

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1295  
Ways and Means

(Delegate R. Long)

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**Baltimore County - Transfer Tax - Exemption for First-Time Home Buyers**

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This bill provides an exemption from the Baltimore County transfer tax for first-time home buyers. The property must be used as the buyer's principle residence to be eligible for the exemption. A first-time home buyer must meet specified requirements in order to receive the exemption. **The bill takes effect July 1, 2025.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Baltimore County transfer tax revenues decrease by approximately \$16.5 million annually beginning in FY 2026. Baltimore County expenditures are not affected. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** None.

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**Analysis**

**Current Law:** A local transfer tax may be imposed on instruments of writing conveying title to or a leasehold interest in real property. In Baltimore County, the local transfer tax rate is set at 1.5% for fiscal 2025.

Additional information on local transfer tax rates and revenues for Maryland counties and Baltimore City can be found in the [County Revenue Outlook Report](#). A copy of the report is available on the Department of Legislative Services [website](#).

**Local Fiscal Effect:** Providing first-time home buyers with an exemption from the local transfer tax will reduce Baltimore County revenues by a significant amount. Due to the volatility of the real estate market, annual revenue collections from the local transfer tax

have varied significantly in recent years as shown in **Exhibit 1**. Based on current revenue projections in the adopted fiscal 2025 county budget, the proposed transfer tax exemption could decrease Baltimore County revenues by \$16.5 million annually. The estimate assumes that first-time homebuyers represent 25% of home sales within the county.

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**Exhibit 1**  
**Baltimore County Transfer Tax Revenues**  
**\$ in Millions**

<u>Fiscal</u>	<u>Revenue Collection</u>
2020	\$78.6
2021	101.2
2022	124.1
2023	88.9
2024 estimate	66.1
2025 estimate	66.1

Source: Department of Legislative Services

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**Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Baltimore County; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2025  
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