

STATE OF DELAWARE

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NEW LEGISLATIVE CHANGES

- ▶ Personal income tax rate change for 2014 will be 6.6% (HB 50)
- ▶ New check-off: Veterans Trust Fund
- ▶ Gross receipt rate changes:
 - ▶ 1% reduction in all categories except manufacturers.
 - ▶ 30% reduction for manufacturers

GROSS RECEIPT (TY2014 RATES)

OCCUPATIONS GENERALLY	0.3983%
CONTRACTORS	0.6472%
MANUFACTURERS	0.126%
WHOLESALE	0.3983%
PETROLEUM PRODUCTS WHOLESALE	0.2489%
FOOD PROCESSORS WHOLESALE	0.1991%
COMMERCIAL FEED WHOLESALE	0.0996%
RETAILERS	0.7468%
TRANSIENT RETAILERS	0.7468%
RESTAURANT WHOLESALE	0.6472%
FARM MACHINERY RETAILERS	0.0996%
GROCERY STORE RETAILERS	0.3257%
LESSORS	0.2987%
CLEAN ENERGY DEVICE MANUFACTURER *NEW FOR 2014	0.1414%
AUTO MANUFACTURER	0.0945%

SAME SEX COUPLES / CIVIL UNION

- ▶ Same sex couples who are not legally married but living together will file as "single"
- ▶ Same sex couples who are legally married can only file as married filing "joint" or married filing "separate", they cannot use the filing status "single"
- ▶ Federal law: Same-sex couples can file prior year amended returns as long as the returns are in statute - same for Delaware. Delaware law effective January 1, 2012.

MODERNIZED E- FILE

- ▶ Delaware can allow the forms below thru e-file:
 - ▶ Form 200-01 (Resident)
 - ▶ Form 200-02 (Non-Resident)
 - ▶ Delaware Form 2210
 - ▶ Federal returns and schedules, W-2 and 1099.
- ▶ Delaware will allow attached pdf. files of other state return(s)
- ▶ At this time we are not able to see Form 700, Schedule W, De IRA and Form 329.

MODERNIZED E-FILE: SUMMARY

- ▶ PIT received in 2013 – 383,344
- ▶ PIT received in 2012 – 367,924
- ▶ Corporate received in 2012 – 845
- ▶ Corporate received in 2013 – 14,556
- ▶ Partnership update... Delaware is NOT expecting to be completed for Tax Year 2013

DELAWARE E-FILE: SUMMARY

- ▶ Total Elf returns for 2012 – 367,956 (83%)
- ▶ Total returns for 2011 – 306,928
- ▶ Internet returns filed for 2012 – 8,047
- ▶ Internet returns filed for 2011 – 47,380
- ▶ Paper returns filed for 2012 – 116,556
- ▶ Paper returns filed for 2011 – 129,230

AVERAGE REFUND TIME COMPARISON

- ▶ Tax Year 2012
 - ▶ Elf without exception 6.0, with 37.8 days
 - ▶ Internet without exception 5.6, with 18.0 days
 - ▶ Internet returns (Non-Resident only) 5.6, with 32.8
 - ▶ Paper without exception 14.4, with 34.7 days
- ▶ Tax Year 2011
 - ▶ Elf without exception 4.9, with 10.7 days
 - ▶ Internet without exception 4.3, with 9.3 days
 - ▶ Paper without exception 11, with 18 days

OTHER STATE RETURNS /CREDIT

- ▶ Delaware will request other state return(s) if there are no W-2(s) showing which state the taxpayer worked in compared to the credit claimed
- ▶ If the return shows a higher credit amount then the W-2 withholding – the other state return may be requested
- ▶ If a paper return is filed and the other state return is not attached – a letter may be issued requesting the information

MAILROOM MODERNIZATION

- ▶ Starting in 2013, the Delaware Division of Revenue started using check 21 for check processing.
- ▶ We will start processing and scanning PIT returns and bills thru the new system.

ITIN RETURNS - UPDATE

- ▶ Affective for Ty2012 returns going forward...
 - ▶ Delaware will review ITIN returns like other states
 - ▶ Correspondence may be sent when names and social security numbers are not matching the W-2 attached with the tax return.
 - ▶ We may also be requesting photo IDS to verify the individual matching the employer records

FRAUD RETURNS

- ▶ As of Ty2012, all first time filer returns will be stopped and reviewed manually in our system.
- ▶ Currently, over 3,000 returns have been stopped and reviewed.
 - ▶ Over 1 million in refunds have been disallowed and labeled as "fraud".


