

Testimony for the Committee on Ways and Means

By the Vermont Association of Realtors®

Peter Tucker, Director of Advocacy and Public Affairs.

March 18, 2021

Thank you Madam Chair and members of the committee.

Good Morning, Peter Tucker for the Vermont Association of Realtors. We appreciate the committee recognizing how important this issue is to our clients and customers and giving us the opportunity to comment.

Vermont Association of Realtors® is a trade association of over 1800 members who work on behalf of Property owners every day. Our mission is to encourage home ownership and protect the interests of our clients, the Purchasers and Sellers of real property in Vermont. We want to encourage the committee to be fair to all purchasers of real estate in Vermont and we oppose any expansion to the Property Transfer tax.

Yesterday, I met with a group of Brokers attending a Broker Summit and was able to ask their opinion on this tax proposal. Every single person who spoke opposed raising the property transfer tax on properties over \$1M.

Our Government Affairs Committee has been debating this concept since it was introduced two days ago. Their opinion is that the Property Transfer Tax is already yielding significant income and provides above expected revenue for the states use.

And this morning I met with the Southern Board of Realtors and to a person, they oppose any increase to the Property Transfer Tax as well.

I am not here today to exercise my opinion on this issue, I am the messenger who has canvassed our membership and clearly understands the opinion of our members.

Real estate has proven itself to be a reliable base for the economy even during this pandemic year.

The PTT returned about \$58M to the state in 2020. There is plenty of revenue from the PTT, if the proceeds of this tax are not allocated to your satisfaction, perhaps the funding balance should change.

Just like every market, real estate ebbs and flows much the same as the rest of the economy. There is no question that 2020 was a very good year for real estate, probably a pandemic driven peak to the market.

Now is not the time to increase taxes, our economy is just recovering from a yearlong pandemic and we need real estate to continue to be a positive contributor to the economy.

Increasing Real Estate Taxes causes Purchasers to reconsider whether an investment in Vermont is a smart idea.

Increasing the Property Transfer Tax:

Doesn't make sense for Commercial, this continues to be a hard-hit market sector. Retail Commercial has changed forever because of online purchases. And Office Commercial may never be the same now that we have learned to work from home.

Doesn't make sense for Condo/ Second Home: These folks are the backbone of the economy; they purchase a ton of goods and services when they are here and are a major contributor to non-homestead property taxes.

Doesn't make sense for Primary home purchasers: These high earning purchasers are making a big commitment to the State of Vermont. We should encourage them to plant roots here.

So the message I bring to this committee today is to be fair, be fair to Purchasers who are making a sizable investment into the fabric of Vermont. Instead of discouraging investment, we need to find ways to encourage investment that helps build Vermont's economy in a way that is thoughtful to the environment and provides the resources that the state needs to function.

Thank you.

Property Transfer Tax Rates by State

STATE	RATE	
VT	1.45%	\$7.25 per \$500
RI	0.46%	\$2.30 for every \$500
NH	0.75%	\$3.75 for every \$500
ME	0.44%	\$2.20 for every \$500
MA	0.46%	\$2.28 for every \$500
CT	1.11%	\$5.55 for every \$500