



## Acts Affecting Taxes

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## Notice to Readers

This report provides summaries of new laws (public acts and special acts) significantly affecting taxes enacted during the 2021 regular session and June 2021 special session (JSS). OLR's other Acts Affecting reports, including Acts Affecting Business and Jobs, are, or will soon be, available on OLR's website: <https://www.cga.ct.gov/olr/actsaffecting.asp>.

Each summary indicates the public act (PA) or special act (SA) number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden.

Complete summaries of public acts are, or will soon be, available on OLR's website:

<https://www.cga.ct.gov/olr/olrsums.asp>.

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website: <http://www.cga.ct.gov>.

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## **Income Tax**

### ***Child Tax Credit Plan***

Under a new law, if the current federal child tax credit is reduced or eligibility changes make the credit less favorable to taxpayers, the Office of Policy and Management (OPM) secretary must develop a plan to establish a state-level credit. OPM must submit the plan to the Finance, Revenue and Bonding Committee within six months of the change that triggered the plan requirement ([PA 21-2](#), June Special Session (JSS), § 431, effective upon passage).

### ***Earned Income Tax Credit***

Beginning with the 2021 tax year, a new law increases the state earned income tax credit (EITC) from 23% to 30.5% of the federal credit ([PA 21-2](#), JSS, § 430, effective upon passage, and applicable to tax years beginning on or after January 1, 2021).

### ***Individual Retirement Account Income Exemption***

Beginning with the 2023 tax year, a new law phases out, over four years, the income tax on distributions from IRAs, other than Roth IRAs, for taxpayers with federal adjusted gross incomes below (1) \$75,000 for single filers, married people filing separately, and heads of households and (2) \$100,000 for married people filing jointly. For these qualifying taxpayers, the exemption is 25% for 2023, 50% for 2024, 75% for 2025, and 100% for 2026 and thereafter ([PA 21-2](#), JSS, § 433, effective upon passage).

### ***Interplay Between the Exemptions for Teacher Pension and General Pension and Annuity Income***

By law, for the 2021 tax year and thereafter, taxpayers with teacher pension income may take the 50% teacher pension exemption or, if they have qualifying incomes, the general pension and annuity exemption (42% in 2021). A new law clarifies that those taxpayers who qualify for the general pension and annuity exemption may take either the 50% teacher exemption or the general pension and annuity exemption, whichever is greater ([PA 21-2](#), JSS, § 433, effective upon passage).

### ***Property Tax Credit Eligibility Limits***

The legislature extended the eligibility limits on the property tax credit against the personal income tax to the 2021 and 2022 tax years. Specifically, this limits eligibility for the credit to people who (1) are age 65 or older before the end of the tax year or (2) validly claim at least one dependent on their federal income tax return for that year ([PA 21-2](#), JSS, § 432, effective upon passage and applicable to tax years beginning on or after January 1, 2021).

## ***Remote Work During COVID-19***

A new law establishes conditions under which certain residents who worked remotely from Connecticut for employers in other states must be allowed a Connecticut income tax credit for taxes paid to the other state for the 2020 tax year ([PA 21-3](#), § 1, effective upon passage).

## **Business Taxes**

### ***Capital Base Tax Phase Out***

This session the legislature delayed the start date of the capital base tax phase out by three years and extended the phase out period. Prior law phased out the tax on corporations over four years, from 2021 to 2024. Under the new law, the tax rate remains at 3.1 mils through the 2023 income year and the phase out begins in the 2024 income year with the following rates: 2.6 mils in 2024, 2.1 mils in 2025, 1.6 mils in 2026, 1.1 mils in 2027, and 0 mils in 2028 and thereafter.

The new law exempts taxpayers from estimated tax payment requirements and interest on underpayments for the 2021 income year for any additional tax due as a result of the delayed phase-out ([PA 21-2](#), JSS, §§ 424 & 425, effective upon passage).

### ***Corporation Business Tax Surcharge***

A new law extends the 10% corporation business tax surcharge for two additional years, to the 2021 and 2022 income years. As under existing law, the surcharge for 2021 and 2022 applies to companies that have more than \$250 in corporation tax liability and either (1) have at least \$100 million in annual gross income in those years or (2) are taxable members of a combined group that files a combined unitary return, regardless of the amount of annual gross income.

