

Alabama

Poor Families in Alabama Are Hit Harder by the Income Tax Than Those in Most Other States

Alabama's 2002 income tax threshold — the income level at which families begin paying income tax:

Ranking among 42 states with income taxes

- ⇒ For single-parent families of three: **\$4,600.** **Lowest**
- ⇒ For two-parent families of four: **\$4,600.** **Lowest**

Alabama's 2002 income tax on working-poor and near-poor families:

- ⇒ For families of three with *incomes at the poverty line* (\$14,351): **\$398.** **Highest**
- ⇒ For families of four with *incomes at the poverty line* (\$18,390): **\$478.** **2nd highest**
- ⇒ For families of three with *minimum-wage earnings* (\$10,712): **\$218.** **Highest**
- ⇒ For families of three with *incomes at 125% of poverty line* (\$17,939): **\$578.** **2nd highest**
- ⇒ For families of four with *incomes at 125% of poverty line* (\$22,988): **\$688.** **3rd highest**

Alabama has consistently taxed families with incomes well below the poverty line.

- ⇒ Alabama's tax threshold for families of four has not changed over the last eleven years. In 1991, a family of four owed tax when its income exceeded 33 percent of the poverty line. By 2002, Alabama's tax threshold dropped to 25 percent of the poverty line.
- ⇒ Since 1994, the Alabama income tax on a family of four with poverty-level income has risen by \$130, an increase of 13 percent after taking inflation into account.

Income Tax Threshold for Family of Four

