



SPONSOR: Rep. Matthews & Sen. McDowell & Sen. Delcollo &  
Sen. McBride  
Reps. Griffith, K. Johnson, Mitchell; Sens. Ennis, Hansen,  
Paradee, Wilson

HOUSE OF REPRESENTATIVES  
150th GENERAL ASSEMBLY

HOUSE BILL NO. 120

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE TO CREATE A RENTAL TAX CREDIT FOR LOW-  
INCOME AND ELDERLY RENTERS.

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

Section 1. Part VI, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions  
as shown by underline as follows:

CHAPTER 66. RENTAL TAX CREDIT

§ 6601. Declaration of purpose.

The purpose of this chapter shall be to provide low income and elderly renters property tax relief.

§ 6602. Definitions.

As used in this subchapter, except where the context clearly indicates a different meaning:

(1) "Assets" include:

a. Real property.

b. Cash.

c. Checking accounts.

d. Savings accounts.

e. Stocks.

f. Bonds.

g. Any other investment.

(2) "Assets" do not include:

a. The dwelling for which a property tax credit is sought under this chapter.

b. The cash value of a life insurance policy on the life of the renter.

c. The cash value of any qualified retirement or individual retirement accounts.

d. Tangible personal property.

(3) "Assumed real property tax" means:

22                   a. 15% of the occupancy rent paid by a renter during the calendar year.

23                   b. 15% of the occupancy rent paid by a renter during a calendar year plus any tax paid under Subchapter  
24 II of Chapter 85 of Title 9.

25                   (4) "Combined income" means the combined gross income of all individuals who actually reside in a dwelling  
26 except an individual who:

27                   a. Is a dependent of the renter under § 152 of the Internal Revenue Code.

28                   b. Pays a reasonable amount for rent or room and board.

29                   (5) "Dwelling" means a rental unit that is the principal residence of a renter, including a mobile home pad on  
30 which the principal residence of the renter rests.

31                   (6) "Gross income" means the total income from all sources for the calendar year that immediately precedes  
32 the taxable year, whether or not the income is included in the definition of gross income for federal or State tax  
33 purposes, including:

34                   a. Any benefit under the Social Security Act or the Railroad Retirement Act.

35                   b. The aggregate of gifts over \$300.

36                   c. Alimony.

37                   d. Spousal support.

38                   e. Child support.

39                   f. Any nontaxable strike benefit.

40                   g. Public assistance received in a cash grant.

41                   h. A pension.

42                   i. An annuity.

43                   j. Any unemployment insurance benefit.

44                   k. Any workers' compensation benefit.

45                   l. The net income received from a business, rental, or other endeavor.

46                   (7) "Gross income" does not include:

47                   a. Any income tax refund received from the State or federal government, including any refundable portion of the  
48 federal earned income tax credit.

49                   b. Any loss from business, rental, or other endeavor.

50                   (8) "Net worth" means the sum of the current market value of all assets, less any outstanding liability.

(9) "Occupancy rent" means the rent paid for the right to occupy a dwelling less the reasonable value of the utilities or furnishings or both if the utilities or the use of the furnishings or both are included in the rent.

(10) "Principal Residence" means a dwelling that is occupied or expected to be occupied by the renter for 6 months or more of the calendar year.

(11) "Renter" means an individual, who during the calendar year for which the property tax relief under this section is sought, actually occupies a dwelling in which the individual has a leasehold interest and who:

a. Is at least 60 years old.

b. Has been found permanently and totally disabled and has qualified for benefits under:

1. The Social Security Act.

2. The Railroad Retirement Act.

3. Any federal act for members of the United States armed forces.

4. Any federal retirement system.

c. Is under the age of 60 years and:

1. Has gross income below the poverty threshold that is established by the U.S. Department of Commerce, Bureau of the Census in August of the previous calendar year;

2. Has 1 or more dependent children under 18 years old living with the renter; and

3. Does not receive federal or State housing subsidies or reside in public housing.

#### § 6603. Administration.

(a) The Division of Revenue of the Department of Finance for the State of Delaware, in consultation with the Department, shall promulgate such rules and regulations by January 1, 2020, as may be necessary to administer the tax credit provided for in this chapter.

#### § 6604. Application.

(a) On or before September 1 of the year following the calendar year for which property tax relief under this section is sought, a renter may apply to the Department for the renter's property tax relief. The application shall be made on the form that the Department provides.

(b) The renter shall state under oath that the statements in the application are true.

(c) To substantiate the application, the applicant may be required to provide a copy of an income tax return, or other evidence detailing gross income or net worth.

#### § 6605. Amount of credit.

80           (a) The property tax relief that a renter may receive under this chapter is the assumed property tax on real property  
81 less a percentage of the combined income of the renter.

82           (1) The percentage is:

83               a. 0% of the first \$4,000 of combined income;

84               b. 2.5% of the second \$4,000 of combined income; and

85               c. 5.5% of the combined income over \$8,000.

86           (b) Restrictions.

87               (1) The property tax relief under this chapter may not be:

88               a. More than \$250.

89               b. Granted to any renter whose combined net worth exceeds \$200,000 as of December 31 of the calendar  
90 year for which the property tax relief is sought.

91               c. Granted to any renter who is exempt from property tax.

92               d. Granted if the credit under this section is less than \$1 in any year.

93           Section 2: This Act shall be effective upon enactment.

#### SYNOPSIS

This bill increases affordable housing and was created to financially assist renters struggling with low income and renters that are elderly, that are not receiving other subsidized housing benefits. If the portion of rent attributable to the assumed property taxes exceeds a fixed amount in relation to income, the renter can, under specified conditions, receive a credit of as much as \$250.