



**152nd GENERAL ASSEMBLY
FISCAL NOTE**

BILL: SENATE SUBSTITUTE NO. 2 TO SENATE BILL NO. 72
SPONSOR: Senator Poore
DESCRIPTION: AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO PERSONAL INCOME TAX.

Assumptions:

1. This Act is effective upon signature by the Governor. The provisions of the Act are effective for tax years beginning January 1, 2024.
2. This Act allows residents of Delaware who are active members of a labor organization to claim a personal income tax deduction equal to the annual cost of maintaining their membership in the labor organization, not to exceed \$500.
3. This Act does not allow for a deduction if the member has taken a deduction for any cost to maintain their membership in a labor organization or for any amounts paid to a labor organization for employee benefits, pension contributions, or were used in connection with lobbying or political expenditures or settlement or investigatory costs or assessments of a government entity.
4. The U.S. Department of Labor, Bureau of Labor Statistics (BLS), in their "Union Members – 2022" estimated 38,000 union members in Delaware in 2022.
5. Aggregation using data from the U.S. Office of Labor Management Standards, and the state payroll system, as well as individual correspondence with private labor organizations and major public employers yielded a total of 38,330 members. This aggregation also provided annual member contributions that, for purposes of this analysis, were capped at \$500 to correspond with the maximum deduction provisions of the Act.
6. It is estimated that 35.5% of taxpayers filing a Delaware personal income tax return itemize deductions.
7. For purposes of this analysis, an effective tax rate of 5.5% is assumed.
8. General Fund revenue impacts are assumed to begin in Fiscal Year 2025.

General Fund Revenue Loss:

Fiscal Year 2024:	Not applicable
Fiscal Year 2025:	\$300,000
Fiscal Year 2026:	\$300,000

Prepared by Robert Scoglietti
Office of the Controller General