



**STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES**

450 Columbus Blvd Ste 1  
Hartford CT 06103-1837

**2022**

**ESTATE AND GIFT TAX – GENERAL INSTRUCTIONS**

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**What's New for 2022**

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For estates of decedents dying during 2022, the Connecticut estate tax exemption amount is \$9.1 million. Therefore, Connecticut estate tax is due from a decedent's estate if the Connecticut taxable estate is more than \$9.1 million.

For Connecticut taxable gifts made on or after January 1, 2022, and the aggregate of all Connecticut taxable gifts made during all calendar years beginning on or after January 1, 2005, the amount of such gifts exempt from Connecticut gift tax will also be \$9.1 million.

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**Who Must File - Gift Tax**

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The Connecticut gift tax applies to Connecticut taxable gifts, which are federal taxable gifts made by a resident or nonresident of Connecticut on or after January 1, 2005:

- For a Connecticut resident, the taxable gifts include real property or tangible personal property located in Connecticut as well as intangible personal property wherever located; **and**
- For a nonresident of Connecticut, the taxable gifts include only real property or tangible personal property located in Connecticut.

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### Connecticut Gift Tax Overview

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The Connecticut gift tax applies to **Connecticut taxable gifts**, which are federal taxable gifts made by a resident or nonresident of Connecticut on or after January 1, 2005:

- For a Connecticut resident, the taxable gifts include real property or tangible personal property located in Connecticut as well as intangible personal property wherever located; **and**
- For a nonresident of Connecticut, the taxable gifts include only real property or tangible personal property located in Connecticut.

A Connecticut gift tax return must be filed to report all Connecticut taxable gifts made in any calendar year on or after January 1, 2005, even though Connecticut gift tax may not be due.

**Change in Connecticut gift tax exemption:** For Connecticut taxable gifts made during calendar year 2022, a donor will not pay Connecticut gift tax unless the aggregate amount of the Connecticut taxable gifts made on or after January 1, 2005, exceeds \$9.1 million. A credit is allowed against the Connecticut gift tax for Connecticut gift taxes paid on Connecticut taxable gifts made during calendar years beginning on or after January 1, 2005; however, the credit will not exceed the amount of the Connecticut gift tax.

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### Gift Tax Table for Connecticut Taxable Gifts Made During Calendar Year 2022

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If the Aggregate Amount of Connecticut Taxable Gifts Made on or After January 1, 2005, is:	The Amount of the Gift Tax is:
Not over \$9,100,000	None
Over \$9,100,000 but not over \$10,100,000	11.6% of the excess over \$9,100,000
Over \$10,100,000	\$116,000 plus 12% of the excess over \$10,100,000

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### Gifts of Farmland

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#### Transfers of Farmland or Change of Classification

If land classified as farmland under Conn. Gen. Stat. § 12-107c is transferred to a donee who is a lineal descendant or that descendant's spouse, the land may be valued based on its current use as farmland. If within ten years of the transfer the donee transfers this farmland to a person other than the donee's lineal descendant or his or her descendant's spouse or the land is no longer classified as farmland, the donee will be liable for the difference between the tax that was due from the donor and the tax that would have been due if the land was valued at its fair market value.

A *lineal descendant* is a person in the direct line of descent such as a child or grandchild. A lineal descendant does not include a corporation, partnership, or trust.

The donor who claims special valuation on a gift of farmland must provide a copy of **Schedule CT-709 Farmland** to the donee so the donee knows the amount of any additional tax that may become due.

## Due Date of Additional Tax Liability

If within ten years a gift of farmland is transferred to a person other than the donee's lineal descendant or his or her descendant's spouse or the land is no longer classified as farmland under Conn. Gen. Stat. § 12-107c, the donee must submit to the Department of Revenue Services (DRS) a copy of the Schedule CT-709 Farmland the original donor provided to the donee. The additional tax entered on Schedule CT-709 Farmland, Column F, must be paid no later than 60 days following the transfer or the change in classification. The donee must provide a written statement indicating when the land was transferred to a person other than the donee's lineal descendant or that descendant's spouse, or if the land is no longer classified as farmland under Conn. Gen. Stat. § 12-107c, when the classification of the land was changed. Attach the donee's written statement and a check for the additional tax to a copy of the Schedule CT-709 Farmland provided by the donor to the donee.

Department of Revenue Services  
State of Connecticut  
PO Box 2978  
Hartford CT 06104-2978

Make check payable to **Commissioner of Revenue Services**. To ensure payment is applied to the account, write "**Schedule CT-709 Farmland**" and your Social Security Number (SSN) (optional) on the front of your check. Be sure to sign your check and paper clip it to the front of your return. Do not send cash. DRS may submit your check to your bank electronically.

If the tax is not paid on time, the penalty is 10% of the balance due or \$50, whichever is greater. Interest is charged on the underpayment of the tax at the rate of 1% per month or fraction of a month.

