









**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 = \_\_\_\_\_ = 

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

\_\_\_\_\_ x 

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 = \_\_\_\_\_  
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 58 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, 2013, your exclusion equals \$2,000 or the amount of your pension, whichever is less.**

**IF YOU WERE 60 OR OVER** on December 31, 2013, 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, 2013, 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 12/31/2013?			Were <b>both</b> spouses at least 60 years old or totally and permanently disabled on 12/31/2013?		
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		
<b>NOTE:</b> 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 1/1/13-12/31/13: \_\_\_\_\_ 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](http://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:

**JOHN J. MARTIN**  
**JANE A. MARTIN**  
428 Spring Street  
Our Town, DE 19000

Pay to the Order of \_\_\_\_\_, 2013

Routing Number (Line a) \_\_\_\_\_ Account number (Line c) \_\_\_\_\_ \$ \_\_\_\_\_ Dollars

First Bank of Delaware  
Our Town, DE 19000

I: 031100000 1234 0621 0818

Do not include the check number

0818  
15-0000350000

### 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, 2013. 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, 2013. 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, 2013, 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 2013, 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](http://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 2013 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:

- Check block "b" on Line 38b.**
- Complete Section D, Lines 31 through 36 on the back of your Delaware return.
- Enter the amount from Line 36 on Line 38.
- Attach a copy of Federal Form 1040 Schedule A, Line 21 to your Delaware return.
- 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:

- Be sure you checked the block on Line 38a to indicate you are using the standard deduction.
- Check the appropriate box(es) relating to age and/or blindness on Line 39.
- 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, 2013. 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:

- The Delaware tax liability;
- 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).

- 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](http://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 2013 including any credit carryover from your 2012 return. In order to receive proper credit for fourth quarter estimated tax payments, they must be made by January 15, 2014. 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](http://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](http://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 2013 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 2014 Estimated Tax Account**

If you wish to apply a portion of your overpayment to your 2014 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.