

Alabama

Poor Families in Alabama Are Hit Harder by the Income Tax Than Those in Most Other States

Alabama's 2001 income tax threshold — the income level at which families begin paying income tax:

Ranking among 42 states with income taxes

- ☞ For two-parent families of four: **\$4,600.** **Lowest**
- ☞ For single-parent families of three: **\$4,600.** **Lowest**

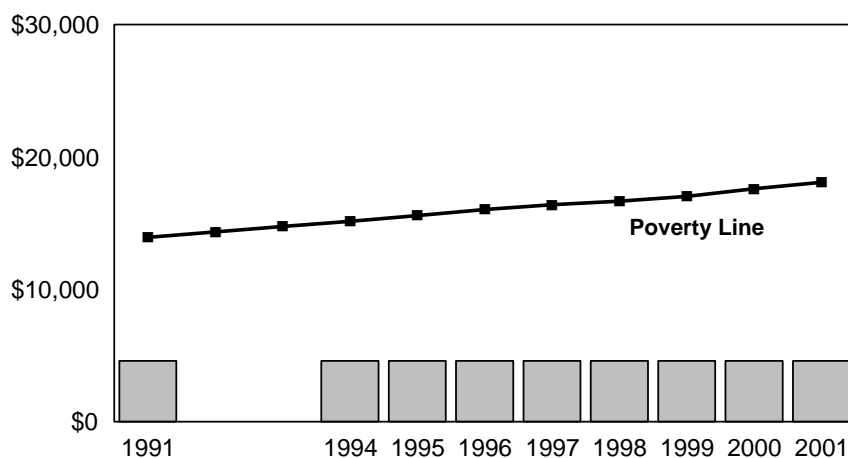
Alabama's 2001 income tax on working-poor and near-poor families:

- ☞ For families of four with *incomes at the poverty line* (\$18,104): **\$463.** **2nd highest**
- ☞ For families of three with *incomes at the poverty line* (\$14,129): **\$388.** **Highest**
- ☞ For families of three with *minimum-wage earnings* (\$10,712): **\$218.** **Highest**
- ☞ For families of three with *incomes at 125% of poverty line* (\$17,661): **\$563.** **3rd highest**
- ☞ For families of four with *incomes at 125% of poverty line* (\$22,630): **\$673.** **4th highest**

Alabama has consistently taxed families with incomes well below the poverty line.

- ☞ Alabama's tax threshold for families of four has not changed over the last ten years. In 1991, a family of four owed tax when its income exceeded 33 percent of the poverty line. By 2001, Alabama's tax threshold dropped to 25 percent of the poverty line.
- ☞ Taxes owed by a family with poverty-level income increased 11 percent between 1994 and 2001.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$4,600
1994	\$4,600
1995	\$4,600
1996	\$4,600
1997	\$4,600
1998	\$4,600
1999	\$4,600
2000	\$4,600
2001	\$4,600