The new law exempts taxpayers from estimated tax payment requirements and interest on underpayments for the 2021 income year for any additional tax due as a result of the surcharge extension before the provision takes effect ([PA 21-2](#), JSS, §§ 422, 423 & 425, effective upon passage).

## **Sales and Use Tax**

### ***Breastfeeding Supplies Sales and Use Tax Exemption***

Beginning July 1, 2021, a new law exempts from the sales and use tax (1) breast pumps and breast pump collection and storage supplies, when sold to individuals for home use; (2) repair services and repair or replacement parts for these breast pumps; and (3) breast pump kits, under certain

conditions ([PA 21-2](#), JSS, § 435, effective July 1, 2021, and applicable to sales occurring on or after that date).

### ***Peer-to-Peer (P2P) Car Sharing Sales Tax Treatment***

A new law imposes regulatory requirements on P2P car sharing, which is when people share their vehicles for compensation through a platform operated by a P2P car sharing company (e.g., Turo and Getaround). The law also requires the Department of Revenue Services (DRS), by December 1, 2021, to issue guidance on how the sales and use tax applies to P2P car sharing ([PA 21-106](#), §§ 52-65; effective January 1, 2022, except that the DRS guidance provision is effective upon passage).

### ***Revenue From Sales Tax on Meals***

Under a new law, certain businesses that serve meals (e.g., hotels, restaurants, and bars) may keep 100% of the sales tax they collect on meal sales during one of the following weeks:

1. August 1-7, 2021;
2. December 12-18, 2021; or
3. May 15-21, 2022 ([PA 21-2](#), JSS, § 436, effective July 1, 2021).

### ***Sales and Use Tax Exemptions for Beer Manufacturers***

Under a new law, beginning July 1, 2023, specified manufacturing-related sales and use tax exemptions are available to beer manufacturers that are not otherwise eligible for them because they manufacture, or will manufacture, beer at a facility that also makes substantial retail sales. These include exemptions for (1) gas and electricity for direct use in a manufacturing plant and (2) machinery used directly in a manufacturing production process ([PA 21-2](#), JSS, § 459, effective upon passage and applicable to sales occurring on or after July 1, 2023).

## **Taxes Credits and Incentives**

### ***Angel Investor Tax Credit Program Extension and Expansion***

The angel investor tax credit program provides personal income tax credits to angel investors who make qualifying cash investments in eligible Connecticut businesses. The new recreational cannabis law extends this tax credit program to include eligible “cannabis businesses,” thus allowing eligible investors to receive income tax credits for investing in these businesses. The credits equal 40% of their investment, up to \$500,000. As under existing law, investments in other

approved businesses continue to qualify for a 25% credit, subject to the same minimum investment and maximum credit requirements.

Under the act, a “cannabis business” is a cannabis establishment (1) for which a social equity applicant has been granted a license or provisional license, and (2) in which a social equity applicant or applicants have an ownership interest of at least 65% and control the establishment. The new law also extends the program’s sunset date from June 30, 2024, to June 30, 2028 ([PA 21-1](#), JSS, § 133, effective July 1, 2021).

### ***Film and Digital Media Production Tax Credit Claims***

Beginning January 1, 2022, a new law allows film and digital media production tax credits to be claimed against the sales and use tax under the following conditions:

1. eligible production companies or other taxpayers claiming the credit (i.e., transferees) may only claim 78% of the credit’s value when using it against the sales and use tax and
2. transferees may only claim the credit against the sales and use tax if there is at least 50% common ownership between the transferee and eligible production company that transferred the credit ([PA 21-2](#), JSS, § 429, effective January 1, 2022).

### ***Financial Incentives for Data Centers***

A new law authorizes the Department of Economic and Community Development (DECD) to enter into 20- or 30-year agreements to provide tax incentives to qualifying data centers that locate within the state and make a minimum investment of at least (1) \$50 million if the data center is located in an enterprise zone or a federal opportunity zone or (2) \$200 million if it is located elsewhere. Specifically, the law provides for (1) sales and use tax exemptions for certain goods and services purchased or used by the data center, (2) property tax exemptions for certain real property and equipment used by the data center, and (3) an exemption for financial transactions taxes that the state may impose in the future ([PA 21-1](#), effective July 1, 2021).

