

Vermont

Vermont Treats Poor Families Under Its Income Tax Better Than Most States

Vermont'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: **\$27,600.**

5th highest

☞ For single-parent families of three: **\$26,300.**

3rd highest

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

☞ For families of three or four with *full-time minimum-wage earnings (\$13,000)*: **\$1,283 refund.**

Highest refund

☞ For families of four with *incomes at the poverty line (\$18,104)*: **\$943 refund.**

2nd highest refund

☞ For families of three with *incomes at the poverty line (\$14,129)*: **\$1,213 refund.**

Highest refund

☞ For families of three with *incomes at 125% of poverty line (\$17,661)*: **\$888 refund.**

2nd highest refund

☞ For families of four with *incomes at 125% of poverty line (\$22,630)*: **\$516 refund.**

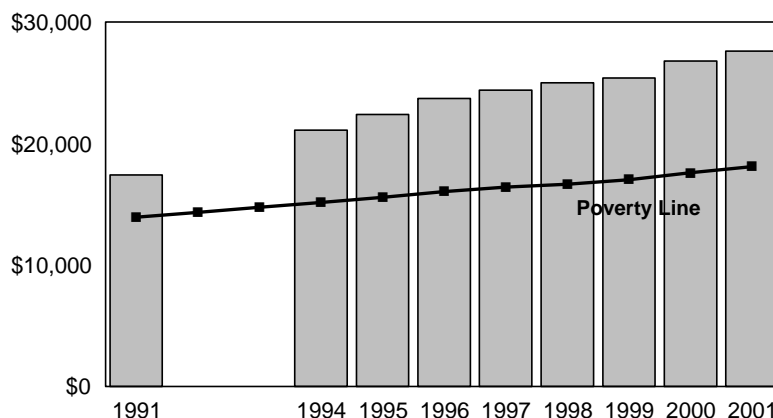
2nd highest refund

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

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

☞ In 1991, a family of four owed no tax until its income reached 25 percent above the poverty line. Vermont's tax threshold is now 52 percent above the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$17,400
1994	\$21,100
1995	\$22,400
1996	\$23,700
1997	\$24,400
1998	\$25,000
1999	\$25,400
2000	\$26,800
2001	\$27,600