

Waiving Interest on Delinquent Property Taxes

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Issue

Under what circumstances can towns waive interest on delinquent property taxes?

This report updates OLR Report [2021-R-0151](#).

Property Tax Interest Waivers

Towns have limited statutory authority to waive interest on delinquent property taxes. The law requires or permits towns to waive interest in these specific situations:

1. Towns must waive interest if (a) their tax collector and 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 and (b) the waiver is approved by the local legislative body (or board of selectmen if the legislative body is a town meeting) ([CGS § 12-145](#), as amended by [PA 24-90](#));
2. 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 ([CGS § 12-124](#));
3. Towns, by vote of their legislative bodies, may waive property taxes (including interest) or installments thereof if the amount due is less than \$100 ([CGS § 12-144c](#); see also [CGS § 12-141](#));
4. Towns must waive 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 ([CGS § 12-146](#)); and
5. Towns must waive the interest on delinquent property taxes owed by certain active military members serving out-of-state when taxes become due or who have been living in the state

for less than a year since returning from out-of-state service (interest must be reinstated if such taxes remain unpaid one year after the taxpayer returns from out-of-state service) ([CGS § 12-146e](#)).

In addition, towns may waive taxes and interest under narrow conditions for certain types of business taxpayers, including entities remediating brownfields ([CGS § 12-81r](#)); railroad companies under bankruptcy reorganization ([CGS § 12-124](#)); private, nonprofit water suppliers ([CGS § 12-125a](#)); amusement theme parks ([CGS § 12-81p](#)); nonprofit land conservation organizations ([CGS § 12-81dd](#)); and food manufacturing plants ([CGS § 12-81o](#)).

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