

Increase the state real estate excise tax (REET) rate

Description This proposal increases the state REET rate from 1.28% to 1.6%.

Current Law The state imposes an excise tax of 1.28% on the selling price of real estate, including transfers of controlling interests in entities that own property and including the amount of any liens, mortgages or other debts.

Most of the REET goes to the General Fund, but small portions go to the public works assistance account and the city-county assistance account.

Cities and counties may also impose local option REETs.

Revenue Impact

General Fund Impacts (\$ millions):

FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
\$ -	\$ 152.8	\$ 152.8	\$ 172.6	\$ 177.4	\$ 350.0

Notes:

- Estimates assume a July 1, 2016 effective date, representing 11 months of collections for FY 2017.
 - Estimates reflect the November 2015 Economic & Revenue Forecast Council revenue forecast.
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Expenditure Impact

The Department of Revenue will not incur any costs with the implementation of this proposal.
