



Why Live



In Delaware?



- Lower Delaware - Sussex County offers a relaxing, coastal resort lifestyle, with many beautiful beaches, state parks, great restaurants, and tax free shopping.
- Delaware ranks *forth least tax burdensome* state in the United States!

State & Local Tax Burden Comparisons for 2007

DELAWARE & Neighboring States

> Sequenced by Tax Burden Rank <

| State | Tax Burden Rank (Higher Number The Least Burdensome) | State and Local Tax Burden |
|------------------------------|---|----------------------------|
| United States Average | -- | 11.0% |
| Alaska | 50 | 6.6% |
| New Hampshire | 49 | 8.0% |
| Tennessee | 48 | 8.5% |
| Delaware | 47 | 8.8% |
| Virginia | 33 | 10.2% |
| Pennsylvania | 24 | 10.8% |
| Maryland | 23 | 10.8% |
| New Jersey | 10 | 11.6% |
| New York | 3 | 13.8% |
| Maine | 2 | 14.0% |
| Vermont | 1 | 14.1% |
| District of Columbia | -- | 12.5% |

Source: Tax Foundation calculations based on data from the Bureau of Economic Analysis, Department of Commerce, www.taxfoundation.org/taxdata/show/335.html

Each state's tax burden represents a combination of state & local tax burdens. Above table shows the effective state/local tax burdens as a percentage of income by state. State's ranking is provided under headings *Tax Burden Rank*, showing the least burdensome (#50 - Alaska) & most burdensome (#1 - Vermont). Percentages under *State and Local Tax Burden* show tax burden as a percentage of income.

- Delaware is one of only five states with **NO sales tax**.

| States with NO Sales Tax | | | | |
|--------------------------|-----------------|---------|---------------|--------|
| Alaska* | Delaware | Montana | New Hampshire | Oregon |

*Some cities in Alaska have a sales tax.

- Delaware has **no personal property or real property taxes** (no state-level tax imposed). Further, real property taxes in Sussex County remain fixed - homeowners taxed on approximately 50% of their property's current market value based on a 1974 assessment!

- **AARP The Magazine**, July/August 2006, “*Dream Towns*” article named Rehoboth Beach, Delaware, as one of the five “*Best Places To Retire*”. Criteria used: least expensive states to live based on income, property, sales taxes; weather; recreational opportunities; and livability – access to health care and transportation.

| <i>“Best Places to Retire”</i> | | | | |
|--------------------------------|-----------------|-------------|----------------|----------------|
| Rehoboth Beach, DE | Charlestown, SC | Memphis, TN | St. George, UT | Las Cruces, NM |

- **Kiplinger's PERSONAL FINANCE Magazine**, November 2006 issue, named **Delaware** as the “*MOST TAX-FRIENDLY STATE FOR RETIREES.*”
- Delaware has *no Estate Tax* (a.k.a., Inheritance Tax, Death tax). Delaware’s Estate Tax is equal to the state death tax credit under federal estate tax law. Since this credit has been eliminated from 2005 through 2010, there is no Estate Tax imposed by the Delaware.
- Delaware is the 12th highest ranked State in per capita income in America.

Local States Per Capita Income Ranking in 2007

| State | Per Capita Income | U. S. Rank | Total Personal Income [Millions of Dollars] | Population [Thousands of Persons] |
|----------------------|-------------------|------------|--|--------------------------------------|
| United States | \$38,611 | -- | \$11,645,882 | 301,621 |
| New Jersey | \$49,194 | 2 | \$427,297 | 8,686 |
| New York | \$47,385 | 4 | \$914,432 | 19,298 |
| Maryland | \$46,021 | 5 | \$258,561 | 5,618 |
| Virginia | \$41,347 | 9 | \$318,873 | 7,712 |
| Delaware | \$40,608 | 12 | \$35,116 | 865 |
| Pennsylvania | \$38,788 | 19 | \$482,245 | 12,433 |
| District of Columbia | \$61,092 | -- | \$35,940 | 588 |

Source: U.S. Bureau of Economic Analysis and Bureau of the Census, as of March 2008

- Delaware ranks 14th State with the *highest five-year home appreciation % change*, with a 28-year appreciation rate of 413%, as of May 2008!

State House Price Indexes % Change Past 5-Years

| Rank | State/Region | % Change |
|----------------------|----------------------|------------|
| United States | | 39% |
| 2 | District of Columbia | 79% |
| 3 | Maryland | 74% |
| 9 | Virginia | 63% |
| 14 | Delaware | 56% |
| 17 | New Jersey | 53% |
| 20 | New York | 48% |
| 21 | Pennsylvania | 47% |

SOURCE: Office of Federal Housing Enterprise Oversight
Data As Of May 22, 2008

- Delaware ranks as the 15th fastest-growing State, with 1.4% increase in population.

