

Like several other Mid-Atlantic states, public finance in Delaware tends to be highly centralized. Delaware is one of a handful of states with no local ownership of roads; maintenance of even the smallest roads is a state responsibility. As a result, local governments tend not to have much of a role in generating funds for transportation investments, apart from local streets.

1. Fuel and Vehicle Taxes

None.

2. Property Taxes and Assessments

Counties also have the authority to levy real estate transfer taxes to fund capital projects.¹ The state Department of Transportation does not collect information on where these taxes have been adopted or how they are used.

3. Sales and Other Taxes

Cities may adopt local income taxes up to 1.25%.² The City of Wilmington has adopted this tax, but uses it as a source of general revenues.

¹ 9 Delaware Code § 8102; 22 Delaware Code § 1601.

² 22 Delaware Code § 901.

DELAWARE

Overview of County, District, and Local Transportation Tax Laws

Tax Type	State Statute	Tax Name	Areas	Statute Year	Permitted Rates	Maximum Duration	Purposes	Adoption Process
Income	22 Del. C./901	Municipal User Tax	Cities	1953	1.25%	-	General Revenue	B
Property	9 Del. C./8102	Real Estate Transfer Tax	Counties	1967	1.50%	-	Public Works, Capital Projects, etc.	B
	22 Del. C./1601	Real Estate Transfer Tax	Cities	1971	1.50%	-	Public Works, Capital Projects, etc.	B

A = State Law
 B = County/Local Law
 C = Popular Vote