



Net Income Calculations for Mothers Earning Minimum Wage in Selected States

Developed for the Secretaries' Innovation Group

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Acronyms

CFR	Code of Federal Regulations
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services
FFY	Federal Fiscal Year
FMR	Fair Market Rent as published by HUD
FNS	Food and Nutrition Services, USDA
GAO	U.S. Government Accountability Office, formerly the General Accounting Office
HUD	Department of Housing and Urban Development
IRS	Internal Revenue Service, U.S. Department of the Treasury
US	United States of America
USDA	U.S. Department of Agriculture

Background

On December 20, 2016, the Heritage Foundation released a study intended to dispel five myths about welfare benefits in the United States.¹ One myth was welfare benefits are meager, and the study analyzed the basic welfare benefits a single mom with two school-age children would receive when the mom works full-time earning the federal minimum wage. Additionally, the study analyzed the additional benefits of medical assistance and housing assistance.

According to the study, the mom would have received \$13,854 in post-tax earnings and \$12,591 in basic benefits (refundable tax cash credits, food stamps, and school meals) in 2015. Additionally, the family would be eligible for \$10,005 in Medicaid benefits assuming the mom lived in a state that expanded Medicaid to cover her. And, if she was fortunate enough to be selected, she could receive a Section 8 housing voucher worth \$11,820. No matter the scenario—whether she received just the basic welfare benefits package, or the package with Medicaid or with a Section 8 housing voucher—the family would be above the federal poverty line of \$19,096. Post-tax earnings plus the basic benefits package would equal \$26,444; adding on Medicaid would increase the total to \$36,449; and adding Section 8 Housing Vouchers would increase the total to \$47,385.

The national averages may not be useful for many who want to see the situation for their home state. Not every state has the same minimum wage. Not all states expanded Medicaid. Subsidized housing costs vary at the county-level, and sometimes by even smaller geographical areas. States have their own refundable state credit programs. These differences mean that the numbers will vary by state.

Subsequently, the Secretaries' Innovation Group commissioned Erik Randolph to calculate net income and welfare benefits comparable to the assumptions used in the Heritage Foundation study for 23 selected states. This report displays the results.

The 23 states are as follows:

Alabama	Kansas	Nevada
Arizona	Kentucky	New York
Arkansas	Maine	Ohio
Florida	Maryland	Oklahoma
Georgia	Massachusetts	Texas
Idaho	Michigan	Vermont
Illinois	Mississippi	Wisconsin
Indiana	Missouri	

¹ Robert Rector and Rachel Sheffield, "Five Myths About Welfare and Child Poverty," *Backgrounder No. 3176*, Heritage Foundation, December 20, 2016: <http://report.heritage.org/bg3176>.

Results

Factors Analyzed and Brief Explanation of Assumptions

Family: The assumed family composition studied in this report consists of a single mom (or a dad) with two school-age children—one boy and one girl. No one in the family has a disability.

Federal Poverty Line: Income guideline published by the Department of Health and Human Services showing the poverty line for a family of three for the 48 contiguous states in 2017, which was \$20,420.

Minimum Wage: The minimum wage effective for each state for 2018. Maryland's and Nevada's rates change on July 1, 2018, and the newer rates were used. Local minimum wage rates were not considered. New York's minimum wage is a weighted average from three of its minimum wages based on geography.

Post-Tax Earnings: Gross earnings are based on the hourly minimum wage multiplied by forty hours per week multiplied by fifty-two weeks for the year. The following deductions were made to determine the post-tax earnings: Social Security and Medicare payroll taxes, federal income taxes other than the Earned Income Tax Credit and the refundable portion of the Child Tax Credit, and state income taxes other than selected refundable income tax credits likely to be claimed by the minimum wage families.

Earned Income Tax Credit: The total credit received from the federal Earned Income Tax Credit.

Refundable Child Tax Credit: The refundable portion of the federal Child Tax Credit, also known as the Additional Child Tax Credit.

State Refundable Income Tax Credit: State refundable income tax credits likely to be claimed by minimum wage families. Several states base their refundable tax credit off the federal Earned Income Tax Credit. New York has a child tax credit and an earned income credit.

Food Stamps: Benefits received from the federal food stamp program, officially called the Supplemental Nutrition Assistance Program.

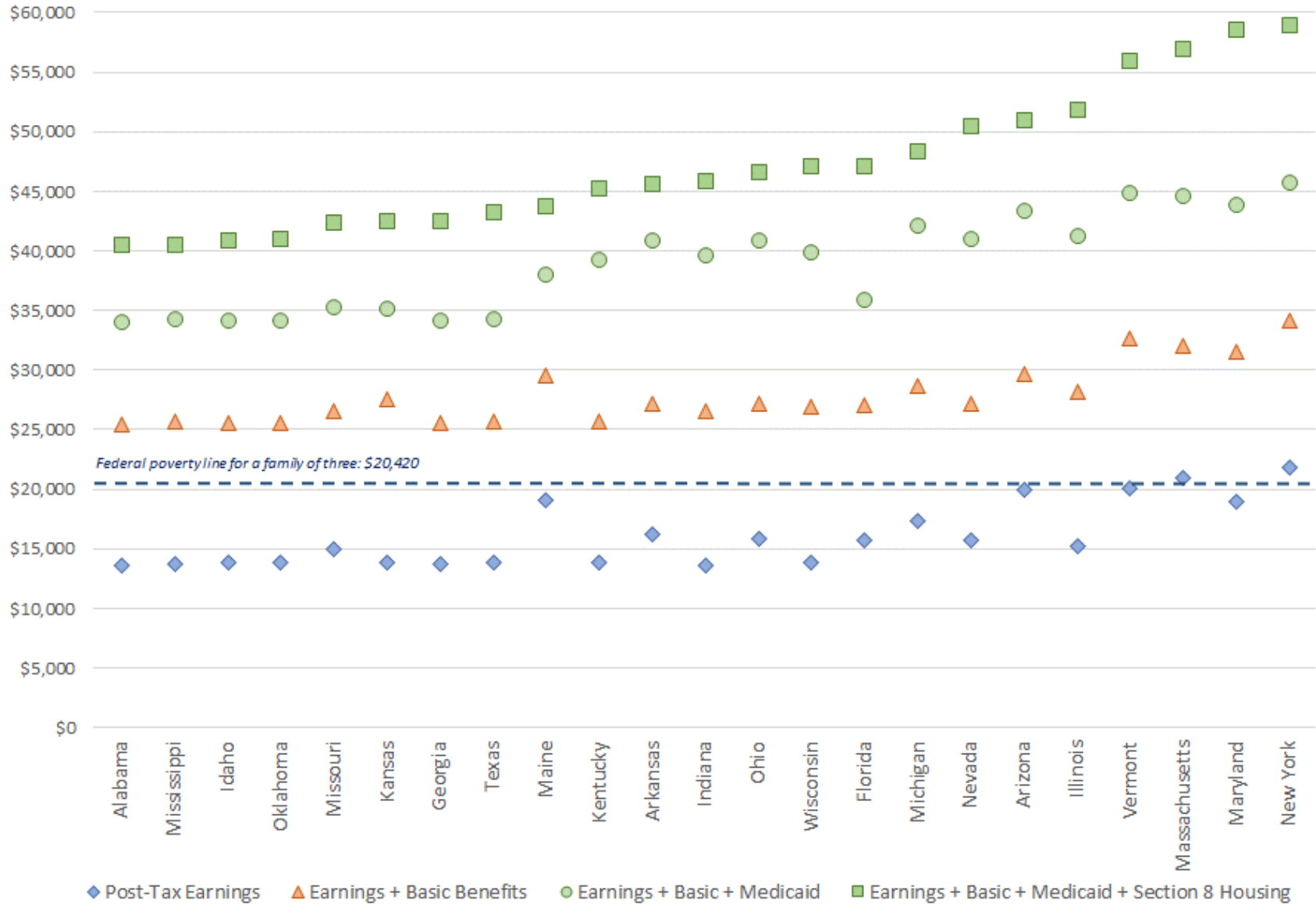
School Meals: The subsidized cost of providing the National School Lunch Program for both children during the school year and the federal School Breakfast Program for one child during the school year. The reimbursement rates are the same for all 48 contiguous states, but the number of school days vary.

Basic Welfare Benefits: The likely basic package consisting of the Earned Income Tax Credit, the refundable portion of the Child Tax Credit, refundable state income tax credits, food stamps, and school meals.

Medical Assistance: The actuarial costs of providing Medicaid benefits excluding administrative costs. In all cases, the children qualify for Medicaid, and the assumed benefit was \$3,389 each based on data from the Office of the Actuary, CMS. The mom was not eligible for coverage in Alabama, Florida, Georgia, Idaho, Kansas, Maine, Mississippi, Missouri, Oklahoma, and Texas. Mom was eligible for the remaining states, assuming a benefit of \$4,986 based on data from the Office of the Actuary. In some cases, the mom would have received health benefits from her employer.

Section 8 Housing Voucher: The state weighted-average voucher benefit for the family assuming it had been selected and participated in the Section 8 Housing Voucher program. Because the assumed family composition has one boy and one girl, it is further assumed that the family rents a three-bedroom apartment at the HUD fair market rent. Otherwise, a two-bedroom apartment would be required.

Summary Chart: Single Mom with Two Children Earning Minimum Wage



Alabama

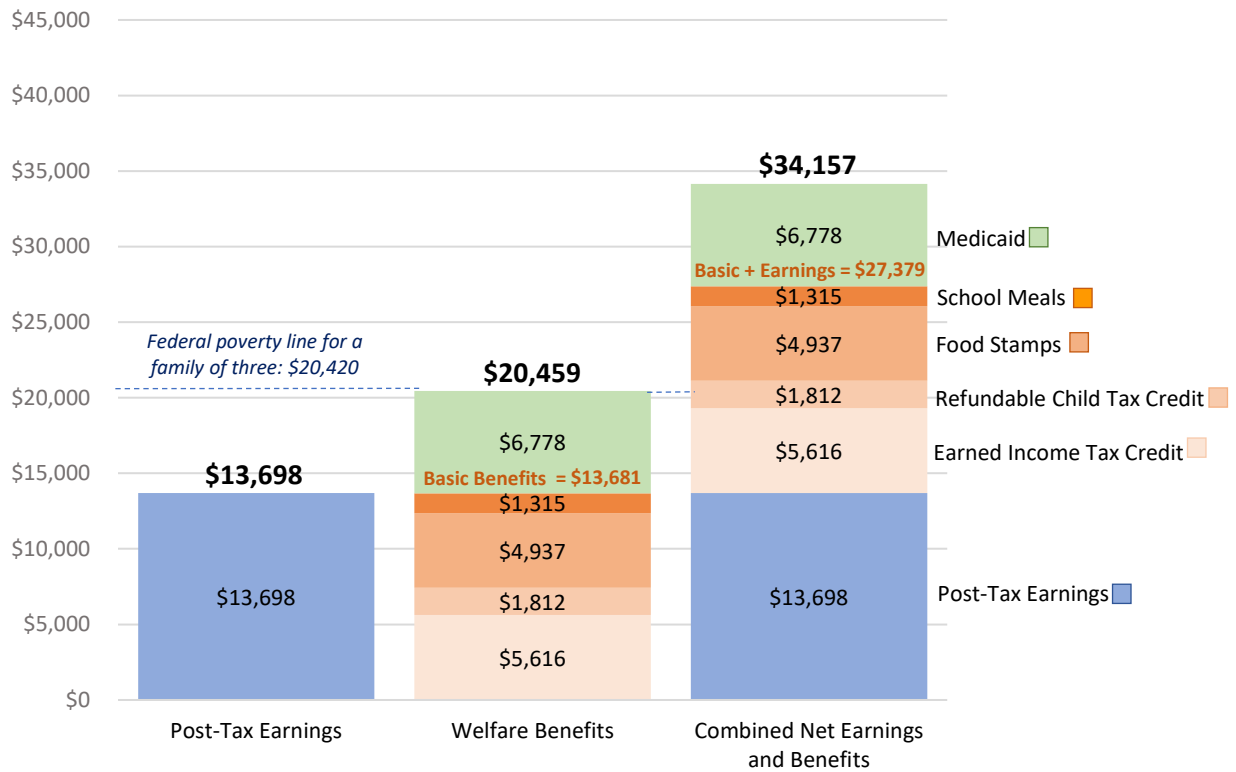
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Alabama does not provide a match to the federal Earned Income Tax Credit.

CHART 1: ALABAMA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Alabama

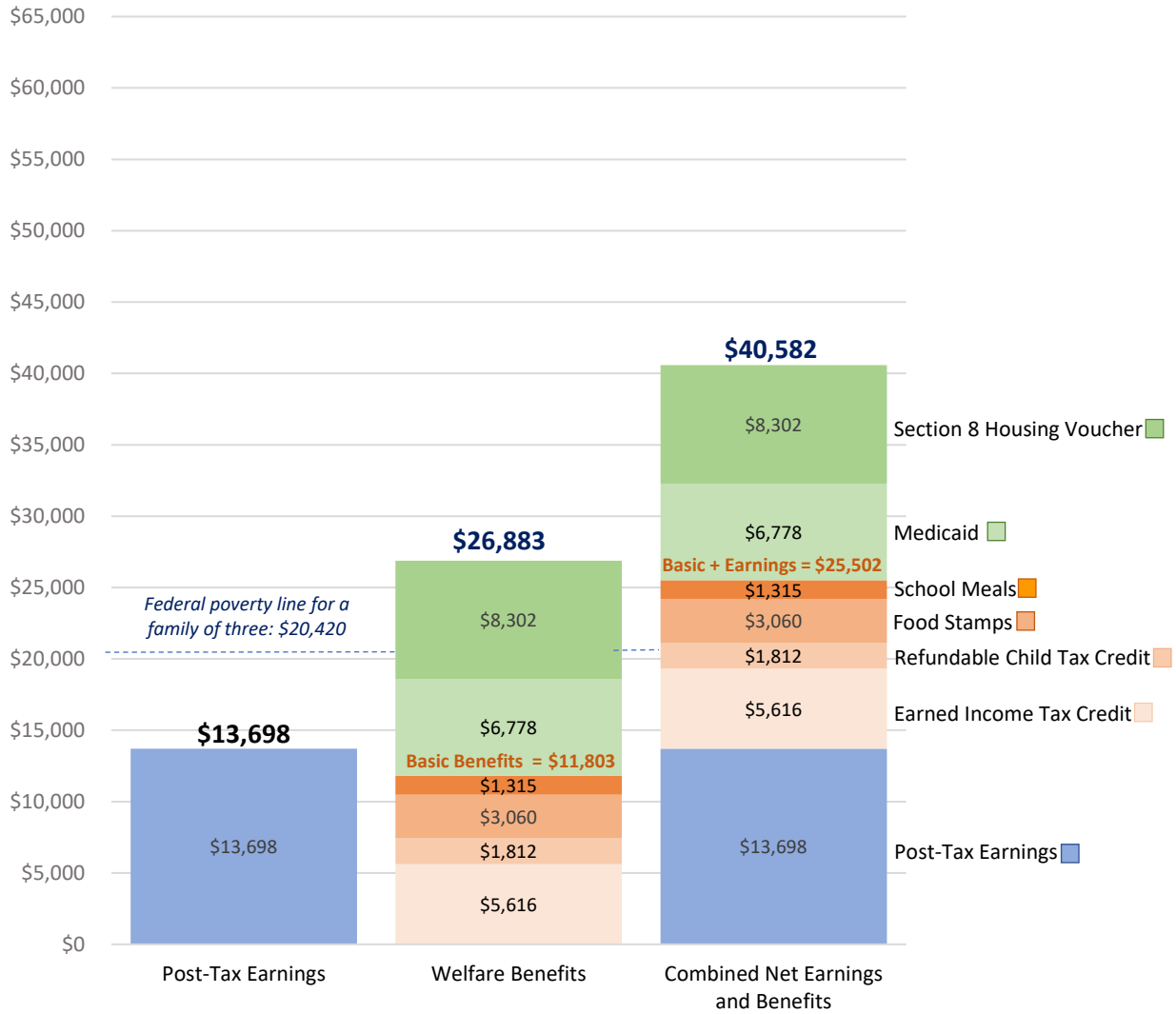


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Alabama Department of Revenue, FNS, and CMS.

CHART 2: ALABAMA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Alabama



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Alabama Department of Revenue, FNS, CMS, and HUD.

Arizona

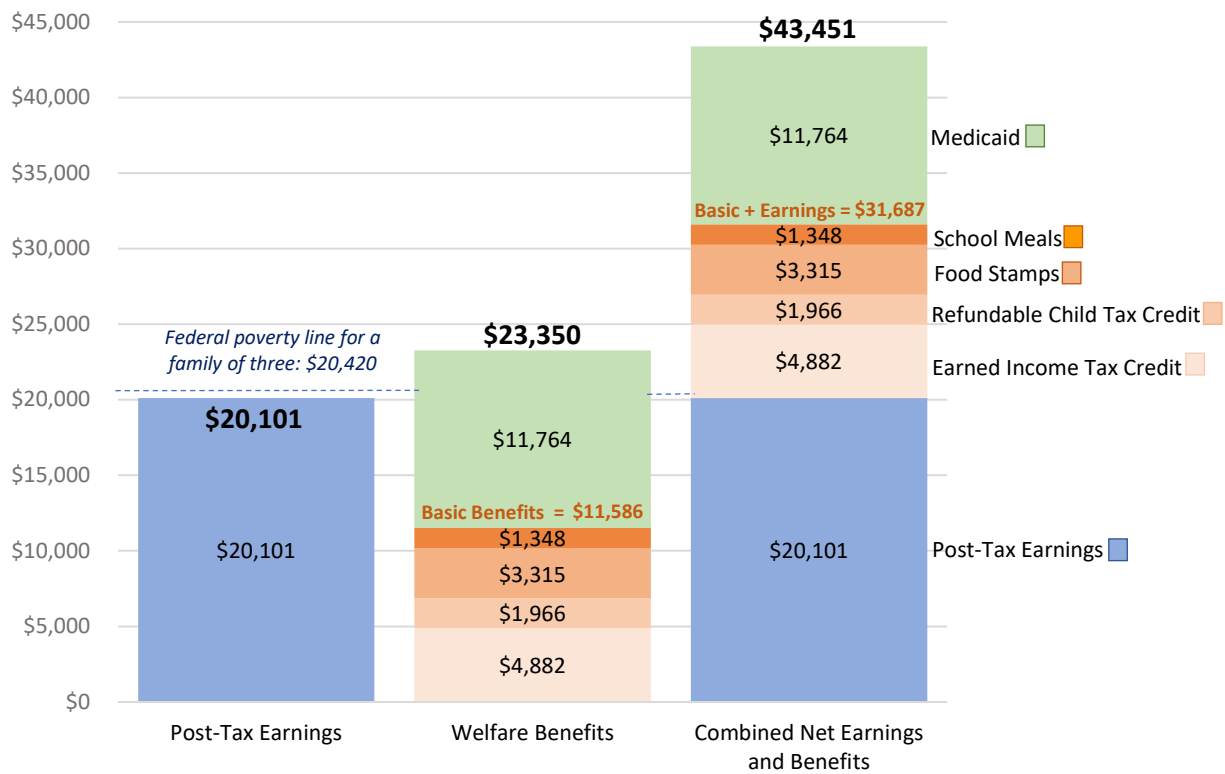
Minimum wage = \$10.50 per hour or \$21,840 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Arizona does not provide a match to the federal Earned Income Tax Credit.

CHART 1: ARIZONA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Arizona

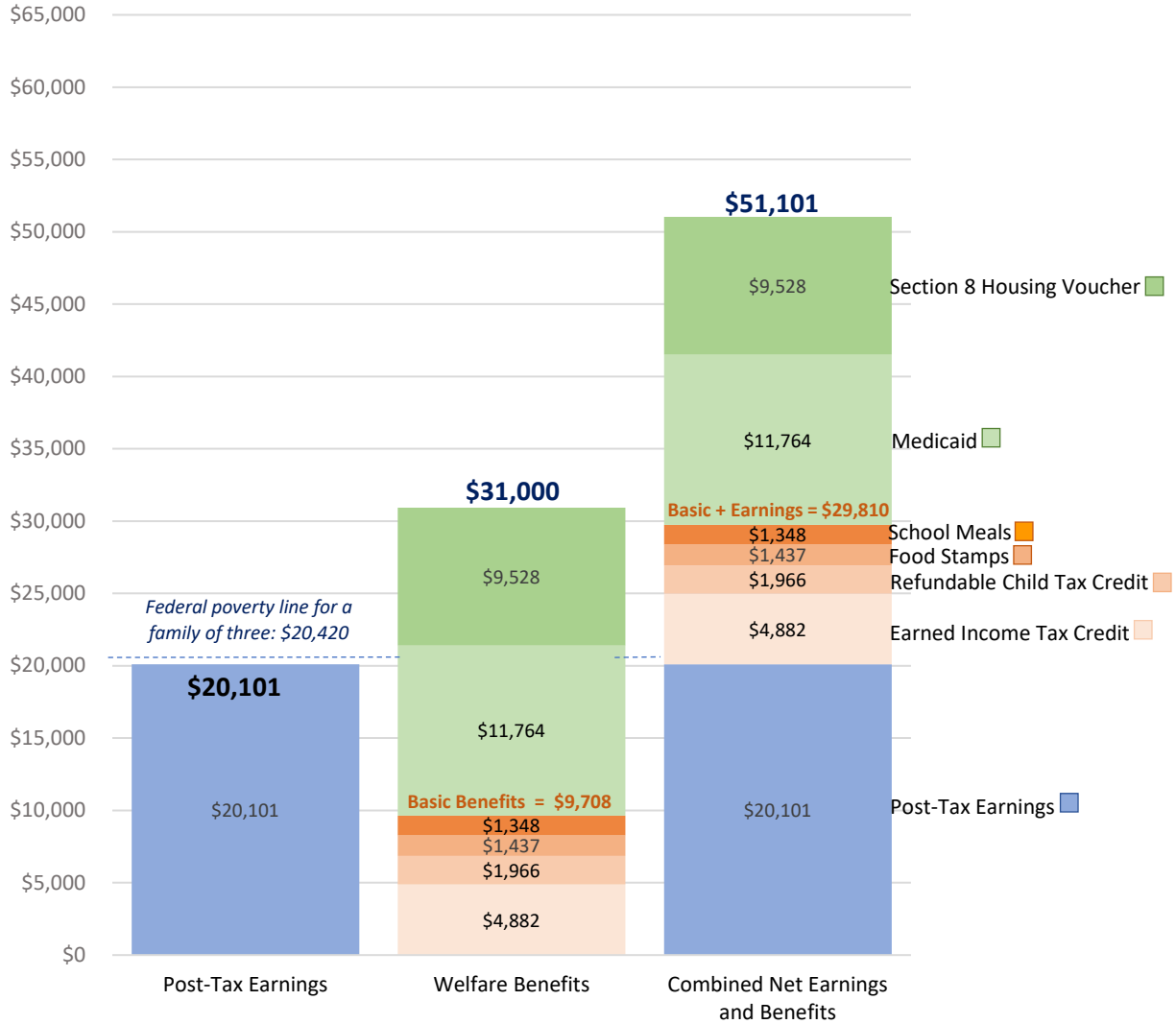


NOTES: 2017 data using minimum wage of \$10.50. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Industrial Commission of Arizona, IRS, Arizona Department of Revenue, FNS, and CMS.

CHART 2: ARIZONA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Arizona



NOTES: 2017 data using minimum wage of \$10.50. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from Industrial Commission of Arizona, IRS, Arizona Department of Revenue, FNS, CMS, and HUD.

Arkansas

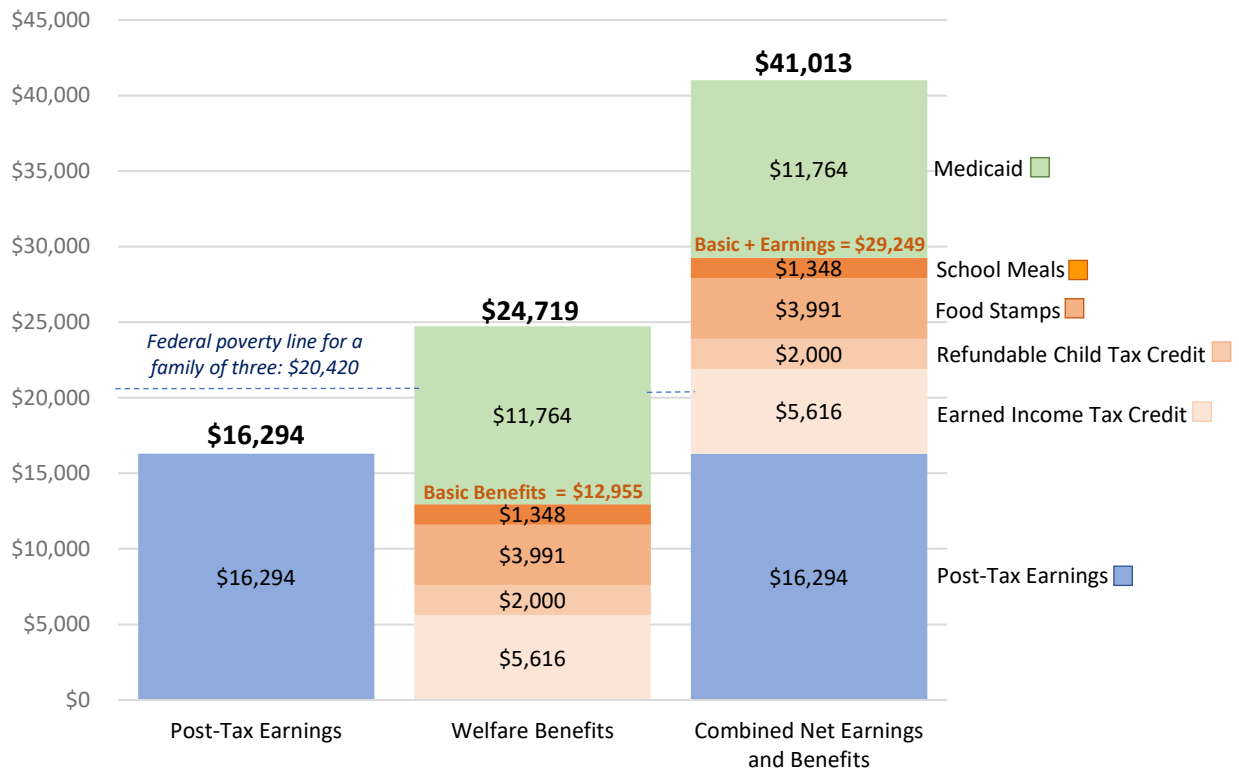
Minimum wage = \$8.50 per hour or \$17,680 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Arkansas does not provide a match to the federal Earned Income Tax Credit.

CHART 1: ARKANSAS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Arkansas

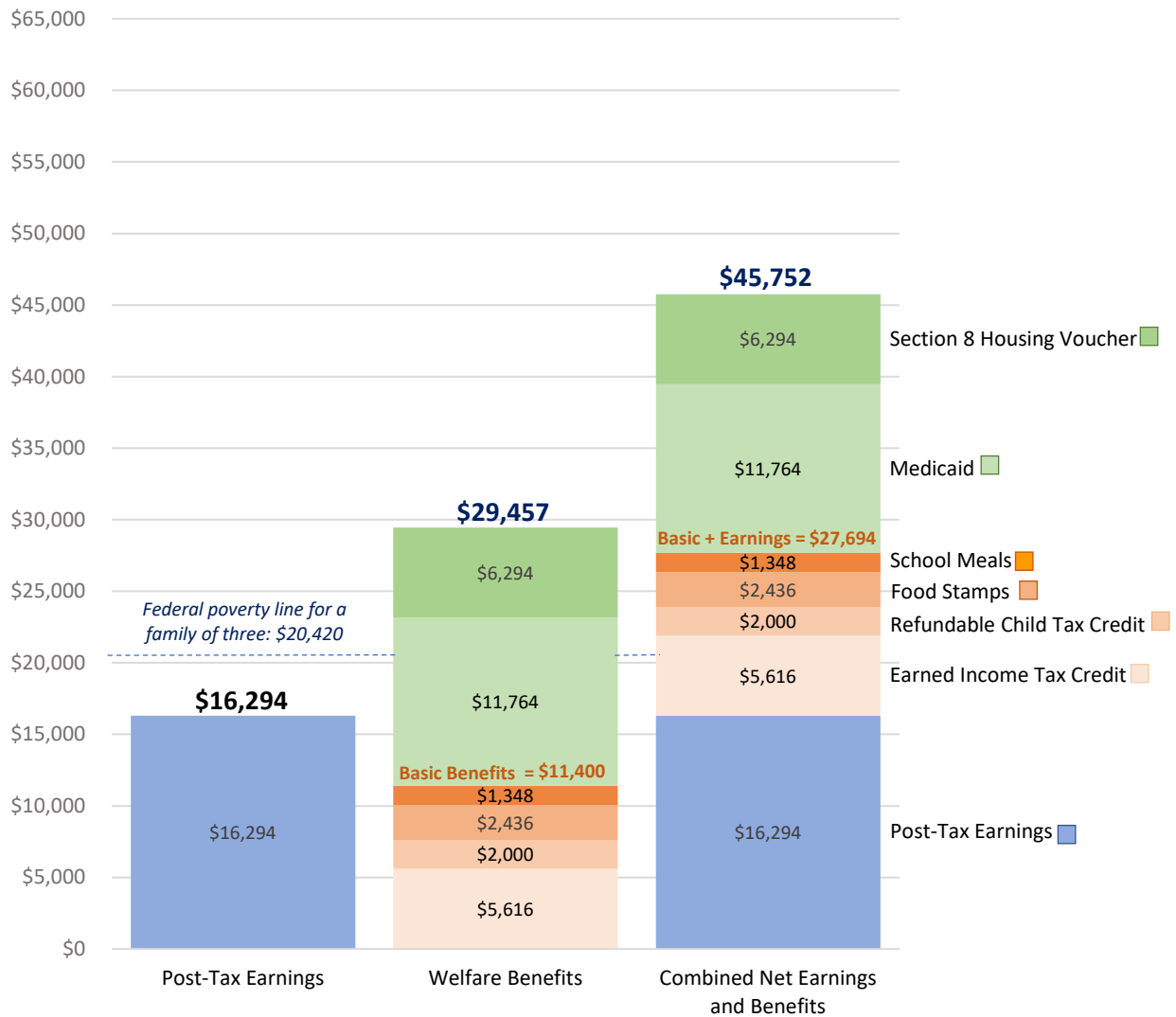


NOTES: 2017 data using minimum wage of \$8.50. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Arkansas Department of Labor, IRS, Arkansas Department of Finance and Administration, FNS, and CMS.

CHART 2: ARKANSAS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Arkansas



NOTES: 2017 data using minimum wage of \$8.50. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from Arkansas Department of Labor, IRS, Arkansas Department of Finance and Administration, FNS, CMS, and HUD.

Florida

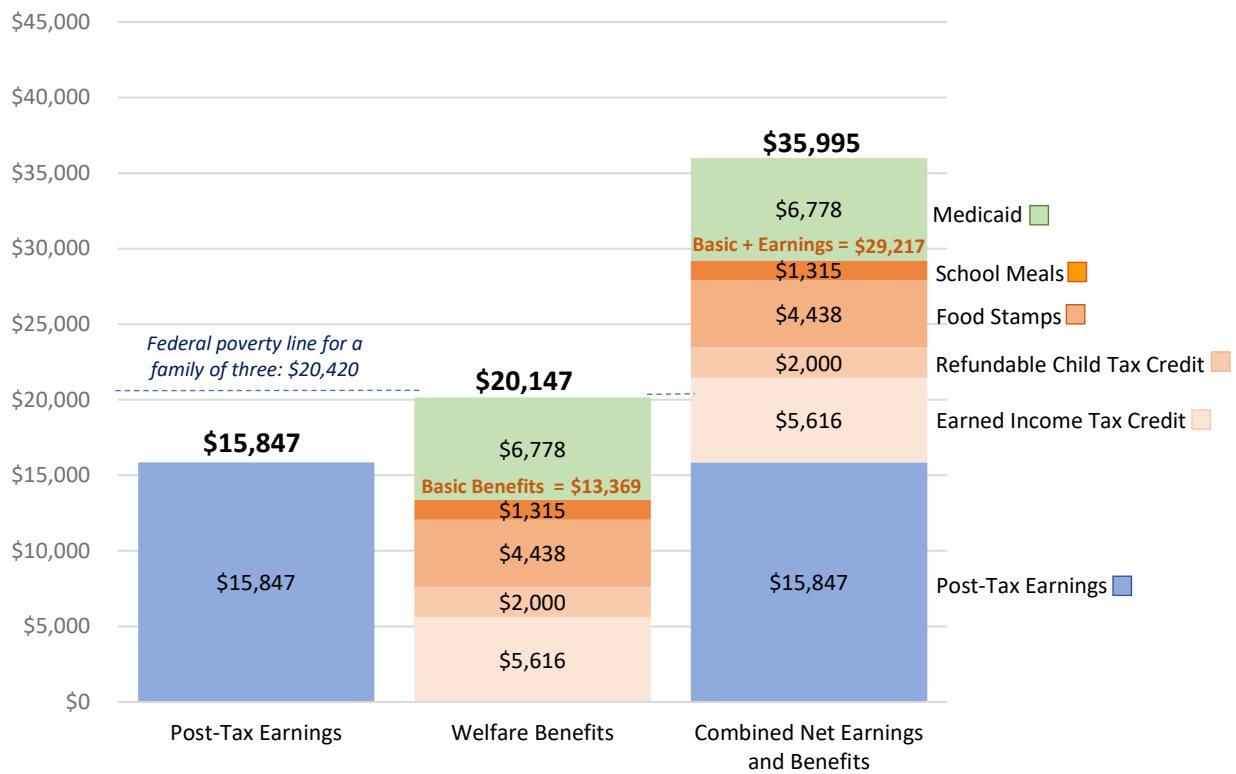
Minimum wage = \$8.25 per hour or \$17,160 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Florida does not provide a match to the federal Earned Income Tax Credit.

CHART 1: FLORIDA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Florida

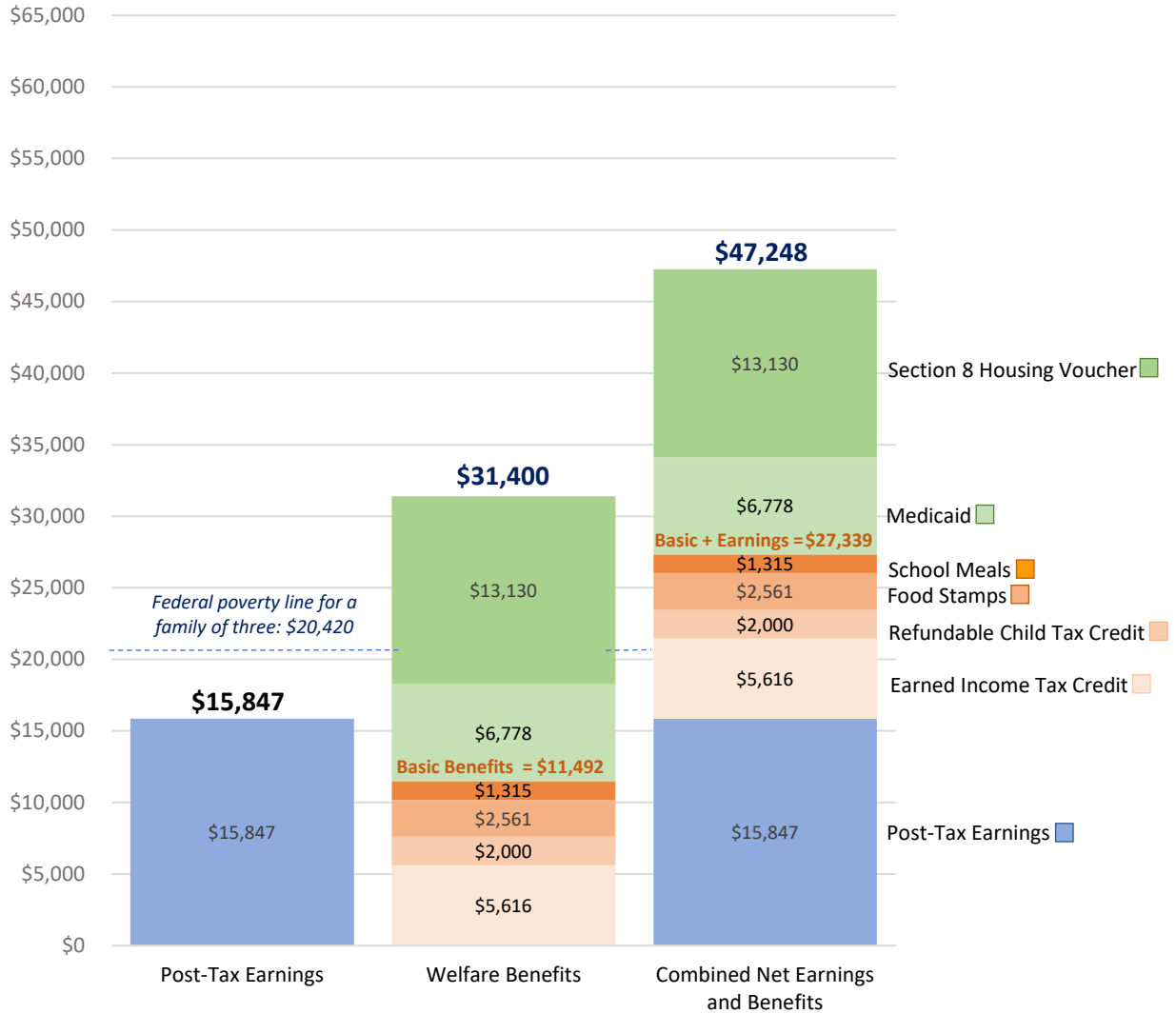


NOTES: 2017 data using minimum wage of \$8.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Florida Department of Economic Opportunity, IRS, FNS, and CMS.

CHART 2: FLORIDA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Florida



NOTES: 2017 data using minimum wage of \$8.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from Florida Department of Economic Opportunity, IRS, FNS, CMS, and HUD.

Georgia

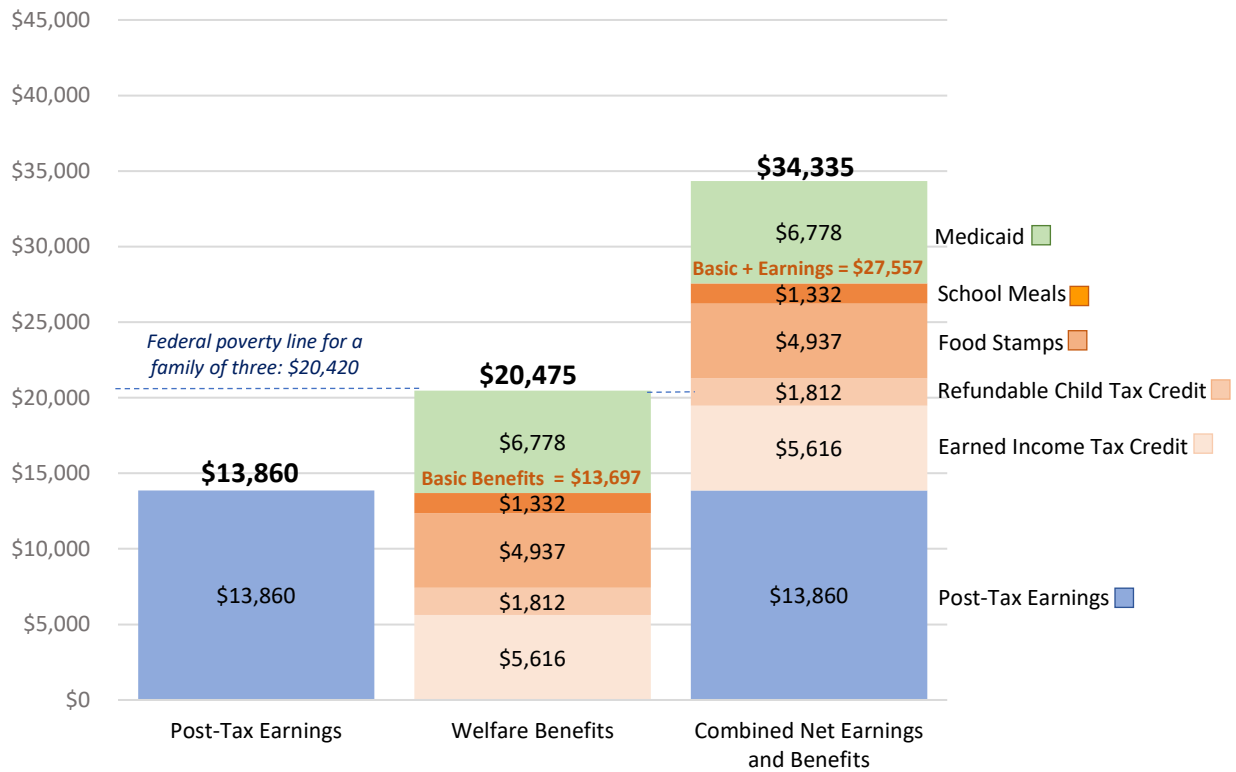
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Georgia does not provide a match to the federal Earned Income Tax Credit.

