SPONSOR: Rep. Yearick & Sen. Buckson
Rep. Michael Smith; Sen. Wilson

HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE BILL NO. 286

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO DECREASING THE STATE'S REALTY TRANSFER TAX RATE OF TAXATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 5402, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5402. Rate of tax; when payable; exception [For application of this section, see 81 Del. Laws, c. 56, § 2 and 81 Del. C. 384, § 3].

(a) (1) Every person who makes, executes, delivers, accepts or presents for recording any document, except as defined or described in § 5401(5) of this title, or in whose behalf any document is made, executed, delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 3 percent of the value of the property represented by such document, unless the municipality or county where the property is located has enacted the full 1½ percent realty transfer tax authorized by § 1601 of Title 22 or § 8102 of Title 9, in which case 2 ½ percent, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

(a)(2) For every residential property convenance having a property value of $350,000 or less, there shall be no realty transfer tax payable to the state.

(a)(3) For every residential property conveyance having a property value of more than $350,000 but less than $500,000, every person who makes, executes, delivers, accepts or presents for recording any document except as defined or described in § 5401(5) of this title, or in whose behalf any document is made, executed. delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 2 3/4 percent of the value of the property represented by such document, unless the municipality or county where the property is located has enacted the full 1 ½ percent realty transfer tax authorized by § 1601 of Title 22 or § 8102 of Title 9, in which case 2 1/4 percent, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

Section 2. Amend § 5402, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5402. Rate of tax; when payable; exception [For application of this section, see 81 Del. Laws, c. 56, § 2 and 81 Del. C. 384, § 3].

(a) (1) Every person who makes, executes, delivers, accepts or presents for recording any document, except as defined or described in § 5401(5) of this title, or in whose behalf any document is made, executed, delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 3 percent of the value of the property represented by such document, unless the municipality or county where the property is located has enacted the full 1½ percent realty transfer tax authorized by § 1601 of Title 22 or § 8102 of Title 9, in which case ~~2.25~~ 2 1/2 percent, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

(a)(2) For every residential property convenance having a property value of $350,000 or less, there shall be no realty transfer tax payable to the state.

(a)(3) For every residential property conveyance having a property value of more than $350,000 but less than $500,000, every person who makes, executes, delivers, accepts or presents for recording any document except as defined or described in § 5401(5) of this title, or in whose behalf any document is made, executed. delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 2 1/2 percent of the value of the property represented by such document, unless the municipality or county where the property is located has enacted the full 1 ½ percent realty transfer tax authorized by § 1601 of Title 22 or § 8102 of Title 9, in which case 2 percent, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

Section 3. Amend § 5402, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5402. Rate of tax; when payable; exception [For application of this section, see 81 Del. Laws, c. 56, § 2 and 81 Del. C. 384, § 3].

(a) (1) Every person who makes, executes, delivers, accepts or presents for recording any document, except as defined or described in § 5401(5) of this title, or in whose behalf any document is made, executed, delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 3 percent of the value of the property represented by such document, unless the municipality or county where the property is located has enacted the full 1½ percent realty transfer tax authorized by § 1601 of Title 22 or § 8102 of Title

9, in which case 2 1/2 percent, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

(a)(2) For every residential property convenance having a property value of $350,000 or less, there shall be no realty transfer tax payable to the state.

(a)(3) For every residential property conveyance having a property value of more than $350,000 but less than $500,000, every person who makes, executes, delivers, accepts or presents for recording any document except as defined or described in § 5401(5) of this title, or in whose behalf any document is made, executed. delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 2 1/4 percent of the value of the property represented by such document, unless the municipality or county where the property is located has enacted the full 1 ½ percent realty transfer tax authorized by § 1601 of Title 22 or § 8102 of Title 9, in which case 1 3/4 percent, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

Section 4. Amend § 5402, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5402. Rate of tax; when payable; exception [For application of this section, see 81 Del. Laws, c. 56, § 2 and 81 Del. C. 384, § 3].

(a) (1) Every person who makes, executes, delivers, accepts or presents for recording any document, except as defined or described in § 5401(5) of this title, or in whose behalf any document is made, executed, delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 3 percent of the value of the property represented by such document, unless the municipality or county where the property is located has enacted the full 1½ percent realty transfer tax authorized by § 1601 of Title 22 or § 8102 of Title 9, in which case 2 1/2 percent, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

(a)(2) For every residential property convenance having a property value of $350,000 or less, there shall be no realty transfer tax payable to the state.

(a)(3) For every residential property conveyance having a property value of more than $350,000 but less than $500,000, every person who makes, executes, delivers, accepts or presents for recording any document except as defined or described in § 5401(5) of this title, or in whose behalf any document is made, executed. delivered, accepted or presented for recording shall be subject to pay for and in respect to the transaction, or any part thereof, a realty transfer tax at the rate of 2 percent of the value of the property represented by such document, unless the municipality or county where the property is

located has enacted the full 1 ½ percent realty transfer tax authorized by § 1601 of Title 22 or § 8102 of Title 9, in which case 1 1/2 percent, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be apportioned equally between grantor and grantee.

Section 5. Section 1 of this Act shall become effective January 1, 2027.

Section 2 of this Act shall become effective January 1, 2028.

Section 3 of this Act shall become effective January 1, 2029.

Section 4 of this Act shall become effective January 1, 2030.

Ssynopsis

For conveyances having a property value of less than $350,000, the state will not assess a realty transfer tax. This Act also reduces the State's rate of realty transfer tax by 1/4% per year for 4 years, for residential property conveyances having a property value of $350,000 to $500,000.