

REAL ESTATE TRANSFER TAX – 36 M.R.S.A. c. 711-A

A tax is imposed on each deed transferring title to real property in Maine and on the transfer of any controlling interest in an entity with a fee interest in real property in Maine, at the rate of \$2.20 for each \$500 or fractional part of the value of the real property. There are certain exemptions.

Of the total tax, 50% is imposed on the grantor (seller) and 50% is imposed on the grantee (purchaser). Ninety percent of the tax collected during the previous month is forwarded by each county Registrar of Deeds to the State Tax Assessor. The remaining 10% is retained by the county and accounted for as reimbursement for services rendered in collecting the tax.

Except as otherwise provided by law, 90% of revenue that is forwarded to the State is distributed as follows:

1. From revenue attributable to transfers by deed (except for foreclosure deeds):
 - A. 50% is credited to the Maine State Housing Authority’s Housing Opportunities for Maine (HOME) Fund established by 30-A M.R.S.A. §4853 as Other Special Revenue Funds, and
 - B. Beginning in fiscal year 2012, 50% is credited to Maine State Housing Authority’s Maine Energy, Housing and Economic Recovery Fund established by 30-A M.R.S.A. §4863 as Other Special Revenue Funds for the repayment of certain bond obligations. Once the amount credited to the Maine Energy, Housing and Economic Recovery Fund equals the amount certified by Maine State Housing Authority for bond obligations, the remainder is credited to the General Fund.
2. From revenue attributable to transfers of controlling interests in real property 100% is credited to the General Fund
3. Beginning June 15, 2010, real estate transfer taxes are imposed on a portion of the proceeds from the purchase and sale of foreclosure properties and 100% of the tax on the purchase and sale of foreclosure properties is dedicated to the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection to fund its statewide outreach and housing counseling services.

In fiscal years 2005 through 2019, a portion of the revenue attributable to the tax on transfer of real property that would ordinarily be credited to the HOME Fund is credited to the General Fund as shown in the following table:

Fiscal Year	Transfer to General Fund from HOME Fund share
2005	\$7,500,000
2006	\$7,500,000
2007	\$7,687,067
2008	\$5,000,000
2009	\$8,062,414
2010	\$3,320,000
2011	\$3,720,000
2012	\$3,830,000
2013	\$3,950,000
2014	\$2,710,964
2015	\$5,038,104
2016	\$6,291,740
2017	\$6,090,367
2018	\$2,500,000
2019	\$2,500,000

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Fiscal Year	General Fund	Other Special Revenue Funds			Total All Funds
		HOME Fund	Bureau of Consumer Credit Protection	Energy Housing and Economic Recovery Fund	
2012	\$8,934,936	\$4,808,591	\$592,631	\$4,305,635	\$18,641,792
2013	\$11,667,284	\$5,858,149	\$607,035	\$4,316,212	\$22,448,680
2014	\$10,695,215	\$9,122,961	\$639,265	\$4,319,197	\$24,776,638
2015	\$13,836,648	\$7,749,944	\$774,624	\$4,316,356	\$26,677,572
2016	\$15,394,715	\$8,031,483	\$578,795	\$4,319,391	\$28,324,383
2017	\$17,059,116	\$10,363,737	\$444,896	\$4,319,813	\$32,187,561
2018	\$15,927,432	\$14,619,082	\$377,471	\$4,317,712	\$35,241,698
2019	\$19,105,924	\$12,971,654	\$373,323	\$4,316,237	\$36,767,139
2020	\$16,501,776	\$20,379,012	\$328,441	\$4,316,000	\$41,525,229
2021	\$22,091,539	\$25,654,795	\$123,901	\$4,315,700	\$52,185,935

Revenue Notes – Real Estate Transfer Tax

Year-end accrual of the Real Estate Transfer Tax began at the end of fiscal year 2000. As noted above, the Real Estate Transfer Tax accrues to the HOME Fund and the Maine Energy, Housing and Economic Recovery Fund. Once the amount in the Maine Energy, Housing and Economic Recovery Fund equals the amount certified by Maine State Housing Authority for bond obligations any remaining revenue accrues to General Fund. Revenue derived from the tax imposed on the transfer of controlling interests in real property accrues to the General Fund. Beginning in fiscal year 2010, revenues derived from the tax imposed on the transfer of property due to a foreclosure accrue to the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection as Other Special Revenue Funds for the purpose of providing statewide outreach and housing counseling services together with the Maine State Housing Authority.

