

Form AU-330

Controlling Interest Transfer Taxes Return Instructions

General Information

Complete the return in blue or black ink only.

What is the Controlling Interest Transfer Tax

The **controlling interest** transfer tax is a tax imposed on the transfer for consideration of a controlling interest in an entity, whether it be 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 specific information regarding the tax, see **Special Notice 2003(11), 2003 Legislative Changes Affecting the Controlling Interest Transfer Taxes**.

Filing Form AU-330

Form AU-330, Controlling Interest Transfer Taxes, 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, one Form AU-330, signed by each member of the group, is to be filed.

Tax Rate

The rate of the controlling interest transfer tax is 1.11%, which is imposed on the present true and actual value. An additional controlling interest transfer tax is imposed under Conn. Gen. Stat. §12-638f on the transfer for consideration of a controlling interest in an entity that directly owns an interest in farm land, forest land, or open space land. The tax rate ranges from 1% to 10% depending on:

- In the case of **farm land** and **forest land**, when the land was so classified or when the land was acquired, whichever is earlier; **and**
- In the case of **open space land** and **maritime heritage land**, when the land was 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.
- Where the transfer effectuates a mere change of identity, or form of ownership, or organization, where there is no 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% (.01) 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.

Remittance

Make check payable to: **Commissioner of Revenue Services**.

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

The Department of Revenue Services (DRS) may submit your check to your bank electronically.

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. §12-107b, as amended by 2007 Conn. Pub. Acts 127 §4.

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

Line 1: 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.

Line 2: If the transferor or transferee is an individual, enter his or her Social Security Number (SSN). If the transferor or transferee is not an individual, enter the Federal Employer Identification Number (FEIN).

Part III

Line 1: Enter the full name of the entity and the location (not mailing address) of principal office.

Line 4: 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 6: Enter the date on which legal title to a controlling interest was vested in the transferee.

Line 7: Enter the percentage of the interest in the entity transferred by the transferor(s) to the transferee(s) on the date indicated on Line 6.

Complete Part VIII before completing Part V and Part VI.

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 6. 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.

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 6, multiplied by the entity's applicable ownership percentage of the corporate or noncorporate organization that directly owns the Connecticut real property.

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 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. 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.

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. For rules to determine the real property indirectly owned by the entity, see **SN 2003(11)**, *2003 Legislative Changes Affecting the Controlling Interest Transfer Taxes*.

Table A — Town Codes

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

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 6 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% |