



Kathy L. Revel, Director

**Delaware Division of Revenue Update
Fed/State Tax Institute
December 5, 2023**

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Topics



- Introduction to the Division of Revenue
 - Background
 - Responsibilities
- 2023 Tax Year Changes
- Information about DOR's IRAS Project

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Introduction



- **Part of the Department of Finance**
- **Locations in all three counties**
 - Carvel, 1st, 8th and 9th floors, Wilmington
 - Thomas Collins Building, Dover
 - DuPont Blvd., Georgetown
- **Approximately 185 personnel**
 - Including merit, casual-seasonal, contractual, staff augmentation

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Functional Areas



- Processing
 - Mailroom
 - Data Entry
 - Return Processing
 - Business tax processing
 - Personal income tax processing
- Field Operations (Dover/Georgetown)
- Public Service (all three offices)

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Functional Areas



- Audit
 - Personal income tax
 - Business taxes
 - Corporate income tax
 - Processing
 - Enforcement
- Collections
 - Administrative/Legal support
 - Judgments
 - Bankruptcy
 - Decedents' estates
 - Domestications
 - Embedded collectors
 - Outside Collection Agencies

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Functional Areas



- Tax Conferee
 - Internal appeals
 - Administrative law judge
 - Requests for Rulings
- Tax Appeal Board (separate from DOR)
 - Quasi-judicial
 - Appointed by the Governor
 - 5 members
- Miscellaneous
 - Project personnel
 - IRS Liaison
 - Deputy Attorneys General
 - Criminal Investigations

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What do we do?

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Helpful Contacts



| Type of Inquiry | Telephone Number | Email Address |
|--------------------------------|---------------------------------------|--|
| Personal Income Tax Assistance | (302) 577-8200 | DOR_PublicService@delaware.gov |
| Collections/Account Management | (302) 577-8785 | DOR_Collections@delaware.gov |
| Installments | (302) 577-8586 | DOR_Collections@delaware.gov |
| Business License Assistance | (302) 577-8778 | DOR_BusinessTax@delaware.gov |
| Corporate Franchise Tax | <i>(see Division of Corporations)</i> | DOSDOC_ftax@delaware.gov |
| Corporate Tax Auditors | (302) 577-8783 | DOR_CorpTax@delaware.gov |
| Corporate Tax Refund/Returns | (302) 577-8781 | DOR_CorpTax@delaware.gov |
| Gross Receipts | (302) 577-8780 | DOR_BusinessTax@delaware.gov |
| Personal Income Tax Auditors | (302) 577-8994 | DOR_PersIncTax@delaware.gov |
| Refund Assistance | (302) 577-8784 | DOR_RevAccounting@delaware.gov |
| Withholding Tax | (302) 577-8779 | DOR_BusinessTax@delaware.gov |
| Tax Conferee | | TaxConferee@delaware.gov |

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2023 PIT Changes



- **New Check Boxes on Personal Income Tax Forms**
- 529 Contribution to Delaware-sponsored tuition program and ABLE Program Contributions check boxes will designate deduction being taken
- Military Pension Checkbox has been created to designate a taxpayer who is under the age of 60 but qualifies for the full pension deduction of \$12,500
- Check box added to front of return for taxpayers who can be claimed on another individual's return.
- **New Refundable Tax Credit:**
Organ and Bone Marrow Transplantation Tax Credit

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2023 Business Tax Changes



HB 2 with HA 1 and HA2-Marijuana Control Act

- **Recreational Marijuana** – creation of a marijuana control tax on retail marijuana at the rate of 15%. Licenses will be issued by the Office of the Marijuana Commissioner. The tax for the 30 authorized retailers will be required to submit tax filings and payments through the Division of Revenue portal. The retail sales are not subject to gross receipt tax.
- This act also creates a state tax deduction for corporations and pass through entities for all ordinary and necessary expenses paid or incurred by a marijuana establishment to reflect inability of a business licensed under this act to deduct these expenses from federal and state taxes.

988-Behavioral Health Crisis Intervention Services

- The Act established a 60-cent per month per line fee on phone lines and a 60-cent one-time fee on prepaid services

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Current System

```

05/11/18          REVENUE ACCOUNTING SYSTEM          DORBSMP
14:00:49          TAXPAYER ACCOUNT REPORTING         DRMA0200

ENTER TAXPAYER ID:  |  -  _____          SUFFIX:  ____ (OPTIONAL)
OR DLN              :  -  _____

IF TAXPAYER ID ENTERED THEN SELECT THE FOLLOWING IF REQUIRED -

TAX PERIOD :  START - 011960 (MMYYYY)
              END   - 122023 (MMYYYY)

REV CODE(S):  _____          BUS CODE:  ____

TAX TYPE   :  PIT _ CIT _ LIC _ W/H _

TRANSACTION TYPE
              _____

FILE        :  _ POSTED  _ UNPOSTED  _ TRANSMITTAL
SORT BY TRANS DATE:  _ START - 011960 (MMYYYY)
                  END   - 122023 (MMYYYY)
Enter PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
      HELP  MENU  BACK                                FL60  QUIT

TI|
    
```

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What is IRAS?



