

# New Jersey

## New Jersey Exempts Poor Families From the Income Tax

**New Jersey'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: **\$20,000**. **19<sup>th</sup> highest**
- ☞ For single-parent families of three: **\$20,000**. **13<sup>th</sup> highest**

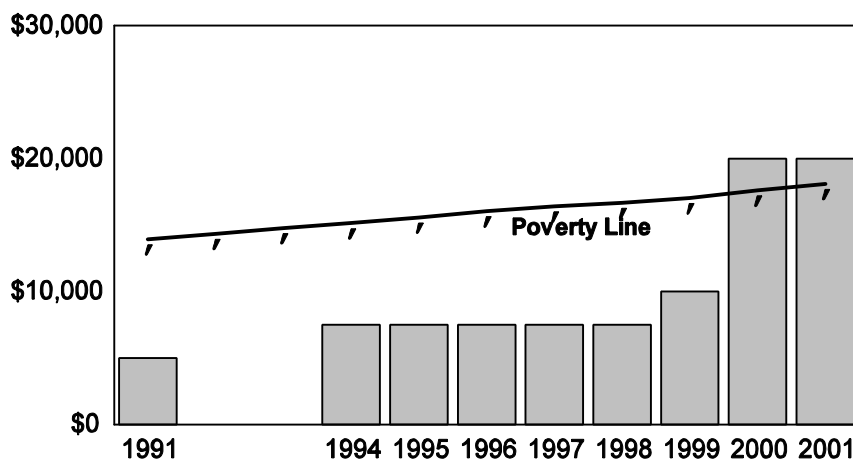
**New Jersey's 2001 income tax on working-poor and near-poor families:**

- ☞ For families of three or four with *full-time minimum-wage earnings* (\$10,712): **\$601 refund**. **6<sup>th</sup> highest refund**
- ☞ For families of four with *incomes at the poverty line* (\$18,104): **\$443 refund**. **5<sup>th</sup> highest refund**
- ☞ For families of three with *incomes at the poverty line* (\$14,129): **\$568 refund**. **7<sup>th</sup> highest refund**
- ☞ For families of three with *incomes at 125% of poverty line* (\$17,661): **\$457 refund**. **5<sup>th</sup> highest refund**
- ☞ For families of four with *incomes at 125% of poverty line* (\$22,630): **\$247 tax**. **20<sup>th</sup> highest**

**New Jersey's tax threshold moved above the poverty line in 2000.**

- ☞ New Jersey's tax threshold increased by \$10,000 in 2000.
- ☞ In 1991, a family of four owed tax when its income exceeded 36 percent of the poverty line. New Jersey's tax threshold is now 10 percent *above* the poverty line.

**Income Tax Threshold for Family of Four**



Year	Threshold
1991	\$5,000
1994	\$7,500
1995	\$7,500
1996	\$7,500
1997	\$7,500
1998	\$7,500
1999	\$10,000
2000	\$20,000
2001	\$20,000