



## Part II - Research and Development Credit Computation

1.	Allowable tentative credit for 2000 (from Part I, Line 8).		1	
2.	Multiply Line 1 by 33⅓% (.3333).		2	
3.	Enter the 2000 Connecticut corporation business tax liability (or combined corporation business tax liability) due after the application of the total amount of Connecticut corporation business tax credits (except the Research and Development Credit).		3	
4.	Multiply Line 3 by 50% (.50).		4	
5a.	Multiply Line 1 by two (2).	5a		
5b.	Enter 90% (.90) of Line 3.	5b		
5.	Enter the lesser of Line 5a or Line 5b.		5	
6.	Enter the greater of Line 4 or Line 5.		6	
7.	<b>2000 RESEARCH AND DEVELOPMENT CREDIT</b> Enter the lesser of Line 2 or Line 6 on <b>Form CT-1120K</b> or <b>Form CT-1120SK</b> , Part I-D, Line 19, Column A.		7	

## Exchange of Tax Credit

For income years beginning on or after January 1, 2000, any taxpayer whose gross income does not exceed \$70 million and who cannot take the credit as a result of having no tax liability under the corporation business tax, may elect to carry 100% of the credit forward or may exchange the credit with the state for a cash payment equal to 65% of its value. See Conn. Gen. Stat. §12-217ee. Only tax credits earned in 2000 may be exchanged. **Application Procedure:** Complete **Form CT-1120 XCH**, *Application for Exchange of Research and Development or Research and Experimental Expenditures Tax Credits by a Qualified Small Business*, and submit it with the final return (**Form CT-1120**, **Form CT-1120S**, or **Form CT-1120CR**). **Form CT-1120 XCH** is available on the DRS Web site at: [www.drs.state.ct.us](http://www.drs.state.ct.us).

## Part III - Computation of Research and Development Credit Carryforward

		<b>A</b> Total Credit Earned	<b>B</b> Credit Applied 1995 through 1999	<b>C</b> Carryforward to 2000 (Subtract Column B from Column A)	<b>D</b> Credit Applied in 2000	<b>E</b> Credit Exchanged in 2000	<b>F</b> Carryforward to 2001 (See instructions below)
1.	1995 Form CT-1120 RDC, Part I, Line 4						
2.	1996 Form CT-1120 RDC, Part I, Line 1						
3.	1997 Form CT-1120 RDC, Part I, Line 1						
4.	1998 Form CT-1120 RDC, Part I, Line 8						
5.	1999 Form CT-1120 RDC, Part I, Line 8						
6.	2000 Form CT-1120 RDC, Part I, Line 8						
7.	Total Research and Development Credit Carryforward to <b>2001</b> . (Add Lines 1 through 6, Column F) Enter here and on <b>Form CT-1120K</b> or <b>Form CT-1120SK</b> , Part I-D, Line 19, Column D.						

### Instructions:

**Lines 1 through 6, Columns A through D** - Enter the amounts for each corresponding year.

**Line 6, Column E** - Enter the amount of credit to be exchanged for cash.

**Lines 1 through 5, Column F** - Subtract Column D from Column C.

**Line 6, Column F** - Subtract Line 6, Column D and Column E, from Line 6, Column A, and enter the result.

**Line 7** - Complete as indicated.