

February 4, 2025

The Honorable Vanessa Atterbeary
Chair, Ways and Means Committee
130 Taylor House Office Building
Annapolis, MD, 21401

RE: MBIA Letter of Opposition HB342 - State Transfer Tax - Rates and Distribution of Revenue

Dear Chair Atterbeary:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB342 - State Transfer Tax - Rates and Distribution of Revenue** MBIA **opposes** the Act in its current version.

HB342 would alter the State transfer tax rate and the distribution of State transfer tax revenue and apply the Act to instruments of writing recorded on or after July 1, 2025. This proposal increase the transfer tax on homes sold at or above \$500,000. There are many areas of the state where that is a typical single-family home, or in some cases, even a townhome or condominium. Transfer taxes are not able to be rolled into a monthly mortgage payment and are instead part of the upfront costs of a home purchase, which Maryland residents cite as the number one deterrent to achieving homeownership.

Real estate is not an undertaxed asset. It is already subject to eight taxes: two transfer taxes (state and local); a recordation tax; a recording fee; two property taxes; a bay restoration property surtax; and a storm water fee. In addition, real estate contributes new revenue each year to state and local governments because of increasing property assessments. The cost of housing statewide is too high and the inventory is too low. The two are mutually exclusive, the state needs to be and currently is actively seeking ways to increase housing production.

For these reasons, MBIA respectfully urges the committee to consider these comments and give HB342 an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Ways and Means Committee