

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

TAX NEWSGRAM 72-31

March 3, 1972

PERSONAL INCOME TAX

- Credit for Taxes Paid Another State (Line 12 of the Delaware Tax return)

The Delaware resident or partial year resident who files a Form 200 or Form 200PY will be allowed a credit for income taxes paid to another state for income earned in that state in 1971 while a resident of Delaware.

To claim the credit the Delaware resident must attach a copy of the return he filed with the other state. He, therefore, must file the return due to that state first.

The credit is limited to the lesser of the following:

1. The Delaware Tax due.
2. The tax due the other state.
3. The limitation as computed.

To compute the limitation taxpayer divides the adjusted gross income shown on the out of state return by the adjusted gross income on Line 5 of the Delaware return Form 200 or Form 200PY to determine the percentage of tax. He then multiplies Delaware tax by this percentage. This is one of the limits of credit allowable.

**EXAMPLE:**

Assume that Delaware taxpayer has Delaware Adjusted Gross Income, Line 5, of \$7,500. He is single, has one exemption and had decided to use the standard deduction. He has paid over \$300 Federal income tax. He has been employed in Pennsylvania and earned \$3,000 on which he paid Pennsylvania Income Tax per his Pennsylvania Tax return of \$69.

T A X N E W S G R A M 72-31

The Delaware Tax due would be	\$206.00
The Limitation as computed would be 40% of \$206 or	82.40
The Tax Paid to Pennsylvania was	69.00
The credit is the lessor of the three or	\$ 69.00



J. H. Kennedy  
Director of Revenue

emm

Distribution: B and C