

☞ 07hr_AC-Ho_Misc_pt03



Details: Real Estate Transfer Tax Folder

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on ... Housing (AC-Ho)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**
- Record of Comm. Proceedings ... **RCP**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt**
- Clearinghouse Rules ... **CRule**
- Hearing Records ... bills and resolutions
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Mike Barman (LRB) (Aug/2010)

REAL ESTATE TRANSFER TAX



Folder
Tab

Misc



Becher, Scott

Full Name: Richard H. Mattoon
Last Name: Mattoon
First Name: Richard
Job Title: Senior Economist and Economic Advisor Economic Research
Company: Federal Reserve Bank of Chicago

Business Address: 230 South LaSalle Street
Chicago, IL 60604-1413

Business: (312) 322-2428
Mobile: (607) 342-7014
Business Fax: (312) 322-2357

E-mail: Rick.Mattoon@chi.frb.org
E-mail Display As: Rick.Mattoon@chi.frb.org

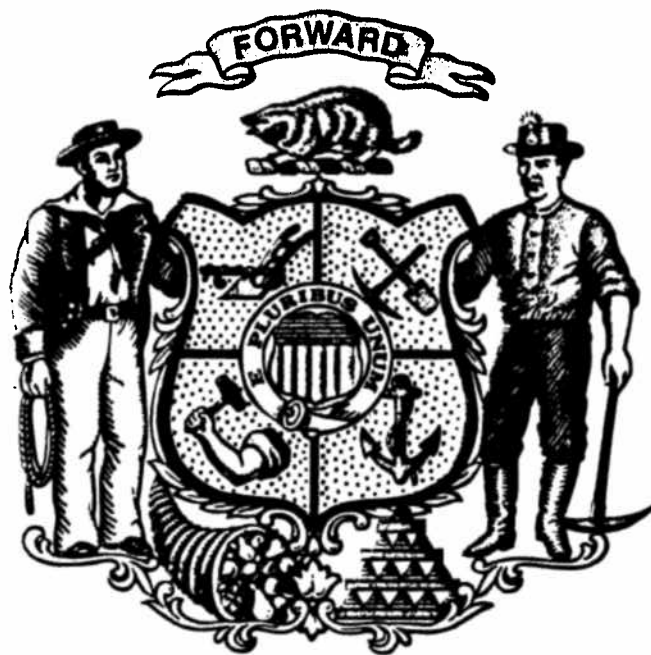
Becher, Scott

Full Name: William Strauss
Last Name: Strauss
First Name: William
Job Title: Senior Economist and Economic Advisor
Company: Federal Reserve Bank of Chicago

Business Address: 230 S. LaSalle St
Chicago, IL 60604

Business: (312) 322-8151
Business Fax: (312) 322-2357

E-mail: wstrauss@frbchi.org
E-mail Display As: wstrauss@frbchi.org





REALTORS Oppose Doyle's Tax on The American Dream

Statement from the Wisconsin REALTORS® Association
February 14, 2007

Madison –Governor Doyle's budget proposal to increase the real estate transfer tax is a tax increase on the American Dream of homeownership according to the Wisconsin REALTORS Association (WRA). "This is a tax increase of \$140 million on homeownership that will hurt housing affordability in Wisconsin," said Roger Rushman, Chairman of the WRA. "Raising the price of housing will turn some 'could be' homeowners into 'won't be' homeowners overnight," Rushman said. He said the REALTORS would vigorously oppose the Governor's plan.

The Realtors also questioned why Governor Doyle proposed the tax increase after promising not to raise taxes. "The Governor said he's against raising taxes," said Rushman, who is the Executive Vice President of First Weber Group Realtors of Milwaukee. "This is a tax increase pure and simple. I think homeowners across Wisconsin will not be happy."

According to WRA President Bill Malkasian, the current transfer tax is \$498 on a median priced \$166,000 home in Wisconsin. Under the Governor's plan, this tax will double to \$996. "The seller is responsible for paying this cost in full, at closing, at a time when both buyers and sellers must incur numerous closing costs," said Malkasian. "If the sellers can't afford that loss of equity, the price of the house will increase and that will prevent many families from being able to afford their American Dream."

In addition to its adverse impact on housing affordability, the REALTORS also argue the tax is regressive and discriminatory since lower income households pay a larger percentage of their incomes on housing. "This hurts everyone buying or selling a home or any property for that matter," said Malkasian. "From the elderly seller or farmer who is counting on the equity from the sale of their home to pay for retirement or alternative living arrangements, to the young couple selling their starter home and looking for a bigger house for a growing family. This hurts them all."

Malkasian concluded, "This is a bad idea for Wisconsin families, Wisconsin's real estate market, and Wisconsin's economy."

- 30 -

The Wisconsin REALTORS® Association is one of the largest trade associations in the state, representing over 19,000 real estate brokers, sales people and affiliates statewide.





WISCONSIN REALTORS® ASSOCIATION

4801 Forest Run Road, Suite 201

Madison, WI 53704-7337

608-241-2047 • 800-279-1972

Fax: 608-241-5168

E-mail: wra@wra.org

Web site: http://www.wra.org

FAX COVER SHEET

Please deliver the following page(s):

TO: Scott BeckerPages including cover: 9FROM: Joe Murray

Company: _____

Company: Wisconsin REALTORS® Association

Phone: _____

Phone: _____

Fax: _____

Fax: _____

Date: 4/3/07

E-Mail: _____

Comments:

If you do not receive all of the pages, or have other problems with this fax, please call us at the phone number listed above.

For Your Information

Date	Course	Location	Date	Course	Location
January 18-19, 2007	QuickStart Module 3 & 4	Madison	February 14-15, 2007	CRS202	Appleton
March 1-2, 2007	QuickStart Module 3 & 4	Madison	February 16-17, 2007	CRS210	Appleton
Early Reg. Deadline for Designation Week: 1/12/07			February 12-17, 2007	CRS201, CRS202, CRS210	Appleton
February 12, 2007	Positioning Properties to Compete (CRS elective & CHMS)	Appleton	February 13, 2007	Networking & Referral Systems	Appleton
February 12-13, 2007	1031 Tax-Deferred Exchange	Appleton	February 14, 2007	Foreclosure Opportunities (ABR Elective)	Appleton
February 12-13, 2007	ABR	Appleton	February 14-15, 2007	Land 101: Fund. Of Land Brokerage (ABR Elective)	Appleton
February 12-15, 2007	GRI Course 2	Appleton	February 14-15, 2007	RRS Rec & Resort Specialist	Appleton
February 12-15, 2007	GRI Course 3	Appleton	March 5-8, 2007	2007-08-Real Estate Continuing Education 1,2,3, 4A	Cancun, Mexico
February 12-13, 2007	CRS201	Appleton			

The document accompanying this fax contains information from the Wisconsin REALTORS® Association, which is confidential and/or privileged. This information is intended to be for the use of the individual or entity named on this fax cover sheet. If you are not the intended recipient, be aware that disclosure, copying, distribution or use of the contents of this information is prohibited, and may constitute an invasion of privacy of the intended recipient. If you have received this fax in error, please notify us by telephone (collect) immediately so that we can arrange for the retrieval of the original document at no cost to you. You may request that the WRA not send any future unsolicited advertisements to any facsimile number(s) that you designate. The WRA is required by law to comply with an opt-out request within 30 days. To opt out of further facsimile advertisements from the WRA, please call 608-241-2047 or 800-279-1972, ext. 259, fax 608-241-2901, or e-mail wra@wra.org. If you opt out and you are a WRA member, your office will no longer receive any faxed correspondence from the WRA at the fax number(s) you designate and those fax number(s) will be removed from WRA membership records, including the "Find a REALTOR®" directory on the WRA Web site and membership data furnished to local and regional REALTOR® associations.

...last drop of political capital he has to spend sure the money is there.
 Of course, maybe that's the idea — the more who sign up, the more pressure the Legislature will be under to fund it.
 Whatever the strategy, Doyle — or whoever governor is in 2011 — cannot tell these "I'm sorry, I know you kept your promise, the Legislature won't pay for it. It's out of our hands."
 The Wisconsin Covenant is a promise being made by Jim Doyle, and Jim Doyle alone. Once the first eighth-grader puts pen to paper, it's all yours to had better deliver.

Options for fire station idea worth exploring

With public budgets regularly punching new notches in the belt as tax dollars grow scarce, local municipalities have to get creative when it comes to funding. Sometimes that means applying for new money or entering into cooperative agreements with neighboring cities or counties. Grand taking a page from the nonprofit sector and considering just asking people for money. Letting the simplicity of the idea belie its complexity. New town board member Travis suggests that the town seek volunteers to defray the cost of a new \$3.5 million fire station is intriguing.
 Grand it passes a legal review that will examine the conflict-of-interest issues, the town would allow private individuals, or companies and businesses to sponsor portions of the building, perhaps with engraved bricks. The Performing Arts Center and the town windmill project are local examples in action.
 Grand the idea is that, on the surface, the town to violate politicians' cardinal rule: be the guy reaching into the people's pockets. It wouldn't raise taxes; it only gives the town a voluntary buy-in to a necessary facility. Grand an attorney checks off on it, Grand the town to explore this public-private partnership where it goes. Maybe the town could let out its belt a bit.

Post-Crescent's editorials are a consensus of the views of the paper's editorial board. As such, they're unsigned but written by Senior Editor/Community Conversation Larry Gallup and Editor/Community Conversation Matt Neistein. Meetings are held on Wednesdays at noon. For more information, contact Larry Gallup at 920-733-1000, ext. 375, or by e-mail at lgallup@postcrescent.com

THE POST-CRESCENT EDITORIAL BOARD
 Larry Gallup
 Matt Neistein
 Kathy Walsh Nuffer

Community members:
 Jim Larson
 Rebecca Spigattelli

commitments, etc. that have been sidelined for the last seven years.

John Cuff,
Appleton

Loving one another can end the violence

In response to Cal Thomas' April 22 column, laws and gun control will not stop the violence. The only solution to it and other unhappy issues is for people to place complete trust in God and follow his word.

Thomas said, "Our problem is that we try to control evil from without when, in fact, it resides within us." I agree. Since our actions are reflections of what's in our hearts, a heart transplant is needed, not gun control or more prisons.

