

Joint Standing Committee on Taxation

Testimony of Janice de Lima, Resident of Falmouth, April 2nd, 2025

in favor of LD1082 - An Act to Invest in Maine's Families and Workforce by Amending the Real Estate Transfer Tax, Sponsored by Speaker Ryan Fecteau

Hello, Senator Grohoski, Representative Cloutier, and Members of the Joint Standing Committee on Taxation.

My name is Janice de Lima. I am the a resident of Falmouth, a banker by profession, and a mother of two young children starting out in life. I've been following the legislative initiatives to alleviate the housing crisis that's limiting the potential of families and young people in Maine. I support LD1082 as one of several tools that Maine's Legislature can put in place to promote housing development. By increasing the Real Estate Transfer Tax from \$2.20 to \$5 per \$500 for the portion of real estate sale over \$1 million, it will generate much needed funding to help housing projects aimed at low, moderate and middle income familes/residents. These Maine residents are our workforce - our critical service providers (police, fire/EMS, teachers) who's housing needs have been ignored for too long. As a home-owner of real estate that could possibly sell for over \$1 million, I feel this is extra tax can be easily off-set by the phenomenal increase in value we've experienced these past few years – and a fair way to share the benefit with our fellow residents.

As you are all aware, the market is not sustainable for building anything but luxury housing without State assisted funding as part of any new development's financing capital. The cost of materials and land, and the difficult and long regulatory process to permit housing has made housing out of reach for the majority of Maine people. This small increase in the Transfer Tax will create a longterm funding source to incentivize building new housing. I believe the Transfer Tax provides a longer term, sustainable solution for the State to direct more resources toward affordable home building, versus Budgetary Appropriations. I also support the targeted uses of the funds generated from the Transfer Tax increase, i.e.:

- Bond obligations to the *Maine Energy, Housing and Economic Recovery Program*
- The *Housing First Fund*, which aims to end chronic homelessness
- The *Housing Opportunities for Maine (HOME) Fund* at MaineHousing, which helps to finance home repairs and modifications, rental assistance and shelter operations.
- A new Housing Production Fund, which will support the construction of new multifamily and single family homes

I am also supportive of the objective to eliminate the R/E Transfer Tax for low income first-time homebuyers who are benefiting from MSHA's FTHB programs. Every dollar counts in the purchase of a home for low/moderate income buyers. Too often we see these potential buyers fall short of the down-payment needed to purchase a home, sometimes by a few thousand dollars. Redirecting the Transfer Tax towards down payment is a creative way to assist these buyers.

Thank you for the excellent solutions your Committee is bringing forward to address our shared problem of lack of housing. I urge you to continue to take bold and innovative steps towards our goal of giving all Mainer's a shot at homeownership or reaonsably priced rental housing.