



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
601 Delaware Avenue
Wilmington, Delaware 19899

TAX NEWSGRAM 75-13

August 7, 1975

- Licensing Requirements and Taxes Relating to Lessors of Tangible Personal Property (Chapter 43, Title 30, Delaware Code).

House Bill 456 (Chapter 163, Volume 60, Laws of Delaware), approved and effective July 1, 1975, amends Chapter 43, Title 30, Delaware Code as follows:

- (1) The basic annual license fee for lessors engaged in leasing tangible personal property for use in Delaware is increased from \$30 to \$50 plus a flat \$10 for each additional place of business located within Delaware.
- (2) The license year is changed from a fiscal year ending June 30 to a calendar year ending December 31, and licenses for the six-month period July 1 to December 31, 1975, will be renewed or issued for one-half (\$25) the basic annual fee.
- (3) In addition to the license fee, there is imposed on every lessor an annual tax equal to 3/10 of 1% of the lease rental payments received payable in quarterly installments. Returns are due quarterly on or before the first days of November, February, May and August in each year.
- (4) Persons required to be licensed as a retailer under Chapter 29, Title 30, are exempt from the license requirements and taxes imposed on lessors under Chapter 43.

Under the law, the lessor is already required to collect and report to the Division of Revenue the tax imposed on lessees of tangible personal property. Accordingly, each lessor will now be required to file two quarterly license return forms, viz:

- (a) For purposes of remitting the 2% excise tax imposed on each Lessee on leases of tangible personal property for use within this State, and



(b) For purposes of remitting the 3/10 of 1% gross receipts tax imposed on every Lessor on the amount of the lease rental payments received under such leases.

Such returns are due on or before the first day of each month of November, February, May and August of each year for the rentals received during the next preceding three-month period ending on the last day of September, December, March and June.



Louis N. Megargee
Director of Revenue

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