



**149th GENERAL ASSEMBLY
FISCAL NOTE**

BILL:	HOUSE BILL NO. 113
AS AMENDED BY:	House Amendment NO. 1
SPONSOR:	Representative Baumbach
DESCRIPTION:	AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO EARNED INCOME TAX CREDIT.

Assumptions:

1. This Bill would become effective for tax years beginning after December 31, 2017 (tax year 2018, Fiscal Year 2019).
2. This Bill changes the State's Earned Income Tax Credit (EITC) from only a credit against tax payer's total tax liability (non-refundable) to tax refund eligible, if the amount of the credit is greater than a tax payer's total tax liability.
3. This Bill permanently reduces the allowable Federal EITC percentage amount from 20% to 5.9%, beginning in January 1, 2018 (Fiscal Year 2019) with no increases in the percentage amount in subsequent years. The Bill's estimated revenue loss in Fiscal Year 2028 is \$55,000.
4. Assumes EITC grows 5.6% annually based on Actual, compounded non-refundable EITC growth in tax years 2011 through 2014.

Total Estimated Revenue Loss:

Fiscal Year 2018: \$ 0

Fiscal Year 2019: \$ 34,000

Fiscal Year 2020: \$ 35,000

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