

PROPERTY TAX LAW

The law specifies that property taxes or tax installments that are not paid in full by certain deadlines are delinquent. Delinquent taxes accrue interest for each month or fraction of a month that elapses between the due date and the payment date. A tax payment becomes delinquent if not paid within one month of its due date. For example, taxes due on July 1 must be paid by August 1 and taxes due on April 15 must be paid by May 15. Once the payment deadline passes, interest accrues for each month or part of a month that passes from the due date. Thus, if a tax due on July 1 is not paid until August 15, the taxpayer would owe interest for two months, July and August.

By law, a town must charge 18% annual interest (1.5% per month) on delinquent property taxes. The minimum interest charge is \$2, but the law allows a municipality, by a vote of its legislative body, to choose not to impose the minimum (CGS § 12-146).

Towns have only limited authority to waive interest on delinquent property taxes. They are required to waive:

1. all or part of the interest due for a taxpayer who is a crime victim and who has received compensation from the state's Criminal Injuries Compensation Fund (§ 12-146) and
2. interest for one year for any state resident who is a member of the U.S. armed forces or any state National Guard or reserve unit who has been called to active service for military operations authorized by the president that entail military action against Iraq and who is serving in the Middle East on the final day the tax payment is due (§ 12-146c).

Towns have discretion to waive interest in certain situations.

1. Town selectmen, city mayors and aldermen, borough wardens and burgesses, and other communities' committees may abate taxes or the interest on delinquent taxes assessed on people who are poor and cannot pay (§ 12-124).
2. A town may waive interest if the tax collector and the assessor jointly determine that the tax delinquency is the result of an error by either official and not the result of any action or omission by the taxpayer (§ 12-145).
3. Towns may, by ordinance, waive interest for one year for any eligible spouse of a service member for real property assessed on the 2003 grand list only. The waiver applies to any state resident who lives with, and is the spouse of, a U. S. Armed Forces member, including guard members and reservists, called to active service for military operations authorized by the president entailing military action in Iraq and who is serving in the Middle East on the final day that the tax or tax installment payment is due (§ 12-146d, 2006 Supplement).