

OFFICE OF FISCAL ANALYSIS

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HB-6630

AN ACT CONCERNING THE RATE OF THE REAL ESTATE
CONVEYANCE TAX ON CERTAIN CONVEYANCES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Revenue Serv., Dept.	GF - Revenue Loss	3 million	3 million
Revenue Serv., Dept.	GF - Cost	10,000 - 20,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which lowers the state real estate conveyance tax rate on new homes sold for more than \$2.5 million by certain new home construction contractors and housing ownership businesses, results in: 1) a General Fund revenue loss of approximately \$3 million annually beginning in FY 22, and 2) a one-time cost of between \$10,000 and \$20,000 to the Department of Revenue Services to implement tax form changes in FY 22 only.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Primary Analyst: CW
Contributing Analyst(s):
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