



CONNECTICUT ASSOCIATION OF  
**REALTORS<sup>®</sup>** INC.

**Statement on**

**S.B. 209: An Act Concerning The Real Estate Conveyance Tax  
(Exemptions for Military Families & Survivors)**

**SUPPORT**

Submitted to the Select Committee on Veterans Affairs  
February 25, 2010

**By Chris Ashe**

Good morning. My name is Chris Ashe and I am the Chairman of the Legislative Committee of the Connecticut Association of Realtors.

I come before you to thank you for raising Senate Bill 209 and to respectfully urge an early vote to move it to the floor of the Senate. The bill gives very targeted relief from a most punitive tax for those who stand to suffer far more than the government that collects it. I'm speaking about the small population of homeowners - - be they National Guardsmen or Reservists on active duty, or regular members of the Armed Forces stationed in Connecticut - - who are forced to move and sell their homes due to military transfers or whose surviving spouse is forced to move when they die in the line of duty. The exemption is from the conveyance tax in all of its multiple variations.

In the spirit of full disclosure, I am an Army veteran of the Vietnam combat zone, but this exemption would not apply to me as I'm no longer on active duty. It is rather a small subset of those estimated 14,000 active military personnel assigned to Connecticut installations or Guard and Reserve units. I say a small subset because the number owning homes is considerably less and, of those, the number selling at any one time is obviously far less.

It's no secret that Realtors have strong objections to the real estate conveyance tax. You've likely heard us call it a "double dip" because it's placed on property already paying hefty annual property tax to town hall. It's regressive because despite your income, ability to pay is not a consideration. But perhaps most relevant to today's hearing, it's a tax on mobility. The more frequently you sell a home, the more the State and town government exact. That penalizes members of the Armed Forces who often change duty stations every two or three years.

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years.

I said the conveyance tax in Connecticut has multiple variations - - I probably should have said "layers." Here's how the military household gets hit when selling a \$300,000 property in one of Connecticut's "targeted investment communities" with its special overlay tax:

1) The Original Town Conveyance Tax @ \$1.10 / \$1,000	=	\$330
2) The 2003 Increase of \$1.40/\$1,000	=	\$420
3) The 2003 "Targeted Investment Community Tax @ \$2.50/\$1,000	=	\$750
4) The State Conveyance Tax @ \$5.00/\$1,000	=	\$1,500

Add all those layers up, and the military family must pay \$3,000 for the privilege of "exiting" Connecticut and being reassigned to his/her new duty station. This in a country that has turned away from the compulsory "draft" in favor of an "All-Volunteer Military".

The utterly, conspicuously bad part, though, is for the owner who in this difficult market has to sell at a loss - - and must find a way to bring thousands of dollars to the closing to satisfy those unforgiving conveyance taxes. Robert Kimball has real examples of what I mean in separate testimony he and Lora Merrill are providing.

The Connecticut Association of Realtors would love to see wider conveyance tax relief provided beyond the targeted population covered by this bill. Still, in this difficult fiscal climate, we feel Legislators can make a strong statement about protecting the American Dream and honoring our military families by enacting Senate Bill 209 promptly into law.

Thank you, and I'd be happy to answer any questions.



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