



SPONSOR: Rep. Keeley & Sen. McDowell  
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HOUSE OF REPRESENTATIVES  
147th GENERAL ASSEMBLY

HOUSE BILL NO. 142

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE PERTAINING TO THE PENALTIES FOR FAILURE TO FILE A TAX RETURN.

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

1           Section 1. Amend Section 534(a), Title 30 of the Delaware Code by making insertions as shown by underlining as  
2 follows:

3           (a) In case of failure to file any return required under authority of this title or Title 4 on or before the date prescribed  
4 therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable  
5 cause and not due to wilful neglect, there shall be added to the amount required to be shown as tax on such return 5% of the  
6 amount of such tax if the failure is for not more than 1 month, with an additional 5% for each additional month or fraction  
7 thereof during which such failure continues, not exceeding 50% in the aggregate. For purposes of this subsection, the  
8 amount of tax required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or  
9 before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed on  
10 the return.

11           Section 2. Amend Section 534(j), Title 30 of the Delaware Code by making insertions as shown by underlining as  
12 follows:

13           (j) If any failure to file any return is fraudulent, subsection (a) of this section shall be applied by substituting "15" for  
14 "5%" each place it appears and by substituting "75%" for "50%".

15           Section 3. This Act shall become effective with respect to taxable periods beginning after December 31, 2012.

SYNOPSIS

The Act caps the penalty for failure to file a tax return at 50% of the amount of tax required to be shown on the unfilled return (75% in the case of fraudulent returns).