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States' Differential Tax Assessment of Agricultural Land Statutes

Connecticut



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States' Differential Tax Assessment of Agricultural Land Statutes State of Connecticut

[Conn. Gen. Stat. § 12-63\(a\)](#)
[Conn. Gen. Stat. § 12-81\(68\)](#)
[Conn. Gen. Stat. § 12-81m](#)
[Conn. Gen. Stat. § 12-91](#)
[Conn. Gen. Stat. § 12-107a–c](#)

The statutes and Constitution are current through the 2018 February Regular Session of the Connecticut General Assembly.

§ 12-63(a). Rule of valuation. Depreciation schedules

(a) The present true and actual value of land classified as farm land pursuant to section 12-107c, as forest land pursuant to section 12-107d, as open space land pursuant to section 12-107e, or as maritime heritage land pursuant to section 12-107g shall be based upon its current use without regard to neighborhood land use of a more intensive nature, provided in no event shall the present true and actual value of open space land be less than it would be if such open space land comprised a part of a tract or tracts of land classified as farm land pursuant to section 12-107c. The present true and actual value of all other property shall be deemed by all assessors and boards of assessment appeals to be the fair market value thereof and not its value at a forced or auction sale.

(b) (1) For the purposes of this subsection, (A) “electronic data processing equipment” means computers, printers, peripheral computer equipment, bundled software and any computer based equipment acting as a computer, as defined in Section 168 of the Internal Revenue Code of 1986,¹ or any subsequent corresponding internal revenue code of the United States, as from time to time amended; (B) “leased personal property” means tangible personal property which is the subject of a written or oral lease or loan on the assessment date, or any such property which has been so leased or loaned by the then current owner of such property for three or more of the twelve months preceding such assessment date; and (C) “original selling price” means the price at which tangible personal property is most frequently sold in the year that it was manufactured.

(2) Any municipality may, by ordinance, adopt the provisions of this subsection to be applicable for the assessment year commencing October first of the assessment year in which a revaluation of all real property required pursuant to section 12-62 is performed in such municipality, and for each assessment year



thereafter. If so adopted, the present true and actual value of tangible personal property, other than motor vehicles, shall be determined in accordance with the provisions of this subsection. If such property is purchased, its true and actual value shall be established in relation to the cost of its acquisition, including transportation and installation, and shall reflect depreciation in accordance with the schedules set forth in subdivisions (3) to (6), inclusive, of this subsection. If such property is developed and produced by the owner of such property for a purpose other than wholesale or retail sale or lease, its true and actual value shall be established in relation to its cost of development, production and installation and shall reflect depreciation in accordance with the schedules provided in subdivisions (3) to (6), inclusive, of this subsection. The provisions of this subsection shall not apply to property owned by a public service company, as defined in section 16-1.

(3) The following schedule of depreciation shall be applicable with respect to electronic data processing equipment:

(A) Group I: Computer and peripheral hardware, including, but not limited to, personal computers, workstations, terminals, storage devices, printers, scanners, computer peripherals and networking equipment:

Assessment Year Following Acquisition	Depreciated Value As Percentage of Acquisition Cost Basis
First Year	Seventy percent
Second Year	Forty percent
Third Year	Twenty percent
Fourth Year and thereafter	Ten percent

(B) Group II: Other hardware, including, but not limited to, mini-frame and main-frame systems with an acquisition cost of more than twenty-five thousand dollars:

Assessment Year Following Acquisition	Depreciated Value As Percentage Of Acquisition Cost Basis
First Year	Ninety percent
Second Year	Sixty percent
Third Year	Forty percent
Fourth Year	Twenty percent
Fifth Year and thereafter	Ten percent

(4) The following schedule of depreciation shall be applicable with respect to



copiers, facsimile machines, medical testing equipment, and any similar type of equipment that is not specifically defined as electronic data processing equipment, but is considered by the assessor to be technologically advanced:

