

1800 Building and Loan Associations - Taxation

1801 Instructions for Preparation of Franchise Tax

5 Del.C. Ch. 18

Formerly Regulation No.: 5.1801.0001

Effective Date: January 1, 1993

1.0 Definitions

"Building And Loan Association" means any corporation, person, firm partnership, association, trustee or combination of persons whatsoever within the purview of Chapter 17, Title 5, **Delaware Code**, and includes savings and loan associations.

"Net Operating Income Before Taxes" means the total operating income minus total operating expense.

2.0 Certification of Tax; tax Due

- 2.1 Within 75 days after the end of its fiscal year, the building and loan association shall file with the Office of the State Bank Commissioner a statement of net income for the prior taxable period verified by oath. The statement of net income shall be of the form set forth in Regulation No. 1802 (formerly 5.1801.0002).
- 2.2 At the same time the building and loan association shall file with the Office of the State Bank Commissioner a Final Franchise Tax Report, verified by oath, of the form set forth in Regulation No. 1803 (formerly 5.1801.0003) and shall pay the final franchise tax due. Checks should be made payable to the State of Delaware.
- 2.3 The total franchise tax due shall be calculated as follows:
 - 2.3.1 Net operating income before taxes reduced by any deduction set forth in §1801 of Title 5, **Delaware Code**;
 - 2.3.2 Multiplied by the factor .56 to arrive at taxable income;
 - 2.3.3 The appropriate rate of taxation set forth in subsection 1801(c) of Chapter 18, Title 5, **Delaware Code**, shall be applied to the taxable income to arrive at the total franchise tax due.

3.0 Penalty

- 3.1 If any building and loan association shall fail to pay any tax due on or before the due date, a penalty of 1½ percent shall be assessed for each month or fraction thereof that the tax remains unpaid.