



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 643

PRINTER'S NO. 619

PRIME SPONSOR: Dougherty

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	\$0	See Fiscal Impact
Housing Affordability and Rehabilitation Enhancement Fund	\$0	See Fiscal Impact

SUMMARY: Amends Act 2 of 1971, known as the Tax Reform Code, to increase the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund (PHARE) Realty Transfer Tax limit. This act will take effect in 60 days.

ANALYSIS: This legislation amends the Tax Reform Code (Act 2 of 1971) Section 1102-C.6 (relating to Transfer of Realty Transfer Tax). Specifically, the bill increases the Housing Affordability and Rehabilitation Enhancement Fund (PHARE) Realty Transfer Tax (RTT) limit by an additional \$10 million to a total of \$110 million starting in 2028/29.

FISCAL IMPACT: The enactment of this legislation would have a fiscal impact on Commonwealth funds, specifically the General Fund and the Housing Affordability and Rehabilitation Enhancement Fund (PHARE).

Under current law, PHARE's Realty Transfer Tax (RTT) limits are set as follows:

- 2024/25 - \$70 million
- 2025/26 - \$80 million
- 2026/27 - \$90 million
- 2027/28 - \$100 million

Starting in FY 2028/29 and each year thereafter, the bill increases the PHARE Realty Transfer Tax limit by \$10 million dollars to \$110 million. The fiscal impact would be a \$10 million reduction to the General Fund with a corresponding increase in the same amount within PHARE.

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House Appropriations Committee (D)

DATE: April 24, 2025

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.