

**132nd MAINE LEGISLATURE****LD 1082****LR 365(03)****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**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	(\$641,500)	\$56,000	\$88,000	\$90,000
Appropriations/Allocations				
General Fund	\$79,500	\$0	\$0	\$0
Other Special Revenue Funds	\$1,959,000	\$5,319,000	\$5,990,000	\$6,519,000
Revenue				
General Fund	\$721,000	(\$56,000)	(\$88,000)	(\$90,000)
Other Special Revenue Funds	\$1,959,000	\$5,319,000	\$5,990,000	\$6,519,000

Fiscal Detail and Notes

This bill increases the real estate transfer tax rate to \$4 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 \$721,000 in fiscal year 2025-26 and a revenue decrease of \$56,000 in fiscal year 2026-27. These changes would also result in a revenue increase to the Housing First Fund of \$653,000 in fiscal year 2025-26 and to the Housing Opportunities for Maine (HOME) Fund of \$1,306,000 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 \$15,314,000 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 \$1,212,000 in fiscal year 2026-27 and reduces ongoing revenue to the HOME Fund by \$8,783,000 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.