70f. <input type="text"/> , <input type="text"/> , <input type="text"/> . 00 |
| 70. Total Contributions (Add Lines 70a through 70f; enter amount here and on Line 24.) | • 70. <input type="text"/> . 00  |

Use envelope provided, with correct mailing label, or mail to:

|   |  |
|---|--|
| <p><b>For refunds and all other tax forms without payment:</b><br/>                 Department of Revenue Services<br/>                 PO Box 2976<br/>                 Hartford CT 06104-2976</p> | <p><b>For all tax forms with payment:</b><br/>                 Department of Revenue Services<br/>                 PO Box 2977<br/>                 Hartford CT 06104-2977</p> |
|---|--|

Make your check or money order payable to: **Commissioner of Revenue Services**

To ensure proper posting, write your SSN(s) (optional) and "2005 Form CT-1040" on your check or money order.

**Form CT-1040EZ**  
Connecticut Resident EZ Income Tax Return

FOR DRS  
USE ONLY

20

**2005**  
**CT-1040EZ**

**Complete return in blue or black ink only.**

**Taxpayers must sign declaration on reverse side.**

For the year January 1 - December 31, 2005, or other taxable year beginning: \_\_\_\_\_, **2005** and ending: \_\_\_\_\_, \_\_\_\_\_.

**1 Filing Status**

Single     Married filing jointly or qualified widow(er) with dependent child     Married filing separately     Head of household

(Enter spouse full name here only and SSN below.)

**PLACE LABEL HERE OR PRINT**

Your Social Security Number  -  -     Check if deceased     Spouse Social Security Number  -  -     Check if deceased

Your First Name  MI  Last Name (If two last names, insert a space between names.)  Suffix (Jr./Sr.)

Spouse's First Name  MI  Last Name (If two last names, insert a space between names.)  Suffix (Jr./Sr.)

Mailing Address (number and street, apartment number, suite number, PO Box)

City, Town, or Post Office (If town is two words, leave a space between the words.)  State  ZIP Code  -

Check here if you do not want forms sent to you next year. (This **does not** relieve you of your responsibility to file.)     **Form CT-8379** Check here if you are filing Form CT-8379 and attach the form to the front of the return.

**2**

**Whole Dollars Only**

1. Federal adjusted gross income (From federal Form 1040, Line 37; Form 1040A, Line 21; or Form 1040EZ, Line 4)    1.             **00**

2. Refunds of state and local income taxes (From federal Form 1040, Line 10; See instructions, Page 10.)    2.             **00**

3. **Connecticut Adjusted Gross Income** (Subtract Line 2 from Line 1.)    3.             **00**

4. Income Tax: From Tax Tables or Tax Calculation Schedule (See instructions, Page 10.)    4.             **00**

5. Credit for property taxes paid on your primary residence, motor vehicle, or both (From *Schedule 1EZ*, Line 27, on Page 3; See instructions, Page 10.)    5.             **00**

6. Connecticut income tax (Subtract Line 5 from Line 4. If less than zero, enter "0.")    6.             **00**

7. Individual Use Tax (From *Schedule 2EZ*, Line 28, on Page 3; See instructions, Page 10.) If no tax is due, enter "0."    7.             **00**

8. Add Line 6 and Line 7.    8.             **00**

Clip check or money order here. (Do not staple.)  
Do NOT send W-2, W-2G, or 1099 forms.

**To complete your return, continue on Page 2, Form CT-1040EZ.**

|   |  |  |   |
|---|--|--|---|
| Make your check or money order payable to:<br><b>Commissioner of Revenue Services</b><br>To ensure proper posting, write your SSN(s) (optional) and "2005 Form CT-1040EZ" on your check or money order. | Use envelope provided, with correct mailing label, or mail to:<br><b>For refunds and all other tax forms without payment:</b><br>Department of Revenue Services<br>PO Box 150420<br>Hartford CT 06115-0420 |  | <b>For all tax forms with payment:</b><br>Department of Revenue Services<br>PO Box 150440<br>Hartford CT 06115-0440 |
|---|--|--|---|

**Due date: April 15, 2006 - Attach a copy of all applicable schedules and forms to this return.**

**WEBFILE OR E-FILE YOUR RETURN FOR FASTER REFUND; see Page 3 of this booklet.**

9. Enter amount from Line 8. 9.  ,  . **00**

**3**

**W-2, W-2G, and 1099 Federal Identification Information**  
(Only enter information from your W-2, W-2G, and 1099 forms if Connecticut income tax was withheld.)

|      | Column A<br>Employer's federal ID No. from Box b of W-2, or Payer's federal ID No. from W-2G, or 1099 | Column B<br>Connecticut Wages, Tips, etc. | Column C<br>Connecticut Income Tax Withheld |
|------|---|---|---|
| 10a. | <input type="text"/>  | • <u>                    - 00</u>         | 10a. <input type="text"/> . <b>00</b>       |
| 10b. | <input type="text"/>  | • <u>                    - 00</u>         | 10b. <input type="text"/> . <b>00</b>       |
| 10c. | <input type="text"/>  | • <u>                    - 00</u>         | 10c. <input type="text"/> . <b>00</b>       |
| 10d. | <input type="text"/>  | • <u>                    - 00</u>         | 10d. <input type="text"/> . <b>00</b>       |
| 10e. | <input type="text"/>  | • <u>                    - 00</u>         | 10e. <input type="text"/> . <b>00</b>       |
| 10f. | <input type="text"/>  | • <u>                    - 00</u>         | 10f. <input type="text"/> . <b>00</b>       |
| 10g. | <input type="text"/>  | • <u>                    - 00</u>         | 10g. <input type="text"/> . <b>00</b>       |
| 10h. | Enter amount from Supplemental Schedule CT-1040WH, Line 3.  |   | 10h. <input type="text"/> . <b>00</b>       |

10. **Total Connecticut Income Tax Withheld** (Add amounts in Column C and enter here.) 10.  . **00**  
**You must complete Columns A, B, and C or your withholding will be disallowed.**

11. All 2005 estimated tax payments and any overpayments applied from a prior year 11.  . **00**

12. Payments made with **Form CT-1040 EXT** (Request for extension of time to file) 12.  . **00**

13. **Total Payments** (Add Lines 10, 11, and 12.) 13.  . **00**

**4**

14. Overpayment (If Line 13 is more than Line 9, subtract Line 9 from Line 13.) 14.  . **00**

15. Amount of Line 14 you want **applied to your 2006 estimated tax** **15.**  . **00**

16. Total Contributions of Refund to Designated Charities (From *Schedule 3EZ*, Line 29) 16.  . **00**

17. **Refund** (Subtract Lines 15 and 16 from Line 14.) 17.  . **00**  
 For faster refund, use Direct Deposit by completing Lines 17a, 17b, and 17c.

17a. Type: checking  17b. Routing  17c. Account   
 savings  Number  Number

**5**

18. **Total Amount Due** (If Line 9 is more than Line 13, subtract Line 13 from Line 9.) **18.**  . **00**

**6**

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |                                      |                  |                          |
|--|--------------------------------------|------------------|--------------------------|
| Sign Here<br>Keep a copy for your records. | Your Signature                       | Date             | Daytime Telephone Number |
|  | Spouse's Signature (if joint return) | Date             | Daytime Telephone Number |
|  | Paid Preparer's Signature            | Date             | Preparer's SSN or PTIN   |
|  | Firm's Name, Address, and ZIP Code   | Telephone Number | FEIN                     |

**Third Party Designee** - Complete the following if you wish to authorize DRS to contact another person about this return.

|                 |                  |                                      |
|-----------------|------------------|--------------------------------------|
| Designee's Name | Telephone Number | Personal Identification Number (PIN) |
| •               | •                | •                                    |

**Schedule 1EZ - Property Tax Credit Worksheet**

| Qualifying Property  | Primary Residence  | Auto 1   | Auto 2 (Married Filing Jointly Only)   |
|--|--|--|--|
| <b>Name of Connecticut Tax Town or District</b>  | • _____  | • _____  | • _____  |
| <b>Description of Property</b><br>If primary residence, enter street address.<br>If motor vehicle, enter year, make, and model.  | • _____<br>• _____   | • _____<br>• _____   | • _____<br>• _____   |
| <b>Date(s) Paid</b><br>(See instructions, Page 13.)  | • _____ / _____ / <b>2005</b><br>• _____ / _____ / <b>2005</b>                     | • _____ / _____ / <b>2005</b><br>• _____ / _____ / <b>2005</b>                     | • _____ / _____ / <b>2005</b><br>• _____ / _____ / <b>2005</b>                     |
| <b>Amount Paid</b>   | 19. <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> | 20. <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> | 21. <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |
| 22. Total Property Tax Paid (Add Lines 19, 20, and 21.)  |  |  | 22. <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |
| 23. Maximum Property Tax Credit Allowed  |  |  | • 23. <b>350. 00</b>   |
| 24. Enter the lesser of Line 22 or Line 23.  |  |  | • 24. <input type="text"/> . <b>00</b>   |
| 25. Enter the <b>decimal amount</b> for your filing status and Connecticut AGI from the Property Tax Credit Table located on the inside back cover of this booklet. (If zero, enter amount from Line 24 on Line 27.) |  |  | • 25. <input type="text"/> . <input type="text"/>                                  |
| 26. Multiply Line 24 by Line 25.   |  |  | • 26. <input type="text"/> . <b>00</b>   |
| 27. Subtract Line 26 from Line 24. Enter here and on Line 5.   |  |  | 27. <input type="text"/> . <b>00</b>   |

**Schedule 2EZ - Individual Use Tax Worksheet**

Complete this worksheet to calculate your Connecticut individual use tax liability.

| Column A  | Column B                         | Column C                     | Column D       | Column E                       | Column F                                  | Column G  |
|---|----------------------------------|------------------------------|----------------|--------------------------------|---|---|
| Date of purchase  | Description of goods or services | Retailer or service provider | Purchase price | CT tax due<br>(.06 X Column D) | Tax, if any, paid to another jurisdiction | Balance due<br>(Column E minus Column F but not less than zero) |
| •   |                                  |                              |                |                                |   |   |
| •   |                                  |                              |                |                                |   |   |
| •   |                                  |                              |                |                                |   |   |
| •   |                                  |                              |                |                                |   |   |
| •   |                                  |                              |                |                                |   |   |
| <b>Total of individual purchases under \$300 not listed above</b> |                                  |                              |                |                                |   |   |

28. **Individual Use Tax** (Add all amounts for Column G.) Enter here and on Line 7. • 28.  ,  . **00**

**Schedule 3EZ - Contribution Worksheet**

|  |       |  |  |
|--|-------|--|--|
| 29a. AIDS Research   | 29a.  | <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |  |
| 29b. Organ Transplant  | 29b.  | <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |  |
| 29c. Endangered Species/Wildlife   | 29c.  | <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |  |
| 29d. Breast Cancer Research  | 29d.  | <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |  |
| 29e. Safety Net Services   | 29e.  | <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |  |
| 29f. Military Family Relief Fund   | 29f.  | <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |  |
| 29. Total Contributions (Add Lines 29a through 29f; enter amount here and on Line 16.) | • 29. | <input type="text"/> , <input type="text"/> , <input type="text"/> . <b>00</b> |  |

Use envelope provided, with correct mailing label, or mail to:

|   |  |
|---|--|
| <p><b>For refunds and all other tax forms without payment:</b><br/>                     Department of Revenue Services<br/>                     PO Box 150420<br/>                     Hartford CT 06115-0420</p> | <p><b>For all tax forms with payment:</b><br/>                     Department of Revenue Services<br/>                     PO Box 150440<br/>                     Hartford CT 06115-0440</p> |
|---|--|

Make your check or money order payable to: **Commissioner of Revenue Services**

To ensure proper posting, write your SSN(s) (optional) and "2005 Form CT-1040EZ" on your check or money order.

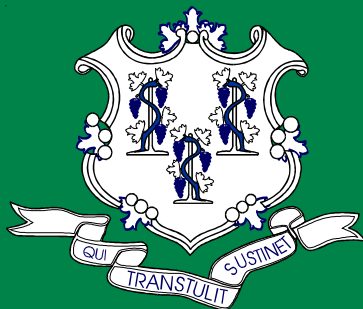


# 2005 FORM CT-1040

# Connecticut Resident Income Tax Return and Instructions

This booklet  
contains:

- Form CT-1040
- Supplemental  
Schedule  
CT-1040WH
- Form CT-1040 EXT
- Form CT-1040ES
- Taxpayer  
Questionnaire
- Tax Tables
- Tax Calculation  
Schedule



Dear Taxpayer:

The Connecticut Department of Revenue Services (DRS) makes every effort to provide taxpayers with the most comprehensive information to meet their state tax filing needs. This booklet contains important information about tax changes that may affect you. Beginning this year, returns with incomplete withholding information (missing ID numbers, missing dollar amounts, etc.) will not be processed by DRS. By filing your return electronically, you can avoid this and other common mistakes made on paper returns. The variety of electronic filing options detailed in this booklet can make it easier for you to file and pay your state taxes, or receive your refund.

At DRS, our goal is to provide taxpayers with excellent customer service and a user-friendly approach to tax administration. If you have questions about Connecticut taxes or filing this return, you can reach DRS Taxpayer Services staff by e-mail, phone, or letter. The back cover of this booklet lists all the ways you can access this Agency including the DRS Web site, which is available anytime to provide you with access to forms, publications, and information.

As always, we welcome your comments and ideas about how we can improve the way we do business.

Sincerely,

Commissioner of Revenue Services

Taxpayer information is  
available on our Web site:  
**[www.ct.gov/DRS](http://www.ct.gov/DRS)**

File over the Internet.



### Connecticut WebFile Program

File Form CT-1040 or Form CT-1040 EXT over the internet using **WebFile**. **WebFile** is free and secure.

### Connecticut fed/state e-file Program

File your federal and Connecticut returns together using **e-file!**



For more information on these programs, visit: [www.ct.gov/DRS](http://www.ct.gov/DRS)

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

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# CONN-TAX

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If you have a touch-tone phone, you can obtain important tax information anytime from CONN-TAX, the Department of Revenue Services information line. Call **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere), press **4** to be connected to the recorded tax information menu, then press **1** to select *Recorded Income Tax Information*. Enter the three-digit number next to the topic of your choice (listed below), or follow the prerecorded instructions.

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### Extended Telephone Hours for the Filing Season:

Monday, **January 30** (until 7 p.m.)

Monday, **February 6** (until 7 p.m.)

### Extended Telephone Personal Assistance and Walk-In Hours:

(25 Sigourney Street, Hartford Only)

Saturday, **April 15** (from 9 a.m. to 12 p.m.)

Monday, **April 17** (until 8 p.m.)

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## What's New

- **You are not required to send forms W-2, W-2G, or 1099** with your 2005 Connecticut income tax return. To avoid significant delays in processing your return, be sure to complete Columns A, B, and C of the withholding section of your return. Failure to complete all columns will result in the disallowance of Connecticut withholding.
- Beginning with the 2005 taxable year, there is a check box to indicate if a taxpayer died during the year. The person filing a return jointly with or on behalf of the deceased taxpayer must check the box after the deceased taxpayer's Social Security Number.
- Beginning with the 2005 taxable year, there are now check boxes for filers of **Form CT-1040CRC**, *Claim of Right Credit* and **Form CT-8379**, *Nonobligated Spouse Claim*. Check the box on the first page of your Connecticut return if you are filing Form CT-1040CRC or Form CT-8379.
- You may contribute all or part of your refund to the **Military Family Relief Fund** by checking the box on the Connecticut return. See *Contributions to Designated Charities* on Page 28.
- Pay your 2005 taxes, including Connecticut estimated taxes, electronically over the Internet using *DRS WebFile*. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *WebFile* logo. You can also pay prior year taxes.
- The annual increase to the **personal exemption and credits** used in calculating the tax for individuals whose filing status is single has been delayed by two years. The personal exemptions and credits for the 2004 taxable year remain in effect for the 2005 and 2006 taxable years. The scheduled increases will resume beginning with the 2007 taxable year.
- Effective for taxable years beginning on or after **January 1, 2006**, taxpayers who have entered into a **civil union** recognized under Connecticut law must file their Connecticut income tax return as civil union filing jointly or civil union filing separately. This option is not available for the 2005 taxable year.
- **New e-filing requirement for certain preparers:** Effective January 1, 2006, preparers who prepared 200 or more 2004 Connecticut income tax returns will be required to file the 2005 Connecticut income tax returns electronically using the Federal/State Electronic Filing Program (*e-file*).
- The Connecticut General Assembly enacted legislation that imposes severe penalties on participants of abusive tax shelters. Any individual or business entity that fails to disclose their participation in an abusive tax shelter designated by the Internal Revenue Service (IRS) as a *listed transaction* is subject to audit penalties of 75% of the tax deficiency that results from the tax shelter activity. To fulfill the Connecticut disclosure requirement, any taxpayer (individual or entity) that has participated in a listed transaction must file a completed **Form CT-8886**, *Connecticut Listed Transaction Disclosure Statement*, with DRS. Form CT-8886 must be filed for each taxable year for which a taxpayer participates in a listed transaction.
- The annual increase to the **property tax credit limitation** thresholds for individuals whose filing status is single has been delayed two years. The property tax credit limitation amounts in effect for the 2004 taxable year remain in effect for the 2005 and 2006 taxable years. The scheduled increases will resume beginning with the 2007 taxable year.

Safe  
&  
Secure

### Electronic Filing Option

Convenient

*Electronically-filed returns are processed immediately and are more accurate (less than 1% error rate) than paper-filed returns.*

- Refunds issued in 4 days
- Quick, accurate, and easy to use
- Paperless
- Immediate proof of filing
- Able to pay taxes on or before tax due date
- Available 24 hours a day, 7 days a week!

**To WebFile or Telefile your Connecticut return you must meet all of the following conditions:**

- You were a Connecticut resident for the entire year;
- **You filed a 2004 Connecticut income tax return;** and
- Your filing status is the same filing status as last year.

#### WebFile

Free!



File over the Internet using *WebFile*. Visit: [www.ct.gov/DRS](http://www.ct.gov/DRS) to learn more.

#### Telefile

Free!



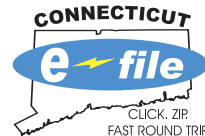
File your return using a touch-tone telephone by calling: 860-692-9787

#### e-file

File your federal and state returns together using *e-file*!

File your returns from home using a DRS-approved commercial tax filing Web site or software product. Visit: [www.ct.gov/DRS](http://www.ct.gov/DRS) for a complete list!

Have your tax preparer electronically file your tax return.



Visit: [www.IRS.gov/efile](http://www.IRS.gov/efile) or check the Yellow Pages under "Tax Return Preparation" for a list of approved preparers near you.

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## General Information

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### Tax Assistance

DRS is ready to help you and offers several resources where you can get answers to your Connecticut tax questions. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or for personal assistance, refer to the back cover of this booklet for a list of DRS walk-in offices and telephone numbers. DRS offices are open Monday through Friday, 8:00 a.m. to 5:00 p.m. If you visit, be sure to bring:

- **Copy 2** of your federal Forms W-2 and any other forms showing Connecticut income tax withholding; **and**
- Your **completed** federal Form 1040EZ, 1040A, or 1040.

Personal telephone assistance is available Monday through Friday, 8:30 a.m. to 4:30 p.m. Extended hours are offered for the filing season; see Page 2. Automated information may answer your questions anytime. Call CONN-TAX, the DRS information line or visit the DRS Web site for details.

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### Forms and Publications

Download and print Connecticut tax forms and publications anytime from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS). Forms are also available during regular business hours at any of the DRS walk-in offices and the other sources listed on the back cover of this booklet and at most public libraries, town halls, banks, and post offices during the tax filing season.

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### Important Reminders

- You **must** use blue or black ink only to complete your return.
- Remember to send all pages of your return.
- Be sure you have received all your federal Forms W-2, W-2G, and 1099 before filing your Connecticut income tax return. Generally, you will receive these forms on or before January 31. If you receive an additional federal Form W-2, W-2G, or 1099 after filing your Connecticut income tax return, you may be required to file **Form CT-1040X**, *Amended Connecticut Income Tax Return For Individuals*. See *Amended Returns* on Page 31.
- File the correct form. Most taxpayers qualify to electronically file their Connecticut income tax return or file **Form CT-1040EZ**, *Connecticut Resident EZ Income Tax Return*. (See *May I File My Connecticut Income Tax Return Over the Telephone Using Telefile*, *May I File My Connecticut Income Tax Return Over the Internet Using WebFile*, or *May I File Form CT-1040EZ* on Page 8 and Page 9.)
- If you receive federally taxable Social Security benefits, you **must file Form CT-1040**.

- Remember to check the box on the first page of your Connecticut return if you are filing **Form CT-1040CRC**, *Claim of Right Credit*.
- If you are an executor, administrator, or spouse filing a return for a deceased taxpayer, remember to check the box next to the deceased taxpayer's Social Security Number (SSN).
- Check the box on the first page of your return if you are filing **Form CT-8379**, *Nonobligated Spouse Claim*.
- Use the preprinted peel-off label. The preprinted label **does not** include your SSN(s). Therefore, you **must** enter your SSN and the SSN of your spouse (if filing a joint return) in the spaces above your name(s) on the return. If you did not receive a tax return package with a label, enter your name(s) and mailing address in the spaces provided at the top of your return. Do not place the label over your SSN.
- Check the correct filing status on your return.
- Round all figures to the nearest whole dollar. See *Rounding Off to Whole Dollars* on Page 14.
- Sign your return. If you and your spouse are filing jointly, both of you must sign.
- Have your paid preparer sign the return and enter the firm's Federal Employer Identification Number in the space provided.
- Be sure both you and your spouse file your income tax returns at the same time if you filed joint estimated tax payments but elect to file separate income tax returns. No refund will be processed until both Connecticut returns are received.
- Use the correct DRS mailing label on the envelope when filing your return. One label is for refunds and all other tax forms without payment. The other label is for all tax forms with payment.

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### Who Must File a Connecticut Resident Return

You must file a Connecticut resident income tax return if you were a resident for the entire year **and** any of the following is true for the 2005 taxable year:

- You had Connecticut income tax withheld;
- You made estimated tax payments to Connecticut;
- You meet the Gross Income Test; **or**
- You had a federal alternative minimum tax liability.

**If none of the above apply, do not file a Connecticut resident income tax return.**

## Gross Income Test

You must file a Connecticut income tax return if your gross income for the 2005 taxable year exceeds:

- \$12,000 and you will file as married filing separately
- \$12,625 and you will file as single
- \$19,000 and you will file as head of household
- \$24,000 and you will file as married filing jointly

**Gross income** means all income you received in the form of money, goods, property, services not exempt from federal income tax, **and** any additions to income required to be reported on **Form CT-1040, Schedule 1**.

Gross income includes, but is not limited to:

- 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, or trusts;
- IRA distributions;
- Unemployment compensation; **and**
- **Federally taxable** Social Security benefits.

The following examples explain the gross income test for a Connecticut resident:

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**Example 1:** Your only income is from a sole proprietorship and you file federal Form 1040 reporting the following on Schedule C:

|              |                   |
|--------------|-------------------|
| Gross Income | <b>\$100,000</b>  |
| Expenses     | <b>(\$92,000)</b> |
| Net Income   | <b>\$8,000</b>    |

Because the **gross** income of \$100,000 exceeds the minimum requirement, you must file a Connecticut income tax return.

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**Example 2:** You received \$8,000 in federally nontaxable Social Security benefits and \$11,000 in interest income. Since nontaxable Social Security benefits are not included in gross income, you will not have to file a Connecticut income tax return unless Connecticut tax was withheld or estimated tax payments were made.

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**Example 3:** You file as single on a Connecticut income tax return and received \$12,625 in wage income and \$1,000 in federally-exempt interest from California state bonds. Your federal gross income with additions from Form CT-1040, *Schedule 1* (interest on state or local obligations other than Connecticut) is \$13,625. Therefore, you must file a Connecticut income tax return.

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## Relief From Joint Liability

In general, if you and your spouse file a joint income tax return, you are both responsible for paying the full amount of tax, interest, and penalties due on your joint return. However, in very limited, specific cases, relief may be granted if you believe all or any part of the amount due should be paid only by your spouse. You may request consideration by filing **Form CT-8857, Request for Innocent Spouse Relief (And Separation of Liability and Equitable Relief)**. See **Special Notice 99(15), Innocent Spouse Relief, Separation of Liability, and Equitable Relief**.

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## Title 19 Recipients

Title 19 recipients must file a Connecticut income tax return if the requirements for *Who Must File a Connecticut Resident Return* on Page 5 are met.

However, if you do not have funds to pay your Connecticut income tax, complete **Form CT-19IT, Title 19 Status Release**, and attach it to the **front** of your Connecticut income tax return if the following two conditions apply:

- You were a Title 19 recipient during 2005; **and**
- Medicaid assisted in the payment of your long-term care in a nursing or convalescent home during 2005.

By completing this form, you authorize DRS to verify your Title 19 status for 2005 with the Department of Social Services.

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## Deceased Taxpayers

An executor, administrator, or surviving spouse must file a Connecticut income tax return, for that portion of the year before the taxpayer's death, for a taxpayer who died during the year if the requirements for *Who Must File a Connecticut Resident Return* are met. The executor, administrator, or surviving spouse must check the box next to the deceased taxpayer's SSN on the front page of the return. The person filing the return must sign for the deceased taxpayer on the signature line and indicate the date of death.

A surviving spouse may file a joint return if the surviving spouse filed a joint federal income tax return. Write "filing as surviving spouse" in the deceased spouse's signature block on the return. If both spouses died in 2005, their legal representative must file a final return. The Connecticut and federal filing status must be the same.

---

## Claiming a Refund for a Deceased Taxpayer

If you are a surviving spouse filing jointly with your deceased spouse, you may claim the refund on the jointly-filed return. 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, Statement of Person Claiming Refund Due a Deceased Taxpayer.

Income received by the estate of the decedent for the portion of the 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*.

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## Special Information for Nonresident Aliens

A nonresident alien must file a Connecticut income tax return if the requirements of *Who Must File a Connecticut Resident Return* are met. In determining whether the gross income test is met, the nonresident alien must take into account any income not subject to federal income tax under an income tax treaty between the United States and the country of which the nonresident alien is a citizen or resident. Income tax treaty provisions are disregarded for Connecticut income tax purposes. When filing their Connecticut income tax return, nonresident aliens must enter on **Form CT-1040**, Line 1, the amount reported on federal Form 1040NR, Line 34, or federal Form 1040NR-EZ, Line 10. Any treaty income reported on federal Form 1040NR or Form 1040NR-EZ and not subject to federal income tax must be added to the nonresident alien's federal adjusted gross income on Form CT-1040, *Schedule I*, Line 38, or Form CT-1040NR/PY, *Schedule I*, Line 40.

If the nonresident alien does not have and is not eligible for an SSN, he or she must obtain an Individual Taxpayer Identification Number (ITIN) from the IRS and enter it in the space provided for an SSN.

A married nonresident alien may not file a joint Connecticut income tax return unless the nonresident alien is married to a citizen or resident of the United States and they have made an election to file a joint federal income tax return and, in fact, file a joint federal income tax return. Any married individual filing federal Form 1040NR or federal Form 1040NR-EZ is not eligible to file a joint federal income tax return or a joint Connecticut income tax return and must file as a married individual filing separately.

---

## Resident, Part-Year Resident, or Nonresident

The following terms are used in this section:

**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 place of abode is not permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.

You are a **resident** for the 2005 taxable year if:

- Connecticut was your domicile (permanent legal residence) for the entire 2005 taxable year; **or**
- You maintained a permanent place of abode in Connecticut during the entire 2005 taxable year **and** spent a total of more than 183 days in Connecticut during the 2005 taxable year.

Nonresident aliens who meet either of these conditions are considered Connecticut residents even if federal Form 1040NR-EZ or federal Form 1040NR is filed for federal income tax purposes.

If you are a resident and you meet the requirements for *Who Must File a Connecticut Resident Return* for the 2005 taxable year, you must file **Form CT-1040EZ** or **Form CT-1040**.

You are a **part-year resident** for the 2005 taxable year if you changed your permanent legal residence by moving into or out of Connecticut during the 2005 taxable year. If you are a part-year resident, you may not elect to be treated as a resident individual.

If you are a part-year resident and you meet the requirements for *Who Must File Form CT-1040NR/PY* for the 2005 taxable year, you must file **Form CT-1040NR/PY**. See *Who Must File Form CT-1040NR/PY* and *Resident, Part-Year Resident, or Nonresident* in the instruction booklet for Form CT-1040NR/PY.

You are a **nonresident** for the 2005 taxable year if you are neither a resident nor a part-year resident for the 2005 taxable year.

If you are a nonresident and you meet the requirements for *Who Must File Form CT-1040NR/PY* for the 2005 taxable year, you must file Form CT-1040NR/PY.

Although you and your spouse file jointly for federal purposes, you may be required to file separate Connecticut returns. See *Special Rules for Married Individuals* on Page 14.

If you meet **all** of the conditions in Group A or Group B, you may be treated as a nonresident for 2005 even if your domicile was Connecticut.

### Group A

1. You did not maintain a permanent place of abode in Connecticut for the entire 2005 taxable year;
2. You maintained a permanent place of abode outside of Connecticut for the entire 2005 taxable year; **and**
3. You spent not more than 30 days in the aggregate in Connecticut during the 2005 taxable year.

### Group B

1. You were in a foreign country for at least 450 days during any period of 548 consecutive days;
2. During this period of 548 consecutive days, you did not spend more than 90 days in Connecticut and you did not maintain a permanent place of abode in Connecticut at which your spouse (unless legally separated) or minor children spent more than 90 days; **and**

3. During the nonresident portion of the taxable year in which the 548-day period begins, and during the nonresident portion of the taxable year in which the 548-day period ends, you were present in Connecticut for no more than the number of days that bears the same ratio to 90 as the number of days in the portion of the taxable year bears to 548. See the calculation below:

|   |
|---|
| $\frac{\text{Number of days in the nonresident portion}}{548} \times 90 = \text{Maximum days allowed in Connecticut}$ |
|---|

See **Special Notice 2000(17)**, *2000 Legislation Affecting the Connecticut Income Tax*.

### Military Personnel Filing Requirements

Military personnel who claim Connecticut as a residence but are stationed elsewhere are 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 of the conditions in Group A or Group B for being treated as a nonresident. See *Resident, Part-Year Resident, or Nonresident* on Page 7.

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 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:** Jennifer 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.

**If Jennifer had no other income . . .**

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

**If Jennifer had a part-time job in Connecticut . . .**

Her Connecticut source income from nonmilitary employment is taxable. Jennifer must file Form CT-1040NR/PY to report the income.

Spouses of military personnel who are stationed in Connecticut may be considered residents of this state even if their domicile is elsewhere. See *Resident, Part-Year Resident, or Nonresident* on Page 7.

See **Informational Publication 2005(9)**, *Connecticut Income Tax Information for Military Personnel and Veterans*.

### Combat Zone

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 is 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. If any tax was previously paid for the year of death, the tax will be refunded to the legal representative of the estate or to the surviving spouse upon the filing of a return on behalf of the decedent. In filing the return on behalf of the decedent, the legal representative or the surviving spouse should enter zero tax due and attach a statement to the return along with a copy of the death certificate.

**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*.

Members of the U.S. Armed Forces serving in military operations in the Kosovo, Afghanistan, or Arabian Peninsula regions are eligible for the 180 day extension allowed to individuals serving in a combat zone. Spouses of military personnel and civilians supporting the military in these regions who are away from their permanent duty stations but are not within the designated combat zone are also eligible for the extension. Individuals requesting an extension under combat zone provisions should print both the name of the combat zone and the operation they served with at the top of their Connecticut tax return. This is the same combat zone or operation name provided on their federal income tax return.

### May I File My Connecticut Income Tax Return Over the Telephone Using Telefile

Most residents qualify to *Telefile* their Connecticut income tax return. You may *Telefile* your Connecticut income tax return if you are eligible to file **Form CT-1040EZ** and **all** of the following are true:

- You filed a 2004 Connecticut income tax return;
- Your name and address has not changed. However, if the label on the back of this book is not correct or if your name or address has changed, contact the DRS Registration Unit one day prior to *Telefiling* at 860-297-4962 (during business hours);
- You have no more than seven W-2 or 1099 forms showing Connecticut income tax withheld;
- Your filing status is the same as last year;
- Your federal adjusted gross income is \$350,000 or less;
- You did not make estimated Connecticut income tax payments or did not have an overpayment applied to the 2005 taxable year;
- You are not filing **Form CT-1040CRC**, *Claim of Right Credit*;



- You are not filing **Form CT-8379, Nonobligated Spouse Claim**, with your return; **and**
- You have a Personal Identification Number (PIN). If you do not know your PIN, the *Telefile* System may be able to provide it to you during your phone call. You must enter last year's federal adjusted gross income to access your PIN.

If you meet the eligibility requirements listed, you may *Telefile* your Connecticut income tax return. The *Telefile Worksheet* is included in the **2005 Form CT-1040EZ and Telefile Booklet**, which is available at any Connecticut public library, town hall, bank, post office, or DRS office.

### May I File My Connecticut Income Tax Return Over the Internet Using *WebFile*

Most Connecticut residents may use the fast, easy *WebFile* program at [www.ct.gov/DRS](http://www.ct.gov/DRS) to file their Connecticut income tax return. You may *WebFile* your Connecticut income tax return if **all** of the following are true:

- You were a Connecticut resident for the entire year or consent to be treated as a resident for the entire year;
- You filed a 2004 Connecticut income tax return;
- Your filing status is the same as last year;
- You are not filing **Form CT-8379, Nonobligated Spouse Claim**, with your return;
- You are not filing **Form CT-1040CRC, Claim of Right Credit**;
- You have no more than ten W-2 or 1099 forms that show Connecticut income tax withheld; **and**
- You have no more than two states for which you are claiming a credit for income taxes paid to a qualifying jurisdiction.

### May I File Form CT-1040EZ

Connecticut residents may file the short, simple **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;
- You did not report federally taxable Social Security benefits for the 2005 taxable year;
- You had 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 18;
- You are not claiming credit for income taxes paid to another jurisdiction;
- You do not have a federal alternative minimum tax liability;
- You are **not** filing **Form CT-1040CRC, Claim of Right Credit**;
- You are not claiming an adjusted net Connecticut minimum tax credit; **and**

- You did not report treaty income on your federal income tax return.

### 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 federal Form 1040, Line 37; federal Form 1040A, Line 21; or federal Form 1040EZ, Line 4; adding or subtracting the Connecticut modifications required to be reported on Form CT-1040, *Schedule 1*.

### Taxable Year and Method of Accounting

You must use the same taxable year for Connecticut income tax purposes you use for federal income tax purposes. Most individuals use the calendar year as their taxable year for federal income tax purposes. However, if the calendar year is not your taxable year for federal income tax purposes, references in this booklet to 2005 are references to your taxable year beginning during 2005.

You must use the same method of accounting for Connecticut income tax purposes you use for federal income tax purposes.

If your taxable year or method of accounting is changed for federal income tax purposes, the same change must be made for Connecticut income tax purposes.

### When to File

Your Connecticut income tax return is due on or before April 15, 2006. If you are not a calendar year filer, your return is due on or before the fifteenth day of the fourth month following the close of your taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Your return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|  |   |
|--|---|
| <b>DHL Express (DHL)</b>   |   |
| <ul style="list-style-type: none"> <li>• DHL Same Day Service</li> <li>• DHL Next Day 10:30 a.m.</li> <li>• DHL Next Day 12:00 p.m.</li> <li>• DHL Next Day 3:00 p.m.</li> <li>• DHL 2nd Day Service</li> </ul>                                    |   |
| <b>Federal Express (FedEx)</b> <ul style="list-style-type: none"> <li>• FedEx Priority Overnight</li> <li>• FedEx Standard Overnight</li> <li>• FedEx 2Day</li> <li>• FedEx International Priority</li> <li>• FedEx International First</li> </ul> | <b>United Parcel Service (UPS)</b> <ul style="list-style-type: none"> <li>• UPS Next Day Air</li> <li>• UPS Next Day Air Saver</li> <li>• UPS 2nd Day Air</li> <li>• UPS 2nd Day Air A.M.</li> <li>• UPS Worldwide Express Plus</li> <li>• UPS Worldwide Express</li> </ul> |

This list is subject to change. See **Policy Statement 2005(4), Designated Private Delivery Services and Designated Types of Service**.

If Form CT-1040 is filed late or all the tax due is not paid with the return, see *Interest and Penalties* on Page 12 to determine if interest and penalty must be reported with the return.

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## Extension Requests

### Extension of Time to File

To request an extension of time to file your return, you must file **Form CT-1040 EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for Individuals*, and pay all the tax you expect to owe on or before the due date. Visit [www.ct.gov/DRS](http://www.ct.gov/DRS) to file your extension over the internet. If you pay your expected 2005 Connecticut income tax due by credit card, you do not need to file the paper Form CT-1040 EXT. See Form CT-1040 EXT included in this booklet.

Form CT-1040 EXT extends only the time to file your return; it does not extend the time to pay your tax due. See *Interest and Penalties* on Page 12 if you do not pay all the tax due with your request for extension.

If you expect to owe no additional Connecticut income tax for the 2005 taxable year, after taking into account any Connecticut income tax withheld from your wages or any estimated Connecticut income tax payments you have made, or both, and you have requested an extension of time to file your 2005 federal income tax return, you are not required to file Form CT-1040 EXT. Please keep a copy of your federal Form 4868 for your records.

### U.S. Citizens Living Abroad

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

Include with Form CT-1040 EXT 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 extension. If your application is approved, the due date is extended for six months. If you are still unable to file your return and you were granted an additional extension of time to file for federal purposes, you may file your Connecticut return using the federal extension due date. A copy of the federal Form 2350 approval notice must be attached to the front of your Connecticut return.

### Extension of Time to Pay

You may be eligible for a six-month extension of time to pay the tax due if you can show paying the tax by the due date will cause undue hardship. You may request an extension by filing Form **CT-1127**, *Application for Extension of Time for Payment of Income Tax*, on or before the due date of the original return.

Attach Form CT-1127 to the front of Form CT-1040 or Form CT-1040 EXT and send it on or before the due date. As evidence of the need for extension, you **must** attach:

- An explanation of why you cannot borrow money to pay the tax due;
- A statement of your assets and liabilities; **and**
- An itemized list of your receipts and disbursements for the preceding three months.

If an extension of time to pay is granted and you pay all the tax due in full by the end of the extension period, a penalty will not be imposed. However, interest will accrue on any unpaid tax from the original due date. You should make payments as soon as possible to reduce the interest you would otherwise owe. To ensure proper posting of your payment, write “**2005 Form CT-1040**” and your SSN(s) (optional) on the front of your check or money order. Mail payments to:

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

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## Where to File

For **refunds and all other tax forms without payment** enclosed, use the mailing label with this address and mail your return to:

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

For **all tax forms with payment** enclosed, use the mailing label with this address and mail your return with payment to:

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

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## Estimated Tax Payments

You must make estimated income tax payments if your Connecticut income tax (after tax credits) minus Connecticut tax withheld is \$1,000 or more and you expect your Connecticut income tax withheld to be less than your required annual payment for the 2005 taxable year.

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Your required annual payment for the 2006 taxable year is the lesser of:

- **90%** of the income tax shown on your **2006 Connecticut income tax return**; or
  - **100%** of the income tax shown on your **2005 Connecticut income tax return**, if you filed a 2005 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 during the 2005 taxable year, and you did not file a 2005 income tax return because you had no Connecticut income tax liability; **or**
- You were a nonresident or part-year resident with Connecticut source income during the 2005 taxable year and you did not file a 2005 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 during the 2005 taxable year, you **must** use 90% of the income tax shown on your 2006 Connecticut income tax return as your required annual payment.

### Annualized Income Installment Method

If your income varies throughout the year, you may be able to reduce or eliminate the amount of your estimated tax payment for one or more periods by using the annualized income installment method. See **Informational Publication 2005(27)**, *A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040 AES*.

### Filing Form CT-1040ES

Use **Form CT-1040ES**, *Estimated Connecticut Income Tax Payment Coupon for Individuals*, to make estimated Connecticut income tax payments for 2006. If you made estimated tax payments in 2005, you will automatically receive coupons for the 2006 taxable year in mid-January. They will be preprinted with your name, address, and SSN. To ensure your payments are properly credited, use the preprinted coupons.

If you did not make estimated tax payments in 2005, use Form CT-1040ES, included in this booklet, to make your first estimated income tax payment. If you file this form, additional preprinted coupons will be mailed to you.

You may pay your 2006 estimated Connecticut income tax payments by credit card. See Form CT-1040ES included in this booklet. You may also file and pay your Connecticut

estimated tax using *WebFile*. Visit our website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *WebFile* logo for more information.

To avoid making estimated tax payments, you may request your employer withhold additional amounts from your wages to cover the taxes on other income. You can make this change by giving your employer a revised **Form CT-W4**, *Employee's Withholding Certificate*. For help in determining the correct amount of Connecticut withholding to be withheld from your wage income, see **Informational Publication 2006(7)**, *Is My Connecticut Withholding Correct?*

### Special Rules for Farmers and Fishermen

If you are a farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments, you must make only **one** payment. Your payment is due on or before January 15, 2007, for the 2006 taxable year. The required installment is the lesser of 66<sup>2</sup>/<sub>3</sub>% of the income tax shown on your 2006 Connecticut income tax return or 100% of the income tax shown on your 2005 Connecticut income tax return.

A farmer or fisherman who files a 2006 Connecticut income tax return on or before March 1, 2007, 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 or 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. Be sure to check Box D of Form CT-2210, Part I, and the box for Form CT-2210 on the front of **Form CT-1040**. See **Informational Publication 2005(12)**, *Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax, Estimated Income Tax, and Withholding Tax*.

## 2006 Estimated Tax Due Dates

Due dates of installments and the amount of required payments for 2006 calendar year taxpayers are:

|                           |  |
|---------------------------|--|
| <b>April 15, 2006</b>     | 25% of your required annual payment  |
| <b>June 15, 2006</b>      | 25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)  |
| <b>September 15, 2006</b> | 25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)  |
| <b>January 15, 2007</b>   | 25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.) |

An estimate will be considered timely filed if received on or before the due date, or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date. Taxpayers who report on other than a calendar year basis should use their federal estimated tax installment due dates. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**Refunds in 4 days!**



**Quick and easy!**

## Interest on Underpayment of Estimated Tax

You may be charged interest if you did not pay enough tax through withholding or estimated payments, or both, by any installment due date. 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 will be added to the tax due until the **earlier of** April 15, 2006, or the date on which the underpayment is paid.

A taxpayer who files a 2005 Connecticut income tax return on or before January 31, 2006, 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, 2006.

A farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments will not be charged interest for failing to make the estimated payment due January 15, 2006, if he or she files a 2005 Connecticut income tax return on or before March 1, 2006, and pays in full the amount computed on the return as payable on or before that date.

## Filing Form CT-2210

You may be charged interest if your 2005 Connecticut income tax (after tax credits) minus Connecticut tax withheld is \$1,000 or more. Use **Form CT-2210** to calculate interest on the underpayment of estimated tax. Form CT-2210 and detailed instructions are available from DRS. However, this is a complex form and you may prefer to have DRS calculate the interest. If so, do not file Form CT-2210 and DRS will send you a bill.

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## Interest and Penalties

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

### Interest

If you do not pay the tax when due, you will owe interest at 1% (.01) per month or fraction of a month until the tax is paid in full.

If you did not pay enough tax through withholding or estimated payments, or both, 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. See *Interest on Underpayment of Estimated Tax* on this page.

Interest on underpayment or late payment of tax cannot be waived.

### Penalty for Late Payment or Late Filing

The penalty for late payment or underpayment of income or use tax is 10% (.10) of the tax due. If a request for an extension of time has been granted, you can avoid a penalty for failure to pay the full amount due by the original due date if you:

- Pay at least 90% (.90) of the income tax shown to be due on the return on or before the original due date of the return; **and**

- Pay the balance due with the return on or before the extended due date.

If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

### Penalty for Failure to File

If you do not file your return and DRS files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater. If you are required to file **Form CT-1040X**, *Amended Connecticut Income Tax Return For Individuals*, and fail to do so, a penalty may be imposed.

### Waiver of Penalty

You may be able to have your penalty waived if the failure to file or pay tax on time was due to a reasonable cause and was not intentional or due to neglect. Interest **cannot** be waived. Before a penalty waiver can be granted, all tax and interest must be paid. All requests must include:

- A clear and complete written explanation;
- Your name and SSN;
- The taxable filing period;
- The name of the original form filed or billing notice received; **and**
- Documentation supporting your explanation.

Attach your request to the **front** of your tax return **or** mail it separately with a copy of your tax return to:

**Department of Revenue Services  
Penalty Waiver Unit  
PO Box 5089  
Hartford CT 06102-5089**

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## Refund Information

DRS issues refund checks as quickly as possible. If you have a touch-tone phone, you may check on the status of your refund anytime by calling **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). Be ready to provide your SSN (and your spouse's, if filing jointly) and the exact amount of the refund you requested.

If you electronically file your return, you will be issued your refund in four days unless additional review is required. If you send your return by mail, you should allow eight to ten weeks before calling to check on the status of your refund. If DRS does not issue your refund on or before the ninetieth day after we receive your claim for refund, you may be entitled to interest on your overpayment at the rate of  $\frac{2}{3}\%$  for each month or fraction of a month between the ninetieth 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.

### **Offset Against Debts**

If you are due a refund but have not paid certain obligations to Connecticut state agencies or the IRS, 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 2005 and who made Connecticut

income tax payments (withholding or estimates) for the 2005 taxable year may be eligible to claim his or her share of any refund if:

- A joint Connecticut tax return was filed for 2005; **and**
- 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**.

When filing Form CT-8379, attach all W-2, W-2G, and 1099 forms showing Connecticut income tax withheld. Remember to check the box on the front of your Connecticut income tax return and attach Form CT-8379 to the front of your return.

Do **not** use Form CT-8379 to claim your share of a Connecticut refund that was applied to federal taxes you owe to the IRS. You must contact the IRS Office of the Local Taxpayer Advocate in Hartford, Connecticut, at 860-756-4555.

# Completing Form CT-1040

Before you begin, gather all your records, including your federal W-2's (wages), W-2G's (winnings), 1099-R's (pensions), and other 1099 forms. Use this information to complete your federal income tax return. The information on your federal return is needed to complete your Connecticut return.

## 1 Taxpayer Information

### Filing Status

Check the appropriate box to indicate your filing status. Generally, your filing status must match your federal income tax filing status for this year. If you are not certain of your filing status for 2005, consult the information in your federal income tax booklet or call the IRS at 1-800-829-1040.

If your filing status is qualifying widow(er) with dependent child on federal Form 1040 or 1040A, check the box on **Form CT-1040** for "Married filing jointly or Qualifying widow(er) with dependent child." **Do not** enter your deceased spouse's name or SSN in the spaces provided for spouse's name and spouse's SSN.

### Special Rules for Married Individuals

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 separately.

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 separately **unless** they:

- File jointly for federal income tax purposes; **and**
- Elect to be treated as if both were Connecticut residents for the entire taxable year.

When one spouse is a **nonresident alien** and the other is a **citizen** or **resident** of the United States, **each** spouse who is required to file a Connecticut income tax return **must** file as married filing separately **unless**:

- An election is made by the nonresident alien and his or her spouse to file a joint federal income tax return;
- A married filing joint return is filed for federal income tax purposes; **and**
- The spouses are otherwise required or permitted to file a joint Connecticut income tax return.

The election to file a joint return means the joint federal adjusted gross income **must** be used on Form CT-1040, Line 1. It also means 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.

If you are filing a joint federal return with your spouse but are required to file a separate Connecticut return, each of you will have to recompute your federal adjusted gross income as if you were each filing as married filing separately for federal income tax purposes. Enter on Form CT-1040, Line 1, **your** income as recalculated.

### Social Security Number

The preprinted label **does not** include your Social Security Number (SSN). Therefore, you **must** write your SSN in the space provided above your name. If you file a joint return, enter your SSN and your spouse's SSN in the order they appear on your federal return. If you are a nonresident alien and do not have an SSN, enter your Individual Taxpayer Identification Number (ITIN) in the space provided above your name. Nonresident aliens who have applied for an ITIN from the Internal Revenue Service by filing form W-7 but have not received the ITIN before filing their Connecticut tax return should attach a copy of the federal Form W-7 and write "ITIN applied for/W-7 attached" in the SSN box on the Connecticut return. If the taxpayer is deceased see *Deceased Taxpayers* on Page 6.

### Name and Address

Be 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 spaces 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.

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.

### Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

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If you do not round DRS will disregard the cents.

## 2 Calculate Your Tax

### Line Instructions

#### Line 1 - Federal Adjusted Gross Income

Enter your federal adjusted gross income from your 2005 federal income tax return. This is the amount reported on federal Form 1040, Line 37; federal Form 1040A, Line 21; or federal Form 1040EZ, Line 4.

Nonresident aliens, see *Special Information for Nonresident Aliens* on Page 7.

#### Line 2 - Additions

Enter the amount from **Form CT-1040, Schedule 1**, Line 39. See *Additions to Federal Adjusted Gross Income* on Page 18.

### Line 3

Add Line 1 and Line 2. Enter the total.

### Line 4 - Subtractions

Enter the amount from Form CT-1040, *Schedule 1*, Line 50. See *Subtractions From Federal Adjusted Gross Income* on Page 19.

### Line 5 - Connecticut Adjusted Gross Income

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

### Line 6 - Income Tax

If the amount on Line 5 is: \$12,000 or less for married filing separate individuals; \$12,625 or less for single individuals; \$19,000 or less for head of household individuals; or \$24,000 or less for married filing joint individuals, enter "0" on Line 6. You do not owe any income tax. Otherwise, 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* on Page 35 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 - Credit for Income Taxes Paid to Qualifying Jurisdictions

If all or part of the income reported on this return is subject to income tax in a qualifying jurisdiction and you have filed a return and paid income taxes to that jurisdiction, complete Form CT-1040, *Schedule 2*, and enter the amount from Line 59 here. See *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions* on Page 22.

**You must attach a copy of your return filed with the qualifying jurisdiction(s) or the credit will be disallowed.**

### Line 8

Subtract Line 7 from Line 6 and enter the result. If Line 7 is greater than Line 6, enter "0."

### Line 9 - Connecticut Alternative Minimum Tax

If you were required to pay the federal alternative minimum tax for 2005, you must file **Form CT-6251, Connecticut Alternative Minimum Tax Return - Individuals**. Enter the amount shown on Form CT-6251, Line 26.

### Line 10

Add Line 8 and Line 9 and enter the total.

### Line 11 - Credit for Property Taxes Paid on Your Primary Residence or Motor Vehicle, or Both

If the amount on Line 10 is zero, skip Line 11 and Line 12 and go to Line 13. Otherwise, you **must** complete *Schedule 3* on Page 4 of Form CT-1040 to be allowed this credit. Enter the amount from Line 68 on Line 11. Be certain to include all of the requested information or your credit may be denied. See *Schedule 3 - Property Tax Credit Worksheet* on Page 25.

The credit is limited to the lesser of \$350 or the amount of qualifying property taxes paid. The maximum property tax credit allowed is **\$350** per return regardless of filing status. See *Property Tax Credit Table* on Page 27. **This credit can be used to offset only your 2005 income tax. You may not carry this credit forward and it is not refundable.**

### Line 12

Subtract Line 11 from Line 10 and enter the result. If less than zero, enter "0."

### Line 13 - Adjusted Net Connecticut Minimum Tax Credit

Enter the amount from **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 Form CT-1040, Line 9, enter "0."

### Line 14 - Connecticut Income Tax

Subtract Line 13 from Line 12 and enter the result. If less than zero, enter "0."

### Line 15 - Individual Use Tax

Complete *Schedule 4* on Page 4 of Form CT-1040. Enter on Line 15 the total use tax due as reported on *Schedule 4*, Line 69. You **must** enter "0" if no Connecticut use tax is due; otherwise you will not have filed a use tax return.

### Line 16 and Line 17

Add Line 14 and Line 15. Enter the total on Line 16 and Line 17.

## 3 Payments

### Line 18 - Connecticut Tax Withheld

Enter the number from Box b in Column A of Form CT-1040.

|   |  |                               |
|---|--|-------------------------------|
| a Control number<br>22222                           | OMB No. 1545-0008  |                               |
| b Employer identification number (EIN)<br>XX-XXXXXX | 1 Wages, tips, other compensation<br>2 Federal income tax withheld |                               |
| c Employer's name, address, and ZIP code            | 3 Social security wages<br>4 Social security tax withheld          |                               |
|   | 5 Medicare wages and tips<br>6 Medicare tax withheld               |                               |
|   | 7 Social security tips<br>8 Allocated tips                         |                               |
| d Employee's social security number                 | 9 Advance EIC payment<br>10 Dependent care benefits                |                               |
| e Employee's first name and initial<br>Last name    | 11 Nonqualified plans<br>12a                                       |                               |
|   | 13 Salary advance<br>Retirement plan<br>Tuition advance            | 12b                           |
| f Employee's address and ZIP code                   | 14 Other   | 12c                           |
|   |  | 12d                           |
| 15 State<br>CT                                      | 16 State wages, tips, etc.<br>XXX.00                               | 17 State income tax<br>XXX.00 |
| Employer's state ID number                          | 18 Local wages, tips, etc.   | 19 Local income tax           |
|   |  | 20 Locality name              |

Form **W-2** Wage and Tax Statement  
Copy 1 - For State, City, or Local Tax Department  
2005  
Department of the Treasury - Internal Revenue Service

**Box 15 - Must show CT to be claimed as Connecticut Withholding.**

**Enter the amount from Box 17 (in whole dollars) in Column C of Form CT-1040.**

For each federal Form W-2, W-2G, or 1099 where Connecticut income tax was withheld, enter the following on Lines 18a through 18g:

**Column A:** Enter the Employer Identification Number.

**Column B:** Enter the amount of Connecticut Wages, Tips, etc.

**Column C:** Enter the amount of Connecticut income tax withheld.

You **must** complete all columns or your Connecticut withholding will be disallowed.

Do **not** include tax withheld for other states or federal income tax withholding.

If you have **more than seven** federal Forms W-2, W-2G, or 1099 showing Connecticut income tax withheld, you must complete **Supplemental Schedule CT-1040WH, Connecticut Income Tax Withholding**. Enter on Supplemental Schedule CT-1040WH only Connecticut income tax withholding amounts not previously reported on Form CT-1040. Enter the total from Supplemental Schedule CT-1040WH, Line 3, on the last line of Column C, Line 18h.

Add all entries in Column C (including the additional amount from Supplemental Schedule CT-1040WH) and enter the total Connecticut income tax withheld on Line 18.

**Do not send copies of W-2, W-2G, and 1099 forms. Keep these for your records. They may be requested by DRS at a later date.**

When filing **Form CT-8379**, attach all W-2, W-2G, and 1099 forms showing Connecticut income tax withheld.

#### Line 19 - All 2005 Estimated Tax Payments

Enter 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 2005 estimated payments made in 2006. **Do not** include any refunds received.

#### Line 20 - Payments Made With Form CT-1040 EXT

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

#### Line 21 - Total Payments

Add Lines 18, 19, and 20 and enter the total. This represents the total of all Connecticut tax payments made.

## 4 Overpayment

#### Line 22 - Overpayment

If Line 21 is greater than Line 17, subtract Line 17 from Line 21 and enter the result. This is your overpayment. To properly allocate your overpayment, go to Lines 23, 24, and 25. (If Line 21 is less than Line 17, go to Line 26.)

#### Line 23 - Amount of Line 22 You Want Applied to Your 2006 Estimated Tax

Enter the amount of your 2005 overpayment you want applied to your 2006 estimated Connecticut income tax. It will be treated as estimated tax paid on April 15, 2006, 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. Payments received after April 15, 2006, will be applied as of the date of receipt. **Your request to apply this amount to your 2006 estimated income tax is irrevocable.**

#### Line 24 - Total Contributions to Designated Charities

You may make a contribution on this return only if you are entitled to a refund. Your contribution is limited to your refund amount. Complete *Schedule 5* on Page 5 of Form CT-1040. Enter the total contributions as reported on *Schedule 5*, Line 70. **Your contribution is irrevocable.**

You may also make direct contributions by following the instructions on Page 28.

#### Line 25 - Refund

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

Get your refund faster by choosing **direct deposit**. Complete Lines 25a, 25b, and 25c to have your refund directly deposited into your checking or savings account.

Enter your nine-digit bank routing number and your bank account number in Lines 25b and 25c. Your bank routing number is the first nine-digit number printed on your check or savings withdrawal slip. Your bank account number generally follows the bank routing number. Do not include the check number as part of your account number. Bank account numbers can be up to 17 digits and must be numeric.

|  |                       |         |
|--|-----------------------|---------|
| Name of Depositor<br>Street Address<br>City, State, Zip Code | Date _____            | No. 101 |
| Pay to the Order of _____                                    | \$ _____              |         |
| Name of your Bank<br>Street Address<br>City, State, Zip Code |                       |         |
| <b>092125789</b>   | <b>091 025 025413</b> | 0101    |
| ↑<br>Routing Number  | ↑<br>Account Number   |         |

If any of the bank information you supply for direct deposit does not match, a paper check will automatically be issued to you. Some financial institutions do not allow a joint refund to be deposited into an individual account.

Your overpayment is applied in the following order: penalty and interest you owe; amounts designated by you to be applied to your 2006 estimated tax; other taxes you may owe the DRS; debts to other Connecticut state agencies; federal taxes you may owe the IRS; and charitable contributions designated by you. Any remaining balance will be refunded to you.



## 5 Amount You Owe

### Line 26 - Tax Due

If Line 17 is greater than Line 21, subtract Line 21 from Line 17 and enter the result. This is the amount of tax you owe. See *Estimated Tax Payments* on Page 10.

### Line 27 - Penalty for Late Payment or Late Filing

**Late Payment Penalty:** The penalty for late payment or underpayment of income or use tax is 10% of the amount due. Taxpayers who pay at least 90% of the income tax shown to be due on the return on or before the original due date of the return and remit the balance due with the return on or before the extended due date will avoid penalty for failure to pay the full amount due by the original due date. Interest of 1% (.01) per month or fraction of a month continues to accrue on the underpayment until the tax is paid in full.

**Late Filing Penalty:** In the event that no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

### Line 28 - Interest for Late Payment or Late Filing

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

### Line 29 - Interest on Underpayment of Estimated Tax

If Line 14 minus Line 18 is \$1,000 or more, you may owe interest on estimated tax 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. However, this is a complex form and you may prefer to have DRS calculate the interest. If so, do **not** file Form CT-2210, leave this line blank, and DRS will send you a bill. Interest on underpayment of estimated income tax stops accruing on the **earlier** of the day you pay your tax or April 15, 2006.

### Line 30 - Total Amount Due

Add Lines 26 through 29 and enter the total. This is the total amount you owe. Pay the amount in full with your return.

### Payment Options



If you filed a 2005 Connecticut income tax return, you may elect to pay your 2006 Connecticut income tax liability using your American Express® card, Discover® card, MasterCard® card, or VISA® card. A convenience fee will be charged by the credit card service provider. The fee is 2.5% of your total tax payment. You will be informed of the amount of the fee and you may elect to cancel the transaction. At the end of the transaction, you will be given a confirmation number for your records.

### To Pay by Credit Card:

- Call Official Payments Corporation toll-free at **1-800-2PAY-TAX** (1-800-272-9829). You will be asked to enter the Connecticut Jurisdiction Code: 1777; or
- Visit: **www.officialpayments.com** and select Payment Center.

Your payment will be effective on the date you make the charge.

### To Pay by Mail:

Make your check or money order payable to: **Commissioner of Revenue Services**. To ensure proper posting of your payment, write “**2005 Form CT-1040**” and your SSN(s) (optional) on the front of your check or money order. Be sure to sign your check and paper clip it to the front of your return. **Do not send cash.** DRS may submit your check to your bank electronically.

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

Attach other required forms and schedules, including **Supplemental Schedule CT-1040WH**, to the back of your return or as directed on the form. You do **not** need to attach a copy of your previously-filed Form CT-1040EXT.

## 6 Sign Your Return

After completing 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. The signature line is located on Page 2 of Form CT-1040.

If you file a joint return, you **must** review the information with your spouse. When both you and your spouse sign the return, you become jointly and severally responsible for paying the full amount of tax, interest, and penalties due.

### Paid Preparer Signature

Anyone you pay to prepare your return must sign and date it. Paid preparers must also enter their SSN or Preparer Tax Identification Number (PTIN), and their firm’s Federal Employer Identification Number (FEIN) in the spaces provided.

### Third Party Designee

If you wish to authorize DRS to contact your friend, family member, or any other person to discuss your 2005 tax return, enter the designee’s name, telephone number, and any five numbers the designee chooses as his or her personal identification number (PIN). If you wish to authorize DRS to contact the paid preparer who signed your return, enter “Preparer” in the space for the designee’s name. You do not have to provide the other information requested.

If you enter a designee’s name, you and your spouse, if filing a joint return, are authorizing DRS to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give DRS any information missing from your return;
- Call DRS for information about the processing of your return or the status of your refund or payment; **and**
- Respond to certain DRS notices you have shared with the designee about math errors, offsets, and return preparation. The notices will not be sent to the designee.

Once DRS completes processing the return, the authorization ends. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing your 2006 tax return. This is April 15, 2007, for most taxpayers.

Selecting a designee does not replace a power of attorney and will not authorize the designee to receive refund checks, bind you to anything (including additional tax liabilities), or represent you before DRS. To authorize another individual to represent you or act on your behalf, you must complete **Form LGL-001, Power of Attorney**.

### Order of Attachments

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.**" To ensure proper posting of your payment, write "**2005 Form CT-1040**" and your SSN(s) (optional) on the front of your check or money order.

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:

- **Schedule CT-1040CRC**, *Claim of Right Credit*
- **Form CT-19IT**, *Title 19 Status Release*
- **Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*
- **Form CT-8379**, *Nonobligated Spouse Claim*

Attach other required forms and schedules, including Supplemental Schedule CT-1040WH, to the **back** of your return or as directed on the form. You do **not** need to attach a copy of your previously-filed Form CT-1040EXT.

### Filing Your Return

Keep a copy of this return and all attachments for your records. Attach to this return 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.

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

### Recordkeeping

Make a copy of your tax return, worksheets that you used, and records of all items appearing on the return (such as W-2 and 1099 forms) until the statute of limitations expires for that return. Usually, this is three years from the date the return was due or filed, whichever is later. You may need this information to prepare future returns or to file amended returns.

### Copies of Returns

You may request a copy of a previously-filed Connecticut income tax return from DRS by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. You can usually expect your copy in three weeks.

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## Form CT-1040 Schedules

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The following modifications to federal adjusted gross income are provided in Conn. Gen. Stat. §12-701(a)(20). Your federal adjusted gross income may not be further modified in determining your Connecticut adjusted gross income except as expressly provided by Conn. Gen. Stat. §12-701(a)(20).

### Schedule 1 Modifications to Federal Adjusted Gross Income

#### Additions to Federal Adjusted Gross Income

Enter all amounts as positive numbers.

#### Line 31 - 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 is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, or U.S. Virgin Islands.

#### Line 32 - 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, or 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 33 - Allocated for future use**

**Line 34 - 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 34. Do not enter any part of the distribution reported on federal Form 1040, Line 16a; federal Form 1040A, Line 12a; or federal Form 1040, Schedule D.

**Line 35 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of the Connecticut fiduciary adjustment) that applies to the income will be shown on **Schedule CT-1041B**, Part 1, 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 35. 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 modifications, if greater than zero, on Line 35.

**Line 36 - 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 to determine gain (loss) for federal income tax purposes whether or not the entire loss is used in computing federal adjusted gross income.

**Line 37 - Allocated for future use**

**Line 38 - Other**

Use Line 38 to report any of the following modifications:

1. Add back any treaty income reported on federal Form 1040NR-EZ or Form 1040NR if a nonresident alien. Enter the words "treaty income" in the space provided.
2. Add back any loss or deduction of an enrolled member of the Mashantucket Pequot Tribe who resides in Indian country of such tribe or any loss or deduction of an enrolled member of the Mohegan Tribe who resides in Indian country of such tribe where the loss or deduction is derived from or connected with Indian country of the tribe. Enter the words "Mashantucket Pequot Tribe enrolled member" or "Mohegan Tribe enrolled member," as the case may be.
3. 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.

4. 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.
5. 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.
6. 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.
7. 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).
8. 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 31 through 36.

**Line 39 - Total Additions**

Add Lines 31 through 38 and enter the total.

**Subtractions From Federal Adjusted Gross Income**

Enter all amounts as positive numbers.

**Line 40 - Interest on U.S. 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 or Series HH and U.S. Treasury bills or 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, you will report the net taxable amount on federal Form 1040, Schedule B, or federal Form 1040A, Schedule 1.

**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.

**Refunds in 4 days!**



**Quick and easy!**

**Line 41 - Exempt Dividends From Certain 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.

**Do not enter** the amount of dividend 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 Social Security benefits subject to federal income tax, you may reduce or eliminate the amount of your benefits subject to Connecticut income tax.

Your Social Security benefits are fully exempt from Connecticut income tax if your filing status is Single or Married Filing Separately and the amount reported on Form CT-1040, Line 1, is **less than \$50,000**; or Married Filing Jointly or Head of Household and the amount reported on Form CT-1040, Line 1, is **less than \$60,000**. If this is the case, enter on Line 42 the amount of federally taxable Social Security benefits reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b.

Your Social Security benefits are partially exempt from Connecticut income tax if your federal adjusted gross income is above the threshold for your filing status. If you used the worksheets contained in the instructions to federal Form 1040 or federal Form 1040A to calculate the amount of taxable Social Security benefits, complete the *Social Security Benefit Adjustment Worksheet* below and enter the amount from Line F on Line 42. If you did not use these worksheets, but instead used worksheets contained in federal Publication 590 or federal Publication 915, see **Announcement 2001(4)**, *Taxability of Social Security Benefits for Connecticut Income Tax Purposes*.

If you are using a worksheet not from a federal publication, such as one you printed from a tax preparation program on your computer or one given to you by your tax preparer, you should verify that the line references from these worksheets are the same as the equivalent federal publication to be certain you are using the proper amounts.

| <b>Social Security Benefit Adjustment Worksheet - Line 42</b>  |  |
|--|--|
| Enter the amount from <b>Form CT-1040</b> , Line 1.....  | <input style="width: 150px; height: 20px;" type="text"/> |
| If your filing status is <b>Single</b> or <b>Married Filing Separately</b> , is the amount on Line 1 \$50,000 or more?   |  |
| <input type="checkbox"/> Yes: <b>Complete</b> this worksheet.<br><input type="checkbox"/> No: <b>Do not complete</b> this worksheet. Enter the amount of federally taxable Social Security benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Form CT-1040, Line 42.  |  |
| If your filing status is <b>Married Filing Jointly</b> or <b>Head of Household</b> , is the amount on Line 1 \$60,000 or more?   |  |
| <input type="checkbox"/> Yes: <b>Complete</b> this worksheet.<br><input type="checkbox"/> No: <b>Do not complete</b> this worksheet. Enter the amount of federally taxable Social Security benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Form CT-1040, Line 42.  |  |
| A. Enter the amount reported on your 2005 federal Social Security Benefits Worksheet, Line 1.<br><b>If Line A is zero or less, stop here and enter "0" on Line 42. Otherwise, go to Line B.</b>  | A.   |
| B. Enter the amount reported on your 2005 federal Social Security Benefits Worksheet, Line 9. However, if married filing separately and you lived apart from your spouse at any time during 2005, enter the amount reported on Line 7 of your federal Social Security Benefits Worksheet.<br><b>If Line B is zero or less, stop here. Otherwise, go to Line C.</b> | B.   |
| C. Enter the lesser of Line A or Line B.   | C.   |
| D. Multiply Line C by 25% (.25).   | D.   |
| E. Taxable amount of Social Security benefits reported on your 2005 federal Social Security Benefits Worksheet, Line 18.   | E.   |
| F. <b>Social Security Benefit Adjustment</b> - Subtract Line D from Line E. Enter the amount here and on Form CT-1040, Line 42. (If Line D is greater than or equal to Line E, enter "0.")   | F.   |

**Line 43 - Refunds of State and Local Income Taxes**

Enter the amount of taxable refunds of state and local income taxes reported on your federal Form 1040, Line 10. If federal Form 1040, Line 10, is blank or if you filed federal Form 1040A or 1040EZ, enter "0."

**Line 44 - Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities**

If you received Tier 1 or Tier 2, or both, railroad retirement benefits or supplemental annuities during 2005, you may deduct the amount included in your federal adjusted gross income but only to the extent the benefits were not already subtracted from federal adjusted gross income on Line 42 (Social Security Benefit Adjustment). Enter the balance not already subtracted on Line 42 of Tier 1 and Tier 2 railroad retirement benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 12b or Line 14b. Likewise, enter the amount of railroad unemployment benefits, including sickness benefits paid by the Railroad Retirement Board (RRB) in lieu of unemployment benefits, to the extent included in your federal adjusted gross income. However, do not enter sickness benefits paid by the RRB resulting from an on-the-job injury because these benefits are not included in your federal adjusted gross income.

**Line 45 - Special Depreciation Allowance for Qualified Property Placed in Service During the Preceding Year**

If you added bonus depreciation to your federal adjusted gross income on your 2004 Form CT-1040, Line 33, you may subtract 25% of that bonus depreciation amount on Line 45 and 25% of that bonus depreciation amount on the comparable line of your Connecticut income tax return for the 2006, 2007, and 2008 taxable years. If you added bonus depreciation to your federal adjusted gross income on your 2003 Form CT-1040, Line 32, you may subtract 25% of that bonus depreciation amount on Line 45 and 25% of that bonus depreciation amount on the comparable line of your Connecticut income tax return for the 2006 and 2007 taxable years. If you added bonus depreciation to your federal adjusted gross income on your 2002 Form CT-1040, Line 32, you may subtract 25% of that bonus depreciation amount on Line 45 and 25% of that bonus depreciation amount on the comparable line of your Connecticut income tax return for the 2006 taxable year.

**Example:** Linda was required to make an addition modification of \$3,000 on Line 32 of her 2002 Form CT-1040, and \$5,000 on Line 32 of her 2003 Form CT-1040, and \$6,000 on Line 33 of her 2004 Form CT-1040. On her 2005 Form CT-1040, Line 45, she will make a subtraction modification of \$3,500. This amount is 25% of the \$3,000 reported on her 2002 Form CT-1040, Line 32; 25% of the \$5,000 reported on her 2003 Form CT-1040, Line 32; and 25% of the \$6,000 reported on her 2004 Form CT-1040, Line 33.

See **Special Notice 2003(21)**, *2003 Legislation Affecting the Connecticut Income Tax*.

**Line 46 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of the Connecticut fiduciary adjustment) that applies to the income will be shown on Schedule CT-1041B, Part 1, 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 35.

If you are a beneficiary of more than one trust or estate, enter the net amount of all 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 to determine gain (loss) for federal income tax purposes.

**Line 48 - Allocated for future use****Line 49 - Other**

Use Line 49 to report any of the following modifications:

1. Subtract the amount of any distributions you received from the Connecticut Higher Education Trust Fund (CHET) as a designated beneficiary to the extent includable in your federal adjusted gross income.

Congress passed legislation excluding from federal gross income any distribution from a qualified State tuition program (such as CHET) to the extent the distribution is used to pay for qualified higher education expenses (Pub. L. No. 107-16, §402). To the extent any distribution from CHET is excluded from federal gross income, the amount should not be reported as a subtraction modification on Line 49.

2. Subtract any income or gain of an enrolled member of the Mashantucket Pequot Tribe who resides in Indian country of such tribe or any income or gain of an enrolled member of the Mohegan Tribe who resides in Indian country of such tribe where the income or gain is derived from or connected with Indian country of the tribe. Enter the words "Mashantucket Pequot Tribe enrolled member" or "Mohegan Tribe enrolled member," as the case may be.
3. Subtract the amount of interest earned on funds deposited in a Connecticut individual development account to the extent included in federal adjusted gross income.
4. Subtract any interest paid on indebtedness incurred to acquire investments that provide income taxable in Connecticut but exempt for federal purposes, that is not deductible in determining federal adjusted gross income, and is attributable to a trade or business of that individual.
5. 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, that are not deductible in determining federal adjusted gross income, and are attributable to a trade or business of that individual.

6. 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 are attributable to a trade or business of that individual.
7. Subtract the amount of any interest income from notes, bonds, or other obligations of the State of Connecticut included in federal adjusted gross income.

Do **not** use Line 49 to subtract income subject to tax in a qualifying jurisdiction (see *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, below) or income of a nonresident spouse (see *Special Rules for Married Individuals* on Page 14).

### Line 50 - Total Subtractions

Add Lines 40 through 49 and enter the total.

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## Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions

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You **must** first complete Form CT-1040, *Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence or Motor Vehicle, or Both*, before completing *Schedule 2*. See *Schedule 3-Property Tax Credit Worksheet* on Page 25.

### Am I Eligible for the Credit for Income Taxes Paid to Qualifying Jurisdictions

If you are a **resident** of Connecticut and if any part of your income was taxed by a **qualifying jurisdiction**, you may be able to claim a credit against your Connecticut income tax liability for qualifying income tax payments you have made.

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

### Qualifying Jurisdiction

A qualifying jurisdiction includes another state of the United States, a local government within another state, or the District of Columbia. A qualifying jurisdiction does not include the State of Connecticut, the United States, or a foreign country or its provinces (for example, Canada and Canadian provinces).

### Qualifying Income Tax Payments

Qualifying income tax payments are income taxes you actually paid on income:

- Derived from or connected with sources within the qualifying jurisdiction; **and**
- Subject to tax in the qualifying jurisdiction.

### Income Derived From or Connected With Sources Within a Qualifying Jurisdiction

- Compensation received for personal services performed in a qualifying jurisdiction;
- Income from a business, trade, or profession carried on in a qualifying jurisdiction;

- Gambling winnings from a state-conducted lottery. See **Informational Publication 2005(16), Connecticut Income Tax Treatment of State Lottery Winnings Received by Residents and Nonresidents of Connecticut**; **or**
- Income from real or tangible personal property situated in a qualifying jurisdiction.

Income from intangibles, such as stocks and bonds, is not considered derived from or connected with sources within a qualifying jurisdiction **unless** the income is from property employed in a business, trade, or profession carried on in that jurisdiction.

### What Payments Do Not Qualify

- Income tax payments made to a qualifying jurisdiction on income not derived from or connected with sources within the qualifying jurisdiction (such as wages not derived from or connected with sources within the qualifying jurisdiction);
- Income tax payments made to a qualifying jurisdiction on income not included in your Connecticut adjusted gross income;
- Income tax paid to a jurisdiction that is not a qualifying jurisdiction, including a foreign country or its provinces (for example, Canada and Canadian provinces);
- Alternative minimum tax paid to a qualifying jurisdiction;
- Income tax paid to a qualifying jurisdiction if you claimed credit on that jurisdiction's income tax return for income tax paid to Connecticut; **or**
- Penalties or interest on income taxes you paid to a qualifying jurisdiction.

### Limitations to the Credit

The total credit is limited to whichever of the following amounts is least:

- The amount of income tax paid to the qualifying jurisdiction;
- The portion of Connecticut income tax due on the Connecticut adjusted gross income sourced in the qualifying jurisdiction; **or**
- The amount of your Connecticut income tax entered on **Form CT-1040**, Line 6.

### How to Calculate the Credit

You **must** first complete your income tax return(s) for the qualifying jurisdiction(s). Then, complete the *Schedule 2 - Worksheet* on Page 23 to determine the amount to enter on *Schedule 2*, Line 53.

The allowed credit must be separately computed for each qualifying jurisdiction. Use separate columns for each qualifying jurisdiction for which you are claiming a credit. **Attach a copy of all income tax returns filed with qualifying jurisdictions to your Connecticut income tax return or the credit will be disallowed.**

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

If you are claiming credit for income taxes paid to another state **and** to one of its political subdivisions, follow these rules to determine your credit:

A. If the **same amount** of income is taxed by both the city and state (see example for Line 56 on Page 25):

1. Use only **one** column on Form CT-1040, *Schedule 2*, to calculate your credit;
2. Enter the same income taxed by both city and state in that column on *Schedule 2*; **and**
3. Combine the amounts of tax paid to the city and the state and enter the total on Line 57 of that column.

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

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

## Schedule 2 - Worksheet Instructions

Complete the Schedule 2 Worksheet to determine the portion of your Connecticut adjusted gross income derived from a qualifying jurisdiction. For each line in Column II, enter the items of income from Column I that meet **all** of the following conditions:

- The income is derived from or connected with sources within a qualifying jurisdiction;
- The income is reported on an income tax return filed with that qualifying jurisdiction and subject to income tax in the jurisdiction; **and**
- You have paid income tax on the income to that qualifying jurisdiction.

If you paid income tax to more than one qualifying jurisdiction, you must complete a separate worksheet for each jurisdiction. Keep this worksheet with your 2005 tax records. Do not attach to your tax return.

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

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| <b>Schedule 2 - Worksheet</b>   |                 |   |
|---|-----------------|---|
| Complete this worksheet and enter the amount from Line 20, Column II, on <b>Form CT-1040, Schedule 2</b> , Line 53. Complete a separate worksheet for each qualifying jurisdiction if you paid income tax to more than one qualifying jurisdiction. | <b>Column I</b> | <b>Column II</b><br>Amount Taxable in Qualifying Jurisdiction |
| 1. Wages, salaries, tips, etc.  | 1.              |   |
| 2. Taxable interest   | 2.              |   |
| 3. Ordinary dividends   | 3.              |   |
| 4. Taxable refunds, credits, or offsets 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 (including lump-sum distributions)   | 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.)<br>Enter the amount from Column II on Form CT-1040, <i>Schedule 2</i> , Line 53.   | 20.             |   |

Refunds in 4 days!



Quick and easy!

## Column I

Enter on 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 36 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 50, from Line 39 to arrive at this amount.)

## Column II

For each line, enter that portion of the amount entered on the same line of Column I you reported on an income tax return filed with (and on which income tax was paid to) the qualifying jurisdiction. On Line 19, enter only the portion of Connecticut modifications **directly related** to income sourced in the qualifying jurisdiction. The fact that the qualifying jurisdiction may take into account your entire adjusted gross income (to compute the rate at which your income sourced in that jurisdiction will be taxed) does not mean you paid income tax to that jurisdiction on your entire adjusted gross income. Because you are a nonresident of the qualifying jurisdiction, you may be taxed by that jurisdiction only on your income sourced in that jurisdiction.

**Example 1:** Laura, a Connecticut resident whose filing status is single, earned wages of \$150,000 from a company located in the State of New York. Laura works inside and outside of New York and allocated her wage income based upon the days worked in New York. She determined \$100,000 to be her New York State allocated wage income and reported and paid this amount on her New York nonresident income tax return. On her federal Form 1040, Line 7, she entered \$150,000. When completing the Schedule 2 Worksheet, she enters \$150,000 in Column I, Line 1, and \$100,000 in Column II, Line 1. Laura also enters \$100,000 on Form CT-1040, *Schedule 2*, Line 53.

**Example 2:** Luke and Leslie file a joint federal Form 1040 and a joint Form CT-1040. Leslie's wages as an employee working in Rhode Island are \$20,000 and Luke's wages as an employee working in Connecticut are \$25,000. On their federal Form 1040, Line 7, they enter \$45,000. When completing the Schedule 2 Worksheet, Luke and Leslie enter \$45,000 in Column I, Line 1, and \$20,000 in Column II, Line 1. Luke and Leslie also enter \$20,000 on Form CT-1040, *Schedule 2*, Line 53.

**Example 3:** Linda is a sole proprietor of a business conducted at two locations: one in Connecticut and one in Massachusetts. On Linda's federal Form 1040, Line 12, she entered \$100,000. Of the \$150,000 of gross income reported on federal Form 1040, Schedule C, \$90,000 is derived from the Massachusetts location. Of the \$50,000 of expenses reported on Schedule C, \$35,000 is derived from the Massachusetts location. When completing the Schedule 2 Worksheet, Linda enters \$100,000 in

Column I, Line 6, and \$55,000 (\$90,000 - \$35,000) in Column II, Line 6. Linda also enters \$55,000 on Form CT-1040, *Schedule 2*, Line 53.

## Schedule 2 – Line Instructions

### Line 51 - Modified Connecticut Adjusted Gross Income

Add to Connecticut adjusted gross income from Line 5 any **net** loss derived from or connected with sources in a qualifying 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 51.

**Example:** Fred's Connecticut adjusted gross income of \$60,000 includes income of \$15,000 from business activities conducted in Massachusetts and 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 51.

### Line 52 - Taxing Jurisdiction(s)

If you claim credit for income taxes paid to a qualifying jurisdiction, enter the name and the two-letter code of each qualifying jurisdiction for which you are claiming credit. If you are claiming credit for income taxes paid to a political subdivision of another state, enter the name and two-letter code of the state.

### 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 |                      |    |
| Kansas .....               | KS | North Carolina ..... | NC |                      |    |
| Kentucky .....             | KY | North Dakota .....   | ND |                      |    |

### Line 53 - Non-Connecticut Income

Complete the Schedule 2 Worksheet on Page 23 to determine the total non-Connecticut income included in your Connecticut adjusted gross income and reported on a qualifying jurisdiction's income tax return. Enter the amount from Column II, Line 20, of the Worksheet.

### Line 54

Divide the amount on Line 53 by the amount on Line 51. The result cannot exceed 1.0000. Round to four decimal places.

### Line 55 - Income Tax Liability

Subtract Line 11 from Line 6 and enter the result.

### Line 56

Multiply the percentage arrived at on Line 54 by the amount reported on Line 55.



**Example:** Jean is a Connecticut resident who worked in City Y, a city in State X, during the 2005 taxable year. Jean's filing status is single and her Connecticut adjusted gross income is \$160,000. The amount entered on Jean's Form CT-1040, Line 55, is \$7,800. Both State X and City Y impose an income tax. Her Connecticut adjusted gross income derived from State X is \$80,000, as is her Connecticut adjusted gross income derived from City Y. Because the amounts of income taxed by both State X and City Y are the same, Jean uses one column on Form CT-1040, *Schedule 2*. Jean pays an income tax of \$6,000 to State X and an income tax of \$360 to City Y. Since Jean's Form CT-1040, Line 51, is \$160,000, her *Schedule 2* is completed as follows:

|         | Column A            |    | Column B |    |
|---------|---------------------|----|----------|----|
| Line 52 | State X, City Y     |    |          |    |
| Line 53 | 80,000              | 00 |          | 00 |
| Line 54 | .5000               |    |          |    |
| Line 55 | 7,800               | 00 |          | 00 |
| Line 56 | 3,900               | 00 |          | 00 |
| Line 57 | 6,360               | 00 |          | 00 |
| Line 58 | 3,900               | 00 |          | 00 |
| Line 59 | <b>Total Credit</b> |    | 3,900    | 00 |

Connecticut adjusted gross income and reported on a qualifying jurisdiction's income tax return. Enter the amount from Column II, Line 20, of the Worksheet.

### Line 57 - Income Tax Paid to a Qualifying Jurisdiction

Enter the total amount of income tax paid to a qualifying jurisdiction.

**Income tax paid** means the lesser of your income tax liability to the qualifying jurisdiction or the income tax paid to that jurisdiction as reported on a return filed with that jurisdiction, but not penalty or interest. Do **not** report the amount of tax withheld for that jurisdiction directly from your W-2 or 1099 form. You **must** first complete a return for the qualifying jurisdiction in order to determine the amount of income tax paid.

### Line 58

Enter the lesser of the amounts reported on Line 56 or Line 57.

### Line 59 - Total Credit for Income Taxes Paid to Qualifying Jurisdictions

Add the amounts from Line 58A, Line 58B, and Line 58 of any additional worksheets. The amount on Line 59 cannot exceed the amount on Line 56. Enter the total here and on Form CT-1040, Line 7.

**Attach a copy of the income tax return filed with each qualifying jurisdiction to your Connecticut income tax return or the credit will be disallowed.**

## Schedule 3 – Property Tax Credit Worksheet

Connecticut residents **must** complete *Schedule 3* to determine the amount of credit (if any) that may be taken against a Connecticut income tax liability. The credit is for property taxes

paid during 2005 to a Connecticut political subdivision on a primary residence or privately owned or leased motor vehicle, or both. If you entered zero on Form CT-1040, Line 10, **do not** complete this schedule. See **Informational Publication 2005(10), Q&A: Income Tax Credit for Property Taxes Paid to a Connecticut Political Subdivision.**

### Which Property Tax Bills Qualify

You may take credit against your 2005 Connecticut income tax liability for property tax payments you made on your primary residence or privately owned or leased motor vehicle, or both, to a Connecticut political subdivision. Generally, property tax bills due and paid during 2005 qualify for this credit. This includes any installment payments you made during 2005 that were due in 2005 and any installments you prepaid during 2005 due in 2006. Supplemental property tax bills that were due during 2005 or 2006 also qualify if paid during 2005. However, the late payment of any property tax bills or the payment of any interest, fees, or charges related to the property tax bill do not qualify for the credit.

A husband and wife who file a joint Connecticut income tax return may consider property tax bills for which the husband or wife, or both, are liable.

You may take credit for a leased motor vehicle if you had a written lease agreement for a term of more than one year, and the property tax became due and was paid during 2005 (either by the leasing company or by you). Refer to your January 2006 billing statement from the leasing company to determine the amount of property taxes that may be eligible for the credit. Your statement will either indicate the amount of property taxes paid on your leased motor vehicle or provide you with a toll-free number you may call to obtain the necessary information. If you do not receive a billing statement in January 2006, contact your leasing company for the appropriate property tax information.

**Example 1:** Lisa received a property tax bill for a motor vehicle listed on her town's October 1, 2003, grand list. The bill was payable in two installments, July 1, 2004, and January 1, 2005. If Lisa paid the January 1, 2005, installment on January 1, 2005, she would be eligible to claim it on her 2005 income tax return. If she prepaid it during 2004, she would not be eligible to take credit for it on her 2005 return, but she may have been eligible to take credit for it on her 2004 return.

**Example 2:** Mary received a property tax bill for a motor vehicle listed on her town's October 1, 2004, grand list. The bill was payable in two installments, July 1, 2005, and January 1, 2006. Mary is eligible to take credit for both installments on her 2005 income tax return if she paid both installments during 2005. If Mary waited until January 1, 2006, to pay her second installment, she would not be eligible to take credit on her 2005 return for this installment, but she may be eligible to take credit for it on her 2006 return.

**Maximum Credit Allowed**

The **maximum** credit allowed (on your primary residence or motor vehicle, or both) is **\$350** per return regardless of filing status.

This maximum property tax credit cannot exceed the amount of qualifying property taxes paid or the amount of tax entered on Form CT-1040, Line 10, and is phased out depending upon your Connecticut adjusted gross income. To be allowed 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 Separately, or Head of Household is limited to the property tax paid on **one** motor vehicle even if the individual sells a motor vehicle and purchases a replacement motor vehicle during the taxable year and only owns one motor vehicle at any time during the taxable year. Individuals whose filing status is Married Filing Jointly are limited to the property taxes paid on **two** motor vehicles.

**Schedule 3 – Line Instructions**

**Name of Connecticut Tax Town or District**

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

**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.

**Date(s) Paid**

Enter the date(s) you paid qualifying property tax.

**Line 60 - Primary Residence**

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

**Line 61 - Auto 1**

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

**Line 62 - Married Filing Jointly Only - Auto 2**

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

**Line 63**

Add Lines 60, 61, and 62 and enter the total on Line 63.

**Line 64**

The maximum property tax credit allowed is **\$350**.

**Line 65**

Enter the lesser of Line 63 or Line 64.

**Line 66**

Enter "0" on Line 66 and enter amount from Line 65 on Line 68 if your:

| Filing status is:               | Connecticut adjusted gross income is: |
|---------------------------------|---------------------------------------|
| Single .....                    | \$ 55,000 or less                     |
| Married Filing Jointly .....    | \$100,500 or less                     |
| Married Filing Separately ..... | \$ 50,250 or less                     |
| Head of Household .....         | \$ 78,500 or less                     |

Otherwise, go to the *Property Tax Credit Table* on Page 27 or use the Property Tax Calculator on the DRS web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) Enter the decimal amount from the *Property Tax Credit Table* on Form CT-1040, Line 66.

**Line 67**

Multiply Line 65 by Line 66.

**Line 68**

Subtract Line 67 from Line 65. Enter here and on the front of Form CT-1040, Line 11.

## Property Tax Credit Table

Enter the amount from **Form CT-1040, Schedule 3 - Property Tax Credit Worksheet**, Line 65, on Line 68 and Line 11, **if your filing status is:**

- Single** and your Connecticut AGI is ..... **\$55,000 or less**
- Married filing jointly** and your Connecticut AGI is ..... **\$100,500 or less**
- Married filing separately** and your Connecticut AGI is ..... **\$50,250 or less**
- Head of household** and your Connecticut AGI is ..... **\$78,500 or less**

Otherwise, enter the decimal amount from the **Property Tax Credit Table** below on Form CT-1040, *Schedule 3*, Line 66.

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

### Single

If you are single and your Connecticut AGI is:

| More Than        | Less Than or Equal To | Decimal Amount |
|------------------|-----------------------|----------------|
| <b>\$0</b>       | <b>\$55,000</b>       | <b>0</b>       |
| <b>\$55,000</b>  | <b>\$65,000</b>       | <b>.10</b>     |
| <b>\$65,000</b>  | <b>\$75,000</b>       | <b>.20</b>     |
| <b>\$75,000</b>  | <b>\$85,000</b>       | <b>.30</b>     |
| <b>\$85,000</b>  | <b>\$95,000</b>       | <b>.40</b>     |
| <b>\$95,000</b>  | <b>\$105,000</b>      | <b>.50</b>     |
| <b>\$105,000</b> | <b>\$115,000</b>      | <b>.60</b>     |
| <b>\$115,000</b> | <b>\$125,000</b>      | <b>.70</b>     |
| <b>\$125,000</b> | <b>\$135,000</b>      | <b>.80</b>     |
| <b>\$135,000</b> | <b>\$145,000</b>      | <b>.90</b>     |
| <b>\$145,000</b> | <b>and up</b>         | <b>1.00</b>    |

### Married Filing Jointly

If you are married filing jointly and your Connecticut AGI is:

| More Than        | Less Than or Equal To | Decimal Amount |
|------------------|-----------------------|----------------|
| <b>\$0</b>       | <b>\$100,500</b>      | <b>0</b>       |
| <b>\$100,500</b> | <b>\$110,500</b>      | <b>.10</b>     |
| <b>\$110,500</b> | <b>\$120,500</b>      | <b>.20</b>     |
| <b>\$120,500</b> | <b>\$130,500</b>      | <b>.30</b>     |
| <b>\$130,500</b> | <b>\$140,500</b>      | <b>.40</b>     |
| <b>\$140,500</b> | <b>\$150,500</b>      | <b>.50</b>     |
| <b>\$150,500</b> | <b>\$160,500</b>      | <b>.60</b>     |
| <b>\$160,500</b> | <b>\$170,500</b>      | <b>.70</b>     |
| <b>\$170,500</b> | <b>\$180,500</b>      | <b>.80</b>     |
| <b>\$180,500</b> | <b>\$190,500</b>      | <b>.90</b>     |
| <b>\$190,500</b> | <b>and up</b>         | <b>1.00</b>    |

### Married Filing Separately

If you are married filing separately and your Connecticut AGI is:

| More Than       | Less Than or Equal To | Decimal Amount |
|-----------------|-----------------------|----------------|
| <b>\$0</b>      | <b>\$50,250</b>       | <b>0</b>       |
| <b>\$50,250</b> | <b>\$55,250</b>       | <b>.10</b>     |
| <b>\$55,250</b> | <b>\$60,250</b>       | <b>.20</b>     |
| <b>\$60,250</b> | <b>\$65,250</b>       | <b>.30</b>     |
| <b>\$65,250</b> | <b>\$70,250</b>       | <b>.40</b>     |
| <b>\$70,250</b> | <b>\$75,250</b>       | <b>.50</b>     |
| <b>\$75,250</b> | <b>\$80,250</b>       | <b>.60</b>     |
| <b>\$80,250</b> | <b>\$85,250</b>       | <b>.70</b>     |
| <b>\$85,250</b> | <b>\$90,250</b>       | <b>.80</b>     |
| <b>\$90,250</b> | <b>\$95,250</b>       | <b>.90</b>     |
| <b>\$95,250</b> | <b>and up</b>         | <b>1.00</b>    |

### Head of Household

If you are head of household and your Connecticut AGI is:

| More Than        | Less Than or Equal To | Decimal Amount |
|------------------|-----------------------|----------------|
| <b>\$0</b>       | <b>\$78,500</b>       | <b>0</b>       |
| <b>\$78,500</b>  | <b>\$88,500</b>       | <b>.10</b>     |
| <b>\$88,500</b>  | <b>\$98,500</b>       | <b>.20</b>     |
| <b>\$98,500</b>  | <b>\$108,500</b>      | <b>.30</b>     |
| <b>\$108,500</b> | <b>\$118,500</b>      | <b>.40</b>     |
| <b>\$118,500</b> | <b>\$128,500</b>      | <b>.50</b>     |
| <b>\$128,500</b> | <b>\$138,500</b>      | <b>.60</b>     |
| <b>\$138,500</b> | <b>\$148,500</b>      | <b>.70</b>     |
| <b>\$148,500</b> | <b>\$158,500</b>      | <b>.80</b>     |
| <b>\$158,500</b> | <b>\$168,500</b>      | <b>.90</b>     |
| <b>\$168,500</b> | <b>and up</b>         | <b>1.00</b>    |

**Schedule 4 – Individual Use Tax Worksheet**  
**Line Instructions**

In general, goods or services that are purchased out-of-state and that would have been subject to the Connecticut sales tax if those goods or services had been purchased from a Connecticut retailer are subject to the Connecticut use tax. Generally, 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. Complete Form CT-1040, *Schedule 4 - Individual Use Tax Worksheet*, to calculate your use tax liability.

List separately any individual item with a purchase price of **\$300 or more**. Although you do not need to list separately any individual item with a purchase price of **less than \$300**, the items are subject to tax and the total of the purchase price

of these items should be reported. Multiply the sales and use tax rate of 6% (.06) by the purchase price of the item and enter the result. Enter the total tax for all taxable purchases on *Schedule 4*, Line 69, and Form CT-1040, Line 15.

See **Informational Publication 2005(17), Q&A on the Connecticut Individual Use Tax**.

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

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

You must enter “0” on Form CT-1040, Line 15, if no Connecticut use tax is due. If you do not make an entry on Line 15, you will not have filed a use tax return.

**Line 69**

Complete *Schedule 4 - Individual Use Tax Worksheet* and enter the total use tax due on Line 69 and on Form CT-1040, Line 15.

**Contributions to Designated Charities**

Write in a whole dollar amount for each fund to which you wish to contribute on CT-1040, *Schedule 5*. Add your contributions and enter the total from *Schedule 5* on **Form CT-1040**, Line 24. **Your contribution is irrevocable.**

| <b>Aids Research Education Fund</b>   | <b>Organ Transplant Fund</b>  | <b>Endangered Species, Natural Area Preserves, and Watchable Wildlife Fund</b>  | <b>Breast Cancer Research and Education Fund</b>   | <b>Safety Net Services Fund</b>   | <b>Military Family Relief Fund</b>  |
|---|---|---|--|---|---|
| This fund assists research, education, and community service programs related to Acquired Immune Deficiency Syndrome (AIDS). The fund is administered by the Connecticut Department of Public Health. | This fund assists Connecticut residents in paying for the unmet medical and ancillary needs of organ transplant candidates and recipients. The fund is administered by the Connecticut Department of Social Services. | This fund helps preserve, protect, and manage Connecticut's endangered plants and animals, wildlife and their habitats. The fund is administered by the Connecticut Department of Environmental Protection. | This fund assists research, education, and community service programs related to breast cancer. The fund is administered by the Connecticut Department of Public Health.                         | This fund protects the children of families who are no longer eligible for public assistance benefits. The fund is administered by the Connecticut Department of Social Services. | This fund makes grants to the immediate family members of service members domiciled in Connecticut for essential goods and services when military service creates family financial hardship. The fund is administered by the Connecticut Military Department. |
| To contribute directly send to:<br>Department of Public Health AIDS and Chronic Diseases Division<br>MS #11 APV<br>PO Box 340308<br>Hartford CT 06134-0308  | To contribute directly send to:<br>Department of Social Services Accounts Receivable<br>25 Sigourney Street<br>Hartford CT 06106-5003   | To contribute directly send to:<br>Department of Environmental Protection-Bureau of Administration Financial Management<br>79 Elm Street<br>Hartford CT 06106-5127  | To contribute directly send to:<br>Department of Public Health Breast and Cervical Cancer Early Detection Program AIDS/Chronic Diseases<br>MS #11 HLS<br>PO Box 340308<br>Hartford CT 06134-0308 | To contribute directly send to:<br>Department of Social Services Accounts Receivable<br>25 Sigourney Street<br>Hartford CT 06106-5003   | To contribute directly send to:<br>Military Department, Military Family Relief Fund Fiscal Office<br>360 Broad St<br>Hartford CT 06105-3795   |
| Make check payable to:<br><b>Treasurer, State of Connecticut/AIDS Fund</b>  | Make check payable to:<br><b>Commissioner of Social Services/Organ Transplant Fund</b>  | Make check payable to:<br><b>DEP-Endangered Species/ Wildlife Fund</b>  | Make check payable to:<br><b>Treasurer, State of Connecticut/Breast Cancer Fund</b>  | Make check payable to:<br><b>Commissioner of Social Services/Safety Net Fund</b>  | Make check payable to:<br><b>Treasurer, State of Connecticut/Military Family Relief Fund</b>  |

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## Other Taxes You May Owe

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

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### Connecticut Gift Tax (Form CT-706/709)

When Connecticut taxable gifts are made during a calendar year by resident or nonresident individuals, a Connecticut gift tax return is required to be filed to report the gifts even if no Connecticut gift tax is due. Connecticut taxable gifts are those gifts that (1) are taxable gifts, for federal gift tax purposes, and (2) involve gifts of Connecticut real property; gifts of tangible personal property situated within Connecticut; or gifts of intangible personal property made by Connecticut residents. Connecticut gift tax is now due when the aggregate amount of Connecticut taxable gifts made during all calendar years beginning on or after January 1, 2005, exceeds \$2 million. The donor is liable for the tax, but if the donor does not pay the tax, it may be collected from the donee. Connecticut taxable gifts are reported on and Connecticut gift tax is paid (if due) with **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*. The due date of the return is April 15 for gifts made during the preceding calendar year. See **Special Notice 2005(10)**, *2005 Legislation Repealing the Succession Tax and Amending the Connecticut Gift Tax and the Connecticut Estate Tax*.

### Connecticut Income Tax Withholding by Household Employers

Connecticut rules differ from federal rules. Household employers may not report and pay household employee withholding tax with their Connecticut income tax return. See **Informational Publication 2006(1)**, *Connecticut Circular CT*.

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### Business Entity Tax (Form OP-424)

Conn. Gen. Stat. §12-284b provides that the business entity tax applies to each of the following entities if required to file an annual report with the Connecticut Secretary of the State:

- Any corporation which is an S corporation for federal income tax purposes;
- Any limited liability company which is, for federal income tax purpose, either treated as a partnership if it has two or more members or disregarded as an entity separate from its owner if it has a single member;
- Any limited liability partnership; **and**
- Any limited partnership.

See **Special Notice 2002(11)**, *Business Entity Tax*, and **Informational Publication 2003(15)**, *Q & A on the Business Entity Tax*.

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# Questions and Answers About the Connecticut Individual Use Tax

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For additional information, see **Informational Publication 2005(17)**, *Q&A on the Connecticut Individual Use Tax*.

## 1. What is the use tax?

When you make a retail purchase in this state, you usually pay sales tax to the seller who in turn pays the tax to DRS. Sometimes Connecticut sales tax is not paid to the retailer. In these situations, the purchaser must pay the use tax directly to DRS.

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

You must pay use tax on taxable tangible personal property, whether purchased or leased. Examples of taxable personal property include items of clothing costing \$50 or more, automobiles, appliances, furniture, jewelry, cameras, VCRs, computers, and prewritten computer software. Some taxable services include repair services to your television, motor vehicle, or computer; landscaping services for your home; reupholstering services for your household furniture; or charges for online access to computer services.

## 3. Are there exemptions from the use tax?

Yes. If you buy goods or services in Connecticut that are exempt from sales tax, they are exempt from the use tax if you buy them out-of-state for use in Connecticut. Some examples are items of clothing that cost less than \$50, charges to access the Internet through an Internet provider's server, and repair and maintenance services to vessels.

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

No. If all the items you purchased **and brought into** Connecticut at one time total \$25 or less, you do not have to pay Connecticut use tax. The \$25 exemption does **not** apply to items **shipped or mailed** to you.

## 5. What is the use tax rate?

In general, the use tax rate for taxable goods or services is 6% (.06). However, computer and data processing services are taxed at 1% (.01).

## 6. What if I buy taxable goods or services in another state and the vendor charges sales tax for the other state?

If the goods or services were purchased for use in Connecticut and the tax paid to the other state is less than the Connecticut tax, you must report and pay the use tax. Your use tax due is the difference between the Connecticut tax and the tax paid to the other state.

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**Example:** You purchased a \$1,000 refrigerator in another state and paid a \$50 tax to that state. If you bought the refrigerator for use in Connecticut, you owe Connecticut use tax. The Connecticut tax of \$60 is reduced to \$10 after allowing \$50 credit for the tax paid to the other state. If no tax was paid to the other state, the Connecticut use tax is \$60.

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## 7. When must individuals pay the use tax?

You must pay the individual use tax when you file an individual income tax return. **Forms CT-1040EZ, CT-1040, or CT-1040NR/PY** must be filed on or before April 15, 2006, or use the *WebFile* or *Telefile* to file your 2005 income tax return. If you are not required to file a Connecticut income tax return, you must pay the use tax on **Form OP-186, Connecticut Individual Use Tax Return**. You may file Form OP-186 for the entire year or you may file several returns throughout the year.

If you are engaged in a trade or business, you must register with DRS for business use tax and report purchases made in connection with your trade or business on **Form OS-114, Sales and Use Tax Return**.

## 8. What are the penalties and interest for not paying the use tax?

The penalty is 10% (.10) of the tax due. Interest is charged at the rate of 1% (.01) per month or 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.

## 9. On what amount should the use tax be calculated?

Calculate the use tax by multiplying the total cost of the taxable goods or services purchased, including separately stated charges such as shipping and handling, by the tax rate (generally 6%).

## Amended Returns

Use **Form CT-1040X**, *Amended Connecticut Income Tax Return*, to amend a previously-filed Connecticut income tax return. If Form CT-1040X is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting any Connecticut income tax overpayment expires three years after the due date of the return, but if a timely request for an

extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return or three years after the date of filing the return, whichever is earlier. If an amended return is not timely filed, a penalty may be imposed. Interest will also be assessed on any additional Connecticut income tax not paid on or before the due date. See *Interest and Penalties* on Page 12.

### The following circumstances require the filing of Form CT-1040X:

|  |   |
|--|---|
| <p>1. The IRS or federal courts change or correct your federal income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. You filed a timely amended federal income tax return and the amendment results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than 90 days after the date you filed your timely amended federal return.</b> If you file Form CT-1040X no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and the tax officials or courts of the qualifying jurisdiction made a change or correction to your income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p> | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and you filed a timely amended income tax return with that qualifying jurisdiction and the amendment results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p>  | <p><b>File Form CT-1040X no later than 90 days after the date you filed your amended return with the qualifying jurisdiction.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. If none of the above circumstances apply, but you made a mistake or omission on your Connecticut income tax return and the mistake or omission results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than three years after the due date of your return,</b> or if you filed a timely request for an extension of time to file, three years after the date of filing the return, or three years after the extended due date, whichever is earlier.</p>   |

### Do not file Form CT-1040X for any of the following reasons:



- To have an overpayment refunded instead of applied to next year's estimated tax or to change contributions made to designated charities. The elections you made on your original return **cannot** be changed by filing Form CT-1040X.
- To amend your Connecticut income tax return for an earlier year in order to claim a credit for income tax paid on income included in your Connecticut adjusted gross income for that year and repaid in a later taxable year. File **Schedule CT-1040CRC**, *Claim of Right Credit*, with your Connecticut income tax return for the later taxable year.

### Financial Disability

If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period your spouse or any other person is authorized to act on your behalf in financial matters.

# Connecticut Tax Assistance

|  |  |  |              |
|--|--|--|--------------|
| Internet   | For Tax Information  | Forms and Publications   |              |
|  | DRS Web site<br><b>www.ct.gov/DRS</b>  |  |              |
| Telephone  | <b>CONN-TAX</b><br>1-800-382-9463 (in-state) or<br>860-297-5962 (from anywhere)<br>TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911. | From a touch-tone phone call<br>1-800-382-9463 (in-state) and select <b>Option 2</b> , or<br>860-297-4753 (from anywhere)<br><b>DRS TaxFax</b> - Call 860-297-5698 from the handset attached to your fax machine and select from the menu. |              |
| Write  | Department of Revenue Services<br>Taxpayer Services Division<br>25 Sigourney Street<br>Hartford CT 06106-5032  |  |              |
| <b>Walk-In Offices</b><br>Free personal taxpayer assistance and forms are available by visiting our offices, Monday through Friday, 8:00 a.m. to 5:00 p.m. Call CONN-TAX for directions to DRS offices. If you require special accommodations, please advise the DRS representative. | Location   | Address  | Phone*       |
|  | Bridgeport   | 10 Middle Street   | 203-336-7890 |
|  | Hartford   | 25 Sigourney Street  | 860-297-5962 |
|  | Norwich  | 2 Cliff Street   | 860-425-4123 |
|  | Hamden   | 3074 Whitney Avenue, Building #2   | 203-287-8243 |
|  | Waterbury  | 55 West Main Street, Suite 100   | 203-805-6789 |
| * All calls are answered at our Customer Service Center, not at the local office.  |  |  |              |

|                                  |   |   |
|----------------------------------|---|---|
| <b>Electronic Filing Options</b> |  REFUNDS IN FOUR DAYS!<br>Form CT-1040, Form CT-1040 EXT, and Form CT-1040ES can be filed over the internet using <i>WebFile</i> .<br>Visit <a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a> |  CONNECTICUT e-file<br>File your federal and Connecticut returns together using <i>e-file!</i><br>Visit <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> |
|----------------------------------|---|---|

|   |   |
|---|---|
| <b>Federal Tax Information</b><br>For questions about <b>federal taxes</b> , contact the Internal Revenue Service (IRS) at 1-800-829-1040 or visit <a href="http://www.irs.gov">www.irs.gov</a><br>To order <b>federal tax forms</b> , call 1-800-829-3676. | <b>Statewide Services</b><br>For information on statewide services and programs, visit the ConneCT Web site at <a href="http://www.ct.gov">www.ct.gov</a> |
|---|---|

Department of Revenue Services  
 State of Connecticut  
 25 Sigourney Street  
 Hartford CT 06106-5032

PRSRT STD  
 U.S. POSTAGE  
 PAID  
 STATE OF CT  
 DEPT OF REVENUE  
 SERVICES



# 2005

# Connecticut Income Tax Booklet

Choose your filing method (see Page T2).  
This booklet contains:

## WEBFILE

Simplest, Fastest, and Easiest Filing Method

Visit: [www.ct.gov/DRS](http://www.ct.gov/DRS)

(See Page T2 for more information.)

ELECTRONIC  
FILING  
OPTIONS

and

FORM  
CT-1040EZ

## TELEFILE

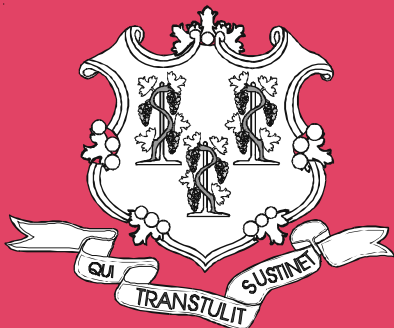
- Telefile Eligibility Criteria
- Steps to Electronically File
- Telefile Tax Return
- Telefile Instructions
- Telefile Payment Voucher

### Benefits of *WebFile* and *Telefile*:

- Refunds issued in 4 days
- Confidential filing 24 hours a day
- No calculations necessary
- Immediate proof of filing
- Optional direct deposit of refund
- Optional direct payment of tax

Additional tax information is available on our Web site: [www.ct.gov/DRS](http://www.ct.gov/DRS)

**WEBFILING AND TELEFILING START JANUARY 13, 2006**





STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

PAM LAW, COMMISSIONER

Dear Taxpayer:

The Connecticut Department of Revenue Services (DRS) makes every effort to provide taxpayers with the most comprehensive information to meet their state tax filing needs. Some new information about this year's form is that returns with incomplete withholding information (missing taxpayer ID numbers, missing dollar amounts, etc.) will not be processed. However, taxpayers can ensure a more accurate filing and know DRS has accepted their return for processing by filing electronically. This booklet contains information about the state's *WebFile* and *Telefile* programs and how you can use them to file your return quickly, accurately and get a faster refund. No special software or downloads are needed, and the programs prompt users to input the required information.

At DRS, our goal is to provide you with excellent customer service and user-friendly tax administration. If you have questions, DRS Taxpayer Services personnel can answer them by phone, letter, or e-mail. The back cover of this booklet lists all the ways you can access this Agency including the DRS Web site, which is available anytime for you to preview and download Connecticut tax forms, DRS publications, and other information you may need.

We welcome your comments and ideas on how we can improve the way we do business.

Sincerely,

Pam Law  
Commissioner of Revenue Services

## File by Internet

Use our **free, convenient, and secure** *WebFile* Program to file your **Form CT-1040**, *Connecticut Income Tax Return*, over the Internet. No paper return or worksheet is required.

*WebFile* is an Internet-based program that enables you to use your computer to electronically file your Form CT-1040. To learn more about *WebFile*, visit the DRS Web site:

[www.ct.gov/DRS](http://www.ct.gov/DRS)

**You are eligible** to file your 2005 Connecticut income tax return over the Internet if **all** of the following are true:

- You (and your spouse, if filing a joint return) were a Connecticut resident for the entire 2005 taxable year;
- You filed a 2004 Connecticut income tax return;
- Your filing status is the same as last year;
- You are **not** filing **Form CT-8379**, *Nonobligated Spouse Claim*, with your tax return; **and**
- You are not filing **Form CT-1040CRC**, *Claim of Right Credit*.

## File by Telephone

File your Connecticut income tax return using your touch-tone telephone. It's fast and easy! Just fill in our simple Connecticut Telefile Tax Return.



**You are eligible** to *Telefile* your 2005 Connecticut income tax return if **all** of the following are true:

- You filed a 2004 Connecticut income tax return;
- Your filing status is the same as last year;
- You (and your spouse, if filing a joint return) were a Connecticut resident for the entire 2005 taxable year;
- You have no more than seven W-2 or 1099 forms that show Connecticut income tax withheld;
- Your federal adjusted gross income is \$350,000 or less;
- You did **not** report federally taxable **Social Security Benefits**;
- Your only Connecticut modification to federal adjusted gross income is a federally taxable refund of state and local income taxes;
- You did **not** make estimated Connecticut income tax payments or did **not** have an overpayment applied to the 2005 taxable year;
- You are **not** filing **Form CT-8379**, *Nonobligated Spouse Claim*, with your tax return;
- You are **not** claiming credit for income taxes paid to a qualifying jurisdiction;
- You are not filing **Form CT-1040CRC**, *Claim of Right Credit*;
- You do **not** have a federal alternative minimum tax liability; **and**
- You are **not** claiming an adjusted net Connecticut minimum tax credit.

If the label on the back cover of this booklet is not correct, contact the DRS Registration Unit one day prior to telefiling at 860-297-4962 (during business hours).

**If you are not eligible to *Telefile*, you may qualify for our *WebFile* Program.**

**See *File by Internet*, at left.**

**To obtain a paper return, see *Forms and Publications* on the back cover of this booklet.**

# Steps to Electronically File

## Step 1

Complete your federal income tax return.

## Step 2

Enter the four-digit PIN assigned to you by DRS. A new PIN is assigned each year. When you access the *Telefile* or *WebFile* system, you will be advised where to find your PIN.

If you are using *WebFile*, you may enter last year's federal adjusted gross income in place of your PIN.

For assistance, visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or call 1-800-382-9463 for prerecorded information.

## Step 3

Gather all your W-2 and 1099 forms. Generally, you will receive these forms on or before January 31. You will be asked for the Federal Employer Identification Number and Connecticut income tax withheld as shown on this sample W-2.

Enter the number from Box b in Item 7, Column B, of the Connecticut Telefile Tax Return.

|   |                                   |                                |
|---|-----------------------------------|--------------------------------|
| a Control number<br>22222                           | OMB No. 1545-0008                 |                                |
| b Employer identification number (EIN)<br>XX-XXXXXX | 1 Wages, tips, other compensation | 2 Federal income tax withheld  |
| c Employer's name, address, and ZIP code            | 3 Social security wages           | 4 Social security tax withheld |
| d Employee's social security number                 | 5 Medicare wages and tips         | 6 Medicare tax withheld        |
| e Employee's first name and initial<br>Last name    | 7 Social security tips            | 8 Allocated tips               |
| f Employee's address and ZIP code                   | 9 Advance EIC payment             | 10 Dependent care benefits     |
| 15 State<br>CT                                      | 11 Nonqualified plans             | 12a                            |
| Employer's state ID number                          | 12b                               | 12c                            |
| 16 State wages, tips, etc.                          | 12d                               | 17 State income tax<br>XXX.00  |
| 18 Local wages, tips, etc.                          | 19 Local income tax               | 20 Locality name               |

Form W-2 Wage and Tax Statement 2005  
Copy 1 - For State, City, or Local Tax Department  
Department of the Treasury - Internal Revenue Service

Box 15 - Must show CT to be claimed as Connecticut Withholding.

Enter the amount from Box 17 (in whole dollars) in Item 7, Column C, of the Connecticut Telefile Tax Return.

## Step 4

Round off all amounts to the nearest whole dollar. Round to the next lowest dollar all amounts that include 1 through 49 cents. Round to the next highest dollar all amounts that include 50 through 99 cents. *WebFile* and *Telefile* accept only whole dollar entries.

## Step 5

Expecting a refund? Receive it faster by selecting direct deposit. You will be asked for the routing number and account number as shown on this sample check.

|  |                     |         |
|--|---------------------|---------|
| Name of Depositor<br>Street Address<br>City, State, Zip Code | Date _____          | No. 101 |
| Pay to the Order of _____                                    | \$ _____            |         |
| Name of your Bank<br>Street Address<br>City, State, Zip Code |                     |         |
| 092125789  | 091 025 025413      | 0101    |
| ↑<br>Routing Number  | ↑<br>Account Number |         |

## Step 6

Expecting to owe tax? There are three options available to pay your Connecticut income tax:

1. Use our **direct payment** system.  **Direct Payment**

Have the amount of tax due automatically withdrawn from your bank account. This option is **only** available at the time of filing.

2. Pay by **credit card**.    

After filing, call toll-free:

**1-800-2PAY-TAX** (1-800-272-9829); or

Visit: [www.officialpayments.com](http://www.officialpayments.com)

A 2.5% convenience fee will be charged by the credit card service provider.

3. Mail your **check or money order** with the *2005 Payment Voucher*.

Payment is due **on or before April 17, 2006**.

## Step 7

**File by Telephone.** Fill in Items 1 and 3 through 10 of the *Connecticut Telefile Tax Return* before you call the *Telefile* number.

**File by Internet.** If you are going to file your Form CT-1040 over the Internet, review these steps, then go to [www.ct.gov/DRS](http://www.ct.gov/DRS) to file your tax return.

## Step 8

**Record the confirmation number** you receive at the end of filing. This number is your official acknowledgment that your Connecticut income tax return has been filed.

## Step 9

Keep your completed Connecticut income tax return, W-2 forms, and other tax statements for your records.

Do not mail the return to the Department of Revenue Services.

Keep this copy of your 2005 Connecticut income tax return for your records.

# Connecticut Telefile Tax Return

**2005  
Telefile**

Use your telephone to file. Do not mail.

Your Name(s)

### Quick Start Checklist!

- Complete federal return.
- Fill in Items 1 through 10.
- Call **860-692-9787**.

**1A. Your Social Security Number**    -   -

**1B. Spouse's Social Security Number**    -   -      
(If married filing a joint return)

**2. Personal Identification Number (PIN)**      
(If you can not locate your PIN, see Page T6.)

**3. Filing Status** Your filing status must be the same as your federal income tax filing status for the 2005 taxable year.  
 Check only one box.  
 A.  Single  
 B.  Married filing jointly or qualifying widow(er) with dependent child  
 C.  Married filing separately  
 D.  Head of household (with qualifying person)

**4. Federal Adjusted Gross Income (AGI)** from your federal Form 1040EZ, Line 4; Form 1040A, Line 21; or Form 1040, Line 37. **4.**  **.00**

**5.** Check the box indicating the form used to file your 2005 federal return.  1040EZ  1040A  1040  
**Refunds of State and Local Income Taxes:** Enter "0" here if your 2005 federal return is a Form 1040EZ or Form 1040A. If you filed federal Form 1040, enter the amount reported on federal Form 1040, Line 10. **5.**  **.00**

**6.** Enter the total number of W-2 forms and any 1099 forms showing Connecticut income tax withholding. (Maximum of seven) **6.**

**7.** Enter the Federal Employer Identification Number and Connecticut income tax withheld for each W-2 form or 1099 form included in Item 6. (See instructions on Page T6.)

| Column A<br>W-2 or 1099 | Column B<br>Employer Identification Number from your W-2 or 1099 Forms |                      |                      |                      |                      |                      |                      |                      | Column C<br>Connecticut Income Tax Withheld |
|-------------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---|
| 1st                     | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> <b>.00</b>             |
| 2nd                     | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> <b>.00</b>             |
| 3rd                     | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> <b>.00</b>             |
| 4th                     | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> <b>.00</b>             |
| 5th                     | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> <b>.00</b>             |
| 6th                     | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> <b>.00</b>             |
| 7th                     | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> <b>.00</b>             |

**8.** Enter total amount of property taxes paid to your town on: (See instructions on Page T6.)  
**Auto 1** **8A**  **.00** **Auto 2** (If married filing a joint return) **8B**  **.00** **Primary Residence** (Total of all installments) **8C**  **.00**

**9. Individual Use Tax** Enter the individual use tax due if you purchased taxable goods or services and did not pay Connecticut sales tax on the purchase. If none enter "0." (See instructions on Page T7.) **9.**  **.00**

**10. Want your refund directly deposited, or your tax due automatically withdrawn?** Fill in Items 10A, 10B, and 10C (and 10D, for direct payment only).  
 10A. Account Type  1 - Checking  2 - Savings  
 10B. Routing Number            
 10C. Account Number                  
 Complete Item 10D only if you want your tax due withdrawn at a future date. (See instructions on Page T7.)  
**10D. Enter the date you want your tax due withdrawn from your account** (no later than April 17, 2006).     **2 0 0 6**  
 M M D D

**You are now ready to call the Telefile phone number.**

Keep this return in front of you during the call. Telefile will calculate the next section for you.

Be prepared to fill in the amounts calculated by Telefile.

Call **860-692-9787** to Telefile 24 hours a day.

**Telefile will compute your:**

|  |     |                      |     |
|--|-----|----------------------|-----|
| 11. Property tax credit _____  | 11. | <input type="text"/> | .00 |
| 12. Total 2005 Connecticut tax (Includes individual use tax and property tax credit, if any) _____ | 12. | <input type="text"/> | .00 |
| 13. Total Connecticut income tax withheld _____  | 13. | <input type="text"/> | .00 |
| 14. Tax due (See Three Payment Options below.) _____   | 14. | <input type="text"/> | .00 |
| 15. Overpayment of tax _____   | 15. | <input type="text"/> | .00 |

If you have an overpayment in Item 15, you may contribute all or a portion of your overpayment to one or more of the designated funds listed below.

|                             |          |     |
|-----------------------------|----------|-----|
| AIDS Research               | \$ _____ | .00 |
| Organ Transplant            | \$ _____ | .00 |
| Endangered Species/Wildlife | \$ _____ | .00 |
| Breast Cancer Research      | \$ _____ | .00 |
| Safety Net Services         | \$ _____ | .00 |
| Military Family Relief Fund | \$ _____ | .00 |

|                               |     |                      |     |
|-------------------------------|-----|----------------------|-----|
| 16. Total contributions _____ | 16. | <input type="text"/> | .00 |
| 17. Refund _____              | 17. | <input type="text"/> | .00 |

18. PIN signature – Your Personal Identification Number will serve as the lawful signature on this return for you (and your spouse, if filing jointly).

19. Confirmation number – Telefile will assign you an eight-digit confirmation number. Do not hang up until you receive this number.

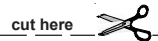
Keep this 2005 Connecticut income tax return for your records.

Write the date you successfully telefiled your return.

\_\_\_\_ / \_\_\_\_ / **2006**

**Three Payment Options** (See Page T7 for more information.)

- Pay by **direct payment** during your Telefile call by completing Items 10A, 10B, 10C, and 10D of the Connecticut Telefile Tax Return.
- Pay by **credit card** by visiting: [www.officialpayments.com](http://www.officialpayments.com) or calling toll-free: **1-800-2PAY-TAX** (1-800-272-9829). You will be asked to enter the Connecticut Jurisdiction Code: 1777. A convenience fee will be charged by the service provider. The fee is 2.5% of your total tax payment.
- Pay by **check or money order** using the 2005 Connecticut Telefile Payment Voucher below.



**2005 Connecticut Telefile Payment Voucher**

- Enter the amount enclosed \$                     .00
- Make your check or money order payable to: **Commissioner of Revenue Services**
- To ensure proper posting of your payment, write SSN(s) and “2005 Telefile” on your check or money order.
- Mail to: **DRS, PO Box 5088, Hartford CT 06102-5088**

State of Connecticut  
Department of Revenue  
Services



Department Use Only  
**112**

0

**2005**

|                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| <b>M</b>             | <b>M</b>             | <b>D</b>             | <b>D</b>             | <b>2</b>             | <b>0</b>             | <b>0</b>             | <b>6</b>             | <b>C</b>             | <b>C</b>             |
| <b>Y</b>             | <b>Y</b>             | <b>Y</b>             | <b>Y</b>             | <b>C</b>             | <b>C</b>             | <b>Y</b>             | <b>Y</b>             | <b>Y</b>             | <b>Y</b>             |

|            |   |                                       |
|------------|---|---------------------------------------|
| LABEL HERE | Your First Name _____ Middle Initial _____ Last Name _____                      | Your Social Security Number _____     |
|            | If a Joint Return, Spouse's First Name and Middle Initial _____ Last Name _____ | Spouse's Social Security Number _____ |
|            | Mailing Address (number and street), Apartment Number, PO Box _____             |                                       |
|            | City, Town, or Post Office _____ State _____ ZIP Code _____                     |                                       |

**IMPORTANT!**  
You **MUST** enter your name(s) and SSN(s) as indicated on Items 1A and 1B.

**730  
TEL**

## Individual Use Tax Schedule

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 purchases. Individual items with the purchase price of \$300 or more must be listed separately below. Although you do not need to list separately any individual item with a purchase price of less than \$300, the items are subject to tax and the total of the purchase prices of these items should be reported on Line A. Multiply the sales and use tax rate by the purchase price of the item and enter the result in Column E. You must enter "0" in Item 9 if no Connecticut use tax is due.

| Column A  | Column B                         | Column C                     | Column D       | Column E                       | Column F                                  | Column G   |
|---|----------------------------------|------------------------------|----------------|--------------------------------|---|--|
| Date of purchase  | Description of goods or services | Retailer or service provider | Purchase price | CT tax due<br>(.06 X Column D) | Tax, if any, paid to Another jurisdiction | Balance due<br>(Col. E - Col. F, but not less than zero) |
|   |                                  |                              |                |                                |   |  |
|   |                                  |                              |                |                                |   |  |
| A. Total of individual purchases under \$300 not listed above   |                                  |                              |                |                                |   | 00   |
| <b>Total Individual Use Tax:</b> Add amounts in Column G. Enter here and in Item 9 of the <i>Connecticut Telefile Tax Return</i> . See <b>Informational Publication 2005(17)</b> , Q & A on the <i>Connecticut Individual Use Tax</i> , for more information. |                                  |                              |                |                                |   | 00   |

## Completing the Connecticut Telefile Tax Return

**1A. Social Security Number (SSN):** Enter your SSN.

**1B. Spouse's SSN:** For a married filing joint return, enter your spouse's SSN.

Enter your SSN and your spouse's SSN in the order in which your names appear on the label on the back of this booklet.

**2. Personal Identification Number (PIN):** Enter the four-digit PIN assigned to you by DRS. A new PIN is assigned each year. When you access the *Telefile* or *WebFile* system, you will be advised where to find your PIN. If you do not know your PIN you may be able to access it during your *Telefile* call by pressing the star (\*) key when prompted for your PIN. You must provide your prior year federal adjusted gross income from Form CT-1040EZ or Form CT-1040, Line 1, or Connecticut Telefile Tax Return, Item 4.

**3. Filing Status:** Check the **same** filing status box that you checked on your 2005 federal income tax return (Single, Married Filing Jointly, Married Filing Separately, or Head of Household).

**4. Federal Adjusted Gross Income (AGI):** Enter your federal AGI from your 2005 federal income tax return. This is the amount reported on federal Form 1040EZ, Line 4; federal Form 1040A, Line 21; or federal Form 1040, Line 37.

**5. Refunds of State and Local Income Taxes:** Enter the amount of taxable refunds of state and local income taxes you reported on **Line 10** of your 2005 federal Form 1040. If Line 10 is blank or if you filed federal Forms 1040A or Form 1040EZ, enter "0."

**6. Number of W-2 and 1099 Forms:** Enter the total number of W-2 and 1099 forms you received for the 2005 taxable year that show **Connecticut income tax withheld**. (Include your spouse's W-2 and 1099 forms if you are filing a joint return.)

You may not telefile this return if you received **more than seven** W-2 or 1099 forms that show Connecticut income tax withheld.

**7. W-2 and 1099 Information:** Verify that **Box 15** of each W-2 shows **Connecticut income tax withheld**. See sample W-2 on Page T3.

**Column B:** Enter from each W-2 form the nine-digit Federal Employer Identification Number (FEIN) located in **Box b**. For each 1099, enter the payer's nine-digit FEIN. For unemployment compensation, this number is located directly below the address for the Department of Labor. If the number is unclear or missing, contact your employer or payer.

**Column C:** Enter the Connecticut income tax withheld shown on each W-2, W-2G, or 1099 form (from Form W-2, **Box 17**; Form W-2G, **Box 14**; Form 1099-R, **Box 10**; Form 1099-MISC, **Box 16**; or Form UC-1099G, **Box 5**).

**8. Property Tax Paid:**

**Auto 1** - Enter the **total** amount of property tax due and paid during 2005 to a Connecticut municipality on your motor vehicle.

**Auto 2** - If your filing status is Married Filing Jointly, enter the **total** amount of property tax due and paid during 2005 to a Connecticut municipality on your second motor vehicle, if any.

**Primary Residence** - Enter the **total** amount of property tax due and paid during 2005 to a Connecticut municipality on your primary residence.

You may take credit against your 2005 Connecticut income tax liability for property tax payments you made on your primary residence and privately owned or leased motor vehicle to a Connecticut political subdivision. Generally, property tax bills due and paid during 2005 qualify for this credit. This includes any installment payments you made during 2005 that were due in 2005 and any installments you prepaid during 2005 due in 2006. Supplemental property tax bills due during 2005 or 2006 also qualify if paid during 2005. However, the late payment of any property tax bills or the payment of any interest, fees, or charges related to the property tax bill do not qualify for the credit. The maximum credit allowed is **\$350** per return, regardless of your filing status, and may be limited based upon your Connecticut adjusted gross income. A husband and wife who file a joint Connecticut income tax return may consider property tax bills for which the husband or wife, or both, are liable.

You may take credit for a leased motor vehicle if you had a written lease agreement for a term of more than one year and the property tax became due and was paid during 2005 (either by the leasing company or by you). Refer to your January 2006 billing statement from the leasing company to determine the amount of property taxes that may be eligible for the credit.

The *Telefile* System will automatically calculate your allowable credit. See **Informational Publication 2005(10)**, *Q&A: Income Tax Credit for Property Taxes Paid to a Connecticut Political Subdivision*.

**9. Individual Use Tax:** If you purchased taxable goods or services during 2005 and did not pay Connecticut sales tax, complete the *Individual Use Tax Schedule* on Page T6. Generally, this is for purchases made or shipped from outside of Connecticut. Enter the total individual use tax due in Item 9. **If none, enter "0."** See **Informational Publication 2005(17)**, *Q&A on the Connecticut Individual Use Tax*.

**10. Direct Deposit or Direct Payment:** You can elect to have your refund directly deposited or your tax due automatically withdrawn from your checking or savings account.

**Expecting a refund?** By completing Items 10A, 10B, and 10C, you can have your refund directly deposited into your checking or savings account.

If any of the bank information you supply for direct deposit does not match, a paper check will automatically be issued to you. Some financial institutions do not allow a joint refund to be deposited into an individual account.

**Expecting to owe tax?** By completing Items 10A, 10B, 10C, and 10D, you can have the funds automatically withdrawn from your checking or savings account. See *To Pay by Direct Payment* below. Before calling *Telefile*, check with your financial institution to make sure an automatic withdrawal is allowed and to verify the correct routing and account numbers.

Enter your nine-digit bank routing number and your bank account number in Items 10B and 10C. Your bank routing number is the first nine-digit number printed on your check or savings withdrawal slip. Your bank account number generally follows the bank routing number. Do not include the check number as part of your account number. Bank account numbers can be up to 17 digits and must be numeric. See sample check on Page T3.

**The *Telefile* System will provide you with the amounts to enter in Items 11 through 17.**

**11. Property Tax Credit:** This is the amount of credit you are allowed for property taxes you paid during 2005 on your motor vehicle, primary residence, or both.

**12. Total 2005 Connecticut Tax:** This is your total Connecticut tax liability which includes individual use tax and property tax credit, if applicable.

**13. Total Connecticut Income Tax Withheld:** This is the total Connecticut income tax withheld as shown on your W-2, W-2G, and 1099 forms.

**14. Tax Due:** This is the amount of tax you owe. Pay the amount in full with your return. If the amount you owe is \$1,000 or more, you may be subject to interest on the underpayment of estimated income tax.

You have until April 17, 2006, to pay by direct payment, credit card, check, or money order. The *2005 Connecticut Telefile Payment Voucher* must accompany all payments sent by mail.

## Payment Options

**To Pay by Direct Payment:**  **Direct Payment**

Complete Items 10A, 10B, 10C, and 10D. By completing Item 10D, you can request to have the tax you owe withdrawn at a future date, but no later than April 17, 2006. **Direct Payments are accepted only during your *Telefile* call.**

## To Pay by Credit Card:



- Call Official Payments Corporation toll-free at **1-800-2PAY-TAX** (1-800-272-9829). You will be asked to enter the Connecticut Jurisdiction Code: 1777; or
- Visit: **www.officialpayments.com** and select *Payment Center*.

A convenience fee will be charged by the credit card service provider. The fee is 2.5% of your total tax payment. You will be informed of the amount of the fee and you may elect to cancel the transaction. At the end of the transaction, you will be given a confirmation number for your records.

Your payment will be effective on the date you make the charge.

**To Pay by Mail:** Make your check or money order payable to **Commissioner of Revenue Services**. To ensure proper posting of your payment, write "**2005 Telefile**" and your SSN(s) (optional) on the front of your check or money order. DRS may submit your check to your bank electronically. Mail the *2005 Connecticut Telefile Payment Voucher* along with your payment to:

**Department of Revenue Services  
PO Box 5088  
Hartford CT 06102-5088**

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

**15. Overpayment of Tax:** If you have an overpayment in Item 15, the *Telefile* System will ask if you would like to contribute all or a portion of the overpayment to one or more of the six designated funds. You may not know if you have overpaid your taxes until you make your *Telefile* call. If you wish to make a contribution, you should be prepared to identify the fund(s) and the amount of your contribution(s).

**16. Total Contributions:** If you make contributions, the *Telefile* System will total the amount of contributions made to the six designated funds.

**17. Refund:** This is the amount of your refund. You may choose to have this amount deposited directly into your bank account or have a check mailed to you.

**18. PIN Signature:** After the *Telefile* System tells you the amount of your refund or how much tax you owe, the *Telefile* System will prompt you to sign your return by entering the same PIN you entered in Item 2. This will become the legal signature for your return.

If you file a joint return, you **must** review the information you entered with your spouse because the PIN serves as the legal signature for both of you. You and your spouse are jointly and severally responsible for paying the full amount of tax, interest, and penalties on your joint return.

**19. Confirmation Number:** You **must** stay on the line for your eight-digit confirmation number. After the PIN signature, the *Telefile* System will provide you with a confirmation number. Write this number in Item 19. Once you have this confirmation number, your tax return is filed.

If you have a change or correction to your Connecticut income tax liability after you receive your confirmation number, you must complete **2005 Form CT-1040X**, *Amended Connecticut Income Tax Return*.

**Keep your *Telefile* Tax Return, W-2s, and other tax statements for your records.**

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# CONN-TAX

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If you have a touch-tone phone, you can obtain important tax information anytime from CONN-TAX, the Department of Revenue Services information line. Call **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere), press **4** to be connected to the recorded tax information menu, then press **1** to select *Recorded Income Tax Information*. Enter the three-digit number next to the topic of your choice (listed below), or follow the prerecorded instructions.

## General Income Tax Information

- |     |  |     |   |
|-----|--|-----|---|
| 101 | Important income tax changes                     | 107 | Amending a Connecticut return   |
| 102 | How to choose the correct form and filing method | 108 | Getting a copy of a previously filed return                                     |
| 103 | Where to get forms and assistance                | 109 | Offsets of state income tax refunds   |
| 104 | Requesting a filing extension                    | 110 | Deducting Connecticut income tax when completing your federal income tax return |
| 105 | Filing a decedent's return                       |     |   |
| 106 | Filing an error-free return                      |     |   |

## Income Tax Filing Requirements, Residency, and Filing Status

- |     |  |     |  |
|-----|--|-----|--|
| 201 | Who must file a Connecticut return?                    | 205 | Members of the armed forces              |
| 202 | What is gross income?                                  | 206 | Student's filing requirements            |
| 203 | Who is a resident, nonresident, or part-year resident? | 207 | Dependent children's filing requirements |
| 204 | What is Connecticut source income of a nonresident?    | 208 | What is your filing status?              |
|     |  | 209 | Title 19 recipients                      |

## Individual Use Tax, Gift Tax, and Other Income Tax Returns

- |     |  |     |  |
|-----|--|-----|--|
| 301 | Individual use tax                                 | 305 | Partnership information and composite income tax           |
| 302 | Gift and estate tax                                | 306 | Group return for shareholders, partners, and beneficiaries |
| 303 | Income tax on trusts and estates                   |     |  |
| 304 | S corporation information and composite income tax |     |  |

## Completing Form CT-1040 or Form CT-1040NR/PY

- |     |   |     |  |
|-----|---|-----|--|
| 401 | Tax status of U.S. government obligations                                     | 406 | Modifications to federal adjusted gross income |
| 402 | Tax status of state or local obligations                                      | 407 | Connecticut alternative minimum tax            |
| 403 | Residents and part-year residents who paid income tax to another jurisdiction | 408 | Property tax credit                            |
| 404 | Deferred compensation   | 409 | Questions about a state tax refund             |
| 405 | Pension income, Social Security benefits, and Individual Retirement Accounts  |     |  |

## Estimated Income Tax Requirements

- |     |   |     |                           |
|-----|---|-----|---------------------------|
| 501 | Who must estimate?                      | 505 | Annualization of income   |
| 502 | Withholding instead of making estimates | 506 | Interest on underpayments |
| 503 | Estimated income tax form               | 507 | Farmers and fishermen     |
| 504 | When to file and how much to pay        |     |                           |

## Questions on Telefiling and Webfiling

- |     |  |     |   |
|-----|--|-----|---|
| 601 | Who is eligible to <b>Telefile</b> ?               | 604 | <b>WebFiling</b>                                  |
| 602 | Tips for successful <b>Telefiling</b>              | 605 | What if I make a mistake while <b>WebFiling</b> ? |
| 603 | What if I make a mistake while <b>Telefiling</b> ? |     |   |

### Extended Telephone Hours for the Filing Season:

Monday, **January 30** (until 7 p.m.)

Monday, **February 6** (until 7 p.m.)

### Extended Telephone Personal Assistance and Walk-In Hours:

(25 Sigourney Street, Hartford Only)

Saturday, **April 15** (from 9 a.m. to 12 p.m.)

Monday, **April 17** (until 8 p.m.)

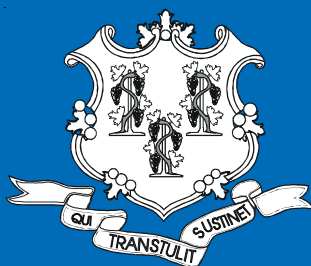


# 2005 FORM CT-1040 EZ

# Connecticut Resident EZ Income Tax Return

This section contains:

- Form CT-1040EZ
- Supplemental  
Schedule CT-1040WH
- Form CT-1040 EXT
- Form CT-1040ES
- Tax Tables
- Tax Calculation  
Schedule
- Taxpayer  
Questionnaire



If you are not eligible to  
*Telefile*, you may file using  
*WebFile* or *e-File*.

See *Electronic Filing Options*  
on Page 3.

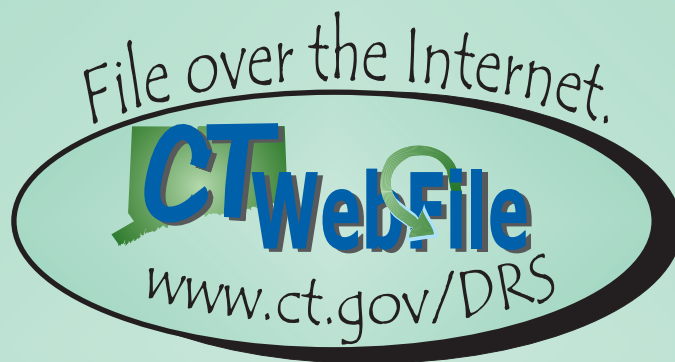
Additional tax information is available on our Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

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

# Fast-Accurate-Easy-Secure



**FREE e-file direct to DRS  
in about 10 minutes!**



**Accurate!**

**Secure Web Site!**

**Proof of Acceptance!**

**Refunds in 4 Days With  
Direct Deposit!**

**Electronic Payment  
Options!**



Connecticut  
Department of Revenue Services

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|---|--|

**Save time!**



**File Form CT-1040  
over the Internet!**

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## What's New

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- **You are not required to send forms W-2, W-2G, or 1099** with your 2005 Connecticut income tax return. To avoid significant delays in processing your return, be sure to complete Columns A, B, and C of the withholding section of your return. Failure to complete all columns will result in the disallowance of Connecticut withholding.
- Beginning with the 2005 taxable year, there is a check box to indicate if a taxpayer died during the year. The person filing a return jointly with or on behalf of the deceased taxpayer must check the box after the deceased taxpayer's Social Security Number.
- Beginning with the 2005 taxable year, there is a check box for filers of **Form CT-8379**. Check the box on the first page of your Connecticut return if you are filing Form CT-8379 (CT-1040 EZ filers only).
- You may contribute all or part of your refund to the **Military Family Relief Fund** by checking the box on the Connecticut return. For more information, see *Contributions to Designated Charities* on Page 17.
- You can now pay your 2005 taxes electronically over the Internet using DRS *WebFile*. Visit our website at **www.ct.gov/DRS** and click on the *WebFile* logo in the left-hand toolbar for more information and to make a payment. You can also pay prior year taxes.
- The annual increase to the **personal exemption and credits** used in calculating the tax for individuals whose filing status is Single has been delayed by two years. The personal exemptions and credits for the 2004 taxable year remain in effect for the 2005 and 2006 taxable years. The scheduled increases will resume beginning with the 2007 taxable year.
- Effective for taxable years beginning on or after **January 1, 2006**, taxpayers who have entered into a **civil union** recognized under Connecticut law must file their Connecticut income tax return as civil union filing jointly or civil union filing separately. This option is not available for the 2005 taxable year.
- **New e-filing requirement for certain preparers:** Effective January 1, 2006, preparers who prepared 200 or more 2004 Connecticut income tax returns will be required to file the 2005 Connecticut income tax returns electronically using the Federal/State Electronic Filing Program (*e-file*).
- The Connecticut General Assembly enacted legislation that imposes severe penalties on participants of abusive tax shelters. Any individual or business entity that fails to disclose their participation in an abusive tax shelter designated by the Internal Revenue Service (IRS) as a *listed transaction* is subject to audit penalties of 75% of the tax deficiency that results from the tax shelter activity. To fulfill the Connecticut disclosure requirement, any taxpayer (individual or entity) that has participated in a listed transaction must file a completed **Form CT-8886, Connecticut Listed Transaction Disclosure Statement**, with DRS. Form CT-8886 must be filed for each taxable year for which a taxpayer participates in a listed transaction.
- The annual increase to the **property tax credit limitation** thresholds for individuals whose filing status is single has been delayed two years. The property tax credit limitation amounts in effect for the 2004 taxable year remain in effect for the 2005 and 2006 taxable years. The scheduled increases will resume beginning with the 2007 taxable year.

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## DRS Customer Service

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### Tax Assistance

DRS is ready to help you and offers several resources where you can get answers to your Connecticut tax questions. Visit the DRS Web site at **www.ct.gov/DRS** or for personal assistance, refer to the back cover of this booklet for a list of DRS walk-in offices and telephone numbers. DRS offices are open Monday through Friday, 8:00 a.m. to 5:00 p.m. If you visit, be sure to bring:

- **Copy 2** of your federal Forms W-2 and any other forms showing Connecticut income tax withholding; **and**
- Your **completed** federal Form 1040EZ, 1040A, or 1040.

Personal telephone assistance is available Monday through Friday, 8:30 a.m. to 4:30 p.m. Extended hours are offered during the filing season. Automated information may answer your questions anytime. Call CONN-TAX, the DRS information line, or visit the DRS Web site for details.

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### Forms and Publications

Download and print Connecticut tax forms and publications anytime from the DRS Web site at **www.ct.gov/DRS**. Forms are also available during regular business hours at any of the DRS walk-in offices and the other sources listed on the back cover of this booklet, and at most public libraries, town halls, banks, and post offices during the tax filing season.

# Filing Information

## Important Reminders

- You **must** use blue or black ink only to complete your return.
- Be sure you have received all your federal Forms W-2, W-2G, and 1099 before filing your Connecticut income tax return. Generally, you will receive these forms on or before January 31. If you receive an additional federal Form W-2, W-2G, or 1099 after filing your Connecticut income tax return, you may be required to file **Form CT-1040X**. See *Amended Returns* on Page 18.
- File the correct form. Most taxpayers qualify to electronically file their Connecticut income tax return or file **Form CT-1040EZ**, *Connecticut Resident EZ Income Tax Return*. (See *May I File My Connecticut Income Tax Return Over the Internet Using WebFile* and *May I File Form CT-1040EZ* on Page 7.)
- Use the preprinted peel-off label. The preprinted label **does not** include your Social Security Number (SSN). Therefore, you **must** enter your SSN and the SSN for your spouse (if filing a joint return) in the spaces above your name(s) on the return. Do not place the label over your SSN(s).  
If you did not receive a tax return package with a label, enter your name(s) and mailing address in the spaces provided at the top of your return.
- Check the correct filing status on your return.
- Round all figures to the nearest whole dollar. See *Rounding Off to Whole Dollars* on Page 9.
- Sign your return. If you and your spouse are filing jointly, both of you must sign.
- Have your paid preparer sign the return and enter the firm's Federal Employer Identification Number (FEIN) in the space provided.
- Be sure both you and your spouse file your income tax returns at the same time if you filed joint estimated tax payments but elect to file separate income tax returns. No refund will be processed until both Connecticut returns are received.
- Use the correct DRS mailing label on the envelope when filing your return. One label is for refunds and all other tax forms without payment. The other label is for all tax forms with payment.
- Send all pages of your return.
- Check the box on the front of your Connecticut return if you are filing **Form CT-8379**, *Nonobligated Spouse Claim*.
- If you are an executor, administrator, or spouse filing a return for a deceased taxpayer, check the box next to the deceased taxpayer's SSN.
- If you receive federally taxable Social Security benefits, you **must file Form CT-1040**.

## Who Must File a Connecticut Resident Return

You must file a Connecticut resident income tax return if you were a resident for the entire year **and** any of the following is true for the 2005 taxable year:

- You had Connecticut income tax withheld;
- You made estimated tax payments to Connecticut;
- You meet the Gross Income Test; **or**
- You had a federal alternative minimum tax liability.

**If none of the above apply, do not file a Connecticut resident income tax return.**

## Gross Income Test

You must file a Connecticut income tax return if your gross income for the 2005 taxable year exceeds:

- \$12,000 and you will file as Married Filing Separately
- \$12,625 and you will file as Single
- \$19,000 and you will file as Head of Household
- \$24,000 and you will file as Married Filing Jointly

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

Gross income includes, but is not limited to:

- 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, or trusts;
- IRA distributions;
- Unemployment compensation; **and**
- **Federally taxable** Social Security benefits.

The following examples explain the gross income test for a Connecticut resident:

**Example 1:** Your only income is from a sole proprietorship and you file federal Form 1040 reporting the following on Schedule C:

|              |                          |
|--------------|--------------------------|
| Gross Income | <b>\$100,000</b>         |
| Expenses     | <b><u>(\$92,000)</u></b> |
| Net Income   | <b>\$8,000</b>           |

Because the **gross income** of \$100,000 exceeds the minimum requirement, you must file a Connecticut income tax return.

**Example 2:** You received \$8,000 in federally nontaxable Social Security benefits and \$11,000 in interest income. Since nontaxable Social Security benefits are not included in gross income, you will not have to file a Connecticut return unless Connecticut tax was withheld or estimated tax payments were made.

## Resident, Part-Year Resident, or Nonresident

The following terms are used in this section:

**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 place of abode is not permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.

You are a **resident** for the 2005 taxable year if:

- Connecticut was your domicile (permanent legal residence) for the entire 2005 taxable year; **or**
- You maintained a permanent place of abode in Connecticut during the entire 2005 taxable year **and** spent a total of more than 183 days in Connecticut during the 2005 taxable year.

Nonresident aliens who meet either of the above conditions are considered Connecticut residents even if federal Form 1040NR-EZ or federal Form 1040NR is filed for federal income tax purposes.

If you are a resident and you meet the requirements for *Who Must File a Connecticut Resident Return* for the 2005 taxable year, you must file **Form CT-1040EZ** or **Form CT-1040**.

You are a **part-year resident** for the 2005 taxable year if you changed your permanent legal residence by moving into or out of Connecticut during the 2005 taxable year. If you are a part-year resident, you may not elect to be treated as a resident individual.

You are a **nonresident** for the 2005 taxable year if you are neither a resident nor a part-year resident for the 2005 taxable year.

If you are a part-year resident or nonresident, see *Who Must File Form CT-1040NR/PY* and *Resident, Part-Year Resident, or Nonresident* in the instruction booklet for **Form CT-1040NR/PY**.

Although you and your spouse file jointly for federal purposes, you may be required to file separate Connecticut returns. See *Special Rules for Married Individuals* on Page 9.

If you meet all of the conditions in Group A or Group B, you may be treated as a nonresident for 2005 even if your domicile was Connecticut.

#### **Group A**

1. You did not maintain a permanent place of abode in Connecticut for the entire 2005 taxable year;
2. You maintained a permanent place of abode outside of Connecticut for the entire 2005 taxable year; **and**
3. You spent not more than 30 days in the aggregate in Connecticut during the 2005 taxable year.

#### **Group B**

1. You were in a foreign country for at least 450 days during any period of 548 consecutive days;
2. During this period of 548 consecutive days, you did not spend more than 90 days in Connecticut and you did not maintain a permanent place of abode in Connecticut at which your spouse (unless legally separated) or minor children spent more than 90 days; **and**
3. During the nonresident portion of the taxable year in which the 548-day period begins, and during the nonresident portion of the taxable year in which the 548-day period ends, you were present in Connecticut for no more than the number of days that bears the same ratio to 90 as the number of days in the portion of the taxable year bears to 548. See the following calculation:

|  |   |    |   |  |
|--|---|----|---|--|
| <b>Number of days in the nonresident portion</b> |   |    |   | <b>Maximum days allowed in Connecticut</b> |
| 548  | x | 90 | = |  |

See **Special Notice 2000(17)**, *2000 Legislation Affecting the Connecticut Income Tax*.

## **Military Personnel Filing Requirements**

Military personnel who claim Connecticut as a residence but are stationed elsewhere are 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 of the conditions in Group A or Group B for being treated as a nonresident. See *Resident, Part-Year Resident, or Nonresident* 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 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:** Lisa 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.

#### **If Lisa had no other income . . .**

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

#### **If Lisa had a part-time job in Connecticut . . .**

Her Connecticut source income from nonmilitary employment is taxable. Lisa must file Form CT-1040NR/PY to report this income.

Spouses of military personnel who are stationed in Connecticut may be considered residents of this state even if their domicile is elsewhere. See *Resident, Part-Year Resident, or Nonresident* on Page 5.

See **Informational Publication 2005(9)**, *Connecticut Income Tax Information for Military Personnel and Veterans*.

## **Combat Zone**

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 is 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. If any tax was previously paid for the year of death, the tax will be refunded to the legal representative of the estate or to the surviving spouse upon the filing of a return on behalf of the decedent. In filing the return on behalf of the decedent, the legal representative or the surviving spouse should enter zero tax due and attach a statement to the return along with a copy of the death certificate.

**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*.

Members of the U.S. Armed Forces serving in military operations in the Kosovo, Afghanistan, or Arabian Peninsula regions are also eligible for the 180-day extension allowed to individuals serving in a combat zone. Spouses of military personnel and civilians supporting the military in these regions who are away from their permanent duty stations but are not within the designated combat zone are also eligible for the extension. Individuals requesting an extension under combat zone provisions should print both the name of the combat zone and the operation they served with at the top of their Connecticut return. This is the same combat zone or operation name provided on their federal income tax return.

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## May I File My Connecticut Income Tax Return Over the Internet Using *WebFile*

Most Connecticut residents may use the fast, easy *WebFile* Program to file their Connecticut income tax return. You may *WebFile* your Connecticut income tax return if all of the following are true:

- You were either (1) a Connecticut resident for the entire year or (2) you were a nonresident and consent to be treated as a resident for the entire year;
- You filed a 2004 Connecticut income tax return;
- Your filing status is the same as last year;
- You are not filing **Form CT-8379, *Nonobligated Spouse Claim***, with your return;
- You have no more than ten W-2 or 1099 forms that show Connecticut income tax withheld;
- You have no more than two states for which you are claiming a credit for income taxes paid to a qualifying jurisdiction; **and**
- You are not filing **Form CT-1040CRC, *Claim of Right Credit***.

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## May I File Form CT-1040EZ

Most residents may file this 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;
- You did not report federally taxable Social Security benefits for the 2005 taxable year;
- You had 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 *Modifications to Federal Adjusted Gross Income*;
- You are not claiming credit for income taxes paid to another jurisdiction;
- You do not have a federal alternative minimum tax liability;
- You are not claiming an adjusted net Connecticut minimum tax credit;
- You did not report treaty income on your federal income tax return; **and**
- You are not filing **Form CT-1040CRC, *Claim of Right Credit***.

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

If you are filing your return after the due date and you want to pay interest and penalty with your return, you **must** file Form CT-1040. However, if you file Form CT-1040EZ, DRS will bill you for outstanding penalty and interest.

If you are a resident and your 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 *Special Rules for Married Individuals* on Page 9.

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## 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 federal Form 1040, Line 37; federal Form 1040A, Line 21; or federal Form 1040EZ, Line 4; minus any taxable refund of state and local income taxes reported on federal Form 1040, Line 10.

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## Modifications to Federal Adjusted Gross Income

If you have any of the following modifications, you **must** file **Form CT-1040**:

### 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;
- 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;
- Treaty income for nonresident aliens reported on federal Form 1040NR-EZ or Form 1040NR; **or**
- Loss or deduction of an enrolled member of the Mashantucket Pequot Tribe who resides in Indian country of the tribe or any loss or deduction of an enrolled member of the Mohegan Tribe who resides in Indian country of the tribe where the loss or deduction is derived from or connected with Indian country of the tribe.

### Subtractions

- Social Security benefit adjustment;
- Interest on U.S. government obligations;
- Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations;
- Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities;
- Special depreciation allowance for qualified property placed in service during the preceding year;
- Beneficiary's share of Connecticut fiduciary adjustment;
- Gain on sale of Connecticut state and local government bonds;
- Distributions to a designated beneficiary from the Connecticut Higher Education Trust Fund (CHET);
- Interest earned on funds deposited in a Connecticut individual development account to the extent included in federal adjusted gross income; **or**
- Income or gain of an enrolled member of the Mashantucket Pequot Tribe who resides in Indian country of the tribe or any income or gain of an enrolled member of the Mohegan Tribe who resides in Indian country of the tribe where the income or gain is derived from or connected with Indian country of the tribe.

## Taxable Year and Method of Accounting

You must use the same taxable year for Connecticut income tax purposes that you use for federal income tax purposes. Most individuals use the calendar year as their taxable year for federal income tax purposes. However, if the calendar year is not your taxable year for federal income tax purposes, references in this booklet to 2005 are references to your taxable year beginning during 2005.

You must use the same method of accounting for Connecticut income tax purposes that you use for federal income tax purposes.

If your taxable year or method of accounting is changed for federal income tax purposes, the same change must be made for Connecticut income tax purposes.

## When to File

Your Connecticut income tax return is due on or before April 15, 2006. If you are not a calendar year filer, your return is due on or before the fifteenth day of the fourth month following the close of your taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Your return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|  |  |
|--|--|
| <b>DHL Express (DHL)</b> <ul style="list-style-type: none"><li>• DHL Same Day Service</li><li>• DHL Next Day 10:30 a.m.</li><li>• DHL Next Day 12:00 p.m.</li><li>• DHL Next Day 3:00 p.m.</li><li>• DHL 2nd Day Service</li></ul>           |  |
| <b>Federal Express (FedEx)</b> <ul style="list-style-type: none"><li>• FedEx Priority Overnight</li><li>• FedEx Standard Overnight</li><li>• FedEx 2Day</li><li>• FedEx International Priority</li><li>• FedEx International First</li></ul> | <b>United Parcel Service (UPS)</b> <ul style="list-style-type: none"><li>• UPS Next Day Air</li><li>• UPS Next Day Air Saver</li><li>• UPS 2nd Day Air</li><li>• UPS 2nd Day Air A.M.</li><li>• UPS Worldwide Express Plus</li><li>• UPS Worldwide Express</li></ul> |

This list is subject to change. See **Policy Statement 2005(4)**, *Designated Private Delivery Services and Designated Types of Service*.

If **Form CT-1040EZ** is filed late or all the tax due is not paid with the return, see *Interest and Penalties* on Page 16 to determine if interest and penalty apply.

## Extension Requests

You may be eligible for a six-month extension of time to file your return. See *Extension of Time to File* on Page 14.

You may be eligible for a six-month extension of time to pay the tax due if you file **Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*, and show that paying the tax by the due date will cause undue hardship. See *Extension of Time to Pay* on Page 15.

## Where to File

For **refunds and all other tax forms without payment** enclosed, use the mailing label with this address and mail your return to:

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

For **all tax forms with payment** enclosed, use the mailing label with this address and mail your return with payment to:

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

## Completing Form CT-1040EZ

Before you begin, gather all your records including your federal W-2s (Wages), W-2Gs (Winnings), 1099-Rs (Pensions), and other 1099 forms. Use this information to complete your federal income tax return. The information on your federal return is needed to complete your Connecticut return.

### 1 Taxpayer Information

#### Social Security Number

The preprinted label **does not** include your Social Security Number (SSN). Therefore, you **must** write your SSN in the space provided above your name. If you file a joint return, enter your SSN and your spouse's SSN in the order they appear on your federal return. If you are a nonresident alien and do not have an SSN, enter your Individual Taxpayer Identification Number (ITIN) in the space provided above your name. Nonresident aliens who have applied for an ITIN from the Internal Revenue Service by filing form W-7

but have not received the ITIN before filing their Connecticut tax return should attached a copy of the federal Form W-7 and write "ITIN applied for/W-7 attached" in the SSN box on the Connecticut return. If the taxpayer is deceased, see *Deceased Taxpayers* on Page 14.

#### Filing Status

Check the appropriate box to indicate your filing status. Generally, your filing status must match your federal income tax filing status for this year. If you are not certain of your filing status for 2005, consult the information in your federal income tax booklet or call the IRS at 1-800-829-1040.

If your filing status is qualifying widow(er) with dependent child on federal Form 1040 or 1040A, check the box on **Form CT-1040EZ** for "Married filing jointly or Qualifying widow(er) with dependent child." **Do not** enter your deceased spouses' name or SSN in the spaces provided for spouse's name and spouse's SSN.



## Special Rules for Married Individuals

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 separately.

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 separately **unless**:

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

When one spouse is a **nonresident alien** and the other is a **citizen** or **resident** of the United States, **each** spouse who is required to file a Connecticut income tax return **must** file as married filing separately unless:

- An election is made by the nonresident alien and his or her spouse to file a joint federal income tax return;
- A married filing joint return is filed for federal income tax purposes; **and**
- The spouses are otherwise required or permitted to file a joint Connecticut income tax return.

The election to file a joint return means the joint federal adjusted gross income **must** be used on **Form CT-1040EZ**, Line 1. It also means 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 Connecticut income tax return.

If you are filing a joint federal return with your spouse but are required to file a separate Connecticut return, each of you will have to recompute your federal adjusted gross income as if you were each filing as married filing separately for federal income tax purposes. Enter on Form CT-1040EZ, Line 1, your income as recalculated.

## Name and Address

Be 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 spaces on your return. If there is no preprinted label, print or type the information requested in the spaces provided at the top of **Form CT-1040EZ**.

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.

## Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

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If you do not round to whole dollars, DRS will disregard the cents.

## 2 Calculate Your Tax

### Line 1 - Federal Adjusted Gross Income

Enter your federal adjusted gross income from your 2005 federal income tax return. This is the amount reported on federal Form 1040, Line 37; federal Form 1040A, Line 21; or federal Form 1040EZ, Line 4.

### Line 2 - Refunds of State and Local Income Taxes

Enter the amount of taxable refunds of state and local income taxes you reported on your federal Form 1040, Line 10. If Line 10 of your federal Form 1040 is blank, or if you filed federal Form 1040A or federal Form 1040EZ, 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 - Income Tax

If the amount on Line 3 is: \$12,000 or less for married filing separate individuals; \$12,625 or less for single individuals; \$19,000 or less for head of household individuals; or \$24,000 or less for married filing joint individuals, enter "0" on Line 4 and Line 6. You do not owe any income tax. Otherwise, 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* on Page 21 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 the tax tables or use the Income Tax Calculator on the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

### Line 5 - Credit for Property Taxes Paid on Your Primary Residence or Motor Vehicle, or Both

If the amount on Line 4 is zero, skip Line 5 and go to Line 6. Otherwise, you **must** complete *Schedule 1EZ* on Page 3 of **Form CT-1040EZ** to be allowed this credit. Enter the amount from Line 27 on Line 5. Be certain to include all of the requested information or your credit may be denied. See *Schedule 1EZ - Credit for Property Taxes Paid on Your Primary Residence or Motor Vehicle, or Both* on Page 12.

The credit is limited to the lesser of \$350 or the amount of qualifying property taxes paid. The maximum property tax credit allowed is **\$350** per return regardless of filing status. See *Property Tax Credit Limitation Table* on the inside back cover of this booklet. **This credit may be used to offset your 2005 income tax only. You may not 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

Complete *Schedule 2EZ* on Page 3 of **Form CT-1040EZ**. See *Schedule 2EZ - Individual Use Tax* on Page 13. Enter on Line 7 the total use tax due as reported on *Schedule 2EZ*, Line 28. You **must** enter "0" if no Connecticut use tax is due; otherwise you will not have filed a use tax return.

### Line 8 - Total Tax

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

## 3 Payments

### Line 10 - Connecticut Tax Withheld

For each federal Form W-2, W-2G, or 1099, where Connecticut income tax was withheld, enter the following on Lines 10a through 10g:

**Column A:** Enter the Employer Identification Number.

**Column B:** Enter the amount of Connecticut wages, tips, etc.

**Column C:** Enter the amount of Connecticut income tax withheld.

Do **not** include tax withheld for other states or federal income tax withholding.

Enter the number from Box b in Column A of Form CT-1040EZ.

|   |                                   |                                |
|---|-----------------------------------|--------------------------------|
| a Control number<br>22222                           | 1 Wages, tips, other compensation | 2 Federal income tax withheld  |
| b Employer identification number (EIN)<br>XX-XXXXXX | 3 Social security wages           | 4 Social security tax withheld |
| c Employer's name, address, and ZIP code            | 5 Medicare wages and tips         | 6 Medicare tax withheld        |
| d Employee's social security number                 | 7 Social security tips            | 8 Allocated tips               |
| e Employee's first name and initial<br>Last name    | 9 Advance EIC payment             | 10 Dependent care benefits     |
| f Employee's address and ZIP code                   | 11 Nonqualified plans             | 12a                            |
| 15 State Employee's state ID number<br>CT           | 12b                               | 12c                            |
| 16 State wages, tips, etc.<br>XXX.00                | 12d                               |                                |
| 17 State income tax<br>XXX.00                       | 13 Status and other               |                                |
| 18 Local wages, tips, etc.                          | 14 Other                          |                                |
| 19 Local income tax                                 |                                   |                                |
| 20 Locality name                                    |                                   |                                |

Form W-2 Wage and Tax Statement 2005 Department of the Treasury - Internal Revenue Service

Box 15 - Must show CT to be claimed as Connecticut Withholding.

Enter the amount from Box 17 (in whole dollars) in Column C of Form CT-1040EZ.

You must complete all columns or your Connecticut withholding will be disallowed.

If you have **more than seven** federal Forms W-2, W-2G, or 1099 showing Connecticut income tax withheld, you must complete **Supplemental Schedule CT-1040WH, Connecticut Income Tax Withholding** (located in booklet). Enter on Supplemental Schedule CT-1040WH only Connecticut income tax withholding amounts not previously reported on **Form CT-1040EZ**. Enter the total from Supplemental Schedule CT-1040WH, Line 3, on the last line of Column C, Line 10h.

Add all entries in Column C (including the additional amount from Supplemental Schedule CT-1040WH) and enter the total Connecticut income tax withheld on Line 10.

**Do not send copies of W-2, W-2G, and 1099 forms.** Keep these forms for your records. They may be requested by DRS at a later date.

When filing **Form CT-8379, Nonobligated Spouse Claim**, attach all W-2 and 1099 forms showing Connecticut income tax withheld.

### Line 11 - All 2005 Estimated Tax Payments

Enter on Line 11 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 2005 estimated payments made in 2006. **Do not** include any refunds received.

### Line 12 - Payments Made With Form CT-1040 EXT

If you filed **Form CT-1040 EXT, Application for Extension of Time to File**, enter on Line 12 the amount you paid with that form.

### Line 13 - Total Payments

Add Lines 10, 11, and 12. Enter the total on Line 13. This represents the total of all Connecticut tax payments made.

## 4 Refund

### Line 14 - Overpayment

If Line 13 is greater than Line 9, subtract Line 9 from Line 13 and enter the result on Line 14. To properly allocate your overpayment, go to Lines 15, 16, and 17.

### Line 15 - Amount of Line 14 You Want Applied to Your 2006 Estimated Tax

Enter the amount of your 2005 overpayment you want applied to your 2006 estimated Connecticut income tax. It will be treated as estimated tax paid on April 15, 2006, 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. Payments received after April 15, 2006, will be applied as of the date of receipt. **Your request to apply this amount to your 2006 estimated income tax is irrevocable.**

### Line 16 - Total Contributions to Designated Charities

You may make a contribution on this return only if you are entitled to a refund. Your contribution is limited to your refund amount. Complete **Schedule 3EZ** on Page 3 of Form CT-1040EZ. Enter on Line 16 the total contributions as reported on **Schedule 3EZ**, Line 29. **Your contribution is irrevocable.** You may also make direct contributions by following the instructions on Page 17.

### Line 17 - Refund

Subtract the total of Line 15 and Line 16 from Line 14. Enter the result on Line 17. This is your refund. Be sure to affix the **refund label** to the envelope when mailing your return.

Get your refund faster by choosing **direct deposit**. Complete Lines 17a, 17b, and 17c to have your refund directly deposited into your checking or savings account.

Enter your nine-digit bank routing number and your bank account number in Lines 17b and 17c. Your bank routing number is the first nine-digit number printed on your check or savings withdrawal slip. Your bank account number generally follows the bank routing number. Do not include the check number as part of your account number. Bank account numbers can be up to 17 digits and must be numeric.

If any of the bank information you supply for direct deposit does not match, a paper check will automatically be issued to you. Some financial institutions do not allow a joint refund to be deposited into an individual account.

Your overpayment is applied in the following order: penalty and interest you owe; amounts designated by you to be applied to your 2006 estimated tax; other taxes you may owe DRS; debts to other Connecticut state agencies; federal taxes you may owe the IRS; and the charitable contributions you designate. Any remaining balance is refunded to you.

## 5 Amount Due

### Line 18 - Total Amount Due

If Line 9 is more than Line 13, subtract Line 13 from Line 9. This is the total amount of tax you owe. Pay the amount in full with your return. If the amount you owe is \$1,000 or more, you may be subject to interest on the underpayment of estimated income tax. See *Filing Form CT-2210* on Page 16.

### Payment Options

If you filed a 2004 Connecticut income tax return, you may elect to pay your 2005 Connecticut income tax liability using your American Express® card, Discover® card, MasterCard® card, or VISA® card. A convenience fee will be charged by the credit card service provider. The fee is 2.5% of your total tax payment. You will be informed of the amount of the fee and you may elect to cancel the transaction. At the end of the transaction, you will be given a confirmation number for your records.

### To Pay by Credit Card

- Call Official Payments Corporation toll-free at **1-800-2PAY-TAX** (1-800-272-9829). You will be asked to enter the Connecticut Jurisdiction Code: 1777; or
- Visit: **www.officialpayments.com** and select Payment Center.

Your payment will be effective on the date you make the charge.

### To Pay by Mail

Make your check or money order payable to **Commissioner of Revenue Services**. To ensure proper posting of your payment, write “**2005 Form CT-1040EZ**” and your SSN(s) (optional) on the front of your check or money order 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.** DRS may submit your check to your bank electronically.

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

## 6 Sign Your Return

After completing your **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. The signature line is located on Page 2 of Form CT-1040EZ.

If you file a joint return, you **must** review the information with your spouse. When you and your spouse sign the return, you become jointly and severally responsible for paying the full amount of tax, interest, and penalties due.

### Paid Preparer Signature

Anyone you pay to prepare your return must sign and date it. Paid preparers must also enter their Social Security Number (SSN) or Preparer Tax Identification Number (PTIN), and their firm’s Federal Employer Identification Number (FEIN) in the spaces provided.

## Third Party Designee

If you wish to authorize DRS to contact a friend, family member, or any other person to discuss your 2005 tax return, enter the designee’s name, telephone number, and any five numbers the designee chooses as his or her personal identification number (PIN). If you want to authorize DRS to contact the paid preparer who signed your return, enter “Preparer” in the space for the designee’s name. You do not have to provide the other information requested.

If you enter a designee’s name, you and your spouse (if filing a joint return) are authorizing DRS to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give DRS any information missing from your return;
- Call DRS for information about the processing of your return or the status of your refund or payment; **and**
- Respond to certain DRS notices you have shared with the designee about math errors, offsets, and return preparation. The notices will not be sent to the designee.

Once DRS completes processing the return, the authorization ends. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing your 2006 tax return. This is April 15, 2007, for most taxpayers.

Selecting a designee does not replace a power of attorney and will not authorize the designee to receive refund checks, bind you to anything (including additional tax liabilities), or represent you before DRS. To authorize another individual to represent you or act on your behalf, you must complete **Form LGL-001, Power of Attorney**.

### Attach Your Label

Remove the preprinted peel-off label on the back cover of this booklet and place it over the name and address spaces of your return. The preprinted label **does not** include your SSN(s). Therefore, you **must** write your SSN(s) in the spaces provided above your name(s). Do not place the label over your SSN(s).

### Order of Attachments

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-191T**, *Title 19 Status Release Form*
- **Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*
- **Form CT-8379**, *Nonobligated Spouse Claim* (with copies of W-2s)

Attach other required forms and schedules (including **Supplemental Schedule CT-1040WH**, *Connecticut Income Tax Withholding*) to the **back** of your return or as directed on the form.

### Filing Your Return

Keep a copy of this return and all attachments for your records. You may need information from it when you file next year’s return, make estimated tax payments, or respond to a question from DRS. Attach to this return 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.

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

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## Schedule 1EZ - Credit for Property Taxes Paid on Your Primary Residence or Motor Vehicle, or Both

Connecticut residents **must** complete *Schedule 1EZ* to determine the amount of credit (if any) that may be taken against a Connecticut income tax liability. The credit is for property taxes paid during 2005 to a Connecticut political subdivision on a primary residence or privately owned or leased motor vehicle, or both. If you entered zero on **Form CT-1040EZ**, Line 4, **do not** complete this schedule.

See **Informational Publication 2005(10), Q & A: Income Tax Credit for Property Taxes Paid to a Connecticut Political Subdivision.**

### Which Property Tax Bills Qualify

You may take credit against your 2005 Connecticut income tax liability for property tax payments you made on your primary residence and privately owned or leased motor vehicle to a Connecticut political subdivision. Generally, property tax bills due and paid during 2005 qualify for this credit. This includes any installment payments you made during 2005 that were due in 2005 and any installments you prepaid during 2005 that were due in 2006. Supplemental property tax bills due during 2005 or 2006 also qualify if paid during 2005. However, the late payment of any property tax bills or the payment of any interest, fees, or charges related to the property tax bill do not qualify for the credit.

A husband and wife who file a joint Connecticut income tax return may consider property tax bills for which the husband or wife, or both, are liable.

You may take credit for a leased motor vehicle if you had a written lease agreement for a term of more than one year and the property tax became due and was paid during 2005 (either by the leasing company or by you). Refer to your January 2006 billing statement from the leasing company to determine the amount of property taxes that may be eligible for the credit. Your statement will either indicate the amount of property taxes paid on your leased motor vehicle or provide you with a toll-free number you may call to obtain the necessary information. If you do not receive a billing statement in January 2006, contact your leasing company for the appropriate property tax information.

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**Example 1:** Ernie received a property tax bill for a motor vehicle listed on his town's October 1, 2003, grand list. The bill was payable in two installments: July 1, 2004, and January 1, 2005. If Ernie paid the January 1, 2005, installment during 2005, he would be eligible to claim it on his 2005 income tax return, but if he prepaid it during 2004, he would not be eligible to take credit for it on his 2005 return, but he may have been eligible to take credit for it on his 2004 return.

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**Example 2:** Isabelle received a property tax bill for a motor vehicle listed on her town's October 1, 2004, grand list. The bill was payable in two installments: July 1, 2005, and January 1, 2006. Isabelle is eligible to take credit for both installments on her 2005 income tax return, if she paid both installments during 2005. If Isabelle waited until January 1, 2006, to pay her second installment, she would not be eligible to take credit on her 2005 return for this installment, but she may be eligible to take credit for it on her 2006 return.

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### Maximum Credit Allowed

The **maximum** credit allowed for 2005 (on your primary residence and motor vehicle) is **\$350** per return regardless of filing status. The maximum property tax credit cannot exceed the amount of qualifying property taxes paid or the amount of tax entered on Form CT-1040EZ, Line 4, and is phased out depending upon a taxpayer's adjusted gross income. To be allowed this credit, you must complete *Schedule 1EZ* 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 separately, or head of household is limited to the property tax paid on **one** motor vehicle even if the individual sells a motor vehicle and purchases a replacement motor vehicle during the taxable year and only owns one motor vehicle at any time during the taxable year. Individuals whose filing status is married filing jointly are limited to the property taxes paid on **two** motor vehicles.

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## Schedule 1EZ – Line Instructions

### Name of Connecticut Tax Town or District

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

### 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.

### Date(s) Paid

Enter the date(s) you paid qualifying property tax.

### Line 19 - Primary Residence

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

### Line 20 - Auto 1

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

### Line 21 - Married Filing Jointly Only - Auto 2

Enter the total amount of property taxes paid on your second motor vehicle.

### Line 22

Add Lines 19, 20, and 21 and enter the total.

### Line 23

The maximum property tax credit allowed is **\$350**.

### Line 24

Enter the lesser of Line 22 or Line 23.

## Line 25 - Limitation

Enter "0" on Line 25 and enter amount from Line 24 on Line 27 if your:

| Filing status is:               | Connecticut adjusted gross income is: |
|---------------------------------|---------------------------------------|
| Single .....                    | \$ 55,000 or less                     |
| Married Filing Jointly .....    | \$100,500 or less                     |
| Married Filing Separately ..... | \$ 50,250 or less                     |
| Head of Household .....         | \$ 78,500 or less                     |

Otherwise, go to the *Property Tax Credit Table*, on the inside back cover, or use the Property Tax Credit Calculator on the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS). Enter the decimal amount from the *Property Tax Credit Table* on Form CT-1040EZ, Line 25.

## Line 26

Multiply Line 24 by Line 25.

## Line 27

Subtract Line 26 from Line 24. Enter the result here and on Form CT-1040EZ, Line 5.

## Schedule 2EZ – Individual Use Tax

In general, goods or services that are purchased out-of-state and that would have been subject to the Connecticut sales tax if those goods or services had been purchased from a Connecticut retailer are subject to the Connecticut use tax. Generally, individuals who

purchased goods from mail order or catalog companies and had those goods shipped to Connecticut, and individuals who purchased goods at out-of-state locations and brought those goods back into Connecticut, are subject to the Connecticut use tax if they did not pay Connecticut sales tax. Complete *Schedule 2EZ - Individual Use Tax* on Page 3 of Form CT-1040EZ, to calculate your use tax liability.

List separately any individual item with a purchase price of **\$300 or more**. Although you do not need to list separately any individual item with a purchase price of **less than \$300**, the items are subject to tax and the total of the purchase price of these items should be reported. Multiply the sales and use tax rate of 6% (.06) by the purchase price of the item and enter the result. Enter the total tax for all taxable purchases on *Schedule 2EZ*, Line 28, and Form CT-1040EZ, Line 7.

See **Informational Publication 2005(17), Q&A on the Connecticut Individual Use Tax**.

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 **Form OP-186**.

You must enter "0" on Line 7 of Form CT-1040EZ if no Connecticut use tax is due. If you do not make an entry on Line 7, you will not have filed a use tax return.

## Line 28

Complete *Schedule 2EZ - Individual Use Tax* and enter the total use tax due on Line 28 and on Form CT-1040EZ, Line 7.

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# General Information

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## Recordkeeping

Keep a copy of your tax return, worksheets you used, and records of all items appearing on the return (such as W-2 and 1099 forms) until the statute of limitations expires for that return. Usually, this is three years from the date the return was due or filed, whichever is later. You may need this information to prepare future returns or to file amended returns.

## Copies of Returns

You may request a copy of a previously-filed Connecticut income tax return from DRS by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. You can usually expect your copy in three weeks.

## Refund Information

If you have a touch-tone phone, you may check on the status of your refund anytime by calling **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). Be ready to provide your SSN (and your spouse's, if filing jointly) and the exact amount of the refund you requested.

If you *Teletype* or electronically file your return, you will be issued your refund in four days unless additional review is required. If you send your return by mail, you should allow eight to ten weeks before calling to check on the status of your refund. If DRS does not issue your refund on or before the ninetieth day after we receive your claim for refund, you may be entitled to interest on your

overpayment at the rate of  $\frac{2}{3}\%$  for each month or fraction of a month between the ninetieth day following receipt of your claim for a refund or the due date of your return, whichever is later, and the date of notice your refund is due.

## Claiming a Refund for a Deceased Taxpayer

If you are a surviving spouse filing jointly with your deceased spouse, you may claim a refund on the jointly-filed return. 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, Statement of Person Claiming Refund Due a Deceased Taxpayer.

Income received by the estate of the decedent for the portion of the 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**.

## Offset Against Debts

If you are due a refund but have not paid certain obligations to Connecticut state agencies or the IRS, 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 2005 and who made Connecticut income tax payments (withholding or estimates) for the 2005 taxable year may be eligible to claim his or her share of any refund if:

- A joint Connecticut tax return was filed for 2005; **and**
- 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**.

When filing Form CT-8379, attach all W-2 and 1099 forms showing Connecticut income tax withheld. Remember to check the box on the front of your Connecticut income tax return and attach Form CT-8379 to the front of your return.

Do **not** use Form CT-8379 to claim your share of a Connecticut refund that was applied to federal taxes you owe to the IRS. You must contact the IRS Office of the Local Taxpayer Advocate in Hartford, Connecticut, at 860-756-4555.

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## Title 19 Recipients

Title 19 recipients must file a Connecticut income tax return if the requirements for *Who Must File a Connecticut Resident Return* are met.

However, if you do not have funds to pay your Connecticut income tax, complete **Form CT-19IT, Title 19 Status Release**, and attach it to the **front** of your Connecticut income tax return if the following two conditions apply:

- You were a Title 19 recipient; **and**
- Medicaid assisted in the payment of your long-term care in a nursing or convalescent home.

By completing this form, you authorize DRS to verify your Title 19 status for 2005 with the Department of Social Services.

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## Special Information for Nonresident Aliens

A nonresident alien must file a Connecticut income tax return if the requirements of *Who Must File a Connecticut Resident Return* are met. In determining whether the gross income test is met, the nonresident alien must take into account any income not subject to federal income tax under an income tax treaty between the United States and the country of which the nonresident alien is a citizen or resident. Income tax treaty provisions are disregarded for Connecticut income tax purposes. Any treaty income reported on federal Form 1040NR or Form 1040NR-EZ and not subject to federal income tax must be added to the nonresident alien's federal adjusted gross income. See **Form CT-1040, Schedule 1, Line 38**, or **Form CT-1040NR/PY, Schedule 1, Line 40**.

If the nonresident alien does not have and is not eligible for an SSN, he or she must obtain an Individual Taxpayer Identification Number (ITIN) from the IRS and enter it in the space provided for an SSN.

A married nonresident alien may not file a joint Connecticut income tax return unless the nonresident alien is married to a citizen or resident of the U.S. and they have made an election to file a joint federal income tax return and, in fact, file a joint federal income tax return. Any married individual filing federal Form 1040NR or federal

Form 1040NR-EZ is not eligible to file a joint federal income tax return or a joint Connecticut income tax return and must file as a married individual filing separately.

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## Deceased Taxpayers

An executor, administrator, or surviving spouse must file a Connecticut income tax return, for that portion of the year before the taxpayer's death, for a taxpayer who died during the year if the requirements for *Who Must File a Connecticut Resident Return* are met. The executor, administrator, or surviving spouse must check the box next to the deceased taxpayer's SSN on the front page of the return. The person filing the return must sign for the deceased taxpayer on the signature line and indicate the date of death.

A surviving spouse may file a joint return if the surviving spouse filed a joint federal income tax return. Write "**Filing as surviving spouse**" in the deceased spouse's signature line on the return. If both spouses died in 2005, their legal representative must file a final return. The Connecticut and federal filing status must be the same.

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## Relief From Joint Liability

In general, if you and your spouse file a joint income tax return, you are both responsible for paying the full amount of tax, interest, and penalties due on your joint return. However, in very limited, specific cases, relief may be granted if you believe all or any part of the amount due should be paid only by your spouse. You may request consideration by filing **Form CT-8857, Request for Innocent Spouse Relief (And Separation of Liability and Equitable Relief)**. See **Special Notice 99(15), Innocent Spouse Relief, Separation of Liability, and Equitable Relief**.

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## Extension of Time to File

To request an extension of time to file your return, you must file **Form CT-1040 EXT, Application for Extension of Time to File Connecticut Income Tax Return for Individuals**, and pay all the tax you expect to owe on or before the due date. Visit **www.ct.gov/DRS** to file your extension over the Internet. If you pay your expected 2005 Connecticut income tax due by credit card, you do not need to file Form CT-1040 EXT. See Form CT-1040 EXT included in this booklet.

Form CT-1040 EXT extends only the time to file your return; it does not extend the time to pay your tax due. See *Interest and Penalties* on Page 16 if you do not pay all the tax due with your extension request.

If you **do not expect to owe** additional Connecticut income tax for the 2005 taxable year, after taking into account any Connecticut income tax withheld from your wages or any estimated Connecticut income tax payments you have made, or both, and you have requested an extension of time to file your 2005 federal income tax return, you are **not required** to file Form CT-1040 EXT. Keep a copy of your federal Form 4868 for your records.

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## U.S. Citizens Living Abroad

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

Include with Form CT-1040 EXT 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 extension. If your application is approved, the due date will be extended for six months. If you are still unable to file your return and you were granted an additional extension of time to file for federal purposes, you may file your Connecticut return using the federal extension due date. A copy of the federal Form 2350 approval notice must be attached to the front of your Connecticut return.

### Extension of Time to Pay

You may request a six-month extension of time to pay the tax by filing **Form CT-1127, Application for Extension of Time for Payment of Income Tax**, on or before the due date of the original return.

Attach Form CT-1127 to the front of **Form CT-1040EZ** or **Form CT-1040 EXT** and send it on or before the due date. As evidence of the need for extension, you must attach:

- An explanation of why you cannot borrow money to pay the tax due;
- A statement of your assets and liabilities; **and**
- An itemized list of your receipts and disbursements for the preceding three months.

If an extension of time to pay is granted and you pay all the tax due in full by the end of the extension period, a penalty will not be imposed. However, interest will accrue on any unpaid tax from the original due date. You should make payments as soon as possible to reduce the interest you would otherwise owe. To ensure proper posting of your payment, write “**2005 Form CT-1040EZ**” and your SSN(s) (optional) on the front of your check or money order. Mail payments to:

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

### Estimated Tax Payments

You must make estimated income tax payments if your Connecticut income tax (after tax credits) minus Connecticut tax withheld is \$1,000 or more, and you expect your Connecticut income tax withheld to be less than your required annual payment for the 2006 taxable year.

Your required annual payment for the 2006 taxable year is the lesser of:

- **90%** of the income tax shown on your **2006 Connecticut income tax return**; **or**
- **100%** of the income tax shown on your **2005 Connecticut income tax return** if you filed a 2005 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 during the 2005 taxable year and you did not file a 2005 income tax return because you had no Connecticut income tax liability; **or**
- You were a nonresident or part-year resident with Connecticut source income during the 2005 taxable year and you did not file a 2005 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 during the 2005 taxable year, you **must** use 90% of the income tax shown on your 2006 Connecticut income tax return as your required annual payment.

### Annualized Income Installment Method

If your income varies throughout the year, you may be able to reduce or eliminate the amount of your estimated tax payment for one or more periods by using the annualized income installment method. See **Informational Publication 2005(27), A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040 AES**.

### Filing Form CT-1040ES

Use **Form CT-1040ES, Estimated Connecticut Income Tax Payment Coupon for Individuals**, to make estimated Connecticut income tax payments for 2006. If you made estimated tax payments in 2005, you will automatically receive coupons for the 2006 taxable year in mid-January. They will be preprinted with your name, address, and SSN. To ensure your payments are properly credited, use the preprinted coupons.

If you did not make estimated tax payments in 2005, use Form CT-1040ES, included in this booklet, to make your first estimated income tax payment. If you file this form, additional preprinted coupons will be mailed to you or you may visit the DRS Web site for additional forms.

You may pay your 2006 estimated Connecticut income tax payments by credit card. See Form CT-1040ES, included in this booklet.

### 2006 Estimated Tax Due Dates

Due dates of installments and the amount of required payments for 2006 calendar year taxpayers are:

|                           |  |
|---------------------------|--|
| <b>April 15, 2006</b>     | 25% of your required annual payment  |
| <b>June 15, 2006</b>      | 25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)  |
| <b>September 15, 2006</b> | 25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)  |
| <b>January 15, 2007</b>   | 25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.) |

An estimate will be considered timely filed if received on or before the due date, or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date. Taxpayers who report on other than a calendar year basis should use their federal estimated tax installment due dates. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

To avoid making estimated tax payments, you may request that your employer withhold additional amounts from your wages to cover the taxes on other income. You can make this change by giving your employer a revised **Form CT-W4**, *Employee's Withholding Certificate*. For help in determining the correct amount of Connecticut withholding to be withheld from your wage income, see **Informational Publication 2006(7)**, *Is My Connecticut Withholding Correct?*

### Special Rules for Farmers and Fishermen

If you are a farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments, you must make **one** payment. Your payment is due on or before January 15, 2007, for the 2006 taxable year. The required installment is the lesser of 66<sup>2</sup>/<sub>3</sub>% of the income tax shown on your 2006 Connecticut income tax return or 100% of the income tax shown on your 2005 Connecticut income tax return.

A farmer or fisherman who files a 2006 Connecticut income tax return on or before March 1, 2007, 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 or 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. Be sure to check Form CT-2210, Part I, Box D, and the box for Form CT-2210 on the front of **Form CT-1040**. See **Informational Publication 2005(12)**, *Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax, Estimated Income Tax, and Withholding Tax*.

### Interest on Underpayment of Estimated Tax

You may be charged interest if you did not pay enough tax through withholding or estimated payments, or both, by any installment due date. 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 will be added to the tax due until the **earlier of** April 15, 2006, or the date on which the underpayment is paid.

A taxpayer who files a 2005 Connecticut income tax return on or before January 31, 2006, 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, 2006.

A farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments will not be charged interest for failing to make the estimated payment due January 15, 2006, if he or she files a 2005 Connecticut income tax return on or before March 1, 2006, and pays in full the amount computed on the return as payable on or before that date.

### Filing Form CT-2210

You may be charged interest if your 2005 Connecticut income tax (after tax credits) minus Connecticut tax withheld, is \$1,000 or more. Use **Form CT-2210** to calculate interest on the underpayment of estimated tax. Form CT-2210 and detailed instructions are available from DRS. However, this is a complex form and you may prefer to have DRS calculate the interest. If so, do not file Form CT-2210 and DRS will send you a bill.

You may **not** file **Form CT-1040EZ** if you want to pay the interest calculated on Form CT-2210 with your income tax return. Instead, you must file **Form CT-1040**.

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### Interest and Penalties

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

#### Interest

If you do not pay the tax when due, you will owe interest at 1% (.01) per month or fraction of a month until the tax is paid in full.

If you did not pay enough tax through withholding or estimated payments, or both, 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. See *Interest on Underpayment of Estimated Tax* on this page.

Interest on underpayment or late payment of tax cannot be waived.

#### Penalty for Late Payment or Late Filing

The penalty for late payment or underpayment of income or use tax is 10% (.10) of the tax due. If a request for an extension of time to file has been granted, you can avoid a penalty for failure to pay the full amount due by the original due date if you:

- Pay at least 90% (.90) of the income tax shown to be due on the return on or before the original due date of the return; **and**
- Pay the balance due with the return on or before the extended due date.

If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

#### Penalty for Failure to File

If you do not file your return and DRS files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater. If you are required to file **Form CT-1040X** and fail to do so, a penalty may be imposed.

#### Waiver of Penalty

You may be able to have your penalty waived if the failure to file or pay tax on time was due to a reasonable cause and was not intentional or due to neglect. Interest **cannot** be waived. Before a penalty waiver can be granted, all tax and interest must be paid. All requests must include:

- A clear and complete written explanation;
- Your name and SSN;
- The taxable filing period;
- The name of the original form filed or billing notice received; **and**
- Documentation supporting your explanation.

Attach your request to the **front** of your tax return **or** mail separately with a copy of your tax return to:

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



## Other Taxes You May Owe

The information that follows is 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 Gift Tax (Form CT-706/709)

When Connecticut taxable gifts are made during a calendar year by resident or nonresident individuals, a Connecticut gift tax return is required to be filed to report the gifts even if no Connecticut gift tax is due. Connecticut taxable gifts are those gifts that (1) are taxable gifts, for federal gift tax purposes, and (2) involve gifts of Connecticut real property; gifts of tangible personal property situated within Connecticut; or gifts of intangible personal property made by Connecticut residents. Connecticut gift tax is now due when the aggregate amount of Connecticut taxable gifts made during all calendar years beginning on or after January 1, 2005, exceeds \$2 million. The donor is liable for the tax, but if the donor does not pay the tax it may be collected from the donee. Connecticut taxable gifts are reported on, and Connecticut gift tax is paid (if due) with **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*. The due date of the return is April 15, for gifts made during the preceding calendar year. See **Special Notice 2005(10)**, *2005 Legislation Repealing the Succession Tax and Amending the Connecticut Gift Tax and the Connecticut Estate Tax*.

### Connecticut Income Tax Withholding by Household Employers

Connecticut rules differ from federal rules. Household employers may not report and pay household employee withholding tax with their Connecticut income tax return. See **Informational Publication 2006(1)**, *Connecticut Circular CT - Employer's Tax Guide*.

### Business Entity Tax (Form OP-424)

Conn. Gen. Stat. §12-284b provides that the business entity tax applies to each of the following entities if required to file an annual report with the Connecticut Secretary of the State:

- Any corporation which is an S corporation for federal income tax purposes;
- Any limited liability company which is, for federal income tax purpose, either treated as a partnership if it has two or more members or disregarded as an entity separate from its owner if it has a single member;
- Any limited liability partnership; **and**
- Any limited partnership.

See **Special Notice 2002(11)**, *Business Entity Tax*, and **Informational Publication 2003(15)**, *Q & A on the Business Entity Tax*.

## Contributions to Designated Charities

Write in a whole dollar amount for each fund to which you wish to contribute on *Schedule 3EZ*, CT-1040. Add your contributions and enter the total from *Schedule 3EZ* on Form CT-1040EZ, Line 16. **Your contribution is irrevocable.**

| 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  | Military Family Relief Fund  |
|---|---|---|--|---|--|
| This fund assists research, education, and community service programs related to Acquired Immune Deficiency Syndrome (AIDS). The fund is administered by the Connecticut Department of Public Health. | This fund assists Connecticut residents in paying for the unmet medical and ancillary needs of organ transplant candidates and recipients. The fund is administered by the Connecticut Department of Social Services. | This fund helps preserve, protect, and manage Connecticut's endangered plants and animals, wildlife and their habitats. The fund is administered by the Connecticut Department of Environmental Protection. | This fund assists research, education, and community service programs related to breast cancer. The fund is administered by the Connecticut Department of Public Health.                         | This fund protects the children of families who are no longer eligible for public assistance benefits. The fund is administered by the Connecticut Department of Social Services. | This fund makes grants to the immediate family members of service members domiciled in Connecticut for essential goods and services when military services creates family financial hardship. The fund is administered by the Connecticut Military Department. |
| To contribute directly send to:<br>Department of Public Health AIDS and Chronic Diseases Division<br>MS #11APV<br>PO Box 340308<br>Hartford CT 06134-0308   | To contribute directly send to:<br>Department of Social Services Accounts Receivable<br>25 Sigourney Street<br>Hartford CT 06106-5003   | To contribute directly send to:<br>Department of Environmental Protection-Bureau of Administration Financial Management<br>79 Elm Street<br>Hartford CT 06106-5127  | To contribute directly send to:<br>Department of Public Health Breast and Cervical Cancer Early Detection Program AIDS/Chronic Diseases<br>MS #11 HLS<br>PO Box 340308<br>Hartford CT 06134-0308 | To contribute directly send to:<br>Department of Social Services Accounts Receivable<br>25 Sigourney Street<br>Hartford CT 06106-5003   | To contribute directly send to:<br>Military Department, Military Family Relief Fund Fiscal Office<br>360 Broad St<br>Hartford CT 06105-3795  |
| Make check payable to:<br><b>Treasurer, State of Connecticut/AIDS Fund</b>  | Make check payable to:<br><b>Commissioner of Social Services/Organ Transplant Fund</b>  | Make check payable to:<br><b>DEP-Endangered Species/Wildlife Fund</b>   | Make check payable to:<br><b>Treasurer, State of Connecticut/Breast Cancer Fund</b>  | Make check payable to:<br><b>Commissioner of Social Services/Safety Net Fund</b>  | Make check payable to:<br><b>Treasurer, State of Connecticut/Military Family Relief Fund</b>   |

## Amended Returns

Use **Form CT-1040X**, *Amended Connecticut Income Tax Return*, to amend a previously-filed Connecticut income tax return. If Form CT-1040X is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting any Connecticut income tax overpayment expires three years after the

due date of the return, but if a timely request for an extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return or three years after the date of filing the return, whichever is earlier. If an amended return is not timely filed, a penalty may be imposed. Interest will also be assessed on any additional Connecticut income tax not paid on or before the due date. See *Interest and Penalties* on Page 16.

**The following circumstances require the filing of Form CT-1040X:**

|  |   |
|--|---|
| <p>1. The IRS or federal courts change or correct your federal income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. You filed a timely amended federal income tax return and the amendment results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than 90 days after the date you filed your timely amended federal return.</b> If you file Form CT-1040X no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and the tax officials or courts of the qualifying jurisdiction made a change or correction to your income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p> | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and you filed a timely amended income tax return with that qualifying jurisdiction and the amendment results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p>  | <p><b>File Form CT-1040X no later than 90 days after the date you filed your amended return with the qualifying jurisdiction.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. If none of the above circumstances apply, but you made a mistake or omission on your Connecticut income tax return and the mistake or omission results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than three years after the due date of your return, or if you filed a timely request for an extension of time to file, three years after the date of filing the return, or three years after the extended due date, whichever is earlier.</b></p>   |

**Do not file Form CT-1040X for any of the following reasons:**

- To have an overpayment refunded instead of applied to next year's estimated tax or to change contributions made to designated charities. The elections you made on your original return **cannot** be changed by filing Form CT-1040X.
- To amend your Connecticut income tax return for an earlier year in order to claim a credit for income tax paid on income included in your Connecticut adjusted gross income for that year and repaid in a later taxable year. File **Schedule CT-1040CRC**, *Claim of Right Credit*, with your Connecticut income tax return for the later taxable year.

**Financial Disability**

If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period that your spouse or any other person is authorized to act on your behalf in financial matters.

## Property Tax Credit Table

Enter the amount from **Form CT-1040EZ, Schedule 1EZ - Property Tax Credit Worksheet**, Line 24, on Line 5, **if your filing status is:**

**Single** and your Connecticut AGI is ..... **\$55,000 or less**

**Married filing jointly** and your Connecticut AGI is ..... **\$100,500 or less**

**Married filing separately** and your Connecticut AGI is ..... **\$50,250 or less**

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

Otherwise, enter the decimal amount from the **Property Tax Credit Table** below on Form CT-1040EZ, *Schedule 1EZ*, Line 25.

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

### Single

If you are single and your Connecticut AGI is:

| More Than        | Less Than or Equal To | Decimal Amount |
|------------------|-----------------------|----------------|
| <b>\$0</b>       | <b>\$55,000</b>       | <b>0</b>       |
| <b>\$55,000</b>  | <b>\$65,000</b>       | <b>.10</b>     |
| <b>\$65,000</b>  | <b>\$75,000</b>       | <b>.20</b>     |
| <b>\$75,000</b>  | <b>\$85,000</b>       | <b>.30</b>     |
| <b>\$85,000</b>  | <b>\$95,000</b>       | <b>.40</b>     |
| <b>\$95,000</b>  | <b>\$105,000</b>      | <b>.50</b>     |
| <b>\$105,000</b> | <b>\$115,000</b>      | <b>.60</b>     |
| <b>\$115,000</b> | <b>\$125,000</b>      | <b>.70</b>     |
| <b>\$125,000</b> | <b>\$135,000</b>      | <b>.80</b>     |
| <b>\$135,000</b> | <b>\$145,000</b>      | <b>.90</b>     |
| <b>\$145,000</b> | <b>and up</b>         | <b>1.00</b>    |

### Married Filing Jointly

If you are married filing jointly and your Connecticut AGI is:

| More Than        | Less Than or Equal To | Decimal Amount |
|------------------|-----------------------|----------------|
| <b>\$0</b>       | <b>\$100,500</b>      | <b>0</b>       |
| <b>\$100,500</b> | <b>\$110,500</b>      | <b>.10</b>     |
| <b>\$110,500</b> | <b>\$120,500</b>      | <b>.20</b>     |
| <b>\$120,500</b> | <b>\$130,500</b>      | <b>.30</b>     |
| <b>\$130,500</b> | <b>\$140,500</b>      | <b>.40</b>     |
| <b>\$140,500</b> | <b>\$150,500</b>      | <b>.50</b>     |
| <b>\$150,500</b> | <b>\$160,500</b>      | <b>.60</b>     |
| <b>\$160,500</b> | <b>\$170,500</b>      | <b>.70</b>     |
| <b>\$170,500</b> | <b>\$180,500</b>      | <b>.80</b>     |
| <b>\$180,500</b> | <b>\$190,500</b>      | <b>.90</b>     |
| <b>\$190,500</b> | <b>and up</b>         | <b>1.00</b>    |

### Married Filing Separately

If you are married filing separately and your Connecticut AGI is:

| More Than       | Less Than or Equal To | Decimal Amount |
|-----------------|-----------------------|----------------|
| <b>\$0</b>      | <b>\$50,250</b>       | <b>0</b>       |
| <b>\$50,250</b> | <b>\$55,250</b>       | <b>.10</b>     |
| <b>\$55,250</b> | <b>\$60,250</b>       | <b>.20</b>     |
| <b>\$60,250</b> | <b>\$65,250</b>       | <b>.30</b>     |
| <b>\$65,250</b> | <b>\$70,250</b>       | <b>.40</b>     |
| <b>\$70,250</b> | <b>\$75,250</b>       | <b>.50</b>     |
| <b>\$75,250</b> | <b>\$80,250</b>       | <b>.60</b>     |
| <b>\$80,250</b> | <b>\$85,250</b>       | <b>.70</b>     |
| <b>\$85,250</b> | <b>\$90,250</b>       | <b>.80</b>     |
| <b>\$90,250</b> | <b>\$95,250</b>       | <b>.90</b>     |
| <b>\$95,250</b> | <b>and up</b>         | <b>1.00</b>    |



### Head of Household

If you are head of household and your Connecticut AGI is:

| More Than        | Less Than or Equal To | Decimal Amount |
|------------------|-----------------------|----------------|
| <b>\$0</b>       | <b>\$78,500</b>       | <b>0</b>       |
| <b>\$78,500</b>  | <b>\$88,500</b>       | <b>.10</b>     |
| <b>\$88,500</b>  | <b>\$98,500</b>       | <b>.20</b>     |
| <b>\$98,500</b>  | <b>\$108,500</b>      | <b>.30</b>     |
| <b>\$108,500</b> | <b>\$118,500</b>      | <b>.40</b>     |
| <b>\$118,500</b> | <b>\$128,500</b>      | <b>.50</b>     |
| <b>\$128,500</b> | <b>\$138,500</b>      | <b>.60</b>     |
| <b>\$138,500</b> | <b>\$148,500</b>      | <b>.70</b>     |
| <b>\$148,500</b> | <b>\$158,500</b>      | <b>.80</b>     |
| <b>\$158,500</b> | <b>\$168,500</b>      | <b>.90</b>     |
| <b>\$168,500</b> | <b>and up</b>         | <b>1.00</b>    |

# Connecticut Tax Assistance

|  |  |  |               |
|--|--|--|---------------|
| Internet   | For Tax Information  | Forms and Publications   |               |
|  | DRS Web site<br><b><a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a></b>  |  |               |
| Telephone  | <b>CONN-TAX</b><br>1-800-382-9463 (in-state) or<br>860-297-5962 (from anywhere)<br>TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911. | From a touch-tone phone call<br>1-800-382-9463 (in-state) and select <b>Option 2</b> , or<br>860-297-4753 (from anywhere)<br><b>DRS TaxFax</b> - Call 860-297-5698 from the handset attached to your fax machine and select from the menu. |               |
| Write  | Department of Revenue Services<br>Taxpayer Services Division<br>25 Sigourney Street<br>Hartford CT 06106-5032  |  |               |
| <b>Walk-In Offices</b><br>Free personal taxpayer assistance and forms are available by visiting our offices, Monday through Friday, 8:00 a.m. to 5:00 p.m. Call CONN-TAX for directions to DRS offices. If you require special accommodations, please advise the DRS representative. | <b>Location</b>  | <b>Address</b>   | <b>Phone*</b> |
|  | <b>Bridgeport</b>  | 10 Middle Street   | 203-336-7890  |
|  | <b>Hartford</b>  | 25 Sigourney Street  | 860-297-5962  |
|  | <b>Norwich</b>   | 2 Cliff Street   | 860-425-4123  |
|  | <b>Hamden</b>  | 3074 Whitney Avenue, Building #2   | 203-287-8243  |
|  | <b>Waterbury</b>   | 55 West Main Street, Suite 100   | 203-805-6789  |
| * All calls are answered at our Customer Service Center, not at the local office.  |  |  |               |

|                                  |  |   |  |  |
|----------------------------------|--|---|--|--|
| <b>Electronic Filing Options</b> |  REFUNDS IN FOUR DAYS!<br>WebFile<br>www.ct.gov/DRS | Form <b>CT-1040</b> , Form <b>CT-1040 EXT</b> , and Form <b>CT-1040ES</b> can be filed over the internet using <i>WebFile</i> .<br>Visit <a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a> |  CONNECTICUT<br>e-file<br>FAST ROUND TRIP | File your federal and Connecticut returns together using <i>e-file</i> !<br>Visit <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> |
|----------------------------------|--|---|--|--|

|   |   |
|---|---|
| <b>Federal Tax Information</b><br>For questions about <b>federal taxes</b> , contact the Internal Revenue Service (IRS) at 1-800-829-1040 or visit <a href="http://www.irs.gov">www.irs.gov</a><br>To order <b>federal tax forms</b> , call 1-800-829-3676. | <b>Statewide Services</b><br>For information on statewide services and programs, visit the ConneCT Web site at <a href="http://www.ct.gov">www.ct.gov</a> |
|---|---|

**Department of Revenue Services**  
**State of Connecticut**  
**25 Sigourney Street**  
**Hartford CT 06106-5032**



**Connecticut Alternative Minimum Tax Return - Individuals**

You must attach this form to the back of **Form CT-1040** or **Form CT-1040NR/PY**.

|   |           |                                 |
|---|-----------|---------------------------------|
| Your First Name and Middle Initial                        | Last Name | Your Social Security Number     |
| If a Joint Return, Spouse's First Name and Middle Initial | Last Name | Spouse's Social Security Number |

**Part I – Please read instructions before completing this form.**

|  |   |     |   |    |
|--|---|-----|---|----|
| 1. Federal alternative minimum taxable income (See instructions.)  | ▶ | 1.  |   | 00 |
| 2. Additions to federal alternative minimum taxable income (See instructions.)   | ▶ | 2.  |   | 00 |
| 3. Add Line 1 and Line 2.  |   | 3.  |   | 00 |
| 4. Subtractions from federal alternative minimum taxable income (See instructions.)  | ▶ | 4.  |   | 00 |
| 5. Adjusted federal alternative minimum taxable income. Subtract Line 4 from Line 3.<br>(If you were married filing separately and Line 5 is more than \$191,000, see instructions.)   | ▶ | 5.  |   | 00 |
| 6. Enter \$58,000 if married filing jointly or qualifying widow(er); \$40,250 if single or head of household; or \$29,000 if married filing separately.  |   | 6.  |   | 00 |
| 7. Enter \$150,000 if married filing jointly or qualifying widow(er); \$112,500 if single or head of household; or \$75,000 if married filing separately.  |   | 7.  |   | 00 |
| 8. Subtract Line 7 from Line 5. If zero or less, enter "0" here and on Line 9.   |   | 8.  |   | 00 |
| 9. Multiply Line 8 by 25% (.25).   |   | 9.  |   | 00 |
| 10. Exemption. Subtract Line 9 from Line 6. If zero or less, enter "0."<br>(If this form is for a child under age 14, see instructions.)   | ▶ | 10. |   | 00 |
| 11. Subtract Line 10 from Line 5. If zero or less, enter "0" here and on Line 23 and skip Lines 12 through 22.   |   | 11. |   | 00 |
| 12. If you completed Part III of federal Form 6251, complete Part II of this form and enter the amount from Line 43 here. <b>However</b> , if Lines 2 and 4 above are zero, enter the amount from federal Form 6251, Line 55, here and skip Form CT-6251, Part II.<br><b>All others:</b> If Line 11 is \$175,000 or less (\$87,500 or less, if married filing separately), multiply Line 11 by 26% (.26). Otherwise, multiply Line 11 by 28% (.28) and subtract \$3,500 (\$1,750, if married filing separately) from the result. |   | 12. |   | 00 |
| 13. Alternative minimum tax foreign tax credit (From federal Form 6251, Line 32)   |   | 13. |   | 00 |
| 14. Adjusted federal tentative minimum tax (Subtract Line 13 from Line 12.)  |   | 14. |   | 00 |
| 15. Multiply Line 14 by 19% (.19).   |   | 15. |   | 00 |
| 16. Multiply Line 5 by 5.5% (.055).  |   | 16. |   | 00 |
| 17. Connecticut minimum tax (Enter the lesser of Line 15 or Line 16.)  |   | 17. |   | 00 |
| 18. Apportionment factor ( <b>Residents</b> , enter 1.0000;<br><b>Nonresidents</b> and <b>Part-Year Residents</b> , see instructions.)   |   | 18. | . |    |
| 19. Apportioned Connecticut minimum tax (Multiply Line 17 by Line 18.)   |   | 19. |   | 00 |
| 20. Connecticut income tax (From <b>Form CT-1040</b> , Line 6, or <b>Form CT-1040NR/PY</b> , Line 10)  | ▶ | 20. |   | 00 |
| 21. Net Connecticut minimum tax (Subtract Line 20 from Line 19. If zero or less, enter "0.")   |   | 21. |   | 00 |
| 22. Credit for alternative minimum tax paid to qualifying jurisdictions. <b>Residents and Part-Year Residents only</b> (From Schedule A, Line 52)  | ▶ | 22. |   | 00 |
| 23. Subtract Line 22 from Line 21.<br>Enter the amount here and on Form CT-1040, Line 9, or Form CT-1040NR/PY, Line 13.  | ▶ | 23. |   | 00 |

**Part II**

|  |     |  |    |  |
|--|-----|--|----|--|
| 24. Enter the amount from Line 11.   | 24. |  | 00 |  |
| 25. Enter the amount from federal Form 6251, Line 37. (See instructions.)  | 25. |  | 00 |  |
| 26. Enter the amount from federal Form 6251, Line 38. (See instructions.)  | 26. |  | 00 |  |
| 27. Enter the amount from federal Form 6251, Line 39. (See instructions.)  | 27. |  | 00 |  |
| 28. Enter the smaller of Line 24 or Line 27.   | 28. |  | 00 |  |
| 29. Subtract Line 28 from Line 24.   | 29. |  | 00 |  |
| 30. If Line 29 is \$175,000 or less (\$87,500 or less, if married filing separately), multiply Line 29 by 26% (.26).<br>Otherwise, multiply Line 29 by 28% (.28) and subtract \$3,500 (\$1,750, if married filing separately) from the result. | 30. |  | 00 |  |
| 31. Enter:<br>• \$59,400, if married filing jointly or qualifying widow(er),<br>• \$29,700, if single or married filing separately, <b>or</b><br>• \$39,800, if head of household.   | 31. |  | 00 |  |
| 32. Enter the amount from federal Form 6251, Line 44.  | 32. |  | 00 |  |
| 33. Subtract Line 32 from Line 31. If zero or less, enter "0."   | 33. |  | 00 |  |
| 34. Enter the smaller of Line 24 or Line 25.   | 34. |  | 00 |  |
| 35. Enter the smaller of Line 33 or Line 34.   | 35. |  | 00 |  |
| 36. Multiply Line 35 by 5% (.05).  | 36. |  | 00 |  |
| 37. Subtract Line 35 from Line 34.   | 37. |  | 00 |  |
| 38. Multiply Line 37 by 15% (.15).<br><b>If Line 26 is zero or blank, skip Lines 39 and 40 and go to Line 41. Otherwise, go to Line 39.</b>  | 38. |  | 00 |  |
| 39. Subtract Line 34 from Line 28.   | 39. |  | 00 |  |
| 40. Multiply Line 39 by 25% (.25).   | 40. |  | 00 |  |
| 41. Add Lines 30, 36, 38, and 40.  | 41. |  | 00 |  |
| 42. If Line 24 is \$175,000 or less (\$87,500 or less, if married filing separately), multiply Line 24 by 26% (.26).<br>Otherwise, multiply Line 24 by 28% (.28) and subtract \$3,500 (\$1,750, if married filing separately) from the result. | 42. |  | 00 |  |
| 43. Enter the smaller of Line 41 or Line 42 here and on Line 12.   | 43. |  | 00 |  |

## General Instructions

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### Purpose

Taxpayers who are subject to and required to pay the federal alternative minimum tax are subject to the Connecticut alternative minimum tax. Use this form to calculate your Connecticut alternative minimum tax liability and attach it directly behind your Connecticut income tax return.

**Taxpayers who do not have a federal alternative minimum tax liability are not required to complete this form.**

### Who Must File This Form

You are required to file **Form CT-6251**, *Connecticut Alternative Minimum Tax Return - Individuals*, if either of the following conditions is true for the 2005 taxable year:

- You were a Connecticut resident or part-year resident and had a federal alternative minimum tax liability; **or**
- You were a Connecticut nonresident with a federal alternative minimum tax liability **and** you had Connecticut source income.

If you meet one of the requirements above, you must file Form CT-6251 even if your Connecticut alternative minimum tax is zero.

### What Is the Connecticut Alternative Minimum Tax

The Connecticut alternative minimum tax is a tax imposed on certain individuals, estates, and trusts in addition to their regular income tax. The tax is computed on the lesser of 19% (.19) of the adjusted federal tentative minimum tax, or 5.5% (.055) of the adjusted federal alternative minimum taxable income.

### What Is the Adjusted Federal Tentative Minimum Tax

The adjusted federal tentative minimum tax is your federal tentative minimum tax with certain Connecticut modifications.

### Part-Year Residents and Nonresidents

Connecticut part-year residents and nonresidents must first compute the Connecticut minimum tax as if they were Connecticut residents, then apportion their Connecticut minimum tax.

### Credits

Connecticut residents and part-year residents are allowed a credit for minimum taxes paid to a qualifying jurisdiction on the income taxed by both Connecticut and that jurisdiction. The credit may not exceed the amount of tax otherwise due.

You may be able to claim a credit against your Connecticut income tax for Connecticut alternative minimum tax paid in a prior year. See the instructions to **Form CT-8801**, *Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts, and Estates*.

### Filing Status

Your filing status must match your Connecticut income tax filing status as reported on the front of **Form CT-1040** or **Form CT-1040NR/PY**.

If you and your spouse are filing a joint federal income tax return and you file separate Connecticut income tax returns (either because you qualify **and** elect to do so or because you are required to do so), the federal rules for allocating income apply. You must recalculate your federal alternative minimum tax liability as if your filing status for federal income tax purposes was **single**. If upon your recalculation you would have had a federal alternative minimum tax liability, you are subject to Connecticut alternative minimum tax and you are required to calculate Form CT-6251 as a single individual.

Where the calculation of any individual federal items are subject to limitations (for example, alternative tax net operating loss deduction); such items may have to be recalculated if Connecticut modifications apply.

## Line Instructions

### Name and Social Security Number

Enter your name and Social Security Number (SSN) as it appears on your Connecticut income tax return in the space provided at the top of the form. If you are filing a joint return, also enter your spouse's name and SSN.

### Part I

#### Line 1 - Federal Alternative Minimum Taxable Income

Residents, part-year residents, and nonresidents should enter the amount from federal Form 6251, Line 28. Part-year residents must also include or exclude any tax preference items and adjustments attributable to a future year which accrued up to the time of a change in residence.

If your filing status is married filing separately, combine Lines 1 through 27 from federal Form 6251 and enter the result here. (This amount may differ from the amount entered on Line 28.)

#### Line 2 - Additions to Federal Alternative Minimum Taxable Income

To compute the additions to federal alternative minimum taxable income, use the amount entered on **Form CT-1040, Schedule 1, Line 39**, or **Form CT-1040NR/PY, Schedule 1, Line 41**, **minus**:

- Any amount entered as a modification for a taxable lump-sum distribution from a qualified plan not included in federal adjusted gross income as entered on Form CT-1040, *Schedule 1, Line 34*, or Form CT-1040NR/PY, *Schedule 1, Line 36*; **and**
- Any interest or dividend income on U.S. government obligations or securities exempt from federal income tax, but taxable for Connecticut income tax purposes, as included on Form CT-1040, *Schedule 1, Line 38*, or Form CT-1040NR/PY, *Schedule 1, Line 40*.

Exclude from Line 2 the amount of federally tax-exempt interest or exempt-interest dividends according to I.R.C. §852(b)(5), from **non-Connecticut** private activity bonds issued after August 7, 1986, **and** included on federal Form 6251, Line 11.

Enter the net amount on Line 2.

#### Line 4 - Subtractions From Federal Alternative Minimum Taxable Income

To compute the subtractions from federal alternative minimum taxable income, use the total amount entered on **Form CT-1040, Schedule 1, Line 50**, or **Form CT-1040NR/PY, Schedule 1, Line 52**, **minus**:

- Any amount entered as a modification for refunds of state and local income taxes entered on Form CT-1040, *Schedule 1, Line 43*, or Form CT-1040NR/PY, *Schedule 1, Line 45*; **and**
- Any special depreciation allowance for qualified property placed in service during the preceding year entered on Form CT-1040, *Schedule 1, Line 45*, or Form CT-1040NR/PY, *Schedule 1, Line 47*.

Include on Line 4 the amount of federally tax-exempt interest or exempt-interest dividends, according to I.R.C. §852(b)(5), from **Connecticut** private activity bonds issued after August 7, 1986, and included on federal Form 6251, Line 11.

Enter the net amount on Line 4.

#### Line 5 - Adjusted Federal Alternative Minimum Taxable Income

If your filing status is married filing separately and Line 5 is more than \$191,000, you must include an additional amount on Line 5. If Line 5 is \$307,000 or more, include an additional \$29,000 on Line 5. Otherwise, include 25% (.25) of the excess of the amount on Line 5 over \$191,000.

**Example:** If the amount on Line 5 is \$211,000, multiply the amount in excess of \$191,000 (\$20,000) by 25% (.25). The result is \$5,000. Add the \$5,000 to \$211,000 and enter \$216,000 on Line 5.

#### Line 10

If this form is for a child under age 14, follow the instructions to federal Form 6251 to calculate the child's exemption amount.

#### Line 18 - Apportionment Factor

**Residents:** Must enter 1.0000.

**Nonresidents and Part-Year Residents:** To arrive at the apportionment factor, divide your total items of income, gain, loss, or deduction from **Connecticut sources** associated with your adjusted federal alternative minimum taxable income by your total adjusted federal alternative minimum taxable income from Form CT-6251, Line 5.

In order to determine the total items of income, gain, loss, or deduction from Connecticut sources, you must first net out certain modifications that may have been included in the amount shown on Form CT-1040NR/PY, Line 6, as follows:

- Do not include any modifications from Form CT-1040NR/PY, *Schedule 1, Line 36* and Line 47.
- Do not include any interest or dividend income on U.S. government obligations or securities exempt from federal income tax, but taxable for Connecticut income tax purposes, that may have been included on Form CT-1040NR/PY, *Schedule 1, Line 40*.
- Do not include any amount of federally tax-exempt interest or exempt-interest dividends according to I.R.C. §852(b)(5), from non-Connecticut private activity bonds issued after August 7, 1986, that may have been included on Form CT-1040NR/PY, *Schedule 1, Line 33* or Line 34.

Then you must further adjust the amount from Form CT-1040NR/PY, Line 6, as follows:

- If filing federal Form 1040, *Schedule A*, adjust Line 6 of Form CT-1040NR/PY by any items entered on federal Form 6251, Lines 8 through 10 and 12 through 27, connected with or derived from Connecticut sources.
- Otherwise adjust Line 6 of Form CT-1040NR/PY by any items entered on federal Form 6251, Lines 8 through 10 and 12 through 27, connected with or derived from Connecticut sources.

### Part II

If you completed Part III of federal Form 6251, complete this part and enter the amount from Form CT-6251, Line 43, on Part I, Line 12.

#### Lines 25, 26, 27, and 32

When entering an amount on Lines 25, 26, 27, and 32, you must include the *Schedule 1* modification for the gain or loss on the sale of Connecticut state and local government bonds, from Form CT-1040, Line 36 or Line 47, or Form CT-1040NR/PY, Line 38 or Line 49.



**Schedule A**  
**Credit for Alternative Minimum Tax Paid to Qualifying Jurisdictions**  
**Connecticut Residents and Part-Year Residents Only**

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**Residents**

Use *Schedule A* to claim a credit against the net Connecticut minimum tax liability for alternative minimum tax paid during the taxable year to a qualifying jurisdiction. Credit may be claimed only if the income on which taxes were paid was derived from or connected with sources within the qualifying jurisdiction.

**Part-Year Residents**

Use *Schedule A* to claim a credit against the net Connecticut minimum tax liability for alternative minimum tax paid to a qualifying jurisdiction on items of income, gain, loss, or deduction attributable to that jurisdiction during the period of Connecticut residency.

A **qualifying jurisdiction** includes another state of the United States, a local government within another state, or the District of Columbia. A qualifying jurisdiction does not include the State of Connecticut, the United States, or a foreign country or its provinces (for example, Canada and Canadian Provinces).

No credit is allowed for **any** of the following:

- Alternative minimum tax paid to a qualifying jurisdiction on income not derived from or connected with sources within the qualifying jurisdiction;
- Alternative minimum tax paid to a jurisdiction that is not a qualifying jurisdiction;
- Alternative minimum tax paid to a qualifying jurisdiction, if you claimed credit for alternative minimum tax paid to Connecticut on that qualifying jurisdiction's alternative minimum tax return or income tax return; **or**
- Payments of alternative minimum tax made to a qualifying jurisdiction on income not subject to the Connecticut alternative minimum tax.

No credit is allowed for tax paid on dividends or interest income unless derived from property employed in a business or trade carried on in that jurisdiction. However, credit is allowed for tax paid on wages earned for services performed in a qualifying jurisdiction.

The allowed credit must be separately computed for each qualifying jurisdiction. Use separate columns for each qualifying jurisdiction for which you are claiming a credit. Attach a copy of all alternative minimum tax returns filed with qualifying jurisdictions directly following Form CT-6251.

*Schedule A* provides two columns, A and B, to compute the credit for two qualifying jurisdictions. If you need more than two columns, create a worksheet identical to *Schedule A* and attach it to the back of your Form CT-6251.

If you are claiming credit for alternative minimum tax paid to a qualifying jurisdiction **and** to one of its political subdivisions, follow these rules to determine your credit:

- A. If the **same amount** of adjusted alternative minimum taxable income is taxed by both the city and the state:
  1. Use only **one** column of *Schedule A* to calculate your credit;
  2. Enter the same amount of adjusted alternative minimum taxable income taxed by both city and state in that column on Form CT-6251, *Schedule A*; **and**
  3. Combine the amounts of alternative minimum tax paid to the city and the state and enter the total on Line 51 of that column.
- B. If the **amounts** of adjusted alternative minimum taxable income taxed by both the city and state **are not the same**:
  1. Use **two** columns on Form CT-6251, *Schedule A*;
  2. Include only the same amount of adjusted alternative minimum taxable income taxed by both jurisdictions in the first column; **and**
  3. Include the excess amount of adjusted alternative minimum taxable income taxed by only one of the jurisdictions in the next column.

