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This Week in State Tax (TWIST)

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Delaware Unclaimed property VDA response deadline fast approaching

The Delaware Secretary of State sent letters to companies inviting them to join the state's Unclaimed Property Voluntary Disclosure Agreement (VDA) Program on or around August 14th, 2026. Companies receiving those letters that do not respond and enroll in the VDA Program within 90 days of the date of the letter (i.e., around November 12, 2026) will be referred to Delaware Department of Finance and may be selected for audit.

Delaware's unclaimed property VDA invitations are typically sent to a company's CFO or Tax Director. Recipients range from middle market to Fortune 100 companies—public and private—in industries such as oil and gas, retail, banking, utilities, technology, media, healthcare, manufacturing, pharmaceuticals, and consumer products.

For Delaware audits and VDAs, the lookback period is 15 years (10 report years plus a five-year dormancy period). Many companies cannot produce complete records for this full period. When that occurs and the company is incorporated or formed in Delaware, state law requires Delaware to estimate unclaimed property liabilities for years in which records are incomplete.

The VDA program offers significant advantages over a Delaware unclaimed property audit. First, the VDA program completely waives statutory penalties and interest, whereas standard audits impose a non-waivable 20 percent interest charge on past-due property. Second, it utilizes a favorable 90-day aging period for voided checks rather than the strict 30-day audit standard, which can significantly reduce unclaimed property exposure. Finally, the VDA program grants the company control to conduct a self-review and propose remediation, avoiding the burdensome, third-party auditor-driven information demands and liability assessments of a formal audit.

For more information and assistance regarding the Delaware VDA process or other unclaimed property matters, please contact Will King, Karen Anderson, or another member of the KPMG Unclaimed Property practice. Additional information on the Delaware VDA program is also available in KPMG SALT Alert 2026-01, issued in January 2026.

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