

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

TAX NEWSGRAM 72-39

April 10, 1972

PERSONAL INCOME TAX

- Nontaxable Income of Nonresidents

Many letters and calls have been made to the Division of Revenue questioning whether former residents of the State of Delaware must continue to pay income taxes to Delaware if they receive income from Delaware.

To the extent that the income is from property located in Delaware the income is taxable. This includes income from rental property or from a business in Delaware which the taxpayer operates.

However, if the taxpayer is now not a resident of Delaware and receives a pension from the Federal government, State of Delaware or any subdivision thereof or from a Delaware employer, the pension is not taxable even though the pension was earned as a Delaware employee.

If the nonresident has a bank savings account, the interest earned would be tax exempt. The same would be true for dividends received from corporations.


J. H. Kennedy
Director of Revenue

jvm

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