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DELAWARE STATE SENATE

143rd GENERAL ASSEMBLY

SENATE BILL NO. 175

AN ACT TO AMEND TITLE 26 OF THE DELAWARE CODE RELATING TO RATE BASE.

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

1           Section 1. Amend § 102(3), Title 26 of the Delaware Code by striking paragraph d. in its entirety and replacing it with a  
2 new paragraph d. to read as follows:

3                   “d. Any accumulated deferred and unamortized income tax liabilities and investment credits, adjusted to reflect  
4 any accumulated deferred income tax assets including, but not limited to, those arising from the payment of alternative minimum  
5 tax, related to plant included in paragraph a. above, plus”.

SYNOPSIS

The existing definition of rate base predates the imposition of the Alternative Minimum Tax (“AMT”) on corporations. The payment of AMT results in an adjustment to accumulated deferred income taxes. This legislation clarifies that this adjustment to accumulated deferred income taxes is recognized in determining the utility’s rate base.

Author: Senator Adams