The Commissioner may, for good cause, extend the time for payment of the tax if the descendant or the descendant's spouse files a written application with the Commissioner on or before the 60-day period expires. If the land was transferred to the donee's lineal descendant or his or her descendant's spouse, the Commissioner may, for good cause, extend the time for payment of the tax if the descendant or the descendant's spouse files a written application with the Commissioner on or before the 60-day period expires.

## Recordkeeping

For gifts of farmland, you must provide a copy of Schedule CT-709 Farmland to your donee(s) and advise your donee(s) to keep the copy for ten years.

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## Section 1 – Gift Tax

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### Steps to Completing Section 1 – Gift Tax

**Form CT-706/709**, *Connecticut Estate and Gift Tax Return*, is an annual return and covers the entire calendar year. File your 2022 Form CT-706/709 on or before April 15, 2023.

Form CT-706/709 covers **all** gifts exceeding the annual exclusion amounts that you made to **all** donees during the calendar year. Do **not** file a separate Form CT-706/709 for each gift or for each donee.

**No Joint Returns:** If you and your spouse are each required to file Form CT-706/709, you must each file a separate Form CT-706/709. You and your spouse **cannot** file a joint Form CT-706/709.

### Step One – Determine whether you are required to file a federal gift tax return.

Determine whether you are required to file a federal Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, by following the instructions for federal Form 709.

If you are not required to file federal Form 709, stop here. You are not required to complete Form CT-706/709, Section 1.

### Step Two – Determine whether you are required to file a Connecticut gift tax return.

If you are required to file federal Form 709, use the information on that return to determine whether you are required to file Form CT-706/709.

If you are a **resident** individual, you are required to file Form CT-706/709 if:

- You made a gift of real or tangible personal property located in Connecticut or made a gift of intangible property and the amount of your Connecticut taxable gifts entered on your Form CT-706/709, *Schedule A*, Line 9, is more than \$0; **or**
- You made a gift of Connecticut farmland and valued it in accordance with Conn. Gen. Stat. § 12-646a. See **Schedule CT-709 Farmland**.

If you are a **nonresident** individual, you are required to file Form CT-706/709 if:

- You made a gift of real or tangible personal property located in Connecticut and the amount of Connecticut taxable gifts entered on your Form CT-706/709, *Schedule A*, Line 9, is more than \$0; **or**
- You made a gift of Connecticut farmland and valued it in accordance with Conn. Gen. Stat. § 12-646a. See **Schedule CT-709 Farmland**.

### Residence

For purposes of the Connecticut gift tax:

**Resident** means any individual who is domiciled in Connecticut at the time he or she made gifts.

**Nonresident** means any individual who is not domiciled in Connecticut at the time he or she made gifts.

**Domicile** is the place which an individual intends to be his or her permanent home and to which the individual intends to return whenever absent.

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## Schedule A - Overview

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### General Instructions

The information for each gift on **Form CT-706/709**, *Connecticut Estate and Gift Tax Return, Schedule A* should generally be identical to the information reported on federal Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, Schedule A. However, only those gifts to which the Connecticut gift tax applies should be reported on *Schedule A*. For gifts of land classified as farmland under Conn. Gen. Stat. § 12-107c, the land's value as farmland may differ from that reported on federal Form 709, Schedule A. See *Gifts of Farmland*.

If the total amount of Connecticut gifts of present interests to any donee is more than \$16,000 in the calendar year, you must enter all gifts you made during the year to or on behalf of that donee.

If the total amount of Connecticut gifts to a donee is \$16,000 or less, do not enter on *Schedule A* any gifts you made to that donee unless the Connecticut gift is of a future interest or of a present interest where the annual exclusion does not apply to the Connecticut gift.

You must always enter all gifts of future interests you made during the calendar year regardless of value. There is no annual exclusion for gifts of future interests.

### Contributions to Qualified State Tuition Programs

An election may be made under IRC § 529(c)(2)(B) to treat any transfers made this year to a qualified state tuition program as made ratably over a five-year period beginning this year.

### Gifts to Your Spouse

Enter gifts to your spouse on *Schedule A* if:

- You gave a gift of a terminable interest to your spouse;
- You gave a gift of a terminable future interest to your spouse; **or**
- Your spouse was not a citizen of the United States at the time of the gift.

### Gift Splitting with Your Spouse

You are **not** permitted to gift split for Connecticut gift tax purposes if you do not consent to gift split for federal tax purposes.

You are **required** to gift split for Connecticut gift tax purposes if you consent to gift split for federal gift tax purposes.

Enter on *Schedule A* the entire value of every gift you made during that portion of the calendar year you were married even if the gift's value will be less than \$16,000.

If you elected gift splitting and your spouse made gifts, list those gifts in the space below *Gifts made by spouse*.

### Terminable Interests

Generally, you cannot take the marital deduction if the gift to your spouse is a terminable interest. In most cases, a terminable interest is nondeductible if someone other than the donee spouse will have an interest in the property following the termination of the donee spouse's interest.

Some examples of terminable interests are:

- A life estate;
- An estate for a specified number of years; **or**
- Any other property interest that after a period of time may terminate or fail.

