Form 200-01

RESIDENT INDIVIDUAL INCOME TAX RETURN GENERAL INSTRUCTIONS

Who Must File

1. If you are a **Full-Year Resident** of the State, you must file a tax return for 2014 if, based on your Age/Status, your individual adjusted Delaware gross income (AGI) exceeds the amount shown below.

AGE/ STATUS	Filing Status			Filing as a dependent on another person's return
	1 & 5	2	3 & 4	
	Filing Status	Married or entered into a civil union filing joint	Married or entered into a civil union filing seperate	
Under 60	$9400	$15450	$9400	$5250
60 to 64**	$12200	$17950	$12200	$5250
65 and over **OR BLIND****	$14700	$20450	$14700	$7750
65 and over **AND BLIND****	$17200	$22950	$17200	$10250

*This dollar amount represents your individual Adjusted Gross Income, NOT a total combined with anyone else.
**Assumes only one spouse meets age or blindness criteria.

2. If you are a **Part-Year Resident**, you must file a Delaware tax return:
   a. If you had income from any source while a resident of Delaware, **or**
   b. If you had income from a Delaware source while you were a non-resident of Delaware.

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 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).

3. If you are a **Non-Resident** who had gross income in 2014 from sources in Delaware, you must file a Delaware Tax return.

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 nonresident married spouse who worked in Delaware, irrespective of whether the State where they are now domiciled recognizes Civil Unions or Same Sex Marriages.

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. 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 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 the 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 12 for further instructions on deceased taxpayers.

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 last 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 at the rate of ½% per month, or fraction of a month, on any unpaid tax from the original due date of the return 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 tax 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 photocopy 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 and must be attached to your Delaware return.

Steps for Preparing Your Return

Step 1

Complete your federal income tax return and any other state return(s). 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) A second federal return completed as if you are filing jointly, married/civil union and filing separate on Form 200-01 or separately. 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 Delaware return. If you and your spouse are filing separately or filing combined separately on Form 200-01, you must each submit a **Proforma** federal married filing separate return to Delaware.

Step 2

Fill in the top boxes on the front of the form (name, address, filing status). See page 5 of this booklet.

Step 3

Using the line-by-line instructions, first complete all lines relevant to your return in Sections A, B, and C **on the back of the form**; then complete the front of the return.

Step 4

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

Step 5

Sign, date, enter your phone number, and send Form 200-01 along with all required attachments to the applicable address listed below. If the return is prepared by a paid preparer, the paid preparer must also sign the return.

If necessary, please call our Wilmington office to discuss payment difficulties. Our representatives are available 8:00AM to 4:30PM, 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 or a married/civil union combined separate 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 all relevant items about which he/she 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, II 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 Page 1 and Page 2 of your Federal Form 1040 or 1040A or 1040EZ Page 1. **REQUIRED if you claim the Earned Income Tax Credit.**
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. **A copy of Federal Schedule EIC – Earned Income Credit.**
6. 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.
7. A signed copy of other state's income tax return(s) if you claim a credit for taxes paid to another State. Do NOT use the amount from your W-2 form(s).
8. If you are taking a credit for Child and Dependent Care expenses, also attach a copy of Federal Form 2441.
9. A copy of Form 1100S, Schedule A-1, if you take a credit for taxes paid by an S Corporation.
10. 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.**
11. A copy of Form 700, Delaware Income Tax Credit Schedule and Form 1801AC and/or Form 2001AC, if applicable. See Pages 7 and 8 for a description of the Form 700 Credits.
12. A copy of Form 5403, Real Estate Tax Return, if you declared and paid estimated taxes on any real estate owned in Delaware.
13. A copy of your **Proforma** federal tax return, if you entered into a civil union in 2014. Each spouse must submit a **Proforma** married filing separate return if you are filing separately or combined separate on Form 200-01.

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

If **Enclosing Payment w/Balance Due** (from Line 27):	State of Delaware, Division of Revenue, P.O. Box 508, Wilmington, DE 19899-508
If **Refund Due** on Line 28:	State of Delaware, Division of Revenue, P.O. Box 8710, Wilmington, DE 19899-8710
All Other Returns:	State of Delaware, Division of Revenue, P.O. Box 8711, Wilmington, DE 19899-8711

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 are entitled to an additional personal credit of $110.	Line 9b, Page 7
	You may be eligible for the pension exclusion.	Line 35, Page 10
	Social Security and Railroad retirement benefits are excluded from Delaware taxable income.	Line 37, Page 11
	You may be eligible for an exclusion if your earned income was less than $2,500.	Line 40, 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 3, Page 6

Members of Armed Forces

While you are stationed in Delaware, your military and non-military pay is subject to Delaware state income tax as follows:

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 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. **The following examples illustrate this:**

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 on this page.)