The shootings at Virginia Tech and Columbine and other such tragedies are a result of evil thoughts that develop into evil actions. Mr. Thomas alluded to graphic and violent movies, TV programs and video games that fuel unwholesome thinking. He said, "The cumulative effect of such things cannot be good for our consciences, or our morals, what's left of them."

Human beings have free will, so we have the right to make choices about what we watch or read. The adage "garbage in, garbage out" applies to

probably.
 The two boys at Columbine willingly embraced the dark world of hate, revenge and violence. They did not guard their hearts against such things. Hearts filled with love and consideration do not lash out in such anger and rage.

Our world is changing as technology advances. Many positive things result, and that is good; however, evil also has a way of emerging.

The Golden Rule is the only rule that will bring lasting peace to our world. What a wonderful place this would be if everyone followed that rule.

Janet Krause,
Appleton

Buying Supreme Court race fails entire state

Everyone wants "justice" — by which too many mean that their side should win above all else.

I am a lawyer. Two of my heroes are Justice David Prosser and Judge Harold Froehlich; they have definite points of view but they will do the right thing, even if that disappoints their supporters.

Justice Prosser, as a brand new Supreme Court appointee, stood up for Chief Justice Shirley Abrahamson against a "palace coup," notwithstanding his frequent disagreements with her. Judge Froehlich, as a junior congressman, voted

TWO OF A KIND: Can we believe anything Alberto Gonzales says? But by the same token, our president states Al-

and last names (spell both names, please), community of residence and a daytime phone number. Calls can be edited for space and clarity. You have one minute to leave your message. Please, no lost-and-found messages and keep your messages topical, not personal.

for impeachment of his own party's president.

Both actions were unpopular with their ideological soulmates. Both actions were right. Both actions took enormous courage. These men are not afraid to be independent when the law and facts require.

We cannot hope or expect to get people of their caliber on the Wisconsin Supreme Court with the sort of big-money, special-interest election we just witnessed.

The single-issue groups expect to get their money's worth. They do not want a justice to surprise them. They do not want someone who is willing to grow and learn on the bench.

Too many on both sides of the last election valued their own narrow goals above the integrity of the legal system. They were wrong to do so.

If this sort of thing keeps up, the public will come to believe that in order to raise the huge amounts of cash necessary to get elected, our justices will have to "get right" with the single-interest groups and that their votes on the bench will have been decided in advance by whoever had

the most money.
Thomas L. Williams,
Appleton

Real estate sales tax must stay the same

On April 18, several hundred licensed realtors from all over Wisconsin converged on the Capitol in Madison to meet with our legislators regarding "The Home Tax," which is the real estate transfer tax the property owner pays upon selling a home, land, farm or commercial property.

Gov. Jim Doyle is proposing to double the tax from \$3 per \$1,000 in value to \$6 per \$1,000.

For example, currently, a property that sells for \$150,000 has a real estate transfer tax of \$450. If the law passes, the seller would pay \$900. This leaves the seller with less money to use for future living costs or investments.

You will be seeing ads in the media saying, "How would you feel if your home tax is doubled?" Call, e-mail or write your legislators. Let them know you are not in favor of the doubling of the home property selling tax.

Sharon Huss,
Kimberly

sometimes requires ignoring polls, as President Bush is clearly poised to do.

"The president argues that the timetables in the Democrats' war-funding bill, which passed the Senate Thursday and the House earlier in the week, could hamstring prosecution of the Iraq conflict. He's right, and he'll be on equal ground to veto the measure. ...

"Make no mistake: We're not suggesting Americans should be willing to endure year after year of deadly attrition in Iraq without any sign of an end. ...

"No, the point is this: No matter when the decision is made to begin withdrawal, even if it were this October, any timetable should be both flexible and secret. ...

"Congress should give Gen. David Petraeus the chance it implicitly promised him when he was confirmed as U.S. commander in Iraq. ... The two sides should just as expeditiously come to a compromise, cognizant that the timetable on Iraq that matters most may be the 2008 presidential election."

Rocky Mountain News

THEY SAID IT

Excerpts from the Community Conversation forums at www.postcrescent.com

"It is the terrorists (insurgents, freedom fighters, etc.) we are at war with, not the Iraqi people. Until we stop Iran from funding and supplying the terrorists, this will continue, and must continue.
 "The Middle East is a mess, but the opportunity to stabilize the area is at hand. Credible early reports all show decreases in sectarian violence since the surge, and I expect improvements to continue, if they don't, God help us."

newcareddoc

HOW TO CONTRIBUTE TO THE VIEWS PAGES

The Post-Crescent encourages readers to be a part of our Views pages in the form of calls, letters and guest columns. The following guidelines will help ensure your contribution is published:

- Calls and letters must include your first and last name, address and daytime phone number. Only your name and community will be published. Anonymous contributions, pseudonyms and first initials are not allowed. Contributors whose identities cannot be verified to our reasonable satisfaction may be required to submit further identification or their contributions will be withheld from publication.
- Contributors are limited to one published letter and one published phone call per month.
- Letters must be no longer than 300 words. They will be edited if necessary for clarity or brevity.
- Include sources for facts and figures, either in the text of your letter or as a note at the bottom for our reference. Unless otherwise noted, all material must be original to the author or caller. Mass-mailing letters will not be accepted.
- Guest columns must be no longer than 600 words and will be held to a higher standard of reader interest than letters and calls.
- Letters to the editor, calls and guest columns may be published or distributed in print, electronic or other forms.

If you have questions, please contact Assistant Editor/Community Conversation Matt Neistein at 920-993-7117 or at mneistein@postcrescent.com.

IT'S YOUR CALL
at 920-734-5678

Mail us at
Letters, The Post-Crescent,
P.O. Box 59, Appleton, WI 54912

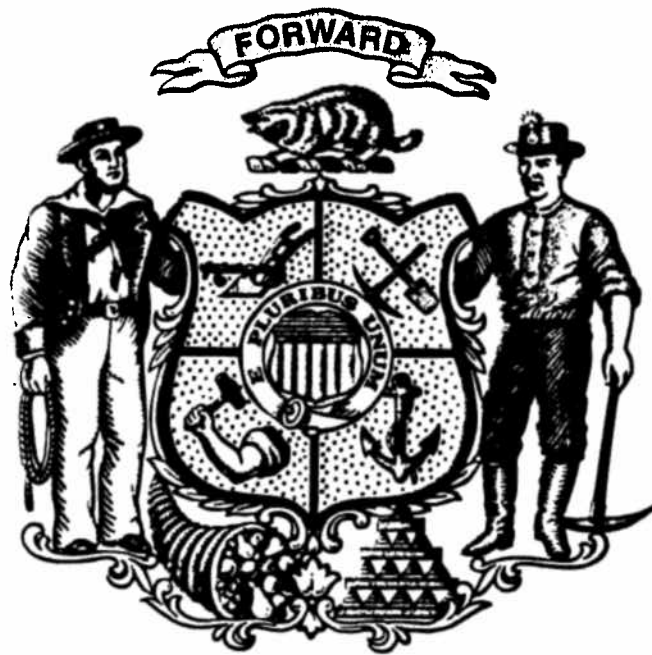
Drop it off at our Appleton office,
306 W. Washington St.

Send us a fax at
920-733-1945

E-mail us at
pcletters@postcrescent.com

THE POST-CRESCENT, FRIDAY,
MAY 4, 2007, C-6

SO
I
TH
LE
C
SO
EX
GC
GRE
SO
Rad
Pr
addr
was
Pray
A
By
que
Day
Gu
OF
G
Friday, Ma





www.jsonline.com | [Return to regular view](#)

Original Story URL:

<http://www.jsonline.com/story/index.aspx?id=567042>

Budget has many ways to pay more

Doyle offers \$1.7 billion in new state taxes, fees

By STEVEN WALTERS and STACY FORSTER
swalters@journalsentinel.com

Posted: Feb. 17, 2007

Madison - Gov. Jim Doyle's two-year budget is 1,757 pages long - long enough to touch every Wisconsin resident.

If you drive, own a home or pay child-care costs, Doyle's budget would affect your daily life. And it would do so in large and small ways.

Remember, however, the budget is not anywhere near done.

Now that Doyle has proposed the budget, the Legislature will spend months working on its version before it returns to Doyle for possible vetoes. So, settle in for a long debate that could last until midsummer.

In the end, there could be any combination of tax and fee increases, and tax breaks.

As now proposed, Republican legislators say, Doyle's tax and fee increases total a staggering \$1.7 billion, which they argue Wisconsin residents can't afford.

For those keeping score:

Tax, fee increases

Smoke a pack a day? You'd pay \$456 a year more, since Doyle wants the 77-cent per pack tax raised to \$2.02. The governor says the more than \$500 million over two years it would net is needed to cover Medicaid health-care costs due to smoking-related illnesses, and the change would mean there would be less smoking.

Critics say taxpayers shouldn't have to shoulder any more of the state's financial burden than they already do, and argue that a reduction in smoking will lead to a drop in future tax collections.

Pay property taxes on home? Doyle says his budget would raise the December property tax bill on a median-valued home by \$75, or 2.7%. That would cost Wisconsin homeowners statewide about \$150 million more, since every 1% increase costs homeowners an additional \$56 million. The governor wants to loosen levy limits that expired on Jan. 1, saying local governments need to pay for important local services.

Critics say the 4% limit is too high to effectively control property taxes on homes and the 2% limit that expired on Jan. 1 should be continued.

Own car, SUV or light truck? You'd pay 36% more - or \$75 - to register your vehicle, which would cost drivers statewide a total of \$170 million more over the next two years. Doyle said the fee, last raised in 2003, should be changed to raise more money for needed highway maintenance projects, including rebuilding I-94 from Milwaukee to Illinois and the Zoo Interchange in Milwaukee.

Critics say some increase is justified, but a \$20 boost is too much.

Angry at oil company profits? Doyle proposed what amounts to an excess profits tax on oil companies, which he says would cost them about \$270 million over the next two years. He says his proposal would make a crime for oil companies to pass that tax on to drivers.

Republican legislators are against the \$1.50-per-barrel new tax, saying oil companies will simply find some way to add it to prices at the pump. They say it amounts to a 3- or 5-cent per gallon increase in the gas tax, already high at 32.9-cents per gallon.

