

North Carolina

Some Families in North Carolina with Income Just Below the Poverty Line Are Subject to the Income Tax

North Carolina'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: **\$17,000.** **17th lowest**
- ☞ For single-parent families of three: **\$13,900.** **17th lowest**

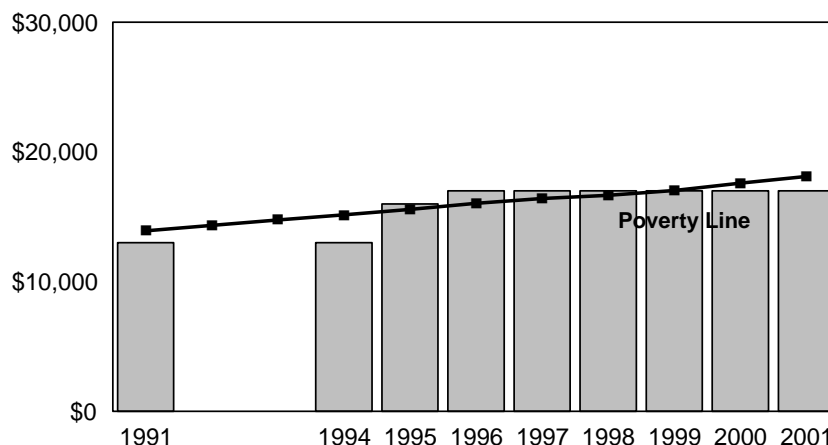
North Carolina's 2001 income tax on working-poor and near-poor families:

- ☞ For families of four with *incomes at the poverty line* (\$18,104): **\$68.** **17th highest**
- ☞ For families of three with *incomes at the poverty line* (\$14,129): **\$14.** **17th highest**
- ☞ No tax on families of three or four with *full-time minimum wage earnings* (\$10,712).
- ☞ For families of three with *incomes at 125% of poverty line* (\$17,661): **\$227.** **13th highest**
- ☞ For families of four with *incomes at 125% of poverty line* (\$22,630): **\$338.** **15th highest**

For the last three years, North Carolina has taxed families of four with incomes below the poverty line.

- ☞ From 1995 to 1998, North Carolina's tax threshold for families of four was above the poverty line. (See chart.)
- ☞ Because the state did not act to increase the threshold the last three years, North Carolina now levies a tax on families of four with poverty-level incomes.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$13,000
1994	\$13,000
1995	\$16,000
1996	\$17,000
1997	\$17,000
1998	\$17,000
1999	\$17,000
2000	\$17,000
2001	\$17,000