### ***Invest CT Credit Cap***

The legislature increased the aggregate cap on Invest CT tax credits by \$200 million, from \$350 million to \$550 million. It retained the program’s existing \$40 million annual cap. By law, the credits apply to the insurance premiums and surplus lines brokers tax, and investors qualify for them by investing in eligible businesses through state certified business investment funds (i.e., Invest CT funds) ([PA 21-2](#), JSS, § 428, effective July 1, 2021).



## ***Research and Development Credit Cap and Carryforward***

A new law increases the cap on the amount of R&D tax credits corporations may claim each year against the corporation business tax from 50.1% to 70% of their tax liability, phased in over two years (i.e., 60% in 2022 and 70% in 2023). The new law also caps the number of years a taxpayer may carry forward unused R&D credits at 15 years for credits allowed beginning with the 2021 income year. Credits allowed before 2021 may still be carried forward until they are fully used ([PA 21-2](#), JSS, §§ 426 & 427, effective upon passage, and the carryforward provision is applicable to income years beginning on or after January 1, 2021).

## ***Stranded Tax Credit Program Expansion***

By law, businesses can exchange accumulated (i.e., stranded) research and development tax credits for undertaking certain in-state capital projects. A new law (1) allows businesses to do the same for making human capital investments and (2) makes various conforming changes to the stranded tax credit program. The new law defines “human capital investment” identically as under the state’s human capital investment tax credit program (e.g., spending on job training or childcare centers for employees) ([PA 21-188](#), § 1, effective July 1, 2021, and applicable to income years beginning January 1, 2021).

## **Other State Taxes**

### ***Admissions Tax Eliminated for Most Venues***

As of July 1, 2021, the legislature eliminated the admissions tax for all places of amusement, entertainment, and recreation, except for the 6% tax on movie tickets costing more than \$5. Under prior law, the admissions tax on these venues was generally 10% (5% for certain specified venues) of the admission charge. The law retains the 10% dues tax, which applies to amounts paid as dues or initiation fees to any social, athletic, or sporting club ([PA 21-2](#), JSS, § 434, effective June 30, 2021).

### ***Alcoholic Beverages Tax on Beer***

Under a new law, beginning July 1, 2023, the excise tax on beer (other than beer for off-premises consumption sold on premises covered by a manufacturer’s permit) is decreased from \$7.20 per barrel to \$6 per barrel. By law, beer for off-premises consumption sold on the premises covered by a manufacturer’s permit is subject to a lower tax rate (\$3.60 per barrel) ([PA 21-2](#), JSS, § 437, effective upon passage).

## ***Cannabis Taxes***

*State and Municipal Cannabis Taxes.* Under the new recreational cannabis law, retail sales of cannabis are subject to new state and municipal taxes that apply in addition to the state's 6.35% sales and use tax. The state cannabis tax rate is 0.625 cents per milligram of total THC for cannabis plant material, 2.75 cents per milligram of total THC for cannabis edible products, and 0.9 cents per milligram of total THC for cannabis, other than cannabis plant material or cannabis edible products. The municipal cannabis tax rate is 3%. Cannabis for palliative use is exempt from all three taxes under the act.

*State Sales and Use Tax on Cannabis.* The recreational cannabis law generally prohibits any exemptions under the state's sales and use tax law from applying to cannabis sales, other than exemptions for (1) sales of cannabis for palliative use and (2) the transfer of cannabis to a transporter. It adds palliative cannabis to the list of nonprescription drugs and services that are statutorily exempt from the state sales and use tax and explicitly excludes from the exemption any products containing cannabis or cannabinoids.

*Revenue Distribution.* For FY 22, the act directs the state cannabis tax revenue, along with any state sales and use tax revenue received from recreational cannabis, to a newly established cannabis regulatory and investment account, dedicated to paying any costs state agencies incur to implement the new law. For FY 23 and thereafter, the act directs the state cannabis tax revenue to the General Fund and two new appropriated funds (the Social Equity and Innovation Fund and Prevention and Recovery Services Fund), according to a specified schedule ([PA 21-1](#), JSS, §§ 125-129, effective July 1, 2021).

## ***Highway Use Tax***

Beginning January 1, 2023, a new law imposes a highway use tax (HUT) on every carrier for the privilege of operating, or causing to be operated, certain heavy, multi-unit motor vehicles on any public road in the state. The HUT is charged at a per-mile rate that increases based on a vehicle's weight, ranging from (1) 2.5 cents for vehicles weighing 26,000-28,000 pounds (lbs.) to (2) 17.5 cents for vehicles weighing more than 80,000 lbs. Revenue from the tax must be deposited into the Special Transportation Fund ([PA 21-177](#), effective upon passage and applicable to calendar months beginning on or after January 1, 2023).

