

# Form CT-1120SF

## Service Facility Tax Credit

# 2013

For Income Year Beginning: \_\_\_\_\_, 2013 and Ending: \_\_\_\_\_.

|   |                                     |   |
|---|-------------------------------------|---|
| Corporation name  | Connecticut Tax Registration Number |   |
| Complete this form in blue or black ink only.   |                                     |   |
| Use <b>Form CT-1120SF</b> , to claim the credit allocable to a service facility located outside of an Enterprise Zone in a targeted investment community, as allowed under Conn. Gen. Stat. §12-217e against the corporation business tax. Attach it to <b>Form CT-1120K, Business Tax Credit Summary</b> . |                                     |   |
| A service facility located in an Enterprise Zone <b>cannot qualify</b> for this credit.   |                                     |   |
| This credit is administered by the Department of Economic and Community Development (DECD). To be eligible for this credit, a written application must have been submitted to and approved by the Commissioner of DECD. See Conn. Gen. Stat. §32-9r.  |                                     |   |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">DECD Eligibility Certificate Number (If applicable)</td> </tr> </table>   |                                     | DECD Eligibility Certificate Number (If applicable) |
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ceases to qualify as a service facility or the taxpayer ceases to occupy the property, entitlement to the credit terminates and there is no pro-rata application of the credit during the income year in which the entitlement or occupancy terminates.

No carryforward or carryback is allowed.

| Number of New Employees Working at the Service Facility | Credit Percentage |
|---|-------------------|
| 300-599   | 15%               |
| 600-899   | 20%               |
| 900-1,199   | 25%               |
| 1,200-1,499   | 30%               |
| 1,500-1,999   | 40%               |
| 2,000 or more   | 50%               |

### Credit Percentages

There are six different credit percentages as provided in the following chart, to be applied against the portion of the Connecticut corporation business tax that is allocable to the service facility. The percentage varies depending on the number of new employees working at the service facility, as determined on *Schedule A*, Line 5.

The credit period is ten years and begins with the first full income year following the year of issuance of the eligibility certificate and continues for the following nine income years. If within the ten year period the facility

### Additional Information

See the *Guide to Connecticut Business Tax Credits* available on the Department of Revenue Services (DRS) website at [www.ct.gov/drs](http://www.ct.gov/drs), or contact DECD, 505 Hudson Street, Hartford CT 06106, **860-270-8143**.

### Schedule A - Employment Criteria

|    |  |    |  |
|----|--|----|--|
| 1. | Enter the highest number of employees in Connecticut in the year preceding the formal application for certification with DECD.                         | 1. |  |
| 2. | Enter the number of employees in Connecticut during 2013.  | 2. |  |
| 3. | Enter the number of new employees in Connecticut. Subtract Line 1 from Line 2. If zero or less the corporation is <b>not</b> eligible for this credit. | 3. |  |
| 4. | Enter the number of employees working at the service facility during 2013.   | 4. |  |
| 5. | Number of new employees working at the service facility: Enter the lesser of Line 3 or Line 4.   | 5. |  |

### Schedule B - Credit Computation

| See instructions for the computation of tangible property and wages, salaries, and other compensation on Page 2. |     | Column A<br>Eligible Facility Approved by DECD  | Column B<br>Total Facilities Within Connecticut (Including Eligible Facility) | Column C  |   |
|--|-----|---|---|---|---|
| <b>Tangible Property</b><br>Average monthly net book value   | 1a. | Depreciable assets  |   | For Line 1 and Line 2, divide Column A by Column B. Carry to six decimal places |   |
|  | 1b. | Land  |   |   |   |
|  | 1c. | Capitalized rent  |   |   |   |
|  | 1d. | Other   |   |   |   |
|  | 1.  | <b>Total</b>  |   |   |   |
| <b>Wages, Salaries, and Other Compensation</b>   | 2.  | <b>Total</b>  |   | 2.  | . |
| <b>Facility Credit Ratio</b>   | 3.  | <b>Total:</b> Add Line 1 and Line 2 in Column C.  |   | 3.  |   |
|  | 4.  | <b>Facility ratio:</b> Divide Line 3 by two.  |   | 4.  | . |
|  | 5.  | <b>Tax from Form CT-1120, Schedule C, Line 1</b>  |   | 5.  |   |
| <b>Tax Credit Calculation</b>  | 6.  | <b>Balance:</b> Multiply Line 5 by Line 4.  |   | 6.  |   |
|  | 7.  | <b>Tax credit percentage:</b> See instructions.   |   | 7.  |   |
|  | 8.  | <b>Tax credit:</b> Multiply Line 6 by Line 7. Enter here and on <b>Form CT-1120K, Part I-C, Column A.</b> |   | 8.  |   |

## Form CT-1120SF Instructions

### Schedule A

*Schedule A* is used to determine whether the service facility meets the employment criteria for the tax credit. The available percentage of the tax credit depends upon the number of new employees working at the facility. Complete Lines 1 through 5 as indicated.

### Schedule B

*Schedule B* is used to determine the amount of the tax credit.

**Tangible Property:** Column A includes the average monthly net book value of the eligible service facility including all machinery and equipment specifically acquired for and installed at that site without reduction for any encumbrance. When rented, the value of the eligible service facility and all machinery and equipment specifically acquired for and installed at that site should be computed by multiplying the gross rents payable by the taxpayer during the income year by eight. Column B consists of the average monthly net book value of all real property, machinery, and equipment held and owned by the taxpayer in Connecticut plus the value of all real property, machinery, and equipment rented to the taxpayer in Connecticut, computed by multiplying the combined gross rents payable during the income year by eight. **Gross rents** means gross rents as defined in Conn. Gen. Stat. §12-218.

**Wages, Salaries, and Other Compensation:** Column A consists of all wages, salaries, and other compensation paid during the income year to employees of the taxpayer whose positions are directly attributable to the eligible service facility. Column B consists of the sum of wages, salaries, and other compensation paid during the income year to all employees of the taxpayer in Connecticut.

An employee's position is **directly attributable** to an eligible service facility if the:

- Employee's service is performed or base of operation is at the eligible service facility;
- Position did not exist prior to the construction, renovation, expansion, or acquisition of the eligible service facility; **and**
- Position would not have been created but for the construction, renovation, expansion, or acquisition of the eligible service facility.

### Schedule B - Line Instructions

**Lines 1 through 4** - Complete as indicated.

**Line 5** - Enter the tax from **Form CT-1120, Schedule C**, Line 1.

**Line 7** - Enter the tax credit percentage. This percentage is determined from the number of new employees working at the facility. See chart on Page 1.

**Line 8** - Enter the tax credit. Multiply Line 6 by Line 7, enter here and on **Form CT-1120K**, Part I-C, Column A.