

State of Connecticut Department of Revenue Services



Guide to Connecticut Business Tax Credits

Informational Publication 2010(13)

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A Message from the Commissioner

Connecticut continues to offer a variety of business incentives as we work to renew our state economy. Therefore, the Department of Revenue Services (DRS) is pleased to provide **Informational Publication 2010(13)**, *Guide to Connecticut Business Tax Credits*, as a comprehensive resource for the business community. In addition to describing available tax credits, this publication identifies legislative or policy changes that may impact your business. I hope you will find this information useful.

You may also find information and assistance through our website at www.ct.gov/DRS and our **Taxpayer Service Center (TSC)** located on the website. The DRS website allows visitors to download tax forms and publications as well as register to receive **DRS E-News**, which provides important email tax alerts directly to subscribers.

Our **TSC** enables businesses to file electronically and pay most tax obligations. Users can also maintain business accounts with DRS for payment of tax bills and to review previous electronically filed returns. For taxpayers unable to use online access, DRS Taxpayer Services personnel are available to provide assistance by telephone or in person at 25 Sigourney Street in Hartford, from 8:30 a.m. to 4:30 p.m., Monday through Friday. Many tax questions can be also answered by using our automated phone system anytime. Call 1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or 860-297-5962 (from anywhere).

DRS will continue working hard to improve the way we do business and assist taxpayers. Please feel free to contact me with your comments at any time.

Sincerely,



Kevin B. Sullivan
Commissioner
Department of Revenue Services

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General Information

This guide provides a brief overview of Connecticut's available business tax credits. There is a reference chart at the end of the guide that lists each available tax credit, statutory authority for the tax credit, what taxes the tax credit may be applied against, and other informational notes.

Tax credits are "tax expenditures" paid for by foregoing revenues that would otherwise be paid to the state. Tax credits are also a matter of "legislative grace" and, therefore, narrowly construed. Careful attention must be paid to determine:

- Who is eligible to claim the tax credit;
- Whether the tax credit has an application process that must be followed;
- Whether the tax credit has a flow-through provision;
- Whether the tax credit is assignable and transferable;
- The timing and manner in which the tax credit must be claimed;
- Specific state taxes to which the tax credit applies;
- Ordering rules for claiming tax credits;
- Applicable limitations on the amount of tax credits that may be applied to a particular tax;
- Whether the tax credit may be carried forward if not used in the income year when earned; and
- Whether the tax credit may be refunded.

Tax Credit Summaries

Each section may include the following information:

- Description and Applicable Taxes;
- Definitions;
- Tax Credit Amount;
- Carryforward and Carryback Limitations;
- How to Apply;
- Assignment and Transfer;
- Flow-Through of the Tax Credit;
- How to Claim the Tax Credit;
- Recapture;
- Where to Get Additional Information; and
- Statutory and Regulatory References.

Who Is Eligible to Earn the Tax Credit?

The authorizing state statutes usually specify what entities may earn tax credits. Under the majority of tax credit statutes, only the entity that earned the credit may claim the credit. See *Bell Atlantic Nynex Mobile v. Commissioner of Revenue Services*, 273 Conn. 240 (2005). However, there are tax credits that may be claimed by an entity other than the entity that earned the credit. See *Flow-Through of Tax Credits* below. Please review the language of the specific tax credit to determine what entities may claim the credit.

Application Process

Tax credits may require an application process or pre-certification of eligibility. If a tax credit requires an application, it is noted in the summary of the tax credit.

Flow-Through of Tax Credits

Tax credits under Conn. Gen. Stat. Chapter 208 follow much of the Internal Revenue Code and federal income tax principles, including the conduit treatment of partnerships. See *Bell Atlantic Nynex Mobile v. Commissioner of Revenue Services*, 273 Conn. 240, 248. However, other chapters of the Connecticut General Statutes do not and conduit treatment is not applicable to such chapters.

Assignment and Transfer of Tax Credits

Tax credits that may be assigned are specifically identified in this summary. Unless otherwise specifically provided statutorily, tax credits may only be assigned once. Even if a tax credit may be assigned, assignment may only be made *before* the tax credit has been claimed (reported) on a tax return. If a tax credit is assigned, the assignee must claim the tax credit in the year in which the business that earned the tax credit would have been eligible to claim the tax credit. If a tax credit that allows carryforward is assigned, the assignee is entitled to the same carryforward provisions. DRS will rely solely on documentation provided by the Department of Economic and Community Development or the Department of Energy and Environmental Protection with respect to proof of assignment.

Claiming the Tax Credits

For most tax credits, there is a specific form that must be completed to claim the tax credit. Failure to provide all documentation required for the specific tax credit form may result in a denial of the tax credit. In addition to completing the applicable tax credit forms, you must report any such tax credit on **Form CT-1120K, Business Tax Credit Summary**. **Important note:** Do not use Form CT-1120K in connection with a tax credit to be applied against the tax as imposed by Chapters 207 or 229 of the Connecticut General Statutes. Please refer to the appropriate tax instruction booklet for information on how to claim these credits.

To Which Taxes Do Tax Credits Apply?

Each state statute authorizing a tax credit also specifies the tax or taxes against which the tax credit may be applied. Please refer to the tax credit summaries to determine the taxes against which specific tax credits may be applied.

Ordering Rules for Claiming Corporation Business Tax Credits

The Connecticut General Statutes specify the order in which tax credits are to be applied to the Corporation Business Tax. In accordance with these rules, tax credits must be applied (used) in the following order:

1. Carrybacks expiring first;
2. Current year tax credits that do not have a carryforward or carryback provision;
3. Any tax credit carryforward expiring first;
4. Non-expiring tax credits.

The Financial Institutions tax credit must be claimed before any other tax credit allowed against the tax imposed under Chapter 208 of the Connecticut General Statutes. In addition, taxpayers may apply the Electronic Data Processing Equipment Property tax credit only after all other allowable tax credits have been applied. If a taxpayer uses the Electronic Data Processing Equipment Property tax credit, the taxpayer must first use the tax credit against the tax imposed under Chapter 208, and then against the taxes imposed under Chapters 207, 208a, 209, 210, 211, or 212.

Limitation on the Application of Tax Credits

Tax Credits Against Chapter 208

In general, the amount of tax credits otherwise allowable against the taxes imposed under Chapter 208 for any income year may not exceed 70% of the amount of tax due prior to the application of tax credits. However, for income years beginning on or after January 1, 2011, and prior to January 1, 2013, the amount of the tax credit limitation may exceed 70% if a taxpayer has an average monthly net employment gain. To calculate the amount by which the tax credit limitation may exceed 70%, a taxpayer must calculate its average monthly net employee gain for the income year and multiply that amount by \$6,000. In no event may the amount of tax credit or credits otherwise allowable against the tax for such income year exceed 100% of the tax due or be used against the minimum tax of \$250.

Tax Credits Against Chapter 207

For calendar year 2010, the amount of tax credits otherwise allowable against the taxes imposed under Chapter 207 may not exceed 70% of the amount of tax due prior to the application of tax credits. The same rule applies for all tax credits. For the 2011 and 2012 calendar years only, the amount of tax credits allowed against the taxes imposed under Chapter 207 is reduced. For those two calendar years, the amount of tax credits allowed against the taxes imposed under Chapter 207 may not exceed 70% for Insurance Reinvestment Fund tax credits, 55% for Digital Animation, Film Production and Film Production Infrastructure tax credits, and 30% for all other tax credits. The ordering rule for the application of the tax credits is adjusted in light of the new credit limitations.

In addition, for the 2011 and 2012 calendar years the amount of tax credits otherwise allowable may exceed the tax credit limitations set forth above. To calculate the amount by which the tax credit cap may be exceeded, a taxpayer must calculate its average monthly net employee gain for the income year and multiply that amount by \$6,000. In no event may the amount of tax credit or credits otherwise allowable against the tax for such income year exceed 100% of the tax due.

Carryforward or Carryback of Tax Credits

Many of the tax credits may be carried forward for a period of years if they are not used in the year they are claimed. If a tax credit may be carried forward, the statute specifically provides for carryforward and also specifies the term of years for which the tax credit may be carried forward. The Neighborhood Assistance tax credit and the Housing Program Contribution tax credit are the only tax credits that may be carried back.

Refund of Tax Credits

None of the business tax credits are refundable. However, under certain circumstances two of the research and development tax credits may be exchanged with the state for 65% of their value. See the summaries for the Research and Development (Nonincremental) Expenses tax credit and the Research and Experimental (Incremental) Expenditures tax credit.

Effect on Other Documents

Informational Publication 2010(13), *Guide to Connecticut Business Tax Credits*, supersedes **Informational Publication 2007(31)**, *Guide to Connecticut Business Tax Credits*, which may no longer be relied upon on or after the issuance date of this publication.

Effect of This Document

An Informational Publication issued by DRS addresses frequently asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

For Further Information

Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); or
- **860-297-5962** (from anywhere).

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

Forms and Publications

Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential)

Business and individual taxpayers can use the Taxpayer Service Center (TSC) at www.ct.gov/DRS to file a variety of tax returns, update account information, and make payments online.

File Electronically

You can pay taxes for tax returns that cannot be filed through the TSC. Log in and select the Make Payment Only option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

DRS E-News Service

Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-Alerts** provide information for employer's withholding tax, News — Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select e-alerts from the left navigation bar.

Credit Summaries

Apprenticeship Training Tax Credit in Manufacturing, Plastics, Plastics-Related, or Construction Trades

Description and Applicable Taxes

A tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes by corporations that employ apprentices who are receiving training in the manufacturing, plastics, plastics-related, or construction trades. Wages of pre-apprentices are not eligible for this tax credit.

Manufacturing Trades

Corporations claiming this tax credit must have a qualified apprenticeship training program that is:

- Certified in accordance with regulations adopted by the Connecticut Department of Labor (DOL); **and**
- Registered with the Connecticut State Apprenticeship Council.

Examples of trades eligible for this tax credit include:

- Machinist;
- Toolmaker;
- Tool and Diemaker;
- Tool and Machine Setter; **and**
- Machine Tool Repairer.

Plastics and Plastics-Related Trades

Corporations claiming this tax credit must have a qualified apprenticeship training program that is:

- Certified in accordance with regulations adopted by DOL; **and**
- Registered with the Connecticut State Apprenticeship Council.

Most apprenticeship programs in the plastics and plastics-related trades qualify for the tax credit available for the manufacturing trades because there is some overlap between the two trades.

Construction Trades

Corporations claiming this tax credit must have a registered apprenticeship training program that is:

- At least four years in duration;
- Certified in accordance with regulations adopted by DOL; **and**
- Registered with the Connecticut State Apprenticeship Council.

Definitions

Apprentice means a person training under a written agreement which provides specific terms of apprenticeship and employment including but not limited to wage progression; specific hours of job training processes; hours and courses of school instruction which satisfactory completion thereof provides recognition as a qualified professional, technical, craft, or trade worker.

Qualifying apprenticeship training program means a program that meets the following requirements:

- The apprenticeship period must be at least 4,000 hours (two years) but not more than 8,000 hours (four years); **and**
- Each apprentice must be employed on a full-time basis, which is defined as working a minimum of 120 hours per month.

Tax Credit Amount

Manufacturing, Plastics, and Plastics-Related Trades

The tax credit allowed per apprentice shall be the lesser of:

- \$4 per hour multiplied by the total number of:
1) hours worked by the apprentice during the first half of a two-year qualifying apprenticeship training program, or 2) hours worked by the apprentice during the first three-quarters of a four-year qualifying apprenticeship training program;
- 50% of the total wages paid to the apprentice during the: 1) first half of a two-year qualifying apprenticeship training program, or 2) first three-quarters of a four-year qualifying apprenticeship training program; **or**
- \$4,800.

Construction Trades

The tax credit allowed per apprentice shall be the lesser of:

- \$2 per hour multiplied by the total number of hours completed by the apprentice during a four-year qualifying apprenticeship training program;
- 50% of the total wages paid to the apprentice during a four-year qualifying apprenticeship training program; **or**
- \$4,000.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

Contact DOL at 860-263-6085 or go to

www.ctapprenticeship.com for information regarding the application process.

How to Claim the Tax Credit

DOL will compute the tax credit and issue a Corporate Tax Credit Certification letter to the taxpayer. The amount listed on the Corporate Tax Credit Certification letter should be entered on **Form CT-1120K**, *Business Tax Credit Summary*.

Where to Get Additional Information

Direct inquires to:

Connecticut Department of Labor
Office of Apprenticeship Training
200 Folly Brook Blvd.

Wethersfield CT 06109

860-263-6085

www.ctapprenticeship.com

Statutory and Regulatory References

Conn. Gen. Stat. §§12-217g and 31-22n; Conn. Agencies
Regs. §§12-217g-1 through 12-217g-10

Computer Donation Tax Credit

This tax credit will not be available for income years beginning on or after January 1, 2014.

Description and Applicable Taxes

A tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes for the donation of new or used computers to a local or regional board of education or a public or nonpublic school. The used computers may not be more than two years old at the time of donation.

The amount of the tax credit granted to any business firm shall not exceed \$75,000 annually.

Tax Credit Amount

The amount of the tax credit must not exceed 50% of the fair market value of the new or used computers at the time of donation.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

The business firm must submit **Form CT-CDC**, *Computer Donation Credit Application*, to the Department of Revenue Services (DRS). Along with the application, the business firm must provide a copy of the written agreement between the business firm and the local or regional board of education or public or nonpublic school. The written agreement will provide for the acceptance of the computers by the board of education or public or nonpublic school, an acknowledgment that the computers are in good working condition, and a requirement that the business firm install, set up, and provide training to school staff on these computers.

DRS will review each application and within 30 days following its receipt, approve or disapprove the application in writing.

Submit Form CT-CDC to:

Department of Revenue Services
Research Unit
25 Sigourney St Ste 2
Hartford CT 06106

How to Claim the Tax Credit

Report the tax credit amount on **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Research Unit
25 Sigourney St Ste 2
Hartford CT 06106
860-297-5691
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §10-228b

Displaced Worker Tax Credits

Description and Applicable Taxes

There are two distinct tax credits available for displaced workers:

- **Displaced Electric Worker Tax Credit**

A credit against the tax imposed under Chapter 208 of the Connecticut General Statutes is available to any electric supplier in Connecticut, other than a generation entity or affiliate of an electric company, that hires a displaced electric worker for a minimum period of six months of full-time employment.

Conn. Gen. Stat. §12-217bb

- **Displaced Worker Tax Credit**

A tax credit against the tax imposed under sections 12-202 or 12-210 of Chapter 207, and Chapters 208 and 212 of the Connecticut General Statutes is available for each displaced worker hired by an employer.

Conn. Gen. Stat. §12-217hh

Definitions

An **electric supplier** means a facility that provides electric generation services as defined in Conn. Gen. Stat. §16-1.

A **displaced electric 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.

A **displaced worker** means any person employed in Connecticut whose position was terminated because of a business restructuring in which at least ten employees were terminated and whose new salary is at least 75% of his or her previous annual wages or salary. It does not include any person whose former employer is or was at the time of termination a “related person” with respect to the taxpayer.

Tax Credit Amount

Displaced Electric Worker Tax Credit

The tax credit amount available to each electric supplier is \$1,500 for each displaced electric worker that is hired. The tax credit is allowed in the income year in which the displaced electric worker first completes six full months of full-time employment.

Electric suppliers can only claim tax credits once for each displaced worker that is hired.

Do not include employees for whom a credit is claimed under the Qualified Small Business Job Creation tax credit or the Vocational Rehabilitation Job Creation tax credit.

Displaced Worker Tax Credit

The tax credit amount available for each displaced worker hired by an employer on or after January 1, 2006, is \$1,500. The tax credit is allowed for the income year during which the displaced worker first completes 12 full months of full-time employment.

The tax credit may only be taken once with respect to any displaced worker, and no taxpayer may claim this tax credit and the displaced electric worker tax credit for the same displaced worker.

Do not include employees for whom a credit is claimed under the Qualified Small Business Job Creation tax credit or the Vocational Rehabilitation Job Creation tax credit.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120 DWC**, *Displaced Worker Tax Credits*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106
1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or
860-297-5962 (from anywhere)
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §§12-217bb, 12-217hh, and 16-1

Donation of Land Tax Credits

Description and Applicable Taxes

Two tax credits are available for the donation of land:

- A credit for the donation of open space land; **and**
- A credit for the donation of land for educational use.

Both tax credits are equal to 50% of the value of any donated land and both credits may be applied against the tax imposed under section 12-217 of the Connecticut General Statutes.

Definitions

Donation of open space land means the value of any land or interest in 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, a water company, as defined in section 25-32a, or a nonprofit land conservation organization, where the land is to be permanently preserved as protected open space or used as a public water supply source.

