

California

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

California'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: **\$38,800**. **Highest**
- ☞ For single-parent families of three: **\$36,800**. **Highest**

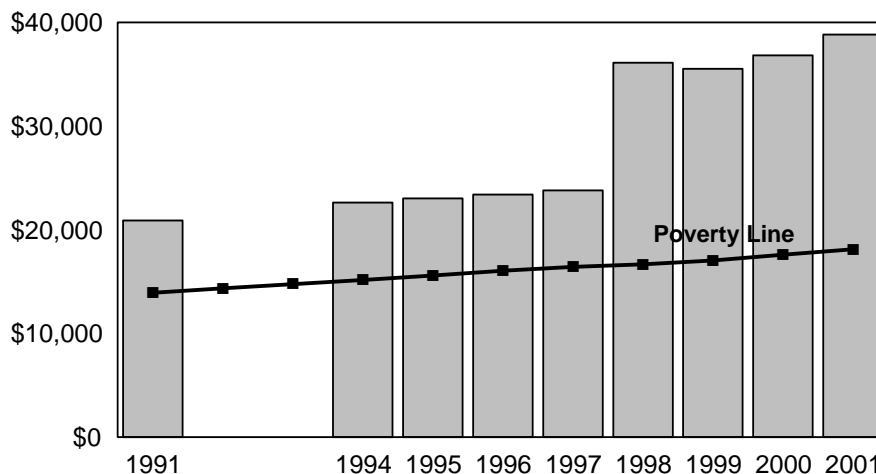
California's 2001 income tax on working-poor and near-poor families:

- ☞ 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* (\$13,000).
- ☞ 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.

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

- ☞ California's tax threshold has remained well above the poverty line for the last decade. (See chart.)
- ☞ In 1991, a family of four owed no tax until its income reached 50 percent above the poverty line. California's tax threshold is now more than double the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$20,900
1994	\$22,600
1995	\$23,000
1996	\$23,400
1997	\$23,800
1998	\$36,100
1999	\$35,500
2000	\$36,800
2001	\$38,800