

# Massachusetts

## Massachusetts Treats Poor Families Under Its Income Tax Better Than Most States

**Massachusetts'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: **\$22,700**. **12<sup>th</sup> highest**
- ☞ For single-parent families of three: **\$21,300**. **9<sup>th</sup> highest**

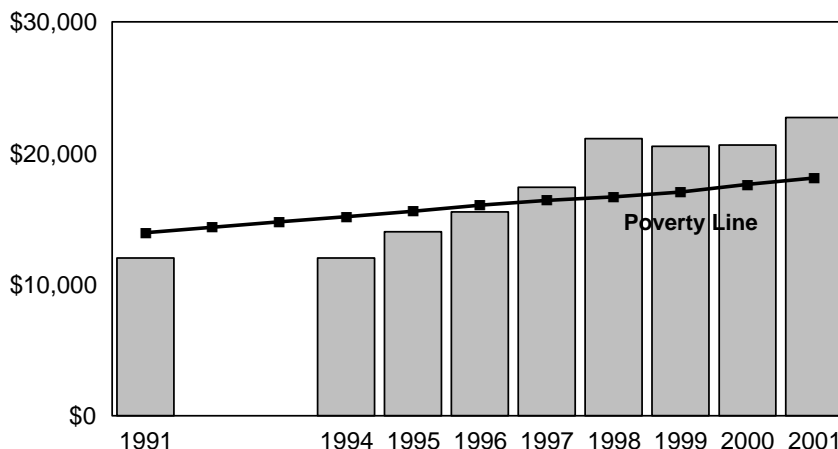
**Massachusetts's 2001 income tax on working-poor and near-poor families:**

- ☞ For families of three with *full-time minimum-wage earnings* (\$14,040): **\$572 refund**. **7<sup>th</sup> highest refund**
- ☞ For families of four with *incomes at the poverty line* (\$18,104): **\$442 refund**. **6<sup>th</sup> highest refund**
- ☞ For families of three with *incomes at the poverty line* (\$14,129): **\$569 refund**. **6<sup>th</sup> highest refund**
- ☞ For families of three with *incomes at 125% of poverty line* (\$17,661): **\$330 refund**. **6<sup>th</sup> highest refund**
- ☞ For families of four with *incomes at 125% of poverty line* (\$22,630): **\$5 refund**. **5<sup>th</sup> highest refund**

**In 1997, Massachusetts exempted families with below-poverty earnings from the income tax.**

- ☞ In 1991, a family of four owed tax when its income exceeded 86 percent of the poverty line. Massachusetts's tax threshold is now 25 percent *above* the poverty line.

**Income Tax Threshold for Family of Four**



| Year | Threshold |
|------|-----------|
| 1991 | \$12,000  |
| 1994 | \$12,000  |
| 1995 | \$14,000  |
| 1996 | \$15,500  |
| 1997 | \$17,400  |
| 1998 | \$21,100  |
| 1999 | \$20,500  |
| 2000 | \$20,600  |
| 2001 | \$22,700  |