

# Maine

## Maine Exempts Working-Poor Families from Its Income Tax

### Maine'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: \$23,000 29
- For two-parent families of four: \$26,400 32

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

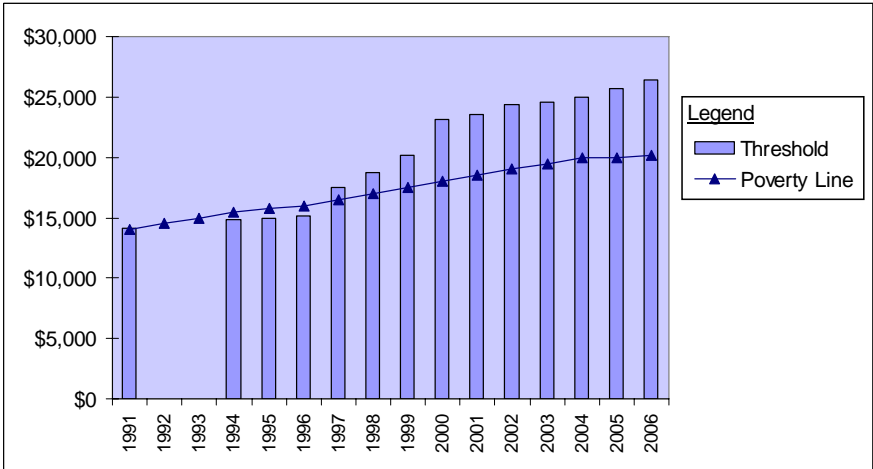
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$0 (tied for) 16
- For families of four with incomes at the poverty line (\$20,615): \$0 (tied for) 20
- For families of three with minimum-wage earnings (\$13,650): \$0 (tied for) 7
- For families of three with incomes at 125% of poverty line (\$20,099): \$0 (tied for) 25
- For families of four with incomes at 125% of poverty line (\$25,769): \$0 (tied for) 30

### Maine's income tax has consistently exempted poor families.

- Since 1996, Maine's income tax threshold for families of four has grown steadily, from 5 percent below the poverty line to 28 percent above the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$14,100
1992	no data
1993	no data
1994	\$14,800
1995	\$15,000
1996	\$15,200
1997	\$17,500
1998	\$18,700
1999	\$20,200
2000	\$23,100
2001	\$23,500
2002	\$24,400
2003	\$24,600
2004	\$25,000
2005	\$25,700
2006	\$26,400



Source: Center on Budget and Policy Priorities, *The Impact of State Income Taxes on Low-Income Families in 2006*. Available online at: <http://www.cbpp.org/3-27-07sfp.htm>