

Illinois

Illinois Improved Tax Treatment of Poor Families with 10% EITC, But Continues to Tax Poor Families

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

Ranking among 42 states with income taxes

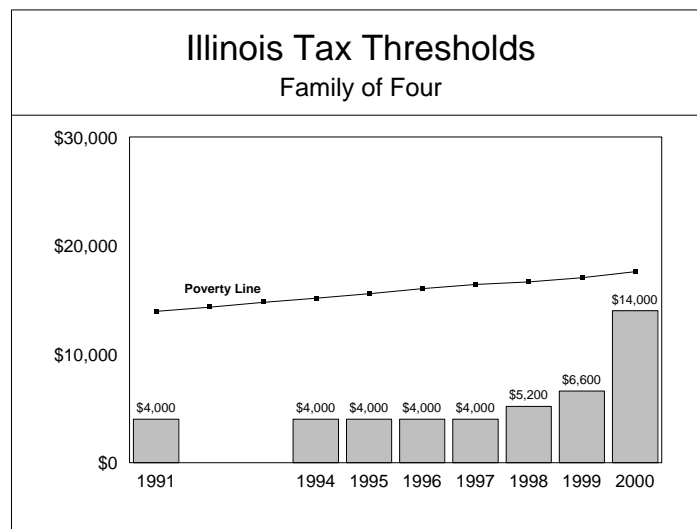
- ☞ For two-parent families of four: **\$14,000.** **11th lowest**
- ☞ For single-parent families of three: **\$12,500.** **12th lowest (tie)**

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

- ☞ For families of four with *incomes at the poverty line (\$17,601)*: **\$145.** **12th highest**
- ☞ For families of three with *incomes at the poverty line (\$13,737)*: **\$49.** **12th highest**
- ☞ 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)*: **\$324.** **14th highest**

Despite progress, Illinois continues to tax families with incomes below the poverty line.

- ☞ As a result of the enactment of a 5% non-refundable EITC, Illinois's tax threshold for families of four increased substantially in 2000. However, a gap remains between the threshold and the poverty line.
- ☞ In 1991, a family of four owed tax when its income exceeded 29 percent of the poverty line. For 2000, Illinois' tax threshold equals 80 percent of the poverty line.



Source: Center on Budget and Policy Priorities.