



SPONSOR: Rep. Lavelle;  
Reps. Hudson, Valihura; Sen.  
Copeland

HOUSE OF REPRESENTATIVES

142nd GENERAL ASSEMBLY

HOUSE BILL NO. 157

AN ACT TO AMEND TITLES 9, 22, AND 30 RELATING TO THE TAXATION OF REAL PROPERTY.

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

1       Section 1. Amend § 5402 (a), Title 30 of the Delaware Code, by striking the phrase “unless the municipality or  
2       county where the property is located has enacted the full one and one half percent realty transfer tax authorized by § 1601,  
3       Title 22 or § 8102, Title 9 of the Delaware Code, in which case 1 and ½ percent,” and by substituting in lieu thereof the  
4       phrase:

5       “unless the municipality or county where the property is located has enacted the full 1 and ⅛ percent realty  
6       transfer tax authorized by § 1601, Title 22 or § 8102, Title 9 of the Delaware Code, in which case 1 and ⅞  
7       percent,”.

8       Section 2. Amend § 5402(d), Title 30 of the Delaware Code, by striking the phrase “unless the municipality or  
9       county where the property is located has enacted the full one and one half percent realty transfer tax authorized by § 1601,  
10      Title 22 or § 8102, Title 9 of the Delaware Code, in which case 1 and ½ percent,” and by substituting in lieu thereof the  
11      phrase:

12      “unless the municipality or county where the property is located has enacted the full 1 and ⅛ percent realty  
13      transfer tax authorized by § 1601, Title 22 or § 8102, Title 9 of the Delaware Code, in which case 1 and ⅞  
14      percent,”.

15      Section 3. Amend § 8102(a), Title 9 of the Delaware Code, by striking the phrase “1 and ½ percent” and by  
16      substituting in lieu thereof the phrase “1 and ⅛ percent”.

17      Section 4. Amend § 1601(a), Title 22 of the Delaware Code, by striking the phrase “1 and ½ percent” and by  
18      substituting in lieu thereof the phrase “1 and ⅛ percent”.

19      Section 5. This Act shall become effective 6 months following its enactment into law.

### SYNOPSIS

This Act increases the State Realty Transfer Tax from 1 and  $\frac{1}{2}$  percent to 1 and  $\frac{7}{8}$  percent and decreases the level of tax that county and municipal governments may impose on real property transfers from 1 and  $\frac{1}{2}$  percent to 1 and  $\frac{1}{8}$  percent. County and municipal action to increase their individual rates will still be necessary. Should a county or municipal government levy a transfer tax of less than 1 and  $\frac{1}{8}$  percent, the State would continue to collect a 2 percent tax on real property transfers.

Because many municipal charters have been modified to reflect the existing 1 and  $\frac{1}{2}$  percent transfer tax, this Act amends Title 22 to modify all municipal charters accordingly in a uniform manner rather than attempt to amend each charter individually.

This Act becomes effective 6 months following its enactment into law.