



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

DIVISION OF REVENUE

March 1, 1990

TECHNICAL INFORMATION MEMORANDUM 90-1-A
ADDENDUM TO MEMORANDUM 86-10 - CONTRACTOR LICENSING

This Addendum serves to note changes to Technical Information Memorandum 86-10 as a result of Senate Bill 55 effective June 27, 1989.

1. Page 1. II. Summary of Changes -- Cash Bonds

The Division of Revenue will accept cash bonds irrespective of the size of the contract or contracts covered by the bond. Heretofore, cash bonds could not be accepted for contracts in excess of \$100,000. The Director of Revenue will, by application, accept bank Letters of Credit to fulfill the bonding requirements. Requests for authorization to accept bank Letters of Credit should be made by letter to the Director of Revenue.

2. Page 3. IV Specific Issues. A. Distinction between "Resident" and "Non-Resident Contractor".

Senate Bill 55, effective for contracts signed on or after June 27, 1989, changed the definition of "resident contractor" to include those contractors who regularly maintain a place of business in Delaware. Heretofore, it was required that the principal place of business and main office be located in Delaware. "Regularly maintaining a place of business" in Delaware does not include site trailers or other facilities serving only one contract or related set of contracts.

3. Page 4. Mandatory Compliance With Both Gross Receipts and Licensing Provisions -- Monthly Exclusion Increased

In accordance with House Bill Number 691, effective January 1, 1989 the monthly exclusion for all contractors has been changed from \$6,000 to \$12,000. The license gross receipts coupon booklets have been changed to reflect this increase with the amount of the exclusion preprinted on the coupons.

4. **Page 6. Mandatory Compliance With Both Gross Receipts and Licensing Provisions --
Amounts Paid to Subcontractors**

In order to be able to deduct the amounts paid to subcontractors by the contractor from the gross receipts, Form 1280, Subcontractor Payments, must be completed and attached to the gross receipts tax form for verification.

5. **Page 6. VII. Contact Persons for Additional Information**

Division of Revenue

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Director of Revenue