

Form CT-DTLD

Statement of Net Deferred Tax Liability Deduction

Designated taxable member name	Connecticut Tax Registration Number
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Purpose: Taxpayers that are required to file **Form CT-1120CU, Combined Unitary Corporation Business Tax Return**, should use this form to report the total Net Deferred Tax Liability Deduction they intend to claim. Eligible taxpayers may claim the Net Deferred Tax Liability Deduction over a seven-year prior beginning with income year 2018.

General Information: Effective for income years beginning on or after January 1, 2016, certain taxpayers are required to calculate their Connecticut Corporation Business Tax using combined unitary reporting. Under combined unitary reporting, taxpayers must calculate their tax as a group instead of on a separate company basis. The combined unitary reporting legislation is codified as Conn. Gen. Stat. §§12-218e and 12-218f.

As a result of the enactment of combined unitary reporting, certain taxpayers may have been required to adjust the deferred tax assets ("DTAs") and/or deferred tax liabilities ("DTLs") reported on their financial statements. Conn. Gen. Stat. §12-218g allows publicly traded companies and their affiliates to claim the Net Deferred Tax Liability Deduction to offset the negative effect that the enactment of combined unitary reporting had on their deferred tax accounts.

To determine whether a group is eligible for the Net Deferred Tax Liability Deduction, all members of a combined group must aggregate their individual DTAs and DTLs to calculate the group's net DTA or net DTL. A combined group is eligible to claim the Net Deferred Tax Liability Deduction if the combined unitary reporting legislation results in an increase to the group's net DTL, a decrease to the group's net DTA, or causes the group's net DTA to become a net DTL. The Net Deferred Tax Liability Deduction is equal to the amount necessary to offset the balance sheet impact of such changes. See **Special Notice 2016(1), Combined Unitary Legislation** and **OCG-2, Office of Counsel Guidance, Regarding the Net Deferred Tax Liability Deduction Corporation Business Tax** for additional information.

This statement **must** be filed with the Commissioner of Revenue Services on or before July 3, 2017. Failure to file this statement by July 3, 2017 results in a loss of the Net Deferred Tax Liability Deduction. No extensions of time to file this statement will be granted. Mail this completed statement and all supporting documentation to:

**Department of Revenue Services
 Corporation and Pass-Through Audit Unit - DTL Group
 450 Columbus Blvd Ste 1
 Hartford CT 06103-1837**

Net Deferred Tax Liability Deduction Calculation		
Attach a list of all members of the 2016 combined group. Include each member's Connecticut Tax Registration Number or, if none, its Federal Employer Identification Number.		
1.	Report the combined group's net DTA or net DTL as of the close of business on December 31, 2015, excluding the impact associated with the enactment of combined unitary reporting. The amount reported should reflect all legislation enacted during the 2015 Connecticut legislative sessions* other than the combined unitary reporting legislation codified as Conn. Gen. Stat. §§12-218e and 12-218f. Report a net DTA as a negative number and a net DTL as a positive number. Attach computation.	1.
2.	Report the combined group's net DTA or net DTL as of the close of business on December 31, 2015, when all legislation enacted during the 2015 legislative sessions*, including the enactment of combined unitary reporting, is considered. Report a net DTA as a negative number and a net DTL as a positive number. Attach computation.	2.
3.	Subtract Line 1 from Line 2. If the result is zero or less, stop here; do not file this statement.	3.
4.	Divide the amount on Line 3 by 7.5% (.075), the Connecticut Corporation Business Tax rate.	4.
5.	Group net income apportionment fraction: Enter the sum of each combined group member's separate apportionment fraction, determined under combined unitary reporting rules, that was used in the calculation of deferred tax accounts on Line 2.* Attach computation.	5.
6.	Total Net Deferred Tax Liability Deduction: Divide Line 4 by Line 5.	6.
7.	Annual Net Deferred Tax Liability Deduction: Divide Line 6 by seven (7). This is the Net Deferred Tax Liability Deduction that may be claimed annually over seven income years beginning with the 2018 income year.	7.

* Because the single-sales factor apportionment legislation was enacted in 2015 by Public Act 15-1 (Dec. Spec. Sess.), these calculations should reflect the single-sales factor apportionment methodology. However, because the market-based sourcing legislation was not enacted until 2016 by Public Act 16-3 (May Spec. Sess.), these calculations should **not** reflect the market-based sourcing methodology.