



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

DIVISION OF REVENUE
TAX RULING 77-10

August 22, 1977

- Legislative Revisions

A. Penalties - Personal Income Tax

House Bill No. 349, 129th General Assembly, First Session, approved July 14, 1977, (Chap. 181, Vol. 61, Laws of Del.), amended 30 Del. C., Section 1195, relating to penalties for failure to pay income tax, estimated tax and withholding tax, as follows:

- (1) Section 1195 (a) is amended to increase the penalty from 5% to 25% where any part of a deficiency is due to negligence.
- (2) Section 1195 (b) is amended to increase the penalty from 50% to 100% where any part of a deficiency is due to fraud.
- (3) Section 1195 (c) is amended to increase the penalty from 1% per month to 3% per month on underpayments of estimated tax.
- (4) Section 1195 (d) is amended to increase the penalty from 5% to 25% on any employer for failure to file a withholding return and pay any tax withheld.
- (5) Section 1195 (f) is amended to increase the additional civil penalty imposed by this subsection from \$1,000 to \$3,000 for failure, with fraudulent intent, to file any return, or withhold or pay any tax required by the personal income tax law (Chap. 11)

The amendments made by this Act are effective as of
July 14, 1977.

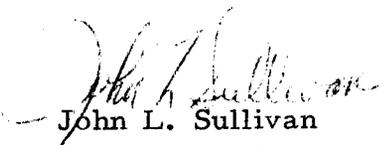


B. Occupational License - Persons Over 65 Years of Age

Under present law any person 65 years of age or over who is required to obtain an occupational license under Chap. 23, 30 Del. C., pays only $\frac{1}{4}$ of the annual license fees specified in the law if his gross receipts for the year do not exceed \$2,500. House Bill No. 207, 129th General Assembly, approved July 14, 1977, (Chap. 143, Vol. 61, Laws of Del.), amended 30 Del. C., Section 2301 (g), to increase the limitation on gross receipts from \$2,500 to \$5,000 per year. The amendment is effective with respect to licenses issued after July 14, 1977.

C. Retailer License - Arts & Crafts

House Bill No. 548, 129th General Assembly, First Session, approved July 14, 1977, (Chap. 139, Vol. 61, Laws of Del.), amended 30 Del. C., Section 2908, by adding a new subsection (f) to exempt from the retailer licensing requirements of Chap. 29, casual sales by any individual artist or craftsman of his own handmade, painted or crafted art or craft objects, provided the gross income from the sale of such objects does not exceed \$1,000 per year. The amendment, effective as of July 14, 1977, exempts "casual" sales by individual arts and crafts persons from the regular retailer license requirements as well as the "transient" retailer license. Persons engaged in such sales on a regular or full-time basis, such as operators and participants in "flea markets" would not qualify for this exemption since such sales would ordinarily not be considered "casual" sales. Further, the exemption applies only to handmade, painted or crafted art and craft objects sold or offered for sale by the individual artist or craftsman.


John L. Sullivan
Director of Revenue

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