

**TAX TIPS  
FOR AN AFFILIATED FINANCE COMPANY  
CONDUCTING BUSINESS IN DELAWARE**

**Things You Should Know**

Since May 1, 1981, no corporation may carry on business in the State of Delaware as an affiliated finance company unless it has first obtained a license to conduct such business from the Division of Revenue and has paid a license fee measured by its capital base.

**Definition**

An affiliated finance company is a corporation whose activity within Delaware is limited to the issuance of commercial paper or other debt obligations and use of the proceeds to make loans to one or more of its affiliated corporations or to purchase receivables from one or more of its affiliated corporations. An affiliated finance company means two or more corporations which are members of a controlled group of corporations as defined in Section 1563 of the Internal Revenue Code.

**License Requirements**

Affiliated finance companies taxed under Chapter 63 of Title 30 of the Delaware Code are exempt from any occupational license taxes imposed by Part III of Title 30 of the Delaware Code. The licenses are valid for one year and must be renewed annually and the license fee paid on or before **April 30** of each year and may be obtained by completing FORM 1268-LA2, APPLICATION / RENEWAL FOR AFFILIATED FINANCE COMPANY.

**Computation of the Annual License Fee**

<b>If the Capital Base is</b>	<b>The Annual License Fee Shall Be</b>
\$ 0.00 to \$ 99,999,999.99	\$10,000
\$100,000,000.00 to \$224,999,999.99	\$15,000
\$225,000,000.00 to \$749,999,999.99	\$25,000
Over \$750,000,000.00	\$50,000

The State of Delaware also has a Division of Professional Regulations. Many occupations and some types of equipment have regulatory requirements. Please contact the Division of Professional Regulation for more information.

**General**

If you have any questions, please contact one of the following offices

<i><b>Wilmington</b></i>	<i><b>Dover</b></i>	<i><b>Georgetown</b></i>
Division of Revenue Carvel State Office Building 820 North French Street Wilmington DE 19801  (302) 577-8205	Division of Revenue Thomas Collins Building 540 South DuPont Highway Suite 2 Dover DE 19901  (302) 739-5251	Division of Revenue 20653 DuPont Blvd Suite 2 Georgetown DE 19947  (302) 856-5358

or by e-mail at: [matt.fay@state.de.us](mailto:matt.fay@state.de.us) (302) 577-8450