

# Indiana

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

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

*Ranking among 42 states with income taxes*

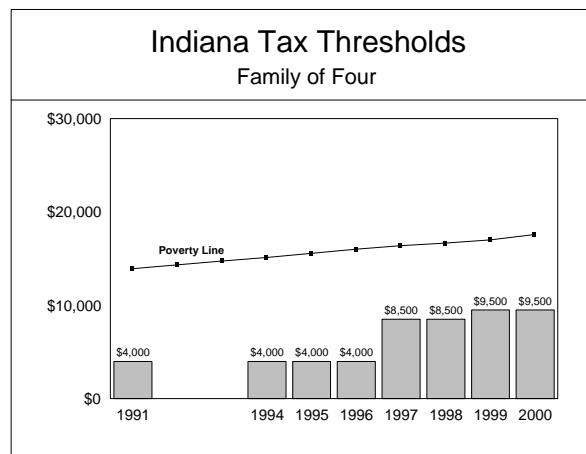
- ☞ For two-parent families of four: **\$9,500.** **3<sup>rd</sup> lowest (tie)**
- ☞ For single-parent families of three: **\$9,000.** **4<sup>th</sup> lowest**

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

- ☞ For families of four with *incomes at the poverty line (\$17,601)*: **\$360.** **4<sup>th</sup> highest**
- ☞ For families of three with *incomes at the poverty line (\$13,737)*: **\$263.** **4<sup>th</sup> highest**
- ☞ For families of three with *minimum-wage earnings (\$10,712)*: **\$116.** **4<sup>th</sup> highest**
- ☞ For families of four with *incomes at 125% of the poverty line (\$22,001)*: **\$510.** **8<sup>th</sup> highest**
- ☞ For families of three with *incomes at 125% of the poverty line (\$17,171)*: **\$380.** **6<sup>th</sup> highest**

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

- ☞ Indiana's tax threshold for families of four more than doubled in 1997, but a substantial 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, Indiana's tax threshold has risen to 54 percent of the poverty line.



Source: Center on Budget and Policy Priorities.