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

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

- Your employer does not withhold Delaware tax or
- You work in another state whose tax withholding rate is lower than 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 on-line 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 your 2014 return using estimated income and deduction amounts for 2015.

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 as indicated below:

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 15, 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 22, Balance Due) is more than 10% of the tax shown on your return (Line 16, Balance).

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 your estimated Delaware withholding taxes 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.**

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

1. You had no tax liability for 2013 (Line 16), or
2. The total of Line 15 (Total Non-Refundable Credits) and Line 21 (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 with 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 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.

Federal Privacy Act Information

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

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 200-01-X to change an income tax return you have already filed, and attach a copy of any federal adjustments.

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.

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(s) in any correspondence with the Division of Revenue, or 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).**

FRONT OF FORM 200-01

Name, Address and Social Security Number

Attach the preprinted label 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 or entered into a civil union, 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 it 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. For an example, please see Page 12 of the Instruction Booklet.

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, 3, AND 4 – MARRIED OR ENTERED INTO A CIVIL UNION TAXPAYERS
You may file Joint, Separate, or Combined Separate Delaware returns. If you use Filing Status 4, you are in fact filing two separate returns which have been combined on the same form for convenience.

NOTE: Generally, separate returns (filing status 3 or 4) will be advantageous if both spouses have a Delaware adjusted gross income in excess of $9,400.

If you elect to use Filing Status 3 or 4, 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 in computing taxable income.

For Filing Status 3 or 4, you each report only your own income, personal credits, deductions, and one half of the income derived from securities, bank accounts, real estate, etc., which are titled or registered in joint names. NOTE: Civil Union taxpayers must complete a Proforma federal return. For more information, see "Steps for Preparing Your Return," Page 3. Civil Union taxpayers, when completing your "as if" federal return, make sure to follow all the rules and regulations that apply to married filing jointly or married filing separately persons per IRS instructions to correctly determine your tax liability. For more information, visit www.revenue.delaware.gov - FAQs: Civil Union Tax Rules.

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.

PART-YEAR RESIDENTS
If you were a part-year resident of Delaware in 2014 electing to file as a full-year resident, indicate the dates of your Delaware residency.

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 website 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.

LINE-BY-LINE INSTRUCTIONS

Next, complete the back of this form beginning with Line 29. **Instructions begin on Page 9.** Once the back is completed, return to the front and use the following instructions.

NOTE: If you have no Delaware modifications and do not elect to itemize your deductions, you may eliminate completing page 2 of the return and begin on Line 1 of the Delaware return by entering your Federal Adjusted Gross Income from Federal Form 1040, Line 37; 1040A, Line 21; or 1040EZ, Line 4.

1 Delaware Adjusted Gross Income

Enter the amount from Line 42 on the back of your Delaware return.

2a 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 the block on Line 2a** and enter the appropriate amount as listed below:

Delaware Filing Status	Standard Deduction	Enter on Line 2
1	$3,250	Column B
2	$6,500	Column B
3	$3,250	Column B
4	$3,250	Column A & B
5	$3,250	Column B

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

2b Itemized Deductions

If you elect to itemize deductions:

a. Check the block on Line 2b.

b. Complete Section C, Lines 43 through 48 on the back of your Delaware return.

c. Enter the amount from Line 48 on Line 2.

d. Attach a copy of Federal Form 1040 Schedule A.

e. If you claim a deduction on Federal Schedule A, Line 21 for Unreimbursed Employee Expenses, you must attach a copy of Federal Form 2106 or 2106 EZ.

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.

3 Additional Standard Deduction

The additional standard deduction is allowable only for those persons 65 and over OR blind, electing to use the Delaware standard deduction (Line 2a).

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 2a to indicate you are using the standard deduction.
2. Check the appropriate box(es) relating to age and/or blindness on Line 3.
3. Multiply the number of boxes checked on Line 3 by $2,500 and determine the total (a maximum of $5,000 per individual).
4. If you are filing a combined separate return, enter the amount pertaining to each spouse (boxes checked x $2,500) in the spouses' respective columns ($5,000 per spouse age 65 or over **and** blind; $2,500 per spouse age 65 and over **or** blind).
5. All other filing statuses should enter the total for both individuals in Column B.

