

Iowa

Some Families in Iowa With Incomes Just Below the Poverty Line Remain Subject to the Income Tax

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

Ranking among 42 states with income taxes

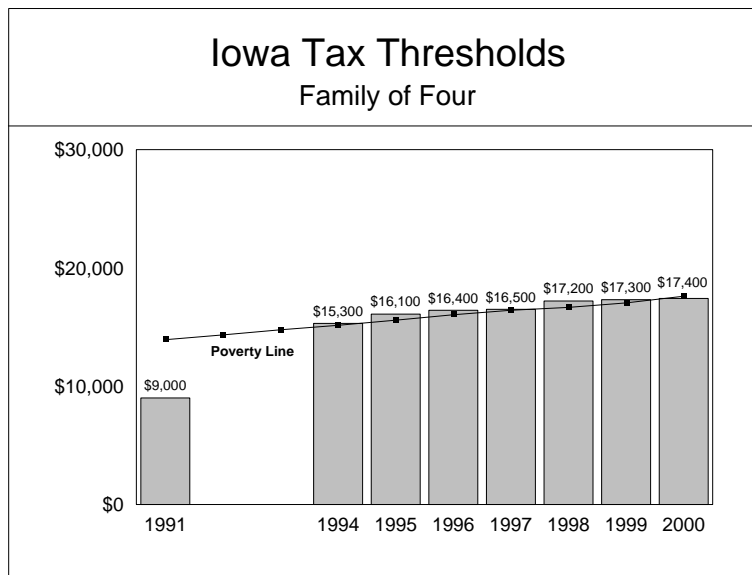
- For two-parent families of four: **\$17,400.** **19th lowest**
- For single-parent families of three: **\$17,400.** **25th lowest**

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

- For families of four with *incomes at the poverty line* (\$17,601): **\$23.** **19th highest**
- No tax on families of three with *incomes at the poverty line* (\$13,737).
- No tax on families of three or four with *full-time minimum-wage earnings* (\$10,712).
- For families of four with *incomes at 125% of the poverty line* (\$22,001): **\$478.** **9th highest**
- No tax on families of three with *incomes at 125% of the poverty line* (\$17,171).

Iowa no longer exempts all families with incomes below the poverty line.

- Iowa's threshold for a family of four fell slightly below the poverty line in 2000. (See chart.)
- In 1991, a family of four owed tax when its income exceeded 65 percent of the poverty line. Iowa's tax threshold is now 99 percent of the poverty line.



Source: Center on Budget and Policy Priorities.