Assessment Year Following Acquisition	Depreciated Value As Percentage Of Acquisition Cost Basis
First Year	Ninety-five percent
Second Year	Eighty percent
Third Year	Sixty percent
Fourth Year	Forty percent
Fifth Year and thereafter	Twenty percent

(5) The following schedule of depreciation shall be applicable with respect to machinery and equipment used in the manufacturing process:

Assessment Year Following Acquisition	Depreciated Value As Percentage Of Acquisition Cost Basis
First Year	Ninety-five percent
Second Year	Eighty percent
Third Year	Seventy percent
Fourth Year	Sixty percent
Fifth Year	Fifty percent
Sixth Year	Forty percent
Seventh Year	Thirty percent
Eighth Year	Twenty percent

(6) The following schedule of depreciation shall be applicable with respect to all tangible personal property other than that described in subdivisions (3) to (5), inclusive, of this subsection:

Assessment Year Following Acquisition	Depreciated Value As Percentage Of Acquisition Cost Basis
First year	Ninety-five percent
Second year	Ninety percent
Third year	Eighty percent
Fourth year	Seventy percent
Fifth year	Sixty percent
Sixth year	Fifty percent
Seventh year	Forty percent
Eighth year and thereafter	Thirty percent

(7) The present true and actual value of leased personal property shall be determined in accordance with the provisions of this subdivision. Such value for any assessment year shall be established in relation to the original selling price for self-manufactured property or acquisition cost for acquired property and shall reflect depreciation in accordance with the schedules provided in subdivisions (3) to (6), inclusive, of this subsection. If the assessor is unable to determine



the original selling price of leased personal property, the present true and actual value thereof shall be its current selling price.

(8) With respect to any personal property which is prohibited by law from being sold, the present true and actual value of such property shall be established with respect to such property's original manufactured cost increased by a ratio the numerator of which is the total proceeds from the manufacturer's salable equipment sold and the denominator of which is the total cost of the manufacturer's salable equipment sold. Such value shall then be depreciated in accordance with the appropriate schedule in this subsection.

(9) The schedules of depreciation set forth in subdivisions (3) to (6), inclusive, of this subsection shall not be used with respect to videotapes, horses or other taxable livestock or electric cogenerating equipment.

(10) If the assessor determines that the value of any item of personal property produced by the application of the schedules set forth in this subsection does not accurately reflect the present true and actual value of such item, the assessor shall adjust such value to reflect the present true and actual value of such item.

(11) Nothing in this subsection shall prevent any taxpayer from appealing any assessment made pursuant to this subsection if such assessment does not accurately reflect the present true and actual value of any item of such taxpayer's personal property.

§ 12-81(68). Exemptions

(68) Livestock. Any livestock owned and kept in this state, except that any horse or pony shall be exempt from local property tax up to the assessed value of one thousand dollars, with such exempt value applicable in the case of each such horse or pony, provided any horse or pony used in farming, in the manner required in section 12-91, shall be totally exempt from local property tax as provided in said section 12-91;

§ 12-81m. Municipal option to abate up to fifty per cent of property taxes of dairy farm, fruit orchard, vegetable, nursery, nontraditional or tobacco farm or commercial lobstering business operated on maritime heritage land

A municipality may, by vote of its legislative body or, in a municipality where the legislative body is a town meeting, by vote of the board of selectmen, and by vote of its board of finance, abate up to fifty per cent of the property taxes of any of the following properties provided such property is maintained as a business:

- (1) Dairy farm,
- (2) fruit orchard, including a vineyard for the growing of grapes for wine,



- (3) vegetable farm,
- (4) nursery farm,
- (5) any farm which employs nontraditional farming methods, including, but not limited to, hydroponic farming,
- (6) tobacco farms, or
- (7) commercial lobstering businesses operated on maritime heritage land, as defined in section 12-107b. Such a municipality may also establish a recapture in the event of sale provided such recapture shall not exceed the original amount of taxes abated and may not go back further than ten years. For purposes of this section, the municipality may include in the abatement for such fruit orchard any building for seasonal residential use by workers in such orchard which is adjacent to the fruit orchard itself, but shall not include any residence of the person receiving such abatement.

