

# Maryland

## Maryland Treats Poor Families Under Its Income Tax Better Than Most States

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

**4<sup>th</sup> highest**

⇒ For two-parent families of four: **\$29,000.**

**6<sup>th</sup> highest**

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

⇒ No tax on families of three with *full-time minimum wage earnings* (\$10,712): **Credit of \$847.**

**5<sup>th</sup> lowest**

⇒ No tax on families of four with *full-time minimum wage earnings* (\$10,712): **Credit of \$858.**

**4<sup>th</sup> lowest (tied)**

⇒ No tax on families of three with *incomes at the poverty line* (\$15,071): **Credit of \$637.**

**6<sup>th</sup> lowest**

⇒ No tax on families of four with *incomes at the poverty line* (\$19,311): **Credit of \$413.**

**5<sup>th</sup> lowest**

⇒ For families of three with *incomes at 125% of poverty line* (\$18,839): **Credit of \$301.**

**7<sup>th</sup> lowest**

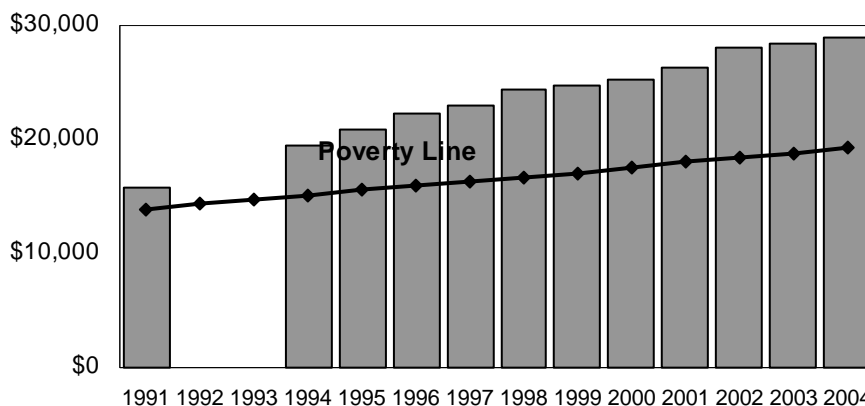
⇒ For families of four with *incomes at 125% of poverty line* (\$24,139): **Credit of \$11.**

**7<sup>th</sup> lowest**

**Maryland has consistently increased the tax threshold relative to the poverty line**

⇒ In 1991, a family of four owed income tax when its income reached 13 percent above the poverty line. In 2004, Maryland's tax threshold was 50 percent about the poverty line.

**Income Tax Threshold for Family of Four**



Year	Threshold
1991	\$15,800
1994	\$19,400
1995	\$20,900
1996	\$22,300
1997	\$22,900
1998	\$24,300
1999	\$24,800
2000	\$25,200
2001	\$26,300
2002	\$28,100
2003	\$28,500
2004	\$29,000

Source: Center on Budget and Policy Priorities, *The Impact of State Income Taxes on Low-Income Families in 2004*