



SPONSOR: Rep. Yearick & Rep. Ramone & Sen. Lawson &
Sen. Wilson
Rep. Michael Smith

HOUSE OF REPRESENTATIVES
150th GENERAL ASSEMBLY

HOUSE BILL NO. 316

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO PERSONAL INCOME TAX CREDITS.

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

Section 1. Add a new Section to Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1119. Delaware Resident Low Income Tax Credit

(a) For any tax year beginning before January 1, [of the year in which the contingency under Section 2 of this Act is fulfilled] a resident individual with at least \$18,000 per year and not exceeding \$30,000 of income from wages, tips, other compensation, etc., on their Form(s) W-2 shall be allowed a refundable credit of \$250 against the tax imposed by Chapter 11 of this Title.

(b) For any tax year beginning before January 1, [of the year in which the contingency under Section 2 of this Act is fulfilled], in the case of spouses who file a joint Delaware return with at least \$36,000 per year and not exceeding \$60,000 of income from wages, tips, other compensation, etc., on their Form(s) W-2, shall be allowed a \$500 refundable credit against the tax imposed by Chapter 11 of this Title.

(c) For any tax year beginning before January 1, [of the year in which the contingency under Section 2 of this Act is fulfilled], in the case of spouses who file a joint federal return but elect to determine their Delaware taxes separately, and provided that each spouse has at least \$18,000 and does not exceed \$30,000 from wages, tips, other compensation, etc., on their Form(s) W-2, shall be allowed a \$500 refundable credit against the tax imposed by Chapter 11 of this Title.

Section 2. This Act takes effect on the date of the last of the following to occur:

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

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

SYNOPSIS

This Act creates a \$250 tax credit applicable to individual personal income taxes for certain lower income, working poor, individuals. In the case of spouses filing a joint return, the tax credit is \$500. If spouses file their Delaware taxes separately, each spouse with the required income will be entitled to a \$250 tax credit.

Section 2 of this Act makes the change effective for the tax year in which the Secretary of Finance provides the Registrar of Regulations with notice that the personal income tax release of the Integrated Revenue Administration System is implemented. This delay in effective date is necessary to ensure that tax law changes can be properly and efficiently implemented in the Division of Revenue's modernized Integrated Revenue Administration System, which is currently under development.