- IRAS is ...
 - A modernized, web-based, real-time processing system
 - Including registration, return processing, payment processing, taxpayer accounting, revenue accounting, audit, collections, and case management
- Taxpayers can access more information online through the portal
 - File and pay for Personal Income Tax, Withholding, Gross Receipts, and other business taxes
 - File and pay estimated taxes for Personal Income
 - Account Balance & Transaction Information
 - Access to Correspondence (e.g., Bills, Requests, TANs)
 - Delegation to Tax Preparers
 - Service Requests
 - Reprint Licenses Immediately
 - Payment Plans
 - Pay Bills Online
 - Bulk Filing



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When and what?



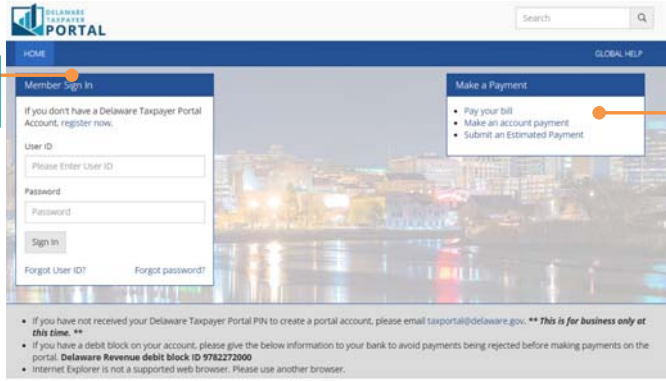
IRAS & Portal Go Live Dates

- Launched in November 2020
 - Portal launched in December 2020
 - Portal File, Pay, and more is now available to
 - File returns
 - Pay tax
 - Renew business licenses
 - Request assistance (help tickets)
 - View correspondence online
 - Business-Related Taxes
 - Business licenses
 - Gross receipts
 - Alcohol and Tobacco Taxes
 - Withholding Tax
 - Tangible Personal Property Use Tax
 - Realty Transfer Tax
 - Public Accommodation Tax
 - Public Utilities Tax
 - E-911 Surcharge
 - Manufactured Home Trust Fund Payments
- Release 2 – October 2022**
 - Personal Income Tax
 - Estate Tax
 - Release 3 – In Progress**
 - Marijuana Tax
 - Corporate Income Tax
 - Pass-Through Entities
 - Headquarters Management Corporations

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Portal: Tax.Delaware.gov

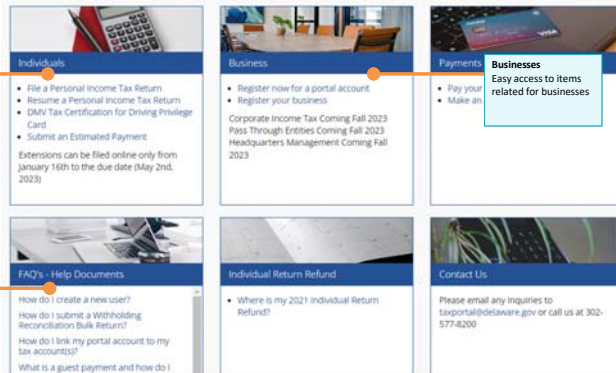


Member Sign In
sign into your account, reset password, or retrieve your forgotten user id

Payments
Easy access to make payments

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Portal: Tax.Delaware.gov



Individuals
Easy access to items related to Individuals

Businesses
Easy access to items related for businesses

FAQs
Easy help that guides customers step-by-step

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Tax Account Info

Menu
use the menu to make payments, file returns, view notices, renew licenses, and more!

Tax Account Information
click here to navigate to the financial information for each tax account

HOME PROFILE ACCOUNT TRANSACTIONS MESSAGES REQUESTS
GLOBAL HELP LOG OUT

Welcome, Jason

You have 0 incomplete document(s)

You last logged in on **Thursday, 10/29/2020 04:00 PM**

User Profile Summary

Jason Woodcock
jwoodcock@mathtechinc.com
TU0000000302

Taxpayer Information

WOODCOCK INDUSTRIES
88 MAIN ST
WILMINGTON, DE 19807-3021
UNITED STATES

Select a Taxpayer

Taxpayer Information
click here to toggle between your delegated taxpayer accounts

