



SPONSOR: Rep. Yearick & Rep. Baumbach & Sen. Lopez  
Reps. Briggs King, Collins, D. Short, Smyk,  
Vanderwende; Sens. Pettyjohn, Wilson

HOUSE OF REPRESENTATIVES  
151st GENERAL ASSEMBLY

HOUSE BILL NO. 172

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO REALTY TRANSFER TAX  
REDUCTION.

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

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

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

5           (c)(1) Notwithstanding subsection (a) of this section, for any first-time home buyer who enters into a transaction,  
6           on or after August 1, 2017, who would otherwise be subject to the rate of tax set forth in subsection (a) of this section, that  
7           portion of the realty transfer tax payable by the first-time home buyer shall be reduced by an amount equal to ½ percent  
8           multiplied by the lesser of the value of the property or \$400,000. The first-time home buyer reduction set forth in this  
9           subsection shall apply to the grantee's portion of the realty transfer tax as defined in subsection (a) and shall not relieve the  
10          grantor from payment of the grantor's portion of the realty transfer tax as defined in subsection (a).

11          (2) Notwithstanding the reduction allowed by paragraph (c)(1) of this section, a natural person purchaser who is a  
12          first-time home buyer whose gross income is less than \$45,000 or in the case of natural person joint purchasers whose  
13          combined gross income is less than \$75,000, the state's realty transfer tax shall be reduced to 0 provided the value of the  
14          property does not exceed \$250,000. The first time home buyer reduction set forth in this paragraph shall only apply to the  
15          grantee's portion of the realty transfer tax as defined in subsection (a) of this section and shall not relieve the grantor from  
16          payment of the grantor's portion of the realty transfer tax as defined in subsection (a) of this section.

17          (3) Any revenues collected under this chapter that qualify for the reduction authorized by paragraph (c)(2) of this  
18          section shall be refunded to the payor.

19          Section 2. This Act shall be effective for all qualifying real estate closings completed after its enactment and shall  
20          sunset December 31, 2022.

### SYNOPSIS

This Act temporarily eliminates the state's portion of the realty transfer tax for certain real estate closings for first time home buyers with a purchase price of \$250,000 or less. The bill applies to a natural person home buyer whose gross income is less than \$45,000 or in the case of natural person joint purchasers whose combined gross income is less than \$75,000.