

# Indiana

## Indiana Levies Income Tax on Some Working-Poor Families

### Indiana's 2006 income tax threshold

Rank among the 42 states with income taxes

(The income level at which families begin paying income tax)

(1 = lowest threshold)

- For single-parent families of three: \$14,000 11
- For two-parent families of four: \$15,000 6

### Indiana's 2006 income tax levied on working-poor and near-poor families

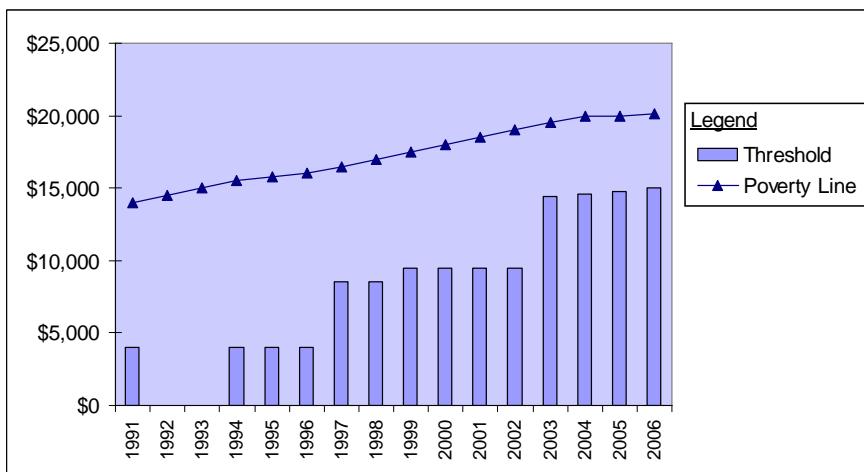
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$86 12
- For families of four with incomes at the poverty line (\$20,615): \$239 7
- For families of three with minimum-wage earnings (\$10,712): \$97 refund 29
- For families of three with incomes at 125% of poverty line (\$20,099): \$274 12
- For families of four with incomes at 125% of poverty line (\$25,769): \$479 9

### Indiana's income tax threshold is declining relative to the poverty line.

- Indiana's tax threshold for families of four was substantially increased in 2003, but since then it has declined relative to the poverty line.
- Without legislative action, Indiana's income tax threshold will fall further below the poverty line.

### Income Tax Threshold for Family of Four



Year	Threshold
1991	\$4,000
1992	no data
1993	no data
1994	\$4,000
1995	\$4,000
1996	\$4,000
1997	\$8,500
1998	\$8,500
1999	\$9,500
2000	\$9,500
2001	\$9,500
2002	\$9,500
2003	\$14,400
2004	\$14,600
2005	\$14,800
2006	\$15,000