



Greater Harrisburg Association of REALTORS[®]

POLICY STATEMENT ON THE REALTY TRANSFER TAX

Background

The realty transfer tax (RTT) is a tax assessed on the value of any property at the time when the property exchanges hands. The revenue generated from this tax is split between the state, local municipality and local school district. In Pennsylvania, the maximum tax percentage the state can impose is 1 percent. The local municipality and school district can enact up to an additional 1 percent to raise revenue to be split between the two local units.

There are two primary reasons why the RTT is not a good funding source for these government entities: 1) it is **unstable** because it is only imposed when property is sold, and 2) it is a **major burden** to buyers and sellers of all types of real property, particularly at the time of closing.

GHAR Position

GHAR opposes an increase in, or appropriation from, the realty transfer tax because it would have a negative impact on housing costs and the industry as a whole.

Approved by the Government Affairs Committee (11/15/06)

Approved by the GHAR Executive Committee (12/6/06)

Approved by the GHAR Board of Directors (12/21/06)