

# District of Columbia

## The District of Columbia Exempts Poor Families from the Income Tax But Has a High Tax on the Near-Poor

The District of Columbia'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: **\$18,600.** **23<sup>rd</sup> highest**
- For single-parent families of three: **\$14,900.** **21<sup>st</sup> highest (tie)**

The District of Columbia's 2000 income tax on working-poor and near-poor families:

- No tax on families with *incomes at the poverty line* (\$17,601 for family of four, \$13,737 for family of three).
- No tax on families of three or four with *full-time minimum-wage earnings* (\$12,792).
- For families of three with *incomes at 125% of the poverty line* (\$17,171): **\$189.** **14<sup>th</sup> highest**
- For families of four with *incomes at 125% of the poverty line* (\$22,001): **\$647.** **4<sup>th</sup> highest**

The District of Columbia has consistently exempted families with below-poverty earnings from the income tax.

- The District of Columbia's tax threshold has risen in step with the poverty line in the 1990s.
- The District of Columbia has an EITC set at 10% of the federal credit, but very low deductions and exemptions lead to high tax burdens on near-poor families.

