



The Business Advocate for Virginia Real Estate Professionals

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The debate's not over yet, but Virginia REALTORS® should feel a measure of success with this week's passage of a 2007 state budget that does not include an onerous grantors tax increase. For months, VAR had actively opposed proposals that would have funded transportation improvements in Virginia by quadrupling the tax owners pay when they sell real estate. Thanks in large part to VAR's strong response to the tax proposal, it was not included in the compromise budget that passed.

"The grantors tax proposal would be yet another assault on the cost of the real estate transaction," said VAR President Kit Hale of Roanoke. "While REALTORS® are sensitive to the transportation problems many areas of the state are experiencing, it's just not good public policy to fund solutions to those problems on the backs of property owners."

Hale added, "Since the General Assembly raised the recordation tax on homebuyers only two years ago, and homeowners are experiencing record increases in real estate taxes because of soaring assessments across the Commonwealth, any additional increases in the prices of buying, owning or selling homes is simply unfair."

Gridlocked since March, legislators passed a two-year, \$74 billion state spending plan this past week. The General Assembly will come back later this summer or fall to address transportation. VAR fully expects the grantor and recordation taxes to be back in play then. "We aggressively opposed any efforts to increase real estate transfer taxes on a statewide basis throughout the 2006 regular and special sessions, and will do so again in the months ahead," said VAR CEO Scott Brunner. "At the same time, we aim to demonstrate leadership in working with our elected officials to find fairer, more common sense ways to fund transportation infrastructure in our state."