



STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
DIVISION OF REVENUE  
DELAWARE STATE BUILDING  
820 N. FRENCH STREET  
WILMINGTON, DELAWARE 19801

DIVISION OF REVENUE  
TECHNICAL INFORMATION MEMORANDUM 86-1

January 1, 1986

SUBJECT: Changes in the 1985 Delaware Personal Income Tax  
Instructions Relative to Prior Years

This Memorandum is intended to signal some important changes in the 1985 Delaware Personal Income Tax Instructions relative to prior years.

1. Extensions The Director of Revenue is authorized by law to grant extensions of time for payment of tax or filing of returns on such terms and conditions as the Director may require. (30 Del. C. §1171)

a. Automatic Extensions As in the past taxpayers desiring an extension of time to file income tax returns are required to file Form 1027, entitled "Application for Automatic Extension of Time to File Delaware Individual Income Tax Returns." The automatic extension is to August 15th. The application must be filed with the Division of Revenue on or before the original due date of the return (generally April 30), along with payment of any balance of estimated tax liability due for the year. Any unpaid balance will be subject to interest at one percent (1%) per month, or fraction of a month, from the original due date of the return until paid.

b. Subsequent Extensions Application for further extension of time beyond August 15th must be made by filing a photocopy of a federal extension application before the expiration of the extension granted on Form 1027. A photocopy of an approved federal extension must be attached to the final return when filed. An approved federal extension will extend the due date of your Delaware return to the same date as your federal extension due date. Absence of either timely filing of the application by way of a photocopied application or of the approved federal extension will result in a determination that the return was not filed in the time prescribed by law.

NOTE: Extension Form 1027A is no longer in effect for tax year 1985.

2. Exclusion for Certain Persons 60 Years of Age and Over or Disabled. Section 1106(b)(2), Title 30, Delaware Code, provides for exclusions from gross income to persons who meet certain qualifications. If you are single or married and filing separately, the Delaware Law allows an exclusion of \$2,000 to any person who is 60 years of age or older if: (a) his earned income for the year is less than \$2,500 and (b) his Delaware adjusted gross income (without reduction by this exclusion) does not exceed \$10,000.

A husband and wife filing a joint return are entitled to an exclusion of \$4,000 if: (a) each is either 60 years of age or older or totally and permanently disabled and (b) their total earned income in the taxable year is less than \$5,000 and (c) their Delaware adjusted gross income (without reduction by this exclusion) does not exceed \$20,000.

These instructions differ from previous years in two respects: (a) First, the adjusted gross income test in the 1985 Instructions involves only Delaware adjusted gross income (without regard to this exclusion). Thus, consideration need not be given to federal adjusted gross income; and (b) Second, taxpayers filing a joint return are entitled to a \$4,000 exclusion only if both spouses are of qualifying age or disability and if their joint earned and adjusted gross incomes satisfy the foregoing criteria. It is not possible for either spouse to qualify alone for the individual \$2,000/exclusion if that spouse files a joint return.

The Division welcomes any inquiries relative to these or other State Tax matters. Our Taxpayer Assistance Bureau can be reached at (302) 571-3300.

  
Robert W. Chastant  
Director of Revenue