153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 417**
SPONSOR:	**Representative K. Williams**
DESCRIPTION:	**AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO RESTAURANT RETAILER LICENSE REQUIREMENTS AND LICENSE FEES.**

Assumptions:

1. This Act is effective upon signature by the Governor. The provisions of this Act are effective January 1, 2027.
2. This Act increases the monthly exclusion from the Gross Receipts Tax (GRT) for those persons engaged in the business of operating a restaurant, snack bar, soda fountain, take-out food service, catering service, private eating or drinking club, or other eating establishment or service from $100,000 to $250,000. For the above restaurant businesses whose gross receipts did not exceed $1,500,000 the previous year, the Act increases the quarterly exclusion from the GRT from $300,000 to $750,000.
3. The Department of Finance reports there are currently 2,286 active restaurant retail licenses. Of this number, 695 have paid GRT in the past 12 months. The Department estimates that approximately 50% of current payers would not have GRT liability under the provisions of this Act.
4. Total retail restaurant GRT currently paid is $11.5 million.
5. FY 2027 General Fund revenue loss reflects the partial fiscal year effective date.
6. FY 2029 General Fund estimates assume 4% revenue growth.

Estimated General Fund revenue loss:

Fiscal Year 2027:	$1.5 million
Fiscal Year 2028:	$4.5 million
Fiscal Year 2029:	$4.7 million

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