



recent decision of Arbern-Wilmington v. Director of Revenue, Tax Appeal Board, Docket No.867 (Yucht). The Board can find no facts of this case which would distinguish it from Arbern. For the reasons set forth in Arbern the Respondent's assessment is reversed.

IT IS SO ORDERED.

9-14-90

John H. Cordery  
Walter B. Kautz  
Small  
Regina C. Anderson

BEFORE THE TAX APPEAL BOARD  
FOR THE STATE OF DELAWARE

AUG 3 1988  
TAX APPEAL BOARD

RAK ENTERPRISES, INC., :  
Petitioner, :  
v. : Docket No. 977  
DIRECTOR OF REVENUE, :  
Respondent. :

STIPULATION OF FACTS

Pursuant to Rule 17(b) of the Rules of the Tax Appeal Board, the above named parties hereby stipulate, by and through the undersigned, as to the following facts:

1. RAK Enterprises, Inc. (hereinafter "Taxpayer") is a Delaware corporation whose principal office is located at 8313 Belair Road, Baltimore, MD 21236.

2. At all times during the period covered by the Assessments the activities of the Taxpayer consisted of the following:

(a) the acquisition by purchase of undeveloped land in Sussex County, Delaware;

(b) securing approvals from the appropriate authorities for rezoning (if required) and subdivision of the land into individual lots suitable for the construction or placement of residential dwellings. The names of the subdivisions for which approval was secured are Denton Mills and Denton Woods.

(c) following subdivision approval, contracting with third parties, who are unrelated to the Taxpayer, for the construction or installation of the following improvements

to the land: construction of streets and roads; clearing and grading of individual lots; construction and installation of drainage systems; drilling of a central water well and installation of water system suitable for tie-ins by individual lot owners; and, installation of on-site septic systems.

3. After the improvements specified in Paragraph 2(c) were completed, the individual lots were sold by Taxpayer directly to third parties to be used for residential purposes.

4. The "gross receipts," as defined in 30 Del.C. §2501(2), of the Taxpayer, for purposes of computing the taxes assessed, were based upon the gross receipts of the Taxpayer from the sale of the individual lots.

5. All of the sums paid by the Taxpayer to third parties for the improvements specified in Paragraph 2(c) qualify for the exclusion from "gross receipts," as defined in 30 Del.C. §2501(2), for sums paid to subcontractors.

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