

Virginia

Virginia Exempts Working-Poor Families from Income Tax

Virginia'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: \$21,100 28
- For two-parent families of four: \$24,200 26

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

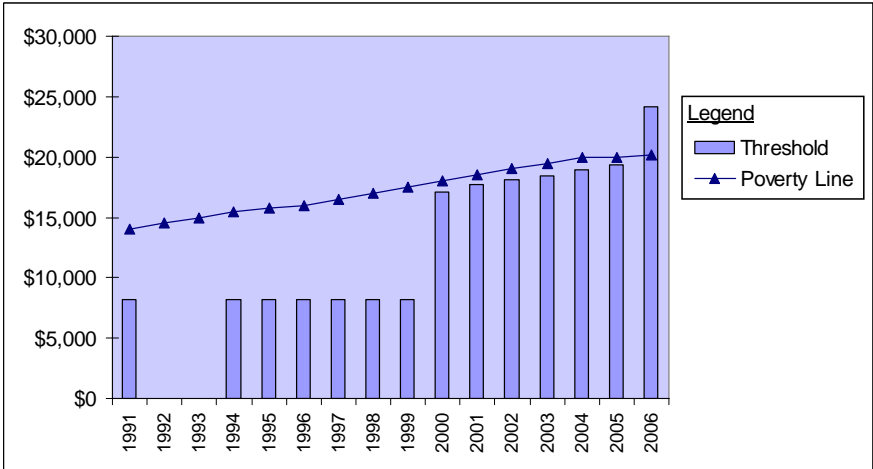
Rank (1 = highest tax)

- 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 (\$10,712): \$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): \$149 22

A new credit lifts Virginia's income tax thresholds above the poverty line in 2006.

- Because of Virginia's new Earned Income Tax Credit, families with incomes at the poverty line no longer pay income tax in 2006. Families of three with incomes just above the poverty line are also exempt.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$8,200
1992	no data
1993	no data
1994	\$8,200
1995	\$8,200
1996	\$8,200
1997	\$8,200
1998	\$8,200
1999	\$8,200
2000	\$17,100
2001	\$17,700
2002	\$18,100
2003	\$18,400
2004	\$18,900
2005	\$19,400
2006	\$24,200