

OP-236I
Line Instructions for Form OP-236
Real Estate Conveyance Tax Return

Line 2: If the conveyed property is located in more than one municipality, complete a tax return for each town in which the property is located. Use **Form AU-263, Real Estate Conveyance Tax Allocation Worksheet**, to allocate the consideration to each municipality.

Line 4: Grantor's Address: Enter the address where the grantor will receive mail after the conveyance is complete. **Do not enter the address of the property being conveyed** unless the grantor will continue receiving mail at this address.

Lines 5, 9, and 16: Taxpayer Identification Number: A Taxpayer Identification Number is required for each grantor or grantee name listed on the deed, instrument, or writing. The Taxpayer Identification Number may be a Social Security Number (SSN) or Federal Employer Identification Number (FEIN). Indicate by checking the appropriate box whether you have entered an SSN or FEIN. This return is incomplete if an SSN or FEIN is not entered. If there are more than two grantors/sellers, complete and attach OP-236 Schedule A and provide all the required information.

Line 12: If you answer **Yes** to this question, you must attach a list of names, addresses, and Taxpayer Identification Numbers for each partner, member, shareholder, or beneficiary. Complete and attach OP-236 Schedule A.

Line 13: Real estate transfers between parties to a civil union recognized under Connecticut law may also check this box.

Line 14: Conveyances for no consideration or less than adequate consideration may be subject to federal or Connecticut gift tax, or both. **Consideration** includes money or anything of value paid or transferred directly or indirectly whether or not expressed in the deed, instrument, or other writing. By way of example and not of limitation, consideration includes the amount of any liability assumed and the amount of any liability to which the property is subject.

Line 22a: See the definition of consideration in the Line 14 instructions above.

Line 22b: Exempt Conveyances: If an exemption is claimed and no exemption code is entered, **the return is incomplete and cannot be accepted by the town clerk**. See the exemption codes on Page 2.

Line 23: Unimproved land is real property that at the time of conveyance has no buildings, structures, or other physical improvements (including those under construction) to the property. Effective July 1, 2007, unimproved land includes land designated as farm, forest, or open space land. Land designated as farm land means property classified as farm land under Conn. Gen. Stat. §12-107c, land designated as forest land means land classified as forest land under Conn. Gen. Stat. §12-107d, and land designated as open space land means land classified as open space land under Conn. Gen. Stat. §12-107e. See **Special Notice 2007(6), 2007 Legislative Change Affecting the Real Estate Conveyance Tax**.

Physical improvements include but are not limited to underground drainage improvements; parking lots; paved roads; recreational or athletic facilities such as baseball fields or golf courses; and functioning underground tanks.

Line 24: Enter the total consideration for the residential dwelling. **Residential dwelling** means a single family dwelling including a condominium unit or a cooperative unit, whether or not owner-occupied. Whether property is residential or nonresidential depends on the use to which the property has been devoted by the grantor. If a portion of the property has been used for residential purposes and the remainder has been used for nonresidential purposes, the use to which a preponderance of the square footage has been devoted is the use to which the property is deemed to have been devoted.

Lines 24a and 24b: If the total consideration for a residential estate is \$800,000 or less, enter the amount on Line 24a. If the total consideration is greater than \$800,000 and the sale or transfer is completed in one deed, enter \$800,000 on Line 24a and the balance on Line 24b. If the sale or transfer of a residential estate is completed using **more than one deed** and consideration is split among those deeds, the tax must be computed on the total consideration. The consideration and the \$800,000 threshold must be allocated based on the ratio of the consideration received by each grantor to the total consideration received for the residential estate. Under no circumstances should there be any difference in the total tax paid whether computed on one or multiple deeds. See **Special Notice 2004(6), Changes to the Real Estate Conveyance Taxes**.

Line 25: Residential property other than residential dwelling means real property that, at the time of conveyance, has buildings and structures (including those under construction) on the property used for residential housing. This includes apartment buildings, duplexes, nursing homes, and other multi-unit properties, whether or not the owner resides on the premises, but does not include hotels. It also includes real property that, at the time of its conveyance, does not have buildings and structures (including those under construction) but that has other physical improvements, as defined in Line 23 above, provided the real property is an approved residential building lot.

Line 26: Nonresidential property other than unimproved land means real property that at the time of conveyance is used for any purpose other than residential use, but does not include unimproved land, as defined in Line 23 above.

