



**151st GENERAL ASSEMBLY  
FISCAL NOTE**

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| <b>BILL:</b>        | <b>HOUSE BILL NO. 158</b>   |
| <b>SPONSOR:</b>     | <b>Representative Yearick</b>   |
| <b>DESCRIPTION:</b> | <b>AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO<br/>PERSONAL INCOME TAX CREDITS.</b> |

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**Assumptions:**

1. This Act becomes effective upon signature by the Governor. Upon signature, this Act is effective for tax years beginning after December 31, 2021.
2. This Act creates the Delaware Resident Low-Income Tax Credit, which provides the following:
  - a. A refundable credit of \$500 for individuals with income from wages, tips, and other compensation on their W-2 form of \$18,000-\$30,000.
  - b. A refundable credit of \$1,000 for spouses who file a joint Delaware return with income from wages, tips, and other compensation on their W-2 form of \$36,000-\$60,000.
  - c. A refundable credit of \$500 for spouses who file a joint federal return but elect to determine Delaware taxes separately, provided that each spouse has income from wages, tips, and other compensation on their W-2 form of \$18,000-\$30,000.
3. This Act also creates a low-income credit against the individual's tax in the amount of \$500 for each personal exemption to which the individual is entitled for federal income tax purposes. If the credits exceed the tax due, the credit amount in excess of the tax must be returned to the taxpayer in the form of a tax refund.
4. According to data from the Department of Finance, approximately 80,200 Delawareans would qualify for the credits established under this Act

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| <b><u>Costs:</u></b> | <b>General Fund Revenue Loss:</b> |
| Fiscal Year 2022:    | \$76.2 million                    |
| Fiscal Year 2023:    | \$77.0 million                    |
| Fiscal Year 2024:    | \$77.8 million                    |

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Prepared by Robert Scoglietti  
Office of the Controller General