Donation of land for educational use means the value of any land or interest in land conveyed without financial consideration, or the value of any discount of the sale price in any sale of land or interest in land, to any town, city, or borough, whether consolidated or unconsolidated, and any school district or regional school district for the purposes of schools and related facilities.

Use value means the fair market value of land at its highest and best use, as determined by a certified real estate appraiser.

Tax Credit Amount

The tax credit amount available is equal to 50% of any donation of open space land or 50% of any donation of land for educational use.

Carryforward and Carryback Limitations

The tax credit for the donation of open space land may be carried forward for a period of 25 successive income years until the tax credit is fully taken. No carryback is allowed.

The tax credit for the donation of land for educational use may be carried forward for a period of 15 successive income years until the tax credit is fully taken. No carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120DL**, *Donation of Land Tax Credits*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106

1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or

860-297-5962 (from anywhere)

www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §§12-217dd and 12-217ff

Electronic Data Processing Equipment Property Tax Credit

Description and Applicable Taxes

A tax credit equal to 100% of the personal property tax owed and paid on electronic data processing (EDP) equipment during any income year may be applied against the taxes imposed under Chapters 207, 208, 208a, 209, 210, 211, or 212 of the Connecticut General Statutes.

If the EDP equipment is leased, the lessee will be entitled to claim this tax credit if the lease by its terms or operation imposes on the lessee the cost of the personal property taxes on such equipment. However, the lessor and lessee may elect in writing that the lessor may claim the tax credit. The lessor will provide a copy of the written election upon the request of the Department of Revenue Services (DRS).

Definition

Electronic data processing equipment means computers, printers, peripheral computer equipment, bundled software, and any computer-based equipment acting as a computer, as defined under section 168 of the Internal Revenue Code of 1986, and any other equipment reported as Code 20 property on the Personal Property Declaration as prescribed by the Secretary of the Office of Policy and Management.

Tax Credit Amount

The amount allowed as a tax credit is 100% of the Connecticut personal property tax owed and paid in any income year on EDP equipment. Such amount shall not include any interest or penalty paid.

Carryforward and Carryback Limitations

If the amount of tax credit allowable in any income year exceeds the taxes imposed under Chapters 207, 208, 208a, 209, 210, 211, or 212 of the Connecticut General Statutes, then any unused tax credit balance may be carried forward to any of the five succeeding income years. No carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120 EDPC**, *Electronic Data Processing Equipment Property Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

Rules Relating to Ordering

Taxpayers shall be allowed this tax credit only after all other allowable tax credits have been applied. If the taxpayer uses this tax credit, the tax credit must first be used against the tax imposed under Chapter 208, and then against the taxes imposed under Chapters 207, 208a, 209, 210, 211, or 212 of the Connecticut General Statutes.

Combined Return Filers

If a taxpayer is filing **Form CT-1120CR**, *Combined Corporation Business Tax Return*, this tax credit will be allowed on a combined basis so that the EDP equipment property tax credits of each company will be combined and allowed against the combined tax liability of the members included in the combined return.

EDP tax credits of taxpayers which are only subject to the tax imposed under Chapter 208 must be used prior to credits of companies included in the combined return which are also subject to tax under Chapters 207, 208a, 209, 210, 211, or 212, of the Connecticut General Statutes.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106
1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or
860-297-5962 (from anywhere)
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §12-217t

Film Production Infrastructure Tax Credit

Description and Applicable Taxes

A tax credit is available to any taxpayer that invests in a state-certified entertainment infrastructure project. This tax credit is administered by the Connecticut Department of Economic and Community Development (DECD). Any entity interested in obtaining this tax credit must apply to DECD.

This tax credit may be applied to the taxes imposed under Chapter 207 and Chapter 208 of the Connecticut General Statutes.

Definitions

Infrastructure project means a capital project to provide basic buildings, facilities, or installations needed for the functioning of the digital media and motion picture industry in this state.

State-certified project means an infrastructure project undertaken in this state by an entity that: 1) is in compliance with the adopted regulations; 2) is authorized to conduct business in this state; 3) is not in default on a loan made by the state or a loan guaranteed by the state, nor has ever declared bankruptcy under which an obligation of the entity to pay or repay public funds was discharged as a part of such bankruptcy; and 4) has been approved by DECD as qualifying for this tax credit.

Eligible expenditures includes all expenditures for a capital project to provide buildings, facilities, or installations, whether a capital lease or purchase, together with necessary equipment for a film, video, television, digital production facility or digital animation production facility; project development, including design, professional consulting fees and transaction costs; development, preproduction, production, post-production and distribution equipment and system access; and fixtures and other equipment.

Tax Credit Amount

For income years beginning on or after January 1, 2010, the tax credit is equal to 20% for investments of \$3 million or more in a state-certified project.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed. A taxpayer claiming this tax credit may claim all or part of the tax credit in the income year the costs giving rise to the tax credit were incurred or in any of the three succeeding income years.

How to Apply

An entity undertaking an infrastructure project shall apply to DECD for an eligibility certificate not later than 90 days after the first expenses or costs are incurred. If DECD determines that the project is eligible to be a state-certified project, DECD shall issue a tax credit certification letter indicating the amount of the available tax credit. DECD will charge an administrative fee to review the application. Visit DECD's website at www.ctfilm.com for information regarding the application process.

DECD will enter the amount of the entity's tax credit onto a tax credit voucher. No such voucher may be issued until the state-certified project is shown to be 100% complete. DECD requires an independent audit by a licensed Connecticut Certified Public Accountant of all project costs and expenditures prior to the issuance of such voucher.

Assignment and Transfer

After the initial issuance of a tax credit voucher, such tax credit may be sold, assigned, or otherwise transferred, in whole or in part, to one or more taxpayers, provided no tax credit, after issuance, may be sold, assigned, or otherwise transferred, in whole or in part, more than three times. In the event of an assignment, the transferor and the transferee shall jointly submit written notice of such transfer to DECD not later than 30 days after such transfer. The notification after each transfer shall include the tax credit voucher number, the date of transfer, the amount of such tax credit transferred, the tax credit balance before and after the transfer, the tax identification numbers for both the transferor and transferee, and such other information as DECD may require.

An assignee holding such voucher must claim the tax credit only for the income year in which eligible expenditures were made for the infrastructure project.

How to Claim the Tax Credit

Complete **Form CT-1120 FPI**, *Film Production Infrastructure Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*. The tax credit amount that may be claimed is the amount listed on the tax credit voucher.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
Office of Film, Television, and Digital Media
505 Hudson Street, 4th Floor
Hartford CT 06106
860-270-8211
www.ctfilm.com

Statutory and Regulatory References

Conn. Gen. Stat. §12-217kk; Conn. Agencies Regs.
§§12-217kk-1 through 12-217kk-13

Film Production Tax Credit

Description and Applicable Taxes

A Film Production tax credit is available to any eligible production company which produces a qualified production and incurs qualified production expenses or costs. This tax credit is administered by the Connecticut Department of Economic and Community Development (DECD).

No eligible production company incurring an amount of production expenses or costs that qualifies for this tax credit shall be eligible for this tax credit unless such company:

- Conducts not less than 50% of principal photography days within the state;
- Expends not less than 50% of postproduction costs within the state; **or**
- Expends \$1 million or more in postproduction costs in this state.

No production expenses or costs incurred outside this state will qualify for this tax credit.

This tax credit may be applied against the taxes imposed under Chapter 207 and Chapter 208 of the Connecticut General Statutes. This tax credit may be assigned.

Definitions

Eligible production company means a corporation, partnership, limited liability company, or other business entity that is engaged in the business of producing qualified productions on a one-time or ongoing basis, and is qualified by the Secretary of the State to engage in business in the state.

Qualified production means entertainment content created in whole or in part within the state, including motion pictures; documentaries; long-form, specials, mini-series, series, sound recordings, videos and music videos, and interstitial television programming; interactive television; relocated television production; interactive games; video games; commercials; any format of digital media, including an interactive website, created for distribution or exhibition to the general public; and any trailer, pilot, video teaser, or demo created primarily to stimulate the sale, marketing, promotion, or exploitation of future investment in either a product or a qualified production via any means and media in any digital media format, film, or videotape, provided such program meets all the underlying criteria of a qualified production.

Production expenses or costs means those qualifying expenditures that are clearly and demonstrably incurred in the state in the preproduction, production, or post production cost of a qualified production.

Tax Credit Amount

The tax credit is equal to:

- 10% for production expenses or costs of \$100,000 to \$500,000;
- 15% for production expenses or costs of more than \$500,000 to \$1 million; **and**
- 30% for production expenses or costs of \$1 million or more.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed. A taxpayer claiming this tax credit may claim all or part of the tax credit in the income year the costs giving rise to the tax credit were incurred or in any of the three succeeding income years. The amount of tax credit earned but not claimed in an income year shall be available during the three succeeding income years after the production expenses or costs giving rise to the tax credit were incurred.

How to Apply

- An eligible production company must submit an eligibility application to DECD on an annual basis, but no later than 90 days following a qualified production's first eligible expenditure.
- An eligible production company may apply for an interim tax credit voucher no earlier than 90 days after the filing of the eligibility application.
- An eligible production company must file a final tax credit voucher application within 90 days of the end of the company's annual fiscal period or 90 days of the last qualified production expense.
- An eligible production company must pay the administrative fee charged by DECD for reviewing the application.

Visit DECD's website at www.ctfilm.com for complete details regarding the application process.

DECD will enter the amount of the production company's tax credit on a tax credit voucher. There shall be independent certification by a licensed Connecticut Certified Public Accountant (CPA) approved by DECD of the production expenses or costs incurred during the period for which such voucher is issued.

Assignment and Transfer

Any tax credit allowed may be sold, assigned, or otherwise transferred, in whole or in part, to one or more taxpayers, provided no tax credit, after issuance, may be sold, assigned, or otherwise transferred, in whole or in part, more than three times. In the event of an assignment, the transferor and the transferee shall jointly submit written notice of such transfer to DECD not later than 30 days after

such transfer. The notification after each transfer shall include the tax credit voucher number, the date of transfer, the amount of such tax credit transferred, the tax credit balance before and after the transfer, the tax identification numbers for both the transferor and transferee, and such other information as DECD may require.

An assignee who receives the tax credit by assignment must claim the tax credit only for an income year in which the eligible production company would have been eligible to claim the tax credit.

An entity that is not subject to tax under Chapter 207 or Chapter 208 of the Connecticut General Statutes may not assign more than 50% of its tax credits for the 2011 income year and may not assign more than 25% of its tax credits for the 2012 income year and beyond. These assignment limitations do not apply if:

- The entity owns, directly or indirectly, 50% or more of an entity that is subject to the business entity tax under Chapter 213a of the Connecticut General Statutes, **or**
- The qualified production giving rise to the credit was filmed at a qualified production facility that: 1) is located in Connecticut; 2) is intended for film, television, or digital media production; and 3) has had an investment of \$3 million, or less if DECD determines the facility otherwise qualifies.

How to Claim the Tax Credit

Complete **Form CT-1120FP**, *Film Production Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*. The tax credit amount that may be claimed is the amount listed on the tax credit voucher.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
Office of Film, Television, and Digital Media
505 Hudson Street, 4th Floor
Hartford CT 06106
860-270-8211
www.ctfilm.com

Statutory and Regulatory References

Conn. Gen. Stat. §12-217jj; Conn. Agencies Regs.
§§12-217jj-1 through 12-217jj-13

Digital Animation Tax Credit

Description and Applicable Taxes

A Digital Animation tax credit is available to state-certified digital animation production companies that engage in digital animation production activities on an on-going basis. This tax credit is administered by the Connecticut Department of Economic and Community Development (DECD). Any digital animation production company interested in obtaining this tax credit must apply to DECD.

This tax credit may be applied to the taxes imposed under Chapter 207 and Chapter 208 of the Connecticut General Statutes. Any digital animation production company receiving a digital animation tax credit shall not be eligible for or receive the film production tax credit.

Definitions

Digital animation production company means a corporation, partnership, limited liability company, or other business entity that is engaged exclusively in digital animation production activity on an ongoing basis, and that is qualified by the Secretary of the State to engage in business in the state.

State-certified digital animation production company means a digital animation production company that:

- 1) maintains studio facilities located within the state at which digital animation production activities are conducted;
- 2) employs at least two hundred full-time employees within the state;
- 3) is in compliance with regulations adopted;
- and 4) has been certified by DECD.

Digital animation production activity means the creation, development, and production of computer-generated animation content for distribution or exhibition to the general public.

Full-time employee means an employee required to work at least 35 hours or more per week, and who is not a temporary or seasonal employee.

Production expenses or costs means all expenditures clearly and demonstrably incurred in the state in the development, preproduction, production or postproduction costs of a digital animation production activity. The statute enumerates those types of expenses that qualify and certain types of expenses that are specifically excluded.

Tax Credit Amount

The tax credit is equal to:

- 10% for production expenses or costs of \$100,000 to \$500,000;
- 15% for production expenses or costs of more than \$500,000 to \$1 million; **and**
- 30% for production expenses or costs of \$1 million or more.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed. A taxpayer claiming this tax credit may claim all or part of the tax credit in the income year the costs giving rise to the tax credit were incurred or in any part of the three succeeding income years. The amount of tax credit earned but not claimed in an income year shall be available during the three succeeding income years after the production expenses or costs giving rise to the tax credit were incurred.

How to Apply

A digital animation production company must apply to DECD for state certification. Visit DECD's website at www.ctfilm.com for information regarding the application process.

DECD will enter the amount of the digital animation production company's tax credit on a tax credit voucher. Any state-certified digital animation production company may apply to DECD not more frequently than twice during the income year for such voucher. There shall be independent certification by a licensed Connecticut Certified Public Accountant (CPA) approved by DECD of the production expenses or costs incurred during the period for which such voucher is issued.

Assignment and Transfer

After the initial issuance of a tax credit, such tax credit may be sold, assigned, or otherwise transferred, in whole or in part, to one or more taxpayers provided no tax credit, after issuance, may be sold, assigned or otherwise transferred, in whole or in part, more than three times. In the event of an assignment, the transferor and the transferee shall jointly submit written notice of such transfer to DECD not later than 30 days after such transfer. The notification that is provided to DECD after each transfer shall include the tax credit voucher number, the date of transfer, the amount of

such tax credit transferred, the tax credit balance before and after the transfer, the tax identification numbers for both the transferor and transferee, and such other information as DECD may require.

An assignee who receives the tax credit by assignment must claim the tax credit only for an income year in which the digital animation production company would have been eligible to claim the tax credit.

How to Claim the Tax Credit

Complete **Form CT-1120DA**, *Digital Animation Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*. The tax credit amount that may be claimed is the amount listed on the tax credit voucher.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
Office of Film, Television, and Digital Media
505 Hudson Street, 4th Floor
Hartford CT 06106
860-270-8211
www.ctfilm.com

Statutory and Regulatory References

Conn. Gen. Stat. §12-217II; Conn. Agencies Regs.
§§12-217II-1 through 12-217II-12

Financial Institutions Tax Credit

This tax credit will not be available for income years beginning on or after January 1, 2014.

Description and Applicable Taxes

A tax credit that may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes is granted to financial institutions that build and occupy a facility located in Connecticut of at least 900,000 square feet, and create and maintain an average of 1,200 to 2,000 qualified employees in Connecticut. The tax credit is allowed for ten consecutive years, but this period may be extended for an additional five years if the taxpayer employs an average of at least 3,000 employees in the income year following the ten year period. The tax credit is allowed for a maximum of 15 consecutive years.

Depending upon the number of qualified employees employed by the financial institution, the amount of the tax credit allowed to an eligible financial institution varies from 30% to 50% of its corporation business tax liability. The aggregate credit is limited to between \$72 million and \$120 million over the ten-year period for which it is claimed. If the tax credit is taken for the additional five-year period, the amount of the tax credit allowed to an eligible financial institution for years 11 through 15 is 25% of its corporation business tax liability, and the total aggregate credit is limited to \$145 million over the 15-year period.

A taxpayer claiming this tax credit is **not eligible** to claim the Fixed Capital Investment tax credit.

Definitions

For purposes of this tax credit, the following definitions apply:

A **financial institution** is:

- Any bank, holding company, or out-of-state bank, and any out-of-state holding company; **or**
- Any establishment described in major group 61 or 62 in the *Standard Industrial Classification (SIC) Manual, 1987*, or in Subsector 522 or 523 in the *North American Industry Classification System (NAICS), United States, 1997*, engaged primarily in the extending of credit in the form of loans or the underwriting, purchase, sale, or brokerage of securities and other financial contracts on its own account or for the account of others, and exchanges, exchange clearinghouses, and other services allied with the exchange of securities and commodities or a holding company controlling any such establishment.

