Form 200-02 NR

NON-RESIDENT INDIVIDUAL INCOME TAX RETURN GENERAL INSTRUCTIONS

Who Must File

1. **Non-Residents** – File a tax return if you have any gross income during the tax year from sources in Delaware. **NOTE: A Non-resident of Delaware who works in Delaware and who has entered into a Civil Union or Same Sex Marriage in another state that is recognized as a civil union in Delaware under 13 Del C. §213, would be taxed as if the taxpayer were a nonresident married spouse who worked in Delaware.**

   Conversely, a Resident of Delaware who has entered into a Civil Union in Delaware and becomes a Non-Resident but works in Delaware, would be taxed as if the taxpayer were a non-resident married spouse who worked in Delaware, irrespective of whether the State where they are no domiciled recognizes Civil Unions or Same Sex Marriages.

2. **Part-Year Residents** – must file a Delaware tax return if:
   - While a resident of Delaware, you had income from any sources, **or**
   - As a non-resident of Delaware, you had income from a Delaware source.

Part-Year Residents may elect to file either a resident or non-resident return. You may wish to prepare both a resident and non-resident return. File only the return which is more advantageous for you.

Part-Year Residents electing to file a resident return – This option may be advantageous if, during the period of non-residency, you had no income from sources in other states and/or your only income was from Delaware. Report all income from Delaware and from all other sources on Form 200-01.

Part-Year Residents electing to file a non-resident return – This option may be advantageous if, during the period of non-residency, you had any income from other states or sources outside of Delaware. Report all income from your Federal return in Column 1 and all Delaware Source income in Column 2 of Form 200-02. To determine your Delaware tax, your modified Delaware source income will be divided by your Federal modified income to compute a proration decimal. Your tax liability and personal credits will then be prorated accordingly, based on the proration decimal.

NOTE: Volunteer Firefighter, Child Care and Earned Income Tax Credits cannot be taken on the non-resident return (Form 200-02).

NOTE: Individuals who have been residents of Delaware for the entire year may not use the non-resident Form 200-02 NR. You must file on Form 200-01.

3. **Erroneous Delaware Withholding** – Non-Resident employees file a non-resident return to receive a refund of erroneously withheld Delaware income taxes if you did not live or work in the State at any time during the taxable year. You must attach to your Delaware return certification from your employer that:
   a. You did not work in Delaware during any part of the taxable year,
   b. Your employer erroneously withheld Delaware income taxes, and
   c. Your employer has not and will not file a Claim for Refund of such erroneous withholdings.

Severance Pay Note: Non-residents receiving severance pay should see Schedule W–Apportionment worksheet for instructions.

What Form to File

	200-01 R	200-02 NR
Full-year residents	√	
Part-year residents	√ or…	√
Non-residents		√

Who is a Resident

A resident is an individual who either:

- Is domiciled in this State for any part of the taxable year; or
- Maintains a place of abode in this State and spends more than 183 days of the taxable year in this State.

A domicile is the place an individual intends to be his permanent home; a place to which he intends to return whenever he may be absent. An individual can have only one domicile. A domicile, once established, continues until the individual moves to a new location and exhibits a bona fide intention of making it his or her permanent home.

Full-Time Students with a legal residence in another state remain legal residents of that state unless they exhibit intentions to make Delaware their permanent residence.

NOTE*: Foreign Travelers – If you were out of the United States States for at least 495 days in the last 18 consecutive months and (at the same time) you did not maintain a permanent place of abode in this State at which you, your spouse, your children or your parents were present for more than 45 days, you are not considered a resident of this State.

*The above NOTE does not apply to members of the Armed Forces, employees of the United States, its agencies, or instrumentalities.

Minors – Disabled – Deceased

If an individual is unable to file a return because he is a minor or is disabled, the return shall be filed by his authorized agent, guardian, fiduciary or the person charged with the care of the person or property of such individual. See federal instructions for authorized signature. If an individual is deceased, his final return shall be filed by his executor, administrator or other person responsible for the property of the decedent. Please see Deceased on Page 9 for further instructions on deceased taxpayers.

Steps for Preparing Your Return

Step 1

Have your federal income tax return and any other state return(s) (part-year residents) completed. They will be used in preparing your Delaware return. **NOTE:** If you entered into a Civil Union, you should have two federal returns completed. 1) A federal income tax return that you will fill out and submit to the IRS using a single or head of household filing status. We call this your actual federal return. 2) Complete the second federal return **as if** you are filing jointly or married/civil union and filing separate forms. Use the information you calculate on the **Proforma** or **as if** federal return to complete your Delaware Income Tax return. Don't submit the **Proforma** return to the IRS, but include it with your DE return.

Step 2

Fill in the top boxes on the front of the form (name, address, filing status). Refer to the instructions starting on Page 9 of this booklet for more details.

Step 3

After completing the top part of the front, turn the form over and begin filling out the back of the form; then complete the front. Use the Line-by-Line instructions provided, beginning on Page 5.

Step 4

When you are finished, attach the appropriate documents to your Delaware return. See "What Documents to Attach" on Page 3.

Step 5

Sign, date, enter your phone number, and send Form 200-02, along with all required attachments to the applicable address listed on page 3. If the return is prepared by a paid preparer, the paid preparer must also sign the return.

Address to: **State of Delaware**
Division of Revenue

If **Enclosing Payment w/Balance Due** (from Line 58) use:	P.O. Box 508 Wilmington, DE 19899-508
If **Refund Due** on Line 59 use:	P.O. Box 8710 Wilmington, DE 19899-8710
All Other Returns:	P.O. Box 8711 Wilmington, DE 19899-8711

If necessary, please call our Wilmington office to discuss payment difficulties. Our representatives are available from 8:00 AM to 4:30 PM, Monday through Friday to explain the payment options available.

New Castle County:	577-8208
Kent and Sussex County:	1-800-292-7826
Outside Delaware:	1-302-577-8208

NOTES:

- The return is not complete unless it is signed and dated.
- If filing a joint return, both spouses must sign the return.
- In order to aid in timely processing of your return, please include a telephone number where you can be reached during normal working hours.
- Each preparer is responsible for including in the return all relevant items about which he has information.
- **Separate filers MUST submit their returns in separate envelopes. When doing this, DO NOT include duplicate copies of a spouse's return.**

What Documents to Attach

Attach the following documents to your Delaware return:

1. **DE Schedule I and III, if completed.**
2. W-2 Form(s) issued by your employer and all 1099R Forms to take credit for Delaware tax withheld.
3. A copy of Federal 1040 or 1040A, Page 1 and 2 or Federal 1040EZ, Page 1, if you claim any federal adjustments to Delaware Source Income.
4. A copy of all federal schedules you are required to file with your federal return (for example, Schedule A, B, C, D, etc.).
5. If you claim a deduction on Schedule A, Line 21 for unreimbursed employee expenses, you must attach a copy of Federal Form 2106 or 2106EZ.
6. A signed copy of other state's income tax return(s), if you claim credit for taxes paid to another state. Do not use the amount from your W-2 form(s).
7. A copy of Form 1100S, Schedule A-1, if you take a credit for taxes paid by an S corporation.
8. A copy of Form DE2210, pages 1 and 2, **if you completed Part 3 of the DE2210 or if the calculated Estimated Tax Penalty is greater than zero.**
9. A copy of Form 700, Delaware Income Tax Credit Schedule and Form 1801AC and/or Form 2001AC, if applicable. See Pages 11 and 12 for a description of the Form 700 credits.
10. A Copy of Delaware Schedule W Apportionment Worksheet, if applicable. You must include pages 1 and 2.
11. A copy of Form 5403, Real Estate Tax Return, if you declared and paid estimated taxes on any real estate owned in Delaware.
12. A copy of your Proforma federal tax return, if you entered into a civil union in 2014.

