

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 768 (Delegate W. Baker)

Ways and Means

Code Home Rule Counties - Maximum Transfer Tax Rate

This bill increases the maximum local transfer tax rate for code home rule counties from 0.5% to 1.0%.

The bill is effective July 1, 2000.

Fiscal Summary

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

Local Effect: Transfer tax revenues could increase for the code home rule counties by \$4.4 million annually if the counties increase their transfer tax rate to 1%.

Small Business Effect: Potential minimal.

Analysis

Current Law: The code home rule counties may impose a transfer tax at a maximum rate of 0.5%.

Background: The following provides a summary of the code home rule counties' current transfer tax rates and the related fiscal 1999 revenues:

Current Transfer

FY 1999

<u>County</u>	<u>Tax Rate</u>	<u>Revenue</u>
Allegany	0.2%	\$175,995
Caroline	0.5%	203,145
Kent	0.5%	384,510
Queen Anne's	0.5%	946,343
Worcester	0.5%	\$2,137,348

Local Revenues: If the code home rule counties increase their transfer tax rate to the maximum of 1%, transfer tax revenues could increase by \$4,375,326 annually, based on fiscal 1999 revenues. The increase in each of the counties would be as follows:

<u>County</u>	<u>Increase in Transfer Tax Revenues</u>
Allegany	\$703,980
Caroline	203,145
Kent	384,510
Queen Anne's	946,343
Worcester	2,137,348
Total	\$4,375,326

Allegany County advises that it does not intend to increase its rate to the maximum allowed under this bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Assessments and Taxation; Allegany, Caroline, Queen Anne's, and Worcester counties, Department of Legislative Services

Fiscal Note History: First Reader - March 8, 2000
jir/jr

Analysis by: Karen S. Benton

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510