

# Tax Facts & Comparisons

## Delaware

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Delaware is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Delaware scores.



### Tax Foundation Rankings of Delaware

#### State Business Tax Climate Index

14<sup>th</sup>  
best

Delaware ranks 14th out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Delaware ranked 13th.

Delaware's individual income tax ranks 33rd best, its corporate income tax ranks 50th best, its sales tax ranks 1st best, its property tax ranks 13th best, and its unemployment insurance tax ranks 2nd best.

Neighboring states' ranks: Pennsylvania (34th), New Jersey (50th), Maryland (40th),

#### State-Local Tax Burdens Rank

15<sup>th</sup>  
highest

Estimated at 10.1% of income, Delaware's 2011 state-local tax burden ranks 15th highest nationally, above the national average of 9.8%. Delaware taxpayers pay \$4,209 per capita in state and local taxes.

Neighboring states' ranks: Pennsylvania (10th), New Jersey (2nd), Maryland (7th),

#### Tax Freedom Day®

2015  
April  
20

In 2014, Delaware taxpayers worked 110 days into the year until April 20 to pay their total tax bill, ranking 29th highest nationally.

That's 4 days before national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at [taxfoundation.org/publications](http://taxfoundation.org/publications)

# Delaware Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Delaware structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

## General Info

		Rank	Nat. Avg.
Income per capita	\$41,521	22nd	\$43,735
Federal aid as % of gen. revenue	25%	45th	32.8%
State debt per capita	\$9,023	18th	\$3,678

## Individual Income Tax

Number of brackets	6
Bottom income bracket rate	2.20%
Bottom bracket kick In	\$2,000
Top income tax rate	6.60%
Top bracket kick in	\$60,000
Collections per capita (2012)	\$1,368
Collections rank (2012)	8th

## Property Tax

Collections per capita (2012)	\$762
Collections rank (2012)	45th
Property taxes paid as share of owner-occupied housing value (2013)	0.55%
Property taxes paid percent rank (2013)	47th

## Sources of State & Local Tax Collections

	Delaware	All States.
Property Tax	17%	32%
Sales Tax	0%	23%
Corporate Income Tax	6%	4%
Individual Income Tax	30%	22%
Other	47%	20%

## Corporate Income Tax

Number of brackets	1
Top corporate tax rate	8.70%
Collections per capita (2012)	\$293
Collections rank (2012)	6th

## Sales Tax

State rate	0.00%
State + average local rate	0.00%
State + average local rank	N/A
Collections per capita (2011)	\$0
Collections rank (2011)	N/A

## Excise Taxes

	Rate	Rank
Gasoline taxes and fees	23.0¢ per gallon	32nd
Cigarette taxes	\$1.60 per pack	21st
Spirits taxes	\$3.75 per gallon	36th
Beer taxes	\$0.16 per gallon	35th
Cell phone taxes	6.23%	45th

## Other Taxes

	Rate	Exemption
Gross receipts tax	0.0996%	N/A
	0.7468%	
Capital stock tax	0.04%	\$180,000
Inheritance tax	None	N/A
Estate tax	0.8-16%	\$5,430,000

## About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

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