NOTE: Failure to attach the above required documentation may unnecessarily delay the processing of your return.

When to File

Individual income tax returns are due on or before April 30, 2015, for all taxpayers filing on a calendar year basis. All others must file by the thirtieth day of the fourth month following the close of their taxable year.

Extension of Time to File a Return

CAUTION:
THERE IS NO EXTENSION OF TIME FOR PAYMENT OF TAX

An extension of time to file your tax return is granted when the Application for Automatic Extension *(Form 1027)* includes a payment for the amount of any tax reasonably estimated to be due. Interest accrues on any unpaid tax at a rate of ½% per month, or fraction of a month, from the return's original due date until paid.

If an extension is not filed and if there is a balance due when the return is filed, a penalty will be charged for filing the return late. If you have doubt as to whether the final return will show a balance due, file Form 1027 for an extension.

To extend your due date for submitting your completed income tax return (from April 30, 2015 to October 15, 2015), submit the following to the Division of Revenue no later than April 30, 2015:

1. Your payment of any balance of tax liability estimated to be due for the year 2014 **AND**
2. The completed copy of Form 1027.

The application for an automatic extension, Form 1027, may be filed on-line at our website at www.revenue.delaware.gov. If you owe tax with your extension for 2014 and file on-line, you may use a direct debit from your checking or savings account or pay by credit card. If you are paying by direct debit you may specify a later payment date, up to the due date. Payments by direct debit must not come from an account outside the U.S. and may be made in any amount without dollar limitation. Payments up to $2,500 can be made by credit card. If you choose not to file online, a blank copy of Form 1027 is available from the Division of Revenue or from our website above.

Blanket requests for extensions will not be granted. You must submit a separate application for each return.

To extend your due date **beyond October 15, 2015,** file with the Delaware Division of Revenue a copy of your approved Federal Extension on or before the expiration of the extension granted on Form 1027. The approved federal extension will extend the due date of your Delaware return to the same date as your federal extension due date. It must be attached to your Delaware return.

Amended Returns

If any changes made to your federal return affect your state income tax liability, you are required to report the change to the Delaware Division of Revenue within ninety (90) days after the final determination of such a change and indicate your agreement with the determination or the grounds of your disagreement. Use Form 200-02-X to change an income tax return you have already filed, and attach a copy of any federal adjustments.

Persons 60 or Over Checklist

If you were 60 years of age or older on 12/31, please review the following items before filing your return:

	You may be eligible for the pension exclusion.	Line 23, Page 7
	Social security and Railroad retirement benefits are excluded from Delaware taxable income.	Line 26, Page 8
	You may be eligible for an exclusion if your earned income was less than $2,500.	Line 29, Page 8
	You are entitled to an additional personal credit of $110.	Line 43b, Page 11
	If you were 65 years of age or older on 12/31, you are eligible for an additional standard deduction of $2,500, if you did not itemize.	Line 39, Page 10

Members of Armed Forces

While you are stationed in Delaware:

- Your military pay is subject to Delaware state income tax ***only if Delaware is your state of legal residence.***
- Other income earned in Delaware, (that is, income other than military salary), is subject to income tax in Delaware AND in your state of legal residence, if it is other than Delaware.

NOTE TO NON-RESIDENT U.S. MILITARY PERSONNEL STATIONED IN DELAWARE:

If you have other income from Delaware sources and file a Delaware Form 200-02NR, you can exclude on Line 16, Column 1 of the Delaware Non-Resident Income Tax Return the amount of your military compensation in accordance with the Service Members Civil Relief Act.

All non-resident military members MUST include all income (even military) in Column 1, Line 1 to Line 14, and subtract their military income in Column 1, Line 16. Column 2 is reserved for Delaware Source Income only. Please see the example below and on Page 6 for further instructions.

- You do NOT need to file a Delaware return if:
  a. You are receiving only military active duty income, AND
  b. You are a legal resident of another state.

Members of the Armed Forces			
Are you a Legal Resident of Delaware?	Delaware Filing Required		
	Military Active Duty Income	Other Income Earned in DE	Other Income Earned in Other States
YES	YES*	YES*	YES*
NO	NO	YES*	NO
*Whether you are stationed in Delaware or not.			

Your state of legal residence is the same as it was when you entered the Armed Forces unless you voluntarily changed it while in the Armed Forces. For example, if you were a legal resident of Delaware when you entered the Armed Forces, you remain a legal resident of Delaware for Delaware state income tax purposes unless you voluntarily abandoned your Delaware residency and established a new legal domicile in another state.

If you change your legal residence, in the year you change, you are a part-year resident of both states. A change in legal residence is documented by filing DD Form 2058 and DD Form 2058-1 with your military personnel office.

The following examples illustrate this:

1. Airman John Green, who is a legal resident of Delaware (domiciled in Delaware), was ordered to duty in, and moved his family to, New Jersey. The family has no income other than Green's military pay. Airman Green will file a federal and Delaware Resident tax return only. A New Jersey state tax return is not required.
2. Sergeant Paul Smith, whose domicile is Ohio and to which he is liable for income taxes, has been on active duty in Delaware for 12 months. Sergeant Smith is single and has non-military income from Delaware. Sergeant Smith will file as a non-resident of Delaware (using Form 200-02 NR), reporting all his income in Column A. He will also deduct his military compensation from his Delaware Non-Resident Return as a federal adjustment to gross income (Column A, Line 16). Sergeant Smith will report his non-military income from Delaware in Column 2. He should contact Ohio for his filing requirements for Ohio.

Military Spouses

All income of a non-military spouse is taxed in the state of their legal residence.

1. Airman Dan Brown and his spouse are legal residents of Delaware (domiciled in Delaware). Airman Brown was ordered to duty in, and moved with his spouse to, New Jersey. Besides Airman Brown's military pay, his spouse has New Jersey source wages. Airman Brown and his spouse will file both a federal and Delaware Resident tax return reporting both military and non-military income. A New Jersey state tax return is not required.
2. Sergeant Michael Jones, whose domicile is Ohio and to which he is liable for income taxes, has been on active duty in Delaware for 12 months. Sergeant Jones is married and his spouse has non-military income from Delaware. If Sergeant Jones' spouse maintains a legal residence in a state other than Delaware, a Delaware state tax return will not be required. Sergeant Jones and his spouse should contact their state of legal residence for their filing requirements.

A military spouse claiming an exemption from Delaware's income Tax withholding requirements must complete an Annual Withholding Tax Exemption Certification Form, Form W-4DE, with their employer. This form is also available on our website at www.revenue.delaware.gov. A military spouse claiming an exemption must meet the conditions set forth under the Service Members Civil Relief Act, as amended by the Military Spouses Residency Relief Act.

Requirement to File Estimated Taxes

Every person who is either a resident of Delaware or has income from Delaware sources may be required to file quarterly Declarations of Estimated Tax to the Delaware Division of Revenue, ***if the Delaware tax liability less payments and credits can reasonably be expected to exceed $400.*** (See worksheet below).

You may be required to make Estimated payments, ***if you receive a lump sum distribution or a large bonus at the end of the year.***

Also, you may be required to make Estimated payments if while you are a Delaware resident:

- Your employer does not withhold Delaware tax, or
- You work in another state whose tax withholding rate is lower than that of Delaware's.

The estimated tax booklet, containing the worksheet for computing your estimated tax liability and the payment vouchers (Form 200-ES), will be sent after January 15, 2015. If you did not file estimated taxes for 2014 and need estimated tax coupons, call the **Estimated Tax Forms voice mailbox at (302) 577-8588** to order them. Or call toll free 1-800-292-7826 (Delaware only).