## ***Marijuana and Controlled Substances Tax Repealed***

Under the new recreational cannabis law, the prior tax on marijuana and controlled substances that are illegally purchased, acquired, transported, or imported into the state is repealed. The act

cancels any outstanding liabilities or assessments for the tax and authorizes the DRS commissioner to take any action necessary to effectuate this cancellation. This cancellation does not entitle anyone affected to a refund or credit for any amount previously paid or collected in connection with the liability or assessment ([PA 21-1](#), JSS, §§ 130-132 & 173, effective July 1, 2021).

### ***New Ambulatory Surgical Centers (ASC) Tax***

Beginning July 1, 2023, a new law replaces the 6% gross receipts tax on ASCs with a 3% net revenue tax on ASC services, subject to certain exclusions. In doing so, it eliminates the current exemption for the first \$1 million of ASC gross receipts but retains the exemptions for Medicaid and Medicare payments for ASC services and any net revenue of a hospital subject to the hospital provider tax ([PA 21-2](#), JSS, §§ 462-468, most provisions effective July 1, 2023, and applicable to calendar quarters beginning on or after that date).

### ***New In-Person and Online Gaming***

The legislature established new frameworks for legalizing and regulating (1) in-person and online sports wagering, (2) online casino gaming, (3) in-person and online keno, (4) online lottery draw games other than keno, and (5) fantasy contests. These frameworks are subject to several conditions, principally that the governor must first enter into specific contractual agreements with the Mashantucket Pequot and Mohegan tribes, which must then be approved by the U.S. Department of Interior secretary. The act generally authorizes the tribes and the Connecticut Lottery Corporation (CLC) to operate these games subject to specific requirements, including limiting the authorizations to an initial 10-year period with an option for a five-year renewal. It requires monthly payments from the tribes and CLC to the General Fund ranging from 13.75% to 20% of gross revenues from sports wagering, online casino gaming, and fantasy contests ([PA 21-23](#), most provisions effective July 1, 2021).

### ***Prepaid Wireless E-911 Fee Collection by Marketplace Facilitators***

Under a new law, marketplace facilitators are considered retailers for purposes of collecting and remitting the prepaid wireless E-911 fee, which supports the state's enhanced emergency 911 program. Marketplace facilitators are generally businesses that (1) facilitate the sale of goods and services for sellers by providing a forum that lists or advertises the sellers' goods and services, (2) collect receipts from customers, and (3) remit payments to sellers ([PA 21-70](#), effective July 1, 2022, and applicable to sales occurring on or after July 1, 2022).

## ***Unemployment System Reform***

The legislature made numerous reforms to the state's unemployment insurance (UI) system that start in 2024. For UI benefits, among other things, the new law generally (1) increases the minimum weekly UI benefit from \$15 to \$40 and correspondingly increases the minimum earnings needed to qualify for the minimum benefit from \$600 to \$1,600 and (2) freezes the maximum benefit allowed from 2024 through 2027.

For UI taxes paid by employers, among other things, the law (1) increases employers' taxable wage base from \$15,000 to \$25,000 per employee and requires it to be annually adjusted for inflation; (2) expands the range of UI experience tax rates from 0.5%-5.4% to 0.1%-10%; and (3) generally reduces the maximum fund balance rate from 1.4% to 1.0% ([PA 21-200](#), effective January 1, 2022).

## ***Unemployment Tax Experience Rates***

In response to the past year's COVID-19-related layoffs, the legislature enacted a new law to disregard an employer's benefit charges and taxable wages between July 1, 2019, and June 30, 2021, when calculating the employer's unemployment tax experience rate for taxable years starting on or after January 1, 2022. In effect, this means that the unemployment benefits paid to an employer's former employees during that period will not affect the employer's experience rate. The rate charged to employers who have not participated in the unemployment system long enough to have their own experience rates will similarly not be affected by the benefits paid during those years ([PA 21-5](#), effective October 1, 2021).

