

CHAPTER 400  
FORMERLY  
SENATE BILL NO. 221

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO DELAWARE TAX CREDITS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Title 30 of the Delaware as follows:

Chapter 20B. Employer Tax Credit for Hiring Individuals with Disabilities.

§20B-100. Declaration of Purpose.

The purpose of this Act is to provide Delaware's employers an incentive to hire referrals from Vocational Rehabilitation. Provision of a hiring incentive is intended to implement public policy established by §3302 of Title 14, §5503 of Title 16, and 7909A of Title 29 which promote meaningful employment in integrated work settings for individuals with disabilities.

§20B-101. Definitions.

For purposes of this chapter:

- (a) "Designated State Agencies" means the Division of Vocational Rehabilitation and the Division for the Visually Impaired.
- (b) "Gross wages" means that part of the sum reported on Form W-2, or equivalent form of the United States Department of Treasury, Internal Revenue Service as "Medicare wages and tips" that is attributable to Delaware sources.
- (c) "Vocational rehabilitation referral" means any individual who is certified by the designated State agencies as:

- (1) Having a physical or mental disability which, for such individual, constitutes or results in a substantial impediment to employment, and
- (2) Having been referred to the employer upon completion of, or while receiving, rehabilitative services pursuant to:
  - a. an Individualized Plan for Employment under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973,
  - b. a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code.

(d) "Qualified employer" means an employer located in Delaware which hires and employs one or more vocational rehabilitation referrals.

(e) "Secretary" means the Secretary of the Department of Finance as described in §8302 of Title 29.

(f) "Sustained employment" means a period of employment that is not less than 185 days during the taxable year.

§20B-102 Credit for wages paid to qualified employee.

(a) Subject to the limitations contained in §20B-103 of this title and to such return requirements as may be imposed by the State Bank Commissioner, the Insurance Commissioner, or the Secretary, qualified employers shall be eligible during the year in which a qualified employee is hired and for the 2 taxable years thereafter for credits against the taxes imposed by the following statutory provisions:

- (1) Chapter 11 of Title 5;
- (2) Chapter 19 of this title;
- (3) Chapter 11 of this title;
- (4) Sections 702 and 703 of Title 18.

(b) The amount of the credit against the tax shall equal 10%, but in no event exceed \$1,500, of the gross wages paid by the qualified employer to a vocational rehabilitation referral in the course of that employee's sustained employment during the taxable year.

(c) To the extent a qualified employer's credits exceed the amounts otherwise due for the taxes and fees listed under §20B-102(a) of this title, such unused credits shall be paid to it in the nature of tax refunds.

§20B -103 Limitations.

Notwithstanding § 20B-102 of this Title, no vocational rehabilitation referral counted for purposes of the tax credits under this Chapter may be included in the calculation of employment for purposes of claiming tax credits by subchapters II, III, IX and X of Chapter 20 of this Title.

§20A-104. Rules and Regulations.

The Director of Revenue is authorized to promulgate rules and regulations consistent with this chapter and require such facts and information be reported as the Director deems necessary for administration and enforcement of this chapter. No rule or regulation adopted pursuant to the authority granted in this section shall extend, modify or conflict with any law of this State or the reasonable implication thereof.

Section 2. This Act shall be effective for vocational rehabilitation referrals hired on or after January 1, 2017.

Approved August 29, 2016