Need to renew driver's license? You would pay \$34, or \$10 more. Doyle says an increase is necessary because of a federal law that requires states to verify applicants' citizenship and residency. The state Department of Transportation says it needs \$20.7 million to put systems in place that verify that information.

Some critics are opposed to any increases in taxes and fees, including this one.

Selling a home? The governor's budget would add about \$140 million over the two years to the costs of selling property, since the real estate transfer fee would double - from \$3 to \$6 per \$1,000 of sale price. Doyle said the fee, which has not been changed in 26 years, would go to in a special fund to help counties pay for circuit courts and other services they provide.

Critics call it a general tax increase that would especially hurt home sellers, many of whom have had to already lower their asking prices.

Need copy of birth, death record? The budget would charge about \$24 million more to get copies of vital records. It would increase the cost of a birth certificate from \$12 to \$20; death, marriage, divorce records from \$7 to \$20, and copies of each additional record from \$3 to \$20. Doyle says higher fees were forced by new federal anti-terrorism laws that require each state to create an online database of vital records.

Again, some critics question whether increased fees are necessary to balance the budget.

Run a hospital? You would see your hospital's annual gross revenue taxed at 1% to bring down more federal dollars and help pay for the state's Medicaid programs. Doyle says hospitals will benefit from higher reimbursement rates for treating Medicaid patients, while the state brings in about \$575 million

in additional federal dollars.

Critics, including the state's hospitals, say they would have to shift the tax costs on to patients and that higher reimbursement rates eventually will dry up.

Tax Cuts

Can't deduct health insurance premiums? Doyle wants an \$11.8 million income tax cut, on 2008 income taxes paid in 2009, to allow full deductibility of health insurance premiums paid by employees. The change would generally extend the benefit to employees of small businesses.

Pay child-care costs? The governor wants a \$3.9 million income tax cut, paid when taxpayers file 2008 income taxes in 2009, to allow parents of one child to deduct up to \$3,000 in child-care costs; parents of two children, up to \$6,000. He calls it one of his middle-class tax cuts.

Paying college tuition? Doyle wants a \$4 million cut in income taxes by raising the annual college tuition income tax credit from about \$4,300 to \$6,000. It would also allow deductions for fees for the first time.

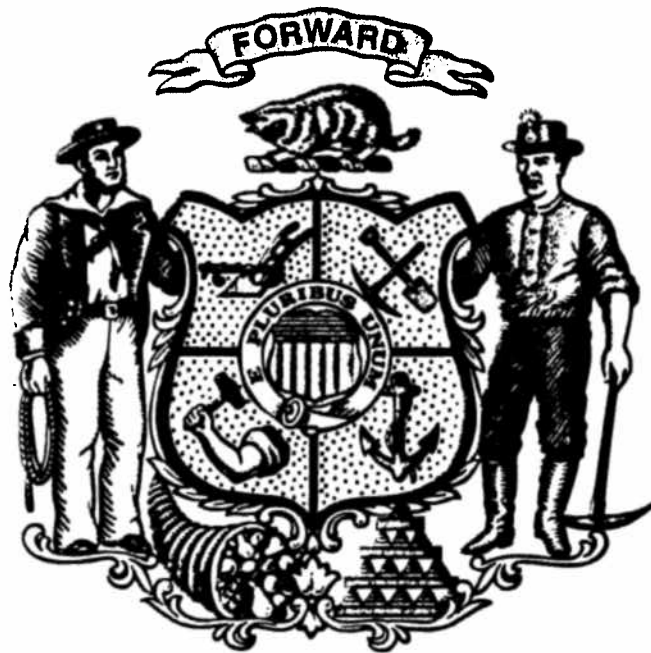
Republican legislators have the same response to all three of the governor's tax cuts: They are interested in cutting taxes, but not in a budget that also raises so many taxes and fees.

[Buy a link here](#)

From the Feb. 18, 2007 editions of the Milwaukee Journal Sentinel
Have an opinion on this story? [Write a letter to the editor](#) or start an [online forum](#).

Subscribe today and receive 4 weeks free! [Sign up now](#).

© 2006, Journal Sentinel Inc. All rights reserved. | Produced by [Journal Interactive](#) | [Privacy Policy](#)
Journal Sentinel Inc. is a subsidiary of [Journal Communications](#).





Lifting Up What Works



Real Estate Transfer Taxes

Real estate transfer taxes (RETTs) (also known as "real property transfer taxes") are state, county, and/or municipal sales taxes most often used as general revenue. However, RETTs, can be devoted to specific uses such as affordable housing development or open space protection.

WHAT IS IT?

WHY USE IT?

HOW TO USE IT: When RETTs are used to provide affordable housing or other community benefits to neighborhoods receiving an influx of investment, they can be a powerful form of value recapture, raising additional revenue as investment bolsters land value, because they are usually based on the sales price, and paid every time a property is sold. Florida, with its vibrant real estate market, forecasts \$1.67 billion in revenue from its transfer tax in 2002-2003. Approximately 14.8 percent of its receipts, or \$249 million, will be dedicated to state and local housing trust funds.

FINANCING

KEYS TO SUCCESS

CHALLENGES

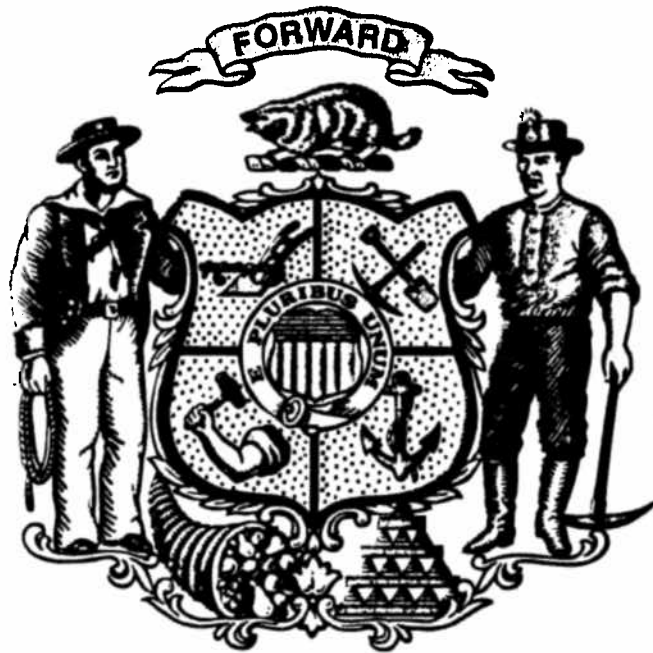
POLICY

TOOL IN ACTION

RESOURCES

Equitable development advocates embrace RETTs because they mitigate the very activities that can lead to displacement-high-end real estate sales with rapid turnover.

[next page ... \(Why Use It?\)](#)





CONSERVING LAND FOR PEOPLE



CONSERVATION FINANCE

Real Estate Transfer Taxes

A real estate transfer tax is a tax levied on the sale of certain classes of property -- residential, commercial or industrial -- that increases with the size of the property being sold. Sometimes sellers (who have typically seen the value of their homes rise over the years) foot the bill. Other times the cost is imposed on buyers who, it is argued, are making an investment in the future of a community.

Tax rates and dispositions vary from state to state: some states have no real estate transfer tax enabling legislation; some direct the revenues to the state general fund (although collection remains a county responsibility); and still others give local governments the authority to collect and keep tax revenues. North Carolina cities must get special legislative approval for the tax; Maryland and Florida led the way in requiring that a portion of the funds raised be used for land conservation. Now it is common in states and communities to use proceeds to establish dedicated funds for natural resource protection and mitigation, and parks and open space.¹⁹

At the local level, the real estate transfer tax can create substantial funds for park and open space acquisition, particularly in fast-growing communities. On the other hand, it can also inflate real estate values and slow the market. Since revenues from the tax fluctuate with the real estate market, income can be difficult to predict. In addition, winning approval in the face of special interest opposition has proven to be a stumbling block for some communities.

That was the case in Cape Cod, Massachusetts, a fast-growing region that has been a battleground over real estate transfer taxing authority. The fight began in November 1996, when 80 percent of all registered voters in Barnstable County turned out to pass a home-rule petition requesting from the legislature the authority to levy a real estate transfer tax. Proceeds were to be used to establish a land bank which would fund open space acquisition. The measure won with 55 percent of the vote and special enabling legislation was approved that allowed 15 Cape Cod communities to impose a 1 percent tax on the sales of homes. The tax was to be paid by the seller. The legislature then overrode a veto by the governor and sent the issue back to Cape residents for a second vote. Faced this time around with well-organized and well-financed opposition from the state realtors association, the measure was defeated. Nantucket, with a 2 percent tax on transfers, and Martha's Vineyard are currently the only communities in the state that have been given the authority for such a program.

In Block Island, Rhode Island, however, realtors supported a 2 percent transfer tax to fund open space, understanding the link between Block Island's natural beauty and their business profits.¹⁹ Voters joined in support of the 1985 measure by passing the tax at the ballot box, then increased it four years later to 3 percent. To protect middle-income, first-time homeowners, the first \$75,000 of the purchase is exempted. The tax and bonds backed by the tax have generated millions for open space protection.

A few years after Rhode Island, Washington State passed its own real estate transfer tax enabling legislation. The 1990 legislation allows for a tax on real property, paid by the seller, with proceeds directed to local capital projects. A separate provision allows counties to levy an additional excise tax, with voter approval, to raise funds for the acquisition and maintenance of conservation areas. This tax is the obligation of the purchaser; the rate of this tax cannot exceed 1 percent of the selling price. To date, four counties have attempted to win voter approval for this tax but only San Juan County has been successful.

[Contact Us](#) | [Home](#) | [Donate Now](#) | [Site Map](#)

© 2007 The Trust for Public Land. All Rights Reserved.
[Privacy Policy](#)





Pennsylvania Association of REALTORS®

The Voice for Real Estate® in Pennsylvania

4501 Chambers Hill Road
 Hunting Park, PA 19106
 Telephone: (717) 561-1004
 Fax: (717) 561-8776

SUMMARY OF REALTY TRANSFER TAXES BY STATE

A realty transfer tax is a state and local tax assessed on real property when ownership of the property is exchanged between parties. All types of real property, including residential, commercial, and agricultural, are subject to the realty transfer tax. Although the tax is generally levied on the value of the property, it is assessed only on the sales transaction instead of on an annual basis like the general property tax. Realty transfer taxes may be assessed on either the buyer or the seller, but both are usually jointly and severally liable for the tax. A majority of states and the District of Columbia provide for this tax but thirteen states do not. The Pennsylvania Association of REALTORS® has taken an official policy not to support increases in, or appropriations from, the realty transfer tax due to the negative impact on housing costs and the industry as a whole.

