



# 130th MAINE LEGISLATURE

LD 484

LR 1853(02)

## An Act To Change Maine's Tax Laws

### Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$27,874,800	\$28,830,800	\$29,745,800
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$27,874,800	\$28,830,800	\$29,745,800
<b>Revenue</b>				
General Fund	\$0	(\$27,874,800)	(\$28,830,800)	(\$29,745,800)
Other Special Revenue Funds	\$0	\$27,874,800	\$28,830,800	\$29,745,800

### Fiscal Detail and Notes

Current law requires that 90% of the revenue collected from the real estate transfer tax be paid to the State with the remaining 10% being retained by the county collecting the tax. Of the 90% received by the State, an amount necessary to meet the Maine State Housing Authority's (MSHA) obligations relating to bonds issued or planned to be issued is credited to the Maine, Energy, Housing and Economic Recovery Fund. The remaining revenue is split, with 45% being credited to the General Fund and 45% being credited to the Housing Opportunity for Maine (HOME) Fund within MSHA.

This bill changes the distribution of revenue received by the State from the real estate transfer tax by eliminating the portion of revenue credited to the General Fund and, instead, directing that revenue be credited to the HOME Fund. This will result in a reduction in General Fund revenue of \$27,874,800 in fiscal year 2022-23 and a corresponding increase in dedicated revenue to the HOME Fund. This bill includes an Other Special Revenue Funds allocation of that amount to the Housing Authority - State program within MSHA to authorize additional expenditures from the Fund.

The bill also requires that 25% of the revenue credited to the HOME Fund in fiscal year 2023-24 to fiscal year 2029-30 must be used to support the creation of new housing units, through new construction or adaptive reuse, which are affordable to low income households if that revenue does not fall below the level of revenue credited to the Fund in fiscal year 2020-21.