CHART 1: GEORGIA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Georgia

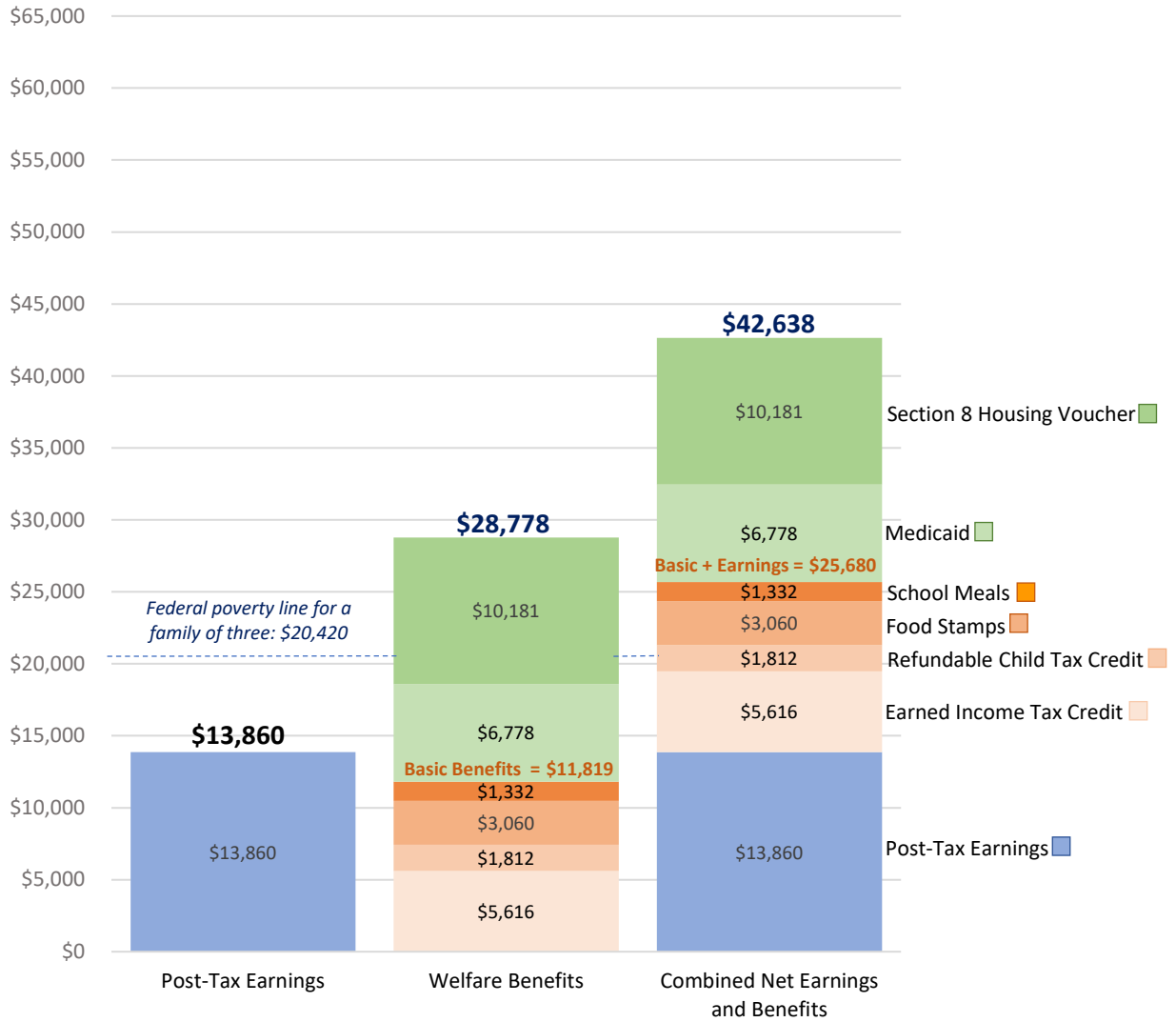


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Georgia Department of Revenue, FNS, and CMS.

CHART 2: GEORGIA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Georgia



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Georgia Department of Revenue, FNS, CMS, and HUD.

Idaho

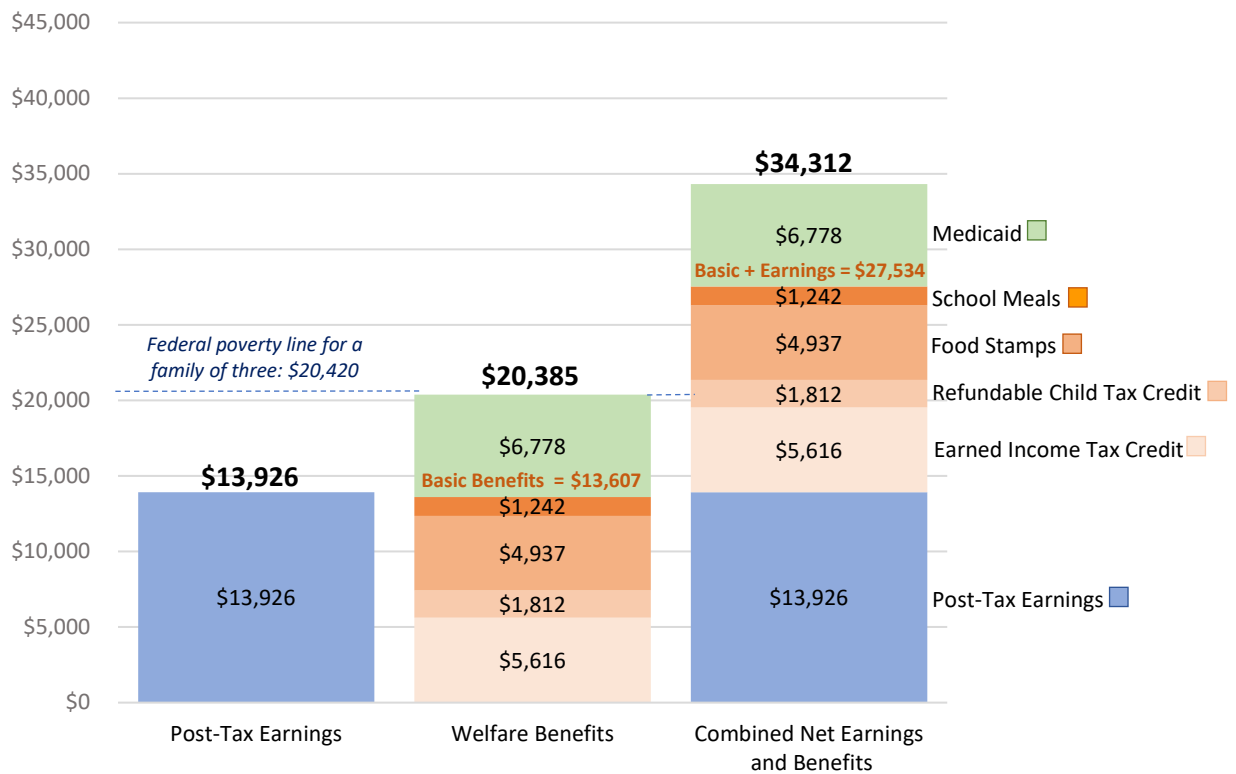
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Although Idaho has a refundable grocery credit, a family does not qualify if it receives assistance from the food stamp program.

CHART 1: IDAHO

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Idaho

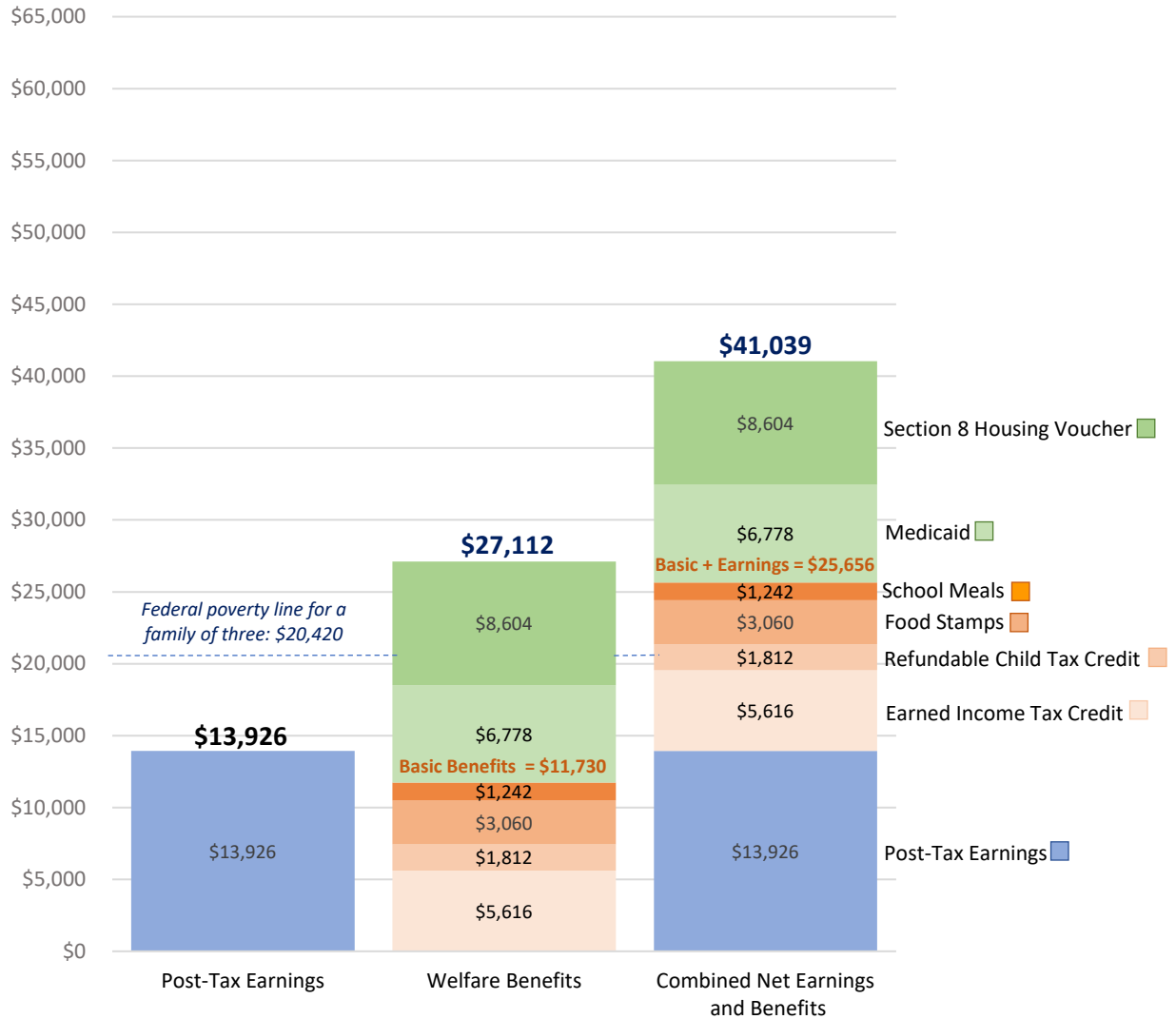


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Idaho State Tax Commission, FNS, and CMS.

CHART 2: IDAHO

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Idaho



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Idaho State Tax Commission, FNS, CMS, and HUD.

Illinois

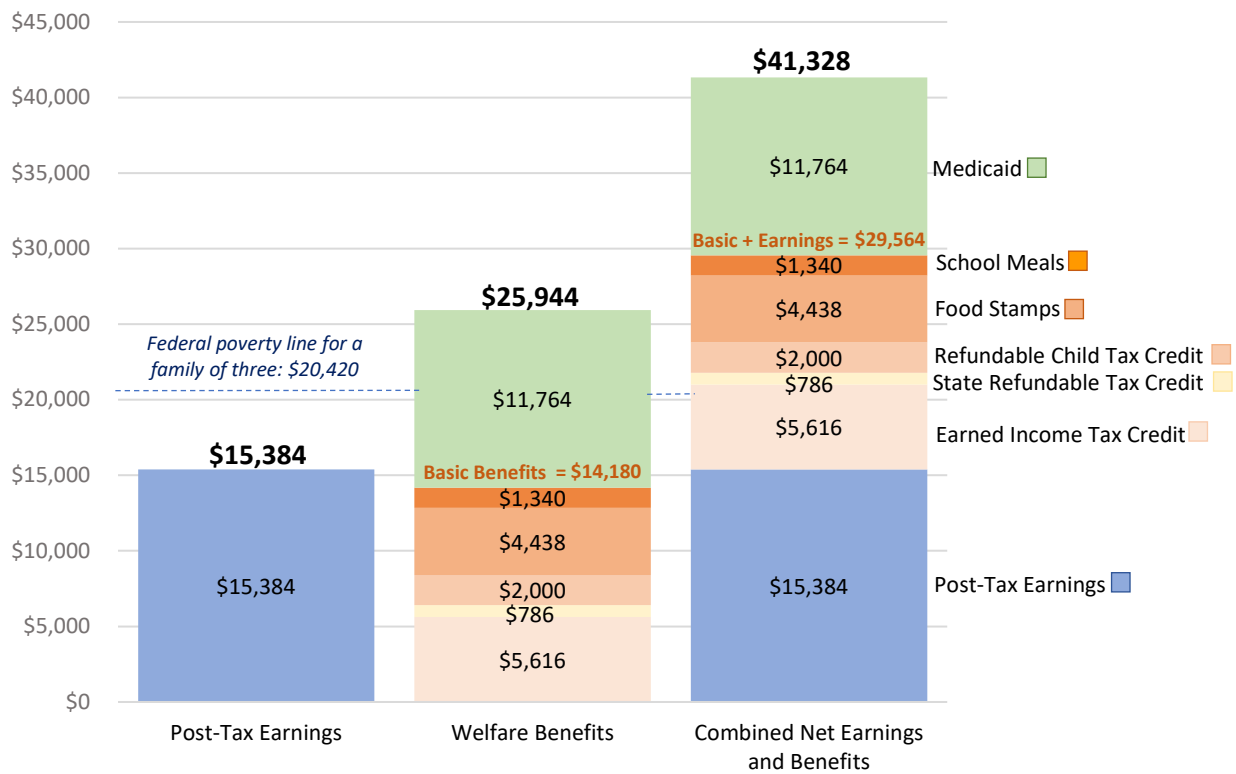
Minimum wage = \$8.25 per hour or \$17,160 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Illinois matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: ILLINOIS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Illinois

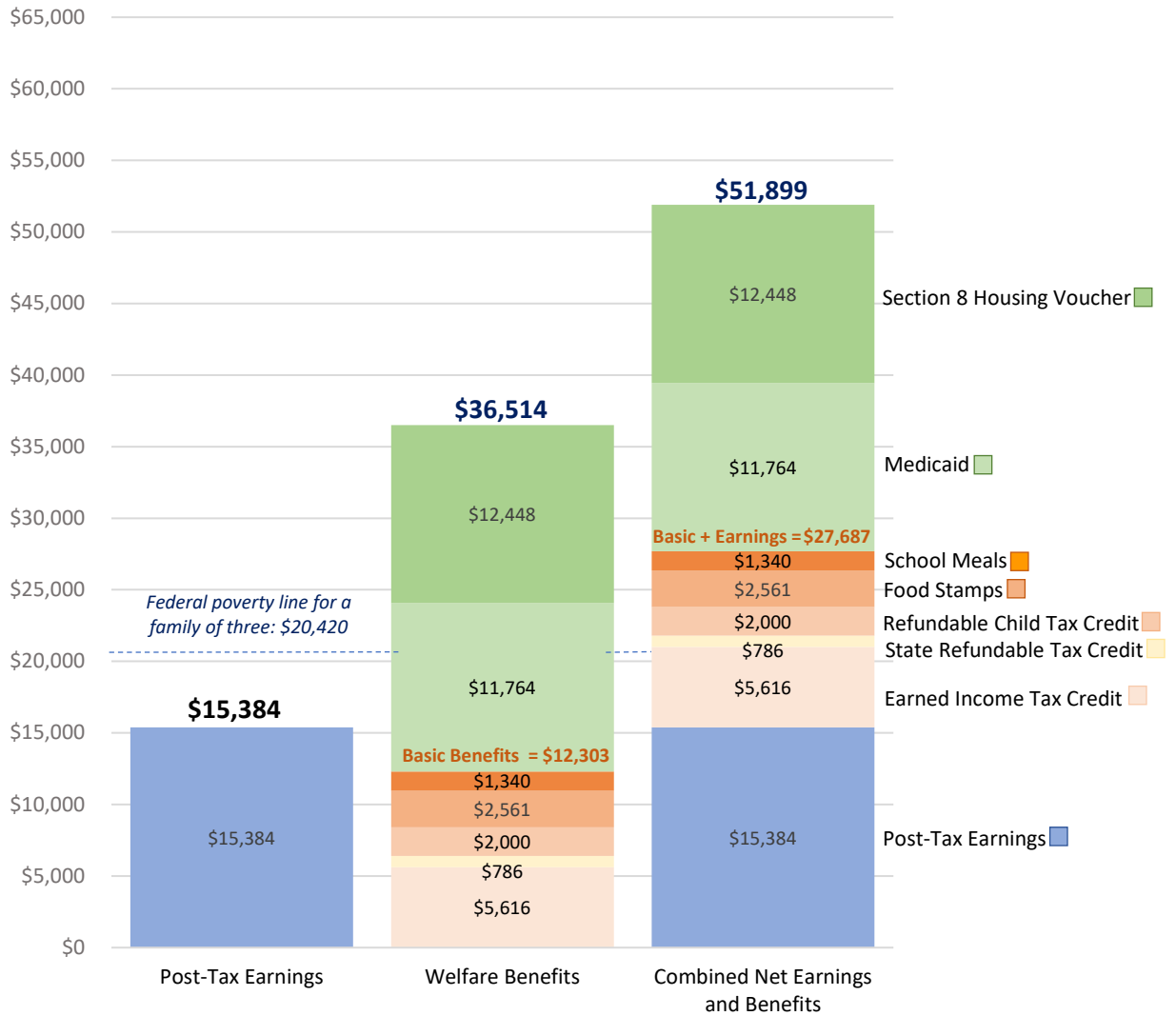


NOTES: 2017 data using minimum wage of \$8.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Illinois Department of Labor, IRS, Illinois Department of Revenue, FNS, and CMS.

CHART 2: ILLINOIS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Illinois



NOTES: 2017 data using minimum wage of \$8.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from Illinois Department of Labor, IRS, Illinois Department of Revenue, FNS, CMS, and HUD.

Indiana

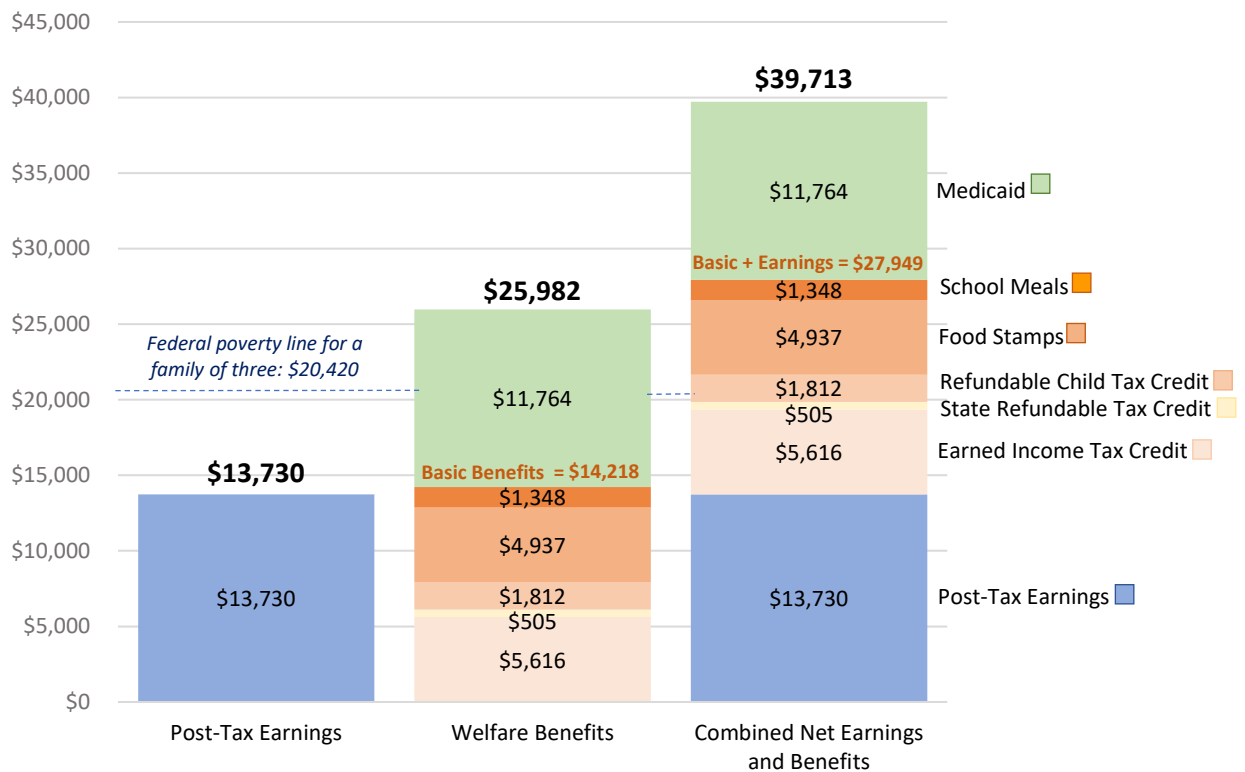
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Indiana matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: INDIANA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Indiana

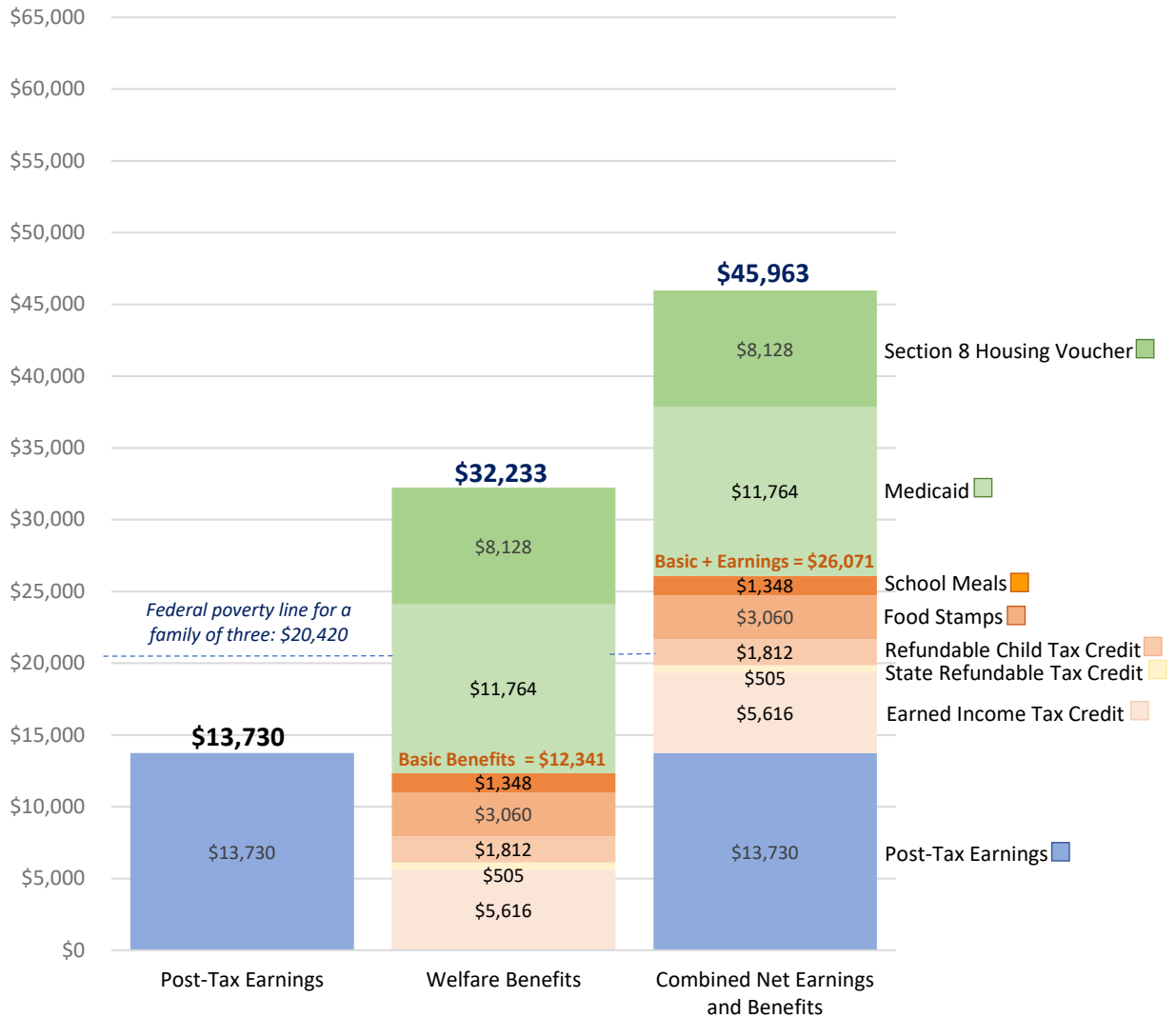


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Indiana Department of Revenue, FNS, and CMS.

CHART 2: INDIANA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Indiana



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Indiana Department of Revenue, FNS, CMS, and HUD.

Kansas

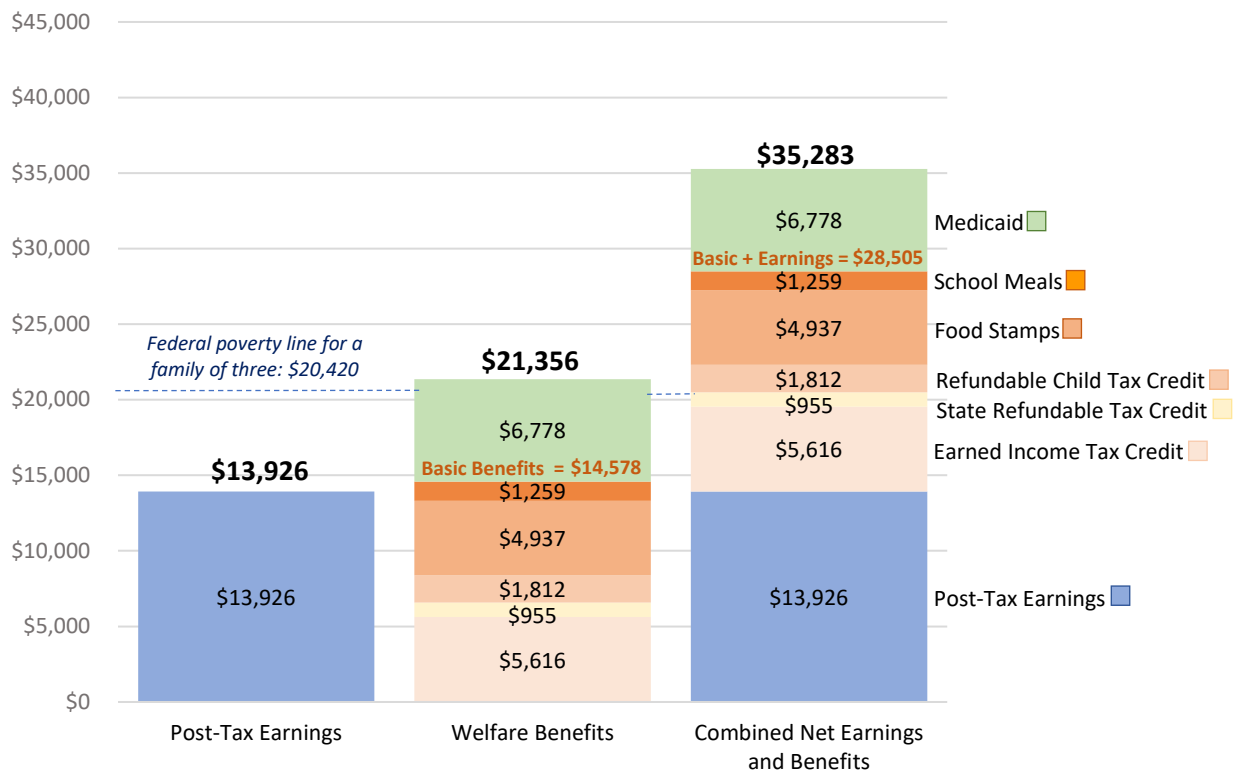
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Kansas matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: KANSAS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Kansas

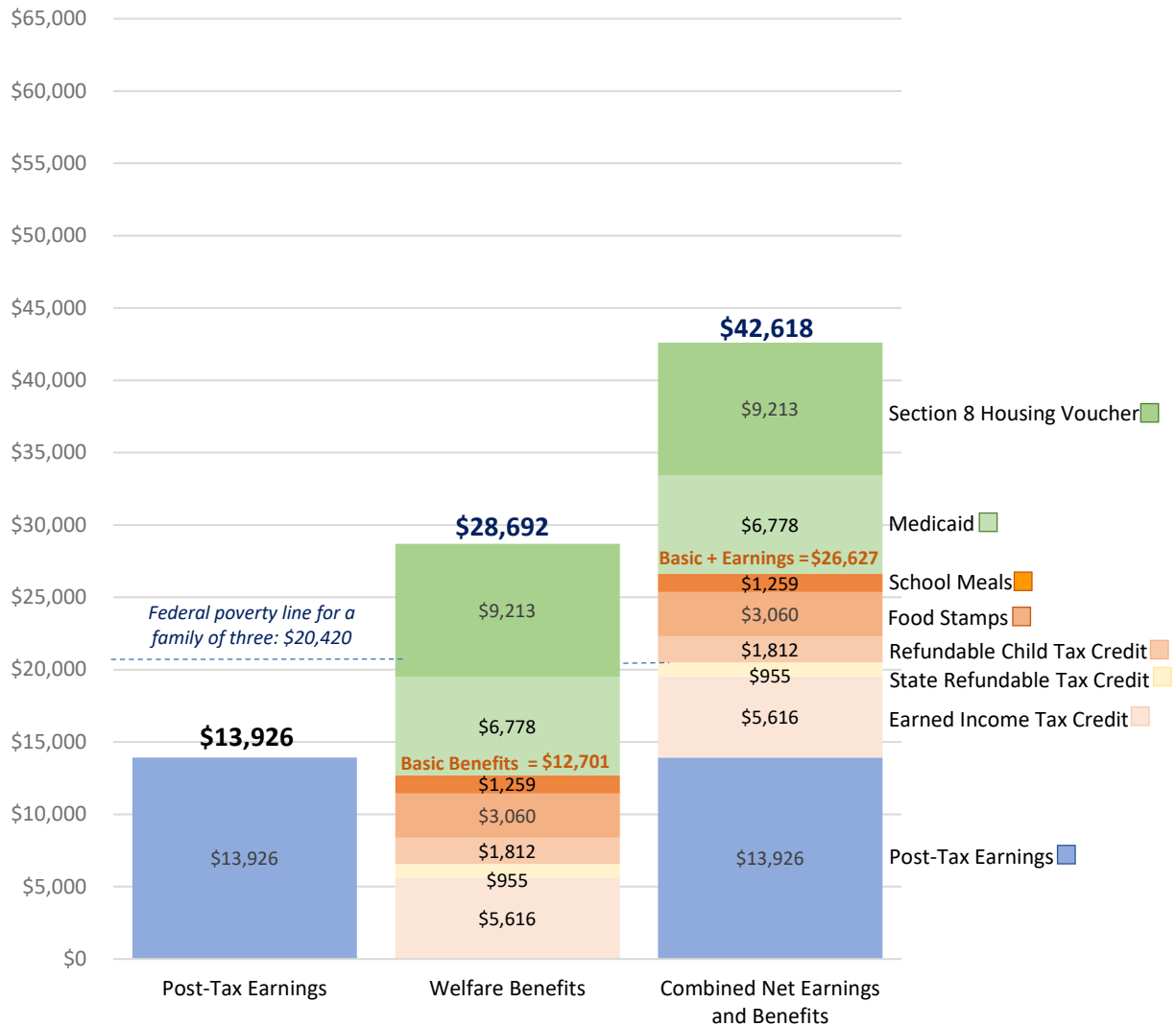


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Kansas Department of Revenue, FNS, and CMS.

CHART 2: KANSAS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Kansas



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Kansas Department of Revenue, FNS, CMS, and HUD.

Kentucky

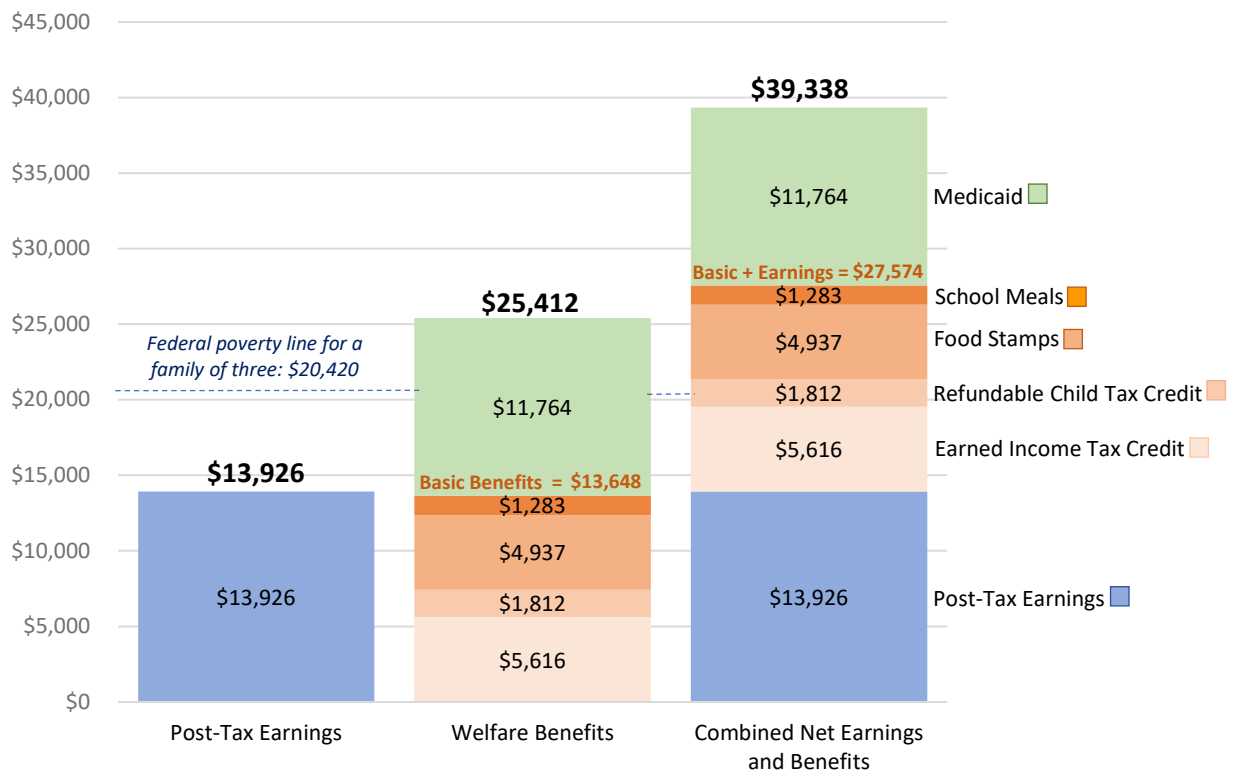
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Kentucky does not provide a match to the federal Earned Income Tax Credit.

CHART 1: KENTUCKY

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Kentucky

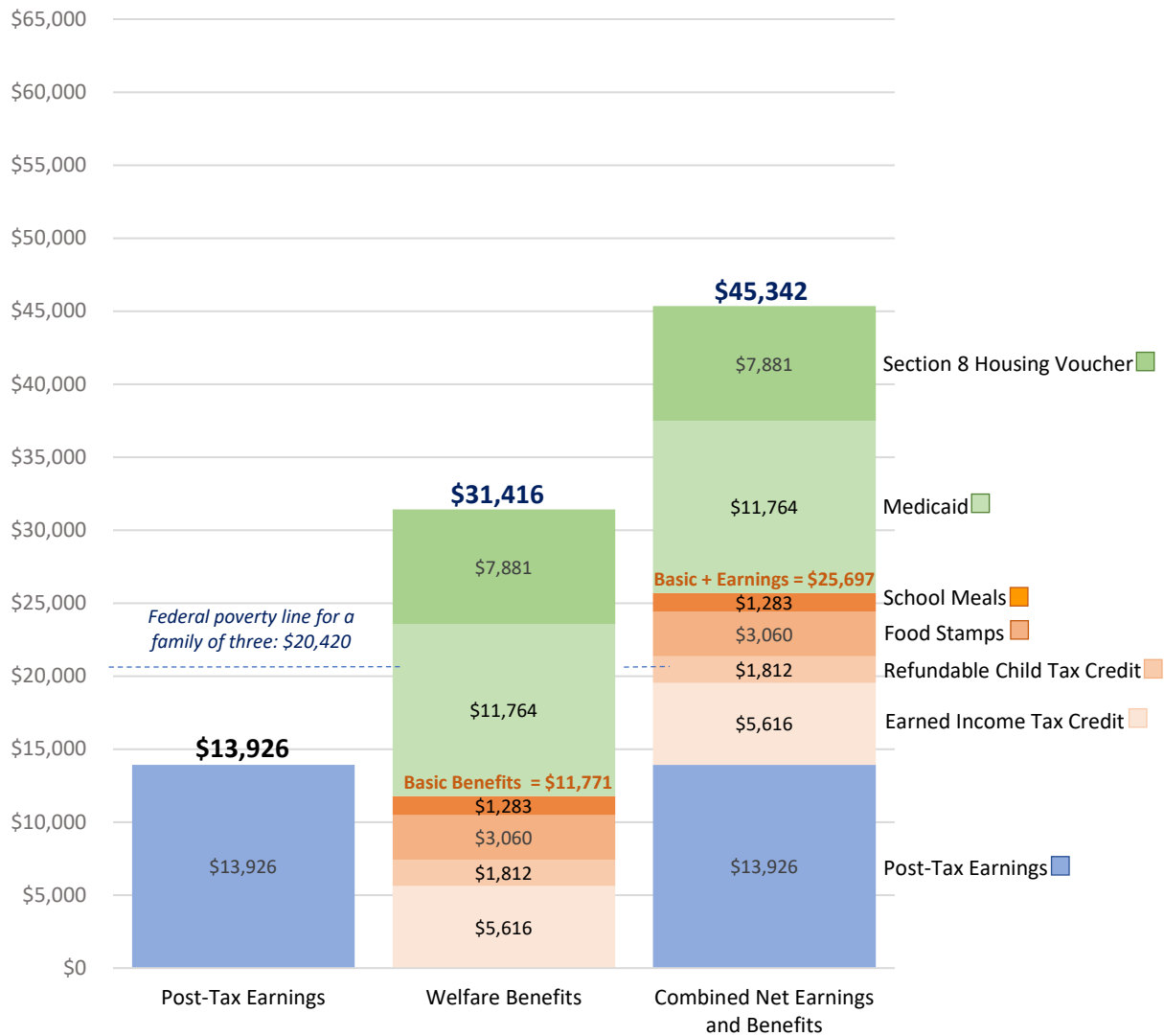


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Kentucky Department of Revenue, FNS, and CMS.

CHART 2: KENTUCKY

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Kentucky



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Kentucky Department of Revenue, FNS, CMS, and HUD.

Maine

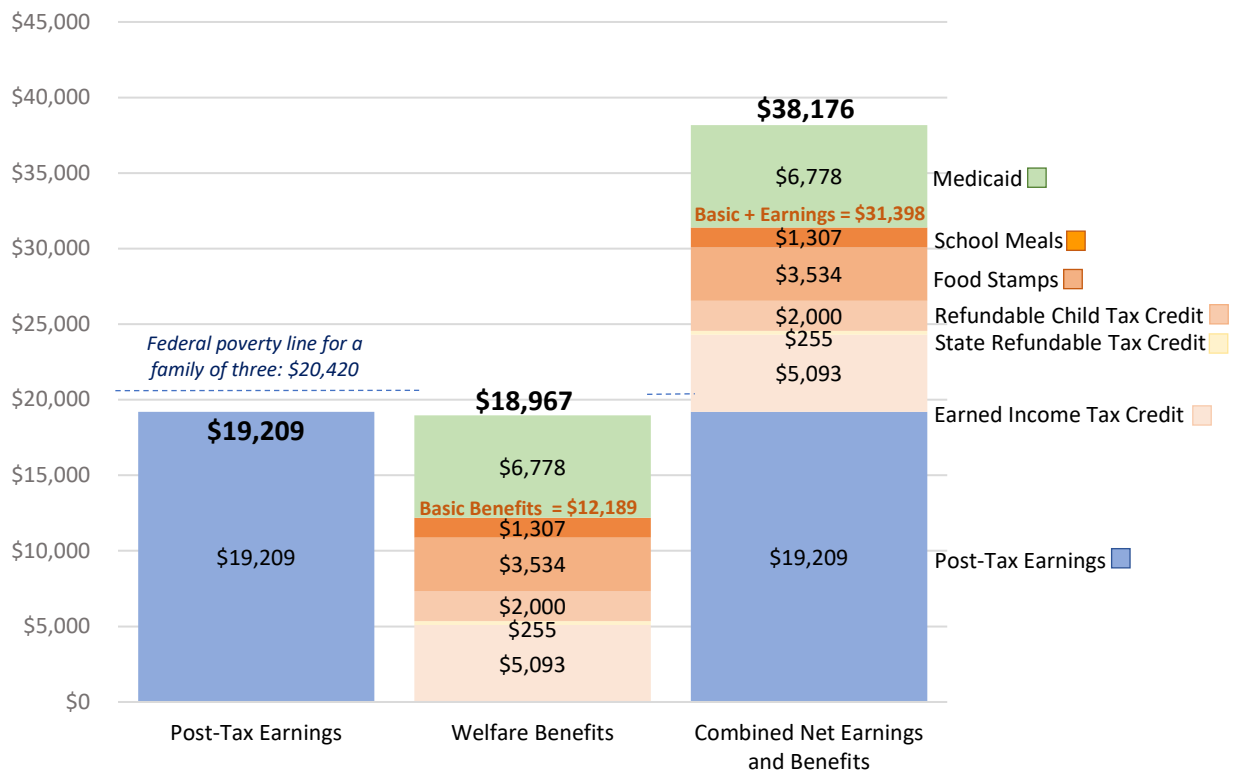
Minimum wage = \$10.00 per hour or \$20,800 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Maine matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: MAINE

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Maine

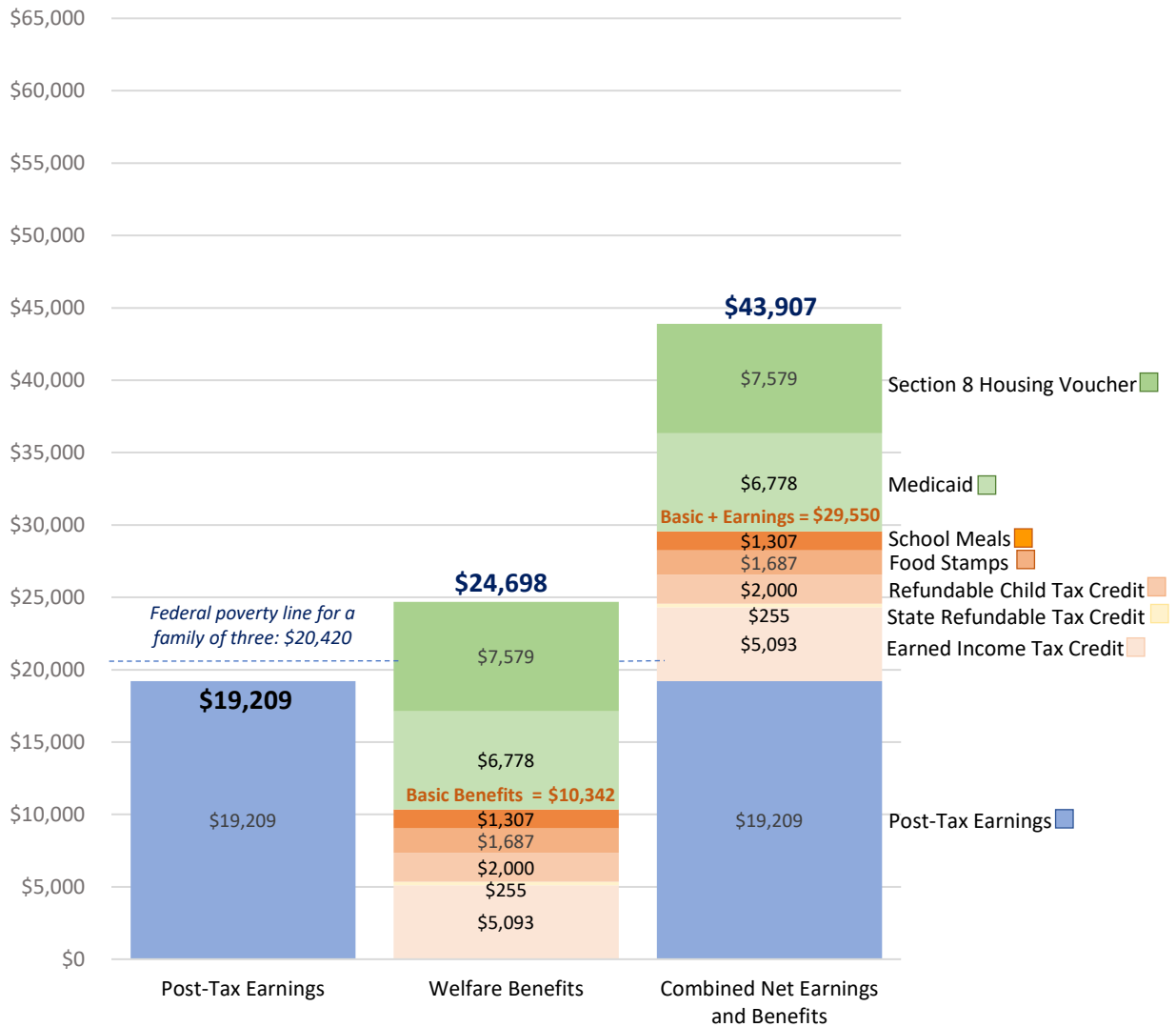


NOTES: 2017 data using minimum wage of \$10.00. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Maine Department of Labor, IRS, Maine Department of Administrative and Financial Services, FNS, and CMS.

