152nd GENERAL ASSEMBLY
FISCAL NOTE REVISED

BILL:	**HOUSE BILL NO. 233**
SPONSOR:	**Representative Ramone**
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 this Act are effective for tax years beginning after December 31, 2024.

2. This Act raises the minimum income subject to income tax from $2,000 to $2,500 and collapses the six current personal income tax brackets into three new brackets as follows:

Current		Proposed	
Taxable Income	**Rate**	**Taxable Income**	**Rate**
$2,001-$5,000	2.2%	$2,501-$10,000	2.0%
$5,001-$10,000	3.9%	$10,001-$25,000	4.0%
$10,001-$20,000	4.8%	Over $25,000	5.0%
$20,001-$25,000	5.2%		
$25,001-$60,000	5.55%		
Over $60,000	6.6%		

3. The effect of the collapsed brackets and new rates on various taxable income levels is shown in the following table:

Taxable Income	Current Liability	HB 233 Liability	Tax Savings	% Reduction
$ 25,000	$ 1,001	$ 750	$ 251	-25%
$ 50,000	$ 2,389	$ 2,000	$ 389	-16%
$ 75,000	$ 3,934	$ 3,250	$ 684	-17%
$ 100,000	$ 5,584	$ 4,500	$ 1,084	-19%
$ 125,000	$ 7,234	$ 5,750	$ 1,484	-21%
$ 200,000	$ 12,184	$ 9,500	$ 2,684	-22%
$ 500,000	$ 31,984	$24,500	$ 7,484	-23%
$ 1,000,000	$ 64,984	$49,500	$ 15,484	-24%

4. Calendar year 2019 personal income tax data, adjusted for personal income growth and growth in the number of returns, was used by the Department of Finance to estimate the General Fund revenue loss associated with this Act.

Cost

	General Fund Revenue Loss:
Fiscal Year 2025:	$190.5 million
Fiscal Year 2026:	$479.1 million
Fiscal Year 2027:	$475.4 million

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Office of the Controller General