

New Jersey

Some Working-Poor Families in New Jersey Face Substantial Income Tax Liability

New Jersey'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: \$20,000 24
- For two-parent families of four: \$20,000 19

New Jersey's 2006 income tax levied on working-poor and near-poor families

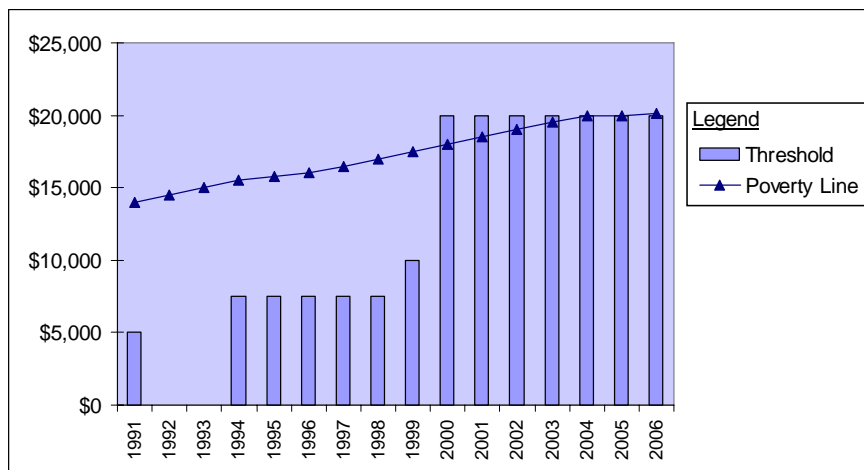
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$854 refund 38
- For families of four with incomes at the poverty line (\$20,615): \$219 9
- For families of three with minimum-wage earnings (\$13,311): \$907 refund 38
- For families of three with incomes at 125% of poverty line (\$20,099): \$225 14
- For families of four with incomes at 125% of poverty line (\$25,769): \$294 17

New Jersey in 2006 began levying substantial tax on some working-poor families of four.

- 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 3 percent below the poverty line.
- As a result, a family of four with income at the poverty line in 2005 would have received a refund of \$728, but now faces income tax liability of \$219.

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
2006	\$20,000