CHART 2: MAINE

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Maine



NOTES: 2017 data using minimum wage of \$10.00. The children are school-age, and mom's employer does not provide health insurance.

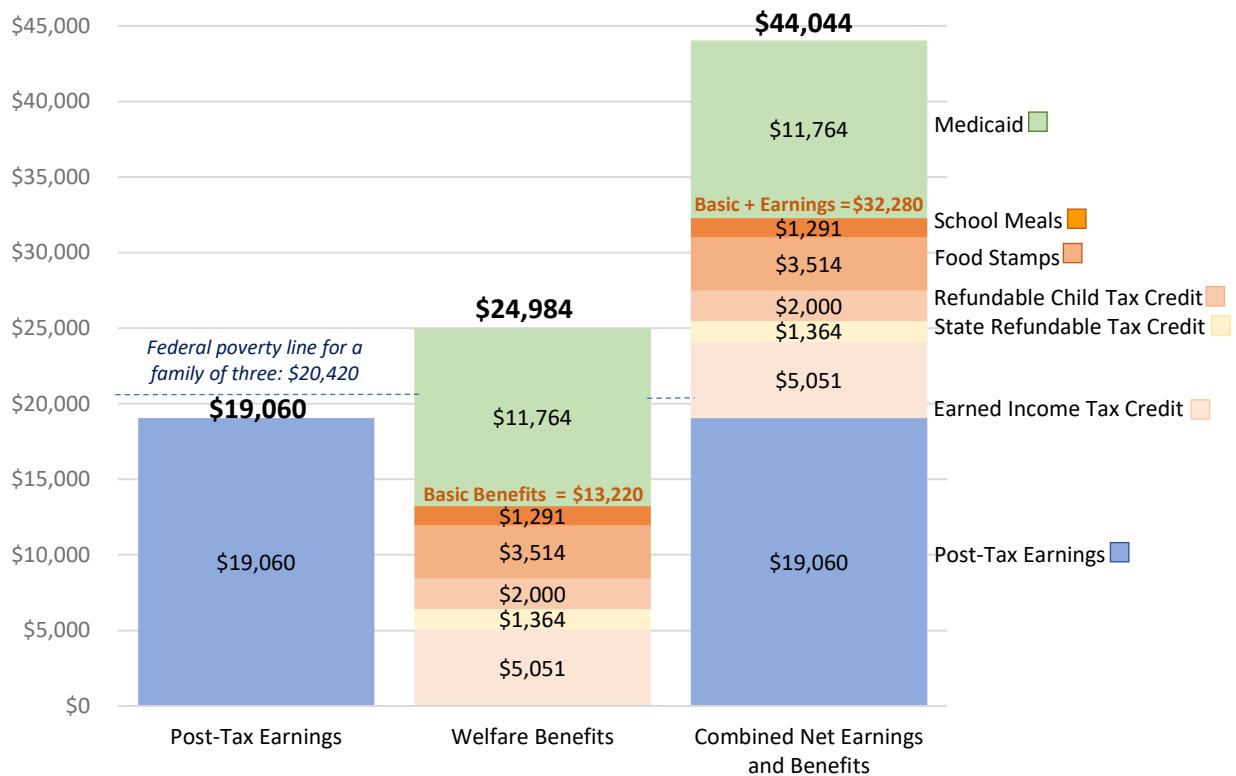
SOURCES: Author's calculations using data from Maine Department of Labor, IRS, Maine Department of Administrative and Financial Services, FNS, CMS, and HUD.

Maryland

Minimum wage = \$10.10 per hour (effective rate for July 1, 2018) or \$21,008 annually.
 The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).
 Maryland matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: MARYLAND

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Maryland

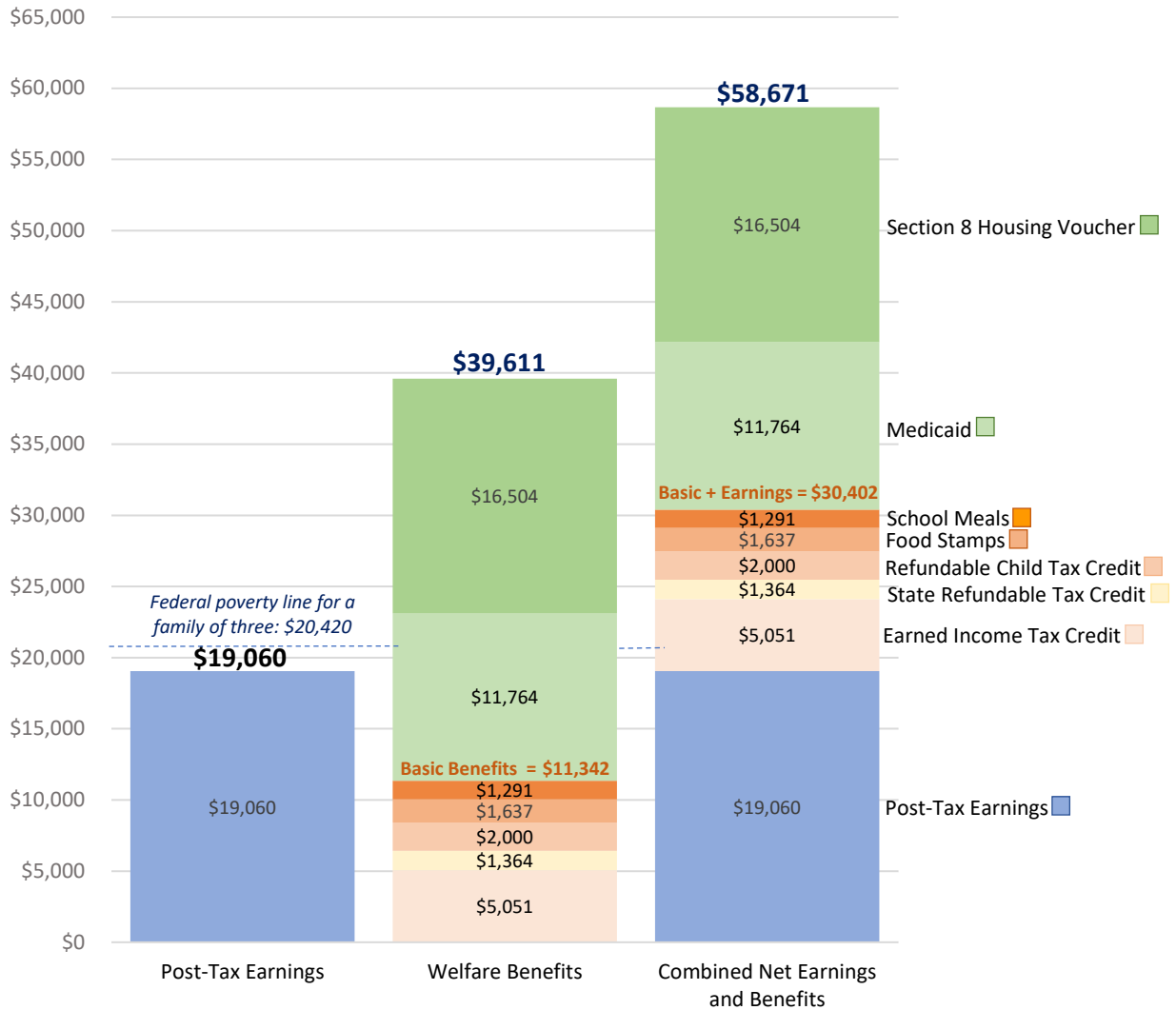


NOTES: 2017 data using minimum wage of \$10.10. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Maryland Department of Labor, Licensing and Regulation, IRS, Comptroller of Maryland, FNS, and CMS.

CHART 2: MARYLAND

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Maryland



NOTES: 2017 data using minimum wage of \$10.10. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from Maryland Department of Labor, Licensing and Regulation, IRS, Comptroller of Maryland, FNS, CMS, and HUD.

Massachusetts

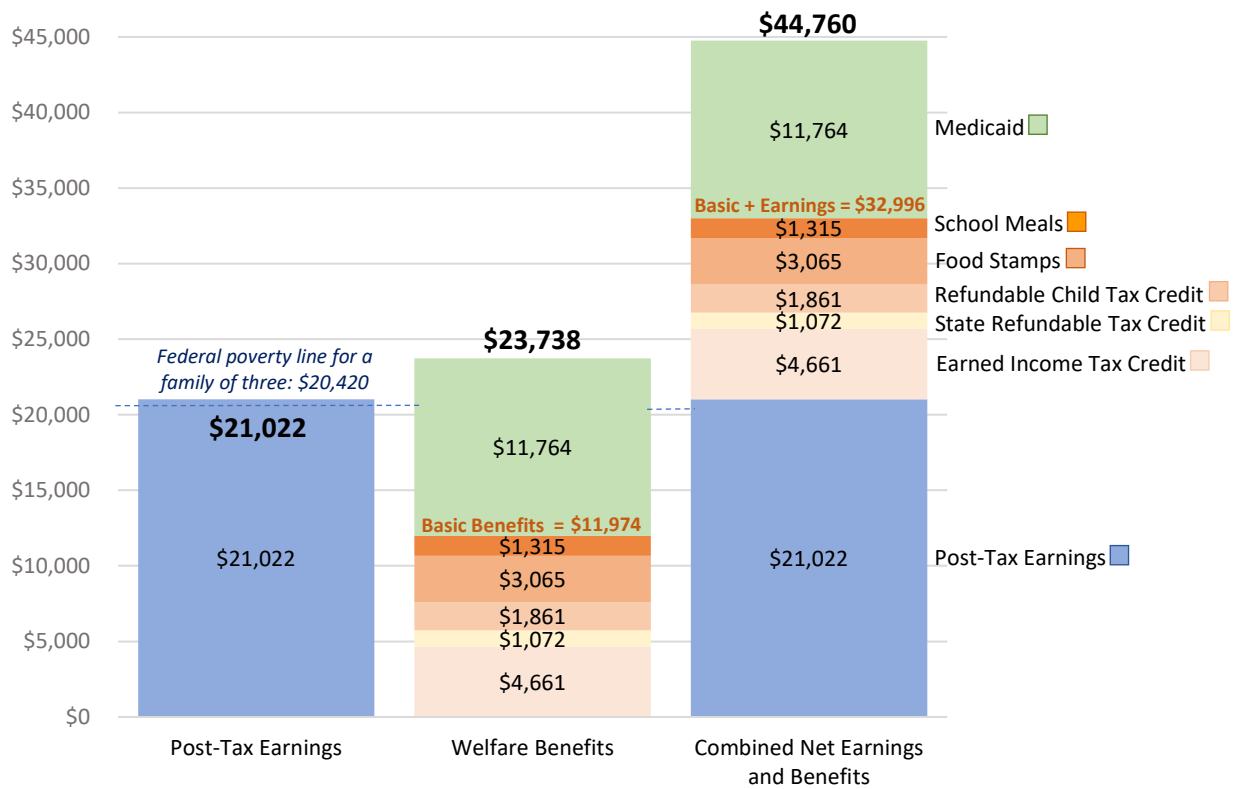
Minimum wage = \$11.00 per hour or \$22,880 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Massachusetts matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: MASSACHUSETTS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Massachusetts

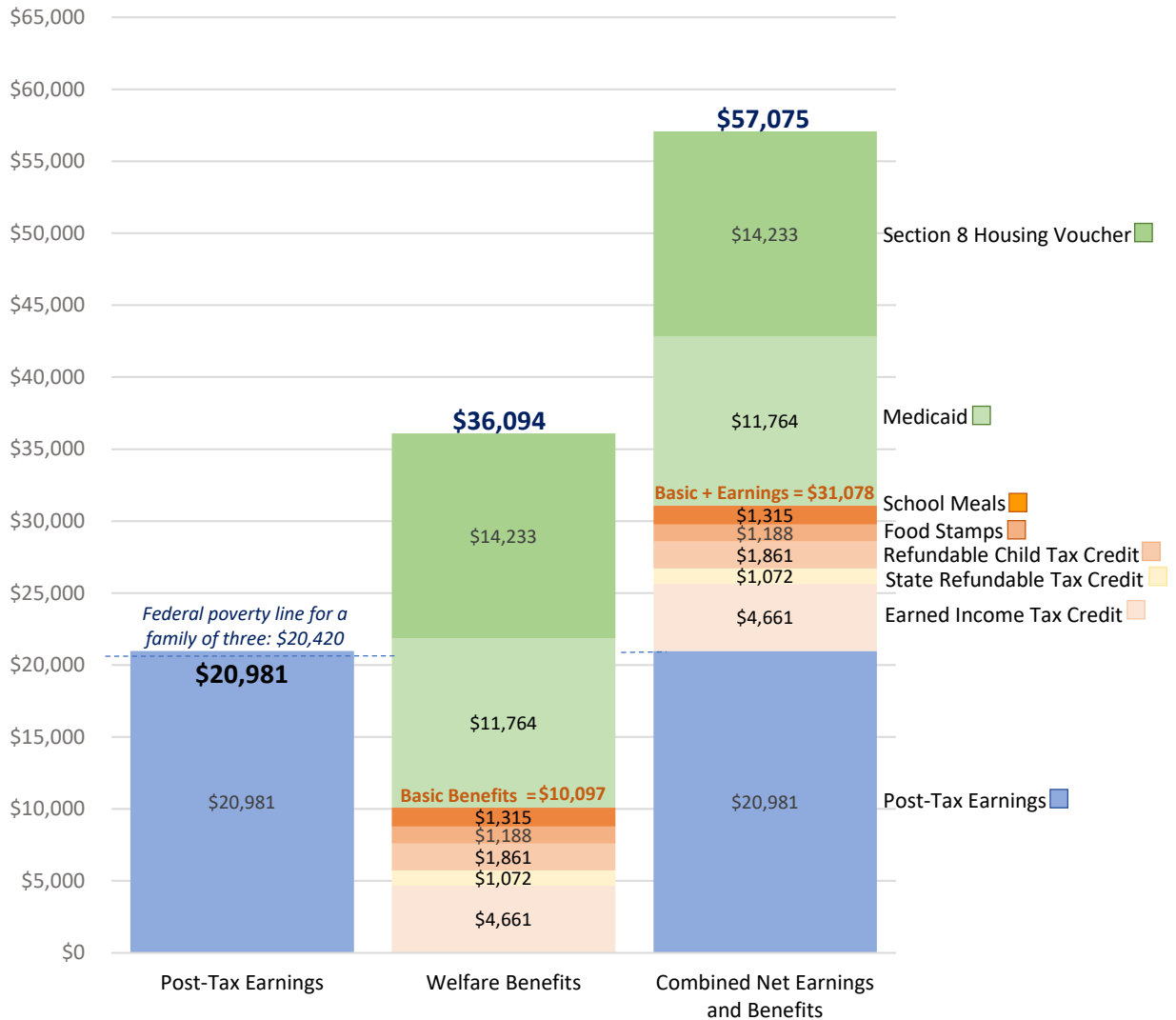


NOTES: 2017 data using minimum wage of \$11.00. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Massachusetts Executive Office of Labor & Workforce Development, IRS, Massachusetts Department of Revenue, FNS, and CMS.

CHART 2: MASSACHUSETTS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Massachusetts



NOTES: 2017 data using minimum wage of \$11.00. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from Massachusetts Executive Office of Labor & Workforce Development, IRS, Massachusetts Department of Revenue, FNS, CMS, and HUD.

Michigan

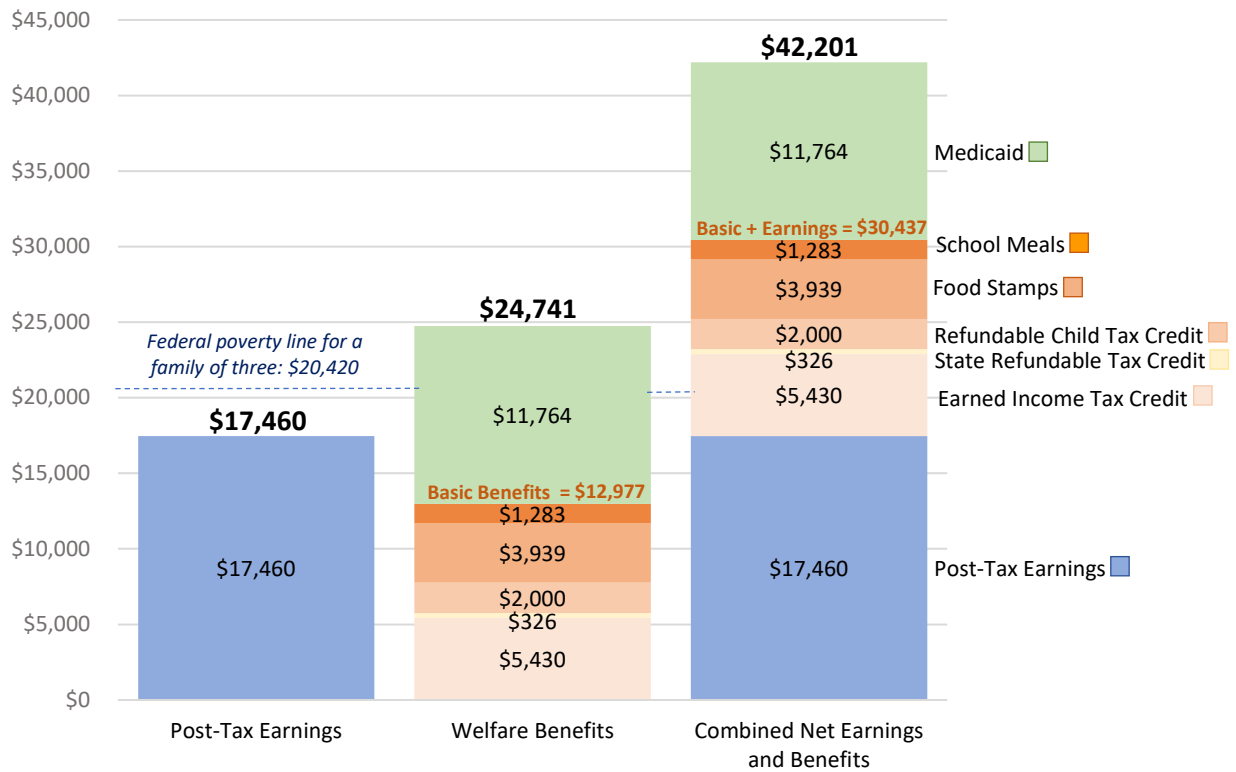
Minimum wage = \$9.25 per hour or \$19,240 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Michigan matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: MICHIGAN

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Michigan

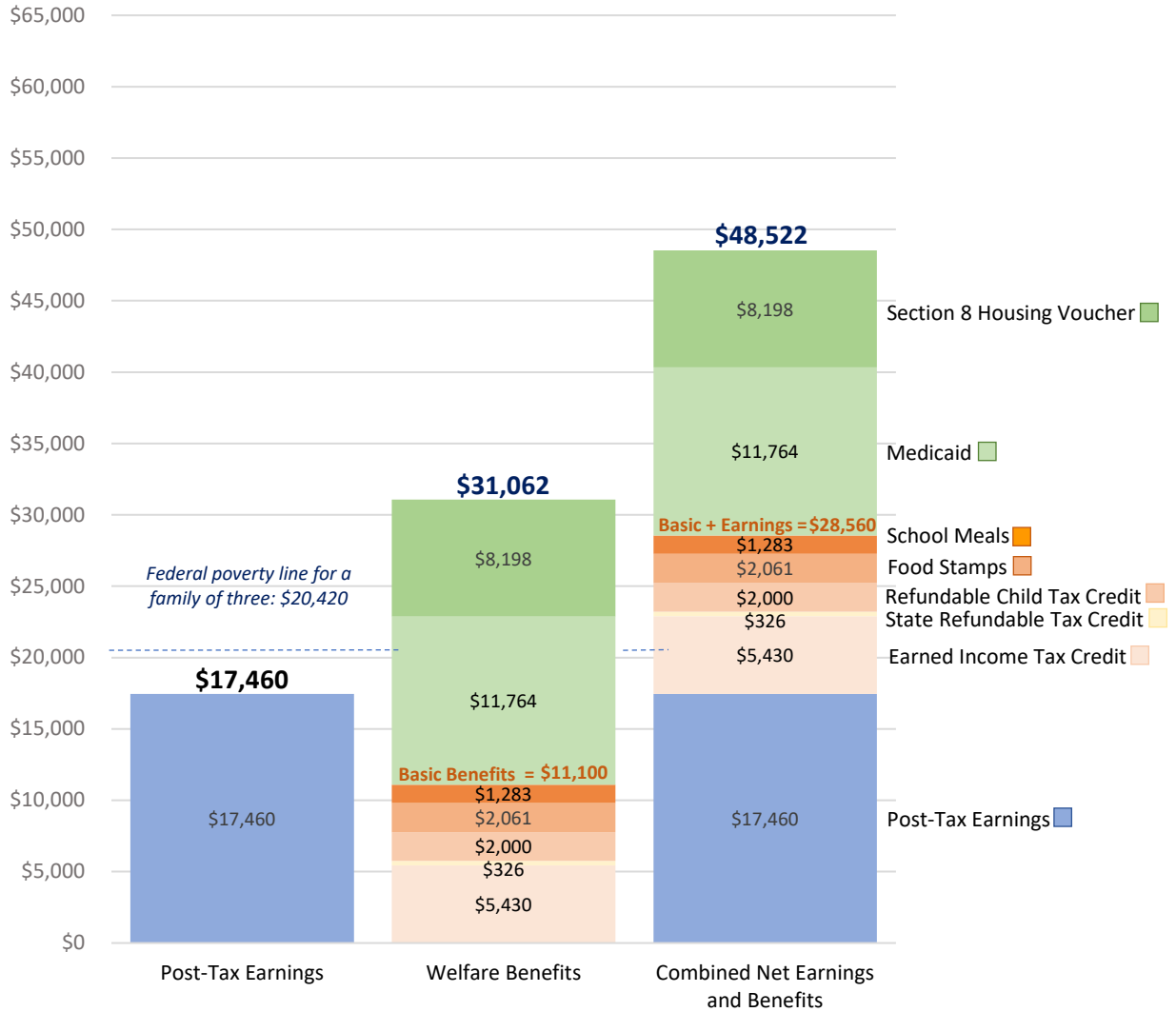


NOTES: 2017 data using minimum wage of \$9.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Michigan Department of Licensing and Regulatory Affairs, IRS, Michigan Department of Treasury, FNS, and CMS.

CHART 2: MICHIGAN

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Michigan



NOTES: 2017 data using minimum wage of \$9.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from Michigan Department of Licensing and Regulatory Affairs, IRS, Michigan Department of Treasury, FNS, CMS, and HUD.

Mississippi

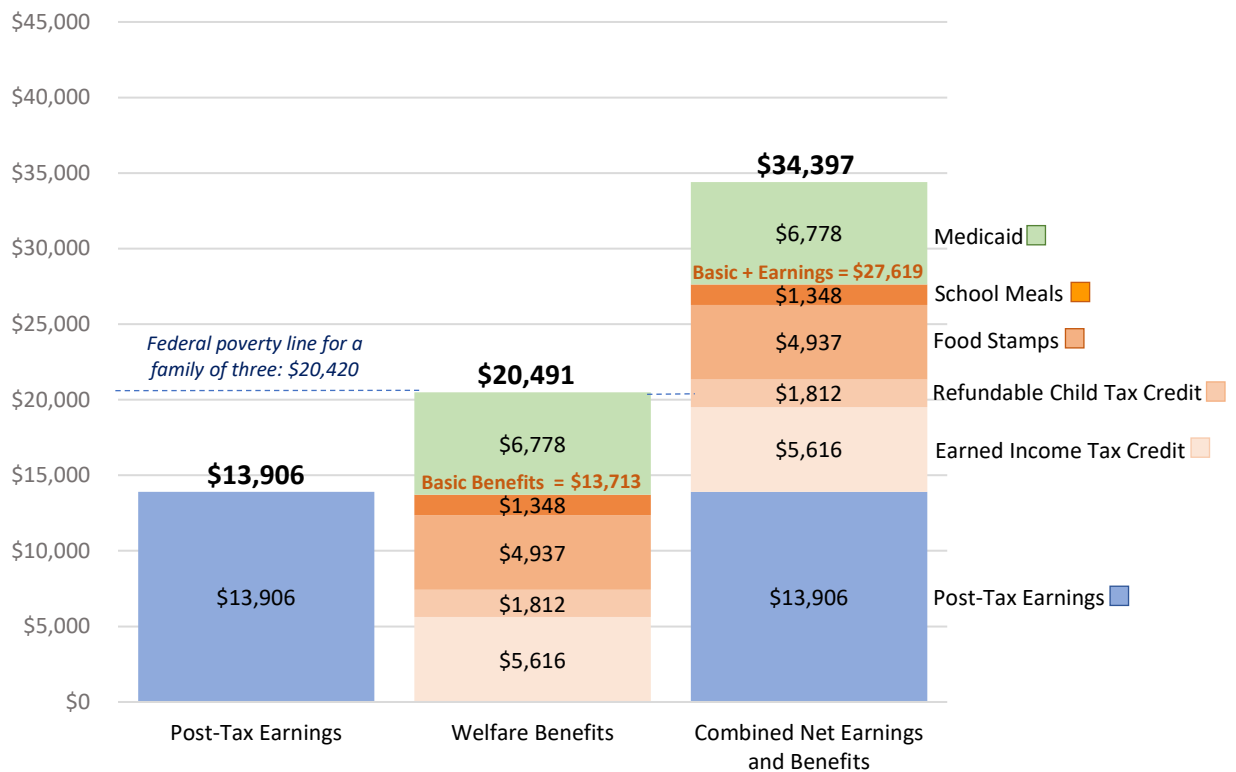
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Mississippi does not provide a match to the federal Earned Income Tax Credit.

CHART 1: MISSISSIPPI

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Mississippi

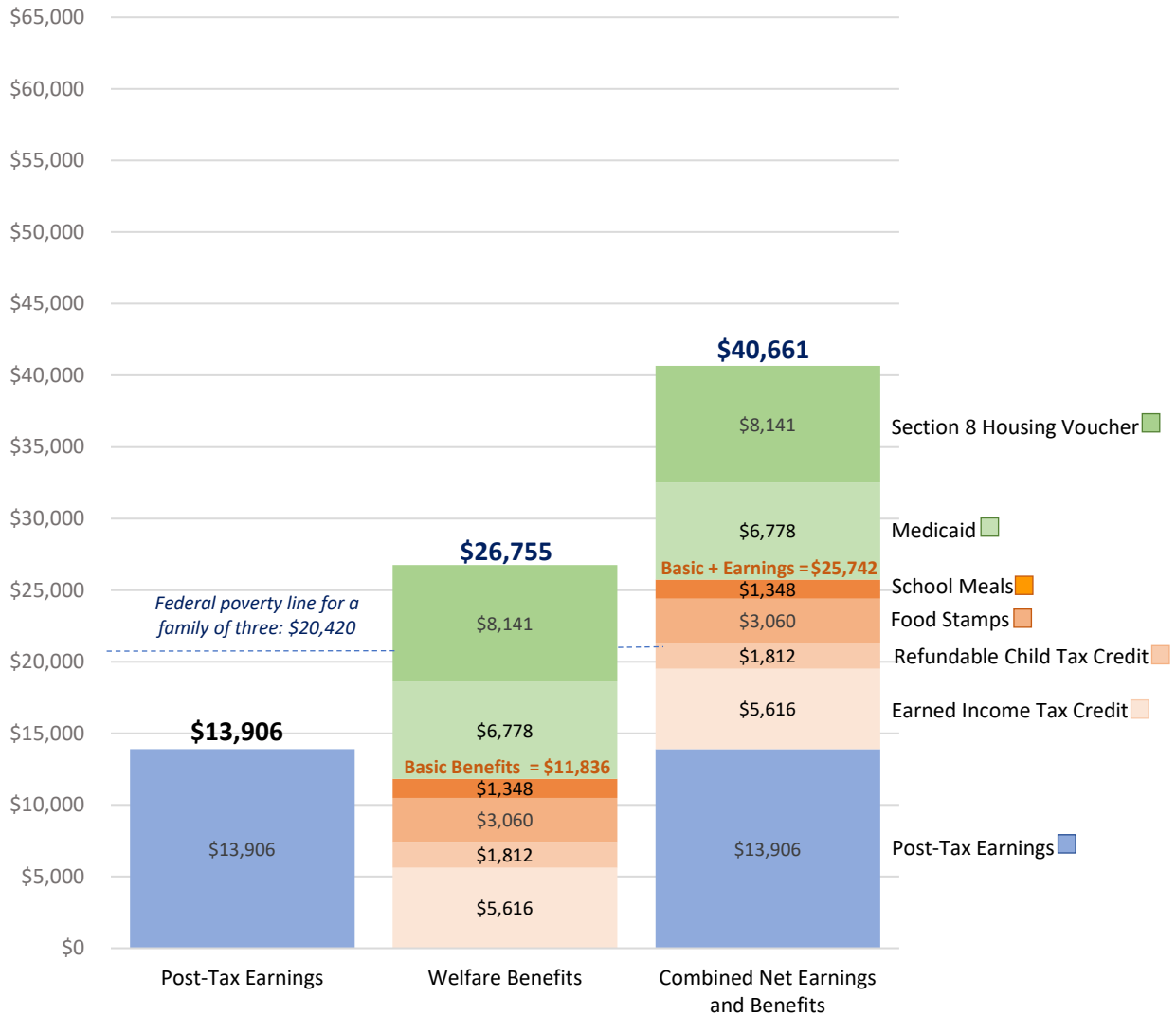


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Mississippi Department of Revenue, FNS, and CMS.

CHART 2: MISSISSIPPI

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Mississippi



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Mississippi Department of Revenue, FNS, CMS, and HUD.

Missouri

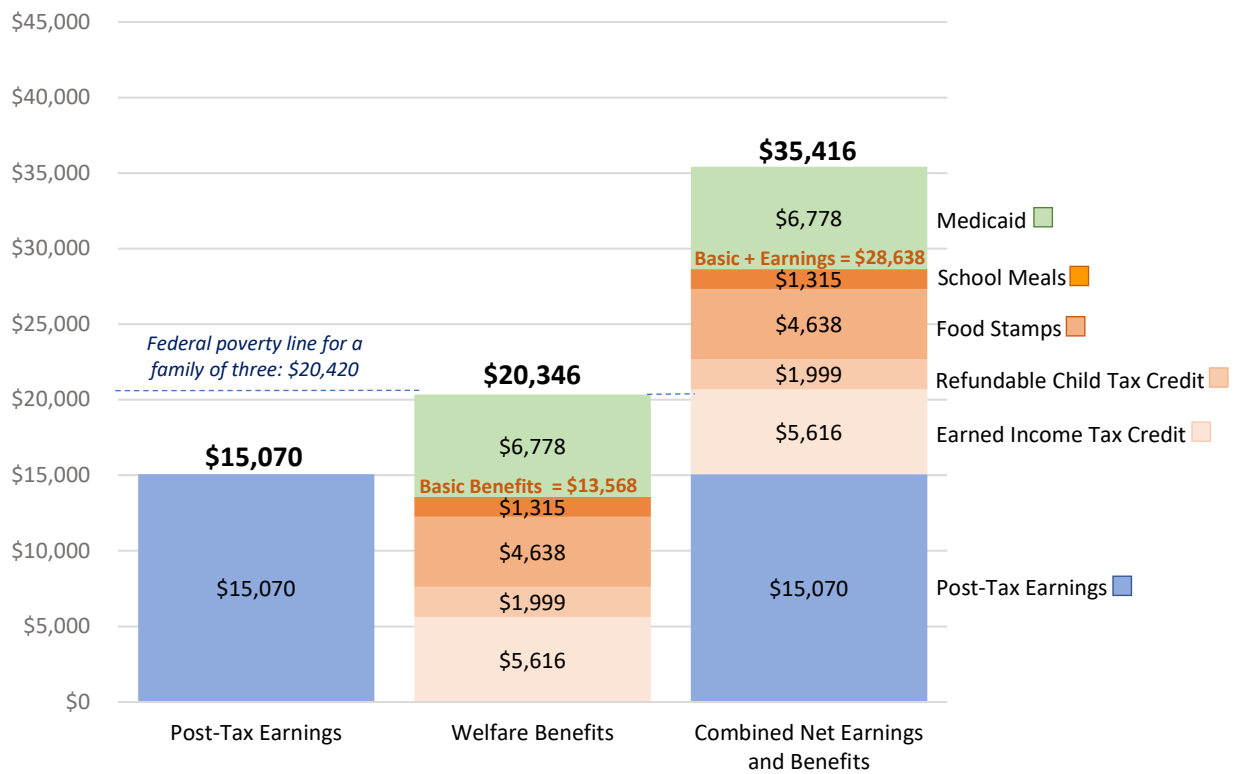
Minimum wage = \$7.85 per hour or \$16,328 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Missouri does not provide a match to the federal Earned Income Tax Credit.

CHART 1: MISSOURI

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Missouri

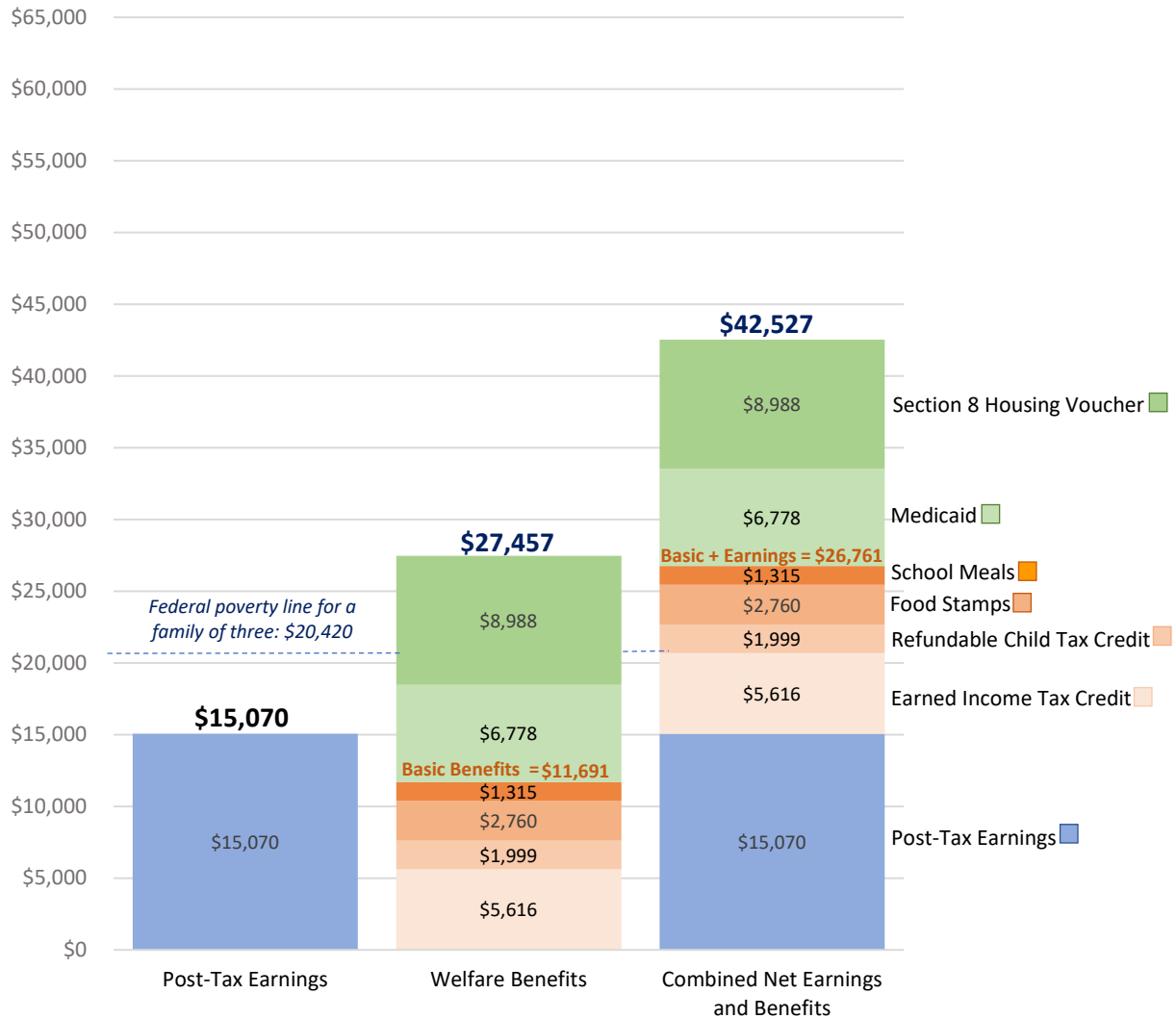


NOTES: 2017 data using minimum wage of \$7.85. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Missouri Labor and Industrial Relations Commission, IRS, Missouri Department of Revenue, FNS, and CMS.

CHART 2: MISSOURI

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Missouri



NOTES: 2017 data using minimum wage of \$7.85. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from Missouri Labor and Industrial Relations Commission, IRS, Missouri Department of Revenue, FNS, CMS, and HUD.

Nevada

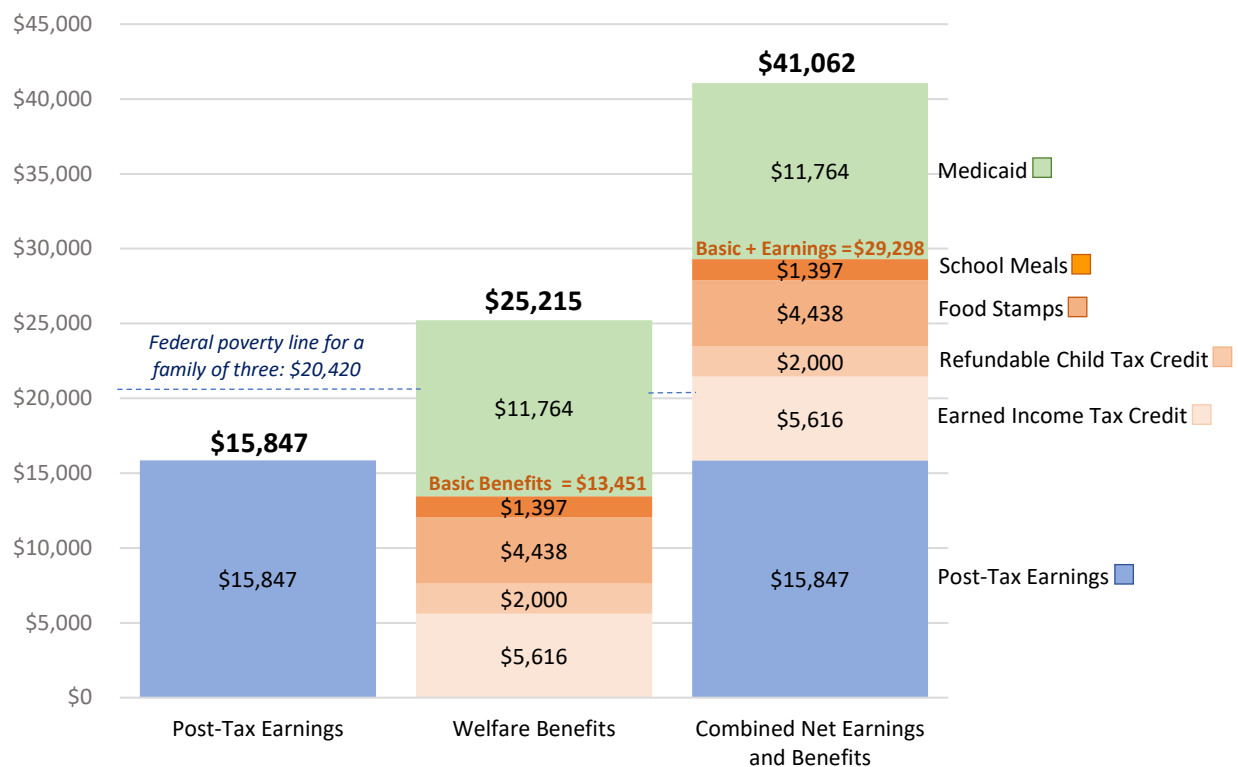
Minimum wage = \$8.25 per hour (effective rate for July 1, 2018 and assuming employer offers no health insurance) or \$17,160 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Nevada does not provide a match to the federal Earned Income Tax Credit.

