

SCHEDULE CT-709 FARMLAND

2001

Donor's First Name and Middle Initial	Last Name	Social Security Number ____ : ____ : ____
Address (number and street)	PO Box	FOR DEPARTMENT USE ONLY - - - 20
City, Town, or Post Office	State	ZIP Code

Schedule of Farmland

A Item No.	B • Donee's name and address • Donee's Social Security Number • Relationship to donor (if any) • Description of gift Include the town, volume, and page number of land records at which the deed of gift is recorded.	C Date of Gift	D Fair market value of farmland at date of gift	E Value as farmland at date of gift
1				

F Gift tax due from the donee if the farmland that is valued at current use is subsequently transferred or reclassified (See instructions) \$ _____

If you are claiming special valuation on a gift of farmland, this schedule must be attached to Form CT-709. You must also furnish a copy of this schedule and the instructions on the reverse side to the donee.

DECLARATION: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand that the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Donor's Signature	Date
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SCHEDULE CT-709 FARMLAND

PURPOSE OF SCHEDULE

For Connecticut gift tax purposes, a donor claiming special valuation on a gift of farmland must attach this schedule to the Connecticut Gift Tax Return and indicate the fair market value of the farmland, based on its highest and best use, as of the date of transfer.

WHO SHOULD FILE THIS SCHEDULE

Any donor who makes a gift of farmland to a lineal descendant or the descendant's spouse **and** claims special valuation of the land must file *Schedule CT-709 Farmland*.

GENERAL INFORMATION

Transfers of Farmland or Change of Classification

Land that is classified as farmland under Conn. Gen. Stat. §12-107c and that is transferred to a donee who is a lineal descendant or the spouse of a lineal descendant, is valued based upon its current classification and use as farmland, without regard to neighborhood land use of a more intensive nature. If, within ten years:

- Any **interest in the farmland is transferred** by the donee to anyone other than the donee's lineal descendant or the spouse of the donee's lineal descendant, or
- The **farmland is no longer classified** as farmland,

the donee (or the donee's lineal descendant or the descendant's spouse, if the farmland has been transferred by the donee to the donee's lineal descendant or the descendant's spouse) is liable for the difference between the tax due from the donor based on its value as farmland and the tax that would have been due if the land had been valued based upon its fair market value.

Due Date of Additional Tax Liability

The additional tax entered on Line F of this schedule must be paid no later than 60 days following the transfer or the change in classification. Interest will accrue at the rate of 1% (.01) per month or fraction of a month from the sixty-first day.

INSTRUCTIONS FOR DONORS

Attach completed *Schedule CT-709 Farmland to Form CT-709, Connecticut Gift Tax Return*, if the donor is making a gift of farmland to a lineal descendant, or to the spouse of a lineal descendant, and the donor claims special valuation of the land.

1. Enter the donor's name, mailing address, and Social Security Number at the top of the schedule.
2. Complete Columns A through E of the *Schedule of Farmland* for each gift.

Column A – Number each gift.

Column B – Enter the donee's identifying information and a complete description of the farmland being transferred, including the volume and page number of the land records of the town in which the deed of gift is recorded. This information should match the description on Form CT-709, *Schedule A*, Column B. You must attach a copy of the deed that shows its receipt and recording by the town clerk.

Column C – Enter the date of the gift.

Column D – Enter the fair market value of the farmland, based on its highest and best use, as of the date of the transfer. This should match the amount on federal Form 709, Schedule A.

Column E – Enter the value of the farmland based upon its current use as farmland, as of the date of the transfer. This should match the amount on Form CT-709, *Schedule A*, Column E.

3. Calculate any additional gift tax that may become due.

Line F – Enter the additional gift tax due. Calculate the additional gift tax due as if you are filing a pro forma Form CT-709 using the fair market value of the farmland as reported on federal Form 709, Schedule A. Subtract the actual tax reported on Form CT-709 from the tax calculated on the pro forma Form CT-709.

4. **Declaration** – The donor must sign and date this schedule.
5. You must also provide a copy of *Schedule CT-709 Farmland* to the donee(s).
6. Attach the original *Schedule CT-709 Farmland* to **Form CT-709**.

INSTRUCTIONS FOR DONEES

If additional gift tax becomes due because, within ten years after a gift of farmland, the donee transfers the farmland to a person other than the donee's lineal descendant or that descendant's spouse, or the land is no longer classified as farmland under Conn. Gen. Stat. §12-107c, the donee (or, if the land was transferred to the donee's lineal descendant or that descendant's spouse, the descendant or the descendant's spouse) must submit to DRS the copy of *Schedule CT-709 Farmland* that the original donor provided to the donee. The schedule must be provided to DRS no later than 60 days after the additional tax becomes due. The donee (or, if the land was transferred to the donee's lineal descendant or the descendant's spouse, the descendant or the descendant's spouse) must provide a written statement indicating when the land was transferred to a person other than the donee's lineal descendant or that descendant's spouse, or, if the land is no longer classified as farmland under Conn. Gen. Stat. §12-107c, when the classification of the land was changed.

Attach a check or money order for the additional tax entered on Line F of *Schedule CT-709 Farmland* by the donor to a copy of *Schedule CT-709 Farmland* provided by the donor to the donee and the written statement and mail them to:

**Department of Revenue Services
PO Box 2978
Hartford CT 06104-2978**

The check or money order should be payable to the "**Commissioner of Revenue Services.**"

The Commissioner may, for good cause, extend the time for payment of the tax if the donee (or, if the land was transferred to the donee's lineal descendant or the descendant's spouse, the descendant or the descendant's spouse) files a written application with the Commissioner on or before the 60-day period expires.