

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 2006 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: \$15,300 15
- For two-parent families of four: \$19,400 16

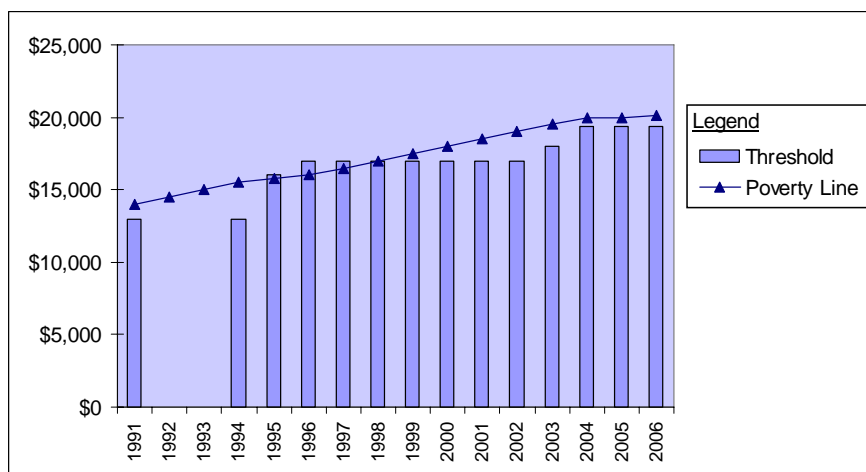
North Carolina's 2006 income tax levied on working-poor and near-poor families *Rank (1 = highest tax)*

- For families of three with incomes at the poverty line (\$16,079): \$51 14
- For families of four with incomes at the poverty line (\$20,615): \$78 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 (\$20,099): \$291 10
- For families of four with incomes at 125% of poverty line (\$25,769): \$387 14

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 2006, the threshold had fallen to 6 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
2006	\$19,400