



General Assembly

January Session, 2021

**Raised Bill No. 6630**

LCO No. 4872



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

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

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-494 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2021*):

3 (a) There is imposed a tax on each deed, instrument or writing,  
4 whereby any lands, tenements or other realty is granted, assigned,  
5 transferred or otherwise conveyed to, or vested in, the purchaser, or any  
6 other person by such purchaser's direction, when the consideration for  
7 the interest or property conveyed equals or exceeds two thousand  
8 dollars:

9 (1) Subject to the provisions of [subsection] subsections (b) and (c) of  
10 this section, at the rate of three-quarters of one per cent of the  
11 consideration for the interest in real property conveyed by such deed,  
12 instrument or writing, the revenue from which shall be remitted by the  
13 town clerk of the municipality in which such tax is paid, not later than

14 ten days following receipt thereof, to the Commissioner of Revenue  
15 Services for deposit to the credit of the state General Fund; and

16 (2) At the rate of one-fourth of one per cent of the consideration for  
17 the interest in real property conveyed by such deed, instrument or  
18 writing, provided the amount imposed under this subdivision shall  
19 become part of the general revenue of the municipality in accordance  
20 with section 12-499.

21 (b) The rate of tax imposed under subdivision (1) of subsection (a) of  
22 this section shall, in lieu of the rate under said subdivision (1), be  
23 imposed on certain conveyances as follows:

24 (1) In the case of any conveyance of real property [which] that at the  
25 time of such conveyance is used for any purpose other than residential  
26 use, except unimproved land, the tax under said subdivision (1) shall be  
27 imposed at the rate of one and one-quarter per cent of the consideration  
28 for the interest in real property conveyed. For the purposes of this  
29 subdivision, "unimproved land" includes land designated as farm,  
30 forest or open space land;

31 (2) In the case of any conveyance in which the real property conveyed  
32 is a residential estate, including a primary dwelling and any auxiliary  
33 housing or structures, regardless of the number of deeds, instruments  
34 or writings used to convey such residential real estate, for which the  
35 consideration or aggregate consideration, as the case may be, in such  
36 conveyance is eight hundred thousand dollars or more, the tax under  
37 said subdivision (1) shall be imposed:

38 (A) At the rate of three-quarters of one per cent on that portion of  
39 such consideration up to and including the amount of eight hundred  
40 thousand dollars;

41 (B) Prior to July 1, 2020, at the rate of one and one-quarter per cent on  
42 that portion of such consideration in excess of eight hundred thousand  
43 dollars; and

44 (C) [On] Except as provided in subsection (c) of this section, on and  
45 after July 1, 2020, (i) at the rate of one and one-quarter per cent on that  
46 portion of such consideration in excess of eight hundred thousand  
47 dollars up to and including the amount of two million five hundred  
48 thousand dollars, and (ii) at the rate of two and one-quarter per cent on  
49 that portion of such consideration in excess of two million five hundred  
50 thousand dollars; and

51 (3) In the case of any conveyance in which real property on which  
52 mortgage payments have been delinquent for not less than six months  
53 is conveyed to a financial institution or its subsidiary that holds such a  
54 delinquent mortgage on such property, the tax under said subdivision  
55 (1) shall be imposed at the rate of three-quarters of one per cent of the  
56 consideration for the interest in real property conveyed. [For the  
57 purposes of subdivision (1) of this subsection, "unimproved land"  
58 includes land designated as farm, forest or open space land.]

59 (c) (1) On and after July 1, 2021, in the case of any conveyance of real  
60 property described under subdivision (2) of subsection (b) of this section  
61 for which the consideration or aggregate consideration, as the case may  
62 be, in such conveyance is eight hundred thousand dollars or more, and  
63 such conveyance is a new home conveyed by (A) a new home  
64 construction contractor with a current valid certificate, or (B) any  
65 partnership, limited partnership, limited liability partnership, joint  
66 venture, trust, limited liability company or association, that has as one  
67 of its purposes the ownership of housing, the tax under subdivision (1)  
68 of subsection (a) of this section shall be imposed:

69 (i) At the rate of three-quarters of one per cent on that portion of such  
70 consideration up to and including the amount of eight hundred  
71 thousand dollars; and

72 (ii) At the rate of one and one-quarter per cent on that portion of such  
73 consideration in excess of eight hundred thousand dollars.

74 (2) As used in this subsection, "new home" and "new home  
75 construction contractor" have the same meanings as provided in section

76 20-417a.

77 [(c)] (d) In addition to the tax imposed under subsection (a) of this  
 78 section, any targeted investment community, as defined in section 32-  
 79 222, or any municipality in which properties designated as  
 80 manufacturing plants under section 32-75c are located, may, on or after  
 81 March 15, 2003, impose an additional tax on each deed, instrument or  
 82 writing, whereby any lands, tenements or other realty is granted,  
 83 assigned, transferred or otherwise conveyed to, or vested in, the  
 84 purchaser, or any other person by [his] the purchaser's direction, when  
 85 the consideration for the interest or property conveyed equals or  
 86 exceeds two thousand dollars, which additional tax shall be at a rate of  
 87 up to one-fourth of one per cent of the consideration for the interest in  
 88 real property conveyed by such deed, instrument or writing. The  
 89 revenue from such additional tax shall become part of the general  
 90 revenue of the municipality in accordance with section 12-499.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	12-494

**Statement of Purpose:**

To exempt new homes conveyed by certain conveyors from the portion of the real estate conveyance tax imposed on consideration in excess of two million five hundred thousand dollars.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*