

# Delaware

## Delaware Levies Income Tax on Some Working-Poor Families

### Delaware's 2005 income tax threshold

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

Rank among the 42 states with income taxes  
(1 = lowest threshold)

- For single-parent families of three: \$14,700 15
- For two-parent families of four: \$20,300 21

### Delaware's 2005 income tax levied on working-poor and near-poor families

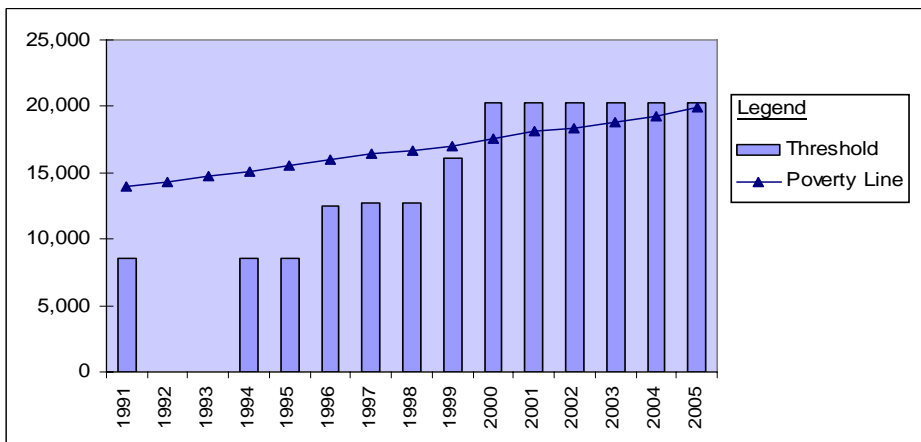
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$15,577): \$43 14
- For families of four with incomes at the poverty line (\$19,961): \$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 (\$19,471): \$230 15
- For families of four with incomes at 125% of poverty line (\$24,951): \$228 20

### Delaware's thresholds have fallen compared to the poverty line, but will soon increase considerably.

- Delaware's tax threshold for families of four was increased to \$20,300 in 2000. It has deteriorated since then from 15 percent over the poverty line to just 2 percent over the poverty line. Delaware's threshold for families of three has also declined, and fell below the poverty line in 2005.
- Beginning in 2006, Delaware will offer a nonrefundable Earned Income Tax Credit equal to 20 percent of the federal EITC. As a result, Delaware's thresholds will increase 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