Estimated tax payments may be filed online at www.revenue.delaware.gov by direct debit from your checking or savings account or by credit card. If you are paying by direct debit you may specify a later payment date, up to the due date. Payments by direct debit must not come from an account outside the U.S. and may be made in any amount without dollar limitation. Payments up to $2,500 can be made by credit card. If you want to pay by check, you must use the paper Form 200-ES available on our website at www.revenue.delaware.gov.

To estimate your 2015 tax liability prior to receiving the booklet, complete a 2014 return using estimated income and deduction amounts for 2015.

Who Must File Estimated Taxes for 2015

To determine if you must pay estimated income tax payments complete the following:

1. Enter the amount of your total estimated tax liability for 2015 (See the tax table or tax rate schedule.) _____ 1
2. Enter the amount of estimated Delaware withholding tax and other credits for 2015. – _____ 2
3. Enter the balance due (Line 1 minus Line 2). = _____ 3
4. **You DO NOT have to file estimated taxes if:**
   - **Line 3 is less than $400, or**
   - **Line 2 is at least 90% of Line 1, or**
   - **Line 2 is at least equal to 100% of your total tax liability for 2014. Use 110% of your 2014 tax liability if your 2014 Delaware adjusted gross income exceeded $150,000, or if you are filing status 3 and your 2014 Delaware adjusted gross income exceeded $75,000.**

When to Make Your Estimated Tax Payment

For estimated tax purposes, the year is divided into four payment periods. Each period has a specific payment due date:

For the Period:	The payment due date is:
1/1/15 through 3/31/15	April 30, 2015
4/1/15 through 5/31/15	June 16, 2015
6/1/15 through 8/31/15	September 15, 2015
9/1/15 through 12/31/15	January 15, 2016

For more information concerning estimated taxes or payment voucher and worksheet call (302) 577-8200.

Estimated Tax Penalty

You may owe this penalty if the amount you owe (Line 53) is more than 10% of the tax shown on your return (Line 47, Balance).

Exceptions to the Penalty
You will not owe the penalty if your 2013 tax return was for a period of 12 full months AND EITHER of the following applies:

1. You had no tax liability for 2013, or
2. The total of Line 46 (Total Non-Refundable Credits) and Line 52 (Total Refundable Credits) on your 2014 return equals at least 100% of the tax liability shown on your 2013 return and estimated tax payments for 2014 were made on time. Use 110% of your 2013 tax liability if your 2013 Delaware adjusted gross income exceeded $150,000, or if you are filing status 3 and your 2013 Delaware adjusted gross income exceeded $75,000.
3. For Special Rules regarding Farmers and Fishermen and for waivers of the penalty please see the separate Instructions for Form 200-ES and/or Form DE2210.

Penalties and Interest

1. **Interest – Underpayment or late payment**
   The Delaware Code provides that interest on any underpayment or late payment of income taxes due shall accrue at the rate of ½% per month, from the date prescribed for payments to the date paid.
2. **Penalty– Late-filing of balance due return**
   The law imposes substantial penalties for failure to file a timely return. Late-filed returns resulting in a balance due are subject to a penalty of 5% per month of the balance due.
3. **Penalty- Negligence/fraud/substantial understatement**
   The law also provides severe penalties for a false or fraudulent return, or for making a false certification. The mere fact that the figures you report on your Delaware return are taken from your federal return will not relieve you from the imposition of penalties for negligence or for filing a false or fraudulent return.
4. **Penalty- Failure to pay**
   The law provides a penalty of 1% per month (not to exceed 25%) of the net tax liabilities for failure to pay the tax liability due on a timely filed or late filed return. This penalty is in addition to the interest charged for late payment.
5. **Penalty- Failure to File/Pay Estimated Taxes**
   The law provides a penalty of 1½ % per month of the computed tax payment for failure to file/pay estimated taxes due. This penalty is in addition to those penalties and interest listed above. The penalty is also assessed if the estimated payment is filed late.

Complete the back of this form, beginning with Line 1. Once the back is completed, return to the front and follow the instructions for "Front of Form" on page 9.

Rounding Off Dollars

Dollar amounts on your return must be rounded off to the nearest whole dollar. This means that amounts from 50 to 99 cents are increased to the next dollar. For example, $1.50 becomes $2.00 and $1.49 becomes $1.00.

BACK OF FORM 200-02

Column 1 – Federal

This column should reflect the entries you have made on the appropriate lines of your federal return as if you were a full-year resident of Delaware. List all items of income, adjustment, and modification irrespective of the state from which the items were derived. If Filing Status 3, use only your income.

Column 1, Line 1 through Line 17, must match each line of Federal Form 1040, 1040A or 1040EZ, for all filing statuses except Filing Status 3. Exception: Non-resident U.S. military personnel who exclude military compensation in Column 1, Line 16.

NOTE: If you entered into a civil union in 2014, please refer to your Proforma federal tax return as explained on Page 2, "Steps for Preparing Your Return."

Column 2 – Delaware Source Income and/or Loss

List all amounts of income, gain, loss, or adjustment from Delaware sources. **Part-year residents must also include all income from any source during the time of Delaware residency**. Part-year residents must first allocate their income by date. Ex: a taxpayer lived in Delaware from 8/1/14 through 12/31/14. If he sold stock on 4/1/14, when he did not live in Delaware, then the gain/loss would not be reported in Column 2. If he sold stock on 9/1/14, while he lived in Delaware, then he must report that gain/loss in Column 2. If income was earned evenly throughout the year, then allocate the income based on the percentage of time of residency in Delaware. Ex: Interest income for the year was $120. If the taxpayer lived in Delaware from 8/1/14 to 12/31/14 then 5/12 ($120 x 5/12 = $50) of the income would be allocated to Column 2.

Determining Delaware Income Line-By-Line Instructions

1 **Wages, Salaries, Tips, etc.**

Enter in Column 2 wages, salaries, tips or other compensation you received as an employee reported as Delaware income on your W-2. Part-year residents should include the total of (a) the amount earned while working in Delaware **and** (b) the amount earned while a Delaware resident. If, in connection with your Delaware employment, you are required to render services outside Delaware, such income may be excluded, but you must complete Schedule W and attach it to your return. Copies of this form are available from the Division of Revenue and on our website. Do not submit computer worksheets or handwritten calendars in lieu of Schedule W.

NOTE: Working from home does not qualify for Schedule W exclusion. See the Schedule W instructions for further detail.

2 - 3 **Interest and Dividend Income**

Generally, interest, dividend income and interest from other States' obligations are taxable by Delaware only for that period in which **you were a resident of Delaware**. Interest connected with a trade or business located in Delaware should be included in Column 2 regardless of State of residency.

4 **State Refunds, Credits or Offsets Of State And Local Income Taxes.**

Enter the amount of your Delaware taxable refund in Column 2.

5 Alimony Received

Alimony received is taxable to Delaware only for the period in which you were Delaware resident. Enter this amount in Column 2.

6 Business Income or (Loss)

Enter in Column 2 the income or loss incurred from **businesses located within Delaware and the business income or loss for the period you were a resident of Delaware. Business income or loss, regardless of source, earned while a resident of Delaware must also be included in Column 2.** Indicate business losses in brackets.

NOTE: Line 6 - Business Income (or Loss)
If you have business income or loss from sources within Delaware and at least one other State, you must either (1) attribute all positive income to Delaware; or (2) determine Delaware source income or loss on Form 800, available from the Division of Revenue or our website.

7a & 7b Capital Gains or (Losses)/Other Gains or (Losses)

Gains or losses from the sale of real property (such as land or buildings) located in Delaware must be reported in Column 2. Gains or losses from property other than real property (such as stocks or bonds) sold **while a resident of Delaware** must also be included in Column 2.

8 IRA Distributions

Enter in Column 2, Taxable IRA distributions received **while a resident of Delaware**.

