

Regulations of Connecticut State Agencies

TITLE 12. Taxation

Agency

Department of Revenue Services

Subject

Real Estate Conveyance Tax

Inclusive Sections

§§ 12-494-1—12-494-3

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Real Estate Conveyance Tax

Sec. 12-494-1. Definitions

(a) “Full purchase price” means money and the fair market value of consideration other than money paid or transferred, directly or indirectly, to the transferor, whether or not expressed in the deed, instrument or other writing, and includes, but is not limited to—

(1) the amount of any liability of the transferor, which liability is assumed by the transferee.

(2) the amount of any liability to which the realty is subject, but not including the amount of property tax, other municipal assessments, common expense assessments or similar charges which are not yet due and payable and which are subject to customary adjustments.

(3) in the case of easements, the monetary consideration paid to the transferor at the time of transfer.

(4) in the case of a lease described in subsection (b) (2) of this section, the fair market value of the realty as of the time of conveyance, as if a fee simple conveyance of the realty had occurred.

(b) “Realty” means any lands, tenements or other real property or any interest therein and includes, but is not limited to—

(1) those interests, present or future, vested or contingent, in real property which endure for a period of time, the termination of which is not fixed or ascertained by a specific number of years, such as an estate in fee simple or life estate.

(2) long-term leases or other ownership interests which endure for a fixed period of 99 years or more, or which may so endure because of extension or renewal options.

(c) “Transferor” means any person who or which conveys, grants, assigns or transfers realty and includes, but is not limited to, a grantor, seller, fiduciary, trustee, executor, administrator or lessor under a lease described in subsection (b) (2) of this section.

(d) “Transferee” means any person to whom or which realty is conveyed, granted, assigned or transferred and includes, but is not limited to, a grantee, purchaser, or lessee under a lease described in subsection (b) (2) of this section.

(e) “Person” means any individual, corporation, association, partnership, trust, estate, fiduciary or other entity.

(Effective August 24, 1987)

Sec. 12-494-2. Illustrations

(a) Conveyances which are subject to tax. The following are examples of conveyances which are subject to the tax:

(1) A conveyance of realty in exchange for property other than realty. For the measure of the tax, see section 12-494-1 (a).

(2) A conveyance of realty in exchange for the conveyance of other realty. Each conveyance is subject to the tax. For the measure of the tax, see section 12-494-1 (a).

(3) A transfer of a cooperative unit. For the measure of the tax, see section 12-494-1 (a). (The measure of the tax includes the unit’s percentage or fractional share of the common

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expense liability multiplied by underlying mortgage or similar recorded indebtedness.)

(4) A conveyance of a reversionary interest by a lessor. For the measure of the tax, see section 12-494-1 (a).

(5) A sale (either by bill of sale or by deed of conveyance) of a mobile manufactured home which is located in a mobile manufactured home park licensed under chapter 412 of the Connecticut General Statutes or which is located on a single-family lot as a permitted nonconforming use or as otherwise permitted by municipal zoning regulations. For the measure of the tax, see section 12-494-1 (a).

(b) Conveyances which are exempt from tax. The following are examples of conveyances which would otherwise be subject to the tax but which are, by virtue of federal law, exempt from the tax. (The conveyances which would otherwise be subject to the tax but which are, by virtue of State law, exempt from the tax are set forth in section 12-498.) No tax must be paid on the following conveyances:

(1) Conveyances of realty by an entity such as a production credit association, which entity is, by virtue of federal law, exempt from all taxation imposed by any state.

(2) A deed by a debtor under a plan confirmed under 11 U.S.C. § 1129, whether the transferee is the reorganized debtor, a corporation specifically organized under the plan, an entity financially related to the debtor's estate or an unrelated party, and whether or not the plan expressly refers to the deed or authorizes the transfer.

(c) Transactions which are not conveyances. The following are examples of transactions which are not conveyances and, accordingly, not subject to the tax:

(1) An option for the purchase of realty.

(2) A contract for the sale of realty, if the contract does not vest legal title.

(3) An assignment of a right held under an agreement described in subdivision (1) or (2) of this subsection.

(4) A deed deposited in escrow. The deed is subject to tax upon delivery to and acceptance by the transferee.

(5) A lease other than a lease described in section 12-494-1 (b) (2).

(d) Conveyances on which no tax must be paid. The following are examples of conveyances which are not subject to the tax and, thus, cannot, strictly speaking, be exempt from the tax. (The conveyances which would otherwise be subject to the tax but which are exempt from the tax are, in the case of conveyances exempt under State law, set forth in section 12-498, and, in the case of conveyances exempt under federal law, set forth in subsection (b) of this section.) No tax must be paid on the following conveyances:

(1) A deed conveying realty as a bona fide gift, even if the deed recites a consideration for the transfer, such as "natural love and affection and \$1," including a gift of realty by one person to another accomplished through the conveyance of the property by such person for an ostensible consideration to a "straw man" who immediately reconveys the property to such other person.

(2) A deed to confirm title already vested in the transferee, such as a quitclaim deed to correct a flaw in title.

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(3) A deed from an agent to his principal conveying realty purchased for and with funds of the principal.

(4) A deed executed by a debtor conveying property to a trustee for the benefit of his creditors; however, when the trustee conveys such property to a creditor or sells it to any other person, the deed executed by him is subject to tax.

(5) A conveyance to a receiver of realty included in the receivership assets, and reconveyance of such realty upon termination of the receivership.

(6) A deed to or by a fiduciary not pursuant to a sale.

(Effective August 24, 1987)

Sec. 12-494-3. Returns (Repealed)

Repealed June 11, 2014.

(Effective August 24, 1987; Repealed June 11, 2014)

Notes: For 2014 repeal, see Sec. 54 of Public Act 14-187. (June 11, 2014)