

New Mexico

New Mexico's Income Tax Treatment of the Poor is Improving

New Mexico'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: \$24,700 34
- For two-parent families of four: \$30,800 35

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

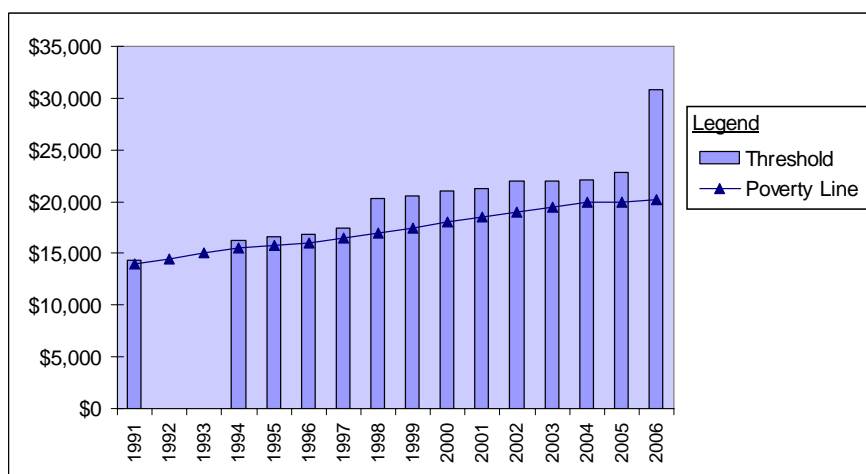
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$65 refund 31
- For families of four with incomes at the poverty line (\$20,615): \$40 refund 32
- For families of three with minimum-wage earnings (\$10,712): \$100 refund 30
- For families of three with incomes at 125% of poverty line (\$20,099): \$30 refund 32
- For families of four with incomes at 125% of poverty line (\$25,769): \$0 (tied for) 30

New Mexico has consistently exempted working families with poverty-level earnings from the income tax.

- New Mexico's tax threshold for a family of four has steadily increased since 1991. In 1991, a family of four owed no tax until its income reached 3 percent above the poverty line. By 2006, as a result of a new income exemption for low-to-moderate-income families, the tax threshold had grown to 49 percent above the poverty line.
- New Mexico's Low-Income Comprehensive Tax Rebate gives working-poor families a refund.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$14,300
1992	no data
1993	no data
1994	\$16,300
1995	\$16,600
1996	\$16,900
1997	\$17,500
1998	\$20,300
1999	\$20,600
2000	\$21,000
2001	\$21,300
2002	\$22,000
2003	\$22,000
2004	\$22,100
2005	\$22,800
2006	\$30,800