

Maryland

Maryland Treats Working-Poor Families Under Its Income Tax Better Than Most States

Maryland's 2006 income tax threshold

Rank among the 42 states with income taxes

(The income level at which families begin paying income tax)

(1 = lowest threshold)

- For single-parent families of three: \$28,900 38
- For two-parent families of four: \$31,000 36

Maryland's 2006 income tax levied on working-poor and near-poor families

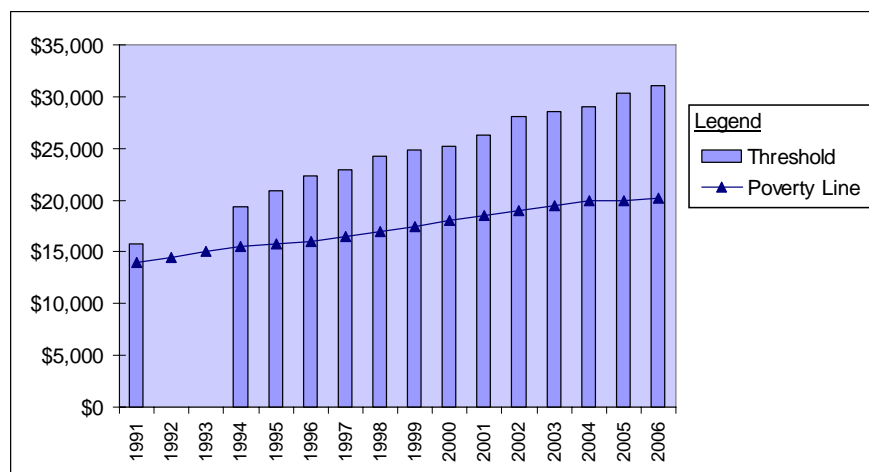
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$627 refund 36
- For families of four with incomes at the poverty line (\$20,615): \$423 refund 37
- For families of three with minimum-wage earnings (\$12,524): \$844 refund 37
- For families of three with incomes at 125% of poverty line (\$20,099): \$268 refund 36
- For families of four with incomes at 125% of poverty line (\$25,769): \$0 (tied for) 30

Maryland has consistently increased its tax thresholds compared to the poverty line.

- In 1991, a family of four owed income tax when its income reached 13 percent above the poverty line. By 2006, Maryland's tax threshold had grown to 50 percent above the poverty line.
- Maryland provides a refundable Earned Income Tax Credit to help poor families work their way out of poverty. At \$423, Maryland's refund for families of four at the poverty line is among the six largest in the nation.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$15,800
1992	no data
1993	no data
1994	\$19,400
1995	\$20,900
1996	\$22,300
1997	\$22,900
1998	\$24,300
1999	\$24,800
2000	\$25,200
2001	\$26,300
2002	\$28,100
2003	\$28,500
2004	\$29,000
2005	\$30,300
2006	\$31,000