

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

TAX NEWSGRAM 72-26

February 8, 1972

PERSONAL INCOME TAX

- Installment Sale -  
Delaware

REVOCKED BY TAX NEWSGRAM  
70-12 - IF PROPERLY INCLUDED  
PROPERTY WHILE A NONRESIDENT OF  
MODIFICATION IN SEC 1106(B) TO  
EXCLUDE IT.

The question has been raised as to the proper reporting of an installment sale of property when the sale was made by a nonresident prior to his becoming a resident of Delaware. The property in question was in a state other than Delaware.

In the instant case the taxpayer while a resident of Pennsylvania sold his personal residence under an installment payment arrangement. In a subsequent year he moved to Delaware and became a permanent resident. In prior years the gain realized on the installment payments received had not been reported.

The question raised was where a portion of the gain realized had been reported on the federal return was it now reportable on the Delaware return? If not, how should the taxpayer report the transaction?

The gain is not reportable on the Delaware return and taxpayer should exclude the income by modification.

The gain was realized prior to taxpayer becoming a resident of Delaware and therefore would not be taxable in Delaware.



J. H. Kennedy  
Director of Revenue

jvm

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