153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 13**
SPONSOR:	**Representative Lynn**
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, 2025.
2. This Act adjusts existing personal income tax brackets and creates two new brackets as follows:

Current			Proposed	
Taxable Income	**Rate**		**Taxable Income**	**Rate**
$2,001 - $5,000	2.2%		$2,001 - $5,000	2.0%
$5,001 - $10,000	3.9%		$5,001 - $20,000	4.0%
$10,001 - $20,000	4.8%		$20,001 - $60,000	5.5%
$20,001 - $25,000	5.2%		$60,001 - $125,000	6.6%
$25,001 - $60,000	5.55%		$125,001 - $250,000	6.75%
Over $60,000	6.6%		Over $250,000	6.95%

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

Taxable Income	Current Liability	HB 13 Liability	Difference	% increase/ (reduction)
$25,000	$1,001	$935	($66)	(6.6%)
$50,000	$2,389	$2,310	($79)	(3.3%)
$75,000	$3,934	$3,850	($84)	(2.1%)
$100,000	$5,584	$5,500	($84)	(1.5%)
$150,000	$8,884	$8,838	($46)	(0.2%)
$200,000	$12,184	$12,213	$29	0.2%
$500,000	$31,984	$32,963	$979	3.1%
$1,000,000	$64,984	$67,713	$2,729	4.2%

4. Tax year 2023 personal income tax data, adjusted for income and deduction growth as well as the number of returns, was used by the Department of Finance to estimate the effects on General Fund revenue collections.

General Fund Revenue Loss:

Fiscal Year 2026:	$ 6.3 million
Fiscal Year 2027:	$12.0 million
Fiscal Year 2028:	$10.6 million

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