



152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL: HOUSE BILL NO. 343
SPONSOR: Representative Yearick
DESCRIPTION: AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO DECREASING THE STATE'S REALTY TRANSFER TAX RATE OF TAXATION.

Assumptions:

1. This Act is effective upon signature by the Governor. The provisions of sections one through four of this Act become effective upon future dates as follows:
 - Section 1 of this Act is effective January 1, 2025.
 - Section 2 of this Act is effective January 1, 2026.
 - Section 3 of this Act is effective January 1, 2027.
 - Section 4 of this Act is effective January 1, 2028.
2. This Act reduces the State's share of the realty transfer tax by 0.25% per year for four years for residential property having a property conveyance value of less than \$500,000 and for commercial property having a property conveyance value of less than \$1,000,000, starting January 1, 2025.
3. Based on 2022 data, there were 24,459 qualifying transactions of property with a sales transaction of less than or equal to \$1,000,000. Data is not currently available that would delineate the number of these transactions that were residential versus commercial. As such, the range of General Fund revenue loss per year below encompasses all transactions being residential (low) versus all commercial (high).
4. General Fund revenue loss is based on estimates of Realty Transfer tax adopted by the Delaware Economic and Financial Advisory Council at their March 18, 2024, meeting.

Cost:

| | General Fund Revenue Loss |
|-------------------|----------------------------------|
| Fiscal Year 2025: | \$5.0 – \$7.7 million |
| Fiscal Year 2026: | \$16.9 - \$26.0 million |
| Fiscal Year 2027: | \$30.8 – \$47.4 million |

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