

Connecticut

Connecticut Exempts Working-Poor Families from the Income Tax

Connecticut'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: \$19,100 26
- For two-parent families of four: \$24,100 30

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

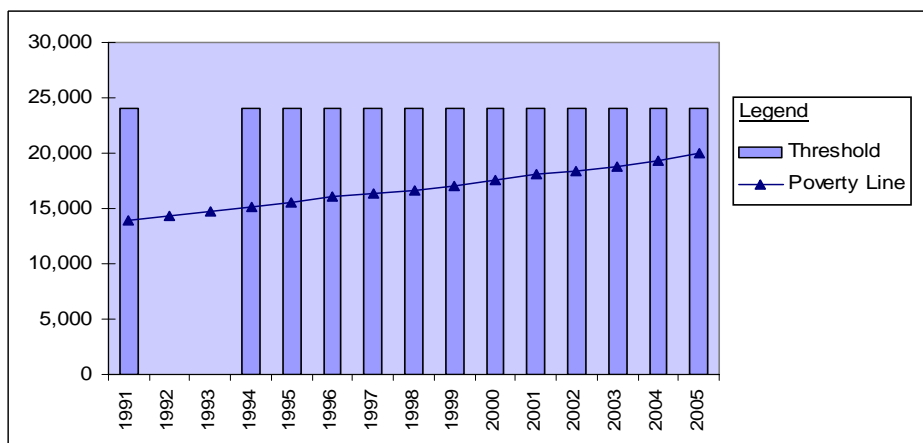
Rank (1 = highest tax)

- 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 (\$14,768): \$0 (tied for) 7
- For families of three with incomes at 125% of poverty line (\$19,471): \$4 26
- For families of four with incomes at 125% of poverty line (\$24,951): \$7 31

Connecticut's income tax threshold is declining relative to the

- Connecticut's tax threshold for families of four has been fixed at \$24,100 since 1991. It has deteriorated over that time from 73 percent over the poverty line to 21 percent over the poverty line. Connecticut is one of just four states in which the income tax threshold has fallen compared to the poverty line since 1991.
- In 2005, Connecticut taxed families with income at 125 percent of the poverty line for the first time since 1991. Without legislative action, Connecticut will tax families with poverty-level income in just a few years.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$24,100
1992	no data
1993	no data
1994	\$24,100
1995	\$24,100
1996	\$24,100
1997	\$24,100
1998	\$24,100
1999	\$24,100
2000	\$24,100
2001	\$24,100
2002	\$24,100
2003	\$24,100
2004	\$24,100
2005	\$24,100