

Form AU-330

Connecticut Controlling Interest Transfer Tax Return Instructions

General Information

Controlling Interest Transfer Tax

The **controlling interest** transfer tax is a tax imposed on the sale or transfer for consideration of a controlling interest in an entity, whether it is a **corporation, partnership**, association, trust, limited liability company, or other organization, where the entity owns, directly or indirectly, an interest in Connecticut **real property** which has a present and true value not less than \$2,000. For more information regarding the tax, see **Special Notice 2003(11)**, *2003 Legislation Affecting the Controlling Interest Transfer Taxes*.

When to File

Form AU-330, *Controlling Interest Transfer Tax Return*, must be filed by the transferor on or before the last day of the month following the month during which a controlling interest in an entity was transferred. Where the transfer is made in a series of transactions, Form AU-330 must be filed on or before the last day of the month following the month during which the interest sold or transferred, in the aggregate, first exceeds 50%. Where a group of transferors acting in concert transfers a controlling interest, the group must file one Form AU-330.

Filing and Paying Electronically

File and pay Form AU-330 electronically using **myconneCT** at portal.ct.gov/DRS-myconneCT. See Filing and Paying Connecticut Taxes Electronically at portal.ct.gov/DRS/myconnect/filing-and-paying.

Filing and Paying by Mail

If you file by mail, complete this return in blue or black ink only. Do not use staples.

Make check payable to **Commissioner of Revenue Services**. To ensure payment is applied to your account, write "**Form AU-330**" and your Connecticut Tax Registration Number, Social Security Number (SSN), or Federal Employer Identification Number (FEIN) 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**. The Department of Revenue Services (DRS) may submit your check to your bank electronically.

Mail to: Department of Revenue Services
State of Connecticut
PO Box 5031
Hartford CT 06102-5031

Tax Rate

The controlling interest transfer tax is imposed on the person selling or transferring the controlling interest at the rate of 1.11% of the **present true and actual value** of the interest in real property possessed, directly or indirectly, by the entity. An additional controlling interest transfer tax is imposed under Conn. Gen. Stat. § 12-638I if a controlling interest in an entity which possesses an interest in land that has been classified as **farm land, forest land, maritime heritage land, or open space land** is transferred within a period of ten years.

The additional tax rate varies between 10% and 1% of the **present true and actual value** of the land depending on the year in which the controlling interest was transferred.

- In the case of **farm land** and **forest land**, the additional tax is applied if a controlling interest in the entity which possesses an interest in the land is sold within a period of ten years from the time the owner acquired title to the land or from the time the owner first caused the land to be so classified, whichever is earlier.
- In the case of land which has been classified as **open space land** or **maritime heritage land**, the additional tax is applied if a controlling interest in the entity which possesses an interest in the land is sold within a period of ten years from the time the owner first caused the land to be so classified.

Land is considered classified as **farm land, forest land, open space land, or maritime heritage land** on the first day of the initial assessment year in which the land was so classified by the entity.

Exempt Transfers

The tax does not apply to the transfer of a controlling interest in any entity:

- To the extent the entity owns directly or indirectly, an interest in real property located in an enterprise zone in accordance with Conn. Gen. Stat. § 32-70 (attach a letter from the economic development officer of the relevant municipality stating that the property is located within the enterprise zone); **or**
- Where the transfer effectuates a mere change of identity or form of ownership or organization; not a change in beneficial ownership.

Form AU-330 must be filed to claim the exemption.

Interest and Penalties for Late Payment

Interest for late payment is 1% per month or fraction of a month from the due date. Penalty for late payment is 10% of the tax due or \$50, whichever is greater.

Signature

Form AU-330 must be signed by a principal officer, the transferor, or an authorized agent.

For the Latest News

Visit the DRS website at portal.ct.gov/DRS.

Definitions

Controlling interest means, in the case of a corporation, more than 50% of the total combined voting power of all classes of stock in the corporation, or in the case of a noncorporate entity (such as a partnership, limited liability company, or trust), more than 50% of the capital, profits, or beneficial interest in the noncorporate entity. A transfer of a controlling interest may be made all at once or in a series of transfers. Where transfers would constitute a transfer of a controlling interest had they occurred all at one time, they will be treated as a transfer of a controlling interest. Transactions occurring within six months of each other are presumed, unless shown to the contrary (to the satisfaction of DRS), to be acting in concert.

