OFFICE OF LEGISLATIVE RESEARCH
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ResearchReport

Questions on Farmer Tax Exemption Permits and Natural Gas Customers

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Issue

This report answers various questions related to the farmer tax exemption, PA 490 program, and natural gas customers.

What Are the Eligibility Criteria for the Farmer Tax Exemption Permit and PA 490 Land?

Farmer Tax Exemption

Connecticut offers a sales and use tax exemption for the retail sale of tangible personal property exclusively used in agriculture production, provided the Department of Revenue Services (DRS) has issued the purchaser a farmer tax exemption permit (CGS § 12-412(63)). To be eligible for the permit, a person must generally be engaged in agricultural production as a trade or business and, from that agricultural production, have a gross income of (1) $2,500 or more in the previous tax year or (2) an average of at least $2,500 in the previous two tax years, as reported on a farmer's federal income tax return. Permits are valid for two years and may be renewed.

By law, farming activities considered agricultural production for purposes of qualifying for a farmer tax exemption permit include (1) raising and harvesting an agricultural or horticultural commodity, (2) dairy farming, (3) forestry, (4) raising livestock and poultry, and (5) raising and harvesting fish or shellfish.

To receive the tax exemption, a farmer must give a retailer a copy of their permit when making a qualifying purchase. More information about the farmer tax exemption permit, including an overview of qualifying purchases and details on how to apply, can be found in DRS's informational publication for farmers here.

PA 490 Land

In 1963, the Connecticut legislature enacted PA 63-490, commonly referred to as "PA 490," to allow land classified as farm, forest, open space, or maritime heritage to be assessed at their current use value rather than their fair market value (CGS § 12-107a, et seq.). The goal of PA 490 is to provide landowners with tax relief to (1) encourage preservation and (2) reduce financial pressure to convert the property into other uses.

Landowners interested in PA 490 must apply to their municipal tax assessor to have their land classified in one of the four eligible categories referenced above. Owners of farm land must use an application prescribed by the Department of Agriculture (DoAg) commissioner. Any tract constituting a farm, including underwater farm land used for aquaculture, may be eligible for PA 490 status. When determining whether land is farm land, the assessor must consider total acreage, the portion being farmed, productivity, gross income, the nature and value of related equipment, and the extent tracts are contiguous (CGS § 12-107c).

PA 490 classification does not run with the land. Rather, it is personal to the landowner (CGS § 12-504h). The classification generally ends when (1) there is a change in the use of the land or (2) the land is sold or transferred. The new landowner must apply to the assessor for a new PA 490 classification. Otherwise, the land will be assessed at its fair market value instead of the current use value.

For more information about PA 490, see OLR Report 2026-R-0055 and this DoAg webpage.

How Many Farmer Tax Exemption Permittees Are There, by Municipality, and Which Gas Company Serves Those Municipalities?

According to DRS, the agency has issued 1,664 farmer tax exemption permits valid from October 1, 2025, through September 30, 2026. The department provided the number of recipients by municipality for this period, as shown in Table 1 below. However, to protect taxpayer privacy, all municipalities with fewer than 10 recipients are aggregated into the "All Other" category.

Table 1 also shows the natural gas distribution company that serves the municipality. Because gas company service territories do not always follow town lines, some municipalities are served by multiple companies. In addition, some municipalities are not served by any gas company. Tables 2 through 4 below further show each of the municipalities served by the state's three natural gas distribution companies (Connecticut Natural Gas (CNG), Southern Connecticut Gas (SCG), and Eversource) and the number of farmer tax exemption permit recipients in them (if any).

Table 1: Farmer Tax Exemption Permit Recipients by Municipality

Municipality	*Number of Recipients*	*Gas Company*
Ashford	18	None
Bethlehem	30	None
Canterbury	17	None
Canton	12	CNG
Cheshire	26	Eversource
Colchester	19	Eversource
Cornwall	15	None
Coventry	21	CNG
Deep River	20	SCG
Durham	23	Eversource
East Haddam	16	None
East Hampton	19	CNG
Easton	20	SCG
East Windsor	27	Eversource
Ellington	23	Eversource
Enfield	15	Eversource
Fairfield	10	SCG
Franklin	16	Eversource
Glastonbury	35	CNG
Goshen	13	None
Granby	26	CNG
Griswold	17	Eversource
Guilford	21	SCG
Haddam	11	None
Hamden	12	SCG
Hampton	14	None
Harwinton	27	Eversource
Hebron	11	CNG
Kent	12	None

Table 1 (continued)

