

MAINE REGISTERS OF DEEDS ASSOCIATION

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LD 1082: An Act to Invest in Maine's Families and Workforce by Amending the Real Estate Transfer Tax

Senator Pierce and Senator Daughtry, Speaker Fecteau, and members of the Committee on Taxation;

My name is Cherri Crockett and I serve as the Register of Deeds for Oxford County and the President of the Maine Registers of Deeds Association.

I am submitting testimony on behalf of our 17 Registers neither for nor against LD 1082.

The MRODA would like to provide insight to your County Registry of Deeds office and our responsibility to the State to ensure the proper tax is collected for each transfer of property that crosses our desks.

Upon receipt, a thorough review of the documentation is performed to ensure all registry recording and Statutory requirements have been met. The State entrusts us to review the Real Estate Transfer Tax Declaration, submitted either by paper or the electronic version through the Maine Tax Portal, and ensuring the information is accurate by Maine Revenue standards.

If, during this detailed review discrepancies are found, we then contact the submitter of the transfer to clarify, and in many cases help the submitter understand why we may need to reject the documentation and, most often, require additional funds due to submitter error.

Rejections can cost the submitter hours if being submitted via the tax portal, and

days, or even weeks if the transfer has been completed on the paper form.

The Registries, in order to collect accurate transfer tax, work with our software companies to ensure proper programming is installed for the fee calculation to be set to the State mandated percentage, which currently stands at \$2.20 per \$500 of value or purchase price.

At the end of each month, the State agreed to the County retaining a 10% commission of the total Transfer Tax collected to provide the reliability of the service to the State. A check or electronic funds transfer is then initiated to pay the State their 90%, due by the 10th of the month.

While the Registries will work with our software companies to adjust the tax collected per transfer, there still remains the question of how would Registers be made aware of those qualifying transactions under Maine State Housing's exemption?

Will another update be required to the Maine Revenue Services Tax Portal?

We also look forward to clarifying Sections 1 and 2 of the taxable threshold for transfers of \$1 million plus.

Would the State consider collecting HALF TAX, as the BUYER is who this bill intends to assist, not the seller. Therefore, tax would be collected from the SELLER, but not the buyer.

In consideration of all the moving parts for accurate tax collection and exemption identification, the MRODA encourages the Committee on Taxation to ask all stakeholders, including the Registers of Deeds, to come together for a more clear understanding.

At this time the MRODA is neither for nor against LD 1082.

Thank you for your time.