

# Kentucky

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

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

*Ranking among 42 states with income taxes*

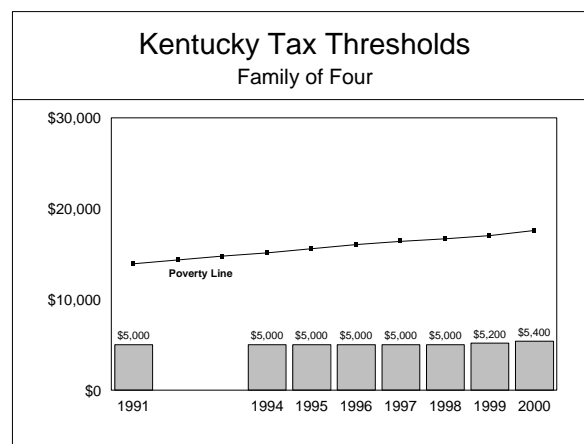
- ☞ For two-parent families of four: **\$5,400.** **2<sup>nd</sup> lowest**
- ☞ For single-parent families of three: **\$5,000.** **2<sup>nd</sup> lowest**

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

- ☞ For families of four with *incomes at the poverty line (\$17,601)*: **\$575.** **Highest**
- ☞ For families of three with *incomes at the poverty line (\$13,737)*: **\$347.** **2<sup>nd</sup> highest**
- ☞ For families of three with *minimum-wage earnings (\$10,712)*: **\$212.** **2<sup>nd</sup> highest**
- ☞ For families of four with *incomes at 125% of the poverty line (\$22,001)*: **\$894.** **Highest**
- ☞ For families of three with *incomes at 125% of the poverty line (\$17,171)*: **\$567.** **2<sup>nd</sup> Highest**

**Kentucky has consistently taxed families with incomes substantially below the poverty line.**

- ☞ Because Kentucky's tax threshold for families of four has changed little over the last decade, the gap between the threshold and the poverty line has increased.
- ☞ In 1991, a family of four owed tax if its income exceeded 36 percent of the poverty line. For 2000, Kentucky's tax threshold is 31 percent of the poverty line.



Source: Center on Budget and Policy Priorities.