**Attach a copy of the alternative minimum tax  
return filed with each qualifying jurisdiction  
to the back of your Form CT-6251.**

# Form CT-6251 Schedule A

## Schedule A - Credit for Alternative Minimum Tax Paid to Qualifying Jurisdictions

**You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed.**

44. Modified adjusted federal alternative minimum taxable income (See instructions.) 44 00

**For each column, enter the following:**

- 45. Enter qualifying jurisdiction's name and two-letter code.  
(See chart below.)
- 46. Enter the non-Connecticut adjusted federal alternative minimum taxable income included on Line 44 which is subject to a qualifying jurisdiction's alternative minimum tax.
- 47. Divide Line 46 by Line 44. (Round to four decimal places.)
- 48. Enter the net Connecticut minimum tax (From Form CT-6251, Line 21). Part-Year Residents, see instructions below.
- 49. Multiply Line 47 by Line 48.
- 50. Alternative minimum tax paid to a qualifying jurisdiction (See instructions.)
- 51. Enter the lesser of Line 49 or Line 50.
- 52. **Total Credit** (Add Line 51, all columns.) Enter amount here and on Line 22 on the front of this form.

|                         | Column A |      | Column B |      |
|-------------------------|----------|------|----------|------|
|                         | Name     | Code | Name     | Code |
| 45                      |          |      |          |      |
| 46                      |          | 00   |          | 00   |
| 47                      |          | .    |          | .    |
| 48                      |          | 00   |          | 00   |
| 49                      |          | 00   |          | 00   |
| 50                      |          | 00   |          | 00   |
| 51                      |          | 00   |          | 00   |
| 52. <b>Total Credit</b> |          | 52   |          | 00   |

If you claim credit for alternative minimum tax paid to another state of the United States, a political subdivision within another state, or the District of Columbia, enter the appropriate two-letter code.

### Standard Two-letter Codes

|            |    |       |    |           |    |               |    |            |    |
|------------|----|-------|----|-----------|----|---------------|----|------------|----|
| California | CA | Iowa  | IA | Minnesota | MN | New York      | NY | Wisconsin  | WI |
| Colorado   | CO | Maine | ME | Nebraska  | NE | West Virginia | WV | All others | OO |

## Line Instructions

### Line 44 - Modified Adjusted Federal Alternative Minimum Taxable Income

**Residents:** Enter the amount of adjusted federal alternative minimum taxable income from **Form CT-6251**, Line 5. However, if a taxpayer's adjusted federal alternative minimum taxable income includes a net loss derived from or connected with sources in a qualifying jurisdiction(s), the taxpayer must add the net loss to the amount of adjusted federal alternative minimum taxable income from Line 5 and enter the result.

**Part-Year Residents:** Enter the portion of adjusted federal alternative minimum taxable income from Form CT-6251, Line 5, attributable to the residency portion of the taxable year. However, if a part-year resident's adjusted federal alternative minimum taxable income includes a net loss derived from or connected with sources in a qualifying jurisdiction(s), the taxpayer must add the net loss to the amount of adjusted federal alternative minimum taxable income from Line 5 attributable to the residency portion of the taxable year.

### Line 45 - Qualifying Jurisdiction(s)

Enter the name and the two-letter code of each qualifying jurisdiction to which you paid alternative minimum tax for which you are claiming credit. These codes are found below *Schedule A*.

### Line 46 - Non-Connecticut Adjusted Federal Alternative Minimum Taxable Income

Enter the amount of the adjusted federal alternative minimum taxable income included on Line 44 subject to a qualifying jurisdiction's alternative minimum tax.

### Line 47

Divide the amount on Line 46 by the amount on Line 44. The result may not exceed 1.0000. Round to four decimal places.

### Line 48 - Net Connecticut Minimum Tax

**Residents:** Enter the amount from **Form CT-6251**, Line 21.

**Part-Year Residents:** Enter the portion of the 2005 net Connecticut minimum tax liability attributable to the residency portion of the taxable year.

### Line 49

Multiply the percentage arrived at on Line 47 by the amount reported on Line 48.

### Line 50 - Alternative Minimum Tax Paid to Qualifying Jurisdiction

**Residents:** Enter the total amount of alternative minimum tax paid to a qualifying jurisdiction.

**Part-Year Residents:** Enter the amount of alternative minimum tax paid to a qualifying jurisdiction on items of income, gain, loss, or deduction derived from or connected with sources in that jurisdiction during the residency portion of the taxable year.

If the alternative minimum tax paid to that jurisdiction was also based on income earned during the nonresidency portion of your taxable year, 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 bears to the total amount of income that you earned in that jurisdiction in the taxable year.

**Alternative minimum tax paid** means the lesser of your tax liability to the qualifying jurisdiction or the tax you paid to that jurisdiction as reported on a return filed with that jurisdiction, but not any penalty or interest.

### Line 51

Enter the lesser of the amounts reported on Line 49 or Line 50.

### Line 52 - Total Credit

Add the amounts from Lines 51A, 51B, and 51 of any additional worksheets. The amount on Line 52 cannot exceed Line 49. Enter the total on Line 52 and on Line 22.

**Form CT-1040NR/PY**  
 Connecticut Nonresident and Part-Year  
 Resident Income Tax Return

FOR DRS  
 USE ONLY

2005

**2005**  
 CT-1040NR/PY

Complete return in  
 blue or black ink only.

Taxpayers must sign  
 declaration on reverse side.

For the year January 1 - December 31, 2005, or other taxable year beginning: \_\_\_\_\_, **2005** and ending: \_\_\_\_\_, \_\_\_\_\_.

**1 Filing Status**

Single    
  Married filing jointly or qualified widow(er) with dependent child    
  Married filing separately    
  Head of household

(Enter spouse SSN below and full name here.)

Your Social Security Number: \_\_\_\_\_    
 Check if deceased:     
 Spouse Social Security Number: \_\_\_\_\_    
 Check if deceased:

Your First Name: \_\_\_\_\_ MI: \_\_\_\_\_ Last Name: \_\_\_\_\_ Suffix (Jr./Sr.): \_\_\_\_\_  
 Spouse's First Name: \_\_\_\_\_ MI: \_\_\_\_\_ Last Name: \_\_\_\_\_ Suffix (Jr./Sr.): \_\_\_\_\_

Mailing Address (number and street, apartment number, suite number, PO Box): \_\_\_\_\_  
 City, Town, or Post Office (If town is two words, leave a space between the words.): \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

2005 resident status  
 Nonresident  
 Part-Year Resident

Check here if you do not want forms sent to you next year. (This does not relieve you of your responsibility to file.)    
 Check here if you filed Form CT-2210 and checked any boxes on Part 1.    
 CT-8379    
 Schedule CT-1040CRC    
 Check here if you are filing the following and attach the form to the front of the return.

|          |   | Whole Dollars Only |  |  |  |    |
|----------|---|--------------------|--|--|--|----|
| <b>2</b> | 1. Federal adjusted gross income (From federal Form 1040, Line 37; Form 1040A, Line 21; or Form 1040EZ, Line 4)   | 1.                 |  |  |  | 00 |
|          | 2. Additions to federal adjusted gross income (From <i>Schedule 1</i> , Line 41)  | 2.                 |  |  |  | 00 |
|          | 3. Add Line 1 and Line 2.   | 3.                 |  |  |  | 00 |
|          | 4. Subtractions from federal adjusted gross income (From <i>Schedule 1</i> , Line 52)   | 4.                 |  |  |  | 00 |
|          | <b>5. Connecticut Adjusted Gross Income</b> (Subtract Line 4 from Line 3.)  | 5.                 |  |  |  | 00 |
|          | 6. Income from Connecticut sources (From <i>Schedule CT-SI</i> , Line 30)   | 6.                 |  |  |  | 00 |
|          | <b>7. Enter the greater of Line 5 or Line 6.</b> (If zero or less, go to Line 12 and enter "0.")  | 7.                 |  |  |  | 00 |
|          | 8. Income Tax (From <i>Tax Tables</i> or <i>Tax Calculation Schedule</i> . See instructions, Page 15.)  | 8.                 |  |  |  | 00 |
|          | 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.                |  |  |  | 00 |
|          | 11. Credit for income taxes paid to qualifying jurisdictions during resident portion of taxable year — <b>Part-Year Residents Only</b> (From <i>Schedule 2</i> , Line 61) | 11.                |  |  |  | 00 |
|          | 12. Subtract Line 11 from Line 10. (If Line 11 is greater than Line 10, enter "0.")   | 12.                |  |  |  | 00 |
|          | 13. Connecticut Alternative Minimum Tax (From Form CT-6251)   | 13.                |  |  |  | 00 |
|          | 14. Add Line 12 and Line 13.  | 14.                |  |  |  | 00 |
|          | 15. Adjusted Net Connecticut Minimum Tax Credit (From Form CT-8801)   | 15.                |  |  |  | 00 |
|          | <b>16. Connecticut Income Tax</b> (Subtract Line 15 from Line 14. If less than zero, enter "0.")  | 16.                |  |  |  | 00 |
|          | 17. Individual Use Tax (From <i>Schedule 3</i> , Line 62. If no tax is due, enter "0.")   | 17.                |  |  |  | 00 |
|          | 18. Add Line 16 and Line 17.  | 18.                |  |  |  | 00 |

Clip check or money order here (Do not staple.)  
 Do NOT send W-2, W-2G, or 1099 Forms.

Due date: April 15, 2006 - Attach a copy of all applicable schedules and forms to this return.

**E-FILE Your Return For Faster Refund, see Page 4 of booklet.**

Your Social Security Number ●  -  -

19. Enter amount from Line 18. 19. .00

| 3   | Employer's federal ID No. from Box b of W-2, or Payer's federal ID No. from Schedule CT K-1, W-2G, or 1099 | Column A             | Column B                      | Schedule CT K-1          | Column C   |                          |
|---|--|----------------------|-------------------------------|--------------------------|--|--------------------------|
|   |  |                      | Connecticut Wages, Tips, etc. |                          | Connecticut Income Tax Withheld<br>(Check box at left if from Schedule CT K-1) |                          |
| W-2, W-2G, and 1099 Federal Identification Information<br>(Only enter information from your W-2, W-2G, Schedule CT K-1, and 1099 forms if Connecticut income tax was withheld.) | 20a.   | <input type="text"/> | <input type="text"/> .00      | <input type="checkbox"/> | 20a.   | <input type="text"/> .00 |
|   | 20b.   | <input type="text"/> | <input type="text"/> .00      | <input type="checkbox"/> | 20b.   | <input type="text"/> .00 |
|   | 20c.   | <input type="text"/> | <input type="text"/> .00      | <input type="checkbox"/> | 20c.   | <input type="text"/> .00 |
|   | 20d.   | <input type="text"/> | <input type="text"/> .00      | <input type="checkbox"/> | 20d.   | <input type="text"/> .00 |
|   | 20e.   | <input type="text"/> | <input type="text"/> .00      | <input type="checkbox"/> | 20e.   | <input type="text"/> .00 |
|   | 20f.   | <input type="text"/> | <input type="text"/> .00      | <input type="checkbox"/> | 20f.   | <input type="text"/> .00 |
|   | 20g.   | <input type="text"/> | <input type="text"/> .00      | <input type="checkbox"/> | 20g.   | <input type="text"/> .00 |
|   | 20h. Enter amount from <i>Supplemental Schedule CT-1040WH</i> , Line 3.                                    |                      |                               |                          | 20h.   | <input type="text"/> .00 |

20. Total Connecticut Income Tax Withheld (Add amounts in Column C and enter here.) 20. .00  
You must complete Columns A, B, and C or your withholding will be disallowed.

21. All 2005 estimated tax payments and any overpayments applied from a prior year 21. .00

22. Payments made with Form CT-1040 EXT (Request for extension of time to file) 22. .00

23. Total Payments (Add Lines 20, 21, and 22.) 23. .00

4 24. Overpayment (If Line 23 is more than Line 19, subtract Line 19 from Line 23.) 24. .00

25. Amount of Line 24 you want applied to your 2006 estimated tax 25. .00

26. Total Contributions of Refund to Designated Charities (From Schedule 4, Line 63) 26. .00

27. Refund (Subtract Lines 25 and 26 from Line 24.)  
For faster refund, use Direct Deposit by completing Lines 27a, 27b, and 27c. 27. .00

27a. Type: checking  27b. Routing Number  27c. Account Number

5 28. Tax Due (If Line 19 is more than Line 23, subtract Line 23 from Line 19.) 28. .00

29. If Late: Enter Penalty (Multiply Line 28 by 10% (.10).) 29. .00

30. If Late: Enter Interest (Multiply Line 28 by number of months or fraction of a month late, then by 1% (.01).) 30. .00

31. Interest on underpayment of estimated tax (See instructions, Page 17.) 31. .00

32. Total Amount Due (Add Lines 28 through 31.) 32. .00

6 Declaration: I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |                                      |         |   |
|--|--------------------------------------|---------|---|
| Sign Here<br>Keep a copy for your records. | Your Signature                       | Date    | Daytime Telephone Number                                    |
|  | ● _____                              | ● _____ | ● ( ) _____   |
|  | Spouse's Signature (if joint return) | Date    | Daytime Telephone Number                                    |
|  | ● _____                              | ● _____ | ● ( ) _____   |
|  | Paid Preparer's Signature            | Date    | Telephone Number  |
|  | ● _____                              | ● _____ | ● ( ) _____   |
|  | Firm's Name, Address, and ZIP Code   |         | Preparer's SSN or PTIN                                      |
|  | ● _____                              |         | _____-_____-_____-_____-_____-_____-_____-_____-_____-_____ |

Third Party Designee - Complete the following if you wish to authorize DRS to contact another person about this return.  
Designee's Name Telephone Number Personal Identification Number (PIN)

**Schedule 1 - Modifications to Federal Adjusted Gross Income** (Enter all items as positive numbers.)

(See Instructions, Page 18.)

|   |     |   |    |
|---|-----|---|----|
| 33. Interest on state and local government obligations other than Connecticut                                   | 33. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 34. Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations        | 34. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 35. <i>Allocated for future use</i> • 35.   |     |   |    |
| 36. Taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income | 36. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 37. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero.)                  | 37. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 38. Loss on sale of Connecticut state and local government bonds  | 38. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 39. <i>Allocated for future use</i> • 39.   |     |   |    |
| 40. Other - specify • _____   | 40. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| <b>41. Total Additions</b> (Add Lines 33 through 40.) Enter here and on Line 2.                                 |     |   |    |
| 42. Interest on U.S. government obligations   | 42. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 43. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations              | 43. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 44. Social Security benefit adjustment (See <i>Social Security Benefit Adjustment Worksheet</i> , Page 20.)     | 44. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 45. Refunds of state and local income taxes   | 45. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 46. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities                                   | 46. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 47. Special depreciation allowance for qualified property placed in service during the preceding year(s)        | 47. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 48. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero.)                     | 48. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 49. Gain on sale of Connecticut state and local government bonds  | 49. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| 50. <i>Allocated for future use</i> • 50.   |     |   |    |
| 51. Other - specify (Do not include out of state income) • _____  | 51. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |
| <b>52. Total Subtractions</b> (Add Lines 42 through 51.) Enter here and on Line 4.                              |     |   |    |
| 52.   |     | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |

**Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions - Part-Year Residents Only**

(You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed.)

|  |     |   |         |   |   |    |  |
|--|-----|---|---------|---|---|----|--|
| 53. Connecticut Adjusted Gross Income during residency portion of taxable year.<br>(See instructions, Page 23.)  | 53. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . |         |   |   | 00 |  |
|  |     | <b>Column A</b>                               |         |   | <b>Column B</b>                               |    |  |
|  |     | • Name  | Code    | • Name  | Code  |    |  |
| 54. Enter qualifying jurisdiction's name and two-letter code (See instructions, Page 24.)  | 54. | [ ] [ ] [ ] [ ] [ ] [ ]                       | [ ] [ ] | [ ] [ ] [ ] [ ] [ ] [ ]                       | [ ] [ ]                                       |    |  |
| 55. Non-Connecticut income included on Line 53 and reported on a qualifying jurisdiction's income tax return (Complete <i>Schedule 2 Worksheet</i> , Page 23.) | 55. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00      | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00  |    |  |
| 56. Divide Line 55 by Line 53 (May not exceed 1.0000)  | 56. | [ ] [ ] . [ ] [ ] [ ] [ ]                     |         | [ ] [ ] . [ ] [ ] [ ] [ ]                     |   |    |  |
| 57. Apportioned Income tax (See instructions, Page 24.)  | 57. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00      | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00  |    |  |
| 58. Multiply Line 56 by Line 57.   | 58. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00      | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00  |    |  |
| 59. Income tax paid to a qualifying jurisdiction (See instructions, Page 24.)  | 59. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00      | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00  |    |  |
| 60. Enter the lesser of Line 58 or Line 59.  | 60. | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00      | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00  |    |  |
| <b>61. Total Credit</b> (Add Line 60, all columns.) Enter here and on Line 11.   |     |   |         | 61.   | [ ] [ ] , [ ] [ ] [ ] [ ] , [ ] [ ] [ ] [ ] . | 00 |  |

**Schedule 3 - Individual Use Tax Worksheet**

Complete this worksheet to calculate your Connecticut individual use tax liability.

| <b>Column A</b>         | <b>Column B</b>   | <b>Column C</b>                     | <b>Column D</b>       | <b>Column E</b>                       | <b>Column F</b>                                  | <b>Column G</b>  |
|-------------------------|---|-------------------------------------|-----------------------|---------------------------------------|--|--|
| <b>Date of purchase</b> | <b>Description of goods or services</b>                           | <b>Retailer or service provider</b> | <b>Purchase price</b> | <b>CT tax due</b><br>(.06 X Column D) | <b>Tax, if any, paid to another jurisdiction</b> | <b>Balance due</b><br>(Column E minus Column F but not less than zero) |
| •                       |   |                                     |                       |                                       |  |  |
| •                       |   |                                     |                       |                                       |  |  |
| •                       |   |                                     |                       |                                       |  |  |
| •                       |   |                                     |                       |                                       |  |  |
| •                       |   |                                     |                       |                                       |  |  |
| •                       |   |                                     |                       |                                       |  |  |
| •                       | <b>Total of individual purchases under \$300 not listed above</b> |                                     |                       |                                       |  |  |

62. **Individual Use Tax** (Add all amounts for Column G.) Enter here and on Line 17. • 62. , , . **00**

**Schedule 4 - Contribution Worksheet**

63a. AIDS Research 63a. , , . **00**  
63b. Organ Transplant 63b. , , . **00**  
63c. Endangered Species/Wildlife 63c. , , . **00**  
63d. Breast Cancer Research 63d. , , . **00**  
63e. Safety Net Services 63e. , , . **00**  
63f. Military Family Relief Fund 63f. , , . **00**  
63. **Total Contributions** (Add Lines 63a through 63f, enter amount here and on Line 26.) • 63. , , . **00**

|  |   |
|--|---|
| Use envelope provided, with correct mailing label, or mail to:   |   |
| <b>For refunds and all other tax forms without payment:</b><br>Department of Revenue Services<br>PO Box 2968<br>Hartford CT 06104-2968 | <b>For all tax forms with payment:</b><br>Department of Revenue Services<br>PO Box 2969<br>Hartford CT 06104-2969 |

Make your check or money order payable to: **Commissioner of Revenue Services**  
To ensure proper posting, write your SSN(s) and "2005 Form CT-1040NR/PY" on your check or money order.

**Schedule CT-SI**  
**Nonresident or Part-Year Resident**  
**Schedule of Income From Connecticut Sources**

**Use this schedule if you were a nonresident or part-year resident of Connecticut.**  
**Complete and attach to Form CT-1040NR/PY.**

|   |           |   |
|---|-----------|---|
| Your First Name and Middle Initial                      | Last Name | Your Social Security Number<br>____-____-____     |
| If Joint Return, Spouse's First Name and Middle Initial | Last Name | Spouse's Social Security Number<br>____-____-____ |

See instructions on Page 25 before completing this schedule.

**Part 1 - Connecticut Income - Part-Year Residents:** Complete **Schedule CT-1040AW, Part-Year Resident Income Allocation.** Add Columns B and D for each line of Schedule CT-1040AW and enter the totals on Lines 1 through 30 below.  
**Nonresidents:** Enter the income received from Connecticut sources.

|  |    |  |    |
|--|----|--|----|
| 1. Wages, salaries, tips, etc. ....  | 1  |  |    |
| 2. Taxable interest .....  | 2  |  |    |
| 3. Ordinary dividends .....  | 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 |  | 00 |

**Part 2 - Adjustments to Connecticut Income -** Enter adjustments **directly** related to income reported above.

|   |    |  |    |
|---|----|--|----|
| 16. Educator expenses .....   | 16 |  |    |
| 17. Certain business expenses of reservists, artists, and fee-basis government officials .....  | 17 |  |    |
| 18. Health savings account deduction .....  | 18 |  |    |
| 19. Moving expenses .....   | 19 |  |    |
| 20. One-half of self-employment tax .....   | 20 |  |    |
| 21. Self-employed SEP, SIMPLE, and qualified plans .....  | 21 |  |    |
| 22. Self-employed health insurance deduction .....  | 22 |  |    |
| 23. Penalty on early withdrawal of savings .....  | 23 |  |    |
| 24. Alimony paid. Recipient's last name: _____ SSN ____ - ____ - _____  | 24 |  |    |
| 25. IRA deduction .....   | 25 |  |    |
| 26. Student loan interest deduction .....   | 26 |  |    |
| 27. Tuition and fees deduction .....  | 27 |  |    |
| 28. Domestic production activities deduction .....  | 28 |  |    |
| 29. Total adjustments (Add Lines 16 through 28.) .....  | 29 |  |    |
| 30. <b>Income from Connecticut sources</b> (Subtract Line 29 from Line 15.)<br>Enter the amount here and on <b>Form CT-1040NR/PY</b> , Line 6. .... | 30 |  | 00 |

**Employee Apportionment Worksheet -** Complete Lines A through G only when the income from employment is earned both inside and outside Connecticut and the exact amount of Connecticut income is not known. **Do not complete Lines A through G if you know the exact amount of your Connecticut source income.** (See instructions, Page 29.)

|   |   |   |  |
|---|---|---|--|
| 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 decimal places.) .....   | 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<br>Basis, if other than working days: _____ | G |   |  |

**Complete and attach to Form CT-1040NR/PY.**

# Schedule CT-1040AW

## Part-Year Resident Income Allocation

# 2005

**Part-year residents must complete this Schedule before completing Schedule CT-SI.**  
**Complete and attach to Form CT-1040NR/PY.**

|   |           |  |
|---|-----------|--|
| Your First Name and Middle Initial                      | Last Name | Your Social Security Number<br>_____<br>:_____<br>:_____     |
| If Joint Return, Spouse's First Name and Middle Initial | Last Name | Spouse's Social Security Number<br>_____<br>:_____<br>:_____ |

| <b>Part 1 – Adjusted Gross Income</b><br><br>Married persons filing separate Connecticut income tax returns should complete separate worksheets. |    | Federal Income as Modified<br><small>(See instructions, Page 31.)</small> | Connecticut Resident Period                      | Connecticut Nonresident Period                   |   |  |  |
|--|----|---|--|--|---|--|--|
|  |    | Column A<br>Income from federal return                                    | Column B<br>Income from Column A for this period | Column C<br>Income from Column A for this period | Column D<br>Income from Column C from Connecticut sources |  |  |
| 1. Wages, salaries, tips, etc. ....  | 1  |   |  |  |   |  |  |
| 2. Taxable interest .....  | 2  |   |  |  |   |  |  |
| 3. Ordinary dividends .....  | 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 | 00  | 00   | 00   | 00  |  |  |

| 16. Educator expenses .....  | 16 |    |    |    |    |  |  |
|--|----|----|----|----|----|--|--|
| 17. Certain business expenses of reservists, artists, and fee-basis government officials ..... | 17 |    |    |    |    |  |  |
| 18. Health savings account deduction .....   | 18 |    |    |    |    |  |  |
| 19. Moving expenses .....  | 19 |    |    |    |    |  |  |
| 20. One-half of self-employment tax .....  | 20 |    |    |    |    |  |  |
| 21. Self-employed SEP, SIMPLE, and qualified plans ...   | 21 |    |    |    |    |  |  |
| 22. Self-employed health insurance deduction .....   | 22 |    |    |    |    |  |  |
| 23. Penalty on early withdrawal of savings .....   | 23 |    |    |    |    |  |  |
| 24. Alimony paid .....   | 24 |    |    |    |    |  |  |
| 25. IRA deduction .....  | 25 |    |    |    |    |  |  |
| 26. Student loan interest deduction .....  | 26 |    |    |    |    |  |  |
| 27. Tuition and fees deduction .....   | 27 |    |    |    |    |  |  |
| 28. Domestic production activities deduction .....   | 28 |    |    |    |    |  |  |
| 29. Total adjustments (Add Lines 16 through 28.) .....   | 29 |    |    |    |    |  |  |
| 30. Subtract Line 29 from Line 15. ....  | 30 | 00 | 00 | 00 | 00 |  |  |

**Add Columns B and D for each line and enter the totals on Lines 1 through 30 on Schedule CT-SI.**

### Part 3 – Part-year Resident Information

#### Moved Into Connecticut

1. Date **you** moved into Connecticut \_\_\_\_/\_\_\_\_/\_\_\_\_ and state of **prior** residence:
2. Date **your spouse** moved into Connecticut \_\_\_\_/\_\_\_\_/\_\_\_\_ and state of **prior** residence:

#### Moved Out of Connecticut

1. Date **you** moved out of Connecticut \_\_\_\_/\_\_\_\_/\_\_\_\_ and state of **new** residence:
2. Date **your spouse** moved out of Connecticut \_\_\_\_/\_\_\_\_/\_\_\_\_ and state of **new** residence:

#### Income From Connecticut Sources During Nonresident Period

1. Did **you** receive income from Connecticut sources during your nonresident period? .....  Yes  No
2. Did **your spouse** receive income from Connecticut sources during his or her nonresident period? .....  Yes  No

**Complete and attach to Form CT-1040NR/PY.**



**Schedule CT-1040BA**  
**Nonresident Business Apportionment**

Formula basis apportionment of Connecticut income derived from  
 business carried on both inside and outside Connecticut

For the year January 1 – December 31, 2005, or other taxable year beginning \_\_\_\_\_, 2005, and ending \_\_\_\_\_.

|   |           |  |
|---|-----------|--|
| Your First Name and Middle Initial                        | Last Name | Social Security Number<br>____-____-____<br>: : :<br>: : :<br>: : :          |
| If a Joint Return, Spouse's First Name and Middle Initial | Last Name | Spouse's Social Security Number<br>____-____-____<br>: : :<br>: : :<br>: : : |

**Schedule A - List all places, both inside and outside Connecticut, where you carry on business.**

| (1)<br>Street Address | (2)<br>City And State | (3)<br>Description (See Instructions.) |
|-----------------------|-----------------------|--|
|                       |                       |  |
|                       |                       |  |
|                       |                       |  |
|                       |                       |  |
|                       |                       |  |

**Schedule B - Formula basis apportionment of income or (loss), if books and records do not satisfactorily disclose the portion of business income derived from or connected with Connecticut sources**

|  |    | Column A<br>Totals – All locations | Column B<br>Connecticut only | Column C<br>Divide<br>Column B<br>by<br>Column A<br>(Carry to four<br>decimal places<br>and enter as a<br>percentage.) |
|--|----|------------------------------------|------------------------------|--|
| 1. Real property owned .....   | 1. |                                    |                              | %  |
| 2. Real property rented from others .....  | 2. |                                    |                              |  |
| 3. Tangible personal property owned<br>(or rented from others) .....   | 3. |                                    |                              |  |
| 4. <b>Property percentage</b> (Add Lines 1, 2, and 3.) .....   | 4. |                                    |                              |  |
| 5. <b>Payroll percentage</b> .....   | 5. |                                    |                              |  |
| 6. <b>Gross income percentage</b> .....  | 6. |                                    |                              |  |
| 7. Total of percentages (Add Lines 4, 5, and 6, Column C.) .....   | 7. |                                    |                              | %  |
| 8. <b>Business apportionment percentage</b> (Divide Line 7 by three, or by actual number of percentages,<br>if less than three.) ..... | 8. |                                    |                              | %  |

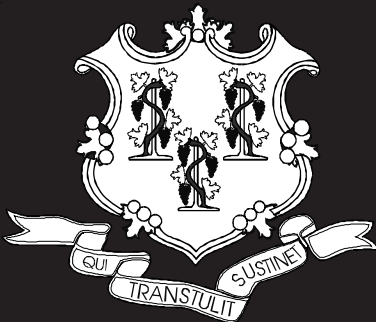
The business apportionment percentage on Line 8 should be applied to certain items of business income or loss to determine the amounts to be reported on Schedule CT-SI. See instructions for Schedule CT-SI for details.

**Complete and attach to Form CT-1040NR/PY.**

# 2005 FORM CT-1040 NR/PY

This booklet  
contains:

- Form CT-1040NR/PY
- Supplemental  
Schedule CT-1040WH
- Schedule CT-SI
- Schedule CT-1040AW
- Form CT-1040 EXT
- Form CT-1040ES
- Schedule CT-1040BA
- Tax Tables
- Tax Calculation  
Schedule



# Connecticut Nonresident or Part-Year Resident Income Tax

## Return and Instructions

Dear Taxpayer:

The Connecticut Department of Revenue Services (DRS) makes every effort to provide taxpayers with the most comprehensive information to meet their state tax filing needs. We listen to taxpayer suggestions for improving our products and also seek new procedures to make processing of returns more efficient.

This booklet contains important information about tax changes that may affect you. Beginning this year, tax returns filed with incomplete withholding information (missing ID numbers, missing dollar amounts, etc.) will not be processed by DRS. Information about electronic filing options contained in the booklet can make it easier to file your return without making mistakes more commonly found on paper returns.

At DRS, our goal is to provide taxpayers with excellent customer service and a user-friendly approach to tax administration. If you have questions about Connecticut taxes or filing this return, you can reach DRS Taxpayer Services staff by e-mail, phone, or letter. The back cover of this booklet lists all the ways you can access this Agency including the DRS Web site, which is available anytime to provide you with access to forms, publications, and information.

As always, we welcome your comments and ideas about how we can improve the way we do business.

Sincerely,

Pam Law  
Commissioner of Revenue Services

Taxpayer information is  
available on our Web site  
[www.ct.gov/DRS](http://www.ct.gov/DRS)

### Connecticut Federal/State e-file Program

File your federal and Connecticut  
returns together using *e-file!*



For more information on these programs, visit: [www.ct.gov/DRS](http://www.ct.gov/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 tax information anytime from CONN-TAX, the Department of Revenue Services information line. Call **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere), press **4** to be connected to the recorded tax information menu, then press **1** to select *Recorded Income Tax Information*. Enter the three-digit number next to the topic of your choice (listed below) or follow the prerecorded instructions.

## General Income Tax Information

- |     |  |     |   |
|-----|--|-----|---|
| 101 | Important income tax changes                     | 107 | Amending a Connecticut return   |
| 102 | How to choose the correct form and filing method | 108 | Getting a copy of a previously filed return                                     |
| 103 | Where to get forms and assistance                | 109 | Offsets of state income tax refunds   |
| 104 | Requesting a filing extension                    | 110 | Deducting Connecticut income tax when completing your federal income tax return |
| 105 | Filing a decedent's return                       |     |   |
| 106 | Filing an error-free return                      |     |   |

## Income Tax Filing Requirements, Residency, and Filing Status

- |     |  |     |  |
|-----|--|-----|--|
| 201 | Who must file a Connecticut return?                    | 206 | Student's filing requirements            |
| 202 | What is gross income?                                  | 207 | Dependent children's filing requirements |
| 203 | Who is a resident, nonresident, or part-year resident? | 208 | What is your filing status?              |
| 204 | What is Connecticut source income of a nonresident?    | 209 | Title 19 recipients                      |
| 205 | Members of the armed forces                            |     |  |

## Individual Use Tax, Gift Tax, and Other Income Tax Returns

- |     |  |     |  |
|-----|--|-----|--|
| 301 | Individual use tax                                 | 305 | Partnership information and composite income tax           |
| 302 | Gift and estate tax                                | 306 | Group return for shareholders, partners, and beneficiaries |
| 303 | Income tax on trusts and estates                   |     |  |
| 304 | S corporation information and composite income tax |     |  |

## Completing Form CT-1040 or Form CT-1040NR/PY

- |     |   |     |  |
|-----|---|-----|--|
| 401 | Tax status of U.S. government obligations                                     | 406 | Modifications to federal adjusted gross income |
| 402 | Tax status of state or local obligations                                      | 407 | Connecticut alternative minimum tax            |
| 403 | Residents and part-year residents who paid income tax to another jurisdiction | 408 | Property tax credit                            |
| 404 | Deferred compensation   | 409 | Questions about a state tax refund             |
| 405 | Pension income, Social Security benefits, and Individual Retirement Accounts  |     |  |

## Estimated Income Tax Requirements

- |     |   |     |                           |
|-----|---|-----|---------------------------|
| 501 | Who must estimate?                      | 505 | Annualization of income   |
| 502 | Withholding instead of making estimates | 506 | Interest on underpayments |
| 503 | Estimated income tax form               | 507 | Farmers and fishermen     |
| 504 | When to file and how much to pay        |     |                           |

## Questions on Telefiling and Webfiling

- |     |  |     |   |
|-----|--|-----|---|
| 601 | Who is eligible to <b>Telefile</b> ?               | 604 | <b>WebFiling</b>                                  |
| 602 | Tips for successful <b>Telefiling</b>              | 605 | What if I make a mistake while <b>WebFiling</b> ? |
| 603 | What if I make a mistake while <b>Telefiling</b> ? |     |   |

### Extended Telephone Hours for the Filing Season:

- Monday, **January 30** (until 7 p.m.)  
Monday, **February 6** (until 7 p.m.)

### Extended Telephone Personal Assistance and Walk-in Hours:

- (25 Sigourney Street, Hartford Only)  
Saturday, **April 15** (from 9 a.m. until 12 p.m.)  
Monday, **April 17** (until 8 p.m.)

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## What's New

- **You are not required to send forms W-2, W-2G, or 1099** with your 2005 Connecticut income tax return. To avoid significant delays in processing your return, be sure to complete Columns A, B, and C of the withholding section of your return. Failure to complete all columns will result in the disallowance of Connecticut withholding.
- Beginning with the 2005 taxable year, there is a check box to indicate if a taxpayer died during the year. The person filing a return jointly with or on behalf of the deceased taxpayer must check the box after the deceased taxpayer's Social Security Number.
- Beginning with the 2005 taxable year, there are now check boxes for filers of **Form CT-1040CRC**, *Claim of Right Credit*, and **Form CT-8379**, *Nonobligated Spouse Claim*. Check the box on the first page of your Connecticut return if you are filing Form CT-1040CRC or Form CT-8379.
- You may contribute all or part of your refund to the **Military Family Relief Fund** by checking the box on the Connecticut return. See *Contributions to Designated Charities* on Page 38.
- **Schedule CT K-1 check box:** If the Connecticut income tax withheld you are reporting is from Schedule CT K-1, you must check the box in the withholding section of your return.
- Pay your 2005 taxes, including Connecticut estimated taxes, electronically over the Internet using DRS *WebFile*. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *WebFile* logo. You can also pay prior year taxes.
- Effective for the taxable years beginning on or after **January 1, 2006**, taxpayers who have entered into a **civil union** recognized under Connecticut law may file their Connecticut income tax return as civil union filing jointly or civil union filing separately. This option is not available for the 2005 taxable year.
- **New e-filing requirement for certain preparers:** Effective January 1, 2006, preparers who prepared 200 or more 2004 Connecticut income tax returns will be required to file the 2005 Connecticut income tax returns electronically using the Federal/State Electronic Filing Program (*e-file*).
- The Connecticut General Assembly enacted legislation that imposes severe penalties on participants of abusive tax shelters. Any individual or business entity that fails to disclose their participation in an abusive tax shelter designated by the Internal Revenue Service (IRS) as a *listed transaction* is subject to audit penalties of 75% of the tax deficiency that results from the tax shelter activity. To fulfill the Connecticut disclosure requirement, any taxpayer (individual or entity) that has participated in a listed transaction must file a completed **Form CT-8886**, *Listed Transaction Disclosure Statement*, with DRS. Form CT-8886 must be filed for each taxable year for which a taxpayer participates in a listed transaction.
- The annual increase to the **personal exemption and credits** used in calculating the tax for individuals whose filing status is single has been delayed by two years. The personal exemptions and credits for the 2004 taxable year remain in effect for the 2005 and 2006 taxable years. The scheduled increases will resume beginning with the 2007 taxable year.

### Electronic Filing Option

*Electronically-filed returns are processed immediately and are more accurate (less than 1% error rate) than paper-filed returns.*

**Safe & Secure** **Convenient**

- Refunds issued in 4 days
- Quick, accurate, and easy to use
- Paperless
- Immediate proof of filing
- Able to pay taxes on or before tax due date
- Available 24 hours a day, 7 days a week!

### e-file

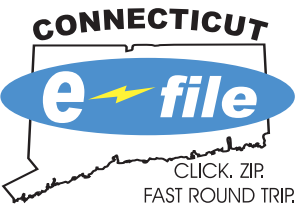
File your federal and state returns together using *e-file*!

File your returns from home using a DRS-approved commercial tax filing Web site or software product.

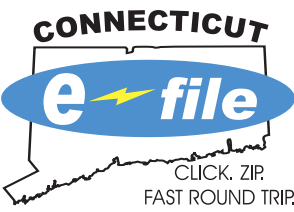
Visit: [www.ct.gov/DRS](http://www.ct.gov/DRS) for a complete list!

Have your tax preparer electronically file your tax return.

Visit: [www.IRS.gov/efile](http://www.IRS.gov/efile) or check the Yellow Pages under "Tax Return Preparation" for a list of approved preparers near you.



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# General Information

## Tax Assistance

DRS is ready to help you and offers several resources where you can get answers to your Connecticut tax questions. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or for personal assistance, refer to the back cover of this booklet for a list of DRS walk-in offices and telephone numbers. DRS offices are open Monday through Friday, 8:00 a.m. to 5:00 p.m. If you visit, be sure to bring:

- **Copy 2** of your federal Forms W-2 and any other forms showing Connecticut income tax withholding; **and**
- Your **completed** federal Form 1040EZ, 1040A, or 1040.

Personal telephone assistance is available Monday through Friday, 8:30 a.m. to 4:30 p.m. Extended hours are offered for the filing season; see Page 2. Automated information may answer your questions anytime. Call CONN-TAX, the DRS information line, or visit the DRS Web site for details.

## Forms and Publications

Download and print Connecticut tax forms and publications anytime from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS). Forms are also available during regular business hours at any of the DRS walk-in offices and the other sources listed on the back cover of this booklet, and at most public libraries, town halls, banks, and post offices during the tax filing season.

## Important Reminders

Follow these tips to help us process your refund faster:

- You **must** use blue or black ink only to complete your return.
- Be sure you have received all your federal Forms W-2, W-2G, and 1099 before filing your Connecticut income tax return. Generally, you will receive these forms on or before January 31. If you receive an additional federal Form W-2, W-2G, or 1099 after filing your Connecticut income tax return, you may be required to file **Form CT-1040X**. See *Amended Returns* on Page 34.
- Use the preprinted peel-off label. The preprinted label **does not** include your Social Security Number(s). Therefore, you **must** enter your Social Security Number (SSN) and the SSN of your spouse (if filing a joint return) in the spaces above your name(s). Do not place the label over your SSN(s).

If you did not receive a tax return package with a label, enter your name(s) and mailing address in the spaces provided at the top of your return.

- Check the correct filing status on your return.
- Round all figures to the nearest whole dollar. See *Rounding Off to Whole Dollars* on Page 14.
- Sign your return. If you and your spouse are filing jointly, both of you must sign.
- Have your paid preparer sign the return and enter the firm's Federal Employer Identification Number in the space provided.

- Check the box on the front of your Connecticut return if you are filing **Form CT-8379, Nonobligated Spouse Claim**.
- If you are an executor, administrator, or spouse filing a return for a deceased taxpayer, check the box next to the deceased taxpayer's SSN.
- Check the box on the front of your Connecticut return if you are filing **Form CT-1040CRC, Claim of Right Credit**.
- Be sure both you and your spouse file your income tax returns at the same time if you filed joint estimated tax payments but elect to file separate income tax returns. No refund will be processed until both Connecticut returns are received.
- Use the correct DRS mailing label on the envelope when filing your return. One label is for refunds and all other tax forms without payment. The other label is for all tax forms with payment.
- Remember to send all pages of your return.

## Who Must File Form CT-1040NR/PY

You must file **Form CT-1040NR/PY** if you were a nonresident or part-year resident of Connecticut in 2005 **and** any of the following is true for the 2005 taxable year:

- You had Connecticut income tax withheld; **or**
- You made estimated tax payments to Connecticut; **or**
- You were a part-year resident who meets the Gross Income Test (see below) or who had a federal alternative minimum tax liability; **or**
- You were a nonresident with Connecticut source income who meets the Gross Income Test (see below) or had a federal alternative minimum tax liability. See *Connecticut Source Income of a Nonresident* on Page 8.

**If none of the above apply, do not file Form CT-1040NR/PY.**

## Gross Income Test

You must file a Connecticut income tax return if your gross income for the 2005 taxable year exceeds:

- \$12,000 and you will file as married filing separately
- \$12,625 and you will file as single
- \$19,000 and you will file as head of household
- \$24,000 and you will file as married filing jointly

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

Gross income includes, but is not limited to:

- 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, or trusts;
- IRA distributions;
- Unemployment compensation; **and**
- **Federally taxable** Social Security benefits.

The following examples explain the gross income test:

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

|              |               |
|--------------|---------------|
| Gross Income | \$ 100,000    |
| Expenses     | ( \$ 92,000 ) |
| Net Income   | \$ 8,000      |

Because the **gross income** of \$100,000 exceeds the minimum requirement **and** the income is from a Connecticut source, this nonresident must file Form CT-1040NR/PY.

**Example 2:** A Connecticut part-year resident who files as single on Form CT-1040NR/PY received \$8,000 in federally nontaxable Social Security benefits and \$11,000 in interest income. Since nontaxable Social Security benefits are not included in gross income, the Connecticut part-year resident is not required to file a return unless Connecticut tax was withheld or estimated tax payments were made.

**Example 3:** A nonresident whose filing status is single for federal income tax purposes received \$12,625 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 \$13,625. Therefore, the nonresident must file Form CT-1040NR/PY.

## Relief From Joint Liability

In general, if you and your spouse file a joint income tax return, you are both responsible for paying the full amount of tax, interest, and penalties due on your joint return. However, in very limited, specific cases, relief may be granted if you believe all or any part of the amount due should be paid only by your spouse. You may request consideration by filing **Form CT-8857, Request for Innocent Spouse Relief (And Separation of Liability and Equitable Relief)**. See **Special Notice 99(15), Innocent Spouse Relief, Separation of Liability, and Equitable Relief**.

## Title 19 Recipients

Title 19 recipients must file a Connecticut income tax return if the requirements for *Who Must File Form CT-1040NR/PY* are met.

However, if you do not have funds to pay your Connecticut income tax, complete **Form CT-19IT, Title 19 Status Release**, and attach it to the **front** of your Connecticut income tax return if the following two conditions apply:

- You were a Title 19 recipient during 2005; **and**
- Medicaid assisted in the payment of your long-term care in a nursing or convalescent home during 2005.

By completing this form, you authorize DRS to verify your Title 19 status for 2005 with the Department of Social Services.

## Deceased Taxpayers

An executor, administrator, or surviving spouse must file a Connecticut income tax return, for that portion of the year before the taxpayer's death, for a taxpayer who died during the year if the requirements for *Who Must File Form CT-1040NR/PY* are met. The executor, administrator, or surviving spouse must check the box next to the deceased taxpayer's SSN on the front page of the return. The person filing the return must sign for the deceased taxpayer on the signature line and indicate the date of death.

A surviving spouse may file a joint return if the surviving spouse filed a joint federal income tax return. Write "Filing as surviving spouse" in the deceased spouse's signature block on the return. If both spouses died in 2005, their legal representative must file a final return. The Connecticut and federal filing status must be the same.

## Claiming a Refund for a Deceased Taxpayer

If you are a surviving spouse filing jointly with your deceased spouse, you may claim the refund on the jointly-filed return. 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, Statement of Person Claiming Refund Due a Deceased Taxpayer.

Income received by the estate of the decedent for the portion of the 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

A nonresident alien must file a Connecticut income tax return if the requirements of *Who Must File Form CT-1040NR/PY* are met. In determining whether the Gross Income Test is met, the nonresident alien must take into account any income not subject to federal income tax under an income tax treaty between the U.S. and the country of which the nonresident alien is a citizen or resident. Income tax treaty provisions are disregarded for Connecticut income tax purposes. When filing their Connecticut income tax return, nonresident aliens must enter on **Form CT-1040NR/PY, Line 1**, the amount reported on federal Form 1040NR, Line 34, or federal Form 1040NR-EZ, Line 10. Any treaty income reported on federal Form 1040NR or Form 1040NR-EZ, and not subject to federal income tax, must be added to the nonresident alien's federal adjusted gross income on Form CT-1040, *Schedule 1*, Line 38, or Form CT-1040NR/PY, *Schedule 1*, Line 40.

If the nonresident alien does not have and is not eligible for an SSN, he or she must obtain an Individual Taxpayer Identification Number (ITIN) from the IRS and enter it in the space provided for an SSN.

A married nonresident alien may not file a joint Connecticut income tax return unless the nonresident alien is married to a citizen or resident of the U.S. and they have made an election to file a joint federal income tax return and, in fact, file a joint federal income tax return. Any married individual filing federal Form 1040NR or federal Form 1040NR-EZ is not eligible to file a joint federal income tax return or a joint Connecticut income tax return and must file as a married individual filing separately.

## Resident, Part-Year Resident, or Nonresident

The following terms are used in this section:

**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 place of abode is not permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.

You are a **resident** for the 2005 taxable year if:

- Connecticut was your domicile (permanent legal residence) for the entire 2005 taxable year; **or**
- You maintained a permanent place of abode in Connecticut during the entire 2005 taxable year **and** spent a total of more than 183 days in Connecticut during the 2005 taxable year.

Nonresident aliens who meet either of the above conditions are considered Connecticut residents even if federal Form 1040NR-EZ or federal Form 1040NR is filed for federal income tax purposes.

If you are a resident and any of the following is true for the 2005 taxable year, you must file **Form CT-1040EZ** or **Form CT-1040**:

- You had Connecticut income taxes withheld;
- You made estimated tax payments to Connecticut;
- You meet the gross income test; **or**
- You had a federal alternative minimum tax liability.

You are a **part-year resident** for the 2005 taxable year if you changed your permanent legal residence by moving into or out of Connecticut during the 2005 taxable year. Part-year residents may not elect to be treated as resident individuals.

If you are a part-year resident and you meet the requirements of *Who Must File Form CT-1040NR/PY* for the 2005 taxable year, you must file Form CT-1040NR/PY.

You are a **nonresident** for the 2005 taxable year if you are neither a resident nor a part-year resident for the 2005 taxable year.

If you are a nonresident and you meet the requirements of *Who Must File Form CT-1040NR/PY* for the 2005 taxable year, you must file Form CT-1040NR/PY.

Although you and your spouse file jointly for federal purposes, you may be required to file separate Connecticut returns. See *Special Rules for Married Individuals* on Page 14.

If you meet **all** of the conditions in Group A or Group B, you may be treated as a nonresident for 2005 even if your domicile was Connecticut.

### Group A

1. You did not maintain a permanent place of abode in Connecticut for the entire 2005 taxable year;
2. You maintained a permanent place of abode outside of Connecticut for the entire 2005 taxable year; **and**

3. You spent not more than 30 days in the aggregate in Connecticut during the 2005 taxable year.

### Group B

1. You were in a foreign country for at least 450 days during any period of 548 consecutive days;
2. During this period of 548 consecutive days, you did not spend more than 90 days in Connecticut and you did not maintain a permanent place of abode in Connecticut at which your spouse (unless legally separated) or minor children spent more than 90 days; **and**
3. During the nonresident portion of the taxable year in which the 548-day period begins, and during the nonresident portion of the taxable year in which the 548-day period ends, you were present in Connecticut for no more than the number of days that bears the same ratio to 90 as the number of days in such portion of the taxable year bears to 548. See the calculation below.

|   |
|---|
| $\frac{\text{Number of days in the nonresident portion}}{548} \times 90 = \text{Maximum days allowed in Connecticut}$ |
|---|

See **Special Notice 2000(17)**, *2000 Legislation Affecting the Connecticut Income Tax*.

## Military Personnel Filing Requirements

Military personnel who claim Connecticut as a residence but are stationed elsewhere are 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 of the conditions in Group A or Group B for being treated as a nonresident. See *Resident, Part-Year Resident, or Nonresident* on this page. The rate at which your other income is taxed for Connecticut income tax purposes has been affected by the enactment by Congress of the Service Members Civil Relief Act. See instructions for **Form CT-1040NR/PY**, Line 51, on Page 21.

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 you receive from Connecticut sources while you are a nonresident (including your spouse's nonmilitary income) may be subject to Connecticut income tax.

**Example:** Jennifer 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.

### If Jennifer had no other income . . .

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

### If Jennifer had a part-time job in Connecticut . . .

Her Connecticut source income from nonmilitary employment is taxable. Jennifer must file Form CT-1040NR/PY to report this income.



Spouses of military personnel who are stationed in Connecticut may be considered residents of this state even if their domicile is elsewhere. See *Resident, Part-Year Resident, or Nonresident* on Page 7.

See **Informational Publication 2005(9)**, *Connecticut Income Tax Information for Military Personnel and Veterans*.

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## Combat Zone

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 is 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. If any tax was previously paid for the year of death, the tax will be refunded to the legal representative of the estate or to the surviving spouse upon the filing of a return on behalf of the decedent. In filing the return on behalf of the decedent, the legal representative or the surviving spouse should enter zero tax due and attach a statement to the return along with a copy of the death certificate.

**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*.

Members of the U.S. Armed Forces serving in the military operations in the Kosovo, Afghanistan, or Arabian Peninsula regions are eligible for the 180 day extension allowed to individuals serving in a combat zone. Spouses of military personnel and civilians supporting the military in these regions who are away from their permanent duty stations but are not within the designated combat zone are also eligible for the extension. Individuals requesting an extension under combat zone provisions should print both the name of the combat zone and the operation they served with at the top of their Connecticut return. This is the same combat zone or operation name that is provided on their federal income tax return.

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## 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.

You must calculate the tax in the same manner as a resident individual. Then, prorate the tax based upon the percentage of your Connecticut adjusted gross income derived from or connected with Connecticut sources.

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## 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 federal Form 1040, Line 37; federal Form 1040A, Line 21, or federal Form 1040EZ, Line 4, adding or subtracting the Connecticut modifications that are required to be reported on Form CT-1040NR/PY, *Schedule 1*.

## 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 the property;
- Attributable to compensation for services performed in Connecticut or income from a business, trade, profession, or occupation carried on in Connecticut (including income derived directly or indirectly by athletes, entertainers, or performing artists from closed-circuit and cable television transmissions of irregularly scheduled events if the transmissions are received or exhibited within Connecticut);
- Unemployment compensation received from the Connecticut Department of Labor;
- From a partnership doing business in Connecticut;
- From an S corporation doing business in Connecticut;
- From a trust or estate with income derived from or connected with sources within Connecticut;
- From a nonqualified deferred compensation plan for services performed wholly within Connecticut; **or**
- From reportable Connecticut Lottery winnings. Winnings from the Connecticut Lottery, including Powerball, are reportable if the winner was issued a federal Form W-2G by the Connecticut Lottery Corporation. In general, the Connecticut Lottery Corporation is required to issue a federal Form W-2G to a winner if the Connecticut Lottery winnings, including Powerball, are \$600 or more and at least 300 times the amount of the wager. See **Informational Publication 2005(16)**, *Connecticut Income Tax Treatment of State Lottery Winnings Received by Residents and Nonresidents of 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 pension or retirement plans (such as 401K 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 received for active service in the U.S. 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 (other than reportable Connecticut Lottery winnings shown on federal Form W-2G). See **Informational Publication 2005(15)**, *Connecticut Income Tax Treatment of Gambling Winnings Other Than State Lottery Winnings*;
- Interest you earned from a Connecticut bank (unless earned by a Connecticut business); **or**
- Income you received 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.

An employee's wages for services performed in Connecticut are taxable, regardless of the amount, unless the employee's services meet the Ancillary Activity Test. Also, reportable Connecticut Lottery winnings are taxable regardless of the amount.

2. **Ancillary Activity Test** - The nonresident's presence in Connecticut is ancillary to his or her primary business or employment duties 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.

## 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;
2. Income derived from or connected with Connecticut sources for the part of the year you were a nonresident; **and**
3. Special accruals.

## Items Subject to Special Accrual

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. 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 residency status is changed.

## 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 accrual with other items of income, gain, loss, and deduction reported for your residency period. See *Schedule CT-1040AW Instructions* on Page 31.

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**Example 1:** Laura, a part-year resident who moved out of Connecticut in June 2005, sold property on the installment basis in April 2005. 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 2005 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.

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**Example 2:** Rick, a resident of Connecticut, retired from his Connecticut employment on September 1, 2005, and moved to Florida. His employer notified him on August 15, 2005, that he would receive a \$1,000 bonus on September 15, 2005. He must accrue the \$1,000 bonus to the portion of 2005 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.

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**Example 3:** Cindy, a Connecticut resident, won the Connecticut Lottery in 2005. The proceeds from her wager were reported on federal Form W-2G. Cindy will receive her winnings on the installment basis for twenty years. During the 2005 taxable year, Cindy moved out of Connecticut and is a part-year resident because she changed her permanent legal residence. Ordinarily, Cindy's Connecticut Lottery winnings would be subject to special accrual; however, Cindy may avoid special accrual on those lottery winnings as long as the Connecticut Lottery Corporation continues to withhold Connecticut income tax from those winnings. Cindy will remain subject to Connecticut income tax for the years during which the lottery winnings are received.

If Cindy won another state's lottery during 2005, she would be subject to Connecticut income tax while a Connecticut resident. If Cindy moves out of Connecticut, and is a part-year resident because she changed her permanent legal residence, her lottery winnings would be subject to special accrual.

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## 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:

- Include the items of accrual in the calculation of tax in the year you changed your residence; **or**
- 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 DRS 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 change your residence. 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 DRS and request a copy of Conn. Agencies Regs. §12-717(c)(4)-1, **Form CT-12-717A**, *Change of Resident Status - Special Accruals*, **Form CT-12-717B**, *Change of Resident Status - Special Accruals*, *Other Acceptable Security Form*.

## 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:** Jennifer was a California resident from January 1, 2005, until July 31, 2005. She became a Connecticut resident on August 1. While a resident of California, Jennifer earned \$10,000 for work performed in that state, but she did not receive payment for that work until September 30, 2005.

Jennifer also owned a condominium in Connecticut, which she rented to a third party from January 1 to July 31, 2005. 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.

Jennifer will file a Connecticut part-year resident return for 2005. The \$10,000 of California source income earned before Jennifer 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 includable in her Connecticut adjusted gross income and none of it is subject to special accrual.

## 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  |
|--|--|
| <b>Schedule CT-SI</b><br>Parts 1 and 2<br><br>Employee Apportionment Worksheet | All nonresidents and part-year residents<br><br>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. |
| <b>Schedule CT-1040AW</b>  | All part-year residents  |
| <b>Schedule CT-1040BA</b>  | A self-employed nonresident or part-year resident (for his or her nonresidency period) who carried on business both in and outside of Connecticut.   |

## Taxable Year and Method of Accounting

You must use the same taxable year for Connecticut income tax purposes you use for federal income tax purposes. Most individuals use the calendar year as their taxable year for federal income tax purposes. However, if the calendar year is not your taxable year for federal income tax purposes, references in this booklet to 2005 are references to your taxable year beginning during 2005.

You must use the same method of accounting for Connecticut income tax purposes you use for federal income tax purposes.

If your taxable year or method of accounting is changed for federal income tax purposes, the same change must be made for Connecticut income tax purposes.

## When to File

Your Connecticut income tax return is due on or before April 15, 2006. If you are not a calendar year filer, your return is due on or before the fifteenth day of the fourth month following the close of your taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. Your return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|   |  |
|---|--|
| <b>DHL Express (DHL)</b>  |  |
| <ul style="list-style-type: none"> <li>• DHL Same Day Service</li> <li>• DHL Next Day 10:30 a.m.</li> <li>• DHL Next Day 12:00 p.m.</li> <li>• DHL Next Day 3:00 p.m.</li> <li>• DHL 2nd Day Service</li> </ul>     |  |
| <b>Federal Express (FedEx)</b>  | <b>United Parcel Service (UPS)</b>   |
| <ul style="list-style-type: none"> <li>• FedEx Priority Overnight</li> <li>• FedEx Standard Overnight</li> <li>• FedEx 2Day</li> <li>• FedEx International Priority</li> <li>• FedEx International First</li> </ul> | <ul style="list-style-type: none"> <li>• UPS Next Day Air</li> <li>• UPS Next Day Air Saver</li> <li>• UPS 2nd Day Air</li> <li>• UPS 2nd Day Air A.M.</li> <li>• UPS Worldwide Express Plus</li> <li>• UPS Worldwide Express</li> </ul> |

This list is subject to change. See **Policy Statement 2005(4), Designated Private Delivery Services and Designated Types of Service.**

If **Form CT-1040NR/PY** is filed late, or all the tax due is not paid with the return, see *Interest and Penalties* on Page 12 to determine if interest and penalty must be reported with the return.

## Extension Requests

### Extension of Time to File

To request an extension of time to file your return, you must file

**Form CT-1040 EXT, Application for Extension of Time to File Connecticut Income Tax Return for Individuals**, and pay all the tax you expect to owe on or before the due date. Visit: [www.ct.gov/DRS](http://www.ct.gov/DRS) to file your extension over the internet. If you pay your expected 2005 Connecticut income tax due by credit card, you do not need to file Form CT-1040 EXT. See Form CT-1040 EXT included in this booklet.



Form CT-1040 EXT extends only the time to file your return; it does not extend the time to pay your tax due. See *Interest and Penalties* on Page 12 if you do not pay all the tax due with your request for extension.

If you expect to owe no additional Connecticut income tax for the 2005 taxable year, after taking into account any Connecticut income tax withheld from your wages or any estimated Connecticut income tax payments you have made, or both, and you have requested an extension of time to file your 2005 federal income tax return, you are not required to file Form CT-1040EXT. Please keep a copy of your federal Form 4868 for your records.

## U.S. Citizens Living Abroad

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

Include with Form CT-1040 EXT 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 extension. If your application is approved, the due date will be extended for six months. If you are still unable to file your return and you were granted an additional extension of time to file for federal purposes, you may file your Connecticut return using the federal extension due date. A copy of the federal Form 2350 approval notice must be attached to the front of your Connecticut return.

## Extension of Time to Pay

You may be eligible for a six-month extension of time to pay the tax due if you can show paying the tax by the due date will cause undue hardship. You may request an extension by filing **Form CT-1127, Application for Extension of Time for Payment of Income Tax**, on or before the due date of the original return.

Attach Form CT-1127 to the front of **Form CT-1040NR/PY** or **Form CT-1040 EXT** and send it on or before the due date. As evidence of the need for extension, you must attach:

- An explanation of why you cannot borrow money to pay the tax due;
- A statement of your assets and liabilities; **and**
- An itemized list of your receipts and disbursements for the preceding three months.

If an extension of time to pay is granted and you pay all the tax due in full by the end of the extension period, a penalty will not be imposed. However, interest will accrue on any unpaid tax from the original due date. You should make payments as soon as possible to reduce the interest you would otherwise owe. To ensure proper posting of your payment, write your SSN(s) (optional) and “**2005 Form CT-1040NR/PY**” on the front of your check or money order. Mail payments to:

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

## Where to File

For **refunds and all other tax forms without payment** enclosed, use the mailing label with this address and mail your return to:

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

For **all tax forms with payment** enclosed, use the mailing label with this address and mail your return with payment to:

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

## Estimated Tax Payments

You must make estimated income tax payments if your Connecticut income tax (after tax credits) minus Connecticut tax withheld is \$1,000 or more, and you expect your Connecticut income tax withheld to be less than your required annual payment for the 2006 taxable year.

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Your required annual payment for the 2006 taxable year is the lesser of:

- **90%** of the income tax shown on your **2006 Connecticut income tax return**; **or**
  - **100%** of the income tax shown on your **2005 Connecticut income tax return** if you filed a 2005 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 during the 2005 taxable year and you did not file a 2005 income tax return because you had no Connecticut income tax liability; **or**
- You were a nonresident or part-year resident with Connecticut source income during the 2005 taxable year and you did not file a 2005 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 during the 2005 taxable year, you **must** use 90% of the income tax shown on your 2006 Connecticut income tax return as your required annual payment.

## Annualized Income Installment Method

If your income varies throughout the year, you may be able to reduce or eliminate the amount of your estimated tax payment for one or more periods by using the annualized income installment method. See **Informational Publication 2005(27), A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040 AES**.

## Filing Form CT-1040ES

Use **Form CT-1040ES, Estimated Connecticut Income Tax Payment Coupon for Individuals**, to make estimated Connecticut income tax payments for 2006. If you made estimated tax payments in 2005, you will automatically receive coupons for the 2006 taxable year in mid-January. They will be preprinted with your name, address, and SSN. To ensure that your payments are properly credited, use the preprinted coupons.

If you did not make estimated tax payments in 2005, use Form CT-1040ES, included in this booklet, to make your first estimated income tax payment. If you file this form, additional preprinted coupons will be mailed to you.

You may pay your 2006 estimated Connecticut income tax payments by credit card. See Form CT-1040ES included in this booklet. You may also file and pay your Connecticut estimated tax using *WebFile*. Visit our website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *WebFile* logo for more information.

To avoid making estimated tax payments, you may request that your employer withhold additional amounts from your wages to cover the taxes on other income. You can make this change by giving your employer a revised **Form CT-W4, Employee's Withholding Certificate**. For help in determining the correct amount of Connecticut withholding to be withheld from your wage income, see **Informational Publication 2006(7), Is My Connecticut Withholding Correct?**

## Special Rules for Farmers and Fishermen

If you are a farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments, you must make only **one** payment. Your payment is due on or before January 15, 2007, for the 2006 taxable year. The required installment is the lesser of 66<sup>2</sup>/<sub>3</sub>% of the income tax shown on your 2006 Connecticut income tax return or 100% of the income tax shown on your 2005 Connecticut income tax return.

A farmer or fisherman who files a 2006 Connecticut income tax return on or before March 1, 2007, 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 or 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. Be sure to check Box D of Form CT-2210, Part I, and the box for Form CT-2210 on the front of Form CT-1040NR/PY. See **Informational Publication 2005(12), Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax, Estimated Income Tax, and Withholding Tax**.

## Interest on Underpayment of Estimated Tax

You may be charged interest if you did not pay enough tax through withholding or estimated payments, or both, by any installment due date. 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 will be added to the tax due until the **earlier of** April 15, 2006, or the date on which the underpayment is paid.

A taxpayer who files a 2005 Connecticut income tax return on or before January 31, 2006, 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, 2006.

A farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments will not be charged interest for failing to make the estimated payment due January 15, 2006, if he or she files a 2005 Connecticut income tax return on or before March 1, 2006, and pays in full the amount computed on the return as payable on or before that date.

## Filing Form CT-2210

You may be charged interest if your 2005 Connecticut income tax (after tax credits) minus Connecticut tax withheld is \$1,000 or more. Use Form CT-2210 to calculate interest on the underpayment of estimated tax. Form CT-2210 and detailed instructions are available from DRS. However, this is a complex form and you may prefer to have DRS calculate the interest. If so, do not file Form CT-2210 and DRS will send you a bill.

## Interest and Penalties

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

### Interest

If you do not pay the tax when due, you will owe interest at 1% (.01) per month or fraction of a month until the tax is paid in full.

If you did not pay enough tax through withholding or estimated payments, or both, 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. See *Interest on Underpayment of Estimated Tax* on this page.

Interest on underpayment or late payment of tax cannot be waived.

## 2006 Estimated Tax Due Dates

Due dates of installments and the amount of required payments for 2006 calendar year taxpayers are:

|                           |  |
|---------------------------|--|
| <b>April 15, 2006</b>     | 25% of your required annual payment  |
| <b>June 15, 2006</b>      | 25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)  |
| <b>September 15, 2006</b> | 25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)  |
| <b>January 15, 2007</b>   | 25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.) |

An estimate will be considered timely filed if received on or before the due date, or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date. Taxpayers who report on other than a calendar year basis should use their federal estimated tax installment due dates. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

## Penalty for Late Payment or Late Filing

The penalty for late payment or underpayment of income or use tax is 10% (.10) of the tax due. If a request for an extension of time has been granted, you can avoid a penalty for failure to pay the full amount due by the original due date if you:

- Pay at least 90% (.90) of the income tax shown to be due on the return on or before the original due date of the return; **and**
- Pay the balance due with the return on or before the extended due date.

If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

## Penalty for Failure to File

If you do not file your return and DRS files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater. If you are required to file **Form CT-1040X, Amended Connecticut Income Tax Return for Individuals**, and fail to do so, a penalty may be imposed.

## Waiver of Penalty

You may be able to have your penalty waived if the failure to file or pay tax on time was due to a reasonable cause and was not intentional or due to neglect. However, interest **cannot** be waived. Before a penalty waiver can be granted, all tax and interest must be paid.

All requests must include:

- A clear and complete written explanation;
- Your name and SSN;
- The taxable filing period;
- The name of the original form filed or billing notice received; **and**
- Documentation supporting your explanation.

Attach your request to the **front** of your tax return **or** mail separately with a copy of your tax return to:

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

## Refund Information

If you have a touch-tone phone, you may check on the status of your refund anytime by calling **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). Be ready to provide your SSN (and your spouse's, if filing jointly) and the exact amount of the refund you requested.

You should allow eight to ten weeks before calling to check on the status of your refund. If DRS does not issue your refund on or before the ninetieth day after we receive your claim for refund, you may be entitled to interest on your overpayment at the rate of  $\frac{2}{3}\%$  for each month or fraction of a month between the ninetieth 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.

## Offset Against Debts

If you are due a refund but have not paid certain obligations to Connecticut state agencies or the IRS, 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 2005 and who made Connecticut income tax payments (withholding or estimates) for the 2005 taxable year may be eligible to claim his or her share of any refund if:

- A joint Connecticut tax return was filed for 2005; **and**
- 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**. When filing Form CT-8379, attach all W-2 and 1099 forms showing Connecticut income tax withheld. Remember to check the box on the front of your Connecticut income tax return and attach Form CT-8379 to the front of your return.

Do **not** use Form CT-8379 to claim your share of a Connecticut refund that was applied to federal taxes you owe to the IRS. You must contact the IRS Office of the Local Taxpayer Advocate in Hartford, Connecticut at 860-756-4555.

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# Completing Form CT-1040NR/PY

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Before you begin, gather all your records, including your federal W-2s (wages), W-2Gs (winnings), 1099-Rs (pensions), and other 1099 forms. Use this information to complete your federal income tax return. The information on your federal return is needed to complete your Connecticut return.

## 1 Taxpayer Information

### Social Security Number

The preprinted label **does not** include your Social Security Number (SSN). Therefore, you **must** enter your SSN in the space provided above your name. If you file a joint return, enter your SSN and your spouse's SSN in the order they appear on your federal return. If you are a nonresident alien and do not have an SSN, enter your Individual Taxpayer Identification Number (ITIN) in the space provided above your name. Nonresident aliens who have applied for an ITIN from the Internal Revenue Service by filing Form W-7 but have not received the ITIN before filing their Connecticut tax return should attach a copy of the federal Form W-7 and write "ITIN applied for/W-7 attached" in the Social Security box on the Connecticut return. If the taxpayer is deceased see *Deceased Taxpayers* on Page 6.

### Filing Status

Check the appropriate box to indicate your filing status. Generally, your filing status must match your federal income tax filing status for this year. If you are not certain of your filing status for 2005, consult the information in your federal income tax booklet or call the IRS at 1-800-829-1040.

If your filing status is qualifying widow(er) with dependent child on federal Form 1040 or 1040A, check the box on **Form CT-1040NR/PY** for "Married filing jointly or Qualifying widow(er) with dependent child." **Do not** enter your deceased spouse's name or SSN in the spaces provided for Spouse's Name and Spouse's SSN.

### Name and Address

Be 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 spaces 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**.

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

### Special Rules for Married Individuals

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 separately.

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 separately **unless**:

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

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 separately.

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.

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 separately **unless**:

- They file jointly for federal income tax purposes; **and**
- They elect to be treated as if both had Connecticut source income.

When one spouse is a **nonresident alien** and the other is a **citizen** or **resident** of the U.S., **each** spouse who is required to file a Connecticut income tax return **must** file as married filing separately **unless**:

- An election is made by the nonresident alien and his or her spouse to file a joint federal income tax return;
- A married filing joint return is filed for federal income tax purposes; **and**
- The spouses are otherwise required or permitted to file a joint Connecticut income tax return.

The election to file a joint return means that the joint federal adjusted gross income **must** be used on Form CT-1040NR/PY, Line 1. It also means 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 derived from or connected with sources in Connecticut.

If you are filing a joint federal return with your spouse but are required to file a separate Connecticut return, each of you will have to recompute your federal adjusted gross income as if you were each filing as married filing separately for federal income tax purposes. Enter on Form CT-1040NR/PY, Line 1, **your** income as recalculated.

### Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total. If you do not round, DRS will disregard the cents.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

---

## 2 Calculate Your Tax

### Line 1 - Federal Adjusted Gross Income

Enter your federal adjusted gross income from your 2005 federal income tax return. This is the amount reported on

federal Form 1040, Line 37; federal Form 1040A, Line 21; or federal Form 1040EZ, Line 4.

Nonresidents aliens, see *Special Information for Nonresident Aliens* on Page 6.

## Line 2 - Additions

Enter the amount from Form CT-1040NR/PY, *Schedule 1*, Line 41. See *Additions to Federal Adjusted Gross Income* on Page 18.

## 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 52. See *Subtractions From Federal Adjusted Gross Income* on Page 19.

## 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 *Schedule CT-SI Instructions* on Page 25. Enter the income from Connecticut sources from Schedule CT-SI, Line 30.

## Line 7

Enter the greater of Line 5 or Line 6 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 12 and enter "0."

## Line 8 - Income Tax

Let the Income Tax Calculator calculate your tax for you.  
Visit: [www.ct.gov/DRS](http://www.ct.gov/DRS)

If the amount on Line 7 is: \$12,000 or less for married filing separate individuals; \$12,625 or less for single individuals; \$19,000 or less for head of household individuals; or \$24,000 or less for married filing joint individuals, enter "0" on Line 8. You do not owe any income tax. Otherwise, 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* on Page 39 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.

Nonresidents or part-year residents must calculate the tax in the same manner as resident individuals. Then, nonresidents or part-year residents prorate the tax based upon the percentage of their Connecticut adjusted gross income derived from or connected with Connecticut sources.

**Example 1:** Sandy, a nonresident individual whose filing status is single, worked in Connecticut during the entire 2005 taxable year. Sandy entered \$40,000 on Form CT-1040NR/PY, Line 5, and \$20,000 on Form CT-1040NR/PY, Line 6. Because the amount on Line 5 is greater than the amount on Line 6, Sandy would enter \$40,000 on Form CT-1040NR/PY, Line 7. Sandy

would then find the tax on \$40,000 in the *Tax Tables* and would enter \$1,620 on Form CT-1040NR/PY, Line 8. Sandy would then divide Line 6 by Line 5 and enter 50% (.50) on Line 9. Therefore, Sandy's Connecticut income tax is \$810 ( $\$1,620 \times .50$ ) and she would enter this amount on Form CT-1040NR/PY, Line 10.

**Example 2:** William, a part-year resident individual whose filing status is single, moved from Connecticut to Rhode Island on August 15, 2005. William entered \$20,000 on Form CT-1040NR/PY, Line 5, and \$40,000 on Form CT-1040NR/PY, Line 6. Because the amount on Line 6 is greater than the amount on Line 5, William would enter \$40,000 on Form CT-1040NR/PY, Line 7. William would then find the tax on \$40,000 in the *Tax Tables* and enter \$1,620 on Form CT-1040NR/PY, Line 8. Because the amount on Line 6 is greater than the amount on Line 5, William would enter 1.0000 on Line 9. Therefore, William's Connecticut income tax is \$1,620 ( $\$1,620 \times 1.0000$ ) and he would enter this amount on Form CT-1040NR/PY, Line 10.

## Line 9

If Line 5 is greater than Line 6, 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 - Credit for Income Taxes Paid to Qualifying 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 a qualifying jurisdiction and you have filed a return and paid income taxes to that jurisdiction, complete Form CT-1040NR/PY, *Schedule 2*, and enter the amount from Line 61 here. See *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions (Part-Year Residents Only)* on Page 21.

The credit for income tax paid to other jurisdictions is limited to part-year residents for the period of their Connecticut residency.

**You must attach a copy of your return filed with the qualifying jurisdiction(s) or the credit will be disallowed.**

## Line 12

Subtract Line 11 from Line 10. Enter the result on Line 12. If Line 11 is greater than Line 10, enter "0."

## Line 13 - Connecticut Alternative Minimum Tax

If you were required to pay the federal alternative minimum tax for 2005, you must file **Form CT-6251, Connecticut Alternative Minimum Tax Return - Individuals**. Enter on Line 13 the amount shown on Form CT-6251, Line 23.

## 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 from **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 Form CT-1040NR/PY, Line 13, 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

Complete *Schedule 3* on Page 4 of Form CT-1040NR/PY. Enter on Line 17 the total use tax due as reported on *Schedule 3*, Line 62. You **must** enter "0" if no Connecticut use tax is due; otherwise you will not have filed a use tax return.

### Line 18 and Line 19

Add Line 16 and Line 17. Enter the total on Line 18 and Line 19.

## 3 Payments

### Line 20 - Connecticut Tax Withheld

Enter the number from Box b in Column A of Form CT-1040NR/PY.

|  |   |                                   |                                |
|--|---|-----------------------------------|--------------------------------|
| a Control number                                     | OMB No. 1545-0008   | 1 Wages, tips, other compensation | 2 Federal income tax withheld  |
| b Employer identification number (EIN)<br>XX-XXXXXXX |   | 3 Social security wages           | 4 Social security tax withheld |
| c Employer's name, address, and ZIP code             |   | 5 Medicare wages and tips         | 6 Medicare tax withheld        |
|  |   | 7 Social security tips            | 8 Allocated tips               |
| d Employer's social security number                  |   | 9 Advance EIC payment             | 10 Dependent care benefits     |
| e Employer's first name and initial<br>Last name     |   | 11 Nonqualified plans             | 12a                            |
|  | Enter the amount from Box 16 in Column B of Form CT-1040NRPY. | 13                                | 12b                            |
| f Employer's address and ZIP code                    |   | 14 Other                          | 12c                            |
|  |   |                                   | 12d                            |
| 15 State<br>CT                                       | 16 State wages, tips, etc.<br>XXX.00                          | 17 State income tax<br>XXX.00     | 18 Local wages, tips, etc.     |
| 19 Local income tax                                  | 20 Locality name  |                                   |                                |

Form **W-2** Wage and Tax Statement  
Copy 1 — For State, City, or Local Tax Department  
2005  
Department of the Treasury - Internal Revenue Service

Box 15 - Must show CT to be claimed as Connecticut Withholding.

Enter the amount from Box 17 (in whole dollars) in Column C of Form CT-1040NR/PY.

For each federal Form W-2, W-2G, or 1099, where Connecticut income tax was withheld, enter the following on Lines 20a through 20g:

**Column A:** Enter the Employer Identification Number.

**Column B:** Enter the amount of Connecticut Wages, Tips, etc.

**Column C:** Enter the amount of Connecticut income tax withheld.

You **must** complete all columns or your Connecticut withholding will be disallowed. Do **not** include tax withheld for other states or federal income tax withholding.

**Nonresident partners or shareholders:** Complete Columns A and C by entering information from **Schedule CT K-1, Member's Share of Certain Connecticut Items**, Part III, Line 1. Remember to check the box indicating that the withholding is from Schedule CT K-1.

If you have **more than seven** federal Forms W-2, W-2G, or 1099 showing Connecticut income tax withheld, you must complete **Supplemental Schedule CT-1040WH, Connecticut Income Tax Withholding** (located in booklet). Enter on Supplemental Schedule CT-1040WH only Connecticut income tax withholding amounts that were not previously reported on Form CT-1040NR/PY. Enter the total from Supplemental Schedule CT-1040WH, Line 3, on the last line of Column C, Line 20h.

Add all entries in Column C (including the additional amount from Supplemental Schedule CT-1040WH) and enter the total Connecticut income tax withheld on Line 20.

**Do not send copies of W-2, W-2G, 1099, and Schedule CT K-1 forms.** Keep these for your records. They may be requested by DRS at a later date. When filing **Form CT-8379, Nonobligated Spouse Claim**, attach all W-2 and 1099 forms showing Connecticut income tax withheld.

### Line 21 - All 2005 Estimated Payments

Enter on Line 21 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 2005 estimated tax payments made in 2006. **Do not** include any refunds received.

### Line 22 - Payments Made With Form CT-1040 EXT

If you filed **Form CT-1040 EXT, Application for Extension of Time to File**, enter on Line 22 the amount you paid with that form.

### Line 23 - Total Payments

Add Lines 20, 21, and 22. Enter the total on Line 23. This is the total of all Connecticut tax payments made.

## 4 Overpayment

### Line 24 - Amount Overpaid

If Line 23 is greater than Line 19, subtract Line 19 from Line 23 and enter the result on Line 24. This is your overpayment. To properly allocate your overpayment, go to Lines 25, 26, and 27. If Line 23 is less than Line 19, go to Line 28.

### Line 25 - Amount of Line 24 You Want Applied to Your 2006 Estimated Tax

Enter the amount of your 2005 overpayment that you want applied to your 2006 estimated Connecticut income tax. It will be treated as estimated tax paid on April 15, 2006, 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. Payments received after April 15, 2006, will be applied as of the date of receipt. **Your request to apply this amount to your 2006 estimated income tax is irrevocable.**

### Line 26 - Total Contributions to Designated Charities

You may make a contribution on this return only if you are entitled to a refund. Your contribution is limited to your refund amount. Complete *Schedule 4* on Page 4 of Form CT-1040NR/PY. Enter on Line 26 the total contributions as reported on *Schedule 4*, Line 63. **Your contribution is irrevocable.**

You may also make direct contributions by following the instructions on Page 38.

### Line 27 - Amount of Line 24 You Want Refunded to You

Subtract the total of Line 25 and Line 26 from Line 24. Enter the result on Line 27. This is the amount of your refund. Early filers receive their refunds faster. Be sure to affix the **refund label** to the envelope when mailing your return.

Get your refund faster by choosing **direct deposit**. Complete Lines 27a, 27b, and 27c to have your refund directly deposited into your checking or savings account.

Enter your nine-digit bank routing number and your bank account number in Lines 27b and 27c. Your bank routing number is the first nine-digit number printed on your check or savings withdrawal slip. Your bank account number generally follows the bank routing number. Do not include the check number as

part of your account number. Bank account numbers can be up to 17 digits and must be numeric.

If any of the bank information you supply for direct deposit does not match, a paper check will automatically be issued to you. Some financial institutions do not allow a joint refund to be deposited into an individual account.

|  |                       |         |
|--|-----------------------|---------|
| Name of Depositor<br>Street Address<br>City, State, Zip Code | Date _____            | No. 101 |
| Pay to the Order of _____                                    | \$ _____              |         |
| Name of your Bank<br>Street Address<br>City, State, Zip Code |                       |         |
| <b>092125789</b>   | <b>091 025 025413</b> | 0101    |
| ↑<br>Routing Number  | ↑<br>Account Number   |         |

Your overpayment is applied in the following order: penalty and interest you owe; amounts designated by you to be applied to your 2005 estimated tax; other taxes you may owe DRS; debts to other Connecticut state agencies; federal taxes you may owe the IRS; and charitable contributions designated by you. Any remaining balance will be refunded to you.

## 5 Amount You Owe

### Line 28 - Amount of Tax You Owe.

If Line 19 is greater than Line 23, subtract Line 23 from Line 19 and enter the result on Line 28. This is the amount of tax you owe. See *Estimated Tax Payments* on Page 11.

### Line 29 - Penalty for Late Payment or Late Filing

**Late Payment Penalty:** The penalty for late payment or underpayment of income or use tax is 10% (.10) of the amount due. Taxpayers who pay at least 90% (.90) of the income tax shown to be due on the return on or before the original due date of the return and remit the balance due with the return on or before the extended due date will avoid penalty for failure to pay the full amount due by the original due date. 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.

**Late Filing Penalty:** In the event no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

### Line 30 - 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 31 - Interest on Underpayment of Estimated Tax

If Line 16 minus Line 20 is \$1,000 or more, you may owe interest on estimated tax 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. However, this is a complex form and you may prefer to have DRS calculate the interest. If so, do **not** file Form CT-2210, leave this line blank, and DRS will send you a bill. Interest on underpayment of estimated income tax stops accruing on the **earlier** of the day you pay your tax or April 15, 2006.

## Line 32 - Total Amount Due

Add Lines 28 through 31. Enter the total on Line 32. This is the total amount you owe. Pay the amount in full with your return.

## Payment Options

If you filed a 2004 Connecticut income tax return, you may elect to pay your 2005 Connecticut income tax liability using your American Express® card, Discover® card, MasterCard® card, or VISA® card. A convenience fee will be charged by the credit card service provider. The fee is 2.5% of your total tax payment. You will be informed of the amount of the fee and you may elect to cancel the transaction. At the end of the transaction, you will be given a confirmation number for your records.

### To Pay by Credit Card:



- Call Official Payments Corporation toll-free at **1-800-2PAY-TAX** (1-800-272-9829). You will be asked to enter the Connecticut Jurisdiction Code: 1777.
- Visit: **www.officialpayments.com** and select Payment Center.

Your payment will be effective on the date you make the charge.

### To Pay by Mail:

Make your check or money order payable to **Commissioner of Revenue Services**. To ensure proper posting of your payment, write “**2005 Form CT-1040NR/PY**” and your SSN(s) (optional) on the front of your check or money order. Be sure to sign your check and paper clip it to the front of your return. **Do not send cash.** DRS may submit your check to your bank electronically.

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

## 6 Sign Your Return

After completing 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. The signature line is located on the back of Form CT-1040NR/PY.

If you file a joint return, you **must** review the information with your spouse. When both you and your spouse sign the return, you become jointly and severally responsible for paying the full amount of tax, interest, and penalties due.

### Paid Preparer Signature

Anyone you pay to prepare your return must sign and date it. Paid preparers must also enter their SSN or Preparer Tax Identification Number (PTIN), and their firm’s Federal Employer Identification Number (FEIN) in the spaces provided.

### Third Party Designee

If you wish to authorize DRS to contact your friend, family member, or any other person to discuss your 2005 tax return, enter the designee’s name, telephone number, and any five numbers the designee chooses as his or her personal identification number (PIN). If you wish to authorize DRS to contact the paid preparer who signed your return, enter “Preparer” in the space for the designee’s name. You do not have to provide the other information requested.

If you enter a designee’s name, you and your spouse, if filing a joint return, are authorizing DRS to call the designee to answer

any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give DRS any information missing from your return;
- Call DRS for information about the processing of your return or the status of your refund or payment; **and**
- Respond to certain DRS notices you have shared with the designee about math errors, offsets, and return preparation. The notices will not be sent to the designee.

Once DRS completes processing the return, the authorization ends. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing your 2006 tax return. This is April 15, 2007, for most taxpayers.

Selecting a designee does not replace a power of attorney and will not authorize the designee to receive refund checks, bind you to anything (including additional tax liabilities), or represent you before DRS. To authorize another individual to represent you or act on your behalf, you must complete **Form LGL-001, Power of Attorney**.

### Order of Attachments

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.**” To ensure proper posting of your payment, write “**2005 Form CT-1040NR/PY**” and your SSN(s) (optional) on the front of your check or money order.

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:

- **Schedule CT-1040CRC, Claim of Right Credit**
- **Form CT-19IT, Title 19 Status Release**
- **Form CT-1127, Application for Extension of Time for Payment of Income Tax**

### • **Form CT-8379, Nonobligated Spouse Claim**

Attach other required forms and schedules, including **Supplemental Schedule CT-1040H, Connecticut Income Tax Withholding**, to the **back** of your return, or as directed on the form. You do **not** need to attach a copy of your previously-filed Form CT-1040EXT.

### Filing Your Return

Keep a copy of this return and all attachments 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.

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

### Recordkeeping

Keep a copy of your tax return, worksheets that you used, and records of all items appearing on the return (such as W-2 and 1099 forms) until the statute of limitations expires for that return. Usually, this is three years from the date the return was due or filed, whichever is later. You may need this information to prepare future returns or to file amended returns.

### Copies of Returns

You may request a copy of a previously-filed Connecticut income tax return from DRS by completing **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. You can usually expect your copy in three weeks.

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## CT-1040 NR/PY Schedules

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The following modifications to federal adjusted gross income are provided in Conn. Gen. Stat. §12-701(a)(20). Your federal adjusted gross income may not be further modified in determining your Connecticut adjusted gross income except as expressly provided by Conn. Gen. Stat. §12-701(a)(20).

### Schedules 1 - Modifications to Federal Adjusted Gross Income

#### Additions to Federal Adjusted Gross Income

Enter all amounts as positive numbers.

#### Line 33 - 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 is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, or U.S. Virgin Islands.

#### Line 34 - 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, or 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 35 - Allocated for Future Use

#### Line 36 - 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 36. Do not enter any part of the distribution

reported on federal Form 1040A, Line 12a; federal Form 1040, Line 16a; or federal Form 1040, Schedule D.

Part-year residents should enter this amount on **Schedule CT-1040AW**, *Part-Year Resident Income Allocation*, Line 14, Column A.

### **Line 37 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of the Connecticut fiduciary adjustment) that applies to the income will be shown on **Form CT-1041**, *Connecticut Income Tax Return for Trusts and Estates, Schedule B*, Part 1, 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 37. If the amount is less than zero, enter the amount on Line 48.

If you are a beneficiary of more than one trust or estate, enter the net amount of all modifications, if greater than zero, on Line 37.

### **Line 38 - 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 39 - Allocated for Future Use**

#### **Line 40 - Other**

Use Line 40 to report any of the following modifications:

1. Add back any treaty income reported on federal Form 1040NR-EZ or Form 1040NR if a nonresident alien. Enter the words "treaty income" in the space provided.
2. Add back any loss or deduction of an enrolled member of the Mashantucket Pequot Tribe who resides in Indian country of such tribe or any loss or deduction of an enrolled member of the Mohegan Tribe who resides in Indian country of such tribe where the loss or deduction is derived from or connected with Indian country of the tribe. Enter the words "Mashantucket Pequot Tribe enrolled member" or "Mohegan Tribe enrolled member" as the case may be.
3. 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.
4. 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.
5. 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.
6. Add back any interest or dividend income on obligations or securities of any authority, commission, or instrumentality of the U.S. which federal law exempts from federal income tax but does not exempt from state income taxes.
7. 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).

8. Enter any item of income or gain subject to special accrual to the extent the item was not includible in federal adjusted gross income for the taxable year. See *Items Subject to Special Accrual* on Page 9.
9. 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 33 through 38.

### **Line 41 - Total Additions**

Add Lines 33 through 40. Enter the total on **Form CT-1040NR/PY**, *Schedule I*, Line 41.

### **Subtractions From Federal Adjusted Gross Income**

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Enter all amounts as positive numbers.

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### **Line 42 - Interest on U.S. 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 or Series HH and U.S. Treasury bills or notes).

For Series EE U.S. Savings Bonds, you are entitled to include on Line 42 **only** the amount of interest subject to federal income tax after exclusion of the amounts reported on federal Form 8815. In general, you will report the net taxable amount on federal Form 1040, Schedule B, or federal Form 1040A, Schedule 1.

**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 43 - Exempt Dividends From Certain Qualifying Mutual Funds Derived From U.S. Government Obligations**

Enter the total amount of exempt dividends received from a qualifying mutual fund 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 dividend 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.

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**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 43 is \$55.

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## Social Security Benefit Adjustment Worksheet - Line 44

|  |    |  |
|--|----|--|
| Enter the amount from <b>Form CT-1040NR/PY</b> , Line 1. ....  |    |  |
| If your filing status is <b>Single</b> or <b>Married Filing Separately</b> , is the amount on Line 1 \$50,000 or more?   |    |  |
| <input type="checkbox"/> Yes: <b>Complete</b> this worksheet.  |    |  |
| <input type="checkbox"/> No: <b>Do not complete</b> this worksheet. Enter the amount of federally taxable Social Security benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Form CT-1040NR/PY, Line 44.  |    |  |
| If your filing status is <b>Married Filing Jointly</b> or <b>Head of Household</b> , is the amount on Line 1 \$60,000 or more?   |    |  |
| <input type="checkbox"/> Yes: <b>Complete</b> this worksheet.  |    |  |
| <input type="checkbox"/> No: <b>Do not complete</b> this worksheet. Enter the amount of federally taxable Social Security benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Form CT-1040NR/PY, Line 44.  |    |  |
| A. Enter the amount reported on your 2005 federal Social Security Benefits Worksheet, Line 1.  | A. |  |
| <b>If Line A is zero or less, stop here and enter "0" on Line 44. Otherwise, go to Line B.</b>   |    |  |
| B. Enter the amount reported on your 2005 federal Social Security Benefits Worksheet, Line 9.<br>However, if married filing separately and you lived apart from your spouse at any time during 2005, enter the amount reported on Line 7 of your federal Social Security Benefits Worksheet. | B. |  |
| <b>If Line B is zero or less, stop here. Otherwise, go to Line C.</b>  |    |  |
| C. Enter the lesser of Line A or Line B.   | C. |  |
| D. Multiply Line C by 25% (.25).   | D. |  |
| E. Taxable amount of Social Security benefits reported on your 2005 federal Social Security Benefits Worksheet, Line 18.   | E. |  |
| F. <b>Social Security Benefit Adjustment</b> - Subtract Line D from Line E. Enter the amount here and on Form CT-1040NR/PY, <i>Schedule 1</i> , Line 44. (If Line D is greater than or equal to Line E, enter "0.")  | F. |  |

### Line 44 - Social Security Benefit Adjustment

If you receive Social Security benefits subject to federal income tax, you may reduce or eliminate the amount of your benefits subject to Connecticut income tax. Your Social Security benefits are fully exempt from Connecticut income tax if your filing status is Single or Married Filing Separately and the amount reported on Form CT-1040NR/PY, Line 1, is **less than \$50,000**, or Married Filing Jointly or Head of Household and the amount reported on Form CT-1040NR/PY, Line 1, is **less than \$60,000**. If this is the case, enter on Line 44 the amount of federally taxable Social Security benefits reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b. Your Social Security benefits are partially exempt from Connecticut income tax if your federal adjusted gross income is above the threshold for your filing status. If you used the worksheets contained in the instructions to federal Form 1040A or federal Form 1040 to calculate the amount of taxable Social Security benefits, complete the *Social Security Benefit Adjustment Worksheet* above and enter the amount from Line F on Line 44. If you did not use these worksheets, but instead used worksheets contained in federal Publication 590 or federal Publication 915, see **Announcement 2001(4)**, *Taxability of Social Security Benefits for Connecticut Income Tax Purposes*.

If you are using a worksheet that is not from a federal publication, such as one you printed from a tax preparation program on your computer or one given to you by your tax preparer, you should verify the line references from these worksheets are the same as the equivalent federal publication to be certain you are using the proper amounts.

### Line 45 - Refunds of State and Local Income Taxes

Enter the amount of taxable refunds of state and local income taxes reported on federal Form 1040, Line 10. If Line 10 is blank or if you filed federal Forms 1040A or 1040EZ, enter "0."

### Line 46 - Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities

If you received Tier 1 or Tier 2, or both, railroad retirement benefits or supplemental annuities during 2005, you may deduct the amount included in your federal adjusted gross income, but only to the extent the benefits were not already subtracted from federal adjusted gross income on Line 44 (Social Security Benefit Adjustment). Enter the balance not already subtracted on Line 44 of Tier 1 and Tier 2 railroad retirement benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 12b or Line 14b. See **Special Notice 2003(21)**, *2003 Legislation Affecting the Connecticut Income Tax*. Likewise, enter the amount of railroad unemployment benefits, including sickness benefits paid by the Railroad Retirement Board (RRB) in lieu of unemployment benefits, to the extent included in your federal adjusted gross income. However, do not enter sickness benefits paid by the RRB resulting from an on-the-job injury because these benefits are not included in your federal adjusted gross income.

### Line 47 - Special Depreciation Allowance for Qualified Property Placed in Service During the Preceding Year

If you added bonus depreciation to your federal adjusted gross income on your **2004** Form CT-1040NR/PY, Line 35, you may subtract 25% of that bonus depreciation amount on Line 47 and 25% of that bonus depreciation amount on the comparable line of your Connecticut income tax return for the 2006, 2007, and 2008 taxable years. If you added bonus depreciation to your federal adjusted gross income on your **2003** Form CT-1040NR/PY, Line 34, you may subtract 25% of that bonus depreciation amount on Line 47 and 25% of that bonus depreciation amount on the comparable line of your Connecticut income tax return for the 2006 and 2007 taxable years. If you

added bonus depreciation to your federal adjusted gross income on your **2002** Form CT-1040NR/PY, Line 34, you may subtract 25% of that bonus depreciation amount on Line 47 and 25% of that bonus depreciation amount on the comparable line of your Connecticut income tax return for the 2006 taxable year.

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**Example:** Linda was required to make an addition modification of \$3,000 on Line 34 of her 2002 Form CT-1040NR/PY, \$5,000 on Line 34 of her 2003 Form CT-1040NR/PY, and \$6,000 on Line 35 of her 2004 Form CT-1040NR/PY. On her 2005 Form CT-1040NR/PY, Line 47, she will make a subtraction modification of \$3,500. This amount is 25% of the \$3,000 reported on her 2002 Form CT-1040NR/PY, Line 34, 25% of the \$5,000 reported on her 2003 Form CT-1040NR/PY, Line 34, and 25% of \$6,000 reported on her 2004 Form CT-1040NR/PY, Line 35.

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### **Line 48 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of the Connecticut fiduciary adjustment) that applies to the income will be shown on Form CT-1041, *Schedule B*, Part 1, 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 48. If the amount is greater than zero, enter the amount on Line 37.

If you are a beneficiary of more than one trust or estate, enter the net amount of all the modifications, if less than zero, on Line 48.

### **Line 49 - 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 50 - Allocated for Future Use**

#### **Line 51 - Other**

Use Line 51 to report any of the following modifications:

1. Subtract the amount of any distributions you received from the Connecticut Higher Education Trust Fund (CHET) as a designated beneficiary to the extent includable in your federal adjusted gross income.

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Congress passed legislation excluding from federal gross income any distribution from a qualified State tuition program (such as CHET), to the extent the distribution is used to pay for qualified higher education expenses. (Pub. L. No. 107-16, §402) To the extent any distribution from CHET is excluded from federal gross income, the amount should not be reported as a subtraction modification on Line 51.

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2. Subtract any income or gain of an enrolled member of the Mashantucket Pequot Tribe who resides in Indian country of such tribe or any income or gain of an enrolled member of the Mohegan Tribe who resides in Indian country of such tribe, where the income or gain is derived from or connected with Indian country of the tribe. Enter the words "Mashantucket Pequot Tribe enrolled member" or "Mohegan Tribe enrolled member" as the case may be.
3. Subtract the amount of interest earned on funds deposited in a Connecticut individual development account to the extent included in federal adjusted gross income.

4. Subtract any interest paid on indebtedness incurred to acquire investments that provide income taxable in Connecticut but exempt 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.
5. 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, that are not deductible in determining federal adjusted gross income and are attributable to a trade or business of that individual.
6. 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 are attributable to a trade or business of that individual.
7. Enter any item of loss or deduction subject to special accrual to the extent the item was not deductible in determining federal gross income for the taxable year. See *Items Subject to Special Accrual* on Page 9.
8. Subtract the amount of any interest income from notes, bonds, or other obligations of the State of Connecticut included in federal adjusted gross income.
9. Subtract the amount of military pay received by a nonresident or part-year resident during the part-year resident's nonresidency portion of the taxable year to the extent includable in federal adjusted gross income.

Do **not** use Line 51 to subtract income subject to tax in a qualifying jurisdiction (see *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions* below) or income of a nonresident spouse. See *Special Rules for Married Individuals* on Page 14.

### **Line 52 - Total Subtractions**

Add Lines 42 through 51. Enter the total on Form CT-1040NR/PY, *Schedule 1*, Line 52.

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## **Schedule 2 - Credit For Income Taxes Paid To Qualifying Jurisdictions (Part-Year Residents Only)**

### **Am I Eligible for the Credit for Income Taxes Paid to Qualifying Jurisdictions**

If you are a **part-year resident** of Connecticut and if any part of your income earned during the residency portion of your taxable year was taxed by a **qualifying jurisdiction**, you **may** be able to claim a credit against your Connecticut income tax liability for qualifying income tax payments you have made.

**Nonresidents may not claim a credit for income taxes paid to other jurisdictions.**

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

### **Qualifying Jurisdiction**

A qualifying jurisdiction includes another state of the United States, a local government within another state, or the District of Columbia. A qualifying jurisdiction does not include the State of Connecticut, the United States, or a foreign country or its provinces (for example, Canada and Canadian provinces).

## Qualifying Income Tax Payments

Qualifying income tax payments are income taxes you actually paid on income:

- Derived from or connected with sources within a qualifying jurisdiction; **and**
- Subject to tax in the qualifying jurisdiction.

## Income Derived From or Connected With Sources Within a Qualifying Jurisdiction

- Compensation received for personal services performed in a qualifying jurisdiction;
- Income from a business, trade, or profession carried on in a qualifying jurisdiction;
- Gambling winnings from a state-conducted lottery. See **Informational Publication 2005(16)**, *Connecticut Income Tax Treatment of State Lottery Winnings Received by Residents and Nonresidents of Connecticut*; **or**
- Income from real or tangible personal property situated in a qualifying jurisdiction.

Income from intangibles, such as stocks and bonds, is not considered derived from or connected with sources within a qualifying jurisdiction **unless** the income is from property employed in a business, trade, or profession carried on in that jurisdiction.

## What Payments Do Not Qualify

- Income tax payments made to a qualifying jurisdiction on income not derived from or connected with sources within the qualifying jurisdiction (such as wages not derived from or connected with sources within the qualifying jurisdiction);
- Income tax payments made to a qualifying jurisdiction on income not included in your Connecticut adjusted gross income or Connecticut source income;
- Income tax paid to a jurisdiction that is not a qualifying jurisdiction, including a foreign country or its provinces (for example, Canada and Canadian provinces);
- Alternative minimum tax paid to a qualifying jurisdiction;
- Income tax paid to a qualifying jurisdiction if you claimed credit on that jurisdiction's income tax return for income tax paid to Connecticut; **or**
- Penalties or interest on income taxes you paid to a qualifying jurisdiction.

## Limitations to the Credit

The total credit is limited to whichever amount is least:

- The amount of income tax paid to the qualifying jurisdiction;
- The amount of Connecticut income tax due on the portion of Connecticut adjusted gross income sourced in the qualifying jurisdiction and earned during the residency portion of your taxable year; **or**
- The amount entered on Form CT-1040NR/PY, Line 10.

## How to Calculate the Credit

You **must** first complete your income tax return(s) in the qualifying jurisdiction(s). Then, complete the Schedule 2 Worksheet on Page 23 to determine the amount to enter on *Schedule 2*, Line 55.

The allowable credit must be separately computed for each qualifying jurisdiction. Use separate columns for each qualifying jurisdiction for which you are claiming a credit. **Attach a copy of all income tax returns filed with qualifying jurisdictions**

**to your Connecticut income tax return or the credit will be disallowed.**

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

If you are claiming credit for income taxes paid to another state **and** to one of its political subdivisions, follow these rules to determine your credit:

- A. If the **same amount** of income is taxed by both the city and state (see the Line 61 example on Page 24):
  1. Use only **one** column on Form CT-1040NR/PY, *Schedule 2*, to calculate your credit;
  2. Enter the same income taxed by both city and state in that column on *Schedule 2*; **and**
  3. Combine the amounts of tax paid to the city and the state and enter the total on Line 59 of that column.
- B. If the **amounts** of income taxed by both the city and state **are not the same**:
  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; **and**
  3. Include the excess income taxed by only one of the jurisdictions in the next column.

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## Schedule 2 - Worksheet Instructions

Complete the Schedule 2 Worksheet on Page 23 to determine the portion of your Connecticut adjusted gross income during the residency portion of your taxable year derived from a qualifying jurisdiction. Enter in Column I the items of income you earned during the residency portion of your taxable year and entered on Schedule CT-1040AW, Column B. For each line in Column II, enter the items of income from Column I that meet **all** of the following conditions:

- The income was earned during the residency portion of your taxable year;
- The income is derived from or connected with sources within a qualifying jurisdiction;
- The income is reported on an income tax return filed with that qualifying jurisdiction and subject to income tax in the jurisdiction; **and**
- You have paid income tax on the income to that qualifying jurisdiction.

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**Example 1:** Laura, a single taxpayer, was employed in the State of New York during the entire taxable year and moved into Connecticut on July 1, 2005. Her Connecticut adjusted gross income is \$105,000. On Form CT-1040NR/PY, Schedule CT-1040AW, Column A, Laura reported the following: \$76,000 in wages, \$4,000 in interest, and \$25,000 from dividends (which was received November 21, 2005). Laura will enter on Schedule 2 Worksheet, Column I, the amounts she entered on Form CT-1040NR/PY, Schedule CT-1040AW, Column B: Line 1, \$38,000; Line 2, \$2,000; and Line 3, \$25,000. In Column II, she will enter: Line 1, \$38,000. Credit is allowed for the New York tax paid on her \$38,000 of wage income because it is derived from or connected to New York during the Connecticut residency portion of her taxable year.

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**Example 2:** Luke and Leslie are part-year residents who file a joint federal Form 1040 and a joint Form CT-1040NR/PY. Luke's wages as an employee working in Rhode Island while a resident of Connecticut are \$20,000 and Leslie's wages as an employee working in Connecticut while a resident of Connecticut are \$25,000. Their combined wages while nonresidents of Connecticut are \$25,000. On their federal Form 1040, Line 7, (and on Line 1, Column A, of their Schedule CT-1040AW), Luke and Leslie entered \$70,000. Luke and Leslie will enter on the Schedule 2 Worksheet, \$45,000 in Column I, Line 1, and \$20,000 in Column II, Line 1. Luke and Leslie will also enter \$20,000 on Form CT-1040NR/PY, *Schedule 2*, Line 55.

**Example 3:** Linda, a part-year resident, is a sole proprietor of a business conducted at two locations, one in Connecticut and one in Massachusetts. All of Linda's income was earned while she was a Connecticut resident. On Linda's federal Form 1040,

Line 12, she entered \$100,000. Of the \$150,000 of gross income reported on federal Form 1040, Schedule C, \$90,000 is derived from the Massachusetts location. Of the \$50,000 of expenses reported on her Schedule C, \$35,000 is derived from the Massachusetts location. When completing Schedule 2 Worksheet, Linda will enter \$100,000 in Column I, Line 5, and \$55,000 (\$90,000 - \$35,000), in Column II, Line 5. Linda will also enter \$55,000 on Form CT-1040NR/PY, *Schedule 2*, Line 55.

## Schedule 2 - Line Instructions

### Line 53 - Connecticut Adjusted Gross Income During the Residency Portion of the Taxable Year

The amount from **Schedule CT-1040AW**, *Part-Year Resident Income Allocation*, Line 30, Column B, will be entered on Line 53 with the following exceptions:

1. **Add** to the amount on Line 30, Column B, any **net** loss during the residency portion of your taxable year derived

### Schedule 2 Worksheet (Part-Year Residents Only)

| Column I  | Complete this worksheet to determine the amount of income earned during the residency portion of your taxable year and taxed by a qualifying jurisdiction. <b>Complete a separate worksheet for each qualifying jurisdiction if you paid income tax to more than one qualifying jurisdiction.</b> | Column I<br>(From Column B, Schedule CT-1040AW) | Column II<br>Amount Taxable in Qualifying Jurisdiction |
|---|---|---|--|
| <p><b>Column I</b><br/>Enter on Lines 1 through 30, Column I, the amounts entered on Lines 1 through 30, Column B, respectively, of Schedule CT-1040AW. (See instructions on Page 31.)</p> <p><b>Column II</b><br/>For each line, enter that portion of the amount entered on the same line of Column I that you reported on an income tax return filed with (and on which income tax was paid to) the qualifying jurisdiction. Enter only the portion of Connecticut modifications, if any, <b>directly related</b> to income sourced in the qualifying jurisdiction.</p> <p>Enter the amount from Line 30, Column II, on Form CT-1040NR/PY, <i>Schedule 2</i>, Line 55.</p> <p>To this amount, add back any item of loss or deduction and subtract any item of income or gain included in Column II as an item of special accrual. Enter the result on Line 55.</p> <p><b>Keep this worksheet with your 2005 tax records. Do not attach to your tax return.</b></p> | 1. Wages, salaries, tips, etc.  | 1   |  |
|   | 2. Taxable interest   | 2   |  |
|   | 3. Ordinary dividends   | 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. <b>Add lines 1 through 14.</b>  | 15  |  |
|   | 16. Educator expenses   | 16  |  |
|   | 17. Certain business expenses of reservists, artists, and fee-based government officials  | 17  |  |
|   | 18. Health savings account deduction  | 18  |  |
|   | 19. Moving expenses   | 19  |  |
|   | 20. One-half of self-employment tax   | 20  |  |
|   | 21. Self-employed SEP, SIMPLE, and qualified plans  | 21  |  |
|   | 22. Self-employed health insurance deduction  | 22  |  |
|   | 23. Penalty on early withdrawal of savings  | 23  |  |
|   | 24. Alimony paid  | 24  |  |
|   | 25. IRA deduction   | 25  |  |
|   | 26. Student loan interest deduction   | 26  |  |
|   | 27. Tuition and fees deduction  | 27  |  |
|   | 28. Domestic production activities deduction  | 28  |  |
|   | 29. Total adjustments - Add Lines 16 through 28.  | 29  |  |
|   | 30. <b>Subtract Line 29 from Line 15.</b>   | 30  |  |



from or connected with sources in a qualifying jurisdiction(s) where you were subject to income taxation (whether or not income tax was actually paid to the jurisdiction(s)).

- For the residency portion of your taxable year, add back any item of loss or deduction and subtract any item of income or gain included in Schedule CT-1040AW, Column B, as an item of special accrual.

Enter the modified amount on Line 53.

**Example:** Claudia's Connecticut adjusted gross income for the residency portion of her taxable year is \$60,000 which includes income of \$15,000 from business activities conducted in Massachusetts and 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 53.

### Line 54 - Taxing Jurisdiction(s)

If you claim credit for income taxes paid to a qualifying jurisdiction, enter on Line 54 the name and the two-letter code of each qualifying jurisdiction for which you are claiming credit. If you are claiming credit for income taxes paid to a political subdivision of another state, enter on Line 54 the name and the two-letter code of the state. 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 |                      |    |
| Kansas .....               | KS | North Carolina ..... | NC |                      |    |
| Kentucky .....             | KY | North Dakota .....   | ND |                      |    |

### Line 55 - Non-Connecticut Income

Complete Schedule 2 Worksheet on Page 23 to determine the total of non-Connecticut income included in your Connecticut adjusted gross income for the residency portion of your taxable year and reported on a qualifying jurisdiction's income tax return. To the amount on Schedule 2 Worksheet, Line 30, Column II, add back any item of loss or deduction and subtract any item of income or gain included in Column II as an item of special accrual. Enter the result on Line 55.

### Line 56

Divide the amount on Line 55 by the amount on Line 53. The result cannot exceed 1.0000. Round to four decimal places.

### Line 57 - Apportioned Income Tax

To determine the portion of your 2005 Connecticut income tax attributable to income earned during the residency portion of your taxable year:

- Divide the amount on the Schedule 2 Worksheet, Line 30, Column I, by the amount on Form CT-1040NR/PY, Line 6. (Round to four decimal places. The result may not exceed 1.0000.)
- Multiply the result by the amount on Form CT-1040NR/PY, Line 10, and enter on Line 57.

### Line 58

Multiply the percentage arrived at on Line 56 by the amount reported on Line 57.

### Line 59 - Income Tax Paid to a Qualifying Jurisdiction (While a Resident)

Enter on Line 59 the total amount of income tax paid to a qualifying jurisdiction on income derived from or connected with sources in that jurisdiction during the residency portion of your taxable year.

If the tax you paid to that jurisdiction was also based on income earned during the nonresidency portion of your taxable year, 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 Worksheet, Line 30, Column II) bears to the total amount of income you earned in that jurisdiction in the taxable year.

**Example:** George, a part-year resident, worked in Rhode Island all year and paid \$1,200 in Rhode Island tax for 2005. His total Rhode Island wages for 2005 were \$20,000 of which \$15,000 was earned while he was a Connecticut resident. The income tax paid to Rhode Island during the residency portion of his taxable year is:

$$\frac{\$ 15,000}{\$ 20,000} \times \$1,200 = \$900$$

He should enter \$900 on Line 59.

**Income tax paid** means the lesser of your income tax liability to the qualifying jurisdiction or the income tax paid to that jurisdiction as reported on a return filed with that jurisdiction, but not any penalty or interest. Do **not** report the amount of tax withheld for that jurisdiction directly from your W-2 or 1099 form. You **must** first complete a return for the qualifying jurisdiction in order to determine the amount of income tax paid.

### Line 60

Enter on Line 60 the lesser of the amounts reported on Line 58 or Line 59.

### Line 61 - Total Credit for Income Taxes Paid to Qualifying Jurisdictions

Add the amounts from Line 60A, Line 60B, and Line 60 of any additional worksheets. The amount on Line 61 cannot exceed the amount on Line 58. Enter the total on Line 61.

**Attach a copy of the income tax return filed with each qualifying jurisdiction to your Connecticut income tax return or the credit will be disallowed.**

**Example:** Louise, a part-year resident whose filing status is single, changed her permanent legal residence during the taxable year by moving from Connecticut to City Y in State X. She worked in City Y during the entire taxable year. Both State X and City Y impose an income tax. Louise's Connecticut adjusted gross income is \$75,000 (Form CT-1040NR/PY, Line 5). Louise's income from Connecticut sources (Form CT-1040NR/PY, Line 6) and her Connecticut adjusted gross income during her Connecticut residency period (Schedule CT-1040AW, Column B, Line 30) is \$50,000. Louise completes Schedule CT-1040AW as follows: Line 1: Column A, \$73,000; Column B, \$49,000; Column C, \$24,000; and Column D, \$0. Line 2: Column A, \$2,000; Column B, \$1,000; Column C, \$1,000; and Column D, \$0. Louise will use the amounts in Column B when completing Schedule 2 Worksheet, Column I. Louise's Connecticut income tax before the credit for income taxes paid to other jurisdictions is \$2,367 (Form CT-1040NR/PY, Line 10). Since the amount of income taxed by both State X and City Y are equal, Louise will use only one column on Form CT-1040NR/PY, Schedule 2. Louise will enter \$49,000 (the common amount of income taxed in both State X and City Y during her residency period) on Line 55, Column A.

Louise pays an income tax of \$6,100 to State X; however, only \$4,039  $(\$49,000/\$74,000) \times \$6,100$  of that amount is attributable to her income sourced to State X during her Connecticut residency period. Louise pays an income tax of \$510 to City Y; however, only \$338  $(\$49,000/\$74,000) \times \$510$  is attributable to her income sourced to City Y during her Connecticut residency period. Therefore, the total tax paid to State X and City Y on the common amount of income is \$4,377  $(\$4,039 + \$338)$ . When completing Form CT-1040NR/PY, *Schedule 2*, Louise will enter \$50,000 on Line 53 and complete *Schedule 2* as follows:

|         | Column A        | Column B |
|---------|-----------------|----------|
| Line 54 | State X, City Y |          |
| Line 55 | 49,000 00       | 00       |
| Line 56 | .9800           |          |
| Line 57 | 2,367 00        | 00       |
| Line 58 | 2,320 00        | 00       |
| Line 59 | 4,377 00        | 00       |
| Line 60 | 2,320 00        | 00       |
| Line 61 | Total Credit    | 2,320 00 |

## Schedule CT-SI Instructions

### General Information

If you are a nonresident or part-year resident, you must use **Schedule CT-SI, Nonresident or Part-Year Resident Schedule of Income From Connecticut Sources**, to report items of income, gain, loss, or deduction that make up your federal adjusted gross income that were derived from or connected with sources within Connecticut.

### Nonresidents

Report in Schedule CT-SI, Part 1, all items of income you received from Connecticut sources with modifications as described below. Report in Schedule CT-SI, Part 2, adjustments directly related to the income items in Part 1.

### Part-Year Residents

You **must** first complete **Schedule CT-1040AW** on Page 23 to determine your income from Connecticut sources. See instructions on Page 31. Add the amounts in Columns B and D for each line and transfer the total to the corresponding line of Schedule CT-SI.

Report in Schedule CT-SI, Part 1, the income 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 Schedule CT-SI, Part 2, adjustments that are a result of transactions that occurred while you were a Connecticut resident or are directly related to Connecticut source income for the part of the year you were a nonresident.

### Modifications

All amounts reported in Part 1 should include any modifications to federal adjusted gross income as provided on Form CT-1040NR/PY, *Schedule 1*.

**Example:** Dave, a part-year Connecticut resident 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. Dave would report \$2,000 on *Schedule CT-SI*, Part 1, Line 2.

### Special Accrual

For part-year residents, the amounts included on Schedule CT-1040AW and on Schedule CT-SI, Parts 1 and 2, should include items of income, gain, loss, and deduction that would accrue for federal income tax purposes prior to the change of residence. See *Items Subject to Special Accrual* on Page 9.

Part-year residents who file a surety bond or other security in lieu of special accruals do not include accruals in the amounts in Schedule CT-SI, Parts 1 and 2.

### 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 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 the nonresident's federal adjusted gross income consisted only of items derived from Connecticut sources.

**Example:** Brenda, a nonresident of Connecticut, reported a capital gain from sources outside of Connecticut (from the sale of securities) of \$20,000 on her 2005 federal income tax return. Brenda 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 Brenda's trade or business). For federal income tax purposes, Brenda has a gain from the sale or exchange of property of \$12,000  $(\$20,000 \text{ minus } \$8,000)$ . Brenda has a capital loss of \$8,000 derived from or connected with sources within Connecticut, but may claim as a deduction only \$3,000 on her 2005 Form CT-1040NR/PY (in accordance with the federal limitation of \$3,000 of capital loss to offset ordinary income). She must carry forward the balance of the capital loss to the succeeding taxable year(s) even though, for federal income tax purposes, she will show no capital loss carryforward.

### 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 the 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 fifteen 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 be revoked.

**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.**

## Part 1 - Connecticut Income - Line Instructions

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

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### Line 1 - Wages, Salaries, Tips, Etc.

(federal Form 1040, Line 7)

#### • Part-Year Resident

Enter the total of the amounts from **Schedule CT-1040AW**, Line 1, Column B and Column D

#### • Nonresident

Enter all wages, salaries, tips, and other compensation you earned for services performed in Connecticut while you were a nonresident of Connecticut.

If your wages, salaries, tips, and other compensation was earned for services performed both in and outside of Connecticut while you were a nonresident and the amount of Connecticut source income is not known, complete the *Employee Apportionment Worksheet*. See instructions on Page 29.

Income from employment activities in Connecticut that are considered casual, isolated, or inconsequential (under the Ancillary Activity Test ) is **not** part of the Connecticut source income of a nonresident. See *Ancillary Activity Test* on Page 9.

### Line 2 - Taxable Interest

(federal Form 1040, Line 8a)

#### • Part-Year Resident

Enter the total of Schedule CT-1040AW, Line 2, Column B and Column D.

#### • 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 an interest in a pass-through entity doing business in Connecticut and not otherwise exempt from Connecticut income tax. If the business is conducted both in and outside of Connecticut, see instructions for Line 5.

### Line 3 - Ordinary Dividends

(federal Form 1040, Line 9a)

#### • Part-Year Resident

Enter the total of Schedule CT-1040AW, Line 3, Column B and Column D.

#### • 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 an interest in a pass-through entity doing business in Connecticut and not otherwise exempt from Connecticut income tax. If the business is conducted both in and outside of Connecticut, see instructions for Line 5 below.

### Line 4 - Alimony Received

(federal Form 1040, Line 11)

#### • Part-Year Resident

Enter the amount from Schedule CT-1040AW, Line 4, Column B.

#### • 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 Schedule CT-1040AW, Line 5, Column B and Column D.

#### • 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 (loss) you received from a business, trade, profession, or occupation carried on in Connecticut.

Income from business activities in Connecticut that are considered casual, isolated, or inconsequential is not part of the Connecticut source income of a nonresident. See *Activities Considered to Be Casual, Isolated, or Inconsequential* on Page 9.

**Where a business, trade, profession, or occupation is carried on:** Generally, you are considered to be carrying on a business, trade, profession, or occupation (not including personal services as an employee) at the location:

1. Where you 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.

**You are considered to be carrying on business outside Connecticut** if you maintain, operate, or occupy outside Connecticut, 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.

You are not considered to be carrying on business outside Connecticut and may not allocate or apportion business income if you have an occasional or isolated business transaction outside Connecticut or if you have no regular place of business outside of Connecticut.

You are not considered to be carrying on business outside Connecticut if your business activities in Connecticut are considered casual, isolated, or inconsequential. See *Activities Considered to Be Casual, Isolated, or Inconsequential* on Page 9.

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**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).

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**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).

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**If income is determined from books and records of the business (allocation of income):** If you are considered to be carrying on a business, trade, profession, or occupation both in and outside of Connecticut and you maintain books and records that satisfactorily disclose the portion of income derived from or connected with sources within Connecticut, enter the net profit (loss) from business carried on in Connecticut on Line 5. Complete **Schedule CT-1040BA, Nonresident Business Apportionment**, Schedule A. If you report income using this method, your income reported to other states in which you carry on your business, where the 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, a consistent allocation of income may not be possible.)

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**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: The income from his plumbing business is \$134,000, with \$91,500 being from Connecticut business and \$42,500 from Massachusetts business. Therefore, on his Massachusetts return, this taxpayer must also allocate \$91,500 of this income to Connecticut and \$42,500 to Massachusetts since Massachusetts permits allocation on the basis of separate books and records.

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**Apportionment Formula:** If your books and records do not satisfactorily disclose the portion of income derived from or connected with sources within Connecticut, income from business carried on both in and outside of Connecticut must be apportioned by using a prescribed formula or an approved alternative method. Schedule CT-1040BA, 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 Schedule, CT-1040AW, Line 6, Column B and Column D.

• **Nonresident**

Enter that part of your federal adjusted gross income (as modified by adjustments on Form CT-1040NR/PY, *Schedule I*) 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 from Connecticut sources in 2005. 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 2005 net capital loss (in excess of the amount claimed on the 2005 return) will be treated as a carryover loss to be claimed on returns for subsequent years.

**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 Schedule CT-1040AW, Line 7, Column B and Column D.

• **Nonresident**

Enter that part of your federal adjusted gross income (as modified by adjustments on Form CT-1040NR/PY, *Schedule I*) 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.

**Non-Capital 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) to determine 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 to compute capital gains (losses).

## Line 8 - Taxable Amount of IRA Distributions

(federal Form 1040, Line 15b)

### • Part-Year Resident

Enter the amount from Schedule CT-1040AW, Line 8, Column B.

### • 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 Schedule CT-1040AW, Line 9, Column B.

### • Nonresident

This line does not apply to a nonresident.

## Line 10 - Rental Real Estate, Royalties, Partnerships, Corporations, Trusts, Etc.

(federal Form 1040, Line 17)

### • Part-Year Resident

Enter the total of Schedule CT-1040AW, Line 10, Column B and Column D.

### • 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 derived from or connected with Connecticut 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;
2. Tangible personal property not used in a business if the 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 the income is earned by a business 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 in Connecticut source income if the real property is located in Connecticut and entirely excluded from Connecticut source income if the real property is located outside Connecticut. Do **not** apportion income from tangible personal property 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 derived from or connected with Connecticut sources. The partnership should furnish this information to you on **Schedule CT K-1, Member's Share of Certain Connecticut Items**. 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.

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**Example:** Your share of a partnership's capital gain that is Connecticut source would be included in determining the amount on Line 6.

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**S corporations:** As a nonresident, 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) derived from or connected with Connecticut sources. Also, enter your pro rata share of the S corporation's separately stated items of income or loss (such as interest and dividends) derived from or connected with Connecticut sources on the appropriate lines of Schedule CT-SI. The S corporation should furnish this information to you on Schedule CT K-1.

**Trusts and estates:** As a nonresident beneficiary, enter your share of trust or estate income 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 Schedule CT-1040AW, Line 11, Column B and Column D.

### • 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 Schedule CT-1040AW, Line 12, Column B and Column D.

### • 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 Schedule CT-1040AW, Line 13, Column B.

• **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 Schedule CT-1040AW, Line 14, Column B and Column D.

When completing Schedule 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 36.) In Column B, enter the amount from Column A 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. Connecticut Lottery winnings are taxable to a nonresident if the proceeds are reported on federal Form W-2G. See *Connecticut Source Income of a Nonresident* on Page 8. 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 - Line Instructions**

**Lines 16 - 28**

(federal Form 1040, Lines 23-35)

• **Part-Year Resident**

Enter the totals from Schedule CT-1040AW, Lines 16 through 28, Column B and Column D.

• **Nonresident**

The amount of the deduction for educator expenses (Line 16); certain business expenses of reservists, artists, and fee-basis government officials (Line 17); health savings account deduction (Line 18); moving expenses (Line 19); one-half of self-employment tax (Line 20); self-employed SEP, SIMPLE, and qualified plans (Line 21); self-employed health insurance deduction (Line 22); penalty on early withdrawal of savings (Line 23); alimony paid (Line 24), limited to the amount connected with income from Connecticut sources while a nonresident that is stated on Lines 1 through 14. Any adjustment that specifically relates to wage or salary income or business income for services performed in Connecticut must be apportioned to Connecticut on the same basis as the wage or salary income to which it relates; IRA deduction (Line 25); student loan interest deduction (Line 26); tuition and fees

deduction (Line 27); and domestic production activities deduction (Line 28).

**Line 29 - Total Adjustments**

Add Lines 16 through 28. Enter the total on Line 29.

**Line 30 - Income From Connecticut Sources**

Subtract Line 29 from Line 15. Enter the total on Schedule CT-SI, Line 30, and on Form CT-1040NR/PY, Line 6.

**Employee Apportionment Worksheet Instructions**

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. 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.**

If your business activities in Connecticut are considered casual, isolated, or inconsequential, income from those activities is not considered Connecticut source income of a nonresident. See *Activities Considered to Be Casual, Isolated, or Inconsequential* on Page 9.

**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 **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;
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

Employees who qualify to use the *Employee Apportionment Worksheet* and who are compensated on an hourly, daily, weekly, or monthly basis should use the working day basis to apportion their income. The income of these taxpayers is apportioned to Connecticut in the same proportion that the amount of time spent working in Connecticut bears to the total working time.

#### 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  $\frac{1}{2}$  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 earned both inside and outside of Connecticut.

#### Line G - Connecticut Income

Multiply Line E by Line F.

#### • Part-Year Resident

Enter the result here and on Schedule CT-1040AW, Line 1, Column D.

#### • Nonresident

Enter the result here and on Schedule CT-SI, Line 1.

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**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 2005, 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:

$$\$33,000 \times \frac{80}{240} = \$11,000$$

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#### 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.

#### 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 is the amount of sales made within Connecticut and the denominator 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 the 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 is the employee's total mileage traveled in Connecticut and the denominator is the employee's total mileage upon which the employer computes total wages.

## Schedule CT-1040AW Instructions

### General Information

Part-year resident individuals **must** complete **Schedule CT-1040AW**, *Part-Year Resident Income Allocation*, to calculate Connecticut source income for the entire taxable year. After completing Schedule 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**.

### Special Accrual

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. Combine these accrual amounts with the corresponding amounts on Lines 1 through 30.

### Items Subject to Special Accrual

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. 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 residency status is changed. See *Items Subject to Special Accrual* on Page 9.

### Wage Apportionment

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* on Schedule CT-SI.

### Partners and S Corporation Shareholders

For taxable years beginning on or after January 1, 2001, part-year residents must:

- Include in Column B their distributive share of partnership income, gain, loss, and deduction or their pro rata share of S corporation income, gain, loss, and deduction, to the extent included in Connecticut adjusted gross income during their taxable year, prorated to their Connecticut resident period based on the number of days they resided in Connecticut.
- Include in Column D, their distributive share of partnership income, gain, loss, and deduction or their pro rata share of S corporation income, gain, loss, and deduction, to the extent included in Connecticut adjusted gross income during their taxable year, prorated to their Connecticut nonresident period based on the number of days they resided outside of Connecticut, but only to the extent the prorated amount of income, gain, loss, and deduction is derived from or connected with Connecticut sources.

### Part 1 – Adjusted Gross Income

#### Column A – Federal Income as Modified

Enter the amounts of income 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 *Items Subject to Special Accrual* on Page 9 and *Schedule 1 – Modifications to Federal Adjusted Gross Income* on Page 18.

#### Column B – Connecticut Resident Period

Enter that part of the amount from Column A you earned during the period you were a Connecticut resident.

#### Column C – Connecticut Nonresident Period

Enter that part of the amount from Column A you earned during the period you were a nonresident of Connecticut.

#### Column D – Nonresident Period Connecticut Source Income

Enter that part for the amount from Column C you earned while a nonresident that was derived from or connected with Connecticut sources including, but not limited to:

1. Services you performed in Connecticut;
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 8.

Refer to each specific line instruction for Schedule CT-SI, Part 1, on Page 26 to determine the income from Connecticut sources earned during your nonresident period.

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## Part 2 – Adjustments to Income

#### Column A – Federal Income as Modified

Enter the amounts of adjustments reported on your federal return plus all items you would be required to include if you were filing a federal return on the accrual basis. See *Items Subject to Special Accrual* on this page.

#### Column B – Connecticut Resident Period

Enter that part of the adjustments from Column A you earned during the period you were a Connecticut resident.

#### Column C – Connecticut Nonresident Period

Enter that part of the adjustments from Column A you earned during the period you were a nonresident of Connecticut.

#### Column D – Nonresident Period Connecticut Source Income

See Schedule CT-SI, Part 2, Lines 16 through 30, on Page 29. Enter that part of the adjustments from Column C you earned while a nonresident that was derived from or connected with Connecticut sources.

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**Example:** Mark moved from California to Connecticut on September 15, 2005. On Mark's federal return, he reported \$50,000 in total wages. \$10,000 was earned while Mark was a Connecticut resident. On Line 1, Mark 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.

Mark also claimed moving expenses of \$3,000 on federal Form 1040, Line 26. This amount was specified in a contract he entered into with a moving company before he moved out of California. He also had a student loan interest of \$525 on federal Form 1040, Line 33. He would enter \$3,000 in Column A, \$0 in Column B, \$3,000 in Column C, and \$0 in Column D. The entire moving deduction is included in Column C because the moving expense was fixed and determinable before he moved out of California. For the student loan interest, he would enter \$525 in Column A, \$105 in Column B ( $10,000/50,000 \times \$525$ ), \$420 in Column C ( $40,000/50,000 \times \$525$ ), and \$0 in Column D.

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## Part 3 – Part-Year Resident Information

All part-year residents must complete this section in its entirety. Attach Schedule CT-1040AW to Form CT-1040NR/PY.



## Schedule CT-1040BA Instructions

### General Instructions

**Schedule CT-1040BA**, *Nonresident Business Apportionment*, on Page 35 must be completed by nonresidents and part-year residents (for the nonresidency portion of the year) if they are considered to be carrying on business both in and outside Connecticut and required to allocate or apportion business income.

### Who Must Allocate or Apportion Business Income

An allocation or apportionment of business income must be made if you are a nonresident and you are considered to be carrying on business both in and outside of Connecticut.

Generally, you are considered to be carrying on business at the location:

1. Where you 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.

**You are considered to be carrying on business outside Connecticut** if you maintain, operate, or occupy outside Connecticut, 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.

You are not considered to be carrying on business outside Connecticut and may not allocate or apportion business income if you have an occasional or isolated business transaction outside Connecticut or if you have no regular place of business outside of Connecticut.

You are not considered to be carrying on business outside Connecticut if your business activities in Connecticut are considered casual, isolated, or inconsequential. See *Activities Considered to Be Casual, Isolated, or Inconsequential* on Page 9.

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**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).

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**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).

### Who Must Complete Schedule A

**Any nonresidents who are required to allocate or apportion income** because they carry on business both in and outside of Connecticut must complete *Schedule A*.

**If income is determined from books and records of the business (allocation of income):** If you carry on business both in and outside of Connecticut and maintain books and records that satisfactorily disclose the portion of business income derived from or connected with sources within Connecticut, enter in the space immediately below *Schedule A* the words **“Connecticut income determined from books and records.”** **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 the 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.)

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**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: The income from his plumbing business is \$134,000, with \$91,500 being from Connecticut business and \$42,500 from Massachusetts business. Therefore, on his Massachusetts return, this taxpayer must also allocate \$91,500 of this income to Connecticut and \$42,500 to Massachusetts since Massachusetts permits allocation on the basis of separate books and records.

### Who Must Complete Schedule B

If your books and records do not satisfactorily disclose the portion of business income derived from or connected with sources within Connecticut, income from business carried on both in and outside of Connecticut must be apportioned by using the **business apportionment percentage** (arrived at by completing *Schedule B*) or by using an approved alternative method. *Schedule B* of Schedule CT-1040BA must be completed for this purpose and attached to **Form CT-1040NR/PY**. If you submit an alternative method of apportionment, you must also complete Schedule CT-1040BA and include with it information explaining the alternative method of apportionment.

The **business apportionment percentage** or alternative method is **not** applied to income from the rental of real property or gains (losses) from the sale of real property. The entire rental income from **Connecticut** real property or gain from the sale of the property is allocated to Connecticut and the entire amount of any loss from the sale is allocated to Connecticut. Rental income from real property located **outside** Connecticut or gain from the sale of this property is allocated outside Connecticut. Any loss connected with the property is allocated outside Connecticut.

The **business apportionment percentage** is applied to business income (loss), farm income (loss), or to the income from intangible personal property (such as annuities, dividends, interest, and gains from the disposition of intangible personal property) if the property is used in or connected with a business carried on both in and outside of Connecticut.

If you carried on more than one business for which an apportionment of business income is required on Schedule CT-1040BA, prepare a separate Schedule CT-1040BA for each business and attach all schedules to Form CT-1040NR/PY.

## Specific Instructions

### Schedule A

In Column 1 and Column 2, list the exact locations both in and outside of Connecticut where you carry on business. In Column 3, describe the places listed in Column 1 and Column 2 (for example, branch office, agency, factory, warehouse, etc.) **and** state whether you rent or own these places.

### Schedule B

Complete this schedule if business is carried on both in and outside of Connecticut and you do not maintain books and records that satisfactorily disclose the portion of business income derived from or connected with sources within Connecticut.

#### Line 1 - Real Property Owned

Enter in Column A the average value of all real property owned, wherever located, by the business. Do not include in Column A the average value of real property rented to others or sold, exchanged, or otherwise disposed of during the taxable year. Enter in Column B the average value of real property owned by the business and located in Connecticut. Do not include in Column B the average value of Connecticut real property rented to others or sold, exchanged, or otherwise disposed of during the taxable year. Real property includes assets of a fixed nature, such as buildings and land.

The average value of property is determined by adding its fair market value at the beginning and at the end of the taxable year and dividing the result by two.

#### Line 2 - Real Property Rented From Others

Enter the value of all real property rented from others in Column A and the value of Connecticut real property rented from others in Column B.

The value of real property rented by the business and included in Line 2 generally is eight times the gross rent payable during the taxable year for which the return is filed. Gross rent includes:

1. 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;
2. 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; **and**
3. A 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 owned by the business and the value of all tangible personal property rented from others by the business. Enter in Column B the average value of tangible personal property located in Connecticut that is owned by the business and the value of tangible personal property located in Connecticut that is rented from others by the business. If tangible personal property is rented from others by the business, its value is determined by multiplying the gross rents payable during the taxable year by eight. If tangible personal property is owned by the business, its average value is determined by adding its book value at the beginning and at the end of the taxable year and dividing the result by two.

#### Line 4 - Property Percentage

Add Lines 1, 2, and 3 in Column A and Column B and enter the result on Line 4.

Divide Column B by Column A. Carry the result to four decimal places and enter it as a percentage in Column C. For example, .6667 should be entered as 66.67%.

#### Line 5 - Payroll Percentage

Enter wages, salaries, and other personal service compensation paid only to employees of the business. Do not include payments to independent contractors, independent sales agents, etc. Enter in Column A the total compensation paid to employees during the taxable year in connection with business operations carried on both in and outside of Connecticut. Enter in Column B the amount paid in connection with business operations carried on in Connecticut. 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 Column B by Column A. Carry the result to four decimal places and enter it as a percentage in Column C. For example, .6667 should be entered as 66.67%.

#### Line 6 - Gross Income Percentage

Enter in Column A total gross sales made or charges for services performed by the proprietor or by employees, agents, agencies, or independent contractors of the business in and outside of Connecticut. Enter in Column B the portion of total gross sales or charges which represents sales made, or charges for services performed, by the proprietor or 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.

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**Example:** If a salesperson working out of the Connecticut office of the business covers Connecticut, Massachusetts, and Rhode Island, all sales made by him are to be allocated to Connecticut and included on Line 6, Column B.

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Divide Column B by Column A. Carry the result to four decimal places and enter it as a percentage in Column C. For example, .6667 should be entered as 66.67%.

#### Line 7 - Total of Percentages

Add Lines 4, 5, and 6 in Column C and enter the total.

#### Line 8 - Business Apportionment Percentage

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 the result as a percentage.

Each item of business income (loss) reported on federal Form 1040, which is required by these instructions to be apportioned, is multiplied by the percentage on Line 8. Nonresidents enter the apportioned amounts on the proper lines of Schedule CT-SI. Part-year residents enter the apportioned amounts on the proper lines of Schedule CT-1040AW, Column D.

**Do not** apply the business apportionment percentage to income from the rental of real property or gains or losses from the sale of real property. The entire rental income from Connecticut real property or gain from the sale of the property is allocated to Connecticut and the entire amount of any loss from the sale is allocated to Connecticut. Rental income from real property located **outside** Connecticut or any gain or loss from the sale of this property is allocated out of state.

## Amended Returns

Use **Form CT-1040X**, *Amended Connecticut Income Tax Return*, to amend a previously-filed Connecticut income tax return. If Form CT-1040X is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting any Connecticut income tax overpayment expires three years after the due date of the return, but if a timely request for an

extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return; or three years after the date of filing the return, whichever is earlier. If an amended return is not timely filed, a penalty may be imposed. Interest will also be assessed on any additional Connecticut income tax not paid on or before the due date. See *Interest and Penalties* on Page 12.

### The following circumstances require the filing of Form CT-1040X:

|  |   |
|--|---|
| <p>1. The IRS or federal courts change or correct your federal income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. You filed a timely amended federal income tax return and the amendment results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than 90 days after the date you filed your timely amended federal return.</b> If you file Form CT-1040X no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and the tax officials or courts of the qualifying jurisdiction made a change or correction to your income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p> | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and you filed a timely amended income tax return with that qualifying jurisdiction and the amendment results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p>  | <p><b>File Form CT-1040X no later than 90 days after the date you filed your amended return with the qualifying jurisdiction.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. If none of the above circumstances apply, but you made a mistake or omission on your Connecticut income tax return and the mistake or omission results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than three years after the due date of your return,</b> or if you filed a timely request for an extension of time to file, three years after the date of filing the return, or three years after the extended due date, whichever is earlier.</p>   |

### Do not file Form CT-1040X for any of the following reasons:

- To have an overpayment refunded instead of applied to next year's estimated tax or to change your contributions to designated charities. The elections you made on your original return **cannot** be changed by filing Form CT-1040X.
- To amend your Connecticut income tax return for an earlier year in order to claim a credit for income tax paid on income included in your Connecticut adjusted gross income for that year and repaid in a later taxable year. File **Schedule CT-1040CRC**, *Claim of Right Credit*, with your Connecticut income tax return for the later taxable year.

### Financial Disability

If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period your spouse or any other person is authorized to act on your behalf in financial matters.

**Schedule CT-1040BA**  
**Nonresident Business Apportionment**

Formula basis apportionment of Connecticut income derived from  
 business carried on both inside and outside Connecticut

For the year January 1 – December 31, 2005, or other taxable year beginning \_\_\_\_\_, 2005, and ending \_\_\_\_\_.

|   |           |                                 |
|---|-----------|---------------------------------|
| First Name and Middle Initial                             | Last Name | Social Security Number          |
| _____   | _____     | ____ : ____ : ____              |
| If a Joint 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)<br>Street Address | (2)<br>City and State | (3)<br>Description (See instructions.) |
|-----------------------|-----------------------|--|
|                       |                       |  |
|                       |                       |  |
|                       |                       |  |
|                       |                       |  |
|                       |                       |  |

**Schedule B - Formula basis apportionment of income or (loss), if books and records do not satisfactorily disclose the portion of business income derived from or connected with Connecticut sources**

|  |    | Column A<br>Totals – All locations | Column B<br>Connecticut only | Column C<br>Divide<br>Column B<br>by<br>Column A.<br>(Carry to four<br>decimal places<br>and enter as a<br>percentage.) |
|--|----|------------------------------------|------------------------------|---|
| 1. Real property owned .....   | 1. |                                    |                              |   |
| 2. Real property rented from others .....  | 2. |                                    |                              |   |
| 3. Tangible personal property owned<br>(or rented from others) .....   | 3. |                                    |                              |   |
| 4. <b>Property percentage</b> (Add Lines 1, 2, and 3.) .....   | 4. |                                    |                              | %   |
| 5. <b>Payroll percentage</b> .....   | 5. |                                    |                              | %   |
| 6. <b>Gross income percentage</b> .....  | 6. |                                    |                              | %   |
| 7. Total of percentages (Add Lines 4, 5, and 6, Column C.) .....   | 7. |                                    |                              | %   |
| 8. <b>Business apportionment percentage</b> (Divide Line 7 by three, or by actual number of percentages,<br>if less than three.) ..... | 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 instructions for Schedule CT-SI for details.

**Complete and attach to Form CT-1040NR/PY.**

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# Questions and Answers About the Connecticut Individual Use Tax

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For additional information, see **Informational Publication 2005(17), Q & A on the Connecticut Individual Use Tax.**

## 1. What is the use tax?

When you make a retail purchase in this state, you usually pay sales tax to the seller who in turn pays the tax to the DRS. Sometimes Connecticut sales tax is not paid to the retailer. In these situations, the purchaser must pay the use tax directly to DRS.

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

You must pay use tax on taxable tangible personal property, whether purchased or leased. Examples of taxable personal property include items of clothing costing \$50 or more, automobiles, appliances, furniture, jewelry, cameras, VCRs, computers, and prewritten computer software. Some taxable services include repair services to your television, motor vehicle, or computer; landscaping services for your home; reupholstering services for your household furniture; or charges for online access to computer services.

## 3. Are there exemptions from the use tax?

Yes. If you buy goods or services in Connecticut that are exempt from sales tax, they are exempt from the use tax if you buy them out-of-state for use in Connecticut. Some examples are items of clothing that cost less than \$50, charges to access the Internet through an Internet provider's server, and repair and maintenance services to vessels.

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

No. If all the items you purchased and **brought into** Connecticut at one time total \$25 or less, you do not have to pay Connecticut use tax. The \$25 exemption does **not** apply to items **shipped or mailed** to you.

## 5. What is the use tax rate?

In general, the use tax rate for taxable goods or services is 6% (.06). However, computer and data processing services are taxed at 1% (.01).

## 6. What if I buy taxable goods or services in another state and the vendor charges sales tax for the other state?

If the goods or services were purchased for use in Connecticut and the tax paid to the other state is less than the Connecticut tax, you must report and pay the use tax. Your use tax due is the difference between the Connecticut tax and the tax paid to the other state.

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**Example:** You purchased a \$1,000 refrigerator in another state and paid a \$50 tax to that state. If you bought the refrigerator for use in Connecticut, you owe Connecticut use tax. The Connecticut tax of \$60 is reduced to \$10 after allowing \$50 credit for the tax paid to the other state. If no tax was paid to the other state, the Connecticut use tax is \$60.

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## 7. When must individuals pay the use tax?

You must pay the individual use tax when you file an individual income tax return. Forms **CT-1040EZ**, **CT-1040**, or **CT-1040NR/PY** must be filed on or before April 15, 2006, or use *Webfile* or *Telefile* to file your 2005 income tax return. If you are not required to file a Connecticut income tax return, you must pay the use tax on Form **OP-186**, *Connecticut Individual Use Tax Return*. You may file Form **OP-186** for the entire year or you may file several returns throughout the year.

If you are engaged in a trade or business, you must register with DRS for business use tax and report purchases made in connection with your trade or business on **Form OS-114**, *Sales and Use Tax Return*.

## 8. What are the penalties and interest for not paying the use tax?

The penalty is 10% (.10) of the tax due. Interest is charged at the rate of 1% (.01) per month or 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.

## 9. On what amount should the use tax be calculated?

Calculate the use tax by multiplying the total cost of the taxable goods or services purchased, including separately stated charges such as shipping and handling, by the tax rate (generally 6%).

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## Schedule 3 - Individual Use Tax Worksheet Line Instructions

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In general, goods or services that are purchased out-of-state and that would have been subject to the Connecticut sales tax if those goods or services had been purchased from a Connecticut retailer are subject to the Connecticut use tax. Generally, 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. Complete Form **CT-1040NR/PY**, *Schedule 3 - Individual Use Tax Worksheet*, to calculate your use tax liability.

List separately any individual item with a purchase price of **\$300 or more**. Although 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 the purchase price of these items should be reported. Multiply the sales and use tax

rate of 6% (.06) by the purchase price of the item and enter the result. Enter the total tax for all taxable purchases on *Schedule 3*, Line 62 and Form **CT-1040NR/PY**, Line 17.

See **Informational Publication 2005(17), Q&A on the Connecticut Individual Use Tax.**

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

Enter only those purchases subject to use tax that you have not previously reported on **Form OP-186**.

You must enter "0" on Line 17 of Form **CT-1040NR/PY** if no Connecticut use tax is due. If you do not make an entry on Line 17, you will not have filed a use tax return.

### Line 62

Complete *Schedule 3 - Individual Use Tax Worksheet* and enter the total use tax due on Line 62 and on Form **CT-1040NR/PY**, Line 17.

## Contributions to Designated Charities

Write in a whole dollar amount for each fund to which you wish to contribute. Add your contributions and enter the total on **Form CT-1040NR/PY**, Line 26. **Your contribution is irrevocable.**

| 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  | Military Family Relief Fund   |
|---|---|---|--|---|---|
| This fund assists research, education, and community service programs related to Acquired Immune Deficiency Syndrome (AIDS). The fund is administered by the Connecticut Department of Public Health. | This fund assists Connecticut residents in paying for the unmet medical and ancillary needs of organ transplant candidates and recipients. The fund is administered by the Connecticut Department of Social Services. | This fund helps preserve, protect, and manage Connecticut's endangered plants and animals, wildlife and their habitats. The fund is administered by the Connecticut Department of Environmental Protection. | This fund assists research, education, and community service programs related to breast cancer. The fund is administered by the Connecticut Department of Public Health.                         | This fund protects the children of families who are no longer eligible for public assistance benefits. The fund is administered by the Connecticut Department of Social Services. | This fund makes grants to the immediate family members of service members domiciled in Connecticut for essential goods and services when military service creates family financial hardship. The fund is administered by the Connecticut Military Department. |
| To contribute directly send to:<br>Department of Public Health AIDS and Chronic Diseases Division<br>MS #11APV<br>PO Box 340308<br>Hartford CT 06134-0308   | To contribute directly send to:<br>Department of Social Services Accounts Receivable<br>25 Sigourney Street<br>Hartford CT 06106-5003   | To contribute directly send to:<br>Department of Environmental Protection-Bureau of Administration Financial Management<br>79 Elm Street<br>Hartford CT 06106-5127  | To contribute directly send to:<br>Department of Public Health Breast and Cervical Cancer Early Detection Program AIDS/Chronic Diseases<br>MS #11 HLS<br>PO Box 340308<br>Hartford CT 06134-0308 | To contribute directly send to:<br>Department of Social Services Accounts Receivable<br>25 Sigourney Street<br>Hartford CT 06106-5003   | To contribute directly send to:<br>Military Department, Military Family Relief Fund Fiscal Office<br>360 Broad Street<br>Hartford CT 06105-3795   |
| Make check payable to:<br><b>Treasurer, State of Connecticut/AIDS Fund</b>  | Make check payable to:<br><b>Commissioner of Social Services/Organ Transplant Fund</b>  | Make check payable to:<br><b>DEP-Endangered Species/ Wildlife Fund</b>  | Make check payable to:<br><b>Treasurer, State of Connecticut/Breast Cancer Fund</b>  | Make check payable to:<br><b>Commissioner of Social Services/Safety Net Fund</b>  | Make check payable to:<br><b>Treasurer, State of Connecticut/Military Family Relief Fund</b>  |

## Other Taxes You May Owe

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

### Connecticut Gift Tax (Form CT-706/709)

When Connecticut taxable gifts are made during a calendar year by resident or nonresident individuals, a Connecticut gift tax return is required to be filed to report the gifts even if no Connecticut gift tax is due. Connecticut taxable gifts are those gifts that (1) are taxable gifts, for federal gift tax purposes, and (2) involve gifts of Connecticut real property; gifts of tangible personal property situated within Connecticut; or gifts of intangible personal property made by Connecticut residents. Connecticut gift tax is now due when the aggregate amount of Connecticut taxable gifts made during all calendar years beginning on or after January 1, 2005, exceeds \$2 million. The donor is liable for the tax, but if the donor does not pay the tax it may be collected from the donee. Connecticut taxable gifts are reported on, and Connecticut gift tax is paid (if due) with Form CT-706/709, *Connecticut Estate and Gift Tax Return*. The due date of the return is April 15, for gifts made during the preceding calendar year. See **Special Notice 2005(10)**, *2005 Legislation Repealing the Succession Tax and Amending the Connecticut Gift Tax and the Connecticut Estate Tax*.

### Connecticut Income Tax Withholding for Household Employers

Connecticut rules differ from federal rules. Household employers may not report and pay household employee withholding tax with their Connecticut income tax return. See **Informational Publication 2006(1)**, *Connecticut Circular CT-Employer's Tax Guide*.

### Business Entity Tax (Form OP-424)



Conn. Gen. Stat. §12-284b provides that the business entity tax applies to each of the following entities if required to file an annual report with the Connecticut Secretary of the State:

- Any corporation which is an S corporation for federal income tax purposes;
- Any limited liability company which is, for federal income tax purpose, either treated as a partnership if it has two or more members or disregarded as an entity separate from its owner if it has a single member;
- Any limited liability partnership; **and**
- Any limited partnership.

See **Special Notice 2002(11)**, *Business Entity Tax*, and **Informational Publication 2003(15)**, *Q & A on the Business Entity Tax*.

# Connecticut Tax Assistance

|   |  |                                  |  |               |
|---|--|----------------------------------|--|---------------|
|   | <b>For Tax Information</b>   | <b>Forms and Publications</b>    |  |               |
| <b>Internet</b>   | DRS Web site   |                                  |  |               |
|   | <b>www.ct.gov / DRS</b>  |                                  |  |               |
| <b>Telephone</b>  | <b>CONN-TAX</b><br>1-800-382-9463 (in-state) or<br>860-297-5962 (from anywhere)<br>TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911. |                                  | From a touch-tone phone call<br>1-800-382-9463 (in-state) and select <b>Option 2</b> , or<br>860-297-4753 (from anywhere)<br><b>DRS TaxFax</b> - Call 860-297-5698 from the handset attached to your fax machine and select from the menu. |               |
|   | <b>Department of Revenue Services<br/>Taxpayer Services Division<br/>25 Sigourney Street<br/>Hartford CT 06106-5032</b>  |                                  |  |               |
| <b>Write</b>  |  |                                  |  |               |
| <b>Walk-In Offices</b><br><small>Free personal taxpayer assistance and forms are available by visiting our offices, Monday through Friday, 8:00 a.m. to 5:00 p.m. Call CONN-TAX for directions to DRS offices. If you require special accommodations, please advise the DRS representative.</small> | <b>Location</b>  | <b>Address</b>                   |  | <b>Phone*</b> |
|   | <b>Bridgeport</b>  | 10 Middle Street                 |  | 203-336-7890  |
|   | <b>Hartford</b>  | 25 Sigourney Street              |  | 860-297-5962  |
|   | <b>Norwich</b>   | 2 Cliff Street                   |  | 860-425-4123  |
|   | <b>Hamden</b>  | 3074 Whitney Avenue, Building #2 |  | 203-287-8243  |
|   | <b>Waterbury</b>   | 55 West Main Street, Suite 100   |  | 203-805-6789  |
| * All calls are answered at our Customer Service Center, not at the local office.   |  |                                  |  |               |

|                                  |   |   |   |   |
|----------------------------------|---|---|---|---|
| <b>Electronic Filing Options</b> |  REFUNDS IN FOUR DAYS!<br>www.ct.gov/DRS | File Form <b>CT-1040 EXT</b> over the internet using WebFile.<br>Visit <a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a> |  CONNECTICUT Telefile | File your federal and Connecticut returns together using <i>e-file!</i> |
|                                  | <b>Check this booklet for additional details!</b>   |   | Visit <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>  |   |

|  |  |
|--|--|
| <p><b>Federal Tax Information</b></p> <p>For questions about <b>federal taxes</b>, contact the Internal Revenue Service (IRS) at 1-800-829-1040 or visit <a href="http://www.irs.gov">www.irs.gov</a></p> <p>To order <b>federal tax forms</b>, call 1-800-829-3676.</p> | <p><b>Statewide Services</b></p> <p>For information on statewide services and programs, visit the ConneCT Web site at <a href="http://www.ct.gov">www.ct.gov</a></p> |
|--|--|

Department of Revenue Services  
State of Connecticut  
25 Sigourney Street  
Hartford CT 06106-5032

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## Connecticut Income Tax Withholding

(Rev. 12/05)

Only complete this schedule if you have more than seven forms W-2, W-2G, 1099, or Schedule CT K-1.

|                                 |  |
|---------------------------------|--|
| Name                            | Your Social Security Number<br><div style="border: 1px solid black; padding: 2px; display: flex; justify-content: space-between;"> <span>□ □ □ - □ □ - □ □ □ □</span> </div>     |
| Spouse's Name (If joint return) | Spouse's Social Security Number<br><div style="border: 1px solid black; padding: 2px; display: flex; justify-content: space-between;"> <span>□ □ □ - □ □ - □ □ □ □</span> </div> |

1. Enter the total number of forms W-2, W-2G, 1099, and Schedule CT K-1 showing Connecticut income tax withholding reported below.  

2. Enter information below from forms W-2, W-2G, 1099, and Schedule CT K-1 only if Connecticut income tax was withheld.

| Column A<br><b>Employer's Federal ID Number</b><br>(from W-2, Box b; or Payer's federal ID number from Schedule CT K-1, W-2G, or 1099) | Column B<br><b>Connecticut Wages, Tips, etc.</b> | Schedule<br>CT K-1 | Column C<br><b>Connecticut Income Tax Withheld</b><br>(Check the box at left of Column C if the amount is from Schedule CT K-1.) |
|--|--|--------------------|--|
| □ □ - □ □ □ □ □ □ □ □  | .00  | □                  | □ □ □ □ □ □ □ □ .00  |
| □ □ - □ □ □ □ □ □ □ □  | .00  | □                  | □ □ □ □ □ □ □ □ .00  |
| □ □ - □ □ □ □ □ □ □ □  | .00  | □                  | □ □ □ □ □ □ □ □ .00  |
| □ □ - □ □ □ □ □ □ □ □  | .00  | □                  | □ □ □ □ □ □ □ □ .00  |
| □ □ - □ □ □ □ □ □ □ □  | .00  | □                  | □ □ □ □ □ □ □ □ .00  |
| □ □ - □ □ □ □ □ □ □ □  | .00  | □                  | □ □ □ □ □ □ □ □ .00  |
| □ □ - □ □ □ □ □ □ □ □  | .00  | □                  | □ □ □ □ □ □ □ □ .00  |

3. **Total Connecticut Income Tax Withheld** (Reported above).  
Add the amounts in Column C. Enter here and on:  
**Form CT-1040EZ**, Line 10h  
**Form CT-1040**, Line 18h  
**Form CT-1040NR/PY**, Line 20h  
**Form CT-1040X**, Line 21

□ □ □ □ □ □ □ □
.00

### Instructions for Supplemental Schedule CT-1040WH

Complete this supplemental schedule only if you have more than seven forms W-2, W-2G, 1099, or Schedule CT K-1.

**Line 1 – Number of W-2s, W-2Gs, 1099s, and Schedule CT K-1s.**  
Enter the total number of W-2s, W-2Gs, 1099s, and Schedule CT K-1s for the 2005 taxable year showing **Connecticut** income tax withheld that you are reporting on this schedule. (If you are filing a joint return, include your spouse's W-2s, W-2Gs, 1099s, and Schedule CT K-1s.)

**Line 2 – Column A, B, and C**  
**If you were issued a Form W-2**, enter: in Column A your employer's nine-digit federal Employer Identification Number from Box b of Form W-2; in Column B the state wages, tips, etc. (for Connecticut) from Box 16 of Form W-2; and in Column C the state income tax withheld (for Connecticut) from Box 17 of Form W-2. Do not include in Column C the federal income tax withheld or income tax withheld for other states.  
**If you were issued a Form W-2G**, enter: in Column A the payer's nine-digit Federal Identification Number; in Column B the gross winnings (for Connecticut) from Box 1 of Form W-2G; and in Column C the state income tax withheld (for Connecticut) from Box 14 of Form W-2G. Do not include in Column C the federal income tax withheld or income tax withheld for other states.

**If you were issued a Form 1099-MISC**, enter: in Column A the payer's nine-digit Federal Identification Number; in Column B the state income (for Connecticut) from Box 18 of Form 1099-MISC; and in Column C the state tax withheld (for Connecticut) from Box 16 of Form 1099-MISC. Do not include in Column C the federal income tax withheld or income tax withheld for other states.  
**If you were issued a Form 1099-R**, enter: in Column A the payer's nine-digit Federal Identification Number; in Column B the state distribution (for Connecticut) from Box 12 of Form 1099-R, and in Column C the state tax withheld (for Connecticut) from Box 10 of Form 1099-R. Do not include in Column C the federal income tax withheld or income tax withheld for other states.  
**If you were issued a Schedule CT K-1**, enter: in Column A the pass-through entity's nine-digit FEIN; and in Column C the Connecticut income tax paid by the pass-through entity on your behalf from Part III, Line 1 of Schedule CT K-1. Check the box to the left of Column C. Make no entry in Column B.

**Line 3 – Total Connecticut Income Tax Withheld.** Add the amounts in Line 2, Column C, and enter the total here.

**Attach Supplemental Schedule CT-1040WH to the back of Form CT-1040EZ, Form CT-1040, Form CT-1040NR/PY, or Form CT-1040X.** If you have additional federal Forms W-2, W-2G, and 1099, you must create an identical schedule and attach it to the back of your Connecticut income tax return.



# Form CT-1040 EXT

## Application for Extension of Time to File Connecticut Income Tax Return for Individuals

# 2005 EXT

- See instructions before completing this form. -

|   |  |           |          |   |
|---|--|-----------|----------|---|
| <b>Taxpayer</b><br><br>(Please Type or Print) | Your First Name and Middle Initial                         | Last Name | ▶        | Your Social Security Number                                   |
|   | If a Joint Return, Spouse's First Name and Middle Initial  | Last Name | ▶        | Spouse's Social Security Number                               |
|   | Home Address (number and street), Apartment Number, PO Box |           |          | <b>IMPORTANT!</b><br>You <b>must</b> enter your SSN(s) above. |
|   | City, Town, or Post Office                                 | State     | ZIP Code | Daytime Telephone Number<br>( )                               |
|   |  |           |          | <b>DRS USE ONLY</b><br>- 20                                   |

WebFile Form CT-1040 EXT (See instructions on reverse.)

**This is not an extension of time to pay your tax.**

You must file this form by the due date of your original return or your request will be denied (see instructions). However, if you expect to owe **no additional** Connecticut income tax for the 2005 taxable year, after taking into account any Connecticut income tax withheld from your wages or any estimated Connecticut income tax payments you have made (or both), **and you have requested an extension of time to file your 2005 federal income tax return**, you are not required to file **Form CT-1040 EXT**. You will be subject to interest and may be subject to a penalty on any amount of tax not paid on or before the original due date of your return.

I request a **six-month extension** of time to **October 15, 2006**, to file my Connecticut income tax return for the year beginning January 1, 2005, and ending December 31, 2005.

If you are **not** a calendar year taxpayer, complete the following statement:

I request a six-month extension of time to \_\_\_\_\_, to file my Connecticut income tax return for the year beginning \_\_\_\_\_ and 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 taxable year 2005.     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 2005.<br>You <b>must</b> enter an amount on Line 1. If you do not expect to owe income tax, enter "0." .....                    | 1. | 00 |  |
| 2. Total individual use tax liability for 2005.<br>You <b>must</b> enter an amount on Line 2. If you do not expect to owe use tax, enter "0." .....               | 2. | 00 |  |
| 3. Add Line 1 and Line 2 .....  | 3. | 00 |  |
| 4. Connecticut income tax withheld ( <b>Do not attach W-2s or 1099s.</b> ) .....  | 4. | 00 |  |
| 5. 2005 estimated Connecticut income tax payments including any 2004 overpayments applied to 2005 .....   | 5. | 00 |  |
| 6. Add Line 4 and Line 5 .....  | 6. | 00 |  |
| 7. Connecticut income tax and use tax balance due. Subtract Line 6 from Line 3.<br>If Line 6 is greater than Line 3, enter "0." Amount due with this form. .... ▶ | 7. | 00 |  |

|   |  |
|---|--|
| <p><b>Forms with payment, mail to:</b><br/>                 Department of Revenue Services<br/>                 PO Box 2977<br/>                 Hartford CT 06104-2977</p> <p>Make your check or money order payable to:<br/> <b>Commissioner of Revenue Services</b><br/>                 To ensure proper posting, write your SSN(s) and<br/> <b>"2005 Form CT-1040 EXT"</b> on your check or money order.</p> | <p><b>Forms without payment, mail to:</b><br/>                 Department of Revenue Services<br/>                 PO Box 2976<br/>                 Hartford CT 06104-2976</p> |
|---|--|

# Form CT-1040 EXT Instructions

## Purpose

Use Form CT-1040 EXT 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 is not necessary to include a reason for the Connecticut extension request if you have already filed an extension request on federal Form 4868 with the Internal Revenue Service. If you did not file 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.

If you expect to owe **no additional** Connecticut income tax for the 2005 taxable year, after taking into account any Connecticut income tax withheld from your wages or any estimated Connecticut income tax payments you have made (or both), **and you have requested an extension of time to file your 2005 federal income tax return**, you are not required to file Form CT-1040 EXT.

## Who Can WebFile Form CT-1040 EXT

All taxpayers can now file Form CT-1040 EXT over the Internet using *WebFile* and receive the following benefits:

- Free of charge;
- Safe and secure;
- Immediate proof of filing;
- No calculations required;
- Confidential filing 24 hours a day; **and**
- Optional direct payment.



Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS). Do not mail Form CT-1040 EXT if you *WebFile*.

## How to Get an Extension to File

To obtain a Connecticut extension of time to file, you **must**:

- Complete Form CT-1040 EXT in its entirety;
- File it on or before the due date of your return; **and**
- Pay the amount shown on Line 7.

Any payment made with this form is considered an income tax payment regardless of the amounts you enter on Line 1 and Line 2. Your signature is not required on this form. The Department of Revenue Services (DRS) will notify you **only** if your request is denied.

Form CT-1040 EXT only extends the **time to file** your Connecticut income tax return. Form CT-1040 EXT **does not** extend the **time to pay** your income tax. You must pay the amount of tax that you expect to owe on or before the original due date of the return (see *Interest and Penalty*).

You may qualify for a six-month extension of time to pay your tax. To request this extension, you must file **Form CT-1127, Application for Extension of Time for Payment of Income Tax**, with your timely filed Connecticut income tax return or extension.

## U.S. Citizens or Residents Living Outside the U.S. and Puerto Rico

You must file this form if you are:

- A U.S. citizen or resident living outside the U.S. and Puerto Rico and your tax home (within the meaning of I.R.C. §162(a)(2)) is outside the U.S. and Puerto Rico; **or**
- In the armed forces of the U.S. serving outside the U.S. and Puerto Rico on the date your federal income tax return is due and are unable to file a timely Connecticut income tax return.

Explain on the front of this form that you are a U.S. citizen or resident living outside the U.S. and Puerto Rico, or are in the armed forces of the U.S. serving outside the U.S. 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, 2006, 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. You must attach a copy of the federal Form 2350 approval notice to the front of your Connecticut return.

## When to File Form CT-1040 EXT

File Form CT-1040 EXT on or before April 15, 2006. If your taxable year is other than the calendar year, file Form CT-1040 EXT on or before the 15th day of the fourth month following the close of your taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

## Payment Options

If you filed a 2004 Connecticut income tax return, you may elect to pay your expected 2005 Connecticut income tax liability using your American Express® card, Discover® card, MasterCard® card, or VISA® card. A convenience fee will be charged by the credit card service provider. The fee is 2.5% of your total tax payment. You will be informed of the amount of the fee and you may elect to cancel the transaction. At the end of the transaction, you will be given a confirmation number for your records.

## To Pay by Credit Card:

- Call Official Payments Corporation toll-free at **1-800-2PAY-TAX** (1-800-272-9829) and follow the instructions. You will be asked to enter the Connecticut Jurisdiction Code: 1777; **or**
- Visit: [www.officialpayments.com](http://www.officialpayments.com) and select Payment Center.

Do not send in Form CT-1040 EXT if you make your payment by credit card. All credit card payments for extension requests will be accepted by the credit card service provider; however, if your payment is late, DRS will notify you in writing that your request is denied.

## To Pay by Mail:

Make your check or money order payable to: **Commissioner of Revenue Services**. To ensure proper posting of your payment, write "**2005 Form CT-1040 EXT**" and your Social Security Number(s), optional, on the front of your check or money order. Be sure to sign your check and paper clip it to the front of your return. **Do not send cash**. DRS may submit your check to your bank electronically.

## Interest and Penalty

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return. Interest is computed on the underpayment of tax at 1% (.01) per month or fraction of a month computed from the original due date to the date of payment.

**Late Payment Penalty:** The penalty for underpayment of tax is 10% (.10) of the amount due.

**Late Filing Penalty:** If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

## Line Instructions

- Line 1:** Enter the amount that you expect to enter on: Form CT-1040EZ, Line 6; Form CT-1040, Line 14; or Form CT-1040NR/PY, Line 16.
- Line 2:** Enter the amount that you expect to enter on: Form CT-1040EZ, Line 7; Form CT-1040, Line 15; or Form CT-1040NR/PY, Line 17.
- Line 4:** Enter the amount that you expect to enter on: Form CT-1040EZ, Line 10; Form CT-1040, Line 18; or Form CT-1040NR/PY, Line 20.
- Line 5:** Enter the amount that you expect to enter on: Form CT-1040EZ, Line 11; Form CT-1040, Line 19; or Form CT-1040NR/PY, Line 21.























### Table A - Exemptions for 2005 Taxable Year

Use your filing status shown on the front of your return and your CONNECTICUT AGI (from *Tax Calculation Schedule, Line 1*) to determine your exemption.

| Single          |                       |           | Married Filing Jointly or Qualified Widow(er) |                       |           | Married Filing Separately |                       |           | Head of Household |                       |           |
|-----------------|-----------------------|-----------|---|-----------------------|-----------|---------------------------|-----------------------|-----------|-------------------|-----------------------|-----------|
| CONNECTICUT AGI |                       | Exemption | 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 |           | More Than         | Less Than or Equal To |           |
| \$ 0            | \$25,250              | \$12,625  | \$ 0  | \$48,000              | \$24,000  | \$ 0                      | \$24,000              | \$12,000  | \$ 0              | \$38,000              | \$19,000  |
| \$25,250        | \$26,250              | \$11,625  | \$48,000                                      | \$49,000              | \$23,000  | \$24,000                  | \$25,000              | \$11,000  | \$38,000          | \$39,000              | \$18,000  |
| \$26,250        | \$27,250              | \$10,625  | \$49,000                                      | \$50,000              | \$22,000  | \$25,000                  | \$26,000              | \$10,000  | \$39,000          | \$40,000              | \$17,000  |
| \$27,250        | \$28,250              | \$ 9,625  | \$50,000                                      | \$51,000              | \$21,000  | \$26,000                  | \$27,000              | \$ 9,000  | \$40,000          | \$41,000              | \$16,000  |
| \$28,250        | \$29,250              | \$ 8,625  | \$51,000                                      | \$52,000              | \$20,000  | \$27,000                  | \$28,000              | \$ 8,000  | \$41,000          | \$42,000              | \$15,000  |
| \$29,250        | \$30,250              | \$ 7,625  | \$52,000                                      | \$53,000              | \$19,000  | \$28,000                  | \$29,000              | \$ 7,000  | \$42,000          | \$43,000              | \$14,000  |
| \$30,250        | \$31,250              | \$ 6,625  | \$53,000                                      | \$54,000              | \$18,000  | \$29,000                  | \$30,000              | \$ 6,000  | \$43,000          | \$44,000              | \$13,000  |
| \$31,250        | \$32,250              | \$ 5,625  | \$54,000                                      | \$55,000              | \$17,000  | \$30,000                  | \$31,000              | \$ 5,000  | \$44,000          | \$45,000              | \$12,000  |
| \$32,250        | \$33,250              | \$ 4,625  | \$55,000                                      | \$56,000              | \$16,000  | \$31,000                  | \$32,000              | \$ 4,000  | \$45,000          | \$46,000              | \$11,000  |
| \$33,250        | \$34,250              | \$ 3,625  | \$56,000                                      | \$57,000              | \$15,000  | \$32,000                  | \$33,000              | \$ 3,000  | \$46,000          | \$47,000              | \$10,000  |
| \$34,250        | \$35,250              | \$ 2,625  | \$57,000                                      | \$58,000              | \$14,000  | \$33,000                  | \$34,000              | \$ 2,000  | \$47,000          | \$48,000              | \$ 9,000  |
| \$35,250        | \$36,250              | \$ 1,625  | \$58,000                                      | \$59,000              | \$13,000  | \$34,000                  | \$35,000              | \$ 1,000  | \$48,000          | \$49,000              | \$ 8,000  |
| \$36,250        | \$37,250              | \$ 625    | \$59,000                                      | \$60,000              | \$12,000  | \$35,000 and up           | \$ 0                  | \$49,000  | \$50,000          | \$ 7,000              |           |
| \$37,250        | and up                | \$ 0      | \$60,000                                      | \$61,000              | \$11,000  |                           |                       | \$50,000  | \$51,000          | \$ 6,000              |           |
|                 |                       |           | \$61,000                                      | \$62,000              | \$10,000  |                           |                       | \$51,000  | \$52,000          | \$ 5,000              |           |
|                 |                       |           | \$62,000                                      | \$63,000              | \$ 9,000  |                           |                       | \$52,000  | \$53,000          | \$ 4,000              |           |
|                 |                       |           | \$63,000                                      | \$64,000              | \$ 8,000  |                           |                       | \$53,000  | \$54,000          | \$ 3,000              |           |
|                 |                       |           | \$64,000                                      | \$65,000              | \$ 7,000  |                           |                       | \$54,000  | \$55,000          | \$ 2,000              |           |
|                 |                       |           | \$65,000                                      | \$66,000              | \$ 6,000  |                           |                       | \$55,000  | \$56,000          | \$ 1,000              |           |
|                 |                       |           | \$66,000                                      | \$67,000              | \$ 5,000  |                           |                       | \$56,000  | and up            | \$ 0                  |           |
|                 |                       |           | \$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 for 2005 Taxable Year

Use your filing status shown on the front of your return.

|   |   |
|---|---|
| <p><b>Single or Married Filing Separately</b></p> <p>If the amount on Line 3 of the Tax Calculation Schedule is:</p> <p>Less than or equal to \$10,000 ..... <b>3.0%</b></p> <p>More than \$10,000 ..... <b>\$300.00 plus 5.0% of the excess over \$10,000</b></p>          | <p><b>EXAMPLE:</b> If the amount on Line 3 is \$13,000, enter \$450 on Line 4.</p> <p>\$13,000 - \$10,000 = \$3,000</p> <p>\$3,000 x .05 = \$150</p> <p>\$150 + \$300 = \$450</p> |
| <p><b>Head of Household</b></p> <p>If the amount on Line 3 of the Tax Calculation Schedule is:</p> <p>Less than or equal to \$16,000 ..... <b>3.0%</b></p> <p>More than \$16,000 ..... <b>\$480.00 plus 5.0% of the excess over \$16,000</b></p>                            | <p><b>EXAMPLE:</b> If the amount on Line 3 is \$20,000, enter \$680 on Line 4.</p> <p>\$20,000 - \$16,000 = \$4,000</p> <p>\$4,000 x .05 = \$200</p> <p>\$200 + \$480 = \$680</p> |
| <p><b>Married Filing Joint or Qualifying Widow(er)</b></p> <p>If the amount on Line 3 of the Tax Calculation Schedule is:</p> <p>Less than or equal to \$20,000 ..... <b>3.0%</b></p> <p>More than \$20,000 ..... <b>\$600.00 plus 5.0% of the excess over \$20,000</b></p> | <p><b>EXAMPLE:</b> If the amount on Line 3 is \$22,500, enter \$725 on Line 4.</p> <p>\$22,500 - \$20,000 = \$2,500</p> <p>\$2,500 x .05 = \$125</p> <p>\$125 + \$600 = \$725</p> |

**Table C - Personal Tax Credits for 2005 Taxable Year**

Use your filing status shown on the front of your return and your CONNECTICUT AGI (from *Tax Calculation Schedule, Line 1*) to determine your decimal amount.

| Single          |                       |                | Married Filing Jointly or Qualified Widow(er) |                       |                | Married Filing Separately |                       |                | Head of Household |                       |                |
|-----------------|-----------------------|----------------|---|-----------------------|----------------|---------------------------|-----------------------|----------------|-------------------|-----------------------|----------------|
| CONNECTICUT AGI |                       |                | CONNECTICUT AGI                               |                       |                | CONNECTICUT AGI           |                       |                | CONNECTICUT AGI   |                       |                |
| More Than       | Less Than or Equal To | Decimal Amount | More Than                                     | Less Than or Equal To | Decimal Amount | More Than                 | Less Than or Equal To | Decimal Amount | More Than         | Less Than or Equal To | Decimal Amount |
| \$12,625        | \$15,750              | .75            | \$24,000                                      | \$30,000              | .75            | \$12,000                  | \$15,000              | .75            | \$19,000          | \$24,000              | .75            |
| \$15,750        | \$16,250              | .70            | \$30,000                                      | \$30,500              | .70            | \$15,000                  | \$15,500              | .70            | \$24,000          | \$24,500              | .70            |
| \$16,250        | \$16,750              | .65            | \$30,500                                      | \$31,000              | .65            | \$15,500                  | \$16,000              | .65            | \$24,500          | \$25,000              | .65            |
| \$16,750        | \$17,250              | .60            | \$31,000                                      | \$31,500              | .60            | \$16,000                  | \$16,500              | .60            | \$25,000          | \$25,500              | .60            |
| \$17,250        | \$17,750              | .55            | \$31,500                                      | \$32,000              | .55            | \$16,500                  | \$17,000              | .55            | \$25,500          | \$26,000              | .55            |
| \$17,750        | \$18,250              | .50            | \$32,000                                      | \$32,500              | .50            | \$17,000                  | \$17,500              | .50            | \$26,000          | \$26,500              | .50            |
| \$18,250        | \$18,750              | .45            | \$32,500                                      | \$33,000              | .45            | \$17,500                  | \$18,000              | .45            | \$26,500          | \$27,000              | .45            |
| \$18,750        | \$19,250              | .40            | \$33,000                                      | \$33,500              | .40            | \$18,000                  | \$18,500              | .40            | \$27,000          | \$27,500              | .40            |
| \$19,250        | \$21,050              | .35            | \$33,500                                      | \$40,000              | .35            | \$18,500                  | \$20,000              | .35            | \$27,500          | \$34,000              | .35            |
| \$21,050        | \$21,550              | .30            | \$40,000                                      | \$40,500              | .30            | \$20,000                  | \$20,500              | .30            | \$34,000          | \$34,500              | .30            |
| \$21,550        | \$22,050              | .25            | \$40,500                                      | \$41,000              | .25            | \$20,500                  | \$21,000              | .25            | \$34,500          | \$35,000              | .25            |
| \$22,050        | \$22,550              | .20            | \$41,000                                      | \$41,500              | .20            | \$21,000                  | \$21,500              | .20            | \$35,000          | \$35,500              | .20            |
| \$22,550        | \$26,300              | .15            | \$41,500                                      | \$50,000              | .15            | \$21,500                  | \$25,000              | .15            | \$35,500          | \$44,000              | .15            |
| \$26,300        | \$26,800              | .14            | \$50,000                                      | \$50,500              | .14            | \$25,000                  | \$25,500              | .14            | \$44,000          | \$44,500              | .14            |
| \$26,800        | \$27,300              | .13            | \$50,500                                      | \$51,000              | .13            | \$25,500                  | \$26,000              | .13            | \$44,500          | \$45,000              | .13            |
| \$27,300        | \$27,800              | .12            | \$51,000                                      | \$51,500              | .12            | \$26,000                  | \$26,500              | .12            | \$45,000          | \$45,500              | .12            |
| \$27,800        | \$28,300              | .11            | \$51,500                                      | \$52,000              | .11            | \$26,500                  | \$27,000              | .11            | \$45,500          | \$46,000              | .11            |
| \$28,300        | \$50,500              | .10            | \$52,000                                      | \$96,000              | .10            | \$27,000                  | \$48,000              | .10            | \$46,000          | \$74,000              | .10            |
| \$50,500        | \$51,000              | .09            | \$96,000                                      | \$96,500              | .09            | \$48,000                  | \$48,500              | .09            | \$74,000          | \$74,500              | .09            |
| \$51,000        | \$51,500              | .08            | \$96,500                                      | \$97,000              | .08            | \$48,500                  | \$49,000              | .08            | \$74,500          | \$75,000              | .08            |
| \$51,500        | \$52,000              | .07            | \$97,000                                      | \$97,500              | .07            | \$49,000                  | \$49,500              | .07            | \$75,000          | \$75,500              | .07            |
| \$52,000        | \$52,500              | .06            | \$97,500                                      | \$98,000              | .06            | \$49,500                  | \$50,000              | .06            | \$75,500          | \$76,000              | .06            |
| \$52,500        | \$53,000              | .05            | \$98,000                                      | \$98,500              | .05            | \$50,000                  | \$50,500              | .05            | \$76,000          | \$76,500              | .05            |
| \$53,000        | \$53,500              | .04            | \$98,500                                      | \$99,000              | .04            | \$50,500                  | \$51,000              | .04            | \$76,500          | \$77,000              | .04            |
| \$53,500        | \$54,000              | .03            | \$99,000                                      | \$99,500              | .03            | \$51,000                  | \$51,500              | .03            | \$77,000          | \$77,500              | .03            |
| \$54,000        | \$54,500              | .02            | \$99,500                                      | \$100,000             | .02            | \$51,500                  | \$52,000              | .02            | \$77,500          | \$78,000              | .02            |
| \$54,500        | \$55,000              | .01            | \$100,000                                     | \$100,500             | .01            | \$52,000                  | \$52,500              | .01            | \$78,000          | \$78,500              | .01            |
| \$55,000        | and up                | .00            | \$100,500                                     | and up                | .00            | \$52,500                  | and up                | .00            | \$78,500          | and up                | .00            |

**Tax Calculation Schedule**

|   |   |   |    |
|---|---|---|----|
| 1. Enter CONNECTICUT AGI (Form CT-1040EZ, Line 3; Form CT-1040, Line 5; or Form CT-1040NR/PY, Line 7). Form CT-1040NR/PY filers must enter income from Connecticut sources if it exceeds Connecticut adjusted gross income. | 1 |   | 00 |
| 2. Enter Personal Exemption (From Table A, Exemptions).   | 2 |   | 00 |
| 3. Connecticut Taxable Income (Subtract Line 2 from Line 1. If less than zero, enter "0.")  | 3 |   | 00 |
| 4. Connecticut Income Tax (See Table B, Connecticut Income Tax.)  | 4 |   | 00 |
| 5. Enter Decimal Amount (From Table C, Personal Tax Credits). If zero, enter "0."   | 5 | . |    |
| 6. Multiply the amount on Line 4 by the decimal amount on Line 5.   | 6 |   | 00 |
| 7. <b>Income Tax</b> (Subtract Line 6 from Line 4.) Enter here and on Form CT-1040EZ, Line 4; Form CT-1040, Line 6; or Form CT-1040NR/PY, Line 8.   | 7 |   | 00 |

|   |  |   |
|---|--|---|
|  | <p><b>Need help completing this schedule?</b><br/>                 Visit the DRS Web site at <a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a> and have your income tax instantly calculated for you.</p> |  |
|---|--|---|

**Amended Connecticut Income Tax Return and Instructions**

**Purpose:** Use this form to amend a 2001 Connecticut income tax return for individuals. This form may not be used to amend any other year's return. Do not use this form to amend **Form CT-1041, Form CT-1065, or Form CT-1120SI.**

If **Form CT-1040X** is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting any Connecticut income tax overpayment expires three years

after the due date of the return, but if a timely request for an extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return, or three years after the date of filing the return, whichever is earlier. If you were required to file an amended return, but failed to do so, a penalty may be imposed. Interest will also be assessed on any additional Connecticut income tax not paid on or before the due date.

**The following circumstances require the filing of Form CT-1040X:**

|   |  |
|---|--|
| <p>1. The IRS or federal courts change or correct your federal income tax return, and the change or correction results in your Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. You filed a timely amended federal income tax return, and the amendment results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than 90 days after the date you filed your timely amended federal return.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and the tax officials or courts of that qualifying jurisdiction made a change or correction to your income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p> | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and you filed a timely amended income tax return with that qualifying jurisdiction, and the amendment results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p>  | <p><b>File Form CT-1040X no later than 90 days after the date you filed your amended return with the qualifying jurisdiction.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. If none of the above circumstances apply, but you made a mistake or omission on your Connecticut income tax return, and the mistake or omission results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than three years after the due date of your return, or if you filed a timely request for an extension of time to file, three years after the date of filing the return, or three years after the extended due date, whichever is earlier.</b></p>  |

Do not file **Form CT-1040X** for any of the following reasons:

- To have an overpayment refunded instead of applied to next year's estimated tax or to change contributions made to designated contributions. The elections that you made on your original return cannot be changed by filing **Form CT-1040X**.
- To amend your Connecticut income tax return for an earlier year in order to claim a credit for income tax paid on income which was included in your Connecticut adjusted gross income for that year and which you repaid in a later taxable year. File **Schedule CT-1040CRC, Claim of Right Credit**, with your Connecticut income tax return for the later taxable year.

**Financial Disability:** If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period that your spouse or any other person is authorized to act on your behalf in financial matters.

The Connecticut *2001 Tax Calculation Schedule*, instructions for amending your *Schedule 1 - Modifications to Federal Adjusted Gross Income*, and *Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle*, are included with this form. Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, are included in the instructions for **Form CT-1040** and **Form CT-1040NR/PY**.

## Steps to Completing Form CT-1040X

**Step 1** - Refer to your original return and identify all changes that need to be made.

**Step 2** - Find corresponding line items on **Form CT-1040X**. Line numbers on **Form CT-1040X** may be different from the line numbers on your original return.

**Step 3** - Complete *Schedule 1* if changes will be reported on Line 2 or Line 4 of **Form CT-1040X**. Complete *Schedule 2* if changes will be reported on Line 11. Complete *Schedule 3* if changes will be reported on Line 15.

**Step 4** - Use Column A to enter the amounts shown on your original or previously adjusted return. Line numbers on **Form CT-1040X** may be different from the line numbers on your original return. For example, if you telefiled your Connecticut income tax return, add the amounts reported on **Connecticut Telefile Tax Return**, Line 11 and Line 12, and subtract the amount reported on Line 9 from the total. Enter the result on **Form CT-1040X**, Line 10, Column A.

**Step 5** - Use Column B to enter the net increase or decrease for each line that you are changing.

**Step 6** - Explain each change in the space provided on the front of **Form CT-1040X**.

**Step 7** - 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.

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## Form CT-1040X Instructions

### Filing Status

Generally, your filing status must match your federal income tax filing status for the year. 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 separately**." 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 separately**," **unless** they file jointly for federal income tax purposes, **and** they elect to be treated as if both were Connecticut residents for the entire taxable year. See *Special Rules for Married Individuals*, in the instructions to **Form CT-1040EZ**, **Form CT-1040**, or **Form CT-1040NR/PY**.

**Line 2 and Line 4** - If you are changing your modifications to Federal Adjusted Gross Income, you must complete **Form CT-1040X**, *Schedule 1 - Modifications to Federal Adjusted Gross Income*.

**Lines 6 through 9 - Nonresidents and Part-Year Residents:** Refer to your previously filed **Form CT-1040NR/PY** when completing this section.

**Line 8** - Calculate the tax on the amount you entered on Line 7, Column C, using the *2001 Tax Calculation Schedule* on Page 3. 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 *2001 Tax Calculation Schedule* on Page 3. Enter the result on Line 10, Column C.

**Nonresidents and Part-Year Residents:** Multiply Line 9, Column C by Line 8, Column C. Enter the result on Line 10, Column C.

**Line 11 - Residents and Part-Year Residents:** If you are changing your credit for income taxes paid to qualifying jurisdictions, you must complete **Form CT-1040X**, *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*. Enter the amount from Line 57 on Line 11, Column C. See instructions to **Form CT-1040** or **Form CT-1040NR/PY**.

**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**. Write the word "**AMENDED**" across the top of **Form CT-6251**.

**Line 15 - Residents:** If you are changing your property tax credit, you must complete **Form CT-1040X**, *Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle*. This credit may not exceed **\$500**.

**Nonresidents and Part-Year Residents:** Enter "0" 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**. 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 or worksheet and attach it to **Form CT-1040X**. You must write the word "**AMENDED**" across the top of the individual use tax schedule or worksheet.

**Line 21** - If changes are being made to your Connecticut income tax withholding, attach supporting documentation such as W-2s, W-2Cs, W-2Gs, or 1099s.

### 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.

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### Schedule 1 - Modifications to Federal Adjusted Gross Income (Complete Only if Changed)

Enter the corrected amounts (including any amounts that were previously correct on your original return). Enter all amounts as positive numbers. See instructions for **Form CT-1040** or **Form CT-1040NR/PY**.

#### Line 31 - 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 is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, or U.S. Virgin Islands.

#### Line 32 - 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, or U.S. Virgin Islands.



**Line 33 and Line 44 - Shareholder's Pro Rata Share of S Corporation Nonseparately Computed Income or Loss**

(This modification is only for shareholders of an S corporation that was subject to the Connecticut corporation business tax for its taxable year beginning during 2000 and the S corporation's taxable year for federal income tax purposes is other than the calendar year.)

S corporations are no longer subject to the Connecticut corporation business tax for taxable years beginning on or after January 1, 2001. Therefore, shareholders of such corporations are no longer required to make a modification in computing Connecticut adjusted gross income.

However, if you are a shareholder of an S corporation that is subject to the Connecticut corporation business tax for the 2000 taxable year and the S corporation's taxable year for federal income tax purposes is **other than the calendar year**, multiply 30% of your pro rata share of the S corporation's nonseparately computed income or loss by the S corporation's Connecticut corporation business tax apportionment percentage. If the amount is related to a loss, enter it on Line 33. If the amount is related to income, enter it on Line 44. Your pro rata share of the S corporation's nonseparately computed income or loss will be reported on federal Form 1120S, Schedule K-1. This form and the Connecticut corporation business tax apportionment percentage are furnished to you by the S corporation.

If any federal limitations apply, add back only 30% of the net loss included on federal Schedule E, multiplied by the S corporation's Connecticut corporation business tax apportionment percentage. If you have deductible losses from a prior year or other adjustments, subtract only 30% of the net income included on federal Schedule E, multiplied by the S corporation's Connecticut corporation business tax apportionment percentage.

**Line 34 - 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 on Line 34 **that** part of the distribution. Do not enter any part of the distribution reported on federal Form 1040A, Line 12a; federal Form 1040, Line 16a; or federal Form 1040, Schedule D.

**Line 35 and Line 45 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of 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 35. If the amount is less than zero, enter on Line 45.

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 35. If the net amount is less than zero, enter on Line 45.

**Line 36 - 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 37 and Line 47 - Other**

See instructions for **Form CT-1040** or **Form CT-1040NR/PY** for information.

**Line 39 - 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 Savings Bonds Series EE and Series HH, U.S. Treasury bills and notes).

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

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 on any federal income tax refund.

**Line 40 - Exempt Dividends From Certain 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

**2001 TAX CALCULATION SCHEDULE**

|   |    |   |  |
|---|----|---|--|
| 1. <b>Residents:</b> Enter the amount from 2001 <b>Form CT-1040X</b> , Line 5, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter the amount from 2001 <b>Form CT-1040X</b> , Line 7, Column C.  | 1. |   |  |
| 2. Enter <b>Personal Exemption</b> (See <b>TABLE A</b> , Page 6)  | 2. |   |  |
| 3. Connecticut Taxable Income (Subtract Line 2 from Line 1. If less than zero, enter "0.")  | 3. |   |  |
| 4. Enter <b>Connecticut Income Tax</b> (See <b>TABLE B</b> , Page 6)  | 4. |   |  |
| 5. Enter <b>Decimal Amount</b> (See <b>TABLE C</b> , Page 6. If zero, enter "0.")   | 5. | . |  |
| 6. Multiply the amount on Line 4 by the decimal amount on Line 5.   | 6. |   |  |
| 7. <b>CONNECTICUT INCOME TAX</b> (Subtract Line 6 from Line 4)<br><b>Residents:</b> Enter this amount on 2001 <b>Form CT-1040X</b> , Line 10, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter this amount on <b>Form CT-1040X</b> , Line 8, Column C. | 7. |   |  |

percentage of dividends that are exempt dividends should be reported to you by the mutual fund.

Do not enter the amount of dividend 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.

**Line 41 - Social Security Benefit Adjustment**

If your filing status is **Single** or **Married Filing Separately** and the amount reported on **Form CT-1040X**, Line 1, Column C is **less than \$50,000**; or **Married Filing Jointly** or **Head of Household** and the amount reported on **Form CT-1040X**, Line 1, Column C is **less than \$60,000**, enter on Line 41 the amount of federally taxable Social Security benefits from 2001 federal Form 1040, Line 20b or federal Form 1040A, Line 14b. If your federal adjusted gross income is above the threshold for your filing status, and you used the worksheets contained in the instructions to federal Form 1040A or federal Form 1040 to calculate the amount of taxable Social Security benefits, complete the *Social Security Benefit Adjustment Worksheet* below and enter the amount from Line F on Line 41. If you did not use these worksheets, but instead used worksheets contained in federal Publication 590 or federal Publication 915, see **Announcement 2001(4)**, *Taxability of Social Security Benefits for Connecticut Income Tax Purposes*.

**Line 42 - 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 Line 10 of your federal Form 1040 is blank, or if you filed federal Forms 1040A, 1040EZ, or telefiled your federal return, enter "0."

**Line 43 - Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities**

If you received Tier 1 or Tier 2, or both, railroad retirement benefits and supplemental annuities during 2001, you may deduct the

amount included in your federal adjusted gross income. Enter on Line 43 the amount of benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 12b or Line 14b. 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 46 - 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.

**For Further Information**

Please call the Department of Revenue Services during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling 860-297-4911.

**Forms and Publications**

Forms and publications are available all day, seven days a week:

- **Internet:** preview and download forms and publications from the DRS Web site: **www.drs.state.ct.us**
- **DRS TAX-FAX:** call **860-297-5698** from the handset attached to your fax machine and select from the menu
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone

| <b>LINE 41 - SOCIAL SECURITY BENEFIT ADJUSTMENT WORKSHEET</b>   |    |  |
|---|----|--|
| See instructions above to determine if you must complete this worksheet.  |    |  |
| A. Enter the amount reported on your 2001 federal Social Security Benefits Worksheet, Line 1.<br><b>If Line A is zero or less, stop here and enter "0" on Line 41. Otherwise, go to Line B.</b>                         | A. |  |
| B. Enter the amount reported on your 2001 federal Social Security Benefits Worksheet, Line 9.<br><b>If Line B is zero or less, stop here and enter "0" on Line 41. Otherwise, go to Line C.</b>                         | B. |  |
| C. Enter the lesser of Line A or Line B.  | C. |  |
| D. Multiply Line C by 25% (.25).  | D. |  |
| E. Taxable amount of Social Security benefits reported on your 2001 federal Social Security Benefits Worksheet, Line 18.  | E. |  |
| F. <b>Social Security Benefit Adjustment</b> - Subtract Line D from Line E. Enter the amount here and on <b>Form CT-1040X</b> , <i>Schedule 1</i> , Line 41. (If Line D is greater than or equal to Line E, enter "0.") | F. |  |

# Form CT-1040X

# 2001

## AMENDED CONNECTICUT INCOME TAX RETURN FOR INDIVIDUALS

(Rev. 12/01)

For the year January 1 - December 31, 2001, or other taxable year beginning \_\_\_\_\_, 2001, ending \_\_\_\_\_, \_\_\_\_\_.

|                             |  |                 |   |  |   |
|-----------------------------|--|-----------------|---|--|---|
| <b>Please Print or Type</b> | Your First Name and Middle Initial _____                               | Last Name _____ | ▶ | <b>Social Security Number</b><br>_____-_____-_____<br>: : :<br>_____-_____-_____<br>: : :<br>_____-_____-_____ |   |
|                             | If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial _____ | Last Name _____ |   | ▶  | <b>Spouse's Social Security Number</b><br>_____-_____-_____<br>: : :<br>_____-_____-_____<br>: : :<br>_____-_____-_____ |
|                             | Home Address (number and street), Apartment Number, PO Box<br>▶        |                 |   |  | Your Telephone Number<br>( ) _____  |
|                             | City, Town, or Post Office _____                                       | State _____     |   | ZIP Code _____   | ▶   |

**Filing Status:** *On original return:*  Single  Married filing jointly/qualifying widow(er)  Married filing separately  Head of household  
*On this return:*  Single  Married filing jointly/qualifying widow(er)  Married filing separately  Head of household

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 must attach a copy of the IRS audit results, federal Form 1040X, the other state's audit results or amended returns, and supporting documentation.**

Enter in the space below the line number for each item you are changing and give the reason for each change. Attach supporting forms and schedules for items changed. Write your name and Social Security Number on all attachments.

|   |  | A. Original amount or as previously adjusted | B. Net change increase or (decrease) | C. Correct amount |
|---|--|--|--------------------------------------|-------------------|
| <b>Income</b>   | 1. Federal Adjusted Gross Income (from federal Form 1040, Line 33; Form 1040A, Line 19; Form 1040EZ, Line 4; or federal TeleFile Tax Record, Line I) ..... 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   |  |                                      | ▶                 |
|   | <b>5. Connecticut Adjusted Gross Income</b> (Subtract Line 4 from Line 3) 5  |  |                                      | ▶                 |
| <b>Residents go to Line 10; Nonresidents and Part-Year Residents go to Line 6</b> |  |  |                                      |                   |
| <b>Nonresidents and Part-Year Residents Only</b>                                  | 6. 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 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   | .  |                                      | .                 |
| <b>Tax</b>  | 10. Income Tax (See instructions) ..... 10   |  |                                      | ▶                 |
|   | 11. Credit for income taxes paid to qualifying jurisdictions (If changed, see instructions) <b>Residents and Part-Year Residents only</b> ..... 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. <b>Residents only</b> (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  |  |                                      | ▶                 |
|   | 18. <b>Connecticut Income Tax</b> (Subtract Line 17 from Line 16) ..... 18   |  |                                      | ▶                 |
|   | 19. <b>Individual Use Tax</b> (If changed, see instructions) ..... 19  |  |                                      | ▶                 |
| 20. <b>Total Tax</b> (Add Line 18 and Line 19) ..... 20                           |  |  | ▶                                    |                   |
| <b>Payments</b>   | 21. Connecticut tax withheld (If changed, see instructions) ..... 21   |  |                                      | ▶                 |
|   | 22. All 2001 estimated Connecticut income tax payments (including any overpayments applied 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   |  |                                      | ▶                 |
| <b>Refund</b>   | 27. If Line 26, Column C, is greater than Line 20, Column C, enter the <b>amount overpaid</b> <b>REFUND</b> 27   |  |                                      | ▶                 |
| <b>Amount You Owe</b>   | 28. If Line 20, Column C, is greater than Line 26, Column C, enter the <b>amount you owe</b> ..... 28  |  |                                      | ▶                 |
|   | 29. Interest (Multiply Line 28 by number of months or fraction thereof, then by 1% (.01)) ..... 29   |  |                                      |                   |
|   | 30. <b>Amount you owe</b> with this return (Add Line 28, Column C, and Line 29, Column C) <b>AMOUNT YOU OWE</b> 30   |  |                                      | ▶                 |

**SCHEDULE 1 MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME (Enter all amounts as positive numbers)**

|  |  |    |  |  |
|--|--|----|--|--|
| Additions to Federal Adjusted Gross Income (See instructions, Page 2)  | 31. Interest on state and local government obligations other than Connecticut  | 31 |  |  |
|  | 32. Exempt-interest dividends from a mutual fund derived from state or municipal government obligations other than Connecticut | 32 |  |  |
|  | 33. Shareholder's pro rata share of S corporation nonseparately computed loss (See instructions, Page 3)                       | 33 |  |  |
|  | 34. Taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income                | 34 |  |  |
|  | 35. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero)                                  | 35 |  |  |
|  | 36. Loss on sale of Connecticut state and local government bonds   | 36 |  |  |
|  | 37. Other - specify _____  | 37 |  |  |
|  | 38. <b>TOTAL ADDITIONS</b> (Add Lines 31 through 37); <b>Enter here and on Line 2, Column C, on the front of this form.</b>    | 38 |  |  |
| Subtractions From Federal Adjusted Gross Income (See instructions, Page 2)   | 39. Interest on United States government obligations   | 39 |  |  |
|  | 40. Exempt dividends from certain qualifying mutual funds derived from United States government obligations                    | 40 |  |  |
|  | 41. Social Security benefit adjustment (See Social Security Benefit Adjustment Worksheet, Page 4)                              | 41 |  |  |
|  | 42. Refunds of state and local income taxes  | 42 |  |  |
|  | 43. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities  | 43 |  |  |
|  | 44. Shareholder's pro rata share of S corporation nonseparately computed income (See instructions, Page 3)                     | 44 |  |  |
|  | 45. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero)                                     | 45 |  |  |
|  | 46. Gain on sale of Connecticut state and local government bonds   | 46 |  |  |
| 47. Other - specify (Do not include out-of-state income) _____   | 47   |    |  |  |
| 48. <b>TOTAL SUBTRACTIONS</b> (Add Lines 39 through 47); <b>Enter here and on Line 4, Column C, on the front of this form.</b> | 48   |    |  |  |

**SCHEDULE 2 CREDIT FOR INCOME TAXES PAID TO QUALIFYING JURISDICTIONS (See instructions for Form CT-1040 or Form CT-1040NR/PY)**

| <b>Important:</b><br>You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed. | 49. <b>MODIFIED CONNECTICUT ADJUSTED GROSS INCOME</b>  | 49  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|---|--|---|------|----------|------|----------|--|----------|--|--|------|------|------|------|--|----|--|--|--|--|----|--|--|--|---|----|---|---|--|---|----|--|--|--|---------------------------------|----|--|--|--|--|----|--|--|--|--|----|--|--|--|--|----|--|--|--|
|   | <b>FOR EACH COLUMN, ENTER THE FOLLOWING:</b>   | <table border="1"> <thead> <tr> <th></th> <th colspan="2">COLUMN A</th> <th colspan="2">COLUMN B</th> </tr> <tr> <th></th> <th>Name</th> <th>Code</th> <th>Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>50. Enter qualifying jurisdiction's name and two-letter code</td> <td>50</td> <td></td> <td></td> <td></td> </tr> <tr> <td>51. Non-Connecticut income included on Line 49 and reported on a qualifying jurisdiction's income tax return (from Schedule 2 Worksheet)</td> <td>51</td> <td></td> <td></td> <td></td> </tr> <tr> <td>52. Divide Line 51 by Line 49 (may not exceed 1.0000)</td> <td>52</td> <td>.</td> <td>.</td> <td></td> </tr> <tr> <td>53. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C)</td> <td>53</td> <td></td> <td></td> <td></td> </tr> <tr> <td>54. Multiply Line 52 by Line 53</td> <td>54</td> <td></td> <td></td> <td></td> </tr> <tr> <td>55. Income tax paid to a qualifying jurisdiction</td> <td>55</td> <td></td> <td></td> <td></td> </tr> <tr> <td>56. Enter the lesser of Line 54 or Line 55</td> <td>56</td> <td></td> <td></td> <td></td> </tr> <tr> <td>57. <b>TOTAL CREDIT</b> (Add Line 56, all columns)<br/><b>Enter here and on Line 11, Column C, on the front of this form.</b></td> <td>57</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> |      |          |      | COLUMN A |  | COLUMN B |  |  | Name | Code | Name | Code | 50. Enter qualifying jurisdiction's name and two-letter code | 50 |  |  |  | 51. Non-Connecticut income included on Line 49 and reported on a qualifying jurisdiction's income tax return (from Schedule 2 Worksheet) | 51 |  |  |  | 52. Divide Line 51 by Line 49 (may not exceed 1.0000) | 52 | . | . |  | 53. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C) | 53 |  |  |  | 54. Multiply Line 52 by Line 53 | 54 |  |  |  | 55. Income tax paid to a qualifying jurisdiction | 55 |  |  |  | 56. Enter the lesser of Line 54 or Line 55 | 56 |  |  |  | 57. <b>TOTAL CREDIT</b> (Add Line 56, all columns)<br><b>Enter here and on Line 11, Column C, on the front of this form.</b> | 57 |  |  |  |
|   |  | COLUMN A  |      | COLUMN B |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   |  | Name  | Code | Name     | Code |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 50. Enter qualifying jurisdiction's name and two-letter code   | 50  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 51. Non-Connecticut income included on Line 49 and reported on a qualifying jurisdiction's income tax return (from Schedule 2 Worksheet) | 51  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 52. Divide Line 51 by Line 49 (may not exceed 1.0000)  | 52  | .    | .        |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 53. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C)  | 53  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 54. Multiply Line 52 by Line 53  | 54  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 55. Income tax paid to a qualifying jurisdiction   | 55  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
| 56. Enter the lesser of Line 54 or Line 55  | 56   |   |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
| 57. <b>TOTAL CREDIT</b> (Add Line 56, all columns)<br><b>Enter here and on Line 11, Column C, on the front of this form.</b>            | 57   |   |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |

**SCHEDULE 3 (Connecticut Residents Only) - 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<br>If primary residence, enter street address<br>If motor vehicle, enter year, make, and model | LIST OR BILL NUMBER<br>(if available) | DATE(S) PAID<br>(Enter date(s) you paid property tax.) | AMOUNT PAID<br>(Enter amount of property tax paid.) |
| PRIMARY RESIDENCE                      |  |  |                                       |  | 58  |
| AUTO 1                                 |  |  |                                       |  | 59  |
| Married Filing Jointly Only - AUTO 2   |  |  |                                       |  | 60  |
| <b>Property Tax Credit Calculation</b> | 61. <b>TOTAL PROPERTY TAX PAID</b> (Add all amounts for Column E)  |  |                                       |  | 61  |
|  | 62. <b>MAXIMUM PROPERTY TAX CREDIT ALLOWED</b>   |  |                                       |  | 62  |
|  | 63. Enter the <b>Lesser</b> of Line 61 or Line 62. (If \$100 or less, enter this amount on Line 65. If greater than \$100, go to Line 64.) |  |                                       |  | 63  |
|  | 64. <b>Limitation</b> - Enter the result from the <i>Property Tax Credit Limitation Worksheet (See Page 5)</i>                             |  |                                       |  | 64  |
|  | 65. Subtract Line 64 from Line 63. <b>Enter here and on Line 15, Column C, on the front of this form.</b>                                  |  |                                       |  | 65  |

Make your check or money order payable to: **Commissioner of Revenue Services**  
Write your Social Security Number(s) and "2001 Form CT-1040X" on your check or money order.

**MAIL TO: Department of Revenue Services  
PO Box 2978  
Hartford CT 06104-2978**

I declare under penalty of law 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. I understand that the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |                                    |      |                                      |                        |
|--|------------------------------------|------|--------------------------------------|------------------------|
| <b>Sign Here</b><br><b>Keep a copy for your records.</b> | Your Signature                     | Date | Spouse's Signature (if joint return) | Date                   |
|  | Paid Preparer's Signature          | Date | Telephone Number<br>( )              | Preparer's SSN or PTIN |
|  | Firm's Name, Address, and ZIP Code |      |                                      | FEIN                   |

**Schedule 3 - (Connecticut Residents Only) Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle (Complete Only if Changed)**

Enter the corrected amounts (including any amounts that were previously correct on your original return). The credit is for property taxes paid during 2001 to a Connecticut political subdivision on a primary residence and/or a privately owned or leased motor vehicle. If you entered "0" on **Form CT-1040X**, Line 14, Column C, **DO NOT** complete this schedule. See **Informational Publication 2001(25), Q & A: Income Tax Credit for Property Taxes Paid to a Connecticut Political Subdivision.**

**Which Property Tax Bills Qualify?**

You may take credit against your 2001 Connecticut income tax liability for property tax payments that you made on your primary residence and/or privately owned or leased motor vehicle to a Connecticut political subdivision. Generally, property tax bills that were due and paid during 2001 qualify for this credit. This includes any installment payments that you made during 2001 that were due in 2001 and any installments that you prepaid during 2001 that were due in 2002. Supplemental property tax bills that were due during 2001 or 2002 also qualify if paid during 2001. However, the late payment of any property tax bills or the payment of any interest, fees, or charges related to the property tax bill do not qualify for the credit.

A husband and wife who file a joint Connecticut income tax return may consider property tax bills for which the husband or wife, or both, are liable.

You may take credit for a leased motor vehicle if you had a written lease agreement for a term of more than one year and the property tax became due and was paid during 2001 (either by the leasing company or by you). Refer to your January 2002 billing statement from the leasing company in order to determine the amount of property taxes that may be eligible for the credit. 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 2002, contact your leasing company for the appropriate property tax information.

**Maximum Credit Allowed**

The **maximum** credit allowed (on your primary residence and/or motor vehicle) is **\$500** 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 (Connecticut AGI).

This credit cannot exceed the amount of qualifying property taxes paid or the amount of tax entered on **Form CT-1040X**, Line 14, Column C. To be allowed to take 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. Individuals whose filing status is **Single, Married Filing Separately, or Head of Household** is limited to the property tax paid on **one** motor vehicle, even if the individual sells a motor vehicle and purchases a replacement motor vehicle during the taxable year. Individuals whose filing status is **Married Filing Jointly** are limited to the property taxes paid on **two** motor vehicles.

**Schedule 3 Instructions**

**Line 58 - Primary Residence**

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

**Line 59 - Auto 1**

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

**Line 60 - Married Filing Jointly Only - Auto 2**

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

**Line 64 - Limitation**

Enter "0" on Line 64 and go to Line 65 if your filing status is **Single** and your Connecticut AGI is \$54,500 or less; **Married Filing Jointly** and your Connecticut AGI is \$100,500 or less; **Married Filing Separately** and your Connecticut AGI is \$50,250 or less; or **Head of Household** and your Connecticut AGI is \$78,500 or less. Otherwise, you **must** complete the *Property Tax Credit Limitation Worksheet* below.

**LINE 64 - PROPERTY TAX CREDIT LIMITATION WORKSHEET (Connecticut Residents ONLY)**

Enter the amount from **Form CT-1040X, Schedule 3**, Line 63, on Line 65 and **do not** complete this worksheet if your filing status is:

- **Single** and your Connecticut AGI is **\$54,500, or less;**
- **Married Filing Jointly** and your Connecticut AGI is **\$100,500, or less;**
- **Married Filing Separately** and your Connecticut AGI is **\$50,250, or less;** or
- **Head of Household** and your Connecticut AGI is **\$78,500, or less.**

Otherwise, complete this worksheet and enter the amount from Line 5 on **Form CT-1040X, Schedule 3**, Line 64.

|   |    |               |
|---|----|---------------|
| 1. Enter the amount reported on <b>Form CT-1040X, Schedule 3</b> , Line 63  | 1. |               |
| 2. Credit allowed (not subject to limitation)   | 2. | <b>100.00</b> |
| 3. Subtract Line 2 from Line 1  | 3. |               |
| 4. Enter the <b>decimal amount</b> from the <i>Property Tax Credit Limitation Table</i> <b>exactly as it appears in the chart at right.</b> (If zero, stop here, your credit is not limited.) | 4. | .             |
| 5. Multiply Line 3 by Line 4. Enter the result here and on <b>Form CT-1040X, Schedule 3</b> , Line 64.  | 5. |               |

**PROPERTY TAX CREDIT LIMITATION TABLE**

Use your filing status shown on **Form CT-1040X** and your Connecticut AGI - **Form CT-1040X**, Line 5, Column C.

| Single              |                       |                | Married Filing Jointly |                       |                |
|---------------------|-----------------------|----------------|------------------------|-----------------------|----------------|
| Connecticut AGI is: |                       |                | Connecticut AGI is:    |                       |                |
| More Than           | Less Than or Equal to | Decimal Amount | More Than              | Less Than or Equal to | Decimal Amount |
| \$ 0                | \$ 54,500             | 0              | \$ 0                   | \$ 100,500            | 0              |
| \$ 54,500           | \$ 64,500             | .10            | \$ 100,500             | \$ 110,500            | .10            |
| \$ 64,500           | \$ 74,500             | .20            | \$ 110,500             | \$ 120,500            | .20            |
| \$ 74,500           | \$ 84,500             | .30            | \$ 120,500             | \$ 130,500            | .30            |
| \$ 84,500           | \$ 94,500             | .40            | \$ 130,500             | \$ 140,500            | .40            |
| \$ 94,500           | \$ 104,500            | .50            | \$ 140,500             | \$ 150,500            | .50            |
| \$ 104,500          | \$ 114,500            | .60            | \$ 150,500             | \$ 160,500            | .60            |
| \$ 114,500          | \$ 124,500            | .70            | \$ 160,500             | \$ 170,500            | .70            |
| \$ 124,500          | \$ 134,500            | .80            | \$ 170,500             | \$ 180,500            | .80            |
| \$ 134,500          | \$ 144,500            | .90            | \$ 180,500             | \$ 190,500            | .90            |
| \$ 144,500          | and up                | 1.00           | \$ 190,500             | and up                | 1.00           |

| Married Filing Separately |                       |                | Head of Household   |                       |                |
|---------------------------|-----------------------|----------------|---------------------|-----------------------|----------------|
| Connecticut AGI is:       |                       |                | Connecticut AGI is: |                       |                |
| More Than                 | Less Than or Equal to | Decimal Amount | More Than           | Less Than or Equal to | Decimal Amount |
| \$ 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           |

### TABLE A - EXEMPTIONS FOR 2001 TAXABLE YEAR

Use your filing status shown on the front of Form CT-1040X and your CONNECTICUT AGI (From Tax Calculation Schedule, Line 1) to determine your exemption.

| Single          |                       |           | Married Filing Jointly/Qualified Widow(er) |                       |           | Married Filing Separately |                       |           | Head of Household |                       |           |
|-----------------|-----------------------|-----------|--|-----------------------|-----------|---------------------------|-----------------------|-----------|-------------------|-----------------------|-----------|
| CONNECTICUT AGI |                       | EXEMPTION | 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 |           | More Than         | Less Than Or Equal To |           |
| \$ 0            | \$25,000              | \$12,500  | \$ 0                                       | \$48,000              | \$24,000  | \$ 0                      | \$24,000              | \$12,000  | \$ 0              | \$38,000              | \$19,000  |
| \$25,000        | \$26,000              | \$11,500  | \$48,000                                   | \$49,000              | \$23,000  | \$24,000                  | \$25,000              | \$11,000  | \$38,000          | \$39,000              | \$18,000  |
| \$26,000        | \$27,000              | \$10,500  | \$49,000                                   | \$50,000              | \$22,000  | \$25,000                  | \$26,000              | \$10,000  | \$39,000          | \$40,000              | \$17,000  |
| \$27,000        | \$28,000              | \$ 9,500  | \$50,000                                   | \$51,000              | \$21,000  | \$26,000                  | \$27,000              | \$ 9,000  | \$40,000          | \$41,000              | \$16,000  |
| \$28,000        | \$29,000              | \$ 8,500  | \$51,000                                   | \$52,000              | \$20,000  | \$27,000                  | \$28,000              | \$ 8,000  | \$41,000          | \$42,000              | \$15,000  |
| \$29,000        | \$30,000              | \$ 7,500  | \$52,000                                   | \$53,000              | \$19,000  | \$28,000                  | \$29,000              | \$ 7,000  | \$42,000          | \$43,000              | \$14,000  |
| \$30,000        | \$31,000              | \$ 6,500  | \$53,000                                   | \$54,000              | \$18,000  | \$29,000                  | \$30,000              | \$ 6,000  | \$43,000          | \$44,000              | \$13,000  |
| \$31,000        | \$32,000              | \$ 5,500  | \$54,000                                   | \$55,000              | \$17,000  | \$30,000                  | \$31,000              | \$ 5,000  | \$44,000          | \$45,000              | \$12,000  |
| \$32,000        | \$33,000              | \$ 4,500  | \$55,000                                   | \$56,000              | \$16,000  | \$31,000                  | \$32,000              | \$ 4,000  | \$45,000          | \$46,000              | \$11,000  |
| \$33,000        | \$34,000              | \$ 3,500  | \$56,000                                   | \$57,000              | \$15,000  | \$32,000                  | \$33,000              | \$ 3,000  | \$46,000          | \$47,000              | \$10,000  |
| \$34,000        | \$35,000              | \$ 2,500  | \$57,000                                   | \$58,000              | \$14,000  | \$33,000                  | \$34,000              | \$ 2,000  | \$47,000          | \$48,000              | \$ 9,000  |
| \$35,000        | \$36,000              | \$ 1,500  | \$58,000                                   | \$59,000              | \$13,000  | \$34,000                  | \$35,000              | \$ 1,000  | \$48,000          | \$49,000              | \$ 8,000  |
| \$36,000        | \$37,000              | \$ 500    | \$59,000                                   | \$60,000              | \$12,000  | \$35,000                  | and up                | \$ 0      | \$49,000          | \$50,000              | \$ 7,000  |
| \$37,000        | and up                | \$ 0      | \$60,000                                   | \$61,000              | \$11,000  |                           |                       |           | \$50,000          | \$51,000              | \$ 6,000  |
|                 |                       |           | \$61,000                                   | \$62,000              | \$10,000  |                           |                       |           | \$51,000          | \$52,000              | \$ 5,000  |
|                 |                       |           | \$62,000                                   | \$63,000              | \$ 9,000  |                           |                       |           | \$52,000          | \$53,000              | \$ 4,000  |
|                 |                       |           | \$63,000                                   | \$64,000              | \$ 8,000  |                           |                       |           | \$53,000          | \$54,000              | \$ 3,000  |
|                 |                       |           | \$64,000                                   | \$65,000              | \$ 7,000  |                           |                       |           | \$54,000          | \$55,000              | \$ 2,000  |
|                 |                       |           | \$65,000                                   | \$66,000              | \$ 6,000  |                           |                       |           | \$55,000          | \$56,000              | \$ 1,000  |
|                 |                       |           | \$66,000                                   | \$67,000              | \$ 5,000  |                           |                       |           | \$56,000          | and up                | \$ 0      |
|                 |                       |           | \$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 FOR 2001 TAXABLE YEAR

Use your filing status shown on the front of Form CT-1040X.

| Single/Married Filing Separately  | Married Filing Jointly/Qualifying Widow(er)   | Head of Household   |
|---|---|---|
| <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$10,000, multiply by .03.<br>More than \$10,000, multiply the excess over \$10,000 by .045 and add \$300.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$20,000, multiply by .03.<br>More than \$20,000, multiply the excess over \$20,000 by .045 and add \$600.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$16,000, multiply by .03.<br>More than \$16,000, multiply the excess over \$16,000 by .045 and add \$480.00. |
| <b>EXAMPLE:</b> If the amount on Line 3 is \$13,000 enter \$435.00 on Line 4.<br>\$13,000 - \$10,000 = \$3,000<br>\$3,000 x .045 = \$135.00<br>\$135.00 + \$300.00 = \$435.00                             | <b>EXAMPLE:</b> If the amount on Line 3 is \$22,500 enter \$712.50 on Line 4.<br>\$22,500 - \$20,000 = \$2,500<br>\$2,500 x .045 = \$112.50<br>\$112.50 + \$600.00 = \$712.50                             | <b>EXAMPLE:</b> If the amount on Line 3 is \$20,000 enter \$660.00 on Line 4.<br>\$20,000 - \$16,000 = \$4,000<br>\$4,000 x .045 = \$180.00<br>\$180.00 + \$480.00 = \$660.00                             |

### TABLE C - PERSONAL TAX CREDITS FOR 2001 TAXABLE YEAR

Use your filing status shown on the front of Form CT-1040X and your CONNECTICUT AGI (From Tax Calculation Schedule, Line 1) to determine your decimal amount.

| Single          |                       |                | Married Filing Jointly/Qualified Widow(er) |                       |                | Married Filing Separately |                       |                | Head of Household |                       |                |
|-----------------|-----------------------|----------------|--|-----------------------|----------------|---------------------------|-----------------------|----------------|-------------------|-----------------------|----------------|
| CONNECTICUT AGI |                       | DECIMAL AMOUNT | CONNECTICUT AGI                            |                       | DECIMAL AMOUNT | CONNECTICUT AGI           |                       | DECIMAL AMOUNT | CONNECTICUT AGI   |                       | DECIMAL AMOUNT |
| More Than       | Less Than Or Equal To |                | More Than                                  | Less Than Or Equal To |                | More Than                 | Less Than Or Equal To |                | More Than         | Less Than Or Equal To |                |
| \$12,500        | \$15,600              | .75            | \$24,000                                   | \$30,000              | .75            | \$12,000                  | \$15,000              | .75            | \$19,000          | \$24,000              | .75            |
| \$15,600        | \$16,100              | .70            | \$30,000                                   | \$30,500              | .70            | \$15,000                  | \$15,500              | .70            | \$24,000          | \$24,500              | .70            |
| \$16,100        | \$16,600              | .65            | \$30,500                                   | \$31,000              | .65            | \$15,500                  | \$16,000              | .65            | \$24,500          | \$25,000              | .65            |
| \$16,600        | \$17,100              | .60            | \$31,000                                   | \$31,500              | .60            | \$16,000                  | \$16,500              | .60            | \$25,000          | \$25,500              | .60            |
| \$17,100        | \$17,600              | .55            | \$31,500                                   | \$32,000              | .55            | \$16,500                  | \$17,000              | .55            | \$25,500          | \$26,000              | .55            |
| \$17,600        | \$18,100              | .50            | \$32,000                                   | \$32,500              | .50            | \$17,000                  | \$17,500              | .50            | \$26,000          | \$26,500              | .50            |
| \$18,100        | \$18,600              | .45            | \$32,500                                   | \$33,000              | .45            | \$17,500                  | \$18,000              | .45            | \$26,500          | \$27,000              | .45            |
| \$18,600        | \$19,100              | .40            | \$33,000                                   | \$33,500              | .40            | \$18,000                  | \$18,500              | .40            | \$27,000          | \$27,500              | .40            |
| \$19,100        | \$20,800              | .35            | \$33,500                                   | \$40,000              | .35            | \$18,500                  | \$20,000              | .35            | \$27,500          | \$34,000              | .35            |
| \$20,800        | \$21,300              | .30            | \$40,000                                   | \$40,500              | .30            | \$20,000                  | \$20,500              | .30            | \$34,000          | \$34,500              | .30            |
| \$21,300        | \$21,800              | .25            | \$40,500                                   | \$41,000              | .25            | \$20,500                  | \$21,000              | .25            | \$34,500          | \$35,000              | .25            |
| \$21,800        | \$22,300              | .20            | \$41,000                                   | \$41,500              | .20            | \$21,000                  | \$21,500              | .20            | \$35,000          | \$35,500              | .20            |
| \$22,300        | \$26,000              | .15            | \$41,500                                   | \$50,000              | .15            | \$21,500                  | \$25,000              | .15            | \$35,500          | \$44,000              | .15            |
| \$26,000        | \$26,500              | .14            | \$50,000                                   | \$50,500              | .14            | \$25,000                  | \$25,500              | .14            | \$44,000          | \$44,500              | .14            |
| \$26,500        | \$27,000              | .13            | \$50,500                                   | \$51,000              | .13            | \$25,500                  | \$26,000              | .13            | \$44,500          | \$45,000              | .13            |
| \$27,000        | \$27,500              | .12            | \$51,000                                   | \$51,500              | .12            | \$26,000                  | \$26,500              | .12            | \$45,000          | \$45,500              | .12            |
| \$27,500        | \$28,000              | .11            | \$51,500                                   | \$52,000              | .11            | \$26,500                  | \$27,000              | .11            | \$45,500          | \$46,000              | .11            |
| \$28,000        | \$50,000              | .10            | \$52,000                                   | \$96,000              | .10            | \$27,000                  | \$48,000              | .10            | \$46,000          | \$74,000              | .10            |
| \$50,000        | \$50,500              | .09            | \$96,000                                   | \$96,500              | .09            | \$48,000                  | \$48,500              | .09            | \$74,000          | \$74,500              | .09            |
| \$50,500        | \$51,000              | .08            | \$96,500                                   | \$97,000              | .08            | \$48,500                  | \$49,000              | .08            | \$74,500          | \$75,000              | .08            |
| \$51,000        | \$51,500              | .07            | \$97,000                                   | \$97,500              | .07            | \$49,000                  | \$49,500              | .07            | \$75,000          | \$75,500              | .07            |
| \$51,500        | \$52,000              | .06            | \$97,500                                   | \$98,000              | .06            | \$49,500                  | \$50,000              | .06            | \$75,500          | \$76,000              | .06            |
| \$52,000        | \$52,500              | .05            | \$98,000                                   | \$98,500              | .05            | \$50,000                  | \$50,500              | .05            | \$76,000          | \$76,500              | .05            |
| \$52,500        | \$53,000              | .04            | \$98,500                                   | \$99,000              | .04            | \$50,500                  | \$51,000              | .04            | \$76,500          | \$77,000              | .04            |
| \$53,000        | \$53,500              | .03            | \$99,000                                   | \$99,500              | .03            | \$51,000                  | \$51,500              | .03            | \$77,000          | \$77,500              | .03            |
| \$53,500        | \$54,000              | .02            | \$99,500                                   | \$100,000             | .02            | \$51,500                  | \$52,000              | .02            | \$77,500          | \$78,000              | .02            |
| \$54,000        | \$54,500              | .01            | \$100,000                                  | \$100,500             | .01            | \$52,000                  | \$52,500              | .01            | \$78,000          | \$78,500              | .01            |
| \$54,500        | and up                | .00            | \$100,500                                  | and up                | .00            | \$52,500                  | and up                | .00            | \$78,500          | and up                | .00            |

**Amended Connecticut Income Tax Return and Instructions**

**Purpose:** Use this form to amend a 2002 Connecticut income tax return for individuals. This form may not be used to amend any other year's return. Do not use this form to amend **Form CT-1041**, **Form CT-1065**, or **Form CT-1120SI**.

