



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
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DIVISION OF REVENUE

July 24, 1998

TECHNICAL INFORMATION MEMORANDUM 98-6

SUBJECT: WITHHOLDING TAX CHANGES

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This Technical Information Memorandum is intended to publish the rate reductions for personal income tax.

House Bill 769 and Senate Bill 434 reduced the personal income tax rates effective January 1, 1999. These new rates are noted below.

Taxable Income Between	Pay	Plus	On Amounts Over
\$ 0 - \$ 2,000	\$ 0.00	0.00%	0
\$ 2,000 - \$ 5,000	\$ 0.00	2.60%	\$ 2,000
\$ 5,000 - \$10,000	\$ 78.00	4.30%	\$ 5,000
\$ 10,000 - \$20,000	\$ 293.00	5.20%	\$ 10,000
\$ 20,000 - \$25,000	\$ 813.00	5.60%	\$ 20,000
\$ 25,000 - \$60,000	\$ 1,093.00	5.95%	\$ 25,000
\$ 60,000 & over	\$ 3,175.50	6.40%	\$ 60,000

Effective for tax years beginning after December 31, 1998, Senate Bill 434 increased the standard deduction of a resident individual to \$3,250 and the standard deduction of resident spouses was increased to \$4,000 if they file a joint return and \$2,000 each if they file separate returns.

New Withholding Regulations booklets will be updated and mailed to all withholding agents.


William M. Remington
Director of Revenue