

1998 FORM CT-1120/CT-1120S ATT INSTRUCTIONS

Form CT-1120/CT-1120S ATT must be attached to Form CT-1120, *Corporation Business Tax Return*, or Form CT-1120S, *S Corporation Business Tax Return*, whenever Schedule H, I or J is used in the calculation of the Connecticut corporation business tax.

SCHEDULE H – CONNECTICUT APPORTIONED OPERATING LOSS CARRYOVER

Lines 1 through 5 - Enter the amount of the unused Connecticut apportioned operating loss carryover from the five preceding income years as reported on Connecticut corporation business tax returns filed for those years.

Line 6 - Add Lines 1 through 5. Enter the total on Line 6 and on Form CT-1120 or Form CT-1120S, Schedule A, Line 4.

SCHEDULE I – DIVIDEND DEDUCTION (FORM CT-1120 ONLY)

Line 1 - Enter in Column A total dividend income included in the computation of federal taxable income, except for dividends received from a real estate investment trust, unless those dividends are: (1) deductible under §243 of the Internal Revenue Code **or** (2) received by a qualified dividend recipient from a qualified real estate investment trust.

Line 2 - Enter in Column A dividends from less than 20% owned domestic corporations, which would include dividends from money market funds. The deduction is limited to 70% of gross dividends less related expenses. Multiply Column A by Column B (.70) and enter in Column C. Enter in Column D related expenses. (Attach schedule of related expenses and computation.) Subtract Column D from Column C and enter in Column E.

Line 3 - Dividend Balance: Subtract Line 2 from Line 1 and enter on Line 3, Column A. Multiply Column A by Column B (1.0) and enter in Column C. Enter in Column D related expenses. (Attach schedule of related expenses and computation.) Subtract Column D from Column C and enter in Column E.

Line 4 - Enter in Column E total dividend deduction. Add Column E, Line 2 and Column E, Line 3. Enter total here and on Form CT-1120, Computation of Net Income, Line 5.

SCHEDULE J - MINIMUM TAX BASE FOR BANKS (FORM CT-1120 ONLY)

State banks and trust companies, national banks, mutual savings banks, and savings and loan associations shall calculate the tax due on Form CT-1120, Schedule B, by completing Schedule J. The tax is calculated at the rate of 4% (.04) on the **lesser** of the amount of interest or dividends actually credited by them on savings accounts of depositors or account holders during the current income year, or the amount of interest or dividends that would have been credited if it had been computed at the rate of 1/8% (.00125) per year.

Lines 1 through 4 - Columns A, B and C are used to record the date, the amount of interest or dividends actually credited to savings accounts of depositors or account holders during the current income year, and the amount of interest or dividends deemed to be credited to savings accounts of depositors or account holders during the current income year at the rate of 1/8% (.00125) per year.

Line 5 - Add Lines 1 through 4 of Column B and enter the total in Column B, Line 5. Add Lines 1 through 4 of Column C and enter the total in Column C, Line 5. Enter the lesser of Column B, Line 5 or Column C, Line 5 in Column D, Line 5 and on Form CT-1120, Schedule B, Line 1.