History – Real Estate Transfer Tax

The Real Estate Transfer Tax was originally established by P& S 1967, c. 154. Originally enacted as 36 M.R.S.A. c. 712, it was repealed and replaced by c. 711-A. The tax applied to the transfer of title to real property at a rate of \$1 for transfers between \$251 and \$500 and 55¢ for each \$500 or fraction thereof, payable by the grantee. Ninety percent of the total revenue collected was forwarded to the State for deposit in the General Fund, and the remaining 10% was retained by the county. PL 1975, c. 572 repealed and replaced those provisions with a Real Estate Transfer Tax at a rate of 55¢ for each \$500 or fraction thereof, payable by the grantor. Eighty-five percent of the total revenue was forwarded to the State for deposit in the General Fund, and the remaining 15% was retained by the county. The tax was amended by PL 1983, c. 859 to increase the rate of tax from 55¢ to \$1.10 per \$500, and to change the distribution of total revenues to 90% for the State and 10% for the counties. PL 1985, c. 381 amended the tax to make both the grantee and grantor subject to the tax, and to distribute the 90% of total revenue forwarded to the state equally between the General Fund and the HOME fund. PL 1993, c.398, §2 increased the tax rate to \$2.20 for each \$500 of property value.

The distribution of the 90% of total revenue forwarded to the state has been amended several times. PL 1991, c. 591, Part P, PL 1991, c. 622, Part K, PL 1993, c. 6, Part D, PL 1993, c. 410, Part C, PL 1995, c. 368, Part K, PL 1997, c. 24, Part C and PL 1997, c. 759 all modified the distribution between the General Fund and the HOME Fund. PL 2001, c. 439, Part XXX provided for a transfer of up to \$200,000 of the General Fund portion of revenues to the Community Forestry Fund. PL 2001, c. 559, Part I repealed the Community Forestry Fund transfer provisions and added transfers of controlling interests to the tax beginning July 1, 2002. Revenue generated by the transfer of controlling interests is credited to the General Fund and is not subject to distribution to the HOME fund.

Other changes to the distribution of the State’s share include PL 2003, c. 20, Part V, PL 2005, c. 12, Part H, which amended the distribution for fiscal years 2004 through 2007 to provide that the General Fund portion of the 90% paid to the State is \$7,500,000 plus 50% of the remaining revenue, and PL 2005, c. 644, which amended the distribution in fiscal year 2007 to provide a General Fund share of \$7,687,067 plus 50% of the remaining revenue. PL 2007, c. 240, Part H amended the distribution for fiscal years 2008 and 2009. PL 2007, c. 539, Part WW amended the distribution formula through fiscal year 2013. PL 2009, c. 372, Part E established the Maine Energy, Housing and Economic Recovery Program within the Maine State Housing Authority, and authorized the use of the General Fund portion of the Real Estate Transfer Tax to pay for the Maine State Housing Authority’s obligations relating to bonds issued or planned to be issued, beginning in fiscal year 2012. PL 2009, c. 402, effective June 15, 2009 applied the real estate transfer tax to foreclosed properties and dedicated the revenue.

from the tax on these properties to the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection, in order to provide housing counseling services and mortgage assistance to financially distressed home owners. PL 2011, c. 453 continued to transfer to the General Fund a portion of the Real Estate Transfer Tax that would otherwise accrue to the HOME fund in fiscal years 2013 and 2014 as an offset for General Fund revenue expenditures for extending the Maine historic preservation tax credit. PL 2013, c. 368 Part U also continues to transfer to the General Fund a portion of the Real Estate Transfer Tax that would otherwise accrue to the HOME fund in fiscal years 2014 and 2015, as do PL 2013 c. 502 Part T and c. 595 Part V. PL 2015, c. 267, Part N continues transfers to the General Fund of a portion of the Real Estate Transfer Tax that would otherwise accrue to the HOME Fund in fiscal years 2016 and 2017. PL 2017, c. 284, Part AAAAAAA provided for the transfer of \$2,500,000 from Maine State Housing Authority share to the General Fund in fiscal years 2018 and 2019.

