



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
820 N. FRENCH STREET
P.O. BOX 8911
WILMINGTON, DELAWARE 19899-8911

DIVISION OF REVENUE

TECHNICAL INFORMATION MEMORANDUM 94-1

SEPTEMBER 15, 1994

SUBJECT: PUBLIC UTILITIES TAX REDUCTION FOR MANUFACTURERS

**CONTACT: RONALD A. KAMINSKI
(302) 577-3322**

I. INTRODUCTION

S.B. No. 447, signed July 1, 1994, amended Chapter 55, 30 Del. C., to provide for a reduction of the public utility tax on the consumption of electricity commodities or services from 4.25% to 2.00% for qualified licensed manufacturers with business locations within Delaware. This Technical Information Memorandum constitutes the Division of Revenue's Regulations with regard to the reduction of the Public Utility Tax as provided in 30 Del. C. §563.

II. REQUIRED QUALIFICATIONS

This Technical Information Memorandum is effective for all electricity commodities or services distributed after September 30, 1994, to business locations used primarily for manufacturing goods within this State.

The business location must be used primarily for the manufacture of goods within this State and, for these purposes, the definition of "manufacturers" does not include scientific, agricultural or industrial research, development or testing. The definition of manufacturing contained in 30 Del. C. §2701 is otherwise applicable to this Act. The term "business location" means all contiguous real property in which the manufacturer or any of its affiliates has an interest, including a possessory interest.

The business location must employ over 70% of its personnel exclusively in the manufacturing process within this State. Personnel employed in the management or administrative support of the business location or another Delaware manufacturing location are considered employed in the manufacturing process within Delaware. Personnel employed at this business location who perform any services related to, or in support of, manufacturing or non-manufacturing activities conducted outside Delaware are not considered employed in the manufacturing process within this State.

III. REQUIRED DOCUMENTATION

A qualified Delaware manufacturing business location must submit a completed Form 5502TR-9409, Application For Reduction Of Public Utilities Tax By Manufacturers, to the State of Delaware Division of Revenue, 820 N. French St., PO Box 2340, Wilmington, DE 19899-2340. No applications are to be sent direct to your electricity distributor.

A separate Form 5502TR-9409 must be completed and submitted to the Delaware Division of Revenue for each qualifying manufacturing business location within Delaware along with copies of billings for electricity commodities or services consumed after September 30, 1994, for which a retroactive application of the tax reduction is sought.

IV. QUALIFICATION

Every applicant will receive a written determination from the Delaware Division of Revenue. All approved applications will be forwarded to the proper distributor of the electricity commodities or services.

All approved applicants will have their utility account adjusted by the distributor to reflect the reduction in the Public Utility Tax. Any overpayment of the Public Utility Tax by the approved business location for electricity commodities or services consumed from October 1, 1994, to the date of adjustment by the distributor will be reflected in subsequent billings. All billing inquiries are to be directed to your distributor.



William M. Remington
Director of Revenue

STATE OF DELAWARE
Department of Finance
Division of Revenue
20 N. French Street
P.O. Box 2340
Wilmington Delaware 19899-2340

APPLICATION FOR REDUCTION
OF PUBLIC UTILITIES TAX
BY MANUFACTURERS

FORM 5502TR-9409

**THIS APPLICATION MUST BE COMPLETED BY MANUFACTURERS AND FILED WITH THE DIVISION OF REVENUE
TO QUALIFY FOR A REDUCTION OF THE ELECTRICITY COMMODITIES TAX TO 2%
IMPOSED BY CHAPTER 55, TITLE 30, DELAWARE CODE**

1.	Enter Federal Employer Identification Number	OR	Social Security Number
1-	<input type="text"/>		2- <input type="text"/>
2.	Name		
3.	Address		
4.	Location of facility (if different from above)		
5.	Division of Revenue Manufacturer's License Number		
6.	Utility Name/Utility Account Number(s)		

A SEPARATE APPLICATION FORM MUST BE COMPLETED FOR EACH DELAWARE MANUFACTURING SITE

- 7. Enter the number of employees located at this facility who are engaged exclusively in the management or administrative support of or employed exclusively in manufacturing of goods at this facility or another manufacturing facility in Delaware. _____
- 8. Enter the number of employees located at this facility who perform services related to or in support of manufacturing or non-manufacturing activities conducted outside this state. _____
- 9. Enter the total number of employees at this facility. Add Lines 7 and 8. _____
- 10. Divide Line 7 by Line 9 and enter the percentage here. _____

For the facility to qualify for the Public Utility Tax Reduction, Line 10 must be greater than 70%.

Signature Title Date

I declare under penalties as provided by law that the information on this form is true, correct and complete.

FOR DIVISION OF REVENUE USE ONLY

APPROVED []

DISSAPROVED []

Signature Title Date

GENERAL INSTRUCTIONS

Section 5502 Title 30 of the Delaware Code has been amended to provide for a reduction of the public utility tax on the consumption of electricity commodities or services from 4.25% to 2.00% for qualified licensed manufacturing facilities within Delaware.

The reduction of the public utility tax is effective for all electricity commodities or services distributed after September 30, 1994, to business locations used primarily for manufacturing goods within this State, and for these purposes, the definition of "Manufacturers" does not include scientific, agricultural or industrial research, development or testing. The definition of manufacturing is the same as defined in 30 Del. C. §2701. The term "business location" shall mean all adjoining real property in which the manufacturer or any of its affiliates has an interest, including a possessory interest.

The business location must employ over 70% of its personnel exclusively in the manufacturing process within this State. Personnel employed in the management or administrative support of the business location or another Delaware manufacturing location are considered employed in the manufacturing process. Personnel employed at this business location which perform any services related to, or in support of, manufacturing or non-manufacturing activities conducted outside Delaware are not considered employed in the manufacturing process within this State.

To qualify, each Delaware manufacturing business location must submit a completed Form 5502TR-9409, Application For Reduction Of Public Utilities Tax By Manufacturers, to the State of Delaware Division of Revenue, 820 N. French St., PO Box 2340, Wilmington, DE 19899-2340. All inquiries regarding qualification are addressed to Delaware Division of Revenue, Ronald A. Kaminski, Corporate Audit Bureau Manager, 302-577-3322. All inquiries regarding billing are addressed to the public utility supplying electricity commodities and services to the qualified business location.

SPECIFIC INSTRUCTIONS

- Line 1:** Enter in the blocked area the Federal Identification Number or Social Security Number of the business entity. (A separate Form 5502TR-9409 must be completed and submitted for each qualifying manufacturing business location within Delaware.)
- Line 2:** Enter the name of the business entity.
- Line 3:** Enter the address of the business entity.
- Line 4:** Enter the address, if different from Line 3, of the qualifying business location.
- Line 5:** Enter the current year's Manufacturer license number issued by the State of Delaware Division of Revenue to the qualifying business location.
- Line 6:** Enter the name of the utility which is supplying electricity commodities and services to the qualifying business location and the customer account number(s) assigned to the business location.
- Line 7:** Enter the number of employees located at this facility who are engaged exclusively in the management or administrative support of or employed exclusively in manufacturing of goods at this facility or another manufacturing facility in Delaware.
- Line 8:** Enter the number of employees located at this facility who perform services related to or in support of manufacturing or non-manufacturing activities conducted outside Delaware.
- Line 9:** Total number of employees at this facility. The total number of employees must equal the sum of Lines 7 and 8.
- Line 10:** Divide Line 7 by Line 9 and enter the percentage here. The percentage on Line 10 must be greater than 70% for the business location to be eligible for the public utility tax reduction.