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HOUSE OF REPRESENTATIVES
151st GENERAL ASSEMBLY

HOUSE BILL NO. 445

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO LOWERING CERTAIN TAX RATES.

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

1 Section 1. Amend § 2301, Title 30 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 2301. Occupations requiring licenses; definitions; fees; exemptions.

4 (d) (1) In addition to the license fee required by subsections (a) and (b) of this section, every person shall also pay
5 a license fee at the rate of ~~0.3983%~~ 0.1992% of the aggregate gross receipts paid to such person attributable to activities
6 licensable under this chapter, which fee shall be payable monthly on or before the twentieth day of each month with respect
7 to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross
8 receipts for each month, there shall be allowed a deduction of \$100,000. For purposes of this subsection, all branches or
9 entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1
10 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by
11 a certified statement on such forms as the Department of Finance shall require in computing this fee due.

12 Section 2. Amend § 2502, Title 30 of the Delaware Code by making deletions as shown by strike through and
13 insertions as shown by underline as follows:

14 § 2502. License requirement; resident and nonresident; additional fee on gross receipts paid; statements required.

15 (c) (1) In addition to the license fee required by subsection (a) of this section, every contractor shall pay a license
16 fee of ~~0.6472%~~ 0.3236% of the aggregate gross receipts paid to such contractor which fee shall be payable monthly on or
17 before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In
18 computing the fee due on such aggregate gross receipts for each month, there shall be allowed a deduction of \$100,000. For
19 purposes of this subsection all branches or entities comprising an enterprise with common ownership or common direction
20 and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The
21 monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in
22 computing the fee due.

Section 3. Amend § 2702, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2702. License requirements; license fee; additional fee on aggregate gross receipts; statements required.

(b) (1) In addition to the license fee required by subsection (a) of this section, every manufacturer, except those subject to paragraph (b)(2) of this section, shall pay a license fee of ~~0.126%~~ 0.063% of the aggregate gross receipts of such manufacturer, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts for each month, there shall be allowed a deduction of \$1,250,000. For purposes of this subsection, all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

(2) In addition to the license fee required by subsection (a) of this section, every clean energy technology device manufacturer shall pay a license fee of ~~0.0945%~~ 0.04725% of the aggregate gross receipts of such clean energy technology device manufacturer, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts for each month, there shall be allowed a deduction of \$1,250,000. For purposes of this subsection, all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

Section 4. Amend § 2703, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2703. Automobile manufacturers.

(c) (1) In addition to the license fee required by subsection (b) of this section, every automobile manufacturer shall pay a license fee of ~~0.0945%~~ 0.04725% of the aggregate gross receipts of such automobile manufacturer, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts for each month, there shall be allowed a deduction of \$1,250,000. For purposes of this subsection, all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross

receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

Section 5. Amend § 2902, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2902. Wholesaler license requirements; license fee; additional fee on aggregate gross receipts; statements required.

(c) (1) In addition to the license fee required by subsection (b) of this section, every wholesaler shall also pay a license fee at the rate of ~~0.3983%~~ 0.19915% of the aggregate gross receipts attributable to sales of tangible personal property physically delivered within this State, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts for each month, there shall be allowed a deduction of \$100,000. For purposes of this subsection, all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

(2) Notwithstanding paragraph (c)(1) of this section, if the taxable gross receipts prescribed therein during the lookback period as defined in § 2122 of this title do not exceed the applicable threshold of \$1,500,000, the return and payment of the additional license fee imposed for such month shall be due on or before the last day of the first month following the close of the quarter. (The applicable threshold in this paragraph is subject to annual adjustment as more fully set forth in § 515 of this title.) In the case of such return, in computing the fee due on such aggregate gross receipts for each quarter, there shall be allowed a deduction of \$300,000. For purposes of this paragraph, all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 quarterly deduction from the aggregate gross receipts of the entire enterprise. The quarterly return shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing this fee due.

(3) There shall be added to the tax provided in paragraph (c)(1) of this section an additional tax of ~~0.2489%~~ 0.12445% on all taxable gross receipts determined under this section which are derived from the sale of petroleum products defined in § 2901(12) of this title.

Section 6. Amend § 2903, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2903. Food processor license requirements; license fee; additional fee on aggregate gross receipts; statements required.