A **qualified employee** is an individual whose compensation is paid within this state and is either:

- Employed directly by the financial institution or a related person and works an average of at least 35 hours per week for at least eight consecutive weeks; **or**
- An independent contractor of the financial institution or of a related person and works an average of at least 35 hours per week for at least eight consecutive weeks for the financial institution or the related person;

OR

- An employee or principal of a company other than the financial institution or a related person if:
 1. The individual works an average of at least 35 hours per week for at least eight consecutive weeks providing services to the financial institution or a related person; **and**
 2. The company derives at least 80% of its gross revenues from the financial institution, from one or more related persons, or from a combination.

However, this general definition is subject to several limitations. For example, a qualified employee does **not** include an individual who would have satisfied the criteria of a qualified employee before the Department of Economic and Community Development (DECD) approved the financial institution's proposal to create new positions in Connecticut.

Compensation is paid within this state if the individual's service is performed:

- Entirely within the state; **or**
- Both within and outside the state, but the service performed outside the state is incidental to the individual's service within the state.

Special rules apply to determining the number of qualified employees with respect to any taxpayer who has received financial assistance under Conn. Gen. Stat. §32-236.

A **related person** means a corporation, limited liability company, partnership, trust, association, unincorporated organization, or similar organization that is controlled by the financial institution.

With respect to a corporation, **control** means ownership of stock possessing at least 50% of the total combined voting power of all classes of stock entitled to vote. With respect to a partnership, association, or similar unincorporated organization, **control** means ownership of at least 50% of the capital or profits interest in such partnership or association. With respect to a trust, **control** means ownership of at least 50% of the beneficial interest in the principal or income of such trust. Ownership

is determined as provided in section 267(c) of the Internal Revenue Code of 1986, as in effect on October 14, 1994, other than paragraph (3) of that section.

The **average number of qualified employees** is the sum of the average of the number of qualified employees:

- Reported on federal Form 941, Employer's Quarterly Federal Tax Return, of the financial institution or a related person;
- Who are included on the quarterly reports required to be submitted to DECD; **and**
- Reported on federal Form 941, Employer's Quarterly Federal Tax Return of the company.

Tax Credit Amount

As described below, a financial institution is entitled to the Financial Institutions tax credit if it satisfies **certain** requirements during the initial qualified year and subsequent qualified years.

Initial Qualified Year (Year 1)

A financial institution is entitled to the tax credit if, during the initial qualified year, it:

- Constructs a new facility in Connecticut of at least 900,000 gross square feet for the exclusive purpose of carrying on the business of a financial institution;
- Obtains a temporary or permanent certificate of occupancy for such facility;
- Employs during the income year for which the tax credit is claimed an average of at least 1,200 to 2,000 qualified employees; **and**
- Obtains an initial Certificate of Eligibility from the Department of Economic and Community Development (DECD).

In the case of a taxpayer receiving financial assistance under Conn. Gen. Stat. §32-236, the initial qualifying year is the year in which DECD executes an agreement to provide financial assistance.

Subsequent Qualified Years (Years 2 through 10)

A financial institution will continue to be entitled to the tax credit if, during the subsequent qualified years, it:

- Continues to employ during the income years for which the tax credit will be claimed an average of 1,200 to 2,000 qualified employees; **and**
- Obtains an annual eligibility certificate from DECD.

Additional Qualified Years (Years 11 through 15)

A financial institution may claim a tax credit in years 11 through 15 if it:

- Employs an average of at least 3,000 qualified employees in each of years 11 through 15; **and**
- Has been issued a certificate by DECD.

Tax Credit Available in Years 1 Through 10

For years one through ten, the amount of the tax credit allowed to an eligible financial institution varies from 30% to 50%, depending upon the number of qualified employees employed by the corporation as indicated below:

Average Number of Qualified Employees Employed During the Year	Percentage of Corporation Business Tax That May be Taken as a Tax Credit	Maximum Aggregate Amount of Tax Credit That May be Taken Over Ten Year Period
1,200 – 1,599	30%	\$72 million
1,600 – 1,999	40%	\$96 million
2,000 or more	50%	\$120 million

Tax Credit Available in Additional Five-Year Period

If the financial institution satisfies the requirements for the additional five-year credit period by employing an average of 3,000 or more qualified employees, then it is eligible for a 25% tax credit for years 11 through 15. The aggregate amount of credit over the 15-year period may not exceed \$145 million.

Rules Relating to Ordering

The tax credit must be taken prior to any other tax credits allowed against the tax imposed under Chapter 208 of the Connecticut General Statutes.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

A financial institution that intends to build and occupy a facility located in Connecticut of at least 900,000 square feet and to create and maintain new jobs in Connecticut should submit a proposal to DECD. DECD, in consultation with the Department of Banking, and the Department of Revenue Services (DRS), determines whether the applicant is eligible for the tax credit. If the proposal is approved, DECD will issue an eligibility certificate to the financial institution.

How to Claim the Tax Credit

Enter the available tax credit on **Form CT-1120K**, *Business Tax Credit Summary*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
Managing Director, Business Recruitment Division
505 Hudson Street
Hartford CT 06106
860-270-8045
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §12-217u

Fixed Capital Investment Tax Credit

Description and Applicable Taxes

A tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes for amounts paid or incurred by a corporation for fixed capital.

Definitions

Fixed capital means any new tangible personal property that meets **all** of the following criteria:

- It must have a class life of more than four years;
- It must have been purchased from someone other than a related person;
- It is not leased or acquired to be leased to another person within 12 months of purchase; **and**
- It will be held and used in Connecticut by a corporation in the ordinary course of the corporation's trade or business in Connecticut for a period of not less than five full years following its purchase.

Fixed capital does **not** include:

- Inventory;
- Land;
- Buildings or structures; **or**
- Mobile transportation property.

Related person means a corporation, partnership, association, or trust controlled by the corporation; an individual, corporation, partnership, association, or trust that is in control of the corporation; a corporation, partnership, association, or trust controlled by an individual, corporation, partnership, association, or trust that is in control of the corporation; or a member of the same controlled group as the corporation.

With respect to a corporation, **control** means ownership, directly or indirectly, of stock possessing 50% or more of the total combined voting power of all classes of the stock of the corporation entitled to vote; with respect to a trust, **control** means ownership, directly or indirectly, of 50% or more of the beneficial interest in the principal or income of the trust. Ownership is determined as provided in section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding Internal Revenue Code of the United States, as from time to time amended, other than paragraph (3) of that section.

Mobile transportation property is 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.

Tax Credit Amount

The tax credit amount is 5% of the amount paid or incurred by a corporation for any new fixed capital investment. No corporation claiming this tax credit shall claim any other tax credit against any tax with respect to the same investment.

Carryforward and Carryback Limitations

Any tax credit not used during the income year in which the acquisition was made may be carried forward to the next five succeeding income years until the entire tax credit is used. No carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120 FCIC**, *Fixed Capital Investment Tax Credit*, and attach it along with any required detailed schedules to **Form CT-1120K**, *Business Tax Credit Summary*.

Recapture

- If the fixed capital on account of which a corporation claimed the 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 will be required to recapture 100% of the amount of the tax 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 tax credit is not held and used in Connecticut in the ordinary course of the corporation's trade or business in Connecticut for five full years following its acquisition, the corporation will be required to recapture 50% of the amount of the tax 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.
- If the recapture amount is not paid when due, it will accrue interest at 1% per month or fraction of a month from the due date to the date of payment.
- The corporation may elect to recapture earlier than is required.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106
1-800-382-9463 (Connecticut calls outside the
Greater Hartford calling area only), or
860-297-5962 (from anywhere)
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §12-217w

Green Buildings Tax Credit

Description and Applicable Taxes

For income years beginning on or after January 1, 2012, a tax credit is available for eligible construction, renovation, or rehabilitation projects. The eligible projects must use Energy Star equipment and appliances, if applicable, and must have energy use that does not exceed:

- 70% of the energy use allowed by the state energy code for new construction eligible projects; **or**
- 80% of the energy use allowed by the state energy code for renovation or rehabilitation eligible projects.

The tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes.

Definitions

Allowable costs means amounts chargeable to a capital account that are paid for: 1) construction or rehabilitation costs; 2) commissioning costs; 3) architectural and engineering fees; 4) site costs (e.g. temporary electric wiring, scaffolding, demolition, fencing, security); 5) carpeting, partitions, walls, wall coverings, ceilings, lighting, plumbing, electric wiring, mechanical, heating, cooling, ventilation. Purchases of land, remediation costs, and the costs of telephone systems or computers are not allowable costs.

Eligible project means a real estate development project, or a building within a real estate development project, that is designed to meet the applicable LEED Green Building Rating System gold certification or other equivalent certification, as determined by the Department of Energy and Environmental Protection (DEEP).

Tax Credit Amount

The tax credit is equal to the allowable costs multiplied by the applicable tax credit percentage. The tax credit percentage depends on the certification level of the project, as follows:

Type of Eligible Project	LEED Green Building Rating	Tax Credit Percentage
New Construction or Major Renovation	Gold	8%
	Platinum	10.5%
Core and Shell or Commercial interior projects	Gold	5%
	Platinum	7%

The tax credit percentage from the above table increases by 0.5% if the eligible project meets any one of the following requirements: 1) is a mixed-use development; 2) is located in a brownfield or enterprise zone; 3) does not require a sewer extension of more than 1/8 mile; or 4) is located within 1/4 mile walking distance of bus transit, rail, light rail, streetcar, or ferry services.

Carryforward and Carryback Limitations

Excess tax credit may be carried forward for up to five income years. No carryback is allowed.

How to Apply

An applicant shall apply to DEEP for an initial tax credit voucher. DEEP may issue the tax credit voucher after it determines that the applicant is likely to complete an eligible project within a reasonable time. The tax credit voucher shall state the first income year for which the tax credit may be claimed, the maximum amount of tax credit allowable, and the expiration date by which the eligible project must be completed. DEEP may establish an application fee not to exceed \$10,000.

Assignment and Transfer

A taxpayer allowed a green buildings tax credit may assign the tax credit to another taxpayer or taxpayers. A project owner, including a non-profit entity, may transfer a tax credit to a pass-through partner in return for a lump sum cash payment.

How to Claim the Tax Credit

For each income year that a taxpayer is claiming a tax credit, whether the taxpayer has earned the tax credit or been assigned the tax credit, the taxpayer shall complete **Form CT-1120GB, Green Buildings Tax Credit**, and attach the initial tax credit voucher issued by DEEP and a LEED certification document obtained from a LEED licensed architect or engineer. In addition, the taxpayer shall send copies of Form CT-1120GB, the initial tax credit voucher, and the LEED certification document to DEEP.

The initial tax credit voucher issued by DEEP will indicate the first income year that the tax credit may be claimed. A taxpayer may claim only 25% of the total amount of allowable costs in any year.

Where to Get Additional Information

Direct inquiries to:

Department of Energy and Environmental Protection
Bureau of Energy & Technology Policy
Attn: Raymond L. Wilson
Ten Franklin Square
New Britain, CT 06051
860-418-6441
Raymond.Wilson@ct.gov

Statutory and Regulatory References

Conn. Gen. Stat. §12-217mm

Hiring Incentive Tax Credit

Description and Applicable Taxes

A tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes by business firms that hire recipients of Temporary Family Assistance (TFA).

Definitions

A *qualifying employee* is any employee who:

- Is employed not less than 30 hours per week by the same business firm;
- At the time of being hired is, and has been receiving benefits from the TFA program for more than nine months; **and**
- Meets other requirements that the Connecticut Department of Labor (DOL) may establish in regulations.

Business firm means any business entity authorized to do business in Connecticut and subject to the corporation business tax.

Tax Credit Amount

A business firm may claim a tax credit on its tax return for the income year during which a qualifying employee was employed, in the amount of \$125 for each full month that the employee was employed.

No tax credit will be allowed, with respect to wages paid to any qualifying employee, to any business firm that has previously been granted a tax credit with respect to wages paid to the same employee.

Carryforward and Carryback Limitations

Any unused tax credit balance can be carried forward and applied to five successive income years. No carryback is allowed.

How to Apply

In order to apply for this program, a business firm must submit an application to DOL on or after July 1 but not later than December 31. Contact DOL at 860-263-6755 for application information.

How to Claim the Tax Credit

Claim the tax credit on **Form CT-1120 HIC**, *Hiring Incentive Tax Credit*, by multiplying the number of complete calendar months worked by a qualifying employee during the income year by \$125. The tax credit amount reported on Form CT-1120 HIC must be entered on **Form CT-1120K**, *Business Tax Credit Summary*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Labor
Program Support Tax Credit Unit
200 Folly Brook Blvd.
Wethersfield CT 06109-1114
860-263-6755

Statutory and Regulatory References

Conn. Gen. Stat. §12-217y

Historic Homes Rehabilitation Tax Credit

Description and Applicable Taxes

A tax credit administered by the Connecticut Department of Economic and Community Development (DECD) is available to owners rehabilitating an historic home or taxpayers making contributions to qualified rehabilitation expenditures. The tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes.

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 the 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 DECD 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.

Tax Credit Amount

The tax credit is equal to the lesser of 30% of the projected qualified rehabilitation expenditures or 30% of the actual rehabilitation expenditures. The amount of the tax credit that may be claimed will be entered on the voucher issued by DECD.

In no event will any tax credit allowed exceed \$30,000 per dwelling unit for an historic home.

Carryforward and Carryback Limitations

The tax credit may be carried forward for four years following the year in which the voucher was issued. No carryback is allowed.

How to Apply

Prior to beginning any rehabilitation work on an historic home, the owner must submit to DECD a rehabilitation plan and an estimate of the qualified rehabilitation expenditures. If DECD certifies that the rehabilitation plan conforms to the standards for approval of the rehabilitation, DECD will reserve an allocation for a tax credit equivalent to 30% of the projected qualified rehabilitation expenditures.

Following the completion of the rehabilitation of an historic home, DECD will verify the owner's compliance with the rehabilitation plan and issue a tax credit voucher to either the owner rehabilitating the historic home or to the taxpayer named by the owner as contributing to the rehabilitation.

The owner is not eligible for a tax credit voucher unless the owner incurs qualified rehabilitation expenditures exceeding \$25,000. The owner must verify that he or she will occupy the historic home as his or her primary residence for at least five years, or that the owner will convey the home to a new owner who will occupy the home as his or her primary residence for at least five years, or record an encumbrance in favor of the funding source that will require the owner or owner's successors to occupy the home for five years.

Applications for the tax credit voucher must be made with DECD. Contact DECD at 860-256-2756 for application information.

How to Claim the Tax Credit

The amount listed on the tax credit voucher must be entered on **Form CT-1120HH**, *Historic Homes Rehabilitation Tax Credit*, and Form CT-1120HH must be attached to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*. The tax credit must be claimed by the holder of the tax credit voucher in the same year in which the voucher is issued.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
State Historic Preservation Office
One Constitution Plaza, 2nd Floor
Hartford CT 06103
860-256-2756
www.cultureandtourism.org

Statutory and Regulatory References

Conn. Gen. Stat. §10-416; Conn. Agencies Regs.
§§10-320j-1 through 10-320j-9

Historic Preservation Tax Credit (Formerly Referred to as the Historic Investment Tax Credit)

Description and Applicable Taxes

A tax credit administered by the Connecticut Department of Economic and Community Development (DECD) is available to an owner rehabilitating a certified historic structure for nonresidential use or mixed residential and nonresidential use or a taxpayer named by the owner as contributing to the rehabilitation. A taxpayer is entitled to claim this tax credit once a voucher is issued by DECD.

The tax credit can be used to offset the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes. This tax credit may be assigned, transferred, or conveyed.

Definitions

Certified rehabilitation means any rehabilitation of a certified historic structure for mixed residential and nonresidential uses consistent with the historic character of such property or the district in which the property is located as determined by regulations adopted by the commissioner.

Owner means any person, firm, municipality, limited liability company, nonprofit or for-profit corporation or other business entity which possesses title to an historic structure and undertakes the rehabilitation of such structure.

Certified historic structure means an historic, commercial, industrial, institutional, former municipal, state, or federal government, cultural, nonresidential, or mixed residential and nonresidential property that:

- Is listed individually on the National or State Register of Historic Places; **or**
- Is located in a district listed on the National or State Register of Historic Places, and has been certified by DECD as contributing to the historic character of such district.

Placed in service means that substantial rehabilitation work has been completed which would allow for issuance of a certificate of occupancy for the entire building or, in projects completed in phases, for an identifiable portion of the building.

Qualified rehabilitation expenditures means any costs incurred for the physical construction involved in the rehabilitation of a certified historic structure for nonresidential or mixed residential and nonresidential uses excluding:

- The owner's personal labor;
- The cost of a new addition, except as required to comply with any provision of the State Building Code or the State Fire Safety Code; **and**
- Any nonconstruction costs such as architectural fees, legal fees, and financing fees.

