

Delaware  
Division of Revenue  
2013 - 2014 Updates

Presented by:  
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Bills Passed in 147<sup>th</sup>  
Delaware General Assembly

- Nine bills passed this session that impact Title 30, Taxation.
- HB 50 sets personal income tax rates beginning after December 31, 2013

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House Bill 50 Amended  
Chapter 11 of Title 30

- 2.2% of taxable income in excess of \$2,000 but not in excess of \$5,000
- 3.9% of taxable income in excess of \$5,000 but not in excess of \$10,000
- 4.8% of taxable income in excess of \$10,000 but not in excess of \$20,000

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## House Bill 50 Amended Chapter 11 of Title 30

- 5.2% of taxable income in excess of \$20,000 but not in excess of \$25,000
- 5.55% of taxable income in excess of \$25,000 but not in excess of \$60,000
- 6.6% of taxable income in excess of \$60,000

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## Bills Passed in 147<sup>th</sup> Delaware General Assembly

- HB 53 and SB 120 WSA1 address license and gross receipts.

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## House Bill 53 Amended Several Chapters of Title 30

- This Act decreases certain General Fund business and occupational gross receipts tax rates.
- Monthly exclusions remain unchanged
- Effective date of this Bill is January 1, 2014

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## House Bill 53 Amended Several Chapters of Title 30

- Occupational Licenses: 0.4023% to 0.3983%
- Contractors/Developers: 0.6537% to 0.6472%
- Manufacturers: 0.1886% to 0.126%
- Manufacturers Auto: 0.1414% to 0.0945%

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## House Bill 53 Amended Several Chapters of Title 30

- Manufacturers Clean Energy Tech: 0.1414% to 0.0945%
- Wholesalers: 0.4023% to 0.3983%
- Petroleum Surcharge: 0.2514% to 0.2489%
- Food Processor: 0.2012% to 0.1991%

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## House Bill 53 Amended Several Chapters of Title 30

- Commercial Food Dealer: 0.1006% to 0.0996%
- Retailers: 0.7543% to 0.7468%
- Transient Retailer: 0.7543 to 0.7468%
- Restaurant Retailer: 0.6537% to 0.6472%
- Farm Machinery Retailer: 0.1006% to 0.0996%
- Grocery Store Retailer: 0.33% to 0.3267%

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### House Bill 53 Amended Several Chapters of Title 30

- Leases of Tangible Personal Property:  
use tax increase 2.0114% to 1.9914%
- Leases of Motor Vehicles use tax increase  
2.0114% to 1.9914%
- Lessor of tangible personal property:  
0.3017% to 0.2987%



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### Senate Bill 120 WSA1 Amended Chapter 65 of Title 30

- Secretaries of both Department of Finance  
and Department of Health and Social  
Services to collaborate on tax rates for  
Qualified Nursing Facilities.
- Notice of rate change to be given no less  
than 30 days before the start of the next  
calendar quarter.



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### Bills Passed in 147<sup>th</sup> Delaware General Assembly

- HB 142 and HB 145 WHA1 make  
administrative changes and creates new  
chapter in Title 30.
- HB 142 – reinstates the 50% cap for failure  
to file a tax return.



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## House Bill 145 WHA1 creates Chapter 31 in Title 30

Delaware Infrastructure Emergency Response Act

Out of State business/personnel providing temporary assistance during a state of emergency declared by the Governor or President. Their presence does not establish nexus for tax purposes.



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## House Bill 143 and Senate Bill 84 amends Chapter 20 of Title 30

- HB 143 – makes permanent Delaware's research and development tax credit
- SB 84 – Neighborhood Assistance Tax Credit Program. Bill seeks to increase the number of individuals and business that can take the credit by adjusting the maximum credit amounts.



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## House Bill 149 and Senate Bill 26 amend Chapter 15 of Title 30

- HB 149 – structures Delaware law based on updates version of the federal statute. Does not change tax rate or taxable basis.
- SB 26 – provides a default procedure for equitably allocating the cost of estate taxes among beneficiaries of an estate



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## DOR Major Areas of Attention

- Continued Focus on Corporate Audits
  - Non file of gross receipts, underreporting, categories of income
  - VDA program
- Implementation of New Partnership Return Processing System
  - focus on Partnership Pass-Through Audits

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## DOR Major Areas of Attention

- Increased Focus on Personal Audits
  - Non file, underreporting, etc.
  - EOAD/RAR and CP2000
  - Requirements to file amended returns within 90 days.

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## Questions ???

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