| U. S. State Population Estimates & Changes | | | | | | | | |
|--|----------------------|----------------|-------------------|------------|----------------------------|-------------|-------------------|-----------|
| STATE | Population Estimates | | Change '05 to '06 | | National Ranking of States | | | |
| | | | | | Population Estimates | | Change '05 to '06 | |
| | July 1, '06 | July 1, '05 | Number | % | July 1, '05 | July 1, '06 | Number | % |
| United States | 299,398,484 | 296,507,061 | 2,891,423 | 1.0 | N/A | | | |
| Delaware | 853,476 | 841,741 | 11,735 | 1.4 | 45 | 45 | 32 | 15 |
| Virginia | 7,642,884 | 7,564,327 | 78,557 | 1.0 | 12 | 12 | 11 | 20 |
| Maryland | 5,615,727 | 5,589,599 | 26,128 | 0.5 | 19 | 19 | 27 | 36 |
| Pennsylvania | 12,440,621 | 12,405,348 | 35,273 | 0.3 | 6 | 6 | 22 | 37 |
| New Jersey | 8,724,560 | 8,703,150 | 21,410 | 0.2 | 11 | 10 | 28 | 39 |
| New York | 19,306,183 | 19,315,721 | -9,538 | -0.0005 | 3 | 3 | 50 | 47 |
| District of Columbia | 581,530 | 582,049 | -519 | -0.1 | 50 | 50 | 47 | 49 |

SOURCE: Population Division, U.S. Census Bureau, Released December 22, 2006

- If you are a first time home buyer – have never previously owned property, you may qualify for an *exemption of .75% of Sussex County transfer fee* and recording fee for the deed and mortgage, which normally is 1.5% of the purchase price.
- In 2008, *Delaware is one of only seven states receiving a triple-A rating for the state's bonds*, from three of the major bond rating agencies (i.e., Moody's Investors Service; Standard and Poor's; and Fitch Ratings). This is the 12th consecutive time Delaware has earned triple-A ratings, the highest rating awarded by the nationally recognized rating services. Ratings reflect how Delaware has taken a fiscally responsible approach to managing state government and, having the lowest assessment of repayment risk, allow Delaware to borrow money at the lowest possible interest rate, thus ultimately saving Delaware tax payers money. Bonds are in great demand and are tax-exempt for federal and Delaware income purposes.
- U.S. News and World Report, "America's Best Colleges 2008", ranked the *University of Delaware as one of the nation's top 100 colleges, ranking UDel 71st*. General facts: founded 1743; enrollment 20,342; tuition and fees \$8,150 in-state, \$19,400 out-of-state; room and board \$7,948; endowment in excess of \$1.066 billion dollars.
- Delaware is one of only nine States that have little or no income tax on trusts.

| Trusts Tax Friendly States | | |
|---|--------------|------------|
| <i>States with little or no income tax on trusts.</i> | | |
| Alaska | Nevada | Texas |
| Delaware | Ohio | Washington |
| Florida | South Dakota | Wyoming |

SOURCE: J P Morgan Private Bank

- Reader's Digest "Best Travel 2006 - Best Seaside Strolls" designated Delaware's *Rehoboth Beach* boardwalk with "views of bright blue water and shops galore" as one of the seven "Best Boardwalks" in America.

- The Natural Resources Defense Council's "Testing the Waters 2008 – A Guide to Water Quality at Vacation Beaches" ranked **Delaware beaches the nation's second cleanest** [tied with New Hampshire] of the 30 coastal and Great Lakes states surveyed.

Rank of States by Percent of Beachwater Samples Exceeding the National Standard in 2007

| State | Rank (Least Clean to Most Clean) | Percent | Total Samples | Beaches Reported |
|-----------------|----------------------------------|-----------|----------------|------------------|
| National | - | 7% | 131,977 | 3,516 |
| Illinois | 1 | 23% | 5,806 | 69 |
| ↓ | ↓ | ↓ | ↓ | ↓ |
| Delaware | 29 | 1% | 373 | 23 |
| Alaska | 30 | 0% | 10 | 3 |

SOURCE: Natural Resources Defense Council, "Testing the Waters 2008 – A Guide to Water Quality at Vacation Beaches", EIGHTEENTH EDITION, August 2008

- Delaware is one of only 23 States allowing trusts to last for generations.

| Starting a Dynasty | | |
|--|----------------|---------------|
| <i>States that allow trusts to last for generations.</i> | | |
| Alaska | Indiana | Rhode Island |
| Arizona | Maine | South Dakota* |
| Colorado | Maryland | Utah*** |
| Delaware* | Missouri* | Virginia |
| District of Columbia | Nebraska | Washington** |
| Florida** | New Hampshire* | Wisconsin* |
| Idaho* | New Jersey | Wyoming*** |
| Illinois | Ohio | |

*Favorable tax treatment is more assured in these states.

**Florida trust duration 360 years, Washington 150 years.

***Utah, Wyoming limited to 1,000 years.

SOURCE: Trusts and Estates

PLEASE NOTE: All information presented is subject to change without notification. Also, you need to consult with a lawyer or tax advisor regarding your eligibility for any Delaware tax or other benefits.

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