151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**SENATE SUBSTITUTE NO. 1 to SENATE BILL NO. 188**
SPONSOR:	**Senator Mantzavinos**
DESCRIPTION:	**AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO EXCLUSION OF MILITARY PENSIONS FROM TAXABLE INCOME.**

Assumptions:

1. This Act becomes effective upon signature by the Governor.

2. Current Delaware law provides a personal income tax exclusion of up to $12,500 for pension and other retirement income for taxpayers aged 60 and older and up to $2,000 for taxpayers younger than age 60.

3. This Act increases the personal income tax exclusion for military pensions for persons under the age of 60 from $2,000 to $12,500 for tax years beginning on or after January 1, 2022.

4. According to the U.S. Department of Veterans Affairs, as of September 30, 2017, there were 71,845 veterans in Delaware. Of these veterans, 9,108 are military retirees.

5. The Department of Finance reports that 1,529 individuals under the age of 60 received military income in 2018. The majority of these individuals had military retirement income greater than $12,500.

6. The projected General Fund revenue loss assumes that the tax year 2022 impact would be realized entirely in Fiscal Year 2023 and would be in addition to calendar year 2023 adjusted estimated payments.

Cost:

	General Fund Revenue Loss
Fiscal Year 2022:	$0
Fiscal Year 2023:	$1.4 million
Fiscal Year 2024:	$1.1 million

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