Tax Credit Amount

The tax credit is equal to the lesser of 25% of the projected qualified rehabilitation expenditures or 25% of the actual qualified rehabilitation expenditures. If the project creates qualified affordable housing units and the owner provides DECD information to show that the owner is compliant with the affordable housing certificate then the tax credit is equal to the lesser of 30% of the projected qualified rehabilitation expenditures or 30% of the actual qualified rehabilitation expenditures. The maximum tax credit allowed for any project shall not exceed \$5 million for any fiscal three-year period.

Carryforward and Carryback Limitations

The tax credit may be carried forward for five succeeding income years following the year in which the substantially rehabilitated structure was placed in service. No carryback is allowed. An assignee is entitled to carry forward any unused tax credit as provided in the statute.

How to Apply

Prior to beginning certified rehabilitation work on a certified historic structure, the owner must submit to DECD a rehabilitation plan and, if such rehabilitation work is planned to be undertaken in phases, a complete description of each such phase (with anticipated schedules for completion) along with an estimate of the qualified rehabilitation expenses. If the owner is claiming a 30% tax credit for creating qualified affordable housing units then the owner shall also submit the number of affordable housing units, the rent or sales price of such units, and the median income for the municipality where the project is located to DECD. DECD will provide the owner with an affordable housing certificate if the owner is eligible for the 30% tax credit.

In the case of projects completed in phases, DECD may issue vouchers for the substantially rehabilitated identifiable portion of the building placed in service, regardless of whether such portion contains residential uses. However, the rehabilitation plan submitted to DECD must describe the residential uses that will be part of the rehabilitation and must include a schedule for completion of the residential uses.

Applications for the tax credit voucher must be made with DECD. Contact DECD at 860-256-2756 for application information

Assignment and Transfer

Any owner allowed this tax credit (assignor) may assign the tax credit, in whole or in part, to any individual or entity (assignee). An assignee may not further assign the tax credit. An assignee must claim the tax credit in the same year in which the assignor would have been eligible to claim the tax credit.

Flow Through of the Tax Credit

Any tax credits that are provided to multiple owners of certified historic structures shall be passed through to persons designated as partners, members, or owners, either pro rata or according to an agreement among such persons.

How to Claim the Tax Credit

The amount specified on the tax credit voucher must be entered on **Form CT-1120HP**, *Historic Preservation Tax Credit*, and **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*. The holder shall retain the voucher and make it available to the Department of Revenue Services upon request.

The tax credit shall be claimed in the tax year in which the rehabilitated certified historic structure is placed in service. If the project is completed in phases then a pro rata portion of the tax credit is available in the year in which an identifiable portion of the rehabilitated certified historic structure is placed in service.

Recapture

In the case of projects completed in phases, if the residential portion of the project described in the rehabilitation plan is not completed within the schedule outlined in such plan, the owner shall capture 100% of the amount of the tax credit for which a voucher was issued. The recaptured tax credit shall be reported on the tax return required to be filed for the income year immediately succeeding the income year during which such residential portion was not completed. DECD, in its discretion, may provide an extension of time for completion of such residential portion, but in no event shall such extension be more than three years.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
State Historic Preservation Office
One Constitution Plaza, 2nd Floor
Hartford, CT 06103
860-256-2756
www.cultureandtourism.org

Statutory and Regulatory References

Conn. Gen. Stat. §10-416b; Conn. Agencies Regs.
§§10-416b-1 through 10-416b-12

Historic Structures Rehabilitation Tax Credit

Description and Applicable Taxes

A tax credit administered by the Connecticut Department of Economic and Community Development (DECD) is available to an owner rehabilitating a certified historic structure for residential use or to a taxpayer named by the owner as contributing to the rehabilitation. This tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes. This tax credit may be assigned, transferred, or conveyed.

Definitions

Owner means any person, firm, limited liability company, nonprofit or for-profit corporation, or other business entity which possesses title to an historic structure and undertakes the rehabilitation of the structure.

Certified historic structure means an historic commercial, industrial, former municipal, state or federal government, cultural, institutional, or residential property of more than four units, that:

- Is listed individually on the National or State Register of Historic Places; **or**
- Is located in a district listed on the National or State Register of Historic Places and has been certified by DECD as contributing to the historic character of the district.

Qualified rehabilitation expenditures mean any costs incurred for the physical construction involved in the rehabilitation of a certified historic structure for residential use, but excludes:

- The owner's personal labor;
- 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; **and**
- Any nonconstruction costs such as architectural fees, legal fees, and financing fees.

Substantial rehabilitation means the qualified rehabilitation expenditures of a certified historic structure that exceed 25% of the assessed value of the structure.

Tax Credit Amount

The tax credit is equal to the lesser of the tax credit reserved upon certification of the rehabilitation plan or 25% of the actual qualified rehabilitation expenditures not exceeding \$2.7 million. The amount of the tax credit that may be

claimed will be entered on the tax credit voucher issued by DECD.

Carryforward and Carryback Limitations

The tax credit may be carried forward for five years following the year in which the rehabilitated structure was placed into service. No carryback is allowed. An assignee is entitled to carry forward any unused tax credit as provided in the statute.

How to Apply

Prior to any rehabilitation work taking place, the owner must submit a rehabilitation plan to DECD along with an estimate of the qualified expenditures. DECD will certify the plan and reserve credits equal to 25% of the projected expenditures, not to exceed \$2.7 million.

Once the substantially rehabilitated structure is placed in service, DECD verifies the owners' compliance with the rehabilitation plan and, following such verification, issues a credit voucher. In the case of projects completed in phases, the tax credit is prorated to the identifiable portion of the substantially rehabilitated building placed in service.

Applications for the tax credit voucher must be made with DECD. Contact DECD at 860-256-2756 for application information.

How to Claim the Tax Credit

The amount listed on the tax credit voucher must be entered on **Form CT-1120HS**, *Historic Structures Rehabilitation Tax Credit*. Form CT-1120HS must be attached to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

The tax credit shall be claimed in the tax year in which the rehabilitated certified historic structure is placed in service. If the project is completed in phases then a pro rata portion of the tax credit is available in the year in which an identifiable portion of the rehabilitated certified historic structure is placed in service.

Assignment and Transfer

Any owner allowed this tax credit (assignor) may assign the tax credit, in whole or in part, to any individual or entity (assignee). An assignee may not further assign the tax credit. An assignee must claim the tax credit in the same year in which the assignor would have been eligible to claim the tax credit.

Flow Through of the Tax Credit

Any tax credits that are provided to multiple owners of certified historic structures shall be passed through to persons designated as partners, members, or owners, either pro rata or according to an agreement among such persons.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
State Historic Preservation Office
One Constitution Plaza, 2nd Floor
Hartford CT 06103
860-256-2756
www.cultureandtourism.org

Statutory and Regulatory References

Conn. Gen. Stat. §10-416a; Conn. Agencies Regs.
§§10-416a-1 through 10-416a-12

Housing Program Contribution Tax Credit

Description and Applicable Taxes

The Housing Program Contribution tax credit is available to business firms that make cash contributions to housing programs that benefit low and moderate income individuals and families. The housing programs must be sponsored, developed, or managed by nonprofit corporations.

This tax credit program is administered by the Connecticut Housing Finance Authority (CHFA) in accordance with its adopted written procedures. Any tax credit earned under this program may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes.

Definition

Business firm means:

- Any business entity authorized to do business in Connecticut and subject to the corporation business tax;
- Any company subject to the tax imposed under Chapter 207;
- Any air carrier subject to the air carriers tax imposed under Chapter 209;
- Any railroad subject to the railroad companies tax imposed under Chapter 210;
- Any community antenna television systems company subject to the tax imposed under Chapter 211; **or**
- Any utility subject to the utility companies tax imposed under Chapter 212.

Nonprofit corporation means any nonprofit corporation incorporated according to Chapter 602 of the Connecticut General Statutes (or any predecessor statutes) which: 1) has as one of its purposes the construction, rehabilitation, ownership or operation of housing; and 2) has articles of incorporation that have been approved by the executive director of CHFA in accordance with CHFA's adopted regulations.

Tax Credit Amount

Upon verification that the contribution has been made, a tax credit voucher may be issued by CHFA in an amount equal to 100% of the cash contribution made by the business firm.

No tax credit shall be granted to any business firm for any contribution of less than \$250. In addition, no organization conducting an eligible housing program may receive total cash contributions in excess of \$500,000 in any one fiscal year.

The maximum tax credit allowed in the aggregate to all business firms in any one fiscal year is \$10 million. Each year until the date 60 days after the date CHFA publishes the list of housing programs that will receive tax credit reservations:

- \$2 million of the total amount of all tax credits under this section shall be set aside for the permanent Supportive Housing Initiative established to provide additional units of affordable housing and support services to eligible persons; **and**
- \$1 million of the total amount of all tax credits under this section shall be set aside for workforce housing, as defined by CHFA through its written procedures.

No business firm will receive both the Housing Program Contribution tax credit and the Neighborhood Assistance Act tax credit for the same cash contribution.

Carryforward and Carryback Limitations

The amount of tax credit that is not used in the income year during which the cash contribution was made may be carried forward or back for the five immediately succeeding or preceding income years until the full credit is taken.

How to Apply

Contact CHFA Tax Credit Unit at 860-721-9501, Ext. 237 or go to www.chfa.org for information regarding the application process.

How to Claim the Tax Credit

The amount listed on the tax credit voucher issued by CHFA must be entered on **Form CT-1120 HPC, Housing Program Contribution Tax Credit**, and Form CT-1120 HPC must be attached to **Form CT-1120K, Business Tax Credit Summary**, and/or **Form CT-207K, Insurance/Health Care Tax Credit Schedule**.

Where to Get Additional Information

Direct inquiries to:

Connecticut Housing Finance Authority
Tax Credit Unit
999 West Street
Rocky Hill CT 06067-4005
860-721-9501 Ext. 237
www.chfa.org

Statutory and Regulatory References

Conn. Gen. Stat. §8-395; Conn. Agencies Regs. §§8-395-1 through 8-395-10

Human Capital Investment Tax Credit

Description and Applicable Taxes

A tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes for expenditures made by a corporation for a human capital investment.

Definitions

Human capital investment means:

- In-state job training of persons employed in Connecticut;
- Work education programs in Connecticut;
- Worker training and education of persons employed in Connecticut provided by Connecticut institutions of higher education;
- Donations or capital contributions to institutions of higher education in Connecticut for improvements or advancement of technology, including physical plant improvements;
- Planning, site preparation, construction, renovation, or acquisition of facilities in Connecticut for the purpose of establishing a day care facility to be used primarily by the children of employees who are employed in Connecticut;
- Child care subsidies paid to employees employed in Connecticut for child care provided in Connecticut; **or**
- Contributions made to the Individual Development Account Reserve Fund administered by the Connecticut Department of Labor.

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 associated with the "in-state job training of persons employed in Connecticut" include:

- Training materials;
- Direct expenses relating to training (e.g., the cost of a training instructor);
- Course registration fees; and
- Travel costs related to training, provided the travel is within Connecticut.

However, salaries, payroll taxes and fringe benefits earned by employees during training are not expenditures eligible for this tax credit.

Tax Credit Amount

The tax credit is equal to 5% of the amount paid or incurred by the corporation for a human capital investment.

No corporation claiming this tax credit shall claim any other credit against any tax with respect to the same investment.

Carryforward and Carryback Limitations

Any tax credit not used during the income year may be carried forward to the next five succeeding income years until the entire credit is used. No carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120 HCIC**, *Human Capital Investment Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, along with all required detailed schedules.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106
1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or
860-297-5962 (from anywhere)
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §12-217x

Insurance Reinvestment Fund Tax Credit

For income years beginning on or after January 1, 2010, the Insurance Reinvestment Fund tax credit statute was amended to add the New Insurance Reinvestment Fund tax credit. The New Insurance Reinvestment Fund tax credit has different investment criteria than the tax credit summarized below and may only be claimed against the taxes imposed under Chapter 207 and Conn. Gen. Stat. §38a-743. See the New Insurance Reinvestment Fund tax credit summary for additional information.

Description and Applicable Taxes

Tax credits are available for investments made in an Insurance Reinvestment Fund that invests in Connecticut companies engaged in an insurance business or providing services to insurance companies. This tax credit is administered by the Department of Economic and Community Development (DECD).

The tax credit may be applied against the taxes imposed under Chapters 207, 208, or 229; or section 38a-743 of the Connecticut General Statutes.

Qualifying for the Tax Credit

A taxpayer must make an investment through a fund manager in an insurance business. The fund manager must be registered with DECD, and the insurance business must initially apply for and receive an eligibility certificate.

DECD will issue an eligibility certificate if an insurance business occupies a new facility and employs at least 25% of its workforce in new jobs. An insurance business that has been issued an eligibility certificate shall provide information to DECD showing that the insurance business has, at all times during an income year, met the occupancy and employment requirements. If the insurance business has met such requirements, then DECD will issue a certificate of continued eligibility for that income year.

The tax credit may only be claimed with respect to an income year for which DECD issues a certification of continued eligibility to the insurance business in which the investment was made. On and after June 30, 2010, no eligibility certificate shall be issued to an insurance business by DECD. On and after July 1, 2011, no tax credit shall be allowed for an investment of less than \$1 million even if DECD has already issued an eligibility certificate to an insurance business. A fund manager shall provide

documentation to DECD by June 30, 2011, that the fund has made an investment of \$1 million or more. On and after July 1, 2011, DECD shall revoke a certificate of eligibility issued to an insurance business if a fund manager has failed to provide such documentation.

The same investment in an insurance business can not generate tax credits for both the investor and the insurance business. For example, the investment that allows an eligible insurance business to qualify for the Fixed Capital Investment tax credit cannot also be used to claim the Insurance Reinvestment Fund tax credit.

Tax Credit Amount

The tax credit is allowable over ten years as follows:

- Income year in which the investment was made and the two succeeding income years, 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%; **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%.

Carryforward and Carryback Limitations

Any unused tax credit balance may be carried forward for the five immediately succeeding income years until the entire tax credit is taken. No carryback is allowed. An assignee is entitled to carry forward any unused tax credit balance as provided in the statute.

Assignment and Transfer

The tax credit may be assigned by the taxpayer to another person provided the person may claim the tax credit only with respect to a calendar year for which the assigning taxpayer would have been eligible to claim the tax credit. No subsequent assignments will be allowed.

How to Claim the Tax Credit

The tax credit is claimed by completing **Form CT-IRF**, *Insurance Reinvestment Fund Tax Credit*. Attach Form CT-IRF to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

To take this tax credit against the tax imposed by Chapter 229 of the Connecticut General Statutes, see the applicable income tax instruction booklet.

Recapture

A taxpayer must recapture a percentage of the tax credit allowed for the entire period of eligibility if an investment is made in an insurance company or in a company that provides services to an insurance business if:

- The number of new employees on account of which a taxpayer claimed the tax credit decreases to less than 25% of its total work force for more than 60 days during any of the taxable years for which the tax credit is claimed;
- Those employees are not replaced by other employees who have not been shifted from an existing location of the subject insurance business in Connecticut; **and**
- The insurance business in which the investment was made has relocated to a location outside Connecticut.

The recapture will not apply and the tax credits may continue to be claimed if, for the entire period that the tax credit is applicable, the decrease in the percentage of total work force employed in Connecticut on a regular, full-time, and permanent basis does not result in an actual decrease in the number of persons employed by the subject insurance business in Connecticut.

The taxpayer must recapture a percentage of the tax credit that is related to an investment in a company that meets the requirements provided above as follows:

Year	Percentage
Year 4	90%
Year 5	65%
Year 6	50%
Year 7	30%
Year 8	20%
Years 9 and 10	10%

The Department of Revenue Services (DRS) may recapture the tax credit first from any taxpayer who claimed the tax credit, then from any taxpayer who assigned the tax credit, and finally from any fund through which the investment that generated the tax credit was made.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic
and Community Development
Attn: Michael Lettieri
505 Hudson Street 2nd Floor
Hartford CT 06106-7107
860-270-8128
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §38a-88a

New Insurance Reinvestment Fund Tax Credit

The Insurance Reinvestment Fund tax credit statute was amended to add this New Insurance Reinvestment Fund tax credit. The New Insurance Reinvestment Fund tax credit is effective for income years beginning on or after January 1, 2010, and has different investment criteria than the old Insurance Reinvestment Fund tax credit. See the old Insurance Reinvestment Fund tax credit summary for additional information.

