

North Dakota

North Dakota Exempts Poor Families from the Income Tax

North Dakota'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: **\$19,700.**

20th highest

☞ For single-parent families of three: **\$15,800.**

**20th highest
(tie)**

North Dakota'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* (\$10,712).

☞ For families of three with *incomes at 125% of poverty line* (\$17,661):
\$49.

20th lowest

☞ For families of four with *incomes at 125% of poverty line* (\$22,630):
\$72.

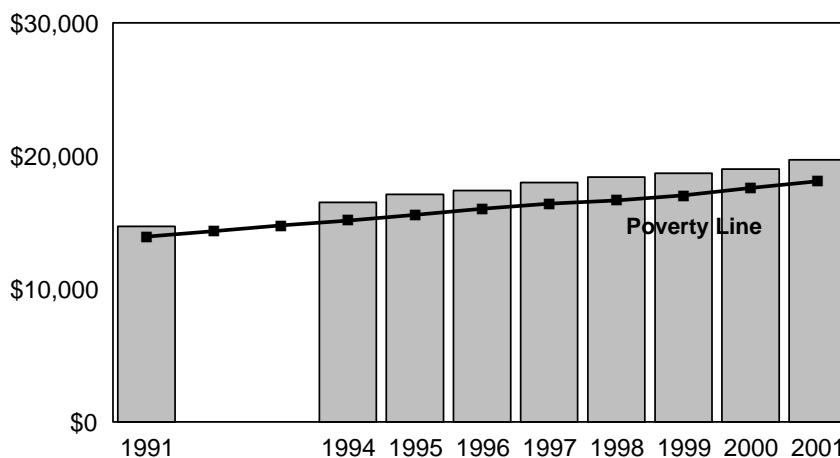
17th lowest

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

☞ Because North Dakota's tax threshold for families of four has risen over the last decade, the threshold has remained above the poverty line. (See chart.)

☞ In 1991, a family of four owed no tax until its income reached 6 percent above the poverty line. North Dakota's tax threshold is now 9 percent above the poverty line

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$14,700
1994	\$16,500
1995	\$17,100
1996	\$17,400
1997	\$18,000
1998	\$18,400
1999	\$18,700
2000	\$19,000
2001	\$19,700