



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule RC Research Credit

2017

Enclose Schedule RC to the return of each member of the group that is reporting Massachusetts basic research payments, qualified research expenses, or is taking research credit against the excise. Controlled groups and entities under common control are required to compute the research credit on an aggregate basis. Refer to Proposed Regulation 830 CMR 63.38M.2(9).

Fill in applicable oval(s):

- ▶ Taxpayer is electing to calculate the credit separately for defense-related activities (see instructions).
▶ Taxpayer is electing to calculate the credit under the alternate simplified method provided in G.L. c. 63, s. 38M(b).
▶ Taxpayer is electing to calculate the credit for qualified research expenses using Massachusetts gross receipts.

PART 1. QUALIFIED RESEARCH EXPENSES

Table with 6 rows for qualified research expenses (lines 1-6) and corresponding input boxes.

PART 2. CREDIT DETERMINED UNDER C. 63, S. 38M(b), THE ALTERNATE SIMPLIFIED METHOD

If using the Alternative Simplified Method and you did not have qualified research expenses in each of the three prior years, fill in oval ▶ Also, skip lines 7 through 10.

Table with 7 rows for credit determination (lines 7-13) and corresponding input boxes.



PART 3. CREDIT DETERMINED UNDER C. 63, S. 38M(a)

14	Fixed-base ratio (see instructions)	14							
15	Average annual gross receipts from the 4 most recent taxable years	15							
16	Base amount. Multiply line 14 by line 15. Not less than 50% of line 6	16							
17	Subtract line 16 from current year expenses on line 6. Not less than "0"	17							
18	Total group credit for qualified research expenses. Multiply line 17 by 10%	18							
19	Total group credit for basic research payments (see instructions)	19							
20	Total Research Credit for the aggregated group. Combine lines 18 and 19.	20							
21	Percentage of aggregated group credit attributable to this corporation. Line 5 divided by line 6	21							
22	Amount of credit for this corporation. Multiply line 20 by line 21	▶ 22							

PART 4. MASSACHUSETTS RESEARCH CREDIT USED

The amount of the credit that may be used to reduce the excise is limited to 100% of the corporation's first \$25,000 of corporate excise liability plus 75% of the corporation's excise liability over \$25,000. A single \$25,000 amount applies to all members of an aggregate group, even if not filing as Massachusetts combined group. Corporations that are not members of an aggregate group should enter the amount in line 23 in line 24 and 100% in line 25.

23	Total excise before credits for this corporation (from form 355, line 6, Form 355S, line 9 or Schedule U-ST, line 37)	23							
24	Total group excise before credit. See instructions	24							
25	Allocation percentage for the \$25,000 excise bracket	25							
26	Corporation's share of excise not subject to the 75% limitation (line 25 percentage × \$25,000, but not more than line 23)	26							
27	Corporation's excise subject to the 75% limitation. Subtract line 26 from line 23	27							
28	75% of excise subject to limitation	28							
29	Corporation's subtotal of excise within the limitation. Add lines 26 and 28	29							