



## House Bill 1213 – State Transfer Tax – Rates and Distribution of Revenue

### Position: Oppose

Maryland REALTORS® opposes HB 1213, which would restructure the State real estate transfer tax.

While well-intentioned, HB 1213 sets new transfer tax brackets that are not indexed to inflation. Without indexing, rising home values will naturally push more and more properties into higher tax rates over time even when the real value has not increased. The bill also fails to reflect significant differences in home values across Maryland's diverse communities, meaning typical homes in many regions would be disproportionately impacted.

Maryland buyers and sellers already contribute more than \$1 billion annually in real estate transaction taxes alone. Real estate is not an undertaxed asset. Increasing transfer tax rates will further add to the upfront costs that cannot be rolled into a mortgage and must be paid at closing.

The cumulative cost of real estate taxes and fees in Maryland is already a major factor in housing affordability challenges. As a result of the real estate costs already in effect:

- **90%** of Maryland residents believe that **the cost of housing is too high**;
- **85%** say that having enough money for **downpayments and closing costs is an obstacle** to purchasing a home; and
- **50%** of younger renters are **considering leaving Maryland**.

Rather than raising transfer tax rates that will increasingly burden buyers and sellers over time, the State should consider other approaches that protect housing affordability and account for regional market differences.

For these reasons, Maryland REALTORS® recommend an unfavorable report.

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