STATE	TRANSFER FEE	TRANSFER FEE RATE
Alabama	Deeds \$.50/\$500 Mortgages \$.15/\$100	0.1% 0.15%
Alaska	None	
Arizona	\$2 per deed or contract	
Arkansas	\$3.30/\$1,000	0.33%
California (local)	\$.55/\$500	0.11%
Colorado	\$.01/\$100	0.01%
Connecticut	Varies	0.5% up to \$800K and 1% of value over \$800K; plus 0.11%
Delaware		1.5% - 2%
District of Columbia	Transfer Mortgage recordation	1.1% 1.1%
Florida	Deeds \$.70/\$100 Mortgages \$.35/\$100	0.7% 0.35%
Georgia	\$.10/\$100	0.1%
Hawaii	\$.10/\$100	0.1%
Idaho	None	
Illinois	Chicago - \$.375/\$500 Cook County - \$.25/\$500 State - \$.50/\$500	0.75% 0.05% 0.10%
Indiana	None	
Iowa	\$.80/\$500	0.16%
Kansas	Mortgage \$.26/\$100	0.26%
Kentucky	\$.50/\$500	0.1%
Louisiana	None	
Maine	\$2.20/\$500	.44%
Maryland		0.5% (0.25% for first-time buyers)
Massachusetts	\$2/\$500	0.456% (0.4% plus 14% surtax); also \$10-\$20 surcharge
Michigan	State - \$.375/\$500 County - \$.55/\$500 - \$.75/\$500 depending on population	0.75% 0.11% - 0.15% depending on population
Minnesota	\$1.65/\$500	0.33%
Mississippi	None	
Missouri	None	

Montana	None	
Nebraska	\$1.75/\$1,000	0.175%
Nevada	\$.65/\$500 up to 400K county population \$1.25/\$500 over 400K county population	0.13% up to 400K county pop. 0.25% over 400K county pop.
New Hampshire	\$.75/\$100 paid by both buyer and seller	1.5%
New Jersey	For consideration up to \$350K: \$2.00/\$500 first \$150K \$3.35/\$500 from \$150K to \$200K \$3.90/\$500 from \$200K to \$350K For consideration in excess of \$350K: \$2.90/\$500 first \$150K \$4.25/\$500 from \$150K to \$200K \$4.80/\$500 from \$200K to \$550K \$5.30/\$500 from \$550K to \$850 \$5.80/\$500 from \$850 to \$1 million \$6.05/\$500 amount over \$1 million For consideration in excess of \$1 million (residential only) in addition to above: \$5/\$500	0.4% first \$150K 0.67% from \$150K to \$200K 0.78% from \$200K to \$350K 0.58% first \$150K 0.85% from \$150K to \$200K 0.96% from \$200K to \$550K 1.06% from \$550K to \$850K 1.16% from \$850 to \$1 million 1.21% amount over \$1 million 1% County: up to 0.1% additional tax
New Mexico	None	
New York	Property transfer - \$2/\$500 up to \$1 million; 1% additional over \$1 million Mortgage recording New York City	0.4% up to \$1 million value; addl. 1.0% over \$1 million 1.0% 1% up to \$500K value; 1.425% over \$500K
North Carolina	\$1/\$500	0.2%
North Dakota	None	
Ohio		0.1% plus 0.3% local
Oklahoma	\$.75/\$500	0.15%
Oregon	None	
Pennsylvania	Local varies	1.0%
Rhode Island	\$2.00/\$500	0.4%
South Carolina	\$1.85/\$500 (\$1.30 state, \$.55 county)	0.37% (state-county combination)
South Dakota	\$.50/\$500	0.1%
Tennessee	\$.37/\$100	0.37%
Texas	None	
Utah	None	
Vermont	Tax on gains; varies with length of time owned	
Virginia	\$.15/\$100 on sales up to \$10 million; varies thereafter	0.03% - 0.15% depending upon sales price
Washington		1.28% of sales price plus local taxes
West Virginia	\$1.65/\$500 (\$1.10 state, \$.55 county)	0.33% (state-county combination)
Wisconsin	\$.30/\$100	0.3%
Wyoming	None	
Sources: <i>Assessment Journal</i> , International Association of Assessing Officers, November/December 1997; <i>Commerce Clearing House State Tax Guide</i> 2001. Compiled by National Conference of State Legislatures Fiscal Affairs Program. Updated by the National Association of REALTORS® from various sources 8/26/04.		



Quiet state tax hike on buying a house forecloses other plans

"This is tempting," said Mrs. McIlheran, pointing to a newspaper ad for cheap flights to London. The temptation evaporated in the fine print: Taxes and fees more than doubled the price.

It was no fluke. Take a look at some of those online bargains: Air Canada was offering O'Hare-to-London flights for \$224 round trip the other day. Paying for the airport and the security tax and the Sept. 11 tax and the Canadians' taxes and the British bomb squad's taxes added \$262 a ticket. It's hard to be grudge any of it. Not getting blown up over the Atlantic is good value, or would be had we paid it. We didn't. It cost too much, so never mind. The zoo's nice this time of year.



Patrick McIlheran
Call this the tax on the prospects of landscaping employees and furniture salesmen.

high-toned places and the tax increase is more like \$2,000, the yard service just might stay away this summer.

Not to lament the exercise any-one buying a \$670,000 house gets from making the teenager mow the lawn. But it clarifies: We can call this the tax on landscaping employees and furniture salesmen.

Real estate brokers are complaining loudly. Their self-interest is plain. If the tax cuts into sales, agents lose income. This makes Realtors a special interest, but one specially interested in what happens to money the state takes from home buyers.

The money will go to bolster county budgets. The name, "real estate transfer fee," leaves the impression this covers the cost of recording paperwork.

But Doyle's budget summary says the increase will stock a county aid fund with \$266 million over the next two years. The tax you'll pay on buying a house will fill in for state aid diverted to other uses.

It'll pay to run courts. It'll support more "youth aids," which the state gives counties so they can pay to lock up their delinquents. A little will support programs for the homeless.

You'll pay for this with a tax on housing because... well, because they can make you do it.

"Few taxpayers are aware of the fee," noted a Department of Revenue report in 2005. What you don't see, you won't complain about. Already, the state gets a lot more at the existing rate. Its take rose 138% from 1994 to 2004 as houses cost more.

The governor bets that if that take doubles again, most people won't notice. Most of us don't buy houses frequently.

This isn't to say that aid to counties is bad. Presumably, home buyers benefit if delinquents get locked up and can't set fire to the garage.

But these good things come at a cost, just as with airline taxes. What goes to airport screeners can't get spent on fish and chips. What goes to youth aids won't get spent on a new sofa.

If government's going to commandeer some of your money, it needs an awfully compelling reason, since it's pre-empting the good things you would have spent it on. It needs to show that this spending is something the state cannot live without, that no other lower priority could possibly give up some of its share of the state's existing Amazonian revenue stream.

If anything, that goes double for narrow little taxes like the one on home sales, taxes that pass unnoticed when the governor proposes some \$1.6 billion in new taxation.

Patrick McIlheran is a Journal Sentinel editorial columnist. His e-mail address is pmcilheran@journalsentinel.com

majorities will deprive them of the votes they need to win such a fight.

He is ready to split the country rather than give any ground to those who question whether it's wise to risk ensnaring American troops in a Sunni-Shiite civil war.

For now, the war's opponents are focused on three strategies. One would be to cut off funds for

advantage of pushing Republicans who are quietly doubtful about Bush's path out to the open.

In particular, Sen. Richard Lugar (R-Ind.), who rightly called last weekend for a more bipartisan approach to Iraq, nonetheless keeps voting his party's line in the Senate. That, in turn, enables Bush to pursue the very sort of divisive partisanship on the war that Lugar says he's against.

"They've refused to listen to me one else."

That should be the central theme of the president's critics because it's true — and because it offers the best rallying cry for those seeking to change a disastrous policy.

E. J. Dionne Jr. is a columnist for The Washington Post. His e-mail address is postchat@aol.com

Maybe Democrats should win

There is an idea out there. Perhaps not a fully formed one. Perhaps more like the whisper of one gusting like a sudden draft through the rafters of the conservative house, causing some to look toward the attic and ask fearfully, "What was that?"



Jonah Goldberg
I must confess, I do shiver from its touch.

This wisps of a notion is simply this: Maybe a Democrat should win in 2008. Personally, I don't believe in this poltergeist, at least not yet. But every now and then, I do shiver from its touch.

The idea goes something like this: If you believe that the war on terror is real, then you think it is inevitable that more and bloodier conflicts with radical Islam are on the way, regardless of who is in the White House.

There's a showdown coming. Period. My task isn't to convince you that this view is correct, but merely that it is honestly and firmly held by many on the right

and by a comparative handful on the left.

And that's the problem: Only a handful of people on the left — and far too few liberals — see radical Islamists as a bigger threat than President Bush. Which is why if you really think that we are in an existential conflict with a deadly enemy, there's a good case for the Democrats to take the reins.

Not because Democrats are better, wiser or more responsible about foreign policy but because the Democrats have been such irresponsible backseat drivers that they have to be forced to grasp how treacherous the road ahead is. The spectacle in Congress has made it clear that the Democrats don't believe the war in Iraq is America's war. They think it's Bush's vanity project turned albatross, but they won't take responsibility for their convictions.

Of course, many Democrats sincerely believe that the war on terror is real and that Iraq is a dangerous distraction from it.

But that's not the issue. Terror hawks think you can't both believe the war on terror is real and argue for handing Iraq over to the enemy — even if we shouldn't have invaded in the first place.

If the war on terror really isn't that big a deal, hooray. Then Democrats can't do that much damage. If it is a big deal, Democrats need to be slapped out of their anti-Bush hysteria by real life.

