

TRANSFER TAX FACT SHEET

CURRENTLY NO ENTITY IN NEW MEXICO IS CHARGING A TRANSFER TAX ON THE SALE OF REAL PROPERTY BUT THE CITY OF SANTA FE HAS ATTEMPTED TO AUTHORIZE A TRANSFER TAX.

RANM OPPOSED TO ANY TRANSFER TAX ON REAL PROPERTY --- HOUSING, COMMERCIAL, LAND, ETC. AND WAS SUCCESSFUL, ALONG WITH OTHER PARTIES, IN DEFEATING THE SANTA FE INITIATIVE.

SUCH A TAX ON REAL ESTATE TRANSACTIONS EXISTS IN 38 OTHER STATES (SEE MAP). VOTERS IN TEXAS, NORTH DAKOTA AND OREGON RECENTLY PASSED CONSTITUTIONAL AMENDMENTS PROHIBITING A TRANSFER TAX.

A CONSTITUTIONAL AMENDMENT WOULD REQUIRE PASSAGE BY SIMPLE MAJORITY OF A JOINT RESOLUTION BY THE NEW MEXICO SENATE AND HOUSE. GOVERNOR'S SIGNATURE NOT REQUIRED. GOES BEFORE THE VOTERS AND REQUIRES A SIMPLE MAJORITY VOTE OF THE ELECTORATE. IT IS HARDER TO UNDO A CONSTITUTIONAL AMENDMENT THAN LEGISLATION.

SOME STATES CHARGE A FLAT FEE OR A PERCENTAGE BASED ON THE SALES PRICE OF THE PROPERTY. AS AN EXAMPLE, A 1% TRANSFER TAX ON THE SALE OF A \$200,000 HOUSE IS \$2,000.

HOMEOWNERS ALREADY PAY PROPERTY TAXES AND TRANSFER OR REAL ESTATE SALES TAXES ARE NOTHING MORE THAN DOUBLE TAXATION THAT UNFAIRLY TARGET PEOPLE WHO ARE SELLING OR BUYING A HOME. A TRANSFER TAX WOULD ALSO HAVE TO BE PAID WHEN A PROPERTY IS TRANSFERRED OR DEEDED TO ANOTHER FAMILY MEMBER.

A TRANSFER TAX WILL IMPACT THE EQUITY ONE HAS IN A HOME AND/OR IMPACTS THE SALES PRICE. PROHIBITING A TRANSFER TAX KEEPS THE COST OF A HOME DOWN AND ENCOURAGES THE PURSUIT OF FULFILLING THE AMERICAN DREAM OF OWNING YOUR OWN HOME.

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