

Tax Reform and Your Delaware Itemized Deductions

Prior to the Tax Cuts and Jobs Act (TCJA), individuals were permitted to claim an unlimited amount of state and local real property and income taxes paid as itemized deductions. Starting with tax years 2018, those deductions will be limited.

Delaware follows federal law regarding itemized deductions, and taxpayers will be entitled to an itemized deduction for state and local taxes equal to the total real property taxes and local income taxes paid – up to the maximum \$10,000 (or \$5,000 for married individuals filing a separate or combined separate return).

Taxpayers will continue to be allowed to claim itemized deductions on a Delaware return, even if the taxpayer has claimed the standard deduction on a federal return.

For more information, and detailed examples, the Delaware Division of Revenue has published a Technical Information Memorandum, available here: <https://de.gov/tim201901>.