



SPONSOR: Sen. Cloutier
Sens. Delcollo, Hansen, Pettyjohn, Walsh, Wilson; Rep.
Yearick

DELAWARE STATE SENATE
150th GENERAL ASSEMBLY

SENATE BILL NO. 55

AN ACT TO AMEND TITLE 29 AND TITLE 30 OF THE DELAWARE CODE RELATING TO OCCUPATIONAL
LICENSE FEES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. The General Assembly finds and declares all of the following:

(1) Nearly 1 in 3 workers nationwide needs a government-issued license to work, a requirement which is a hardship particularly for young and low-income workers, groups that are hurt the most by occupational licensing.

(2) "Young workers" are those between the ages of 18 and 25 years. "Low-income workers" are those living in a household with an income that is equal to or less than 130% of the federal poverty guidelines. In 2018, the federal poverty guidelines were \$15,782 for an individual or \$32,630 for a family of 4.

(3) Young and low-income workers are disproportionately harmed by occupational licensing fees. Licensing makes many promising work options cost-prohibitive for both young and low-income workers.

(4) A near-record-low number of young American workers are participating in the labor force, and they continue to be impacted by the Great Recession. Although the overall economy has steadily improved, the unemployment rate for individuals who are 20 through 24 years old remained over 7% as of December 2018, and the unemployment rate for teenagers was more than 12%. These rates are significantly higher than the unemployment rate of those over 25 years old, which was about 4% in the same time period.

(5) A 2017 study that looked at licensing requirements nationwide for 102 different low- and medium-income occupations found an average requirement of \$260 in fees, 1 exam, and approximately 1 year's worth of education and training for licensure. Meanwhile, \$200 is at the low end of what a week of groceries for a family of 4 costs. Every additional dollar or training requirement creates a higher barrier to work.

(6) An occupational license fee tax credit will benefit all consumers, because giving people easier access to work will increase the supply of professionals and the additional competition will drive down consumer prices and increase service quality.

(7) Arizona, Florida, and Indiana have passed similar legislation waiving some occupational licensing fees; Arkansas, Iowa, Kentucky, Missouri, Michigan, Oklahoma, and West Virginia have introduced similar bills.

Section 2. Amend § 8735 of Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8735. Division of Professional Regulation.

(m)(1) The Social Security number of the applicant shall be included on the application for issuance or renewal of any license, permit, certificate, approval, registration or other similar form of permission or authorization to practice or engage in any profession, occupation or business of any commission, board or agency named in this section (but not including any license issued on behalf of a nonprofit applicant by the Board of Charitable Gaming as set forth in Chapter 15 of Title 28).

(2) A statement that an applicant for an initial license may be eligible for a tax credit under § 1119 of Title 30 shall be included in the materials for an application for issuance of an initial license to practice or engage in any profession, occupation, or business under Title 24.

Section 3. Amend Subchapter II, Chapter 11, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1119. Initial occupational license fee tax credit.

(a) An individual who has applied for an initial license for a profession, occupation, or business under Title 24 and paid the required license fee is eligible for a 1-time tax credit against the individual's tax otherwise due under this chapter if either of the following criteria is met:

(1) The individual is 25 years old or younger.

(2) The individual's income is equal to or less than 130% of the federal poverty guidelines.

(b) A tax credit for which an individual is eligible under this section must be equal to the amount the individual paid for the license fee.

(c) An individual is eligible for a tax credit under this section only in the tax year in which the individual paid the license fee.

(d) A tax credit under this section applies only to a fee related to an initial license and therefore does not apply to other fees, such as fees charged for license renewal, reciprocity, late payment, or a request for change of status.

SYNOPSIS

This Act authorizes a 1-time tax credit in the amount of a fee for a new, initial license under Title 24 for an individual who is 25 years or younger, or whose income is equal to or less than 130% of the federal poverty guideline. The tax credit eases the financial burden on young and low-income workers entering licensed occupations. The tax credit applies only to initial, or first-time, licenses, and in the tax year in which the fee is charged. It does not apply to other fees, such as license renewal, reciprocity, late payment, or a request for change of status. To ensure that new applicants are aware of the tax credit, the Division of Professional Regulations must provide a statement on application materials that new applicants may be eligible for this tax credit.

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