If **Form CT-1040X** is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting any Connecticut income tax overpayment expires three years

after the due date of the return, but if a timely request for an extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return, or three years after the date of filing the return, whichever is earlier. If you were required to file an amended return, but failed to do so, a penalty may be imposed. Interest will also be assessed on any additional Connecticut income tax not paid on or before the due date.

**The following circumstances require the filing of Form CT-1040X:**

|   |  |
|---|--|
| <p>1. The IRS or federal courts change or correct your federal income tax return, and the change or correction results in your Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. You filed a timely amended federal income tax return, and the amendment results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than 90 days after the date you filed your timely amended federal return.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and the tax officials or courts of that qualifying jurisdiction made a change or correction to your income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p> | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and you filed a timely amended income tax return with that qualifying jurisdiction, and the amendment results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p>  | <p><b>File Form CT-1040X no later than 90 days after the date you filed your amended return with the qualifying jurisdiction.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. If none of the above circumstances apply, but you made a mistake or omission on your Connecticut income tax return, and the mistake or omission results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than three years after the due date of your return,</b> or if you filed a timely request for an extension of time to file, three years after the date of filing the return, or three years after the extended due date, whichever is earlier.</p>  |

Do not file **Form CT-1040X** for any of the following reasons:

- To have an overpayment refunded instead of applied to next year's estimated tax or to change contributions made to designated contributions. The elections that you made on your original return **cannot** be changed by filing **Form CT-1040X**.
- To amend your Connecticut income tax return for an earlier year in order to claim a credit for income tax paid on income which was included in your Connecticut adjusted gross income for that year and which you repaid in a later taxable year. File **Schedule CT-1040CRC, Claim of Right Credit**, with your Connecticut income tax return for the later taxable year.

**Financial Disability:** If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period that your spouse or any other person is authorized to act on your behalf in financial matters.

Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, are included in the instructions for **Form CT-1040** and **Form CT-1040NR/PY**.

## Steps to Completing Form CT-1040X

**Step 1** - Refer to your original return and identify all changes that need to be made.

**Step 2** - Find corresponding line items on **Form CT-1040X**. Line numbers on **Form CT-1040X** may be different from the line numbers on your original return.

**Step 3** - Complete *Schedules 1, 2, and 3*. Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return.

**Step 4** - Use Column A to enter the amounts shown on your original or previously adjusted return. Line numbers on **Form CT-1040X** may be different from the line numbers on your original return. For example, if you telefiled your Connecticut income tax return, add the amounts reported on **Connecticut Telefile Tax Return**, Line 11 and Line 12, and subtract the amount reported on Line 9 from the total. Enter the result on **Form CT-1040X**, Line 10, Column A.

**Step 5** - Use Column B to enter the net increase or decrease for each line that you are changing.

**Step 6** - Explain each change in the space provided on the front of **Form CT-1040X**.

**Step 7** - 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.

## Form CT-1040X Instructions

### Filing Status

Generally, your filing status must match your federal income tax filing status for the year. 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 separately**." 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 separately**," **unless** they file jointly for federal income tax purposes, **and** they elect to be treated as if both were Connecticut residents for the entire taxable year. See *Special Rules for Married Individuals*, in the instructions to **Form CT-1040EZ**, **Form CT-1040**, or **Form CT-1040NR/PY**.

**Line 2 and Line 4** - Enter the amount from *Schedule 1*, Line 38 on Line 2, Column C and the amount from *Schedule 1*, Line 48 on Line 4, Column C.

**Lines 6 through 9 - Nonresidents and Part-Year Residents Only:** Refer to your previously filed **Form CT-1040NR/PY** when completing this section. Attach a copy of your corrected **Schedule CT-SI**, *Nonresident or Part-Year Resident Schedule of Income from Connecticut Sources*.

**Part-Year Residents Only:** Also attach a copy of your corrected **Schedule CT-1040AW**, *Part-Year Resident Income Allocation*.

**Line 8** - Calculate the tax on the amount you entered on Line 7, Column C, using the *2002 Tax Calculation Schedule*, below. 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 *2002 Tax Calculation Schedule*, below. Enter the result on Line 10, Column C.

**Nonresidents and Part-Year Residents:** Multiply Line 9, Column C by Line 8, Column C. Enter the result on Line 10, Column C.

**Line 11 - Residents and Part-Year Residents:** Enter the amount from *Schedule 2*, Line 57 on Line 11, Column C. See instructions to **Form CT-1040** or **Form CT-1040NR/PY**.

**Line 13** - If changes are being made to your Connecticut Alternative Minimum Tax, you must complete a corrected **Form CT-6251**. Write the word "**AMENDED**" across the top, and attach it to **Form CT-1040X**.

**Line 15 - Residents:** Enter the amount from *Schedule 3*, Line 65 on Line 15, Column C.

**Nonresidents and Part-Year Residents:** Enter "0" 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**. Write the word "**AMENDED**" across the top, and attach it to **Form CT-1040X**.

**Line 19** - If changes are being made to your Connecticut Individual Use Tax, you must complete a corrected individual use tax schedule or worksheet. Write the word "**AMENDED**" across the top, and attach it to **Form CT-1040X**.

**Line 21** - If changes are being made to your Connecticut income tax withholding, attach supporting documentation such as W-2s, W-2Cs, W-2Gs, or 1099s.

## 2002 TAX CALCULATION SCHEDULE

|   |    |   |  |
|---|----|---|--|
| 1. <b>Residents:</b> Enter the amount from 2002 <b>Form CT-1040X</b> , Line 5, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter the amount from 2002 <b>Form CT-1040X</b> , Line 7, Column C.  | 1. |   |  |
| 2. Enter <b>Personal Exemption</b> (See <b>TABLE A</b> , Page 6)  | 2. |   |  |
| 3. Connecticut Taxable Income (Subtract Line 2 from Line 1. If less than zero, enter "0.")  | 3. |   |  |
| 4. Enter <b>Connecticut Income Tax</b> (See <b>TABLE B</b> , Page 6)  | 4. |   |  |
| 5. Enter <b>Decimal Amount</b> (See <b>TABLE C</b> , Page 6. If zero, enter "0.")   | 5. | . |  |
| 6. Multiply the amount on Line 4 by the decimal amount on Line 5.   | 6. |   |  |
| 7. <b>CONNECTICUT INCOME TAX</b> (Subtract Line 6 from Line 4)<br><b>Residents:</b> Enter this amount on 2002 <b>Form CT-1040X</b> , Line 10, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter this amount on <b>Form CT-1040X</b> , Line 8, Column C. | 7. |   |  |



## Interest

Interest at 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.

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## Schedule 1 - Modifications to Federal Adjusted Gross Income

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Enter all amounts as positive numbers. See instructions for **Form CT-1040** or **Form CT-1040NR/PY**.

### Additions to Federal Adjusted Gross Income

#### Line 31 - 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 is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, or U.S. Virgin Islands.

#### Line 32 - 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, or U.S. Virgin Islands.

#### Line 33 - Special Depreciation Allowance for Qualified Property

If you filed federal Form 4562, Depreciation and Amortization (Including Information on Listed Property), and claimed a special 30% depreciation allowance for certain property placed in service after September 10, 2001, enter on Line 33 the sum of the amounts you entered on federal Form 4562, Line 14 and Line 25. See **Special Notice 2002(12)**, *2002 Legislation Affecting the Connecticut Income Tax*.

#### Line 34 - 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 34. Do not enter any part of the distribution reported on federal Form 1040, Line 16a; federal Form 1040A, Line 12a; or federal Form 1040, Schedule D.

#### Line 35 - Beneficiary's Share of Connecticut Fiduciary Adjustment

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of 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*, Part 1, 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 35. If the amount is less than zero, enter the amount on Line 45. 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 35.

#### Line 36 - 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 37 - Other

See instructions for **Form CT-1040** or **Form CT-1040NR/PY** for information.

### Subtractions From Federal Adjusted Gross Income

#### Line 39 - Interest on U.S. 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 Savings Bonds Series EE and Series HH, U.S. Treasury bills and notes).

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

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 on any federal income tax refund.

#### Line 40 - Exempt Dividends From Certain 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.

Do not enter the amount of dividend 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.

#### Line 41 - Social Security Benefit Adjustment

If your filing status is **Single** or **Married Filing Separately** and the amount reported on **Form CT-1040X**, Line 1, Column C is **less than \$50,000**; or **Married Filing Jointly** or **Head of Household** and the amount reported on **Form CT-1040X**, Line 1, Column C is **less than \$60,000**, enter on Line 41 the amount of federally taxable Social Security benefits from 2002

federal Form 1040, Line 20b, or federal Form 1040A, Line 14b. If your federal adjusted gross income is above the threshold for your filing status, and you used the worksheets contained in the instructions to federal Form 1040 or federal Form 1040A to calculate the amount of taxable Social Security benefits, complete the *Social Security Benefit Adjustment Worksheet* below and enter the amount from Line F on Line 41. If you did not use these worksheets, but instead used worksheets contained in federal Publication 590 or federal Publication 915, see **Announcement 2001(4)**, *Taxability of Social Security Benefits for Connecticut Income Tax Purposes*.

**Line 42 - 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 Line 10 of your federal Form 1040 is blank, or if you filed federal Forms 1040A, 1040EZ, or telefiled your federal return, enter "0."

**Line 43 - Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities**

If you received Tier 1 or Tier 2, or both, railroad retirement benefits and supplemental annuities during 2002, you may deduct the amount included in your federal adjusted gross income. Enter on Line 43 the amount of benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 12b or Line 14b. 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 44 - Do not use. Line reserved for future use.**

**Line 45 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of 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*, Part 1, 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 45. If the amount is greater than zero, enter the amount on Line 35.

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 45.

**Line 46 - 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 47 - Other**

See instructions for **Form CT-1040** or **Form CT-1040NR/PY** for information.

**Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions**

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, are included in the instructions for **Form CT-1040** and **Form CT-1040NR/PY**.

**LINE 41 - SOCIAL SECURITY BENEFIT ADJUSTMENT WORKSHEET**

Enter the amount from **Form CT-1040X**, Line 1, Column C.

If your filing status is **Single** or **Married Filing Separately**, is the amount on Line 1 \$50,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security Benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Line 41.

If your filing status is **Married Filing Jointly** or **Head of Household**, is the amount on Line 1 \$60,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security Benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Line 41.

|   |    |  |
|---|----|--|
| A. Enter the amount reported on your 2002 federal Social Security Benefits Worksheet, Line 1.<br><b>If Line A is zero or less, stop here and enter "0" on Line 41. Otherwise, go to Line B.</b>                         | A. |  |
| B. Enter the amount reported on your 2002 federal Social Security Benefits Worksheet, Line 9.<br><b>If Line B is zero or less, stop here and enter "0" on Line 41. Otherwise, go to Line C.</b>                         | B. |  |
| C. Enter the lesser of Line A or Line B.  | C. |  |
| D. Multiply Line C by 25% (.25).  | D. |  |
| E. Taxable amount of Social Security benefits reported on your 2002 federal Social Security Benefits Worksheet, Line 18.  | E. |  |
| F. <b>Social Security Benefit Adjustment</b> - Subtract Line D from Line E. Enter the amount here and on <b>Form CT-1040X</b> , <i>Schedule 1</i> , Line 41. (If Line D is greater than or equal to Line E, enter "0.") | F. |  |

# Form CT-1040X

# 2002

## AMENDED CONNECTICUT INCOME TAX RETURN FOR INDIVIDUALS

(Rev. 12/02)

For the year January 1 - December 31, 2002, or other taxable year beginning \_\_\_\_\_, 2002, ending \_\_\_\_\_.

|                             |  |                 |  |   |
|-----------------------------|--|-----------------|--|---|
| <b>Please Print or Type</b> | Your First Name and Middle Initial _____                               | Last Name _____ | <b>Social Security Number</b><br>_____<br>_____<br>_____ |   |
|                             | If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial _____ | Last Name _____ |  | <b>Spouse's Social Security Number</b><br>_____<br>_____<br>_____ |
|                             | Home Address (number and street), Apartment Number, PO Box _____       |                 |  |   |
|                             | City, Town, or Post Office _____                                       | State _____     |  | ZIP Code _____  |
|                             |  |                 | <b>DRS USE ONLY</b><br>- - 20                            |   |

**Filing Status:** *On original return:*  Single  Married filing jointly/qualifying widow(er)  Married filing separately  Head of household  
*On this return:*  Single  Married filing jointly/qualifying widow(er)  Married filing separately  Head of household

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 must attach a copy of the IRS audit results, federal Form 1040X, the other state's audit results or amended returns, and supporting documentation.**

Enter in the space below the line number for each item you are changing and give the reason for each change. Attach supporting forms and schedules for items changed. Write your name and Social Security Number on all attachments.

|   |  | A. Original amount or as previously adjusted | B. Net change increase or (decrease) | C. Correct amount |
|---|--|--|--------------------------------------|-------------------|
| <b>Income</b>   | 1. Federal Adjusted Gross Income (from federal Form 1040, Line 35; Form 1040A, Line 21; Form 1040EZ, Line 4; or federal TeleFile Tax Record, Line I) ..... 1 |  |                                      | ▶                 |
|   | 2. Additions, if any (See instructions) ..... 2  |  |                                      | ▶                 |
|   | 3. Add Line 1 and Line 2 ..... 3   |  |                                      | ▶                 |
|   | 4. Subtractions, if any (See instructions) ..... 4   |  |                                      | ▶                 |
|   | <b>5. Connecticut Adjusted Gross Income</b> (Subtract Line 4 from Line 3) 5  |  |                                      | ▶                 |
| <b>Residents go to Line 10; Nonresidents and Part-Year Residents go to Line 6</b> |  |  |                                      |                   |
| <b>Nonresidents and Part-Year Residents Only</b>                                  | 6. 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 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   | .  |                                      | .                 |
| <b>Tax</b>  | 10. Income Tax (See instructions) ..... 10   |  |                                      | ▶                 |
|   | 11. Credit for income taxes paid to qualifying jurisdictions (See instructions) <b>Residents and Part-Year Residents only</b> ..... 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. <b>Residents only</b> (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  |  |                                      | ▶                 |
|   | 18. <b>Connecticut Income Tax</b> (Subtract Line 17 from Line 16) ..... 18   |  |                                      | ▶                 |
|   | 19. <b>Individual Use Tax</b> (See instructions) ..... 19  |  |                                      | ▶                 |
| 20. <b>Total Tax</b> (Add Line 18 and Line 19) ..... 20                           |  |  | ▶                                    |                   |
| <b>Payments</b>   | 21. Connecticut tax withheld (See instructions) ..... 21   |  |                                      | ▶                 |
|   | 22. All 2002 estimated Connecticut income tax payments (including any overpayments applied 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   |  |                                      | ▶                 |
| <b>Refund</b>   | 27. If Line 26, Column C, is greater than Line 20, Column C, enter the <b>amount overpaid</b> <b>REFUND</b> 27 ▶   |  |                                      |                   |
| <b>Amount You Owe</b>   | 28. If Line 20, Column C, is greater than Line 26, Column C, enter the <b>amount you owe</b> ..... 28  |  |                                      | ▶                 |
|   | 29. Interest (Multiply Line 28 by number of months or fraction thereof, then by 1% (.01)) ..... 29   |  |                                      | ▶                 |
|   | 30. <b>Amount you owe</b> with this return (Add Line 28, Column C, and Line 29, Column C) <b>AMOUNT YOU OWE</b> 30 ▶   |  |                                      |                   |

**SCHEDULE 1 MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME (Enter all amounts as positive numbers)**

|  |  |    |  |  |
|--|--|----|--|--|
| Additions to Federal Adjusted Gross Income<br>(See instructions, Page 3)   | 31. Interest on state and local government obligations other than Connecticut  | 31 |  |  |
|  | 32. Exempt-interest dividends from a mutual fund derived from state or municipal government obligations other than Connecticut | 32 |  |  |
|  | 33. Special depreciation allowance for qualified property  | 33 |  |  |
|  | 34. Taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income                | 34 |  |  |
|  | 35. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero)                                  | 35 |  |  |
|  | 36. Loss on sale of Connecticut state and local government bonds   | 36 |  |  |
|  | 37. Other - specify _____  | 37 |  |  |
|  | 38. <b>TOTAL ADDITIONS</b> (Add Lines 31 through 37); <b>Enter here and on Line 2, Column C, on the front of this form.</b>    | 38 |  |  |
| Subtractions From Federal Adjusted Gross Income<br>(See instructions, Page 3)  | 39. Interest on U.S. government obligations  | 39 |  |  |
|  | 40. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations                             | 40 |  |  |
|  | 41. Social Security benefit adjustment (See Social Security Benefit Adjustment Worksheet, Page 4)                              | 41 |  |  |
|  | 42. Refunds of state and local income taxes  | 42 |  |  |
|  | 43. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities  | 43 |  |  |
|  | 44. Do not use. Line reserved for future use   | 44 |  |  |
|  | 45. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero)                                     | 45 |  |  |
|  | 46. Gain on sale of Connecticut state and local government bonds   | 46 |  |  |
| 47. Other - specify (Do not include out-of-state income) _____   | 47   |    |  |  |
| 48. <b>TOTAL SUBTRACTIONS</b> (Add Lines 39 through 47); <b>Enter here and on Line 4, Column C, on the front of this form.</b> | 48   |    |  |  |

**SCHEDULE 2 CREDIT FOR INCOME TAXES PAID TO QUALIFYING JURISDICTIONS (See instructions for Form CT-1040 or Form CT-1040NR/PY)**

| <b>Important:</b><br>You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed. | <b>49. MODIFIED CONNECTICUT ADJUSTED GROSS INCOME</b>  | 49  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|---|--|---|------|----------|------|----------|--|----------|--|--|------|------|------|------|--|----|--|--|--|--|----|--|--|--|---|----|---|---|--|---|----|--|--|--|---------------------------------|----|--|--|--|--|----|--|--|--|--|----|--|--|--|--|----|--|--|--|
|   | <b>FOR EACH COLUMN, ENTER THE FOLLOWING:</b>   | <table border="1"> <thead> <tr> <th></th> <th colspan="2">COLUMN A</th> <th colspan="2">COLUMN B</th> </tr> <tr> <th></th> <th>Name</th> <th>Code</th> <th>Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>50. Enter qualifying jurisdiction's name and two-letter code</td> <td>50</td> <td></td> <td></td> <td></td> </tr> <tr> <td>51. Non-Connecticut income included on Line 49 and reported on a qualifying jurisdiction's income tax return (from Schedule 2 Worksheet)</td> <td>51</td> <td></td> <td></td> <td></td> </tr> <tr> <td>52. Divide Line 51 by Line 49 (may not exceed 1.0000)</td> <td>52</td> <td>.</td> <td>.</td> <td></td> </tr> <tr> <td>53. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C)</td> <td>53</td> <td></td> <td></td> <td></td> </tr> <tr> <td>54. Multiply Line 52 by Line 53</td> <td>54</td> <td></td> <td></td> <td></td> </tr> <tr> <td>55. Income tax paid to a qualifying jurisdiction</td> <td>55</td> <td></td> <td></td> <td></td> </tr> <tr> <td>56. Enter the lesser of Line 54 or Line 55</td> <td>56</td> <td></td> <td></td> <td></td> </tr> <tr> <td>57. <b>TOTAL CREDIT</b> (Add Line 56, all columns)<br/><b>Enter here and on Line 11, Column C, on the front of this form.</b></td> <td>57</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> |      |          |      | COLUMN A |  | COLUMN B |  |  | Name | Code | Name | Code | 50. Enter qualifying jurisdiction's name and two-letter code | 50 |  |  |  | 51. Non-Connecticut income included on Line 49 and reported on a qualifying jurisdiction's income tax return (from Schedule 2 Worksheet) | 51 |  |  |  | 52. Divide Line 51 by Line 49 (may not exceed 1.0000) | 52 | . | . |  | 53. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C) | 53 |  |  |  | 54. Multiply Line 52 by Line 53 | 54 |  |  |  | 55. Income tax paid to a qualifying jurisdiction | 55 |  |  |  | 56. Enter the lesser of Line 54 or Line 55 | 56 |  |  |  | 57. <b>TOTAL CREDIT</b> (Add Line 56, all columns)<br><b>Enter here and on Line 11, Column C, on the front of this form.</b> | 57 |  |  |  |
|   |  | COLUMN A  |      | COLUMN B |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   |  | Name  | Code | Name     | Code |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 50. Enter qualifying jurisdiction's name and two-letter code   | 50  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 51. Non-Connecticut income included on Line 49 and reported on a qualifying jurisdiction's income tax return (from Schedule 2 Worksheet) | 51  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 52. Divide Line 51 by Line 49 (may not exceed 1.0000)  | 52  | .    | .        |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 53. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C)  | 53  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 54. Multiply Line 52 by Line 53  | 54  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
|   | 55. Income tax paid to a qualifying jurisdiction   | 55  |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
| 56. Enter the lesser of Line 54 or Line 55  | 56   |   |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |
| 57. <b>TOTAL CREDIT</b> (Add Line 56, all columns)<br><b>Enter here and on Line 11, Column C, on the front of this form.</b>            | 57   |   |      |          |      |          |  |          |  |  |      |      |      |      |  |    |  |  |  |  |    |  |  |  |   |    |   |   |  |   |    |  |  |  |                                 |    |  |  |  |  |    |  |  |  |  |    |  |  |  |  |    |  |  |  |

**SCHEDULE 3 (Connecticut Residents Only) - 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<br>NAME OF CONNECTICUT TAX TOWN OR DISTRICT   | COLUMN B<br>DESCRIPTION OF PROPERTY<br>If primary residence, enter street address<br>If motor vehicle, enter year, make, and model | COLUMN C<br>LIST OR BILL NUMBER<br>(if available) | COLUMN D<br>DATE(S) PAID<br>(Enter date(s) you paid property tax.) | COLUMN E<br>AMOUNT PAID<br>(Enter amount of property tax paid.) |
|--|--|--|---|--|---|
| PRIMARY RESIDENCE                      |  |  |   |  | 58  |
| AUTO 1                                 |  |  |   |  | 59  |
| Married Filing Jointly Only - AUTO 2   |  |  |   |  | 60  |
| <b>Property Tax Credit Calculation</b> | 61. <b>TOTAL PROPERTY TAX PAID</b> (Add all amounts for Column E)  |  |   |  | 61  |
|  | 62. <b>MAXIMUM PROPERTY TAX CREDIT ALLOWED</b>   |  |   |  | 62  |
|  | 63. Enter the <b>Lesser</b> of Line 61 or Line 62. (If \$100 or less, enter this amount on Line 65. If greater than \$100, go to Line 64.) |  |   |  | 63  |
|  | 64. <b>Limitation</b> - Enter the result from the <i>Property Tax Credit Limitation Worksheet (See Page 5)</i>                             |  |   |  | 64  |
|  | 65. Subtract Line 64 from Line 63. <b>Enter here and on Line 15, Column C, on the front of this form.</b>                                  |  |   |  | 65  |

Make your check or money order payable to: "Commissioner of Revenue Services"  
To ensure proper posting of your payment, write your Social Security Number(s) and "2002 Form CT-1040X" on your check or money order.

**MAIL TO: Department of Revenue Services  
PO Box 2978  
Hartford CT 06104-2978**

I declare under penalty of law 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. I understand that the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |                                    |      |                                      |                        |
|--|------------------------------------|------|--------------------------------------|------------------------|
| <b>Sign Here</b><br><b>Keep a copy for your records.</b> | Your Signature                     | Date | Spouse's Signature (if joint return) | Date                   |
|  | Paid Preparer's Signature          | Date | Telephone Number<br>( )              | Preparer's SSN or PTIN |
|  | Firm's Name, Address, and ZIP Code |      |                                      | FEIN                   |

### Schedule 3 - (Connecticut Residents Only) Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. The credit is for property taxes paid during 2002 to a Connecticut political subdivision on a primary residence and/or a privately owned or leased motor vehicle. If you entered "0" on **Form CT-1040X**, Line 14, Column C, **DO NOT** complete this schedule. See **Informational Publication 2002(23), Q & A: Income Tax Credit for Property Taxes Paid to a Connecticut Political Subdivision**.

#### Which Property Tax Bills Qualify

You may take credit against your 2002 Connecticut income tax liability for property tax payments that you made on your primary residence and/or privately owned or leased motor vehicle to a Connecticut political subdivision. Generally, property tax bills that were due and paid during 2002 qualify for this credit. This includes any installment payments that you made during 2002 that were due in 2002 and any installments that you prepaid during 2002 that were due in 2003. Supplemental property tax bills that were due during 2002 or 2003 also qualify if paid during 2002. However, the late payment of any property tax bills or the payment of any interest, fees, or charges related to the property tax bill do not qualify for the credit.

A husband and wife who file a joint Connecticut income tax return may consider property tax bills for which the husband or wife, or both, are liable.

You may take credit for a leased motor vehicle if you had a written lease agreement for a term of more than one year and the property tax became due and was paid during 2002 (either by the leasing company or by you). Refer to your January 2003 billing statement from the leasing company in order to determine the amount of property taxes that may be eligible for the credit. 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 2003, contact your leasing company for the appropriate property tax information.

### Maximum Credit Allowed

The **maximum** credit allowed (on your primary residence and/or motor vehicle) is **\$500** 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 (Connecticut AGI).

This credit cannot exceed the amount of qualifying property taxes paid or the amount of tax entered on **Form CT-1040X**, Line 14, Column C. To be allowed to take 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. Individuals whose filing status is **Single, Married Filing Separately, or Head of Household** is limited to the property tax paid on **one** motor vehicle, even if the individual sells a motor vehicle and purchases a replacement motor vehicle during the taxable year. Individuals whose filing status is **Married Filing Jointly** are limited to the property taxes paid on **two** motor vehicles.

### Schedule 3 - Line Instructions

#### Line 58 - Primary Residence

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

#### Line 59 - Auto 1

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

#### Line 60 - Married Filing Jointly Only - Auto 2

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

#### Line 64 - Limitation

Enter "0" on Line 64 and go to Line 65 if your:

| Filing status is:               | Connecticut adjusted gross income is: |
|---------------------------------|---------------------------------------|
| Single .....                    | \$ 54,500 or less                     |
| Married Filing Jointly .....    | \$100,500 or less                     |
| Married Filing Separately ..... | \$ 50,250 or less                     |
| Head of Household .....         | \$ 78,500 or less                     |

Otherwise, you **must** complete the *Property Tax Credit Limitation Worksheet* below.

#### LINE 64 - PROPERTY TAX CREDIT LIMITATION WORKSHEET (Connecticut Residents ONLY)

Enter the amount from **Form CT-1040X, Schedule 3**, Line 63, on Line 65 and **do not** complete this worksheet if your filing status is:

- **Single** and your Connecticut AGI is **\$54,500, or less;**
- **Married Filing Jointly** and your Connecticut AGI is **\$100,500, or less;**
- **Married Filing Separately** and your Connecticut AGI is **\$50,250, or less;** or
- **Head of Household** and your Connecticut AGI is **\$78,500, or less.**

Otherwise, complete Lines 1 through 5 below and enter the amount from Line 5 on **Form CT-1040X, Schedule 3**, Line 64.

|   |    |               |
|---|----|---------------|
| 1. Enter the amount reported on <b>Form CT-1040X, Schedule 3</b> , Line 63  | 1. |               |
| 2. Credit allowed (not subject to limitation)   | 2. | <b>100.00</b> |
| 3. Subtract Line 2 from Line 1  | 3. |               |
| 4. Enter the <b>decimal amount</b> from the <i>Property Tax Credit Limitation Table</i> <b>exactly as it appears in the chart at right.</b> (If zero, stop here, your credit is not limited.) | 4. | .             |
| 5. Multiply Line 3 by Line 4. Enter the result here and on <b>Form CT-1040X, Schedule 3</b> , Line 64.  | 5. |               |

#### PROPERTY TAX CREDIT LIMITATION TABLE

Use your filing status shown on **Form CT-1040X** and your Connecticut AGI - **Form CT-1040X**, Line 5, Column C.

| Single              |                       |                | Married Filing Jointly |                       |                |
|---------------------|-----------------------|----------------|------------------------|-----------------------|----------------|
| Connecticut AGI is: |                       |                | Connecticut AGI is:    |                       |                |
| More Than           | Less Than or Equal to | Decimal Amount | More Than              | Less Than or Equal to | Decimal Amount |
| \$ 0                | \$ 54,500             | 0              | \$ 0                   | \$100,500             | 0              |
| \$ 54,500           | \$ 64,500             | .10            | \$100,500              | \$110,500             | .10            |
| \$ 64,500           | \$ 74,500             | .20            | \$110,500              | \$120,500             | .20            |
| \$ 74,500           | \$ 84,500             | .30            | \$120,500              | \$130,500             | .30            |
| \$ 84,500           | \$ 94,500             | .40            | \$130,500              | \$140,500             | .40            |
| \$ 94,500           | \$104,500             | .50            | \$140,500              | \$150,500             | .50            |
| \$104,500           | \$114,500             | .60            | \$150,500              | \$160,500             | .60            |
| \$114,500           | \$124,500             | .70            | \$160,500              | \$170,500             | .70            |
| \$124,500           | \$134,500             | .80            | \$170,500              | \$180,500             | .80            |
| \$134,500           | \$144,500             | .90            | \$180,500              | \$190,500             | .90            |
| \$144,500           | and up                | 1.00           | \$190,500              | and up                | 1.00           |

| Married Filing Separately |                       |                | Head of Household   |                       |                |
|---------------------------|-----------------------|----------------|---------------------|-----------------------|----------------|
| Connecticut AGI is:       |                       |                | Connecticut AGI is: |                       |                |
| More Than                 | Less Than or Equal to | Decimal Amount | More Than           | Less Than or Equal to | Decimal Amount |
| \$ 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           |

### TABLE A - EXEMPTIONS FOR 2002 TAXABLE YEAR

Use your filing status shown on the front of **Form CT-1040X** and your CONNECTICUT AGI (From *Tax Calculation Schedule*, Line 1) to determine your exemption.

| Single          |                       |           | Married Filing Jointly/Qualified Widow(er) |                       |           | Married Filing Separately |                       |           | Head of Household |                       |           |
|-----------------|-----------------------|-----------|--|-----------------------|-----------|---------------------------|-----------------------|-----------|-------------------|-----------------------|-----------|
| CONNECTICUT AGI |                       | EXEMPTION | 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 |           | More Than         | Less Than Or Equal To |           |
| \$ 0            | \$25,000              | \$12,500  | \$ 0                                       | \$48,000              | \$24,000  | \$ 0                      | \$24,000              | \$12,000  | \$ 0              | \$38,000              | \$19,000  |
| \$25,000        | \$26,000              | \$11,500  | \$48,000                                   | \$49,000              | \$23,000  | \$24,000                  | \$25,000              | \$11,000  | \$38,000          | \$39,000              | \$18,000  |
| \$26,000        | \$27,000              | \$10,500  | \$49,000                                   | \$50,000              | \$22,000  | \$25,000                  | \$26,000              | \$10,000  | \$39,000          | \$40,000              | \$17,000  |
| \$27,000        | \$28,000              | \$ 9,500  | \$50,000                                   | \$51,000              | \$21,000  | \$26,000                  | \$27,000              | \$ 9,000  | \$40,000          | \$41,000              | \$16,000  |
| \$28,000        | \$29,000              | \$ 8,500  | \$51,000                                   | \$52,000              | \$20,000  | \$27,000                  | \$28,000              | \$ 8,000  | \$41,000          | \$42,000              | \$15,000  |
| \$29,000        | \$30,000              | \$ 7,500  | \$52,000                                   | \$53,000              | \$19,000  | \$28,000                  | \$29,000              | \$ 7,000  | \$42,000          | \$43,000              | \$14,000  |
| \$30,000        | \$31,000              | \$ 6,500  | \$53,000                                   | \$54,000              | \$18,000  | \$29,000                  | \$30,000              | \$ 6,000  | \$43,000          | \$44,000              | \$13,000  |
| \$31,000        | \$32,000              | \$ 5,500  | \$54,000                                   | \$55,000              | \$17,000  | \$30,000                  | \$31,000              | \$ 5,000  | \$44,000          | \$45,000              | \$12,000  |
| \$32,000        | \$33,000              | \$ 4,500  | \$55,000                                   | \$56,000              | \$16,000  | \$31,000                  | \$32,000              | \$ 4,000  | \$45,000          | \$46,000              | \$11,000  |
| \$33,000        | \$34,000              | \$ 3,500  | \$56,000                                   | \$57,000              | \$15,000  | \$32,000                  | \$33,000              | \$ 3,000  | \$46,000          | \$47,000              | \$10,000  |
| \$34,000        | \$35,000              | \$ 2,500  | \$57,000                                   | \$58,000              | \$14,000  | \$33,000                  | \$34,000              | \$ 2,000  | \$47,000          | \$48,000              | \$ 9,000  |
| \$35,000        | \$36,000              | \$ 1,500  | \$58,000                                   | \$59,000              | \$13,000  | \$34,000                  | \$35,000              | \$ 1,000  | \$48,000          | \$49,000              | \$ 8,000  |
| \$36,000        | \$37,000              | \$ 500    | \$59,000                                   | \$60,000              | \$12,000  | \$35,000                  | and up                | \$ 0      | \$49,000          | \$50,000              | \$ 7,000  |
| \$37,000        | and up                | \$ 0      | \$60,000                                   | \$61,000              | \$11,000  |                           |                       |           | \$50,000          | \$51,000              | \$ 6,000  |
|                 |                       |           | \$61,000                                   | \$62,000              | \$10,000  |                           |                       |           | \$51,000          | \$52,000              | \$ 5,000  |
|                 |                       |           | \$62,000                                   | \$63,000              | \$ 9,000  |                           |                       |           | \$52,000          | \$53,000              | \$ 4,000  |
|                 |                       |           | \$63,000                                   | \$64,000              | \$ 8,000  |                           |                       |           | \$53,000          | \$54,000              | \$ 3,000  |
|                 |                       |           | \$64,000                                   | \$65,000              | \$ 7,000  |                           |                       |           | \$54,000          | \$55,000              | \$ 2,000  |
|                 |                       |           | \$65,000                                   | \$66,000              | \$ 6,000  |                           |                       |           | \$55,000          | \$56,000              | \$ 1,000  |
|                 |                       |           | \$66,000                                   | \$67,000              | \$ 5,000  |                           |                       |           | \$56,000          | and up                | \$ 0      |
|                 |                       |           | \$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 FOR 2002 TAXABLE YEAR

Use your filing status shown on the front of **Form CT-1040X**.

| Single/Married Filing Separately  | Married Filing Jointly/Qualifying Widow(er)   | Head of Household   |
|---|---|---|
| <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$10,000, multiply by .03.<br>More than \$10,000, multiply the excess over \$10,000 by .045 and add \$300.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$20,000, multiply by .03.<br>More than \$20,000, multiply the excess over \$20,000 by .045 and add \$600.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$16,000, multiply by .03.<br>More than \$16,000, multiply the excess over \$16,000 by .045 and add \$480.00. |
| <b>EXAMPLE:</b> If the amount on Line 3 is \$13,000 enter \$435.00 on Line 4.<br>$\$13,000 - \$10,000 = \$3,000$<br>$\$3,000 \times .045 = \$135.00$<br>$\$135.00 + \$300.00 = \$435.00$                  | <b>EXAMPLE:</b> If the amount on Line 3 is \$22,500 enter \$712.50 on Line 4.<br>$\$22,500 - \$20,000 = \$2,500$<br>$\$2,500 \times .045 = \$112.50$<br>$\$112.50 + \$600.00 = \$712.50$                  | <b>EXAMPLE:</b> If the amount on Line 3 is \$20,000 enter \$660.00 on Line 4.<br>$\$20,000 - \$16,000 = \$4,000$<br>$\$4,000 \times .045 = \$180.00$<br>$\$180.00 + \$480.00 = \$660.00$                  |

### TABLE C - PERSONAL TAX CREDITS FOR 2002 TAXABLE YEAR

Use your filing status shown on the front of **Form CT-1040X** and your CONNECTICUT AGI (From *Tax Calculation Schedule*, Line 1) to determine your decimal amount.

| Single          |                       |                | Married Filing Jointly/Qualified Widow(er) |                       |                | Married Filing Separately |                       |                | Head of Household |                       |                |
|-----------------|-----------------------|----------------|--|-----------------------|----------------|---------------------------|-----------------------|----------------|-------------------|-----------------------|----------------|
| CONNECTICUT AGI |                       | DECIMAL AMOUNT | CONNECTICUT AGI                            |                       | DECIMAL AMOUNT | CONNECTICUT AGI           |                       | DECIMAL AMOUNT | CONNECTICUT AGI   |                       | DECIMAL AMOUNT |
| More Than       | Less Than Or Equal To |                | More Than                                  | Less Than Or Equal To |                | More Than                 | Less Than Or Equal To |                | More Than         | Less Than Or Equal To |                |
| \$12,500        | \$15,600              | .75            | \$24,000                                   | \$30,000              | .75            | \$12,000                  | \$15,000              | .75            | \$19,000          | \$24,000              | .75            |
| \$15,600        | \$16,100              | .70            | \$30,000                                   | \$30,500              | .70            | \$15,000                  | \$15,500              | .70            | \$24,000          | \$24,500              | .70            |
| \$16,100        | \$16,600              | .65            | \$30,500                                   | \$31,000              | .65            | \$15,500                  | \$16,000              | .65            | \$24,500          | \$25,000              | .65            |
| \$16,600        | \$17,100              | .60            | \$31,000                                   | \$31,500              | .60            | \$16,000                  | \$16,500              | .60            | \$25,000          | \$25,500              | .60            |
| \$17,100        | \$17,600              | .55            | \$31,500                                   | \$32,000              | .55            | \$16,500                  | \$17,000              | .55            | \$25,500          | \$26,000              | .55            |
| \$17,600        | \$18,100              | .50            | \$32,000                                   | \$32,500              | .50            | \$17,000                  | \$17,500              | .50            | \$26,000          | \$26,500              | .50            |
| \$18,100        | \$18,600              | .45            | \$32,500                                   | \$33,000              | .45            | \$17,500                  | \$18,000              | .45            | \$26,500          | \$27,000              | .45            |
| \$18,600        | \$19,100              | .40            | \$33,000                                   | \$33,500              | .40            | \$18,000                  | \$18,500              | .40            | \$27,000          | \$27,500              | .40            |
| \$19,100        | \$20,800              | .35            | \$33,500                                   | \$40,000              | .35            | \$18,500                  | \$20,000              | .35            | \$27,500          | \$34,000              | .35            |
| \$20,800        | \$21,300              | .30            | \$40,000                                   | \$40,500              | .30            | \$20,000                  | \$20,500              | .30            | \$34,000          | \$34,500              | .30            |
| \$21,300        | \$21,800              | .25            | \$40,500                                   | \$41,000              | .25            | \$20,500                  | \$21,000              | .25            | \$34,500          | \$35,000              | .25            |
| \$21,800        | \$22,300              | .20            | \$41,000                                   | \$41,500              | .20            | \$21,000                  | \$21,500              | .20            | \$35,000          | \$35,500              | .20            |
| \$22,300        | \$26,000              | .15            | \$41,500                                   | \$50,000              | .15            | \$21,500                  | \$25,000              | .15            | \$35,500          | \$44,000              | .15            |
| \$26,000        | \$26,500              | .14            | \$50,000                                   | \$50,500              | .14            | \$25,000                  | \$25,500              | .14            | \$44,000          | \$44,500              | .14            |
| \$26,500        | \$27,000              | .13            | \$50,500                                   | \$51,000              | .13            | \$25,500                  | \$26,000              | .13            | \$44,500          | \$45,000              | .13            |
| \$27,000        | \$27,500              | .12            | \$51,000                                   | \$51,500              | .12            | \$26,000                  | \$26,500              | .12            | \$45,000          | \$45,500              | .12            |
| \$27,500        | \$28,000              | .11            | \$51,500                                   | \$52,000              | .11            | \$26,500                  | \$27,000              | .11            | \$45,500          | \$46,000              | .11            |
| \$28,000        | \$50,000              | .10            | \$52,000                                   | \$96,000              | .10            | \$27,000                  | \$48,000              | .10            | \$46,000          | \$74,000              | .10            |
| \$50,000        | \$50,500              | .09            | \$96,000                                   | \$96,500              | .09            | \$48,000                  | \$48,500              | .09            | \$74,000          | \$74,500              | .09            |
| \$50,500        | \$51,000              | .08            | \$96,500                                   | \$97,000              | .08            | \$48,500                  | \$49,000              | .08            | \$74,500          | \$75,000              | .08            |
| \$51,000        | \$51,500              | .07            | \$97,000                                   | \$97,500              | .07            | \$49,000                  | \$49,500              | .07            | \$75,000          | \$75,500              | .07            |
| \$51,500        | \$52,000              | .06            | \$97,500                                   | \$98,000              | .06            | \$49,500                  | \$50,000              | .06            | \$75,500          | \$76,000              | .06            |
| \$52,000        | \$52,500              | .05            | \$98,000                                   | \$98,500              | .05            | \$50,000                  | \$50,500              | .05            | \$76,000          | \$76,500              | .05            |
| \$52,500        | \$53,000              | .04            | \$98,500                                   | \$99,000              | .04            | \$50,500                  | \$51,000              | .04            | \$76,500          | \$77,000              | .04            |
| \$53,000        | \$53,500              | .03            | \$99,000                                   | \$99,500              | .03            | \$51,000                  | \$51,500              | .03            | \$77,000          | \$77,500              | .03            |
| \$53,500        | \$54,000              | .02            | \$99,500                                   | \$100,000             | .02            | \$51,500                  | \$52,000              | .02            | \$77,500          | \$78,000              | .02            |
| \$54,000        | \$54,500              | .01            | \$100,000                                  | \$100,500             | .01            | \$52,000                  | \$52,500              | .01            | \$78,000          | \$78,500              | .01            |
| \$54,500        | and up                | .00            | \$100,500                                  | and up                | .00            | \$52,500                  | and up                | .00            | \$78,500          | and up                | .00            |

**Amended Connecticut Income Tax Return and Instructions**

**Purpose:** Use this form to amend a 2003 Connecticut income tax return for individuals. This form may not be used to amend any other year's return. Do not use this form to amend **Form CT-1041**, **Form CT-1065**, or **Form CT-1120SI**.

If **Form CT-1040X** is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting any Connecticut income tax overpayment expires three years

after the due date of the return, but if a timely request for an extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return, or three years after the date of filing the return, whichever is earlier. If you were required to file an amended return, but failed to do so, a penalty may be imposed. Interest will also be assessed on any additional Connecticut income tax not paid on or before the due date.

**The following circumstances require the filing of Form CT-1040X:**

|   |  |
|---|--|
| <p>1. The IRS or federal courts change or correct your federal income tax return, and the change or correction results in your Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. You filed a timely amended federal income tax return, and the amendment results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than 90 days after the date you filed your timely amended federal return.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and the tax officials or courts of that qualifying jurisdiction made a change or correction to your income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p> | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and you filed a timely amended income tax return with that qualifying jurisdiction, and the amendment results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p>  | <p><b>File Form CT-1040X no later than 90 days after the date you filed your amended return with the qualifying jurisdiction.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. If none of the above circumstances apply, but you made a mistake or omission on your Connecticut income tax return, and the mistake or omission results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than three years after the due date of your return,</b> or if you filed a timely request for an extension of time to file, three years after the date of filing the return, or three years after the extended due date, whichever is earlier.</p>  |

Do not file **Form CT-1040X** for any of the following reasons:

- To have an overpayment refunded instead of applied to next year's estimated tax or to change contributions made to designated contributions. The elections that you made on your original return **cannot** be changed by filing **Form CT-1040X**.
- To amend your Connecticut income tax return for an earlier year in order to claim a credit for income tax paid on income which was included in your Connecticut adjusted gross income for that year and which you repaid in a later taxable year. File **Schedule CT-1040CRC, Claim of Right Credit**, with your Connecticut income tax return for the later taxable year.

**Financial Disability:** If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period that your spouse or any other person is authorized to act on your behalf in financial matters.

Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, are included in the instructions for **Form CT-1040** and **Form CT-1040NR/PY**.

## Steps to Completing Form CT-1040X

**Step 1** - Refer to your original return and identify all changes that need to be made.

**Step 2** - Find corresponding line items on **Form CT-1040X**. Line numbers on **Form CT-1040X** may be different from the line numbers on your original return.

**Step 3** - Complete *Schedules 1, 2, and 3*. Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return.

**Step 4** - Use Column A to enter the amounts shown on your original or previously adjusted return. Line numbers on **Form CT-1040X** may be different from the line numbers on your original return. For example, if you telefiled your Connecticut income tax return, add the amounts reported on **Connecticut Telefile Tax Return**, Line 11 and Line 12, and subtract the amount reported on Line 9 from the total. Enter the result on **Form CT-1040X**, Line 10, Column A.

**Step 5** - Use Column B to enter the net increase or decrease for each line that you are changing.

**Step 6** - Explain each change in the space provided on the front of **Form CT-1040X**.

**Step 7** - 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.

## Form CT-1040X Instructions

### Filing Status

Generally, your filing status must match your federal income tax filing status for the year. 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 separately**." 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 separately**," **unless** they file jointly for federal income tax purposes, **and** they elect to be treated as if both were Connecticut residents for the entire taxable year. See *Special Rules for Married Individuals*, in the instructions to **Form CT-1040EZ**, **Form CT-1040**, or **Form CT-1040NR/PY**.

**Line 2 and Line 4** - Enter the amount from *Schedule 1*, Line 38 on Line 2, Column C and the amount from *Schedule 1*, Line 48 on Line 4, Column C.

**Lines 6 through 9 - Nonresidents and Part-Year Residents Only:** Refer to your previously filed **Form CT-1040NR/PY** when completing this section. Attach a copy of your corrected **Schedule CT-SI**, *Nonresident or Part-Year Resident Schedule of Income from Connecticut Sources*. **Part-Year Residents:** Also attach a copy of your corrected **Schedule CT-1040AW**, *Part-Year Resident Income Allocation*.

**Line 8** - Calculate the tax on the amount you entered on Line 7, Column C, using the *2003 Tax Calculation Schedule*, below. 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 *2003 Tax Calculation Schedule*, below. Enter the result on Line 10, Column C.

**Nonresidents and Part-Year Residents:** Multiply Line 9, Column C by Line 8, Column C. Enter the result on Line 10, Column C.

**Line 11 - Residents and Part-Year Residents:** Enter the amount from *Schedule 2*, Line 57 on Line 11, Column C. See instructions to **Form CT-1040** or **Form CT-1040NR/PY**.

**Line 13** - If changes are being made to your Connecticut Alternative Minimum Tax, you must complete a corrected **Form CT-6251**. Write the word "**AMENDED**" across the top, and attach it to **Form CT-1040X**.

**Line 15 - Residents:** Enter the amount from *Schedule 3*, Line 65 on Line 15, Column C.

**Nonresidents and Part-Year Residents:** Enter "0" 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**. Write the word "**AMENDED**" across the top, and attach it to **Form CT-1040X**.

**Line 19** - If changes are being made to your Connecticut Individual Use Tax, you must complete a corrected individual use tax schedule or worksheet. Write the word "**AMENDED**" across the top, and attach it to **Form CT-1040X**.

**Line 21** - If changes are being made to your Connecticut income tax withholding, complete a corrected **Schedule CT-1040WH**, *Connecticut Income Tax Withholding*. Write the word "**AMENDED**" across the top, and attach it to **Form CT-1040X**. Also attach federal Forms W-2, W-2C, W-2G, and 1099.

## 2003 TAX CALCULATION SCHEDULE

|   |    |   |  |
|---|----|---|--|
| 1. <b>Residents:</b> Enter the amount from 2003 <b>Form CT-1040X</b> , Line 5, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter the amount from 2003 <b>Form CT-1040X</b> , Line 7, Column C.  | 1. |   |  |
| 2. Enter <b>Personal Exemption</b> (See <b>TABLE A</b> , Page 6)  | 2. |   |  |
| 3. Connecticut Taxable Income (Subtract Line 2 from Line 1. If less than zero, enter "0.")  | 3. |   |  |
| 4. Enter <b>Connecticut Income Tax</b> (See <b>TABLE B</b> , Page 6)  | 4. |   |  |
| 5. Enter <b>Decimal Amount</b> (See <b>TABLE C</b> , Page 6. If zero, enter "0.")   | 5. | . |  |
| 6. Multiply the amount on Line 4 by the decimal amount on Line 5.   | 6. |   |  |
| 7. <b>CONNECTICUT INCOME TAX</b> (Subtract Line 6 from Line 4)<br><b>Residents:</b> Enter this amount on 2003 <b>Form CT-1040X</b> , Line 10, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter this amount on <b>Form CT-1040X</b> , Line 8, Column C. | 7. |   |  |



## Interest

Interest at 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 fifteenth day of the next month. Any fraction of a month is considered a whole month.

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## Schedule 1 - Modifications to Federal Adjusted Gross Income

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Enter all amounts as positive numbers. See instructions for **Form CT-1040** or **Form CT-1040NR/PY**.

### Additions to Federal Adjusted Gross Income

#### Line 31 - 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 is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, or U.S. Virgin Islands.

#### Line 32 - Mutual Fund Exempt-Interest Dividends From Non-Connecticut 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, or U.S. Virgin Islands.

#### Line 33 - Special Depreciation Allowance for Qualified Property Placed in Service During This Year

If you filed federal Form 4562, Depreciation and Amortization (Including Information on Listed Property), and claimed a special depreciation allowance for qualified property placed in service during the 2003 taxable year, you will be required to add back all or part of that bonus depreciation on Line 33. See **Special Notice 2003(21)**, *2003 Legislation Affecting the Connecticut Income Tax*.

#### Line 34 - 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 34. Do not enter any part of the distribution reported on federal Form 1040, Line 16a; federal Form 1040A, Line 12a; or federal Form 1040, Schedule D.

#### Line 35 - Beneficiary's Share of Connecticut Fiduciary Adjustment

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of 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*, Part 1, 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 35. If

the amount is less than zero, enter the amount on Line 45. 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 35.

#### Line 36 - 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 37 - Other

See instructions for **Form CT-1040** or **Form CT-1040NR/PY** for information.

### Subtractions From Federal Adjusted Gross Income

#### Line 39 - Interest on U.S. 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 Savings Bonds Series EE and Series HH, U.S. Treasury bills and notes).

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

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 on any federal income tax refund.

#### Line 40 - Exempt Dividends From Certain 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.

Do not enter the amount of dividend 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.

#### Line 41 - Social Security Benefit Adjustment

If your filing status is **Single** or **Married Filing Separately** and the amount reported on **Form CT-1040X**, Line 1, Column C is **less than \$50,000**; or **Married Filing Jointly** or **Head of Household** and the amount reported on **Form CT-1040X**, Line 1, Column C is **less than \$60,000**, enter on Line 41 the amount of federally taxable Social Security benefits from 2003 federal Form 1040, Line 20b, or federal Form 1040A, Line 14b.

If your federal adjusted gross income is above the threshold for your filing status, and you used the worksheets contained in the instructions to federal Form 1040 or federal Form 1040A to calculate the amount of taxable Social Security benefits, complete the *Social Security Benefit Adjustment Worksheet* below and enter the amount from Line F on Line 41. If you did not use these worksheets, but instead used worksheets contained in federal Publication 590 or federal Publication 915, see **Announcement 2001(4)**, *Taxability of Social Security Benefits for Connecticut Income Tax Purposes*.

**Line 42 - 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 Line 10 of your federal Form 1040 is blank, or if you filed federal Forms 1040A, 1040EZ, or telefiled your federal return, enter "0."

**Line 43 - Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities**

If you received Tier 1 or Tier 2, or both, railroad retirement benefits and supplemental annuities during 2003, you may deduct the amount included in your federal adjusted gross income but only to the extent such benefits were not already subtracted from federal adjusted gross income on Line 41 (Social Security Benefit Adjustment). See **Special Notice 2003(21)**, *2003 Legislation Affecting the Connecticut Income Tax*. Enter on Line 43 the balance not already subtracted on Line 41 of Tier 1 and Tier 2 railroad retirement benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 12b or Line 14b. 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 44 - Special Depreciation Allowance for Qualified Property Placed in Service During the Preceding Year**

If you added bonus depreciation to your federal adjusted gross income on Line 32 of your **2002 Form CT-1040**, you may

subtract 25% of that bonus depreciation amount. See **Special Notice 2003(21)**, *2003 Legislation Affecting the Connecticut Income Tax*.

**Line 45 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of 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*, Part 1, 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 45. If the amount is greater than zero, enter the amount on Line 35.

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 45.

**Line 46 - 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 47 - Other**

See instructions for **Form CT-1040** or **Form CT-1040NR/PY** for information.

**Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions**

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, are included in the instructions for **Form CT-1040** and **Form CT-1040NR/PY**.

**LINE 41 - SOCIAL SECURITY BENEFIT ADJUSTMENT WORKSHEET**

Enter the amount from **Form CT-1040X**, Line 1, Column C.

If your filing status is **Single** or **Married Filing Separately**, is the amount on Line 1 \$50,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security Benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Line 41.

If your filing status is **Married Filing Jointly** or **Head of Household**, is the amount on Line 1 \$60,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security Benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Line 41.

|   |    |  |
|---|----|--|
| A. Enter the amount reported on your 2003 federal Social Security Benefits Worksheet, Line 1.<br><b>If Line A is zero or less, stop here and enter "0" on Line 41. Otherwise, go to Line B.</b>                         | A. |  |
| B. Enter the amount reported on your 2003 federal Social Security Benefits Worksheet, Line 9.<br><b>If Line B is zero or less, stop here and enter "0" on Line 41. Otherwise, go to Line C.</b>                         | B. |  |
| C. Enter the lesser of Line A or Line B.  | C. |  |
| D. Multiply Line C by 25% (.25).  | D. |  |
| E. Taxable amount of Social Security benefits reported on your 2003 federal Social Security Benefits Worksheet, Line 18.  | E. |  |
| F. <b>Social Security Benefit Adjustment</b> - Subtract Line D from Line E. Enter the amount here and on <b>Form CT-1040X</b> , <i>Schedule 1</i> , Line 41. (If Line D is greater than or equal to Line E, enter "0.") | F. |  |

# Form CT-1040X

# 2003

## AMENDED CONNECTICUT INCOME TAX RETURN FOR INDIVIDUALS

(Rev. 12/03)

For the year January 1 - December 31, 2003, or other taxable year beginning \_\_\_\_\_, 2003, ending \_\_\_\_\_.

|                             |  |                 |   |  |   |
|-----------------------------|--|-----------------|---|--|---|
| <b>Please Print or Type</b> | Your First Name and Middle Initial _____                               | Last Name _____ | ▶ | <b>Social Security Number</b><br>_____-_____-_____<br>: : :<br>_____-_____-_____<br>: : :<br>_____-_____-_____ |   |
|                             | If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial _____ | Last Name _____ |   | ▶  | <b>Spouse's Social Security Number</b><br>_____-_____-_____<br>: : :<br>_____-_____-_____<br>: : :<br>_____-_____-_____ |
|                             | Home Address (number and street), Apartment Number, PO Box<br>_____    |                 |   |  | Your Telephone Number<br>( ) _____  |
|                             | City, Town, or Post Office _____                                       | State _____     |   | ZIP Code _____   | ▶   |

**Filing Status:** *On original return:*  Single  Married filing jointly/qualifying widow(er)  Married filing separately  Head of household  
*On this return:*  Single  Married filing jointly/qualifying widow(er)  Married filing separately  Head of household

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 must attach a copy of the IRS audit results, federal Form 1040X, the other state's audit results or amended returns, and supporting documentation.**

Enter in the space below the line number for each item you are changing and give the reason for each change. Attach supporting forms and schedules for items changed. Write your name and Social Security Number on all attachments.

|   |  | A. Original amount or as previously adjusted | B. Net change increase or (decrease) | C. Correct amount |
|---|--|--|--------------------------------------|-------------------|
| <b>Income</b>   | 1. Federal Adjusted Gross Income (from federal Form 1040, Line 34; Form 1040A, Line 21; Form 1040EZ, Line 4; or federal TeleFile Tax Record, Line I) ..... 1 |  |                                      | ▶ 00              |
|   | 2. Additions, if any (See instructions) ..... 2  |  |                                      | ▶ 00              |
|   | 3. Add Line 1 and Line 2 ..... 3   |  |                                      | ▶ 00              |
|   | 4. Subtractions, if any (See instructions) ..... 4   |  |                                      | ▶ 00              |
|   | <b>5. Connecticut Adjusted Gross Income</b> (Subtract Line 4 from Line 3) 5  |  |                                      | ▶ 00              |
| <b>Residents go to Line 10; Nonresidents and Part-Year Residents go to Line 6</b> |  |  |                                      |                   |
| <b>Nonresidents and Part-Year Residents Only</b>                                  | 6. Enter your income from Connecticut sources from Schedule CT-SI; (If less than or equal to zero, enter "0.") ..... 6                                       |  |                                      | ▶ 00              |
|   | 7. Enter the greater of Line 5 or Line 6 (If zero, go to Line 10 and enter "0.") ..... 7   |  |                                      | ▶ 00              |
|   | 8. Income Tax (From Tax Calculation Schedule, see instructions) ... 8  |  |                                      | ▶ 00              |
|   | 9. Divide Line 6 by Line 5 (If Line 6 is equal to or greater than Line 5, enter 1.0000.) ..... 9   | .  |                                      | .                 |
| <b>Tax</b>  | 10. Income Tax (See instructions) ..... 10   |  |                                      | ▶ 00              |
|   | 11. Credit for income taxes paid to qualifying jurisdictions (See instructions) <b>Residents and Part-Year Residents only</b> ..... 11                       |  |                                      | ▶ 00              |
|   | 12. Subtract Line 11 from Line 10 ..... 12   |  |                                      | ▶ 00              |
|   | 13. Connecticut Alternative Minimum Tax (from Form CT-6251) .... 13  |  |                                      | ▶ 00              |
|   | 14. Add Line 12 and Line 13 ..... 14   |  |                                      | ▶ 00              |
|   | 15. Credit for property tax paid on your primary residence and/or motor vehicle. <b>Residents only</b> (See instructions) ..... 15                           |  |                                      | ▶ 00              |
|   | 16. Subtract Line 15 from Line 14 (If less than or equal to zero, enter "0.") ... 16   |  |                                      | ▶ 00              |
|   | 17. Adjusted Net Connecticut Minimum Tax Credit (from Form CT-8801) .... 17  |  |                                      | ▶ 00              |
|   | 18. <b>Connecticut Income Tax</b> (Subtract Line 17 from Line 16) ..... 18   |  |                                      | ▶ 00              |
|   | 19. <b>Individual Use Tax</b> (See instructions) ..... 19  |  |                                      | ▶ 00              |
| 20. <b>Total Tax</b> (Add Line 18 and Line 19) ..... 20                           |  |  | ▶ 00                                 |                   |
| <b>Payments</b>   | 21. Connecticut tax withheld (See instructions) ..... 21   |  |                                      | ▶ 00              |
|   | 22. All 2003 estimated Connecticut income tax payments (including any overpayments applied from a prior year) and extension payments ..... 22                |  |                                      | ▶ 00              |
|   | 23. Amounts paid with original return, plus additional tax paid after it was filed ..... 23  |  |                                      | ▶ 00              |
|   | 24. Total Payments (Add Lines 21, 22, and 23) ..... 24   |  |                                      | ▶ 00              |
|   | 25. Overpayment, if any, as shown on original return (or as previously adjusted) ..... 25  |  |                                      | ▶ 00              |
|   | 26. Subtract Line 25 from Line 24 ..... 26   |  |                                      | ▶ 00              |
| <b>Refund</b>   | 27. If Line 26, Column C, is greater than Line 20, Column C, enter the <b>amount overpaid</b> <b>REFUND</b> 27   |  |                                      | ▶ 00              |
| <b>Amount You Owe</b>   | 28. If Line 20, Column C, is greater than Line 26, Column C, enter the <b>amount you owe</b> ..... 28  |  |                                      | ▶ 00              |
|   | 29. Interest (Multiply Line 28 by number of months or fraction thereof, then by 1% (.01)) ..... 29   |  |                                      | ▶ 00              |
|   | 30. <b>Amount you owe</b> with this return (Add Line 28, Column C, and Line 29, Column C) <b>AMOUNT YOU OWE</b> 30   |  |                                      | ▶ 00              |

**ATTACH A COPY OF ALL APPLICABLE SCHEDULES AND FORMS TO THIS RETURN  
SEE MAILING INSTRUCTIONS ON REVERSE — TAXPAYERS MUST SIGN DECLARATION ON REVERSE**

**SCHEDULE 1 MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME (Enter all amounts as positive numbers)**

|   |   |           |  |           |
|---|---|-----------|--|-----------|
| Additions to Federal Adjusted Gross Income<br>(See instructions, Page 3)      | 31. Interest on state and local government obligations other than Connecticut   | 31        |  | 00        |
|   | 32. Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations other than Connecticut | 32        |  | 00        |
|   | 33. Special depreciation allowance for qualified property placed in service during this year                                    | 33        |  | 00        |
|   | 34. Taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income                 | 34        |  | 00        |
|   | 35. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero)                                   | 35        |  | 00        |
|   | 36. Loss on sale of Connecticut state and local government bonds  | 36        |  | 00        |
|   | 37. Other - specify _____   | 37        |  | 00        |
|   | <b>38. TOTAL ADDITIONS (Add Lines 31 through 37); Enter here and on Line 2, Column C, on the front of this form.</b>            | <b>38</b> |  | <b>00</b> |
| Subtractions From Federal Adjusted Gross Income<br>(See instructions, Page 3) | 39. Interest on U.S. government obligations   | 39        |  | 00        |
|   | 40. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations                              | 40        |  | 00        |
|   | 41. Social Security benefit adjustment (See Social Security Benefit Adjustment Worksheet, Page 4)                               | 41        |  | 00        |
|   | 42. Refunds of state and local income taxes   | 42        |  | 00        |
|   | 43. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities   | 43        |  | 00        |
|   | 44. Special depreciation allowance for qualified property placed in service during the preceding year                           | 44        |  | 00        |
|   | 45. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero)                                      | 45        |  | 00        |
|   | <b>48. TOTAL SUBTRACTIONS (Add Lines 39 through 47); Enter here and on Line 4, Column C, on the front of this form.</b>         | <b>48</b> |  | <b>00</b> |

**SCHEDULE 2 CREDIT FOR INCOME TAXES PAID TO QUALIFYING JURISDICTIONS (See instructions for Form CT-1040 or Form CT-1040NR/PY)**

|   |  |    |  |           |
|---|--|----|--|-----------|
| <b>Important:</b><br>You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed. | <b>49. MODIFIED CONNECTICUT ADJUSTED GROSS INCOME</b>  | 49 |  | 00        |
|   | <b>FOR EACH COLUMN, ENTER THE FOLLOWING:</b>   |    |  |           |
|   | 50. Enter qualifying jurisdiction's name and two-letter code   |    |  |           |
|   | 51. Non-Connecticut income included on Line 49 and reported on a qualifying jurisdiction's income tax return (from Schedule 2 Worksheet) |    |  |           |
|   | 52. Divide Line 51 by Line 49 (may not exceed 1.0000)  |    |  |           |
|   | 53. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C)  |    |  |           |
|   | 54. Multiply Line 52 by Line 53  |    |  |           |
|   | 55. Income tax paid to a qualifying jurisdiction   |    |  |           |
|   | 56. Enter the lesser of Line 54 or Line 55   |    |  |           |
|   | <b>57. TOTAL CREDIT (Add Line 56, all columns)</b><br>Enter here and on Line 11, Column C, on the front of this form.                    | 57 |  | <b>00</b> |

| COLUMN A |      | COLUMN B |      |
|----------|------|----------|------|
| Name     | Code | Name     | Code |
| 50       |      |          |      |
| 51       | 00   |          | 00   |
| 52       | .    | .        |      |
| 53       | 00   |          | 00   |
| 54       | 00   |          | 00   |
| 55       | 00   |          | 00   |
| 56       | 00   |          | 00   |

**SCHEDULE 3 (Connecticut Residents Only) - 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<br>If primary residence, enter street address<br>If motor vehicle, enter year, make, and model | LIST OR BILL NUMBER<br>(if available) | DATE(S) PAID<br>(Enter date(s) you paid property tax.) | AMOUNT PAID<br>(Enter amount of property tax paid.) |
| PRIMARY RESIDENCE                      |  |  |                                       |  | 58  |
| AUTO 1                                 |  |  |                                       |  | 59  |
| Married Filing Jointly Only - AUTO 2   |  |  |                                       |  | 60  |
| <b>Property Tax Credit Calculation</b> | <b>61. TOTAL PROPERTY TAX PAID (Add all amounts for Column E)</b>  |  |                                       |  | 61  |
|  | <b>62. MAXIMUM PROPERTY TAX CREDIT ALLOWED</b>   |  |                                       |  | 62  |
|  | 63. Enter the <b>Lesser</b> of Line 61 or Line 62.   |  |                                       |  | 63  |
|  | 64. <b>Limitation</b> - Enter the result from the <i>Property Tax Credit Limitation Worksheet (See Page 5)</i> |  |                                       |  | 64  |
|  | 65. Subtract Line 64 from Line 63. <b>Enter here and on Line 15, Column C, on the front of this form.</b>      |  |                                       |  | 65  |

Make your check or money order payable to: "Commissioner of Revenue Services"  
To ensure proper posting of your payment, write your Social Security Number(s) and "2003 Form CT-1040X" on your check or money order.

**MAIL TO: Department of Revenue Services  
PO Box 2978  
Hartford CT 06104-2978**

I declare under penalty of law 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. I understand that the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |                                    |      |                                      |                        |
|---|------------------------------------|------|--------------------------------------|------------------------|
| <b>Sign Here</b><br>Keep a copy for your records. | Your Signature                     | Date | Spouse's Signature (if joint return) | Date                   |
|   | Paid Preparer's Signature          | Date | Telephone Number<br>( )              | Preparer's SSN or PTIN |
|   | Firm's Name, Address, and ZIP Code |      |                                      | FEIN                   |

### Schedule 3 - (Connecticut Residents Only) Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. The credit is for property taxes paid during 2003 to a Connecticut political subdivision on a primary residence and/or a privately owned or leased motor vehicle. If you entered "0" on **Form CT-1040X**, Line 14, Column C, **DO NOT** complete this schedule. See **Informational Publication 2003(24), Q & A: Income Tax Credit for Property Taxes Paid to a Connecticut Political Subdivision**.

#### Which Property Tax Bills Qualify

You may take credit against your 2003 Connecticut income tax liability for property tax payments that you made on your primary residence and/or privately owned or leased motor vehicle to a Connecticut political subdivision. Generally, property tax bills that were due and paid during 2003 qualify for this credit. This includes any installment payments that you made during 2003 that were due in 2003 and any installments that you prepaid during 2003 that were due in 2004. Supplemental property tax bills that were due during 2003 or 2004 also qualify if paid during 2003. However, the late payment of any property tax bills or the payment of any interest, fees, or charges related to the property tax bill do not qualify for the credit.

A husband and wife who file a joint Connecticut income tax return may consider property tax bills for which the husband or wife, or both, are liable.

You may take credit for a leased motor vehicle if you had a written lease agreement for a term of more than one year and the property tax became due and was paid during 2003 (either by the leasing company or by you). Refer to your January 2004 billing statement from the leasing company in order to determine the amount of property taxes that may be eligible for the credit. 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 2004, contact your leasing company for the appropriate property tax information.

#### Maximum Credit Allowed

The **maximum** credit allowed (on your primary residence and/or motor vehicle) is **\$350** per return, regardless of filing status. This credit cannot exceed the amount of qualifying property taxes paid or the amount of tax entered on **Form CT-1040X**, Line 14, Column C and is phased-out depending upon your Connecticut adjusted gross income. To be allowed to take 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. Individuals whose filing status is **Single, Married Filing Separately**, or **Head of Household** is limited to the property tax paid on **one** motor vehicle, even if the individual sells a motor vehicle and purchases a replacement motor vehicle during the taxable year. Individuals whose filing status is **Married Filing Jointly** are limited to the property taxes paid on **two** motor vehicles.

### Schedule 3 - Line Instructions

#### Line 58 - Primary Residence

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

#### Line 59 - Auto 1

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

#### Line 60 - Married Filing Jointly Only - Auto 2

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

#### Line 64 - Limitation

Enter "0" on Line 64 and go to Line 65 if your:

| Filing status is:               | Connecticut adjusted gross income is: |
|---------------------------------|---------------------------------------|
| Single .....                    | \$ 54,500 or less                     |
| Married Filing Jointly .....    | \$100,500 or less                     |
| Married Filing Separately ..... | \$ 50,250 or less                     |
| Head of Household .....         | \$ 78,500 or less                     |

Otherwise, you **must** complete the *Property Tax Credit Limitation Worksheet* below.

#### LINE 64 - PROPERTY TAX CREDIT LIMITATION WORKSHEET (Connecticut Residents ONLY)

Enter the amount from **Form CT-1040X, Schedule 3**, Line 63, on Line 65 and **do not** complete this worksheet if your filing status is:

- **Single** and your Connecticut AGI is **\$54,500, or less;**
- **Married Filing Jointly** and your Connecticut AGI is **\$100,500, or less;**
- **Married Filing Separately** and your Connecticut AGI is **\$50,250, or less;** or
- **Head of Household** and your Connecticut AGI is **\$78,500, or less.**

Otherwise, complete Lines 1 through 3 below and enter the amount from Line 3 on **Form CT-1040X, Schedule 3**, Line 64.

|   |    |   |
|---|----|---|
| 1. Enter the amount reported on <b>Form CT-1040X, Schedule 3</b> , Line 63  | 1. |   |
| 2. Enter the <b>decimal amount</b> from the <i>Property Tax Credit Limitation Table</i> <b>exactly as it appears in the chart at right.</b> (If zero, stop here, your credit is not limited.) | 2. | . |
| 3. Multiply Line 1 by Line 2. Enter the result here and on <b>Form CT-1040X, Schedule 3</b> , Line 64.  | 3. |   |

#### PROPERTY TAX CREDIT LIMITATION TABLE

Use your filing status shown on **Form CT-1040X** and your Connecticut AGI - **Form CT-1040X**, Line 5, Column C.

| Single              |                       |                | Married Filing Jointly |                       |                |
|---------------------|-----------------------|----------------|------------------------|-----------------------|----------------|
| Connecticut AGI is: |                       |                | Connecticut AGI is:    |                       |                |
| More Than           | Less Than or Equal to | Decimal Amount | More Than              | Less Than or Equal to | Decimal Amount |
| \$ 0                | \$ 54,500             | 0              | \$ 0                   | \$100,500             | 0              |
| \$ 54,500           | \$ 64,500             | .10            | \$100,500              | \$110,500             | .10            |
| \$ 64,500           | \$ 74,500             | .20            | \$110,500              | \$120,500             | .20            |
| \$ 74,500           | \$ 84,500             | .30            | \$120,500              | \$130,500             | .30            |
| \$ 84,500           | \$ 94,500             | .40            | \$130,500              | \$140,500             | .40            |
| \$ 94,500           | \$104,500             | .50            | \$140,500              | \$150,500             | .50            |
| \$104,500           | \$114,500             | .60            | \$150,500              | \$160,500             | .60            |
| \$114,500           | \$124,500             | .70            | \$160,500              | \$170,500             | .70            |
| \$124,500           | \$134,500             | .80            | \$170,500              | \$180,500             | .80            |
| \$134,500           | \$144,500             | .90            | \$180,500              | \$190,500             | .90            |
| \$144,500           | and up                | 1.00           | \$190,500              | and up                | 1.00           |

| Married Filing Separately |                       |                | Head of Household   |                       |                |
|---------------------------|-----------------------|----------------|---------------------|-----------------------|----------------|
| Connecticut AGI is:       |                       |                | Connecticut AGI is: |                       |                |
| More Than                 | Less Than or Equal to | Decimal Amount | More Than           | Less Than or Equal to | Decimal Amount |
| \$ 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           |

**TABLE A - EXEMPTIONS FOR 2003 TAXABLE YEAR**

Use your filing status shown on the front of **Form CT-1040X** and your **CONNECTICUT AGI** (From *Tax Calculation Schedule*, Line 1) to determine your exemption.

| Single          |                       |           | Married Filing Jointly/Qualified Widow(er) |                       |           | Married Filing Separately |                       |           | Head of Household |                       |           |
|-----------------|-----------------------|-----------|--|-----------------------|-----------|---------------------------|-----------------------|-----------|-------------------|-----------------------|-----------|
| CONNECTICUT AGI |                       | EXEMPTION | 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 |           | More Than         | Less Than Or Equal To |           |
| \$ 0            | \$25,000              | \$12,500  | \$ 0                                       | \$48,000              | \$24,000  | \$ 0                      | \$24,000              | \$12,000  | \$ 0              | \$38,000              | \$19,000  |
| \$25,000        | \$26,000              | \$11,500  | \$48,000                                   | \$49,000              | \$23,000  | \$24,000                  | \$25,000              | \$11,000  | \$38,000          | \$39,000              | \$18,000  |
| \$26,000        | \$27,000              | \$10,500  | \$49,000                                   | \$50,000              | \$22,000  | \$25,000                  | \$26,000              | \$10,000  | \$39,000          | \$40,000              | \$17,000  |
| \$27,000        | \$28,000              | \$ 9,500  | \$50,000                                   | \$51,000              | \$21,000  | \$26,000                  | \$27,000              | \$ 9,000  | \$40,000          | \$41,000              | \$16,000  |
| \$28,000        | \$29,000              | \$ 8,500  | \$51,000                                   | \$52,000              | \$20,000  | \$27,000                  | \$28,000              | \$ 8,000  | \$41,000          | \$42,000              | \$15,000  |
| \$29,000        | \$30,000              | \$ 7,500  | \$52,000                                   | \$53,000              | \$19,000  | \$28,000                  | \$29,000              | \$ 7,000  | \$42,000          | \$43,000              | \$14,000  |
| \$30,000        | \$31,000              | \$ 6,500  | \$53,000                                   | \$54,000              | \$18,000  | \$29,000                  | \$30,000              | \$ 6,000  | \$43,000          | \$44,000              | \$13,000  |
| \$31,000        | \$32,000              | \$ 5,500  | \$54,000                                   | \$55,000              | \$17,000  | \$30,000                  | \$31,000              | \$ 5,000  | \$44,000          | \$45,000              | \$12,000  |
| \$32,000        | \$33,000              | \$ 4,500  | \$55,000                                   | \$56,000              | \$16,000  | \$31,000                  | \$32,000              | \$ 4,000  | \$45,000          | \$46,000              | \$11,000  |
| \$33,000        | \$34,000              | \$ 3,500  | \$56,000                                   | \$57,000              | \$15,000  | \$32,000                  | \$33,000              | \$ 3,000  | \$46,000          | \$47,000              | \$10,000  |
| \$34,000        | \$35,000              | \$ 2,500  | \$57,000                                   | \$58,000              | \$14,000  | \$33,000                  | \$34,000              | \$ 2,000  | \$47,000          | \$48,000              | \$ 9,000  |
| \$35,000        | \$36,000              | \$ 1,500  | \$58,000                                   | \$59,000              | \$13,000  | \$34,000                  | \$35,000              | \$ 1,000  | \$48,000          | \$49,000              | \$ 8,000  |
| \$36,000        | \$37,000              | \$ 500    | \$59,000                                   | \$60,000              | \$12,000  | \$35,000                  | and up                | \$ 0      | \$49,000          | \$50,000              | \$ 7,000  |
| \$37,000        | and up                | \$ 0      | \$60,000                                   | \$61,000              | \$11,000  |                           |                       |           | \$50,000          | \$51,000              | \$ 6,000  |
|                 |                       |           | \$61,000                                   | \$62,000              | \$10,000  |                           |                       |           | \$51,000          | \$52,000              | \$ 5,000  |
|                 |                       |           | \$62,000                                   | \$63,000              | \$ 9,000  |                           |                       |           | \$52,000          | \$53,000              | \$ 4,000  |
|                 |                       |           | \$63,000                                   | \$64,000              | \$ 8,000  |                           |                       |           | \$53,000          | \$54,000              | \$ 3,000  |
|                 |                       |           | \$64,000                                   | \$65,000              | \$ 7,000  |                           |                       |           | \$54,000          | \$55,000              | \$ 2,000  |
|                 |                       |           | \$65,000                                   | \$66,000              | \$ 6,000  |                           |                       |           | \$55,000          | \$56,000              | \$ 1,000  |
|                 |                       |           | \$66,000                                   | \$67,000              | \$ 5,000  |                           |                       |           | \$56,000          | and up                | \$ 0      |
|                 |                       |           | \$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 FOR 2003 TAXABLE YEAR**

Use your filing status shown on the front of **Form CT-1040X**.

| Single/Married Filing Separately   | Married Filing Jointly/Qualifying Widow(er)  | Head of Household  |
|--|--|--|
| <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$10,000, multiply by .03.<br>More than \$10,000, multiply the excess over \$10,000 by .05 and add \$300.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$20,000, multiply by .03.<br>More than \$20,000, multiply the excess over \$20,000 by .05 and add \$600.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$16,000, multiply by .03.<br>More than \$16,000, multiply the excess over \$16,000 by .05 and add \$480.00. |
| <b>EXAMPLE:</b> If the amount on Line 3 is \$13,000 enter \$450.00 on Line 4.<br>\$13,000 - \$10,000 = \$3,000<br>\$3,000 x .05 = \$150.00<br>\$150.00 + \$300.00 = \$450.00                             | <b>EXAMPLE:</b> If the amount on Line 3 is \$22,500 enter \$725.00 on Line 4.<br>\$22,500 - \$20,000 = \$2,500<br>\$2,500 x .05 = \$125.00<br>\$125.00 + \$600.00 = \$725.00                             | <b>EXAMPLE:</b> If the amount on Line 3 is \$20,000 enter \$680.00 on Line 4.<br>\$20,000 - \$16,000 = \$4,000<br>\$4,000 x .05 = \$200.00<br>\$200.00 + \$480.00 = \$680.00                             |

**TABLE C - PERSONAL TAX CREDITS FOR 2003 TAXABLE YEAR**

Use your filing status shown on the front of **Form CT-1040X** and your **CONNECTICUT AGI** (From *Tax Calculation Schedule*, Line 1) to determine your decimal amount.

| Single          |                       |                | Married Filing Jointly/Qualified Widow(er) |                       |                | Married Filing Separately |                       |                | Head of Household |                       |                |
|-----------------|-----------------------|----------------|--|-----------------------|----------------|---------------------------|-----------------------|----------------|-------------------|-----------------------|----------------|
| CONNECTICUT AGI |                       | DECIMAL AMOUNT | CONNECTICUT AGI                            |                       | DECIMAL AMOUNT | CONNECTICUT AGI           |                       | DECIMAL AMOUNT | CONNECTICUT AGI   |                       | DECIMAL AMOUNT |
| More Than       | Less Than Or Equal To |                | More Than                                  | Less Than Or Equal To |                | More Than                 | Less Than Or Equal To |                | More Than         | Less Than Or Equal To |                |
| \$12,500        | \$15,600              | .75            | \$24,000                                   | \$30,000              | .75            | \$12,000                  | \$15,000              | .75            | \$19,000          | \$24,000              | .75            |
| \$15,600        | \$16,100              | .70            | \$30,000                                   | \$30,500              | .70            | \$15,000                  | \$15,500              | .70            | \$24,000          | \$24,500              | .70            |
| \$16,100        | \$16,600              | .65            | \$30,500                                   | \$31,000              | .65            | \$15,500                  | \$16,000              | .65            | \$24,500          | \$25,000              | .65            |
| \$16,600        | \$17,100              | .60            | \$31,000                                   | \$31,500              | .60            | \$16,000                  | \$16,500              | .60            | \$25,000          | \$25,500              | .60            |
| \$17,100        | \$17,600              | .55            | \$31,500                                   | \$32,000              | .55            | \$16,500                  | \$17,000              | .55            | \$25,500          | \$26,000              | .55            |
| \$17,600        | \$18,100              | .50            | \$32,000                                   | \$32,500              | .50            | \$17,000                  | \$17,500              | .50            | \$26,000          | \$26,500              | .50            |
| \$18,100        | \$18,600              | .45            | \$32,500                                   | \$33,000              | .45            | \$17,500                  | \$18,000              | .45            | \$26,500          | \$27,000              | .45            |
| \$18,600        | \$19,100              | .40            | \$33,000                                   | \$33,500              | .40            | \$18,000                  | \$18,500              | .40            | \$27,000          | \$27,500              | .40            |
| \$19,100        | \$20,800              | .35            | \$33,500                                   | \$40,000              | .35            | \$18,500                  | \$20,000              | .35            | \$27,500          | \$34,000              | .35            |
| \$20,800        | \$21,300              | .30            | \$40,000                                   | \$40,500              | .30            | \$20,000                  | \$20,500              | .30            | \$34,000          | \$34,500              | .30            |
| \$21,300        | \$21,800              | .25            | \$40,500                                   | \$41,000              | .25            | \$20,500                  | \$21,000              | .25            | \$34,500          | \$35,000              | .25            |
| \$21,800        | \$22,300              | .20            | \$41,000                                   | \$41,500              | .20            | \$21,000                  | \$21,500              | .20            | \$35,000          | \$35,500              | .20            |
| \$22,300        | \$26,000              | .15            | \$41,500                                   | \$50,000              | .15            | \$21,500                  | \$25,000              | .15            | \$35,500          | \$44,000              | .15            |
| \$26,000        | \$26,500              | .14            | \$50,000                                   | \$50,500              | .14            | \$25,000                  | \$25,500              | .14            | \$44,000          | \$44,500              | .14            |
| \$26,500        | \$27,000              | .13            | \$50,500                                   | \$51,000              | .13            | \$25,500                  | \$26,000              | .13            | \$44,500          | \$45,000              | .13            |
| \$27,000        | \$27,500              | .12            | \$51,000                                   | \$51,500              | .12            | \$26,000                  | \$26,500              | .12            | \$45,000          | \$45,500              | .12            |
| \$27,500        | \$28,000              | .11            | \$51,500                                   | \$52,000              | .11            | \$26,500                  | \$27,000              | .11            | \$45,500          | \$46,000              | .11            |
| \$28,000        | \$50,000              | .10            | \$52,000                                   | \$96,000              | .10            | \$27,000                  | \$48,000              | .10            | \$46,000          | \$74,000              | .10            |
| \$50,000        | \$50,500              | .09            | \$96,000                                   | \$96,500              | .09            | \$48,000                  | \$48,500              | .09            | \$74,000          | \$74,500              | .09            |
| \$50,500        | \$51,000              | .08            | \$96,500                                   | \$97,000              | .08            | \$48,500                  | \$49,000              | .08            | \$74,500          | \$75,000              | .08            |
| \$51,000        | \$51,500              | .07            | \$97,000                                   | \$97,500              | .07            | \$49,000                  | \$49,500              | .07            | \$75,000          | \$75,500              | .07            |
| \$51,500        | \$52,000              | .06            | \$97,500                                   | \$98,000              | .06            | \$49,500                  | \$50,000              | .06            | \$75,500          | \$76,000              | .06            |
| \$52,000        | \$52,500              | .05            | \$98,000                                   | \$98,500              | .05            | \$50,000                  | \$50,500              | .05            | \$76,000          | \$76,500              | .05            |
| \$52,500        | \$53,000              | .04            | \$98,500                                   | \$99,000              | .04            | \$50,500                  | \$51,000              | .04            | \$76,500          | \$77,000              | .04            |
| \$53,000        | \$53,500              | .03            | \$99,000                                   | \$99,500              | .03            | \$51,000                  | \$51,500              | .03            | \$77,000          | \$77,500              | .03            |
| \$53,500        | \$54,000              | .02            | \$99,500                                   | \$100,000             | .02            | \$51,500                  | \$52,000              | .02            | \$77,500          | \$78,000              | .02            |
| \$54,000        | \$54,500              | .01            | \$100,000                                  | \$100,500             | .01            | \$52,000                  | \$52,500              | .01            | \$78,000          | \$78,500              | .01            |
| \$54,500        | and up                | .00            | \$100,500                                  | and up                | .00            | \$52,500                  | and up                | .00            | \$78,500          | and up                | .00            |

**Amended Connecticut Income Tax Return and Instructions**

**Purpose:** Use this form to amend a previously-filed 2004 Connecticut income tax return for individuals. This form may not be used to amend any other year's return. Do not use this form to amend **Form CT-1041** or **Form CT-1065/CT-1120SI**.

If **Form CT-1040X** is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting

any Connecticut income tax overpayment expires three years after the due date of the return, but if a timely request for an extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return, or three years after the date of filing the return, whichever is earlier. If you were required to file an amended return, but failed to do so, a penalty may be imposed. Interest will also be assessed on any additional Connecticut income tax not paid on or before the due date.

**The following circumstances require the filing of Form CT-1040X:**

|   |  |
|---|--|
| <p>1. The IRS or federal courts change or correct your federal income tax return, and the change or correction results in your Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. You filed a timely amended federal income tax return, and the amendment results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than 90 days after the date you filed your timely amended federal return.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and the tax officials or courts of that qualifying jurisdiction made a change or correction to your income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p> | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and you filed a timely amended income tax return with that qualifying jurisdiction, and the amendment results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p>  | <p><b>File Form CT-1040X no later than 90 days after the date you filed your amended return with the qualifying jurisdiction.</b> If you file <b>Form CT-1040X</b> no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. If none of the above circumstances apply, but you made a mistake or omission on your Connecticut income tax return, and the mistake or omission results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than three years after the due date of your return,</b> or if you filed a timely request for an extension of time to file, three years after the date of filing the return, or three years after the extended due date, whichever is earlier.</p>  |

Do not file **Form CT-1040X** for any of the following reasons:

- To have an overpayment refunded instead of applied to next year's estimated tax or to change your contributions to designated charities. The elections that you made on your original return **cannot** be changed by filing **Form CT-1040X**.
- To amend your Connecticut income tax return for an earlier year in order to claim a credit for income tax paid on income which was included in your Connecticut adjusted gross income for that year and which you repaid in a later taxable year. File **Schedule CT-1040CRC, Claim of Right Credit**, with your Connecticut income tax return for the later taxable year.

**Financial Disability:** If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period that your spouse or any other person is authorized to act on your behalf in financial matters.

Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, are included in the instructions for **Form CT-1040** and **Form CT-1040NR/PY**.

## Steps to Completing Form CT-1040X

**Step 1** - Refer to your original return and identify all changes that need to be made.

**Step 2** - Find corresponding line items on **Form CT-1040X**. Line numbers on **Form CT-1040X** may be different from the line numbers on your original return.

**Step 3** - Complete *Schedules 1, 2, and 3*. Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return.

**Step 4** - Use Column A to enter the amounts shown on your original or previously adjusted return. Line numbers on **Form CT-1040X** may be different from the line numbers on your original return. For example, if you telefiled your Connecticut income tax return, add the amounts reported on **Connecticut Telefile Tax Return**, Line 11 and Line 12, and subtract the amount reported on Line 9 from the total. Enter the result on **Form CT-1040X**, Line 10, Column A.

**Step 5** - Use Column B to enter the net increase or decrease for each line that you are changing.

**Step 6** - Explain each change in the space provided on the front of **Form CT-1040X**.

**Step 7** - 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.

## Form CT-1040X Instructions

### Filing Status

Generally, your filing status must match your federal income tax filing status for the year. 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 separately."** 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 separately,"** unless they file jointly for federal income tax purposes, and they elect to be treated as if both were Connecticut residents for the entire taxable year. See *Special Rules for Married Individuals*, in the instructions to **Form CT-1040EZ**, **Form CT-1040**, or **Form CT-1040NR/PY**.

**Line 2 and Line 4** - Enter the amount from *Schedule 1*, Line 39 on Line 2, Column C and the amount from *Schedule 1*, Line 50 on Line 4, Column C.

**Lines 6 through 9 - Nonresidents and Part-Year Residents Only:** Refer to your previously filed **Form CT-1040NR/PY** when completing this section. Attach a copy of your corrected **Schedule CT-SI**, *Nonresident or Part-Year Resident Schedule of Income from Connecticut Sources*. **Part-Year Residents:** Also attach a copy of your corrected **Schedule CT-1040AW**, *Part-Year Resident Income Allocation*.

**Line 8** - Calculate the tax on the amount you entered on Line 7, Column C, using the *2004 Tax Calculation Schedule*, below. 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 *2004 Tax Calculation Schedule*, below. Enter the result on Line 10, Column C.

**Nonresidents and Part-Year Residents:** Multiply Line 9, Column C by Line 8, Column C. Enter the result on Line 10, Column C.

**Line 11 - Residents and Part-Year Residents:** Enter the amount from *Schedule 2*, Line 59 on Line 11, Column C. See instructions to **Form CT-1040** or **Form CT-1040NR/PY**.

**Line 13** - If changes are being made to your Connecticut Alternative Minimum Tax, you must complete a corrected **Form CT-6251**. Write the word **"AMENDED"** across the top, and attach it to **Form CT-1040X**.

**Line 15 - Residents:** Enter the amount from *Schedule 3*, Line 68 on Line 15, Column C.

**Nonresidents and Part-Year Residents:** Enter "0" 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**. Write the word **"AMENDED"** across the top, and attach it to **Form CT-1040X**.

**Line 19** - If changes are being made to your Connecticut Individual Use Tax, you must complete a corrected individual use tax schedule or worksheet. Write the word **"AMENDED"** across the top, and attach it to **Form CT-1040X**.

**Line 21** - If changes are being made to your Connecticut income tax withholding, complete a corrected **Schedule CT-1040WH**, *Connecticut Income Tax Withholding*. Write the word **"AMENDED"** across the top, and attach it to **Form CT-1040X**. Also attach federal Forms W-2, W-2C, W-2G, and 1099.

## 2004 TAX CALCULATION SCHEDULE

|   |    |   |  |
|---|----|---|--|
| 1. <b>Residents:</b> Enter the amount from 2004 <b>Form CT-1040X</b> , Line 5, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter the amount from 2004 <b>Form CT-1040X</b> , Line 7, Column C.  | 1. |   |  |
| 2. Enter <b>Personal Exemption</b> (See <b>TABLE A</b> , Page 6)  | 2. |   |  |
| 3. Connecticut Taxable Income (Subtract Line 2 from Line 1. If less than zero, enter "0.")  | 3. |   |  |
| 4. Enter <b>Connecticut Income Tax</b> (See <b>TABLE B</b> , Page 6)  | 4. |   |  |
| 5. Enter <b>Decimal Amount</b> (See <b>TABLE C</b> , Page 6. If zero, enter "0.")   | 5. | . |  |
| 6. Multiply the amount on Line 4 by the decimal amount on Line 5.   | 6. |   |  |
| 7. <b>CONNECTICUT INCOME TAX</b> (Subtract Line 6 from Line 4)<br><b>Residents:</b> Enter this amount on 2004 <b>Form CT-1040X</b> , Line 10, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter this amount on <b>Form CT-1040X</b> , Line 8, Column C. | 7. |   |  |



## Interest

Interest at 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 fifteenth day of the next month. Any fraction of a month is considered a whole month.

## Schedule 1 - Modifications to Federal Adjusted Gross Income

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Enter all amounts as positive numbers. See instructions for **Form CT-1040** or **Form CT-1040NR/PY**.

### Additions to Federal Adjusted Gross Income

#### Line 31 - 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 is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, or U.S. Virgin Islands.

#### Line 32 - Mutual Fund Exempt-Interest Dividends From Non-Connecticut 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, or U.S. Virgin Islands.

#### Line 33 - Special Depreciation Allowance for Qualified Property Placed in Service Prior to September 11, 2004

If you filed federal Form 4562, Depreciation and Amortization (Including Information on Listed Property), and claimed a special depreciation allowance for qualified property placed in service during the 2004 taxable year, you will be required to add back all or part of that bonus depreciation on Line 33. See **Special Notice 2003(21)**, *2003 Legislation Affecting the Connecticut Income Tax*.

#### Line 34 - 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 34. Do not enter any part of the distribution reported on federal Form 1040, Line 16a; federal Form 1040A, Line 12a; or federal Form 1040, Schedule D.

#### Line 35 - Beneficiary's Share of Connecticut Fiduciary Adjustment

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of 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*, Part 1, 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 35. 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 35.

#### Line 36 - 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

See instructions for **Form CT-1040** or **Form CT-1040NR/PY** for information.

### Subtractions From Federal Adjusted Gross Income

#### Line 40 - Interest on U.S. 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 Savings Bonds Series EE and Series HH, U.S. Treasury bills and notes).

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

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 on any federal income tax refund.

#### Line 41 - Exempt Dividends From Certain 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.

Do not enter the amount of dividend 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.

#### Line 42 - Social Security Benefit Adjustment

If your filing status is **Single** or **Married Filing Separately** and the amount reported on **Form CT-1040X**, Line 1, Column C is **less than \$50,000**; or **Married Filing Jointly** or **Head of Household** and the amount reported on **Form CT-1040X**, Line 1, Column C is **less than \$60,000**, enter on Line 42 the amount of federally taxable Social Security benefits from 2004 federal Form 1040, Line 20b, or federal Form 1040A, Line 14b.

If your federal adjusted gross income is above the threshold for your filing status, and you used the worksheets contained in the instructions to federal Form 1040 or federal Form 1040A to calculate the amount of taxable Social Security benefits, complete the *Social Security Benefit Adjustment Worksheet* below and enter the amount from Line F on Line 42. If you did not use these worksheets, but instead used worksheets contained in federal Publication 590 or federal Publication 915, see **Announcement 2001(4)**, *Taxability of Social Security Benefits for Connecticut Income Tax Purposes*.

**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 Line 10 of your federal Form 1040 is blank, or if you filed federal Forms 1040A, 1040EZ, or telefiled your federal return, enter "0."

**Line 44 - Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities**

If you received Tier 1 or Tier 2, or both, railroad retirement benefits and supplemental annuities during 2004, you may deduct the amount included in your federal adjusted gross income but only to the extent such benefits were not already subtracted from federal adjusted gross income on Line 42 (Social Security Benefit Adjustment). Enter on Line 44 the balance not already subtracted on Line 42 of Tier 1 and Tier 2 railroad retirement benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 12b or Line 14b. 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 - Special Depreciation Allowance for Qualified Property Placed in Service During the Preceding Year**

If you added bonus depreciation to your federal adjusted gross income on Line 32 of your **2003 Form CT-1040**, you may subtract 25% of that bonus depreciation amount. See **Special Notice**

**2003(21)**, *2003 Legislation Affecting the Connecticut Income Tax*.

**Line 46 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of 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*, Part 1, 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 35.

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 49 - Other**

See instructions for **Form CT-1040** or **Form CT-1040NR/PY** for information.

**Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions**

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, are included in the instructions for **Form CT-1040** and **Form CT-1040NR/PY**.

**LINE 42 - SOCIAL SECURITY BENEFIT ADJUSTMENT WORKSHEET**

Enter the amount from **Form CT-1040X**, Line 1, Column C.

If your filing status is **Single** or **Married Filing Separately**, is the amount on Line 1 \$50,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security Benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Line 42.

If your filing status is **Married Filing Jointly** or **Head of Household**, is the amount on Line 1 \$60,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security Benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Line 42.

|   |    |  |
|---|----|--|
| A. Enter the amount reported on your 2004 federal Social Security Benefits Worksheet, Line 1.<br><b>If Line A is zero or less, stop here and enter "0" on Line 42. Otherwise, go to Line B.</b>                         | A. |  |
| B. Enter the amount reported on your 2004 federal Social Security Benefits Worksheet, Line 9.<br><b>If Line B is zero or less, stop here and enter "0" on Line 42. Otherwise, go to Line C.</b>                         | B. |  |
| C. Enter the lesser of Line A or Line B.  | C. |  |
| D. Multiply Line C by 25% (.25).  | D. |  |
| E. Taxable amount of Social Security benefits reported on your 2004 federal Social Security Benefits Worksheet, Line 18.  | E. |  |
| F. <b>Social Security Benefit Adjustment</b> - Subtract Line D from Line E. Enter the amount here and on <b>Form CT-1040X</b> , <i>Schedule 1</i> , Line 42. (If Line D is greater than or equal to Line E, enter "0.") | F. |  |

# Form CT-1040X

# 2004

## AMENDED CONNECTICUT INCOME TAX RETURN FOR INDIVIDUALS

(Rev. 12/04)

For the year January 1 - December 31, 2004, or other taxable year ▶ beginning \_\_\_\_\_, 2004, ▶ ending \_\_\_\_\_, \_\_\_\_\_.

|                             |  |           |   |                               |  |        |
|-----------------------------|--|-----------|---|-------------------------------|--|--------|
| <b>Please Print or Type</b> | Your First Name and Middle Initial                               | Last Name | ▶ | <b>Social Security Number</b> | : : :                                  |        |
|                             | If a <i>JOINT</i> Return, Spouse's First Name and Middle Initial | Last Name |   | ▶                             | <b>Spouse's Social Security Number</b> | : : :  |
|                             | Home Address (number and street), Apartment Number, PO Box       |           |   |                               | Your Telephone Number<br>( )           |        |
|                             | City, Town, or Post Office                                       | State     |   | ZIP Code                      | <b>DRS USE ONLY</b>                    | - - 20 |

**Filing Status:** *On original return:* ▶  Single ▶  Married filing jointly/qualifying widow(er) ▶  Married filing separately ▶  Head of household  
*On this return:* ▶  Single ▶  Married filing jointly/qualifying widow(er) ▶  Married filing separately ▶  Head of household

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 must attach a copy of the IRS audit results, federal Form 1040X, the other state's audit results or amended returns, and supporting documentation.**

Enter in the space below the line number for each item you are changing and give the reason for each change. Attach supporting forms and schedules for items changed. Write your name and Social Security Number on all attachments.

|   |  | A. Original amount or as previously adjusted | B. Net change increase or (decrease) | C. Correct amount |
|---|--|--|--------------------------------------|-------------------|
| <b>Income</b>   | 1. Federal Adjusted Gross Income (from federal Form 1040, Line 36; Form 1040A, Line 21; Form 1040EZ, Line 4; or federal TeleFile Tax Record, Line I) ..... 1 |  |                                      | ▶ 00              |
|   | 2. Additions, if any (See instructions) ..... 2  |  |                                      | ▶ 00              |
|   | 3. Add Line 1 and Line 2 ..... 3   |  |                                      | ▶ 00              |
|   | 4. Subtractions, if any (See instructions) ..... 4   |  |                                      | ▶ 00              |
|   | <b>5. Connecticut Adjusted Gross Income</b> (Subtract Line 4 from Line 3) 5  |  |                                      | ▶ <b>00</b>       |
| <b>Residents go to Line 10; Nonresidents and Part-Year Residents go to Line 6</b> |  |  |                                      |                   |
| <b>Nonresidents and Part-Year Residents Only</b>                                  | 6. Enter your income from Connecticut sources from Schedule CT-SI; (If less than or equal to zero, enter "0.") ..... 6                                       |  |                                      | ▶ 00              |
|   | 7. Enter the greater of Line 5 or Line 6 (If zero, go to Line 10 and enter "0.") ..... 7   |  |                                      | ▶ 00              |
|   | 8. Income Tax (From Tax Calculation Schedule, see instructions) ... 8  |  |                                      | ▶ 00              |
|   | 9. Divide Line 6 by Line 5 (If Line 6 is equal to or greater than Line 5, enter 1.0000.) ..... 9   | .  |                                      | .                 |
| <b>Tax</b>  | 10. Income Tax (See instructions) ..... 10   |  |                                      | ▶ 00              |
|   | 11. Credit for income taxes paid to qualifying jurisdictions (See instructions) <b>Residents and Part-Year Residents only</b> ..... 11                       |  |                                      | ▶ 00              |
|   | 12. Subtract Line 11 from Line 10 ..... 12   |  |                                      | ▶ 00              |
|   | 13. Connecticut Alternative Minimum Tax (from Form CT-6251) .... 13  |  |                                      | ▶ 00              |
|   | 14. Add Line 12 and Line 13 ..... 14   |  |                                      | ▶ 00              |
|   | 15. Credit for property tax paid on your primary residence and/or motor vehicle. <b>Residents only</b> (See instructions) ..... 15                           |  |                                      | ▶ 00              |
|   | 16. Subtract Line 15 from Line 14 (If less than or equal to zero, enter "0.") ... 16   |  |                                      | ▶ 00              |
|   | 17. Adjusted Net Connecticut Minimum Tax Credit (from Form CT-8801) .... 17  |  |                                      | ▶ 00              |
|   | 18. <b>Connecticut Income Tax</b> (Subtract Line 17 from Line 16) ..... 18   |  |                                      | ▶ 00              |
|   | 19. <b>Individual Use Tax</b> (See instructions) ..... 19  |  |                                      | ▶ 00              |
| 20. <b>Total Tax</b> (Add Line 18 and Line 19) ..... 20                           |  |  | ▶ <b>00</b>                          |                   |
| <b>Payments</b>   | 21. Connecticut tax withheld (See instructions) ..... 21   |  |                                      | ▶ 00              |
|   | 22. All 2004 estimated Connecticut income tax payments (including any overpayments applied from a prior year) and extension payments ..... 22                |  |                                      | ▶ 00              |
|   | 23. Amounts paid with original return, plus additional tax paid after it was filed ..... 23  |  |                                      | ▶ 00              |
|   | 24. Total Payments (Add Lines 21, 22, and 23) ..... 24   |  |                                      | ▶ 00              |
|   | 25. Overpayment, if any, as shown on original return (or as previously adjusted) ..... 25  |  |                                      | ▶ 00              |
|   | 26. Subtract Line 25 from Line 24 ..... 26   |  |                                      | ▶ 00              |
| <b>Refund</b>   | 27. If Line 26, Column C, is greater than Line 20, Column C, enter the <b>amount overpaid</b> <b>REFUND</b> 27   |  |                                      | ▶ 00              |
| <b>Amount You Owe</b>   | 28. If Line 20, Column C, is greater than Line 26, Column C, enter the <b>amount you owe</b> ..... 28  |  |                                      | ▶ 00              |
|   | 29. Interest (Multiply Line 28 by number of months or fraction thereof, then by 1% (.01)) ..... 29   |  |                                      | ▶ 00              |
|   | 30. <b>Amount you owe</b> with this return (Add Line 28, Column C, and Line 29, Column C) <b>AMOUNT YOU OWE</b> 30   |  |                                      | ▶ 00              |

**ATTACH A COPY OF ALL APPLICABLE SCHEDULES AND FORMS TO THIS RETURN  
SEE MAILING INSTRUCTIONS ON REVERSE — TAXPAYERS MUST SIGN DECLARATION ON REVERSE**

**SCHEDULE 1 MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME (Enter all amounts as positive numbers)**

|   |   |   |    |    |
|---|---|---|----|----|
| Additions to Federal Adjusted Gross Income<br>(See instructions, Page 3)  | 31. Interest on state and local government obligations other than Connecticut   | 31  |    | 00 |
|   | 32. Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations other than Connecticut | 32  |    | 00 |
|   | 33. Special depreciation allowance for qualified property placed in service prior to September 11, 2004                         | 33  |    | 00 |
|   | 34. Taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income                 | 34  |    | 00 |
|   | 35. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero)                                   | 35  |    | 00 |
|   | 36. Loss on sale of Connecticut state and local government bonds  | 36  |    | 00 |
|   | 37. Allocated for future use  | 37  |    |    |
|   | 38. Other - specify _____   | 38  |    | 00 |
|   | <b>39. TOTAL ADDITIONS (Add Lines 31 through 38); Enter here and on Line 2, Column C, on the front of this form.</b>            | 39  |    | 00 |
|   | Subtractions From Federal Adjusted Gross Income<br>(See instructions, Page 3)   | 40. Interest on U.S. government obligations | 40 |    |
| 41. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations                      |   | 41  |    | 00 |
| 42. Social Security benefit adjustment (See Social Security Benefit Adjustment Worksheet, Page 4)                       |   | 42  |    | 00 |
| 43. Refunds of state and local income taxes   |   | 43  |    | 00 |
| 44. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities   |   | 44  |    | 00 |
| 45. Special depreciation allowance for qualified property placed in service during the preceding year                   |   | 45  |    | 00 |
| 46. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero)                              |   | 46  |    | 00 |
| 47. Gain on sale of Connecticut state and local government bonds  |   | 47  |    | 00 |
| 48. Allocated for future use  |   | 48  |    |    |
| 49. Other - specify (Do not include out-of-state income) _____  |   | 49  |    | 00 |
| <b>50. TOTAL SUBTRACTIONS (Add Lines 40 through 49); Enter here and on Line 4, Column C, on the front of this form.</b> |   | 50  |    | 00 |

**SCHEDULE 2 CREDIT FOR INCOME TAXES PAID TO QUALIFYING JURISDICTIONS (See instructions for Form CT-1040 or Form CT-1040NR/PY)**

|   |  |    |    |    |
|---|--|----|----|----|
| <b>Important:</b><br>You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed. | <b>51. MODIFIED CONNECTICUT ADJUSTED GROSS INCOME</b>  | 51 |    | 00 |
|   | <b>FOR EACH COLUMN, ENTER THE FOLLOWING:</b>   |    |    |    |
|   | 52. Enter qualifying jurisdiction's name and two-letter code   |    |    |    |
|   | 53. Non-Connecticut income included on Line 51 and reported on a qualifying jurisdiction's income tax return (from Schedule 2 Worksheet) | 53 | 00 | 00 |
|   | 54. Divide Line 53 by Line 51 (may not exceed 1.0000)  | 54 | .  | .  |
|   | 55. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C)  | 55 | 00 | 00 |
|   | 56. Multiply Line 54 by Line 55  | 56 | 00 | 00 |
|   | 57. Income tax paid to a qualifying jurisdiction   | 57 | 00 | 00 |
|   | 58. Enter the lesser of Line 56 or Line 57   | 58 | 00 | 00 |
|   | <b>59. TOTAL CREDIT (Add Line 58, all columns)</b><br><b>Enter here and on Line 11, Column C, on the front of this form.</b>             | 59 |    | 00 |

Make your check or money order payable to: "Commissioner of Revenue Services"  
To ensure proper posting of your payment, write your Social Security Number(s) and "2004 Form CT-1040X" on your check or money order.

**MAIL TO: Department of Revenue Services  
PO Box 2978  
Hartford CT 06104-2978**

I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |                                    |      |                                      |                        |
|--|------------------------------------|------|--------------------------------------|------------------------|
| <b>Sign Here</b><br><b>Keep a copy for your records.</b> | Your Signature                     | Date | Spouse's Signature (if joint return) | Date                   |
|  | Paid Preparer's Signature          | Date | Telephone Number<br>( )              | Preparer's SSN or PTIN |
|  | Firm's Name, Address, and ZIP Code |      |                                      | FEIN                   |

**Schedule 3 - (Connecticut Residents Only) Credit for Property Taxes Paid on Your Primary Residence and/or Motor Vehicle**  
**PROPERTY TAX CREDIT WORKSHEET (Connecticut Residents Only)**

| Qualifying Property   | Primary Residence                    |    | Auto 1                               |    | Auto 2 (Married Filing Jointly Only) |        |
|---|--------------------------------------|----|--------------------------------------|----|--------------------------------------|--------|
| 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 or Bill Number (if available)  |                                      |    |                                      |    |                                      |        |
| Date(s) Paid (See instructions, below)  | ___ / ___ / 2004<br>___ / ___ / 2004 |    | ___ / ___ / 2004<br>___ / ___ / 2004 |    | ___ / ___ / 2004<br>___ / ___ / 2004 |        |
| Amount Paid   | 60.                                  | 00 | 61.                                  | 00 | 62.                                  | 00     |
| 63. Total Property Tax Paid (add Lines 60, 61, and 62.)   |                                      |    |                                      |    | 63.                                  | 00     |
| 64. Maximum property tax credit allowed   |                                      |    |                                      |    | 64.                                  | 350 00 |
| 65. Enter the lesser of Line 63 or Line 64.   |                                      |    |                                      |    | 65.                                  | 00     |
| 66. Enter the decimal amount for your filing status and Connecticut AGI from the Property Tax Credit Table exactly as it appears below. (If zero, your credit is not limited) Enter amount from Line 65 on Line 68. |                                      |    |                                      |    | 66.                                  | .      |
| 67. Multiply Line 65 by Line 66   |                                      |    |                                      |    | 67.                                  | 00     |
| 68. Subtract Line 67 from Line 65. Enter here and on Line 15, Column C, on the front of this form.  |                                      |    |                                      |    | 68.                                  | 00     |

**Line Instructions**

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Instructions for *Schedule 3 - Property Tax Credit Worksheet*, are included in the instructions for **Form CT-1040**, **Form CT-1040EZ**, or **Connecticut Telefile Tax Return**.

**Line 60 - Primary Residence**

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

**Line 61 - Auto 1**

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

**Line 62 - Married Filing Jointly Only - Auto 2**

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

**Line 66 - Decimal Amount**

Enter "0" on Line 66 and enter the amount from Line 65 on Line 68 if your:

| Filing status is:               | Connecticut adjusted gross income is: |
|---------------------------------|---------------------------------------|
| Single .....                    | \$ 55,000 or less                     |
| Married Filing Jointly .....    | \$100,500 or less                     |
| Married Filing Separately ..... | \$ 50,250 or less                     |
| Head of Household .....         | \$ 78,500 or less                     |

Otherwise, enter the decimal amount from the *Property Tax Credit Table* (below) on **Form CT-1040X**, *Schedule 3*, Line 66.

**PROPERTY TAX CREDIT TABLE**

Use your filing status shown on **Form CT-1040X** and your Connecticut AGI - **Form CT-1040X**, Line 5, Column C.

| Single | Connecticut AGI is: |                       |                |
|--------|---------------------|-----------------------|----------------|
|        | More Than           | Less Than or Equal to | Decimal Amount |
|        | \$0                 | \$55,000              | 0              |
|        | \$55,000            | \$65,000              | .10            |
|        | \$65,000            | \$75,000              | .20            |
|        | \$75,000            | \$85,000              | .30            |
|        | \$85,000            | \$95,000              | .40            |
|        | \$95,000            | \$105,000             | .50            |
|        | \$105,000           | \$115,000             | .60            |
|        | \$115,000           | \$125,000             | .70            |
|        | \$125,000           | \$135,000             | .80            |
|        | \$135,000           | \$145,000             | .90            |
|        | \$145,000           | and up                | 1.00           |

| Married Filing Jointly | Connecticut AGI is: |                       |                |
|------------------------|---------------------|-----------------------|----------------|
|                        | More Than           | Less Than or Equal to | Decimal Amount |
|                        | \$0                 | \$100,500             | 0              |
|                        | \$100,500           | \$110,500             | .10            |
|                        | \$110,500           | \$120,500             | .20            |
|                        | \$120,500           | \$130,500             | .30            |
|                        | \$130,500           | \$140,500             | .40            |
|                        | \$140,500           | \$150,500             | .50            |
|                        | \$150,500           | \$160,500             | .60            |
|                        | \$160,500           | \$170,500             | .70            |
|                        | \$170,500           | \$180,500             | .80            |
|                        | \$180,500           | \$190,500             | .90            |
|                        | \$190,500           | and up                | 1.00           |

| Married Filing Separately | Connecticut AGI is: |                       |                |
|---------------------------|---------------------|-----------------------|----------------|
|                           | More Than           | Less Than or Equal to | Decimal Amount |
|                           | \$0                 | \$50,250              | 0              |
|                           | \$50,250            | \$55,250              | .10            |
|                           | \$55,250            | \$60,250              | .20            |
|                           | \$60,250            | \$65,250              | .30            |
|                           | \$65,250            | \$70,250              | .40            |
|                           | \$70,250            | \$75,250              | .50            |
|                           | \$75,250            | \$80,250              | .60            |
|                           | \$80,250            | \$85,250              | .70            |
|                           | \$85,250            | \$90,250              | .80            |
|                           | \$90,250            | \$95,250              | .90            |
|                           | \$95,250            | and up                | 1.00           |

| Head of Household | Connecticut AGI is: |                       |                |
|-------------------|---------------------|-----------------------|----------------|
|                   | More Than           | Less Than or Equal to | Decimal Amount |
|                   | \$0                 | \$78,500              | 0              |
|                   | \$78,500            | \$88,500              | .10            |
|                   | \$88,500            | \$98,500              | .20            |
|                   | \$98,500            | \$108,500             | .30            |
|                   | \$108,500           | \$118,500             | .40            |
|                   | \$118,500           | \$128,500             | .50            |
|                   | \$128,500           | \$138,500             | .60            |
|                   | \$138,500           | \$148,500             | .70            |
|                   | \$148,500           | \$158,500             | .80            |
|                   | \$158,500           | \$168,500             | .90            |
|                   | \$168,500           | and up                | 1.00           |

**TABLE A - EXEMPTIONS FOR 2004 TAXABLE YEAR**

Use your filing status shown on the front of **Form CT-1040X** and your CONNECTICUT AGI (From *Tax Calculation Schedule*, Line 1) to determine your exemption.

| Single          |                       |           | Married Filing Jointly/Qualified Widow(er) |                       |           | Married Filing Separately |                       |           | Head of Household |                       |           |
|-----------------|-----------------------|-----------|--|-----------------------|-----------|---------------------------|-----------------------|-----------|-------------------|-----------------------|-----------|
| CONNECTICUT AGI |                       | EXEMPTION | 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 |           | More Than         | Less Than Or Equal To |           |
| \$ 0            | \$25,250              | \$12,625  | \$ 0                                       | \$48,000              | \$24,000  | \$ 0                      | \$24,000              | \$12,000  | \$ 0              | \$38,000              | \$19,000  |
| \$25,250        | \$26,250              | \$11,625  | \$48,000                                   | \$49,000              | \$23,000  | \$24,000                  | \$25,000              | \$11,000  | \$38,000          | \$39,000              | \$18,000  |
| \$26,250        | \$27,250              | \$10,625  | \$49,000                                   | \$50,000              | \$22,000  | \$25,000                  | \$26,000              | \$10,000  | \$39,000          | \$40,000              | \$17,000  |
| \$27,250        | \$28,250              | \$ 9,625  | \$50,000                                   | \$51,000              | \$21,000  | \$26,000                  | \$27,000              | \$ 9,000  | \$40,000          | \$41,000              | \$16,000  |
| \$28,250        | \$29,250              | \$ 8,625  | \$51,000                                   | \$52,000              | \$20,000  | \$27,000                  | \$28,000              | \$ 8,000  | \$41,000          | \$42,000              | \$15,000  |
| \$29,250        | \$30,250              | \$ 7,625  | \$52,000                                   | \$53,000              | \$19,000  | \$28,000                  | \$29,000              | \$ 7,000  | \$42,000          | \$43,000              | \$14,000  |
| \$30,250        | \$31,250              | \$ 6,625  | \$53,000                                   | \$54,000              | \$18,000  | \$29,000                  | \$30,000              | \$ 6,000  | \$43,000          | \$44,000              | \$13,000  |
| \$31,250        | \$32,250              | \$ 5,625  | \$54,000                                   | \$55,000              | \$17,000  | \$30,000                  | \$31,000              | \$ 5,000  | \$44,000          | \$45,000              | \$12,000  |
| \$32,250        | \$33,250              | \$ 4,625  | \$55,000                                   | \$56,000              | \$16,000  | \$31,000                  | \$32,000              | \$ 4,000  | \$45,000          | \$46,000              | \$11,000  |
| \$33,250        | \$34,250              | \$ 3,625  | \$56,000                                   | \$57,000              | \$15,000  | \$32,000                  | \$33,000              | \$ 3,000  | \$46,000          | \$47,000              | \$10,000  |
| \$34,250        | \$35,250              | \$ 2,625  | \$57,000                                   | \$58,000              | \$14,000  | \$33,000                  | \$34,000              | \$ 2,000  | \$47,000          | \$48,000              | \$ 9,000  |
| \$35,250        | \$36,250              | \$ 1,625  | \$58,000                                   | \$59,000              | \$13,000  | \$34,000                  | \$35,000              | \$ 1,000  | \$48,000          | \$49,000              | \$ 8,000  |
| \$36,250        | \$37,250              | \$ 625    | \$59,000                                   | \$60,000              | \$12,000  | \$35,000                  | and up                | \$ 0      | \$49,000          | \$50,000              | \$ 7,000  |
| \$37,250        | and up                | \$ 0      | \$60,000                                   | \$61,000              | \$11,000  |                           |                       |           | \$50,000          | \$51,000              | \$ 6,000  |
|                 |                       |           | \$61,000                                   | \$62,000              | \$10,000  |                           |                       |           | \$51,000          | \$52,000              | \$ 5,000  |
|                 |                       |           | \$62,000                                   | \$63,000              | \$ 9,000  |                           |                       |           | \$52,000          | \$53,000              | \$ 4,000  |
|                 |                       |           | \$63,000                                   | \$64,000              | \$ 8,000  |                           |                       |           | \$53,000          | \$54,000              | \$ 3,000  |
|                 |                       |           | \$64,000                                   | \$65,000              | \$ 7,000  |                           |                       |           | \$54,000          | \$55,000              | \$ 2,000  |
|                 |                       |           | \$65,000                                   | \$66,000              | \$ 6,000  |                           |                       |           | \$55,000          | \$56,000              | \$ 1,000  |
|                 |                       |           | \$66,000                                   | \$67,000              | \$ 5,000  |                           |                       |           | \$56,000          | and up                | \$ 0      |
|                 |                       |           | \$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 FOR 2004 TAXABLE YEAR**

Use your filing status shown on the front of **Form CT-1040X**.

| Single/Married Filing Separately   | Married Filing Jointly/Qualifying Widow(er)  | Head of Household  |
|--|--|--|
| <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$10,000, multiply by .03.<br>More than \$10,000, multiply the excess over \$10,000 by .05 and add \$300.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$20,000, multiply by .03.<br>More than \$20,000, multiply the excess over \$20,000 by .05 and add \$600.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$16,000, multiply by .03.<br>More than \$16,000, multiply the excess over \$16,000 by .05 and add \$480.00. |
| <b>EXAMPLE:</b> If the amount on Line 3 is \$13,000 enter \$450.00 on Line 4.<br>\$13,000 - \$10,000 = \$3,000<br>\$3,000 x .05 = \$150.00<br>\$150.00 + \$300.00 = \$450.00                             | <b>EXAMPLE:</b> If the amount on Line 3 is \$22,500 enter \$725.00 on Line 4.<br>\$22,500 - \$20,000 = \$2,500<br>\$2,500 x .05 = \$125.00<br>\$125.00 + \$600.00 = \$725.00                             | <b>EXAMPLE:</b> If the amount on Line 3 is \$20,000 enter \$680.00 on Line 4.<br>\$20,000 - \$16,000 = \$4,000<br>\$4,000 x .05 = \$200.00<br>\$200.00 + \$480.00 = \$680.00                             |

**TABLE C - PERSONAL TAX CREDITS FOR 2004 TAXABLE YEAR**

Use your filing status shown on the front of **Form CT-1040X** and your CONNECTICUT AGI (From *Tax Calculation Schedule*, Line 1) to determine your decimal amount.

| Single          |                       |                | Married Filing Jointly/Qualified Widow(er) |                       |                | Married Filing Separately |                       |                | Head of Household |                       |                |
|-----------------|-----------------------|----------------|--|-----------------------|----------------|---------------------------|-----------------------|----------------|-------------------|-----------------------|----------------|
| CONNECTICUT AGI |                       | DECIMAL AMOUNT | CONNECTICUT AGI                            |                       | DECIMAL AMOUNT | CONNECTICUT AGI           |                       | DECIMAL AMOUNT | CONNECTICUT AGI   |                       | DECIMAL AMOUNT |
| More Than       | Less Than Or Equal To |                | More Than                                  | Less Than Or Equal To |                | More Than                 | Less Than Or Equal To |                | More Than         | Less Than Or Equal To |                |
| \$12,625        | \$15,750              | .75            | \$24,000                                   | \$30,000              | .75            | \$12,000                  | \$15,000              | .75            | \$19,000          | \$24,000              | .75            |
| \$15,750        | \$16,250              | .70            | \$30,000                                   | \$30,500              | .70            | \$15,000                  | \$15,500              | .70            | \$24,000          | \$24,500              | .70            |
| \$16,250        | \$16,750              | .65            | \$30,500                                   | \$31,000              | .65            | \$15,500                  | \$16,000              | .65            | \$24,500          | \$25,000              | .65            |
| \$16,750        | \$17,250              | .60            | \$31,000                                   | \$31,500              | .60            | \$16,000                  | \$16,500              | .60            | \$25,000          | \$25,500              | .60            |
| \$17,250        | \$17,750              | .55            | \$31,500                                   | \$32,000              | .55            | \$16,500                  | \$17,000              | .55            | \$25,500          | \$26,000              | .55            |
| \$17,750        | \$18,250              | .50            | \$32,000                                   | \$32,500              | .50            | \$17,000                  | \$17,500              | .50            | \$26,000          | \$26,500              | .50            |
| \$18,250        | \$18,750              | .45            | \$32,500                                   | \$33,000              | .45            | \$17,500                  | \$18,000              | .45            | \$26,500          | \$27,000              | .45            |
| \$18,750        | \$19,250              | .40            | \$33,000                                   | \$33,500              | .40            | \$18,000                  | \$18,500              | .40            | \$27,000          | \$27,500              | .40            |
| \$19,250        | \$21,050              | .35            | \$33,500                                   | \$40,000              | .35            | \$18,500                  | \$20,000              | .35            | \$27,500          | \$34,000              | .35            |
| \$21,050        | \$21,550              | .30            | \$40,000                                   | \$40,500              | .30            | \$20,000                  | \$20,500              | .30            | \$34,000          | \$34,500              | .30            |
| \$21,550        | \$22,050              | .25            | \$40,500                                   | \$41,000              | .25            | \$20,500                  | \$21,000              | .25            | \$34,500          | \$35,000              | .25            |
| \$22,050        | \$22,550              | .20            | \$41,000                                   | \$41,500              | .20            | \$21,000                  | \$21,500              | .20            | \$35,000          | \$35,500              | .20            |
| \$22,550        | \$26,300              | .15            | \$41,500                                   | \$50,000              | .15            | \$21,500                  | \$25,000              | .15            | \$35,500          | \$44,000              | .15            |
| \$26,300        | \$26,800              | .14            | \$50,000                                   | \$50,500              | .14            | \$25,000                  | \$25,500              | .14            | \$44,000          | \$44,500              | .14            |
| \$26,800        | \$27,300              | .13            | \$50,500                                   | \$51,000              | .13            | \$25,500                  | \$26,000              | .13            | \$44,500          | \$45,000              | .13            |
| \$27,300        | \$27,800              | .12            | \$51,000                                   | \$51,500              | .12            | \$26,000                  | \$26,500              | .12            | \$45,000          | \$45,500              | .12            |
| \$27,800        | \$28,300              | .11            | \$51,500                                   | \$52,000              | .11            | \$26,500                  | \$27,000              | .11            | \$45,500          | \$46,000              | .11            |
| \$28,300        | \$50,500              | .10            | \$52,000                                   | \$96,000              | .10            | \$27,000                  | \$48,000              | .10            | \$46,000          | \$74,000              | .10            |
| \$50,500        | \$51,000              | .09            | \$96,000                                   | \$96,500              | .09            | \$48,000                  | \$48,500              | .09            | \$74,000          | \$74,500              | .09            |
| \$51,000        | \$51,500              | .08            | \$96,500                                   | \$97,000              | .08            | \$48,500                  | \$49,000              | .08            | \$74,500          | \$75,000              | .08            |
| \$51,500        | \$52,000              | .07            | \$97,000                                   | \$97,500              | .07            | \$49,000                  | \$49,500              | .07            | \$75,000          | \$75,500              | .07            |
| \$52,000        | \$52,500              | .06            | \$97,500                                   | \$98,000              | .06            | \$49,500                  | \$50,000              | .06            | \$75,500          | \$76,000              | .06            |
| \$52,500        | \$53,000              | .05            | \$98,000                                   | \$98,500              | .05            | \$50,000                  | \$50,500              | .05            | \$76,000          | \$76,500              | .05            |
| \$53,000        | \$53,500              | .04            | \$98,500                                   | \$99,000              | .04            | \$50,500                  | \$51,000              | .04            | \$76,500          | \$77,000              | .04            |
| \$53,500        | \$54,000              | .03            | \$99,000                                   | \$99,500              | .03            | \$51,000                  | \$51,500              | .03            | \$77,000          | \$77,500              | .03            |
| \$54,000        | \$54,500              | .02            | \$99,500                                   | \$100,000             | .02            | \$51,500                  | \$52,000              | .02            | \$77,500          | \$78,000              | .02            |
| \$54,500        | \$55,000              | .01            | \$100,000                                  | \$100,500             | .01            | \$52,000                  | \$52,500              | .01            | \$78,000          | \$78,500              | .01            |
| \$55,000        | and up                | .00            | \$100,500                                  | and up                | .00            | \$52,500                  | and up                | .00            | \$78,500          | and up                | .00            |

## Amended Connecticut Income Tax Return and Instructions

**Purpose:** Use this form to amend a previously-filed 2005 Connecticut income tax return for individuals. This form may not be used to amend any other year's return. **Do not** use this form to amend **Form CT-1041** or **Form CT-1065/CT-1120SI**.

If **Form CT-1040X** is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting any

Connecticut income tax overpayment expires three years after the due date of the return, but if a timely request for an extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return or three years after the date of filing the return, whichever is earlier. If you were required to file an amended return, but failed to do so, a penalty may be imposed. Interest will also be assessed on any additional Connecticut income tax not paid on or before the due date.

### The following circumstances require the filing of Form CT-1040X:

|  |   |
|--|---|
| <p>1. The IRS or federal courts change or correct your federal income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. You filed a timely amended federal income tax return and the amendment results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than 90 days after the date you filed your timely amended federal return.</b> If you file Form CT-1040X no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and the tax officials or courts of the qualifying jurisdiction made a change or correction to your income tax return and the change or correction results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p> | <p><b>File Form CT-1040X no later than 90 days after the final determination.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. You claimed a credit for income tax paid to a qualifying jurisdiction on your original income tax return and you filed a timely amended income tax return with that qualifying jurisdiction and the amendment results in your Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of your allowable credit).</p>  | <p><b>File Form CT-1040X no later than 90 days after the date you filed your amended return with the qualifying jurisdiction.</b> If you file Form CT-1040X no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to you, even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. If none of the above circumstances apply, but you made a mistake or omission on your Connecticut income tax return and the mistake or omission results in your Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File Form CT-1040X no later than three years after the due date of your return,</b> or if you filed a timely request for an extension of time to file, three years after the date of filing the return or three years after the extended due date, whichever is earlier.</p>  |

**Do not file Form CT-1040X** for any of the following reasons:

- To have an overpayment refunded instead of applied to next year's estimated tax or to change your contributions to designated charities. The elections that you made on your original return **cannot** be changed by filing Form CT-1040X.
- To amend your Connecticut income tax return for an earlier year to claim a credit for income tax paid on income included in your Connecticut adjusted gross income for that year and repaid in a later taxable year. File **Schedule CT-1040CRC, Claim of Right Credit**, with your Connecticut income tax return for the later taxable year.

**Financial Disability:** If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period that your spouse or any other person is authorized to act on your behalf in financial matters.

Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions* are included in the instructions for **Form CT-1040** and **Form CT-1040NR/PY**.

## Steps to Completing Form CT-1040X

**Step 1** - Refer to your original return and identify all changes that need to be made.

**Step 2** - Find corresponding line items on Form CT-1040X. Line numbers on Form CT-1040X may be different from the line numbers on your original return.

**Step 3** - Complete *Schedules 1, 2, and 3*. Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return.

**Step 4** - Use Column A to enter the amounts shown on your original or previously adjusted return. Line numbers on Form CT-1040X may be different from the line numbers on your original return. For example, if you telefiled your Connecticut income tax return, add the amounts reported on **Connecticut Telefile Tax Return**, Line 11 and Line 12, and subtract the amount reported on Line 9 from the total. Enter the result on Form CT-1040X, Line 10, Column A.

**Step 5** - Use Column B to enter the net increase or decrease for each line that you are changing.

**Step 6** - Explain each change in the space provided on the front of Form CT-1040X.

**Step 7** - 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.

## Form CT-1040X Instructions

### Filing Status

Generally, your filing status must match your federal income tax filing status for the year. 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 separately. 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 separately, **unless** they file jointly for federal income tax purposes, **and** they elect to be treated as if both were Connecticut residents for the entire taxable year. See *Special Rules for Married Individuals* in the instructions to **Form CT-1040EZ**, **Form CT-1040**, or **Form CT-1040NR/PY**.

**Line 2 and Line 4** - Enter the amount from *Schedule 1*, Line 39, on Line 2, Column C, and the amount from *Schedule 1*, Line 50, on Line 4, Column C.

**Lines 6 through 9 - Nonresidents and Part-Year Residents Only:** Refer to your previously-filed Form CT-1040NR/PY when completing this section. Attach a copy of your corrected **Schedule CT-SI**, *Nonresident or Part-Year Resident Schedule of Income from Connecticut Sources*. **Part-Year Residents:** Also attach a copy of your corrected **Schedule CT-1040AW**, *Part-Year Resident Income Allocation*.

**Line 8** - Calculate the tax on the amount you entered on Line 7, Column C, using the *2005 Tax Calculation Schedule* below. 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 *2005 Tax Calculation Schedule* below. Enter the result on Line 10, Column C.

**Nonresidents and Part-Year Residents:** Multiply Line 9, Column C, by Line 8, Column C. Enter the result on Line 10, Column C.

**Line 11 - Residents and Part-Year Residents:** Enter the amount from *Schedule 2*, Line 59, on Line 11, Column C. See instructions to Form CT-1040 or Form CT-1040NR/PY.

**Line 13** - If changes are being made to your Connecticut Alternative Minimum Tax, you must complete a corrected **Form CT-6251**. Write the word "Amended" across the top and attach it to Form CT-1040X.

**Line 15 - Residents:** Enter the amount from *Schedule 3*, Line 68, on Line 15, Column C.

**Nonresidents and Part-Year Residents:** Enter "0" 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**. Write the word "Amended" across the top and attach it to Form CT-1040X.

**Line 19** - If changes are being made to your Connecticut Individual Use Tax, you must complete a corrected individual use tax schedule or worksheet. Write the word "Amended" across the top and attach it to Form CT-1040X.

**Line 21** - If changes are being made to your Connecticut income tax withholding, complete the *Withholding Schedule* on Form CT-1040X, Page 2, and enter the total from Line 60. You must complete all columns or your withholding will be disallowed. **Do not** send Forms W2, W2-G, 1099, or Schedule CT K-1 with your return. If the withholding you are reporting is from Schedule CT K-1, check the box on the withholding schedule. If you have more than seven federal Forms W2, W2-G, and 1099, you must complete Supplemental Schedule

## 2005 Tax Calculation Schedule

|   |    |   |  |
|---|----|---|--|
| 1. <b>Residents:</b> Enter the amount from 2005 Form CT-1040X, Line 5, Column C.<br><b>Nonresidents and Part-Year Residents:</b> Enter the amount from 2005 Form CT-1040X, Line 7, Column C.                                      | 1. |   |  |
| 2. Enter personal exemption. (See Table A, Page 5.)   | 2. |   |  |
| 3. Connecticut Taxable Income (Subtract Line 2 from Line 1. If less than zero, enter "0.")  | 3. |   |  |
| 4. Enter Connecticut income tax. (See Table B, Page 5.)   | 4. |   |  |
| 5. Enter decimal amount. (See Table C, Page 5. If zero, enter "0.")   | 5. |   |  |
| 6. Multiply the amount on Line 4 by the decimal amount on Line 5.   | 6. | . |  |
| 7. Connecticut Income Tax (Subtract Line 6 from Line 4.)<br>Residents: Enter this amount on 2005 Form CT-1040X, Line 10, Column C.<br>Nonresidents and Part-Year Residents: Enter this amount on Form CT-1040X, Line 8, Column C. | 7. |   |  |



CT-1040WH and attach it to the back of your amended Connecticut income tax return. Enter the total from Supplemental Schedule CT-1040WH, Line 3, on Line 60h, Column C. Forms are available from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS).

### Interest

Interest at 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 fifteenth day of the next month. Any fraction of a month is considered a whole month.

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## Schedule 1 - Modifications to Federal Adjusted Gross Income

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Enter all amounts as positive numbers. See instructions for **Form CT-1040** or **Form CT-1040NR/PY**.

### Additions to Federal Adjusted Gross Income

#### Line 31 - 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 is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, or U.S. Virgin Islands.

#### Line 32 - Mutual Fund Exempt-Interest Dividends From Non-Connecticut 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, or U.S. Virgin Islands.

#### Line 34 - 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 34. Do not enter any part of the distribution reported on federal Form 1040, Line 16a; federal Form 1040A, Line 12a; or federal Form 1040, Schedule D.

#### Line 35 - Beneficiary's Share of Connecticut Fiduciary Adjustment

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of the Connecticut fiduciary adjustment) that applies to the income will be shown on **Schedule CT-1041B**, Part 1, 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 35. 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 35.

### Line 36 - 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

See instructions for Form CT-1040 or Form CT-1040NR/PY for information.

## Subtractions From Federal Adjusted Gross Income

### Line 40 - Interest on U.S. 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 Savings Bonds Series EE or Series HH and U.S. Treasury bills or notes).

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

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 on any federal income tax refund.

### Line 41 - Exempt Dividends From Certain 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.

Do not enter the amount of dividend 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.

### Line 42 - Social Security Benefit Adjustment

If your filing status is Single or Married Filing Separately and the amount reported on Form CT-1040X, Line 1, Column C, is **less than \$50,000**; or Married Filing Jointly or Head of Household and the amount reported on Form CT-1040X, Line 1, Column C, is **less than \$60,000**, the amount of federally taxable Social Security benefits from 2005 federal Form 1040, Line 20b, or federal Form 1040A, Line 14b.

If your federal adjusted gross income is above the threshold for your filing status and you used the worksheets contained in the instructions to federal Form 1040 or federal Form 1040A to calculate the amount of taxable Social Security benefits, complete the *Social Security Benefit Adjustment Worksheet* below and enter the amount from Line F on Line 42. If you did not use these worksheets, but instead used worksheets contained in federal Publication 590 or federal Publication 915, see **Announcement 2001(4)**, *Taxability of Social Security Benefits for Connecticut Income Tax Purposes*.

**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 Line 10 of your federal Form 1040 is blank, or if you filed federal Forms 1040A or 1040EZ, enter "0."

**Line 44 - Tier 1 and Tier 2 Railroad Retirement Benefits and Supplemental Annuities**

If you received Tier 1 or Tier 2, or both, railroad retirement benefits and supplemental annuities during 2005, you may deduct the amount included in your federal adjusted gross income but only to the extent such benefits were not already subtracted from federal adjusted gross income on Line 42 (Social Security Benefit Adjustment). Enter on Line 44 the balance not already subtracted on Line 42 of Tier 1 and Tier 2 railroad retirement benefits reported on federal Form 1040, Line 16b or Line 20b, or federal Form 1040A, Line 12b or Line 14b. 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 - Special Depreciation Allowance for Qualified Property Placed in Service During the Preceding Year**

If you added bonus depreciation to your federal adjusted gross income on Line 32 of your **2002, 2003, or 2004 Form**

**CT-1040**, you may subtract 25% of that bonus depreciation amount. See **Special Notice 2003(21)**, *2003 Legislation Affecting the Connecticut Income Tax*.

**Line 46 - Beneficiary's Share of Connecticut Fiduciary Adjustment**

If you have any income from an estate or trust, your share of any Connecticut modifications (that is, your share of the Connecticut fiduciary adjustment) that applies to the income will be shown on Schedule CT-1041B, Part 1, 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 35.

If you are a beneficiary of more than one trust or estate, enter the net amount of all 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 49 - Other**

See instructions for Form CT-1040 or Form CT-1040NR/PY for information.

**Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions**

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions* are included in the instructions for Form CT-1040 and Form CT-1040NR/PY.

**Social Security Benefit Adjustment Worksheet - Line 42**

Enter the amount from **Form CT-1040X**, Line 1, Column C.

If your filing status is **Single** or **Married Filing Separately**, is the amount on Line 1 \$50,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Line 42.

If your filing status is **Married Filing Jointly** or **Head of Household**, is the amount on Line 1 \$60,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security benefits you reported on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on Line 42.

|  |    |  |
|--|----|--|
| A. Enter the amount reported on your 2005 federal Social Security Benefits Worksheet, Line 1.<br><b>If Line A is zero or less, stop here and enter "0" on Line 42. Otherwise, go to Line B.</b>  | A. |  |
| B. Enter the amount reported on your 2005 federal Social Security Benefits Worksheet, Line 9. However, if married filing separately and you lived apart from your spouse at any time during 2005, enter the amount reported on Line 7 of your federal Social Security Benefits Worksheet.<br><b>If Line B is zero or less, stop here. Otherwise, go to Line C.</b> | B. |  |
| C. Enter the lesser of Line A or Line B.   | C. |  |
| D. Multiply Line C by 25% (.25).   | D. |  |
| E. Taxable amount of Social Security benefits reported on your 2005 federal Social Security Benefits Worksheet, Line 18.   | E. |  |
| F. <b>Social Security Benefit Adjustment</b> - Subtract Line D from Line E. Enter the amount here and on <b>Form CT-1040X</b> , <i>Schedule 1</i> , Line 42. (If Line D is greater than or equal to Line E, enter "0.")  | F. |  |

### Table A - Exemptions for 2005 Taxable Year

Use your filing status shown on the front of **Form CT-1040X** and your Connecticut AGI (From *Tax Calculation Schedule*, Line 1) to determine your exemption.

| Single          |                       |           | Married Filing Jointly/Qualified Widow(er) |                       |           | Married Filing Separately |                       |           | Head of Household |                       |           |
|-----------------|-----------------------|-----------|--|-----------------------|-----------|---------------------------|-----------------------|-----------|-------------------|-----------------------|-----------|
| Connecticut AGI |                       | Exemption | 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 |           | More Than         | Less Than or Equal To |           |
| \$ 0            | \$25,250              | \$12,625  | \$ 0                                       | \$48,000              | \$24,000  | \$ 0                      | \$24,000              | \$12,000  | \$ 0              | \$38,000              | \$19,000  |
| \$25,250        | \$26,250              | \$11,625  | \$48,000                                   | \$49,000              | \$23,000  | \$24,000                  | \$25,000              | \$11,000  | \$38,000          | \$39,000              | \$18,000  |
| \$26,250        | \$27,250              | \$10,625  | \$49,000                                   | \$50,000              | \$22,000  | \$25,000                  | \$26,000              | \$10,000  | \$39,000          | \$40,000              | \$17,000  |
| \$27,250        | \$28,250              | \$ 9,625  | \$50,000                                   | \$51,000              | \$21,000  | \$26,000                  | \$27,000              | \$ 9,000  | \$40,000          | \$41,000              | \$16,000  |
| \$28,250        | \$29,250              | \$ 8,625  | \$51,000                                   | \$52,000              | \$20,000  | \$27,000                  | \$28,000              | \$ 8,000  | \$41,000          | \$42,000              | \$15,000  |
| \$29,250        | \$30,250              | \$ 7,625  | \$52,000                                   | \$53,000              | \$19,000  | \$28,000                  | \$29,000              | \$ 7,000  | \$42,000          | \$43,000              | \$14,000  |
| \$30,250        | \$31,250              | \$ 6,625  | \$53,000                                   | \$54,000              | \$18,000  | \$29,000                  | \$30,000              | \$ 6,000  | \$43,000          | \$44,000              | \$13,000  |
| \$31,250        | \$32,250              | \$ 5,625  | \$54,000                                   | \$55,000              | \$17,000  | \$30,000                  | \$31,000              | \$ 5,000  | \$44,000          | \$45,000              | \$12,000  |
| \$32,250        | \$33,250              | \$ 4,625  | \$55,000                                   | \$56,000              | \$16,000  | \$31,000                  | \$32,000              | \$ 4,000  | \$45,000          | \$46,000              | \$11,000  |
| \$33,250        | \$34,250              | \$ 3,625  | \$56,000                                   | \$57,000              | \$15,000  | \$32,000                  | \$33,000              | \$ 3,000  | \$46,000          | \$47,000              | \$10,000  |
| \$34,250        | \$35,250              | \$ 2,625  | \$57,000                                   | \$58,000              | \$14,000  | \$33,000                  | \$34,000              | \$ 2,000  | \$47,000          | \$48,000              | \$ 9,000  |
| \$35,250        | \$36,250              | \$ 1,625  | \$58,000                                   | \$59,000              | \$13,000  | \$34,000                  | \$35,000              | \$ 1,000  | \$48,000          | \$49,000              | \$ 8,000  |
| \$36,250        | \$37,250              | \$ 625    | \$59,000                                   | \$60,000              | \$12,000  | \$35,000                  | and up                | \$ 0      | \$49,000          | \$50,000              | \$ 7,000  |
| \$37,250        | and up                | \$ 0      | \$60,000                                   | \$61,000              | \$11,000  |                           |                       |           | \$50,000          | \$51,000              | \$ 6,000  |
|                 |                       |           | \$61,000                                   | \$62,000              | \$10,000  |                           |                       |           | \$51,000          | \$52,000              | \$ 5,000  |
|                 |                       |           | \$62,000                                   | \$63,000              | \$ 9,000  |                           |                       |           | \$52,000          | \$53,000              | \$ 4,000  |
|                 |                       |           | \$63,000                                   | \$64,000              | \$ 8,000  |                           |                       |           | \$53,000          | \$54,000              | \$ 3,000  |
|                 |                       |           | \$64,000                                   | \$65,000              | \$ 7,000  |                           |                       |           | \$54,000          | \$55,000              | \$ 2,000  |
|                 |                       |           | \$65,000                                   | \$66,000              | \$ 6,000  |                           |                       |           | \$55,000          | \$56,000              | \$ 1,000  |
|                 |                       |           | \$66,000                                   | \$67,000              | \$ 5,000  |                           |                       |           | \$56,000          | and up                | \$ 0      |
|                 |                       |           | \$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 for 2005 Taxable Year

Use your filing status shown on the front of **Form CT-1040X**.

| Single/Married Filing Separately  | Married Filing Jointly/Qualifying Widow(er)   | Head of Household   |
|---|---|---|
| <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$10,000, multiply by .03.<br>More than \$10,000, multiply the excess over \$10,000 by .05 and add \$300. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$20,000, multiply by .03.<br>More than \$20,000, multiply the excess over \$20,000 by .05 and add \$600. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$16,000, multiply by .03.<br>More than \$16,000, multiply the excess over \$16,000 by .05 and add \$480. |
| <b>Example:</b> If the amount on Line 3 is \$13,000, enter \$450 on Line 4.<br>\$13,000 - \$10,000 = \$3,000<br>\$3,000 x .05 = \$150<br>\$150 + \$300 = \$450  | <b>Example:</b> If the amount on Line 3 is \$22,500, enter \$725 on Line 4.<br>\$22,500 - \$20,000 = \$2,500<br>\$2,500 x .05 = \$125<br>\$125 + \$600 = \$725  | <b>Example:</b> If the amount on Line 3 is \$20,000, enter \$680 on Line 4.<br>\$20,000 - \$16,000 = \$4,000<br>\$4,000 x .05 = \$200<br>\$200 + \$480 = \$680  |

### Table C - Personal Tax Credits for 2005 Taxable Year

Use your filing status shown on the front of **Form CT-1040X** and your Connecticut AGI (From *Tax Calculation Schedule*, Line 1) to determine your decimal amount.

| Single          |                       |                | Married Filing Jointly/Qualified Widow(er) |                       |                | Married Filing Separately |                       |                | Head of Household |                       |                |
|-----------------|-----------------------|----------------|--|-----------------------|----------------|---------------------------|-----------------------|----------------|-------------------|-----------------------|----------------|
| Connecticut AGI |                       | Decimal Amount | Connecticut AGI                            |                       | Decimal Amount | Connecticut AGI           |                       | Decimal Amount | Connecticut AGI   |                       | Decimal Amount |
| More Than       | Less Than or Equal To |                | More Than                                  | Less Than or Equal To |                | More Than                 | Less Than or Equal To |                | More Than         | Less Than or Equal To |                |
| \$12,625        | \$15,750              | .75            | \$24,000                                   | \$30,000              | .75            | \$12,000                  | \$15,000              | .75            | \$19,000          | \$24,000              | .75            |
| \$15,750        | \$16,250              | .70            | \$30,000                                   | \$30,500              | .70            | \$15,000                  | \$15,500              | .70            | \$24,000          | \$24,500              | .70            |
| \$16,250        | \$16,750              | .65            | \$30,500                                   | \$31,000              | .65            | \$15,500                  | \$16,000              | .65            | \$24,500          | \$25,000              | .65            |
| \$16,750        | \$17,250              | .60            | \$31,000                                   | \$31,500              | .60            | \$16,000                  | \$16,500              | .60            | \$25,000          | \$25,500              | .60            |
| \$17,250        | \$17,750              | .55            | \$31,500                                   | \$32,000              | .55            | \$16,500                  | \$17,000              | .55            | \$25,500          | \$26,000              | .55            |
| \$17,750        | \$18,250              | .50            | \$32,000                                   | \$32,500              | .50            | \$17,000                  | \$17,500              | .50            | \$26,000          | \$26,500              | .50            |
| \$18,250        | \$18,750              | .45            | \$32,500                                   | \$33,000              | .45            | \$17,500                  | \$18,000              | .45            | \$26,500          | \$27,000              | .45            |
| \$18,750        | \$19,250              | .40            | \$33,000                                   | \$33,500              | .40            | \$18,000                  | \$18,500              | .40            | \$27,000          | \$27,500              | .40            |
| \$19,250        | \$21,050              | .35            | \$33,500                                   | \$40,000              | .35            | \$18,500                  | \$20,000              | .35            | \$27,500          | \$34,000              | .35            |
| \$21,050        | \$21,550              | .30            | \$40,000                                   | \$40,500              | .30            | \$20,000                  | \$20,500              | .30            | \$34,000          | \$34,500              | .30            |
| \$21,550        | \$22,050              | .25            | \$40,500                                   | \$41,000              | .25            | \$20,500                  | \$21,000              | .25            | \$34,500          | \$35,000              | .25            |
| \$22,050        | \$22,550              | .20            | \$41,000                                   | \$41,500              | .20            | \$21,000                  | \$21,500              | .20            | \$35,000          | \$35,500              | .20            |
| \$22,550        | \$26,300              | .15            | \$41,500                                   | \$50,000              | .15            | \$21,500                  | \$25,000              | .15            | \$35,500          | \$44,000              | .15            |
| \$26,300        | \$26,800              | .14            | \$50,000                                   | \$50,500              | .14            | \$25,000                  | \$25,500              | .14            | \$44,000          | \$44,500              | .14            |
| \$26,800        | \$27,300              | .13            | \$50,500                                   | \$51,000              | .13            | \$25,500                  | \$26,000              | .13            | \$44,500          | \$45,000              | .13            |
| \$27,300        | \$27,800              | .12            | \$51,000                                   | \$51,500              | .12            | \$26,000                  | \$26,500              | .12            | \$45,000          | \$45,500              | .12            |
| \$27,800        | \$28,300              | .11            | \$51,500                                   | \$52,000              | .11            | \$26,500                  | \$27,000              | .11            | \$45,500          | \$46,000              | .11            |
| \$28,300        | \$50,500              | .10            | \$52,000                                   | \$96,000              | .10            | \$27,000                  | \$48,000              | .10            | \$46,000          | \$74,000              | .10            |
| \$50,500        | \$51,000              | .09            | \$96,000                                   | \$96,500              | .09            | \$48,000                  | \$48,500              | .09            | \$74,000          | \$74,500              | .09            |
| \$51,000        | \$51,500              | .08            | \$96,500                                   | \$97,000              | .08            | \$48,500                  | \$49,000              | .08            | \$74,500          | \$75,000              | .08            |
| \$51,500        | \$52,000              | .07            | \$97,000                                   | \$97,500              | .07            | \$49,000                  | \$49,500              | .07            | \$75,000          | \$75,500              | .07            |
| \$52,000        | \$52,500              | .06            | \$97,500                                   | \$98,000              | .06            | \$49,500                  | \$50,000              | .06            | \$75,500          | \$76,000              | .06            |
| \$52,500        | \$53,000              | .05            | \$98,000                                   | \$98,500              | .05            | \$50,000                  | \$50,500              | .05            | \$76,000          | \$76,500              | .05            |
| \$53,000        | \$53,500              | .04            | \$98,500                                   | \$99,000              | .04            | \$50,500                  | \$51,000              | .04            | \$76,500          | \$77,000              | .04            |
| \$53,500        | \$54,000              | .03            | \$99,000                                   | \$99,500              | .03            | \$51,000                  | \$51,500              | .03            | \$77,000          | \$77,500              | .03            |
| \$54,000        | \$54,500              | .02            | \$99,500                                   | \$100,000             | .02            | \$51,500                  | \$52,000              | .02            | \$77,500          | \$78,000              | .02            |
| \$54,500        | \$55,000              | .01            | \$100,000                                  | \$100,500             | .01            | \$52,000                  | \$52,500              | .01            | \$78,000          | \$78,500              | .01            |
| \$55,000        | and up                | .00            | \$100,500                                  | and up                | .00            | \$52,500                  | and up                | .00            | \$78,500          | and up                | .00            |

## Amended Connecticut Income Tax Return For Individuals

(Rev. 12/05)

For the year January 1 - December 31, 2005, or other taxable year beginning \_\_\_\_\_, 2005, ending \_\_\_\_\_.

|   |   |                 |  |  |   |
|---|---|-----------------|--|--|---|
| Please Print or Type<br>in Blue or Black Ink. | Your First Name and Middle Initial _____  | Last Name _____ | <input type="checkbox"/> Check if deceased |  | <b>Social Security Number</b><br>_____-_____-____-          |
|   | If a Joint Return, Spouse's First Name and Middle Initial _____                 | Last Name _____ | <input type="checkbox"/> Check if deceased |  | <b>Spouse's Social Security Number</b><br>_____-_____-____- |
|   | Mailing Address (number and street), Apartment Number, PO Box<br>_____<br>_____ |                 |  |  | Your Telephone Number<br>( ) _____                          |
|   | City, Town, or Post Office _____  | State _____     | ZIP Code _____                             |  | DRS Use Only<br>- <b>20</b>                                 |

**Filing Status:** *On original return:*  Single  Married filing jointly/qualifying widow(er)  Married filing separately  Head of household  
*On this return:*  Single  Married filing jointly/qualifying widow(er)  Married filing separately  Head of household

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 must attach a copy of the IRS audit results, federal Form 1040X, the other state's audit results or amended returns, and supporting documentation.**

**Enter in the space below the line number for each item you are changing and give the reason for each change. Attach supporting forms and schedules for items changed. Write your name and Social Security Number on all attachments.**

|  | A. Original amount or as previously adjusted | B. Net change increase or (decrease) | C. Correct amount |
|--|--|--------------------------------------|-------------------|
| <input type="checkbox"/> Check if filing <b>Form CT-1040CRC, Claim of Right Credit</b>   |  |                                      |                   |
| <input type="checkbox"/> Check if filing <b>Form CT-8379, Nonobligated Spouse Claim</b>  |  |                                      |                   |
| <b>Income</b>  |  |                                      |                   |
| 1. Federal Adjusted Gross Income (From federal Form 1040, Line 37; Form 1040A, Line 21; or Form 1040EZ, Line 4.)                     |  |                                      | 00                |
| 2. Additions, if any (See instructions.)   |  |                                      | 00                |
| 3. Add Line 1 and Line 2.  |  |                                      | 00                |
| 4. Subtractions, if any (See instructions.)  |  |                                      | 00                |
| <b>5. Connecticut Adjusted Gross Income</b> (Subtract Line 4 from Line 3.)   |  |                                      | 00                |
| <b>Residents go to Line 10; Nonresidents and Part-Year Residents go to Line 6.</b>   |  |                                      |                   |
| <b>Nonresidents and Part-Year Residents Only</b>   |  |                                      |                   |
| 6. Enter your income from Connecticut sources from Schedule CT-SI; (If less than or equal to zero, enter "0.")                       |  |                                      | 00                |
| 7. Enter the greater of Line 5 or Line 6. (If zero, go to Line 10 and enter "0.")  |  |                                      | 00                |
| 8. Income Tax (From Tax Calculation Schedule, see instructions)  |  |                                      | 00                |
| 9. Divide Line 6 by Line 5. (If Line 6 is equal to or greater than Line 5, enter 1.0000.)  | .  |                                      | .                 |
| <b>Tax</b>   |  |                                      |                   |
| 10. Income Tax (See instructions.)   |  |                                      | 00                |
| 11. Credit for income taxes paid to qualifying jurisdictions (See instructions.) <b>Residents and Part-Year Residents only</b>       |  |                                      | 00                |
| 12. Subtract Line 11 from Line 10.   |  |                                      | 00                |
| 13. Connecticut Alternative Minimum Tax (From Form CT-6251)  |  |                                      | 00                |
| 14. Add Line 12 and Line 13.   |  |                                      | 00                |
| 15. Credit for property tax paid on your primary residence or motor vehicle, or both. <b>Residents only</b> (See instructions.)      |  |                                      | 00                |
| 16. Subtract Line 15 from Line 14. (If less than or equal to zero, enter "0.")   |  |                                      | 00                |
| 17. Adjusted Net Connecticut Minimum Tax Credit (From Form CT-8801)  |  |                                      | 00                |
| 18. <b>Connecticut Income Tax</b> (Subtract Line 17 from Line 16.)   |  |                                      | 00                |
| 19. <b>Individual Use Tax</b> (See instructions.)  |  |                                      | 00                |
| <b>20. Total Tax</b> (Add Line 18 and Line 19.)  |  |                                      | 00                |
| <b>Payments</b>  |  |                                      |                   |
| 21. Connecticut tax withheld (Enter amount from line 60.)  |  |                                      | 00                |
| 22. All 2005 estimated Connecticut income tax payments (including any overpayments applied from a prior year) and extension payments |  |                                      | 00                |
| 23. Amounts paid with original return, plus additional tax paid after it was filed (Do not include penalty and interest.)            |  |                                      | 00                |
| <b>24. Total Payments</b> (Add Lines 21, 22, and 23.)  |  |                                      | 00                |
| 25. Overpayment, if any, as shown on original return (or as previously adjusted)   |  |                                      | 00                |
| 26. Subtract Line 25 from Line 24.   |  |                                      | 00                |
| <b>Refund</b>  |  |                                      |                   |
| 27. If Line 26, Column C, is greater than Line 20, Column C, enter the <b>amount overpaid.</b> <b>Refund</b>                         |  |                                      | 00                |
| <b>Amount You Owe</b>  |  |                                      |                   |
| 28. If Line 20, Column C, is greater than Line 26, Column C, enter the <b>amount you owe.</b>  |  |                                      | 00                |
| 29. Interest (Multiply Line 28 by number of months or fraction of a month, then by 1% (.01))   |  |                                      | 00                |
| <b>30. Amount you owe</b> with this return (Add Line 28, Column C, and Line 29, Column C.) <b>Amount you owe</b>                     |  |                                      | 00                |

**Schedule 1 Modifications to Federal Adjusted Gross Income** (Enter all amounts as positive numbers.)

|   |   |    |  |    |
|---|---|----|--|----|
| Additions to Federal Adjusted Gross Income (See instructions, Page 3.)      | 31. Interest on state and local government obligations other than Connecticut   | 31 |  | 00 |
|   | 32. Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations other than Connecticut | 32 |  | 00 |
|   | 33. Allocated for future use  | 33 |  |    |
|   | 34. Taxable amount of lump-sum distributions from qualified plans not included in federal adjusted gross income                 | 34 |  | 00 |
|   | 35. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if greater than zero.)                                  | 35 |  | 00 |
|   | 36. Loss on sale of Connecticut state and local government bonds  | 36 |  | 00 |
|   | 37. Allocated for future use  | 37 |  |    |
|   | 38. Other - specify   | 38 |  | 00 |
|   | 39. <b>Total Additions</b> (Add Lines 31 through 38.) <b>Enter here and on Line 2, Column C, on the front of this form.</b>     | 39 |  | 00 |
| Subtractions From Federal Adjusted Gross Income (See instructions, Page 3.) | 40. Interest on U.S. government obligations   | 40 |  | 00 |
|   | 41. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations                              | 41 |  | 00 |
|   | 42. Social Security benefit adjustment (See <i>Social Security Benefit Adjustment Worksheet</i> , Page 4.)                      | 42 |  | 00 |
|   | 43. Refunds of state and local income taxes   | 43 |  | 00 |
|   | 44. Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities   | 44 |  | 00 |
|   | 45. Special depreciation allowance for qualified property placed in service during the preceding year(s)                        | 45 |  | 00 |
|   | 46. Beneficiary's share of Connecticut fiduciary adjustment (Enter only if less than zero.)                                     | 46 |  | 00 |
|   | 47. Gain on sale of Connecticut state and local government bonds  | 47 |  | 00 |
|   | 48. Allocated for future use  | 48 |  |    |
|   | 49. Other - specify (Do not include out-of-state income.)   | 49 |  | 00 |
|   | 50. <b>Total Subtractions</b> (Add Lines 40 through 49.) <b>Enter here and on Line 4, Column C, on the front of this form.</b>  | 50 |  | 00 |

**Schedule 2 Credit for Income Taxes Paid To Qualifying Jurisdictions** (See instructions for Form CT-1040 or Form CT-1040NR/PY.)

|  |  |    |   |    |
|--|--|----|---|----|
| You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed. | 51. <b>Modified Connecticut Adjusted Gross Income</b><br><b>For each column, enter the following:</b>  | 51 |   | 00 |
|  | 52. Enter qualifying jurisdiction's name and two-letter code   | 52 |   |    |
|  | 53. Non-Connecticut income included on Line 51 and reported on a qualifying jurisdiction's income tax return (From <i>Schedule 2 Worksheet</i> ) | 53 |   | 00 |
|  | 54. Divide Line 53 by Line 51. (May not exceed 1.0000)   | 54 | . | .  |
|  | 55. Income tax liability (Subtract Line 15, Column C, from Line 10, Column C.)   | 55 |   | 00 |
|  | 56. Multiply Line 54 by Line 55.   | 56 |   | 00 |
|  | 57. Income tax paid to a qualifying jurisdiction   | 57 |   | 00 |
|  | 58. Enter the lesser of Line 56 or Line 57.  | 58 |   | 00 |
|  | 59. <b>Total Credit</b> (Add Line 58, all columns.)<br><b>Enter here and on Line 11, Column C, on the front of this form.</b>                    | 59 |   | 00 |

**Withholding Schedule:** Only enter information from your Schedule CT K-1, W-2, W-2G, and 1099 forms if Connecticut income tax was withheld.

|      | Column A: Employer ID Number  | Column B: CT Wages, Tips, etc. | Check if from Schedule CT K-1 | Column C: CT Income Tax Withheld |
|------|---|--------------------------------|-------------------------------|----------------------------------|
| 60a. | <input type="text"/>  | <input type="text"/>           | <input type="checkbox"/>      | <input type="text"/>             |
| 60b. | <input type="text"/>  | <input type="text"/>           | <input type="checkbox"/>      | <input type="text"/>             |
| 60c. | <input type="text"/>  | <input type="text"/>           | <input type="checkbox"/>      | <input type="text"/>             |
| 60d. | <input type="text"/>  | <input type="text"/>           | <input type="checkbox"/>      | <input type="text"/>             |
| 60e. | <input type="text"/>  | <input type="text"/>           | <input type="checkbox"/>      | <input type="text"/>             |
| 60f. | <input type="text"/>  | <input type="text"/>           | <input type="checkbox"/>      | <input type="text"/>             |
| 60g. | <input type="text"/>  | <input type="text"/>           | <input type="checkbox"/>      | <input type="text"/>             |
| 60h. | Enter additional CT withholding from Supplemental Schedule CT-1040WH, Line 3. |                                |                               | <input type="text"/>             |
| 60.  | <b>Total Connecticut income tax withheld</b>                                  |                                |                               | <input type="text"/>             |

Make your check or money order payable to: **Commissioner of Revenue Services**. To ensure proper posting of your payment, write your Social Security Number(s) (optional) and **"2005 Form CT-1040X"** on your check or money order. DRS may submit your check to your bank electronically.

**Mail to: Department of Revenue Services  
PO Box 2978  
Hartford CT 06104-2978**

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |                                    |      |                                      |                        |
|--|------------------------------------|------|--------------------------------------|------------------------|
| <b>Sign Here</b><br><b>Keep a copy for your records.</b> | Your Signature                     | Date | Spouse's Signature (if joint return) | Date                   |
|  | Paid Preparer's Signature          | Date | Telephone Number<br>( )              | Preparer's SSN or PTIN |
|  | Firm's Name, Address, and ZIP Code |      |                                      | FEIN                   |

**Schedule 3 - Credit for Property Taxes Paid on Your Primary Residence or Motor Vehicle, or Both**  
(Connecticut residents only)

| Qualifying Property   | Primary Residence                    | Auto 1                               | Auto 2 (married filing jointly only) |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Name of Connecticut Tax Town or District  |                                      |                                      |                                      |
| Description of Property If primary residence, enter street address. If motor vehicle, enter year, make, and model.  |                                      |                                      |                                      |
| Date(s) Paid (See instructions, below.)   | ___ / ___ / 2005<br>___ / ___ / 2005 | ___ / ___ / 2005<br>___ / ___ / 2005 | ___ / ___ / 2005<br>___ / ___ / 2005 |
| Amount Paid   | 61. 00                               | 62. 00                               | 63. 00                               |
| 64. Total Property Tax Paid (Add Lines 61, 62, and 63.)   |                                      |                                      | 64. 00                               |
| 65. Maximum property tax credit allowed   |                                      |                                      | 65. 350 00                           |
| 66. Enter the lesser of Line 64 or Line 65.   |                                      |                                      | 66. 00                               |
| 67. Enter the <b>decimal amount</b> for your filing status and Connecticut AGI from the Property Tax Credit Table exactly as it appears below. (If zero, your credit is not limited.) Enter amount from Line 66 on Line 69. |                                      |                                      | 67. .                                |
| 68. Multiply Line 66 by Line 67.  |                                      |                                      | 68. 00                               |
| 69. Subtract Line 68 from Line 66. Enter here and on Line 15, Column C, on the front of this form.  |                                      |                                      | 69. 00                               |

**Line Instructions**

Enter the corrected amounts for each line. If you are not making corrections, enter the amounts reported on your original return. Instructions for *Schedule 3 - Property Tax Credit Worksheet* are included in the instructions for Form CT-1040, Form CT-1040EZ, or Connecticut Telefile Tax Return.

**Line 61 - Primary Residence**

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

**Line 62 - Auto 1**

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

**Line 63 - Married Filing Jointly Only - Auto 2**

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

**Line 67 - Decimal Amount**

Enter "0" on Line 67 and enter the amount from Line 66 on Line 69 if your:

| Filing status is:               | Connecticut adjusted gross income is: |
|---------------------------------|---------------------------------------|
| Single .....                    | \$ 55,000 or less                     |
| Married Filing Jointly .....    | \$100,500 or less                     |
| Married Filing Separately ..... | \$ 50,250 or less                     |
| Head of Household .....         | \$ 78,500 or less                     |

Otherwise, enter the decimal amount from the *Property Tax Credit Table* (below) on Form CT-1040X, *Schedule 3*, Line 67.

**Property Tax Credit Table**

Use your filing status shown on Form CT-1040X and your Connecticut AGI - Form CT-1040X, Line 5, Column C.

|                                  | Connecticut AGI is: |                       |                |                               | Connecticut AGI is: |                       |                |
|----------------------------------|---------------------|-----------------------|----------------|-------------------------------|---------------------|-----------------------|----------------|
|                                  | More Than           | Less Than or Equal To | Decimal Amount |                               | More Than           | Less Than or Equal To | Decimal Amount |
| <b>Single</b>                    | \$0                 | \$55,000              | 0              | <b>Married Filing Jointly</b> | \$0                 | \$100,500             | 0              |
|                                  | \$55,000            | \$65,000              | .10            |                               | \$100,500           | \$110,500             | .10            |
|                                  | \$65,000            | \$75,000              | .20            |                               | \$110,500           | \$120,500             | .20            |
|                                  | \$75,000            | \$85,000              | .30            |                               | \$120,500           | \$130,500             | .30            |
|                                  | \$85,000            | \$95,000              | .40            |                               | \$130,500           | \$140,500             | .40            |
|                                  | \$95,000            | \$105,000             | .50            |                               | \$140,500           | \$150,500             | .50            |
|                                  | \$105,000           | \$115,000             | .60            |                               | \$150,500           | \$160,500             | .60            |
|                                  | \$115,000           | \$125,000             | .70            |                               | \$160,500           | \$170,500             | .70            |
|                                  | \$125,000           | \$135,000             | .80            |                               | \$170,500           | \$180,500             | .80            |
|                                  | \$135,000           | \$145,000             | .90            |                               | \$180,500           | \$190,500             | .90            |
| \$145,000                        | and up              | 1.00                  | \$190,500      | and up                        | 1.00                |                       |                |
| <b>Married Filing Separately</b> | \$0                 | \$50,250              | 0              | <b>Head of Household</b>      | \$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-1040ES

### 2006 Estimated Connecticut Income Tax Payment Coupon for Individuals

#### General Instructions

**Who Should File This Coupon:** Use this coupon if you are required to make estimated income tax payments for the 2006 taxable year and you do not receive a preprinted coupon package from the Department of Revenue Services (DRS). Coupon packages are mailed in mid-January to those who made estimated income tax payments in the prior year.

**Pay by Credit Card:** See *Payment Options* on Page 4.

**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.

**Civil Unions:** Effective for taxable years beginning on or after January 1, 2006, parties to a civil union recognized under Connecticut law must file their Connecticut income tax returns as if they were entitled to the same filing status accorded spouses under the Internal Revenue Code. This means that, for purposes of calculating their Connecticut income tax liability, parties to a civil union must recompute their federal income tax liability as married filing jointly or married filing separately. Parties to a civil union may not calculate their Connecticut income tax liability as single or, if applicable, head of household filers (although this will be their filing status for federal income tax purposes).

**Who Is Required to Make Estimated Payments:** You must make estimated income tax payments if your Connecticut income tax (after tax credits) minus Connecticut tax withheld is \$1,000 or more, and you expect your Connecticut income tax withheld to be less than your required annual payment for the 2006 taxable year.

Your required annual payment is the **lesser** of:

- 90% of the income tax shown on your **2006 Connecticut income tax return**; or
- 100% of the income tax shown on your **2005 Connecticut income tax return** if you filed a 2005 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 during the 2005 taxable year and you did not file a 2005 income tax return because you had no Connecticut income tax liability; or
- You were a nonresident or part-year resident with Connecticut source income during the 2005 taxable year and you did not file a 2005 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 during the 2005 taxable year, then you **must** use 90% of the income tax shown on your 2006 Connecticut income tax return as your required annual payment.

**When to File:** Estimated payments for the 2006 taxable year are due on or before April 15, June 15, September 15, 2006, and January 15, 2007. (Fiscal year filers should follow federal filing dates.) If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. An estimate will be considered timely filed if received or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date.

**How Much Should I Pay:** Complete the *2006 Estimated Connecticut Income Tax Worksheet* on Page 2 to calculate your required annual payment.

**Special Rules for Farmers and Fishermen:** If you are a farmer or fisherman (as defined in I.R.C. §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, 2007, for the 2006 taxable year. The required installment is the lesser of 66⅔% of the income tax shown on your 2006 Connecticut income tax return or 100% of the income tax shown on your 2005 Connecticut income tax return. See **Informational Publication 2005(12)**, *Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax, Estimated Income Tax, and Withholding Tax*.

**Annualized Income Installment Method:** If your income varies throughout the year, you may be able to reduce or eliminate the amount of your estimated tax payment for one or more periods by using the annualized income installment method. See **Informational Publication 2005(27)**, *A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040AES*.

**Interest:** You may be charged interest if you did not pay enough tax through withholding or estimated payments, or both, by any installment due date. 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 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 April 15, 2007, or the date on which the underpayment is paid.

If you file your income tax return for the 2006 taxable year on or before January 31, 2007, and pay in full the amount computed on the return as payable on or before that date, you will not be charged interest for failing to make the estimated payment due January 15, 2007.

A farmer or fisherman who files a 2006 Connecticut income tax return on or before March 1, 2007, 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.

#### Worksheet Instructions

**Line 2:** Enter the total of your estimated allowable Connecticut modifications. (See instructions for *Schedule 1 - Modifications to Federal Adjusted Gross Income* of **Form CT-1040** or **Form CT-1040NR/PY**, for information about allowable modifications.)

**Social Security Benefit Adjustment:** If you will file a federal income tax return as single or married filing separately and you expect your 2006 federal adjusted gross income will be **less than \$50,000**, enter as a subtraction the amount of federally taxable Social Security benefits you expect to report on your 2006 federal Form 1040, Line 20b, or federal Form 1040A, Line 14b. If you will file a federal income tax return as married filing jointly or head of household and you expect your federal adjusted gross income will be **less than \$60,000**, enter as a subtraction the amount of federally taxable Social Security benefits you expect to report on your 2006 federal Form 1040, Line 20b, or federal Form 1040A, Line 14b. If you expect your federal adjusted gross income will be above the threshold for your filing status, complete the *Social Security Benefit Adjustment Worksheet* on Page 4 and include the amount from Line F on Line 2.

**Line 3: Nonresidents and Part-Year Residents Only:** If your Connecticut source income is greater than your Connecticut adjusted gross income, enter your Connecticut source income on this line.

**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 credit for income taxes paid to qualifying jurisdictions. Enter "0", if not applicable. (See instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions* of Form CT-1040 or Form CT-1040NR/PY.)

**Line 9:** If you expect to owe federal alternative minimum tax for the 2006 taxable year, 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 2005 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 during the 2004 taxable year and you did not file a 2005 Connecticut income tax return because you had no Connecticut income tax liability, enter "0." If you were a nonresident or part-year resident during the 2005 taxable year with Connecticut source income and you did not file a 2005 Connecticut income tax return because you had no Connecticut income tax liability, enter "0." All other taxpayers must leave Line 14 blank.

### 2006 Estimated Connecticut Income Tax Worksheet

1. Federal adjusted gross income you expect in the 2006 taxable year (from 2006 federal Form 1040ES, 2005 Estimated Tax Worksheet, Line 1) ..... 1. \_\_\_\_\_
2. Allowable Connecticut modifications (Additions or subtractions, see instructions, Page 1.) ..... 2. \_\_\_\_\_
3. Connecticut adjusted gross income (Combine Line 1 and Line 2.) ..... 3. \_\_\_\_\_

**Nonresidents and Part-Year Residents:** Enter your Connecticut source income if greater than your Connecticut adjusted gross income.

4. Connecticut income tax (Complete the *Tax Calculation Schedule* below.) ..... 4. \_\_\_\_\_
5. Apportionment factor (Connecticut residents enter 1.0000. **Nonresidents and part-year residents, see instructions, above.**) .. 5. **•**
6. Multiply Line 5 by Line 4. .... 6. \_\_\_\_\_
7. Credit for income taxes paid to qualifying jurisdictions (See instructions, above.) ..... 7. \_\_\_\_\_
8. Subtract Line 7 from Line 6. .... 8. \_\_\_\_\_
9. Estimated Connecticut Alternative Minimum Tax (See instructions, above.) ..... 9. \_\_\_\_\_
10. Add Line 8 and Line 9. .... 10. \_\_\_\_\_
11. Adjusted Net Connecticut Minimum Tax Credit (See instructions, above.) ..... 11. \_\_\_\_\_
12. Total estimated income tax (Subtract Line 11 from Line 10.) ..... 12. \_\_\_\_\_
13. Multiply Line 12 by 90% (66% for farmers and fishermen). .... 13. \_\_\_\_\_
14. Enter 100% of the income tax shown on your 2005 Connecticut income tax return. (See instructions, above.) ..... 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, you may owe interest if you do not prepay (through timely estimates, withholding, or both) the **lesser** of 100% of the income tax shown on your 2005 Connecticut income tax return or 90% of the income tax shown on your 2006 Connecticut income tax return. 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 2005 Connecticut income tax return.

16. Connecticut income tax withheld or expected to be withheld during the 2006 taxable year ..... 16. \_\_\_\_\_
17. Subtract Line 16 from Line 15. If zero or less, or if Line 12 minus Line 16 is less than \$1,000, no estimated payment is required. 17. \_\_\_\_\_
18. Installment amount ..... 18. **.25**
19. Multiply Line 17 by Line 18. Pay this amount for each installment. .... 19. \_\_\_\_\_

### Tax Calculation Schedule

|   |    |   |  |
|---|----|---|--|
| 1. Enter the amount from Line 3 of the <i>2006 Estimated Connecticut Income Tax Worksheet</i> .   | 1. |   |  |
| 2. Enter Personal Exemption (From Table A, Exemptions, Page 3)  | 2. |   |  |
| 3. Connecticut taxable income (Subtract Line 2 from Line 1. If less than zero, enter "0.")  | 3. |   |  |
| 4. Connecticut income tax (From Table B, Connecticut Income Tax, Page 3)  | 4. |   |  |
| 5. Enter Decimal Amount (From Table C, Personal Tax Credits, Page 3). If zero, enter "0."   | 5. | • |  |
| 6. Multiply the amount on Line 4 by the decimal amount on Line 5.   | 6. |   |  |
| 7. <b>Connecticut Income Tax</b> (Subtract Line 6 from Line 4.) <b>Enter this amount on Line 4, 2006 Estimated Connecticut Income Tax Worksheet, above.</b> | 7. |   |  |



**Table A - Exemptions for 2006 Taxable Year**

Use the filing status you expect to report on your 2006 tax return and your CONNECTICUT AGI\* (from *Tax Calculation Schedule*, Line 1) to determine your exemption.

| Single           |                       |           | Married or Civil Union Filing Jointly or Qualified Widow(er) |                       |           | Married or Civil Union Filing Separately |                       |           | Head of Household |                       |           |
|------------------|-----------------------|-----------|--|-----------------------|-----------|--|-----------------------|-----------|-------------------|-----------------------|-----------|
| Connecticut AGI* |                       | Exemption | 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 |           | More Than         | Less Than or Equal To |           |
| \$ 0             | \$25,250              | \$ 12,625 | \$ 0   | \$48,000              | \$24,000  | \$ 0                                     | \$24,000              | \$12,000  | \$ 0              | \$38,000              | \$19,000  |
| \$25,250         | \$26,250              | \$ 11,625 | \$48,000   | \$49,000              | \$23,000  | \$24,000                                 | \$25,000              | \$11,000  | \$38,000          | \$39,000              | \$18,000  |
| \$26,250         | \$27,250              | \$ 10,625 | \$49,000   | \$50,000              | \$22,000  | \$25,000                                 | \$26,000              | \$10,000  | \$39,000          | \$40,000              | \$17,000  |
| \$27,250         | \$28,250              | \$ 9,625  | \$50,000   | \$51,000              | \$21,000  | \$26,000                                 | \$27,000              | \$ 9,000  | \$40,000          | \$41,000              | \$16,000  |
| \$28,250         | \$29,250              | \$ 8,625  | \$51,000   | \$52,000              | \$20,000  | \$27,000                                 | \$28,000              | \$ 8,000  | \$41,000          | \$42,000              | \$15,000  |
| \$29,250         | \$30,250              | \$ 7,625  | \$52,000   | \$53,000              | \$19,000  | \$28,000                                 | \$29,000              | \$ 7,000  | \$42,000          | \$43,000              | \$14,000  |
| \$30,250         | \$31,250              | \$ 6,625  | \$53,000   | \$54,000              | \$18,000  | \$29,000                                 | \$30,000              | \$ 6,000  | \$43,000          | \$44,000              | \$13,000  |
| \$31,250         | \$32,250              | \$ 5,625  | \$54,000   | \$55,000              | \$17,000  | \$30,000                                 | \$31,000              | \$ 5,000  | \$44,000          | \$45,000              | \$12,000  |
| \$32,250         | \$33,250              | \$ 4,625  | \$55,000   | \$56,000              | \$16,000  | \$31,000                                 | \$32,000              | \$ 4,000  | \$45,000          | \$46,000              | \$11,000  |
| \$33,250         | \$34,250              | \$ 3,625  | \$56,000   | \$57,000              | \$15,000  | \$32,000                                 | \$33,000              | \$ 3,000  | \$46,000          | \$47,000              | \$10,000  |
| \$34,250         | \$35,250              | \$ 2,625  | \$57,000   | \$58,000              | \$14,000  | \$33,000                                 | \$34,000              | \$ 2,000  | \$47,000          | \$48,000              | \$ 9,000  |
| \$35,250         | \$36,250              | \$ 1,625  | \$58,000   | \$59,000              | \$13,000  | \$34,000                                 | \$35,000              | \$ 1,000  | \$48,000          | \$49,000              | \$ 8,000  |
| \$36,250         | \$37,250              | \$ 625    | \$59,000   | \$60,000              | \$12,000  | \$35,000                                 | and up                | \$ 0      | \$49,000          | \$50,000              | \$ 7,000  |
| \$37,250         | and up                | \$ 0      | \$60,000   | \$61,000              | \$11,000  |  |                       |           | \$50,000          | \$51,000              | \$ 6,000  |
|                  |                       |           | \$61,000   | \$62,000              | \$10,000  |  |                       |           | \$51,000          | \$52,000              | \$ 5,000  |
|                  |                       |           | \$62,000   | \$63,000              | \$ 9,000  |  |                       |           | \$52,000          | \$53,000              | \$ 4,000  |
|                  |                       |           | \$63,000   | \$64,000              | \$ 8,000  |  |                       |           | \$53,000          | \$54,000              | \$ 3,000  |
|                  |                       |           | \$64,000   | \$65,000              | \$ 7,000  |  |                       |           | \$54,000          | \$55,000              | \$ 2,000  |
|                  |                       |           | \$65,000   | \$66,000              | \$ 6,000  |  |                       |           | \$55,000          | \$56,000              | \$ 1,000  |
|                  |                       |           | \$66,000   | \$67,000              | \$ 5,000  |  |                       |           | \$56,000          | and up                | \$ 0      |
|                  |                       |           | \$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 for 2006 Taxable Year**

| Single/Married Filing Separately or Civil Union Filing Separately  | Married or Civil Union Filing Jointly or Qualifying Widow(er)  | Head of Household  |
|--|--|--|
| <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$10,000, multiply by .03.<br>More than \$10,000, multiply the excess over \$10,000 by .05 and add \$300.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$20,000, multiply by .03.<br>More than \$20,000, multiply the excess over \$20,000 by .05 and add \$600.00. | <b>If the amount on Line 3 of the Tax Calculation Schedule is:</b><br>Less than or equal to \$16,000, multiply by .03.<br>More than \$16,000, multiply the excess over \$16,000 by .05 and add \$480.00. |
| For example, if the amount on Line 3 is \$13,000 enter \$450.00 on Line 4.<br>\$13,000 - \$10,000 = \$3,000<br>\$3,000 x .05 = \$150.00<br>\$150.00 + \$300.00 = \$450.00                                | For example, if the amount on Line 3 is \$22,500 enter \$725.00 on Line 4.<br>\$22,500 - \$20,000 = \$2,500<br>\$2,500 x .05 = \$125.00<br>\$125.00 + \$600.00 = \$725.00                                | For example, if the amount on Line 3 is \$20,000 enter \$680.00 on Line 4.<br>\$20,000 - \$16,000 = \$4,000<br>\$4,000 x .05 = \$200.00<br>\$200.00 + \$480.00 = \$680.00                                |

**Table C - Personal Tax Credits for 2006 Taxable Year**

Use the filing status you expect to report on your 2006 tax return and your CONNECTICUT AGI\* (from *Tax Calculation Schedule*, Line 1), to determine your decimal amount.

| Single           |                       |                | Married or Civil Union Filing Jointly or Qualified Widow(er) |                       |                | Married or Civil Union Filing Separately |                       |                | Head of Household |                       |                |
|------------------|-----------------------|----------------|--|-----------------------|----------------|--|-----------------------|----------------|-------------------|-----------------------|----------------|
| Connecticut AGI* |                       | Decimal Amount | Connecticut AGI*   |                       | Decimal Amount | Connecticut AGI*                         |                       | Decimal Amount | Connecticut AGI*  |                       | Decimal Amount |
| More Than        | Less Than or Equal To |                | More than  | Less Than or Equal To |                | More Than                                | Less Than or Equal To |                | More Than         | Less Than or Equal To |                |
| \$12,625         | \$15,750              | .75            | \$24,000   | \$30,000              | .75            | \$12,000                                 | \$15,000              | .75            | \$19,000          | \$24,000              | .75            |
| \$15,750         | \$16,250              | .70            | \$30,000   | \$30,500              | .70            | \$15,000                                 | \$15,500              | .70            | \$24,000          | \$24,500              | .70            |
| \$16,250         | \$16,750              | .65            | \$30,500   | \$31,000              | .65            | \$15,500                                 | \$16,000              | .65            | \$24,500          | \$25,000              | .65            |
| \$16,750         | \$17,250              | .60            | \$31,000   | \$31,500              | .60            | \$16,000                                 | \$16,500              | .60            | \$25,000          | \$25,500              | .60            |
| \$17,250         | \$17,750              | .55            | \$31,500   | \$32,000              | .55            | \$16,500                                 | \$17,000              | .55            | \$25,500          | \$26,000              | .55            |
| \$17,750         | \$18,250              | .50            | \$32,000   | \$32,500              | .50            | \$17,000                                 | \$17,500              | .50            | \$26,000          | \$26,500              | .50            |
| \$18,250         | \$18,750              | .45            | \$32,500   | \$33,000              | .45            | \$17,500                                 | \$18,000              | .45            | \$26,500          | \$27,000              | .45            |
| \$18,750         | \$19,250              | .40            | \$33,000   | \$33,500              | .40            | \$18,000                                 | \$18,500              | .40            | \$27,000          | \$27,500              | .40            |
| \$19,250         | \$21,050              | .35            | \$33,500   | \$40,000              | .35            | \$18,500                                 | \$20,000              | .35            | \$27,500          | \$34,000              | .35            |
| \$21,050         | \$21,550              | .30            | \$40,000   | \$40,500              | .30            | \$20,000                                 | \$20,500              | .30            | \$34,000          | \$34,500              | .30            |
| \$21,550         | \$22,050              | .25            | \$40,500   | \$41,000              | .25            | \$20,500                                 | \$21,000              | .25            | \$34,500          | \$35,000              | .25            |
| \$22,050         | \$22,550              | .20            | \$41,000   | \$41,500              | .20            | \$21,000                                 | \$21,500              | .20            | \$35,000          | \$35,500              | .20            |
| \$22,550         | \$26,300              | .15            | \$41,500   | \$50,000              | .15            | \$21,500                                 | \$25,000              | .15            | \$35,500          | \$44,000              | .15            |
| \$26,300         | \$26,800              | .14            | \$50,000   | \$50,500              | .14            | \$25,000                                 | \$25,500              | .14            | \$44,000          | \$44,500              | .14            |
| \$26,800         | \$27,300              | .13            | \$50,500   | \$51,000              | .13            | \$25,500                                 | \$26,000              | .13            | \$44,500          | \$45,000              | .13            |
| \$27,300         | \$27,800              | .12            | \$51,000   | \$51,500              | .12            | \$26,000                                 | \$26,500              | .12            | \$45,000          | \$45,500              | .12            |
| \$27,800         | \$28,300              | .11            | \$51,500   | \$52,000              | .11            | \$26,500                                 | \$27,000              | .11            | \$45,500          | \$46,000              | .11            |
| \$28,300         | \$50,500              | .10            | \$52,000   | \$96,000              | .10            | \$27,000                                 | \$48,000              | .10            | \$46,000          | \$74,000              | .10            |
| \$50,500         | \$51,000              | .09            | \$96,000   | \$96,500              | .09            | \$48,000                                 | \$48,500              | .09            | \$74,000          | \$74,500              | .09            |
| \$51,000         | \$51,500              | .08            | \$96,500   | \$97,000              | .08            | \$48,500                                 | \$49,000              | .08            | \$74,500          | \$75,000              | .08            |
| \$51,500         | \$52,000              | .07            | \$97,000   | \$97,500              | .07            | \$49,000                                 | \$49,500              | .07            | \$75,000          | \$75,500              | .07            |
| \$52,000         | \$52,500              | .06            | \$97,500   | \$98,000              | .06            | \$49,500                                 | \$50,000              | .06            | \$75,500          | \$76,000              | .06            |
| \$52,500         | \$53,000              | .05            | \$98,000   | \$98,500              | .05            | \$50,000                                 | \$50,500              | .05            | \$76,000          | \$76,500              | .05            |
| \$53,000         | \$53,500              | .04            | \$98,500   | \$99,000              | .04            | \$50,500                                 | \$51,000              | .04            | \$76,500          | \$77,000              | .04            |
| \$53,500         | \$54,000              | .03            | \$99,000   | \$99,500              | .03            | \$51,000                                 | \$51,500              | .03            | \$77,000          | \$77,500              | .03            |
| \$54,000         | \$54,500              | .02            | \$99,500   | \$100,000             | .02            | \$51,500                                 | \$52,000              | .02            | \$77,500          | \$78,000              | .02            |
| \$54,500         | \$55,000              | .01            | \$100,000  | \$100,500             | .01            | \$52,000                                 | \$52,500              | .01            | \$78,000          | \$78,500              | .01            |
| \$55,000         | and up                | .00            | \$100,500  | and up                | .00            | \$52,500                                 | and up                | .00            | \$78,500          | and up                | .00            |

\* Form CT-1040NR/PY filers must use income from Connecticut sources if it exceeds Connecticut adjusted gross income.

### Social Security Benefit Adjustment Worksheet

Enter the amount you expect to enter on **Form CT-1040EZ, Form CT-1040, or Form CT-1040NR/PY**, Line 1.

If your filing status is **single, married filing separately or civil union filing separately**, is the amount on Line 1 \$50,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security benefits you expect to report on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on the **2006 Estimated Connecticut Income Tax Worksheet**, Line 2.

If your filing status is **married filing jointly, civil union filing jointly, or head of household**, is the amount on Line 1 \$60,000 or more?

- Yes: **Complete** this worksheet.
- No: **Do not complete** this worksheet. Enter the amount of federally taxable Social Security benefits you expect to report on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on the **2006 Estimated Connecticut Income Tax Worksheet**, Line 2.

|   |    |
|---|----|
| A. Enter the amount you reported on <b>federal Publication 505*</b> , <i>Tax Withholding and Estimated Tax</i> , Worksheet 2.1, Line 1. <span style="border: 1px solid black; border-radius: 15px; padding: 2px;">If Line A is zero or less, stop here. Otherwise, go to Line B.</span> | A. |
| B. Enter the amount you reported on <b>federal Publication 505*</b> , <i>Tax Withholding and Estimated Tax</i> , Worksheet 2.1, Line 9. <span style="border: 1px solid black; border-radius: 15px; padding: 2px;">If Line B is zero or less, stop here. Otherwise, go to Line C.</span> | B. |
| C. Enter the lesser of Line A or Line B.  | C. |
| D. Multiply Line C by 25% (.25).  | D. |
| E. Expected taxable amount of Social Security benefits you reported on <b>federal Publication 505*</b> , <i>Tax Withholding and Estimated Tax</i> , Worksheet 2.1, Line 18.   | E. |
| F. <b>Social Security Benefit Adjustment</b> - Subtract Line D from Line E. Enter the amount here and as a subtraction on the <i>2005 Estimated Connecticut Income Tax Worksheet</i> , Line 2. (If Line D is greater than or equal to Line E, enter "0.")                               | F. |

\* You may obtain federal Publication 505 by calling the IRS at **1-800-829-3676** or by visiting the IRS Web site at **www.irs.gov**

#### Payment Options

You may file and pay your Connecticut estimated taxes electronically using *WebFile*. Visit our web site at **www.ct.gov/DRS** and click on the *WebFile* logo for more information.

If you filed a 2004 Connecticut income tax return, you may elect to pay your estimated 2006 Connecticut income tax liability using your American Express® card, Discover® card, MasterCard® card, or VISA® card. A convenience fee will be charged by the credit card service provider. The fee is 2.5% of your total tax payment. You will be informed of the amount of the fee, and you may elect to cancel the transaction. At the end of the transaction you will be given a confirmation number for your records.

**To Pay by Credit Card:**

- Call Official Payments Corporation toll-free at **1-800-2PAY-TAX** (1-800-272-9829) and follow the instructions. You will be asked to enter the Connecticut Jurisdiction Code: 1777; or
- Visit: **www.officialpayments.com** and select Payment Center.

**Do not send** in Form CT-1040ES if you make your payment by credit card. Your payment will be effective on the date you make the charge.

**To Pay by Mail:**

Make your check or money order payable to: **Commissioner of Revenue Services**. To ensure proper posting of your payment, write your Social Security Number(s), optional, and **"2006 Form CT-1040ES"** on the front of your check or money order. Be sure to sign your check and paper clip it to the front of your coupon. **Do not send cash.** DRS may submit your check to your bank electronically.

#### Completing the Payment Coupon

Complete all required taxpayer identification information. Enter the payment amount on Line 1 of the coupon. In determining your payment amount, you may subtract from your installment amount any available overpayment of 2005 income tax. If you file this coupon, preprinted, personalized coupons will be mailed to you for the 2006 taxable year.

..... Cut Here .....

|  |  |   |          |                     |  |
|--|--|---|----------|---------------------|--|
| <b>CT-1040ES</b>   |  | <b>Estimated Connecticut Income Tax Payment</b> |          | <b>2006</b>         |  |
| Your Social Security Number                                |  | Spouse's Social Security Number                 |          | Due Date            |  |
| ▶ _____ : _____  |  | ▶ _____ : _____                                 |          |                     |  |
| Your First Name and Middle Initial                         |  | Last Name                                       |          | 1. Payment Amount ▶ |  |
|  |  |   |          | 00                  |  |
| Spouse's First Name and Middle Initial                     |  | Last Name                                       |          |                     |  |
|  |  |   |          |                     |  |
| Home Address (number and street), Apartment Number, PO Box |  |   |          |                     |  |
| 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**

- **Do not file this coupon if no payment is due or if you pay by credit card (see *Payment Options* above).**
- Pay total amount shown on Line 1.
- Print all information. Include your spouse's SSN, if filing jointly.
- Cut along dotted line and mail coupon and payment to the address printed on the coupon.
- Make your check or money order payable to the **Commissioner of Revenue Services**.
- To ensure proper posting, write your SSN(s) and **"2006 Form CT-1040ES"** on your check or money order.

## 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<br>____ : ____ : ____     |
| If a Joint Return, Spouse's First Name and Middle Initial | Last Name                                      | Spouse's Social Security Number<br>____ : ____ : ____ |
| Name of Estate or Trust                                   | Fiduciary's Name                               | Federal Employer Identification Number<br>____ : ____ |

**Do not file this form unless:**

- You checked one of the boxes in Part I below; **or**
- You wish to calculate and pay the interest you owe with your return.

If you do not file this form, the Department of Revenue Services (DRS) will calculate interest on any underpayment of estimated tax you owe and send you a bill. The interest on the underpayment of estimated tax will stop accruing on the **earlier** of the date you pay your total tax liability or April 15, 2006.

**Purpose:** Filers of **Forms CT-1040, CT-1040NR/PY, CT-1041, CT-G, and CT-1065/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-1065/CT-1120SI must complete a separate Form CT-2210 for each partner, shareholder, or beneficiary. The rate of tax is 5% for partners, shareholders, or beneficiaries included on Form CT-G or Form CT-1065/CT-1120SI.

**When Are My Payments Due:** In general, four equal installments of estimated tax are required on April 15, June 15, September 15, and January 15. (Fiscal year filers should follow federal filing dates.)

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Estates and certain trusts are required to make estimated income tax payments as stated above 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 I.R.C. §671 through 679.)

**Are My Taxes Underpaid:** In general, if you do not make timely installments of your required annual payment and your Connecticut income tax (after tax credits) minus Connecticut income tax withheld is \$1,000 or more, you will be charged interest on the underpaid amount.

Your required annual payment is the lesser of:

- 90% of the income tax shown on your 2005 Connecticut income tax return; **or**
- 100% of the income tax shown on your 2004 Connecticut income tax return, if you filed a 2004 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:

- The income tax shown on your 2005 Connecticut income tax return minus Connecticut tax withheld is less than \$1,000; **or**
- You did not file a 2004 Connecticut income tax return because you did not have any Connecticut income tax liability and you were a resident, nonresident, or part-year resident in 2004 with Connecticut-source income.

**Interest:** You may be charged interest if you did not pay enough tax through withholding, estimated tax, or both, by any installment due date. 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 on the underpayment of estimated income tax, at 1% per month or fraction of a month, will continue to accrue until the earlier of April 15, 2006, 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, 2006, and pays the total amount computed on the return as payable for the taxable year, does not have to pay the January 15, 2006, 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*.

Farmers or fishermen who file Forms CT-1040, CT-1040NR/PY, CT-1041, CT-G, or CT-1065/CT-1120SI for the taxable year on or before March 1, 2006, and pay the total amount computed on the return as payable for the taxable year, do not have to pay the January 15, 2006 estimate, which is the only estimate required, and will not incur interest on the underpayment of estimated income tax.

**Special Rules for Farmers and Fishermen:** If you are a farmer or fisherman, as defined in I.R.C. §6654(i)(2), your required annual payment is the lesser of:

- 66 <sup>2</sup>/<sub>3</sub>% of the income tax shown on your 2005 Connecticut income tax return; **or**
- 100% of the income tax shown on your 2004 Connecticut income tax return, if you filed a 2004 income tax return that covered a 12-month period.

Farmers and fishermen are required to make only 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.

**All** farmers and fishermen, as defined in I.R.C. §6654(i)(2), who have checked Box D in Part I, 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:**

**Individuals** - Enter in the space provided at the top of the form your name and Social Security Number (SSN) as it appears on your Connecticut income tax return. If you filed a joint return, also enter your spouse's name and SSN.

**Trusts and Estates** - Enter in the space provided at the top of the form the name of the trust or estate and the name of the fiduciary as it appears on Form CT-1041. Also enter the Federal Employer Identification Number of the trust or estate.

**Part I – Reasons For Filing**

If one of the following boxes applies to you, you may be able to reduce or eliminate interest charges that would otherwise accrue if we calculated the 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 2004 tax and you filed or are filing a joint return for either 2004 or 2005, 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 I.R.C. §6654(i)(2).
- E. You cannot use the prior year's tax liability as a basis for your required annual payment.

**If you checked any of these boxes, also be sure to check the box for Form CT-2210 on the front page of your Connecticut income tax return and attach this form to the back of the return.**

## Part II – Required Annual Payment

Complete Part II to determine if you were required to make estimated payments. (See Instructions.)

1. 2005 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 less than \$1,000, stop here. Do not complete or file this form** ..... 4. \_\_\_\_\_
5. Enter your 2004 Connecticut income tax (See instructions.) ..... 5. \_\_\_\_\_
6. Enter the smaller of Line 2 or Line 5. **This is your required annual payment for 2005** ..... 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. \_\_\_\_\_

## Part III – Calculate Your Underpayment and Interest for Each Calendar Quarter (See instructions.)

|   | A   | B   | C   | D    | TOTAL |
|---|-----|-----|-----|------|-------|
| 8. Enter the required annual payment, Part II, Line 6. Enter the same amount in Columns A, B, C, and D. (If you checked Part I, Box A, or Box D, see instructions.)   |     |     |     |      | TOTAL |
| 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 Part I, Box A, see instructions.)   |     |     |     |      |       |
| 11. Enter the total Connecticut tax withheld, Part II, Line 3. Enter the same amount in Columns A, B, C, and D. (If you checked Part I, Box C, 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 Part 1, Box C, 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 <i>Schedule B</i> 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 Connecticut income tax return. |     |     |     |      |       |

**Attach this form to the back of your Connecticut income tax return.**

**Keep a copy of this worksheet for your records.**

**Schedule A  
Annualized Income Installment Schedule**

|  |    | <b>(a)</b>                  | <b>(b)</b>                  | <b>(c)</b>                  | <b>(d)</b>                   |
|--|----|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Trusts and estates should not use the period ending dates shown to the right. Instead, use the following: 2-28-2005, 4-30-2005, 7-31-2005, and 11-30-2005. |    | 1-1-2005<br>to<br>3-31-2005 | 1-1-2005<br>to<br>5-31-2005 | 1-1-2005<br>to<br>8-31-2005 | 1-1-2005<br>to<br>12-31-2005 |
| 1. Enter your Connecticut adjusted gross income for each period (See instructions.)  | 1  |                             |                             |                             |                              |
| 2. Annualization amounts (Trusts and estates, see instructions.)   | 2  | 4                           | 2.4                         | 1.5                         | 1                            |
| 3. Annualized income. Multiply Line 1 by Line 2.   | 3  |                             |                             |                             |                              |
| 4. Enter the tax for the amount on Line 3. (See instructions.)   | 4  |                             |                             |                             |                              |
| 5. Credit for income taxes paid to qualifying jurisdictions 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 or motor vehicle, or both. Residents 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 <b>all</b> 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. (Form CT-2210, Part II, Line 6) 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 Form CT-2210, Part III, Line 10, Column A.              | 22 |   | / |   |   |
| 23. Add Line 21, Column (b) and Line 22, Column (a). Enter here and on Form CT-2210, Part III, Line 10, Column B. | 23 | / |   | / |   |
| 24. Add Line 21, Column (c) and Line 23, Column (b). Enter here and on Form CT-2210, Part III, Line 10, Column C. | 24 | / | / |   | / |
| 25. Add Line 21, Column (d) and Line 24, Column (c). Enter here and on Form CT-2210, Part III, Line 10, Column D. | 25 | / | / | / |   |

**If you completed this schedule, attach it to Form CT-2210.**

**Schedule B  
Interest Calculation**

**Worksheet A** — For period beginning after April 15, 2005, and ending on or before June 15, 2005.

|                               | Date                   | Amount | Interest Rate | Interest |
|-------------------------------|------------------------|--------|---------------|----------|
|                               | 1                      | 2      | 3             | 4        |
| Line a - Underpayment         |                        |        | .01           |          |
| Line b - Late payment         | 4-16-2005 to 5-15-2005 |        |               |          |
| Line c - Revised underpayment |                        |        | .01           |          |
| Line d - Late payment         | 5-16-2005 to 6-15-2005 |        |               |          |
| Line e - Total interest       |                        |        |               |          |

**Worksheet B** — For period beginning after June 15, 2005, and ending on or before September 15, 2005.

|                               | 1                      | 2 | 3   | 4 |
|-------------------------------|------------------------|---|-----|---|
| Line a - Underpayment         |                        |   | .01 |   |
| Line b - Late payment         | 6-16-2005 to 7-15-2005 |   |     |   |
| Line c - Revised underpayment |                        |   | .01 |   |
| Line d - Late payment         | 7-16-2005 to 8-15-2005 |   |     |   |
| Line e - Revised underpayment |                        |   | .01 |   |
| Line f - Late payment         | 8-16-2005 to 9-15-2005 |   |     |   |
| Line g - Total interest       |                        |   |     |   |

**Worksheet C** — For period beginning after September 15, 2005, and ending on or before January 15, 2006.

|                               | 1                        | 2 | 3   | 4 |
|-------------------------------|--------------------------|---|-----|---|
| Line a - Underpayment         |                          |   | .01 |   |
| Line b - Late payment         | 9-16-2005 to 10-15-2005  |   |     |   |
| Line c - Revised underpayment |                          |   | .01 |   |
| Line d - Late payment         | 10-16-2005 to 11-15-2005 |   |     |   |
| Line e - Revised underpayment |                          |   | .01 |   |
| Line f - Late payment         | 11-16-2005 to 12-15-2005 |   |     |   |
| Line g - Revised underpayment |                          |   | .01 |   |
| Line h - Late payment         | 12-16-2005 to 1-15-2006  |   |     |   |
| Line i - Total interest       |                          |   |     |   |

**Worksheet D** — For period beginning after January 15, 2006, and ending on or before April 15, 2006.

|                               | 1                      | 2 | 3   | 4 |
|-------------------------------|------------------------|---|-----|---|
| Line a - Underpayment         |                        |   | .01 |   |
| Line b - Late payment         | 1-16-2006 to 2-15-2006 |   |     |   |
| Line c - Revised underpayment |                        |   | .01 |   |
| Line d - Late payment         | 2-16-2006 to 3-15-2006 |   |     |   |
| Line e - Revised underpayment |                        |   | .01 |   |
| Line f - Late payment         | 3-16-2006 to 4-15-2006 |   |     |   |
| Line g - Total interest       |                        |   |     |   |

**Keep a copy of this schedule for your records.**

## Form CT-2210 Instructions

### Part I - Reasons for Filing

Complete Part I **only** if one of the following boxes applies to you. By checking the box that applies to you, you may be able to reduce or eliminate interest charges 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, also be sure to check the box for **Form CT-2210** on the front page of your **Form CT-1040**, **Form CT-1041**, or **Form 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 2004 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 2005 to be applied when it was **actually withheld** rather than in four equal installments. See instructions for Part III, Line 11 and Line 13.

**Box D** - Check this box if you are a farmer or fisherman, as defined in I.R.C. §6654(i)(2), and:

- You are required to make only one installment of estimated Connecticut income tax; **or**
- You have filed your tax return for the taxable year on or before March 1, 2006, 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, 2006, and therefore are not required to make an estimated income tax payment, you must check Form CT-2210, Part I, Box D. Stop there and do not complete Part II or Part III. Attach Form CT-2210 to your income tax return and check the box for Form CT-2210 on the front of Form CT-1040, Form CT-1041, or Form CT-1040NR/PY.

If you are required to make an estimated income tax payment, it is due on or before January 15, 2006. The installment is the lesser of 66 <sup>2</sup>/<sub>3</sub>% of the income tax shown on your 2005 Connecticut income tax return or 100% of the income tax shown on your 2004 Connecticut income tax return. See the instructions for Part III, Line 8, for further information.

**Box E** - Check this box if you cannot use your 2004 Connecticut income tax as a basis for your required annual payment.

You may only use your 2004 Connecticut income tax if:

- You filed a 2004 Connecticut income tax return that covered a 12-month period; **or**
- During the 2004 taxable year, you were a resident, part-year resident, or nonresident with Connecticut source income and you did not file a 2004 Connecticut income tax return because you did not have a Connecticut income tax liability. See Part II, Line 5, for instructions on calculating your required annual payment.

If you do not meet one of the above conditions, your required annual payment must be 90% of the income tax shown on your 2005 Connecticut income tax return.

### Part II - Required Annual Payment

**Line 1:** Enter the amount of income tax shown on your 2005 Connecticut income tax return. (**Form CT-1040EZ**, Line 6; **Form CT-1040**, Line 14; **Form CT-1040NR/PY**, Line 16; or **Form CT-1041**, Line 9.) Do not subtract estimated payments or Connecticut tax withheld in 2005.

**Line 2:** Farmers and fishermen multiply Line 1 by 66 <sup>2</sup>/<sub>3</sub>% (.6667).

**Line 3:** Enter **Connecticut** income tax withheld in 2005. Do not enter any estimated tax payments or taxes withheld for the IRS or other jurisdictions.

**Line 5:** If your filing status was the same on your 2004 and 2005 Connecticut income tax returns and your 2004 Connecticut income tax return covered a 12-month period, enter 100% of the income tax shown on your 2004 Connecticut income tax return (Form CT-1040EZ, Line 6; Form CT-1040, Line 14; or Form CT-1040NR/PY, Line 16.)

Enter "0" if you did not file a 2004 Connecticut income tax return because you did not have a Connecticut income tax liability and you were a resident, nonresident, or part-year resident in 2004 with Connecticut source income.

**If you were a nonresident or part-year resident and you did not have Connecticut source income in 2004, leave Line 5 blank and enter 90% of the income tax shown on your 2005 Connecticut income tax return as the required annual payment on Line 6.**

**Changes in Filing Status From 2004 to 2005:** If you are filing a joint Connecticut return for 2005 but filed separate Connecticut returns for 2004 as Single, Married Filing Separately, or Head of Household, you must combine your 2004 separate tax liabilities to determine your combined 2004 income tax. (If either you or your spouse did not file a 2004 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 2005 but filed a joint Connecticut return for 2004, you must determine your share of the 2004 tax (Form CT-1040EZ, Line 6; Form CT-1040, Line 14; or Form CT-1040NR/PY, Line 16). First calculate the 2004 tax both you and your spouse would have paid had you filed separate Connecticut returns for 2004 as married persons filing separately. Then complete the following calculation:

|   |                                     |                               |
|---|-------------------------------------|-------------------------------|
| Your separate 2004 tax liability            | <input type="checkbox"/>            | Your 2004 joint tax liability |
| Both spouses' separate 2004 tax liabilities | <input checked="" type="checkbox"/> |                               |

### 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 Part I, Box A.

If you checked Part I, Box D, because you are a **farmer** or **fisherman**, as defined in I.R.C. §6654(i)(2), and you have made only one installment of estimated income tax, complete Column **D only**.

**Line 10:** If you checked Part I, Box A, 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 2005 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 2005 Connecticut income tax withheld was \$1,300, enter \$1,300 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 Part I, Box C.

**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, \$1,000 in Column C, and \$1,300 in Column D.

---

**Line 15:** Enter in the appropriate columns all timely installment payments you made. 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, 2005, June 15, 2005, September 15, 2005, and January 15, 2006, 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, such as from lottery winnings, investment income, or 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, see **Informational Publication 2005(27), A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040AES**. This publication is available from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or by calling the DRS Forms Unit anytime at **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone or **860-297-4753** (from anywhere).

If you use the annualized income installment method for any installment due date, you must use this method for all installment due dates. **Form CT-2210, Schedule A**, 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 on Form CT-2210, Part I;
2. Enter the amounts from *Schedule A*, Lines 22 through 25 in the appropriate columns on Form CT-2210, Part III, Line 10;
3. Attach Form CT-2210 and *Schedule A* to your return;
4. Attach your calculations of your Connecticut adjusted gross income for each period; **and**
5. Check the box for Form CT-2210 on the front of your Connecticut income tax return.

### Line Instructions

**Line 1:** Attach a schedule showing how you computed your Connecticut adjusted gross income for each period.

Trusts and estates must enter their Connecticut taxable income and use the following period ending dates: 2-28-2005, 4-30-2005, 7-31-2005, and 11-30-2005.

Filers of **Forms CT-1065/CT-1120SI** and **CT-G** must enter the Connecticut source income for the partner, shareholder, or beneficiary.

**Line 2: Trusts and estates** do not use the amounts shown in Columns (a) through (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 trusts and estates must multiply Line 3 by 5% (.05).

**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 for each column:

|   |   |
|---|---|
| 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.<br>Trusts and estates: Multiply Line c by 5% (.05).  |   |
| e. Divide Connecticut source income for the period by Connecticut adjusted gross income (Connecticut taxable income for trusts and estates) for the period. This is your allocated Connecticut income tax percentage. (If Line b is greater than Line a, enter 1.0000). | ● |
| f. Multiply Line d by Line e.<br>Enter here and on <i>Schedule A</i> , Line 4.  |   |

Filers of Forms CT-1065/CT-1120SI and CT-G must multiply Line 3 by 5% (.05).

**Line 5:** The credit for tax paid to a qualifying 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 annualization 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 residence, motor vehicle, or both, as calculated on your 2005 **Form CT-1040, Schedule 3**.

The credit may not exceed **\$350** and may be further reduced. 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.

**Lines 15 through 25:** You **must** complete Lines 15 through 25 in one column before continuing to the next column.

## Schedule B Interest Calculation

### 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 Part III, Line 16, Column A, complete Worksheet A. If no underpayment is shown in Part III, Line 16, Column B, but an underpayment is shown in Part III, Line 16, Column C, skip Worksheet B and complete Worksheet C.

- Interest at 1% (.01) per month or fraction of a month will continue to accrue until the earlier of April 15, 2006, or the date on which the underpayment is paid. A month is measured from the sixteenth day of the first month to the fifteenth 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 2005 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 Form CT-2210, Part III, Line 17, Column A.

#### Worksheets B and D

**Lines a through 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 Form CT-2210, Part III, Line 17, Column B, or Part III, Line 17, Column D.

#### Worksheet C

**Lines a through 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 Form CT-2210, Part III, Line 17, Column C.



# Form CT-1127

**2005**

## Application for Extension of Time for Payment of Income Tax

**Place this form on top of your completed Connecticut income tax return.**

|  |   |           |  |
|--|---|-----------|--|
| <b>Taxpayer</b><br><br><b>(Please Type or Print)</b> | Your First Name and Middle Initial                            | Last Name | Your Social Security Number            |
|  | If a joint return, Spouse's First Name and Middle Initial     | Last Name | Spouse's Social Security Number        |
|  | Name of Estate, Trust, Partnership, or Entity                 |           | Federal Employer Identification Number |
|  | Mailing Address (number and street), apartment number, PO Box |           | Daytime Telephone Number<br>( )        |
|  | City, Town, or Post Office                                    | State     | ZIP Code                               |

**Please read the instructions on the back of this form.**

**This form is not an extension of time to file.**

**See How to Get an Extension of Time to File (on back) for additional time to file.**

**You must file this form on or before the due date of your return or your extension request will be denied.**

I request a **six-month extension** of time to **October 15, 2006**, to pay my Connecticut income tax of \$ \_\_\_\_\_ for the year beginning January 1, 2005, and ending December 31, 2005.

If you are **not** a calendar year taxpayer, complete the following statement:

I request a six-month extension of time to \_\_\_\_\_, to pay my Connecticut income tax of \$ \_\_\_\_\_ for the year beginning \_\_\_\_\_ and ending ► \_\_\_\_\_.

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 penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |                                    |      |                        |
|---|------------------------------------|------|------------------------|
| <b>SIGN HERE</b><br><br>Keep a copy for your records. | Your Signature                     |      | Date                   |
|   | Spouse's Signature                 |      | Date                   |
|   | Paid Preparer's Signature          | Date | Telephone<br>( )       |
|   | Firm's Name, Address, and ZIP Code |      | Preparer's SSN or PTIN |
|   |                                    | FEIN |                        |

## 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 it will cause you undue hardship to pay the tax on the date it is due. This form 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. (For example, such a loss could be caused by having to sell property at a sacrifice price.) You must show 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 show current market prices. Also show you are unable to borrow money to pay the tax, except under terms that will cause you severe loss and hardship.

### Who May File Form CT-1127

Filers of **Forms CT-1040, CT-1040EZ, CT-1040NR/PY, CT-1041, and CT-1065/CT-1120SI** may file this form.

### Limitation

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 (DRS), Collection and Enforcement Division, if any security is required.

### Interest and 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. In either case, monthly billing statements will be issued to you until the balance is paid in full.

If after the extension period you are subject to a penalty that you believe was unjustly assessed, you may request a penalty waiver. Requests for a penalty waiver must be in writing and contain a clear and complete explanation. Include your name, Social Security Number (SSN), name of original form filed or billing notice received, and taxable filing period on all correspondence. Mail your penalty waiver request to:

**Department of Revenue Services  
Penalty Review Committee  
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.

Where the time for payment of Connecticut income tax is extended, interest will be added at 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.

### How to Get an Extension of Time to Pay

To request a Connecticut extension of time to pay your Connecticut income tax, you must complete Form CT-1127 in its entirety and file it on or before the 15th day of the fourth month following the close of your taxable year (April 15, if your taxable year is the calendar year). We will notify you only if your request is denied.

If you are requesting an extension of time to file your Connecticut income tax return, attach Form CT-1127 on top of your Form CT-1040 EXT.

If you are not requesting an extension of time to file your Connecticut income tax return, attach Form CT-1127 on top of your Connecticut income tax return.

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

### How to Get an Extension of Time to File

- File **Form CT-1040 EXT**, if you need additional time to file Form CT-1040EZ, Form CT-1040, or Form CT-1040NR/PY.
- File **Form CT-1041 EXT** if you need additional time to file Form CT-1041.
- File **Form CT-1065/CT-1120SI EXT** if you need additional time to file Form CT-1065/CT-1120SI.

### Signature

You **must** sign this form. If you are filing a joint return, both you and your spouse must sign.

### Others Who Can Sign For You

Anyone with a signed Power of Attorney may 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, accountants, 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 states the reasons for signature other than by the taxpayer and the relationship existing between the taxpayer and the signer.

### Paid Preparer's Signature

Anyone you pay to prepare your return **must** sign and date it. Paid preparers **must** also enter their SSN or Personal Tax Identification Number (PTIN), and their firm's Federal Employer Identification Number (FEIN) in the spaces provided.

**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)
- **TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

# Form CT-8379

## Nonobligated Spouse Claim

# 2005

(Rev. 12/05)

**Place this form on top of your completed Connecticut income tax return and  
 remember to check the box for Form CT-8379 on the front of your Connecticut return.**

### Taxpayer Information as Shown on Joint Connecticut Income Tax Return

|  |           |   |  |
|--|-----------|---|--|
| Your First Name and Middle Initial                         | Last Name | Your Social Security Number<br>____-____-____     | Nonobligated Spouse?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |
| Spouse's First Name and Middle Initial                     | Last Name | Spouse's Social Security Number<br>____-____-____ | Nonobligated Spouse?<br><input type="checkbox"/> YES <input type="checkbox"/> NO |
| Home Address (number and street), Apartment Number, PO Box |           |   | Your Daytime Telephone Number<br>( )   |
| City, Town, or Post Office                                 | State     | ZIP Code  | DRS USE ONLY<br><b>- -20</b>   |

#### Who may file this form? You may file this form if:

- The filing status claimed on your 2005 Connecticut income tax return is **Married Filing Jointly**;
- You do not want your share of a joint Connecticut income tax refund to be applied against your spouse's past-due child support or debt to any Connecticut state agency; **and**
- You meet all of the requirements under *Am I a Nonobligated Spouse?* on the back of this form.

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 a TANF case (Public Assistance case) or \$500 or more in a Non-TANF IV-D support case (non-Public Assistance case)).

**Do not** use this form if you are requesting relief from a joint Connecticut income tax liability you believe should be paid only by your spouse (or former spouse). See **Form CT-8857, Request for Innocent Spouse Relief (And Separation of Liability and Equitable Relief)**.

**Do 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 (IRS) by your spouse. For information regarding IRS offsets, contact the IRS Office of the Local Taxpayer Advocate in Hartford, Connecticut, at 860-756-4555.

Attach W-2, W-2G, or 1099 Forms Here

| Allocation Items<br>(See <i>Specific Instructions</i> on the back of this form)    | Joint | Nonobligated Spouse | Obligated Spouse |
|--|-------|---------------------|------------------|
| a. Connecticut adjusted gross income   | \$    | \$                  | \$               |
| b. Total tax   | \$    |                     |                  |
| c. Connecticut income tax withheld ( <b>W-2 and 1099 forms must be attached.</b> ) | \$    | \$                  | \$               |
| d. Separate estimated Connecticut tax payments (if any)                            |       | \$                  | \$               |
| e. Joint estimated Connecticut tax payments (if any)                               | \$    |                     |                  |
| f. Payments made with extension request (if any)                                   | \$    |                     |                  |
| g. Joint amount overpaid   | \$    |                     |                  |

The Department of Revenue Services (DRS) will calculate the amount of the refund owed to the nonobligated spouse.

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |   |      |                         |                        |
|---|---|------|-------------------------|------------------------|
| <b>Sign Here</b><br><br>Keep a copy for your records. | Your Signature ( <b>Nonobligated Spouse</b> ) |      |                         | Date                   |
|   | Paid Preparer's Signature                     | Date | Telephone Number<br>( ) | Preparer's SSN or PTIN |
|   | Firm's Name, Address, and ZIP Code            |      |                         | FEIN                   |

# Form CT-8379 Instructions

## Purpose

Use **Form CT-8379, Nonobligated Spouse Claim**, if you are a nonobligated spouse and all or part of your overpayment was (or is expected to be) applied against your spouse's past due State of Connecticut debt (such as child support) and you want your share of the joint overpayment refunded to you.

## General Instructions

### Am I a Nonobligated Spouse?

You are a nonobligated spouse, if you meet **all** of the following requirements:

- You filed a joint Connecticut income tax return with a spouse who owes past-due child support or a debt to any Connecticut state agency (the obligated spouse);
- You received income (such as wages, interest, etc.) reported on the joint return;
- You made Connecticut income tax payments (such as withholding or estimated tax payments) reported on the joint return;
- You do not owe past-due child support or a debt to any Connecticut state agency; **and**
- You filed a joint return reporting 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:** You must file Form CT- 8379 with **Form CT-1040, Form CT-1040EZ, Form CT-1040NR/PY, or Form CT-1040X**. Remember to check the box for Form CT-8379 on the front of your Connecticut income tax return.

You must place this form on **top** of the completed Connecticut income tax return. If you have previously filed your 2005 Connecticut income tax return, mail this form separately to Department of Revenue Services, PO Box 5035, Hartford CT 06102-5035.

**Important: Attach copies of all forms W-2 and 1099 showing Connecticut income tax withheld to Form CT- 8379.**

## Specific Instructions

**Taxpayer Information:** Enter the taxpayer information exactly as it appears on your Connecticut income tax return. The name and Social Security Number (SSN) entered first on the joint tax return must also be entered first on Form CT- 8379.

### 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; Connecticut Telefile Tax Return, Line 4 minus Line 5; 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. 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.

- b. **Total tax** - Enter the joint Connecticut tax liability as

| Nonresidents and Part-Year Residents Only | Connecticut Source Income (Form CT-1040NR/PY, Line 6) |
|---|---|
| Allocation Item                           |   |
| Joint                                     |   |
| Nonobligated Spouse                       |   |
| Obligated Spouse                          |   |

reported on your joint Connecticut income tax return (Form CT-1040, Line 16; Form CT-1040EZ, Line 8; Connecticut Telefile Tax Return, Line 12; or Form CT-1040NR/PY, Line 18).

- c. **Connecticut income tax withheld** - Enter the joint Connecticut withholding as reported on your joint Connecticut income tax return (Form CT-1040, Line 18; Form CT-1040EZ, Line 10; Connecticut Telefile Tax Return, Line 13; or Form CT-1040NR/PY, Line 20). 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. Include overpayments applied from a previous year.
- f. **Payments made with extension request** - Enter the joint amount as reported on your joint Connecticut income tax return (Form CT-1040, Line 20; Form CT-1040EZ, Line 12; or Form CT-1040NR/PY, Line 22).
- g. **Joint amount overpaid** - Enter the joint amount overpaid as reported on your joint Connecticut income tax return (Form CT-1040, Line 22; Form CT-1040EZ, Line 14; Connecticut Telefile Tax Return, Line 15; or Form CT-1040NR/PY, Line 24). DRS will compute the separate overpayments for the nonobligated spouse and the obligated spouse.

**Nonobligated Spouse Refund:** DRS 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.

**Signature:** This form **must** be signed by the **nonobligated spouse**.

**Others Who May Sign for the Nonobligated Spouse:** Anyone with a signed Power of Attorney may sign on behalf of the nonobligated spouse.

**Paid Preparer's Signature:** Anyone you pay to prepare your return **must** sign and date it. Paid preparers **must** also enter their (SSN) or Personal Tax Identification Number (PTIN), and their firm's Federal Employer Identification Number (FEIN) in the spaces provided.