CHART 1: NEVADA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Nevada

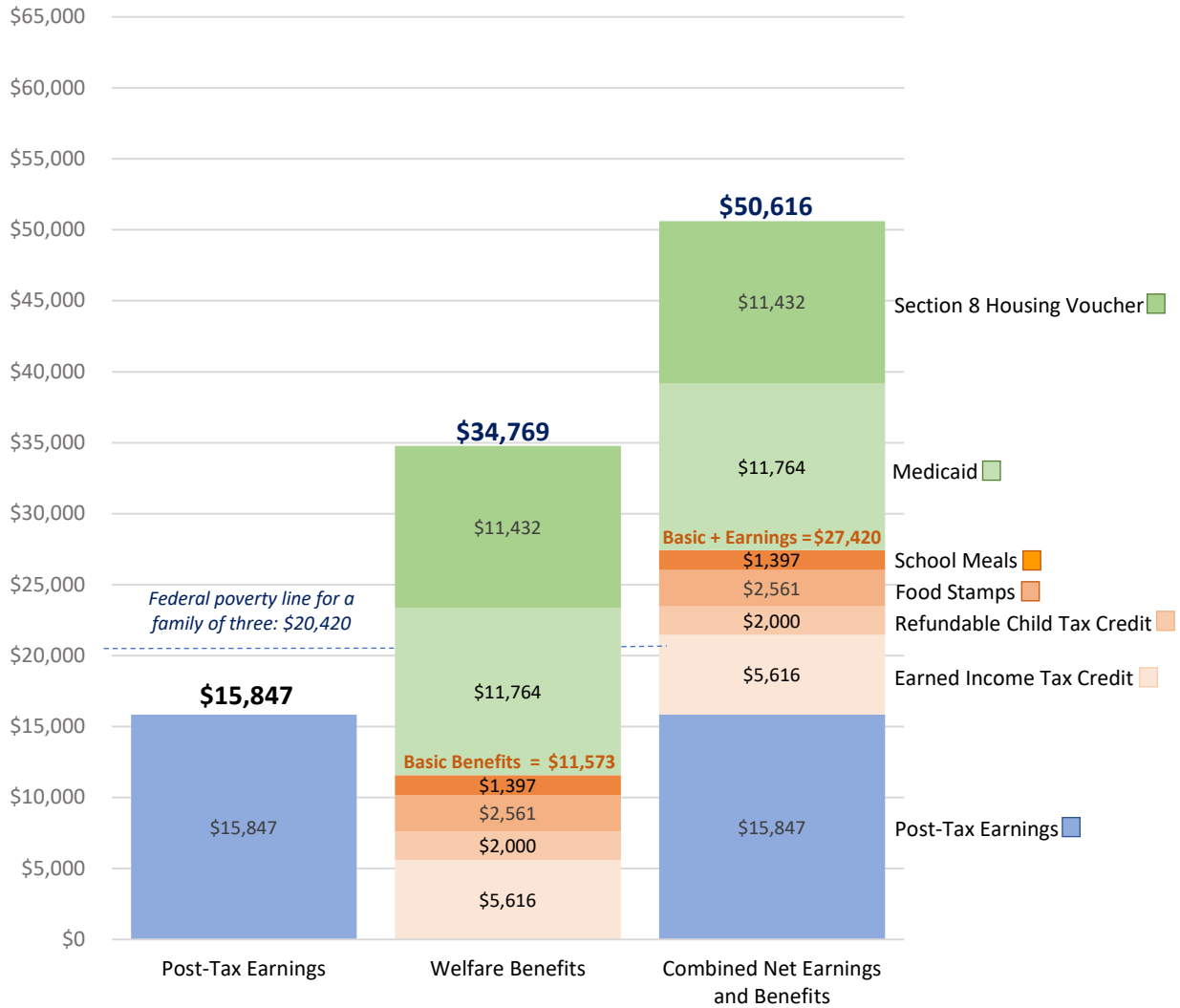


NOTES: 2017 data using minimum wage of \$8.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Nevada Department of Business and Industry, IRS, FNS, and CMS.

CHART 2: NEVADA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Nevada



NOTES: 2017 data using minimum wage of \$8.25. The children are school-age, and mom's employer does not provide health insurance.

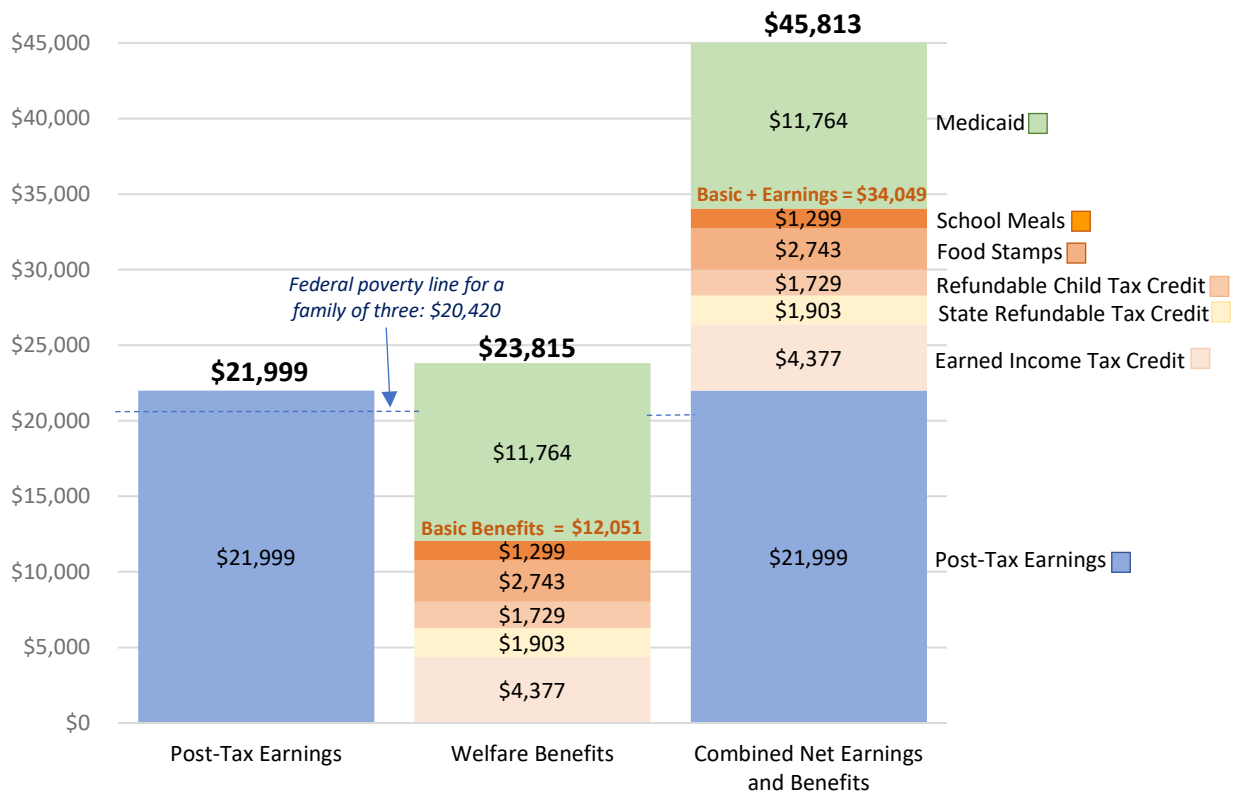
SOURCES: Author's calculations using data from Nevada Department of Business and Industry, IRS, FNS, CMS, and HUD.

New York

Minimum wage = \$11.65 per hour, which is a weighted average, or \$24,223 annually.
 The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).
 New York has a refundable child tax credit and a refundable earned income tax credit.

CHART 1: NEW YORK

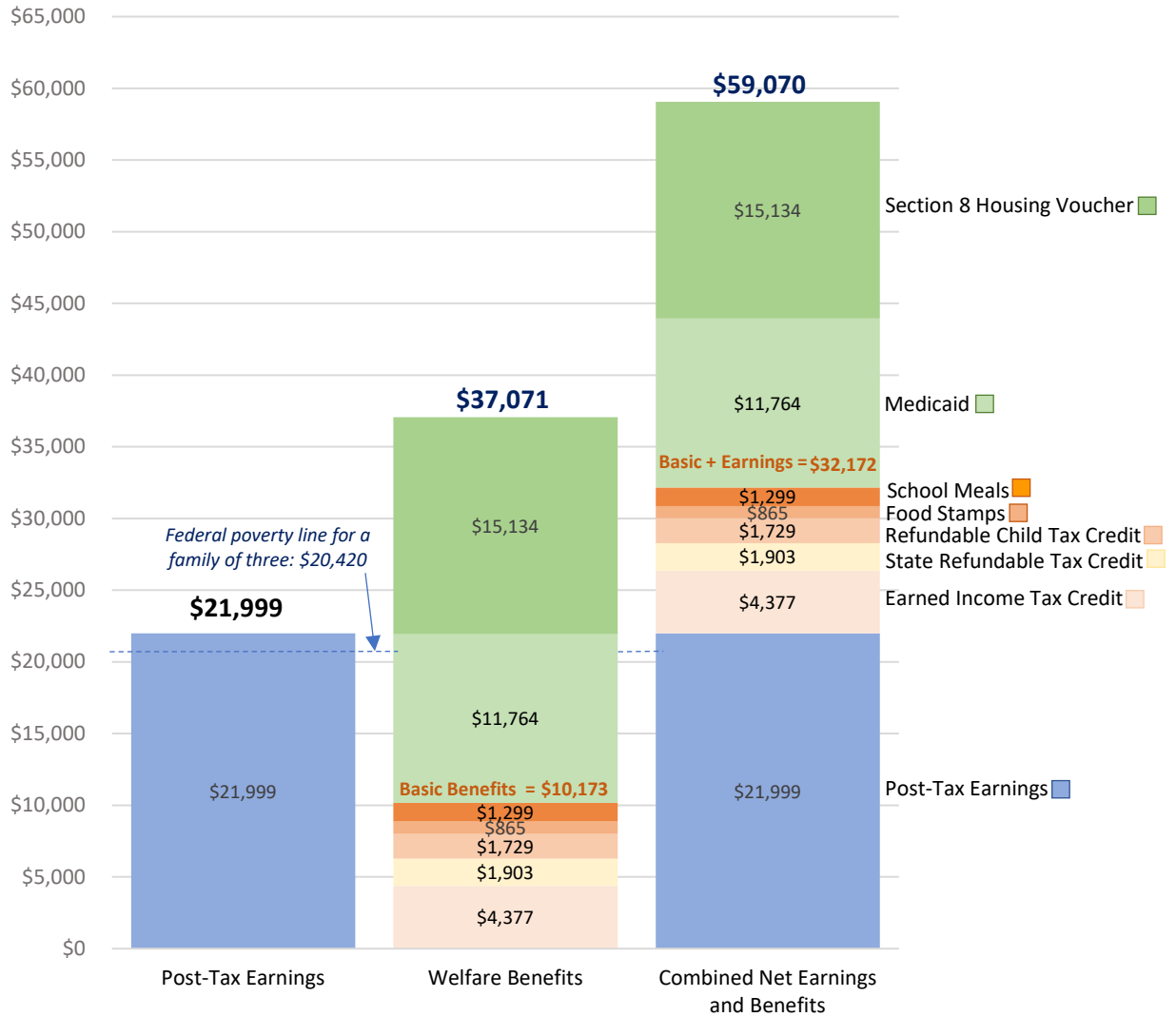
Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in New York



NOTES: 2017 data using minimum wage of \$11.65. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from the New York State Department of Labor, IRS, New York Department of Taxation and Finance, FNS, and CMS.

CHART 2: NEW YORK

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in New York



NOTES: 2017 data using minimum wage of \$11.65. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from New York State Department of Labor, IRS, New York Department of Taxation and Finance, FNS, CMS, and HUD.

Ohio

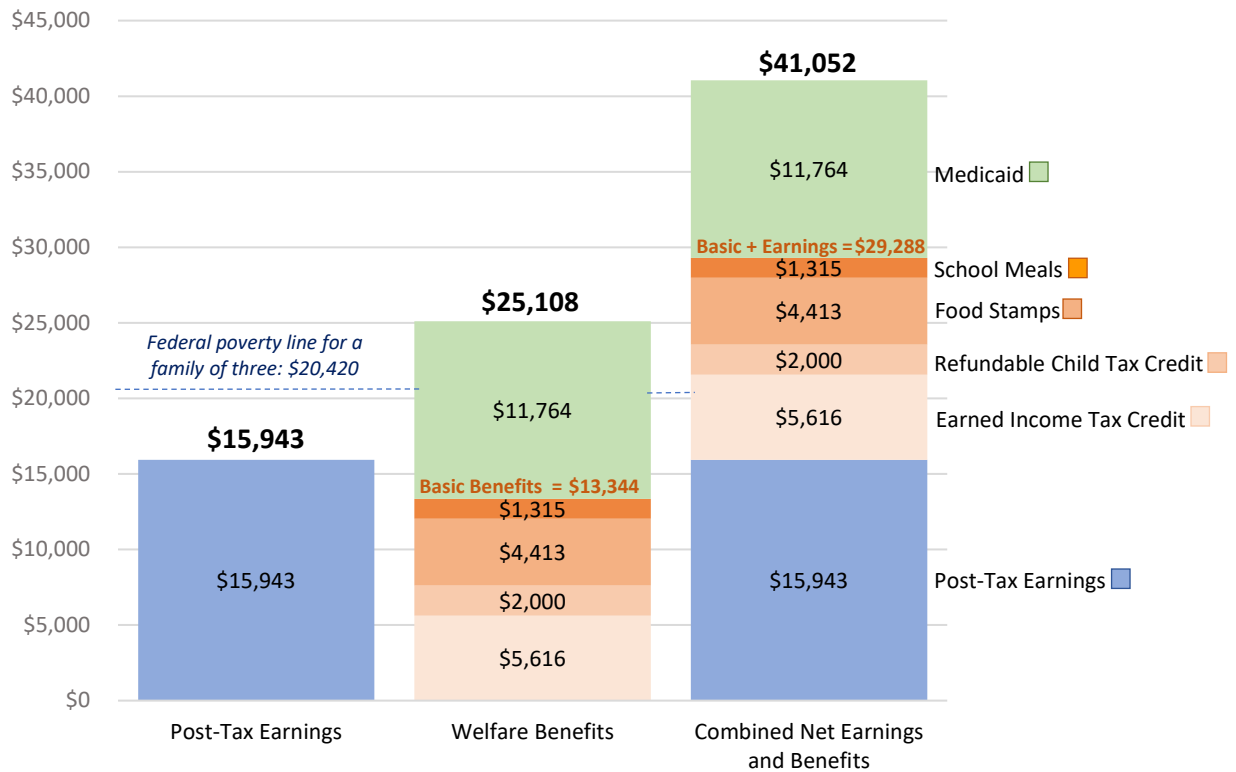
Minimum wage = \$8.30 per hour (assuming employer has gross receipts above \$305,000) or \$17,264 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Ohio does not provide a match to the federal Earned Income Tax Credit.

CHART 1: OHIO

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Ohio

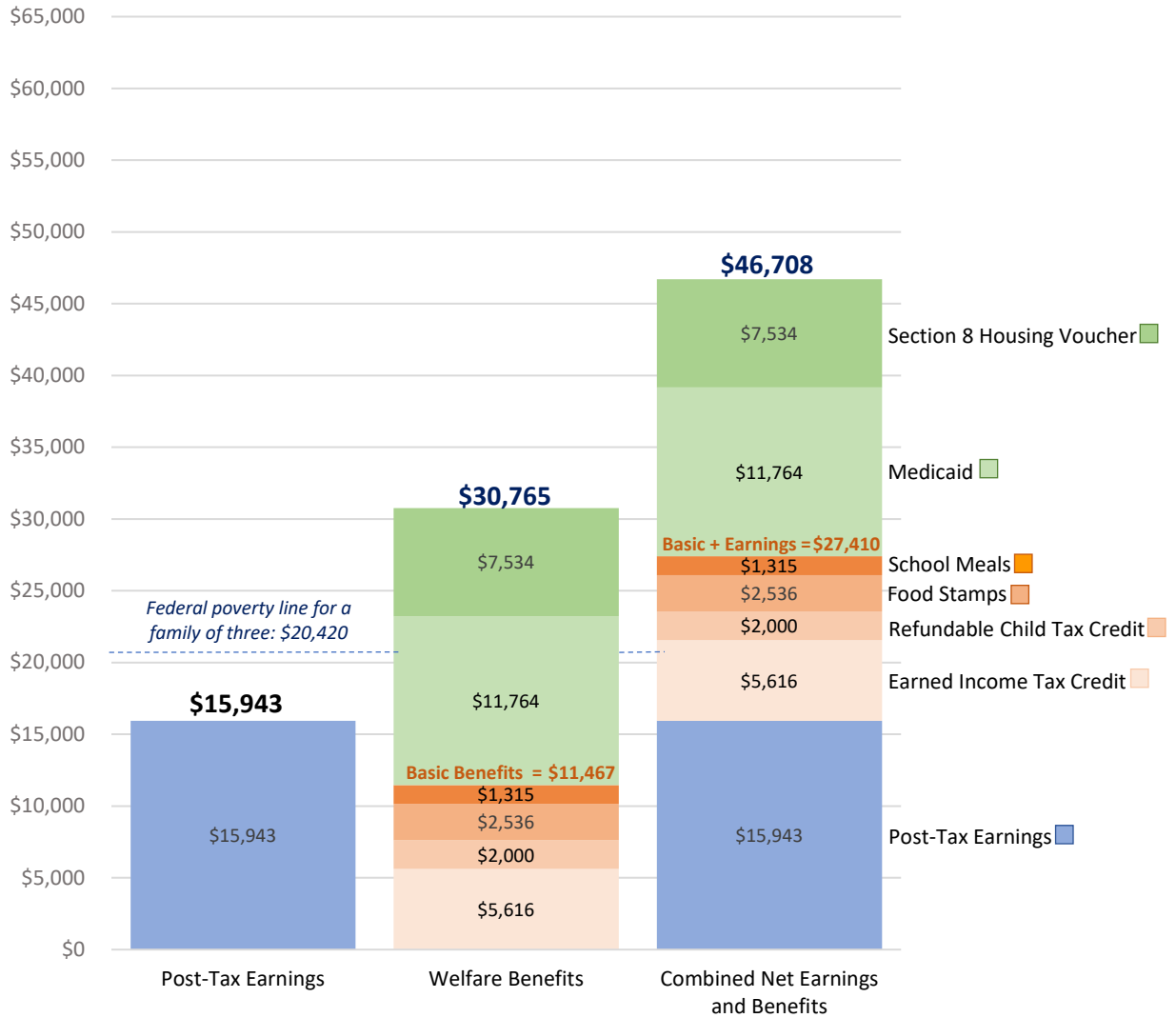


NOTES: 2017 data using minimum wage of \$8.30. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Ohio Department of Commerce, IRS, Ohio Department of Taxation, FNS, and CMS.

CHART 2: OHIO

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Ohio



NOTES: 2017 data using minimum wage of \$8.30. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from Ohio Department of Commerce, IRS, Ohio Department of Taxation, FNS, CMS, and HUD.

Oklahoma

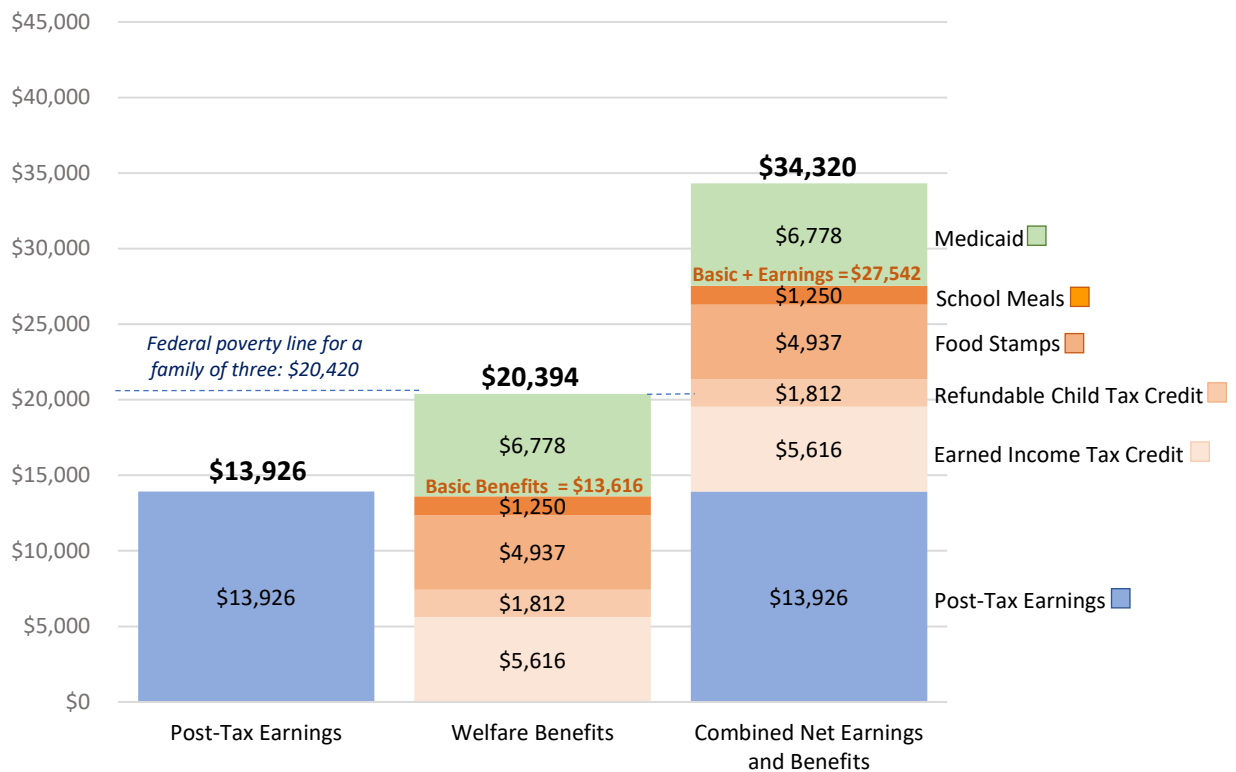
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Oklahoma does not provide a match to the federal Earned Income Tax Credit.

CHART 1: OKLAHOMA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Oklahoma

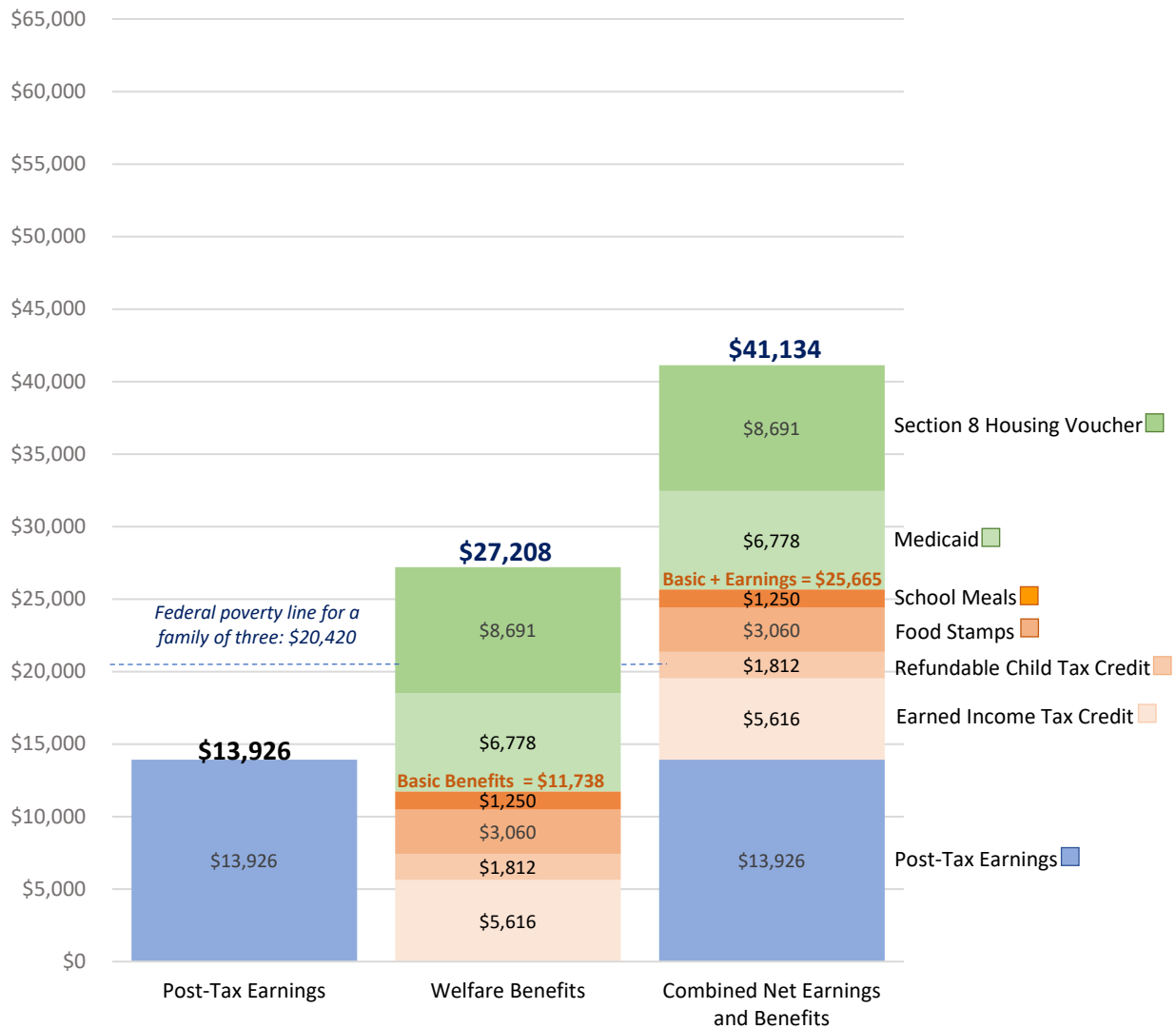


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Oklahoma Tax Commission, FNS, and CMS.

CHART 2: OKLAHOMA

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Oklahoma



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Oklahoma Tax Commission, FNS, CMS, and HUD.

Texas

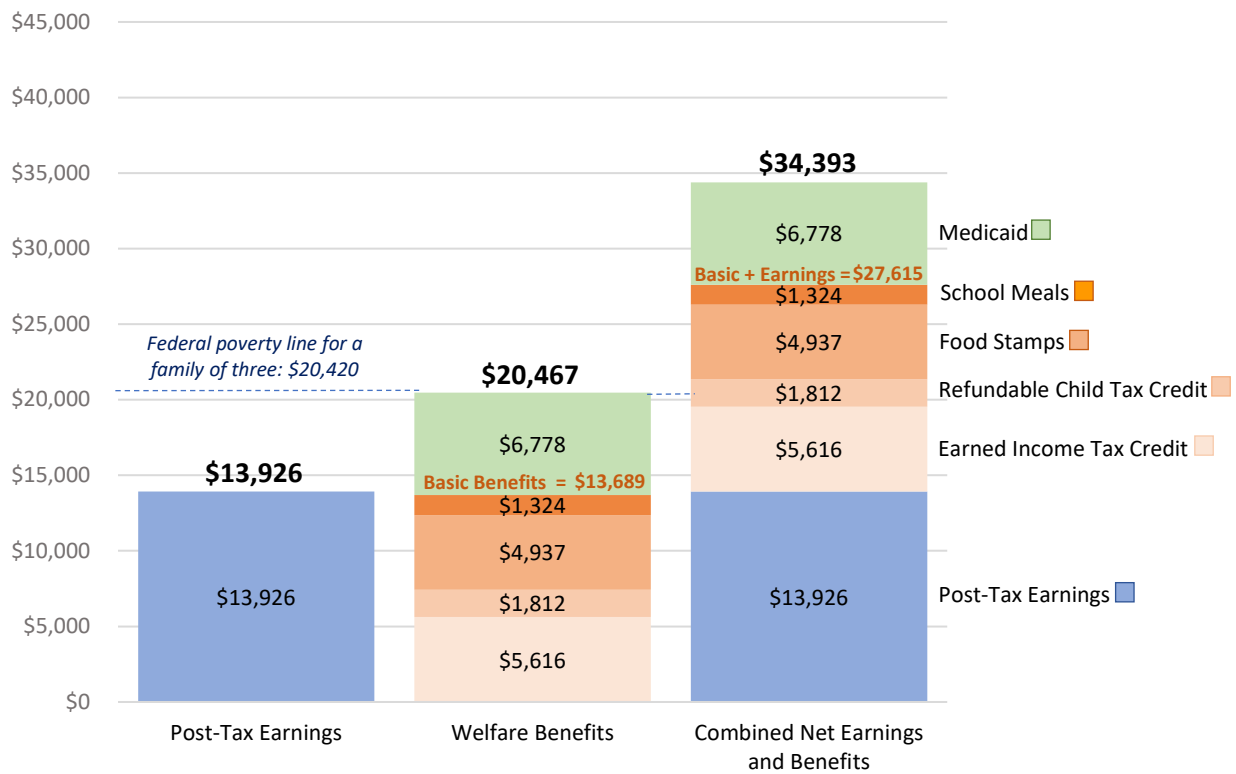
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom does not qualify for Medicaid, but the children do (estimated at \$3,389 each).

Texas does not provide a match to the federal Earned Income Tax Credit.

CHART 1: TEXAS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Texas

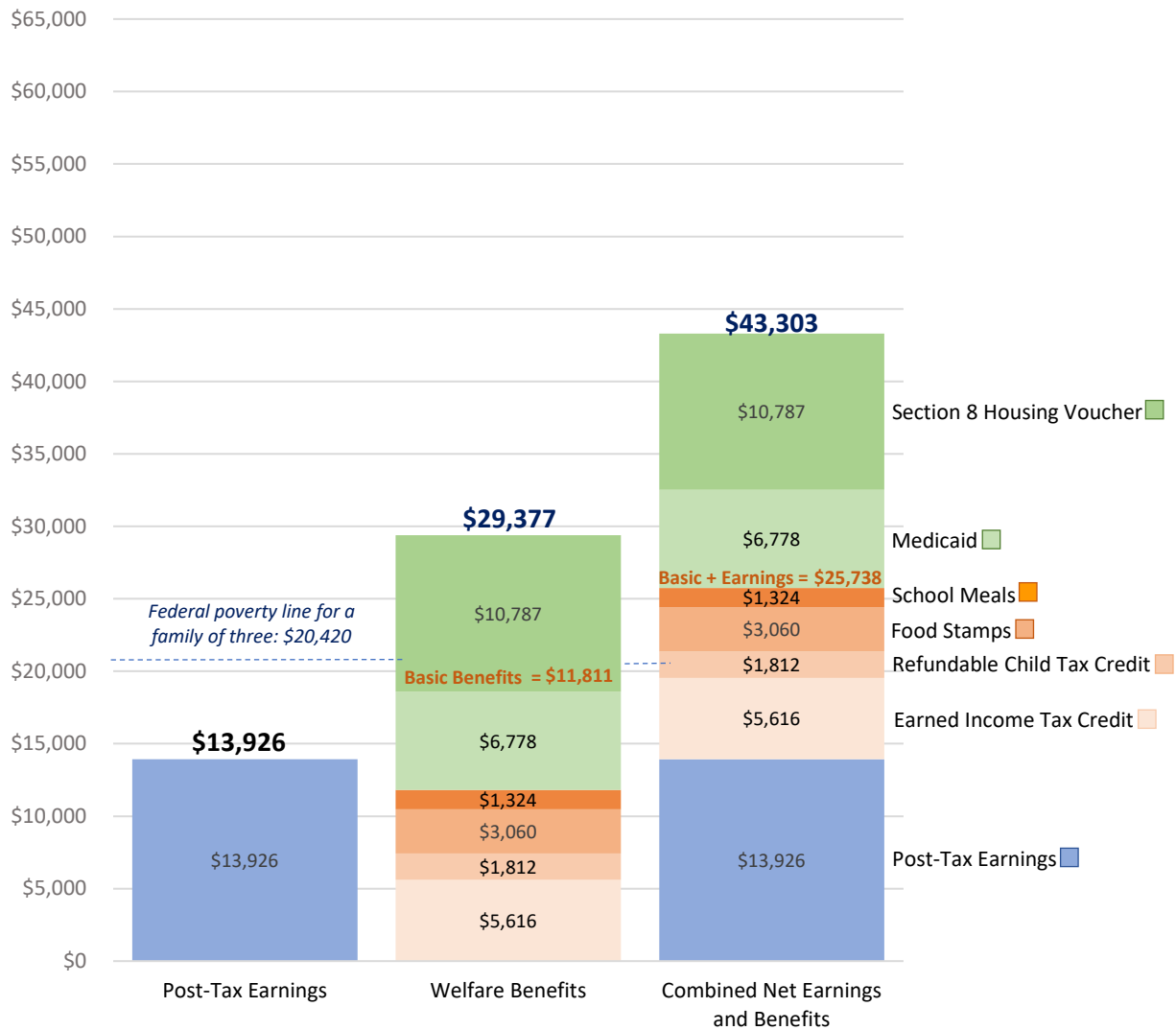


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, FNS, and CMS.

CHART 2: TEXAS

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Texas



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, FNS, CMS, and HUD.

Vermont

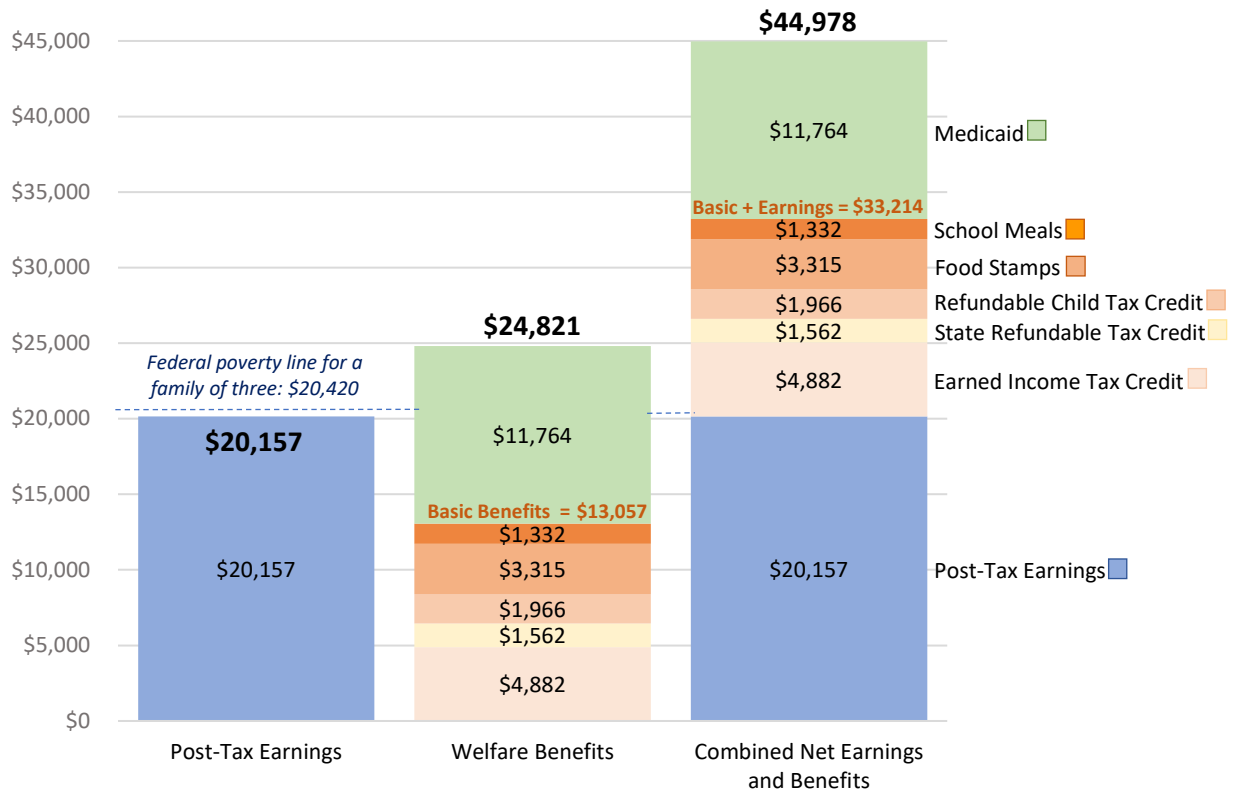
Minimum wage = \$10.50 per hour or \$21,840 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Vermont matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: VERMONT

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Vermont

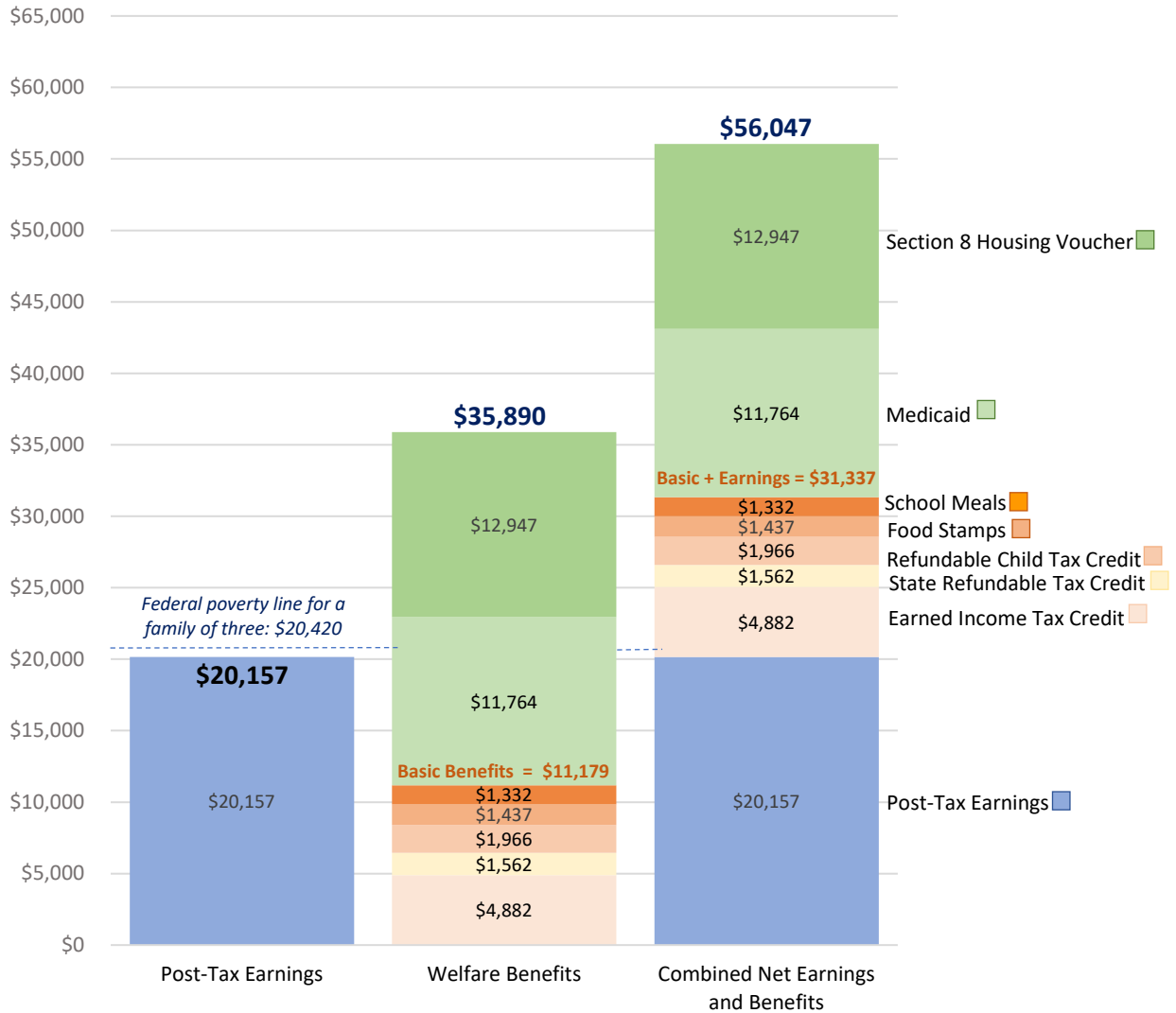


NOTES: 2017 data using minimum wage of \$10.50. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the Vermont Department of Labor, IRS, Vermont Agency of Administration, Department of Taxes, FNS, and CMS.

CHART 2: VERMONT

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Vermont



NOTES: 2017 data using minimum wage of \$10.50. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from Vermont Department of Labor, IRS, Vermont Agency of Administration, Department of Taxes, FNS, CMS, and HUD.

Wisconsin

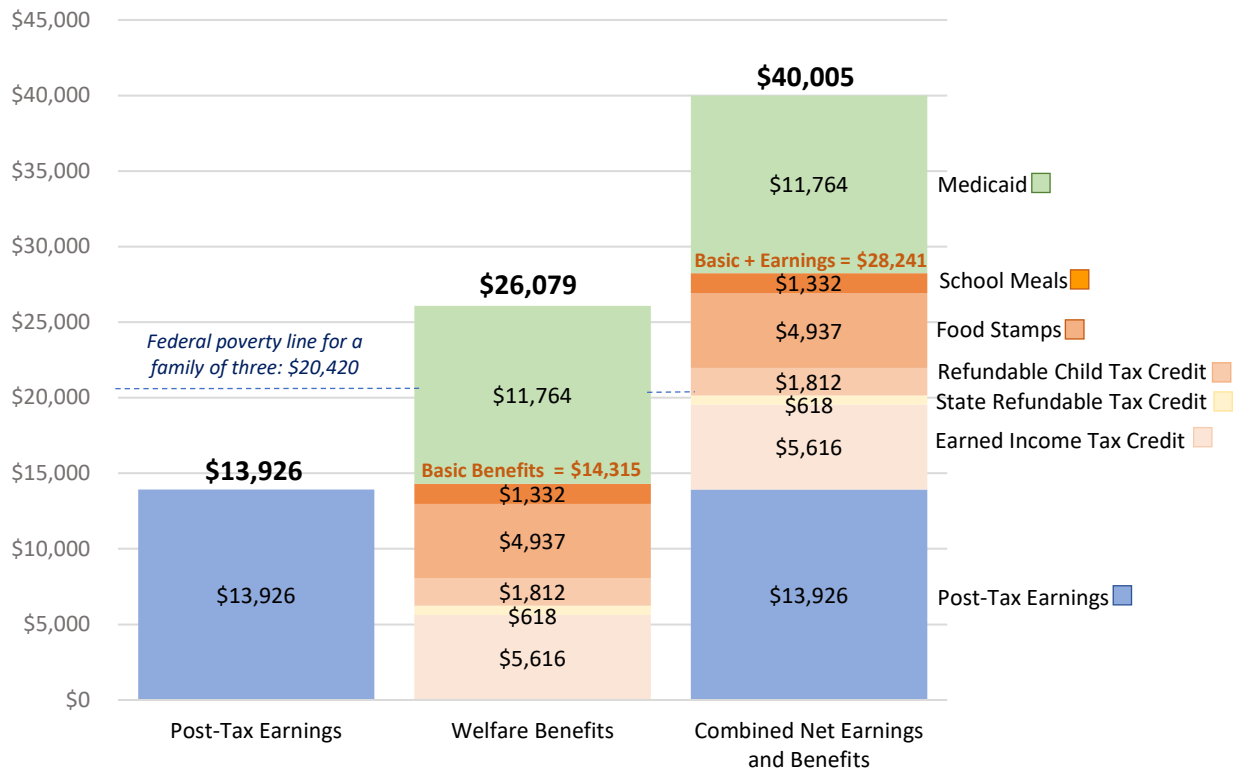
Minimum wage = \$7.25 per hour or \$15,080 annually.

