

Pennsylvania

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

Pennsylvania'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: **\$28,000.**

2nd highest

☞ For single-parent families of three: **\$21,500.**

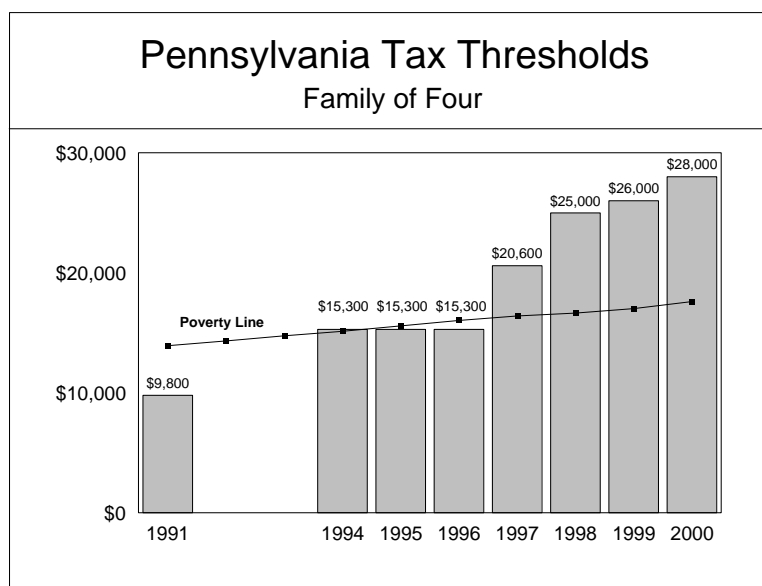
8th highest

Pennsylvania'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).
- ☞ The only states with more favorable income tax treatment of working-poor and near-poor families than Pennsylvania are states that have refundable income tax credits.

Pennsylvania has substantially increased its income tax threshold in the last four years.

- ☞ In 1991, a family of four owed tax when its income exceeded 70 percent *of* the poverty line. Pennsylvania's tax threshold has now risen to 59 percent *above* the poverty line.



Source: Center on Budget and Policy Priorities.