



MAINE AFFORDABLE HOUSING COALITION

MAINE'S DIVESTMENT FROM AFFORDABLE HOUSING: THE REAL ESTATE TRANSFER TAX AND THE HOME FUND

Maine law (36 MRSA §4641-B) requires that real estate transfer tax revenue be distributed according to the following formula:

- 10% to the counties
- 45% to the General Fund
- 45% to the HOME Fund (Maine's *sole* state resource for the development of affordable housing)

This formula, if followed, would cause the figures in the 4th and 5th columns below to be equal. However, the law has been regularly amended by the Legislature to take money away from the HOME Fund and put it in the General Fund, as shown in the last column below. The aggregate amount of those cuts to the HOME Fund, for the 10-year period from FY 2000 through the projected figures for FY 2009 (assuming no additional cuts in FY 2009) is **\$44,298,439**.

Real Estate Transfer Tax (RETT) Revenue and Distribution, FY 2000-2009

Fiscal Year	Total RETT Revenue	Share to Counties	Share to General Fund	Share to HOME Fund	Cut from HOME Fund
2000	\$20,707,476	\$2,070,747	\$9,320,476	\$9,316,253	\$2,112
2001	\$19,253,845	\$1,925,384	\$9,048,762	\$8,279,699	\$384,532
2002	\$20,463,801	\$2,046,380	\$9,208,923	\$9,208,497	\$213
2003	\$23,920,920	\$2,392,092	\$10,770,668	\$10,758,160	\$6,254
2004	\$31,569,658	\$3,156,966	\$22,196,221	\$6,216,471	\$7,989,875
2005	\$36,661,426	\$3,666,143	\$24,113,439	\$8,881,845	\$7,615,797
2006	\$37,724,451	\$3,772,445	\$24,595,580	\$9,356,426	\$7,619,577
2007	\$32,764,767	\$3,276,477	\$22,206,638	\$7,281,652	\$7,462,493
2008	\$27,355,706	\$2,735,571	\$17,465,240	\$7,154,896	\$5,155,172
2009*	\$21,336,106	\$2,133,611	\$17,663,662	\$1,538,834	\$8,062,414

* estimates based on 12/1/08 Revenue Forecast by State of Maine Revenue Forecasting Committee