

Working Poor and Near-Poor Families in Oregon Are Hit Harder by State Income Taxes Than Those in Most Other States

Oregon's 2009 income tax threshold (the income level at which families begin paying income tax) is below the poverty line

Rank among the 42 states
(including the District of
Columbia)
with income taxes
(1 = lowest threshold)

- For single-parent families of three: \$16,700 (\$402 below the poverty line).
- For two-parent families of four: \$19,800 (\$2,147 below the poverty line)

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Oregon's 2009 income tax levied on working poor and near-poor families is relatively high

Rank
(1 = highest tax)

- For families of three with incomes at the poverty line (\$17,102): \$34.
- For families of four with incomes at the poverty line (\$21,947): \$200.
- For families of three with incomes at 125% of poverty line (\$21,378): \$449.
- For families of four with incomes at 125% of poverty line (\$27,434): \$764.

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Oregon has consistently levied income tax on working poor families

- Oregon's tax threshold for families of four has increased since 1991, but it remains below the poverty line.
- Oregon's Earned Income Tax Credit became refundable in 2006 and was raised from 5 to 6 percent of the federal credit in 2008, helping to improve the threshold and lower the tax on working families.

Source: Center on Budget and Policy Priorities, *The Impact of State Income Taxes on Low-Income Families in 2009*, April 9, 2010, available at www.cbpp.org.