Real property means any interest, legal or equitable, present or future, vested or contingent, in real property, which interest endures for a period of time, the termination of which is not fixed or ascertained by a specific number of years, such as an estate in fee simple or a life estate, provided a conveyance of the interest would be considered a conveyance of real property for purposes of the real estate conveyance taxes imposed under Chapter 223 of the Connecticut General Statutes.

Present true and actual value of real property is its fair market value, unreduced by the amount of any mortgage, lien, or other encumbrance, as of the time of the transfer of a controlling interest. The present true and actual value of Connecticut real property directly owned by the entity is 100% of the property's fair market value. The present true and actual value of Connecticut real property indirectly owned by the entity is the entity's applicable ownership percentage of the corporate or noncorporate organization that directly owns the real property multiplied by the property's fair market value.

Farm land means land classified as such under Conn. Gen. Stat. § 12-107c.

Forest land means land classified as such under Conn. Gen. Stat. § 12-107d.

Maritime heritage land means land classified as such under Conn. Gen. Stat. § 12-107g.

Open space land means land classified as such under Conn. Gen. Stat. § 12-107e.

Partnership includes a limited partnership or a limited liability partnership.

Corporation means a C corporation, an S corporation, or any association taxable as a corporation for federal income tax purposes.

Specific Instructions

Part I and Part II

If the transferor or transferee is an individual, enter his or her home address. If the transferor or transferee is not an individual, enter mailing address.

If the transferor or transferee is an individual, enter his or her SSN. If the transferor or transferee is not an individual, enter the FEIN.

Part III

Enter the full name of the entity and the location (not mailing address) of the principal office.

Line 1: Check *Corporation* for any C corporation, S corporation, or association taxable as a corporation for federal income tax purposes. Check *Partnership* for any general partnership, limited partnership, or limited liability partnership.

Line 3: Enter the date on which legal title to a controlling interest was vested in the transferee.

Line 4: Enter the percentage of the total interest transferred in the entity transferred on the date indicated on Line 3, resulting in a taxable controlling interest transfer of greater than 50%.

Part V

Location of Real Property: List all Connecticut real property (including farm land, forest land, open space land, and maritime heritage land) owned directly by the entity in which a controlling interest was transferred. The street addresses and parcel numbers (map/block/lot) must be provided.

Town Code: See *Table A* on Page 3 for town codes.

Present True and Actual Value: Enter the present true and actual value as of the date indicated on Part III, Line 3. The present true and actual value of Connecticut real property directly owned by the entity being transferred is 100% of the property's fair market value, regardless of the percentage of interest transferred. If an interest in real property is located in more than one Connecticut town, its present true and actual value must be apportioned between the towns by means of a ratio of the assessed value of the interest in each town to the aggregate assessed value of the interest. List each interest on a separate line and place an asterisk next to the street address.

Tax: Multiply the present true and actual value by the rate of tax to compute the tax on each interest in real property.

Complete Part VIII before completing Part VI.

Part VI

Location of Real Property: List all Connecticut real property, including farm land, forest land, open space land, and maritime heritage land owned indirectly by the entity in which a controlling interest was transferred. The street addresses and parcel numbers (map/block/lot) must be provided.

Town Code: See *Table A* on Page 3 for town codes.

Present True and Actual Value: Enter the present true and actual value as of the date indicated in Part III, Line 3.

Applicable Ownership Interest: Enter the entity's applicable ownership percentage of the corporate or noncorporate organization that directly owns the Connecticut real property. For rules to determine the real property indirectly owned by the entity, see SN 2003(11).

Part VII

Location of Real Property: List all Connecticut farm land, forest land, open space land, and maritime heritage land owned directly by the entity in which a controlling interest was transferred. This land is also listed in Part V or Part VI and, with the exception of the rate of tax, the information entered here for this land should be the same as entered in Part V or Part VI. If the real property is located in more than one Connecticut town, see instructions in *Part V, Present True and Actual Value*.

Date Acquired: Enter the date on which the entity acquired the real property.

Rate of Tax: See *Table B* on Page 3 for the rate of tax.

Tax: Multiply the present true and actual value by the rate of tax to compute the tax.