If you transfer an interest to your spouse as sole joint tenant with yourself or as a tenant by the entirety, the interest is not considered a terminable interest just because the tenancy may be severed.

## Life Estate with Power of Appointment

You may deduct, without a federal election, a gift of a terminable interest if **all** four of the following requirements are met:

1. Your spouse is entitled for life to all of the income from the entire interest;
2. The income is paid yearly or more often.
3. Your spouse has the unlimited power, while he or she is alive or by will, to appoint the entire interest in all circumstances; **and**
4. No part of the entire interest is subject to another person's power of appointment except to appoint it to your spouse.

If either the right to income or the power of appointment given to your spouse pertains only to a **specific portion** of the property interest, the marital deduction is allowed only to the extent that the rights of your spouse meet all four of the conditions listed. For example, if your spouse is to receive all of the income from the entire interest, but only has a power to appoint one-half of the entire interest, then only one-half qualifies for the marital deduction.

In order to claim this deduction a Form CT-706/709 must be filed.

## Election to Deduct Qualified Terminable Interest Property (QTIP)

You may elect, for federal gift tax purposes, to deduct a gift of a terminable interest if it meets requirements 1, 2, and 4 under *Life Estate with Power of Appointment* even though it does not meet requirements 3.

If you make this federal election, you must check the box on *Schedule A, Line 16*. **You may not check the box if you did not make the election for federal gift tax purposes.**

## Charitable Remainder Trusts

If you made a gift to a charitable remainder trust and, other than you, your spouse is the only noncharitable beneficiary, the interest you have to your spouse is not considered a terminable interest gift and, therefore, should not be reported on Form CT-706/709, *Schedule A*.

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## Form CT- 706/709 - Gift Tax Attachments

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- Attach a complete copy of your federal Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, including all attachments.
- A donor claiming special valuation on a gift of farmland **must** attach **Schedule CT-709 Farmland** to provide the fair market value of the farmland based on its highest and best use value at the time of the gift. The donor must also provide a copy of Schedule CT-709 Farmland to the donee(s).
- For gifts of stock of closely held or inactive corporations, attach the balance sheet for the period nearest the date of the gift, statements of net earnings or operating results and dividends paid for each of the five preceding years, and a concise statement of the method of valuation.
- For each gift of a life insurance policy, attach a copy of federal Form 712, Life Insurance Statement. For single premium or paid-up policies where the surrender value of the policy exceeds its replacement cost, the true economic value of the policy is greater than the amount shown on federal Form 712, Line 59. In these situations, report the true economic value of the policy.
- Attach any other documents, such as appraisals, required for adequate explanation of value. If no document is attached to show how property is valued, explain in detail how the value was determined.

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## When to File – Gift Tax

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In general, Form CT-706/709 is due on or before April 15 of the year following the year the gifts were made unless an extension for filing Form CT-706/709 is granted.

If the due date falls on a Saturday, Sunday, or legal holiday, the return will be considered timely if filed by the next business day.

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## Extension Request

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You may request an extension of time to file your Form CT-706/709 by filing **Form CT-706/709 EXT, *Application for Estate and Gift Tax Return Filing Extension and Estate Tax Payment Extension***.

Payment of all of the Connecticut gift tax you expect to owe must accompany Form CT-706/709 EXT. Filing Form CT-706/709 EXT only extends the time to file your Connecticut gift tax return; it does not extend the time to pay Connecticut gift tax. If the payment accompanying your Form CT-706/709 EXT is less than the gift tax reported on your Form CT-706/709, you will owe interest and penalty. See *Interest and Penalties*.

If a taxpayer is unable to request an extension because of illness, absence, or other good cause, any person standing in a close personal or business relationship to the taxpayer (including an attorney, accountant, or enrolled agent) may file the extension request on the taxpayer's behalf.

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## Who Must File - Estate Tax

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Resident and nonresident estates are liable for the Connecticut estate tax if the amount of their Connecticut taxable estate is more than 9.1 million.

A ***resident estate*** is an estate of a decedent who at the time of death was domiciled in Connecticut.

A ***nonresident estate*** is an estate of a decedent who at the time of death was not domiciled in Connecticut but owned real or tangible personal property in Connecticut.

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## Connecticut Estate Tax Overview

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Resident and nonresident estates are liable for the Connecticut estate tax if the amount of their Connecticut taxable estate is more than \$9.1 million. A ***resident estate*** is an estate of a decedent who at the time of death was domiciled in Connecticut. A ***nonresident estate*** is an estate of a decedent who at the time of death was not domiciled in Connecticut but owned real or tangible personal property in Connecticut.

The ***Connecticut taxable estate*** is the sum of:

- The decedent's gross estate, as valued for federal estate tax purposes, less allowable federal estate tax deductions, as determined under Chapter 11 of the Internal Revenue Code (IRC); **plus**
- The aggregate amount of all Connecticut taxable gifts made by the decedent, during his or her lifetime, during all calendar years beginning on or after January 1, 2005, other than Connecticut taxable gifts that are includable in the decedent's federal gross estate; **plus**
- The amount of any gift tax paid to this state by the decedent or the decedent's estate on any gift made by the decedent or decedent's spouse during the three-year period preceding the date of the decedent's death.

