



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

DIVISION OF REVENUE  
TAX RULING 77-6

June 20, 1977

Corporation Income Tax

House Bill No. 382, as amended by House Amendment No. 3, First Session, 129th General Assembly, approved by the Governor on June 6, 1977, amends Section 1902 (a), 30 Del. C., to increase the corporation income tax rate from 7.2% to 8.7% effective with respect to taxable income derived after December 31, 1976.

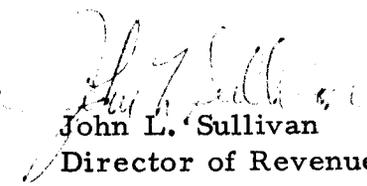
For calendar year corporate taxpayers the increased rate will be applicable to entire taxable income reported on the 1977 final return which will be due April 1, 1978. However, effective with the estimated tax return due September 15, 1977, taxpayers should adjust their estimated liability and payments to reflect the increased liability that would have been reportable on the tentative return for the current year due April 1, 1977, and estimated return due June 15, 1977.

For fiscal year corporate taxpayers (whose fiscal year ends during 1977), the final return due the first day of the fourth month following the close of the fiscal year should reflect the additional liability (1 1/2%) due with respect to taxable income attributable to the period after January 1, 1977. A special form will be prepared and made available by the Division of Revenue to be completed and attached to the final return of fiscal year taxpayers, or if such return has already been filed, to be completed and submitted as a supplement to its original return.

In determining the taxable income of a fiscal year taxpayer for purposes of the tax imposed by this Act, the taxpayer may compute its taxable income for the entire fiscal year and pay



the tax imposed (8.7%) on that portion of its taxable income which the number of days from January 1, 1977, to the close of the fiscal year in 1977 bears to 365, with the balance of the taxable income being subject to tax at the rate in existence prior to January 1, 1977 (7.2%). However, alternative methods of prorationing or calculation of the taxable income attributable to the period after January 1, 1977, may be authorized where the taxpayer can establish that such alternative method produces a more accurate, fair and equitable result than that determined under the prorationing rule described above.



John L. Sullivan  
Director of Revenue

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