6 Tax Liability

If Line 5 is less than $60,000, use the tax table to compute your tax liability. If line 5 is $60,000 or greater, use the tax schedule at the end of the tax table to compute your tax liability. Enter your tax liability on Line 6.

7 Lump Sum Distribution

This line applies, in the case of someone who is not self-employed, only when the distribution is made:

- Due to the participant's death;
- Due to the participant's separation from employment;
- After the participant had attained age 59 ½.

In the case of a self-employed person, this line applies only when the distribution is made:

- Due to the participant's death;
- After the participant reached age 59 ½.
- The participant was previously disabled.

This line does not apply when your distribution was:

- Rolled over;
- An early distribution including an early distribution received for medical, education or housing exclusions;
- Subject to the early withdrawal penalty on Line 59 of Federal Form 1040.

Delaware does not impose a penalty for early withdrawal from IRAs and Pension Plans. The law provides for separate tax treatment of lump sum distributions received from qualified pension plans, profit sharing or stock bonus plans. The law provides for ten year averaging of the distribution designated to be taxed as ordinary income. Under this provision, lump sum distributions will be taxed separately as ordinary income in the year of receipt. However, the federal "rollover" provisions apply to this income, so recipients have sixty days in which to invest the proceeds of the lump sum distributions into an IRA or other qualified pension plan without being subjected to tax. Persons receiving a lump sum distribution in 2014 must complete Delaware Form 329 to compute the tax liability on this income. The amount of tax (from Line 16, Form 329) should be placed on Line 7 of the Delaware return. You must attach Form 329 to your return. If you received a lump sum distribution, but did not qualify for or did not elect lump sum averaging on your federal return, you can still use Form 329 for Delaware purposes. See instructions for Line 37 (page 11) to exclude your lump sum distribution from your Delaware Adjusted Gross Income.

9a Personal Credits

Enter the total number of personal exemptions claimed on your federal return, multiply by $110 and enter the total on Line 9a. Civil Union taxpayers, please refer to your **Proforma** or "**as if**" federal return. If you are married or entered into a civil union and filing a combined separate return (Filing Status 4), split the total between Columns A and B in increments of $110.

If you are married or entered into a civil union and filing separate returns (Filing Status 3), allocate exemptions appropriately to each return and multiply by $110, entering the total for each return in Column B. Please see example below. All other filing statuses place the total in Column B.

If you were not required to file a federal return, enter $110 for each spouse reporting income plus $110 for each person who could have been claimed as a personal exemption had you been required to file a federal return. Allocate the totals for your filing status as described in the paragraph above.

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 9a.

Example: If you filed the federal return as a married filing joint or the **Proforma** federal return as a civil union couple filing jointly and have no dependents, enter $220

- $110 in each column if Filing Status 4
- $110 per return in Column B if Filing Status 3, or
- $220 in Column B if Filing Status 2.

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.

NOTE: Civil Union taxpayers who file separate or combined separate must each submit a Proforma federal married filing separate return to Delaware. Do not submit the Proforma return to the IRS.

9b Additional Personal Credits

If you and/or your spouse were 60 years of age or over on December 31, 2014, check the appropriate box(es), multiply the number of boxes checked by $110, and enter the total on Line 9b.

If you are filing a combined separate return (Filing Status 4), enter $110 in the column(s) that correspond to the checked box(es).

10 Other State Tax Credit

If you are a resident of Delaware (or elect to be taxed as one) and pay income taxes to another State on income earned in the other State which is also included in your Delaware taxable income, the law allows you a tax credit against your Delaware income tax. **Do not include city wage taxes or county taxes payable with your other State return. (See Worksheet below.)**

If you claim the tax credit, you must attach to your Delaware 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.

LINE 10 WORKSHEET.
CREDIT FOR TAXES PAID TO ANOTHER STATE

		Column A	Column B	
1.	Enter adjusted gross income from the other state return.	_____	_____	1
2.	Delaware adjusted gross income (Line 1 of return).	_____	_____	2
3.	**If Line 1 is less than Line 2:** divide Line 1 by Line 2 and enter. If Line 1 is greater than Line 2: **enter 100%.**	_____	_____	3
4.	Enter amount from Line 6, Form 200-01.	_____	_____	4
5.	Multiply Line 3 by Line 4.	_____	_____	5
6.	Enter taxes paid to other states (net of credits). (Exclude City Wage and County taxes).	_____	_____	6
7.	Your credit allowance for this state is the smaller of Line 5 or 6. Enter this amount here and on Line 10 of Form 200-01.	_____	_____	7

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 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 amount of credit claimed in HIGHEST to LOWEST credit amount order.** If claiming the credit from only one state, then enter the state and amount on the front of the return.