The deduction for state death taxes paid under IRC § 2058 shall be disregarded.

If the amount of the Connecticut taxable estate exceeds \$9.1 million, the estate must file Form CT-706/709 with DRS. **A copy of the completed Form CT-706/709 must also be filed with the appropriate Probate Court.**

For a **nonresident estate**, if the amount of the Connecticut taxable estate exceeds \$9.1 million, the tax calculated is then multiplied by a fraction. See *CT-706/706 Line Instructions for Schedule G - Computation of Tax for Nonresident Estates*.

If the amount of the Connecticut taxable estate is \$9.1 million or less, Connecticut estate and gift tax is not due. Except as noted below, the estate must file Form CT-706 NT with the Probate Court for the district in which the decedent resided at the date of death, or if the decedent died as a nonresident of Connecticut, with the Probate Court for the district in which the decedent's real property or tangible personal property is located. **Do not file Form CT-706 NT with DRS.**

An executor or administrator choosing to make a Connecticut qualified terminable interest property (QTIP) election (see *Connecticut QTIP Election*, below) must make the election by filing Form CT-706/709, even if the amount of the decedent's Connecticut taxable estate is less than or equal to the Connecticut estate tax exemption amount. The election may not be made by filing Form CT-706 NT.

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### Estate Tax Table for Estates of Decedents Dying During Calendar Year 2022

If the Amount of Connecticut Taxable Estate Is:	The Amount of the Estate Tax Is:
Not over \$9,100,000	None
Over \$9,100,000 but not over \$10,100,000	11.6% of the excess over \$9,100,000
Over \$10,100,000	\$116,000 plus 12% of the excess over \$10,100,000

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## Section 2 – Estate Tax

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### Steps to Completing Section 2 – Estate Tax

Use these instructions to complete and file **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*, for estates of decedents dying during calendar year 2022.

Enter the decedent's date of death and the two-digit Probate Court district where the return is filed.

The decedent's **Connecticut taxable estate** is the sum of:

- The decedent's gross estate, as valued for federal estate tax purposes, less allowable federal estate tax deductions, as determined under Chapter 11 of the Internal Revenue Code (IRC); **plus**
- The aggregate amount of all Connecticut taxable gifts made by the decedent, during his or her lifetime, during all calendar years beginning on or after January 1, 2005, other than Connecticut taxable gifts that are includable in the decedent's federal gross estate; **plus**
- The amount of any gift tax paid to this state by the decedent or the decedent's estate on any gift made by the decedent or decedent's spouse during the three-year period preceding the date of the decedent's death.

The deduction for state death taxes paid under IRC § 2058 shall be disregarded.



## Filing Requirements

A copy of the completed Form CT-706/709 **must** also be filed with the appropriate Probate Court.

Connecticut Taxable Estate	File with Probate Court	File with DRS
Connecticut taxable estate is <b>less than or equal to</b> the \$9.1 million, and no Connecticut QTIP election is made	Form CT-706 NT	Nothing to be filed
Connecticut taxable estate is <b>less than or equal to</b> \$9.1 million, and a Connecticut QTIP election is made	Copy of Form CT-706/709	Form CT-706/709
Connecticut taxable estate is <b>more than</b> \$9.1 million	Copy of Form CT-706/709	Form CT-706/709

The estate of any individual who is not domiciled in Connecticut at the time of his or her death but for whom a full estate is opened under Conn. Gen. Stat. § 45a-287 or 45a-303(a)(2) is required to file a Connecticut estate tax return.

## Property and Proceeds Reported for Federal Estate Tax Purposes

The value of the gross estate of the decedent is determined by including the fair market value at the time of his or her death of all property, real or personal, tangible or intangible, wherever located.

All property in which the decedent had any interest must be reported at its fair market value on the decedent’s date of death unless alternate valuation is elected for federal estate tax purposes on a completed and signed federal Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return.

Assets which must be reported include:

- Tangible personal property\* wherever located;
- Real property\*\* wherever located; **and**
- All intangible personal property\*\*\* wherever located.

\* Tangible personal property includes but is not limited to antiques, art collections, automobiles, boats, clothing, coin collections, household furniture and furnishings, jewelry, and stamp collections.

\*\* Real property should include the acreage and whether it is a home, rental, commercial, farm, or vacant land.

\*\*\* Intangible personal property includes but is not limited to bank accounts, cash, stocks, bonds, pensions, copyrights, interest in estates of other decedents, royalties, mortgages, notes, partnership interests, remainder interest in trusts and estates, and unincorporated businesses.

All tangible personal property that the decedent owned at the date of death must be reported at fair market value.