Australian Prime Minister John Howard said al-Qaida is "praying" for a Democratic victory in 2008.

It may be. But what happens when a President Hillary Clinton or President Barack Obama has a Sept. 11 — or worse — on her or his watch? Or is faced with the prospect of an Iraq run by terrorists?

I'd like to hope that president would rise to the occasion, out of conviction or political self-interest.

For hawks who believe that the Bush White House either hasn't been hawkish enough or has done a much better job than the conventional wisdom holds (remember, no terrorist attacks on our soil since Sept. 11), counting on Democrats to learn on the job is a chilling thought.

Which is why it remains a whisper, for now.

Jonah Goldberg is a contributing editor to National Review and an editor-at-large for National Review Online. His e-mail address is JonahGoldman@aol.com

Community columnist

The business of buying a coat

My tri-county hunt for the impossible coat started a week ago in Waukesha County. I was with my daughter, dutifully shopping for a dress for a formal dance.

That, in itself, was quite a quest. The dress had to meet three requirements: It had to fit a healthy 15-year-old who had had breakfast that morning; it could not land me in bankruptcy court; and it could not send me to jail for subjecting a minor to indecent exposure.

We finally found a dress that met the first two expectations. The third was solved with a flower-shaped accessory.

Then I went looking for a coat. My goal was to find one that would keep me warm and ready for an upcoming business appearance.

I searched at one Waukesha County store with no results. "Not to worry," I told myself, thinking that I still had Walworth County and Rock County for the search.

Saturday morning, I spent three hours patiently poking the racks of stores all over Walworth County. No coat in sight for me.

Not that there were no women's coats. There were — a few grandmotherly types piously tucked away behind anorexic swimsuit mannequins. And the sale racks proudly displayed leathery types that seemed to go well with fishnet tights and nothing else.

"Do not despair," I consoled myself. "You still have Rock County."



Pilar Melero
No coat in sight for me.

I spent Sunday working. Four o'clock came, and I figured I'd better head to Rock County. Never mind that we have over a foot of snow on the ground — Rock County's stores were jam-packed with swimsuits!

The men's coat racks were neatly packed with all types of coats: cold weather, mild weather, business coats, raincoats. But the women's racks... well, you know the story.

I searched for hours, frantically this time. Nothing. A young woman in one of the stores went out of her way to find me something online. The closest we came was to a leather jacket which, with the right shoes, could spell seriousness. Or not.

I decided I would have to make do with my raggedy old coat. But the experience got me thinking about why I could not find a fine women's business coat in three counties. I came up with a few hypotheses:

■ Men and women have different body temperatures.

■ Males and females may travel or live together, but that does not mean they stay together. Males go to business meetings while females sunbathe at the beach.

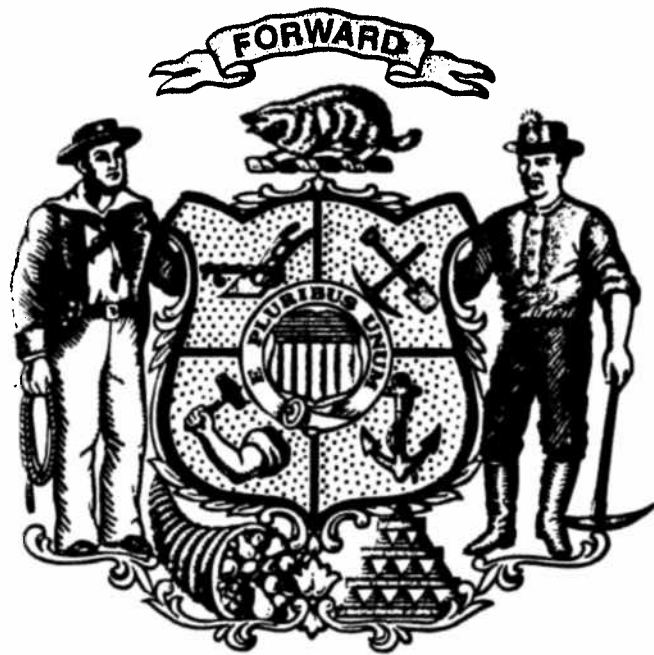
■ It could be that women were going to give up business coats for Lent.

Or, perhaps — and this is a little far-fetched on my part, I realize — stores still do not know that women mean business.

Pilar Melero teaches at the University of Wisconsin-Whitewater and lives in Sugar Creek in Walworth County. Her e-mail address is meleropilar@yahoo.com

Doonesbury Garry Trudeau







Realtors say 'worst is over'

Despite 4th-quarter
slump, housing market
poised for comeback

By **MICHELE DERUS**
mderus@journalssentinel.com

Wisconsin weathered the national housing downturn of 2006 — but it came at a price.

Home resales declined 4.5% from a year ago, but the number of homes sold was the second-highest in state history.

A fourth-quarter price slump canceled out gains made earlier in the year.

The median house price in Wisconsin is now \$164,000, up 1.2% from 2005.

The year ended on a low note.

In the final three months, resales dropped 10.7% in the southeast, 10.6% in the south central and 9.4% in the north, compared with a year earlier.

Autumn was a time when over-ambitious sellers realized their pricing mistakes, said David K. Stark of Stark Co. Realtors in Madison.

"If a house goes on the market and two to four weeks go by with no action, it's yesterday's news," Stark said. "Some sellers wisely decided, if they weren't going to get serious on price, they should get out of the market. As a result, inventory's gone down quite a bit."

Wisconsin's median price slumped to \$160,000 in the quarter, pushed down by double-digit declines in upscale and vacation home locales.

The market's peak eroded, with Ozaukee County's median price sinking to \$225,000 from \$244,700 in the same quarter a year earlier. Washington County dipped to \$198,200 from \$212,500. Up north, Sawyer County plunged from \$203,600 to \$146,700.

"Prices on a lot of homes were inflated, and for a long time, sellers wouldn't budge," said Randy Schmit, president of Schmit Realty Inc. in Port Washington, of the market in Ozaukee and Washington counties. "Now they've budged."

Don't read too much into those dramatic price drops, cautioned Marquette University economist David E. Clark.

"Up north, I think the mixing of housing changed to more low-end, off-water and cabin properties last year," Clark said.

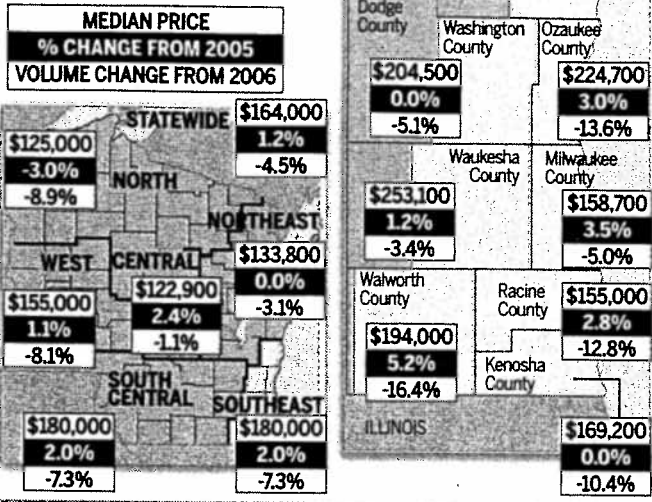
In Ozaukee and Washington counties, the economist said, languishing new construction or belated price concessions may have depressed fourth-quarter price levels. New construction represented

Please see **HOUSING, 2D**

Firm foundation

House values held steady in the end, though the number of houses sold in Wisconsin in 2006 dropped by 4.5%.

Annual activity - 2006



Source: Wisconsin Realtors Association

Journal Sentinel

Houses sold by brokers in metro Milwaukee gained 1.5%, to \$186,700, in 2006.

For the year, trade-group figures show, Ozaukee County's median price climbed 3% to \$244,700 and Washington County's held steady at \$204,500.

"Unless you purchased a house in '06, then turned around and sold it, you didn't lose any money," said

David Lereah, the association's chief economist, called 2006 "the year of contraction," and predicted a spring 2007 upturn.

This year is starting well, with realty brokers around Wisconsin reporting upturns in open-house attendance and calls from house-hunters, Rushman said.

"That's an indication of pent-up demand," he said.

From page 1

HOUSING

Volume stays high, prices fall

by real estate brokers is included in the Wisconsin Realtors Association's figures.

"We didn't have growth, but we hung in there," said Roger C. Rushman, chairman of the state group in Madison and executive vice president of First Weber Group. "We think the worst is over."

Nationally, existing-home sales fell 8.4% last year to 6.48 million, the National Association of Realtors reported Thursday. The nation's median resale house price was \$222,000 — a \$3,000 annual gain.

"Prices on a lot of homes were inflated, and for a long time, sellers wouldn't budge. Now they've budged."

Randy Schmit, president
Schmit Realty Inc.

Joseph A. Horning, president of Shorewest Realtors in Brookfield.

The market seems to be nicely positioned for a spring resurgence, agents say.

"The fundamentals remain pretty good," Clark said. "Mortgage rates at about last year's level, national numbers that look like the economy is solid but not overheating and 60,000 more jobs here in December '06 than a year earlier. I don't think we're likely to surpass 2006's market, but we could potentially match it."



Home Prices Fall in More Than Half of Nation's Biggest Markets

By VIKAS BAJAJ

Prices for single-family homes fell in more than half of the nation's 149 biggest metropolitan areas in the last three months of 2006, according to data released yesterday by a trade group for real estate agents.

The figures from the National Association of Realtors show that the housing market weakened noticeably in many parts of the country at the end of last year and indicate that suggestions by some industry officials that the market has hit bottom could be premature. In the previous quarter, prices fell in one-third of all metropolitan areas.

The biggest price declines were concentrated primarily in two kinds of cities: the formerly booming markets along the coasts and in the Southwest, and in Midwest and Northeast cities hurting from the

loss of manufacturing jobs. The biggest declines, for instance, were in Florida — Sarasota-Bradenton (down 18 percent), Palm Bay-Melbourne (17 percent) and Cape Coral-Fort Myers (11.7 percent). The declines in prices were especially steep for condominiums.

"You have two kinds of weakness here: there is the traditional economic-driven weakness in parts of the Midwest, and there is the bubble-bursting weakness," said Jan Hatzius, chief United States economist at Goldman Sachs. "That's what is bringing down the national home price appreciation rate."