The mom and the children qualify for Medicaid (estimated at \$4,986 and \$3,389 each, respectively).

Wisconsin matches the federal Earned Income Tax Credit with a refundable tax credit.

CHART 1: WISCONSIN

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, and Medical Benefits in Wisconsin

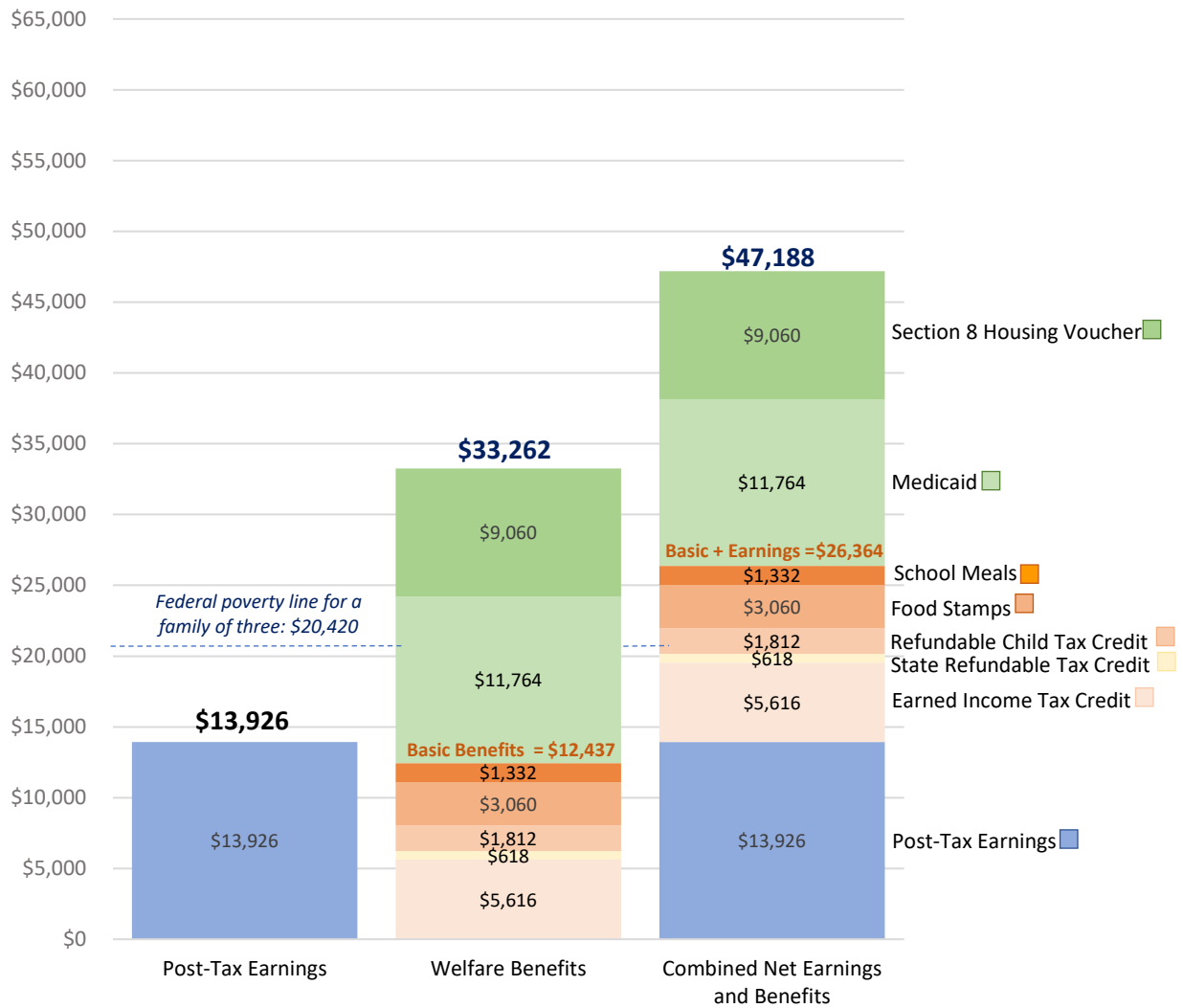


NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.

SOURCES: Author's calculations using data from the U.S. Department of Labor, IRS, Wisconsin Department of Revenue, FNS, and CMS.

CHART 2: WISCONSIN

Single Mother with Two Children Earning Minimum Wage for Full Year, Receiving Basic Cash, Food, Medical, and Housing Benefits in Wisconsin



NOTES: 2017 data using minimum wage of \$7.25. The children are school-age, and mom's employer does not provide health insurance.
 SOURCES: Author's calculations using data from U.S. Department of Labor, IRS, Wisconsin Department of Revenue, FNS, CMS, and HUD.

Table of Calculated Results

	Alabama	Arizona	Arkansas	Florida	Georgia	Idaho	Illinois	Indiana	Kansas	Kentucky	Maine	Maryland
Minimum Wage (2018)	\$7.25	\$10.50	\$8.50	\$8.25	\$7.25	\$7.25	\$8.25	\$7.25	\$7.25	\$7.25	\$10.00	\$10.10
Minimum Wage Earnings Annualized	\$15,080	\$21,840	\$17,680	\$17,160	\$15,080	\$15,080	\$17,160	\$15,080	\$15,080	\$15,080	\$20,800	\$21,008
Summary Run 1 (Assume FMR Rental Cost)												
<i>Net Earnings after Payroll and Income Taxes</i>	\$13,698	\$20,101	\$16,294	\$15,847	\$13,860	\$13,926	\$15,384	\$13,730	\$13,926	\$13,926	\$19,209	\$19,060
Refundable Earned Income Tax Credit	\$5,616	\$4,882	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,093	\$5,051
State Refundable Income Tax Credit	\$0	\$75	\$0	\$0	\$0	\$0	\$786	\$505	\$955	\$0	\$255	\$1,364
Refundable Child Tax Credit	\$1,812	\$1,966	\$2,000	\$2,000	\$1,812	\$1,812	\$2,000	\$1,812	\$1,812	\$1,812	\$2,000	\$2,000
Food Stamps	\$4,937	\$3,315	\$3,991	\$4,438	\$4,937	\$4,937	\$4,438	\$4,937	\$4,937	\$4,937	\$3,534	\$3,514
School Meals	\$1,315	\$1,348	\$1,348	\$1,315	\$1,332	\$1,242	\$1,340	\$1,348	\$1,259	\$1,283	\$1,307	\$1,291
Basic Welfare Benefits	\$13,681	\$11,586	\$12,955	\$13,369	\$13,697	\$13,607	\$14,180	\$14,218	\$14,578	\$13,648	\$12,189	\$13,220
Medicaid and Basic Health Program	\$6,778	\$11,764	\$11,764	\$6,778	\$6,778	\$6,778	\$11,764	\$11,764	\$6,778	\$11,764	\$6,778	\$11,764
Basic Welfare Benefits and Medicaid	\$20,459	\$23,350	\$24,719	\$20,147	\$20,475	\$20,385	\$25,944	\$25,982	\$21,356	\$25,412	\$18,967	\$24,984
Net Earnings and Welfare Benefits	\$34,157	\$43,451	\$41,013	\$35,995	\$34,335	\$34,312	\$41,328	\$39,713	\$35,283	\$39,338	\$38,176	\$44,044
Summary Run 2 (Assume No Housing Costs)												
<i>Net Earnings after Payroll and Income Taxes</i>	\$13,698	\$20,101	\$16,294	\$15,847	\$13,860	\$13,926	\$15,384	\$13,633	\$13,926	\$13,926	\$19,209	\$19,060
Refundable Earned Income Tax Credit	\$5,616	\$4,882	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,093	\$5,051
State Refundable Income Tax Credit	\$0	\$75	\$0	\$0	\$0	\$0	\$786	\$505	\$955	\$0	\$255	\$1,364
Refundable Child Tax Credit	\$1,812	\$1,966	\$2,000	\$2,000	\$1,812	\$1,812	\$2,000	\$1,812	\$1,812	\$1,812	\$2,000	\$2,000
Food Stamps	\$3,060	\$1,437	\$2,436	\$2,561	\$3,060	\$3,060	\$2,561	\$3,060	\$3,060	\$3,060	\$1,687	\$1,637
School Meals	\$1,315	\$1,348	\$1,348	\$1,315	\$1,332	\$1,242	\$1,340	\$1,348	\$1,259	\$1,283	\$1,307	\$1,291
Basic Welfare Benefits	\$11,803	\$9,708	\$11,400	\$11,492	\$11,819	\$11,730	\$12,303	\$12,341	\$12,701	\$11,771	\$10,342	\$11,342
Medicaid and Basic Health Program	\$6,778	\$11,764	\$11,764	\$6,778	\$6,778	\$6,778	\$11,764	\$11,764	\$6,778	\$11,764	\$6,778	\$11,764
Basic Welfare Benefits and Medicaid	\$18,581	\$21,472	\$23,164	\$18,270	\$18,597	\$18,508	\$24,067	\$24,105	\$19,479	\$23,535	\$17,120	\$23,106
Net Earnings and Welfare Benefits	\$32,280	\$41,574	\$39,458	\$34,117	\$32,458	\$32,434	\$39,451	\$37,738	\$33,405	\$37,461	\$36,328	\$42,166
Summary Run 3 (Assume Section 8 Housing)												
<i>Net Earnings after Payroll and Income Taxes</i>	\$13,698	\$20,101	\$16,294	\$15,847	\$13,860	\$13,926	\$15,384	\$13,730	\$13,926	\$13,926	\$19,209	\$19,060
Refundable Earned Income Tax Credit	\$5,616	\$4,882	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$5,093	\$5,051
State Refundable Income Tax Credit	\$0	\$75	\$0	\$0	\$0	\$0	\$786	\$505	\$955	\$0	\$255	\$1,364
Refundable Child Tax Credit	\$1,812	\$1,966	\$2,000	\$2,000	\$1,812	\$1,812	\$2,000	\$1,812	\$1,812	\$1,812	\$2,000	\$2,000
Food Stamps	\$3,060	\$1,437	\$2,436	\$2,561	\$3,060	\$3,060	\$2,561	\$3,060	\$3,060	\$3,060	\$1,687	\$1,637
School Meals	\$1,315	\$1,348	\$1,348	\$1,315	\$1,332	\$1,242	\$1,340	\$1,348	\$1,259	\$1,283	\$1,307	\$1,291
Basic Welfare Benefits	\$11,803	\$9,708	\$11,400	\$11,492	\$11,819	\$11,730	\$12,303	\$12,341	\$12,701	\$11,771	\$10,342	\$11,342
Medicaid and Basic Health Program	\$6,778	\$11,764	\$11,764	\$6,778	\$6,778	\$6,778	\$11,764	\$11,764	\$6,778	\$11,764	\$6,778	\$11,764
Basic Welfare Benefits and Medicaid	\$18,581	\$21,472	\$23,164	\$18,270	\$18,597	\$18,508	\$24,067	\$24,105	\$19,479	\$23,535	\$17,120	\$23,106
Section 8 Housing Choice Voucher	\$8,302	\$9,528	\$6,294	\$13,130	\$10,181	\$8,604	\$12,448	\$8,128	\$9,213	\$7,881	\$7,579	\$16,504
Total Welfare Benefits	\$26,883	\$31,000	\$29,457	\$31,400	\$28,778	\$27,112	\$36,514	\$32,233	\$28,692	\$31,416	\$24,698	\$39,611
Net Earnings and Total Welfare Benefits	\$40,582	\$51,101	\$45,752	\$47,248	\$42,638	\$41,039	\$51,899	\$45,963	\$42,618	\$45,342	\$43,907	\$58,671

Calculated Results *continued*

	Massachusetts	Michigan	Mississippi	Missouri	Nevada ¹	Nevada ²	New York	Ohio	Oklahoma	Texas	Vermont	Wisconsin
Minimum Wage (2018)	\$11.00	\$9.25	\$7.25	\$7.85	\$8.25	\$7.25	\$11.65	\$8.30	\$7.25	\$7.25	\$10.50	\$7.25
Minimum Wage Earnings Annualized	\$22,880	\$19,240	\$15,080	\$16,328	\$17,160	\$15,080	\$24,223	\$17,264	\$15,080	\$15,080	\$21,840	\$15,080
Summary Run 1 (Assume FMR Rental Cost)												
Net Earnings after Payroll and Income Taxes	\$21,022	\$17,460	\$13,906	\$15,070	\$15,847	\$13,926	\$21,999	\$15,943	\$13,926	\$13,926	\$20,157	\$13,926
Refundable Earned Income Tax Credit	\$4,661	\$5,430	\$5,616	\$5,616	\$5,616	\$5,616	\$4,377	\$5,616	\$5,616	\$5,616	\$4,882	\$5,616
State Refundable Income Tax Credit	\$1,072	\$326	\$0	\$0	\$0	\$0	\$1,903	\$0	\$0	\$0	\$1,562	\$618
Refundable Child Tax Credit	\$1,861	\$2,000	\$1,812	\$1,999	\$2,000	\$1,812	\$1,729	\$2,000	\$1,812	\$1,812	\$1,966	\$1,812
Food Stamps	\$3,065	\$3,939	\$4,937	\$4,638	\$4,438	\$4,937	\$2,743	\$4,413	\$4,937	\$4,937	\$3,315	\$4,937
School Meals	\$1,315	\$1,283	\$1,348	\$1,315	\$1,397	\$1,397	\$1,299	\$1,315	\$1,250	\$1,324	\$1,332	\$1,332
Basic Welfare Benefits	\$11,974	\$12,977	\$13,713	\$13,568	\$13,451	\$13,762	\$12,051	\$13,344	\$13,616	\$13,689	\$13,057	\$14,315
Medicaid and Basic Health Program	\$11,764	\$11,764	\$6,778	\$6,778	\$11,764	\$6,778	\$11,764	\$11,764	\$6,778	\$6,778	\$11,764	\$11,764
Basic Welfare Benefits and Medicaid	\$23,738	\$24,741	\$20,491	\$20,346	\$25,215	\$20,540	\$23,815	\$25,108	\$20,394	\$20,467	\$24,821	\$26,079
Net Earnings and Welfare Benefits	\$44,760	\$42,201	\$34,397	\$35,416	\$41,062	\$34,466	\$45,813	\$41,052	\$34,320	\$34,393	\$44,978	\$40,005
Summary Run 2 (Assume No Housing Costs)												
Net Earnings after Payroll and Income Taxes	\$20,869	\$17,460	\$13,906	\$15,070	\$15,847	\$13,926	\$21,999	\$15,943	\$13,926	\$13,926	\$20,157	\$13,926
Refundable Earned Income Tax Credit	\$4,661	\$5,430	\$5,616	\$5,616	\$5,616	\$5,616	\$4,377	\$5,616	\$5,616	\$5,616	\$4,882	\$5,616
State Refundable Income Tax Credit	\$1,072	\$326	\$0	\$0	\$0	\$0	\$1,903	\$0	\$0	\$0	\$1,562	\$618
Refundable Child Tax Credit	\$1,861	\$2,000	\$1,812	\$1,999	\$2,000	\$1,812	\$1,729	\$2,000	\$1,812	\$1,812	\$1,966	\$1,812
Food Stamps	\$1,188	\$2,061	\$3,060	\$2,760	\$2,561	\$3,060	\$865	\$2,536	\$3,060	\$3,060	\$1,437	\$3,060
School Meals	\$1,315	\$1,283	\$1,348	\$1,315	\$1,397	\$1,397	\$1,299	\$1,315	\$1,250	\$1,324	\$1,332	\$1,332
Basic Welfare Benefits	\$10,097	\$11,100	\$11,836	\$11,691	\$11,573	\$11,884	\$10,173	\$11,467	\$11,738	\$11,811	\$11,179	\$12,437
Medicaid and Basic Health Program	\$11,764	\$11,764	\$6,778	\$6,778	\$11,764	\$6,778	\$11,764	\$11,764	\$6,778	\$6,778	\$11,764	\$11,764
Basic Welfare Benefits and Medicaid	\$21,861	\$22,864	\$18,614	\$18,469	\$23,337	\$18,662	\$21,937	\$23,231	\$18,516	\$18,589	\$22,943	\$24,201
Net Earnings and Welfare Benefits	\$42,730	\$40,324	\$32,520	\$33,539	\$39,184	\$32,589	\$43,936	\$39,174	\$32,443	\$32,516	\$43,101	\$38,128
Summary Run 3 (Assume Section 8 Housing)												
Net Earnings after Payroll and Income Taxes	\$20,981	\$17,460	\$13,906	\$15,070	\$15,847	\$13,926	\$21,999	\$15,943	\$13,926	\$13,926	\$20,157	\$13,926
Refundable Earned Income Tax Credit	\$4,661	\$5,430	\$5,616	\$5,616	\$5,616	\$5,616	\$4,377	\$5,616	\$5,616	\$5,616	\$4,882	\$5,616
State Refundable Income Tax Credit	\$1,072	\$326	\$0	\$0	\$0	\$0	\$1,903	\$0	\$0	\$0	\$1,562	\$618
Refundable Child Tax Credit	\$1,861	\$2,000	\$1,812	\$1,999	\$2,000	\$1,812	\$1,729	\$2,000	\$1,812	\$1,812	\$1,966	\$1,812
Food Stamps	\$1,188	\$2,061	\$3,060	\$2,760	\$2,561	\$3,060	\$865	\$2,536	\$3,060	\$3,060	\$1,437	\$3,060
School Meals	\$1,315	\$1,283	\$1,348	\$1,315	\$1,397	\$1,397	\$1,299	\$1,315	\$1,250	\$1,324	\$1,332	\$1,332
Basic Welfare Benefits	\$10,097	\$11,100	\$11,836	\$11,691	\$11,573	\$11,884	\$10,173	\$11,467	\$11,738	\$11,811	\$11,179	\$12,437
Medicaid and Basic Health Program	\$11,764	\$11,764	\$6,778	\$6,778	\$11,764	\$6,778	\$11,764	\$11,764	\$6,778	\$6,778	\$11,764	\$11,764
Basic Welfare Benefits and Medicaid	\$21,861	\$22,864	\$18,614	\$18,469	\$23,337	\$18,662	\$21,937	\$23,231	\$18,516	\$18,589	\$22,943	\$24,201
Section 8 Housing Choice Voucher	\$14,233	\$8,198	\$8,141	\$8,988	\$11,432	\$12,056	\$15,134	\$7,534	\$8,691	\$10,787	\$12,947	\$9,060
Total Welfare Benefits	\$36,094	\$31,062	\$26,755	\$27,457	\$34,769	\$30,718	\$37,071	\$30,765	\$27,208	\$29,377	\$35,890	\$33,262
Net Earnings and Total Welfare Benefits	\$57,075	\$48,522	\$40,661	\$42,527	\$50,616	\$44,644	\$59,070	\$46,708	\$41,134	\$43,303	\$56,047	\$47,188

Notes: ¹Assumes employer does not offer health plan. ²Assumes employer offers health plan.

Sources, Detailed Assumptions, and Methodology

The fundamental family assumption is a single mother with two grade-school-age children consisting of one boy and one girl, and no family member has a disability. Unless otherwise noted, all forms and sources were accessed between February 15 and June 4, 2018.

Minimum Wages and Annualized Earnings

This analysis assumes the general minimum wage effective in each state based on state law. It excludes minimum wages for tipped workers. In the absence of a state minimum wage law, the federal rate becomes the effective rate. It is not uncommon for states to exempt classes of employees, such as for agriculture or family members in a family-run business.

Because New York State law has several general minimum wages, a weighted average was calculated. Some states have dual minimum wage requirements based on the size of the employer. In all cases, the larger employer has the higher minimum wage requirement and the firms subject to the lower minimum wage requirement tend to be very small: a single employee firm in Michigan, a firm having less than \$305,000 in gross receipts in Ohio, and a single employee firm in Vermont. However, Missouri exempts retail or service firms with less than \$500,000 in annual gross income. Nevada splits its minimum wage based on whether the employer offers its employees health insurance, having the higher requirement on firms that do not. In this case, the higher minimum wage was chosen to be displayed in the charts, but the calculations for both rates are provided in the summary table.

Only state law and no local government minimum wage ordinances were considered.

The gross (pre-tax) annual wages for each family is calculated by multiplying the effective minimum wage rate by 40 hours per week and by 52 weeks per year. For example, the federal minimum wage is \$7.25. Therefore, the gross annual earnings using the federal minimum wage is $\$7.25 \times 40 \times 52 = \$15,080$.

The United States Department of Labor has a webpage dedicated to the minimum wage, which was updated on January 1, 2018: <https://www.dol.gov/whd/minwage/america.htm>. Of the states selected for analysis, *Alabama* and *Mississippi* do not have a minimum wage law. Therefore, the federal rate of \$7.25 per hour applies. *Georgia* has a minimum wage of \$5.15 per hour. Because it is lower than the federal rate, the federal rate applies. The following states have the same minimum wage as the federal rate: *Idaho, Indiana, Kansas, Kentucky, Oklahoma, Texas, and Wisconsin*.

For those states with minimum wage rates above the federal rate, the rates were confirmed by referring to the websites of each state's department entrusted to enforce its minimum wage law, and in some cases, the state law itself was reviewed.

Arizona: Voters approved a referendum on November 8, 2016, giving the Industrial Commission the authority to implement a minimum wage. The Arizona Fair Wages and Healthy Families Act establishes \$10.50 as the hourly minimum wage for 2018. This will increase to \$11.00 in 2019 and to \$12.00 in 2020. Thereafter, it will increase for the cost of living based on changes to the Consumer Price Index: <https://www.azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/23/00363.htm>, [https://www.azica.gov/sites/default/files/media/FREQUENTLY ASKED QUESTIONS MasterwTOC FINAL 020518.pdf](https://www.azica.gov/sites/default/files/media/FREQUENTLY%20ASKED%20QUESTIONS%20MasterwTOC%20FINAL%20020518.pdf), and <https://www.azica.gov/labor-minimum-wage-main-page>.

Arkansas: Voters passed a referendum in November 2014 that raised the state’s minimum wage to \$7.50 for 2015, \$8.00 for 2016, and \$8.50 for 2017 and thereafter. Full-time students may receive a lower minimum wage equal to 85 percent of the general rate provided they are not employed more than 20 hours per week. The Arkansas Department of Labor is responsible for enforcement of the minimum wage law: <http://www.labor.arkansas.gov/minimum-wage-and-overtime>, <https://labor.publishpath.com/web/sites/labor/images/May29MinWageRegs2.pdf>, and <http://www.labor.arkansas.gov/websites/labor/images/2014IssueNo5.pdf>.

Florida: Voters adopted a petition creating a constitutional amendment establishing a minimum wage. Article 10 Section 24 of the Florida State Constitution (<http://dos.myflorida.com/media/693801/florida-constitution.pdf>) established a minimum wage of \$6.15 that became effective six months after enactment on May 2, 2005, and charges the “Agency for Workforce Innovation” to calculate new minimum wages annually for each calendar year based on the Consumer Price Index for the South Region. For 2018, the Florida Department of Economic Opportunity calculated the hourly minimum wage to be \$8.25: <http://www.floridajobs.org/business-growth-and-partnerships/for-employers/display-posters-and-required-notice> and <http://www.floridajobs.org/docs/default-source/2018-minimum-wage/florida-minimum-wage-2018-announcement.pdf>

Illinois: The Illinois Department of Labor enforces the statutory minimum wage of \$8.25 per hour that became effective on July 2, 2010. Workers under 18 may be paid fifty cents less: <https://www2.illinois.gov/idol/Laws-Rules/FLS/Pages/minimum-wage-law.aspx> and <http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2400>.

Maine: Enforced by the Maine Department of Labor, Maine’s state law establishes a minimum wage of \$10.00 per hour for 2018. It will increase to \$11.00 for 2019 and \$12.00 for 2020. Thereafter, the minimum wage “must be increased” based on the Consumer Price Index for the Northeast Region: http://www.maine.gov/labor/labor_laws/minimum_wage_faq.html and <http://legislature.maine.gov/legis/statutes/26/title26sec664.html>.

Maryland: The Department of Labor, Licensing and Regulation regulates Maryland’s statute that establishes the hourly minimum wage of \$9.25 effective on July 1, 2017, and it increases to \$10.10 on July 1, 2018. Amusement and recreational establishments may pay 85 percent of the minimum wage rate, as well as employers of employees under 20 years of age for the first six months. The rate effective July 1, 2018, was used in this analysis. <https://www.dllr.state.md.us/labor/wages/minimumwagelaw.pdf>.

Massachusetts: Enforced by the Executive Office of Labor & Workforce Development, Massachusetts law establishes an hourly minimum wage of \$11.00: <https://www.mass.gov/minimum-wage-program> and <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXI/Chapter151/Section1>. The Commissioner of the Executive Office has the power to approve a lower wage by 50 cents per hour in special circumstances.

Michigan: The Department of Licensing and Regulatory Affairs enforces the Workforce Opportunity Wage Act of 2014 with an hourly minimum wage of \$9.25 for 2018: <https://www.michigan.gov/lara/0,4601,7-154-59886-453913--,00.html>. The rate does not apply to single employee firms, and employees ages 16 and 17 may be paid a wage that is 85% of the minimum wage.

Missouri: The Department of Labor and Industrial Relations annually calculates the minimum wage, which may decrease or increase based on the Consumer Price Index. The hourly rate for 2018 is \$7.85:

<https://labor.mo.gov/DLS/MinimumWage> and <http://revisor.mo.gov/main/OneSection.aspx?section=290.502&bid=15335&hl>. The minimum wage law does not apply to enumerated exceptions, including retail or service firms with annual gross revenue under \$500,000. <http://revisor.mo.gov/main/OneSection.aspx?section=290.500&bid=15334&hl>.

Nevada: The Office of the Labor Commissioner of the Department of Business and Industry published the minimum wage of \$7.25 per hour if the employer offers qualifying health plans. Otherwise, the effective rate for July 1, 2018, is \$8.25 per hour. As in the case for Maryland, the effective rate for July 1, 2018 was used to calculate the annual earnings. The charts presented in this report assume no health plan was offered to the mom. However, the Table of Calculated Results provides both examples. The Nevada Constitution was amended in 2006 to allow for annual increases in the minimum wage based on the Consumer Price Index but the increase can be no more than 3 percent. The constitutional provision has a procedure to allow for its rescission: <https://www.leg.state.nv.us/Const/NvConst.html#Art15> and <http://labor.nv.gov/uploadedFiles/labornvgov/content/About/Forms/2018%20Annual%20Bulletin%20-%20Minimum%20Wage.pdf>.

New York: New York State does not have a single statewide minimum wage. Enforced by the New York State Department of Labor, the Minimum Wage Act (<https://www.nysenate.gov/legislation/laws/LAB/652>) establishes six minimum wage rates for non-tipped workers:

- New York City and for employers with more than 10 employees—\$13.00 per hour
- New York City and for employers with 10 or less employees—\$12.00 per hour
- New York City fast food worker—\$13.50 per hour
- The remainder of downstate, consisting of Nassau, Suffolk, and Westchester counties—\$11.00 per hour
- Upstate New York—\$10.40 per hour
- Fast Food Worker in the State other than in New York City—\$11.75 per hour

A weighted average for the minimum wage was calculated based on 2017 estimated population for the following minimum wage rates: New York City with more than 10 employees, the remainder of downstate, and upstate New York. According to the U.S. Census Bureau, the population estimates were 8,622,698; 3,842,711; and 7,383,990, respectively. The weighted average calculates to \$11.65: <https://labor.ny.gov/workerprotection/laborstandards/workprot/minwage.shtm>.

Ohio: Adopted November 7, 2006, Article II, Section 34(a) of the Ohio Constitution establishes a minimum wage adjusted annually for inflation as measured by the Consumer Price Index. The Ohio Department of Commerce published the 2018 minimum wage to be \$8.30 per hour provided the gross receipts of the employer is at least \$305,000: https://com.ohio.gov/documents/dico_2018MinimumWageposter.pdf and <https://www.legislature.ohio.gov/laws/ohio-constitution/section?const=2.34a>. Ohio law provides exemptions, including employees for charitable organizations, camp and recreational facilities, and family members working for a family owned business.

Vermont: The Department of Labor published a minimum wage rate of \$10.50 per hour for 2018, provided there are two or more employees. <http://labor.vermont.gov/wordpress/wp-content/uploads/Minimum-Wage-Poster.pdf>. Vermont statute provides that the minimum wage increases annually by the rate of inflation as measured by the Consumer Price Index, or by five percent, whichever is less. Vermont law

enumerates exemptions, including newspaper deliveries, nonprofit employees, and workers in domestic service in or about a private home: <https://legislature.vermont.gov/statutes/section/21/005/00383>.

Summary of State Minimum Wage Rates above the Federal Rate

State	2018 Rate	Authority	Future Increases Indexed to Inflation
Arizona	\$10.50	Voter referendum	Yes
Arkansas	\$8.50	Voter referendum	No
Florida	\$8.25	State Constitution ¹	Yes
Illinois	\$8.25	Statute	No
Maine	\$10.00	Statute	Yes ²
Maryland	\$10.10 ³	Statute	No
Massachusetts	\$11.00	Statute	No
Michigan	\$9.25	Statute	No
Missouri	\$7.85	Statute	Yes
Nevada	\$8.25 ⁴	State Constitution	Yes
New York	\$11.65 ⁵	Statute	No ⁶
Ohio	\$8.30 ⁷	State Constitution	Yes
Vermont	\$10.50	Statute	Yes

¹Florida's constitutional amendment passed by voter petition.

²Maine has two more statutory increases, and the indexing to inflation begins in 2020.

³Effective Rate for July 1, 2018.

⁴Effective Rate for July 1, 2018, if employer does not offer health insurance.

⁵Weighted average. Does not include higher rates for fast food workers.

⁶New York Law will raise rates until all equal \$15 per hour. Increased rates for five of the six categories are statutory. Beginning on 12/31/2021, the upstate New York rate will increase annually based on economic indices until it reaches \$15 per hour in line with the rest of the categories.

⁷For employers with gross receipts of \$305,000 or more.

Federal Poverty Line

The federal poverty line is based on the guideline released by the Office of The Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, “2017 Poverty Guidelines for the 48 Contiguous States and the District of Columbia:” <https://aspe.hhs.gov/2017-poverty-guidelines>. For a family with three members, the 2017 poverty line was \$20,420. For Alaska, it was \$25,520, and for Hawaii, it was \$23,480. In 2016, the poverty line for the 48 contiguous states was \$20,160, and for 2018, it is \$20,780: <https://www.federalregister.gov/documents/2016/01/25/2016-01450/annual-update-of-the-hhs-poverty-guidelines> and <https://www.federalregistr.gov/documents/2018/01/18/2018-00814/annual-update-of-the-hhs-poverty-guidelines>.

Payroll Taxes

This analysis deducted two payroll taxes from gross earnings, which are the employee’s portions of the Social Security tax and of the Medicare tax pursuant to the Federal Insurance Contribution Act. For 2017,

the employee's Social Security tax rate was 6.2 percent, and the employee's Medicare tax rate was 1.45%, which combine to a rate of 7.65%. The 2017 tax rates can be found in Internal Revenue Service Publication 15, *Circular E, Employer's Tax Guide*, page 23: https://www.irs.gov/pub/irs-pdf/p15_17.pdf. Although the employer matches the taxes paid by the employee, it does not impact the take-home pay used in this analysis.

Federal Income Taxes

For tax purposes, no other income was assumed other than earnings from working a full-time minimum-wage job. Therefore, the annualized minimum wage earnings are also the adjusted gross income found on lines 37 and 38 of IRS Form 1040 for 2017. Form 1040 (<https://www.irs.gov/pub/irs-pdf/f1040.pdf>) and the general instructions for Form 1040 (<https://www.irs.gov/pub/irs-pdf/i1040gi.pdf>) are made available by the Internal Revenue Service and were the primary sources for federal taxes used in this analysis. The web addresses for this form and its instructions will likely change once the 2018 forms and instructions are made available. However, they will likely be found under prior year forms: <https://www.irs.gov/forms-pubs/prior-year>.

For most states studied, the minimum-wage families have zero taxable income on line 43 of Form 1040. The analysis assumed that each household would file a standard deduction on line 40 of Form 1040. A single mom with two children is required to file as head-of-household tax status that has a standard deduction of \$9,350. The 2017 individual personal exemption was \$4,050, bringing the total deduction for personal exemptions to \$12,150. The combined deduction for the standard deduction and personal exemptions was \$21,500, exceeding the annual gross earnings for nineteen of the states studied: Alabama, Arkansas, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, Ohio, Oklahoma, Texas, and Wisconsin.

Sample of Top of Page 2 of Form 1040 for a Family in States with the Federal Minimum Wage: Alabama, Georgia, Idaho, Indiana, Kansas, Kentucky, Mississippi, Oklahoma, Texas, and Wisconsin in This Study

Form 1040 (2017)		Page 2
	38 Amount from line 37 (adjusted gross income)	38 15,080
Tax and Credits	39a Check <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. } Total boxes if: <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind. } checked <input checked="" type="checkbox"/> 39a	
	b If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> 39b	
Standard Deduction for— • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350	40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40 9,350
	41 Subtract line 40 from line 38	41 5,730
	42 Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	42 12,150
	43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43 0
	44 Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44 0
	45 Alternative minimum tax (see instructions). Attach Form 6251	45
	46 Excess advance premium tax credit repayment. Attach Form 8962	46
	47 Add lines 44, 45, and 46	47
	48 Foreign tax credit. Attach Form 1116 if required	48
	49 Credit for child and dependent care expenses. Attach Form 2441	49
	50 Education credits from Form 8863, line 19	50
	51 Retirement savings contributions credit. Attach Form 8880	51
	52 Child tax credit. Attach Schedule 8812, if required	52 0
	53 Residential energy credits. Attach Form 5695	53
54 Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
55 Add lines 48 through 54. These are your total credits	55 0	
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56 0	

For the remaining four states studied—Arizona, Vermont, Massachusetts, and New York—the family had income exceeding the deduction. However, in every case, including every minimum wage category in New York State, the tax liability on line 56 was completely offset by the Child Tax Credit on line 52.

Sample of Top of Page 2 of Form 1040 for a New York City Fast Food Worker Earning Minimum Wage

Form 1040 (2017)		Page 2	
	38 Amount from line 37 (adjusted gross income)	38	\$28,080
Tax and Credits	39a Check <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. } Total boxes checked <input type="checkbox"/> 39a		
	if: <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind. }		
	b If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> 39b		
Standard Deduction for— • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350	40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	9,350
	41 Subtract line 40 from line 38	41	18,730
	42 Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	42	12,150
	43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	\$6,580
	44 Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44	658
	45 Alternative minimum tax (see instructions). Attach Form 6251	45	
	46 Excess advance premium tax credit repayment. Attach Form 8962	46	
	47 Add lines 44, 45, and 46	47	
	48 Foreign tax credit. Attach Form 1116 if required	48	
	49 Credit for child and dependent care expenses. Attach Form 2441	49	
	50 Education credits from Form 8863, line 19	50	
	51 Retirement savings contributions credit. Attach Form 8880	51	
	52 Child tax credit. Attach Schedule 8812, if required	52	658
53 Residential energy credits. Attach Form 5695	53		
54 Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54		
55 Add lines 48 through 54. These are your total credits	55	658	
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	0	

Sample of 2017 Tax Table for a New York City Fast Food Worker Earning Minimum Wage

2017 Tax Table — Continued

If line 43 (taxable income) is—		And you are—				If line 43 (taxable income) is—		And you are—				If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly*	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly*	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly*	Married filing separately	Head of a household
3,000		Your tax is—				6,000		Your tax is—				9,000		Your tax is—			
3,000	3,050	303	303	303	303	6,000	6,050	603	603	603	603	9,000	9,050	903	903	903	903
3,050	3,100	308	308	308	308	6,050	6,100	608	608	608	608	9,050	9,100	908	908	908	908
3,100	3,150	313	313	313	313	6,100	6,150	613	613	613	613	9,100	9,150	913	913	913	913
3,150	3,200	318	318	318	318	6,150	6,200	618	618	618	618	9,150	9,200	918	918	918	918
3,200	3,250	323	323	323	323	6,200	6,250	623	623	623	623	9,200	9,250	923	923	923	923
3,250	3,300	328	328	328	328	6,250	6,300	628	628	628	628	9,250	9,300	928	928	928	928
3,300	3,350	333	333	333	333	6,300	6,350	633	633	633	633	9,300	9,350	933	933	933	933
3,350	3,400	338	338	338	338	6,350	6,400	638	638	638	638	9,350	9,400	938	938	938	938
3,400	3,450	343	343	343	343	6,400	6,450	643	643	643	643	9,400	9,450	943	943	943	943
3,450	3,500	348	348	348	348	6,450	6,500	648	648	648	648	9,450	9,500	948	948	948	948
3,500	3,550	353	353	353	353	6,500	6,550	653	653	653	653	9,500	9,550	953	953	953	953
3,550	3,600	358	358	358	358	6,550	6,600	658	658	658	658	9,550	9,600	958	958	958	958
3,600	3,650	363	363	363	363	6,600	6,650	663	663	663	663	9,600	9,650	963	963	963	963
3,650	3,700	368	368	368	368	6,650	6,700	668	668	668	668	9,650	9,700	968	968	968	968
3,700	3,750	373	373	373	373	6,700	6,750	673	673	673	673	9,700	9,750	973	973	973	973

Because they are welfare benefits, the Earned Income Tax Credit and the Additional Child Tax Credit were calculated separately (see below). No other tax deductions or credits were assumed. Indeed, it was unnecessary because no family studied paid any federal income tax.

Summary of Federal Tax Calculations for Minimum Wage Earners in the 23 States Studied

Geographic Area	Adjusted Gross Income (Line 37/38)	Total Deductions	Taxable Income (Line 43)	Federal Tax (Line 44)	Child Tax Credit (Line 52)	Federal Taxes Owed (Line 63)
Alabama	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Arizona	\$21,840	\$21,500	\$340	\$34	\$34	\$0
Arkansas	\$17,680	\$21,500	\$0	\$0	\$0	\$0
Florida	\$17,160	\$21,500	\$0	\$0	\$0	\$0
Georgia	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Idaho	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Illinois	\$17,160	\$21,500	\$0	\$0	\$0	\$0
Indiana	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Kansas	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Kentucky	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Maine	\$20,800	\$21,500	\$0	\$0	\$0	\$0
Maryland	\$21,008	\$21,500	\$0	\$0	\$0	\$0
Massachusetts	\$22,880	\$21,500	\$1,380	\$139	\$139	\$0
Michigan	\$19,240	\$21,500	\$0	\$0	\$0	\$0
Mississippi	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Missouri	\$16,328	\$21,500	\$0	\$0	\$0	\$0
Nevada	\$17,160	\$21,500	\$0	\$0	\$0	\$0
New York (Weighted Average)	\$24,223	\$21,500	\$2,723	\$271	\$271	\$0
Ohio	\$17,264	\$21,500	\$0	\$0	\$0	\$0
Oklahoma	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Texas	\$15,080	\$21,500	\$0	\$0	\$0	\$0
Vermont	\$21,840	\$21,500	\$340	\$34	\$34	\$0
Wisconsin	\$15,080	\$21,500	\$0	\$0	\$0	\$0

Summary of Federal Tax Calculations for Minimum Wage Earners for New York State

Geographic Area	Adjusted Gross Income (Line 37/38)	Total Deductions	Taxable Income (Line 43)	Federal Tax (Line 44)	Child Tax Credit (Line 52)	Federal Taxes Owed (Line 63)
New York City - More than 10 employees	\$27,040	\$21,500	\$5,540	\$553	\$553	\$0
New York City - 10 or less employees	\$24,960	\$21,500	\$3,460	\$348	\$348	\$0
Remainder Downstate New York	\$22,880	\$21,500	\$1,380	\$139	\$139	\$0
Upstate New York	\$21,632	\$21,500	\$132	\$14	\$14	\$0
New York State - Fast Food Worker	\$24,440	\$21,500	\$2,940	\$294	\$294	\$0
New York City - Fast Food Worker	\$28,080	\$21,500	\$6,580	\$658	\$658	\$0

State Income Taxes

State income taxes were calculated for each family based on tax forms and instructions of each respective state. Earned Income or comparable refundable tax credits offered by the states are considered separately. Three states considered in this study do not have income taxes: Florida, Nevada, and Texas.

Alabama: Form 40 Alabama 2017 Individual Income Tax Return: Residents & Part-Year Residents (<https://revenue.alabama.gov/wp-content/uploads/2018/01/17f40.pdf>) and the 2017 Alabama Form 40 Booklet (<https://revenue.alabama.gov/wp-content/uploads/2018/01/17f40bk.pdf>) are made available by the Alabama Department of Revenue. The family's tax liability calculated to \$228.