For real estate, the fair market value may be determined through a written appraisal or by a comparable market analysis prepared by a realtor. For real estate that is subject to a reverse mortgage, or any property that is subject to non-recourse debt, report only the value of the equity of redemption (or the value of the property less the indebtedness). Do not report an amount less than zero.

For stocks quoted on a stock exchange, use the mean between the high and the low or bid and asked price at the date of death. **Include date of death estate valuation reports and date of death financial statements for securities.**

For bank accounts, include bank statements for the same month as the month of death and be sure that all interest has been posted as of the date of death. For U.S. Savings Bonds, use the value at death not the face amount.

Do not reduce the reported fair market value of any property by the amount of any mortgages, liens, or encumbrances that the decedent or decedent's estate is liable for. Attach required supporting documents to the return.

## Definitions

For purposes of the Connecticut estate tax:

**Resident** means the estate of any individual who is domiciled in Connecticut at the time of his or her death.

**Nonresident** means the estate of any individual who is not domiciled in Connecticut at the time of his or her death.

**Domicile** is the place which an individual intends to be his or her permanent home and to which the individual intends to return whenever absent. If the decedent is claimed to be a nonresident, the estate must also file **Form C-3 UGE, State of Connecticut Domicile Declaration**, either with DRS or the Probate Court depending on which has jurisdiction over the estate.

**Jurisdiction** means a state of the United States, the District of Columbia, or a foreign country.

**Executor** means the executor, personal representative, or administrator of the estate appointed by a court of competent jurisdiction.

**Connecticut QTIP Election:** An election may be made *solely for Connecticut estate tax purposes* to have a trust or other property of the decedent's gross estate treated as qualified terminable interest property (QTIP). This election may only be made if no election was made for federal estate tax purposes under IRC § 2056(b)(7) to treat a trust or other property of the decedent's gross estate as QTIP. A QTIP election made solely for Connecticut estate tax purposes (Connecticut QTIP election) must be made by filing Form CT-706/709, and not by filing Form CT-706 NT.

## Release of Estate Tax Lien Required for Sale of Connecticut Real Property

For an estate required to file Form CT-706/709 that includes a decedent's interest in Connecticut real property, prior to the sale of the interest in the Connecticut real property, its Connecticut attorney or corporate fiduciary **must** request a release of the estate tax lien provided in Conn. Gen. Stat. § 12-398(d) by filing a completed **Form CT-4422 UGE, Application for Certificate Releasing Connecticut Estate Tax Lien**, with DRS. If the estate's payment of the estate tax is sufficiently provided for, DRS will issue to the Connecticut attorney or corporate fiduciary its signed and sealed **Form CT-792 UGE** evidencing the discharge of the estate tax lien.

## Who Must Sign the Return

The executor or administrator of the estate must sign and file Form CT-706/709. If there is more than one fiduciary, all must sign the return and all are liable for tax, interest, and penalty. See *Executor* above. If there is no executor or administrator, each person in actual or constructive possession of any property of the decedent must file Form CT-706/709.

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## Calculation of Estate Tax for Nonresidents with Interests in Certain Pass-Through Entities

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For a nonresident decedent dying on or after January 1, 2019, real and tangible personal property located in Connecticut and owned by a pass-through entity are treated as owned directly by the nonresident decedent if one of the following conditions is met:

- The entity does not carry on a business for the purpose of profit and gain;
- The ownership of the property by the entity was not for a valid business purpose; **or**
- The property was acquired by other than a bona fide sale for full and adequate consideration, and the decedent retained power over or an interest in the property such that it remained within the decedent's federal gross estate.

Such property is treated as owned by the nonresident decedent in proportion to the decedent's constructive ownership in the pass-through entity for purposes of computing the tax due for a nonresident estate.

**Pass-through entity** is defined as a partnership or S corporation, as defined in Conn. Gen. Stat. § 12-699(a), or a single member LLC that is disregarded for federal income tax purposes.

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### Credits

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Connecticut resident and nonresident estates are allowed a credit against the estate tax for Connecticut gift tax previously paid by the decedent (during his or her lifetime) on Connecticut taxable gifts made during calendar years beginning on or after January 1, 2005. In addition, Connecticut resident estates are also allowed a credit for real or tangible personal property located outside Connecticut.

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### Supporting Documentation

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Failure to provide required supporting documents with your return will result in processing delays.

To be a complete return, a death certificate and copies of the completed and signed federal Form 706 and Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return (if applicable), including all supplemental documents, **must** be attached to Form CT-706/709.

Any estate with a gross estate in excess of \$9.1 million that does not file a completed and signed federal Form 706 **must** attach to Form CT-706/709 a signed pro forma Form 706 completed as if federal tax law required the estate to file the return with the IRS. **Returns not filed with the IRS must be clearly marked as pro forma.**

Attach *Schedule CT-706 Farmland* if you elect special-use valuation for farmland.

