



131st MAINE LEGISLATURE

LD 1454

LR 1717(01)

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

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Chipman of Cumberland

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

| | FY 2023-24 | FY 2024-25 | Projections FY 2025-26 | Projections FY 2026-27 |
|-----------------------------------|----------------|----------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$24,825,274 | \$24,658,150 | \$24,671,355 | \$25,287,811 |
| Appropriations/Allocations | | | | |
| Other Special Revenue Funds | \$24,825,274 | \$24,658,150 | \$24,671,355 | \$25,287,811 |
| Revenue | | | | |
| General Fund | (\$24,825,274) | (\$24,658,150) | (\$24,671,355) | (\$25,287,811) |
| Other Special Revenue Funds | \$24,825,274 | \$24,658,150 | \$24,671,355 | \$25,287,811 |

Fiscal Detail and Notes

This bill changes the distribution of the revenue received from the real estate transfer tax on property transfers by deeds by requiring all revenue received by the State to be deposited into the Housing Opportunities for Maine (HOME) Fund within the Maine State Housing Authority, after certain adjustments are made, instead of the 50% distribution the HOME Fund currently receives. Based on the December 2022 report of the Revenue Forecasting Committee, the reduction in General Fund revenue and corresponding increase in revenue to the HOME Fund is estimated to be \$24,825,274 in fiscal year 2023-24 and \$24,658,150 in fiscal year 2024-25.

The Maine State Housing Authority will require Other Special Revenue Funds allocations of \$24,825,274 in fiscal year 2023-24 and \$24,658,150 in fiscal year 2024-25 to allow expenditure of the additional revenue received.