



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

DIVISION OF REVENUE
TECHNICAL INFORMATION MEMORANDUM 87-6

September 30, 1987

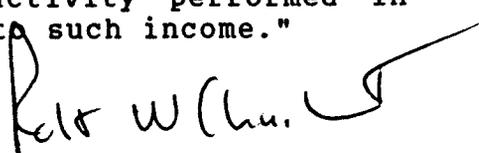
SUBJECT: DELAWARE INVESTMENT COMPANIES/HOLDING COMPANIES

Part III of Form 1902(b) relating to Delaware Investment Companies/Holding Companies requires a yes or no answer as to whether the company had income in excess of \$1 million from certain sources. The form further states that a yes answer indicates that the corporation is exempt.

Questions have arisen as to whether the absence of any "yes" answer to Part III (for example, because income from the stated sources did not exceed \$1 million) disqualifies the corporation from the exemption from Delaware corporation income tax contained in 30 Del. C., §1902(b)(8).

The answer is clearly in the negative. The million dollar threshold for describing the source of income was intended merely to limit reporting by smaller corporations. The reporting requirement has no bearing on the availability of the exemption. Corporations whose income derives from the stated sources but is less than \$1 million from each source should answer "no" in each instance. Doing so does not disqualify the corporation from §1902(b)(8) exemption. In the next printing of Form 1902(b), question 1 of Part III will be revised to read as follows:

"1. Did the corporation, directly or indirectly, receive income from any one of the following sources? Please check the appropriate box for each source of income, and for each yes response where the income received is in excess of One Million Dollars (\$1,000,000), provide a description of the activity performed in Delaware with regard to such income."


Robert W. Chastant
Director of Revenue