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 tax liability due and paid, after the application of all credits (example: tax forgiveness credit, earned income credit, poverty level credit), to the other state (not including amounts paid on your state return to local jurisdictions). The amount due and paid **is not the amount on your W-2**; or
c. The amount computed by multiplying the Delaware tax by a fraction, the numerator of which is your adjusted gross income from sources in the other state and the denominator of which is your Delaware Adjusted Gross Income (Line 1).

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

NOTE: If you file using filing status 4 – Married or entered into a civil union filing combined separate – enter the credit in the column for the person who actually worked or was taxed by the other state.

NOTE: Taxes paid to a political subdivision of a state cannot be claimed as credit. The District of Columbia, however, is classified as a "State" for the purpose of this credit and, therefore, can be claimed as credit on Line 10.

11 Volunteer Firefighter Credit

Enter on Line 11 the total of the following credit(s) to which you are entitled:

Volunteer Firefighter's Credit

The law allows a credit of $400 against the income tax liability of Delaware residents who are **active** firefighters, or members of fire company auxiliaries or rescue squads. To qualify for the credit, you must be an active volunteer firefighter on call to fight fires on a regular basis, a member of a fire company auxiliary or active member of an organized rescue squad in a Delaware Volunteer Company. **Active status of the members is verified annually by the Division of Revenue with the Volunteer Firefighter Companies.**

You must enter the Fire Company number where you volunteer on Line 11, Column A and/or Column B, to qualify for the credit. Enter the amount of this credit on Line 11, Column A and/or B. Only one $400 credit may be claimed by each spouse. **If you file using Filing Status 2 – Joint – Do Not Enter $400 in Column A.**

12 Other Non-Refundable Credits

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 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.

13 Child Care Credit

A resident individual is allowed a credit against his/her individual tax in the amount of fifty percent (50%) of the child and dependent care credit allowable for federal income tax purposes. Use the worksheet provided below to compute the amount of the deduction. **The Child Care Credit should not be confused with the Child Tax Credit, which is not an allowable credit on the Delaware return.**

In the case of spouses who file a joint federal return, but who elect to file separate or combined separate returns for Delaware, the credit may only be applied against the tax imposed on the spouse with the lower taxable income reported on Line 5.

NOTE: You must attach to your Delaware return a copy of Federal Form 2441.

LINE 13 WORKSHEET - CHILD CARE CREDIT
Enter the total amount from Line 11 of Federal Form 2441 (Federal form must be attached) and multiply by 50% (.50).
_____ x .50 = $ _____
Enter result on Line 13 of your return.
Do not enter an amount in excess of $1,050.

14 Earned Income Tax Credit (EITC)

A Resident individual is allowed a **nonrefundable credit** against his or her individual tax in the amount of twenty percent (20%) of the federal earned income credit allowed. Complete DE Schedule II to determine the amount of the credit.

In the case of spouses who file a joint federal return, but who elect to file separate or combined separate returns for Delaware, the credit may only be applied against the tax imposed on the spouse with the higher taxable income reported on Line 5. If you entered into a civil union but elect to file separate or combined separate, the credit is to be applied against the tax of the individual who received the credit on the federal return.

DE Schedule II: For each child **YOU CLAIMED** the Earned Income Credit for on your federal return, provide the following information:

Line 7 - Enter the first name and last name of each child.
Line 8 - Enter the social security number (SSN) of each child.
Line 9 - Enter the year of birth of each child. (Example: 2009).
Line 10 - Please indicate by checking the appropriate box(es) if the child was under age 24 at the end of 2014, a student, or younger than you (or your spouse, if filing jointly).
Line 11 - Check the appropriate box(es) relating to disability.
Line 12 - Enter the Delaware State Income Tax from Line 8. If you use filing status 4, enter the higher tax amount from Line 8, Column A or B.
Line 13 - Enter the Federal Earned Income Credit from Federal Form 1040, Line 64a; Form 1040A, Line 42a; or Form 1040EZ, Line 8a.
Line 15 - Multiply Line 13 by Line 14 on DE Schedule II.
Line 16 - Enter the smaller of line 12 or line 15. This line amount is your Delaware Earned Income Tax Credit and should be entered on the Resident return, line 14.

