



FTA bulletin

Federation of Tax Administrators
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State Real Estate Transfer Taxes

Summary

The attached table presents information gathered by the Federation of Tax Administrators regarding state taxes levied on the sale or transfer of real property located in the state. Thirty-five states plus D.C. impose a real estate transfer. Tax rates range from a low of 0.01 percent in Colorado to a high of 2.2 percent in D.C. In about 2/3 of the states imposing the tax, the rate is below 0.5 percent of the value of the transfer.

To: State Tax Administrators

The attached table presents information gathered by the Federation of Tax Administrators regarding state taxes levied on the sale or transfer of real property located in the state. Included in the chart are a description of the tax, the rate expressed in percentage terms and the amount of state revenues collected from the tax in 2004, expressed in dollar and per capita terms.

Real estate transfer taxes (sometimes called deed recordation taxes) are imposed on the sale or transfer of real property located in the state. The tax is usually based on or measured by the consideration paid for or the fair market value of the real estate. The tax is commonly collected by the local official responsible for recording deeds to real estate, and it must be paid prior to the deed to the property being recorded. In a number of cases, the tax is paid and evidenced by the affixing of stamps to the deed.

There is also often a link between the real estate transfer tax and property tax administration. Information gathered in administering the real estate transfer tax is frequently used to ascertain the fair market value of a parcel of property to assist in property appraisals and in conducting sales-assessment ratio studies.

Key findings of the FTA work include:

- Thirty-five states plus D.C. impose a tax on the transfer of real property located in the state. In California, Louisiana and Ohio, real estate transfer taxes are imposed only at the local level. Localities in Delaware, Maryland, Michigan, New Jersey, Pennsylvania, Washington and West Virginia, at least some localities may impose a tax in addition to the state transfer tax.

- Tax rates range from a low of 0.01 percent in Colorado to a high of 2.2 percent in D.C. in about 2/3 of the states imposing the tax, the rate is below 0.5 percent of the value of the transfer. In seven states and D.C., the state tax rate is 1.0 percent or greater.
- In FY 2004, real estate transfer taxes produced about \$7 billion in state tax revenue according to Census Bureau figures.¹ In fifteen states, the state transfer tax yielded less than \$20 per capita in 2004. The yield at the state level, however, exceeded \$100 per capita in Connecticut, Florida, New Hampshire and Washington State as well as the District of Columbia where the 2.2 percent rate generated nearly \$500 per capita in 2004. The revenue yield is obviously determined by the tax rate, relative real estate prices, and in the case of D.C., the role of the commercial real estate market relative to the city as a whole.

¹ The table presents state tax revenues as presented by the Bureau of the Census. Where a portion of the revenues is retained by local governments or where there are local transfer taxes, those revenues are not reflected here. Several states indicated their actual revenues differed somewhat from those reported by the Census Bureau. In the interest of consistency, Census Bureau figures were used. The figure reported by Census for Florida was reduced by 40 percent (as recommended by Florida) to reflect other stamp and document recordation taxes included in the Census Bureau totals.

State Real Estate Transfer/Deed Recordation Taxes				
State	Description	Rate in Percent	2004 State Revenue (\$000)	2004 State Revenue Per Capita
Alabama	\$.50 per \$500 of property conveyed	0.10%	\$45,080	\$9.95
Arizona	\$2 per deed required to be recorded	NA	NA	NA
Arkansas	\$3.30 per \$1,000 of consideration in excess of \$100	0.33%	\$25,972	\$9.43
California	Local taxes only		NA	NA
Colorado	\$.01 per \$100 of consideration in excess of \$500	0.01%	NA	NA
Connecticut	1.25 percent of consideration paid if consideration exceeds \$2,000 -- Other rates for commercial transfers	1.25%	\$175,816	\$50.18
Delaware	2-3 percent (depending on local tax) on transfers in excess of \$100; 1 percent on contracts for improvements to realty in excess of \$10,000	2.0-3.0%	\$98,566	\$118.74
D.C.	2.2 percent of consideration or fair market value	2.20%	\$286,269	\$485.20
Florida	\$.70 per \$100 of consideration except in Miami-Dade County where it is \$.60 per \$100	0.70%	\$1,950,402	\$111.99*
Georgia	\$1 for first \$1,000 of consideration plus \$.10 per \$100 of additional consideration	0.10%	\$420	\$0.05
Hawaii	\$.10 per \$100 of consideration	0.10%	\$18,426	\$14.59
Illinois	\$.50 per each \$500 of value or fraction of \$50	0.10%	NA	NA
Iowa	\$.80 per \$500 paid for the real property transferred	0.16%	\$13,869	\$4.69
Kansas	0.26 percent of debt or obligation secured by real estate	0.26%	\$52,569	\$14.59
Kentucky	\$.50 per \$500 of value conveyed in deed	0.10%	\$3,434	\$0.83
Louisiana	Local taxes only			

