

Arkansas

Poor Families in Arkansas Remain Subject to the Income Tax

Arkansas's 2003 income tax threshold — the income level at which families begin paying income tax:

*Ranking among
42 states with
income taxes*
**10th lowest
(tie)**

⇒ For single-parent families of three: **\$13,000.**

⇒ For two-parent families of four: **\$15,500.**

10th lowest

Arkansas's 2003 income tax on working-poor and near-poor families:

⇒ For families of three with *incomes at the poverty line* (\$14,675): **\$31.** **13th highest**

⇒ For families of four with *incomes at the poverty line* (\$18,811): **\$386.** **5th highest**

⇒ No tax on families of three or four with *minimum-wage earnings* (\$10,712).

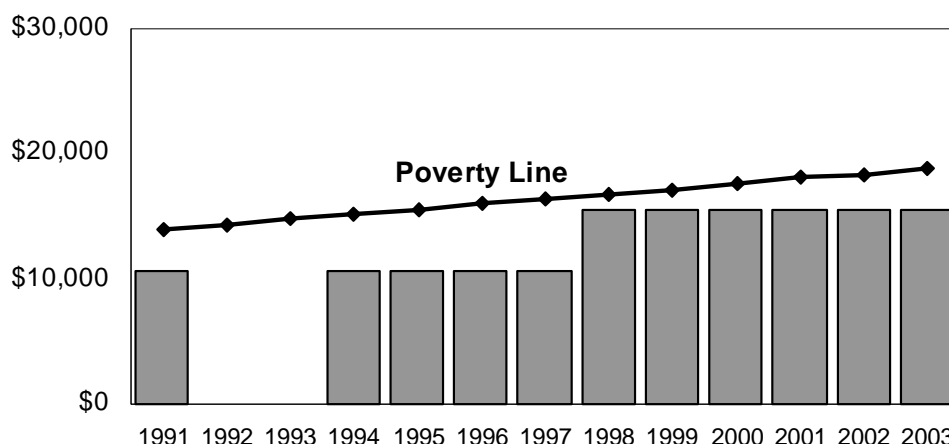
⇒ For families of three with *incomes at 125% of poverty line* (\$18,344): **\$455.** **5th highest**

⇒ For families of four with *incomes at 125% of poverty line* (\$23,514): **\$647.** **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 2003, Arkansas's tax threshold is 82 percent of the poverty line.
- ⇒ Since 1994, Arkansas income tax on a family of four with poverty-level income has risen by \$172, an increase of 45 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