152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE BILL NO. 87**
SPONSOR:	**Senator Huxtable**
DESCRIPTION:	**AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO THE REALTY TRANSFER TAX.**

Assumptions:

1. This Act is effective upon signature of the Governor.
2. This Act:
    a. Exempts conveyance of property to or from a 501(c)3 organization involving the construction and reselling without profit of owner-occupied low-income housing to low and moderate-income households from the Realty Transfer Tax.
    b. Exempts any portion of a conveyance for affordable housing units when the projects are funded through State, federal, or local government funds from the Realty Transfer Tax.
    c. Exempts any portion of a conveyance financed through the Low-Income Housing Tax Credit (LIHTC) program from the Realty Transfer Tax.
    d. Clarifies that individuals are first-time home buyers if they occupy the property being conveyed as a principal residence after construction of the residence when the residence is built after 90 days from the conveyance.
3. The Delaware State Housing Authority (DSHA) issues approximately $3 - $3.5 million in federal LIHTC annually. These credits are used to provide up to either 9% or 4% of overall project financing.
4. Based on information supplied by DSHA on the issuance of these credits, it is estimated that entities receiving the 9% LIHTC paid approximately $900,000/year in Realty Transfer taxes to the State.
5. Due to lack of available data on impacted real estate transactions, the fiscal impacts of all other components of this legislation are indeterminable.

Cost:

	Revenue Loss
Fiscal Year 2024:	$900,000
Fiscal Year 2025:	$900,000
Fiscal Year 2026:	$900,000

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