

# North Carolina

## Some Families in North Carolina with Incomes Just Below the Poverty Line Are Subject to the Income Tax

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

*Ranking among 42 states with income taxes*

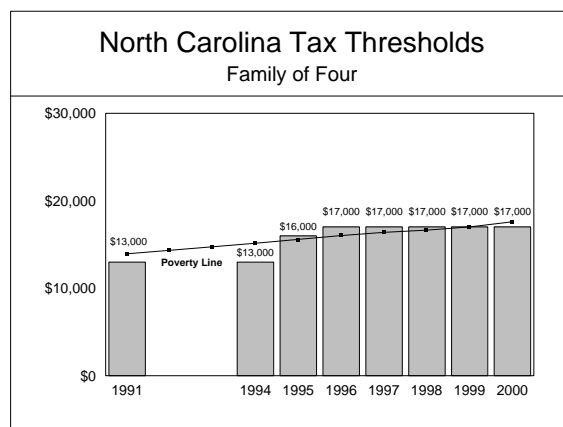
- ☞ For two-parent families of four: **\$17,000.** **17<sup>th</sup> lowest**
- ☞ For single-parent families of three: **\$13,900.** **17<sup>th</sup> lowest**

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

- ☞ Tax on families of four with *incomes at the poverty line* (\$17,601): **\$37.** **18<sup>th</sup> highest**
- ☞ No tax on families of three with *incomes at the poverty line* (\$13,290).
- ☞ 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): **\$302.** **15<sup>th</sup> highest**
- ☞ For families of three with *incomes at 125% of the poverty line* (\$17,171): **\$197.** **13<sup>th</sup> highest**

**For the last two years, North Carolina has taxed families of four with incomes below the poverty line.**

- ☞ From 1995 to 1998, North Carolina's tax threshold for families of four was above the poverty line. (See chart.)
- ☞ Because the state did not act to increase the threshold the last two years, North Carolina now levies a tax on families of four with poverty-level incomes.



Source: Center on Budget and Policy Priorities.