Excerpt, Alabama Form 40

FORM 40		2017		Alabama Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS	
Filing Status/ Exemptions	1 <input type="checkbox"/> \$1,500 Single	3 <input type="checkbox"/> \$1,500 Married filing separate. Complete Spouse SSN			
	2 <input type="checkbox"/> \$3,000 Married filing joint	4 <input checked="" type="checkbox"/> \$3,000 Head of Family (with qualifying person).			
Income and Adjustments	5a Alabama Income Tax Withheld (from Schedule W-2, line 18, column G)	A - Alabama tax withheld		B - Income	
	5b Wages, salaries, tips, etc. (from Schedule W-2, line 18, column I plus J)	5a <input checked="" type="checkbox"/>	00	5b <input checked="" type="checkbox"/>	15,080 00
	6 Interest and dividend income (also attach Schedule B if over \$1,500)	6 <input checked="" type="checkbox"/>	0	6 <input checked="" type="checkbox"/>	0 00
	7 Other income (from page 2, Part I, line 9)	7 <input checked="" type="checkbox"/>	15,080	7 <input checked="" type="checkbox"/>	00 00
	8 Total income. Add amounts in the income column for line 5b through line 7	8 <input checked="" type="checkbox"/>	0	8 <input checked="" type="checkbox"/>	0 00
	9 Total adjustments to income (from page 2, Part II, line 12)	9 <input checked="" type="checkbox"/>	0	9 <input checked="" type="checkbox"/>	0 00
10 Adjusted gross income. Subtract line 9 from line 8	10 <input checked="" type="checkbox"/>	15,080	10 <input checked="" type="checkbox"/>	00 00	
Deductions	11 Check box a, if you itemize deductions, and enter amount from Schedule A, line 27. Check box b, if you do not itemize deductions, and enter standard deduction (see instructions)	Box a or b MUST be checked			
	<input type="checkbox"/> a Itemized Deductions	<input checked="" type="checkbox"/> b Standard Deduction	11 <input checked="" type="checkbox"/>	4,700	00
	12 Federal tax deduction (see instructions)	12 <input checked="" type="checkbox"/>	0	12 <input checked="" type="checkbox"/>	00 00
	13 Personal exemption (from line 1, 2, 3, or 4)	13 <input checked="" type="checkbox"/>	3,000	13 <input checked="" type="checkbox"/>	00 00
	14 Dependent exemption (from page 2, Part III, line 2)	14 <input checked="" type="checkbox"/>	2,000	14 <input checked="" type="checkbox"/>	00 00
15 Total deductions. Add lines 11, 12, 13, and 14	15 <input checked="" type="checkbox"/>	9,700	15 <input checked="" type="checkbox"/>	00 00	
16 Taxable income. Subtract line 15 from line 10	16 <input checked="" type="checkbox"/>	5,380	16 <input checked="" type="checkbox"/>	00 00	
17 Income Tax due. Enter amount from tax table or check if from <input type="checkbox"/> Form NOL-85A	17 <input checked="" type="checkbox"/>	228	17 <input checked="" type="checkbox"/>	00 00	
18 Net tax due Alabama. Check box if computing tax using Schedule NTC <input type="checkbox"/> , otherwise enter amount from line 17	18 <input checked="" type="checkbox"/>	228	18 <input checked="" type="checkbox"/>	00 00	
19 Consumer Use Tax (see instructions). If you certify that no use tax is due, check box <input type="checkbox"/>	19 <input checked="" type="checkbox"/>		19 <input checked="" type="checkbox"/>	00 00	
20 Alabama Election Campaign Fund. You may make a voluntary contribution to the following:			20a <input checked="" type="checkbox"/>	00	
a Alabama Democratic Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input type="checkbox"/> none			20b <input checked="" type="checkbox"/>	00	
b Alabama Republican Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input type="checkbox"/> none			21 <input checked="" type="checkbox"/>	228	00
21 Total tax liability and voluntary contribution. Add lines 18, 19, 20a, and 20b					

Excerpt, Instructions to Alabama Form 40, Standard Deduction, Page 9

Standard Deduction							
Married Filing Joint		Married Filing Separate		Head of Family		Single	
AL Adjusted Gross Income (AL Line 10)	Standard Deduction	AL Adjusted Gross Income (AL Line 10)	Standard Deduction	AL Adjusted Gross Income (AL Line 10)	Standard Deduction	AL Adjusted Gross Income (AL Line 10)	Standard Deduction
0 - 20,499	7,500	0 - 10,249	3,750	0 - 20,499	4,700	0 - 20,499	2,500

Excerpt, Instructions to Alabama Form 40, Dependent Exemption, Standard Deduction, Page 10
Dependent Exemption

Complete page 2, Part II, and enter the amount from line 2 on page 1, line 11.

Use the following chart to determine the per-dependent exemption amount.

Amount on Page 1, Line 7	Dependent Exemption
0 - 20,000	1,000
20,001 - 100,000	500
Over 100,000	300

Arizona: Form 140 Residential Personal Income Tax Return For Calendar Year 2017 (https://www.azdor.gov/Portals/0/ADOR-forms/TY2017/INDIV-F/FORMS_INDIVIDUAL_2017_140.pdf) and a tax booklet with instructions: https://www.azdor.gov/Portals/0/ADOR-forms/TY2017/INDIV-F/FORMS_INDIVIDUAL_2017_140_Booklet.pdf are made available by the Arizona Department of Revenue. The family's tax liability calculated to \$68.

Excerpt, Arizona Form 140

Arizona Form 140		Resident Personal Income Tax Return	FOR CALENDAR YEAR 2017
Exemptions	37	Enter the amount from page 1, line 36	37 21,840 00
	38	Age 65 or over: Multiply the number in box 8 by \$2,100	38 00
	39	Blind: Multiply the number in box 9 by \$1,500	39 00
	40	Dependents: Multiply the number in box 10 by \$2,300	40 4,600 00
	41	Qualifying parents and grandparents: Multiply box 11 by \$10,000	41 00
	42	Arizona adjusted gross income: Subtract lines 38 through 41 from line 37 and enter the difference	42 17,420 00
Balance of Tax	43	Deductions: Check box and enter amount. See instructions 43I <input type="checkbox"/> ITEMIZED 43S <input checked="" type="checkbox"/> STANDARD	43 10,336 00
	44	Personal exemptions: See instructions	44 4,300 00
	45	Arizona taxable income: Subtract lines 43 and 44 from line 42. If less than zero, enter "0"	45 2,604 00
	46	Compute the tax using amount on line 45 and Tax Table X, Y or Optional Tax Tables	46 68 00
	47	Tax from recapture of credits from Arizona Form 301, Part 2, line 40	47 00
	48	Subtotal of tax: Add lines 46 and 47 and enter the total	48 00
	49	Family income tax credit (from the worksheet - see instructions)	49 00
	50	Credits from Arizona Form 301, Part 2, line 76	50 00
	51	Balance of tax: Subtract lines 49 and 50 from line 48. If the sum of lines 49 and 50 is greater than line 48, enter "0"	51 68 00

Excerpts, Instructions to Arizona Form 140, Page 17

Your Standard Deduction

If you take the standard deduction, check box 43S.

If your filing status is:	Your standard deduction is:
• Single	\$5,183
• Married filing separate	\$5,183
• Married filing joint	\$10,336
• Head of household	\$10,336

Personal Exemption Chart

If you checked filing status:	Enter:
• Single (Box 7)	\$2,150
• Married filing joint return (Box 4) and claiming no dependents (Box 10)	\$4,300
• Married filing joint return (Box 4) and claiming at least one dependent (Box 10) excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)].	\$6,450
• Head of household and you are not married (Box 5)	\$4,300


2017 Optional Tax Tables
 If your taxable income is less than \$50,000, use the Optional Tax Tables. If your taxable income is \$50,000 or more, use Tax Table X or Y. Also, if your taxable income is \$50,000 or more, you cannot use Form 140EZ or Form 140A to file for 2017. In this case, you must file using Form 140.

At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household																																																
If less than \$20 tax is 0				Your Tax Is				\$2,000				Your Tax Is				\$4,000				Your Tax Is																																							
500	550	14	14	2,500	2,550	65	65	4,500	4,550	117	117	550	600	15	15	2,550	2,600	67	67	4,550	4,600	118	118	600	650	16	16	2,600	2,650	68	68	4,600	4,650	120	120	650	700	17	17	2,650	2,700	69	69	4,650	4,700	121	121	700	750	19	19	2,700	2,750	71	71	4,700	4,750	122	122

Arkansas: 2017 AR1000F Arkansas Individual Income Tax Return Full Year Resident (<https://www.dfa.arkansas.gov/images/uploads/incomeTaxOffice/AR1000FFullYearResidentIndIncTaxRet.pdf>) and its instructions (<https://www.dfa.arkansas.gov/images/uploads/incomeTaxOffice/AR1000FandAR1000NRInstructions.pdf>) are made available by the Arkansas Department of Finance and Administration. The family's tax liability calculated to \$33.

Excerpts, Arkansas Form 2017 AR1000F

2017 AR1000F
ARKANSAS INDIVIDUAL INCOME TAX RETURN
Full Year Resident



1TAR171

AR1

CHECK BOX IF AMENDED RETURN

Software ID

	7A. <input checked="" type="checkbox"/> Yourself • <input type="checkbox"/> 65 or Over • <input type="checkbox"/> 65 Special • <input type="checkbox"/> Blind • <input type="checkbox"/> Deaf <input checked="" type="checkbox"/> Head of Household/Qualifying Widow(er) <input type="checkbox"/> Spouse • <input type="checkbox"/> 65 or Over • <input type="checkbox"/> 65 Special • <input type="checkbox"/> Blind • <input type="checkbox"/> Deaf <small>(Filing Status 3 Only) (Filing Status 6 Only)</small>			
	Multiply number of boxes checked..... 7A <input type="checkbox"/> 2 X \$26 =			52 00
PERS TS	7B. Multiply number of DEPENDENTS from above..... 7B • <input type="checkbox"/> 2 X \$26 =			52 00
	7C. First name of Qualifying Individual(s) from AR1000RCS: (See Instructions) _____ Multiply number of individuals from 7C 7C • <input type="checkbox"/> X \$500 =			00
	7D. TOTAL PERSONAL TAX CREDITS: (Add Lines 7A, 7B, and 7C. Enter total here and on Line 32)..... 7D			104 00

		(A) Primary/Joint Income		(B) Spouse's Income Status 4 Only	
TAX COMPUTATION	24. ADJUSTED GROSS INCOME: (From Line 23, Columns A and B)..... 24	17,680	00	24	00
	25. Select tax table: (See Instructions, Line 25) • <input checked="" type="checkbox"/> LOW INCOME Table <input type="checkbox"/> REGULAR Table If you qualify for the Low Income Tax Table, enter zero (0) on Line 25A. If not, then: Enter the larger of your: • <input type="checkbox"/> Itemized Deductions (See Instructions, Line 25 and attach AR3) OR • <input type="checkbox"/> Standard Deduction (See Instructions, Line 25) 25 •	0	00	25 •	00
	26. NET TAXABLE INCOME: (Subtract Line 25 from Line 24) 26 •	17,680	00	26 •	00
	27. TAX: (Enter tax from tax table) 27	137	00	27	00
	28. Combined tax: (Add amounts from Line 27, Columns A and B) 28			28	00
	29. Enter tax from Lump Sum Distribution Averaging Schedule: (Attach AR1000TD) 29 •			29 •	00
	30. Additional tax on IRA and qualified plan withdrawal and overpayment: (Attach federal Form 5329, if required) 30 •			30 •	00
	31. TOTAL TAX: (Add Lines 28 through 30)..... 31 •			31 •	00
TAX CREDITS	32. Personal Tax Credit(s): (Enter total from Line 7D)..... 32 •	104	00		
	33. Child Care Credit: (20% of federal credit allowed; Attach federal Form 2441) 33 •	0	00		
	34. Other Credits: (Attach AR1000TC) 34 •	0	00		
	35. TOTAL CREDITS: (Add Lines 32 through 34) 35 •			35 •	104 00
	36. NET TAX: (Subtract Line 35 from Line 31. If Line 35 is greater than Line 31, enter 0) 36 •			36 •	33 00

2017 Low Income Tax Tables

QUALIFICATIONS:

1. Your total income **from all sources (regardless of whether the income is taxable to Arkansas)** must fall within the limits of the appropriate table based on your filing status.
2. Married couples must file a joint return (*Filing Status 2*) to qualify to use these tables.
3. If you use an exemption for military compensation or employment related pension income, you do not qualify.
4. If you itemize your deductions, you must use the Regular Tax Table.
5. Find your Adjusted Gross Income from Line 24, **AR1000F/AR1000NR**, in the appropriate table below. Your tax is to the right of this amount. Enter the tax on Line 27, **AR1000F/AR1000NR**.

Single (FILING STATUS 1)			Head of Household/Qualifying Widow(er) with 1 or No Dependents (FILING STATUS 3 or 6)			Head of Household/Qualifying Widow(er) with 2 or More Dependents (FILING STATUS 3 or 6)		
IF YOUR ADJUSTED GROSS INCOME IS		YOUR TAX IS	IF YOUR ADJUSTED GROSS INCOME IS		YOUR TAX IS	IF YOUR ADJUSTED GROSS INCOME IS		YOUR TAX IS
FROM	TO		FROM	TO		FROM	TO	
0	11,969	0	0	17,018	0	0	20,286	0
11,970	12,000	36	17,019	17,100	74	20,287	20,300	102
12,001	12,100	43	17,101	17,200	85	20,301	20,400	116
12,101	12,200	50	17,201	17,300	95	20,401	20,500	129
12,201	12,300	58	17,301	17,400	106	20,501	20,600	142
12,301	12,400	65	17,401	17,500	116	20,601	20,700	156
12,401	12,500	73	17,501	17,600	126	20,701	20,800	169
12,501	12,600	80	17,601	17,700	137	20,801	20,900	183

Florida has no individual income tax.

Georgia: the 2017 Individual Income Tax 500 and 500EZ Forms and General Instructions: IT 511 rev 12.7.17 (https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/TSD/Booklet/IT-511/2017-IT-511_Individual_Income_Tax_Booklet.pdf) are made available by the Georgia Department of Revenue. The family's tax liability calculated to \$66.

Excerpts, Georgia Form 500



Georgia Form 500 (Rev. 06/22/17)
Individual Income Tax Return
Georgia Department of Revenue
2017 (Approved web version)

Page **1**



8. Federal adjusted gross income (From Federal Form 1040,1040A or 1040 EZ). ▶ 8.		1	5	0	8	0	.00
<i>(Do not use FEDERAL TAXABLE INCOME) If the amount on Line 8 is \$40,000 or more, or your gross income is less than your W-2s you must include a copy of your Federal Form 1040 Pages 1 and 2.</i>							
9. Adjustments from Form 500 Schedule 1 (See IT-511 Tax Booklet).....▶ 9.							.00
10. Georgia adjusted gross income (Net total of Line 8 and Line 9).....▶ 10.		1	5	0	8	0	.00
11. Standard Deduction (Do not use FEDERAL STANDARD DEDUCTION).....▶ 11a. (See IT-511 Tax Booklet)		2	3	0	0		.00
b. Self: 65 or over? <input type="checkbox"/> Blind? <input type="checkbox"/> Total <input type="text"/> x 1,300=.....▶ 11b.							.00
Spouse: 65 or over? <input type="checkbox"/> Blind? <input type="checkbox"/>							
c. Total Standard Deduction (Line 11a + Line 11b).....▶ 11c.		2	3	0	0		.00
13. Subtract either Line 11c or Line 12c from Line 10; enter balance.....▶ 13.		1	2	7	8	0	.00
14a. Enter the number from Line 6c. 1 Multiply by \$2,700 for filing status A or D ▶ 14a. or multiply by \$3,700 for filing status B or C		2	7	0	0		.00
14b. Enter the number from Line 7a. 2 Multiply by \$3,000.....▶ 14b.		6	0	0	0		.00

14c. Add Lines 14a. and 14b. Enter total.....▶ 14c.	<input type="text" value="8"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="00"/>
15. Georgia taxable income (Line 13 less Line 14c or Schedule 3, Line 14).....▶ 15.	<input type="text" value="4"/>	<input type="text" value="0"/>	<input type="text" value="8"/>	<input type="text" value="0"/>	<input type="text" value="00"/>
16. Tax (Use Tax Table in the IT-511 Tax Booklet).....▶ 16.	<input type="text" value="8"/>	<input type="text" value="1"/>	<input type="text" value="00"/>	<input type="text" value="00"/>	<input type="text" value="00"/>
17. Low Income Credit 17a. 3 17b. 5▶ 17c.	<input type="text" value="1"/>				<input type="text" value="500"/>
18. Other State(s) Tax Credit (Include a copy of the other state(s) return).....▶ 18.	<input type="text" value="0"/>				<input type="text" value="00"/>
19. Credits used from IND-CR Summary Worksheet.....▶ 19.	<input type="text" value="0"/>				<input type="text" value="00"/>
20. Total Credits Used from Schedule 2 Georgia Tax Credits▶ 20.	<input type="text" value="1"/>				<input type="text" value="500"/>
21. Total Credits Used (sum of Lines 17-20) cannot exceed Line 16▶ 21.	<input type="text" value="6"/>				<input type="text" value="600"/>
22. Balance (Line 16 less Line 21) if zero or less than zero, enter zero▶ 22.	<input type="text" value="6"/>				<input type="text" value="600"/>

Excerpt, Instructions to Georgia Form 500, Standard Deduction, Page 11

Line 11a: Enter the standard deduction that corresponds to your marital status.

- Single/Head of Household..... \$2,300
- Married Filing Separate..... \$1,500
- Married Filing Joint..... \$3,000
- Additional Deduction..... \$1,300

Excerpt, Instructions to Georgia Form 500, Income Tax Table, Page 24

This amount should be placed on Line 16, Form 500 or Line 4, Form 500EZ

GEORGIA INCOME TAX TABLE

Line 15, Form 500 or Line 3, Form 500EZ		Married filing jointly or Head of Household	Married filing Separately	Line 15, Form 500 or Line 3, Form 500EZ		Married filing jointly or Head of Household	Married filing Separately	Line 15, Form 500 or Line 3, Form 500EZ		Married filing jointly or Head of Household	Married filing Separately	Line 15, Form 500 or Line 3, Form 500EZ		Married filing jointly or Head of Household	Married filing Separately
At Least	But Less Than			At Least	But Less Than			At Least	But Less Than			At Least	But Less Than		
4,000		95	81	122											

Excerpts, Instructions to Georgia Form 500, Low Income Credit, Page 19

LOW INCOME CREDIT WORKSHEET

All claims for the low income credit, including claims on amended returns, must be filed on or before the end of the 12th month following the close of the tax year for which the credit may be claimed.

- Enter the amount from Form 500, Line 8 or Form 500EZ, Line 1..... \$ 15,080
- Enter the number of exemptions. Exemptions are self, spouse and natural or legally adopted children..... 3
- Enter 1 if you or your spouse is 65 or older; enter 2 if you and your spouse are 65 or older..... 3
- Add Lines 2 and 3; enter on line 17a of Form 500, or if filing the Form 500EZ, Line 5a..... 3
- Find the credit that corresponds to your income in the table below and enter on line 17b of Form 500, or if filing the Form 500EZ, Line 5b..... \$ 5
- Multiply Line 4 by Line 5; enter the total on line 17c of Form 500; or if filing the Form 500EZ, Line 5c..... \$ 15

Credit Table:	<u>Federal Adjusted Gross Income</u>	<u>Credit</u>
	Under \$6,000	\$26
	\$6,000 but not more than \$7,999	\$20
	\$8,000 but not more than \$9,999	\$14
	\$10,000 but not more than \$14,999	\$ 8
	\$15,000 but not more than \$19,999	\$ 5

Idaho: Form 40 2017 Idaho Individual Income Tax Return (https://tax.idaho.gov/forms/EFO00089_05-31-2017.pdf) and its instructions (http://tax.idaho.gov/forms/EIN00046_10-30-2017.pdf) are made available by the Idaho State Tax Commission. The family's tax liability calculated to \$0.

Excerpts, Idaho Form 40

8734
2017

IDAHO INDIVIDUAL INCOME TAX RETURN

FILING STATUS. Check only one box.
If married filing jointly or separately, enter spouse's name and Social Security number above.

1. Single
2. Married filing jointly
3. Married filing separately
4. Head of household
5. Qualifying widow(er)

6. **EXEMPTIONS.** If someone can claim you as a dependent, leave box 6a blank. Enter "1" in boxes 6a, Yourself a. 1 and 6b, if they apply. Spouse b.

c. List your dependents. If you have more than four, continue on Form 39R.
Enter the total number here c. 2

First name	Last name	Social Security number

d. **Total exemptions.** Add lines 6a through 6c. Must match federal return d. 3

INCOME. See instructions, page 7.

7. Enter your federal adjusted gross income from federal Form 1040, line 37; federal Form 1040A, line 21; or federal Form 1040EZ, line 4. Include a complete copy of your federal return	7	15,080	00
8. Additions from Form 39R, Part A, line 7. Include Form 39R	8	0	00
9. Total. Add lines 7 and 8	9	15,080	00
10. Subtractions from Form 39R, Part B, line 23. Include Form 39R	10	0	00
11. TOTAL ADJUSTED INCOME. Subtract line 10 from line 9	11	15,080	00

TAX COMPUTATION. See instructions, page 7.

Standard Deduction for Most People	12. CHECK	a. If age 65 or older <input type="checkbox"/> Yourself <input type="checkbox"/> Spouse		
		b. If blind <input type="checkbox"/> Yourself <input type="checkbox"/> Spouse		
		c. If your parent or someone else can claim you as a dependent, check here and enter zero on lines 18 and 42. <input type="checkbox"/>		
Single or Married Filing Separately: \$6,350	13. Itemized deductions. Include federal Schedule A. Federal limits apply	13	0	00
Head of Household: \$9,350	14. All state and local income or general sales taxes included on federal Schedule A, line 5	14	0	00
	15. Subtract line 14 from line 13. If you don't use federal Schedule A, enter zero	15	0	00
	16. Standard deduction. See instructions, page 7, to determine amount if not standard	16	9,350	00
Married Filing Jointly or Qualifying Widow(er): \$12,700	17. Subtract the LARGER of line 15 or 16 from line 11. If less than zero, enter zero	17	5,730	00
	18. Multiply \$4,050 by the number of exemptions claimed on line 6d. Federal limits apply	18	12,150	00
	19. Idaho taxable income. Subtract line 18 from line 17. If less than zero, enter zero	19	0	00
	20. Tax from tables or rate schedule. See instructions, page 37	20	0	00

Illinois: 2017 Form IL-1040 (www.revenue.state.il.us/TaxForms/IncmCurrentYear/Individual/IL-1040.pdf) and its instructions (www.revenue.state.il.us/TaxForms/IncmCurrentYear/Individual/IL-1040-Instr.pdf) are made available by the Illinois Department of Revenue. The family's tax liability calculated to \$463.

Excerpts, Illinois Form 1040



Illinois Department of Revenue
2017 Form IL-1040

Individual Income Tax Return or for fiscal year ending ___/___/___

Over 80% of taxpayers file electronically. It is easy and you will get your refund faster. Visit tax.illinois.gov.

	<input checked="" type="checkbox"/>	Single or head of household	<input type="checkbox"/>	Married filing jointly	<input type="checkbox"/>	Married filing separately	<input type="checkbox"/>	Widowed
Step 2:								(Whole dollars only)
Income	1	Federal adjusted gross income from your federal Form 1040, Line 37; 1040A, Line 21; or 1040EZ, Line 4					1	17,160.00
	2	Federally tax-exempt interest and dividend income from your federal Form 1040 or 1040A, Line 8b; or federal Form 1040EZ					2	0.00
	3	Other additions. Attach Schedule M.					3	0.00
	4	Total income. Add Lines 1 through 3.					4	17,160.00
Step 3:								
Base Income	5	Social Security benefits and certain retirement plan income received if included in Line 1. Attach Page 1 of federal return.					5	0.00
	6	Illinois Income Tax overpayment included in federal Form 1040, Line 10					6	0.00
	7	Other subtractions. Attach Schedule M. Check if Line 7 includes any amount from Schedule 1299-C. <input type="checkbox"/>					7	0.00
	8	Add Lines 5, 6, and 7. This is the total of your subtractions.					8	0.00
	9	Illinois base income. Subtract Line 8 from Line 4.					9	17,160.00
Step 4:		See instructions before completing Step 4.						
Exemptions	10 a	Number of exemptions from your federal return	<u>3</u>	X	\$2,175	a	<u>6,525</u>	.00
	b	If someone can claim you as a dependent, see instructions.		X	\$2,175	b		.00
	c	Check if 65 or older: <input type="checkbox"/> You + <input checked="" type="checkbox"/> Spouse =		X	\$1,000	c		.00
	d	Check if legally blind: <input type="checkbox"/> You + <input type="checkbox"/> Spouse =		X	\$1,000	d		.00
		Exemption allowance. Add Lines a through d.					10	6,525.00
Step 5:								
Net Income	11	Residents: Net income. Subtract Line 10 from Line 9. <i>Skip</i> Line 12.					11	10,635.00
	12	Nonresidents and part-year residents: Check the box that applies to you during 2017 <input type="checkbox"/> Nonresident <input type="checkbox"/> Part-year resident, and enter the Illinois base income from Schedule NR. Attach Schedule NR.					12	.00
Step 6:								
Tax	13	Residents: Multiply Line 11 by 4.3549% (.043549). Cannot be less than zero. Nonresidents and part-year residents: Enter the tax from Schedule NR. Check if you completed Schedule SA to calculate your income tax. Attach Schedule SA. <input type="checkbox"/>					13	463.00
	14	Recapture of investment tax credits. Attach Schedule 4255.					14	0.00
	15	Income tax. Add Lines 13 and 14. Cannot be less than zero.					15	463.00
Step 7:								
Tax After Non-refundable Credits	16	Income tax paid to another state while an Illinois resident. Attach Schedule CR.					16	0.00
	17	Property tax and K-12 education expense credit amount from Schedule ICR. Attach Schedule ICR.					17	0.00
	18	Credit amount from Schedule 1299-C. Attach Schedule 1299-C.					18	0.00
	19	Add Lines 16, 17, and 18. This is the total of your credits. Cannot exceed the tax amount on Line 15.					19	0.00
	20	Tax after nonrefundable credits. Subtract Line 19 from Line 15.					20	463.00

Indiana: 2017 IT-40 Income Tax Form (State Form 154) (<http://forms.in.gov/Download.aspx?id=13424>) and 2017 IT-40 Income Tax Instruction Booklet (SP-265) (<http://forms.in.gov/Download.aspx?id=13425>) are made available by the Indiana Department of Revenue. The family's tax liability calculated to \$196. Indiana is one of two states where housing costs are considered when calculating tax liability, and the value is the same whether the family receives Section 8 vouchers or pays the full rental costs because the tax law caps the credit to \$3,000, and the tenant payment under a Section 8 Voucher would exceed \$3,000. (See the subsection on Section 8 Housing Vouchers below.) The tax liability increases to \$293 if there are no housing costs, such as living with other family members.

Excerpts, Indiana Form IT-40



2017

Indiana Full-Year Resident Individual Income Tax Return

Due April 17, 2018

If filing for a fiscal year, enter the dates (see instructions) (MM/DD/YYYY):

	Round all entries	
1. Enter your federal adjusted gross income (AGI) from your federal tax return (from Form 1040, line 37; Form 1040A, line 21; or from Form 1040EZ, line 4) _____ Federal AGI	1	15,080.00
2. Enter amount from Schedule 1, line 8, and enclose Schedule 1 _____ Indiana Add-Backs	2	0.00
3. Add line 1 and line 2 _____	3	15,080.00
4. Enter amount from Schedule 2, line 12, and enclose Schedule 2 _____ Indiana Deductions	4	3,000.00
5. Subtract line 4 from line 3 _____	5	12,080.00
6. You must complete Schedule 3. Enter amount from Schedule 3, line 5, and enclose Schedule 3 _____ Indiana Exemptions	6	6,000.00
7. Subtract line 6 from line 5 _____ Indiana Adjusted Gross Income	7	6,080.00
8. State adjusted gross income tax: multiply line 7 by 3.23% (.0323) (if answer is less than zero, leave blank) _____	8	196.00
9. County tax. Enter county tax due from Schedule CT-40 (if answer is less than zero, leave blank) _____	9	.00
10. Other taxes. Enter amount from Schedule 4, line 4 (enclose sch.) _____	10	0.00
11. Add lines 8, 9 and 10. Enter total here and on line 15 on the back _____ Indiana Taxes	11	196.00

Excerpts, Indiana Schedule 2

Schedule 2 Form IT-40, State Form 53996 (R8 / 9-17)

Schedule 2: Deductions

2017

Enclosure Sequence No. 02

Name(s) shown on Form IT-40

Your Social Security Number

1. Renter's deduction

Address where rented if different from the one on the front page (enter below)

Amount of rent paid

Landlord's name and address (enter below)

\$.00

Round all entries

Number of months rented

Enter the lesser of \$3,000 or amount of rent paid

1 .00

Excerpts, Indiana Schedule 3

Schedules 3 & 4 Form IT-40, State Form 53997 (R8 / 9-17)

Schedule 3: Exemptions (Schedule 4 begins after line 5 below)

2017

Enclosure Sequence No. 03

Round all entries

1. Number of exemptions claimed on your federal return x \$1,000 .00

- If you did not claim an exemption on your federal return, enter "1" in the box above.
- See instructions if you did not file a federal return.

2. Claim an additional exemption for each dependent child

- who is a son, stepson, daughter, stepdaughter and/or foster child,
- who was under the age of 19 by Dec. 31, 2017, or a full-time student who was under the age of 24 by Dec. 31, 2017, and
- who you are eligible to claim as a dependent on your federal tax return.

Enter number you are eligible to claim x \$1500: you **MUST** enclose Schedule IN-DEP .00

5. Add lines 1, 2, 3 and 4. Enter here and on Form IT-40, line 6. **Total Exemptions** .00

Kansas: K-40 Kansas Individual Income Tax form (<https://ksrevenue.org/pdf/k-4017.pdf>) and Instructions: Kansas 2017 Individual Income Tax (<https://ksrevenue.org/pdf/ip17.pdf>) are made available by the Department of Revenue. The family's tax liability calculated to \$0.

Excerpts, Kansas Form K-40

K-40
(Rev. 7-17)
DO NOT STAPLE

2017
KANSAS INDIVIDUAL INCOME TAX

114517

Exemptions and Dependents

Enter the number of exemptions you claimed on your 2017 federal return. If no federal return is required, enter total exemptions for you, your spouse (if applicable), and each person you claim as a dependent.

If filing status above is *Head of household*, add one exemption.

Total Kansas exemptions.

Food Sales Tax Credit

You must have been a Kansas resident for ALL of 2017. Complete this section to determine your qualifications and credit.

A. Had a dependent child who lived with you all year and was under the age of 18 all of 2017?..... YES NO

B. Were you (or spouse) 55 years of age or older all of 2017 (born before January 1, 1962)?..... YES NO

C. Were you (or spouse) totally and permanently disabled or blind all of 2017, regardless of age?..... YES NO

If you answered "No" to A, B, and C, **STOP HERE**; you do not qualify for this credit.

D. If you answered "Yes" to A, B, or C, enter your federal adjusted gross income from line 1 of this return.

If line "D" is more than \$30,615, **STOP HERE**; you do not qualify for this credit.

E. Number of exemptions claimed on your federal income tax return

F. Number of dependents that are 18 years of age or older (born before January 1, 2000)

G. Total qualifying exemptions (subtract line F from line E)

H. Food Sales Tax Credit (multiply line G by \$125). Enter the result here and on line 17 of this form.....

Income <i>Shade the box for negative amounts.</i> <i>Example: <input type="text" value="-"/></i>	1. Federal adjusted gross income (as reported on your federal income tax return).....	1	<input type="text" value="15,080"/>	<input type="text" value="00"/>
	2. Modifications (from Schedule S, line A17; enclose Schedule S).....	2	<input type="text" value="0"/>	<input type="text" value="00"/>
	3. Kansas adjusted gross income (line 2 added to or subtracted from line 1).....	3	<input type="text" value="15,080"/>	<input type="text" value="00"/>
Deductions	4. Standard deduction OR itemized deductions (if itemizing, complete Part C of Schedule S)...	4	<input type="text" value="5,500"/>	<input type="text" value="00"/>
	5. Exemption allowance (\$2,250 x number of exemptions claimed).....	5	<input type="text" value="9,000"/>	<input type="text" value="00"/>
	6. Total deductions (add lines 4 and 5).....	6	<input type="text" value="14,500"/>	<input type="text" value="00"/>
	7. Taxable income (subtract line 6 from line 3; if less than zero, enter 0).....	7	<input type="text" value="580"/>	<input type="text" value="00"/>
Tax Computation	8. Tax (from Tax Tables or Tax Computation Schedule).....	8	<input type="text" value="0"/>	<input type="text" value="00"/>
	9. Nonresident percentage (from Schedule S, line B23; or if 100%, enter 100.0000).....	9		
	10. Nonresident tax (multiply line 8 by line 9).....	10		<input type="text" value="00"/>
Credits	11. Kansas tax on lump sum distributions (residents only - see instructions).....	11	<input type="text" value="0"/>	<input type="text" value="00"/>
	12. TOTAL INCOME TAX (residents: add lines 8 & 11; nonresidents: enter amount from line 10)....	12	<input type="text" value="0"/>	<input type="text" value="00"/>
	13. Credit for taxes paid to other states (see instructions; enclose return(s) from other states).....	13	<input type="text" value="0"/>	<input type="text" value="00"/>
	14. Other credits (enclose all appropriate credit schedules).....	14	<input type="text" value="0"/>	<input type="text" value="00"/>
	15. Subtotal (subtract lines 13 and 14 from line 12).....	15	<input type="text" value="0"/>	<input type="text" value="00"/>
	16. Earned income tax credit (from worksheet on page 8 of instructions).....	16	<input type="text" value="0"/>	<input type="text" value="00"/>
	17. Food sales tax credit (from line H, front of this form).....	17	<input type="text" value="375"/>	<input type="text" value="00"/>
	18. Tax balance after credits (subtract lines 16 and 17 from line 15; cannot be less than zero).....	18	<input type="text" value="0"/>	<input type="text" value="00"/>

Excerpt, Instructions to Form K-40, Kansas Standard Deduction, Page 6

KANSAS STANDARD DEDUCTION

The following amounts will be the **standard deduction for most people** to enter on line 4:

Single.....	\$3,000
Married Filing Joint.....	\$7,500
Head of Household.....	\$5,500
Married Filing Separate.....	\$3,750


2017 KANSAS TAX TABLE
(for taxable income to \$100,000)

FIND YOUR TAX: Read down the columns to find the line that includes your taxable income from line 7 of Form K-40, then locate your filing status in the heading. Enter on line 8 of Form K-40 the tax amount where the taxable income line and filing status column meet.

If line 7, Form K-40 is —		and you are		If line 7, Form K-40 is —		and you are		If line 7, Form K-40 is —		and you are	
at least	but not more than	Single, Head of Household or Married Filing Separate	Married Filing Joint	at least	but not more than	Single, Head of Household or Married Filing Separate	Married Filing Joint	at least	but not more than	Single, Head of Household or Married Filing Separate	Married Filing Joint
551	600	0	0	3,851	3,900	0	0	7,151	7,200	208	0
10,451	10,500	304	0								

Kentucky: Form 740 Kentucky Individual Income Tax Return 2017: Full-Year Residents Only and its instructions are found in the 2017 Kentucky Individual Income Tax Forms Packet 42A740(PKT) (10-17) (<https://revenue.ky.gov/Forms/740%202017%20Kentucky%20Individual%20Income%20Tax%20Form%20Packet%20for%20Full%20Year%20Resident.pdf>) and are made available by the Kentucky Department of Revenue. Although the tax table showed a tax liability of \$514, the personal tax credit and the family size tax credit together equaled the tax liability, bringing the family’s tax liability to \$0.

Excerpt, Kentucky Form 740

FORM 740 Commonwealth of Kentucky Department of Revenue		KENTUCKY INDIVIDUAL INCOME TAX RETURN Full-Year Residents Only	2017
--	---	---	-------------

INCOME/TAX	A. Spouse (Use if Filing Status 2 is checked.)	B. Yourself (or Joint)
5 Enter amount from federal Form 1040, line 37; 1040A, line 21 or 1040EZ, line 4. (If total of Columns A and B is \$32,718 or less, you may qualify for the Family Size Tax Credit. See instructions.)	15,080 00	00
6 Additions from Schedule M, line 8	0 00	00
7 Add lines 5 and 6	15,080 00	00
8 Subtractions from Schedule M, line 20	0 00	00
9 Subtract line 8 from line 7. This is your Kentucky Adjusted Gross Income	15,080 00	00
10 Itemizers: Enter itemized deductions from Kentucky Schedule A. Nonitemizers: Enter \$2,480 in Columns A and/or B	2,480 00	00
11 Subtract line 10 from line 9. This is your Taxable Income	12,600 00	00
12 Enter tax from Tax Table or Schedule J <input type="checkbox"/>	544 00	00
13 Enter tax from Form 4972-K <input type="checkbox"/> ; Schedule RC-R <input type="checkbox"/> ; Schedule DS-R <input type="checkbox"/> ; Angel Investor Recapture <input type="checkbox"/>	0 00	00
14 Add lines 12 and 13 and enter total here	544 00	00
15 Enter amounts from page 3, Section A, lines 24A and 24B	0 00	00
16 Subtract line 15 from line 14. If line 15 is larger than line 14, enter zero	544 00	00
17 Enter personal tax credit amounts from page 3, Section B, lines 4A and 4B	30 00	00
18 Subtract line 17 from line 16. If line 17 is larger than line 16, enter zero	514 00	00
19 Add tax amount(s) in Columns A and B, line 18 and enter here	514 00	00
20 Check the box that represents your total family size (see instructions before completing lines 20 and 21)	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/>	
21 Multiply line 19 by Family Size Tax Credit decimal amount (100%) and enter here	514 00	00
22 Subtract line 21 from line 19	0 00	00

Excerpt, Instructions to Kentucky Form 740, Family Size Tax Credit, Page 35

TAX TABLE—2017 KENTUCKY INDIVIDUAL INCOME TAX

Read down the taxable income columns below until you find the bracket for the Taxable Income entered on Form 740-EZ, Line 3; Form 740, Line 11; or Form 740-NP, Line 13. Enter the tax on Form 740-EZ, Line 4; Form 740, Line 12, Column A and/or B; or Form 740-NP, Line 14.

If Taxable Income Is Over But Not Over Tax			If Taxable Income Is Over But Not Over Tax			If Taxable Income Is Over But Not Over Tax			If Taxable Income Is Over But Not Over Tax		
6,000	6,100	183	12,500	12,600	544	19,000	19,100	921	25,500	25,600	1,298
6,100	6,200	188	12,600	12,700	550	19,100	19,200	927	25,600	25,700	1,304

Excerpts, Kentucky Form 740

SECTION B—PERSONAL TAX CREDITS

	Check Regular	Check all four if 65 or over	Check all four if blind	Check both for Kentucky National Guard	
1 (a) Credits for yourself:	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	1 Enter number of boxes checked on line 1 1
(b) Credits for spouse:	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	2 Enter number of dependents who:
2 Dependents:					• lived with you 2
					3 Enter total credits 3
3 Add total number of credits claimed on lines 1 and 2. <i>If married filing separately on a combined return (Filing Status 2), each taxpayer must claim his or her own credits from line 1, divide the credits on line 2, and enter the totals in Boxes 3A and 3B. All other filers enter the amount from line 3 in Box 3B.</i>					Spouse Yourself
					3A 3B
					x \$10 x \$10
4 Multiply credits on line 3A by \$10 and enter on line 4A. Multiply credits on line 3B by \$10 and enter on line 4B. Enter here and on page 1, line 17, Columns A and B					4A 4B 30

Excerpt, Instructions to Kentucky Form 740, Family Size Tax Credit, Page 11

STEP THREE—Use the Family Size Table to look up the percentage of credit and enter in the space provided on Line 21.

Family Size	One		Two		Three		Four or More		Credit Percentage is
	is over	is not over	is over	is not over	is over	is not over	is over	is not over	
If MGI . . .	\$ ---	\$ 12,060	\$ ---	\$ 16,240	\$ ---	\$ 20,420	\$ ---	\$ 24,600	100

Maine: 2017 Maine Individual Income Tax Form 1040ME (www.maine.gov/revenue/forms/1040/2017/17_1040me_d.pdf) and the 2017 Maine Resident, Nonresident or Part-year Resident Individual Income Tax Booklet Form 1040ME (www.maine.gov/revenue/forms/1040/2017/17_1040me_book_dwlnld.pdf) are made available by the Maine Department of Administrative and Financial Services. The family's tax liability calculated to \$0.

Excerpts, Maine Form 1040ME

	2017	MAINE INDIVIDUAL INCOME TAX		99
	FORM 1040ME			
For tax period	2017 to		*1702100*	
1/1/2017 to 12/31/2017 or				
See instructions. Print neatly in blue or black ink only.				

Calculate Your Taxable Income	14	FEDERAL ADJUSTED GROSS INCOME.....	14	20,800	.00
	15	INCOME MODIFICATIONS. (From Schedule 1, line 3.).....	15	0	.00
	16	MAINE ADJUSTED GROSS INCOME. (Line 14 plus or minus line 15.).....	16	20,800	.00
	17	DEDUCTION. <input checked="" type="checkbox"/> Standard (See page 4 of the instructions.).....	17	17,400	.00
Refundable Credits		<input type="checkbox"/> Itemized (See Maine Schedule 2 and page 4 of the instructions.).....			
	18	EXEMPTION. (See instructions.).....	18	12,150	.00
	19	TAXABLE INCOME. (Line 16 minus lines 17 and 18.).....	19	0	.00
	20	INCOME TAX. (Find the tax for the amount on line 19 in the tax table in this booklet or compute your tax using the tax table or tax rate schedules available at www.maine.gov/revenue/forms)	20	0	.00

Excerpts, Instructions to Maine Form 1040ME, Standard Deduction Chart, Page 4

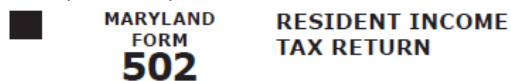
Maine Standard Deduction Chart

Enter the number of boxes checked on Form 1040ME, lines 12a, 12b, 12c, and 12d: ➔ (Do <u>not</u> enter the number of exemptions from Form 1040ME, line 13):		none
If your Filing Status is:	AND the number in the box above is:	Enter on Form 1040ME, line, 17:
Single	None	\$11,600
	1	\$13,150
	2	\$14,700
Married filing Jointly or Qualifying Widow(er)	None	\$23,200
	1	\$24,450
	2	\$25,700
	3	\$26,950
	4	\$28,200
Married filing Separately* * See Note at left.	None	\$11,600
	1*	\$12,850
	2*	\$14,100
	3*	\$15,350
	4*	\$16,600
Head of Household	None	\$17,400
	1	\$18,950
	2	\$20,500

Line 18. Enter the **exemption** amount shown on your federal return (Form 1040, line 42 or 1040A, line 26). If you filed federal Form 1040EZ, enter \$4,050 (\$8,100 if married filing joint). **Except, if you filed federal Form 1040EZ and checked one or both boxes on line 5 of that form, enter on line 18 the amount from line F of the "Worksheet for Line 5 - Dependents Who Checked One or Both Boxes".**

Maryland: Maryland Tax Form 502 (http://forms.marylandtaxes.gov/17_forms/502.pdf) and the Maryland 2017 State and Local Tax Forms & Instructions: Resident Booklet (http://forms.marylandtaxes.gov/17_forms/Resident_Booklet.pdf) are made available by the Comptroller of Maryland. The family's tax liability calculated to \$341, which will be completely offset by the state's earned income tax credit. (See section below on State Refundable Income Tax Credits.) The family did not qualify for the poverty level credit.