Tax Accounts

| Account Type | Account ID | Address | Last Activity Date | Current Balance | Last Period Filed |
|---|---------------------------|---|--------------------|-----------------|-------------------|
| CIGARETTE STAMP TAX | DOR FILE NUMBERx0126742-9 | 88 MAIN ST, WILMINGTON, DE 19807-3021 UNITED STATES | 10/13/2020 | \$1,333,332.37 | 10/12/2020 |
| GROSS RECEIPTS TAX / GROCERY SUPERMARKETS | DOR FILE NUMBERx0126742-9 | 88 MAIN ST, WILMINGTON, DE 19807-3021 UNITED STATES | 10/14/2020 | \$5,138.78 | 06/30/2020 |
| LIC GROCERY SUPERMARKETS | DOR FILE NUMBERx0126742-9 | 88 MAIN ST, WILMINGTON, DE 19807-3021 UNITED STATES | 09/24/2020 | \$90.00 | 12/31/2020 |
| LICENSE ACCOUNT | DOR FILE NUMBERx0126742-9 | 88 MAIN ST, WILMINGTON, DE 19807-3021 UNITED STATES | 09/24/2020 | \$0.00 | |

Showing 1 to 4 of 4 entries

Outstanding Debts

| Account Type | Account ID | Period End Date | Balance | Status |
|---|---------------------------|-----------------|----------------|--------|
| LIC GROCERY SUPERMARKETS | DOR FILE NUMBERx0126742-9 | 12/31/2020 | \$90.00 | ACTIVE |
| CIGARETTE STAMP TAX | DOR FILE NUMBERx0126742-9 | 10/09/2020 | \$1,333,332.37 | ACTIVE |
| GROSS RECEIPTS TAX/GROCERY SUPERMARKETS | DOR FILE NUMBERx0126742-9 | 06/30/2020 | \$2,554.80 | ACTIVE |
| GROSS RECEIPTS TAX/GROCERY SUPERMARKETS | DOR FILE NUMBERx0126742-9 | 07/31/2019 | \$2,583.98 | ACTIVE |

Showing 1 to 4 of 4 entries

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Account Summary

Account Summary
review demographic information regarding the account

Account Functions
take account for the account – file a return, make a payment, view notices

HOME PROFILE ACCOUNT TRANSACTIONS MESSAGES REQUESTS
GLOBAL HELP LOG OUT

ACCOUNT / VIEW TAX ACCOUNT SUMMARY

Account Summary

View or modify account information.

Account Details

| | | | |
|-----------------------|---|----------------------------|------------|
| Taxpayer Name | WOODCOCK INDUSTRIES | Effective Date | 01/01/2002 |
| Account Type | GROSS RECEIPTS TAX / GROCERY SUPERMARKETS | End Date | |
| Account ID | DOR FILE NUMBERx0126742-9 | Registration Source | ITP |
| Account Status | OPEN | | |

Mailing Address

88 MAIN ST,
WILMINGTON, DE 19807-3021
UNITED STATES

Filing Periods

| Period Start Date | Period End Date | Balance | Period Status | Return Filed |
|-------------------|-----------------|------------|---------------|--------------|
| 06/01/2020 | 06/30/2020 | \$2,554.80 | Underpaid | Filed |
| 07/01/2019 | 07/31/2019 | \$2,583.98 | Underpaid | Filed |

Showing 1 to 2 of 2 entries

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File & Pay Online



Tax Return Instructions provides one-click access to instructions for filing the return

Form Details provides information about the form being filed and amount due

Line Items tabular structure provides easy section breakdown and line item entry

Realtime Options save and return later, calculate return real-time, and submit for processing.

Payment Details provides breakout of payment details and allows you to enter the information regarding amount and payment method

PIT – Wizard-style filing



Individual Income Tax Return

Progress 20%

Your Additions - Section A * indicates required field

* Adjusted Gross Income: \$

Interest on state and local obligations other than Delaware: \$

Fiduciary adjustment, oil depletion: \$

Your Subtractions - Section B

Interest received on U.S. obligations: \$

Pension exclusion: \$

Delaware state tax refund, fiduciary adjustment, work opportunity tax credit, Delaware NOL Carryforward, etc. \$

Taxable Social Security benefits, Railroad Retirement Benefits, Higher Education Exclusion, Certain Lump Sum Distributions: \$

More info...



Portal Help

- Portal PIN Letters are needed to register for the Portal and are sent when a new business license is issued
- PIT shared secret information (e.g., AGI, SSN, etc.) is required for portal account access
- Help guides are also available online under the FAQ for the new Portal
- DOR has an internal dedicated support team
- Terri Arndt (302-744-1096 or terri.Arndt@delaware.gov) is DOR's internal lead on portal issues

Portal URL:

<https://tax.Delaware.gov>

Ongoing Project Information and Updates:

<https://revenue.delaware.gov/info/modernization/>

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2023 Tax Filing Season



- Refund times 10-12 weeks
- Refunds are not expected to be issued until February 15, 2024
- Improvements:
 - Customer Service
 - Fraud Scoring

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2023 Tax Filing Season



Processing Delays

- Returns that do not use legal names (Initials or Middle Names)
- Married Filing Separate Returns without spouses Social Security numbers
- Large losses reported on Schedule C, E, or F
- S-Corp estimated payments claimed but S-Corp has not been filed with Division
- Review of Refundable Credits –exceeding normal thresholds
- Fire Fighter Credits – when Fire companies are delayed in reporting active members

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Questions?



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