# Form CT-8857

## Request for Innocent Spouse Relief

(And Separation of Liability and Equitable Relief)

**Do not file this form if:**

- You did not file a joint return for the year(s) for which you are requesting relief.
- All or part of your overpayment was (or is expected to be) applied against your spouse's past-due debt (such as child support). Instead, file **Form CT-8379, Nonobligated Spouse Claim**, to apply to have your share of the overpayment refunded to you.

**Do not file Form CT-8857 with your tax return.**

|   |   |   |
|---|---|---|
| <b>Part I</b>   | Your Current Name (see instructions)                                    | Your Social Security Number<br>____ : ____ : ____ |
| See <b>Spousal Notification</b> in the Specific Instructions.   | Your Current Home Address (number and street), Apartment Number, PO Box | Daytime Telephone Number<br>( )                   |
|   | City, Town, or Post Office  | State   |
|   | ZIP Code  | <b>DRS USE ONLY</b><br>- - - - - <b>- 20</b>      |
| Check this box if you filed federal Form 8857 <input type="checkbox"/> Date you filed federal Form 8857 _____ |   |   |

**Part II**

- Enter the year(s) for which you are requesting relief from liability of Connecticut income tax: ► \_\_\_\_\_
- Information about the person to whom you were married as of the end of the taxable year(s) listed on Line 1.

|  |  |
|--|--|
| Name   | Social Security Number<br>____ : ____ : ____ |
| Current Home Address (number and street), Apartment Number, PO Box |  |
| City, Town, or Post Office   | State  |
| ZIP Code   | Daytime Telephone Number<br>( )              |
- Do you have an **Understatement of Tax** (that is, DRS has determined there is a difference between the tax shown on your return and the tax that should have been shown)?

**Yes.** Go to Part III.                       **No.** Go to Part V.

**Part III**

- Are you divorced from the person listed on Line 2 or has that person died?

**Yes.** Go to Line 7.                       **No.** Go to Line 5.
- Are you legally separated from the person listed on Line 2?

**Yes.** Go to Line 7.                       **No.** Go to Line 6.
- Have you lived apart from the person listed on Line 2 at all times during the 12-month period prior to filing this form?

**Yes.** Go to Line 7.                       **No.** Go to Part IV.
- If Line 4, 5, or 6 is **Yes**, you may request **Separation of Liability** by **attaching a statement** (see instructions).  
Check here ►  and go to Part IV.

**Part IV**

- Is the understatement of tax due to the **Erroneous Items** of your spouse (see instructions)?

**Yes.** You may request **Innocent Spouse Relief** by **attaching a statement** (see instructions). Go to Part V.

**No.** You may request **Equitable Relief** for the understatement of tax. Check **Yes** in Part V.

**Part V**

- Do you have an **Underpayment of Tax** (that is, tax properly shown on your return but not paid) or another tax liability that qualifies for **Equitable Relief** (see instructions)?

**Yes.** You may request **Equitable Relief** by **attaching a statement** (see instructions).

**No.** You cannot file this form unless Line 3 is **Yes**.

**Declaration:** I declare under penalty of law that I have examined this statement (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false statement to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |                                    |                        |                         |
|---|------------------------------------|------------------------|-------------------------|
| <b>Sign Here</b><br><br>Keep a copy of this return for your records | Your Signature                     | Date                   |                         |
|   | Paid Preparer's Signature          | Date                   | Telephone Number<br>( ) |
|   | Firm's Name, Address, and ZIP Code | Preparer's SSN or PTIN |                         |
|   |                                    |                        | FEIN                    |

# Form CT-8857 Instructions

## General Instructions

### Purpose

Use **Form CT-8857**, *Request for Innocent Spouse Relief (And Separation of Liability and Equitable Relief)*, to request relief from liability for tax, plus related penalties and interest, for which you believe only your spouse or former spouse should be held liable. You must have filed a joint return for the year(s) for which you are requesting relief. The Department of Revenue Services (DRS) will evaluate your request and tell you if you qualify.

You may be allowed one or more of these three types of relief:

- Separation of liability;
- Innocent spouse relief; **or**
- Equitable relief.

### Definitions

#### Underpayment of Tax

An **underpayment** is tax that is properly shown on your return but has not been paid.

**Example:** *Beth and Jack filed a joint return that properly reflects their income and credits, but showed an unpaid balance of \$400. Beth and Jack are getting divorced. Beth gave Jack \$200 and Jack promised to pay the full \$400, but did not. Beth and Jack are both liable for the \$400 tax not paid (underpayment).*

#### Understatement of Tax

An **understatement of tax**, or deficiency, is the difference between the total amount of tax that DRS determines should have been shown on the Connecticut income tax return and the amount actually shown on the return.

**Example:** *Mary and Matt filed a joint return showing \$400 tax due which they fully paid. DRS later audits their return and finds \$4,000 of income that Mary earned but did not report. This understatement results in an additional \$180 in tax. Mary and Matt are both liable for the additional tax (understatement) due to Mary's unreported income.*

#### Joint and Several Liability

Generally, joint and several liability applies to all joint returns. This means both you and your spouse or former spouse are jointly and individually responsible for any underpayment of tax plus any understatement of tax that may become due later. This is true even if a divorce decree states your former spouse will be responsible for any amounts due on previously filed joint returns.

If you have both an underpayment and understatement of tax, you may have to request different types of relief. If you have an underpayment of tax, you may only request equitable relief. Complete Parts III and IV to see which type(s) of relief you can request for the understatement of tax.

### Statement to Attach

**You must attach a statement to** Form CT-8857 explaining why you qualify for relief. Complete the statement using the best information you have available. Include your name and Social Security Number (SSN) on the statement.

If you are requesting relief for more than one taxable year, you only need to file one Form CT-8857. However, you must include a separate statement for each year. Clearly indicate in the statement(s) the type(s) of relief you are requesting for each year. You must provide certain information for each type of relief you are requesting. See the Specific Instructions for Parts III, IV, and V for details on the information to include with your statement(s).

Generally, DRS will request additional information from you. You can help the processing of your request for relief by completing and attaching federal Form 12510, *Questionnaire for Requesting Spouse*. To get federal Form 12510, go to [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

### When to File

File Form CT-8857 as soon as you become aware of a Connecticut income tax liability for which you believe only your spouse or former spouse should be held liable. You may become aware of a liability if:

- DRS has examined your tax return and is proposing an understatement of tax; **or**
- DRS has sent you a notice.

You must file Form CT-8857 no later than two years after DRS first began collection activity against you.

Examples of attempts to collect the tax from you are garnishment of your wages or applying your income tax refund to the tax due.

### Where to File

**Do not** file Form CT-8857 with your tax return.

Mail Form CT-8857 and your statement (if applicable) to:

Department of Revenue Services  
Collections and Enforcement-Quality Control Unit  
25 Sigourney Street  
Hartford CT 06106-5032

## Specific Instructions

### Part I

Enter your current name. If your current name is different from your name as shown on your tax return for any year for which you are requesting relief, enter it in parentheses after your current name. For example, enter “Jane Maple (formerly Jane Oak).”

### Spousal Notification

The law requires DRS to inform your spouse or former spouse of the request for relief from liability. DRS is also required to allow your spouse or former spouse to provide information that may assist in determining the amount of relief from liability. DRS will **not** provide information to your spouse or former spouse that could infringe on your privacy. DRS will not provide your new name, address, information about your employer, phone number, or any other information that does not relate to making a determination about your request for relief from liability.

### Part II

**Line 1** – Enter the taxable year(s) for which you have an understatement or underpayment. **Do not** enter any year(s) that DRS used your refund to offset the understatement or underpayment.

**Example:** *You were due a refund for taxable year 2001 on your single return but DRS applied the refund to unpaid joint taxes for taxable year 1999. You enter “1999” on Line 1.*

**Line 2** – Enter the current name and SSN of the person to whom you were married as of the end of the taxable year(s) listed on Line 1. If the name of the person shown on that year’s tax return(s) is different from the current name, enter it in parentheses after the current name. For example, enter “Jane Maple (formerly Jane Oak).” Also enter the current home address and daytime telephone number if you know it.

### Part III – Separation of Liability

You may request separation of liability for any understatement of tax shown on the joint return(s) you filed with the person listed on Line 2 if that person died or you and that person:

- Are divorced;
- Are legally separated; or
- Have lived apart at all times during the 12-month period prior to the date you file **Form CT-8857**.

Separation of liability applies only to amounts owed that are not paid. DRS will not issue you a refund of amounts already paid.

### How to Request Separation of Liability

Attach a statement to Form CT-8857 that shows the total amount of the understatement of tax. For each item that resulted in an understatement of tax, explain whether the item is attributable to you, the person listed on Line 2, or both of you. For example, unreported income earned by the person listed on Line 2 would be allocated to that person.

**Exception:** If, at the time you signed the joint return, you knew about any item that resulted in part or all of the understatement, then your request will not apply to that part of the understatement.

### Part IV – Innocent Spouse Relief

You may be allowed innocent spouse relief if **all** of the following apply:

- You filed a joint return for the year(s) entered on Line 1;
- There is an understatement of tax on the return(s) due to erroneous items of the person listed on Line 2;
- You can show that when you signed the return(s) you did not know and had no reason to know the understatement of tax existed (or the extent to which the understatement existed); **and**
- Taking into account all the facts and circumstances, it would be unfair to hold you liable for the understatement of tax.

### Erroneous Items

Any income, deduction, or credit is an erroneous item if it is omitted from or incorrectly reported on the joint return.

### Partial Innocent Spouse Relief

If you knew about any of the erroneous items, but did not know the full extent of the item(s), you may be allowed relief for the part of the understatement you did not know about. Explain in your statement attached to Form CT-8857 how much you knew and why you did not know, and had no reason to know, the full extent of the item(s).

### How to Request Innocent Spouse Relief

Attach a statement to Form CT-8857 of why you believe you qualify. The statement will vary depending on your circumstances, but should include **all** of the following:

- The amount of the understatement of tax for which you are liable and are seeking relief;
- The amount and a detailed description of each erroneous item, including why you had no reason to know about the item or the extent to which you knew about the item; **and**
- Why you believe it would be unfair to hold you liable for the understatement of tax.

## Part V – Equitable Relief

You may be allowed equitable relief if, taking into account all the facts and circumstances, DRS determines you should not be held liable for any understatement or underpayment of tax.

Equitable relief generally applies only to:

- An underpayment of tax; **or**
- Part or all of any understatement of tax that does not qualify for both separation of liability and innocent spouse relief.

You should request separation of liability or innocent spouse relief for any understatement of tax if you are eligible. DRS will consider equitable relief for any understatement of tax if it determines innocent spouse relief and separation of liability do not apply.

### How to Request Equitable Relief

Attach an explanation to Form CT-8857 of why you believe it would be unfair to hold you liable for the tax instead of the person listed on Line 2. If you are attaching a statement for separation of liability or innocent spouse relief, only include any additional information you believe supports your request for equitable relief.

**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

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

**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX-FAX.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.



**Form CT-19IT**  
**Title 19 Status Release**

**Place this form on top of your completed Connecticut income tax return.**

|  |           |  |
|--|-----------|--|
| Your First Name and Middle Initial                         | Last Name | Social Security Number<br>____-____-____<br>:          :<br>:          : |
| Home Address (number and street), Apartment Number, PO Box |           | Telephone<br>(     ) _____   |
| City, Town, or Post Office                                 | State     | ZIP Code   |

**Purpose**

By completing this form, you authorize the Department of Revenue Services (DRS) to contact the Department of Social Services to verify your Title 19 status for the 2005 taxable year.

**Who May File Form CT-19IT**

If you are required to file a Connecticut income tax return and you meet the conditions listed below, you may file Form CT-19IT:

1. You were a Title 19 recipient during the taxable year;
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 future earnings to pay the tax.

**General Information**

You are required to file a Connecticut income tax return if you meet any of the following conditions:

1. You meet the gross income test  
(See instructions for **Form CT-1040EZ**, **Form CT-1040**, or **Form CT-1040NR/PY**);
2. You had Connecticut income taxes withheld;
3. You made estimated tax payments to Connecticut;  
**or**
4. You had a federal alternative minimum tax liability.

Complete Form CT-19IT and place it on top of your completed Connecticut income tax return.

If the recipient has given power of attorney to another person to file Connecticut income tax returns or other Connecticut tax forms on the recipient's behalf, attach a copy of the Power of Attorney.

|   |      |
|---|------|
| Signature of Recipient                                | Date |
| Signature of Person With Power of Attorney            | Date |
| Name of Person With Power of Attorney (Print or Type) |      |

# Schedule CT-1040CRC

## Claim of Right Credit

# 2005

(Rev. 12/05)

**Place this form on top of your completed Connecticut income tax return.  
Remember to check the box for Form CT-1040CRC on the front of your Connecticut return.**

|   |           |  |
|---|-----------|--|
| Your First Name and Middle Initial                      | Last Name | Your Social Security Number<br>____-____-____<br>: : :<br>____-____-____     |
| If Joint Return, Spouse's First Name and Middle Initial | Last Name | Spouse's Social Security Number<br>____-____-____<br>: : :<br>____-____-____ |

**Purpose**

If during your 2005 taxable year you had to repay income you included in your Connecticut adjusted gross income for an earlier taxable year, and the amount you repaid is more than \$3,000, you may be able to claim a credit against your Connecticut income tax for your 2005 taxable year. If you are eligible for the *Connecticut Claim of Right Credit*, complete this schedule to claim a credit equal to the Connecticut income tax you would not have had to pay if the repaid amount had not been included in your Connecticut adjusted gross income in the earlier taxable year.

**Am I Eligible for the Connecticut Claim of Right Credit**

You are eligible for the Connecticut claim of right credit if you meet **all** of the following conditions:

- You were a resident, nonresident, or part-year resident individual who included income in Connecticut adjusted gross income for an earlier taxable year(s) (year(s) of receipt). A trust or estate is not eligible to claim relief for Connecticut income tax purposes;
- You were required to repay such income during your 2005 taxable year (year of repayment);
- The amount of the repayment exceeds \$3,000; **and**
- You determined your federal income tax liability for the year of repayment under I.R.C. §1341(a)(4) (see *Exception*) or I.R.C. §1341(a)(5).

**Exception:** I.R.C. §1341(a) requires you to determine your federal income tax liability by whichever of the following two methods results in the lesser federal income tax liability.

1. If you are required to determine your federal income tax liability using the **deduction method** (I.R.C. §1341(a)(4)), you may be eligible for the Connecticut claim of right credit. The deduction method involves deducting the repayment on your federal income tax return for the year of repayment. Depending on the type of income you repaid, you will either deduct the repayment in determining your federal adjusted gross income or in determining your federal taxable income. If the repayment is deducted in determining your federal adjusted gross income, you are **not eligible** for the Connecticut claim of right credit. See **Example 2**, on the back of this schedule. If the repayment is deducted in determining your federal taxable income and reported on federal Form 1040, Schedule A, you are eligible for the Connecticut claim of right credit. See **Example 1**, on the back of this schedule.

If the deduction results in a net operating loss for federal income tax purposes carried back to a taxable year or years preceding the year of repayment, no claim for refund is allowable for Connecticut income tax purposes for the preceding year or years on account of the loss carryback.

2. If you are required to determine your federal income tax liability using the **credit method** (I.R.C. §1341(a)(5)), you are eligible for the Connecticut claim of right credit. See **Example 1**, on the back of this schedule.

|    |  |    |  |
|----|--|----|--|
| 1. | Taxable year(s) in which you received the income (year(s) of receipt).   | 1. |  |
| 2. | Amount of income repaid during your 2005 taxable year.   | 2. |  |
| 3. | Type of income you repaid during your 2005 taxable year and the reason(s) for repayment.<br>_____  |    |  |
| 4. | Amount of your Connecticut income tax liability reported on your Connecticut income tax return for the year(s) of receipt.   | 4. |  |
| 5. | Connecticut income tax liability for the year(s) of receipt after excluding the income you were required to repay during your 2005 taxable year.   | 5. |  |
| 6. | Subtract Line 5 from Line 4. This is your 2005 claim of right credit.<br>Include this amount on your 2005 <b>Form CT-1040</b> , Line 13;<br><b>Form CT-1040NR/PY</b> , Line 15; or <b>Form CT-1040X</b> , Line 17. | 6. |  |

## Nonresidents or Part-Year Residents

If you are a nonresident or part-year resident in the year of receipt and repaid income during your 2005 taxable year, you will determine the decrease in your Connecticut income tax liability for the year of receipt by excluding the repaid income from your Connecticut adjusted gross income. To the extent the repayment is derived from or connected with sources within this state, you will also exclude this repayment from your Connecticut source income.

### Form CT-1040EZ Filers

You cannot file Schedule CT-1040CRC with Form CT-1040EZ. You must file either Form CT-1040 or Form CT-1040NR/PY.

### Documentation Needed to Prove My Eligibility for the Connecticut Claim of Right Credit

You must submit **all** of the following documentation with your 2005 Connecticut income tax return:

- A completed **Schedule CT-1040CRC** (placed on top of your completed Connecticut income tax return);
- A copy of your completed 2005 federal income tax return (including all schedules and attachments) that you signed and filed for your 2005 taxable year;
- Proof you were required to repay income you included in Connecticut adjusted gross income for the year(s) of receipt (such as a letter from your employer requiring you to repay sales commissions);
- A copy of your completed federal income tax return (including all schedules and attachments) that you signed and filed for the year(s) of receipt; **and**
- Proof you repaid the income during your 2005 taxable year (such as a copy of your cancelled check or money order).

### How to Compute My Connecticut Claim of Right Credit

Your Connecticut income tax liability for the year of repayment is an amount equal to:

- The tax for the year of repayment, computed as if there was no Connecticut claim of right credit; **minus**
- The decrease in tax for the year(s) of receipt that would result solely from the exclusion of the amount of income you were subsequently required to repay from your Connecticut adjusted gross income for the year(s) of receipt.

### Line Instructions

**Line 1:** If you repaid income during your 2005 taxable year that you included in your Connecticut adjusted gross income for an earlier taxable year(s), enter the year(s) of receipt.

**Line 2:** Enter the amount of income repaid during your 2005 taxable year. This income must have been previously included in your Connecticut adjusted gross income for the year(s) of receipt.

**Line 3:** Describe the type of income you repaid during your 2005 taxable year and the reason for repayment.

**Line 4:** Enter the amount of your Connecticut income tax liability reported on your Connecticut income tax return for the year(s) of receipt.

**Line 5:** Compute the amount of your Connecticut income tax liability for the year(s) of receipt after you exclude from your Connecticut adjusted gross income for the year(s) of receipt the income you repaid during your 2005 taxable year.

Repayments of Social Security benefits may require the recalculation of your taxable benefits in order to determine the amount to exclude from Connecticut adjusted gross income.

**Line 6:** Subtract Line 5 from Line 4. Include this amount on your 2005 Form CT-1040, Line 13; Form CT-1040NR/PY, Line 15; or Form CT-1040X, Line 17. This amount will be credited against your Connecticut income tax liability for your 2005 taxable year on the due date for payment of your 2005 Connecticut income tax liability. Remember to check the box for Form CT-1040CRC on the front of your Connecticut return.

**Example 1:** In December 2004, James, a Connecticut resident, was advanced commissions by his employer. These commissions were included in his 2004 Connecticut adjusted gross income of \$45,000. In May 2005, James's employer advised him that some of his customers had decided to cancel their purchases and he must repay \$4,000 of the commissions he received during 2004. If James was required to determine his federal income tax liability for the 2005 taxable year using the **deduction method** (I.R.C. §1341(a)(4)), he would deduct the \$4,000 as an itemized deduction on federal Form 1040, Schedule A. Assuming James's filing status on his 2004 and 2005 Connecticut income tax returns is *married filing separately* and his 2005 Connecticut adjusted gross income is \$50,000, he would compute his 2005 Connecticut income tax liability as follows:

|   |           |
|---|-----------|
| 2005 Connecticut income tax liability on \$50,000 | \$2,161   |
| <b>Minus</b> difference between:                  |           |
| 2004 tax payable on \$45,000                      | = \$1,844 |
| and   |           |
| 2004 tax payable on \$41,000 (\$45,000 - \$4,000) | = \$1,664 |
|   | - \$ 180  |
| 2005 Connecticut income tax liability             | \$1,981   |

If James was required to determine his federal income tax liability for the 2005 taxable year using the **credit method** (I.R.C. §1341(a)(5)), he would also compute his Connecticut income tax liability as shown above.

**Example 2:** In February 2004, Donna, a nonresident individual who works in Connecticut, realized a capital gain of \$5,000 from the sale of a capital asset. The gain was not derived from or connected with Connecticut sources. Donna included the gain in her 2004 Connecticut adjusted gross income of \$35,000. In September 2005, Donna was required to repay the purchaser of the assets \$5,000 as a result of failure to fulfill conditions of the purchase agreement. If Donna was required to determine her federal income tax liability for the 2005 taxable year using the **deduction method** (I.R.C. §1341(a)(4)), she would deduct the repayment as a capital loss on her federal Form 1040, Schedule D. For Connecticut income tax purposes, Donna would not be eligible for the claim of right credit because she deducted the repayment under I.R.C. §1341(a)(4) in determining her federal adjusted gross income.

If Donna was required to determine her federal income tax liability using the **credit method** (I.R.C. §1341(a)(5)), she would be eligible for the Connecticut claim of right credit to the extent that her 2004 tax liability would be decreased as a result of excluding the \$5,000 she subsequently repaid.

**Form CT-1041**  
**Connecticut Income Tax Return for Trusts and Estates**  
For residents, nonresidents, and part-year residents

For calendar year 2005, or other taxable year beginning \_\_\_\_\_, 2005, and ending \_\_\_\_\_,

|                         |  |  |
|-------------------------|--|--|
| <b>Name and Address</b> | Name of Trust or Estate<br>▶ _____                       | Federal Employer Identification Number<br>____-____  |
|                         | Name and Title of Fiduciary<br>▶ _____                   | <b>DRS Use Only</b><br>- - - - - 20  |
|                         | Address of Fiduciary Number and Street PO Box<br>▶ _____ | Decedent's Social Security Number (For Estates Only)<br>____-____  |
|                         | City, Town, or Post Office State ZIP Code<br>▶ _____     | Check applicable box:<br>▶ <input type="checkbox"/> Final Return ▶ <input type="checkbox"/> Amended Return |

Check here if you meet the Form CT-1041 Quick-File Requirements. (See *Quick-File Requirements* on Page 13.) ▶

Check here if you checked any of the boxes on Form CT-2210, Part 1. ▶

**Resident Status**

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: ▶  Resident estate ▶  Full-year resident trust ▶  Part-year resident trust  
▶  Nonresident estate ▶  Nonresident trust

**Type of Entity**

Check applicable box: ▶  Decedent's estate ▶  Bankruptcy estate ▶  Simple trust ▶  Complex trust  
▶  Pooled income fund ▶  Grantor type trust filing federal Form 1041

Indicate if: ▶  Trust was created by the will of a decedent  Inter vivos trust (Also complete Question A, on reverse.)

|                                |   |    |  |    |
|--------------------------------|---|----|--|----|
| <b>Full-year Resident only</b> | 1. Connecticut taxable income of fiduciary (From Schedule CT-1041C, Line 14, or to Quick-File, see federal Form 1041, Line 22.) ▶                             | 1  |  | 00 |
|                                | 2. Connecticut income tax: Multiply Line 1 by 5% (.05). ▶   | 2  |  | 00 |
| <b>Nonresident Part-year</b>   | 3. Allocated Connecticut income tax (From Schedule CT-1041FA, Part 1, Line 12) (nonresident estates, nonresident trusts, or part-year resident trusts only) ▶ | 3  |  | 00 |
| <b>Credit</b>                  | 4. Credit for income tax paid to qualifying jurisdictions by resident estates, resident trusts, or part-year resident trusts only (See instructions.) ▶       | 4  |  | 00 |
|                                | 5. Subtract Line 4 from Line 2 or Line 3. (See instructions.) ▶   | 5  |  | 00 |
|                                | 6. Connecticut Alternative Minimum Tax (From Form CT-1041, Schedule I, Part I, Line 23) ▶   | 6  |  | 00 |
| <b>Total Tax</b>               | 7. Add Line 5 and Line 6. ▶   | 7  |  | 00 |
|                                | 8. Adjusted Net Connecticut Minimum Tax Credit (From Form CT-8801) ▶  | 8  |  | 00 |
|                                | 9. Connecticut income tax (Subtract Line 8 from Line 7.) ▶  | 9  |  | 00 |
| <b>Payments</b>                | 10. Connecticut income tax withheld (See instructions.) ▶   | 10 |  | 00 |
|                                | 11. All 2005 estimated tax payments and any overpayment applied from a prior year ▶   | 11 |  | 00 |
|                                | 12. Payments made with extension request (Form CT-1041 EXT) ▶   | 12 |  | 00 |
|                                | 13. Total payments (Add Lines 10, 11, and 12.) ▶  | 13 |  | 00 |
| <b>Refund or Amount Due</b>    | 14. If Line 13 is greater than Line 9, enter amount overpaid. (Subtract Line 9 from Line 13.) ▶   | 14 |  | 00 |
|                                | 15. Amount of Line 14 you want to be <b>applied</b> to your 2006 estimated tax ▶  | 15 |  | 00 |
|                                | 16. Balance of overpayment (Subtract Line 15 from Line 14.) ▶   | 16 |  | 00 |
|                                | 17. <i>For future use.</i>  | 17 |  |    |
|                                | 18. Amount to be <b>refunded</b> to you (Enter the amount from Line 16.) <b>Refund</b> ▶  | 18 |  | 00 |
|                                | 19. <b>If Line 9 is greater than Line 13</b> , enter the amount of <b>tax you owe</b> . (Subtract Line 13 from Line 9.) ▶                                     | 19 |  | 00 |
|                                | 20. If late: Enter penalty. (See instructions.) ▶   | 20 |  | 00 |
|                                | 21. If late: Enter interest. (See instructions.) ▶  | 21 |  | 00 |
|                                | 22. Interest on underpayments of estimated tax (From Form CT-2210) ▶  | 22 |  | 00 |
|                                | 23. Amount <b>due</b> with this return (Add Lines 19 through 22.) <b>Amount You Owe</b> ▶   | 23 |  | 00 |

Clip Check or Money Order Here. (Do Not Staple.)  
Staple W-2s, W-2Gs, Certain 1099s, and Schedule CT K-1 Here.

**Due Date** (for calendar year filers): April 15, 2006  
Make check or money order payable to: **Commissioner of Revenue Services**.  
Mail in the envelope provided with this return or to the address shown at right.  
It is not necessary to attach federal Form 1041 or federal Schedule K-1.  
Write the Federal Employer ID Number of the trust or estate and "2005 Form CT-1041" on the check or money order.  
DRS may submit your check to your bank electronically.

**Mail to:**  
Department of Revenue Services  
PO Box 2934  
Hartford CT 06104-2934

**Taxpayers must sign declaration on reverse.**

**Schedule A - Connecticut Fiduciary Adjustments - (See instructions.)**

**Additions**

|  |     |  |    |
|--|-----|--|----|
| 1. Interest on state and local government obligations other than Connecticut   | ▶ 1 |  | 00 |
| 2. Mutual fund exempt-interest dividends from state or municipal government obligations other than Connecticut                                   | ▶ 2 |  | 00 |
| 3. Loss on sale of Connecticut state and local government bonds (Enter as a positive number.)  | ▶ 3 |  | 00 |
| 4. Connecticut income tax payments deducted in determining federal taxable income prior to deductions relating to distributions to beneficiaries | ▶ 4 |  | 00 |
| 5. Other (Specify) _____   | ▶ 5 |  | 00 |
| 6. Total additions (Add Lines 1 through 5.)  | ▶ 6 |  | 00 |

**Subtractions**

|   |      |  |    |
|---|------|--|----|
| 7. Interest on U.S. government obligations  | ▶ 7  |  | 00 |
| 8. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations   | ▶ 8  |  | 00 |
| 9. Gain on sale of Connecticut state and local government bonds   | ▶ 9  |  | 00 |
| 10. Refunds of Connecticut income tax   | ▶ 10 |  | 00 |
| 11. Other (Specify) _____   | ▶ 11 |  | 00 |
| 12. Total subtractions (Add Lines 7 through 11.)  | ▶ 12 |  | 00 |
| 13. Connecticut fiduciary adjustment - (Subtract Line 12 from Line 6. This amount may be positive or negative.) Enter on Schedule CT-1041B, Part 1, Line f, Column 5. | ▶ 13 |  | 00 |

**Resident estates or full year resident trusts (except for those that meet the Quick-File Requirements) must attach Schedule CT-1041C and if applicable, Schedule CT-1041FA.**

**Questions**

- A. If the trust is an inter vivos trust, enter name, address, and Social Security Number of grantor:  
\_\_\_\_\_
- B. If you checked "Part-year resident trust" on the front of this return, enter the date on which the trust became irrevocable: \_\_\_\_\_
- C. Does the trust or estate have an interest in real property or tangible personal property located in Connecticut?  Yes  No

Completed CT-1041 schedules **must** be attached to the back of Form CT-1041 in the following order unless the trust or estate meets the Quick-File Requirements. Also attach Form CT-8801, if applicable, and a copy of all income tax returns filed with qualifying jurisdictions, if applicable, or the credit will be disallowed.

- Schedule CT-1041B
- Schedule CT-1041C
- Schedule CT-1041FA
- Schedule I
- Form CT-8801
- Credit for income taxes paid to qualifying jurisdictions - Attach a copy of all income tax returns filed with qualifying jurisdictions or the credit will be disallowed.

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |  |      |                            |
|--|--|------|----------------------------|
| <p><b>Sign Here</b></p> <p>Keep a copy of this return for your records</p> | Signature of Fiduciary or Officer Representing Fiduciary | Date | Telephone Number<br>( )    |
|  | Paid Preparer's Signature                                |      | Preparer's PTIN or SSN     |
|  | Firm's Name and Address                                  |      | Federal Employer ID Number |
|  |  |      | Telephone Number<br>( )    |

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

# Schedule CT-1041B

# 2005

(Rev. 12/05)

|                         |                                       |
|-------------------------|---------------------------------------|
| Name of Trust or Estate | Federal Employer ID Number<br>: _____ |
|-------------------------|---------------------------------------|

If you have a Connecticut fiduciary adjustment, complete Schedule CT-1041B, Part 1, to calculate the fiduciary's and each beneficiary's share of the Connecticut fiduciary adjustment. Schedule CT-1041B, 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. Attach Schedule CT-1041B to the back of **Form CT-1041**.

**Part 1 – Shares of Connecticut Fiduciary Adjustment of a Resident or a Nonresident Estate or a Resident Trust, Part-Year Resident Trust, or Nonresident Trust**

| (1)<br>Name and address of each beneficiary.<br>Check box below if beneficiary is a<br><b>nonresident of Connecticut.</b>  | (2)<br>Identifying Number<br>of Each Beneficiary | Shares of Federal Distributable<br>Net Income (See instructions.) |                | (5)<br>Shares of Connecticut<br>Fiduciary Adjustment |
|--|--|---|----------------|--|
|  |  | (3)<br>Amount   | (4)<br>Percent |  |
| a) <input type="checkbox"/>  |  | 00  |                | 00   |
| b) <input type="checkbox"/>  |  | 00  |                | 00   |
| c) <input type="checkbox"/>  |  | 00  |                | 00   |
| d) <input type="checkbox"/>  |  | 00  |                | 00   |
| e) <b>Fiduciary</b><br><b>Resident estate or full-year resident trust:</b> Carry the amount from<br>Column 5 to Schedule CT-1041C, Line 5; <b>or</b><br><b>Nonresident estate or trust or a part-year resident trust:</b> Carry the<br>amount from Column 5 to Schedule CT-1041FA, Part 1, Line 2. |  | 00  |                | 00   |
| f) <b>Total</b><br>The amount entered on Schedule CT-1041B, Part 1, Line f, Column 5<br>should be the same as the amount entered on Form CT-1041, <i>Schedule A</i> ,<br>Line 13. (See instructions.)  |  | 00  |                | 00   |

**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 <b>resident</b> noncontingent beneficiaries.                         | 1 |   |
| 2. Enter the number of <b>nonresident</b> noncontingent beneficiaries.                               | 2 |   |
| 3. Add Line 1 and Line 2.  | 3 |   |
| 4. Divide Line 1 by Line 3 and enter as a decimal. (Round to four decimal places; see instructions.) | 4 | . |

If a full-year resident inter vivos trust, enter the percentage from Line 4 above on Schedule CT-1041C, Line 11.  
If a part-year resident inter vivos trust, enter the percentage from Line 4 above on Schedule CT-1041FA, Part 1, Line 5.

# Schedule CT-1041C

# 2005

|                         |   |
|-------------------------|---|
| Name of Trust or Estate | Federal Employer ID Number<br>_ _ : _ _ _ _ _ |
|-------------------------|---|

**All resident estates and full-year resident trusts** (except for those that meet the Quick-File Requirements) **must complete this schedule to determine the status of any nonresident beneficiaries and to calculate Connecticut taxable income. Attach Schedule CT-1041C to the back of Form CT-1041.**

**Type of Trust or Estate** (Check applicable box.)

1. Resident estate without any nonresident beneficiaries or full-year resident trust without any nonresident beneficiaries. Complete Lines 4 through 6 and Line 14.

**Resident estates or full-year resident trusts that meet the Quick-File Requirements, see Page 13.**

2. Resident estate with one or more nonresident beneficiaries; 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 6 and Line 14.

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 14.

|   |   |   |  |    |
|---|---|---|--|----|
| 4. Federal taxable income of fiduciary (From federal Form 1041, Line 22)                                    | ▶ | 4 |  | 00 |
| 5. Fiduciary's share of Connecticut fiduciary adjustment (From Schedule CT-1041B, Part 1, Line e, Column 5) | ▶ | 5 |  | 00 |
| 6. Connecticut gross taxable income of fiduciary as modified (Add Line 4 and Line 5.)                       |   | 6 |  | 00 |

Full-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries, complete Lines 7 through 14; all others go to Line 14.

|  |    |      |    |    |
|--|----|------|----|----|
| 7. Enter the fiduciary's share of income from Connecticut sources (See instructions.)  |    | 7    |    | 00 |
| 8a. Enter the amount from Schedule CT-1041FA, Part 3, Line 4, Column B.  | 8a |      | 00 |    |
| 8b. Enter the amount from Schedule CT-1041FA, Part 3, Line 18, Column B.   | 8b |      | 00 |    |
| 8c. Subtract Line 8b from Line 8a.   |    | 8c   |    | 00 |
| 9. Income from Connecticut sources of fiduciary as modified (Add Line 7 and Line 8c.)  |    | 9    |    | 00 |
| 10. Connecticut taxable income of fiduciary from non-Connecticut sources as modified (Subtract Line 9 from Line 6.)  |    | ▶ 10 |    | 00 |
| 11. Enter as a decimal the percentage of resident noncontingent beneficiaries (from Schedule CT-1041B, Part 2, Line 4).  |    | ▶ 11 | .  |    |
| 12. Connecticut taxable portion of non-Connecticut source income of fiduciary (Multiply Line 10 by Line 11.)   |    | 12   |    | 00 |
| 13. Connecticut taxable income of fiduciary of a resident inter vivos trust with one or more nonresident noncontingent beneficiaries (Add Line 9 and Line 12.)   |    | 13   |    | 00 |
| 14. Connecticut taxable income of fiduciary. If an inter vivos trust with one or more nonresident noncontingent beneficiaries, enter the amount from Line 13 above. Otherwise, enter the amount from Line 6 above. The amount entered on Line 14 must also be entered on Form CT-1041, Line 1. |    | ▶ 14 |    | 00 |

# Schedule CT-1041FA

## Fiduciary Allocation

# 2005

(Rev. 12/05)

|                         |   |
|-------------------------|---|
| Name of Trust or Estate | Federal Employer ID Number<br>_ _ : _ _ _ _ _ _ _ _ |
|-------------------------|---|

**Complete this form as follows:**

- Resident estate or trust with one or more nonresident beneficiaries: complete Part 3, then complete Part 2.
- Nonresident estate or trust and part-year resident trust: complete Part 3, then Part 2, and then Part 1.  
Attach Schedule CT-1041FA to the back of **Form CT-1041**.

**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 22)                                    | ▶ | 1 |  | 00 |
| 2. Fiduciary's share of Connecticut fiduciary adjustment (From Schedule CT-1041B, Part 1, Line e, Column 5) | ▶ | 2 |  | 00 |
| 3. Gross taxable income of fiduciary as modified (Add Line 1 and Line 2.)                                   |   | 3 |  | 00 |
| 4. Connecticut taxable income of fiduciary from Connecticut sources (See instructions.)                     |   | 4 |  | 00 |

Complete Lines 5 - 8 only if a part-year resident inter vivos trust with one or more nonresident noncontingent beneficiaries; otherwise go to Line 9.

|   |   |    |   |    |
|---|---|----|---|----|
| 5. Enter as a decimal the percentage of resident noncontingent beneficiaries. (From Schedule CT-1041B, Part 2, Line 4)  | ▶ | 5  | . |    |
| 6. Connecticut taxable income of fiduciary from non-Connecticut sources during the residency portion of the taxable year as modified (See instructions.)  | ▶ | 6  |   | 00 |
| 7. Connecticut taxable portion of non-Connecticut source income of fiduciary during the residency portion of the taxable year (Multiply Line 6 by Line 5.)  |   | 7  |   | 00 |
| 8. Connecticut taxable income of fiduciary of a part-year resident inter vivos trust with nonresident noncontingent beneficiaries (Add Line 4 and Line 7.)  |   | 8  |   | 00 |
| 9. If a part-year resident inter vivos trust with one or more nonresident noncontingent beneficiaries, enter the amount from Line 8. Otherwise, enter the greater of Line 3 or Line 4.  |   | 9  |   | 00 |
| 10. Connecticut income tax. Multiply Line 9 by 5% (.05). If Line 9 is less than zero, enter "0."  |   | 10 |   | 00 |
| 11. <b>Part-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries:</b> If Line 9 is greater than zero, enter 1.00. If Line 9 is less than or equal to zero, enter "0."<br><br><b>All others:</b> If Line 4 is greater than zero and greater than or equal to Line 3, enter 1.00. If Line 4 is less than Line 3, divide Line 4 by Line 3 and enter the result as a decimal on Line 11. If Line 4 is less than or equal to zero, enter "0." |   | 11 | . |    |
| 12. Allocated Connecticut tax (Multiply Line 10 by Line 11, enter here and on Form CT-1041, Line 3.)  | ▶ | 12 |   | 00 |

**Part 2 - Fiduciary's and beneficiary's share of income from Connecticut sources (See instructions.)**

| Beneficiary<br>(List in same order as on Schedule CT-1041B, Part 1.) |  | Connecticut Resident |    | Shares of Federal Distributable Net Income (See instructions.) |                | (3)<br>Shares of Income From Connecticut Sources |    |
|--|--|----------------------|----|--|----------------|--|----|
| Name and Address   | Identifying Number of Each Beneficiary | Yes                  | No | (1)<br>Amount  | (2)<br>Percent |  |    |
| a)   |  |                      |    | 00   |                |  | 00 |
| b)   |  |                      |    | 00   |                |  | 00 |
| c)   |  |                      |    | 00   |                |  | 00 |
| d)   |  |                      |    | 00   |                |  | 00 |
| e) Fiduciary   |  |                      |    | 00   |                |  | 00 |
| <b>Total</b>   |  |                      |    | 00   | <b>100%</b>    |  | 00 |

Enter the amount from Schedule CT-1041B, Part 1, Line f, Column 3, on the Total Line of Schedule CT-1041FA, Part 2, Column 1. Enter the amount from Schedule CT-1041FA, Part 3, Line 24, Column B, on the Total Line of Schedule CT-1041FA, Part 2, Column 3.

The fiduciary must provide each nonresident beneficiary with a schedule of Connecticut source income 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 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)<br>Federal amount<br>as modified | (B)<br>Amount of Column (A)<br>from Connecticut sources |
|---|---|--------------------------------------|---|
| <b>I<br/>N<br/>C<br/>O<br/>M<br/>E</b>  | 1. Interest income (See instructions for modifications.)  | 00                                   | 00  |
|   | 2. Dividends (See instructions for modifications.)  | 00                                   | 00  |
|   | 3. Business income (or loss)  | 00                                   | 00  |
|   | 4. Capital gain (or loss)   | 00                                   | 00  |
|   | 5. Rents, royalties, partnerships, S corporations, other trusts, and estates  | 00                                   | 00  |
|   | 6. Farm income (or loss)  | 00                                   | 00  |
|   | 7. Ordinary gain (or loss)  | 00                                   | 00  |
|   | 8. Other income (specify): _____<br>(See instructions for modifications.)   | 00                                   | 00  |
| 9. Total income (Add Lines 1 through 8.)  |   | 00                                   | 00  |
| <b>D<br/>E<br/>D<br/>U<br/>C<br/>T<br/>I<br/>O<br/>N<br/>S</b>  | 10. Interest  | 00                                   | 00  |
|   | 11. Taxes   | 00                                   | 00  |
|   | 12. Fiduciary fees  | 00                                   | 00  |
|   | 13. Charitable deductions from federal Form 1041, <i>Schedule A</i> , Line 7  | 00                                   | 00  |
|   | 14. Attorney, accountant, and return preparer's fees  | 00                                   | 00  |
|   | 15. Other deductions  | 00                                   | 00  |
|   | 16. Total Deductions (Add Lines 10 through 15.)   | 00                                   | 00  |
|   | 17. Adjusted total income (or loss) (Subtract Line 16 from Line 9.)   | 00                                   | 00  |
| Lines 18 through 24 are based on entries from federal Form 1041 schedules.  |   |                                      |   |
|   | 18. Enter the amount from federal Form 1041, <i>Schedule D</i> , Line 15(1).  | 00                                   | 00  |
|   | 19. Enter long-term capital gain and short-term capital gain included on federal Form 1041, <i>Schedule A</i> , Line 1. | 00                                   | 00  |
|   | 20. Enter the amount from federal Form 1041, <i>Schedule A</i> , Line 4.  | 00                                   | 00  |
|   | 21. If amount on Line 4 above is a loss, enter amount here (as a positive number).                                      | 00                                   | 00  |
|   | 22. Total (Add Lines 17 through 21.)  | 00                                   | 00  |
|   | 23. If amount on Line 4 above is a gain, enter amount here.   | 00                                   | 00  |
|   | 24. Distributable net income (Subtract Line 23 from Line 22.) Enter Column B amount on Part 2, Column 3, Total Line.    | 00                                   | 00  |

# Form CT-1041 Schedule I

# 2005

(Rev. 12/05)

## Connecticut Alternative Minimum Tax Computation of Trusts or Estates

**Any trust or estate subject to and required to pay federal alternative minimum tax must complete and attach this schedule to Form CT-1041.**

|                         |  |
|-------------------------|--|
| Name of Trust or Estate | Federal Employer ID Number<br>:<br>- - - - - |
|-------------------------|--|

### Part I - Computation of Connecticut Alternative Minimum Tax for Trusts and Estates

|  |   |  |    |
|--|---|--|----|
| 1. Fiduciary's share of federal alternative minimum taxable income<br>(From federal Form 1041, Schedule I, Line 29) (See instructions.)      | 1 |  | 00 |
| 2. Enter the Connecticut modifications attributable to fiduciary. (See instructions.)  | 2 |  | 00 |
| 3. Combine Line 1 and Line 2.  | 3 |  | 00 |
| 4. Enter the sum of the fiduciary's share of Connecticut income tax and tax-exempt interest from private activity bonds. (See instructions.) | 4 |  | 00 |
| 5. Tentative adjusted federal alternative minimum taxable income of fiduciary (Subtract Line 4 from Line 3.)                                 | 5 |  | 00 |

**Complete Lines 5a through 5d if you are a full-year resident or part-year resident inter vivos trust with one or more nonresident noncontingent beneficiaries. All others go to Line 5e and enter the amount from Line 5 above.**

|  |    |          |    |
|--|----|----------|----|
| 5a. The amount of Connecticut income included in Line 5 above (See instructions.)  | 5a |          | 00 |
| 5b. Enter the amount from non-Connecticut sources. (See instructions.)   | 5b |          | 00 |
| 5c. Percentage of nonresident noncontingent beneficiaries. Divide the number on Schedule CT-1041B, Part 2, Line 2, by the number on Schedule CT-1041B, Part 2, Line 3. Enter the decimal here. Round to 4 decimal places.  | 5c | .        |    |
| 5d. Multiply Line 5b by Line 5c.   | 5d |          | 00 |
| 5e. Adjusted federal alternative minimum taxable income (See instructions.)  | 5e |          | 00 |
| 6. Exemption amount  | 6  | \$22,500 | 00 |
| 7. Phaseout of exemption amount  | 7  | \$75,000 | 00 |
| 8. Subtract Line 7 from Line 5e. If zero or less, enter "0."   | 8  |          | 00 |
| 9. Multiply Line 8 by 25% (.25).   | 9  |          | 00 |
| 10. Exemption (Subtract Line 9 from Line 6. If zero or less, enter "0.")   | 10 |          | 00 |
| 11. Subtract Line 10 from Line 5e. If zero or less, enter "0" here and on Line 23 and skip Lines 12 through 22.  | 11 |          | 00 |
| 12. If you completed Part IV of federal Form 1041, Schedule I, complete Part II of this schedule and enter the amount from Line 43 here. However, if Lines 2 and 4 are zero, enter the amount from federal Form 1041, Schedule I, Line 76, here and skip <b>Form CT-1041</b> , Schedule I, Part II. All others: If Line 11 is \$175,000 or less, multiply Line 11 by 26% (.26). Otherwise, multiply Line 11 by 28% (.28) and subtract \$3,500 from the result. | 12 |          | 00 |
| 13. Alternative minimum tax foreign tax credit (From federal Form 1041, Schedule I, Line 53)   | 13 |          | 00 |
| 14. Adjusted federal tentative minimum tax (Subtract Line 13 from Line 12.)  | 14 |          | 00 |
| 15. <b>Multiply Line 14 by 19% (.19).</b>  | 15 |          | 00 |
| 16. <b>Multiply Line 5e by 5.5% (.055).</b>  | 16 |          | 00 |
| 17. <b>Connecticut minimum tax (Enter the lesser of Line 15 or Line 16.)</b>   | 17 |          | 00 |
| 18. Apportionment factor (Connecticut residents, enter 1.0000; nonresidents and part-year residents, see instructions.)  | 18 | .        |    |
| 19. Apportioned Connecticut minimum tax (Multiply Line 17 by Line 18.)   | 19 |          | 00 |
| 20. Connecticut income tax (From Form CT-1041, Line 2 or Line 3)   | 20 |          | 00 |
| 21. Net Connecticut minimum tax (Subtract Line 20 from Line 19. If zero or less, enter "0.")   | 21 |          | 00 |
| 22. Credit for alternative minimum tax paid to qualifying jurisdictions for <b>full-year</b> and <b>part-year Connecticut residents only</b> (From Part III, Line 52, on the back of this schedule)  | 22 |          | 00 |
| 23. Connecticut alternative minimum tax (Subtract Line 22 from Line 21; if zero or less, enter "0.")<br>Enter the amount here and on Form CT-1041, Line 6.   | 23 |          | 00 |

**Part II**

|  |    |         |    |  |    |
|--|----|---------|----|--|----|
| 24. Enter the amount from Line 11.   |    |         | 24 |  | 00 |
| 25. Enter the amount from federal Form 1041, Schedule I, Line 58. (See instructions.)  | 25 |         | 00 |  |    |
| 26. Enter the amount from federal Form 1041, Schedule I, Line 59. (See instructions.)  | 26 |         | 00 |  |    |
| 27. Enter the amount from federal Form 1041, Schedule I, Line 60. (See instructions.)  | 27 |         | 00 |  |    |
| 28. Enter the smaller of Line 24 or Line 27.   |    |         | 28 |  | 00 |
| 29. Subtract Line 28 from Line 24.   |    |         | 29 |  | 00 |
| 30. If Line 29 is \$175,000 or less, multiply Line 29 by 26% (.26). Otherwise, multiply Line 29 by 28% (.28) and subtract \$3,500 from the result. |    |         | 30 |  | 00 |
| 31. Maximum amount subject to the 5% (.05) rate is \$2,000.  | 31 | \$2,000 | 00 |  |    |
| 32. Enter the amount from federal Form 1041, Schedule I, Line 65. (See instructions.)  | 32 |         | 00 |  |    |
| 33. Subtract Line 32 from Line 31. If zero or less, enter zero.  | 33 |         | 00 |  |    |
| 34. Enter the smaller of Line 24 or Line 25.   | 34 |         | 00 |  |    |
| 35. Enter the smaller of Line 33 or Line 34.   | 35 |         | 00 |  |    |
| 36. Multiply Line 35 by 5% (.05).  |    |         | 36 |  | 00 |
| 37. Subtract Line 35 from Line 34.   | 37 |         | 00 |  |    |
| 38. Multiply Line 37 by 15% (.15).   |    |         | 38 |  | 00 |
| <b>If Line 26 is zero or blank, skip Lines 39 and 40 and go to Line 41. Otherwise, go to Line 39.</b>  |    |         |    |  |    |
| 39. Subtract Line 34 from Line 28.   | 39 |         | 00 |  |    |
| 40. Multiply Line 39 by 25% (.25).   |    |         | 40 |  | 00 |
| 41. Add Lines 30, 36, 38, and 40.  |    |         | 41 |  | 00 |
| 42. If Line 24 is \$175,000 or less, multiply Line 24 by 26% (.26). Otherwise, multiply Line 24 by 28% (.28) and subtract \$3,500 from the result. |    |         | 42 |  | 00 |
| 43. Enter the smaller of Line 41 or Line 42 here and on Line 12.   |    |         | 43 |  | 00 |

**Part III - Credit for Alternative Minimum Tax Paid to Qualifying Jurisdictions**

You must attach a copy of your return filed with the qualifying jurisdiction(s) or your credit will be disallowed.

|  |    |  |    |
|--|----|--|----|
| 44. Modified adjusted federal alternative minimum taxable income (See instructions.) | 44 |  | 00 |
|--|----|--|----|

For each column, enter the following:

|  |    | Column A |      | Column B |      |
|--|----|----------|------|----------|------|
|  |    | Name     | Code | Name     | Code |
| 45. Enter qualifying jurisdiction's name and two-letter code. (See below.)   | 45 |          |      |          |      |
| 46. Enter the non-Connecticut adjusted federal alternative minimum taxable income included on Line 44 which is subject to a qualifying jurisdiction's alternative minimum tax. | 46 |          | 00   |          | 00   |
| 47. Divide Line 46 by Line 44. (Round to four decimal places.)   | 47 | .        |      | .        |      |
| 48. Enter the Net Connecticut Minimum Tax (From Line 21 on the front of this schedule). Part-year residents, see instructions.   | 48 |          | 00   |          | 00   |
| 49. Multiply Line 47 by Line 48.   | 49 |          | 00   |          | 00   |
| 50. Alternative minimum tax paid to a qualifying jurisdiction (See instructions.)  | 50 |          | 00   |          | 00   |
| 51. Enter the lesser of Line 49 or Line 50.  | 51 |          | 00   |          | 00   |
| 52. <b>Total Credit</b> (Add Line 51, all columns.)<br>Enter amount here and on Line 22 on the front of this schedule.   |    |          | 52   |          | 00   |

If you claim credit for alternative minimum tax paid to another state of the United States, a political subdivision within another state, or the District of Columbia, enter the appropriate two-letter code.

**Standard Two-Letter Codes**

|            |    |       |    |           |    |               |    |            |    |
|------------|----|-------|----|-----------|----|---------------|----|------------|----|
| California | CA | Iowa  | IA | Minnesota | MN | New York      | NY | Wisconsin  | WI |
| Colorado   | CO | Maine | ME | Nebraska  | NE | West Virginia | WV | All others | OO |

## Line Instructions for Form CT-1041, Schedule I

**Purpose:** Trusts or estates that are subject to and required to pay the federal alternative minimum tax are subject to the Connecticut alternative minimum tax. Use this schedule to calculate the trust's or estate's Connecticut alternative minimum tax liability and attach it to **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**.

Where the calculation of any individual federal item is subject to limitations, such as an alternative tax net operating loss deduction, that item may have to be recalculated if Connecticut modifications apply.

### Part I

#### Line 1 - Fiduciary's Share of Federal Alternative Minimum Taxable Income

Enter on Line 1, the fiduciary's share of federal alternative minimum taxable income from federal Form 1041, Schedule I, Line 29. The fiduciary of a part-year resident trust must also include or exclude any tax preference items and adjustments attributable to a future year which accrued up to the time of a change in residence. If the amount on Line 1 is \$22,500 or less, **do not** complete this schedule; you are not liable for either federal or Connecticut alternative minimum tax.

#### Line 2 - Connecticut Modifications Attributable to Fiduciary

Enter on Line 2, the Connecticut modifications attributable to the fiduciary. Generally, this figure may be obtained from Schedule CT-1041B, Part I, Line e, Column 5 (the fiduciary adjustment). This amount can be a positive or negative number. **Do not** include amounts already included on Line 1.

To this amount include the fiduciary's share of refunds of Connecticut income tax included on federal Form 1041, Schedule I, Part I, Line 5.

#### Line 4

Enter the sum of the amount of Connecticut income tax attributable to the fiduciary and included on federal Form 1041, Schedule I, Part I, Line 3; **and** the fiduciary's share of the amount of federally tax-exempt interest or exempt-interest dividends, as defined in I.R.C. §852(b)(f), from private activity bonds issued after August 7, 1986, and included on federal Form 1041, Schedule I, Part I, Line 8.

#### Line 5 - Tentative Adjusted Federal Alternative Minimum Taxable Income of Fiduciary

Subtract Line 4 from Line 3 and enter the result on Line 5.

**Lines 5a through 5d should be completed by full-year or part-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries. All others, go to Line 5e and enter the amount from Line 5.**

**5a.** Enter the amount from Line 5 that is from Connecticut sources.

**Full-Year Resident Trusts:** Enter the amount from Schedule CT-1041C, Line 9, **plus** any Connecticut source exclusions and deferral items from federal Form 1041, Schedule I, Part I.

**Part-Year Resident Trusts:** Enter the amount from Schedule CT-1041FA, Line 4, **plus** any Connecticut source exclusions and deferral items from federal Form 1041, Schedule I, Part I, during the residency portion of the taxable year.

**5b. Full-Year Resident Trusts:** Subtract Line 5a from Line 5. This equals the non-Connecticut source income for full-year resident trusts.

**Part-Year Resident Trusts:** Enter the amount from Line 5 above from non-Connecticut sources during the residency portion of the taxable year.

Generally, this would include the amount from Schedule CT-1041FA, Part I, Line 6, **plus** any deferral items and exclusion items from non-Connecticut sources during the residency portion of the taxable year included on federal Form 1041 Schedule I, Part I. In addition, include any of the appropriate modifications to Connecticut income in determining the tentative adjusted federal alternative minimum taxable income for the fiduciary, such as private activity bonds.

**5c.** Percentage of nonresident noncontingent beneficiaries.

|  |   |
|--|---|
| a. Enter the amount from Schedule CT-1041B, Part 2, Line 2.  |   |
| b. Enter the amount from Schedule CT-1041B, Part 2, Line 3.  |   |
| c. Divide Line a by Line b and enter as a decimal (round to four places) on Form CT-1041, Schedule I, Line 5c. | • |

**5d.** Multiply Line 5b by Line 5c and enter on Line 5d.

**5e.** Adjusted federal alternative minimum taxable income of fiduciary.

Resident and part-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries subtract Line 5d from Line 5 and enter the result. **All others enter the amount from Line 5.**

#### Line 18 - Apportionment Factor

**Resident Trusts and Estates:** Enter 1.0000.

#### Nonresident Trusts and Estates and Part-Year Resident Trusts:

Determine the amount of Line 5e derived from or connected with Connecticut sources. Then divide the Connecticut source portion of Line 5e by the **total** on Line 5e and enter the result. Round to four decimal places.

### Part II

If you completed Part IV of federal Form 1041, Schedule I, complete this part and enter the amount from Form CT-1041, Schedule I, Line 43, on Line 12.

#### Lines 25, 26, 27, and 32

When entering an amount on Lines 25, 26, 27, and 32, include the Form CT-1041, *Schedule A*, modification for the gain or loss on the sale of Connecticut state and local government bonds, from Form CT-1041, *Schedule A*, Line 3 or Line 9.

### Part III

Form CT-1041, Schedule I, Part III, may be used by Connecticut resident trusts and estates and part-year resident trusts only.

**Resident Trusts and Estates:** Use Form CT-1041, Schedule I, Part III, to claim a credit against the net Connecticut minimum tax liability for alternative minimum tax paid during the taxable year to a qualifying jurisdiction.

**Part-Year Resident Trusts:** Use Form CT-1041, Schedule I, Part III, to claim a credit against the net Connecticut minimum tax liability for alternative minimum tax paid to a qualifying

jurisdiction for the residency portion of the taxable year on items of income, gain, loss, or deduction attributable to that jurisdiction during the period of Connecticut residency.

A **qualifying jurisdiction** includes another state of the United States, a local government within another state, or the District of Columbia. A qualifying jurisdiction does not include the State of Connecticut, the United States, or a foreign country or its provinces (for example, Canada and Canadian Provinces).

No credit is allowed for **any** of the following:

- Alternative minimum tax paid to a jurisdiction that is not a qualifying jurisdiction;
- Alternative minimum tax paid to a qualifying jurisdiction, if you claimed credit for alternative minimum tax paid to Connecticut on that qualifying jurisdiction's alternative minimum tax return or income tax return; **or**
- Payments of alternative minimum tax made to a qualifying jurisdiction on income not subject to the Connecticut alternative minimum tax.

The allowed credit must be computed separately for each qualifying jurisdiction. Use separate columns for each qualifying jurisdiction for which you are claiming a credit. You **must** attach a copy of all alternative minimum tax returns filed with qualifying jurisdictions directly following Form CT-1041, Schedule I.

Form CT-1041, Schedule I, Part III, provides two columns, A and B, to compute the credit for two qualifying jurisdictions. If you need more than two columns, create a worksheet identical to Schedule I, Part III, and attach it to the back of your Form CT-1041, Schedule I.

If you are claiming credit for alternative minimum tax paid to a qualifying jurisdiction **and** to one of its political subdivisions, follow these rules to determine your credit:

- A. If the **same amount** of adjusted alternative minimum taxable income is taxed by both the city and the state:
  1. Use only **one** column of Form CT-1041, Schedule I, Part III, to calculate your credit;
  2. Enter the same amount of adjusted alternative minimum taxable income taxed by both the city and the state in that column on Form CT-1041, Schedule I, Part III; **and**
  3. Combine the amounts of alternative minimum tax paid to the city and the state and enter the total on Line 50 of that column.
- B. If the **amounts** of adjusted alternative minimum taxable income taxed by both the city and the state **are not the same**:
  1. Use **two** columns on Form CT-1041, Schedule I, Part III;
  2. Include only the same amount of adjusted alternative minimum taxable income taxed by both jurisdictions in the first column; **and**
  3. Include the excess amount of adjusted alternative minimum taxable income taxed by only one of the jurisdictions in the next column.

#### **Line 44 - Modified Adjusted Federal Alternative Minimum Taxable Income**

**Resident Trusts and Estates:** Enter the amount of adjusted federal alternative minimum taxable income from Form CT-1041, Schedule I, Part I, Line 5e. However, if this amount

includes a net loss derived from or connected with sources in more than one qualifying jurisdiction, the taxpayer must add the net loss to the amount of adjusted federal alternative minimum taxable income from Line 5e and enter the result.

**Part-Year Resident Trusts:** Enter the amount of adjusted federal alternative minimum taxable income from Form CT-1041, Schedule I, Part I, Line 5e, attributable to the residency portion of the taxable year. However, if a part-year resident trust's adjusted federal alternative minimum taxable income includes a net loss derived from or connected with sources in more than one qualifying jurisdiction, the taxpayer must add the net loss to the amount of adjusted federal alternative minimum taxable income from Line 5e attributable to the residency portion of the taxable year and enter the result.

#### **Line 45 - Qualifying Jurisdiction(s)**

Enter the name and two letter code of each qualifying jurisdiction to which you paid alternative minimum tax for which you are claiming credit. These codes are found below Form CT-1041, Schedule I, Part III.

#### **Line 46 - Non-Connecticut Adjusted Federal Alternative Minimum Taxable Income**

Enter the amount of the non-Connecticut adjusted federal alternative minimum taxable income included on Line 44 subject to a qualifying jurisdiction's alternative minimum tax.

#### **Line 47**

Divide the amount on Line 46 by the amount on Line 44. The result may not exceed 1.0000. Round to four decimal places.

#### **Line 48 - Net Connecticut Minimum Tax**

**Resident Trusts and Estates:** Enter the amount from Form CT-1041, Schedule I, Line 21.

**Part-Year Resident Trusts:** Enter the portion of the 2005 net Connecticut minimum tax liability attributable to the residency portion of the taxable year.

#### **Line 50 - Alternative Minimum Tax Paid to Qualifying Jurisdiction**

**Resident Trusts and Estates:** Enter the total amount of alternative minimum tax paid to a qualifying jurisdiction.

**Part-Year Resident Trusts:** Enter the amount of alternative minimum tax paid to a qualifying jurisdiction on items of income, gain, loss, or deduction derived from or connected with sources in that jurisdiction during the residency portion of the taxable year.

If the alternative minimum tax paid to that jurisdiction was also based on income earned during the nonresidency portion of the taxable year, 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 the period of Connecticut residency bears to the total amount of income that the trust earned in that jurisdiction in the taxable year.

**Alternative minimum tax paid** means the lesser of the tax liability to that jurisdiction or the tax paid to that jurisdiction, excluding penalties and interest.

#### **Line 52 - Total Credit**

Add the amounts from Line 51A, Line 51B, and Line 51 of any additional worksheets. The amount on Line 52 cannot exceed Line 49. Enter the total on Line 52 and Line 22.

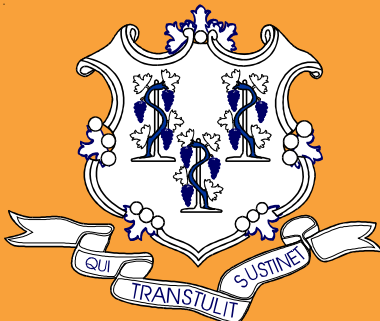
Attach a copy of the alternative minimum tax return filed with each qualifying jurisdiction to the back of your Form CT-1041, Schedule I.

# 2005 FORM CT-1041

This booklet  
contains:

- Form CT-1041
- Schedule CT-1041B
- Schedule CT-1041C
- Schedule CT-1041FA
- Form CT-1041 EXT
- Form CT-1041ES

Line references to federal Form 1041 are based on information available from the Internal Revenue Service's Web site through September 12, 2005.



## Connecticut Income Tax Return for Trusts and Estates

- **Resident Trusts and Estates**
- **Nonresident Trusts and Estates**
- **Part-Year Resident Trusts**

Dear Customer:

Each year, the Connecticut Department of Revenue Services (DRS) strives to create quality products that give you, the taxpayer, the information you need to make tax filing as easy as possible. This booklet contains important information about tax changes that may affect you. Please read it carefully.

At DRS, our goal is to provide taxpayers with excellent customer service and a user-friendly approach to tax administration. If you have questions about Connecticut taxes or filing this return, you can reach DRS Taxpayer Services staff by e-mail, phone, or letter. The back cover of this booklet provides all the ways you can access this Agency including the DRS Web site, which is available anytime to provide you with access to forms, publications, and information.

As always, we welcome your comments and ideas about how we can improve the way we do business.

Sincerely,

A handwritten signature in black ink that reads "Pam Law".

Pam Law  
Commissioner of Revenue Services

Taxpayer information is available on our Web site:

**[www.ct.gov/DRS](http://www.ct.gov/DRS)**

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# CONN-TAX

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If you have a touch-tone phone, you can obtain important tax information anytime from CONN-TAX, the Department of Revenue Services information line. Call **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere), press **4** to be connected to the recorded tax information menu, then press **1** to select *Recorded Income Tax Information*. Enter the three-digit number next to the topic of your choice (listed below), or follow the prerecorded instructions.

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### Extended Telephone Hours for the Filing Season:

Monday, **January 30** (until 7 p.m.)  
Monday, **February 6** (until 7 p.m.)

### Extended Telephone Personal Assistance and Walk-In Hours:

(25 Sigourney Street, Hartford Only)  
Saturday, **April 15** (from 9 a.m. to 12 p.m.)  
Monday, **April 17** (until 8 p.m.)

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## What's New

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### Abusive Tax Shelters

The Connecticut General Assembly enacted legislation that imposes severe penalties on participants of abusive tax shelters. Any individual or business entity that fails to disclose their participation in an abusive tax shelter designated by the Internal Revenue Service (IRS) as a *listed transaction* is subject to audit penalties of 75% of the tax deficiency that results from the tax shelter activity. To fulfill the Connecticut disclosure requirement, any taxpayer (individual or entity) that has participated in a listed transaction must file a completed **Form CT-8886**, *Connecticut Listed Transaction Disclosure Statement*, with DRS. Form CT-8886 must be filed for each taxable year for which a taxpayer participates in a listed transaction.

Also, promoters of abusive tax shelters may be subject to a penalty of 50% of the gross income received from the marketing, soliciting, sale, or promotion of abusive tax shelters if such promotion affects tax returns required to be filed with the Commissioner.

The legislation also increases the time limit for conducting audits of abusive transactions from three years to six years after the return was filed.

Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) for more information on abusive tax shelters.

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## Other Taxes for Which the Trust or Estate May Be Liable

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The following information is a general description of other Connecticut taxes for which a trust or estate may be liable. Failure to pay these or any other taxes may subject the trust or estate to civil and criminal penalties.

To register for Connecticut income tax withholding, as well as most other Connecticut taxes administered by the Department of Revenue Services (DRS), the fiduciary of the trust or estate must complete **Form REG-1**, *Business Taxes Registration Application*. Visit the DRS Web site to register online. If the trust or estate already has a Connecticut Tax Registration Number, the fiduciary may register for any additional taxes for which it is liable by contacting the DRS Registration Unit at 860-297-4885.

### Connecticut Income Tax Withholding

Any trust or estate that maintains an office or transacts business in Connecticut (regardless of the location of the payroll department) and is considered an employer for federal income tax withholding purposes must withhold Connecticut income tax from Connecticut wages as defined in Conn. Agencies Regs. §12-706(b)-1. (See **Informational Publication 2006(1)**, *Connecticut Circular CT*.)

There is an annual business entity tax (BET) of \$250. The BET applies to each of the following entities if the entity is required to file an annual report with the Connecticut Secretary of the State:

- S Corporation;
- Limited Liability Partnership;
- Limited Partnership; **or**
- Limited Liability Company that, for federal income tax purposes, is either treated as a partnership (if it has more than one member) or disregarded as an entity separate from its owner (if it has one member).

See **Special Notice 2002(11)**, *Business Entity Tax*, and **Informational Publication 2003(15)**, *Q & A on the Business Entity Tax*.

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## Definitions

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For Connecticut income tax purposes, 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. **The residence of the fiduciary or the beneficiary does not affect the status of a trust or estate as resident or nonresident.**

**Fiduciary** applies to a person who occupies a position of special confidence toward others, such as a trustee, executor, or administrator. A fiduciary is a person who holds in trust property in which another person has a beneficial interest or who receives and controls the income of another.

**Resident estate** is where a decedent was a resident of Connecticut at the time of his or her death. A resident estate also includes a bankruptcy estate of an individual who, at the beginning 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 ordinarily created either by a will or by an inter vivos declaration whereby a trustee or trustees take title to property to protect or conserve it for beneficiaries and 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 who is a resident of this state when the trust became irrevocable, it is a resident trust.

The criteria used to determine whether a decedent or grantor is a resident of this state, for Connecticut income tax purposes, are the same criteria used to determine whether an individual is a resident of this state.

The term resident trust also includes a trust or a portion of a trust consisting of the property of: (1) 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; (2) 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 (3) 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.

**Grantor trust** is a legal trust under applicable state law that is not recognized as a separate taxable entity for income tax purposes because the grantor or other substantial owners have not relinquished complete dominion and control over the trust.

**Connecticut alternative minimum tax** is a tax imposed on certain individuals, trusts, and estates 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 5½% of adjusted federal alternative minimum taxable income. For information on how to calculate the adjusted federal alternative minimum taxable income of an inter vivos trust with one or more nonresident noncontingent beneficiaries, see *Connecticut Taxable Income for Certain Inter Vivos Trusts*.

**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: (1) is required to currently distribute income or corpus (or both); or (2) properly pays or credits income or corpus (or both); or (3) 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 must 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 the 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, that reference includes a trust or estate that is a noncontingent beneficiary, but does not include a corporation that is a noncontingent beneficiary.

**Contingent beneficiary** is an individual (or trust or estate) who is a beneficiary, but not a noncontingent beneficiary, of a resident inter vivos trust.

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Any reference to "you" in this booklet refers to the fiduciary.

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# General Information

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## How to Get Help

DRS is ready to help you and offers several resources where you can get answers to your Connecticut tax questions. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or, for personal assistance, refer to the back cover of this booklet for a list of DRS walk-in offices and telephone numbers. DRS offices are open Monday through Friday, 8:00 a.m. to 5:00 p.m. If you visit, be sure to bring:

- **Copy 2** of federal Forms W-2 and any other forms showing Connecticut income tax withheld; **and**
- The **completed** federal Form 1041.

Personal telephone assistance is available Monday through Friday, 8:30 a.m. to 4:30 p.m. Extended hours are offered (see Page 2). Automated information may answer your questions anytime. Call CONN-TAX, the DRS information line or visit the DRS Web site for details.

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## How to Get Additional Forms and Publications

Download and print Connecticut tax forms and publications anytime from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) Forms are also available during regular business hours at any of the DRS walk-in offices and the other sources listed on the back cover of this booklet and at most public libraries, town halls, banks, and post offices during the tax filing season. You may also download the *2005 Connecticut Package X* from the DRS Web site.

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## Who Must File Form CT-1041

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 trust or estate:

- 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 trust** or **estate** must file Form CT-1041 if the trust or estate:

- Had income derived from or connected with sources within Connecticut;
- 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 sources within Connecticut** 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 the property;

- Attributable to compensation for services performed in Connecticut or income from a business, trade, profession, or occupation carried on in Connecticut;
- From a partnership doing business in Connecticut;
- From an S corporation doing business in Connecticut;
- From a trust or estate with income derived from or connected with sources within Connecticut; **or**
- From reportable Connecticut Lottery winnings. Winnings from the Connecticut Lottery, including Powerball, are reportable if the winner was issued a federal Form W-2G by the Connecticut Lottery Corporation. In general, the Connecticut Lottery Corporation is required to issue a federal Form W-2G to a winner if the Connecticut Lottery winnings, including Powerball, are \$600 or more and at least 300 times the amount of the wager. See **Informational Publication 2005(16)**, *Connecticut Income Tax Treatment of State Lottery Winnings Received by Residents and Nonresidents of Connecticut*.

A trust or estate 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**
- Business activities 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** required to file federal Form 1041 must file Form CT-1041 in the same manner.

## Federal Form 1041-A and 5227 Filers

A fiduciary required to file federal Form 1041-A or federal Form 5227, or both, is not required to file Form CT-1041. However, the fiduciary must give appropriate information to the beneficiaries to enable them to complete their individual Connecticut income tax returns. The fiduciary must disclose to the nonresident beneficiaries the amount of income derived from or connected with Connecticut sources.

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## 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 two 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 **Form CT-2NA**, *Connecticut Nonresident Income Tax Agreement/Election to Be Included in a Group Return*, to the trust or estate prior to the filing of Form CT-G by the trust or estate. By making this 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 the election, an extension of time to pay Connecticut income tax.

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### 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 for a resident individual on **Form CT-1040**, *Connecticut Resident Income Tax Return*, or for a nonresident or part-year resident on **Form CT-1040NR/PY**, *Connecticut Nonresident or Part-Year Resident Income Tax Return*. In these cases, the fiduciary must pay the tax due.

### Tax Returns for Decedents

The executor, administrator, or other representative of a taxpayer who died during the taxable year must file Form CT-1040, **Form CT-1040EZ**, *Connecticut Resident EZ Income Tax Return*, or Form CT-1040NR/PY depending upon the decedent's resident status.

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### Change of Residence of the Grantor of a Revocable Trust

If the grantor of a revocable trust changes his or her domicile from or to Connecticut between the time of transfer of the property to the trust and the time it becomes irrevocable, the residence of the trust is considered changed at the date it ceases to be revocable. In this 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.

### Connecticut Taxable Income for Certain Inter Vivos Trusts

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 is the sum of all income derived from or connected with sources within this state **and** that portion of all other income derived by applying a fraction to all other income. The numerator of the fraction is the number of resident noncontingent beneficiaries and the denominator is the total number of noncontingent beneficiaries.

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### 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;
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 *Special Accruals*.

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### Connecticut Income Taxation of the Bankruptcy Estate of an Individual

The Bankruptcy Code provides that for state and local income tax purposes, in any case of an individual under Chapters 7, 11, or 12 of the Bankruptcy Code, any income of the bankruptcy estate is computed in the same manner as the income of an estate and the tax on a bankruptcy estate is computed in the same manner as the tax on an estate. Thus, the income of the bankruptcy estate of an individual in a case under Chapters 7, 11, or 12 of the Bankruptcy Code on which Connecticut income tax is imposed is its Connecticut taxable income. The starting point in computing the bankruptcy estate's Connecticut taxable income is its federal taxable income. Items deductible in computing the federal taxable income of the bankruptcy estate of an individual, including the exemption amount deductible by the bankruptcy estate under I.R.C. §151(d)(1), are taken into account. Items not deductible in computing the federal taxable income of the bankruptcy estate of an individual, including the deduction under I.R.C. §642(b), are not taken into account. The estate's share of the Connecticut fiduciary adjustment is added to or subtracted from the estate's federal taxable income and the estate's share of the Connecticut fiduciary adjustment is 100%. The bankruptcy estate of an individual in a case under Chapters 7, 11, or 12 of the Bankruptcy Code is also subject to the Connecticut alternative minimum tax.

Because federal Form 1041 is used only as a transmittal for the individual's federal Form 1040 by a bankruptcy estate of an individual in a case under Chapters 7 or 11 of the Bankruptcy Code, the bankruptcy estate's federal taxable income is computed on the individual's federal Form 1040. Therefore, where Form CT-1041 is filed for a bankruptcy estate of an individual in a case under Chapters 7 or 11 of the Bankruptcy Code, references in Form CT-1041 to federal taxable income of fiduciary (from federal Form 1041, Line 22) are references to the federal taxable income computed on the individual's federal Form 1040.

The Bankruptcy Code also provides that, for the estate of an individual in a case under Chapter 7 of the Bankruptcy Code, the trustee must file a state or local income tax return for the estate only if the estate has **net taxable income for the entire period after the order for relief under Chapter 7 during which the case is pending**. If the bankruptcy estate of an individual in a case under Chapter 7 has net taxable income for the entire period, the trustee must file Form CT-1041 for each taxable year during this period as long as the trustee would otherwise have to file a Connecticut income tax return. If the bankruptcy estate of an individual in a case under Chapter 7 does not have net taxable income for the entire period, the trustee is not required to file Form CT-1041 for each taxable year during the period even if the trustee would otherwise have to file a Connecticut income tax return.

**Net taxable income.** A bankruptcy estate has net taxable income for the entire period if the estate's income and gains during the period exceed its deductions and losses during the period.

**Entire period after the order for relief under Chapter 7 during which the case is pending.** The entire period begins with the order for relief and terminates with the conversion, dismissal, or closing of the case under Chapter 7 of the Bankruptcy Code. In a voluntary case under Chapter 7, beginning the case constitutes an order for relief. In an involuntary case under Chapter 7, the bankruptcy court enters an order for relief. The bankruptcy case is pending until it is converted to a case under another chapter of the Bankruptcy Code, dismissed, or closed. The entire period may encompass more than one taxable period.

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## Qualified Funeral Trusts (QFT)

A trustee that makes the election to be taxed as a QFT, for federal income tax purposes, and files federal Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts, will file Form CT-1041 in the same manner as any other inter vivos trust. (See *Form CT-1041 Quick-File Requirements* on Page 13 or *Form CT-1041 Line Instructions* on Page 14.) If you do not meet the *Quick-File Requirements*, see *Form CT-1041 Line Instructions*. The trustee should write "**QFT election**" in the Type of Entity section at the top of the front of Form CT-1041.

In the case of a QFT, wherever reference is made in this booklet and on Form CT-1041 to federal Form 1041, Line 22, substitute federal Form 1041-QFT, Line 12.

## Composite Return

A trustee that files one aggregate federal Form 1041-QFT for all QFTs of which he or she is the trustee must provide an attachment with Form CT-1041 to provide the following information:

- The number of QFTs included in the aggregate return;
- The name, address, and Social Security Number of the grantor(s) for each QFT; **and**
- All corresponding beneficiaries for each QFT.

A trustee may file one aggregate Form CT-1041 for all Connecticut resident QFTs. The trustee must be able to provide to DRS, upon request, detailed information for each separate QFT that would have been reported on Schedule CT-1041B, Part 1, and if applicable, Schedule CT-1041B, Part 2; Schedule CT-1041C; and Schedule CT-1041FA. A trustee may file one aggregate Form CT-1041 for all nonresident QFTs that have Connecticut source income. The trustee must be able to provide to DRS, upon request, detailed information for each separate QFT that would have been reported on Schedule CT-1041B, Part 1, and Schedule CT-1041FA, Parts 3, 2, and 1.

## Reporting for a Portion of a Resident Trust

If a QFT has **both resident and nonresident grantors**, the trustee shall show how the resident percentage is arrived at for the QFT. This percentage should be multiplied by the federal taxable income to arrive at the amount to report on Schedule CT-1041C, Line 4.

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## 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. 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.

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**Example:** A part-year resident trust sold property on an installment basis prior to changing from a resident trust to a nonresident trust and accrued 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

The fiduciary may elect to defer payment of Connecticut income tax on items of special accrual by filing a surety bond with DRS for an amount not less than 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 the trust changed its 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 that 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 DRS and request a copy of Conn. Agencies Regs. §12-717(c)(4)-1, **Form CT-12-717A, Change of Resident Status - Special Accruals Connecticut Surety Bond Form**, and **Form CT-12-717B, Change of Resident Status - Special Accruals Other Acceptable Security Form**.

### Taxable Year and Method of Accounting

The fiduciary of a trust or estate must use the same taxable year and method of accounting for Connecticut income tax purposes that is used for federal income tax purposes.

If the taxable year or method of accounting is changed for federal income tax purposes, the same changes must be made for Connecticut income tax purposes. If a return for a period of less than 12 months is filed for federal income tax purposes, the fiduciary must also file a short period return for Connecticut income tax purposes.

### When to File Form CT-1041

Form CT-1041 is due on or before April 15, 2006. If the trust or estate is not a calendar year filer, the return is due no later than the fifteenth day of the fourth month following the close of the taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

The return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|  |   |
|--|---|
| <b>DHL Express (DHL)</b> <ul style="list-style-type: none"> <li>• DHL Same Day Service</li> <li>• DHL Next Day 10:30 a.m.</li> <li>• DHL Next Day 12:00 p.m.</li> <li>• DHL Next Day 3:00 p.m.</li> <li>• DHL 2nd Day Service</li> </ul>           |   |
| <b>Federal Express (FedEx)</b> <ul style="list-style-type: none"> <li>• FedEx Priority Overnight</li> <li>• FedEx Standard Overnight</li> <li>• FedEx 2Day</li> <li>• FedEx International Priority</li> <li>• FedEx International First</li> </ul> | <b>United Parcel Service (UPS)</b> <ul style="list-style-type: none"> <li>• UPS Next Day Air</li> <li>• UPS Next Day Air Saver</li> <li>• UPS 2nd Day Air</li> <li>• UPS 2nd Day Air A.M.</li> <li>• UPS Worldwide Express Plus</li> <li>• UPS Worldwide Express</li> </ul> |

This list is subject to change. See **Policy Statement 2005(4), Designated Private Delivery Services and Designated Types of Service**.

### Using the 2005 Form CT-1041 for a Taxable Year Beginning in 2006

The 2005 Form CT-1041 may be used for a taxable year beginning in 2006 if:

1. The trust or estate has a taxable year of less than 12 months that begins and ends in 2006; **and**
2. The 2006 Form CT-1041 is not available by the time the trust or estate is required to file its tax return. However, the trust or estate must enter the beginning and ending dates of the taxable year on the 2005 Form CT-1041 and incorporate any tax law changes effective for taxable years beginning on or after January 1, 2006.

The fiduciary must attach an explanatory note to the front of the return if the return is for a short year beginning and ending in 2006.

If you file your return late or do not pay all the tax due with your return, see *Interest and Penalties* to determine if you must report interest and penalty with this return.

### Extension Requests

#### Extension of Time to File

If the trust or estate cannot meet the filing deadline, the fiduciary must file **Form CT-1041 EXT, Application for Extension of Time to File Connecticut Income Tax Return for Trusts and Estates**, and pay all of the tax the trust or estate expects to owe on or before the due date. Form CT-1041 EXT is contained in this booklet. Filing this form will automatically extend the due date for **six months** if a federal Application for Automatic Extension of Time (federal Form 7004) has been filed. If federal Form 7004 was not filed, the fiduciary can apply for a six-month extension to file Form CT-1041 provided there is reasonable cause for the request. You are not required to attach a copy of the federal extension request to Form CT-1041 EXT.

Form CT-1041 EXT only extends the time to **file** Form CT-1041; it **does not** extend the time to pay the tax due. See *Interest and Penalties* if you do not pay all the tax due with your request for extension.

If the fiduciary is unable to request an extension because of illness, absence, or other good cause, any person standing in a close personal or business relationship to the fiduciary (including an attorney, accountant, or enrolled agent) may sign the request on the fiduciary's behalf. This person is considered a duly authorized agent for this purpose provided the request states the reason(s) for a signature other than that of the fiduciary and states the relationship existing between the fiduciary and the signer.

**Extension of Time to Pay the Tax**

The fiduciary may be eligible for a six-month extension of time to pay the tax due if it can be shown that paying the tax by the due date will cause undue hardship. The fiduciary may request an extension by filing **Form CT-1127, Application for Extension of Time for Payment of Income Tax**, on or before the due date of the original return.

Attach Form CT-1127 to the front of Form CT-1041 or Form CT-1041 EXT and send it on or before the due date. As evidence of the need for extension, the fiduciary must attach:

- A statement of assets and liabilities;
- An itemized list of receipts and disbursements for the preceding three months; **and**
- An explanation of why the fiduciary cannot borrow money to pay the tax due.

If an extension of time to pay is granted and the fiduciary pays all the tax due by the end of the extension period, a penalty will not be imposed. However, interest will accrue on any unpaid tax from the original due date. The fiduciary should make payments as soon as possible to reduce the interest the trust or estate would otherwise owe. Write the Social Security Number or Federal Employer Identification Number (if applicable), and **“2005 Form CT-1041”** on the check or money order. Mail payments to:

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

**Where to File**

Use the pre-addressed envelope enclosed with the return or mail to:

**Department of Revenue Services  
PO Box 2934  
Hartford CT 06104-2934**

**Estimated Tax 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 I.R.C. §§671 through 679.)

A payment of estimated Connecticut income tax is generally required if the Connecticut income tax (after tax credits) **minus** Connecticut tax withheld is **\$1,000 or more and** it is expected the Connecticut income tax withheld will be less than the required annual payment.

**Required Annual Payment**

The required annual income tax payment for the 2006 taxable year is the lesser of:

- **90%** of the income tax shown on the **2006 Connecticut income tax return**; or
- **100%** of the income tax shown on the **2005 Connecticut income tax return** if the fiduciary filed a 2005 income tax return that covered a full 12-month period.

The fiduciary of a trust or estate is not required to make estimated income tax payments if a 2005 income tax return was not filed for a:

- Resident trust or estate because the resident trust or estate had no Connecticut income tax liability; **or**

| <b>2006 Estimated Tax Due Dates</b>  |  |
|--|--|
| Due dates of installments and the amount of required payments for 2006 calendar year taxpayers are:  |  |
| <b>April 15, 2006</b>  | 25% of your required annual payment  |
| <b>June 15, 2006</b>   | 25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)  |
| <b>September 15, 2006</b>  | 25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)  |
| <b>January 15, 2007</b>  | 25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.) |
| An estimate is considered timely filed if received on or before the due date, or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date. Taxpayers who report on other than a calendar year basis should use their federal estimated tax installment due dates. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. |  |

- Nonresident estate or trust or part-year resident trust with Connecticut source income during the 2005 taxable year because the nonresident estate or trust or part-year resident trust had no Connecticut income tax liability.

If a nonresident estate or trust or part-year resident trust did not have Connecticut source income in 2005, the fiduciary must use 90% of the income tax shown on the 2006 Connecticut income tax return as the required annual payment.

Use **Form CT-1041ES**, *Estimated Connecticut Income Tax for Trusts and Estates*, to make estimated Connecticut income tax payments for 2006.

### Annualized Income Installment Method

If the trust or estate income varies throughout the year, the trust or estate may be able to reduce or eliminate the amount of an estimated tax payment for one or more periods by using the annualized income installment method. See **Informational Publication 2005(27)**, *A Guide to Calculating Your Annualized Estimated Tax Installments and Worksheet CT-1040 AES*, and **Form CT-2210**, *Underpayment of Estimated Income Tax by Individuals, Trusts, and Estates*.

### Guidelines for Banking Institutions

Banking institutions that wish to file multiple estimated Connecticut income tax payments, see **Informational Publication 94(7)**, *A Guide for Filers of Multiple Forms CT-1041ES*.

### Special Rules for Farmers and Fishermen

If the trust or estate is classified as a farmer or fisherman (as defined in the I.R.C. §6654(i)(2)) who is required to make estimated income tax payments, you must make only **one** payment. Your payment is due on or before January 15, 2007, for the 2006 taxable year. The required installment is the lesser of 66 $\frac{2}{3}$ % of the income tax shown on the 2006 Connecticut income tax return or 100% of the income tax shown on the 2005 Connecticut income tax return.

A farmer or fisherman who files a 2006 Connecticut income tax return on or before March 1, 2007, 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 or fishermen who use these special rules must complete and attach Form CT-2210 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. See **Informational Publication 2005(12)**, *Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax, Estimated Income Tax, and Withholding Tax*, and **Informational Publication 2005(8)**, *Fisherman's Guide to Sales and Use Taxes and Estimated Income Tax*.

### Interest on Underpayment of Estimated Tax

If the fiduciary did not pay enough tax through withholding or estimated payments, or both, 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% (.01) per month or fraction of a month will be added to the tax due until the **earlier of** April 15, 2006, or the date on which the underpayment is paid.

A fiduciary who files a 2005 Connecticut income tax return on or before January 31, 2006, 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, 2006.

### Filing Form CT-2210

The fiduciary may be charged interest if the 2005 Connecticut income tax (after tax credits) minus Connecticut tax withheld is \$1,000 or more. Use Form CT-2210 to calculate interest on the underpayment of estimated tax. Form CT-2210 and detailed instructions are available from DRS. However, this is a complex form and you may prefer to have DRS calculate the interest and send you a bill.

### Interest and Penalties

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

#### Interest

If the fiduciary does not pay the tax when due, the fiduciary will owe interest at the rate of 1% (.01) per month or fraction of a month until the tax is paid in full.

If the fiduciary did not pay enough tax through withholding or estimated payments, or both, by any installment due date, interest may be charged. This is true even if you are due a refund when the income tax return is filed. See *Interest on Underpayment of Estimated Tax* above.

Interest on underpayment or late payment of tax cannot be waived.

#### Penalty for Late Payment or Late Filing

The penalty for late payment or underpayment of income tax is 10% (.10) of the tax due. If a request for an extension of time has been granted, the fiduciary can avoid a penalty for failure to pay the full amount due by the original due date if the fiduciary:

- Pays at least 90% (.90) of the income tax shown to be due on the return on or before the original due date of the return; **and**



- Pays the balance due with the return on or before the extended due date.

If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

### Penalty for Failure to File

If the fiduciary does not file the return and DRS files a return for the fiduciary, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater. If the fiduciary was required to file an amended Form CT-1041 and failed to do so, a penalty may be imposed. See *Amended Returns*.

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### Waiver of Penalty

The fiduciary may be able to have the penalty waived if the failure to file or pay tax on time was due to a reasonable cause and was not intentional or due to neglect. Interest **cannot** be waived. Before a penalty waiver can be granted, all tax and interest must be paid. All requests must include:

- A clear and complete explanation;
- The name of the trust or estate, Federal Employer Identification Number, and Social Security Number (if applicable);
- The name of the original form filed or billing notice received;
- The taxable filing period; **and**
- Documentation supporting your explanation.

Attach the penalty waiver request to the **front** of the tax return or mail separately to:

**Department of Revenue Services  
Penalty Waiver Unit  
PO Box 5089  
Hartford CT 06102-5089**

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### Recordkeeping

Make a copy of the tax return, worksheets you used, and records of all items appearing on the return (such as W-2 and 1099 forms) until the statute of limitations expires for that return. Usually, this is three years from the date the return was due or filed, whichever is later. You may need this information to prepare future returns or to file amended returns.

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### Copies of Returns

Copies of previously-filed Connecticut income tax returns may be requested from DRS by completing **LGL-002, Request for Disclosure of Tax Return or Tax Return Information**. Requests are normally processed in three weeks.

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### Order in Which to Complete Form CT-1041 and Schedules

For trusts or estates that do not meet the Quick-File Requirements (See Form CT-1041 *Quick-File Requirements*.)

Complete Form CT-1041 and the schedules for resident and nonresident estates, full-year resident and nonresident trusts, and part-year resident trusts in the following order.

#### 1. Resident trust or estate with resident beneficiaries:

- *Schedule A*;
- Schedule CT-1041B, Part 1;
- Schedule CT-1041C;
- The front of Form CT-1041 excluding Line 3; **and**
- Schedule I, Parts 1 and 2, as necessary.

#### 2. 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*;
- Schedule CT-1041B, Part 1;
- Schedule CT-1041FA, Parts 3 and 2;
- Schedule CT-1041C;
- The front of Form CT-1041 excluding Line 3; **and**
- Schedule I, Parts 1 and 2, as necessary.

#### 3. Full-year resident inter vivos trust with nonresident noncontingent beneficiaries:

- *Schedule A*;
- Schedule CT-1041B, Parts 1 and 2;
- Schedule CT-1041FA, Parts 3 and 2;
- Schedule CT-1041C;
- The front of Form CT-1041 excluding Line 3; **and**
- Schedule I, Parts 1 and 2, as necessary.

#### 4. Nonresident estate, full-year nonresident trust, or part-year resident inter vivos trust without nonresident noncontingent beneficiaries:

- *Schedule A*;
- Schedule CT-1041B, Part 1;
- Schedule CT-1041FA, Parts 3, 2, and 1;
- The front of Form CT-1041 starting at Line 3; **and**
- Schedule I, Parts 1 and 2, as necessary.

#### 5. Part-year resident inter vivos trust with nonresident noncontingent beneficiaries:

- *Schedule A*;
- Schedule CT-1041B, Parts 1 and 2;
- Schedule CT-1041FA, Parts 3, 2, and 1;
- The front of Form CT-1041 starting at Line 3; **and**
- Schedule I, Parts 1 and 2, 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 that expect a credit or credit carryforward of alternative minimum tax paid in a prior year.

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# Instructions for Form CT-1041

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## Filing Year

All information on **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**, should be for the calendar year January 1 through December 31, 2005, or any fiscal year beginning in 2005. If filing for a fiscal year or short taxable year, enter the month and day the taxable year began and the month, day, and year it ended at the top of the front page.

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## Name, Address, and Federal ID Number

Enter the name of the trust or estate and the name and address of the fiduciary in the spaces at the top of the return. Also, enter the Federal Employer Identification Number (FEIN) of the trust or estate in the space provided. If it is necessary to file without an FEIN, notify DRS once the number has been obtained from the Internal Revenue Services (IRS). If an estate, also enter the decedent's Social Security Number (SSN).

Enter the name of the trust or estate and the FEIN on all applicable schedules in the spaces provided.

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## Type of Return

### Final Return

Check this box if this is a final return because the trust or estate has been terminated.

### Amended Return

Check this box if this is an amended return.

---

## Residency Status

Enter the date the trust or estate was created and the date the trust or estate was terminated (if applicable) in the space provided.

Check only one applicable box to identify the resident status of the trust or estate.

The trust would be a **part-year resident trust** 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 the trust became irrevocable differs from the residency status of the grantor during the taxable year that property was transferred to the trust.

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## Type of Entity

Check the applicable box to identify the type of trust or estate. If a trust was created by the will of a decedent, check the additional box.

## Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents when adding and round off only the total. If you do not round, DRS will disregard the cents.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

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## Negative Numbers

When entering a negative number, you must precede the number with a minus sign or bracket the amount.

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## Form CT-1041 Quick-File Requirements

The fiduciary of a resident estate or full-year resident trust may Quick-File Form CT-1041 if all of the following are true for taxable years beginning on or after January 1, 2000. The resident estate or full-year resident trust has no:

- Nonresident beneficiaries;
- *Schedule A*, Connecticut fiduciary adjustments;
- Connecticut alternative minimum tax; **and**
- Adjusted net Connecticut minimum tax credit.

A trustee that files one aggregate federal Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts, for all QFTs, may Quick-File one aggregate Form CT-1041 for all Connecticut resident QFTs as long as all grantors and all beneficiaries of every QFT are Connecticut residents.

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## Form CT-1041 Quick-File Line Instructions

### Line 1 - Connecticut Taxable Income of Fiduciary

Enter federal taxable income of fiduciary (from federal Form 1041, *Line 22*).

### Line 2 - Connecticut Income Tax

Multiply Line 1 by 5% (.05) and enter the result.

### Line 3 - Allocated Connecticut Income Tax

Do not complete Line 3.

**Line 4 - Credit for Income Tax Paid to Qualifying Jurisdictions**

(Resident Estates and Full-Year Resident Trusts Only)  
Enter the amount from *Worksheet for Credit for Income Taxes Paid to Qualifying Jurisdictions*, Line 8. You must attach a copy of all income tax returns filed with qualifying jurisdictions to the back of your Form CT-1041.

**Line 5**

Subtract Line 4 from Line 2. If Line 4 is greater than Line 2, enter "0."

**Line 6 - Connecticut Alternative Minimum Tax**

Do not complete Line 6.

**Line 7**

Enter the amount from Line 5.

**Line 8 - Adjusted Net Connecticut Minimum Tax Credit**

Do not complete Line 8.

**Line 9 - Connecticut Income Tax**

Enter the amount from Line 7.

**Lines 10 - 23**

To complete Lines 10 through 23, see *Form CT-1041 Line Instructions*, below.

See *Who Must Sign the Return, Paid Preparer Signature*, and *Mailing the Return* on Page 15.

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**Form CT-1041 Line Instructions**

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For trusts or estates that do not meet the Quick-File Requirements.

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**Line 1 - Connecticut Taxable Income of Fiduciary**

(Resident Estate or Full-Year Resident Trust Only)  
Enter the amount from Schedule CT-1041C, Line 14.

**Line 2 - Connecticut Income Tax**

(Resident Estate or Full-Year Resident Trust Only)  
Multiply Line 1 by 5% (.05) and enter the result.

**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 12.

**Line 4 - Credit for Income Tax Paid to Qualifying Jurisdictions**

(Resident Estates and Full or Part-Year Resident Trusts Only)  
Enter the amount from *Worksheet for Credit for Income Taxes Paid to Qualifying Jurisdictions*, Line 8. You must attach a copy of all income tax returns filed with qualifying 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 "0."

**Line 6 - Connecticut Alternative Minimum Tax**

If you were required to pay federal alternative minimum tax for 2005, you must file Form CT-1041, Schedule I. Enter the amount from Form CT-1041, Schedule I, Part 1, Line 23. Contact the DRS Forms Unit to obtain Schedule I. See *How to Get Additional Forms and Publications*.

**Line 7**

Add Line 5 and Line 6 and enter the total.

**Line 8 - Adjusted Net Connecticut Minimum Tax Credit**

Enter the amount from the appropriate line 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 and enter the result.

**Line 10 - Connecticut Tax Withheld**

This amount must total the Connecticut income taxes withheld as indicated on your copies of W-2, W-2G, Schedule CT K-1, and certain 1099 forms. Enter only Connecticut income tax withheld. Be sure you staple the **copy** of all W-2 forms and any other forms showing Connecticut tax withheld to the front of your return or your claim of amounts withheld will not be allowed.

**Line 11 - Estimated Tax Paid**

Enter the total of all 2005 estimated income tax payments and any 2004 income tax overpayment credited to 2005. Be sure to include any 2005 estimated income tax payments made in 2006.

### **Line 12 - Payments Made With Extension Request**

If you filed **Form CT-1041 EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for Trusts and Estates*, for 2005, enter the amount you paid with Form CT-1041 EXT.

If this is an amended return, also include the amount paid with the original return.

### **Line 13 - Total Payments**

Add Lines 10, 11, and 12 and enter the total.

### **Line 14 - Amount Overpaid**

If Line 13 is greater than Line 9, subtract Line 9 from Line 13 and enter the result. This is the amount of your overpayment. To properly allocate your overpayment, go to Lines 15 and 18. If Line 13 is less than Line 9, go to Line 19.

### **Line 15 - Amount of Line 14 to Be Applied to Your 2006 Estimated Tax**

Enter the amount of your 2005 overpayment you wish to apply to your 2006 Connecticut estimated income tax. It will be treated as an estimate filed on April 15, 2006, 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 2006 taxable year.

Your decision to apply this amount to 2006 estimated income tax is irrevocable.

### **Line 16 - Balance of Overpayment**

Subtract Line 15 from Line 14 and enter the result.

### **Line 17 - For Future Use**

### **Line 18 - Amount to Be Refunded to You**

Enter the amount from Line 16. 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.

### **Line 20 - Penalty for Late Payment or Filing**

If you are making a late payment or filing the return after the due date of the return, see *Interest and Penalties*.

### **Line 21 - Interest for Late Payment or Filing**

If you fail to pay the tax when due, see *Interest and Penalties*.

### **Line 22 - Interest on Underpayments of Estimated Tax**

If Line 9 minus Line 10 is \$1,000 or more, you may owe interest on estimated income tax you either underpaid or paid late. **Form CT-2210**, *Underpayment of Estimated Income Tax by Individuals, Trusts, and Estates*, can help you find

out if you did underestimate and help you calculate the interest.

If you prefer to have DRS calculate the interest, do not file Form CT-2210; leave Line 22 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, 2006.

### **Line 23 - Amount Due**

Add Lines 19 through 22 and enter the total. Pay the amount in full with the return. Make your check or money order payable to: **Commissioner of Revenue Services**. DRS may submit your check to your bank electronically. Write the FEIN and “**2005 Form CT-1041**” on the check or money order in the lower left corner. Do not send cash.

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### **Who Must Sign the Return**

The fiduciary or an officer representing the fiduciary must sign and date Form CT-1041 on the back of the return.

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### **Paid Preparer Signature**

Anyone the fiduciary pays to prepare the return must sign and date it. Paid preparers must also enter their SSN or Preparer Tax Identification Number (PTIN), their firm’s FEIN, and their firm’s address and telephone number in the spaces provided.

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### **Mailing the Return**

Make a copy of this return for the records of the trust or estate. Attach copies of any required schedules and forms to this return. Do **not** attach copies of the federal income tax return or federal schedules. Use the envelope provided when mailing the return.

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### **Credit for Income Taxes Paid to Qualifying Jurisdictions**

Resident estates, full-year resident trusts, and part-year resident trusts use the worksheet on Page 17 to calculate a credit against the Connecticut income tax liability for income taxes paid for the taxable year to another state or a political subdivision of that state or to the District of Columbia. 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 is allowed for any of the following:

- Income tax payments made to a qualifying jurisdiction on income not included in Connecticut taxable income;
- Income tax paid to a jurisdiction that is not a qualifying jurisdiction, including a foreign country or its provinces (for example, Canada and Canadian provinces);
- Alternative minimum tax paid to a qualifying jurisdiction;

- Income tax paid to a qualifying jurisdiction if the fiduciary claimed credit on that other jurisdiction's income tax return for income taxes paid to Connecticut; **or**
- Penalties or interest on income taxes the fiduciary paid to a qualifying jurisdiction.

The allowed credit must be separately computed for each qualifying jurisdiction. Use separate columns for each jurisdiction for which you are claiming a credit. If you need more than two columns, you should create an identical worksheet. Attach a copy of all income tax returns filed with qualifying jurisdictions to the back of your Form CT-1041 or the credit will be disallowed.

If you are claiming credit for income taxes paid to another state **and** to one of its political subdivisions, 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 the worksheet to calculate your credit;
  2. Enter the same income taxed by both the city and state on Line 2 on the worksheet; **and**
  3. Combine the amounts of tax paid to the city and the state on that income and enter the total on Line 6.
- B. If the **amounts** of income taxed by both the city and state **are not the same**:
  1. Use two columns on the worksheet;
  2. Enter only the income taxed by both jurisdictions on Line 2 in the first column; **and**
  3. Enter the excess income taxed by only one of the jurisdictions in the next column.

The credit claimed cannot exceed the amount of tax due to Connecticut on that portion of income taxed in another jurisdiction.

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## Worksheet Instructions

### Line 1 - Connecticut Taxable Income of Fiduciary

#### Resident Trust or Estate

Enter:

1. The Connecticut taxable income of the fiduciary from Form CT-1041, Line 1; **and**
2. Any net loss derived from or connected with sources in one or more qualifying jurisdictions where you were subject to income taxation (whether or not income tax was actually paid to the jurisdictions).

---

**Example:** Taxpayer B, a resident trust, has taxable income of \$70,000, which includes income of \$15,000 from business activities conducted in Massachusetts and a net loss of \$15,000 from a business conducted in Rhode Island. The fiduciary of this trust must add the \$15,000 net loss to the \$70,000 and enter \$85,000 on Line 1.

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### Part-Year Resident Trust

Enter the amount from Schedule CT-1041FA, Part 1, Line 9, with the following exceptions:

1. Add to the amount from Schedule CT-1041FA, Part 1, Line 9, any **net** loss derived from or connected with sources in one or more qualifying 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 the trust is a Connecticut resident trust, add back any item of loss or deduction and subtract any item of income or gain that is an item of special accrual.

Enter the modified amount on Line 1 of the worksheet.

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**Example:** Taxpayer L, a part-year resident trust, has taxable income from its residency period of \$60,000, which includes income of \$15,000 from business activities conducted in Massachusetts and a net loss of \$20,000 from a business conducted in Rhode Island. The fiduciary of this trust must add the \$20,000 net loss to the \$60,000 and enter \$80,000 on Line 1.

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### Line 2 - Non-Connecticut Income

#### Resident Trust or Estate

Enter the total non-Connecticut income included on Line 1 and reported on another jurisdiction's income tax return.

#### Part-Year Resident Trust

Enter the total non-Connecticut income for the period of Connecticut residency included on Line 1 and reported on another jurisdiction's income tax return.

For the period the trust is a Connecticut resident trust, add back any item of loss or deduction and subtract any item of income or gain that is an item of special accrual.

### Line 3

#### Resident and Part-Year Resident Trust

Divide Line 2 by Line 1. The result cannot exceed 1.0000. Round to four decimal places.

### Line 4 - Connecticut Income Tax Liability

#### Resident Trust or Estate

Enter the Connecticut tax liability as shown on Form CT-1041, Line 2.

#### Part-Year Resident Trust

Enter the allocated Connecticut income tax liability as shown on Schedule CT-1041FA, Line 12. To determine 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 the trust's Connecticut taxable income during the residency

## Worksheet for Credit for Income Taxes Paid to Qualifying Jurisdictions

**Resident estates and full or part-year resident trusts only.**

|  | Column A | Column B |
|--|----------|----------|
| 1. Connecticut taxable income of fiduciary ..... 1.                  |          |          |
| <b>Enter name of each qualifying jurisdiction.</b> .....             |          |          |
| 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 a qualifying 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. |          | .00      |

portion of the taxable year **and** the trust's income derived from or connected with sources within Connecticut during the nonresidency portion of the taxable year.

### Line 5

Multiply Line 3 by Line 4 and enter the result.

### Line 6 - Income Tax Paid to Qualifying Jurisdictions

#### Resident Trust or Estate

Enter the total amount of income tax paid to a qualifying jurisdiction for the taxable year.

Income tax paid means the lesser of the tax liability to that jurisdiction or the tax the trust or estate paid to that jurisdiction as reported on a return filed with that jurisdiction excluding any penalty or interest. Do not report taxes withheld for the qualifying jurisdiction.

#### Part-Year Resident Trust

Enter the total amount of income tax paid to a qualifying jurisdiction for the period of Connecticut residency only.

If the tax the trust paid to that jurisdiction was also based on income earned during the nonresidency period, 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 the period of Connecticut residency bears to the total amount of income the trust earned in that jurisdiction in the taxable year.

**Example:** Taxpayer H, a part-year resident trust, conducted business in Rhode Island all year and paid \$1,200 in Rhode Island tax in 2005. The trust's total Rhode Island income for 2005 was \$20,000 of which \$15,000 was earned while the

trust was a Connecticut resident trust. The income tax paid to Rhode Island during the Connecticut residency period is:

$$\frac{\$15,000}{\$20,000} \times \$1,200 = \$900$$

The fiduciary of this trust should enter \$900 on Line 6.

Income tax paid means the lesser of the trust's tax liability to the qualifying jurisdiction or the tax the trust paid to that jurisdiction as reported on a return filed with that jurisdiction excluding any penalty or interest. Do not report taxes withheld for the qualifying jurisdiction.

### Line 7

Enter the lesser of Line 5 or Line 6.

### Line 8 - Total Credit for Income Taxes Paid to Qualifying Jurisdictions

Add the amounts from Line 7A, Line 7B, and Line 7 of any additional worksheets. The amount on Line 8 cannot exceed the amount on Line 5. Enter the total here and on Form CT-1041, Line 4.

Attach a copy of the income tax return filed with each qualifying jurisdiction to your Connecticut income tax return or the credit will be disallowed.

### Connecticut Fiduciary Adjustment

Use *Schedule A* to compute the Connecticut fiduciary adjustment, which is then allocated among the trust or estate and its beneficiaries in Schedule CT-1041B, Part 1. The fiduciary adjustment is the net amount of the additions and subtractions enumerated on *Schedule A*, which relate to items of income, gain, loss, or deduction of the trust or estate.

## Amount Paid or Set Aside for Charitable Purposes

When calculating the fiduciary adjustment on *Schedule A*, do not include the modifications for 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 federal Form 5227, Split-Interest Trust Information Return, for information on charitable deductions.)

## Member of a Pass-Through Entity

If the trust or estate has income as a member of a pass-through entity, any additions or subtractions that apply to the income should be included on *Schedule A*. You may obtain the trust's or estate's share of the entity's items from Schedule CT K-1, *Member's Share of Certain Connecticut Items*.

## Beneficiary of Another Trust or Estate

If the trust or estate is a beneficiary of another trust or estate, you may generally obtain the share of the fiduciary adjustment of the other trust or estate to be included on *Schedule A* from its fiduciary.

The trust or estate must make the additions and subtractions for its taxable year within which the taxable year of any S corporation, partnership, or trust or estate of which it is a shareholder, partner, or beneficiary, respectively, ends.

## Entering Additions and Subtractions

Enter on Line 11 any expense related to the amounts entered on *Schedule A*, Lines 1 through 4, to the extent deductible in determining federal taxable income prior to the deductions related to distributions to beneficiaries. Do not net the expenses against the amounts entered on Lines 1 through 4.

Enter on Line 5 any expense related to the amounts entered on *Schedule A*, Lines 7 through 10, to the extent deductible in determining federal taxable income prior to the deductions related to distributions to beneficiaries. Do not net the expenses against the amounts entered on Lines 7 through 10.

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**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 11 (and not netted against the amount 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 5 (and not netted against the amount entered on Line 7).
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# Instructions for Schedule A

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See **Policy Statement 2005(2)**, *Connecticut Income Tax on Bonds or Obligations Issued by the United States Government, by State Governments, or Municipalities*, to determine if you are required to make an adjustment.

## Additions to Federal Taxable Income

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Enter all amounts as positive numbers.

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### 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 is not taxed for federal income tax purposes. Do not enter interest income derived from government obligations of Puerto Rico, Guam, American Samoa, or 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 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, or U.S. Virgin Islands.

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**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 Line 2.

---

### Line 3 - 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 4 - 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 5 - Other

Use Line 5 to add back any:

1. 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. 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. 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; **or**
4. 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 6 - Total Additions

Add Lines 1 through 5.

## Subtractions to Federal Taxable Income

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Enter all amounts as positive numbers.

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## Line 7 - Interest on U.S. 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 (for example, U.S. government bonds such as Savings Bonds Series EE and Series HH or 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 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 8 - Exempt Dividends From Certain Mutual Funds Derived From U.S. Government Obligations

Enter the total amount of exempt dividends received from a qualifying mutual fund 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 7 instructions above.)

## Line 9 - 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.

## Line 10 - Refunds of Connecticut Income Tax

Enter the amount of taxable refunds of Connecticut income tax reported on federal Form 1041, Line 8.

## Line 11 - Other

To the extent not deductible in determining federal taxable income prior to deductions relating to distributions to beneficiaries, use Line 11 to subtract:

- Any interest paid on indebtedness incurred to acquire investments that provide income taxable in Connecticut but not taxable for federal purposes;
- 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; **or**
- Any amortizable bond premium on bonds that provide interest income taxable in Connecticut but exempt from federal income tax.

Do **not** use Line 11 to subtract income subject to tax in another jurisdiction. See *Worksheet for Credit for Income Taxes Paid to Qualifying Jurisdictions*, Line 4.

## Line 12 - Total Subtractions

Add Lines 7 through 11.

## Line 13 - Connecticut Fiduciary Adjustment

Subtract Line 12 from Line 6. Enter here and on Schedule CT-1041B, Part 1, Line f, Column 5. This amount may be positive or negative.

If you have a Connecticut fiduciary adjustment, complete Schedule CT-1041B, Part 1, to calculate the fiduciary's and each beneficiary's share of the Connecticut fiduciary adjustment.

Schedule CT-1041B, 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.

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## Form CT-1041, Questions A, B, and C

The fiduciary **must** complete Form CT-1041, Questions A, B, and C. All inter vivos trusts claiming a resident noncontingent beneficiary percentage on Schedule CT-1041B, Part 2, **must** complete Form 1041, Question A, or this percentage could be disallowed.



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# Instructions for Schedule CT-1041B

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## Part 1 - Shares of Connecticut Fiduciary Adjustment

Part 1 shows the distribution of the Connecticut fiduciary adjustment among the beneficiaries and the fiduciary of the trust or estate. The shares of the beneficiaries and of the fiduciary in the Connecticut fiduciary adjustment, *Schedule A*, Line 13, are in proportion to their respective shares of federal distributable net income of the trust or estate.

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 the name, address, and identifying number of each beneficiary of the trust or estate. 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 the beneficiary's 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. Entries must be made for all resident and nonresident beneficiaries.

If the distributable net income of a trust or estate for the taxable year is zero or less than zero, each beneficiary's share in the Connecticut fiduciary adjustment is in proportion to that beneficiary's share of the income of the trust or estate for the taxable year and any other amounts 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 trust or estate based upon amounts in Column 3. Enter that percentage on the appropriate line of Column 4.

### Column 5

Enter the amount of the Connecticut fiduciary adjustment (from *Schedule A*, Line 13) as the total on Line f, Column 5. 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 trust or estate has no federal distributable net income, each beneficiary's share in the fiduciary adjustment must be in proportion to his or her share of the trust or estate income for the taxable year under local law or the governing instrument, which is required to be distributed currently, and any amounts of the income distributed during the year. Any balance of the fiduciary adjustment not allocable to beneficiaries must be allocated to the trust or estate. 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.

The fiduciary must provide each beneficiary with a schedule of modifications to include on *Schedule I* of his or her Form CT-1040 or Form CT-1040NR/PY.

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## 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 is the total number of resident noncontingent beneficiaries and the denominator 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*.)

### Line 1

Enter the number of resident noncontingent beneficiaries, if any.

### Line 2

Enter the number of nonresident noncontingent beneficiaries.

### Line 3

Add Line 1 and Line 2.

### Line 4

Divide Line 1 by Line 3 and enter the result as a decimal. Round to four decimal places.

If the trust is a full-year resident inter vivos trust, enter this decimal on Schedule CT-1041C, Line 11.

If the trust is a part-year resident inter vivos trust, enter this decimal on Schedule CT-1041FA, Part 1, Line 5.

**Example:** Mr. Jones, a Connecticut resident, established an irrevocable trust in 2002 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 Schedule CT-1041B, Part 2, as follows:

|   |        |
|---|--------|
| 1. Indicate the number of resident noncontingent beneficiaries, if any. | 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 decimal to four places.            | 0.6667 |

The decimal on Line 4 (rounded to four decimal places) is entered on Schedule CT-1041C, Line 11.

If the trust in the example is a part-year resident trust, the amount on Line 4 is entered on Schedule CT-1041FA, Part 1, Line 5.

## Instructions for Schedule CT-1041C

Verify line references from federal Form 1041 at the time you complete this schedule. See the note on the cover.

Resident estates or full-year resident trusts must complete this schedule to calculate Connecticut taxable income.

### Resident Trust or Estate With or Without Nonresident Beneficiaries

Each **resident estate** or **full-year resident trust**, except for Quick-Filers, must select the applicable box pertaining to the status of its beneficiaries. Inter vivos trusts with nonresident noncontingent beneficiaries calculate Connecticut taxable income differently than other trusts. (See *Connecticut Taxable Income for Certain Inter Vivos Trusts*.)

#### Type of Trust or Estate

##### Line 1

**Resident trust or estate without nonresident beneficiaries**, check the box and proceed to Line 4. Skip Lines 7 through 13.

##### Line 2

**Resident estate or a resident testamentary trust with one or more nonresident beneficiaries or an inter vivos trust with nonresident contingent beneficiaries but without nonresident noncontingent beneficiaries**, check the box and complete Schedule CT-1041FA, Parts 3 and 2; proceed to Line 4. Skip Lines 7 through 13.

##### Line 3

**Resident inter vivos trust with one or more nonresident noncontingent beneficiaries**, check the box and complete Schedule CT-1041FA, Parts 3 and 2; proceed to Line 4. Complete Lines 7 through 14.

### Line 4 - Federal Taxable Income of Fiduciary

Enter the amount of federal taxable income of the fiduciary from federal Form 1041, Line 22.

### Line 5 - Fiduciary's Share of Connecticut Fiduciary Adjustment

Enter the fiduciary's share of the Connecticut fiduciary adjustment from Schedule CT-1041B, Part 1, Line e, Column 5. This may be a positive or negative number.

### Line 6 - Connecticut Gross Taxable Income of Fiduciary as Modified

Add Line 4 and Line 5.

Full-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries, complete Lines 7 through 14; all others go to Line 14.

### Line 7 - Fiduciary's Share of Income From Connecticut Sources

Enter the fiduciary's share of income derived from or connected with sources within Connecticut from Schedule CT-1041FA, Part 2, Line e, Column 3.

#### Line 8a

Enter the amount from Schedule CT-1041FA, Part 3, Line 4, Column B.

#### Line 8b

Enter the amount from Schedule CT-1041FA, Part 3, Line 18, Column B.

#### Line 8c

Subtract Line 8b from Line 8a.

### Line 9 - Income From Connecticut Sources of Fiduciary as Modified

Add Line 7 and Line 8c.

**Line 10 - Connecticut Taxable Income of Fiduciary From Non-Connecticut Sources as Modified**

Subtract Line 9 from Line 6.

**Line 11 - Percentage of Resident Noncontingent Beneficiaries**

Enter the decimal, rounded to four places, from Schedule CT-1041B, Part 2, Line 4.

**Line 12 - Connecticut Taxable Portion of Non-Connecticut Source Income of Fiduciary**

Multiply Line 10 by Line 11.

**Line 13 - Connecticut Taxable Income of Fiduciary of a Resident Inter Vivos Trust With One or More Nonresident Noncontingent Beneficiaries**

Add Line 9 and Line 12.

**Line 14 - Connecticut Taxable Income of Fiduciary**

If the taxpayer is a resident inter vivos trust with one or more nonresident noncontingent beneficiaries, enter the amount from Line 13. Otherwise, enter the amount from Line 6.

The amount on Line 14 must also be entered on Form CT-1041, Line 1.

**Instructions for Schedule CT-1041FA**

Verify line references from federal Form 1041. See note on cover.

Schedule CT-1041FA must be completed and attached to Form CT-1041 filed for a:

1. Nonresident trust or estate having income derived from or connected with sources within Connecticut;
2. Part-year resident trust;
3. Resident trust or estate with a nonresident beneficiary; **or**
4. 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 and in what order.

**Part 1 - Computation of Connecticut Tax of a Nonresident Estate or Trust and Part-Year Resident Trust**

**Line 1 - Federal Taxable Income of Fiduciary**

Enter the federal taxable income of the fiduciary as reported on federal Form 1041, Line 22.

**Line 2 - Fiduciary's Share of Connecticut Fiduciary Adjustment**

Enter the amount from Schedule CT-1041B, Part 1, Line e, Column 5. This may be a positive or negative number.

**Line 3 - Gross Taxable Income of Fiduciary as Modified**

Add Line 1 and Line 2.

**Line 4 - Connecticut Taxable Income of Fiduciary From Connecticut Sources**

Part-year resident inter vivos trusts with nonresident noncontingent beneficiaries, complete Lines a through i. All others, enter Subtotal from Line c on Schedule CT-1041FA, Part 1, Line 4, and go to Line 9 of Schedule CT-1041FA.

The amount entered on Line c includes the fiduciary's share of distributable net income and certain gains derived from or connected with Connecticut sources for the residency and nonresidency portions of the taxable year. The share for the residency portion of the taxable year may include income not from Connecticut sources. If so, complete Lines d through i to determine the amount to be subtracted from the amount entered on Line c.

To determine the Connecticut taxable income of the fiduciary from Connecticut sources, complete the worksheet below:

| Schedule CT-1041FA - Line 4 Worksheet   |     |
|---|-----|
| a. Fiduciary's share of income from Connecticut sources from Schedule CT-1041FA, Part 2, Line e, Column 3.  |     |
| b. Subtract the amount on Schedule CT-1041FA, Part 3, Line 18, Column B, from the amount on Part 3, Line 4, Column B. Enter result here.                                      |     |
| c. Subtotal (Add Line a and Line b.)  | .00 |
| d. 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. |     |
| e. Enter the percentage from Schedule CT-1041B, Part 1, Line e, Column 4.   |     |
| f. Multiply Line d by Line e.   | .00 |
| g. Enter the portion of Line b that was non-Connecticut source income during the residency portion of taxable year.   |     |
| h. Subtotal (Add Line f and Line g.)  |     |
| i. Total (Subtract Line h from Line c and enter the result here and on Schedule CT-1041FA, Part 1, Line 4.)   | .00 |

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Complete Lines 5 through 8 only for part-year resident inter vivos trusts with nonresident noncontingent beneficiaries.

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**Line 5 - Percentage of Resident Noncontingent Beneficiaries**

Enter the decimal (rounded to four places) from Schedule CT-1041B, Part 2, Line 4.

**Line 6 - Connecticut Taxable Income of Fiduciary From Non-Connecticut Sources During the Residency Portion of the Taxable Year as Modified**

Enter the amount from Schedule CT-1041FA - Line 4 *Worksheet*, Line h above.

**Line 7 - Connecticut Taxable Portion of Non-Connecticut Source Income of Fiduciary**

Multiply Line 6 by Line 5 and enter the result.

**Line 8 - Connecticut Taxable Income of Fiduciary of a Part-Year Resident Inter Vivos Trust With Nonresident Noncontingent Beneficiaries**

Add Line 4 and Line 7.

**Line 9**

For a part-year resident inter vivos trust with nonresident noncontingent beneficiaries, enter the amount from Line 8. Otherwise, enter the greater of Line 3 or Line 4.

**Line 10 - Connecticut Income Tax**

Multiply Line 9 by 5% (.05) and enter the result. If Line 9 is less than zero, enter "0."

**Line 11**

**Part-year resident inter vivos trusts with one or more nonresident noncontingent beneficiaries:**

- If Line 9 is greater than zero, enter 1.0000.
- If Line 9 is less than or equal to zero, enter "0."

**All others:**

- If Line 4 is greater than zero and Line 4 is greater than or equal to Line 3, enter 1.0000.
- If Line 4 is greater than zero and less than Line 3, divide Line 4 by Line 3 and enter the result as a decimal. Round to four decimal places.
- If Line 4 is less than or equal to zero, enter "0."

**Line 12 - Allocated Connecticut Tax**

Multiply Line 10 by Line 11. Enter the result here and on Form CT-1041, Line 3.

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**Part 2 - Fiduciary's and Beneficiary's Share of Income From Connecticut Sources**

The federal distributable net income derived from or connected with sources within Connecticut (Part 3, Line 24, Column B) is allocated in Part 2 to the trust or estate (fiduciary) and its beneficiaries in proportion to their respective shares in the federal distributable net income of the trust or estate. Do not complete Part 2 if Part 3, Line 24, Column B is zero.

**Columns 1 and 2**

Using Schedule CT-1041B, Part 1, Columns 3 and 4, 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 Schedule CT-1041B, Part 1, Column 1. The entries on Schedule CT-1041B, Part 1, Columns 3 and 4, and Schedule CT-1041FA, Part 2, Columns 1 and 2, are identical.

For resident beneficiaries, their entire distributable share of trust or estate income, not just the portion derived from or connected with Connecticut sources, is included in their Connecticut adjusted gross income.

**Column 3**

Enter on the Total Line of Column 3, the amount entered on Part 3, Line 24, Column B.

Determine the share of each nonresident beneficiary or of the fiduciary of a nonresident estate or trust or part-year resident trust in the total amount by multiplying the total in Column 3 by the percent in Column 2. For 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 not derived from or connected with sources within Connecticut.

The fiduciary must provide each nonresident beneficiary with a schedule of income derived from or connected with sources within Connecticut to include on his or her Form CT-1040NR/PY, Schedule CT-SI.

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**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 reported on *Schedule A*. For information on federal amounts which may be modified, such as the gain or loss on the sale of Connecticut state and local government bonds, see *Instructions for Schedule A*. 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

In completing Column B, recompute any deduction for passive activity losses to determine the amounts that 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 Trusts Only

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*.

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 indicate the amount from Column B attributable to non-Connecticut source income during the residency portion of the taxable year. Use this determination to complete the worksheet for Schedule CT-1041FA, Part 1, Line 4.

## Line 1 and Line 2 - Interest Income and Dividends

Report on Line 1 and Line 2, Column B, income from interest and dividends included in Column A from a trade or business carried on in Connecticut. Also include amounts which relate to items of income, gain, loss, or deduction of the trust or estate 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 exempt from state taxes under the laws of the United States or of Connecticut, such as interest on U.S. government bonds or dividends from qualifying mutual funds 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 income (or loss) from a trade or business carried on in Connecticut by the trust or estate. 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 on Line 3, Column B, the net income (or loss) from business carried on in Connecticut. If the Connecticut income cannot be adequately determined from the books and records of the business, refer to Form CT-1040NR/PY, Schedule

CT-1040BA, 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, Pass-Through Entities (Partnerships, S Corporations), and Other Trusts and Estates

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 the 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 trust or estate.

If the estate or trust received a federal Schedule K-1 and a Schedule CT K-1 from a partnership, S corporation, or other pass-through entity, use the corresponding lines on Form CT-1041FA to report the income from the pass-through entity (for example, interest, dividends, capital gains).

## Line 6 - Farm Income (or Loss)

Enter in Column B the net income (or loss) from farming carried on in Connecticut by the trust or estate. 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 on Line 6, Column B, the net income (or loss) from farming carried on in Connecticut. If the Connecticut income cannot be adequately determined from the books and records of the farm, refer to Form CT-1040NR/PY, Schedule CT-1040BA, 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 not reportable elsewhere in Part 3.

**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.

**Lines 10 through 14**

Enter in Column B only that portion of each item of deduction reported in Column A that relates to income derived from or connected with sources within Connecticut (as reported in Column B on Lines 1 through 8).

**Line 15**

Enter on Line 15, Column A, the deduction allowed to trusts and estates under I.R.C. §642(b). Use the following calculation to determine the amount of the §642 deduction to be reported on Line 15, Column B:

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$$\text{Line 15, Column B} = \frac{\text{Part 3, Line 9, Column B}}{\text{Part 3, Line 9, Column A}} \times \text{Line 15, Column A}$$


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**Line 16**

Add Lines 10 through 15.

**Line 17 - Adjusted Total Income (or Loss)**

Subtract Line 16 from Line 9 and enter the result.

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For Lines 18 through 24, enter in Column B only that portion of Column A that relates to Connecticut sources.

---

**Line 18**

Enter on Line 18, Column A, the amount from federal Form 1041, Schedule D, Line 15(1).

**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.

**Line 23**

If Line 4 above is a gain, enter that amount. Otherwise, enter "0."

**Line 24 - Distributable Net Income**

Subtract Line 23 from Line 22 and enter the result. Enter the amount from Part 3, Line 24, Column B, on Part 2, Total Line, Column 3.

# Amended Return

Use **Form CT-1041** to amend a previously-filed Connecticut income tax return for trusts and estates. Check the *Amended Return* box on the front of Form CT-1041. Enter the amount paid with the original return on Line 12. If an amended Form CT-1041 is filed to have an overpayment of Connecticut income tax refunded or credited, it must be filed before the Connecticut statute of limitations expires. Generally, the Connecticut statute of limitations for refunding or crediting

any Connecticut income tax overpayment expires three years after the due date of the return, but if a timely request for an extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return or three years after the date of filing the return, whichever is earlier. If an amended return is not timely filed, a penalty may be imposed. If additional tax is due, interest will apply. See *Interest and Penalties*.

The following circumstances require the filing of an amended Form CT-1041:

|   |   |
|---|---|
| <p>1. The IRS or federal courts change or correct the federal income tax return and the change or correction results in the trust's or estate's Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File no later than 90 days after the final determination.</b> If the fiduciary files an amended Form CT-1041 no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to the trust or estate even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>2. The fiduciary of the trust or estate filed a timely amended federal income tax return and the amendment results in the Connecticut income tax being overpaid or underpaid.</p>  | <p><b>File no later than 90 days after the date you filed a timely amended federal income tax return.</b> If the fiduciary files an amended Form CT-1041 no later than 90 days after the date of filing the timely amended federal income tax return, any Connecticut income tax overpayment resulting from filing the timely amended federal income tax return will be refunded or credited to the trust or estate even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p>3. The fiduciary claimed a credit for income tax paid to a qualifying jurisdiction on the original income tax return and the tax officials or courts of that qualifying jurisdiction made a change or correction to the income tax return and the change or correction results in the Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of the allowable credit).</p> | <p><b>File no later than 90 days after the final determination.</b> If the fiduciary files an amended Form CT-1041 no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to the trust or estate even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>4. The fiduciary claimed a credit for income tax paid to a qualifying jurisdiction on the original income tax return and the fiduciary filed a timely amended income tax return with that qualifying jurisdiction and the amendment results in the Connecticut income tax being overpaid or underpaid (by increasing or decreasing the amount of the allowable credit).</p>                                    | <p><b>File no later than 90 days after the date you filed an amended return with the qualifying jurisdiction.</b> If the fiduciary files an amended Form CT-1041 no later than 90 days after the final determination, any Connecticut income tax overpayment resulting from the final determination will be refunded or credited to the trust or estate even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p>5. None of the above circumstances apply, but the fiduciary made a mistake or omission on the Connecticut income tax return and the mistake or omission results in the Connecticut income tax being overpaid or underpaid.</p>   | <p><b>File no later than three years after the due date of the return,</b> or if you filed a timely request for an extension of time to file, three years after the date of filing the return or three years after the extended due date, whichever is earlier.</p>   |

Do not file an amended Form CT-1041 to have an overpayment refunded instead of applied to next year's estimated tax. The elections you made on the original return cannot be changed by filing an amended Form CT-1041.


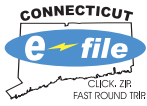
## Financial Disability

If you are financially disabled, as defined in I.R.C. §6511(h)(2), the time for having an overpayment of Connecticut income tax refunded or credited to you is

extended for as long as you are financially disabled. You are considered financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not considered financially disabled during any period your spouse or any other person is authorized to act on your behalf in financial matters.

# Connecticut Tax Assistance

|  |  |                                  |  |
|--|--|----------------------------------|--|
|  | <b>For Tax Information</b>   | <b>Forms and Publications</b>    |  |
| <b>Internet</b>  | DRS Web site   |                                  |  |
|  | <b>www.ct.gov / DRS</b>  |                                  |  |
| <b>Telephone</b>   | <b>CONN-TAX</b><br>1-800-382-9463 (in-state) or<br>860-297-5962 (from anywhere)<br>TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911. |                                  | From a touch-tone phone call<br>1-800-382-9463 (in-state) and select <b>Option 2</b> , or<br>860-297-4753 (from anywhere)<br><b>DRS TaxFax</b> - Call 860-297-5698 from the handset attached to your fax machine and select from the menu. |
|  | <b>Department of Revenue Services<br/>Taxpayer Services Division<br/>25 Sigourney Street<br/>Hartford CT 06106-5032</b>  |                                  |  |
| <b>Write</b>   |  |                                  |  |
| <b>Walk-In Offices</b><br>Free personal taxpayer assistance and forms are available by visiting our offices, Monday through Friday, 8:00 a.m. to 5:00 p.m. Call CONN-TAX for directions to DRS offices. If you require special accommodations, please advise the DRS representative. | <b>Location</b>  | <b>Address</b>                   | <b>Phone*</b>  |
|  | <b>Bridgeport</b>  | 10 Middle Street                 | 203-336-7890   |
|  | <b>Hartford</b>  | 25 Sigourney Street              | 860-297-5962   |
|  | <b>Norwich</b>   | 2 Cliff Street                   | 860-425-4123   |
|  | <b>Hamden</b>  | 3074 Whitney Avenue, Building #2 | 203-287-8243   |
|  | <b>Waterbury</b>   | 55 West Main Street, Suite 100   | 203-805-6789   |
| * All calls are answered at our Customer Service Center, not at the local office.  |  |                                  |  |

|                                  |  |   |
|----------------------------------|--|---|
| <b>Electronic Filing Options</b> |  <p>REFUNDS IN FOUR DAYS!</p> <p>Form CT-1040, Form CT-1040 EXT, and Form CT-1040ES can be filed over the Internet using <i>WebFile</i>.<br/>Visit <a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a></p> |  <p>File your federal and Connecticut returns together using <i>e-file</i>!<br/>Visit <a href="http://www.irs.gov/efile">www.irs.gov/efile</a></p> |
|----------------------------------|--|---|

|   |  |
|---|--|
| <p><b>Federal Tax Information</b></p> <p>For questions about <b>federal taxes</b>, contact the Internal Revenue Service (IRS) at 1-800-829-1040 or visit <a href="http://www.irs.gov">www.irs.gov</a><br/>To order <b>federal tax forms</b>, call 1-800-829-3676.</p> | <p><b>Statewide Services</b></p> <p>For information on statewide services and programs, visit the ConneCT Web site at <a href="http://www.ct.gov">www.ct.gov</a></p> |
|---|--|

Department of Revenue Services  
State of Connecticut  
25 Sigourney Street  
Hartford CT 06106-5032





# Form CT-1041 EXT

# 2005

## Application for Extension of Time to File Connecticut Income Tax Return for Trusts and Estates

Important! Please read instructions on reverse before completing this application.

|  |                             |                   |        |  |          |
|--|-----------------------------|-------------------|--------|--|----------|
| <b>Taxpayer</b><br><br><b>(Please Type or Print)</b> | Name of Trust or Estate     |                   |        | Federal Employer Identification Number |          |
|  | Name and Title of Fiduciary |                   |        | DRS Use Only                           |          |
|  | Address of Fiduciary        | Number and Street | PO Box | -                      - 20            |          |
|  | City, Town, or Post Office  |                   |        | State                                  | ZIP Code |

**This is not an extension of time to pay your tax.** You must include payment of any tax due or penalty and interest may apply (see instructions). However, if you expect to owe **no additional** Connecticut income tax for the 2005 taxable year, after taking into account any Connecticut income tax withheld or estimated Connecticut income tax payments you made, or both, and you **requested an extension of time to file your 2005 federal income tax return**, you are not required to file **Form CT-1041 EXT**.

I request a **six-month extension** of time to **October 15, 2006**, to file my Connecticut Income Tax Return for Trusts and Estates for calendar year 2005, or until \_\_\_\_\_, \_\_\_\_\_, for fiscal year ending \_\_\_\_\_, \_\_\_\_\_.

I have requested a federal extension on federal Form 7004, Application for 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns, for calendar year 2005 or fiscal year beginning \_\_\_\_\_, \_\_\_\_\_ and ending \_\_\_\_\_, \_\_\_\_\_.  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 2005 (You may estimate this amount.)<br>An amount must be entered on Line 1. If you do not expect to owe income tax, enter "0." ..... | 1 | 00 |
| 2. Connecticut income tax withheld .....  | 2 | 00 |
| 3. 2005 estimated Connecticut income tax payments including any 2004 overpayments credited to 2005 .....  | 3 | 00 |
| 4. Add Line 2 and Line 3. ....  | 4 | 00 |
| 5. Connecticut income tax balance due (Subtract Line 4 from Line 1.) Pay in full with this form.<br>If Line 4 is greater than Line 1, enter "0." .....                              | 5 | 00 |

Make check or money order payable to: **Commissioner of Revenue Services**. The Department of Revenue Services (DRS) may submit your check to your bank electronically.

Write the Federal Employer Identification Number (FEIN) of the trust or estate and **"2005 Form CT-1041 EXT"** on the check or money order.

Mail to: Department of Revenue Services  
 PO Box 2934  
 Hartford CT 06104-2934

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |  |      |  |
|---|--|------|--|
| <b>Sign Here</b>                          | Signature of Fiduciary or Officer Representing Fiduciary | Date | Telephone Number<br>(    )             |
|   | Paid Preparer's Signature                                | Date | Preparer's PTIN or SSN                 |
| Keep a copy of this form for your records | Firm's Name and Address                                  |      | Federal Employer Identification Number |
|   |  |      | Telephone Number<br>(    )             |

# Form CT-1041 EXT Instructions

## Purpose

Use **Form CT-1041 EXT** to request a **six-month extension to file** your 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 7004 with the Internal Revenue Service. If federal Form 7004 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.

If you expect to owe no additional Connecticut income tax for the 2005 taxable year, after taking into account any Connecticut income tax withheld or any estimated Connecticut income tax payments you have made (or both), and you have requested an extension of time to file your 2005 federal income tax return, you are not required to file Form CT-1041 EXT.

## How to Get an Extension to File

To obtain a Connecticut extension of time to file, the fiduciary **must**:

1. Complete Form CT-1041 EXT in its entirety;
2. File it on or before the due date of the return; **and**
3. Pay the amount shown on Line 5.

DRS will notify you **only** if your request is denied.

Form CT-1041 EXT **only** extends the **time to file** the Connecticut income tax return. Form CT-1041 EXT **does not** extend the **time** to pay the 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, Application for Extension of Time for Payment of Income Tax**, with your timely-filed Connecticut income tax return or extension request.

## Interest and Penalty

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return. Interest is computed at 1% (.01) per month or fraction of a month on the underpayment of tax from the original due date to the date of payment.

**Late Payment Penalty:** The penalty for underpayment of tax is 10% (.10) of the tax due.

**Late Filing Penalty:** If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

## When to File Form CT-1041 EXT

File Form CT-1041 EXT on or before April 15, 2006. If the taxable year is other than the calendar year, file Form CT-1041 EXT on or before the fifteenth day of the fourth month following the close of the taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

## Required Information

The following information must be provided when completing Form CT-1041 EXT:

1. Name of the trust or estate;
2. FEIN of the trust or estate;
3. Name and title of the fiduciary;
4. Address of the fiduciary; **and**
5. Decedent's Social Security Number (SSN) for estates only.

## Signature

The fiduciary or an officer representing the fiduciary must sign this form.

## Paid Preparer Information

Anyone the fiduciary pays to prepare the return must sign and date it. Paid preparers must also enter their SSN or Preparer Tax Identification Number (PTIN), and their firm's FEIN in the spaces provided.

## Others Who May Sign

Anyone with a signed Power of Attorney on file may 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 to the fiduciary (including attorneys, accountants, and enrolled agents) may sign the request on his or her behalf and is considered as a duly authorized agent for this purpose provided the request sets forth the reasons for a signature other than that of the fiduciary and states the relationship existing between the fiduciary and the signer.

## Where to File

Make a copy of this form for your records.

Mail to: **Department of Revenue Services  
PO Box 2934  
Hartford CT 06104-2934**

# Form CT-1041ES



## 2006 Estimated Connecticut Income Tax Payment Coupon for Trusts and Estates

### General Instructions

**Who Should File This Coupon:** Use this coupon if you must make estimated income tax payments for 2006.

**Nonresident Trusts and Estates and Part-Year Resident Trusts:** Nonresident trusts and estates 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 Must Make Estimated Payments:** In most cases, a payment of estimated income tax is required if your Connecticut income tax (after tax credits) minus Connecticut tax withheld is \$1,000 or more **and** you expect your Connecticut income tax withheld to be less than your required annual payment.

Your required annual payment is the **lesser** of:

- 90% of the income tax shown on your 2006 Connecticut income tax return; **or**
- 100% of the income tax shown on your 2005 Connecticut income tax return if you filed a 2005 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 2005 and you did not file a 2005 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 2005 and you did not file a 2005 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 2005, then you **must** use 90% of the income tax shown on your 2006 Connecticut income tax return as your required annual payment.

Decedents' estates and certain trusts must make estimated Connecticut income tax payments for any taxable year ending two or more years after the date of the decedent's death. See Conn. Gen. Stat. §12-722(n)(2).

**When to File:** Estimated payments for the 2006 taxable year are due April 15, June 15, September 15, 2006, and January 15, 2007. Fiscal year filers should follow federal filing due dates. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. An estimate is considered timely filed if received or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date. Taxpayers can use certain private delivery services, in addition to the U.S. Postal Service, for delivering returns, claims, statements or other documents, or payments and meet the timely mailing as timely filing/payment rules. The Department of Revenue Services (DRS) has accepted the list

of private delivery services currently published by the Internal Revenue Service. This list is subject to change. See **Policy Statement 2005(4), Designated Private Delivery Services and Designated Types of Service**, for a list of designated private delivery services.

**How Much Should I Pay:** Complete the *2006 Estimated Connecticut Income Tax Worksheet* on the back to calculate your required annual payment.

**Estimated Payment Rules for Farmers or Fishermen:** If the trust or estate is classified as a farmer or fisherman (as defined in I.R.C. §6654(i)(2)) who is required to make estimated income tax payments, you are required to make only one payment. Your installment is due on or before January 15, 2007, for the 2006 taxable year. The required installment is the lesser of 66 $\frac{2}{3}$ % of the Connecticut income tax shown on your 2006 return or 100% of the Connecticut income tax shown on your 2005 return. See **Informational Publication 2005(12), Farmer's Guide to Sales and Use Taxes, Motor Vehicles Fuels Tax, Estimated Income Tax, and Withholding Tax**.

A farmer or fisherman who files a 2006 Connecticut income tax return on or before March 1, 2007, and pays the full 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 the income from the trust or estate varies throughout the year, using the **annualized income installment method** may help you reduce or eliminate the amount of the estimated tax payment for one or more periods. See **Informational Publication 2005(27), A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040 AES**.

**Interest:** If you did not pay enough tax through withholding or estimated payments, or both, by any installment due date, you will be charged interest 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 April 15, 2007, or the date on which the underpayment is paid.

If you file your income tax return for the 2006 taxable year on or before January 31, 2007, and pay the full 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.)

**How to Get Help:** Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or for personal assistance, contact the Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone **users only** may transmit inquiries anytime by calling 860-297-4911.

### Completing the Payment Coupon

Complete the payment coupon below. Be sure to enter 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 2005 income tax.

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| (Rev. 12/05) <b>Estimated Connecticut Income Tax Payment for Trusts and Estates</b> |                         | <b>2006 CT-1041ES</b>   |    |
|---|-------------------------|-------------------------|----|
| Federal Employer Identification Number<br>▶ _____ : _____                           | Payment<br><b>4</b>     | For Taxable Year Ending |    |
| Name of Trust or Estate   | DRS Use Only<br>▶ _____ | _____ 20                |    |
| Name and Title of Fiduciary   | 1. Payment Amount       | ▶                       | 00 |
| Address (Number and Street) PO Box  |                         |                         |    |
| City or Town, State, and ZIP Code   |                         |                         |    |

Send completed coupon and payment to:  
**Department of Revenue Services  
PO Box 2934  
Hartford CT 06104-2934**

- See instructions for filing requirements.
- Print all information.
- DRS may submit your check to your bank electronically.
- Make check or money order payable to: **Commissioner of Revenue Services**.
- Write the Federal Employer Identification Number of the trust or estate and "2006 Form CT-1041ES" on the check or money order.

## 2006 Estimated Connecticut Income Tax Worksheet

|  |     |   |    |
|--|-----|---|----|
| 1. Federal taxable income of trust or estate you expect in 2006 .....  | 1.  |   | 00 |
| 2. Allowable Connecticut fiduciary adjustments (Additions or subtractions, see instructions.) .....  | 2.  |   | 00 |
| 3. Connecticut taxable income (Add Line 1 and Line 2.)<br><b>Nonresident trusts and estates, and part-year resident trusts without any nonresident noncontingent beneficiaries:</b> Enter your income from Connecticut sources if greater than your Connecticut taxable income. .... | 3.  |   | 00 |
| 4. Connecticut income tax (Multiply Line 3 by .05.) .....  | 4.  |   | 00 |
| 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.  |   | 00 |
| 7. Net credit for income taxes due to qualifying jurisdictions (See instructions.) .....   | 7.  |   | 00 |
| 8. Subtract Line 7 from Line 6. ....   | 8.  |   | 00 |
| 9. Estimated Connecticut Alternative Minimum Tax (See instructions.) .....   | 9.  |   | 00 |
| 10. Add Line 8 and Line 9. ....  | 10. |   | 00 |
| 11. Adjusted Net Connecticut Minimum Tax Credit (See instructions.) .....  | 11. |   | 00 |
| 12. Total estimated income tax (Subtract Line 11 from Line 10.) .....  | 12. |   | 00 |
| 13. Multiply Line 12 by 90% (0.90). ....   | 13. |   | 00 |
| 14. Enter 100% of the income tax shown on your 2005 Connecticut income tax return. (See instructions.) .....   | 14. |   | 00 |
| 15. Enter the lesser of Line 13 or Line 14. (If Line 14 is blank, enter the amount from Line 13.)<br><b>This is your required annual payment.</b> (See caution below.) .....   | 15. |   | 00 |

**Caution:** Generally, if you do not prepay (through timely estimates or withholding, or both) the lesser of 100% of the income tax shown on your 2005 Connecticut income tax return or 90% of the income tax shown on your 2006 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 2005 Connecticut income tax return.

|  |     |     |    |
|--|-----|-----|----|
| 16. Connecticut income tax withheld or expected to be withheld in 2006. If Line 12 minus Line 16 is <b>\$1,000</b> or less, no estimated payment is required. .... | 16. |     | 00 |
| 17. Subtract Line 16 from Line 15. If the result is zero or less, no estimated payment is required. ....   | 17. |     | 00 |
| 18. Installment percentage .....   | 18. | .25 |    |
| 19. Multiply Line 17 by Line 18. Pay this amount for each installment. ....  | 19. |     | 00 |

### Instructions for Completing Worksheet

**Line 2:** Enter the total of your estimated allowable Connecticut fiduciary adjustments. (See the instruction booklet for Form CT-1041 for information about allowable adjustments.)

**Line 3: Nonresident trusts and estates and part-year resident trusts without any nonresident noncontingent beneficiaries:** 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:

$$\text{CT Taxable Income} = \text{CT Source Income} + \left( \frac{\text{Non-CT Source Income During Total Period of CT Residency}}{\text{Total Noncontingent Beneficiaries}} \times \frac{\text{Resident Noncontingent Beneficiaries}}{\text{Total Noncontingent Beneficiaries}} \right)$$

**Line 5: Nonresident trusts and estates and part-year resident trusts without any nonresident noncontingent beneficiaries:** If your Connecticut source income is less than your Connecticut adjusted gross income, complete the calculation below 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 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, resident 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 the instruction booklet for Credit for Income Taxes Paid to Qualifying Jurisdictions, Worksheet Instructions.)

**Line 9:** If you expect to owe federal alternative minimum tax in 2006, you may also owe Connecticut alternative minimum tax. Enter your estimated Connecticut alternative minimum tax liability. (See instructions for **Schedule I, Connecticut Alternative Minimum Tax Return Computation of Trusts 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 2005 Connecticut income tax return covered a 12-month period, enter the amount from your 2005 Form CT-1041, Line 9. If you were a resident in 2005 and you did not file a 2005 Connecticut income tax return because you had no Connecticut income tax liability, enter "0." If you were a nonresident or part-year resident in 2005 with Connecticut source income and you did not file a 2005 Connecticut income tax return because you had no Connecticut income tax liability, enter "0." All other taxpayers must leave Line 14 blank.

|   |                              |                           |    |
|---|------------------------------|---------------------------|----|
| (Rev. 12/05) <b>Estimated Connecticut Income Tax Payment for Trusts and Estates</b> |                              | <b>2006<br/>CT-1041ES</b> |    |
| Federal Employer Identification Number<br>▶ _____ : _____                           | Payment<br><b>3</b>          | For Taxable Year Ending   |    |
| Name of Trust or Estate   | DRS Use Only<br>▶ _____ — 20 |                           |    |
| Name and Title of Fiduciary   | 1. Payment Amount            | ▶                         | 00 |
| Address (Number and Street) <span style="float:right">PO Box</span>                 |                              |                           |    |
| City or Town, State, and ZIP Code   |                              |                           |    |

- See instructions for filing requirements.
- Print all information.
- DRS may submit your check to your bank electronically.
- Make check or money order payable to: **Commissioner of Revenue Services.**
- Write the Federal Employer Identification Number of the trust or estate and "2006 Form CT-1041ES" on the check or money order.

Send completed coupon and payment to:  
**Department of Revenue Services**  
**PO Box 2934**  
**Hartford CT 06104-2934**

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|   |                              |                           |    |
|---|------------------------------|---------------------------|----|
| (Rev. 12/05) <b>Estimated Connecticut Income Tax Payment for Trusts and Estates</b> |                              | <b>2006<br/>CT-1041ES</b> |    |
| Federal Employer Identification Number<br>▶ _____ : _____                           | Payment<br><b>2</b>          | For Taxable Year Ending   |    |
| Name of Trust or Estate   | DRS Use Only<br>▶ _____ — 20 |                           |    |
| Name and Title of Fiduciary   | 1. Payment Amount            | ▶                         | 00 |
| Address (Number and Street) <span style="float:right">PO Box</span>                 |                              |                           |    |
| City or Town, State, and ZIP Code   |                              |                           |    |

- See instructions for filing requirements.
- Print all information.
- DRS may submit your check to your bank electronically.
- Make check or money order payable to: **Commissioner of Revenue Services.**
- Write the Federal Employer Identification Number of the trust or estate and "2006 Form CT-1041ES" on the check or money order.

Send completed coupon and payment to:  
**Department of Revenue Services**  
**PO Box 2934**  
**Hartford CT 06104-2934**

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|   |                              |                           |    |
|---|------------------------------|---------------------------|----|
| (Rev. 12/05) <b>Estimated Connecticut Income Tax Payment for Trusts and Estates</b> |                              | <b>2006<br/>CT-1041ES</b> |    |
| Federal Employer Identification Number<br>▶ _____ : _____                           | Payment<br><b>1</b>          | For Taxable Year Ending   |    |
| Name of Trust or Estate   | DRS Use Only<br>▶ _____ — 20 |                           |    |
| Name and Title of Fiduciary   | 1. Payment Amount            | ▶                         | 00 |
| Address (Number and Street) <span style="float:right">PO Box</span>                 |                              |                           |    |
| City or Town, State, and ZIP Code   |                              |                           |    |

- See instructions for filing requirements.
- Print all information.
- DRS may submit your check to your bank electronically.
- Make check or money order payable to: **Commissioner of Revenue Services.**
- Write the Federal Employer Identification Number of the trust or estate and "2006 Form CT-1041ES" on the check or money order.

Send completed coupon and payment to:  
**Department of Revenue Services**  
**PO Box 2934**  
**Hartford CT 06104-2934**

**Form CT-1065/CT-1120SI**  
**Connecticut Composite Income Tax Return**

CT-1065/CT-1120SI  
**2005**

See instructions before completing this form.

For calendar year 2005, or other taxable year ▶ beginning \_\_\_\_\_, 2005, and ▶ ending \_\_\_\_\_, \_\_\_\_\_.

|   |        |                      |                                     |
|---|--------|----------------------|-------------------------------------|
| Name of Pass-Through Entity (PE)<br>▶ _____ ▶ |        |                      | Federal Employer ID Number          |
| Number and Street<br>▶ _____ ▶                | PO Box | DRS Use Only<br>- 20 |                                     |
| City or Town<br>▶ _____ ▶                     | State  | ZIP Code             | Connecticut Tax Registration Number |

A PE is a partnership, an LLC treated as a partnership for federal income tax purposes, or an S corporation.

**Type of PE:** ▶  Partnership (including LLC treated as a partnership) ▶  S Corporation

**Pass-Through Entity Information** (Complete this section first and then complete Part I, Schedule B.)

- A. Check here if:  Amended Return  Final Return (out of business in Connecticut) Date of Dissolution: \_\_\_\_\_
- B.  Change of Address (See instructions, Page 11.)
- C. Total number of noncorporate members as of the close of the PE's taxable year: Resident ▶ \_\_\_\_\_  
 Nonresident ▶ \_\_\_\_\_
- D. Enter the amount from federal Form 1065 or federal Form 1120S, Schedule K, Line 1: ▶ \_\_\_\_\_
- E. Date business began: \_\_\_\_\_ Date business began in Connecticut: \_\_\_\_\_
- F. Does this PE own, directly or indirectly, an interest in Connecticut real property? ..... ▶  Yes ▶  No
- G. Was a controlling interest in the PE transferred? ..... ▶  Yes ▶  No  
 If **Yes**, enter transferor name \_\_\_\_\_  
 and Social Security Number (SSN) or Federal Employer ID Number (FEIN) \_\_\_\_\_
- H. Did this PE transfer a controlling interest in an entity that owns, directly or indirectly, an interest in Connecticut real property? ..... ▶  Yes ▶  No  
 If **Yes**, enter entity name \_\_\_\_\_  
 and FEIN \_\_\_\_\_

**Part I Schedule A – PE Computation of Composite Tax Due**

|   |      |  |    |
|---|------|--|----|
| 1. Total Connecticut source income included in composite return<br>(From Part I, <i>Schedule B</i> , Line 8, Column C) .....                          | ▶ 1  |  | 00 |
| 2. Tax liability: Multiply Line 1 by 5% (.05). .....  | ▶ 2  |  | 00 |
| 3. Payments made with Form CT-1065/CT-1120SI ES .....   | ▶ 3  |  | 00 |
| 4. Payment made with Form CT-1065/CT-1120SI EXT .....   | ▶ 4  |  | 00 |
| 5. Amount from parent PE Schedule CT K-1(s) (See instructions.) .....   | ▶ 5  |  | 00 |
| 6. Add Lines 3 through 5. ....  | ▶ 6  |  | 00 |
| 7. Overpayment: If Line 6 is more than Line 2, subtract Line 2 from Line 6. ....  | ▶ 7  |  | 00 |
| 8. Amount of tax owed: If Line 2 is more than Line 6, subtract Line 6 from Line 2. ....   | ▶ 8  |  | 00 |
| 9. If late: Enter penalty. (See instructions.) .....  | ▶ 9  |  | 00 |
| 10. If late: Enter interest. Multiply the amount on Line 8 by 1% (.01). Multiply the result by the number of months or fraction of a month late. .... | ▶ 10 |  | 00 |
| 11. Interest on underpayment of estimated tax: Attach Form CT-2210 (s), if applicable. ....   | ▶ 11 |  | 00 |
| 12. Balance due with this return: Add Lines 8 through 11. ....  | ▶ 12 |  | 00 |

**Partnership:** Attach a complete copy of federal Form 1065 (excluding K-1s).  
**S corporation:** Attach a complete copy of federal Form 1120S. Include all schedules; exclude K-1s.

**Part I Schedule B – PE Member Composite Return** (See instructions.)

| A<br>Member #<br>(From Part IV)   | B<br>Identification Number<br>(See instructions.) | C<br>Connecticut<br>Source Income<br>(See instructions.) | D<br>Tax Liability<br>(Column C X .05) | E<br>Payments<br>Made by PE | F<br>Interest<br>(Form CT-2210) |
|---|---|--|--|-----------------------------|---------------------------------|
| 1.  | ▶   | ▶  | 00                                     | 00                          | 00                              |
| 2.  | ▶   | ▶  | 00                                     | 00                          | 00                              |
| 3.  | ▶   | ▶  | 00                                     | 00                          | 00                              |
| 4.  | ▶   | ▶  | 00                                     | 00                          | 00                              |
| 5.  | ▶   | ▶  | 00                                     | 00                          | 00                              |
| 6.  | ▶   | ▶  | 00                                     | 00                          | 00                              |
| 7. Subtotal from additional schedules                                   |   | 00   | 00                                     | 00                          | 00                              |
| 8. Total Connecticut source income<br>(Add Lines 1 - 7, Column C.)      |   | 00   |  |                             |                                 |
| 9. Total composite return tax liability<br>(Add Lines 1 - 7, Column D.) |   |  | 00                                     |                             |                                 |
| 10. Total tax payments made by PE<br>(Add Lines 1 - 7, Column E.)       |   |  |  | 00                          |                                 |
| 11. Total interest due (Form CT-2210)<br>(Add Lines 1 - 7, Column F.)   |   |  |  |                             | 00                              |

**Part II Allocation and Apportionment of Income** (See instructions on Page 13.)

Complete this part only if all of the following apply:

- There are one or more nonresident noncorporate members or one or more members that are PEs;
- The PE carries on business both within and outside Connecticut; **and**
- The books and records do not satisfactorily disclose the portion of income derived from or connected with Connecticut sources.

|   | Column A<br>Totals Everywhere | Column B<br>Connecticut Only | Column C<br>Fraction<br>(Enter as a decimal.) |
|---|-------------------------------|------------------------------|---|
| 1. Real property owned ..... 1  | 00                            | 00                           | <b>Divide Column B<br/>by<br/>Column A</b>    |
| 2. Real property rented from others ..... 2   | 00                            | 00                           |   |
| 3. Tangible personal property owned or rented ..... 3                                       | 00                            | 00                           |   |
| 4. Property owned or rented (Add Lines 1, 2, and 3.) 4                                      | 00                            | 00                           |   |
| 5. Employee wages and salaries ..... 5  | 00                            | 00                           |   |
| 6. Gross income from sales and services ..... 6   | 00                            | 00                           |   |
| 7. Total (Add Lines 4, 5, and 6, Column C.) ..... 7   |                               |                              | .   |
| 8. Apportionment fraction (Divide Line 7 by three or actual number of fractions.) ..... ▶ 8 |                               |                              | .   |

**Part III Place (s) of Business** (See instructions on Page 14.)

Attach a schedule to the back of this return listing all places, both within and outside Connecticut, where the PE carries on business.

**Part IV Member Information** (Attach Form CT-1065/CT-1120SI, Supplemental Attachment, if needed.)

| Member # | Member Name and Address<br>(See instructions for order in which to list and Member Type Codes.) | Member Type Code | FEIN or SSN | % Ownership |
|----------|---|------------------|-------------|-------------|
| ▶ #      | ▶   | ▶                | ▶           | ▶           |
| ▶ #      | ▶   | ▶                | ▶           | ▶           |
| ▶ #      | ▶   | ▶                | ▶           | ▶           |
| ▶ #      | ▶   | ▶                | ▶           | ▶           |
| ▶ #      | ▶   | ▶                | ▶           | ▶           |
| ▶ #      | ▶   | ▶                | ▶           | ▶           |
| ▶ #      | ▶   | ▶                | ▶           | ▶           |
| ▶ #      | ▶   | ▶                | ▶           | ▶           |

**Part V Member's Share of Connecticut Modifications**

|  |  | Member    |   |           |   |           |   |    |
|--|--|-----------|---|-----------|---|-----------|---|----|
| Additions (Enter all amounts as positive numbers.) |  | ▶ # _____ |   | ▶ # _____ |   | ▶ # _____ |   |    |
| 1.   | Interest on state and local government obligations other than Connecticut .....                            | 1.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 2.   | Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations ..... | 2.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 3.   | Certain deductions relating to income exempt from Connecticut income tax .....                             | 3.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 4.   | Allocated for future use .....   | 4.        | ▶ |           | ▶ |           | ▶ |    |
| 5.   | Other - specify: _____   | 5.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |

| Subtractions (Enter all amounts as positive numbers.) |  |     |   |    |   |    |   |    |
|---|--|-----|---|----|---|----|---|----|
| 6.  | Interest on U.S. government obligations .....  | 6.  | ▶ | 00 | ▶ | 00 | ▶ | 00 |
| 7.  | Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations ....        | 7.  | ▶ | 00 | ▶ | 00 | ▶ | 00 |
| 8.  | Certain expenses related to income exempt from federal income tax but subject to Connecticut tax ..        | 8.  | ▶ | 00 | ▶ | 00 | ▶ | 00 |
| 9.  | Special depreciation allowance for qualified property placed in service during the preceding year(s) ..... | 9.  | ▶ | 00 | ▶ | 00 | ▶ | 00 |
| 10.   | Other - specify: _____   | 10. | ▶ | 00 | ▶ | 00 | ▶ | 00 |

**Part VI Member's Share of Connecticut-Sourced Portion of Items From Federal Schedule K-1 (Form 1065 or Form 1120S)** (Include member's share of Connecticut modifications from Part V.)

| Connecticut-sourced portion of items from federal Schedule K-1 (Form 1065 or Form 1120S) |  | Member    |   |           |   |           |   |    |
|--|--|-----------|---|-----------|---|-----------|---|----|
|  |  | ▶ # _____ |   | ▶ # _____ |   | ▶ # _____ |   |    |
| 1.   | Ordinary business income (loss) .....        | 1.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 2.   | Net rental real estate income (loss) .....   | 2.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 3.   | Other net rental income (loss) .....         | 3.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 4.   | Guaranteed payments .....                    | 4.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 5.   | Interest income .....                        | 5.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 6a.  | Ordinary dividends .....                     | 6a.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 6b.  | Qualified dividends .....                    | 6b.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 7.   | Royalties .....                              | 7.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 8.   | Net short-term capital gain (loss) .....     | 8.        | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 9a.  | Net long-term capital gain (loss) .....      | 9a.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 9b.  | Collectibles (28%) gain (loss) .....         | 9b.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 9c.  | Unrecaptured section 1250 gain .....         | 9c.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 10.  | Net section 1231 gain (loss) .....           | 10.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 11.  | Other income (loss) (Attach schedule.) ..... | 11.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 12.  | Section 179 deduction .....                  | 12.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |
| 13.  | Other deductions: _____                      | 13.       | ▶ | 00        | ▶ | 00        | ▶ | 00 |

**The PE must furnish Schedule CT K-1 to each nonresident noncorporate member and each member that is a PE.**

Make check or money order payable to: **Commissioner of Revenue Services**. DRS may submit your check to your bank electronically.  
 Mail to: Department of Revenue Services, PO Box 2967, Hartford CT 06104-2967

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |   |                                 |   |
|--|---|---------------------------------|---|
| <b>Sign Here</b><br><br>Keep a copy of this return for your records. | Signature of General Partner or Corporate Officer | Date                            | May DRS contact the preparer shown below about this return?<br><input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b><br>(See instructions, Page 19.) |
|  | Title   | Telephone Number<br>( )         |   |
|  | Paid Preparer's Signature                         | Date                            | Preparer's SSN or PTIN <input type="checkbox"/> SSN <input type="checkbox"/> PTIN   |
|  | Firm's Name and Address                           | Federal Employer ID Number<br>▶ | Telephone Number<br>( )   |

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.



# 2005

## FORM

### CT-1065/ CT-1120SI

This booklet  
contains:

Form CT-1065/  
CT-1120SI

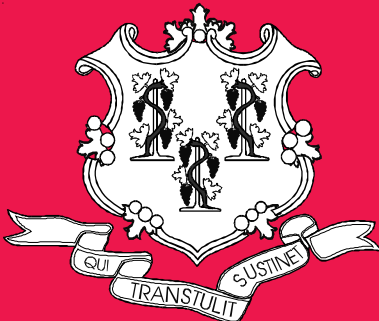
Form CT-1065/  
CT-1120SI EXT

Form CT-2NA

Form CT-1065/  
CT-1120SI ES

Schedule CT K-1

Form CT-1065/  
CT-1120SI  
Supplemental  
Attachment



# Connecticut Composite Income Tax Return and Instructions

Dear Taxpayer:

The Connecticut Department of Revenue Services (DRS) makes every effort to provide taxpayers with the most complete state business tax information. This booklet contains forms and instructions for the 2005 CT-1065/CT-1120SI, *Connecticut Composite Income Tax Return*. Please read this booklet carefully. Some useful information includes details about electronic methods for personal and business taxes that can make it easier for you to file and pay some state taxes.

At DRS, our goal is to provide taxpayers with the information they need to file and pay their tax obligations to the state. If you have questions about Connecticut taxes or filing this return, you can reach DRS Taxpayer Services staff by e-mail, phone, or letter. The back cover of this booklet lists all the ways you can access this Agency including the DRS Web site, which is available anytime to provide you with access to forms, publications, and information.

We welcome your comments and ideas about how we can improve our products.

Sincerely,

A handwritten signature in black ink that reads "Pam Law".

Pam Law  
Commissioner of Revenue Services

Taxpayer information is available on our Web site at  
**[www.ct.gov/DRS](http://www.ct.gov/DRS)**

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

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# CONN-TAX

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If you have a touch-tone phone, you can obtain important tax information anytime from CONN-TAX, the Department of Revenue Services information line. Call **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere), press **4** to be connected to the recorded tax information menu, then press **1** to select *Recorded Income Tax Information*. Enter the three-digit number next to the topic of your choice (listed below), or follow the prerecorded instructions.

## General Income Tax Information

- |     |  |     |   |
|-----|--|-----|---|
| 101 | Important income tax changes                     | 107 | Amending a Connecticut return   |
| 102 | How to choose the correct form and filing method | 108 | Getting a copy of a previously filed return                                     |
| 103 | Where to get forms and assistance                | 109 | Offsets of state income tax refunds   |
| 104 | Requesting a filing extension                    | 110 | Deducting Connecticut income tax when completing your federal income tax return |
| 105 | Filing a decedent's return                       |     |   |
| 106 | Filing an error-free return                      |     |   |

## Income Tax Filing Requirements, Residency, and Filing Status

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|-----|--|-----|--|
| 201 | Who must file a Connecticut return?                    | 205 | Members of the armed forces              |
| 202 | What is gross income?                                  | 206 | Student's filing requirements            |
| 203 | Who is a resident, nonresident, or part-year resident? | 207 | Dependent children's filing requirements |
| 204 | What is Connecticut source income of a nonresident?    | 208 | What is your filing status?              |
|     |  | 209 | Title 19 recipients                      |

## Individual Use Tax, Gift Tax, and Other Income Tax Returns

- |     |  |     |  |
|-----|--|-----|--|
| 301 | Individual use tax                                 | 305 | Partnership information and composite income tax           |
| 302 | Gift and estate tax                                | 306 | Group return for shareholders, partners, and beneficiaries |
| 303 | Income tax on trusts and estates                   |     |  |
| 304 | S corporation information and composite income tax |     |  |

## Completing Form CT-1040 or Form CT-1040NR/PY

- |     |   |     |  |
|-----|---|-----|--|
| 401 | Tax status of U.S. government obligations                                     | 406 | Modifications to federal adjusted gross income |
| 402 | Tax status of state or local obligations                                      | 407 | Connecticut alternative minimum tax            |
| 403 | Residents and part-year residents who paid income tax to another jurisdiction | 408 | Property tax credit                            |
| 404 | Deferred compensation   | 409 | Questions about a state tax refund             |
| 405 | Pension income, Social Security benefits, and Individual Retirement Accounts  |     |  |

## Estimated Income Tax Requirements

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| 502 | Withholding instead of making estimates | 506 | Interest on underpayments |
| 503 | Estimated income tax form               | 507 | Farmers and fishermen     |
| 504 | When to file and how much to pay        |     |                           |

## Questions on Telefiling and Webfiling

- |     |  |     |   |
|-----|--|-----|---|
| 601 | Who is eligible to <b>Telefile</b> ?               | 604 | <b>WebFiling</b>                                  |
| 602 | Tips for successful <b>Telefiling</b>              | 605 | What if I make a mistake while <b>WebFiling</b> ? |
| 603 | What if I make a mistake while <b>Telefiling</b> ? |     |   |

### Extended Telephone Hours for the Filing Season:

Monday, **January 30** (until 7 p.m.)

Monday, **February 6** (until 7 p.m.)

### Extended Telephone Personal Assistance and Walk-In Hours:

(25 Sigourney Street, Hartford Only)

Saturday, **April 15** (from 9 a.m. to 12 p.m.)

Monday, **April 17** (until 8 p.m.)

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## Other Taxes for Which the Pass-Through Entity May Be Liable

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Below is a general description of other Connecticut taxes for which a pass-through entity (PE) may be liable. For more information about these taxes, contact the Department of Revenue Services (DRS), Taxpayer Services Division. See the back cover for a list of DRS walk-in offices and telephone numbers.

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### Registration

To register for sales and use taxes and Connecticut income tax withholding, as well as most other Connecticut taxes administered by DRS, a PE must complete **Form REG-1**, *Business Taxes Registration Application*. Visit the DRS Web site to register on-line. If a PE already has a Connecticut Tax Registration Number, additional taxes for which the PE is liable may be added to the registration by contacting the DRS Registration Unit at 860-297-4885.

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### Connecticut Sales and Use Taxes

A PE may be responsible for filing sales and use tax returns. Sales taxes are due if the company sells 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 not collected the sales tax. Both taxes are reported on **Form OS-114**, *Sales and Use Tax Return*.

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### Connecticut Income Tax Withholding

Any PE that maintains an office or transacts business in Connecticut (regardless of the location of the payroll department) and is considered an employer for federal income tax withholding purposes must withhold Connecticut income tax from Connecticut wages as defined in Conn. Agencies Reg. §12-706(b)-1. (See **Circular CT**.)

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### Business Entity Tax (BET)

Conn. Gen. Stat. §12-248b provides that the business entity tax applies to each of the following entities if required to file an annual report with the Connecticut Secretary of the State:

- Any corporation which is an S corporation for federal income tax purposes;
- Any limited liability company which is, for federal income tax purposes, either treated as a partnership if it has two or more members or disregarded as an entity separate from its owner if it has a single member;
- Any limited liability partnership; **and**
- Any limited partnership.

All entities must file **Form OP-424**, *Business Entity Tax Return*, and pay the tax on or before the due date.

See **Informational Publication 2002(11)**, *Q & A on Business Entity Tax Liability*, and **Informational Publication 2003(15)**, *Q & A on the Business Entity Tax*, for more information.

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### Controlling Interest Transfer Taxes

There is a tax imposed on the transfer of a controlling interest in an entity where the entity owns, directly or indirectly, an interest in Connecticut real property. This tax is reported on **Form AU-330**, *Controlling Interest Transfer Taxes*. See **Special Notice 2003(11)**, *Legislation Affecting the Controlling Interest Transfer Tax*, for more information.

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### Real Estate Conveyance Tax

If a PE transfers real estate in Connecticut, it must complete and file **Form OP-236**, *Real Estate Conveyance Tax Return*, in the town in which the real estate is situated.

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## What's New

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### Abusive Tax Shelters

The Connecticut General Assembly enacted legislation that imposes severe penalties on participants of abusive tax shelters. Any individual or business entity that fails to disclose their participation in an abusive tax shelter designated by the Internal Revenue Service (IRS) as a *listed transaction* is subject to audit penalties of 75% of the tax deficiency that results from the tax shelter activity. To fulfill the Connecticut disclosure requirement, any taxpayer (individual or entity) that has participated in a listed transaction must file a completed **Form CT-8886**, *Connecticut Listed Transaction Disclosure Statement*, with DRS. Form CT-8886 must be filed for each taxable year for which a taxpayer participates in a listed transaction.

Also, promoters of abusive tax shelters may be subject to a penalty of 50% of the gross income received from the marketing, soliciting, sale, or promotion of abusive tax shelters if such promotion affects tax returns required to be filed with the Commissioner.

The legislation also increases the time limit for conducting audits of abusive transactions from three years to six years after the return was filed.

Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) for more information on abusive tax shelters.

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## Definitions

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**Pass-through entity (PE)** means a partnership or an S corporation.

**Partnership** means and includes a general partnership, limited partnership, limited liability partnership, publicly traded partnership, or limited liability company (LLC) treated as a partnership for federal income tax purposes.

**S corporation** means a corporation which is an S corporation for federal income tax purposes.

**Member** means and includes a partner of a partnership, a member of a LLC treated as a partnership for federal income tax purposes, or a shareholder of an S corporation.

**Member's share** means a partner's distributive share of partnership income, gain, loss, or deduction; a member's distributive share of LLC income, gain, loss, or deduction; or a shareholder's pro rata share of S corporation income, gain, loss, or deduction.

**Noncorporate member** means each member that is a resident individual, resident trust, resident estate, nonresident individual, nonresident trust, nonresident estate, part-year resident individual, or part-year resident trust.

**Nonresident noncorporate member** means each noncorporate member who is a nonresident individual, nonresident trust, nonresident estate, part-year resident individual, or part-year resident trust.

**Resident noncorporate member** means each noncorporate member who is a resident individual, resident trust, or resident estate.

**Corporate member** means each member which is a C corporation for federal income tax purposes, LLC that has elected to be taxed as a C corporation for federal income tax purposes, real estate investment trust, real estate mortgage investment conduit, regulated investment company, or organization exempt from federal income tax.

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## General Information

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### How to Get Help

DRS is ready to help you and offers several resources where you can get answers to Connecticut tax questions. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or for personal assistance, see the back cover for a list of DRS walk-in offices and telephone numbers. DRS offices are open Monday through Friday, 8:00 a.m. to 5:00 p.m. If you visit, be sure to bring your **completed** federal Form 1065, Partnership Return of Income, or Form 1120S, U.S. Income Tax Return for an S corporation.

Personal telephone assistance is available Monday through Friday, 8:30 a.m. to 4:30 p.m. Extended hours are offered; see Page 2. Automated information may answer your questions anytime. Call CONN-TAX, the DRS information line, or visit the DRS Web site for details.

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### How to Get Forms and Publications

Download and print Connecticut tax forms and publications anytime from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS). Forms are also available during regular business hours at any of the DRS walk-in offices and the other sources listed on the back cover of this booklet. You may also download the *2005 Connecticut Package X* from the DRS Web site.

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### Who Must File Form CT-1065/CT-1120SI

Every PE that does business in Connecticut, or has income derived from or connected with sources within Connecticut, must file Form CT-1065/CT-1120SI regardless of the amount of its income (or loss). The PE must first complete either federal Form 1065, U.S. Partnership Return of Income, **or** Form 1120S, U.S. Income Tax Return for an S corporation. Information on the federal return is needed to complete Form CT-1065/CT-1120SI.

If the PE files Form CT-G and pays Connecticut income tax on behalf of its qualified electing nonresident members, it must also complete Form CT-1065/CT-1120SI.

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### What Information Must Be Provided to the Members

On or before the fifteenth day of the fourth month following the close of the taxable year (April 15 for calendar year filers), the PE must furnish **Schedule CT K-1, Member's Share of Certain Connecticut**

*Items*, to each resident and nonresident noncorporate member and each member which is a PE. (See Page 19 for more information on completing Schedule CT K-1.)

---

### How Members Report Income

#### Resident Noncorporate Members

**If the member is a resident individual**, his or her share of PE income or loss is included in his or her federal adjusted gross income and, therefore, is includable in the federal adjusted gross income reported on the member's **Form CT-1040, Connecticut Resident Income Tax Return**. The PE must provide the member with Schedule CT K-1 reporting Connecticut modifications the member must include on Form CT-1040, *Schedule 1*.

**If the member is a resident trust or estate**, its share of PE income or loss is included in its federal taxable income and, therefore, is includable in the federal taxable income reported on the member's **Form CT-1041, Connecticut Income Tax Return for Trusts and Estates**. The PE must provide the member with a Schedule CT K-1 reporting Connecticut modifications the member must include on Form CT-1041, *Schedule A*.

#### Nonresident Noncorporate Members

**If the member is a nonresident individual**, his or her share of PE income or loss is included in federal adjusted gross income and, therefore, is includable in the federal adjusted gross income reported on the member's **Form CT-1040NR/PY, Connecticut Nonresident or Part-Year Resident Income Tax Return**. The PE must provide the member with a Schedule CT K-1 reporting Connecticut modifications the member must include on Form CT-1040NR/PY, *Schedule 1*, and amounts of PE income or loss derived from or connected with Connecticut sources the member must include on Form CT-1040NR/PY, Schedule CT-SI.

**If the member is a nonresident trust or estate**, its share of PE income or loss is included in federal taxable income and, therefore, is includable in the federal taxable income reported on the member's Form CT-1041. The PE must provide the member with a Schedule CT K-1 reporting Connecticut modifications the member must include on Form CT-1041, *Schedule A*, and amounts of PE income or loss derived from or connected with Connecticut sources that the member must include on Form CT-1041, *Schedule CT-1041FA*.

For more information on whether a member is a resident or nonresident, see the instructions for Form CT-1040 or Form CT-1041.

---

## Member That Is Itself a Pass-Through Entity

If the member is a PE, it is referred to here as a parent PE, and the PE of which it is a member is referred to here as a subsidiary PE. The parent PE's share of the subsidiary PE's income or loss is included in the income or loss reported on the parent PE's federal Form 1065 or federal Form 1120S, as the case may be, and is, therefore, included in the income or loss reported on the parent PE's **Form CT-1065/CT-1120SI**. The subsidiary PE must furnish a Schedule CT K-1 to the parent PE and report:

- Connecticut modifications the parent PE must include on Form CT-1065/CT-1120SI, Part V;
- Amounts of the subsidiary PE's income or loss derived from or connected with Connecticut sources that the parent PE must include on its Form CT-1065/CT-1120SI, Part VI;
- The Connecticut income tax liability reported by the subsidiary PE on its Form CT-1065/CT-1120SI, Part I, *Schedule B*, for the parent PE and that the parent PE must include on its Form CT-1065/CT-1120SI, Part I, *Schedule A*, Line 5; **and**
- The amount of interest paid by the subsidiary PE on behalf of the parent PE that the parent PE must include on its Form CT-1065/CT-1120SI, Part I, *Schedule A*, Line 11.

The parent PE must, in turn, provide its members with a Schedule CT K-1 reporting their share of the Connecticut modifications as reported on the parent PE's Form CT-1065/CT-1120SI, Part V; their share of the amounts of the parent PE's income or loss derived from or connected with Connecticut sources as reported on the parent PE's Form CT-1065/CT-1120SI, Part VI; their share of the Connecticut income tax paid by the subsidiary PE on behalf of the parent PE as reported on the parent PE's Form CT-1065/CT-1120SI, Part I, *Schedule A*; and their share of the interest paid by the subsidiary PE on behalf of the parent PE as reported on the parent PE's Form CT-1065/CT-1120SI, Part I, *Schedule A*.

---

## Composite Payment of Tax

A PE must make a Connecticut composite income tax payment on behalf of each member where:

- A member's share of the PE's income derived from or connected with Connecticut sources is \$1,000 or more;

- A member is a nonresident noncorporate member or a PE; **and**
- If the member is a nonresident individual, the member has not elected to be included in a group return (**Form CT-G**, *Connecticut Group Income Tax Return*).

---

## Group Returns for Nonresident Members Who Are Individuals

Two or more qualified electing nonresident individuals may elect to file **Form CT-G** for a taxable year in lieu of having to file their own Form CT-1040NR/PY. A qualified electing nonresident member **must meet all** of the following conditions. The member:

- Was a **nonresident individual** for the **entire** taxable year;
- Did not maintain a permanent place of abode in Connecticut at any time during the taxable year;
- Has the same taxable year as the other qualified electing nonresident members;
- Or his or her spouse, if a joint federal income tax return will be filed, did not have income or loss derived from or connected with sources within Connecticut other than from one or more pass-through entities;
- Waives the right to claim any Connecticut personal exemption (under Conn. Gen. Stat. §12-702) and any Connecticut personal credit (under Conn. Gen. Stat. §12-703);
- Does not have a Connecticut alternative minimum tax liability for the taxable year; **and**
- Has completed and filed **Form CT-2NA** with the PE prior to the filing of Form CT-G.

By filing Form CT-2NA, the member agrees 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 and waives his or her right to request on his or her own behalf an extension of time to pay Connecticut income tax. Form CT-2NA is effective for the taxable year and for all following taxable years unless the member revokes the agreement in writing to the PE. No revocation will be effective prior to the taxable year that follows the taxable year during which written notice of the revocation was provided to the PE. The PE keeps and maintains the written notices in its permanent records and makes them available to DRS upon request.

The agreement is binding upon the member's heirs, representatives, assigns, successors, executors, and administrators.

## Accounting Period and Method of Accounting

A PE's accounting period and method of accounting for Connecticut income tax purposes must be the same as its accounting period and method of accounting for federal income tax purposes.

If a PE's accounting period or method of accounting is changed for federal income tax purposes, the same change must be made for Connecticut income tax purposes.

## When to File Form CT-1065/CT-1120SI

Form CT-1065/CT-1120SI is due on or before the fifteenth day of the fourth month following the close of the taxable year (April 15 for calendar year filers). If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. The return meets the timely-filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|  |   |
|--|---|
| <b>DHL Express (DHL)</b> <ul style="list-style-type: none"> <li>• DHL Same Day Service</li> <li>• DHL Next Day 10:30 a.m.</li> <li>• DHL Next Day 12:00 p.m.</li> <li>• DHL Next Day 3:00 p.m.</li> <li>• DHL 2nd Day Service</li> </ul>           |   |
| <b>Federal Express (FedEx)</b> <ul style="list-style-type: none"> <li>• FedEx Priority Overnight</li> <li>• FedEx Standard Overnight</li> <li>• FedEx 2Day</li> <li>• FedEx International Priority</li> <li>• FedEx International First</li> </ul> | <b>United Parcel Service (UPS)</b> <ul style="list-style-type: none"> <li>• UPS Next Day Air</li> <li>• UPS Next Day Air Saver</li> <li>• UPS 2nd Day Air</li> <li>• UPS 2nd Day Air A.M.</li> <li>• UPS Worldwide Express Plus</li> <li>• UPS Worldwide Express</li> </ul> |

This list is subject to change. To verify the names of designated PDSs and designated types of service, check the DRS Web site or call DRS. See **Policy Statement 2005(4)**, *Designated Private Delivery Services and Designated Types of Service*.

If Form CT-1065/CT-1120SI is filed late or all the tax due is not paid with the return, see *Interest and Penalties* to determine if interest and penalty must be reported with this return.

## Amended Returns

Check the Amended Return box on the front of Form CT-1065/CT-1120SI to amend a previously-filed Form CT-1065/CT-1120SI. If an amended return is filed to have an overpayment of Connecticut income tax refunded or credited, the overpayment will be refunded or credited to the members. However, the amended Form CT-1065/CT-1120SI and the amended returns of members (or, if the members did not file original tax returns, the original tax returns of members) must be filed before the Connecticut statute of limitations expires. Generally, the statute of limitations for refunding or crediting any Connecticut income tax overpayment expires three years after the due date of the return, but if a timely request for an extension of time to file a return was filed, the statute of limitations expires three years after the extended due date of the return or three years after the date of filing the return, whichever is earlier. If an amended return is filed to report an underpayment of Connecticut income tax, interest will apply and, if the amended return is not timely filed, a penalty may be imposed. See *Interest and Penalties*. The following circumstances require filing an amended Form CT-1065/CT-1120SI and amended returns by members (or, if the members did not file original tax returns, the original tax returns of members) and the time period required to do so.

|   |   |
|---|---|
| <b>1. The IRS or federal courts change or correct the PE's federal income tax return and the change or correction results in the Connecticut income tax liability of the PE's members being overpaid or underpaid.</b>                        | File no later than 90 days after the final determination.   |
| <b>2. The PE files a timely amended federal income tax return and the amendment results in the Connecticut income tax of the PE's members being overpaid or underpaid.</b>  | File no later than 90 days after the date of filing the timely amended federal income tax return.   |
| <b>3. If neither of the above circumstances apply, but the PE made a mistake or omission on its Form CT-1065/CT-1120SI and the mistake or omission results in the Connecticut income tax of the PE's members being overpaid or underpaid.</b> | File no later than three years after the due date of the return, or, if a timely request for an extension of time to file the return was filed, three years after the extended due date of the return or three years after the date of filing the return, whichever is earlier. |



## Extension Request

To get a six-month extension of time to file Form CT-1065/CT-1120SI and the same extension of time to furnish Schedule CT K-1 to its members, the PE must file **Form CT-1065/CT-1120SI EXT**, *Application for Extension of Time to File Connecticut Composite Income Tax Return*, no later than the fifteenth day of the fourth month following the close of the taxable year together with payment of the total tax due. Timely filing this form automatically extends the due date for six months only if federal Form 7004, Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns has been filed with the Internal Revenue Service (IRS). If federal Form 7004 was not filed, a PE may apply for a six-month extension to file Form CT-1065/CT-1120SI only if there is reasonable cause for the request.

Form CT-1065/CT-1120SI EXT extends only the time to file a return. It does not extend the time to pay the amount of income tax due. See *Interest and Penalties*.

If a general partner or corporate 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, accountants, and enrolled agents) to the general partner or corporate officer may sign the request on his or her behalf and is considered a duly authorized agent for this purpose provided the request states the reasons for a signature other than that of a general partner or corporate officer and the relationship existing between the general partner or corporate officer and the signer.

## Extension of Time to Pay the Tax

A PE making a composite income tax payment may be eligible for a six-month extension of time to pay the tax due if the PE can show that paying the tax on or before the due date will cause undue hardship. The PE may request an extension by filing **Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*, on or before the due date of the original return.

Attach Form CT-1127 to the front of Form CT-1065/CT-1120SI or Form CT-1065/CT-1120SI EXT and send it on or before the due date. As evidence of the need for extension, the PE **must** attach:

- A statement of its assets and liabilities;
- An itemized list of its receipts and disbursements for the preceding three months; **and**
- An explanation of why it could not borrow money to pay the tax due.

If an extension of time to pay is granted and the PE pays all the tax due in full by the end of the extension

period, a penalty will not be imposed. However, interest will accrue on any unpaid tax from the original due date. The PE should make payments as soon as possible to reduce the interest it would otherwise owe. Write the PE's Federal Employer Identification Number (FEIN) and "**2005 Form CT-1065/CT-1120SI**" on its check or money order. Mail payments to:

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

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## Where to File

Use the pre-addressed envelope enclosed with Form CT-1065/CT-1120SI or mail to:

Department of Revenue Services  
PO Box 2967  
Hartford CT 06104-2967

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## Interest and Penalties

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

### Interest

If the PE does not pay the tax when due, it will owe interest of 1% (.01) per month or fraction of a month until the tax is paid in full.

Interest on underpayment or late payment of tax **cannot** be waived.

### Penalty for Late Payment or Late Filing

The penalty for late payment or underpayment of tax is 10% (.10) of the tax due. The PE can avoid a penalty for failure to pay the full amount due by the original due date if it:

- Files Form CT-1065/CT-1120SI EXT on or before the due date;
- Pays at least 90% of the tax shown to be due on the return on or before the original due date of the return; **and**
- Pays the balance due with the return on or before the extended due date.

If no tax is due, the Commissioner of Revenue Services may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

### Penalty for Failure to File

If the PE does not file its return and the Commissioner of Revenue Services files a return for it, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater.

If the PE is required to file an amended **Form CT-1065/CT-1120SI** and fails to timely do so, a penalty may be imposed.

**Penalty for Willful Failure to File or Pay**

If you willfully fail to pay the tax or file a return, you may be fined up to \$1,000 or imprisoned up to one year, or both, in addition to any other penalty.

**Penalty for Willful Filing of a Fraudulent or Materially False Return**

If you willfully file a tax return you know to be fraudulent or false in any material matter, you may be fined up to \$5,000 or imprisoned from one to five years, or both.

**Waiver of Penalty**

A PE may be able to have its penalty waived if the failure to file or pay tax on time was due to a reasonable cause and was not intentional or due to neglect. Interest cannot be waived. Before a penalty waiver can be granted, all tax and interest must be paid. All requests **must** contain:

- A clear and complete written explanation;
- The PE’s name, FEIN, and Connecticut Tax Registration Number (if applicable);
- The name of the original form filed or billing notice received;
- The taxable filing period; **and**
- Documentation supporting your explanation.

Attach the request to the **front** of Form CT-1065/CT-1120SI or mail separately to:

Department of Revenue Services  
 Penalty Waiver Unit  
 PO Box 5089  
 Hartford CT 06102-5089

**Estimated Tax Payments**

A PE is required to make estimated Connecticut composite income tax payments for a member where:

- The PE is required to make a Connecticut composite income tax payment on behalf of the member; **and**
- The member’s Connecticut income tax liability on the member’s share of the PE’s income derived from or connected with Connecticut sources is expected to equal or exceed \$1,000. Therefore, estimated Connecticut composite income tax payments are required if a member’s share of the PE’s income derived from or connected with Connecticut sources is expected to equal or exceed \$20,000.

Therefore, a PE may be required to make estimated Connecticut composite income tax payments on behalf of all of its members, some of its members, or none of its members. See **Informational Publication 2005(13)**, *Connecticut Income Tax Changes Affecting Pass-Through Entities*, for more information.

For each installment, the PE must aggregate the estimated Connecticut composite income tax payments made on behalf of members and file one **Form CT-1065/CT-1120SI ES**, *Estimated Connecticut Composite Income Tax Payment*.

**A member's required annual payment is the lesser of:**

- **90%** of the tax shown for the member on the 2006 Form CT-1065/CT-1120SI; **or**
- **100%** of the tax shown for the member on the 2005 Form CT-1065/CT-1120SI.

**2006 Estimated Tax Due Dates**

Due dates of installments and the amount of required payments for 2006 calendar year taxpayers are:

|                           |  |
|---------------------------|--|
| <b>April 15, 2006</b>     | 25% of your required annual payment  |
| <b>June 15, 2006</b>      | 25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)  |
| <b>September 15, 2006</b> | 25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)  |
| <b>January 15, 2007</b>   | 25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.) |

An estimate is considered timely filed if received on or before the due date, or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date. Taxpayers who report on other than a calendar year basis, should use their federal estimated tax installment due dates. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

If the member was a nonresident noncorporate member or a PE and did not have Connecticut source income during the 2005 taxable year, then the required annual payment for that member is 90% of the tax shown for the member on the 2006 Form CT-1065/CT-1120SI.

### 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. See the chart on Page 10.

### Annualized Income Installment Method

If a member does not receive income evenly throughout the year, the member may be able to lower or eliminate the interest otherwise due for not making estimated payments in 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 member establishes that the annualized income installment is less than the equal installment method, the member may use the annualized income method

to determine the amount of the estimated tax payments. See **Informational Publication 2005(27)**, *A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040ES*, and **Form CT-2210**, *Underpayment of Estimated Income Tax by Individuals, Trusts, and Estates*.

### Recordkeeping

Keep a copy of the tax return, worksheets used, and records of all items appearing on the return until the statute of limitations expires for that return. Usually, this is three years from the date the return was due or filed, whichever is later. This information may be needed to prepare future returns or to file amended returns.

### Copies of Returns

A copy of a previously-filed Connecticut income tax return may be requested from DRS by completing **Form LGL-002**, *Request for Disclosure of Tax Return or Tax Return Information*. You can usually expect your copy in three weeks.

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## Form CT-1065/CT-1120SI Instructions

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Attach a completed copy of the PE's federal income tax return, including all schedules and attachments as filed with the IRS, to Form CT-1065/CT-1120SI.

### Pass-Through Entity Information

Enter the PE's name, address, FEIN, and Connecticut Tax Registration Number. Check the box to indicate type of entity – partnership or S corporation.

**Item A:** Check the appropriate box(es) for an amended return, final return, or both.

**Item B:** Check the Change of Address box and file **Form CT-8822**, *Change of Address*, to indicate a change in the PE's physical or mailing address. If the change of address box is checked, you **must** attach a completed Form CT-8822 to Form CT-1065/CT-1120SI.

**Item C:** Enter the total number of resident noncorporate members as of the close of the PE's taxable year. Enter the total number of nonresident noncorporate members as of the close of the PE's taxable year. Include part-year noncorporate members as nonresidents.

**Item D:** Enter the amount from Schedule K, Line 1, federal Form 1065 or federal Form 1120S.

**Item E:** Enter the date the PE first began business and the date the PE first began business in Connecticut.

**Item F:** Indicate whether the PE owns, directly or indirectly, an interest in Connecticut real property.

**Item G:** Indicate if a controlling interest in the PE was transferred. If the answer is **Yes**, and the PE owned, directly or indirectly, Connecticut real property, the transferor(s) is liable for the controlling interest transfer tax. Enter the name and Social Security Number (SSN) or FEIN of the transferor(s).

**Item H:** Indicate if the PE transferred a controlling interest. If the answer is **Yes**, the PE is liable for the controlling interest transfer tax. Enter the name of the entity in which a controlling interest was transferred and its FEIN in the applicable spaces.

For information on the controlling interest transfer tax, see *Other Taxes for Which the Pass-Through Entity May Be Liable*.

### Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total. If you do not round, DRS will disregard the cents.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

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## Part I, Schedule A – PE Computation of Composite Tax Due

Do not complete Part I, *Schedule A* and *Schedule B* for members who are:

- Resident noncorporate members;
- Corporate members; **or**
- Nonresident individuals who elect to be included on **Form CT-G**.

All other members, including members which are PEs, must be included in Part I, *Schedule A* and *Schedule B*.

### Line 1: Total Connecticut source income included in composite return

Enter the amount from Part I, *Schedule B*, Line 8, Column C.

### Line 2: Tax liability

Multiply the amount entered on Line 1 by 5% (.05) to compute the amount of tax liability. The amount computed should equal the amount entered on Part I, *Schedule B*, Line 9, Column D.

### Line 3: Payments made with Form CT-1065/CT-1120SI ES

Enter the amount of estimated tax paid with Form CT-1065/CT-1120SI ES by the PE on behalf of its nonresident noncorporate members.

### Line 4: Payment made with Form CT-1065/CT-1120SI EXT

If Form CT-1065/CT-1120SI EXT was filed, enter the amount of tax paid with Form CT-1065/CT-1120SI EXT.

### Line 5:

Enter any withholding amount paid by a subsidiary PE and reported to the parent PE on Schedule CT K-1.

### Line 6:

Add Lines 3 through 5 and enter the total.

### Line 7: Overpayment

If Line 6 is more than Line 2, subtract Line 2 from Line 6 and enter the result.

### Line 8: Amount of tax owed

If Line 2 is more than Line 6, subtract Line 6 from Line 2 and enter the result.

### Line 9: Late payment or filing penalty

The penalty for late payment of the tax due is 10% (.10) of the amount due. In the event that no tax is due, the Commissioner of Revenue Services **may** impose a \$50 penalty for the late filing of any return or report required by law to be filed. However, if a request for extension of time to file a tax return has been granted, no late payment penalty will be imposed if the:

- Amount of tax shown to be due on the return minus the amount of tax paid on or before the original due date of the return equals an amount not greater than 10% of the amount of tax shown to be due on the return; **and**
- Balance due is remitted with the return on or before the extended due date of the return.

### Line 10: Late payment interest

If the tax is not paid by the due date, interest is charged at the rate of 1% (.01) per month or fraction of a month from the due date until payment is made.

### Line 11: Interest on underpayment of estimated tax

Enter the amount from Part I, *Schedule B*, Line 11, Column F. This is the total interest due on the underpayment of estimated income tax for all nonresident members entered in Part I, *Schedule B*.

### Line 12: Balance due with this return

Add Lines 8 through 11 and enter the total. Pay the balance due with this return. Make check or money order payable to the **Commissioner of Revenue Services**. Write the PE's FEIN and **2005 Form CT-1065/CT-1120SI** on the front of the check or money order. Do not send cash. Paper clip (do not staple) the check to the front of the return. Be sure to sign the check. DRS may submit your check to your bank electronically.

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## Part I, Schedule B – PE Member Composite Return

See *Composite Payment of Tax* on Page 7.

Do not complete Part I, *Schedule A* and *Schedule B* for members who are:

- Resident noncorporate members;
- Corporate members; **or**
- Nonresident individuals who elect to be included on **Form CT-G**.

All other members, including members that are PEs, must be included in Part I, *Schedule A* and *Schedule B*.

If there are more than six members included in Part I, *Schedule B*, use Form CT-1065/CT-1120SI, Supplemental Attachment (included in this booklet).

**Column A: Member Number**

Enter the member number assigned to each nonresident noncorporate member or PE in Part IV.

**Column B: Identification Number** (of member who is a nonresident noncorporate member or PE)

Enter the FEIN or SSN of members who are nonresident noncorporate members or PEs.

**Column C: Connecticut Source Income**

Enter the member's Connecticut source income. This amount is the total of the amounts entered for the member on Form CT-1065/CT-1120SI, Part VI, Lines 1 through 13. Enter the total on Line 8, Column C. **Federal rules apply** for restrictions in netting only similar characters of income.

**Column D: Tax Liability**

Multiply Column C by 5% (.05) and enter the total on Line 9, Column D.

**Column E: Payments Made by PE**

Enter any tax payment made by the PE on behalf of the member (including payments made with Form CT-1065/CT-1120SI ES, Form CT-1065/CT-1120SI EXT, or Form CT-1065/CT-1120SI). Enter the total on Line 10, Column E.

**Column F: Interest**

Enter the amount of any interest due for the member. Use **Form CT-2210** to calculate the interest on underpayment. Enter the total on Line 11, Column F.

**Part II – Allocation and Apportionment of Income**

Complete Part II only if **all** of the following apply:

- The PE has at least one member who is a nonresident noncorporate member or a PE;
- The PE carries on business both within and outside Connecticut; **and**
- The PE 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 VI unless the PE maintains books and records that satisfactorily disclose the portion of income, gain, loss, or deduction derived from or connected with Connecticut sources, in which case those amounts must be used to complete Part VI.

Part II must be completed even if an approved alternative apportionment method under Conn. Agencies Regs. §§12-711(b)-15 and 12-712(d)-1 is used. Attach a detailed explanation of the approved alternative apportionment method used to determine the Connecticut income.

**Line 1: Real property owned**

Enter in Column A the average value of all real property, wherever located, owned by the PE. Do not include in Column A the average value of real property rented to others or sold, exchanged, or otherwise disposed of during taxable year. Enter in Column B the average value of real property owned by the PE and located in Connecticut. Do not include in Column B the average value of Connecticut real property rented to others or sold, exchanged, or otherwise disposed of during the taxable year.

To determine the average value of real property owned by the PE, add its fair market value at the beginning and the end of the taxable year and divide the sum by two.

**Line 2: Real property rented from others**

Enter in Column A the value of all real property rented from others by the PE, wherever located. Enter in Column B the value of Connecticut real property rented from others by the PE.

The value of real property rented by the PE from others and 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; **and**
- The yearly amortization applicable to any improvement to real property made by or on behalf of the PE 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 PE, the value of the building is determined in the same manner as if it were owned by the PE.

**Line 3: Tangible personal property owned or rented from others**

Enter in Column A the average value of all tangible personal property, wherever located and owned by the PE, and the value of all tangible personal property, wherever located and rented from others by the PE.

Enter in Column B the average value of tangible personal property owned by the PE and located in Connecticut and the value of tangible personal property rented from others by the PE and located in Connecticut.

To determine the average value of tangible personal property owned by the PE, add its book value at the beginning and at the end of the taxable year and divide the sum by two.

To determine the value of tangible personal property rented from others, multiply 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 on Line 4 in Column C.

If zeros are entered on Line 4 in both Column A and Column B, do not enter any amount 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 PE. 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 in Column C.

If zeros are entered on Line 5 in both Column A and Column B, do not enter any amount 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 PE or by its employees, agents, agencies, or independent contractors of the PE everywhere. Enter in Column B the portion of total gross sales or charges that represents the sales made, or services performed, by the PE or by its employees, agents, agencies, or independent contractors of the PE 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 PE (or its agencies) located in Connecticut.

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**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 the salesperson are allocated to Connecticut and included on Line 6, Column B.

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Divide the Column B amount by the Column A amount. Carry the result to four decimal places and enter in Column C.

If zeros are entered on Line 6 in both Column A and Column B, do not enter any amount in Column C.

**Line 7: Total** (of percentages)

Add Lines 4, 5, and 6 in Column C, and enter the total on Line 7, Column C.

**Line 8: Apportionment fraction**

Divide Line 7 by three (or the actual number of fractions if less than three). Carry the result to four decimal places and enter on Line 8, Column C. The actual number of fractions is less than 3 if, on Lines 4, 5, or 6, zero was entered in both Column A and Column B.

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**Part III - Place(s) of Business**

Attach a schedule that lists the exact location of each place where the PE carries on business. Briefly describe each place (such as sales office, agency, factory) and identify if the location is rented or owned. Briefly describe the activity at the location shown (such as storage, administration, manufacturing, etc.).

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**Part IV – Member Information**

Complete Part IV for all members.

Assign each member a number and a member type code and list in sequential order. **Each member must be assigned the same “Member #” for Part IV, V, and VI.** Assign numbers to each member in the following order:

1. Nonresident or part-year resident individual ... NI
2. Nonresident or part-year resident trust ..... NT
3. Nonresident estate ..... NE
4. Pass-through entity ..... PE
5. Resident individual ..... RI
6. Resident trust ..... RT
7. Resident estate ..... RE
8. Corporate member ..... CM

Enter each member’s name and address, Member Type Code, FEIN or SSN (whichever is applicable), and percentage of ownership (enter as a decimal and carry to four places).

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**Example 1:** If Mary L. Smith is identified as Member #1 in Part IV, Mary L. Smith must also be identified as Member #1 in Parts V and VI. If Mary L. Smith is a resident individual, no information is entered in Part VI for her. Therefore, no entry is made in Part VI for a person identified as Member #1.

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**Example 2:** If X Inc., a corporate member, is identified as Member #49 in Part IV, X Inc. must also be identified as Member #49 in Part VI. Because X Inc. is a C corporation, no information is entered in Part V for X Inc. Therefore, no entry is made in Part V for a person identified as Member #49.

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If there are more than eight members, use Form CT-1065/CT-1120SI, Supplemental Attachment. The supplemental attachment is included in this booklet.

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## Part V - Member's Share of Connecticut Modifications

Complete Part V for all noncorporate members or PEs. **Assign each member the same number** for Parts IV, V, and VI.

Enter each member's share of Lines 1 through 10.

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### Additions

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Enter the amount of each member's share as a positive number.

#### Line 1: Interest on state and local government obligations other than Connecticut

Enter the amount of each member's 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, or U.S. Virgin Islands.

#### Line 2: Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations

Enter the amount of each member's share of exempt-interest dividends received from a mutual fund 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, or U.S. Virgin Islands.

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

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#### Line 3: Certain deductions relating to income exempt from Connecticut income tax

Enter the amount of each member's share of the amount deducted for federal income tax purposes for:

- Interest expense on loans used to buy bonds and securities whose interest is exempt from Connecticut income tax;
- Expenses related to income exempt from Connecticut income tax; **and**
- Amortizable bond premium on any bond, the interest from which is exempt from Connecticut income tax.

**Line 4:** Allocated for future use.

#### Line 5: Other

Use Line 5 to report the amount of each member's share of additions to income not listed on Lines 1 through 3. For example, include the amount of each member's share of:

- Any loss recognized on the sale or exchange of bonds or other obligations of the State of Connecticut or its municipalities;
- The PE's share of any positive Connecticut fiduciary adjustment received from a trust or estate of which the PE 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 PE with a composite return on behalf of nonresident members, to the extent deductible by the nonresident members 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 the income; **and**
- Amortizable bond premium for the taxable year on any bond, the interest on which is exempt from Connecticut income tax.

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## Subtractions

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Enter the amount of each member's share as a positive number.

### **Line 6 - Interest on U.S. government obligations**

Enter the amount of each member's share of interest income derived from U.S. government obligations, to the extent included in federal adjusted gross income, that federal law prohibits states from taxing; for example all U.S. government bond interest such as Savings Bonds Series EE and Series HH or 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, see **Policy Statement 2005(2)**, *Connecticut Income Tax on Bonds or Obligations Issued by the United States Government, by State Governments, or Municipalities*.

### **Line 7: Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations**

Enter the amount of each member's share of exempt dividends received from a qualifying mutual fund and 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 the PE 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.

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**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 reported on Line 7 is \$55.

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### **Line 8: Certain expenses related to income exempt from federal income tax but subject to Connecticut tax**

Enter the amount of each member's 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 PE's income.

### **Line 9: Special depreciation allowance for qualified property placed in service during the preceding year(s)**

Enter for each member 25% of the share entered for the member on Line 4 of the:

- **2002 Form CT-1065, Schedule D, or 2002 Form CT-1120SI, Part V.** The remaining 25% of the share will be entered on the comparable line of the 2006 Form CT-1065/CT-1120SI;
- **2003 Form CT-1065, Schedule D, or 2003 Form CT-1120SI, Part V.** The remaining 50% of the share will be entered (in two equal 25% installments) on the comparable line of the 2006 and 2007 Form CT-1065/CT-1120SI; **and**
- **2004 Form CT-1065/CT-1120SI, Part V.** The remaining 75% of the share will be entered (in three equal 25% installments) on the comparable line of the 2006, 2007, and 2008 Form CT-1065/CT-1120SI.

### **Line 10: Other**

Report the amount of each member's share of subtractions not listed on Lines 6 through 9. For example, include the amount of each member's 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 PE's share of any negative Connecticut fiduciary adjustment received from a trust or estate of which the PE is a beneficiary;
- Any refund or credit for the overpayment of income taxes imposed by any state of the United States or a political subdivision of the United States, or the District of Columbia, to the extent the amount was included in federal adjusted gross income;
- Business expenses incurred in connection with the income or property held to produce income subject to Connecticut income tax but exempt from federal income tax provided these expenses were not deducted in determining PE income; **and**
- Amortization of bond premium on any bond that provides interest income taxable in Connecticut but exempt from federal income tax provided this amortization was business expense for the taxable year and was not deductible in determining PE income.



## **Part VI – Member’s Share of Connecticut-Sourced Portion of Items From Federal Schedule K-1 (Form 1065 or Form 1120S)**

Complete Part VI for all members who are nonresident noncorporate members or PEs.

**Assign each member the same number** for Parts IV, V, and VI.

Any PE carrying on business both within and outside Connecticut must apportion the amount of each member’s share of items of income, gain, loss, or deduction and the related Connecticut modifications to arrive at the Connecticut source income reported in Part VI.

**The character of the income (loss) for Connecticut income tax purposes must mirror the character of the income (loss) for federal income tax purposes.**

The amounts entered on Lines 1 through 13 should also reflect the amount of the member’s share of Connecticut modifications (as reported on Part V, Lines 1 through 10) to the extent the modifications are derived from or connected with Connecticut sources.

### **Line 1: Ordinary business income (loss)**

Enter the Connecticut portion of each member’s share of nonseparately stated income or loss.

A PE that maintains books and records that satisfactorily disclose the portion of its nonseparately stated income or loss derived from or connected with Connecticut sources must enter (on Line 1 in the appropriate column) the amount of each member’s share of that nonseparately stated income or that nonseparately stated loss as determined from those books and records. The portion of the PE’s nonseparately stated income or loss derived from or connected with Connecticut sources (as determined from the PE’s books and records) is multiplied by the member’s share (%) of that income or loss.

A PE that does not maintain books and records that satisfactorily disclose the portion of its nonseparately stated income or loss derived from or connected with Connecticut sources must use the apportionment fraction computed on Part II, Line 8, or an authorized alternative apportionment method, to determine the portion of any item derived from or connected with Connecticut sources. Multiply the amount of each member’s share of nonseparately stated income or nonseparately stated loss by the PE’s apportionment fraction as reported on Part II, Line 8, and enter the result on Part VI.

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**Example 1:** Assume that a PE, whose nonseparately stated income is entirely derived from its retail business, maintains books and records that

satisfactorily disclose the portion of the income derived from or connected with each of its retail stores (including its stores in Connecticut). Assume the PE has nonseparately stated income of \$500,000; Member #1’s share of the PE’s nonseparately stated income is 10% (.10); and the PE’s books and records disclose that the portion of its nonseparately stated income derived from or connected with Connecticut sources is \$150,000. The PE must enter \$15,000 ( $\$150,000 \times .10$ ) on Line 1 as the amount of Member #1’s share of the PE’s nonseparately stated income derived from or connected with Connecticut sources.

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**Example 2:** The facts are the same as in Example 1, except that the PE does not maintain books and records that satisfactorily disclose the portion of its nonseparately stated income derived from or connected with each of its retail stores. Assume that the PE’s apportionment fraction as reported on Part II, Line 8, is 40% (.40). The PE must enter \$20,000 ( $(\$500,000 \times .10) \times .40 = \$20,000$ ) on Line 1 as the amount of Member #1’s share of the PE’s nonseparately stated income derived from or connected with Connecticut sources.

### **Line 2: Net rental real estate income (loss)**

Enter the Connecticut portion of the amount of the member’s share attributable to rental activities (gain or loss). The Connecticut portion of amounts attributable to real property located in Connecticut is 100%. The Connecticut portion of amounts attributable to real property located outside Connecticut is 0%.

### **Line 3: Other net rental income (loss)**

Enter the Connecticut portion of the amount of the member’s share attributable to rental activities (gain or loss). Unless the PE 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 amount of the member’s share of the amount from federal Schedule K-1 by the apportionment fraction on Part II, Line 8.

### **Line 4: Guaranteed payments (Partnerships and LLCs treated as partnerships only)**

Enter the Connecticut portion of the amount of each member’s share of guaranteed payments made to the member. Unless the PE 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 amount of the member’s distributive share of guaranteed payments from federal Form 1065, Schedule K-1, by the apportionment fraction on Part II, Line 8.

**Line 5: Interest income**

Enter the Connecticut portion of the member's share of interest income. Items of income, gain, loss, and deduction derived from or connected with sources within Connecticut do not include items attributable to intangible personal property except to the extent the intangible personal property is employed in a business, trade, profession, or occupation carried on in Connecticut. Unless the PE maintains books and records that satisfactorily disclose the portion of the interest income derived from or connected with Connecticut sources, the Connecticut portion is calculated by multiplying the amount of the member's share of the income from federal Schedule K-1 by the apportionment fraction entered on Part II, Line 8.

**Line 6a: Ordinary dividends**

Enter the Connecticut portion of the member's share of dividend income. Items of income, gain, loss, and deduction derived from or connected with sources within Connecticut do not include items attributable to intangible personal property except to the extent the intangible personal 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 personal property employed in a Connecticut trade or business and therefore would be subject to Connecticut income tax. Unless the PE maintains books and records that satisfactorily disclose the portion of the dividend income derived from or connected with Connecticut sources, calculate the Connecticut portion by multiplying the amount of the member's share of the income from federal Schedule K-1 by the apportionment fraction entered on Part II, Line 8.

**Line 6b: Qualified dividends**

Enter the Connecticut portion of the member's share of qualified dividends from Line 6a above.

**Line 7: Royalties**

Enter the Connecticut portion of the member's share of royalties income. Items of income, gain, loss, and deduction derived from or connected with sources within Connecticut do not include items attributable to intangible personal property except to the extent the intangible personal property is employed in a business, trade, profession, or occupation carried on in Connecticut. Unless the PE maintains books and records that satisfactorily disclose the portion of the royalties income derived from or connected with Connecticut sources, calculate the Connecticut portion by multiplying the amount of the member's share of the income from federal Schedule K-1 by the apportionment fraction entered on Part II, Line 8.

**Line 8 - Net short-term capital gain (loss)**

Enter the Connecticut portion of the member's share of net short-term capital gain (loss). 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 (such as the sale of stock) are not sourced to Connecticut except to the extent the intangible personal property is employed in a business, trade, profession, or occupation carried on in Connecticut.

**Line 9a: Net long-term capital gain (loss)**

Enter the Connecticut portion of the member's share of net long-term capital gain (loss). 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 (such as the sale of stock) are not sourced to Connecticut except to the extent the intangible personal property is employed in a business, trade, profession, or occupation carried on in Connecticut.

**Line 9b: Collectibles (28%) gain (loss)**

Enter the Connecticut portion of the member's share of collectibles gain (loss).

**Line 9c: Unrecaptured section 1250 gain**

Enter the Connecticut portion of the member's share of I.R.C. §1250 gain.

**Line 10: Net section 1231 gain (loss)**

Enter the Connecticut portion of the member's share of gain (loss) under I.R.C. §1231.

The Connecticut portion of amounts attributable to real property located in Connecticut is 100%. The Connecticut portion of amounts attributable to real property located outside Connecticut is 0%.

If the amount relates to a trade or business activity, unless the PE 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 the member's share of the gain (loss) is calculated by multiplying the amount of the member's share of gain (loss) under I.R.C. §1231 from federal Schedule K-1 by the apportionment fraction on Part II, Line 8.

**Line 11: Other income (loss) (Attach schedule)**

Enter the Connecticut portion of the member's share of other items of income, gain, loss, or deduction not included on Lines 1 through 10 above.

**Line 12: Section 179 deduction**

Enter the Connecticut portion of the member's share of the deduction allowed under I.R.C. §179.

Unless the PE 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 amount of the member's share of the deduction from federal Schedule K-1 by the apportionment fraction on Part II, Line 8.

**Line 13: Other deductions**

Enter the Connecticut portion of the member's share of other deductions not deducted in arriving at ordinary income (loss) from trade or business activities and separately stated on the federal Schedule K-1.

Unless the PE 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 amount of the member's share of the deduction from federal Schedule K-1 by the apportionment fraction on Part II, Line 8.

**Schedule CT K-1 Instructions**

Complete Schedule CT K-1 for each member other than a corporate member listed on Form CT-1065/CT-1120SI, Part IV, as follows:

| If Member Type Code is: | Complete Schedule CT K-1 Parts: |
|-------------------------|---------------------------------|
| NI                      | I, II, and III                  |
| NT                      | I, II, and III                  |
| NE                      | I, II, and III                  |
| PE                      | I, II, and III                  |
| RI                      | I                               |
| RT                      | I                               |
| RE                      | I                               |
| CM                      | N/A                             |

**Specific Instructions for Schedule CT K-1**

**Part I:** Transfer entries for that member from Form CT-1065/CT-1120SI, Part V, Lines 1 through 10.

**Part II:** Transfer entries for that member from Form CT-1065/CT-1120SI, Part VI, Lines 1 through 13.

**Part III, Line 1:** Transfer the amount of Connecticut income tax liability reported by the PE for the member on Form CT-1065/CT-1120SI, Part I, *Schedule B*, Column D. Do not include any Connecticut income tax paid by the PE with Form CT-G ES, Form CT-G EXT, or Form CT-G.

**Part III, Line 2:** Transfer the amount of interest on underpayment of estimated tax paid by the PE on the member's behalf from Form CT-1065/CT-1120SI, Part I, *Schedule B*, Column F.

**Signature**

Form CT-1065/CT-1120SI must be signed by a general partner or corporate officer. Provide a phone number.

**Paid Preparer Signature**

Anyone the PE pays to prepare the return must sign and date it. Paid preparers must also enter their SSN or PTIN, their firm's FEIN, and their firm's address and telephone number in the spaces provided.

**Paid Preparer Authorization**

If the PE wishes to authorize DRS to contact the paid preparer who signed the 2005 tax return to discuss it, check the **Yes** box in the signature area of the return. This authorization applies only to the individual whose signature appears in the *Paid Preparer's Signature* section of the return. It does not apply to the firm, if any, shown in that section.

If the **Yes** box is checked, the PE authorizes DRS to call the paid preparer to answer questions that may arise during the processing of the 2005 Form CT-1065/CT-1120SI. The PE also authorizes the paid preparer to:

- Give DRS any information missing from the return;
- Call DRS for information about processing the PE's return or the status of the PE's refund or payment; **and**
- Respond to certain DRS notices the PE may have shared with the preparer regarding math errors, offsets, and return preparation. The notices will not be sent to the preparer.

The PE is **not** authorizing the paid preparer to receive any refund check, bind the PE to anything (including additional tax liability), or otherwise represent the PE before DRS. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing the 2006 Connecticut Composite Income Tax Return. This is on or before the fifteenth day of the fourth month following the close of the taxable period. Keep a copy of this return for the PE's records.

**Attachments**

Attach the following forms and schedules to Form CT-1065/CT-1120SI:

- Federal Form 1065 or federal Form 1120S;
- Form CT-1065/CT-1120SI, Supplemental Attachment (if applicable); **and**
- Form CT-2210 for each member (if applicable).

**Do not** attach federal Form K-1 or Schedule CT K-1.

# Connecticut Tax Assistance

|  |  |                                  |  |
|--|--|----------------------------------|--|
| <b>Internet</b>  | <b>For Tax Information</b>   | <b>Forms and Publications</b>    |  |
|  | <b>DRS Web site</b><br>  |                                  |  |
| <b>Telephone</b>   | <b>CONN-TAX</b><br>1-800-382-9463 (in-state) or<br>860-297-5962 (from anywhere)<br>TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911. |                                  | From a touch-tone phone call<br>1-800-382-9463 (in-state) and select <b>Option 2</b> , or<br>860-297-4753 (from anywhere)<br><b>DRS TaxFax</b> - Call 860-297-5698 from the handset attached to your fax machine and select from the menu. |
| <b>Write</b>   |  |                                  |  |
| <b>Walk-In Offices</b>   | <b>Location</b>  | <b>Address</b>                   | <b>Phone*</b>  |
| Free personal taxpayer assistance and forms are available by visiting our offices, Monday through Friday, 8:00 a.m. to 5:00 p.m. Call CONN-TAX for directions to DRS offices. If you require special accommodations, please advise the DRS representative. | <b>Bridgeport</b>  | 10 Middle Street                 | 203-336-7890   |
|  | <b>Hartford</b>  | 25 Sigourney Street              | 860-297-5962   |
|  | <b>Norwich</b>   | 2 Cliff Street                   | 860-425-4123   |
|  | <b>Hamden</b>  | 3074 Whitney Avenue, Building #2 | 203-287-8243   |
|  | <b>Waterbury</b>   | 55 West Main Street, Suite 100   | 203-805-6789   |
|  | * All calls are answered at our Customer Service Center, not at the local office.  |                                  |  |

|  |  |
|--|--|
| <h3 style="margin: 0;">Federal Tax Information</h3> <p>For questions about <b>federal taxes</b>, contact the Internal Revenue Service (IRS) at 1-800-829-1040 or visit <a href="http://www.irs.gov">www.irs.gov</a><br/>                 To order <b>federal tax forms</b>, call 1-800-829-3676.</p> | <h3 style="margin: 0;">Statewide Services</h3> <p>For information on statewide services and programs, visit the ConneCT Web site at <a href="http://www.ct.gov">www.ct.gov</a></p> |
|--|--|

**Department of Revenue Services**  
**State of Connecticut**  
**25 Sigourney Street**  
**Hartford CT 06106-5032**

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| PRSRT STD<br>U.S. POSTAGE<br>PAID<br>HARTFORD CT<br>PERMIT NO. 884 |
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**Form CT-1065/CT-1120SI Supplemental Attachment (Continued)**

**Part V Member's Share of Connecticut Modifications**

|   |       | Member   |          |          |          |          |          |          |          |    |
|---|-------|----------|----------|----------|----------|----------|----------|----------|----------|----|
| Additions (Enter all amounts as positive numbers.)  |       | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ |    |
| 1. Interest on state and local government obligations other than Connecticut .....                            | 1. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 2. Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations ..... | 2. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 3. Certain deductions relating to income exempt from Connecticut income tax .....                             | 3. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 4. Allocated for future use .....   | 4. ▶  |          |          |          |          |          |          |          |          |    |
| 5. Other - specify: _____   | 5. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| <b>Subtractions (Enter all amounts as positive numbers.)</b>  |       |          |          |          |          |          |          |          |          |    |
| 6. Interest on U.S. government obligations .....  | 6. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 7. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations .....       | 7. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 8. Certain expenses related to income exempt from federal income tax but subject to Connecticut tax .....     | 8. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 9. Special depreciation allowance for qualified property placed in service during the preceding year(s) ..... | 9. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 10. Other - specify: _____  | 10. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |

**Part VI Member's Share of Connecticut-Sourced Portion of Items From Federal Schedule K-1 (Form 1065 or Form 1120S)** (Include member's share of Connecticut modifications from [Part V](#).)

| Connecticut-sourced portion of items from federal Schedule K-1 (Form 1065 or Form 1120S) |       | Member   |          |          |          |          |          |          |          |    |
|--|-------|----------|----------|----------|----------|----------|----------|----------|----------|----|
|  |       | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ | ▶# _____ |    |
| 1. Ordinary business income (loss) .....   | 1. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 2. Net rental real estate income (loss) .....  | 2. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 3. Other net rental income (loss) .....  | 3. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 4. Guaranteed payments .....   | 4. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 5. Interest income .....   | 5. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 6a. Ordinary dividends .....   | 6a. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 6b. Qualified dividends .....  | 6b. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 7. Royalties .....   | 7. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 8. Net short-term capital gain (loss) .....  | 8. ▶  | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 9a. Net long-term capital gain (loss) .....  | 9a. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 9b. Collectibles (28%) gain (loss) .....   | 9b. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 9c. Unrecaptured section 1250 gain .....   | 9c. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 10. Net section 1231 gain (loss) .....   | 10. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 11. Other income (loss) (attach schedule) .....  | 11. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 12. Section 179 deduction .....  | 12. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |
| 13. Other deductions: _____  | 13. ▶ | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00       | ▶        | 00 |

## Schedule CT K-1 Member's Share of Certain Connecticut Items

# 2005

For calendar year 2005, or other taxable year beginning \_\_\_\_\_, 2005, and ending \_\_\_\_\_, 20\_\_\_\_.

| Pass-Through Entity (PE) Information                                   |                            |                           | Member Information  |       |          |
|--|----------------------------|---------------------------|---|-------|----------|
| FEIN   | CT Tax Registration Number | Member's SSN or FEIN      | <input type="checkbox"/> SSN<br><input type="checkbox"/> FEIN   |       |          |
| Name   |                            |                           | Name  |       |          |
| Number and Street Address  | PO Box                     | Number and Street Address | PO Box  |       |          |
| City or Town   | State                      | ZIP Code                  | City or Town  | State | ZIP Code |
| <input type="checkbox"/> Amended Schedule CT K-1 (check if applicable) |                            |                           | <b>Type of Member (check one):</b><br><input type="checkbox"/> Individual <input type="checkbox"/> Trust <input type="checkbox"/> Other (specify) _____<br><input type="checkbox"/> Estate <input type="checkbox"/> Pass-Through Entity |       |          |

### Part I - Member's Share of Connecticut Modifications

**Additions** (Enter all amounts as positive numbers.)

Member's Share  
From Form CT-1065/CT-1120SI, Part V

|   |    |  |
|---|----|--|
| 1. Interest on state and local obligations other than Connecticut .....                                       | 1. |  |
| 2. Mutual fund exempt-interest dividends from non-Connecticut state or municipal government obligations ..... | 2. |  |
| 3. Certain deductions relating to income exempt from Connecticut income tax .....                             | 3. |  |
| 4. Allocated for future use .....   | 4. |  |
| 5. Other - specify _____ .....  | 5. |  |

**Subtractions** (Enter all amounts as positive numbers.)

|  |     |  |
|--|-----|--|
| 6. Interest on U.S. government obligations .....   | 6.  |  |
| 7. Exempt dividends from certain qualifying mutual funds derived from U.S. government obligations ..       | 7.  |  |
| 8. Certain expenses related to income exempt from federal income tax but subject to Connecticut tax ...    | 8.  |  |
| 9. Special depreciation allowance for qualified property placed in service during the preceding year(s) .. | 9.  |  |
| 10. Other - specify _____ .....  | 10. |  |

### Part II - Member's Share of Connecticut-Sourced Portion of Items From Federal Schedule K-1 (Form 1065 or 1120S)

Member's Share  
From Form CT-1065/CT-1120SI, Part VI

|  |     |  |
|--|-----|--|
| 1. Ordinary business income (loss) .....         | 1.  |  |
| 2. Net rental real estate income (loss) .....    | 2.  |  |
| 3. Other net rental income (loss) .....          | 3.  |  |
| 4. Guaranteed payments .....                     | 4.  |  |
| 5. Interest income .....                         | 5.  |  |
| 6a. Ordinary dividends .....                     | 6a. |  |
| 6b. Qualified dividends .....                    | 6b. |  |
| 7. Royalties .....                               | 7.  |  |
| 8. Net short-term capital gain (loss) .....      | 8.  |  |
| 9a. Net long-term capital gain (loss) .....      | 9a. |  |
| 9b. Collectibles (28%) gain (loss) .....         | 9b. |  |
| 9c. Unrecaptured section 1250 gain .....         | 9c. |  |
| 10. Net section 1231 gain (loss) .....           | 10. |  |
| 11. Other income (loss) (Attach schedule.) ..... | 11. |  |
| 12. Section 179 deduction .....                  | 12. |  |
| 13. Other deductions: _____ .....                | 13. |  |

### Part III - Connecticut Income Tax Information

|   |    |  |
|---|----|--|
| 1. Connecticut income tax paid by the PE on the member's behalf as reported on 2005 Form CT-1065/CT-1120SI, Part I, <i>Schedule B</i> , Column E. ....                | 1. |  |
| 2. Interest on underpayment of estimated tax paid by PE on the member's behalf as reported on 2005 Form CT-1065/CT-1120SI, Part I, <i>Schedule B</i> , Column F. .... | 2. |  |

## Schedule CT K-1 Instructions

**Purpose:** A pass-through entity (PE) must furnish **Schedule CT K-1, Member's Share of Certain Connecticut Items**, to its members (other than members who are corporate members).

