

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 972 (Delegate Kach)

Ways and Means

State and Local Transfer Taxes - First-Time Maryland Home Buyers

This bill authorizes an agent of a first-time Maryland home buyer to provide a statement that is signed under oath by the buyer stating that he or she is a first-time Maryland home buyer. This statement is necessary to qualify the first-time Maryland home buyer for the reduced State transfer rate of 0.25% of the consideration payable and the county transfer tax exemption.

The statement provided by the home owner's agent must state that the information given in the statement is based on a diligent inquiry made by the agent with respect to the facts set forth in the statement, and is true to the best of the knowledge, information, and belief of the agent.

The bill is effective July 1, 1999.

Fiscal Summary

State Effect: Potential minimal special fund revenue decrease. The bill makes it easier for first-time Maryland home buyers to apply for the reduced State transfer tax rate which could potentially decrease State transfer tax revenues distributed to Program Open Space, the Agricultural Land Preservation Fund, the Heritage Conservation Fund, and the Rural Legacy Program.

Local Effect: Potential minimal. The bill makes it easier for first-time Maryland home buyers to apply for the county transfer tax exemption which could potentially decrease county revenues.

Small Business Effect: Potential minimal.

Fiscal Analysis

Background: The State transfer tax rate is equal to 0.5% of the consideration payable for an instrument of writing, one conveying title to, or a leasehold interest in, real property; however, in the case of a first-time Maryland home buyer purchasing a principal residence, the transfer tax rate is 0.25% of the consideration payable.

Information Source(s): Department of Assessments and Taxation, Prince George's County, Garrett County, Judiciary (Administrative Office of the Courts)

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dmm/jr

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