Returns and attachments must be packaged in the following order:

- Complete **Form CT-706/709**, *Connecticut Estate and Gift Return*;
- Completed **Form C-3 UGE**, *State of Connecticut Domicile Declaration*, for nonresident estates;
- Copy of Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return or proforma Form 706 and supporting schedules;
- Copy of Death Certificate;
- Copy of predeceased spouse's **Form CT-706 NT**, *Connecticut Estate Tax Return (for Nontaxable Estates)*, for decedents dying on or after January 1, 2005, if applicable;
- Copies of post-1990 United States Gift (and Generation-Skipping Transfer) Tax Returns;
- Copies of any Qualified Disclaimers;
- Copies of supporting documents in ascending order of federal Form 706 Schedules for assets and deductions;
- Certified copy of Decedent's Will, if applicable; **and**
- Copy of any applicable trusts and power of appointment instruments.

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## When to File – Estate Tax

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Form CT-706/709 for Connecticut estate tax must be filed no later than six months after the decedent's date of death unless an extension of time to file is requested.

Use **Form CT-706/709**, *Application for Estate and Gift Tax Return Filing Extension and Estate Tax Payment Extension*, to apply for an extension of time to file.

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## Estate and Gift Tax

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### DRS Policy on Cooperative Units

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The Department of Revenue Services (DRS) treatment of cooperative units, for Connecticut estate and gift tax purposes follows the law of the jurisdiction in which the property was located. For example, if New York law treats shares in a New York cooperative as intangible property, the treatment for Connecticut estate and gift tax purposes of shares in a New York cooperative will be as intangible property. Likewise, because Connecticut law treats a Connecticut cooperative unit as an interest in real property the treatment for Connecticut estate and gift tax purposes of a Connecticut cooperative unit will be as an interest in real property.

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### Where to File

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#### File a Paper Return

A complete copy of this return must be filed with the appropriate Connecticut Probate Court.

Retain a copy of this return for your records. Attach to this return a complete copy of federal Forms 706 and 709, if applicable, including **all** attachments.

Mail the return and attachments to:

Department of Revenue Services  
State of Connecticut  
PO Box 2978  
Hartford CT 06104-2978

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### Interest and Penalties

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In general, interest and penalty apply to any portion of the tax not paid on or before the original due date of the return.

#### Interest

If you do not pay the tax when due, you will owe interest at the rate of 1% per month or fraction of a month until the tax is paid in full.

Interest on underpayment or late payment of tax cannot be waived.

#### Penalty

##### Penalty for Late Payment or Late Filing

The penalty for late payment or underpayment of the tax is 10% of the tax not paid on or before the original due date of the return or \$50, whichever is greater.

If no tax is due, the Commissioner or Revenue Services may impose a \$50 penalty for failure to file any return or report that is required by law to be filed.

### **Penalty for Failure to File**

If you do not file your return and DRS files a return for you, the penalty for failure to file is 10% of the balance due or \$50, whichever is greater. If you were required to file an amended **Form CT-706/709**, *Connecticut Estate and Gift Tax Return*, and failed to do so, you will be subject to a penalty.

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## Resources

- [Topical Index to Rulings and Administrative Pronouncements Covering Income Tax Index](#)
- [General Statutes of Connecticut](#)
- [Contact DRS](#)

## Other Helpful Information

- **Waiver of Penalty**
- **Rounding Off to Whole Dollars**
- **Private Delivery Services**
- **Refund Information**
- **Recordkeeping**
- **Amended Form CT-706/709 Tax Returns**
- **Person Responsible for Filing Return and Paying Tax**
- **Financial Disability**
- **Comparison Between Federal Gift Tax and Connecticut Gift Tax**
- **Power of Attorney**
- **Fraud Reporting Form or DRS Fraud hotline: 855-842-1441**
- **Change of Address**
- **Declaration**
- **Copies of My Returns**
- **Status Letter**

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### Waiver of Penalty

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If you believe that a penalty should be waived because the failure to pay the tax on time was due to reasonable cause and was not intentional or due to neglect, you have the right to request a penalty waiver. Interest cannot be waived. You **MUST** pay all tax and interest due before a penalty waiver request will be considered.

For detailed information about the penalty waiver, see [Penalty Waiver Request, Offer of Compromise or Protest](#).

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### Rounding Off to Whole Dollars

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You must round off cents to the nearest whole dollar on your return and schedules. If you do not round, DRS will disregard the cents. Round down to the next lowest dollar all amounts that include 1 through 49 cents. Round up to the next highest dollar all amounts that include 50 through 99 cents. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off **only** the total.

**Example:** Add two amounts (\$1.29+\$3.21) to compute the total (\$4.50) to enter on a line. \$4.50 is rounded to \$5.00 and entered on a line.

