

MAINERS for TAX FAIRNESS

MainersForTaxFairness.org

LD 1082: An Act to Invest in Maine's Families and Workforce by Amending the Real Estate Transfer Tax

What is this bill?

[LD 1082](#) would create a graduated real estate transfer tax by increasing the tax on real estate sales over \$1 million to \$5 per \$500 of sales price. The bill also exempts home buyers who use the Maine State Housing Authority's first-time home-buyer loan program from the tax.

Background

Maine's real estate transfer tax has been the same since 2001, despite the recent rapid growth in housing prices. Real estate transfer tax is paid on all real estate sales in Maine and is split in half between the buyer and the seller. The current rate is flat, which means the same rate is applied no matter the value of the property being purchased. This is inherently regressive. It is also currently the lowest in New England.

This bill only impacts the highest value properties in the state

The proposal to create a graduated real estate transfer tax will not impact most home sales. The rate for properties purchased under \$1 million will remain unchanged at \$2.20 per \$500 of sales price, and the new higher rate only applies to the portion of the sales price above \$1 million. The tax rate on the portion of the sale under \$1 million remain unchanged. This ensures only the most expensive properties, including vacation homes, will be impacted by this tax.

This bill addresses a serious problem — Maine's housing crisis

Our housing shortage is harmful on both the personal level and for Maine's economy. Lack of affordable housing makes it hard for young people to establish themselves, families to grow safely, and for employers to attract new workers. This bill provides a stable, long-term funding source for multiple programs that will make a real difference in housing production in our state and help address the housing crisis in an ongoing way.

About Mainers for Tax Fairness

Mainers for Tax Fairness is a coalition dedicated to cleaning up Maine's tax code to fund investments to build thriving communities. The coalition represents teachers, health care providers, policy experts, workers, small business owners, advocates for children and families with low incomes, and other groups fighting to improve tax fairness and build a stronger, more inclusive economy for all Mainers. MainersForTaxFairness.org