SPONSOR: Rep. Harris

HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE AMENDMENT NO. 1
TO
HOUSE BILL NO. 255

AMEND House Bill No. 255 on line 17 by inserting "and before January 1, 2031," after "January 19, 2025," as it appears therein.

FURTHER AMEND House Bill No. 255 on line 21 by inserting "placed in service before January 1, 2031," after "P.L.119-21," as it appears therein.

FURTHER AMEND House Bill No. 255 on line 29 by inserting "and before January 1, 2031," after "December 31, 2025," as it appears therein.

FURTHER AMEND House Bill No. 255 on line 34 by inserting "and before January 1, 2031," after "December 31, 2025," as it appears therein.

FURTHER AMEND House Bill No. 255 by inserting the following after line 41:

"Section 5. At the December 2027 meeting of the Delaware Economic and Financial Advisory Council, the Department of Finance shall prepare and present a report regarding the actual impact of the tax changes in this House Bill No. 255 on State revenue. The report must also provide an update regarding any additional changes to federal tax law's bonus depreciation terms and federal sunset dates. The report should include recommendations and present options regarding the continuance of the bonus depreciation provisions of this Act.".

SYNOPSIS

This amendment adds a sunset for the changes to bonus depreciation in House Bill No. 255, and requires the Department of Finance to present a report regarding the actual revenue impact of this bill, as well as updates on federal law and recommendations for future tax policy at the December 2027 DEFAC meeting.

The decoupling from §§ 70301 and 70307, P.L. 119-21, will sunset after the 2030 tax year. This is when the provisions of P.L. 119-21 for qualified production property are scheduled to expire under federal law. Property placed in service during the decoupling period will continue to be treated under the same schedules for depreciation after the decoupling sunsets. Property placed in service thereafter shall be treated under the then-current federal law.

The research and development changes in House Bill No. 255 apply only to the 2022 through 2025 tax years, so there is no need to sunset them.