

STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
DIVISION OF REVENUE  
601 DELAWARE AVENUE  
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 71-2

November 19, 1971

PERSONAL INCOME TAX

- Head of household.

**QUESTION:** Is there a deduction allowed in 1971 for head of household?

No. There is no provision in the law for computing tax at a different rate for head of household. On the federal return the person claiming head of household uses a special rate schedule. There are no special rate schedules in Delaware.

**EDITOR'S  
NOTE:**

The law prior to 1971 allowed a straight deduction of \$300 for head of household which in effect had a head of household pay a lower tax than a married or single person with the same income with the same number of dependents.

PERSONAL INCOME TAX

- Deductions - (Sections 1107, 1108, and 1109) - Beginning 1/1/71.

The deduction of a resident individual shall be his standard deduction unless he elects to itemize his deductions.

The standard deduction is 10% of Delaware Adjusted Gross income (Line 5) on the return not to exceed \$500 if married filing separately or \$1,000 for all other taxpayers.

A husband and wife both of whom are required to file returns under this chapter shall be allowed to itemize their deductions only if both elect to do so.

Taxpayers who have itemized their deductions on the federal return may elect to do so on the State return or they may elect to use the standard deduction. Taxpayers who have used the standard deduction on the federal return may not itemize on the State return.

Deductions (continued)

Taxpayers who itemize on the federal return and elect to itemize on the State return must make the following adjustments.

- (a) Subtract the amount deducted as Delaware Income Taxes on the federal return.
- (b) Subtract the amount paid to another state, etc., on income derived from sources therein if he elects to take such amount as a credit on the Delaware tax return.
- (c) Reduce the charitable contributions by any amount in excess of 20% of Delaware taxable income which is Line 5 on the return.

EDITOR'S  
NOTE:

We will allow taxpayer to change from itemized deduction to standard but not from standard to itemized.



J. H. Kennedy  
Director of Revenue

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