

Arkansas

Poor Families in Arkansas Remain Subject to the Income Tax

Arkansas's 2004 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: **\$13,000.** **10th lowest**
- ⇒ For two-parent families of four: **\$15,500.** **10th lowest**

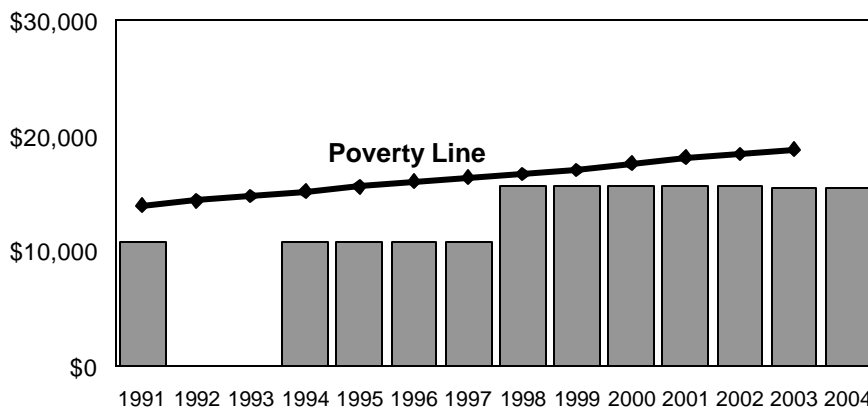
Arkansas's 2004 income tax on working-poor and near-poor families:

- ⇒ For families of three with *incomes at the poverty line* (\$15,071): **\$37.** **13th highest**
- ⇒ For families of four with *incomes at the poverty line* (\$19,311): **\$403.** **5th highest**
- ⇒ No tax on families of three or four with *minimum-wage earnings* (\$10,712).
- ⇒ For families of three with *incomes at 125% of poverty line* (\$18,839): **\$472.** **5th highest**
- ⇒ For families of four with *incomes at 125% of poverty line* (\$24,139): **\$673.** **5th highest**

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

- ⇒ Arkansas's tax threshold for families increased substantially in 1998, but has not been increased since then. In 1991, a family of four owed tax when its income exceeded 77 percent of the poverty line. For 2004, Arkansas's tax threshold is 80 percent of the poverty line.
- ⇒ Since 1994, Arkansas income tax on a family of four with poverty-level income has risen by \$189, an increase of 48 percent after taking inflation into account.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$10,700
1994	\$10,700
1995	\$10,700
1996	\$10,700
1997	\$10,700
1998	\$15,600
1999	\$15,600
2000	\$15,600
2001	\$15,600
2002	\$15,600
2003	\$15,500
2004	\$15,500