## **Tax Administration and Enforcement**

### ***Disclosure of Tax Return Information For Research or CP20 WIN Data Requests***

This year's budget implementer authorizes the DRS commissioner, to the extent allowed by federal law, to disclose tax return information for evaluation or research purposes (1) to another state agency or (2) to support a data request submitted through CP20 WIN, in accordance with CP20 WIN's policies and procedures, so long as the data recipient enters into a data sharing agreement if the recipient is not a state agency. CP20 WIN (Connecticut Preschool through Twenty and Workforce Information Network) securely shares longitudinal data across participating agencies to help improve education and workforce outcomes ([PA 21-2](#), JSS, § 272, effective October 1, 2021).

## ***Nexus for Connecticut Tax Purposes During COVID-19***

Under a new law, DRS may not consider the activities of employees who worked remotely in Connecticut due solely to COVID-19 in determining whether an employer has nexus with Connecticut for any state tax ([PA 21-3](#), § 1, effective upon passage).

## ***Tax Amnesty Program***

Under a new law, DRS must establish a tax amnesty program for individuals, businesses, or other taxpayers that owe Connecticut state taxes (other than motor carrier road taxes). Under the program, eligible taxpayers may receive a 75% reduction in the interest that would otherwise be due. The amnesty runs from November 1, 2021, to January 31, 2022, and covers any taxable period ending on or before December 30, 2020 ([PA 21-2](#), JSS, § 450, effective upon passage).

## **Property Tax**

### ***Assessment of Aquaculture Property***

A new law extends Connecticut's PA 490 program to underwater farms and certain waterfront property used for commercial aquaculture purposes. PA 490 allows certain farm, forest, open space, and maritime heritage land to be assessed for property tax purposes based on current use value rather than fair market value ([PA 21-24](#), §§ 4 & 5, effective October 1, 2021, and applicable to tax assessments on and after that date).

### ***Elderly Tax Freeze Program Eligibility Expansion***

A new law expands eligibility for the local option Elderly Tax Freeze Program by decreasing the program's minimum age requirement from 70 to 65 years. But the act allows a municipality, by vote of its legislative body, to set the program's minimum age requirement at older than 65 years. A municipality that voted to limit program eligibility to individuals ages 70 and older prior to this date is not required to take another vote unless it seeks to lower the program's minimum age requirement ([PA 21-84](#), effective October 1, 2021, and applicable to assessment years beginning on and after that date).

### ***Exemption Deadline Waivers***

Under a new law, taxpayers in five municipalities (Danbury, Hartford, Middletown, Plainville, and Seymour) may claim a property tax exemption for specified property and grand lists even though they missed the November 1 filing deadline ([PA 21-201](#), §§ 1-4 & 6-7, effective July 1, 2021, except provisions on Danbury and Seymour are effective upon passage).

### ***Minimal Property Tax Bill Waiver***

A new law raises the maximum total property tax bill that a municipality's legislative body may waive, from less than \$25 to less than \$100 ([PA 21-73](#), § 3, effective July 1, 2021).

### ***Motor Vehicle Property Tax Grants***

A new law changes the statutory formula for calculating the municipal grants that reimburse municipalities for a portion of the revenue loss attributed to the motor vehicle property tax cap. By law, municipalities that impose a mill rate on real and personal property, other than motor vehicles, that is greater than 45 mills are eligible for the grants. Under the new law, the grant amount is equal to the difference between the (1) amount of property taxes a municipality, and any tax district therein, levied on motor vehicles for the 2017 assessment year and (2) the levy amount for that year at the same mill rate the municipality imposed on real and personal property other than motor vehicles ([PA 21-2](#), JSS, § 444, effective July 1, 2021). This same formula applied for FY 21 grants.

Under the budget implementer act, for FYs 22 and 23, these grants must be paid from appropriations for these fiscal years, rather than from the municipal revenue sharing account (MRSA) ([PA 21-2](#), JSS, § 448, effective July 1, 2021).

### ***Motor Vehicle Registration Task Force***

The legislature reconstituted and modified the motor vehicle registration task force, which is charged with studying compliance with motor vehicle registration laws and making recommendations to prevent Connecticut residents from registering motor vehicles out-of-state. Task force members must be appointed by Transportation Committee leadership and must include tax assessors, police chiefs, and police officers ([PA 21-106](#), § 31, effective upon passage).

### ***Municipal Lien Assignment***

The legislature passed a law imposing new restrictions and requirements on entities that acquire the right to enforce real property liens securing specified delinquent tax, sewer, and water charges (i.e., lien assignees). These provisions include requiring assignees to provide a payoff statement in the same way as mortgagees in a foreclosure situation. The new law also makes any lien assignment executed on or after July 1, 2022, unenforceable unless it is memorialized in a written contract between the assignee and the municipality or water pollution control, water, or sewer authority, as applicable ([PA 21-143](#), effective October 1, 2021).

