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HOUSE OF REPRESENTATIVES
151st GENERAL ASSEMBLY

HOUSE BILL NO. 360

AN ACT TO CREATE THE 2022 DELAWARE RELIEF REBATE PROGRAM.

1 WHEREAS, the State of Delaware is emerging from a two-year pandemic and while the state and country has
2 undergone a historic economic recovery, national inflation has risen significantly meaning higher prices for groceries and
3 gasoline for Delawareans; and

4 WHEREAS, although these inflationary factors are beyond our control in Delaware, residents have experienced a
5 significant rise in prices for goods and services during the past year; and

6 WHEREAS, gas prices, in particular, have continued to climb significantly following the Russian invasion of
7 Ukraine, and even when the price per barrel of gas decreased recently, consumers have not seen relief at the pump; and

8 WHEREAS, the General Assembly considered providing a gas tax holiday, but tax revenue from the gas tax is
9 pledged to our bonds in the Transportation Trust Fund meaning the state would be in immediate default of its bond
10 agreements, and there is no guarantee that the entire savings would be passed onto the consumer, nor would a gas tax
11 holiday provide the same relief for lower-income residents who rely on public transportation or those who work from
12 home; and

13 WHEREAS, the General Assembly finds it necessary to provide specific and immediate economic relief in the
14 form of a rebate to residents of the State of Delaware; and

15 WHEREAS, the General Assembly has determined that in order to provide relief as quickly as possible to
16 Delawareans, the best method is to provide every Delaware resident who filed a 2020 Delaware state tax return a relief
17 rebate in the form of a direct payment of \$300 by check or direct deposit; and

18 WHEREAS, it is challenging for the State to identify Delawareans who were not required to and did not file a
19 Delaware 2020 tax return since they are not known to the Department of Finance, and there is no means by which the State
20 can quickly and comprehensively generate a list of these residents; and

21 WHEREAS, the General Assembly recognizes that there are Delawareans who were not required to file a 2020
22 Delaware state tax return, and calls on the Department of Finance to provide a relief rebate of \$300 to those Delaware adult
23 residents who did not file a 2020 tax return.

24 NOW, THEREFORE:

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

26 Section 1. There is hereby created the 2022 Delaware Relief Rebate Program which provides a one-time,
27 retroactive, refundable income tax credit for resident individual income taxpayers as follows:

28 (1) An individual eligible to receive the tax credit under the 2022 Delaware Relief Rebate Program means a
29 person, who, for tax year 2020, was a resident individual as defined in §1103 of Title 30 of the Delaware Code
30 (“Code”) that:

31 a. Timely filed a Delaware resident personal income tax return as the taxpayer pursuant to Chapter 11 of
32 Title 30 of the Code; and

33 b. Is not deceased as of date of credit issuance.

34 (2) The allowable tax credit, referred to in this Act as a “relief rebate”, for an eligible individual shall be:

35 a. A refundable credit of \$300, without regard to the individual’s actual tax imposed under §1102 of Title
36 30 of the Code for tax year 2020;

37 b. Excluded from the definition of “refund” under §558(b) of Title 30 of the Code; and

38 c. Deemed not to be an “overpayment of tax payable to the taxpayer” under §545 of Title 30 of the Code.

39 (3) As soon as practicable after the effective date of this Act, the Division of Revenue will send each eligible
40 individual a tax credit payment under the 2022 Delaware Relief Rebate Program. Payments may be made by such
41 method as determined by the Director of Revenue.

42 (4) For tax year 2022, the tax credit received by an eligible individual under the 2022 Delaware Relief Rebate
43 Program will be treated as a refund pursuant to §1106(b)(9) of Title 30 of the Code.

44 (5) Any protest with respect to a tax credit must be filed on or before August 31, 2022. Timely filed protests
45 with respect to a tax credit will be subject to the provisions of subchapter III of chapter 5 of Title 30 of the Code.

