

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

TAX NEWSGRAM 72-51

August 3, 1972

PERSONAL INCOME TAX

- Retired Income Exclusion.

House Bill No. 638, 126th General Assembly, approved by the Governor on July 20, 1972, amended Paragraph (2) of Section 1106 (b), 30 Delaware Code, relating to the \$2,000 subtraction from Federal Adjusted Gross Income, to read as follows:

"The amount of \$2,000 by any person who is totally and permanently disabled or by a person who is over 60 years of age, and (i) whose earned income in the taxable year is less than \$2,500, and (ii) whose adjusted gross income (without reduction by this exclusion) does not exceed \$10,000.

For purposes of this paragraph, in the case of a husband and wife filing a joint return, the amount of the exclusion shall be \$4,000 if (i) both are either over 60 years of age or totally and permanently disabled or one is over 60 years of age and the other totally and permanently disabled, and (ii) whose total earned income in the taxable year is less than \$5,000 and whose adjusted gross income does not exceed \$20,000."

Under the revised law in computing Delaware taxable income, commencing with returns filed in 1973 for the taxable year 1972, a taxpayer is allowed to subtract \$2,000 from his Federal Adjusted Gross Income if he is totally and permanently disabled or if he is over 60 years of age, and his earned income for the year is less than \$2,500 and his adjusted gross income (without this exclusion) does not exceed \$10,000. Moreover on a joint return, a husband and wife may subtract \$4,000 from their Federal Adjusted Gross Income if they are both over 60 years of age or totally and permanently disabled and their total earned income in the taxable year is less than \$5,000, and their adjusted gross income (without this exclusion) does not exceed \$20,000.

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Under the law in existence prior to this amendment, the \$2,000 exclusion was denied if earned income during the year exceeded \$2,000 or if adjusted gross income (whether single or joint return) exceeded \$10,000.

The amendment is effective with respect to all taxable years ending on or after December 31, 1972.



J. H. Kennedy  
Director of Revenue

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