9 Taxable Pension and Annuities

Enter in Column 2, taxable pensions and annuities received **while a resident of Delaware.**

10 Rents, Royalties, Partnerships, S Corps, Estates, Trust, etc.

Enter in Column 2, the income or loss from **property located in Delaware and/or from doing business in Delaware. Part-year residents must also include amounts of income or loss incurred while a resident of Delaware.**

11 Farm Income or (loss)

Enter in Column 2 the **income or loss incurred from a farm located within Delaware. Part-year residents must also include amounts of income or loss incurred while a Delaware resident.**

12 Unemployment Compensation (Insurance)

Part-year residents report in Column 2 their portion of unemployment compensation **received while a resident of Delaware.** If you are a full-year non-resident, unemployment compensation is only taxed by your State of Residence, even if the unemployment compensation is received from the State of Delaware.

13 Taxable Social Security Benefits

Enter in Column 2, taxable Social Security benefits received while a resident of Delaware.

14 Other Income

Enter in Column 2 any other income for which there is no line provided on the return. Other income includes prizes, awards, gambling winnings, etc. **earned while a resident of Delaware or from sources within Delaware.**

16 Adjustments to Income

Enter in Column 1, the total amount of the adjustments from your Federal Form 1040, Line 36 or Federal 1040A, Line 20. Civil Union taxpayers, please refer to your **Proforma** federal tax return.

Enter in Column 2, the amount of federal adjustments allowable as Delaware source adjustments. It MUST be related to Delaware source income.

Non-Resident U.S. Military Personnel Stationed in Delaware
In accordance with the Service Members Civil Relief Act, the amount of military compensation earned by non-resident service members, regardless of filing status, should be included on Line 16 of their Delaware Non-Resident Income Tax Return as a subtraction from federal adjusted gross income. (Column 1 only.) DO NOT include your military compensation on Line 16, Column 2.

EXCEPTION:

Alimony Payments – Delaware Source Share of Federal Adjustments

The portion of Federal adjustment for payment of alimony is limited by the proration of Total Delaware Source Income to Total Federal Income. To determine the proration decimal of your Delaware source income to your Federal income, divide the amount from Line 15, Column 2 by the amount from Line 15, Column 1. Carry out the computation to four decimal places, rounding off to the fourth position. Then, enter the amount of Total Federal Adjustments for alimony and multiply by the proration decimal.

Line 15, Col. 2 = _____
Line 15, Col. 1 = _____ = [ ][.][ ][ ][ ][ ]

The proration decimal may not exceed 1.0000 or be less than zero.

_____ x [ ][.][ ][ ][ ][ ] = _____

Total Federal Adjustment for Alimony — Proration Decimal — Delaware Source Adjustment

The result is the amount of allowable Delaware source adjustment for alimony. Add this amount to the total of any other Delaware sourced adjustments (other than alimony) taken on your federal return and enter the total on Line 16, Column 2.

17 Subtract Line 16 from Line 15

NOTE: The ratio used in reporting income on Lines 1 through 14 is used in determining the ratio of modifications for Lines 18 through 26. For example, a full-year non-resident would enter interest income on Line 2, Column 1 as shown on the federal return, but no interest income would be included as Delaware source income (Column 2). If a portion of this interest income is from US Obligations, that portion would be entered on Line 22, Column 1 only. Since no interest income was reported on Line 2, Column 2 as Delaware source income, no portion of the deduction would be considered from Delaware sources and, therefore, cannot be included on Line 22, Column 2.

18 Interest on State and Local Obligations other than Delaware

Interest you received from any obligations of States other than Delaware or their political subdivisions, while you were a resident of Delaware is taxable and must be added on Line 18. Examples of **interest that is taxable**:

- Interest received on Pennsylvania Turnpike Bonds.
- Mutual fund dividends not included in Line 15 that are attributable to interest on state or local obligations (minus those attributable to the State of Delaware and its authorities and political subdivision – provided the mutual fund reports that amount to you in writing).

19 Fiduciary Adjustments, Oil Percentage Depletion

Fiduciary Adjustments

Net additions from fiduciary adjustments arising out of income received from an estate or trust as shown on Federal Form K-1, *Beneficiary's Share of Federal Income and Deductions*, should be included on Line 19.

Oil Percentage Depletion

The law provides for the disallowance of any percentage depletion deduction allowable under federal law, to the extent it is in excess of cost depletion. Add the excess to the amount of fiduciary adjustments and enter the total on Line 19.

22 U.S. Obligations

All interest received on obligations of the United States and included on your federal tax return is **exempt** from Delaware tax and should be entered on Line 22. Failure to identify the payor on Federal Schedule B will result in the disallowance of the deduction. All interest received on obligations for which the United States is NOT the primary obligor or which are NOT guaranteed by the full faith and credit of the United States is not exempt from tax and may not be entered on Line 22. (Examples are shown in the Line 22 table below.)

LINE 22 EXAMPLES. INTEREST RECEIVED ON U.S. OBLIGATIONS

Examples of INTEREST THAT IS EXEMPT	Examples of INTEREST THAT IS NOT EXEMPT
U.S. Treasury Bill, Bonds (Series E, F, G, H), Certificates, Notes	Federal National Mortgage Association (Fannie Maes)
Export Import Bank	Federal Home Loan Mortgage Corp.
Federal Deposit Insurance Corp.	
Federal Farm Credit Bank	Government National Mortgage Association (Ginnie Maes)
Federal Intermediate Credit Banks	International Bank of Reconstruction and Development
Federal Land Banks	
Tennessee Valley Authority	
Mutual Fund Dividends (Dollar amount or percentage directly attributed to a U.S. obligation, provided the Mutual Fund reports that amount to you.)	Student Loan Marketing Association (Sallie Maes)

23 Pension Exclusion

Amounts received as pensions from employers (including pension of a deceased taxpayer) may qualify for an exclusion from Delaware taxable income, subject to the limitations described below.

Retirement – Non-Pension Income

Delaware Tax Law authorizes an exclusion of up to $12,500 from pension and eligible retirement income for each individual age 60 or older.

An early distribution from an IRA or Pension fund due to emergency reasons or due to separation from employment does not qualify for the pension exclusion. If the Distribution Code(s) listed on Box 7 of your 1099 R(s) is a 1 (one), then that amount DOES NOT qualify for the pension exclusion. Also, if you were assessed an early withdrawal penalty on Line 59 of the Federal 1040, then that amount DOES NOT qualify for the pension exclusion.

NOTE: Each taxpayer may receive ONLY ONE exclusion, even if he or she is receiving more than one pension or other retirement distribution. A husband and wife who each receive pensions are entitled to one exclusion each.

IF YOU WERE UNDER 60 on December 31, 2014, your exclusion equals $2,000 or the amount of your pension, whichever is less.

IF YOU WERE 60 OR OVER on December 31, 2014, your exclusion is determined as follows:

1. Amount of pension…….....… $_____
2. Amount of "eligible retirement income" (See definition)……... $_____
3. Total (add Lines 1 and 2)…….. $_____
4. Enter Line 3 or $12,500, whichever is less on Line 23, Column 1…….. $_____

Eligible retirement income includes dividends, capital gains, interest, net rental income from real property and qualified retirement plans (IRC Sec. 4974), such as IRA, 401(K), Keogh plans, and government deferred compensation plans (IRC Sec. 457).

Disability pension income paid by your employer is reported as wages on the federal return until you reach the minimum retirement age. Minimum retirement age is generally the age at which you can first receive a pension or annuity if you are not disabled. Therefore, Disability pension income does not qualify for the pension exclusion.

