

Massachusetts

Massachusetts Treats Poor Families Under Its Income Tax Better Than Most Other States

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

Ranking among 42 states with income taxes

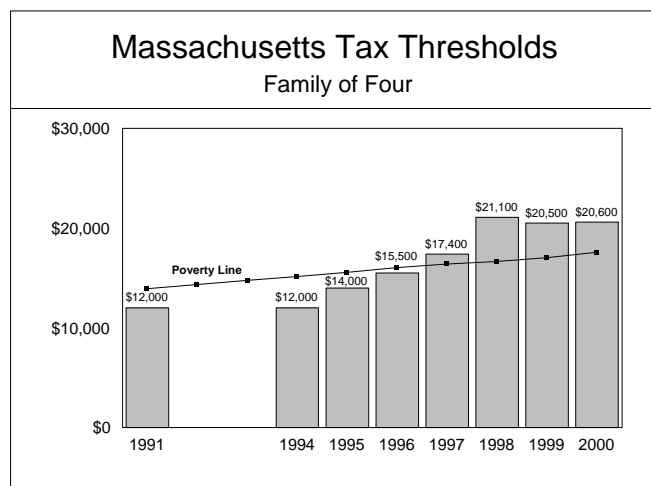
- ☞ For two-parent families of four: **\$20,600.** **16th highest**
- ☞ For single-parent families of three: **\$19,000.** **14th highest**

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

- ☞ For families of four with *poverty-line incomes* (\$17,601): **\$285 refund.** **5th lowest (tie)**
- ☞ For families of three with *poverty-line incomes* (\$13,737): **\$367 refund.** **4th lowest (tie)**
- ☞ For families of three with *minimum-wage earnings* (\$12,480): **\$389 refund.** **6th lowest (tie)**
- ☞ For families of four with *incomes at 125% of the poverty line* (\$22,001): **\$167 tax.** **21st lowest**
- ☞ For families of three with *incomes at 125% of the poverty line* (\$17,171): **\$217 refund.** **5th lowest**

In 1997, Massachusetts exempted families with below-poverty earnings from the income tax.

- ☞ In 1991, a family of four owed tax if its income exceeded 86 percent of the poverty line. Massachusetts' tax threshold is now 17 percent *above* the poverty line.



Source: Center on Budget and Policy Priorities.