

New Mexico

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

New Mexico'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: **\$21,000.**

14th highest

☞ For single-parent families of three: **\$18,000.**

15th highest

New Mexico's 2000 income tax for working-poor and near-poor families:

☞ For families of four with *poverty-line incomes* (\$17,601): **\$70 refund.**

10th lowest

☞ For families of three with *poverty-line incomes* (\$13,737): **\$85 refund.**

10th lowest

☞ For families of three with *minimum-wage earnings* (\$10,712): **\$100 refund.**

11th lowest

☞ For families of four with *incomes at 125% of the poverty line* (\$22,001): **\$59 tax.**

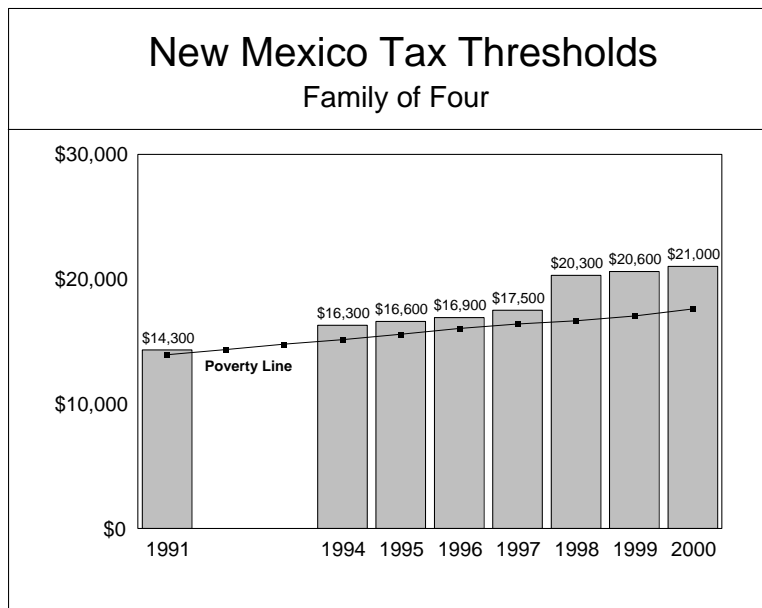
15th lowest

☞ For families of three with *incomes at 125% of the poverty line* (\$17,171): **\$20 refund.**

10th lowest

New Mexico has consistently exempted families with below-poverty earnings from the income tax.

☞ In 1991, a family of four owed no tax until its income reached 3 percent *above* the poverty line. New Mexico's tax threshold is now 19 percent *above* the poverty line.



Source: Center on Budget and Policy Priorities.