**General Instructions for PEs:** A PE must complete Part I for resident noncorporate members, nonresident noncorporate members, and members that are pass-through entities. A PE must also complete Parts II and III for nonresident noncorporate members and members that are pass-through entities. A PE is not required to complete any part of Schedule CT K-1 for corporate members.

A PE must furnish Schedule CT K-1 to each member for whom Schedule CT K-1 is completed on or before the fifteenth day of the fourth month following the close of the taxable year (April 15 if the PE's taxable year for federal income tax purposes is the calendar year). If the PE requested an extension of time to file **Form CT-1065/CT-1120SI** by timely filing **Form CT-1065/CT-1120SI EXT**, the deadline for furnishing Schedule CT K-1 to members is automatically extended to the fifteenth day of the tenth month following the close of the taxable year (October 15 if the PE's taxable year for federal income tax purposes is the calendar year). The PE must maintain a copy of each Schedule CT K-1 that it furnishes and provide a copy to DRS upon request.

For definitions of terms used in these instructions, see **Informational Publication 2005(13), Connecticut Income Tax Changes Affecting Pass-Through Entities**.

**Specific Instructions for Schedule CT K-1:** Complete the member information section, including the member's Social Security Number (SSN) or Federal Identification Number (FEIN). Check the box to indicate if the number is an SSN or FEIN.

**Part I:** Transfer entries for that member from Form CT-1065/CT-1120SI, Part V, Lines 1 through 10.

**Part II:** Transfer entries for that member from Form CT-1065/CT-1120SI, Part VI, Lines 1 through 13.

**Part III, Line 1:** Transfer the amount of Connecticut income tax paid by the PE on the member's behalf from Form CT-1065/CT-1120SI, Part I, Schedule B, Column E. Do not include any Connecticut income tax paid by the PE with **Form CT-G ES, Form CT-G EXT, or Form CT-G**.

**Part III, Line 2:** Transfer the amount of interest on the underpayment of estimated tax paid by the PE on the member's behalf from Form CT-1065/CT-1120SI, Part I, *Schedule B*, Column F.

**General Instructions for Recipients:** Do not attach Schedule CT K-1 to your Connecticut income tax return. Keep it for your records. This information may be needed to prepare future returns or to prepare an amended return.

**Members Who Are Resident Individuals:** Enter amounts from Schedule CT K-1, Part I, Lines 1 through 5, on Form CT-1040, *Schedule 1*, Lines 31 through 38. Enter amounts from Schedule CT K-1, Part I, Lines 6 through 10, on Form CT-1040, *Schedule 1*, Lines 40 through 49.

**Members Who Are Nonresident or Part-Year Resident Individuals:** Enter amounts from Schedule CT K-1, Part I, Lines 1 through 5, on Form CT-1040NR/PY, Lines 33 through 40. Enter amounts from Schedule CT K-1, Part I, Lines 6 through 10, on Form CT-1040NR/PY, Lines 42 through 51.

Enter amounts from Schedule CT K-1, Part II, Lines 1 through 13, on the appropriate lines of Form CT-1040NR/PY, Schedule CT-SI.

Enter the amount from Schedule CT K-1, Part III, Line 1, on Form CT-1040NR/PY, on one of the lines for income tax withheld (Lines 20a through 20g). Also enter the PE's FEIN and the Connecticut-source income. Check the box to indicate that the information is from Schedule CT K-1. Enter the amount from Schedule CT K-1, Part III, Line 2, on Form CT-1040NR/PY, Line 31.

A member is not required to file a Connecticut income tax return if the composite income tax payment made by the PE on the member's behalf (and any other composite income tax payment made by any other PE on the member's behalf) satisfies the member's Connecticut income tax liability. The member is required to file a Connecticut income tax return if the composite income tax payment made by the PE on the member's behalf (and any other composite income tax payment made by any other PE on the member's behalf) does not satisfy the member's Connecticut income tax liability or if the member has Connecticut source income other than from one or more PEs.

**Members That Are Trusts or Estates:** Enter amounts from Schedule CT K-1, Part I, Lines 1 through 5, on Form CT-1041, *Schedule A*, Lines 1 through 5. Enter amounts from Schedule CT K-1, Part I, Lines 6 through 10, on Form CT-1041, *Schedule A*, Lines 7 through 11.

Enter amounts from Schedule CT K-1, Part II, Lines 1 through 13, on the appropriate lines of Form CT-1041, *Schedule CT-1041FA*, Part III, Column B.

Enter the amount from Schedule CT K-1, Part III, Line 1, on Form CT-1041, Line 10. Enter the amount from Schedule CT K-1, Part III, Line 2, on Form CT-1041, Line 22.

**For Trusts or Estates Only:** Attach Schedule CT K-1 to Form CT-1041 if you claim Connecticut income tax withheld as reported on Schedule CT K-1.

**Member That Is a Pass-Through Entity:** If a PE is a parent PE, the parent PE must include the following for each of the parent PE's members:

- The amounts from Schedule CT K-1, Part I, Lines 1 through 10, in the amounts entered on the parent PE's Form CT-1065/CT-1120SI, Part V, Lines 1 through 10.
- The amounts from Schedule CT K-1, Part II, Lines 1 through 13, in the amounts entered on the parent PE's Form CT-1065/CT-1120SI, Part VI, Lines 1 through 13.
- The amount from Schedule CT K-1, Part III, Line 1, in the amount entered on the PE's Form CT-1065/CT-1120SI, Part I, *Schedule B*, Column E.
- The amount from Part III, Line 2, in the amount entered on the parent PE's Form CT-1065/CT-1120SI, Part I, *Schedule B*, Column F.



| CT-1065/CT-1120SI ES Estimated Connecticut Composite Income Tax Payment   |   |                     | 2006                    |
|---|---|---------------------|-------------------------|
| Federal Employer ID Number<br>▶   | Connecticut Tax Registration Number<br>▶                              | Payment<br><b>1</b> | For Taxable Year Ending |
| Pass-Through Entity (PE) Name   | DRS Use Only<br>▶                    -                    - <b>20</b> |                     |                         |
| Address (Number and Street)   | 1. Payment Amount ▶   |                     | 00                      |
| City or Town  | State   | ZIP Code            |                         |
| Check type of PE: <input type="checkbox"/> <b>Partnership</b> (including LLC treated as a partnership)<br><input type="checkbox"/> <b>S Corporation</b> |   |                     |                         |

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Send completed coupon and payment to:  
**Department of Revenue Services**  
**PO Box 2967**  
**Hartford CT 06104-2967**

See the instructions on the reverse for filing requirements.  
 Make check or money order payable to: Commissioner of Revenue Services  
 Write the PE's Federal Employer Identification Number and  
 "2006 Form CT-1065/CT-1120SI ES" on check or money order.

(Rev. 12/05)

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| CT-1065/CT-1120SI ES Estimated Connecticut Composite Income Tax Payment   |   |                     | 2006                    |
|---|---|---------------------|-------------------------|
| Federal Employer ID Number<br>▶   | Connecticut Tax Registration Number<br>▶                              | Payment<br><b>2</b> | For Taxable Year Ending |
| Pass-Through Entity (PE) Name   | DRS Use Only<br>▶                    -                    - <b>20</b> |                     |                         |
| Address (Number and Street)   | 1. Payment Amount ▶   |                     | 00                      |
| City or Town  | State   | ZIP Code            |                         |
| Check type of PE: <input type="checkbox"/> <b>Partnership</b> (including LLC treated as a partnership)<br><input type="checkbox"/> <b>S Corporation</b> |   |                     |                         |

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

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**Department of Revenue Services**  
**PO Box 2967**  
**Hartford CT 06104-2967**

See the instructions on the reverse for filing requirements.  
 Make check or money order payable to: Commissioner of Revenue Services  
 Write the PE's Federal Employer Identification Number and  
 "2006 Form CT-1065/CT-1120SI ES" on check or money order.

(Rev. 12/05)

**CT-1065/CT-1120SI ES Instructions**

Fill in the ending date of the taxable year of the pass-through entity (PE) for which this payment is made. For calendar year filers, this is December 31, 2006.

A PE is required to make estimated Connecticut composite income tax payments on behalf of each nonresident noncorporate member and each member which is a PE where the expected Connecticut income tax liability on the member's share of the PE's Connecticut source income for the 2006 taxable year is expected to equal or exceed \$1,000.

To determine the amount of the PE's estimated Connecticut composite income tax payment and the 2006 estimated tax due dates, see **2005 Form CT-1065/CT-1120SI**, *Connecticut Composite Income Tax Return and Instructions*. Use Form CT-1065/CT-1120SI ES to make estimated payments.

The required annual payment is the lesser of:

- 90% of the tax shown for the member on the 2006 Form CT-1065/CT-1120SI; **or**
- 100% of the tax shown for the member on the 2005 Form CT-1065/CT-1120SI.

For definitions of terms used in these instructions and more information, see **Informational Publication 2005(13)**, *Connecticut Income Tax Changes Affecting Pass-Through Entities*, available on the DRS Web site at **www.ct.gov/DRS**

Form CT-1065/CT-1120SI ES Back (Rev. 12/05)

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**CT-1065/CT-1120SI ES Instructions**

Fill in the ending date of the taxable year of the pass-through entity (PE) for which this payment is made. For calendar year filers, this is December 31, 2006.

A PE is required to make estimated Connecticut composite income tax payments on behalf of each nonresident noncorporate member and each member which is a PE where the expected Connecticut income tax liability on the member's share of the PE's Connecticut source income for the 2006 taxable year is expected to equal or exceed \$1,000.

To determine the amount of the PE's estimated Connecticut composite income tax payment and the 2006 estimated tax due dates, see **2005 Form CT-1065/CT-1120SI**, *Connecticut Composite Income Tax Return and Instructions*. Use Form CT-1065/CT-1120SI ES to make estimated payments.

The required annual payment is the lesser of:

- 90% of the tax shown for the member on the 2006 Form CT-1065/CT-1120SI; **or**
- 100% of the tax shown for the member on the 2005 Form CT-1065/CT-1120SI.

For definitions of terms used in these instructions and more information, see **Informational Publication 2005(13)**, *Connecticut Income Tax Changes Affecting Pass-Through Entities*, available on the DRS Web site at **www.ct.gov/DRS**

Form CT-1065/CT-1120SI ES Back (Rev. 12/05)

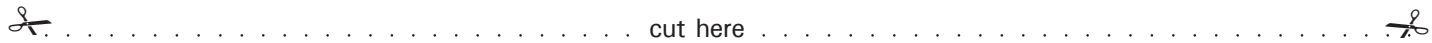
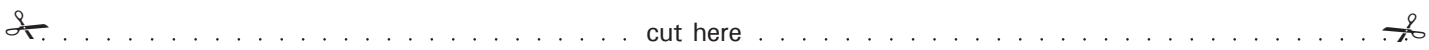
|   |   |                     |                         |
|---|---|---------------------|-------------------------|
| <b>CT-1065/CT-1120SI ES Estimated Connecticut Composite Income Tax Payment</b>  |   |                     | <b>2006</b>             |
| Federal Employer ID Number<br>▶   | Connecticut Tax Registration Number<br>▶                              | Payment<br><b>3</b> | For Taxable Year Ending |
| Pass-Through Entity (PE) Name   | DRS Use Only<br>▶                    -                    - <b>20</b> |                     |                         |
| Address (Number and Street)   | 1. Payment Amount ▶   |                     | 00                      |
| City or Town  | State   | ZIP Code            |                         |
| Check type of PE: <input type="checkbox"/> <b>Partnership</b> (including LLC treated as a partnership)<br><input type="checkbox"/> <b>S Corporation</b> |   |                     |                         |

See the instructions on the reverse for filing requirements.  
 Make check or money order payable to: Commissioner of Revenue Services  
 Write the PE's Federal Employer Identification Number and  
 "2006 Form CT-1065/CT-1120SI ES" on check or money order.

If the due date falls on a Saturday, Sunday,  
 or legal holiday, the next business day  
 is the due date.

Send completed coupon and payment to:  
**Department of Revenue Services**  
**PO Box 2967**  
**Hartford CT 06104-2967**

(Rev. 12/05)



|   |   |                     |                         |
|---|---|---------------------|-------------------------|
| <b>CT-1065/CT-1120SI ES Estimated Connecticut Composite Income Tax Payment</b>  |   |                     | <b>2006</b>             |
| Federal Employer ID Number<br>▶   | Connecticut Tax Registration Number<br>▶                              | Payment<br><b>4</b> | For Taxable Year Ending |
| Pass-Through Entity (PE) Name   | DRS Use Only<br>▶                    -                    - <b>20</b> |                     |                         |
| Address (Number and Street)   | 1. Payment Amount ▶   |                     | 00                      |
| City or Town  | State   | ZIP Code            |                         |
| Check type of PE: <input type="checkbox"/> <b>Partnership</b> (including LLC treated as a partnership)<br><input type="checkbox"/> <b>S Corporation</b> |   |                     |                         |

See the instructions on the reverse for filing requirements.  
 Make check or money order payable to: Commissioner of Revenue Services  
 Write the PE's Federal Employer Identification Number and  
 "2006 Form CT-1065/CT-1120SI ES" on check or money order.

If the due date falls on a Saturday, Sunday,  
 or legal holiday, the next business day  
 is the due date.

Send completed coupon and payment to:  
**Department of Revenue Services**  
**PO Box 2967**  
**Hartford CT 06104-2967**

(Rev. 12/05)

**CT-1065/CT-1120SI ES Instructions**

Fill in the ending date of the taxable year of the pass-through entity (PE) for which this payment is made. For calendar year filers, this is December 31, 2006.

A PE is required to make estimated Connecticut composite income tax payments on behalf of each nonresident noncorporate member and each member which is a PE where the expected Connecticut income tax liability on the member's share of the PE's Connecticut source income for the 2006 taxable year is expected to equal or exceed \$1,000.

To determine the amount of the PE's estimated Connecticut composite income tax payment and the 2006 estimated tax due dates, see **2005 Form CT-1065/CT-1120SI**, *Connecticut Composite Income Tax Return and Instructions*. Use Form CT-1065/CT-1120SI ES to make estimated payments.

The required annual payment is the lesser of:

- 90% of the tax shown for the member on the 2006 Form CT-1065/CT-1120SI; **or**
- 100% of the tax shown for the member on the 2005 Form CT-1065/CT-1120SI.

For definitions of terms used in these instructions and more information, see **Informational Publication 2005(13)**, *Connecticut Income Tax Changes Affecting Pass-Through Entities*, available on the DRS Web site at **www.ct.gov/DRS**

Form CT-1065/CT-1120SI ES Back (Rev. 12/05)

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**CT-1065/CT-1120SI ES Instructions**

Fill in the ending date of the taxable year of the pass-through entity (PE) for which this payment is made. For calendar year filers, this is December 31, 2006.

A PE is required to make estimated Connecticut composite income tax payments on behalf of each nonresident noncorporate member and each member which is a PE where the expected Connecticut income tax liability on the member's share of the PE's Connecticut source income for the 2006 taxable year is expected to equal or exceed \$1,000.

To determine the amount of the PE's estimated Connecticut composite income tax payment and the 2006 estimated tax due dates, see **2005 Form CT-1065/CT-1120SI**, *Connecticut Composite Income Tax Return and Instructions*. Use Form CT-1065/CT-1120SI ES to make estimated payments.

The required annual payment is the lesser of:

- 90% of the tax shown for the member on the 2006 Form CT-1065/CT-1120SI; **or**
- 100% of the tax shown for the member on the 2005 Form CT-1065/CT-1120SI.

For definitions of terms used in these instructions and more information, see **Informational Publication 2005(13)**, *Connecticut Income Tax Changes Affecting Pass-Through Entities*, available on the DRS Web site at **www.ct.gov/DRS**

Form CT-1065/CT-1120SI ES Back (Rev. 12/05)

**Form CT-1065/CT-1120SI EXT**  
**Application for Extension of Time to File**  
**Connecticut Composite Income Tax Return**

**2005**

See instructions on reverse before completing this form.

|  |   |                |  |
|--|---|----------------|--|
| <b>Taxpayer</b><br><small>(Please Type or Print)</small> | Name of Pass-Through Entity (PE) <span style="float:right">▶</span> |                | Federal Employer Identification Number |
|  | Number and Street   | PO Box         | DRS Use Only<br><b>- - 20</b>          |
|  | City or Town  | State ZIP Code | Connecticut Tax Registration Number    |

**This is not an extension of time to pay your tax.**

Payment must be included if any tax is due or interest and penalties may apply.

An extension granted by the Internal Revenue Service does not automatically extend the Connecticut filing date.

**Type of PE:**  **Partnership** (including LLC treated as a partnership)  **S Corporation**

I request a **six-month extension** of time, to **October 15, 2006**, to file **Form CT-1065/CT-1120SI**, *Connecticut Composite Income Tax Return*, and the same six-month extension of time to furnish **Schedule CT K-1**, *Member's Share of Certain Connecticut Items*, to members for calendar year 2005, or until \_\_\_\_\_ for taxable year ending ▶ \_\_\_\_\_.

A federal extension has been requested on federal Form 7004, Application for Automatic 6-Month Extension of Time to File Corporation Income Tax Return, for calendar year 2005, **or**

Taxable year beginning \_\_\_\_\_, 2005, and ending \_\_\_\_\_ .  Yes  No

If **No**, the reason for the Connecticut extension is: .....

.....

.....

.....

**Notification will be sent only if the extension request is denied.**

|   |   |  |    |
|---|---|--|----|
| 1. Total Connecticut composite income tax liability for 2005. (You may estimate this amount.)<br>An amount must be entered on Line 1. If no tax is due, enter zero (0). ..... | 1 |  | 00 |
| 2. The 2005 estimated Connecticut composite income tax payments and any overpayment credited to 2005. ....  | 2 |  | 00 |
| 3. Connecticut composite income tax balance due (Subtract Line 2 from Line 1.)<br>Pay in full with this form. If Line 2 is greater than Line 1, enter zero (0). .....         | 3 |  | 00 |

Make check or money order payable to: **Commissioner of Revenue Services**. The Department of Revenue Services (DRS) may submit your check to your bank electronically.

Write the PE's Federal Employer ID Number and "2005 Form CT-1065/CT-1120SI EXT" on the check or money order.

Mail to: Department of Revenue Services  
PO Box 2967  
Hartford CT 06104-2967

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |   |       |      |                            |
|--|---|-------|------|----------------------------|
| <b>Sign Here</b><br><br>Keep a copy of this return for your records. | Signature of General Partner or Corporate Officer | Title | Date | Telephone Number<br>( )    |
|  | Paid Preparer's Signature                         |       | Date | Preparer's SSN or PTIN     |
|  | Firm's Name and Address                           |       |      | Federal Employer ID Number |
|  |   |       |      | Telephone Number<br>( )    |

# Form CT-1065/CT-1120SI EXT Instructions

## Purpose

Use **Form CT-1065/CT-1120SI EXT**, *Application for Extension of Time to File Connecticut Composite Income Tax Return*, to request a **six-month extension of time to file** a Connecticut Composite Income Tax Return and the same six-month extension of time to furnish **Schedule CT K-1, Member's Share of Certain Connecticut Items**, to members. It will not be necessary to include a reason for the Connecticut extension request if an extension request has already been filed with the Internal Revenue Service for the PE on federal Form 7004.

If federal Form 7004 was not filed, the PE can apply for a six-month extension to file **Form CT-1065/CT-1120SI**, *Connecticut Composite Income Tax Return*, provided there is reasonable cause for the request.

## How to Get an Extension of Time to File

To get a Connecticut filing extension, the PE **must** complete and file Form CT-1065/CT-1120SI EXT on or before the due date of the return and pay the amount shown on Line 3.

## We will notify you only if the extension request is denied.

Form CT-1065/CT-1120SI EXT **only extends the time to file** Form CT-1065/CT-1120SI and the time to furnish Schedule CT K-1 to members. Form CT-1065/CT-1120SI EXT **does not extend the time to pay** the amount of tax due.

**Form CT-1127**, *Application for Extension of Time for Payment of Income Tax*, must be filed to extend the due date for any payment due with this extension.

## Interest and Penalty

In general, interest and penalty apply to any portion of the tax that is not paid on or before the original due date of the return. Interest is computed on the underpayment of tax at 1% (.01) per month or fraction of a month computed from the original due date to the date of payment.

**Late Payment Penalty:** The penalty for underpayment of tax is 10% (.10) of the tax due.

**Late Filing Penalty:** If no tax is due, the Commissioner of Revenue Services may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

## When to File Form CT-1065/CT-1120SI EXT

If you are filing a calendar-year Form CT-1065/CT-1120SI, file Form CT-1065/CT-1120SI EXT on or before April 15, 2006. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. If you are filing Form CT-1065/CT-1120SI for a taxable year other than the calendar year, file Form CT-1065/CT-1120SI EXT on or before the fifteenth day of the fourth month following the close of the taxable year.

## Required Information

Enter the PE's name, address, Federal Employer Identification Number (FEIN), and the Connecticut Tax Registration Number (if applicable).

## Signature

This form must be signed by a general partner or corporate officer.

## Paid Preparer Signature

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

## Others Who May Sign

Anyone with a signed Power of Attorney on file may sign on your behalf.

If a general partner or 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, accountants, and enrolled agents) to the general partner or 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 that of a general partner or corporate officer, and states the relationship existing between the general partner or corporate officer and the signer.

## Where to File

Mail to: Department of Revenue Services  
PO Box 2967  
Hartford CT 06104-2967

## Form CT-2NA

### Connecticut Nonresident Income Tax Agreement/ Election to Be Included in a Group Return

See the instructions below.

|  |                                 |   |                            |
|--|---------------------------------|---|----------------------------|
| Nonresident Individual's Taxable Year  |                                 | Taxable Year of Pass-Through Entity (PE)        |                            |
| Beginning _____, _____, and Ending _____, _____  |                                 | Beginning _____, _____, and Ending _____, _____ |                            |
| <b>Nonresident Individual's Name and Mailing Address</b>   |                                 | <b>PE's Name and Mailing Address</b>            |                            |
| Name   |                                 | Name  |                            |
| Number and Street Address  | PO Box                          | Number and Street Address                       | PO Box                     |
| City or Town   | State                           | City or Town                                    | State                      |
|  | ZIP Code                        |   | ZIP Code                   |
| Social Security Number   | Spouse's Social Security Number | Connecticut Tax Registration Number             | Federal Employer ID Number |
| ____-____-____   | ____-____-____                  | ____-____-____                                  | ____-____-____             |
| Internal Revenue Service Center Where the Nonresident Individual's Federal Return Is Filed _____ |                                 |   |                            |

**Purpose:** A qualified nonresident member of a PE files Form CT-2NA to elect to be included in **Form CT-G, Connecticut Group Income Tax Return.**

**Who May File:** Any individual who is a qualified electing nonresident member of a PE doing business in Connecticut or having income, gain, loss, or deduction derived from or connected with Connecticut sources is eligible to elect to be included in a Form CT-G to be filed by the PE. A PE is eligible to file Form CT-G for a taxable year if it has two or more qualified electing nonresident members for that taxable year. The qualified electing nonresident members must all have the same taxable year.

A qualified electing nonresident member is any individual who is a:

- Shareholder of an S corporation doing business in Connecticut or having any income, gain, loss, or deduction derived from or connected with Connecticut sources; **or**
- Partner of a partnership or member of an LLC treated as a partnership for federal income tax purposes doing business in Connecticut or having any income, gain, loss, or deduction derived from or connected with Connecticut sources; **or**
- Beneficiary of a trust or estate having any income, gain, loss, or deduction derived from or connected with Connecticut sources.

Filing Form CT-G is considered the filing of multiple separate returns and meets the filing requirements otherwise imposed on nonresident individuals by the Connecticut Income Tax Act. The Department of Revenue Services (DRS) retains the right to require the filing of **Form CT-1040NR/PY, Connecticut Nonresident or Part-Year Resident Income Tax Return**, by any of the members. However, a qualified electing nonresident member may not revoke an election to be included in Form CT-G, or elect to be included in Form CT-G, after the fifteenth day of the fourth month following the close of the PE's taxable year.

**When and Where to File:** A qualified nonresident member electing to be included in Form CT-G must complete and file Form CT-2NA with the PE prior to the filing of Form CT-G by the PE. 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 members. The PE must keep Form CT-2NA in its permanent records, and make a copy available to DRS upon request. Once Form CT-2NA is timely filed by a member for a taxable year, the member's election remains in effect for succeeding taxable years unless the qualified electing nonresident member revokes the election by providing written notice of the revocation to the PE. No revocation will be effective prior to the taxable year of the qualified electing nonresident member following the taxable year during which written notice of the revocation was provided to the PE. The PE must keep and maintain the written notices in its permanent records and make them available to DRS upon request.

**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 filed) had income derived from or connected with Connecticut sources other than one or more pass-through entities 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 PE to designate a member who will act as my agent (and that of the other qualified electing nonresident member) in filing the group return. This agreement is binding upon my heirs, representatives, assigns, successors, executors, and administrators.

\_\_\_\_\_  
Your Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse's Signature (if joint return)

\_\_\_\_\_  
Date

# Form OP-424

## Business Entity Tax Return

# 2005

**Purpose:** There is an annual business entity tax (BET) of \$250. The BET applies to each of the following entities if the entity is required to file an annual report with the Connecticut Secretary of the State:

- S Corporation;
- Limited Liability Partnership;
- Limited Partnership; **or**
- Limited Liability Company that, for federal income tax purposes, is either treated as a partnership (if it has more than one member) or disregarded as an entity separate from its owner (if it has one member).

These entities must file **Form OP-424, Business Entity Tax Return**, and pay the tax on or before the due date.

**Required Information:** Enter the entity's taxable year, Connecticut Tax Registration Number, Federal Employer Identification Number, and Connecticut Secretary of the State Identification Number in the spaces provided at the top of Form OP-424.

**Due Date:** The business entity tax must be paid to the Department of Revenue Services (DRS) by the entity on or before the fifteenth day of the fourth month (April 15 for calendar year filers) following the close of each taxable year of the entity. An entity's taxable year is its taxable year for federal income tax purposes.

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**Interest:** If the tax is not paid by the due date, interest is computed on any unpaid tax at the rate of 1% (.01) per month or fraction of a month from the due date until the date of payment.

**Penalty:** The penalty for late payment of the tax due is \$50.

**Waiver of Penalty:** DRS may waive all or part of the penalty when it is proven that the failure to pay the tax on time was due to a reasonable cause and was not intentional or due to neglect. Before a penalty waiver can be granted, all tax and interest must be paid. Interest cannot be waived.

**Signature:** This return must be signed by a general partner if the entity is a partnership, or, if the entity is a limited liability company, by anyone with authority to sign the return. If the entity is an S corporation, an officer must sign the return.

**Where to File:** Send your completed **Form OP-424** and payment to:

Department of Revenue Services  
 PO Box 2936  
 Hartford CT 06104-2936

Make check or money order payable to: **Commissioner of Revenue Services**. To ensure proper posting of your payment, write "2005 Form OP-424" and your Connecticut Tax Registration Number on your check or money order.

For more information, see **Special Notice 2002(11), Business Entity Tax**, and **Informational Publication 2003(15), Q & A on the Business Entity Tax**, or contact the DRS Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

The entity may use **Fast-File** to file admissions and dues tax, attorney occupational tax, business entity tax, business use tax, estimated corporation business tax, nursing home user fee, or withholding tax returns over the Internet. Visit the DRS Website at **www.ct.gov/DRS** and click on **File/Register OnLine**.

*Detach and return bottom portion in envelope provided.*

State of Connecticut (Rev. 12/05)**Form OP-424 – Business Entity Tax Return****2005**

|                         |                                     |                            |                              |                       |
|-------------------------|-------------------------------------|----------------------------|------------------------------|-----------------------|
| For Taxable Year Ending | Connecticut Tax Registration Number | Federal Employer ID Number | Secretary of State ID Number | DRS USE ONLY          |
| ▶                       | ▶                                   | ▶                          |                              | ▶    –    – <b>20</b> |

|   |      |              |           |
|---|------|--------------|-----------|
| 1. Business Entity Tax  | 1.   | <b>\$250</b> | <b>00</b> |
| 2. If late: Enter penalty. (See <i>Penalty</i> above.)          | ▶ 2. |              | 00        |
| 3. If late: Enter interest. (See <i>Interest</i> above.)        | ▶ 3. |              | 00        |
| 4. Total amount due. (Add Lines 1, 2, and 3.) Enter total here. | ▶ 4. |              | 00        |

Make check or money order payable to:  
 Commissioner of Revenue Services

Mail to: Department of Revenue Services  
 PO Box 2936  
 Hartford CT 06104-2936

**Declaration:** I declare under penalty of law that I have examined this return and, to the best of my knowledge and belief, it is true, complete, and correct.

I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Sign Here \_\_\_\_\_ Date \_\_\_\_\_

Please correct your name and address if shown incorrectly.



# Form CT-G

## Connecticut Group Income Tax Return

# 2005

Use this form for qualified electing **nonresident** individuals who are partners, LLC members, shareholders of S corporations, or beneficiaries of trusts or estates. Complete this return in blue or black ink only.

For calendar year 2005, or other taxable year ▶ beginning \_\_\_\_\_, 2005, ▶ ending \_\_\_\_\_.

|                                       |        |          |                                     |      |
|---------------------------------------|--------|----------|-------------------------------------|------|
| Name of Pass-Through Entity (PE)<br>▶ |        |          | Federal Employer ID Number          |      |
| Number and Street<br>▶                | PO Box |          | DRS Use Only                        |      |
| City or Town<br>▶                     | State  | ZIP Code | -                                   | - 20 |
|                                       |        |          | Connecticut Tax Registration Number |      |

Type of PE filing this return (check box):  
 Partnership     LLC     S corporation     Estate     Trust

Amended return (check box):

**Total number of partners, LLC members, shareholders, or beneficiaries included in this group return** ▶ \_\_\_\_\_

|  |    |    |
|--|----|----|
| 1. Income tax (Total of amounts from <i>Schedule G</i> , Column D) .....   | 1  | 00 |
| 2. Estimated tax paid (Total of amounts from <i>Schedule G</i> , Column E) .....   | 2  | 00 |
| 3. Amount paid with extension request (if any) .....   | 3  | 00 |
| 4. Enter the total payments. (Add Line 2 and Line 3.) .....  | 4  | 00 |
| 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 2006. .... | 5  | 00 |
| 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  | 00 |
| 7. If late: Enter penalty. (Multiply Line 6 by 10% (.10). See instructions.) .....   | 7  | 00 |
| 8. If late: Enter interest. (Multiply Line 6 by number of months late or fraction of a month, multiply the result by 1% (.01).) .....                          | 8  | 00 |
| 9. Interest for underpayment of estimated tax (Total of amounts from <i>Schedule G</i> , Column F) .....   | 9  | 00 |
| 10. <b>Balance Due</b> (Add Lines 6 through 9.) .....  | 10 | 00 |

**Make check or money order payable to:** Commissioner of Revenue Services  
 Write Federal Employer ID Number and *2005 Form CT-G* on your check or money order.  
 The Department of Revenue Services (DRS) may submit your check to your bank electronically.

**Mail to:** Department of Revenue Services  
 PO Box 5019  
 Hartford CT 06102-5019

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |   |                            |   |
|---|---|----------------------------|---|
| <b>SIGN HERE</b><br><br>Keep a copy of this return for your records | Signature of General Partner, LLC Member, Fiduciary, or Officer | Date                       | May DRS contact the preparer shown below about this return?<br><input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b><br>(See instructions, Page 9) |
|   | Title   | Telephone Number<br>(    ) |   |
|   | Paid Preparer's Signature                                       | Date                       | Preparer's SSN or PTIN  |
|   | Firm's Name and Address   | Federal Employer ID Number | Telephone Number<br>(    )  |

# Schedule G

## Group Income Tax Schedule

# 2005

Name of PE \_\_\_\_\_

### Member Information

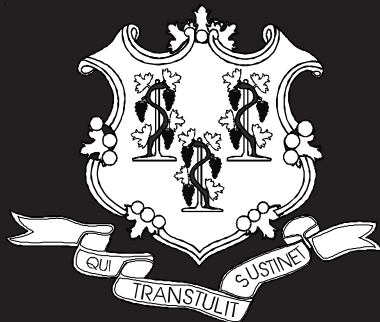
| <b>A</b><br>Social Security Number | <b>B</b><br>Name and Address | <b>C</b><br>Share of Connecticut Source Income | <b>D</b><br>Connecticut Income Tax (Column C x .05) | <b>E</b><br>Share of Estimated Tax Paid | <b>F</b><br>Form CT-2210 Underpayment Interest |
|------------------------------------|------------------------------|--|---|---|--|
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| ▶                                  |                              | 00   | 00  | 00                                      | 00   |
| <b>TOTALS</b>                      |                              |  | 00  | 00                                      | 00   |

# 2005

## FORM CT-G

This booklet  
contains:

- Form CT-G
- Form CT-G EXT
- Form CT-G ES
- Form CT-2NA



# Connecticut Group Income Tax Return and Instructions

Dear Taxpayer:

The Connecticut Department of Revenue Services (DRS) makes every effort to provide taxpayers with the most comprehensive information to meet their state tax filing needs. The Connecticut Group Income Tax Return streamlines reporting of eligible nonresident taxpayers, resulting in time-savings for them and greater efficiencies for DRS.

At DRS, our goal is to provide taxpayers with excellent customer service and a user-friendly approach to tax administration. If you have questions about Connecticut taxes or filing this return, you can reach DRS Taxpayer Services staff by e-mail, phone, or letter. The back cover of this booklet lists all the ways you can access this Agency including the DRS Web site, which is available anytime to provide you with access to forms, publications, and information.

As always, we welcome your comments and ideas about how we can improve the way we do business.

Sincerely,

A handwritten signature in cursive script that reads "Pam Law".

Pam Law  
Commissioner of Revenue Services

Taxpayer information is available on our Web site:  
**[www.ct.gov/DRS](http://www.ct.gov/DRS)**

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

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# CONN-TAX

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If you have a touch-tone phone, you can obtain important tax information anytime from CONN-TAX, the Department of Revenue Services information line. Call **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere), press **4** to be connected to the recorded tax information menu, then press **1** to select *Recorded Income Tax Information*. Enter the three-digit number next to the topic of your choice (listed below), or follow the prerecorded instructions.

## General Income Tax Information

- |     |  |     |   |
|-----|--|-----|---|
| 101 | Important income tax changes                     | 107 | Amending a Connecticut return   |
| 102 | How to choose the correct form and filing method | 108 | Getting a copy of a previously filed return                                     |
| 103 | Where to get forms and assistance                | 109 | Offsets of state income tax refunds   |
| 104 | Requesting a filing extension                    | 110 | Deducting Connecticut income tax when completing your federal income tax return |
| 105 | Filing a decedent's return                       |     |   |
| 106 | Filing an error-free return                      |     |   |

## Income Tax Filing Requirements, Residency, and Filing Status

- |     |  |     |  |
|-----|--|-----|--|
| 201 | Who must file a Connecticut return?                    | 205 | Members of the armed forces              |
| 202 | What is gross income?                                  | 206 | Student's filing requirements            |
| 203 | Who is a resident, nonresident, or part-year resident? | 207 | Dependent children's filing requirements |
| 204 | What is Connecticut source income of a nonresident?    | 208 | What is your filing status?              |
|     |  | 209 | Title 19 recipients                      |

## Individual Use Tax, Gift Tax, and Other Income Tax Returns

- |     |  |     |  |
|-----|--|-----|--|
| 301 | Individual use tax                                 | 305 | Partnership information and composite income tax           |
| 302 | Gift and estate tax                                | 306 | Group return for shareholders, partners, and beneficiaries |
| 303 | Income tax on trusts and estates                   |     |  |
| 304 | S corporation information and composite income tax |     |  |

## Completing Form CT-1040 or Form CT-1040NR/PY

- |     |   |     |  |
|-----|---|-----|--|
| 401 | Tax status of U.S. government obligations                                     | 406 | Modifications to federal adjusted gross income |
| 402 | Tax status of state or local obligations                                      | 407 | Connecticut alternative minimum tax            |
| 403 | Residents and part-year residents who paid income tax to another jurisdiction | 408 | Property tax credit                            |
| 404 | Deferred compensation   | 409 | Questions about a state tax refund             |
| 405 | Pension income, Social Security benefits, and Individual Retirement Accounts  |     |  |

## Estimated Income Tax Requirements

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|-----|---|-----|---------------------------|
| 501 | Who must estimate?                      | 505 | Annualization of income   |
| 502 | Withholding instead of making estimates | 506 | Interest on underpayments |
| 503 | Estimated income tax form               | 507 | Farmers and fishermen     |
| 504 | When to file and how much to pay        |     |                           |

## Questions on Telefiling and Webfiling

- |     |  |     |   |
|-----|--|-----|---|
| 601 | Who is eligible to <b>Telefile</b> ?               | 604 | <b>WebFiling</b>                                  |
| 602 | Tips for successful <b>Telefiling</b>              | 605 | What if I make a mistake while <b>WebFiling</b> ? |
| 603 | What if I make a mistake while <b>Telefiling</b> ? |     |   |

### Extended Telephone Hours for the Filing Season:

Monday, **January 30** (until 7 p.m.)

Monday, **February 6** (until 7 p.m.)

### Extended Telephone Personal Assistance and Walk-In Hours:

(25 Sigourney Street, Hartford Only)

Saturday, **April 15** (from 9 a.m. to 12 p.m.)

Monday, **April 17** (until 8 p.m.)

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# What's New

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## Abusive Tax Shelters

The Connecticut General Assembly has passed legislation mandating specific disclosure requirements for taxpayers participating in any abusive tax shelter designated by the Internal Revenue Services (IRS) as a **listed transaction**. For audits of income tax returns or corporation business tax returns beginning on or after January 1, 2006, a penalty of 75% of the amount of the deficiency may be imposed when it appears that any part of the deficiency is due to a failure to disclose a **listed transaction**.

To fulfill the Connecticut disclosure requirement, any taxpayer (individual or entity) that has participated in a listed transaction must file a completed **Form CT-8886, Connecticut Listed Transaction Disclosure Statement**, with DRS. Form CT-8886 must

be filed for each taxable year for which a taxpayer participates in a listed transaction.

Also, promoters of abusive tax shelters may be subject to a penalty of 50% of the gross income received from the marketing, soliciting, sale, or promotion of abusive tax shelters if such promotion affects tax returns required to be filed with the Commissioner.

The legislation also increases the time limit for conducting audits of abusive transactions from three years to six years after the return was filed.

Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) for more information on abusive tax shelters.

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# General Information

## How to Get Help

The Department of Revenue Services (DRS) is ready to help you and offers several resources where you can get answers to Connecticut tax questions. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or for personal assistance, refer to the back cover of this booklet for a list of DRS walk-in offices and telephone numbers. DRS offices are open Monday through Friday, 8:00 a.m. to 5:00 p.m.

Personal telephone assistance is available Monday through Friday, 8:30 a.m. to 4:30 p.m. Extended hours are offered, see *Page 2*. Automated information may answer your questions anytime. Call CONN-TAX, the DRS information line or visit the DRS Web site for details.

## How to Get Additional Forms and Publications

Download and print Connecticut tax forms and publications anytime from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS). Forms are also available during regular business hours at any of the DRS walk-in offices and the other sources listed on the back cover of this booklet. You may also download the *2005 Connecticut Package X* from the DRS Web site.

## References to Pass-Through Entity and Member

References in this booklet to *pass-through entity (PE)* should be read as including a partnership (including a

limited liability company (LLC) treated as a partnership), an S corporation, a trust or an estate. References in this booklet to *member* should be read as including a partner of a partnership (including a member of an LLC treated as a partnership), a shareholder of an S corporation, and a beneficiary of a trust or estate. See chart below.

## Who May File Form CT-G

A PE doing business in Connecticut, or having income, gain, loss, or deduction derived from or connected with sources within Connecticut, may file **Form CT-G, Connecticut Group Income Tax Return**, on behalf of its qualified electing nonresident members. Form CT-G may be filed only by a PE with **two or more qualified electing nonresident members** in a taxable year. All qualified electing nonresident members must have the same taxable year. However, whether or not Form CT-G is filed, a PE is required to file **Form CT-1065/CT-1120SI, Connecticut Composite Income Tax Return**.

A **qualified electing nonresident member** is one who meets **all** of the following conditions:

- The member was a **nonresident** individual for the entire taxable year;
- The member did not maintain a permanent place of abode in Connecticut at any time during the taxable year;

| References to:  | Should be read as including:   |  |  |
|---|--|--|--|
|   | Partnership  | S Corporation  | Trust or Estate  |
| <i>Pass-through entity (PE)</i>   | Partnership (including an LLC treated as a partnership)  | S corporation  | Trust or Estate  |
| <i>Member</i>   | Partner of a partnership (or member of an LLC)   | Shareholder of an S corporation  | Beneficiary of a trust or estate   |
| <i>Nonresident member's share of PE's income, gain, loss, or deduction derived from or connected with Connecticut sources</i> | Nonresident partner or member's distributive share of a partnership or limited liability company's income, gain, loss, or deduction derived from or connected with Connecticut sources | Nonresident shareholder's pro rata share of an S corporation's income, gain, loss, or deduction derived from or connected with Connecticut sources | Nonresident beneficiary's share of a trust or estate's income, gain, loss, or deduction derived from or connected with Connecticut sources |
| <i>Form CT-1065/CT-1120SI</i>   | <b>Form CT-1065/CT-1120SI</b>  | <b>Form CT-1065/CT-1120SI</b>  | <b>Form CT-1041</b>  |

- The member (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 from one or more PEs;
- The member waives the right to claim any Connecticut personal exemption and any Connecticut personal credit;
- The member does not have a Connecticut alternative minimum tax liability for the taxable year; **and**
- The member elects to be included on Form CT-G, by completing and delivering to the PE **Form CT-2NA, Connecticut Nonresident Income Tax Agreement/ Election to Be Included in a Group Return**, prior to the filing of Form CT-G by the PE. By making this election, the member 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, an extension of time to pay Connecticut income tax. This election is binding upon the member's heirs, representatives, assigns, successors, executors, and administrators.

**Connecticut residents may not be included on Form CT-G.**

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### **Connecticut Source Income of a Nonresident Member**

*Connecticut source income of a nonresident member* is income derived from or connected with Connecticut sources 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 the property;
- Income is attributable to compensation for services performed in Connecticut or income from a business, trade, profession, or occupation carried on in Connecticut; **or**
- Nonresident individual is a member of a PE doing business in Connecticut, or having any income, gain, loss, or deduction derived from or connected with Connecticut sources.

### **Who May Be Included in Form CT-G**

Only members who are nonresident individuals may elect to be included in Form CT-G. All qualified members of the PE need not be included. Each member makes his or her own decision as to whether or not to be included in Form CT-G. The filing of Form CT-G will be considered to be a group of separate returns meeting the individual filing requirements imposed by the Connecticut Income Tax Act. DRS retains the right to require the filing of **Form CT-1040NR/PY, Connecticut Nonresident or Part-Year Resident Income Tax Return**, by any member.

A nonresident member may not revoke an election to be included in Form CT-G, or elect to be included in Form CT-G, after the fifteenth day of the fourth month following the close of the member's taxable year.

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### **After-Discovered Income of a Member**

If, after Form CT-G has been filed, a qualified electing nonresident member who was included on Form CT-G discovers that he or she has income, gain, loss, or deduction derived from or connected with Connecticut sources other than that reported on Form CT-G, the member must:

- File Form CT-1040NR/PY on his or her own behalf;
- Report all income, gain, loss, or deduction derived from or connected with sources within Connecticut (including income previously reported on the group return) on the member's own Form CT-1040NR/PY;
- Include in total payments reported on Form CT-1040NR/PY, the tax previously paid on behalf of the member with Form CT-G; **and**
- Attach a copy of Form CT-G.

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### **When to File Form CT-G**

Form CT-G is due on or before the fifteenth day of the fourth month following the close of the taxable year (April 15 for calendar year taxpayers). If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. The return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|   |  |
|---|--|
| <p><b>DHL Express (DHL)</b></p> <ul style="list-style-type: none"> <li>• DHL Same Day Service</li> <li>• DHL Next Day 10:30 a.m.</li> <li>• DHL Next Day 12:00 p.m.</li> <li>• DHL Next Day 3:00 p.m.</li> <li>• DHL 2nd Day Service</li> </ul>           |  |
| <p><b>Federal Express (FedEx)</b></p> <ul style="list-style-type: none"> <li>• FedEx Priority Overnight</li> <li>• FedEx Standard Overnight</li> <li>• FedEx 2Day</li> <li>• FedEx International Priority</li> <li>• FedEx International First</li> </ul> | <p><b>United Parcel Service (UPS)</b></p> <ul style="list-style-type: none"> <li>• UPS Next Day Air</li> <li>• UPS Next Day Air Saver</li> <li>• UPS 2nd Day Air</li> <li>• UPS 2nd Day Air A.M.</li> <li>• UPS Worldwide Express Plus</li> <li>• UPS Worldwide Express</li> </ul> |

This list is subject to change. See **Policy Statement 2005(4)**, *Designated Private Delivery Services and Designated Types of Service*.

If Form CT-G is filed late or all the tax due is not paid with the return, see *Interest and Penalties* to determine if interest and penalty must be reported with this return.

## Where to File

Make check or money order payable to the Commissioner of Revenue Services, and paper clip the check or money order to the front of your return. Do not staple. DRS may submit your check to your bank electronically.

Mail Form CT-G to:

**Department of Revenue Services  
PO Box 5019  
Hartford CT 06102-5019**

## Extension Request

To get an extension of time to file Form CT-G, file **Form CT-G EXT**, *Application for Extension of Time to File Connecticut Group Income Tax Return*, on or before the fifteenth day of the fourth month following the close of the taxable year, **and pay** the total amount of tax due. The **timely** filing of this form automatically extends the due date for six months.

Form CT-G EXT extends only the time to file the return; it does not extend the time to pay the tax due. See *Interest and Penalties* if you do not pay all the tax due with your request for extension.

# Amended Returns

Check the “Amended Return” box on the front of Form CT-G to amend a previously filed Form CT-G. Generally, an amended return must be filed no later than three years after the due date of the return, or if a timely request for an extension of time to file a return was filed, three years after the extended due date of the return, or three years after the date of filing the return, whichever is earlier. If an amended return is not timely filed, a penalty may be imposed. See *Interest and Penalties*.

The following circumstances require the filing of an amended Form CT-G:

|   |  |
|---|--|
| <p><b>1. The IRS or federal courts change or correct the PE’s federal income tax return, and the change or correction affects the Connecticut income tax liability of the qualified electing nonresident members.</b></p>                     | <p><b>File no later than 90 days after the final determination</b>, even if the final determination reduces the Connecticut income tax liability of the qualified electing nonresident members.</p>  |
| <p><b>2. The PE files a timely amended federal income tax return, and the amendment affects the Connecticut income tax liability of the qualified electing nonresident members.</b></p>   | <p><b>File no later than 90 days after the date of filing the timely amended federal income tax return</b>, even if the amendment reduces the Connecticut income tax liability of the qualified electing nonresident members.</p>  |
| <p><b>3. If neither of the above circumstances apply, but the PE made a mistake or omission on its Form CT-G, and the mistake or omission affects the Connecticut income tax liability of the qualified electing nonresident members.</b></p> | <p><b>File no later than three years after the due date of the return</b>, or, if a timely request for an extension of time to file the return was filed, three years after the date of filing the return, or three years after the extended due date, whichever is earlier.</p> |



## Interest and Penalties

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

### Interest

If you do not pay the tax when due, you will owe interest at 1% (.01) per month or fraction of a month until the tax is paid in full.

If you did not pay enough tax through withholding or estimated payments, or both, 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 on underpayment or late payment of tax **cannot** be waived.

### Penalty for Late Payment or Late Filing

The penalty for late payment or underpayment of Connecticut group income tax is 10% (.10) of the tax due. You can avoid a penalty for failure to pay the full amount due on or before the original date if you:

- File Form CT-G EXT on or before the due date;
- Pay at least 90% of the Connecticut group income tax shown to be due on the return on or before the original due date of the return; **and**
- Pay the balance due with the return on or before the extended due date.

If no tax is due, the Commissioner of Revenue Services may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

### Penalty for Failure to File

If you do not 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.

If you were required to file an amended Form CT-G and failed to do so, a penalty may be imposed.

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### Waiver of Penalty

You may be able to have the penalty waived if the failure to file or pay tax on time was due to a reasonable cause and was not intentional or due to neglect. Interest cannot be waived. Before a penalty waiver can be granted, all tax and interest must be paid. All requests must include:

- A clear and complete explanation;
- The PE's name, Federal Employer Identification Number (FEIN), and Connecticut Tax Registration Number (if applicable);

- The name of the original form filed or billing notice received;
- The taxable filing period; **and**
- Documentation supporting your explanation.

Attach your request to the **front** of your tax return or mail separately to:

**Department of Revenue Services  
Penalty Waiver Unit  
PO Box 5089  
Hartford CT 06102-5089**

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### Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

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If you do not round, DRS will disregard the cents.

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### Estimated Group Income Tax Payments

Estimated tax must be paid for each member included in the group return whose tax liability is \$1,000 or more. For each installment, the total of each such member's estimated tax payments may be reported by filing one **Form CT-G ES**, *Estimated Connecticut Group Income Tax Payment*.

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#### The required annual payment for the 2006 taxable year is the lesser of:

- **90%** of the income tax shown on the 2006 Form CT-G; **or**
  - **100%** of the income tax shown on the 2005 Form CT-G, if a 2005 Form CT-G that covered a 12-month period was filed.
- 

If the group did not have Connecticut source income during the 2005 taxable year, use 90% of the income tax shown on the 2006 Form CT-G as the required annual payment.

## 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. See chart below.

### Annualized Income Installment Method

If the group's income varies throughout the year, the group may be able to reduce or eliminate the amount of its estimated tax payments for one or more periods by using the annualized income installment method. See **Informational Publication 2005(27)**, *A Guide to Calculating Your Annualized Estimated Income Tax Installments and Worksheet CT-1040 AES*, and **Form CT-2210**, *Underpayment of Estimated Income Tax by Individuals, Trusts, and Estates*.

## Recordkeeping

Keep a copy of the tax return, Form CT-2NA, worksheets used, and records of all items appearing on the return until the statute of limitations expires for that return. Usually, this is three years from the date the return was due or filed, whichever is later. This information may be needed to prepare future returns or to file amended returns.

## Copies of Returns

A copy of a previously filed Connecticut income tax return may be requested from DRS by completing **Form LGL-002**, *Request for Disclosure of Tax Return or Tax Return Information*. You can usually expect your copy in three weeks.

### 2006 Estimated Tax Due Dates

Due dates of installments and the amount of required payments for 2006 calendar year taxpayers are:

|                           |  |
|---------------------------|--|
| <b>April 15, 2006</b>     | 25% of your required annual payment  |
| <b>June 15, 2006</b>      | 25% of your required annual payment (A total of 50% of your required annual payment should be paid by this date.)  |
| <b>September 15, 2006</b> | 25% of your required annual payment (A total of 75% of your required annual payment should be paid by this date.)  |
| <b>January 15, 2007</b>   | 25% of your required annual payment (A total of 100% of your required annual payment should be paid by this date.) |

An estimate will be considered timely filed if received on or before the due date, or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date. Taxpayers who report on other than a calendar year basis, should use their federal estimated tax installment due dates. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

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# Form CT-G Instructions

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## General Instructions

Enter the PE's complete name, address, FEIN, and Connecticut Tax Registration Number. A Connecticut Tax Registration Number is only necessary if the PE is required to be registered for other Connecticut taxes.

Check the appropriate box indicating the type of PE filing this return. If this is an amended return, check the box indicating amended return.

Enter the total number of partners, LLC members, shareholders, or beneficiaries included in this group return.

Complete Form CT-G in blue or black ink. Do not use pencil.

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## Line Instructions

**Line 1** - Enter the total Connecticut income tax from *Schedule G*, Column D.

**Line 2** - Enter the total estimated tax paid (if any) from *Schedule G*, Column E.

**Line 3** - Enter the payment made (if any) with **Form CT-GEXT**.

**Line 4** - Enter the total payments. Add Line 2 and Line 3.

**Line 5** - If Line 4 is greater than Line 1, subtract Line 1 from Line 4. Enter the result on Line 5. This is the amount of the group's overpayment. The entire amount shall be credited to the group's 2006 Connecticut estimated tax.

**Line 6** - If Line 1 is greater 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. However, if a request for extension of time to file an income tax return has been granted, no late payment penalty will be imposed if at least 90% (.90) of the income tax shown to be due on the return is paid on or before the original due date of the return, **and** the balance due is remitted with the return on or before the extended due date of the return.

**Line 8** - 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, if any tax due is not paid by the due date.

**Line 9** - Enter the total amount of interest (if any) on underpayment of estimated tax from *Schedule G*, Column F. (Attach Form CT-2210, if applicable.)

**Line 10** - Add Lines 6 through 9. This is the **Balance Due**.

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## Signature

Form CT-G must be signed by a general partner, LLC member, fiduciary, or corporate officer.

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## Paid Preparer Signature

Anyone paid to prepare the 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 FEIN, and their firm's address and telephone number in the spaces provided.

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## Paid Preparer Authorization

If the PE wishes to authorize DRS to discuss the 2005 Form CT-G with the paid preparer who signed it, check the **Yes** box in the signature area of the return. This authorization applies only to the individual whose signature appears in the *Paid Preparer's Signature* section of the return. It does not apply to the firm, if any, shown in that section.

If the **Yes** box is checked, the PE is authorizing DRS to call the paid preparer to answer any questions that may arise during the processing of the 2005 Form CT-G. The PE is also authorizing the paid preparer to:

- Give DRS any information missing from the return;
- Call DRS for information about the processing of the PE's return; **and**
- Respond to certain DRS notices that the PE may have shared with the preparer regarding math errors, offsets, and return preparation. The notices will not be sent to the preparer.

The PE is **not** authorizing the paid preparer to receive any refund check, bind the PE to anything (including additional tax liability), or otherwise represent the PE before DRS. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing the 2006 Form CT-G. This is on or before the fifteenth day of the fourth month following the close of the taxable period.

## Schedule G Instructions

**Column A** - Enter the SSN of each qualified electing nonresident member.

**Column B** - Enter the name and address of each qualified electing nonresident member.

**Column C** - Enter each qualified electing nonresident member's share of the PE's income, gain, loss, or deduction derived from or connected with Connecticut sources.

### PEs Other Than Trusts or Estates

Each member's share of the PE's income, gain, loss, or deduction derived from or connected with Connecticut sources must be entered from the PE's **Form CT-1065/CT-1120SI**, *Connecticut Composite Income Tax Return*, Part VI, Lines 1 through 13. Federal rules restricting the netting of different types of income are applicable.

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**Example:** 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.

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### Trusts and Estates

Each beneficiary's share of the trust or estate's income, gain, loss, or deduction derived from or connected with Connecticut sources must be entered from the trust or estate's **Form CT-1041**, **Schedule CT-1041FA**, *Fiduciary Allocation*, Parts 2 and 3.

Federal rules restricting the netting of different types of income are applicable (for example, 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).

An individual must report losses in order for them to be carried forward.

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**Example:** If a nonresident member's share of income, gain, loss, or deduction derived from or connected with Connecticut sources for the taxable year is a \$20,000 passive activity loss, that member must report the loss by electing to be included in Form CT-G or by filing Form CT-1040NR/PY in order to carry the loss forward. **Losses that are not reported may not be applied to other taxable years.**

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**Column D** - Enter the Connecticut income tax. Multiply Column C by 5% (.05).

**Column E** - Enter each member's share of estimated Connecticut income tax paid (if any). This amount may have been paid with **Form CT-1040ES**, *Estimated Connecticut Income Tax Payment Coupon*, or Form CT-G ES.

**Column F** - Enter each member's share of the underpayment interest (if any). The underpayment interest can be calculated on Form CT-2210. A separate Form CT-2210 must be attached for each member, if applicable.


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# Taxpayer Worksheet

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# Connecticut Tax Assistance

|  |  |                                  |   |
|--|--|----------------------------------|---|
|  | <b>For Tax Information</b>   | <b>Forms and Publications</b>    |   |
| <b>Internet</b>  | DRS Web site   |                                  |   |
|  | <b>www.ct.gov/DRS</b>  |                                  |   |
| <b>Telephone</b>   | <b>CONN-TAX</b><br>1-800-382-9463 (in-state) or<br>860-297-5962 (from anywhere)<br>TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911. |                                  | <b>From a touch-tone phone call</b><br>1-800-382-9463 (in-state) and select <b>Option 2</b> , or<br>860-297-4753 (from anywhere)<br><b>DRS TaxFax</b> - Call 860-297-5698 from the handset attached to your fax machine and select from the menu. |
|  | <b>Department of Revenue Services</b><br><b>Taxpayer Services Division</b><br>25 Sigourney Street<br>Hartford CT 06106-5032  |                                  |   |
| <b>Write</b>   |  |                                  |   |
| <b>Walk-in Offices</b><br><br>Free personal taxpayer assistance and forms are available by visiting our offices, Monday through Friday, 8:00 a.m. to 5:00 p.m. Call CONN-TAX for directions to DRS offices. If you require special accommodations, please advise the DRS representative. | <b>Location</b>  | <b>Address</b>                   | <b>Phone*</b>   |
|  | <b>Bridgeport</b>  | 10 Middle Street                 | 203-336-7890  |
|  | <b>Hartford</b>  | 25 Sigourney Street              | 860-297-5962  |
|  | <b>Norwich</b>   | 2 Cliff Street                   | 860-425-4123  |
|  | <b>Hamden</b>  | 3074 Whitney Avenue, Building #2 | 203-287-8243  |
|  | <b>Waterbury</b>   | 55 West Main Street, Suite 100   | 203-805-6789  |
| * All calls are answered at our Customer Service Center, not at the local office.  |  |                                  |   |

|                                  |   |
|----------------------------------|---|
| <b>Electronic Filing Options</b> |  File Form <b>CT-1040 EXT</b> over the internet using WebFile.<br>Visit <a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a> |
|----------------------------------|---|

|   |   |
|---|---|
| <b>Federal Tax Information</b><br>For questions about <b>federal taxes</b> , contact the Internal Revenue Service (IRS) at 1-800-829-1040 or visit <a href="http://www.irs.gov">www.irs.gov</a><br>To order <b>federal tax forms</b> , call 1-800-829-3676. | <b>Statewide Services</b><br>For information on statewide services and programs, visit the ConneCT Web site at <a href="http://www.ct.gov">www.ct.gov</a> |
|---|---|

**Department of Revenue Services**  
**State of Connecticut**  
**25 Sigourney Street**  
**Hartford CT 06106-5032**

# Form CT-G EXT

# 2005

(Rev. 12/05)

## Application for Extension of Time to File Connecticut Group Income Tax Return

See instructions on reverse. Complete this application in blue or black ink only.

|   |                                    |                |                                     |
|---|------------------------------------|----------------|-------------------------------------|
| <b>Taxpayer</b><br><br>(Please Type or Print) | Name of Pass-Through Entity (PE) ▶ |                | Federal Employer ID Number          |
|   | Number and Street                  | PO Box         | <b>DRS Use Only</b><br>— — 20       |
|   | City or Post Office                | State ZIP Code | Connecticut Tax Registration Number |

This is not an extension of time to pay any amount of tax – interest and penalties 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, 2006**, to file **Form CT-G**, *Connecticut Group Income Tax Return* for calendar year 2005 or until \_\_\_\_\_ for taxable year ending ▶ \_\_\_\_\_.

The reason for the Connecticut extension is \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Notification will be sent only if the extension request is denied**

|  |      |    |
|--|------|----|
| 1. Total Connecticut group income tax liability for 2005. You may estimate this amount.<br>An amount must be entered on Line 1. If you do not expect to owe tax, enter zero ("0"). | 1.   | 00 |
| 2. 2005 Estimated Connecticut group income tax payments and any 2004 overpayment credited to 2005.   | 2.   | 00 |
| 3. Connecticut group income tax balance due with this form. (Subtract Line 2 from Line 1.)<br>If Line 2 is greater than Line 1, enter zero ("0").                                  | ▶ 3. | 00 |

**Make check or money order payable to:** Commissioner of Revenue Services  
 Write the PE's Federal Employer ID Number, and *2005 Form CT-G EXT* on the check or money order.  
 The Department of Revenue Services (DRS) may submit your check to your bank electronically.

**Mail to:** Department of Revenue Services  
 PO Box 5019  
 Hartford CT 06102-5019

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |   |      |                            |
|--|---|------|----------------------------|
| <b>Sign Here</b><br><br>Keep a copy of this return for your records. | Signature of General Partner, LLC Member, Fiduciary, or Officer | Date | Telephone Number<br>( )    |
|  | Paid Preparer's Signature                                       | Date | Preparer's SSN or PTIN     |
|  | Firm's Name and Address   |      | Federal Employer ID Number |
|  |   |      | Telephone Number<br>( )    |

## 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 of time to file **Form CT-G**, *Connecticut Group Income Tax Return*. There must be reasonable cause provided with the Connecticut extension request.

### How to Get an Extension to File

To get a Connecticut filing extension for the group the PE **must**:

- Complete Form CT-G EXT in its entirety;
- File it on or before the due date of the return; **and**
- Pay the amount shown on Line 3.

**Notification will be sent only if the extension request is denied.**

Form CT-G EXT **only** extends **the time to file** Form CT-G. Form CT-G EXT **does not** extend **the time to pay** the amount of tax due.

### Interest and Penalty

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return. Interest is computed at 1% (.01) per month or fraction of a month on the underpayment of tax from the original due date to the date of payment.

**Late Payment Penalty:** The penalty for underpayment of tax is 10% (.10) of the tax due.

### When to File Form CT-G EXT

If you are filing a calendar year Form CT-G, file Form CT-G EXT on or before April 15, 2006. If you are filing a taxable year Form CT-G, file Form CT-G EXT on or before the fifteenth day of the fourth month following the close of the taxable year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

### Required Information

Enter the PE's name, address, Federal Employer Identification Number (FEIN), and Connecticut Tax Registration Number, if any.

### Signature

This form must be signed by a general partner, LLC member, fiduciary, or corporate officer.

### Paid Preparer Signature

Anyone you pay to prepare the 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 FEIN, and their firm's address and telephone number in the spaces provided.

### Others Who May Sign

Anyone to whom you have given a signed Power of Attorney may sign on your behalf.

If a general partner, LLC member, fiduciary, or corporate officer is unable to request an extension because of illness, absence, or other good cause, any person standing in a close personal or business relationship (including an attorney, accountant, or enrolled agent) to the general partner, LLC member, fiduciary, or corporate officer may sign the request on his or her behalf. This person is considered a duly authorized agent for this purpose, provided the request sets forth the reason(s) for a signature other than by the general partner, LLC member, fiduciary, or corporate officer and the relationship existing between the general partner, LLC member, fiduciary, or corporate officer and the signer.

### Where to File

Make check or money order payable to the Commissioner of Revenue Services, and paperclip the check or money order to the front of your return. Do not staple. The Department of Revenue Services may submit your check to your bank electronically.

Mail to: Department of Revenue Services  
PO Box 5019  
Hartford CT 06102-5019



| CT-G ES Estimated Connecticut Group Income Tax Payment   |  |  | 2006                    |    |
|--|--|--|-------------------------|----|
| Federal Employer ID Number<br>▶  | Connecticut Tax Registration Number<br>▶ | Payment<br><b>2</b>  | For Taxable Year Ending |    |
| Name of Pass-Through Entity (PE)   |  | DRS Use Only<br>▶                    -                    - 20 |                         |    |
| Number and Street  | PO Box                                   | 1. Payment Amount ▶  |                         | 00 |
| City or Town   | State                                    | ZIP Code   |                         |    |
| Type of PE (check box):<br><input type="checkbox"/> Partnership <input type="checkbox"/> Estate <input type="checkbox"/> Trust <input type="checkbox"/> LLC <input type="checkbox"/> S corporation |  |  |                         |    |

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Complete this form in blue or black ink only. See instructions on reverse for filing requirements.

Send completed coupon and payment to:

**Make check or money order payable to:** Commissioner of Revenue Services.  
Write the PE's Federal Employer ID Number and *2006 Form CT-G ES* on check or money order.

**Department of Revenue Services  
PO Box 5019  
Hartford CT 06102-5019**

(Rev. 1/06)

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| CT-G ES Estimated Connecticut Group Income Tax Payment   |  |  | 2006                    |    |
|--|--|--|-------------------------|----|
| Federal Employer ID Number<br>▶  | Connecticut Tax Registration Number<br>▶ | Payment<br><b>1</b>  | For Taxable Year Ending |    |
| Name of Pass-Through Entity (PE)   |  | DRS Use Only<br>▶                    -                    - 20 |                         |    |
| Number and Street  | PO Box                                   | 1. Payment Amount ▶  |                         | 00 |
| City or Town   | State                                    | ZIP Code   |                         |    |
| Type of PE (check box):<br><input type="checkbox"/> Partnership <input type="checkbox"/> Estate <input type="checkbox"/> Trust <input type="checkbox"/> LLC <input type="checkbox"/> S corporation |  |  |                         |    |

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Complete this form in blue or black ink only. See instructions on reverse for filing requirements.

Send completed coupon and payment to:

**Make check or money order payable to:** Commissioner of Revenue Services.  
Write the PE's Federal Employer ID Number and *2006 Form CT-G ES* on check or money order.

**Department of Revenue Services  
PO Box 5019  
Hartford CT 06102-5019**

(Rev. 1/06)

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| CT-G ES Estimated Connecticut Group Income Tax Payment   |  |  | 2006                    |    |
|--|--|--|-------------------------|----|
| Federal Employer ID Number<br>▶  | Connecticut Tax Registration Number<br>▶ | Payment<br><b>4</b>  | For Taxable Year Ending |    |
| Name of Pass-Through Entity (PE)   |  | DRS Use Only<br>▶                    -                    - 20 |                         |    |
| Number and Street  | PO Box                                   | 1. Payment Amount ▶  |                         | 00 |
| City or Town   | State                                    | ZIP Code   |                         |    |
| Type of PE (check box):<br><input type="checkbox"/> Partnership <input type="checkbox"/> Estate <input type="checkbox"/> Trust <input type="checkbox"/> LLC <input type="checkbox"/> S corporation |  |  |                         |    |

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Complete this form in blue or black ink only. See instructions on reverse for filing requirements.

Send completed coupon and payment to:

**Make check or money order payable to:** Commissioner of Revenue Services.  
Write the PE's Federal Employer ID Number and *2006 Form CT-G ES* on check or money order.

**Department of Revenue Services  
PO Box 5019  
Hartford CT 06102-5019**

(Rev. 1/06)

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| CT-G ES Estimated Connecticut Group Income Tax Payment   |  |  | 2006                    |    |
|--|--|--|-------------------------|----|
| Federal Employer ID Number<br>▶  | Connecticut Tax Registration Number<br>▶ | Payment<br><b>3</b>  | For Taxable Year Ending |    |
| Name of Pass-Through Entity (PE)   |  | DRS Use Only<br>▶                    -                    - 20 |                         |    |
| Number and Street  | PO Box                                   | 1. Payment Amount ▶  |                         | 00 |
| City or Town   | State                                    | ZIP Code   |                         |    |
| Type of PE (check box):<br><input type="checkbox"/> Partnership <input type="checkbox"/> Estate <input type="checkbox"/> Trust <input type="checkbox"/> LLC <input type="checkbox"/> S corporation |  |  |                         |    |

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Complete this form in blue or black ink only. See instructions on reverse for filing requirements.

Send completed coupon and payment to:

**Make check or money order payable to:** Commissioner of Revenue Services.  
Write the PE's Federal Employer ID Number and *2006 Form CT-G ES* on check or money order.

**Department of Revenue Services  
PO Box 5019  
Hartford CT 06102-5019**

(Rev. 1/06)

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# Form CT-G ES Instructions

Qualified electing nonresident partners, LLC members, S corporation shareholders, or beneficiaries of trusts or estates fill in the ending date of the taxable year for which this payment is made. Calendar year filers, enter December 31, 2006.

Estimated tax must be paid if the tax for any nonresident individual filing as part of a group return will be \$1,000 or more.

To determine the amount due and due date of payment, refer to the instructions for **Form CT-G**, *Connecticut Group Income Tax Return and Instructions*.

**Your required annual payment** is the lesser of:

- 90% of the Connecticut income tax shown on your 2006 Connecticut income tax return; **or**
- 100% of the Connecticut income tax shown on your 2005 Connecticut income tax return, if you filed a 2005 income tax return that covered a 12-month period.

Form CT-G ES Back (Rev. 1/06)



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# Form CT-G ES Instructions

Qualified electing nonresident partners, LLC members, S corporation shareholders, or beneficiaries of trusts or estates fill in the ending date of the taxable year for which this payment is made. Calendar year filers, enter December 31, 2006.

Estimated tax must be paid if the tax for any nonresident individual filing as part of a group return will be \$1,000 or more.

To determine the amount due and due date of payment, refer to the instructions for **Form CT-G**, *Connecticut Group Income Tax Return and Instructions*.

**Your required annual payment** is the lesser of:

- 90% of the Connecticut income tax shown on your 2006 Connecticut income tax return; **or**
- 100% of the Connecticut income tax shown on your 2005 Connecticut income tax return, if you filed a 2005 income tax return that covered a 12-month period.

Form CT-G ES Back (Rev. 1/06)

## Form CT-G ES Instructions

Qualified electing nonresident partners, LLC members, S corporation shareholders, or beneficiaries of trusts or estates fill in the ending date of the taxable year for which this payment is made. Calendar year filers, enter December 31, 2006.

Estimated tax must be paid if the tax for any nonresident individual filing as part of a group return will be \$1,000 or more.

To determine the amount due and due date of payment, refer to the instructions for **Form CT-G**, *Connecticut Group Income Tax Return and Instructions*.

**Your required annual payment** is the lesser of:

- 90% of the Connecticut income tax shown on your 2006 Connecticut income tax return; **or**
- 100% of the Connecticut income tax shown on your 2005 Connecticut income tax return, if you filed a 2005 income tax return that covered a 12-month period.

Form CT-G ES Back (Rev. 1/06)



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## Form CT-G ES Instructions

Qualified electing nonresident partners, LLC members, S corporation shareholders, or beneficiaries of trusts or estates fill in the ending date of the taxable year for which this payment is made. Calendar year filers, enter December 31, 2006.

Estimated tax must be paid if the tax for any nonresident individual filing as part of a group return will be \$1,000 or more.

To determine the amount due and due date of payment, refer to the instructions for **Form CT-G**, *Connecticut Group Income Tax Return and Instructions*.

**Your required annual payment** is the lesser of:

- 90% of the Connecticut income tax shown on your 2006 Connecticut income tax return; **or**
- 100% of the Connecticut income tax shown on your 2005 Connecticut income tax return, if you filed a 2005 income tax return that covered a 12-month period.

Form CT-G ES Back (Rev. 1/06)

(Rev. 12/05)

**Form CT-WH (DRS)**

**Connecticut Withholding Tax Payment Form**

**Purpose:** The attached **Form CT-WH (DRS)**, *Connecticut Withholding Tax Payment Form*, may be used by new employers or employers who have not received the *2006 Employer's Withholding Remittance Coupon Book*. This is an interim coupon to be used only until

receipt of the *2006 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**

|   |  |
|---|--|
| <b>Weekly Remitters Only:</b> Enter date payroll was paid.<br>_ _ / _ _ / <b>2006</b> |  |
|---|--|

|   |  |  |
|---|--|--|
| 1. Enter Quarter (1, 2, 3, or 4)<br>(See Instructions.) |  |  |
| 2. Connecticut Tax Withheld                             |  |  |

All employers are required to withhold Connecticut income tax from employee wages at the time wages are paid. Use **Form CT-WH (DRS)** to make your payments to the Connecticut Department of Revenue Services (DRS).

calendar year 2006 is the 12-month period that ended on June 30, 2005. See **Special Notice 2004(9)**, *2004 Legislation Affecting Connecticut Income Tax Withholding by Employers on Wages Paid on or After January 1, 2005*, and the schedule on the back of this return.

Each calendar year DRS classifies employers for Connecticut income tax withholding purposes either as a weekly, monthly, or quarterly remitter. Most new employers will be classified as monthly remitters.

**Household employers** who are registered to withhold Connecticut income tax from wages of their household employees should not use this form. See **Informational Publication 2006(1)**, *Connecticut Circular CT, Employer's Tax Guide*, for more information.

The filing frequency is based on the employer's **reported liability** for the tax required to be deducted and withheld during the **12-month look-back period**. The 12-month look-back period for

**Do not file Form CT-WH (DRS) if no payment is due or if your payment was made by electronic funds transfer (EFT) or Fast-File.**

Payers of nonpayroll amounts must use **Form CT-8109**, *Connecticut Withholding Tax Payment Form for Nonpayroll Amounts*.

**Instructions for Completing Form CT-WH (DRS)**

In the appropriate boxes, enter name, address, and identification numbers. **For weekly remitters only**, enter the date the payroll was paid, not the due date of the coupon.

**Monthly remitters:** Enter the total amount of Connecticut income tax withheld from wages for the month.

**Line 1:**

Enter the number of the quarter to which this payment applies. Enter **1** for the first quarter (January 1 through March 31); **2** for the second quarter (April 1 through June 30); **3** for the third quarter (July 1 through September 30); or **4** for the fourth quarter (October 1 through December 31).

**Quarterly remitters:** Quarterly remitters are required to make their payments using **Form CT-941**.

**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**.

Pay the total amount shown on Line 2. Make your check payable to: Commissioner of Revenue Services. DRS may submit your check to your bank electronically. Write your Connecticut Tax Registration Number and the calendar quarter to which the payment applies on your check. Mail the completed coupon to the address on the coupon or use the **Fast-File** Program to file and make your payment (see below).

**Line 2:**

**Weekly remitters:** Enter the total amount of Connecticut income tax withheld from wages paid on the date entered above Line 1 of **Form CT-WH (DRS)**.

**Electronic Filing Options:**

File by telephone: **860-947-1988**

File by internet: **Connecticut Fast-File**

Visit the DRS Web site at **www.ct.gov/DRS**

and click on **File/Register On Line** or call the DRS

Forms Unit at **860-297-4753** and request **TPG-129, Fast-File in Five**.



SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. KEEP THE TOP PORTION FOR YOUR RECORDS.

**CT-WH (DRS)**

**Connecticut Withholding Tax Payment**

**2006**

|  |                            |                       |
|--|----------------------------|-----------------------|
| Connecticut Tax Registration Number<br>▶ | Federal Employer ID Number | Year<br>▶ <b>2006</b> |
|--|----------------------------|-----------------------|

Enter name and address below. Please print or type.

|   |  |
|---|--|
| <b>Weekly Remitters Only:</b> Enter date payroll was paid.<br>_ _ / _ _ / <b>2006</b> |  |
|---|--|

|   |  |  |
|---|--|--|
| 1. Enter Quarter (1, 2, 3, or 4)<br>(See Instructions.) ▶ |  |  |
| 2. Connecticut Tax Withheld ▶                             |  |  |

**Do not file this Form CT-WH (DRS) if no payment is due.**  
Pay total amount shown on Line 2.  
If filing by mail, send payment to:  
DRS, PO Box 2931, Hartford CT 06104-2931  
Make check payable to: Commissioner of Revenue Services.  
Write your Connecticut Tax Registration Number on your check.

**Electronic Filing Options: Connecticut Fast-File (www.ct.gov/DRS)**

**DO NOT FOLD OR BEND COUPON**

## Connecticut Withholding Tax Payment Schedule

| Reported Liability  | Filing Frequency   | Due Dates  |
|---|--------------------|--|
| <b>\$2,000 or less</b>                                      | Quarterly Remitter | Last day of the month following the calendar quarter during which the wages were paid. Quarterly remitters are required to make their payments using <b>Form CT-941</b> .              |
| <b>More than \$2,000<br/>but<br/>not more than \$10,000</b> | Monthly Remitter   | Fifteenth day of the month following the month during which the wages were paid.   |
| <b>More than \$10,000</b>                                   | Weekly Remitter    | Wednesday following the weekly period during which the wages were paid. ( <i>Weekly period</i> means the seven-day period beginning on a Saturday and ending on the following Friday.) |

The filing frequency is based on the employer's **reported liability** for the tax required to be deducted and withheld during the **12-month look-back period**. The 12-month look-back period for calendar year 2006 is the 12-month period that ended on June 30, 2005. See **Special Notice 2004(9)**, *2004 Legislation Affecting Connecticut Income Tax Withholding by Employers on Wages Paid on or After January 1, 2005*. Most new employers will be classified as monthly remitters.

(Rev. 12/05)

## Connecticut Quarterly Reconciliation of Withholding

### General Instructions

**Purpose:** The attached **Form CT-941 (DRS)**, *Connecticut Quarterly Reconciliation of Withholding*, may be used by new employers who have not received the *Employer's Withholding Remittance Coupon Book* for calendar year 2006.

All employers who are registered for Connecticut income tax withholding purposes (other than household employers, agricultural employers granted annual filer status, and seasonal filers) are required to file Form CT-941 for each calendar quarter as long as they have an active withholding account with the Department of Revenue Services (DRS) **even if no tax is due** or if no tax was required to be withheld for that quarter.

**Due Dates:** First quarter, April 30, 2006; second quarter, July 31, 2006; third quarter, October 31, 2006; and fourth quarter, January 31, 2007. An employer who made timely deposits of Connecticut withholding tax in full payment of such taxes due for the quarter may file the return on or before the tenth day of the second calendar month following the end of the quarter. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**Household employers** who are registered to withhold Connecticut income tax from wages of their household employees are not to file Form CT-941 for each calendar quarter, but instead are required to file one Form CT-941 for the entire calendar year, the due date of which is April 15, 2007. Payment of the Connecticut income tax withheld from wages of household employees during the entire calendar year is to accompany Form CT-941. See **Informational Publication 2006(1)**, *Connecticut Circular CT*, *Employer's Tax Guide*, for more information.

**Seasonal filers** may request permission from DRS to file Form CT-941 only for the calendar quarters in which they pay Connecticut wages to employees. Certain **agricultural employers** may request permission to file one Form CT-941

for the entire calendar year instead of filing Form CT-941 for each calendar quarter. See **Informational Publication 2006(1)** for more information.

**Rounding Off to Whole Dollars:** You must round off cents to the nearest whole dollar on your returns and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

If you do not round, DRS will disregard the cents.

### Reminders:

- See instructions on back.
- Be sure to complete all requested information on the back of this return.
- 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.
- DRS may submit your check to your bank electronically.
- Write your Connecticut Tax Registration Number, and the calendar quarter to which the payment applies, on your check.

**Where to File:** Mail your completed return and payment (if applicable) to: Department of Revenue Services, PO Box 2931, Hartford CT 06104-2931.

**Amended Return:** To amend Form CT-941, use **Form CT-941X**, *Amended Connecticut Reconciliation of Withholding*.

**Forms and Publications:** Forms and publications may be obtained by visiting the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or by calling the DRS Forms Unit at 860-297-4753.

Use Form CT-941 to reconcile your quarterly Connecticut income tax withholding payments from wages only. Payers of nonpayroll amounts must use **Form CT-945**, *Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts*, to reconcile Connecticut income tax withholding.

SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. KEEP A COPY FOR YOUR RECORDS.

### CT-941 (DRS)

### Connecticut Quarterly Reconciliation of Withholding

► 2006

|  |                            |  |          |
|--|----------------------------|--|----------|
| Connecticut Tax Registration Number<br>▶ | Federal Employer ID Number | Enter Reporting Quarter (1, 2, 3, or 4)<br>▶ | Due Date |
|--|----------------------------|--|----------|

Enter name and address below. Please print or type.

Check if you no longer have employees in Connecticut and enter date of last payroll: \_\_\_\_\_.

#### READ INSTRUCTIONS BEFORE COMPLETING

|   |      |    |
|---|------|----|
| 1. Gross Wages  | ▶ 1  | 00 |
| 2. Gross <b>Connecticut</b> Wages                       | ▶ 2  | 00 |
| <b>3. Connecticut Tax Withheld</b>                      | ▶ 3  | 00 |
| 4. Credit From Prior Quarter                            | ▶ 4  | 00 |
| 5. Payments Made for This Quarter                       | ▶ 5  | 00 |
| 6. Total Payments (Add Line 4 and Line 5.)              | ▶ 6  | 00 |
| <b>7. Net Tax Due</b> (or credit) (Line 3 minus Line 6) | ▶ 7  | 00 |
| 8a. Penalty: ▶ + 8b. Interest: ▶ =                      | 8    | 00 |
| 9. Amount to be Credited                                | ▶ 9  | 00 |
| 10. Amount to be Refunded                               | ▶ 10 | 00 |
| <b>11. Total Amount Due</b> (Add Line 7 and Line 8.)    | ▶ 11 | 00 |

I declare under penalty of law 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.

**Mail to:** Department of Revenue Services  
PO Box 2931  
Hartford CT 06104-2931

Signature \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

## Line Instructions

### Line 1

Enter the total amount of wages, for federal income tax withholding purposes, paid to all employees during this quarter.

### Line 2

Enter the total amount of Connecticut wages paid during this quarter. **Connecticut wages** are all wages paid to employees who are residents of Connecticut, even if those wages are paid for work performed outside Connecticut by those resident employees, and wages paid to employees who are nonresidents of Connecticut, if those wages are paid for work performed in Connecticut by those nonresident employees.

### Line 3

Enter the total amount of Connecticut income tax withheld on wages during this quarter. (This should equal Total Liability for the Calendar Quarter, below.)

### Line 4

Enter the amount to be credited from Line 9 of your Form CT-941 for the prior quarter; however, if any portion of that amount was withheld by you from your employees during a prior quarter, and not repaid by you to your employees prior to the end of the prior quarter or prior to filing the return for that quarter (whichever is earlier), subtract that portion from the amount credited on Line 9 of your Form CT-941 for the prior quarter and enter the difference on Line 4.

### Line 5

Enter the sum of all payments made for this quarter.

### Line 6

Add Line 4 and Line 5. This is the total of your payments and credits for this quarter.

### Line 7

Subtract Line 6 from Line 3, and enter the difference on Line 7. This is the amount of tax due or credit. If Line 3 is more than Line 6, complete Line 8a and Line 8b, if necessary. If Line 6 is more than Line 3, complete Line 9 and Line 10.

### Line 8

Enter penalty on Line 8a, interest on Line 8b, and enter the total on Line 8.

**Late Payment Penalty:** The penalty for paying all or a portion of the tax late is 10% (.10) of the tax paid late.

**Late Filing Penalty:** If no tax is due, DRS may impose a \$50 penalty for the late filing of this return.

**Interest:** Interest will be computed on the tax paid late at the rate of 1% (.01) per month or fraction of a month.

### Line 9

Enter the amount from Line 7 to be credited to the next quarter; however, if any portion of that amount was withheld by you from your employees during the 2006 calendar year, and not repaid by you to your employees prior to the end of the 2006 calendar year or prior to filing this return (whichever is earlier), subtract that portion from the amount on Line 7 to be credited to the next quarter and enter the difference on Line 9.

### Line 10

Enter amount from Line 7 to be refunded; however, if any portion of that amount was withheld by you from your employees during the 2006 calendar year, and not repaid by you to your employees prior to the end of the 2006 calendar year or prior to filing this return (whichever is earlier), subtract that portion from the amount on Line 7 to be refunded and enter the difference on Line 10.

### Line 11

If the amount on Line 7 is a net tax due, add Line 7 and Line 8. This is the total amount now due. This form may be filed using *Fast-File*. Visit [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*.

## Instructions for Completing Back of Form CT-941 (DRS)

**Quarterly remitters:** Enter the total amount of the liability on Line 6 in the third month column. Also enter that amount on Line 7. This should equal Line 3 on the front of Form CT-941. Quarterly remitters are required to make their payments using Form CT-941.

**Monthly remitters:** Enter the total amount of the liability for each month on Line 6 of that month. Add the amounts from each Line 6 and enter the total on Line 7. This should equal Line 3 on the front of Form CT-941.

**Weekly remitters:** Enter the liability for each week on Lines 1 through 5 for each month. Enter the total for the month on Line 6. Add the amounts from each Line 6 and enter the total on Line 7. This should equal Line 3 on the front of Form CT-941.

Sign and date the return in the space provided. Mail your completed return and any payment due to the address on the front of the return. Write your Connecticut Tax Registration Number and the calendar quarter to which the payment applies on your check.



Visit DRS Web site:  
[www.ct.gov/DRS](http://www.ct.gov/DRS)  
(for information and filing)

or



Telephone:  
860-947-1988 (for filing)  
860-297-5962 (for information)

### Summary of Connecticut Tax Liability for the Calendar Quarter

| First Month                                | Second Month | Third Month |
|--|--------------|-------------|
| 1  | 1            | 1           |
| 2  | 2            | 2           |
| 3  | 3            | 3           |
| 4  | 4            | 4           |
| 5  | 5            | 5           |
| 6  | 6            | 6           |
| 7 Total Liability for the Calendar Quarter |              | 00          |



(Rev 12/05)

**Connecticut Withholding Tax Payment Form for Nonpayroll Amounts**

**Purpose: Form CT-8109 (DRS), Connecticut Withholding Tax Payment Form for Nonpayroll Amounts**, is an interim coupon to be used by new payers or payers who have not received the *2006 Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts*. Once the withholding book is received, use only the preprinted coupons in the book.

Each calendar year DRS classifies payers for Connecticut income tax withholding purposes either as a weekly, monthly, or quarterly remitter. Most new payers will be classified as monthly remitters.

The filing frequency is based on the payer's **reported liability** for the tax required to be deducted and withheld during the **look-back calendar year**. The look-back calendar year for calendar year 2006 is calendar year 2004. See **Special Notice 2004(10), 2004 Legislation Affecting Connecticut Income Tax Withholding by Payers From Nonpayroll Amounts Paid on or After January 1, 2005**, and the schedule on the back of this return.

**PAYER'S RECORD OF PAYMENT**

|   |
|---|
| <b>Weekly Remitters Only:</b> Enter date nonpayroll amount was paid.<br>_ _ / _ _ / <b>2006</b> |
|---|

|   |  |  |
|---|--|--|
| 1. Enter Quarter (1, 2, 3, or 4)<br>(See Instructions.) |  |  |
| 2. Connecticut Tax Withheld                             |  |  |

All payers of nonpayroll amounts that are subject to Connecticut income tax withholding are required to withhold Connecticut income tax at the time payments of nonpayroll amounts are made. Use Form CT-8109 (DRS), to make your payments to Department of Revenue Services (DRS). (See back of return for nonpayroll amounts subject to withholding.)

**Do not file Form CT-8109 (DRS) if no payment is due.**

**Instructions for Completing Form CT-8109 (DRS)**

In the appropriate box, enter name, address, and identification numbers. **For weekly remitters only**, enter the date the nonpayroll amount was paid, not the due date of the coupon.  
**Line 1:** Enter the number of the quarter during which this payment was made to payees. Enter **1** for the 1st quarter (January 1 through March 31); **2** for the 2nd quarter (April 1 through June 30); **3** for the 3rd quarter (July 1 through September 30); or **4** for the 4th quarter (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 Form CT-8109 (DRS), Line 1.

**Line 2:**

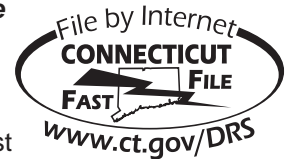
**Weekly remitters:** Enter the total amount of Connecticut income tax withheld from nonpayroll amounts paid on the date entered above Form CT-8109 (DRS), Line 1.

**Monthly or Quarterly remitters:** Enter the total amount of Connecticut income tax withheld from nonpayroll amounts for the month or quarter. Pay the total amount shown on Line 2. Make your check payable to: Commissioner of Revenue Services. DRS may submit your check to your bank electronically. Write your Connecticut Tax Registration Number and the calendar quarter during which the payment was made to payees on your check or use the **Fast-File** Program to file and make your payment. Visit [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine*. Mail the completed coupon and payment to: DRS, PO Box 2931, Hartford CT 06104-2931.

**Electronic Filing Option:**

File by internet: **Connecticut Fast-File**

Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on **File/Register OnLine** or call the DRS Forms Unit at **860-297-4753** and request **TPG-129, Fast-File in Five**.



SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. KEEP THE TOP PORTION FOR YOUR RECORDS.

**CT-8109 (DRS) Connecticut Withholding Tax Payment Form for Nonpayroll Amounts 2006**

|  |                            |                       |
|--|----------------------------|-----------------------|
| Connecticut Tax Registration Number<br>▶ | Federal Employer ID Number | Year<br>▶ <b>2006</b> |
|--|----------------------------|-----------------------|

Enter name and address below. Please print or type.

|   |
|---|
| <b>Weekly Remitters Only:</b> Enter date nonpayroll amount was paid.<br>_ _ / _ _ / <b>2006</b> |
|---|

|   |  |  |
|---|--|--|
| 1. Enter Quarter (1, 2, 3, or 4)<br>(See Instructions.) ▶ |  |  |
| 2. Connecticut Tax Withheld ▶                             |  |  |

**Do not file this Form CT-8109 (DRS) if no payment is due.**  
Pay total amount shown on Line 2.  
If filing by mail, send payment to:  
DRS, PO Box 2931, Hartford CT 06104-2931  
Make check payable to: Commissioner of Revenue Services.  
Write your Connecticut Tax Registration Number on your check.

**Electronic Filing: Connecticut Fast-File (www.ct.gov/DRS)**

**DO NOT FOLD OR BEND COUPON**

**Nonpayroll Amounts Subject to Connecticut Income Tax Withholding Are:**

- Gambling winnings, other than Connecticut lottery winnings, if the payment is subject to federal income tax withholding, and the payment is made to a resident or to someone receiving the payment on behalf of a resident. (See **Informational Publication 2005(15)**, *Connecticut Income Tax Treatment of Gambling Winnings Other Than State Lottery Winnings*, for more information.);
- Connecticut lottery winnings, if reportable for federal income tax withholding purposes, whether or not subject to federal income tax withholding (See **Informational Publication 2005(16)**, *Connecticut Income Tax Treatment of State Lottery Winnings Received by Residents and Nonresidents of Connecticut*, for more information.);
- Pension and annuity distributions, if the recipient is a Connecticut resident and has requested Connecticut income tax withholding;
- Military retirement pay, if the recipient is a Connecticut resident and has requested Connecticut income tax withholding;
- Unemployment compensation payments, if the recipient has requested Connecticut income tax withholding; **and**
- Payments made to athletes or entertainers if the payments are not wages for federal income tax withholding purposes, but Connecticut income tax withholding is required under **Policy Statement 2005(1)**, *Income Tax Withholding for Athletes or Entertainers*.

**Connecticut Withholding Tax Payment Schedule**

| Reported Liability                                  | Filing Frequency   | Due Dates   |
|---|--------------------|---|
| <b>\$2,000 or less</b>                              | Quarterly Remitter | Last day of the month following the calendar quarter during which the nonpayroll amounts were paid.   |
| <b>More than \$2,000 but not more than \$10,000</b> | Monthly Remitter   | Fifteenth day of the month following the month during which the nonpayroll amounts were paid.   |
| <b>More than \$10,000</b>                           | Weekly Remitter    | Wednesday following the weekly period during which the nonpayroll amounts were paid. ( <b>Weekly period</b> means the seven-day period beginning on a Saturday and ending on the following Friday.) |

The filing frequency is based on the payer’s reported liability for the tax required to be deducted and withheld during the look-back calendar year. The look-back calendar year for calendar year 2006 is calendar year 2004. See **Special Notice 2004(10)**, *2004 Legislation Affecting Connecticut Income Tax Withholding by Payers From Nonpayroll Amounts Paid on or After January 1, 2005*. Most new payers will be classified as monthly remitters.

**Form CT-945 (DRS)**

**Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts**

**Purpose:** The attached **Form CT-945 (DRS)**, *Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts*, may be used by new payers of nonpayroll amounts or payers who have not received the *2006 Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts* for the 2006 calendar year.

**Rounding Off to Whole Numbers:** You must round off cents to the nearest whole dollar on your returns and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off only the total.

**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

If you do not round, the Department of Revenue Services (DRS) will disregard the cents.

**Nonpayroll Amounts Subject to Connecticut Income Tax Withholding Are:**

- Gambling winnings, other than Connecticut lottery winnings, if the payment is subject to federal income tax withholding, and the payment is made to a resident or to someone receiving the payment on behalf of a resident. (See **IP 2005(15)**, *Connecticut Income Tax Treatment of Gambling Winnings Other Than State Lottery Winnings*, for more information.);
- Connecticut lottery winnings, if reportable for federal income tax withholding purposes, whether or not subject to federal income tax withholding. (See **IP 2005(16)**, *Connecticut Income Tax Treatment of State Lottery Winnings Received by Residents and Nonresidents of Connecticut*, for more information.);
- Pension and annuity distributions, if the recipient is a Connecticut resident and has requested Connecticut income tax withholding;
- Military retirement pay, if the recipient is a Connecticut resident and has requested Connecticut income tax withholding;
- Unemployment compensation payments, if the recipient has requested Connecticut income tax withholding; **and**

- Payments made to athletes or entertainers if the payments are not wages for federal income tax withholding purposes, but Connecticut income tax withholding is required under **Policy Statement 2005(1)**, *Income Tax Withholding for Athletes or Entertainers*.

All payers of nonpayroll amounts that are subject to Connecticut income tax withholding are required to file Form CT-945 as long as they have an active income tax withholding account with DRS **even if:** no tax is due; no tax was required to be withheld for that year; **or** federal Form 945 is not required to be filed.

**Note:** All income tax withholding reported on federal Form W-2, Wage and Tax Statement, must be reported on **Form CT-941**, *Connecticut Quarterly Reconciliation of Withholding*.

**Due date: January 31, 2007.** However, a payer that has made timely deposits of Connecticut withholding tax in full payment of taxes due for the 2006 calendar year may file Form CT-945 on or before February 10, 2007. You must file CT-945 (DRS) even if no tax is due or is required to be withheld for that year.

**If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.**

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. DRS may submit your check to your bank electronically. Write your Connecticut Tax Registration Number on your check.

Mail your completed return and payment (if applicable) to: Department of Revenue Services, PO Box 2931, Hartford CT 06104-2931.

To amend Form CT-945, use **Form CT-941X**, *Amended Connecticut Reconciliation of Withholding*. Forms and publications may be obtained by visiting the DRS Web site at **www.ct.gov/DRS** or by calling the DRS Forms Unit at 860-297-4753.

SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. MAKE A COPY FOR YOUR RECORDS.

**CT-945 (DRS) Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts ▶ 2006**

|  |                                 |                           |          |
|--|---------------------------------|---------------------------|----------|
| Connecticut Tax Registration Number<br>▶ | Federal Employer ID Number<br>▶ | Calendar Year Ending<br>▶ | Due Date |
|--|---------------------------------|---------------------------|----------|

Enter name and address below. Please print or type.

**READ INSTRUCTIONS BEFORE COMPLETING**

|   |      |    |
|---|------|----|
| 1. Gross Nonpayroll Amounts                             | ▶ 1  | 00 |
| 2. Gross Connecticut Nonpayroll Amounts                 | ▶ 2  | 00 |
| <b>3. Connecticut Tax Withheld</b>                      | ▶ 3  | 00 |
| 4. Credit From Prior Year                               | ▶ 4  | 00 |
| 5. Payments Made for This Year                          | ▶ 5  | 00 |
| 6. Total Payments (Add Line 4 and Line 5.)              | ▶ 6  | 00 |
| 7. <b>Net Tax Due</b> (or credit) (Line 3 minus Line 6) | ▶ 7  | 00 |
| 8a. Penalty: ▶ + 8b. Interest: ▶ =                      | 8    | 00 |
| 9. Amount to be Credited                                | ▶ 9  | 00 |
| 10. Amount to be Refunded                               | ▶ 10 | 00 |
| 11. <b>Total Amount Due</b> (Add Line 7 and Line 8.)    | ▶ 11 | 00 |

Check if you no longer are making payments of nonpayroll amounts and enter date of last payment: \_\_\_\_\_.

I declare under penalty of law 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.

**Mail to:** Department of Revenue Services  
 PO Box 2931  
 Hartford CT 06104-2931

Signature \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

## Instructions for Front of Form CT-945 (DRS)

### Line 1

Enter the total amount of nonpayroll amounts, whether or not nonpayroll amounts subject to Connecticut income tax withholding, paid to all recipients during the 2006 calendar year.

### Line 2

Enter the total amount of nonpayroll amounts subject to Connecticut income tax withholding paid during the 2006 calendar year.

### Line 3

Enter the total amount of Connecticut income tax withheld on nonpayroll amounts subject to Connecticut income tax withholding during the 2006 calendar year.

### Line 4

Enter the amount to be credited from Line 9 of your Form CT-945 for the prior year; however, if any portion of that amount was withheld by you from recipients during a prior year and not repaid by you to those recipients prior to the end of that year or prior to filing the return for that year (whichever is earlier), subtract that portion from the amount to be credited on Line 9 of your Form CT-945 for the prior calendar year and enter the difference on Line 4.

### Line 5

Enter the sum of all payments made for the 2006 calendar year.

### Line 6

Add Line 4 and Line 5. This is the total of your payments and credits for the 2006 calendar year.

### Line 7

Subtract Line 6 from Line 3 and enter the difference on Line 7. This is the amount of tax due or credit. If Line 3 is more than Line 6, complete Line 8a and Line 8b if necessary. If Line 6 is more than Line 3, complete Line 9 and Line 10.

### Line 8

Enter penalty on Line 8a and interest on Line 8b and enter the total on Line 8.

**Late Payment Penalty:** The penalty for paying all or a portion of the tax late is 10% (.10) of the tax paid late.

**Late Filing Penalty:** If no tax is due, DRS may impose a \$50 penalty for the late filing of any return.

**Interest:** Interest will be computed on the tax paid late at the rate of 1% (.01) per month or fraction of a month.

### Line 9

Enter the amount from Line 7 to be credited to the 2007 calendar year; however, if any portion of that amount was withheld by you from recipients during the 2006 calendar year and not repaid by you to those recipients prior to the end of the 2006 calendar year or prior to filing this return (whichever is earlier), subtract that portion from the amount on Line 7 to be credited to the 2007 calendar year and enter the difference on Line 9.

### Line 10

Enter the amount from Line 7 to be refunded; however, if any portion of that amount was withheld by you from recipients during the 2006 calendar year and not repaid by you to those recipients prior to the end of the 2006 calendar year or prior to filing this return (whichever is earlier), subtract that portion from the amount on Line 7 to be refunded, and enter the difference on Line 10.

### Line 11

If the amount on Line 7 is a net tax due, add Line 7 and Line 8. This is the total amount now due.

## Forms and Publications

Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site: [www.ct.gov/DRS](http://www.ct.gov/DRS)
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. (Only forms, not publications, are available through TAX-FAX)
- **Telephone:** Call **860-297-4753** (from anywhere) or 1-800-382-9463 (in-state) and select Option 2 from a touch-tone phone.

## Electronic Filing Option

**By Internet:** [www.ct.gov/DRS](http://www.ct.gov/DRS)

The Connecticut *Fast-File* program is a fast, easy, secure, and paperless way to file and pay business taxes electronically over the Internet. Any business registered with Department of Revenue Services (DRS) for admissions and dues tax, attorney occupational tax, business entity tax, business use tax, estimated corporation business tax, nursing home user fee, room occupancy tax, sales and use tax, and withholding tax (payroll and nonpayroll), may be able to *Fast-File* its business tax returns.

For more information on the Connecticut *Fast-File* Program, visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register OnLine* or call the DRS Forms Unit at 860-297-4753 and request **TPG-129, Fast-File in Five**.



## Instructions for Back of Form CT-945 (DRS)

**Quarterly remitters:** Enter the total amount of the liability for each quarter on Line 6 for March, June, September, and December. Add the four amounts from each Line 6 and enter the total on Line 7. This should equal Line 3 on the front of Form CT-945.

**Monthly remitters:** Enter the total amount of the liability for each month on Line 6 of that month. Add the amounts from each Line 6 for January through December and enter the total on Line 7. This should equal Line 3 on the front of Form CT-945.

**Weekly remitters:** Enter the liability for each week on Lines 1 through 5 for each month. Enter the total for the month on Line 6. Add the amounts from each Line 6 and enter the total on Line 7. This should equal Line 3 on the front of Form CT-945.

### Monthly Summary of Connecticut Tax Liability (Show tax liability here, not deposits. See instructions.)

| January                               | February | March     | April   | May      | June      |
|---------------------------------------|----------|-----------|---------|----------|-----------|
| 1                                     | 1        | 1         | 1       | 1        | 1         |
| 2                                     | 2        | 2         | 2       | 2        | 2         |
| 3                                     | 3        | 3         | 3       | 3        | 3         |
| 4                                     | 4        | 4         | 4       | 4        | 4         |
| 5                                     | 5        | 5         | 5       | 5        | 5         |
| 6                                     | 6        | 6         | 6       | 6        | 6         |
| July                                  | August   | September | October | November | December  |
| 1                                     | 1        | 1         | 1       | 1        | 1         |
| 2                                     | 2        | 2         | 2       | 2        | 2         |
| 3                                     | 3        | 3         | 3       | 3        | 3         |
| 4                                     | 4        | 4         | 4       | 4        | 4         |
| 5                                     | 5        | 5         | 5       | 5        | 5         |
| 6                                     | 6        | 6         | 6       | 6        | 6         |
| <b>7 Total Liability for the Year</b> |          |           |         |          | <b>00</b> |

# Form CT-941X



(Rev. 12/04)

## Amended Connecticut Reconciliation of Withholding (Important: See instructions on back before completing this return.)

|                             |                                     |
|-----------------------------|-------------------------------------|
| Name of Employer            | Connecticut Tax Registration Number |
| Address (Number and Street) | Federal Employer ID Number          |
| City, Town, or Post Office  | State ZIP Code                      |

Name of form being amended (check one):  Form CT-941  Form CT-945  Form CT-941 (DRS/P) Household Employer

Quarter being amended (**Form CT-941 filers only**, check one) and enter calendar year (**all filers**):

1st Quarter      2nd Quarter      3rd Quarter      4th Quarter      Calendar Year

January - March     April - June     July - September     October - December

|  | AMOUNT AS ORIGINALLY REPORTED ON CT-941 OR CT-945 | NET CHANGE (Increase or Decrease) | CORRECTED AMOUNT |
|--|---|-----------------------------------|------------------|
| 1. Enter gross wages from Form CT-941, Line 1 or gross nonpayroll amounts from Form CT-945, Line 1..... 1                      |   |                                   |                  |
| 2. Enter gross <b>CT</b> wages from Form CT-941, Line 2 or gross <b>CT</b> nonpayroll amounts from Form CT-945, Line 2 ..... 2 |   |                                   |                  |
| 3. Enter <b>CT</b> tax withheld from Form CT-941, or Form CT-945, Line 3 ..... 3   |   |                                   |                  |
| 4. Enter credit from prior quarter, if any, of the same calendar year ( <b>Form CT-941 filers only</b> ) ..... 4               |   |                                   |                  |
| 5. Deposits made with Form CT-WH (Form CT-941) or Form CT-8109 (Form CT-945) ..... 5   |   |                                   |                  |
| 6. Amount paid with Form CT-941, Form CT-945, or Form CT-941 (DRS/P) ..... 6   |   |                                   |                  |
| 7. Total payments (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 7 ..... 9   |   |                                   |                  |
| 10. Net tax due or (credit) (Subtract Line 9 from Line 3) ..... 10   |   |                                   |                  |
| 11. Interest on net tax due ..... 11   |   |                                   |                  |
| 12. Total amount due or (credit) (Add Line 10 and Line 11) ..... 12  |   |                                   |                  |

**Overpayment:** If amount on Line 12 is a credit, enter the overpayment amount here ► \$ \_\_\_\_\_ and check if:

Applied to next return **or**  Refunded

**Declaration:** I declare that (check the appropriate box)

All overwithheld Connecticut income taxes for the current calendar year were repaid to employees prior to the end of the current calendar year. (You must keep in your records each employee's written receipt showing the date and amount of repayment.)

None of this refund or credit was withheld from employees.

**If Line 12 shows an amount due**, make check payable to: Commissioner of Revenue Services. **Write your CT Tax Registration Number on your check.**

**Mail to:** Department of Revenue Services  
State of Connecticut  
PO Box 2931  
Hartford CT 06104-2931

**Attach a copy of all applicable schedules and forms.**

I further declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

|                  |                           |      |                            |
|------------------|---------------------------|------|----------------------------|
| <b>Sign Here</b> | Signature of Employer     | Date |                            |
|                  | Paid Preparer's Signature | Date | Federal Employer ID Number |
|                  | Firm Name and Address     |      |                            |

**Complete explanation of changes section on reverse.**

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## Explanation to Changes to the Connecticut 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.

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## Form CT-941X Instructions Amended Connecticut Reconciliation of Withholding

**Important:** This form must be filed before the end of the current calendar year to correct Connecticut income tax withholding errors made during the same calendar year. This form may not be filed after the end of the calendar year to correct Connecticut income tax withholding errors made during that calendar year unless to correct an **administrative error**.

### Purpose

Use **Form CT-941X** to correct **Form CT-941**, *Connecticut Quarterly Reconciliation of Withholding*, **Form CT-945**, *Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts*, or **Form CT-941 (DRS/P)**, *Connecticut Quarterly Reconciliation of Withholding for Household Employers*, as it was originally filed. Form CT-941X can only be used to correct a single period. If additional periods require correction, or if you are amending for more than one type of return, a separate Form CT-941X must be completed for each period and for each type of return that you are amending.

To claim a refund for the overpayment of Connecticut withholding tax, Form CT-941X must be filed within three years from the due date of the original return. If you filed federal Form 941c, you must file Form CT-941X no later than 90 days after the date of filing the amended federal return. If the tax reported on your federal Form 941 or federal Form 945 is changed or corrected by the Internal Revenue Service or other competent authority, you must file Form CT-941X to report the change or correction no later than 90 days after the final determination of such change or correction.

**Note:** Form CT-941X is not used to correct any mistakes made on **Form CT-W3**, *Connecticut Annual Reconciliation of Withholding*, or **Form CT-1096**, *Connecticut Annual Summary and Transmittal of Information Returns*. To correct any errors made on Form CT-W3 or Form CT-1096, you must submit a revised Form CT-W3 or Form CT-1096 clearly labeled "AMENDED." The total amounts reported for Connecticut tax withheld on Line 3 of Form(s) CT-941, Form CT-945, or if applicable, Form(s) CT-941X, for the calendar year must agree with the total amount reported on Form CT-W3, Line 1, or Form CT-1096, Line 1, or both. The total amounts reported for gross Connecticut wages or nonpayroll amounts on Form(s) CT-941, Form CT-945, Line 2, or if applicable, Form(s) CT-941X, Line 2, for the calendar year must agree with total Connecticut wages reported on Form CT-W3, Line 2, or total nonpayroll amounts reported on Form CT-1096, Line 2, or both.

### Information Section

Enter the name of the employer, address, Connecticut Tax Registration Number, and Federal Employer Identification Number in the spaces provided. Check the appropriate box to indicate the type of quarterly return you are amending. Also, check the appropriate box and enter the calendar year to identify the quarterly return being amended.

### Line Instructions

In the first column, enter the amount reported on the original **Form CT-941**, **Form CT-945**, or **Form CT-941(DRS/P)**.

In the second column, enter the net increase or net decrease for each line which has been changed. (Any decrease should be in parentheses.)

In the third column, enter the amount that should have been reported on the original **Form CT-941**, **Form CT-945**, or **Form CT-941(DRS/P)**.

**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 of a month, from the due date.

**Line 12:** Add Line 10 and Line 11. Enter total.

### 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 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.

### For Further Information:

Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

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

# Form CT-W3 (DRS)

# 2005

(Rev. 12/04)

## Connecticut Annual Reconciliation of Withholding

### General Instructions

**Purpose:** The attached **Form CT-W3 (DRS)**, *Connecticut Annual Reconciliation of Withholding*, may be used by new employers or employers who have not received the *Employer's Withholding Remittance Coupon Book* for 2005.

**Annual Reconciliation:** Form CT-W3 is **due the last day of February**. No payment is to be made with this return. Employers must file every "state copy" of federal Form W-2 with the annual reconciliation, even if no Connecticut income tax was withheld.

**Rounding Off to Whole Dollars:** You must round off cents to the nearest whole dollar on your returns and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

### Form CT-W3 Instructions

#### Line 1

Enter the total amount of **Connecticut** income tax withheld from wages during the 2005 calendar year. (This should equal the Total Line on the back of this return.)

#### Line 2

Enter the gross **Connecticut wages** paid during the 2005 calendar year. **Connecticut wages** are all wages paid to employees who are residents of Connecticut, even if those wages are paid for work performed outside Connecticut by those resident employees, and wages paid to employees who are nonresidents of Connecticut, if those wages are paid for work performed in Connecticut by those nonresident employees.

#### Line 3

Indicate the number of W-2 forms submitted with this return.

### Reminders:

- Be sure to complete all requested information on the back of this return.
- **Do not send a payment with this return.**
- All payments must be made using Forms **CT-WH** and **CT-941**.
- Sign and date the return in the space provided.
- 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 the Department of Revenue Services (DRS). However, if you file 24 or fewer W-2 forms with DRS, you may be excused from the magnetic media filing requirements without obtaining a waiver.  
For new information regarding magnetic media reporting requirements, visit the DRS Web site at **www.ct.gov/DRS** or call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries by calling 860-297-4911.
- Mail your completed return, including W-2 forms, to: Department of Revenue Services, PO Box 2930, Hartford CT 06104-2930.

**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 return.

**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 return.

**SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. KEEP A COPY FOR YOUR RECORDS.**

| CT-W3 (DRS) Connecticut Annual Reconciliation of Withholding ▶ 2005 |                            |          |
|---|----------------------------|----------|
| Connecticut Tax Registration Number                                 | Federal Employer ID Number | Due Date |
| ▶   |                            |          |
| Enter name and address below. Please print or type.                 |                            |          |
| 1. Connecticut Tax Withheld From Wages (See instructions)           | ▶ 1.                       | 00       |
| 2. Total Connecticut Wages Reported                                 | ▶ 2.                       | 00       |
| 3. Number of W-2s Submitted   | ▶ 3.                       | 00       |

**Note: Do not send a payment with this return.**

Department of Revenue Services  
PO Box 2930  
Hartford CT 06104-2930

I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Signature \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

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.

**Complete for Each Period**

| PERIOD                     |             | CONNECTICUT INCOME<br>TAX WITHHELD FROM WAGES |
|----------------------------|-------------|---|
| January 1 -<br>March 31    | 1st Quarter |   |
| April 1 -<br>June 30       | 2nd Quarter |   |
| July 1 -<br>September 30   | 3rd Quarter |   |
| October 1 -<br>December 31 | 4th Quarter |   |
| <b>Total</b>               |             |   |

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 W-2 forms with DRS, you may be excused from the magnetic media filing requirements without obtaining a waiver.

For new information regarding magnetic media reporting requirements, visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries by calling 860-297-4911.

◀ **This should equal Line 1 on the front of this return.**



**Connecticut Annual Reconciliation of Withholding**

**General Instructions**

**Purpose:** The attached **Form CT-W3 (DRS)**, *Connecticut Annual Reconciliation of Withholding*, may be used by new employers or employers who have not received the *Employer's Withholding Remittance Coupon Book* for 2006.

**Annual Reconciliation:** Form CT-W3 is **due the last day of February**. No payment is to be made with this return. Employers must file every Copy 1 of federal Form W-2 with the annual reconciliation even if no Connecticut income tax was withheld.

**Rounding Off to Whole Dollars:** You must round off cents to the nearest whole dollar on your returns and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

If you do not round, DRS will disregard the cents.

**Form CT-W3 Instructions**

**Line 1**

Enter the total amount of **Connecticut** income tax withheld from wages during the 2006 calendar year. (This should equal the Total Line on the back of this return.)

**Line 2**

Enter the gross **Connecticut wages** paid during the 2006 calendar year. **Connecticut wages** are all wages paid to employees who are residents of Connecticut, even if those wages are paid for work performed outside Connecticut by those resident employees, and wages paid to employees who are nonresidents of Connecticut, if those wages are paid for work performed in Connecticut by those nonresident employees.

**Line 3**

Indicate the number of W-2 forms submitted with this return.

**Reminders:**

- Be sure to complete all requested information on the back of this return.
- **Do not send a payment with this return.**
- All payments must be made using Forms **CT-WH** and **CT-941**.
- Sign and date the return in the space provided.
- Send with Form CT-W3 every Copy 1 of federal Form W-2 reporting Connecticut wages paid during the calendar year. 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 the Department of Revenue Services (DRS). However, if you file 24 or fewer W-2 forms with DRS, you may be excused from the magnetic media filing requirements without obtaining a waiver.  
For new information regarding magnetic media reporting requirements, visit the DRS Web site at **www.ct.gov/DRS** or call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries by calling 860-297-4911.
- Mail your completed return, including W-2 forms, to: Department of Revenue Services, PO Box 2930, Hartford CT 06104-2930.

**Household employers:** A household employer **not** registered with DRS for Connecticut income tax withholding purposes should enter the words "HOUSEHOLD EMPLOYER" in the space reserved for the Connecticut Tax Registration Number on this return.

**Agricultural employers:** An agricultural employer **not** registered with DRS for Connecticut income tax withholding purposes should write the words "AGRICULTURAL EMPLOYER" in the space reserved for the Connecticut Tax Registration Number on this return.

SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. KEEP A COPY FOR YOUR RECORDS.

| CT-W3 (DRS) Connecticut Annual Reconciliation of Withholding ▶ 2006 |                            |          |
|---|----------------------------|----------|
| Connecticut Tax Registration Number                                 | Federal Employer ID Number | Due Date |
| ▶   |                            |          |
| Enter name and address below. Please print or type.                 |                            |          |
| 1. Connecticut Tax Withheld From Wages (See instructions.) ▶ 1.     |                            | 00       |
| 2. Total Connecticut Wages Reported ▶ 2.                            |                            | 00       |
| 3. Number of W-2s Submitted ▶ 3.                                    |                            |          |

**Note: Do not send a payment with this return.**

Department of Revenue Services  
PO Box 2930  
Hartford CT 06104-2930

- 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.

I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Signature \_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_

**Complete for Each Period**

| PERIOD                     |             | CONNECTICUT INCOME TAX WITHHELD FROM WAGES |
|----------------------------|-------------|--|
| January 1 -<br>March 31    | 1st Quarter |  |
| April 1 -<br>June 30       | 2nd Quarter |  |
| July 1 -<br>September 30   | 3rd Quarter |  |
| October 1 -<br>December 31 | 4th Quarter |  |
| <b>Total</b>               |             | 00   |

Include Copy 1 of all wage and tax statements 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 W-2 forms with DRS, you may be excused from the magnetic media filing requirements without obtaining a waiver.

For new information regarding magnetic media reporting requirements, visit the DRS Web site at **www.ct.gov/DRS** or call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries by calling 860-297-4911.

◀ This should equal Line 1 on the front of this return.

# Form CT-W4

## Employee's Withholding Certificate

Complete this form so your employer can withhold the correct amount of **Connecticut** income tax from your wages.

**Instructions:**

- Go to the chart below that describes the filing status you expect to report on your federal income tax return. (Armed Forces Personnel and Veterans, see *Special Instructions for Armed Forces Personnel and Veterans*, Page 2. Civil Unions see *Civil Union*, Page 2.)
- Choose the statement that best describes your gross income. (See *Gross Income*, Page 2) Enter the *Withholding Code* in Step 2, Line 1.
- Complete Step 2. Sign, make a copy for yourself, and return the original to your employer.
- For more information, see *Employee Instructions*, Page 2.

**Step 1 - Determine your Withholding Code.**

| Married or Civil Union Filing Jointly  | Withholding Code | Single  | Withholding Code |
|--|------------------|---|------------------|
| Our expected combined annual gross income is <b>less</b> than or equal to \$24,000 and no withholding is necessary.  | E                | My expected annual gross income is <b>less</b> than or equal to \$12,625 and no withholding is necessary. | E                |
| Our expected combined annual gross income is <b>greater</b> than \$24,000 and less than or equal to \$100,500. (See <i>Special Rules for Certain Married or Civil Union Individuals</i> , Page 2.) | A                | My expected annual gross income is <b>greater</b> than \$12,625.  | F                |
| My spouse is <b>not</b> employed and our expected combined annual gross income is <b>greater</b> than \$24,000.  | C                | I have significant nonwage income and wish to avoid having too little tax withheld.                       | D                |
| My spouse is employed and our expected combined annual gross income is <b>greater</b> than \$100,500.  | D                | I am a nonresident of Connecticut with substantial other income.  | D                |
| I have significant nonwage income and wish to avoid having too little tax withheld.  | D                | <b>Head of Household</b>  |                  |
| I am a nonresident of Connecticut with substantial other income.   | D                | My expected annual gross income is <b>less</b> than or equal to \$19,000 and no withholding is necessary. | E                |
|  |                  | My expected annual gross income is <b>greater</b> than \$19,000.  | B                |
|  |                  | I have significant nonwage income and wish to avoid having too little tax withheld.                       | D                |
|  |                  | I am a nonresident of Connecticut with substantial other income.  | D                |

| Married or Civil Union Filing Separately  | Withholding Code |
|---|------------------|
| My expected annual gross income is <b>less</b> than or equal to \$12,000 and no withholding is necessary. | E                |
| My expected annual gross income is <b>greater</b> than \$12,000.  | A                |
| I have significant nonwage income and wish to avoid having too little tax withheld.                       | D                |
| I am a nonresident of Connecticut with substantial other income.  | D                |

**Step 2 - Complete Lines 1 through 11.**

**Please Print Clearly**

1. Withholding Code (Enter *Withholding Code* letter chosen from Step 1 above.) ..... 1.
2. Additional withholding amount per pay period, if any (See instructions on Page 3.) ..... 2.  **.00**
3. Reduced withholding amount per pay period, if any (See instructions on Page 3.) ..... 3.  **.00**

4. First Name  MI  Last Name

5. Home Address  6. Your Social Security Number  -  -

7. City/Town  8. State  9. Zip Code  -

**Declaration:** I declare under penalty of law that I have examined this certificate and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for reporting false information is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

10. Employee's Signature  11. Date        
M M D D Y Y

**Employers Must Complete Items 12 through 21.** Please print clearly.

12. Is this a new or rehired employee? Yes  No  If Yes, provide the date of hire        
M M D D Y Y

13. Employer's Business Name  14. Connecticut Tax Registration Number  -

15. Employer's Business Address  16. Federal Employer Identification Number  -

17. City/Town  18. State  19. Zip Code  -

20. Contact Person  21. Telephone Number  -  -

**Purpose:** Form CT-W4 provides your employer with the necessary information to withhold the correct amount of Connecticut income tax from your wages to ensure that you will not be underwithheld or overwithheld. In order for your employer to withhold Connecticut income tax from your wages, you must complete Form CT-W4, and provide it to your employer(s). You are expected to pay Connecticut income tax as income is earned or received during the year. You should complete a new Form CT-W4 at least once a year or if your tax situation changes.

### EMPLOYEE INSTRUCTIONS

**Gross Income:** For Form CT-W4 purposes, *gross income* means all income from all sources, whether received in the form of money, goods, property, or services, not exempt from federal income tax, and includes any additions to income from *Schedule 1* of Form CT-1040 or Form CT-1040NR/PY.

**Filing Status:** Generally, the filing status you expect to report on your Connecticut income tax return is the same as the filing status you expect to report on your federal income tax return. However, special rules apply to married individuals who file a joint federal return, but have a different residency status. Special rules also apply to the parties to a civil union recognized under Connecticut law. Nonresidents and part year residents should see the instructions to Form CT-1040NR/PY.

**Civil Union:** Effective for taxable years beginning on or after January 1, 2006, parties to a civil union recognized under Connecticut law must file their Connecticut income tax returns as if they were entitled to the same filing status accorded spouses under the Internal Revenue Code. This means, for purposes of calculating their Connecticut income tax liability, parties to a civil union must recompute their federal income tax liability as married filing jointly or married filing separately. Parties to a civil union may not calculate their Connecticut income tax liability as single or head of household filers (although this will be their filing status for federal income tax purposes).

**General Instructions:** Complete the certificate on Page 1, Lines 1 through 11, sign it, and return it to your employer. Keep a copy for your records.

**Check Your Withholding:** You could be underwithheld if any of the following apply:

- You have more than one job;
- You qualify under the *Special Rules for Certain Married or Civil Union Individuals* and do not use the *Supplemental Table* on Pages 3 and 4; or
- You have substantial nonwage income.

If during the taxable year your circumstances change, such as, you receive a bonus or your filing status changes, you must furnish your employer with a new Form CT-W4 within ten days of the change to avoid underwithholding. If you could be underwithheld, you should consider adjusting your withholding or making estimated payments on Form CT-1040ES, *Estimated Connecticut Income Tax Payment Coupon for Individuals*. You may also wish to select *Withholding Code "D"* to elect the highest level of withholding. If you owe \$1,000 or more in Connecticut income tax over and above what has been withheld from your income for the prior taxable year, you may be subject to interest on the underpayment at the rate of 1% per month or fraction of a month. To help you determine if you have enough withholding, see *Informational Publication 2006(7)*, *Is My Connecticut Withholding Correct?*

### Nonresident Employees Working Partly Within and Partly Outside of Connecticut

If you work partly within and partly outside of Connecticut for the same employer, you should also complete Form CT-W4NA, *Employee's Withholding or Exemption Certificate - Nonresident Apportionment*, and provide it to your employer. The information on Form CT-W4NA together with the information on Form CT-W4 will help your employer determine how much to withhold from your wages for services performed within Connecticut. Form CT-W4NA is available from your employer or from the Department of Revenue Services (DRS) at [www.ct.gov/DRS](http://www.ct.gov/DRS)

**Note:** Any nonresident who expects to have no Connecticut income tax liability should choose *Withholding Code "E."*

### Special Rules for Certain Married or Civil Union Individuals

If you are a married or civil union individual filing jointly and you and your spouse both select *Withholding Code "A"*, you may have too much or too little Connecticut income tax withheld from your pay. This is because the phaseout of the personal exemption and credit is based on your combined

incomes. The withholding tables cannot reflect your exact withholding requirement without considering the income of your spouse. To minimize this problem, use the *Supplemental Table* on Pages 3 and 4 to adjust your withholding. You are not required to use this table. **Do not** use the supplemental table to adjust your withholding if you use the worksheet in *Informational Publication 2006(7)*.

### Special Instructions for Armed Forces Personnel and Veterans

If you are a Connecticut resident, your Armed Forces pay is subject to Connecticut income tax withholding unless you qualify as a nonresident for Connecticut income tax purposes. See *Informational Publication 2006(9)*, *Connecticut Income Tax Information for Armed Forces Personnel and Veterans*, for that criteria. If you do not meet the criteria, complete Form CT-W4 following the instructions on Page 1. If you meet the nonresident criteria, you may request that no Connecticut income tax be withheld from your Armed Forces pay by entering Withholding Code "E" on Form CT-W4, Line 1 and filing the form with your Armed Forces finance officer.

### EMPLOYER INSTRUCTIONS

For any employee who does not complete Form CT-W4, you are required to withhold at the highest rate.

You are required to keep a Form CT-W4 in your files for each employee. See *Connecticut Circular CT, Employer's Tax Guide*, for complete instructions.

You must also file copies of Form CT-W4 with DRS and the 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 DRS for certain employees claiming "E" (no withholding is necessary). See *Connecticut Circular CT, Employer's Tax Guide*, for further information. Mail copies of Forms CT-W4 meeting the conditions listed in *Connecticut Circular CT, Employer's Tax Guide* with Form CT-941, *Connecticut Quarterly Reconciliation of Withholding*, to DRS.

### 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 six months.

Conn. Gen. Stat. §31-254(b) requires employers with offices in Connecticut or transacting business in Connecticut to report names, addresses, and Social Security Numbers of new employees to DOL within 20 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 DOL at the address listed below or FAX to the number listed below.

DOL 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 DOL at 860-263-6310 or visit the DOL Web site at [www.ctdol.state.ct.us](http://www.ctdol.state.ct.us)

For new or rehired employees; send or fax Form CT-W4 to:

**CT Department of Labor, Office of Research, Form CT-W4  
200 Folly Brook Boulevard, Wethersfield CT 06109; or**

**Fax: 1-800-816-1108.**

To report via the Internet, visit [www.ctnewhires.com](http://www.ctnewhires.com)

### FOR FURTHER INFORMATION

Call DRS Monday through Friday:

**1-800-382-9463** (in-state), or **860-297-5962** (from anywhere)

**TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling 860-297-4911.

**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)
- **DRS TAX-FAX:** Call 860-297-5698 from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX-FAX.
- **Telephone:** Call 860-297-4753 (from anywhere), or 1-800-382-9463 (in-state) and select **Option 2** from a touch-tone phone.

### Supplemental Table for Married or Civil Union Couples Filing Jointly - Effective January 1, 2006

For married or civil union couples who both select *Withholding Code "A"* on Form CT-W4 (combined income is \$100,500 or less).

#### INSTRUCTIONS

1. Reading across the top of the table select the approximate annual wage income of one spouse. Reading down the left column select the approximate annual wage income of the other spouse. See Page 4 for the continuation of this table.

2. At the intersection of the two numbers is an adjustment amount. This is a yearly adjustment amount.

3. To calculate the adjustment for each pay period, complete the following worksheet.

A. Adjustment amount 3A. \_\_\_\_\_

B. Pay periods in a year (See pay period table) 3B. \_\_\_\_\_

C. Pay period adjustment (Divide Line 3A by Line 3B) 3C. \_\_\_\_\_

4. If the adjustment is positive, enter the adjustment amount from Line 3C, on Form CT-W4, Line 2 of one spouse. If the adjustment is negative, enter the adjustment amount in brackets from Line 3C, on Form CT-W4, Line 3 of one spouse.

| If you are paid:   | Pay periods in a year: |
|--------------------|------------------------|
| Weekly .....       | 52                     |
| Biweekly .....     | 26                     |
| Semi-monthly ..... | 24                     |
| Monthly .....      | 12                     |

| 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)   | (99)   | (156)  | (248)  | (318)  | (485)  |
| 6,000         | 0       | 0       | 0       | 0     | 0      | 0      | (15)   | (42)   | (99)   | (141)  | (225)  | (295)  | (414)  |
| 9,000         | 0       | 0       | 0       | 0     | 0      | 0      | (15)   | (35)   | (77)   | (119)  | (182)  | (192)  | (308)  |
| 12,000        | 0       | 0       | 0       | 0     | 0      | 0      | 0      | (12)   | (54)   | (48)   | (60)   | (106)  | (249)  |
| 15,000        | (23)    | (23)    | (23)    | (23)  | (15)   | 0      | 0      | 9      | 27     | 36     | (24)   | (70)   | (162)  |
| 18,000        | (99)    | (99)    | (99)    | (84)  | (69)   | (54)   | (6)    | 54     | 36     | 18     | (42)   | 20     | (111)  |
| 21,000        | (203)   | (195)   | (180)   | (165) | (129)  | (54)   | (3)    | 9      | (9)    | 24     | 27     | 10     | (87)   |
| 24,000        | (325)   | (310)   | (295)   | (232) | (145)  | (106)  | (82)   | (70)   | 20     | 14     | 0      | 0      | (12)   |
| 27,000        | (586)   | (550)   | (475)   | (409) | (370)  | (331)  | (256)  | (181)  | (170)  | (142)  | (113)  | (6)    | 25     |
| 30,000        | (792)   | (705)   | (666)   | (627) | (588)  | (441)  | (405)  | (347)  | (319)  | (206)  | (87)   | 20     | 18     |
| 33,000        | (956)   | (917)   | (878)   | (788) | (686)  | (618)  | (548)  | (447)  | (312)  | (156)  | (75)   | 20     | 18     |
| 36,000        | (1,167) | (1,128) | (981)   | (930) | (845)  | (760)  | (605)  | (414)  | (279)  | (156)  | (75)   | 20     | 18     |
| 39,000        | (1,193) | (1,091) | (1,023) | (938) | (810)  | (618)  | (420)  | (267)  | (144)  | (21)   | 60     | 155    | 153    |
| 42,000        | (1,200) | (1,115) | (1,030) | (860) | (642)  | (450)  | (285)  | (132)  | (9)    | 114    | 195    | 290    | 288    |
| 45,000        | (1,208) | (1,080) | (888)   | (675) | (495)  | (315)  | (150)  | 3      | 126    | 249    | 330    | 425    | 423    |
| 48,000        | (1,130) | (912)   | (720)   | (540) | (360)  | (180)  | (15)   | 138    | 261    | 384    | 465    | 560    | 468    |
| 51,000        | (1,086) | (906)   | (726)   | (546) | (366)  | (186)  | (21)   | 132    | 255    | 378    | 414    | 419    | 327    |
| 54,000        | (1,060) | (880)   | (700)   | (520) | (340)  | (160)  | 5      | 158    | 281    | 314    | 305    | 310    | 218    |
| 57,000        | (940)   | (760)   | (580)   | (400) | (220)  | (40)   | 125    | 233    | 266    | 299    | 290    | 295    | 203    |
| 60,000        | (820)   | (640)   | (460)   | (280) | (100)  | 80     | 155    | 218    | 251    | 284    | 275    | 280    | 188    |
| 63,000        | (700)   | (520)   | (340)   | (160) | (25)   | 65     | 140    | 203    | 236    | 269    | 260    | 265    | 173    |
| 66,000        | (580)   | (400)   | (220)   | (130) | (40)   | 50     | 125    | 188    | 221    | 254    | 245    | 250    | 158    |
| 69,000        | (460)   | (325)   | (235)   | (145) | (55)   | 35     | 110    | 173    | 206    | 239    | 230    | 235    | 143    |
| 72,000        | (430)   | (340)   | (250)   | (160) | (70)   | 20     | 95     | 158    | 191    | 224    | 215    | 220    | 308    |
| 75,000        | (445)   | (355)   | (265)   | (175) | (85)   | 5      | 80     | 143    | 176    | 209    | 289    | 478    | 578    |
| 78,000        | (460)   | (370)   | (280)   | (190) | (100)  | (10)   | 65     | 128    | 161    | 374    | 553    | 660    |        |
| 81,000        | (475)   | (385)   | (295)   | (205) | (115)  | (25)   | 50     | 202    | 419    | 644    |        |        |        |
| 84,000        | (490)   | (400)   | (310)   | (220) | (130)  | (40)   | 215    | 466    | 601    |        |        |        |        |
| 87,000        | (505)   | (415)   | (325)   | (235) | (56)   | 218    | 485    |        |        |        |        |        |        |
| 90,000        | (520)   | (430)   | (340)   | (70)  | 208    | 400    |        |        |        |        |        |        |        |
| 93,000        | (535)   | (356)   | (82)    | 200   |        |        |        |        |        |        |        |        |        |
| 96,000        | (370)   | (92)    | 100     |       |        |        |        |        |        |        |        |        |        |
| 99,000        | (100)   |         |         |       |        |        |        |        |        |        |        |        |        |

This table joins the table on Page 4.

**Supplemental Table for Married or Civil Union Couples Filing Jointly - Effective January 1, 2006**

For married or civil union couples who both select *Withholding Code "A"* on Form CT-W4 (combined income is \$100,500 or less)

| 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         | (647)  | (752)  | (866)  | (1,007) | (1,148) | (1,148) | (1,136) | (1,158) | (1,163) | (1,125) | (1,023) | (992)  | (1,002) |
| 6,000         | (525)  | (666)  | (807)  | (948)   | (981)   | (1,020) | (1,025) | (1,030) | (950)   | (822)   | (720)   | (722)  | (732)   |
| 9,000         | (467)  | (608)  | (698)  | (776)   | (888)   | (893)   | (855)   | (753)   | (630)   | (540)   | (450)   | (452)  | (462)   |
| 12,000        | (408)  | (441)  | (570)  | (665)   | (760)   | (680)   | (552)   | (450)   | (360)   | (270)   | (180)   | (182)  | (192)   |
| 15,000        | (258)  | (370)  | (465)  | (518)   | (506)   | (383)   | (293)   | (203)   | (113)   | (23)    | 68      | 66     | 56      |
| 18,000        | (224)  | (319)  | (329)  | (291)   | (279)   | (189)   | (99)    | (9)     | 81      | 171     | 261     | 259    | 249     |
| 21,000        | (158)  | (146)  | (113)  | (113)   | (113)   | (23)    | 68      | 158     | 248     | 338     | 428     | 426    | 371     |
| 24,000        | 8      | 20     | 20     | 20      | 20      | 110     | 200     | 290     | 380     | 470     | 560     | 468    | 368     |
| 27,000        | 7      | 7      | 7      | 7       | 7       | 97      | 187     | 277     | 367     | 412     | 412     | 320    | 220     |
| 30,000        | 0      | 0      | 0      | 0       | 0       | 90      | 180     | 270     | 270     | 270     | 270     | 178    | 78      |
| 33,000        | 0      | 0      | 0      | 0       | 0       | 90      | 135     | 135     | 135     | 135     | 135     | 43     | (57)    |
| 36,000        | 0      | 0      | 0      | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | (92)   | (192)   |
| 39,000        | 135    | 135    | 135    | 90      | 90      | 0       | 0       | 0       | 0       | 0       | 0       | 0      | (92)    |
| 42,000        | 270    | 270    | 180    | 90      | 90      | 0       | 0       | 0       | 0       | 0       | 0       | 0      | (92)    |
| 45,000        | 360    | 270    | 180    | 90      | 90      | 0       | 0       | 0       | 0       | 0       | 0       | 0      | (92)    |
| 48,000        | 360    | 270    | 180    | 90      | 90      | 0       | 0       | 0       | 0       | 0       | 0       | 0      | 88      |
| 51,000        | 219    | 129    | 39     | (51)    | (141)   | (141)   | (141)   | (141)   | (141)   | (52)    | 132     | 232    |         |
| 54,000        | 110    | 20     | (70)   | (160)   | (250)   | (250)   | (250)   | (250)   | (70)    | 118     | 220     |        |         |
| 57,000        | 95     | 5      | (85)   | (175)   | (265)   | (265)   | (176)   | 8       | 200     |         |         |        |         |
| 60,000        | 80     | (10)   | (100)  | (190)   | (280)   | (100)   | 88      | 190     |         |         |         |        |         |
| 63,000        | 65     | (25)   | (115)  | (116)   | (22)    | 170     |         |         |         |         |         |        |         |
| 66,000        | 50     | (40)   | 50     | 148     | 160     |         |         |         |         |         |         |        |         |
| 69,000        | 124    | 218    | 320    |         |         |         |         |         |         |         |         |        |         |
| 72,000        | 388    | 400    |        |         |         |         |         |         |         |         |         |        |         |

This table joins the table on Page 3.

## Employee's Withholding Certificate - Nonresident Apportionment

**Purpose:** Complete Form CT-W4NA if you are a nonresident who performs services partly within and partly outside of Connecticut for the same employer. The information on Form CT-W4NA, in addition to the information on Form CT-W4, *Employee's Withholding Certificate*, will assist your employer in withholding the correct amount of Connecticut income tax from your wages for services performed in Connecticut.

**For Assistance in Determining Your Residency Status:** See the instructions for Form CT-1040EZ, *Connecticut Resident EZ Income Tax Return*, Form CT-1040, *Connecticut Resident Income Tax Return*, or Form CT-1040NR/PY, *Connecticut Nonresident or Part-Year Resident Income Tax Return*.

**How Your Employer Will Calculate Your Withholding:** As a nonresident, your employer is required to withhold Connecticut income tax on all wages paid to you unless:

1. You have filed Form CT-W4NA with your employer; **or**
2. Your employer maintains adequate current records to accurately determine the amount of wages paid to you for the services performed within Connecticut.

If you have filed Form CT-W4NA, your employer will withhold Connecticut income tax from your wages based on the percentage of your services you estimate you will perform in Connecticut during the calendar year. Your employer will make necessary adjustments during the calendar year if your employer knows or has reason to know that the percentage of services you estimated on Form CT-W4NA is no longer correct. In making the adjustments, your employer will determine the percentage of wages paid to you for the performance of services within Connecticut by using the same percentage your wages derived from or connected with Connecticut sources bears to your total wages.

Your employer may determine the percentage of wages paid to you for services performed within Connecticut based on your Form CT-W4NA on file from the preceding calendar year. If reasonable, your employer will make any necessary adjustments during the calendar year if your employer knows or has reason to know that the percentage shown on Form CT-W4NA is no longer correct.

**When to File Form CT-W4NA:** You must complete Form CT-W4NA if any of the following is true for the calendar year:

- You are a nonresident who performs services partly within and partly outside of Connecticut for the same employer; **or**
- The percentage of services you perform within Connecticut has changed from the percentage you indicated on the most recent Form CT-W4NA on file with your employer; **or**
- Your residency status has changed from resident to nonresident.

**General Instructions:** Before completing Form CT-W4NA, review the information you have provided on Form CT-W4 and make any necessary changes. If you have not completed Form CT-W4, you must first complete and file it with your employer before completing Form CT-W4NA.

Complete the certificate below, sign it and return it to your employer.

**For Further Information:** Call the Department of Revenue Services (DRS) during business hours, Monday through Friday:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere).

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

**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX-FAX.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.

----- Cut here and give the certificate to your employer -----

State of Connecticut  
Department of Revenue Services

Employee's Withholding Certificate  
Nonresident Apportionment

Form CT-W4NA

|  |           |  |
|--|-----------|--|
| Your First Name and Middle Initial                         | Last Name | Your Social Security Number<br>____-____-____<br>: : :<br>____-____-____ |
| Home Address (number and street), Apartment Number, PO Box |           |  |
| City, Town, or Post Office                                 | State     | ZIP Code   |

I certify that I am not a resident of Connecticut and my residence is as stated above.

I certify that the percentage of my services performed in Connecticut during the calendar year is estimated to be .....  %

I will notify my employer within ten 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.

|                |      |
|----------------|------|
| Your Signature | Date |
|----------------|------|

**Employer:** You must withhold the applicable amount of Connecticut income tax from wages paid to employees who file this certificate. You must make necessary adjustments during the calendar year if you know or have reason to know the percentage of services your nonresident employee estimated on Form CT-W4NA is no longer correct. In making those adjustments, you must determine the percentage of wages paid to the employee for the performance of services within Connecticut by using the same percentage the employee's wages derived from or connected with Connecticut sources bears to the employee's total wages. If you maintain adequate current records to accurately determine the amount of the nonresident employee's wages paid to the employee for services performed within Connecticut, you may withhold Connecticut income tax from your employee's wages based on those records, whether or not your employee files Form CT-W4NA. For instructions refer to **Informational Publication 2006(1)**, *Connecticut Circular CT*. Keep this certificate with your records.

|                             |                                     |
|-----------------------------|-------------------------------------|
| Employer's Name and Address | Connecticut Tax Registration Number |
|-----------------------------|-------------------------------------|

# Form CT-1096 (DRS)

# 2005

## Connecticut Annual Summary and Transmittal of Information Returns

Please Read Instructions on Back Before Completing This Return.

### General Instructions

**Purpose:** The attached **Form CT-1096 (DRS)**, *Connecticut Annual Summary and Transmittal of Information Returns*, may be used by new payers or payers who have not received the *Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts* for 2005.

**Annual Summary:** Form CT-1096 must be filed by certain payers who are required to file federal Form 1096. Form CT-1096 is **due the last day of February**. No payment is to be made with this return.

**Rounding Off to Whole Dollars:** You must round off cents to the nearest whole dollar on your returns and schedules.

Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

- **Group the forms by form number and send each group with a separate Form CT-1096.**

- Mail your completed return to: Department of Revenue Services, PO Box 5081, Hartford CT 06102-5081.

### Line Instructions for Completing Form CT-1096

#### Line 1

Enter the total amount of Connecticut income tax withheld from Connecticut nonpayroll amounts during the calendar year. (This should equal the Total Line on the back of this return.) Nonpayroll amounts are the amounts required to be reported on Line 2.

#### Line 2

Enter the total amount of:

- Connecticut Lottery winnings paid to resident and nonresident individuals, as reported on federal Form W-2G, whether or not Connecticut income tax was withheld;
- Other gambling winnings paid to resident individuals, as reported on federal Form W-2G, whether or not Connecticut income tax was withheld;
- Property taxes paid to a Connecticut municipality on real estate, as reported on federal Form 1098, box 4;

- Miscellaneous payments made to resident individuals, or, where the payments relate to services performed wholly or partly within Connecticut, to nonresident individuals, as reported on federal Form 1099-MISC, whether or not Connecticut income tax was withheld;

- Distributions from pensions, annuities, retirement or profit-sharing plans, as reported on federal Form 1099-R, but only if Connecticut income tax was withheld;

- Proceeds from real estate transactions, as reported on Form 1099-S, but only real estate transactions in Connecticut; **and**

- Unemployment compensation payments, as reported on federal Form 1099-G, but only if Connecticut income tax was withheld.

Group the forms by form number and send each group with a separate Form CT-1096.

#### Line 3

Indicate the number of 1098, 1099, or, W-2G forms submitted with this return. Be sure to complete all required information on the back of this return

If you are **not** required to file federal Form 1096, you are **not** required to file Form CT-1096.

**SEPARATE HERE AND MAIL COUPON TO DEPARTMENT OF REVENUE SERVICES. MAKE A COPY FOR YOUR RECORDS.**

### CT-1096 (DRS) Connecticut Annual Summary and Transmittal of Information Return ▶ 2005

|   |                            |          |
|---|----------------------------|----------|
| Connecticut Tax Registration Number<br>▶                                    | Federal Employer ID Number | Due Date |
| Enter name and address below. Please print or type.                         |                            |          |
| 1. Connecticut income tax withheld from Connecticut nonpayroll amounts ▶ 1. |                            |          |
| 2. Total nonpayroll amounts reported with Form CT-1096 ▶ 2.                 |                            |          |
| 3. Number of 1098s, 1099s, or W-2Gs submitted ▶ 3.                          |                            |          |

**Note: Do not send a payment with this return.**

Mail to: Department of Revenue Services  
 PO Box 5081  
 Hartford CT 06102-5081

I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Signature \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_



## Reminders

- Be sure to complete all requested information.
- **Do not send a payment with this return.**
- All payments must be made using **Form CT-8109**, *Connecticut Withholding Tax Payment Form For Nonpayroll Amounts*, and **Form CT-945**, *Connecticut Annual Reconciliation of Withholding For Nonpayroll Amounts*.
- Sign and date the return in the space provided.
- Federal forms 1098, 1099, and W-2G must be filed with DRS 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 return.
- If you are required by the IRS to file copies of federal Forms 1098, 1099, or W-2G on magnetic media, you **must** file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms 1098, 1099, or W-2G with DRS, you may be excused from the magnetic media filing requirements for that particular type of information return without obtaining a waiver. For new information regarding magnetic media reporting requirements, visit the DRS Web site at **www.ct.gov/DRS** or call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users only may transmit inquiries by calling 860-297-4911.

## Complete for Each Period

| PERIOD   |                        | CONNECTICUT INCOME TAX WITHHELD FROM NONPAYROLL AMOUNTS |           |
|--|------------------------|---|-----------|
| January 1 -<br>March 31  | <b>1st<br/>Quarter</b> |   |           |
| April 1 -<br>June 30   | <b>2nd<br/>Quarter</b> |   |           |
| July 1 -<br>September 30   | <b>3rd<br/>Quarter</b> |   |           |
| October 1 -<br>December 31   | <b>4th<br/>Quarter</b> |   |           |
| <b>Total</b> (This should equal Line 1 on the front of this return.) |                        |   | <b>00</b> |

If you are required to file federal Form 1096, you must file Form CT-1096. Attach every "state copy" of the following:

- Federal Form W-2G reporting: Connecticut Lottery winnings paid to resident and nonresident individuals, whether or not Connecticut income tax was withheld; or other gambling winnings paid to resident individuals, whether or not Connecticut income tax was withheld;
- Federal Form 1098 reporting property taxes paid to a Connecticut municipality on real estate;
- Federal Form 1099-MISC reporting miscellaneous payments made: to resident individuals, or, where the payments relate to services performed wholly or partly within Connecticut, to nonresident individuals, whether or not Connecticut income tax was withheld;
- Federal Form 1099-R reporting distributions from pensions, annuities, retirement or profit-sharing plans, but only if Connecticut income tax was withheld;
- Federal Form 1099-S reporting proceeds from real estate transactions in Connecticut; **and**
- Federal Form 1099-G reporting unemployment compensation payments, but only if Connecticut income tax was withheld.

If you are required by the IRS to file copies of federal Forms 1098, 1099, or W-2G on magnetic media, you **must** file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms 1098, 1099, or W-2G, with DRS, you may be excused from the magnetic media filing requirements for that particular type of information return without obtaining a waiver.

For new information regarding magnetic media reporting requirements, visit the DRS Web site at **www.ct.gov/DRS** or call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries by calling 860-297-4911.

# Form CT-1096 (DRS)

# 2006

## Connecticut Annual Summary and Transmittal of Information Returns

Please Read Instructions on Back Before Completing This Return.

### General Instructions

**Purpose:** The attached **Form CT-1096 (DRS)**, *Connecticut Annual Summary and Transmittal of Information Returns*, may be used by new payers or payers who have not received the *Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts* for 2006.

**Annual Summary:** Form CT-1096 must be filed by certain payers who are required to file federal Form 1096. Form CT-1096 is **due the last day of February**. No payment is to be made with this return.

**Rounding Off to Whole Dollars:** You must round off cents to the nearest whole dollar on your returns and schedules. Round down to the next lowest dollar all amounts that include

1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

If you do not round, the Department of Revenue Services (DRS) will disregard the cents.

- **Group the forms by form number and send each group with a separate Form CT-1096.**
- Mail your completed return to: Department of Revenue Services, PO Box 5081, Hartford CT 06102-5081.

### Line Instructions for Form CT-1096

#### Line 1

Enter the total amount of income tax withheld from Connecticut nonpayroll amounts subject to Connecticut income tax withholding during the calendar year. (This should equal the Total Line on the back of this return.) Nonpayroll amounts subject to Connecticut income tax withholding are the amounts required to be reported on Line 2.

#### Line 2

Enter the total amount of:

- Connecticut Lottery winnings paid to resident and nonresident individuals, as reported on federal Form W-2G, whether or not Connecticut income tax was withheld;
- Other gambling winnings paid to resident individuals, as reported on federal Form W-2G, whether or not Connecticut income tax was withheld;
- Property taxes paid to a Connecticut municipality on real estate, as reported on federal Form 1098, box 4;

- Miscellaneous payments made to resident individuals, or, where the payments relate to services performed wholly or partly within Connecticut, to nonresident individuals, as reported on federal Form 1099-MISC, whether or not Connecticut income tax was withheld;
- Distributions from pensions, annuities, retirement, or profit-sharing plans, as reported on federal Form 1099-R, but only if Connecticut income tax was withheld;
- Proceeds from real estate transactions, as reported on Form 1099-S, but only real estate transactions in Connecticut; **and**
- Unemployment compensation payments, as reported on federal Form 1099-G, but only if Connecticut income tax was withheld.

Group the forms by form number and send each group with a separate Form CT-1096.

#### Line 3

Indicate the number of 1098, 1099, or W-2G forms submitted with this return. Be sure to complete all required information on the back of this return.

If you are **not** required to file federal Form 1096, you are **not** required to file Form CT-1096.

SEPARATE HERE AND MAIL COUPON TO THE DEPARTMENT OF REVENUE SERVICES. MAKE A COPY FOR YOUR RECORDS.

### CT-1096 (DRS) Connecticut Annual Summary and Transmittal of Information Return ▶ 2006

|   |                            |          |
|---|----------------------------|----------|
| Connecticut Tax Registration Number<br>▶                                    | Federal Employer ID Number | Due Date |
| Enter name and address below. Please print or type.                         |                            |          |
| 1. Connecticut income tax withheld from Connecticut nonpayroll amounts ▶ 1. |                            | 00       |
| 2. Total nonpayroll amounts reported with Form CT-1096 ▶ 2.                 |                            | 00       |
| 3. Number of 1098s, 1099s, or W-2Gs submitted ▶ 3.                          |                            |          |

**Note: Do not send a payment with this return.**

Mail to: Department of Revenue Services  
 PO Box 5081  
 Hartford CT 06102-5081

I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Signature \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

## Reminders

- Be sure to complete all requested information.
- **Do not send a payment with this return.**
- All payments must be made using **Form CT-8109**, *Connecticut Withholding Tax Payment Form for Nonpayroll Amounts*, and **Form CT-945**, *Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts*.
- Sign and date the return in the space provided.
- Federal forms 1098, 1099, and W-2G must be filed with DRS 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 return.
- If you are required by the IRS to file copies of federal Forms 1098, 1099, or W-2G on magnetic media, you **must** file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms 1098, 1099, or W-2G with DRS, you may be excused from the magnetic media filing requirements for that particular type of information return without obtaining a waiver. For new information regarding magnetic media reporting requirements, visit the DRS Web site at **www.ct.gov/DRS** or call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users only may transmit inquiries by calling 860-297-4911.

## Complete for Each Period

| PERIOD   |                        | CONNECTICUT INCOME TAX WITHHELD FROM NONPAYROLL AMOUNTS |           |
|--|------------------------|---|-----------|
| January 1 -<br>March 31  | <b>1st<br/>Quarter</b> |   |           |
| April 1 -<br>June 30   | <b>2nd<br/>Quarter</b> |   |           |
| July 1 -<br>September 30   | <b>3rd<br/>Quarter</b> |   |           |
| October 1 -<br>December 31   | <b>4th<br/>Quarter</b> |   |           |
| <b>Total</b> (This should equal Line 1 on the front of this return.) |                        |   | <b>00</b> |

If you are required to file federal Form 1096, you must file Form CT-1096. Attach every Copy 1 of the following:

- Federal Form W-2G reporting Connecticut Lottery winnings paid to resident and nonresident individuals, whether or not Connecticut income tax was withheld; or other gambling winnings paid to resident individuals, whether or not Connecticut income tax was withheld;
- Federal Form 1098 reporting property taxes paid to a Connecticut municipality on real estate;
- Federal Form 1099-MISC reporting miscellaneous payments made to resident individuals, or, where the payments relate to services performed wholly or partly within Connecticut to nonresident individuals, whether or not Connecticut income tax was withheld;
- Federal Form 1099-R reporting distributions from pensions, annuities, retirement, or profit-sharing plans, but only if Connecticut income tax was withheld;
- Federal Form 1099-S reporting proceeds from real estate transactions in Connecticut; **and**
- Federal Form 1099-G reporting unemployment compensation payments, but only if Connecticut income tax was withheld.

If you are required by the IRS to file copies of federal Forms 1098, 1099, or W-2G on magnetic media, you **must** file these forms on magnetic media with DRS. However, if you file 24 or fewer Forms 1098, 1099, or W-2G, with DRS, you may be excused from the magnetic media filing requirements for that particular type of information return without obtaining a waiver.

For new information regarding magnetic media reporting requirements, visit the DRS Web site at **www.ct.gov/DRS** or call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries by calling 860-297-4911.

# Form CT-4852

(Rev. 12/05)

## Substitute for Form W-2, Wage and Tax Statement, or Form 1099R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, Etc.

### Purpose

Complete **Form CT-4852**, if you have been unable to obtain (or have received an incorrect) Form W-2, Wage and Tax Statement, or Form 1099R (Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.) from an employer or payer and have notified the Internal Revenue Service. You must complete a separate Form CT-4852 for each missing or incorrect Form W-2 or Form 1099R.

### General Information

|                               |                   |                        |
|-------------------------------|-------------------|------------------------|
| First Name and Middle Initial | Last Name         | Social Security Number |
| Mailing Address               | Number and Street | Apt. No.               |
| City, Town, or Post Office    | State             | ZIP Code               |

### Substitute Form Information

1. **Please fill in the year at the end of this statement.** I have been unable to obtain (or have received an incorrect) Form W-2 or Form 1099R from my employer or payer named below. 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 \_\_\_\_\_ (year).

|  |   |   |                                  |
|--|---|---|----------------------------------|
| 2. Name, Address, City, State, and ZIP Code of Employer or Payer |   | 3. Connecticut Tax Registration Number of Employer or Payer (If known)    |                                  |
|  |   | 4. Federal Employer Identification Number of Employer or Payer (If known) |                                  |
| 5. Federal Income Tax Withheld                                   | 6. Wages, Tips, Other Compensation or Payments (See below.) | 7. Connecticut Income Tax Withheld  | 8. Connecticut Wages, Tips, Etc. |

Include in Box 6 and 8 the total of wages paid, noncash payments, tips reported, and all other compensation before deductions for taxes, insurance, etc.

9. How did you determine the amounts in Boxes 5 through 8 above? If you received a Form W-2 showing federal wages and federal income tax withheld, attach a copy to Form CT-4852. If you did not receive a Form W-2 but you file federal Form 4852 to report federal wages and federal tax withheld, attach a copy of federal Form 4852 to Form CT-4852. Do not attach Form CT-4852 to your Connecticut income tax return. Keep Form CT-4852 with your tax records. You may be asked by the Department of Revenue Services (DRS) to provide a copy of Form CT-4852 at a later date.

10. Give reason Form W-2, 1099R, or W-2C, Corrected Wage and Tax Statement, was not furnished by the employer, or payer, if known, and explain your efforts to get it.

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Signature \_\_\_\_\_ Date \_\_\_\_\_

## Form CT-8809

### Request for Extension of Time to File Informational Returns

*(For Forms W-2, W-2G, 1098, 1099-R, 1099-S, and 1099-MISC)*

|  |   |   |
|--|---|---|
| <b>Extension<br/>Request for<br/>Calendar<br/>Year</b> | 1. Filer or transmitter name and mailing address (number and street including room or suite number, or PO box, city, state, and ZIP code) | 2. Connecticut Tax Registration Number    |
|  |   | 3. Federal Employer Identification Number |
| 200__  | 4. Person to be contacted about this request  | 5. Telephone Number<br>(     )            |

6. Check the boxes that apply. You need not enter the number of returns.

| Type of<br>Return | Paper<br>Returns<br>(✓) | Magnetic<br>Media<br>(✓) | Type of<br>Return | Paper<br>Returns<br>(✓) | Magnetic<br>Media<br>(✓) | Type of<br>Return | Paper<br>Returns<br>(✓) | Magnetic<br>Media<br>(✓) | Combined<br>Filer<br>(✓) |
|-------------------|-------------------------|--------------------------|-------------------|-------------------------|--------------------------|-------------------|-------------------------|--------------------------|--------------------------|
| W-2               |                         |                          | 1098              |                         |                          | 1099-R            |                         |                          |                          |
| W-2G              |                         |                          | 1099-S            |                         |                          | 1099-MISC         |                         |                          |                          |

7. Has an extension of time to file federal informational returns been requested from the Internal Revenue Service?

No     Yes     Pending    (If "Yes," attach a copy of federal Form 8809.)

If "Yes," was the request for extension approved?

No     Yes    (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.)

No     Yes

### Declaration

I declare under the penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|           |       |      |
|-----------|-------|------|
| 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, 1098, 1099-R, 1099-S, and 1099-MISC**. **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 use this form to request an extension of time. 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 on or before the due date of the informational returns, which is the last day of February. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. 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 calendar year on this form. **An extension cannot be granted if a request is filed after the original due date of the returns.**

| Filing Due Dates: | Form Number | Due Date             |
|-------------------|-------------|----------------------|
|                   | W-2         | Last day of February |
|                   | W-2G        | Last day of February |
|                   | 1098        | Last day of February |
|                   | 1099        | Last day of February |

**Where to File:** Department of Revenue Services  
State of Connecticut  
PO Box 2930  
Hartford CT 06104-2930

**Extension Period:** If your extension request is approved, an extension is 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 informational returns are not automatically granted. Approval or denial is based on administrative criteria and guidelines. 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. Notification of denial is sent only 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 method of filing by checking the appropriate box(es).

An employer or payer who is required by the Internal Revenue Service to file copies of federal Forms W-2, W-2G, 1098, 1099-MISC, 1099-R, and 1099-S 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, 1098, or 1099 with DRS is not required to file those forms on magnetic media and need not request a waiver.

**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.

If this extension request is approved, it will only extend the due date for filing the returns with DRS. It will not extend the January 31st due date for furnishing the required copies of 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.

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 only for returns listed on Form CT-8809.

**For Further Information:** For magnetic media reporting specifications, call DRS during business hours:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling **860-297-4911**.

**Forms and Publications:** Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site at **www.ct.gov/DRS**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available on TAX-FAX.
- **Telephone:** Call **1-800-382-9463** (in-state) and select Option 2; or the Forms Unit at **1-860-297-4753** (from anywhere)

**Form CT-706/709**  
**Connecticut Estate and Gift Tax Return**

**CT-706/709**  
 Calendar Year  
**2005**

(New 9/05) For estates of decedents dying during calendar year 2005 and Connecticut taxable gifts made during 2005.

|  |  |                   |  |                        |  |
|--|--|-------------------|--|------------------------|--|
| Donor or Decedent's First Name and Middle Initial            |  | Last Name         |  | Social Security Number |  |
| Address  |  | Number and Street |  | PO Box                 |  |
| City, Town, or Post Office                                   |  | State             |  | ZIP Code               |  |
| Mailing Address (Firm name if applicable)                    |  | Number and Street |  | PO Box                 |  |
| City, Town, or Post Office                                   |  | State             |  | ZIP Code               |  |
| Attention, Care of, or Estate Representative (if applicable) |  |                   |  |                        |  |
| Fiduciary's Name and Address                                 |  |                   |  |                        |  |

**Residency**  Connecticut Resident  Nonresident (Nonresident decedent's estates only, attach **Form C-3, Domicile Declaration**)  
**Amended Return**  Check if using this form as an amended return. (Attach an explanation.)

**Section 1 - Gift Tax Computation - to report taxable gifts made during calendar year 2005.**  
 If the donor died during calendar year 2005, skip Section 1 and complete Section 2.

|   |    |  |    |
|---|----|--|----|
| 1. Current year Connecticut taxable gifts from <i>Schedule A</i> , Line 9 (if \$2,000,000 or less, see instructions.) | 1. |  | 00 |
| 2. For future use   | 2. |  |    |
| 3. For future use   | 3. |  |    |
| 4. Gift tax due (from Tax Table. See instructions.) Enter here and on Section 3, Line 13                              | 4. |  | 00 |

**Section 2 - Estate Tax Computation**

Decedent's date of death: \_\_\_\_\_ Connecticut Probate court: \_\_\_\_\_

Attach copies of federal Forms 706 and 709 and all supplemental documents.

|  |     |  |    |
|--|-----|--|----|
| 5. Total gross estate for federal estate tax purposes (From federal Form 706, Part 2, Line 1.)     | 5.  |  | 00 |
| 6. Estate tax deductions from <i>Schedule C</i> , Line 4   | 6.  |  | 00 |
| 7. Subtract Line 6 from Line 5.  | 7.  |  | 00 |
| 8. Current year Connecticut taxable gifts from <i>Schedule A</i> , Line 9. (See instructions.)     | 8.  |  | 00 |
| 9. For future use  | 9.  |  |    |
| 10. Connecticut taxable estate. Add Line 7 and Line 8. (if \$2,000,000 or less, see instructions.) | 10. |  | 00 |
| 11. Tax due (From <i>Tax Table for Form CT-706/709</i> . See instructions.)                        | 11. |  | 00 |
| 12. Nonresident decedent estate only: Tax due from <i>Schedule E</i> , Line 5                      | 12. |  | 00 |

**Section 3 - Calculation of Total Tax, Penalty, and Interest**

|  |     |  |    |
|--|-----|--|----|
| 13. Enter tax due (See instructions.)  | 13. |  | 00 |
| 14. For future use   | 14. |  |    |
| 15. Resident decedent estate only: Credit for death taxes from <i>Schedule D</i> , Line 7  | 15. |  | 00 |
| 16. For future use.  | 16. |  |    |
| 17. Subtract Line 15 from Line 13 (If less than zero, enter "0.")                          | 17. |  | 00 |
| 18. Prior payments and payments made with extension request ( <b>Form CT-706/709 EXT</b> ) | 18. |  | 00 |
| 19. Refund (If Line 18 is greater than Line 17, enter amount overpaid.)                    | 19. |  | 00 |
| 20. Tax Due (If Line 17 is greater than Line 18, enter balance due.)                       | 20. |  | 00 |
| 21. If paid late, enter penalty. (See instructions.)                                       | 21. |  | 00 |
| 22. If paid late, enter interest. (See instructions.)                                      | 22. |  | 00 |
| 23. Total Amount Due (Add Lines 20, 21, and 22.)   | 23. |  | 00 |

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |  |       |                        |                         |
|--|--|-------|------------------------|-------------------------|
| <b>Sign Here</b><br>Keep a copy for your records | Donor or Fiduciary's Signature                               | Title | Date                   | Telephone Number<br>( ) |
|  | Paid Preparer's/Authorized Estate Representative's Signature | Date  | Preparer's PTIN or SSN | Telephone Number<br>( ) |

## Schedule A – Computation of Current Year Connecticut Taxable Gifts

| A<br>Item<br>No. | B<br>Gifts Subject to Gift Tax<br>• Donee's name, address, Social Security Number, relationship to donor, if any;<br>• Gift description (if gift was made by means of a trust, enter trust's identifying number; if gift was securities, enter CUSIP number(s), if available) | C<br>Donor's<br>Adjusted<br>Basis of Gift | D<br>Date<br>of Gift | E<br>Value at Date of Gift<br>Enter the fair market value at the date the gift is made. (See instructions for farmland gifts.) | F<br>Split Gifts Only<br>For split gifts, enter 1/2 of Column E | G<br>Net Transfer<br>Subtract Column F from Column E |
|------------------|---|---|----------------------|--|---|--|
| 1.               |   |   |                      |  |   |  |

**Gifts Made by Spouse** - Complete **only** if you are splitting gifts with your spouse **and** your spouse also made gifts.

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|

|   |    |  |    |
|---|----|--|----|
| 1. Total gifts. Add the value of all gifts listed in Column G and enter here .....                  | 1. |  | 00 |
| 2. Total annual exclusion for present interest gifts listed on <i>Schedule A</i> (See instructions) | 2. |  | 00 |
| 3. Subtract Line 2 from Line 1 .....  | 3. |  | 00 |

**Deductions**

|   |    |  |    |
|---|----|--|----|
| 4. Gifts to spouse for which a marital deduction is claimed (enter item No(s) from <i>Schedule A</i> _____) .....   | 4. |  | 00 |
| 5. Exclusions attributable to gifts on Line 4 .....   | 5. |  | 00 |
| 6. Marital Deduction (Subtract Line 5 from Line 4.)   | 6. |  | 00 |
| 7. Charitable deductions less exclusions (enter item No(s) from <i>Schedule A</i> _____)  | 7. |  | 00 |
| 8. Total Deductions (Add Line 6 and Line 7.) .....  | 8. |  | 00 |
| 9. Current Year Connecticut Taxable Gifts (Subtract Line 8 from Line 3. Enter here and on Section 1, Line 1 <b>or</b> Section 2, Line 8. See instructions.) ..... | 9. |  | 00 |

10. Did you consent for federal gift tax purposes to have gifts made (during the calendar year) by you, your spouse, or both of you, to third parties considered as made one-half by each of you?  Yes  No  
If **Yes**, enter spouse's name and Social Security Number below.

Print spouse's: Name ▶ \_\_\_\_\_ Social Security Number ▶ \_\_\_\_\_

11. Is your spouse a U.S. citizen? ..... ▶  Yes  No  
If **No**, did you transfer any property to your spouse during the calendar year? ..... ▶  Yes  No
12. Were you married to one another during the entire calendar year? (See instructions) ..... ▶  Yes  No  
If **No**, check current marital status and enter status change date ▶  Married  Divorced  Widowed  
Date \_\_\_\_\_

13. If the donor is claiming special valuation on a gift of farmland, check here ▶  and attach **Schedule CT-709 Farmland**.

14. If you elect under I.R.C. §529(c)(2)(B) to treat any transfers made this year to a qualified state tuition program as made ratably over a five-year period beginning this year, check here ▶ .

15. *For future use* ▶ .

**Terminable Interest Marital Deduction as Reported for Federal Gift Tax Purposes**

Donor is bound by election made for federal gift tax purposes. Check the box, if you elected for federal gift tax purposes:

16. ▶  To include gifts of qualified terminable interest property as gifts to your spouse for which a marital deduction was claimed. Enter the item numbers (from *Schedule A*, above) of the gifts for which you made this election (under I.R.C. §2523(f)). \_\_\_\_\_
17. ▶  **Not** to treat as qualified terminable interest property any joint and survivor annuity where only you and your spouse have the right to receive payments before the death of the last of you to die. Enter the item numbers (from *Schedule A*, above) for the annuity(ies) for which you made this election (under I.R.C. §2523(f)(6)). \_\_\_\_\_



| Schedule B – Gifts From Prior Periods |   |  |  |
|---------------------------------------|---|--|--|
| ▶                                     | ▶ |  |  |
| ▶                                     | ▶ |  |  |
| ▶                                     | ▶ |  |  |
| ▶                                     | ▶ |  |  |
| ▶                                     | ▶ |  |  |
| ▶                                     | ▶ |  |  |
| ▶                                     | ▶ |  |  |
| ▶                                     | ▶ |  |  |

For Future Use

| Schedule C – Estate Tax Deduction Computation   |   |    |  |
|---|---|----|--|
| 1. Allowable estate tax deductions for federal estate tax purposes (other than deduction allowable for state death taxes under I.R.C. §2058) .....  | ▶ | 1. | 00   |
| 2. For future use .....   | ▶ | 2. |  |
| 3. For future use .....   | ▶ | 3. |  |
| 4. Add Lines 1, 2, and 3. Enter here and on Section 2, Line 6 .....   | ▶ | 4. | 00   |
| 5. <b>Qualified Terminable Interest Property (QTIP) Questions.</b> Was an election made for federal estate tax purposes to have a trust or other property of the decedent's gross estate treated as QTIP under I.R.C. §2056(b)(7)? .....  | ▶ |    | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 6. If no election was made for federal estate tax purposes to have a trust or other property of the decedent's gross estate treated as QTIP, is a I.R.C. §2056(b)(7) election being made to have such trust or other property treated as QTIP for Connecticut estate tax purposes? .....  | ▶ |    | <input type="checkbox"/> <input type="checkbox"/>        |
| 7. Does the decedent's gross estate, for federal estate tax purposes, contain any I.R.C. §2044 property (QTIP from a prior gift or estate)? .....   | ▶ |    | <input type="checkbox"/> <input type="checkbox"/>        |
| 8. If the decedent's gross estate, for federal estate tax purposes, does not contain any I.R.C. §2044 property from a prior gift or estate, does the decedent's gross estate, for Connecticut estate tax purposes, contain any I.R.C. §2044 property from a prior estate that made a I.R.C. §2056(b)(7) election for Connecticut estate tax purposes? ..... | ▶ |    | <input type="checkbox"/> <input type="checkbox"/>        |

| Schedule D – Credit for Death Taxes Paid to Other States (resident estate only)   |        |    |    |
|---|--------|----|----|
| 1. Enter tax due amount from Section 2, Line 11 .....   | ▶      | 1. | 00 |
| <b>Death Taxes Paid to Other States</b>   |        |    |    |
| State to Which Death Tax was Paid   | Amount |    |    |
| 2a.   | 00     |    |    |
| 2b.   | 00     |    |    |
| 2c.   | 00     |    |    |
| 2d.   | 00     |    |    |
| 2. Total death taxes paid to other states (Add Lines 2a through 2d. If necessary, attach additional sheet and include total.) ..... | ▶      | 2. | 00 |
| 3. Total gross estate for federal estate tax purposes from Section 2, Line 5. ▶   |        | 3. | 00 |
| 4. Gross estate for federal estate tax purposes outside Connecticut .....   | ▶      | 4. | 00 |
| 5. Divide Line 4 by Line 3 (round to four decimal places) .....   | ▶      | 5. | .  |
| 6. Multiply Line 1 by Line 5. ....  | ▶      | 6. | 00 |
| 7. Enter the smaller of Line 2 or Line 6. Enter here and on Section 3, Line 15. ....  | ▶      | 7. | 00 |

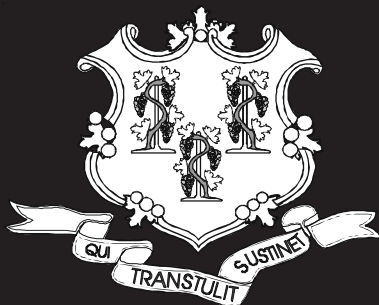
| Schedule E – Computation of Tax for Nonresident Decedent Estate                    |   |    |    |
|--|---|----|----|
| 1. Enter tax due amount from Section 2, Line 11 .....                              | ▶ | 1. | 00 |
| 2. Total gross estate for federal estate tax purposes from Section 2, Line 5 ..... | ▶ | 2. | 00 |
| 3. Gross estate for federal estate tax purposes within Connecticut .....           | ▶ | 3. | 00 |
| 4. Divide Line 3 by Line 2 (round to four decimal places) .....                    | ▶ | 4. | .  |
| 5. Multiply Line 1 by Line 4. Enter here and on Section 2, Line 12 .....           | ▶ | 5. | 00 |

# 2005

**FORM  
CT-706/709**

## **This booklet contains:**

- **Form CT-706/709**
- **Form CT-706/709 EXT**
- **Schedule  
CT-709 Farmland**



# **Connecticut Estate and Gift Tax Return and Instructions**

Dear Taxpayer:

The Connecticut gift and estate taxes have changed considerably starting in 2005. This booklet contains the newly created **Form CT-706/709**, *Connecticut Estate and Gift Tax Return and Instructions*, and explains how changes in the law affect these taxes and taxpayer requirements.

Besides combining the estate and gift taxes, legislative changes now require taxpayers to report all Connecticut taxable gifts, even if no gift tax is due. Taxable gifts also accumulate over the lifetime of the giver for both the estate and gift taxes. These and other details are included in this booklet. Please read it carefully.

At the Department of Revenue Services (DRS), our goal is to provide taxpayers with the information they need to file and pay their tax obligations to the state. If you have questions about Connecticut taxes or filing this return, you can reach DRS Taxpayer Services staff by e-mail, phone, or letter. The back cover of this booklet lists all the ways you can access this agency including the DRS Web site, which is available anytime to provide you with access to forms, publications, and information.

We welcome your comments and ideas about how we can improve our products.

Sincerely,

Pam Law  
Commissioner of Revenue Services

Taxpayer information is available on our Web site:  
**[www.ct.gov/DRS](http://www.ct.gov/DRS)**

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

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## Some Important Changes

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### New Forms

The estate and gift tax forms and instructions are now combined for gifts made, and estates of decedents dying on or after January 1, 2005. The new return and forms for calendar year 2005 are:

**CT-706/709**, *Connecticut Estate and Gift Tax Return*; **and** **CT-706/709 EXT**, *Application for Estate and Gift Tax Return Filing Extension and for Estate Tax Payment Extension*.

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### Succession Tax Repealed

The succession tax is repealed for estates of decedents dying after December 31, 2004.

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### Generation-Skipping Transfer Tax No Longer Applicable

The Connecticut generation-skipping transfer tax does not apply to generation-skipping transfers occurring after December 31, 2004.

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### Changes to the Connecticut Gift Tax

The Connecticut gift tax continues to apply to *Connecticut taxable gifts*, which are federal taxable gifts made by a resident or nonresident of Connecticut on or after January 1, 2005:

- For a Connecticut resident, the taxable gifts include real property or tangible personal property located in Connecticut, as well as intangible personal property wherever located; **and**
- For a nonresident of Connecticut, the taxable gifts include only real property or tangible personal property located in Connecticut.

A Connecticut gift tax return must be filed to report all Connecticut taxable gifts made in any calendar year on or after January 1, 2005, even though Connecticut gift tax may not be due. Prior to January 1, 2005, a donor was not required to file a Connecticut gift tax return if tax was not due. For calendar years beginning January 1, 2005, Connecticut gift tax is payable only when the aggregate amount of all Connecticut taxable gifts made by the donor (during his or her lifetime), on or after January 1, 2005, exceeds \$2 million. Once the \$2 million threshold is exceeded, Connecticut gift tax is payable on the aggregate amount of Connecticut taxable gifts, including the first \$2 million.

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### Changes to the Connecticut Estate Tax

Resident and nonresident estates are now liable for the Connecticut estate tax if their Connecticut taxable estate is more than \$2 million. A resident estate is an estate of a decedent who at the time of death was domiciled in

Connecticut. A nonresident estate is an estate of a decedent who at the time of death was not domiciled in Connecticut but owned real or tangible personal property in Connecticut.

The Connecticut taxable estate is the sum of:

- A. The total value of the decedent's federal gross estate, less allowable deductions (other than the deduction for state death taxes paid under Section 2058 of the Internal Revenue Code); **and**
- B. The aggregate amount of Connecticut taxable gifts made by the decedent (during his or her lifetime) during all calendar years beginning on or after January 1, 2005.

If A plus B exceeds \$2 million, Connecticut estate tax is payable on the sum (including the first \$2 million). These estates must file **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*, with the Department of Revenue Services (DRS). A copy of Form CT-706/709 must also be filed with the appropriate probate court.

For a nonresident estate, if A plus B exceeds \$2 million, Connecticut estate tax is first calculated on the sum (including the first \$2 million). The tax calculated is then multiplied by a fraction. See line instructions for *Schedule E - Computation of Tax for Nonresident Decedent Estates* on Page 19.

If A plus B is \$2 million or less, Connecticut estate and gift tax is not due. However, estates must file **Form CT-706 NT**, *Connecticut Estate Tax Return (for Nontaxable Estates)*, with the probate court for the district in which the decedent resided at the date of death; or, if the decedent died as a nonresident of Connecticut, with the probate court for the district in which the decedent's real property or tangible personal property is located. Do not file Form CT-706 NT with DRS.

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### Credits

Connecticut resident estates are allowed a credit against the estate tax for:

- Connecticut gift tax previously paid by the decedent (during his or her lifetime) on or after January 1, 2005; **and**
- Death taxes (estate, inheritance, legacy, or succession taxes) paid to any other state or the District of Columbia.

Nonresident estates are allowed a credit against the estate tax for:

- Connecticut gift tax previously paid by the decedent (during his or her lifetime) on or after January 1, 2005.

See **Special Notice 2005(10)**, *2005 Legislation Amending the Connecticut Gift Tax and the Connecticut Estate Tax, and Repealing the Succession Tax*, and **Informational Publication 2005(19)**, *Q&A on the Succession, Estate, Gift, and Generation-Skipping Transfer Taxes*.

## Tax Table for Form CT-706/709

**Tax Table for Gifts Made on or After January 1, 2005;  
and for Estates of Decedents Dying on or After January 1, 2005**

| Value of Gifts or Estate |  | Column C<br>Tax on Column A   | Column D<br>Tax Rate on excess<br>over Column A |
|--------------------------|--|-------------------------------|---|
| Column A<br>Over         | Column B<br>But not over                             |                               |   |
| \$0                      | \$2,000,000  | None                          | None  |
| 2,000,000                | 2,100,000  | 5.085% of the excess over \$0 |   |
| 2,100,000                | 2,600,000  | \$106,800                     | 8.0%  |
| 2,600,000                | 3,100,000  | 146,800                       | 8.8%  |
| 3,100,000                | 3,600,000  | 190,800                       | 9.6%  |
| 3,600,000                | 4,100,000  | 238,800                       | 10.4%   |
| 4,100,000                | 5,100,000  | 290,800                       | 11.2%   |
| 5,100,000                | 6,100,000  | 402,800                       | 12.0%   |
| 6,100,000                | 7,100,000  | 522,800                       | 12.8%   |
| 7,100,000                | 8,100,000  | 650,800                       | 13.6%   |
| 8,100,000                | 9,100,000  | 786,800                       | 14.4%   |
| 9,100,000                | 10,100,000   | 930,800                       | 15.2%   |
| Over \$10,100,000        | \$1,082,800 plus 16% of the excess over \$10,100,000 |                               |   |

## Getting Started

The Connecticut estate and gift taxes are now filed on the same return, **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*. The return is divided into three sections. Section 1 and Section 2 are mutually exclusive. The third section is used to calculate the payment or refund amount.

The first section applies to filing the gift tax portion of the return. The second section applies to filing the estate tax portion of the return. Your circumstances will determine which section you complete.

### **Section 1 - Gift Tax**

This section is used to report gifts made by a donor during calendar year 2005. If the donor died during the calendar year in which the gifts were made, complete **Section 2** and not **Section 1**.

### **Section 2 - Estate Tax**

This section is used for the estate of a decedent dying during calendar year 2005. Gifts made by the decedent during the calendar year in which the decedent died are reportable in this section and not in **Section 1**.

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## General Information

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### How to Get Help

The DRS is ready to help you and offers several resources where you can get answers to your Connecticut tax questions. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or for personal assistance, see the back cover of this booklet for a list of DRS walk-in offices and telephone numbers. DRS offices are open Monday through Friday, 8:00 a.m. to 5:00 p.m. If you visit, you must bring your completed federal Form 706 or federal Form 709.

Personal telephone assistance is available Monday through Friday, 8:30 a.m. to 4:30 p.m. Call CONN-TAX, the DRS information line, or visit the DRS Web site for details.

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### How to Get Additional Forms and Publications

Download and print Connecticut tax forms and publications anytime from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS). Forms are also available during regular business hours at any of the DRS walk-in offices and the other sources listed on the back cover of this booklet. You may also download the *2005 Connecticut Package X* from the DRS Web site.

The forms mentioned in these instructions are also available from any of the Connecticut probate courts.

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### Recordkeeping

Keep a copy of your tax return, worksheets you used, and records of all items appearing on the return. You may need this information to prepare future returns or to file amended returns.

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### Copies of Returns

Copies of previously filed Connecticut tax returns may be requested from DRS by completing **LGL-002**, *Request for Disclosure of Tax Return or Tax Return Information*. Requests are normally processed in three weeks.

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### Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on a line.

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If you do not round, DRS will disregard the cents.

### Private Delivery Services

Your return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS), is on or before the due date. Not all services provided by the designated PDSs qualify.

The designated PDSs and designated types of service at the time of publication are:

|   |  |
|---|--|
| <b>DHL Worldwide Express (DHL)</b> <ul style="list-style-type: none"><li>• <i>DHL Same Day Service</i></li><li>• <i>DHL Next Day 10:30 am</i></li><li>• <i>DHL Next Day 12:00 pm</i></li><li>• <i>DHL Next Day 3:00 pm</i></li><li>• <i>DHL 2nd Day Service</i></li></ul> | <b>Federal Express (FedEx)</b> <ul style="list-style-type: none"><li>• <i>FedEx Priority Overnight</i></li><li>• <i>FedEx Standard Overnight</i></li><li>• <i>FedEx 2 Day</i></li><li>• <i>FedEx International Priority</i></li><li>• <i>FedEx International First</i></li></ul>                               |
|   | <b>United Parcel Service (UPS)</b> <ul style="list-style-type: none"><li>• <i>UPS Next Day Air</i></li><li>• <i>UPS Next Day Air Saver</i></li><li>• <i>UPS 2nd Day Air</i></li><li>• <i>UPS 2nd Day Air A.M.</i></li><li>• <i>UPS Worldwide Express Plus</i></li><li>• <i>UPS Worldwide Express</i></li></ul> |

This list is subject to change.

To verify the names of designated PDSs and designated types of service, check the DRS Web site or call DRS. See **Policy Statement 2005(4)**, *Designated Private Delivery Services and Designated Types of Service*.

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### Where to File

Mail your return to:

**Department of Revenue Services**  
**PO Box 2978**  
**Hartford CT 06104-2978**

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### Interest and Penalties

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

#### Interest

If you do not pay the tax when due, you will owe interest at the rate of 1% (.01) per month or fraction of a month until the tax is paid in full.

Interest on underpayment or late payment of tax cannot be waived.

#### Penalty for Late Payment or Late Filing

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

If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report required by law to be filed with DRS.

## Penalty for Failure to File

If you do not file your return and DRS files a return for you, the penalty for failure to file is 10% (.10) of the balance due or \$50, whichever is greater. If you were required to file an amended Form CT-706/709 and failed to do so, you will be subject to a penalty.

## Waiver of Penalty

The penalty may be waived if the failure to file or pay tax on time was due to reasonable cause. Interest cannot be waived. Before a penalty waiver can be granted, all tax and interest must be paid. All requests must:

- Be in writing and contain a clear and complete explanation;

- Include the decedent's or donor's name and Social Security Number (SSN);
- Include the name of the original form filed or billing notice received;
- Include the taxable filing period; **and**
- Include documentation supporting your explanation.

Attach the penalty waiver request to the **front** of the tax return or mail it separately with a copy of the tax return to:

**Department of Revenue Services  
Penalty Waiver Unit  
PO Box 5089  
Hartford CT 06102- 5089**

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# Section 1 - Gift Tax

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## Steps to Completing Section 1 - Gift Tax

### Before You Start

Form CT-706/709 is an annual return and covers the entire calendar year. File your 2005 Form CT-706/709 on or before April 15, 2006.

If the donor died during the calendar year in which the gifts were made do **not** complete **Section 1**. Go to **Section 2 - Estate Tax**, starting on Page 16.

Form CT-706/709 covers **all** gifts you made to **all** donees during the calendar year. Do not file a separate Form CT-706/709 for each gift or for each donee.

### No Joint Returns

If you and your spouse are each required to file Form CT-706/709, you must each file a separate Form CT-706/709. You and your spouse cannot file a joint Form CT-706/709.

### Step One – Determine whether you are required to file a federal gift tax return.

Determine whether you are required to file federal Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, by following the instructions for federal Form 709.

If you are not required to file federal Form 709, **stop here**. You are not required to complete Form CT-706/709, *Section 1 - Gift Tax Computation*.

### Step Two – Determine whether you are required to file a Connecticut gift tax return.

If you are required to file federal Form 709, use the information on that return to determine whether you are required to file Form CT-706/709.

If you are a **resident** individual, you are required to file Form CT-706/709 if:

- You made a gift of real or tangible personal property located in Connecticut or made a gift of intangible property and the amount of your Connecticut taxable gifts (the amount entered on your Form CT-706/709, *Schedule A*, Line 9) is more than \$0; **or**
- You made a gift of Connecticut farmland and valued it in accordance with Conn. Gen. Stat. §12-646a. (See **Schedule CT-709 Farmland**.)

If you are a **nonresident** individual, you are required to file Form CT-706/709 if:

- You made a gift of real or tangible personal property located in Connecticut and the amount of Connecticut taxable gifts (the amount entered on your Form CT-706/709, *Schedule A*, Line 9) is more than \$0; **or**
- You made a gift of Connecticut farmland and valued it in accordance with Conn. Gen. Stat. §12-646a. (See **Schedule CT-709 Farmland**.)

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## Residence

For purposes of the Connecticut gift tax:

**Resident** means any individual who is domiciled in Connecticut at the time he or she made gifts.

**Nonresident** means any individual who is not domiciled in Connecticut at the time he or she made gifts.

**Domicile** is the place which an individual intends to be his or her permanent home and to which such individual intends to return whenever absent.

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## Person Responsible for Filing Return and Paying Tax

If Form CT-706/709 must be filed, the donor is responsible for filing Form CT-706/709 and paying the tax due.

If a donor becomes legally incompetent, or dies before filing the return, the donor's guardian, conservator, executor, or administrator is responsible for filing the return. If there is no duly qualified executor or administrator, the donor's heirs, legatees, devisees, or distributees are required to pay the tax to the extent of the value of their inheritances, bequests, devises, or distributive shares of the donor's estate.

If the gift tax is not paid when due, each donee is personally liable for the tax to the extent of the value of the gift received.

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### **Financial Disability**

If you, as the donor, are financially disabled as defined in I.R.C. §6511(h)(2), the statute of limitations for having an overpayment of Connecticut gift tax refunded to you is extended for as long as you are financially disabled. You are financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not financially disabled during any period your spouse or any other person is authorized to act on your behalf in financial matters.

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### **When to File for Gift Tax**

In general, Form CT-706/709 is due on or before April 15 of the year following the year the gifts were made unless an extension for filing Form CT-706/709 is granted.

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

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### **Extension Requests**

You may request an extension of time to file your Form CT-706/709 by filing **Form CT-706/709 EXT**, *Application for Estate and Gift Tax Return Filing Extension and for Estate Tax Payment Extension*. If you request an extension of time to file your federal gift tax return, you do not have to provide an explanation for requesting an extension of time to file your Form CT-706/709. If you do not request an extension of time to file your federal gift tax return, you must provide an explanation for requesting an extension of time to file your Form CT-706/709.

Payment of all of the Connecticut gift tax you expect to owe must accompany Form CT-706/709 EXT. Filing Form CT-706/709 EXT only extends the time to file your Connecticut tax return; it does not extend the time to pay Connecticut gift tax. If the payment accompanying your Form CT-706/709 EXT is less than the gift tax reported on your Form CT-706/709, you will owe interest and penalty. See *Interest and Penalties* on Page 5.

If a taxpayer is unable to request an extension because of illness, absence, or other good cause, any person standing in a close personal or business relationship to the taxpayer (including an attorney, accountant, or enrolled agent) may file the request on the taxpayer's behalf.



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# Comparison Between Federal Gift Tax and Connecticut Gift Tax

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## Gifts

No transfer is treated as a gift for Connecticut gift tax purposes unless it is treated as a gift for federal gift tax purposes. Some transfers treated as gifts for federal gift tax purposes will not be treated as gifts for Connecticut gift tax purposes, because they are gifts to which the Connecticut gift tax does not apply. Gifts to which the Connecticut gift tax applies are gifts of real property and tangible personal property located in Connecticut (whether the donor is a resident of Connecticut or a nonresident of Connecticut) and gifts of intangible personal property (but only where the donor is a resident of Connecticut).

For federal gift tax purposes, the first \$11,000 of gifts to a donee during the calendar year of a present interest in property is excluded from the total amount of gifts. There is no annual exclusion for gifts of future interests. A present interest in property is an unrestricted right to the immediate use, possession, or enjoyment of property or the income from the property. For Connecticut gift tax purposes, the same first \$11,000 of gifts to a donee during the calendar year of a present interest in property that was excluded for federal gift tax purposes is excluded from the total amount of gifts but only if that same first \$11,000 of gifts to the donee is gifts to which the Connecticut gift tax applies.

For federal gift tax purposes, the first \$117,000 of gifts made to a spouse who is not a U.S. citizen during the calendar year of a present interest in property is excluded from the total amount of gifts. For Connecticut gift tax purposes, the same first \$117,000 of gifts to a spouse who is not a U.S. citizen during the calendar year of a present interest in property that was excluded for federal gift tax purposes is excluded from the total amount of gifts but only if that same first \$117,000 of gifts to the spouse is gifts to which the Connecticut gift tax applies.

For federal gift tax purposes, deductions are allowed for gifts to charitable organizations or to a spouse who is a U.S. citizen. For Connecticut gift tax purposes, deductions are allowed for gifts to charitable organizations or to a spouse who is a U.S. citizen but only if those gifts are gifts to which the Connecticut gift tax applies.

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## Valuation

In general, the valuation rules used for federal gift tax purposes are also used for Connecticut gift tax purposes. These rules include the special valuation rules of I.R.C. §§2701 to 2704, where they apply. Generally, the special valuation rules apply if 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. (See I.R.C. §2702.) If a gift of farmland is made, the donor may elect to use a valuation method other than the federal valuation rules. See *Gifts of Farmland* on Page 10.)

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**Example:** During calendar year 2005, Mary conveys title to her house to her three children and either retains a life use for herself on the deed, or does not retain a life use for herself on the deed, but continues to occupy the residence. Mary does not receive any money or other type of payment for the house from her children. Mary has made a gift of a future interest to her children. Because this is a gift of a future interest to her lineal descendants, it is subject to the special valuation rules (I.R.C. §§2702 et seq.). The value of Mary's gift determined under the special valuation rules is the property's fair market value (less encumbrances). Because this is a gift of a future interest, annual exclusions do not apply.

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## Gift Splitting

For federal gift tax purposes, if both spouses consent to gift split, all gifts made to third parties during the calendar year, whether made by one spouse alone or made partly by each spouse, are considered made one-half by each spouse (only if at the time of the gift each spouse is a citizen or resident of the U.S.). For federal purposes, the first \$22,000 of gifts of a present interest in property to a donee by consenting spouses during the calendar year are excluded from the total amount of gifts. To gift split:

- Spouses must be legally married to each other at the time the gifts were made for gift splitting to apply. If they are subsequently divorced during the year, they may still gift split for gifts made while they were married so long as neither marries anyone else during the year;
- Spouses must both 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.

The executor or administrator for a deceased spouse's estate, or the guardian of a legally incompetent spouse, may sign the consent. The consent of an executor or administrator

will not be effective for gifts made by the surviving spouse during that portion of the calendar year his or her spouse was deceased.

For Connecticut gift tax purposes, a husband and wife who have both consented to gift split for federal gift tax purposes are deemed to have both consented to gift split for Connecticut gift tax purposes and are required to gift split for Connecticut gift tax purposes. The rules that apply to determine whether and which gifts may be gift split for federal gift tax purposes also apply for Connecticut gift tax purposes. If a husband and wife have not both consented to gift split for federal gift tax purposes, they may not gift split for Connecticut gift tax purposes.

The Connecticut gift tax liability of the spouses deemed to have consented to gift split is joint and several. Joint and several means one or both parties can be held responsible to pay the full amount of the tax due.

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### No Joint Gift Tax Return

A married couple may **not** file a joint gift tax return for either federal gift tax purposes or Connecticut gift tax purposes.

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### Applicable Credit Amount

An applicable credit amount of \$1 million is allowed against the federal gift tax. There is no comparable credit allowable against the Connecticut gift tax. However, Connecticut gift tax is payable only once the aggregate amount of Connecticut taxable gifts made by the donor (during his or her lifetime) during all calendar years beginning on or after January 1, 2005, exceeds \$2 million. Once the \$2 million threshold is exceeded, Connecticut gift tax is payable on the aggregate amount, including the first \$2 million.

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### Example of Computation of Federal and Connecticut Gift Taxes

Beth Smith, a Connecticut resident, makes only the following gifts during calendar year 2005:

1. To her daughter Lynn, land located in New York with a fair market value of \$20,000.
2. To her son Steven, \$25,000 in cash.
3. To her daughter Karen, land located in Rhode Island (on 1/15/2005) with a fair market value of \$20,000 and shares of stock (on 3/25/2005) with a fair market value of \$10,000.
4. To a charitable organization, tangible personal property located in Massachusetts with a fair market value of \$20,000.

#### Federal gift tax

The **value** of the gifts Beth made to her children and to the charitable organization during calendar year 2005 is \$95,000. However, the **total amount** of gifts is only \$51,000. This is because all gifts were of a present interest

in property allowing her an \$11,000 annual exclusion for each donee. The amount of Beth's **taxable** gifts is \$42,000 because a deduction is allowable for the gift to the charitable organization. Beth must file a federal gift tax return for calendar year 2005.

Assuming Beth has not made any taxable gifts during previous calendar years, she would offset the tax calculated on the \$42,000 of taxable gifts against the applicable credit amount, which is \$345,800 (determined as if the applicable exclusion amount were \$1,000,000). The federal gift tax on \$42,000 of taxable gifts is \$8,680. This would leave Beth an applicable credit amount balance of \$337,120, which may be used as a credit against the gift tax due on taxable gifts made during future calendar years.

### Connecticut gift tax

The value, for Connecticut gift tax purposes, of the gifts that Beth made is \$35,000. Connecticut gift tax does not apply to the gift to Lynn of land located in New York, the gift to Karen of land located in Rhode Island, or the gift to the charitable organization of tangible personal property located in Massachusetts. Her gifts to Steven and Karen are gifts of a present interest in property so she is allowed an \$11,000 annual exclusion for her gift to Steven. She is not allowed an \$11,000 annual exclusion for her gift to Karen because the first \$11,000 of gifts to Karen during calendar year 2005 of a present interest in property was not a gift to which the Connecticut gift tax applied (land located in Rhode Island). Her total amount of gifts, for Connecticut gift tax purposes, is \$24,000. This is also the amount of her Connecticut taxable gifts because, while she made a gift of tangible personal property to a charitable organization, it was not a gift to which the Connecticut gift tax applied (tangible personal property located in Massachusetts).

Because Beth has made Connecticut taxable gifts during calendar year 2005, Beth must file Form CT-706/709, even though no Connecticut gift tax is payable.

### Completing Form CT-706/709

Beth completes *Schedule A* of Form CT-706/709 to report her Connecticut taxable gifts as follows:

|                   |              |          |           |          |
|-------------------|--------------|----------|-----------|----------|
| Gift 1:           | Steven Smith | \$25,000 | 1/14/2005 | \$25,000 |
| Gift 2:           | Karen Smith  | \$10,000 | 3/25/2005 | \$10,000 |
| Line 1:           | Total Gifts  | .....    |           | \$35,000 |
| Line 2            | .....        |          |           | \$11,000 |
| Line 3            | .....        |          |           | \$24,000 |
| Lines 4 through 8 | .....        |          |           | \$0      |
| Line 9            | .....        |          |           | \$24,000 |

Beth must also complete Form CT-706/709, Section 1 and Section 3 as follows:

|         |       |          |
|---------|-------|----------|
| Line 1  | ..... | \$24,000 |
| Line 4  | ..... | \$0      |
| Line 13 | ..... | \$0      |
| Line 17 | ..... | \$0      |

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## Gifts of Farmland

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### Transfers of Farmland or Change of Classification

If land classified as farmland under Conn. Gen. Stat. §12-107c is transferred to a donee who is a lineal descendant or that descendant's spouse, the land may be valued based on its current use as farmland. If, within ten years of the transfer, the donee transfers this farmland to a person other than the donee's lineal descendant or that descendant's spouse, or the land is no longer classified as farmland, the donee will 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 was valued at its fair market value.

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 must provide a copy of **Schedule CT-709 Farmland** to the donee so the donee knows the amount of any additional tax that may become due.

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### Due Date of Additional Tax Liability

If within ten years a gift of farmland is transferred to a person other than the donee's lineal descendant or that descendant's spouse, or the land is no longer classified as farmland under Conn. Gen. Stat. §12-107c, the donee must submit to DRS a copy of Schedule CT-709 Farmland the original donor provided to the donee. The additional tax entered on Schedule CT-709 Farmland, Line F must be paid no later than 60 days following the transfer or the change in classification. The donee must provide a written statement indicating when the land was transferred to a person other than the donee's lineal descendant or that descendant's spouse or, if the land is no longer classified as farmland under Conn. Gen. Stat. §12-107c, when the classification of the land was changed.

Attach a check or money order for the additional tax to a copy of Schedule CT-709 Farmland provided by the donor to the donee and the written statement and mail them to:

**Department of Revenue Services**  
**PO Box 2978**  
**Hartford CT 06104-2978**

The check or money order should be payable to **Commissioner of Revenue Services**.

If the tax is not paid on time, the penalty is 10% (.10) of the balance due or \$50, whichever is greater. Interest is charged on the underpayment of the tax at the rate of 1% (.01) per month or fraction of a month.

The Commissioner may, for good cause, extend the time for payment of the tax if the descendant or the descendant's spouse files a written application with the Commissioner on or before the 60-day period expires. If the land was transferred to the donee's lineal descendant or that descendant's spouse, the Commissioner may, for good cause, extend the time for payment of the tax if the descendant or the descendant's spouse files a written application with the Commissioner on or before the 60-day period expires.

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### Recordkeeping

For gifts of farmland, you must provide a copy of Schedule CT-709 Farmland to your donee(s) and advise your donee(s) to keep the copy for ten years.

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# Gift Tax Instructions for Form CT-706/709

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## General Instructions

- Write the donor's name, address, SSN, legal residence, and citizenship in the space provided.
- Check the applicable residency box.
- Check the box for **Amended Return** if you are filing an amended return.
- If the donor died during calendar year 2005, skip **Section 1** and proceed to **Section 2**. Gifts made in the calendar year of the decedent's death must be reported in **Section 2**.

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## Line Instructions

### Section 1 - Gift Tax Computation

#### Line 1

Enter the amount from Form CT-706/709, *Schedule A*, Line 9. This is the amount of Connecticut taxable gifts for the current year.

#### Line 4

Calculate the Connecticut gift tax by using the *Tax Table for Form CT-706/709* (on Page 4) and enter the amount on Line 4, Line 13, and Line 17. You must make an entry even if the amount is zero (0).

### Section 2 - Estate Tax Computation

#### Lines 5 through 12

Leave blank.

### Section 3 - Calculation of Total Tax, Penalty, and Interest

#### Line 13

Enter the amount from Line 4.

#### Line 14 through Line 16

Leave blank.

#### Line 17

Enter the amount from Line 4.

#### Line 18

Prior payments: Include amount paid on **Form CT-706/709 EXT**, *Application for Estate and Gift Tax Return Filing Extension and for Estate Tax Payment Extension*, Line 1.

Amended returns: Include amount paid with your original return.

#### Line 19

If the amount on Line 18 is greater than Line 17, enter the amount overpaid.

#### Line 20

If the amount on Line 17 is greater than Line 18, enter the balance of tax due.

#### Line 21 and Line 22

If you are making a late payment or filing the return after the due date, see *Interest and Penalties* on Page 5.

#### Line 23

Add Lines 20, 21, and 22 and enter the total on Line 23. This is your balance due.

### Payment Information

Pay this amount in full with the return. **Do not send cash.**

Make your check or money order payable to: **Commissioner of Revenue Services**. Write "2005 Form CT-706/709" on the front of your check or money order in the lower left corner. Writing your SSN on the front of your check or money order ensures accuracy and timeliness in processing your payment.

DRS may submit your check to your bank electronically.

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### Who Must Sign the Return

The donor must sign and date Form CT-706/709. If the donor becomes legally incompetent or dies before filing the gift tax return, the donor's guardian, conservator, executor, or administrator, as the case may be, may sign the return on the donor's behalf.

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### Paid Preparer Information

Anyone you pay to prepare your return must sign and date it. Paid preparers must also enter their SSN or Preparer Tax Identification Number (PTIN), their firm's Federal Employer Identification Number, and their firm's name and address in the spaces provided.

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### 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. See *Form CT-706/709 Gift Tax Attachments* on Page 15.

Mail to:

**Department of Revenue Services**  
**PO Box 2978**  
**Hartford CT 06104-2978**

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## Schedule A – Overview

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### General Instructions

The information on *Schedule A* for each gift should generally be identical to the information reported on federal Form 709, Schedule A. However, only those gifts to which the Connecticut gift tax applies should be reported on Form CT-706/709, *Schedule A*. For gifts of land 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 10.)

If the total amount of Connecticut gifts of present interests to any donee is more than \$11,000 in the calendar year, you must enter all gifts you made during the year to or on behalf of that donee.

If the total amount of Connecticut gifts to a donee is \$11,000 or less, do not enter on *Schedule A* any gifts you made to that donee unless the Connecticut gift is of a future interest or of a present interest where the annual exclusion does not apply to the Connecticut gift.

You must always enter all gifts of future interests you made during the calendar year regardless of value. There is no annual exclusion for gifts of future interests. (See *Gifts* on Page 8.)

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### Contributions to Qualified State Tuition Programs

If the donor elects under I.R.C. §529(c)(2)(B) to treat any transfers made this year to a qualified state tuition program as made ratably over a five-year period beginning this year. See *Schedule D - Line Instructions, Line 14* on Page 15.

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### Gifts to Your Spouse

Enter gifts to your spouse on *Schedule A* if:

- You gave a gift of a terminable interest to your spouse;
- You gave a gift of a terminable future interest to your spouse; **or**
- Your spouse was not a citizen of the United States at the time of the gift.

Do **not** enter gifts to your spouse on *Schedule A* if all the terminable interests you gave to your spouse qualify as life estates with power of appointment.

However, if you gave your spouse **any** terminable interest that does not qualify as a life estate with power of appointment, you must report on *Schedule A* **all** gifts of terminable interests you made to your spouse during the year.

### Gift Splitting With Your Spouse

You are **not** permitted to gift split for Connecticut gift tax purposes if you do not consent to gift split for federal tax purposes.

You are **required** to gift split for Connecticut gift tax purposes if you consent to gift split for federal gift tax purposes.

Enter on *Schedule A* the entire value of every gift you made during that portion of the calendar year you were married, even if the gift's value will be less than \$11,000. (See *Gift Splitting* on Page 8.)

If you elected gift splitting and your spouse made gifts, list those gifts in the space below "Gifts made by spouse" on *Schedule A*. Your spouse may be required to file a separate return.

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### 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.

If you transfer an interest to your spouse as sole joint tenant with yourself or as a tenant by the entirety, the interest is not considered a terminable interest just because the tenancy may be severed.

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### Life Estate With Power of Appointment

You may deduct, without a federal election, a gift of a terminable interest if **all** four of the following requirements are met:

1. Your spouse is entitled for life to all of the income from the entire interest;
2. The income is paid yearly or more often;
3. Your spouse has the unlimited power, while he or she is alive or by will, to appoint the entire interest in all circumstances; **and**
4. No part of the entire interest is subject to another person's power of appointment (except to appoint it to your spouse).

If either the right to income or the power of appointment given to your spouse pertains only to a **specific portion** of the property interest, the marital deduction is allowed only to the extent that the rights of your spouse meet all four of the conditions above. For example, if your spouse is to receive all of the income from the entire interest, but only has a power to appoint one-half of the entire interest, then only one-half qualifies for the marital deduction.

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### **Election to Deduct Qualified Terminable Interest Property (QTIP)**

You may elect, for federal gift tax purposes, to deduct a gift of a terminable interest if it meets requirements 1, 2, and 4 on the previous page, even though it does not meet requirement 3.

If you make this federal election, you must check the box on *Schedule A*, Line 16. You may not check the box if you did not make the election for federal gift tax purposes.

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### **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-706/709, *Schedule A*.

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## **Schedule A - Column Instructions**

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### **Column A**

Assign each gift made during the year a number.

### **Column B**

List each donee and all gifts made in chronological order. If a transfer results in gifts to two people (for example, a life estate to one, remainder to another), the gifts must be listed separately.

Describe each gift in enough detail so that the donee and the property can be easily identified.

### **Column C**

Show the adjusted basis you would use for federal income tax purposes if the gift were sold or exchanged. Generally, this means cost plus improvements less applicable depreciation, amortization, and depletion.

The adjusted basis for Connecticut gift tax purposes is the same as the adjusted basis for federal gift tax purposes.

### **Column E**

Enter the fair market value of the gift at 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 both have reasonable knowledge of all relevant facts. See *Gifts of Farmland* on Page 10.

### **Column F**

Enter ½ of the Column E amount in this column, **only** if you have chosen to split gifts with your spouse.

### **Column G**

If you are **not** gift splitting carry Column E amounts to Column G.

If you are gift splitting subtract Column F from Column E and enter the difference in Column G.

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## **Schedule A - Line Instructions**

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### **Line 1**

Add the value of all gifts listed in *Schedule A*, Column G, and enter the sum on Line 1.

### **Line 2**

Enter the total annual exclusions you are claiming for the gifts listed on *Schedule A*, Line 1. The **first \$11,000 or less** of gifts to any donee during the calendar year of a present (not future) interest in property is excluded.

When determining the annual exclusion amount do not count any donee more than once. The annual exclusion is per donee and **not** per gift.

However, if the first \$11,000 of gifts to any donee involves tangible personal property or real property located outside Connecticut, no annual exclusion is available for Connecticut gift tax purposes for gifts to that donee.

The first \$117,000 of gifts made to a spouse who is not a U.S. citizen during the calendar year of a present interest in property is excluded from the Connecticut total amount of gifts.

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.

**Line 3**

Subtract Line 2 from Line 1 and enter the balance on Line 3. This is the total amount of gifts before the calculation of the marital deduction and charitable deduction.

**Line 4**

Enter on Line 4 all of the gifts to your spouse you entered on *Schedule A* and for which you are claiming a marital deduction. **Do not enter any gift you did not include on Schedule A.** Indicate on the line provided which numbered items from *Schedule A* are gifts to your spouse for which you are claiming the marital deduction.

Do not enter on Line 4 any gifts to your spouse if your spouse was not a U.S. citizen at the time of the gift. There is no marital deduction for gifts to a spouse who is not a U.S. citizen. However, an annual exclusion may apply. (See *Gifts* on Page 8.)

**Line 5**

Enter the amount of the annual exclusions claimed for the gifts you entered on Line 4.

**Line 6**

Subtract Line 5 from Line 4 and enter the balance on Line 6. This is the marital deduction that can be claimed for the year.

**Line 7**

If you are claiming a deduction for charitable gifts, enter your total charitable, public, or similar gifts (minus exclusions allowed) on Line 7. Enter on the line provided the item number(s) of the gift(s) from *Schedule A* you are deducting on Line 7. 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; **or**

- 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.

**Do not enter any gift you did not include on Schedule A.**

**Line 8**

Add Line 6 and Line 7 and enter the amount on Line 8. This is the total of the marital deduction and the charitable gift deduction.

**Line 9**

Subtract Line 8 from Line 3. Enter this amount on Line 9 and on **Section 1**, Line 1.

**Line 10**

If you and your spouse consented for federal gift tax purposes to consider all the gifts made during the calendar year as made one-half by each spouse, and as a result, are required to gift split for Connecticut gift tax purposes, check the box marked "Yes" and enter the consenting spouse's name and SSN on the applicable lines.

The consent may generally be signed any time after the end of the calendar year. However, two exceptions are:

1. The consent may not be signed after April 15 following the end of the year in which the gift was made. (If neither you nor your spouse has filed a federal gift tax return for the year on or before that date, the consent must be made on the first federal 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 federal gift tax for the year has been sent to either you or your spouse.

The executor or administrator 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.)

**Line 11**

Indicate whether your spouse is a U.S. citizen. If "No," indicate if any property was transferred to him or her during the calendar year.

**Line 12**

If you were married to one another for the entire calendar year, check the "Yes" box. If you were married for only part of the year, check the "No" box.

Also, check the box that explains the change in your marital status during the year and give the date you were married, divorced, or widowed.

**Line 13**

Check this box if you are making a gift of land classified as farmland under Conn. Gen. Stat. §12-107c to a lineal descendant or that descendant's spouse and you are using a value based on its current use as farmland. Attach an appraisal or other document showing an adequate explanation of value based upon its current use and **Schedule CT-709 Farmland**. If no appraisal is attached to show how the property is valued, explain in detail how it was determined.

**Line 14**

Check this box if, for federal gift tax purposes, you elected to treat certain contributions made during calendar year 2005 to qualified state tuition programs as being made ratably over a five-year period. If your total contributions during calendar year 2005 are:

Less than or equal to \$55,000:

- Report 20% of your total contributions on your 2005 Form CT-706/709; **and**
- Report 20% of your total contributions on your Form CT-706/709 for calendar years 2006, 2007, 2008, and 2009.

More than \$55,000:

- Report on your 2005 Form CT-706/709 the amount in excess of \$55,000 plus \$11,000 (20% of \$55,000); **and**
- Report \$11,000 (20% of \$55,000) on your Form CT-706/709 for calendar years 2006, 2007, 2008, and 2009.

**Example:** In year 1, when the annual exclusion amount under I.R.C. §2503(b) is \$11,000, *P* makes a contribution of \$60,000 to a qualified state tuition program for the

benefit of *P*'s child. *P* elects under I.R.C. §529(c)(2)(B) to account for the gift ratably over a five-year period beginning with the calendar year of contribution. *P* is treated as making an excludible gift of \$11,000 in each of years 1 through 5 and a taxable gift of \$5,000 is reported in year 1.

**Line 15**

Leave blank.

**Line 16**

Check the box if you elected under I.R.C. §2523(f) to include gifts of qualified terminable interest property as gifts to your spouse for which a marital deduction was claimed under I.R.C. §2523. Enter the item numbers (from Form CT-706/709, *Schedule A*) of the gifts for which you made this election on the space provided.

**Line 17**

Check the box if you elected under I.R.C. §2523(f)(6) **not** to treat as qualified terminable interest property any joint and survivor annuity where only you and your spouse have the right to receive payments before the death of the last of you to die. Enter the item numbers from Form CT-706/709, *Schedule A* for the annuity(ies) for which you made this election in the space provided.

Any annuities entered in the space provided on Line 17 may not be entered on *Schedule A*, Line 8. Any annuities not listed in the space provided on Line 17 must be entered on *Schedule A*, Line 4. If there is more than one joint and survivor annuity, the election under I.R.C. §2523(f)(6) may, but is not required to, cover all of them. Once made, the election is irrevocable.

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## Form CT-706/709 Gift Tax Attachments

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- Attach a complete copy of federal Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, including all attachments.
- A donor claiming special valuation on a gift of farmland **must** attach **Schedule CT-709 Farmland** to provide the fair market value of the farmland, based on its highest and best use value at the time of the gift. The donor must also provide a copy of Schedule CT-709 Farmland to the donee(s).
- 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 is greater than the amount shown on federal Form 712, Line 59. In these situations, you should report the true economic value of the policy.
- 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.
- Attach any other documents, such as appraisals, required for adequate explanation of value. If no appraisal is attached to show how property is valued, explain in detail how value was determined.

Please remember to fill out all required returns and schedules and attach all required information or your return will be incomplete.



## Amended Gift Tax Returns

Use Form CT-706/709 to amend a return you already filed. Include a statement explaining why the return is being amended and check the “Amended Return” box on the front of the return. Enter the amount paid with the original return on Line 18.

If you overpaid your Connecticut gift tax, you must amend Form CT-706/709 within three years after the due date for which the overpayment was made. If additional tax is due, interest applies. See *Interest and Penalties* on Page 5.

The following circumstances require filing an amended Form CT-706/709 for gift tax:

|   |  |
|---|--|
| <p><b>1. The IRS or federal courts change or correct the federal gift tax return, and the change or correction results in the Connecticut gift tax being overpaid or underpaid.</b></p> | <p><b>File no later than 90 days after the final determination.</b> If you file an amended Form CT-706/709 no later than 90 days after the final determination, any Connecticut gift tax overpayment resulting from the final determination will be refunded even if the Connecticut statute of limitations has otherwise expired.</p>   |
| <p><b>2. The donor files a timely amended federal gift tax return, and the amendment results in the Connecticut gift tax being overpaid or underpaid.</b></p>                           | <p><b>File no later than 90 days after the date of filing the timely amended federal gift tax return.</b> If you file an amended Form CT-706/709 no later than 90 days after the date of filing the timely amended federal gift tax return, any Connecticut gift tax overpayment resulting from filing the timely amended federal gift tax return will be refunded even if the Connecticut statute of limitations has otherwise expired.</p> |
| <p><b>3. The donor made a mistake or omission on Form CT-706/709, and the mistake or omission results in the Connecticut gift tax being overpaid or underpaid.</b></p>                  | <p><b>File no later than three years after the due date for which the overpayment was made.</b></p>  |

## Section 2 - Estate Tax

### Steps to Completing Section 2 - Estate Tax

Use these instructions to file **Form CT-706/709, Connecticut Estate and Gift Tax Return**, for estates of decedents dying during calendar year 2005. For estates of decedents dying before January 1, 2005, see **Informational Publication 2004(25), Q & A on Succession, Estate, and Generation-Skipping Transfer Taxes**.

### Which Estates Must File With DRS

**Form CT-706/709** must be filed for:

- Every resident decedent, where the decedent’s Connecticut taxable estate exceeds \$2 million; **and**
- Any nonresident decedent whose gross estate includes any real property or tangible personal property located in Connecticut, where the decedent’s Connecticut taxable estate exceeds \$2 million.

The decedent’s Connecticut taxable estate is the sum of:

- A. The decedent’s gross estate, as valued for federal estate tax purposes, less allowable federal estate tax deductions (other than the federal estate tax deduction for state death taxes paid); **and**

- B. The aggregate amount of Connecticut taxable gifts made by the decedent (during his or her lifetime) during all calendar years beginning on or after January 1, 2005.

If the total of A plus B exceeds \$2 million, Form CT-706/709 must be filed with:

- The DRS; **and**
- A copy filed with the probate court for the district in which the decedent was a Connecticut resident; **or** if the decedent was a nonresident of Connecticut, a copy with the probate court for the district in which the decedent owned real property or tangible personal property in Connecticut.

### Which Estates Must Not File With DRS

If the total of A plus B is \$2 million or less, the estate must file **Form CT-706 NT, Connecticut Estate Tax Return (for Nontaxable Estates)**, with:

- The probate court for the district in which the decedent was a Connecticut resident; **or**
- If the decedent was a nonresident of Connecticut, with the probate court for the district in which the decedent

owned real property or tangible personal property within Connecticut.

Do not file Form CT-706 NT with DRS.

The decedent's Connecticut taxable gifts are gifts made on or after January 1, 2005 that are:

- For Connecticut residents: Gifts of real estate or tangible personal property located in Connecticut and intangible personal property wherever located; **and**
- For nonresidents of Connecticut: Gifts of real estate or tangible personal property located in Connecticut.

---

## Residence

For purposes of the Connecticut Estate Tax:

**Resident** means the estate of any individual who is domiciled in Connecticut at the time of his or her death.

**Nonresident** means the estate of any individual who is not domiciled in Connecticut at the time of his or her death.

**Domicile** is the place which an individual intends to be his or her permanent home and to which such individual intends to return whenever absent.

If the decedent is claimed to be a nonresident, the estate must also file **Form C-3, State of Connecticut Domicile Declaration**, either with DRS or the probate court depending on which has jurisdiction over the estate.

---

## Executor

The term **executor** means the executor, personal representative, or administrator of the decedent estate. If none of these is appointed, qualified, and acting in this State,

a survivor or transferee in possession of estate assets may be appointed by the probate court for the district in which the decedent resided, or if the decedent was a nonresident of this State, in the probate court in which the decedent's Connecticut real property and/or tangible personal property was located.

---

## When to File for Estate Tax

Form CT-706/709 for Connecticut estate tax is due within nine months after the date of the decedent's death, unless an extension of time to file is requested. Use **Form CT-706/709 EXT, Application for Estate and Gift Tax Return Filing Extension and for Estate Tax Payment Extension**, to apply for an extension of time to file.

Payment of the estate tax is due within nine months after the date of the decedent's death unless an extension of time to pay has been granted.

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## Who Must File

The executor(s) of the estate must sign and date Form CT-706/709. If there is more than one executor, all must sign the return and all are liable for tax, interest, and penalty. (See *Executor* above.)

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## Amended Estate Tax Returns

Use Form CT-706/709 to amend a return you already filed. Include a statement explaining why the return is being amended and check the "Amended Return" box on the front of the return. Enter the amount paid with the original return on Line 18.

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# Estate Tax Instructions for Form CT-706/709

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## General Instructions

On the front of the return under the **Section 2** heading, you must enter the decedent's date of death and the Connecticut Probate Court having jurisdiction over this estate. Failure to report this information will delay processing of this return.

If gifts were made in the same calendar year as the decedent's death, they must be reported in **Section 2** and not **Section 1** of this return.

**Supporting Documentation:** In order for this return to be considered complete, you must attach complete copies of federal Forms 706 and 709 (if applicable), including all supplemental documents. You must attach a death certificate and for a nonresident estate **Form C-3, State of Connecticut Domicile Declaration**.

## Line Instructions

### Section 1 - Gift Tax Computation

#### Lines 1 through 4

Leave blank.

### Section 2 - Estate Tax Computation

#### Line 5

Enter the total gross estate for federal estate tax purposes from federal Form 706, Part 2, Line 1.

#### Line 6

Enter the allowable estate tax deductions from *Schedule C*, Line 4. Estates must complete *Schedule C* to calculate the allowable estate tax deductions. (See *Schedule C - Estate Tax Deduction Computation* on Page 19.)

**Line 7**

Subtract Line 6 from Line 5. Enter the difference on Line 7.

**Line 8**

Enter the current year Connecticut taxable gifts made by the decedent from *Schedule A*, Line 9. If the decedent made Connecticut taxable gifts during the 2005 calendar year, those gifts must be reported on *Schedule A*. (See *Schedule A - Overview* on Page 12.)

**Line 9**

Leave blank.

**Line 10**

To calculate the Connecticut taxable estate, add Line 7 and Line 8. Enter the sum on Line 10.

If the amount on Line 10 is \$2 million or less, no estate tax is due and you are not required to file this return. Instead you must file **Form CT-706 NT**, with the appropriate Connecticut Probate Court. **Do not file Form CT-706 NT with the DRS.**

If the Line 10 amount is greater than \$2 million, go to Line 11.

**Line 11**

Calculate the Connecticut estate tax by using the *Tax Table for Form CT-706/709* (on Page 4). If the decedent was a Connecticut resident at the time of his or her death, enter here and on Line 13.

**Line 12**

**Nonresident decedent estates only:** Enter the tax due amount from *Schedule E*, Line 5. Enter here and on Line 13. (See *Schedule E - Computation of Tax for Nonresident Decedent Estates* on Page 19.)

**Section 3 - Calculation of Total Tax, Penalty, and Interest****Line 13**

Estate tax computation:

- For **resident** decedent estates only: Enter the tax due from Line 11.
- For **nonresident** decedent estates only: Enter the tax due from Line 12 here and on Line 17.

**Line 14**

Leave blank.