Among the 10 cities with the biggest declines was New Orleans, which has struggled with a slow pace of reconstruction since Hurricane Katrina hit the area in August 2005. Median prices — half the homes

sold for more and half for less — fell 9.3 percent there, to \$162,100. Mr. Hatzius said the decline in New Orleans might also reflect a correction, because prices there shot up in the months after the hurricane.

Nationally, the median price of single-family homes fell 2.7 percent, to \$219,300.

Atlantic City and Salt Lake City topped the list of metropolitan regions where prices increased in the fourth quarter. Broadly speaking, prices were strongest in the Northwest and in some parts of the South.

At the same time, the number of homes sold fell in 40 states and in the District of Columbia. Nevada and Florida each reported declines of more than 30 percent; in Arizona, Virginia and the District of Colum-

Continued on Page 2

Cross-Country Drop
Sales of existing homes declined in 40 states in the 4th quarter of 2006 compared with the 4th quarter of 2005.

REGIONAL	Percentage change in sales	LARGEST DECLINES
United States	-10.1%	Nevada -36.1%
Northeast	- 6.6	Florida -30.8
Midwest	- 8.6	Arizona -26.9
South	- 8.5	Virginia -26.2
West	-17.8	California -21.3

Source: National Association of Realtors

Workaholic American Named to Lead Swiss Financial Services Company

Workaholic American Named to Lead Swiss Financial Services Company



Bear Stearns Told to Pay \$160 Million To Investors

By JULIE CRESWELL

A federal bankruptcy judge yesterday ordered Bear Stearns to pay nearly \$160 million to investors in a hedge fund for failing to properly monitor the activities of the fund before it collapsed in early 2000. The ruling could force Wall Street firms to step up oversight of some of the most lucrative clients. Servicing hedge funds is one of the

Home Prices Fall in Most Major Markets

Continued From First Business Page

Boom-and-Bust Housing Prices

In the fourth quarter, prices of homes increased the most in the Northwest and some parts of the South. They fell most sharply in the Midwest and in the formerly booming cities on the coasts and in the Southwest.

bia, sales fell by more than 20 percent. Nationwide, sales fell 10.1 percent in the fourth quarter from the same period in 2005, to an annual pace of 6.24 million.

Sales increased in six states — Alaska, Mississippi, Kentucky, Texas, Arkansas and Illinois — and were flat in Utah. The Realtors did not have enough data on sales in Idaho, New Hampshire and Vermont.

In addition to weaker sales and declining prices, the number of homes on the market has been climbing. That suggests, economists say, that prices may have to fall further for sales to pick up and the overall housing market to recover. In the fourth quarter, the vacancy rate for owner-occupied homes was 2.7 percent, up from 2 percent a year before and the highest it has been since the Census Bureau started compiling the data in 1956.

“That means we have got a while before this thing fully adjusts,” said Edward Leamer, an economist at the University of California, Los Angeles. Mr. Leamer noted that individual sellers often preferred to wait rather than cut the price to a level that would be agreeable to most buyers. That gap between seller and buyer is reflected in the decline in sales and the buildup in the number of homes sitting vacant.

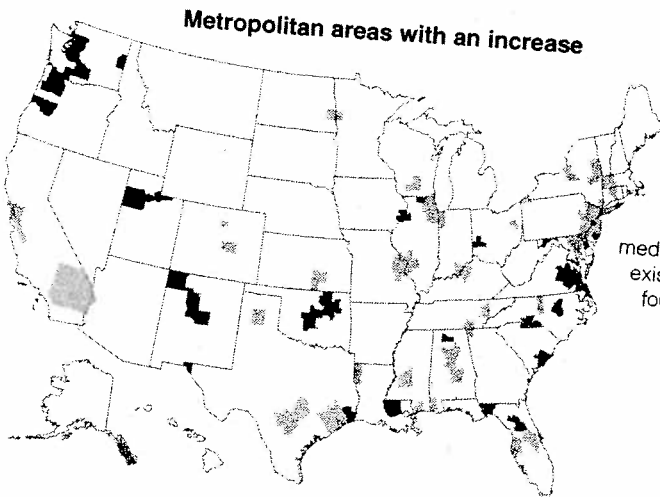
Still, the Realtors group said it expected home sales and prices to rise in the spring. “Home sales are leveling at historically high levels, and examination of data within the quarter shows home prices stabilizing toward the end,” David Lereah, the group’s chief economist, said in a statement.

Unlike some other sources of data, the Realtors group does not adjust home prices to reflect changes in the kinds of homes being sold. So if this year’s sales include a larger number of cheaper homes, compared with a year ago, it will appear that home prices are falling even if the actual

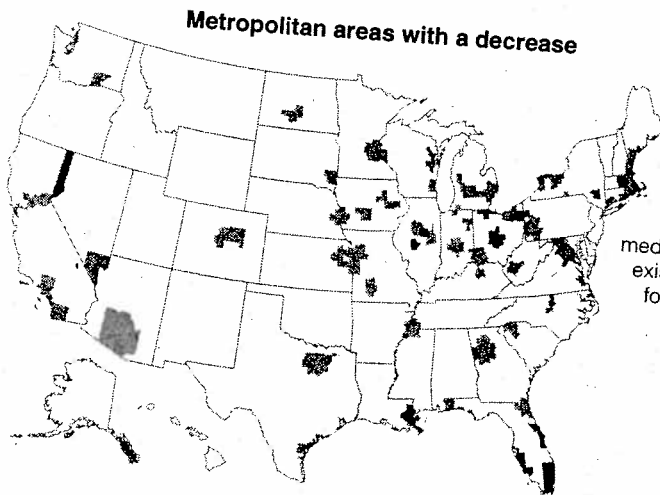
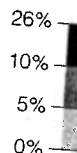
price of any given home has not declined.

Some indexes, including one compiled by the Office of Federal Housing Enterprise Oversight, the federal agency that oversees Fannie Mae

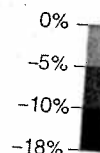
and Freddie Mac, do take into account the kinds of homes sold. The government index shows that prices were still rising through the third quarter of 2006, albeit at a far slower pace than in 2005.



Increase in median price for existing homes fourth quarter 2005-6



Decrease in median price for existing homes fourth quarter 2005-6



The New York Times

tive. [C1.]

SCALING BA
A. Ballmer,
tive, told Wa



Ballmer, above sales in the fis July were too l analysts' spre: for slower grov computer indu

MICROSOFT'S II Russian judge c school headmas Microsoft softw ers, but declinec alty, saying that insignificant cor all earnings. [C6

HOME PRICES FEI Prices for single- more than half of biggest metropol last three months to data from a tra estate agents. [C1

A BILL TO REGULAT partisan group of introduced legislat low the federal gov late the tobacco inc down on marketing people. [C1.]

BERNANKE SEES STI eral Reserve would rates if inflation mo Fed's chairman, Be said, noting that the be stronger than it a

Business Briefing

Articles on these deve at nytimes.com/busin

THE MOLSON COORS BF pany, one of the world' companies, said that it ter profit soared on inc

The Carpetbag

David Carr reports c tiers in Oscar marke icking.

nytimes.com/blogs

Fed Says Production Fell 0.5% in January

By Bloomberg News

Production at factories, mines and utilities fell 0.5 percent in January after a 0.5 percent December increase, the Federal Reserve said yesterday.

The report showed companies delayed orders and makers of autos and building materials reduced stockpiles.

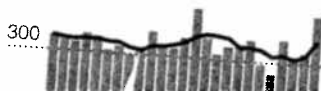
The figures are consistent with a prediction yesterday by the chairman of the Federal Reserve, Ben S. Bernanke, that excess inventories, especially at

Jobless Claims

Weekly number of people who have filed for unemployment benefits for the first time.

400,000

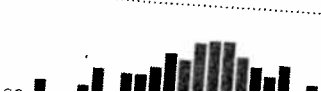
300



Capacity Utilization

Total industrial output as a percentage of capacity, seasonally adjusted.

84%



ig %

more mbly cent s fell ars, y. rod-sses tter ver art 7 in uc-



More in state face loss of homes

Foreclosure filings up
19% so far this year

By MICHELE DERUS
mderus@journalsentinel.com

4/6/07
mss

Wisconsin's mortgage-paying troubles deepened in March, and experts see no end in sight.

"Foreclosures, I'm sorry to say, are a growth business," said Roy Scholtka, president of HomeSale Realty Inc. in West Allis. "Typically, they were something you saw in the lesser prices and the tougher areas. Now, we're seeing them in the suburbs and across the board."

Creditors filed foreclosure actions against 1,594 Badger State homeowners last month, ForeclosuresWI.com reported Thursday.

The number of delinquent borrowers facing the loss of their homes was about 6% higher than in March 2006, when early evidence of serious homeowner debt problems emerged here. Foreclosure filings — actions to seize a home for unpaid debt — are up 19% so far this year, on top of

Please see **FORECLOSURES, 12A**

From page 1

FORECLOSURES

State's default rates rise further

a 34% rise last year, according to ForeclosuresWI.com.

"April's going to be a real big kicker. That's when the subprimes of spring 2004 go up" as these high-priced loans' teaser interest rates expire, said Gary Zimmermann, national director of Federal Housing Administration lending for CFIC Home Mortgage. He's based in Waukesha, and his company, in St. Petersburg, Fla.

Subprime loans reflect the excesses of the nation's 2000-'05 housing boom, when money flowed freely and transactions closed fast, Zimmermann said.

Designed for people whose checkered credit histories disqualified them for conventional loans, subprime loans offered a quick and easy product for a higher price — sometimes much higher than the borrower anticipated, he said.

"Some were liar loans — a person can just state their income, and it wasn't checked," Zimmermann said. "Some allowed the borrower to pay interest only at the start — and that's catching up to people who are seeing rate adjustments now."

Role of subprime loans

How big a role subprime mortgages played in the rising default rates locally and nationally is a topic of debate. Such loans captured 20% of last year's U.S. home loan market and had a 13.3% foreclosure rate at year's end, according to the Mortgage Bankers Association.

A coalition of non-profit advocacy groups including the National Fair Housing Alliance and the Center for Responsible Lending on Thursday urged lenders to halt foreclosures for six months while regulators and lawmakers determine remedies.