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### Private Delivery Services

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Your return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by the designated PDSs qualify. The following are the designated PDSs and designated types of service at the time of publication:

- **DHL Express:**
  - DHL Express 9:00
  - DHL Express 10:30
  - DHL Express 12:00
  - DHL Express Worldwide
  - DHL Express Envelope
  - DHL Import Express 10:30
  - DHL Import Express 12:00
  - DHL Import Express Worldwide
  
- **Federal Express (FedEx):**
  - FedEx First Overnight
  - FedEx Priority Overnight
  - FedEx Standard Overnight
  - FedEx 2 Day
  - FedEx International First Next Flight Out
  - FedEx International Priority
  - FedEx International First
  - FedEx International Economy
  
- **United Parcel Service (UPS):**
  - UPS Next Day Air Early AM
  - UPS Next Day Air
  - UPS Next Day Air Saver
  - UPS 2nd Day Air
  - UPS 2nd Day Air A.M.
  - UPS Worldwide Express Plus
  - UPS Worldwide Express

This list is subject to change. See [Policy Statement 2016\(4\), Designated Private Delivery Services and Designated Types of Service](#).

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### Refund Information

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Receipt of a refund claimed does not constitute acceptance by DRS of Form CT-706/709 as filed. DRS may examine your refund claim within three years from the later of the due date or filing date of your return. The examination could result in additional tax, penalty, and interest charges. A closing letter will not be issued to the estate or the probate court until the examination of the return is completed.

**Recordkeeping**

Keep a copy of the tax return, worksheets, and records of all items appearing on the return until the statute of limitations expires for that return. Usually, this is three years from the date the return was due or filed, whichever is later.

**Amended Form CT-706/709 Tax Returns**

Use **Form CT-706/709, Connecticut Estate and Gift Tax Return**, for the year you are amending. Include a statement explaining why the return is being amended and check the *Amended Return* box on the front of the return. Enter the amount paid with the original return on Line 18.

If you overpaid your Connecticut gift or estate tax, you must amend Form CT-706/709 within three years after the due date for which the overpayment was made. If additional tax is due, interest applies. See *Interest and Penalties*.

The following circumstances require filing an amended Form CT-706/709 for gift or estate tax.

<p><b>The IRS or federal courts change or correct the federal gift or estate tax return and the change or correction results in the Connecticut gift or estate tax being overpaid or underpaid.</b></p>	<p><b>File no later than 90 days after the final determination.</b> If you file an amended Form CT-706/709 no later than 90 days after the final determination, any Connecticut gift or estate tax overpayment resulting from the final determination will be refunded even if the Connecticut statute of limitations has otherwise expired.</p>
<p><b>The donor files a timely amended federal gift or estate tax return and the amendment results in the Connecticut gift or estate tax being overpaid or underpaid.</b></p>	<p><b>File no later than 90 days after the date of filing the timely amended federal gift or estate tax return.</b> If you file an amended Form CT-706/709 no later than 90 days after the date of filing the timely amended federal gift or estate tax return, any Connecticut gift or estate tax overpayment resulting from filing the timely amended federal gift or estate tax return will be refunded even if the Connecticut statute of limitations has otherwise expired.</p>
<p><b>The donor made a mistake or omission on Form CT-706/709 and the mistake or omission results in the Connecticut gift or estate tax being overpaid or underpaid.</b></p>	<p><b>File no later than three years after the due date for which the overpayment was made.</b></p>

**Person Responsible for Filing Return and Paying Tax**

If Form CT-706/709 must be filed, the donor is responsible for filing Form CT-706/709 and paying the tax due.

If a donor becomes legally incompetent or dies before filing the return, the donor’s guardian, conservator, executor, or administrator is responsible for filing the return. If there is no duly qualified executor or administrator, the donor’s heirs, legatees, devisees, or distributees are required to pay the tax to the extent of the value of their inheritances, bequests, devises, or distributive shares of the donor’s estate.

If the gift tax is not paid when due, each donee is personally liable for the tax to the extent of the value of the gift received.



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## Financial Disability

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If you, as the donor, are financially disabled as defined in IRC § 6511(h)(2), the statute of limitations for having an overpayment of Connecticut gift tax refunded to you is extended for as long as you are financially disabled. You are financially disabled if you are unable to manage your own affairs by reason of a medically determinable physical or mental impairment that has lasted or can be expected to last for a continuous period of not less than 12 months. You are not financially disabled during any period your spouse or any other person is authorized to act on your behalf in financial matters.

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## Comparison Between Federal Gift Tax and Connecticut Gift Tax

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### Gifts

A gift is a transfer of property or interest in property without adequate consideration. For Connecticut gift tax purposes, a transfer is only treated as a gift if it is treated as a gift for federal gift tax purposes. Some transfers treated as gifts for federal gift tax purposes are not treated as gifts for Connecticut gift tax purposes. For example, real property located outside Connecticut is not subject to the Connecticut gift tax. Gifts to which the Connecticut gift tax applies are gifts of real property and tangible personal property located in Connecticut whether the donor is a resident of Connecticut or a nonresident of Connecticut and gifts of intangible personal property but only where the donor is a resident of Connecticut.

### Exclusions and Deductions

For federal gift tax purposes, the first \$16,000 of gifts to a donee during the calendar year of a present interest in property is excluded from the total amount of gifts. There is no annual exclusion for gifts of future interests. A present interest in property is an unrestricted right to the immediate use, possession, or enjoyment of property or the income from the property. For Connecticut gift tax purposes, the same first \$16,000 of gifts to a donee during the calendar year of a present interest in property that was excluded for federal gift tax purposes is excluded from the total amount of gifts, but only if that same first \$16,000 of gifts to the donee is gifts to which the Connecticut gift tax applies.