Municipality	Number of Recipients	Gas Company
Killingly	15	Eversource
Lebanon	39	None
Ledyard	16	Eversource
Litchfield	25	Eversource
Manchester	10	CNG
Mansfield	16	CNG and Eversource
Marlborough	10	None
Meriden	10	Eversource
New Hartford	16	Eversource
New Milford	13	Eversource
Newtown	17	Eversource
North Branford	26	SCG
North Canaan	10	None
North Stonington	22	Eversource
Norwich	21	None
Oxford	11	Eversource
Plainfield	18	Eversource
Plymouth	13	Eversource
Pomfret	13	Eversource
Salem	10	None
Salisbury	11	None
Somers	25	Eversource
Southbury	18	Eversource
Southington	10	Eversource
South Windsor	12	Eversource
Stafford	13	None
Stonington	15	Eversource
Suffield	49	Eversource
Tolland	14	Eversource
Torrington	10	Eversource
Wallingford	25	Eversource
Washington	15	None
Watertown	15	Eversource

Table 1 (continued)

Municipality	Number of Recipients	Gas Company
Willington	11	None
Winchester	10	Eversource
Windsor	14	CNG and Eversource
Woodbury	38	Eversource
Woodstock	32	None
Out of State	16	N/A
All Other	434	N/A
Total	**1,664**	

Table 2: CNG Municipalities With Farmer Tax Exemption Permit Recipients

Municipality	Number of Recipients
Avon	—
Berlin	—
Bloomfield	—
Bolton	—
Canton	12
Coventry	21
East Hampton	19
East Hartford	—
Farmington	—
Glastonbury	35
Granby	26
Greenwich	—
Hartford	—
Hebron	11
Manchester	10
Mansfield	16
New Britain	—
Newington	—
Portland	—
Rocky Hill	—
Simsbury	—
Unionville	—

Table 2 (continued)

Municipality	Number of Recipients
West Hartford	—
Wethersfield	—
Windsor	14
Total	**164**

Table 3: SCG Municipalities With Farmer Tax Exemption Permit Recipients

Municipality	Number of Recipients
Branford	—
Bridgeport	—
East Haven	—
Easton	20
Clinton	—
Deep River	20
Essex	—
Fairfield	10
Guilford	21
Hamden	12
Madison	—
Milford	—
New Haven	—
North Branford	26
North Haven	—
Old Saybrook	—
Orange	—
Stratford	—
Trumbull	—
West Haven	—
Westbrook	—
Weston	—
Westport	—
Woodbridge	—
Total	**109**

Table 4: Eversource Municipalities With Farmer Tax Exemption Permit Recipients

Municipality	Number of Recipients
Ansonia	—
Barkhamsted	—
Beacon Falls	—
Berlin	—
Bethel	—
Bozrah	—
Bristol	—
Brookfield	—
Brooklyn	—
Burlington	—
Cheshire	26
Colchester	19
Cromwell	—
Danbury	—
Darien	—
Derby	—
Durham	23
East Granby	—
East Lyme	—
East Windsor	27
Ellington	23
Enfield	15
Farmington	—
Franklin	16
Greenwich	—
Griswold	17
Groton	—
Harwinton	27
Killingly	15
Ledyard	16
Lisbon	—
Litchfield	25
Mansfield	16
Meriden	10

Table 4 (continued)

Municipality	*Number of Recipients*
Middlebury	—
Middlefield	—
Middletown	—
Monroe	—
Montville	—
Naugatuck	—
New Canaan	—
New Hartford	16
New London	—
New Milford	13
Newtown	17
Norfolk	—
North Stonington	22
Norwalk	—
Orange	—
Oxford	11
Plainfield	18
Plainville	—
Plymouth	13
Pomfret	13
Preston	—
Prospect	—
Putnam	—
Redding	—
Ridgefield	—
Seymour	—
Shelton	—
Somers	25
South Windsor	12
Southbury	18
Southington	10
Sprague	—
Stamford	—
Stonington	15

Table 4 (continued)

Municipality	Number of Recipients
Suffield	49
Thomaston	—
Tolland	14
Torrington	10
Vernon	—
Wallingford	25
Waterbury	—
Waterford	—
Watertown	15
Westport	—
Wilton	—
Winchester	10
Windham	—
Windsor	14
Windsor Locks	—
Wolcott	—
Woodbury	38
Total	**653**

How Many of the Current Farmer Tax Exemption Permittees Could be Served by Gas Companies?

According to the DRS data provided above, 926 of the farmer tax exemption permittees are in towns served by one of the three gas companies, and another 434 permittees are in unspecified municipalities. If, hypothetically, all of these are in towns served by a gas company (and the company's distribution system in the town actually reaches all of their locations), up to 1,360 of the current permittees could potentially be gas company customers.

In Connecticut, CNG has approximately 189,256 customers, Eversource has approximately 252,000 customers, and SCG has approximately 212,851 customers, for a total of roughly 654,107 customers.

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