

**Delaware General Assembly**

**State of Delaware**

**For Immediate Release:**

**April 7, 2022**

**House Passes Bipartisan Bill to Provide Direct Payments**

**to Delaware Residents**

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

DOVER – The House of Representatives overwhelmingly passed legislation Thursday that would provide direct economic relief to hundreds of thousands of Delaware residents this spring.

The 2022 Delaware Relief Rebate Program, announced last month 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 who filed personal income tax returns for tax year 2020 and adult residents who did not file a 2020 tax return. The rebate would not be subject to Delaware income taxes.

House Bill 360 is designed to help offset residents’ recent hardships and ease the financial burden many are facing. Under the bill, Delawareans who filed 2020 income taxes would receive payments automatically; they would not have to take any action to receive the money.

Payments to this group of people – more than 600,000 residents, the vast majority of recipients – could be distributed about six weeks after the bill is signed into law.

“Economic issues like inflation are not partisan – they impact everyone in every corner of our state – and are largely out of the control of a small state like Delaware. While our economic recovery has been strong in many ways, it has also slammed residents with new challenges of increasing costs in almost every facet of their life,” said **House Majority Leader Valerie Longhurst**, D-Bear. “Fortunately, the state has been blessed with a record surplus that has allowed us to provide direct relief to every taxpayer and adult resident in the state. These rebates are one way we can help offset residents’ recent hardships and ease the burden many are facing. I’m grateful to the House for passing this quickly and strongly, and I look forward to the Senate doing the same.”

The bill also would instruct the Department of Finance to establish a process to provide the relief rebate to resident adults who did not file a 2020 state income tax return – such as seniors and lower-income residents – by identifying adult residents through existing databases held by other state agencies, such as the Division of Motor Vehicles. Those residents would receive their rebate as they are identified.

The Department of Finance would then work with the Department of Technology and Information to implement a process by which eligible residents who have not been identified by other means could apply for and receive the relief rebate, subject to verification of their identity and eligibility.

“Most of our caucus members support the rebate as a means for returning a portion of the state’s revenue surplus to citizens,” said **State House Minority Whip Tim Dukes,** R-Laurel. “We believe the relief payments are a positive step forward in a plan that should also include bipartisan action on permanent tax reductions.”

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.

“Throughout the COVID-19 pandemic, my colleagues and I have fought hard to help working families by raising the minimum wage, improving investments in primary care, expanding access to free higher education, and advancing paid family and medical leave in the First State,” said **Senate Majority Leader Bryan Townsend,** D-Newark/Bear. “Now, as we transition into a post-pandemic economy in which record corporate profits are pushing our state surplus over $1 billion, Delaware lawmakers are stepping up once again to help families across our state cover the higher costs of groceries, fuel, housing and other household bills. I look forward to passing House Bill 360 in the Senate and getting these much needed relief payments directly in the hands of Delawareans who need this assistance the most.”

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.

“With prices of food to the cost of fuel rising, many Delawareans are struggling. This rebate will help provide some immediate, temporary relief, and I am thankful that the four caucuses were able to come together and make this happen,” said **Senate Minority Whip Brian Pettyjohn**, R-Georgetown. “I hope to continue conversations with my colleagues and explore additional measures to help our neighbors throughout the state.”

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. Another $50 million would be appropriated from fiscal 2023 funds to cover the estimated 150,000 residents who did not file 2020 taxes but are still eligible for the relief rebate.

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.

HB 360 now heads to the Senate for consideration.

###