

FORM CT-1120RC

1999

Research and Experimental Expenditures Credit

FOR INCOME YEAR	
Beginning	1999, and Ending

Corporation Name	CT TAX REGISTRATION NUMBER					
						0 0 0

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 1986 I.R.C. §174, in the current income year and in the preceding income year. For further information, see **Informational Publication 95(2.1), A Guide to Connecticut Corporation Business Tax Credits**, or contact the Department of Revenue Services, Taxpayer Services Division, 1-800-382-9463 (toll-free from within Connecticut) or 860-297-5962 (from anywhere).

DEFINITIONS

Connecticut research and experimental expenditures are those that may be deducted under I.R.C. §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 incurred in the development of an experimental or pilot model, a plant process, a product, a formula, an invention, or similar property, and the improvement of already existing property of the type mentioned;
- Costs of obtaining a patent, such as attorneys' fees expended in making and perfecting a patent application.
- 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.

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 1999 income year. (Attach detailed schedule)	1	
2.	Amount of Connecticut research and experimental expenditures for the 1998 income year. (Attach detailed schedule)	2	
3.	Balance (Subtract Line 2 from Line 1) (If zero or less, 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 (See instructions on reverse side)	4	

NOTE: For credit carryforward instructions and schedule, refer to Part II on reverse side of this form.

Companies Other than Biotechnology Companies:

Enter the amount shown on Part I, Line 4, on **Form CT-1120K** or **Form CT-1120SK** Part I-C, Line 8.

Biotechnology Companies:

Enter the amount shown on Part I, Line 4, on **Form CT-1120K** or **Form CT-1120SK** Part I-D, Line 19. For credit carryforward instructions, please refer to Part II below.

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 beginning on or after January 1, 1997.

PART II - COMPUTATION OF CARRYFORWARD						
		A Total Credit Earned	B Credit Applied 1997 and 1998	C Carryforward to 1999 (Subtract Column B from Column A)	D Credit Applied to 1999	E Carryforward to 2000 (Subtract Line 1, Column D from Line 1, Column C. Subtract Line 2, Column D from Line 2, Column C. Subtract Line 3, Column D from Line 3, Column A.)
1.	1997 Form CT-1120RC, Line 4.					
2.	1998 Form CT-1120RC, Line 4.					
3.	1999 Form CT-1120RC, Line 4.					
4.	Total Research and Experimental Expenditures Credit Carryforward to 2000 (Add Lines 1, 2, and 3, Column E). Enter here and on Form CT-1120K or Form CT-1120SK , Part I-D, Line 19, Column D.					