

North Carolina

Working-Poor and Near-Poor Families in North Carolina Are Hit Harder by the Income Tax Than in Most Other States

North Carolina's 2005 income tax threshold

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

Rank among the 42 states with income taxes

(1 = lowest threshold)

- For single-parent families of three: \$15,300 16
- For two-parent families of four: \$19,400 (tied for) 16

North Carolina's 2005 income tax levied on working-poor and near-poor families

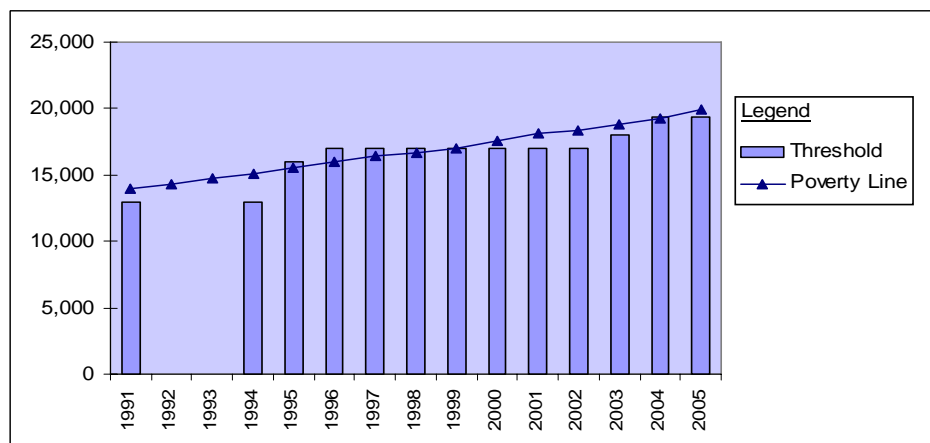
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$15,577): \$21 16
- For families of four with incomes at the poverty line (\$19,961): \$39 18
- 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 (\$19,471): \$255 12
- For families of four with incomes at 125% of poverty line (\$24,951): \$339 15

In 2005, North Carolina's income tax threshold for families of four fell below the poverty line.

- North Carolina's income tax threshold for families of four has not kept pace with inflation. In 1996, the threshold stood 6 percent above the poverty line. By 2005, the threshold had fallen 3 percent below the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$13,000
1992	no data
1993	no data
1994	\$13,000
1995	\$16,000
1996	\$17,000
1997	\$17,000
1998	\$17,000
1999	\$17,000
2000	\$17,000
2001	\$17,000
2002	\$17,000
2003	\$18,000
2004	\$19,400
2005	\$19,400