Pension Exclusion Example: The primary taxpayer received $10,000 in pension income. The secondary taxpayer received no pension income. The taxpayers had joint bank accounts and mutual fund accounts. They earned $5,000 in interest from the bank, $1,000 in dividends and $3,000 in capital gains. These accounts would be split equally between the two taxpayers. Both taxpayers are over 60 years old. The primary taxpayer's exclusion is $12,500 (10,000 + 2,500 + 500 + 1,500 = $14,500). The maximum exclusion for the primary taxpayer is $12,500. The secondary taxpayer cannot include in the pension exclusion calculation the amount by which the primary taxpayer exceeded the $12,500 maximum exclusion. The pension exclusion for the secondary taxpayer is $4,500 (2,500 + 500 + 1,500). If filing Joint, the combined exclusion for the primary and secondary taxpayer is $17,000.

If you are allowed a pension exclusion for Delaware purposes, please enter the full amount in the Federal column. Enter in the Delaware column the ratio of pension and eligible retirement income reported in Column 2, divided by the pension and eligible retirement income reported in Column 1. Multiply this ratio by the pension exclusion amount to determine the allowable exclusion. Enter this amount on Line 23, Column 2.

EXAMPLE: ELIGIBLE RETIREMENT INCOME

	Federal	DE Sourced Income
Interest	1,000	0
Dividends	1,500	0
Capital Gain	100,000	100,000
Pension	50,000	0
Pension & Eligible Retirement Income	152,500	100,000

DE Pension Exclusion = (100,000/152,500) X 12,500
.6557 X 12,500 = $8,196

Column 1 Pension Exclusion = $12,500. Column 2 Pension Exclusion = $8,196.

Please remember to enclose the 1099 R Forms and other supporting schedules to support your pension exclusion.

24 Delaware State Tax Refund

Delaware state tax refunds should be excluded in Columns 1 and 2, to the extent they are included on Line 4, Columns 1 and 2.

25 Fiduciary Adjustment

Net subtractions from fiduciary adjustments derived from income received from an estate or trust, as shown on your Federal Form K-1, *Beneficiary's Share of Income and Deductions*, should be included on Line 25.

Work Opportunity Credit
The law allows a deduction for the portion of wages paid but disallowed as a deduction for federal tax purposes by reason of claiming the work opportunity tax credit on the federal return.

That portion of the deduction for wages, which is disallowed for federal purposes, should be entered on Line 25. In order to claim this modification, you must attach Federal Form 5884.

Delaware Net Operating Loss Carryovers
Taxpayers who were prevented in previous years from carrying federal net operating losses to their Delaware returns (because of Delaware's $30,000 limit on net operating loss carrybacks) are permitted to carry these additional losses forward on their Delaware return in years following the loss year.

26 Social Security/Railroad Retirement Benefits

Social Security and Railroad Retirement benefits are not taxable in Delaware and therefore should not be included in Delaware taxable income. Enter on Line 26 the total amount from Line 13 plus any Railroad Retirement payments included on Line 9.

Higher Education
Distributions received from qualified retirement plans (IRC Sec. 4974, including IRAs), cash or deferred arrangements (such as 401(k) plans) and government deferred compensation plans (IRC Sec. 457) may be excluded from Delaware adjusted gross income to the extent they are used within the same tax year to pay for books, tuition or fees at an institution of higher education attended by the taxpayer or by his or her dependents who have NOT attained the age of 26 by December 31, 2014, and so long as such amounts have been included in federal adjusted gross income.

29 Persons 60 or Over or Disabled

The law provides for exclusions from gross income to persons who meet certain qualifications. **Please refer to the Line 29 worksheet below to determine if you qualify.**

LINE 29 WORKSHEET. PERSONS 60 OR OVER OR DISABLED

Single, married or entered into a civil union filing separate returns	Y	N	Married or entered into a civil union filing joint returns	Y	N
Were you at least 60 years old or totally and permanently disabled on 12/31/2014?			Were **both** spouses at least 60 years old or totally and permanently disabled on 12/31/2014?		
Was your earned income (i.e., wages, tips, farm or business income) less than $2,500?			Is combined earned income (i.e., wages, tips, farm or business income) less than $5,000?		
Is Line 28 $10,000 or less?			Is Line 28 $20,000 or less?		
If you answered YES to all, Enter $2,000 on Line 29			If you answered YES to all, Enter $4,000 on Line 29		

NOTE: If you are filing a joint return and only one spouse qualifies for this exclusion, you should consider filing separate returns (Filing Status 3).

30A Column 2

Subtract Line 29, Column 2 from Line 28, Column 2. **Enter the total on Line 30A, Column 2 and on Line 42, Box A on the front of your return.** This is your Modified Delaware Source Income.

30B Column 1

Subtract Line 29, Column 1 from, Line 28, Column 1. **Enter the total on Line 30B, Column 1. Enter this total on Line 37 and Line 42, Box B on the front of your return.** This is your Delaware Adjusted Gross Income.

Itemized Deductions

If you elect to itemize deductions, complete Section D, Lines 31-36, to determine the amount of itemized deductions which you may claim on your Delaware return; otherwise, you may skip this section.

NOTE: If you claimed a standard deduction on your federal return, you may still elect to itemize your deductions on the Delaware return. In this case, complete and attached Federal Schedule A, showing the itemized deductions you would have claimed on the federal return.

NOTE: You cannot deduct the cost of taking a bus or driving a car between your home and your regular place of work as an Itemized Deduction on Schedule A. You cannot deduct commuting expenses no matter how far your home is from your regular place of work.

Do not enter motor vehicle title, realty transfer tax fees or transfer fees as other taxes. They do not qualify.

31 Itemized Deductions from Schedule A

Enter on Line 31 the total amount of itemized deductions as shown on Line 29, Federal Form 1040 Schedule A.

If you are filing a joint federal return and separate Delaware returns, the deductions must be determined as if each spouse had filed separate federal returns.

If you are unable to specifically allocate deductions between spouses, prorate the deductions based on a ratio of your separate incomes to total joint income. For example, if one spouse earns 60% of the household income and the other earns 40%, designate 60% of the deductions to the spouse earning 60% of the household income and 40% of the deductions to the spouse earning 40% of the household income. **NOTE: Civil Union taxpayers, please refer to "Filing Status" on Page 10.**

32 Foreign Tax Paid

If you elected the Foreign Tax Credit on your federal return, your federal itemized deductions, allowed as Delaware itemized deductions, will be increased by the amount of foreign taxes actually paid. Foreign taxes accrued, but not paid, are not allowed as an addition on Line 32. On Line 32, enter the amount of foreign taxes paid included on Line 8 of Federal Form 1116. If you were not required to file Federal of foreign tax paid.

33 Charitable Mileage Deduction

If you used your automobile to perform a voluntary service for a charitable organization, you may increase your itemized deductions as follows:

Miles driven 1/1/14–12/31/14: _____ x .17 = $_____

35a State Income Tax

Enter the amount of (1) Delaware state income taxes claimed in your federal itemized deductions plus (2) any taxes imposed and paid to another State that are included in your federal itemized deductions and claimed as a credit on Line 44 of this form. For example, if you had $1,000 of taxes withheld in another state, but the tax liability to the other state was $700, you should only include $700 on Line 35a, except as noted below.

Exception: If your level of adjusted gross income caused a reduction (limitation) of your federal itemized deductions, only enter on Line 35a the percentage of state income tax that was included in your federal itemized deductions which represents the same ratio as allowable federal itemized deductions is to total itemized deductions before the reduction. For example, if total state income taxes are $500 and total federal itemized deductions are $10,000 but are limited to $9,000 due to the federal reduction rules (90% of your itemized deductions were allowed), you need enter only $450 (90%) of the state taxes on Line 35a.

