



Frequently Asked Questions

Courtesy of... Active Adults Realty

Can I get private health insurance?

This is important to retirees who are not yet 65. There may be a gap of 5 years or more between the time they are no longer covered by the health insurance of the company they worked for and their eligibility for Medicare. Or, perhaps they have been self-employed with coverage by a company that may or may not write insurance policies in Delaware.

For more information, visit the [Delaware Insurance Department](#) online.

<http://www.delawareinsurance.gov>

Is there personal property tax on automobiles in Delaware?

NO, but when you bring a vehicle into Delaware there is a one time document fee of 3.75% of the purchase price or NADA book value, whichever is greater. Minimum document fee is \$8.00. For more details please visit the [DMV](#) online or call the Delaware Division of Motor Vehicles at 302.853.1000 for Sussex County. <http://www.dmv.de.gov>

Is School Tax extra?

In Delaware, School Tax is included and billed as part of your County Tax. That is important because homeowners age 65 and over may get a credit equal to on half of the school property taxes, up to \$500.

Taxpayers must pay their property tax bill in full by the end of each tax year in order to qualify for this credit for the subsequent property tax year. Learn more about how to qualify for the School Property Tax Relief for Individuals Age 65 or over – [Read More](#)

http://finance.delaware.gov/publications/prop_tax/propmain.shtml

Does Delaware have an income tax?

Yes, Delaware does have an income tax that ranges from a low of 2.2% to a high of 5.95%, depending on income bracket. Standard deductions are \$3250 if you are single and not itemizing or \$6500 if married, filing jointly and not itemizing. For more details, see [Delaware's Tax Structure](#).

<http://revenue.delaware.gov/>

Does Delaware tax Social Security benefits?

No, Social Security and Railroad Retirement Benefits are exempt from Delaware Income Tax.

What else do you need to know about Delaware? [Ask us.](#)

Delaware's Tax Structure

State Sales Tax: None

Gasoline Tax: \$.23/gallon • **Diesel:** \$.22/gallon

Cigarette Tax: \$1.15/pack

Personal Income Tax

Tax Rates: Low-2.2%; High 6.95%

Income Brackets: Lowest- \$2001 to \$5001;
Highest \$60,000

Number of Brackets: 6

Tax Credits: Single-\$110 • Married-\$220
Dependents-\$110 • Over 60 take additional
\$110

Standard Deduction: \$3250 if single; not
itemizing, \$6500 if married filing jointly; not
itemizing.

Medical/Dental Deduction: None

Federal Income Tax Deduction: None

Retirement Income Taxes: Social Security and
Railroad Retirement Benefits are exempt. Tax
payers 60 years old and older may exclude
\$12500 of investment and qualified pension
income. Out of State government pensions
qualify for the pension exemption. Under age
60, \$2000 is exempt.

Retired Military Pay: Under 60 years of age
\$2000 is exempt, 60 years of age or over
\$12500 is exempt.

Military Disability Pay: Disability portion-
Length of service pay- Member as of
September 24, 1975- no tax; Member after
September 24, 1975-taxed, unless combat
incurred.

Retired pay based solely on disability:
Member on as of September 24, 1975-no tax;
member after September 24, 1975-taxed,
unless all pay is based on disability and
disability resulted from armed conflict, extra
hazardous service, simulated war or an
instrumentality of war.

VA Disability: Dependency and Indemnity
Compensation: Not subject to state or federal
income tax.

Property Taxes: All real property is subject
to tax unless specifically exempt. Personal
property, tangible and intangible property is
exempt. Real Estate is subject to county,
school district, vocational school district and
municipal taxes. The state offers various
property tax relief programs for residents age
65 and older and for residents with
disabilities. Homeowners age 65 and over
may get a credit equal to one half of the
school property taxes, up to \$500.

Inheritance and Estate Taxes: In July 2005
the DE legislature eliminated the requirement
to file a Delaware estate tax return for dates
which the federal estate tax does not allow a
credit for state death tax (currently 2005 thru
2010). It also eliminated the special lien on the
gross estate tax if the decedent dies on a
date on which the federal estate tax does not
allow a credit for state death taxes paid.

**To contact the Property Tax Offices in New Castle
County, call (302) 323-2600; Kent County, call (302)
736-2077 or Sussex County, call (302) 855-7760.**

**To contact the Delaware Division of Revenue,
call 302-577- 8200 or visit www.state.de.us/revenue**

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