

**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 10, 2023

Agency Submitting: Department of Taxation

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2022-23</b>	<b>Fiscal Year 2023-24</b>	<b>Fiscal Year 2024-25</b>	<b>Effect on Future Biennia</b>
AG Cost Allocation Plan (Expense)				\$38,125
Total	0	0	0	\$38,125

Explanation

(Use Additional Sheets of Attachments, if required)

This bill pertains to the Real Property Transfer Tax (RPTT). The RPTT has several exemptions and one such exemption is for the sole purpose of a change in identity, form, or place of organization, such as a transfer between business entity and its parent, its subsidiary, or an affiliated business if the affiliated business entity has identical common ownership. This bill adds language that the exemption still applies except to a transfer if the business entity to which the real property is transferred was formed for the purpose of avoiding those taxes.

This bill will require the Department to draft regulations to provide guidance to the County Recorders. As such, the Department will require the assistance of the Attorney General's office in developing these regulations. There will be an increase to the Department's Attorney General (AG) Cost Allocation Plan as a future biennia expense in the amount of \$38,125.

Name Adriane Roberts-Larson

Title Deputy Executive Director -  
Administrative Services

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GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Thursday, April 06, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director