

Rep. Demrow et. al. amendment to H.687 - Fiscal Summary

Sections 73-75: Replaces Senate PTT rate on second homes with House approach from H.829

Type of Property	Value Taxed	0.5% Property Transfer Tax	1.25% Property Transfer Tax	3.65% Property Transfer Tax	0.22% Clean Water Surcharge
Not Principal Residence	\$0-\$750,000		X		X
	Marginal Value > \$750,000			X	X
Principal Residence	\$0-\$200,000	X			
	\$200,000 - \$750,000		X		X
	Marginal Value > \$750,000			X	X
Principal Residence Purchased w/ VHFA, VCTF, or USDA Assistance	\$0 - \$250,000				
	\$250,000 - \$750,000		X		X
	Marginal Value > \$750,000			X	X

Estimated to raise approximately \$15.9 million in FY25 and \$18.1 million in FY26 with a full year of implementation. The Clean Water Fund would receive approximately \$60,000 in additional annual revenue.

Sections 76-77: Changes the underlying statutory PTT allocations to 37% for the General Fund and 13% for the Municipal and Regional Planning Fund (MRPF) from 33% General Fund and 17% MRPF under current law

	Current Law Allocations	FY 2026 PTT Distribution - Current Law (\$)	Allocations - H.829	FY 2026 PTT Distribution - H.829 (\$)	Difference from FY 2026 Current Law (\$)
Total Forecasted Revenues		59,900,000		77,400,000	
Bond Payment		2,500,000		2,500,000	
Department of Tax	2%	1,148,000	2%	1,510,000	362,000
General Fund	33%	18,563,160	37%	27,376,300	8,813,140
VCTF	50%	28,126,000	50%	36,995,000	8,869,000
MRPF	17%	9,562,840	13%	9,618,700	55,860

Note: PTT statutory allocations are typically notwithstanding in the budgetary process

Section 78: Allocation of PPT revenue

Additional PTT Revenue Generated and Allocations	
15,925,000	Additional PTT Revenue (Sec. 73)
15,925,000	Remainder
8,288,950	Additional Dollars to GF (Sec. 78)
6,356,310	Additional Dollars to VHCTF (Sec. 78)
1,279,740	Additional Dollars to MRPF (Sec. 78)
15,925,000	Total

Deleted Sections 79-82: Property tax exemption for improvements made in certain designated areas

By removing this property tax exemption, the amendment would remove the below forgone revenues to the Education Fund

	FY 2026	FY 2027	FY 2028
Education Fund Forgone Revenue	\$1.16 million	\$2.44 million	\$3.90 million

Section 83a: Creates PTT exemptions for transfers of abandoned property and new energy efficient mobile homes

Both exemptions are expected to result in negligible reductions in annual PTT revenue starting in FY 2025.