

FORM CT-1120RC

1998

RESEARCH AND EXPERIMENTAL EXPENDITURES CREDIT

FOR INCOME YEAR		
Beginning	1998, and Ending	19

Corporation Name	CT TAX REGISTRATION NUMBER										
											000

PURPOSE OF FORM

Complete **Form CT-1120RC, Research and Experimental Expenditures Credit**, to claim the credit equal to 20% of the incremental increase in research and experimental expenditures which are conducted in Connecticut, pursuant to Conn. Gen. Stat. §12-217j. This form must be accompanied by a detailed schedule that identifies the location in Connecticut where the research and experimentation was conducted and the amounts spent directly on research and experimentation, as defined in section 174 of the Internal Revenue Code of 1986, in the current income year and in the preceding income year. Only amounts spent directly on such research and experimental expenditures will be allowed. Overhead and other expenses, including general and administrative expenses, which relate to a corporation's activities as a whole and not specifically to the research and experimental effort, will not qualify. See **IP 95(2.1), A Guide to Connecticut Corporation Business Tax Credits**.

DEFINITIONS

Connecticut research and experimental expenditures are those that may be deducted under Internal Revenue Code §174 and related regulations. Qualifying expenditures include, but are not limited to:

- Expenditures incurred in connection with the taxpayer's trade or business which represent research and development costs in the experimental or laboratory sense;
- All costs incident to the development of an experimental or pilot model, a plant process, a product, a formula, an invention, or similar property, and the improvement of already existing property of the type mentioned;
- Costs of obtaining a patent, such as attorneys' fees expended in making and perfecting a patent application.

RESEARCH CREDIT COMPUTATION

The credit is equal to 20% of the amount spent by the corporation directly on Connecticut research and experimental expenditures that exceeds the amount spent by that corporation on those expenditures during the preceding income year.

This form must be attached to **Form CT-1120** or **Form CT-1120S**.

PART I - RESEARCH CREDIT COMPUTATION			
1.	Amount of Connecticut research and experimental expenditures for the 1998 income year. (ATTACH DETAILED SCHEDULE)	1	
2.	Amount of Connecticut research and experimental expenditures for the 1997 income year. (ATTACH DETAILED SCHEDULE)	2	
3.	Balance (Subtract Line 2 from Line 1) (If zero or less, do not file this form; the corporation is not eligible for this credit)	3	
4.	TAX CREDIT: Multiply Line 3 by 20% (.20) Enter here and on Form CT-1120K or Form CT-1120SK	4	

Companies Other than Biotechnology Companies:

Enter the amount shown on Line 4, above, on **Form CT-1120K** or **Form CT-1120SK** Part I-C, Line 9.

Biotechnology Companies:

Enter the amount shown on Line 4, above, on **Form CT-1120K** or **Form CT-1120SK** Part I-D, Line 18. For credit carryforward instructions, please refer to Part II on reverse side of this form.

**CARRYFORWARD SCHEDULE
FOR BIOTECHNOLOGY COMPANIES ONLY**

Biotechnology companies may carry forward any unused credit balance to each successive income year until the credit is fully taken. The maximum carryforward period is **15 years** and is applicable to income years commencing on or after January 1, 1997.

PART II - COMPUTATION OF CARRYFORWARD						
		A Total Credit Earned	B Credit Applied to 1997	C Carryforward to 1998 (Subtract Column B from Column A)	D Credit Applied to 1998	E Carryforward to 1999 (Subtract Column D from Column C)
1.	1997 Research and Experimental Expenditures Credit from 1997 Form CT-1120RC					
2.	1998 Research and Experimental Expenditures Credit from 1998 Form CT-1120RC		- 0 -			
3.	Total Research and Experimental Expenditures Credit Carryforward to 1999 (Add lines 1 and 2, Column E)					