

Vermont

Vermont Treats Poor Families Under Its Income Tax Better Than Most States

Vermont'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: **\$26,800.**

4th highest (tie)

☞ For single-parent families of three: **\$25,500.**

3rd highest

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

☞ For families of four with *poverty-line incomes* (\$17,601): **\$913 refund.**

2nd lowest

☞ For families of three with *poverty-line incomes* (\$13,737): **\$1,174 refund.**

Lowest

☞ For families of three or four with *minimum-wage earnings* (\$11,960): **\$1,244 refund.**

Lowest

☞ For families of four with *incomes at 125% of the poverty line* (\$22,001): **\$492 refund.**

2nd lowest

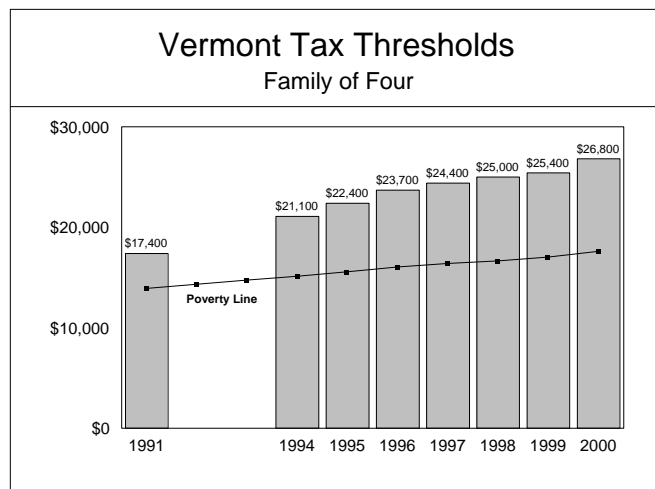
☞ For families of three with *incomes at 125% of the poverty line* (\$17,171): **\$859 refund.**

2nd lowest

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

☞ As Vermont's tax threshold for families of four has increased over the last decade, the threshold has risen further above the poverty line. (See chart.)

☞ In 1991, a family of four did not owe tax until its income reached 25 percent *above* the poverty line. Vermont's tax threshold now has risen to 52 percent *above* the poverty line.



Source: Center on Budget and Policy Priorities.