NOTE: Real estate capital gains taxes paid and declared on DE Form 5403 should be entered here if included in Federal Itemized deductions. Also, property or school taxes should not be included here. NOTE: Local taxes included in your federal itemized deductions should not be included on Line 35a. Also, state taxes paid to another state for which you will not claim a credit on Line 44 of your Delaware return should not be included on Line 35a.

35b Form 700 Tax Credits

Enter the amount of the charitable contribution claimed in your federal itemized deductions for permanent gifts of land, or interest in land, to public agencies and qualified private non-profit charitable organizations and any investment in Neighborhood Assistance for which you claimed a tax credit from Form 700 on Line 45 of your Delaware Return. **Form 1801AC and/or Form 2001AC and the Division of Revenue approval letter must be attached to your return.**

36 Total Itemized Deductions

Subtract Line 35a and 35b from Line 34. Enter the results here and on Line 38 of your Delaware return. **Make sure you have checked the block "b" on Line 38 to indicate that you are electing to itemize your deductions.**

Always compare the results of Line 38 to the standard deduction; you may benefit from using the standard deduction and from allowable additional standard deductions.

Section E

Direct Deposit of Refund

Complete Section E if you want us to directly deposit the amount shown on Line 59 into your bank account. Refunds may not be direct deposited to a bank account outside the U.S.

Why Use Direct Deposit?

- You get your refund fast – even faster if you file through the Internet.
- Payment is more secure – there is no check to get lost.
- More convenient. No trip to the bank to deposit your check.

Check with your financial institution to make sure your deposit will be accepted and to get the correct routing and account numbers.

Delaware College Investment Plan (529 Plan)

Individuals can deposit their State income tax refund directly into a 529 Plan account. To obtain information on Delaware's Plan or how to contribute go to www.savingforcollege.com and select the State of Delaware in the US map area. For routing and account number information, please contact the financial institution that administers your 529 Plan.

Line a – Routing Number

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check above, the routing number is 031100000.

Your check may state that it is payable through a bank different from the financial institution at which you have your checking account. If so, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on this line.

Line b – Type

Please check the type of account: checking or savings.

Line c – Account Number

The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check below, the account number is 12340621. Be sure not to include the check number.

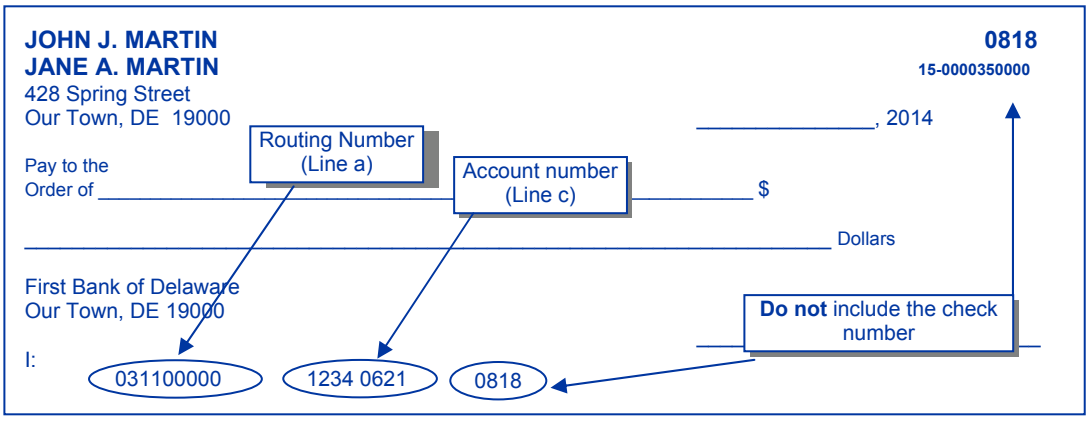
Line d – Bank

In order to comply with new federal banking rules, you must declare whether your refund will go to a bank account outside the United States. If the answer is yes, do not enter your account information. We will instead mail your refund by check.

NOTE: Some financial institutions will not deposit joint refunds into an individual account. The Delaware Division of Revenue is not responsible if a financial institution refuses a direct deposit.

NOTE: If your refund is adjusted by $100.00 or more, a paper check will be issued and mailed to the address on your return.

SAMPLE CHECK:



Deceased

If the primary taxpayer or spouse is deceased, write DECD after their last name on page 1 of the Delaware return and insert the date of death in the appropriate column on Page 2. See below.

FRONT OF FORM 200-02

Name, Address and Social Security Number

Attach the preprinted label provided with your booklet to the front of the form in the space provided *if your name, address and social security number has NOT changed since last year*. **NOTE**: To protect your privacy, the number on your label is not your social security number.

DO NOT *use the mailing label* if your name, address, social security number or marital filing status **HAS** changed since last year. Print your name(s), address, and social security number(s) in the space provided. If you are married, give names and social security numbers for both you and your spouse whether you file joint or separate returns**.** If you are a Jr., Sr., II, III, etc., please indicate in the Jr, Sr, III block.

DO NOT use the label if either the primary taxpayer or spouse is deceased. The surviving spouse information should be entered first under "Your Social Security No. and Your Last Name". The deceased person's data should be entered under "Spouse's Social Security No. and Spouse's Last Name". Also, write DECD after their first name.

Decedent Examples:

1. John and Mary have been married for 30 years and file jointly (filing status 2) on Form 200-02NR. John passed away on June 30, 2014. Mary, as the surviving spouse, will enter her data in "Your Social Security No., Your Last Name, and First Name and Middle Initial." The decedent's, John Jones, data will be entered in "Spouse's Social Security No., Spouse's Last Name and Spouse's First Name." DECD will also be written after "John," under "Spouse's First Name."

2. Casey and Lacy Thomas are married non-residents. They file a joint federal return. Casey works in Delaware and files Form 200-02NR as a Filing Status 3. Lacy has no Delaware Source Income and does not file a Delaware return. Casey died on April 10, 2014. Casey's data will be entered in "Your Social Security No., Your Last Name, and First Name and Middle Initial." Write DECD

after Casey's "First Name and Middle Initial." Lacy's data should be entered under "Spouse's Social Security No. and Spouse's Last and First Names."

Filing Status

Please indicate your filing status by marking the appropriate box.

FILING STATUS 1 – SINGLE TAXPAYER

If you were single on December 31, 2014, consider yourself single for the whole year and use Filing Status 1. **NOTE: If you entered into a civil union, you can no longer use the single filing status on your Delaware return.**

FILING STATUS 2 AND 3 – MARRIED OR ENTERED INTO A CIVIL UNION TAXPAYERS

You may file Joint or Separate Delaware returns.

NOTE: Generally, separate returns will be advantageous if both spouses have a Delaware adjusted gross income in excess of $9,400 or if only one spouse worked in Delaware.

If you elect to use Filing Status 3, both you and your spouse must compute your taxable income the same way. This means if one itemizes deductions, the other must itemize. If one takes the standard deduction, the other must take the standard deduction. You each report your own income, personal credits and deductions, and one half the income derived from securities, bank accounts, real estate, etc., which are titled or registered in joint names. Civil Union taxpayers must complete a Proforma federal return. For more information, see "Steps for Preparing Your Return" on Page 2.

NOTE: Civil Union taxpayers, when completing your "as if" federal return, make sure to follow all the rules and regulations that apply to married filing joint or married filing separately persons per IRS instructions to correctly determine your Delaware tax liability.

FILING STATUS 5 - HEAD OF HOUSEHOLD

If you filed as Head of Household on your federal return or qualify as certain married/civil union persons living apart, you may file as Head of Household on your Delaware return.

FULL-YEAR NON-RESIDENTS

If you were a full-year non-resident of Delaware for 2014, be sure to check the box indicating full-year non-residency. If you are filing as a part-year resident, on Form 200-02NR, **DO NOT** check this box.

