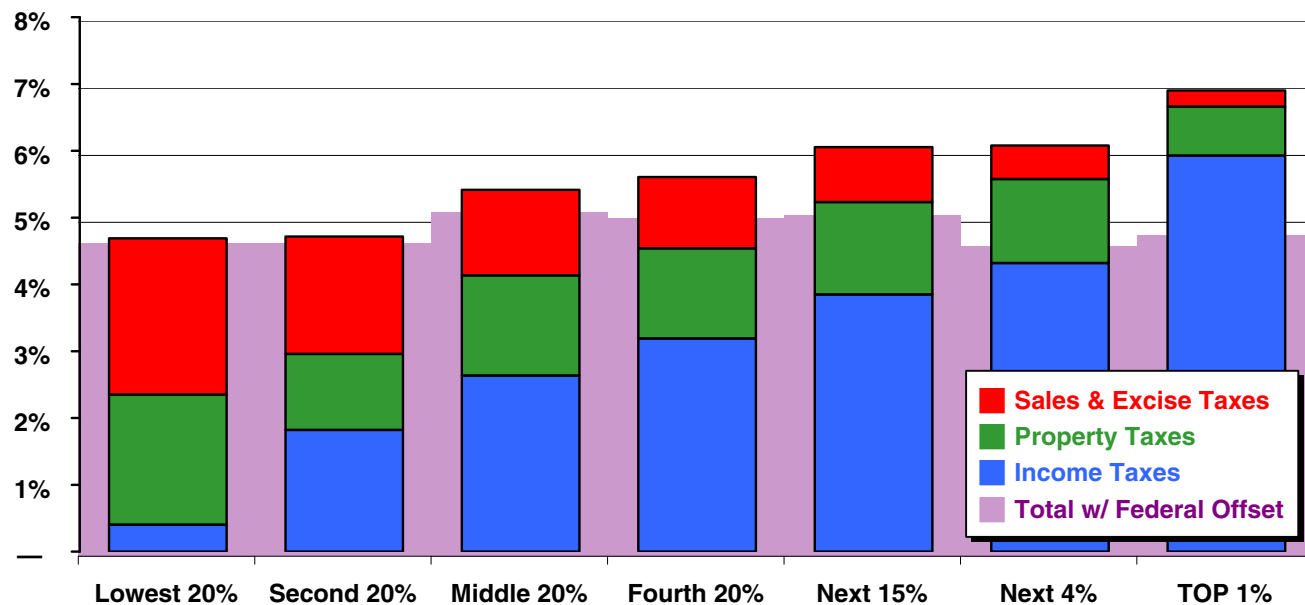


# Delaware

## State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$15,000	\$15,000 - \$26,000	\$26,000 - \$45,000	\$45,000 - \$74,000	\$74,000 - \$136,000	\$136,000 - \$358,000	\$358,000 or more
Average Income in Group	\$8,300	\$20,600	\$35,400	\$57,200	\$97,100	\$182,600	\$923,600
<b>Sales &amp; Excise Taxes</b>	<b>2.3%</b>	<b>1.8%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>0.8%</b>	<b>0.5%</b>	<b>0.2%</b>
General Sales—Individuals	—	—	—	—	—	—	—
Other Sales & Excise—Ind.	1.6%	1.2%	0.8%	0.7%	0.5%	0.3%	0.1%
Sales & Excise on Business	0.7%	0.6%	0.4%	0.4%	0.3%	0.2%	0.1%
<b>Property Taxes</b>	<b>1.9%</b>	<b>1.1%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>0.7%</b>
Property Taxes on Families	1.9%	1.1%	1.5%	1.3%	1.3%	1.2%	0.6%
Other Property Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
<b>Income Taxes</b>	<b>0.4%</b>	<b>1.8%</b>	<b>2.6%</b>	<b>3.2%</b>	<b>3.8%</b>	<b>4.3%</b>	<b>5.9%</b>
Personal Income Tax	0.3%	1.7%	2.4%	3.0%	3.6%	3.9%	4.8%
Corporate Income Tax	0.1%	0.1%	0.3%	0.2%	0.3%	0.4%	1.1%
<b>TOTAL TAXES</b>	<b>4.7%</b>	<b>4.7%</b>	<b>5.4%</b>	<b>5.6%</b>	<b>6.1%</b>	<b>6.1%</b>	<b>6.9%</b>
Federal Deduction Offset	—	-0.0%	-0.3%	-0.5%	-0.9%	-1.4%	-2.1%
<b>TOTAL AFTER OFFSET</b>	<b>4.7%</b>	<b>4.7%</b>	<b>5.2%</b>	<b>5.1%</b>	<b>5.1%</b>	<b>4.6%</b>	<b>4.8%</b>

