



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

TECHNICAL INFORMATION MEMORANDUM 82-2

October 15, 1982

SUBJECT: Failure to Pay Penalty - Refund Off-Set

Section 1194 (b), 30 Del. C., as added by House Bill 637, Chap. 345, Vol. 63, Laws of Del., effective July 1, 1982, imposes an additional penalty of $\frac{1}{2}\%$ per month (up to a maximum of 25%) for the failure to pay all or part of the tax liability shown to be due on a timely filed income tax return. This penalty is in addition to the interest charge of 1% per month presently imposed on such unpaid tax liability from the due date until date of payment.

For purposes of determining the amount of the liability subject to the additional $\frac{1}{2}\%$ penalty imposed by this Section in the case of a taxpayer who, at the time the failure to pay penalty is imposed, has on file with the Division of Revenue a valid claim for refund for any prior taxable year, it shall be the policy of the Division of Revenue to off-set the amount of the unpaid tax liability shown to be due on the current year return by the amount of the refund in tax which is determined to be allowable for such prior taxable year. Such off-set will result in the reduction of the amount of the unpaid tax liability subject to the failure to pay penalty of $\frac{1}{2}\%$ per month.

Robert W. Chastant
Director of Revenue

RRS/mrs

25-06-82/22/19