

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

TAX NEWSGRAM 72-41

April 20, 1971

PERSONAL INCOME TAX

- Computation of credit for taxes paid to another state.

The question has been raised as to whether one taxpayer may claim the credit for taxes paid to another state by his spouse.

A Delaware taxpayer was employed in Pennsylvania from September 1, 1971 to December 31, 1971. During that period the earnings were \$1,000 from which the employer deducted \$23. Taxpayer had no other income. Taxpayer's spouse had income of \$10,000 from Delaware sources. If the taxpayer filed a joint Federal return and separate State returns, the credit would be zero computed as follows:

Income		\$1,000
Less: Standard Deduction 10%	\$100	
Federal Income Taxes	300	
Exemption	600	1,000
Delaware taxable income		- 0 -

If they filed a joint Delaware return, the credit would be computed as follows:

Income		\$11,000
Less: Standard Deduction 10%	\$1,000	
Federal Income Taxes	600	
Exemptions	1,200	2,800
Delaware taxable income		\$ 8,200
 Tax		 \$ 371
 Allowable credit would be limited to		 \$ 23

J. H. Kennedy
 J. H. Kennedy
 Director of Revenue

jvm

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