

South Carolina

South Carolina Exempts Poor Families from the Income Tax

South 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: **\$21,400.**

12th highest

☞ For single-parent families of three: **\$17,700.**

16th highest (tie)

South Carolina'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 of three with incomes at 125% of the poverty line (\$17,171).

☞ For families of four with *incomes at 125% of the poverty line* (\$22,001): **\$17.**

11th lowest (tie)

South Carolina has consistently exempted families with below-poverty earnings from the income tax.

☞ Because South Carolina's tax threshold for families of four has risen over the last decade, the threshold has remained above the poverty line (see chart).

☞ In 1991, a family of four owed no tax until its income reached 3 percent *above* the poverty line. South Carolina's tax threshold is now 22 percent *above* the poverty line.

