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HOUSE OF REPRESENTATIVES  
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 89

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE AND CHAPTER 118 OF VOLUME 83 OF THE LAWS  
OF DELAWARE RELATING TO PERSONAL INCOME TAXES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1           Section 1. Amend § 1108, Title 30 of the Delaware Code by making deletions as shown by strike through and  
2     insertions as shown by underline as follows:

3           § 1108. Standard deduction

4           (a) Except as otherwise provided in subsections (b) and (c) of this section:

5                     (3) For taxable periods beginning after December 31, 1999, and before January 1, 2024, the standard  
6     deduction of a resident individual shall be \$3,250, and the standard deduction of resident spouses shall be \$6,500 if  
7     they file a joint return and \$3,250 each if they file separate returns.

8                     (4) For taxable periods beginning after December 31, 2023, the standard deduction of a resident individual  
9     shall be \$5,700, and the standard deduction of resident spouses shall be \$11,400 if they file a joint return and \$5,700  
10    each if they file separate returns.

11          Section 2. Amend § 1117, Title 30 of the Delaware Code by making deletions as shown by strike through and  
12     insertions as shown by underline as follows:

13          § 1117. Earned income tax credit.

14          (a)(1) For any tax year beginning before January 1, ~~2022~~, 2021, an individual who is a resident of this State may  
15     receive a nonrefundable credit against the individual's tax otherwise due under this chapter in the amount of 20% of the  
16     corresponding federal earned income credit allowed under § 32 or successor provision of the Internal Revenue Code (26  
17     U.S.C. § 32).

(2) For any tax year beginning on or after January 1, ~~2022, 2021, and before January 1, 2023,~~ an individual who is a resident of this State may receive a credit against the individual's tax under this chapter in an amount based on a percentage of the corresponding federal earned income credit allowed under § 32 or successor provision of the Internal Revenue Code (26 U.S.C. § 32). The individual may claim either of the following amounts:

a. 20% of the corresponding federal earned income tax credit, not to exceed the tax otherwise due under this chapter.

b. 4.5% of the corresponding federal earned income tax credit, of which the amount that exceeds the tax otherwise due under this chapter is refundable.

(3) For any tax year beginning on or after January 1, 2023, an individual who is a resident of this State may receive a credit against the individual's tax under this chapter in an amount based on a percentage of the corresponding federal earned income credit allowed under § 32 or successor provision of the Internal Revenue Code (26 U.S.C. § 32). The individual may claim either of the following amounts:

a. 20% of the corresponding federal earned income tax credit, not to exceed the tax otherwise due under this chapter.

b. 7.5% of the corresponding federal earned income tax credit, of which the amount that exceeds the tax otherwise due under this chapter is refundable.

Section 3. Amend § Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1161. Persons required to make returns of income.

An income tax return with respect to the tax imposed by this chapter shall be made by the following:

(1) Every resident individual who

a. Is required to file a federal income tax return for the taxable year, or

b. Is a single person and has for the taxable year adjusted gross income as modified by § 1106 of this title of more than ~~\$9,378, \$11,828,~~ or

c. Is a married individual who is entitled to file a joint federal income tax return for the taxable year, and whose adjusted gross income for the taxable year as modified by § 1106 of this title, when combined with the adjusted gross income of the individual's spouse, is more than ~~\$15,449 \$20,349.~~

(2) Every nonresident individual who has income from sources in this State.

(3), (4) [REPEALED.]

47 Section 4. Amend § 2, Chapter 118, Volume 83 of the Laws of Delaware by making deletions as shown by strike  
48 through and insertions as shown by underline as follows:

49 Section 2. This Act takes effect on January 1, 2021, ~~the date of the last of the following to occur:~~

50 ~~(1) The Division of Revenue has implemented the personal income tax release of the Integrated Revenue~~  
51 ~~Administration System.~~

52 ~~(2) The Secretary of Finance provides a written notice to the Registrar of Regulations that the contingency in~~  
53 ~~paragraph (1) of this section has been fulfilled.~~

#### SYNOPSIS

Section 1 of this Act increases the standard deduction for personal income tax purposes of resident individuals and spouses of this State for tax years beginning after December 31, 2023. Section 3 of this Act increases the monetary filing thresholds resulting from the increases the standard deduction under Section 1.

Sections 2 and 4 of this Act increase the refundable earned income tax credit to 7.5% of the corresponding federal earned income tax credit for tax years beginning on or after January 1, 2023, and clarify that a previously enacted refundable earned income tax credit of 4.5% of the corresponding federal earned income tax credit took effect for tax years beginning on or after January 1, 2021.