

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 343 (Prince George's County Delegation)
Ways and Means

Prince George's County - Transfer Tax
PG 420-99

This bill reduces Prince George's County's maximum transfer tax rate from 1.4% to 1.0%. The bill is effective July 1, 1999.

Fiscal Summary

State Effect: None. This bill does not affect the State transfer tax rate.

Local Effect: Significant decrease in county revenues. Based on FY 1999 data, county revenues could decrease by \$12.5 million in FY 2000. No effect on expenditures.

Small Business Effect: Potential minimal. A decrease in transfer taxes would reduce the cost of acquiring property for small businesses.

Fiscal Analysis

Local Revenues: Prince George's County expects revenues of \$43.8 million in fiscal 1999 from the current 1.4% transfer tax rate. Based on fiscal 1999 data, reducing the rate to 1% would result in a \$12.5 million revenue loss (28.6%) in fiscal 2000. However, the actual decrease in fiscal 2000 could vary because transfer tax revenues tend to fluctuate based on factors such as mortgage rates and general economic conditions.

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

Fiscal Note History:

First Reader - February 10, 1999

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Analysis by: Joanna Rooney

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510