



STATE OF DELAWARE
DEPARTMENT OF FINANCE
WILMINGTON, DELAWARE 19899

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PERSONAL INCOME TAX

- Credit for income taxes imposed by another state.

The Delaware resident or partial year resident who files a Form 200 or Form 200 PY will be allowed a credit for income taxes imposed by another state while a resident of Delaware. The taxpayers must file a return with the other state and attach a copy to the Delaware return.

The Delaware partial year resident should list the income reported to the other state and the period for which earned. A taxpayer who pays tax to another state for the period he was a resident of that state will not be allowed a credit for the tax paid for that period.

Example 1

Assume taxpayer lives in Pennsylvania part of the year and moves into Delaware during the year. He was employed the entire year in Delaware. Taxpayer would be required to file a Form 200 PY but there would be no credit for taxes paid to Pennsylvania. He would be required to report the entire income in Delaware. He may be allowed a credit in Pennsylvania for taxes paid to Delaware while a resident of Pennsylvania.

Example 2

Assume taxpayer lives in Pennsylvania part of the year and moves into Delaware during the year. The early part of the year while a resident of Pennsylvania he was employed in Pennsylvania and Delaware. As a resident of Delaware he was employed only in Delaware. Taxpayer would file a Form 200 PY and exclude the amount earned in Pennsylvania. No credit for Pennsylvania taxes paid would be allowed. He may be allowed a credit in Pennsylvania for taxes paid to Delaware while a resident of Pennsylvania.

Example 3

Assume taxpayer lives in Pennsylvania part of the year and moves into Delaware during the year. He was employed the entire year in Pennsylvania. Taxpayer would be required to file a Form 200 PY and exclude the amount earned as a resident of Pennsylvania. He would

be allowed a credit for taxes paid to Pennsylvania while a resident of Delaware.

Example 4

Assume taxpayer lives in Pennsylvania part of the year and moves into Delaware during the year. While a resident of Pennsylvania he was employed in Delaware. After becoming a Delaware resident he changes his place of employment to Pennsylvania. Taxpayer would be required to file a Form 200 PY. All the income would be included. Credit would be allowed only for that part of the taxes paid on income earned while a resident of Delaware and employed in Pennsylvania.



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Director of Revenue

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