SPONSOR: Rep. Keeley & Sen. McDowell
Reps. Baumbach, Mitchell, Osienski, Viola, Wilson; Sen. Simpson

HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. 66
AS AMENDED BY
HOUSE AMENDMENT NO. 1
AND
SENATE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATED TO TAX ADMINISTRATION.

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

Section 1. Amend § 531, Title 30 of the Delaware Code by making deletions as shown by strikethrough and insertions as shown by underline as follows:

§ 531. Limitations on assessment.

(i) If a taxpayer omits from a return any amount of income, ~~gross receipts,~~ gross gifts or gross estate properly includible therein which exceeds 25 percent of the amount stated on the return, the tax may be assessed at any time within 6 years after the return was filed. If a taxpayer omits from a return any amount of license fee or tax under Part III of this title includible therein which exceeds 25 percent of the amount stated on the return, the tax may be assessed at any time within 6 years after the expiration date of the license to which the proposed assessment relates.

Section 2. Amend § 547, Title 30 of the Delaware Code by making deletions as shown by strikethrough and insertions as shown by underline as follows:

§ 547. Professional and occupational licenses; denial or suspension.

(d) Contents of notice. — The notice provided for in this section shall be sent by registered or certified mail to the debtor's last address known to the Division of Revenue and shall inform the debtor:

(1) Of the nature and amount of the debt;

(2) That the debt has been reduced to judgment in the Superior Court of the State of Delaware pursuant to § 554 of this title (a copy of which judgment shall ~~be included with the notice~~ have been provided to the taxpayer on or before the date of the notice); and

(3) That, pursuant to this section and § 8735 of Title 29, this information will be sent to the Delaware Division of Professional Regulation for the purposes of suspending or denying the issue or renewal of debtor's license unless, within ~~20~~ 60 days of the notice, the debtor shall have:

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a. Paid the debt in full; or

b. Entered into a written agreement with the Director of Revenue or the Director's designee for payment of the debt with such terms as the Director of Revenue may require; or

c. Requested a hearing pursuant to subsection (e) of this section, at which the debtor may present evidence, be represented by counsel of debtor's choice and at debtor's expense, and appear personally or by other representative and at which the Director of Revenue or the Director's delegate will reach a decision based on the evidence received.

Section 3. Amend § 1154, Title 30 of the Delaware Code by making deletions as shown by strikethrough and insertions as shown by underline as follows:

§ 1154. Employer's return and payment of tax withheld.

(h) Information returns. — Any person (1) required to withhold, account for, and pay over taxes under this chapter for which federal information return form W-2 is required, (2) making any payment of salary, fee, commission or other compensation for services to any Delaware resident individual or to any individual nonresident for work done or services performed or rendered within Delaware for which federal information returns form 1099 MISC or successor form is required, or (3) otherwise withholding Delaware taxes from payment of any wage, pension, distribution or other remuneration shall also file with the Division of Revenue information returns with respect to each such individual to whom such federal forms are required to be issued. If a person is required to make and return such information reports to the Internal Revenue Service on magnetic media under Internal Revenue Code § 6011 [26 U.S.C. § 6011] and regulations thereunder or successor provision, then the information returns required to be made under this section shall, unless excepted by the Director, also be made on magnetic media. ~~Returns required to be filed on magnet media under this section shall be filed with the Division of Revenue on or before March 1 of the year following the tax year to be reported.~~ All ~~other~~ returns required to be filed under this section shall be filed with the Division of Revenue on or before the date on which such returns are required to be filed with the Internal Revenue Service.

Section 4. Amend § 1605, Title 30 of the Delaware Code by making deletions as shown by strikethrough and insertions as shown by underline as follows:

§ 1605. Returns.

(a) Pass-through entities. —

(3) Time to file return. — A return required to be filed pursuant to paragraph (a)(1) of this section shall be filed on the date on which such pass-through entity's federal tax return is due.~~:~~

~~a. In the case of a pass-through entity classified as a partnership, on the thirtieth day of the fourth month following the end of such pass-through entity's taxable year; and~~

~~b. In the case of a pass-through entity classified as an S corporation, on the thirtieth day of the third month following the end of such pass-through entity's taxable year.~~

Section 5. Amend § 1904, Title 30 of the Delaware Code by making deletions as shown by strikethrough and insertions as shown by underline as follows and redesignating accordingly:

§ 1904. Returns.

(a) A tentative return, covering estimated income tax liability for the current income year, to be in such form and containing such information as the Secretary of Finance shall prescribe, shall be filed with the Secretary of Finance as follows: In the case of a calendar year taxpayer, on or before ~~April 1~~ April 15 of the current income year; and, in the case of a fiscal year taxpayer, on or before the ~~first~~ fifteenth day of the fourth month of the current income year.

(b) A final return in such form and containing such information as the Secretary of Finance shall prescribe shall be filed with the Secretary of Finance on the date on which the taxpayer's federal return is due. ~~as follows: In the case of a calendar year taxpayer, on or before April 1 of the following year; and, in the case of a fiscal year taxpayer, on or before the first day of the fourth month following the close of the fiscal year~~.

~~(c) The first returns under this chapter shall be due as follows: In the case of a calendar year taxpayer, on or before April 1, 1958, and this tentative return shall include an estimate of the taxpayer's taxable income for the calendar year 1958; in the case of a fiscal year taxpayer, on or before the first day of the fourth month of the taxpayer's fiscal year beginning in 1958, and this tentative return shall include an estimate of the taxpayer's liability for such current income year; provided, that a fiscal year taxpayer shall also file a return with respect to income earned in the period between January 1, 1958, and the close of the taxpayer's fiscal year in 1958.~~

Section 6. Amend § 1905, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1905. Payment of tax.

The tax imposed by this chapter shall be payable as follows:

(1) Calendar year corporations. —

a. Except as provided in paragraph (1)b. of this section, 50% of the estimated tax liability for the current taxable year shall be paid with the tentative return filed on ~~April 1~~ April 15 of the current taxable year, and the balance of the estimated tax shall be paid in 3 installments as follows: 20% on June 15 of the current taxable year; 20% on September 15 of the current taxable year; and 10% on December 15 of the current taxable year.

b. For small corporations, 25% of the estimated tax liability for the current taxable year shall be paid with the tentative return filed on ~~April 1~~ April 15 of the current taxable year, and the balance of the estimated tax shall be paid in 3 equal installments of 25% on each of June 15, September 15, and December 15 of the current taxable year.

(2) Fiscal year corporations. —

a. Except as provided in paragraph (2)b. of this section, 50% of the estimated tax liability for the current taxable year shall be paid with the tentative return filed on the ~~first~~ fifteenth day of the fourth month of the current taxable year, and the balance of the estimated tax shall be paid in 3 installments as follows: 20% on the fifteenth day of the sixth month of the current taxable year; 20% on the fifteenth day of the ninth month of the current taxable year; and 10% on the fifteenth day of the twelfth month of the current taxable year.

b. For small corporations, 25% of the estimated tax liability for the current taxable year shall be paid with the tentative return filed on the ~~first~~ fifteenth day of the fourth month of the current taxable year, and the balance of the estimated tax shall be paid in 3 equal installments of 25% on each of the fifteenth day of the sixth month of the current taxable year; the fifteenth day of the ninth month of the current taxable year; and the fifteenth day of the twelfth month of the current taxable year.

Section 7. Sections 1 and 2 of this Act shall be effective immediately. Section 3 of this Act shall be effective for information returns required to be filed after December 31, 2017. Sections 4, 5, and 6 shall be effective for all tax years beginning after December 31, 2016.