

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Acting Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: HB790 State Transfer Tax - Exemption for First-Time Home Buyers - Alterations

DATE: February 17th 2026

COMMITTEE: Ways and Means

POSITION: Opposition

SUMMARY OF BILL: This bill proposes to eliminate the state transfer tax for first-time homebuyers who purchase an improved property. Under current law, eligible buyers pay a reduced transfer tax rate of 0.25% (the regular rate is 0.5%); this bill would change that to a full exemption (0%) for eligible buyers purchasing properties intended to be a primary residence.

EXPLANATION: The Department of Budget and Management opposes HB790 because it will reduce state tax revenue. While the current bill does not have a fiscal note at this time (Feb. 13, 2026), a fiscal note for the same proposal in the 2025 estimated state tax collections would decline by roughly \$17.6 million annually if the proposal were enacted.

Given the significant uncertainty in federal policy and the escalating fiscal shortfalls forecasted through Fiscal Year 2028, the Department urges caution against legislation that increases expenditures or diverts revenue without sustainable funding offsets. In light of the current fiscal crisis, the State must remain disciplined and strategic in its funding decisions to protect essential services for all Marylanders.

**For additional information, contact Dana Phillips at
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