



SPONSOR: Rep. Smith &
Sen. Sharp

HOUSE OF REPRESENTATIVES

136TH GENERAL ASSEMBLY

HOUSE BILL NO. 467

APR 2000

AN ACT TO AMEND TITLES 8, 6 AND 12 OF THE DELAWARE CODE RELATING TO CORPORATE FEES AND PENALTIES, LIMITED PARTNERSHIPS AND BUSINESS TRUSTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (three-fifths of all members elected to each House thereof concurring therein):

1 Section 1. Amend §391(a)(8), Title 8 of the Delaware Code by deleting the
2 symbol and number "\$40" and substituting the symbol and number "\$50" and by
3 inserting at the end of said paragraph the following:

4 "In the event of neglect, refusal or failure on the part of any
5 foreign corporation to file the annual report with the Secretary of State
6 on or before the 30th day of June each year, the corporation shall pay a
7 penalty of \$50."

8 Section 2. Amend §391(c), Title 8 of the Delaware Code by deleting the
9 phrase "a fee of \$1 per page shall be paid therefor" as it appears at the end
10 of the first sentence and substitute in lieu thereof the phrase "a fee of \$5
11 shall be paid for the first page and \$1.00 for each additional page".

12 Section 3. Amend §391(h), Title 8 of the Delaware Code by deleting the
13 phrase "subsection (a)" wherever it appears in subsection (h) and substituting
14 in lieu thereof the phrase "subsections (a) and (c)".

15 Section 4. Amend §504(c), Title 8 of the Delaware Code by deleting the
16 phrase "1 percent" and substituting in lieu thereof the phrase "1 1/2 percent".

17 Section 5. Amend §17-1109(b), Title 6 of the Delaware Code by deleting the
18 number and symbol "1%" and substituting in lieu thereof the number and symbol
19 "1 1/2%".

20 Section 6. Amend §3813, Title 12 of the Delaware Code by redesignating
21 subsection "(b)" as subsection "(c)" and by adding the following new
22 subsection (b):

1 "(b) In addition to those fees charged under subsection (a) of this
2 section, there shall be collected by and paid to the Secretary of State the
3 following:

4 (1) For all services described in subsection (a) of this section
5 that are requested to be completed within the same day as the day
6 of the request, an additional sum of up to \$200; and

7 (2) For all services described in subsection (a) of this section
8 that are requested to be completed within a 24-hour period from
9 the time of the request, an additional sum of up to \$100.

10 The Secretary of State shall establish (and may from time to time alter or
11 amend) a schedule of specific fees payable pursuant to this subsection."

SYNOPSIS

The Act encourages large corporations to pay their quarterly franchise tax payments on a timely basis. The Department of State has identified the willingness of some companies to "float quarters" at the current one percent per month interest penalty. The Act also imposes already enacted fees for certain documents to be processed on a same day, 24 hour turnaround. In addition, it increases the limited partnership interest penalty for late payments.