46 (6) The Secretary of Finance shall administer the 2022 Delaware Relief Rebate Program created by this Act.

47 (7) Records of the Department of Finance with respect to the 2022 Delaware Relief Rebate Program will be
48 subject to the protections against disclosure under §368 of Title 30 of the Code.

49 (8) The provisions of §6533(e)(1) of Title 29 of the Code shall be temporarily suspended until such time as
50 the Fiscal Year 2022 refund estimate adopted by the Delaware Economic and Financial Advisory Council accounts for
51 the 2022 Delaware Relief Rebate Program.

52 (9) Notwithstanding any other provision of Delaware Law, the special fund created pursuant to Section 125,
53 Chapter 54, Volume 83 of the Delaware Laws may be used to fund any administrative costs incurred by the Division of
54 Revenue in fulfilling its obligations under this Act.

55 (10) For purposes of this Act, "timely filed" includes extensions and will be determined by the Division of
56 Revenue.

57 Section 2. Within 6 months of enactment of this Act, the Department of Finance in collaboration with the
58 Department of Technology and Information (DTI) shall develop a pathway for each adult Delaware resident who did not
59 file a 2020 Delaware tax return or cannot otherwise be identified through other databases that may be available to the State
60 to receive a \$300 relief rebate directly or apply for one. The Secretary of Finance may establish reasonable requirements for
61 proof of identity, verification and eligibility to prevent fraudulent claims and payments including requirements for a state-
62 issued and verified identification and valid Social Security Number. State agencies with access to personal identifying
63 information of adult Delaware residents that may be eligible for the rebate will cooperate with information sharing to
64 streamline such processes and any state law limiting the ability for such information sharing shall be temporarily suspended
65 for purposes of achieving the objectives of this Act unless otherwise prohibited by federal law. Any relief rebates issued
66 pursuant to this section shall be subject to a supplemental appropriation authorized by the Delaware General Assembly.

67 Section 3. If any provision of this Act or the application of this Act to any person or circumstance is held invalid,
68 the provisions of this Act are severable if the invalidity does not affect the other provisions of this Act that can be given
69 effect without the invalid provision or the application of this Act that can be given effect without the invalid application.

70 Section 4. This Act shall be known as the "2022 Delaware Relief Rebate Program".

SYNOPSIS

The Act, which shall be known as the 2022 Delaware Relief Rebate Program, creates a "relief rebate" which is a one-time direct payment of \$300 per Delaware resident taxpayer. This relief is intended to help Delawareans grappling with significant inflation at the grocery store and gas pump.

Payment of the \$300 will be made by the Delaware Department of Finance to resident individual income taxpayers who filed a 2020 personal income tax return. This payment will be made to each taxpayer, including those who jointly filed. No action on the part of a taxpayer is required to receive the \$300. In order to quickly provide this payment to Delaware taxpayers, provisions pertaining to tax intercepts by other government entities and Delaware State agencies shall not apply. The amount received by individual taxpayers will not be subject to Delaware income taxes. Any written protest for the disallowance of the payment of the \$300 relief rebate under this Act shall be processed consistently with existing provisions in Title 30. Records of the Department with respect to the provisions of this Act are subject to existing protections from disclosure under Delaware laws. A timely filed tax return includes extensions.

This Act also temporarily suspends the limitation on refunds of taxes under Title 29 of the Code until DEFAC refund estimates include the 2022 Delaware Relief Rebate Program. Costs associated with the administration and issuance

of payments under this Act will be funded by delinquent tax revenue authorized to be retained by the Department of Finance in the annual budget act.

Finally, this Act requires the Department of Finance to establish a process to provide the relief rebate to resident adults who did not file a 2020 state income tax return by identifying adult residents through existing databases held by other state agencies, such as the Division of Motor Vehicles. The Department of Finance will then work with the Department of Technology and Information to implement a process by which eligible residents who have not been identified by other means can apply for and receive the relief rebate, subject to verification of their identity and eligibility.