Line 27: Property conveyed by a Delinquent Mortgagor: If the instrument conveys property on which mortgage payments have been delinquent for not less than six months to a corporation that is a financial institution or to a subsidiary of the corporation, which institution or subsidiary holds the delinquent mortgage on the property, enter the amount of the unpaid mortgage indebtedness plus unpaid accrued interest on Line 27. **Financial institution** means a corporation that is a bank, bank and trust company, trust company, savings bank, savings and loan association, or credit union whether organized under the laws of this or any other State of the United States or the laws of the United States. See **Special Notice 92(17), Legislative Changes Affecting Real Estate Conveyance Tax**.

Types of Exempt Conveyances

Enter on Line 22b.

Code

- 01** The instrument is one the State of Connecticut is prohibited from taxing by the laws or Constitution of the United States. Enter citation to specific statutory or constitutional provision on Line 22c.
- 02** The instrument secures a debt or other obligation. (Example: mortgage deed)
- 03** The State of Connecticut or a Connecticut political subdivision is either the grantor or grantee of this instrument.
- 04** The instrument is a tax deed.
- 05** The instrument is a deed or release of property that is security for a debt or other obligation. Such instruments do not include a deed in lieu of foreclosure.
- 06** The instrument is a deed of partition (other than a decree of the Superior Court under Conn. Gen. Stat. §52-495).
- 07** The instrument is a deed under a statutory merger or consolidation of corporations. The controlling interest transfer tax may apply.
- 08** The instrument is a deed made by a subsidiary corporation to its parent corporation for no consideration (including no assumption of liabilities of the subsidiary corporation) other than the cancellation or surrender of the subsidiary corporation's stock.
- 09** The instrument conveys property under decree of the Superior Court as the result of:
- A. An annulment, dissolved marriage, or legal separation under Conn. Gen. Stat. §46b-81. Real estate conveyance tax returns are not required with the recording of Certificates by Decree;
 - B. Foreclosure by a decree of sale under Conn. Gen. Stat. §49-24. On Line 4, enter the delinquent mortgagor's name, followed by the court representative's name and title (Committee); on Line 5, enter the delinquent mortgagor's Social Security Number or Federal Employer Identification Number, whichever is applicable; and on Lines 6 and 7, enter the court representative's mailing address; **or**
 - C. Partition of joint and common estates under Conn. Gen. Stat. §52-495.
- Enter docket number on Line 22c.
- 10** The instrument conveys residential property no later than six months after the date on which the property was previously conveyed to a transferor that is either: 1) an employer that acquired the property from an employee under an employee relocation plan; or 2) an entity in the business of purchasing and selling residential property of employees who are being relocated.
- 11** The instrument conveys property between affiliated corporations, provided both corporations are exempt from taxation under paragraph (2), (3), or (25) of section 501(c) of the Internal Revenue Code of the United States.
- 12** The instrument conveys the principal residence of a grantor who: (1) is approved for property tax assistance under Conn. Gen. Stat. §12-129b or §12-170aa for the current property tax assessment year; or (2) was approved for assistance in a property tax assessment year ending 15 months earlier or less. Such an instrument is not exempt from the municipal real estate conveyance tax. The estate of a deceased person formerly approved for property tax assistance may not claim this exemption.
- 13** The instrument conveys property located in an area designated in accordance with Conn. Gen. Stat. §32-70 as an enterprise zone or an enterprise corridor zone. Such an instrument is not exempt from the municipal real estate conveyance tax.
- 14** The instrument conveys property from a corporation determined by the Internal Revenue Service to be a corporation described in 26 U.S.C. §501(c)(3) to another corporation determined by the Internal Revenue Service to be a corporation described in 26 U.S.C. 501(c)(3).
- 15** The instrument conveys property in connection with the reorganization of a mutual savings bank or mutual savings and loan association under sections 36a-192 to 36a-198, as provided in Conn. Gen. Stat. §36a-199.
- 16** The instrument conveys property to any nonprofit organization organized for the purpose of holding undeveloped land in trust for conservation or recreation purposes.
- 17** The instrument conveys property between spouses, for consideration, and the consideration was \$2,000 or more.
- 18** The instrument conveys property located in a designated entertainment district. Such an instrument is not exempt from the municipal real estate conveyance tax.
- 19** The instrument conveys land to a water company, as defined in Conn. Gen. Stat. §16-1, provided after the transfer the land is classified as Class I or Class II land, as defined in Conn. Gen. Stat. §25-37c.
- 20** The instrument conveys property to effectuate a mere change of identity or form of ownership or organization where there is no change in beneficial ownership.