**Line 15**

**Resident decedent estates only:** Enter the credit for death taxes paid to other states from *Schedule D*, Line 7. If not claiming a credit for death taxes paid to another state, do not complete *Schedule D*, and enter zero on Line 15.

**Line 16**

Leave blank.

**Line 17**

Subtract Line 15 from Line 13 and enter the difference on Line 17. If less than zero, enter zero.

**Line 18**

Prior payment amount: Include amount paid on Line 2 of **Form CT-706/709 EXT**.

Amended returns: Include amount paid with your original return.

**Line 19**

If the amount on Line 18 is greater than Line 17, enter the amount overpaid.

**Line 20**

If the amount on Line 17 is greater than Line 18, enter the balance of tax due.

**Line 21 and Line 22**

If you are making a late payment or filing the return after the due date, see *Interest and Penalties* on Page 5.

**Line 23**

Add Lines 20, 21, and 22 and enter the total on Line 23. This is your balance due.

**Payment Information**

Pay this amount in full with the return. **Do not send cash.**

Make your check or money order payable to: **Commissioner of Revenue Services**. Write "2005 Form CT-706/709" on the front of your check or money order in the lower left corner. Writing the decedent's SSN on the front of your check or money order ensures accuracy and timeliness in processing your payment.

DRS may submit your check to your bank electronically.

**Paid Preparer Information**

Anyone you pay to prepare your return must sign and date it. Paid preparers must also enter their SSN or Preparer Tax Identification Number (PTIN), their firm's Federal Employer Identification Number, and their firm's name and address in the spaces provided.

**Mailing Your Return**

Retain a copy of this return for your records. Attach to this return a complete copy of federal Forms 706 and 709, if applicable, including **all** attachments. Mail to:

**Department of Revenue Services**  
**PO Box 2978**  
**Hartford CT 06104-2978**

A copy of this return must be filed with the appropriate Connecticut Probate Court.

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## Schedule Instructions for Form CT-706/709

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### Schedule C - Estate Tax Deduction Computation

#### Line 1

Enter the allowable estate tax deductions for federal estate tax purposes excluding any deduction for state death taxes (estate, inheritance, legacy, or succession taxes) paid. Generally, this is the amount on federal Form 706, Part 2, Line 2, less any state death taxes that were paid and are included in that amount.

#### Line 2

Leave blank.

#### Line 3

Leave blank.

#### Line 4

Enter the amount from Line 1 here and on **Section 2**, Line 6.

#### Line 5

If for federal estate tax purposes an election was made to treat a trust or other property of the decedent's gross estate as qualified terminable interest property (QTIP) under I.R.C. §2056(b)(7), check **Yes**.

If the decedent estate did not file a federal Form 706, or if the decedent estate filed a federal Form 706 but did not make a QTIP election under I.R.C. §2056(b)(7), check **No**.

If **Yes**, skip Line 6 and go to Line 7.

#### Line 6

If an election is being made for Connecticut estate tax purposes only to have a trust or other property of the decedent's gross estate treated as QTIP, check **Yes**.

#### Line 7

If for federal estate tax purposes, the decedent's gross estate contains any I.R.C. §2044 property (QTIP from a prior gift or estate), check **Yes**. If the decedent estate did not file a federal Form 706, or if the decedent estate filed a federal Form 706 but the decedent's gross estate, for federal estate tax purposes, does not contain any I.R.C. §2044 property, check **No**.

If **Yes**, skip Line 8.

#### Line 8

If the decedent's gross estate, for Connecticut estate tax purposes only, contains any I.R.C. §2044-type property from a prior estate that made a QTIP election for Connecticut estate tax purposes only check **Yes**.

**I.R.C. §2044-type property** means property that would have qualified as I.R.C. §2044 property from a prior estate had a QTIP election under I.R.C. §2056(b)(7) been made by the prior estate.

### Schedule D - Credit for Death Taxes Paid to Other States (resident estate only)

#### Line 1

Enter the tax due amount from **Section 2**, Line 11.

#### Lines 2a through 2d

Enter any death taxes (estate, inheritance, legacy, or succession taxes) paid to another state for which a credit is being claimed.

#### Line 2

Add Lines 2a through Line 2d and enter the sum here.

#### Line 3

Enter the total gross estate for federal estate tax purposes from **Section 2**, Line 5.

#### Line 4

Enter the amount of the gross estate for federal estate tax purposes that is attributable to real property and tangible personal property located outside Connecticut.

#### Line 5

Divide Line 4 by Line 3 and round to four decimal places. Enter the amount here.

#### Line 6

Multiply Line 1 by Line 5 and enter the result here.

#### Line 7

Enter the smaller of Line 2 or Line 6 here and on **Section 3**, Line 15. This is the allowable credit for death taxes paid to other states.

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### Schedule E - Computation of Tax for Nonresident Decedent Estates

#### Line 1

Enter the tax due from **Section 2**, Line 11.

#### Line 2

Enter the total gross estate for federal estate tax purposes from **Section 2**, Line 5.

#### Line 3

Enter the amount of the gross estate for federal estate tax purposes that is attributable to real property and tangible personal property located in Connecticut.

#### Line 4

Divide Line 3 by Line 2 and round to four decimal places. Enter the amount here.

#### Line 5

Multiply Line 1 by Line 4. This is the amount of the tax due for a nonresident estate. Enter the result here and in **Section 2**, Line 12.

# CONNECTICUT TAX ASSISTANCE

|  |   |                                  |  |
|--|---|----------------------------------|--|
|  | <b>FOR TAX INFORMATION</b>  | <b>FORMS AND PUBLICATIONS</b>    |  |
| <b>Internet</b>  | DRS Web site:   |                                  |  |
|  | <b>www.ct.gov/DRS</b>   |                                  |  |
| <b>Telephone</b>   | <b>CONN-TAX</b><br>1-800-382-9463 (in-state) or<br>860-297-5962 (from anywhere)<br>TTY, TDD, and Text Telephone users only may transmit<br>inquiries anytime by calling 860-297-4911. |                                  | From a touch-tone phone call:<br>1-800-382-9463 (in-state) and select <b>Option 2</b> , or<br>860-297-4753 (from anywhere)<br><b>DRS TaxFax</b> - Call 860-297-5698 from the handset<br>attached to your fax machine and select from the menu. |
|  | <b>Department of Revenue Services<br/>Taxpayer Services Division<br/>25 Sigourney Street<br/>Hartford CT 06106-5032</b>   |                                  |  |
| <b>Write</b>   |   |                                  |  |
| <b>Walk-in<br/>Offices</b><br>Free personal taxpayer<br>assistance and forms are<br>available by visiting our<br>offices, Monday through<br>Friday, 8:00 a.m. to 5:00<br>p.m. Call CONN-TAX for<br>directions to DRS offices.<br>If you require special<br>accommodations,<br>please advise the DRS<br>representative. | <b>Location</b>   | <b>Address</b>                   | <b>Phone*</b>  |
|  | <b>Bridgeport</b>   | 10 Middle Street                 | 203-336-7890   |
|  | <b>Hartford</b>   | 25 Sigourney Street              | 860-297-5962   |
|  | <b>Norwich</b>  | 2 Cliff Street                   | 860-425-4123   |
|  | <b>Hamden</b>   | 3074 Whitney Avenue, Building #2 | 203-287-8243   |
|  | <b>Waterbury</b>  | 55 West Main Street, Suite 100   | 203-805-6789   |
| * All calls are answered at our Customer Service Center, not at the local office.  |   |                                  |  |

|  |   |   |
|--|---|---|
| <b>ELECTRONIC<br/>FILING<br/>OPTIONS</b> | File <b>Form CT-1040 EXT</b> over the<br>internet using WebFile.<br>Visit: <a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a> | File your federal and Connecticut<br>returns together using <i>e-file</i> ! |
|  | <b>Check this booklet for additional details!</b>   | Visit: <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>             |

|  |  |
|--|--|
| <b>FEDERAL TAX INFORMATION</b><br>For questions about <b>federal taxes</b> , contact the Internal Revenue<br>Service (IRS) at 1-800-829-1040 or visit: <a href="http://www.irs.gov">www.irs.gov</a><br>To order <b>federal tax forms</b> , call: 1-800-829-3676. | <b>STATEWIDE SERVICES</b><br>For information on statewide services and programs, visit<br>the ConneCT Web site at <a href="http://www.ct.gov">www.ct.gov</a> |
|--|--|

Department of Revenue Services  
State of Connecticut  
25 Sigourney Street  
Hartford CT 06106-5032

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HARTFORD CT  
PERMIT NO. 884

**Form CT-706/709 EXT**  
**Application for Estate and Gift Tax Return Filing**  
**Extension and for Estate Tax Payment Extension**

**CT-706/709 EXT**  
 Calendar Year  
**▶2005**

|   |                        |   |
|---|------------------------|---|
| Donor or Decedent's First Name and Middle Initial<br>▶            | Last Name<br>▶         | Social Security Number<br>_ _ _ _ : _ _ _ _ : _ _ _ _ |
| Address<br>▶  | Number and Street<br>▶ | PO Box<br>▶   |
| City, Town, or Post Office<br>▶                                   | State<br>▶             | ZIP Code<br>▶   |
| Mailing Address (Firm name if applicable)<br>▶                    |                        | PO Box  |
| City, Town, or Post Office<br>▶                                   | State<br>▶             | ZIP Code  |
| Attention, Care of, or Estate Representative (if applicable)<br>▶ |                        |   |
| Fiduciary's Name and Address                                      |                        |   |

If the donor died during calendar year 2005, skip Section 1 and complete Section 2. Otherwise, complete Section 1 for gift tax purposes only.

**Section 1 – Gift Tax Extension Request**

By completing Section 1 of this form and filing it with the Connecticut Department of Revenue Services (DRS), you are requesting a six-month extension of time to report your 2005 Connecticut taxable gifts.

I have requested a federal extension using federal Form 8892, Payment of Gift/GST Tax and/or Application for Extension of Time to File Form 709, for calendar year 2005.  Yes  No

If **No**, the reason for the Connecticut extension is: \_\_\_\_\_  
 \_\_\_\_\_

**1. 2005 Connecticut gift tax liability**

You must enter a whole dollar amount. If you do not expect to have a gift tax liability, enter zero ("0").

▶ 1.

00

**Section 2 – Estate Tax Extension Request**

Decedent's date of death: ▶ \_\_\_\_\_ Connecticut Probate court: \_\_\_\_\_

By completing Section 2 of this form and filing it with DRS, you are requesting a six-month extension of time to file and/or pay the Connecticut estate tax.

▶  Extension of Time to File - I request a six-month extension of time to file the decedent's Form CT-706/709.

▶  Extension of Time to Pay - I request a six-month extension of time to pay the decedent's Connecticut estate tax.

I have requested a federal extension using federal Form 4768, Application for Extension of Time to File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes.  Yes  No

If **No**, the reason for the Connecticut extension is: \_\_\_\_\_  
 \_\_\_\_\_

**2. 2005 Connecticut estate tax liability**

You must enter a whole dollar amount.

▶ 2.

00

You will be notified only if your extension request is denied.

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |  |       |                        |                                 |
|---|--|-------|------------------------|---------------------------------|
| <b>Sign Here</b><br><br>Keep a copy of this return for your records | Donor or Fiduciary's Signature                               | Title | Date                   | Telephone Number<br>( )         |
|   | Paid Preparer's/Authorized Estate Representative's Signature | Date  | Preparer's PTIN or SSN | Telephone Number<br>( )         |
|   | Firm Name and Address<br>▶                                   |       |                        | Federal Employer ID Number<br>▶ |

## Form CT-706/709 EXT Instructions

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Complete **Section 1** for Connecticut taxable gifts made during calendar year 2005.

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Complete **Section 2** for estates of decedents dying during calendar year 2005 with a Connecticut taxable estate in excess of \$2 million.

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### Section 1 - Gift Tax Extension

#### Purpose

Use **Form CT-706/709 EXT** to request a six-month extension to file **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*.

If you have already filed federal Form 8892, it is not necessary to include a reason for the Connecticut extension request. If federal Form 8892 was not filed, the donor may apply for a six-month extension to file Form CT-706/709 provided there is reasonable cause.

#### How to Get a Gift Tax Extension to File

To get a filing extension, you **must**:

- Complete Form CT-706/709 EXT, *Section 1*;
- File it on or before the due date of the return;
- Pay the amount shown on Line 1; **and**
- Sign the Declaration.

You will be notified only if your extension request is denied.

Form CT-706/709 EXT *only extends the time to file* your Connecticut Estate and Gift Tax Return, it *does not extend the time to pay* your gift tax.

#### Gift Tax Extension Due Date

This extension request is due on or before the original due date for filing Form CT-706/709. Form CT-706/709 is due on April 15 of the year following the calendar year in which the gifts were made.

### Section 2 - Estate Tax Extension

#### Purpose

Use **Form CT-706/709 EXT** to request a six-month extension to file and/or pay your **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*.

If you have already filed federal Form 4768, it is not necessary to include a reason for the Connecticut extension request. If federal Form 4768 was not filed, you may apply for a six-month extension to file and/or pay Form CT-706/709 provided there is reasonable cause.

#### How to Get an Estate Tax Extension

To get a filing extension, you **must**:

- Complete Form CT-706/709 EXT, *Section 2*;
- Pay the amount on Line 2 (if applicable);
- File it on or before the due date of the return; **and**
- Sign the Declaration.

You will be notified only if your extension request is denied.

#### Estate Tax Extension Due Date

This extension request is due on or before the original due date for filing Form CT-706/709. Form CT-706/709 is due within nine months from the decedent's date of death.

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### General Instructions for Section 1 and Section 2

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#### General

Complete Form CT-706/709 EXT and check the boxes applicable to your request. You will be notified only if your extension request is denied. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day will be the due date.

#### When to File

Form CT-706/709 EXT must be completed and filed on or before the original due date of the return.

#### Where to File

Keep a copy of this form for your records.

Mail this form and payment (if required) to:

Department of Revenue Services  
State of Connecticut  
PO Box 2978  
Hartford CT 06104-2978

#### Payment Information

Make check or money order payable to: Commissioner of Revenue Services. Write "**2005 Form CT-706/709 EXT**" on the check or money order in the lower left corner. Writing the donor's or the decedent's Social Security Number on the front of your check or money order ensures accuracy and timeliness in processing your payment. DRS may submit your check to your bank electronically.

#### Interest and Penalty

In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

**Late Payment Penalty:** The penalty for underpayment of tax is 10% (.10) of the amount due or \$50, whichever is greater.

**Late Filing Penalty:** If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

## Schedule CT-709 Farmland

Calendar Year  
**2005**

(Rev. 9/05)

**Purpose:** To report the fair market value of farmland based on its highest and best use as of the date of gift.

|                                       |           |  |
|---------------------------------------|-----------|--|
| Donor's First Name and Middle Initial | Last Name | Social Security Number<br>____-____-____ |
| Address (number and street)           | PO Box    | <b>For Department Use Only</b><br>- - 20 |
| City, Town, or Post Office            | State     | ZIP Code                                 |

### Schedule of Farmland

| A<br>Gift No. | B<br>• Donee's name and address<br>• Donee's Social Security Number<br>• Relationship to donor (if any)<br>• Description of gift<br><small>Include the town, volume, and page number of land records at which the deed of gift is recorded.</small> | C<br>Date of gift | D<br>Fair market value of farmland at date of gift | E<br>Value as farmland at date of gift |
|---------------|---|-------------------|--|--|
| <b>1</b>      |   |                   |  |  |
|               |   |                   |  |  |
|               |   |                   |  |  |
|               |   |                   |  |  |

**F.** Enter the additional gift tax that may become due if the farmland is subsequently transferred or reclassified. (See instructions.) ..... \$ \_\_\_\_\_ .00

If you are claiming special valuation on a gift of farmland, this schedule must be attached to **Form CT-706/709**.  
 You must also furnish a copy of this schedule and the instructions on the reverse side to the donee.

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

|                   |      |
|-------------------|------|
| Donor's Signature | Date |
|-------------------|------|



## Schedule CT-709 Farmland

### Who Must File

Any donor who makes a gift of land classified as farmland under Conn. Gen. Stat. §12-107c to a lineal descendant or the spouse of a lineal descendant must complete and attach this schedule to **Form CT-706/709, Connecticut Estate and Gift Tax Return**, if the land is valued based upon its current classification and use as farmland.

### Transfers of Farmland or Change of Classification

If land that is valued as farmland under Conn. Gen. Stat. §12-646ac is within ten years:

- Transferred by the donee to anyone other than a lineal descendant or spouse of the lineal descendant; **or**
- **No longer classified** as farmland,

the donee (or the donee's lineal descendant or the descendant's spouse if the farmland has been transferred by the donee to the donee's lineal descendant or the descendant's spouse) must file this schedule and pay the tax due. The tax is computed by subtracting the tax paid by the donor from the tax that would have been due from the donor if the donor had filed Form CT-706/709 using the fair market value of the farmland as reported on federal Form 709, Schedule A.

### Donor Instructions

1. Enter the donor's name, mailing address, and Social Security Number at the top of the schedule.
2. Complete Columns A through E of this schedule for each gift.

**Column A** – Number each gift.

**Column B** – Enter the donee's identifying information and a complete description of the farmland being transferred, including the volume and page number of the land records of the town in which the deed of gift is recorded. This information should match the description on Form CT-706/709, *Schedule A*, Column B. Attach a copy of the deed that shows its receipt and recording by the town clerk.

**Column C** – Enter the date of the gift.

**Column D** – Enter the fair market value of the farmland, based on its highest and best use, as of the date of the transfer. This should match the amount on federal Form 709, Schedule A.

**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 on Form CT-706/709, *Schedule A*, Column E.

3. Calculate any additional gift tax that may become due and enter on **Line F**. Calculate the additional gift tax that would have been due if the donor filed Form CT-706/709 using the

fair market value of the farmland as reported on federal Form 709, Schedule A. Subtract the actual tax reported on Form CT-706/709, Section 1, Line 4, from the tax that would have been due if the donor filed Form CT-706/709 using the fair market value of the farmland.

4. **Donor's signature** – Sign and date this schedule.
5. Give the donee(s) a copy of this schedule and the instructions.
6. Attach this schedule to your Form CT-706/709.

### Donee Instructions

A donee is liable for additional gift tax if, within ten years of the original gift, the farmland is transferred to a nonlineal descendant or is no longer classified as farmland. If this occurs, the donee must submit to the Department of Revenue Services (DRS):

1. A copy of the **Schedule CT-709 Farmland** provided to the donee by the donor; **and**
2. A written statement that includes the date:
  - a. The land was transferred to a person other than the donee's lineal descendant or the lineal descendant's spouse; **or**
  - b. The classification of the land was changed from farmland.

### Due Date of Additional Tax

The amount of additional gift tax due is the amount entered on Line F on the front of this schedule. You must file this schedule and pay the tax due no later than 60 days following the transfer or reclassification. Interest accrues at the rate of 1% (.01) per month or fraction of a month from the due date to the date of payment.

Pay the amount of additional gift tax due in full with this schedule. **Do not send cash.** Make your check or money order payable to: **Commissioner of Revenue Services**. Write "2005 Schedule CT-709 Farmland" on the front of your check or money order in the lower left corner. Writing your SSN on the front of your check or money order ensures accuracy and timeliness in processing your payment. DRS may submit your check to your bank electronically.

Mail to:

**Department of Revenue Services  
PO Box 2978  
Hartford CT 06104-2978**

### Extension of Time to Pay

The Commissioner may, for good cause, extend the time for payment of the tax if the donee (or, if the land was transferred to the donee's lineal descendant or the descendant's spouse) files a written application with the Commissioner on or before the 60-day period expires.

Connecticut Estate Tax Return (For Nontaxable Estates)

(New 09/05)

For estates of decedents dying during calendar year 2005

|   |  |                               |  |   |  |
|---|--|-------------------------------|--|---|--|
| Decedent's Last Name                          |  | First Name and Middle Initial |  | Social Security Number                            |  |
| Address                                       |  | Number and Street             |  | PO Box  |  |
| City, Town, or Post Office                    |  | State                         |  | ZIP Code  |  |
| Legal Residence (domicile) (county and state) |  |                               |  | <input type="checkbox"/> Check if amended return. |  |
|   |  |                               |  | Connecticut Probate Court                         |  |

Residency:  Connecticut Resident  Nonresident (Attach Form C-3, State of Connecticut Domicile Declaration)

**Section 1 General Questions**

Check the appropriate box for each question below. If the decedent was not a resident of Connecticut, answer the questions below as they pertain to real property and tangible personal property located in Connecticut.

|  |  |
|--|--|
| <p>1. At the time of death, did the decedent own or have an interest in any of the following sole ownership property? If Yes, report the property on Section 3, Part 1.</p> <p>a. Real estate <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b. Securities <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>c. Bank accounts <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>d. Other personal property <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. At the time of death, did the decedent own or have an interest in any of the following property owned jointly with right of survivorship? If Yes, report the property on Section 3, Part 2.</p> <p>a. Real estate <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b. Securities <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>c. Bank accounts <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>d. Other personal property <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. Are any amounts due to a beneficiary or this decedent's estate from a pension, stock-bonus or profit-sharing plan, or an annuity? If Yes, report that amount on Section 3, Part 2. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>4. Did the decedent create any trusts, including trustee bank accounts, during his or her life? If Yes, attach a copy of the trust(s) and report the value of the trust(s) on Section 3, Part 2. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>5. Did the decedent have an interest in life insurance on the life of another? If Yes, report the cash surrender value on Section 3, Part 2. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>6. Did the decedent have an interest in life insurance on his or her life? If Yes, report entire proceeds on said policy on Section 3, Part 3. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>7. During his or her life, did the decedent make any transfers of real property to another, retaining a life use for himself or herself; or where he or she continued to have any use in the property? If Yes, report the fair market value of the property on the date of death on Section 3, Part 2. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>8. Did the decedent make any taxable gifts (within the meaning of I.R.C. §2503) on or after January 1, 2005? If Yes, complete Schedule A (NT) and attach. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>9. Was a disclaimer filed in this estate? If Yes, submit a copy of each disclaimer. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>10. Is the estate required to file a federal estate tax return (Form 706)? If Yes, attach a complete copy including all supplemental documents. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |
|--|--|

**Section 2 Connecticut Taxable Estate Computation**

|   |    |    |
|---|----|----|
| 1. Total gross estate for federal estate tax purposes. Enter total from Section 4, Line 8. ....   | 1. | 00 |
| 2. Allowable estate tax deductions for federal estate tax purposes (other than deduction allowable for state death taxes under I.R.C. §2058) (Attach breakdown) ..... | 2. | 00 |
| 3. Subtract Line 2 from Line 1. ....  | 3. | 00 |
| 4. Current year Connecticut taxable gifts from Schedule A (NT), Line 9. (Attach copy of federal Form 709) .....   | 4. | 00 |
| 5. Connecticut taxable estate. Add Line 3 and Line 4. ....  | 5. | 00 |

**DECLARATION:** I declare under penalty of law 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. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|                        |       |  |                |
|------------------------|-------|--|----------------|
| Fiduciary's Name       |       | Attorney or Authorized Representative's Name       |                |
| Signature of Fiduciary | Date  | Signature of Attorney or Authorized Representative | Date           |
| Address                |       | Firm Name and Address                              |                |
| City                   | State | ZIP  | City State ZIP |
| Telephone Number       |       | Telephone Number                                   |                |

**Certificate of Opinion of No Tax**

|   |                    |
|---|--------------------|
| I have examined this return and have concluded that the Connecticut taxable estate, as shown above, is \$2 million or less. |                    |
| Date  | Signature of Judge |

**Section 3 Property and Proceeds Reported for Federal Estate Tax Purposes**

**Part 1 - Solely Owned Property**

| A<br>Item<br>No. | B<br>Description of all property and two letter abbreviation of state where located.<br>If real property, list the complete address. (If necessary, attach additional<br>sheet(s) and continue with Item 1D.) | C<br>Decedent's<br>% of<br>Ownership | D<br>Fair Market Value | E<br>Amount of<br>Column D<br>Passing to Spouse |
|------------------|---|--------------------------------------|------------------------|---|
| 1.               | <b>1A</b>   | 100%                                 |                        |   |
| 2.               | <b>1B</b>   | 100%                                 |                        |   |
| 3.               | <b>1C</b>   | 100%                                 |                        |   |
| 4.               | Add all amounts for Column D and Column E. Enter totals here.   |                                      |                        |   |

**Part 2 - Jointly Owned Property and Property Passing Other than by Will or Laws of Intestacy**

| A<br>Item<br>No. | B<br>Description of all property and two letter abbreviation of state<br>where located. If real property, list the complete address<br>and attach copy of deed(s). (If necessary, attach additional<br>sheet(s) and continue with Item 2D.) | C<br>Fair Market Value | D<br>Decedent's<br>% of<br>Ownership | E<br>Conceded Value<br>Attributed to this<br>Estate<br>(Col. C x Col. D) | F<br>Amount of<br>Column E<br>Passing to Spouse |
|------------------|---|------------------------|--------------------------------------|--|---|
| 5.               | <b>2A</b>   |                        |                                      |  |   |
| 6.               | <b>2B</b>   |                        |                                      |  |   |
| 7.               | <b>2C</b>   |                        |                                      |  |   |
| 8.               | Add all amounts for Column E and Column F. Enter totals here.   |                        |                                      |  |   |

**Part 3 - Life Insurance Proceeds on the Life of the Decedent**

| A<br>Item<br>No. | B<br>Description of Life Insurance<br>(Attach copy of federal Form 712 for each policy) (If necessary, attach additional<br>sheet(s) and continue with Item 3D.) | C<br>Life Insurance Value<br>Attributed<br>to this Estate | D<br>Amount of<br>Column C<br>Passing to Spouse |
|------------------|--|---|---|
| 9.               | <b>3A</b>  |   |   |
| 10.              | <b>3B</b>  |   |   |
| 11.              | <b>3C</b>  |   |   |
| 12.              | Add all amounts for Column C and Column D. Enter totals here.  |   |   |

**Section 4 Total Gross Estate as Would Be Valued for Federal Estate Tax Purposes**

|    |  |    |  |    |  |
|----|--|----|--|----|--|
| 1. | Enter amount from Section 3, Part 1, Column E, Line 4.   | 1. |  | /  |  |
| 2. | Enter amount from Section 3, Part 2, Column F, Line 8.   | 2. |  |    |  |
| 3. | Enter amount from Section 3, Part 3, Column D, Line 12.  | 3. |  |    |  |
| 4. | <b>Total amount to spouse</b> (Add Lines 1 through 3.)   |    |  | 4. |  |
| 5. | Enter amount from Section 3, Part 1, Column D, Line 4.   | 5. |  | /  |  |
| 6. | Enter amount from Section 3, Part 2, Column E, Line 8.   | 6. |  |    |  |
| 7. | Enter amount from Section 3, Part 3, Column C, Line 12.  | 7. |  |    |  |
| 8. | <b>Total gross estate for federal estate tax purposes</b><br>(Add Lines 5 through 7. Enter here and on Section 2, Line 1.) |    |  | 8. |  |

**Schedule A (NT)**

| <b>Computation of Current Year Connecticut Taxable Gifts</b>  |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
|---|--|-----------------------------|-------------------|--|---|--|--|----|--|----|---|----|--|----|--------------------------------------|----|--|----|-------------------|--|--|--|---|----|----|--|---|----|----|---|----|----|--|----|----|--|----|--|----|--|----|--|----|
| A<br>Item No.   | B<br>Gifts Subject to Gift Tax<br>• Donee's name, address, Social Security Number, relationship to decedent, if any;<br>• Gift description (if gift was made by means of a trust, enter trust's identifying number; if gift was securities, enter CUSIP number(s), if available) | C<br>Adjusted Basis of Gift | D<br>Date of Gift | E<br>Value at Date of Gift<br>Enter the fair market value at the date the gift was made. | F<br>Split Gifts Only<br>For split gifts, enter 1/2 of Column E | G<br>Net Transfer<br>Subtract Column F from Column E |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 1   |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| <b>Gifts Made by Spouse</b> - Complete only if decedent split gifts with his or her spouse and the spouse also made gifts.  |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 1   |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 65%;">1. Total gifts. Add the value of all gifts listed in Column G and enter here .....</td> <td style="width: 5%; text-align: center;">1.</td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">00</td> </tr> <tr> <td>2. Total annual exclusion for present interest gifts listed on <i>Schedule A</i> (See instructions)</td> <td style="text-align: center;">2.</td> <td></td> <td style="text-align: right;">00</td> </tr> <tr> <td>3. Subtract Line 2 from Line 1 .....</td> <td style="text-align: center;">3.</td> <td></td> <td style="text-align: right;">00</td> </tr> <tr> <td colspan="4"><b>Deductions</b></td> </tr> <tr> <td>4. Gifts to spouse for which a marital deduction is claimed (enter item No(s) from <i>Schedule A</i> _____) .....</td> <td style="text-align: center;">4.</td> <td style="text-align: right;">00</td> <td rowspan="7" style="background-image: linear-gradient(to top right, transparent 49%, black 49%, black 51%, transparent 51%); background-size: 10px 10px;"></td> </tr> <tr> <td>5. Exclusions attributable to gifts on Line 4 .....</td> <td style="text-align: center;">5.</td> <td style="text-align: right;">00</td> </tr> <tr> <td>6. Marital Deduction (Subtract Line 5 from Line 4.)</td> <td style="text-align: center;">6.</td> <td style="text-align: right;">00</td> </tr> <tr> <td>7. Charitable deductions less exclusions (enter item No(s) from <i>Schedule A</i> _____) .....</td> <td style="text-align: center;">7.</td> <td style="text-align: right;">00</td> </tr> <tr> <td>8. Total Deductions (Add Line 6 and Line 7.) .....</td> <td style="text-align: center;">8.</td> <td></td> <td style="text-align: right;">00</td> </tr> <tr> <td>9. Connecticut Taxable Gifts (Subtract Line 8 from Line 3. Enter here and on Section 2, Line 4.) (See instructions.) (Attach copy of federal Form 709) .....</td> <td style="text-align: center;">9.</td> <td></td> <td style="text-align: right;">00</td> </tr> </table> |  |                             |                   |  |   |  | 1. Total gifts. Add the value of all gifts listed in Column G and enter here ..... | 1. |  | 00 | 2. Total annual exclusion for present interest gifts listed on <i>Schedule A</i> (See instructions) | 2. |  | 00 | 3. Subtract Line 2 from Line 1 ..... | 3. |  | 00 | <b>Deductions</b> |  |  |  | 4. Gifts to spouse for which a marital deduction is claimed (enter item No(s) from <i>Schedule A</i> _____) ..... | 4. | 00 |  | 5. Exclusions attributable to gifts on Line 4 ..... | 5. | 00 | 6. Marital Deduction (Subtract Line 5 from Line 4.) | 6. | 00 | 7. Charitable deductions less exclusions (enter item No(s) from <i>Schedule A</i> _____) ..... | 7. | 00 | 8. Total Deductions (Add Line 6 and Line 7.) ..... | 8. |  | 00 | 9. Connecticut Taxable Gifts (Subtract Line 8 from Line 3. Enter here and on Section 2, Line 4.) (See instructions.) (Attach copy of federal Form 709) ..... | 9. |  | 00 |
| 1. Total gifts. Add the value of all gifts listed in Column G and enter here .....  | 1.   |                             | 00                |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 2. Total annual exclusion for present interest gifts listed on <i>Schedule A</i> (See instructions)   | 2.   |                             | 00                |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 3. Subtract Line 2 from Line 1 .....  | 3.   |                             | 00                |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| <b>Deductions</b>   |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 4. Gifts to spouse for which a marital deduction is claimed (enter item No(s) from <i>Schedule A</i> _____) .....   | 4.   | 00                          |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 5. Exclusions attributable to gifts on Line 4 .....   | 5.   | 00                          |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 6. Marital Deduction (Subtract Line 5 from Line 4.)   | 6.   | 00                          |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 7. Charitable deductions less exclusions (enter item No(s) from <i>Schedule A</i> _____) .....  | 7.   | 00                          |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 8. Total Deductions (Add Line 6 and Line 7.) .....  | 8.   |                             |                   | 00   |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| 9. Connecticut Taxable Gifts (Subtract Line 8 from Line 3. Enter here and on Section 2, Line 4.) (See instructions.) (Attach copy of federal Form 709) .....  | 9.   |                             |                   | 00   |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| <p>10. Did the decedent consent for federal gift tax purposes to have gifts made (during the calendar year) by the decedent, the decedent's spouse, or both, to third parties considered as made one-half by each? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span></p> <p>If <b>Yes</b>, print spouse's name and Social Security Number below.</p> <p>Name _____ Social Security Number _____</p>   |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| <p>11. Is the decedent's spouse a U.S. citizen? <span style="float: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></span></p> <p>If <b>No</b>, did the decedent transfer any property to his or her spouse during the calendar year? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/></span></p>   |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| <p><b>Terminable Interest Marital Deduction as Reported for Federal Gift Tax Purposes</b></p> <p>The decedent is bound by the election made for federal gift tax purposes. Check the box, if the decedent elected for federal gift tax purposes:</p>  |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| <p>12. <input type="checkbox"/> To include gifts of qualified terminable interest property as gifts to his or her spouse for which a marital deduction was claimed. Enter the item numbers (from <i>Column A</i>, above) of the gifts for which the decedent made this election (under I.R.C. §2523(f)). _____</p>  |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |
| <p>13. <input type="checkbox"/> <b>Not</b> to treat as qualified terminable interest property any joint and survivor annuity where only the decedent and his or her spouse have the right to receive payments before the last to die. Enter the item numbers (from <i>Column A</i>, above) for the annuity(ies) for which the decedent made this election (under I.R.C. §2523(f)(6)). _____</p>   |  |                             |                   |  |   |  |  |    |  |    |   |    |  |    |                                      |    |  |    |                   |  |  |  |   |    |    |  |   |    |    |   |    |    |  |    |    |  |    |  |    |  |    |  |    |

# Form CT-706 NT Instructions

## Connecticut Estate Tax Return (for Nontaxable Estates)

### General Information

#### Estates Which Must File Only with Probate Court

**Form CT-706 NT**, *Connecticut Estate Tax Return (for Nontaxable Estates)*, is used by those estates where it appears no estate tax will be due because the Connecticut taxable estate is \$2 million or less. The Connecticut taxable estate is the sum of:

1. Connecticut taxable gifts made by the decedent during all calendar years beginning on or after January 1, 2005; **and**
2. The decedent's gross estate less allowable deductions, as computed for federal estate tax purposes (even if no federal estate tax return was required).

If the decedent's Connecticut taxable estate is \$2 million or less, the executor or administrator of the decedent's estate is required to file this return with the Probate Court. Any reference to Probate Court means the Connecticut Probate Court.

#### Estates Which Must File with the Department of Revenue Services

If the decedent's Connecticut taxable estate is more than \$2 million, the executor or administrator of the decedent's estate is required to file **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*, with:

- The Department of Revenue Services (DRS); and
- A copy with the Probate Court having jurisdiction of the estate.

#### Who Must Sign and File Form CT-706 NT

The executor or administrator of the decedent's estate must sign and file Form CT-706 NT. If there is no executor or administrator, then the survivor(s) or transferee(s) of the estate must file Form CT-706 NT. If there is more than one fiduciary, all must sign the return.

Form CT-706 NT must be filed for each decedent who, at the time of death, was a Connecticut resident. Form CT-706 NT must also be filed for each decedent who, at the time of death, was a nonresident of Connecticut but who owned real or tangible personal property located in Connecticut. If the decedent is claimed to be a nonresident of Connecticut, then the estate must also complete and file **Form C-3**, *State of Connecticut Domicile Declaration*, with the Probate Court having jurisdiction of the estate.

#### When and Where to File

The return must be filed with the Probate Court within nine months of the decedent's death.

If the decedent was, at the time of death, a Connecticut **resident**, the return must be filed in the Probate Court for the district in which the decedent resided. If the decedent was, at the time of death, a **nonresident** of Connecticut, the return must be filed with the Probate Court for the district within which reportable property is located.

#### Supporting Documentation

In order for this return to be considered complete, copies of completed federal Forms 706 and 709 (if applicable) must be attached, including all supplemental documents. A death certificate and, for a nonresident estate, Form C-3 must also be attached.

#### Certificate of Opinion of No Tax

The judge of the Probate Court is responsible for issuing the Certificate of Opinion of No Tax.

#### Release of Lien and Consents to Transfer (Tax Waiver)

Generally, the Probate Court issues the release of lien on real property. Under Connecticut law, a consent to transfer (or tax waiver) on intangible personal property is not required.

#### Amended Return

If you are filing an amended return, check the Amended Return box on the front of the return and complete the return with the corrected figures.

### Section 1 – General Questions

Answer all questions. If the decedent made any taxable gifts, as defined in Section 2503 of the Internal Revenue Code of 1986, on or after January 1, 2005, *Schedule A (NT)* must be completed and attached to the Form CT-706 NT that is filed with the Probate Court. If, on the date of death, the decedent was not a resident of this state, the answers provided should pertain to the decedent's real property and tangible personal property located within Connecticut.

### Section 2 – Connecticut Taxable Estate Computation

#### Line 1

Enter the total from Section 4, Line 8.

#### Line 2

Enter allowable estate tax deductions as computed for federal estate tax purposes (other than the deductions allowable for state death taxes under I.R.C. Section 2058), even if no federal estate tax return was required. Subject to federal rules, allowable deductions may include all or a part of:

- Funeral expenses and expenses incurred in administering property subject to claims;
- Debts of the decedent;
- Mortgages and liens;
- Net losses during administration;
- Expenses incurred in administering property not subject to claims;
- Bequests, etc., to surviving spouse; **or**
- Charitable, public, and similar gifts and bequests.

#### Line 3

Subtract Line 2 from Line 1.

#### Line 4

Enter the amount from *Schedule A (NT)*, Line 9. If the decedent made Connecticut taxable gifts during the 2005 calendar year, those gifts must be reported on *Schedule A (NT)*. To complete *Schedule A (NT)*, refer to the attached instructions.

## Line 5

Add Line 3 and Line 4. If Line 5 is more than \$2 million, you must complete and file Form CT-706/709 with the Department of Revenue Services and file a copy of that return with the appropriate Probate Court. If Line 5 is \$2 million or less, you may proceed to sign and file this return with the appropriate Probate Court.

## Section 3 - Property and Proceeds Reported for Federal Estate Tax Purposes

The value of the gross estate of the decedent shall be determined by including the fair market value at the time of his or her death of all property, real or personal, tangible or intangible, wherever situated.

**Values:** All property must be reported at its fair market value on the date of death, unless alternate valuation is elected for federal estate tax purposes. For real estate, the fair market value may be determined through a written appraisal or by a comparable market analysis prepared by a realtor. For stocks quoted on a stock exchange, use the mean between the high and the low or bid and asked price at the date of death. For bank accounts, be sure that all interest has been posted as of the date of death. For U.S. Savings Bonds, use the value at death, not the face amount. Do not reduce the reported fair market value of any property by the amount of any mortgages, liens, or encumbrances.

List all property wherever situated and life insurance proceeds on the life of the decedent in the appropriate Part of Section 3. Solely-owned property (property passing by will or laws of intestacy) should be reported in Part 1. Any other property, including jointly-owned survivorship property or property passing other than by will or laws of intestacy, should be reported in Part 2. Attach required supporting documents to the return.

Provide a description of the property, including the complete address of all real property. Indicate the state where real or tangible personal property is physically located. Assets should be valued at fair market value at the time of death, but alternate valuation may be used if so elected for federal estate tax purposes.

In Part 1, the decedent's percentage of ownership is always 100%. In Column D, indicate the full fair market value of the property. In Column E, indicate the amount of Column D that is passing to the decedent's surviving spouse.

In Part 2, indicate the full fair market value of the property in Column C. Indicate the decedent's percentage of ownership in Column D. Multiply the amount in Column C by the percentage in Column D to determine the (Column E) Conceded Value Attributed to this Estate. In Column F, indicate the amount of Column E that is passing to the decedent's surviving spouse.

In Part 3, Column C, indicate the full amount of the life insurance proceeds on the life of the decedent. In Column D, indicate the amount of Column C that is passing to the decedent's surviving spouse.

**Reportable Assets:** All property in which the decedent had any interest must be reported on the return at its fair market value on the date of death, unless alternate valuation is elected for federal estate tax purposes. Assets which must be reported on the return include:

- Tangible personal property\* wherever located;
- Real property\*\* wherever located;
- All intangible personal property\*\*\* wherever located;
- Real property located in Connecticut\*\*;
- Tangible personal property\* located in Connecticut.

\* Tangible personal property includes, for example: antiques, art collections, automobiles, boats, clothing, coin collections, household furniture and furnishings, jewelry, stamp collections, etc.

\*\* The description of the real estate should include the acreage and whether it is a home, rental, commercial, farm, or vacant land.

\*\*\* Intangible personal property includes, for example: bank accounts, cash, stocks, bonds, pensions, copyrights, interest in estates of other decedents, royalties, mortgages, notes, partnership interests, remainder interest in trusts and estates, unincorporated businesses, etc.

## Life Insurance Proceeds

Life insurance on the life of the decedent is subject to estate tax, as computed for federal estate tax purposes, even if no federal estate tax return was required. Life insurance owned by the decedent on the life of another is also subject to estate tax.

**Annuities, Pension Plans, and Retirement Benefits:** Generally, the value of the right to receive amounts from pension, profit sharing and like plans is taxable.

Reportable transfers include the following:

Individually purchased policies:

- Annuity policies;
- Retirement annuity policies;
- Matured endowment policies;
- Supplementary contracts (For example, if the decedent elected to leave the proceeds of insurance he received as a beneficiary with the insurer under terms where the balance will be paid after his death to persons he designated.);
- Deferred compensation and similar plans; **and**
- Private annuities.

Pension profit-sharing and like plans:

- Payments under an employees' trust or plan forming part of a pension, stock bonus, or profit sharing plan;
- Payments under a contract purchased by an employees' trust or plan forming part of a pension, stock bonus, or profit sharing, thrift, or similar plan; **and**
- Payments under a retirement annuity contract purchased by an employer under a plan.

**Individual Retirement Accounts:** The value of Individual Retirement Accounts (IRAs) is includible in the federal gross estate when payable as an annuity to a surviving beneficiary after the decedent's death. Therefore, the value of IRAs is includible in the Connecticut taxable estate on the same basis.

## Schedule A (NT) – Overview

### General Instructions

If you are not required to file federal Form 709, **stop here**. You are not required to complete *Schedule A (NT)*. Enter a zero on Section 2, Line 4 of the CT-706 NT.

If you are required to file a federal Form 709, the information to be entered on *Schedule A (NT)* for each gift should generally be identical to the information reported on federal Form 709, Schedule A. However, only those gifts to which the Connecticut gift tax applies should be reported on *Schedule A (NT)*.

The gifts to which Connecticut gift tax applies are:

- Gifts of tangible personal or real property located in Connecticut, **and**;
- Gifts of intangible personal property made by a donor who at the time of the gift was a resident of Connecticut.

### Gift Splitting

The decedent is **required** to gift split for Connecticut gift tax purposes if the decedent consented to gift split for federal gift tax purposes.

The decedent is **not** permitted to gift split for Connecticut gift tax purposes if the decedent did not consent to gift split for federal tax purposes.

## Schedule A (NT) - Line Instructions

### Line 1

Add the value of all gifts listed in *Schedule A (NT)*, Column G, and enter the sum on Line 1.

### Line 2

Enter the total annual exclusions claimed for the gifts listed on *Schedule A (NT)*, Line 1. The **first \$11,000 or less** of gifts to any donee during the calendar year of a present (not future) interest in property is excluded.

When determining the annual exclusion amount, a donee should not be counted more than once. The annual exclusion is per donee and **not** per gift.

However, if the first \$11,000 of gifts, for federal gift tax purposes, to any donee involves tangible personal property or real property located outside Connecticut, no annual exclusion is available for Connecticut gift tax purposes for gifts to that donee.

The first \$117,000 of gifts made to a spouse who is not a U.S. citizen during the calendar year of a present interest in property is excluded from the Connecticut total amount of gifts.

If the decedent split a gift with his or her spouse, the annual exclusion claimed against the gift may not be more than the decedent's half of the gift.

### Line 3

Subtract Line 2 from Line 1 and enter the balance on Line 3. This is the total amount of gifts before the calculation of the marital deduction and charitable deduction.

### Line 4

Enter on Line 4 all of the gifts to the decedent's spouse entered on *Schedule A(NT)* and for which a marital deduction is claimed. Indicate on the line provided which numbered items from *Schedule A (NT)* are gifts to the decedent's spouse for which a marital deduction is claimed.

Do not enter on Line 4 any gifts to the decedent's spouse if the spouse was not a U.S. citizen at the time of the gift. There is no marital deduction for gifts to a spouse who is not a U.S. citizen. However, an annual exclusion may apply. (See Line 2 above.)

### Line 5

Enter the amount of the annual exclusions claimed for the gifts entered on Line 4.

### Line 6

Subtract Line 5 from Line 4 and enter the balance on Line 6. This is the marital deduction that can be claimed for the year.

### Line 7

If a deduction for charitable gifts is claimed, enter the total charitable, public, or similar gifts (minus exclusions allowed) on Line 7. Enter on the line provided the item number(s) of the gift(s) from *Schedule A (NT)* deducted on Line 7.

**Do not enter any gift not included on *Schedule A (NT)*.**

### Line 8

Add Line 6 and Line 7 and enter the amount on Line 8. This is the total of the marital and charitable gift deductions.

### Line 9

Subtract Line 8 from Line 3. Enter this amount on Line 9 and on Section 2, Line 4.

### Line 10

If the decedent and the decedent's spouse consented for federal gift tax purposes to consider all the gifts made during the calendar year as made one-half by each spouse, and as a result, are required to gift split for Connecticut gift tax purposes, check the box marked **Yes** and enter the consenting spouse's name and SSN on the applicable lines.

### Line 11

Indicate whether the decedent's spouse is a U.S. citizen. If **No**, indicate if any property was transferred to him or her during the calendar year.

### Line 12

Check the box if the decedent elected under I.R.C. §2523(f) to include gifts of qualified terminable interest property as gifts to his or her spouse for which a marital deduction was claimed under I.R.C. §2523. Enter the item numbers from *Schedule A (NT)* of the gifts for which an election was made in the space provided.

### Line 13

Check the box if the decedent elected under I.R.C. §2523(f)(6) **not** to treat as qualified terminable interest property any joint and survivor annuity where only the decedent and his or her spouse have the right to receive payments before the death of the last to die. Enter the item numbers from *Schedule A (NT)* for the annuity(ies) for which an election was made in the space provided.

Any annuities entered in the space provided on Line 13 may not be entered on *Schedule A (NT)*, Line 8. Any annuities not listed in the space provided on Line 13 must be entered on *Schedule A (NT)*, Line 4. If there is more than one joint and survivor annuity, the election under I.R.C. §2523(f)(6) may, but is not required to, cover all of them. Once made, the election is irrevocable.

## Form CT-706 NT, Schedule A(NT) Attachments

Attach a complete copy of federal Form 709, United States Gift (and Generation-skipping Transfer) Tax Return, including all attachments.

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 is greater than the amount shown on Federal Form 712, Line 59. In these situations, report the true economic value of the policy.

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.

Attach any other documents, such as appraisals, required for adequate explanation of value. If no appraisal is attached to show how property is valued, explain in detail how value was determined.

Please remember to fill out all required information and attach all required items and schedules or the return will be incomplete.

## Forms and Publications

Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.



# Form CT-1120

## Corporation Business Tax Return

# 2005

(Rev. 12/05) AF **ENTER INCOME YEAR BEGINNING** \_\_\_\_\_, 2005, **AND ENDING** \_\_\_\_\_

|  |                   |                     |   |
|--|-------------------|---------------------|---|
| Total Assets<br>▶ 00   | Corporation Name  |                     | <b>CT Tax Registration Number</b><br><br><b>DRS Use Only</b><br>-                  - <b>20</b><br><br><b>Federal Employer ID Number</b> |
| Gross Receipts<br>▶ 00   | Number and Street | PO Box              |   |
| NAICS Code (see instructions)<br>▶                               | City or Town      | State      ZIP Code |   |
| Audited By <input type="checkbox"/> F <input type="checkbox"/> O |                   |                     |   |

**CHECK AND COMPLETE ALL APPLICABLE BOXES**

|   |   |   |   |
|---|---|---|---|
| 1. Change of:<br><input type="checkbox"/> Closing Month<br><input type="checkbox"/> Address | 2. Return Status:<br><input type="checkbox"/> Initial Return<br><input type="checkbox"/> Final Return<br><input type="checkbox"/> Short Period Return | 3. If this is a short period, check the corresponding box:<br><input type="checkbox"/> Merger<br><input type="checkbox"/> Acquisition<br><input type="checkbox"/> Change of Filing Status | 4. If this is a final return, has the corporation:<br><input type="checkbox"/> Dissolved <input type="checkbox"/> Withdrawn<br><input type="checkbox"/> Merged/Reorganized (Enter survivor's Connecticut Tax Registration Number) |
|---|---|---|---|

5. Federal return was filed on:  
 1120  1120A  1120H  
 Other: \_\_\_\_\_  
 Consolidated Basis:  
 Parent Co. Name ▶ \_\_\_\_\_  
 Parent Co. FEIN ▶ \_\_\_\_\_

6. Is this corporation exchanging R & D tax credits?  Yes (Attach **Form CT-1120 XCH**)  No

7. Was this company included in a Connecticut combined or unitary business tax return for the previous year?  Yes  No  
 (If this is the first year electing or revoking combined status, attach **Form CT-1120CC** or **Form CT-1120CC-R**)

8. Is this company included in a Connecticut combined business tax return?  Yes (Attach **Form CT-1120CR**)  No

9. Is the principal place of business located in Connecticut?  Yes  No If **No**, enter state where principal place of business is located \_\_\_\_\_ State of incorporation \_\_\_\_\_ Date of organization \_\_\_\_\_  
 Date qualified in Connecticut \_\_\_\_\_ Date business began in Connecticut \_\_\_\_\_

10. Is this corporation exempt from Connecticut corporation business tax?  Yes (Attach explanation of exemption including statutory cite)  No

11. Is this corporation annualizing its income?  Yes (Attach **Form CT-1120I**)  No

12. Is this company subject to the interest add back or the intangible expense add back?  Yes (Attach **Form CT-1120AB**)  No

13. Is this corporation filing **Form CT-1120 PIC**?  Yes (Attach **Form CT-1120 PIC**)  No

**- ATTACH A COMPLETE COPY OF FORM 1120 INCLUDING ALL SCHEDULES AS FILED WITH THE INTERNAL REVENUE SERVICE -**

| <b>SCHEDULE A - COMPUTATION OF TAX ON NET INCOME</b>   |      |    |
|--|------|----|
| 1. Net income ( <i>Schedule D</i> , Line 18) (If 100% Connecticut, also enter on Line 3) .....                           | ▶ 1  | 00 |
| 2. Apportionment fraction (Carry to six places. See instructions.) .....   | ▶ 2  | 0. |
| 3. Connecticut net income (Multiply Line 1 by Line 2) .....  | ▶ 3  | 00 |
| 4. Operating loss carryover ( <b>Form CT-1120 ATT</b> , <i>Schedule H</i> , Line 6, Column A) .....                      | ▶ 4  | 00 |
| 5. Income subject to tax (Subtract Line 4 from Line 3) .....   | ▶ 5  | 00 |
| 6. TAX: Multiply Line 5 by 7.5% (.075) .....   | ▶ 6  | 00 |
| <b>SCHEDULE B - COMPUTATION OF MINIMUM TAX ON CAPITAL</b>  |      |    |
| 1. Minimum tax base ( <i>Schedule E</i> , Line 6, Column C) (If 100% Connecticut, also enter on Line 3) .....            | ▶ 1  | 00 |
| 2. Apportionment fraction (Carry to six places. See instructions.) .....   | ▶ 2  | 0. |
| 3. Multiply Line 1 by Line 2 .....   | ▶ 3  | 00 |
| 4. Number of months covered by this return .....   | ▶ 4  |    |
| 5. Multiply Line 3 by Line 4, divide the result by 12 .....  | ▶ 5  | 00 |
| 6. TAX: (3 and 1/10 mills per dollar) Multiply Line 5 by .0031. (Maximum tax for <i>Sch. B</i> is \$1,000,000) .....     | ▶ 6  | 00 |
| <b>SCHEDULE C - COMPUTATION OF AMOUNT PAYABLE (MINIMUM TAX \$250)</b>  |      |    |
| 1a. Tax (Greater of <i>Schedule A</i> , Line 6; <i>Schedule B</i> , Line 6; or \$250) .....                              | ▶ 1a | 00 |
| 1b. For Future Use .....   | ▶ 1b |    |
| 1c. Recapture of Tax Credits (See instructions) .....  | ▶ 1c | 00 |
| 1. <b>TOTAL TAX</b> (Enter the total of Line 1a, Line 1b, and Line 1c. If no tax credits claimed, also enter on Line 6.) | ▶ 1  | 00 |
| 2. Multiply Line 1 by 30% (0.30) .....   | ▶ 2  | 00 |
| 3. Enter the greater of Line 2 or \$250 .....  | ▶ 3  | 00 |
| 4. Tax Credit Limitation (Subtract Line 3 from Line 1) .....   | ▶ 4  | 00 |
| 5. Tax Credits ( <b>Form CT-1120K</b> , Part II, Line 11. Do not exceed amount on Line 4.) .....                         | ▶ 5  | 00 |
| 6. Balance of tax payable (Subtract Line 5 from Line 1) .....  | ▶ 6  | 00 |
| 7a. Paid with application for extension ( <b>Form CT-1120 EXT</b> ) .....  | ▶ 7a | 00 |
| 7b. Paid with estimates ( <b>Forms CT-1120 ESA, ESB, ESC, &amp; ESD</b> ) .....  | ▶ 7b | 00 |
| 7c. Overpayment from prior year .....  | ▶ 7c | 00 |
| 7. <b>TAX PAYMENTS</b> (Enter the total of Lines 7a, 7b, and 7c) .....   | ▶ 7  | 00 |
| 8. Balance of tax due (overpaid) (Subtract Line 7 from Line 6) .....   | ▶ 8  | 00 |
| 9. Add Penalty ▶ (9a) _____ .00 Interest ▶ (9b) _____ .00 <b>CT-1120I</b> Interest ▶ (9c) _____ .00                      | ▶ 9  | 00 |
| 10. Amount to be credited to 2006 estimated tax ▶ (10a) _____ .00 Refunded ▶ (10b) _____ .00                             | ▶ 10 | 00 |
| 11. <b>Balance due with this return</b> (Add Line 8 and Line 9) .....  | ▶ 11 | 00 |

|  |   |
|--|---|
| Make check payable to: <b>Commissioner of Revenue Services</b><br>(Attach check to return with paper clip. Do not staple.)<br><br>Mail to: <b>Department of Revenue Services</b><br><b>PO Box 2974, Hartford CT 06104-2974</b> | <input type="checkbox"/> 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 NET INCOME**

|  |      |    |
|--|------|----|
| 1. Federal taxable income (loss) before net operating loss and special deductions                              | ▶ 1  | 00 |
| 2. Interest income wholly exempt from federal tax  | ▶ 2  | 00 |
| 3. Unallowable deduction for corporation tax (Schedule F, Line 8)  | ▶ 3  | 00 |
| 4. Interest expenses paid to a related member (Form CT-1120AB, Part I A, Line 1)                               | ▶ 4  | 00 |
| 5. Intangible expenses and costs paid to a related member (Form CT-1120AB, Part I B, Line 1)                   | ▶ 5  | 00 |
| 6. Federal bonus depreciation (See instructions)   | ▶ 6  | 00 |
| 7. TOTAL (Add Lines 1 through 6)   | ▶ 7  | 00 |
| 8. Dividend deduction (Form CT-1120 ATT, Schedule I, Line 4)   | ▶ 8  | 00 |
| 9. Capital loss carryover (if not deducted in computing federal capital gain)                                  | ▶ 9  | 00 |
| 10. Capital gain from sale of preserved land   | ▶ 10 | 00 |
| 11. Federal bonus depreciation recovery (Form CT-1120 ATT, Schedule J, Line 7)                                 | ▶ 11 | 00 |
| 12. Exceptions to interest add back (Form CT-1120AB, Part II A, Line 1)  | ▶ 12 | 00 |
| 13. Exceptions to interest add back (Form CT-1120AB, Part II A, Line 2)  | ▶ 13 | 00 |
| 14. Exceptions to interest add back (Form CT-1120AB, Part II A, Line 3)  | ▶ 14 | 00 |
| 15. Exceptions to add back of intangible expenses paid to a related member (Form CT-1120AB, Part II B, Line 1) | ▶ 15 | 00 |
| 16. Other (Attach explanation)   | ▶ 16 | 00 |
| 17. TOTAL (Add Lines 8 through 16)   | ▶ 17 | 00 |
| 18. NET INCOME (Subtract Line 17 from Line 7. Enter here and on Schedule A, Line 1.)                           | ▶ 18 | 00 |

**SCHEDULE E – COMPUTATION OF MINIMUM TAX BASE**  
(See instructions)

|  | COLUMN A          |    | COLUMN B    |    | COLUMN C                              |
|--|-------------------|----|-------------|----|---------------------------------------|
|  | BEGINNING OF YEAR |    | END OF YEAR |    |                                       |
| 1. Capital stock (federal Schedule L, Line 22a and Line 22b)   |                   | 00 |             | 00 | (COLUMN A plus COLUMN B) DIVIDED BY 2 |
| 2. Surplus and undivided profits (federal Schedule L, Lines 23, 24, and 25)                          |                   | 00 |             | 00 |                                       |
| 3. Surplus reserves (Attach schedule)  |                   | 00 |             | 00 |                                       |
| 4. Total (Add Lines 1, 2, and 3) Enter average in Column C   |                   | 00 |             | 00 | 00                                    |
| 5. Holdings of stock of private corporations (attach schedule). Enter average in Column C            |                   | 00 |             | 00 | 00                                    |
| 6. Balance (Subtract Line 5, Column C, from Line 4, Column C. Enter here and on Schedule B, Line 1.) |                   |    |             |    | 00                                    |

**SCHEDULE F – TAXES**

|   | COLUMN A | COLUMN B |
|---|----------|----------|
| 1. Payroll  | 00       |          |
| 2. Real property  | 00       |          |
| 3. Personal property  | 00       |          |
| 4. Sales and use  | 00       |          |
| 5. Other (See instructions)   | 00       |          |
| 6. Connecticut corporation business (Deducted in the computation of federal taxable income)   |          | 00       |
| 7. Tax on or measured by income or profits imposed by other states or political subdivisions (Deducted in the computation of federal taxable income). ATTACH SCHEDULE |          | 00       |
| 8. Total unallowable deduction for corporation business tax purposes (Add Line 6 and Line 7, Column B. Enter here and on Schedule D, Line 3.)                         |          | 00       |

**SCHEDULE G – ADDITIONAL REQUIRED INFORMATION – Attach a Schedule of Officers**

1. In which Connecticut town(s) does the corporation own or lease (as lessee) real or tangible personal property, or perform services?  
\_\_\_\_\_

2. (a) Did this corporation directly or indirectly transfer a controlling interest in an entity owning Connecticut real property? ▶  Yes ▶  No  
If **Yes**, enter: Entity Name ▶ \_\_\_\_\_ Federal Employer ID Number ▶ \_\_\_\_\_

(b) Was there a direct or indirect transfer of a controlling interest in your company owning Connecticut real property? ▶  Yes ▶  No  
If **Yes**, enter: Transferor Name ▶ \_\_\_\_\_ Federal Employer ID Number ▶ \_\_\_\_\_

3. Did any corporation at any time during the year own a majority of the voting stock of this corporation? ▶  Yes ▶  No  
If **Yes**, enter: Corporation Name \_\_\_\_\_ Federal Employer ID Number \_\_\_\_\_

4. Last taxable year this corporation was audited by the Internal Revenue Service ▶ \_\_\_\_\_  
Were adjustments reported to Connecticut? ▶  Yes ▶  No (If **No**, attach explanation.)

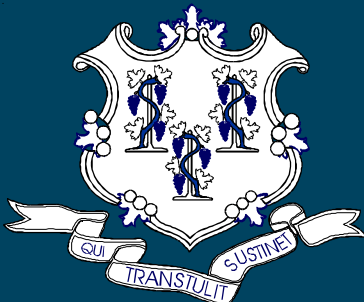
**DECLARATION:** I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return to the Department of Revenue Services is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |                                  |                               |                         |  |
|--|----------------------------------|-------------------------------|-------------------------|--|
| SIGN HERE<br><br>Keep a copy of this return for your records | Corporate Officer's Name (Print) | Corporate Officer's Signature | Date                    | May DRS contact the preparer shown below about this return?<br><input type="checkbox"/> Yes <input type="checkbox"/> No<br>(See instructions, Page 15) |
|  | Title                            | Telephone Number<br>( )       |                         |  |
|  | Paid Preparer's Name (Print)     | Paid Preparer's Signature     | Date                    | Preparer's SSN or PTIN   |
|  | Firm's Name and Address          | FEIN                          | Telephone Number<br>( ) |  |

# 2005 FORM CT-1120

## This booklet contains:

- Form CT-1120
- Form CT-1120 ATT
- Form CT-1120A
- Form CT-1120K
- Form CT-1120 EXT
- Form CT-1120AB



# Connecticut Corporation Business Tax Return and Instructions

Dear Taxpayer:

The Connecticut Department of Revenue Services (DRS) makes every effort to provide taxpayers with the most complete state business tax information. In addition to the 2005 Corporation Business Tax Return, this booklet contains information about recent legislative changes that will impact business filings. Please read this booklet carefully. Other useful information includes details about electronic methods for personal and business taxes that can make it easier for you to file and pay some state taxes.

At DRS, our goal is to provide taxpayers with excellent customer service and a user-friendly approach to tax administration. If you have questions about Connecticut taxes or filing this return, you can reach DRS Taxpayer Services staff by e-mail, phone, or letter. The back cover of this booklet lists all the ways you can access this Agency including the DRS Web site, which is available anytime to provide you with access to forms, publications, and information.

As always, we welcome your comments and ideas about how we can improve the way we do business.

Sincerely,

A handwritten signature in blue ink that reads "Pam Law".

Pam Law  
Commissioner of Revenue Services

Taxpayer information is available on our Web site

**[www.ct.gov/DRS](http://www.ct.gov/DRS)**

## What This Booklet Contains

Read the information 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**, *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 ATT**, *Corporation Business Tax Return Attachment*, contains the following computation schedules:

**Schedule H**, *Connecticut Apportioned Operating Loss Carryover*;

**Schedule I**, *Dividend Deduction*; and

**Schedule J**, *Bonus Depreciation Recovery*.

**Form CT-1120A**, *Corporation Business Tax Return Apportionment Computation*, is used to compute the apportionment factors for the net income and the minimum tax base.

**Form CT-1120K**, *Business Tax Credit Summary*, is used to summarize a corporation's claim for available business tax credits.

**Form CT-1120 EXT**, *Application for Extension of Time to File Corporation Business Tax Return*, is required to obtain an extension of time to file **Form CT-1120**, **Form CT-1120CR**, or **Form CT-1120U**.

**Form CT-1120AB**, *Add Back and Exceptions to Add Back of Interest and Intangible Expenses*, must be completed by each corporation that pays interest and intangible expenses to a related party.

For more information on how to obtain forms or other publications from DRS see back the cover.

## Other Taxes for Which the Corporation May be Liable

The information that follows is intended to be a general description of other Connecticut taxes for which a corporation may be liable. Failure to pay these or any taxes for which the corporation is 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 DRS, the corporation must complete **Form REG-1**, *Application for Tax Registration Number*. Visit the DRS Web site to register online. 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 DRS Registration Unit at 860-297-4885.

## Business Entity Tax

There is an annual Business Entity Tax (BET) of \$250. The BET applies to each of the following entities, if required to file an annual report with the Connecticut Secretary of the State: S Corporation; Limited Liability Partnership; Limited Partnership; or Limited Liability Company, which is, for federal income tax purposes, either treated as a partnership if it has two or more members, or disregarded as an entity separate from its owner, if it has a single member.

See **Special Notice 2002(11)**, *Business Entity Tax*, and **Informational Publication 2003(15)**, *Q & A on the Business Entity Tax*.

## 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 sells 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

Any corporation that maintains an office or transacts business in Connecticut and that is considered an employer for federal income tax withholding purposes must withhold Connecticut income tax from wages and certain other payments to employees, whether or not the payroll department is located in Connecticut.

## Controlling Interest Transfer Tax

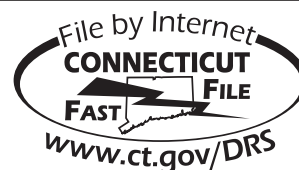
Connecticut imposes a tax on the transfer of a controlling interest in an entity where the entity owns, directly or indirectly, an interest in Connecticut real property. This tax is reported on **Form AU-330**, *Controlling Interest Transfer Taxes*.

## CONNECTICUT FAST-FILE PROGRAM

Use **Fast-File** to file and pay estimated Connecticut corporation business tax as well as certain other Connecticut tax obligations.

Don't worry about stamps, forget the pencil and paper!

DRS **Fast-File** is a quick, easy, secure, and free way for businesses to use the Internet to file and pay certain business taxes. For more information about the Connecticut **Fast-File** Program, visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or call 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).



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# Legislative Changes Affecting Connecticut Corporation Business Tax

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## Carrying on or Doing Business

For income years beginning on or after January 1, 2005, the definition of carrying on or doing business as set forth in Conn. Gen. Stat. §12-213(a)(20) was amended to provide that a company that participates in a trade show or shows at the Connecticut Convention Center (located in Hartford) shall not be deemed to be carrying on or doing business in this state, regardless of whether the company has employees or other staff present at the trade show, provided the company's activity at the trade show is limited to displaying goods or promoting services, no sales are made, any orders received are sent outside this state for acceptance or rejection and are filled from outside this state, and provided that such participation is not more than 14 days in the aggregate during the company's income year for federal tax purposes.

*2005 Conn. Pub. Acts 260, §2*

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## Surtax

Conn. Gen. Stat. §12-214(b) was amended to provide that a surtax of 20% of the tax on net income will apply for income years beginning on or after January 1, 2006, and prior to January 1, 2007, and a surtax of 15% will apply for income years beginning on or after January 1, 2007, and prior to January 1, 2008. The surtax does not apply to the minimum tax of \$250.

There is no surtax on the tax on net income for income years beginning on or after January 1, 2005, and prior to January 1, 2006.

*2005 Conn. Pub. Acts 251, §62*

Conn. Gen. Stat. §12-219 was amended to provide that a surtax of 20% on the tax on capital will apply for income years beginning on or after January 1, 2006, and prior to January 1, 2007, and a surtax of 15% will apply for income years beginning on or after January 1, 2007, and prior to January 1, 2008. The surtax does not apply to the minimum tax of \$250.

There is no surtax on the tax on capital for income years beginning on or after January 1, 2005, and prior to January 1, 2006.

*2005 Conn. Pub. Acts 251, §63*

## Examination of Returns and Deficiency Assessments

Recent legislation made numerous changes to Conn. Gen. Stat. §12-233, the statutory provision that applies to the examination of corporation business tax returns and deficiency assessments. For income years beginning on or after January 1, 2005, subsection (a)(1) of Conn. Gen. Stat. §12-233 was amended to:

- Provide an additional 60 days to make an assessment if, within the 60-day period ending on the day on which the time prescribed in this section for mailing a notice of deficiency assessment for any income year would otherwise expire, the Commissioner receives a written document signed by the taxpayer showing that the taxpayer owes an additional amount of tax for the income year. The Commissioner then shall have up to 60 days after the day the written document is received in which to mail a notice of deficiency assessment;
- Provide that a notice of deficiency assessment may be mailed to the taxpayer at any time in the case of (A) failure to file a return, including any amended return required under Conn. Gen. Stat. §12-226, or (B) a deficiency due to fraud or intent to evade;
- Provide that, in the case of an omission from gross income of an amount in excess of 25% of the amount of gross income stated in the return, a notice of deficiency assessment may be mailed to the taxpayer at any time not later than six years after the return was filed. For purposes of this provision, there shall not be taken into account any amount that is omitted from gross income stated in the return if such amount is disclosed in the return or in a statement attached to the return, in a manner adequate to apprise the Commissioner of the nature and amount of such item;
- Provide that, in the case of a failure to disclose a **listed transaction**, as defined in the Internal Revenue Code (I.R.C.) §6707A, on the taxpayer's federal income tax return, a notice of deficiency assessment may be mailed to the taxpayer at any time not later than six years after the return required under this chapter for the same income year was filed.

New language was included in subsection (b)(1) of Conn. Gen. Stat. §12-233, which provides that for audits beginning on or after January 1, 2006, if a deficiency assessment is made for failure to disclose a **listed transaction** as described above, a penalty of 75% of the amount of the deficiency may be imposed.

**Note:** I.R.C. §6707A describes a **listed transaction** as a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary of the Treasury as a tax avoidance transaction. A **reportable transaction** is any transaction with respect to which information is required to be included with a return or statement because such transaction has been determined as having a potential for tax avoidance or evasion.

*2005 Conn. Pub. Acts 116, §2, as amended by 2005 Conn. Pub. Acts 260, §7*

To fulfill the Connecticut disclosure requirement, any taxpayer (individual or entity) that has participated in a listed transaction must file a completed **Form CT-8886, Connecticut Listed Transaction Disclosure Statement**, with DRS. Form CT-8886 must be filed for each taxable year for which a taxpayer participates in a listed transaction.

## Disclosure for Purposes of Tax Credit and Tax Policy Review Committee

For income years beginning on or after January 1, 2005, the tax return and tax information disclosure provision under Conn. Gen. Stat. §12-15(b), was amended to permit disclosure of returns or return information for purposes of the Tax Credit and Tax Policy Review Committee established under Conn. Gen. Stat. §12-217z, as amended by 2005 Conn. Pub. Acts 251, §64. As amended, Conn. Gen. Stat. §12-215(b) permits the Commissioner to disclose returns, which shall not include a copy of the return filed with the Commissioner, or return information for committee purposes.

*2005 Conn. Pub. Acts 251, §65, as amended by 2005 Conn. Pub. Acts 3, §§5 and 36, (June Spec. Sess.)*

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# Legislative Changes Affecting Connecticut Corporation Business Tax Credits

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Detailed information about Connecticut business tax credits is available in **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits.**

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## Urban and Industrial Site Reinvestment Tax Credit

For income years beginning on or after January 1, 2005, Conn. Gen. Stat. §32-9t(j) was amended to provide that the urban and industrial site reinvestment tax credit may be claimed by a taxpayer who has made an investment directly only if the investment in an eligible project has a total asset value, either alone or in conjunction with other taxpayer investments in an eligible project of not less than \$5 million (reduced from \$20 million) and to allow the tax credit for an investment in an eligible project for the preservation of an historic facility and redevelopment of the facility for mixed uses that includes at least four housing units, provided that the eligible project has a total asset value of not less than \$2 million.

*2005 Conn. Pub. Acts 276, §3*

Conn. Gen. Stat. §32-9t(n) also was amended to provide that any taxpayer allowed a credit under this section may assign such credit to another taxpayer or taxpayers. This

amendment allows partial assignment of the tax credits but continues to provide that the assignee or assignees may only claim such credit with respect to a taxable year for which the assigning taxpayer would have been eligible to claim such credit and such other taxpayer or taxpayers may not further assign such credit.

*2005 Conn. Pub. Acts 276, §3*

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## Tax Credit and Tax Policy Review Committee

Conn. Gen. Stat. §12-217z was amended to establish a committee to review business tax credits and tax policy. The committee is responsible for studying all the existing tax credits, evaluating changes or modifications made to the corporation business tax and considering further changes in policy regarding the taxation of business.

*2005 Conn. Pub. Acts 251, §64*

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## General Information

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### How to Get Help

DRS is ready to help you and offers several resources where you can get answers to Connecticut tax questions. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or for personal assistance see the back cover of this booklet for a list of DRS walk-in offices and telephone numbers. DRS offices are open Monday through Friday, 8:00 a.m. to 5:00 p.m. If you visit, be sure to bring your **completed** federal Form 1120, U.S. Corporation Income Tax Return.

Personal telephone assistance is available Monday through Friday, 8:30 a.m. to 4:30 p.m. Extended hours are offered during the filing season. Automated information may answer your questions anytime. Call CONN-TAX, the DRS information line or visit the DRS Web site for details.

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### How to Get Additional Forms and Publications

Download and print Connecticut tax forms and publications anytime from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS). Forms are also available during regular business hours at any of the DRS walk-in offices and the other sources listed on the back cover of this booklet. You may also download the *2005 Connecticut Package X* from the DRS Web site.

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### Who Must File Form CT-1120

**Form CT-1120**, *Corporation Business Tax Return*, must be filed by every corporation (or association taxable as a corporation) that 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.

Corporations electing to file a combined return must also complete **Form CT-1120CR**, *Combined Corporation Business Tax Return*.

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### Who is Exempt From Corporation Business Tax

The following companies **are exempt from filing** Form CT-1120:

- Insurance companies incorporated under the laws of any other state or foreign government, and 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 railroad companies subject to gross earnings taxes under Chapter 210 of the Connecticut General Statutes;
- 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; **and**
- Non-United States corporations whose sole activity in Connecticut is trading in stocks, securities, or commodities for their own account.

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 homeowner's association that has elected to be treated as such for federal income tax purposes (a copy of federal Form 1120H **must** be attached to its Form CT-1120);
- Certain political organizations or associations exempt from federal income taxes under I.R.C. §527 (a copy of federal Form 1120 POL **must** be attached to its Form CT-1120);
- Financial service companies whose corporate headquarters are located in the export zone in the City of Hartford, Connecticut, and who are conducting all of their business outside the United States; **and**
- Passive investment companies (PICs), as defined under Conn. Gen. Stat. §12-213(a)(27), **must** file **Form CT-1120 PIC**, *Information Return for Passive Investment Companies*, in place of Form CT-1120.

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### Accounting Period and Method of Accounting

A corporation must use the same accounting period and method of accounting for Connecticut tax purposes as it does for federal tax purposes. If a corporation's accounting period or method of accounting is changed for federal tax purposes, the same change must be made for Connecticut tax purposes.

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### When to File Form CT-1120

Every corporation must file a return on or before the first day of the month following the due date of the company's corresponding federal income tax return for the income year (April 1 for calendar year taxpayers). In the case of any company that is not required to file a federal income tax return for the income year, the Connecticut corporation business tax return is due on or before the first day of the fourth month following the end of the income year. If the due date falls on a Saturday,



Sunday, or legal holiday, the next business day is the due date. The return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|   |  |
|---|--|
| <p><b>DHL Express (DHL)</b></p> <ul style="list-style-type: none"> <li>• DHL Same Day Service</li> <li>• DHL Next Day 10:30 a.m.</li> <li>• DHL Next Day 12:00 p.m.</li> <li>• DHL Next Day 3:00 p.m.</li> <li>• DHL 2nd Day Service</li> </ul>           |  |
| <p><b>Federal Express (FedEx)</b></p> <ul style="list-style-type: none"> <li>• FedEx Priority Overnight</li> <li>• FedEx Standard Overnight</li> <li>• FedEx 2Day</li> <li>• FedEx International Priority</li> <li>• FedEx International First</li> </ul> | <p><b>United Parcel Service (UPS)</b></p> <ul style="list-style-type: none"> <li>• UPS Next Day Air</li> <li>• UPS Next Day Air Saver</li> <li>• UPS 2nd Day Air</li> <li>• UPS 2nd Day Air A.M.</li> <li>• UPS Worldwide Express Plus</li> <li>• UPS Worldwide Express</li> </ul> |

This list is subject to change. See **Policy Statement 2005(4)**, *Designated Private Delivery Services and Designated Types of Service*.

If Form CT-1120 is filed late, see *Interest and Penalties* to determine if interest and penalty should be reported with this return.

### Extension Request

To get an extension of time to file the annual return, the corporation must file **Form CT-1120 EXT**, *Application for Extension of Time to File Corporation Business Tax Return*, not later than the first day of the month following the due date of the company's corresponding federal income tax return for the income year (April 1 for calendar year taxpayers). In the case of any company not required to file a federal income tax return for the income year, the extension request must be filed on or before the first day of the fourth month following the end of the income year. Payment of the total tax due must be included with the request. The timely filing of Form CT-1120 EXT will automatically extend the due date for six months.

Form CT-1120 EXT extends only 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 is computed at 1% (.01) per month or fraction of a month.

### Where to File

Make check or money order payable to the Commissioner of Revenue Services and paper clip the

check or money order to the front of the return. Do not staple. DRS may submit your check to your bank electronically.

Use the pre-addressed envelope enclosed with your return or mail to:

**Department of Revenue Services  
PO Box 2974  
Hartford CT 06104-2974**

### Amended Returns

Any corporation 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 federal Form 1120X, Amended U.S. Corporation Income Tax Return, must be attached to substantiate any changes to federal net income.

### Internal Revenue Service Changes

Corrections to taxable income by the Internal Revenue Service (IRS) must be reported to the Commissioner of Revenue Services within 90 days after receipt of the final notice of correction from the IRS. All federal adjustments must be reported using Form CT-1120X. An extension request for reporting federal audit changes may be submitted in writing to the Commissioner of Revenue Services stating the reason additional time is required.

### Estimated Tax Payments

Every corporation carrying on or having the right to carry on business in Connecticut whose estimated current year tax exceeds \$1,000 must pay estimated tax payments in four installments. See General Instructions on **Forms CT-1120 ESA, ESB, ESC, and ESD**, *Estimated Corporation Business Tax*. DRS mails four preprinted estimated tax payment coupons with instructions to corporations that paid estimated tax or had a Connecticut corporation tax liability exceeding \$1,000 in the prior taxable year. If a corporation is not required to pay its estimated tax electronically, using these preprinted forms will ensure accuracy and timeliness in processing the corporation's estimated tax payments. These forms are also available on the DRS Web site.

#### The required annual payment is the lesser of:

- 90% of the tax shown on the return for the income year, or, if no return is filed, 90% of the tax for such year; **or**
- 100% of the tax shown on the return for the previous income year without regard to any credit, if the previous income year was an income year of 12 months and if the company filed a return for the previous income year showing a liability for tax.

**Estimated tax due dates** (for calendar year filers):

|   |
|---|
| <b>1st Installment - March 15, 2006</b>                                 |
| 30% of prior year tax or<br>27% of current year tax (including surtax)  |
| <b>2nd Installment - June 15, 2006</b>                                  |
| 70% of prior year tax or<br>63% of current year tax (including surtax)  |
| <b>3rd Installment - September 15, 2006</b>                             |
| 80% of prior year tax or<br>72% of current year tax (including surtax)  |
| <b>4th Installment - December 15, 2006</b>                              |
| 100% of prior year tax or<br>90% of current year tax (including surtax) |

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**Electronic Payment of Estimated Corporation Business Tax**

Corporations can use *Fast-File* to electronically file Forms CT-1120 ESA, ESB, ESC, and ESD, and pay the tax due. *Fast-File* is a quick, easy, and secure way to fulfill Connecticut tax responsibilities without paper or postage. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register Online*.

DRS recommends using *Fast-File* to electronically file, however, a corporation that does not otherwise choose to use *Fast-File*, must use the preprinted coupons received from DRS. A corporation that does not receive preprinted estimated coupons should use the estimated coupons available on the DRS Web site.

DRS requires those taxpayers who paid tax in excess of \$10,000 the prior year to pay the current year liability electronically. For more information on making electronic payments, see **Informational Publication 2005(30)**, *Paying Connecticut Taxes by Electronic Funds Transfer*.

**Interest and Penalties**

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. Interest due on the underpayment of estimated tax is computed using **Form CT-1120I**, *Computation of Interest Due on Underpayment of Estimated Tax*. Interest on underpayment or late payment of tax **cannot** be waived.

**Penalty for Late Payment or Late Filing**

The penalty for late payment or underpayment of corporation business tax is 10% (.10) of the tax due or

\$50, whichever is greater. If a request for a filing extension has been granted, a corporation may avoid a penalty for failure to pay the full amount due by the original due date if it:

- Pays at least 90% (.90) of the tax shown to be due on the return on or before the original due date of the return; **and**
- Pays the balance due with the filing of Form CT-1120, on or before the extended due date.

If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

**Penalty for Willful Failure to File or Pay**

Anyone who willfully fails to pay the tax or file a return will be fined up to \$1,000 or imprisoned up to one year, or both, in addition to any other penalty.

**Penalty for Willful Filing of a Fraudulent or Materially False Return**

If you willfully file a tax return you know to be fraudulent or false in any material matter, you may be fined up to \$5,000 or imprisoned from one to five years, or both.

**Penalty for Failure to Disclose Listed Transaction**

For audits of corporation business tax returns beginning on or after January 1, 2006, a penalty of 75% of the amount of the deficiency may be imposed when it appears that any part of the deficiency is due to failure to disclose a listed transaction, as defined in I.R.C. §6707A.

**Waiver of Penalty**

A corporation may be able to have its penalty waived if the failure to file or pay tax on time was due to a reasonable cause and was not intentional or due to neglect. Interest cannot be waived. Before a penalty waiver can be granted, all tax and interest must be paid. All requests must include:

- A clear and complete written explanation;
- The corporation name, Connecticut Tax Registration Number, and Federal Employer Identification Number (if applicable);
- The name of the original form filed or billing notice received;
- The taxable filing period; **and**
- Documentation supporting your explanation.

Attach the request to the **front** of the tax return or mail separately to:

**Department of Revenue Services  
Penalty Waiver Unit  
PO Box 5089  
Hartford CT 06102-5089**

## Status Letter Requests

Requests for status letters must be submitted in writing on the business's letterhead and must include:

- Name and address of the business;
- Connecticut Tax Registration Number;
- Tax types for which the tax status is being requested;
- A statement that clearly explains the reason for the status letter request;
- The mailing address for the status letter if it is different from the address of the business;
- The original signature and title of the authorized representative making the request; **and**
- A properly executed **Form LGL-001**, *Power of Attorney*, signed by an authorized representative of the business if the status letter is requested by anyone other than an authorized representative of the business.

Mail your status letter request to:

**Department of Revenue Services  
Collection & Enforcement Division-Lien Unit  
Request for Status Letter  
25 Sigourney Street  
Hartford CT 06106-5032**

DRS accepts hand-delivered status letter requests from businesses. However, DRS does not accept status letter requests made by e-mail, fax, or telephone. See **Informational Publication 2004(9)**, *Status Letters*.

## Recordkeeping

Keep a copy of the tax return, worksheets, and records of all items appearing on the return until the statute of limitations expires for that return. Usually, this is three years from the date the return was due or filed, whichever is later. However, if the corporation reports a net operating loss or credit carryforward or carryback, the statute of limitations may expire later.

## Copies of Returns

A corporation may request a copy of a previously filed tax return from DRS by completing **Form LGL-002**, *Request for Disclosure of Tax Return or Tax Return Information*. In general, the copy will be received in three weeks.

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# Form CT-1120 General Instructions

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**Attach to Form CT-1120, a completed copy of the corporation's federal income tax return, including all schedules and attachments as filed with the IRS.**

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## 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 (FEIN); total assets (from the corporation's federal Form 1120, U.S. Corporation Income Tax Return, Schedule L, Line 15, Column (d)); gross receipts (net of returns and allowances from federal Form 1120, Line 1c); and North American Industry Classification System (NAICS) code for principal business activity, in the spaces provided at the top of Form CT-1120.

## NAICS Code for Principal Business Activity

Enter the appropriate business activity code as indicated on **Form CT-NAICS**, *NAICS Codes for Principal Business Activity for Connecticut Tax Purposes*. Form CT-NAICS is available on the DRS Web site. General information concerning the classification of principal business activity under NAICS can also be found at [www.census.gov](http://www.census.gov).

## Name and Address

Print in Blue or Black ink, 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 FEIN.

## Check and Complete all Applicable Boxes

### 1. Change of Closing Month or Address

Indicate any change to the end of the corporation's filing period by checking off the proper box and attaching an explanation of the change.

To make any changes to the corporation's preprinted address, draw a line through the incorrect information and clearly print the new information, check the *Change of Address* box, and file **Form CT-8822C**, *Corporation Business Tax Change of Address* (available on the DRS Web site). If the *Change of Address* box is checked, a completed Form CT-8822C **must** be attached to Form CT-1120.

## 2. Return Status

Check the corresponding box to indicate the type of return being filed.

If this is the first time the corporation is filing Form CT-1120, check the *Initial Return* box.

If the corporation is filing a final return, check the *Final Return* box and complete Line 4, below.

If the corporation is filing a short period return, check the *Short Period Return* box and complete Line 3, below.

## 3. Short Period Return

Check the corresponding box to indicate whether the reason for a short period return is due to merger, acquisition, or change of filing status.

## 4. Final Return

Check the corresponding box providing the reason for the final return:

### Dissolution

To properly dissolve a domestic corporation you must file a Certificate of Dissolution with the Connecticut Office of the 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 the final liquidation of assets, whichever is later.

Any dissolved corporation that continues to conduct business **must** file Form CT-1120 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  
Corporation Office Audit Unit  
25 Sigourney Street  
Hartford CT 06106-5032**

The tax clearance and certificate of reinstatement must be filed with the Connecticut Office of the 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 the Secretary of the State. Any corporation that has withdrawn must file Connecticut Form CT-1120 up to the date of withdrawal and pay any taxes due.

### Mergers and Reorganizations

A corporation that has merged must file a written application with the Connecticut Office of the Secretary of the State. Any corporation that has merged must file Form CT-1120 covering the period up to the date of merger and pay any tax due.

For further information about withdrawal from the State, mergers and reorganizations, or dissolutions, contact the

Connecticut Office of the Secretary of the State at 860-509-6000.

Any corporation that is reorganized must submit the details concerning the reorganization in writing and disclose the survivor's Connecticut Tax Registration Number. Mail to:

**Department of Revenue Services  
PO Box 2937  
Hartford CT 06104-2937**

## 5. Type of Federal Return Filed

Check the appropriate box for the type of federal return filed. If the Consolidated Basis box is checked, you must enter the parent company's name and FEIN.

An S corporation should file **Form CT-1065/CT-1120 SI**, *Connecticut Composite Income Tax Return*, and **Form OP-424**, *Business Entity Tax Return*. A Limited Liability Company (LLC) should file Form CT-1120 only if the company elects to be taxed as a corporation for federal income tax purposes.

## 6. Exchange of Research and Development Tax Credit

Check this box if the corporation is exchanging Research and Development tax credits available under Conn. Gen. Stat. §§12-217j or 12-217n, for a credit refund equal to 65% of the value of the credit, subject to certain limitations. Attach **Form CT-1120RC**, *Research and Experimental Expenditures Credit*, or **Form CT-1120 RDC**, *Research and Development Credit*, and **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*.

## 7. Previous Combined Return

If the corporation was included in Connecticut **Form CT-1120CR**, *Combined Corporation Business Tax Return*, for the previous year and is filing a separate return this year, or if this is the first year the corporation is electing combined status, check the corresponding box and attach **Form CT-1120CC**, *Combined Return Consent*, or **Form CT-1120CC-R**, *Revocation of Election and Consent to File Combined Corporation Business Tax Return*.

## 8. Combined Return

Check the corresponding box if the corporation is included in Form CT-1120CR.

## 9. Principal Place of Business

If the principal place of business is located outside Connecticut, enter the name of the state where it is located.

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 began business operations in Connecticut.

### 10. Exempt Corporation

If the corporation is exempt from Connecticut corporation business tax, check this box and attach an explanation of the exemption. The explanation must include the statutory cite for the exemption. See *Who Must File Form CT-1120*.

### 11. Annualization

Check the corresponding box if the corporation is annualizing its income.

Complete **Form CT-1120I**, *Computation of Interest Due on Underpayment of Estimated Tax*, and attach it to Form CT-1120.

See **Informational Publication 2005(14)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

### 12. Interest Add Back

Check the corresponding box if the corporation deducted interest expenses or intangible expenses that it paid to a related member. Complete **Form CT-1120AB**, *Add Back and Exceptions to Add Back of Interest and Intangible Expenses*, and attach it to Form CT-1120.

### 13. Passive Investment Companies

Check the corresponding box if this corporation is filing **Form CT-1120 PIC**, *Information Return for Passive Investment Companies*. If this box is checked, Form CT-1120 PIC must be attached. Passive investment companies are exempt from the corporation business tax, but must file Form CT-1120 PIC.

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## Form CT-1120 Line Instructions

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### Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

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If you do not round, DRS will disregard the cents.

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### Schedule A - Computation of Tax on Net Income

A corporation entitled to apportion its income must complete either **Form CT-1120A**, *Corporation Business Tax Return Apportionment Computation*, or one of the special apportionment forms listed below:

- Air carriers use **Form CT-1120A-A**, *Corporation Business Tax Return Apportionment Computation – Air Carriers*.
- Motor bus companies and motor carriers engaged in multistate business use **Form CT-1120A-BMC**, *Corporation Business Tax Return Apportionment Computation – Motor Bus and Motor Carrier Companies*.

- Financial service companies use **Form CT-1120A-FS**, *Corporation Business Tax Return Apportionment Computation of Income From Financial Service Company Activities*.
- Manufacturers use **Form CT-1120A-MFG**, *Corporation Business Tax Return Apportionment Computation – Manufacturing Companies*.
- Broadcasters and production entities use **Form CT-1120A-BPE**, *Corporation Business Tax Return Apportionment Computation – Broadcasters and Production Entities*.
- 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 use **Form CT-1120A-CCA**, *Corporation Business Tax Return 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, the partnership may elect for any income year to apportion its net income inside and outside the state as provided under the corporation business tax. Use **Form CT-1120A-LP**, *Corporation Business Tax Return Apportionment of Limited Partnership Interests*.

**Line 1** - Enter the net income from *Schedule D*, Line 18.

**Line 2** - Enter the appropriate apportionment fraction from Form CT-1120A, *Schedule Q*, Line 2; *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 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, Schedule H*, Line 6, Column A, 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. See Form CT-1120CR instructions for information about using carryforward losses on a combined return.

**Line 5** - Subtract Line 4 from Line 3 and enter the result on Line 5.

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

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## 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. For each financial service company, the minimum tax on capital is \$250.

**Line 1** - Enter the amount shown on *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 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.

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## Schedule C - Computation of Amount Payable

**Line 1(a)** - Enter the amount from *Schedule A*, Line 6; *Schedule B*, Line 6; or \$250, whichever is greater.

**Line 1(b)** - *For Future Use.*

**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 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 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 Line 1(a) and Line 1(c) and enter the total on Line 1. 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 on Line 2.

**Line 3** - Enter the greater of the amount on Line 2 or \$250.

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

**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 on Line 6.

**Line 7** - Enter on Lines 7(a), 7(b), and 7(c), all prepayments made. Enter the total on Line 7.

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

**Line 9(a)** - Enter penalty if applicable. See *Interest and Penalties*.

**Line 9(b)** - Enter interest due on tax not paid by the original due date. See *Interest and Penalties*.

**Line 9(c)** - Enter interest due on underpayment of estimated tax. Complete and attach Form CT-1120I.

**Line 9** - Add Lines 9(a), 9(b), and 9(c) and enter the total on Line 9.

**Line 10(a)** - Enter the amount of overpayment to be credited to 2006 estimated tax.

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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.**

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**Line 10(b)** - Enter the amount of overpayment to be refunded.

**Line 10** - Add Line 10(a) and Line 10(b) and enter the total on Line 10.

**Line 11** - Balance Due - Add Line 8 and Line 9. Enter the total on Line 11.

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### **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 *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, 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** - Enter the amount of the federal bonus depreciation allowed under I.R.C. §168(k) and claimed on federal Form 4562, Depreciation and Amortization.

**Line 7** - Add Lines 1 through 6 and enter the total on Line 7.

**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.

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

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

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### **Schedule E - 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. (See federal Form 1120, Schedule L, Line 22a and Line 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. (See 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.

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 in both Column A and Column B. Enter in Column C the average of Column A and Column B.

**Line 5** - Enter the total holdings of stock in Column A and Column B. Enter the average of Column A and Column B on Line 5, Column C.

Attach a schedule that lists 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 *Schedule E*, 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.

**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.

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## 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 in Column A all payroll taxes deducted in arriving at federal taxable income.

**Line 2** - Enter in Column A all real property taxes deducted in arriving at federal taxable income.

**Line 3** - Enter in Column A all personal property taxes deducted in arriving at federal taxable income.

**Line 4** - Enter in Column A all sales and use taxes deducted in arriving at federal taxable income.

**Line 5** - Enter in Column A any other taxes not based on income or profits deducted in arriving at federal taxable income.

**Line 6** - Enter in Column B the amount of Connecticut corporation business tax deducted in arriving at federal taxable income.

**Line 7** - Enter in Column B 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 Line 6 and Line 7 in Column B and enter the total on Line 8. Enter also on *Schedule D*, Line 3.

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## Schedule G - Additional Required Information

Attach a schedule of corporate officers' names, complete home addresses, and corporate titles.

**Line 1** - Enter the Connecticut towns in which the corporation owns or leases (as lessee) real or tangible personal property or performed any services.

**Line 2(a)** - If the corporation transferred a controlling interest in an entity where the entity owns, directly or indirectly, an interest in Connecticut real property, the corporation (the transferor) may be subject to the controlling interest transfer tax. Enter the name and FEIN of the entity in which a controlling interest was transferred. The transferor is required to file **Form AU-330**, *Controlling Interest Transfer Taxes*. (Conn. Gen. Stat. §12-638b)

**Line 2(b)** - If this corporation owned Connecticut real property and was the entity in which a direct or indirect controlling interest was transferred, enter the name and FEIN of the transferor. The transferor may be subject to the controlling interest transfer tax.

The entity in which a direct or indirect controlling interest was transferred is required to file **Form AU-331**, *Controlling Interest Transfer Taxes Informational Return*.

**Line 3** - If any other corporation owns a majority of the voting stock of this corporation, enter the name and FEIN of the corporation.

**Line 4** - Enter the last taxable year this corporation was audited by the IRS. Corrections to taxable income by the IRS must be reported within 90 days after receipt of the final notice of correction from the IRS.

All federal adjustments must be reported using Form CT-1120X.

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## Signature

The return must be signed by a duly authorized officer.



## Paid Preparer Signature

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

## Paid Preparer Authorization

If the corporation wants to authorize DRS to contact the paid preparer who signed the 2005 tax return to discuss it, check the **Yes** box in the signature area of the return. This authorization applies only to the individual whose signature appears in the *Paid Preparer's Signature* section of the return. It does not apply to the firm, if any, shown in that section.

If the **Yes** box is checked, the corporation is authorizing DRS to call the paid preparer to answer any questions that may arise during the processing of the 2005 corporation business tax return. The corporation is also authorizing the paid preparer to:

- Give DRS any information that is missing from the return;
- Call DRS for information about the processing of the corporation's return or the status of the corporation's refund or payment; **and**
- Respond to certain DRS notices that the corporation may have shared with the preparer regarding math errors, offsets, and return preparation. The notices will not be sent to the preparer.

The corporation is **not** authorizing the paid preparer to receive any refund check, bind the corporation to anything (including additional tax liability), or otherwise represent the corporation before DRS. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing the 2006 Connecticut Corporation Business Tax Return. This is on or before the first day of the month following the due date of the corporation's corresponding federal income tax return for the income year (April 1 for calendar year filers).

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# 2005 Form CT-1120K Instructions

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**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 a prior year. Additional information about Connecticut tax credits is available in **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*.

Corporation business tax credits must be applied in a specific order, where a corporation is eligible to claim more than one tax credit. In no event, however, shall any credit be claimed more than once. The order is as follows:

1. The Financial Institutions Credit must be applied before any other credits.
2. Any credit that may be carried back to a preceding income year must be applied after the Financial Institutions Credit, but before any other credits. Any credit carryback that will expire first must be claimed before any credit carryback that will expire later. If the credit carrybacks will expire at the same time, credits must be taken in the order in which the corporation may receive the maximum benefit.
3. Any credit that may not be carried back to a preceding income year and that may not be carried forward to a succeeding income year must be claimed next, in the order in which the corporation may receive the maximum benefit.
4. Any credit that may be carried forward to a succeeding income year must be claimed next. Any credit carryforward that will expire first must be claimed before any credit carryforward that will expire later. If the credit carryforwards will expire at the same time, credits must be taken in the order in

which the corporation may receive the maximum benefit.

5. The Electronic Data Processing Equipment Property Tax Credit must be applied last, after all other credits have been applied.

*Conn. Gen. Stat. §12-217aa*

**Limits on Credits:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of tax due prior to the application of the tax credit. *Conn. Gen. Stat. §12-217zz*

No tax credit can be applied against the minimum tax of \$250. *Conn. Gen. Stat. §12-219*

**Form CT-1120K** must be attached to the tax returns covered under the Connecticut General Statutes chapters referenced below, when tax credits from the current income year are being claimed or when carryforward credit balances exist from the prior year:

- Corporation business tax under Chapter 208;
- Domestic and foreign insurance premiums tax under Chapter 207;
- Health care centers tax under Chapter 207;
- Hospital and medical services tax under Chapter 207;
- Unrelated business income tax under Chapter 208a;
- Air carrier tax under Chapter 209;
- Railroad companies tax under Chapter 210;
- Express, telegraph or cable and community antenna television system companies tax under Chapter 211;
- Utility companies tax under Chapter 212; **or**
- Public service companies tax under Chapter 212a.

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.

All applicable tax credit forms, schedules, and any letters of approval or eligibility received from the agency administering the tax credit, must be attached to and made part of this tax return.

Any credit balance that remains after applying the credits to the current year's tax may be carried forward or carried back as provided in the Connecticut General Statutes, if the credit has not expired.

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### Part I-A — Financial Institutions Tax Credit

**Line 1** - Enter the credit for financial institutions constructing new facilities in Connecticut. Attach the initial Certificate of Eligibility issued by DECD. Enter in Part I-A, Column A the credit earned in 2005. Enter in Part I-A, Column B the amount actually applied to the corporation business tax. The total of Column B cannot exceed the amount from Part II, Line 1.

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### Part I-B — Tax Credits With Carryback Provisions

Enter in Part I-B, Lines 2 through 4, Column A all of the credits earned in 2005 that have a carryback provision. The credits indicated here are applied to the current year's tax first. Any remaining balance may be claimed against a preceding year's tax by filing **Form CT-1120X**, *Amended Corporation Business Tax Return*, or the appropriate amended tax return. For credits that also have a carryforward provision, complete Part I-D.

Enter in Part I-B, Lines 2 through 4, Column B the amount actually applied to the corporation business tax. The total of Column B cannot exceed the amount from Part II, Line 3.

Enter in Part I-B, Lines 2 through 4, Column C the amount applied to taxes other than the corporation business tax. The total of Column C cannot exceed the amount from Part III, Line 1.

Enter in Part I-B, Lines 2 through 4, Column D the amount of credit carried back to prior years.

**Line 2** - Enter the Neighborhood Assistance Act (NAA) Credit computed according to the provisions of Conn. Gen. Stat. §§12-631 through 12-638. Any remaining balance may be carried back to the two immediately preceding income years.

**Line 3** - Enter the Housing Program Contribution Credit as computed on **Form CT-1120 HPC**, *Housing Program Contribution Credit*, according to the provisions of Conn. Gen. Stat. §8-395. Any remaining balance may be carried back to the five immediately preceding income years. If you are claiming a carryforward, also complete Part I-D, Line 15. (See *Part I-D, Line 15* instructions.)

**Line 4** - Enter the Employer-Assisted Housing Credit as computed on **Form CT-1120 EAH**, *Employer-Assisted Housing Credit*, according to the provisions of Conn. Gen. Stat. §12-217p. Any remaining balance may be carried back to the five immediately preceding income years. If you are claiming a carryforward, also complete Part I-D, Line 16. (See *Part I-D, Line 16* instructions.)

**Line 5** - Add Lines 2 through 4 in Columns A, B, C, and D. Enter the totals in the spaces provided.

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### Part I-C — Tax Credits Without Carryback or Carryforward Provisions

Enter in Part I-C, Lines 6 through 13, Column A all of the credits earned in 2005 that can only be applied to the current year's tax.

Enter in Part I-C, Lines 6 through 13, Column B the amount actually applied to the corporation business tax. The total of Column B cannot exceed the amount from Part II, Line 5.

Enter in Part I-C, Line 8, Column C the amount applied to taxes other than the corporation business tax. The total of Column C cannot exceed Part III, Line 3.

**Line 6** - Enter the Apprenticeship Training Credit computed according to the provisions of Conn. Gen. Stat. §12-217g.

**Line 7** - Enter the Manufacturing Facility Credit as computed on **Form CT-1120 TIC/EZ**, *Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone*.

**Line 8** - Enter the credit for new or used computers donated to a local or regional board of education, or public school.

**Line 9** - Enter the credit for Research and Development Grants to Institutions of Higher Education, as computed on **Form CT-1120GC**, *Tax Credit for Research and Development Grants to Institutions of Higher Education*.

**Line 10** - Enter the Machinery and Equipment Expenditures Credit, as computed on **Form CT-1120 MEC**, *Machinery and Equipment Expenditures Credit*.

**Line 11** - Enter the credit for Traffic Reduction Programs computed according to the provisions of Conn. Gen. Stat. §12-217s.

**Line 12** - Enter the Displaced Electric Worker Credit, as computed on **Form CT-1120 DEWC**, *Displaced Electric Worker Credit*.

**Line 13** - Enter the Service Facility Credit, as computed on **Form CT-1120SF**, *Service Facility Credit*.

**Line 14** - Add Lines 6 through 13 in Columns A, B, and C. Enter the totals in the spaces provided.

## Part I-D — Tax Credits With Carryforward Provisions

Part I-D enables a corporation to account for any credits with carryforward provisions. This section also identifies any amounts of Research and Development or Research and Experimental Expenditures credits exchanged with the state for a credit refund.

Part I-D, Column A provides for the credit carryforward amount from previous income years. Column B provides for the credit amount claimed for the current income year. Column C provides for the credit amount applied to the corporation business tax for the current income year. Column D provides for the credit amount applied to taxes other than the corporation business tax (if applicable) in the current income year or the amount of Research and Development or Research and Experimental Expenditures credits exchanged with the state for a credit refund. Column E provides for the tax credit carryforward amount.

**Line 15** - If claiming the Housing Program Contribution Credit, Part I-B, Line 3, must be completed first. Enter in Part I-D, Column A the carryforward amount from previous income years. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120 HPC**, *Housing Program Contribution Credit*.

**Line 16** - If claiming the Employer-Assisted Housing Credit, Part I-B, Line 4, must be completed first. Enter in Part I-D, Column A the carryforward amount from previous income years. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120 EAH**, *Employer-Assisted Housing Credit*.

**Line 17** - Enter in Column A the amount of the Hiring Incentive tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 HIC**, *Hiring Incentive Tax Credit*, Part II, Computation of Carryforward.

**Line 18** - Enter in Column A the amount of the Clean Alternative Fuel - Vehicles, Equipment, and Related Filling or Recharging Stations tax credit carried forward from previous income years. Enter in Column B the

amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount as computed according to the provisions of Conn. Gen. Stat. §12-217i. Attach **Form CT-1120 CAF**, *Clean Alternative Fuel Relating to Vehicles, Equipment, and Filling or Recharging Stations Credit*.

**Line 19** - Enter in Column A the amount of the Research and Experimental Expenditures tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D the amount exchanged with the state for a credit refund equal to 65% of the value of the credit. Include the full credit amount exchanged, not the discounted amount of the credit refund. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120RC**, *Research and Experimental Expenditure Credit*, Part II, Computation of Carryforward.

**Line 20** - Enter in Column A the amount of the Research and Development tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D the amount exchanged with the state for a credit refund equal to 65% of the value of the credit. Include the full credit amount exchanged, not the discounted amount of the credit refund. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 RDC**, *Research and Development Credit*, Part III, Computation of Carryforward.

**Line 21** - Enter in Column A the amount of the Fixed Capital Investment tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 FCIC**, *Fixed Capital Investment Credit*, Part II, Computation of Carryforward.

**Line 22** - Enter in Column A the amount of the Human Capital Investment tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation

business tax for the current income year. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 HCIC**, *Human Capital Investment Credit*, Part III, Computation of Carryforward.

**Line 23** - Enter in Column A the amount of the Insurance Reinvestment Fund tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-IRF**, *Insurance Reinvestment Fund Credit*, Part II, Computation of Carryforward.

**Line 24** - Enter in Column A the amount of the Small Business Administration Guaranty Fee tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the total tax credit carryforward amount. Attach **Form CT-1120 SBA**, *Small Business Administration Guaranty Fee Tax Credit*, and the loan statement verifying the guaranty fee paid to the Small Business Administration.

**Line 25** - Enter in Column A the amount of the Historic Homes Rehabilitation tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120 HHR**, *Historic Homes Rehabilitation Credit*.

**Line 26** - Enter in Column A the amount of the Donation of Open Space Land tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120 DOS**, *Donation of Open Space Land Credit*, and a copy of the real estate appraisal.

**Line 27** - Enter in Column A any available credit carryforward balance from previous income years for the Air Pollution Abatement Facilities tax credit. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120AP**, *Air Pollution Abatement Facilities Credit*.

**Line 28** - Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount as computed on **Form CT-UISR**, *Urban and Industrial Site Reinvestment Credit*.

**Line 29** - Add Lines 15 through 28 in Columns A through E. The total of Column C cannot exceed the amount from Part II, Line 7. **In Column D, do not include Line 19 and Line 20 in the total amount. Also do not include in the total amount of Column D any amounts on Line 23 and Line 28 that were assigned.** Enter the totals in the spaces provided.

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### Part I-E — Electronic Data Processing Equipment Property Tax Credit

**Line 30** - Enter in Column A the amount of the Electronic Data Processing Equipment Property Tax Credit carried forward from previous income years. Enter in Column B the amount of credit claimed in the current income year. Enter in Column C the amount applied to the corporation business tax. Enter in Column D any amount applied to taxes other than the corporation business tax. The amount in Column C cannot exceed the amount from Part II, Line 9. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 EDPC**, *Electronic Data Processing Equipment Property Tax Credit*, Part II, Computation of Carryforward. This credit is allowed only after all other tax credits have been applied. The amount of credit allowable in any income year shall be applied first to the corporation business tax.

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### Part II — Tax Credits Applied to the Corporation Business Tax

If the corporation is filing a combined return, complete **Form CT-1120CR**, *Schedule KC*, and do not complete this part.

This section enables a corporation to apply its tax credits in the order required by Conn. Gen. Stat. §12-217aa. This section also limits the amount of tax credits that may be applied to the corporation business tax.

**Line 1** - Enter the amount from Form CT-1120, *Schedule C*, Line 4.

**Line 2** - Enter the amount from Form CT-1120K, Part I-A, Line 1, Column B. Do not exceed the amount on Line 1.

**Line 3** - Enter the creditable corporation business tax balance. Subtract Line 2 from Line 1. Enter the result on Line 3.

**Line 4** - Enter the amount from Form CT-1120K, Part I-B, Line 5, Column B. Do not exceed the amount on Line 3.

**Line 5** - Enter the creditable corporation business tax balance. Subtract Line 4 from Line 3. Enter the result on Line 5.

**Line 6** - Enter the amount from Form CT-1120K, Part I-C, Line 14, Column B. Do not exceed the amount on Line 5.

**Line 7** - Enter the creditable corporation business tax balance. Subtract Line 6 from Line 5. Enter the result on Line 7.

**Line 8** - Enter the amount from Form CT-1120K, Part I-D, Line 29, Column C. Carryforward credits that expire first should be claimed before any credit carryforward that will expire later or not at all. Do not exceed the amount on Line 7.

**Line 9** - Enter the creditable corporation business tax balance. Subtract Line 8 from Line 7. Enter the result on Line 9.

**Line 10** - Enter the amount from Form CT-1120K, Part I-E, Line 30, Column C. Do not exceed the amount on Line 9. Carryforward credits that expire first should be claimed before any credit carryforward that will expire later.

**Line 11** - Add Part II, Lines 2, 4, 6, 8, and 10. Enter the total here and on Form CT-1120, *Schedule C*, Line 5. Do not exceed amount on Line 1.

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### **Part III — Tax Credits Applied to Taxes Other Than Corporation Business Tax**

Some tax credits may be applied to taxes other than the corporation business tax. This section enables a corporation to account for any credits applied to other taxes. The following is a list of other taxes to which you may be able to apply these credits:

- Domestic and foreign insurance premiums tax under Chapter 207;
- Health care centers tax under Chapter 207;
- Hospital and medical services tax under Chapter 207;
- Unrelated business income tax under Chapter 208a;

- Air carrier tax under Chapter 209;
- Railroad companies tax under Chapter 210;
- Express, telegraph or cable and community antenna television system companies tax under Chapter 211;
- Utility companies tax under Chapter 212;
- Public service companies tax under Chapter 212a; **or**
- Surplus lines brokers tax under Chapter 701d.

Enter the name of the tax to which you are applying the tax credit. If you are applying tax credits to more than one tax other than corporation business tax, duplicate Part III for each tax type and attach to Form CT-1120K.

**Line 1** - Enter the creditable amount of tax from the appropriate tax return on Line 1. The amount of tax credits allowable against the insurance premiums and health care center taxes may not exceed 70% of the amount of tax due.

**Line 2** - Enter the amount from Form CT-1120K, Part I-B, Line 5, Column C. Do not exceed the amount on Line 1.

**Line 3** - Subtract Line 2 from Line 1. Enter the result on Line 3.

**Line 4** - Enter the amount from Form CT-1120K, Part I-C, Line 14, Column C. Do not exceed the amount on Line 3.

**Line 5** - Subtract Line 4 from Line 3. Enter the result on Line 5.


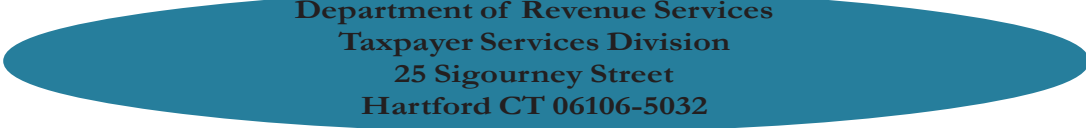
**Line 6** - Enter the amount from Form CT-1120K, Part I-D, Line 29, Column D. Do not exceed the amount on Line 5.


**Line 7** - Subtract Line 6 from Line 5. Enter the result on Line 7.

**Line 8** - Enter the amount from Form CT-1120K, Part I-E, Line 30, Column D. Do not exceed the amount on Line 7.

**Line 9** - Add Part III, Lines 2, 4, 6, and 8. Enter the total here and on the appropriate tax return. Do not exceed the amount on Line 1. If the taxpayer is claiming a tax credit against more than one tax type, attach a duplicate Form CT-1120K and applicable tax credit forms.

# Connecticut Tax Assistance

|  |  |  |               |
|--|--|--|---------------|
| Internet   | For Tax Information  | Forms and Publications   |               |
|  | DRS Web site<br>   |  |               |
| Telephone  | <b>CONN-TAX</b><br>1-800-382-9463 (in-state) or<br>860-297-5962 (from anywhere)<br>TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911. | From a touch-tone phone call<br>1-800-382-9463 (in-state) and select <b>Option 2</b> , or<br>860-297-4753 (from anywhere)<br><b>DRS TaxFax</b> - Call 860-297-5698 from the handset attached to your fax machine and select from the menu. |               |
| Write  |    |  |               |
| <b>Walk-In Offices</b><br>Free personal taxpayer assistance and forms are available by visiting our offices, Monday through Friday, 8:00 a.m. to 5:00 p.m. Call CONN-TAX for directions to DRS offices. If you require special accommodations, please advise the DRS representative. | <b>Location</b>  | <b>Address</b>   | <b>Phone*</b> |
|  | <b>Bridgeport</b>  | 10 Middle Street   | 203-336-7890  |
|  | <b>Hartford</b>  | 25 Sigourney Street  | 860-297-5962  |
|  | <b>Norwich</b>   | 2 Cliff Street   | 860-425-4123  |
|  | <b>Hamden</b>  | 3074 Whitney Avenue, Building #2   | 203-287-8243  |
|  | <b>Waterbury</b>   | 55 West Main Street, Suite 100   | 203-805-6789  |
| * All calls are answered at our Customer Service Center, not at the local office.  |  |  |               |

|                                  |   |  |
|----------------------------------|---|--|
| <b>Electronic Filing Options</b> |  | File Forms CT-1120 ESA, ESB, ESC, and ESD over the internet using WebFile.<br>Visit <a href="http://www.ct.gov/DRS">www.ct.gov/DRS</a> |
|                                  | Check this booklet for additional details!  |  |

|   |   |
|---|---|
| <b>Federal Tax Information</b><br>For questions about <b>federal taxes</b> , contact the Internal Revenue Service (IRS) at 1-800-829-1040 or visit <a href="http://www.irs.gov">www.irs.gov</a><br>To order <b>federal tax forms</b> , call 1-800-829-3676. | <b>Statewide Services</b><br>For information on statewide services and programs, visit the ConneCT Web site at <a href="http://www.ct.gov">www.ct.gov</a> |
|---|---|

Department of Revenue Services  
 State of Connecticut  
 25 Sigourney Street  
 Hartford CT 06106-5032

(Rev. 12/05)

## Form CT-1120 ATT Corporation Business Tax Return Attachment Schedules H, I, and J

— See Instructions on Reverse —

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### SCHEDULE H – Connecticut Apportioned Operating Loss Carryover

|    |   | Connecticut Apportioned Income (Loss) | Loss Applied to Income Year 2001 | Loss Applied to Income Year 2002 | Loss Applied to Income Year 2003 | Loss Applied to Income Year 2004 | COLUMN A                         |    | COLUMN B                          |    |
|----|---|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----|-----------------------------------|----|
|    |   |                                       |                                  |                                  |                                  |                                  | Loss Applied to Income Year 2005 |    | Remaining Loss Available for 2006 |    |
| 1. | 2000  |                                       |                                  |                                  |                                  |                                  |                                  |    |                                   |    |
| 2. | 2001  |                                       |                                  |                                  |                                  |                                  |                                  |    |                                   |    |
| 3. | 2002  |                                       |                                  |                                  |                                  |                                  |                                  |    |                                   |    |
| 4. | 2003  |                                       |                                  |                                  |                                  |                                  |                                  |    |                                   |    |
| 5. | 2004  |                                       |                                  |                                  |                                  |                                  |                                  |    |                                   |    |
| 6. | <b>TOTAL</b> (Add Lines 1 through 5 in Column A and Column B, and enter here.<br>Enter the amount from Line 6, Column A on <b>Form CT-1120, Schedule A, Line 4.</b> ) ..... |                                       |                                  |                                  |                                  |                                  | ▶                                | 00 | ▶                                 | 00 |

### SCHEDULE I – Dividend Deduction

|    |  | COLUMN A |    | COLUMN B       | COLUMN C                  | COLUMN D                           | COLUMN E                             |    |    |
|----|--|----------|----|----------------|---------------------------|------------------------------------|--------------------------------------|----|----|
|    |  | Amount   |    | Deduction Rate | Balance (Col. A x Col. B) | Related Expenses (attach schedule) | Dividend Deduction (Col. C – Col. D) |    |    |
| 1. | Dividend Income included in Computation of Federal Taxable Income ( <b>Form CT-1120, Schedule D, Line 1</b> ). See instructions.                             | ▶        | 00 |                |                           |                                    |                                      |    |    |
| 2. | Dividends from domestic corporations less than 20% owned.  | ▶        | 00 | 70% (.70)      |                           | ▶                                  | 00                                   | 00 |    |
| 3. | Dividend Balance (Subtract Line 2 from Line 1).  |          | 00 | 100% (1.0)     |                           | ▶                                  | 00                                   | 00 |    |
| 4. | <b>TOTAL DIVIDEND DEDUCTION</b> (Add Line 2, Column E, and Line 3, Column E.<br>Enter the result here and on <b>Form CT-1120, Schedule D, Line 8</b> ) ..... |          |    |                |                           |                                    |                                      |    | 00 |

### SCHEDULE J – Bonus Depreciation Recovery

|    | Assets Subject to I.R.C. §168(k) Placed in Service During Income Year  | COLUMN A  | COLUMN B  | COLUMN C   |
|----|--|---|---|--|
|    |  | 2005 MACRS Depreciation on Federal Basis (After I.R.C. §168(k) Bonus) | 2005 MACRS Depreciation on Connecticut Basis (Without I.R.C. §168(k) Bonus) | 2005 Recovery of I.R.C. §168(k) Bonus Depreciation (Col. B – Col. A) |
| 1. | 2000   |   |   | 00   |
| 2. | 2001   |   |   | 00   |
| 3. | 2002   |   |   | 00   |
| 4. | 2003   |   |   | 00   |
| 5. | 2004   |   |   | 00   |
| 6. | 2005   |   |   | 00   |
| 7. | <b>FEDERAL BONUS DEPRECIATION RECOVERY</b> (Add Lines 1 through 6, in Column C.<br>Enter the result here and on <b>Form CT-1120, Schedule D, Line 11</b> ) ..... |   |   | 00   |

## Form CT-1120 ATT Instructions

**Form CT-1120 ATT** must be attached to **Form CT-1120, Corporation Business Tax Return**, whenever *Schedule H, Schedule I, or Schedule 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 Connecticut apportioned operating income (loss) carryover from the five preceding income years as reported on Connecticut corporation business tax returns filed for those years. Net operating losses incurred in income years beginning on or after January 1, 2000, may be carried forward for 20 successive income years. *Conn. Gen. Stat. §12-217.*

**Line 6** - Add Lines 1 through 5 in Column A and Column B, enter the total on Line 6, Column A and Column B. Enter the amount from Line 6, Column A on **Form CT-1120, Schedule A**, Line 4.

### SCHEDULE I – Dividend Deduction

**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 I.R.C. §243; **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 the result in Column C. Enter in Column D related expenses. (Attach schedule of related expenses and computation.) Subtract Column D from Column C and enter the result in Column E.

**Line 3** - Dividend Balance: Subtract Line 2 from Line 1 and enter the result on Line 3, Column A. Multiply Column A by Column B (1.0) and enter the result in Column C. Enter in Column D related expenses. (Attach schedule of related expenses and computation.) Subtract Column D from Column C and enter the total in Column E.

**Line 4** - Enter in Column E total dividend deduction. Add Line 2, Column E and Line 3, Column E. Enter the total here and on **Form CT-1120, Schedule D**, Line 8.

### SCHEDULE J – Bonus Depreciation Recovery

Complete *Schedule J* if the corporation claimed the bonus depreciation under I.R.C. §168(k) for qualifying property, on its federal Form 4562, Depreciation and Amortization. For purposes of the Connecticut corporation business tax, the special deduction permitted under I.R.C. §168(k) is not allowed and depreciation must be calculated without regard to I.R.C. §168(k). *Schedule J* is used to account for the subtraction modification that must be made to federal net income (loss). For additional information, see **Special Notice 2002(10), Bonus Depreciation for Connecticut Corporation Business Tax Purposes**.

Attach a copy of the 2005 federal Form 4562 and a detailed schedule of those assets for which the I.R.C. §168(k) bonus depreciation was claimed. For each asset, the schedule must list the following:

- A description of the qualifying asset;
- The year in which the asset was placed in service;
- The federal basis (reduced by the bonus depreciation) used for purposes of calculating depreciation using the Modified Accelerated Cost Recovery System (MACRS);
- The Connecticut basis used for purposes of calculating MACRS depreciation (basis not reduced by I.R.C. §168(k) amount);
- The recovery period and convention;
- The depreciation claimed for federal purposes for the income year; **and**
- The depreciation allowed for Connecticut tax purposes for the income year.

**Lines 1 through 6** - These lines are used to account for any qualifying assets placed in service during the corporation's income year(s) for which the bonus depreciation under I.R.C. §168(k) was claimed on federal Form 4562.

Enter in Column A the amount of MACRS depreciation claimed by the corporation on its 2005 federal Form 4562 with respect to those qualifying assets.

Enter in Column B the amount of MACRS depreciation allowed on those same assets for Connecticut corporation business tax purposes for the 2005 income year. Connecticut depreciation is determined under the Internal Revenue Code of 1986 without regard to I.R.C. §168(k).

Enter in Column C the difference between the amount claimed in Column B and the amount claimed in Column A.

**Line 7** - Add Lines 1 through 6 in Column C. Enter the total here and on **Form CT-1120, Schedule D**, Line 11.

**Example:** In March 2005, a corporation purchases a piece of equipment for \$100,000. Assume the equipment is MACRS 5-year property, the half-year convention applies, and no amount is expensed under I.R.C. §179. For federal tax purposes, the corporation claims the bonus depreciation under I.R.C. §168(k) in the amount of \$50,000 (\$100,000 x 50%). It then reduces its basis in the equipment to \$50,000 (\$100,000 - \$50,000) and uses that reduced basis to calculate its federal MACRS depreciation of \$10,000, (\$50,000 x 20%). For Connecticut corporation business tax purposes, the corporation must calculate the first year MACRS depreciation allowed for state purposes, using its state basis of \$100,000. This results in a state MACRS depreciation deduction in the amount of \$20,000 (\$100,000 x 20%). To properly complete *Schedule J*, the corporation must enter \$10,000 on Line 6, Column A; and \$20,000 on Line 6, Column B. The difference between the state MACRS depreciation (\$20,000) and the federal MACRS depreciation (\$10,000) is \$10,000, which must be entered on Line 6, Column C.



(Rev. 12/05)

**Form CT-1120A**  
**Corporation Business Tax Return Apportionment Computation**

- See Instructions on Reverse -

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

|   |   |                  |
|---|---|------------------|
| <b>SCHEDULE Q - NET INCOME APPORTIONMENT</b>  |   |                  |
| 1. (a) Gross receipts from business carried on within Connecticut   | ▶ | 00               |
| (b) Gross receipts from business carried on outside Connecticut   | ▶ | 00               |
| (c) <b>TOTAL:</b> Add Line 1(a) and Line 1(b)   |   | 00               |
| 2. Proportion of income attributable to Connecticut: Divide Line 1(a) by Line 1(c) <i>Enter on Form CT-1120, Sch. A, Line 2. Carry to six places.</i> |   | DECIMAL NOTATION |

| <b>SCHEDULE R - NET INCOME APPORTIONMENT</b>                            |   |                         |    |                        |    |   |
|---|---|-------------------------|----|------------------------|----|---|
| FACTOR  | ITEM  | COLUMN A<br>CONNECTICUT |    | COLUMN B<br>EVERYWHERE |    | COLUMN C  |
| TANGIBLE<br>PROPERTY<br><br><i>(Average Monthly<br/>Net Book Value)</i> | 1. (a) Inventories  | ▶                       | 00 | ▶                      | 00 | Divide Column A<br>by Column B.<br><br><i>(Carry to six places)</i> |
|   | (b) Depreciable assets  | ▶                       | 00 | ▶                      | 00 |   |
|   | (c) Land  | ▶                       | 00 | ▶                      | 00 |   |
|   | (d) Capitalized rent  | ▶                       | 00 | ▶                      | 00 |   |
|   | (e) Other (See instructions.)   | ▶                       | 00 | ▶                      | 00 |   |
|   | <b>1. Total</b>   |                         | 00 |                        | 00 | DECIMAL NOTATION  |
| WAGES, SALARIES, AND<br>OTHER COMPENSATION                              | <b>2. Total</b>   | ▶                       | 00 | ▶                      | 00 | DECIMAL NOTATION  |
| GROSS RECEIPTS  | 3. (a) Sales of tangibles   | ▶                       | 00 | ▶                      | 00 | DECIMAL NOTATION  |
|   | (b) Services  | ▶                       | 00 | ▶                      | 00 |   |
|   | (c) Interest  | ▶                       | 00 | ▶                      | 00 |   |
|   | (d) Rents & royalties   | ▶                       | 00 | ▶                      | 00 |   |
|   | (e) Net gains from sales of assets  | ▶                       | 00 | ▶                      | 00 |   |
|   | (f) Other   | ▶                       | 00 | ▶                      | 00 |   |
|   | <b>3. Total</b>   |                         | 00 |                        | 00 | DECIMAL NOTATION  |
|   | 4. Enter amount from Line 3, Column C   |                         |    |                        |    | DECIMAL NOTATION  |
| APPORTIONMENT<br>FRACTION   | 5. <b>Total</b> (Add Lines 1 through 4 in Column C.)<br>Apportionment (Line 5 divided by number of factors used). Enter here and on <b>Form</b><br>6. <b>CT-1120, Schedule A, Line 2.</b> |                         |    |                        |    | DECIMAL NOTATION  |

| SCHEDULE S - MINIMUM TAX BASE APPORTIONMENT                             | COLUMN A<br>CONNECTICUT                  |   | COLUMN B<br>EVERYWHERE |   | COLUMN C |
|---|--|---|------------------------|---|----------|
| INTANGIBLE<br>ASSETS<br><br><i>(Average Monthly<br/>Net Book Value)</i> | 1. (a) Cash                              | ▶ | 00                     | ▶ | 00       |
|   | (b) Notes & accounts receivable          | ▶ | 00                     | ▶ | 00       |
|   | (c) Investments (Other than stock)       | ▶ | 00                     | ▶ | 00       |
|   | (d) Other                                | ▶ | 00                     | ▶ | 00       |
|   | <b>1. Total</b>                          |   | 00                     |   | 00       |
| TANGIBLE<br>PROPERTY<br><br><i>(Average Monthly<br/>Net Book Value)</i> | 2. (a) Inventories                       | ▶ | 00                     | ▶ | 00       |
|   | (b) Depreciable assets                   | ▶ | 00                     | ▶ | 00       |
|   | (c) Land                                 | ▶ | 00                     | ▶ | 00       |
|   | (d) Other                                | ▶ | 00                     | ▶ | 00       |
|   | <b>2. Total</b>                          |   | 00                     |   | 00       |
| APPORTIONMENT<br>FRACTION   | <b>3. Total</b> (Add Line 1 and Line 2.) |   | 00                     |   | 00       |
|   | DECIMAL NOTATION                         |   |                        |   |          |

# Form CT-1120A Instructions

Complete this form and file it as part of the Corporation Business Tax Return only if the company carried on business within and outside Connecticut and was taxable in another state during the income year for which the return is filed.

A corporation entitled to apportion its income must complete either *Schedule Q*, *Schedule R*, or one of the special apportionment forms listed below. Special apportionment forms are applicable for the following business types:

- AIR CARRIERS calculate their apportionment fraction on **Form CT-1120A-A**, *Corporation Business Tax Return Apportionment Computation - Air Carriers*.
- COMPANIES whose income is derived from credit card activities calculate their apportionment fraction on **Form CT-1120A-CCA**, *Corporation Business Tax Return Apportionment Computation of Income From Credit Card Activities*.
- MANUFACTURERS calculate their apportionment fraction on **Form CT-1120A-MFG**, *Corporation Business Tax Return Apportionment Computation - Manufacturing Companies*.
- BROADCASTERS and PRODUCTION ENTITIES calculate their apportionment fraction on **Form CT-1120A-BPE**, *Corporation Business Tax Return Apportionment Computation - Broadcasters and Production Entities*.
- SECURITIES BROKERAGE SERVICES COMPANIES calculate their apportionment fraction on **Form CT-1120A-SBC**, *Corporation Business Tax Return Apportionment Computation - Securities Brokerage Services*.
- COMPANIES (not otherwise conducting business in Connecticut) that are limited partners in a limited partnership doing business in Connecticut may elect to apportion their net income inside and outside Connecticut on **Form CT-1120A-LP**, *Corporation Business Tax Return Apportionment of Limited Partnership Interests*.
- MOTOR BUS COMPANIES and MOTOR CARRIERS calculate their apportionment fraction on **Form CT-1120A-BMC**, *Corporation Business Tax Return Apportionment - Motor Bus and Motor Carrier Companies*. 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*.
- FINANCIAL SERVICE COMPANIES calculate their apportionment fraction on **Form CT-1120A-FS**, *Corporation Business Tax Return Apportionment Computation of Income From Financial Service Companies Activities*.

## Corporate Partner

A corporation that owns an interest in a partnership or joint venture should include its pro rata share of its apportionment factor (property, payroll, and receipts) in the numerator and denominator of the Connecticut statutory apportionment formula (Conn. Gen. Stat. §12-218) which is used to determine the corporation's portion of its total net income subject to the Connecticut corporation business tax.

## SCHEDULE Q - NET INCOME APPORTIONMENT

This schedule should be completed only by companies that derive business income from operations that **do not** involve the manufacture, sale, or use of tangible personal or real property, and are not entitled to apportion their income using one of the special apportionment forms listed above. **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 - NET INCOME APPORTIONMENT

This schedule should be completed only by companies that derive business income from operations that involve the manufacture, sale, or use of tangible personal or real property, and are not entitled to apportion their income using one of the special apportionment forms listed above.

**Item 1.** Enter on Lines 1(a), 1(b), 1(c), and 1(e), the average monthly net book value for each category of tangible personal and real property

that is held and owned within Connecticut. Enter on Line 1(d) the average monthly net value of capitalized rent, which is computed by multiplying by eight the gross rents paid directly or indirectly for the use or possession of the rented property. Include interest, taxes, insurance, and repairs to the rented property. Royalties are excluded. Enter on Line 1(e) items such as construction-in-progress, interest in partnerships, etc. Total the amounts and divide Column A by Column B to compute the apportionment fraction, carried to six decimal places.

**Item 2.** This factor must include all compensation paid by the corporation during the income year to officers and all other employees inclusive of salaries and wages that 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 Connecticut regardless of the f.o.b. point or other conditions of sale; receipts from services performed within Connecticut; interest earned from assets managed or controlled within Connecticut; rents and royalties from property situated within Connecticut; royalties from the use of patents and copyrights within Connecticut; net gains from sales or other disposition of intangible assets managed or controlled within Connecticut; and net gains from sales or disposition of tangible assets situated within Connecticut. If losses from sales or other dispositions of such tangible or intangible assets exceed the gains, enter zero for the net gains. Dividends are excluded from the receipts factor. All other receipts earned within Connecticut not included above must be included in the receipts factor.

**Item 4.** This factor is the same as Item 3, Column C.

**Item 6.** Divide the total on Line 5 by the number of factors used. For example, if the taxpayer derives net income from retail sales, this line would contain the sum of its property factor, payroll factor, and the receipts factors on Lines 3 and 4, divided by four (less the number, if any, of factors that are not applicable).

## 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 Connecticut.

## APPORTIONMENT IN SPECIAL CASES

The statutory method is designed to produce a reasonable apportionment within and outside Connecticut, therefore, 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. 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 return of a taxpayer requesting relief from the statutory method of apportionment must be filed initially on the statutory basis using the formula methods prescribed in Conn. Gen. Stat. §§12-218, 12-218b, 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 alternate 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 alternate basis will not be considered in any case in which this procedure has not been strictly followed.

The Commissioner will notify the company as to whether the proposed alternate method of apportionment is accepted or rejected. If the proposed method is accepted, the tax will be adjusted.

# Form CT-1120K

## Business Tax Credit Summary

# 2005

(Rev. 12/05)

– See Instructions Before Completing This Form –

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### PART I - TAX CREDITS FROM 2005 INCOME YEAR

#### PART I-A Financial Institutions Tax Credit

|   |                        | A<br>Credit Amount<br>Claimed |    |   | B<br>Amount Applied to<br>Corporation Tax |    |  | C<br>Amount Applied to<br>Other Taxes | D<br>Carryback<br>Amount |
|---|------------------------|-------------------------------|----|---|---|----|--|---------------------------------------|--------------------------|
| 1 | Financial Institutions |                               | 00 | ▶ |   | 00 |  |                                       |                          |

#### PART I-B Tax Credits With Carryback Provisions

|   |  | A<br>Credit Amount<br>Claimed |    |   | B<br>Amount Applied to<br>Corporation Tax |    |   | C<br>Amount Applied to<br>Other Taxes |    |   | D<br>Carryback<br>Amount |
|---|--|-------------------------------|----|---|---|----|---|---------------------------------------|----|---|--------------------------|
| 2 | Neighborhood Assistance<br>(See instructions)                                      |                               | 00 | ▶ |   | 00 | ▶ |                                       | 00 | ▶ | 00                       |
| 3 | Housing Program Contribution<br>(See instructions)                                 |                               | 00 | ▶ |   | 00 | ▶ |                                       | 00 | ▶ | 00                       |
| 4 | Employer-Assisted Housing<br>(See instructions)                                    |                               | 00 | ▶ |   | 00 | ▶ |                                       | 00 | ▶ | 00                       |
| 5 | <b>TOTAL PART I-B</b> (Add Lines 2 through 4 and enter in the appropriate columns) |                               | 00 | ▶ |   | 00 | ▶ |                                       | 00 | ▶ | 00                       |

#### PART I-C Tax Credits Without Carryback or Carryforward Provisions

|    |   | A<br>Credit Amount<br>Claimed |    |   | B<br>Amount Applied to<br>Corporation Tax |    |   | C<br>Amount Applied to<br>Other Taxes |  |  | D<br>Carryback or<br>Carryforward Amount |
|----|---|-------------------------------|----|---|---|----|---|---------------------------------------|--|--|--|
| 6  | Apprenticeship Training<br>(See instructions)   |                               | 00 | ▶ |   | 00 |   |                                       |  |  |  |
| 7  | Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone (Form CT-1120 TIC/EZ) |                               | 00 | ▶ |   | 00 |   |                                       |  |  |  |
| 8  | Computer Donation<br>(See instructions)   |                               | 00 | ▶ |   | 00 | ▶ | 00                                    |  |  |  |
| 9  | Grants to Institutions of Higher Education<br>(Form CT-1120GC)  |                               | 00 | ▶ |   | 00 |   |                                       |  |  |  |
| 10 | Machinery and Equipment<br>(Form CT-1120 MEC)   |                               | 00 | ▶ |   | 00 |   |                                       |  |  |  |
| 11 | Traffic Reduction<br>(See instructions)   |                               | 00 | ▶ |   | 00 |   |                                       |  |  |  |
| 12 | Displaced Electric Worker<br>(Form CT-1120 DEWC)  |                               | 00 | ▶ |   | 00 |   |                                       |  |  |  |
| 13 | Service Facility<br>(Form CT-1120SF)  |                               | 00 | ▶ |   | 00 |   |                                       |  |  |  |
| 14 | <b>TOTAL PART I-C</b> (Add Lines 6 through 13 and enter in the appropriate columns)   |                               | 00 | ▶ |   | 00 | ▶ | 00                                    |  |  |  |

**PART I-D**

**Tax Credits With  
Carryforward Provisions**

|    |   | <b>A</b>  | <b>B</b>                      |    | <b>C</b>                             | <b>D</b>   |   | <b>E</b>                       |   |    |
|----|---|---|-------------------------------|----|--------------------------------------|--|---|--------------------------------|---|----|
|    |   | Carryforward Amount From<br>Previous Income Years | 2005 Credit<br>Amount Claimed |    | Amount Applied to<br>Corporation Tax | Amount Applied to Other<br>Taxes, Exchanged, or Assigned |   | Carryforward<br>Amount to 2006 |   |    |
| 15 | Housing Program Contribution<br>See instructions<br>(Form CT-1120 HPC)  | 00  |                               |    | ▶                                    | 00   | ▶ | 00                             | ▶ | 00 |
| 16 | Employer-Assisted Housing<br>See instructions<br>(Form CT-1120 EAH)   | 00  |                               |    | ▶                                    | 00   | ▶ | 00                             | ▶ | 00 |
| 17 | Hiring Incentive<br>(Form CT-1120 HIC)  | 00  |                               | 00 | ▶                                    | 00   |   |                                | ▶ | 00 |
| 18 | Clean Alternative Fuel-Vehicles,<br>Equipment, and Related Filling or<br>Recharging Stations<br>(Form CT-1120 CAF)  | 00  |                               | 00 | ▶                                    | 00   | ▶ | 00                             | ▶ | 00 |
| 19 | Research and Experimental<br>Expenditures (Enter amount<br>exchanged in Column D.)<br>(Form CT-1120RC)  | 00  |                               | 00 | ▶                                    | 00   |   | 00                             | ▶ | 00 |
| 20 | Research and Development (Enter<br>amount exchanged in Column D.)<br>(Form CT-1120 RDC)   | 00  |                               | 00 | ▶                                    | 00   |   | 00                             | ▶ | 00 |
| 21 | Fixed Capital Investment<br>(Form CT-1120 FCIC)   | 00  |                               | 00 | ▶                                    | 00   |   |                                | ▶ | 00 |
| 22 | Human Capital Investment<br>(Form CT-1120 HCIC)   | 00  |                               | 00 | ▶                                    | 00   |   |                                | ▶ | 00 |
| 23 | Insurance Reinvestment Fund<br>(Form CT-IRF)  | 00  |                               | 00 | ▶                                    | 00   | ▶ | 00                             | ▶ | 00 |
| 24 | Small Business Administration<br>Guaranty Fee<br>(Form CT-1120 SBA)   | 00  |                               | 00 | ▶                                    | 00   |   |                                | ▶ | 00 |
| 25 | Historic Homes Rehabilitation<br>(Form CT-1120 HHR)   | 00  |                               | 00 | ▶                                    | 00   | ▶ | 00                             | ▶ | 00 |
| 26 | Donation of Open Space Land<br>(Form CT-1120 DOS)   | 00  |                               | 00 | ▶                                    | 00   |   |                                | ▶ | 00 |
| 27 | Air Pollution<br>(Form CT-1120AP)   | 00  |                               |    | ▶                                    | 00   |   |                                | ▶ | 00 |
| 28 | Urban and Industrial Site Reinvestment<br>(Form CT-UISR)  |   |                               | 00 | ▶                                    | 00   |   | 00                             | ▶ | 00 |
| 29 | <b>TOTAL PART I-D</b> (Add Lines 15<br>through 28 in Columns A through E.)<br><b>For Column D, do not include</b><br><b>Lines 19 and 20. Also do not</b><br><b>include in the total amount of</b><br><b>Column D any amounts on Lines</b><br><b>23 and 28 that were assigned.</b> | 00  |                               | 00 | ▶                                    | 00   | ▶ | 00                             | ▶ | 00 |

**PART I-E**

Electronic Data Processing  
Equipment Property Tax Credit

|  | <b>A</b><br>Carryforward Amount From<br>Previous Income Years | <b>B</b><br>2005 Credit Amount<br>Claimed | <b>C</b><br>Amount Applied to<br>Corporation Tax | <b>D</b><br>Amount Applied to<br>Other Taxes | <b>E</b><br>Carryforward<br>Amount to 2006 |
|--|---|---|--|--|--|
| 30 Electronic Data Processing Equipment<br>Property Tax Credit (Form CT-1120 EDPC) | 00  | 00  | ▶  | 00   | ▶  |

**PART II - TAX CREDITS APPLIED TO THE CORPORATION BUSINESS TAX**  
(Combined return filers – Do not complete Part II.)

|  |      |
|--|------|
| 1 Tax Credit Limitation (Enter amount from Form CT-1120, Schedule C, Line 4)   | 00   |
| 2 <b>Financial Institutions Credit</b> (Enter amount from Form CT-1120K, Part I-A, Line 1, Column B. Do not exceed amount on Line 1.)  | 00   |
| 3 Creditable corporation business tax balance (Subtract Line 2 from Line 1)  | 00   |
| 4 <b>Tax Credits With Carryback Provisions</b> (Enter amount from Form CT-1120K, Part I-B, Line 5, Column B. Do not exceed amount on Line 3.)  | 00   |
| 5 Creditable corporation business tax balance (Subtract Line 4 from Line 3)  | 00   |
| 6 <b>Tax Credits Without Carryback or Carryforward Provisions</b> (Enter amount from Form CT-1120K, Part I-C, Line 14, Column B. Do not exceed amount on Line 5.)  | 00   |
| 7 Creditable corporation business tax balance (Subtract Line 6 from Line 5)  | 00   |
| 8 <b>Tax Credits With Carryforward Provisions</b> (Enter amount from Form CT-1120K, Part I-D, Line 29, Column C. Do not exceed amount on Line 7. Carryforward credits that expire first should be claimed before any credit carryforward that will expire later or not at all.)    | 00   |
| 9 Creditable corporation business tax balance (Subtract Line 8 from Line 7)  | 00   |
| 10 <b>Electronic Data Processing Equipment Property Tax Credit</b> (Enter amount from Form CT-1120K, Part I-E, Line 30, Column C. Carryforward credits that expire first should be claimed before any credit carryforward that will expire later. Do not exceed amount on Line 9.) | 00   |
| 11 <b>TOTAL CORPORATION BUSINESS TAX CREDITS APPLIED</b> (Add Part II, Lines 2, 4, 6, 8, and 10. Enter here and on Form CT-1120, Schedule C, Line 5. Do not exceed amount on Line 1.)  | ▶ 00 |

**PART III - TAX CREDITS APPLIED TO TAXES OTHER THAN CORPORATION BUSINESS TAX**

Name of tax: \_\_\_\_\_ (Duplicate Part III as necessary.)

|   |      |
|---|------|
| 1 Tax (Enter the creditable tax amount from the appropriate tax form. The amount of tax credit(s) allowable against the insurance premiums and health care center taxes may not exceed 70% (.70) of the amount of tax due prior to the application of the credit(s).) | 00   |
| 2 <b>Tax Credits With Carryback Provisions</b> (Enter amount from Form CT-1120K, Part I-B, Line 5, Column C. Do not exceed amount on Line 1.)   | 00   |
| 3 Tax balance (Subtract Line 2 from Line 1.)  | 00   |
| 4 <b>Tax Credits Without Carryback or Carryforward Provisions</b> (Enter amount from Form CT-1120K, Part I-C, Line 14, Column C. Do not exceed the amount on Line 3.)   | 00   |
| 5 Tax balance (Subtract Line 4 from Line 3)   | 00   |
| 6 Tax Credits With Carryforward Provisions (Enter amount from Form CT-1120K, Part I-D, Line 29, Column D. Do not exceed amount on Line 5.)  | 00   |
| 7 Tax balance (Subtract Line 6 from Line 5)   | 00   |
| 8 Electronic Data Processing Equipment Property Tax Credit (Enter amount from Form CT-1120K, Part I-E, Line 30, Column D. Do not exceed amount on Line 7.)  | 00   |
| 9 <b>TOTAL TAX CREDITS APPLIED TO TAX OTHER THAN CORPORATION BUSINESS TAX</b> (Add Part III, Lines 2, 4, 6, and 8. Enter here and on the appropriate tax return. Do not exceed amount on Line 1.)   | ▶ 00 |

**FORM CT-1120K**  
**Business Tax Credit Summary**  
**Instructions**

**2005**

**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 a prior year. Additional information about Connecticut tax credits is available in **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*.

Corporation business tax credits must be applied in a specific order, where a corporation is eligible to claim more than one tax credit. In no event, however, shall any credit be claimed more than once. The order is as follows:

1. The Financial Institutions Credit must be applied before any other credits.
2. Any credit that may be carried back to a preceding income year must be applied after the Financial Institutions Credit, but before any other credits. Any credit carryback that will expire first must be claimed before any credit carryback that will expire later. If the credit carrybacks will expire at the same time, credits must be taken in the order in which the corporation may receive the maximum benefit.
3. Any credit that may not be carried back to a preceding income year and that may not be carried forward to a succeeding income year must be claimed next, in the order in which the corporation may receive the maximum benefit.
4. Any credit that may be carried forward to a succeeding income year must be claimed next. Any credit carryforward that will expire first must be claimed before any credit carryforward that will expire later. If the credit carryforwards will expire at the same time, credits must be taken in the order in which the corporation may receive the maximum benefit.
5. The Electronic Data Processing Equipment Property Tax Credit must be applied last, after all other credits have been applied.

*Conn. Gen. Stat. §12-217aa*

**Limits on Credits:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of tax due prior to the application of the tax credit. *Conn. Gen. Stat. §12-217zz*

No tax credit can be applied against the minimum tax of \$250. *Conn. Gen. Stat. §12-219*

**Form CT-1120K** must be attached to the tax returns covered under the Connecticut General Statutes chapters referenced below, when tax credits from the current income year are being claimed or when carryforward credit balances exist from the prior year:

- Corporation business tax under Chapter 208;
- Domestic and foreign insurance premiums tax under Chapter 207;
- Health care centers tax under Chapter 207;
- Hospital and medical services tax under Chapter 207;

- Unrelated business income tax under Chapter 208a;
- Air carrier tax under Chapter 209;
- Railroad companies tax under Chapter 210;
- Express, telegraph or cable and community antenna television system companies tax under Chapter 211;
- Utility companies tax under Chapter 212; **or**
- Public service companies tax under Chapter 212a.

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.

All applicable tax credit forms, schedules, and any letters of approval or eligibility received from the agency administering the tax credit, must be attached to and made part of this tax return.

Any credit balance that remains after applying the credits to the current year's tax may be carried forward or carried back as provided in the Connecticut General Statutes, if the credit has not expired.

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### **Part I-A — Financial Institutions Tax Credit**

**Line 1** - Enter the credit for financial institutions constructing new facilities in Connecticut. Attach the initial Certificate of Eligibility issued by DECD. Enter in Part I-A, Column A the credit earned in 2005. Enter in Part I-A, Column B the amount actually applied to the corporation business tax. The total of Column B cannot exceed the amount from Part II, Line 1.

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### **Part I-B — Tax Credits With Carryback Provisions**

Enter in Part I-B, Lines 2 through 4, Column A all of the credits earned in 2005 that have a carryback provision. The credits indicated here are applied to the current year's tax first. Any remaining balance may be claimed against a preceding year's tax by filing **Form CT-1120X**, *Amended Corporation Business Tax Return*, or the appropriate amended tax return. For credits that also have a carryforward provision, complete Part I-D.

Enter in Part I-B, Lines 2 through 4, Column B the amount actually applied to the corporation business tax. The total of Column B cannot exceed the amount from Part II, Line 3.

Enter in Part I-B, Lines 2 through 4, Column C the amount applied to taxes other than the corporation business tax. The total of Column C cannot exceed the amount from Part III, Line 1.

Enter in Part I-B, Lines 2 through 4, Column D the amount of credit carried back to prior years.

**Line 2** - Enter the Neighborhood Assistance Act (NAA) Credit computed according to the provisions of Conn. Gen. Stat. §§12-631 through 12-638. Any remaining balance may be carried back to the two immediately preceding income years.

**Line 3** - Enter the Housing Program Contribution Credit as computed on **Form CT-1120 HPC**, *Housing Program Contribution Credit*, according to the provisions of Conn. Gen. Stat. §8-395. Any remaining balance may be carried back to the five immediately preceding income years. If you are claiming a carryforward, also complete Part I-D, Line 15. (See *Part I-D, Line 15* instructions.)

**Line 4** - Enter the Employer-Assisted Housing Credit as computed on **Form CT-1120 EAH**, *Employer-Assisted Housing Credit*, according to the provisions of Conn. Gen. Stat. §12-217p. Any remaining balance may be carried back to the five immediately preceding income years. If you are claiming a carryforward, also complete Part I-D, Line 16. (See *Part I-D, Line 16* instructions.)

**Line 5** - Add Lines 2 through 4 in Columns A, B, C, and D. Enter the totals in the spaces provided.

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### Part I-C — Tax Credits Without Carryback or Carryforward Provisions

Enter in Part I-C, Lines 6 through 13, Column A all of the credits earned in 2005 that can only be applied to the current year's tax.

Enter in Part I-C, Lines 6 through 13, Column B the amount actually applied to the corporation business tax. The total of Column B cannot exceed the amount from Part II, Line 5.

Enter in Part I-C, Line 8, Column C the amount applied to taxes other than the corporation business tax. The total of Column C cannot exceed Part III, Line 3.

**Line 6** - Enter the Apprenticeship Training Credit computed according to the provisions of Conn. Gen. Stat. §12-217g.

**Line 7** - Enter the Manufacturing Facility Credit as computed on **Form CT-1120 TIC/EZ**, *Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone*.

**Line 8** - Enter the credit for new or used computers donated to a local or regional board of education, or public school.

**Line 9** - Enter the credit for Research and Development Grants to Institutions of Higher Education, as computed on **Form CT-1120GC**, *Tax Credit for Research and Development Grants to Institutions of Higher Education*.

**Line 10** - Enter the Machinery and Equipment Expenditures Credit, as computed on **Form CT-1120 MEC**, *Machinery and Equipment Expenditures Credit*.

**Line 11** - Enter the credit for Traffic Reduction Programs computed according to the provisions of Conn. Gen. Stat. §12-217s.

**Line 12** - Enter the Displaced Electric Worker Credit, as computed on **Form CT-1120 DEWC**, *Displaced Electric Worker Credit*.

**Line 13** - Enter the Service Facility Credit, as computed on **Form CT-1120SF**, *Service Facility Credit*.

**Line 14** - Add Lines 6 through 13 in Columns A, B, and C. Enter the totals in the spaces provided.

### Part I-D — Tax Credits With Carryforward Provisions

Part I-D enables a corporation to account for any credits with carryforward provisions. This section also identifies any amounts of Research and Development or Research and Experimental Expenditures credits exchanged with the state for a credit refund.

Part I-D, Column A provides for the credit carryforward amount from previous income years. Column B provides for the credit amount claimed for the current income year. Column C provides for the credit amount applied to the corporation business tax for the current income year. Column D provides for the credit amount applied to taxes other than the corporation business tax (if applicable) in the current income year or the amount of Research and Development or Research and Experimental Expenditures credits exchanged with the state for a credit refund. Column E provides for the tax credit carryforward amount.

**Line 15** - If claiming the Housing Program Contribution Credit, Part I-B, Line 3, must be completed first. Enter in Part I-D, Column A the carryforward amount from previous income years. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120 HPC**, *Housing Program Contribution Credit*.

**Line 16** - If claiming the Employer-Assisted Housing Credit, Part I-B, Line 4, must be completed first. Enter in Part I-D, Column A the carryforward amount from previous income years. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120 EAH**, *Employer-Assisted Housing Credit*.

**Line 17** - Enter in Column A the amount of the Hiring Incentive tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 HIC**, *Hiring Incentive Tax Credit*, Part II, Computation of Carryforward.

**Line 18** - Enter in Column A the amount of the Clean Alternative Fuel - Vehicles, Equipment, and Related Filling or Recharging Stations tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount as computed according to the provisions of Conn. Gen. Stat. §12-217i. Attach **Form CT-1120 CAF**, *Clean Alternative Fuel Relating to Vehicles, Equipment, and Filling or Recharging Stations Credit*.

**Line 19** - Enter in Column A the amount of the Research and Experimental Expenditures tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D the amount exchanged with the state for a credit refund equal to 65% of the value of the credit. Include the full credit amount exchanged, not the discounted amount of the credit refund. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120RC**, *Research and Experimental Expenditure Credit*, Part II, Computation of Carryforward.

**Line 20** - Enter in Column A the amount of the Research and Development tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D the amount exchanged with the state for a credit refund equal to 65% of the value of the credit. Include the full credit amount exchanged, not the discounted amount of the credit refund. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 RDC**, *Research and Development Credit*, Part III, Computation of Carryforward.

**Line 21** - Enter in Column A the amount of the Fixed Capital Investment tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 FCIC**, *Fixed Capital Investment Credit*, Part II, Computation of Carryforward.

**Line 22** - Enter in Column A the amount of the Human Capital Investment tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 HCIC**, *Human Capital Investment Credit*, Part III, Computation of Carryforward.

**Line 23** - Enter in Column A the amount of the Insurance Reinvestment Fund tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-IRF**, *Insurance Reinvestment Fund Credit*, Part II, Computation of Carryforward.

**Line 24** - Enter in Column A the amount of the Small Business Administration Guaranty Fee tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the total tax credit

carryforward amount. Attach **Form CT-1120 SBA**, *Small Business Administration Guaranty Fee Tax Credit*, and the loan statement verifying the guaranty fee paid to the Small Business Administration.

**Line 25** - Enter in Column A the amount of the Historic Homes Rehabilitation tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120 HHR**, *Historic Homes Rehabilitation Credit*.

**Line 26** - Enter in Column A the amount of the Donation of Open Space Land tax credit carried forward from previous income years. Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120 DOS**, *Donation of Open Space Land Credit*, and a copy of the real estate appraisal.

**Line 27** - Enter in Column A any available credit carryforward balance from previous income years for the Air Pollution Abatement Facilities tax credit. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column E the tax credit carryforward amount. Attach **Form CT-1120AP**, *Air Pollution Abatement Facilities Credit*.

**Line 28** - Enter in Column B the amount of tax credit claimed for the current income year. Enter in Column C the amount applied to the corporation business tax for the current income year. Enter in Column D any amount applied to taxes other than the corporation business tax. Enter in Column E the tax credit carryforward amount as computed on **Form CT-UISR**, *Urban and Industrial Site Reinvestment Credit*.

**Line 29** - Add Lines 15 through 28 in Columns A through E. The total of Column C cannot exceed the amount from Part II, Line 7. **In Column D, do not include Line 19 and Line 20 in the total amount. Also do not include in the total amount of Column D any amounts on Line 23 and Line 28 that were assigned.** Enter the totals in the spaces provided.

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## Part I-E — Electronic Data Processing Equipment Property Tax Credit

**Line 30** - Enter in Column A the amount of the Electronic Data Processing Equipment Property Tax Credit carried forward from previous income years. Enter in Column B the amount of credit claimed in the current income year. Enter in Column C the amount applied to the corporation business tax. Enter in Column D any amount applied to taxes other than the corporation business tax. The amount in Column C cannot exceed the amount from Part II, Line 9. Enter in Column E the tax credit carryforward amount as computed on the current year's **Form CT-1120 EDPC**, *Electronic Data Processing Equipment Property Tax Credit*, Part II, Computation of Carryforward. This credit is allowed only after all other tax



credits have been applied. The amount of credit allowable in any income year shall be applied first to the corporation business tax.

## Part II — Tax Credits Applied to the Corporation Business Tax

If the corporation is filing a combined return, complete **Form CT-1120CR**, *Schedule KC*, and do not complete this part.

This section enables a corporation to apply its tax credits in the order required by Conn. Gen. Stat. §12-217aa. This section also limits the amount of tax credits that may be applied to the corporation business tax.

**Line 1** - Enter the amount from Form CT-1120, *Schedule C*, Line 4.

**Line 2** - Enter the amount from Form CT-1120K, Part I-A, Line 1, Column B. Do not exceed the amount on Line 1.

**Line 3** - Enter the creditable corporation business tax balance. Subtract Line 2 from Line 1. Enter the result on Line 3.

**Line 4** - Enter the amount from Form CT-1120K, Part I-B, Line 5, Column B. Do not exceed the amount on Line 3.

**Line 5** - Enter the creditable corporation business tax balance. Subtract Line 4 from Line 3. Enter the result on Line 5.

**Line 6** - Enter the amount from Form CT-1120K, Part I-C, Line 14, Column B. Do not exceed the amount on Line 5.

**Line 7** - Enter the creditable corporation business tax balance. Subtract Line 6 from Line 5. Enter the result on Line 7.

**Line 8** - Enter the amount from Form CT-1120K, Part I-D, Line 29, Column C. Carryforward credits that expire first should be claimed before any credit carryforward that will expire later or not at all. Do not exceed the amount on Line 7.

**Line 9** - Enter the creditable corporation business tax balance. Subtract Line 8 from Line 7. Enter the result on Line 9.

**Line 10** - Enter the amount from Form CT-1120K, Part I-E, Line 30, Column C. Do not exceed the amount on Line 9. Carryforward credits that expire first should be claimed before any credit carryforward that will expire later.

**Line 11** - Add Part II, Lines 2, 4, 6, 8, and 10. Enter the total here and on Form CT-1120, *Schedule C*, Line 5. Do not exceed amount on Line 1.

## Part III — Tax Credits Applied to Taxes Other Than Corporation Business Tax

Some tax credits may be applied to taxes other than the corporation business tax. This section enables a corporation to account for any credits applied to other taxes. The following is a list of other taxes to which you may be able to apply these credits:

- Domestic and foreign insurance premiums tax under Chapter 207;
- Health care centers tax under Chapter 207;
- Hospital and medical services tax under Chapter 207;
- Unrelated business income tax under Chapter 208a;
- Air carrier tax under Chapter 209;
- Railroad companies tax under Chapter 210;
- Express, telegraph or cable and community antenna television system companies tax under Chapter 211;
- Utility companies tax under Chapter 212;
- Public service companies tax under Chapter 212a; **or**
- Surplus lines brokers tax under Chapter 701d.

Enter the name of the tax to which you are applying the tax credit. If you are applying tax credits to more than one tax other than corporation business tax, duplicate Part III for each tax type and attach to Form CT-1120K.

**Line 1** - Enter the creditable amount of tax from the appropriate tax return on Line 1. The amount of tax credits allowable against the insurance premiums and health care center taxes may not exceed 70% of the amount of tax due.

**Line 2** - Enter the amount from Form CT-1120K, Part I-B, Line 5, Column C. Do not exceed the amount on Line 1.

**Line 3** - Subtract Line 2 from Line 1. Enter the result on Line 3.

**Line 4** - Enter the amount from Form CT-1120K, Part I-C, Line 14, Column C. Do not exceed the amount on Line 3.

**Line 5** - Subtract Line 4 from Line 3. Enter the result on Line 5.

**Line 6** - Enter the amount from Form CT-1120K, Part I-D, Line 29, Column D. Do not exceed the amount on Line 5.

**Line 7** - Subtract Line 6 from Line 5. Enter the result on Line 7.

**Line 8** - Enter the amount from Form CT-1120K, Part I-E, Line 30, Column D. Do not exceed the amount on Line 7.

**Line 9** - Add Part III, Lines 2, 4, 6, and 8. Enter the total here and on the appropriate tax return. Do not exceed the amount on Line 1. If the taxpayer is claiming a tax credit against more than one tax type, attach a duplicate Form CT-1120K and applicable tax credit forms.

# Form CT-1120 EXT

## Application for Extension of Time to File Corporation Business Tax Return

# 2005

- See Instructions on Reverse -

|   |   |
|---|---|
| <b>ENTER INCOME YEAR BEGINNING</b> _____, 2005, <b>AND ENDING</b> _____ |   |
| <b>TAXPAYER</b>   | Corporation Name  |
| (Please<br>type<br>or print)  | Number and Street <span style="float: right;">PO Box</span>                                       |
|   | City or Town <span style="float: right;">State</span> <span style="float: right;">ZIP Code</span> |
|   | <b>CT Tax Registration Number</b>   |
|   | <b>DRS Use Only</b><br>- - 20   |
|   | <b>Federal Employer ID Number</b>   |

**REQUEST FOR A SIX-MONTH EXTENSION TO FILE FORM CT-1120, FORM CT-1120CR, OR FORM CT-1120U**

Each corporation **must** submit payment of any tax due or believed to be due with this application for an extension of time to file, whether or not an application for federal extension has been approved. (See instructions on reverse.)

I request a **six-month extension** of time, to **October 1, 2006**, to file a Connecticut Corporation Business Tax Return for calendar year 2005 or until \_\_\_\_\_ for fiscal year ending \_\_\_\_\_.

A federal extension has been requested on federal Form 7004, Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns, for calendar year 2005, or for fiscal year beginning \_\_\_\_\_, 2005, and ending \_\_\_\_\_.  Yes  No

If **NO**, the reason for the Connecticut extension is \_\_\_\_\_  
 \_\_\_\_\_

Are you filing a **combined return**?  Yes  No (If **Yes**, see Special Instructions on reverse.)  
 Are you filing a **unitary return**?  Yes  No (If **Yes**, see Special Instructions on reverse.)

**TENTATIVE RETURN**

|                    |     |  |     |  |    |
|--------------------|-----|--|-----|--|----|
| <b>Computation</b> | 1.  | Tentative amount of tax due for this income year (Minimum Tax \$250) ..... | 1.  |  | 00 |
|                    | 2.  | <i>For Future Use</i> .....  |     |  |    |
|                    | 3.  | Total amount of tax due for this income year .....                         | 3.  |  | 00 |
|                    | 4.  | Multiply Line 3 by 30% (.30) .....   | 4.  |  | 00 |
|                    | 5.  | Multiply the number of companies included by \$250 .....                   | 5.  |  | 00 |
|                    | 6.  | Enter the greater of Line 4 or Line 5 .....                                | 6.  |  | 00 |
|                    | 7.  | Tax Credit Limitation (Subtract Line 6 from Line 3.) .....                 | 7.  |  | 00 |
|                    | 8.  | Tax credits ( <b>Do not exceed amount on Line 7.</b> ) .....               | 8.  |  | 00 |
|                    | 9.  | Balance of tax payable (Subtract Line 8 from Line 3.) .....                | 9.  |  | 00 |
|                    | 10. | Payment of estimated tax .....   | 10. |  | 00 |
|                    | 11. | Overpayment from prior year .....  | 11. |  | 00 |
|                    | 12. | Total payments (Add Line 10 and Line 11.) .....                            | 12. |  | 00 |
|                    | 13. | <b>Balance due with this return</b> (Subtract Line 12 from Line 9.) .....  | 13. |  | 00 |

**Make check payable to:** Commissioner of Revenue Services. Write the corporation's Connecticut Tax Registration Number and "2005 Form CT-1120 EXT" on the check. Attach check to return with paper clip. **DO NOT STAPLE.**

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

**NOTE:** If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**DECLARATION:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to the Department of Revenue Services is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |   |                               |                  |   |
|---|---|-------------------------------|------------------|---|
| <b>SIGN HERE</b><br><br>Keep a copy of this return for your records | Corporate Officer's Name ( <i>Print</i> ) | Corporate Officer's Signature | Date             | May DRS contact the preparer shown below about this return?<br><input type="checkbox"/> Yes <input type="checkbox"/> No<br>(See instructions)<br><br>Preparer's SSN or PTIN |
|   | Title                                     | Telephone Number<br>( )       |                  |   |
|   | Paid Preparer's Name ( <i>Print</i> )     | Paid Preparer's Signature     | Date             |   |
|   | Firm's Name and Address                   | FEIN                          | Telephone Number |   |

# Form CT-1120 EXT Instructions

**Purpose**

Use **Form CT-1120 EXT**, *Application for Extension of Time to File Corporation Business Tax Return*, to request a six-month extension to file **Form CT-1120**, *Corporation Business Tax Return*, **Form CT-1120CR**, *Combined Corporation Business Tax Return*, or **Form CT-1120U**, *Unitary Corporation Business Tax Return*. It is not necessary to include a reason for the Connecticut extension request if an extension on federal Form 7004, *Application for Automatic 6-Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns*, was filed with the Internal Revenue Service.

If federal Form 7004 was not filed, the corporation may apply for a six-month extension to file the Connecticut Corporation Business Tax Return if there is reasonable cause for the request.

**To get a Connecticut filing extension the corporation MUST:**

- Complete Form CT-1120 EXT in its entirety;
- File it by the first day of the fourth month following the close of the income year; **and**
- Pay the amount shown on front, Line 13.

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 is assessed at 1% (.01) per month or fraction of a month on any underpayment of tax computed from the first day of the fourth month following the close of the income year. The penalty for underpayment of tax is 10% (.10) of the tax due or \$50, whichever is greater.

A taxpayer that has been granted a filing extension may avoid a late payment penalty if the outstanding balance due is 10% or less **and** is paid with the filing of the Connecticut Corporation Business Tax Return. If no tax is due, the Commissioner of Revenue Services may impose a \$50 penalty for the late filing of any return or report that is required by law to be filed.

**When to File Form CT-1120 EXT:** File Form CT-1120 EXT on or before the first day of the month following the due date of the company's corresponding federal income tax return for the income year (April 1

for calendar year taxpayers). In the case of any company that is not required to file a federal income tax return for the income year, the Connecticut corporation business tax return must be filed on or before the first day of the fourth month following the end of the income year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. DRS may submit your check to your bank electronically.

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

**Limit on Credits:** Effective for income years beginning on or after January 1, 2002, the amount of tax credit or credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% of the amount of tax due under the corporation business tax prior to the application of tax credits. *Conn. Gen. Stat. §12-217zz*

**Minimum Tax Change:** No tax credit allowed against the corporation business tax shall reduce a company's minimum tax to an amount less than \$250. *Conn. Gen. Stat. §12-219*

**Surtax:** For income years beginning on or after January 1, 2005, and prior to January 1, 2006, the surtax **does not** apply. *2005 Conn. Pub. Acts 251, §62 & 63.*

**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 (FEIN).

**Signature:** An officer of the corporation must sign this form.

**Paid Preparer Signature:** Anyone who is paid to prepare the return must sign and date it. Paid preparers must also enter their Social Security Number or Preparer Tax Identification Number (PTIN), their firm's FEIN, and their firm's address and telephone number in the spaces provided.

**Others Who May Sign:** Anyone (including attorneys, accountants, and enrolled agents) with a signed Power of Attorney may 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.

**Form CT-1120CC**, *Combined Return Consent*, **must** be attached to this Form CT-1120 EXT for the initial income year an affiliate is included. The election to file a Combined Corporation Business Tax Return will require the filing of a Combined Corporation Business Tax Return for five successive income years.

|                 |                                   |  |
|-----------------|-----------------------------------|--|
| Check here for: | <input type="checkbox"/> Addition | <input type="checkbox"/> Deletion of Affiliates (Attach explanation) |
| Affiliate Name  | CT Tax Registration Number        | Federal Employer ID Number   |
| _____           | _____                             | _____  |

**Special Instructions — Unitary Filers:** If two or more affiliated corporations electing to file a Unitary Corporation Business Tax Return apply for an extension, complete Column A and Column B *only*, of the schedule below. Attach a list of additional corporations if needed.

**Complete This Schedule if Filing a Unitary or Combined Corporation Business Tax Return**

|     | COLUMN A  | COLUMN B                | COLUMN C                | COLUMN D    | COLUMN E                    | COLUMN F                  |
|-----|---|-------------------------|-------------------------|-------------|-----------------------------|---------------------------|
| NO. | Affiliated Corporations Included in This Combined Return: | CT Tax Registration No. | Tentative Amount of Tax | Tax Credits | Overpayment From Prior Year | Payments of Estimated Tax |
| 1   | COMMON PARENT OR DESIGNATED CT PARENT:                    | -000                    |                         |             |                             |                           |
| 2   |   | -000                    |                         |             |                             |                           |
| 3   |   | -000                    |                         |             |                             |                           |
| 4   |   | -000                    |                         |             |                             |                           |
| 5   |   | -000                    |                         |             |                             |                           |
| 6   |   | -000                    |                         |             |                             |                           |
| 7   |   | -000                    |                         |             |                             |                           |
| 8   |   | -000                    |                         |             |                             |                           |

# Form CT-1120U

## Unitary Corporation Business Tax Return

# 2005

(Rev. 12/05)AF

**ENTER INCOME YEAR BEGINNING** \_\_\_\_\_, **2005, AND ENDING** \_\_\_\_\_

|                               |   |   |                |
|-------------------------------|---|---|----------------|
| Total Assets                  | 00  | Name of Parent or Designated Connecticut Parent Corporation |                |
| Gross Receipts                | 00  | Address   | PO Box         |
| NAICS Code (see instructions) |   | City or Town  | State ZIP Code |
| Audited By                    | <input type="checkbox"/> F <input type="checkbox"/> O |   |                |

|   |
|---|
| <b>Parent or Designated CT Parent<br/>Connecticut Tax Registration Number</b> |
| <b>DRS Use Only</b>   |
| - - 20  |
| <b>Federal Employer ID Number</b>   |

**Check All Applicable Boxes**

1. Change of:  Closing Month  Address
2. Unitary Return Status:  Final Return  Short Period Return
3. Has any corporation within the group:  Dissolved  Withdrawn  Merged/Reorganized (Enter survivor's CT Tax Reg#) \_\_\_\_\_
4. Is this the first year this group is filing a unitary return?  Yes (Attach **Form CT-1120Q** and **Form CT-1120CC**)  No
5. Does any nexus company pay interest to a related member?  Yes (Attach **Form CT-1120AB**)  No
6. Is the unitary group exchanging R & D tax credits?  Yes (Attach **Form CT-1120 XCH**)  No
7. Is the unitary group annualizing its income?  Yes (Attach **Form CT-1120I**)  No
8. Is any corporation filing Form CT-1120 PIC?  Yes (Attach **Form CT-1120 PIC**)  No

**Schedule of Corporations Included in The Unitary Return** (If additional lines are needed, attach a schedule.)

|    | Corporation Name                               | Nexus With CT (✓) | CT Tax Registration Number | Federal Employer ID Number |
|----|--|-------------------|----------------------------|----------------------------|
| 1. | Common Parent or Designated Connecticut Parent | ▶                 | - 000                      |                            |
| 2. |  | ▶                 | - 000                      |                            |
| 3. |  | ▶                 | - 000                      |                            |

Tax registration number must be included for parent and all affiliates (if applicable).

**Minimum Tax Calculation**

|   |   |   |    |
|---|---|---|----|
| 1. Enter the total number of corporations included in this unitary return. .... | ▶ | 1 |    |
| 2. Minimum Tax (Multiply Line 1 by \$250.) .....                                | ▶ | 2 | 00 |

- Attach a Complete Copy of Form 1120 Including all Schedules as Filed With the Internal Revenue Service -

**Schedule A - Computation of Tax on Net Income**

|  |   |   |    |
|--|---|---|----|
| 1. Net income ( <i>Schedule D</i> , Line 18) .....                           | ▶ | 1 | 00 |
| 2. Apportionment fraction ( <b>Form CT-1120A</b> , <i>Schedule R</i> ) ..... | ▶ | 2 | 0. |
| 3. Connecticut net income (Multiply Line 1 by Line 2.) .....                 | ▶ | 3 | 00 |
| 4. Operating loss carryover (See instructions.) .....                        | ▶ | 4 | 00 |
| 5. Income subject to tax (Subtract Line 4 from Line 3.) .....                | ▶ | 5 | 00 |
| 6. TAX: Multiply Line 5 by 7.5% (.075) .....                                 | ▶ | 6 | 00 |

**Schedule B - Computation of Minimum Tax on Capital**

|  |   |   |    |
|--|---|---|----|
| 1. Minimum tax base ( <i>Schedule E</i> , Line 6, Column C) .....  | ▶ | 1 | 00 |
| 2. Apportionment fraction ( <b>Form CT-1120A</b> , <i>Schedule S</i> ) .....   | ▶ | 2 | 0. |
| 3. Multiply Line 1 by Line 2. ....   | ▶ | 3 | 00 |
| 4. Number of months covered by this return .....   | ▶ | 4 |    |
| 5. Multiply Line 3 by Line 4, divide the result by 12. ....  | ▶ | 5 | 00 |
| 6. TAX: (3 and 1/10 mills per dollar) Multiply Line 5 by .0031. (Maximum tax for <i>Sch. B</i> is \$1,000,000) ..... | ▶ | 6 | 00 |

**Schedule C - Computation of Amount Payable**

|   |   |    |    |
|---|---|----|----|
| 1a. Tax (Greater of <i>Schedule A</i> , Line 6; <i>Schedule B</i> , Line 6; or <i>Minimum Tax</i> ) .....                 | ▶ | 1a | 00 |
| 1b. For Future Use .....  | ▶ | 1b |    |
| 1c. Recapture of Tax Credits (See instructions.) .....  | ▶ | 1c | 00 |
| 1. <b>Total Tax</b> (Enter the total of Line 1a and Line 1c. If no tax credits claimed, also enter on Line 6.) .....      | ▶ | 1  | 00 |
| 2. Multiply Line 1 by 30% (0.30) .....  | ▶ | 2  | 00 |
| 3. Enter the greater of Line 2 or <i>Minimum Tax</i> . ....   | ▶ | 3  | 00 |
| 4. Tax Credit Limitation (Subtract Line 3 from Line 1.) .....   | ▶ | 4  | 00 |
| 5. Tax Credits ( <b>Form CT-1120K</b> , Part II, Line 11. See instructions. <b>Do not exceed amount on Line 4.</b> ) .... | ▶ | 5  | 00 |
| 6. Balance of tax payable (Subtract Line 5 from Line 1.) .....  | ▶ | 6  | 00 |
| 7a. Paid with application for extension ( <b>Form CT-1120 EXT</b> ) .....   | ▶ | 7a | 00 |
| 7b. Paid with estimates ( <b>Forms CT-1120 ESA, ESB, ESC, &amp; ESD</b> ) .....   | ▶ | 7b | 00 |
| 7c. Overpayment from prior year .....   | ▶ | 7c | 00 |
| 7. <b>Tax Payments</b> (Enter the total of Lines 7a, 7b, and 7c.) .....   | ▶ | 7  | 00 |
| 8. Balance of tax due (overpaid) (Subtract Line 7 from Line 6.) .....   | ▶ | 8  | 00 |
| 9. Add Penalty ▶ (9a) _____ .00 Interest ▶ (9b) _____ .00 <b>CT-1120I</b> Interest ▶ (9c) _____ .00                       | ▶ | 9  | 00 |
| 10. Amount to be credited to 2006 estimated tax ▶ (10a) _____ .00 Refunded ▶ (10b) _____ .00                              | ▶ | 10 | 00 |
| 11. <b>Balance due with this return</b> (Add Line 8 and Line 9.) .....  | ▶ | 11 | 00 |

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**

| <b>Schedule D – Computation of Net Income</b>  |   |    |    |
|--|---|----|----|
| 1. Federal taxable income (loss) before net operating loss and special deductions .....  | ▶ | 1  | 00 |
| 2. Interest income wholly exempt from federal tax .....  | ▶ | 2  | 00 |
| 3. Unallowable deduction for corporation tax ( <i>Schedule F</i> , Line 8) .....   | ▶ | 3  | 00 |
| 4. Interest expenses paid to a related member ( <b>Form CT-1120AB</b> , Part I A, Line 1) .....                                  | ▶ | 4  | 00 |
| 5. Intangible expenses and costs paid to a related member ( <b>Form CT-1120AB</b> , Part I B, Line 1) .....                      | ▶ | 5  | 00 |
| 6. Federal bonus depreciation (See instructions.) .....  | ▶ | 6  | 00 |
| 7. Total (Add Lines 1 through 6.) .....  | ▶ | 7  | 00 |
| 8. Dividend deduction ( <b>Form CT-1120 ATT</b> , <i>Schedule I</i> , Line 4) .....  | ▶ | 8  | 00 |
| 9. Capital loss carryover (if not deducted in computing federal capital gain) .....  | ▶ | 9  | 00 |
| 10. Capital gain from sale of preserved land .....   | ▶ | 10 | 00 |
| 11. Federal bonus depreciation recovery ( <b>Form CT-1120 ATT</b> , <i>Schedule J</i> , Line 7) .....                            | ▶ | 11 | 00 |
| 12. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 1) .....   | ▶ | 12 | 00 |
| 13. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 2) .....   | ▶ | 13 | 00 |
| 14. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 3) .....   | ▶ | 14 | 00 |
| 15. Exceptions to add back of intangible expenses paid to a related member<br>( <b>Form CT-1120AB</b> , Part II B, Line 1) ..... | ▶ | 15 | 00 |
| 16. Other (Attach explanation.) .....  | ▶ | 16 | 00 |
| 17. Total (Add Lines 8 through 16.) .....  | ▶ | 17 | 00 |
| 18. Net Income (Subtract Line 17 from Line 7. Enter here and on <i>Schedule A</i> , Line 1.) .....                               | ▶ | 18 | 00 |

| <b>Schedule E – Computation of Minimum Tax Base</b><br>(See instructions.)   | <b>Column A</b>   |    | <b>Column B</b> |    | <b>Column C</b><br><br>(Column A plus<br>Column B)<br>Divided by 2 |
|--|-------------------|----|-----------------|----|--|
|  | Beginning of Year |    | End of Year     |    |  |
| 1. Capital stock (Federal Schedule L, Line 22a and Line 22b) .....   |                   | 00 |                 | 00 |  |
| 2. Surplus and undivided profits (Federal Schedule L, Lines 23, 24, and 25) .....                                  |                   | 00 |                 | 00 |  |
| 3. Surplus reserves (Attach schedule.) .....   |                   | 00 |                 | 00 |  |
| 4. Total (Add Lines 1, 2, and 3.) Enter average in Column C. ....  |                   | 00 |                 | 00 | 00   |
| 5. Holdings of stock of private corporations (attach schedule). Enter average in Column C                          |                   | 00 |                 | 00 | 00   |
| 6. Balance (Subtract Line 5, Column C, from Line 4, Column C. Enter here and on <i>Schedule B</i> , Line 1.) ..... |                   |    |                 |    | 00   |

| <b>Schedule F – Taxes</b>   | <b>Column A</b> |    | <b>Column B</b> |    |
|---|-----------------|----|-----------------|----|
| 1. Payroll  |                 | 00 |                 |    |
| 2. Real property  |                 | 00 |                 |    |
| 3. Personal property  |                 | 00 |                 |    |
| 4. Sales and use  |                 | 00 |                 |    |
| 5. Other (See instructions.)  |                 | 00 |                 |    |
| 6. Connecticut corporation business (Deducted in the computation of federal taxable income)   |                 |    |                 | 00 |
| 7. Tax on or measured by income or profits imposed by other states or political subdivisions<br>(Deducted in the computation of federal taxable income). Attach schedule. |                 |    |                 | 00 |
| 8. Total unallowable deduction for corporation business tax purposes<br>(Add Line 6 and Line 7, Column B. Enter here and on <i>Schedule D</i> , Line 3.)                  |                 |    |                 | 00 |

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |   |  |                               |      |      |   |
|---|---|--|-------------------------------|------|------|---|
| <b>SIGN HERE</b><br><br>Keep a copy of this return for your records | Corporate Officer's Name ( <i>Print</i> ) |  | Corporate Officer's Signature |      | Date | May DRS contact the preparer shown below about this return?<br><b>Yes</b> <input type="checkbox"/> <b>No</b> <input type="checkbox"/> |
|   | Title                                     |  | Telephone Number<br>( )       |      |      |   |
|   | Paid Preparer's Name ( <i>Print</i> )     |  | Paid Preparer's Signature     |      | Date | Preparer's SSN or PTIN  |
|   | Firm's Name and Address                   |  |                               | FEIN |      | Telephone Number<br>( )   |

**Schedule C - Exception for Interest Paid to Related Members Subject to Tax in Foreign Nations**

|  |                              |                             |
|--|------------------------------|-----------------------------|
| Was any interest paid, accrued, or incurred to a related member in a foreign nation which has in force a comprehensive income tax treaty with the United States?                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If the answer to the above question is "Yes," complete the following schedule.<br>If the answer to the above question is "No," the taxpayer does not qualify for this exception. |                              |                             |

|    | Name of Related Member                                  | Name of Foreign Nation | Description of Treaty | Amount Deducted |
|----|---|------------------------|-----------------------|-----------------|
| 1. |   |                        |                       | 00              |
| 2. |   |                        |                       | 00              |
| 3. |   |                        |                       | 00              |
| 4. |   |                        |                       | 00              |
| 5. | <b>Total.</b> Enter here and on Part II A, Line 3. .... |                        |                       | 00              |

**PART IV - UNITARY ELECTION**

If a taxpayer is subject to the interest expenses add back, the taxpayer may elect to calculate its tax on a unitary basis including all members of the unitary group, provided the taxpayer clearly establishes that there are substantial intercorporate business transactions among the included corporations. The election to file on a unitary basis shall be irrevocable for and applicable for five successive income years.

|  |                              |                             |
|--|------------------------------|-----------------------------|
| Does the taxpayer file on a unitary basis in another state?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If the answer to the above question is "Yes," are all the same companies that are filing on a unitary basis in another state included in the Connecticut <b>Form CT-1120U, Unitary Corporation Business Tax Return</b> ? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If "Yes," the taxpayer may elect to file on a unitary basis subject to the following:

- The unitary group must file on **Form CT-1120U**, located on the DRS Web site;
- The unitary group must use a three factor apportionment formula consisting of property, payroll, and double weighted gross receipts under Conn. Gen. Stat. §12-218(c);
- Each corporation included in the unitary group is subject to the \$250 minimum tax;
- The unitary group is subject to the 25% (.25) surtax. The surtax does not apply to the \$250 minimum tax;
- The unitary group may not use net operating losses that have been carried forward. Only losses incurred by the unitary group in the first year of the unitary election (and thereafter) can be used on the unitary return;
- The unitary group may not use credits that have been carried forward. Only credits earned by the unitary group in the first year of the unitary election (and thereafter) can be used on the unitary return;
- The unitary group must complete **Form CT-1120Q, Connecticut Corporate Unitary Questionnaire**, located on the DRS Web site. The questionnaire must be attached to **Form CT-1120U**; and
- The election to file on a unitary basis is irrevocable for five successive income years.

**PART V - INTANGIBLE EXPENSES AND COSTS WITH A RELATED MEMBER**

|  |  |  |
|--|--|--|
| <p>1. Did the taxpayer deduct intangible expenses and costs in connection with a transaction with a related member involving:</p> <p>a) The direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property;</p> <p>b) Factoring transactions or discounting transactions;</p> <p>c) Royalty, patents, technical and copyright fees; or</p> <p>d) Licensing fees?</p> | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> Yes<br><br><input type="checkbox"/> Yes<br><br><input type="checkbox"/> Yes | <input type="checkbox"/> No<br><br><input type="checkbox"/> No<br><br><input type="checkbox"/> No<br><br><input type="checkbox"/> No |
| 2. Did the taxpayer deduct directly or indirectly, interest expenses and costs in connection with a transaction with a related member that involved the direct or indirect acquisition, maintenance, management, ownership, sale, exchange, or disposition of intangible property?   | <input type="checkbox"/> Yes   | <input type="checkbox"/> No  |

If the answer to any of the above questions is "Yes," the total expenses must be added back and reported on Part I B, Line 1; and **Form CT-1120, Schedule D**, Line 5.

**Schedule A**

|    |  |                              |                             |
|----|--|------------------------------|-----------------------------|
| 1. | Did the related member during the same income year directly or indirectly pay the amount deducted to an unrelated third-party? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. | Did the taxpayer and the Commissioner agree in writing that the taxpayer did not have to add back expenses?                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If the answer to either of the above questions is "Yes," complete the schedule below:

|    | Name of Related Member                                 | FEIN | Amount Deducted |
|----|--|------|-----------------|
| 1. |  |      | 00              |
| 2. |  |      | 00              |
| 3. |  |      | 00              |
| 4. |  |      | 00              |
| 5. | <b>Total.</b> Enter here and on Part II B, Line 1..... |      | 00              |

# Form CT-1120U

## Unitary Corporation Business Tax Return

# 2005

(Rev. 12/05)AF

**ENTER INCOME YEAR BEGINNING** \_\_\_\_\_, **2005, AND ENDING** \_\_\_\_\_

|                               |   |   |                |
|-------------------------------|---|---|----------------|
| Total Assets                  | 00  | Name of Parent or Designated Connecticut Parent Corporation |                |
| Gross Receipts                | 00  | Address   | PO Box         |
| NAICS Code (see instructions) |   | City or Town  | State ZIP Code |
| Audited By                    | <input type="checkbox"/> F <input type="checkbox"/> O |   |                |

|   |
|---|
| <b>Parent or Designated CT Parent<br/>Connecticut Tax Registration Number</b> |
| <b>DRS Use Only</b>   |
| - - 20  |
| <b>Federal Employer ID Number</b>   |

**Check All Applicable Boxes**

1. Change of:  Closing Month  Address
2. Unitary Return Status:  Final Return  Short Period Return
3. Has any corporation within the group:  Dissolved  Withdrawn  Merged/Reorganized (Enter survivor's CT Tax Reg#) \_\_\_\_\_
4. Is this the first year this group is filing a unitary return?  Yes (Attach **Form CT-1120Q** and **Form CT-1120CC**)  No
5. Does any nexus company pay interest to a related member?  Yes (Attach **Form CT-1120AB**)  No
6. Is the unitary group exchanging R & D tax credits?  Yes (Attach **Form CT-1120 XCH**)  No
7. Is the unitary group annualizing its income?  Yes (Attach **Form CT-1120I**)  No
8. Is any corporation filing Form CT-1120 PIC?  Yes (Attach **Form CT-1120 PIC**)  No

**Schedule of Corporations Included in The Unitary Return** (If additional lines are needed, attach a schedule.)

| 1. | Corporation Name                               | Nexus With CT (✓) | CT Tax Registration Number | Federal Employer ID Number |
|----|--|-------------------|----------------------------|----------------------------|
|    | Common Parent or Designated Connecticut Parent | ▶                 | - 000                      |                            |
| 2. |  | ▶                 | - 000                      |                            |
| 3. |  | ▶                 | - 000                      |                            |

Tax registration number must be included for parent and all affiliates (if applicable).

**Minimum Tax Calculation**

|   |   |   |  |    |
|---|---|---|--|----|
| 1. Enter the total number of corporations included in this unitary return. .... | ▶ | 1 |  |    |
| 2. Minimum Tax (Multiply Line 1 by \$250.) .....                                | ▶ | 2 |  | 00 |

- Attach a Complete Copy of Form 1120 Including all Schedules as Filed With the Internal Revenue Service -

**Schedule A - Computation of Tax on Net Income**

|  |   |   |    |    |
|--|---|---|----|----|
| 1. Net income ( <i>Schedule D</i> , Line 18) .....                           | ▶ | 1 |    | 00 |
| 2. Apportionment fraction ( <b>Form CT-1120A</b> , <i>Schedule R</i> ) ..... | ▶ | 2 | 0. |    |
| 3. Connecticut net income (Multiply Line 1 by Line 2.) .....                 | ▶ | 3 |    | 00 |
| 4. Operating loss carryover (See instructions.) .....                        | ▶ | 4 |    | 00 |
| 5. Income subject to tax (Subtract Line 4 from Line 3.) .....                | ▶ | 5 |    | 00 |
| 6. TAX: Multiply Line 5 by 7.5% (.075) .....                                 | ▶ | 6 |    | 00 |

**Schedule B - Computation of Minimum Tax on Capital**

|  |   |   |    |    |
|--|---|---|----|----|
| 1. Minimum tax base ( <i>Schedule E</i> , Line 6, Column C) .....  | ▶ | 1 |    | 00 |
| 2. Apportionment fraction ( <b>Form CT-1120A</b> , <i>Schedule S</i> ) .....   | ▶ | 2 | 0. |    |
| 3. Multiply Line 1 by Line 2. ....   | ▶ | 3 |    | 00 |
| 4. Number of months covered by this return .....   | ▶ | 4 |    |    |
| 5. Multiply Line 3 by Line 4, divide the result by 12. ....  | ▶ | 5 |    | 00 |
| 6. TAX: (3 and 1/10 mills per dollar) Multiply Line 5 by .0031. (Maximum tax for <i>Sch. B</i> is \$1,000,000) ..... | ▶ | 6 |    | 00 |

**Schedule C - Computation of Amount Payable**

|   |   |    |  |    |
|---|---|----|--|----|
| 1a. Tax (Greater of <i>Schedule A</i> , Line 6; <i>Schedule B</i> , Line 6; or <i>Minimum Tax</i> ) .....                 | ▶ | 1a |  | 00 |
| 1b. For Future Use .....  | ▶ | 1b |  |    |
| 1c. Recapture of Tax Credits (See instructions.) .....  | ▶ | 1c |  | 00 |
| 1. <b>Total Tax</b> (Enter the total of Line 1a and Line 1c. If no tax credits claimed, also enter on Line 6.) .....      | ▶ | 1  |  | 00 |
| 2. Multiply Line 1 by 30% (0.30) .....  | ▶ | 2  |  | 00 |
| 3. Enter the greater of Line 2 or <i>Minimum Tax</i> . ....   | ▶ | 3  |  | 00 |
| 4. Tax Credit Limitation (Subtract Line 3 from Line 1.) .....   | ▶ | 4  |  | 00 |
| 5. Tax Credits ( <b>Form CT-1120K</b> , Part II, Line 11. See instructions. <b>Do not exceed amount on Line 4.</b> ) .... | ▶ | 5  |  | 00 |
| 6. Balance of tax payable (Subtract Line 5 from Line 1.) .....  | ▶ | 6  |  | 00 |
| 7a. Paid with application for extension ( <b>Form CT-1120 EXT</b> ) .....   | ▶ | 7a |  | 00 |
| 7b. Paid with estimates ( <b>Forms CT-1120 ESA, ESB, ESC, &amp; ESD</b> ) .....   | ▶ | 7b |  | 00 |
| 7c. Overpayment from prior year .....   | ▶ | 7c |  | 00 |
| 7. <b>Tax Payments</b> (Enter the total of Lines 7a, 7b, and 7c.) .....   | ▶ | 7  |  | 00 |
| 8. Balance of tax due (overpaid) (Subtract Line 7 from Line 6.) .....   | ▶ | 8  |  | 00 |
| 9. Add Penalty ▶ (9a) _____ .00 Interest ▶ (9b) _____ .00 <b>CT-1120I</b> Interest ▶ (9c) _____ .00                       | ▶ | 9  |  | 00 |
| 10. Amount to be credited to 2006 estimated tax ▶ (10a) _____ .00 Refunded ▶ (10b) _____ .00                              | ▶ | 10 |  | 00 |
| 11. <b>Balance due with this return</b> (Add Line 8 and Line 9.) .....  | ▶ | 11 |  | 00 |

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**



| <b>Schedule D – Computation of Net Income</b>   |   |    |    |
|---|---|----|----|
| 1. Federal taxable income (loss) before net operating loss and special deductions                                       | ▶ | 1  | 00 |
| 2. Interest income wholly exempt from federal tax   | ▶ | 2  | 00 |
| 3. Unallowable deduction for corporation tax ( <i>Schedule F</i> , Line 8)  | ▶ | 3  | 00 |
| 4. Interest expenses paid to a related member ( <b>Form CT-1120AB</b> , Part I A, Line 1)                               | ▶ | 4  | 00 |
| 5. Intangible expenses and costs paid to a related member ( <b>Form CT-1120AB</b> , Part I B, Line 1)                   | ▶ | 5  | 00 |
| 6. Federal bonus depreciation (See instructions.)   | ▶ | 6  | 00 |
| 7. Total (Add Lines 1 through 6.)   | ▶ | 7  | 00 |
| 8. Dividend deduction ( <b>Form CT-1120 ATT</b> , <i>Schedule I</i> , Line 4)   | ▶ | 8  | 00 |
| 9. Capital loss carryover (if not deducted in computing federal capital gain)   | ▶ | 9  | 00 |
| 10. Capital gain from sale of preserved land  | ▶ | 10 | 00 |
| 11. Federal bonus depreciation recovery ( <b>Form CT-1120 ATT</b> , <i>Schedule J</i> , Line 7)                         | ▶ | 11 | 00 |
| 12. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 1)  | ▶ | 12 | 00 |
| 13. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 2)  | ▶ | 13 | 00 |
| 14. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 3)  | ▶ | 14 | 00 |
| 15. Exceptions to add back of intangible expenses paid to a related member ( <b>Form CT-1120AB</b> , Part II B, Line 1) | ▶ | 15 | 00 |
| 16. Other (Attach explanation.)   | ▶ | 16 | 00 |
| 17. Total (Add Lines 8 through 16.)   | ▶ | 17 | 00 |
| 18. Net Income (Subtract Line 17 from Line 7. Enter here and on <i>Schedule A</i> , Line 1.)                            | ▶ | 18 | 00 |

| <b>Schedule E – Computation of Minimum Tax Base</b><br>(See instructions.)                                   | Column A          |    | Column B    |    | Column C<br><br>(Column A plus<br>Column B)<br>Divided by 2 |
|--|-------------------|----|-------------|----|---|
|  | Beginning of Year |    | End of Year |    |   |
| 1. Capital stock (Federal Schedule L, Line 22a and Line 22b)   |                   | 00 |             | 00 |   |
| 2. Surplus and undivided profits (Federal Schedule L, Lines 23, 24, and 25)                                  |                   | 00 |             | 00 |   |
| 3. Surplus reserves (Attach schedule.)   |                   | 00 |             | 00 |   |
| 4. Total (Add Lines 1, 2, and 3.) Enter average in Column C.   |                   | 00 |             | 00 | 00  |
| 5. Holdings of stock of private corporations (attach schedule). Enter average in Column C                    |                   | 00 |             | 00 | 00  |
| 6. Balance (Subtract Line 5, Column C, from Line 4, Column C. Enter here and on <i>Schedule B</i> , Line 1.) |                   |    |             |    | 00  |

| <b>Schedule F – Taxes</b>  | Column A | Column B |
|--|----------|----------|
| 1. Payroll   |          | 00       |
| 2. Real property   |          | 00       |
| 3. Personal property   |          | 00       |
| 4. Sales and use   |          | 00       |
| 5. Other (See instructions.)   |          | 00       |
| 6. Connecticut corporation business (Deducted in the computation of federal taxable income)  |          | 00       |
| 7. Tax on or measured by income or profits imposed by other states or political subdivisions (Deducted in the computation of federal taxable income). Attach schedule. |          | 00       |
| 8. Total unallowable deduction for corporation business tax purposes (Add Line 6 and Line 7, Column B. Enter here and on <i>Schedule D</i> , Line 3.)                  |          | 00       |

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |   |  |                               |      |      |   |
|---|---|--|-------------------------------|------|------|---|
| <b>SIGN HERE</b><br><br>Keep a copy of this return for your records | Corporate Officer's Name ( <i>Print</i> ) |  | Corporate Officer's Signature |      | Date | May DRS contact the preparer shown below about this return?<br><b>Yes</b> <input type="checkbox"/> <b>No</b> <input type="checkbox"/> |
|   | Title                                     |  | Telephone Number<br>( )       |      |      |   |
|   | Paid Preparer's Name ( <i>Print</i> )     |  | Paid Preparer's Signature     |      | Date | Preparer's SSN or PTIN  |
|   | Firm's Name and Address                   |  |                               | FEIN |      | Telephone Number<br>( )   |

# Form CT-1120U

## Unitary Corporation Business Tax Return Instructions

### GENERAL INFORMATION

#### Who May File Form CT-1120U

**Form CT-1120U**, *Unitary Corporation Business Tax Return*, may be filed by a taxpayer in two situations:

**1. Taxpayer is subject to interest add back.**

If the taxpayer in computing net income under Conn. Gen. Stat. §12-217, is required to add back otherwise deductible interest expenses and costs directly or indirectly paid, accrued, or incurred to one or more related members, the taxpayer may elect to calculate its tax on a unitary basis using Form CT-1120U, including all members of the unitary group provided there are substantial intercorporate business transactions among such included corporations. (See 2003 Conn. Pub. Acts 6, §78 (June 30 Spec. Sess.)); **or**

**2. Taxpayer petitions for and is granted approval by the Commissioner of Revenue Services (Commissioner) to file on a unitary method.**

If the taxpayer petitions the Commissioner to file a combined corporation business tax return on a unitary basis, because the statutory method of determining the taxpayer's combined measure of the tax is deemed by the taxpayer to unfairly attribute an undue proportion of its taxable income or minimum tax base to Connecticut, and the petition is granted by the Commissioner, the taxpayer must calculate its tax as stated in the Commissioner's letter, filing Form CT-1120U.

#### Definition of a Unitary Business

A **Unitary Business** is characterized by significant flows of value evidenced by factors such as those described in *Mobil Oil Corp. v. Vermont*, 445 U.S. 425 (1980): functional integration, centralization of management, and economies of scale. These factors provide evidence of whether the business activities operate as an integrated whole or exhibit substantial mutual interdependence. Facts suggesting the presence of the factors mentioned above should be analyzed in combination for their cumulative effect and not in isolation.

#### Consent and Notice of Election

Each corporation that consents to be included in a Unitary Corporation Business Tax Return must submit **Form CT-1120CC**, *Combined Return Consent*, for the initial income year for which the election is being made. The election to file a unitary return must be made by the electing corporations not later than the due date or the extended

due date of the returns for which the election is made. The election to file a unitary return must be in effect for at least five income years, and will continue in effect thereafter until it is revoked.

#### Change of Election

Any corporation that has elected to file a unitary return may subsequently revoke its election; however, the revocation will not be effective before the fifth income year immediately following the initial income year in which the corporation elected to file a unitary return. The election to discontinue the unitary filing must be submitted in writing on **Form CT-1120CC-R**, *Revocation of Election and Consent to File Combined Corporation Business Tax Return*, by each corporation included in the unitary return. The election must be made by the electing corporations by the due date or the extended due date of the return for the initial income year for which the election is made.

#### Calculation of the Unitary Tax

The unitary return is subject to the following:

- The unitary group must meet the definition of a unitary business as set forth above;
- The unitary tax is calculated using water's edge combined reporting;
- The unitary group must use a three factor apportionment formula consisting of property, payroll, and double weighted gross receipts under Conn. Gen. Stat. §12-218(c);
- Each corporation included in the unitary group is subject to the minimum tax under Conn. Gen. Stat. §12-219; **and**
- The unitary group must calculate the capital base tax under Conn. Gen. Stat. §12-219 on a unitary basis. In calculating the capital base tax, intercompany stock holdings should be eliminated;

#### Special Instructions for First Year Unitary Filers

- The unitary group cannot use net operating losses that have been carried forward from returns filed prior to the establishment of the Connecticut unitary group. Only losses incurred by the unitary group in the first year of the unitary return (and thereafter) can be taken on the unitary return;
- The unitary group cannot use tax credits that were earned prior to the establishment of the Connecticut unitary group. Only tax credits earned

by the unitary group in the first year of the unitary return (and thereafter) can be claimed on the unitary return; **and**

- If the taxpayer elects to file on a unitary basis, the election is irrevocable for five successive income years.

### General Computation

The unitary tax shall be measured by the combined entire net income of all the corporations included in the return as if they were one corporation. In computing combined entire net income, intercorporate dividends shall be eliminated. The combined entire net income of such corporations shall be apportioned to Connecticut as if they were one corporation, and the provisions of Conn. Gen. Stat. §12-223b governing intercompany rents and business receipts shall apply.

### Attachments Required

Attach to Form CT-1120U, a complete copy of the federal consolidated return, including income statements and balance sheets, federal M-1 adjustments, and a schedule of intercompany eliminations as filed with the Internal Revenue Service (IRS).

Form CT-1120 must be completed and attached to Form CT-1120U, for each corporation included in the unitary group.

**Form CT-1120Q**, *Connecticut Corporate Unitary Questionnaire*, must be completed and attached to Form CT-1120U.

**Form CT-1120AB**, *Add Back and Exceptions to Add Back of Interest and Intangible Expenses*, must be completed and attached to Form CT-1120U if applicable.

All applicable tax credit forms, schedules, any other required forms, and any letters of approval or eligibility received from the agency administering the tax credit must be attached to and made part of this tax return for each corporation included in the unitary group.

### When to File Form CT-1120U

Every corporation must file a return on or before the first day of the month following the due date of the company's corresponding federal income tax return for the income year (April 1 for calendar year taxpayers). In the case of any company that is not required to file a federal income tax return for the income year, the Connecticut unitary corporation business tax return is due on or before the first day of the fourth month following the end of the income year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. The return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|  |  |
|--|--|
| <b>DHL Express (DHL)</b> <ul style="list-style-type: none"><li>• DHL Same Day Service</li><li>• DHL Next Day 10:30 a.m.</li><li>• DHL Next Day 12:00 p.m.</li><li>• DHL Next Day 3:00 p.m.</li><li>• DHL 2nd Day Service</li></ul>           |  |
| <b>Federal Express (FedEx)</b> <ul style="list-style-type: none"><li>• FedEx Priority Overnight</li><li>• FedEx Standard Overnight</li><li>• FedEx 2Day</li><li>• FedEx International Priority</li><li>• FedEx International First</li></ul> | <b>United Parcel Service (UPS)</b> <ul style="list-style-type: none"><li>• UPS Next Day Air</li><li>• UPS Next Day Air Saver</li><li>• UPS 2nd Day Air</li><li>• UPS 2nd Day Air A.M.</li><li>• UPS Worldwide Express Plus</li><li>• UPS Worldwide Express</li></ul> |

This list is subject to change. See **Policy Statement 2005(12)**, *Designated Private Delivery Services and Designated Types of Service*.

If Form CT-1120U is filed late, see *Interest and Penalties* on Page 3, to determine if interest and penalty should be reported with this return.

### Extension Request

To get an extension of time to file the annual return, the unitary group must file **Form CT-1120 EXT**, *Application for Extension of Time to File Corporation Business Tax Return*, not later than the first day of the month following the due date of the unitary group's corresponding federal income tax return for the income year (April 1 for calendar year taxpayers). In the case of any company not required to file a federal income tax return for the income year, the extension request must be filed on or before the first day of the fourth month following the end of the income year. Payment of the total tax due must be included with the request. The timely filing of Form CT-1120 EXT will automatically extend the due date for six months.

Form CT-1120 EXT extends *only* the time to file the unitary tax return; it does not extend the time to pay the tax. Interest on any tax not paid by the original due date is computed at 1% (.01) per month or fraction of a month.

### Where to File

Make check or money order payable to the Commissioner of Revenue Services, and paper clip the check or money order to the front of the return. Do not staple. DRS may submit your check to your bank electronically. Mail Form CT-1120U to:

**Department of Revenue Services  
PO Box 2974  
Hartford CT 06104-2974**

Payment only may be made electronically using *Fast-File*. Visit the DRS Web site at **www.ct.gov/DRS** for more information. A corporation must continue to submit paper returns to DRS.

### Amended Returns

Any corporation within the group 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 federal Form 1120X must be attached to substantiate any changes to federal net income.

### Internal Revenue Service Changes

Corrections to taxable income by the IRS must be reported to the Commissioner of Revenue Services within 90 days after receipt of the final notice of correction from the IRS. All federal adjustments must be reported using Form CT-1120X. An extension request for reporting federal audit changes may be submitted in writing to the Commissioner of Revenue Services stating the reason additional time is required.

### Estimated Tax Payments

Every corporation carrying on or having the right to carry on business in Connecticut whose estimated current year tax exceeds \$1,000 must pay estimated tax payments in four installments. See *General Instructions on Forms CT-1120 ESA, ESB, ESC, and ESD, Estimated Corporation Business Tax*. DRS mails four preprinted estimated tax payment coupons with instructions to corporations that paid estimated tax or had a Connecticut corporation tax liability exceeding \$1,000 in the prior taxable year. If a corporation is not required to pay its estimated tax electronically, using these preprinted forms will ensure accuracy and timeliness in processing the corporation's estimated tax payments. These forms are also available on the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

### The required annual payment is the lesser of:

- 90% of the tax shown on the return for the income year, or, if no return is filed, 90% of the tax for such year; **or**
- 100% of the tax shown on the return for the previous income year without regard to any tax credit, if the previous income year was an income year of 12 months and if the company filed a return for the previous income year showing a liability for tax.

Estimated tax due dates (for calendar year filers):

|   |
|---|
| <b>1st Installment - March 15, 2006</b>   |
| 30% of prior year tax (without regard to credits) or<br>27% of current year tax (including surtax)  |
| <b>2nd Installment - June 15, 2006</b>  |
| 70% of prior year tax (without regard to credits) or<br>63% of current year tax (including surtax)  |
| <b>3rd Installment - September 15, 2006</b>   |
| 80% of prior year tax (without regard to credits) or<br>72% of current year tax (including surtax)  |
| <b>4th Installment - December 15, 2006</b>  |
| 100% of prior year tax (without regard to credits) or<br>90% of current year tax (including surtax) |

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

### Electronic Payment of Estimated Corporation Business Tax

Corporations can use *Fast-File* to electronically file Forms CT-1120 ESA, ESB, ESC, and ESD, and pay the tax due. *Fast-File* is a quick, easy, and secure way to fulfill Connecticut tax responsibilities without paper or postage. Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *File/Register Online*.

DRS recommends using *Fast-File* to electronically file. However, a corporation that does not otherwise choose to use *Fast-File* must use the preprinted coupons received from DRS. A corporation that does not receive preprinted estimated coupons should use the estimated coupons available on the DRS Web site.

DRS requires those taxpayers who paid tax in excess of \$10,000 the prior year to pay the current year liability electronically. For more information on making electronic payments, see **Informational Publication 2005(30), Paying Connecticut Taxes by Electronic Funds Transfer**.

### Interest

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. Interest due on the underpayment of estimated tax is computed using **Form CT-1120I, Computation of Interest Due on Underpayment of Estimated Tax**. Interest on underpayment or late payment of tax **cannot** be waived.

### Penalty for Late Payment or Late Filing

The penalty for late payment or underpayment of corporation business tax is 10% (.10) of the tax due or \$50, whichever is greater. If a request for a filing extension has been granted, a corporation may avoid a penalty for failure to pay the full amount due by the original due date if it:

- Pays at least 90% (.90) of the tax shown to be due on the return on or before the original due date of the return; **and**
- Pays the balance due with the filing of Form CT-1120, on or before the extended due date.

If no tax is due, DRS may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

### Penalty for Willful Failure to File or Pay

Anyone who willfully fails to pay the tax or file a return will be fined up to \$1,000 or imprisoned up to one year, or both, in addition to any other penalty.

### Penalty for Willful Filing of a Fraudulent or Materially False Return

If you willfully file a tax return you know to be fraudulent or false in any material matter, you may be fined up to \$5,000 or imprisoned from one to five years, or both.

### Penalty for Failure to Disclose Listed Transaction

For audits of corporation business tax returns beginning on or after January 1, 2006, a penalty of 75% of the amount of the deficiency may be imposed when it appears that any part of the deficiency is due to failure to disclose a listed transaction, as defined in Internal Revenue Code (I.R.C.) §6707A.

### Waiver of Penalty

A taxpayer may be able to have its penalty waived if the failure to file or pay tax on time was due to a reasonable cause and was not intentional or due to neglect. Interest cannot be waived. Before a penalty waiver can be granted, all tax and interest must be paid. All requests must include:

- A clear and complete written explanation;
- The corporation name, Connecticut Tax Registration Number, and Federal Employer Identification Number (if applicable);
- The name of the original form filed or billing notice received;
- The taxable filing period; **and**
- Documentation supporting your explanation.

Attach the request to the **front** of the tax return or mail separately to:

**Department of Revenue Services  
Penalty Waiver Unit  
PO Box 5089  
Hartford CT 06102-5089**

## GENERAL INSTRUCTIONS

Complete this return in blue or black ink only.

### 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 (FEIN), total assets (from the corporation's federal Form 1120, U.S. Corporation Income Tax Return, Schedule L, Line 15, Column (d)), gross receipts (net of returns and allowances from federal Form 1120, Line 1c), and North American Industry Classification System (NAICS) code for principal business activity, in the spaces provided at the top of Form CT-1120U.

### NAICS Code for Principal Business Activity

Enter the appropriate business activity code as indicated on **Form CT-NAICS**, *NAICS Codes for Principal Business Activity for Connecticut Tax purposes*. Form CT-NAICS is available on the DRS Web site. General information concerning the classification of principal business activity under NAICS can also be found at [www.census.gov](http://www.census.gov).

### Name and Address

Print or type the information requested in the space provided at the top of Form CT-1120U. Be sure to enter

the parent or designated Connecticut parent corporation's Connecticut Tax Registration Number and FEIN.

### Check and Complete Applicable Boxes

**1. Change of Closing Month or Address.** Indicate any change to the end of the unitary group's filing period by checking off the proper box and attaching an explanation of the change.

To make any changes to the parent or designated Connecticut parent's corporation address, clearly print the new information, check the *Change of Address* box, and file **Form CT-8822C**, *Corporation Business Tax Change of Address*. If the *Change of Address* box is checked, a completed Form CT-8822C **must** be attached to Form CT-1120U.

**2. Unitary Return Status.** If this is the last year that the unitary group is filing a unitary return, check the *Final Return* box.

If the corporation is filing for a short period, check the *Short Period Return* box.

**3.** Check the corresponding box to indicate if any corporation within the group has dissolved, withdrawn, merged, or reorganized:

### Dissolution

To properly dissolve a domestic corporation you must file a Certificate of Dissolution with the Connecticut Office of the 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 the final liquidation of assets, whichever is later.

Any dissolved corporation that continues to conduct business **must** be included in Form CT-1120U 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  
Corporation Office Audit Unit  
25 Sigourney Street  
Hartford CT 06106-5032**

The tax clearance and certificate of reinstatement must be filed with the Connecticut Office of the 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 the Secretary of the State. Any corporation that has withdrawn must file Form CT-1120 up to the date of withdrawal and pay any taxes due.

### Mergers and Reorganizations

A corporation that has merged must file a written application with the Connecticut Office of the Secretary of the State. Any corporation that has merged must include a Form CT-1120 covering the period up to the date of merger and pay any tax due.

For further information about withdrawal from the state, mergers and reorganizations, or dissolutions, contact the Connecticut Office of the Secretary of the State at 860-509-6000.

Any corporation that is reorganized must submit the details concerning the reorganization in writing and disclose the survivor's Connecticut Tax Registration Number. Mail to:

**Department of Revenue Services  
PO Box 2937  
Hartford CT 06104-2937**

4. If this is the first year this group is filing a unitary return, check the corresponding box and attach Form CT-1120Q and Form CT-1120CC.

5. Check the corresponding box and attach Form CT-1120AB, if any nexus company within the unitary group pays interest to a related member.

6. Check this box if the unitary group is exchanging Research and Development tax credits available under Conn. Gen. Stat. §§12-217j or 12-217n, for a credit refund equal to 65% (.65) of the value of the credit, subject to certain limitations. Attach **Form CT-1120RC**, *Research and Experimental Expenditures Credit*, or **Form CT-1120 RDC**, *Research and Development Credit*, and **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*.

7. Check this box if the unitary group is annualizing its income. Complete Form CT-1120I, and attach it to Form CT-1120U.

See **Informational Publication 2005(14)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

8. Check this box if any included corporation is filing **Form CT-1120 PIC**, *Information Return for Passive Investment Companies*. If this box is checked, Form CT-1120 PIC **must** be attached. Passive Investment companies are exempt from the corporation business tax but must file Form CT-1120 PIC.

## LINE INSTRUCTIONS

### Rounding Off to Whole Dollars

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents.

However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

If you do not round to whole dollars, DRS will disregard the cents.

### Schedule of Corporations Included in The Unitary Return

Enter the corporation name, Connecticut tax registration number, and FEIN for each company included in this unitary return. Check the corresponding column if the company has nexus with Connecticut. A Connecticut tax registration number must be included for parent and all affiliates, if applicable. Attach a schedule if additional lines are needed.

### Minimum Tax Calculation

Each corporation included in the unitary group is subject to the \$250 minimum tax. Enter the total number of corporations in the unitary return. Multiply Line 1 by \$250 and enter the result on Line 2. This is the minimum tax.

### Schedule A - Computation of Tax on Net Income

**Line 1** - Enter the total net income of all corporations included in the unitary return, as reported on *Schedule D*, Line 18.

**Line 2** - Enter the apportionment fraction calculated using a three factor apportionment formula consisting of property, payroll, and double weighted gross receipts as described in Conn. Gen. Stat. §12-218(c), as reported on **Form CT-1120A**, *Corporation Business Tax Return Apportionment Computation*, *Schedule R*, Line 6. The fraction must be expressed as a decimal and carried to six places.

**Line 3** - Complete as indicated.

**Line 4** - If this is the group's first year filing a unitary return, no net operating loss carryovers are allowed.

If this is not a first year unitary filing, enter the amount of any unused unitary losses from **Form CT-1120 ATT**, *Corporation Business Tax Return Attachment*, *Schedule H*, Column A, 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

The unitary group must calculate the capital tax base under Conn. Gen. Stat. §12-219 on a unitary basis.

**Line 1** - Enter the amount from *Schedule E*, Line 6, Column C.

**Line 2** - 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 unitary group 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.

**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**

**Lines 1a and 1b** - Complete as indicated.

**Line 1c** - If any corporation included in the unitary group 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, the credit amount specified in the notice must be recaptured. This amount should be reported on the first Form CT-1120U to be filed on or after the date of notice.

If any fixed capital on account of which any corporation included in the unitary return claimed a 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 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% (.50) of the amount of the credit allowed on its corporation business tax return required to be filed for the income year immediately succeeding the income year during which the five-year period expires.

**Lines 1 through 4** - Complete as indicated.

**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. Carryforward credits from pre-unitary filing years cannot be counted.

**Lines 6 through 11** - Complete as indicated.

### **Schedule D - Computation of Net Income**

**Line 1** - Enter the total federal taxable income (loss) before net operating loss and special deductions of all the companies that are included in the Connecticut unitary group.

**Line 2** - Enter the total interest income exempt from federal taxation of all companies included in the Connecticut unitary group.

**Line 3** - Enter the total unallowable deduction for corporation business tax of all companies included in the Connecticut unitary group.

**Line 4** - Enter the total interest expense paid to related members and reported on Form CT-1120AB, Part I A, Line 1.

**Line 5** - Enter the total intangible expense paid to related members as reported on Form CT-1120AB, Part I B, Line 1.

**Line 6** - Enter the total amount of federal bonus depreciation allowed under I.R.C. §168(k) and claimed on federal Form 4562, Depreciation and Amortization, for all companies included in the Connecticut unitary group.

**Line 7** - Add Lines 1 through 6 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 prescribed 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** - Other. Attach explanation.

**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.

#### **Schedule E - Computation of Minimum Tax Base**

In calculating the capital base, intercompany stock holdings should be eliminated.

**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. (See federal Form 1120, Schedule L, Line 22a and Line 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. (See 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.

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 in both Column A and Column B. Enter in Column C the average of Column A and Column B.

**Line 5** - Enter the total holdings of stock in Column A and Column B. Enter the average of Column A and Column B on Line 5, Column C.

Attach a schedule that lists 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 *Schedule E*, 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.

**Line 6** - Subtract Line 5, Column C, from Line 4, Column C. Enter the result here and on Form CT-1120U, *Schedule B*, Line 1.

#### **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 in Column A all payroll taxes deducted in arriving at federal taxable income.

**Line 2** - Enter in Column A all real property taxes deducted in arriving at federal taxable income.

**Line 3** - Enter in Column A all personal property taxes deducted in arriving at federal taxable income.

**Line 4** - Enter in Column A all sales and use taxes deducted in arriving at federal taxable income.

**Line 5** - Enter in Column A any other taxes not based on income or profits deducted in arriving at federal taxable income.

**Line 6** - Enter in Column B the amount of Connecticut corporation business tax deducted in arriving at federal taxable income.

**Line 7** - Enter in Column B 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 Line 6 and Line 7 in Column B and enter the result here and on *Schedule D*, Line 3.

#### **Signature**

The unitary return must be signed by a duly authorized officer.

#### **Paid Preparer Signature**

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

#### **Paid Preparer Authorization**

If the unitary group wants to authorize DRS to contact the paid preparer who signed the 2005 unitary tax return to discuss it, check the **Yes** box in the signature area of the return. This authorization applies only to the individual whose signature appears in the *Paid Preparer's Signature* section of the unitary return. It does not apply to the firm, if any, shown in that section.

If the **Yes** box is checked, the unitary group is authorizing DRS to call the paid preparer to answer any questions that may arise during the processing of the 2005 unitary corporation business tax return. The unitary group is also authorizing the paid preparer to:

- Give DRS any information that is missing from the unitary return;
- Call DRS for information about the processing of the unitary group's return or the status of the unitary group's refund or payment; **and**
- Respond to certain DRS notices that the unitary group may have shared with the preparer regarding math errors, offsets, and return preparation. The notices will not be sent to the preparer.

The unitary group is **not** authorizing the paid preparer to receive any refund check, bind the unitary group to anything (including additional tax liability), or otherwise



represent the unitary group before DRS. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing the 2006 Unitary Corporation Business Tax Return. This is on or before the first day of the month following the due date of the unitary group's corresponding federal income tax return for the income year (April 1 for calendar year filers).

#### **For Further Information**

Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

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

#### **Forms and Publications**

Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX-FAX; **and**
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.

# Form CT-1120Q

## Connecticut Corporate Unitary Questionnaire

**ENTER INCOME YEAR** BEGINNING \_\_\_\_\_, \_\_\_\_\_, AND ► ENDING \_\_\_\_\_, \_\_\_\_\_

Name of Parent or Designated CT Parent Corporation

|   |
|---|
| Parent or Designated CT Parent<br>Connecticut Tax Registration Number |
|---|

**Purpose**

**Form CT-1120Q**, *Connecticut Corporate Unitary Questionnaire*, must be completed each year by any taxpayer subject to the interest add back and who is electing to file **Form CT-1120U**, *Unitary Corporation Business Tax Return*. Form CT-1120Q must be attached to Form CT-1120U.

