

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 12, 2023

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
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. This fiscal note requests a future biennia cost increase to the Department's Attorney General (AG) Cost Allocation Plan in the amount of \$38,125.

Name Joy Grimmer

Title ASO IV

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Thursday, April 06, 2023

Name Amy Stephenson

Title Director