

Arkansas

Poor Families in Arkansas Remain Subject to the Income Tax

Arkansas'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: **\$15,600.** **15th lowest**
- ☞ For single-parent families of three: **\$13,000.** **14th lowest**

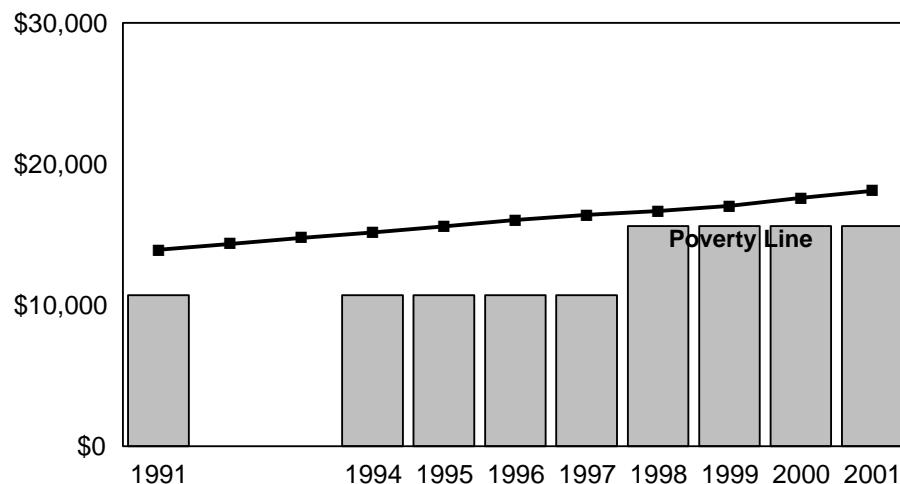
Arkansas's 2001 income tax on working-poor and near-poor families:

- ☞ For families of four with *incomes at the poverty line (\$18,104)*: **\$326.** **6th highest**
- ☞ For families of three with *incomes at the poverty line (\$14,129)*: **\$20.** **16th highest**
- ☞ For families of three with *incomes at 125% of poverty line (\$17,661)*: **\$394.** **7th highest**
- ☞ For families of four with *incomes at 125% of poverty line (\$22,630)*: **\$563.** **6th highest**

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

- ☞ Arkansas's tax threshold for families increased substantially in 1998, but has not been adjusted since then. In 1991, a family of four owed tax when its income exceeded 77 percent of the poverty line. For 2001, Arkansas's tax threshold is 86 percent of the poverty line.
- ☞ Since 1994, the Arkansas income tax on a family of four with poverty-level income has risen by \$112, an increase of 27 percent after taking inflation into account.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$10,700
1994	\$10,700
1995	\$10,700
1996	\$10,700
1997	\$10,700
1998	\$15,600
1999	\$15,600
2000	\$15,600
2001	\$15,600