

Mina Ryan

From: Ava Anderson <ava@akhomefinder.com>
Sent: Friday, April 21, 2023 2:58 PM
To: Rep. CJ McCormick
Subject: HB 134 held in Committee | Prohibit a transfer tax on the sale of real property!
Attachments: Talking_Points_on_Transfer_Fees.pdf

Representative CJ McCormick-

The National Association of REALTORS® and its 1.6 million members have always been on record in opposition to the implementation and collection of transfer fees.

The IRS Tax Code does not allow the deduction of any form of impact fees on real property transactions.

What is the impact on housing costs? The implementation in any form of a transfer fee will become a component of the overall costs in the market value of real property. A transfer fee will always contribute to increasing the transaction price. This works IN DIRECT CONFLICT WITH AFFORDABLE HOUSING!

I have attached additional information. Please feel free to reach out if you have any questions.

Sincerely,
Ava Anderson, GRI, IRWA
2020 Anchorage Board of REALTORS® President
2022 REALTOR® of the YEAR



Ava Anderson
REALTOR®

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Talking Points

Transfer Fees impact on Alaska Real Property Transactions

What are transfer fees? A transfer tax is a city, county or state's tax assessed on any change in ownership of real estate. Your transfer tax is equal to a percentage of the sale price or appraised value of the real estate you buy or sell. In some states, the transfer tax is known by other names, including "deed tax", "mortgage registry tax" or "stamp tax."

Transfer taxes are separate from recording fees and mortgage recording taxes and add 1 to 3% at closing.

Is the requirement to disclose transaction prices related to transfer fees? The implementation of a transfer fee on real property transactions always begins with the requirement to disclose the transaction price. While there may be a few instances of a simple flat rate, assessing a transfer fee is more fairly implemented by applying a multiplying factor x the property value. In most states, transfer fees are assessed in that manner.

How many states have implemented transfer fees? Over 35 states now collect a transfer fee on the sale of real property. The process always begins with the requirement to disclose the transaction price.

Which states do not impose a transfer fee or tax?

- Alaska
- Arizona
- Idaho
- Montana
- Louisiana
- Missouri
- New Mexico
- Oregon
- Texas
- Utah
- North Dakota
- Indiana
- Wyoming
- Mississippi

What are typical amounts of fees collected? Each State sets its own fees, there is NO uniform policy.

Examples include:

Washington State	\$0 = \$500,000	1.1%
	\$500,000 - \$1,500,000	1.28%
	\$1,500,000 - \$3,000,000	2.75%
	\$3,000,000 – up	3.00%
California	\$1.10/\$1000 value (Does not include County or City fees which are additional)	
Oregon	No transfer fees except Washington County - \$1 per \$1000	
Idaho	No transfer fees	
Arizona	No transfer fees	
Nevada	\$2.60/\$1000 value (Clark County has an additional fee)	
Colorado	\$.20/\$1000 value	

Do counties and cities also require transfer fees? Yes, there are transfer fees collected by counties and some cities in California.

How are transfer fees collected? The fees are collected out of the closing proceeds by the escrow closing office and they remit the payment directly to the state, county or city.

What is the impact on housing costs? The implementation in any form of a transfer fee will become a component of the overall costs in the market value of real property. A transfer fee will always contribute to increasing the transaction price.

What is the position of the National Association of REALTORS® and the Alaska REALTORS® on the implementation of transfer fees? The National Association of REALTORS® and its 1.6 million members have always been on record in opposition to the implementation and collection of transfer fees.

Are Transfer Fees deductible on IRS filings? The IRS Tax Code does not allow the deduction of any form of impact fees on real property transactions.

Mina Ryan

From: susan@bhhsalaska.com
Sent: Friday, April 21, 2023 4:08 PM
To: Rep. CJ McCormick
Cc: Joleen@bhhsalaska.com
Subject: HB 134 held in Committee | Prohibit a transfer tax on the sale of real property!
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Representative CJ McCormick-

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Mina Ryan

From: Blake Elder <blake@rmgrealestate.com>
Sent: Friday, April 21, 2023 4:36 PM
To: Rep. CJ McCormick; Rep. Kevin McCabe; Rep. Thomas McKay; Rep. Justin Ruffridge; Rep. Josiah Patkotak; Rep. Rebecca Himschoot; Rep. Donna Mears
Subject: HB 134

Dear Representative:

I am writing to you concerning bill HB 134 to urge you to see that it gets out of committee and into the legislative session.

This bill is an important partisan move to help Alaskans protect the equity that they have in their properties. Alaskans already pay property taxes, and adding a transfer tax adds the equivalent of 1-3 years worth of additional taxation just to sell their property.

When a property sells, the buyer and seller are already responsible for paying for the government services that they use to record the property, and there is no compelling reason to add additional taxation.

In states like Washington, that I am very familiar with, I have seen what this type of tax does to lower income families, and people who have trusted Real Estate as a place to hold value for their retirement. Adding several thousand dollars of additional taxation not only takes that money from their pockets, but exacerbates the issue of inflating home prices in Alaska, which due to inventory shortages for the foreseeable future will remain problematic. Costs like this simply get passed on to Alaskans who are trying to establish their households.

I would strongly ask you to use your influence to push for this protection to be provided through the legislature this session.

Thank you for your time and consideration in this matter.

Sincerely,
Blake Elder
Owner
RMG Real Estate Network



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Keller Williams Realty Alaska Group

Mina Ryan

From: Kyrsten Fischer <kyrsten@darwalden.com>
Sent: Monday, April 24, 2023 9:50 AM
To: Rep. CJ McCormick; Rep. Thomas McKay; Rep. Justin Ruffridge; Rep. Josiah Patkotak;
Rep. Rebecca Himschoot; Rep. Donna Mears
Subject: House Bill 134

Good Morning!

I wanted to express that I support prohibiting a transfer tax on the sale of real property.

Best Regards,

