

## DEPARTMENT OF TAXATION 2020 Fiscal Impact Statement

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| <b>1. Patron</b> Richard C. Sullivan, Jr.                       | <b>2. Bill Number</b> <u>HB 1580</u>   |
| <b>3. Committee</b> House Finance                               | <b>House of Origin:</b><br><u>  X  </u> <b>Introduced</b><br><u>     </u> <b>Substitute</b><br><u>     </u> <b>Engrossed</b> |
| <b>4. Title</b> Deeds not Taxable; Deeds Involving Only Spouses | <b>Second House:</b><br><u>     </u> <b>In Committee</b><br><u>     </u> <b>Substitute</b><br><u>     </u> <b>Enrolled</b>   |

**5. Summary/Purpose:**

This bill would clarify that the Recordation Tax exemption for deeds between married persons includes deeds between all spouses.

Under current law, the Recordation Tax exemption for deeds between married persons refers to “a husband and wife.”

If enacted during the 2020 Regular Session of the General Assembly, this bill would become effective July 1, 2020.

**6. Budget amendment necessary:** No.

**7. No Fiscal Impact** (See Line 8.)

**8. Fiscal implications:**

This bill would have no state or local administrative or revenue impact.

**9. Specific agency or political subdivisions affected:**

All localities.

**10. Technical amendment necessary:** No.

**11. Other comments:**

Under current law, the following five types of supplemental deeds are exempt from the Recordation Tax when the tax has been paid on the original deed:

- Deed of confirmation;
- Deed of correction;
- Deed to which a husband and wife are the only parties;

- Deed arising out of a contract to purchase real estate so long as the tax paid on the original deed was the proper amount; and
- Notice of assignment of a note secured by a deed of trust or mortgage.

This bill would clarify that the exemption for “a husband and wife” includes all married persons. This clarification reflects the fact that Virginia has recognized same-sex unions since 2014.

### Proposal

This bill would clarify that the Recordation Tax exemption for deeds between married persons includes deeds between all spouses.

If enacted during the 2020 Regular Session of the General Assembly, this bill would become effective July 1, 2020.

### Similar Legislation

**House Bill 788** would provide that no deed recorded on or after July 1, 2020 shall contain a reference to a restrictive covenant and that a clerk may refuse to accept any such deed submitted for recordation that references such restrictive covenant.

**House Bill 1615** would provide that writings supplemental to deeds of trust or mortgages conveying property within VA to secure bonds or obligations secured by deeds of trust or mortgages on property outside VA are exempt from the Recordation Tax so long as they do not state an increase in the amount of the principal obligation secured on the in-state property even though the principal amount of the bonds or obligations may have increased.

cc: Secretary of Finance

Date: 1/30/2020 VB  
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