

New Senior Citizen Discount for Delaware Business Licenses

With the passage of Senate Bill 108, senior citizens meeting specific criteria are now eligible for a 75% reduction in the annual fee of their Delaware business license.

Sole proprietors 65 years of age or older whose gross receipts are less than \$10,000 for the twelve months preceeding the year of business application or renewal - beginning July 1st and ending June 30th - are eligible to pay one-fourth the annual occupational or business license fee for the following business types:

Professional Services, General Services,
Contractors, Manufacturers,
Wholesalers, Retailers,
Lessors of Tangible Personal Property
(Motor Vehicle Lessors Excluded)

Senate Bill 108 is effective for tax periods after December 31, 2004.



There will be no changes to the Withholding and Corporate Income Tax rates for the 2006 tax year.

DELAWARE DIVISION OF REVENUE PUBLIC SERVICE OFFICE LOCATIONS

NEW CASTLE COUNTY

CARVEL STATE OFFICE BUILDING
820 NORTH FRENCH STREET
WILMINGTON, DE 19801
PHONE: 302.577.8200
FAX: 302.577.8202

KENT COUNTY

THOMAS COLLINS BUILDING
540 S. DUPONT HIGHWAY
DOVER, DE 19901
PHONE: 302.744.1085
FAX: 302.744.1095

SUSSEX COUNTY

422 N. DUPONT HIGHWAY.
GEORGETOWN, DE 19947
PHONE: 302.856.5358
FAX: 302.856.5697



DELAWARE DIVISION OF REVENUE
(302) 577-8200
WWW.STATE.DE.US/REVENUE

2006

CHANGES TO DELAWARE BUSINESS TAXES



Delaware
Division of Revenue

www.state.de.us/revenue

Changes to Gross Receipts Taxes

This year, the 143rd State of Delaware General Assembly voted to reduce business and occupational gross receipts tax rates by 20% for all businesses (except automobile manufacturers, for which rates were reduced 25%).

Monthly exclusion amounts have also increased by \$30,000 for most categories except manufacturing.

What this means for you is your business will owe substantially less in Delaware gross receipts tax this year. Not only has the percentage of tax you'll pay on your total sales lowered, but your exemption increased as well, so you can earn more in 2006 before taxes are even required.

Your new tax rate will be reflected in your 2006 gross receipts payment booklets, which you will begin receiving during the last quarter of 2005. A few tax rate examples are also listed by business description below.

Please call (302) 577-8778 if you have any questions or would like additional assistance regarding Delaware's new gross receipts tax rates.

Business Description	Annual Fee	Tax Rate	Monthly Exclusion (Effective 01/01/06)	Quarterly Exclusion (Effective 01/01/06)
Construction Trans Contr, Resident	\$75	0.499%	\$80,000	\$240,000
Contractor-Resident and Non-Resident	\$75	0.499%	\$80,000	\$240,000
Hotel, Motel and Tourist Home	\$15-\$30 per room	8% of Rents Received	-	-
Lessee of Tangible Property	-	1.536%	-	-
Lessor of Tangible Personal Property	\$75	0.230%	-	\$240,000
Manufacturer - Various Products	\$75	0.144%	\$1,000,000	\$3,000,000
Motor Vehicle Dealer	\$100	\$2 for every vehicle sold	-	-
Motor Vehicle Lessor	\$75	0.288%	-	\$240,000
Motor Vehicle Lessee	-	1.920%	-	-
Non-Resident Construction Trans Contr	\$75	0.499%	\$80,000	\$240,000
Professional and/or Personal Services	\$75	0.307%	\$80,000	\$240,000
Public Utility Tax	-	2% for Manufacturing	-	4.25% for Other
Public Utility Tax - Cable TV	-	2.125%	-	-
Resident and Non-Resident Contractor/Developer	\$75	0.499%	\$80,000	\$240,000
Retailer - Petroleum Products	\$75	0.576%	\$80,000	\$240,000
Retailer - Restaurant	\$75	0.499%	\$80,000	\$240,000
Retailer - Transient (10 days or less)	\$25	0.576%	\$3,000/year	\$3,000/year
Retailer - Various Products	\$75	0.576%	\$80,000	\$240,000
Wholesaler -Any Products	\$75	0.307%	\$80,000	\$240,000
Wholesaler -Petroleum Products	\$75	0.307%	\$80,000	\$240,000

Online Services

The Delaware Division of Revenue website offers a wealth of business information and services.

Go to www.state.de.us/revenue to:

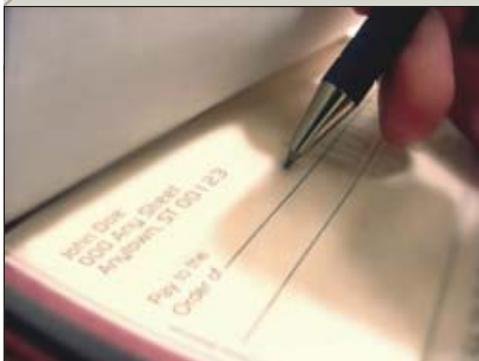
- ◆ Learn how to register your business with the state
 - ◆ Obtain tax forms
 - ◆ Renew your business license
- ◆ Transfer electronic funds for Withholding, Corporate Tentative and "S" Corporation estimated tax payments
 - ◆ Find general business information
- ◆ Access Delaware's Guide for Small Businesses
- ◆ Get Tax Tips, the latest tax news and more.

In 2006, our new One-Stop program will also allow new businesses to complete their state registration requirements from one website.

Using One Stop you can register with the Division of Revenue, Department of Labor and register your business name with the Secretary of State all from the comfort of your home or business computer.

Also look for online filing of gross receipts and withholding taxes, available soon on our website:

www.state.de.us/revenue



Contacts:

For New Business Compliance and Registration:

Selena Gardner
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For Business Tax:

Meghan Mitchell
(302) 577-8230
meghan.mitchell@state.de.us

For Technical Tax Questions and Corporate Income Tax:

Ronald Kaminski
(302) 577-8455
ronald.kaminski@state.de.us

General Business Information:

(302) 577-8778

WWW.STATE.DE.US/REVENUE