

# New Jersey

## Without Legislative Action, Working-Poor Families in New Jersey Will Face Substantial Income Tax Liability in 2006

### New Jersey'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: \$20,000 28
- For two-parent families of four: \$20,000 20

### New Jersey's 2005 income tax levied on working-poor and near-poor families

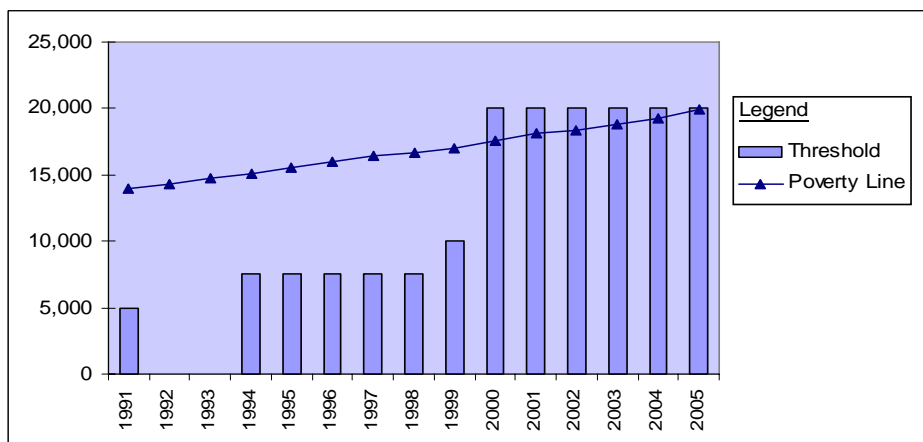
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$15,577): \$829 refund 38
- For families of four with incomes at the poverty line (\$19,961): \$728 refund 39
- For families of three with minimum-wage earnings (\$11,232): \$880 refund 38
- For families of three with incomes at 125% of poverty line (\$19,471): \$665 refund 39
- For families of four with incomes at 125% of poverty line (\$24,951): \$280 17

## New Jersey will begin levying substantial tax on working-poor families of four in 2006 unless it increases its tax thresholds.

- New Jersey's tax threshold for families of four has been \$20,000 since 2000, and has deteriorated over that time due to inflation from 14 percent over the poverty line to just 0.2 percent over the poverty line.
- If New Jersey does not increase its tax thresholds for 2006, it will begin levying income tax on poor families of four.

### Income Tax Threshold for Family of Four



Year	Threshold
1991	\$5,000
1992	no data
1993	no data
1994	\$7,500
1995	\$7,500
1996	\$7,500
1997	\$7,500
1998	\$7,500
1999	\$10,000
2000	\$20,000
2001	\$20,000
2002	\$20,000
2003	\$20,000
2004	\$20,000
2005	\$20,000