Excerpts, Maryland Form 502



2017
\$

175020049

EXEMPTIONS See Instruction 10. Check appropriate box(es). NOTE: If you are claiming dependents, you must attach the Dependents' Information Form 502B to this form to receive the applicable exemption amount.	A. <input checked="" type="checkbox"/> Yourself <input type="checkbox"/> Spouse Enter number checked 1 See Instruction 10. A. \$ <u>3,200</u>
	B. <input type="checkbox"/> 65 or over <input type="checkbox"/> 65 or over <input type="checkbox"/> Blind <input type="checkbox"/> Blind Enter number checked 0 X \$1,000 B. \$ <u>0</u>
	C. Enter number from line 3 of Dependent Form 502B 2 See Instruction 10 C. \$ <u>6,400</u>
	D. Enter Total Exemptions (Add A, B and C.) 3 Total Amount. D. \$ <u>9,600</u>
16. Maryland adjusted gross income (Subtract line 15 from line 7.) 16. <u>21,008</u>	
DEDUCTION METHOD See Instruction 16.	All taxpayers must select one method and check the appropriate box. <input checked="" type="checkbox"/> STANDARD DEDUCTION METHOD (Enter amount on line 17.) <input type="checkbox"/> ITEMIZED DEDUCTION METHOD (Complete lines 17a and 17b.)
	17a. Total federal itemized deductions (from line 29, federal Schedule A) . ▶ 17a. _____ 17b. State and local income taxes (See Instruction 14.) ▶ 17b. _____ Subtract line 17b from line 17a and enter amount on line 17.
	17. Deduction amount (Part-year residents see Instruction 26 (l and m).) 17. <u>3,151</u>
18. Net income (Subtract line 17 from line 16.) 18. <u>17,857</u>	
19. Exemption amount from Exemptions area (See Instruction 10.) 19. <u>9,600</u>	
20. Taxable net income (Subtract line 19 from line 18.) 20. <u>8,257</u>	
MARYLAND TAX COMPUTATION	21. Maryland tax (from Tax Table or Computation Worksheet Schedules I or II) 21. <u>341</u>
	22. Earned income credit (1/2 of federal earned income credit. See Instruction 18.) 22. <u>2,525</u>
	23. Poverty level credit (See Instruction 18.) 23. <u>0</u>
	24. Other income tax credits for individuals from Part K, line 11 of Form 502CR (Attach Form 502CR.) 24. <u>0</u>
	25. Business tax credits You must file this form electronically to claim business tax credits on Form 500CR.
	26. Total credits (Add lines 22 through 25.) 26. <u>2,525</u>
	27. Maryland tax after credits (Subtract line 26 from line 21.) If less than 0, enter 0. 27. <u>0</u>

Excerpts, Instructions to Maryland Form 502, Exemptions, Page 4

The personal exemption is \$3,200. This exemption is reduced once the taxpayer's federal adjusted gross income exceeds \$100,000 (\$150,000 if filing Joint, Head of Household, or Qualifying Widow(er) with Dependent Child). This reduction applies to the additional dependency exemptions as well; however it does not apply to the taxpayer's age or blindness exemption of \$1,000. Use the chart to determine the allowable exemption amount based upon the filing status. **NOTE:** For certain taxpayers with interest from U.S. obligations see Instruction 13, line 13, code hh for applicable exemption adjustment.

If Your federal AGI is	Single or Married Filing Separately Each Exemption is	Joint, Head of Household or Qualifying Widow(er) Each Exemption is	Dependent Taxpayer (eligible to be claimed on another taxpayer's return) Each Exemption is
\$100,000 or less	\$3,200	\$3,200	\$0

Excerpts, Instructions to Maryland Form 502, Standard Deduction and Earned Income Credit, Page 12

Married filing jointly, Head of household or Qualifying widow(er)

Worksheet 2

Enter your income from line 16 of Form 502 \$ 21,008

If your income is: **Your standard deduction is:**

\$20,000 or less \$ **3,000**
 or
 If your income is between \$20,000 - \$26,667 21,008

Enter your income from above: \$ _____
 Multiply by 15 percent (.15) X **.15**
This is your standard deduction \$ 3,151
 or
 If your income is: **Your standard deduction is:**
 \$26,667 or over \$ **4,000**

Enter your standard deduction on line 17 of Form 502.

STATE EARNED INCOME CREDIT WORKSHEET (18A)

(Part-year residents see Instruction 26(o).)

1. Maryland tax (from line 21 of Form 502) 1. 341

2. Federal earned income credit 5,051 x 50% (.50). Enter this amount here and on line 22 of Form 502 2. 2,525

3. Subtract line 2 from line 1. If less than zero (0), enter zero (0). 3. 0

If line 3 is greater than zero (0), you may qualify for the Poverty Level Credit. See instructions below.
 If line 3 is zero (0), you may qualify for the Refundable Earned Income Credit. See Instruction 21.

Excerpts, Instructions to Maryland Form 502, Tax Table, Page 21

2017 MARYLAND TAX TABLE

INSTRUCTIONS:

1. Find the income range that applies to the taxable net income you reported on line 20 of your Form 502.
2. Find the Maryland tax corresponding to your income range.
3. Enter the tax amount on line 21 of Form 502.
4. This table does not include the local income tax.
5. If your taxable income is \$100,000 or more, use the Maryland Tax Computation Worksheet Schedules (17A) at the end of the tax table.

If your taxable net income is...			If your taxable net income is...			If your taxable net income is...			If your taxable net income is...			If your taxable net income is...		
At least	But less than	Your Maryland tax is...	At least	But less than	Your Maryland tax is...	At least	But less than	Your Maryland tax is...	At least	But less than	Your Maryland tax is...	At least	But less than	Your Maryland tax is...
2,250	2,300	61	5,250	5,300	198	8,250	8,300	341	11,250	11,300	483	14,250	14,300	626
2,300	2,350	63	5,300	5,350	200	8,300	8,350	343	11,300	11,350	485	14,300	14,350	628

Excerpts, Instructions to Maryland Form 502, Poverty Level Credit, Pages 12-13

STATE POVERTY LEVEL CREDIT WORKSHEET (18B)

If you checked filing status 6 on your Maryland return, you are not eligible for this credit.

1. Enter the amount from line 7 of Form 502.
If you checked filing status 3 (married filing separately) and you filed a joint federal return enter your joint federal adjusted gross income plus any Maryland additions 1. 21,008
2. Enter the total of your salary, wages, tips and other employee compensation and net profit from self-employment here, and on line 1b of Form 502, if line 1b is currently blank. (Do not include a farm or business loss.) 2. 21,008

3. Find the number of exemptions in the chart that is the same as the number of exemptions entered on your federal tax return. Enter the income level that corresponds to the exemption number 3. 20,420
4. Enter the amount from line 1 or 2, whichever is larger. Compare lines 3 and 4.
If line 4 is greater than or equal to line 3, STOP HERE. You do not qualify for this credit. If line 3 is greater than line 4, continue to line 5. 4. 21,008

Massachusetts: Form 1 Massachusetts Resident Income Tax Return 2017 (<https://www.mass.gov/files/documents/2018/02/07/dor-2017-inc-form-1.pdf>) and its instructions (<https://www.mass.gov/files/documents/2018/04/10/dor-2017-inc-form-1-inst.pdf>) are made available by the Massachusetts Department of Revenue. The family's tax liability calculated to \$108, assuming high rental costs. Massachusetts is one of two states where housing costs are considered when calculating tax liability. The tax liability increases to \$149 if the family receives a Section 8 housing voucher or to \$261 if there are no housing costs, such as living with other family members. Massachusetts has an unusual deduction for contributions to Social Security or Medicare. This family contributed \$1,750 (\$22,880 X 7.65% = \$1,750).

Excerpts, Massachusetts Form 1, Assuming High Rental Costs

Massachusetts Department of Revenue

Form 1 Massachusetts Resident Income Tax Return

2017

2 EXEMPTIONS

a. Personal exemptions. If single or married filing separately, enter **\$4,400**. If **head of household**, enter **\$6,800**. If married filing jointly, enter **\$8,800** 2a 6,800 00

b. Number of dependents (do not include yourself or your spouse). Enclose Schedule DI Total × \$1,000 = 2b 2,000 00

c. Age 65 or over before 2018 You Spouse Total × \$ 700 = 2c 0 00

d. Blindness You Spouse Total × \$2,200 = 2d 0 00

e. Medical/dental (from U.S. Schedule A, line 4) 2e 0 00

f. Adoption. See instructions 2f 0 00

g. **TOTAL EXEMPTIONS.** Add lines 2a through 2f. Enter here and on line 18. 2g 8,800 00

10 TOTAL 5.1% INCOME. Add lines 3 through 9. Be sure to subtract any losses in lines 6 or 7 10 22,880 00

DEDUCTIONS

11 a. Amount you paid to Social Security, Medicare, Railroad, U.S. or Massachusetts retirement. **Not more than \$2,000** 11a

b. Amount spouse paid to Social Security, Medicare, Railroad, U.S. or Massachusetts retirement. **Not more than \$2,000** 11b

12 Child under age 13, or disabled dependent/spouse care expenses (from worksheet) 12

13 Dependent member(s) of household under age 12, or dependent(s) age 65 or over (not you or your spouse) as of December 31, 2017, or disabled dependent(s) (only if single, head of household or married filing joint return and not claiming line 12).
 a. **Not more than two** × \$3,600 = 13

14 Rental deduction. (Total rental deduction cannot exceed \$3,000) (\$1,500 if married filing separately).
 See instructions.
 a. Total rent paid in 2017 + 2 = 14

15 Other deductions from Schedule Y, line 19. **Enclose** Schedule Y 15

16 **TOTAL DEDUCTIONS.** Add lines 11 through 15 16

17 **5.1% INCOME AFTER DEDUCTIONS.** Subtract line 16 from line 10. **Not less than "0"** 17

18 Total exemption amount (from line 2g) 18

19 **5.1% INCOME AFTER EXEMPTIONS.** Subtract line 18 from line 17. **Not less than "0."** If line 17 is less than line 18, see instructions 19

20 **INTEREST AND DIVIDEND INCOME** from Schedule B, line 38. **Not less than "0."** **Enclose** Schedule B 20

21 **TOTAL TAXABLE 5.1% INCOME.** Add lines 19 and 20 21

22 **TAX ON 5.1% INCOME** (from tax table). If line 21 is more than \$24,000, multiply by .051.
 Note: If choosing the optional 5.85% tax rate, fill in oval and see instructions 22

Excerpt, Instructions to Massachusetts Form 1, FICA Contributions Deduction, Page 10

Line 11. Amount Paid to Social Security (FICA), Medicare, Railroad, U.S. or Massachusetts Retirement Systems

If you have paid into any of the retirement systems listed above during 2017, you may deduct those contributions, up to a maximum of \$2,000.

Excerpt, Instructions to Massachusetts Form 1, Tax Table, Assuming High Rental Costs, Page 34,

34

2017 Massachusetts Income Tax Table at the 5.1% Rate

Use this table to calculate tax for taxable 5.1% income (line 21) of not more than \$24,000.

Line 22 instructions: To find your tax on 5.1% Income (line 22), read down the tax table income column to the line containing the amount you entered in line 21. Then read across to the TAX column and enter this amount in line 22. If your taxable 5.1% income in line 21 is greater than \$24,000, multiply the amount by .051. Enter the result in line 22.

Note: If choosing the optional 5.85% tax rate, multiply line 21 and the amount in Schedule D, line 21 by .0585.

INCOME			INCOME			INCOME			INCOME			INCOME			INCOME		
More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX
2,000 –	2,050	103	6,000 –	6,050	307	10,000 –	10,050	511	14,000 –	14,050	715	18,000 –	18,050	919	22,000 –	22,050	1,123
2,050 –	2,100	106	6,050 –	6,100	310	10,050 –	10,100	514	14,050 –	14,100	718	18,050 –	18,100	922	22,050 –	22,100	1,126
2,100 –	2,150	108	6,100 –	6,150	312	10,100 –	10,150	516	14,100 –	14,150	720	18,100 –	18,150	924	22,100 –	22,150	1,128
2,150 –	2,200	111	6,150 –	6,200	315	10,150 –	10,200	519	14,150 –	14,200	723	18,150 –	18,200	927	22,150 –	22,200	1,131

Michigan: 2017 Michigan Individual Income Tax Return MI-1040 (www.michigan.gov/documents/taxes/MI-1040_608962_7.pdf) and its instructions (www.michigan.gov/documents/taxes/MI_1040_Instruction_Book_Instructions_Only_609092_7.pdf) are made available by the Michigan Department of Treasury. The family’s tax liability calculated to \$308. Michigan does not have a head of household tax filing status. The mom must file as single.

Excerpts, Michigan Form MI-1040

Michigan Department of Treasury (Rev. 07-17), Page 1 of 2

Issued under authority of Public Act 281 of 1967, as amended.

2017 MICHIGAN Individual Income Tax Return MI-1040

Amended Return
(Include Schedule AMD)

Return is due April 17, 2018.

9. EXEMPTIONS. NOTE: If someone else can claim you as a dependent, check box 9d, enter 0 on line 9a and enter \$1,500 on line 9d (see instr.).

a. Number of exemptions claimed on 2017 federal return.....	9a.	3	x \$4,000	9a.	12,000	00
b. Number of individuals who qualify for one of the following special exemptions: deaf, blind, hemiplegic, paraplegic, quadriplegic, or totally and permanently disabled	9b.	0	x \$2,600	9b.	0	00
c. Number of qualified disabled veterans	9c.	0	x \$400	9c.	0	00
d. Claimed as dependent, see line 9 NOTE above	9d.	<input type="checkbox"/>		9d.	0	00
e. Add lines 9a, 9b, 9c and 9d. Enter here and on line 15	9e.			9e.	12,000	00
10. Adjusted Gross Income from your U.S. Forms 1040, 1040A, 1040EZ or 1040NR (see instructions).....	10.				19,240	00
11. Additions from Schedule 1, line 9. Include Schedule 1	11.				0	00
12. Total. Add lines 10 and 11	12.				19,240	00
13. Subtractions from Schedule 1, line 27. Include Schedule 1	13.				0	00
14. Income subject to tax. Subtract line 13 from line 12. If line 13 is greater than line 12, enter "0"	14.				19,240	00
15. Exemption allowance. Enter amount from line 9e or Schedule NR, line 19.....	15.				12,000	00
16. Taxable income. Subtract line 15 from line 14. If line 15 is greater than line 14, enter "0"	16.				7,240	00
17. Tax. Multiply line 16 by 4.25% (0.0425).....	17.				308	00

Mississippi: Form 80-105 Resident Individual Income Tax Return 2017 (<http://www.dor.ms.gov/Forms/80105178.pdf>) and its instructions (<http://www.dor.ms.gov/Forms/80100178.pdf>) are made available by the Mississippi Department of Revenue. The family's tax liability calculated to \$20.

Excerpts, Mississippi Form 80-105

Form 80-105-17-B-1.000 (Rev. 10/17)



801051781000

Mississippi
Resident Individual Income Tax Return
2017

Print Form

EXEMPTIONS					
Dependents (in column B, enter "C" for child, "P" for parent or "R" for relative)			8	<input type="checkbox"/> Taxpayer Age 65 or Over <input type="checkbox"/> Taxpayer Blind	<input type="checkbox"/> Spouse Age 65 or Over <input type="checkbox"/> Spouse Blind
6 (A) Name	(B)	(C) Dependent SSN	9	Total dependents line 7 plus number of boxes checked line 8 <u>2</u>	
			10	Line 9 x \$1,500	10 <u>3000</u> .00
			11	Enter filing status exemption	11 <u>8000</u> .00
			12	Total (line 10 plus line 11)	12 <u>11000</u> .00
7 Total number of dependents (from line 6 and Form 80-491)	<u>2</u>				
MISSISSIPPI INCOME TAX			Column A (Taxpayer)	Column B (Spouse)	
13 Mississippi adjusted gross income (from page 2, line 62)			13A <u>15080</u> .00	13B _____ .00	
14 Standard or itemized deductions (if itemized, attach Form 80-108)			14A <u>3400</u> .00	14B _____ .00	
15 Exemptions (from line 12; if married filing separately use 1/2 amount)			15A <u>11000</u> .00	15B _____ .00	
16 Mississippi taxable income (line 13 minus line 14 and line 15)			16A <u>680</u> .00	16B _____ .00	
17 Income tax due (from Schedule of Tax Computation, see instructions)				17 <u>20</u> .00	

Excerpt, Instructions to Mississippi Form 80-105, Exemptions and Standard Deductions, Page 5

Filing Status	Exemption	Standard Deduction
Married – Filing Joint or Combined Return	\$12,000	\$4,600
Married – Spouse Died 2017	\$12,000	\$4,600
Married – Filing Separate Returns	\$6,000	\$2,300
Head of Family	\$8,000	\$3,400
Single	\$6,000	\$2,300

Excerpt, Instructions to Mississippi Form 80-105, Schedule of Tax Computation, Page 24

SCHEDULE OF TAX COMPUTATION

TAX RATE(S)	TAXPAYER (COLUMN A) TAXABLE INCOME		SPOUSE (COLUMN B) TAXABLE INCOME		TOTAL (COLUMN A + B)	RATES	INCOME TAX
1. First \$5,000 or part	680	+	0	=	680	x 3%	20.40
2. Next \$5,000 or part		+		=		x 4%	
3. Remaining balance		+		=		x 5%	
4. Subtotal		+		=			
5. Total income tax – enter on page 1, line 17 (sum of lines 1 through 3)							20.40

Missouri: Form MO-1040 2017 Individual Income Tax Return Long Form (<http://dor.mo.gov/forms/MO-1040%20Print%20Only%202017.pdf>) and its instructions (<http://dor.mo.gov/forms/MO-1040%20Instructions%202017.pdf>) are made available by the Missouri Department of Revenue. The family’s tax liability calculated to \$9.

Excerpts, Missouri Form MO-1040

Missouri Department of Revenue
2017 Individual Income Tax Return - Long Form
 For Calendar Year January 1 - December 31, 2017

	Yourself (Y)		Spouse (S)	
1. Federal adjusted gross income from your 2017 federal return (see worksheet on page 7 of the instructions)	1Y	16,328.00	1S	0.00
2. Total additions (from Form MO-A, Part 1, Line 7)	2Y	0.00	2S	0.00
3. Total income - Add Lines 1 and 2	3Y	16,328.00	3S	0.00
4. Total subtractions (from Form MO-A, Part 1, Line 17)	4Y	0.00	4S	0.00
5. Missouri adjusted gross income - Subtract Line 4 from Line 3	5Y	16,328.00	5S	0.00
6. Total Missouri adjusted gross income - Add columns 5Y and 5S	6	16,328.00		
7. Income percentages - Divide columns 5Y and 5S by total on Line 6. (Must equal 100%)	7Y	100%	7S	0%
8. Pension, Social Security, Social Security Disability, and Military exemption (from Form MO-A, Part 3, Section E)	8	0.00		
9. Select your filing status box below. Enter the appropriate exemption amount on Line 9	9	3,500.00		
<input type="checkbox"/> A. Single - \$2,100 (see Box B before selecting.) <input type="checkbox"/> E. Married Filing Separate (spouse NOT filing) - \$4,200 <input type="checkbox"/> B. Claimed as a Dependent on Another Person's <input checked="" type="checkbox"/> F. Head of Household - \$3,500				
10. Additional personal exemption (see instructions on page 7)	10	500.00		

Exemptior	15. Missouri standard deduction or itemized deductions. • Single or Married Filing Separate - \$6,350 • Head of Household - \$9,350 • Married Filing Combined or Qualifying Widow(er) - \$12,700 If age 65 or older, blind, claimed as a dependent, see page 8. If itemizing, see Form MO-A, Part 2.	15	9,350	00			
	16. Number of dependents (from Federal Form 1040 or 1040A, Line 6c). Do not include yourself or spouse.	2	X \$1,200 =	16	2,400	00	
	23. Total deductions - Add Lines 8, 9, 10, and 14 through 22.	23	15,750	00			
	24. Subtotal - Subtract Line 23 from Line 6.	24	578	00			
	25. Multiply Line 24 by appropriate percentages (%) on Lines 7Y and 7S.	25Y	578	00	25S	0	00
	26. Enterprise zone or rural empowerment zone income modification.	26Y		00	26S		00
27. Taxable income - Subtract Line 26 from Line 25.	27Y	578	00	27S	0	00	
28. Tax (see tax chart on page 20 of the instructions).	28Y	9	00	28S	0	00	

Excerpt, Instructions to Missouri Form MO-1040, Additional Personal Exemption, Page 7

Line 10 - Additional Personal Exemption

If your Missouri adjusted gross income (MO-1040, Line 5Y or 5S) is less than \$20,000 and you claimed a personal exemption on Line 9, you qualify for an additional personal exemption of \$500. Enter \$500 on Line 10 for each qualifying spouse.

Excerpt, Instructions to Missouri Form MO-1040, Tax Chart, Page 20

2017 Tax Chart

To identify your tax, use your Missouri taxable income from Form MO-1040, Line 27Y or 27S and the tax chart in Section A below. A separate tax must be computed for you and your spouse.

Calculate your Missouri tax using the online tax calculator at <http://dor.mo.gov/personal/individual> or by using the worksheet in Section B below. Round to the nearest whole dollar and enter on Form MO-1040, Line 28Y and 28S.

Tax Rate Chart

If the Missouri taxable income is:	The tax is:
\$0 to \$100.	\$0
At least \$101 but not over \$1,008.	1½% of the Missouri taxable income

Nevada has no individual income tax.

New York: Form IT-201 for 2017 is New York State’s Resident Income Tax Return that includes additional taxes for New York City residents: https://www.tax.ny.gov/pdf/current_forms/it/it201.pdf. The New York State Department of Taxation and Finance (<https://www.tax.ny.gov>) collects the taxes, enforces the tax code and provides instructions for Form IT 201(https://www.tax.ny.gov/pdf/current_forms/it/it201i.pdf). New York’s minimum wage is a weighted average, and no New York City taxes were included. The family’s tax liability was \$371. Before the refundable tax credits, the tax liability for each New York minimum wage family breaks down as follows: \$934 for a worker of an employer with more than ten employees in New York City, \$763 for an employer with ten or less employees, \$1,036 for a fast food worker in the city, \$317 for the remainder of downstate New York, \$257 for upstate New York, and \$379 for a fast food worker other than in New York City.



Department of Taxation and Finance
Resident Income Tax Return
 New York State • New York City • Yonkers • MCTMT

IT-201

For the full year January 1, 2017, through December 31, 2017, or fiscal year beginning ... **01012017**

33 New York adjusted gross income (subtract line 32 from line 24) **33** **24223 .00**

Standard deduction or itemized deduction (see page 20)

34 Enter your **standard deduction** (table on page 20) or your **itemized deduction** (from Form IT-201-D)
 Mark an X in the appropriate box: **Standard** - or - **Itemized** **34** **11200 .00**

35 Subtract line 34 from line 33 (if line 34 is more than line 33, leave blank) **35** **13023 .00**

36 Dependent exemptions (enter the number of dependents listed in item H; see page 20) **36** **2000 .00**

37 **Taxable income** (subtract line 36 from line 35) **37** **11023 .00**

Tax computation, credits, and other taxes

38 **Taxable income** (from line 37 on page 2) **38** **11023 .00**

39 NYS tax on line 38 amount (see page 21) **39** **441 .00**

40 NYS household credit (page 21, table 1, 2, or 3) **40** **70 .00**

41 Resident credit (see page 22) **41** **.00**

42 Other NYS nonrefundable credits (Form IT-201-ATT, line 7) ... **42** **.00**

43 Add lines 40, 41, and 42 **43** **70 .00**

44 Subtract line 43 from line 39 (if line 43 is more than line 39, leave blank) **44** **371 .00**

45 Net other NYS taxes (Form IT-201-ATT, line 30) **45** **.00**

46 **Total New York State taxes** (add lines 44 and 45) **46** **371 .00**

Excerpts, Instructions to New York State Form IT-201, Deductions and Exemptions, Page 20

New York State standard deduction table	
Filing status (see page 13)	Standard deduction (enter on line 34)
① Single and you marked item C Yes	\$ 3,100
① Single and you marked item C No	8,000
② Married filing joint return	16,050
③ Married filing separate return	8,000
④ Head of household (with qualifying person)	11,200
⑤ Qualifying widow(er) with dependent child	16,050

Line 36 – Dependent exemptions

⚠ Unlike on your federal return, you may not take personal exemptions for yourself and for your spouse on your New York State return.

The value of each New York State dependent exemption is \$1,000.

Excerpts, Instructions to New York State Form IT-201, Tax Table, Page 50

50 IT-201-I, NYS Tax Table

Access our website at www.tax.ny.gov

\$6,000 – \$14,999

2017 New York State Tax Table

NYS

If your taxable income is –			And you are –			If your taxable income is –			And you are –			If your taxable income is –			And you are –		
At least	But less than		Single or Married filing separately	Married filing jointly*	Head of a household	At least	But less than		Single or Married filing separately	Married filing jointly*	Head of a household	At least	But less than		Single or Married filing separately	Married filing jointly*	Head of a household
8,000						11,000						14,000					
8,000	8,050		321	321	321	11,000	11,050		454	441	441	14,000	14,050		607	561	567

Excerpts, Instructions to New York State Form IT-201, Household Credit, Page 21

New York State household credit table 2

Filing status ②, ④ and ⑤

If your **federal AGI** (see **Note 1**) is:


Over	but not over	1	2	3	4	5	6	7	over 7 (see Note 3)
\$ (see Note 2)	\$ 5,000	\$90	105	120	135	150	165	180	15
5,000	6,000	75	90	105	120	135	150	165	15
6,000	7,000	65	80	95	110	125	140	155	15
7,000	20,000	60	75	90	105	120	135	150	15
20,000	22,000	60	70	80	90	100	110	120	10
22,000	25,000	50	60	70	80	90	100	110	10
25,000	28,000	40	45	50	55	60	65	70	5
28,000	32,000	20	25	30	35	40	45	50	5
32,000		No credit is allowed; do not make an entry on Form IT-201, line 40.							

And **the number of exemptions** listed on Form IT-201, item H, **plus one for you** (and one for your spouse if **Married filing joint return**) is:


Enter on Form IT-201, line 40:

Ohio: 2017 Ohio IT 1040 Individual Income Tax Return (https://www.tax.ohio.gov/portals/0/forms/ohio_individual/individual/2017/PIT_IT1040.pdf) and its instructions (https://www.tax.ohio.gov/portals/0/forms/ohio_individual/individual/2017/PIT_IT1040_Booklet.pdf) are made available by the Ohio Department of Taxation. The family's tax liability calculated to \$0.

Excerpts, Ohio Form IT 1040



2017 Ohio IT 1040
Individual Income Tax Return



17000106

1. **Federal adjusted gross income** (from the federal 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 36; or 1040NR-EZ, line 10). Include page 1 of your federal return if the amount is zero or negative. Place a "-" in box at the right if negative..... 1.

	17264	0	0
2a. Additions – Ohio Schedule A, line 10 (include schedule)..... 2a.	0	0	0
2b. Deductions – Ohio Schedule A, line 35 (include schedule)..... 2b.	0	0	0
3. Ohio adjusted gross income (line 1 plus line 2a minus line 2b). Place a "-" in the box at the right if the amount is less than zero..... <input type="checkbox"/> 3.	17264	0	0
4. Exemption amount (if claiming dependent(s), include Schedule J) 4. Number of exemptions claimed on your federal return: <input type="text"/>	6900	0	0
5. Ohio income tax base (line 3 minus line 4; if less than zero, enter zero)..... 5.	10364	0	0
6. Taxable business income – Ohio Schedule IT BUS, line 13 (include schedule)..... 6.	0	0	0
7. Line 5 minus line 6 (if less than zero, enter zero) 7.	10364	0	0
8a. Nonbusiness income tax liability on line 7a (see instructions for tax tables)..... 8a.	0	0	0

Excerpts, Instructions for Ohio Form IT 1040, Exemptions, Page 17

Line 4 – Personal and Dependent Exemptions

The personal and dependent exemption is a graduated amount based on your Ohio adjusted gross income. See chart below:

Ohio allows a personal exemption for you and, if filing a joint return, your spouse. Ohio allows a dependent exemption for all dependents properly claimed on your federal tax return. **Note:** You must complete Ohio Schedule J to claim your dependent exemption. The form can be found at tax.ohio.gov.

Ohio Adjusted Gross Income	Personal/Dependent Exemption
\$40,000 or less	\$2,300
\$40,001 – \$80,000	\$2,050
More than \$80,000	\$1,800

Excerpts, Instructions for Ohio Form IT 1040, Tax Table, Page 34


2017 Income Tax Table 1 for Ohio IT 1040

If your line 7 amount is:	If your line 7 amount is:			If your line 7 amount is:			If your line 7 amount is:			If your line 7 amount is:		
	At least:	Less than:	Ohio tax:	At least:	Less than:	Ohio tax:	At least:	Less than:	Ohio tax:	At least:	Less than:	Ohio tax:
\$10,000	\$13,000			\$16,000			\$19,000			\$22,000		
NO TAX	13000	13050	126	16000	16050	186	19000	19050	260	22000	22050	338
DUE FOR	13050	13100	127	16050	16100	187	19050	19100	261	22050	22100	339
	13100	13150	128	16100	16150	188	19100	19150	262	22100	22150	340
AMOUNTS	13150	13200	129	16150	16200	189	19150	19200	264	22150	22200	342
	13200	13250	130	16200	16250	191	19200	19250	265	22200	22250	343
OF \$10,650	13250	13300	131	16250	16300	192	19250	19300	266	22250	22300	345
	13300	13350	132	16300	16350	193	19300	19350	267	22300	22350	346
OR LESS	13350	13400	133	16350	16400	194	19350	19400	269	22350	22400	348
	13400	13450	134	16400	16450	196	19400	19450	270	22400	22450	349
	13450	13500	135	16450	16500	197	19450	19500	271	22450	22500	351
	13500	13550	136	16500	16550	198	19500	19550	272	22500	22550	352
	13550	13600	137	16550	16600	199	19550	19600	274	22550	22600	354

Oklahoma: 2017 Oklahoma Resident Individual Income Tax Forms and Instructions (includes Form 511 and Form 538-S) (<https://www.ok.gov/tax/documents/511Pkt-17.pdf>) are made available by the Oklahoma Tax Commission. Although Oklahoma has a state child tax credit and a state earned income credit, they are nonrefundable. However, they offset the \$17 tax liability to zero for the family.

Excerpts, Oklahoma Form 511

Form 511
2017



OKLAHOMA RESIDENT INCOME TAX RETURN

9	Oklahoma income after adjustments (line 7 minus line 8).....	9	15080	00
10c	Oklahoma itemized deductions (line 10A minus line 10B) or Oklahoma standard deduction (Single or Married Filing Separate: \$6,350 • Married Filing Joint or Qualifying Widow(er): \$12,700 • Head of Household: \$9,350).....	10c	9350	00
11	Exemptions (\$1,000 x total number of exemptions claimed above).....	11	3000	00
12	Total deductions and exemptions (add lines 10C and 11 or amount from Sch. 511-D, line 5).....	12	12350	00
13	Oklahoma Taxable Income (line 9 minus line 12).....	13	2730	00
14	Oklahoma Income Tax from Tax Table (see pages 20-31 of instructions) If using Farm Income Averaging, enter tax from Form 573, line 22 and enter a "1" in box. If paying the Health Savings Account additional 10% tax, add additional tax here and enter a "2" in box. <input type="checkbox"/> If recapturing the Oklahoma Affordable Housing Tax Credit, add recaptured credit here and enter a "3" in box. <input type="checkbox"/>	14	17	00
15	Oklahoma child care/child tax credit (see instructions).....	15	91	00
16	Oklahoma earned income credit (see instructions).....	16	281	00
17	Credit for taxes paid to another state (provide Form 511TX).....	17	0	00
18	Form 511CR - Other Credits Form. List 511CR line number claimed here:..... <input type="checkbox"/>	18	0	00
19	Income Tax (line 14 minus lines 15-18) Do not enter less than zero DO NOT PAY THIS AMOUNT. PAYMENT IS FIGURED ON LINE 43.	19	0	00

Excerpts, Instructions to Oklahoma Form 511, Tax Table, Page 20

2017 Oklahoma Income Tax Table

If Oklahoma taxable income is:		And you are:		If Oklahoma taxable income is:		And you are:		If Oklahoma taxable income is:		And you are:	
At least	But less than	Single or married filing separate	Married* filing joint or head of household	At least	But less than	Single or married filing separate	Married* filing joint or head of household	At least	But less than	Single or married filing separate	Married* filing joint or head of household
550	600	3	3	2,550	2,600	22	16	4,550	4,600	70	36
600	650	3	3	2,600	2,650	23	16	4,600	4,650	71	36
650	700	3	3	2,650	2,700	24	17	4,650	4,700	73	37
700	750	4	4	2,700	2,750	25	17	4,700	4,750	74	37

Excerpt, Oklahoma Schedule 511-E, Child Tax Credit

SCHEDULE 511-E		Child Care/Child Tax Credit		See instructions for details on qualifications and required documents.
3	Enter your Federal child tax credit (total of child tax credit & additional child tax credit).....	3	1,812	00
4	Multiply line 3 by 5%.....	4	91	00
5	Enter the larger of line 2 or line 4.....	5	91	00

Excerpt, Oklahoma Schedule 511-F, Earned Income Credit

SCHEDULE 511-F		Earned Income Credit		See instructions for details on qualifications and required documents.
1	Federal earned income credit.....	1	5,616	00
2	Multiply line 1 by 5%.....	2	281	00

Texas has no individual income tax.

Vermont: 2017 Vermont Income Tax Return Form IN-111 (<http://tax.vermont.gov/sites/tax/files/documents/IN-111.pdf>) and its instructions (<http://tax.vermont.gov/sites/tax/files/documents/IN-111%20Instr.pdf>) are made available by the Vermont Agency of Administration, Department of Taxes. The family's tax liability calculated to \$12.

Excerpt, Vermont Form IN-1112

DUE DATE: April 17, 2018 Please PRINT in BLUE or BLACK INK

DEPT USE ONLY

2017 VERMONT **Income Tax Return** **FORM IN-111**

* 1 7 1 1 1 1 1 0 0 *

3	10. Adjusted Gross Income (Federal Form 1040-Line 37; 1040A-Line 21; 1040EZ-Line 4).....	<input type="checkbox"/>	Check to indicate loss	10.	21840.00
	11. Federal Taxable Income (Federal Form 1040-Line 43; 1040A-Line 27; 1040EZ-Line 6) If the federal amount is -0-, see instructions.	<input type="checkbox"/>	Check to indicate loss	11.	340.00
	15. Vermont Taxable Income (Subtract Line 14e from Line 13. If Line 14e is more than Line 13, enter -0-).			15.	340.00
4	16. Vermont Income Tax from Tax Table or Tax Rate Schedule on Line 15 amount			16.	12.00

Excerpts, Instructions to Vermont Form IN-1112, Tax Table, Page 12

2017 VT Tax Tables

If Taxable Income is...		And your filing status is...				If Taxable Income is...		And your filing status is...				If Taxable Income is...		And your filing status is...			
At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household	At Least	But Less Than	Single	Married filing jointly*	Married filing separately**	Head of household
Then your VT Tax is...		Then your VT Tax is...				Then your VT Tax is...		Then your VT Tax is...				Then your VT Tax is...		Then your VT Tax is...			
0 - 1,000						5,000						10,000					
0	100	0	0	0	0	5,000	5,100	179	179	179	179	10,000	10,100	357	357	357	357
100	200	5	5	5	5	5,100	5,200	183	183	183	183	10,100	10,200	360	360	360	360
200	300	9	9	9	9	5,200	5,300	186	186	186	186	10,200	10,300	364	364	364	364
300	400	12	12	12	12	5,300	5,400	190	190	190	190	10,300	10,400	367	367	367	367

Wisconsin: Form 1 2017 (<https://www.revenue.wi.gov/TaxForms2017through2019/2017-Form1.pdf>) and its instructions (<https://www.revenue.wi.gov/TaxForms2017through2019/2017-Form1-Inst.pdf>) are made available by the Wisconsin Department of Revenue. The family's tax liability calculated to \$0.

Excerpts, Wisconsin Form 1



2017

For the year Jan. 1-Dec. 31, 2017, or other tax year

14	Wisconsin income from line 13	14	15080.00
15	Standard deduction. See table on page 55, OR <input type="checkbox"/> If someone else can claim you (or your spouse) as a dependent, see page 29 and check here <input type="checkbox"/>	15	13335.00
16	Subtract line 15 from line 14. If line 15 is larger than line 14, fill in 0	16	1745.00
17	Exemptions (Caution: See page 30)		
a	Fill in exemptions from your federal return <u>3</u> x \$700	17a	2100.00
b	Check if 65 or older <input type="checkbox"/> You + <input type="checkbox"/> Spouse = <u> </u> x \$250	17b	.00
c	Add lines 17a and 17b	17c	2100.00
18	Subtract line 17c from line 16. If line 17c is larger than line 16, fill in 0. This is taxable income	18	0.00

Excerpts, Instructions to Wisconsin Form 1, Standard Deduction Table, Page 55

2017 Standard Deduction Table

55

Dependents or persons filing short-period returns or excluding income from U.S. Possessions, see page 29.

If your income (line 14 of Form 1) is –		And you are –				If your income (line 14 of Form 1) is –		And you are –			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your standard deduction is –						Your standard deduction is –			
14,500	15,000	10,380	19,210	8,240	13,400	44,500	45,000	6,805	14,629	2,307	6,805
15,000	15,500	10,345	19,210	8,141	13,335	45,000	45,500	6,745	14,531	2,208	6,745

Summary of Tax Liabilities by State for Families Studied

State	Minimum Wage	Annual Full-time Earnings	State Income Tax Liability	Refundable Tax Credits	Tax Paid/Refund
Alabama	\$7.25	\$15,080	\$228	\$0	-\$228
Arizona	\$10.50	\$21,840	\$68	\$75	\$7
Arkansas	\$8.50	\$17,680	\$33	\$0	-\$33
Florida	\$8.25	\$17,160	\$0	\$0	\$0
Georgia	\$7.25	\$15,080	\$66	\$0	-\$66
Idaho	\$7.25	\$15,080	\$0	\$0	\$0
Illinois	\$8.25	\$17,160	\$463	\$786	\$323
Indiana	\$7.25	\$15,080	\$196	\$505	\$309
Kansas	\$7.25	\$15,080	\$0	\$955	\$955
Kentucky	\$7.25	\$15,080	\$0	\$0	\$0
Maine	\$10.00	\$20,800	\$0	\$255	\$255
Maryland	\$10.10	\$21,008	\$341	\$1,364	\$1,023
Massachusetts	\$11.00	\$22,880	\$108	\$1,072	\$964
Michigan	\$9.25	\$19,240	\$308	\$326	\$18
Mississippi	\$7.25	\$15,080	\$20	\$0	-\$20
Missouri	\$7.85	\$16,328	\$9	\$0	-\$9

Nevada	\$8.25	\$17,160	\$0	\$0	\$0
New York	\$11.65	\$24,223	\$371	\$1,903	\$1,532
Ohio	\$8.30	\$17,264	\$0	\$0	\$0
Oklahoma	\$7.25	\$15,080	\$0	\$0	\$0
Texas	\$7.25	\$15,080	\$0	\$0	\$0
Vermont	\$10.50	\$21,840	\$12	\$1,562	\$1,550
Wisconsin	\$7.25	\$15,080	\$0	\$618	\$618

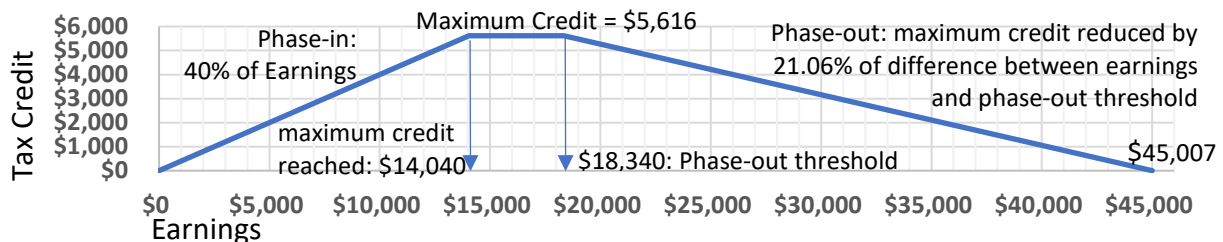
Earned Income Tax Credit

The federal Earned Income Tax Credit is one of the big three welfare programs and the largest cash assistance program. President Donald Trump’s budget proposal for FFY 2019 estimates \$63.8 billion spent on EITC benefits in FFY 2017 compared to \$63.6 billion spent on food stamps,² making it essentially the same size as the food stamp program in benefits distributed. In calendar year 2015, 28.1 million tax returns filed for and received Earned Income Tax Credits. Although an imperfect comparison, a monthly average of 22.4 million households received food stamps in calendar year 2015.³

The Earned Income Tax Credit can be calculated using factors published by the Internal Revenue Service in the Internal Revenue Bulletin, Bulletin No. 2016-45, November 7, 2016: Rev. Proc. 2016-55, p. 710 (<https://www.irs.gov/pub/irs-irbs/irb16-45.pdf>). The credit not only depends on the tax filing status but also on the number of qualifying children. For two qualifying children, the factors are as follows:

- Maximum amount of credit: \$5,616
- Earned income amount threshold when maximum credit is achieved: \$14,040
- Threshold for when phase-out begins: \$18,340
- Final threshold when phase-out is complete (maximum qualifying income): \$45,077.

Chart Showing 2017 Earned Income Credit for Tax Filer with Two Qualifying Children



The credit is 40 percent of earnings until it reaches the maximum allowed credit. After earnings reach the phase-out threshold, the maximum credit is reduced by taking 21.06 percent of the difference between the phase-out threshold and earnings until it completely phases out, which is the final threshold. The 40

² Office of Management and Budget, *Fiscal Year 2019: Efficient, Effective, Accountable: An American Budget: Analytical Perspectives, Budget of the U.S. Government*, pages 159 and footnote 15 on the same page (the total spent is the sum of the tax expenditure plus the outlay- https://www.whitehouse.gov/wp-content/uploads/2018/02/ap_13_expenditures-fy2019.pdf), and the Appendix, page 156: <https://www.whitehouse.gov/wp-content/uploads/2018/02/appendix-fy2019.pdf>.

³ Calculated using FFY 2015 and FFY 2016 data available for the Food and Nutrition Service, U.S. Department of Agriculture: <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.

percent phase-in credit and the 21.06 percent phase-out credit are found in the U.S. tax code (26 U.S. Code § 32 - Earned Income: <https://www.law.cornell.edu/uscode/text/26/32>).

The instructions to federal Form 1040 also provide a table to determine the Earned Income Tax Credit. The families' calculations were cross-referenced to this table and found to be the same, thus confirming the results of the calculations. A section of the table is copied below showing the credit for a single mom with two children earning the federal minimum wage, as assumed in this study. There are ten states in this study that fall under the federal minimum wage: Alabama, Georgia, Idaho, Indiana, Kansas, Kentucky, Mississippi, Oklahoma, Texas, and Wisconsin.

Section of Earned Income Credit Table on Page 64 of the Instructions to IRS Form 1040

Earned Income Credit (EIC) Table - Continued (Caution. This is **not** a tax table.)

If the amount you are looking up from the worksheet is--		And your filing status is--								If the amount you are looking up from the worksheet is--		And your filing status is--							
		Single, head of household, or qualifying widow(er) and the number of children you have is--				Married filing jointly and the number of children you have is--						Single, head of household, or qualifying widow(er) and the number of children you have is--				Married filing jointly and the number of children you have is--			
At least	But less than	0	1	2	3	0	1	2	3	0	1	2	3	0	1	2	3		
15,000	15,050	0	3,400	5,616	6,318	426	3,400	5,616	6,318	18,200	18,250	0	3,400	5,616	6,318	182	3,400	5,616	6,318
15,050	15,100	0	3,400	5,616	6,318	423	3,400	5,616	6,318	18,250	18,300	0	3,400	5,616	6,318	178	3,400	5,616	6,318
15,100	15,150	0	3,400	5,616	6,318	419	3,400	5,616	6,318	18,300	18,350	0	3,400	5,616	6,318	174	3,400	5,616	6,318
15,150	15,200	0	3,400	5,616	6,318	415	3,400	5,616	6,318	18,350	18,400	0	3,394	5,609	6,311	170	3,400	5,616	6,318

State Refundable Income Tax Credits

The following states do not have a refundable earned income tax credit or other comparable refundable tax credit as part of their income tax system: Alabama, Arkansas, Georgia, Kentucky, Mississippi, and Missouri. Although Ohio and Oklahoma have earned income tax credits, they are not refundable. Of course, the question is irrelevant to Florida, Nevada, and Texas because they do not have income taxes.

