

Nebraska

Nebraska Treats Working Poor Families Under its Income Tax Better than Most Other States

Nebraska'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: \$23,600 30
- For two-parent families of four: \$25,600 28

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

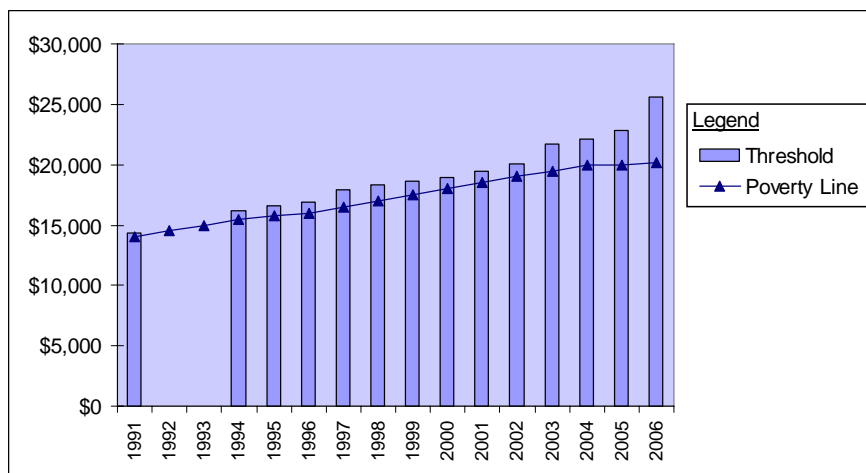
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$342 refund 33
- For families of four with incomes at the poverty line (\$20,615): \$299 refund 34
- For families of three with minimum-wage earnings (\$10,712): \$343 refund 33
- For families of three with incomes at 125% of poverty line (\$20,099): \$183 refund 35
- For families of four with incomes at 125% of poverty line (\$25,769): \$15 28

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

- Since 1991, Nebraska's income tax threshold has consistently been above the poverty line.
- In 2006, Nebraska's new Earned Income Tax Credit is providing tax refunds for the first time to low-income working families with children.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$14,300
1992	no data
1993	no data
1994	\$16,200
1995	\$16,600
1996	\$16,900
1997	\$17,900
1998	\$18,300
1999	\$18,600
2000	\$18,900
2001	\$19,500
2002	\$20,100
2003	\$21,700
2004	\$22,100
2005	\$22,800
2006	\$25,600