8/2/11

VOTE FOR Amendment #1 to STAY TAX FREE!

Constitutional Amendment to Prohibit Real Estate Transfer Taxes Heads to November Ballot

During the 2011 regular legislative session, the Louisiana REALTORS® supported House Bill 135, a constitutional amendment to prohibit any new real estate transfer taxes in the state. If approved by Louisiana voters on November 19, the amendment will prevent any parish, municipality or other political subdivision of the state from imposing any **new** tax on the sale or transfer of real property. We believe this will be a positive development for residential and commercial consumers of real estate — and good for the overall real estate market and economy in Louisiana.

Led by primary author, State Rep. Rick Nowlin of Natchitoches, HB 135 had 90 co-authors in the House of Representatives and 29 co-authors in the State Senate. Final passage occurred on a 101-0 vote in the House and a 34-0 vote in the Senate.

The Louisiana Constitution is currently silent on real estate transfer taxes, meaning nothing in the state Constitution prevents state or local governments from trying to assess this tax. Louisiana is one of only 13 remaining states without this onerous tax. We want to maintain this advantage over other states with real estate transfer taxes, especially since adjacent states Texas and Mississippi do not have real estate transfer taxes, either.

A real estate transfer tax is a poor choice of taxation, largely because of its negative impact on property markets and the unfairness of such a narrow-based tax.

- Real estate transfer taxes (RETTs) are a form of double taxation. As most homeowners pay property taxes while occupying their homes, RETTs are simply another tax on the same piece of property.
- Studies have shown that real estate transfer taxes (RETTs) can limit housing affordability for thousands of moderate- and low-income homeowners, particularly first-time homebuyers. RETTs can raise additional financial hurdles for homebuyers and shut some out of the market altogether.
- Real estate transfer taxes are regressive and inequitable. Targeting only those who buy and sell real estate with a tax places an unfair burden on a small group to produce tax revenue for the broader population.
- Relying on a narrow base makes real estate transfer tax revenues extremely volatile. These types of taxes do not provide a consistent source of revenue, fluctuating with the current state of the market and making governmental budgeting more difficult.

Louisiana's real estate market is better off not having a transfer tax, and we help ensure the viability of our residential and commercial real estate markets by making sure this kind of tax is not imposed in the future.

For more information, visit **www.staytaxfree.com.**