

Maine

Maine Exempts Poor and Near-Poor Families from the Income Tax

Maine'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: **\$23,100.**

11th highest

☞ For single-parent families of three: **\$20,600.**

9th highest

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

☞ No tax on families with *incomes at the poverty line* (\$17,601 for family of four, \$13,737 for family of three).

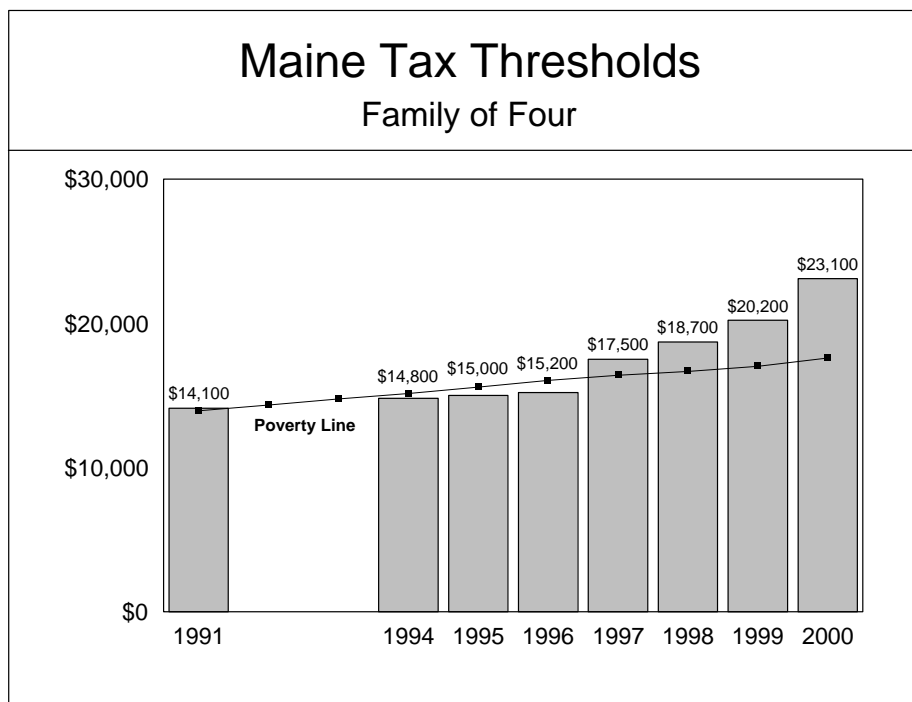
☞ No tax on families of three or four with *full-time minimum-wage earnings* (\$10,712).

☞ No tax on families with *incomes at 125% of the poverty line* (\$22,001 for family of four, \$17,171 for family of three).

Since 1997, Maine has exempted families with below-poverty earnings from the income tax.

☞ In 1991, a family of four owed no tax until its income reached 1 percent *above* the poverty line.

☞ Maine's threshold was below the poverty line in the mid-1990s but is now 31 percent *above* the poverty line.



Source: Center on Budget and Policy Priorities.