

Kentucky

Poor Families in Kentucky Are Hit Harder by the Income Tax Than Those in Most Other States

Kentucky'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: **\$5,500.** **2nd lowest**
- ☞ For single-parent families of three: **\$5,000.** **2nd lowest**

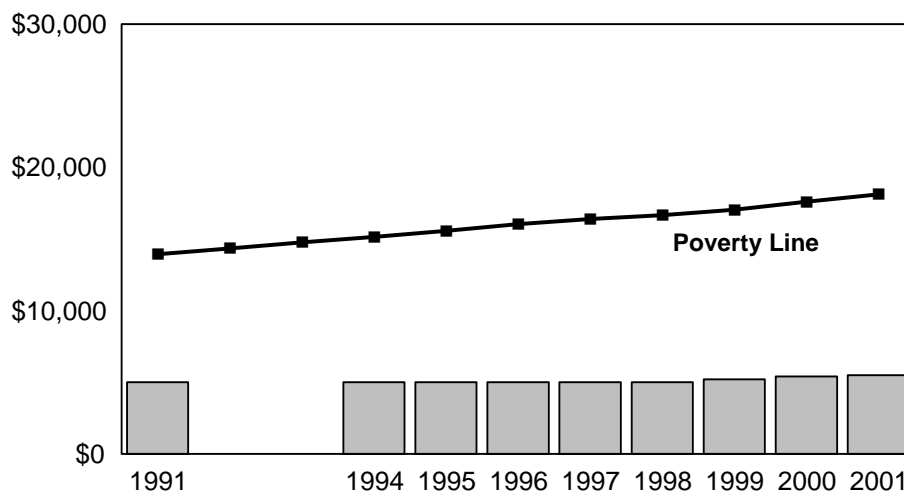
Kentucky's 2001 income tax on working-poor and near-poor families:

- ☞ For families of four with *incomes at the poverty line* (\$18,104): **\$596.** **Highest**
- ☞ For families of three with *incomes at the poverty line* (\$14,129): **\$361.** **2nd highest**
- ☞ For families of four with *minimum-wage earnings* (\$10,712): **\$193.** **Highest**
- ☞ For families of three with *incomes at 125% of poverty line* (\$17,661): **\$592.** **Highest**
- ☞ For families of four with *incomes at 125% of poverty line* (\$22,630): **\$922.** **Highest**

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

- ☞ Because Kentucky's tax threshold for families of four has changed little over the last decade, the gap between the threshold and the poverty line has increased.
- ☞ In 1991, a family of four owed tax when its income exceeded 36 percent of the poverty line. By 2001, Kentucky's tax threshold dropped to 30 percent of the poverty line.

Income Tax Threshold for Family of Four



| Year | Threshold |
|------|-----------|
| 1991 | \$5,000 |
| 1994 | \$5,000 |
| 1995 | \$5,000 |
| 1996 | \$5,000 |
| 1997 | \$5,000 |
| 1998 | \$5,000 |
| 1999 | \$5,200 |
| 2000 | \$5,400 |
| 2001 | \$5,500 |