



SPONSOR: Rep. Collins & Sen. Lawson  
Reps. Ramone, Vanderwende, Yearick; Sens. Bonini,  
Richardson, Wilson

HOUSE OF REPRESENTATIVES  
151st GENERAL ASSEMBLY

HOUSE BILL NO. 191

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

1 WHEREAS, the Delaware Economic and Financial Advisory Council has determined that Delaware will end up  
2 with a \$425 million surplus this fiscal year; and

3 WHEREAS, the recently enacted Federal American Rescue Plan will designate additional funds to the State of  
4 Delaware; and

5 WHEREAS, economic growth in Delaware, including employment growth and personal income growth over the  
6 last 10 years, has lagged behind the national growth rate, as well as that of every neighboring mid-Atlantic state; and

7 WHEREAS, over the last 40 years, every time Delaware's personal income tax rate has been cut, overall tax  
8 revenues have increased in less than 3 years; and

9 WHEREAS, the taxpayers of Delaware should receive a portion of surplus State tax revenues in order to stimulate  
10 economic growth; and

11 WHEREAS, no portion of the Federal funds allocated to Delaware will be utilized to fund this tax cut.

12 NOW, THEREFORE:

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

14 Section 1. Amend § 1102, Title 30 of the Delaware Code by making deletions as shown by strike through and  
15 insertions as shown by underline as follows:

16 § 1102. Imposition and rate of tax; separate tax on lump-sum distributions.

17 (a)(14) For taxable years beginning after December 31, 2013, the amount of tax shall be determined as follows:

18 2.2% of taxable income in excess of \$2,000 but not in excess of \$5,000;

19 3.9% of taxable income in excess of \$5,000 but not in excess of \$10,000;

20 4.8% of taxable income in excess of \$10,000 but not in excess of \$20,000;

21 5.2% of taxable income in excess of \$20,000 but not in excess of \$25,000;

22 5.55% of taxable income in excess of \$25,000 but not in excess of \$60,000; and

23 6.6% of taxable income in excess of \$60,000.

(15) For taxable years beginning after December 31, 2020, the amount of tax is as follows:

1.98% of taxable income in excess of \$2,000, but not in excess of \$5,000;

3.51% of taxable income in excess of \$5,000, but not in excess of \$10,000;

4.32% of taxable income in excess of \$10,000, but not in excess of \$20,000;

4.68% of taxable income in excess of \$20,000, but not in excess of \$25,000;

4.99% of taxable income in excess of \$25,000, but not in excess of \$60,000;

5.94% of taxable income in excess of \$60,000, but not in excess of \$125,000;

Section 2. Amend § 1902(a), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) Every domestic or foreign corporation that is not exempt under subsection (b) of this section shall annually pay a tax of ~~8.7~~ 6.1 percent on its taxable income, computed in accordance with §1903 of this title, which shall be deemed to be its net income derived from business activities carried on and property located within the State during the income year. Any receiver, referee, trustee, assignee or other fiduciary or any officer or agent appointed by any court who conducts the business of any corporation shall be subject to the tax imposed by this chapter in the same manner and to the same extent as if the business were conducted by the corporation.

Section 3. Amend § 2502(c)(1), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(c) (1) In addition to the license fee required by subsection (a) of this section, every contractor shall pay a license fee of ~~0.6472%~~ 0.3236% of the aggregate gross receipts paid to such contractor 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 4. Amend § 2702(b)(1) and (2), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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

54 aggregate gross receipts for the immediately preceding month. In computing the fee due on such aggregate gross receipts  
55 for each month, there shall be allowed a deduction of \$1,250,000. For purposes of this subsection, all branches or entities  
56 comprising an enterprise with common ownership or common direction and control shall be allowed only 1 monthly  
57 deduction from the aggregate gross receipts of the entire enterprise. The monthly returns shall be accompanied by a  
58 certified statement on such forms as the Department of Finance shall require in computing the fee due.

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

67 Section 5. Amend § 2703(c)(1), Title 30 of the Delaware Code by making deletions as shown by strike through  
68 and insertions as shown by underline as follows:

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

77 Section 6. Amend § 2902(c)(1), Title 30 of the Delaware Code by making deletions as shown by strike through  
78 and insertions as shown by underline as follows:

79 (c) (1) In addition to the license fee required by subsection (b) of this section, every wholesaler shall also pay a  
80 license fee at the rate of ~~0.3983%~~ 0.19915% of the aggregate gross receipts attributable to sales of tangible personal  
81 property physically delivered within this State, which fee shall be payable monthly on or before the twentieth day of each  
82 month with respect to the aggregate gross receipts for the immediately preceding month. In computing the fee due on such  
83 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 § 2902(c)(3), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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 8. Amend § 2903(c)(1), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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 9. Amend § 2904(c)(1), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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%~~ 0.498% 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 10. Amend § 2905(b)(1), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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 11. Amend § 2905(g), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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 12. Amend § 2906(c)(1), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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 13. Amend § 2907(c)(1), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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 14. Amend § 2908(c)(1), Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(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.

#### 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 (i) all personal income tax brackets by 10%, (ii) the corporate tax rate from 8.7% to 6.1%, and (iii) the gross receipts tax by 50% each.