PROPERTY TAXES IN CONNECTICUT

The property tax raises the lion’s share of public revenue in the state, covering 44.9% of all taxes paid by Connecticut Households in 2011.

Due to the state’s marked income and racial segregation, wealth is often concentrated by town, with city limits marking very large disparities.

As a result, the mill rates tend to be lower in wealthier towns, and higher in poorer cities: they have older housing and commercial properties and more tax exempt institutions.

This makes Connecticut’s property taxes very regressive: households in the top 10% pay less than 2.3% of their income in property taxes, the bottom 20% pay more than 15%:

*Bottom 10% figure removed as it reflects an overstated value from CT residents who file federal but no state tax returns
CAR TAXES IN CT: AN UNFAIR DEAL

Property car taxes in Connecticut are collected at the local level. Each municipality determines its own mill rate for the tax, creating significant disparities. The same car can be taxed in two towns at completely different levels – and the poorer cities often are the ones that bear the heaviest burden.

AN UNFAIR BURDEN: CAR TAXES IN CT

To pay as the same taxes as a Hartford Resident for a 2007 Corolla, a Greenwich resident needs to own a 2015 BMW M3 (worth $60,000)

Senate Bill 1 seeks to reform this disparity imposing a 29.36 cap on mill rates for cars. Towns that currently have mill rates higher than 29.36 would receive funds from the sales tax. This will reduce property taxes for taxpayers in more than 70 municipalities.

HARTFORD AND HIGH MILL RATE TOWNS UNDER NEW SYSTEM

Sources: Department of Revenue Services, 2014 “Connecticut Tax Incidence” Report. Mill rates from OPM.