

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

THIS BILL SEEKS TO:



Eliminate the Real Estate Transfer Tax for first-time or low income homebuyers who use MaineHousing's Advantage Program or MaineHousing's First Generation Program. This will apply to both the buyer and seller's transfer tax commitment and should make first time home buyer loans more competitive.



Increase the Real Estate Transfer Tax from \$2.20 to \$5 per \$500 for the portion of real estate sale over \$1M. New revenue is required to increase the resources the state commits to the construction of affordable housing.



The new revenue will be used as follows:

- Bond obligations to the *Maine Energy, Housing and Economic Recovery Program*
- The *Housing First Fund*, which aims to end chronic homelessness
- The *Housing Opportunities for Maine (HOME) Fund* at MaineHousing, which helps to finance home repairs and modifications, rental assistance and shelter operations.
- A new Housing Production Fund, which will support the construction of new multifamily and single family homes

BACKGROUND CONTEXT:

According to the [State of Maine Housing Production Needs Study](#) released in October of 2023:

- Maine needs to create roughly **84,000 additional homes by 2030** - which means doubling the annual rate of housing production.
- Maine's housing shortage impacts the quality of life of all Mainers.
 - **An income of >\$100k is required to afford** the average priced home in Maine.
- Maine's housing shortage restricts statewide economic growth.
 - With a 2% vacancy rate, **both people who live in Maine and those looking to move here are struggling to find homes they can afford.**

According to the [MaineHousing Housing Outlook Report](#) released in January of 2025:

- From 2020 to 2024, the **median home price in Maine grew by more than 50%** while the wages and salaries of Maine workers grew by less than 33.3%.

High costs continue to be a barrier for first-time home buyers.

- A record 1,100 homes sold for more than \$1M in 2024.
- 21 sold for over \$5M in 2024, including a \$12M home that sold in 90 minutes after being listed in Kennebunkport.

“Having been a Realtor for over 35 years, it is painfully obvious to me that Maine is facing a housing crisis. Seniors and families need safe and affordable places to live. An ongoing, reliable funding source to build more housing in Maine is the smart path forward. I've been involved in hundreds of closings over the years, for properties ranging in price from \$10,000 to over \$6 million, and I can count on the fingers of one hand the number of complaints I've heard about the current transfer tax rate. This is a relatively painless way to help Maine families who have been priced out of the marketplace.”

Peter McPheeters, Realtor