(c) (1) In addition to the license fee required by subsection (b) of this section, every food processor shall also pay a license fee at the rate of ~~0.1991%~~ 0.09955% of the aggregate gross receipts attributable to all goods sold by the food processor within this State, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts for each month, there shall be allowed a deduction of \$100,000. For purposes of this subsection all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

Section 7. Amend § 2904, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2904. Commercial feed dealer license requirements; license fee; additional fee on aggregate gross receipts; statements required.

(c) (1) In addition to the license fee required by subsection (b) of this section, every commercial feed dealer shall also pay a license fee at the rate of ~~0.0996%~~ 0.0498% percent of the aggregate gross receipts attributable to all goods delivered by the commercial dealer within this State, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts for each month, there shall be allowed a deduction of \$100,000. For purposes of this subsection all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

Section 8. Amend § 2905, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2905. Retailer license requirements; license fee; additional fee on aggregate purchase price; statements required; transient retailer license requirements; license fee.

(b) (1) In addition to the license fee required by subsection (a) of this section, every retailer shall pay a license fee at the rate of ~~0.7468%~~ 0.3734% of the aggregate gross receipts attributable to all goods sold or services rendered by the retailer within the State, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross

receipts for each month, there shall be allowed a deduction of \$100,000. For purposes of this subsection, all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

Section 9. Amend § 2905, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2905. Retailer license requirements; license fee; additional fee on aggregate purchase price; statements required; transient retailer license requirements; license fee.

(g) In addition to the license fee required by subsection (f) of this section, every transient retailer shall pay a license fee at the rate of ~~0.7468%~~ 0.3734% of the aggregate gross receipts attributable to all goods sold or services rendered by the transient retailer within the State which exceed \$3,000. Unless a transient retailer exceeds \$3,000 of aggregate gross receipts attributable to all goods sold or services rendered by the transient retailer within the State during any year, said transient retailer shall not be required to file any return or certified statement with the Department of Finance; provided, however, that every transient retailer who exceeds \$3,000 of aggregate gross receipts attributable to all goods sold or services rendered by the transient retailer within the State during any year shall file a return accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

Section 10. Amend § 2906, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2906. Restaurant retailer license requirements; license fee; additional fee on aggregate gross receipts; statements required.

(c) (1) In addition to the license fee required by subsection (b) of this section every restaurant retailer shall pay a license fee at the rate of ~~0.6472%~~ 0.3236% of the aggregate gross receipts attributable to all goods sold within the State, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts of the immediately preceding month period. In computing the fee due on the aggregate gross receipts for any month, there shall be allowed a deduction of \$100,000. For purposes of this subsection, all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

Section 11. Amend § 2907, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2907. Farm machinery retailer license requirements; license fee; additional fee on aggregate gross receipts; statements required.

(c) (1) In addition to the license fee required by subsection (b) of this section, every farm machinery retailer shall also pay a license fee at the rate of ~~0.0996%~~ 0.0498% of the aggregate gross receipts attributable to all goods sold by the farm machinery retailer within this State, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts for each month, there shall be allowed a deduction of \$100,000. For purposes of this subsection all branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

Section 12. Amend § 2908, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2908. Grocery supermarket retailers.

(c) (1) In addition to the license fee required by subsection (b) of this section, every grocery store retailer shall pay a license fee at the rate of ~~0.3267%~~ 0.16335% of the aggregate gross receipts attributed to all goods sold within the State, which fee shall be payable monthly on or before the twentieth day of each month with respect to the aggregate gross receipts of the immediately preceding month. In computing the fee due on the aggregate gross receipts for any month, there shall be allowed a deduction of \$100,000. Solely for purposes of determining the rate of taxation and the monthly exclusion under this subsection, but not for determining the applicability of the definition of “grocery supermarket,” all branches or entities comprising an enterprise with common ownership or common direction and control shall be considered as one. The monthly returns shall be accompanied by a certified statement on such forms as the Division of Revenue shall require in computing the fee due.

Section 13. This Act shall become effective January 1, 2023.

SYNOPSIS

This Act's purpose is to spur economic growth in Delaware and create new jobs by giving a portion of the State's revenue surplus back to the taxpayers. Specifically, this Act cuts the gross receipts tax by 50%.