Description and Applicable Taxes

In 2010, the legislature amended the Insurance Reinvestment Fund tax credit to provide a new tax credit that may be used against the taxes imposed by Chapter 207 and section 38a-743 of the Connecticut General Statutes. The New Insurance Reinvestment Fund tax credit is available to insurance companies that invest eligible capital with approved fund managers, who in turn invest such capital in eligible businesses. The tax credit is administered by the Department of Economic and Community Development (DECD).

Definitions

For purposes of this tax credit:

Eligible business means a business that has its principal business operations in Connecticut, has fewer than 250 employees at the time of investment, and not more than \$10 million dollars in net income in the previous year.

Green technology business means an eligible business with not less than 25% of its employment positions being positions in which green technology is employed or developed and may include the occupation codes identified as green jobs by DECD and the Department of Labor.

Insurance Reinvestment Fund means a Connecticut partnership, corporation, trust, or limited liability company, whether organized on a profit or not-for-profit basis, that:

- 1) is managed by at least two principals or persons that have at least four years of experience in managing venture capital or private equity funds, with at least \$50 million of such funds from people unaffiliated with the manager;
- 2) has received an equity investment of capital other than eligible capital equal to no less than 5% of the total amount of the eligible capital to be invested in such Insurance Reinvestment Fund; and
- 3) is not, or will not be after the receipt of eligible capital, controlled by or under common control with, one or more insurance companies.

Principal business operations means at least 80% of the business organization's employees reside in the state or

80% of the business payroll is paid to individuals living in this state.

Tax Credit Amount

The tax credit is allowable over ten years as follows:

- Income year in which the investment was made and the two succeeding income years, 0%;
- Third full income year following the year in which the investment was made and the three succeeding income years, 10%; and
- Seventh full income year following the year in which the investment was made and the two succeeding income years, 20%.

The same investment cannot generate tax credits for both the investor and the business. For example, the investment that allows a business to qualify for the Fixed Capital Investment tax credit cannot also be used to claim this tax credit.

Carryforward and Carryback Limitations

Any tax credit not used in the income year for which it was allowed may be carried forward for the five immediately succeeding income years until the entire tax credit is taken. No carryback is allowed.

How to Apply

To be certified as an Insurance Reinvestment Fund, an application must be submitted to DECD. The application must include information regarding: 1) the amount of eligible capital the applicant will raise; 2) a nonrefundable \$7,500 application fee; 3) evidence that the applicant qualifies as an Insurance Reinvestment Fund; 4) an affidavit by each taxpayer committing an investment of eligible capital; 5) a business plan; 6) a commitment to invest at least 25% of its eligible capital in green technology businesses; and 7) a commitment to invest by the third anniversary of its tax credit allocation date, 3% of its eligible capital in preseed investments in consultation with Connecticut Innovations, Incorporated.

The business plan that is submitted with the application must provide the following: 1) the approximate percentage of eligible capital the applicant will invest in eligible businesses by the third, fifth, seventh, and ninth anniversaries of the tax credit allocation date; 2) the industry segments listed by the North American Industrial Classification System (NAICS) code and the percentage of eligible capital in which the applicant will invest; 3) the number of jobs that will be created or retained as a result of the applicants' investments once all investments have been made; 4) the percentage of eligible capital to be invested in eligible businesses primarily engaged in conducting research and

development or manufacturing, processing or assembling technology-based products; and 5) a revenue impact assessment demonstrating that the applicant's business plan has a revenue neutral or positive impact on the state. DECD may require that an independent third party conduct the revenue impact assessment.

Once the application is approved, DECD will issue an allocation of tax credits. The fund manager must then confirm that the fund has received taxpayer investments equal to the tax credits that have been allocated.

How to Claim the Tax Credit

The tax credit is claimed by completing **Form CT-207 IRF**, *New Insurance Reinvestment Fund Tax Credit*. Attach Form CT-207 IRF to **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

Assignment and Transfer

A taxpayer may assign the New Insurance Reinvestment Fund tax credit only to an affiliate of such taxpayer.

Annual Report

Each Insurance Reinvestment Fund must submit an annual report to DECD no later than January 31 of each year, including but not limited to the following information:

- Amount of eligible capital remaining from the preceding year;
- Each investment during the preceding year, including details on the type of investment, jobs as of the investment date and jobs as of the end of the annual report period, net income in the year prior to investment, investment location, business in which the investment was made;
- Percentage of eligible capital invested in green technology businesses and preseed businesses;
- Distributions made by the Insurance Reinvestment Fund;
- Information in the third, fifth, seventh, and ninth years on compliance with the investment parameters described in the original plan and updated revenue impact assessment reflecting actual results through the end of the period for reports due; **and**
- An audited financial statement.

Decertification Provision

An Insurance Reinvestment Fund is subject to decertification if it is not in compliance with:

- Its business plan;
- The revenue impact assessment submitted with the original application;
- Investment of no more than 15% of an Insurance Reinvestment Fund's eligible capital in any one eligible business without prior approval by DECD;
- Investment of 60% of its eligible capital by the fourth anniversary of its allocation date;
- Investment of 100% of its eligible capital by the tenth anniversary of its allocation date; **and**
- The reporting and fund distribution requirements.

Decertification of an Insurance Reinvestment Fund shall cause the forfeiture of future tax credits when: 1) such decertification occurs on or before the fourth anniversary of the fund's allocation date; and 2) such fund has invested less than 60% of its eligible capital in eligible businesses by said anniversary.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
Attn: Michael Lettieri
505 Hudson Street 2nd Floor
Hartford CT 06106-7107
860-270-8128
Michael.Lettieri@ct.gov
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §38a-88a

Machinery and Equipment Expenditure Tax Credit

Description and Applicable Taxes

A tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes for expenditures in machinery and equipment by corporations that have no more than 800 full-time, permanent employees in Connecticut. The tax credit is based on a percentage of the amount spent on machinery and equipment acquired for and installed in a facility in Connecticut that exceeds the amount spent for such machinery and equipment in the preceding income year.

Definitions

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, software purchased separately from machinery, or other property used for transportation are not machinery.

The term also includes all 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.

Equipment is a device separate from machinery but essential to the business. Repair and replacement parts for equipment also qualify for the tax credit under the same terms as provided for parts purchased for machinery. Furniture and fixtures, automobiles, software purchased separately from equipment, construction equipment, or other property used for transportation are not equipment.

An **employee** is any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee.

A **full-time employee** is any 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.

Facility means any plant, building, or other real property improvement used by the corporation in its trade or business.

Tax Credit Amount

The incremental increase in machinery and equipment is calculated by including all the prior year's expenditures on machinery and equipment without regard to whether or not the expenditures were claimed against this tax credit in the prior year.

The expenditure for machinery and equipment is the sum of the cash paid plus any consideration received for an asset that is traded in.

5% Tax Credit

A tax credit equal to 5% of the incremental increase in expenditures for machinery and equipment is available if the corporation employed between 251 and 800 full-time, permanent employees whose wages, salaries, or other compensation is paid in Connecticut.

10% Tax Credit

A tax credit equal to 10% of the incremental increase in expenditures for machinery and equipment is available if the corporation employed not more than 250 full-time, permanent employees whose wages, salaries, or other compensation is paid in Connecticut.

Carryback and Carryforward Limitations

No carryforward or carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120 MEC, Machinery and Equipment Tax Credit**, and attach schedules listing machinery and equipment expenditures and verification of the number of full-time employees. Attach Form CT-1120 MEC to **Form CT-1120K, Business Tax Credit Summary**.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106
1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or
860-297-5962 (from anywhere)
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §12-217o

Neighborhood Assistance Act Program Tax Credit

Description and Applicable Taxes

A tax credit under the Neighborhood Assistance Act (NAA) tax credit program may be earned by business firms that make cash investments of at least \$250 to certain community programs. The cash investments must be made in a community program that is proposed and conducted by a tax exempt or a municipal agency and must be approved both by the municipality in which the program is conducted and the Department of Revenue Services (DRS).

Business firms may apply this tax credit against the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes.

Definitions

Business firm means any business entity authorized to do business in Connecticut and subject to the taxes imposed under Chapters 207, 208, 209, 210, 211, 212, or 213a of the Connecticut General Statutes. For purposes of a business entity subject to the provisions of Chapter 213a of the Connecticut General Statutes, the tax credit earned by such entity may be used by the members or partners of such entity that are subject to tax under Chapter 208 of the Connecticut General Statutes.

Child day care facilities services mean the planning, site preparation, construction, renovation, or acquisition of facilities for purposes of establishing a child care facility to be used primarily by the children of such business firm's employees. It also includes equipment installed in the facility, including kitchen appliances, to the extent that the equipment or appliances are necessary in the use of the facility for purposes of child day care. The facility must be properly licensed and operated without profit.

Community services is any type of counseling and advice, emergency assistance, or medical care furnished to individuals or groups in the state.

Open space acquisition fund means a fund of any political subdivision of the state or any nonprofit land conservation organization that is used for the purchase of land, interest in land, or permanent conservation restriction on land which is to be permanently preserved as protected open space.

Education is any type of scholastic instruction or scholarship assistance to any person who resides in the state that enables such person to prepare for better opportunities, including teaching services donated according to §10-21c of the Connecticut General Statutes.

Energy conservation projects are projects to promote energy conservation that are directed toward properties occupied by low-income persons or properties owned or occupied by charitable corporations, foundations, trust, or other entities. These projects include but are not limited to energy conserving modification or replacement of windows and doors; caulking and weatherstripping; insulation; automatic energy control systems; hot water systems; equipment required to operate variable steam, hydraulic, and ventilating systems; replacement of burners, furnaces, or boilers; electrical or mechanical furnace ignition systems; or replacement or modification of lighting fixtures.

Families of low and moderate income mean families meeting the criteria for designation as families of low and moderate income established by the Department of Economic and Community Development under section 8-39(f) of the Connecticut General Statutes.

Job training means any type of instruction to any person who resides in the state that enables the person to acquire vocational skills to become employable or seek a higher grade of employment.

Neighborhood means any specific geographic area, urban, interurban, suburban, or rural, which is experiencing problems endangering its existence as a viable and stable neighborhood.

Neighborhood assistance means the furnishing of financial assistance, labor, materials, or technical advice to aid in the physical improvement or rehabilitation of all or any part of a neighborhood.

Tax Credit Amount

A tax credit equal to 100% of the cash invested is available to business firms that invest in *energy conservation projects*.

A tax credit equal to 60% of the cash invested is available to business firms that invest in programs that provide: community-based alcoholism prevention or treatment programs; neighborhood assistance; job training; education; community services; crime prevention; construction or rehabilitation of dwelling units for families of low and moderate income in the state; funding for open space acquisitions; child day care facilities; child care services; and any other program which serves persons at least 75% of whom are at an income level not exceeding 150% of the poverty level for the preceding year.

The NAA tax credit program has several statutory limits which must be observed, including the following:

- The total tax credits under the NAA tax credit program are limited to \$150,000 annually for each business firm. The tax credit for investments in child care facilities may not exceed \$50,000 per income year for each business firm.

- The minimum contribution on which a tax credit can be granted is \$250.
- Any organization conducting a program or programs eligible to receive contributions under the NAA tax credit program is limited to receiving an aggregate of \$150,000 of funding for any program or programs for any fiscal year.
- The total amount of all tax credits allowed has a \$5 million cap which, if exceeded, results in proration of approved tax credits among the approved organizations.
- No business firm will receive both the NAA tax credit and the Housing Program Contribution tax credit for the same cash contribution.
- No business firm may claim the tax credit for investments in child care facilities in an income year that the business firm claims the Human Capital Investment tax credit.

Carryforward and Carryback Limitations

No carryforward is allowed. Any tax credit that is not taken in the income year in which the investment was made may be carried back to the two immediately preceding income years (beginning with the earlier of the two years).

How to Apply

Tax-exempt entities and municipal agencies desiring to obtain benefits under the NAA tax credit program must complete **Form NAA-01**, *Connecticut Neighborhood Assistance Act Program Proposal*, Parts I, II, and III and submit the form to the municipal agency overseeing the implementation of the proposal. The overseeing municipal agency then completes Part IV of Form NAA-01 and submits the form to DRS on or before **July 1** of each year. Prior to submitting Form NAA-01 to DRS, each municipality must hold a public hearing on all program applications. The governing body of the municipality must vote to approve the programs. Copies of the public hearing notice and minutes of the meeting approving the programs must be submitted by the municipality with the program proposals on or before July 1 of each year.

Business firms that wish to make a cash contribution to a qualified community program can obtain a list of approved programs by September 1 of each year. The business firms are required to complete **Form NAA-02**, *Neighborhood Assistance Act Business Application*, and mail or hand deliver the form to DRS between **September 15** and **October 1** of each year. No facsimiles are accepted.

How to Claim the Tax Credit

DRS issues a Neighborhood Assistance Act program approval letter to business firms that make qualifying contributions. The letter indicates the tax credit amount that may be claimed on the Connecticut Corporation Business Tax Return. The tax credit amount must be entered on **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
 Neighborhood Assistance Act Program
 Attn: Research Unit
 25 Sigourney St Ste 2
 Hartford CT 06106
860-297-5687
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §§12-631 through 12-638

New Jobs Creation Tax Credit

Beginning on January 1, 2012, DECD will no longer issue eligibility certificates for this tax credit. For information on tax credits available for new jobs created on or after January 1, 2012 through December 31, 2013, please see the Job Expansion Tax Credit section.

Description and Applicable Taxes

A tax credit is available to taxpayers that create at least ten new jobs in Connecticut. This tax credit is administered by the Department of Economic and Community Development (DECD). This tax credit may be applied against the tax imposed under sections 12-202 or 12-210 of Chapter 207, and Chapters 208 and 212 of the Connecticut General Statutes.

Definitions

Taxpayer means a person subject to tax under Chapters 207, 208, or 212 of the Connecticut General Statutes.

New job means a full-time job which: 1) did not exist in this state prior to the taxpayer's application to DECD for an eligibility certificate, and 2) is filled by a new employee.

New employee means a person hired by the taxpayer to fill a new job. A new employee does not include a person who was employed in Connecticut by a related person with respect to the taxpayer within the prior 12 months.

Full-time job means a job in which an employee is hired to work at least 35 hours per week and does not include a temporary or seasonal job.

Related person means: (A) a corporation, limited liability company, partnership, association, or trust controlled by the taxpayer, (B) an individual, corporation, limited liability company, partnership, association, or trust that is in control of the taxpayer, (C) a corporation, limited liability company, partnership, association, or trust controlled by an individual, corporation, limited liability company, partnership, association, or trust that is in control of the taxpayer, or (D) a member of the same controlled group as the taxpayer.

Tax Credit Amount

The tax credit allowed is an amount up to 60% of the income tax deducted and withheld from the wages of new employees and paid over to the state according to Chapter 229 of the Connecticut General Statutes.

No later than 30 days after the close of the taxpayer's income year, the taxpayer shall provide DECD with information regarding the number of new jobs created for the year and the income tax deducted and withheld

from the wages of such new employees and paid over to the state for such year. DECD shall issue an eligibility certificate which includes the amount of the tax credit certified for the year. For each new employee, the tax credit may be granted to a taxpayer for not more than five successive income years.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

Any taxpayer planning to claim this tax credit must first complete an application with DECD. DECD shall determine whether the taxpayer making the application is eligible for the tax credit and whether the proposed job growth: 1) is economically viable only with the use of the tax credit; 2) would provide a net benefit to the economic development and employment opportunities in the state; and 3) conforms to the state plan of conservation and development.

The application may be approved in whole or in part if DECD concludes that the increase in the number of jobs is economically viable only with the use of the tax credit and that the revenue generated due to the economic development and employment opportunities created in the state exceed the tax credit and any other tax credits to be taken.

Upon approval of the tax credit, DECD shall issue a tax credit allocation notice certifying that the tax credit will be available to be claimed by the taxpayer if the taxpayer otherwise meets the requirements of the statute.

How to Claim the Tax Credit

Complete **Form CT-1120 NJC**, *New Jobs Creation Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*. The tax credit shall be claimed in the income year in which it is earned.

Recapture

A taxpayer shall be required to recapture a percentage of the tax credit allowed if:

- The number of new employees on account of which a taxpayer claimed the tax credit decreases to less than the number for which DECD issued an eligibility certificate during any of the four years succeeding the first full income year following the issuance of an eligibility certificate; **and**
- Those employees are not replaced by other employees who have not been shifted from an existing location of the taxpayer or a related person in this state.

The taxpayer will be required to recapture a percentage of the tax credit as follows:

Year	Percentage
Recapture Year 1	90% of the tax credit allowed
Recapture Year 2	65% of the tax credit allowed for the entire period of eligibility
Recapture Year 3	50% of the tax credit allowed for the entire period of eligibility
Recapture Year 4	30% of the tax credit allowed for the entire period of eligibility

Where to Get Application and Additional Information

Direct inquires to:

Connecticut Department of Economic and
Community Development
505 Hudson Street
Hartford CT 06106
860-270-8045
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §12-217ii

Qualified Small Business Job Creation Tax Credit

This tax credit will not be allowed for any new employee hired by a qualified small business in any income year commencing on or after January 1, 2013. For information on tax credits available for new jobs created on or after January 1, 2012 through December 31, 2013, please see the Job Expansion Tax Credit section.

