



Senators,

My name is Bayard Williams, and I am the 2018 President of the Delaware Association of REALTORS®, a trade association that represents more than 3,800 members across the state of Delaware.

I'm here today in support of Senate Bill 175, An Act to Amend Title 30 of the Delaware Code Relating to Withholding of Income Tax on Sale or Exchange of Real Estate by Nonresidents.

This bill is a direct result of a proposal by the Delaware Association of REALTORS® early last session to help the state collect capital gains on home sales where sellers are not Delaware residents.

Our proposal to the State/County Revenue Task Force was simple - remove a loophole from Delaware Form 5403 which allows nonresidents to defer capital gains payments on their home sale, and require payment at the settlement table instead, to ensure the state captures all of the money owed.

DAR also urged the Task Force to require a full audit of Form 5403, going back to its inception in January of 2011, to collect any unpaid capital gains payments already owed to the State. The Delaware Association of REALTORS® still believes that a full audit of these forms will generate one-time revenue that can greatly benefit the State. We ask the General Assembly to consider requiring a full audit of this form.

A copy of our presentation from March 2017 is included with this statement.

Senate Bill 175 would exempt bank-owned and foreclosed properties from paying capital gains at the settlement table, which is important to keep distressed property sales moving.

The Delaware Association of REALTORS® wholeheartedly supports this legislation. We ask that you release it from Committee with a favorable vote so we can begin collecting Delaware capital gains on these home sales before the money leaves the state and becomes more difficult to recover.

Thank you for your time and consideration,

Bayard Williams  
2018 President, Delaware Association of REALTORS®