

Nebraska

Nebraska Exempts Working Poor Families from Income Tax

Nebraska's 2005 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: \$17,100 23
- For two-parent families of four: \$22,800 (tied for) 22

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

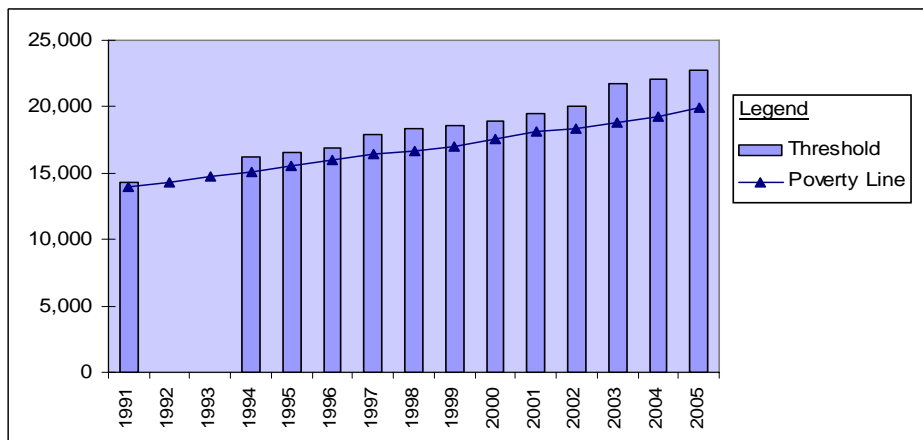
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$15,577): \$0 (tied for) 17
- For families of four with incomes at the poverty line (\$19,961): \$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 (\$19,471): \$88 23
- For families of four with incomes at 125% of poverty line (\$24,951): \$141 25

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 1991, a family of four owed no tax until its income reached 3 percent above the poverty line. By 2005, Nebraska's tax threshold was 14 percent above the poverty line.

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