

Iowa

Some Families in Iowa With Incomes Just Below the Poverty Line Remain Subject to the Income Tax

Iowa'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: **\$17,500.**

18th lowest

☞ For single-parent families of three: **\$17,500.**

19th highest

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

☞ For families of four with *incomes at the poverty line* (\$18,104): **\$61.**

18th highest

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

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

☞ For families of four with *incomes at 125% of poverty line* (\$22,630): **\$530.**

8th highest

☞ For families of three with *incomes at 125% of poverty line* (\$17,661): **\$16.**

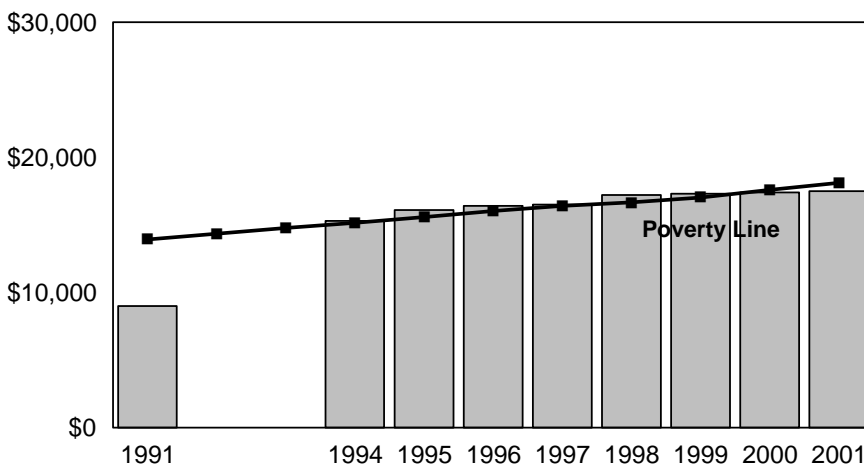
24th highest

Iowa no longer exempts all families with below-poverty earnings from the income tax.

☞ Iowa's threshold for a family of four fell below the poverty line in 2000 and has not recovered. (See chart.)

☞ In 1991, a family of four owed tax until when its income exceeded 65 percent of the poverty line. Iowa's tax threshold is now 97 percent of the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$9,000
1994	\$15,300
1995	\$16,100
1996	\$16,400
1997	\$16,500
1998	\$17,200
1999	\$17,300
2000	\$17,400
2001	\$17,500