

Montana

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

Montana's 2002 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 three: **\$8,100.** **3rd lowest**
- ⇒ For single-parent families of four: **\$9,900.** **4th lowest**

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

- ⇒ For families of three with *incomes at the poverty line* (\$14,351): **\$183** **6th highest**
- ⇒ For families of four with *incomes at the poverty line* (\$18,390): **\$244.** **9th highest**
- ⇒ For families of three with *minimum-wage earnings* (\$10,712): **\$56** **6th highest**
- ⇒ For families of four with *minimum-wage earnings* (\$10,712): **\$17** **5th highest**
- ⇒ For families of three with *incomes at 125% of poverty line* (\$17,939): **\$304.** **10th highest**
- ⇒ For families of four with *incomes at 125% of poverty line* (\$22,988): **\$419.** **10th highest**

Montana has consistently taxed families with income below the poverty line.

- ⇒ Montana's tax threshold for families of four increased during the last decade, but a substantial gap remains between the threshold and the poverty line.
- ⇒ In 1991, a family of four owed tax when its income exceeded 47 percent of the poverty line. By 2002, Montana's tax threshold was 54 percent of the poverty line.

Income Tax Threshold for Family of Four

