

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 5/16/95

Reference No.: CB-6-1995

Proposer: County Executive

Draft No.: 2

Sponsors: MacKinnon, Estep, Bailey, Russell, Gourdin, and Wilson

Item Title: To increase the transfer tax rate, altering the transfer tax rate from July 1, 1997, through July 1, 2000, and thereafter, and eliminating the first-time homebuyer exemption

Drafter: Barbara L. Holtz
Office of Law

Resource Personnel: Barbara L. Holtz
Office of Law

LEGISLATIVE HISTORY:

Date Presented:	2/21/95	Executive Action: 5/16/95	S
Committee Referral: (1)	2/21/95 PSFM	Effective Date:	__/__/__
Committee Action: (1)	4/25/95 FAV(A)		
Date Introduced:	4/25/95		
Pub. Hearing Date: (1)	5/16/95 1:30 PM		

Council Action: (1) 5/16/95 Enacted
Council Votes: AMc:A, DB:A, SD:A, JE:A, IG:A, WM:A, RVR:A, AS:N, MW:A
Pass/Fail: P

Remarks: _____

PUBLIC SAFETY AND FISCAL MANAGEMENT COMMITTEE REPORT Date: 4/25/95

Committee Vote: Favorable as amended, 4-0, (In Favor: Council Members Estep, Gourdin, Maloney and Russell).

This legislation will increase the transfer tax to 1.4%, alter the transfer tax rate from July 1, 1997 through July 1, 2000 and thereafter, and eliminate the first-time homebuyer exemption.

The Committee voted 4-0 on 3/15/95 to hold this bill until the General Assembly has concluded its session.

Amendments:

1. On page 1, line 14, after "rate", insert "altering the transfer tax rate from July 1, 1997 through July 1, 2000 and thereafter".
2. On page 2:
 - line 3, delete "half" and insert "fourth"
 - lines 6 and 13, delete []
 - lines 7-8, delete "to one and four-tenths percent (1.4%) beginning July 1, 1994"
 - line 9, delete 1995 and insert 1997, delete 1996 and insert 1998
 - line 10, delete 1997 and insert 1999
 - line 11, delete 1998 and insert 2000

The fiscal impact on the County will be positive. A .1% increase on the tax rate will generate approximately \$2.3 million and the cost of exemption would be approximately \$2.5 million annually.

**BACKGROUND INFORMATION/FISCAL IMPACT
(Includes reason for proposal, as well as any unique statutory requirements)**

This legislation will increase the transfer tax rate to one and one-half percent (1 1/2%) and eliminate the first time homebuyer exemption.

CODE INDEX TOPICS:

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Taxes and Tax Credits

Transfer tax

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