

February 9, 2023

The Honorable Vanessa Atterbeary
Ways & Means Committee
House Office Building, Room 131,
6 Bladen St., Annapolis, MD, 21401

RE: HB 211 Rental Housing Fund, Calculation of Taxable Income, and Transfer Tax - Alterations (Affordable Housing Investment Act)

Dear Chair Atterbeary:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 211 Rental Housing Fund, Calculation of Taxable Income, and Transfer Tax - Alterations (Affordable Housing Investment Act)**. MBIA **Opposes** the Act in its current version.

This bill would require that transfer taxes on a home of up to \$1,000,000 to be paid entirely by the seller in the case of a 0.25% transfer tax or a split in the event of a 0.5% transfer tax. MBIA respectfully opposes this measure. This bill is unclear currently the first-time homebuyers are not required to pay their half of transfer taxes. It is not clear from the text of the bill whether the seller would be responsible for that portion of the tax imposing an additional tax on home sellers which runs counter to the legislative intent of the author.

Additionally, this bill disincentivizes people from moving to Maryland. It is much easier to buy homes in Pennsylvania or Virginia where these additional taxes will not be imposed and where you can have easy access to Maryland without the onerous tax burden. High income individuals and families, which this bill targets, have more money to invest in the community, pay higher property taxes, and are exactly the type of people that we want to incentivize to live here. Imposing additional transfer taxes deters this long term and substantial community investment increasing the public tax revenue which ultimately is spent on behalf of all Maryland citizens.

For these reasons, MBIA respectfully requests the committee give this measure a unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Ways and Means Committee