§ 12-91. Exemption for farm machinery, horses or ponies. Additional optional exemption for farm buildings or buildings used for housing for seasonal employees

- (a) All farm machinery, except motor vehicles, as defined in section 14-1, to the assessed value of one hundred thousand dollars, any horse or pony which is actually and exclusively used in farming, as defined in section 1-1, when owned and kept in this state by, or when held in trust for, any farmer or group of farmers operating as a unit, a partnership or a corporation, a majority of the stock of which corporation is held by members of a family actively engaged in farm operations, shall be exempt from local property taxation; provided each such farmer, whether operating individually or as one of a group, partnership or corporation, shall qualify for such exemption in accordance with the standards set forth in subsection (d) of this section for the assessment year for which such exemption is sought. Only one such exemption shall be allowed to each such farmer, group of farmers, partnership or corporation. Subdivision (38) of section 12-81 shall not apply to any person, group, partnership or corporation receiving the exemption provided for in this subsection.
- (b) Any municipality, upon approval by its legislative body, may provide an additional exemption from property tax for such machinery to the extent of an additional assessed value of one hundred thousand dollars. Any such exemption shall be subject to the same limitations as the exemption provided under subsection (a) of this section and the application and qualification process provided in subsection (d) of this section.
- (c) Any municipality, upon approval by its legislative body, may provide an exemption from property tax for any building used actually and exclusively in farming, as defined in section 1-1, or for any building used to provide housing for seasonal employees of such farmer. The municipality shall establish the amount of such exemption from the assessed value, provided such amount may not exceed one hundred thousand dollars with respect to each eligible building. Such exemption shall not apply to the residence of such farmer and shall be subject to the application and qualification process provided in subsection (d) of this section.



(d) Annually, on or before the first day of November or the extended filing date granted by the assessor pursuant to section 12-42, each such individual farmer, group of farmers, partnership or corporation shall make written application for the exemption provided for in subsection (a) of this section to the assessor or board of assessors in the town in which such farm is located, including therewith a notarized affidavit certifying that such farmer, individually or as part of a group, partnership or corporation, derived at least fifteen thousand dollars in gross sales from such farming operation, or incurred at least fifteen thousand dollars in expenses related to such farming operation, with respect to the most recently completed taxable year of such farmer prior to the commencement of the assessment year for which such application is made, on forms to be prescribed by the Commissioner of Agriculture. Failure to file such application in said manner and form on or before the first day of November shall be considered a waiver of the right to such exemption for the assessment year. Any person aggrieved by any action of the assessors shall have the same rights and remedies for appeal and relief as are provided in the general statutes for taxpayers claiming to be aggrieved by the doings of the assessors or board of assessment appeals.

§ 12-107a–c § 12-107a. Declaration of policy

It is hereby declared

(1) that it is in the public interest to encourage the preservation of farmland, forest land, open space land and maritime heritage land in order to maintain a readily available source of food and farm products close to the metropolitan areas of the state, to conserve the state's natural resources and to provide for the welfare and happiness of the inhabitants of the state,

(2) that it is in the public interest to prevent the forced conversion of farmland, forest land, open space land and maritime heritage land to more intensive uses as the result of economic pressures caused by the assessment thereof for purposes of property taxation at values incompatible with their preservation as such farm land, forest land, open space land and maritime heritage land, and

(3) that the necessity in the public interest of the enactment of the provisions of sections 12-107b to 12-107e, inclusive, 12-107g and 12-504f is a matter of legislative determination.

