

Rhode Island

Rhode Island Treats Working-Poor and Near-Poor Families Under Its Income Tax Better Than Most Other States

Rhode Island'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: \$27,700 38
- For two-parent families of four: \$30,600 38

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

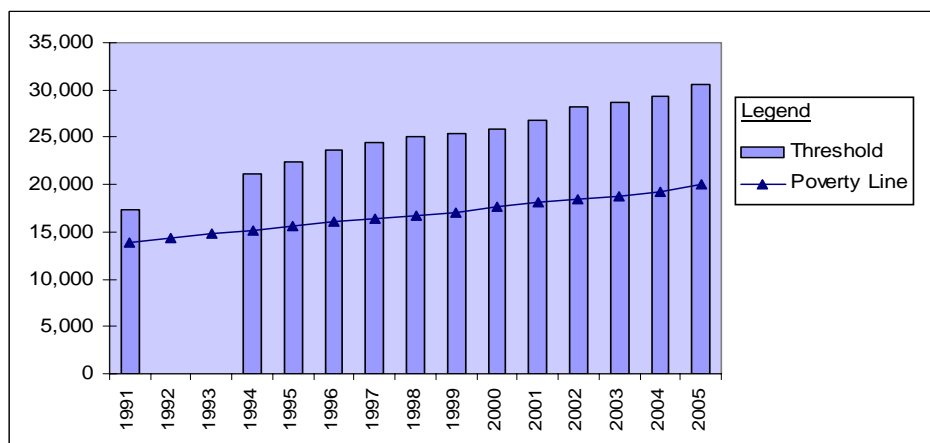
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$15,577): \$104 refund 33
- For families of four with incomes at the poverty line (\$19,961): \$91 refund 33
- For families of three with minimum-wage earnings (\$14,040): \$110 refund 32
- For families of three with incomes at 125% of poverty line (\$19,471): \$73 refund 34
- For families of four with incomes at 125% of poverty line (\$24,951): \$50 refund 39

Rhode Island has increased its tax threshold relative to the poverty line.

- In 1991, a family of four owed tax when its income reached 25 percent above the poverty line. Rhode Island's tax threshold is now 53 percent above the poverty line.
- Rhode Island is one of seven states that provides an income tax refund to both three- and four-person families earning 125 percent of the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$17,400
1992	no data
1993	no data
1994	\$21,100
1995	\$22,400
1996	\$23,700
1997	\$24,400
1998	\$25,000
1999	\$25,400
2000	\$25,900
2001	\$26,800
2002	\$28,200
2003	\$28,700
2004	\$29,300
2005	\$30,600