



General Assembly  
January Session, 2025

**Substitute Bill No. 5979**



**AN ACT EXEMPTING CONVEYANCES AND SALES OR TRANSFERS  
OF CONTROLLING INTEREST TO PUBLIC HOUSING AUTHORITIES  
FROM THE REAL ESTATE CONVEYANCE TAX AND THE  
CONTROLLING INTEREST TRANSFER TAX.**

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

1 Section 1. Section 12-498 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2025, and*  
3 *applicable to conveyances made on or after July 1, 2025*):

4 (a) The tax imposed by section 12-494 shall not apply to:

5 (1) Deeds that this state is prohibited from taxing under the  
6 Constitution or laws of the United States;

7 (2) Deeds that secure a debt or other obligation;

8 (3) Deeds to which this state or any of its political subdivisions or its  
9 or their respective agencies is a party;

10 (4) Tax deeds;

11 (5) Deeds of release of property that is security for a debt or other  
12 obligation;

13 (6) Deeds of partition;

- 14       (7) Deeds made pursuant to mergers of corporations;
- 15       (8) Deeds made by a subsidiary corporation to its parent corporation  
16 for no consideration other than the cancellation or surrender of the  
17 subsidiary's stock;
- 18       (9) Deeds made pursuant to a decree of the Superior Court under  
19 section 46b-81, 49-24 or 52-495 or pursuant to a judgment of foreclosure  
20 by market sale under section 49-24 or pursuant to a judgment of loss  
21 mitigation under section 49-30t or 49-30u;
- 22       (10) Deeds, when the consideration for the interest or property  
23 conveyed is less than two thousand dollars;
- 24       (11) Deeds between affiliated corporations, provided both of such  
25 corporations are exempt from taxation pursuant to paragraph (2), (3) or  
26 (25) of Section 501(c) of the Internal Revenue Code of 1986, or any  
27 subsequent corresponding internal revenue code of the United States,  
28 as amended from time to time;
- 29       (12) Deeds made by a corporation that is exempt from taxation  
30 pursuant to paragraph (3) of Section 501(c) of the Internal Revenue Code  
31 of 1986, or any subsequent corresponding internal revenue code of the  
32 United States, as amended from time to time, to any corporation which  
33 is exempt from taxation pursuant to [said] paragraph (3) of said Section  
34 501(c);
- 35       (13) Deeds made to any nonprofit organization that is organized for  
36 the purpose of holding undeveloped land in trust for conservation or  
37 recreation purposes;
- 38       (14) Deeds between spouses;
- 39       (15) Deeds of property for the Adriaen's Landing site or the stadium  
40 facility site, for purposes of the overall project, each as defined in section  
41 32-651;
- 42       (16) Land transfers made on or after July 1, 1998, to a water company,

43 as defined in section 16-1, provided the land is classified as class I or  
44 class II land, as defined in section 25-37c, after such transfer;

45 (17) Transfers or conveyances to effectuate a mere change of identity  
46 or form of ownership or organization, where there is no change in  
47 beneficial ownership;

48 (18) Conveyances of residential property that occur not later than six  
49 months after the date on which the property was previously conveyed  
50 to the transferor if the transferor is (A) an employer that acquired the  
51 property from an employee pursuant to an employee relocation plan, or  
52 (B) an entity in the business of purchasing and selling residential  
53 property of employees who are being relocated pursuant to such a plan;

54 (19) Deeds in lieu of foreclosure that transfer the transferor's principal  
55 residence;

56 (20) Any instrument that transfers the transferor's principal residence  
57 where the gross purchase price is insufficient to pay the sum of (A)  
58 mortgages encumbering the property transferred, and (B) any real  
59 property taxes and municipal utility or other charges for which the  
60 municipality may place a lien on the property and that have priority  
61 over the mortgages encumbering the property transferred;