Description and Applicable Taxes

A tax credit is available for tax years beginning on or after January 1, 2010, and prior to January 1, 2013, for a qualified small business that hires a new employee. The tax credit may be applied against the tax imposed under Chapters 207, 208, or 229, other than the liability imposed by §12-707, of the Connecticut General Statutes.

Definitions

Qualified small business means an employer who employs less than 50 employees in Connecticut and is subject to tax under Chapters 207, 208, or 229 of the Connecticut General Statutes.

New employee means a person hired after May 6, 2010, by a qualified small business, but does not include a person who was employed in Connecticut by a person related to the qualified small business during the prior 12 months or a temporary or seasonal employee.

Tax Credit Amount

The tax credit is equal to \$200 per month for hiring a Connecticut resident. The new employee must be hired to fill a full-time job after May 6, 2010, and during the income years beginning on or after January 1, 2010, and before January 1, 2013. The tax credit can be claimed in the year of the hire and the next two income years.

No qualified small business may claim a tax credit for a new employee who is an owner, member, or partner in the business or who is not employed at the close of the income year of the qualified small business. No qualified small business may claim this tax credit and any other tax credit with respect to the same new employee.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

A qualified small business shall apply to the Department of Economic and Community Development (DECD) and shall provide DECD with a list of its primary activities, its NAICS code, the number of employees on the date of its application, and any other information that DECD requires with the application. Within 30 days of receiving the application, DECD shall render a decision on the application and shall issue a certification letter if the qualified small business' application is approved.

Flow-Through of the Tax Credit

If the qualified small business is an S corporation or an entity treated as a partnership for federal income tax purposes, then the tax credit may be claimed by the shareholders or partners. If the qualified small business is a single member limited liability company that is disregarded as an entity separate from its owner, then the tax credit may be claimed by its owner.

How to Claim the Tax Credit

Complete **Form CT-1120 SBJ**, *Qualified Small Business Job Creation Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

To take this tax credit against the tax imposed by Chapter 229 of the Connecticut General Statutes, see the applicable income tax instruction booklet.

Where to Get Additional Information

Direct inquires to:

Connecticut Department of Economic and
Community Development
Office of Business & Industry Development
Attn: Patricia Paesani
505 Hudson Street
Hartford CT 06106
860-270-8215
Patricia.paesani@ct.gov
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §12-217nn

Research and Development (Nonincremental) Expenses Tax Credit

Description and Applicable Taxes

A tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes for research and development expenses incurred in Connecticut.

Definitions

Qualified small business means 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 for purposes of the fixed capital investment tax credit.

Research and development expenses mean those expenses that may be deducted under IRC §174, as in effect on May 28, 1993, and basic research payments as defined under IRC §41, provided the expenditures and payments are:

- Paid or incurred for the research and experimentation and basic research conducted in Connecticut; **and**
- Not funded, as provided in IRC §41(d)(4)(H), by any grant, contract, or otherwise by a person or governmental entity other than the taxpayer unless the other person is included in a combined return with the person paying or incurring such expenses.

Research and development expenses may 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 incident to the development or improvement of a product including any pilot, model, process, formula, invention, technique, patent, or similar property. The product can be used by the corporation in its trade or business or can be held for sale, lease, or license; **or**
- Costs of obtaining a patent, such as attorneys' fees expended in making and perfecting a patent application.

The following are examples of IRC §174 expenses that **do not** qualify:

- Overhead and other expenses, such as general and administrative expenses, that relate to a corporation's activities as a whole and do not contribute directly to the research and development effort; **or**

- The ordinary testing or inspection of materials or products for quality control, for efficiency surveys, management studies, consumer surveys, advertising or promotions, for research in connection with literary, historical, or similar projects, and the costs of acquiring another's patent, model, production, or process.

Tax Credit Amount

A qualified small business is entitled to a tentative tax credit equal to 6% of its research and development expenses. All other companies calculate their tax credit as provided in the chart below:

Research and Development Expenses	Tentative Tax Credit Percentage
\$50 million or less	1%
More than \$50 million but not more than \$100 million	\$500,000 + 2% over \$50 million
More than \$100 million but not more than \$200 million	\$1,500,000 + 4% over \$100 million
More than \$200 million	\$5,500,000 + 6% over \$200 million

If it results in a greater tentative tax credit, companies headquartered in an Enterprise Zone, with revenues in excess of \$3 billion, employing more than 2,500 employees, shall multiply their research and development expenses by 3.5% instead of using the tax credit percentage listed above.

Connecticut Wage Base Reduction

Taxpayers that pay or incur more than \$200 million in research and development expenses in an income year must reduce their Research and Development tax credit if workforce reductions exceed certain percentages. To determine the extent of workforce reductions, the current Connecticut wage base is compared to a historic Connecticut wage base determined from the third full income year immediately preceding the current income year. The Connecticut wage base is calculated from the total wages assigned to Connecticut with exclusions for the ten most highly paid executives of the taxpayer.

The Research and Development tax credit must be reduced by the following percentages based on the extent of the workforce reduction from the historic wage base.

Workforce Wage Base Reduction Percentage	Reduction Percentage
Not more than 2%	0%
More than 2% but not more than 3%	10%
More than 3% but not more than 4%	20%
More than 4% but not more than 5%	40%
More than 5% but not more than 6%	70%
More than 6%	100%

How to Compute the Tax Credit

The allowable tax credit is the lesser of:

- One-third of the amount of the tax credit allowable for any income year; or
- The greater of:
 1. 50% of the taxpayer's tax liability, determined without regard to any tax credits allowed by this tax credit; **or**
 2. The lesser of 200% of the tax credit otherwise allowed for the income year or 90% of the taxpayer's tax liability, determined without regard to this tax credit.

Any taxpayer also claiming a corporation business tax credit on **Form CT-1120RC**, *Research and Expenses Tax Credit*, will reduce the amount of research and development expenses that might otherwise be taken into account in computing the allowable credit by the amount of the incremental increase in research and experimental expenditures, as computed on Form CT-1120RC.

Any taxpayer also claiming a corporation business tax credit on **Form CT-1120GC**, *Research and Development Tax Credit for Grants to Institutions of Higher Education*, will reduce the amount of research and development expenses that might otherwise be taken into account in computing the allowable credit by the amount of the incremental increase in grants, as computed on Form CT-1120GC.

Calculate the tax credit by multiplying the amount spent on research and development conducted in Connecticut by the appropriate percentage. The calculation reported on **Form CT-1120 RDC**, *Research and Development Credit*, must be entered on **Form CT-1120K**, *Business Tax Credit Summary*.

Combined Return Filers

In the case of a taxpayer filing **Form CT-1120CR**, *Combined Corporation Business Tax Return*, all allowances and limitations will be made on an aggregate basis for all taxpayers included in the combined return, provided, the tax credit attributable to a qualified small business may be taken only against the combined tax liability attributable to the qualified small business. The amount of the combined tax for all corporations properly included in a combined corporation business tax return that is attributable to a qualified small business will be in the same ratio to the combined tax that the net income apportioned to Connecticut of the qualified small business bears to the net income in the aggregate of all corporations included in the combined return. For the purposes of computing this ratio, any net loss apportioned to Connecticut by a corporation included in the combined return will be disregarded.

Carryforward and Carryback Limitations

Tax credits that are allowed but that exceed the limitation amounts may be carried forward to each successive income year until such credits are fully taken. All allowable tax credits from prior years must be carried forward and applied before the current year tax credit may be taken. No carryback is allowed.

How to Claim the Tax Credit

Complete Form CT-1120 RDC and attach it to Form CT-1120K. The following information should be attached to Form CT-1120 RDC:

- 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 the research is conducted;
- A full and complete description of the methods used to obtain the total expenditures and payments for research and experimentation and basic research conducted in Connecticut;
- A detailed description of each source of information used to compute the tax credit, including the methods and calculations of expense allocation, if any; **and**
- The job title and detailed description of each employee whose wages are included in the research expenses.

Exchange of Tax Credit for Refund

A qualified small business that cannot take this tax credit in a taxable year in which it could otherwise be taken, as a result of having no tax liability, may exchange the tax credit with the State of Connecticut for a tax credit refund equal to 65% of the value of the tax credit or may elect to carry the tax credit forward as indicated above.

For the purpose of exchanging tax credits, *qualified small business* means a company that has gross income for the previous year that does not exceed \$70 million and has not met the gross income test through transactions with a “related person” as defined in the Fixed Capital Investment tax credit summary. Note that while the definition of qualified small business contains a \$70 million gross income amount for tax credit exchange purposes, a \$100 million gross income amount is used to determine whether a taxpayer meets the definition of a qualified small business for the purposes of determining the correct tax credit percentage.

A qualified small business may receive no more than \$1,500,000 of tax credit refund for any one income year.

A qualified small business that reports no net income and pays the minimum tax of \$250 or the capital base tax under Conn. Gen. Stat. §12-219 is permitted to exchange this tax credit.

A qualified small business that wishes to exchange tax credits must complete **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*, and submit it with its return for the income year on or before the original due date or, if applicable, the extended due date of the return. No application for refund of the tax credit may be made after the due date or extended due date of the return.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106
1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or
860-297-5962 (from anywhere)
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §§12-217n and 12-217ee;
IRC §§41 and 174

Research and Experimental (Incremental) Expenditures Tax Credit

Description and Applicable Taxes

A tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes for the incremental increase in research and experimental expenditures conducted in Connecticut.

Definitions

Research and experimental expenditures as defined in §174 of the Internal Revenue Code of 1986, as amended, 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 incident to the development or improvement of a product, including any pilot model, process, formula, invention, technique, patent, or similar property. The product can be used by the corporation in its trade or business or can be held for sale, lease, or license; **or**
- Costs of obtaining a patent, such as attorneys' fees expended in making and perfecting a patent application.

The following are examples of expenses that **do not** qualify:

- Overhead and other expenses, such as general and administrative expenses, that relate to a corporation's activities as a whole and do not contribute directly to the research and development effort; **or**
- The ordinary testing or inspection of materials or products for quality control, for efficiency surveys, management studies, consumer surveys, advertising or promotions, for research in connection with literary, historical, or similar projects and the costs of acquiring another's patent, model, production, or process.

Tax Credit Amount

Multiply by 20% the excess of the research and experimental expenditures conducted in Connecticut during the current income year over the amount spent on such expenditures during the preceding income year.

Carryforward and Carryback Limitations

The tax credit shall be carried forward for 15 successive income years until the tax credit is fully taken. No carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120RC**, *Research and Experimental Expenditures Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*. The following information should be attached to Form CT-1120RC:

- 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 the research is conducted;
- A full and complete description of the methods used to obtain the amount spent directly on research and experimental expenditures conducted in Connecticut;
- A detailed description of each source of information used to compute the tax credit, including the methods and calculations of expense allocation, if any; **and**
- The job title and detailed description of each employee whose wages are included in the research expenditures.

Exchange of Tax Credit for Refund

A **qualified small business** that cannot take this tax credit in a taxable year in which it could otherwise be taken, as a result of having no tax liability, may exchange such tax credit with the State of Connecticut for a credit refund equal to 65% of the value of the tax credit or may elect to carry such tax credit forward as indicated above.

For the purpose of exchanging tax credits, **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 the gross income test through transactions with a "related person," as defined in the Fixed Capital Investment tax credit summary.

A qualified small business that reports no net income and pays the minimum tax of \$250 or the capital base tax under Conn. Gen. Stat. §12-219 is permitted to exchange this tax credit.

A qualified small business that wishes to exchange tax credits must complete **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*, and submit it with its return for the income year on or before the original due date or, if applicable, the extended due date of the return. No application for refund of the tax credit may be made after the due date or extended due date of the return.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106
1-800-382-9463 (Connecticut calls outside the
Greater Hartford calling area only), or
860-297-5962 (from anywhere)
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §§12-217j and 12-217ee;
IRC §174

Research and Development Tax Credit for Grants to Institutions of Higher Education

Description and Applicable Taxes

A tax credit may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes for the incremental increase in amounts spent by a corporation for any grant or combination of grants to any institution of higher education in Connecticut made for the purposes of research and development related to advancements in technology.

Definitions

Institution of higher education means any public or nonprofit institution in Connecticut that:

- Admits regular students having a certificate of graduation from high school or equivalent certificate;
- Is licensed, accredited, or approved by the Board of Governors of Higher Education to provide a program beyond high school education; **and**
- Provides an educational program in Connecticut for which it awards a bachelor's or higher degree, or provides a program towards gainful employment.

Research and development related to advancements in technology means development of new products, development of new uses for existing products, and improving methods for producing products.

Research and development related to advancements in technology 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.

Tax Credit Amount

The tax credit is equal to 25% of the excess of the current income year's expenditures for research and development grants to institutions of higher education over the average expenditures for such grants during the three immediately preceding income years.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120GC**, *Research and Development Tax Credit for Grants to Institutions of Higher Education*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106
1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or
860-297-5962 (from anywhere)
www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §12-217f

Service and Manufacturing Facilities Tax Credit

Description and Applicable Taxes

A tax credit may be applied against the portion of the tax imposed under Chapter 208 of the Connecticut General Statutes that is allocable to a Manufacturing Facility or Service Facility that meets certain employment criteria. The amount of the tax credit varies depending on the location of the facility and the number of employees. For income years beginning on or after January 1, 2012, the tax credit available to Manufacturing Facilities shall be available to Eligible Facilities under the same terms and conditions.

This tax credit is administered by the Department of Economic and Community Development (DECD). The tax 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. If within the ten year period the facility ceases to qualify as a Manufacturing Facility or Service Facility or the taxpayer ceases to occupy the property, the entitlement to the tax credit terminates and there is no pro-rata application of the tax credit during the income year in which the entitlement or occupancy terminates.

Definitions

Manufacturing Facility, as fully defined in Conn. Agencies Regs. §32-9p-5, means any plant, building, or other real property improvement that is constructed, renovated, expanded, or acquired in a distressed municipality, a Targeted Investment Community, an Enterprise Zone, or an Airport Development Zone and that is used for one of the following purposes:

- Manufacturing, processing, or assembling of raw materials, parts or manufactured products;
- The significant servicing, overhauling, or rebuilding of machinery and equipment for industrial use;
- If the facility is newly constructed, the warehousing and distribution in bulk of manufactured products on other than a retail basis; **or**
- Research and development facilities directly related to manufacturing.

Manufacturing Facility also includes any plant, building, or other real property improvement that is located in an Enterprise Zone, that does not regularly conduct business with the general public, and that is engaged in, or is a:

- Fishing, Hunting and Trapping;
- Port and Harbor Operations and Marine Cargo Handling;

- Packing and Crating;
- Refrigerated, Farm Product, or Other Warehousing and Storage, but not General Warehousing and Storage;
- Software Publishing;
- Motion Picture and Video Production or Distribution, Teleproduction, and Other Postproduction Services;
- Credit Card Issuing, International Trade Financing, Secondary Market Financing, Other Nondepository Credit Intermediation, or Activities Related to Credit Intermediation;
- Securities and Commodity Exchanges, Contracts, Intermediation, and Brokerage;
- Miscellaneous Intermediation;
- Insurance Carriers;
- Third Party Administration of Insurance and Pension Funds;
- Research and Development in the Physical, Engineering and Life Sciences;
- Management of Companies and Enterprises;
- Telemarketing Bureaus and Other Contact Centers;
- Colleges, Universities, Professional Schools, Business Schools, Computer and Management Training, Apprenticeship Training, Other Technical and Trade Schools, or Educational Support Services;
- Child Day Care Services;
- Grouping of industries linked together through customer, supplier, or other relationships;
- If in certain Enterprise Zones, supplying goods or services in the field of computer hardware or software, computer networking, telecommunications, or communications;
- If in an Entertainment District, the production of entertainment products; **or**
- If in an Airport Development Zone, an Eligible Facility.

