

**Delaware General Assembly**

**State of Delaware**

**For Immediate Release:**

**April 1, 2022**

**Lawmakers File Bipartisan Bill to Provide Direct Payments**

**to Delaware Residents**

*Rebate program would send $300 to residents this spring*

DOVER – Lawmakers filed a bipartisan bill Friday that would provide direct economic relief to residents this spring.

The plan, announced last week and agreed to by the leaders of each of the four party caucuses, would create a relief rebate – a one-time direct payment of $300 per Delaware resident taxpayer

a one-time, refundable income tax credit of $300 to resident individual income taxpayers who filed personal income tax returns for tax year 2020, which is the most recent tax year where returns are available. The rebate would not be subject to Delaware income taxes.

House Bill 3xx also includes a provision that would instruct the Department of Finance to establish a process to provide the $300 relief rebate to resident adults who did not file a 2020 state income tax return, ensuring those most in need also receive the funds.

*“We know that residents are continuing the see the effects of global pressures, and even during a strong economic recovery, the cost of basic necessities have increased more rapidly than wages. These relief rebates will help offset residents’ recent hardships and ease the burden many are facing,” said* ***House Majority Leader Valerie Longhurst****. “While the initial announcement called for rebates for taxpayers, we’re well aware that thousands of residents would fall into a gap where they didn’t file a 2020 tax return – seniors, lower-income residents and newer residents. These are some of our neighbors who need this relief most. This bill includes a provision to capture those residents and ensure they receive this rebate.”*

Under the bill, the Department of Finance

… SPECIFICS OF BILL

As part of the economic recovery, the state has experienced a significant revenue surplus, which the General Assembly has used to provide record funding for the state’s capital budget, known as the Bond Bill. These investments in infrastructure mean that roads and bridges are being repaired, schools and libraries are being built, and broadband internet is being spread to all corners of the state.

But with a projected fiscal 2023 budget surplus approaching $1 billion, lawmakers determined that providing direct relief to residents is the best way address the economic hardships that rising prices at the grocery store and gas pump are creating.

With gas prices climbing well north of $4 per gallon, lawmakers considered a gas tax holiday. However, tax revenue from the gas tax is pledged to our bonds in the Transportation Trust Fund making a holiday difficult because the state would be in immediate default of its bond agreements. Further, there is no guarantee that the entire savings would be passed onto the consumer, nor would a gas tax holiday help lower-income residents who rely on public transportation.

The relief rebate would provide a direct payment to residents and allow them to use those funds to offset additional expenses.

Providing a $300 rebate for each of the more than 600,000 Delawareans who filed a 2020 tax return would cost more than $180 million. The final cost of the plan would depend on how many residents fall in

Last week, the Delaware Economic and Financial Advisory Council met to review updated revenue projections for the current fiscal 2022. DEFAC is projecting an additional $206 million in revenue for this fiscal year above previous estimates, which would be used to fully fund the rebate program.

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