

AU-263 Real Estate Conveyance Tax Allocation Worksheet

Use this worksheet to allocate the total consideration for property located in more than one municipality. Keep the completed worksheet for your records. Do not submit it to the Department of Revenue Services (DRS).

Grantor name	Grantor taxpayer ID number	Total consideration	
Property location (street and number)	City/town	State	ZIP code

	Column A Town	Column B Assessed Value	Column C Assessed Value Ratio See instructions.	Column D Allocated Consideration Total Consideration X Column C
1.				
2.				
3.				
4.				
5. Totals: Add Lines 1 through 4.			1.00	

Total consideration entered above must equal the amount entered on Line 5, Column D.

Instructions

Conn. Gen. Stat. §12-500 requires transferors who transfer property located in more than one municipality to allocate the conveyance tax among the municipalities. The tax for both the state and the municipality is allocated in proportion to the assessed value of the real property in each municipality. An allocation may not be necessary if the property in one of the towns has no assessed value; e.g., common elements in a condominium.

Column B: Use the assessed value currently available. Assessments from the previous revaluation should be used if a current assessment is unavailable.

Column C: To calculate the assessed value ratio for each municipality, divide the assessed value for a municipality by the total assessed value for all municipalities listed.

Column D: The amount in Column D for each line must be carried to the appropriate line on **Form OP-236, Real Estate Conveyance Tax Return**.

consideration and one and one quarter percent (.0125) on that portion of the consideration in excess of \$800,000 but not more than \$2,500,000, and two and one quarter percent (.0225) on that portion of the consideration in excess of \$2,500,000.

For a residential dwelling located in more than one municipality where the sales price is more than \$800,000, tax must be allocated among the municipalities and the \$800,000 and \$2,500,000 thresholds must be allocated among all tax returns filed. File a separate return for each municipality.

Example: Consideration in excess of \$800,000. The sales price of a residential dwelling located in two municipalities is \$3,000,000. The total Connecticut tax due is \$38,500 $((\$800,000 \times .0075) + ((\$2,500,000 - \$800,000) \times .0125) + ((\$3,000,000 - \$2,500,000) \times .0225))$. The tax due on all tax returns filed must add up to the total Connecticut tax due.

First, compute the assessed value ratio and allocate the consideration to each municipality. Then, determine the portion of the allocated consideration to which each tax rate is applied using the assessed value ratio for each town.

Tax Allocation for Residential Estates That Exceed \$800,000

Conn. Gen. Stat. §12-494(b)(2) provides that in the case of any conveyance in which the real property conveyed is a residential estate, including a primary dwelling and any auxiliary housing or structures, for consideration of \$800,000 or more, the tax rate is three quarters of one percent (.0075) on the first \$800,000 of

A Town	B Assessed Value	C Assessed Value Ratio	D Allocated Consideration
Town A	\$1,500,000	.6000	\$1,800,000
Town B	<u>\$1,000,000</u>	.4000	<u>\$1,200,000</u>
Total	\$2,500,000		\$3,000,000

For Town A, multiply \$800,000 by the assessed value ratio of .6000. The allocated threshold amount is \$480,000. Enter this amount on Form OP-236, Line 16a. Next, multiply either the balance of the consideration allocated to Town A (where the total consideration is less than \$2,500,000) or \$1,700,000 (where the total consideration is equal to or greater than \$2,500,000) by the assessed value ratio. In this example, the assessed value ratio is .6000 and the allocated threshold amount is \$1,020,000. Enter this amount on Form OP-236, Line 16b. The balance of the consideration allocated to Town A is entered on Form OP-236, Line 16c.

Town A:	Allocated Consideration	Tax Rate	Connecticut Tax
Line 16a	\$480,000	0.0075	\$3,600.00
Line 16b	\$1,020,000	0.0125	\$12,750.00
Line 16c	<u>\$300,000</u>	0.0225	<u>\$6,750.00</u>
Total	\$1,800,000		\$23,100.00

For Town B, multiply \$800,000 by the assessed value ratio of .4000. The allocated threshold amount is \$320,000. Enter this amount on Form OP-236, Line 16a. Next, multiply either the balance of the consideration allocated to Town B (where the total consideration is less than \$2,500,000) or \$1,700,000 (where the total consideration is equal to or greater than \$2,500,000) by the assessed value ratio. In this example, the assessed value ratio is .4000 and the allocated threshold amount is \$680,000. Enter this amount on Form OP-236, Line 16b. The balance of the consideration allocated to Town B is entered on Form OP-236, Line 16c.

Town B:	Allocated Consideration	Tax Rate	Connecticut Tax
Line 16a	\$320,000	0.0075	\$2,400.00
Line 16b	\$680,000	0.0125	\$8,500.00
Line 16c	<u>\$200,000</u>	0.0225	<u>\$4,500.00</u>
Total	\$1,200,000		\$15,400.00