Summer 2019

Estate Planning Update Summer 2019 - Connecticut Updates: Changes to Connecticut Residential Real Property Transfer Tax

Transfers of residential property in Connecticut are generally subject to real estate conveyance tax paid by the seller. The current graduated tax rates are 0.75 percent of the purchase price for conveyances of $800,000 or less and 1.25 percent on any portion of the consideration in excess of $800,000. Effective July 1, 2020, the tax on consideration in excess of $2.5 million will be 2.25 percent. As a result of this change, the new mansion tax rate schedule can be summarized as follows:

Amount of Consideration	Mansion Tax Rate
$800,000 or less	0.75%
Portion that exceeds $800,000 up to $2.5 million	1.25%
Portion that exceeds $2.5 million	2.25%

If the seller remains a Connecticut resident after a transfer subject to the increased tax, the seller may be able to recoup some or all of the taxes paid through income tax credits available beginning in the third calendar year following the transfer.