62 (21) Deeds that transfer the transferor's principal residence, where  
63 such residence has a concrete foundation that has deteriorated due to  
64 the presence of pyrrhotite and such transferor has obtained a written  
65 evaluation from a professional engineer licensed pursuant to chapter  
66 391 indicating that the foundation of such residence was made with  
67 defective concrete. The exemption authorized under this subdivision  
68 shall (A) apply to the first transfer of such residence after such written  
69 evaluation has been obtained, and (B) not be available to a transferor  
70 who has received financial assistance to repair or replace such  
71 foundation from the Crumbling Foundations Assistance Fund  
72 established under section 8-441; [and]

73 (22) Deeds of property with dwelling units where all such units are

74 deed restricted as affordable housing, as defined in section 8-39a. For  
75 deeds of property with dwelling units where a portion of such units are  
76 subject to such deed restrictions, the exemption authorized under this  
77 subdivision shall apply only with respect to the dwelling units subject  
78 to such deed restrictions and such exemption shall be reduced  
79 proportionally based on the number of units not subject to such deed  
80 restrictions; and

81 (23) Deeds made to a public housing authority in the state.

82 (b) The tax imposed by subdivision (1) of subsection (a) of section 12-  
83 494 shall not apply to:

84 (1) Deeds of the principal residence of any person approved for  
85 assistance under section 12-129b or 12-170aa for the current assessment  
86 year of the municipality in which such person resides or to any such  
87 transfer that occurs within fifteen months of the completion of any  
88 municipal assessment year for which such person qualified for such  
89 assistance;

90 (2) Deeds of property located in an area designated as an enterprise  
91 zone in accordance with section 32-70; and

92 (3) Deeds of property located in an entertainment district designated  
93 under section 32-76 or established under section 2 of public act 93-311.

94 Sec. 2. Section 12-638b of the general statutes is repealed and the  
95 following is substituted in lieu thereof (*Effective July 1, 2025, and*  
96 *applicable to sales or transfers occurring on or after July 1, 2025*):

97 (a) (1) There is hereby imposed a tax on the sale or transfer of a  
98 controlling interest in any entity [which] that possesses, directly or  
99 indirectly, an interest in real property in this state when the present true  
100 and actual value of the interest in real property equals or exceeds two  
101 thousand dollars, payable by the person selling or transferring such  
102 controlling interest, at the rate of one and eleven one-hundredths of one  
103 per cent of the present true and actual value of the interest in real

104 property possessed, directly or indirectly, by such entity.

105 (2) A taxable sale or transfer of a controlling interest may occur in one  
106 transaction or in a series of transactions. Transactions [which] that occur  
107 within six months of each other are presumed, unless shown to the  
108 contrary, to be a series of transactions.

109 (3) A taxable sale or transfer of a controlling interest may be made by  
110 one seller or transferor or may be made by a group of sellers or  
111 transferors acting in concert. Sellers or transferors who are related to  
112 each other by blood or marriage are presumed, unless shown to the  
113 contrary, to be acting in concert.

114 (b) The tax imposed by subsection (a) of this section [(1)] shall not  
115 apply to (1) any sale or transfer of a controlling interest in any entity to  
116 the extent such entity possesses, directly or indirectly, an interest in real  
117 property located in an area of any municipality designated as an  
118 enterprise zone in accordance with section 32-70, but shall apply to the  
119 extent such entity possesses, directly or indirectly, an interest in real  
120 property in this state located outside such area designated as such an  
121 enterprise zone, [and] (2) [shall not apply to] any sale or transfer of a  
122 controlling interest in any entity to effectuate a mere change of identity  
123 or form of ownership or organization where there is no change in  
124 beneficial ownership, or (3) any sale or transfer of a controlling interest  
125 in any entity to a public housing authority in the state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2025, and applicable to conveyances made on or after July 1, 2025</i>	12-498
Sec. 2	<i>July 1, 2025, and applicable to sales or transfers occurring on or after July 1, 2025</i>	12-638b

***Statement of Legislative Commissioners:***

The title was changed.

***FIN***      *Joint Favorable Subst. -LCO*