



150th GENERAL ASSEMBLY
FISCAL NOTE

BILL: HOUSE BILL NO. 27
SPONSOR: Representative Briggs King
DESCRIPTION: AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO ITEMIZED DEDUCTIONS.

Assumptions:

1. This Act becomes effective upon signing by the Governor.
2. The Federal Tax Cuts and Jobs Act of 2017 placed a \$10,000 cap on the combined amount of allowable deductions of state, local, and property taxes from a taxpayer's Federal Adjusted Gross Income (AGI). Under current Federal Tax law, a Delaware taxpayer whose property taxes are greater than \$10,000 may not receive credit above the cap amount.
3. This Act allows State taxpayers (resident and non-resident) to continue to deduct 100% of real property taxes on their State personal income tax returns.
4. The Department of Finance estimates that roughly 15,300 resident and 27,400 non-resident returns would be affected by this Act. Estimates on revenue loss are based on the most recently available Federal Tax year data applied to State returns, inclusive of the provisions of this Act.
5. Due to the immediate effective date of the Act, fiscal year 2020 assumes the impacts of this Act include ALL of tax year 2019 and a portion of tax year 2020.

Est. Revenue Loss:

Fiscal Year 2020 (Tax Year 2019 & 2020): \$18.7 million

Fiscal Year 2021 (Tax Year 2020): \$15.9 million

Fiscal Year 2022 (Tax Year 2021): \$15.6 million.

Prepared by Art Jenkins
Office of the Controller General