153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 286**
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 the Act are effective for tax years starting in calendar year 2027.
2. Currently, the state imposes a Realty Transfer Tax (RTT) at the rate of 3.0% of the fair market value of the property divided equally between the grantor and grantee. Local governments are permitted to levy an RTT of up to 1.5%. In cases in which the local levy exceeds 1.0%, the state rate decreases to 2.5%. With few exceptions, in practice, the state RTT is levied at a rate of 2.5%, and the local RTT is levied at a rate of 1.5%, for a combined rate of 4.0%. First-time home buyers are eligible for an additional reduction of 0.5%.
3. This Act exempts property conveyances with a property value of less than $350,000 entirely from the RTT. For residential property conveyances with a value of $350,000 to $500,000, this Act reduces the state's share of the RTT by one quarter percent per year for four years as reflected in the following table:

Calendar Year	State share
2026 (Current)	2.50%
2027	2.25%
2028	2.00%
2029	1.75%
2030	1.50%

4. Based on calendar year 2025 data, the Department of Finance estimates the annual state share of RTT for property conveyances less than $350,000 to be $25.9 million. The Department further estimates each one quarter percent reduction in the state share of the RTT for conveyances of property valued at $350,000 to $500,000 to be $3.2 million.
5. Fiscal Year 2027 General Fund revenue loss estimates reflect partial fiscal year implementation of the provisions of this Act.
6. An annual RTT revenue growth rate of 4% is assumed.

Estimated General Fund Revenue Loss:

Fiscal Year 2027:	$12.5 million
Fiscal Year 2028:	$33.4 million
Fiscal Year 2029:	$38.4 million

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