Meanwhile, evidence is pil-

Home foreclosures on the rise

Wisconsin home foreclosures rose 19% in the first quarter of the year over the first quarter of 2006.

COUNTY	FORECLOSURES FILED IN THE FIRST QUARTER	2006	2007	% CHANGE
Milwaukee		840	1,196	42%
Ozaukee		28	34	21%
Racine		202	180	-11%
Washington		58	79	36%
Waukesha		128	210	64%
Wisconsin totals		2006: 4,050	2007: 4,834	19%

Source: foreclosuresWI.com

RIKA KANAOKA/rkanaoka@journal sentinel.com

ing up that Wisconsinites, historically wary of risk, threw caution to the wind.

Subprime loans were a \$1.6 billion business here in 2005, accounting for 21% of the Wisconsin market and 34% of Milwaukee County's market, according to federal Home Mortgage Disclosure Act records. The 2006 market share isn't known yet but is expected to be higher.

"Every day I get calls from people who signed for loans that weren't fully explained to them," said Catey Doyle, chief staff attorney for the Legal Aid Society of Milwaukee. "Some people knew full well what the terms were but were hoping on a wing and a prayer that they'd get that raise at work, or their ship would come in somehow before the payments went up."

For thousands, no ship came in. Wisconsin courts recorded 16,473 foreclosure filings last year and 4,834 in the first three months of this year. ForeclosuresWI.com figures show.

A growing number of homeowners are trapped between the higher monthly payments of their adjustable-rate mortgages and a housing market too soft for a quick sale, said Robert Jansen, president of the Milwaukee-based data tracking firm.

"On average, there were 77 foreclosures filed every business day in the first quarter," Jansen said.

This sad situation has given the slumping housing industry a new line of business.

ForeclosuresWI.com has

gotten a lot of new clients, Jansen said, many who wound up buying foreclosed properties at below-market prices.

Foreclosure-related appraisal jobs have doubled in six months for Paul Rick Vozar of Vozar Appraisal Service Inc. in Milwaukee.

"We estimate the value in 'as is' condition, then estimate the amount of repairs needed and estimate the value as if repairs were completed," Vozar said. "There are times the property is in need of massive repairs."

Effect on house prices

Foreclosure properties are hitting metro Milwaukee steadily enough to keep housing prices from rising, Vozar and Scholtka said.

If borrowers facing default don't take action, and take it soon, these problems will worsen, housing industry representatives have said.

Their advice: Talk to your lender now to learn your options, cut back on unnecessary spending, take advantage of free counseling services in your community and refinance into a better deal if you can.

Contrary to what most people think, broker Scholtka said, banks don't want your mortgaged house back. "Don't want-ers" is what lenders call such houses.

"Fifty grand — that's the average of what banks and credit unions lose when they foreclose," Scholtka said. "That's why they're 'don't want-ers.'"

For Representative Wieckert's Personal and Immediate Attention



URGENT !!

Constituent Action Form

Name:

Time:

Address:

Date:

Phone:

Request:

Mode of Contact:

Phone Call

Voice Mail

Visit

Fax

E mail

Visit

to.....

Appleton

Capitol

SKW home

Other

Action:

Date:

Flash Message for:

Steve Wieckert
State Representative
Wisconsin State Capitol
Room Nine North
Madison, WI 53708
608-266-3070
920/731-3000
1-888-534-0057
FAX 608-261-2360



TO: All Legislators
FROM: Michael Theo and Rick Chandler
DATE: March 26, 2007
RE: Real Estate Transfer Tax Proposal

On behalf of the 18,000 Realtors across Wisconsin and the homeowner and property owners they represent, we urge you to reject the proposed doubling of the real estate transfer tax in the biennial budget bill as introduced. We believe this "home tax" – and tax on all real estate sales - is unfair, unnecessary and unwise.

We believe this tax increase should be rejected for the following reasons:

- The Home Tax hurts housing affordability
 - Raising the Home Tax will hurt housing affordability in Wisconsin, raising the cost of selling and/or buying a home.
 - The current Home Tax is \$492 on the sale of a median priced home (\$164,000) in Wisconsin. This proposal would double that to a whopping \$984. (Doubling the tax from \$3 to \$6 per \$1,000 of property value.)
 - The Governor's proposal would move us from having the 22nd highest real estate transfer tax in the nation to the 12th highest.
- The Home Tax singles out just those citizens who are selling or buying a home or other real property.
 - The seller is responsible for paying the transfer tax in full, at closing, at a time when both buyers and sellers must incur numerous closing costs.
 - Raising the Home Tax hurts elderly homeowners particularly hard because they are often on fixed incomes and must maximize proceeds from their home sale for the financing of their new housing.
 - If the seller can't afford to lose that equity, the price of the house will increase and that will prevent many Wisconsin families from being able to afford their American Dream.
 - This hurts everyone from an elderly seller who is counting on the equity from the sale of their home to pay for retirement or alternative living arrangement, to the young couple selling their starter home and looking for a bigger house for a growing family.
- The Home Tax hurts the state's economy
 - This is a particularly bad time to harm the housing and real estate industry.
 - Tougher mortgage standards resulting from the unfolding subprime lending problems, rising property taxes and a cooling state and national housing market, have combined to dampen or restrict the demand for housing. If stagnant demand leads to increases in the already abundant supply of housing, the housing market slowdown could worsen.
 - Real estate is a leading economic indicator, leading the state and national economies into and out of economic troughs, and thus every effort should be made to avoid harming this sector of our economy, especially now.

- Home Tax revenues have gone up significantly in recent years
 - Because the transfer tax is tied to the selling price of real property, it automatically increases with property appreciation.
 - The Wisconsin Taxpayers Alliance reports that transfer tax receipts have increased from \$4.8 million per year to \$100.7 million per year from 1980 to 2006 and have gone up an average of over 12% per year in the past 5 years!

- The Home Tax is unfair, regressive and discriminatory
 - The governor proposes to use nearly all the additional revenues raised by this tax increase to help pay for the county court system and youth aids programs, and county shared revenues. It is fundamentally unfair to ask only those few citizens involved in real estate transactions each year to pay higher taxes for services everyone uses.

 - The Home Tax is regressive because it is imposed on home values at a flat rate. Moderate-income families like teachers, police officers and firefighters, as well as lower income families, pay a greater percentage of their income on housing and thus will suffer most when they go to sell their home.

- The Home Tax is also a Business Tax
 - This tax is applied to all real estate transfers - everything from the sale of farms to commercial buildings.
 - Because it is applied only to real property transfers, the Home Tax is also a Business Tax that discriminates against real estate investments.
 - Wisconsin has the 8th highest property taxes in the nation. Increasing real estate taxes even further creates greater disincentives for business to locate or grow here.

- Home Tax revenues are unreliable
 - Revenues from the Home Tax are extremely volatile, fluctuating with real estate market cycles. Given the current cooling of real estate markets in Wisconsin, this is a particularly bad time to raise this tax.
 - Relying on cyclical funding such as the Home Tax creates future budget uncertainties and the potential for raising other taxes or cutting future spending in the event of reduced real estate transactions.
 - Under the proposal, all future county aids from the state will be tied to one revenue source, which fluctuates with real estate market conditions. The Legislative Fiscal Bureau estimates a dramatic drop in the upcoming biennium alone with revenues from the transfer tax falling from 2005-06 actual revenues of \$80.5 million, to 2006-07 projected revenues of \$69 million (a 14.3% drop) and 2007-08 projected revenues of just \$62 million (another 10.1% drop).
 - As a result, this ill-advised change not only creates budget uncertainties for counties and the state, it also creates additional animosity between county government and homeowners that other local units of governments do not face.

ANNUAL ACTIVITY - 2006					
Region	County	Median Price			Tax Increase Per Transaction
		Q4 2006 Median Price	Current Law 3% RETT	Doyle proposal 6% RETT	
Southeast	Kenosha	\$169,200	\$508	\$1,015	\$508
Southeast	Milwaukee	\$158,700	\$476	\$952	\$476
Southeast	Ozaukee	\$244,700	\$734	\$1,468	\$734
Southeast	Racine	\$155,000	\$465	\$930	\$465
Southeast	Sheboygan	\$131,400	\$394	\$788	\$394
Southeast	Walworth	\$194,000	\$582	\$1,164	\$582
Southeast	Washington	\$204,500	\$614	\$1,227	\$614
Southeast	Waukesha	\$253,100	\$759	\$1,519	\$759
Southeast	Metro Milwaukee	\$186,700	\$560	\$1,120	\$560
Southeast	Regional Total	\$180,000	\$540	\$1,080	\$540
South Central	Columbia	\$163,100	\$489	\$979	\$489
South Central	Dane	\$214,600	\$644	\$1,288	\$644
South Central	Dodge	\$131,600	\$395	\$790	\$395
South Central	Green	\$145,000	\$435	\$870	\$435
South Central	Jefferson	\$172,000	\$516	\$1,032	\$516
South Central	Rock	\$128,700	\$386	\$772	\$386
South Central	Sauk	\$160,000	\$480	\$960	\$480
South Central	Regional Total	\$160,000	\$540	\$1,080	\$540
West	Buffalo-Trempeleau-Pepin	\$102,900	\$309	\$617	\$309
West	Chippewa	\$132,300	\$397	\$794	\$397
West	Dunn	\$146,700	\$440	\$880	\$440
West	Eau Claire	\$133,300	\$400	\$800	\$400
West	La Crosse	\$140,000	\$420	\$840	\$420
West	Pierce	\$189,200	\$568	\$1,135	\$568
West	St. Croix	\$205,000	\$615	\$1,230	\$615
West	Regional Total	\$155,000	\$465	\$930	\$465
Northeast	Brown	\$150,700	\$452	\$904	\$452
Northeast	Calumet	\$160,000	\$480	\$960	\$480
Northeast	Door	\$235,700	\$707	\$1,414	\$707
Northeast	Fond du Lac	\$122,500	\$368	\$735	\$368
Northeast	Green Lake	\$117,100	\$351	\$703	\$351
Northeast	Kewaunee	\$94,300	\$283	\$566	\$283
Northeast	Manitowoc	\$95,000	\$285	\$570	\$285
Northeast	Marinette	\$79,100	\$237	\$475	\$237
Northeast	Menominee	\$212,900	\$639	\$1,277	\$639
Northeast	Oconto	\$117,800	\$353	\$707	\$353
Northeast	Outagamie	\$138,700	\$416	\$832	\$416
Northeast	Shawano	\$106,200	\$319	\$637	\$319
Northeast	Waupaca	\$114,500	\$344	\$687	\$344
Northeast	Winnebago	\$125,700	\$377	\$754	\$377
Northeast	Regional Total	\$133,800	\$401	\$803	\$401