State	Description	Rate in Percent	2004 State Revenue (\$000)	2004 State Revenue Per Capita
Maine	\$2.20 per \$500 of value conveyed - Split between grantor and grantee	0.44%	\$29,380	\$22.31
Maryland	0.5 percent of consideration paid for realty -- Also local deed recordation taxes ranging from \$2.20-\$5.00 per \$500 of value and local transfer taxes ranging up to 1.5 percent of consideration paid	Variable depending on local rates	\$183,189	\$32.96
Massachusetts	\$4.56 per \$1,000 of consideration	0.456%	\$245,906	\$38.32
Michigan	\$3.75 per \$500 of value for property being transferred plus local taxes of \$.55 - \$.75 per \$500 of value	0.75%	\$317,480	\$31.39
Minnesota	\$1.65 plus .33 percent of value in excess of \$500 plus .23 percent of debt secured by real estate for mortgage registry	0.56%	\$352,354	\$69.08
Nebraska	\$2.25 per \$1,000 of value transferred	0.225%	\$9,215	\$5.27
Nevada	\$1.95 - \$2.55 per \$500 of consideration depending on population of county	0.255% max.	\$96,704	\$41.41
New Hampshire	\$1.50 per \$100 of consideration split equally between buyer and seller	1.50%	\$145,386	\$111.82
New Jersey	Four transfer fees -- Basic is \$1.25 state and \$.50 county each \$500 of consideration; additional fees range from \$.25 - \$4.30 per \$500 of consideration; a fifth fee of 1 percent is imposed on buyers for an entire consideration in excess of \$1 million for certain residential and farmland property	1.21% max. if less than \$1 million	\$246,503	\$28.34
New York	\$2.00 per \$500 of consideration plus 1 percent on transfers of more than \$1 million	0.4% if less than \$1 million	\$510,443	\$26.55
North Carolina	\$1 per \$500 of consideration or value transferred with 51 percent of revenue retained at local level	0.20%	\$54,940	\$6.43
Ohio	Local taxes only ranging from \$.10 -\$.40 per \$100 of value	0.4% max.		

State	Description	Rate in Percent	2004 State Revenue (\$000)	2004 State Revenue Per Capita
Oklahoma	\$.75 per \$500 of consideration	0.15%	\$12,048	\$3.42
Pennsylvania	1 percent of consideration or fair market value with local transfer taxes of 1 - 3 percent	4.0% max.	\$470,789	\$37.95
Rhode Island	\$2 per \$500 of consideration	0.40%	\$12,645	\$11.70
South Carolina	\$1.85 per \$500 of value with \$.55 per \$500 retained at the local level	0.37%	\$50,493	\$ 12.03
South Dakota	\$.50 per \$500 of consideration payable by grantor	0.10%	\$141	\$0.18
Tennessee	\$.37 per \$100 of consideration plus a mortgage tax of \$.115 per \$100 of indebtedness in excess of \$2,000	0.485%	\$174,206	\$29.52
Vermont	1.25 percent of value of property transferred; lower rates on certain homes and farms	1.25% max.	\$20,762	\$33.43
Virginia	\$.25 per \$100 of conveyance plus \$.50 per \$500 of consideration for transfer of realty	0.35%	\$340,591	\$45.66
Washington	1.28 percent of selling price plus local tax of 0.3-0.5 percent	1.33% max.	\$640,086	\$103.17
West Virginia	\$1.10 per \$500 of consideration plus local taxes that may run to another \$1.10 per \$500	0.44% max.	\$10,129	\$5.58
Wisconsin	\$.30 per \$100 of value	0.30%	\$66,325	\$12.04
			\$6,615,458	
* Revenue figures adjusted to eliminate taxes other than real estate transfers in the Census Bureau figures.				
Source: FTA compilation based on CCH, State Tax Handbok (2006), data from the U.S. Bureau of the Census, Governments Division and information from individual states.				