DE 2210 Indicator

Check the "Form DE2210 Attached" box and attach a copy of DE2210 to your return, if you have calculated the Underpayment of Estimated taxes **and an Estimated penalty is due OR if you completed Part 3.** Use Form DE2210 to determine if you owe a penalty for the underpayment of estimated tax and to calculate the amount of the penalty. **To obtain Form DE2210, please contact our offices or visit the Division of Revenue at www.revenue.delaware.gov. Do NOT check this box if a completed DE2210 (pages 1 and 2) is not being sent with your return. Do NOT submit a Federal Form 2210 instead of a Delaware Form 2210. Do not submit computer worksheets in lieu of Form DE2210.**

PART-YEAR RESIDENTS

If you were a part-year resident of Delaware in 2014 filing Form 200-02NR, indicate the dates of your Delaware residency.

37 **Enter the amount from Page 2, Line 30B, Column 1, of your Delaware return.**

38a **Standard Deduction**

The law allows you to take a standard deduction in lieu of itemizing your deductions. **If you elect to take the Delaware STANDARD DEDUCTION, be sure to check block "a" on Line 38a and enter the appropriate amount as listed below:**

Delaware Filing Status	Standard Deduction
1	$3,250
2	$6,500
3	$3,250
5	$3,250

NOTE: If you have itemized deductions greater than your allowable Delaware standard deduction, you can itemize deductions on your Delaware return even if you did not itemize deductions on your federal return.

NOTE: If one spouse takes the standard deduction, the other spouse must also take the standard deduction.

38b **Itemized Deductions**

If you elect to itemize deductions:

a. **Check block "b" on Line 38b.**
b. Complete Section D, Lines 31 through 36 on the back of your Delaware return.
c. Enter the amount from Line 36 on Line 38.
d. Attach a copy of Federal Form 1040 Schedule A, Line 21 to your Delaware return.
e. If you claim a deduction on Federal Schedule A for Unreimbursed Employee Expenses, you must attach a copy of Federal 2106 or 2106EZ.

NOTE: If you claimed a standard deduction on your federal return, you may still elect to itemize your deductions on the Delaware return. In this case, complete and attached Federal Schedule A, showing the itemized deductions you would have claimed on the federal return.

39 **Additional Standard Deduction**

The additional standard deduction is allowable only for those persons 65 or over and/or blind electing to use the Delaware standard deduction on Line 38.

NOTE: If you elect to itemize your deductions, you do not qualify for the additional standard deduction even though you may be 65 years of age or older and/or blind. If you itemize deductions, do not check the "65 or over" box.

If you qualify for the additional standard deduction:

1. Be sure you checked the block on Line 38a to indicate you are using the standard deduction.
2. Check the appropriate box(es) relating to age and/or blindness on Line 39.
3. Multiply the number of boxes checked on Line 39 by $2,500 and determine the total (a maximum of $5,000 per individual).

42 **Proration Decimal**

Enter the amount from **Line 30A in Box A** on Line 42. Enter the amount from **Line 30B in Box B** on Line 42.

Example:

A	=	Line 30A	=	5,000	00
B	=	Line 30B	=	12,000	00

To determine the proration decimal, divide the amount from Line 30A by the amount from Line 30B. Carry out the computation to four decimal places, rounding off the fourth position.

$$\frac{A}{B} - \frac{5{,}000.00}{12{,}000.00} = 0.4167$$

The 0.41666 rounded off equals 0.4167. The proration decimal may not exceed 1.0000 or be less than zero.

If Line 41 (taxable income) is less than $60,000, use the tax table to compute your tax. If Line 41 is $60,000 or greater, use the tax rate schedule at the end of the tax table to compute your tax. Enter the amount of tax in the box provided on Line 42 and multiply this amount by your proration decimal. Enter the result on Line 42. This is your prorated tax liability.

43a **Personal Credits**

You are allowed a credit of $110 for each exemption claimed on your federal return. **Civil Union taxpayers, please refer to your Proforma or "as if" federal return.** Enter on Line 43a, the total number of exemptions claimed on your federal return in the space provided. **If you are married or entered into a civil union and filing separate returns (Filing Status 3), allocate exemptions appropriately to each return. Multiply this number of credits by $110.**

If you were not required to file a federal return, enter $110 **for each spouse reporting income on this form** plus $110 for each person

who could have been claimed as a personal exemption had you been required to file a federal return. If you are married or entered into a civil union and filing separate returns (Filing Status 3), allocate exemptions appropriately to each return.

NOTE: You are not entitled to a Delaware Personal Credit if you are claimed as a dependent on another individual's Federal return. Enter "0" in the space provided on Line 43a.

If you filed the federal return as a married couple filing jointly and have no dependents and are filing this return jointly (Filing Status 2), enter $220. **If you filed the federal return jointly and are filing this return separately (Filing Status 3), enter $110 on each spouse's return. Civil Union taxpayers, please refer to your Proforma federal tax return.**

Please ensure that the number of personal credits claimed on the Delaware return does not exceed the Federal number of exemptions. This data will be verified with the IRS.

Multiply this amount by your proration decimal from Line 42 and enter the result on Line 43a.

43b Additional Personal Credits

Check the appropriate box(es) on Line 43b if you and/or your spouse were 60 years of age or over as of December 31, 2014. Multiply the number of checked boxes by $110. Multiply this amount by your proration decimal on Line 42. Enter the result on Line 43b.

44 Other State Tax Credit (Part-Year Residents Only)

Part-year residents who paid income tax to another state on income which was earned in the other state **while a resident of Delaware**, and which is **also included in the Delaware modified source income**, may be allowed to claim a tax credit against their Delaware tax liability. **Do not include city wage taxes or county taxes payable with your other state return. See Worksheet below.**

LINE 44 WORKSHEET. CREDIT FOR TAXES PAID TO ANOTHER STATE

1.	Enter adjusted gross income from the other state.	_____	1.
2.	Enter Delaware adjusted gross income (Line 37 of the return.)	_____	2.
3.	Enter the income from the other state while a Delaware resident (include federal modifications).	_____	3.
4.	Enter the total income from the other state.	_____	4.
5.	Enter the Delaware tax liability (Line 42).	_____	5.
6.	Enter the tax liability for the other state (net of credits). (Exclude city wage tax or county taxes.)	_____	6.
7.	Divide Line 1 of the worksheet by Line 2.	_____	7.
8.	Multiply Line 7 by Line 5.	_____	8.
9.	Divide Line 3 by Line 4.	_____	9.
10.	Multiply Line 9 by Line 6.	_____	10.
11.	Enter the lesser of Lines 5, 8, and 10 here and on Line 44 of the return.	_____	11.

If you are claiming a credit for taxes paid to more than one state, you must complete DE Schedule I and attach it to your Non-Resident return. Example: You claim a credit for taxes paid to Pennsylvania AND New Jersey on your Delaware return. **On DE Schedule I, enter the names of the other States and the amount of the credit claimed in HIGHEST to LOWEST credit amount order.**

With regard to any credit claimed for taxes paid to another state, the credit is limited to the smallest of the following:

a. The Delaware tax liability;
b. The amount computed by multiplying the Delaware tax by a fraction, the numerator of which is your adjusted gross income derived from sources in the other state, and the denominator of which is your Delaware Adjusted Gross Income (Line 37).
c. The tax liability due and paid, after the application of all credits (example: forgiveness tax credit, earned income credit, poverty level credit), to the other states (not including amounts paid on your state return to local jurisdictions). The amount computed by multiplying the tax liability due and paid to the other states (not including amounts paid on your state return to local jurisdictions) by a fraction, the numerator of which is the income from the other state while a Delaware resident, and the denominator of which is the total income from the other state. The amount due and paid **is not the amount on your W-2**.

If the income reported on your other state return is not included in Delaware Source Income, then the other State tax credit cannot be taken in Delaware for that income.