ANNUAL ACTIVITY - 2006					
Region	County	Median Price			Sales
		Q4 2006 Median Price	Current Law 3% RETT	Doyle proposal 6% RETT	Tax Increase Per Transaction
Central	Adams	\$108,600	\$326	\$652	\$326
Central	Clark	\$79,000	\$237	\$474	\$237
Central	Juneau	\$97,500	\$293	\$585	\$293
Central	Marathon	\$133,700	\$401	\$802	\$401
Central	Portage	\$130,700	\$392	\$784	\$392
Central	Waushara	\$121,800	\$365	\$731	\$365
Central	Wood	\$93,700	\$281	\$562	\$281
Central	Regional Total	\$122,900	\$369	\$737	\$369
North	Ashland/Bayfield	\$111,100	\$333	\$667	\$333
North	Barron	\$127,100	\$381	\$763	\$381
North	Burnett	\$138,200	\$415	\$829	\$415
North	Douglas	\$155,000	\$465	\$930	\$465
North	Florence	\$35,000	\$105	\$210	\$105
North	Forest	\$77,100	\$231	\$463	\$231
North	Iron	\$90,000	\$270	\$540	\$270
North	Langlade	\$73,000	\$219	\$438	\$219
North	Lincoln	\$95,700	\$287	\$574	\$287
North	Oneida	\$123,300	\$370	\$740	\$370
North	Polk	\$154,500	\$464	\$927	\$464
North	Price	\$71,700	\$215	\$430	\$215
North	Rusk	\$107,500	\$323	\$645	\$323
North	Sawyer	\$170,000	\$510	\$1,020	\$510
North	Taylor	\$112,000	\$336	\$672	\$336
North	Washburn	\$170,000	\$510	\$1,020	\$510
North	Vilas	\$145,000	\$435	\$870	\$435
North	Regional Total	\$125,000	\$375	\$750	\$375

Wood Communications Group—Checkpoint; February 2007
Run dates: February 20-26, 2007
Wisconsin Statewide, 400-person sample
Margin of error \pm 5 percentage points
Appropriate Gender groups
Record zip codes; appropriate geographic representation

Hello, my name is _____ and I'm calling from Voter Consumer Research, a national research firm. We're conducting a survey and I'd like to ask you a few questions about issues that affect people here in Wisconsin. This will only take a few minutes of your time and no one will try to sell you anything as a result of this survey. May I speak with a male/female 18 years or older who lives at this address and is now at home?

Screening Questions:

A. Are you registered to vote at your current address?

Yes

No (TERMINATE)

NS/REF (TERMINATE)

B. In the next statewide election, would you say you will almost certainly vote, will you probably vote, will you probably not vote or will you almost certainly not vote?

Almost certainly will vote (80%)

Will probably vote (20%)

Will probably not vote (TERMINATE)

Will almost certainly not vote (TERMINATE)

C. Do you currently serve as a town, village, city, state or U.S. elected official?

Yes (TERMINATE)

No

NS/NF (TERMINATE)

D. Are you currently employed by a television, radio or print media organization in any capacity?

Yes (TERMINATE)

No

NS/NF (TERMINATE)

Survey:

Checkpoint

Governor Doyle also has proposed an increase in the tax that homeowners pay when they sell their home—called the real estate transfer tax. Under the Doyle plan, sellers would pay a tax of \$6 for every \$1,000 in the sale price of a home. This is double the \$3 tax they pay now. For an average-priced home of \$164,000, the transfer tax would increase from \$492 to \$984. Based on this information, would you support or oppose this increase in the taxes homeowners are required to pay when they sell their home?

Support	10%
Oppose	87%
NS/NO	3%

People who support this tax increase say that it will provide the state with more money for needed programs, while people who oppose this measure say that it would make housing less affordable and harder for many families to sell or buy a home. What do you think? Do you think that this is a good way to pay for government programs or do you think it would make it harder for families to sell or buy a home?

(ROTATE)

Good way to help pay for government programs	14%
Would make it harder for families to sell or buy a	76%
NS/NO	10%

The governor also has proposed to increase the money the state has available to purchase private land to be dedicated to permanent open space and state parks. His proposal would increase this Stewardship Fund from \$60 million a year to as much as \$105 million a year. Would you agree that we should be buying more private land to preserve it forever, or would you agree that buying more land only takes it off the tax roles so the rest of us have to pay more in taxes? (ROTATE)

We should buy more private land to preserve it forever	40%
Buying more land takes it off tax roles so the rest of us have to pay more in taxes	46%
NS/NO	14%

Now I have just a few final questions for statistical purposes. Remember that this and all information you provide will remain confidential.

First, do you own or rent your home?

Own	86%
Rent	13%
Other	1%
NS/NO	0%

What is your age? [DO NOT READ LIST.]

18-24	2%
25-34	8%
35-44	17%
45-54	22%
55-64	24%
65 or older	26%
REF	1%

When you vote, do you vote for mostly Democratic candidates, mostly Republican candidates, do you vote about equally for both Republicans and Democrats or do you vote for other party candidates?

Mostly Democrat	30%
Mostly Republican	28%
About equal	31%
Other	4%
NS/REF	7%

Which of the following general categories best describes your total annual household income from all sources for 2006? [READ LIST.]

Less than \$20,000	10%
\$20,000 to \$39,999	15%

\$40,000 to \$59,999	20%
\$60,000 to \$79,999	16%
\$80,000 or more	24%
NS/REF	16%

[RECORD BY OBSERVATION]

Male	48%
Female	52%

[RECORD BY SAMPLE/ZIP CODE]

Northern WI	5%
West Central	8%
North Central	7%
Northeast	14%
Southwest	8%
South Central	19%
Southeast	40%

That concludes this interview. Thank you very much for your help.



Say No to Raising the Home Tax

Talking points against a transfer tax increase

- Raising the real estate transfer tax is raising taxes on homes in Wisconsin.
- The Home Tax hurts buyers and sellers
 - The seller is responsible for paying the transfer tax in full, at closing, at a time when both buyers and sellers must incur numerous closing costs.
 - Raising the Home Tax hurts elderly homeowners because it's double taxation on property owners who pay significant property taxes each year and then are forced to give part of their equity away in order to create an opportunity for someone else to buy their home.
 - If the seller can't afford to lose that equity, the price of the house will increase and that will prevent many Wisconsin families from being able to afford their American Dream.
 - This hurts everyone from an elderly seller who is counting on the equity from the sale of their home to pay for retirement or alternative living arrangement, to the young couple selling their starter home and looking for a bigger house for a growing family.
- The Home Tax hurts housing affordability
 - Raising the Home Tax will hurt housing affordability in Wisconsin, raising the cost of selling and/or buying a home.
 - The current Home Tax is \$498 on the sale of a median priced home (\$166,000) in Wisconsin. This proposal would double that to a whopping \$996.
 - The Governor's proposal would move us from having the 22nd highest real estate transfer tax in the nation to the 12th highest.
- The Home Tax is regressive and discriminatory
 - The Home Tax is regressive because it is imposed on home values at a flat rate. Moderate-income families like teachers, police officers and firefighters, as well as lower income families, pay a greater percentage of their income on housing and thus will suffer most when they go to sell their home.
- The Home Tax is also a Business Tax
 - Because it is applied only to real property transfers, the Home Tax is also a Business Tax that discriminates against real estate investments, making real property investments less attractive compared to other financial assets such as stocks and bonds.
 - Wisconsin already has the 8th highest property taxes in the nation. Increasing real estate taxes even further creates greater disincentives for business to locate or grow here.
- The Home Tax revenues are unreliable
 - Revenues from the Home Tax are extremely volatile, fluctuating with real estate market cycles. Given the current cooling of real estate markets in Wisconsin, this is a particularly bad time to raise this tax.
 - Relying on cyclical funding such as the Home Tax creates future budget uncertainties and the potential for raising other taxes or cutting future spending in the event of reduced real estate transactions.



SMALL Business Times

Milwaukee and Southeastern Wisconsin Business News

WEALTH MANAGEMENT STRATEGIES:
"Misconceptions that Shackle CEOs"

A presentation by:
David F. Hokanson,
Consultant & Author



March 1, 2007 | 7:30am -11:30am | Pfister Hotel - Milwaukee

Doyle should reconsider property sale tax hike

Posted on February 20 2007 05:35 PM

Wisconsin Gov. Jim Doyle made the following comment before the joint session of the Legislature: "My budget says every child, every family, should have a chance to get ahead and live the American dream."

It is unfortunate that home ownership and Wisconsin families are not being valued in

Gov. Doyle's latest budget released this past week. His proposal would double the real estate transfer tax to \$6 per thousand dollars of value, which would result in a southeastern Wisconsin family paying an upfront tax of \$1,500 when purchasing a \$250,000 home. Currently, homebuyers pay \$3 per thousand dollars of value or \$750 on a \$250,000 home.

For many families, adding a \$1,500 upfront tax to their purchase may delay or eliminate their chance of achieving the American Dream of home ownership.

National figures estimate that for every 1 percent increase in a down payment for a home decreases housing affordability by up to 70 percent for "could be" buyers with low to middle incomes. This is an astonishing statistic that does not bode well for housing affordability in our region.

While it may be a great time to buy a home, it just became more expensive and less attainable for many Wisconsin families. Please contact your state senator and state representative to oppose this provision in the governor's proposed state budget.

J. Scott Mathie is the director of government affairs for the Metropolitan Builders Association in Waukesha. He can be reached at (262) 436-1122.

By J. Scott Mathie

J. Scott Mathie is the director of government affairs at the Metropolitan Builders Association...



[View full bio](#)

Posted under: [Banking/Finance](#), [Commercial Real Estate](#), [Government](#), [Residential Real Estate](#)

No Comments

No Comments

There are no comments on this post. Be the first: