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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.

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

25 § 2702. License requirements; license fee; additional fee on aggregate gross receipts; statements required.

26 (b) (1) In addition to the license fee required by subsection (a) of this section, every manufacturer, except those
27 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
28 manufacturer, which fee shall be payable monthly on or before the twentieth day of each month with respect to the
29 aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts
30 for each month, there shall be allowed a deduction of \$1,250,000. For purposes of this subsection, all branches or entities
31 comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly
32 deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a
33 certified statement on such forms as the Department of Finance shall require in computing the fee due.

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

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

45 § 2703. Automobile manufacturers.

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

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

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

56 § 2902. Wholesaler license requirements; license fee; additional fee on aggregate gross receipts; statements
57 required.

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

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

76 (3) There shall be added to the tax provided in paragraph (c)(1) of this section an additional tax of ~~0.2489%~~
77 0.12445% on all taxable gross receipts determined under this section which are derived from the sale of petroleum
78 products defined in § 2901(12) of this title.

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

81 § 2903. Food processor license requirements; license fee; additional fee on aggregate gross receipts; statements
82 required.

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

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

93 § 2904. Commercial feed dealer license requirements; license fee; additional fee on aggregate gross receipts;
94 statements required.

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

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

105 § 2905. Retailer license requirements; license fee; additional fee on aggregate purchase price; statements required;
106 transient retailer license requirements; license fee.

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

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

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

117 § 2905. Retailer license requirements; license fee; additional fee on aggregate purchase price; statements required;
118 transient retailer license requirements; license fee.

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

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

129 § 2906. Restaurant retailer license requirements; license fee; additional fee on aggregate gross receipts; statements
130 required.

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

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

141 § 2907. Farm machinery retailer license requirements; license fee; additional fee on aggregate gross receipts;
142 statements required.

143 (c) (1) In addition to the license fee required by subsection (b) of this section, every farm machinery retailer shall
144 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
145 farm machinery retailer within this State, which fee shall be payable monthly on or before the twentieth day of each month
146 with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such
147 aggregate gross receipts for each month, there shall be allowed a deduction of \$100,000. For purposes of this subsection all
148 branches or entities comprising an enterprise with common ownership or common direction and control shall be allowed
149 only 1 monthly deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be
150 accompanied by a certified statement on such forms as the Department of Finance shall require in computing the fee due.

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

153 § 2908. Grocery supermarket retailers.

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

163 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%.