Service Facility means a plant, building, or other real property improvement that is located in a Targeted Investment Community but is **not** located in an Enterprise Zone, that does not regularly conduct business with the general public, and that is engaged in, or is a:

- Fishing, Hunting and Trapping;
- Port and Harbor Operations and Marine Cargo Handling;
- Packing and Crating;
- Refrigerated, Farm Product, or Other Warehousing and Storage, but not General Warehousing and Storage;
- Software Publishing;
- Motion Picture and Video Production or Distribution, Teleproduction, and Other Postproduction Services;

- Credit Card Issuing, International Trade Financing, Secondary Market Financing, Other Nondepository Credit Intermediation, or Activities Related to Credit Intermediation;
- Securities and Commodity Exchanges, Contracts, Intermediation, and Brokerage;
- Miscellaneous Intermediation;
- Insurance Carriers;
- Third Party Administration of Insurance and Pension Funds;
- Research and Development in the Physical, Engineering and Life Sciences;
- Management of Companies and Enterprises;
- Telemarketing Bureaus and Other Contact Centers;
- Colleges, Universities, Professional Schools, Business Schools, Computer and Management Training, Apprenticeship Training, Other Technical and Trade Schools, or Educational Support Services;
- Child Day Care Services;
- Grouping of industries linked together through customer, supplier, or other relationships;
- If in certain Enterprise Zones, supplying goods or services in the field of computer hardware or software, computer networking, telecommunications, or communications;
- If in an Entertainment District, the production of entertainment products; **or**
- If in an Airport Development Zone, an Eligible Facility.

Eligible Facility means, for income years beginning on or after January 1, 2012, a facility located in an Airport Development Zone that is used for the warehousing or distribution of goods transported to an airport or is otherwise directly related to such airport other than a facility used by an organization with a NAICS code of 441110 to 454390 inclusive, 532111, 532112, or 812930.

Targeted Investment Community means a municipality with an Enterprise Zone designated under Conn. Gen. Stat. §32-70. Enterprise Corridor Zone municipalities and those municipalities containing a Contiguous Municipality Zone, a Defense Plant Zone, or a Manufacturing Plant Zone are not considered to be Targeted Investment Communities.

Enterprise Zone means any area designated by DECD as an Enterprise Zone.

Areas that are currently designated as Enterprise Zones are situated within the following municipalities:

Bridgeport	Meriden	Norwich
Bristol	Middletown	Southington
East Hartford	New Britain	Stamford
Groton	New Haven	Waterbury
Hamden	New London	Windham
Hartford	Norwalk	

A Targeted Investment Community may have only one Enterprise Zone. However, a Targeted Investment Community may, with approval of DECD and if certain conditions are met, designate other areas within the municipality as having the equivalent of Enterprise Zone level benefits. These designations include:

- **Entertainment District.** Once a municipality has been designated as having an entertainment district, projects within the Targeted Investment Community that are eligible for Enterprise Zone benefits include but are not limited to facilities producing live or recorded multimedia, and any support business needed to support such projects. The cities of Bridgeport, New Britain, Stamford, and Windham are communities that have this designation.
- **Qualified Manufacturing Plant.** A qualified manufacturing plant is a manufacturing plant having an area of at least 500,000 square feet outside of an Enterprise Zone. The Town of Bristol and the City of New Britain are communities that have facilities with this designation.
- **Railroad Depot Zone.** A Targeted Investment Community with an abandoned or underutilized railroad depot area, outside of the Enterprise Zone, may qualify as a Railroad Depot Zone. A railroad depot is an area that abuts an active or inactive rail line and contains manufacturing or warehousing facilities that were originally dependent on railroad access to operate. East Hartford, Hamden, and Norwich contain Railroad Depot Zones.

In addition, the following are designated as having Enterprise Zone level benefits:

- **Bioscience Enterprise Corridor Zone.** Businesses engaged in biotechnology, pharmaceutical or photonics research, development, or production, with not more than 300 employees, located in a municipality with a major research university with programs in biotechnology, pharmaceuticals, or photonics, and an Enterprise Zone, are entitled to Enterprise Zone level benefits.

- **Enterprise Corridor Zones.** Enterprise Corridor Zones are located along Route 8 in the state's Naugatuck Valley and Interstate 395 in the eastern region of the state.

The municipalities designated by DECD as located within Enterprise Corridor Zones are:

Ansonia	Lisbon	Sprague
Beacon Falls	Naugatuck	Sterling
Derby	Plainfield	Thompson
Griswold	Putnam	Torrington
Killingly	Seymour	Winchester

- **Contiguous Municipality Zone.** The Town of Plainville contains Connecticut's only designated Contiguous Municipality Zone.
- **Defense Plant Zone.** The Town of Stratford and the Town of Cheshire contain Connecticut's only Defense Plant Zones.
- **Manufacturing Plant Zone.** The Town of Bloomfield contains Connecticut's only designated Manufacturing Plant Zone.
- **Airport Development Zone.** Enumerated census blocks of Windsor Locks, Suffield, East Granby, and Windsor contain an Airport Development Zone. The Connecticut Airport Authority may establish additional Airport Development Zones.

New Employee means a person hired by the taxpayer to fill a position for a new job or a person shifted from an existing location of the taxpayer outside Connecticut to a facility located in Connecticut, provided the total number of new employees allowed for purposes of this tax credit will not exceed the total increase in the taxpayer's employment in Connecticut. The increase in the taxpayer's employment will be the difference between the number of employees employed in Connecticut at the time of application for this tax credit and the highest number of employees employed by the taxpayer in Connecticut in the year preceding the taxpayer's application for this tax credit. To be considered a new employee, the person's duties in connection with the operation of the facility must be on a regular, full-time, and permanent basis.

New job means a job that did not exist in the business of a taxpayer in Connecticut prior to the taxpayer's application for this tax credit and that is filled by a new employee. A new job does **not** include a job created when an employee is shifted from an existing location within Connecticut.

Tax Credit Amount

To calculate the tax credit allowed, a Service Facility or Manufacturing Facility shall multiply the applicable tax credit percentage by: 1) the corporation business tax

imposed on the taxpayer, and 2) the arithmetical mean of the property fraction and the wages fraction.

Property fraction numerator

Determine the average monthly net book value of the Connecticut Service Facility or Manufacturing Facility and the machinery and equipment acquired for and installed therein without reduction for any encumbrance. If the facility is rented, calculate the value of the rental by multiplying the annual gross rents payable during the income year by eight.

Property fraction denominator

Determine the average monthly net book value of all real property and machinery and equipment located in Connecticut and the value of all real property and machinery and equipment rented by the corporation in Connecticut.

Wages fraction numerator

Determine the wages, salaries, and compensation of employees whose positions are directly attributable to the facility if **all** of the following are true:

- The work is performed or the base of operations is at the facility;
- The position did not exist prior to the acquisition, construction, renovation, or expansion of the facility; **and**
- If not for the acquisition, construction, renovation, or expansion of the facility, the position would not have existed.

Wages fraction denominator

Determine the wages, salaries, and compensation paid to all Connecticut employees.

Tax Credit Percentages

- **Service Facility**

For a Service Facility, there are six different tax credit percentages as provided in the chart below. The percentage varies depending upon the number of new employees occupying the facility:

Number of New Employees Working at the Facility	Tax 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%

- **Manufacturing Facility**

For a Manufacturing Facility, the tax credit amount applied against the Connecticut corporation business tax is 50% of the tax allocable to the facility if it meets the employment criteria outlined below and is located within a designated Enterprise Zone, or other area designated as having Enterprise Zone level benefits. The tax credit for a Manufacturing Facility is 25% of the tax allocable to the facility if it does not meet the employment criteria or if it is located within a Targeted Investment Community but is **not** located in an Enterprise Zone.

To qualify for the 50% tax credit, the corporation must, during the last quarter of its income year, either:

- Employ 150 or more full-time employees who at the time of employment were:
 1. Residents of the Enterprise Zone (or other area having Enterprise Zone level benefits); **or**
 2. Residents of the municipality who are eligible for training under the federal Workforce Investment Act (WIA);

OR

- Have 30% or more of its full-time employment positions directly attributable to the Manufacturing Facility held by employees who at the time of employment were:
 1. Residents of the Enterprise Zone (or other area having Enterprise Zone level benefits); **or**
 2. Residents of the municipality who are eligible for training under the federal WIA.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

A taxpayer may call DECD at 860-270-8143 and request the Urban Jobs/Enterprise Zone Program questionnaire in order to determine whether its Manufacturing Facility or Service Facility qualifies for the tax credit.

Upon review of the completed questionnaire, a DECD staff representative will contact the taxpayer to explain the program and the formal application process.

Once the formal application is approved, DECD will issue to the taxpayer Forms UT-4, Eligibility Certificate for Urban Jobs Benefits, and UT-9, Claim for Corporate Business Tax Credit Under the Provisions of the Enterprise Zone Program.

How to Claim the Tax Credit

For a Service Facility, complete **Form CT-1120SF**, *Service Facility Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

For a Manufacturing Facility, complete **Form CT-1120 TIC/EZ**, *Manufacturing Facility Tax Credit for Facilities Located in a Targeted Investment Community/Enterprise Zone*, and attach it to Form CT-1120K.

Where to Get Additional Information

Direct any inquiries to:

Connecticut Department of Economic and
Community Development
505 Hudson Street
Hartford CT 06106-7107
860-270-8143
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §§12-217e, 32-9p, and 32-70;
Conn. Agencies Regs. §32-9p-5

Enterprise Zone Tax Credit for Qualifying Corporations

Description and Applicable Taxes

A tax credit administered by the Department of Economic and Community Development (DECD) may be applied against the tax imposed under Chapter 208 of the Connecticut General Statutes by a qualifying corporation established in an area designated for Enterprise Zone level benefits and that meets certain employment levels.

Definitions

Qualifying corporation means a corporation that is created on or after January 1, 1997, in an Enterprise Zone or other area designated as having Enterprise Zone level benefits, and which either:

- Has 375 or **more** employees, at least 40% of whom:
 1. Are residents of the municipality in which the Enterprise Zone is located; **and**
 2. Qualify under the federal Workforce Investment Act (WIA);

OR

- Has **fewer** than 375 employees, at least 150 of whom:
 1. Are residents of the municipality in which the Enterprise Zone is located; **and**
 2. Qualify under the federal WIA.

Enterprise Zone has the same meaning as defined in the Service and Manufacturing Facilities tax credit summary.

Tax Credit Amount

The tax credit amount is equal to:

- 100% of the corporation business tax liability in years 1 through 3; **and**
- 50% of the corporation business tax liability in years 4 through 10.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

Corporations may call DECD at 860-270-8143 and request the Enterprise Zone Program pre-application questionnaire.

Upon review of the completed pre-application questionnaire, a DECD staff representative will contact the corporation to discuss the program further and to explain the formal application process. Completion of the pre-application questionnaire does not constitute a formal application for the tax credit.

Once a formal application is approved, DECD will issue to the corporation Forms UT-4, Eligibility Certificate for Enterprise Zone Benefits, and UT-9, Claim for Corporate Business Tax Credit Under the Provisions of the Enterprise Zone Program.

How to Claim the Tax Credit

Enter the available tax credit on **Form CT-1120K**, *Business Tax Credit Summary*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
505 Hudson Street
Hartford CT 06106
860-270-8143
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §12-217v

Urban and Industrial Site Reinvestment Tax Credit

Description and Applicable Taxes

A tax credit is available to be applied against any combination of the taxes imposed under Chapters 207, 208, 208a, 209, 210, 211, 211a, 211b, 212, 212a, or Section 38a-743 of the Connecticut General Statutes for investments in eligible industrial site investment projects or eligible urban reinvestment projects. This tax credit is administered by the Department of Economic and Community Development (DECD).

DECD may register managers of funds and community development entities created for the purpose of investing in eligible urban reinvestment projects and eligible industrial site investment projects. Any fund manager or community development entity will have its primary place of business in Connecticut. Any fund manager registered under the Insurance Reinvestment Fund tax credit on or before July 1, 2000, will be eligible to serve as a fund manager for purposes of this tax credit.

No taxpayer will be eligible for this tax credit and the tax credit for manufacturing and service facilities or the Insurance Reinvestment Fund tax credit for the same investment. No two taxpayers will be eligible for any tax credit with respect to the same investment or the same project costs.

Definitions

Investment means all amounts invested in an eligible project by or on behalf of a taxpayer whether directly, through a fund, or through a community development entity, including but not limited to equity investments made by the taxpayer and loans.

Project means the acquisition, leasing, demolition, remediation, construction, renovation, expansion or other development, or redevelopment of real property and improvements within Connecticut, including furniture, fixtures, equipment, associated interest and financing costs, relocation costs, start-up costs, architectural, engineering, legal and other professional services, plans, specifications, surveys, permits, and studies necessary to the project. For a contractually-bound community development entity, a project shall not include any activities, costs, or services not included in the allocation agreement with the community development financial institutions.

Contractually-bound community development entity means a community development entity that has entered into an allocation agreement with the community

development financial institutions fund under IRC §45D and whose service area includes this state.

Eligible industrial site investment project means a project located in Connecticut for the development or redevelopment of real property:

- That has been subject to a spill, as defined in Conn. Gen. Stat. §22a-452c, is an establishment, as defined in Conn. Gen. Stat. §22a-134(3), as amended, or is a facility, as defined in 42 USC §9601(9);
- That, if remediated, renovated, or demolished in accordance with applicable law and regulations and the standards of remediation of the Department of Environmental Protection and used for business purposes will add significant new economic activity and employment in the municipality in which the investment is to be made and will generate additional tax revenues to Connecticut;
- For which the use of the urban and industrial site reinvestment program will be necessary to attract private investment to the project;
- The business use of which would be economically viable and would generate direct and indirect economic benefits to Connecticut that exceed the amount of the investment during the period for which the tax credits are granted; **and**
- That is, in the judgment of DECD, consistent with the strategic economic development priorities of the state and the municipality.

Eligible urban reinvestment project means a project:

- That would add significant new economic activity and new jobs in a new facility in the eligible municipality in which the project is located and will generate significant additional tax revenues to the state or the municipality;
- For which the use of the urban and industrial site reinvestment program will be necessary to attract private investment to an eligible municipality;
- That is economically viable;
- For which the direct and indirect economic benefits to the state outweigh the costs of the project; **and**
- That is, in the judgment of DECD, consistent with the strategic economic development priorities of the state and the municipality.

Tax Credit Amount

The tax credit is allowable over ten years as follows:

- The income year in which the investment was made and the two succeeding income years, 0%;

- The third full income year following the year in which the investment was made and the three succeeding income years, 10%; **and**
- The seventh full income year following the year in which the investment was made and the two succeeding income years, 20%.

Carryforward and Carryback Limitations

The tax credit may be carried forward for the five immediately succeeding income years until the full tax credit has been taken. No carryback is allowed. An assignee is entitled to carry forward any unused tax credit as provided in the statute.

How to Apply

Any taxpayer, fund manager, or community development entity wishing to make an investment may call DECD at 860-270-8045 and request the Urban and Industrial Site Reinvestment Program pre-application.

Upon review of the completed pre-application, a DECD staff representative will contact the taxpayer, fund manager, or community development entity to discuss the program further and to explain the formal application process. The completion of the pre-application does not constitute a formal application for the tax credit.

Once a formal application is approved, DECD will issue a certificate of eligibility certifying that the applicant has complied with the provisions of this tax credit.

The tax credit may be claimed by a taxpayer who has made an investment:

- Directly of at least \$5 million in a qualified urban or industrial site project;
- Directly of at least \$2 million in a project that preserves a historic facility and redevelops the facility for mixed uses that includes at least four housing units;
- Directly of at least \$50 million in a municipality approved by DECD;
- Through a DECD approved fund manager with a fund that has a total asset value of at least \$60 million for the income year in which the initial tax credit is taken and not less than three investors who are not related persons; **or**
- Through a DECD approved community development entity.

Assignment and Transfer

Any taxpayer allowed an urban and industrial reinvestment tax credit (assignor) may assign the tax credit to another taxpayer or taxpayers (assignees). The tax credit allowed for each income year during the ten year period discussed in the *Tax Credit Percentage* section may

be separately assigned for that income year. Assignees of the tax credit must claim the tax credit in the same tax year that the assignor would have been eligible to claim the tax credit. An assignee may not further assign the tax credit.

How to Claim the Tax Credit

Complete **Form CT-UISR**, *Urban and Industrial Site Reinvestment Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

A taxpayer claiming this tax credit may claim all or part of the tax credit in the first income year that the tax credit is available to be claimed (the "First Year") or in any of the five immediately succeeding income years. The amount of tax credit earned but not claimed in the First Year shall be available to be claimed during the five immediately succeeding income years.

Recapture

No later than July 1 in each year that tax credits are claimed, DECD may conduct a study to estimate the state revenue generated by the eligible project in which the investment is made. If the sum of all state revenue actually generated by the project is less than the amount of the total sum of tax credits claimed on the date of the analysis, DECD may determine an applicable recapture amount and may revoke the certificate of eligibility.

