



General Assembly

February Session, 2024

**Raised Bill No. 266**

LCO No. 1869



Referred to Committee on HOUSING

Introduced by:  
(HSG)

**AN ACT INCREASING THE CONVEYANCE TAX FOR CERTAIN HOME SALES.**

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

1 Section 1. Section 12-494 of the 2024 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective October 1, 2024*):

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

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

16 Services for deposit to the credit of the state General Fund; and

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

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

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

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

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

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

46 (C) On and after July 1, 2020, (i) at the rate of one and one-quarter per  
47 cent on that portion of such consideration in excess of eight hundred  
48 thousand dollars up to and including the amount of two million five  
49 hundred thousand dollars, and (ii) at the rate of two and one-quarter  
50 per cent on that portion of such consideration in excess of two million  
51 five hundred thousand dollars; and

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

60 (c) On and after October 1, 2024, for a purchaser that is not an  
61 individual, in the case of any conveyance in which the real property  
62 conveyed is residential real estate, regardless of the number of deeds,  
63 instruments or writings used to convey such residential real estate, in  
64 lieu of the rate under subdivision (1) of subsection (a) of this section or  
65 subdivision (2) of subsection (b) of this section, the rate of tax imposed  
66 on such purchaser of the real property shall be:

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

70 (2) At the rate of two and one-quarter per cent on that portion of such  
71 consideration in excess of eight hundred thousand dollars.

72 [(c)] (d) In addition to the tax imposed under subsection (a) of this  
73 section, any targeted investment community, as defined in section 32-  
74 222, or any municipality in which properties designated as  
75 manufacturing plants under section 32-75c are located, may, on or after  
76 March 15, 2003, impose an additional tax on each deed, instrument or  
77 writing, whereby any lands, tenements or other realty is granted,

78 assigned, transferred or otherwise conveyed to, or vested in, the  
 79 purchaser, or any other person by such purchaser's direction, when the  
 80 consideration for the interest or property conveyed equals or exceeds  
 81 two thousand dollars, which additional tax shall be at a rate of up to  
 82 one-fourth of one per cent of the consideration for the interest in real  
 83 property conveyed by such deed, instrument or writing. The revenue  
 84 from such additional tax shall become part of the general revenue of the  
 85 municipality in accordance with section 12-499.

86 [(d)] (e) On and after July 1, 2025, the Comptroller shall transfer from  
 87 the General Fund to the Housing Trust Fund established under section  
 88 8-3360, any revenue received by the state each fiscal year in excess of  
 89 three hundred million dollars from the tax imposed under subdivision  
 90 (1) of subsection (a) and subsections (b) [and (c)] to (d), inclusive, of this  
 91 section. On and after July 1, 2026, the threshold amount in this  
 92 subsection shall be adjusted annually by the percentage increase in  
 93 inflation. As used in this subdivision, "increase in inflation" means the  
 94 increase in the consumer price index for all urban consumers during the  
 95 preceding calendar year, calculated on a December over December  
 96 basis, using data reported by the United States Bureau of Labor  
 97 Statistics.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024</i>	12-494

**Statement of Purpose:**

To increase the state conveyance tax upon residential properties sold to buyers who are not individuals.

*[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.]*