

Delaware

Delaware No Longer Levies Income Tax on Working-Poor Families with Children

Delaware's 2006 income tax threshold

Rank among the 42 states with income taxes

(The income level at which families begin paying income tax)

(1 = lowest threshold)

- For single-parent families of three: \$24,800 35
- For two-parent families of four: \$28,600 34

Delaware's 2006 income tax levied on working-poor and near-poor families

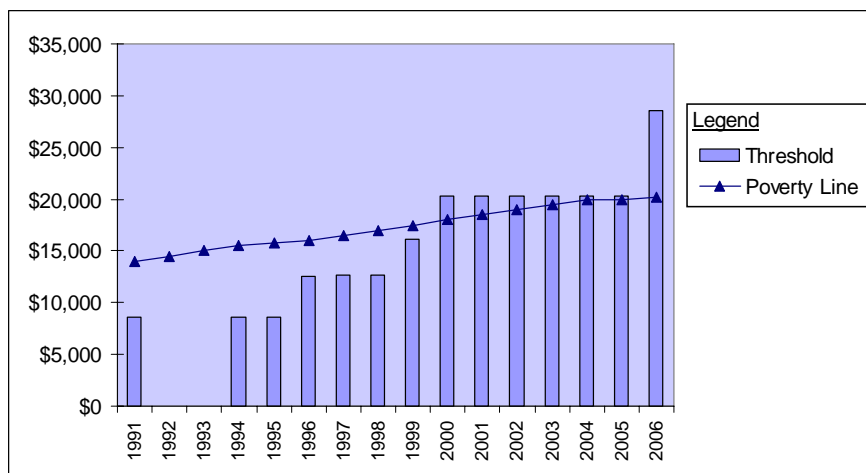
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$0 (tied for) 16
- For families of four with incomes at the poverty line (\$20,615): \$0 (tied for) 20
- For families of three with minimum-wage earnings (\$12,792): \$0 (tied for) 7
- For families of three with incomes at 125% of poverty line (\$20,099): \$0 (tied for) 25
- For families of four with incomes at 125% of poverty line (\$25,769): \$0 (tied for) 30

Delaware's income tax thresholds have increased considerably with the adoption of an Earned Income Tax Credit.

- Beginning in 2006, Delaware offers a nonrefundable Earned Income Tax Credit equal to 20 percent of the federal EITC. As a result, Delaware's thresholds have increased considerably.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$8,600
1992	no data
1993	no data
1994	\$8,600
1995	\$8,600
1996	\$12,500
1997	\$12,700
1998	\$12,700
1999	\$16,100
2000	\$20,300
2001	\$20,300
2002	\$20,300
2003	\$20,300
2004	\$20,300
2005	\$20,300
2006	\$28,600