

**132nd MAINE LEGISLATURE****LD 1082****LR 365(02)****An Act to Invest in Maine's Families and Workforce by Amending the Real Estate Transfer Tax****Fiscal Note for Bill as Amended by Committee Amendment " "****Committee: Taxation****Fiscal Note Required: Yes**

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**Fiscal Note**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	(\$1,558,500)	(\$1,388,000)	(\$1,515,000)	(\$1,643,000)
<b>Appropriations/Allocations</b>				
General Fund	\$79,500	\$0	\$0	\$0
Other Special Revenue Funds	\$4,473,000	\$10,503,000	\$11,737,000	\$12,738,000
<b>Revenue</b>				
General Fund	\$1,638,000	\$1,388,000	\$1,515,000	\$1,643,000
Other Special Revenue Funds	\$4,473,000	\$10,503,000	\$11,737,000	\$12,738,000

**Fiscal Detail and Notes**

This bill increases the real estate transfer tax rate to \$6 per \$500 of value for the portion of a property's value in excess of \$1,000,000 and establishes an exemption from the real estate transfer tax for homes purchased under the Maine State Housing Authority's first-time home-buyer mortgage loan programs. This would result in a revenue increase to the General Fund of \$1,638,000 in fiscal year 2025-26 and \$1,388,000 in fiscal year 2026-27. These changes would also result in a revenue increase to the Housing First Fund of \$1,491,000 in fiscal year 2025-26 and to the Housing Opportunities for Maine (HOME) Fund of \$2,982,000 in fiscal year 2025-26.

The bill also changes the distribution of real estate transfer tax revenue beginning in fiscal year 2026-27. The redistribution provides ongoing revenue of \$17,258,000 in fiscal year 2026-27 to a newly established Housing Production Fund within the Maine State Housing Authority and reduces ongoing revenue to the Housing First Fund by \$46,000 in fiscal year 2026-27 and reduces ongoing revenue to the HOME Fund by \$6,709,000 in fiscal year 2026-27.

The bill includes a one-time General Fund appropriation to the Bureau of Revenue Services within the Department of Administrative and Financial Services of \$79,500 in fiscal year 2025-26 to fund computer programming costs associated with the provisions of this bill.