This analysis lists the entire refundable tax credit separately, even any portion of the tax credit used to offset a state income tax liability. The post-tax earnings and credits give a true picture of the balance because it diminishes the gross earnings by the tax but then adds in the credit.

Arizona: Line 55 of Form 140 provides for a refundable Increased Excise Tax Credit. The family qualifies for a refund of \$75. Combined with a tax liability of \$68, the family will receive \$7 without paying any income tax.

Excerpt, Arizona Form 140

Total Payments and Refundable Credits	52	2017 AZ income tax withheld.....	52		00
	53	2017 AZ estimated tax payments. 53a <input type="text" value="00"/> Claim of Right 53b <input type="text" value="00"/> Add 53a and 53b.. 53c	53c		00
	54	2017 AZ extension payment (Form 204)	54		00
	55	Increased Excise Tax Credit (from the worksheet - see instructions)	55	75	00
	56	Property Tax Credit from Form 140PTC	56		00
	57	Other refundable credits: Check the box(es) and enter the total amount..... 571 <input type="checkbox"/> 308-I 572 <input type="checkbox"/> 342 573 <input type="checkbox"/> 349 57	57		00
	58	Total payments and refundable credits: Add lines 52 through 57 and enter the total	58	75	00

Excerpts, Instructions to Arizona Form 140, Increased Excised Tax Credit, Page 21-22

Line 55 - Increased Excise Tax Credit

You may claim this credit if you meet **all** of the following:

- You **must** have a SSN that is valid for employment.
- You meet the income threshold for your filing status.
 - If you are married filing a joint return, or **a head of household**, you may claim this credit if the amount on Form 140, page 1, **line 12, is \$25,000** or less.
 - If you are single or married filing a separate return, you may claim this credit if the amount on Form 140, page 1, line 12 is \$12,500 or less.
- You are **not claimed as a dependent by any other taxpayer.**
- You were **not sentenced for at least 60 days of 2017 to a county, state, or federal prison.**

If you checked no, STOP. You do not qualify for this credit. If you checked yes, complete the rest of this worksheet.

1. Enter the number of dependents you entered on Form 140, page 1, box 10, excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)]. Also exclude any dependent that is not an Arizona resident.	2
2. Number of personal exemptions. If you checked filing status 4, enter the number 2 here. If you checked filing status 5, 6, or 7, enter the number 1 here.	1
3. Add lines 1 and 2. Enter the total.	3
4. Multiply the amount on line 3 by \$25. Enter the result.	\$ 75

Credit for Increased Excise Taxes Worksheet (continued on next page)	
If you checked filing status 4 or 5, is the amount on Form 140, page 1, line 12, \$25,000 or less?	Check One
If you checked filing status 6 or 7, is the amount on Form 140, line 12, \$12,500 or less?	<input type="checkbox"/> Yes <input type="checkbox"/> No

5. Maximum credit.	\$ 100	00
6. Enter the smaller of line 4 or line 5 here and also enter on Form 140, line 55.	\$ 75	00

Idaho: Although Idaho does not have an earned income tax credit, it has a refundable grocery credit equal to \$100 per person for a full-time resident. However, a family does not qualify for the refundable grocery tax credit for any month it received assistance from the food stamp program. Because the family qualifies for food stamps and would receive significantly more in food stamp benefits than the \$300 in a refundable grocery tax credit, it was assumed the family would choose the food stamp benefit.

Excerpts, Idaho Form 40 and Instructions to Idaho Form 40, Grocery Credit Worksheet, Page 10

LINE 42 GROCERY CREDIT

If you're an Idaho resident, you can claim a credit for each personal exemption for which a deduction is permitted and claimed on your Idaho income tax return, provided the individual claimed as an exemption is an Idaho resident. If your parents or someone else can claim you as a dependent on their return, you can't claim this credit on your return.

The credit is \$100 per exemption for all income levels.

You can claim an additional \$20 if you're age 65 or older on December 31, 2017, and are an Idaho resident. Also, if your spouse is age 65 or older and is an Idaho resident, you can claim an additional \$20.

An individual doesn't qualify for the credit for any month or part of a month for which that person:

- Received assistance from the federal food stamp program**
- Was incarcerated or**
- Lived illegally in the United States**

Illinois: Earned Income Credit Schedule IL-EIC (<http://www.revenue.state.il.us/TaxForms/IncmCurrentYear/Individual/IL-1040-Schedule-IL-EIC.pdf>) and its instructions (<http://www.revenue.state.il.us/TaxForms/IncmCurrentYear/Individual/IL-1040-Schedule-IL-EIC-Instr.pdf>) provide for a 14% match to the federal Earned Income Tax Credit. The state refundable tax credit for the family calculated to \$786, offsetting the \$463 tax liability for a \$323 refund.

Excerpts, Illinois Schedule IL-EC



Illinois Department of Revenue
2017 Schedule IL-EIC Illinois Earned Income Credit
 Attach to your Form IL-1040

IL Attachment No. 30

Step 4: Figure your Illinois Earned Income Credit

- 5 Enter the amount of federal Earned Income Credit from your federal Form 1040, Line 66a; 1040A, Line 42a; or 1040EZ, Line 8a. 5 5,616 .00
- 6 Multiply the amount on Line 5 by 14% (.14). 6 463 .00
- 7 **Illinois residents:** Enter 1.0. 7 1 .
Nonresidents and part-year residents: Enter the decimal from Schedule NR, Line 48.
- 8 Multiply Line 6 by the decimal on Line 7. This is your Illinois Earned Income Credit. 8 463 .00
 Enter this amount here and on your Form IL-1040, Line 29.

Warning: Intentionally submitting false information is a crime under Section 1301 of the Illinois Income Tax Act

Indiana: Indiana's credit is determined by looking up the value in the 2017 Indiana Earned Income Tax Credit Table in the IT-40 Booklet 2017 (previously cited). According to the table, the state refundable tax credit for the family is \$505, negating the tax liability of \$196 for a \$309 refund.

Excerpts, Indiana Schedule 3

Schedule IN-EIC
Form IT-40/IT-40PNR
State Form 49469
(R17 / 9-17)

Schedule IN-EIC: Indiana's Earned Income Credit
You must enclose if claiming this credit on Forms IT-40 or IT-40PNR

2017

Enclosure
Sequence No. 9

Section A: Figure Your Indiana Earned Income Credit

- A-1 Enter the earned income credit from your federal income tax return A-1 5,616 .00
- A-2 Enter your earned income (see instructions) A-2 15,080 .00
- A-3 Enter your Indiana earned income credit (see instructions).
Carry this total to Form IT-40, Schedule 5, line 5, or
Form IT-40PNR, Schedule F, line 5, Box A A-3 505 .00
 Indiana Earned Income Credit

Excerpts, Instructions to Indiana Form IT-40, Earned Income Credit Table, Page 32

2017 Indiana Earned Income Credit (EIC) Table – Continued

If the amount you are looking up from the worksheet is —		And you have —			If the amount you are looking up from the worksheet is —		And you have —			If the amount you are looking up from the worksheet is —		And you have —		
At least	But less than	No children	One child	Two children	At least	But less than	No children	One child	Two children	At least	But less than	No children	One child	Two children
10250	10300	33	306	370	12650	12700	16	306	456	15050	15100	306	505	
Your credit is —					Your credit is —					Your credit is —				

Kansas: Page 8 of the K-40 Kansas Individual Income Tax form has a worksheet to calculate the Kansas Earned Income Tax Credit, which is equal to 17 percent of the federal Earned Income Tax Credit. The state refundable tax credit for the family calculated to \$955.

Excerpts, Kansas Form K-40, Page 2, and Instructions to Form K-40, Page 8

Withholding and Payments	21. Kansas income tax withheld from W-2s and/or 1099s.....	21		00
	22. Estimated tax paid.....	22		00
	23. Amount paid with Kansas extension.....	23		00
	24. Refundable portion of earned income tax credit (from worksheet, page 8 of instructions)	24	955	00

If this is on

Earned Income Tax Credit (EITC) Worksheet	
1. Federal EITC (from your federal tax return).....	\$ <u>5,616</u>
2. Kansas EITC (multiply line 1 by 17%).....	\$ <u>955</u>
3. Enter amount from line 15 of Form K-40.....	\$ <u>0</u>
4. Total (subtract line 3 from line 2).....	\$ <u>955</u>
If line 4 is a positive figure, enter the amount from line 3 above on line 16 of Form K-40. Then enter amount from line 4 on line 24 of Form K-40.	
If line 4 is a negative figure, enter the amount from line 2 above on line 16 of Form K-40. Then enter zero (0) on line 24 of Form K-40.	

Maine: The 2018 Maine Individual Income Tax Booklet provides a worksheet for a refundable earned income tax credit equal to 5 percent of the federal Earned Income Tax Credit. The state tax credit for the family calculated to \$255.

Excerpt, Instructions to Maine Form 1040ME, Earned Income Tax Credit, Page 22

2017 - Worksheet for Earned Income Tax Credit - Schedule A, Lines 3 and 10 (Enclose with your Form 1040ME)	
1. Enter amount from federal Form 1040, line 66a or federal Form 1040A, line 42a or federal Form 1040EZ, line 8a.....	1. <u>5,093</u>
2. Multiply Line 1 by 5% (line 1 x .05).....	2. <u>255</u>
▶ Maine Residents: Enter the amount from line 2 on Form 1040ME, Schedule A, line 3. Except , if you are filing Schedule NRH, continue to line 3. Part-year residents and nonresidents , continue to line 3.	

Maryland: Page 16 of the Maryland tax booklet provides a worksheet for determining the Maryland Earned Income Tax Credit, which is equal to 27 percent of the federal Earned Income Tax Credit. The state tax credit for the family calculated to \$1,364, offsetting the \$341 tax liability and giving the family a \$1,023 refund.

Excerpt, Instructions to Maryland Form 502, Refundable Earned Income Tax Credit, Page 16

REFUNDABLE EARNED INCOME CREDIT WORKSHEET (21A)

TO CLAIM CREDIT YOU MUST:

- have an entry on line 22 and line 29 of Form 502, and
- have entered zero on line 3 of the STATE EARNED INCOME CREDIT WORKSHEET (18A) in Instruction 18.

1. ENTER your federal earned income credit $5,051 \times 27\% (.27)$ (Part-year residents see Instruction 26(o))	1. <u>\$1,364</u>
2. ENTER your Maryland tax from line 21 of Form 502	2. <u>341</u>
3. SUBTRACT line 2 from line 1. If less than zero (0), enter zero (0). This is your refundable earned income credit.	3. <u>1,023</u>

If line 3 is greater than zero (0), enter the amount on line 42 of Form 502.

Massachusetts: Line 42 of 2017 Form 1 provides a 23 percent match to the federal Earned Income Tax Credit. The state refundable tax credit for the family calculated to \$1,072, offsetting the \$108 tax liability and giving the family a \$964 refund.

Excerpt, Massachusetts Form 1

42 Earned Income Credit. a. Number of qualifying children

Amount from U.S. return $\times .23 = 42$

Michigan: Line 27 of 2017 MI-20140 provides for a 6 percent match to the federal Earned Income Tax Credit. The state refundable tax credit for the family calculated to \$326, offsetting the \$308 tax liability for a \$18 refund.

Excerpts, Michigan Form MI-1040

	FEDERAL	MICHIGAN
27. Earned Income Tax Credit. Multiply line 27a by 6% (0.06) and enter result on line 27b.....	27a. <input type="text" value="5,430"/> <input type="text" value="00"/>	27b. <input type="text" value="326"/> <input type="text" value="00"/>

New York: The Instructions to Form IT 201 list twenty-one refundable tax credits for individuals. This analysis assumes the family will claim two credits: the Empire State child credit and the New York State earned income credit. Together these credits total \$1,903—\$660 and \$1,243, respectively—that easily

offsets the \$371 tax liability, leaving the family with a \$1,532 refund. The tax credits vary for each of the minimum wage scenarios in New York. In New York City, the total credits vary from \$2,000 to \$2,269. New York City has four refundable tax credits specific to living in the city, including an Enhanced Real Property Tax Credit for Homeowners and Renters that can be as much as \$500. The total credits for upstate New York are \$2,057; for the remainder downstate, \$1,988; and for non-New York City fast food workers, \$1,890.

Excerpts, New York State Form IT-213, Claim for Empire State Child Credit



Department of Taxation and Finance

Claim for Empire State Child Credit

IT-213

4	Enter the number of children who qualify for the federal child tax credit or additional child tax credit (<i>see instructions</i>)	<input type="text" value="4"/>	<input type="text" value="2"/>
5	Enter the number of children from line 4 that were at least four but less than 17 years of age on December 31, 2017.. If you entered 0 on line 5, stop ; you do not qualify for this credit.	<input type="text" value="5"/>	<input type="text" value="2"/>
6	Enter your federal child tax credit from Form 1040A, line 35, or Form 1040, line 52	<input type="text" value="6"/>	<input type="text" value="271.00"/>
7	Enter your federal additional child tax credit from Form 1040A, line 43, or Form 1040, line 67.....	<input type="text" value="7"/>	<input type="text" value="1729.00"/>
8	Add lines 6 and 7.....	<input type="text" value="8"/>	<input type="text" value="2000.00"/>
9	Enter the number of children from line 4	<input type="text" value="9"/>	<input type="text" value="2"/>
10	Divide line 8 by line 9	<input type="text" value="10"/>	<input type="text" value="1000.00"/>
11	Enter the number of children from line 5	<input type="text" value="11"/>	<input type="text" value="2"/>
12	Multiply line 10 by line 11.....	<input type="text" value="12"/>	<input type="text" value="2000.00"/>
13	Multiply line 12 by 33% (.33)	<input type="text" value="13"/>	<input type="text" value="660.00"/>

Excerpts, New York State Form IT-213, Claim for Earned Income Credit



Department of Taxation and Finance

Claim for Earned Income Credit
New York State • New York City

IT-215

9	Enter your federal adjusted gross income (from Form IT-201, line 19, or Form IT-203, line 19, Federal amount column)	<input type="text" value="9"/>	<input type="text" value="24223.00"/>
10	Amount of federal EIC claimed (from federal Form 1040EZ, line 8a; Form 1040A, line 42a; or Form 1040, line 66a)	<input type="text" value="10"/>	<input type="text" value="4377.00"/>
11	New York State earned income credit (NYS EIC) rate 30% (.30)	<input type="text" value="11"/>	<input type="text" value=".30"/>
12	Tentative NYS EIC (multiply line 10 by line 11; <i>see instructions</i>)	<input type="text" value="12"/>	<input type="text" value="1313.00"/>
Complete Worksheet B on the back page before continuing.			
13	Enter the amount from <i>Worksheet B</i> , line 5, on the back of this form.....	<input type="text" value="13"/>	<input type="text" value="371.00"/>
14	New York State household credit (from Form IT-201, line 40, or Form IT-203, line 39) ..	<input type="text" value="14"/>	<input type="text" value="70.00"/>
15	Enter the smaller of line 13 or line 14	<input type="text" value="15"/>	<input type="text" value="70.00"/>
16	Allowable New York State earned income credit (subtract line 15 from line 12; <i>see instructions</i>)	<input type="text" value="16"/>	<input type="text" value="1243.00"/>

Worksheet B

1	New York State tax (from Form IT-201, line 39, or Form IT-203, line 38)	<input type="text" value="1"/>	<input type="text" value="371.00"/>
2	Resident credit (<i>see instructions</i>)	<input type="text" value="2"/>	<input type="text" value=".00"/>
3	Accumulation distribution credit (<i>see instructions</i>)	<input type="text" value="3"/>	<input type="text" value=".00"/>
4	Add lines 2 and 3	<input type="text" value="4"/>	<input type="text" value="0.00"/>
5	Subtract line 4 from line 1. (<i>If line 4 is more than line 1, enter 0.</i>) Enter here and on line 13 on the front of this form.	<input type="text" value="5"/>	<input type="text" value="371.00"/>

Ohio: Although Ohio has an earned income tax credit equal to 10 percent of the federal Earned Income Tax Credit, it is nonrefundable. Because the family had no tax liability, the tax credit did not come into play. See page 28 of the instructions.

Oklahoma: Although Oklahoma has both a child tax credit equal to 5 percent of the federal Child Tax Credit and an earned income tax credit also equal to 5 percent of the federal Earned Income Tax Credit, these credits are nonrefundable. The family’s tax liability of \$17 was easily offset by the \$91 state child tax credit and the \$281 state earned income credit, but no refund is allowable.

Vermont: 2017 Vermont Tax Adjustments and Credits Schedule IN-112 (<http://tax.vermont.gov/sites/tax/files/documents/IN-112.pdf>) provides a 32 percent match to the federal Earned Income Tax Credit. The state refundable tax credit for the family calculated to \$1,562, greatly exceeding the \$12 tax liability for a \$1,550 refund.

Excerpt, Vermont Schedule IN-112, Part III. Earned Income Tax Credit



PART III VERMONT EARNED INCOME TAX CREDIT For FULL-YEAR residents and PART-YEAR residents

ELIGIBILITY QUESTIONS MUST BE ANSWERED

- A. Enter number of qualifying children A. 2
- B. Enter number of qualifying children under the age of 18 B. 2
- C. Were you (or your spouse if filing a joint return) at least age 25 but under age 65 at the end of 2017? Yes No
If you answered "No" and do not have any qualifying children, you do not qualify for Earned Income Tax Credit.

FULL-YEAR RESIDENTS: Answer eligibility questions above and complete Lines 1 and 2

1. Earned income tax credit from Federal Form 1040-Line 66a; 1040A-Line 42a; or 1040EZ-Line 8a	1.	<u>4882</u>	.00
2. Vermont Earned Income Tax Credit (Multiply Line 1 by 32%). Enter amount on Form IN-111, Line 31c	→ 2.	<u>1562</u>	.00

Wisconsin: Page 41 of the instructions to 2017 Form 1 provides a varying match rate to the federal Earned Income Tax Credit, depending on the number of qualifying children. For two children, the match rate is 11 percent. Therefore, the Wisconsin credit is \$618: that is, \$5,616 x 11% = \$618.

Excerpt, Wisconsin Form 1, Page 3

42 Earned income credit. Number of qualifying children ... 2
Federal credit. ... 5616.00 x 11 % = 42 618.00

Excerpt, Instructions to Wisconsin Form 1, Page 41

Line 42 Earned Income Credit

If you qualify for the federal earned income credit and you have at least one qualifying child, you also qualify for the Wisconsin earned income credit. However, you must have been a legal resident of Wisconsin for the entire year.

Number of qualifying children (see Step 1 above)	Fill in this percentage rate
1	4%
2	11%
3 or more	34%

Additional Child Tax Credit

The Additional Child Tax Credit is the refundable portion of the federal Child Tax Credit, allowing families with no tax liability to receive all, or a portion of, the maximum Child Tax Credit.

The following four families in this study had a federal tax liability that was offset by the Child Tax Credit: Arizona (\$34), Massachusetts (\$139), New York (\$271), and Vermont (\$34). The numbers in the parentheses are the tax liabilities that were offset. For all four cases, the families received Additional Child Tax Credits that were refundable equal to \$2,000 minus their allowable Child Tax Credit. For example, the Arizona family received a refundable Child Tax Credit of \$1,966. When added to the regular Child Tax Credit of \$34, it equals \$2,000.

The Additional Child Tax Credit is calculated by taking fifteen percent of the earnings over \$3,000 or the non-allowable Child Tax Credit, whichever is less. The maximum Child Tax Credit for 2017 was \$1,000 per child. For the families in this study, ten states— Alabama, Georgia, Idaho, Indiana, Kansas, Kentucky, Mississippi, Oklahoma, Texas, and Wisconsin—received \$1,812 in combined Child Tax Credit and Additional Child Tax Credit because fifteen percent of their earnings over the threshold did not equal the non-allowable portion of the Child Tax Credit. Families in twelve states— Arizona, Arkansas, Florida, Illinois, Maine, Maryland, Massachusetts, Michigan, Nevada, New York, Ohio, and Vermont—received the maximum \$2,000 in combined credits, and the remaining state (Missouri), received a combined total of \$1,999.

For the Child Tax Credit and the Additional Child Tax Credit, the IRS provides Schedule 8812 for taxpayers to determine their tax credits (<https://www.irs.gov/pub/irs-pdf/f1040s8.pdf>). The tax law is found in 26 U.S. Code § 24 - Child Tax Credit (<https://www.law.cornell.edu/uscode/text/26/24>).

Food Stamps

Officially named the Supplemental Nutrition Assistance Program, the food stamps program is administered by the states but is mostly funded by the federal government. States share in the administrative costs of the program but not in the cost of the benefits distributed. In FFY 2017, 42.2 million people were in a household who received food stamps,⁴ comprising 13 percent of the population.⁵

The program has two income tests: a *gross income test* and a *net income test*. The gross income test is 130 percent of the federal poverty level. Note that families with an elderly or disabled member do not need to meet the gross income test. However, it was assumed in this study that no member in the families was disabled. Therefore, all families must meet the gross income test. For Calendar Year 2017,⁶ the gross income test equaled \$26,295.

The *net income test* is determined by applying various deductions as follows:

- Twenty percent of earnings

⁴ FNS, Supplemental Nutrition Assistance Program and Costs (Data as of May 4, 2018): <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.

⁵ Percentage calculated by author using the Population Estimate for July 1, 2017, as published by the U.S. Census Bureau, available as QuickFacts: United States: <https://www.census.gov/quickfacts/fact/table/US/PST045217>.

⁶ The gross income test for 2017 was calculated using a weighted average of the gross income tests for FFY 2017 and FFY 2018. For a family of three, the monthly income thresholds were \$2,184 and \$2,213, respectively, for the 48 contiguous states.

- Standard deduction⁷ of \$1,893
- Dependent care costs
- Child support payments made
- Medical costs over \$35 per month for families with an elderly or disabled member
- Excess shelter costs

This study did not assume any deductions for dependent care costs, child support payments made, and medical costs.

The excess shelter deduction is determined as follows:

Calculation Procedure	Example: Upstate New York Family
1 Gross Income	\$21,632
2 – Twenty Percent of Earnings	\$4,326
3 – Standard Deduction	\$1,893
4 – Dependent Care Costs	\$0
5 – Child Support Payments Made	\$0
6 – Medical Costs	\$0
7 = Adjusted Income	\$15,413
8 One Half of Adjusted Income (line 7 ÷ 2)	\$7,706
9 Shelter Costs (Based on FMR)	\$16,570
10 Shelter Costs over 1/2 Adjusted Income (Line 9 – Line 8)	\$8,863
11 Maximum Excess Shelter Costs Allowed	\$6,258
12 Excess Shelter Cost: Minimum of Line 10 and Line 11	\$6,258
13 Net Income (Line 7 – Line 11)	\$9,155

The first step in determining the excess shelter deduction is to determine the adjusted income. This is calculated by subtracting 20 percent of earnings, the standard deduction, dependent care costs, child support payments made, and medical costs over \$35 per month if elderly or disabled, as shown above. The example given above is of a minimum wage earner in upstate New York per this study.

Next, the adjusted income is divided by two. If the shelter costs, including utility costs, exceed one half of the adjusted income, then the amount over is compared to a maximum limit, known as the shelter deduction. The minimum of the two amounts becomes the excess shelter cost. In the example above, one half of the adjusted income is \$7,706. The rent using the fair market rents as published by HUD is \$16,570. The shelter cost is \$8,863 over the threshold. The maximum shelter deduction⁸ for 2017 was \$6,258. Therefore, the maximum shelter deduction becomes the excess shelter cost.

⁷ The standard deduction for 2017 was calculated using a weighted average of the standard deductions for FFY 2017 and FFY 2018, which were \$157 per month and \$160 per month, respectively, for a family of three in the 48 contiguous states.

⁸ The 2017 shelter deduction was calculated using a weighted average of the shelter deductions for FFY 2017 and FFY 2018, which were \$517 per month and \$535 per month, respectively, for a family of three in the 48 contiguous states.

Calculating the net income is simple. It is the adjusted income minus the excess shelter costs. In the example above, the adjusted income is \$15,413, and the excess shelter cost is \$6,258, the maximum allowed. Therefore, $\$15,413 - \$6,258 = \$9,155$.

Note that the maximum shelter deduction amount acts as a cap against what may be an unreasonable assumption. The FMRs in New York State can be very high, and prohibitively so for many low-income families. However, the \$6,258 cap diminishes the impact on benefits received, helping to mitigate or even negate assumptions using an overestimation of benefits for the food stamp program. Because the formula assumes that a family has the responsibility of spending 30 percent of its income for food, the difference in assistance between a family with high rental costs and low rental costs will never be more than \$1,877 annually, which is calculated by multiplying \$6,258 by 30%.

In order to qualify, the family must also meet the *net income* test,⁹ which was \$20,226 for calendar year 2017. The family clearly qualifies because \$9,155 is significantly less than \$20,226.

The benefit amount is equal to the maximum allotment minus 30 percent of the net income as follows, shown in annual amounts:

Maximum Allotment	\$6,111
30% of Net Income	\$2,746
Food Stamp Benefit Amount	\$3,365

For a family of three within the 48 contiguous states, the maximum allotment¹⁰ was \$6,111 for Calendar Year 2017. Thirty percent of the net income equals \$2,746, that is, $30\% \times \$9,155 = \$2,746$. Finally, \$6,111 minus \$2,746 equals \$3,365.

For the minimum wage families in this study, the following amounts were the annual benefit amounts:

- New York (weighted average)—\$2,743
- Massachusetts—\$3,065
- Arizona and Vermont—\$3,315
- Maryland—\$3,514
- Maine—\$3,534
- Michigan—\$3,939
- Arkansas—\$3,991
- Ohio—\$4,413
- Florida, Illinois, and Nevada—\$4,438
- Missouri—\$4,638
- Alabama, Georgia, Idaho, Indiana, Kansas, Kentucky, Mississippi, Oklahoma, Texas, and Wisconsin—\$4,937

More specifically for New York State, the following amounts were calculated for the families:

- New York City and for employers with more than 10 employees—\$0 (Failed Gross Income Test)

⁹ The 2017 net income test was calculated using a weighted average of the net income test for FFY 2017 and FFY 2018, which was \$1,680 per month and \$1,702 per month, respectively, for a family of three in the 48 contiguous states.

¹⁰ The 2017 maximum allotment was calculated by using a weighted average of the maximum allotments for FFY 2017 and FFY 2018, which were \$511 per month and \$504 per month, respectively, for a family of three in the 48 contiguous states.

- New York City and for employers with 10 or less employees—\$2,566
- New York City Fast Food Worker—\$0 (Failed Gross Income Test)
- The remainder of Downstate, consisting of Nassau, Suffolk, and Westchester counties—\$3,065
- Upstate New York—\$3,365
- New York State (Other than New York City) Fast Food Worker—\$2,691

FNS provides online guidance for determining eligibility (<http://www.fns.usda.gov/snap/eligibility>) and online access to the factors and standards (<https://www.fns.usda.gov/snap/cost-living-adjustment-cola-information>). The federal law is found in 7 U.S. Code Chapter 51 - Supplemental Nutrition Assistance Program (<https://www.law.cornell.edu/uscode/text/7/chapter-51>).

Not shown here are alternative food stamp calculations made using the same methodology for families receiving Section 8 housing vouchers found under Summary Run 3 in the Table of Calculated Results.

School Meals

School Meals combines the National School Lunch Program and the School Breakfast Program. The notice of reimbursement costs for school year 2017-2018 (July 1st to June 30th) was published on July 28, 2018 (Federal Register, Vol. 82, No. 144—<https://www.gpo.gov/fdsys/pkg/FR-2017-07-28/pdf/2017-15956.pdf>), and the notice for school year 2016-2017 was published on August 5, 2016 (Federal Register/Vol. 81, No. 151—<https://www.gpo.gov/fdsys/pkg/FR-2016-08-05/pdf/2016-18650.pdf>).

The reduced-cost school lunch reimbursement rate was \$2.80 per meal, and the free lunch reimbursement rate was \$3.20 per meal.¹¹ The reduced-cost breakfast reimbursement rate was \$1.43 per meal, and the free breakfast reimbursement rate was \$1.73 per meal.¹²

The number of reimbursed school meals was estimated by dividing the total number of meals served for the subsidized school lunches by the number of participants. The same calculation was used for the school breakfast program.¹³

It was assumed that both children for each family in this study received school lunches, but only one child received school breakfasts. This assumption was made because participation with the school breakfast program is about one half of the school lunch program.

The table below gives the number of school days when subsidized lunches and subsidized breakfasts were served. The table also shows the number of participants in the reduced-cost or free lunch and breakfast programs. Finally, the table shows the percentage of participants in the school breakfast program to the total number of participants in the school lunch program.

¹¹ The 2017 reimbursement rates were calculated by averaging the 2016-2017 and 2017-2018 school years for schools with less than 60 percent eligible students for the 48 contiguous states. For school year 2016-2017, the reduced-cost school lunch reimbursement rate was \$2.76 per meal and the free lunch reimbursement rate was \$3.16 per meal. For school year 2017-2018, the rates increased to \$2.83 and \$3.23, respectively.

¹² The 2017 reimbursement rates were calculated by averaging the 2016-2017 and 2017-2018 school years rates for schools defined as “non-severe” for the 48 contiguous states. For school year 2016-2017, the reduced-cost school breakfast reimbursement rate was \$1.41, and the free breakfast reimbursement rate was \$1.71. For school year 2017-2018, the rates increased to \$1.45 and \$1.75, respectively. FNS defines a severe school as one that has 40 percent or more qualifying students: <https://www.fns.usda.gov/eligibility-severe-need-rates-school-breakfast-program>.

¹³ Preliminary FY 2017 data from USDA Child Nutrition Tables as published by FNS were used, accessed on February 12, 2018: <https://www.fns.usda.gov/pd/child-nutrition-tables>.

Subsidized School Meal Statistics by state (FY 2017)

State	Number of School Days		Number of Participants		Percent Breakfast to Lunch
	Subsidized Lunches Served	Subsidized Breakfasts Served	Reduced Cost or Free Lunches	Reduced Costs or Free Breakfasts	
Alabama	162	163	511,653	271,335	53%
Arizona	166	168	638,247	314,840	49%
Arkansas	166	166	314,020	184,856	59%
Florida	162	161	1,716,158	855,077	50%
Georgia	164	163	1,211,159	649,920	54%
Idaho	153	151	155,247	78,542	51%
Illinois	165	170	1,058,635	424,460	40%
Indiana	166	166	742,102	282,752	38%
Kansas	155	156	337,997	120,141	36%
Kentucky	158	158	525,319	311,921	59%
Maine	161	161	97,761	50,073	51%
Maryland	159	159	445,433	271,784	61%
Massachusetts	162	167	529,809	204,429	39%
Michigan	158	163	800,300	401,180	50%
Mississippi	166	166	371,355	203,724	55%
Missouri	162	164	586,892	283,818	48%
Nevada	172	173	224,490	139,239	62%
New York	160	168	1,662,930	759,318	46%
Ohio	162	162	994,005	449,359	45%
Oklahoma	154	154	442,818	231,500	52%
Texas	163	165	3,348,723	1,908,851	57%
Vermont	164	165	45,999	24,230	53%
Wisconsin	164	167	509,337	189,768	37%
Total	162	164	17,270,388	8,611,117	50%

Medicaid

By far, Medicaid has become the largest welfare program in terms of participation and cost. President Trump’s proposed budget for Federal Fiscal Year 2019 shows total federal obligations of \$422 billion¹⁴ to match states’ funds of \$227 billion for some 73.5 million enrollees,¹⁵ accounting for more than 22 percent of the U.S. population.¹⁶

¹⁴ Office of Management and Budget, *Fiscal Year 2019: Efficient, Effective, Accountable: An American Budget: Appendix, Budget of the U.S. Government*, page 439: <https://www.whitehouse.gov/wp-content/uploads/2018/02/appendix-fy2019.pdf>.

¹⁵ Office of the Actuary, Centers for Medicare & Medicaid Services, United States Department of Health & Human Services, *2016 Actuarial Report on the Financial Outlook for Medicaid*, Table 3, p. 15: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/MedicaidReport2016.pdf>.

¹⁶ Percentage calculated by author using the Population Estimate for July 1, 2017, as published by the U.S. Census Bureau, available as QuickFacts: United States.

Eligibility for Medicaid and CHIP was determined using the CMS Medicaid and CHIP Eligibility Levels table available on Medicaid.gov (<https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html>, accessed February 13, 2018). In every case, the children were eligible for Medicaid. The parent was not eligible for Medicaid in the following states: Alabama, Florida, Georgia, Idaho, Kansas, Maine, Mississippi, Missouri, Oklahoma, and Texas. For the remaining states studied—Arizona, Arkansas, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Nevada, New York, Ohio, Vermont, and Wisconsin—the parent was eligible for Medicaid, and it was assumed that the parent received Medicaid. However, if the parent is offered health insurance through her employer, the cost of Medicaid can be reduced by about \$5,000—or \$4,986, to be precise, to show the revised benefit level.

The assumed enrollee cost came from the Office of the Actuary, CMS. For children, the average cost was \$3,389, and for “non-expansion” adults it was \$4,986 in FFY 2015, which are the most recent data available.¹⁷

Section 8 Housing Vouchers

The Section 8 Housing Vouchers program is a federal program that is administered by the Office of Public and Indian Housing of the Department of Housing and Urban Development through local Public Housing Authorities and occasionally through state agencies, such as Georgia’s Department of Community Affairs.

According to the HUD assisted housing dataset (<https://www.huduser.gov/portal/datasets/assthsg.html>), 5.2 million persons participated in the Section 8 Housing Voucher program, accounting for 1.6 percent of the U.S. population.¹⁸

Eligibility for Section 8 Housing Vouchers differs from every other welfare program considered in this study. Admission to the program is severely limited, and families may apply only when the local and state administering agencies announce they are accepting applications. Almost always, successful applicants are not awarded participation in the program but are placed on a waiting list to be considered when a voucher might become available.

The income level of each family studied was compared to very-low-income level data published by HUD that are used to determine income eligibility for rental assistance programs, including the Section 8 Housing Voucher program: https://www.huduser.gov/portal/datasets/fmr/fmr2017/FY2017-4050-County-Level_Data.xlsx. All families in this study had incomes below the published income levels.

HUD publishes fair market rents, and this study used the 2017 dataset for county-level FMRs: https://www.huduser.gov/portal/datasets/fmr/fmr2017/FY2017-4050-County-Level_Data.xlsx. Housing policy requires a family with two children to rent a three-bedroom apartment if the two children are of the opposite sex, or a two-bedroom apartment if the children are of the same sex. This study assumed that each family consisted of one boy and one girl.

¹⁷ Christopher J. Truffer, FSA, MAAA, Christian J. Wolfe, FSA, MAAA, and Kathryn E. Rennie, ASA, "2016 Actuarial Report on the Financial Outlook for Medicaid," Office of the Actuary, CMS, U.S. Department of Health & Human Services, Table 2, page 7 (<https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/MedicaidReport2016.pdf>).

¹⁸ Calculated by author using Census Bureau data.

Extracted from the HUD assisted housing dataset, all housing data used were weighted based on the number of units available for Section 8 housing vouchers by county.¹⁹ The dataset was queried on March 20, 2018, using the following parameters: 2017 data, county-level data, all counties, all states.

HUD Factors Used

State	Weighted Averages			Section 8 Housing Units	Estimated Voucher Subsidy
	Two Bedroom Apartment FMR	Three Bedroom Apartment FMR	Very Low Income Limit		
Alabama	\$787	\$1,045	\$25,895	35,615	\$8,302
Arizona	\$909	\$1,316	\$28,069	23,435	\$9,528
Arkansas	\$700	\$942	\$24,052	24,028	\$6,294
Florida	\$1,108	\$1,499	\$29,993	107,725	\$13,130
Georgia	\$907	\$1,201	\$28,920	64,538	\$10,181
Idaho	\$760	\$1,070	\$27,284	7,216	\$8,604
Illinois	\$1,126	\$1,442	\$34,438	103,691	\$12,448
Indiana	\$785	\$1,030	\$28,601	40,896	\$8,128
Kansas	\$821	\$1,121	\$30,712	13,221	\$9,213
Kentucky	\$739	\$1,010	\$27,734	36,439	\$7,881
Maine	\$834	\$1,128	\$29,080	13,146	\$7,579
Maryland	\$1,444	\$1,877	\$42,878	54,018	\$16,504
Massachusetts	\$1,381	\$1,734	\$41,212	91,021	\$14,233
Michigan	\$851	\$1,140	\$29,976	60,832	\$8,198
Mississippi	\$775	\$1,031	\$23,789	26,395	\$8,141
Missouri	\$841	\$1,133	\$30,921	44,134	\$8,988
Nevada	\$933	\$1,358	\$28,839	15,366	\$11,432
New York	\$1,435	\$1,843	\$40,066	256,330	\$15,134
Ohio	\$781	\$1,035	\$30,131	98,849	\$7,534
Oklahoma	\$789	\$1,077	\$28,705	24,888	\$8,691
Texas	\$930	\$1,252	\$29,684	164,365	\$10,787
Vermont	\$1,202	\$1,601	\$33,994	7,534	\$12,947
Wisconsin	\$839	\$1,108	\$32,028	30,805	\$9,060

Using the New York City Fast Food Worker as an example, the following method was used to calculate the annual cost of a Section 8 Housing Voucher:

Gross Income	\$28,080
Deduction for Dependents	\$960
Adjusted Annual Income	\$27,120
30% of Adjusted Income	\$8,136
10% of Unadjusted Income	\$2,808
Minimum Payment	\$300
Tenant Total Payment (TTP)	\$8,136

¹⁹ The database also listed 736 units not identified to any specific locale. These were excluded from the analysis.

Allowable Annual Rent (FMR)	\$25,224
Housing Choice Voucher Subsidy	\$17,088

First, a dependent deduction of \$960 (\$480 for each child) was subtracted from gross income. Next, the following calculations were made:

- 30 percent of the adjusted income— $30\% \times \$27,120 = \$8,136$
- 10 percent of gross income— $10\% \times \$28,080 = \$2,808$
- minimum payment of \$300— $\$25 \text{ per month} \times 12 = \300

The tenant payment is the maximum of the three calculations. The difference between the allowable rent, which is based on the Fair Market Rent, is \$17,088. This is the amount of the voucher.

Federal regulation (24 CFR 5.611 Adjusted Income) allows additional deductions for elderly or disabled families, reasonable child care expenses necessary for the parent to be employed, and medical and attendant care expenses for persons with disabilities that exceed three percent of annual income. None of these other deductions were assumed.

Of all the welfare programs considered in this study, a Section 8 housing voucher is the least likely benefit. Public Housing Authorities may deviate by ten percent off the FMR. Also, recipients may rent less expensive housing, which would reduce the subsidy. If the mom had two children of the same sex, she would need only a two-bedroom apartment, which will lower the subsidy. If a participant rents a more expensive apartment than the FMR, it would not increase the subsidy, and the participant would be required to make up the difference.

Notes on Some Limitations

While this study shows the likely basic welfare benefits for the families studied for each selected state, there are limitations. No calculations were made to account for local income taxes, local minimum wages, or local welfare assistance. No other payroll deductions were made, such as for unemployment insurance, other than for Social Security or Medicare.

The calculated tax liabilities are likely maximum values because no tax credits other than those considered were assumed. However, additional nonrefundable tax credits would make little difference because the families in this study had very little tax liability. Therefore, only refundable tax credits not considered here would make a significant difference.

Finally, some of these results depend on the accuracy of governmental databases. For example, the weighting of housing costs depends on various HUD databases. To the degree that there is inaccurate data in these databases, the results could be impacted.

About the Author

A contributing scholar to the Georgia Center for Opportunity, a senior fellow with the Illinois Policy Institute, and an economics lecturer for York College of Pennsylvania, Erik Randolph specializes in applying scholarly research and methods to develop practical solutions for public policy. He has created unique economic models, written hundreds of fiscal analyses on legislation, and utilizes sophisticated quantitative research. He regularly applies scholarly research to advocate for effective governance and legislation. He has testified before Congress and two state legislative bodies on his research.

Erik began his professional career in 1986 at the U.S. General Accounting Office (renamed the Government Accountability Office) where he was trained as a program evaluator. He coauthored the GAO Staff Study U.S. Science and Engineering Base: A Synthesis of Concerns About Budget and Policy Development. He received a “Special Commendation Award” for “outstanding contributions” to the staff study.

Afterward, Erik became a senior fellow with the University-Industry Programs division at the New York State Science and Technology Foundation. In 1989, Erik moved back to his native Pennsylvania as an economic development analyst for the Office of Technology Development at Pennsylvania’s Department of Commerce, working with the nationally recognized Ben Franklin Partnership program to spawn economic development by sponsoring industry-university research projects. He also helped to solidify the creation of the Industrial Resource Center program intended to revitalize small to medium-sized manufacturers. He also produced a statistical report profiling defense industry contractors in the state.

In 1991, Erik became an analyst with the Committee on Appropriations, Pennsylvania House of Representatives. He developed expertise in the legislative process, the drafting of legislation, fiscal analysis, forecasting costs of proposed legislation, budgeting, revenue forecasting, debt analysis, and capital budgeting. Erik wrote bill analyses, hundreds of fiscal notes, budget briefings, and white papers. He organized forums and hearings on areas of public policy, participated on task forces, worked on bipartisan issues, and negotiated legislation. He was also tasked with completing special projects on behalf of the Chairman.

From 2011 to 2013, Erik was a special assistant to the Pennsylvania Secretary of Public Welfare. He led teams of executive staff on numerous projects, including preparing Congressional testimony and recommending changes in federal law. He developed an early version of the welfare cliff model, demonstrating the economic impact of the welfare system on specific household types, and led a team of staff that developed a prototype solution. He led another team of staff that developed options to link child support to subsidized childcare services, addressing a conflict between Court Rules of Civil Procedure on child support and departmental regulations.

From 1996 to 2013, Erik taught principles of economics on a part-time basis for Harrisburg Area Community College. In 2015, he became an economics lecturer for York College of Pennsylvania.

Erik received a Master of Science degree in science and technology studies, an interdisciplinary program from the College of Humanities at Rensselaer Polytechnic Institute, in 1988. He has two bachelor’s degrees from the Pennsylvania State University: a Bachelor of Science degree from the University’s College of Science (mathematics) and a Bachelor of Arts degree from its College of Liberal Arts (political science).