

STATE OF DELAWARE
DEPARTMENT OF FINANCE

DIVISION OF REVENUE
INFORMATION CIRCULAR 75-3

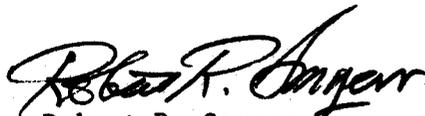
October 20, 1975

SUBJECT: Atlantic Richfield Company v. Director of Revenue, Civil Action No. 5065, Superior Court, State of Delaware

On September 29, 1975, the Superior Court affirmed the decision of the Tax Appeal Board holding that Federal and State gasoline taxes were properly includible in the "gross receipts" tax base for purposes of computing the amount payable by Atlantic under the Wholesaler License Tax imposed by Chapter 29, Title 30, Delaware Code.

In R. Baylin & Company v. Director of Revenue, Civil Action No. 5383 (October, 1974) the Superior Court held that the cost of tobacco product tax stamps (State cigarette tax) was properly includible in "gross receipts" under the Wholesalers License Tax imposed by Chapter 29, Title 30, Delaware Code.

The above decision sustained the position of the Division of Revenue. However, effective August 4, 1975, the General Assembly amended Section 2901 (b), 30 Delaware Code (Chapter 274, Vol. 60, Laws of Delaware) to exempt State motor fuel and tobacco taxes from the definition of "gross receipts." It should be observed that the new amendment does not exempt Federal gasoline or tobacco taxes, and therefore, Federal taxes will continue to be includible in taxable gross receipts for purposes of Chapter 29.



Robert R. Smyers
Deputy Director of Revenue

mrs

DISTRIBUTION: A and B