

MAINE STATE LEGISLATURE

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(Filing No. S-646)

MINORITY

TAXATION

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STATE OF MAINE

SENATE

131ST LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 572, L.D. 1454, "An Act Regarding the Distribution of Revenue from the Real Estate Transfer Tax"

Amend the bill by striking out the title and substituting the following:

'An Act to Increase the Real Estate Transfer Tax for Certain Properties'

Amend the bill by striking out all of the emergency preamble.

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 36 MRSA §4641-A, sub-§1, ¶A, as enacted by PL 2001, c. 559, Pt. I, §3 and affected by §15, is amended to read:

A. ~~The~~ For transfers occurring prior to October 15, 2024, the rate of the tax is \$2.20 for each \$500 or fractional part of \$500 of the value of the property transferred. For transfers occurring on or after October 15, 2024, the rate of the tax is \$2.20 for each \$500 or fractional part of \$500 of the value of the property transferred that is less than or equal to \$1,000,000 and the rate of the tax is \$2.70 for each \$500 or fractional part of \$500 of the value of the property transferred that exceeds \$1,000,000.

Sec. 2. 36 MRSA §4641-A, sub-§2, ¶A, as enacted by PL 2001, c. 559, Pt. I, §3 and affected by §15, is amended to read:

A. ~~The~~ For transfers occurring prior to October 15, 2024, the rate of the tax is \$2.20 for each \$500 or fractional part of \$500 of the value of the real property owned by the entity and located in this State. For transfers occurring on or after October 15, 2024, the rate of the tax is \$2.20 for each \$500 or fractional part of \$500 of the value of the real property owned by the entity and located in this State that is less than or equal to \$1,000,000 and the rate of the tax is \$2.70 for each \$500 or fractional part of \$500 of the value of real property owned by the entity and located in this State that exceeds \$1,000,000.

Sec. 3. Application. This Act applies to transfers of real property occurring on or after October 15, 2024.

COMMITTEE AMENDMENT

1	Sec. 4. Appropriations and allocations. The following appropriations and		
2	allocations are made.		
3	ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF		
4	Revenue Services, Bureau of 0002		
5	Initiative: Provides one-time funding for computer programming costs to implement a		
6	change in the real estate transfer tax.		
7	GENERAL FUND	2023-24	2024-25
8	All Other	\$0	\$1,500
9			
10	GENERAL FUND TOTAL	\$0	\$1,500
11			
12	ADMINISTRATIVE AND FINANCIAL		
13	SERVICES, DEPARTMENT OF		
14	DEPARTMENT TOTALS		
15		2023-24	2024-25
16	GENERAL FUND	\$0	\$1,500
17			
18	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$1,500
19	HOUSING AUTHORITY, MAINE STATE		
20	Housing Authority - State 0442		
21	Initiative: Allocates additional funds due to an increase in revenue to the Housing		
22	Opportunities for Maine Fund as a result of an increase in the rate of the real estate transfer		
23	tax.		
24	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
25	All Other	\$0	\$1,143,000
26			
27	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$1,143,000
28			
29	HOUSING AUTHORITY, MAINE STATE		
30	DEPARTMENT TOTALS		
31		2023-24	2024-25
32	OTHER SPECIAL REVENUE FUNDS	\$0	\$1,143,000
33			
34	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$1,143,000
35			
36	SECTION TOTALS		
37		2023-24	2024-25
38	GENERAL FUND	\$0	\$1,500
39	OTHER SPECIAL REVENUE FUNDS	\$0	\$1,143,000
40			
41	SECTION TOTAL - ALL FUNDS	\$0	\$1,144,500
42			

1 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
2 number to read consecutively.

3 **SUMMARY**

4 This amendment replaces the bill and changes the title. The amendment also removes
5 the emergency preamble and emergency clause. The amendment increases the rate of the
6 real estate transfer tax for the buyer and seller to \$2.70 for each \$500 or fractional part of
7 \$500 of that portion of the value of the property transferred that exceeds \$1,000,000. The
8 increase applies to transfers on or after October 15, 2024.

9 **FISCAL NOTE REQUIRED**

10 (See attached)



131st MAINE LEGISLATURE

LD 1454

LR 1717(02)

An Act Regarding the Distribution of Revenue from the Real Estate Transfer Tax

Fiscal Note for Bill as Amended by Committee Amendment "*ALS-646*"
Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	(\$1,357,500)	(\$1,294,000)	(\$1,359,000)
Appropriations/Allocations				
General Fund	\$0	\$1,500	\$0	\$0
Other Special Revenue Funds	\$0	\$1,143,000	\$2,685,000	\$2,820,000
Revenue				
General Fund	\$0	\$1,359,000	\$1,294,000	\$1,359,000
Other Special Revenue Funds	\$0	\$1,143,000	\$2,685,000	\$2,820,000

Fiscal Detail and Notes

Increasing the rate of the real estate transfer tax for the buyer and seller will increase real estate transfer tax revenue by \$2,502,000 in fiscal year 2024-25, with \$1,359,000 being credited to the General Fund and \$1,143,000 being credited to the Housing Opportunities for Maine (HOME) Fund within the Maine State Housing Authority. The bill includes an Other Special Revenue Funds allocation of \$1,143,000 in fiscal year 2024-25 to the Maine State Housing Authority to allow expenditure of the additional revenue received.

Beginning in fiscal year 2025-26, a portion of the additional real estate transfer tax revenue will be credited to the Housing First Fund within the Department of Health and Human Services. No additional allocations are required in the current biennium.

The bill includes a one-time General Fund appropriation of \$1,500 in fiscal year 2024-25 for computer programming costs associated with changing the real estate transfer tax rate.