DO NOT complete DE Schedule II if you have not taken an Earned Income Credit on your federal return.

NOTE: The following forms must be attached to your Delaware return if you claim the Earned Income Tax Credit:
- **DE Schedule II**
- **Federal Form 1040, Pages 1 and 2 or Form 1040A Pages 1 and 2 or Form 1040EZ.**
- **Federal Form EIC.**

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

15 Total Non-Refundable Credits

The total of all non-refundable credits (Lines 9a through 14) is limited to the amount of your Delaware tax liability on Line 8.

17 Delaware Tax Withheld

Enter the Delaware income tax withheld as shown on your W-2 and/or 1099R Forms in Column A and/or B. **DO NOT INCLUDE CITY WAGE TAX. DO NOT INCLUDE S CORP PAYMENTS.**

18 Estimated Tax Payments and Payments with Extensions

Enter on Line 18, Column A and/or B, 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 a combined separate return (Filing Status 4), you may allocate the estimated tax payments in any manner you wish. All other filing statuses must claim the estimated tax payments under the Social Security Number for which the payments were made.

19 S Corporation Payments and Refundable Business Credits

Enter on Line 19, Column A and/or B 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 the 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 refundable credits must complete Form 700 (available at www.revenue.delaware.gov and from the Division of Revenue) and submit it with their Delaware return.

20 Real Estate Capital Gains Tax Payments Credit

Enter on Line 20, Column A and/or B, the total of all real estate capital gain tax payments made to Delaware in 2014 from Delaware real estate sales. If you file combined separate (Filing Status 4), you may allocate these payments in any manner. All other filing statuses must claim these payments under the Social Security Number for which the payments were made. **NOTE: Please submit all copies of Form 5403.**

24 Contribution to Special Funds

You and/or your spouse may wish to contribute to any/all of the worthwhile 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 24.** 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.

25 Carryover to 2015 Estimated Tax Account

If you are using Filing Status 1, 2, 3 or 5, and wish to apply a portion of your overpayment to your 2015 Estimated Tax Account, enter on Line 25 the portion of your overpayment (Line 23) to be applied. If you use Filing Status 4, enter on Line 25 the portion of your net overpayment (Line 23, Column A and B, less Line 22, Column A and B) to be applied. **NOTE: Any amount entered on Line 25 will reduce the amount of overpayment refunded to you.**

26 Penalties and Interest Due

You may compute the amount of penalties and interest due or you may leave Line 26 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 penalties and interest.)

If you have calculated the underpayment of Estimated taxes using Form DE2210 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 pages 1 and 2 of the form with your return. Do not submit computer worksheets in lieu of Form DE2210. Checking the box without including a Form DE2210 will unnecessarily delay the processing of your return. A submitted DE2210 will not be processed automatically unless the box is checked.

27 Net Balance Due

If you are using Filing Status 1, 2, 3 or 5, enter the amount of the net balance due (Line 22 plus Lines 24 and 26) and pay in full. If you are married or entered into a civil union using Filing Status 4, enter the total balance due (Line 22, Columns A and B, less Line 23, Columns A and B, plus Lines 24 and 26) and pay in full. Make check payable to: DE Division of Revenue.

28 Net Refund

If you are using Filing Status 1, 2, 3 or 5, enter the amount of the total refund (Line 23 less amounts on Line 24 and/or Line 25 and Line 26) to be refunded to you. If you are using Filing Status 4, enter the total net refund (Line 23, Column A and B, less Line 22, Column A and B, less amounts on Line 24 and/or Line 25 and Line 26) to be refunded to you. If you do not have a balance due or a refund due, enter "0" on Line 28.

BACK OF FORM 200-01

29 Federal Adjusted Gross Income

If you are using filing status 1, 2 or 5, enter your Federal Adjusted Gross Income from Federal Form 1040, Line 37; 1040A, Line 21; or 1040EZ, Line 4 into Column B. If you were not required to file a federal return, fill out one of the mentioned federal forms to determine your federal adjusted gross income. If you are using Filing Status 3 or 4, use the worksheet on this page to assist in separating income, losses, and deductions between spouses. You must each report your own income, losses, and deductions, and one-half of income derived from securities, bank accounts, real estate, etc., which are titled or registered in joint names.