Note: Table shows 2002 tax law at 2000 income levels.

# Delaware Details

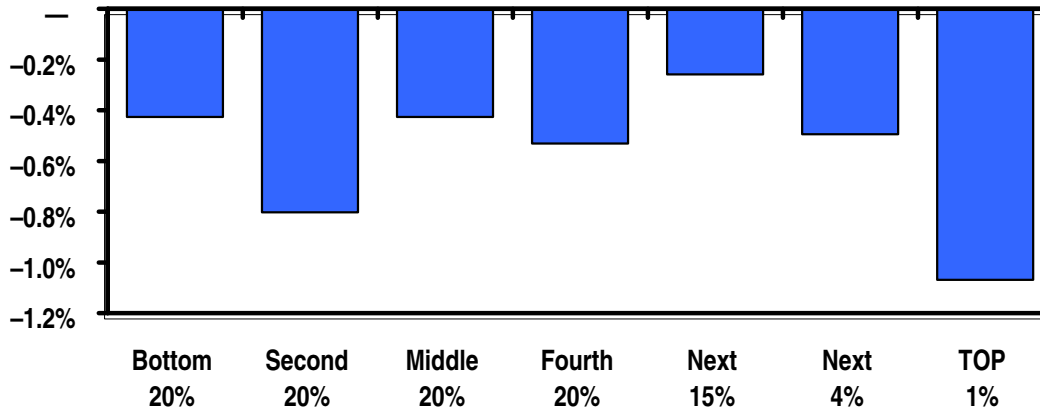
## Progressive Features

- ✓ No general sales tax
- ✓ Large standard deduction
- ✓ Graduated income tax rates
- ✓ Progressive exemption credit

## Regressive Features

- ✗ "Gross Receipts Tax" functions as sales tax
- ✗ Credits are non refundable

Changes in Tax as Share of Income, 1989 - 2002

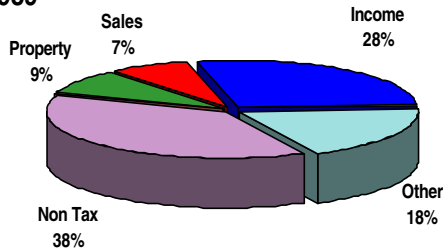


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
<b>Sales &amp; Excise</b>	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.0%
<b>Property</b>	+0.4%	+0.3%	+0.3%	+0.2%	-0.0%	-0.1%	-0.1%
<b>Income</b>	-0.8%	-0.9%	-0.5%	-0.5%	-0.4%	-0.6%	-0.6%
<b>Federal Offset</b>	+0.0%	-0.0%	-0.1%	-0.1%	+0.2%	+0.2%	-0.3%
<b>Overall Change</b>	-0.4%	-0.8%	-0.4%	-0.5%	-0.3%	-0.5%	-1.1%

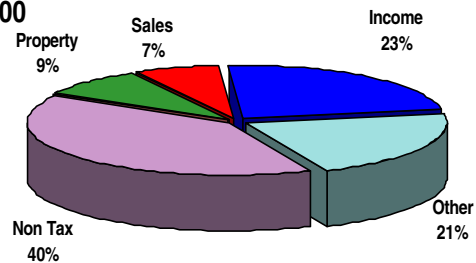
Delaware enacted major income tax cuts between 1995 and 1999, cutting tax rates while expanding the top bracket. Lawmakers also increased the standard deduction and replaced the personal exemption with an exemption credit, both progressive changes. There were small rises in gasoline and cigarette excise taxes.

## Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census