NOTE: Taxes paid to the political subdivision of a state cannot be claimed as credit. The District of Columbia, however, is classified as a "State" for the purposes of this credit and, therefore, can be claimed as credit on Line 44.

If you claim the tax credit, you must attach to your return a signed copy of the income tax return filed with the other State(s). In addition, your Delaware return information will be shared with the other State(s) that you claimed the credit for.

45 Other Non-Refundable Credits

Enter on Line 45 the total of the following credit(s) to which you are entitled:

Form 700 Credits

Taxpayers claiming any of the following credits must complete and attach Form 700 to their return. (Form 700 is available from the Delaware Division of Revenue or www.revenue.delaware.gov.)

Economic Development Credits are available to certain businesses engaged in a qualified business activity who meet the minimum capital investment and new hiring requirements. Only those taxpayers approved by the Division of Revenue may claim these credits.

Green Industry Credits are available for reducing waste release, use of recycled materials, processing of waste materials and collection and distribution of recycled materials. Only those taxpayers whose eligibility is certified by the Delaware Department of Natural Resources and Environmental Control and the Delaware Economic Development Office may claim these credits.

Brownfield Tax Credits are available for promoting the rehabilitation of contaminated industrial and commercial sites. Only those taxpayers whose eligibility is certified by the Delaware Department of Natural Resources and Environmental Control may claim these credits.

Research and Development Tax Credit. A business or individual may take an income tax credit on Delaware qualified research and development expenses. A Division of Revenue approval letter must be attached to your Delaware return.

Land and Historic Resource Tax Credit. A business or individual may take an income tax credit for permanent gifts of land or interest in land to public agencies and qualified private non-profit charitable organizations. A Division of Revenue approval letter must be attached to your Delaware Return.

Historic Preservation Tax Credits are available to Resident Curators and to those persons who work to promote community revitalization and restoration, and the rehabilitation of historic properties. Only those taxpayers whose eligibility is certified by the Delaware State Historic Preservation Office may claim these credits.

Neighborhood Assistance Tax Credit. Certain taxpayers are eligible for an income tax credit for contributing to a neighborhood organization, community development corporation, or community based development organization; or for providing neighborhood assistance, job training, or education to an impoverished area or for low and moderate-income families. An investment claimed as a Neighborhood Assistance Credit shall not also be eligible for treatment in the same year as a charitable contribution for income tax purposes. Only those taxpayers whose eligibility is credited by the Delaware State Housing Authority and the Delaware Tax Appeal Board may claim these credits.

46 Total Non-Refundable Credits

Add Lines 43a, 43b, 44 and 45. The total of all non-refundable credits is limited to the amount of your Delaware tax liability on Line 42.

47 Balance

Subtract Line 46 from Line 42, and enter the result on Line 47. If Line 46 is greater than Line 42, enter "0" (zero).

48 Delaware Tax Withheld

Enter the Delaware income tax withheld as shown on your W-2 and/or 1099R Form(s). **DO NOT INCLUDE S CORP PAYMENTS.**

49 Estimated Tax Payments and Payments with Extensions

Enter on Line 49, the total quarterly estimated tax payments for 2014 including any credit carryover from your 2013 return. In order to receive proper credit for fourth quarter estimated tax payments, they must be made by January 15, 2015. Also, enter the amount paid with Form 1027 (Automatic Extension) on this line. **DO NOT INCLUDE S CORP PAYMENTS.**

If you file separate returns, you must claim the estimated tax payments under the Social Security Number for which the payments were made.

50 S Corporation Payments and Refundable Business Credits

Enter on Line 50, the Delaware estimated tax payment made on your behalf by an S Corporation. **Attach a copy of the Delaware Form 1100S Schedule A-1 reflecting such payment.**

Business Finder's Fee Tax Credit. This credit is available to encourage Delaware businesses to bring non Delaware businesses into the state. Only those taxpayers whose eligibility is certified by the Delaware Economic Development Office (DEDO) may claim this credit.

New Economy Jobs Program Credit. A credit available to qualified employers pursuant to the New Economy Jobs Program whose purpose is to encourage the creation of high wage, knowledge-based jobs in this state. To apply for certification as a qualified employer, submit Form 208DE (available from the Division of Revenue and at www.revenue.delaware.gov) with the Secretary of Finance with a copy to the Director of Economic Development (DEDO).

Veterans Opportunity Credit. A credit awarded to qualified employers for hiring qualified veterans on or after January 1, 2012 and prior to January 1, 2016.

Any taxpayer claiming any of the above refundable credits must complete Form 700 (available from the Division of Revenue and at www.revenue.delaware.gov) and submit it with their Delaware return.

51 Real Estate Capital Gains Tax Payments Credit

Enter on Line 51 the total of all real estate capital gain tax payments made to Delaware in 2014 from DE real estate sales. If you file separate returns, you must claim the real estate capital gains payment under the SSN for which the payments were made. **NOTE: Please submit all copies of Form 5403.**

53 Balance Due

If Line 47 is greater than Line 52, subtract Line 52 from Line 47 and enter the balance due on Line 53.

54 Overpayment

If Line 52 is greater than Line 47, subtract Line 47 from Line 52 and enter the amount of your overpayment on Line 54.

55 Contribution to Special Funds

If you and/or your spouse wish to contribute to any/all of the funds listed on Page 13, you must complete DE Schedule III. Enter the amount of your donation on the line provided next to the designated fund(s) of your choice. Enter the total amount donated on Line 55. The minimum amount for a donation is $1. If you are not due a refund and you wish to make a contribution, you may do so. Include the total amount of your donation with the balance due.

56 Carryover to 2015 Estimated Tax Account

If you wish to apply a portion of your overpayment to your 2015 Estimated Tax Account, enter on Line 56 the portion of your overpayment (Line 54) to be applied.

NOTE: An amount entered on Line 56 will reduce the amount refunded to you.

57 Penalties and Interest Due

You may choose to compute the amount of penalties and interest due or you may leave Line 57 blank and the Division of Revenue will calculate the amount for you and send you a bill. Penalties may be assessed for filing a balance due return late, failure to pay the tax liability due, fraud, negligence and failure to pay estimated taxes (see Page 5 for a description of the penalties and interest).

If you used Form DE2210 to calculate the underpayment of Estimated taxes and an Estimated penalty is due OR if you completed Part 3, check the "Form DE2210 Attached" box at the top of your return and submit DE2210 with your return. If you check the box and do not include Form DE2210, you will delay processing of your return. An attached DE2210 is not processed automatically unless this box is checked.

58 Net Balance Due

Enter the net balance due (Line 53 plus Lines 55 and 57) and pay in full. Make checks payable to: Delaware Division of Revenue.

59 Net Refund

Enter the amount of the net refund (Line 54 less amounts on Line 55 and/or Line 56 and/or Line 57) to be refunded to you. If you do not have a balance due or a refund due, enter "0" (zero) on Line 59.

Address Change

If you move after you file your return, you should notify the Division of Revenue of your address change. Please be sure to include your and your spouse's Social Security Number in any correspondence with the Division of Revenue. You may change your address by calling the address change voice mailbox at (302) 577-8589. You may also call toll free 1-800-292-7826 (Delaware only).

Federal Privacy Act Information

Social Security Numbers (SSNs) must be included on your income tax return. The mandatory disclosure of SSNs is authorized by Section 306, Title 30 of the Delaware Code. SSNs are used primarily to administer and enforce all tax laws, both civil and criminal, for which the Division of Revenue has statutory responsibility.

Signature

Review your tax return before you sign it. Complete the return to the bottom of Page 1 to ensure you receive all credits and exclusions.

Paid Preparer

Please complete all the fields in the Paid Preparer section. You must also sign the return.