

**TESTIMONY OF  
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation  
Hearing Date: 2/7/23

LD 210 – *“An Act to Expand the List of Persons Exempt from the Real Estate Transfer Tax”*

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Senator Grohoski, Representative Perry, and members of the Taxation Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Neither For Nor Against LD 210, *“An Act to Expand the List of Persons Exempt from the Real Estate Transfer Tax.”*

LD 210 adds siblings, stepchildren, and step-grandchildren to the list of family members whose deeds are exempt from the real estate transfer tax.

First, Maine Revenue Services has already taken the position that stepchildren and step grandchildren are persons exempt from the real estate transfer tax. This position is outlined in the real estate transfer tax guidance published in section 5(D) of Bulletin No. 31, which can be found on our website. Therefore, the portion of LD 210 that includes language for grandchildren and step grandchildren would only be a technical change.

Next, while the bill addresses transfers between siblings, stepchildren, and step grandchildren, it does not specify whether stepsiblings would be included as persons exempt from the real estate transfer tax. We recommend the Committee consider whether to include or exclude stepsiblings from the list of persons exempt from the tax.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee's questions.