**General Information**

Complete this form in blue or black ink only. The questions should be analyzed for their cumulative effect, not individually. If, after completing this form, questions still exist regarding unitary activity, contact the Department of Revenue Services (DRS), Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

**Affiliated Companies** (If additional lines are needed, attach a worksheet.)

|     |  |
|-----|--|
| 1.  |  |
| 2.  |  |
| 3.  |  |
| 4.  |  |
| 5.  |  |
| 6.  |  |
| 7.  |  |
| 8.  |  |
| 9.  |  |
| 10. |  |

**Insert the number of the appropriate affiliate in the proper response block for each question.**

|  | Yes | No | Statement Attached (✓) |
|--|-----|----|------------------------|
| 1. Does the parent guarantee loans for the affiliate?  |     |    |                        |
| 2. Does the parent approve loans for the affiliate?  |     |    |                        |
| 3. Do the parent and the affiliate loan or advance money to each other, either by direct loans or intercompany receivable accounts?                        |     |    |                        |
| 4. Do the parent and affiliate have a written agreement regarding these loans or finances?   |     |    |                        |
| 5. Did the parent purchase the affiliate?  |     |    |                        |
| 6. Did the parent form the affiliate?  |     |    |                        |
| 7. Does the affiliate provide an element of vertical integration for the parent?   |     |    |                        |
| 8. Is the affiliate engaged in one specific function (e.g., exploration, transportation, processing, refining, manufacturing, or marketing) for the group? |     |    |                        |
| 9. Does the parent make the decision on or approve any major purchase contract for the affiliate?  |     |    |                        |
| 10. Does the parent purchase raw materials for the affiliate?  |     |    |                        |
| 11. Does the parent purchase inventory for the affiliate?  |     |    |                        |
| 12. Does the parent purchase office equipment and supplies for the affiliate?  |     |    |                        |
| 13. Does the parent obtain discounts or other benefits from volume purchases of raw materials or inventory?  |     |    |                        |
| 14. Do the parent and the affiliate sell common or similar products?   |     |    |                        |
| 15. Do the parent and affiliate make intercompany sales?   |     |    |                        |
| 16. Do the parent and affiliate have common customers?   |     |    |                        |
| 17. Are there any common shipping or transportation services?  |     |    |                        |
| 18. Do the sales and service staffs of the parent perform the same functions for the affiliate?  |     |    |                        |
| 19. Do the parent and affiliate have common personnel policies and procedures?   |     |    |                        |
| 20. Are employees transferred from the parent to the affiliate or from the affiliate to the parent?  |     |    |                        |
| 21. Is there a common or similar pension plan for employees of both the parent and affiliate?  |     |    |                        |
| 22. Are common group insurance plans available for employees of both the parent and the affiliate?   |     |    |                        |
| 23. Do the parent and the affiliate utilize a common or similar worker's compensation insurance policy?  |     |    |                        |
| 24. Do the parent and the affiliate share a common labor union or bargaining unit?   |     |    |                        |

|  | Yes | No | Statement Attached (✓) |
|--|-----|----|------------------------|
| 25. Do the parent and the affiliate have common hiring policies or pre-employment tests or screening procedures?   |     |    |                        |
| 26. Do the parent and the affiliate have any common training programs?   |     |    |                        |
| 27. Do executives of the parent travel to locations of the affiliate?  |     |    |                        |
| 28. Do executives from locations of the affiliate travel to the corporate headquarters or other locations of the parent?   |     |    |                        |
| 29. Do the parent and the affiliate utilize or share common research and development facilities?   |     |    |                        |
| 30. Does the parent perform the research and development for the affiliate?  |     |    |                        |
| 31. Do the parent and affiliate utilize common planning, engineering, and research and development data?   |     |    |                        |
| 32. Do the parent and the affiliate use any common designs, patents, or patterns?  |     |    |                        |
| 33. Do the parent and the affiliate advertise its products under a common brand name, company name, symbol, or trademark, regardless of which company produces, sells, services, or fabricates the products? |     |    |                        |
| 34. Does such brand name, company name, symbol, or trademark appear on the stationery of the parent and the affiliate?   |     |    |                        |
| 35. Does the parent pay for the affiliate's advertising?   |     |    |                        |
| 36. Does the parent perform the accounting function for the affiliate?   |     |    |                        |
| 37. Do the parent and affiliate use the same chart of accounts?  |     |    |                        |
| 38. Do the parent and affiliate use the same data processing system?   |     |    |                        |
| 39. Are the accounting reports for the affiliate prepared by the parent or by the parent's data processing system?   |     |    |                        |
| 40. Does the affiliate prepare any operations reports for use by the parent?   |     |    |                        |
| 41. Do the parent and the affiliate use the same CPA firm?   |     |    |                        |
| 42. Does the parent prepare income tax returns for the affiliate?  |     |    |                        |
| 43. Is the payroll prepared by the parent or the parent's data processing system for the affiliate?  |     |    |                        |
| 44. Do the parent and the affiliate have any common officers or directors?   |     |    |                        |
| 45. Are there any intercompany dividends?  |     |    |                        |
| 46. Does the Board of Directors of the parent control the amount and/or distribution of the dividends by the affiliate?  |     |    |                        |
| 47. If the affiliate pays dividends to the parent, are these funds segregated from the general funds of the parent?  |     |    |                        |
| 48. Does the Board of Directors of the parent approve the major expenditures of the affiliate (i.e. capital expenditures, expansions, etc.)?   |     |    |                        |
| 49. Do the parent and affiliate share any common selling facilities?   |     |    |                        |
| 50. Do the parent and affiliate share any common manufacturing facilities?   |     |    |                        |
| 51. Do the parent and the affiliate share any common storage facilities?   |     |    |                        |
| 52. Do the parent and the affiliate share any common transportation facilities?  |     |    |                        |
| 53. Do the parent and the affiliate share any common office facilities?  |     |    |                        |
| 54. Are casualty insurance policies for any common facilities administered by the parent?  |     |    |                        |
| 55. Are there any written lease agreements for any common facilities?  |     |    |                        |
| 56. Are there any intercompany rents or other intercompany charges between the parent and the affiliate?   |     |    |                        |
| 57. Does the parent approve or sign contracts for the affiliate?   |     |    |                        |
| 58. Are management fees paid by the affiliate to the parent?   |     |    |                        |
| 59. Is the affiliate charged by the parent for data processing or other administrative-type functions?   |     |    |                        |
| 60. Does any internal committee of the parent plan or monitor any aspect of the affiliate's operations?  |     |    |                        |
| 61. Is a portion of the parent's centralized overhead cost allocated to the affiliate for accounting purposes?   |     |    |                        |
| 62. Do the internal auditors for the parent perform the same function for the affiliate?   |     |    |                        |
| 63. Does the parent provide legal services for the affiliate?  |     |    |                        |
| 64. Does the parent approve promotions, salary increases, bonuses, etc. of the affiliate's management personnel?   |     |    |                        |
| 65. Does the parent establish goals or formulate policies for the affiliate?   |     |    |                        |

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |   |                               |                      |   |
|---|---|-------------------------------|----------------------|---|
| <b>SIGN HERE</b><br><br>Keep a copy of this return for your records | Corporate Officer's Name ( <i>Print</i> ) | Corporate Officer's Signature | Date                 | May DRS contact the preparer shown below about this return?<br><b>Yes</b> <input type="checkbox"/> <b>No</b> <input type="checkbox"/> |
|   | Title                                     |                               | Telephone Number ( ) |   |
|   | Paid Preparer's Name ( <i>Print</i> )     | Paid Preparer's Signature     | Date                 | Preparer's SSN or PTIN  |
|   | Firm's Name and Address                   |                               | FEIN                 | Telephone Number ( )  |

Form CT-1120I

(Rev. 12/05)

Computation of Interest Due on Underpayment of Estimated Tax

Enter Income Year Beginning \_\_\_\_\_, \_\_\_\_\_, and Ending \_\_\_\_\_, \_\_\_\_\_

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

**Form CT-1120I**, *Computation of Interest Due on Underpayment of Estimated Tax*, is used by corporations to determine interest due on underpayments of estimated Connecticut corporation business tax or unrelated business income tax.

**General Instructions**

If the taxpayer made timely installment tax payments (**Forms CT-1120 ESA, ESB, ESC, and ESD** or **Forms CT-990T ESA, ESB, ESC, and ESD**) and paid at least 90% of the current year tax or 100% of the prior year tax (including surtax) before the application of any tax credits, 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. Use Form CT-1120I to compute interest due for **Form CT-1120**, *Corporation Business Tax Return*; **Form CT-1120CR**, *Combined Corporation Business Tax Return*; or **Form CT-990T**, *Connecticut Unrelated Business Income Tax Return*.

Estimated tax payments may be based on the applicable percentage of the current year tax determined by annualizing net income. See **Informational Publication 2005(14)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

**Limit on Credits**

The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of total tax due prior to the application of the tax credits. (*Conn. Gen. Stat. §12-217zz*)

For income years beginning on or after January 1, 2002, no tax credit can be applied against the minimum tax of \$250. (*Conn. Gen. Stat. §12-219*)

**Surtax**

For income years beginning on or after January 1, 2005, and prior to January 1, 2006, there is no surtax. *2005 Conn. Pub. Acts 251, §§62 and 63*

**Line Instructions**

**Part I – Computation of Required Annual Payment**

**Line 1** - Enter the tax liability for the current income year from **Form CT-1120**, *Schedule C*, Line 6, minus *Schedule C*, Line 1c; or **Form CT-1120CR**, Part IV, Line 13, minus Part IV, Line 4; or **Form CT-990T**, *Computation of Amount Payable*, Line 5.

The amount entered on Line 1 should not include any recapture of tax credits.

**Line 2** - Multiply Line 1 by 90% (.90).

**Line 3** - Enter the total tax (including surtax) from the previous income year before the application of any tax credits. (The amount entered on this line should not include any recapture of tax credits.)

**Line 4** - Multiply Line 3 by 100% (1.0).

**Line 5** - Enter the lesser of Line 2 or Line 4 (this is your required annual payment).

**Part II – Computation of Required Installments**

The required installment payments are due on or before the 15th day of the 3rd, 6th, 9th, and 12th months of the income year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**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 – Annualized Income Installment Schedule**

**You Must Complete One Entire Column Before Continuing to the Next Column.**

**Line 1** - Enter the corporation's total net income for the period.

**Line 4** - The Connecticut corporation business tax rate for 2005 is 7.5%. Multiply Line 3 by 7.5% (.075).

**Line 5** - *For Future Use.*

**Line 6** - Enter the corporation's estimated allowable Connecticut corporation business tax credits for the year. The credits are based on the annualized income for the period. The amount of tax credits allowable against the corporation business tax shall not exceed 70% (.70) of the amount of tax due prior to the application of the tax credits. In addition, no tax credit shall reduce an included corporation's tax (including surtax), calculated under Conn. Gen. Stat. §12-219, to an amount less than \$250.

**Line 10** - Do not enter an amount in Column A. Enter in Column B the amount from Line 16, Column A. Enter in Column C the sum of Line 16, Column A, plus Line 16, Column B. Enter in Column D the sum of Line 16, Column A, plus Line 16, Column B, plus Line 16, Column C.

**Line 12** - Enter the appropriate amount of your required installment as calculated in Part II, Lines 6 through 9, above.

**Line 17** - Add Line 10 and Line 16. This amount is your total required installment for the period.

**Line 18** - Enter all estimated tax payments made through the payment due date for the period. Include overpayments of the prior year tax applied to the current year. In determining the payment amount, the corporation may apply an overpayment from the preceding income year, but only if the tax return for such preceding income year was filed prior to the due date of the estimated installment payment.

**Part IV – Computation of Interest**

**Lines 10a, 13c, 16c, and 19c** - Enter on the appropriate line the required installment amount that is due. The required installment amounts are computed as follows:

**Regular Filers**

Enter the amount from Part II, Lines 6 through 9; **or**

**Annualized Filers**

Enter the amount from Part III, Line 12, Column A, on Line 10a. Enter the amount from Part III, Line 12, Column B, on Line 13c. Enter the amount from Part III, Line 12, Column C, on Line 16c. Enter the amount from Part III, Line 12, Column D, on Line 19c.

**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 then are applied to the next required installment due.

**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 1% (.01) per month or fraction of a 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.

Payments accompanying an estimated installment Form CT-1120 ESA, ESB, ESC, and ESD or Form CT-990T ESA, ESB, ESC, and ESD, will be credited as of the U.S. Postal Service cancellation mark on 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. The overpayment from the filing of a corporation business tax return is established and credited as of the U.S. Postal Service cancellation mark on the completed return.

Taxpayers can use certain private delivery services, in addition to the U.S. Postal Service, for delivering returns, claims, statements or other documents, or payments, and meet the timely filing/payment rules. The timely filed and timely payment rules will be met if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all types of service provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

|   |  |
|---|--|
| <b>DHL Express (DHL)</b> <ul style="list-style-type: none"><li>• <i>DHL Same Day Service</i></li><li>• <i>DHL Next Day 10:30 a.m.</i></li><li>• <i>DHL Next Day 12:00 p.m.</i></li><li>• <i>DHL Next Day 3:00 p.m.</i></li><li>• <i>DHL 2nd Day Service</i></li></ul>           |  |
| <b>Federal Express (FedEx)</b> <ul style="list-style-type: none"><li>• <i>FedEx Priority Overnight</i></li><li>• <i>FedEx Standard Overnight</i></li><li>• <i>FedEx 2Day</i></li><li>• <i>FedEx International Priority</i></li><li>• <i>FedEx International First</i></li></ul> | <b>United Parcel Service (UPS)</b> <ul style="list-style-type: none"><li>• <i>UPS Next Day Air</i></li><li>• <i>UPS Next Day Air Saver</i></li><li>• <i>UPS 2nd Day Air</i></li><li>• <i>UPS 2nd Day Air A.M.</i></li><li>• <i>UPS Worldwide Express Plus</i></li><li>• <i>UPS Worldwide Express</i></li></ul> |

This list is subject to change. See **Policy Statement 2005(4), Designated Private Delivery Services, and Designated Types of Service.**

| <b>PART I – COMPUTATION OF REQUIRED ANNUAL PAYMENT</b>  |    |
|---|----|
| 1. 2005 Tax Due (2005 <b>Form CT-1120</b> , <i>Schedule C</i> , Line 6, minus <i>Schedule C</i> , Line 1c (see instructions); or <b>Form CT-1120CR</b> , Part IV, Line 13, minus Part IV, Line 4 (see instructions); or <b>Form CT-990T</b> , <i>Computation of Amount Payable</i> , Line 5.) ..... | 1. |
| 2. Multiply Line 1 by 90% (.90). .....  | 2. |
| 3. 2004 Tax including surtax (2004 <b>Form CT-1120</b> , <i>Schedule C</i> , Line 1, minus <i>Schedule C</i> , Line 1c; or <b>Form CT-1120CR</b> , Part IV, Line 7, minus Part IV, Line 4; or <b>Form CT-990T</b> , <i>Computation of Amount Payable</i> , Line 3. See instructions.) .....         | 3. |
| 4. Multiply Line 3 by 100% (1.00). .....  | 4. |
| 5. REQUIRED ANNUAL PAYMENT (Enter the lesser of Line 2 or Line 4.) .....  | 5. |

| <b>PART II – COMPUTATION OF REQUIRED INSTALLMENTS</b>   |    |
|---|----|
| 6. FIRST REQUIRED INSTALLMENT: Multiply Line 5 by 30% (.30). Enter here and on Part III, Line 12, Column A, or Part IV, Line 10a. ....  | 6. |
| 7. SECOND REQUIRED INSTALLMENT: Multiply Line 5 by 40% (.40). Enter here and on Part III, Line 12, Column B, or Part IV, Line 13c. .... | 7. |
| 8. THIRD REQUIRED INSTALLMENT: Multiply Line 5 by 10% (.10). Enter here and on Part III, Line 12, Column C, or Part IV, Line 16c. ....  | 8. |
| 9. FOURTH REQUIRED INSTALLMENT: Multiply Line 5 by 20% (.20). Enter here and on Part III, Line 12, Column D, or Part IV, Line 19c. .... | 9. |

**PART III – ANNUALIZED INCOME INSTALLMENT SCHEDULE**

| <b>ESTIMATED PAYMENT CALCULATION</b>  | You Must Complete One Entire Column Before Continuing to the Next Column. |                       |          |                       |          |                       |          |                        |
|---|---|-----------------------|----------|-----------------------|----------|-----------------------|----------|------------------------|
|   | <b>A</b>  | <b>First 2 months</b> | <b>B</b> | <b>First 5 months</b> | <b>C</b> | <b>First 8 months</b> | <b>D</b> | <b>First 11 months</b> |
| 1. Enter your Connecticut corporation business income for each period. (See instructions.)  |   |                       |          |                       |          |                       |          |                        |
| 2. Annualization factor.  |   | 6                     |          | 2.4                   |          | 1.5                   |          | 1.09091                |
| 3. Annualized Connecticut corporation business income. Multiply Line 1 by Line 2.   |   |                       |          |                       |          |                       |          |                        |
| 4. Multiply Line 3 by 7.5% (.075).  |   |                       |          |                       |          |                       |          |                        |
| 5. <i>For Future Use</i>  |   |                       |          |                       |          |                       |          |                        |
| 6. Corporation business tax credits. (See instructions.)  |   |                       |          |                       |          |                       |          |                        |
| 7. Total annualized corporation business tax. Subtract Line 6 from Line 4.  |   |                       |          |                       |          |                       |          |                        |
| 8. Applicable percentages.  |   | .27                   |          | .63                   |          | .72                   |          | .90                    |
| 9. Multiply Line 8 by Line 7.   |   |                       |          |                       |          |                       |          |                        |
| 10. Add the amounts in all preceding columns of Line 16. (See instructions.)  |   |                       |          |                       |          |                       |          |                        |
| 11. Annualized income installment using net income. Subtract Line 10 from Line 9. (If zero or less, enter "0".)                             |   |                       |          |                       |          |                       |          |                        |
| 12. Enter your required installment for the period. (See instructions.)   |   |                       |          |                       |          |                       |          |                        |
| 13. Enter the amount from Line 15 of the preceding column of this Worksheet.  |   |                       |          |                       |          |                       |          |                        |
| 14. Add Line 12 and Line 13 and enter here.   |   |                       |          |                       |          |                       |          |                        |
| 15. If Line 14 is more than Line 11, subtract Line 11 from Line 14 (otherwise enter "0").   |   |                       |          |                       |          |                       |          |                        |
| 16. Enter the lesser of Line 11 or Line 14.   |   |                       |          |                       |          |                       |          |                        |
| 17. Total required installment for the period. Add Line 10 and Line 16.   |   |                       |          |                       |          |                       |          |                        |
| 18. Estimated tax payments made through the due date for the period.  |   |                       |          |                       |          |                       |          |                        |
| 19. <b>Estimated tax payment required by the next due date.</b> Subtract Line 18 from Line 17 and enter the result (but not less than "0"). |   |                       |          |                       |          |                       |          |                        |

**PART IV – COMPUTATION OF INTEREST**

|  |     |  |  |
|--|-----|--|--|
| 10a. Enter the First Required Installment amount due on the 15th day of the third month. (See instructions.) ..  | 10a |  |  |
| 10b. Enter payments made or credits received on or before the 15th day of the third month.<br>(FIRST INSTALLMENT DUE DATE) .....   | 10b |  |  |
| 10c. First Installment Underpayment Balance (Subtract Line 10b from Line 10a.) .....   | 10c |  |  |
| <b>10. INTEREST DUE - 16th day of the third month through the 15th day of the fourth month</b><br>(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 |  |  |
| <b>11. INTEREST DUE - 16th day of the fourth month through the 15th day of the fifth month</b><br>(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 |  |  |
| <b>12. INTEREST DUE - 16th day of the fifth month through the 15th day of the sixth month</b><br>(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.<br>(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 (See instructions.)   | 13c |  |  |
| 13d. Second Installment Underpayment Balance (Add Line 13b and Line 13c.) .....  | 13d |  |  |
| <b>13. INTEREST DUE - 16th day of the sixth month through the 15th day of the seventh month</b><br>(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 |  |  |
| <b>14. INTEREST DUE - 16th day of the seventh month through the 15th day of the eighth month</b><br>(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 |  |  |
| <b>15. INTEREST DUE - 16th day of the eighth month through the 15th day of the ninth month</b><br>(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.<br>(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. (See instructions.)   | 16c |  |  |
| 16d. Third Installment Underpayment Balance (Add Line 16b and Line 16c.) .....   | 16d |  |  |
| <b>16. INTEREST DUE - 16th day of the ninth month through the 15th day of the tenth month</b><br>(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 |  |  |
| <b>17. INTEREST DUE - 16th day of the tenth month through the 15th day of the eleventh month</b><br>(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 |  |  |
| <b>18. INTEREST DUE - 16th day of the eleventh month through the 15th day of the twelfth month</b><br>(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.<br>(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. (See instructions.)  | 19c |  |  |
| 19d. Fourth Installment Underpayment Balance (Add Line 19b and Line 19c.) .....  | 19d |  |  |
| <b>19. INTEREST DUE - 16th day of the twelfth month through the 15th day of the thirteenth month</b><br>(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 |  |  |
| <b>20. INTEREST DUE - 16th day of the thirteenth month through the 15th day of the fourteenth month</b><br>(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 |  |  |
| <b>21. INTEREST DUE - 16th day of the fourteenth month through the 15th day of the fifteenth month</b><br>(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 |  |  |
| <b>22. INTEREST DUE - 16th day of the fifteenth month to the 1st day of the sixteenth month</b><br>(Multiply Line 22b by .01 if greater than zero.) .....                | 22  |  |  |
| <b>23. TOTAL INTEREST DUE (Add Lines 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22.)</b><br><b>Enter here and on the appropriate Connecticut tax form. ....</b> | 23  |  |  |

**2006** CT-1120 ESA  
 Payment Coupon - First Installment  
**ESTIMATED CORPORATION BUSINESS TAX**  
 (Rev. 1/06)

Department of Revenue Services  
 PO Box 2965  
 Hartford CT 06104-2965

CHECK HERE  IF CLOSING MONTH HAS  
 CHANGED AND ATTACH EXPLANATION.

FOR INCOME YEAR ENDING

**A**

|  |    |  |    |    |
|--|----|--|----|----|
| CT TAX REGISTRATION NUMBER   | 1. | Tax shown on prior year return multiplied by 30% (.30)           | 1. | 00 |
| DRS Use Only<br>- 20   | 2. | Current year first installment (from <i>Schedule 1</i> , Line 5) | 2. | 00 |
| FEDERAL EMPLOYER IDENTIFICATION NO.  | 3. | First installment due (Lesser of Line 1 or Line 2)               | 3. | 00 |
| TYPE OF RETURN? ("X" one, if applicable)<br><input type="checkbox"/> COMBINED <input type="checkbox"/> UNITARY | 4. | Overpayment from prior year                                      | 4. | 00 |
|  | 5. | Payment due with this coupon (Subtract Line 4 from Line 3.)      | 5. | 00 |

See instructions on reverse.

No later than the 15th day of the 3rd month of the income year.  
 If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**MAKE CHECK OR MONEY ORDER PAYABLE TO:**

Commissioner of Revenue Services

**MAIL TO:** Department of Revenue Services  
 PO Box 2965  
 Hartford CT 06104-2965

Please correct name and mailing address if shown incorrectly

**2006** CT-1120 ESB  
 Payment Coupon - Second Installment  
**ESTIMATED CORPORATION BUSINESS TAX**  
 (Rev. 1/06)

Department of Revenue Services  
 PO Box 2965  
 Hartford CT 06104-2965

CHECK HERE  IF CLOSING MONTH HAS  
 CHANGED AND ATTACH EXPLANATION.

FOR INCOME YEAR ENDING

**B**

|  |    |   |    |    |
|--|----|---|----|----|
| CT TAX REGISTRATION NUMBER   | 1. | Tax shown on prior year return multiplied by 70% (.70)                      | 1. | 00 |
| DRS Use Only<br>- 20   | 2. | Current year second installment (from <i>Schedule 1</i> , Line 5)           | 2. | 00 |
| FEDERAL EMPLOYER IDENTIFICATION NO.  | 3. | Second installment due (Lesser of Line 1 or Line 2)                         | 3. | 00 |
| TYPE OF RETURN? ("X" one, if applicable)<br><input type="checkbox"/> COMBINED <input type="checkbox"/> UNITARY | 4. | Amount paid with <b>Form CT-1120 ESA</b> , plus overpayment from prior year | 4. | 00 |
|  | 5. | Payment due with this coupon (Subtract Line 4 from Line 3.)                 | 5. | 00 |

See instructions on reverse.

No later than the 15th day of the 6th month of the income year.  
 If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**MAKE CHECK OR MONEY ORDER PAYABLE TO:**

Commissioner of Revenue Services

**MAIL TO:** Department of Revenue Services  
 PO Box 2965  
 Hartford CT 06104-2965

Please correct name and mailing address if shown incorrectly

**2006** CT-1120 ESC  
 Payment Coupon - Third Installment  
**ESTIMATED CORPORATION BUSINESS TAX**  
 (Rev. 1/06)

Department of Revenue Services  
 PO Box 2965  
 Hartford CT 06104-2965

CHECK HERE  IF CLOSING MONTH HAS  
 CHANGED AND ATTACH EXPLANATION.

FOR INCOME YEAR ENDING

**C**

|  |    |   |    |    |
|--|----|---|----|----|
| CT TAX REGISTRATION NUMBER   | 1. | Tax shown on prior year return multiplied by 80% (.80)  | 1. | 00 |
| DRS Use Only<br>- 20   | 2. | Current year third installment (from <i>Schedule 1</i> , Line 5)  | 2. | 00 |
| FEDERAL EMPLOYER IDENTIFICATION NO.  | 3. | Third installment due (Lesser of Line 1 or Line 2)  | 3. | 00 |
| TYPE OF RETURN? ("X" one, if applicable)<br><input type="checkbox"/> COMBINED <input type="checkbox"/> UNITARY | 4. | Amount paid with <b>Form CT-1120 ESA</b> and <b>Form CT-1120 ESB</b> , plus overpayment from prior year | 4. | 00 |
|  | 5. | Payment due with this coupon (Subtract Line 4 from Line 3.)   | 5. | 00 |

See instructions on reverse.

No later than the 15th day of the 9th month of the income year.  
 If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**MAKE CHECK OR MONEY ORDER PAYABLE TO:**

Commissioner of Revenue Services

**MAIL TO:** Department of Revenue Services  
 PO Box 2965  
 Hartford CT 06104-2965

Please correct name and mailing address if shown incorrectly

**2006** CT-1120 ESD  
 Payment Coupon - Fourth Installment  
**ESTIMATED CORPORATION BUSINESS TAX**  
 (Rev. 1/06)

Department of Revenue Services  
 PO Box 2965  
 Hartford CT 06104-2965

CHECK HERE  IF CLOSING MONTH HAS  
 CHANGED AND ATTACH EXPLANATION.

FOR INCOME YEAR ENDING

**D**

|  |    |   |    |    |
|--|----|---|----|----|
| CT TAX REGISTRATION NUMBER   | 1. | Tax shown on prior year return multiplied by 100% (1.00)  | 1. | 00 |
| DRS Use Only<br>- 20   | 2. | Current year fourth installment (from <i>Schedule 1</i> , Line 5)   | 2. | 00 |
| FEDERAL EMPLOYER IDENTIFICATION NO.  | 3. | Fourth installment due (Lesser of Line 1 or Line 2)   | 3. | 00 |
| TYPE OF RETURN? ("X" one, if applicable)<br><input type="checkbox"/> COMBINED <input type="checkbox"/> UNITARY | 4. | Amount paid with <b>Form CT-1120 ESA</b> , <b>Form CT-1120 ESB</b> , and <b>Form CT-1120 ESC</b> , plus overpayment from prior year | 4. | 00 |
|  | 5. | Payment due with this coupon (Subtract Line 4 from Line 3.)   | 5. | 00 |

See instructions on reverse.

No later than the 15th day of the 12th month of the income year.  
 If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

**MAKE CHECK OR MONEY ORDER PAYABLE TO:**

Commissioner of Revenue Services

**MAIL TO:** Department of Revenue Services  
 PO Box 2965  
 Hartford CT 06104-2965

Please correct name and mailing address if shown incorrectly



**WHO MUST FILE:** Every corporation 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 4, is more than \$1,000.

**COMBINED OR UNITARY RETURNS:** If filing a combined or unitary return for an affiliated group of corporations, "X" the applicable box on the front of this form and attach a list of the names and registration numbers of those corporations. Enter the total combined or unitary estimated current year tax including preference tax on *Schedule 1*, Line 1.

**TAX SHOWN ON PRIOR YEAR RETURN:** The tax shown on the prior year return is the amount of tax before the application of any tax credits.

**LIMIT ON CREDITS:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of tax due prior to the application of tax credits.

**INTEREST:** If the current year tax is more than \$1,000 and the estimated payment does not equal: (1) 27% of the current year tax (including surtax); or (2) 30% of the tax shown on the prior year return (without regard to any tax credits), whichever is less, interest is assessed at 1% (.01) per month or fraction of a month on the amount of the

underpayment for the period of the underpayment. If a company uses an estimate of its current year tax to determine the required annual payment and the 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 the installments are required to be paid.

**ANNUALIZATION:** See **Informational Publication 2005(14)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

**SCHEDULE 1**

|  |    |    |
|--|----|----|
| 1. Estimated current year tax (including surtax, before applying corporation business tax credits) | 1. | 00 |
| 2. Multiply Line 1 by 70% (.70).   | 2. | 00 |
| 3. Estimated corporation business tax credits ( <b>Do not exceed amount on Line 2.</b> )           | 3. | 00 |
| 4. <b>SUBTOTAL</b> (Subtract Line 3 from Line 1.)  | 4. | 00 |
| 5. Current year first installment: Multiply Line 4 by 27% (.27).                                   | 5. | 00 |

CT-1120 ESA Back (Rev. 1/06)

**WHO MUST FILE:** Every corporation 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 4, is more than \$1,000.

**COMBINED OR UNITARY RETURNS:** If filing a combined or unitary return for an affiliated group of corporations, "X" the applicable box on the front of this form and attach a list of the names and registration numbers of those corporations. Enter the total combined or unitary estimated current year tax including preference tax on *Schedule 1*, Line 1.

**TAX SHOWN ON PRIOR YEAR RETURN:** The tax shown on the prior year return is the amount of tax before the application of any tax credits.

**LIMIT ON CREDITS:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of tax due prior to the application of tax credits.

**INTEREST:** If the current year tax is more than \$1,000 and the estimated payment does not equal: (1) 63% of the current year tax (including surtax); or (2) 70% of the tax shown on the prior year return (without regard to any tax credits), whichever is less, interest is assessed at 1% (.01) per month or fraction of a month on the amount of the

underpayment for the period of the underpayment. If a company uses an estimate of its current year tax to determine the required annual payment and the 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 the installments are required to be paid.

**ANNUALIZATION:** See **Informational Publication 2005(14)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

**SCHEDULE 1**

|  |    |    |
|--|----|----|
| 1. Estimated current year tax (including surtax, before applying corporation business tax credits) | 1. | 00 |
| 2. Multiply Line 1 by 70% (.70).   | 2. | 00 |
| 3. Estimated corporation business tax credits ( <b>Do not exceed amount on Line 2.</b> )           | 3. | 00 |
| 4. <b>SUBTOTAL</b> (Subtract Line 3 from Line 1.)  | 4. | 00 |
| 5. Current year second installment: Multiply Line 4 by 63% (.63).                                  | 5. | 00 |

CT-1120 ESB Back (Rev. 1/06)

**WHO MUST FILE:** Every corporation 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 4, is more than \$1,000.

**COMBINED OR UNITARY RETURNS:** If filing a combined or unitary return for an affiliated group of corporations, "X" the applicable box on the front of this form and attach a list of the names and registration numbers of those corporations. Enter the total combined or unitary estimated current year tax including preference tax on *Schedule 1*, Line 1.

**TAX SHOWN ON PRIOR YEAR RETURN:** The tax shown on the prior year return is the amount of tax before the application of any tax credits.

**LIMIT ON CREDITS:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of tax due prior to the application of tax credits.

**INTEREST:** If the current year tax is more than \$1,000 and the estimated payment does not equal: (1) 72% of the current year tax (including surtax); or (2) 80% of the tax shown on the prior year return (without regard to any tax credits), whichever is less, interest is assessed at 1% (.01) per month or fraction of a month on the amount of the

underpayment for the period of the underpayment. If a company uses an estimate of its current year tax to determine the required annual payment and the 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 the installments are required to be paid.

**ANNUALIZATION:** See **Informational Publication 2005(14)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

**SCHEDULE 1**

|  |    |    |
|--|----|----|
| 1. Estimated current year tax (including surtax, before applying corporation business tax credits) | 1. | 00 |
| 2. Multiply Line 1 by 70% (.70).   | 2. | 00 |
| 3. Estimated corporation business tax credits ( <b>Do not exceed amount on Line 2.</b> )           | 3. | 00 |
| 4. <b>SUBTOTAL</b> (Subtract Line 3 from Line 1.)  | 4. | 00 |
| 5. Current year third installment: Multiply Line 4 by 72% (.72).                                   | 5. | 00 |

CT-1120 ESC Back (Rev. 1/06)

**WHO MUST FILE:** Every corporation 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 4, is more than \$1,000.

**COMBINED OR UNITARY RETURNS:** If filing a combined or unitary return for an affiliated group of corporations, "X" the applicable box on the front of this form and attach a list of the names and registration numbers of those corporations. Enter the total combined or unitary estimated current year tax including preference tax on *Schedule 1*, Line 1.

**TAX SHOWN ON PRIOR YEAR RETURN:** The tax shown on the prior year return is the amount of tax before the application of any tax credits.

**LIMIT ON CREDITS:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of tax due prior to the application of tax credits.

**INTEREST:** If the current year tax is more than \$1,000 and the estimated payment does not equal: (1) 90% of the current year tax (including surtax); or (2) 100% of the tax shown on the prior year return (without regard to any tax credits), whichever is less, interest is assessed at 1% (.01) per month or fraction of a month on the amount of the

underpayment for the period of the underpayment. If a company uses an estimate of its current year tax to determine the required annual payment and the 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 the installments are required to be paid.

**ANNUALIZATION:** See **Informational Publication 2005(14)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

**SCHEDULE 1**

|  |    |    |
|--|----|----|
| 1. Estimated current year tax (including surtax, before applying corporation business tax credits) | 1. | 00 |
| 2. Multiply Line 1 by 70% (.70).   | 2. | 00 |
| 3. Estimated corporation business tax credits ( <b>Do not exceed amount on Line 2.</b> )           | 3. | 00 |
| 4. <b>SUBTOTAL</b> (Subtract Line 3 from Line 1.)  | 4. | 00 |
| 5. Current year fourth installment: Multiply Line 4 by 90% (.90).                                  | 5. | 00 |

CT-1120 ESD Back (Rev. 1/06)

# Form CT-1120X

## Amended Corporation Business Tax Return

FOR CALENDAR YEAR \_\_\_\_\_ OR FISCAL YEAR BEGINNING \_\_\_\_\_, \_\_\_\_\_, AND ENDING \_\_\_\_\_, \_\_\_\_\_

|   |                                  |  |
|---|----------------------------------|--|
| <b>DRS Use Only</b>   | Corporation Name                 | <b>CONNECTICUT TAX REGISTRATION NUMBER</b> |
| Audited by<br><input type="checkbox"/> F <input type="checkbox"/> O | Address Number and Street PO Box | <b>DRS Use Only</b><br>- - 20              |
| Initial:  | City or Town State ZIP Code      | <b>FEDERAL EMPLOYER ID NUMBER</b>          |

**Check and Complete All Applicable Boxes** Is this return currently under Connecticut audit?  Yes  No

**Connecticut return being amended:**  CT-1120  CT-1120S  CT-1120CR  CT-1120L  CT-1120U  
**Amended federal return:** (Attach copy)  1120X  1120S  Other (Specify) \_\_\_\_\_  
**Reason for amended return:** (Check one)  IRS Adjustments (Attach copy of IRS notification and enter date of adjustment.) \_\_\_\_\_  
 CT Corporation Business Tax Credits  CT Apportionment Change  CT Net Operating Loss  Other (Specify) \_\_\_\_\_

| CORPORATION BUSINESS TAX   | Column A<br>As Originally Reported<br>or Adjusted | Column B<br>Net Change<br>(Explain on Page 2) | Column C<br>Correct Amount |
|--|---|---|----------------------------|
| 1. Tax on net income (See instructions.)   | 1.  |   | 00                         |
| 2. Minimum tax on capital (See instructions.)  | 2.  |   | 00                         |
| 3. Tax (Largest of Line 1, Line 2, or \$250)   | 3.  |   | 00                         |
| 4. Surtax (See instructions.)  | 4.  |   | 00                         |
| 5. Total tax before credits (Add Line 3 and Line 4.)   | 5.  |   | 00                         |
| 6. Total credits (See instructions.)   | 6.  |   | 00                         |
| 7. Total tax after credits (Subtract Line 6 from Line 5.)                                      | 7.  |   | 00                         |
| <b>PAYMENTS</b>  |   |   |                            |
| 8. Overpayment from prior year   | 8.  |   | 00                         |
| 9. Estimated tax payments  | 9.  |   | 00                         |
| 10. Paid with extension  | 10.   |   | 00                         |
| 11. Tax paid with original return  |   | 11.   | 00                         |
| 12. Tax paid after filing return   |   | 12.   | 00                         |
| 13. Total payments (Add Lines 8 through Line 12, Column C.)                                    |   | 13.   | 00                         |
| 14. Overpayment on original return or as last adjusted   |   | 14.   | 00                         |
| 15. Net payments to date (Subtract Line 14 from Line 13.)                                      |   | 15.   | 00                         |
| <b>REFUND OR TAX DUE</b>   |   |   |                            |
| 16. (a) Amount of overpayment to be credited to _____ estimated tax                            |   | 16a.  | 00                         |
| (b) Amount to be refunded (If Line 15 is greater than Line 7, Column C, enter the difference.) |   | 16b.  | 00                         |
| 17. Tax Due (If Line 7, Column C is greater than Line 15, enter the difference.)               |   | 17.   | 00                         |
| 18. Interest   |   | 18.   | 00                         |
| 19. <b>TOTAL BALANCE DUE</b> (Add Line 17 and Line 18.)  |   | 19.   | 00                         |

**MAKE CHECK PAYABLE TO: Commissioner of Revenue Services**

*Mail this return and attachments to: Department of Revenue Services, PO Box 2974, Hartford CT 06104-2974.*

**Declaration:** I declare under penalty of law 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. I understand that the penalty for willfully delivering a false return or document to the Department of Revenue Services is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|  |                                |       |      |                            |                        |
|--|--------------------------------|-------|------|----------------------------|------------------------|
| <b>SIGN HERE</b><br><br>Keep a copy of this return for your records. | Signature of Corporate Officer | Title | Date | Telephone Number<br>( )    |                        |
|  | Paid Preparer's Signature      |       |      | Date                       | Preparer's SSN or PTIN |
|  | Firm's Name and Address        |       |      | Federal Employer ID Number |                        |
|  |                                |       |      | Telephone Number<br>( )    |                        |



# Form CT-1120X

## Amended Corporation Business Tax Return

### Instructions

#### General Instructions

##### Purpose

Use **Form CT-1120X, Amended Corporation Business Tax Return**, to correct a Connecticut 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.

##### 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 adjustments, the corporation also **must** attach a complete copy of the IRS notification of changes. The return **must** be filed within 90 days after having received final notification of the IRS changes.

##### 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 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 (in-state) or 860-297-5962 (from anywhere). **TTY**, **TDD**, and **Text Telephone** users **only** may transmit inquiries anytime by calling 860-297-4911.

##### Line Instructions

**Lines 1 - 10, Column A** - Enter the amounts as shown on the original return or as adjusted by any prior audit or amended return. Line 1 is the amount reported on **Form CT-1120, Corporation Business Tax Return** or **Form CT-1120U, Unitary Corporation Business Tax Return, Schedule A**, Line 6; **Form CT-1120CR, Combined Corporation Business Tax Return, Part II**, Line 25; or **Form CT-1120S, S Corporation Business Tax Return, Schedule A**, Line 7. Line 2 is the amount reported on Form CT-1120, Form CT-1120U, or Form CT-1120S, *Schedule B*, Line 6.

**Lines 1 - 10, Column B** - Enter the amount(s) of any change(s) and explain the change(s) on the back of Form CT-1120X. 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 decrease in Column B from the amount in Column A. Enter the result here. If Column B has no entries, enter the amount from Column A in Column C.

**Line 4, Surtax (Applicable to Certain Income Years)** - Compute surtax for income years beginning on or after January 1, 1989, and before January 1, 1992, by multiplying Line 3 by 20% (.20). Enter "0" if Line 3 is the minimum tax (\$250). For income years beginning on or after January 1, 1992, and before January 1, 1993, multiply Line 3 by 10% (.10). Enter "0" if Line 3 is the minimum tax (\$250). Compute surtax for income years beginning on or after January 1, 2003, and before January 1, 2004, by multiplying Line 3 by 20% (.20). For income years beginning on or after January 1, 2004, and before January 1, 2005, multiply Line 3 by 25% (.25). Enter "0" if Line 3 is the minimum tax (\$250). For income years beginning on or after January 1, 2005, and before January 1, 2006, no surtax applies (enter "0").

**Line 6, Limit on Credits** - 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% (.70) of the amount of tax due prior to the application of the tax credits. *Conn. Gen. Stat. §12-217zz*

For income years beginning on or after January 1, 2002, no tax credit can be applied against the minimum tax of \$250. *Conn. Gen. Stat. §12-219*

**Line 11** - Enter the amount of tax paid with the original return.

**Line 12** - Enter the amount of any tax paid after filing the 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 the original return or as last adjusted.

**Line 15** - Subtract Line 14 from Line 13 and enter the result here.

**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 16a or Line 16b.

**Line 17** - If Line 7, Column C, is greater than Line 15, subtract Line 15 from Line 7, Column C, and enter the result here.

**Line 18** - Enter the amount of interest due on Line 18. Interest is computed on the underpayment of tax from the original due date to the date of payment. (See *Interest Rates on Tax Underpayments* on Page 2.) Do not include the penalty with the remittance. If a penalty is due, DRS will calculate the amount of penalty due and bill the corporation.

**Line 19** - Add Line 17 and Line 18, and enter the total here.

##### Schedule A and Schedule B

**Lines 1 - 7, Column A** - Enter the amounts as shown on the original return or as adjusted by any prior audit or amended return.

**Lines 1 - 7, Column B** - Enter the amount(s) of any change(s) and explain the change(s) on the reverse side of Form CT-1120X. The amounts entered in Column B should be the net increase or net decrease for each line that has been changed.

**Lines 1 - 7, 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.

**S Corporations Only (Line 6):** Multiply Line 5 by the appropriate percentage listed below. Enter the result on Line 6. *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 corporation business tax for income years beginning on or after January 1, 1997. For income years beginning on or after January 1, 2001, S corporations are not subject to the corporation business tax.

| Phaseout Schedule: | Income Years<br>Beginning on or After | But Before | Net Income<br>Subject to Tax |
|--------------------|---------------------------------------|------------|------------------------------|
|                    | 1-1-1997                              | 1-1-1998   | 90% (.90)                    |
|                    | 1-1-1998                              | 1-1-1999   | 75% (.75)                    |
|                    | 1-1-1999                              | 1-1-2000   | 55% (.55)                    |
|                    | 1-1-2000                              | 1-1-2001   | 30% (.30)                    |
|                    | 1-1-2001                              | —          | 0%                           |

### Tax Rates

| Income Years<br>Beginning<br>on or After | But Before | Net Income Base<br>Tax Rate | Minimum Tax<br>on Capital | Minimum Tax | Other   |
|--|------------|-----------------------------|---------------------------|-------------|---|
| 1-1-1981                                 | 1-1-1983   | 10% (.10)                   | .0031                     | \$250       | Additional Base<br>Net Income and Salaries<br>5% (.05)            |
| 1-1-1983                                 | 1-1-1985   | 11.5% (.115)                | .0031                     | \$250       |   |
| 1-1-1985                                 | 1-1-1989   | 11.5% (.115)                | .0031                     | \$100       |   |
| 1-1-1989                                 | 1-1-1992   | 11.5% (.115)                | .0031                     | \$250       | Surtax - 20% (.20)<br>Surtax does not apply<br>to the minimum tax |
| 1-1-1992                                 | 1-1-1993   | 11.5% (.115)                | .0031                     | \$250       | Surtax - 10% (.10)<br>Surtax does not apply<br>to the minimum tax |
| 1-1-1993                                 | 1-1-1995   | 11.5% (.115)                | .0031                     | \$250       |   |
| 1-1-1995                                 | 1-1-1996   | 11.25% (.1125)              | .0031                     | \$250       |   |
| 1-1-1996                                 | 1-1-1997   | 10.75% (.1075)              | .0031                     | \$250       |   |
| 1-1-1997                                 | 1-1-1998   | 10.5% (.105)                | .0031                     | \$250       |   |
| 1-1-1998                                 | 1-1-1999   | 9.5% (.095)                 | .0031                     | \$250       |   |
| 1-1-1999                                 | 1-1-2000   | 8.5% (.085)                 | .0031                     | \$250       |   |
| 1-1-2000                                 | 1-1-2002   | 7.5% (.075)                 | .0031                     | \$250       |   |
| 1-1-2003                                 | 1-1-2004   | 7.5% (.075)                 | .0031                     | \$250       | Surtax - 20% (.20)<br>Surtax applies to the minimum tax           |
| 1-1-2004                                 | 1-1-2005   | 7.5% (.075)                 | .0031                     | \$250       | Surtax - 25% (.25)<br>Surtax does not apply<br>to the minimum tax |
| 1-1-2005                                 | 1-1-2006   | 7.5% (.075)                 | .0031                     | \$250       |   |

### Interest Rates on Tax Underpayments

| Period                      | Interest Rate                                     |
|-----------------------------|---|
| 7-1-1976 through 6-30-1980  | 1% (.01) per month or fraction of a month         |
| 7-1-1980 through 1-31-1982  | 1 1/4% (.0125) per month or fraction of a month   |
| 2-1-1982 through 12-31-1993 | 1 2/3% (.016667) per month or fraction of a month |
| 1-1-1994 through 6-30-1995  | 1 1/4% (.0125) per month or fraction of a month   |
| On or after 7-1-1995        | 1% (.01) per month or fraction of a month         |

### 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.

# Form CT-1120CR

## Combined Corporation Business Tax Return

# 2005

**ENTER INCOME YEAR** BEGINNING  , 2005, AND ENDING

|                                       |      |
|---------------------------------------|------|
| <b>Parent or Designated CT Parent</b> |      |
| Connecticut Tax Registration Number   |      |
| DRS Use Only                          | - 20 |
| Federal Employer ID Number            |      |

- CHECK APPLICABLE BOXES**
1. Change of:  Closing Month  Address 2. Return Status:  Initial Return  Final Return  Short Period Return
3. If this is a short period, check the corresponding box:  Merger  Acquisition  Change of Filing Status
4. If this is a final return, has the corporation:  Dissolved  Withdrawn  Merged/Reorganized (Enter survivor's CT Tax Reg. #) \_\_\_\_\_
5. Federal return was filed on:  Consolidated Basis: Parent Co. Name  Parent Co. FEIN
6. Is any corporation exchanging R & D tax credits?  Yes (Attach **Form CT-1120 XCH.**)  No
7. Is this corporation annualizing its income?  Yes (Attach **Form CT-1120I.**)  No
8. Is any corporation subject to the interest add back or the intangible expense add back?  Yes (Attach **Form CT-1120AB.**)  No
9. Is any corporation filing **Form CT-1120 PIC**?  Yes (Attach **Form CT-1120 PIC.**)  No

**PART I - SEPARATE TAXES OF CORPORATIONS INCLUDED IN THE COMBINED RETURN** If additional lines are needed, attach a worksheet. Notice is hereby given to the Commissioner of Revenue Services that the affiliated corporations listed below 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.**

| Corporation Name  | * CT Tax Registration Number | Separate Tax (Form CT-1120, Sch. C, Line 1) |
|---|------------------------------|---|
| 1. Common Parent or Designated Connecticut Parent   | — 000                        | 00  |
| 2.  | — 000                        | 00  |
| 3.  | — 000                        | 00  |
| 4.  | — 000                        | 00  |
| 5.  | — 000                        | 00  |
| 6.  | — 000                        | 00  |
| 7.  | — 000                        | 00  |
| 8. Total Separate Taxes (Add Lines 1 through 7.) Enter total here and on Part IV, Line 1. |                              | 00  |

\* 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 of Affiliates (Attach schedule showing Affiliate Name, Connecticut Tax Registration Number, and Federal Employer ID Number.)  
 Deletion of Affiliates (Attach schedule showing Affiliate Name, Connecticut Tax Registration Number, and Federal Employer ID Number.)

**PART IV - COMPUTATION OF AMOUNT PAYABLE**

Complete Parts I, II, III, and *Schedule KC* before completing Part IV.

|   |     |    |  |     |  |    |
|---|-----|----|--|-----|--|----|
| 1. Total Separate Taxes (Part I, Line 8)  |     |    |  | 1.  |  | 00 |
| Combined Tax Computation:   |     |    |  |     |  |    |
| 2a. Tax on Combined Net Income<br>(Part II, Line 25, Combined Total Column)   | 2a  | 00 |  |     |  |    |
| 2b. Tax on Combined Minimum Tax Base<br>(Part III, Line 7, Combined Total Column)   | 2b  | 00 |  |     |  |    |
| 2c. Tax (Largest of Line 2a, Line 2b, or \$250)   | 2c  | 00 |  |     |  |    |
| 2d. Tax on companies included in the combined return less one,<br>multiplied by \$250   | 2d  | 00 |  |     |  |    |
| 2. Combined Tax (Add Line 2c and Line 2d.)  |     |    |  | 2.  |  | 00 |
| 3. <i>For Future Use</i>  |     |    |  | 3.  |  |    |
| 4. Recapture of Tax Credits (See Instructions.)   |     |    |  | 4.  |  | 00 |
| 5. Total Combined Tax (Add Lines 2 through 4.)  |     |    |  | 5.  |  | 00 |
| 6. Preference Tax (Subtract Line 5 from Line 1. Enter amount not less than zero or more than \$250,000.)  |     |    |  | 6.  |  | 00 |
| 7. Total Tax (Add Line 5 and Line 6.)   |     |    |  | 7.  |  | 00 |
| 8. Multiply Line 7 by 30% (.30).  | 8.  | 00 |  |     |  |    |
| 9. Multiply the number of companies included by \$250.  | 9.  | 00 |  |     |  |    |
| 10. Enter the greater of Line 8 or Line 9.  |     |    |  | 10. |  | 00 |
| 11. Tax Credit Limitation (Subtract Line 10 from Line 7.)   |     |    |  | 11. |  | 00 |
| 12. Tax Credits ( <i>Schedule KC</i> , Part II, Line 11. <b>Do not exceed amount on Line 11.</b> )  |     |    |  | 12. |  | 00 |
| 13. Balance of Tax Payable (Subtract Line 12 from Line 7.)  |     |    |  | 13. |  | 00 |
| 14a. Paid with application for extension, <b>Form CT-1120 EXT</b>   | 14a | 00 |  |     |  |    |
| 14b. Paid with estimates ( <b>Forms CT-1120 ESA, ESB, ESC, and ESD</b> )  | 14b | 00 |  |     |  |    |
| 14c. Overpayment from prior year  | 14c | 00 |  |     |  |    |
| 14. Tax Payments (Add Lines 14a, 14b, and 14c.)   |     |    |  | 14. |  | 00 |
| 15. Balance of Tax Due (Subtract Line 14 from Line 13.)   |     |    |  | 15. |  | 00 |
| 16. Add: Penalty <input type="checkbox"/> (16a) _____ Interest <input type="checkbox"/> (16b) _____ <b>CT-1120I</b> Interest <input type="checkbox"/> (16c) _____ |     |    |  | 16. |  | 00 |
| 17. Amount to be credited to 2006 estimated tax <input type="checkbox"/> (17a) _____ Refunded <input type="checkbox"/> (17b) _____                                |     |    |  | 17. |  | 00 |
| 18. <b>Balance Due With This Return</b> (Add Line 15 and Line 16.)  |     |    |  | 18. |  | 00 |

**Combined  
Total**  
(Enter the sum of all affiliate amounts where applicable.)

|  |  |  |  |      |    |
|--|--|--|--|------|----|
| <b>PART II</b>   | <b>ADJUSTMENT FOR<br/>CONNECTICUT TAX BASE</b>   | <b>A<br/>D<br/>D</b>   | 1. <b>Form CT-1120, Schedule D</b> , Line 1, (federal taxable income (loss) before net operating loss and special deductions) .....    | ▶ 1  | 00 |
|  |  |  | 2. Interest income wholly exempt from federal tax .....  | ▶ 2  | 00 |
|  |  |  | 3. Unallowable deduction for corporation tax ( <b>Form CT-1120, Schedule F</b> , Line 8) .....   | ▶ 3  | 00 |
|  |  |  | 4. Interest expenses paid to a related member ( <b>Form CT-1120AB</b> , Part I A, Line 1) .....  | ▶ 4  | 00 |
|  |  |  | 5. Intangible expenses and costs paid to a related member ( <b>Form CT-1120AB</b> , Part I B, Line 1) .....                            | ▶ 5  | 00 |
|  |  |  | 6. Federal bonus depreciation (See instructions.) .....  | ▶ 6  | 00 |
|  |  |  | <b>7. TOTAL</b> (Add Lines 1 through 6.) .....   | ▶ 7  | 00 |
|  |  | <b>D<br/>E<br/>D<br/>U<br/>C<br/>T<br/>I<br/>O<br/>N</b>   | 8. Dividends (a) Dividends from domestic companies less than 20% owned<br>Limited to 70% deduction _____ (less related expenses) ..... | ▶ 8a | 00 |
|  |  |  | (b) Other dividends _____ (less related expenses) .....  | ▶ 8b | 00 |
|  |  |  | (c) Intercorporate dividends from corporations included in this combined return .....  | ▶ 8c | 00 |
|  |  |  | 9. Capital loss carryover (If not deducted in computing federal capital gain. Attach schedule.) .....                                  | ▶ 9  | 00 |
|  |  |  | 10. Capital gain from sale of preserved land .....   | ▶ 10 | 00 |
|  |  |  | 11. Federal bonus depreciation recovery ( <b>Form CT-1120 ATT, Schedule J</b> , Line 7) .....  | ▶ 11 | 00 |
|  |  |  | 12. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 1) .....   | ▶ 12 | 00 |
|  |  |  | 13. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 2) .....   | ▶ 13 | 00 |
|  |  |  | 14. Exceptions to interest add back ( <b>Form CT-1120AB</b> , Part II A, Line 3) .....   | ▶ 14 | 00 |
|  |  |  | 15. Exceptions to add back of intangible expenses paid to a related member ( <b>Form CT-1120 AB</b> , Part II B, Line 1) .....         | ▶ 15 | 00 |
| 16. Other (Attach explanation.) .....  | ▶ 16   | 00   |  |      |    |
| <b>17. TOTAL</b> (Add Lines 8 through 16.) .....   | ▶ 17   | 00   |  |      |    |
| <b>C<br/>O<br/>M<br/>P<br/>U<br/>T<br/>A<br/>T<br/>I<br/>O<br/>N<br/>O<br/>F<br/>C<br/>O<br/>M<br/>B<br/>I<br/>N<br/>E<br/>D<br/>N<br/>E<br/>T<br/>I<br/>N<br/>C<br/>O<br/>M<br/>E</b> | 18. NET INCOME (Loss) Subtract Line 17 from Line 7. <b>If 100% Connecticut, enter also on Line 20.</b> .....   | ▶ 18   | 00   |      |    |
|  | 19. Apportionment fraction ( <b>Form CT-1120, Schedule A</b> , Line 2. Carry to six places.) .....   | ▶ 19   |  |      |    |
|  | 20. Connecticut net income (Line 18, or Line 18 multiplied by Line 19) .....   | ▶ 20   | 00   |      |    |
|  | 21. Operating loss carryover from separate return year (Cannot exceed amount on Line 20. Attach schedule.) .....   | ▶ 21   | 00   |      |    |
|  | 22. Net income (Subtract Line 21 from Line 20.) .....  | ▶ 22   | 00   |      |    |
|  | 23. Operating loss carryover from combined return year (Part V, Line 6, Column A. Cannot exceed amount on Line 22.) .....  | ▶ 23   | 00   |      |    |
|  | 24. Income subject to tax (Subtract Line 23 from Line 22.) .....   | ▶ 24   | 00   |      |    |
| <b>25. TAX:</b> Multiply Line 24 by 7.5% (.075). (Enter on Part IV, Line 2a.) .....  | ▶ 25   | 00   |  |      |    |
| <b>PART III</b>  | <b>C<br/>O<br/>M<br/>P<br/>U<br/>T<br/>A<br/>T<br/>I<br/>O<br/>N<br/>O<br/>F<br/>C<br/>O<br/>M<br/>B<br/>I<br/>N<br/>E<br/>D<br/>M<br/>I<br/>N<br/>I<br/>M<br/>T<br/>A<br/>X<br/>B<br/>A<br/>S<br/>E</b> | 1. <b>Form CT-1120, Schedule E</b> , Line 6, Column C. <b>If 100% Connecticut, enter also on Line 3.</b> (See instructions.) ..... | ▶ 1  |      |    |
|  |  | 2. Apportionment fraction ( <b>Form CT-1120, Schedule B</b> , Line 2. 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.) .....  | ▶ 6  | 00   |    |
|  |  | <b>7. TAX:</b> Multiply Line 6 by .0031 (3 1/10 mills per dollar). (Enter on Part IV, Line 2b.) .....                              | ▶ 7  | 00   |    |

<sup>A</sup> Enter corporation names.  
<sup>B</sup> Enter Connecticut Tax Registration Numbers.  
<sup>C</sup> Enter Federal Employer ID Numbers.

| 1. Parent or Designated CT Parent Corporation |    | 2. Affiliate |    | 3. Affiliate |    | 4. Affiliate |    | 5. Affiliate |    | 6. Affiliate |    | 7. Affiliate |    |
|---|----|--------------|----|--------------|----|--------------|----|--------------|----|--------------|----|--------------|----|
| <sup>A</sup>                                  |    |              |    |              |    |              |    |              |    |              |    |              |    |
| <sup>B</sup>                                  |    | - 000        |    | - 000        |    | - 000        |    | - 000        |    | - 000        |    | - 000        |    |
| <sup>C</sup>                                  |    |              |    |              |    |              |    |              |    |              |    |              |    |
| 1.  |    |              |    |              |    |              |    |              |    |              |    |              | 1  |
| 2.  |    |              |    |              |    |              |    |              |    |              |    |              | 2  |
| 3.  |    |              |    |              |    |              |    |              |    |              |    |              | 3  |
| 4.  |    |              |    |              |    |              |    |              |    |              |    |              | 4  |
| 5.  |    |              |    |              |    |              |    |              |    |              |    |              | 5  |
| 6.  |    |              |    |              |    |              |    |              |    |              |    |              | 6  |
| 7.  |    |              |    |              |    |              |    |              |    |              |    |              | 7  |
| 8a.   |    |              |    |              |    |              |    |              |    |              |    |              | 8a |
| 8b.   |    |              |    |              |    |              |    |              |    |              |    |              | 8b |
| 8c.   |    |              |    |              |    |              |    |              |    |              |    |              | 8c |
| 9.  |    |              |    |              |    |              |    |              |    |              |    |              | 9  |
| 10.   |    |              |    |              |    |              |    |              |    |              |    |              | 10 |
| 11.   |    |              |    |              |    |              |    |              |    |              |    |              | 11 |
| 12.   |    |              |    |              |    |              |    |              |    |              |    |              | 12 |
| 13.   |    |              |    |              |    |              |    |              |    |              |    |              | 13 |
| 14.   |    |              |    |              |    |              |    |              |    |              |    |              | 14 |
| 15.   |    |              |    |              |    |              |    |              |    |              |    |              | 15 |
| 16.   |    |              |    |              |    |              |    |              |    |              |    |              | 16 |
| 17.   |    |              |    |              |    |              |    |              |    |              |    |              | 17 |
| 18.   |    |              |    |              |    |              |    |              |    |              |    |              | 18 |
| 19.   | 0. | 0.           | 0. | 0.           | 0. | 0.           | 0. | 0.           | 0. | 0.           | 0. | 0.           | 19 |
| 20.   |    |              |    |              |    |              |    |              |    |              |    |              | 20 |
| 21.   |    |              |    |              |    |              |    |              |    |              |    |              | 21 |
| 22.   |    |              |    |              |    |              |    |              |    |              |    |              | 22 |
| 23.   |    |              |    |              |    |              |    |              |    |              |    |              | 23 |
| 24.   |    |              |    |              |    |              |    |              |    |              |    |              | 24 |
| 25.   |    |              |    |              |    |              |    |              |    |              |    |              | 25 |
| 1.  |    |              |    |              |    |              |    |              |    |              |    |              | 1  |
| 2.  | 0. | 0.           | 0. | 0.           | 0. | 0.           | 0. | 0.           | 0. | 0.           | 0. | 0.           | 2  |
| 3.  |    |              |    |              |    |              |    |              |    |              |    |              | 3  |
| 4.  |    |              |    |              |    |              |    |              |    |              |    |              | 4  |
| 5.  |    |              |    |              |    |              |    |              |    |              |    |              | 5  |
| 6.  |    |              |    |              |    |              |    |              |    |              |    |              | 6  |
| 7.  |    |              |    |              |    |              |    |              |    |              |    |              | 7  |



**PART V — CONNECTICUT COMBINED OPERATING LOSS CARRYOVER**

|    | Connecticut Combined Operating Loss   | Combined Loss Applied to Income Year 2001 | Combined Loss Applied to Income Year 2002 | Combined Loss Applied to Income Year 2003 | Combined Loss Applied to Income Year 2004 | Column A                         |    | Column B                          |    |
|----|---|---|---|---|---|----------------------------------|----|-----------------------------------|----|
|    |   |   |   |   |   | Loss Applied to Income Year 2005 |    | Remaining Loss Available for 2006 |    |
| 1. | 2000  |   |   |   |   |                                  |    |                                   |    |
| 2. | 2001  |   |   |   |   |                                  |    |                                   |    |
| 3. | 2002  |   |   |   |   |                                  |    |                                   |    |
| 4. | 2003  |   |   |   |   |                                  |    |                                   |    |
| 5. | 2004  |   |   |   |   |                                  |    |                                   |    |
| 6. | <b>TOTAL</b> (Add Lines 1 through 5 in Column A and Column B, and enter here.<br>Enter the amount from Line 6, Column A on <b>Form CT-1120CR, Part II, Line 23.</b> ) ..... |   |   |   |   |                                  | 00 | 00                                | 00 |

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|   |   |                               |      |   |
|---|---|-------------------------------|------|---|
| <b>SIGN HERE</b><br><br>Keep a copy of this return for your records | Corporate Officer's Name ( <i>Print</i> ) | Corporate Officer's Signature | Date | May DRS contact the preparer shown below about this return?<br><input type="checkbox"/> Yes <input type="checkbox"/> No<br>(See instructions, Page 4) |
|   | Title                                     | Telephone Number (    )       |      |   |
|   | Paid Preparer's Name ( <i>Print</i> )     | Paid Preparer's Signature     | Date | Preparer's SSN or PTIN  |
|   | Firm's Name and Address                   | FEIN                          |      | Telephone Number (    )   |

**SCHEDULE KC — COMBINED TAX CREDITS**

Attach 2005 **Form CT-1120K** for each affiliate claiming a business tax credit and enter the combined credit totals on *Schedule KC*.

**PART I - TAX CREDITS FROM 2005 INCOME YEAR**

**PART I-A Financial Institutions Tax Credit**

|    |                        | <b>A</b><br>Amount Applied |    |
|----|------------------------|----------------------------|----|
| 1. | Financial Institutions | ▶                          | 00 |

**PART I-B Tax Credits With Carryback Provisions**

|    |  | <b>A</b><br>Amount Applied |    | <b>B</b><br>Carryback Amount |    |
|----|--|----------------------------|----|------------------------------|----|
| 2. | Neighborhood Assistance                        | ▶                          | 00 | ▶                            | 00 |
| 3. | Housing Program Contribution                   | ▶                          | 00 | ▶                            | 00 |
| 4. | Employer-Assisted Housing                      | ▶                          | 00 | ▶                            | 00 |
| 5. | <b>TOTAL PART I-B</b> (Add Lines 2 through 4.) | ▶                          | 00 | ▶                            | 00 |

**PART I-C Tax Credits Without Carryback or Carryforward Provisions**

|     |   | <b>A</b><br>Amount Applied |    |
|-----|---|----------------------------|----|
| 6.  | Apprenticeship Training   | ▶                          | 00 |
| 7.  | Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone | ▶                          | 00 |
| 8.  | Computer Donation   | ▶                          | 00 |
| 9.  | Grants to Institutions of Higher Education  | ▶                          | 00 |
| 10. | Machinery and Equipment   | ▶                          | 00 |
| 11. | Traffic Reduction   | ▶                          | 00 |
| 12. | Displaced Electric Worker   | ▶                          | 00 |
| 13. | Service Facility  | ▶                          | 00 |
| 14. | <b>TOTAL PART I-C</b> (Add Lines 6 through 13.)   | ▶                          | 00 |

**PART I-D Tax Credits With Carryforward Provisions**

|     |  | <b>A</b><br>Carryforward Amount From<br>Previous Income Years | <b>B</b><br>2005 Credit Amount Claimed | <b>C</b><br>Amount Applied to<br>Corporation Tax | <b>D</b><br>Carryforward Amount<br>to 2006 |
|-----|--|---|--|--|--|
| 15. | Housing Program Contribution (See instructions.)   | 00  | /                                      | 00   | 00   |
| 16. | Employer-Assisted Housing (See instructions.)  | 00  | /                                      | 00   | 00   |
| 17. | Hiring Incentive   | 00  | 00                                     | 00   | 00   |
| 18. | Clean Alternative Fuel-Vehicles, Equipment, and Related Filling or Recharging Stations                               | 00  | 00                                     | 00   | 00   |
| 19. | Research and Experimental Expenditures   | 00  | 00                                     | 00   | 00   |
| 20. | Research and Development   | 00  | 00                                     | 00   | 00   |
| 21. | Fixed Capital Investment   | 00  | 00                                     | 00   | 00   |
| 22. | Human Capital Investment   | 00  | 00                                     | 00   | 00   |
| 23. | Insurance Reinvestment Fund  | 00  | 00                                     | 00   | 00   |
| 24. | Small Business Administration Guaranty Fee   | 00  | 00                                     | 00   | 00   |
| 25. | Historic Homes Rehabilitation  | 00  | 00                                     | 00   | 00   |
| 26. | Donation of Open Space Land  | 00  | 00                                     | 00   | 00   |
| 27. | Air Pollution  | 00  | /                                      | 00   | 00   |
| 28. | Urban and Industrial Site Reinvestment   | /   | 00                                     | 00   | 00   |
| 29. | <b>TOTAL PART I-D</b> (Add Lines 15 through 28 in Columns A through D, and enter the result in the spaces provided.) | 00  | 00                                     | 00   | 00   |

| <b>PART I-E Electronic Data Processing Equipment Property Tax Credit</b> |  | <b>A</b><br>Carryforward Amount From<br>Previous Income Years | <b>B</b><br>2005 Credit Amount<br>Claimed | <b>C</b><br>Amount Applied to<br>Corporation Tax | <b>D</b><br>Carryforward Amount<br>to 2006 |
|--|--|---|---|--|--|
| 30   | Electronic Data Processing Equipment Property Tax Credit | 00  | 00 ▶                                      | 00 ▶   | 00   |

**PART II - TOTAL TAX CREDITS APPLIED**

|    |   |      |
|----|---|------|
| 1  | Enter amount from <b>Form CT-1120CR</b> , Part IV, Line 11.   | 00   |
| 2  | <b>Financial Institutions Credit</b> (Enter amount from <i>Schedule KC, Part I-A</i> , Line 1, Column A. <b>Do not exceed amount on Line 1.</b> )   | 00   |
| 3  | Creditable corporation business tax balance (Subtract Line 2 from Line 1.)  | 00   |
| 4  | <b>Tax Credits With Carryback Provisions</b> (Enter amount from <i>Schedule KC, Part I-B</i> , Line 5, Column A. <b>Do not exceed amount on Line 3.</b> )   | 00   |
| 5  | Creditable corporation business tax balance (Subtract Line 4 from Line 3.)  | 00   |
| 6  | <b>Tax Credits Without Carryback or Carryforward Provisions</b> (Enter amount from <i>Schedule KC, Part I-C</i> , Line 14, Column A. <b>Do not exceed amount on Line 5.</b> )   | 00   |
| 7  | Creditable corporation business tax balance (Subtract Line 6 from Line 5.)  | 00   |
| 8  | <b>Tax Credits With Carryforward Provisions</b> (Carryforward credits that expire first should be claimed before any credit carryforward that will expire later or not at all. Enter amount from <i>Schedule KC, Part I-D</i> , Line 29, Column C. <b>Do not exceed amount on Line 7.</b> ) | 00   |
| 9  | Creditable corporation business tax balance (Subtract Line 8 from Line 7.)  | 00   |
| 10 | <b>Electronic Data Processing Equipment Property Tax Credit</b> (Enter amount from <i>Schedule KC, Part I-E</i> , Line 30, Column C. <b>Do not exceed amount on Line 9.</b> )   | 00   |
| 11 | <b>TOTAL TAX CREDITS APPLIED</b> (Add Part II, Lines 2, 4, 6, 8, and 10. Enter total here and on <b>Form CT-1120CR</b> , Part IV, Computation of Amount Payable, Line 12. <b>Do not exceed amount on Line 1.</b> )  | ▶ 00 |

**PART III - CREDIT RECONCILIATION** (If additional lines are required, attach a worksheet)

| Column A<br>Name of Affiliate Computing Credit | Column B<br>Connecticut Tax<br>Registration Number | Column C<br>Name of Tax Credit Claimed | Column D<br>Amount of Tax<br>Credit Applied |
|--|--|--|---|
|  |  |  | 00  |
|  |  |  | 00  |
|  |  |  | 00  |
|  |  |  | 00  |
|  |  |  | 00  |
|  |  |  | 00  |

# Form CT-1120CR

## Combined Corporation Business Tax Return

### Instructions

(Rev. 12/05)

#### Corporations That Qualify for Combined Reporting:

- 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.
- Any taxpayer not included in a federal consolidated return but which 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 these other corporations.

**Consent and Notice of Election:** Each corporation that consents to be included in a Combined Corporation Business Tax Return must submit **Form CT-1120CC, Combined Return Consent**, for the initial income year for which the election is being made. The election to file a combined return must be made by the electing corporations not later than the due date or the extended due date of the returns for which the election is made. The election to file a combined return must be in effect for at least five income years, and will continue in effect thereafter, until it is revoked.

**Change of Election:** Any corporation that has elected to file a combined return may subsequently revoke its election even though it continues to be included in a federal consolidated corporation income tax return with other corporations that are subject to the Connecticut corporation business tax. The revocation will not be effective before the fifth income year immediately following the initial income year in which the corporation elected to file a combined return. The election to file a separate return must be submitted in writing on **Form CT-1120CC-R, Revocation of Election and Consent to File Combined Corporation Business Tax Return**, by each corporation included in the combined return. The election to file separate returns must be made by the electing corporations by the due date or the extended due date of the separate returns for the initial income year for which the election is made. The election to file separate returns is irrevocable for five successive income years. After five income years, the corporations may elect to file a Combined Corporation Business Tax Return.

**Attachments Required:** Attach to **Form CT-1120CR, Combined Corporation Business Tax Return**, a complete copy of the federal consolidated return, including income statements and balance sheets, federal M-1 adjustments, and a schedule of intercompany eliminations as filed with the Internal Revenue Service.

**Form CT-1120 Required:** **Form CT-1120, Corporation Business Tax Return**, must be completed and attached to Form CT-1120CR for each corporation included.

All applicable tax credit forms, schedules, any other required forms, and any letters of approval or eligibility received from

the agency administering the tax credit must be attached to and made part of this tax return for each corporation included.

**Where to File:** Make check or money order payable to the Commissioner of Revenue Services, and paper clip the check or money order to the front of the return. Do not staple. The Department of Revenue Services (DRS) may submit your check to your bank electronically. Mail to:

Department of Revenue Services  
PO Box 2974  
Hartford CT 06104-2974

**Amended Return:** Any company that fails to include items of income or deduction or makes any other error on a return must file a Connecticut amended return using **Form CT-1120X, Amended Corporation Business Tax Return**. A copy of federal Form 1120X, Amended U.S. Corporation Income Tax Return, must be attached to substantiate any changes to federal net income.

**For Further Information:** Call DRS during business hours, Monday through Friday, 8:00 a.m. to 4:30 p.m.:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

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

**Forms and Publications:** Forms and publications are available anytime:

- **Internet:** Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX-FAX; and
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.

#### Line Instructions

Enter the beginning and ending dates of the Parent or Designated Connecticut Parent 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 and Federal Employer Identification Number (FEIN).

#### Check and Complete Applicable Boxes

**1. Change of Closing Month or Address.** Indicate any change to the end of the corporation's filing period by checking off the proper box and attaching an explanation of the change.

To make any changes to the corporation's address, clearly print the new information, check the *Change of Address* box, and file **Form CT-8822C, Corporation Business Tax Change of Address**. If the *Change of Address* box is checked, a completed Form CT-8822C **must** be attached to Form CT-1120CR.

**2. Return Status.** Check the corresponding box to indicate the type of combined return being filed.

If this is the first time the corporation is filing Form CT-1120CR, check the *Initial Return* box and attach Form CT-1120CC.

If the corporation is legally dissolved or withdrawn, check the *Final Return* box and complete Line 4, below.

If the corporation is filing for a short period, check the *Short Period Return* box and complete Line 3, below.

**3. Short Period Return.** Check the corresponding box to indicate the reason for a short period combined return.

**4. Final Return.** If the corporation is filing a final combined return, check the corresponding box providing the reason for the final return:

#### **Dissolution**

To properly dissolve a domestic corporation you must file a Certificate of Dissolution with the Connecticut Office of the 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 the final liquidation of assets, whichever is later.

Any dissolved corporation that continues to conduct business **must** file Form CT-1120 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  
Corporation Office Audit Unit  
25 Sigourney Street  
Hartford CT 06106-5032

The tax clearance and certificate of reinstatement must be filed with the Connecticut Office of the 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 the Secretary of the State. Any corporation that has withdrawn must file Connecticut Form CT-1120 up to the date of withdrawal and pay any taxes due.

#### **Mergers and Reorganizations**

A corporation that has merged must file a written application with the Connecticut Office of the Secretary of the State. Any corporation that has merged must file Connecticut Form CT-1120 covering the period up to the date of merger and pay any tax due.

For further information about withdrawal from the State, mergers and reorganizations, or dissolutions, contact the Connecticut Office of the Secretary of the State at 860-509-6000.

Any corporation that is reorganized must submit the details concerning the reorganization in writing and disclose the survivor's Connecticut Tax Registration Number. Mail to:

Department of Revenue Services  
PO Box 2937  
Hartford CT 06104-2937

**5. Type of Federal Return Filed.** Check the box if the federal return was filed on a consolidated basis. If the Consolidated

Basis box is checked, enter the parent company's name and FEIN.

**6. Exchange of Research and Development Tax Credits.** Check this box if any included corporation is exchanging Research and Development tax credits available under Conn. Gen. Stat. §§12-217j or 12-217n, for a credit refund equal to 65% (.65) of the value of the credit, subject to certain limitations. Attach **Form CT-1120RC**, *Research and Experimental Expenditures Credit*, or **Form CT-1120 RDC**, *Research and Development Credit*, and **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*.

**7. Annualization.** Check the corresponding box if the corporation is annualizing its income. Complete **Form CT-1120I**, *Computation of Interest Due on Underpayment of Estimated Tax*, and attach it to Form CT-1120CR.

See **Informational Publication 2005(14)**, *Guide to Calculating Annualized Estimated Corporation Business Tax Installments and Worksheet CT-1120AE*.

**8. Interest or Intangible Expense Add Back.** Complete as indicated.

**9. Passive Investment Companies.** Check the corresponding box if any included corporation is filing **Form CT-1120 PIC**, *Information Return for Passive Investment Companies*. If the **Yes** box is checked, Form CT-1120 PIC must be attached. Passive investment companies are exempt from the corporation business tax, but must file Form CT-1120 PIC.

#### **Rounding Off to Whole Dollars**

You must round off cents to the nearest whole dollar on your return and schedules. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

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**Example:** Add two amounts (\$1.29 + \$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on the line.

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If you do not round, DRS will disregard the cents.

#### **Part I - Separate Taxes of Corporations Included in the Combined Return**

Each corporation included in 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 Form CT-1120, including all appropriate schedules such as **Form CT-1120 ATT**, *Corporation Business Tax Return Attachment Schedules H, I, and J*; **Form CT-1120A**, *Corporation Business Tax Return Apportionment Computation*; **Form CT-1120K**, *Business Tax Credit Summary*; other applicable forms, and any letters of approval or eligibility received from the agency administering the credit, for each corporation included.

Attach a schedule showing the name, Connecticut Tax Registration Number, and FEIN of each affiliate added to or deleted from the group since the filing of the prior year's Form CT-1120CR. Also attach Form CT-1120CC or Form CT-1120CC-R, as required.

### 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 in the return, but only to the extent it is separately apportioned to Connecticut in accordance with the provisions of Conn. Gen. Stat. §§12-218, 12-218a, 12-218b, or 12-244, whichever is applicable.

Do not include intercompany rents in the computation of the property factor of the apportionment fraction if the lessor and lessee are included in the combined return. See Conn. Gen. Stat. §12-223b(a).

Do not include receipts from any other company included in the combined return in the computation of the receipts factor of the apportionment fraction. See Conn. Gen. Stat. §12-223b(b).

**Operating Loss Carryovers:** The provisions of Conn. Gen. Stat. §12-217 pertaining to operating loss carryovers only apply to companies filing separate returns. There are specific regulations regarding the application of operating loss carryovers for companies filing a combined return. See Conn. Agencies Regs. §12-223a-2, Combined Operating Loss, for further information.

**Lines 1 through 3** - Complete as indicated.

**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** - Enter the amount of the federal bonus depreciation allowed under I.R.C. §168(k) and claimed on federal Form 4562, Depreciation and Amortization.

**Lines 7 through 9** - Complete as indicated.

**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 land or as Class I or Class II water company.

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

**Line 12 through 25** - Complete as indicated.

### 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 in the return, but only to the extent the base is separately apportioned to Connecticut in accordance with the provisions of Conn. Gen. Stat. §§12-219a or 12-244.

If any income and expenses are eliminated in Part II, Line 16, the intangible property of the corporation eliminating the income shall not be taken into account in apportioning under the minimum tax base as provided by the provisions of Conn. Gen. Stat. §12-219a.

### Part IV - 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, Line 25, *Combined Total Column*.

**Line 2b** - Enter the total tax on Combined Minimum Tax Base as reported on Part III, Line 7, *Combined Total Column*.

**Line 2c** - Enter the largest of Line 2a, 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** - *For Future Use*.

**Line 4** - 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 that is three years after the date a revolving loan fund is established by such corporation, the credit amount specified in the notice must be recaptured. This amount should be reported on the first Connecticut corporation business tax return required to be filed on or after the date of notice. If any amount of the recaptured credit has not been paid to the Commissioner of Revenue Services on or before the due date of the return, the amount shall accrue interest at 1% (.01) per month or fraction of a month, from the original due date to the date of payment.

If the fixed capital on account of which a corporation claimed the 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 will be required to recapture 100% of the amount of the credit allowed on its corporation business tax return required to be filed for the income year immediately succeeding the income year during which the three-year period expires.

If the fixed capital on account of which a corporation claimed the 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% (.50) of the amount of the credit allowed on its corporation business tax return required to be filed for the income year immediately succeeding the income year during which the five-year period expires.

**Line 5** - To compute the total combined tax, add the amounts on Lines 2 through 4. Enter the result on Line 5.

**Line 6** - To compute the preference tax, subtract Line 5, *Total Combined Tax*, from Line 1, *Total Separate Taxes*. If the amount is zero or less, enter zero. If the amount is greater than zero, enter the amount up to a maximum of \$250,000.

**Line 7** - To compute the total tax, add Line 5 and Line 6. Enter the total.

**Line 8** - Multiply Line 7 by 30% (.30) and enter the result.

**Line 9** - Multiply the number of companies included by \$250 (minimum tax). Enter the result.

**Line 10** - Enter the greater of Line 8 or Line 9.

**Line 11** - To compute the Tax Credit Limitation, subtract Line 10 from Line 7. Enter the result.

**Line 12** - Enter the total tax credits from *Schedule KC*, Part II, Line 11. **Do not exceed the amount on Line 11 above.**

**Lines 13 through 17** - Complete as indicated.

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**Overpayment of tax liability for a previous income year** is credited against the current estimated tax liability as of the receipt date of Form CT-1120CR and **not Form CT-1120 EXT, Application for Extension of Time to File Corporation Business Tax Return**. Accordingly, an overpayment cannot be determined to exist until a completed return is filed. Overpayments will be treated as estimated tax paid on the fifteenth day of the third month (March 15 for calendar year filers), if Form CT-1120CR is filed by the fifteenth day of the third month following the close of the income year. **A request to apply an overpayment to the following income year is irrevocable.**

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**Line 18** - To compute the balance due with this return, add Line 15 and Line 16. Enter the total.

#### **Part V - Connecticut Combined Operating Loss Carryover**

**Lines 1 through 5** - Enter the amount of the combined Connecticut apportioned operating income (loss) carryover from the five preceding income years as reported on Connecticut corporation business tax returns filed for those years. Net operating losses incurred in income years beginning on or after January 1, 2000, may be carried forward for 20 successive income years. Conn. Gen. Stat. §12-217.

**Line 6** - Add Lines 1 through 5 in Column A and Column B, enter the total on Line 6, Column A and Column B. Enter the amount from Line 6, Column A on Part II, *Computation of Combined Net Income*, Line 23.

#### **Signature**

The return must be signed by a duly authorized officer.

#### **Paid Preparer Signature**

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

**Paid Preparer Authorization:** If the corporation wishes to allow DRS to contact the paid preparer who signed the 2005 tax return, check the **Yes** box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer's Signature" section of the return. It does not apply to the firm, if any, shown in that section.

If the **Yes** box is checked, the corporation is authorizing DRS to call the paid preparer to answer any questions that may arise during the processing of the 2005 corporation business tax return. The corporation is also authorizing the paid preparer to:

- Give DRS any information that is missing from the return;
- Call DRS for information about the processing of the corporation's return or the status of the corporation's refund or overpayment; **and**
- Respond to certain DRS notices that the corporation may have shared with the preparer regarding math errors, offsets, and return preparation. The notices will be sent to the preparer.

The corporation is not authorizing the paid preparer to receive any refund check, bind the corporation to anything (including additional tax liability), or otherwise represent the corporation before DRS. The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing the 2006 corporation business tax return. This is on or before the first day of the month following the due date of the company's corresponding federal income tax return for the income year (April 1 for calendar year filers).

#### **Schedule KC - Combined Tax Credits**

**Schedule KC, Combined Tax Credits**, must be completed whenever tax credits are claimed. *Schedule KC* contains the combined total of the tax credits which are claimed on **Form CT-1120K** by the parent corporation and each affiliate in the group. Attach Form CT-1120K to *Schedule KC* for each corporation in the combined group claiming a business tax credit.

All applicable credit forms, schedules, and any letters of approval or eligibility received from the agency administering the tax credit must be attached to this tax return.

See **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits**, for additional information on Connecticut business tax credits.

**Limit on Credits:** The amount of tax credits otherwise allowable against the corporation business tax for any income year shall not exceed 70% (.70) of the amount of total tax due prior to the application of the tax credits.

No tax credit can be applied against the minimum tax of \$250 for each included corporation.

#### **Part I - Tax Credits From 2005 Income Year**

##### **Part I-A - Financial Institutions Tax Credit**

**Line 1** - Enter on *Schedule KC*, Part I-A, Line 1, Column A, the combined total tax credit amount being applied from **Form CT-1120K**, Part I-A, Line 1, Column B, for financial institutions constructing new facilities in Connecticut.

**Part I-B - Tax Credits With Carryback Provisions**

Enter on *Schedule KC*, Part I-B, Lines 2 through 4, Column A, the amounts from Form CT-1120K, Part I-B, Lines 2 through 4, Column B. This is the combined total of all credits actually applied to the corporation business tax in 2005 that have a carryback provision. The credits indicated here are applied to the current year tax first. Any remaining balance may be claimed against a preceding year tax by filing Form CT-1120X or the appropriate amended tax returns.

Enter on *Schedule KC*, Part I-B, Lines 2 through 4, Column B, the combined totals of all credit amounts from Form CT-1120K, Part I-B, Lines 2 through 4, Column D. This is the combined total of all tax credits which are being carried back to a preceding tax year. For credits that also have a carryforward provision, complete *Schedule KC*, Part I-D.

**Line 2** - Enter in Column A, the amount from Form CT-1120K, Part I-B, Line 2, Column B. Enter in Column B, the amount from Form CT-1120K, Part I-B, Line 2, Column D.

**Line 3** - Enter in Column A, the amount from Form CT-1120K, Part I-B, Line 3, Column B. Enter in Column B, the amount from Form CT-1120K, Part I-B, Line 3, Column D.

**Line 4** - Enter in Column A, the amount from Form CT-1120K, Part I-B, Line 4, Column B. Enter in Column B, the amount from Form CT-1120K, Part I-B, Line 4, Column D.

**Line 5** - Add Lines 2 through 4 in Column A and Column B. Enter the total in the spaces provided.

**Part I-C - Tax Credits Without Carryback or Carryforward Provisions**

Enter on *Schedule KC*, Part I-C, Lines 6 through 13, Column A, the combined total of all credits applied to the current year corporation business tax from Form CT-1120K, Part I-C, Column B, Lines 6 through 13.

**Line 6** - Enter in Column A, the amount from Form CT-1120K, Part I-C, Line 6, Column B.

**Line 7** - Enter in Column A, the amount from Form CT-1120K, Part I-C, Line 7, Column B.

**Line 8** - Enter in Column A, the amount from Form CT-1120K, Part I-C, Line 8, Column B.

**Line 9** - Enter in Column A, the amount from Form CT-1120K, Part I-C, Line 9, Column B.

**Line 10** - Enter in Column A, the amount from Form CT-1120K, Part I-C, Line 10, Column B.

**Line 11** - Enter in Column A, the amount from Form CT-1120K, Part I-C, Line 11, Column B.

**Line 12** - Enter in Column A, the amount from Form CT-1120K, Part I-C, Line 12, Column B.

**Line 13** - Enter in Column A, the amount from Form CT-1120K, Part I-C, Line 13, Column B.

**Line 14** - Add Lines 6 through 13 in Column A. Enter the total in the spaces provided.

**Part I-D - Tax Credits With Carryforward Provisions**

Enter on *Schedule KC*, Part I-D, Lines 15 through 28, Column A, the combined total of all tax credit carryforward amounts from previous income years. Enter on Part I-D, Lines 17 through 28, Column B, the current year credit amount claimed. Enter on Part I-D, Lines 15 through 28, Column C, the amount of tax credit applied to the corporation business tax for the current year. Enter on Part I-D, Lines 15 through 28, Column D, the total available credit carryforward to 2006.

**Line 15** - If you are claiming the Housing Program Contribution Credit, complete Part I-B, Line 3. Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 15, Column A. This is the carryforward amount for the Employer-Assisted Housing Credit. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 15, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 15, Column E.

**Line 16** - If you are claiming the Employer-Assisted Housing Credit, complete Part I-B, Line 4. Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 16, Column A. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 16, Column C. Enter in Column D, the amount from Form CT-1120K, Line 16, Column E.

**Line 17** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 17, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 17, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 17, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 17, Column E.

**Line 18** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 18, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 18, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 18, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 18, Column E.

**Line 19** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 19, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 19, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 19, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 19, Column E.

**Line 20** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 20, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 20, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 20, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 20, Column E.

**Line 21** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 21, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 21, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 21, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 21, Column E.



**Line 22** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 22, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 22, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 22, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 22, Column D. Enter in Column E, the amount from Form CT-1120K, Part I-D, Line 22, Column E.

**Line 23** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 23, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 23, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 23, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 23, Column D. Enter in Column E, the amount from Form CT-1120K, Part I-D, Line 23, Column E.

**Line 24** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 24, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 24, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 24, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 24, Column D. Enter in Column E, the amount from Form CT-1120K, Part I-D, Line 24, Column E.

**Line 25** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 25, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 25, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 25, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 25, Column D. Enter in Column E, the amount from Form CT-1120K, Part I-D, Line 25, Column E.

**Line 26** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 26, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 26, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 26, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 26, Column D. Enter in Column E, the amount from Form CT-1120K, Part I-D, Line 26, Column E.

**Line 27** - Enter in Column A, the amount from Form CT-1120K, Part I-D, Line 27, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-D, Line 27, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 27, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 27, Column D. Enter in Column E, the amount from Form CT-1120K, Part I-D, Line 27, Column E.

**Line 28** - Enter in Column B, the amount from Form CT-1120K, Line 28, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-D, Line 28, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-D, Line 28, Column D. Enter in Column E, the amount from Form CT-1120K, Part I-D, Line 28, Column E.

**Line 29** - Total Part I-D. Add Lines 15 through 28 in Columns A through D. Enter the total in the spaces provided.

**Part I-E - Electronic Data Processing Equipment Property Tax Credit**

**Line 30** - Enter on *Schedule KC*, Part I-E, Line 30, Column A, the amount from Form CT-1120K, Part I-E, Line 30, Column A. Enter in Column B, the amount from Form CT-1120K, Part I-E, Line 30, Column B. Enter in Column C, the amount from Form CT-1120K, Part I-E, Line 30, Column C. Enter in Column D, the amount from Form CT-1120K, Part I-E, Line 30, Column D. Enter in Column E, the amount from Form CT-1120K, Part I-E, Line 30, Column E.

**Part II - Total Tax Credits Applied**

This section enables a corporation to apply its tax credits in the order required by Conn. Gen. Stat. §12-217aa. This section also allows for the limitation of the amount of tax credits otherwise allowable against the corporation business tax. Enter on *Schedule KC*, Part II, Lines 2, 4, 6, 8, and 10 the total amount of tax credits applied to the corporation business tax.

**Line 1** - Enter the amount from Form CT-1120CR, Part IV, Line 11.

**Line 2** - Enter the amount from *Schedule KC*, Part I-A, Line 1, Column A. Do not exceed the amount on Line 1.

**Line 3** - Enter the creditable corporation business tax balance. Subtract Line 2 from Line 1. Enter the result on Line 3.

**Line 4** - Enter the amount from *Schedule KC*, Part I-B, Line 5, Column A. Do not exceed the amount on Line 3.

**Line 5** - Enter the creditable corporation business tax balance. Subtract Line 4 from Line 3. Enter the result on Line 5.

**Line 6** - Enter the amount from *Schedule KC*, Part I-C, Line 14, Column A. Do not exceed the amount on Line 5.

**Line 7** - Enter the creditable corporation business tax balance. Subtract Line 6 from Line 5. Enter the result on Line 7.

**Line 8** - Enter the amount from *Schedule KC*, Part I-D, Line 29, Column C. Do not exceed the amount on Line 7.

**Line 9** - Enter the creditable corporation business tax balance. Subtract Line 8 from Line 7. Enter the result on Line 9.

**Line 10** - Enter the amount from *Schedule KC*, Part I-E, Line 30, Column C. Do not exceed amount on Line 9.

**Line 11** - Add Part II, Lines 2, 4, 6, 8, and 10. Enter the total here and on Form CT-1120CR, Part IV, *Computation of Amount Payable*, Line 12. Do not exceed amount on Line 1.

**Part III - Credit Reconciliation**

Enter on *Schedule KC*, Part III, Column A, the name of each corporation included in the combined return claiming a tax credit. Enter in Column B, the Connecticut Tax Registration Number of each corporation included in the combined return claiming a tax credit. Enter in Column C, the name of the tax credit claimed. Enter in Column D, the amount of tax credit applied.

# Form CT-1120CC

## Combined Return Consent

### Purpose

Use **Form CT-1120CC**, *Combined Return Consent*, to authorize and consent to be included in a Combined Corporation Business Tax Return or a Unitary Corporation Business Tax Return. The affiliated corporation named below authorizes its common parent corporation to include it in a combined return or a unitary return for the initial income year indicated. This election is irrevocable for the five succeeding income years.

### General Instructions

Complete and attach this form to **Form CT-1120CR**, *Combined Corporation Business Tax Return* or **Form CT-1120U**, *Unitary Corporation Business Tax Return*, for the initial income year in which each affiliated corporation consents to the election by the common parent corporation (or designated Connecticut parent) to file a Combined Corporation Business Tax Return or a Unitary Corporation Business Tax Return. When an election to file a combined return is made, each member of the combined or unitary group is jointly and severally liable for payment of the entire tax, including penalties and interest.

**For Income Year Beginning** \_\_\_\_\_, \_\_\_\_\_, **and Ending** \_\_\_\_\_, \_\_\_\_\_.

**Election to File:**     **Combined Return**         **Unitary Return**

### Common Parent Corporation (or Designated Connecticut Parent)

The common parent corporation (or designated Connecticut parent) named below elects to file a Combined Corporation Business Tax Return or a Unitary Corporation Business Tax Return for this income year. This election is irrevocable for the five succeeding income years.

|  |                                 |                                     |
|--|---------------------------------|-------------------------------------|
| Name of Common Parent Corporation (or Designated Connecticut Parent) |                                 | Connecticut Tax Registration Number |
| Name of Authorized Officer   | Signature of Authorized Officer | Federal Employer ID Number          |
| Title  |                                 | Date                                |

### Affiliated Corporation

The affiliated corporation named below consents to the election by the common parent corporation named above to file a Combined Corporation Business Tax Return or a Unitary Corporation Business Tax Return. This election is irrevocable for the five succeeding income years.

|  |                   |                                 |                                     |
|--|-------------------|---------------------------------|-------------------------------------|
| Name of Affiliate  |                   |                                 | Connecticut Tax Registration Number |
| Address (No., Street, City or Town, State, and ZIP Code) |                   |                                 | Federal Employer ID Number          |
| State of Incorporation                                   | Date Incorporated | Type of Business                | Current Status (Active/Inactive)    |
| Name of Authorized Officer                               |                   | Signature of Authorized Officer |                                     |
| Title  |                   |                                 | Date                                |

**ATTACH A SEPARATE CONSENT TO ELECTION FOR EACH AFFILIATE FOR THE INITIAL INCOME YEAR  
THE AFFILIATE ELECTS TO FILE A COMBINED CORPORATION BUSINESS TAX RETURN  
OR A UNITARY CORPORATION BUSINESS TAX RETURN.**

## Form CT-1120CC-R

### Revocation of Election and Consent to File Combined Corporation Business Tax Return

**Purpose**

Use **Form CT-1120CC-R**, *Revocation of Election and Consent to File Combined Corporation Business Tax Return*, to revoke a prior election to be included in a Combined Corporation Business Tax Return or a Unitary Corporation Business Tax Return.

**General Instructions**

Complete and attach this form to **Form CT-1120**, *Corporation Business Tax Return*, for the initial income year in which an affiliated corporation revokes its election to file a Combined Corporation Business Tax Return or a Unitary Corporation Business Tax Return.

**For Income Year Beginning** \_\_\_\_\_, \_\_\_\_\_, **and Ending** \_\_\_\_\_, \_\_\_\_\_.

**Common Parent Corporation (or Designated Connecticut Parent)**

The common parent corporation (or designated Connecticut parent) named below hereby revokes the election to file a Combined Corporation Business Tax Return or a Unitary Corporation Business Tax Return, which was submitted on behalf of itself and its Connecticut taxpayer affiliates for the **income year** \_\_\_\_\_. This revocation is irrevocable for the five succeeding income years.

|  |                                 |                                     |
|--|---------------------------------|-------------------------------------|
| Name of Common Parent Corporation (or Designated Connecticut Parent) |                                 | Connecticut Tax Registration Number |
| Name of Authorized Officer   | Signature of Authorized Officer | Federal Employer ID Number          |
| Title  |                                 | Date                                |

**Affiliated Corporation**

The affiliated corporation named below revokes its election to file a Combined Corporation Business Tax Return or a Unitary Corporation Business Tax Return with the common parent corporation (or designated Connecticut parent) named above. This revocation is irrevocable for the five succeeding income years.

|  |                   |                                 |                                     |
|--|-------------------|---------------------------------|-------------------------------------|
| Name of Affiliate  |                   |                                 | Connecticut Tax Registration Number |
| Address (No., Street, City or Town, State, and ZIP Code) |                   |                                 | Federal Employer ID Number          |
| State of Incorporation                                   | Date Incorporated | Type of Business                | Current Status (Active/Inactive)    |
| Name of Authorized Officer                               |                   | Signature of Authorized Officer |                                     |
| Title  |                   |                                 | Date                                |

**ATTACH A SEPARATE REVOCATION OF ELECTION TO THE CORPORATION BUSINESS TAX RETURN  
 OF THE COMMON PARENT CORPORATION (OR DESIGNATED CONNECTICUT PARENT)  
 FOR EACH AFFILIATE REVOKING ITS ELECTION.**

# Form CT-1120 TIC/EZ

(Rev. 12/05)

## Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone

| For Income Year                     |        |
|-------------------------------------|--------|
| Beginning                           | Ending |
| DECD Eligibility Certificate Number |        |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 TIC/EZ, Manufacturing Facility Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone**, to claim the credit for manufacturing facilities which is allowed under Conn. Gen. Stat. §12-217e against the corporation business tax. Attach it to **Form CT-1120K, Business Tax Credit Summary**.

### Eligibility

**50% Credit** - Taxpayers may qualify for a credit equal to 50% (.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 meets certain employment criteria and is located within a designated Enterprise Zone or other area designated as having Enterprise Zone level benefits. An Entertainment District, Enterprise Corridor Zone, Railroad Depot Zone, Contiguous Municipality Zone, Defense Plant Zone, Manufacturing Plant Zone, Qualified Manufacturing Plant Zone are areas having Enterprise Zone level benefits. A 50% credit is also available to businesses engaged in biotechnology, pharmaceutical, or photonics research and are located in a municipality that has a major research university with programs in biotechnology, pharmaceuticals, or photonics, and has an Enterprise Zone. To be eligible for a 50% credit, the corporation **must** obtain certification from the Department of Economic and Community Development (DECD) and establish 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 that were: (1) residents of such zone; or (2) residents of such municipality and eligible for training under the federal Job Training Partnership Act or any successor program.

**25% Credit** - Taxpayers may qualify for a credit equal to 25% (.25) of that portion of the Connecticut corporation business tax that is allocable to a manufacturing facility located in a Targeted Investment Community. Taxpayers with manufacturing facilities located in areas with Enterprise Zone level benefits that do not meet the employment criteria for the 50% credit qualify for this 25% credit. To be eligible for a 25% credit, the manufacturing facility **must** obtain certification from DECD.

The credit period is ten years and begins with the first full income year following the year of issuance of the eligibility certificate and continues for the following nine income years. The credit may be claimed for a maximum of ten years.

### Additional Information

See **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits**, or contact DECD, 505 Hudson Street, Hartford CT 06106, 860-270-8143.

Complete this form in blue or black ink only.

| Schedule A - Location Criteria for 50% Credit |   | Yes | No |  |
|---|---|-----|----|--|
| 1.  | Is the certified facility located within an area having Enterprise Zone level benefits?   |     |    | If <b>Yes</b> , go to <i>Schedule B</i> . If <b>No</b> , go to Question 2.   |
| 2.  | Is the certified facility an eligible entertainment related project or support business located within a municipality with an approved entertainment district?  |     |    | If <b>Yes</b> , go to <i>Schedule B</i> . If <b>No</b> , go to Question 3.   |
| 3.  | Is the business engaged in biotechnology, pharmaceutical, or photonics research and located in a municipality that has a major research university with programs in biotechnology, pharmaceuticals, or photonics, and has an Enterprise Zone? |     |    | If <b>Yes</b> , go to <i>Schedule B</i> . If <b>No</b> , the company is eligible only for a 25% credit. Enter 25% (.25) on <i>Schedule C</i> , Line 7. |

| Schedule B - Employment Criteria for 50% Credit |   |    |  |
|---|---|----|--|
| 1.  | Enter the average number of full-time employment positions at the manufacturing facility during the last quarter of the current income year.  | 1. |  |
| 2.  | Enter the number of full-time employees prior to beginning the initial hiring for the facility. (See instructions.)   | 2. |  |
| 3.  | Subtract Line 2 from Line 1, enter the result here. (If zero or less, the company is eligible only for the 25% credit. Enter 25% (.25) on <i>Schedule C</i> , Line 7.)  | 3. |  |
| 4.  | Multiply Line 3 by 30% (.30).   | 4. |  |
| 5.  | Enter the number of full-time employees who are residents of the Enterprise Zone, or are residents of the municipality or Enterprise Corridor Zone, and are eligible for training under the federal Job Training Partnership Act. | 5. |  |
| 6.  | If Line 5 is less than 150 and is less than the amount on Line 4, the company is eligible only for the 25% credit. Enter 25% (.25) here and on <i>Schedule C</i> , Line 7.  | 6. |  |
| 7.  | If Line 5 is 150 or greater or is greater than the amount on Line 4, the company is eligible for the 50% credit. Enter 50% (.50) here and on <i>Schedule C</i> , Line 7.  | 7. |  |

| Schedule C - 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<br><br>(Average Monthly Net Book Value)  | a. Depreciable assets   |                                    |   | For Line 1 and Line 2,<br>Divide Column A<br>By Column B.<br><br>(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. TAX (From Form CT-1120, Schedule C, Line 1)  |                                    |   | 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 has 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 tax from Form CT-1120, *Schedule C*, Line 1.

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

# Form CT-1120 RDC

## Research and Development Credit

# 2005

(Rev. 12/05)

|                            |   |
|----------------------------|---|
| For Income Year            | DECD Eligibility Certificate Number (If applicable) |
| Beginning 2005, and Ending |   |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

Complete **Form CT-1120 RDC**, *Research and Development Credit*, to claim the credit available under Conn. Gen. Stat. §12-217n against the Connecticut corporation business tax for research and development expenses paid or incurred during the income year for research and development conducted in Connecticut.

- All costs incident to the development of an experimental or pilot model, a plant process, a product, a formula, an invention, or similar property, and the improvement of already existing property of the type mentioned; **and**
- Costs of obtaining a patent, such as attorneys' fees expended in making and perfecting a patent application.

**Required Attachments**

**Form CT-1120 RDC** and a copy of the eligibility certificate, if applicable, **must** be attached to **Form CT-1120**, *Corporation Business Tax Return*, or **Form CT-1120CR**, *Combined Corporation Business Tax Return*, for each income year for which the credit is claimed.

**Qualified Small Business** is defined as a company that has gross income for the previous income year that does not exceed \$100 million and has not met the gross income test through transactions with a related person, as defined in Conn. Gen. Stat. §12-217w.

This form must also be accompanied by a detailed schedule that identifies the research and development expenditures as to the type, amount, and location in Connecticut where conducted.

**Tentative Credit Computation**

For a **qualified small business**, the tentative credit allowed for research and development expenses is equal to 6% (.06) of such expenses. Any company other than a qualified small business must use the tentative rate schedule below to determine the amount of the tentative credit.

**Definitions**

**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 §280C(c) thereof), and basic research payments as defined under I.R.C. §41, to the extent not deducted under I.R.C. §174. The expenditures must be paid or incurred by the taxpayer for research and development and basic research conducted in Connecticut. Overhead and other expenses, including general and administrative expenses that relate to a corporation's activities as a whole and not specifically to the research and development effort will not qualify. Qualifying expenditures may include, but are not limited to:

The amount of credit available to companies that have revenues in excess of \$3 billion, employing more than 2,500 employees, and headquartered in an Enterprise Zone shall be the tentative credit allowed or 3.5% (.035) of the total research and development expenses, whichever is greater. A company that pays or incurs research and development expenses in excess of \$200 million for the income year must obtain an eligibility certificate from the Department of Economic and Community Development (DECD) prior to claiming the credit.

- Expenditures incurred in connection with the taxpayer's trade or business that represent research and development costs in the experimental or laboratory sense;

**Additional Information**

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| <b>PART I - Tentative Research and Development Credit Computation</b> |   |     |                |
|---|---|-----|----------------|
| 1.  | Amount of Connecticut research and development expenditures for 2005 income year (Attach detailed schedule.)  | 1.  |                |
| 2.  | Amount of excess Connecticut research and experimental expenditures for 2005 income year pursuant to Conn. Gen. Stat. §12-217j (2005 <b>Form CT-1120RC</b> , Part I, Line 3)                    | 2.  |                |
| 3.  | Amount of excess grant expenditures to institutions of higher education in Connecticut for research and development pursuant to Conn. Gen. Stat. §12-217l (2005 <b>Form CT-1120GC</b> , Line 7) | 3.  |                |
| 4.  | Total excess expenditures (Add Line 2 and Line 3.)  | 4.  |                |
| 5.  | Net research and development expenditures for 2005 (Subtract Line 4 from Line 1.)   | 5.  |                |
| 6a.   | Qualified Small Businesses multiply amount on Line 5 by 6% (.06).   | 6a. | [Hatched Area] |
| 6b.   | Companies headquartered in an Enterprise Zone, with revenues in excess of \$3 billion, employing more than 2,500 employees, may elect to multiply amount on Line 5 by 3.5% (.035).              | 6b. |                |
| 6c.   | All other businesses determine amount from the <i>Tentative Credit Rate Schedule</i> , below.   | 6c. |                |
| 6.  | Tentative credit for 2005 (Enter the amount from Line 6a, 6b, or 6c.)   | 6.  |                |
| 7.  | Reduction of tentative credit for 2005 (Applicable if net research and development expenses exceed \$200 million and workforce is reduced.)   | 7.  |                |
| 8.  | <b>ALLOWABLE TENTATIVE CREDIT FOR 2005</b> (Subtract Line 7 from Line 6.)   | 8.  |                |

| <b>Tentative Credit Rate Schedule</b>                      |   |
|--|---|
| If Net Research and Development Expenditures (Line 5) 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 million      |
| more than \$100 million but not more than \$200 million    | \$1.5 million + 4% of amount over \$100 million |
| more than \$200 million                                    | \$5.5 million + 6% of amount over \$200 million |

**PART II - Research and Development Credit Computation**

|     |  |     |  |
|-----|--|-----|--|
| 1.  | Allowable tentative credit for 2005 (From Part I, Line 8)  | 1.  |  |
| 2.  | Multiply Line 1 by 33 $\frac{1}{3}$ % (.3333).   | 2.  |  |
| 3.  | Enter the 2005 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). | 3.  |  |
| 4.  | Multiply Line 3 by 50% (.50).  | 4.  |  |
| 5a. | Multiply Line 1 by two (2).  | 5a. |  |
| 5b. | Enter 90% (.90) of Line 3.   | 5b. |  |
| 5.  | Enter the lesser of Line 5a or Line 5b.  | 5.  |  |
| 6.  | Enter the greater of Line 4 or Line 5.   | 6.  |  |
| 7.  | <b>2005 RESEARCH AND DEVELOPMENT CREDIT</b> (Enter the lesser of Line 2 or Line 6 here and on <b>Form CT-1120K</b> , Part I-D, Line 20, Column B.)   | 7.  |  |

**Exchange of Tax Credit**

A taxpayer whose gross income does not exceed \$70 million and who cannot take the credit as a result of having no tax liability under the corporation business tax, may elect to carry 100% of the credit forward or may be eligible to exchange the credit with the State for a credit refund equal to 65% (.65) of its value. See Conn. Gen. Stat. §12-217ee, as amended. See **Form CT-1120 XCH**, *Application for Exchange of Research and Development or*

*Research and Experimental Expenditures Tax Credits by a Qualified Small Business*, for eligibility. Only tax credits earned in the current year and entitled to be claimed in the current year may be exchanged.

**Application Procedure**

Complete Form CT-1120 XCH and submit it with the original return (**Form CT-1120** or **Form CT-1120CR**). Form CT-1120 XCH is available on the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

**PART III - Computation of Carryforward**

|     | <b>A</b><br>Total Credit Earned  | <b>B</b><br>Credit Applied 1995 through 2004 | <b>C</b><br>Carryforward to 2005 (Subtract Column B from Column A.) | <b>D</b><br>Credit Applied in 2005 | <b>E</b><br>Credit Exchanged | <b>F</b><br>Carryforward to 2006 (See instructions below.) |
|-----|--|--|---|------------------------------------|------------------------------|--|
| 1.  | 1995 Form CT-1120 RDC, Part I, Line 4  |  |   |                                    |                              |  |
| 2.  | 1996 Form CT-1120 RDC, Part I, Line 1.   |  |   |                                    |                              |  |
| 3.  | 1997 Form CT-1120 RDC, Part I, Line 1.   |  |   |                                    |                              |  |
| 4.  | 1998 Form CT-1120 RDC, Part I, Line 8.   |  |   |                                    |                              |  |
| 5.  | 1999 Form CT-1120 RDC, Part I, Line 8.   |  |   |                                    |                              |  |
| 6.  | 2000 Form CT-1120 RDC, Part I, Line 8.   |  |   |                                    |                              |  |
| 7.  | 2001 Form CT-1120 RDC, Part I, Line 8.   |  |   |                                    |                              |  |
| 8.  | 2002 Form CT-1120 RDC, Part I, Line 8.   |  |   |                                    |                              |  |
| 9.  | 2003 Form CT-1120 RDC, Part I, Line 8.   |  |   |                                    |                              |  |
| 10. | 2004 Form CT-1120 RDC, Part I, Line 8.   |  |   |                                    |                              |  |
| 11. | 2005 Form CT-1120 RDC, Part I, Line 8.   |  |   |                                    |                              |  |
| 12. | <b>Total Research and Development Credit Carryforward to 2006</b> (Add Lines 1 through 11, Column F.)<br>Enter total here and on <b>Form CT-1120K</b> , Part I-D, Line 20, Column E. |  |   |                                    |                              |  |

**Computation of Carryforward Instructions**

**Lines 1 through 11, Columns A through D** - Enter the amount for each corresponding year.

**Lines 6 through 10, Column E** - Enter the actual amount of credit exchanged for each corresponding year.

**Line 11, Column E** - Enter the amount of credit to be exchanged for credit refund (From 2005 Form CT-1120 XCH, Part II, Line 2).

**Lines 1 through 5, Column F** - Subtract Lines 1 through 5, Column D from Lines 1 through 5, Column C. Enter the result on the appropriate lines.

**Lines 6 through 10, Column F** - Subtract Lines 6 through 10, Column D and Column E, from Lines 6 through 10, Column C. Enter the result on the appropriate lines.

**Line 11, Column F** - Subtract Line 11, Column D and Column E, from Line 11, Column A. Enter the result.

**Line 12** - Complete as indicated.

# Form CT-1120RC

# 2005

## Research and Experimental Expenditures Credit

(Rev. 12/05)

|                 |                  |
|-----------------|------------------|
| For Income Year |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120RC**, *Research and Experimental Expenditures Credit*, to claim the credit available under Conn. Gen. Stat. §12-217j equal to 20% (.20) of the incremental increase in research and experimental expenditures that are conducted in Connecticut. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

### Required Attachment

This form must be accompanied by a detailed schedule that identifies the location in Connecticut where the research and experimentation was conducted and the amounts spent directly on research and experimentation in the current income year and in the previous income year.

### Definitions

**Connecticut research and experimental expenditures** are those that may be deducted under §174 of the Internal Revenue Code of 1986 and related regulations. Only amounts spent directly on such research and experimental expenditures will be allowed. Overhead and other expenses, including general and administrative expenses, which relate to a corporation's activities as a whole and not specifically to the research and experimental effort will not qualify.

**Qualifying expenditures** include, but are not limited to:

- Expenditures incurred in connection with the taxpayer's trade or business that represent research and development costs in the experimental or laboratory sense;
- All costs incurred in the development of an experimental or pilot model, a plant process, a product, a formula, an invention, or similar property, and the improvement of already existing property of the type mentioned; **and**
- Costs of obtaining a patent, such as attorneys' fees expended in making and perfecting a patent application.

### Credit Computation

The credit is equal to **20%** (.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 previous income year.

### Additional Information

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| PART I - Credit Computation |   |    |  |
|-----------------------------|---|----|--|
| 1.                          | Amount of Connecticut research and experimental expenditures for the 2005 income year (Attach detailed schedule.) | 1. |  |
| 2.                          | Amount of Connecticut research and experimental expenditures for the 2004 income year (Attach detailed schedule.) | 2. |  |
| 3.                          | Balance (Subtract Line 2 from Line 1.) (If zero or less, the corporation is <b>not eligible</b> for this credit.) | 3. |  |
| 4.                          | <b>Tax Credit:</b> Multiply Line 3 by 20% (.20). Enter here and on Form CT-1120K, Part I-D, Line 19, Column B.    | 4. |  |



**Exchange of Tax Credit**

A taxpayer whose gross income does not exceed \$70 million and who cannot take the credit as a result of having no tax liability under the corporation business tax may elect to carry 100% of the credit forward or may be eligible to exchange the credit with the state for a credit refund equal to 65% of its value. See Conn. Gen. Stat. §12-217ee, as amended. See **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*, for eligibility. Only tax credits earned in the current year and entitled to be claimed in the current year may be exchanged.

**Application Procedure**

Complete Form CT-1120 XCH and submit it with the original return (**Form CT-1120**, *Corporation Business Tax Return* or **Form CT-1120CR**, *Combined Corporation Business Tax Return*). Form CT-1120 XCH is available on the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

**Carryforward Schedule**

For income years beginning on or after January 1, 1997, the 15-year carryforward is applicable to biotechnology (biotech) companies only. However, for income years beginning on or after January 1, 2000, the 15-year carryforward is applicable to all companies.

| <b>PART II - Computation of Carryforward</b>   |                                    |  |  |  |                                 |  |
|--|------------------------------------|--|--|--|---------------------------------|--|
|  | <b>A</b><br>Total Credit<br>Earned | <b>B</b><br>Credit Applied<br>1997 through<br>2004 | <b>C</b><br>Carryforward to<br>2005 (Subtract<br>Column B from<br>Column A.) | <b>D</b><br>Credit Applied<br>in<br>2005 | <b>E</b><br>Credit<br>Exchanged | <b>F</b><br>Carryforward to<br>2006 (See line<br>instructions<br>below.) |
| 1. <b>1997 Form CT-1120RC</b> ,<br>Line 4 (Biotech only)   |                                    |  |  |  |                                 |  |
| 2. <b>1998 Form CT-1120RC</b> ,<br>Line 4 (Biotech only)   |                                    |  |  |  |                                 |  |
| 3. <b>1999 Form CT-1120RC</b> ,<br>Line 4 (Biotech only)   |                                    |  |  |  |                                 |  |
| 4. <b>2000 Form CT-1120RC</b> ,<br>Line 4  |                                    |  |  |  |                                 |  |
| 5. <b>2001 Form CT-1120RC</b> ,<br>Line 4  |                                    |  |  |  |                                 |  |
| 6. <b>2002 Form CT-1120RC</b> ,<br>Line 4  |                                    |  |  |  |                                 |  |
| 7. <b>2003 Form CT-1120RC</b> ,<br>Line 4  |                                    |  |  |  |                                 |  |
| 8. <b>2004 Form CT-1120RC</b> ,<br>Line 4  |                                    |  |  |  |                                 |  |
| 9. <b>2005 Form CT-1120RC</b> ,<br>Line 4  |                                    |  |  |  |                                 |  |
| 10. <b>Total Research and Experimental Expenditures Credit Carryforward to 2006</b> (Add Lines 1 through 9, Column F.) Enter the total here and on <b>Form CT-1120K</b> , Part I-D, Line 19, Column E. |                                    |  |  |  |                                 |  |

| <b>Computation of Carryforward Instructions:</b>   |
|--|
| <b>Lines 1 through 9, Columns A through D</b> - Enter the amount for each corresponding year.  |
| <b>Lines 4 through 8, Column E</b> - Enter the actual amount of credit exchanged for each corresponding year.  |
| <b>Line 9, Column E</b> - Enter the amount of credit to be exchanged for credit refund (From 2005 <b>Form CT-1120 XCH</b> , Part II, Line 1).                        |
| <b>Lines 1 through 3, Column F</b> - Subtract Lines 1 through 3, Column D from Lines 1 through 3, Column C. Enter the result on the appropriate lines.               |
| <b>Lines 4 through 8, Column F</b> - Subtract Lines 4 through 8, Column D and Column E, from Lines 4 through 8, Column C. Enter the result on the appropriate lines. |
| <b>Line 9, Column F</b> - Subtract Line 9, Column D and Column E, from Line 9, Column A. Enter the result here.  |
| <b>Line 10</b> - Complete as indicated.  |

**Form CT-1120 EDPC**  
**Electronic Data Processing Equipment**  
**Property Tax Credit**

|                 |                  |
|-----------------|------------------|
| FOR INCOME YEAR |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

Complete **Form CT-1120 EDPC**, *Electronic Data Processing Equipment Property Tax Credit*, to claim the credit available under Conn. Gen. Stat. §12-217t, for personal property taxes paid on electronic data processing equipment to a Connecticut municipality during the income year. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*; **Form CT-990T**, *Unrelated Business Income Tax Return*; **Form CT-207**, *Insurance Premiums Tax Return Domestic Companies*; or **Form CT-207F**, *Insurance Premiums Tax Return Nonresident and Foreign Companies*, whichever is applicable.

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 lessor must attach the written election to the tax return.

**Credit Computation**

The electronic data processing property tax credit is allowed only after the application of all other tax credits. The allowable credit is applied first against the corporation business tax and then may be applied against the taxes administered under Chapters 207, 208a, 209, 210, 211, or 212 of the Connecticut General Statutes. Any remaining credit balance that exceeds the credit applied may be carried forward to five succeeding income years.

**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 I.R.C. §168, and any other equipment reported as 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.

**Additional Information**

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

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

Complete this form in blue or black ink only.

|  |  |  |
|--|--|--|
| <b>PART I – Allowable Electronic Data Processing Equipment Property Tax Credit</b>   |  |  |
| Enter the amount of personal property taxes paid or incurred on electronic data processing equipment in <b>2005</b> from the October 1, 2004 grand list. Enter here and on <b>Form CT-1120K</b> , Part I-E, Line 30, Column B. |  |  |

|  |                                 |   |   |                                       |  |
|--|---------------------------------|---|---|---------------------------------------|--|
| <b>PART II – Computation of Carryforward - Credit may be carried forward to the five succeeding income years.</b>  |                                 |   |   |                                       |  |
|  | <b>A</b><br>Total Credit Earned | <b>B</b><br>Credit Applied<br>2000 through 2004 | <b>C</b><br>Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | <b>D</b><br>Credit Applied<br>to 2005 | <b>E</b><br>Carryforward to 2006<br>(See instructions<br>below.) |
| 1. <b>2000 Form CT-1120 EDPC</b> ,<br>Part I.  |                                 |   |   |                                       |  |
| 2. <b>2001 Form CT-1120 EDPC</b> ,<br>Part I.  |                                 |   |   |                                       |  |
| 3. <b>2002 Form CT-1120 EDPC</b> ,<br>Part I.  |                                 |   |   |                                       |  |
| 4. <b>2003 Form CT-1120 EDPC</b> ,<br>Part I.  |                                 |   |   |                                       |  |
| 5. <b>2004 Form CT-1120 EDPC</b> ,<br>Part I.  |                                 |   |   |                                       |  |
| 6. <b>2005 Form CT-1120 EDPC</b> ,<br>Part I, above.   |                                 |   |   |                                       |  |
| 7. <b>Total Electronic Data Processing Equipment Property Tax Credit applied to 2005</b><br>(Add Lines 1 through 6, Column D.) <b>Form CT-990T filers only</b> , enter here and on <b>Form CT-990T</b> ,<br><i>Computation of Amount Payable</i> , Line 4. |                                 |   |   |                                       |  |
| 8. <b>Total Electronic Data Processing Equipment Property Tax Credit Carryforward to 2006</b><br>(Add Lines 2 through 6, Column E.) Enter here and on <b>Form CT-1120K</b> , Part I-E, Line 30, Column E.  |                                 |   |   |                                       |  |

|  |
|--|
| <b>Computation of Carryforward Instructions</b>  |
| <b>Lines 1 through 6, Columns A through D</b> - Complete as indicated.   |
| <b>Lines 2 through 5, Column E</b> - Subtract Column D from Column C, and enter the result on the appropriate lines. |
| <b>Line 6, Column E</b> - Subtract Column D from Column A, and enter the result.                                     |
| <b>Lines 7 and 8</b> - Complete as indicated.  |

**Research and Development Credit for Grants  
to Institutions of Higher Education**

(Rev. 12/05)

|                 |                  |
|-----------------|------------------|
| For Income Year |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

Complete **Form CT-1120GC**, *Research and Development Credit for Grants to Institutions of Higher Education*, to claim the credit available under Conn. Gen. Stat. §12-217l based on the incremental increase in the amount a corporation spends in Connecticut for any grant or combination of grants to any institution of higher education in Connecticut. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

**Credit Computation**

The credit equals **25%** (.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.

If this credit is claimed, the taxpayer shall reduce the amount of research and development expenses that otherwise may be taken into account in computing the allowable credit under Conn. Gen. Stat. §12-217n. See *Conn. Gen. Stat. §12-217n(h)*.

**Required Attachment**

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.

**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.
- **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.
- An **institution of higher education** means an educational institution in Connecticut that grants degrees beyond the high school level and is described in, and is exempt from, taxation under I.R.C. §501(c)(3), or exempt from taxation as a governmental unit.

**Additional Information**

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| <b>Credit Computation</b> |   |    |  |
|---------------------------|---|----|--|
| 1.                        | Amount of research and development grants to institutions of higher education in Connecticut for the 2002 income year (Attach detailed schedule.) | 1. |  |
| 2.                        | Amount of research and development grants to institutions of higher education in Connecticut for the 2003 income year (Attach detailed schedule.) | 2. |  |
| 3.                        | Amount of research and development grants to institutions of higher education in Connecticut for the 2004 income year (Attach detailed schedule.) | 3. |  |
| 4.                        | Add Lines 1, 2, and 3.  | 4. |  |
| 5.                        | Divide Line 4 by three (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 2005 income year (Attach detailed schedule.) | 6. |  |
| 7.                        | Balance (Subtract Line 5 from Line 6.)<br>(If zero or less, the corporation is <b>not</b> eligible for this credit.)                              | 7. |  |
| 8.                        | <b>TAX CREDIT:</b> Multiply Line 7 by 25% (.25).<br>Enter here and on <b>Form CT-1120K</b> , Part I-C, Line 9, Column A.                          | 8. |  |

# Form CT-1120 MEC

# 2005

(Rev. 12/05)

## Machinery and Equipment Expenditures Credit

|                 |                  |
|-----------------|------------------|
| For Income Year |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 MEC, Machinery and Equipment Expenditures Credit**, to claim the credit available under Conn. Gen. Stat. §12-217o for the incremental increase in the amount spent by a corporation on machinery and equipment. Attach it to **Form CT-1120K, Business Tax Credit Summary**.

### Definitions

- **Qualifying expenditures** are any expenditures that fall within the definition of machinery and equipment acquired for and installed in a facility in Connecticut.
- **Machinery** is the basic machine itself, including all of its component parts such as belts, pulleys, shafts, moving parts, operating structures, replacement and repair parts, whether purchased separately or in conjunction with a complete machine and regardless of whether the machine or component parts are assembled by the taxpayer or another related party; and all equipment or devices used or required to control, regulate, or operate the machinery, including, without limitation, computers and data processing equipment. Furniture and fixtures, automobiles, or other property used for transportation are not machinery.
- **Equipment** is a device separate from machinery but essential to the business. Repair and replacement parts for equipment also qualify for the credit under the same terms as provided for parts purchased for machinery. Furniture and fixtures, automobiles, construction equipment, or other property used for transportation are not equipment.

- **Facility** means any plant, building, or other real property improvement used by the corporation in its trade or business.
- A **full-time, permanent employee** is an employee whose wages, salaries or other compensation is paid in Connecticut and whose employment requires an average of 35 hours or more of service each week for at least eight consecutive weeks.

### Machinery and Equipment Expenditures Credit Percentages

In the case of a corporation that has not more than 250 full-time permanent employees in Connecticut, the credit is equal to **10%** (.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 between 251 and 800 full-time permanent employees in Connecticut, the credit is equal to **5%** (.05) 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.

### Additional Information

See **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits**, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| Credit Computation |  |    |  |
|--------------------|--|----|--|
| 1.                 | Amount of Connecticut machinery and equipment expenditures incurred during the 2005 income year (Attach schedule.)   | 1. |  |
| 2.                 | Amount of any Connecticut expenditures incurred during the prior income year that fall within the definition of machinery and equipment (Attach schedule.) | 2. |  |
| 3.                 | Balance (Subtract Line 2 from Line 1. If zero or less, the corporation is <b>not</b> eligible for this credit.)  | 3. |  |
| 4.                 | Enter the number of full-time permanent employees for 2005.  | 4. |  |
| 4a.                | If Line 4 is 250 or fewer, enter 10% (.10) on Line 5.  |    |  |
| 4b.                | If Line 4 is at least 251, but not more than 800, enter 5% (.05) on Line 5.  |    |  |
| 5.                 | Enter the applicable percentage (5% or 10%) from Line 4a or Line 4b.   | 5. |  |
| 6.                 | <b>Tax credit</b> (Multiply Line 3 by Line 5.) Enter here and on <b>Form CT-1120K</b> , Part I-C, Line 10, Column A.                                       | 6. |  |



**Form CT-1120 HIC**  
**Hiring Incentive Tax Credit**

**2005**

| FOR INCOME YEAR |                  |
|-----------------|------------------|
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

Complete **Form CT-1120 HIC, Hiring Incentive Tax Credit**, to claim the credit available under Conn. Gen. Stat. §12-217y for hiring a **qualifying employee**. Attach it to **Form CT-1120K, Business Tax Credit Summary**.

training program approved by the Commissioner of the Connecticut Department of Labor (CTDOL), in calculating the number of hours the employee works.

**Definitions**

A **qualifying employee** is any employee who, upon the initial hiring of such employee, is employed not less than 30 hours per week for a full calendar month by the same business firm and who, at the time of being hired, is and has been receiving benefits from the temporary family assistance program for more than nine consecutive months immediately preceding the date of employment. (Conn. Agencies Regs. §12-217y-1(9)). Include the number of hours per week an employee participates in a job

**Credit Computation**

Multiply the number of full calendar months worked by **qualifying employees** during the income year by \$125 to determine the amount of credit.

**Additional Information**

Contact CTDOL, Program Support Unit, 200 Folly Brook Boulevard, Wethersfield CT 06109-1114, 860-263-6030, or see **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits**.

Complete this form in blue or black ink only.

| <b>PART I - Credit Computation</b> (If additional lines are needed, attach a worksheet.) |  |              |   |                              |
|--|--|--------------|---|------------------------------|
| <b>A</b>   | <b>B</b>   | <b>C</b>     | <b>D</b>                                | <b>E</b>                     |
| Qualifying Employee Name   | Employee Social Security Number  | Date of Hire | Number of Full Calendar Months Employed | Column D Multiplied by \$125 |
| 1.   |  |              |   |                              |
| 2.   |  |              |   |                              |
| 3.   |  |              |   |                              |
| 4.   |  |              |   |                              |
| 5.   |  |              |   |                              |
| 6.   |  |              |   |                              |
| 7.   |  |              |   |                              |
| 8.   |  |              |   |                              |
| 9.   |  |              |   |                              |
| 10.  |  |              |   |                              |
| 11.  | <b>Tax Credit:</b> Add Lines 1 through 10, Column E. Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 17, Column B. |              |   |                              |

**PART II - Computation of Carryforward** - Credit may be carried forward to five succeeding income years

|    |   | <b>A</b><br>Total Credit Earned | <b>B</b><br>Credit Applied<br>1999 through 2003 | <b>C</b><br>Carryforward to 2004<br>(Subtract Column B<br>from Column A) | <b>D</b><br>Credit Applied<br>to<br>2004 | <b>E</b><br>Carryforward to 2005<br>(See instructions<br>below) |
|----|---|---------------------------------|---|--|--|---|
| 1. | 1999 Form CT-1120 OC,<br>Line 11  |                                 |   |  |  |   |
| 2. | 2000 Form CT-1120 OC,<br>Line 11  |                                 |   |  |  |   |
| 3. | 2001 Form CT-1120 OC,<br>Line 11  |                                 |   |  |  |   |
| 4. | 2002 Form CT-1120 HIC,<br>Line 11   |                                 |   |  |  |   |
| 5. | 2003 Form CT-1120 HIC,<br>Line 11   |                                 |   |  |  |   |
| 6. | 2004 Form CT-1120 HIC,<br>Line 11   |                                 |   |  |  |   |
| 7. | <b>Total Hiring Incentive Tax Credit Carryforward to 2005</b> (Add Lines 2 through 6 in Column E.<br>Enter total here and on Form CT-1120K, Part I-D, Line 16, Column E.) |                                 |   |  |  |   |

**Computation of Carryforward Instructions:**

Lines 1 through 6, Columns A through D - Complete as indicated.

Lines 2 through 5, Column E - Subtract Lines 2 through 5, Column D from Lines 2 through 5, Column C. Enter the result on the appropriate lines.

Line 6, Column E - Subtract Column D from Column A. Enter the result here.

Line 7- Complete as indicated.

# Form CT-1120 FCIC

## Fixed Capital Investment Credit

# 2005

|                 |                  |
|-----------------|------------------|
| FOR INCOME YEAR |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 FCIC**, *Fixed Capital Investment Credit*, to claim the credit allowed under Conn. Gen. Stat. §12-217w. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

### Required Attachment

This form must be accompanied by a detailed schedule that identifies the fixed capital acquired; date of acquisition; cost of the fixed capital; location where the fixed capital is used in Connecticut; and from whom the fixed capital was acquired.

Expenditures claimed for this credit cannot be claimed in connection with any other corporation business tax credit.

### Definitions

**Fixed capital** is defined as tangible personal property that:

- Has a class life of more than four years, as described under I.R.C. §168(e);
- Is purchased from a person other than a related person;
- Is not acquired to be leased, and is not leased, to another person during the 12 months following its acquisition; **and**
- Will be held and used in Connecticut by a corporation in the ordinary course of the corporation's trade or business in Connecticut for not less than five full years following its acquisition.

Fixed capital **does not** include inventory, land, buildings or structures, or **mobile transportation property**.

**Mobile transportation property** is considered to be any transport equipment designed to move or convey people or property from one place to another, including, but not limited to: trucks; buses; forklifts; snowplows; or certain construction equipment such as backhoes, bulldozers, cement mixers, and loaders.

### Recapture Provision

- If the fixed capital on account of which a corporation claimed the 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 will be required to recapture 100% of the amount of the credit allowed on its corporation business tax return required to be filed for the income year immediately succeeding the income year during which the three-year period expires.
- If the fixed capital on account of which a corporation claimed the 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% (.50) of the amount of the credit allowed on its corporation business tax return required to be filed for the income year immediately succeeding the income year during which the five-year period expires.
- The recapture provisions do not apply if the property that is the subject of the tax credit is replaced.

### Additional Information

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| <b>PART I - Credit Computation</b> |   |    |  |
|------------------------------------|---|----|--|
| 1.                                 | Fixed capital investment expenditures made during the income year (Attach detailed schedule.)                         | 1. |  |
| 2.                                 | Enter fixed capital expenditures from Line 1 that were applied against any other corporation business tax credit.     | 2. |  |
| 3.                                 | Subtract Line 2 from Line 1 and enter the result here.  | 3. |  |
| 4.                                 | <b>Tax Credit:</b> Multiply Line 3 by 5% (.05). Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 21, Column B. | 4. |  |



**PART II - Computation of Carryforward** - Credit may be carried forward to five succeeding income years.

|    |  | <b>A</b><br>Total Credit Earned | <b>B</b><br>Credit Applied<br>2000 through 2004 | <b>C</b><br>Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | <b>D</b><br>Credit Applied<br>to 2005 | <b>E</b><br>Carryforward to 2006<br>(See instructions<br>below.) |
|----|--|---------------------------------|---|---|---------------------------------------|--|
| 1. | 2000 Form CT-1120 FCIC,<br>Line 4  |                                 |   |   |                                       |  |
| 2. | 2001 Form CT-1120 FCIC,<br>Part I, Line 4  |                                 |   |   |                                       |  |
| 3. | 2002 Form CT-1120 FCIC,<br>Part I, Line 4  |                                 |   |   |                                       |  |
| 4. | 2003 Form CT-1120 FCIC,<br>Part I, Line 4  |                                 |   |   |                                       |  |
| 5. | 2004 Form CT-1120 FCIC,<br>Part I, Line 4  |                                 |   |   |                                       |  |
| 6. | 2005 Form CT-1120 FCIC,<br>Part I, Line 4  |                                 |   |   |                                       |  |
| 7. | <b>Total Fixed Capital Investment Credit Carryforward to 2006</b> (Add Lines 2 through 6, Column E.) Enter total here and on Form CT-1120K, Part I-D, Line 21, Column E. |                                 |   |   |                                       |  |

**Computation of Carryforward Instructions:**

**Lines 1 through 6, Columns A through D** - Complete as indicated.

**Lines 2 through 5, Column E** - Subtract Lines 2 through 5, Column D from Lines 2 through 5, Column C. Enter the result on the appropriate lines.

**Line 6, Column E** - Subtract Line 6, Column D from Line 6, Column A. Enter the result.

**Line 7** - Complete as indicated.

**PART III - Computation of Recapture**

|    |   |    |  |  |
|----|---|----|--|--|
| 1. | Enter the amount of fixed capital investment credit from income year 1999 and 2000 required to be recaptured. (Attach detailed schedule.) | 1. |  |  |
| 2. | Multiply Line 1 by 50% (.50).   | 2. |  |  |
| 3. | Enter the amount of fixed capital investment credit from income year 2001 required to be recaptured. (Attach detailed schedule.)          | 3. |  |  |
| 4. | Enter the amount of fixed capital investment credit from income years 2002 through 2004 to be recaptured. (Attach detailed schedule.)     | 4. |  |  |
| 5. | Total Recapture Amount (Add Lines 2 through 4.) Enter total here and on Form CT-1120, Schedule C, Line 1c.                                | 5. |  |  |

**Computation of Recapture Instructions:**

The corporation is required to recapture 100% of the credit allowed if the fixed capital, for which the credit was claimed or its replacement, 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 50% of the credit allowed if the fixed capital, for which the credit was claimed or its replacement, 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.

Recapture is required in the income year following the income year during which such three-year or five-year period expires. Fixed capital investment credits claimed in income year 2000 are therefore subject to the 50% recapture in income year 2006. Corporations electing to recapture these credits earlier than required may enter these amounts on Line 1.

Fixed capital investment credits claimed in income year 2001 are subject to full recapture in income year 2005.

Fixed capital investment credits taken in subsequent income years are not required to be recaptured in income year 2005. Corporations electing to recapture these credits earlier than required may enter these amounts on Line 4.

# Form CT-1120 HCIC

## Human Capital Investment Credit

# 2005

|                 |                  |
|-----------------|------------------|
| FOR INCOME YEAR |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

Complete **Form CT-1120 HCIC, Human Capital Investment Credit**, to claim the credit available under Conn. Gen. Stat. §12-217x. Attach it to **Form CT-1120K, Business Tax Credit Summary**.

**Required Attachments**

This form must be accompanied by a detailed schedule that identifies the dates, locations, and descriptions of the training programs, and the expenditures for each program. All other requested schedules must also be attached.

**Definitions**

- **Human Capital Investment** means the amount paid or incurred by a corporation on: In-state job training of persons employed in Connecticut; Work education programs in Connecticut including but not limited to programs in public high schools and work education-diversified occupation programs; In-state training and education of persons employed in Connecticut provided by institutions of higher learning in Connecticut; Donations or capital contributions to institutions of higher learning in Connecticut for technical improvements, including physical plant improvements; planning, site preparation, construction, renovation, or acquisition of facilities in Connecticut for the purpose of

establishing a day care facility in Connecticut; child care subsidies paid to employees employed in Connecticut; and contributions made to the Individual Development Account Reserve Fund as defined in Conn. Gen. Stat. §31-51ww.

- **Training** is the instruction, maintenance, or improvement of the skills required by the employer for the proper performance of the employee's duties that are conducted in Connecticut.
- **Work education programs** include, but are not limited, to programs in public high schools and work education-diversified occupation programs.
- **Expenditures** are those amounts paid or incurred for the income year.

**Additional Information**

See **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits**, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Expenditures claimed for this credit cannot be claimed in connection with any other corporation business tax credit.

Complete this form in blue or black ink only.

| <b>PART I - Credit Computation</b> |  |     |  |  |  |  |
|------------------------------------|--|-----|--|--|--|--|
| 1.                                 | Expenditures for in-state job training of employees employed in Connecticut. (Attach detailed schedule.)   | 1.  |  |  |  |  |
| 2.                                 | Expenditures for work education programs in Connecticut. (Attach detailed schedule.)   | 2.  |  |  |  |  |
| 3.                                 | Expenditures for in-state training and education of persons employed in Connecticut provided by institutions of higher learning in Connecticut. (Attach detailed schedule.)  | 3.  |  |  |  |  |
| 4a.                                | Donations or capital contributions to institutions of higher learning in Connecticut. (Attach a schedule listing the names of the institutions and the amounts of donations.)  | 4a. |  |  |  |  |
| 4b.                                | Enter the amount from <b>Form CT-1120GC, Tax Credit for Research and Development Grants to Institutions of Higher Education</b> , Line 7.  | 4b. |  |  |  |  |
| 4.                                 | Subtract Line 4b from Line 4a and enter the result here.   | 4.  |  |  |  |  |
| 5.                                 | Expenditures for planning, site preparation, construction, renovation, or acquisition of facilities in Connecticut for the purpose of establishing a day care facility in Connecticut. (Complete Part II.)   | 5.  |  |  |  |  |
| 6.                                 | Expenditures for child care subsidies paid to employees employed in Connecticut. (Attach a schedule listing the name, address, and Social Security Number of each employee who received a subsidy, the amount of the subsidy, and the name, address, and Taxpayer Identification Number of the child care provider.) | 6.  |  |  |  |  |
| 7.                                 | Contributions made to the Individual Development Account Reserve Fund. (Attach detailed schedule.)   | 7.  |  |  |  |  |
| 8.                                 | Total Human Capital Investment Expenditures. (Add Lines 1 through 7.)  | 8.  |  |  |  |  |
| 9.                                 | <b>TAX CREDIT:</b> Multiply Line 8 by 5% (.05). Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 22, Column B.  | 9.  |  |  |  |  |

| <b>PART II - Capital Expenditures for Child Day Care Facilities</b> |   |     |  |  |
|---|---|-----|--|--|
| 1.  | Land acquisition  | 1.  |  |  |
| 2.  | Site development  | 2.  |  |  |
| 3.  | Acquisition of building   | 3.  |  |  |
| 4.  | Planning  | 4.  |  |  |
| 5.  | Construction  | 5.  |  |  |
| 6.  | Construction supervision  | 6.  |  |  |
| 7.  | Building renovations  | 7.  |  |  |
| 8.  | Equipment   | 8.  |  |  |
| 9.  | Other (specify)   | 9.  |  |  |
| 10.   | <b>Total</b> (Add Lines 1 through 9. Enter here and on Part I, Line 5.) | 10. |  |  |

| <b>PART III - Computation of Carryforward - Credit may be carried forward to five succeeding income years.</b> |   |   |   |                                       |   |
|--|---|---|---|---------------------------------------|---|
|  | <b>A</b><br>Total Credit Earned   | <b>B</b><br>Credit Applied<br>2000 through 2004 | <b>C</b><br>Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | <b>D</b><br>Credit Applied<br>to 2005 | <b>E</b><br>Carryforward to 2006<br>(See instructions below.) |
| 1.   | 2000 Form CT-1120 HCIC,<br>Part I, Line 8   |   |   |                                       |   |
| 2.   | 2001 Form CT-1120 HCIC,<br>Part I, Line 9   |   |   |                                       |   |
| 3.   | 2002 Form CT-1120 HCIC,<br>Part I, Line 9   |   |   |                                       |   |
| 4.   | 2003 Form CT-1120 HCIC,<br>Part I, Line 9   |   |   |                                       |   |
| 5.   | 2004 Form CT-1120 HCIC,<br>Part I, Line 9   |   |   |                                       |   |
| 6.   | 2005 Form CT-1120 HCIC,<br>Part I, Line 9   |   |   |                                       |   |
| 7.   | <b>Total Human Capital Investment Credit Carryforward to 2006</b> (Add Lines 2 through 6, Column E.)<br>Enter here and on Form CT-1120K, Part I-D, Line 22, Column E. |   |   |                                       |   |

**Computation of Carryforward Instructions**

**Lines 1 through 6, Columns A through D** - Complete as indicated.

**Lines 2 through 5, Column E** - Subtract Lines 2 through 5, Column D, from Lines 2 through 5, Column C. Enter the result on the appropriate lines.

**Line 6, Column E** - Subtract Line 6, Column D, from Line 6, Column A. Enter the result.

**Line 7** - Complete as indicated.

# Form CT-1120 DEWC

## Tax Credit for Displaced Workers Hired by Electric Suppliers

(Rev. 12/05)

|                 |                  |
|-----------------|------------------|
| For Income Year |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 DEWC, Tax Credit for Displaced Workers Hired by Electric Suppliers**, to claim a credit available to **electric suppliers** that hire a **displaced worker** for a minimum period of six months of full-time employment. Attach it to **Form CT-1120K, Business Tax Credit Summary**.

### Credit Computation

The credit amount available to each electric supplier equals \$1,500 for each displaced worker and is only allowed in the income year in which the displaced worker first completes six full months of full-time employment (Conn. Gen. Stat. §12-217bb).

**NOTE:** Electric suppliers can only claim credits once for each displaced worker that is hired.

### Required Attachment

This form must be accompanied by a detailed schedule identifying employee name, job title and description, name and address of previous employer, and date of hire.

### Definitions

- **Displaced Worker** means any Connecticut employee, other than an officer or a director, of an electric company, as defined in Conn. Gen. Stat. §16-1, or a generation entity or affiliate, who has been terminated as a direct result of the restructuring of the electric industry.
- **Electric Supplier** means a facility that provides electric generation services, as defined in Conn. Gen. Stat. §16-1.

### Additional Information

See **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits**, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| Credit Computation |  |    |            |
|--------------------|--|----|------------|
| 1.                 | Total number of displaced workers hired that have completed at least six months of full-time employment (Attach detailed schedule.)      | 1. |            |
| 2.                 | Amount of credit available per displaced worker  | 2. | \$1,500.00 |
| 3.                 | <b>TOTAL TAX CREDIT</b> (Multiply Line 1 by Line 2.)<br>Enter the result here and on <b>Form CT-1120K</b> , Part I-C, Line 12, Column A. | 3. | .00        |

# Form CT-CDC

(Rev. 12/05)

## Computer Donation Credit Application

### Purpose

Complete **Form CT-CDC**, *Computer Donation Credit Application*, to apply for the Computer Donation Credit available under Conn. Gen. Stat. §10-228b.

### Credit Information

A business tax credit is available to be applied against any tax due under the provisions of Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes for the donation of new or used computers, not more than two years old at the time of donation, to a local or regional board of education or a public school.

The amount of the credit shall not exceed 50% (.50) of the fair market value of the new or used computers at the time of donation. The amount of the credit granted to any business firm cannot exceed \$75,000 annually.

The total amount of tax credit allowed to all business firms is limited to \$1 million in any one fiscal year. DRS will provide written approval or disapproval of the credit within 30 days of receipt of this application. A copy of the approval letter **must** be attached to the business firm's tax return in order to claim the credit.

A completed **Form CT-CDC** must be submitted to the Department of Revenue Services (DRS), 25 Sigourney Street, Hartford CT 06106, Attention: Research Unit. A faxed **Form CT-CDC** will **not** be accepted.

### Required Attachments

To qualify for the credit, the following must be attached to this form:

- Documentation of the fair market value of the donated equipment;
- A copy of the written agreement between the business firm and the board of education or public school accepting the computers, acknowledging that the computers are in good working condition, and requiring the business firm to install, set up, and provide training to the school staff on such equipment; **and**
- A detailed schedule that includes **all** of the following information: the date of the donation; the age of all equipment donated; the quantity of equipment donated; and the original cost of the equipment donated.

### Additional Information

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact DRS Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

|   |                                  |  |
|---|----------------------------------|--|
| <b>PART I</b>   | <b>Business Firm Information</b> |  |
| Name of Business Firm                                     |                                  | Telephone Number<br>(    )                           |
| Address   |                                  |  |
| Federal Employer ID Number                                |                                  | Connecticut Tax Registration Number                  |
| Name and Title of Contact Person                          |                                  |  |
| Name and Title of Authorized Business Firm Representative |                                  | Signature of Authorized Business Firm Representative |
| <b>PART II</b>  | <b>Recipient Information</b>     |  |
| Name of Board of Education or Public School               |                                  | Telephone Number<br>(    )                           |
| Address   |                                  |  |
| Name and Title of Contact Person                          |                                  |  |

**PART III Equipment Information**

Brief Description of Equipment

Original Equipment Cost

Fair Market Value

**PART IV Training Information**

Brief Description of Training to be Provided to School Staff (Include dates)

(Rev. 12/05)

**Application for Exchange of Research and Development or  
Research and Experimental Expenditures Tax Credits  
by a Qualified Small Business**

|                 |        |
|-----------------|--------|
| For Income Year |        |
| Beginning       | Ending |
| 2005            |        |

|              |                                     |
|--------------|-------------------------------------|
| Company Name | Connecticut Tax Registration Number |
|--------------|-------------------------------------|

**Purpose**

Complete this form in order to exchange with the State of Connecticut any tax credit under Conn. Gen. Stat. §§12-217j or 12-217n for a credit refund equal to 65% (.65) of the value of the credit. A taxpayer may receive not more than \$1.5 million in any one income year. See Conn. Gen. Stat. §12-217ee.

This form must be attached to **Form CT-1120**, *Corporation Business Tax Return*, or **Form CT-1120CR**, *Combined Corporation Business Tax Return*, on or before the due date or, if applicable, the extended due date of such year's return. No application for refund of the tax credit may be made after the due date or extended due date of such return.

**Eligibility**

In order to be eligible for a credit refund, a taxpayer must have no corporation business tax liability. For purposes of this tax credit refund, payment of a capital base tax under Conn. Gen. Stat. §12-219 in a year that the taxpayer reports no net income as defined in Conn. Gen. Stat. §12-213, or payment of the \$250 minimum tax under Conn. Gen. Stat. §§12-219 or 12-223C, shall not be considered a liability.

Check the appropriate box on **Form CT-1120** or **Form CT-1120CR** and attach this form and **Form CT-1120RC**, *Research and Experimental Expenditures Credit*, or **Form CT-1120 RDC**, *Research and Development Credit*, to the original return for the above income year. This form must be completed in its entirety. All supporting documentation must be attached or this form will be considered incomplete and returned to the applicant.

**Definitions**

**Qualified Small Business** means a company that has gross income for the previous income year that does not exceed \$70 million and has not met this test through transactions with a related person. *Conn. Gen. Stat. §12-217ee(d)*.

**Gross Income** means gross income as defined by the Internal Revenue Code including any interest or exempt interest dividends, but not including dividends received by a domestic United States corporation from a foreign corporation on account of foreign taxes deemed paid when the domestic corporation elects the foreign tax credit or dividends received directly or indirectly from a passive investment company. *Conn. Gen. Stat. §12-213(a)(9)(A)-(C)*.

**Related Person** means a corporation, partnership, association, or trust controlled by such corporation; an individual, corporation, partnership, association, or trust that is in control of such corporation; a corporation, partnership, association, or trust controlled by an individual, corporation, partnership, association, or trust that is in control of such corporation; or a member of the same controlled group as such corporation. *Conn. Gen. Stat. §12-217w*.

**Additional Information**

Contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| PART I - Eligibility Criteria |   |                              |                             |
|-------------------------------|---|------------------------------|-----------------------------|
| 1.                            | Does the company report no net income but pay the minimum tax or the minimum tax on capital on Form CT-1120, <i>Schedule C</i> , Line 1a? If <b>Yes</b> , the company may be eligible to obtain a tax credit refund.  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2.                            | Did the company engage in transactions with related persons during the 2005 income year? If <b>Yes</b> , identify the related persons, their gross incomes, their relationship to the company, and provide an organizational chart of related persons in which the company is a member. Also attach a separate schedule describing each of the company's transactions with these related persons during the 2005 income year, the gross income of the company derived from each of these transactions, and the dates of these transactions.           | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3.                            | Enter the total gross income of the company for the previous income year from all sources, including the total gross income of the company derived from transactions with related persons, as noted above.<br><br><b>Note:</b> The gross income of the company should be annualized if this application is for a short period. If the total gross income of the company for the previous income year exceeds \$70 million, the company is <b>not eligible</b> for an exchange of tax credits. Do not check the box on Form CT-1120 or Form CT-1120CR. | \$ _____ .00                 |                             |
| 4.                            | Does the company or its combined group, on the date of this application, have any taxes due and unpaid to the State of Connecticut including interest, penalties, fees, and other related charges? If <b>Yes</b> , attach a schedule that describes the nature and amounts of any unpaid taxes.   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**PART II - Computation of Exchange Amount**

|     |   |     |    |  |
|-----|---|-----|----|--|
| 1a. | Enter the amount of 2005 Research and Experimental Expenditures Credit (From 2005 <b>Form CT-1120RC</b> , Part I, Line 4).                                  | 1a. |    |  |
| 1b. | Enter the amount of 2005 Research and Experimental Expenditures Credit applied (From 2005 <b>Form CT-1120RC</b> , Part II, Line 9, Column D).               | 1b. |    |  |
| 1.  | Enter the amount of 2005 Research and Experimental Expenditures Credit available for exchange. (Subtract Line 1b from Line 1a.)                             |     | 1. |  |
| 2a. | Enter the amount of 2005 Research and Development Credit (From 2005 <b>Form CT-1120 RDC</b> , Part II, greater of Line 2 or Line 7).                        | 2a. |    |  |
| 2b. | Enter the amount of 2005 Research and Development Credit applied (From 2005 <b>Form CT-1120 RDC</b> , Part III, Line 11, Column D).                         | 2b. |    |  |
| 2.  | Enter the amount of 2005 Research and Development Credit available for exchange. (Subtract Line 2b from Line 2a.)   |     | 2. |  |
| 3.  | Add Line 1 and Line 2.  |     | 3. |  |
| 4.  | <b>TOTAL CREDIT REFUND REQUESTED</b> (Multiply amount on Line 3 by 65% (.65). Maximum credit refund is \$1.5 million. <b>Do not exceed \$1.5 million.</b> ) |     | 4. |  |

**PART III - Required Attachments**

In addition to Form CT-1120RC or Form CT-1120 RDC (both if applicable), attach detailed schedules supporting the claimed research expenditures. The detailed schedules must include:

1. A full and complete description of the nature of the research projects conducted by the company during the income year and the location(s) where such research is conducted;
2. A full and complete description of the methods used to obtain: (a) the amount spent directly on research and experimental expenditures conducted in Connecticut, in accordance with Conn. Gen. Stat. §12-217j; and (b) the total expenditures and payments for research and experimentation, and basic research conducted in Connecticut, in accordance with Conn. Gen. Stat. §12-217n;
3. A detailed description of each source of information used to compute the credit, including the methods and calculations of expense allocation, if any; **and**
4. The job title and detailed job description of each employee whose wages are included in the research expenditures.

**Contact Person**

|                             |       |                  |  |
|-----------------------------|-------|------------------|--|
| Name                        |       | Telephone Number |  |
|                             |       | ( )              |  |
| Title                       |       |                  |  |
| Address (number and street) |       | PO Box           |  |
|                             |       |                  |  |
| City or Town                | State | ZIP Code         |  |
|                             |       |                  |  |



# Form CT-1120 HPC

## Housing Program Contribution Credit

# 2005

|                 |                  |
|-----------------|------------------|
| FOR INCOME YEAR |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

Complete **Form CT-1120 HPC**, *Housing Program Contribution Credit*, to claim the credit allowed under Conn. Gen. Stat §8-395. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

may be carried forward or back to five succeeding or preceding income years.

**Credit Computation**

Enter the amount of tax credit, as indicated on the credit voucher, in Part I. The allowable credit may be applied against the taxes administered under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes. Any remaining credit balance that exceeds the credit applied

**Additional Information**

Contact CHFA Tax Credit Unit, 999 West Street, Rocky Hill CT 06067-4005, at 860-721-9501 Ext. 377; see **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*; or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

|   |  |  |
|---|--|--|
| <b>PART I - Credit Computation</b>  |  |  |
| Enter the amount of tax credit as listed on the voucher issued by CHFA for contributions made in the 2005 income year. Enter here and on <b>Form CT-1120K</b> , Part I-B, Line 3, Column A. |  |  |

| <b>PART II - Computation of Carryforward</b>  |  |                                     |  |                           |   |
|---|--|-------------------------------------|--|---------------------------|---|
| Credit may be carried forward or back to the five succeeding or preceding income years. |  |                                     |  |                           |   |
|   | A  | B                                   | C  | D                         | E   |
|   | Total Credit Earned  | Credit Applied<br>2000 through 2004 | Credit Carried Back to<br>Prior Income Years | Credit Applied<br>to 2005 | Carryforward to 2006<br>(See instructions below.) |
| 1.  | 2000 Housing Program Contribution Credit   |                                     |  |                           |   |
| 2.  | 2001 Housing Program Contribution Credit   |                                     |  |                           |   |
| 3.  | 2002 Housing Program Contribution Credit   |                                     |  |                           |   |
| 4.  | 2003 Housing Program Contribution Credit   |                                     |  |                           |   |
| 5.  | 2004 Housing Program Contribution Credit   |                                     |  |                           |   |
| 6.  | 2005 Housing Program Contribution Credit   |                                     |  |                           |   |
| 7.  | Total Housing Program Contribution Credit Carryforward Applied to 2005 (Add Lines 1 through 5, Column D.) Enter here and on Form CT-1120K, Part I-D, Line 15, Column A and Column C. |                                     |  |                           |   |
| 8.  | Total Housing Program Contribution Credit Carryforward to 2006 (Add Lines 2 through 6, Column E.) Enter here and on Form CT-1120K, Part I-D, Line 15, Column E.                      |                                     |  |                           |   |

|  |
|--|
| <b>Computation of Carryforward and Carryback Instructions</b>  |
| <p><b>Lines 1 through 6, Columns A through D</b> - Complete as indicated.</p> <p><b>Lines 2 through 5, Column E</b> - Subtract Lines 2 through 5, Columns B, C, and D, from Lines 2 through 5, Column A. Enter the result on the appropriate lines.</p> <p><b>Line 6, Column C</b> - Any available credit first must be applied against the 2005 income year liability. <b>Do not exceed the difference between Column A and Column D.</b></p> <p><b>Line 6, Column E</b> - Enter any 2005 tax credits remaining after credits are applied to the 2005 income year and any credit carrybacks are claimed.</p> <p><b>Line 7 and Line 8</b> - Complete as indicated.</p> |

# Form CT-1120 EAH

## Employer-Assisted Housing Credit

# 2005

|                 |                  |
|-----------------|------------------|
| FOR INCOME YEAR |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

Complete **Form CT-1120 EAH, Employer-Assisted Housing Credit**, to claim the credit allowed under Conn. Gen. Stat. §12-217p. Attach it to **Form CT-1120K, Business Tax Credit Summary**.

previous tax credits claimed. CHFA notifies the business firm and the Department of Revenue Services (DRS) that recapture is required, and the business firm must recapture the tax credit on the first tax return required to be filed on or after the date of the CHFA notice.

**Credit Computation**

Business firms receive tax credits equal to the amount contributed into a revolving loan fund.

**Additional Information**

Contact CHFA Tax Credit Unit, 999 West Street, Rocky Hill CT 06067-4005, at 860-571-4232; see **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits**; or contact DRS, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

The allowable credit may be applied against the taxes administered under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes. Any remaining credit balance that exceeds the credit applied may be carried forward or back for five succeeding or preceding income years.

**Recapture Provisions**

Any business firm that does not loan at least 60% (.60) of the fund's capital within three years after the date the revolving loan fund is established will be required to recapture some or all of the

Complete this form in blue or black ink only.

|   |  |  |
|---|--|--|
| <b>PART I – Credit Computation</b>  |  |  |
| Enter the amount of tax credit earned for contributions made to a revolving loan fund in the 2005 income year. Enter here and on Form CT-1120K, Part I-B, Line 4, Column A. |  |  |

|  |   |                                     |  |                           |   |
|--|---|-------------------------------------|--|---------------------------|---|
| <b>PART II - Computation of Carryforward and Carryback</b>                           |   |                                     |  |                           |   |
| Credit may be carried forward or back for five succeeding or preceding income years. |   |                                     |  |                           |   |
|  | <b>A</b>  | <b>B</b>                            | <b>C</b>                                     | <b>D</b>                  | <b>E</b>  |
|  | Total Credit Earned   | Credit Applied<br>2000 through 2004 | Credit Carried Back to<br>Prior Income Years | Credit Applied<br>to 2005 | Carryforward to 2006<br>(See instructions below.) |
| 1.   | 2000 Employer-Assisted Housing Credit   |                                     |  |                           |   |
| 2.   | 2001 Employer-Assisted Housing Credit   |                                     |  |                           |   |
| 3.   | 2002 Employer-Assisted Housing Credit   |                                     |  |                           |   |
| 4.   | 2003 Employer-Assisted Housing Credit   |                                     |  |                           |   |
| 5.   | 2004 Employer-Assisted Housing Credit   |                                     |  |                           |   |
| 6.   | 2005 Employer-Assisted Housing Credit   |                                     |  |                           |   |
| 7.   | Total Employer-Assisted Housing Credit Carryforward Applied to 2005 (Add Lines 1 through 5, Column D.) Enter here and on Form CT-1120K, Part I-D, Line 16, Column A and Column C. |                                     |  |                           |   |
| 8.   | Total Employer-Assisted Housing Credit Carryforward to 2006 (Add Lines 2 through 6, Column E.) Enter here and on Form CT-1120K, Part I-D, Line 16, Column E.                      |                                     |  |                           |   |

|  |
|--|
| <b>Computation of Carryforward and Carryback Instructions</b>  |
| Lines 1 through 6, Columns A through D – Complete as indicated.  |
| Lines 2 through 5, Column E – Subtract Columns B, C, and D, from Column A. Enter the result on the appropriate lines.  |
| Line 6, Column C – Any available credit must first be applied against the 2005 income year liability. <b>Do not exceed the difference between Column A and Column D.</b> |
| Line 6, Column E – Enter any 2005 tax credits remaining after credits are applied to the 2005 income year and any credit carrybacks are claimed.                         |
| Line 7 and Line 8 – Complete as indicated.   |

# Form CT-1120 CAF

# 2005

(Rev. 12/05)

## Clean Alternative Fuel – Vehicles, Equipment, and Related Filling or Recharging Stations Credit

|                 |                  |
|-----------------|------------------|
| For Income Year |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 CAF**, *Clean Alternative Fuel – Vehicles, Equipment, and Related Filling or Recharging Stations Credit*, to claim the credit allowed under Conn. Gen. Stat. §12-217i. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

### Credit Computation

A tax credit is allowed and may be applied against the taxes administered under Chapters 208, 209, 210, 211, or 212 of the Connecticut General Statutes for 10% (.10) of the expenditures paid or incurred for the incremental cost of purchasing vehicles exclusively powered by clean alternative fuel.

A 50% (.50) credit is available and may be applied against the corporation business tax (Chapter 208), for the expenses of equipment used in a compressed natural gas, liquefied petroleum gas or liquefied natural gas filling, or electric recharging station, and the purchase of equipment needed to convert a vehicle to either exclusive or dual use of a clean alternative fuel. The credit also applies to amounts spent directly on 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.

Any remaining credit balance that exceeds the credit applied may be carried forward to three succeeding income years.

### Required Attachment

Documentation substantiating the expenditures, reflecting the details of the computations including the dates on which expenses were paid or incurred, must be attached to this form.

### Definitions

- **Incremental cost** means the difference between the purchase price of a vehicle that is exclusively powered by a clean alternative fuel and the manufacturer's suggested retail price of a comparably equipped vehicle that is not powered by a clean alternative fuel.
- **Clean alternative fuel** means compressed natural gas, liquefied petroleum gas, liquefied natural gas, or electricity when used as a motor vehicle fuel.

### Additional Information

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| Part I – Credit Computation |  |     |  |
|-----------------------------|--|-----|--|
| 1.                          | Cost of vehicles purchased for use in Connecticut exclusively powered by clean alternative fuel  | 1.  |  |
| 2.                          | Cost of such vehicles if such modifications were not purchased   | 2.  |  |
| 3.                          | Incremental Cost (Subtract Line 2 from Line 1.)  | 3.  |  |
| 4.                          | Multiply Line 3 by 10% (.10).  | 4.  |  |
| 5.                          | Cost of equipment used in a compressed natural gas, liquefied petroleum gas or liquefied natural gas filling, or electric recharging station   | 5.  |  |
| 6.                          | Cost of equipment used to convert a vehicle to clean alternative fuel  | 6.  |  |
| 7.                          | Amount spent directly on 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 | 7.  |  |
| 8.                          | Add Lines 5, 6, and 7.   | 8.  |  |
| 9.                          | Multiply Line 8 by 50% (.50).  | 9.  |  |
| 10.                         | <b>Total Credit</b> (Add Line 4 and Line 9.) Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 18, Column B.   | 10. |  |

**Part II – Computation of Carryforward**

Credit may be carried forward to three succeeding income years.

|    |   | <b>A</b><br>Total Credit Earned | <b>B</b><br>Credit Applied<br>2002 through 2004 | <b>C</b><br>Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | <b>D</b><br>Credit Applied<br>to 2005 | <b>E</b><br>Carryforward to 2006<br>(See instructions below.) |
|----|---|---------------------------------|---|---|---------------------------------------|---|
| 1. | <b>2002 Clean Alternative Fuel Credit</b>   |                                 |   |   |                                       |   |
| 2. | <b>2003 Clean Alternative Fuel Credit</b>   |                                 |   |   |                                       |   |
| 3. | <b>2004 Clean Alternative Fuel Credit</b>   |                                 |   |   |                                       |   |
| 4. | <b>2005 Clean Alternative Fuel Credit, Part I, Line 10</b>  |                                 |   |   |                                       |   |
| 5. | <b>Total Clean Alternative Fuel Credit Applied to 2005</b><br>(Add Lines 1 through 4, Column D.)  |                                 |   |   |                                       |   |
| 6. | <b>Total Clean Alternative Fuel Credit Carryforward to 2006</b> (Add Lines 2 through 4, Column E.)<br>Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 18, Column E. |                                 |   |   |                                       |   |

**Computation of Carryforward Instructions**

**Lines 1 through 4, Columns A through D** - Complete as indicated.

**Line 2 and Line 3, Column E** - Subtract Line 2 and Line 3, Column D, from Line 2 and Line 3, Column C. Enter the result on the appropriate lines.

**Line 4, Column E** - Subtract Line 4, Column D, from Line 4, Column A. Enter the result.

**Line 5 and Line 6** - Complete as indicated.

# Form CT-1120 SBA

# 2005

## Small Business Administration Guaranty Fee Tax Credit

|                 |                  |
|-----------------|------------------|
| For Income Year |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 SBA**, *Small Business Administration Guaranty Fee Tax Credit*, to claim the credit allowed under Conn. Gen. Stat. §12-217cc. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

### Credit Computation

A tax credit is allowed against the Connecticut corporation business tax in an amount equal to the amount paid by a **small business** to the federal Small Business Administration, as a guaranty fee to obtain guaranteed financing.

Any remaining credit balance that exceeds the credit applied may be carried forward to four succeeding income years.

### Definition

**Small business** means any business entity qualifying as a small business under 13 CFR Part 121, which has gross receipts of not more than \$5 million for the income year in which the credit is first allowed.

### Additional Information

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| PART I – Computation Credit  |  |  |
|--|--|--|
| Enter the amount paid to the federal Small Business Administration as a guaranty fee to obtain guaranteed financing in the 2005 income year. Enter here and on Form CT-1120K, Part I-D, Line 24, Column B. |  |  |

| PART II – Computation of Carryforward                          |   |                     |                                     |   |                           |   |
|--|---|---------------------|-------------------------------------|---|---------------------------|---|
| Credit may be carried forward to four succeeding income years. |   |                     |                                     |   |                           |   |
|  |   | <b>A</b>            | <b>B</b>                            | <b>C</b>  | <b>D</b>                  | <b>E</b>  |
|  |   | Total Credit Earned | Credit Applied<br>2001 through 2004 | Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | Credit Applied<br>to 2005 | Carryforward to 2006<br>(See instructions below.) |
| 1.   | 2001 Small Business Administration Guaranty Fee Tax Credit  |                     |                                     |   |                           |   |
| 2.   | 2002 Small Business Administration Guaranty Fee Tax Credit  |                     |                                     |   |                           |   |
| 3.   | 2003 Small Business Administration Guaranty Fee Tax Credit  |                     |                                     |   |                           |   |
| 4.   | 2004 Small Business Administration Guaranty Fee Tax Credit  |                     |                                     |   |                           |   |
| 5.   | 2005 Small Business Administration Guaranty Fee Tax Credit  |                     |                                     |   |                           |   |
| 6.   | Total Small Business Administration Guaranty Fee Tax Credit Applied to 2005<br>(Add Lines 1 through 5, Column D.)   |                     |                                     |   |                           |   |
| 7.   | Total Small Business Administration Guaranty Fee Tax Credit Carryforward to 2006 (Add Lines 2 through 5, Column E.) Enter here and on Form CT-1120K, Part I-D, Line 24, Column E. |                     |                                     |   |                           |   |

| Computation of Carryforward Instructions  |  |
|---|--|
| <b>Lines 1 through 5, Columns A through D</b> - Complete as indicated.  |  |
| <b>Lines 2 through 4, Column E</b> - Subtract Lines 2 through 4, Column D, from Lines 2 through 4, Column C. Enter the result on the appropriate lines. |  |
| <b>Line 5, Column E</b> - Subtract Line 5, Column D, from Line 5, Column A. Enter the result.   |  |
| <b>Line 6 and Line 7</b> - Complete as indicated.   |  |

# Form CT-1120 HHR

## Historic Homes Rehabilitation Credit

|                 |                  |
|-----------------|------------------|
| FOR INCOME YEAR |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 HHR**, *Historic Homes Rehabilitation Credit*, to claim the credit allowed under Conn. Gen. Stat. §10-320j. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

### Credit Computation

A tax credit is allowed against the Connecticut Corporation Business Tax in an amount equal to the lesser of 30% (.30) of projected **qualified rehabilitation expenditures** or 30% (.30) of the actual rehabilitation expenditures incurred in the rehabilitation of an **historic home**. Owners of historic homes must incur qualified rehabilitation expenditures that exceed \$25,000 in order to qualify. After the rehabilitation work is performed by the owner and verified by the Connecticut Commission on Culture and Tourism (the Commission), a tax credit voucher is provided to either the owner rehabilitating the historic home or to the taxpayer named by the owner as contributing to the rehabilitation. The credit is limited to \$30,000 per dwelling unit.

The allowable credit may be applied against the taxes administered under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes. Any remaining credit balance that exceeds the credit applied may be carried forward for four income years.

### Definitions

**Owner** means any taxpayer filing a State of Connecticut tax return who possesses title to an historic home or prospective title to an historic home in the form of a purchase agreement or option to purchase, or a nonprofit corporation that possesses such title or prospective title.

**Historic home** means a building that:

- Will contain one to four dwelling units of which at least one unit will be occupied as the principal residence of the owner for not less than five years following the completion of rehabilitation work;
- Is located in a **targeted area**; and

- Is listed individually on the National or State Register of Historic Places or located in a district listed on the National or State Register of Historic Places, and has been certified by the Commission as contributing to the historic character of the district.

**Qualified rehabilitation expenditures** means any costs incurred for the physical construction involved in the rehabilitation of an historic home, but excludes:

- The owner's personal labor;
- The cost of site improvements, unless to provide building access to persons with disabilities;
- The cost of a new addition, except as may be required to comply with any provision of the State Building Code or the State Fire Safety Code;
- Any cost associated with the rehabilitation of an outbuilding, unless such building contributes to the historical significance of the historic home; **and**
- Any nonconstruction costs such as architectural fees, legal fees, and financing fees.

**Targeted area** means:

- A federally designated *qualified census tract* in which 70% or more of the families have a median income of 80% or less of the state-wide median family income;
- A state designated and federally approved area of chronic economic distress; **or**
- An urban and regional center as identified in the Connecticut Conservation and Development Policies Plan.

### Additional Information

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

|  |  |  |
|--|--|--|
| <b>PART I – Credit Computation</b>   |  |  |
| Enter the amount of tax credit as listed on the voucher issued by the Commission for the 2005 income year. Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 25, Column B. |  |  |

## PART II - Computation of Carryforward

Credit may be carried forward for four income years.

|    |   | <b>A</b>            | <b>B</b>                            | <b>C</b>  | <b>D</b>                  | <b>E</b>  |
|----|---|---------------------|-------------------------------------|---|---------------------------|---|
|    |   | Total Credit Earned | Credit Applied<br>2001 through 2004 | Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | Credit Applied<br>to 2005 | Carryforward to 2006<br>(See instructions below.) |
| 1. | <b>2001 Historic Homes Rehabilitation Credit</b>  |                     |                                     |   |                           |   |
| 2. | <b>2002 Historic Homes Rehabilitation Credit</b>  |                     |                                     |   |                           |   |
| 3. | <b>2003 Historic Homes Rehabilitation Credit</b>  |                     |                                     |   |                           |   |
| 4. | <b>2004 Historic Homes Rehabilitation Credit</b>  |                     |                                     |   |                           |   |
| 5. | <b>2005 Historic Homes Rehabilitation Credit</b>  |                     |                                     |   |                           |   |
| 6. | <b>Total Historic Homes Rehabilitation Credit Applied to 2005.</b><br>Add Lines 1 through 5, Column D.  |                     |                                     |   |                           |   |
| 7. | <b>Total Historic Homes Rehabilitation Credit Carryforward to 2006.</b> (Add Lines 2 through 5, Column E.)<br>Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 25, Column E. |                     |                                     |   |                           |   |

### Computation of Carryforward Instructions

**Lines 1 through 5, Columns A through D** – Complete as indicated.

**Lines 2 through 4, Column E** – Subtract Lines 2 through 4, Column D, from Lines 2 through 4, Column C. Enter the result on the appropriate lines.

**Line 5, Column E** – Subtract Line 5, Column D, from Line 5, Column A. Enter the result.

**Line 6 and Line 7** – Complete as indicated.

# Form CT-1120 DOS

## Donation of Open Space Land Credit

# 2005

|                 |                  |
|-----------------|------------------|
| FOR INCOME YEAR |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 DOS**, *Donation of Open Space Land Credit*, to claim the credit allowed under Conn. Gen. Stat. §12-217dd. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

### Credit Computation

A tax credit is allowed against the Connecticut corporation business tax in an amount equal to 50% (.50) of any donation of open space land. In order to qualify for the credit, the donated land must be permanently preserved as protected open space.

The amount of the donation shall be based on the fair market value of the land at its highest and best use, as determined by a certified real estate appraiser.

For income years beginning on or after January 1, 2000, any remaining credit balance that exceeds the credit applied may be carried forward for ten succeeding income years.

### Definitions

**Donation of open space land** means the value of any land conveyed without financial consideration, or the value of any discount of the sale price in any sale of land or any interest in land, to the state, a political subdivision of the state, or a nonprofit land conservation organization, where the land is to be permanently preserved as protected open space.

**Use value** means the fair market value of land at its highest and best use, as determined by a certified real estate appraiser.

### Additional Information

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| <b>PART I - Credit Computation</b> |  |    |  |  |
|------------------------------------|--|----|--|--|
| 1.                                 | Enter the value of any land conveyed without financial consideration to the state, a political subdivision of the state, or a nonprofit land conservation organization, where the land is to be permanently preserved as protected open space. | 1. |  |  |
| 2.                                 | Enter the value of any discount of the sale price of land conveyed to the state, a political subdivision of the state, or a nonprofit land conservation organization, where the land is to be permanently preserved as protected open space.   | 2. |  |  |
| 3.                                 | Add Line 1 and Line 2.   | 3. |  |  |
| 4.                                 | Multiply Line 3 by 50% (.50).  | 4. |  |  |
| 5.                                 | <b>Total Credit</b> (Subtract Line 4 from Line 3.) Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 26, Column B.   | 5. |  |  |

| <b>PART II - Computation of Carryforward</b>                  |  |                                     |   |                           |   |
|---|--|-------------------------------------|---|---------------------------|---|
| Credit may be carried forward to ten succeeding income years. |  |                                     |   |                           |   |
|   | A  | B                                   | C   | D                         | E   |
|   | Total Credit Earned  | Credit Applied<br>2000 through 2004 | Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | Credit Applied<br>to 2005 | Carryforward to 2006<br>(See instructions below.) |
| 1.  | <b>2000 Donation of Open Space Land Credit</b>   |                                     |   |                           |   |
| 2.  | <b>2001 Donation of Open Space Land Credit</b>   |                                     |   |                           |   |
| 3.  | <b>2002 Donation of Open Space Land Credit, Part I, Line 5</b>   |                                     |   |                           |   |
| 4.  | <b>2003 Donation of Open Space Land Credit, Part I, Line 5</b>   |                                     |   |                           |   |
| 5.  | <b>2004 Donation of Open Space Land Credit, Part I, Line 5</b>   |                                     |   |                           |   |
| 6.  | <b>2005 Donation of Open Space Land Credit, Part I, Line 5</b>   |                                     |   |                           |   |
| 7.  | <b>Total Donation of Open Space Land Credit Applied to 2005</b> (Add Lines 1 through 5, Column D.)<br>Enter here and on Form CT-1120K, Part I-D, Line 26, Column C.      |                                     |   |                           |   |
| 8.  | <b>Total Donation of Open Space Land Credit Carryforward to 2006</b> (Add Lines 1 through 6, Column E.)<br>Enter here and on Form CT-1120K, Part I-D, Line 26, Column E. |                                     |   |                           |   |

| <b>Computation of Carryforward Instructions</b>  |
|--|
| <p><b>Lines 1 through 6, Columns A through D</b> - Complete as indicated.</p> <p><b>Lines 1 through 5, Column E</b> - Subtract Lines 1 through 5, Column D, from Lines 1 through 5, Column C. Enter the result on the appropriate lines.</p> <p><b>Line 6, Column E</b> - Subtract Line 6, Column D, from Line 6, Column A. Enter the result.</p> <p><b>Line 7 and Line 8</b> - Complete as indicated.</p> |



# Form CT-1120AP

## Air Pollution Abatement Facilities Credit

# 2005

|                 |                  |
|-----------------|------------------|
| FOR INCOME YEAR |                  |
| Beginning       | 2005, and Ending |

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

**Purpose**

Complete **Form CT-1120AP**, *Air Pollution Abatement Facilities Credit*, to claim the carryforward credit formerly allowed under Conn. Gen. Stat. §12-217c. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

This credit was repealed effective for income years beginning on or after January 1, 1998.

Any remaining credit balance that exceeds the credit applied may be carried forward to nine succeeding income years.

**Credit Computation**

The Air Pollution Abatement Facilities tax credit was previously allowed against the Connecticut corporation business tax for expenditures related to the construction, rebuilding, acquisition, planning or expansion of air pollution abatement facilities.

**Additional Information**

Contact the Department of Revenue Services, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere).

Complete this form in blue or black ink only.

| <b>Computation of Carryforward</b>   |                     |                                     |   |                           |  |
|--|---------------------|-------------------------------------|---|---------------------------|--|
| Credit may be carried forward to nine succeeding income years.   |                     |                                     |   |                           |  |
|  | <b>A</b>            | <b>B</b>                            | <b>C</b>  | <b>D</b>                  | <b>E</b>   |
|  | Total Credit Earned | Credit Applied<br>1996 through 2004 | Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | Credit Applied<br>to 2005 | Carryforward to 2006<br>(See instructions<br>below.) |
| 1. <b>1996 Air Pollution Abatement Facilities Credit</b>   |                     |                                     |   |                           |  |
| 2. <b>1997 Air Pollution Abatement Facilities Credit</b>   |                     |                                     |   |                           |  |
| 3. <b>Total Air Pollution Abatement Facilities Credit Applied to 2005.</b> (Add Line 1 and Line 2, Column D.) Enter here and on <b>Form CT-1120K</b> , Part I-D, Line 27, Column C.  |                     |                                     |   |                           |  |
| 4. <b>Total Air Pollution Abatement Facilities Credit Carryforward to 2006.</b> (Enter amount from Line 2, Column E here and on <b>Form CT-1120K</b> , Part I-D, Line 27, Column E.) |                     |                                     |   |                           |  |

|   |
|---|
| <b>Computation of Carryforward Instructions</b>   |
| <p><b>Line 1 and Line 2, Columns A through D</b> - Complete as indicated.</p> <p><b>Line 2, Column E</b> - Subtract Line 2, Column D, from Line 2, Column C. Enter the result.</p> <p><b>Line 3 and Line 4</b> - Complete as indicated.</p> |



# Form CT-1120SF

## Service Facility Credit

| For Income Year                     |        |
|-------------------------------------|--------|
| Beginning                           | Ending |
| Decd Eligibility Certificate Number |        |

Complete this form in blue or black ink only.

|                  |                                     |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

### Purpose

Complete **Form CT-1120 SF**, *Service Facility Credit*, to claim the credit allocable to a service facility located outside of an Enterprise Zone in a targeted investment community, as allowed under Conn. Gen. Stat. §12-217e, against the corporation business tax. Attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

A service facility located in an Enterprise Zone cannot qualify for this credit.

This credit is administered by the Department of Economic and Community Development (DECD). To be eligible for this credit, a written application must have been submitted to and approved by the Commissioner of DECD. See Conn. Gen. Stat. §32-9r.

### Credit Percentages

There are six credit percentages to be applied against the portions of the Connecticut corporation business tax that is allocable to the service facility. The percentage varies depending on the number of new employees working at the service facility, as determined on *Schedule A*, Line 5.

The credit period is ten years and begins with the first full income year following the year of issuance of the eligibility certificate and continues for the following nine income years. The credit may be claimed for a maximum of ten years. If within the ten year period

the facility ceases to qualify as a service facility or the taxpayer ceases to occupy the property, the entitlement to the credit terminates and there is no pro-rata application of the credit during the income year in which the entitlement or occupancy terminates.

Attach a copy of the eligibility certificate received from DECD to the Connecticut corporation business tax return in each income year for which the credit is claimed.

No carry forward or carryback is allowed.

| Number of New Employees Working at the Service Facility | Credit Percentage |
|---|-------------------|
| 300-599   | 15%               |
| 600-899   | 20%               |
| 900-1,199   | 25%               |
| 1,200-1,499   | 30%               |
| 1,500-1,999   | 40%               |
| 2,000 or more   | 50%               |

### Additional Information

See **Informational Publication 2004(20)**, *Guide to Connecticut Business Tax Credits*, or contact DECD, 505 Hudson Street, Hartford CT 06106, 860-270-8143.

### Schedule A - Employment Criteria

|    |   |    |  |  |
|----|---|----|--|--|
| 1. | Enter the highest number of employees in Connecticut in the year preceding the formal application for certification with DECD.                    | 1. |  |  |
| 2. | Enter the number of employees in Connecticut during 2005.   | 2. |  |  |
| 3. | Enter the number of new employees in Connecticut. (Subtract Line 2 from Line 1. If zero or less the corporation is not eligible for this credit.) | 3. |  |  |
| 4. | Enter the number of employees working at the service facility during 2005.  | 4. |  |  |
| 5. | Number of new employees working at the service facility (Enter the lesser of Line 3 or Line 4.)   | 5. |  |  |

### Schedule B - Credit Computation

| See instructions for the computation of Tangible Property and Wages, Salaries, and Other Compensation on Page 2. |     | Column A   | Column B  | Column C   |    |
|--|-----|--|---|--|----|
|  |     | Eligible Facility Approved by DECD   | Total Facilities Within Connecticut (Including Eligible Facility) |  |    |
| <b>Tangible Property</b><br>(Average Monthly Net Book Value)   | 1a. | Depreciable assets   |   | For Lines 1 and 2, Divide Column A by Column B.<br>(Carry to six decimal places) |    |
|  | 1b. | Land   |   |  |    |
|  | 1c. | Capitalized rent   |   |  |    |
|  | 1d. | Other  |   |  |    |
|  | 1.  | <b>Total</b>   |   |  |    |
| <b>Wages, Salaries, and Other Compensation</b>   | 2.  | <b>Total</b>   |   | 2.   | 0. |
| <b>Facility Credit Ratio</b>   | 3.  | <b>Total</b> (Add Line 1 and Line 2 in Column C.)  |   | 3.   |    |
|  | 4.  | <b>Facility Ratio</b> (Divide Line 3 by two.)  |   | 4.   | 0. |
|  | 5.  | <b>Tax</b> (From <b>Form CT-1120</b> , <i>Schedule C</i> , Line 1)   |   | 5.   |    |
| <b>Tax Credit Calculation</b>  | 6.  | <b>Balance</b> (Multiply Line 5 by Line 4.)  |   | 6.   |    |
|  | 7.  | <b>Tax Credit Percentage</b> (See instructions.)   |   | 7.   |    |
|  | 8.  | <b>Tax Credit</b> (Multiply Line 6 by Line 7. Enter here and on <b>Form CT-1120K</b> , Part I-C, Line 13, Column A.) |   | 8.   |    |

## Form CT-1120SF Instructions

### Schedule A

*Schedule A* is used to determine whether the service facility meets the employment criteria for the credit. The available percentage of the credit depends upon the number of new employees working at the facility.

Complete Lines 1 - 5 as indicated.

### Schedule B

*Schedule B* is used to determine the amount of the tax credit.

**Tangible Property:** Column A includes the average monthly net book value of the eligible service 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 service 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 service 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 service facility if: (A) the employee's service is performed or base of operation is at the eligible service facility; (B) the position did not exist prior to the construction, renovation, expansion, or acquisition of the eligible service facility; and (C) the position would not have been created but for the construction, renovation, expansion, or acquisition of the eligible service facility.

**Lines 1 through 4** - Complete as indicated.

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

**Line 6** - Multiply Line 5 by Line 4.

**Line 7** - Enter the tax credit percentage. This percentage is determined from the number of new employees working at the facility. See chart on Page 1.

**Line 8** - Enter the tax credit. Multiply Line 6 by Line 7, enter here and on **Form CT-1120K**, Part I-C, Line 13, Column A.

**Insurance Reinvestment Fund Credit**

|                 |                  |
|-----------------|------------------|
| For Income Year |                  |
| Beginning       | 2005, and Ending |

|                           |  |
|---------------------------|--|
| Name of Eligible Taxpayer | Connecticut Tax Registration Number or SSN |
|---------------------------|--|

**Purpose**

Complete **Form CT-IRF, Insurance Reinvestment Fund Credit**, to claim the tax credit available for moneys invested through a fund manager in an insurance business as provided in Conn. Gen. Stat. §38a-88a. This form must be used to claim the credit against the insurance premium tax, the health care centers tax, the corporation business tax, or the individual income tax.

**General Information**

This credit may only be claimed by taxpayers who have invested in an insurance business through a fund that meets all of the requirements set forth in Conn. Gen. Stat. §38a-88a. Taxpayers must submit a copy of both the eligibility certificate and the certification of continued eligibility issued by the Commissioner of the Connecticut Department of Economic and Community Development (DECD) with the tax return for each taxable year for which the credit is claimed.

Any tax credit not used in the income year for which it is allowed may be carried forward for five succeeding income years until the full credit has been allowed.

Any taxpayer allowed a credit may assign such credit to another person, as defined in Conn. Gen. Stat. §12-1, provided such person may claim the credit only with respect to a calendar year for which the assigning taxpayer would have been eligible to claim the credit.

**Applying Credit to the Individual Income Tax**

Taxpayers applying the Insurance Reinvestment Fund Credit to the individual income tax (**Forms CT-1040, Connecticut Resident Income Tax Return, CT-1040NR/PY, Connecticut Nonresident or Part-Year Resident Income Tax Return, CT-1041, Connecticut Income Tax Return for Trusts and Estates, CT-1065/CT-1120SI, Connecticut Composite Income Tax Return, or Form CT-G, Connecticut Group Income Tax Return**) **must** mail this form

and a copy of both the eligibility certificate and the certification of continued eligibility issued by DECD to: Department of Revenue Services (DRS), 25 Sigourney Street, Hartford CT 06106, Attn: Research Unit. For questions call 860-297-5694.

**Applying Credit to Business Taxes**

Taxpayers applying the Insurance Reinvestment Fund Credit to any business tax **must** attach this form, a copy of the eligibility certificate, and the certification of continued eligibility issued by DECD to the **back of Form CT-1120K, Business Tax Credit Summary**.

**Available Credit**

The available credit is equal to the following percentages of the moneys of the taxpayer invested through a fund manager in insurance businesses that meet all of the requirements provided in Conn. Gen. Stat. §38a-88a, with respect to the succeeding income years of the taxpayer:

- Income year in which the investment was made and the two succeeding income years, 0% (.0);
- Third full income year following the year in which the investment in the insurance business was made and the three succeeding income years, 10% (.10); **and**
- Seventh full income year following the year in which the investment in the insurance business was made and the two succeeding income years, 20% (.20).

**Additional Information**

See **Informational Publication 2004(20), Guide to Connecticut Business Tax Credits**, or contact DRS, Taxpayer Services Division at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Complete this form in blue or black ink only.

| <b>PART I - Credit Computation</b> |  |  |  |
|------------------------------------|--|--|--|
| 1.                                 | Name of insurance fund in which the investment was made: _____   |  |  |
| 2.                                 | Available credit was received by:<br><input type="checkbox"/> Investment <input type="checkbox"/> Assignment <input type="checkbox"/> Partly by investment and partly by assignment  |  |  |
|                                    | If available credit was received by assignment, enter the name and Connecticut Taxpayer Identification Number of the assignor below. (Attach explanation.)<br><br>_____  |  |  |
|                                    | Assignor's Name  | Assignor's Connecticut Tax Registration Number |  |
| 3.                                 | Credit is being applied against:<br><input type="checkbox"/> Insurance premium tax <input type="checkbox"/> Health care centers tax <input type="checkbox"/> Corporation business tax <input type="checkbox"/> Income tax <input type="checkbox"/> Surplus lines brokers |  |  |
| 4.                                 | Total amount of Insurance Reinvestment Fund Credit earned for the 2004 income year   | 4.   |  |
| 5.                                 | Amount of Line 4 claimed on <b>Form SL-9, Tax on Premiums on Insurance Provided by Surplus Lines Brokers</b>   | 5.   |  |
| 6.                                 | Amount of Line 4 claimed on <b>Forms CT-1040, CT-1040NR/PY, CT-1041, CT-1065/CT-1120SI, CT-G, or CT-1120K</b>  | 6.   |  |

**PART II - Computation of Carryforward** - Credit may be carried forward to five succeeding income years.

|    |  | <b>A</b><br>Total Credit Earned | <b>B</b><br>Credit Applied<br>2000 through 2004 | <b>C</b><br>Carryforward to 2005<br>(Subtract Column B<br>from Column A.) | <b>D</b><br>Credit Applied<br>to 2005 | <b>E</b><br>Carryforward to 2006<br>(See Instructions<br>below.) |
|----|--|---------------------------------|---|---|---------------------------------------|--|
| 1. | 2000 Form CT-IRF, Line 4   |                                 |   |   |                                       |  |
| 2. | 2001 Form CT-IRF, Line 4   |                                 |   |   |                                       |  |
| 3. | 2002 Form CT-IRF, Line 4   |                                 |   |   |                                       |  |
| 4. | 2003 Form CT-IRF, Line 4   |                                 |   |   |                                       |  |
| 5. | 2004 Form CT-IRF, Line 4   |                                 |   |   |                                       |  |
| 6. | 2005 Form CT-IRF, Line 4   |                                 |   |   |                                       |  |
| 7. | <b>Total Insurance Reinvestment Fund Credit Carryforward to 2006</b> (Add Lines 2 through 6, Column E.)<br>Enter the total here and on <b>Form CT-1120K</b> , Part I-D, Line 23, Column E. |                                 |   |   |                                       |  |

**Computation of Carryforward Instructions:**

- Lines 1 through 6, Columns A through D** - Complete as indicated.
- Lines 2 through 5, Column E** - Subtract Column D from Column C. Enter the result on the appropriate lines.
- Line 6, Column E** - Subtract Column D from Column A. Enter the result here.
- Line 7** - Complete as indicated.

# Form CT-8822C

## Corporation Business Tax Change of Address

– See Instructions on Reverse –

### Purpose of Form:

Use **Form CT-8822C** to notify the Connecticut Department of Revenue Services (DRS) of a change in the physical location or mailing address of the corporation. Check the appropriate box and enter below any change to the corporation's physical location or mailing address.

Check **ALL** boxes this change affects:

- Change in Physical Location
- Change in Mailing Address

|   |
|---|
| Connecticut Tax Registration Number                                       |
| Federal Employer Identification Number                                    |
| Effective Date of Change:<br><div style="text-align: center;">/   /</div> |

|   |      |       |     |
|---|------|-------|-----|
| Corporation Name                                  |      |       |     |
| Old Physical Address (Number and Street )         | City | State | ZIP |
|   |      |       |     |
| Old Mailing Address (Number and Street or PO Box) | City | State | ZIP |
|   |      |       |     |
| New Physical Address (Number and Street)          | City | State | ZIP |
|   |      |       |     |
| New Mailing Address (Number and Street or PO Box) | City | State | ZIP |
|   |      |       |     |
| Signature   | Date |       |     |
| Title   |      |       |     |

**Mail to:** Department of Revenue Services  
Registration Unit  
PO Box 2937  
Hartford CT 06104-2937

# Form CT-8822C

## Instructions

### Required Information

Enter in the spaces provided the corporation's Connecticut Tax Registration Number and Federal Employer Identification Number.

Check the corresponding box identifying the reason for the change.

Enter the old physical or mailing address of the corporation and enter the new physical location or mailing address of the corporation.

Enter the effective date of the change.

Any change in ownership requires a new Connecticut Tax Registration Number.

### Signature

Sign your name, enter your title, and the date. This form must be signed by an officer of the corporation.

### Others Who May Sign

Anyone with a signed Power of Attorney on file may sign on behalf of the principal officer (including attorneys, accountants, and enrolled agents). If you are a representative signing for the taxpayer, attach a copy of your Power of Attorney to **Form CT-8822C**.

### Mail to:

Department of Revenue Services  
Registration Unit  
PO Box 2937  
Hartford CT 06104-2937

### Further information

For further information, contact the DRS Registration Unit at 860-297-4885.



# Form OS-114

## Sales and Use Tax Return

|  |
|--|
| For Period Ending                      |
| Connecticut Tax Registration Number    |
| Federal Employer Identification Number |
| Due Date                               |
| For Department Use Only                |

### General Instructions

1. You **must file** a return even if no tax is due or no sales were made.
2. 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. You **must round off** cents to the nearest whole dollar on your returns and schedules.
8. Make check payable to: **Commissioner of Revenue Services**. DRS may submit your check to your bank electronically. Include the Tax Registration Number on your check. For complete instructions, see **Form O-88**.



Check here if this is an **amended** return.

**Rounding:** You must round off cents to the nearest whole dollars on your return. If you do not round, DRS will round for you.

Complete return in **blue or black ink only**.

|    |  |   |    |  |  |
|----|--|---|----|--|--|
| 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 <b>use tax</b>                                    | ▶ | 4  |  |  |
| 5  | Leases and rentals by your business subject to <b>use tax</b>                                    | ▶ | 5  |  |  |
| 6  | Purchase of services by your business subject to <b>use tax</b>                                  | ▶ | 6  |  |  |
| 7  | Total: Add Lines 1 through 6.  | ▶ | 7  |  |  |
| 8  | Total deductions: Complete reverse side and enter the amount from Total Deductions here.         | ▶ | 8  |  |  |
| 9  | Balance subject to tax: Subtract Line 8 from Line 7, but not less than zero.                     | ▶ | 9  |  |  |
| 10 | Gross amount of tax due: Multiply Line 9 by 6% (.06).  | ▶ | 10 |  |  |
| 11 | For an amended return only, enter the tax paid on prior return.                                  | ▶ | 11 |  |  |
| 12 | Net amount of tax due: Subtract Line 11 from Line 10.  | ▶ | 12 |  |  |
| 13 | For late payment of tax: See General Instructions above.<br>Interest ▶ _____ + Penalty ▶ _____ = | ▶ | 13 |  |  |
| 14 | Total amount due: Add Line 12 and Line 13.   | ▶ | 14 |  |  |

Check any boxes that apply and provide the information requested:

- If you are permanently out of business, enter last business date: \_\_\_\_\_
- New mailing address or trade name:  
Enter new mailing address: \_\_\_\_\_  
\_\_\_\_\_
- Enter new trade name: \_\_\_\_\_

- If this is your first return, enter business start date: \_\_\_\_\_
- New physical location:  
Enter new physical location: \_\_\_\_\_  
(PO box is not acceptable.)
- New ownership:  
Enter name of new owner: \_\_\_\_\_  
Address of new owner: \_\_\_\_\_  
Date sold: \_\_\_\_\_

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|                           |                         |      |
|---------------------------|-------------------------|------|
| Taxpayer's Signature      | Title                   | Date |
| Paid Preparer's Signature | Paid Preparer's Address | Date |

**Did you know you can  
file this form by  
Internet or Telephone?**



**Web site: [www.ct.gov/DRS](http://www.ct.gov/DRS)**  
(for information and filing)

**Call: 860-947-1988** (for filing)  
**860-297-5962** (for information)

**Deductible Items at 6% Tax Rate**

|   |   |                               |    |    |
|---|---|-------------------------------|----|----|
| 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  | All newspapers and subscription sales of magazines and puzzle magazines   | ▶                             | 18 |    |
| 19  | Trucks with gross vehicle weight rating over 26,000 lbs. or used exclusively for carriage of interstate freight   | ▶                             | 19 |    |
| 21  | Food for human consumption, food sold in vending machines, and any items purchased with food stamps               | ▶                             | 21 |    |
| 23  | Fuel for motor vehicles   | ▶                             | 23 |    |
| 24  | Sales of electricity, gas, and heating fuel for residential dwellings   | <b>For Utility and</b>        | ▶  | 24 |
| 25  | Sales of electricity - \$150 monthly charge per business  | <b>Heating Fuel Companies</b> | ▶  | 25 |
| 26  | Sales of electricity, gas, and heating fuel for manufacturing or agricultural production                          | <b>Only</b>                   | ▶  | 26 |
| 27  | Aviation fuel   | ▶                             | 27 |    |
| 29  | Tangible personal property to persons issued a Farmer Tax Exemption Permit  | ▶                             | 29 |    |
| 30  | Machinery, its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing | ▶                             | 30 |    |
| 31  | Machinery, materials, tools, and equipment used in commercial printing process or publishing                      | ▶                             | 31 |    |
| 32  | Vessels, 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  | Motor vehicles or vessels purchased by nonresidents   | ▶                             | 36 |    |
| 37  | Prescription medicines - sales of goods   | ▶                             | 37 |    |
| 38  | Nonprescription medicines and diabetic equipment - sales of goods   | ▶                             | 38 |    |
| 39  | Charitable or religious organizations - sales of goods  | ▶                             | 39 |    |
| 40  | Charitable or religious organizations - leases and rentals  | ▶                             | 40 |    |
| 41  | Charitable or religious organizations - labor and services  | ▶                             | 41 |    |
| 42  | Federal, Connecticut, or municipal agencies - sales of goods  | ▶                             | 42 |    |
| 43  | Federal, Connecticut, or municipal agencies - leases and rentals  | ▶                             | 43 |    |
| 44  | Federal, Connecticut, or municipal agencies - labor and services  | ▶                             | 44 |    |
| 45  | Items certified for air or water pollution abatement - sales, leases, and rentals of goods                        | ▶                             | 45 |    |
| 47  | Nontaxable labor and services   | ▶                             | 47 |    |
| 48  | Services between wholly owned business entities (See instructions, Form O-88.)                                    | ▶                             | 48 |    |
| 50  | Trade-ins of all like-kind tangible personal property (See instructions, Form O-88.)                              | ▶                             | 50 |    |
| 52  | Taxed goods returned within 90 days at 6% (.06) rate  | ▶                             | 52 |    |
| 56  | Oxygen, blood plasma, prostheses, etc. - sales, leases, rentals, or repair services of goods                      | ▶                             | 56 |    |
| 58  | Printed material for future delivery out of state   | ▶                             | 58 |    |
| 59  | Articles of clothing or footwear under \$50   | ▶                             | 59 |    |
| 60  | Material and components for noncommercial production of clothing  | ▶                             | 60 |    |
| 63  | Funeral expenses (See instructions, Form O-88.)   | ▶                             | 63 |    |
| 69  | Repair services, repair and replacement parts for aircraft, and certain aircraft (See instructions, Form O-88.)   | ▶                             | 69 |    |
| 71  | Certain machinery under the Manufacturing Recovery Act of 1992 (See instructions, Form O-88.)                     | ▶                             | 71 |    |
| 72  | Machinery, equipment, tools, supplies, and fuel used in the biotechnology industry                                | ▶                             | 72 |    |
| 73  | Repair and maintenance services and fabrication labor to vessels (See instructions, Form O-88.)                   | ▶                             | 73 |    |
| 74  | Computer and data processing services (See instructions, Form O-88.)  | ▶                             | 74 |    |
| 75  | Renovation and repair services to residential real property (See instructions, Form O-88.)                        | ▶                             | 75 |    |
| 77  | Sales of qualifying items to direct payment permit holders  | ▶                             | 77 |    |
| 78  | Sales of college textbooks  | ▶                             | 78 |    |
| 79  | Sales tax holiday (See instructions, Form O-88.)  | ▶                             | 79 |    |
| A   | Other Adjustments - sales of goods (Describe: )   | ▶                             | A  |    |
| B   | Other Adjustments - leases and rentals (Describe: )   | ▶                             | B  |    |
| C   | Other Adjustments - labor and services (Describe: )   | ▶                             | C  |    |
| <b>Total Deductions</b> (Enter here and on Line 8 on the front of this return.) |   |                               |    |    |

**Instructions for Form OS-114, Sales and Use Tax Return****Filing Instructions**

You must use **blue or black ink only** to complete your return.

You must complete and file Form OS-114 even if no sales were made or no tax is due. Use the preprinted tax return the Department of Revenue Services (DRS) mailed to you.

If you are filing an **amended return**, check the box on the return.

**Due Date:** Form OS-114 is due on or before the last day of the month following the end of the filing period. The return must be postmarked on or before the due date. A return is filed timely if received or if the date shown by the U.S. Postal Service cancellation mark is 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, the next business day is the due date.

**Taxpayer Information:** Verify that the correct Connecticut Tax Registration Number and period ending appear on the return.

Verify that the mailing address on the front of the return is correct. If you have changed your **mailing address or trade name**, check the box and enter your new mailing address or trade name in the space provided.

If you have changed your **physical location**, check the box and enter your new location in the space provided.

If you are permanently out of business, check the box and enter your last business day.

**Return and Remittances:** We will return improperly completed returns or unsigned checks.

Make your check payable to: **Commissioner of Revenue Services**. DRS may submit your check to your bank electronically.

Write your **Connecticut Tax Registration Number** on the check.

Mail the return and payment in the enclosed self-addressed envelope.

**Deductions:** You **must itemize** all deductions claimed on the back of the return.

**Rounding:** You must round off cents to the nearest whole dollar on your returns and schedules. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off only the total. If you do not round, DRS will disregard the cents.

**Alternative Method:** Use this alternative method to determine amounts for Lines 1, 2, and 3 if you do not account for sales tax separately from gross receipts.

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 total on appropriate gross receipts line (Line 1, 2, or 3).

**Successor's Liability:** The purchaser of a business is liable for the taxes of the predecessor to the extent of the purchase price unless the purchaser obtains **Form AU-712, Tax Clearance Certificate**, from DRS. (See Conn. Gen. Stat. §12-424(2).)

**Responsible Person Liability:** Responsible persons may be held liable for sales and use taxes incurred by their business under Conn. Gen. Stat. §12-414a.

**For More Information:** If you have any questions, contact the Taxpayer Services Division at 860-297-5962 (from anywhere) or 1-800-382-9463 (in-state) or visit the DRS Web site at **www.ct.gov/DRS**

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

**Line Instructions**

**Line 1 Enter total gross receipts** from the sale of tangible personal property.

(a) Include receipts from:

- Sales of cigarettes and motor vehicle fuel;
- Tax-exempt sales;
- Total credit sales;
- Federal and state excise taxes and state petroleum products gross earnings tax;
- Sales of heating fuel, electricity, and gas; **and**
- Shipping and delivery charges.

(b) Exclude from Line 1 receipts from:

- Installment payments from conditional or credit sales previously reported;
- Sales and use taxes;
- Sales of real estate; **and**
- Commissions received, except sales agents services.

**Line 2 Enter total gross receipts** from the leasing and renting of tangible personal property. Include receipts from:

- Royalties or periodic payments received;
- Maintenance charges;
- Cancellation charges;
- Installation charges; **and**
- 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. Renovation and repair services to other than industrial, commercial, or income-producing real property;
- cc. Miscellaneous personal services (SIC Industry Group 729 or NAICS 532220, 812191, 812199, and 812990), excluding services by licensed massage therapists or licensed electrologists;
- dd. Repair or maintenance services to tangible personal property including any contract of warranty or service related to the item;
- ee. Business analysis, management, or management consulting services rendered by a general partner or an affiliate to a limited partnership;
- ff. Health and athletic club services;
- gg. Telecommunications services;
- hh. Community antenna television services;
- ii. Noncommercial vessel storage or mooring charges (exclusive of the period from November 1 through April 30);
- jj. Prepaid telephone calling service; **and**
- kk. Furnishing of space for storage.

**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 through 6.

**Line 8** Enter **deduction total** from the Total Deductions line on the back of the return. If you claim deductions on Line 8, you must enter an amount on the appropriate deduction line(s) on the back of the return.

**Line 9** **Subtract** Line 8 from Line 7 and enter the difference. (Not less than zero)

**Line 10** **Multiply** the amount on Line 9 by the 6% tax rate (.06).

**Line 11** **For amended returns only**, enter the tax paid on any prior return(s) filed for the period.

**Line 12** **Subtract** Line 11 from Line 10 and 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 of a month, from the due date until the date of payment. Interest is based on the amount that should have been remitted on time.

**Penalty for failure to pay tax when due:** 15% (.15) of the tax due or \$50, whichever is greater.

Penalties for late electronic funds transfer (EFT) payments are:

- 2% (.02) of the tax due for EFT payments not more than 5 days late;
- 5% (.05) for EFT payments more than 5 days but not more than 15 days late; **and**
- 10% (.10) for EFT payments more than 15 days late.

**Line 14** **Add** Line 12 and Line 13 and enter the total.

## Deductions

DRS may require certificates from purchasers to support exempt sales. The term *sales* includes services, leases, and rentals.

**Lines 15 – 17** **Sales for resale.** Enter total sales made during the period for which resale certificates have been accepted.

**Line 18** **Sales of all newspapers** and subscription sales of magazines and puzzle magazines.

**Line 19** **Sales of commercial trucks** (including tractors and semitrailers) with gross vehicle weight rating over 26,000 pounds or operated actively and exclusively for carriage of interstate freight, under a certificate or permit issued by the Interstate Commerce Commission or its successor agency.

**Line 21** **Sales of food products** for human consumption, vegetable seeds, and food sold through vending machines **and sales of certain nonfood products** purchased with food stamps. Food does not include alcoholic beverages, soda, candy, gum, tobacco products, or food prepared for immediate consumption at or near the seller's location.

**Line 23** **Sales of fuel for motor vehicles.** Enter the sales of gasoline and diesel fuels on which the Connecticut motor vehicle fuels tax has been paid.

**Line 24** **Sales of heating fuel, electricity, and gas** for use in any residential dwelling.

**Line 25** **Sales of electricity to businesses** of \$150 or less per month.

**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** if a copy of **Form OR-248, Farmer Tax Exemption Permit**, was provided.

**Line 30** **Sales of machinery and its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing production.** Sales of machinery and replacement, repair, component, and enhancement parts, parts to build machinery, used directly in the manufacturing process. Sales of materials, tools, and fuel used directly in an industrial plant in the manufacturing process or in furnishing gas, water, steam, or electricity when delivered to consumers through mains, lines or pipes. See also Line 71.

**Line 31** **Sales 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 commercial fishing.

**Lines 33 – 34** **Sales in interstate and foreign commerce** where delivery was provided by seller to a point outside of Connecticut, irrespective of transportation facilities involved.

**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 or vessels purchased by nonresidents.** Sales of motor vehicles or vessels are exempt from tax when the purchaser is not a resident of this state and does not maintain a permanent place of abode in this state, provided the motor vehicle or vessel is not presented for registration with the Department of Motor Vehicles in this state.

- Line 37 Sales of medicines, syringes, and needles by prescription.**
- Line 38 Sales of nonprescription medicines.** The exemption includes items used in or on the body: vitamin or mineral concentrates; dietary supplements; natural or herbal medicines; cough, cold or allergy medicines; antihistamines; laxatives; antidiarrheal medicines; analgesics; antibiotic, antiviral, and antifungal medicines; antiseptics; astringents; anesthetics; steroidal medicines; anthelmintics; emetics and antiemetics; antacids; and eye, ear, or nose medications. Test strips, tablets, lancets, and glucose monitoring equipment for diabetes, and any replacement, repair, and enhancement parts for the equipment are also exempt. Excluded from the exemption are cosmetics, dentifrices, mouthwash, shaving and hair care products, soaps, and deodorants.
- Lines 39 – 41 Sales to exempt charitable or religious organizations** under I.R.C. §501(c)(3) or cemetery organizations exempt under I.R.C. §501(c)(13) if the organization furnishes a valid exemption certificate.
- Lines 42 – 44 Sales to governmental agencies.** Enter sales to the United States, State of Connecticut, or any political subdivision or agency thereof, including public schools, police, fire departments, etc.
- Line 45 Sales of certified items for air or water pollution abatement.** Enter the 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 or water pollution, certified as approved for this purpose by the Commissioner of the Department of Environmental Protection.
- Line 47 Nontaxable labor and service charges** included in Line 3 but not deductible on another line of this return. Example: Labor on new construction.
- Line 48 Sales of services between wholly-owned business entities.** The exemption applies to services between entities, including entities other than corporations, where either entity owns a 100% controlling interest in the other. Business entities include corporations, trusts, estates, partnerships, limited partnerships, limited liability partnerships, limited liability companies, sole proprietorships, nonstock corporations, and federally recognized Indian tribes. The exemption also applies to telecommunications services and community antenna television services. Note that a business entity cannot purchase services on resale when the services are purchased for resale to another affiliate.
- Line 50 Trade-ins.** Enter total trade-in allowance on any like-kind item of tangible personal property. All trade-ins, other than motor vehicles, farm tractors, snowmobiles, vessels, aircraft, and certain construction equipment, must be intended for resale.
- Line 52 Returned goods taxed at 6%.** Enter goods returned for credit within 90 days of date of sale.
- Line 56 Sales of oxygen, blood, artificial devices, crutches, and wheelchairs.** Enter sales of oxygen, blood or blood plasma, prostheses or the sales or repair services of crutches, walkers, wheelchairs, inclined stairway chairlifts, etc., vital life support equipment, and replacement, repair, and enhancement parts for this equipment.
- Line 58 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 or footwear under \$50 each.** This exemption does 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 and yarn** used in the noncommercial production of clothing.
- Line 63 Funeral expenses.** Enter sales of caskets used for burials and cremation and the first \$2,500 of tangible personal property for each funeral.
- Line 69 Sales of aircraft having a maximum certificated take-off weight of 6,000 lbs or more** and repair or replacement parts and repair services exclusively for use in such aircraft owned or leased by a certificated air carrier, or in significant overhauling or rebuilding of aircraft on a factory basis.
- Line 71 Materials, tools, fuels, and machinery and equipment** to be used primarily in manufacturing, as described in the Manufacturing Recovery Act of 1992. Multiply applicable gross receipts by 50% (.50) and enter.
- Line 72 Sales of machinery, equipment, supplies, tools, and fuel** used directly in the **biotechnology industry**.
- Line 73 Sales of fabrication labor and repair and maintenance services for vessels.** Vessel means every description of watercraft, other than seaplane.
- Line 74 Computer and data processing services** taxable at 1%. Multiply the applicable gross receipts by 83.33% (.8333) and enter. Internet access services are not taxable.
- Line 75 Renovation and repair services to residential property.** Paving, painting or staining, wallpapering, roofing, siding, and exterior sheet metal work services to other than industrial, commercial or income-producing real property.
- Line 77 Sales to direct payment permit holders.** Direct payment permits allow taxpayers to pay use tax on certain purchases directly to DRS, rather than paying sales or use taxes to vendors.
- Line 78 Sales of college textbooks** to full-time or part-time students enrolled at institutions of higher education, with presentation of valid student identification cards. The exemption applies only to new and used books and related workbooks required or recommended for courses. **Effective July 1, 2005**, the exemption for sales of college text books is extended to sales to full and part-time students enrolled at private occupational schools.
- Line 79 Sales tax holiday:** Enter total receipts from the sale of: **Clothing or footwear under \$300 nontaxable for one week per year.** In 2005, the week is from August 21 through August 27; and **Residential weatherization products.** A sales tax holiday was enacted that runs from November 25, 2005, through April 1, 2006.
- Lines A, B, and 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 or sales made by eleemosynary nonprofit organizations of not more than \$20. For a complete list of sales and use tax exemptions, see Conn. Gen. Stat. §12-412.

**Form OP-186**  
**Connecticut Individual Use Tax Return**  
 For the year January 1 - ► December 31, 2005

For Calendar Year **2005**

|  |                        |  |
|--|------------------------|--|
| Your First Name and Middle Initial<br>▶                        | Last Name<br>▶         | Your Social Security Number<br>_ _ _ _ : : _ _ _ _     |
| If a Joint Return, Spouse's First Name and Middle Initial<br>▶ | Last Name<br>▶         | Spouse's Social Security Number<br>_ _ _ _ : : _ _ _ _ |
| Home Address<br>▶  | Number and Street<br>▶ | PO Box<br>▶  |
| City, Town or Post Office<br>▶                                 | State                  | ZIP Code   |
| For Department Use Only  |                        |  |

Use this form to report purchases of goods or services subject to Connecticut use tax for calendar year 2005. Use the 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**, Line 7 on **Form CT-1040EZ**, Line 17 on **Form CT-1040NR/PY**, or Line 9 on the **Telefile** worksheet to report your use tax.

**Name and ID:** Enter your name and Social Security Number (SSN) at the top of this form, and if applicable, your spouse's name and SSN. You may file either a separate or a joint return regardless of your filing status for income tax purposes.

**Calendar Year:** You may file more than one form for a given calendar year, but do not combine transactions for different years.

- Part I. Column 1:** Enter the month, day, and year of the purchases.      **Column 5:** Multiply the purchase price in Column 4 by 6% (.06) or the applicable rate, and enter the result.
- Column 2:** Enter a brief description of the taxable items or services purchased, such as jewelry, a boat, etc.      **Column 6:** Enter the tax, if any, correctly paid to another jurisdiction on the taxable item purchased.
- Column 3:** Enter the name of the retailer from which the item or service was purchased.      **Column 7:** Subtract the amount entered in Column 6 from the amount entered in Column 5 and enter the difference. Calculate Total Amount Due. (If less than zero, enter 0, and do not file this form.)
- Column 4:** Enter the purchase price.

| Column 1         | Column 2                         | Column 3                     | Column 4       | Column 5                   | Column 6                         | Column 7   |
|------------------|----------------------------------|------------------------------|----------------|----------------------------|----------------------------------|--|
| Date of Purchase | Description of Goods or Services | Retailer or Service Provider | Purchase Price | CT Tax Due (.06 X Col. 4)* | Tax Paid to Another Jurisdiction | Balance Due (Col. 5 minus Col. 6 but not less than zero) |
|                  |                                  |                              |                |                            |                                  |  |
|                  |                                  |                              |                |                            |                                  |  |
|                  |                                  |                              |                |                            |                                  |  |
|                  |                                  |                              |                |                            |                                  |  |
|                  |                                  |                              |                |                            |                                  |  |
|                  |                                  |                              |                |                            |                                  |  |
|                  |                                  |                              |                |                            |                                  |  |
|                  |                                  |                              |                |                            |                                  |  |

|   |                           |  |           |
|---|---------------------------|--|-----------|
| <b>If no use tax is due, you are not required to file a use tax return.</b>   |                           |  |           |
| *See Question 4 on the back of this form for information about tax rates on certain services.   | Total Tax ▶               |  | 00        |
| <b>Penalty:</b> For failure to pay tax when due - 10% (.10) of the tax due.   | Penalty ▶                 |  | 00        |
| <b>Interest:</b> For late payment - 1% (.01) of tax due per month, or fraction of a month, from due date.<br>Additional interest accrues on the 16th day of each month. | Interest ▶                |  | 00        |
|   | <b>Total Amount Due ▶</b> |  | <b>00</b> |

- 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;  
 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.

Do not mail this return with your income tax return. A separate check must accompany this return. Make check or money order payable to: **Commissioner of Revenue Services**. Write **2005 Individual Use Tax** on your check or money order. Writing your SSN(s) (optional) on the front of your check ensures accuracy and timeliness in processing your payment. The Department of Revenue Services (DRS) may submit your check to your bank electronically. Mail this return with check or money order to: Department of Revenue Services, PO Box 2973, Hartford CT 06104-2973.

**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. Do not file this return for use tax that was already paid on a motor vehicle, snowmobile, vessel, or aircraft upon registration.

**Declaration:** I declare under penalty of law 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. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|                                     |                              |      |                    |                            |
|-------------------------------------|------------------------------|------|--------------------|----------------------------|
| <b>Sign Here</b>                    | Your Signature               | Date | Spouse's Signature | Date                       |
|                                     | Keep a copy for your records |      |                    |                            |
| <b>Keep a copy for your records</b> | Paid Preparer's Signature    |      | Date               | Preparer's SSN or PTIN     |
|                                     | Firm Name and Address        |      |                    | Federal Employer ID Number |

## Q & A on the Connecticut Individual Use Tax

Here are answers to some commonly-asked questions about the Connecticut use tax. Understanding 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. What is the use tax?

Use tax is the tax you pay when Connecticut sales tax is not paid to a retailer. The use tax is complementary to the sales tax. Together, the sales and use taxes act to tax Connecticut purchasers equally, whether they purchase goods and services within or without Connecticut.

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

You must pay use tax on taxable tangible personal property, whether purchased or leased. Examples of taxable tangible personal property include items of clothing costing \$50 or more, automobiles, appliances, furniture, jewelry, cameras, VCRs, computers, and computer software. Some taxable services include repair services to your television, motor vehicle, or computer; landscaping services for your home; and reupholstering services for your household furniture.

### 3. Are there exemptions from the use tax?

Yes. Some examples are items of clothing that cost less than \$50 or repair and maintenance services to vessels.

Additionally, use tax does not apply to sales of residential weatherization products during the period that begins on November 25, 2005, and ends on April 1, 2006.

### 4. What is the use tax rate?

In general, the use tax rate for purchases of taxable goods or services is 6%. However, computer and data processing services are taxed at 1%.

### 5. What if a Connecticut retailer doesn't collect tax from me on a sale of taxable goods or services?

You must report the use tax liability on your Connecticut income tax return, **Form CT-1040EZ**, *Connecticut EZ Resident Income Tax Return*, **Form CT-1040**, *Connecticut Resident Income Tax Return*, **Form CT-1040NR/PY**, *Connecticut Nonresident or Part-Year Resident Income Tax Return*, **Connecticut Telefile Tax Return**, or **Form OP-186**, *Connecticut Individual Use Tax Return*, for purchases made during the preceding calendar year.

### 6. When must individuals pay the use tax?

You must file your Connecticut income tax return by April 15 for the preceding calendar year. If you are not required to file a Connecticut income tax return, you must pay the use tax using Form OP-186. You may file Form OP-186 for the entire year or you may file several returns throughout the year, but, in either case, Form OP-186 is due by April 15 for the preceding calendar year. If the purchases are made in connection with a trade or business carried on by an individual, see Question 12.

### 7. What if I buy taxable goods or services from an out-of-state mail-order company, television shopping channel, or computerized shopping service and no Connecticut tax is charged by the vendor?

If you buy goods or services for use in Connecticut, you must report the use tax liability on your Connecticut income tax return or Form OP-186 for purchases you made during the preceding calendar year.

### 8. What if I buy taxable goods or services in another state and the vendor charges sales tax for the other state?

If the goods or services were purchased for use in Connecticut, and you have taken title to the goods outside Connecticut, and the tax correctly paid to the other state is less than the Connecticut tax, you must report and pay the use tax. Your use tax is the difference between the Connecticut tax and the tax paid to the other state. If the tax paid to the other state is equal to or more than the Connecticut tax, you owe no use tax to Connecticut. There is no refund for tax paid to another state when that state's tax rate exceeds 6%.

**Example:** You purchased a \$1,000 refrigerator in another state, and paid a \$50 tax to that state. If you bought the refrigerator for use in Connecticut, you owe Connecticut use tax. The Connecticut tax of \$60 is reduced to \$10 after allowing \$50 credit for the tax paid to the other state. If no tax was paid to the other state, Connecticut use tax is \$60.

### 9. Is an out-of-state merchant misleading me if he tells me I do not need to pay Connecticut use tax?

Yes. While you may not have to pay sales tax in the state where you bought the goods or services, you **must** pay Connecticut use tax on taxable goods or services purchased for use in Connecticut.

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

No. If all the items you purchased and **brought into** Connecticut at one time total \$25 or less, you do not have to pay Connecticut use tax. The \$25 exemption does not apply to items **shipped or mailed** to you.

### 11. Can an out-of-state business, such as a mail-order company, collect Connecticut use tax on taxable goods that are mailed or delivered into Connecticut?

Yes. If the business is registered to collect Connecticut use tax, it must collect the tax from you. If the business is not registered, then you must report and pay the tax yourself.

### 12. Does a person engaged in a trade or business have to pay use tax on purchases made for the trade or business?

Yes. If the person makes taxable purchases of goods or services out-of-state for use in a trade or business (such as office furniture, computers, and supplies), that person should be registered with DRS for business use tax purposes and report purchases on **Form OS-114**, *Sales and Use Tax Return*. (See **Informational Publication 2003(31)**, *Q & A on the Connecticut Use Tax for Businesses and Professions*.)

### 13. What are the penalties and interest for not paying the use tax?

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

### 14. What are the use tax filing requirements for motor vehicles, snowmobiles, vessels, and aircraft?

Generally, if the item is not purchased from a retailer, the Connecticut Department of Motor Vehicles collects the use tax when you register a motor vehicle, snowmobile, or vessel. You must report the use tax liability on aircraft on your Connecticut income tax return or on Form OP-186. If you do not intend to register your motor vehicle, snowmobile, or vessel immediately after you purchase it, you must report the use tax liability for purchases made during the prior calendar year on your Connecticut income tax return or Form OP-186. If the purchase is made in connection with a trade or business carried on by an individual, see Question 12.

### 15. On what amount should the use tax be calculated?

Calculate the use tax by multiplying the total cost of the taxable goods or services purchased, including separately stated charges such as shipping and handling, by the tax rate (generally 6%).

**For More Information:** Forms and publications are available by calling **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2. TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling **860-297-4911**. **Internet:** preview and download forms and publications from the DRS Web site at **www.ct.gov/DRS**

## Materials, Tools, and Fuel

**General Purpose:** The purchaser of materials, tools, and fuel uses this certificate to establish that the item(s) being purchased will be used directly in:

- An industrial manufacturing plant in the actual fabrication of a product to be sold;
- Furnishing power to an industrial manufacturing plant; **or**
- Furnishing 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, tools, or fuel are not used in the manner described above, a purchaser who claimed an exemption owes use tax on the total price of any items purchased under this exemption.

**Statutory Authority:** Conn. Gen. Stat. §12-412(18); Conn. Agencies Regs. §12-412(18)-1.

**Instructions for the Purchaser:** An owner or officer of a business purchasing materials, tools, or fuel for use in the manner described above can sign and issue this certificate to advise the seller of these items that the purchase is exempt. Issue this certificate only for materials, tools, or fuel, as defined in Conn. Agencies Regs. §12-412(18)-1. Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale and storage, use, or other consumption, of the materials, tools, or fuel is not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who is purchasing materials, tools, or fuel for use in the actual fabrication of finished products to be sold, in furnishing power to an industrial manufacturing plant, or in furnishing 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 the seller knows of facts that suggest the purchaser is not engaged in fabrication or that the materials, tools, or fuel will not be used directly in actual fabrication of finished products to be sold. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-100” satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the purchaser must check the box marked “Certificate for One Purchase Only.” The certificate can also be used for a continuing line of exempt purchases, in which event the purchaser must check the box marked “Blanket Certificate.” A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



|   |         |   |                       |
|---|---------|---|-----------------------|
| Name of Purchaser   | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Name of Seller  | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Check One Box<br><input type="checkbox"/> Blanket Certificate <input type="checkbox"/> Certificate for One Purchase Only  |         |   |                       |
| Check Appropriate Box and Provide Written Description of Each Item Purchased<br><input type="checkbox"/> Materials <input type="checkbox"/> Tools <input type="checkbox"/> Fuel |         |   |                       |
| Description   |         |   |                       |

**Declaration by Purchaser**

The item(s) described on the front are materials, tools, or fuel as defined in Conn. Agencies Regs. §12-412(18)-1 to be used directly in:

- An industrial manufacturing plant in the actual fabrication of a product to be sold;
- Furnishing power to an industrial manufacturing plant; **or**
- Furnishing gas, water, steam, or electricity when delivered to consumers through mains, lines, pipes, or bottles.

In accordance with Conn. Agencies Regs. §12-412(18)-1, the purchase of these item(s) is exempt from sales and use taxes.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchasing Company

By: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Authorized Signature of Owner or Officer

## Machinery, Component Parts, and Replacement and Repair Parts of Machinery Used Directly in a Manufacturing Process

**General Purpose:** This certificate is used by the purchaser of:

- Machinery to be used directly in the manufacturing production process;
- Component parts and contrivances used or required to control, regulate, or operate the machinery, or to enhance or alter its productivity or functionality;
- All replacement and repair parts for this machinery or its component parts and contrivances; **or**
- Any parts of a machine purchased exclusively to assemble into a machine to be used directly in a manufacturing production process. These parts will be assembled into a machine by the purchaser or someone acting on behalf of the purchaser.

Whether or not the machinery, component parts and contrivances, or replacement and repair parts of a machine will be used in Connecticut, charges for the machinery, component parts and contrivances, or replacement and repair parts when used as indicated above are not subject to sales and use taxes.

If the machinery, component parts and contrivances, or replacement and repair parts of a machine are not used in the manner described above, a purchaser who claimed an exemption owes use tax on the total price of any items purchased under this exemption.

