150th GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 32**
SPONSOR:	**Representative Ramone**
DESCRIPTION:	**AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO DECREASING THE REALTY TRANSFER TAX.**

Assumptions:

1. This Act becomes effective upon signing by the Governor.

2. The 149th General Assembly enacted HB 279, increasing the tax imposed on real estate transactions of the fair market value of property by 1.0% (2.0% to 3.0%), effective August 1, 2017. In municipalities and counties that also levy a transfer tax (up to 1.5%), the State's portion of the tax increased to 2.5%.

3. This Act decreases the transfer tax by 1.0% and returns the rate to the same level as prior to HB 279.

4. Department of Finance estimates on revenue loss are based on gross collections of realty transfer taxes and assumed short-term market activity resulting from this Act.

5. Assumes a 4.4% growth in fiscal year 2021 and 3.5% growth in FY 2022

Est. Revenue Loss

Fiscal Year 2020: $74.1 million

Fiscal Year 2021: $77.4 million

Fiscal Year 2022: $80.1 million

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