

STATE OF DELAWARE



EXECUTIVE DEPARTMENT  
DOVER

EXECUTIVE ORDER 117  
NUMBER EIGHT

TO: Heads of All State Departments and Agencies  
SUBJECT: Implementation of Legislation Regarding State Agencies  
Dealing with Businesses Which Have Not Paid Their  
State Taxes

WHEREAS, House Bill 304, which is now Section 307, Title 30 of the Delaware Code, provides that no State agency may make, pay or authorize any payments or orders in excess of \$2,000 to any business association or corporation which has not paid its State taxes; and

WHEREAS, House Bill 304 does not provide for the definition of tax clearance and the administrative handling of the provisions of the bill:

NOW, THEREFORE, I, RUSSELL W. PETERSON, by virtue of the authority vested in me as Governor of the State of Delaware, do hereby declare and order as follows:

1. Tax clearance as used in House Bill 304 means a form prepared and executed by the Tax Department certifying that the person seeking payment (a) has in effect a valid state license required for the transaction involved; and (b) that there is not pending and unpaid any assessment or determination of tax liability by the Tax Department; and (c) that the Tax Department has no knowledge or reason to believe that there are any other taxes unpaid and owing.

2. In those cases where a business association or corporation is unable to obtain tax clearance, such association or corporation may obtain tax clearance by adhering to the following procedure:

If the Tax Department indicates that a person seeking payment has not paid all taxes due, the Tax Department shall specify the amount that is unpaid. If the person pays that amount to the Tax Department under protest and seeks a refund the Tax Department shall repay such portion of such amount as shall be determined not to be subject to tax liability as a result of a negotiated settlement or

EXECUTIVE ORDER  
NUMBER EIGHT

Page 2.

a final determination by the State Tax Board and/or the Court. In the event of such payment under protest the State Tax Department shall indicate for purposes of House Bill 304 that such person has paid all taxes due.



APPROVED this 7<sup>th</sup> day of July, 1969.

Russell W. Peterson  
Governor

ATTEST:

Ernest Bunting  
Secretary of State