STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

(Rev. 12/00)

2000

FORM CT-1120 MEC

Machinery and Equipment Expenditure Credit

FOR INCOME YEAR	
Beginning	2000, and Ending

Corporation Name	CT TAX REGISTRATION NUMBER									
								0	0	0

PURPOSE OF FORM

Complete **Form CT-1120 MEC,** *Machinery and Equipment Expenditure Credit*, to claim the credit for the incremental increase in the amount spent by a corporation on machinery and equipment (Conn. Gen. Stat. §12-217o). For further information, see **Informational Publication 95(2.1)**, *Guide to Connecticut Corporation Business Tax Credits,* and **Special Notice 2000(15)**, *Corporation Business Tax Credits,* or contact the Department of Revenue Services, Taxpayer Services Division, 1-800-382-9463 (toll-free within Connecticut) or 860-297-5962 (from anywhere).

DEFINITIONS

- ***Qualifying expenditures*** are any expenditures for 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 of business.
- A ***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.

MACHINERY AND EQUIPMENT EXPENDITURE 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%** (.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%** (.05) 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.

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

CREDIT COMPUTATION					
1.	Amount of Connecticut machinery and equipment expenditures incurred during the 2000 income year (attach schedule).			1	
2.	Amount of Connecticut machinery and equipment expenditures incurred during the 1999 income year. (1999 **Form CT-1120 MEC**, Line 1. Attach schedule.)			2	
3.	Balance (Subtract Line 2 from Line 1. If zero or less, the corporation is not eligible for this credit.)			3	
4.	Enter the number of full-time permanent employees for 2000 (attach schedule).	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.	Tax credit (multiply Line 3 by Line 5). Enter here and on **Form CT-1120K** or **Form CT-1120SK**, Part I-C, Line 10.			6	