153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 211**
SPONSOR:	**Representative Bush**
DESCRIPTION:	**AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE INNOVATING DELAWARE ACT.**

Assumptions:

1. This Act is effective upon signature by the Governor. The tax credits authorized by this Act are effective for calendar years beginning January 1, 2026.
2. The Act establishes the Innovate Delaware program within the Division of Small Business. The Innovate Delaware program may annually authorize up to $10 million in Innovating Delaware Tax Credits ("IDTCs") to persons (as defined by 1 Del.C. §301) presenting an application to support any of the following projects:
    a. The creation, operation, or support of an accelerator for technology companies, provided that the application is accompanied by an economic impact report.
    b. The creation, operation, or support of programs designed to provide funding, workforce development, or other resources for an innovative company that meets either of the following criteria:
        i. The company is a for-profit business that is headquartered in Delaware, predominantly conducts an activity in an innovative industry as defined in the Act, has fewer than 15 employees at the time the funding agreement is executed, and has average gross revenues of less than 1 million dollars in the company for at least 3 years prior to the execution of the funding agreement.
        ii. The company is a for-profit business that is headquartered in Delaware, predominantly conducts an activity in an innovative industry as defined in the Act, has fewer than 75 employees at the time the funding agreement is executed, and is at least 51 percent owned and controlled by one of more persons who is a woman, minority, veteran, service-disabled veteran, or person with a disability.
3. Persons who are awarded IDTCs work with taxpayers to invest in companies meeting the criteria above. Credits are provided back to the taxpayers based on their investments in these companies. IDTCs may be applied to income taxes, state franchise tax, or any other tax allowed by the Division of Revenue or Secretary of State. IDTCs may not cause a taxpayer's tax liability to be reduced by more than 50%.
4. The Department of State and the Division of Revenue are to provide administrative assistance to manage the IDTC program. The Department of Finance is to adopt rules to administer the IDTC. The Department of Finance estimates a one-time fiscal impact of $50,000 for necessary information system programming.

Cost:

	One-Time	Maximum General Fund Revenue Loss
Fiscal Year 2027	$50,000	$10 million
Fiscal Year 2028		$10 million
Fiscal Year 2029		$10 million

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Office of the Controller General