

Property:

Connecticut Supreme Court Upholds Validity of Taxing Out-of-State Registered Vehicles Based on In-State Storage

Case No. SC20748, Conn. (12/13/23). The Connecticut Supreme Court (Court) affirmed that Connecticut's motor vehicle property tax authorized by Conn. Gen. Stat. section 12-71 (f) is a valid, nondiscriminatory tax that does *not* violate the dormant Commerce Clause under a *Complete Auto* analysis, reasoning that there is a distinction between discriminatory tax schemes that violate the Commerce Clause and double taxation that results only from the interaction of two different but nondiscriminatory tax schemes. According to the Court, to the extent the taxpayer at issue pays multiple taxes on its vehicles as a result of its decision to register its vehicles in Massachusetts and to garage them in Connecticut, the ensuing "double taxation" is the result of the combined effect of Connecticut's and Massachusetts' different and non-discriminatory tax schemes – the former of which taxes vehicles on the basis of their physical location and the amount of time that they are in Connecticut, and the later that taxes vehicles on the basis of their registration in Massachusetts. Please contact us with any questions.

URL: <https://jud.ct.gov/external/supapp/Cases/AROCr/CR348/348CR4.pdf>

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