

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

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PERSONAL INCOME TAX

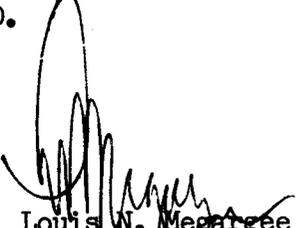
- Retirement Exclusion (Joint Return)

Section 1106 (b) (2), Title 30, Delaware Code, allows a deduction of \$2,000 from Federal Adjusted Gross Income to any individual who is over 60 years of age (or disabled), has earned income of less than \$2,500, and adjusted gross income of less than \$10,000. The instructions accompanying the 1973 Delaware return state that the exclusion will be allowed on a joint return to one spouse if he would have been allowed the exclusion had he filed a separate return.

A question has been raised concerning the amount to be allowed where a joint return is filed but only one spouse meets all the prescribed requirements and has less than \$2,000 income, as in the following example:

	<u>WIFE</u> <u>(Age 60)</u>	<u>HUSBAND</u> <u>(Age 58)</u>	<u>TOTAL</u> <u>(Joint Return)</u>
Wages	\$800.00	\$8,900.00	\$9,700.00
Interest	<u>60.00</u>	<u>60.00</u>	<u>120.00</u>
Totals	<u>\$860.00</u>	<u>\$8,960.00</u>	<u>\$9,820.00</u>

The husband does not qualify for the exclusion since he is under 60 years of age. However, on a separate return the wife would qualify. It is the position of the Division of Revenue, that on the joint return, a retirement exclusion for the wife is allowable, limited however to the lesser of \$2,000 or the separate taxable income of the wife. In the example given, the exclusion is limited to \$860.00.

  
Louis W. Megargee  
Director of Revenue

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