

**Delaware
Division of Revenue
2014 - 2015 Updates**

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**Bills Passed in 147th
Delaware General Assembly**

- Seven bills passed this session that impact Title 30, Taxation.
- HB 268 and HB 289 address license and gross receipts.



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**House Bill 268 Amended
Chapter 21 of Title 21**

- Bill ensures that before the Division of Motor Vehicles registers a corporate vehicle that corporation must show proof of a valid Delaware business license.



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House Bill 289 Amended
Chapter 101 of Title 16

- E-911 surcharge already exists on providers of telecommunication services in Delaware
- This bill extends the fee to the sale of prepaid wireless retail transactions.

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Bills Passed in 147th
Delaware General Assembly

- HB 140 and SB 182 address personal income tax.

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HB 140 and SB182 Amended
Chapter 11 of Title 30

- Check off boxes on personal income tax return for:
- Delaware Veterans Trust Fund
- Protecting Delaware's Children Fund

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Bills Passed in 147th Delaware General Assembly

- HB 269 and HB 144 make administrative changes to Title 30.

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House Bill 269 and 144 amended Chapter 21 and 5 of Title 30

- HB 269 – Requires the Department of Finance to provide an anonymous reporting of individuals or businesses who have failed to obtain a business license

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House Bill 269 and 144 amended Chapter 21 and 5 of Title 30

- HB 141- Clarifies and reaffirms the GA intent that the DOR has a single set of rules in Chapter 5 Title 30 governing how it administers, enforces, and collects State taxes

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House Bill 318 amends Chapter 20 of Title 30

- Currently businesses are entitled to a state tax credit equal to 50% of the corresponding federal credit for R&D
- Businesses with less than \$20MM average annual GR (last four years) are entitled to 100% of federal credit
- Still annual cap of \$5MM

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Bottle Recycle Fee Sunset

- Bill was enacted December 1, 2010 and replaced the 5 cent deposit with a 4 cent recycling fee.
- Bill sunsets December 1, 2014.
- Notice to all affected licensed businesses.

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DOR Audit Issues

- Licensed wholesalers shipping TPP into Delaware via CCC.
- These receipts are includable in their DE taxable GR
- Regardless of who arranged, paid, etc for CCC

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Del Code 30 Chapter 29

- 2901(8) (b) provides in part:
 - Wholesaler GR include total consideration received from sales of TPP physically delivered within this State...
- 2901(17) provides in part:
 - “physically delivered within this State” includes delivery ... to a CCC for shipment to a place within this State irrespective of FOB or other terms of payment

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DOR Audit Issues

- Focus on Corporate Audits
 - Non file of gross receipts, underreporting, categories of income
 - VDA program
- Partnership and S Corporations
 - focus on Pass-Through Entity Audits

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DOR - Areas of Attention

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

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Questions ???

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