



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
DELAWARE STATE BUILDING
820 N. FRENCH STREET
WILMINGTON, DELAWARE 19801

DIVISION OF REVENUE
TAX RULING 80-1

March 5, 1980

- Withholding Tax Returns - 25% Penalty

House Bill No. 361, approved February 4, 1980 (Ch. 183, Vol. 62, Laws of Del.), repeals Section 1195 (d), 30 Del. C., relating to the 25% penalty imposed for late filing and failure to pay withholding taxes by employers required to withhold Delaware tax on employee wages. The repeal is effective with respect to all withholding tax returns due after April 1, 1979.

Any employer who has paid the 25% penalty assessed for late filing of a withholding tax return for the month of March, 1979 (return due April 15, 1979) or any subsequent month should file a claim for refund with the Division of Revenue setting forth the name and identification number of the employer, the amount of the 25% penalty, the month or period for which it was imposed, and the date of payment. Requests for refund should be filed on Delaware Division of Revenue Form 1048 "Claim for Revision" which is available upon request. Such claims will be processed and amounts refunded as expeditiously as possible.

The repeal of the 25% penalty provision does not affect assessments of interest (at 1% per month) or the penalty of 10% per month (to a maximum of 50%) imposed for late filed withholding tax returns under Section 1194 (a), 30 Del. C., and such assessments will not be refunded or abated. Outstanding assessments of such amounts (interest and 10% penalty) continue to be due and payment should be remitted, omitting the 25% penalty which amount will be abated.

Inquiries with respect to taxpayer withholding accounts should be addressed to:

Withholding Tax Unit
Division of Revenue
820 N. French Street
Wilmington, DE 19801

Robert W. Chastant
Director of Revenue