

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 441 (Prince George's County Delegation)
Ways and Means

Prince George's County - Transfer Tax
PG 415-97

This bill sets a maximum rate of 1.4% for the transfer tax in Prince George's County. The county's existing transfer tax rate is 1.4%, but current law provides a reduction in that rate of one-tenth of a percent per year beginning in fiscal 1998 and continuing through fiscal 2001.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues would increase by \$2.5 million in FY 1998. Expenditures would not be affected.

Small Business Effect: None. Small businesses would not be directly affected.

Fiscal Analysis

Local Revenues: Prince George's County's transfer tax rate is currently 1.4% and generated an estimated \$36.3 million in fiscal 1996. This bill would allow Prince George's County to continue receiving the revenue it currently collects from its 1.4% transfer tax. The county will gain \$2.5 million in transfer tax revenue for fiscal 1998, this being the difference between assessing the transfer tax rate at 1.4% and reducing it by one-tenth of a percent. Future revenue increases are listed below.

<u>Year</u>	<u>Revenue Increase</u>
FY 1999	\$5.0 million
FY 2000	\$7.5 million
FY 2001	\$10.0 million
FY 2002	\$10.2 million

Information Source(s): Prince George's County, Department of Fiscal Services

Fiscal Note History: First Reader - March 3, 1997

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