



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**

**TAX INFORMATION MEMORANDUM 97-1**

**JULY 18, 1997**

**SUBJECT: WITHHOLDING TAX RETURN FILING FREQUENCY;  
SUPPLEMENT TO TIM 96-4**

Questions have arisen concerning the rules for the frequency of filing employee income tax withholding returns. This Tax Information Memorandum supplements Tax Information Memorandum (TIM) 96-4 and further explains the rules under Title 30 Delaware Code § 1154 relating to employers' returns and payment of tax withheld.

Section 1154 was amended for calendar years commencing January 1, 1997. The filing frequency is established for an entire calendar year based upon the amount of withholding during a twelve month period known as the "lookback period." The "lookback period" is the twelve months from July 1 through June 30 immediately preceding the calendar year for which the filing frequency is determined. The lookback period for calendar year 1997 is the twelve month period from July 1, 1995 through June 30, 1996.

Taxpayers' filing frequencies for 1997 were calculated by the Division of Revenue based upon the total tax required to be deducted, withheld, and paid over ("withholding") during the twelve month lookback period of July 1, 1995 through June 30, 1996. The employer's filing frequency was established as quarterly when the tax required to be withheld during the twelve

month lookback period was \$3,600 or less. When the required withholding during the lookback period was more than \$3,600 but less than \$20,000, the filing frequency was established as monthly. When the required withholding during the lookback period was more than \$20,000, the filing frequency was established as eighth-monthly. Employers who had no employees in Delaware during the lookback period were established as monthly filers.

Each year the Division of Revenue will determine the filing frequency based upon analysis of the taxpayer's required withholding during the lookback period and issue the appropriate payment coupon book for the entire year.

Questions may be directed to Mr. David Sullivan at (302) 577-3366 Ext. 7500 or by writing to: Withholding Taxes, State of Delaware Division of Revenue, 820 N. French Street, Wilmington, DE 19801.

*William M. Rewington*