§ 12-107b. Definitions

When used in sections 12-107a to 12-107e, inclusive, and 12-107g:

(1) The term “farmland” means any tract or tracts of land, including woodland and wasteland, constituting a farm unit;

(2) The term “forest land” means any tract or tracts of land aggregating twenty-five acres or more in area bearing tree growth that conforms to the forest



stocking, distribution and condition standards established by the State Forester pursuant to subsection (a) of section 12-107d, and consisting of (A) one tract of land of twenty-five or more contiguous acres, which acres may be in contiguous municipalities, (B) two or more tracts of land aggregating twenty-five acres or more in which no single component tract shall consist of less than ten acres, or (C) any tract of land which is contiguous to a tract owned by the same owner and has been classified as forest land pursuant to this section;

(3) The term “open space land” means any area of land, including forest land, land designated as wetland under section 22a-30 and not excluding farm land, the preservation or restriction of the use of which would (A) maintain and enhance the conservation of natural or scenic resources, (B) protect natural streams or water supply, (C) promote conservation of soils, wetlands, beaches or tidal marshes, (D) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open spaces, (E) enhance public recreation opportunities, (F) preserve historic sites, or (G) promote orderly urban or suburban development;

(4) The word “municipality” means any town, consolidated town and city, or consolidated town and borough;

(5) The term “planning commission” means a planning commission created pursuant to section 819;

(6) The term “plan of conservation and development” means a plan of development, including any amendment thereto, prepared or adopted pursuant to section 8-23;

(7) The term “certified forester” means a practitioner certified as a forester pursuant to section 2365h; and

(8) The term “maritime heritage land” means that portion of waterfront real property owned by a commercial lobster fisherman licensed pursuant to title 26, when such portion of such property is used by such fisherman for commercial lobstering purposes, provided in the tax year of the owner ending immediately prior to any assessment date with respect to which application is submitted pursuant to section 12-107g, not less than fifty per cent of the adjusted gross income of such fisherman, as determined for purposes of the federal income tax, is derived from commercial lobster fishing, subject to proof satisfactory to the assessor in the town in which such application is submitted. “Maritime heritage land” does not include buildings not used exclusively by such fisherman for commercial lobstering purposes.

§ 12-107c. Classification of land as farmland

- (a) An owner of land may apply for its classification as farmland on any grand list of a municipality by filing a written application for such classification with the assessor thereof not earlier than thirty days before or later than thirty days after the assessment date, provided in a year in which a revaluation of all real property in accordance



with section 12-62 becomes effective such application may be filed not later than ninety days after such assessment date. The assessor shall determine whether such land is farmland and, if such assessor determines that it is farmland, he or she shall classify and include it as such on the grand list. In determining whether such land is farmland, such assessor shall take into account, among other things, the acreage of such land, the portion thereof in actual use for farming or agricultural operations, the productivity of such land, the gross income derived therefrom, the nature and value of the equipment used in connection therewith, and the extent to which the tracts comprising such land are contiguous. The assessor shall not deny the application of an owner of land for classification of such land as farmland if such land meets the criteria for classification as farmland pursuant to this subsection. The assessor shall not deny the application for any portion of such land on account of any minimum acreage requirement for residential parcels or agricultural use established under municipal zoning regulations.

- (b) An application for classification of land as farm land shall be made upon a form prescribed by the Commissioner of Agriculture and shall set forth a description of the land, a general description of the use to which it is being put, a statement of the potential liability for tax under the provisions of sections 12-504a to 12-504f, inclusive, and such other information as the assessor may require to aid the assessor in determining whether such land qualifies for such classification.
- (c) Failure to file an application for classification of land as farmland within the time limit prescribed in subsection (a) and in the manner and form prescribed in subsection (b) shall be considered a waiver of the right to such classification on such assessment list.
- (d) Any person aggrieved by the denial of any application for the classification of land as farmland shall have the same rights and remedies for appeal and relief as are provided in the general statutes for taxpayers claiming to be aggrieved by the doings of assessors or boards of assessment appeals.