For federal gift tax purposes, the first \$164,000 of gifts made to a spouse who is not a U.S. citizen during the calendar year of a present interest in property is excluded from the total amount of gifts. For Connecticut gift tax purposes, the same first \$164,000 of gifts to a spouse who is not a U.S. citizen during the calendar year of a present interest in property that was excluded for federal gift tax purposes is excluded from the total amount of gifts, but only if that same first \$164,000 of gifts to the spouse is gifts to which the Connecticut gift tax applies.

For federal gift tax purposes, deductions are allowed for gifts to charitable organizations or to a spouse who is a U.S. citizen. For Connecticut gift tax purposes, deductions are allowed for gifts to charitable organizations or to a spouse who is a U.S. citizen.

### Valuation

In general, the valuation rules used for federal gift tax purposes are also used for Connecticut gift tax purposes. These rules include the special valuation rules of IRC §§ 2701 through 2704, where they apply. Generally, the special valuation rules apply if a donor transfers certain property to a member of his or her family and, immediately after the transfer, retains or is deemed to have retained an interest in the property. For example, certain gifts of real property in which the donor retains a life estate and transfers a remainder interest to a member of his or her family are subject to the special valuation rules. Where the special valuation rules apply, the value of the retained interest is disregarded in determining the value of the gift made to the family member. See IRC § 2702. If a gift of farmland is made, the donor may elect to use a valuation method other than the federal valuation rules. See *Gifts of Farmland*.

**Example:** During calendar year 2022, Mary conveys title to her house to her three children and either retains a life use for herself on the deed or does not retain a life use for herself on the deed but continues to occupy the residence. Mary does not receive any money or other type of consideration for the house from her children. Mary has made a gift of a future interest to her children. Because this is a gift of a future interest to her lineal descendants, it is subject to the special valuation rules (IRC §§ 2702 et seq.). The value of Mary’s gift determined under the special valuation rules is the property’s fair market value (less encumbrances). Because this is a gift of a future interest, annual exclusions do not apply.

## Gift Splitting

For federal gift tax purposes, if both spouses consent to gift split, all gifts made to third parties during the calendar year, whether made by one spouse alone or made partly by each spouse, are considered made one-half by each spouse (only if at the time of the gift each spouse is a citizen or resident of the U.S.). For federal purposes, the first \$32,000 of gifts of a present interest in property to a donee by consenting spouses during the calendar year are excluded from the total amount of gifts. To gift split:

- Spouses must be married to each other at the time the gifts were made for gift splitting to apply. If they are subsequently divorced during the year, they may still gift split for gifts made while they were married so long as neither marries anyone else during the year;
- Spouses must both be citizens or residents of the United States on the date of the gift; **and**
- One spouse may not create a general power of appointment in the other spouse over the property transferred.

The executor or administrator for a deceased spouse’s estate or the guardian of a legally incompetent spouse may sign the consent. The consent of an executor or administrator is not effective for gifts made by the surviving spouse during that portion of the calendar year his or her spouse was deceased.

A husband and wife who have both consented to gift split for federal gift tax purposes are deemed to have both consented to gift split for Connecticut gift tax purposes and are required to gift split for Connecticut gift tax purposes. The rules that apply to determine whether and which gifts may be gift split for federal gift tax purposes also apply for Connecticut gift tax purposes. If a husband and wife have not both consented to gift split for federal gift tax purposes, they may not gift split for Connecticut gift tax purposes.

The Connecticut gift tax liability of the spouses deemed to have consented to gift split is joint and several. Joint and several means one or both parties can be held responsible to pay the full amount of the tax due.

## No Joint Gift Tax Return

A married couple may not file a joint gift tax return for either federal gift tax purposes or Connecticut gift tax purposes.

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## Power of Attorney

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To authorize one or more individuals to represent you or your business before the Department of Revenue Services (DRS), use **LGL-001**, *Power of Attorney*. This authorization allows your representative(s) to receive and inspect confidential tax information and to act on your behalf in matters before DRS.

Submit LGL-001 electronically by sending it to DRS through a secure web message in **myconneCT**. Log in to **myconneCT**, open the *More ...* menu, locate the *Correspondence* group and click the *Send a Message* hyperlink.

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## Change of Address

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Taxpayers can change their address through **myconneCT**.

1. Log in to **myconneCT**.
2. Open the **More...** menu.
3. Locate the **Taxpayer Updates** group and click the **Manage Names & Addresses** hyperlink.
4. Continue to follow the prompts on the screen.

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## Declaration

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Anyone signing the return is declaring that the return and any accompanying schedules and statements are true, complete, and correct to the best of the signatory's knowledge. Willfully delivering a false return or document to DRS is a Class D Felony. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.