

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1211 (Delegate Greenip, *et al.*)
Ways and Means

County Transfer Taxes - Limitation Period for Refund Claims

This bill allows a person to submit a claim on or before July 1, 1997 for a refund of county transfer taxes that were erroneously paid on or after January 1, 1993 on an instrument of writing that is a mortgage or deed of trust for property owned by a religious group or organization that is exempt from property taxes.

This bill is effective June 1, 1997.

Fiscal Summary

State Effect: None.

Local Effect: Prince George's County revenues could decrease by \$22,500 in FY 1997 only; potential indeterminate decrease in local revenues in the 16 other local jurisdictions that impose a transfer tax in FY 1997 only. Expenditures would not be affected.

Small Business Effect: None. It is assumed that the organizations affected by this bill are not small businesses.

Fiscal Analysis

Local Revenues: To be eligible for a refund for transfer taxes that have been paid erroneously or mistakenly, an individual must submit a refund claim on or before three years from the date that the tax is paid. Any individuals who paid taxes in error between January 1, 1993 and June 1, 1994 (three years from the bill's effective date) could be eligible for a refund under this bill. There are 17 counties that assess a local transfer tax. It is known that at least one payment of transfer taxes in Prince George's County would be affected by this bill; a refund of the taxes paid for this transaction would reduce Prince George's County

revenues by \$22,500 in fiscal 1997. To the extent that this bill allows other county transfer tax refunds that would have been barred otherwise, county revenues could decrease. The extent of any decrease cannot be reliably estimated at this time.

Information Sources: Department of Assessments and Taxation, Prince George's County, Queen Anne's County, Department of Fiscal Services

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