**Statutory Authority:** Conn. Gen. Stat. §12-412(34) and (73); Conn. Agencies Regs. §12-412(34)-1

**Instructions for the Purchaser:** An owner or officer of a business purchasing manufacturing machinery, component parts and contrivances, or replacement and repair parts of a machine to be used in the manner described above can sign and issue this certificate to advise the seller of these items that the purchase is exempt. Issue this certificate only 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, or for any parts 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). Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. In addition, the purchaser must prepare and

maintain a record for the use of a component part purchased under Conn. Gen. Stat. §12-412(73) for at least three years following the date of purchase. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale and storage, use, or other consumption, of the machinery, component parts and contrivances, or replacement and repair parts of a machine is not subject to sales and use taxes. The certificate is valid only if taken in good faith: (1) in the case of machinery, component parts and contrivances, or replacement or repair parts as described above, purchased under Conn. Gen. Stat. §12-412(34), from a person purchasing the items for use in manufacturing; and (2) in the case of component parts 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. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not engaged in manufacturing or that the machinery will not be used directly in a manufacturing production process. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-101” satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the purchaser must check the box marked “Certificate for One Purchase Only.” The certificate can also be used for a continuing line of exempt purchases, in which event the purchaser must check the box marked “Blanket Certificate.” A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|  |         |   |                       |
|--|---------|---|-----------------------|
| Name of Purchaser  | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Name of Seller   | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Check One Box: <input type="checkbox"/> Blanket Certificate <input type="checkbox"/> Certificate for One Purchase Only |         |   |                       |
| Description of Machinery, Component Parts and Contrivances, or Replacement and Repair Parts:                           |         |   |                       |

### Declaration by Purchaser

The item(s) described on this certificate are:

- Machinery to be used directly in the manufacturing production process, as defined in Conn. Gen. Stat. §12-412(34) and Conn. Agencies Regs. §12-412(34)-1;
- Component parts and contrivances that are used or required to control, regulate, or operate the machinery, or to enhance or alter its productivity or functionality;
- All replacement and repair parts for this machinery or its component parts and contrivances; **or**
- Component parts 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 described items is exempt from sales and use taxes.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchaser

By: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Authorized Signature of Owner, Agent, or Officer

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## Certified Rehabilitation Certificate for Certified Historic Structures

**General Purpose:** An owner or general contractor uses this certificate to establish that services to real property being rendered by a general contractor or 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, exterior sheet metal work, flooring, sandblasting, carpeting, masonry, wallpapering, and refuse removal services when rendered to industrial, commercial, or income-producing real property.

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 these services are 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 does not accept a resale certificate issued by the general contractor for the services to real property rendered to the general contractor by the subcontractor, the general contractor may issue this certificate to the subcontractor. If the subcontractor accepts a resale certificate, the general contractor does not issue this certificate.

**Statutory Authority:** Conn. Agencies Regs. §12-407(2)(i)(I)-1.

**Instructions for the Service Recipient (Owner or General Contractor):** An owner can sign and issue this certificate 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 this certificate to its subcontractors to advise 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. Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. The owner must attach a copy of the listing of the building in the National Register or 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. The owner must also attach a copy of the application for 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 the Service Provider:** Acceptance of this certificate, when properly completed, relieves the service provider from the burden of proving the 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 the provider knows of facts that suggest the certificate is inaccurate. Keep this certificate and bills or invoices to the owner or general contractor for at least six years from the date the services were rendered. The bills, invoices, or records covering all charges made under this certificate must be marked to indicate the services were partially or totally exempted from sales and use taxes. The words "Exempt under CERT-102" satisfy the requirement.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|  |         |   |                       |
|--|---------|---|-----------------------|
| Name of Service Recipient                | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Name of Service Provider                 | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Location of Real Property                |         |   |                       |
| General Description of Services Rendered |         |   |                       |

### Declaration by Service Provider

The real property identified in this certificate is a certified historic structure as defined in Internal Revenue Code §47(c)(3)(A).

The structure is being substantially rehabilitated as defined in Internal Revenue Code §47(c)(1)(C).

The rehabilitation will be a certified rehabilitation as defined in Internal Revenue Code §47(c)(2)(C).

\_\_\_\_\_ % of the services being rendered to the real property identified on the front of this certificate are directly connected with its substantial and certified rehabilitation. As defined in 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.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

- Check one:  Owner  
 General Contractor  
 Subcontractor

\_\_\_\_\_

Name of Service Recipient

By: \_\_\_\_\_

Authorized Signature of Service Recipient

Title

Date

## Residential Condominium Association

**Statutory and Regulatory Authority:** Conn. Gen. Stat. §12-407(a)(37)(I) and Conn. Agencies Regs. §12-407(2)(i)(I)-1 and §12-407(2)(i)(BB)-1; Conn. Gen. Stat. §12-407(2)(i)(BB).

**General Purpose:** A residential condominium association uses this certificate 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, carpentry, plastering, heating, air conditioning, ventilation, flooring, sandblasting, carpeting, masonry, refuse and sanitary waste removal services, paving, painting or staining, wallpapering, roofing, siding, and exterior sheet metal work. Use this certificate to establish the percentage of these services that are taxable.

**Services to real property do not include** locksmith, landscaping and horticulture, window cleaning, maintenance, janitorial, exterminating or swimming pool cleaning, and maintenance services. Charges for these services are 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. Where a subcontractor will not accept a resale certificate issued by a 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 by the general contractor to the subcontractor. In all instances, the condominium association must issue CERT-103 to any contractor that renders services to the common elements.

**Instructions for Service Recipient (Condominium Association or General Contractor):** A principal officer of the association must sign this certificate. The information must be accurate as of the first day of the calendar year covered by this certificate. Keep a copy of the certificate and records that substantiate the information entered on the certificate for at least six years from the end of the calendar year covered by this certificate. You may issue this certificate 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 Conn. Agencies Regs. §12-407(2)(i)(I)-1(g). You may not issue this certificate in connection with rendering any other services to the condominium association 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 recipient, relieves the 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 the provider has knowledge of facts that give rise to a reasonable inference the information in this certificate is inaccurate. Keep this certificate and bills or invoices to the condominium association for at least six years from the date the services were rendered. The bills or invoices must be appropriately marked to indicate the charges for services were partially or totally exempted from sales and use taxes. The words “Exempt under CERT-103” satisfy this requirement.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



## Services Certificate for New Construction

**General Purpose:** Charges for that portion of the services to real property directly connected with construction of a new building or a new addition that expands the cubic footage of an existing building, or with making site improvements that put the property affected to a new use are not subject to sales and use taxes. An owner or general contractor uses this certificate to establish that services to real property being rendered by a general contractor or subcontractor are directly connected with:

- Construction of a new building or a new addition that expands the cubic footage of an existing building; **or**
- Making site improvements that put the property affected to a new use.

**Site improvements** are improvements made to real property. Certain site improvements put the property to a new use, such as the construction of roadways, walkways (concrete or asphalt), driveways (concrete or asphalt), parking lots, patios (concrete or asphalt), in ground swimming pools, tennis courts, or decks. These services are considered new construction work whether or not these improvements are connected with the construction of a new building.

Other site improvements merely enhance an existing use of the property, such as installation of wells, septic systems, utility lines, storm water drainage systems, or outdoor lighting systems. These services are **not** considered new construction unless the construction of the improvements is directly connected with the construction of a new building or a new addition that expands the cubic footage of an existing building.

Services to real property include: 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 these services are 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.

**Statutory Authority:** Conn. Agencies Regs. §12-407(2)(i)(I)-1.

**Instructions for the Service Recipient (Owner or General Contractor):** An owner can sign and issue this certificate 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 this certificate to its subcontractors to advise 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. The owner or general contractor must attach a copy of the building permit issued by the municipality where the property is located to support the percentage of the project that is new construction. This certificate is 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)(2). Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued.

**Instructions for the Service Provider:** Acceptance of this certificate, when properly completed, relieves the service provider from the burden of proving that the 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 the provider knows of facts that suggest the certificate is inaccurate. Keep this certificate and bills or invoices to the owner or general contractor for at least six years from the date the services were rendered. The bills, invoices, or records covering all charges made under this certificate must be marked to indicate that the services were partially or totally exempted from sales and use taxes. The words "Exempt under CERT-104" satisfy the requirement.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



|  |         |   |                       |
|--|---------|---|-----------------------|
| Name of Service Recipient                | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Name of Service Provider                 | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Location of Affected Property            |         |   |                       |
| General Description of Services Rendered |         |   |                       |

### Declaration by Service Recipient

\_\_\_\_\_ % of the services being rendered to the real property identified above 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. As defined in Conn. Agencies Regs. §12-407(2)(i)(I)-1(c)(1), these services are services rendered in the construction of new real property and this percentage of the charges is not subject to sales and use taxes.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_ Check one:  Owner  
 Name of Service Recipient  General Contractor

By: \_\_\_\_\_  
 Authorized Signature of Service Recipient Title Date

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## Commercial Motor Vehicle Purchased Within Connecticut for Use Exclusively in the Carriage of Freight in Interstate Commerce

**General Purpose:** This certificate must be used by the purchaser of a commercial truck, truck tractor, tractor or semitrailer, or vehicle used in combination with these, which will be operated actively and exclusively during the one-year period following the purchase date of the vehicle for the carriage of freight under a certificate or permit issued by the Interstate Commerce Commission (ICC) or its successor agency to the purchaser to claim exemption.

If the motor vehicle is not used in the manner described above, the purchaser owes use tax on the total purchase price. A motor vehicle is 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, make the purchaser liable for the use tax.

**Statutory Authority:** Conn. Gen. Stat. §12-412(70).

**Instructions for the Purchaser:** An owner or officer of a business purchasing a commercial truck, truck tractor, tractor or semitrailer, or vehicle used in combination with these for use in the manner described above can sign and issue this certificate to advise the seller of these items that the purchase is exempt. Attach a copy of the certificate or permit issued by the ICC to this certificate. Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed and accompanied by a copy of the certificate or permit issued by the ICC to the purchaser, relieves the seller from the burden of proving that the sale and storage, use, or other consumption, of a motor vehicle as described above is not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who is purchasing a commercial truck, truck tractor, tractor or semitrailer, or vehicle used in combination with these for use as described above. For example, the good faith of the seller will be questioned if the seller knows of facts that suggest the commercial motor vehicle or motor bus will not be operated actively and exclusively during the one-year period following the purchase date for the carriage of interstate freight under a certificate or permit issued by the ICC to the purchaser. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words "Exempt under CERT-105" satisfy the requirement.

This certificate can be used for a single exempt purchase only and cannot be used as a "blanket certificate" for a continuing line of purchases.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|                   |         |  |  |
|-------------------|---------|--|--|
| Name of Purchaser | Address | CT Tax Registration Number<br>(If none, explain) | Federal Employer ID #<br>ICC Permit Number |
| Name of Seller    | Address | CT Tax Registration Number<br>(If none, explain) | Federal Employer ID #                      |

**Vehicle Identification Data**

Make of Vehicle \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_  
 Color \_\_\_\_\_ Vehicle Identification Number \_\_\_\_\_  
 Manufacturer's Gross Vehicle Weight Rating \_\_\_\_\_

**Computation of Price**

**Trade-in Data**

Gross Sales Price \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_  
 Trade-in Allowance \_\_\_\_\_ Year \_\_\_\_\_  
 Net Sales Price \_\_\_\_\_ State of Registration and Plate Number \_\_\_\_\_  
 Vehicle Identification Number \_\_\_\_\_

**Declaration by Purchaser**

The motor vehicle described above is a commercial truck, truck tractor, tractor or semitrailer, or vehicle used in combination with these, which will be operated actively and exclusively during the one-year period following the purchase date of such vehicle for the interstate carriage of freight under a certificate or permit issued by the Interstate Commerce Commission (ICC) or its successor agency to the purchaser.

If the vehicle is not used in this manner during the period, the purchaser will be liable for Connecticut use tax on the total purchase price of the vehicle.

As described in Conn. Gen. Stat. §12-412(70), the purchase of this motor vehicle is exempt from sales and use taxes.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
 Name of Purchaser

By: \_\_\_\_\_  
 Signature of Authorized Person Title Date

## Claim for Refund of Use Tax Paid on a Motor Vehicle Purchased From Other Than a Motor Vehicle Dealer

### Part I Instructions

**Statutory Authority:** Conn. Gen. Stat. §12-431(b)

**General Purpose:** A person purchasing a motor vehicle from a person other than a motor vehicle dealer or licensed motor vehicle lessor must pay Connecticut use tax on the average trade-in value of the vehicle as shown in the *N.A.D.A. Official Used Car Guide, Eastern Edition* for the month of purchase. The average trade-in value does not include additions or deductions, such as for low or high mileage or for optional equipment or the absence of optional equipment. If the purchaser can prove the actual purchase price of the motor vehicle was less than the average trade-in value and submits a properly completed CERT-106 and the documentation described below within three years of paying the tax to the Connecticut Department of Motor Vehicles (DMV), the Department of Revenue Services (DRS) will refund the overpayment of Connecticut use tax. **Do not use CERT-106** if the actual purchase price of the vehicle equals or exceeds its average trade-in value. You owe Connecticut use tax on the actual purchase price of the vehicle.

**Who Should Use This Form:** Any person who:

- Purchased a motor vehicle from a person who is not a motor vehicle dealer or licensed motor vehicle lessor; **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 purchase; **and**
- Paid Connecticut use tax, when registering the vehicle with DMV, based on the vehicle's average trade-in value; **and**
- Claims a partial refund of Connecticut use tax because the person can prove the actual purchase price of the motor vehicle was less than the vehicle's average trade-in value; **or**
- Claims a full refund of the Connecticut use tax because the person can prove the original purchase was exempt.

**To Submit a Claim:** Submit CERT-106 and the documentation described above within three years of paying the tax to:

Department of Revenue Services  
PO Box 5088  
Hartford CT 06102-5088

**All Claims Must Include:**

- Purchaser's Declaration:** The purchaser or purchasers must complete the Purchaser's Declaration on the back of this form. Indicate if the motor vehicle was purchased by more than one person by checking the appropriate box in Part IV as to whether the vehicle is owned in common or jointly. This information should match the information entered on **Form H-13, Official Registration of a Motor Vehicle and Application for Certificate of Title**.
- Seller's Declaration:** The seller or sellers must complete the Seller's Declaration on the back of this form.
- Validated Form H-13:** Attach a copy of the validated Form H-13. (Do not attach a copy of the certificate of title.)
- Cancelled Check or Other Evidence of Payment of the Purchase Price of the Motor Vehicle:** If payment was made by check, attach a copy of the cancelled check issued to the seller of the vehicle (front and back). Do not include a copy of the check issued to DMV for payment of sales tax. If payment was not made by check, attach other evidence of payment, such as a copy of the bank statement showing the withdrawal if you paid with cash.
- Explanation for Actual Purchase Price Being Less Than N.A.D.A. Average Trade-in Value:** Attach an explanation, and documenting evidence such as a dated photograph from the time the motor vehicle was acquired, repair bill, or appraisal of the condition of the vehicle.

**Notice of Allowance or Disallowance of a Claim:** DRS generally gives notice that a claim for refund was allowed or disallowed within 90 days after it receives a properly completed CERT-106. Allowed claims are 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** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling **860-297-4911**.

**Part II Purchaser:** Read the instructions first, then complete Parts II, III, and IV. *(Please print clearly)*

|   |                                   |
|---|-----------------------------------|
| Name of Purchaser<br>▶ Last _____ First _____                   | Social Security Number<br>▶ _____ |
| Address<br>▶ _____  |                                   |
| City _____  | State _____ ZIP Code _____        |
| ▶ _____   |                                   |
| Name of Purchaser (If co-ownership)<br>▶ Last _____ First _____ | Social Security Number<br>▶ _____ |
| Address<br>▶ _____  |                                   |
| City _____  | State _____ ZIP Code _____        |
| ▶ _____   |                                   |

**Part III Motor Vehicle Identification and Refund Calculation**

**Description of Motor Vehicle**

Date of Purchase ▶ \_\_\_\_\_ Date of Registration ▶ \_\_\_\_\_  
Make of Vehicle \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_  
Vehicle Identification Number \_\_\_\_\_ Odometer Reading on Date of Purchase \_\_\_\_\_

**Refund Calculation**

Value Used by DMV to Compute Tax ▶ \$ \_\_\_\_\_ Tax Paid to DMV ▶ \$ \_\_\_\_\_  
Actual Purchase Price ▶ \$ \_\_\_\_\_ X 6% = Tax Actually Due ▶ \$ \_\_\_\_\_  
**Refund Claimed** (Tax Paid Less Tax Actually Due) ▶ \$ \_\_\_\_\_

**Part IV Purchaser's Declaration**

I, the purchaser named in Part II, declare that I purchased the motor vehicle identified in Part III from the seller named in Part V. The actual purchase price of the vehicle was \$ \_\_\_\_\_. No other consideration, such as transfers of property other than money, or cancellations or offsets of debts owed by the seller, has been or will be paid or transferred by me in connection with my purchase of the vehicle identified in Part III. I declare under the penalty of law that I have examined this certificate and to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment of not more than five years, or both.

Signature of Purchaser \_\_\_\_\_ Date \_\_\_\_\_  
Print Name of Purchaser \_\_\_\_\_ Telephone ( ) \_\_\_\_\_  
If co-ownership, check the appropriate box and enter the information below:  And (common)  Or (joint)  
Signature of Other Purchaser \_\_\_\_\_ Date \_\_\_\_\_  
Print Name of Other Purchaser \_\_\_\_\_ Telephone ( ) \_\_\_\_\_

**Part V Seller's Declaration**

I, the seller, declare that I sold the vehicle identified in Part III 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, or cancellations or offsets of debts owed to the purchaser, has been or will be paid or transferred to me in connection with my sale of the vehicle identified in Part III. I declare under the penalty of law that I have examined this certificate and to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment of not more than five years, or both.

Signature of Seller \_\_\_\_\_ Date \_\_\_\_\_  
Print Name of Seller \_\_\_\_\_ Telephone ( ) \_\_\_\_\_  
Address of Seller \_\_\_\_\_  
If Jointly Sold,  
Signature of Other Seller \_\_\_\_\_ Date \_\_\_\_\_  
Print Name of Other Seller \_\_\_\_\_ Telephone ( ) \_\_\_\_\_  
Address of Other Seller \_\_\_\_\_

## Partial Exemption of Materials, Tools, and Fuels

**General Purpose:** The purchaser of materials, tools, and fuels uses this certificate to establish that the items being purchased will be used or consumed in an industrial plant:

- Directly in the manufacturing, processing, or fabricating of tangible personal property to be sold;
- 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 measuring or testing tangible personal property to be sold.

This certificate entitles the purchaser to an exemption from sales and use taxes based on a 50 percent reduction of the gross receipts or sales price for the sale of qualifying materials, tools, or fuels. 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 partially exempt.

If the materials, tools, or fuels are not used in the manner described above, a purchaser who claimed an exemption owes use tax that is the difference between the amount of tax paid and the amount of tax that would have been due if no exemption were claimed.

**Statutory Authority:** Conn. Gen. Stat. §12-412i.

**Instructions for the Purchaser:** An owner or officer of a business purchasing materials, tools, or fuel for use in the manner described above can sign and issue this certificate to advise the seller of these items that the sales and use taxes do not apply to the charges for the purchase. Issue this certificate only for materials, tools, or fuel, as defined in Conn. Gen. Stat. §12-412i. Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale and 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. The certificate is valid only if taken in good faith from a person who is purchasing materials, tools, or fuel for use in an industrial plant for: (1) manufacturing, processing, or fabricating of tangible personal property to be sold; (2) in any process preparatory or related to the manufacturing, processing, or fabricating, including research and development; or (3) in measuring or testing tangible personal property to be sold. For example, the good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not engaged in manufacturing, processing, or fabricating or that the materials, tools, or fuel will not be used directly in any manner described above. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-108” satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the purchaser must check the box marked “Certificate for One Purchase Only.” The certificate can also be used for a continuing line of exempt purchases, in which event the purchaser must check the box marked “Blanket Certificate.” A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**Note:** If materials, tools, and fuel are exempt under Conn. Gen. Stat. §12-412(18) rather than Conn. Gen. Stat. §12-412i, use **CERT-100, *Materials, Tools, and Fuel***, to make an exempt purchase.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|   |         |   |                       |
|---|---------|---|-----------------------|
| Name of Purchaser   | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Name of Seller  | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Check One Box<br><input type="checkbox"/> Blanket Certificate <input type="checkbox"/> Certificate for One Purchase Only  |         |   |                       |
| Check Appropriate Box and Provide Written Description of Each Item Purchased<br><input type="checkbox"/> Materials <input type="checkbox"/> Tools <input type="checkbox"/> Fuel |         |   |                       |
| Description   |         |   |                       |

### Declaration by Purchaser

The item(s) described on the front are materials, tools, or fuel as defined in Conn. Gen. Stat. §12-412i for use in an industrial plant:

- Directly in the manufacturing, processing, or fabricating of tangible personal property to be sold;
- 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 measuring or testing tangible personal property to be sold.

In accordance with Conn. Gen. Stat. §12-412i, the purchase of these item(s) is subject to an exemption from sales and use taxes.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchasing Company

By: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Authorized Signature of Owner or Officer

## Partial Exemption for Machinery, Equipment, or Repair and Replacement Parts

**General Purpose:** The purchaser of machinery, equipment, or repair and replacement parts for the machinery and equipment uses this certificate to establish that items purchased are to be used primarily in the manufacturing, processing, or fabricating of tangible personal property.

A purchaser uses this certificate to claim a partial exemption from sales and use taxes on purchases of qualifying machinery, equipment, or repair or replacement parts. The exemption excludes 50 percent of the gross receipts or sales price of the qualifying machinery, equipment, or parts from tax. Whether or not the machinery or equipment will be used in Connecticut, charges for the property, when used as indicated above, are entitled to the exemption.

**Description of the Use of Item(s) Being Purchased:** To qualify for the partial exemption from sales and use taxes, the machinery or equipment must be used primarily:

- For research and development with respect to or in the furtherance of the manufacturing, processing, or fabricating of tangible personal property;
- For measuring or testing with respect to or in the 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, equipment, or repair and replacement parts are not used in this manner, a purchaser who has claimed a partial exemption owes use tax. The use tax due is the difference between the amount of tax paid under a partial exemption and the amount of tax due if no exemption were claimed.

**Statutory Authority:** Conn. Gen. Stat. §12-412i

**Instructions for the Purchaser:** This certificate must be signed by an owner or officer of a business purchasing the machinery, equipment, or repair or replacement parts 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 partial exemption. The 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. Keep a copy of this certificate and records that substantiate the information entered on it for at least six years from the date the certificate is issued. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the gross receipts from the sale of the item(s) described on this certificate are eligible for a partial exemption from sales and use taxes. This certificate is valid only if taken in good faith from a person who is purchasing the machinery, equipment, or repair or replacement parts for use in manufacturing, fabricating, or processing. The good faith of the seller will be questioned if the seller knows of facts that suggest 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.

Keep a copy of this certificate and bills or invoices to the purchaser for 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 a purchase of machinery or equipment entitled to a partial exemption has occurred. The words “Exempt under Conn. Gen. Stat. §12-412i: Machinery and Equipment” satisfy this requirement.

The certificate may be used for individual purchases, in which case the box marked “Certificate for One Purchase Only” must be checked. The certificate may also be used for a continuing line of purchases, in which case the box marked “Blanket Certificate” must be checked. A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**Note:** If machinery, repair or replacement parts are exempt under Conn. Gen. Stat. §12-412(34), they do not fall within the scope of Conn. Gen. Stat. §12-412i. Use **CERT-101, Machinery, Component Parts, and Repair and Replacement Parts of Machinery Used Directly in a Manufacturing Process**, to make exempt purchases of machinery under Conn. Gen. Stat. §12-412(34).

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



|                   |         |   |                       |
|-------------------|---------|---|-----------------------|
| Name of Purchaser | Address | Connecticut Tax Registration #<br><i>(If None, explain)</i> | Federal Employer ID # |
| Name of Seller    | Address | Connecticut Tax Registration #<br><i>(If None, explain)</i> | Federal Employer ID # |

Check One

Blanket Certificate

Certificate for One Purchase Only

Description of Machinery, Equipment, Replacement Parts, or Repair Parts

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### Declaration by Purchaser

The items described above are machinery, equipment, or repair or replacement parts to be used primarily in the process of manufacturing, processing or fabricating, as defined in Conn. Gen. Stat. §12-412i.

According to Conn. Gen. Stat. §12-412i, the purchase of these items is subject to a partial exemption from sales and use taxes.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchasing Company

By: \_\_\_\_\_  
Authorized Signature of Owner or Officer                      Title                      Date

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## Aircraft Repair Services Aircraft Repair and Replacement Parts

### General Purpose:

- (1) The purchaser of aircraft repair services use this certificate to establish that aircraft repair services are being purchased in connection with:
  - Aircraft owned or leased by a certificated air carrier;
  - Any aircraft having a maximum certificated takeoff weight of 6,000 pounds or more; **or**
  - The significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis.
- (2) The purchaser of aircraft repair and replacement parts uses this certificate to establish that items are to be used exclusively in:
  - Aircraft owned or leased by a certificated air carrier;
  - Any aircraft having a maximum certificated takeoff weight of 6,000 pounds or more; **or**
  - The significant overhauling or rebuilding of aircraft or aircraft parts or 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 will owe a use tax on the total price of the repair services or the repair and replacement parts.

**Statutory Authority:** Conn. Gen. Stat. §12-412(76) and (77).

**Instructions for the Purchaser:** An owner or officer of a business that is a certificated air carrier or that owns an aircraft with a maximum certificated takeoff weight of 6,000 pounds or more, or a business that is involved in the significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis can issue and sign this certificate to advise the seller of aircraft repair services or aircraft repair and replacement parts that the sales and use taxes do not apply for the purchase. This certificate may only be issued for aircraft repair services or aircraft repair and replacement parts as defined in Conn. Gen. Stat. §12-412(76) and (77). You must keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date of the purchase. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**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 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, owns an aircraft with a maximum certificated takeoff weight of 6,000 pounds or more, or is engaged in the significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not a certificated air carrier, owner of an aircraft with a maximum certificated takeoff weight of 6,000 pounds or more, or is not engaged in the significant overhauling or rebuilding of aircraft or aircraft parts or components on a factory basis. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-110” satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the box marked “Certificate for One Purchase Only” must be checked. The certificate can also be used for a continuing line of exempt purchases, in which event the box marked “Blanket Certificate” must be checked. A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



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## Machinery, Equipment, Materials, Tools, and Fuel Used by an Aircraft Manufacturer Operating an Aircraft Manufacturing Facility

**General Purpose:** The purchaser of machinery, equipment, materials, tools, and fuel uses this certificate to establish that the items being purchased will be used by an aircraft manufacturer operating an aircraft manufacturing facility in Connecticut.

If the machinery, equipment, materials, tools, and fuel are not used in the manner described above, the purchaser who claimed an exemption owes use tax on the total price of the items purchased under this exemption.

**Statutory Authority:** Conn. Gen. Stat. §12-412(78).

**Instructions for the Purchaser:** 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 purchasing machinery, equipment, materials, tools, or fuel for use in the manner described above can sign and issue this certificate to advise the seller of these items that the purchase is exempt. Issue this certificate only for machinery, equipment, materials, tools, or fuel as defined in Conn. Gen. Stat. §12-412(78). Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale and storage, use, or other consumption of the machinery, equipment, materials, tools, or fuel was 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 the seller knows of facts that suggest the purchaser is not an aircraft manufacturer operating an aircraft manufacturing facility in Connecticut. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-111” satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the purchaser must check the box marked “Certificate for One Purchase Only.” The certificate can also be used for a continuing line of exempt purchases, in which event the purchaser must check the box marked “Blanket Certificate.” A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|   |         |   |                       |
|---|---------|---|-----------------------|
| Name of Purchaser   | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Name of Seller  | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Check One Box<br><input type="checkbox"/> Blanket Certificate <input type="checkbox"/> Certificate for One Purchase Only  |         |   |                       |
| Check Appropriate Box and Provide Written Description of Each Item Purchased<br><input type="checkbox"/> Machinery <input type="checkbox"/> Equipment <input type="checkbox"/> Materials <input type="checkbox"/> Tools <input type="checkbox"/> Fuel |         |   |                       |
| Description   |         |   |                       |

### Declaration by Purchaser

The item(s) described on the front are machinery, equipment, materials, tools, or fuel as defined in Conn. Gen. Stat. §12-412(78) for use 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.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand that the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchasing Company

By: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Authorized Signature of Owner or Officer

## Exempt Purchases of Meals or Lodging by Exempt Entities

**General Purpose:** Exempt organizations, qualifying governmental agencies, nonprofit charitable hospitals, nonprofit nursing homes, nonprofit rest homes, and nonprofit residential care homes must use this certificate to establish that their purchases of meals or lodging are exempt from tax. (Any reference to **tax** in this document includes sales and use taxes and room occupancy tax, as applicable.) These organizations, governmental agencies, hospitals, and homes are referred to as **exempt entities** throughout this certificate. CERT-112 allows an exempt entity to purchase meals or lodging, or both, tax exempt for a single event and may not be used for repeat purchases. See **CERT-123, Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by an Exempt Entity or Qualifying Governmental Agency**, for repeat qualifying exempt purchases of meals or lodging. Use this certificate **only** if these three conditions are met:

1. The retailer directly invoices and charges the exempt entity for the meals or lodging; **and**
2. The exempt entity directly pays the retailer with a check drawn on its own account or with a credit card issued in its own name; **and**
3. The exempt entity is not reimbursed, in whole or in part, by donation or otherwise, for its payment of the meals or lodging by those consuming the meals or lodging.

**Statutory Authority:** Conn. Gen. Stat. §12-412(1)(A), (8), and (94).

**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 entity. The credit card must be used exclusively to make purchases for the use of the exempt entity (not for the convenience of its officers, employees, or members). The credit card charges must be paid by a check drawn on the exempt entity's own checking account.

**Nonqualifying Purchases:** This certificate may not be used (and tax must be paid) for the purchase of meals or lodging not meeting all three conditions above. Nonqualifying purchases include fund raisers where those who attend are charged or are required to make any payment and seminars or conferences where meals or lodging charges are included in the conference or seminar registration fee, except as described below.

An exempt entity may purchase meals tax exempt using **CERT-113, Purchases of Tangible Personal Property and Services by a Nonprofit Charitable Hospital, Nonprofit Nursing Home, Nonprofit Rest Home, or Nonprofit Residential Care Home**; **CERT-119, Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations**; or **CERT-134, Exempt Purchases by Qualifying Governmental Agencies**; and does not have to get prior approval from the Department of Revenue Services (DRS), when it will resell the meals at one of five fundraising or social events per year that is exempt from tax under Conn. Gen. Stat. §12-412(94) including meals resold at conferences and seminars. See **Special Notice 98(11), Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events**.

**Government Purchases Not Requiring Preapproval:** The federal government has implemented the "GSA SmartPay" program, which uses four categories of credit cards: Fleet, Purchase, Travel, and Integrated cards. Federal employees may purchase meals and lodging tax exempt by using **certain** GSA SmartPay cards when the purchases are billed to and paid by the federal government. U.S. government agencies making tax-exempt purchases of meals and lodging using GSA SmartPay cards are not required to get preapproval for these purchases from DRS and are not required to provide the retailer with CERT-112. See **Policy Statement 2000(1.1), Retailer's Acceptance of U.S. Government "GSA SmartPay" Credit Card for Exempt Purchases**.

**Instructions for the Purchaser:** An officer of an exempt entity must complete and sign this certificate and submit it to DRS at least three weeks before an event to request the tax-exempt purchase of meals or lodging at a specific event. The exempt entity should include a copy of the flyer, announcement, or other promotional literature about the event with CERT-112. If the purchaser is an exempt organization, it must either attach a

copy of its I.R.C. §501(c)(3) or (13) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-112. If the purchaser is a qualifying governmental agency, no attachment is required. If the purchaser is a nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home, it must attach a copy of a valid and active license issued by the Department of Public Health under Chapter 368v of the Connecticut General Statutes and a copy of its I.R.C. §501(c)(3) or (4) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-112. If DRS concludes that the applicant is making a qualifying exempt purchase, CERT-112 with DRS official approval noted will be returned to the exempt entity. The exempt entity then provides CERT-112 to the retailer of meals or lodging. Keep a copy of this certificate, the documents attached, and records that substantiate the information on this certificate for at least six years from the date it is issued.

**Events That Qualify for Refund Only:** If the exempt entity 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. The exempt entity must pay tax on **all** the meals or lodging at the time of the purchase. However, DRS will refund the tax on those meals or lodging that were paid for by the exempt entity for which it was not reimbursed in whole or in part. The exempt entity must file, and DRS must approve, **CERT-122, Refund of Sales Tax Paid on Purchases of Meals or Lodging by Exempt Entities**. The exempt entity is not eligible for refund of the tax paid on meals or lodging for which it received full or partial reimbursement other than for meals sold under five one-day fundraising or social events per calendar year exemption. See **Policy Statement 2003(4), Purchases of Meals or Lodging by Exempt Entities**, for more information.

**Example 1:** B, an exempt organization, sponsors a dinner to honor one of its members. The restaurant charges B \$50 per meal and B sells tickets for \$50 per person. The honoree and members of the immediate family attend as guests of the organization. B must pay sales tax on all meals purchased. It may, however, complete and file CERT-122 to claim a refund of the taxes paid only on meals consumed by the honoree and members of the immediate family.

**Example 2:** C, an exempt organization, sponsors a retirement dinner to honor one of its employees. The restaurant charges C \$60 per meal. C sells tickets for \$50 per person and pays the \$10 difference to the restaurant from its own funds. C must pay sales tax on the full price of 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 with DRS official approval noted, relieves the retailer from the burden of proving the sale of meals or lodging was not subject to tax. This certificate is valid only if taken in good faith from an exempt entity.

Do **not** accept this certificate unless you directly invoice and charge the exempt entity for the meals or lodging. Do **not** accept the certificate unless you are directly paid by the exempt entity with a check drawn on the exempt entity's own checking account or with a credit card issued in the exempt entity's name (not in the name of one of its members, employees, or officers). Cash payments do not satisfy this condition, regardless of the cost of the meals or lodging.

Keep this certificate, the documents attached, and bills or invoices to the exempt entity for at least six years from the date that the meals or lodging were purchased. The bills, invoices, or records covering the purchase made under this certificate must be marked "Exempt Under CERT-112" to indicate an exempt purchase has occurred. 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.

|                          |   |
|--------------------------|---|
| Name of Exempt Entity:   | Federal Employer Identification Number              |
| Address of Exempt Entity | Connecticut Exemption Permit Number <i>(If any)</i> |

*(If the exempt entity was not issued a Connecticut exemption permit (E-number), attach a copy of the exempt entity's I.R.C. §501(c)(3), (4), or (13) determination letter.)*

|                     |  |
|---------------------|--|
| Name of Retailer    | Check Appropriate Box(es)<br><input type="checkbox"/> Meals <input type="checkbox"/> Lodging |
| Address of Retailer | Date(s) of Event   |

Describe Purpose or Reason for Event: (Be specific. For example, meeting of board of trustees, or luncheon to honor volunteers)

The exempt entity must provide the following information about the meals or lodging being purchased: *(See instructions)*

| Column A   | Column B  | Column C  |
|--|---|---|
| Total Number of Meals or Lodging to be Purchased _____   | Number for Which <i>No</i> Reimbursement, Full or Partial, Will Be Received _____ | Number for Which Reimbursement, Full or Partial, Will Be Received _____ |
| <i>The sum of the numbers entered in Column B and in Column C should equal the number entered in Column A.</i> |   |   |

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| 1. Will the exempt entity make a charge for the meals or lodging to those attending the event?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Will the retailer of the meals or lodging directly invoice and charge the exempt entity for the meals or lodging?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Will the exempt entity directly pay the retailer of the meals or lodging with a check drawn on its own checking account <b>or</b> with a credit card issued in its own name (and not in the name of one of its members, employees, or officers)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

### Declaration by Exempt Entity

I declare that the exempt organization, qualifying governmental agency, nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home:

- 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, any determination letter or group exemption letter (as the case may be), and license issued by the Department of Public Health, if applicable, attached to this certificate, has not been canceled or revoked. I declare under penalty of law that I have examined this document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|                                      |                                   |
|--------------------------------------|-----------------------------------|
| Print Name _____                     | Title _____                       |
| Signature of Authorized Person _____ | Date _____ Telephone Number _____ |

**Notice to Retailers: Do not accept this certificate if DRS has not completed the following section and noted official approval.**

#### For DRS Use Only

#### Request Approved by DRS

|                             |                     |
|-----------------------------|---------------------|
| Official Approval/DRS _____ | Date Approved _____ |
|-----------------------------|---------------------|

#### Request Disapproved by DRS

- Exempt entity did not provide proof of exempt status. (Connecticut exemption permit number or I.R.C. §501(c)(3), (4), or (13) determination letter, and license issued by the Department of Public Health, if applicable.)
- Exempt entity will not be directly invoiced and charged by the retailer of the meals or lodging.
- Exempt entity 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).
- Exempt entity will be reimbursed, in full or in part, for its payment for the meals or lodging by those consuming the meals or lodging.

|                                |                        |
|--------------------------------|------------------------|
| Official Disapproval/DRS _____ | Date Disapproved _____ |
|--------------------------------|------------------------|

**For More Information:** For other information, call the *Exempt Organization Coordinator* at **1-800-382-9463** (in-state) and choose Option 0 or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

Submit this certificate for approval to:  
 Department of Revenue Services  
 Taxpayer Services Division - Exempt Organization Coordinator  
 25 Sigourney Street  
 Hartford CT 06106-5032

## Purchases of Tangible Personal Property and Services by a Nonprofit Charitable Hospital, Nonprofit Nursing Home, Nonprofit Rest Home, or Nonprofit Residential Care Home

**General Purpose:** A nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home must issue this certificate to retailers when purchasing tangible personal property or taxable services to be used by the institution exclusively for the purposes for which it was established.

The term **hospital** is defined in Conn. Gen. Stat. §19a-490(b) as an establishment for the lodging, care, and treatment of persons suffering from disease or other abnormal physical or mental conditions and includes inpatient psychiatric services in general hospitals.

The terms **nursing home, rest home, and residential care home** are defined in Conn. Gen. Stat. §19a-490(c) as an establishment that furnishes, in single or multiple facilities, food and shelter to two or more persons unrelated to the proprietor and in addition, provides services that meet a need beyond the basic provisions of food, shelter, and laundry.

Under Conn. Gen. Stat. §12-412(5), a qualifying nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home is:

- An institution that holds a valid and active license issued by the Department of Public Health under Conn. Gen. Stat. §19a-491 of Chapter 368v; **and either**
- An institution issued an exemption permit before July 1, 2002, by the Department of Revenue Services (DRS) that has not been cancelled or revoked by DRS; **or**
- An institution that is exempt from federal income tax under I.R.C. §501(a) and has been issued a determination letter by the Internal Revenue Service (IRS) as an organization described in I.R.C. §501(c)(3) or (4), and that has not been revoked by IRS.

A qualifying nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home that is not, and is not required to be, registered as a retailer with DRS may use this certificate to purchase any tangible personal property for resale at one of the five fundraising or social events of a day's duration during any calendar year. The event must be exempt from tax under Conn. Gen. Stat. §12-412(94). Otherwise, these nonprofit institutions may not purchase tangible personal property for resale with this certificate.

This certificate may not be used for purchases of taxable services for resale. This certificate may not be used for the purchase of meals or lodging, unless a qualifying nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home that is not, and is not required to be, registered as a retailer with DRS is purchasing meals for resale at one of the five fundraising or social events per year that is exempt from tax under Conn. Gen. Stat. §12-412(94). (See **Special Notice 98(11)**, *Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events* or **Informational Publication 2002(11)**, *Nonprofit Hospitals, Nonprofit Nursing Homes, Nonprofit Rest Homes, and Nonprofit Residential Care Homes*.)

If the purchaser is not a qualifying nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home or does not use the property or services purchased exclusively for the purposes for which the institution was established, the purchaser owes use tax on the total purchase price of the property or services.

**Statutory Authority:** Conn. Gen. Stat. §12-412(5) and (94), and Chapter 368v of the Connecticut General Statutes.

**Instructions for the Purchaser:** An officer of a qualifying nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home must issue and sign this certificate to advise the seller of tangible personal property or taxable services that sales and use taxes do not apply to the purchase. Keep a copy of the certificate, the documents attached, and records that substantiate the information entered on this certificate for at least six years from the date this certificate is issued.

The purchaser must attach to this certificate a copy of the:

- License issued by the Department of Public Health under Chapter 368v of the Connecticut General Statutes **and either**;
- Exemption permit issued to the organization by DRS prior to July 1, 2002; **or**
- Determination letter issued by the IRS that establishes the organization is an exempt organization as described in I.R.C. §501(c)(3) or (4).

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale and storage, use, or other 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 nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home. For example, the good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not a qualifying nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home.

Keep this certificate, the documents attached, and bills or invoices to the purchaser for at least six years from the date the items or services were purchased. The bills, invoices, or records covering the purchases made under this certificate must be marked "Exempt Under CERT-113" to indicate that the purchases were exempt.

This certificate may be used for a single exempt purchase, in which case 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 purchaser must check the box marked "Blanket Certificate." A blanket certificate remains in effect from the date CERT-113 is issued until the date the institution's license with the Department of Public Health expires unless the purchaser revokes CERT-113 in writing before the date the license with the Department of Public Health expires.

A nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home 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). A nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home may make a purchase of \$10 or less using cash from the institution's own funds. However, a blanket CERT-113 may not be used for a cash purchase, and a properly completed CERT-113, with the appropriate documents attached, must be issued to the retailer at the time of each cash purchase.





## Commercial Motor Vehicle or Motor Bus Purchased Within Connecticut for Use in Interstate Commerce as an Interstate Motor Bus

**General Purpose:** The purchaser of either: (1) a commercial motor vehicle as defined in Conn. Gen. Stat. §14-1(11)(A) and (B); **or** (2) a motor bus as defined in Conn. Gen. Stat. §14-1(44); should use this certificate to purchase the commercial motor vehicle or motor bus which will:

- Be operated as defined in Conn. Gen. Stat. §13b-88 or 13b-89; **and**
- Derive 75% of its revenue from its days in service from out-of-state trips or trips crossing state lines during the one-year period following the purchase date of the vehicle.

If the commercial motor vehicle or motor bus is not used in the manner described above, the purchaser owes use tax on the total purchase price.

**Statutory Authority:** Conn. Gen. Stat. §12-412(82) and (83).

**Instructions for the Purchaser:** An owner or officer of a business purchasing a commercial motor vehicle or motor bus for use in the manner described above can sign and issue this certificate to advise the seller of these items that the purchase is exempt. Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale and storage, use, or other consumption, of the commercial motor vehicle or motor bus is not subject to sales and use taxes. The certificate is valid only if taken in

good faith from a person who is purchasing a commercial motor vehicle or motor bus that will be operated as defined in Conn. Gen. Stat. §13b-88 or 13b-89, and that will derive 75% of its revenue from its days in service from out-of-state trips or trips crossing state lines during the one-year period following the purchase date of the vehicle. For example, the good faith of the seller will be questioned if the seller knows of facts that suggest the commercial motor vehicle or motor bus will not be operated under the provisions of Conn. Gen. Stat. §13b-88 or 13b-89. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-114” satisfy the requirement.

This certificate can be used for a single exempt purchase only and cannot be used as a “blanket certificate” for a continuing line of purchases.

You may enter a permit number issued by the Connecticut Department of Public Utility Control instead of a permit number issued by the Connecticut Department of Transportation (DOT) if the permit was issued prior to October 1, 1979, and has not been suspended or revoked by the DOT.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|                   |         |  |                       |
|-------------------|---------|--|-----------------------|
| Name of Purchaser | Address | CT Tax Registration Number<br>(If none, explain) | Federal Employer ID # |
|                   |         |  | Permit Number         |
| Name of Seller    | Address | CT Tax Registration Number<br>(If none, explain) | Federal Employer ID # |

**Vehicle Identification Data**

Make of Vehicle \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_  
 Color \_\_\_\_\_ Vehicle Identification Number \_\_\_\_\_  
 Manufacturer's Gross Vehicle Weight Rating \_\_\_\_\_ Number of Passengers (including driver) \_\_\_\_\_  
 Will this vehicle be used to transport students under age 21 to and from school?  Yes  No

**Computation of Price**

**Trade-in Data**

Gross Sales Price \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_  
 Trade-in Allowance \_\_\_\_\_ Year \_\_\_\_\_  
 Net Sales Price \_\_\_\_\_ State of Registration and Plate Number \_\_\_\_\_  
 Vehicle Identification Number \_\_\_\_\_

**Declaration by Purchaser**

The vehicle described above is a commercial motor vehicle as defined in Conn. Gen. Stat. §14-1(11)(A) and (B); or a motor bus as defined in Conn. Gen. Stat. §14-1(44) that:

- Will be operated as defined in Conn. Gen. Stat. §13b-88 or 13b-89; **and**
- Will derive 75% of its revenue from its days in service from out-of-state trips or trips crossing state lines during the one-year period following the purchase date of the vehicle.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
 Name of Purchaser

By: \_\_\_\_\_  
 Signature of Authorized Person Title Date

## Exempt Purchases of Gas, Electricity, and Heating Fuel

**General Purpose:** This certificate is used by the purchaser of: gas, including bottled gas; electricity when delivered to consumers through mains, lines, pipes, or bottles; or heating fuel for 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, the consumer need not provide this certificate to make exempt purchases of gas, electricity, or heating fuel.);
- Directly in agricultural production provided the exemption is allowed only for a metered building, location, or premises at which not less than 75% of the gas, electricity, or heating fuel consumed at the building, location, or premises is used for agricultural production;
- Directly in the fabrication of a finished product to be sold provided the exemption is allowed only for a metered building, location, or premises at which not less than 75% of the gas, electricity, or heating fuel consumed at the building, location, or premises is used for fabrication; **or**
- Directly in an industrial manufacturing plant provided the exemption is allowed only for a metered building, location, or premises at which not less than 75% of the gas, electricity, or heating fuel consumed at the building, location, or premises is used for manufacturing.

If the gas, electricity, or heating fuel is not used in the manner described above, the purchaser who claimed an exemption owes use tax on the total price of the gas, electricity, or heating fuel purchased under this exemption.

**Statutory Authority:** Conn. Gen. Stat. §§12-412(1), 12-412(3)(A), 12-412(5), 12-412(8), 12-412(16), and 12-412h.

**Instructions for the Purchaser:** This certificate is used by:

- An owner of a commercial building at which the gas, electricity, or heating fuel is used predominantly (more than 50%) for residential purposes; **or**
- 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.

The certificate advises the seller of gas, electricity, or heating fuel that the purchase is exempt. Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale and storage, use, or other consumption of the gas, electricity, or heating fuel is not subject to sales and use taxes. The certificate is valid only if taken in good faith from the owner of a commercial building at which the gas, electricity, or heating fuel is used predominantly (more than 50%) for residential purposes; or the 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 the seller knows of facts that suggest the purchaser is not purchasing gas, electricity, or heating fuel for use in the portion of the building in which a finished product to be sold is fabricated. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words "Exempt under CERT-115" satisfy the requirement.

This certificate is a "blanket certificate" covering all purchases of gas, electricity, or heating fuel made under it. A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|  |  |   |
|--|--|---|
| Name of Purchaser  | Service Location                                   | Federal Employer ID #                                   |
|  | Mailing Address if Different From Service Location | CT Tax Registration Number<br><i>(If none, explain)</i> |
| Name of Seller   | Address  | Federal Employer ID #                                   |
|  |  | CT Tax Registration Number<br><i>(If none, explain)</i> |
| Check One Box: <input type="checkbox"/> Gas <input type="checkbox"/> Electricity <input type="checkbox"/> Heating Fuel |  |   |



## Exempt Petroleum Products Certificate

**Statutory Authority:** Conn. Gen. Stat. §12-587.

**General Purpose:** 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 any person who is purchasing exempt petroleum products.

**Definitions:** For petroleum products gross earning tax purposes, the following products are **exempt petroleum products**:

- The product designated by the American Society for Testing and Materials as "Specification for Heating Oil D396-69," commonly known as number 2 heating oil, to be used exclusively for heating purposes or to be used in a commercial fishing vessel that qualifies for an exemption under Conn. Gen. Stat. §12-412;
- Kerosene, commonly known as number 1 oil, to be used exclusively for heating purposes, provided delivery is of both number 1 and number 2 oil and via a truck with a metered delivery ticket to a residential dwelling or to a centrally metered system serving a group of residential dwellings;
- The product identified as 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 dead weight tons;
- Any first sale of propane gas made on or before June 30, 2004, when the fuel is used as fuel for a motor vehicle;
- Any first sale occurring on or after July 1, 2002, of number 6 fuel oil, as defined in regulations adopted according to Conn. Gen. Stat. §16a-22c, to be used exclusively by a company that, in accordance with census data contained in the *Standard Industrial Classification (SIC) Manual, 1987*, is included in code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the *North American Industry Classification Systems (NAICS) United States, 1997*;
- Any first sale occurring on or after July 1, 2002, of number 2 heating oil used exclusively in a vessel primarily engaged in interstate commerce, which vessel qualifies for an exemption under Conn. Gen. Stat. §12-412;
- Paraffin or microcrystalline waxes; and
- Any first sale of petroleum products to be used as fuel for a fuel cell, as defined in Conn. Gen. Stat. §12-412(113), for the period July 1, 2002, to June 30, 2004.

**Instructions for the Purchaser:** Any person who is purchasing exempt petroleum products, **whether or not for resale to others**, must issue this certificate to the distributor from whom those products are 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 keep a copy of this certificate and the records that substantiate the information entered on the certificate for at least three years from the date it is issued.

This certificate may be used for a single exempt purchase (in which event the purchaser must check the box marked "Certificate for One 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 remains in effect for three years from the date the certificate is issued unless the purchaser revokes it in writing before the period expires.

If the purchaser issues CERT-116 to the distributor for exempt petroleum products that ultimately are not put to an exempt use (for example, number 2 heating oil 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 the products.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving 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 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 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 will 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 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 More Information:** Call the Excise Taxes Unit at **860-541-3225**.

If you have questions about other Connecticut taxes, call DRS during business hours, Monday through Friday at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries 24 hours a day by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at **www.ct.gov/DRS**

|                     |         |  |
|---------------------|---------|--|
| Name of Purchaser   | Address | Federal Employer Identification Number                           |
|                     |         | Connecticut Tax Registration Number<br><i>(If none, explain)</i> |
| Name of Distributor | Address | Federal Employer Identification Number                           |
|                     |         | Connecticut Tax Registration Number<br><i>(If none, explain)</i> |

Check One Box:                     Blanket Certificate                     Certificate for One Purchase Only

Description of Petroleum Product(s) Sold:

- The product designated by the American Society for Testing and Materials as "Specification for Heating Oil D396-69", commonly known as number 2 heating oil, to be used exclusively for heating purposes or to be used in a commercial fishing vessel, which vessel qualifies for an exemption under Conn. Gen. Stat. §12-412;
- Kerosene, commonly known as number 1 oil, to be used exclusively for heating purposes, provided delivery is of both number 1 and number 2 oil and via a truck with a metered delivery ticket to a residential dwelling or to a centrally metered system serving a group of residential dwellings;
- The product identified as 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 dead weight tons;
- Any first sale of propane gas made on or before June 30, 2004, when the fuel is used as fuel for a motor vehicle;
- Any first sale occurring on or after July 1, 2002, of number 6 fuel oil, as defined in regulations adopted according to Conn. Gen. Stat. §16a-22c, to be used exclusively by a company which, in accordance with census data contained in the *Standard Industrial Classification (SIC) Manual, 1987*, is included in code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the *North American Industry Classification Systems (NAICS) United States, 1997*;
- Any first sale occurring on or after July 1, 2002, of number 2 heating oil to be used exclusively in a vessel primarily engaged in interstate commerce, which vessel qualifies for an exemption under Conn. Gen. Stat. §12-412;
- Paraffin or microcrystalline waxes;
- Any first sale of petroleum products to be used as fuel for a fuel cell, as defined in Conn. Gen. Stat §12-412(113), for the period July 1, 2002 to June 30, 2004.

**Declaration by Purchaser**

The petroleum product(s) described above is an **exempt petroleum product** as defined in this certificate and charges for the product(s) are not subject to the petroleum products gross earnings tax.

I declare under penalty of law that I have examined this certificate (including any accompanying schedules and statements) and to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

\_\_\_\_\_  
Name of Purchaser

By: \_\_\_\_\_  
Signature of Authorized Owner, Officer, or Agent                    Title                    Date

## Purchases of Tangible Personal Property Incorporated Into or Consumed in Air Pollution Control Facilities

**General Purpose:** The purchaser uses this certificate to claim exemption from sales and use taxes under Conn. Gen. Stat. §12-412(22). The exemption is for purchases 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 the Department of Environmental Protection. The Commissioner may certify to a portion of the tangible personal property acquired for incorporation into such facilities to the extent that the portion has as its primary purpose the reduction, control, or elimination of air pollution.

This certificate may also be used to certify that, for purposes of the municipal property tax exemption under Conn. Gen. Stat. §12-81(52), the tangible personal property has been approved for incorporation into or used and consumed in the operation of air pollution abatement facilities. For information on either of these provisions, see **Policy Statement 99(2), Tax Exemptions for Certain Air Pollution Control Equipment.**

**Statutory Authority:** Conn. Gen. Stat. §§12-412(22) and 12-81(52)

**Repeal of the Corporation Business Tax Credit:** Effective for income years beginning on or after January 1, 1998, the corporation business tax credit under Conn. Gen. Stat. §12-217c, for certain expenses for air pollution abatement is repealed. Any corporation eligible for this tax credit may carry any remaining tax credit forward as the provisions of this section would have allowed prior to repeal.

**Purchases of Items Not Listed in PS 99(2):** The purchaser must obtain and attach to this certificate written approval from the Commissioner of the Department of Environmental Protection indicating that an item of tangible personal property is approved for use in an air pollution control facility. For information on how to obtain written approval from the Department of Environmental Protection (DEP), see PS 99(2).

**Instructions for the Purchaser:** An owner or officer of a business that purchases tangible personal property 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 the Department of Environmental Protection can issue and sign this certificate. To qualify for the exemption from sales and use taxes under 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.

To obtain the municipal property tax exemption under Conn. Gen. Stat. §12-81(52) which may be available for qualifying structures or equipment, the taxpayer must file a properly completed copy of this certificate with the assessor of the municipality in which the structures or equipment are located after confirming the municipality's procedures for qualifying for the exemption.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale of tangible personal property is not subject to sales and use taxes when the tangible personal property or supplies 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 the Department 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 Conn. Gen. Stat. §12-412(22). For example, the good faith of the seller will be questioned if the seller knows of facts that suggest 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 DEP. Keep 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 for at least six period from the date the items were purchased. The bills, invoices, or records covering purchases made under this certificate must be appropriately marked to indicate this is an exempt purchase. The words "Exempt Under CERT-117" 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 remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



|                   |         |  |                            |
|-------------------|---------|--|----------------------------|
| Name of Purchaser | Address | CT Tax Registration Number<br>(If none, explain) | Federal Employer ID Number |
| Name of Seller    | Address | CT Tax Registration Number<br>(If none, explain) | Federal Employer ID Number |

Check One Box:  Blanket Certificate  Certificate for One Purchase Only

Check Applicable Box(es):  Air Pollution Equipment  Supplies/Consumables

Itemized Description of Items Purchased (For the municipal property tax exemption, include date acquired, date installed, and purchase price. These items must also be included on the *Declaration of Personal Property*):

### 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 the Department Environmental Protection.

In accordance with Conn. Gen. Stat. §12-412(22), the purchase of these item(s) is exempt from sales and use taxes.

In accordance with Conn. Gen. Stat. §12-81(52), these items may be exempt from municipal property tax. Describe the items above and include on the *Declaration of Personal Property*.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchasing Business

By: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Authorized Signature of Owner or Officer

## Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations

**General Purpose:** A qualifying exempt organization must issue this certificate to retailers when purchasing items to be used by the organization exclusively for the purposes for which it was established. Under Conn. Gen. Stat. §12-412(8), a **qualifying exempt organization** is either:

- An organization issued an exemption permit by the Department of Revenue Services (DRS) under Conn. Agencies Regs. §12-426-15, if the permit has not been canceled or revoked by DRS; or
- An organization that is exempt from federal income tax under I.R.C. §501(a) and has been issued a determination letter by the U.S. Treasury Department as an organization described in I.R.C. §501(c)(3) or (13), if the determination letter has not been revoked by the Internal Revenue Service (IRS).

A qualifying exempt organization may use this certificate to purchase any tangible personal property for resale at one of five fundraising or social events of a day's duration during any calendar year. The event must be exempt from tax under Conn. Gen. Stat. §12-412(94). Otherwise, exempt organizations are not allowed to purchase tangible personal property for resale with this certificate. See **Special Notice 98(11)**, *Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events*.

**Purchases of Meals and Lodging:** In general, qualifying exempt organizations may not use this certificate to purchase meals and lodging, but must get preapproval from DRS for these purchases, and use **CERT-112**, *Exempt Purchases of Meals and Lodging by Exempt Entities*, or **CERT-123**, *Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by an Exempt Entity*.

However, a qualifying exempt organization may purchase meals tax exempt using this certificate, without prior approval from DRS, when it will resell the meals at one of five fundraising or social events per year exempt under Conn. Gen. Stat. §12-412(94). See **Policy Statement 2003(4)**, *Purchases of Meals or Lodging by Exempt Entities*.

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 owes use tax on the total purchase price of the property or services.

**Statutory Authority:** Conn. Gen. Stat. §12-412(8) and (94).

**Instructions for the Purchaser:** An officer of a qualifying exempt organization must issue and sign this certificate to advise the seller of tangible personal property or taxable services that sales and use taxes do not apply to the purchase. Keep a copy of this certificate, the documents attached, and records that substantiate the information entered on this certificate for at least six years from the date this certificate is issued.

The purchaser must attach to this certificate a copy of the:

- Exemption permit issued to the organization by DRS under Conn. Agencies Regs. §12-426-15; or
- Determination letter or group exemption letter issued by the IRS which establishes that the organization has been determined to be an exempt organization described in I.R.C. §501(c)(3) or (13).

For purchases made on or after January 1, 1996, a qualifying exempt organization covered by a group exemption letter, and that was **not** issued an exemption permit by DRS under Conn. Agencies Regs. §12-426-15, must attach to this certificate a copy of:

- The group exemption letter issued by the IRS 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 IRS 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 the sale and the storage, use, or consumption of the tangible personal property or taxable services are not subject to sales and use taxes. This certificate is valid only if taken in good faith from a qualifying exempt organization. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not a qualifying exempt organization.

Keep this certificate, the documents attached, and bills or invoices to the purchaser for at least six years from the date the items or services were purchased. The bills, invoices or records covering the purchase made under this certificate must be marked "Exempt Under CERT-119" to indicate the purchase was exempt.

This certificate may be used for a single exempt purchase, in which case 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 case the box marked "Blanket Certificate" must be checked. A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the expiration of the three-year period. CERT-119 may not be used as a blanket certificate for purchases of tangible personal property for resale at any one of five fundraising or social events per calendar year exempt under Conn. Gen. Stat. §12-412(94).

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 organization may make a purchase of \$10 or less using cash from the 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 More Information:** Call Taxpayer Services at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries 24 hours a day by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at **www.ct.gov/DRS**



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## Machinery, Equipment, Tools, Materials, and Supplies Used in the Production of Printed Material or in Prepress Production

**General Purpose:** This certificate is used by the purchaser of machinery, equipment, tools, materials, and supplies to establish that the item(s) being purchased will 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 (prepress production).

If the machinery, equipment, tools, materials, or supplies are not used in this manner, a purchaser who claimed the exemption owes a use tax on the total price of the item(s) purchased using this certificate.

**Statutory Authority:** Conn. Gen. Stat. §12-412(71) and (72).

**Instructions for the Purchaser:** An owner or officer of a purchaser described above can issue and sign this certificate to advise the seller of machinery, equipment, tools, materials, or supplies that the sales and use taxes do not apply to the charges for the purchase. This certificate may only be issued 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). You must keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date of the purchase. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale and the storage, use, or other consumption of machinery, equipment, tools, materials, or supplies is not subject to sales and use taxes. The 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 knows of facts that suggest the purchaser is not a commercial printer, publisher or engaged in prepress production. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-120” satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the box marked “Certificate for One Purchase Only” must be checked. The certificate can also be used for a continuing line of exempt purchases, in which event the box marked “Blanket Certificate” must be checked. A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|   |         |   |                       |
|---|---------|---|-----------------------|
| Name of Purchaser   | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Name of Seller  | Address | CT Tax Registration Number<br><i>(If none, explain)</i> | Federal Employer ID # |
| Check One Box:<br><input type="checkbox"/> Blanket Certificate <input type="checkbox"/> Certificate for One Purchase Only   |         |   |                       |
| Check Appropriate Box and Provide Written Description of Each Item Purchased<br><input type="checkbox"/> Machinery <input type="checkbox"/> Equipment <input type="checkbox"/> Tools <input type="checkbox"/> Materials <input type="checkbox"/> Supplies |         |   |                       |
| Description:  |         |   |                       |

### Declaration by Purchaser

The item(s) described on the front 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 these item(s) is exempt from sales and use taxes.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchasing Company

By: \_\_\_\_\_  
 Authorized Signature of Owner or Officer                      Title                      Date

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## Exemption for Landscaping and Horticulture Services, Window Cleaning Services, and Maintenance Services Provided to Recipients of Total Disability Benefits

**General Purpose:** A person eligible for and currently receiving total disability benefits under Title II of the Social Security Act (42 USC §401 et seq.) uses this certificate to purchase landscaping and horticulture services, window cleaning services, or maintenance services when the services are provided at that person's residence. If the services purchased exempt under this certificate are not provided at the person's residence, the purchaser who claimed the exemption owes use tax on the total price of the services purchased under the exemption.

**Statutory Authority:** Conn. Gen. Stat. §12-412(85).

**Instructions for the Purchaser:** A person eligible for and currently receiving total disability benefits under Title II of the Social Security Act signs and issues this certificate to the provider of the services described above to purchase the services to be provided at that person's home.

For this exemption, a *residence* is a place of abode for which the purchaser bears the primary financial responsibility of the upkeep. Therefore, a homeowner or condominium owner may qualify for the exemption. However, the Department of Revenue Services (DRS) will presume a renter or person living with a family member does not qualify unless there is a written agreement stating that the person receiving total disability benefits is responsible for the upkeep of the residence.

In the event of an audit by DRS, the purchaser must be able to present a Third Party Query certificate from the Social Security Administration proving the purchaser was eligible for and receiving total disability benefits at the time the services were purchased.

Keep a copy of this certificate for at least six years from the date the services were purchased.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves 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. This certificate is valid only if taken in good faith from a person eligible for and receiving total disability benefits under the Social Security Act who is purchasing services to be provided at that person's residence. The good faith of the seller will be questioned if the seller knows of facts that suggest that the person furnishing this certificate is not receiving total disability benefits under the Social Security Act or that the services are to be provided at a location that is not the residence of that person. Keep this certificate and bills or invoices to the purchaser for at least six years from the date on which the services were purchased. The bill, invoices, or records covering all purchases made under this certificate must be marked **Exempt Under CERT-121** to indicate that the purchase was not taxable.

This certificate may be used for a single 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 purchases, in which event the box marked **Blanket Certificate** must be checked. A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**

|                   |         |  |                            |
|-------------------|---------|--|----------------------------|
| Name of Purchaser | Address |  | Social Security Number     |
| Name of Seller    | Address | CT Tax Registration Number<br>(If None, <i>explain</i> ) | Federal Employer ID Number |

Check One Box       Blanket Certificate       Certificate for One Purchase Only

Description of Services Purchased

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### Declaration by Purchaser

I am eligible for and am currently receiving total disability benefits under the Social Security Act. The services described on this certificate are landscaping and horticulture services, window cleaning services, or maintenance services to be provided 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 declare under penalty of law that I have examined the information in this certificate and to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

By: \_\_\_\_\_

|                   |           |      |
|-------------------|-----------|------|
| Name of Purchaser | Signature | Date |
|-------------------|-----------|------|

## Refund of Tax Paid on Purchases of Meals or Lodging by Exempt Entities

**General Purpose:** Exempt organizations, qualifying governmental agencies, nonprofit charitable hospitals, nonprofit nursing homes, nonprofit rest homes, and nonprofit residential care homes must use this certificate to request a refund of tax paid on a qualifying exempt purchase of meals or lodging. (Any reference to *tax* in this document includes sales and use taxes and room occupancy tax, as applicable.) These organizations, governmental agencies, hospitals, and homes will be referred to as exempt entities throughout this certificate. Use this certificate **only** if all four of these conditions are met:

1. The retailer directly invoices and charges the exempt entity for the meals or lodging; **and**
2. The exempt entity directly pays the retailer with a check drawn on its own account or with a credit card issued in its own name; **and**
3. The exempt entity 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. This certificate is filed with the Department of Revenue Services (DRS) within three years from the last day of the month after the period for which the sales tax was paid.

**Statutory Authority:** Conn. Gen. Stat. §12-412(1)(A), (5), (8), and (94); §12-425.

**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 entity. The credit card must be used exclusively to make purchases for the use of the exempt entity (not for the convenience of its officers, employees, or members). The credit card charges must be paid by a check drawn on the exempt entity'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 four conditions above. Nonqualifying purchases include fundraisers where those who attend are charged or are required to make any payment and seminars or conferences where meals or lodging are included in the conference or seminar registration fee except as described below.

An exempt entity may purchase meals tax exempt using **CERT-113**, *Purchases of Tangible Personal Property and Services by a Nonprofit Charitable Hospital, Nonprofit Nursing Home, Nonprofit Rest Home, or Nonprofit Residential Care Home*; **CERT-119**, *Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations*; or **CERT-134**, *Exempt Purchases by Qualifying Governmental Agencies*; when it will resell the meals at one of five fundraising or social events per year that is exempt from tax under Conn. Gen. Stat. §12-412(94) including meals resold at conferences and seminars. If a qualifying exempt entity pays tax on meals and later resells them at these events, the organization may request a refund from DRS without using CERT-122. See **Special Notice 98(11)**, *Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events*, **Informational Publication 2002(11)**, *Nonprofit Hospitals, Nonprofit Nursing Homes, Nonprofit Rest Homes, and Nonprofit Residential Care Homes* and **Policy Statement 98(5)**, *Sales and Use Tax Refund Policy*.

**Government Purchases Not Requiring Preapproval:** The federal government has implemented the "GSA SmartPay" program, which uses four categories of credit cards: Fleet, Purchase, Travel, and Integrated cards. Federal employees may purchase meals and lodging tax exempt by using **certain** GSA SmartPay credit cards when the purchases are billed to and paid by the federal government. U.S. government agencies making tax-exempt purchases of meals and lodging using GSA SmartPay cards are not required to get preapproval for these purchases from DRS and are not required to provide the retailer with **CERT-112**, *Exempt Purchases of Meals or Lodging by Exempt Entities*. See **Policy Statement 2000(1.1)**, *Retailer's Acceptance of U.S. Government "GSA SmartPay" Credit Card for Exempt Purchases*.

**Who Should File This Certificate:** If the exempt entity did not receive prior approval of exemption from DRS, 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 a properly completed CERT-112 at least three weeks before the event, the exempt entity must pay the tax to the retailer at the time of the purchase of the meals or lodging. It may then request a refund of tax paid on the particular meals or lodging for which it was not reimbursed, in whole or in part, by submitting this certificate to DRS.

**Events That Qualify for Refund Only:** If the exempt entity 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. The exempt entity must pay tax on **all** the meals or lodging at the time of purchase. However, if the exempt entity files CERT-122, and DRS approves the certificate, DRS will refund the tax on those meals or lodging paid by the exempt entity and not reimbursed in whole or in part. The exempt entity is not eligible for a refund of the tax paid on meals or lodging for which it received full or partial reimbursement other than for meals sold under the five one-day fundraising events per calendar year exemption. See **Policy Statement 2003(4)**, *Purchases of Meals or Lodging by Exempt Entities*, for more information.

**Example 1:** B, an exempt organization, sponsors a dinner to honor one of its members. The restaurant charges B \$50 per meal and B sells tickets for \$50 per person. The honoree and members of the immediate family attend as guests of the organization. B must pay sales tax on all meals purchased. It may, however, complete and file CERT-122 to claim a refund of the taxes paid only on meals consumed by the honoree and members of the immediate family.

**Example 2:** C, an exempt organization, sponsors a retirement dinner to honor one of its employees. The restaurant charges C \$60 per meal. C sells tickets for \$50 per person and pays the \$10 difference to the restaurant from its own funds. C must pay sales tax on the full price of 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:** An officer of an exempt entity must complete and sign this certificate 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 attach **either** a copy of its I.R.C. §501(c)(3) or (13) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-122. If the purchaser is a qualifying governmental agency, no attachment is required. If the purchaser is a nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home, it must attach a copy of a valid and active license issued by the Department of Public Health under Chapter 368v of the Connecticut General Statutes and either a copy of its I.R.C. §501(c)(3) or (4) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-122. If DRS concludes a qualifying exempt purchase was made, the tax paid will be refunded to the purchaser. Keep a copy of this certificate and records that substantiate the information entered on this certificate for at least six years from the date it was issued. The following items must be included with CERT-122:

1. A copy of an itemized bill directly invoicing and charging the exempt entity for the meals or lodging. The bill must separately state the amount of sales tax charged on meals and lodging; **and either**
2. A copy of the cancelled check(s) (front and back), including the initial deposit, drawn on the exempt entity's checking account, directly paying for the meals or lodging; **or**
3. If payment is made by credit card, a copy of the exempt entity's credit card statement showing the purchase of the meals and lodging and a copy of the cancelled check(s) (front and back) drawn on the exempt entity's checking account that paid the credit card bill.



|  |  |
|--|--|
| Name of Exempt Entity:   | Federal Employer Identification Number   |
| Address of Exempt Entity   | Connecticut Exemption Permit Number <i>(If any)</i>  |
| <i>(If the exempt entity was not issued a Connecticut exemption permit (E-number), attach a copy of the exempt entity's I.R.C. §501(c)(3), (4), or (13) determination letter.)</i> |  |
| Name of Retailer   | Check Appropriate Box(es)<br><input type="checkbox"/> Meals <input type="checkbox"/> Lodging |
| Address of Retailer  | Date(s) of Event   |

Describe Purpose or Reason for Event: (Be specific. For example, meeting of board of trustees, or luncheon to honor volunteers)

The exempt entity must provide the following information about the purchases of meals or lodging: *(See instructions)*

| Column A   | Column B  | Column C  |
|--|---|---|
| Total Number of Meals or Lodging Purchased<br>_____                  | Number for Which <i>No</i> Reimbursement, Full or Partial, Was Received<br>_____                                      | Number for Which Reimbursement, Full or Partial, Was Received<br>_____                                      |
| Total Cost of Meals or Lodging Purchased (Excluding Tax)<br>\$ _____ | Cost of Meals or Lodging for Which <i>No</i> Reimbursement, Full or Partial, Was Received (Excluding Tax)<br>\$ _____ | Cost of Meals or Lodging for Which Reimbursement, Full or Partial, Was Received (Excluding Tax)<br>\$ _____ |
| Total Tax Paid on This Amount<br>\$ _____                            | Total Tax Paid on This Amount<br>\$ _____   | Total Tax Paid on This Amount<br>\$ _____   |

*The sum of the numbers entered in Column B and in Column C should equal the number entered in Column A.*

### Declaration by Exempt Entity

I declare that the exempt organization, qualifying governmental agency, nonprofit charitable hospital, nonprofit nursing home, nonprofit rest home, or nonprofit residential care home:

- 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 or 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, any determination letter or group exemption letter (as the case may be), and license issued by the Department of Public Health, if applicable, attached to this certificate, has not been canceled or revoked. I declare under penalty of law that I have examined this document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|                      |                  |
|----------------------|------------------|
| Print Name           | Title            |
| Authorized signature | Date             |
|                      | Telephone Number |

### This Section is Completed by DRS

#### Request Approved by DRS

|                       |               |
|-----------------------|---------------|
| Official Approval/DRS | Date Approved |
|-----------------------|---------------|

#### Request Disapproved by DRS

- Exempt entity did not provide proof of exempt status. (Connecticut exemption permit number or I.R.C. §501(c)(3), (4), or (13) determination letter and the license issued by the Department of Public Health, if applicable.)
- Exempt entity was not directly invoiced and charged by the retailer of the meals or lodging.
- Exempt entity 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).
- Exempt entity was or will be reimbursed, in whole or in part, for its payment for the meals or lodging by those consuming the meals or lodging.
- Certificate was not timely filed.

|                          |                  |
|--------------------------|------------------|
| Official Disapproval/DRS | Date Disapproved |
|--------------------------|------------------|

**For More Information:** For other information, call the *Exempt Organization Coordinator* at **1-800-382-9463** (in-state) and choose Option 0 or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at **www.ct.gov/DRS**

Submit this certificate for approval to: Department of Revenue Services  
Taxpayer Services Division - Exempt Organization Coordinator  
25 Sigourney Street  
Hartford CT 06106-5032

## Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by an Exempt Organization or Qualifying Governmental Agency

**General Purpose:** Exempt organizations or qualifying governmental agencies should use this certificate to establish that their purchases of meals or lodging are exempt from sales and use taxes. This certificate may be used **only** if these four conditions are met:

1. The retailer directly invoices and charges the exempt organization or qualifying governmental agency for the meals or lodging;
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;
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 date specified on the blanket certificate.

**Statutory Authority:** Conn. Gen. Stat. §12-412(1)(A), (8) and (94).

**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. The credit card 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). 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 four of the conditions above. Nonqualifying purchases include fund raisers where those who attend are charged or are required to make any payment and seminars or conferences where meals or lodging are provided at no extra charge to those paying the conference or seminar registration fee.

However, a qualifying exempt organization may purchase meals exempt from tax using **CERT-119, Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations**, or **CERT-134, Exempt Purchases by Qualifying Governmental Agencies**, and does not have to get prior approval from the Department of Revenue Services (DRS), when the organization will resell the meals at one of five fundraising or social events per year that is exempt from tax under Conn. Gen. Stat. §12-412(94). See **Special Notice 98(11), Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fundraising or Social Events**.

**Purchases Not Requiring Preapproval:** The federal government recently implemented the "GSA SmartPay" program, which uses four categories of credit cards: Fleet, Purchase, Travel, and Integrated cards. Federal employees may purchase meals and lodging tax exempt by using **certain** GSA SmartPay cards when the purchases are billed to and paid by the federal government. U.S. government agencies making tax-exempt purchases of meals and lodging using GSA SmartPay cards are not required to get preapproval for these purchases from DRS and are not required to provide the retailer with **CERT-112, Exempt Purchases of Meals or Lodging by Exempt Entities**. See **Policy Statement 2000(1.1), Retailer's Acceptance of U.S. Government "GSA SmartPay" Credit Card for Exempt Purchases**.

**Instructions for the Purchaser:** An officer of an exempt organization or qualifying governmental agency must complete and sign this certificate and submit it to DRS for qualifying exempt purchases of meals or lodging during a one year period. If the purchaser is an exempt organization, it must attach **either** a copy of its I.R.C. §501(c)(3) or (13) determination letter issued by the U.S. Treasury Department **or**, if it was issued an exemption permit by DRS, enter its exemption permit number on CERT-123. If the purchaser is a

qualifying governmental agency, no attachment is required. If DRS concludes that qualifying exempt purchases are being made, the certificate, with DRS official approval noted, will be returned to the exempt organization or qualifying governmental agency. The exempt organization or qualifying governmental agency must then provide the approved CERT-123 to the retailer of meals or lodging. Keep a copy of this certificate, documents attached, and records that substantiate the information on this certificate for at least six years from the date it is issued.

**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. The exempt organization or qualifying governmental agency must pay tax on **all** the meals or lodging at the time of the purchase. However, DRS will refund the tax on those meals or lodging that were paid for by the exempt organization or qualifying governmental agency for which it was not reimbursed. The exempt organization or qualifying governmental agency must file, and DRS must approve, **CERT-122, Refund of Sales Tax Paid on Purchases of Meals or Lodging by Exempt Entities**. The exempt organization or qualifying governmental agency is not eligible for refund of tax paid on those meals or lodging for which it received full or partial reimbursement. See **Policy Statement 2003(4), Purchases of Meals or Lodging by Exempt Entities**, for additional information.

**Example 1:** B, an exempt organization, sponsors a dinner at a restaurant to honor one of its members. The restaurant charges B \$50 per meal and B sells tickets for \$50 per person. The honoree and members of the immediate family attend as guests of the exempt organization. B must pay sales tax on all meals purchased. It may, however, complete and file CERT-122 to claim a refund of the taxes paid only on meals consumed by the honoree and members of the immediate family.

**Example 2:** C, an exempt organization, sponsors a retirement dinner at a restaurant to honor one of its employees. The restaurant charges C \$60 per meal. C sells tickets for \$50 per person and pays the \$10 difference to the restaurant from its own funds. C must pay sales tax on the full price of 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:** Accept this certificate only if you directly invoice and charge the exempt organization or qualifying governmental agency for the meals or lodging. Accept the certificate only if you are 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 meals or lodging.

Acceptance of this certificate, when properly completed and with DRS official approval noted, relieves the retailer from the burden of proving the sale of meals or lodging is 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.

Keep a copy of this certificate, the attached documents, and bills or invoices to the purchaser for at least six years from the date the meals or lodging were purchased. The bills, invoices or records covering the purchase made under this certificate must be marked "Exempt Under CERT-123" to indicate an exempt purchase has occurred.

|  |   |
|--|---|
| Name of: <i>(Check one box)</i> <input type="checkbox"/> Exempt Organization <input type="checkbox"/> Qualifying Governmental Agency | Federal Employer Identification Number              |
| Address of Exempt Organization or Qualifying Governmental Agency   | Connecticut Exemption Permit Number <i>(If any)</i> |

*(If the exempt organization was not issued a Connecticut exemption permit (E-number), attach a copy of the exempt organization's I.R.C. §501(c)(3) or (13) determination letter.)*

|                     |  |
|---------------------|--|
| Name of Retailer    | Check Appropriate Box(es)<br><input type="checkbox"/> Meals <input type="checkbox"/> Lodging |
| Address of Retailer |  |

Describe Purpose or Reason for Events: (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?<br><br><div style="text-align: right;"><input type="checkbox"/> Yes    <input type="checkbox"/> No</div> | Will the agency or organization directly pay the retailer of the meals or lodging with a check drawn on its own checking account <b>or</b> with a credit card issued in its own name (and not in the name of one of its members, employees or officers)?<br><br><div style="text-align: right;"><input type="checkbox"/> Yes    <input type="checkbox"/> No</div> |

**Declaration by Exempt Organization or Qualifying Governmental Agency**

I 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 declare under penalty of law that I have examined this document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

|                                |                     |                  |
|--------------------------------|---------------------|------------------|
| Signature of Authorized Person | 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 DRS official approval has not been noted.

**This Section is Completed by the Department of Revenue Services**

**Request Approved by the Department**

|  |               |
|--|---------------|
| Official Approval/Department of Revenue Services | Date Approved |
|--|---------------|

**Expiration of Blanket Certificate:** This certificate expires on \_\_\_\_\_

**Request Disapproved by the Department**

- Exempt organization did not provide proof of exempt status. (Connecticut exemption permit number or I.R.C. §501(c)(3) or (13) determination letter.)
- 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).
- 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 |
|---|------------------|

**For More Information:** For other information, call the *Exempt Organization Coordinator* at **1-800-382-9463** (in-state) and choose Option 0 or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling **860-297-4911**. Preview and download forms and publications from the DRS web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

Submit this certificate for approval to: Department of Revenue Services  
Taxpayer Services Division  
Exempt Organization Coordinator  
25 Sigourney Street  
Hartford CT 06106-5032

## Purchases of Tangible Personal Property Incorporated Into or Consumed in Water Pollution Control Facilities

**General Purpose:** The purchaser uses this certificate to claim exemption from sales and use taxes under Conn. Gen. Stat. §12-412(21). The exemption is for purchases 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 of industrial waste into any waters of the state or into any sewerage system emptying into the waters, the primary purpose of which is the reduction, control, or elimination of water pollution, certified as approved for the purpose by the Commissioner of the Department of Environmental Protection. The Commissioner may certify to a portion of the tangible personal property acquired for incorporation into the facilities to the extent that the portion has as its primary purpose the reduction, control, or elimination of water pollution.

This certificate may also be used to certify that for purposes of the municipal property tax exemption under Conn. Gen. Stat. §12-81(51), the tangible personal property has been approved for incorporation into or used and consumed in the operation of water pollution abatement facilities. For information on either of these provisions, see **Policy Statement 99(3)**, *Tax Exemptions for Certain Water Pollution Control Equipment*.

**Statutory Authority:** Conn. Gen. Stat. §§12-412(21) and 12-81(51)

**Repeal of the Corporation Business Tax Credit:** Effective for income years beginning on or after January 1, 1998, the corporation business tax credit under Conn. Gen. Stat. §12-217d for certain expenses for treating industrial waste is repealed. Any corporation eligible for this tax credit may carry any remaining tax credit forward as the provisions of this section would have allowed prior to repeal.

**Purchases of Items Not Listed in PS 99(3):** The purchaser must obtain and attach to this certificate written approval from the Commissioner of the Department of Environmental Protection indicating that an item of tangible personal property is approved for use in a water pollution control facility. For information on how to obtain written approval from the Department of Environmental Protection (DEP), see **PS 99(3)**.

**Instructions for the Purchaser:** 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 of industrial waste into any waters of the state or into any sewerage system emptying into the 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 the Department of Environmental Protection issues and signs this certificate. To qualify for the exemption from sales and use taxes under 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.

To obtain the municipal property tax exemption under Conn. Gen. Stat. §12-81(51) which may be available for qualifying structures or equipment, the taxpayer must file a properly completed copy of this certificate with the assessor of the municipality in which the structures or equipment are located after confirming that municipality's procedures for qualifying for the exemption.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, shall relieve the seller from the burden of proving the sale of tangible personal property is not subject to sales and use taxes when the tangible personal property will be used or consumed in the operation of facilities for the treatment of industrial waste before the discharge of industrial waste into any waters of the state or into any sewerage system emptying into any waters, the primary purpose of which is the reduction, control, or elimination of water pollution, and is certified as approved for the purpose by the Commissioner of the Department 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 Conn. Gen. Stat. §12-412(21). For example, the good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser will not use the tangible personal property for water pollution abatement or that the tangible personal property cannot be used for that purpose, or that the tangible personal property has not been approved by DEP. 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 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 an exempt purchase has occurred. The words "Exempt Under CERT-124" 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 remains in effect for three years unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|                   |         |  |                            |
|-------------------|---------|--|----------------------------|
| Name of Purchaser | Address | CT Tax Registration Number<br>(If none, explain) | Federal Employer ID Number |
| Name of Seller    | Address | CT Tax Registration Number<br>(If none, explain) | Federal Employer ID Number |

Check One Box:

Blanket Certificate

Certificate for One Purchase Only

Check Applicable Box(es):

Water Pollution Equipment

Supplies/Consumables

Itemized description of items purchased (For the municipal property tax exemption include date acquired, date installed, and purchase price. These items must also be included on the *Declaration of Personal Property*):

### 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 of industrial waste into any waters of the state or into any sewerage system emptying into the waters, the primary purpose of which is the reduction, control, or elimination of water pollution, certified as approved for the purpose by the Commissioner of the Department of Environmental Protection.

In accordance with Conn. Gen. Stat. §12-412(21), the purchase of these item(s) is exempt from sales and use taxes.

In accordance with Conn. Gen. Stat. §12-81(51), these items may be exempt from municipal property tax. Describe the items above and include on the *Declaration of Personal Property*.

**Declaration:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchasing Business

BY: \_\_\_\_\_  
Authorized Signature of Owner or Officer                      Title                      Date

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## Sales and Use Tax Exemption for a Motor Vehicle Purchased by a Nonresident of Connecticut

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### Part I Instructions

**Conn. Gen. Stat. §12-412(60)** exempts from sales and use taxes the sale of any motor vehicle in this state:

- When the purchaser of the motor vehicle is not a resident of this state and does not maintain a permanent place of abode in this state; **and**
- The motor vehicle is not presented, or is not required to be presented, for registration with the Department of Motor Vehicles (DMV) in this state.

**General Purpose:** A nonresident purchaser should use this certificate in connection with the purchase of a motor vehicle exempt from sales and use taxes from a licensed Connecticut motor vehicle dealer (retailer) when the vehicle will not be presented, or is not required to be presented, for any form of registration in Connecticut except to obtain an in-transit plate.

This certificate is not valid unless it is wholly and correctly completed and acknowledged. Any misrepresentation will result in the imposition of use tax liability and statutory interest and penalties on the purchaser or sales tax liability and statutory interest and penalties on the retailer. The information in this certificate will be furnished to other states and is subject to verification by the State of Connecticut. If the purchaser is a corporation, an officer or authorized representative must sign the Purchaser's Declaration.

**Instructions for the Purchaser:** Use this certificate only if you do not maintain a permanent place of abode in Connecticut and will not present, or are not required to present, the motor vehicle for any form of registration in Connecticut except to obtain an in-transit plate.

Do **not** use this form if you maintain a permanent place of abode in Connecticut. A **permanent place of abode** is a dwelling place permanently maintained by an individual, whether or not owned by, rented, or leased to the individual and generally includes a dwelling place owned by or leased to his or her spouse. Generally, a barracks, motel room, or any construction that does not contain facilities ordinarily found in a dwelling, such as facilities for cooking, bathing, etc., are not deemed a permanent place of abode. Also, a place of abode is not deemed permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.

A corporation, partnership, limited liability company, or other business entity may qualify for this exemption only if:

- The entity maintains no Connecticut situs and owns no fixed assets located in this state;
- No partner, officer, or member of the entity or its affiliates, and no operator or user of the motor vehicle with an ownership interest in the entity or its affiliates, is a resident of Connecticut or is a nonresident that maintains a permanent place of abode in Connecticut; **and**
- The motor vehicle is not presented, or is not required to be presented, for registration with DMV.

**Instructions for the Retailer:** You **must** keep a copy of the certificate and a bill or invoice for at least six years from the date the item is purchased. The certificate is valid only if taken in good faith from a person who does not maintain a permanent place of abode in this state or a business entity that meets the requirements set forth above and will not present, or is not required to present, this motor vehicle for any form of registration in Connecticut except to obtain an in-transit plate. The good faith of the retailer will be questioned if the retailer knows or has knowledge of facts that give rise to a reasonable inference that the purchaser is a resident of Connecticut, maintains a permanent place of abode here, intends to present, or is required to present, the motor vehicle for registration with DMV in this state except to obtain an in-transit plate. 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" satisfy this requirement.

**For More Information:** See **Informational Publication 2004(27), Q & A on Purchases of Motor Vehicles by Nonresidents**. Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

**Part II Retailer and Purchaser - Read instructions first, then complete Parts II, III, IV, and V.**

**Retailer Information**

Name of retailer \_\_\_\_\_ CT Tax Registration No. \_\_\_\_\_  
Street address \_\_\_\_\_ Date of sale \_\_\_\_\_  
City or town, State, ZIP Code \_\_\_\_\_ Telephone No. \_\_\_\_\_

**Purchaser Information**

Name of Purchaser \_\_\_\_\_ Daytime Telephone No. \_\_\_\_\_  
If an individual: \_\_\_\_\_ If corporation, partnership, limited liability company, or other business entity: \_\_\_\_\_  
Home address \_\_\_\_\_ Business address \_\_\_\_\_  
Name and address of employer \_\_\_\_\_ Name and address of partners, officers, members, and operator(s) of motor vehicle \_\_\_\_\_  
Driver's License Number \_\_\_\_\_ State \_\_\_\_\_ Expiration Date \_\_\_\_\_ Driver's License Number \_\_\_\_\_ State \_\_\_\_\_ Expiration Date \_\_\_\_\_  
(Attach additional sheets if necessary for the names, addresses, and license numbers of additional drivers.)

**Part III Motor Vehicle Identification Data**

Year \_\_\_\_\_ Model \_\_\_\_\_ Make of vehicle \_\_\_\_\_ Color \_\_\_\_\_  
Vehicle identification number \_\_\_\_\_ State of registration and number \_\_\_\_\_

**Computation of Price**

**Trade-in Data**

Gross sales price\* \_\_\_\_\_ Year \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_  
Trade-in allowance \_\_\_\_\_ State of registration and plate number \_\_\_\_\_  
Net sales price \_\_\_\_\_ Vehicle identification number \_\_\_\_\_

\* Do not deduct manufacturer's rebates from the gross sales price.

**Part IV Purchaser's Declaration**

Please initial:

\_\_\_\_\_ I, the purchaser, or person authorized to sign on behalf of the purchaser named in Part II, acknowledge that the retailer has explained to me the meaning of a **permanent place of abode** as defined in Part I (or the requirements for business entities as described in Part I) and I declare that I do not maintain such a permanent place of abode in Connecticut.

I, the purchaser, or person authorized to sign on behalf of the purchaser named in Part II, declare that I purchased the motor vehicle described in Part III from the retailer named in Part II. The purchaser is not a Connecticut resident and does not maintain a permanent place of abode in Connecticut, or the business entity meets the requirements described in Part I. The purchaser is a resident of (or the business entity is located in) the State of \_\_\_\_\_. This motor vehicle will not be presented, or is not required to be presented, for registration with the Connecticut DMV. I declare under the penalty of false statement that I have examined this certificate and to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for wilfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Signature of purchaser or authorized person \_\_\_\_\_ Social Security Number \_\_\_\_\_

If corporation, partnership, limited liability company, or other business entity:

Print name of purchaser or authorized person \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

If jointly purchased, signature of other purchaser \_\_\_\_\_ Social Security Number \_\_\_\_\_

Print name of other purchaser \_\_\_\_\_ Date \_\_\_\_\_

**Part V Retailer's Declaration**

Please initial:

\_\_\_\_\_ I, an authorized agent of the retailer named in Part II, declare that I have explained to the purchaser that owning, leasing or otherwise maintaining a **permanent place of abode** in Connecticut, even if it is not permanently occupied by the purchaser, subjects this purchase to Connecticut sales tax and prohibits the use of this certificate. If the purchaser is a business entity, I have explained the exemption requirements for business entities set forth in Part I, or if pertinent, I have explained the requirement for business entities to use this certificate as described in Part I.

I, an authorized agent of the retailer named in Part II, declare under the penalty of false statement that I have examined this certificate and to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for wilfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Print name of retailer's authorized agent \_\_\_\_\_ Date \_\_\_\_\_

Signature of retailer's authorized agent \_\_\_\_\_ Title \_\_\_\_\_

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## Exempt Purchases of Tangible Personal Property or Services for Low and Moderate Income Housing Facilities

**General Purpose:** Sponsors, owners, or operators of low and moderate income housing facilities, as well as contractors for the construction, renovation, repair, maintenance, or operation of these facilities, should use this certificate to purchase tangible personal property or services to be incorporated into or to be used and consumed exclusively in the operation of the facilities. The tangible personal property may be 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. The services may be renovation, repair, maintenance, janitorial, landscaping, or other services.

If the tangible personal property or services are not used in the manner described above, a purchaser who claimed an exemption owes use tax on the total price of the property.

**Statutory Authority:** Conn. Gen. Stat. §12-412(29).

**Instructions for the Purchaser:** Use this certificate for purchases of tangible personal property or services to be incorporated into or used and consumed exclusively in the operation of a low and moderate income housing facility. To qualify for the exemption from sales and use taxes afforded by Conn. Gen. Stat. §12-412(29), you must present this certificate to the retailer at the time of the purchase of the qualifying tangible personal property or services together with a signed and dated copy of the Facility Approval Letter from the Department of Revenue Services (DRS) identifying the low and moderate income housing facility named in this certificate and acknowledging that the facility is entitled to the exemption. Keep a copy of this certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that tangible personal property or services are not subject to sales and use taxes when the tangible personal property or services will be incorporated into or used and consumed exclusively in the operation of a low and moderate income housing facility. The 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. Attach a signed and dated copy of the Facility Approval Letter from DRS identifying the low and moderate income housing facility named in the certificate and acknowledging that the facility is entitled to the exemption. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser does not intend to use the property or services 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 the facility, or a contractor under contract with the sponsor, owner, or operator. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of purchase. The bills, invoices, or records covering the purchase made under this certificate must be marked to indicate an exempt purchase was made. The words “Exempt under CERT-126” satisfy the requirement.

This certificate may be used for individual purchases, in which case 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 case the box marked “Blanket Certificate” must be checked. A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)





## Exempt Purchases by an Enrolled Member or by the Tribal Government of the Mashantucket Pequot Tribe or Mohegan Tribe

**General Purpose:** An enrolled member or an agent of the Mashantucket Pequot Tribe or Mohegan Tribe uses this certificate for purchases or rentals of tangible personal property or purchases of services in Indian country of the tribe.

The purchaser who claims this exemption will owe use tax on the total purchase price of the tangible personal property or services if, at the time of purchase, the purchaser does not intend to use the tangible personal property or services exclusively in Indian country of the tribe and subsequently uses the tangible personal property or services outside of Indian country of the tribe.

**Statutory Authority:** Conn. Gen. Stat. §§12-407(a)(6), 12-408c, and 12-412(2).

**Instructions for the Purchaser:** An enrolled member or an agent of the Mashantucket Pequot Tribe or Mohegan Tribe signs and issues this certificate for purchases or rentals of tangible personal property or purchases of services in Indian country of the tribe with which the purchaser is affiliated.

### **Tangible personal property**

- Sales and purchases of tangible personal property take place in Indian country of the tribe if title to the property passes to the purchaser in Indian country of the tribe.
- Rentals of tangible personal property take place in Indian country of the tribe if delivery of the property occurs in Indian country of the tribe.

Purchases or rentals of tangible personal property **are not exempt**, and sales and use taxes apply to the purchases, where title to the property or delivery of the rented property is taken by the purchaser outside of Indian country of the tribe even if the purchaser immediately transports the property into Indian country of the tribe.

Under the Buy Connecticut provision described in Conn. Gen. Stat. §12-408c, a business may apply to the Department of Revenue Services (DRS) for a refund of sales and use taxes paid on tangible personal property purchased from a Connecticut retailer when those goods will be:

- Shipped outside of Connecticut by common or contract carrier for exclusive use outside of Connecticut; or
- Incorporated into other property to be shipped outside of Connecticut for exclusive use outside of Connecticut.

The Buy Connecticut provision also allows the Commissioner of Revenue Services to issue permits that enable qualified purchasers to purchase property without payment of sales and use taxes. DRS considers Indian country of the tribe to be outside of Connecticut for purposes of the Buy Connecticut provision. (See **Special Notice 2001(5)**, *The “Buy Connecticut” Provision*.)

In addition, Conn. Gen. Stat. §12-407(6) excludes from use tax the exercise of any right or power over tangible personal property shipped or brought into Connecticut for the purpose of subsequently transporting it outside the state for use solely outside Connecticut, or to be processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported and used solely outside Connecticut.

### **Services**

The sale, storage, use, or other consumption of a service occurs where the benefit of the service is realized in accordance with Chapter 219 of the Connecticut General Statutes and related regulations. For example, certain

services, such as business management services, rendered for the benefit of a tribal business operating exclusively in Indian country of the tribe are realized in Indian country of the tribe even if the services are performed by a service provider located outside Indian country of the tribe. Services to real property, such as services to industrial, commercial, or income producing real property, are considered to be realized where the real property is located. Services to tangible personal property, such as repairs to motor vehicles or appliances, are also generally considered to occur at the location where the services are rendered. Purchasers of services should inquire with the DRS if they are uncertain of the taxability of the service.

Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale, storage, use, or other consumption of tangible personal property or services is not subject to sales and use taxes. The certificate is valid only if taken in good faith from an enrolled member or an agent of the Mashantucket Pequot Tribe or Mohegan Tribe for sales where:

- Title to the tangible personal property passes to the purchaser in Indian country of the tribe (unless a Buy Connecticut permit is provided);
- The delivery of rented tangible personal property takes place in Indian country of the tribe; **or**
- The benefit of the service is realized in Indian country of the tribe under Connecticut law.

The good faith of the seller will be questioned if the seller knows of facts that suggest:

- Title to the property will not pass in Indian country of the tribe;
- Delivery of rented property will not take place in Indian country of the tribe;
- The benefit of the services rendered will be realized outside Indian country of the tribe;
- The purchaser does not intend to use the tangible personal property exclusively in Indian country of the tribe; **or**
- The purchaser is not an enrolled member or agent of the tribal government.

Sellers of services should inquire with DRS if they are uncertain of the taxability of the service being sold.

Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-127” satisfy the requirement.

This certificate may be issued annually as a blanket certificate for a line of continuing purchases.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|                |  |  |   |
|----------------|--|--|---|
| Name of Seller | Address                                      | CT Tax Registration Number<br>(If none, explain)           | Federal Employer ID #                       |
| Check One Box  | <input type="checkbox"/> Blanket Certificate | <input type="checkbox"/> Certificate for One Purchase Only |   |
| Check One Box  | <input type="checkbox"/> Property Purchased  | <input type="checkbox"/> Property Rented                   | <input type="checkbox"/> Services Purchased |
| Description    |  |  |   |

### Declaration by Purchaser

I declare that:

- I am either an enrolled member or agent of the Mashantucket Pequot Tribe or the Mohegan Tribe purchasing tangible personal property or services in Indian country of the tribe;
- Title to the property or delivery of rented property will be taken in Indian country of the tribe (unless a Buy Connecticut permit is provided); **and**
- The property purchased or rented or the benefit of services purchased is realized in Indian country of the tribe and will be used exclusively in Indian country of the tribe.

If, however, the tangible personal property purchased or rented under this certificate is intended to be used outside of Indian country of the tribe or the benefit of services purchased under this certificate will be realized outside of Indian country of the tribe, I acknowledge that the enrolled member or tribal government will be liable for Connecticut use tax on the total purchase price of the tangible personal property or services if and when the tangible personal property is actually used or the benefit of the services are realized outside Indian country of the tribe.

I declare under penalty of law that I have examined this document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Print Name of Purchaser

\_\_\_\_\_  
Name of Tribe With Which the Purchaser Is Affiliated

By: \_\_\_\_\_  
Signature Title Date

Enrolled Member       Agent of the Tribal Government

## Exempt Purchases by Contractors in Connection With Construction Projects in Indian Country of the Mashantucket Pequot or Mohegan Tribes

**General Purpose:** A construction contractor uses this certificate 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 in Indian country of those tribes.

The 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 in Indian country of those tribes in fulfilling the contract if:

- The equipment is used exclusively and permanently in Indian country of the tribes; **and**
- The entire cost of the purchase is passed on to the tribe or an enrolled member of the tribe.

The exemption applies **only** when title to tangible personal property passes to the contractor or delivery of rented property is taken by the contractor in Indian country of the tribe.

**Statutory Authority:** Conn. Gen. Stat. §§12-407(a)(6), 12-408c, and 12-412(2).

**Instructions for the Purchaser:** A construction contractor signs and issues this certificate for purchases or rentals of tangible personal property used in connection with a construction contract performed for the Mashantucket Pequot Tribe or Mohegan Tribe or an enrolled member of the tribe in Indian country of the tribe when:

- Title to the property passes or the delivery of the rented property is taken in Indian country of the tribe (unless a Buy Connecticut permit is provided);
- 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**
- The equipment will be used exclusively and permanently (or for the entire rental period in the case of rented property) in Indian country of the tribe.

Purchases or rentals of tangible personal property **are not exempt**, and sales and use taxes apply to the purchases by a construction contractor, where title to the property or delivery of the rented property is taken by the purchaser outside of Indian country of the tribe even if the purchaser immediately transports the property to Indian country of the tribe.

However, under the Buy Connecticut provision as described in Conn. Gen. Stat. §12-408c, a business may apply to the Department of Revenue Services (DRS) for a refund of sales and use taxes paid on tangible personal property purchased from a Connecticut retailer when those goods will be:

- Shipped outside of Connecticut by common or contract carrier for exclusive use outside of Connecticut; **or**
- Incorporated into other property to be shipped outside of Connecticut for exclusive use outside of Connecticut.

The Buy Connecticut provision also allows the Commissioner of Revenue Services to issue permits that enable qualified purchasers to purchase property without payment of sales and use taxes. DRS considers Indian country to be outside of Connecticut for purposes of the Buy Connecticut

provision. (See **Special Notice 2001(5)**, *The “Buy Connecticut” Provision*.)

In addition, Conn. Gen. Stat. §12-407(6) excludes from use tax the exercise of any right or power over tangible personal property shipped or brought into Connecticut for the purpose of subsequently transporting it outside the state for use solely outside Connecticut, or to be processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported, and used solely, outside Connecticut (such as into Indian country).

If title to property or delivery of rented property is taken outside of Indian country of the tribe and the purchaser intends to use the property outside of Indian country of the tribe and subsequently uses it outside of Indian country of the tribe, 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 is liable for use tax on the purchase price of the property.

Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale, storage, use, or other consumption of tangible personal property is not subject to sales and use taxes. The certificate is valid only if taken in good faith from a contractor for sales or rentals of property that take place in Indian country of the tribe in connection with a construction contract that will be performed for the Mashantucket Pequot Tribe or Mohegan Tribe or an enrolled member of the tribe in Indian country of the tribe. Sales of property take place at the location where title to the property passes or where the rented property is delivered. The good faith of the seller will be questioned if the seller knows of facts that suggest:

- Title to the property does not pass or the delivery of rented property does not take place in Indian country of the tribe (unless a Buy Connecticut permit is provided);
- The purchaser does not intend to use the property, permanently and exclusively in Indian country of the tribe, in connection with a construction contract for the tribe or their enrolled members in Indian country of the tribe; **or**
- The entire cost of the purchase will not be passed on to the tribe or one of its enrolled members.

Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-128” satisfy the requirement.

This certificate may be issued annually as a blanket certificate for a line of continuing purchases.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|                   |  |  |                       |
|-------------------|--|--|-----------------------|
| Name of Seller    | Address                                      | CT Tax Registration Number<br><i>(If none, explain)</i>    | Federal Employer ID # |
| Name of Purchaser | Address                                      | CT Tax Registration Number<br><i>(If none, explain)</i>    | Federal Employer ID # |
| Check One Box     | <input type="checkbox"/> Blanket Certificate | <input type="checkbox"/> Certificate for One Purchase Only |                       |
| Check One Box     | <input type="checkbox"/> Purchased           | <input type="checkbox"/> Rented                            |                       |
| Description       |  |  |                       |

### Declaration by Purchaser

I declare that:

- The purchaser is a construction contractor purchasing or renting tangible personal property for use in connection with a construction contract with the Mashantucket Pequot Tribe or the Mohegan Tribe or an enrolled member of the tribe performed in the Indian country of the tribe;
- Title to the property or delivery of rented property will be taken in Indian country of the tribe (unless a Buy Connecticut permit is provided);
- The property will be used exclusively and permanently (in the case of rented property, for the entire rental period) by the contractor in Indian country of the tribe; **and**
- The entire cost of the property or entire cost of the rental of the property during the rental term will be passed on to the tribe or an enrolled member of the tribe.

I acknowledge that the contractor will be liable for Connecticut use tax, plus penalty and interest, on the total purchase price of the property if the contractor does not meet the conditions listed above.

I declare under penalty of law that I have examined this document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Tribe or Enrolled Member

\_\_\_\_\_  
Location of Construction Project

By: \_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## Exemption for Items Used Directly in the Biotechnology Industry

**General Purpose:** The purchaser of machinery, equipment, tools, materials, supplies, and fuel uses this certificate to establish the item(s) being purchased will be used directly in the biotechnology industry.

If the machinery, equipment, tools, materials, supplies, and fuel are not used in the manner described above, a purchaser who claimed an exemption owes use tax on the total price of any items purchased under this exemption.

**Statutory Authority:** Conn. Gen. Stat. §12-412(89).

**Instructions for the Purchaser:** An owner or officer of a business involved in the application of technologies in biotechnology can sign and issue this certificate to advise the seller of machinery, equipment, tools, materials, supplies, and fuel that the purchase is exempt. Issue this certificate only for machinery, equipment, tools, materials, supplies, and fuel as defined in Conn. Gen. Stat. §12-412(89). Biotechnological applications include: 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, and to transform biological systems into useful processes and products.

Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale and storage, use, or other consumption of the machinery, equipment, tools, materials, supplies, and fuel is 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 application of technologies in biotechnology. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not engaged in applying technologies in biotechnology or that the item(s) purchased will not be used directly in these activities.

Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words "Exempt under CERT-129" satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the purchaser must check the box marked "Certificate for One Purchase Only." The certificate can also be used for a continuing line of exempt purchases, in which event the purchaser must check the box marked "Blanket Certificate." A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



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## Sales and Use Tax Exemption for Purchases by Water Companies

**General Purpose:** A purchaser of tangible personal property or services uses this certificate to establish the item(s) are being purchased by a water company for use in maintaining, operating, managing, or controlling a water source or distributing plant or system employed for the purpose of supplying water to 50 or more consumers.

**Statutory Authority:** Conn. Gen. Stat. §12-412(90).

**Instructions for the Purchaser:** An owner or officer of a water company, as the term is defined in Conn. Gen. Stat. §16-1(10), signs and issues this certificate to advise the seller of tangible personal property or services that sales and use taxes do not apply to charges for the purchase. This certificate may be issued only for purchases exempted under Conn. Gen. Stat. §12-412(90).

If the tangible personal property or services are not used in the manner described in this certificate, a purchaser who claimed the exemption owes a use tax on the total price of the item(s) purchased under the exemption.

Keep a copy of this certificate and records to substantiate the information entered on this certificate for at least six years from the date it is issued.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale to, and the storage, use, or other consumption by a water company 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 a person who is an owner or

officer of a water company, as the term is defined in Conn. Gen. Stat. §16-1(10). The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not the water company or the tangible personal property or services purchased will not be used in maintaining, operating, managing, or controlling a water source or distributing plant or system employed for the purpose of supplying water to 50 or more consumers.

Keep this certificate and bills or invoices to the purchaser for 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 "Exempt Under CERT-130" to indicate the purchase was not taxable.

This certificate may be used for a single 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 purchases, in which event the box marked "Blanket Certificate" must be checked. A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**



|                   |         |  |                            |
|-------------------|---------|--|----------------------------|
| Name of Purchaser | Address | CT Tax Registration Number<br>(If None, <i>explain</i> ) | Federal Employer ID Number |
| Name of Seller    | Address | CT Tax Registration Number<br>(If None, <i>explain</i> ) | Federal Employer ID Number |

Check One Box  Blanket Certificate  Certificate for One Purchase Only

Check Appropriate Box(es) and Provide a Written Description of Each Item Purchased

Tangible Personal Property  Services

Description

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### Declaration by Purchaser

The item(s) described on this certificate are tangible personal property or services being purchased by a water company under the exemption provided in Conn. Gen. Stat. §12-412(90).

In accordance with Conn. Gen. Stat. §12-412(90), the purchase of the described item(s) is exempt from sales and use taxes.

I, the authorized representative of the **purchaser** named above, declare under penalty of law that I have examined the information in this certificate and to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

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Name of Purchaser

By: \_\_\_\_\_  
Signature Title Date

## Exemption for Projects of the Connecticut Resources Recovery Authority and Solid Waste-To-Energy Facilities

**General Purpose:** A purchaser of tangible personal property or services uses this certificate to establish the item(s) are being purchased to be incorporated into or used or consumed in the operation of a project of the Connecticut Resources Recovery Authority (CRRA) or in a solid waste-to-energy facility.

**Statutory Authority:** Conn. Gen. Stat. §12-412(92) and (95).

**Instructions for the Purchaser:** An owner or officer of the following signs and issues this certificate:

- CRRA;
- A lessee or operator of a project of CRRA where the purchases will be reimbursed by CRRA;
- An authority or operating committee of a solid waste-to-energy facility that holds a permit issued by the Commissioner of Environmental Protection under Conn. Gen. Stat. §22a-208a; or
- A lessee or operator of a solid waste-to-energy facility where the purchaser will be reimbursed by an authority or operating committee.

This certificate advises the seller of tangible personal property or services that sales and use taxes do not apply to charges for the purchase. This certificate may be issued only for purchases exempted under Conn. Gen. Stat. §12-412(92) or (95).

If the tangible personal property or services are not used in the manner described in this certificate, the purchaser who claimed the exemption owes a use tax on the total price of the item(s) purchased under the exemption.

Keep a copy of this certificate and records to substantiate the information entered on this certificate for at least six years from the date it is issued. If no Connecticut 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, relieves the seller from the burden of proving the sale to, and the storage, use, or other consumption by a purchaser, as identified on the certificate, 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 a person who is an owner or officer of the purchaser identified on the certificate. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not a purchaser as identified on the certificate or item(s) purchased will not be incorporated into or used or consumed in the operation of a project of the CRRA or in a solid waste-to-energy facility.

Keep this certificate and bills or invoices to the purchaser for 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 “Exempt Under CERT-131” to indicate the purchase was not taxable.

This certificate may be used for a single 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 purchases, in which event the box marked “Blanket Certificate” must be checked. A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**

|                   |         |  |                            |
|-------------------|---------|--|----------------------------|
| Name of Purchaser | Address | CT Tax Registration Number<br>(If None, <i>explain</i> ) | Federal Employer ID Number |
| Name of Seller    | Address | CT Tax Registration Number<br>(If None, <i>explain</i> ) | Federal Employer ID Number |

Check One Box  Blanket Certificate  Certificate for One Purchase Only

Address of CRRRA Project or Solid Waste-To-Energy Facility

Name of Owner (If purchaser is lessee or operator)

Address of Owner

Check Appropriate Box(es) and Provide a Written Description of Each Item Purchased

Tangible Personal Property  Services

Description

### Declaration by Purchaser

The item(s) described on this certificate are tangible personal property or services being purchased under the exemption provided in Conn. Gen. Stat. §12-412(92) and (95).

In accordance with Conn. Gen. Stat. §12-412(92) or (95), the purchase of the described item(s) is exempt from sales and use taxes.

I, the authorized representative of the **purchaser** named above, declare under penalty of law that I have examined the information in this certificate and to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Name of Purchaser

By: \_\_\_\_\_  
Signature Title Date

## Sales and Use Tax Exemption for Purchases Made Under the Buy Connecticut Provision

**General Purpose:** The holder of a *Buy Connecticut Provision Exemption Permit* uses this certificate to purchase tangible personal property in Connecticut without payment of tax, for use in carrying on a trade, occupation, business, or profession, when the property will be shipped out of the state for exclusive use by the purchaser outside the state.

**Statutory Authority:** Conn. Gen. Stat. §12-408c.

**Instructions for the Purchaser:** An owner or officer of an entity carrying on a trade, occupation, business, or profession in Connecticut that holds a valid *Buy Connecticut Provision Exemption Permit* from the Department of Revenue Services (DRS) must sign and issue this certificate to advise the seller of tangible personal property that sales and use taxes do not apply to the charges for the purchase. You may issue this certificate only for purchases exempted under the Buy Connecticut provision. **Attach a copy of your valid Buy Connecticut Provision Exemption Permit to this certificate.**

You may store tangible personal property purchased with this certificate in Connecticut or process, fabricate, manufacture, or incorporate it into other tangible personal property in Connecticut. You may make no other use of the property. Within three years after purchase, you must transport the tangible personal property or the item into which the property has been incorporated outside Connecticut for exclusive use outside the state.

Keep a copy of this certificate and records that substantiate the information entered on this certificate for at least six years from the issue date.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale to or use of the tangible personal property described on the back of this document is not subject to sales and use taxes.

This certificate is valid only if the seller takes it in good faith from a person who is an owner or officer of an entity carrying on a trade, occupation, business, or profession in Connecticut that holds a valid *Buy Connecticut Provision Exemption Permit* from DRS. Do not accept this certificate unless the purchaser attached a copy of its valid *Buy Connecticut Provision Exemption Permit* to the certificate.

DRS will question the good faith of the seller if the seller knows, or could reasonably infer that:

- The purchaser is not carrying on a trade, occupation, business, or profession; **or**
- The tangible personal property will not eventually be transported outside Connecticut for exclusive use outside the state after being either stored or incorporated into other tangible personal property by the purchaser.

Keep this certificate and bills or invoices to the purchaser for at least six years from the date on which the items were purchased. Mark the bills, invoices, or records covering all purchases made under this certificate to show that the purchase was exempt. The words "Exempt Under CERT-132" satisfy the requirement.

You may use this certificate for individual exempt purchases. Check the box marked "Certificate for One Purchase Only." You may also use this certificate for a continuing line of exempt purchases, in which event you must check the box marked "Blanket Certificate." A blanket certificate for this exemption remains in effect from the date of the first purchase in a calendar year until the end of the calendar year unless the purchaser revokes it in writing before the period expires.

**For More Information:** See **Special Notice 2001(5)**, *The "Buy Connecticut" Provision*. Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

|                   |         |  |                                   |
|-------------------|---------|--|-----------------------------------|
| Name of Purchaser | Address | Connecticut Tax Registration #<br>(If none, explain) | Federal Employer Identification # |
| Name of Seller    | Address | Connecticut Tax Registration #<br>(If none, explain) | Federal Employer Identification # |

Check One Box:  Blanket Certificate (Through end of calendar year)  Certificate for One Purchase Only

Describe the Tangible Personal Property Purchased:

### Declaration by Purchaser

The item(s) described on this certificate are tangible personal property being purchased exempt from sales and use taxes by an entity carrying on a trade, occupation, business, or profession in Connecticut with a valid *Buy Connecticut Provision Exemption Permit*. A copy of the permit is attached to this certificate.

**Declaration:** I declare, under the penalty of false statement, that I am an owner or officer of the purchaser, and that I have personal knowledge about the information contained in this certificate. I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchaser

By: \_\_\_\_\_  
Authorized Signature Title Date

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## Contractor's Exempt Purchase Certificate for a Renovation Contract With a Direct Payment Permit Holder

(This certificate **may not** be used for new construction.)

I declare I am engaged in performance of a renovation construction contract for the following Direct Payment Permit holder:

Connecticut Tax Registration Number of Direct Payment Permit Holder: \_\_\_\_\_

Name of Direct Payment Permit Holder: \_\_\_\_\_

Address: \_\_\_\_\_

Project Name and Address: \_\_\_\_\_

The contractor or subcontractor must attach a copy of the direct payment permit to this certificate.

**Construction Contracts Entered Into With Direct Payment Permit Holders:** The contractor must purchase materials and supplies that are to be installed or placed in a project performed under this renovation contract and that will **remain** in the project after its completion without payment of sales and use tax. The contractor will not charge the Direct Payment Permit holder any sales or use tax on the materials and supplies. This includes tangible personal property that remains tangible personal property after its installation or placement. For such exempt purchases, the contractor must furnish the contractor's suppliers a completed certificate for each project. Note: The General Contractor's Information and Declaration Section must be completed in full. **Notice to Nonresident Contractors:** This certificate **does not** supersede any bonding requirements previously established by the Department of Revenue Services (DRS).

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

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**General Contractor's Information and Declaration Section:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Connecticut Tax Registration Number of General Contractor: \_\_\_\_\_

Name of General Contractor: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_

Description of Work Performed: \_\_\_\_\_

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**Subcontractor's Information and Declaration Section:** I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Connecticut Tax Registration Number of Subcontractor: \_\_\_\_\_

Name of Subcontractor: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_

Description of Work Performed: \_\_\_\_\_

Name of Contractor You Are Directly Subcontracted to,  
if Different from Above: \_\_\_\_\_

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**Notice to Nonresident Contractors:** This certificate **does not** supersede any bonding requirements previously established by DRS.

## Exempt Purchases by Qualifying Governmental Agencies

**General Purpose:** Qualifying governmental agencies must issue this certificate to retailers when purchasing tangible personal property or enumerated services. For purposes of this certificate, qualifying governmental agencies include:

- The United States and its agencies;
- The State of Connecticut or its political subdivisions or their agencies;
- Certain other entities exempt under Connecticut law;
- Any entity that Connecticut is prohibited from taxing under the constitution or laws of the United States; and
- Persons acting as agents for any of these entities.

A qualifying governmental agency may use this certificate to purchase any tangible personal property for resale at any of one five fundraising or social events of a day's duration during any calendar year. The event must be exempt from tax under Conn. Gen. Stat. §12-412(94). Otherwise, governmental agencies are not allowed to purchase tangible personal property for resale with this certificate. See **Special Notice 98(11)**, *Exemption From Sales and Use Taxes of Sales by Nonprofit Organizations at Fund-raising or Social Events*.

**Statutory Authority:** Conn. Gen. Stat. §12-412(1)(A) and §12-412(2)

**Instructions for the Purchaser:** An authorized person acting on behalf of a qualifying governmental agency must issue and sign this certificate to advise the seller of tangible personal property or taxable services that sales and use taxes do not apply to the purchase. The purchases must be made by the qualifying governmental agency using the agency's own funds.

Purchases made by individual employees who will be reimbursed by a qualifying governmental agency **do not** qualify for exemption under any circumstances, even if the purchases are made in the employee's official capacity.

If a purchaser other than an agency of the U.S. or the State of Connecticut, not named on the reverse of this certificate, is expressly exempted from state sales and use taxes by a federal or Connecticut statute, the purchaser must identify the exempting statute on the reverse of this certificate. If a purchaser is not expressly exempted by a federal statute, but believes it is exempt by reason of federal law, it must request a letter from DRS (see address above) acknowledging the exempt status, and attach a copy of the letter to this certificate.

**Purchases of Meals and Lodging:** In general, qualifying governmental agencies may **not** use this certificate to purchase meals and lodging, but must get preapproval from DRS for these purchases, and use **CERT-112**, *Exempt Purchase of Meals and Lodging by Exempt Entities*, or **CERT-123**, *Blanket Certificate for Exempt Qualifying Purchases of Meals or Lodging by an Exempt Entity*.

However, a qualifying governmental agency may purchase meals tax exempt using this certificate, without prior approval from DRS, when it will resell the meals at one of five fundraising or social events per year exempt under Conn. Gen. Stat. §12-412(94). See **Policy Statement 2003(4)**, *Purchases of Meals or Lodging by Exempt Entities*.

**Federal Government Purchases Not Requiring This Certificate:** The federal government has implemented the "GSA SmartPay" program, which uses four categories of cards: Fleet, Purchase, Travel, and Integrated Cards. Federal employees may purchase tangible personal property and services, including meals and lodging, tax exempt when using GSA SmartPay cards, if the purchases are billed to and paid by the federal government. U.S. government agencies making tax-exempt purchases using GSA SmartPay cards are not required to use any DRS certificates or to get preapproval for purchases. Some GSA SmartPay purchases do **not** qualify for exemption. See **Policy**

**Statement 2000(1.1)**, *Retailer's Acceptance of U.S. Government "GSA SmartPay" Credit Card for Exempt Purchases*.

**Instructions for Agents Making Purchases for Qualifying Governmental Agencies:** A person acting as the agent of a qualifying governmental agency making purchases of tangible personal property or enumerated services must issue this certificate to notify the seller sales and use taxes do not apply to the charges for the purchases.

The agent must:

- Complete and sign this certificate **as the purchaser**;
- Attach a copy of the document from the qualifying governmental agency that expressly designates the person as the agent for purchasing the types of goods or services being purchased; and
- Claim an exemption only on purchases of goods or services used exclusively by the qualifying governmental agency.

Keep a copy of this certificate, the documents attached, and records that substantiate the information entered on this certificate for at least six years from the date this certificate is issued.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed and accompanied by any other required documents, relieves the seller from the burden of proving the sale and the storage, use, or consumption of the tangible personal property or taxable services are not subject to sales and use taxes. This certificate is valid only if taken in good faith from a person who is authorized to furnish it to the seller on behalf of a qualifying governmental agency. The good faith of the seller will be questioned if the seller has knowledge of facts that give rise to a reasonable inference the purchaser is not a qualifying governmental agency or an agent of a qualifying governmental agency or the items purchased will not be used exclusively by or on behalf of the qualifying governmental agency.

Keep this certificate, the documents attached, and bills or invoices to the purchaser for at least six years from the date the items or services were purchased. The bills, invoices, or records covering the purchase made under this certificate must be marked "Exempt Under CERT-134" to indicate an exempt purchase has occurred.

This certificate may be used for a single exempt purchase, in which case 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 case the box marked "Blanket Certificate" must be checked. It remains in effect for three years unless the purchaser revokes it in writing before the three-year period expires. CERT-134 may not be used as a blanket certificate for purchases of tangible personal property for resale at any one of five fundraising or social events per calendar year exempt under Conn. Gen. Stat. §12-412(94).

A qualifying governmental agency must pay for its exempt purchases with a check drawn on its own account or with a credit card issued in its own name (and not in the name of any of its members or officers). An exempt purchase of \$10 or less may be made using cash, as long as the purchase is made with the qualifying governmental agency's own funds, except a blanket certificate may not be used for cash purchases.

**For More Information:** Call Taxpayer Services at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries 24 hours a day by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at **www.ct.gov/DRS**

Purchaser is:

- United States \_\_\_\_\_  State of Connecticut \_\_\_\_\_  
 Name of Agency Name of Agency (list exemption number, if any)
- Federal Credit Union \_\_\_\_\_  Connecticut Municipality \_\_\_\_\_  
 Name of Credit Union Town or District and Agency
- Other Entity Exempted by Connecticut Law \_\_\_\_\_  
 Name of Entity Exempting Connecticut Statute
- Other Entity Exempted by Federal Law \_\_\_\_\_  
 Name of Entity Exempting Federal Statute  
 or check box if acknowledgment letter from DRS is attached.
- Connecticut Development Authority
- Agent of a Qualifying Governmental Agency Listed Above (attach documentation of appointment as agent)

Name of Agent: \_\_\_\_\_

Agent's CT Tax Registration Number: \_\_\_\_\_ Agent's Federal Employer ID Number: \_\_\_\_\_

Name of Qualifying Governmental Agency: \_\_\_\_\_

Appointed Agent for making the following types of purchases: \_\_\_\_\_

Address of Purchaser: \_\_\_\_\_

|                |         |  |
|----------------|---------|--|
| Name of Seller | Address | CT Tax Registration Number<br>(If none, explain) |
|                |         | Federal Employer ID Number                       |

Check one box:

- Blanket certificate (CERT-134 may not be used as a blanket certificate for purchases of tangible personal property for resale at any one of five fundraising or social events per calendar year exempt under Conn. Gen. Stat. §12-412(94). See below.)
- Certificate for one purchase only
- Purchases that qualify for exemption under Conn. Gen. Stat. §12-412(94). Indicate the number of prior fundraising or social events during this calendar year for which you claimed exemption under Conn. Gen. Stat. §12-412(94): \_\_\_\_\_

Check the appropriate box(es) and provide a written description of each item purchased:

- Tangible Personal Property  Taxable Services

Description: \_\_\_\_\_

### Declaration by Purchaser

The item(s) described above are tangible personal property or services being purchased under the exemption provided in Conn. Gen. Stat. §12-412(1)(A), §12-412(2), or other applicable statute. The purchase of these items is exempt from sales and use taxes.

I declare under penalty of law that I have examined this certificate (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Name of Purchaser

By: \_\_\_\_\_  
Signature of Authorized Person Title Date

If the purchaser is an entity exempted under Connecticut law other than Conn. Gen. Stat. §12-412(1)(A), I have entered the citation of the exempting law above. If the purchaser is an entity exempted under federal law, I have entered the citation of the exempting law above, or, if there is no specific statutory authority, I have attached a copy of the letter from DRS acknowledging the exempt status.

If the purchaser is an agent of a qualifying governmental agency, I have attached a copy of the document from the qualifying governmental agency expressly designating the purchaser as agent.



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## Reduced Sales and Use Tax Rate for Motor Vehicles Purchased by Nonresident Military Personnel and Their Spouses

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### Part I Instructions

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**General Purpose:** A nonresident purchaser who is a member of the armed forces of the United States on full-time active duty in Connecticut, or the purchaser and the purchaser's spouse, should use this certificate in connection with the purchase of a motor vehicle from a licensed Connecticut motor vehicle dealer at the reduced rate of 4.5%. A purchase includes a lease of a motor vehicle. Whenever the term *purchase* is used, this includes a lease agreement.

This certificate is not valid unless it is wholly and correctly completed and acknowledged. Any misrepresentation will result in the imposition of use tax liability and statutory interest and penalties on the member of the armed forces or the member's spouse, or sales tax liability and statutory interest and penalties on the retailer. A member of the armed forces who purchases a vehicle from an out-of-state retailer must complete all parts of this certificate other than the declaration of the retailer and submit this certificate to the Department of Motor Vehicles if the vehicle is to be registered in this state.

**Statutory Authority:** Conn. Gen. Stat. §12-408(1)(B)

**Instructions for the Purchaser:** You must provide the motor vehicle dealer with the following documents to prove you have met the requirements to purchase a motor vehicle at the 4.5% sales and use tax rate:

- Military enlistment papers or a signed letter from a commanding officer on military letterhead. The letter must include the name and address of the member and must contain a statement that the member is on full-time active duty at a duty station in Connecticut;
- A copy of the last *Leave and Earnings Statement* issued showing the member's state of residence or home of record.

You can also use a copy of the most recent personal income tax return filed with your state of residence and a copy of a motor vehicle operator's license issued by your state of residence to substantiate permanent residency in another state.

**Joint Purchases by the Member and the Member's Spouse:** A member of the armed forces and the spouse of the member must also provide the motor vehicle dealer with one of the following documents to jointly purchase a motor vehicle at the 4.5% rate:

- A copy of their marriage certificate; **or**
- A copy of their most recent federal income tax return filed with the Internal Revenue Service showing the box checked under filing status as married filing joint return or married filing separate return.

**Instructions for the Retailer:** You **must** file this form with **Form OS-114, Sales and Use Tax Return**, for the period in which the sale is reported. Keep a copy for your records and provide a copy of the executed certificate to the purchaser. Keep copies of the certificate, all documents accompanying the certificate, and the bill or invoice for at least six years from the date the motor vehicle was purchased. The certificate is valid only if taken in good faith from a nonresident member of the armed forces on full-time active duty in Connecticut or jointly from the member and the member's spouse.

The good faith of the retailer will be questioned if the retailer knows or has knowledge of facts that suggest the purchaser is a resident of Connecticut or is not a member of the armed forces on full-time active duty in Connecticut. The bill, purchase invoice, or records covering the purchase made under this certificate must be appropriately marked to indicate a purchase at the 4.5% sales and use tax rate has occurred. The words "Purchased under CERT-135" satisfy this requirement.

**For More Information:** See **Special Notice 99(5), Sales of Motor Vehicles to Nonresident Military Personnel and Joint Sales of Motor Vehicles to Nonresident Personnel and Their Spouses**. Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

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**Part II Retailer and Purchaser - Read instructions first, then complete this Part and Parts III, IV, and V.**

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**Retailer Information**

Name of Retailer \_\_\_\_\_ CT Tax Registration No. \_\_\_\_\_  
Street Address \_\_\_\_\_ Date of Sale \_\_\_\_\_  
City or Town, State, ZIP Code \_\_\_\_\_ Telephone \_\_\_\_\_

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**Purchaser Information**

Name of Purchaser \_\_\_\_\_ Spouse's Name \_\_\_\_\_  
Resident of \_\_\_\_\_ Resident of \_\_\_\_\_  
Home Address \_\_\_\_\_ Home Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone \_\_\_\_\_ Telephone \_\_\_\_\_  
\_\_\_\_\_  
Driver's License Number \_\_\_\_\_ State \_\_\_\_\_ Expiration Date \_\_\_\_\_  
Driver's License Number \_\_\_\_\_ State \_\_\_\_\_ Expiration Date \_\_\_\_\_

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**Part III Motor Vehicle Identification**

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**Motor Vehicle Identification Data**

Make of Vehicle \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_  
Color \_\_\_\_\_ Vehicle Identification Number \_\_\_\_\_  
State of Registration and Number \_\_\_\_\_

**Computation of Price**

Gross Sales Price\* \_\_\_\_\_  
Trade-in Allowance \_\_\_\_\_  
Net Sales Price \_\_\_\_\_

**Trade-in Data**

Make \_\_\_\_\_ Model \_\_\_\_\_  
Year \_\_\_\_\_  
State of Registration and Plate Number \_\_\_\_\_  
Vehicle Identification Number \_\_\_\_\_

\* Do not deduct manufacturer's rebates from the gross sales price.

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**Part IV Purchaser's Declaration**

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I, the purchaser, declare that I purchased the motor vehicle described in Part III from the retailer named in Part II. I am not a Connecticut resident; I am a resident of the State of \_\_\_\_\_. I declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Signature of Purchaser \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Print Name of Purchaser \_\_\_\_\_ Date \_\_\_\_\_  
If Jointly Purchased,  
Signature of Spouse \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Print Name of Spouse \_\_\_\_\_ Date \_\_\_\_\_

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**Part V Retailer's Declaration**

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I, an authorized agent of the retailer named in Part II, declare under penalty of law that I have examined this return or document (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Print Name of Retailer's Authorized Agent \_\_\_\_\_ Date \_\_\_\_\_  
Signature of Retailer's Authorized Agent \_\_\_\_\_ Title \_\_\_\_\_

## Purchases of Items by Eleemosynary Organizations and Schools That Will Be Resold Tax-Exempt for \$20 or Less

**General Purpose:** Connecticut eleemosynary organizations formed to sponsor and support youth activities and accredited elementary or secondary schools may sell items tax-exempt for \$20 or less when the sales are made for purposes of these youth activities or schools or organized activities of students enrolled in the school. This certificate may only be used by Connecticut eleemosynary organizations and schools **not** registered with the Department of Revenue Services (DRS) as retailers for the sole purpose of purchasing items intended to be resold tax-exempt for \$20 or less. See **Policy Statement 2002(3)**, *Sales and Use Tax Exemptions for Sales by Eleemosynary Organizations and Elementary and Secondary Schools*, for more information.

**Statutory Authority:** Conn. Gen. Stat. §12-412(26).

**Instructions for the Purchaser:** An officer of a qualifying eleemosynary organization formed to sponsor and support youth activities or an authorized person acting on behalf of an accredited elementary or secondary school must sign and issue this certificate to advise the seller of tangible personal property or taxable services that sales and use taxes do not apply to the purchase because the items being purchased are intended to be resold tax-exempt for \$20 or less under Conn. Gen. Stat. §12-412(26). Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date this certificate is issued.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale and storage, use, or other 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 eleemosynary organization formed to sponsor and support youth activities or an accredited elementary or secondary school. For example, the good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not a qualifying eleemosynary organization or an accredited elementary or secondary school.

Keep this certificate and bills or invoices to the purchaser for at least six years from the date the items or services were purchased. The bills, invoices, or records covering the purchases made under this certificate must be marked “Resale under CERT-136” to indicate the purchases were not taxable.

This certificate may be used for a single purchase, in which case 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 purchaser must check the box marked “Blanket Certificate.” A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the three-year period expires.

An eleemosynary organization formed to sponsor and support youth activities and an accredited elementary or secondary school must pay for its resale purchases 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 any of its members or officers). An eleemosynary organization or accredited elementary or secondary school may make a purchase of \$10 or less using cash from the organization’s or school’s own funds. However, a blanket CERT-136 may not be used for a cash purchase, and a properly completed CERT-136 must be issued to the retailer at the time of each cash purchase.

**For More Information:** Call Taxpayer Services during business hours at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries 24 hours a day by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



## Sales and Use Tax Certificate for Sale and Leaseback Arrangements

**General Purpose:** Retailers and purchasers use this certificate in connection with original sales of tangible personal property that are eligible for sales and use tax exclusions or refunds in connection with sale and leaseback arrangements under Conn. Gen. Stat. §12-407(a)(3)(B).

Original sales of tangible personal property are excluded from sales and use taxes, or are eligible for refunds of the taxes, if within 120 days of the purchase date the purchaser enters into a contract with a lessor to sell the property to the lessor and lease it back in a lease that is taxable at its inception in Connecticut.

Depending on the circumstances, a purchaser or a retailer may use this certificate in one of the following ways:

1. A purchaser may purchase tangible personal property from a retailer to be used in a sale and leaseback arrangement without paying sales and use taxes;
2. A purchaser may obtain a sales and use tax refund from a retailer for tangible personal property to be used in a sale and leaseback arrangement;
3. A retailer that has refunded tax to a purchaser may claim a tax refund or credit from the Department of Revenue Services (DRS);  
**or**
4. A purchaser may obtain a sales and use tax refund directly from DRS for tangible personal property to be used in a sale and leaseback arrangement.

**Statutory Authority:** Conn. Gen. Stat. §12-407(a)(3)(B).

**Tax Exclusion at Time of Original Sale:** At the time of sale of an item of tangible personal property, if a purchaser has contracted with a lessor to sell the property to the lessor and lease it back from the lessor within one year of the date of purchase in a lease taxable at its inception in Connecticut, the original sale is excluded from sales and use taxes.

The purchaser must provide this certificate to the retailer, together with an executed copy of its sale and leaseback contract with the lessor **or** a copy of a binding agreement with the lessor to sell the property to the lessor and lease it back, signed by both the purchaser and the lessor.

A retailer must accept this certificate and the proper attachments in good faith. A retailer's good faith will be questioned if the retailer knows anything from which the retailer could reasonably infer that the purchaser is not entitled to the exclusion under Conn. Gen. Stat. §12-407(a)(3)(B).

**Refund From Original Retailer:** Within 120 days of the date of an original sale on which tax was paid, the purchaser may present this certificate to the retailer and the retailer will immediately refund to the purchaser the tax collected on the original sale provided the purchaser has contracted to sell the item of tangible personal property to a lessor and lease it back from the lessor within one year of the date of purchase, in a lease taxable at its inception in Connecticut.

The purchaser must give this certificate to the retailer, with a signed copy of its sale and leaseback contract with the lessor **or** a copy of a binding agreement with the lessor to sell the property to the lessor and lease it back, signed by both the purchaser and the lessor. The purchaser must also attach a copy of its receipt or invoice showing sales and use taxes were paid on the original sale.

**Retailer's Refund or Credit From DRS:** If a retailer refunds tax to a purchaser within 120 days, the retailer may present a copy of this certificate and the attachments to the certificate to claim a tax refund or credit from DRS.

**Purchaser's Refund From DRS:** If a purchaser paid tax to a retailer on the original sale, or self-assessed use tax, the purchaser may provide this certificate directly to DRS for a refund. The purchaser may claim the refund within three years under Conn. Gen. Stat. §12-425.

Within 120 days of the date of an original sale on which tax was paid, the purchaser must have sold or contracted to sell the item of tangible personal property to a lessor and lease it back from the lessor within one year of the date of purchase in a lease that is taxable at its inception in Connecticut.

The purchaser must provide this certificate to DRS, together with an executed copy of its sale and leaseback contract with the lessor **or** a copy of a binding agreement with the lessor to sell the property to the lessor and lease it back, signed by both the purchaser and the lessor. If the purchaser paid tax to a retailer at the time of sale, the purchaser must also include a bill of sale so indicating and a copy of **Form AU-524, Assignment of Retailer's Rights for Refund**, signed by the retailer.

**Notice to Purchasers and Retailers:** Keep a copy of this certificate and all attachments for six years after the date of purchase.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)



## Purchases for Use in Audio or Video Production or Broadcasting

**General Purpose:** The purchaser of the items listed below uses this certificate to establish that the item(s) being purchased qualify for exemption under Conn. Gen. Stat. § 12-412(44):

- Any filmed and taped television and radio programs and any materials which become an ingredient or component part of films or tapes used directly in the production and transmission of finished programs: (1) broadcast to the general public by a television or radio station, or (2) used for purposes of accredited medical or surgical training, including any equipment used for that purpose;
- Sales of and the storage, use, rental, lease, or other consumption of any motion picture or video production equipment or sound recording equipment purchased or leased for use in this state for production activities which become an ingredient or component part of any master tapes, records, video tapes, or film produced for commercial entertainment, commercial advertising, or commercial educational purposes; **or**
- Equipment including, but not limited to, antennas used directly in the production or broadcast of programs to the general public by a television or radio station.

If the items listed above are not used in the manner described above, a purchaser who claimed an exemption owes use tax on the total price of any items purchased under this exemption.

**Statutory Authority:** Conn. Gen. Stat. §12-412(44).

**Instructions for the Purchaser:** An owner or officer of a business purchasing the items described above can sign and issue this certificate to advise the seller of these items that the purchase is exempt.

Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued.

If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state. In addition, you must attach some documentation that includes a location and telephone number and demonstrates you are engaged in business (for example, a business card, brochure, or business stationery). If you have no tax identification number because your home state does not have a sales tax, you should provide the federal identification number.

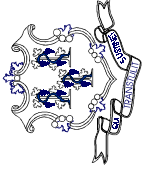
**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that the sale and storage, use, rental, lease, or other consumption of the items described above is not subject to sales and use taxes. The certificate is valid only if taken in good faith from a person who is purchasing the items described above. For example, the good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not engaged in an activity described above or will not use the item being purchased in an activity described above. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words "Exempt under CERT-138" satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the purchaser must check the box marked "Certificate for One Purchase Only." The certificate can also be used for a continuing line of exempt purchases, in which event the purchaser must check the box marked "Blanket Certificate." A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the Department of Revenue Services (DRS) Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)







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<br>or I.D. No. | City or State | State Registration<br>or I.D. No. |
| City or state | State Registration<br>or I.D. No. | City or State | State Registration<br>or I.D. No. |
| City or state | State Registration<br>or I.D. No. | City or State | State Registration<br>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 \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
*(Owner, Partner or Corporate Officer)*

# REG-19

## Low and Moderate Income Housing Facilities Application for a Facility Approval Letter

**Statutory Authority:** Conn. Gen. Stat. §12-412(29)

**Purpose:** Use REG-19 to apply with the Department of Revenue Services (DRS) for qualification as an exempt low and moderate income housing facility.

### 1. Identification of the Facility:

Name and address of facility \_\_\_\_\_

Attach a description of the housing facility including the number of dwelling units, the number of units occupied by low and moderate income persons or families, the policies instituted that ensure the facility will continue to qualify for the exemption, its location, its dates of construction, and commencement of operation.

### 2. Identification of Sponsoring Organization:

|   |  |
|---|--|
| Full name of the organization (as shown on organizing document) | Name and daytime telephone number of person to be contacted for information<br>( ) |
|---|--|

Sponsoring organization's address: number and street, city or town, state, and ZIP code

|                             |                                     |
|-----------------------------|-------------------------------------|
| Date incorporated or formed | State of incorporation or formation |
|-----------------------------|-------------------------------------|

**Organizing documents:** Submit a copy of the sponsoring organization's organizing document that states it has as one of its purposes the development, construction, sponsorship, or ownership of housing for low and moderate income families. The copy may be a photocopy of the signed and dated original document. (Do not send originals because all documents submitted become part of the application file.)

Corporation: Attach a copy of the articles of incorporation (including amendments and restatements) showing the stamp or seal of the Secretary of the State.

Unincorporated: Attach a copy of the constitution and bylaws.

### 3. Identification of Operating Organization:

If the operating organization is different from the sponsoring organization, provide the information requested in addition to the full name and address of the operating organization.

|   |  |
|---|--|
| Full name of the organization (as shown on organizing document) | Name and daytime telephone number of person to be contacted for information<br>( ) |
|---|--|

Operating organization's address: number and street, city or town, state, and ZIP code

|                             |                                     |
|-----------------------------|-------------------------------------|
| Date incorporated or formed | State of incorporation or formation |
|-----------------------------|-------------------------------------|

**Organizing documents.** Submit a copy of the operating organization's organizing document. If the operating organization is a nonprofit housing organization, submit a copy of the organization's organizing document that states it has as one of its purposes the development, construction, sponsorship, or ownership of housing for low and moderate income families. The copy may be a photocopy of the signed and dated original document. (Do not send originals because all documents submitted become part of the application file.)

Corporation: Attach a copy of the articles of incorporation (including amendments and restatements) showing the stamp or seal of the Secretary of the State.

Unincorporated: Attach a copy of the constitution and bylaws.

### 4. Identification of Owner

If the owner of the housing facility is different from the sponsoring or operating organization, provide the information requested in addition to the full name and address of the owner's organization.

|  |  |
|--|--|
| Full name of the owner (as shown on organizing document) | Name and daytime telephone number of person to be contacted for information<br>( ) |
|--|--|

Owner's address: number and street, city or town, state, and ZIP code

|                             |                                     |
|-----------------------------|-------------------------------------|
| Date incorporated or formed | State of incorporation or formation |
|-----------------------------|-------------------------------------|

---

**Organizing documents:** Submit a copy of the owner's organizing document. If the owner is a nonprofit housing organization, submit a copy of the owner's organizing document that states it has as one of its purposes the development, construction, sponsorship, or ownership of housing for low and moderate income families. The copy may be a photocopy of the signed and dated original document. (Do not send originals because all documents submitted become part of the application file.)

Corporation: Attach a copy of the articles of incorporation (including amendments and restatements) showing the stamp or seal of the Secretary of State.

Unincorporated: Attach a copy of the constitution and bylaws.

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**5. Internal Revenue Service determination letter:** Attach the IRS determination letter(s) issued to the nonprofit housing organization(s) identified above.

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**6. Management and regulatory agreements:** Attach documents that describe and establish the sponsorship and arrangements for financing, construction, and operation of the facility, such as management contracts, construction, or regulatory agreements with federal or state housing authorities. All attachments should be copies of signed and dated documents.

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**7. Declaration:** An officer or other authorized signatory from the sponsoring organization named in Section 2 must sign this declaration.

I declare under penalty of law that I have examined this application and, to the best of my knowledge and belief, it is true, complete, and correct. I understand that the penalty for willfully delivering a false application to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Name of sponsoring organization \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signature Title Date

---

You must submit the required information and appropriate documents, or all documents may be returned to you.

Have you enclosed the following documents?

1. This form signed by an authorized person.
2. Description of the housing facility.
3. Organizing documents.
4. IRS determination letter(s)
5. Management or other agreements or contracts.

Mail the completed application and all required information to:

Department of Revenue Services  
Exemption Unit  
Taxpayer Services Division  
25 Sigourney Street  
Hartford CT 06106-5032



DEPARTMENT OF REVENUE SERVICES

AUDIT DIVISION
25 SIGOURNEY STREET
HARTFORD, CONNECTICUT 06106

ASSIGNMENT OF RETAILER'S RIGHTS FOR REFUND

SCHEDULE NO. \_\_\_\_\_

Form with three rows: NAME OF CLAIMANT / SALES TAX PERMIT NO., NAME OF RETAILER / SALES TAX PERMIT NO., and STREET ADDRESS, CITY OR TOWN.

Table with 6 columns: DATE, INVOICE NUMBER, GROSS AMOUNT OF SALES EXCLUDING TAX, PORTION OF SALE SUBJECT TO REFUND CLAIM, TAX COLLECTED AND PAID ON PORTION SUBJECT TO REFUND CLAIM, ITEM SOLD.

ATTACH ADDITIONAL WORKSHEETS AS NEEDED.

DECLARATION BY RETAILER

I am the authorized representative of the retailer listed above. I declare under penalty of false statement that the figures above are true and correct for the sales indicated; that the sales tax shown was collected from this claimant and was remitted to the Department of Revenue Services; and that this retailer disclaims any interest in these sales taxes remitted to the Department of Revenue Services for the period / / through / / . Any refunds due are assigned to the claimant. The retailer understands that by signing this declaration it does not necessarily agree with the refund claim. (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 RETAILER (PLEASE PRINT)

SIGNATURE OF AUTHORIZED REPRESENTATIVE

DATE

NAME OF AUTHORIZED REPRESENTATIVE (PLEASE PRINT)

TITLE (PLEASE PRINT)

THIS SCHEDULE SHALL BE ATTACHED AND MADE A PART OF SALES TAX CLAIM OF CLAIMANT

**Form AU-526**  
**Sales and Use Tax Refund Application**  
**for Purchases Made Under the**  
**“Buy Connecticut” Provision**

|              |                                     |                            |
|--------------|-------------------------------------|----------------------------|
| Name         | Connecticut Tax Registration Number | Federal Employer ID Number |
| Address      | Number and Street                   | PO Box                     |
| City or Town | State                               | ZIP Code                   |

**General Instructions**

**Purpose:** Use this form to claim a refund of sales and use taxes paid on tangible personal property that is purchased from Connecticut retailers under Conn. Gen. Stat. §12-408c (the “Buy Connecticut” provision) and is eventually shipped out of Connecticut for exclusive use outside the state. Any person carrying on a trade, occupation, business, or profession in Connecticut who purchases from a retailer tangible personal property for use or consumption in carrying on a trade, occupation, business, or profession can file a refund claim. For more information, see **Special Notice 2001(5)**, *The “Buy Connecticut” Provision*.

**Due Date:** All claims for refund of taxes paid on tangible personal property purchased under the “Buy Connecticut” provision during a calendar year **must** be filed by April 1 of the next calendar year. No extensions are allowed by law. A refund claim is considered timely if the date shown by the U. S. Post Office cancellation mark is on or before the due date. If April 1 is a Saturday, Sunday, or legal holiday, the refund claim must be filed by the next succeeding day that is not a Saturday, Sunday, or legal holiday.

Complete **Schedule A** on Page 2 of this form. For each item listed, provide a copy of the purchase invoice or bill of sale along with documentation substantiating that the qualifying tangible personal property has been shipped outside the state by common or contract carrier. Attach additional sheets if necessary. If the tangible personal property has not been shipped outside Connecticut at the time the refund claim is filed, your signature on this claim attests to the fact that the property will be shipped outside the state by common or contract carrier within three years from the date of purchase for use solely outside Connecticut.

Complete all other lines on the face of this return. Sign and date the form.

Mail all refund applications to:

**Department of Revenue Services**  
**Refunds, Clearances, and Adjustments Unit**  
**25 Sigourney Street**  
**Hartford CT 06106**

**Special Note**

**Documentation:** All applicants must supply substantiating documentation supporting the fact that the tangible personal property purchased under the “Buy Connecticut” provision has been shipped outside the State of Connecticut. If any of the tangible personal property has not been shipped outside

Connecticut when a refund claim is filed, the taxpayer must still complete this form attesting to that fact that the property will be shipped outside Connecticut within three years of the date the property was purchased.

**For Further Information**

Call the Department of Revenue Services Refunds, Clearances, and Adjustments Unit at **860-541-3253** during business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m.,

**Declaration:** I certify under the penalty of false statement that the tangible personal property described in this refund application has been, or will be, shipped outside Connecticut by common or contract carrier, to be used or consumed solely outside the state thereafter, and that no other claim for refund or credit has been filed with the Commissioner of Revenue Services for this tangible personal property. (The penalty for false statement is imprisonment not to exceed one year or a fine not to exceed two thousand dollars, or both.)

|                  |                        |       |
|------------------|------------------------|-------|
| <b>Sign Here</b> | Print Name of Taxpayer | Date  |
|                  | Authorized Signature   | Title |



## Form AU-72 Cash Bond

**Purpose:** A nonresident contractor working in Connecticut uses **Form AU-72** to post a cash bond with the Department of Revenue Services (DRS) for a specific project in the state. The cash bond ensures all taxes due to the State of Connecticut from the contractor are paid to DRS. Read the instructions on the reverse side before you complete this form. If you need help, call **860-541-7538**, Monday through Friday, during business hours.

|   |  |  |             |
|---|--|--|-------------|
| <b>Part I: Nonresident Contractor Information</b>   |  |  |             |
| Name  |  | Connecticut Tax Registration No.   |             |
| Address (Street or PO Box, City, State, and ZIP Code)   |  |  |             |
| <b>Part II: Person Doing Business With a Nonresident Contractor Information</b>   |  |  |             |
| Name  |  | Connecticut Tax Registration No., Federal ID No., or SSN                   |             |
| Address (Street or PO Box, City, State, and ZIP Code)   |  |  |             |
| <b>Part III: Project Information</b>  |  | <input type="checkbox"/> Check the box if this bond is for a change order. |             |
| Physical Location of Project (Street, City or Town)   |  | Name of Project  |             |
| Commencement Date   | Completion Date for Nonresident Contractor | Total Contract Price or Amount of Change Order                             | Bond Amount |
| <p>Conditions of the obligation for the project detailed above:</p> <ul style="list-style-type: none"> <li>• The nonresident contractor has entered into a contract related to real property at a Connecticut location.</li> <li>• The nonresident contractor is posting a bond of 5% of the total contract price, including any change orders and add-ons, with DRS to ensure that all taxes that become due and owing during the period of the contract will be paid.</li> <li>• A bond must be posted within 120 days of the commencement of the contract or 30 days after the completion of the contract, whichever is earlier.</li> <li>• The nonresident contractor must submit a written request to DRS to audit its records within three years from the last day of the month succeeding the reporting period for which the contractor posted the bond. DRS will return any excess of the cash bond over any taxes, interest, and penalties assessed.</li> <li>• This bond jointly and severally binds the nonresident contractor, the heirs, executors, administrators, successors, and assigns for payment of this obligation.</li> </ul> |  |  |             |
| <p><b>Declaration:</b> I, the nonresident contractor named above or its authorized agent, declare under the penalty of law that I have examined Form AU-72 and, to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false document or return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.</p>  |  |  |             |
| Print Name  |  | Title  |             |
| Authorized Signature  |  | Date   |             |

## General Instructions

A nonresident contractor must execute **Form AU-72, Cash Bond**, to post a cash bond with the Department of Revenue Services (DRS) for a specific project in Connecticut.

A nonresident contractor has the option of filing a cash bond or a guarantee bond instead of the customer making a deposit with DRS under Conn. Gen. Stat. §12-430(7)(B). Under this option, the nonresident contractor has 120 days from the commencement of the contract or 30 days after the completion of the contract, whichever is earlier, to file a cash bond or guarantee bond (Form AU-766) with DRS.

Return Form AU-72 to: Department of Revenue Services  
Discovery Unit  
25 Sigourney Street  
Hartford CT 06106-5032

See **Special Notice 2005(12), Nonresident Contractor Bonds and Deposits**, for more information.

**Nonresident contractor** means a contractor who does not maintain a regular place of business in Connecticut.

**Regular place of business** means:

- Any bona fide office, factory, warehouse, or other space in Connecticut at which a contractor is doing business in its own name in a regular and systematic manner; **and**
- Which place is continuously maintained, occupied, and used by the contractor in carrying on its business through its employees regularly in attendance to carry on the contractor's business in the contractor's own name.

A regular place of business **does not include**:

- A place of business for a statutory agent for service of process or a temporary office whether or not it is located at the site of construction;
- Locations used by the contractor only for the duration of the contract, such as short-term leased offices, warehouses, storage facilities, or facilities that do not have full time staff with regular business hours; **or**
- An office maintained, occupied, and used by a person affiliated with a contractor.

**Contract price** means the total contract price, including deposits, amounts held as retainage, costs for any change orders, or charges for add-ons.

**Person doing business with a nonresident contractor** means **any** person who makes payments of the contract price to a nonresident contractor, and includes, but is not limited to property owners, governmental, charitable or religious entities, and resident or nonresident general contractors or subcontractors. An owner or tenant of residential real property is not a person doing business with a nonresident contractor and is not required to comply with the provisions of Conn. Gen. Stat. §12-430(7). However, the nonresident contractor doing business with such an owner or tenant must comply with the bond requirements under Conn. Gen. Stat. §12-430(7)(F).

**Commencement of the contract** means the time when the nonresident contractor signs the contract, but, in any event, occurs no later than when the work under the contract actually starts. If a change order is made after the commencement of the original contract, the change order commences when it is signed by the nonresident contractor, but, in any event, occurs no later than when the work under the change order actually starts.

**Completion of the contract** means the time when the nonresident contractor makes the final periodic billing for the contract. The final periodic billing may be due before payment of any retainage becomes due. If a change order is made after the final periodic billing for the original contract, the change order is complete when the nonresident contractor bills for the change order.

**Residential real property** means real property used exclusively for residential purposes and consisting of three or fewer dwelling units in one of which the owner or tenant resides.

## Specific Instructions

**Part I:** Enter the name and complete address of the nonresident contractor furnishing the bond. Include the nonresident contractor's Connecticut tax registration number. The name and address of the nonresident contractor appearing on the bond must agree with the name and address on **Form REG-1, Business Taxes Registration Application**, filed with DRS. (If the information originally provided on Form REG-1 is now incorrect, you must notify the DRS Registration Unit in writing of the correct information.) If the nonresident contractor is a corporation, the corporate name appearing on the bond must be the same shown in the records of the Office of the Secretary of State, or similar agency of another state if the nonresident contractor is not a Connecticut corporation.

**Part II:** Enter the name and complete address of the person doing business with the nonresident contractor. If the nonresident contractor is the general contractor, enter the name and address of the owner or tenant of the property who has entered the contract. If the nonresident contractor is a subcontractor, enter the name and address of the general contractor.

Enter the Connecticut tax registration number of the person doing business with the nonresident contractor. If the person doing business with the nonresident contractor does not have a Connecticut tax registration number, enter that person's Federal Employer Identification Number or Social Security Number.

**Part III:** Check the box if the bond is for a change order occurring after the bond for the initial contract was furnished to DRS.

Enter the name of the project and the complete address including the street address and the city or town where the project is physically located.

Enter the commencement date of this project or change order.

Enter the date by which the nonresident contractor is expected to complete work on this project or change order.

Enter, in words and figures, the total amount to be paid to the nonresident contractor under the contract. Indicate if this amount is an estimate.

Enter the amount of the cash bond (5% of the contract price).

**Declaration:** An authorized representative for the nonresident contractor must sign and date the declaration.



## Form AU-766 Guarantee Bond

**Purpose:** A nonresident contractor working in Connecticut and a surety company licensed to do business in Connecticut use **Form AU-766** to post a guarantee bond with the Department of Revenue Services (DRS) for a specific project in the state. The guarantee bond ensures all taxes due to the State of Connecticut from the contractor are paid to DRS. Read the instructions on the reverse side before you complete this form. If you need help, call **860-541-7538**, Monday through Friday, during business hours.

|  |  |  |
|--|--|--|
| <b>Part I: Nonresident Contractor Information</b>  |  |  |
| Name   | Connecticut Tax Registration No.                         |  |
| Address (Street or PO Box, City, State, and ZIP Code)  |  |  |
| <b>Part II: Person Doing Business With a Nonresident Contractor Information</b>  |  |  |
| Name   | Connecticut Tax Registration No., Federal ID No., or SSN |  |
| Address (Street or PO Box, City, State, and ZIP Code)  |  |  |
| <b>Part III: Surety Company Information</b>  |  |  |
| Name   | Bond No.   | Amount of Bond                                 |
| Address (Street or PO Box, City, State, and ZIP Code)  |  |  |
| <b>Part IV: Project Information</b> <input type="checkbox"/> Check the box if this bond is for a change order.   |  |  |
| Physical Location of Project (Street, City or Town)  |  | Name of Project                                |
| Commencement Date  | Completion Date for Nonresident Contractor               | Total Contract Price or Amount of Change Order |
| <p>Conditions of the obligation for the project detailed above:</p> <ul style="list-style-type: none"> <li>• The nonresident contractor has entered into a contract related to real property at a Connecticut location.</li> <li>• The nonresident contractor and the surety company are posting a bond of 5% of the total contract price, including any change orders and add-ons, with DRS to ensure that all taxes that become due and owing during the period of the contract will be paid.</li> <li>• A bond must be posted within 120 days of the commencement of the contract or 30 days after the completion of the contract, whichever is earlier.</li> <li>• If the nonresident contractor pays all taxes, interest, and penalties within three years from the last day of the month succeeding the reporting period in which the contractor posted the bond, the bond expires; otherwise the obligation remains in full force.</li> <li>• This bond jointly and severally binds the nonresident contractor and the surety company, their heirs, executors, administrators, successors, and assigns for payment of this obligation.</li> </ul> |  |  |
| <p><b>Nonresident Contractor Declaration:</b> I, the nonresident contractor named above or its authorized agent, declare under the penalty of law that I have examined Form AU-766 and, to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false document or return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.</p>   |  |  |
| Print Name   |  | Title  |
| Authorized Signature   |  | Date   |
| <p><b>Surety Company Declaration:</b> I, an authorized agent of the surety company named above, declare under the penalty of law that I have examined this Form AU-766 and, to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false document or return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.</p>   |  |  |
| Print Name   |  | Seal:  |
| Authorized Signature   |  | Date   |

## General Instructions

A nonresident contractor and a surety company licensed to do business in Connecticut must execute **Form AU-766, Guarantee Bond**, to post a guarantee bond with the Department of Revenue Services (DRS) for a specific project in Connecticut. A power of attorney for the person signing the bond on behalf of the surety company **must** be attached to the bond, carry the corporate seal of the surety company, and bear the same date as the execution date of the bond.

A nonresident contractor has the option of filing a guarantee bond or a cash bond instead of the customer making a deposit with DRS under Conn. Gen. Stat. §12-430(7)(B). Under this option, the nonresident contractor has 120 days from the commencement of the contract or 30 days after the completion of the contract, whichever is earlier, to file a guarantee bond or a cash bond (Form AU-72) with DRS.

Return Form AU-766 to: Department of Revenue Services  
Discovery Unit  
25 Sigourney Street  
Hartford CT 06106-5032

See **Special Notice 2005(12), Nonresident Contractor Bonds and Deposits**, for more information.

**Nonresident contractor** means a contractor who does not maintain a regular place of business in Connecticut.

**Regular place of business** means:

- Any bona fide office, factory, warehouse, or other space in Connecticut at which a contractor is doing business in its own name in a regular and systematic manner; **and**
- Which place is continuously maintained, occupied, and used by the contractor in carrying on its business through its employees regularly in attendance to carry on the contractor's business in the contractor's own name.

A regular place of business **does not include**:

- A place of business for a statutory agent for service of process or a temporary office whether or not it is located at the site of construction;
- Locations used by the contractor only for the duration of the contract, such as short-term leased offices, warehouses, storage facilities, or facilities that do not have full time staff with regular business hours; **or**
- An office maintained, occupied, and used by a person affiliated with a contractor.

**Contract price** means the total contract price, including deposits, amounts held as retainage, costs for any change orders, or charges for add-ons.

**Person doing business with a nonresident contractor** means any person who makes payments of the contract price to a nonresident contractor, and includes, but is not limited to property owners, governmental, charitable or religious entities, and resident or nonresident general contractors or subcontractors. An owner or tenant of residential real property is not a person doing business with a nonresident contractor and is not required to comply with the provisions of Conn. Gen. Stat. §12-430(7). However, the nonresident contractor doing business with such an owner or tenant must comply with the bond requirements under Conn. Gen. Stat. §12-430(7)(F).

**Commencement of the contract** means the time when the nonresident contractor signs the contract, but, in any event, occurs no later than when the work under the contract actually starts. If a change order is made after the commencement of the original contract, the change order commences when it is signed by the nonresident contractor, but, in any event, occurs no later than when the work under the change order actually starts.

**Completion of the contract** means the time when the nonresident contractor makes the final periodic billing for the contract. The final periodic billing may be due before payment of any retainage becomes due. If a change order is made after the final periodic billing for the original contract, the change order is complete when the nonresident contractor bills for the change order.

**Residential real property** means real property used exclusively for residential purposes and consisting of three or fewer dwelling units in one of which the owner or tenant resides.

Any bond that bears an erasure or alteration, regardless of its nature, must have the change authenticated by a notation in the margin. The notation should describe the correction and be signed in the name of the surety company by the officer who executed the bond and must bear the corporate seal of the surety company.

## Specific Instructions

**Part I:** Enter the name and complete address of the nonresident contractor furnishing the bond. Include the nonresident contractor's Connecticut tax registration number. The name and address of the nonresident contractor appearing on the bond must agree with the name and address on **Form REG-1, Business Taxes Registration Application**, filed with DRS. (If the information originally provided on Form REG-1 is now incorrect, you must notify the DRS Registration Unit in writing of the correct information.) If the nonresident contractor is a corporation, the corporate name appearing on the bond must be the same shown in the records of the Office of the Secretary of State, or similar agency of another state if the nonresident contractor is not a Connecticut corporation.

**Part II:** Enter the name and complete address of the person doing business with the nonresident contractor. If the nonresident contractor is the general contractor, enter the name and address of the owner or tenant of the property who has entered the contract. If the nonresident contractor is a subcontractor, enter the name and address of the general contractor.

Enter the Connecticut tax registration number of the person doing business with the nonresident contractor. If the person doing business with the nonresident contractor does not have a Connecticut tax registration number, enter that person's Federal Employer Identification Number or Social Security Number.

**Part III:** Enter the name and complete address of the surety company that guarantees this bond. Include the bond number.

**Part IV:** Check the box if the deposit is for a change order occurring after the bond for the initial contract was furnished to DRS.

Enter the name of the project and the complete address including the street address and the city or town where the project is physically located.

Enter the commencement date of this project or change order.

Enter the date by which the nonresident contractor is expected to complete work on this project or change order.

Enter, in words and figures, the total amount to be paid to the nonresident contractor under the contract. Indicate if this amount is an estimate.

**Declarations:** An authorized representative for the nonresident contractor and the surety company must sign and date the declaration on Form AU-766. The name of the nonresident contractor and the surety company must be exactly as it appears on the bond. The corporate seal of the surety company must be affixed by its signature on Form AU-766.

# Form REG-1

## Business Taxes Registration Application

### 1. Reason for Filing Form REG-1

DRS Use Only Connecticut Tax Registration Number

Please check the applicable box:

- Opening a new business, including:
- a. An existing out-of-state business opening a location in Connecticut, **or**
  - b. Selling at a craft show, flea market, fair, or other venue in Connecticut, or selling over the Internet.
- Opening a new location. **Enter your Connecticut Tax Registration No.:** \_\_\_\_\_
- Registering for additional taxes. **Enter your Connecticut Tax Registration No.:** \_\_\_\_\_
- Reopening a closed business.  
**Enter Connecticut Tax Registration No. of the closed business:** \_\_\_\_\_
- Purchasing an ongoing business (The buyer of an existing business may be responsible for tax liabilities of the previous owner. See **Informational Publication 2002(16), Successor Liability for Sales and Use Taxes and Admissions and Dues Tax.**)  
**Enter Connecticut Tax Registration No. of the previous owner:** \_\_\_\_\_
- Operating a Passive Investment Company (PIC).
- Changing organization type. **Enter your current Connecticut Tax Registration No.:** \_\_\_\_\_
- Hiring household employees and intend to withhold Connecticut income tax.
- Other (explain) \_\_\_\_\_

### 2. Business Information

Type of Organization:

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Limited Liability Company (LLC)<br><input type="checkbox"/> Check if taxed as a corporation | <input type="checkbox"/> S Corporation          |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Single Member LLC (SMLLC)<br><input type="checkbox"/> Check if taxed as a corporation       | <input type="checkbox"/> Corporation            |
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Limited Liability Partnership (LLP)   | <input type="checkbox"/> Other (explain): _____ |

### 3. Nature of Business Activity

Check the box(es) that best describe your business:

- Retailer    Wholesaler    Manufacturer    Service Provider    Other (explain): \_\_\_\_\_

### 4. Major Business Activity

Describe your major business activities: \_\_\_\_\_

### 5. Business Name and Address

Organization Name (Enter Name of Sole Proprietor, Partnership, Corporation, or LLC)

FEIN

Business Trade Name

Business Location: Enter physical address of the business. A post office box or rural route number is not acceptable. Home-based businesses and flea market or craft show vendors must enter home address.

Address Line 1

Address Line 2

City

State

ZIP Code

Mailing Address Line 1 (Street or PO Box)

Address Line 2

City

State

ZIP Code

Business Telephone Number  
(     )

E-mail Address

Bank Name

**6. List All Owners, Partners, Corporate Officers, or LLC Members** (attach a separate sheet if needed)

|                                    |                          |                     |                                  |
|------------------------------------|--------------------------|---------------------|----------------------------------|
| Name (Last, First, Middle Initial) |                          |                     | Title                            |
| Home Address Line 1 (Street)       |                          | Home Address Line 2 |                                  |
| City                               | State                    | ZIP Code            | Home Telephone Number<br>(     ) |
| SSN                                | Date of Birth<br>/     / | Bank Name           |                                  |
| Name (Last, First, Middle Initial) |                          |                     | Title                            |
| Home Address Line 1 (Street)       |                          | Home Address Line 2 |                                  |
| City                               | State                    | ZIP Code            | Home Telephone Number<br>(     ) |
| SSN                                | Date of Birth<br>/     / | Bank Name           |                                  |
| Name (Last, First, Middle Initial) |                          |                     | Title                            |
| Home Address Line 1 (Street)       |                          | Home Address Line 2 |                                  |
| City                               | State                    | ZIP Code            | Home Telephone Number<br>(     ) |
| SSN                                | Date of Birth<br>/     / | Bank Name           |                                  |
| Name (Last, First, Middle Initial) |                          |                     | Title                            |
| Home Address Line 1 (Street)       |                          | Home Address Line 2 |                                  |
| City                               | State                    | ZIP Code            | Home Telephone Number<br>(     ) |
| SSN                                | Date of Birth<br>/     / | Bank Name           |                                  |

**7. Income Tax Withholding**

Are you an employer that transacts business or maintains an office in Connecticut and intends to pay wages? .....  Yes  No

If you have a Connecticut tax registration number for withholding for another location and intend to file withholding for this new location under that number, enter that number: \_\_\_\_\_ and skip to Section 8; otherwise continue.

Are you an out-of-state company voluntarily registering to withhold Connecticut income tax for your Connecticut resident employees? .....  Yes  No

Do you intend to withhold Connecticut income tax from pension plans, annuity plans, retirement distributions, or gambling distributions? .....  Yes  No

Do you pay nonresident athletes or entertainers for services they render in Connecticut? .....  Yes  No

Do you only have household employees and wish to withhold Connecticut income tax? .....  Yes  No

Do you only have agricultural employees and wish to withhold Connecticut income tax? .....  Yes  No

If Yes, do you file federal Form 943, Employer's Annual Tax Return for Agricultural Employees, and wish to file **Form CT-941**, *Connecticut Quarterly Reconciliation of Withholding*, annually? .....  Yes  No

If you answered **Yes** to any of the income tax withholding questions, **enter the date** you will start withholding Connecticut income tax: ..... m m - d d - y y

If you use a payroll service, enter the name of the payroll company: \_\_\_\_\_

**8. Sales and Use Taxes**

Do you sell, or will you be selling, goods in Connecticut (either wholesale or retail)? .....  Yes  No

Do you rent equipment or other tangible personal property to individuals or businesses in Connecticut? .....  Yes  No

Do you serve meals or beverages in Connecticut? .....  Yes  No

Do you provide a taxable service in Connecticut? (See the Informational Publication, *Getting Started in Business*, for a list of taxable services.) .....  Yes  No

If you answered **Yes** to any of the sales and use taxes questions, **enter the date** you will start selling or leasing goods or taxable services: .....                -                -               

**9. Room Occupancy Tax**

Do you rent lodging rooms in a hotel, motel, or rooming house in Connecticut for 30 consecutive days or less? .....  Yes  No

If you answered **Yes**, **enter the date you will start** to rent rooms for lodging purposes in Connecticut: .....                -                -               

**10. Business Entity Tax**

The **business entity tax** applies to the following business types that are required to file an annual report with the Connecticut Secretary of the State:

- S corporations;
- Limited liability companies (LLCs or SMLLCs) — any limited liability company that is, for federal income tax purposes, either:
  - Treated as a partnership, if it has two or more members; or
  - Disregarded as an entity separate from its owner, if it has a single member;
- Limited liability partnerships (LLPs); and
- Limited partnership (LPs).

Are you a **business entity as described above**? .....  Yes  No

If you answered **Yes** to the business entity tax question, **enter the date of organization**: .....                -                -               

Enter the month of your fiscal year end: \_\_\_\_\_

**11. Corporation and Unrelated Business Taxes**

**Corporation Business Tax**

Are you a corporation or other association taxed as a corporation? .....  Yes  No

Do you have a federal corporate income tax exemption? .....  Yes  No

If **Yes**, enclose a copy of your Internal Revenue Services (IRS) letter of determination.

Enter state you are organized under: \_\_\_\_\_ **Enter date of organization**: .....                -                -               

If not a Connecticut corporation, enter date registered with Connecticut Secretary of the State: ...                -                -               

Enter the month the corporate year closes: \_\_\_\_\_

**Unrelated Business Income Tax**

Are you a federally exempt organization that has unrelated business income attributable to a trade or business in Connecticut? .....  Yes  No

If you answered **Yes** to the unrelated business income tax question, **enter the tax liability start date**: .....                -                -               

**Passive Investment Company (PIC)**

Are you a passive investment company as defined in Conn. Gen. Stat. §12-213(a)(27)? .....  Yes  No

If you answered **Yes** to the passive investment company question, **enter tax liability start date**: .....                -                -               

Enter Connecticut tax registration number of the related financial service or insurance company: \_\_\_\_\_

**12. Business Use Tax**

If you are registered for or are registering for sales and use taxes, you do not need to complete this section.

Business use tax is due when a business purchases taxable goods or services, including the purchase or lease of assets, consumable goods, and promotional items, for use in Connecticut without paying Connecticut sales tax.

Will you be purchasing taxable goods or services for use in Connecticut without paying Connecticut sales tax? .....  Yes  No

If you answered **Yes** to the business use tax question, **enter the tax liability start date:** .....                -                -                    

If you answered **No**, you must complete the Business Use Tax Declaration section below.

**Business Use Tax Declaration:** By registering for any of the taxes listed in this application, you have indicated to DRS that you may have a business use tax liability. Therefore, based on your application, you will be automatically registered for the business use tax unless you complete the following declaration.

I, \_\_\_\_\_ (name of taxpayer or authorized representative of taxpayer), acknowledge I have read and understand the information concerning the business use tax and declare I will not be liable for business use tax. Please initial here. \_\_\_\_\_

**13. Registration Fee Schedule**

Complete this section after you have reviewed Sections 7 through 12 of this registration application and any applicable addendum. Enter the registration fee amount indicated in the amount due column. You must include the total registration fee due with Form REG-1 or your registration application **will not be processed** and will be returned.

Make your check payable to: **Commissioner of Revenue Services**. If you are registering by mail, send Form REG-1 with your payment to: Department of Revenue Services, PO Box 2937, Hartford CT 06104-2937

|    |  | Amount Due |
|----|--|------------|
| a. | If registering for <b>Sales and Use Taxes</b> or <b>Room Occupancy Tax</b> , * enter \$50.00 ..... | a.         |
| b. | If registering for <b>Cigarette Tax</b> , see Addendum A .....                                     | b.         |
| c. | <b>Total Registration Fee Due</b> (add Line a and Line b) .....                                    | c.         |

\* No fee is required for room occupancy tax if you are registered or are registering for sales and use taxes.

**14. All Applicants Must Sign the Following Declaration**

I declare under penalty of law that I have examined this application and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false application to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

|   |  |       |                               |
|---|--|-------|-------------------------------|
| <b>Sign Here</b><br>Keep a copy for your records. | Signature of Owner, Partner, LLC Member, or Corporate Officer  | Date  | Telephone Number<br>(       ) |
|   | Print Name of Owner, Partner, LLC Member, or Corporate Officer | Title |                               |

## Instructions for Form REG-1 Business Taxes Registration Application

### How to Register

#### On-line Registration

Save time and register for a Connecticut tax registration number at your convenience when you file **Form REG-1, Business Taxes Registration Application**, on-line at the Department of Revenue Services (DRS) Web site at **www.ct.gov/DRS**. You will receive your tax registration number in the mail in about **six days**. If you owe a registration fee, you must pay the fee electronically by entering the account number and routing number for your checking or savings account.

If you are registering for a tax type that requires you attach Addendum B to the REG-1 or if you are registering as a cigarette retailer (included on Addendum A), you may register on-line. If you are registering for another tax type that requires you attach Addendum A, C, D, or E to the REG-1, you must register by mail or in person at any DRS office.

#### Mail in Registration

Complete Form REG-1 and mail it to DRS at:

Department of Revenue Services  
PO Box 2937  
Hartford CT 06104-2937

If you owe a registration fee, you must include payment by check or money order with the application. You will receive your Connecticut tax registration number in the mail in **5 to 6 weeks**.

#### Walk-in Registration

You may file Form REG-1 in person at any DRS office. You will be issued a Connecticut tax registration number **immediately**. Bring a photo identification, such as a driver's license, and a check or money order if you owe a registration fee. (Cash is accepted at the Hartford location only.)

DRS offices are located in:

|  |   |   |
|--|---|---|
| <b>Bridgeport</b><br>10 Middle St.<br>203-336-7890 | <b>Hamden</b><br>3074 Whitney Ave.<br>203-287-8243              | <b>Hartford</b><br>25 Sigourney St.<br>860-297-5962 |
| <b>Norwich</b><br>2 Cliff St.<br>860-889-2669      | <b>Waterbury</b><br>55 West Main St., Suite 100<br>203-805-6789 |   |

The application must be signed by the individual owner, partner, officer of the corporation, member of the limited liability company, or another who has written authorization to sign in the form of a Power of Attorney. If anyone other than the owner brings the signed application to the office and wants to obtain the registration for the owner, he or she must have written authorization from the owner to obtain the registration on his or her behalf.

### Purpose of Form REG-1

Use Form REG-1 to obtain a Connecticut tax registration number or to register for additional tax types under your current Connecticut tax registration number.

Use Form REG-1 to register for any of these taxes:

- Business entity tax
- Business use tax
- Corporation business tax (*including PIC*)
- Income tax withholding
- Room occupancy tax
- Sales and use taxes
- Unrelated business income tax

In addition to Form REG-1, you must complete and attach the appropriate addendum as noted to Form REG-1 to register for any of these taxes. The forms are available on the DRS Web site at **www.ct.gov/DRS**

#### REG-1 Addendum A:

- Cigarette taxes
- Tobacco products tax

#### REG-1 Addendum B:

- Admissions and dues taxes
- Dry cleaning surcharge
- Motor vehicle rental surcharge
- Tourism surcharge

#### REG-1 Addendum C:

- Motor fuels tax
- Petroleum products gross earnings tax

#### REG-1 Addendum D:

- Alcoholic beverages tax

#### REG-1 Addendum E:

- Community antenna television system companies tax
- Railroad companies tax
- Satellite companies tax
- Solid waste assessment
- Suppliers of natural gas
- Utility companies tax

### Registering for Other Tax Types

To register for these taxes, use the form listed:

- Authority to Collect Use Tax ..... **REG-7**
- International Fuel Tax Agreement (IFTA) ..... **CT-IFTA-2**
- Motor Carrier Road Tax ..... **REG-3MC**

For more information on registering with the Department of Revenue Services (DRS), visit DRS Web site at **www.ct.gov/DRS** or call **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere).

## Who Needs to Complete Form REG-1

Businesses must register with the Connecticut DRS if they:

- Have people working in Connecticut
- Withhold Connecticut income tax
- Operate a business in Connecticut
- Are required to file an annual report with the Connecticut Secretary of the State and are subject to the business entity tax
- Provide taxable services in Connecticut
- Sell, rent, or lease goods in Connecticut (wholesale or retail)
- Furnish space for storage of tangible personal property
- Have a manufacturing facility in Connecticut
- Serve meals or beverages in Connecticut
- Purchase taxable goods or services for use in Connecticut
- Provide lodgings in Connecticut subject to the room occupancy tax
- Carry on a business as a corporation in Connecticut
- Distribute alcoholic beverages in Connecticut
- Distribute motor fuel used to propel motor vehicles on public highways or roads in Connecticut
- Sell petroleum products in Connecticut
- Operate a place of amusement, entertainment, or recreation in Connecticut
- Operate a social, health, athletic, or sporting club in Connecticut
- Sell or distribute cigarettes or tobacco products in Connecticut
- Own, lease, maintain, operate, manage, or control a community antenna television system in Connecticut
- Provide satellite television services to Connecticut
- Operate a railroad in Connecticut on a for-profit basis
- Are a resources recovery facility in Connecticut
- Market natural gas to an end user in Connecticut
- Provide distribution or transmission services for electricity in Connecticut
- Sell electricity as a municipality to customers in Connecticut
- Manufacture, sell, or distribute gas to be used for light, heat, or power in Connecticut
- Operate a dry cleaning establishment in Connecticut

## Registration Fees

|                                       |                 |
|---------------------------------------|-----------------|
| Sales and use taxes .....             | <b>\$ 50</b>    |
| Room occupancy tax* .....             | <b>\$ 50</b>    |
| Cigarette dealer's license .....      | <b>\$ 25</b>    |
| Cigarette distributor's license ..... | <b>\$ 1,000</b> |
| Cigarette distributor chain operator  |                 |
| 5 to 14 retail locations .....        | <b>\$ 250</b>   |
| 15 to 24 retail locations .....       | <b>\$ 500</b>   |
| 25 or more retail locations .....     | <b>\$1,000</b>  |
| Cigarette manufacturer/importer ..... | <b>\$5,000</b>  |
| Distributor of tobacco products ..... | <b>\$100</b>    |

\* No fee is required for room occupancy tax if you are registered or are registering for sales and use taxes.

## Electronic Filing Methods for Certain Tax Forms

Once you are registered with DRS, you may file certain tax forms by Internet or telephone using the DRS **Fast-File** program. Look for this logo.



## Filing Requirements for State Taxes

See **Informational Publication 2003(28)**, *Getting Started in Business*, available on the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

## Other Connecticut Licensing Requirements

For information on other Connecticut licensing requirements, visit: [www.ct-clic.com](http://www.ct-clic.com)

## How to Get Help

Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on *Businesses*.

Personal assistance is available by telephone or at any DRS office locations, Monday through Friday, during business hours.

CONN-TAX, the DRS telephone information line, is available anytime.

- **1-800-382-9463** (in-state) or
- **860-297-5962** (from anywhere).

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

Additional forms and publications are available anytime:

- **Internet:** Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu. Only forms (not publications) are available through TAX-FAX; or
- **Telephone:** Call **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone telephone, or **860-297-4753** (from anywhere).

## Application Instructions

Complete the entire application unless the section instructions indicate otherwise. Answering **Yes** to any question in Sections 7 through 12 means you may have a Connecticut tax liability for that tax. In each section where you answer Yes to any question, you must indicate the date you first incurred a tax liability in Connecticut for that tax type.

### Exceptions:

- Taxpayers with a valid Connecticut tax registration number who wish to register for another tax must complete Sections 1 through 6, Section 14, and the section for the specific tax type(s) for which you wish to register. See the section *Purpose of Form REG-1* on Page 1 of these instructions to determine if you have to complete an addendum to Form REG-1.
- Household employers who pay wages to and intend to withhold Connecticut income tax for housekeepers, nannies, health aides, caretakers, etc. – complete Sections 1 through 7 and 14 only.



# REG-1 Addendum A Cigarette and Tobacco Products Taxes

|                                     |
|-------------------------------------|
| Connecticut Tax Registration Number |
|                                     |

### Instructions

1. This addendum must be submitted with **Form REG-1, Business Taxes Registration Application.**
2. If you have previously been issued a Connecticut Tax Registration Number by the Department of Revenue Services (DRS), enter the number in the space provided and only complete Sections 1 through 6 and Section 14 of **Form REG-1.**
3. If you are applying for a cigarette distributor license and will be purchasing cigarettes to which Connecticut cigarette tax stamps are not affixed, you will be required to provide additional information.  
Contact the DRS Registration Unit at **860-297-5770** during business hours.
4. See the back of this form for fee information. This application will not be processed without the correct accompanying fees.

**Definitions:** Read the definitions below and check all the boxes that apply to you.

### Part I: Cigarettes

Cigarette licenses expire September 30 of each year.

#### Dealer

**Over-the-counter retailer:** Any person selling cigarettes at a retail store, such as a grocery or drug store .....

Retailer

**Vending machine dealer:** Any person operating and servicing 24 or less cigarette vending machines .....

Vending machine dealer

If you check the box for vending machine dealer, enter the number of vending machines you will own and operate. Exclude any vending machines in storage. *(Complete Schedule A on the back of this form.)* .....

No. of machines: \_\_\_\_\_

#### Distributor

Do you intend to purchase cigarettes to which you will affix Connecticut cigarette tax stamps? .....

Yes  No

Address at which stamps are to be affixed or cigarettes stored: \_\_\_\_\_

**Wholesaler:** Any person, other than a buying pool, who purchases cigarettes at wholesale from manufacturers or other distributors for sale to licensed dealers and who maintains an established place of business which has facilities in which a substantial stock of cigarettes and related merchandise for resale can be kept at all times, and who sells at least 75% of the cigarettes to retailers who, at no time will own any interest in the business of the distributor as a partner, stockholder, or trustee .....

Wholesaler

**Chain operator:** Any person operating five or more retail stores in this state for the sale of cigarettes. Chain operators must attach a list showing the physical location of all retail stores operated in Connecticut. *(Complete Schedule B on the back of this form.)* .....

Chain operator

**Vending machine operator:** Any person operating and servicing 25 or more cigarette vending machines in this state who buys the cigarettes at wholesale and sells them in vending machines. Vending machine operators must attach a list giving the description and location of all vending machines owned and operated within Connecticut.

Vending machine operator

If you check the box for vending machine operator, enter the number of vending machines you will own and operate. Exclude any vending machines in storage. *(Complete Schedule A on the back of this form.)* .....

No. of machines: \_\_\_\_\_

**Importer:** Any person who imports into this state unstamped cigarettes, at least 75% of which are to be sold to others for resale .....

Importer

**Storage facility operator:** Any person operating storage facilities for unstamped cigarettes in this state .....

Storage facility operator

#### Manufacturer

**Manufacturer:** Any person in Connecticut engaged in the business of manufacturing cigarettes or any person who is a tobacco products manufacturer as defined in Conn. Gen. Stat. §4-28h(9) .....

Manufacturer

If you check any of the boxes in Part I, **enter the date** that you will start selling cigarettes: .....

\_\_\_\_/\_\_\_\_/\_\_\_\_ - \_\_\_\_/\_\_\_\_/\_\_\_\_ - \_\_\_\_/\_\_\_\_/\_\_\_\_  
m m d d y y

### Part II: Tobacco Products

Tobacco products licenses expire June 30 of each year.

**Distributor:** Any person in this state (a) engaged in the business of manufacturing tobacco products, (b) who purchases tobacco products at wholesale from manufacturers or other distributors for sale, or (c) imports into this state tobacco products, at least 75% of which are to be sold .....

Distributor

**Unclassified importer:** Any person, other than a distributor, who imports, receives, or acquires tobacco products from outside this state for use or consumption in this state .....

Unclassified importer

If you check any of the boxes in Part II, **enter the date** that you will start selling tobacco products: .....

\_\_\_\_/\_\_\_\_/\_\_\_\_ - \_\_\_\_/\_\_\_\_/\_\_\_\_ - \_\_\_\_/\_\_\_\_/\_\_\_\_  
m m d d y y

### For DRS Use Only

|                      |      |                |             |
|----------------------|------|----------------|-------------|
| Authorized Signature | Date | Effective Date | Bond Amount |
|----------------------|------|----------------|-------------|

**Schedule A: Schedule of Vending Machine Locations** *(Attach list if necessary)*

| Make of Machine | Model Number | Name and Address of Premises Where Machines Are Located |
|-----------------|--------------|---|
|                 |              |   |
|                 |              |   |
|                 |              |   |

**Schedule B: Schedule of Retail Store Locations of Chain Operators** *(Attach list if necessary)*

| Tax Registration Number | Location |
|-------------------------|----------|
|                         |          |
|                         |          |
|                         |          |

**Declaration for Cigarette Distributors Who Will Not Purchase Unstamped Cigarettes:** In accordance with the provisions of Conn. Agencies Regs. §12-293a(a)-1, the undersigned applicant for a cigarette distributor's license requests permission from DRS to be exempted from filing **Form CT-15, Monthly Tax Stamp and Cigarette Report, Resident Distributor**, or **Form CT-15a, Monthly Tax Stamp and Cigarette Report, Nonresident Distributor**, for a period corresponding with the license.

I attest: (a) I will not acquire unstamped cigarettes or cigarettes bearing tax stamps of other states in the conduct of my business; and (b) should I desire to acquire unstamped cigarettes or cigarettes bearing tax stamps of other states during the period this declaration is in effect, I know that I must immediately notify the Commissioner of Revenue Services, and that any privileges granted to me by this declaration will become null and void and I will be required to file monthly distributor's reports.

Authorized Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**Declaration for Tobacco Products Distributors Who Will Only Purchase Tax-Paid Tobacco Products:** I declare under penalty of law that, to the best of my knowledge and belief, the Connecticut tobacco products tax has previously been paid on all tobacco products to be sold by the applicant.

Authorized Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**Declaration for All Taxpayers:** I declare under penalty of law 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. I agree to comply, and I attest that I have complied with, the provisions of Chapter 214 of the Connecticut General Statutes, including the prohibition against selling cigarettes below cost, placement of vending machines where accessible to minors, and with all rules and regulations made under Chapter 214, and have complied with all laws of the State of Connecticut related to cigarette taxes. I understand the penalty for willfully delivering a false application to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Authorized Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

| Fee Information  |  |  | Fee         | Remitted |
|--|--|--|-------------|----------|
|  | Cigarette Dealer's License - retailer            |  |             | \$25.00  |
| Cigarette Dealer's License - vending machine dealer (1 to 24 vending machines)           |  |  | \$25.00     | \$       |
| Cigarette Distributor's License - vending machine operator (25 or more vending machines) |  |  | \$1,000.00  | \$       |
| Cigarette Distributor's License - wholesaler, importer, storage facility operator        |  |  | \$1,000.00  | \$       |
| Cigarette Distributor Chain Operator   | 5 to 14 retail locations under same ownership    |  | \$250.00    | \$       |
|  | 15 to 24 retail locations under same ownership   |  | \$500.00    | \$       |
|  | 25 or more retail locations under same ownership |  | \$1,000.00  | \$       |
| Penalty for failure to secure cigarette license  | \$5 per day X _____ days                         |  | \$5 per day | \$       |
| Cigarette Manufacturer as defined in Conn. Gen. Stat. §4-28h(9)                          |  |  | \$5,000.00  | \$       |
| Distributor of Tobacco Products  |  |  | \$100.00    | \$       |
| Tobacco Products Unclassified Importer   |  |  | \$0.00      | \$       |
| Total Remitted (Carry total amount due to Section 13 of REG-1)                           |  |  |             | \$       |

**REG-1 Addendum B**  
**Admissions and Dues Tax**  
**Dry Cleaning Surcharge**  
**Tourism Surcharge**  
**Rental Surcharge**

|                                     |
|-------------------------------------|
| Connecticut Tax Registration Number |
|                                     |

**Instructions**

1. This addendum must be submitted with **Form REG-1, Business Taxes Registration Application.**
2. If you have previously been issued a Connecticut Tax Registration Number by the Department of Revenue Services (DRS), enter the number in the space provided and only complete Sections 1 through 6 and Section 14 of Form REG-1.
3. Fee information: There is no fee to register for any of the following taxes.

**Part I: Admissions and Dues Taxes**

**Admissions Tax**

Do you operate a place of amusement, entertainment, or recreation in Connecticut and charge an admission fee? .....  Yes  No

**Dues Tax**

Are you a social, athletic, or sporting club (owned or operated by its members) in Connecticut and impose dues on each member of more than \$100 annually? .....  Yes  No

Are you a social, athletic, or sporting club (owned or operated by its members) in Connecticut and impose an initiation fee on each member of more than \$100 annually? .....  Yes  No

If you answered **Yes** to either of the admissions or dues tax questions, **enter tax liability start date:** .....          -          -         

For admissions and dues taxes, check the appropriate box. Business is active:  All Year  Seasonal  One Time

Months of year business is active (if **Seasonal** or **One Time**): Check all appropriate boxes:

- Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

**Part II: Dry Cleaning Surcharge**

Are you a dry cleaning establishment in Connecticut and use chemicals to dry clean clothes or other fabrics? .....  Yes  No

Do you accept clothing or other fabrics to be cleaned by other establishments using chemicals? .....  Yes  No

If you answered **Yes** to either of the dry cleaning surcharge questions, **enter the date** you started or will start to operate a dry cleaning establishment in Connecticut: .....          -          -         

**Part III: Tourism Surcharge**

A tourism surcharge is imposed, by the rental or leasing company, on the rental or lease of a passenger motor vehicle in Connecticut (regardless of where the vehicle is used) for 30 consecutive days or less.

Do you rent or lease passenger motor vehicles in Connecticut for 30 consecutive days or less? ...  Yes  No

If you answered **Yes** to the tourism surcharge question above, **enter the date** you started or will start renting or leasing passenger motor vehicles in Connecticut: .....          -          -         

**Part IV: Rental Surcharge**

A rental surcharge is imposed, by the rental or leasing company, on the rental or lease of a passenger motor vehicle, rental truck, or machinery that may be used for construction, mining, or forestry in Connecticut (regardless of where the vehicle or machinery is used) for 30 consecutive days or less when the company is **primarily** engaged in renting or leasing of passenger motor vehicles, rental trucks, or machinery.

Are you **primarily** engaged in the business of renting or leasing passenger motor vehicles, rental trucks, or machinery in Connecticut for 30 consecutive days or less? .....  Yes  No

If you answered **Yes** to the rental surcharge question, **enter the date** you started or will start renting or leasing passenger motor vehicles, rental trucks, or machinery in Connecticut: .....          -          -

**REG-1 Addendum C**  
**Motor Vehicle Fuels Tax**  
**Petroleum Products Gross Earnings Tax**

|                                     |
|-------------------------------------|
| Connecticut Tax Registration Number |
|                                     |

**Instructions**

1. This addendum must be submitted with **Form REG-1, Business Taxes Registration Application.**
2. If you have previously been issued a Connecticut Tax Registration Number by the Department of Revenue Services (DRS), enter the number in the space provided and only complete Sections 1 through 6 and Section 14 of **Form REG-1.**
3. If you are registering for the motor vehicle fuels tax, you may be required to provide additional information and post a surety bond. Contact the DRS Excise Taxes Unit at **860-541-3224** during business hours.
4. Fee information: There is no fee to register for motor vehicle fuel tax or petroleum gross earnings tax.

**Definitions:** Read the definitions below and check all the boxes that apply to you.

**Part I: Motor Vehicles Fuels Tax**

**Distributor:** Any person who:

- Wherever resident or located, imports fuels, or causes fuels to be imported into this state, for sale or use;
- Produces, refines, manufactures, or compounds fuels within this state;
- Distributes fuels by tank wagon in this state; or
- Stores fuels in this state in a tank or other container having a capacity equaling or exceeding 100,000 gallons.

**Diesel Fuel Distributor:** Any person distributing diesel fuel, propane, natural gas, jet fuel, kerosene, or biodiesel. ....

Diesel fuel distributor

**Motor Vehicle Fuels Distributor:** Any person distributing gasoline, aviation gas, ethanol, or ethanol based gasoline. ....

Motor vehicle fuels distributor

**Tax-Paid Motor Vehicle Fuels Distributor (Purchase tax paid):** Any person distributing motor vehicle fuels that includes the state excise tax at the point of purchase. ....

Tax-paid motor vehicle fuels distributor

**Heating Oil Declaration Distributor:** Any person who distributes number 2 heating oil exclusively, via tank wagon, to be sold for heating purposes only. **(You must sign this declaration.)** .....

Heating oil declaration distributor

**Declaration for Heating Oil Only Distributor:** I declare under penalty of law that, to the best of my knowledge and belief, all fuel sold by the applicant is used exclusively for heating purposes.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Exporter:** Any person, not licensed as a distributor in Connecticut who purchases fuel exclusively for export outside the State of Connecticut and is licensed as a distributor in that state.

**Motor Vehicle Fuels Exporter:** Any person exporting diesel fuel, jet fuel, propane, natural gas, gasoline, aviation gas, or gasohol. ....

Motor vehicle fuels exporter

Provide state of destination: \_\_\_\_\_ Distributor's license no. in that state: \_\_\_\_\_

**Aviation Fuel Dealer:** Any person whose place of business is located upon an established airport within this state and who purchases fuel from a licensed distributor for sale directly into the fuel tank of any aircraft or aircraft engine. ....

Aviation fuel dealer

If you check any of the boxes in Part I, **enter the date** you will start selling motor vehicle fuels: .....

    -    -    -  
m  m  d  d  y  y

**Part II: Petroleum Products Gross Earning Tax**

**Petroleum Products Gross Earnings:** Any company that sells petroleum products whose gross earnings are derived from the first sale of petroleum products in Connecticut, **or** any company that imports, or causes to be imported, petroleum products into Connecticut for sale, use, or consumption in Connecticut. ....

Petroleum products gross earnings

If you check the box in Part II, **enter the date** you will start selling petroleum products: .....

    -    -    -  
m  m  d  d  y  y

Number of gallons of motor vehicle fuel or diesel fuel you expect to sell each month in Connecticut: \_\_\_\_\_

**For DRS Use Only**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

\_\_\_\_\_  
Bond Amount

### REG-1 Addendum D Alcoholic Beverages Tax

|                                     |
|-------------------------------------|
| Connecticut Tax Registration Number |
|                                     |

#### Instructions for Addendum D

1. You must submit this addendum with **Form REG-1, Business Taxes Registration Application**, if your business is applying to be issued a distributor's license for alcoholic beverages tax purposes.
2. If your business has previously been issued a Connecticut Tax Registration Number by the Department of Revenue Services (DRS), enter the number in the space provided and complete only Sections 1 through 6, inclusive, and Section 14 of Form REG-1.
3. While there is no fee for being issued a distributor's license for alcoholic beverages tax purposes, your business will be required to post a surety bond or cash bond. Contact the DRS Excise Taxes Unit at **860-541-3224** during business hours for more information about the bond.

If your business produced not more than 55,000 wine gallons of still wine containing not more than 21% of absolute alcohol during a calendar year, your business may apply to be issued a Small Winery Certificate by DRS for the 12-month period beginning on the following July 1st. Apply by filing **Form REG-15, Application for Small Winery Certificate**. The alcoholic beverage tax rate on still wine containing not more than 21% of absolute alcohol and produced by a winery to which a Small Winery Certificate has been issued is 15¢ per wine gallon (rather than the regular tax rate of 60¢). You may download Form REG-15 from the DRS Web site at [www.ct.gov/drs](http://www.ct.gov/drs)

#### Check the category or categories below that apply to your business:

**Wholesaler:** Your business has been issued a wholesaler's permit by the Department of Consumer Protection, Liquor Control Division (DCP) and will purchase alcoholic beverages from manufacturers or importers and sell those beverages to retail establishments. ....

 Wholesaler

**Manufacturer or Farm Winery:** Your business has been issued a manufacturer's permit under Conn. Gen. Stat. §30-16 by DCP. ....

 Manufacturer or Farm Winery

**Out-of-State Shipper or Out-of-State Winery Shipper:** Your business has been issued a permit under either Conn. Gen. Stat. §30-18 or 30-18a by DCP and produce wine. If your business intends to sell and ship wine either to retailers located in Connecticut or to consumers located in Connecticut, you must sign the declaration below. ....

 Out-of-State Shipper or Out-of-State Winery Shipper

**Brewpub:** Your business has been issued a permit under Conn. Gen. Stat. §30-16 by DCP allowing the manufacture, storage, and bottling of beer for consumption on the premises. ....

 Brewpub

**Microbrewer:** Your business has been issued a permit by DCP allowing the manufacture, storage, and bottling of beer. ....

 Microbrewer

Enter the date your business will start acquiring or manufacturing alcoholic beverages:

    m    m    -    d    d    -    y    y

Location of Connecticut business office:  
(If applicable)

\_\_\_\_\_ Street address \_\_\_\_\_ City

Location of Connecticut warehouse:  
(If applicable)

\_\_\_\_\_ Street address \_\_\_\_\_ City

Location of Connecticut bonded warehouse:  
(If applicable)

\_\_\_\_\_ Street address \_\_\_\_\_ City

Approved by U.S. Treasury, Tax, and Trade Bureau .....

 Yes     No

If yes, please provide valid permit number: .....

\_\_\_\_\_

Approved by Connecticut Department of Consumer Protection, Liquor Control Division .....

 Yes     No

If yes, please provide valid permit number: .....

\_\_\_\_\_

**Declaration of Out-of-State Shipper or Out-of-State Winery Shipper:** I declare that I am an officer or agent of the applicant and that I have been authorized by the applicant to provide the answers in this Addendum D on behalf of the applicant with the same force and effect as if the applicant provided the answers itself. The applicant, by the submission of this Addendum D, hereby consents to the jurisdiction of the State of Connecticut, its agencies and instrumentalities, and the courts of the State of Connecticut concerning enforcement of 2005 Conn. Pub. Acts 274 and any related laws, rules or regulations, including tax laws, rules or regulations. I declare that I have examined this Addendum D and, to the best of my knowledge and belief, it is true, complete and correct. I understand the penalty for willfully delivering a false application to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Authorized Signature Title Date

#### For DRS Use Only

\_\_\_\_\_  
Authorized Signature Date Effective Date Bond Amount

**REG-1 Addendum E**  
**Community Antenna Television Company**  
**Satellite Company**  
**Railroad Companies**  
**Solid Waste Assessment**  
**Suppliers of Natural Gas**  
**Utility Companies**

|                                     |
|-------------------------------------|
| Connecticut Tax Registration Number |
|                                     |

**Instructions**

1. This addendum must be submitted with **Form REG-1, Business Taxes Registration Application.**
2. If you have previously been issued a Connecticut Tax Registration Number by the Department of Revenue Services (DRS), enter the number in the space provided and only complete Sections 1 through 6 and Section 14 of **Form REG-1.**
3. Fee information: There is no fee to register for any of the following taxes.

**Community Antenna Television Company:** Any person owning, leasing, maintaining, operating, managing, or controlling a community antenna television system for the purpose of providing the service for hire and includes any municipality which owns or operates one or more plants for the manufacture or distribution of electricity and seeks to obtain or obtains a certificate of public convenience and necessity to construct or operate a community antenna television system. ....

Community Antenna Television Company

**Satellite Company:** Any person that transmits video programming by satellite to Connecticut. ....

Satellite Company

**Railroad Companies:** Any person owning, leasing, maintaining, operating, managing, or controlling any railroad, or any cars or other equipment employed on or connected with a railroad, for public or general use. ....

Railroad Company

**Solid Waste Assessment:** Imposed on owners of mixed municipal solid waste landfills for all solid waste disposed of at the landfill. ....

Solid Waste Assessment

**Suppliers of Natural Gas:** Any person that sells natural gas to an end user in Connecticut. ....

Suppliers of Natural Gas

**Utility Companies**

**Electric Distribution Company:** Any person providing electric distribution services within Connecticut. ....

Electric Distribution Company

**Participating Municipal Electric Utility:** A municipal electric utility or any other electric utility owned, leased, maintained, operated, managed, or controlled by any unit of local government to provide electric generation services to end use customers outside its service area. ....

Municipal Electric Utility

**Gas Company:** Any person owning, leasing, maintaining, operating, managing, or controlling mains, pipes, or other fixtures, in public highways or streets, for the transmission or distribution of gas for sale for heat or power within Connecticut or engaged in the manufacture of gas to be transmitted or distributed. ....

Gas Company

If you checked any of the boxes above, **enter the start date:** .....

$\frac{\quad}{m} \frac{\quad}{m} - \frac{\quad}{d} \frac{\quad}{d} - \frac{\quad}{y} \frac{\quad}{y}$

If you are registering for more than one tax type, complete and submit one Addendum E for each tax type.



# Instructions

Use **Form LGL-001, *Power of Attorney***, to authorize one or more individuals to represent you before the Department of Revenue Services (DRS). Your authorization allows your representative(s) to receive and inspect confidential tax information and to act on your behalf in matters before DRS.

## Part I: Who is Giving a Power of Attorney to Another Person?

Provide your name and address, and either your Social Security Number or CT Tax Registration Number and Federal Employer Identification Number. Do not use your representative's address as your own. **Your spouse's name is not required except for personal income tax returns.** If you are filing a joint personal income tax return and you and your spouse have the same representative(s), include your spouse's name and Social Security Number in the space provided. Otherwise, each spouse is required to file an **LGL-001** on their own behalf.

Check the box that describes the taxpayer.

## Part II: To Whom is a Power of Attorney Given?

Provide the name, address, and telephone number of the person(s) designated by you to be your attorney(s)-in-fact.

Enter the tax type and the tax periods or tax years that are the subject of this power of attorney. Be specific about the type of tax at issue. Please refer to the following examples:

- Withholding Tax
- Income Tax
- Sales and Use Taxes
- Corporation Business Tax
- Admissions, Dues, and Cabaret Tax
- Succession Tax
- Gift Tax
- Motor Vehicle Fuels Tax
- Gross Earnings Tax (petroleum, gas, hospital, CATV)
- Cigarette Tax Distributor
- Individual Use Tax

The terms *years* and *periods* can indicate various time frames. For example, a **tax year** may be a calendar year of 1/1/99 through 12/31/99 or a fiscal year of 7/1/98 through 6/30/99 for corporation tax. A **tax period** may have one or more monthly or quarterly periods. For example, a sales and use tax period of 1/1/97 through 12/31/99 may contain 36 monthly or 12 quarterly periods. Please be specific.

## Part III: What Powers Are Given to Another Person?

You must check **each** act that you are granting your attorney-in-fact to perform in matters before DRS. You or an authorized

individual (for example, a principal officer in the case of a corporation) **must sign** the form in the space provided confirming each act that your attorney-in-fact will perform. If a tax matter concerns a joint return, **both** husband and wife must sign in the space provided if they wish the same representative(s).

**Authority to sign your return:** Conn. Agencies Regs. §12-725-1(b) allows an agent, or a fiduciary charged with the care of the person or property of the taxpayer to make and sign a return only when illness, absence, minority or other good cause prevents the person required or permitted to make or file any Connecticut return from doing so. You **must** state a reason why the taxpayer cannot sign the return.

## Who may execute this Power of Attorney?

- Any individual, if the request pertains to a personal income or individual use tax return filed by that individual (or by an individual and his or her spouse if the request pertains to a joint income tax return);
- A limited liability company (LLC) member, if the taxpayer is an LLC and there is no manager, or a manager, if the taxpayer is an LLC and there are managers;
- The sole proprietor, if the taxpayer is a sole proprietorship;
- A general partner, if the taxpayer is a partnership or a limited partnership;
- The administrator or executor, if the taxpayer is an estate;
- The trustee, if the taxpayer is a trust;
- If the taxpayer is a corporation, a principal officer or corporate officer who has legal authority to bind the corporation; any person who is designated by the board of directors or other governing body of the corporation; any officer or employee of the corporation upon written request signed by a principal officer of the corporation and attested by the secretary or other officer of the corporation; or any other person who is authorized to receive or inspect the corporation's return or return information under I.R.C. §6103(e)(1)(D);
- The successor, receiver, guarantor or any assignee of the taxpayer;
- The authorized representative of any of the above.

## Part IV: Declaration of Person Other Than the Taxpayer

This section must be signed only if the person **executing the power of attorney** in Part III is an individual other than the taxpayer identified in Part I. For example, the taxpayer is other than a natural person (an estate) and an individual is executing the power of attorney in Part III (the executor). In that case, DRS requires the signature of the individual who is the authorized representative of the taxpayer. Otherwise, no signature is required for this section.



**LGL-002**  
**Request for Disclosure of**  
**Tax Return or Tax Return Information**

**Part 1 — Who Is Entitled to Make This Request?**

- The sole proprietor, if the taxpayer is a sole proprietorship;
- A general partner, if the taxpayer is a partnership or a limited partnership;
- The administrator or executor, if the taxpayer is an estate;
- The trustee, if the taxpayer is a trust;
- 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 (See Part 6 below);
- The successor, receiver, guarantor or assignee of the taxpayer;
- The authorized representative of any of the above; and
- Any individual, if the request is for an income tax return filed by that individual (or filed by that individual and his or her spouse if the request is for a joint income tax return). (Check the applicable box in Part 2 and Part 3.)

Mail or hand-deliver this request to the address above, Attn: Director, Taxpayer Services Division. Please put the caption **Request for Tax Return or Tax Return Information** on the envelope.

**Part 2 — Whose Returns Are You Requesting?**

|                |                            |       |          |                            |
|----------------|----------------------------|-------|----------|----------------------------|
| Taxpayer Name  | Social Security Number     |       |          |                            |
| Business Name  | CT Tax Registration Number |       |          |                            |
| Street Address | City                       | State | ZIP Code | Federal Employer ID Number |

Taxpayer is: (Check box)

- Corporation     Partnership     Sole Proprietorship     Trust (other than a business trust)     Estate  
 Individual     Limited Liability Company     Business Trust     Other (Specify.) \_\_\_\_\_

**Part 3 — Information Requested:** (Copy of Return)    For Tax Periods: \_\_\_\_\_

- Income Tax     Sales and Use Tax     Corporation Tax     Copy of Audit Workpapers     Account Reconciliation (See instructions.)  
 Gift Tax     Other Return Type \_\_\_\_\_     Other (Specify.) \_\_\_\_\_

**Part 4 — What Is Your Status?**

Check a box

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Sole Proprietor<br>(Check box in Part 2.)   | <input type="checkbox"/> Partner (Check box for partnership in Part 2; attach partnership agreement.)  | <input type="checkbox"/> Guarantor (Attach guaranty.)  |
| <input type="checkbox"/> Receiver<br>(Attach certificate of appointment.)  | <input type="checkbox"/> Trustee (Check appropriate box for trusts in Part 2; attach trust agreement.)   | <input type="checkbox"/> Other (Specify.)  |
| <input type="checkbox"/> Successor<br>(Attach agreement.)  | <input type="checkbox"/> Assignee<br>(Attach assignment.)  | <input type="checkbox"/> Individual  |
| <input type="checkbox"/> Authorized Representative<br>(Attach <b>LGL-001</b> , <i>Power of Attorney</i> .)   | <input type="checkbox"/> Executor or Administrator<br>(Check box for estate in Part 2; attach Certificate of Appointment.)                           | <input type="checkbox"/> Principal Officer (Check box for corporation in Part 2; attach last annual report filed with Secretary of the State.) |
| <input type="checkbox"/> Member of a limited liability company that is not managed by managers<br>(Check box for limited liability company in Part 2.) | <input type="checkbox"/> Manager of a limited liability company that is managed by managers.<br>(Check box for limited liability company in Part 2.) |  |

**Part 5 — What Is Your Name and Mailing Address?**

|                               |                  |                             |          |
|-------------------------------|------------------|-----------------------------|----------|
| Name of Person Making Request | Telephone Number | Email Address, if available |          |
| Street Address                | City             | State                       | ZIP Code |

**Part 6 — Declaration**

I declare that 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 to make this request. (Attach **LGL-001**, *Power of Attorney*.)

I declare under penalty of law 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. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

## Instructions

Use **Form LGL-002, Request for Disclosure of Tax Return or Tax Return Information**, to request copies of tax returns, tax return information, or certain other documents, such as audit workpapers, from the Department of Revenue Services (DRS).

### Part 1: Who Is Entitled to Make This Request?

- Any individual, if the request is for an income tax return filed by that individual (or filed by that individual and his or her spouse if the request is for a joint income tax return);
- A limited liability company (LLC) member, if the taxpayer is an LLC and has no manager, or a manager, if the taxpayer is an LLC and has managers;
- The sole proprietor, if the taxpayer is a sole proprietorship;
- A general partner, if the taxpayer is a partnership or a limited partnership;
- The administrator or executor, if the taxpayer is an estate;
- The trustee, if the taxpayer is a trust;
- If the taxpayer is a corporation, a principal officer or corporate officer who has legal authority to bind the corporation; any person who is designated by the board of directors or other governing body of the corporation; any officer or employee of the corporation upon written request signed by a principal officer of the corporation and attested by the secretary or other officer of the corporation; or any other person who is authorized to receive or inspect the corporation's return or return information under I.R.C. §6103(e)(1)(D);
- The successor, receiver, guarantor, or any assignee of the taxpayer; **or**
- The authorized representative of any of the above.

### Part 2: Whose Returns Are You Requesting?

Provide the taxpayer's name, business name (dba), address, Social Security Number, Connecticut Tax Registration Number, and Federal Employer Identification Number, if applicable.

Check the box that indicates the type of taxpayer for which a tax return or tax return information is being requested.

### Part 3: Information Requested

Check the tax type and enter the tax periods or tax years for which you are requesting a tax return or tax return information. The terms *years* and *periods* can indicate various time frames. For example, a *tax year* may be a calendar year of 1/1/99 through 12/31/99 or a fiscal year of 7/1/98 through 6/30/99 for corporation tax. A *tax period* may have one or more monthly or quarterly periods. For example, a sales and use tax period of 1/1/97 through 12/31/99 may contain 36 monthly or 12 quarterly periods. Please be specific.

**Account Reconciliation:** DRS will generally provide an account reconciliation only when there is a specific discrepancy between DRS and the taxpayer's records. When requesting an account reconciliation, you **must** provide a short explanation indicating the tax type and specific tax periods in question. Attach any documentation, such as copies (front and back) of cancelled checks, that will help us in resolving any differences.

### Part 4: What Is Your Status?

Check the box that indicates your relationship to the taxpayer for whom you are requesting a copy of a tax return or tax return information. You must also attach the requested documentation to support the status that entitles you to make this request.

### Part 5: What Is Your Name and Mailing Address?

Provide the requested information so a DRS representative can contact you if we need additional information.

### Part 6: Declaration

You must sign the declaration section of LGL-002. Only the taxpayer or an authorized representative listed in Part 1 can sign this section. For example, the taxpayer is other than a natural person (an estate), DRS requires the signature of the individual who is the authorized representative of the taxpayer.

## Limited Power of Attorney LGL-003

LGL-003 gives another person authority to receive blank tax returns, return information and refund checks for a taxpayer.

### Who is Giving a Limited Power of Attorney to Another Person?

|                     |  |
|---------------------|--|
| Taxpayer's Name     | Social Security Number                 |
| Spouse's Name       | Social Security Number                 |
| Street Address      | CT Tax Registration Number             |
| City State Zip Code | Federal Employer Identification Number |

Taxpayer is:

- Any individual (for an income or individual use tax return filed by that individual or a joint income tax return filed by the individual and his or her spouse)
- Corporation     
  Partnership     
  Sole Proprietorship     
  Trust (other than a business trust)  
 Estate     
  Business Trust     
  Limited Liability Company     
  Other (specify)

### To Whom is a Limited Power of Attorney Given?

The above-named taxpayer hereby appoints the following individual(s) as attorney(s)-in-fact to be mailed blank tax returns, return information, including notices of assessment, billing statements, credit notices, refund checks (made payable to the above-named taxpayer), and other items that pertain to the taxpayer and that would otherwise be mailed directly to the taxpayer.

| Name   | Address              | Telephone Number |
|--|----------------------|------------------|
|  |                      |                  |
|  |                      |                  |
|  |                      |                  |
| Type of Tax (Corporation Business Tax, Admissions Tax, etc.) | Year(s) or Period(s) |                  |
|  |                      |                  |
|  |                      |                  |
|  |                      |                  |

Any of 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 (DRS). This limited power of attorney revokes all earlier similar powers on file with DRS for the same tax matter and years or periods covered by this power of attorney.

### Who May Execute This Limited Power of Attorney?

- Any individual, if the request pertains to an income or individual use tax return filed by that individual (or by an individual and his or her spouse if the request pertains to a joint income tax return)
  - A limited liability company (LLC) member, if the taxpayer is an LLC that is not managed by managers, or a manager, if the taxpayer is an LLC that is managed by managers
  - The sole proprietor, if the taxpayer is a sole proprietorship
- A general partner, if the taxpayer is a partnership or a limited partnership
  - The administrator or executor, if the taxpayer is an estate
  - The trustee, if the taxpayer is a trust
  - 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

### Declaration

I hereby declare that if I am not the taxpayer identified above, I have been authorized by that taxpayer to execute this power of attorney on behalf of the taxpayer and I am permitted by the instructions on this form (LGL-003) to execute this power of attorney.

I understand that I am authorizing DRS to mail blank tax returns, not to the taxpayer, but to the person(s) that I have appointed in this limited power of attorney, and I acknowledge that the taxpayer's duty to file timely tax returns is in no way diminished.

I understand that I am authorizing DRS 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 limited power of attorney. I acknowledge that the period within which the taxpayer is permitted to file any petition for reassessment begins to run once DRS mails the notice of assessment to the person(s) that I have appointed in this limited power of attorney.

I declare under the penalty of false statement that I have examined this document 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.)

Print your name

Print your title

Signature

Date



# REQUEST FOR ISSUANCE OF A RULING

## LGL-006

(Rev. 9/97)

Name of taxpayer

Address of taxpayer

Connecticut tax registration number, if any

Federal employer identification number or social security number

- |   | YES                      | NO                       |
|---|--------------------------|--------------------------|
| 1. Does this request involve a prospective (as opposed to a consummated) transaction?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does this request involve an issue that is the same or similar to one:   |                          |                          |
| A. being considered by the Department in connection with an audit examination of this taxpayer?   | <input type="checkbox"/> | <input type="checkbox"/> |
| B. being appealed to the Appellate Division of the Department by this taxpayer?   | <input type="checkbox"/> | <input type="checkbox"/> |
| C. being litigated in the Connecticut courts by this taxpayer?  | <input type="checkbox"/> | <input type="checkbox"/> |
| D. being considered by the Department in connection with a claim for refund made by this taxpayer?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is this taxpayer undergoing an audit examination by the Department with respect to any issue or tax?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Has this taxpayer been notified concerning a pending audit examination by the Department with respect to any issue or tax?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Does this request involve an issue that is clearly and adequately addressed by a statute, regulation or decision of the Connecticut or federal courts or by a declaratory ruling, ruling, Special Notice, Policy Statement or tax return instruction that has been issued by the Department? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Has the taxpayer previously been issued a ruling on the same or a similar issue by the Department?<br><i>(If "yes", attach a copy of the ruling)</i>   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Has a representative been authorized to request the issuance of a ruling on behalf of this taxpayer? <i>(If "yes" enter the name and address of the representative. The representative must be an individual or individuals and may not sign declaration below.)</i>                         | <input type="checkbox"/> | <input type="checkbox"/> |

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

8. Enter name and address to which the original of the ruling and other correspondence is to be mailed.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

### DECLARATION

*Only an individual having personal knowledge of the facts may sign the declaration below. An authorized representative may not sign the declaration. If this taxpayer is a corporation, partnership or trust or estate, the individual signing the declaration on behalf of the taxpayer must be a corporate officer, general partner or fiduciary, as the case may be.*

Under the penalty of false statement, I declare that I have personal knowledge of the facts involved in this request and that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the facts presented in support of this request are true, correct and complete.

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
 Print or Type Title

The procedures that a taxpayer or authorized representative must comply with in requesting the issuance of a ruling and the procedures that the Department follows in issuing a ruling are described in PS 91(6.2). To obtain a copy call 860-297-5962 or 1-800-382-9463 (in-state). Telecommunications Device for the Deaf (TDD/TT) users only call 860-297-4911.

# FORM CT-8822

## Change of Address

(Rev. 12/01)

Please type or print.      See instructions on reverse.      Do not attach this form to your return.

### Part I Complete This Part to Change Individual Income Tax and Gift Tax Address Information

Check **ALL** boxes this change affects:

1.  Connecticut individual income tax returns (**Forms CT-1040, CT-1040EZ, and CT-1040NR/PY**)  
 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.  Connecticut gift tax return (**Form CT-709**)

|  |                                     |
|--|-------------------------------------|
| 3a. Your First Name, Middle Initial, and Last Name     | 3b. Your Social Security Number     |
| 4a. Spouse's First Name, Middle 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 PO 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 PO Box or foreign address, see instructions. | Apt. No. |

|   |          |
|---|----------|
| 7. <b>New</b> Address (No., Street, City or Town, State, and ZIP Code). If a PO Box or foreign address, see instructions. | Apt. No. |
|---|----------|

|                                      |                               |
|--------------------------------------|-------------------------------|
| 8. Effective Date of Address Change: | 9. Reason for Address Change: |
|--------------------------------------|-------------------------------|

### Part II Complete This Part to Change Business Mailing Address or Business Location, Including Trusts and Estates

Check **ALL** boxes this change affects:

10.  Other income tax returns (**Forms CT-1041, CT-1065, CT-1120SI, etc.**)
11.  Business returns
12.  Business location

|                    |                                 |                                 |
|--------------------|---------------------------------|---------------------------------|
| 13a. Business Name | 13b. CT Tax Registration Number | 13c. Federal Employer ID Number |
|--------------------|---------------------------------|---------------------------------|

|   |                   |
|---|-------------------|
| 14. Old Mailing Address (No., Street, City or Town, State, and ZIP Code). If a PO Box or foreign address, see instructions. | Room or Suite No. |
| 15. Old Business Location (No., Street, City or Town, State, and ZIP Code). If a foreign address, see instructions.         | Room or Suite No. |

|  |                   |
|--|-------------------|
| 16. <b>New</b> Mailing Address (No., Street, City or Town, State, and ZIP Code). If a PO Box or foreign address, see instructions. | Room or Suite No. |
|--|-------------------|

|  |                   |
|--|-------------------|
| 17. <b>New</b> Business Location (No., Street, City or Town, State, and ZIP Code). If a foreign address, see instructions. | Room or Suite No. |
|--|-------------------|

|                                       |                                |
|---------------------------------------|--------------------------------|
| 18. Effective Date of Address Change: | 19. Reason for Address Change: |
|---------------------------------------|--------------------------------|

### Part III Signature

|                         |   |      |                                      |      |
|-------------------------|---|------|--------------------------------------|------|
| <b>Please Sign Here</b> | Your Signature  | Date | Spouse's Signature (if joint return) | Date |
|                         | (If Part II completed) Signature of Owner, Officer, or Representative | Date | Title                                |      |
|                         | Daytime Telephone Number (Optional)<br>(      )                       |      |                                      |      |

# FORM CT-8822

## Instructions

### Purpose

Use **Form CT-8822** to notify the Connecticut Department of Revenue Services (DRS) that you changed your home or business mailing address, or the physical location of your business.

If this change affects the mailing address of your children who filed Connecticut income tax returns, complete and file a separate **Form CT-8822** for each child.

If you received a Connecticut tax return with an incorrect address on the preprinted mailing label, and a return has not yet been filed, note the new address on the return. There is no need to file this form. If a return is not due at this time or a return with the corrected address information was not filed, use this form to notify DRS of the new address.

**NOTE:** If the change of address occurred after the return was filed and a refund is expected, also notify the post office serving the old address. This will help forward the refund to the proper address.

### Prior Name(s)

If you or your spouse changed your name due to marriage, divorce, etc., complete Line 5.

### PO Box

If the post office does not deliver mail to your street address, show the PO box number instead of the street address.

### Apartment Number or Suite

Be sure to include any apartment, room, or suite number in the space provided.

### Foreign Address

If the address is outside 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.

### Signature

If you are completing Part I, you must sign this form and in the case of a joint return, both you and your spouse must sign this form. In the case of gift tax, the donor must sign this form.

Part II requires the owner, an officer, or a representative of the business entity to sign this form. An officer is the president, vice president, treasurer, chief accounting officer, etc. A representative is a person who has a valid Power of Attorney to handle tax matters. If you are a representative signing for the taxpayer, attach a copy of your Power of Attorney to **Form CT-8822**. In the case of trusts and estates, the fiduciary or an officer representing the fiduciary must sign this form.

### Where to File

Mail to: Department of Revenue Services  
State of Connecticut  
Registration Unit  
PO Box 2937  
Hartford CT 06104-2937

### CONNECTICUT FAST-FILE PROGRAM

Did you know that businesses may be able to **Fast-File** their sales and use tax, business use tax, room occupancy tax, or income tax withholding returns?

DRS **Fast-File** is a fast, easy, secure, and paperless way to file and pay certain business taxes electronically over the Internet or by touch-tone telephone. For information about the Connecticut **Fast-File** Program, visit the DRS Web site at: [www.drs.state.ct.us](http://www.drs.state.ct.us), or call 1-800-382-9463 (toll-free from within Connecticut) or 860-297-5962 (from anywhere). If you are already registered for sales and use tax, business use tax, income tax withholding, or room occupancy tax, you can make a change to your business name, trade name, mailing address, or physical location using **Fast-File** on the internet. Log on to the DRS Web site and click on the **Fast-File Program** button.

