

Form CT-1120A-CCA

Corporation Business Tax Return

(Rev. 12/06)

Apportionment Computation of Income From Credit Card Activities

Enter Income Year Beginning _____, _____, and Ending _____, _____

| | |
|------------------|-------------------------------------|
| Corporation Name | Connecticut Tax Registration Number |
|------------------|-------------------------------------|

See Instructions on Reverse
Complete this form in blue or black ink only.

| Schedule R-CCA — Connecticut Receipts | | |
|---------------------------------------|--|------------------------------------|
| 1. | Total interest and fees or penalties in the nature of interest from credit card receivables, and receipts from fees charged to card holders, including, but not limited to annual fees, where the billing address of a card holder is located in Connecticut | 1. |
| 2. | Total amount of interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to card holders, including, but not limited to annual fees, irrespective of the billing address of the card holder | 2. |
| 3. | Receipts fraction (Divide Line 1 by Line 2.) | 3. 0. (Carry to six places) |
| 4. | The sum of net gains from the sale of credit card receivables and all credit card issuers' reimbursement fees | 4. |
| 5. | Connecticut net gains (Multiply Line 4 by Line 3.) | 5. |
| 6. | Connecticut receipts (Add Line 1 and Line 5.) | 6. |

| Schedule A-1 — Computation of Connecticut Apportionment Fraction | | |
|--|---|------------------------------------|
| 7. | Total Connecticut receipts from credit card activities (<i>Schedule R-CCA</i> , Line 6) | 7. |
| 8. | Total receipts from credit card activities (Total of <i>Schedule R-CCA</i> , Line 2 and Line 4) | 8. |
| 9. | Connecticut apportionment fraction (Divide Line 7 by Line 8.) Enter here and on Form CT-1120 , <i>Schedule A</i> , Line 2. | 9. 0. (Carry to six places) |

Enter the apportionment fraction from Line 9 above on **Form CT-1120**, *Schedule A*, Line 2, if the entire net income is attributable to income from credit card activities. Complete *Schedule A-2* if the corporation's net income is derived in part from sources other than credit card activities.

| Schedule A-2 — Computation of Connecticut Net Income | | | Column A Total Net Income | Column B Net income derived from credit card activities | Column C Net income derived from sources other than credit card activities |
|--|---|------|---------------------------------|--|--|
| 10. | Enter net income from Form CT-1120 , <i>Schedule A</i> , Line 1, in Column A. | 10. | | | |
| 11a. | Apportionment fraction from <i>Schedule A-1</i> , Line 9 | 11a. | | (Carry to six places) 0. | |
| 11b. | Apportionment fraction from Form CT-1120A , <i>Schedule Q</i> or <i>R</i> , or Form CT-1120A-FS , Line 15, or other applicable apportionment form | 11b. | | | (Carry to six places) 0. |
| 12. | Balance after apportionment. (Multiply Line 10, Column B, by Line 11a, Column B. Multiply Line 10, Column C, by Line 11b, Column C.) | 12. | | | |
| 13. | Connecticut net income (Add Line 12, Column B, and Line 12, Column C.) Enter total here and on Form CT-1120 , <i>Schedule A</i> , Line 3. Make no entries on Form CT-1120 , <i>Schedule A</i> , Line 1 or Line 2. | 13. | | | |

Form CT-1120A-CCA

Instructions

Complete this form in blue or black ink only.

Use **Form CT-1120A-CCA**, *Corporation Business Tax Return Apportionment Computation of Income From Credit Card Activities*, to apportion net income from credit card activities.

According to Conn. Gen. Stat. §12-218b(k), a corporation must apportion income from credit card activities separately using **Form CT-1120A-CCA** (see Conn. Gen. Stat. §12-218(j)). If the corporation qualifies as a financial service company, all other income will be apportioned using **Form CT-1120A-FS**, *Corporation Business Tax Return Apportionment Computation of Income From Financial Service Company Activities* (see Conn. Gen. Stat. §12-218b). If the company does not qualify as a financial service company, all other income must be apportioned in accordance with the appropriate schedule.

Schedule R-CCA — Connecticut Receipts

Complete this schedule to calculate Connecticut receipts derived from credit card activities.

Schedule A-1 — Computation of Connecticut Apportionment Fraction

Complete this schedule to calculate an apportionment fraction derived from credit card activities. Enter the apportionment fraction from Line 9 on **Form CT-1120**, *Corporation Business Tax Return, Schedule A*, Line 2, if the corporation's entire net income is attributable to income from credit card activities. Complete *Schedule A-1* and *Schedule A-2* if the corporation's net income is derived in part from sources other than credit card activities.

Schedule A-2 — Computation of Connecticut Net Income

Complete this schedule only if income is derived in part from sources **other than** credit card activities. Separate apportionment formulas are used for net income derived from credit card activities (*Schedule A-1*, Line 9) and net income derived from sources other than credit card activities (**Form CT-1120A**, *Corporation Business Tax Return Apportionment Computation, Schedule Q or Schedule R*, or *Form CT-1120A-FS*, Line 15, or other applicable apportionment form). Connecticut net income is computed on *Schedule A-2*, Line 13, and entered on **Form CT-1120**, *Schedule A*, Line 3.

Definitions

Credit card means a credit, travel, or entertainment card.

Receipts means receipts computed according to the method of accounting used by the taxpayer in the computation of net income.

Credit card issuer's reimbursement fee means the fee that a taxpayer receives from a merchant's bank because one of the persons to whom the taxpayer has issued a credit card has charged merchandise or services to the credit card.

Net income derived from credit card activities means interest and fees or penalties in the nature of interest from credit card receivables, and receipts from fees charged to card holders, including, but not limited to annual fees, net gains from the sale of credit card receivables, credit card issuer's reimbursement fees, and credit card receivables servicing fees received in connection with credit cards issued by the taxpayer, **less** expenses related to that income, to the extent deductible under Conn. Gen. Stat. §§12-213 through 12-242z.

Billing address shall be presumed to be the location indicated in the books and records of the taxpayer as the address where any notice, statement, or bill relating to the card holder is to be mailed, as of the date of mailing.

Credit card activities means those activities involving the underwriting and approval of credit card relationships or other business activities generally associated with the conduct of business by an issuer of credit cards from which it derives income.