

Montana

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

Montana's 2003 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: **\$8,300.**

3rd lowest

⇒ For two-parent families of four: **\$10,100.**

4th lowest

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

⇒ For families of three with *incomes at the poverty line* (\$14,675): **\$189**

5th highest

⇒ For families of four with *incomes at the poverty line* (\$18,811): **\$251.**

8th highest

⇒ For families of three with *minimum-wage earnings* (\$10,712): **\$50**

6th highest

⇒ For families of four with *minimum-wage earnings* (\$10,712): **\$13**

5th highest

⇒ For families of three with *incomes at 125% of poverty line* (\$18,344): **\$312.**

9th highest

⇒ For families of four with *incomes at 125% of poverty line* (\$23,514): **\$430.**

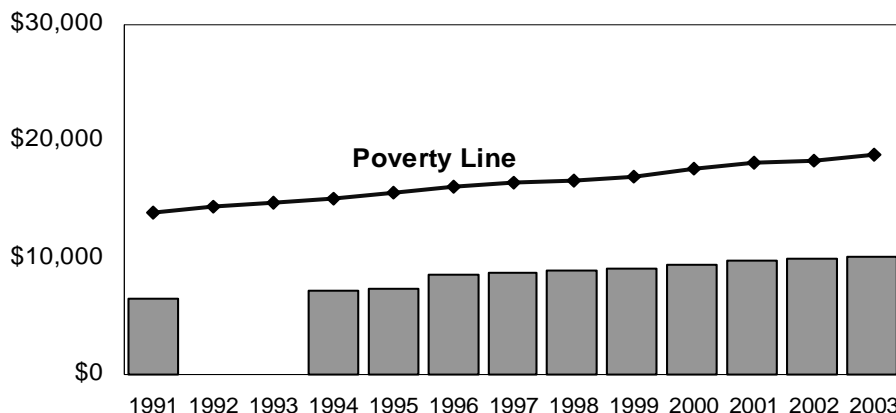
9th highest

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 2003, Montana's tax threshold was 54 percent of the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$6,600
1994	\$7,200
1995	\$7,400
1996	\$8,600
1997	\$8,800
1998	\$9,000
1999	\$9,100
2000	\$9,500
2001	\$9,800
2002	\$9,900
2003	\$10,100

Source: Center on Budget and Policy Priorities, *State Income Tax Burdens on Low-Income Families in 2003*, April 8, 2004.