

**DELAWARE FORM 1268-LA2**  
**Application / Renewal for Affiliated Finance Company Business License**  
**INSTRUCTIONS**

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**GENERAL INFORMATION**

House Bill 28, approved February 18, 1981 (Vol. 63, Laws of Del., Chapter 2), amended Title 30 of the Delaware Code by adding a new Part VI (§6301 et seq) to provide for the licensing and taxation of affiliated finance companies.

Effective, May 1, 1981, no corporation may carry on business in the State of Delaware as an **AFFILIATED FINANCE COMPANY** unless it has first obtained from the Division of Revenue a license to conduct such business and has paid a license fee measured by its Capital Base.

An **AFFILIATED FINANCE COMPANY** is defined to mean a corporation substantially all of whose activity within this State is limited to the issuance of commercial paper or other debt obligations and use of the proceeds to make loans to one or more of its affiliated corporations or to purchase receivables from one or more of its affiliated corporations.

An **AFFILIATED CORPORATION** means two or more corporations, which are members of a controlled group of corporations as defined in Section 1563 of the Internal Revenue Code. All affiliated finance companies taxed under Part VI shall be exempt from any occupational license taxes imposed by Part III of Title 30 of the Delaware Code. The license issued shall be valid for one year and must be renewed annually and the license fee paid on or before April 30 of each year. A copy of a corporation's certified financial statement for the year ending December 31 of the immediately preceding calendar year, or in the case of a fiscal year corporation as of the end of its fiscal year ending within the immediately preceding calendar year, must be submitted with this application and with each annual renewal.