Any taxpayer that has claimed tax credits related to a project for which DECD has revoked the certificate of eligibility will be required to recapture its pro-rata share of the recapture amount, and no subsequent tax credit will be allowed unless the certificate of eligibility is reinstated. The amount of the tax credit that the taxpayer is required to recapture varies depending upon the year in which the tax credit is required to be recaptured as follows:

Year	Percentage
Year 4	90%
Year 5	65%
Year 6	50%
Year 7	30%
Year 8	20%
Years 9-10	10%

The Department of Revenue Services (DRS) may recapture the tax credit first from any taxpayer who claimed the tax credit, then from any taxpayer who assigned the tax credit, and finally, from any fund through which the investment was made.

For a contractually-bound community development entity, tax credit recapture shall be determined under the terms of the allocation agreement with the community development financial institutions fund under IRC §45D.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
505 Hudson Street
Hartford CT 06106-7107
860-270-8045
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §32-9t

Small Business Guaranty Fee Tax Credit

This tax credit will not be available for income years beginning on or after January 1, 2014.

Description and Applicable Taxes

A tax credit is allowed against the tax imposed under Chapter 208 of the Connecticut General Statutes in an amount equal to the amount paid during the income year by a small business to the federal Small Business Administration as a guaranty fee to obtain guaranteed financing.

Definition

Small business means any business entity qualifying as a small business under 13 CFR Part 121, which has gross receipts of \$5 million or less for the income year in which the tax credit is first allowed.

Tax Credit Amount

The tax credit is equal to the amount paid during the income year as a guaranty fee to the federal Small Business Administration.

Carryforward and Carryback Limitations

Any unused amount of the tax credit may be carried forward to any of the four succeeding income years. No carryback is allowed.

How to Claim the Tax Credit

Complete **Form CT-1120 SBA**, *Small Business Administration Guaranty Fee Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Revenue Services
Taxpayer Services Division
25 Sigourney St Ste 2
Hartford CT 06106

1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only), or

860-297-5962 (from anywhere)

www.ct.gov/DRS

Statutory and Regulatory References

Conn. Gen. Stat. §12-217cc

Vocational Rehabilitation Job Creation Tax Credit

This tax credit will not be allowed for any new qualifying employee hired in any income year commencing on or after January 1, 2012. For information on tax credits available for new jobs created on or after January 1, 2012 through December 31, 2013, please see the Job Expansion Tax Credit section.

Description and Applicable Taxes

A tax credit is available for tax years beginning on or after January 1, 2010, for an employer that hires a new qualifying employee. The tax credit may be applied against the tax imposed under Chapters 207, 208, or 229, other than the liability imposed by §12-707, of the Connecticut General Statutes.

Definitions

New qualifying employee means a person who is receiving vocational rehabilitation services from the Bureau of Rehabilitative Services and is hired after May 6, 2010, during the employer's income years beginning on or after January 1, 2010 and prior to January 1, 2012, but does not include a person who was employed in Connecticut by a person related to the employer during the prior 12 months.

Tax Credit Amount

The tax credit is equal to \$200 per month for hiring a new qualifying employee who is a Connecticut resident. The new employee must be hired after May 6, 2010, and during the income years beginning on or after January 1, 2010 and prior to January 1, 2012. The new qualifying employee must be required to work at least 20 hours per week for 48 weeks or more annually. The tax credit can be claimed in the year of the hire and the next two income years.

No employer may claim a tax credit for a new employee who is an owner, member, or partner in the business or who is not employed at the close of the income year of the qualified small business. No employer may claim this tax credit and any other tax credit with respect to the same new qualifying employee.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

An employer shall apply to the Department of Economic and Community Development (DECD) and shall provide DECD with a list of its primary activities, its NAICS Code, the name and position of the new qualifying employee, and any other information that DECD requires with its application. Within 30 days of receiving the application, DECD shall render a decision on the application and shall issue a certification letter if the employer's application is approved.

Flow-Through of the Tax Credit

If the qualified small business is an S corporation or an entity treated as a partnership for federal income tax purposes, then the tax credit may be claimed by the shareholders or partners. If the qualified small business is a single member limited liability company that is disregarded as an entity separate from its owner, then the tax credit may be claimed by its owner.

How to Claim the Tax Credit

Complete **Form CT-1120 VRJ**, *Vocational Rehabilitation Job Creation Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

To take this tax credit against the tax imposed by Chapter 229 of the Connecticut General Statutes, see the applicable income tax instruction booklet.

Where to Get Additional Information

Direct inquiries to:

Connecticut Department of Economic and
Community Development
Office of Business & Industry Development
Attn: Patricia Paesani
505 Hudson Street
Hartford CT 06106
860-270-8215
Patricia.paesani@ct.gov
www.ct.gov/ecd

Statutory and Regulatory References

Conn. Gen. Stat. §12-217oo

Job Expansion Tax Credit

Description and Applicable Taxes

A tax credit is available for income years beginning on or after January 1, 2012 for taxpayers that hire new employees to fill new jobs after January 1, 2012 and before January 1, 2014. The tax credit can be claimed against the taxes imposed under chapters 207, 208, 212, or 229 (other than Conn. Gen. Stat. §12-707) of the Connecticut General Statutes.

This tax credit is administered by the Connecticut Department of Economic and Community Development (DECD). Any taxpayer interested in obtaining this tax credit must apply to DECD.

Definitions

Full-time job means a job in which an employee is required to work at least thirty-five hours per week for not less than forty-eight weeks in a calendar year. "Full-time job" does not include a temporary or seasonal job.

New employee means a person who resides in this state and is hired by a taxpayer on or after January 1, 2012, and prior to January 1, 2014, to fill a new job. "New employee" does not include a person who was employed in this state by a related person with respect to a taxpayer during the prior twelve months.

New job means a job that did not exist in this state prior to a taxpayer's application to DECD for certification under this section for a job expansion tax credit, is filled by a new, qualifying or veteran employee, and 1) is a full-time job, or 2) in the case of a qualifying employee, is a job in which an employee is required to work at least twenty hours per week for not less than forty-eight weeks in a calendar year.

Qualifying employee means a new employee who, at the time of hiring by the taxpayer: 1) is receiving unemployment compensation; 2) has exhausted unemployment compensation benefits and has not had an intervening full-time job; or 3) is receiving vocational rehabilitation services from the Bureau of Rehabilitative Services.

Related person means 1) a corporation, limited liability company, partnership, association or trust controlled by the taxpayer, 2) an individual, corporation, limited liability company, partnership, association or trust that is in control of the taxpayer, 3) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the taxpayer, or 4) a member of the same controlled group as the taxpayer.

Taxpayer means a person that has been in business for at least twelve consecutive months prior to the date of the taxpayer's application to the commissioner for certification under this section for a Job Expansion Tax Credit, and is subject to tax under chapter 207, 208, 212 or 229 of the Connecticut General Statutes.

Veteran employee means a new employee who, at the time of hiring by the taxpayer, is a member of, was honorably discharged from or released under honorable conditions from active service in the armed forces, as defined in section 27-103 of the general statutes.

Tax Credit Amount

The amount of the tax credit is:

- \$500 per month for each new employee.
- \$900 per month for each veteran employee or qualifying employee.

The tax credit can be claimed in the year of the hire and the next two income years. Any tax credit not claimed by a taxpayer in an income year shall expire and is not refundable.

Taxpayers must create a minimum number of new jobs to be eligible for the tax credit. The required number of new jobs depends upon the number of employees the taxpayer employs in full-time jobs in Connecticut on the date of the application to DECD. Specifically:

- For taxpayers that employ not more than fifty employees in full-time jobs in Connecticut on the date of application, the creation of at least one new job in Connecticut is required.
- For taxpayers that employ more than fifty, but not more than one hundred employees in full-time jobs in Connecticut on the date of application, the creation of at least five new jobs in Connecticut is required.
- For taxpayers that employ more than one hundred employees in full-time jobs in Connecticut on the date of application, the creation of at least ten new jobs in Connecticut is required.

No taxpayer shall claim a tax credit for any new, qualifying or veteran employee who is an owner, member or partner in the business or who is not employed by the taxpayer at the close of the taxpayer's income year.

No taxpayer claiming the tax credit with respect to a new, qualifying or veteran employee shall claim any tax credit against any tax under any other provision of the Connecticut General Statutes with respect to the same new, qualifying or veteran employee.

Carryforward and Carryback Limitations

No carryforward or carryback is allowed.

How to Apply

To be eligible to claim the tax credit, a taxpayer must apply to DECD. The taxpayer must provide DECD with a description of its primary activities, its NAICS Code, the number of employees it employs on the date of the application, the name and position or job title of the new, qualifying or veteran employee, if applicable, and any other information that DECD requires with its application. Within 30 days of receiving the application, DECD shall render a decision on the application and shall issue a certification letter if the taxpayer's application is approved.

DECD may impose a fee for such application.

Flow-Through of the Tax Credit

If the taxpayer is an S corporation or an entity treated as a partnership for federal income tax purposes, then the tax credit may be claimed by the shareholders or partners. If the taxpayer is a single member limited liability company that is disregarded as an entity separate from its owner, then the tax credit may be claimed by its owner.

How to Claim the Tax Credit

Complete **Form CT-1120 JET**, *Job Expansion Tax Credit*, and attach it to **Form CT-1120K**, *Business Tax Credit Summary*, and/or **Form CT-207K**, *Insurance/Health Care Tax Credit Schedule*.

To take this tax credit against the tax imposed by Chapter 229 of the Connecticut General Statutes, see the applicable income tax instruction booklet.

Where to Get Additional Information

Direct any inquiries to:

Connecticut Department of Economic and
Community Development
505 Hudson Street
Hartford CT 06106-7107
860-270-8143
www.ct.gov/ecd

Statutory and Regulatory References

2011 Conn. Pub. Act. 1, §19 (Oct. Spec. Sess.)

Credit Chart

Credit Name	Statutory Authority	Credit May be Applied Against Tax Imposed Under Conn. Gen. Stat.	Additional Notes
Apprenticeship Training Tax Credit in Manufacturing, Plastics, Plastics-Related, or Construction Trades	§12-217g	Ch 208	
Computer Donation Tax Credit	§10-228b	Chs 207, 208, 209, 210, 211, 212	Credit will not be available for income years beginning on or after January 1, 2014.
Digital Animation Tax Credit	§12-217ll	Chs 207, 208	Assignable
Displaced Electric Worker Tax Credit	§12-217bb	Ch 208	
Displaced Worker Tax Credit	§12-217hh	§§12-202, 12-210 or Chs 208, 212	Credit may not be applied against tax imposed under §12-202a.
Donation of Land Tax Credits	§§12-217dd, 12-217ff	§12-217	
Electronic Data Processing Equipment Property Tax Credit	§12-217t	Chs 207, 208, 208a, 209, 210, 211, 212	
Enterprise Zone Tax Credit for Qualifying Corporations	§12-217v	Ch 208	
Film Production Infrastructure Tax Credit	§12-217kk	Chs 207, 208	Assignable
Film Production Tax Credit	§12-217jj	Chs 207, 208	Assignable with certain limits
Financial Institutions Tax Credit	§12-217u	Ch 208	Credit will not be available for income years beginning on or after January 1, 2014.
Fixed Capital Investment Tax Credit	§12-217w	Ch 208	
Green Buildings Tax Credit	§12-217mm	Ch 208	Assignable. Credit will be available for tax years beginning on or after January 1, 2012.
Hiring Incentive Tax Credit	§12-217y	Ch 208	
Historic Preservation Tax Credit	§10-416b	Chs 207, 208, 209, 210, 211, 212	Assignable. Formerly referred to as the Historic Investment Tax Credit.
Historic Homes Rehabilitation Tax Credit	§10-416	Chs 207, 208, 209, 210, 211, 212	Not assignable

Credit Name	Statutory Authority	Credit May be Applied Against Tax Imposed Under Conn. Gen. Stat.	Additional Notes
Historic Structures Rehabilitation Tax Credit	§10-416a	Chs 207, 208, 209, 210, 211, 212	Assignable
Housing Program Contribution Tax Credit	§8-395	Chs 207, 208, 209, 210, 211, 212	
Human Capital Investment Tax Credit	§12-217x	Ch 208	
Insurance Reinvestment Fund Tax Credit	§38a-88a	§38a-743 or Chs 207, 208, 229	Assignable. Credit is only available if new investment criteria are met.
Job Expansion Tax Credit	2011 Conn. Pub. Act 1, §19 (Oct. Spec. Sess.)	Chs 207, 208, 209, 212, 229	Credit is limited to employees hired between January 1, 2012 and December 31, 2013. Credit may not be applied against tax imposed under §12-707.
New Insurance Reinvestment Fund Tax Credit	§38a-88a	Ch 207	Assignable only to an affiliate
Machinery and Equipment Expenditure Tax Credit	§12-217o	Ch 208	
Neighborhood Assistance Act Program Tax Credit	§§12-631 through 12-638	Chs 207, 208, 209, 210, 211, 212	Credit can be earned by an entity subject to tax imposed under Ch. 213a but cannot be applied against tax imposed under Ch. 213a.
New Jobs Creation Tax Credit	§12-217ii	§§12-202, 12-210 or Chs 208, 212	Credit may not be applied against tax imposed under §12-202a. DECD will not issue eligibility certificates after December 31, 2011.
Qualified Small Business Job Creation Tax Credit	§12-217nn	Chs 207, 208, 229	Credit not available for income years beginning on or after January 1, 2013. May not be applied against tax imposed under §12-707.
Research and Experimental (Nonincremental) Expenses Tax Credit	§12-217n	Ch 208	Exchangeable
Research and Development Tax Credit for Grants to Institutions of Higher Education	§12-217l	Ch 208	
Research and Experimental (Incremental) Expenditures Tax Credit	§12-217j	Ch 208	Exchangeable
Service and Manufacturing Facilities Tax Credit	§12-217e	Ch 208	
Small Business Guaranty Fee Tax Credit	§12-217cc	Ch 208	Credit will not be available for income years beginning on or after January 1, 2014.
Urban and Industrial Site Reinvestment Tax Credit	§32-9t	§38a-743 or Chs 207, 208, 208a, 209, 210, 211, 211a, 211b, 212, 212a	Assignable
Vocational Rehabilitation Job Creation Tax Credit	§12-217oo	Chs 207, 208, 229	Credit may not be applied against tax imposed under §12-707. Credit cannot be earned for employees hired during income years beginning on or after January 1, 2012.



Choose to file returns, pay amounts due, and direct deposit refunds electronically using the TSC. It's fast and free!

Internet	<p align="center">Tax Information</p> <p>The <i>TSC</i> includes a comprehensive <i>FAQ</i> database with more than 600 searchable answers. Search by category, tax type, keyword, or phrase.</p>	<p align="center">Forms and Publications</p> <p>Connecticut forms and publications may be viewed, downloaded, or printed by visiting www.ct.gov/DRS the DRS website.</p>	Internet				
Phone	<p>For telephone assistance, call our Taxpayer Services Division at 800-382-9463 (Connecticut calls outside the Greater Hartford calling area only); or 860-297-5962 (from anywhere).</p>	<p>800-382-9463 (Connecticut calls outside the Greater Hartford calling area only) and select Option 2; or 860-297-4753 (from anywhere).</p>	Phone				
E-Mail	<p>Send routine tax questions to drs@po.state.ct.us (do not send account related inquiries). For account-related questions, including bill and refund inquiries, use the Secure Mailbox feature by logging into the DRS electronic <i>TSC</i>.</p>	<p>Email requests, including your name, address (street, city, state, and ZIP code), and the name or number of the tax product to ctforms.drs@po.state.ct.us</p>	E-Mail				
Walk-In	<p>Free personal taxpayer assistance and forms are available by visiting our offices. Walk-in assistance at all DRS locations is available Monday through Friday, 8:30 a.m. to 4:30 p.m. (arrive by 4:00 p.m.). Directions to DRS offices are available using the DRS phone menu or by visiting the DRS website. If you require special accommodations, please advise the DRS representative.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Bridgeport 10 Middle St</td> <td style="text-align: center;">Hartford 25 Sigourney St</td> <td style="text-align: center;">Norwich 401 West Thames St Building #700</td> <td style="text-align: center;">Waterbury 55 West Main St Suite 100</td> </tr> </table> <p align="center">All calls are answered at our Customer Service Center in Hartford, not at the field offices.</p>		Bridgeport 10 Middle St	Hartford 25 Sigourney St	Norwich 401 West Thames St Building #700	Waterbury 55 West Main St Suite 100	Walk-In
Bridgeport 10 Middle St	Hartford 25 Sigourney St	Norwich 401 West Thames St Building #700	Waterbury 55 West Main St Suite 100				
<p align="center">Federal Tax Information</p> <p>For questions about federal taxes, visit www.irs.gov or call the Internal Revenue Service (IRS) at 800-829-1040. To order federal tax forms, call 800-829-3676.</p>		<p align="center">Statewide Services</p> <p>Visit the <i>ConneCT</i> website at www.ct.gov for information on statewide services and programs.</p>					