Civil Union taxpayers, please see Page 3, "Steps for Preparing Your Return" regarding **Proforma** federal returns.

LINE 29 WORKSHEET. ALLOCATION OF SPOUSES' FEDERAL ADJUSTED GROSS INCOME (Filing Status 3 and 4 Only)

			Federal/Proforma		Spouse		Yourself		
1.	Wages, salaries, tips, etc.	1.		00		00		00	1.
2.	Interest	2.		00		00		00	2.
3.	Dividends	3.		00		00		00	3.
4.	Taxable refunds, credits or offsets of state and local income taxes	4.		00		00		00	4.
5.	Alimony received	5.		00		00		00	5.
6.	Business income or (loss)	6.		00		00		00	6.
7a.	Capital gain or (loss)	7a.		00		00		00	7a.
7b.	Other gains or (losses)	7b.		00		00		00	7b.
8.	IRA distributions	8.		00		00		00	8.
9.	Taxable pensions and annuities	9.		00		00		00	9.
10.	Rents, royalties, partnerships, s-corps, estates, trusts, etc.	10.		00		00		00	10.
11.	Farm income or (loss)	11.		00		00		00	11.
12.	Unemployment compensation (insurance)	12.		00		00		00	12.
13.	Taxable social security benefits	13.		00		00		00	13.
14.	Other income	14.		00		00		00	14.
15.	Total income. Add Lines 1 through 14	15.		00		00		00	15.
16.	Total Federal Adjustments (Federal Form 1040, Line 36 or 1040A, Line 20)	16.		00		00		00	16.
17.	Federal Adjusted Gross Income. Subtract Line 16 from Line 15. Enter on page 2, Line 29, columns A and B of your Delaware return	17.		00		00		00	17.

30 Interest on State and Local Obligations other than Delaware

Interest you received from any obligations of States other than Delaware or their political subdivisions, is taxable and must be added on Line 30. Examples of **interest that is taxable:**

- Interest received on Pennsylvania Turnpike Bonds.
- Mutual fund dividends not included on Line 29 that are attributable to interest on state or local obligations (minus those attributable to the State of Delaware and its authorities and political subdivisions – provided the mutual fund reports that amount to you in writing).

31 Fiduciary Adjustments, Oil Percentage Depletion

Fiduciary Adjustments

Net additions from fiduciary adjustments derived from 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 31.

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 31.

34 U.S. Obligations

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 34. Failure to identify the payor on Federal Schedule B will result in the disallowance of the deduction. 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 34. (Examples are shown in the table below.)

LINE 34 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.	Government National Mortgage Association (Ginnie Maes)
Federal Farm Credit Bank	
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)

35 Pension Exclusion

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

An early distribution from an IRA or Pension fund due to emergency reasons or a separation from employment does not qualify for the pension exclusion. If the distribution code(s) listed in 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 Federal 1040, Line 59, 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. Spouses 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 here and on Line 35…….. $_____

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 generally is the age at which you can first receive a pension or annuity if you are not disabled. Therefore, Disability pension income would 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, in this example, 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's exclusion is $4,500 (2,500 + 500 + 1,500 = 4,500). The secondary taxpayer cannot include in the pension exclusion calculation the amount by which the primary taxpayer exceeded the $12,500 maximum exclusion.

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

36 Delaware State Tax Refund

Delaware state tax refunds may be excluded to the extent they are included in federal adjusted gross income.

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 36.

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 credit on the federal return. That portion of the deduction for wages, which is disallowed for federal purposes, should be entered on Line 36. 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.

37 Social Security/Railroad Retirement Benefits

Social Security and Railroad Retirement benefits are not taxable in Delaware and, therefore, should not be included in taxable income. Enter on Line 37 the total of any taxable payments included on Line 29.

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 in 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 as long as such amounts have been included in federal adjusted gross income.

Certain Lump Sum Distributions

Enter on Line 37 the amount, if any, of lump sum distributions included in federal adjusted gross income which you used Form 329 to calculate the tax on Line 7.

39 Subtotal

This line is used to calculate the 60 or Over OR Disabled credit.

40 Persons 60 or Over OR Disabled

The law provides for exclusions from gross income to persons meeting certain qualifications. Please refer to the Line 40 Worksheet below.

