



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

TAX NEWSGRAM 75-17

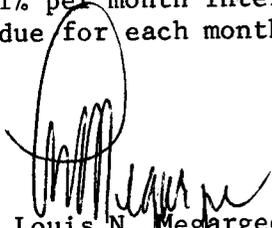
August 28, 1975

- Withholding of Income Tax By Employers

Under present law employers are required to file withholding returns quarterly which are due on or before the last day of the month following the close of the quarter. In addition, if the aggregate amount withheld by an employer exceeds \$10.00 (prior to April 1, 1975, the amount was \$200.00) in either of the first two months of the quarter, the employer is required to deposit the amount withheld with the Division of Revenue on or before the 15th day following the end of such month. The amount withheld in the third month of the quarter is reported and paid with the filing of the quarterly return. These rules will continue in effect until December 31, 1975.

Effective January 1, 1976, pursuant to House Bill 564, which was approved on August 4, 1975, employers will be required to file withholding returns on a monthly basis, and the requirement to file quarterly returns will be eliminated. Every employer will be required to file a withholding return each month which return will be due by the 15th day of the month and will include all amounts withheld from employees during the preceding month. The \$10.00 limitation in present law is repealed so that a return is required regardless of the amount withheld. This law becomes effective January 1, 1976, and will apply to amounts withheld by employers on and after January 1, 1976.

Under the law income taxes deducted and withheld by employers from their employees are considered to be held in trust for the State and severe penalties are imposed for failure to file timely returns. In addition to a 1% per month interest charge, a penalty equal to 5% of the amount due for each month up to a maximum of 25% is provided.



Louis N. Megargee  
Director of Revenue

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