## ***Municipal Option Property Tax Exemption for Certain Emergency Volunteers***

A new law increases the maximum property tax exemption that municipalities may provide to certain active and retired volunteer emergency personnel, making it equal to the maximum amount of relief municipalities may give them through abatements (i.e., \$2,000). As under the prior law, the emergency volunteers to whom municipalities may, by ordinance, provide the tax relief include firefighters, police officers, emergency medical technicians, and retired volunteers who served at least 25 years in those roles ([PA 21-83](#), effective July 1, 2021, and applicable to assessment years starting on or after October 1, 2021).

## ***New Municipal Option Property Tax Relief Program for FYs 22 & 23***

Under a new law, municipalities and taxing districts may provide temporary property tax or municipal utility charge relief to residents, businesses, and nonprofits for FYs 22 and 23. With the approval of their legislative bodies or boards of directors, municipalities and taxing districts may establish a program that (1) defers these payments for 90 days or (2) lowers the interest rate on late payments for 90 days, generally from 1.5% to 0.25% per month. The relief may apply to property tax payments (including those owed on real and personal property and motor vehicles) or municipal water, sewer, or electric rates, charges, or assessments ([PA 21-73](#), §§ 1 & 2, effective July 1, 2021).

## ***Property Tax Exemption for Certain Residential Renewable Energy Sources***

By law, Class I renewable energy sources (e.g., wind and solar) installed on or after October 1, 2007, for private residential use or for use on a farm are exempt from property tax. Under a new law, a facility cannot be disqualified from this exemption because it (1) uses or participates in net metering, a tariff policy, or another state program or (2) is owned by someone other than the property owner (e.g., leased solar panels). Prior law did not limit the size or number of installed facilities that were eligible for the exemption. However, the new law limits eligibility to those whose estimated annual production does not exceed the estimated annual load where the facility is located ([PA 21-180](#), effective October 1, 2021, and applicable to assessment years starting on or after that date).

## ***Payment in Lieu of Taxes (PILOT) Grant Funding***

A new law establishes a minimum reimbursement rate for PILOT grants and a method for prorating the grants when appropriations are not enough to fund the full grant amounts. This new proration method is based on each municipality's equalized net grand list per capita, designation as an

alliance district, and percentage of state-owned property. It requires that municipalities and districts be divided into three tiers, based on these criteria, and ties their PILOT grant percentage (ranging from 30% to 50%) to the tiers ([PA 21-3](#), §§ 5-8, effective July 1, 2021).

Under the budget implementer act, for FYs 22 and 23, PILOT grants must be paid from the funds appropriated in these fiscal years for the grants and the remaining balance due must be paid from MRSA ([PA 21-2](#), JSS, § 448, effective July 1, 2021).

### ***PILOTs for CT Port Authority Property***

The legislature restored a provision that applied prior to FY 19 deeming the property and facilities owned by the Connecticut Port Authority to be state-owned real property for purposes of the PILOT program and requiring the state to provide a PILOT to the municipality in which the property and facilities are located ([PA 21-3](#), § 7, effective July 1, 2021). It also increased their PILOT reimbursement rate to 100%, rather than the 45% reimbursement rate that generally applies to state-owned property ([PA 21-2](#), JSS, § 445, effective July 1, 2021).

### ***PILOTs for Taxing Districts***

The FY 22-23 budget implementer makes taxing districts (e.g., village, fire, and sewer districts) eligible for state, municipal, and tribal property PILOTs. Under prior law, municipalities and taxing districts were eligible for the college and hospital property PILOTs, but only municipalities (e.g., towns, cities, boroughs) were eligible for the state, municipal, and tribal property PILOTs ([PA 21-2](#), JSS, § 445, effective July 1, 2021).

### ***Reduced Assessment for Properties With Defective Foundations***

By law, municipal assessors or their staff must, at a property owner's request, inspect and reassess residential properties with foundations made from defective concrete. Under prior law, the adjusted assessment was valid for five assessment years unless the foundation was repaired or replaced sooner. A new law eliminates the five-year maximum and specifies that the assessment must be updated with each revaluation ([PA 21-120](#), § 1, effective upon passage).

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