Connecticut

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

Connecticut'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: \$24,100.

9th highest

For single-parent families of three: \$19,100.

15th highest

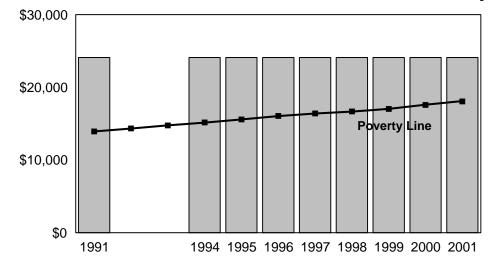
Connecticut's 2001 income tax on working-poor and near-poor families:

- 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* (\$13,312).
- 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.

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

In 1991, a family of four owed no tax until its income reached 73 percent above the poverty line. Connecticut's tax threshold is now only 33 percent above the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$24,100
1994	\$24,100
1995	\$24,100
1996	\$24,100
1997	\$24,100
1998	\$24,100
1999	\$24,100
2000	\$24,100
2001	\$24,100

Source: CBPP, State Income Tax Burdens on Low-Income Families in 2001, February 26, 2002.