

Arizona

Arizona Treats Poor Families Under Its Income Tax Better Than Most Other States

Arizona'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: **\$23,600.**

10th highest

☞ For single-parent families of three: **\$20,100.**

12th highest

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

☞ No tax on families with *incomes at the poverty line* (\$18,104 for family of four, \$14,129 for family of three).

☞ No tax on families of three or four with *full-time minimum-wage earnings* (\$10,712).

☞ No tax on families with *incomes at 125% of poverty line* (\$22,630 for a family of four, \$17,661 for a family of three).

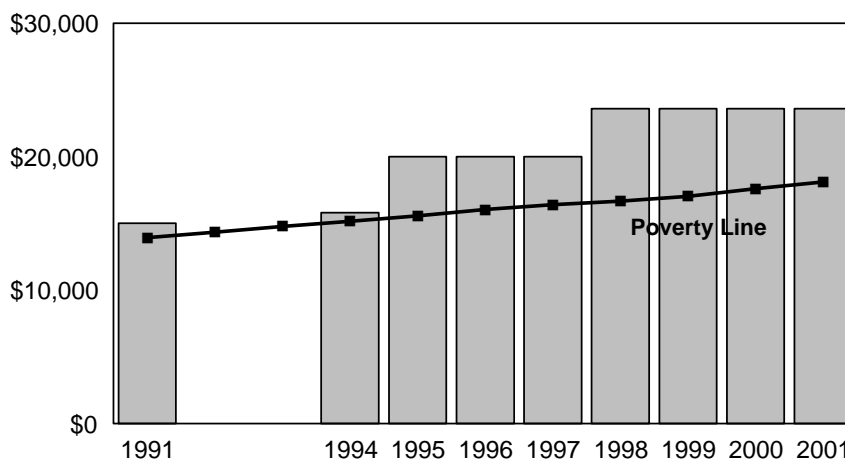
☞ The only states with more favorable income tax treatment of working-poor and near-poor families are states that have refundable income tax credits.

Arizona has consistently exempted families with below-poverty earnings from the income tax.

☞ Because Arizona's tax threshold for families of four was increased substantially during the 1990's, the threshold has risen further above the poverty line.

☞ In 1991, a family of four owed no tax until its income reached 8 percent above the poverty line. Arizona's tax threshold is now 30 percent above the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$15,000
1994	\$15,800
1995	\$20,000
1996	\$20,000
1997	\$20,000
1998	\$23,600
1999	\$23,600
2000	\$23,600
2001	\$23,600