LINE 40 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?		
Did your earned income (i.e., wages, tips, farm or business income) total less than $2,500?			Is combined earned income (i.e., wages, tips, farm or business income) less than $5,000?		
Is Line 39 $10,000 or less?			Is Line 39 $20,000 or less?		
If you answered YES to all, Enter $2,000 on Line 40			If you answered YES to all, Enter $4,000 on Line 40		

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 or 4).

Itemized Deductions

If you elect to itemize deductions, complete Section C, Lines 43-48, 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.

43 Itemized Deductions From Schedule A

Enter on Line 43 the total amount of itemized deductions as shown on Line 29, Federal 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 the 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 5.**

44 Foreign Taxes 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 44. On Line 44, enter the amount of foreign taxes paid included on Line 8 of Federal Form 1116. If you were not required to file Federal Form 1116, enter on Line 44 the amount of foreign tax paid.

45 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 = $_____
(enter this amount on Line 45.)

47a 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 10 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 47a.

Exception: If your level of adjusted gross income caused a reduction (limitation) of your federal itemized deductions, only enter on Line 47a 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 is $500 and total federal itemized deductions is $10,000 but is limited to $9,000 due to the federal reduction rules (90% of your itemized deductions were allowed), you only enter $450 (90%) of the state taxes on Line 47a.

NOTE: Local taxes included in your federal itemized deductions should not be included on Line 47a. Also, state taxes paid to another state for which you will not claim a credit on Line 10 of your Delaware return should not be included on Line 47a. NOTE: Real Estate Capital Gains tax payments paid in Delaware and declared on DE Form 5403 should be entered here if included in Federal Itemized deductions. Also, property or school taxes paid to your city/county should not be included here.

47b 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 for Form 700 on Line 12 of your Delaware return. **Form 1801AC and/or Form 2001AC and the Division of Revenue approval letter must be attached to your return.**

48 Total Itemized Deductions

Subtract Line 47a and 47b from Line 46 and enter the results on Line 48 and on Line 2 of your Delaware return. Make sure you have checked the block on Line 2b to indicate that you are electing to itemize your deductions.

Always compare the results of Line 48 to the standard deduction; you may benefit from using the standard deduction and from any allowable additional standard deductions.

Section D

Direct Deposit of Refund

Complete Section D if you want us to directly deposit the amount shown on Line 28, Form 200-01 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 on this page, 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 on this page, the account number is 12340818. 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.

Deceased

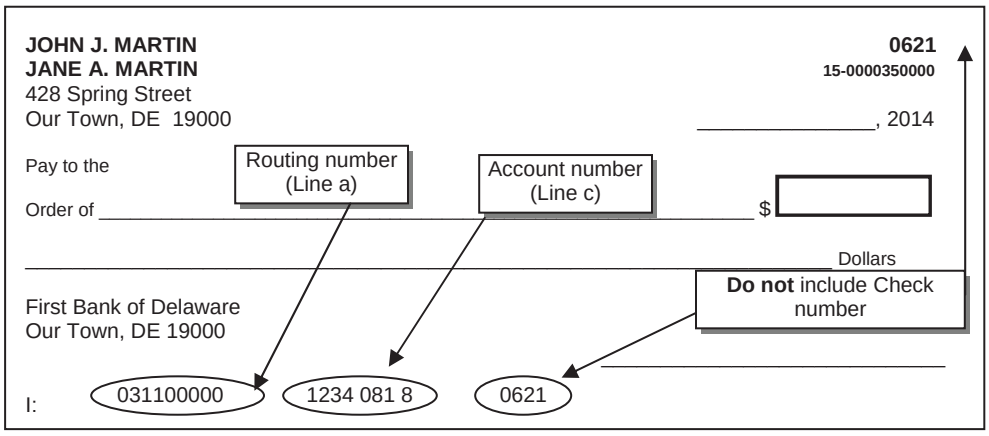
The executor, administrator or other person responsible for the filing of the Decedent's tax return, shall write DECD after the Decedent's first name on Page 1. If there is a surviving spouse, the surviving spouse information should be entered FIRST under "Your Social Security No. and Your Last Name." The deceased person's data should be entered under "Spouse's Social Security No. and Spouse's Last Name."

Decedent example: John and Mary Jones have been married for 30 years and file jointly (Filing Status 2). John Jones passed away on June 30, 2014. Mary, as the surviving souse, will enter her data in "Your Social Security No., Your Last Name, 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."

Signature

Please 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.

SAMPLE CHECK: