



STEPHANIE T. BOLDEN
STATE REPRESENTATIVE
Second District

HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

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House Revenue and Finance Committee Meeting Minutes
6.14.22

This committee meeting has been recorded and may be accessed via legis.delaware.gov

Chair Bolden called the meeting to order at 1:04 pm. Members present included Vice-Chair Baumbach and Reps. Dorsey Walker, Bennett, Griffith, Smith, Ramone, Spiegelman, and Yearick. Rep. Collins was also present. For a list of guests present, please see the attendance list below.

Chair Bolden introduced, **House Bill 393, AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE ESTABLISHING A \$280 TAX CREDIT FOR DELAWARE RESIDENTS WITH DELAWARE TAXABLE INCOME THAT DOES NOT EXCEED \$35,000 FOR THE 2022 TAX YEAR.**

Chair Bolden explained that Rep. Gray is absent today from the committee meeting but expressed that he is in full support of HB 393.

Chair Bolden invited the sponsor of HB 393, Rep. Collins to explain the legislation. Rep. Collins stated the purpose of the legislation is to encourage persons to join the labor force and to treat employed, lower-income individuals similarly to House Bill 285. HB 285, signed by the Governor in January 2022, exempted unemployment compensation benefits from state taxes.

Rep. Collins stated the legislation is strictly supposed to be about wage income. Rep. Collins recalled House Bill 285, which gave taxes back to those on unemployment compensation benefits. Rep. Collins said the bill would allow low-income wage earners to receive a one-time tax credit. Rep. Collins apologized, noting that HB 393 uses the term “income” instead of “wage earner”, which does not reflect the intent of the legislation. Rep. Collins indicated that he plans to file an amendment on HB 393 that would implicitly state the legislation's intent to allow for low-income wage earners to receive the one-time tax credit.

Rep. Collins reiterated the purpose of the legislation is to encourage people to join the labor force and to ensure that workers receive the same benefits as those who do not work.

Rep. Collins noted that Rebecca Goldsmith, Deputy Secretary of Finance, Department of Finance also proposed an amendment. Rep. Collins indicated HB 393 needs additional amendments and stated he would not bring the legislation to the House floor until the issues were rectified.

Rep. Collins distributed the amendment he filed to committee members. He noted that he is willing to use his amendment, or the amendment drafted by the Department of Finance. Rep. Collins noted that both amendments are similar and meet the same goals. Rep. Collins explained he does not believe the Department of Finance supports HB 393 because it is costly for the State of Delaware.

Rep. Griffith asked Rep. Collins if he was currently prepared with this legislation. Rep. Collins asked for additional time to prepare HB 393. Rep. Griffith noted the bill includes a fiscal note with a general revenue loss in the fiscal year 2023 to be between \$34.5 million and \$45.9 million. Rep. Collins asked Ms. Goldsmith if the general revenue loss applied to the new amendment brought forth by the Department of Finance. Ms. Goldsmith explained that the department reached out to the sponsor with several technical concerns about the administrative impacts of this legislation. Ms. Goldsmith said the amendment also addressed taxable income and filing status clarifications. She

stated the bill as drafted does not account for joint filers and those who are married and filing taxes separately. Rep. Griffith suggested the bill is not ready to be released.

A motion was made by Rep. Griffith and seconded by Rep. Dorsey Walker to table HB 393 from committee; motion failed. Yes= (5) Chair Bolden and Vice-Chair Baumbach and Reps. Bennett, Dorsey Walker, and Griffith; No= (3) Reps. Smith, Spiegelman, and Yearick; Not Voting = (1) Rep. Ramone; Absent= (5) Reps. Freel, Wilson-Anton, Williams, and Gray.

Rep. Collins said that he will continue to work on this legislation next year. Rep. Bennett noted that the House Appropriations committee is likely not meeting again this session. Rep. Bennett explained that this legislation would be assigned to House Appropriations if HB 393 was released from committee.

Chair Bolden opened the floor to public comment.

Robert Overmiller expressed support for this legislation.

Rebecca Goldsmith, Deputy Secretary of Finance, Department of Finance reiterated that the department reached out to the sponsor with both technical and operational concerns on HB 393.

Chair Bolden explained that the motion to table the legislation failed and the committee is now deferring action on HB 393.

Vice-Chair Baumbach thanked Rep. Collins for bringing this legislation forward. Vice-Chair Baumbach expressed that HB 393 will likely not go to the floor this month. Vice-Chair Baumbach asked the committee if there should be another motion to table HB 393.

Chair Bolden said that if HB 393 does not get on the agenda in June the bill will fail. Rep. Collins said he did not expect HB 393 to pass this year. Rep. Collins said he plans to reintroduce the legislation in January 2023.

Chair Bolden adjourned the meeting at 1:21 pm.

Respectfully submitted by:

Rachel Widom, Legislative Fellow

Attendance List

- Robert Overmiller
- Rebecca Goldsmith, Deputy Secretary of Finance, Department of Finance