SPONSOR: Rep. Longhurst & Sen. Townsend & Rep. Schwartzkopf & Rep. Mitchell & Rep. D. Short & Rep. Dukes & Sen. Sokola & Sen. Lockman & Sen. Hocker & Sen. Pettyjohn
Reps. Baumbach, Bennett, Bentz, Bolden, Bush, Carson, Cooke, Dorsey Walker, Freel, Griffith, Heffernan, K. Johnson, Kowalko, Lambert, Lynn, Matthews, Minor-Brown, S. Moore, Morrison, Osienski, K. Williams, Yearick; Sens. Ennis, Gay, Hansen, Paradee, Sturgeon

HOUSE OF REPRESENTATIVES
151st GENERAL ASSEMBLY

HOUSE BILL NO. 360
AS AMENDED BY
HOUSE AMENDMENT NO. 1

AN ACT TO CREATE THE 2022 DELAWARE RELIEF REBATE PROGRAM.

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

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

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

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

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

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

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LC : HVW : NMX : 5081510190
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WHEREAS, it is challenging for the State to identify Delawareans who were not required to and did not file a Delaware 2020 tax return since they are not known to the Department of Finance, and there is no means by which the State can quickly and comprehensively generate a list of these residents; and

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

NOW, THEREFORE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 2. Within 6 months of enactment of this Act, the Department of Finance in collaboration with the Department of Technology and Information (DTI) shall develop a pathway for each adult Delaware resident who did not file a 2020 Delaware tax return or cannot otherwise be identified through other databases that may be available to the State to receive a $300 relief rebate directly or apply for one. The Secretary of Finance may establish reasonable requirements for proof of identity, verification and eligibility to prevent fraudulent claims and payments including requirements for a state-issued and verified identification and valid Social Security Number. State agencies with access to personal identifying information of adult Delaware residents that may be eligible for the rebate will cooperate with information sharing to streamline such processes. Notwithstanding any other provision of this Code to the contrary, state agencies may share personally identifying information with the Department of Finance when necessary to assist the Secretary of Finance in preventing fraudulent claims, duplicate payments, or when otherwise necessary to carry out the requirements of this section. Any information shared with the Department of Finance pursuant to this section is “information from tax returns” as the term is used in § 368 of Title 30. The Department of Finance is authorized to share information with state agencies for the purpose of complying with this section notwithstanding the prohibitions from disclosure set forth at § 368 of Title 30. Any relief rebates issued pursuant to this section shall be subject to a supplemental appropriation authorized by the Delaware General Assembly.

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

Section 4. This Act shall be known as the “2022 Delaware Relief Rebate Program”.