

# Alabama

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

**Alabama's 2000 income tax threshold — the income level at which families begin paying income tax:**

*Ranking among 42 states with income taxes*

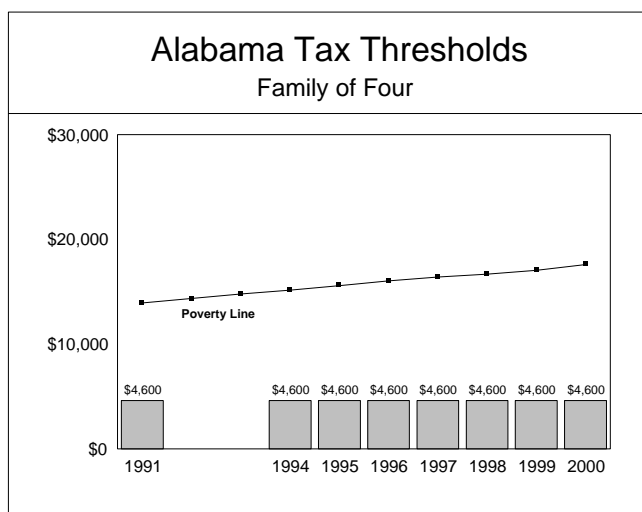
- ☞ For two-parent families of four: **\$4,600.** **Lowest**
- ☞ For single-parent families of three: **\$4,600.** **Lowest**

**Alabama's 2000 income tax on working-poor and near-poor families:**

- ☞ For families of four with *incomes at the poverty line* (\$17,601): **\$443.** **2<sup>nd</sup> highest**
- ☞ For families of three with *incomes at the poverty line* (\$13,737): **\$368.** **Highest**
- ☞ For families of three with *minimum-wage earnings* (\$10,712): **\$218.** **Highest**
- ☞ For families of three with *incomes at 125% of poverty line* (\$17,171): **\$538.** **3<sup>rd</sup> highest**
- ☞ For families of four with *incomes at 125% of poverty line* (\$22,001): **\$643.** **5<sup>th</sup> highest**

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

- ☞ Alabama's tax threshold for families of four has not changed over the last ten years. Taxes owed by a family with poverty-level income increased between 1994 and 2000.
- ☞ In 1991, a family of four owed tax when its income exceeded 33 percent of the poverty line. By 2000, Alabama's tax threshold dropped to 26 percent of the poverty line.



Source: Center on Budget and Policy Priorities.