

**DIVISION OF REVENUE**

**TECHNICAL INFORMATION MEMORANDUM 2025-2**

**December 23, 2025**

**SUBJECT: Delaware HB 255: Decoupling from Certain Provisions of the Federal “One Big Beautiful Bill” Act (OBBBA)**

**FOR INFORMATION, CONTACT:**

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Delaware has decoupled from select provisions of the One Big Beautiful Bill Act (OBBBA or PL 119-21).

Generally, absent legislative action, Delaware conforms with Federal tax law. HB 255 modifies the timing of deductions that were changed by the OBBBA.

As always, it is recommended that taxpayers engage a qualified tax professional for advice on these rule changes.

**Research and Experimental Expenditures**

For entities taxed as corporations for tax years 2022 through 2024, Delaware has decoupled from the OBBBA’s retroactive treatment of unused capitalized qualified research and experimental expenditures. Any unused capitalized expenditures from these tax years must be deducted as they would have been under the Tax Cut and Jobs Act (TCJA).

For tax years 2025 and forward, Delaware conforms with the federal provisions that permit expensing of qualified research and experimental expenditures in the tax year of the expenditure.

**Bonus Depreciation**

For both individuals and entities taxed as corporations, Delaware has decoupled from OBBA’s rules that permit 100% bonus depreciation for certain business property placed in service after January 19, 2025.

Bonus depreciation for such business property will continue under the provisions of the TCJA so that, generally, the tax year 2025 bonus depreciation is permitted at 40%; tax year 2026 bonus depreciation is permitted at 20%; and tax year 2027 and later bonus depreciation is 0%.

**Qualified Production Property**

Delaware has also decoupled from OBBBA’s 100% special depreciation allowance for Qualified Production Property. Depreciation of this asset class will continue under pre-existing provisions of the Internal Revenue Code.

**Sunset Provisions**

The bonus depreciation and special depreciation provisions of this Act for certain business property or qualified production property sunset for property placed in service after December 31, 2030. After December 31, 2030, Delaware will adopt the federal rules for the relevant property classes.