

Roadmap to **CONNECTICUT PROPERTY TAXES**

General Assessment Overview

In Connecticut, **real and personal property is assessed on October 1** of each year, a date commonly referred to as the “Grand List” date. Other than in cases of special uses, all property is assessed at 70% of fair market value.

Assessment and taxation are handled at the municipal level. Municipalities are required to conduct and implement a jurisdiction-wide revaluation of all property at least once every five years. State mandated assessment standards must be met for implementation of revaluations to be certified. However, not all jurisdictions adhere to the same cycle, so the jurisdictions conducting a revaluation in any given Grand List year is staggered.

Connecticut is a disclosure state, although the sale of a property does not trigger a reassessment. Unless there are physical changes to a property, demolition, or change in the use of the property, assessments do not generally change between revaluation cycles. Additionally, any changes made to a property must be assessed on the basis of what they would have been as of the last assessment date and not on current cost or value.

While assessed values don’t generally change between the five-year reassessments, municipalities adjust their tax rates, or “mill rates,” annually.

Owners of income-producing properties are required to submit income and expense information to assessors by June 1. Failure

to timely submit the requested data may result in a 10% penalty being added to the assessment. Each local taxing authority has the option to enforce this compliance penalty.

Jurisdictions in the Northeast, especially those which are, or are near, major metropolitan areas are experiencing an unprecedented “burden shift” and are trying to maintain the highest possible levels of assessment on larger commercial properties to ease the pressure of rising taxes on residential properties.

Finally, the regional assessment community has generally not been overly receptive to price allocation for so-called “intangible” or “business” value with regard to certain property types unless it is recorded as such at the time of transfer. Other types of tax and equity implications oftentimes make it less desirable to allocate material amounts of transfer consideration to intangibles. Even when recorded, the potential allocation for assessment purposed is not automatic and is usually considered in the context of subsequent appeal of an assessment issued by the jurisdiction to an administrative board or to the courts.

Notice of Assessment

A notice of assessment is mailed to a taxpayer’s last known address by the end of January each year. The notice indicates the assessment placed on the property as a result of a revaluation or when the property assessment has changed from the immediately preceding Grand List year.

Property Assessment Appeals

The appeal process may begin with informal discussions with the jurisdiction’s revaluation contractor and/or the local assessing authority. If a property owner is unsatisfied with the results of the informal discussion, **a formal appeal can be submitted in writing to the Board of Assessment Appeals (BAA) by February 20.**

The Board is required to send written notice of the date, time, and place of an appeal hearing no later than March 1, and at least seven calendar days before the date of the hearing. The appellant or an authorized representative must personally appear before the BAA.

The BAA is not required to hold a hearing on commercial, industrial, utility, or apartment properties assessed at more than \$1,000,000. If the BAA chooses not to grant a hearing, they are required to send written notice by March 1. The property owner will then have two months from the date of notice to file an appeal with the Superior Court. If the BAA hears an appeal, they have 10 days from the hearing, or date of action, to send written notice of their findings.

If the taxpayer does not agree with the BAA decision, they have two months from the BAA’s action date to file an appeal to the Superior Court.

Tax Bills

Tax rates are generally set in May or June, before the commencement of the fiscal year, which runs from the following July 1 through the next June 30.

Most jurisdictions bill on a semi-annual basis; however, some bill on a quarterly basis. For those operating on a semi-annual basis, the first tax bill is usually issued on July 1 and is payable on or before August 1. The second installment tax bill is typically issued on January 1 of the following year and is payable on or before February 1.

Personal Property

The assessment date for personal property is October 1. **Tax returns must be filed annually and are due by November 1.** If requested, the assessor may grant a 45-day extension. If a return isn’t filed at all or by the deadline, a 25% penalty will be added to the assessment. Inventory is exempt.

Personal property tax bills are issued in July and are typically paid in two installments due August 1 and February 1.

Connecticut Tax Calendar

Real Estate

Assessment Date	Oct 1
I&E Returns Due	Jun 1
Value Notices Issued	Oct – Jan
Appeal Deadline	Feb 20
Tax Bills Issued	Jul 1
Tax Bills Due	Aug 1 (1st Installment) Feb 1 (2nd Installment)

Personal Property

Assessment Date	Oct 1
Tax Returns Due	Nov 1
Tax Bills Issued	Jul
Tax Bills Due	Aug 1 (1st Installment) Feb 1 (2nd Installment)
Value Notices Issued	Jan