

## Form CT-1120 ATT Instructions

Complete this form in blue or black ink only.

**Form CT-1120 ATT** must be attached to **Form CT-1120**, *Corporation Business Tax Return*, whenever *Schedule H*, *Schedule I*, or *Schedule J*, is used in the calculation of the Connecticut corporation business tax.

### **Schedule H – Connecticut Apportioned Operating Loss Carryover**

**Lines 1 through 12** - Enter the amount of the Connecticut apportioned operating income loss carryover from the preceding income years as reported on Form CT-1120 filed for those years. Net operating losses incurred in income years beginning on or after January 1, 2000, may be carried forward for 20 successive income years.

**Line 14** - Add Lines 1 through 12 in Column D and Column E and enter the totals. Enter the amount from Line 14, Column D on **Form CT-1120**, *Schedule A*, Line 4.

### **Schedule I – Dividend Deduction**

**Line 1** - Enter in Column A total dividend income included in the computation of federal taxable income, except for dividends received from a real estate investment trust, unless those dividends are: 1) deductible under IRC §243; or 2) received by a qualified dividend recipient from a qualified real estate investment trust.

**Line 2** - Enter in Column A dividends from less than 20% owned domestic corporations, which would include dividends from money market funds. The deduction is limited to 70% of gross dividends less related expenses. Multiply Column A by Column B (70%) and enter the result in Column C. Enter in Column D related expenses. Attach a schedule of related expenses and computation. Subtract Column D from Column C and enter the result in Column E.

**Line 3** - Dividend Balance: Subtract Line 2 from Line 1 and enter the result on Line 3, Column A. Multiply Column A by Column B (100%) and enter the result in Column C. Enter in Column D related expenses. Attach a schedule of related expenses and computation. Subtract Column D from Column C and enter the result in Column E.

**Line 4** - Enter in Column A dividends from a Captive Real Estate Investment Trust (Captive REIT) taxable in Connecticut. This deduction will be allowed only if the Captive REIT's name and Federal Employer Identification Number (FEIN) are also entered. Multiply Column A by Column B (100%) and enter the result in Column C. Enter in Column D related expenses. Attach a schedule of related expenses and computation. Subtract Column D from Column C and enter the result in Column E. See **Informational Publication 2010(21)**, *Corporation Business Tax Application to Real Estate Investment Trusts (REITs) and Owners of REITs*.

**Line 5** - Enter in Column E total dividend deduction. Add Lines 2, 3, and 4, Column E. Enter the total here and on **Form CT-1120**, *Schedule D*, Line 11.

### **Schedule J – Bonus Depreciation Recovery**

Complete *Schedule J* if the corporation claimed the bonus depreciation under IRC §168(k) for qualifying property, on its federal Form 4562, Depreciation and Amortization. For purposes of the Connecticut corporation business tax, the special deduction permitted under IRC §168(k) is not allowed and depreciation must be calculated without regard to IRC §168(k). *Schedule J* is used to account for the subtraction modification that must be made to federal net income (loss). See **Special Notice 2002(10)**, *Bonus Depreciation for Connecticut Corporation Business Tax Purposes* and **Announcement 2008(7)**, *Stimulus Depreciation and Special Instructions for*

*Stimulus Depreciation Claimed by Non-Calendar Year Filers of the 2007 Connecticut Corporation Business Tax Return*.

**Lines 1 through 12** - These lines are used to account for any qualifying assets placed in service during the corporation's income year(s) for which the bonus depreciation under IRC §168(k) is claimed on federal Form 4562.

Enter in Column A the amount of Modified Accelerated Cost Recovery System (MACRS) depreciation claimed by the corporation on its federal Form 4562 with respect to those qualifying assets.

Enter in Column B the amount of MACRS depreciation allowed on those same assets for Connecticut corporation business tax purposes for the income year. Connecticut depreciation is determined under the Internal Revenue Code of 1986 without regard to IRC §168(k).

Enter in Column C the difference between the amount claimed in Column B and the amount claimed in Column A.

**Line 13** - Add Lines 1 through 12 in Column C. Enter the total here and on **Form CT-1120**, *Schedule D*, Line 14.