

# Form CT-1120 MEC

## Machinery and Equipment Expenditures Tax Credit

# 2021

For Income Year Beginning: \_\_\_\_\_, 2021 and Ending: \_\_\_\_\_.

Corporation name	Connecticut Tax Registration Number
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Complete this form in blue or black ink only. Do not use staples. Please note that each form is year specific. The correct year's form **must** be used.

Use **Form CT-1120 MEC** to claim the credit available under Conn. Gen. Stat. § 12-217o for the incremental increase in the amount spent by a corporation on machinery and equipment.

Expenditures claimed for this credit cannot be claimed in connection with any other Corporation Business Tax credit.

### Definitions

**Qualifying expenditures** are any expenditures that fall within the definition of machinery and equipment acquired for and installed in a facility in Connecticut.

**Machinery** is the basic machine itself, including all of its component parts such as belts, pulleys, shafts, moving parts, operating structures, replacement and repair parts, whether purchased separately or in conjunction with a complete machine and regardless of whether the machine or component parts are assembled by the taxpayer or another related party; and all equipment or devices used or required to control, regulate, or operate the machinery, including without limitation, computers and data processing equipment. Furniture and fixtures, automobiles, or other property used for transportation are not machinery.

**Equipment** is a device separate from machinery but essential to the business. Repair and replacement parts for equipment also qualify for the credit under the same terms as provided for parts purchased for machinery. Furniture and fixtures, automobiles, construction equipment, or other property used for transportation are not equipment.

**Facility** means any plant, building, or other real property improvement used by the corporation in its trade or business.

**Full-time permanent employee** is an employee whose wages, salaries or other compensation is paid in Connecticut and whose employment requires an average of 35 hours or more of service each week for at least eight consecutive weeks.

### Tax Credit Percentages

In the case of a corporation that has not more than 250 full-time permanent employees in Connecticut, the credit is equal to 10% of the amount spent on machinery and equipment acquired for and installed in a facility in Connecticut that exceeds the amount spent by the corporation during the preceding income year for such expenditures.

In the case of a corporation that has between 251 and 800 full-time permanent employees in Connecticut, the credit is equal to 5% of the amount spent by the corporation on machinery and equipment acquired for and installed in a facility in Connecticut that exceeds the amount spent by the corporation during the preceding income year for such expenditures.

### Additional Information

See the *Guide to Connecticut Business Tax Credits*, on the Department of Revenue Services (DRS) website at [portal.ct.gov/DRS](http://portal.ct.gov/DRS), or call DRS Monday through Friday, 8:30 a.m. to 4:30 p.m. at **800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) or **860-297-5962** (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries anytime by calling 860-297-4911. Taxpayers may also call 711 for relay services. A taxpayer must tell the 711 operator the number he or she wishes to call. The relay operator will dial it and then communicate using a TTY with the taxpayer.

<b>Credit Computation</b>			
1.	Enter the amount of Connecticut machinery and equipment expenditures incurred during the 2021 income year. Attach schedule.	1.	
2.	Enter the amount of Connecticut machinery and equipment expenditures incurred during the 2020 income year. Attach schedule.	2.	
3.	Balance: Subtract Line 2 from Line 1. If zero or less, the corporation is <b>not</b> eligible for this credit.	3.	
4.	Enter the number of full-time permanent employees for 2021.	4.	
4a.	If Line 4 is 250 or fewer, enter 10% (.10) on Line 5.		
4b.	If Line 4 is at least 251, but not more than 800, enter 5% (.05) on Line 5.		
5.	Enter the applicable percentage (5% or 10%) from Line 4a or Line 4b.	5.	
6.	<b>Tax credit:</b> Multiply Line 3 by Line 5. Enter here and on <b>Form CT-1120K</b> , Part I-B, Column A.	6.	