Specific Instructions (continued)

Part VIII

Where an entity in which a controlling interest is transferred indirectly owns Connecticut real property, enter the name, address, and FEIN of the corporate or noncorporate organization that directly owns the real property.

Table A — Town Codes

Andover	001	Griswold	058	Prospect	115
Ansonia	002	Groton	059	Putnam	116
Ashford	003	Guilford	060	Redding	117
Avon	004	Haddam	061	Ridgefield	118
Barkhamsted	005	Hamden	062	Rocky Hill	119
Beacon Falls	006	Hampton	063	Roxbury	120
Berlin	007	Hartford	064	Salem	121
Bethany	008	Hartland	065	Salisbury	122
Bethel	009	Harwinton	066	Scotland	123
Bethlehem	010	Hebron	067	Seymour	124
Bloomfield	011	Kent	068	Sharon	125
Bolton	012	Killingly	069	Shelton	126
Bozrah	013	Killingworth	070	Sherman	127
Branford	014	Lebanon	071	Simsbury	128
Bridgeport	015	Ledyard	072	Somers	129
Bridgewater	016	Lisbon	073	Southbury	130
Bristol	017	Litchfield	074	Southington	131
Brookfield	018	Lyme	075	South Windsor	132
Brooklyn	019	Madison	076	Sprague	133
Burlington	020	Manchester	077	Stafford	134
Canaan	021	Mansfield	078	Stamford	135
Canterbury	022	Marlborough	079	Sterling	136
Canton	023	Meriden	080	Stonington	137
Chaplin	024	Middlebury	081	Stratford	138
Cheshire	025	Middlefield	082	Suffield	139
Chester	026	Middletown	083	Thomaston	140
Clinton	027	Milford	084	Thompson	141
Colchester	028	Monroe	085	Tolland	142
Colebrook	029	Montville	086	Torrington	143
Columbia	030	Morris	087	Trumbull	144
Cornwall	031	Naugatuck	088	Union	145
Coventry	032	New Britain	089	Vernon	146
Cromwell	033	New Canaan	090	Voluntown	147
Danbury	034	New Fairfield	091	Wallingford	148
Darien	035	New Hartford	092	Warren	149
Deep River	036	New Haven	093	Washington	150
Derby	037	Newington	094	Waterbury	151
Durham	038	New London	095	Waterford	152
Eastford	039	New Milford	096	Watertown	153
East Granby	040	Newtown	097	Westbrook	154
East Haddam	041	Norfolk	098	West Hartford	155
East Hampton	042	North Branford	099	West Haven	156
East Hartford	043	North Canaan	100	Weston	157
East Haven	044	North Haven	101	Westport	158
East Lyme	045	N. Stonington	102	Wethersfield	159
Easton	046	Norwalk	103	Willington	160
East Windsor	047	Norwich	104	Wilton	161
Ellington	048	Old Lyme	105	Winchester	162
Enfield	049	Old Saybrook	106	Windham	163
Essex	050	Orange	107	Windsor	164
Fairfield	051	Oxford	108	Windsor Locks	165
Farmington	052	Plainfield	109	Wolcott	166
Franklin	053	Plainville	110	Woodbridge	167
Glastonbury	054	Plymouth	111	Woodbury	168
Goshen	055	Pomfret	112	Woodstock	169
Granby	056	Portland	113		
Greenwich	057	Preston	114		

Table B — Rate of Tax

Farm Land, Forest Land, Open Space Land, and Maritime Heritage Land

For the purposes of *Table B*, if a date is exactly one year after either the date acquired or the date classified, it is not considered within one year after the date.

Use **Date Acquired** for farm land and forest land.

Use **Date Classified** for open space land and maritime heritage land.

If the date indicated in Part III, Line 3 is:	Tax Rate is:
Within 1 year after date acquired/classified	10%
Within 2 years after date acquired/classified	9%
Within 3 years after date acquired/classified	8%
Within 4 years after date acquired/classified	7%
Within 5 years after date acquired/classified	6%
Within 6 years after date acquired/classified	5%
Within 7 years after date acquired/classified	4%
Within 8 years after date acquired/classified	3%
Within 9 years after date acquired/classified	2%
Within 10 years after date acquired/classified	1%
10 years or more after date acquired/classified	0%