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STATE OF DELAWARE



EXECUTIVE DEPARTMENT
DOVER

EXECUTIVE ORDER
NUMBER NINETY-SIX

TO: Heads of All State Agencies and Departments

RE: Creation of the Delaware Revenue Study Committee

WHEREAS, the Delaware Tomorrow Commission has recommended an objective study of the Delaware tax structure, including personal income tax, capital gains tax, all business taxes including property taxes; and

WHEREAS, the House Revenue and Taxation Committee has recommended investigation of the adoption of a State Personal Income Tax Liability based on the Federal Tax Liability; and

WHEREAS, it is desirous to evaluate the purported anti-business image created by Delaware's personal income tax structure; and

WHEREAS, there is a continuing discussion as to the equity of business and personal income tax revenue in Delaware; and

WHEREAS, the resolution of these problems is imperative to furnish the State a viable revenue base to fund its responsibilities in the future;

NOW, THEREFORE, I, SHERMAN W. TRIBBITT, by virtue of the authority vested in me as Governor of the State of Delaware, do hereby declare and order the following;

UNTIL AMENDED, REVISED OR CANCELLED BY SUBSEQUENT ANNOUNCEMENT FROM THIS OFFICE:

- A. The Delaware Revenue Study Committee is hereby created.
1. The purpose of the Committee is to review, evaluate and recommend changes to improve the effectiveness and equity of the Personal Income and Business Tax structures of the State.
 2. The Committee's considerations shall extend, but not be limited to, the following:
 - a. personal Income Tax as a percentage of the Federal Tax Liability,
 - b. Modification of existing Personal Income Tax rate structure,
 - c. Gross Personal Income Tax,

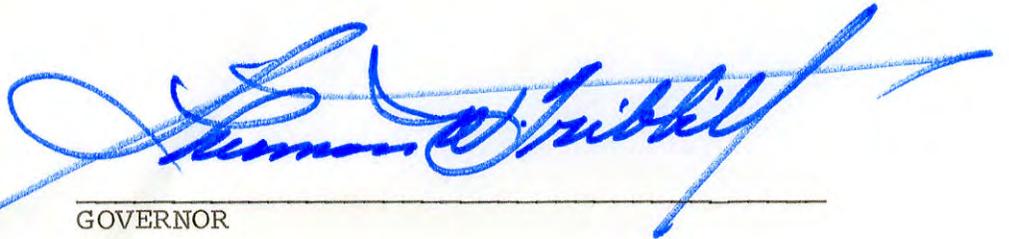
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- d. Capital Gains Tax structure, independently and in conjunction with sections (a), (b), and (c) of this section.
 - e. Burden of State business taxes on business and industry operating in Delaware including property tax, and the like burden on business and industry operating in other states, and
 - f. A review of the balance between personal income and business taxes in Delaware and in other states to evaluate the propriety of the Delaware balance.
 - g. A review of revenue growth at the State level and at the local level to evaluate the demands for services at the state level and at the local level, in order to determine the relative balance between State and local revenue growth and state and local service demand-growth.
 - h. A study to evaluate the feasibility of a revenue sharing formula for commercial-industrial real property tax revenues so that revenue may be shared equitably by all jurisdictions of our small State in order to minimize competition among governmental units for commercial-industrial development.
3. The necessary information and statistics required to perform this evaluation shall be made available to the Committee.
 4. The Committee shall have the services of the Division of Revenue and the Bureau of Economics and Statistics of the Department of Finance as staff in their endeavors.
 5. The members of the Committee shall be:
 - a. Representative from the legal profession specializing in taxation.
 - b. Representative from the accounting profession specializing in taxation.
 - c. Representative of the banking community.
 - d. Two representatives of the business community.
 - e. Two representatives of labor.
 - f. The President of the Greater Wilmington Development Council, or his designee.
 - g. The Chairman of the Cost of Public Service Committee of the Delaware Tomorrow Commission.
 - h. The Chairman of the Governor's Economic Advisory Council, and the Vice Chairman of the Council.
 - i. The Chairman of the Committee to Investigate Delaware State Finances, and the Vice Chairman of the
 - j. Secretary of Finance
 - k. Two members of the 128th General Assembly, one from each of the major political parties.

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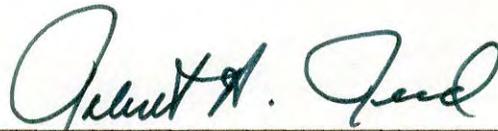
6. The Governor shall designate the Chairman.
7. The Committee shall submit its final report and recommendations to the Governor by December 15, 1976.
8. The Committee shall, after its initial meetings, advise the Governor as to any funding requirements to meet its assigned tasks.
9. Meetings of the Committee shall be open to the public.

APPROVED this *9th* day of February, 1976



GOVERNOR

ATTEST:



Secretary of State

